EARNINGS RELEASE

4Q22

RESULTS WEBINAR
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Videoconference in Portuguese
with simultaneous translation into English
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4Q22 EARNINGS RELEASE

São Paulo, March 16, 2023 – Smart Fit (SMFT3), the leader in the fitness sector across Latin America in memberships[1], announces its results for 4Q22. To facilitate analysis, the results are shown without the effect of IFRS 16/CPC 06 (R2). The effects of IFRS 16/CPC 06 (R02) on the result are detailed from page 18 onwards.

HIGHLIGHTS OF THE PERIOD

- ***1,223 clubs in operation, with acceleration in pace of opening of new units during the quarter***

4Q22 was marked by the opening of 66 clubs, the second-best quarter in number of inaugurations, adding 158 units during the year.

- ***Addition of 884,000 new members at clubs and 14 p.p. recovery in member base during 2022 at Smart Fit units existing before the pandemic.***

In the first two months of 2023, member base at clubs continued expanding, with addition of 361,000 new members. At Smart Fit clubs existing before the pandemic, member base increased 7 p.p. in the period, reaching 96% of the baseline in February.

- ***Net revenue totaled R$ 853 million, +11% vs. 3Q22, with all regions posting revenue above historical levels at Smart Fit clubs opened until 2019***

In 4Q22, net revenue from Smart Fit clubs opened until 2019 reached 110% of pre-pandemic levels, with growth in the three regions of operation.

- ***Cash gross margin was 48% at Smart Fit clubs opened until 2019, close to historical levels***

Cash gross margin[2] rose 2.3 p.p. vs. 3Q22 to 45%, with growth in all regions, especially in Brazil, which grew 4.4 p.p. vs. 3Q22.

- ***EBITDA margin of 27%, with continuous improvement in profitability***

EBITDA of R$ 230 million, up 32% from 3Q22. The recovery of revenue combined with strict cost management helped operating leverage, with EBITDA margin expanding 4.2 p.p. from 3Q22 and operating cash flow of R$ 599 million in 2022.

- ***Net income of R$ 75 million, R$ 45 million higher than in 3Q22***

Continuous improvement in profitability contributed for the second straight quarter registering net income.

4Q22 Highlights	4Q22	4Q21	4Q22 vs. 4Q21	3Q22	4Q22 vs. 3Q22	2022	2021	2022 vs. 2021
Clubs	1,223	1,065	15%	1,157	6%	1,223	1,065	15%
Total Members (000)[a]	3,800	3,007	26%	3,728	2%	3,800	3,007	26%
Net Revenue (R$ million)	853	546	56%	766	11%	2,930	1,707	72%
EBITDA[b] (R$ million)	230	36	539%	174	32%	591	47	1,152%
EBITDA Margin	26.9%	6.6%	20.3 p.p.	22.7%	4.2 p.p.	20.2%	2.8%	17.4 p.p.
Operating Cash Flow[c] (R$ million)	158	51	208%	169	(6%)	599	115	423%

(a) Includes members of clubs, studios and digital channel; (b) Excludes the effects of IFRS 16/CPC06 (R2). See section "EBITDA Breakdown". (c) See section "Operating cash flow". (1) According to the International Health, Racquet & Sportsclub Association data, disclosed in 2020, with base date 2019 ("IHRSA"). (2) For a better analysis of our operational performance, we have shown "Cash Cost of Services Provided", which excludes IFRS-16 effects, depreciation, and amortization.

MESSAGE FROM MANAGEMENT

The year 2022 ended on a promising note for Smart Fit. After a challenging start, marked by many uncertainties ahead, we made important achievements. We added 884,000 club members during the year. When compared to clubs existing before the pandemic, the number of members increased 14 p.p. during 2022. Considering the same clubs existing in late 2019, net revenue reached 110% of pre-pandemic levels, surpassing the baseline in all the regions. The start of 2023 underscored this positive outlook and, in January, we registered the highest sales per unit ever in Brazil, growing 6 p.p. in relation to the baseline. We ended February with our member base reaching 96% of March 2020 levels.

The performance in Other Latin America too was highly positive. The impact of the pandemic on economic activity in these regions was considerably lower than in Brazil, which enabled us to return to historical profitability levels in 2Q22, reinforcing our confidence in recovery in other regions. With the most critical phase of the pandemic behind and another wave in early 2022, of the new Omicron variant and an influenza outbreak, we ended the year with 3.8 million members – a record. This year, we surpassed the mark of 4 million members, which consolidates our position as the undisputed leader in Latin America's fitness club market and the largest chain of clubs in the world outside the United States[1].

The resumption of growth in the sector, in general, and in Smart Fit, in particular, was also influenced by the increased perception by a sizeable chunk of the population that physical exercises are essential for a healthy life after the pandemic. According to the "New Year, New Life" survey[2], the topics "Taking care of health" and "Doing physical activity/Losing weight" once again appeared among the top three priorities for 2023 among respondents. Another study[3] published in 2022 concluded that the Millennials generation prioritizes physical exercises and health more than previous generations did and that it tends to further prioritize these aspects in the future, which confirms the perceived increase in the importance attributed to the habit of working out and taking care of health.

While adapting to the changes imposed by the pandemic, last year we reinforced our focus on efficiency combined line with the best experience for members. The strict cost management, combined with excellence in member service, was essential for the continuous and gradual recovery of both revenue and of profitability to pre-pandemic levels. This recovery occurred in 2022 in Other Latin America and we remain confident of recovering in other regions as well.

In 2022, we opened 158 clubs to the existing base by the end of 2021, ending the period with 1,223 units in 14 countries of with are 967 own and 256 franchises, reaching the guidance of own units. The Company expanded its presence to 43 new cities and is now present in 332 Latin American cities. The progress in seeking excellent commercial points and the appropriate expansion strategy are reflected in the ramp-up of units inaugurated recently when revenue per unit was above the historical average and returns are expected to be in line with historical levels. The pandemic had a strong impact on Latin America's real estate market, which led to good opportunities, combining location and rent costs. The Company has used its vast know-how of openings and its solid, longstanding relations in the sector to benefit from the lower demand for properties from operators in other segments and the lower level of competition. Taking advantage of the favorable real estate scenario, our competitive business model and strong balance sheet, we plan to accelerate our expansion in 2023, offering more people access to high-end fitness.

In line with the goal of constantly pursuing excellence in member service, another important achievement in the year was the continuous improvement of our members' digital journey focused on four pillars: 1) operational efficiency; 2) better training experience; 3) member engagement; and 4) sales. In 2022, we redesigned the "Member Area" and the app, making the app the main channel for interaction with members, with over 1.5 million single users accessing our platforms every month. Moreover, in line with the operating efficiency pillar, the training program feature in the app was enhanced, giving members access to a larger archive of exercises to successfully achieve their goals, which helps in self-service and improves the member experience. The self-service totem was also redesigned and transactions conducted at the reception desk can now be made through this channel. Launched early 2023, the app's plan sales feature already accounted for 2% of all plan sales in Brazil in February. We will continue to invest in digitalizing the member experience to further improve it and increase our operating efficiency.

At BioRitmo, group's high-end fitness club brand in Brazil with 26 units, clubs have already surpassed the number of members per unit before the pandemic and ended the year at profitability levels like to historical levels. During the year, we optimized the class portfolio, adapting the modalities offered to the needs of members. We also invested in re-branding, which led to the highest NPS of the BioRitmo brand in recent years and reduction of the churn rate in relation to the historical levels.

The studios segment, launched by the Company in 2017, ended the year with 13 units, currently operating four concepts through own clubs and franchises: 1) Vidya with yoga classes; 2) Race Bootcamp, classes combining treadmill and functional exercises; 3) Jab House, boxing combined with functional exercises; and 4) Tonus Gym, focused on weightlifting with free weights and functional exercises. In 2023, we opened the first franchise unit outside Brazil, in Portugal, and have already signed more than 20 franchise agreements for expansion of studios.

We are a company of over 12.8 employees who serve over 4.0 million members across 14 countries and who play the important role of democratizing access to high-end fitness in the societies where we operate. In 2022, we advanced significantly on the people management pillar, improving our talent attraction and retention processes, and invested in initiatives to improve professional development, as well as the organizational climate and culture. We rolled out our first professional internship program, creating career opportunities for people, who joined the Technology or Physical Education areas, to work at the Company's clubs. We also intensified our training and professional development agenda through our corporate university, in which more than 48,000 training sessions were completed by our employees.

Our contribution, however, goes beyond fitness services. In 2022, we conducted about 200 campaigns to collect diverse items to support the social development of local communities. Through partnerships with non-profits, the Company also reused more than 3,5 tons of textile waste (equivalent to over 11,000 pieces of uniform) to manufacture blankets, which were donated to institutions helping people in social vulnerable situations. During the period, we continued to invest in accessibility at all our clubs and intensified efforts to increase energy efficiency and the use of renewable energy in our energy matrix. We automated the air-conditioning system at 75 units with the highest energy consumption rates. This initiative reduced consumption by 1.4 million KWh in these units during the period and, in the coming years, more clubs will have the automated cooling system. We also continued to increase the share of renewable energy in our energy matrix through distributed generation. By the end of 2022, 59 units in Brazil operated with distributed generation and the company signed agreements with energy companies to implement this type of generation at 105 more units in the coming months. All these initiatives are aimed at reducing greenhouse gas emissions and electricity costs.

We continue to win important awards in the different regions where we operate, which reflect our team's efforts in serving with excellence and the strength of our brand. In 2022, Smart Fit was recognized as the most loved fitness club by members in the *"Os Mais Amados de São Paulo"* list published by Veja magazine.

As in previous years, we also won the “Top of Mind” award in several the cities where we operate, besides winning the *“As melhores empresas para o consumidor”* award from the *Reclame Aqui* website, an important recognition and from Procon, receiving the verified company stamp. In Mexico, we won the most reliable club brand award from “The Reader’s Digest” and the best fitness club award from “Bien Premios”. All these awards prove our pursuit of excellence and the strength of our brand, which is one of the company’s differentials and which place Smart Fit as the synonym for the segment in the regions where we operate.

Our heartfelt thanks to our employees who, with their dedication and efforts, help us to democratize high-end fitness every single day. Special thanks also to our members, to our suppliers for their support and to our shareholders and debenture holders for their trust even during highly uncertain times. We are very satisfied with the results obtained in 2022 and are very excited about the prospects for 2023.

1- 2020 IHRSA Global Report.
2- Google survey conducted between September 14 and 17 of 1,000 respondents aged over 18.
3- McKinsey’s “Still feeling good: The US wellness market continues to boom” survey, September 2022.

OPERATING PERFORMANCE

CLUB NETWORK

The company ended the period with 1,223 units and operations in 14 countries. Its club network consisted of 967 own units (79% of total) and 256 franchises. The fourth quarter of 2022 was marked by the accelerated pace of club openings, when 66 units were added to the network, the highest growth since the outbreak of the pandemic and the second highest in the company's history. Fifty-nine own clubs were added in the quarter, equivalent to 89% of the additions in the period. Of the additions under the Smart Fit brand, 31 are in Other Latin America, 22 in Mexico and 14 in Brazil.

In the year, 158 clubs were opened, an increase of 15% from 2021, mainly due to the opening of own clubs. The company's expansion in 2022, combined with the growing demand for fitness services, strengthened its competitiveness and leadership in the sector across Latin America.

Additions of new units to the network were impacted by the closure of 12 units, of which 4 BioRitmo corporate units were closed due to the hybrid work model and 8 Smart Fit units closed to optimize the company's portfolio. In addition to these closures, 6 clubs were reallocated to nearby commercial points, using a significant part of the investment already made in these clubs and transferring their members to the new units, resulting in a higher number of members. Lastly, 5 units located in a supermarket chain were closed after the sale of the markets to a wholesale chain.

In 2022, the Company expanded to 43 new cities, taking its footprint to 332 cities in all. Of the 163 Smart Fit opening, 73 are in Other Latin America, 53 in Mexico and 32 in Brazil. The Other Latin America region, especially Colombia, concentrated most of the inaugurations mainly due to the speedier recovery from the negative impacts of the pandemic and the return to historical profitability levels in the region. In Mexico, 53 units were added, up 28% from 2021, with more than 70% of units outside the Federal District and the Mexico State. In Brazil, 35 Smart Fit units were added in 2022, with the Southeast region concentrating most of the new units, followed by the Northeast region.

Evolution of Club Network

Clubs	End of Period					Growth 4Q22 vs.		Variation 4Q22 vs.	
	4Q21	1Q22	2Q22	3Q22	4Q22	3Q22	4Q21	3Q22	4Q21
Total	**1,077**	**1,102**	**1,134**	**1,169**	**1,236**	**67**	**159**	**6%**	**15%**
Clubs	**1,065**	**1,090**	**1,121**	**1,157**	**1,223**	**66**	**158**	**6%**	**15%**
By Type									
Owned	834	857	879	908	967	59	133	6%	16%
Franchised	231	233	242	249	256	7	25	3%	11%
By Brand									
Smart Fit	1,033	1,059	1,093	1,129	1,196	67	163	6%	16%
Owned	807	831	856	885	945	60	138	7%	17%
Brazil[a]	408	415	416	419	429	10	21	2%	5%
Mexico	192	199	209	223	245	22	53	10%	28%
Other Latin America[b]	207	217	231	243	271	28	64	12%	31%
Franchised	226	228	237	244	251	7	25	3%	11%
Brazil	165	169	172	175	179	4	14	2%	8%
Mexico	9	6	8	9	9	0	0	0%	0%
Other Latin America[b]	52	53	57	60	63	3	11	5%	21%
Bio Ritmo and O2	32	31	28	28	27	(1)	(5)	(4%)	(16%)
Owned	27	26	23	23	22	(1)	(5)	(4%)	(19%)
Franchised	5	5	5	5	5	0	0	0%	0%
By Region									
Brazil	602	614	615	621	634	13	32	2%	5%
Mexico	201	205	217	232	254	22	53	9%	26%
Other Latin America[b]	262	271	289	304	335	31	73	10%	28%
Studio[c]	**12**	**12**	**13**	**12**	**13**	**1**	**1**	**8%**	**8%**

(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 own clubs and franchises.

MEMBER BASE

The member base continued growing in 4Q22 to reach 3.8 million, up 2% from 3Q22 and 26% from the same period last year. The combination of successful efforts to attract members and organic expansion, with the maturation of new units, has driven member base growth, which outperformed the historical seasonal effect of the period, with growth registered in all regions.

In clubs, member base grew 80,000 in 4Q22 to 3.5 million, up 34% year on year, with members per club also increasing in relation to 3Q22. During the year, 884,000 members were added and, since May 2021, when the member base reached its lowest since the pandemic, 1.6 million members have been added to the clubs.

Due to the seasonal effects, the fourth quarter is typically marked by a decline in the member base at units opened for more than one year. In the fourth quarters of 2017 to 2019 (the pre-pandemic period), member base at these clubs declined 1.2% on average in relation to the third quarters. Considering only Smart Fit clubs existing before the pandemic, member base ended 4Q22 with 89% of the March 2020 levels, down 0.8 p.p. from the previous quarter but performing better than historical levels.

In January 2023, seasonally the strongest month of the year, member base at Smart Fit clubs existing before the pandemic grew 6 p.p., with January being the month with highest growth since the start of recovery of the base and the month with the highest sales in Smart Fit's history. In February, member base grew continuously, expanding 1 p.p. and reaching 96% of March 2020 levels.

Evolution of Member Base

Clients ('000)	End of Period					Growth 4Q22 vs.		Variation 4Q22 vs.	
	4Q21	1Q22	2Q22	3Q22	4Q22	3Q22	4Q21	3Q22	4Q21
Total	**3,007**	**3,279**	**3,438**	**3,728**	**3,800**	**72**	**793**	**2%**	**26%**
Clubs	**2,573**	**2,879**	**3,069**	**3,377**	**3,457**	**80**	**884**	**2%**	**34%**
By Type									
Owned	1,989	2,258	2,404	2,642	2,705	63	717	2%	36%
Franchise	584	621	664	735	752	16	167	2%	29%
By Brand									
Smart Fit	**2,529**	**2,834**	**3,024**	**3,329**	**3,407**	**78**	**877**	**2%**	**35%**
Owned	1,951	2,220	2,367	2,601	2,663	62	712	2%	36%
Brazil	956	1,025	1,039	1,140	1,165	25	209	2%	22%
Mexico	422	548	606	652	655	2	232	0.4%	55%
Other Latin America[a]	572	647	722	809	843	34	271	4%	47%
Franchise	578	614	657	728	744	16	166	2%	29%
Bio Ritmo and O2	**44**	**45**	**44**	**48**	**50**	**2**	**6**	**4%**	**15%**
By Region									
Brazil	1,407	1,500	1,526	1,682	1,720	38	313	2%	22%
Mexico	449	566	630	679	681	2	231	0%	52%
Other Latin America[a]	717	812	913	1,017	1,057	40	339	4%	47%
Studio	**4**	**4**	**4**	**3**	**4**	**1**	**0**	**18%**	**(1%)**
Digital[b]	**430**	**397**	**365**	**348**	**339**	**(8)**	**(91)**	**(2%)**	**(21%)**

(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) To avoid double counting, members of our clubs who are also subscribers to our Smart Nutri e Smart Coach digital plans are considered only as members of clubs or Studios.

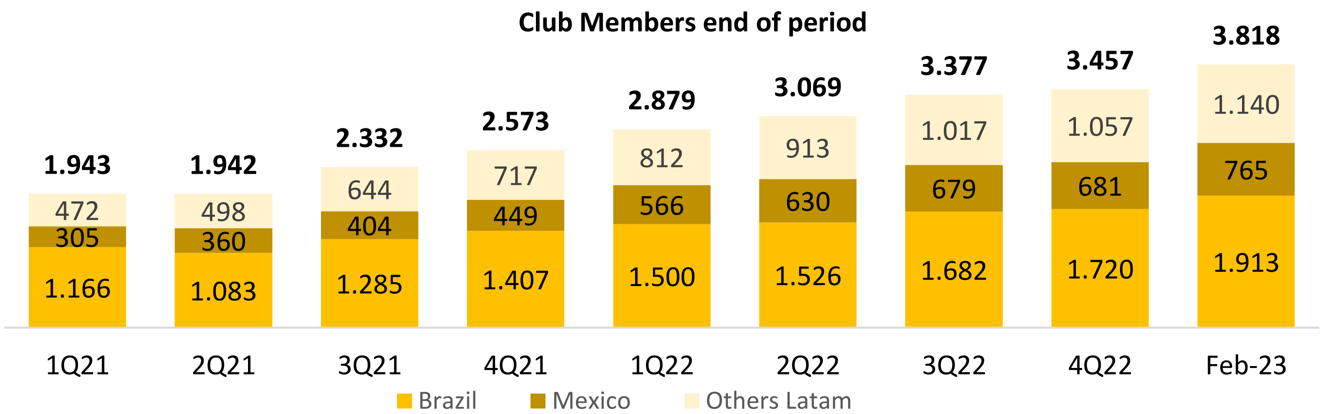
In 4Q22, member base in Brazil totaled 1.7 million, with 38,000 members added in the quarter, 2% more than in 3Q22 and 4% above the member base in March 2020. This expansion led to an increase in average membership per club in 4Q22 compared to 3Q22. Considering only Smart Fit clubs inaugurated before the pandemic, in December 2022 the country reached 82% of its member base in March 2020, growing 1 p.p.

from the previous quarter. January 2023 registered the highest sales in the company's history in Brazil and the record sales per unit, with more than 160,000 members added to the base. In February, units opened before the pandemic reached 90% of the member base in March 2020, an increase of 8 p.p. from December 2022.

Mexico exceeded 680,000 members in 4Q22, up 23% from March 2020. Due to the historically negative seasonality in the region, 2,000 members were added in the quarter. Considering only Smart Fit clubs inaugurated before the pandemic, in 4Q22 the country reached 87% of its member base in March 2020, decreasing 4 p.p. from 3Q22, but better than the historically seasonality in the quarter. In February 2023, member base at these units expanded 6 p.p. in relation to December 2022, reaching 92% of the member base in March 2020.

In the Other Latin America region, member base reached 1.1 million in 4Q22, up 4% from 3Q22, with the addition of 40,000 members in the quarter. Considering only Smart Fit clubs inaugurated before the pandemic, in 4Q22, the region reached 109% of the March 2020 member base, down 1 p.p. from 3Q22, above the historical levels for the quarter, with Peru and Chile registering growth in their member base during the period. Until February 2023, member base at these units resumed growth and reached 113% of the March 2020 member base.

The full recovery across Other Latin America is due to the lower impact on the operations by COVID-19 (e.g.: clubs in Colombia have remained open since September 2020), fewer restrictions on clubs in that region and less concerns about the pandemic in the main country in the region, compared to Brazil and Mexico.



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 December 2022, exclusively digital members totaled 339,000. 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 a varied assortment of physical exercise programs. At the end of 4Q22, this service had 331,000 members, 167% more than in December 2019. Volume of assets in 4Q22 remained in line with 3Q22 due to the stabilization of sales and renewals when compared to demand in 2021, which was positively affected by closures and restrictions on circulation on account of COVID-19. Most of the member base is located in Brazil, with 3% located in other Latin American countries.

Smart Fit Nutri, the app-based service for nutritional follow-up and teleconsultations with nutritionists, reached 98,000 active subscribers at the end of 4Q22, up 27% from the previous quarter. The expansion membership is due to initiatives taken to provide a better member experience and greater engagement, such as the installation of bioimpedance scales at more clubs. Currently, the service is available in three countries: Brazil, Mexico and Ecuador.

FINANCIAL PERFORMANCE

Main financial indicators[a] (R$ million)	4Q22	4Q21	4Q22 vs.4Q21	3Q22	4Q22 vs. 3Q22	2022	2021	2022 vs. 2021
Gross Revenue	917.1	586.0	56%	823.6	11%	3,151.8	1,841.1	71%
Net Revenue	**853.1**	**546.4**	**56%**	**766.3**	**11%**	**2,930.4**	**1,706.9**	**72%**
Cash costs of services[b]	(467.9)	(361.6)	29%	(437.9)	7%	(1,707.4)	(1,190.4)	43%
Cash gross profit[b]	**385.2**	**184.8**	**108%**	**328.4**	**17%**	**1,223.1**	**516.4**	**137%**
Cash gross margin	*45.2%*	*33.8%*	*11.3 p.p.*	*42.8%*	*2.3 p.p.*	*41.7%*	*30.3%*	*11.5 p.p.*
(+) Pre-operating Costs	(6.2)	(7.9)	(22%)	(7.2)	(14%)	(26.3)	(14.8)	78%
Cash gross profit before pre-operating costs[b]	391.3	192.7	103%	335.5	17%	1,249.4	531.2	135%
Gross margin before pre-operating costs	*45.9%*	*35.3%*	*10.6 p.p.*	*43.8%*	*2.1 p.p.*	*42.6%*	*31.1%*	*11.5 p.p.*
SG&A	(159.1)	(147.6)	8%	(154.4)	3%	(638.4)	(454.2)	41%
% Net Revenue	*18.7%*	*27.0%*	*(8.4) p.p.*	*20.1%*	*(1.5) p.p.*	*21.8%*	*26.6%*	*(4.8) p.p.*
Selling expenses[c]	(70.8)	(56.7)	25%	(61.4)	15%	(274.5)	(178.0)	54%
% Net Revenue	*8.3%*	*10.4%*	*(2.1) p.p.*	*8.0%*	*0.3 p.p.*	*9.4%*	*10.4%*	*(1.1) p.p.*
General and administrative expenses[d]	(85.9)	(86.3)	(0%)	(82.9)	4%	(333.2)	(271.6)	23%
% Net Revenue	*10.1%*	*15.8%*	*(5.7) p.p.*	*10.8%*	*(0.7) p.p.*	*11.4%*	*15.9%*	*(4.5) p.p.*
Pre-operating expenses	(3.0)	(5.3)	(44%)	(4.9)	(39%)	(17.8)	(8.1)	120%
Other (expenses) revenues	0.6	0.7	(13%)	(5.2)	n.a	(12.8)	3.5	n.a
Equity Income	3.6	(1.3)	n.a	(0.2)	n.a	6.6	(15.0)	n.a
EBITDA[e]	229.7	36.0	539%	173.8	32%	591.2	47.2	1,152%
EBITDA Margin	*26.9%*	*6.6%*	*20.3 p.p.*	*22.7%*	*4.2 p.p.*	*20.2%*	*2.8%*	*17.4 p.p.*
EBITDA before pre-operating expenses[f]	**238.8**	**49.2**	386%	**185.9**	28%	**635.3**	**70.1**	806%
EBITDA Margin before pre-operating costs and expenses	*28.0%*	*9.0%*	*19.0 p.p.*	*24.3%*	*3.7 p.p.*	*21.7%*	*4.1%*	*17.6 p.p.*
Depreciation and amortization	(131.0)	(124.8)	5%	(126.2)	4%	(489.4)	(448.4)	9%
Financial Result	(28.2)	(32.7)	(14%)	(11.9)	136%	(108.8)	(178.1)	(39%)
Income tax and Social Contribution	4.4	11.4	(62%)	(5.7)	(176%)	(3.7)	21.8	n.a
Profit (loss) for the period	74.8	(110.2)	n.a	29.9	150%	(10.7)	(557.5)	(98%)
% Net Revenue	*8.8%*	*(20.2%)*	*28.9 p.p.*	*3.9%*	*4.9 p.p.*	*(0.4%)*	*(32.7%)*	*32.3 p.p.*

(a) All indicators exclude the effects of IFRS 16 in relation to the leases of clubs and offices; (b) 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” excludes depreciation and costs with opening new units. See the “Gross Profit” section for the calculation of these measurements; (c) “Selling expenses” exclude expenses with opening new units; (d) “General and administrative expenses” excludes depreciation and IFRS 16 effects; (e) See the “EBITDA Breakdown” section for the calculation of this measurement; (f) “EBITDA before pre-operating costs and expenses” excludes costs and expenses with opening new units. See the “EBITDA Breakdown” section for the calculation of this measurement.

NET REVENUE

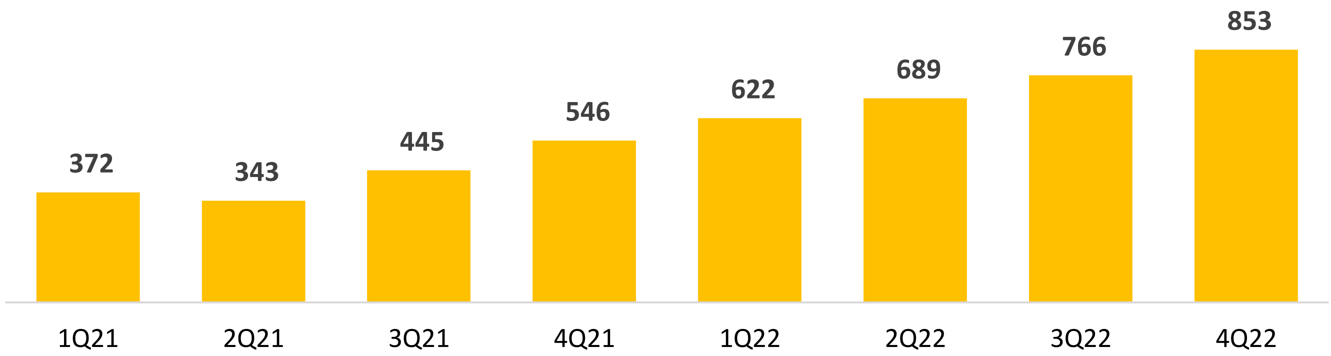
Net revenue in 4Q22 was R$853.1 million, up 56% from 4Q21, mainly due to the 22% increase in average membership per own unit, the 16% expansion of the own club network and the increase in average ticket per member, explained by the transfer of prices during 2021 in diverse regions.

Net Revenue by Brand and Region

Net Revenue (R$ million)	4Q22	4Q21	4Q22 vs.4Q21	3Q22	4Q22 vs. 3Q22	2022	2021	2022 vs.2021
Smart Fit	768.9	479.9	60%	694.8	11%	2,635.1	1,484.3	78%
Brazil	346.6	212.4	63%	322.6	7%	1,224.3	727.5	68%
Mexico	197.6	111.5	77%	167.9	18%	635.1	349.2	82%
Other Latin America [a]	224.8	156.0	44%	204.3	10%	775.6	407.5	90%
Bio Ritmo e O2	29.8	23.5	27%	28.1	6%	106.3	63.3	68%
Others [b]	54.3	43.1	26%	43.4	25%	189.1	159.2	19%
Total	**853.1**	**546.4**	**56%**	**766.3**	**11%**	**2,930.4**	**1,706.9**	**72%**
International Revenue (% total)	50%	50%	*0.2 p.p.*	49%	*1.0 p.p.*	48%	45%	*3.7 p.p.*

(a) "Other Latin America" considers only own operations controlled in the region (Colombia, Chile, Peru, Argentina and Paraguay); (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 4Q22, combined with the expansion of own clubs and franchises, drove revenue growth of 11% (R$86.8 million) in relation to 3Q22. This quarter saw an important milestone - net revenue from Smart Fit clubs opened until 2019 surpassed 100% of the pre-pandemic levels at all regions, reaching 110% in the company's consolidated numbers in the quarter.

In Brazil, net revenue from Smart Fit clubs totaled R$346.6 million, increasing 7% from 3Q22, thanks to the 4% growth in average member base per club in the period and the 2% expansion of the own club network. At Smart Fit clubs inaugurated up to 2019, net revenue in 4Q22 surpassed pre-pandemic levels, reaching 101% of the January and February 2020 levels (versus 95% in 3Q22).

In Mexico, net revenue in 4Q22 was R$197.6 million, increasing 18% from 3Q22, due to the combination of the 8% expansion of the own club network and the increase in average ticket, both partially offset by the lower average member base per club, due to the negative historical seasonality of the quarter. At Smart Fit clubs inaugurated up to 2019, net revenue in 4Q22 reached 111% of the January and February 2020 levels, versus 99% in 3Q22.

Net revenue from Smart Fit clubs in Other Latin America totaled R$224.8 million, up 10% from 3Q22, mainly due to the increase in the number of own clubs. At Smart Fit clubs inaugurated up to 2019, net revenue in 4Q22 reached 129% of the January and February 2020 levels, versus 122% in 3Q22.

CASH COST OF SERVICES PROVIDED

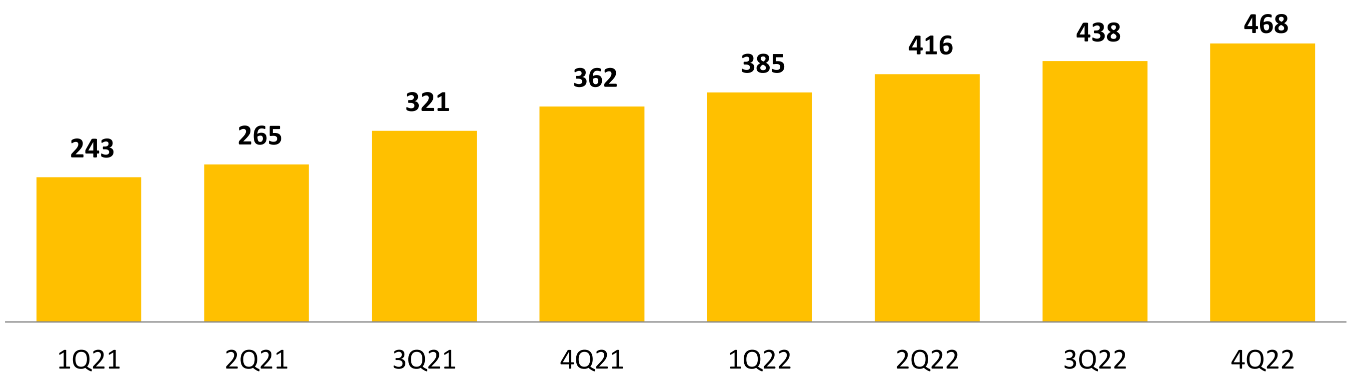
Cash cost of services provided totaled R$467.9 million in 4Q22, 29% higher than in the same period the previous year, chiefly due to the 16% increase in the average number of own clubs compared to 4Q21.

Cash Cost of Services Provided by Type

Cash Cost of Services Rendered[a] (R$ million)	4Q22	4Q21	4Q22 vs. 4Q21	3Q22	4Q22 vs. 3Q22	2022	2021	2022 vs. 2021
Occupation	183.0	149.4	22%	173.9	5%	682.1	502.9	36%
Personnel	121.5	90.3	35%	110.5	10%	427.2	303.9	41%
Consumption	82.7	61.1	35%	73.9	12%	298.0	199.8	49%
Other	80.7	60.8	33%	79.6	1%	300.0	183.9	63%
Cash Cost of Services Rendered	**467.9**	**361.6**	**29%**	**437.9**	**7%**	**1,707.4**	**1,190.4**	**43%**

(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.

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



Compared to 3Q22, cash cost in 4Q22 increased R$30.0 million, up 7%, driven by the 5% increase in the number of own clubs. Occupancy costs increased 5% vs. 3Q22 and other operating costs (personnel, consumption and others) increased 8%, mainly due to higher operating costs in Mexico resulting from the provision for profit sharing for employees at clubs and the payment of most of the license fees of units, which in 2022 were concentrated in the fourth quarter.

The Company remains focused on cost management in order to mitigate the impact of the pandemic and the inflationary scenario on its operations, thereby protecting its profitability. Considering only the units opened until 2019, costs increased 12.7% from the baseline (January/February 2020), due to the reduction in personnel costs as a result of changes in the headcount at the units in 2021, constant negotiations of rents and agreements with suppliers, and energy efficiency projects.

In these units, costs increased 3.5 p.p. from 3Q22, impacted by certain costs related to the pandemic and others, which in 2022, were concentrated in 4Q22, such as provision for profit sharing. Assuming a recurring cost basis, growth compared to the baseline (Jan/Feb-20) would be 10%. Note that cumulative inflation from 2020 to 2022 was 21.7% for IPCA and 51.9% for IGP-M in Brazil, 19.4% in Mexico and 21.4% in Colombia, showing the company's diligent cost management.

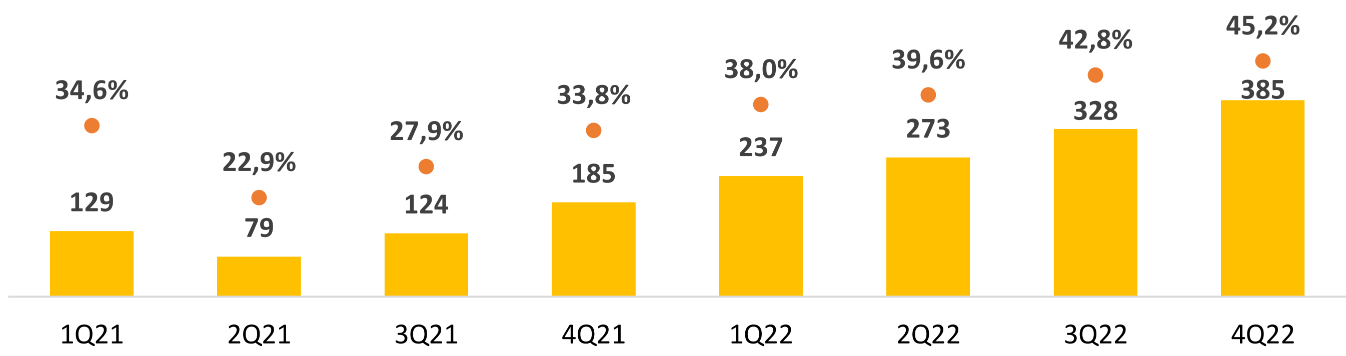
CASH GROSS PROFIT

Cash gross profit in 4Q22 totaled R$385.2 million, increasing R$200.3 million from 4Q21, driven by the strong growth in revenues and the focus on cost management, which helped dilute fixed costs. The company continues to recover its cash gross margin: compared to 4Q21, cash gross margin increased 11.3 p.p. to 45.2% in 4Q22.

Cash Gross Profit[a] (R$ million)	4Q22	4Q21	4Q22 vs.4Q21	3Q22	4Q22 vs. 3Q22	2022	2021	2022 vs.2021
Net Revenue	**853.1**	**546.4**	**56%**	**766.3**	**11%**	**2,930.4**	**1,706.9**	**72%**
(-) Costs of Services Provided	594.8	483.7	23%	560.4	6%	2,179.1	1,632.7	33%
Gross Profit	**258.3**	**62.7**	**312%**	**205.9**	**25%**	**751.3**	**74.1**	**914%**
(+) Depreciation[b]	126.9	122.1	4%	122.4	4%	471.8	442.3	7%
Cash Gross Profit[c]	**385.2**	**184.8**	**108%**	**328.4**	**17%**	**1,223.1**	**516.4**	**137%**
Cash Gross Margin	*45.2%*	*33.8%*	11.3 p.p.	*42.8%*	2.3 p.p.	*41.7%*	*30.3%*	*11.5 p.p.*
(+) Pre-Operating Costs	6.2	7.9	(22%)	7.2	(14%)	26.3	14.8	78%
Cash Gross Profit before Pre-Operating Costs[d]	**391.3**	**192.7**	**103%**	**335.5**	**17%**	**1,249.4**	**531.2**	**135%**
Cash Gross Margin before Pre-Operating Costs	*45.9%*	*35.3%*	10.6 p.p.	*43.8%*	2.1 p.p.	*42.6%*	*31.1%*	11.5 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) "Depreciation" relates to other depreciations included in the cost of services other than lease as it was already excluded from the "Cost of Services" calculation; (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 3Q22, cash gross profit increased R$56.8 million in 4Q22, or 17%, while cash gross margin rose 2.3 p.p., mainly driven by Smart Fit Brazil, whose cash gross margin increased 5.7 p.p. in relation to the previous quarter. Cash gross margin expanded due to operating leverage resulting from the continuous increase in average revenue per club, fueled by the recovery of the member base and the increase in average ticket, combined with rigorous cost management.

Considering only Smart Fit clubs inaugurated until 2019, net revenue reached 110% of the baseline in January and February 2020, while cash cost totaled 113%. The 3p.p. difference between net revenue and cash costs of these units reached the lowest level since the start of recovery from the pandemic, and consolidated gross margin of these units reached 48% in 4Q22, close to historical levels.

SELLING AND ADMINISTRATIVE EXPENSES

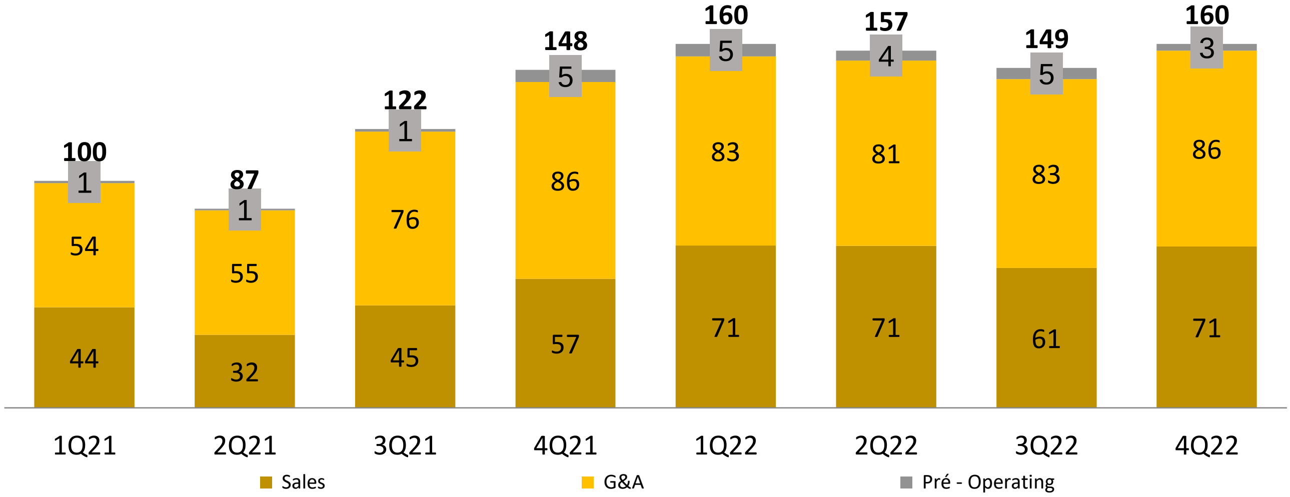
Selling, general and administrative expenses[a,b] (R$ million)	4Q22	4Q21	4Q22 vs. 4Q21	3Q22	4Q22 vs. 3Q22	2022	2021	2022 vs. 2021
Selling expenses	70.8	56.7	25%	61.4	15%	274.5	178.0	54%
General and administrative expenses	85.9	86.3	(0%)	82.9	4%	333.2	271.6	23%
Pre-operating expenses	3.0	5.3	(44%)	4.9	(39%)	17.8	8.1	120%
Total	**159.8**	**148.3**	**8%**	**149.2**	**7%**	**625.6**	**457.7**	**37%**

(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".

Selling, general and administrative expenses totaled R$159.8 million in 4Q22, 8% more than in 4Q21, due to the increase in selling expenses incurred to attract more members, partially linked to the growing number of clubs. General and administrative expenses remained in line with the same period of the previous year.

Evolution of Selling, General and Administrative Expenses and Pre-Operating Expenses

(R$ million)



Compared to 3Q22, selling, general and administrative expenses increased 7%, corresponding to 18.7% of net revenue, representing a dilution of 0.7 p.p. in the quarter. Selling expenses increased 15% vs. 3Q22, representing 8.3% of net revenue in the quarter, due to the acceleration of marketing investments during the period, which had a positive impact on sales in early 2023. General and administrative expenses increased 4% from 3Q22, mainly due to expenses with new businesses, corresponding to 10.1% of net revenue in the quarter, representing a dilution of 0.7 p.p. in the period, given the continuous recovery of revenue at mature clubs and the maturation of new units.

EBITDA

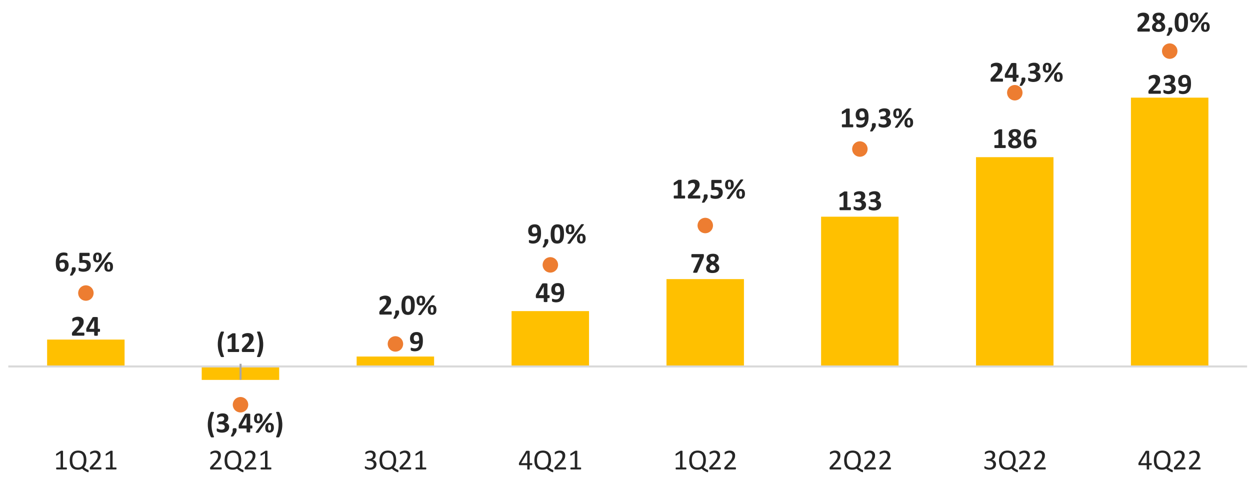
EBITDA Breakdown[a] (R$ million)	4Q22	4Q21	4Q22 vs.4Q21	3Q22	4Q22 vs. 3Q22	2022	2021	2022 vs.2021
Net Income	**74.8**	**(110.2)**	**n.a**	**29.9**	**150%**	**(10.7)**	**(557.5)**	**(98%)**
(+) IR & CSLL	(4.4)	(11.4)	(62%)	5.7	(176%)	3.7	(21.8)	(117%)
(+) Financial Result	28.2	32.7	(14%)	11.9	136%	108.8	178.1	(39%)
(+) Depreciation	131.0	124.8	5%	126.2	4%	489.4	448.4	9%
EBITDA	**229.7**	**36.0**	**539%**	**173.8**	**32%**	**591.2**	**47.2**	**1,152%**
EBITDA Margin	*26.9%*	6.6%	*20.3p.p.*	*22.7%*	*4.2p.p.*	*20.2%*	*2.8%*	*17.4p.p.*
(+) Pre-operating costs and expenses	(9.1)	(13.2)	(31%)	(12.1)	(25%)	(44.1)	(22.9)	93%
EBITDA before pre-operating expenses	**238.8**	**49.2**	**386%**	**185.9**	**28%**	**635.3**	**70.1**	**806%**
EBITDA margin before pre-operating costs and expenses	*28.0%*	9.0%	*19.0p.p.*	*24.3%*	*3.7p.p.*	*21.7%*	*4.1%*	*17.6p.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.

4Q22 was the sixth straight quarter of strong EBITDA growth, which attests to the high operating leverage of the business. EBITDA before pre-operating expenses totaled R$238.8 million, compared to R$49.2 million in 4Q21, due to the continued expansion of the member base in the period after the pandemic and the consequent revenue growth and dilution of costs and expenses.

Evolution of EBITDA and EBITDA Margin before Pre-Operating Expenses

(R$ million and % of net revenue)



Compared to 3Q22, EBITDA before pre-operating expenses increased R$52.9 million in 4Q22, up 28%, positively affected by the 11% revenue growth and consequent dilution of costs and expenses, which led to a sharp increase of 3.7 p.p. in EBITDA margin before pre-operating costs, which ended the quarter at 28.0%.

EBITDA by Region

To enable a better analysis of the performance and contribution of each region to the consolidated EBITDA of the Company, starting from 3Q21, the Company 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 will be analyzed on a consolidated basis as they sustain the operations of the entire Company.

EBITDA[a] (R$ million)	4Q22	4Q21	4Q22 vs.4Q21	3Q22	4Q22 vs. 3Q22	2022	2021	2022 vs.2021
Brazil[b]	133.3	19.1	599%	110.4	21%	371.5	106.6	249%
Mexico[b]	71.4	34.2	109%	53.8	33%	201.4	81.1	148%
Other Latin America[b]	106.7	69.5	53%	97.8	9%	357.8	142.6	151%
G&A expenses and other operating expenses	(85.3)	(85.6)	(0%)	(88.1)	(03%)	(346.1)	(268.1)	29%
Equity Income	3.6	(1.3)	(383%)	(0.2)	(2,291%)	6.6	(15.0)	(144%)
EBITDA	**229.7**	**36.0**	**539%**	**173.8**	**32%**	**591.2**	**47.2**	**1,152%**

(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) For EBITDA of Regions, considers cash gross profit less selling expenses. General and administrative expenses (G&A) and other operating expenses will be analyzed on a consolidated basis as they sustain the operations of the entire Company.

In Brazil, EBITDA was R$133.3 million in 4Q22, compared to R$19.1 million in 4Q21, up R$114.2 million due to the higher average revenue per club, which in 4Q21 was still negatively affected by COVID-19. Compared to 3Q22, EBITDA from Brazil increased 21%, due to the 9% growth in revenue in the region caused by the increase in average membership per club and average ticket, resulting in dilution of costs as a percentage of net revenue.

In Mexico, EBITDA grew R$37.2 million in relation to 4Q21 to reach R$71.4 million, since the 4Q21 results were still significantly affected by the closure of clubs during the pandemic. Compared to 3Q22, EBITDA from Mexico grew 33%, due to the 18% revenue growth, the expansion in gross margin and the dilution of selling expenses.

The Other Latin America region registered EBITDA of R$106.7 million in 4Q22, up 9% from the third quarter, with EBITDA margin of 47% versus 44% in 4Q21. This result was positively affected by the end of restrictions and the full recovery of member base, which significantly increased revenue and diluted costs in relation to the previous year.

NET PROFIT FROM THE PERIOD

In 4Q22, the company registered net profit for the second straight quarter, amounting to R$74.8 million, and net margin of 8.8%, reversing the loss of R$110.2 million in 4Q21, mainly due to EBITDA growth of R$193.7 million. Compared to 3Q22, net profit in the period increased R$45.0 million, mainly due to the R$55.9 million increase in EBITDA.

OPERATING CASH FLOW

Operating Cash Flow (R$ million)	4Q22	4Q21	4Q22 vs. 4Q21	3Q22	4Q22 vs. 3Q22	2022	2021	2022 vs. 2021
EBITDA	**229.7**	**36.0**	**539%**	**173.8**	**32%**	**591.2**	**47.2**	**1,152%**
Itens of result with no impact on cash[a]	30.6	36.1	(15%)	(27.9)	n/a	104.4	102.6	2%
IR/CSLL Paid	(2.3)	(17.5)	(87%)	(6.5)	(65%)	(25.4)	(19.1)	33%
Working capital variation	**(99.6)**	**(3.1)**	**3,082%**	**29.4**	**n/a**	**(71.3)**	**(16.2)**	**339%**
Receivables	(63.0)	8.7	n/a	(23.3)	171%	(76.0)	(41.6)	83%
Suplliers	(3.0)	2.0	n/a	49.2	n/a	40.3	31.1	30%
Wages, provisions and social contributions	(14.4)	(15.7)	(8%)	9.6	n/a	13.2	14.8	(11%)
Taxes[b]	(19.3)	1.8	n/a	(6.1)	217%	(48.8)	(20.6)	137%
Operating Cash Flow	**158.4**	**51.4**	**208%**	**168.9**	**(6%)**	**598.9**	**114.5**	**423%**

(a) Includes mainly equity income, asset write-offs, deferred revenue and provisions; (b) Includes taxes on sales and services.

In 4Q22, operating cash flow was R$158.4 million, better than the performance in 4Q21, thanks to the continuous revenue growth resulting from the recovery of member base and the increase in average ticket. These factors, combined with the Company's cost and expense control measures, enabled EBITDA growth of R$193.7 million in 4Q22 versus 4Q21, positively impacting operating cash flow. Compared to 3Q22, operating cash generation decreased 6%, affected negatively by higher working capital consumption in the period. In the year, operating cash generation totaled R$598.9 million, up R$484.4 million from the previous year.

CAPEX

Capex (R$ million)	4Q22	4Q21	4Q22 vs.4Q21	3Q22	4Q22 vs. 3Q22	2022	2021	2022 vs.2021
Capex	**293.3**	**296.4**	**(1%)**	**220.4**	**33%**	**1,007.6**	**611.3**	**65%**
Expansion [a]	243.6	256.6	(5%)	179.2	36%	849.6	503.2	69%
Maintenance	37.8	27.7	37%	30.3	25%	116.8	71.9	62%
Corporate and Innovation	11.9	12.2	(2%)	11.0	9%	41.2	36.2	14%

(a) Excludes expansion capex of R$8.1 million advanced in 1Q21 to the units of SmartExp Escola de Ginástica e Dança, which was a subsidiary with shared control with external investors. This subsidiary was merged with the Company in 4Q21.

In 4Q22, capex was R$293.3 million, in line with 4Q21 levels, due to investments in expansion and maintenance, and the higher utilization of clubs. In the quarter, expansion capex totaled R$243.6 million, down 5% from the same quarter last year. Maintenance capex totaled R$37.8 million, up 37% from 4Q21, due to the higher utilization of clubs, representing 5.6% of gross revenue of mature units in the period. Capex on corporate and innovation projects totaled R$11.9 million in 4Q22, versus R$12.2 million in 4Q21.

Compared to 3Q22, capex increased R$72.9 million (33%), mainly driven by expansion. Given the faster pace of openings in the period, expansion capex grew 36% in relation to the previous quarter.

In 2022, capex totaled R$1,007.6 million, up 65% from the previous year, with expansion capex of clubs was R$843 million, up 68% from 2021, due to the higher number of openings of own units. In the year, 145 own units were opened, excluding the 10 units of subsidiaries in Panama and Costa Rica and considering the closure of own clubs in the period. The expansion capex was affected by geographical mix given that Mexico and Other Latin America represented 76% of openings vs. 45% in 2021, resulting in higher average capex per unit in the period, but in local currency, investments remained relatively stable with a similar return target in all regions.

CASH AND DEBT

Cash and Debt (R$ million)	4Q22	3Q22	2Q22	1Q22	4Q21
Cash and Cash Equivalents [a]	2,923	2,711	2,764	3,461	3,677
Gross Debt [b]	3,538	3,205	3,144	3,639	3,755
By nature:					
Loans and debentures	3,420	3,074	3,018	3,506	3,590
Lease liability - equipment	118	131	126	134	165
By maturity					
Short-term	542	514	463	537	552
Long-term	2,995	2,691	2,681	3,103	3,203
Net Debt (Net cash) [c]	615	495	381	178	78
Net Debt/ EBITDA LTM [d]	0.83x	0.58x	0.62x	0.33x	0.18x

(a) "Gross Debt" includes the operational lease liability of equipment; (b) "Net debt" considers short- and long-term loans, financing and operating leases (excluding property leases) with financial institutions, less cash and guarantees; (c) the "Net Debt/EBITDA LTM" indicator uses the definition of net debt and EBITDA of the Company's debentures.

At the end of 4Q22, Smart Fit held a solid cash position of R$2,923 million and gross debt of R$3,538 million, 85% of it maturing in the long term. Net debt ended the quarter at R$615 million, resulting in a net debt/EBITDA LTM ratio of 0.83x, higher than in 3Q22, due to the balance of acquisition payable for exercising the put option by the shareholders of Sporty Panama on the interest in the joint venture of the Panama and Costa Rica operation. The company's financial liquidity position remains solid due to the proceeds of R$2.6 billion from the primary public 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.

In November 2022, the Company concluded its 7th issue of debentures totaling R$400 million, backed by real estate receivables certificates (CRI), maturing in 7 years, with the first series of R$362 million at a cost of CDI +1.50% and the second series of R$38 million at a cost of IPCA + 7.37%. The proceeds will be used for investments and pay real estate expenses already disclosed and to be disclosed, in accordance with the company's organic expansion strategy.

The Company seeks to align the maturities of loans and financing to its capacity to generate operating cash flow and access local financing lines in order to drive its organic expansion in the countries where it operates. At the end of 4Q22, the debt maturity schedule was as follows:

Gross Debt Maturites [a]	2023[b]	2024	2025	2026	2027	2028	2029	Total
% of total	15%	23%	16%	13%	15%	14%	4%	**100%**
Total	542	830	570	453	528	482	132	**3,538**
Brazil	106	306	151	359	490	482	132	**2,025**
Mexico	200	180	97	45	29	0	0	**552**
Other Latin America [c]	237	344	322	49	9	0	0	**961**

(a) "Gross Debt" is defined as short- and long-term loans, financing and leasing of equipment 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, and Peru.

EVENTS AFTER THE REPORTING PERIOD

Acquisition of Sporty Panama S.A. ("Sporty")

As informed through a material fact notice disclosed to shareholders and the market, the shareholder of the joint venture Sporty, a closely held corporation that operates Smart Fit clubs in Panama and Costa Rica, exercised its put option on all the shares it held in Sporty. With said exercise, the Company, which already held 50% of the shares, holds 100% of the shares since January 1, 2023.

Financial numbers shown from this point reflect the adoption of IFRS-16

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.

Statement of Profit and Loss (R$ million)	4Q22 Reported	Impacts of IFRS 16	4Q22 excluding IFRS 16	4Q21 Reported	Impacts of IFRS 16	4Q21 excluding IFRS 16	2022 Reported	Impacts of IFRS 16	2022 excluding IFRS 16	2021 Reported	Impacts of IFRS 16	2021 excluding IFRS 16
Net Revenue	853.1		853.1	546.4		546.4	2,930.4	-	2,930.4	1,706.9	-	1,706.9
Cost of services	(552.1)	42.7	(594.8)	(460.7)	23.0	(483.7)	(2,018.4)	160.7	(2,179.1)	(1,593.0)	39.7	(1,632.7)
Rents	(29.8)	156.2	(186.1)	(36.2)	117.0	(153.2)	(127.6)	568.6	(696.1)	(132.7)	378.1	(510.9)
Depreciation and amortization (cost)	(240.4)	(113.6)	(126.9)	(216.1)	(94.0)	(122.1)	(879.6)	(407.9)	(471.8)	(780.7)	(338.4)	(442.3)
Gross profit	301.0	42.7	258.3	85.7	23.0	62.7	912.0	160.7	751.3	113.8	39.7	74.1
SG&A	(163.2)	0.0	(163.2)	(149.7)	0.6	(150.3)	(653.2)	2.9	(656.1)	(458.4)	1.9	(460.3)
Selling expenses	(70.8)	-	(70.8)	(56.7)	-	(56.7)	(274.5)	-	(274.5)	(178.0)	-	(178.0)
General and administrative	(83.7)	2.2	(85.9)	(84.6)	1.7	(86.3)	(325.4)	7.9	(333.2)	(265.4)	6.2	(271.6)
Rents	(2.0)	3.8	(5.8)	1.2	3.0	(1.9)	(3.8)	7.9	(11.6)	(2.2)	6.2	(8.4)
Depreciation and amortization (costs)	(6.3)	(2.2)	(4.1)	(3.9)	(1.1)	(2.8)	(22.6)	(5.0)	(17.7)	(10.4)	(4.3)	(6.2)
Outras (despesas) receitas	0.6	-	0.6	0.7	-	0.7	(12.8)	-	(12.8)	3.5	-	3.5
Equity accounting	3.6	-	3.6	(1.3)	-	(1.3)	6.6	-	6.6	(15.0)	-	(15.0)
Operating profit (loss) before financial result	141.4	42.7	98.7	(65.3)	23.6	(88.9)	265.4	163.6	101.8	(359.5)	41.7	(401.2)
Financial Result	(94.3)	(66.1)	(28.2)	(80.4)	(47.7)	(32.7)	(347.7)	(238.9)	(108.8)	(295.2)	(117.1)	(178.1)
Income tax and Social Contribution	4.4	-	4.4	11.4	-	11.4	(3.7)	-	(3.7)	21.8	-	21.8
Net profit	51.4	(23.4)	74.8	(134.3)	(24.1)	(110.2)	(86.1)	(75.3)	(10.7)	(633.0)	(75.5)	(557.5)

Impacts of IFRS-16 in the breakdown of Gross Profit excluding depreciation, amortization, and EBITDA

	4Q22 Reported	Impacts of IFRS 16	4Q22 excluding IFRS 16	4Q21 Reported	Impacts of IFRS 16	4Q21 excluding IFRS 16	2022 Reported	Impacts of IFRS 16	2022 excluding IFRS 16	2021 Reported	Impacts of IFRS 16	2021 excluding IFRS 16
Gross profit	301.0	42.7	258.3	85.7	23.0	62.7	912.0	160.7	751.3	113.8	39.7	74.1
Depreciation and amortization (costs)	240.4	113.6	126.9	216.1	94.0	122.1	879.6	407.9	471.8	780.7	338.4	442.3
Gross profit excluding depreciation	541.4	156.2	385.2	301.8	117.0	184.8	1791.7	568.6	1223.1	894.5	378.1	516.4
Gross Margin excluding depreciation	*63.5%*		*45.2%*	*55.2%*		*33.8%*	*61.1%*	*0.0%*	*41.7%*	*52.4%*		*30.3%*
Net profit	51.4	(23.4)	74.8	(134.3)	(24.1)	(110.2)	(86.1)	(75.3)	(10.7)	(633.0)	(75.5)	(557.5)
(-) IR & CSLL	(4.4)	-	(4.4)	(11.4)	-	(11.4)	3.7	-	3.7	(21.8)	-	(21.8)
(-) Financial Result	94.3	66.1	28.2	80.4	47.7	32.7	347.7	238.9	108.8	295.2	117.1	178.1
(-) Depreciation and amortization	246.8	115.8	131.0	219.9	95.1	124.8	902.3	412.8	489.4	791.1	342.7	448.4
EBITDA	388.1	158.5	229.7	154.7	118.7	36.0	1167.7	576.4	591.2	431.6	384.3	47.2
EBITDA Margin	*45.5%*		*26.9%*	*28.3%*		*6.6%*	*39.8%*		*20.2%*	*25.3%*		*2.8%*

**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	
	4Q22	4Q21	4Q22	4Q21
Brazil, Mexico, Colombia, Chile, Peru, Argentina, Paraguay and Queima Diária	Consolidated	Consolidated	Consolidated	Consolidated
Panama and Costa Rica	Equity accounting[a]	Equity accounting[a]	Investment	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 operation in Panama, holding shared control with local partners and its results are now included through equity accounting. In 1Q23, the company acquired 100% of the operation in Panamá and Costa Rica and hence, its results are now consolidated in the company's financial statements starting from 2023.

INCOME STATEMENT

INCOME STATEMENT (R$ million)	4Q22	4Q21	4Q22 vs.4Q21	3Q22	4Q22 vs. 3Q22	2022	2021	2022 vs.2021
Net Revenue	**853.1**	**546.4**	**56%**	**766.3**	**11%**	**2,930.4**	**1,706.9**	**72%**
Costs of Services Rendered	(552.1)	(460.7)	20%	(517.3)	7%	(2,018.4)	(1,593.0)	27%
Gross Profit	**301.0**	**85.7**	**251%**	**249.0**	**21%**	**912.0**	**113.8**	**701%**
Operating revenues (expenses)								
Sales	(73.8)	(62.0)	19%	(66.3)	11%	(292.3)	(186.1)	57%
General and administrative	(90.0)	(88.5)	2%	(85.7)	5%	(348.0)	(275.8)	26%
Equity accounting	3.6	(1.3)	(383%)	(0.2)	(2,293%)	6.6	(15.0)	(144%)
Other (expenses) revenues	0.6	0.7	(14%)	(5.2)	(112%)	(12.8)	3.5	(462%)
Profit before financial result	141.4	(65.3)	(317%)	91.7	54%	265.4	(359.5)	(174%)
Financial result	(94.3)	(80.4)	17%	(76.9)	23%	(347.7)	(295.2)	18%
Profit before IR/CS	47.0	(145.7)	(132%)	14.7	219%	(82.3)	(654.8)	(87%)
Income tax and Social Contribution	4.4	11.4	(62%)	(5.7)	(176%)	(3.7)	21.8	(117%)
Net profit (loss)	**51.4**	**(134.3)**	**(138%)**	**9.0**	**471%**	**(86.1)**	**(633.0)**	**(86%)**

BALANCE SHEET

ASSETS (R$ million)	4Q22	4Q21
CURRENT	**3,516**	**4,170**
Cash and cash equivalents	2,923	3,720
Customers	272	196
Derivative financial instruments	8	0
Other receivables	313	255
NON-CURRENT	**8,533**	**7,485**
Permanent assets	3,132	2,697
Right-of-use assets	3,067	2,810
Intangible assets	1,412	1,520
Investment	448	127
Other assets	474	330
TOTAL ASSETS	**12,050**	**11,654**

LIABILITY (R$ million)	4Q22	4Q21
CURRENT	**1,749**	**1,429**
Borrowings	488	489
Lease liabilities	450	390
Suppliers	241	201
Deferred revenue	228	181
Current tax payable	36	7
Other liabilities	305	162
NON-CURRENT	**6,093**	**5,796**
Borrowings	2,932	3,102
Lease liabilities	2,880	2,631
Other liabilities	281	63
SHAREHOLDERS' EQUITY	**4,208**	**4,429**
Share capital	2,970	2,970
Capital reserves	2,298	2,286
Accumulated losses	(1,376)	(1,286)
Other comprehensive income	294	427
Noncontrolling interest	22	33
TOTAL LIABILITY AND SHAREHOLDERS' EQUITY	**12,050**	**11,654**

CASH FLOW

Cash Flow Statement (R$ million)	4Q22	4Q21	4Q22 vs. 4Q21	3Q22	4Q22 vs. 3Q22	2022	2021	2022 vs. 2021
Cash Flow from Operating Activities								
Result for the Period	51.4	(134.3)	(138%)	9.0	471%	(86.1)	(633.0)	(86%)
Depreciation and amortization	246.8	219.9	12%	233.3	6%	902.3	791.1	14%
Write-off of intangible assets and fixes assets	(1.5)	15.6	(110%)	15.6	(110%)	49.8	23.6	111%
Accrued interest on debt and exchange variation	108.8	78.5	39%	98.1	11%	419.8	223.5	88%
Accrued interest on leases	79.1	64.4	23%	70.5	12%	277.9	248.7	12%
Others	(72.0)	(45.1)	n/a	(132.7)	(46%)	(298.6)	(115.3)	159%
Working capital variation	(44.3)	(7.1)	526%	13.1	(438%)	(70.5)	(96.0)	(27%)
Cash generated by (used in) operating activities	**368.3**	**192.0**	**92%**	**306.9**	**20%**	**1,194.7**	**442.5**	**170%**
Interest paid on loans and debentures	(133.3)	(96.7)	38%	(46.4)	187%	(361.8)	(187.4)	93%
Interest paid on leases	(77.1)	(57.3)	35%	(70.4)	10%	(273.6)	(202.5)	35%
Income tax and social contribution paid	(2.3)	(17.5)	(87%)	(6.5)	(65%)	(25.4)	(19.1)	33%
Net cash generated by (used in) operating activities	**155.5**	**20.5**	**658%**	**183.6**	**(15%)**	**533.8**	**33.5**	**n/a**
CASH FLOW FROM INVESTMENT ACTIVITIES								
Additions to fixed asset	(292.7)	(294.9)	(1%)	(219.6)	33%	(1,004.6)	(475.9)	111%
Additions to intangible assets	(5.5)	(2.0)	169%	3.2	(273%)	(17.0)	(5.9)	187%
Initial direct costs of right-of-use assets	(11.6)	(21.8)	n/a	(6.6)	n/a	(18.2)	(21.8)	n/a
Receipt for sale of fixed assets	0.0	0.0	n/a	0.0	n/a	19.2	0.0	n/a
Payments for the acquisition of group of assets, subsidiary and joint venture	0.0	0.0	n/a	0.0	n/a	0.0	(215.8)	(100%)
Capital increase in subsidiary and joint venture	0.0	(4.2)	(100%)	0.0	n/a	(5.3)	(15.9)	(67%)
Financial Investments	(5.0)	(75.9)	(93%)	116.0	(104%)	379.0	(1,612.1)	(124%)
Related parties and loans with third parties	7.4	(4.6)	n/a	(4.1)	(281%)	1.0	(0.9)	n/a
Payment of contingent consideration	0.0	0.0	n/a	(1.3)	n/a	(1.3)	0.0	n/a
Net cash used in investment activities	**(307.3)**	**(403.4)**	**(24%)**	**(112.5)**	**173%**	**(647.3)**	**(2,348.3)**	**(72%)**
CASH FLOW FROM FINANCING ACTIVITIES								
Payment of loans and costs	(91.5)	(697.7)	(87%)	(123.1)	(26%)	(942.5)	(974.7)	(3%)
Proceeds from loans	461.3	1,374.7	(66%)	135.2	241%	819.4	1,930.4	(58%)
Payment of lease	(104.0)	(85.2)	22%	(96.6)	8%	(391.4)	(286.3)	37%
Capital Increase - controllers	(11.8)	0.0	n/a	11.8	(200%)	0.0	2,596.7	n/a
Others	5.6	(6.7)	n/a	(14.1)	(140%)	(13.8)	(6.7)	n/a
Net cash generated by (used in) financing activities	**259.7**	**585.0**	**(56%)**	**(86.8)**	**(399%)**	**(528.2)**	**3,259.3**	**n/a**
INCREASE (REDUCTION) OF BALANCE OF CASH AND EQUIVALENT	**107.9**	**202.1**	**(47%)**	**3.5**	**2991%**	**(641.7)**	**944.6**	**n/a**
Opening balance	1,128.6	1,760.2	(36%)	1,149.6	(2%)	1,957.8	1,019.6	92%
Closing balance	1,251.4	1,957.8	(36%)	1,128.6	11%	1,251.4	1,957.8	(36%)
Exchange variation on cash and cash equivalents	14.9	(4.5)	n/a	(24.5)	(161%)	(64.7)	(6.4)	913%