EARNINGS RELEASE

3Q23

RESULTS WEBINAR
November 9, 2023
11a.m (Brasília) / 9a.m (New York)

Videoconference in Portuguese
with simultaneous translation into English
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3Q23 EARNINGS RELEASE

São Paulo, November 8, 2023 – Smart Fit (SMFT3), the leader in the fitness sector across Latin America in number of clubs[1], announces its results for 3Q23. To facilitate analysis, the results are shown without the effect of IFRS 16/CPC 06 (R2). The effects of IFRS 16/CPC 06 (R2) on the result are detailed from page 19 onwards.

HIGHLIGHTS OF THE PERIOD

- ***Member base in constant expansion, reaching 4.4 million, up 18% from 3Q22***

  Successful member attraction and retention efforts and expansion of clubs drove member base growth, adding 134,000 club members in the quarter.

- ***Net revenue of R$1,089 million, +42% vs. 3Q22, and growth across all regions vs. 2Q23***

  Ninth straight quarter of growth with continuous increase in average net revenue per Smart Fit club combined with expansion of own club network.

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

  Cash gross margin of 50.2%, notably with stable margin of 52% at mature units and solid performance by units opened since 2021

- ***EBITDA margin of 30.0%, +7.4 p.p. vs. 3Q22, and operating cash flow of R$314 million in the period***

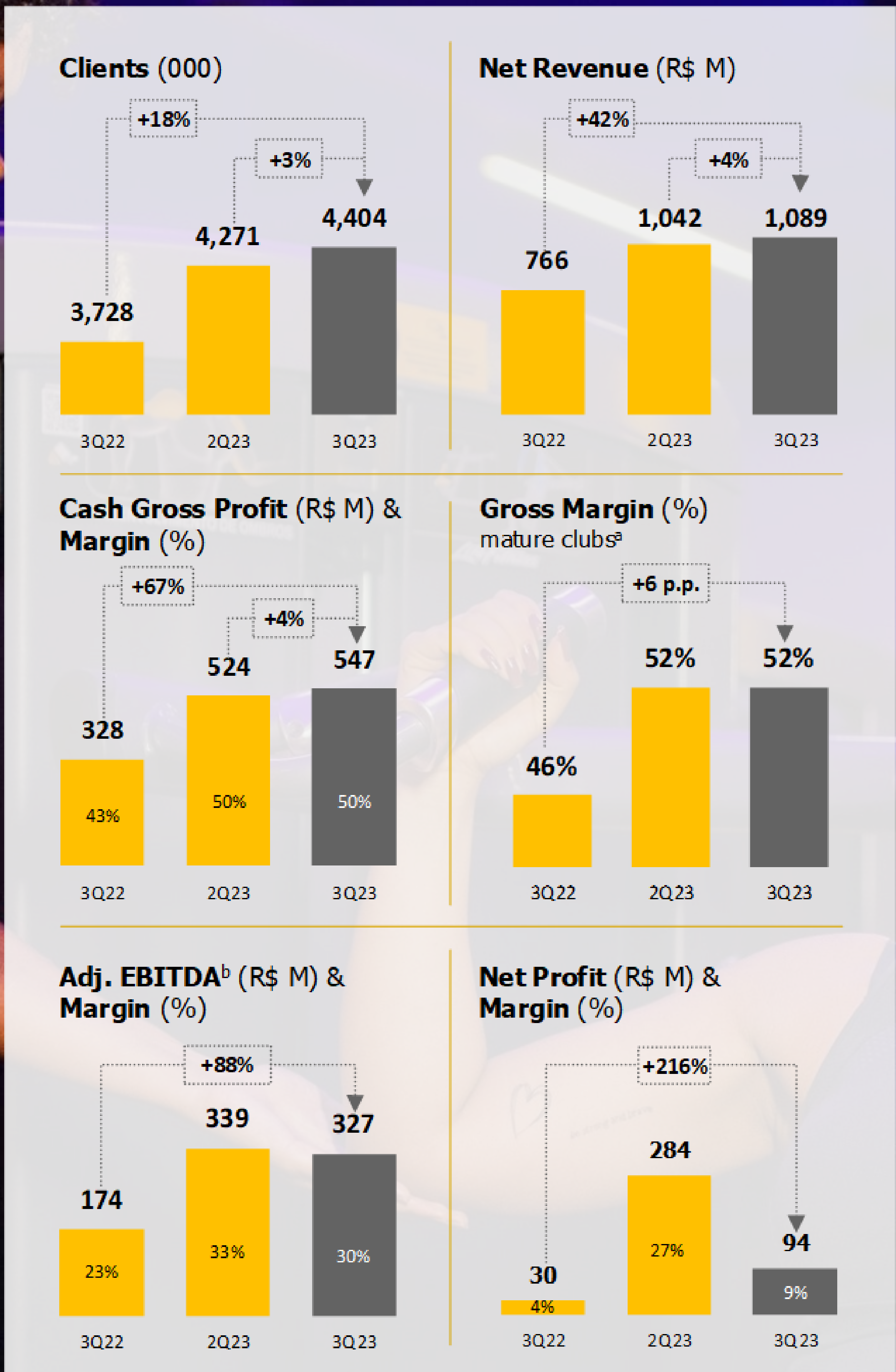
  EBITDA of R$327 million, strong growth of 88% vs. 3Q22 and operating cash flow of R$1,062 million in 9M23 (vs. R$441 million in 9M22).

- ***Recurring net income[3] of R$101 million, more than triple vs. the same period last year***

  Continuous improvement in profitability consolidates the trend of net income growth, marked by five straight quarters of positive results, with recurring net margin of 9.3% in 3Q23.

3Q23 Highlights[a]	3Q23	3Q22	3Q23 vs. 3Q22	2Q23	3Q23 vs. 2Q23	9M23	9M22	9M23 vs. 9M22
Clubs	1,306	1,157	13%	1,259	4%	1,306	1,157	13%
Total Members (000)[b]	4,404	3,728	18%	4,271	3%	4,404	3,728	18%
Net Revenue (R$ million)	1,089	766	42%	1,042	4%	3,114	2,077	50%
Adjusted EBITDA[c] (R$ million)	327	174	88%	339	(4%)	970	362	168%
Adjusted EBITDA Margin	30.0%	22.7%	7.4 p.p.	32.6%	(2.5) p.p.	31.2%	17.4%	13.8 p.p.
Net Income (R$ million)	94	30	216%	284	(67%)	484	(86)	–
Operating Cash Flow[d] (R$ million)	314	169	86%	380	(17%)	1,062	441	141%

(1) According to the International Health, Racquet & Sportsclub Association data, disclosed in 2023, with base date 2022 ("IHRSA"); (2) Unit is considered mature when it has been operating for at least 24 months at the start of the calendar year; (3) Excludes the negative effect of R$7 million in net income in 3Q23 from the acquisition and the revaluation of Panama (a) In 1Q23, the company acquired 100% of the Panama and Costa Rica operations and hence its results are consolidated in the company's financial statements starting from 2023; (b) Includes members of clubs, studios and digital channel; (c) Excludes the effects of IFRS 16/CPC06 (R2) and the gain from revaluation of investment in Panama. See the "EBITDA Breakdown" section; (d) See "Operating Cash Flow" section.



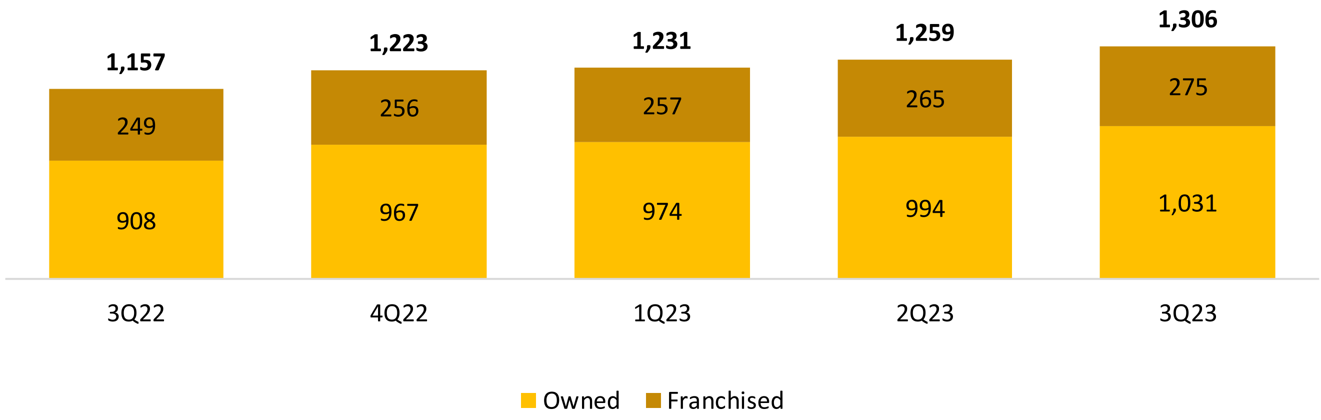
(a) Unit is considered mature when it has been operating for at least 24 months at the start of the calendar year; (b) "Adjusted EBITDA" excludes the gain of R$176.6 million in 2Q23 obtained from the revaluation of the existing 50% interest in Panama.

OPERATING PERFORMANCE

CLUB NETWORK

The company ended 3Q23 with 1,306 clubs, an increase of 13% from 3Q22, due to 14% growth of own clubs and 10% in franchises. All inaugurations are Smart Fit brand clubs, which added 37 own clubs and 10 franchises. Of the additions in the quarter, 19 were in Brazil, 12 in Mexico and 16 in Other Latin America. Moreover, 2 Studios were inaugurated in Brazil during the period.

Clubs end of period



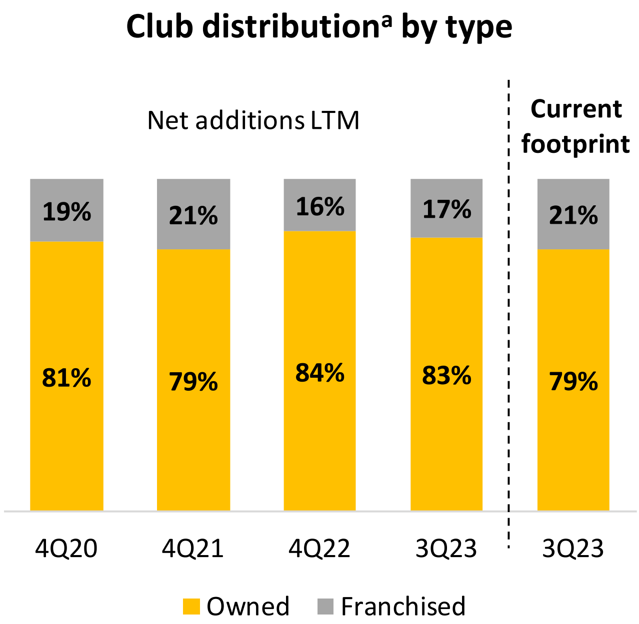
In 9M23, 83 clubs were added and, at the end of 3Q23, 112 units were under construction. In addition, the company ended the 3Q23 with more than 90 signed contracts for units to be opened, mainly in 2024.

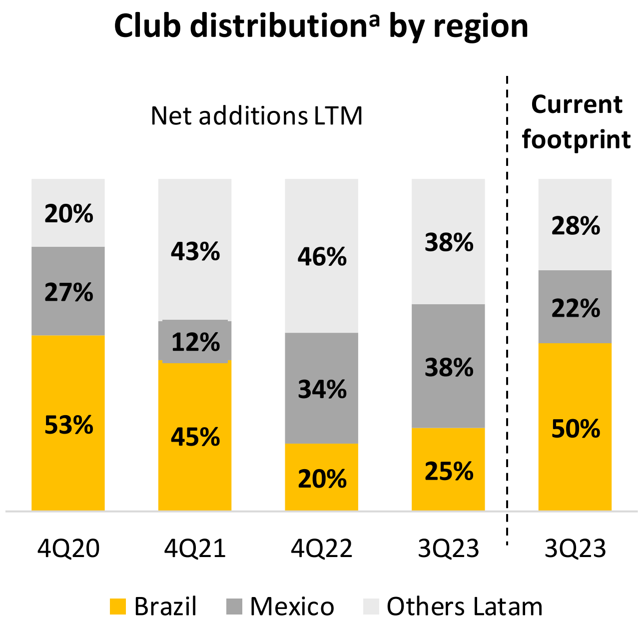
Evolution of Club Network

Clubs	End of Period					Growth 3Q23 vs.		Variation 3Q23 vs.	
	3Q22	4Q22	1Q23	2Q23	3Q23	2Q23	3Q22	2Q23	3Q22
Total	**1,169**	**1,236**	**1,244**	**1,274**	**1,323**	**49**	**154**	**4%**	**13%**
Clubs	**1,157**	**1,223**	**1,231**	**1,259**	**1,306**	**47**	**149**	**4%**	**13%**
By Type									
Owned	908	967	974	994	1,031	37	123	4%	14%
Franchised	249	256	257	265	275	10	26	4%	10%
By Brand									
Smart Fit	1,129	1,196	1,204	1,231	1,278	47	149	4%	13%
Owned	885	945	952	971	1,008	37	123	4%	14%
Brazil	419	429	431	431	448	17	29	4%	7%
Mexico	223	245	250	264	274	10	51	4%	23%
Other Latin America[a]	243	271	271	276	286	10	43	4%	18%
Franchised	244	251	252	260	270	10	26	4%	11%
Brazil	175	179	177	181	183	2	8	1%	5%
Mexico	9	9	10	12	14	2	5	17%	56%
Other Latin America[a]	60	63	65	67	73	6	13	9%	22%
Bio Ritmo and O2	28	27	27	28	28	0	0	–	–
Owned	23	22	22	23	23	0	0	–	–
Franchised	5	5	5	5	5	0	0	–	–
By Region									
Brazil	621	634	634	639	658	19	37	3%	6%
Mexico	232	254	260	276	288	12	56	4%	24%
Other Latin America[a]	304	335	337	344	360	16	56	5%	18%
Studio[b]	**12**	**13**	**13**	**15**	**17**	**2**	**5**	**13%**	**42%**

(a) The "Other Latin America" region includes own operations in Argentina, Chile, Colombia, Costa Rica, Paraguay, Peru and Panama and the franchises in El Salvador, Ecuador, Guatemala, Dominican Republic and Honduras; (b) Studios include 9 own clubs and 8 franchises.

At the end of 3Q23, the club network consisted of 1,031 own units (79% of total) and 275 franchises. In the last 12 months, 83% of the openings were own clubs. Of the additions in the period, 38% were in Mexico, 38% in Other Latin America and 25% in Brazil. Of the total club base, Brazil has 50%, followed by Other Latin America and Mexico with 28% and 22%, respectively.





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

Note that, of the own clubs under the Smart Fit brand, 647 units (64%) were mature at the end of the quarter, considering the definition that a unit is mature when it had been operating for at least 24 months at the start of the year.

MEMBER BASE

The member base continued growing in 3Q23 to reach 4.4 million, up 18% year on year and 3% from 2Q23. The combination of successful member attraction and retention efforts and network expansion, with the maturation of new units, drove the growth of the member base. Historically, the company attracts more members at mature clubs in the third quarter than in the second quarter, mainly due to the climate in most of the regions where Smart Fit operates and the higher engagement of potential members, motivated by their personal goals for the approaching summer.

Club member base grew 134,000 in 3Q23, up 21% year on year and 3% from 2Q23. Average membership per club expanded 11% in relation to the same period last year, with growth in both own clubs and franchises.

Evolution of Member Base

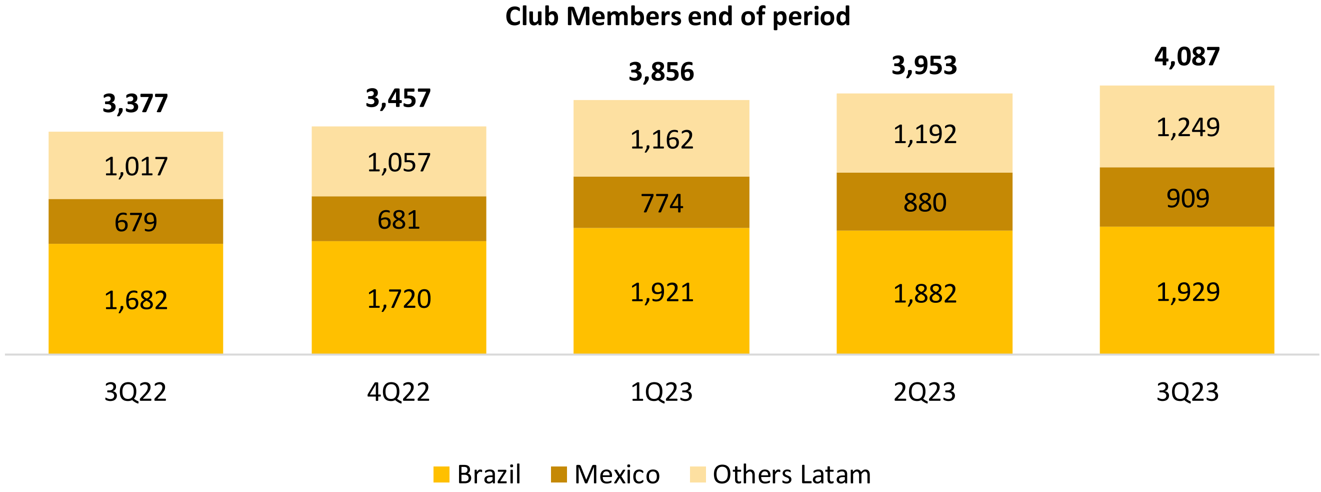
Clients ('000)	End of Period					Growth 3Q23 vs.		Variation 3Q23 vs.	
	3Q22	4Q22	1Q23	2Q23	3Q23	2Q23	3Q22	2Q23	3Q22
Total	**3,728**	**3,801**	**4,188**	**4,271**	**4,404**	**133**	**676**	**3%**	**18%**
Clubs	**3,377**	**3,457**	**3,856**	**3,953**	**4,087**	**134**	**710**	**3%**	**21%**
By Type									
Owned	2,642	2,705	3,026	3,103	3,208	105	566	3%	21%
Franchised	735	752	831	851	880	29	144	3%	20%
By Brand									
Smart Fit	**3,329**	**3,407**	**3,805**	**3,901**	**4,035**	**133**	**706**	**3%**	**21%**
Owned	2,601	2,663	2,982	3,059	3,164	105	563	3%	22%
Brazil	1,140	1,165	1,307	1,277	1,316	39	176	3%	15%
Mexico	652	655	743	837	860	23	208	3%	32%
Other Latin America[a]	809	843	932	945	988	42	179	4%	22%
Franchised	728	744	822	842	871	28	143	3%	20%
Bio Ritmo and O2	**48**	**50**	**52**	**52**	**53**	**1**	**4**	**1%**	**9%**
By Region									
Brazil	1,682	1,720	1,921	1,882	1,929	48	248	3%	15%
Mexico	679	681	774	880	909	29	230	3%	34%
Other Latin America[a]	1,017	1,057	1,162	1,192	1,249	57	232	5%	23%
Studio	**3**	**4**	**4**	**4**	**5**	**0**	**1**	**7%**	**43%**
Digital[b]	**348**	**340**	**328**	**313**	**312**	**(2)**	**(36)**	**(1%)**	**(10%)**

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

The member base in Brazil ended 3Q23 with 1.9 million, up 15% year on year and 3% higher than in 2Q23. In the period, average membership per club decreased 2% in relation to the previous quarter, due to increased club openings in the region. Note that, in the last 12 months, 248,000 members were added in Brazil, an increase of 13% in the average number of members per club, reflecting the recovery of member base at mature Smart Fit units combined with the solid maturation curve of units inaugurated in the last 24 months.

Member base in Mexico totaled 909,000 in 3Q23, with 29,000 members added in the quarter, 3% more than in 2Q23 and 34% above 3Q22. In the period, the average membership per club was 3% and 8% higher than in 2Q23 and 3Q22, respectively, due to the strong addition of 230,000 members in the last 12 months, driven by the rapid and solid maturation of 56 clubs inaugurated and the expansion of member base at mature Smart Fit units.

In the Other Latin America region, member base expanded 5% from 2Q23 and 23% from 3Q22, with the addition of 57,000 club members in the quarter, totaling 1.2 million members, and expansion in all the countries of operations, notably Peru, Panama and Costa Rica. Addition of members in the quarter was positively impacted by the opening of 56 units in the last 12 months in the region.



The digital services offering has been expanded and improved since 2020. Currently, the company offers on-demand video classes, nutritional follow-up services and online personal trainers. At the end of the third quarter of 2023, exclusively digital members totaled 312,000. The digital products and services are complementary to the training experience at clubs and are designed to expand relations with, and consequently the loyalty of, members.

Queima Diária, Latin America's leader in on-demand fitness, is a digital platform that offers access to over 130 physical exercise programs and other content on nutrition and healthy habits totaling more than 5,000 classes. At the end of 3Q23, the service had 308,000 members, 149% more than in December 2019 (before the pandemic) and in line with the 2Q23 level.

Smart Fit Nutri, the app-based service for nutritional follow-up, bioimpedance scales and teleconsultations with nutritionists, reached 154,000 active subscribers at the end of 3Q23, the highest ever, increasing 14% from the previous quarter. Membership expansion is the result of initiatives launched to provide better member experience and drive greater engagement, such as the ongoing installation of bioimpedance scales at more clubs in Brazil.

FINANCIAL PERFORMANCE

Main financial indicators[a,b] (R$ million)	3Q23	3Q22	3Q23 vs. 3Q22	2Q23	3Q23 vs. 2Q23	9M23	9M22	9M23 vs. 9M22
Gross Revenue	1,164.7	823.6	41%	1,114.0	5%	3,329.5	2,234.7	49%
Net Revenue	**1,089.2**	**766.3**	**42%**	**1,042.4**	**4%**	**3,113.6**	**2,077.4**	**50%**
Cash costs of services[c]	(542.1)	(437.9)	24%	(518.7)	5%	(1,549.2)	(1,239.5)	25%
Cash gross profit[c]	**547.1**	**328.4**	**67%**	**523.8**	**4%**	**1,564.4**	**837.9**	**87%**
Cash gross margin	*50.2%*	*42.8%*	*7.4 p.p.*	*50.2%*	*(0.0) p.p.*	*50.2%*	*40.3%*	*9.9 p.p.*
Pre-operating Costs	(9.0)	(7.2)	26%	(6.8)	32%	(18.4)	(20.1)	(8%)
Cash gross profit before pre-operating costs[c]	556.1	335.5	66%	530.6	5%	1,582.8	858.1	84%
Gross margin before pre-operating costs	*51.1%*	*43.8%*	*7.3 p.p.*	*50.9%*	*0.2 p.p.*	*50.8%*	*41.3%*	*9.5 p.p.*
SG&A[d]	(218.4)	(154.4)	41%	(185.8)	18%	(595.8)	(479.3)	24%
% Net Revenue	*20.0%*	*20.1%*	*(0.1) p.p.*	*17.8%*	*2.2 p.p.*	*19.1%*	*23.1%*	*(3.9) p.p.*
Selling expenses	(79.3)	(61.4)	29%	(74.2)	7%	(230.3)	(203.7)	13%
% Net Revenue	*7.3%*	*8.0%*	*(0.7) p.p.*	*7.1%*	*0.2 p.p.*	*7.4%*	*9.8%*	*(2.4) p.p.*
General and administrative expenses	(123.6)	(82.9)	49%	(104.0)	19%	(322.4)	(247.3)	30%
% Net Revenue	*11.3%*	*10.8%*	*0.5 p.p.*	*10.0%*	*1.4 p.p.*	*10.4%*	*11.9%*	*(1.6) p.p.*
Pre-operating expenses	(7.6)	(4.9)	55%	(4.9)	57%	(16.9)	(14.8)	14%
Other (expenses) revenues	(7.9)	(5.2)	52%	(2.7)	190%	(26.3)	(13.5)	95%
Panama Revaluation[e]	-	-	–	176.6	–	176.6	-	–
Equity Income	(1.5)	(0.2)	825%	1.4	–	1.6	3.0	(44%)
EBITDA[f]	**327.2**	**173.8**	**88%**	**515.9**	**(37%)**	**1,146.8**	**361.6**	**217%**
EBITDA Margin	*30.0%*	*22.7%*	*7.4 p.p.*	*49.5%*	*(19.5) p.p.*	*36.8%*	*17.4%*	*19.4 p.p.*
Adjusted EBITDA[g]	**327.2**	**173.8**	**88%**	**339.3**	**(4%)**	**970.2**	**361.6**	**168%**
Adjusted EBITDA Margin	*30.0%*	*22.7%*	*7.4 p.p.*	*32.6%*	*(2.5) p.p.*	*31.2%*	*17.4%*	*13.8 p.p.*
Adjusted EBITDA before pre-operating expenses[h]	**343.9**	**185.9**	**85%**	**351.1**	**(2%)**	**1,005.5**	**396.5**	**154%**
Adjusted EBITDA Margin before pre-operating expenses	*31.6%*	*24.3%*	*7.3 p.p.*	*33.7%*	*(2.1) p.p.*	*32.3%*	*19.1%*	*13.2 p.p.*
Depreciation and amortization	(163.6)	(126.2)	30%	(160.7)	2%	(470.1)	(358.5)	31%
Financial Result	(44.1)	(11.9)	270%	(38.6)	14%	(114.3)	(80.6)	42%
Income tax and Social Contribution	(25.1)	(5.7)	338%	(32.7)	(23%)	(78.9)	(8.1)	874%
Profit (loss) for the period	**94.4**	**29.9**	**216%**	**283.9**	**(67%)**	**483.6**	**(85.6)**	**–**
Net Margin	*8.7%*	*3.9%*	*4.8 p.p.*	*27.2%*	*(18.6) p.p.*	*15.5%*	*(4.1%)*	*19.7 p.p.*

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

NET REVENUE

Net revenue in 3Q23 was R$1,089.2 million, up 42% from 3Q22, mainly due to the 13% increase in average owned clubs, the 14% increase in average ticket of these units and the 10% increase in average membership per own Smart Fit unit.

The increase in average ticket is mainly explained by the transfer of prices in recent years in different regions and by the several initiatives rolled out in recent quarters to optimize, in a sustainable manner, revenue per club. Some of the initiatives have also contributed to the percentage increase in members enrolled in the Black plan, which accounted for 65% of the member base of clubs at the end of the quarter, 3 p.p. higher than in the previous quarter and 11 p.p. compared to 3Q22. The number of members enrolled in the Black plan increased in all the three regions of operation and in all the countries.

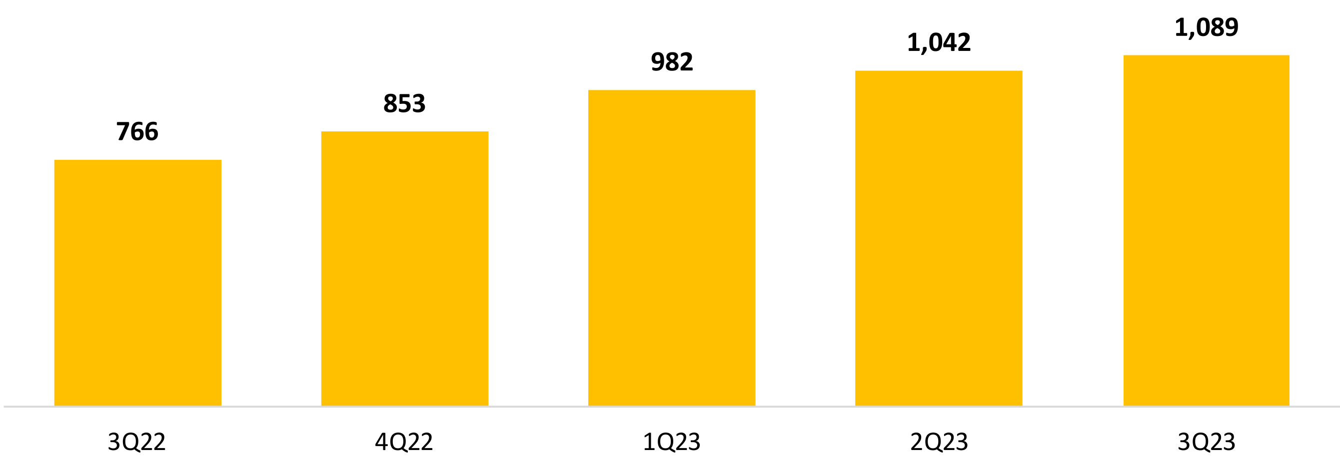
Moreover, with the acquisition of 100% of the operations in Panama and Costa Rica, the company started to consolidate in 1Q23 the results of operations of these two countries under the Other Latin America region, which added R$36 million to revenue in the quarter and R$107 million in 9M23, thereby increasing the share of international revenues in 2023.

Net Revenue by Brand and Region

Net Revenue (R$ million)	3Q23	3Q22	3Q23 vs. 3Q22	2Q23	3Q23 vs. 2Q23	9M23	9M22	9M23 vs. 9M22
Smart Fit	994.5	694.8	43%	948.4	5%	2,838.4	1,866.1	52%
Brazil	413.0	322.6	28%	405.7	2%	1,202.3	877.7	37%
Mexico	268.1	167.9	60%	240.1	12%	735.0	437.6	68%
Other Latin America [a]	313.4	204.3	53%	302.6	4%	901.1	550.8	64%
Bio Ritmo e O2	35.7	28.1	27%	34.1	5%	102.3	76.5	34%
Others [b]	59.0	43.4	36%	59.9	(2%)	172.9	134.8	28%
Total	**1,089.2**	**766.3**	**42%**	**1,042.4**	**4%**	**3,113.6**	**2,077.4**	**50%**
International Revenue (% total)	54%	49%	*4.8 p.p.*	52%	*1.3 p.p.*	53%	48%	*4.9 p.p.*

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

Evolution of Net Revenue
(R$ million)



The growth in average revenue per Smart Fit club in 3Q23, combined with the expansion of the own club and franchise network, resulted in revenue growth of 5% over 2Q23. The increase in revenue is mainly due to the 3% average growth of own club network and the 2% increase in average ticket.

In Brazil, net revenue from Smart Fit clubs totaled R$413.0 million, increasing 2% from 2Q23, thanks to the expansion of the own club network and the increase in average ticket. Compared to the same period last year, revenue increased 28%, mainly driven by the strong growth in club membership and higher average ticket.

In Mexico, net revenue in the quarter was R$268.1 million, increasing 12% from 2Q23, mainly due to the solid 5% expansion of units in the region, combined with the increase in average ticket and the strong growth in member base in the period, all of which positively impacted average membership per club by 3%. In 3Q23, the average ticket was positively impacted by the increase in Black plan in membership and the ongoing initiative to adjust the Smart plan prices in some units. Compared to 3Q22, revenue increased 60%, mainly due to the accelerated expansion of clubs across the region, the higher average ticket and stronger member base growth.

Net revenue from Smart Fit clubs in the Other Latin America region totaled R$313.4 million, up 4% from 2Q23, due to the 3% increase in average number of clubs in the region, as well as the increase in average ticket and average membership per unit. Compared to the same period last year and excluding the effect of R$36 million from the consolidation of Panama and Costa Rica results, revenue growth would be 36%, due to the strong increase of 19% in the average number of own clubs in the region, the increase in average ticket and the increase in average membership per club.

CASH COST OF SERVICES PROVIDED

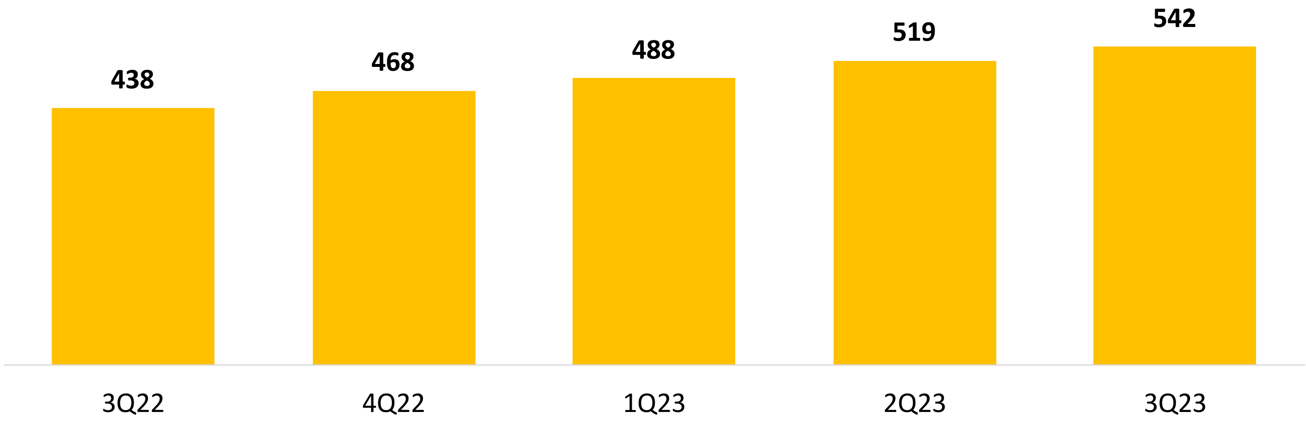
Cash cost of services provided totaled R$542.1 million in 3Q23, 24% higher vs. the same period last year, mainly due to the 13% increase in the average number of own clubs compared to 3Q22, the strong addition of 710,000 club members in the period and the consequent increase in costs at those units, as well as the consolidation of the results of the Panama and Costa Rica operations, which accounted for R$15 million of cash cost in the quarter, equivalent to 3% of the cost increase.

Cash Cost of Services Provided by Type

Cash Cost of Services Provided[a,b] (R$ million)	3Q23	3Q22	3Q23 vs. 3Q22	2Q23	3Q23 vs. 2Q23	9M23	9M22	9M23 vs. 9M22
Occupation	212.0	173.9	22%	205.3	3%	619.6	499.2	24%
Personnel	140.9	110.5	28%	136.2	3%	404.8	305.7	32%
Consumption	100.5	73.9	36%	93.8	7%	279.3	215.3	30%
Other	88.6	79.6	11%	83.3	6%	245.5	219.3	12%
Cash Cost of Services Provided	**542.1**	**437.9**	**24%**	**518.7**	**5%**	**1,549.2**	**1,239.5**	**25%**

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

Evolution of Cash Cost of Services Provided
(R$ million)



Compared to 2Q23, cash cost in 3Q23 increased 5%, almost the same sequential growth of net revenue, representing an increase of R$23.4 million, mainly due to the 3% increase in units and higher consumption and maintenance costs. The higher consumption costs were due to the increase in electricity tariffs and the increase in the number of units and their respective maturation, with a significant increase in the number of members, which affects consumption costs. The increase in maintenance costs was caused by higher investments made at units to improve member experience. Moreover, costs related to the opening of new units increased (+R$2.2 million vs. 2Q23) since more owned clubs were opened during the period, which contributed to the increase in costs. Personnel and occupancy costs increased 3% in relation to the previous quarter, in line with the increase in the average number of units.

Considering only mature units, costs increased 2% from the previous quarter, in line with the respective growth in revenue. The increase in costs at these units was mainly due to the increase in maintenance and third-party services costs, affected by the collective bargaining agreement in Brazil. Note that the company remains focused on cost management to mitigate the inflationary pressure on its operations. Initiatives to reduce personnel costs, constant renegotiation of rents, projects to improve operational efficiency and energy efficiency, and renegotiation of agreements underline the company's strict cost management efforts.

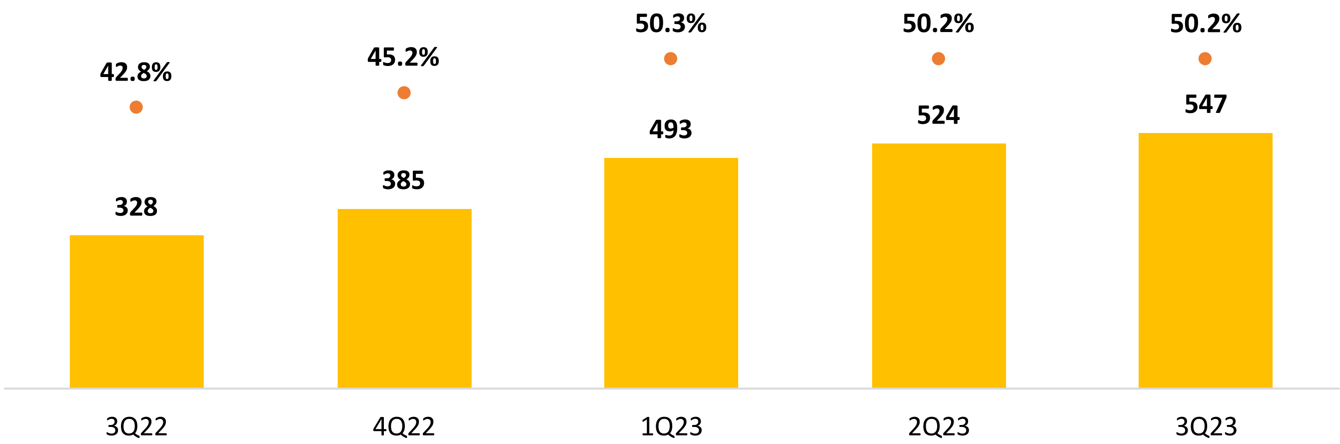
CASH GROSS PROFIT

Cash gross profit in 3Q23 totaled R$547.1 million, increasing 67% from 3Q22, reflecting the solid opening of new clubs in recent years and the recovery of margins at mature units. Moreover, the consolidation of the results of Panama and Costa Rica operations accounted for R$21 million of cash gross profit in the period. Cash gross margin in 3Q23 was 50.2%, increasing 7.4 p.p. from 3Q22, driven by high revenue growth and a sharp focus on cost management, which enabled strong dilution of fixed costs.

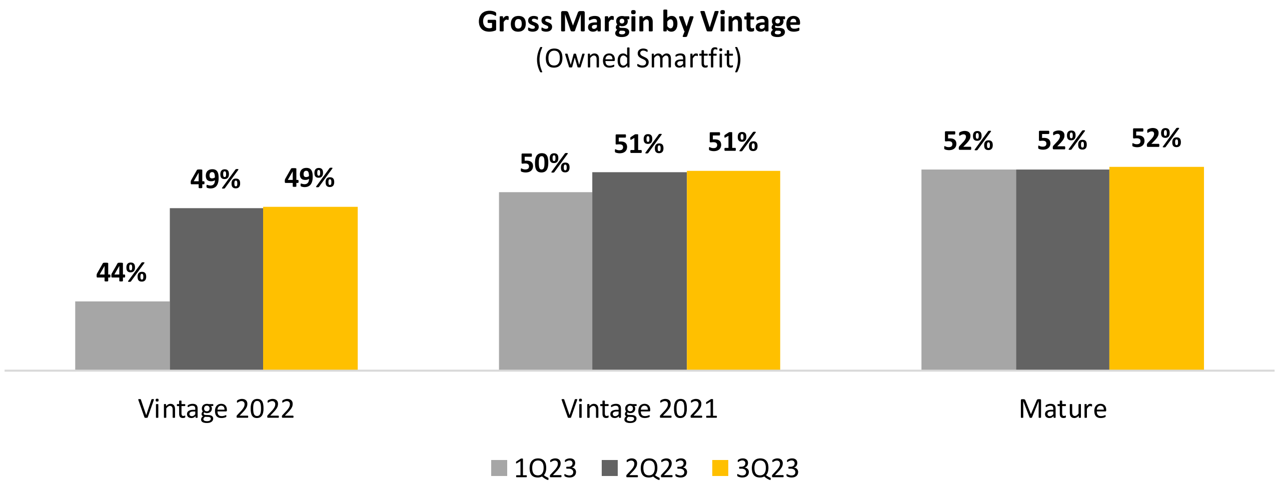
Cash Gross Profit[a,b] (R$ million)	**3Q23**	**3Q22**	**3Q23 vs. 3Q22**	**2Q23**	**3Q23 vs. 2Q23**	**9M23**	**9M22**	**9M23 vs. 9M22**
Net Revenue	**1,089.2**	**766.3**	**42%**	**1,042.4**	**4%**	**3,113.6**	**2,077.4**	**50%**
(-) Cash Costs of Services Provided	542.1	437.9	24%	518.7	5%	1,549.2	1,239.5	25%
Cash Gross Profit[d]	**547.1**	**328.4**	**67%**	**523.8**	**4%**	**1,564.4**	**837.9**	**87%**
Cash Gross Margin	*50.2%*	*42.8%*	*7.4 p.p.*	*50.2%*	*0.0 p.p.*	*50.2%*	*40.3%*	*9.9 p.p.*
(+) Pre-Operating Costs	9.0	7.2	26%	6.8	32%	18.4	20.1	(8%)
Cash Gross Profit before Pre-Operating Costs[e]	**556.1**	**335.5**	**66%**	**530.6**	**5%**	**1,582.8**	**858.1**	**84%**
Cash Gross Margin before Pre-Operating Costs	*51.1%*	*43.8%*	7.3 p.p.	*50.9%*	0.2 p.p.	*50.8%*	*41.3%*	9.5 p.p.

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

Evolution of Cash Gross Profit and Cash Gross Margin
(R$ million and % of net revenue)



Compared to 2Q23, cash gross profit increased R$23.3 million in 3Q23 (4%), while cash gross margin remained stable at 50.2%, mainly due to the 1.0 p.p. higher cash gross margin in Mexico. Note that, in the period, cash gross margin remained flat despite the temporary negative effect of accelerated club inaugurations - 37 new own units were opened, 85% higher than in the previous quarter. Given their initial stage of the maturation curve, margins from new clubs are momentarily lower than those of mature units. Cash gross margin before pre-operating costs, that is, those related to the opening of units, came to 51.1%, up 0.2 p.p. from the previous quarter, due to operating leverage resulting from the continuous growth of average revenue per club, especially at units in the maturation phase, combined with rigorous cost management.



In 3Q23, mature Smart Fit clubs maintained cash gross margin at 52%, due to intensive and successful efforts to improve operational efficiency and member attraction, combined with initiatives to optimize revenue per club in a sustainable manner. Annualized gross profit per unit in these mature units was R$2.2 million, up 3% from 2Q23. Units inaugurated in 2021 ("2021 Vintage Units") registered cash gross margin of 51% in 3Q23, in line with the previous quarter. Clubs inaugurated in 2022 ("2022 Vintage Units") also recorded stable gross margin compared to 2Q23 at 49%, mainly due to the 8% increase in cash gross profit per unit. Note that the 2021 and 2022 vintage units have an average age of less than 24 months when, historically, they reach maturity. Hence, the high margins of from units in this initial stage of the maturation curve is a combination of strong revenue growth and occupancy costs structurally lower than those of mature units.

Note that the units inaugurated in 2023 ("2023 Vintage Units") maintain their maturation pace at the same historical levels.

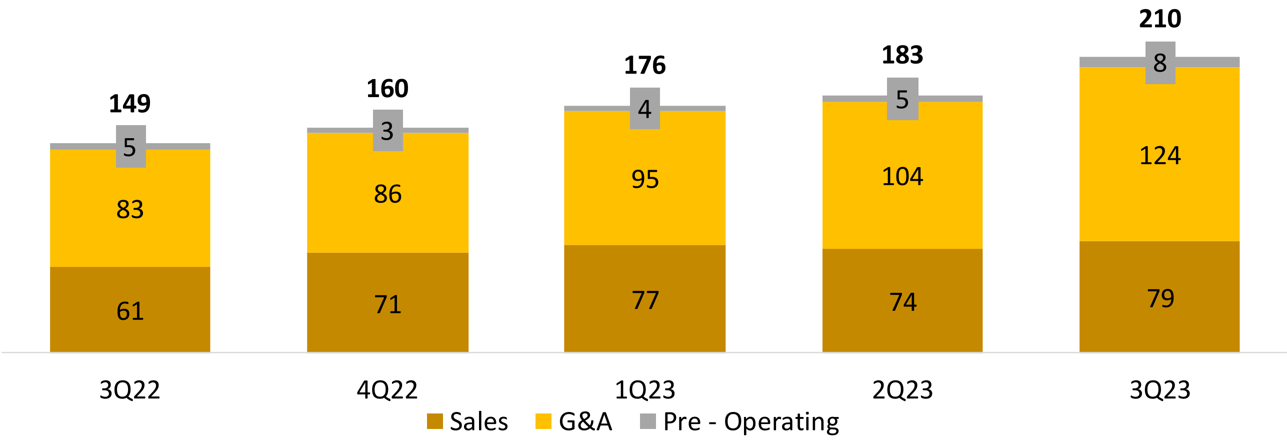
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES

Selling, general, and administrative expenses[a,b,c] (R$ million)	**3Q23**	**3Q22**	**3Q23 vs. 3Q22**	**2Q23**	**3Q23 vs. 2Q23**	**9M23**	**9M22**	**9M23 vs. 9M22**
Selling expenses	79.3	61.4	29%	74.2	7%	230.3	203.7	13%
General and administrative expenses	123.6	82.9	49%	104.0	19%	322.4	247.3	30%
Pre-operating expenses	7.6	4.9	55%	4.9	57%	16.9	14.8	14%
Total	**210.5**	**149.2**	**41%**	**183.1**	**15%**	**569.5**	**465.8**	**22%**

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

Selling, general, and administrative expenses totaled R$210.5 million in the quarter, 41% more than in 3Q22, due to the increase in general and administrative expenses, which were affected by the long-term incentive plan (LTIP) with the additional grant of stock options in 3Q23, causing an impact of R$14 million in the quarter, as well as expenses with new business, pre-operating expenses and the increase in selling expenses to accelerate member attraction, partially related to the growing number of clubs. Moreover, the consolidation of results of the Panama and Costa Rica operations added R$4 million to selling, general and administrative expenses in 3Q23. Excluding Panama and Costa Rica in the quarter, these expenses would have increased 38% vs. 3Q22.

Evolution of Selling, General, and Administrative Expenses and Pre-Operating Expenses
(R$ million)



Compared to 2Q23, selling, general, and administrative expenses increased 15%, corresponding to 19.3% of net revenue. Selling expenses increased 7% from 2Q23, due to the higher number of units opened in the quarter and the seasonal nature of the period, since higher investments are made in marketing usually in the third quarter than in 2Q23. In the quarter, selling expenses corresponded to 7.3% of net revenue, up 0.2 p.p. as a percentage of net revenue compared to 2Q23, mainly due to the accelerated pace of inaugurations and higher investments in marketing on account of these new clubs. General and administrative expenses increased 19% in relation to 2Q23, due to higher personnel expenses in view of the long-term incentive plan (LTIP), with the additional grant of stock options in the period amounting to R$14 million. Excluding the accounting impact of this new grant, the increase in administrative expenses would be 6% compared to 2Q23, corresponding to 10.1% of net revenue in the quarter, the same as in 2Q23.

EBITDA

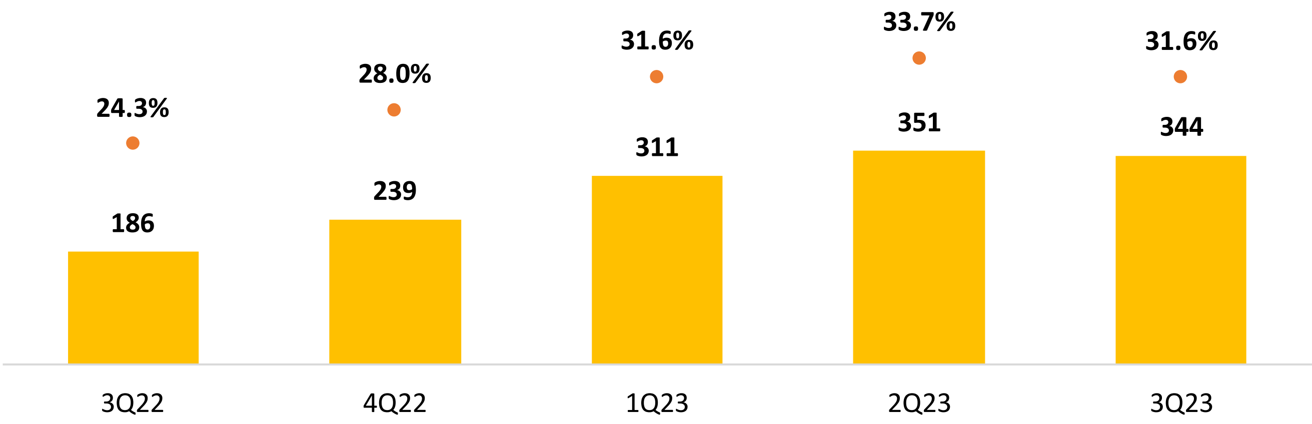
EBITDA Breakdown[a,b] (R$ million)	3Q23	3Q22	3Q23 vs. 3Q22	2Q23	3Q23 vs. 2Q23	9M23	9M22	9M23 vs. 9M22
Net Income	**94.4**	**29.9**	**216%**	**283.9**	**(67%)**	**483.6**	**(85.6)**	**–**
(+) Income Taxes (IR & CSLL)	25.1	5.7	338%	32.7	(23%)	78.9	8.1	874%
(+) Financial Result	44.1	11.9	270%	38.6	14%	114.3	80.6	42%
(+) Depreciation	163.6	126.2	30%	160.7	2%	470.1	358.5	31%
EBITDA	**327.2**	**173.8**	**88%**	**515.9**	**(37%)**	**1,146.8**	**361.6**	**217%**
Panama Revaluation Impact[c]	–	–	–	(176.6)	(100%)	(176.6)	–	–
Adjusted EBITDA[d]	**327.2**	**173.8**	**88%**	**339.3**	**(4%)**	**970.2**	**361.6**	**168%**
Adjuste EBITDA Margin	*30.0%*	*22.7%*	*7.4 p.p.*	*32.6%*	*(2.5) p.p.*	*31.2%*	*17.4%*	*13.8 p.p.*
(+) Pre-operating costs and expenses	16.7	12.1	37%	11.7	42%	35.3	35.0	1%
EBITDA before pre-operating expenses	**343.9**	**185.9**	**85%**	**351.1**	**(2%)**	**1,005.5**	**396.5**	**154%**
EBITDA margin before pre-operating expenses	*31.6%*	*24.3%*	*7.3 p.p.*	*33.7%*	*(2.1) p.p.*	*32.3%*	*19.1%*	*13.2 p.p.*

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

In 3Q23, EBITDA was R$327.2 million, a strong 88% year over year growth, with a margin of 30.0%. Adjusted EBITDA before pre-operating expenses totaled R$343.9 million, compared to R$185.9 million in 3Q22, up 85%, while EBITDA margin before pre-operating expenses increased 7.3 p.p. in the period to 31.6%, thanks to the continued expansion of member base in the period and the consequent revenue growth and dilution of costs and expenses. The consolidation of the results of Panama and Costa Rica operations added R$17 million to EBITDA in the quarter.

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

(R$ million and % of net revenue)



Compared to 2Q23, adjusted EBITDA before pre-operating expenses decreased slightly by 2%, negatively affected by the increase in general and administrative expenses, which led to a reduction of 2.1 p.p. in EBITDA margin before pre-operating expenses, which ended the quarter at 31.6%. Excluding the accounting impact of the new LTIP grant, adjusted EBITDA before pre-operating costs would have increased 2%, with a margin of 32.8%.

EBITDA by Region

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

EBITDA[a,b,c] (R$ million)	3Q23	3Q22	3Q23 vs. 3Q22	2Q23	3Q23 vs. 2Q23	9M23	9M22	9M23 vs. 9M22
Brazil	203.2	110.4	84%	202.3	0%	582.7	238.2	145%
Mexico	96.4	53.8	79%	82.4	17%	266.3	130.0	105%
Other Latin America	160.6	97.8	64%	159.9	0%	468.2	251.1	86%
G&A expenses and other operating expenses	(131.5)	(88.1)	49%	(106.7)	23%	(348.6)	(260.8)	34%
Equity Income	(1.5)	(0.2)	825%	1.4	–	1.6	3.0	(44%)
Adjusted EBITDA[d]	**327.2**	**173.8**	**88%**	**339.3**	**(4%)**	**970.2**	**361.6**	**168%**
Panama Revaluation Impact[e]	–	–	–	176.6	–	176.6	–	–
EBITDA	**327.2**	**173.8**	**88%**	**515.9**	**(37%)**	**1,146.8**	**361.6**	**217%**

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

In Brazil, EBITDA in 3Q23 was R$203.2 million, compared to R$110.4 million in 3Q22, up 84%, due to the strong growth in average revenue per club. EBITDA margin in the quarter was 40.2% in the region, up 12.1 p.p. year on year. Compared to 2Q23, EBITDA from Brazil increased R$0.9 million, due to the growth in gross profit in the region, with gross margin increasing to 49.3%, the second highest ever, offset by the seasonal increase in selling expenses during the period. Note that the high-end and studios segment registered an increase in the number of visits to studios, and the BioRitmo brand registered the seventh straight quarter of growth in average revenue per club, posting cash gross margin of 37.6% in 9M23.

In Mexico, EBITDA in 3Q23 was R$96.4 million, up 79% from 3Q22, due to the strong growth in revenue per club. Compared to 2Q23, EBITDA from the region increased 17%, due to the 12% growth in revenue, mainly caused by the strong increase in the average number of units combined with the increase in average ticket, resulting in 1.0 p.p. growth in gross margin, and positively impacted by the dilution of selling expenses. EBITDA margin in the quarter was 36.0%.

In the Other Latin America region, EBITDA in 3Q23 was R$160.6 million, compared to R$97.8 million in 3Q22, up 64%, positively impacted by strong growth in average revenue per club and dilution of costs compared to 3Q22, and by the consolidation of EBITDA from the Panama and Costa Rica operations, which added R$20 million to EBITDA. Compared to 2Q23, EBITDA in the region remained stable in the quarter, chiefly due to the increase in selling expenses and the accelerated pace of inaugurations in the region. EBITDA margin came to 50.9% in the period.

NET INCOME FROM THE PERIOD

Compared to 3Q22, the company increased profit by R$64.5 million in the period and registered net income for the fifth quarter in a row, reaching net margin of 8.7% and R$94.4 million, more than three time higher than the net income in 3Q22, mainly driven by EBITDA growth of R$153.4 million year on year. Note that recurring net income[1] came to R$101 million, with net margin of 9.3%. Compared to 2Q23, recurring net income was affected by lower EBITDA in the quarter, reflecting higher general and administrative expenses on account of the long-term incentive plan (LTIP) with the additional grant of stock options in the period, as well as higher financial expenses.

(1) Excludes the negative effect of R$7 million in net income from the revaluation of Panama in 3Q23.

OPERATING CASH FLOW

Operating Cash Flow[a] (R$ million)	3Q23	3Q22	3Q23 vs. 3Q22	2Q23	3Q23 vs. 2Q23	9M23	9M22	9M23 vs. 9M22
Adjusted EBITDA[b]	**327.2**	**173.8**	**88%**	**339.3**	**(4%)**	**970.2**	**361.6**	**168%**
Itens of result with no impact on cash[c]	23.6	(27.9)	–	10.2	131%	57.8	73.8	(22%)
IR/CSLL Paid	(17.3)	(6.5)	167%	(14.7)	18%	(34.8)	(23.2)	50%
Working capital variation	**(19.4)**	**29.4**	**–**	**45.5**	**-**	**69.1**	**28.4**	**144%**
Receivables	(39.8)	(23.3)	71%	(8.2)	388%	(78.1)	(13.0)	503%
Suplliers	(32.4)	49.2	–	34.5	-	29.1	43.3	(33%)
Wages, provisions and social contributions	7.9	9.6	(18%)	7.9	(0%)	34.0	27.6	23%
Taxes[d]	45.0	(6.1)	–	11.2	300%	84.1	(29.6)	–
Operating Cash Flow	**314.1**	**168.9**	**86%**	**380.3**	**(17%)**	**1062.3**	**440.6**	**141%**

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

In 3Q23, operating cash flow was R$314.1 million, better than the performance in 3Q22, thanks to continuous revenue growth resulting from the strong expansion of member base and the increase in average ticket. These factors, combined with the company's cost and expense control measures, drove adjusted EBITDA growth of R$153.4 million in 3Q23 versus 3Q22, positively impacting operating cash flow. Compared to 2Q23, operating cash flow decreased R$66.2 million, chiefly due to the non-recurring working capital consumption in the period. In 9M23, operating cash flow reached R$1,062.3 million, up 141% year on year, mainly due to the recovery of profitability at mature clubs, and the dilution of general and administrative expenses, which led to an increase of 168% in adjusted EBITDA year on year.

CAPEX

Capex[a] (R$ million)	3Q23	3Q22	3Q23 vs. 3Q22	2Q23	3Q23 vs. 2Q23	9M23	9M22	9M23 vs. 9M22
Capex	**325.0**	**220.4**	**47%**	**242.4**	**34%**	**795.8**	**714.3**	**11%**
Expansion	270.3	179.2	51%	190.7	42%	638.5	606.0	5%
Maintenance	45.3	30.3	50%	36.5	24%	116.9	79.0	48%
Corporate and Innovation	9.4	11.0	(15%)	15.2	(38%)	40.4	29.3	38%

(a) In 1Q23, the company acquired 100% of the Panama and Costa Rica operations and, hence, their results and balance sheet are now consolidated in the company's financial statements starting from 2023

In 3Q23, capex totaled R$325.0 million, mainly due to investments of R$270.3 million in expansion, up 51% from 3Q22. This increase is mainly explained by the higher number of inaugurations of units in the period and the high number of units under construction. In the period, maintenance and corporate/innovation capex amounted to R$45.3 million and R$9.4 million, respectively. In 9M23, capex totaled R$795.8 million, up 11% vs. 9M22, mainly due to the increase in maintenance capex. This increase primarily reflects the post-pandemic recovery, with a higher utilization of clubs compared to the same period the previous year and the program to renovate units, launched in 2023, to expand the free weights area due to the change in members' habits, thereby improving member experience. Maintenance capex corresponded to 5.5% of gross revenue from mature units in the last nine months. In 9M23, expansion capex totaled R$638.5 million, up R$32.5 million from 9M22, mainly explained by the higher number of own units under construction that will be inaugurated in the coming quarters.

CASH AND DEBT

Cash and Debt[a,b] (R$ million)	3Q23	2Q23	1Q23	4Q22	3Q22
Cash and Cash Equivalents	2,767	2,677	2,772	2,923	2,711
Gross Debt	3,576	3,398	3,520	3,538	3,205
By nature:					
Loans and debentures	3,465	3,274	3,405	3,420	3,074
Lease liability - equipment	111	124	115	118	131
By maturity					
Short-term	843	691	678	542	514
Long-term	2,733	2,708	2,842	2,995	2,691
Net Debt (Net Cash)	809	721	748	615	495
Other Liabilities and Assets[c]	199	187	212	356	48
Adjusted Net Debt	1,008	908	960	971	543
Adjusted Net Debt / EBITDA LTM[d]	0.49x	0.48x	0.66x	0.83x	0.58x

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

At the end of 3Q23, Smart Fit held a solid cash position of R$2,767 million and gross debt of R$3,576 million, 76% of it maturing in the long term. Adjusted net debt was R$1,008 million, resulting in an adjusted net debt/EBITDA LTM ratio of 0.49x (as defined in the company’s debentures), in line with 2Q23. Note that adjusted net debt/ EBITDA LTM excluding the effects of IFRS-16 related to property leases at the end of 3Q23 is 0.73x, compared to 0.74x in 2Q23.

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

During the quarter, the company obtained a syndicated credit facility in Mexico of MXN$1,750 million, equivalent to approximately R$500 million. The amounts will be disbursed within 18 months starting from the date of signing of the agreement to finance local expansion, with the possibility of partial disbursements up to the full loan amount. Total period of the operation is 60 months, with a grace period of 24 months and a variable interest rate of TIIE 28 days + spread of 2.0% per year. By the end of the quarter, MXN$400 million of the total facility had already been disbursed. Moreover, the company renegotiated the interest rate of the 5th issue of debentures to CDI + 1.90% vs. CDI + 2.15% and lengthened the maturity to 3Q28, reflecting the continuous improvement of its credit profile.

The company maintains the maturities of loans and financing in alignment with its capacity to generate operating cash flow and accesses local financing lines to drive its expansion in the countries where it operates. At the end of 3Q23, the gross debt maturity schedule was as follows:

Gross Debt Maturites[a]	2023[b]	2024	2025	2026	2027	2028	2029	Total
% of total	8%	21%	16%	17%	19%	16%	4%	**100%**
Total	279	735	573	606	668	582	133	**3,576**
Brazil	111	158	60	407	539	532	133	**1,939**
Mexico	92	216	142	101	85	25	0	**661**
Other Latin America[c]	77	361	371	97	45	25	0	**975**

(a) “Gross debt” considers short- and long-term loans, financing and operating leases (excluding property leases) with financial institutions; (b) Includes maturities in remaining quarters until the end of the year; (c) “Other Latin America” includes financial debt in Chile, Colombia, Peru, Panama and Argentina.

EVENTS AFTER THE REPORTING PERIOD

8TH ISSUE OF DEBENTURES

On October 28, 2023, the company carried out the 8th issue of non-convertible, unsecured debentures in a single series, for public distribution, with automatic registration, targeted at professional investors, in the amount of R$600 million, maturing in 2029/2030 and coupon of CDI + 1.95% p.a. Net proceeds from the issue will be used for general corporate purposes and to strengthen its working capital.

COMMERCIAL NOTES

On November 6, 2023, the board of directors approved the entirely early redemption of the 1st issuance of Book-Entry commercial notes, in a single series, for private distribution, in the amount of R$223 million. The redemption premium is equivalent to 0.30% per year on the value of the early redemption multiplied by the remaining term of the Commercial Notes. The operation had maturities in the years 2023, 2024 and 2025 and a rate of CDI + 2.15% p.a., and the redemption is due to the strategy of extending the debt amortization schedule and reducing the cost of borrowing.

INTEREST ON EQUITY (“IoE”)

In October, the payment of IoE was approved, in the gross total amount of R$206.6 million, corresponding to R$0.3524153209 per share. IoE declared will be included in minimum mandatory dividends for the fiscal year 2023.

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

IMPACT OF THE ADOPTION OF IFRS 16

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

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

smart fit

Statement of Profit and Loss (R$ million)	3Q23 Reported	Impacts of IFRS 16	3Q23 excluding IFRS 16	3Q22 Reported	Impacts of IFRS 16	3Q22 excluding IFRS 16	9M23 Reported	Impacts of IFRS 16	9M23 excluding IFRS 16	9M22 Reportado	Impacts of IFRS 16	9M22 excluding IFRS 16
Net Revenue	1,089.2	–	1,089.2	766.3	–	766.3	3,113.6	–	3,113.6	2,077.4	–	2,077.4
Cost of services	(652.4)	49.7	(702.1)	(517.3)	43.1	(560.4)	(1,857.9)	148.0	(2,005.8)	(1,466.3)	118.1	(1,584.4)
Rents and other occupation costs	(37.2)	179.1	(216.3)	(28.1)	149.3	(177.3)	(104.8)	524.7	(629.5)	(97.7)	412.3	(510.1)
Depreciation and amortization (cost)	(289.5)	(129.4)	(160.1)	(228.6)	(106.2)	(122.4)	(833.4)	(376.7)	(456.6)	(639.2)	(294.3)	(344.9)
Gross profit	436.8	49.7	387.1	249.0	43.1	205.9	1,255.7	148.0	1,107.7	611.1	118.1	493.0
SG&A	(222.0)	(0.1)	(221.9)	(157.2)	1.0	(158.2)	(607.7)	1.5	(609.2)	(490.0)	2.9	(492.8)
Selling expenses	(79.3)	–	(79.3)	(61.4)	–	(61.4)	(230.3)	–	(230.3)	(203.7)	–	(203.7)
General and administrative	(121.0)	2.6	(123.6)	(80.9)	2.0	(82.9)	(315.8)	6.5	(322.4)	(241.7)	5.6	(247.3)
Rents and other occupation costs	(1.1)	2.6	(3.7)	(0.8)	2.0	(2.7)	(3.7)	6.5	(10.2)	(2.7)	5.6	(8.3)
Despesas com abertura de novas unidades	(7.6)	–	(7.6)	(4.9)	–	(4.9)	(16.9)	–	(16.9)	(14.8)	–	(14.8)
Depreciation and amortization (costs)	(6.2)	(2.7)	(3.5)	(4.7)	(0.9)	(3.8)	(18.4)	(5.0)	(13.4)	(16.3)	(2.7)	(13.5)
Others (expenses) revenue	(7.9)	–	(7.9)	(5.2)	–	(5.2)	(26.3)	–	(26.3)	(13.5)	–	(13.5)
Panama Revaluation[a]	–	–	–	–	–	–	176.6	–	176.6	–	–	–
Equity Income	(1.5)	–	(1.5)	(0.2)	–	(0.2)	1.6	–	1.6	3.0	–	3.0
Operating profit (loss) before financial result	213.2	49.6	163.6	91.7	44.1	47.5	826.2	149.5	676.7	124.1	120.9	3.1
Financial Result	(126.6)	(82.4)	(44.1)	(76.9)	(65.0)	(11.9)	(339.8)	(225.5)	(114.3)	(253.4)	(172.8)	(80.6)
Income tax and Social Contribution	(25.1)	–	(25.1)	(5.7)	–	(5.7)	(78.9)	–	(78.9)	(8.1)	–	(8.1)
Net profit	61.6	(32.8)	94.4	9.0	(20.9)	29.9	407.6	(76.0)	483.6	(137.4)	(51.9)	(85.6)
Impacts of IFRS-16 in the breakdown of Gross Profit excluding depreciation, amortization, and EBITDA												
Gross profit	436.8	49.7	387.1	249.0	43.1	205.9	1,255.7	148.0	1,107.7	611.1	118.1	493.0
Depreciation and amortization (costs)	289.5	129.4	160.1	228.6	106.2	122.4	833.4	376.7	456.6	639.2	294.3	344.9
Gross profit excluding depreciation	726.2	179.1	547.1	477.6	149.3	328.4	2,089.1	524.7	1,564.4	1,250.3	412.3	837.9
Gross Margin excluding depreciation	*66.7%*		*50.2%*	*62.3%*		*42.8%*	*67.1%*		*50.2%*	*60.2%*		*40.3%*
Net profit	61.6	(32.8)	94.4	9.0	(20.9)	29.9	407.6	(76.0)	483.6	(137.4)	(51.9)	(85.6)
(-) IR & CSLL	25.1	–	25.1	5.7	–	5.7	78.9	–	78.9	8.1	–	8.1
(-) Financial Result	126.6	82.4	44.1	76.9	65.0	11.9	339.8	225.5	114.3	253.4	172.8	80.6
(-) Depreciation and amortization	295.7	132.1	163.6	233.3	107.1	126.2	851.8	381.8	470.1	655.5	297.0	358.5
EBITDA	508.9	181.7	327.2	325.0	151.2	173.8	1,678.0	531.2	1,146.8	779.5	418.0	361.6
EBITDA Margin	*46.7%*		*30.0%*	*42.4%*		*22.7%*	*53.9%*		*36.8%*	*37.5%*		*17.4%*

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

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

PRESENTATION OF RESULTS

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

Operation	Recognition in Income Statement for the period		Recognition in Balance sheet for the period	
	1Q23, 2Q23 and 3Q23	1Q22, 2Q22 and 3Q22	1Q23, 2Q23 and 3Q23	1Q22, 2Q22 and 3Q22
Brazil, Mexico, Colombia, Chile, Peru, Argentina, Paraguay and Queima Diária	Consolidated	Consolidated	Consolidated	Consolidated
Panama and Costa Rica	Consolidated	Equity accounting[a]	Consolidated	Investment
Dominican Republic, El Salvador, Ecuador, Guatemala and Honduras	Royalties for use of brand	Royalties for use of brand	n/a	n/a

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

INCOME STATEMENT

INCOME STATEMENT (R$ million)	3Q23	3Q22	3Q23 vs. 3Q22	2Q23	3Q23 vs. 2Q23	9M23	9M22	9M23 vs. 9M22
Net Revenue	**1,089.2**	**766.3**	**42%**	**1,042.4**	**4%**	**3,113.6**	**1,706.9**	**82%**
Costs of Services Rendered	(652.4)	(517.3)	26%	(625.7)	4%	(1,857.9)	(1,593.0)	17%
Gross Profit	**436.7**	**249.0**	**75%**	**416.7**	**5%**	**1,255.7**	**113.8**	**1,003%**
Operating revenues (expenses)								
Sales	(86.9)	(66.3)	31%	(79.1)	10%	(247.2)	(186.1)	33%
General and administrative	(127.2)	(85.7)	48%	(108.3)	17%	(334.3)	(275.8)	21%
Equity accounting	(1.5)	(0.2)	825%	1.4	–	1.6	(15.0)	–
Other (expenses) revenues	(7.9)	(5.2)	52%	(2.7)	190%	(26.3)	3.5	–
Panama Revaluation[a]	–	–	–	176.6	–	176.6	–	–
Profit before financial result	213.2	91.7	133%	404.6	(47%)	826.2	(359.5)	–
Financial result	(126.6)	(76.9)	65%	(109.8)	15%	(339.8)	(295.2)	15%
Profit before IR/CS	86.6	14.7	488%	294.8	(71%)	486.4	(654.8)	–
Income tax and Social Contribution	(25.1)	(5.7)	338%	(32.7)	(23%)	(78.9)	21.8	–
Net profit (loss)	**61.6**	**9.0**	**584%**	**262.1**	**(77%)**	**407.6**	**(633.0)**	**–**

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

BALANCE SHEET

ASSETS (R$ million)	3Q23	3Q22
CURRENT	**3,471**	**3,263**
Cash and cash equivalents	2,767	2,711
Customers	350	209
Derivative financial instruments	7	0
Other receivables	347	344
NON-CURRENT	**9,724**	**7,842**
Permanent assets	3,710	2,959
Right-of-use assets	3,557	2,888
Intangible assets	1,875	1,425
Investment	43	138
Other assets	539	433
TOTAL ASSETS	**13,195**	**11,105**

LIABILITY (R$ million)	3Q23	3Q22
CURRENT	**2,369**	**1,526**
Borrowings	792	457
Lease liabilities	572	433
Suppliers	293	244
Deferred revenue	228	194
Accounts Payable	78	0
Other liabilities	406	198
NON-CURRENT	**6,088**	**5,410**
Borrowings	2,673	2,617
Lease liabilities	3,312	2,707
Other liabilities	103	85
SHAREHOLDERS' EQUITY	**4,738**	**4,170**
Share capital	2,970	2,970
Capital reserves	943	2,294
Accumulated losses	403	(1,425)
Other comprehensive income	397	309
Noncontrolling interest	25	22
TOTAL LIABILITY AND SHAREHOLDERS' EQUITY	**13,195**	**11,105**

CASH FLOW

Cash Flow Statement (R$ million)	3Q23	3Q22	3Q23 vs. 3Q22	2Q23	3Q23 vs. 2Q23	9M23	9M22	9M23 vs. 9M22
CASH FLOW FROM OPERATING ACTIVITIES								
Result for the Period	61.6	9.0	584%	262.1	(77%)	407.6	(137.4)	-
Depreciation and amortization	295.7	233.3	27%	287.3	3%	851.8	655.5	30%
Write-off of intangible assets and fixes assets	7.6	15.6	(51%)	9.0	(15%)	33.6	51.3	(34%)
Accrued interest on debt and exchange variation	117.6	98.1	20%	119.0	(1%)	356.1	311.1	14%
Accrued interest on leases	88.0	70.5	25%	82.3	7%	250.1	198.9	26%
Others	(101.5)	(132.7)	(23%)	(239.1)	(58%)	(406.9)	(226.6)	80%
Working capital variation	42.6	13.1	225%	2.5	1618%	66.2	(26.2)	-
Cash generated by (used in) operating activities	**511.5**	**306.9**	**67%**	**523.0**	**(2%)**	**1,558.5**	**826.4**	**89%**
Interest paid on loans and debentures	(67.1)	(46.4)	45%	(164.9)	(59%)	(286.7)	(228.5)	25%
Interest paid on leases	(87.0)	(70.4)	24%	(81.4)	7%	(247.4)	(196.5)	26%
Income tax and social contribution paid	(17.3)	(6.5)	167%	(14.7)	18%	(34.8)	(23.2)	50%
Net cash generated by (used in) operating activities	**340.1**	**183.6**	**85%**	**262.0**	**30%**	**989.6**	**378.3**	**162%**
CASH FLOW FROM INVESTMENT ACTIVITIES								
Additions to fixed asset	(322.1)	(219.6)	47%	(240.2)	34%	(787.2)	(711.9)	11%
Additions to intangible assets	(1.7)	3.2	-	(2.1)	(18%)	(7.2)	(11.6)	(37%)
Initial direct costs of right-of-use assets	(2.0)	(6.6)	(71%)	(7.5)	(74%)	(17.6)	(6.6)	166%
Receipt for sale of fixed assets	0.0	19.2	-	19.7	(100%)	19.2	0.0	-
Payments for the acquisition of group of assets, subsidiary and joint venture	(7.1)	0.0	-	0.0	-	(93.0)	0.0	-
Capital increase in subsidiary and joint venture	0.0	0.0	-	0.0	-	0.0	(5.3)	-
Financial Investments	103.3	116.0	(11%)	39.5	161%	442.4	383.9	15%
Related parties and loans with third parties	(7.8)	(4.1)	90%	(2.3)	234%	(12.4)	(6.4)	92%
Payment of contingent consideration	0.0	(1.3)	-	0.0	-	(0.5)	(1.3)	(61%)
Net cash used in investment activities	**(237.4)**	**(93.3)**	**154%**	**(192.9)**	**23%**	**(456.3)**	**(359.2)**	**27%**
CASH FLOW FROM FINANCING ACTIVITIES								
Payment of loans and costs	(130.6)	(123.1)	6%	(112.2)	16%	(437.2)	(851.0)	(49%)
Proceeds from loans	255.2	135.2	89%	37.8	575%	329.3	358.1	(8%)
Payment of lease	(125.4)	(96.6)	30%	(123.6)	1%	(367.5)	(287.4)	28%
Capital Increase - controllers	0.0	11.8	-	0.0	-	0.0	11.8	-
Others	0.0	(14.1)	-	(6.8)	-	(11.7)	(19.4)	(40%)
Net cash generated by (used in) financing activities	**(0.9)**	**(86.8)**	**(99%)**	**(204.8)**	**(100%)**	**(487.1)**	**(787.9)**	**(38%)**
INCREASE (REDUCTION) OF BALANCE OF CASH AND EQUIVALENT	**101.8**	**3.5**	**2817%**	**(135.7)**	**-**	**46.7**	**(749.6)**	**-**