



**SMARTFIT ESCOLA DE GINÁSTICA E DANÇA S.A.**

CNPJ/MF nº 07.594.978/0001-78

NIRE 35.300.477.570

*Public Held Company*

**NOTICE TO THE MARKET**

**ACQUISITION OF THE VELOCITY GROUP**

**São Paulo, July 16, 2024 – SMARTFIT ESCOLA DE GINÁSTICA E DANÇA S.A.** ("**Smart Fit**" or "**Company**") informs its shareholders and the market in general that, on July, 15<sup>th</sup>, 2024, its wholly owned operational subsidiaries, Racebootcamp Academia de Ginástica Ltda. ("**Race**") and Escola de Natação e Ginástica Bioswim Ltda. ("**Bioswim**" and, together with Race, "**Buyers**"), have entered into an agreement for the acquisition of 100% ("**Agreement**" and "**Transaction**", respectively) of the shares of the capital stock of Velocity Academia de Ginástica Ltda. ("**Velocity**").

Founded in 2014, Velocity group is the largest chain of spinning fitness studios in Brazil currently with 82 units, of which 77 are franchises. A pioneer in a segment that shows high growth potential, Velocity has solid leadership in the sector supported by a set of competitive advantages, including: (i) differentiated product and experience; (ii) brand strength, which has become synonymous of the category; and (iii) capillarity, with an extensive network of units spread across the country's main capitals and cities. Velocity presented the following unaudited figures for the 12 months until April 2024: net revenue of R\$ 35.6 million and net profit of R\$ 10.1 million (28% net margin). In addition to the "Velocity" brand (group spinning classes), the group also has studios focused on functional training.

The acquisition of Velocity increases the complementarity of the Company's portfolio of modalities in the Studios segment, which currently has 23 units, operating under the brands (i) Race Bootcamp (high-intensity interval training - HIIT); (ii) Tonus Gym (weight training); (iii) Vidya (various modalities of Yoga); (iv) Jab House (combination of boxing and functional training); and (v) One Pilates (Pilates studio). Additionally, the acquisition of Velocity strengthens the Company's positioning in the different verticals of operation within the fitness sector.

Within the scope of the Transaction, the Buyers will pay the shareholders of the Velocity group ("**Sellers**") an estimated amount of: **(i)** R\$ 163.0 million at the time of closing the Transaction ("**Closing Date**"); **(ii)** R\$10.0 million to be released from the 3<sup>rd</sup> anniversary of the Closing Date until the 6<sup>th</sup> anniversary; and **(iii)** R\$ 10.0 million, subject to the fulfillment of certain conditions and targets set out in the Agreement, it being understood that such payment will not occur

before 12 months from the Closing Date. The amounts of items **(ii)** and **(iii)** will be adjusted according to the CDI rate from the Closing Date until the payment date.

The Transaction's closing will be subject to the fulfillment of the usual precedent conditions for this type of operation in the market. In addition, the value of the Transaction is still subject to usual adjustments for this type of transaction to be determined and agreed upon between the parties.

Lastly, the Company clarifies that, as this is an acquisition by its operational subsidiaries, both privately held companies, the execution of the Transaction does not depend on a resolution by the Company's general meeting, nor will it entail withdrawal for its shareholders. Therefore, article 256 of Law no. 6.404/76 does not apply to the Transaction.

The Company will keep the market in general informed of any developments or resolutions regarding the information provided in this notice to the market under the terms of the rules issued by the CVM and applicable legislation.

**José Luís Rizzardo Pereira**

Investor Relations Officer