



QUARTERLY INFORMATION

03.31.2024

smart fit

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GLOSSARY

TERMS	GLOSSARY
EGM	Extraordinary General Meeting
AGM	Annual General Meeting
AEGM	Annual and Extraordinary General Meeting
B3	B3 S.A. – Brasil, Bolsa, Balcão
CADE	Administrative Council for Economic Defense
CDB	Bank Deposit Certificate
CDI	Interbank Deposit Certificate
CLP	Chilean pesos – Official currency in Chile
COFINS	Contribution for Social Security Financing
Company or Smartfit	Smartfit Escola de Ginástica e Dança S.A.
Covenants	Contractual Commitment Clauses
COP	Colombian pesos – Official currency in Colombia
CPC	Brazilian Accounting Pronouncements Committee
CRI	Certificates of Real Estate Receivables
CSLL	Social Contribution on Net Income
CVM	Securities and Exchange Commission of Brazil
Dec/23 or 12/31/2023	Financial Information as of and for the year ended December 31, 2023
March/23 or 03/31/2024	Financial Information as of and for the three-month period ended March 31, 2024
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
Group	Smartfit and its subsidiaries
HVLP	High Value / Low Price
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IBR	Banking Reference Indicator
IFRS	International Financial Reporting Standards
IGV	General Sales Tax
INSS	Contributions to the National Institute of Social Security
IPCA	Amplified Consumer Price Index
IPO	Initial Public Offering
IRPJ	Corporate Income Tax
IRRF	Withholding Income Tax
ITR	Quarterly Information
JCP	Interest on Capital
Joint Venture	A joint arrangement whereby the parties have joint control of the arrangement
LALUR	Taxable Income Control Register
LF	Financial bills
LFT	Financial Treasury Bills
MXN	Mexican pesos – Official currency in Mexico
MOU	Memorandum of Understanding
Note	Note to the Financial Statements
PEN	Peruvian Nuevo Sol – Official currency in Peru
PIS	Social Integration Program
R\$/BRL	Reals – Official currency in Brazil
SPE	Special Purpose Company
STF	Federal Supreme Court
TIIE	<i>“Tasa de Interés Interbancaria de Equilibrio” in Mexico</i>
CGU	Cash-generating Unit
VP	Vice-Presidente

CONDENSED BALANCE SHEETS

At March 31, 2024

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

	Notes	Parent		Consolidated	
		03/31/2024	12/31/2023	03/31/2024	12/31/2023
ASSETS					
Current assets					
Cash and cash equivalents	4	33,958	46,505	961,820	1,103,433
Investments in financial assets	5	1,655,874	2,052,180	1,375,559	1,509,880
Trade receivables	6	183,230	148,818	448,632	349,007
Related parties	7	98,509	85,123	34,465	32,962
Taxes recoverable	8	77,355	75,187	234,695	228,284
Derivative financial instruments	9	7,543	8,460	10,818	12,939
Other receivables	10	73,236	19,740	172,882	109,629
Total current assets		2,129,705	2,436,013	3,238,871	3,346,134
Noncurrent assets					
Investments in financial assets	5	4,808	4,234	97,825	69,212
Related parties	7	14,129	14,335	30,384	-
Taxes recoverable	8	-	-	32,834	33,289
Derivative financial instruments	9	14,175	14,784	14,175	14,997
Other receivables	10	130,161	121,264	228,046	214,790
Deferred income tax and social contribution	19	435,734	430,115	820,297	798,258
Investments in subsidiaries and joint ventures	11	3,940,932	3,659,845	42,612	40,940
Right-of-use assets	14	1,315,336	1,193,246	3,997,965	3,755,019
Property and equipment	12	1,195,614	1,163,244	4,256,832	4,044,554
Intangible assets	13	158,857	152,209	1,986,931	1,912,984
Total noncurrent assets		7,209,746	6,753,276	11,507,901	10,884,043
TOTAL ASSETS		9,339,451	9,189,289	14,746,772	14,230,177
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables	15	135,028	167,449	341,038	399,172
Related parties	7	12,504	42,332	1,676	2,603
Taxes and contributions payable		83,606	84,397	238,982	216,171
Other liabilities	16	82,629	235,299	138,993	283,619
Borrowings	17	101,878	32,482	712,770	594,402
Lease liabilities	14	195,972	186,655	571,868	542,182
Deferred revenue	21	23,855	27,596	221,791	206,083
Total current liabilities		635,472	776,210	2,227,118	2,244,232
Noncurrent liabilities					
Related parties	7	291	291	-	-
Other liabilities	16	10,410	11,924	23,175	24,330
Borrowings	17	2,215,306	2,216,422	3,361,926	3,225,497
Lease liabilities	14	1,158,905	1,070,148	3,763,255	3,565,232
Deferred revenue	21	50	132	50	132
Deferred tax liabilities	19	-	-	6,766	7,719
Derivative financial instruments	9	37,612	36,198	37,612	36,198
Provisions for judicial liabilities	18	11,644	9,702	33,881	31,203
Total noncurrent liabilities		3,434,218	3,344,817	7,226,665	6,890,311
TOTAL LIABILITIES AND EQUITY		4,069,690	4,121,027	9,453,783	9,134,543
EQUITY					
	20				
Share capital		2,970,443	2,970,443	2,970,443	2,970,443
Capital reserves		963,302	953,421	963,302	953,421
Legal reserve		770,554	770,554	770,554	770,554
Retained earnings		93,225	-	93,225	-
Other comprehensive income		472,237	373,844	472,237	373,844
Equity attributable to the owners of the Company		5,269,761	5,068,262	5,269,761	5,068,262
Noncontrolling interests		-	-	23,228	27,372
TOTAL EQUITY		5,269,761	5,068,262	5,292,989	5,095,634
TOTAL LIABILITIES AND EQUITY		9,339,451	9,189,289	14,746,772	14,230,177

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

**CONDENSED STATEMENTS OF PROFIT AND LOSS AND
COMPREHENSIVE INCOME**

Period ended March 31, 2024

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

	Notes	Parent		Consolidated	
		03/31/2024	03/31/2023	03/31/2024	03/31/2023
PROFIT (LOSS)					
Operating revenue	21	403,110	334,813	1,259,888	981,943
Costs	22	(258,215)	(221,922)	(736,573)	(579,729)
Gross profit		144,895	112,891	523,315	402,214
Selling expenses	22	(43,960)	(37,685)	(102,237)	(81,169)
General and administrative expenses	22	(66,340)	(47,873)	(132,037)	(98,764)
Other operating income (expenses), net	22	(2,360)	(7,408)	(10,178)	(15,644)
Share of profit (loss) of investees	11	107,227	85,079	(1,069)	1,794
Operating profit before finance income (costs)		139,462	105,004	277,794	208,431
Finance income	23	56,758	91,893	77,829	115,516
Finance costs	23	(105,717)	(105,694)	(239,068)	(218,905)
Finance income (costs), net	23	(48,959)	(13,801)	(161,239)	(103,389)
Profit before income tax and social contribution		90,503	91,203	116,555	105,042
Current		(2,897)	(8,519)	(38,123)	(34,411)
Deferred		5,619	-	16,054	13,312
Income tax and social contribution	19	2,722	(8,519)	(22,069)	(21,099)
PROFIT FOR THE PERIOD		93,225	82,684	94,486	83,943
<i>Attributable to:</i>					
Owners of the Company				93,225	82,684
Noncontrolling interests				1,261	1,259
<i>Earnings per share:</i>					
Basic	24	0.1590	0.1410	0.1590	0.1410
Diluted	24	0.1537	0.1361	0.1537	0.1361
OTHER COMPREHENSIVE INCOME					
<i>Items that may be subsequently reclassified to profit or loss</i>					
Foreign exchange effect on translation of financial statements of foreign subsidiaries	11	89,911	68,630	90,067	68,522
Deferred income tax and social contribution on foreign exchange effect on translation		8,896	-	8,896	-
Effect of investments on equity instruments measured at fair value through other comprehensive income		(563)	5,023	(563)	5,023
Deferred income tax and social contribution on effect of investments on equity instruments measured at fair value	19	149	(1,642)	149	(1,642)
TOTAL OTHER COMPREHENSIVE INCOME		98,393	72,011	98,549	71,903
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		191,618	154,695	193,035	155,846
<i>Attributable to:</i>					
Owners of the Company				191,618	154,695
Noncontrolling interests				1,417	1,151

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

CONDENSED STATEMENTS OF CHANGES IN EQUITY

Three-month period ended March 31, 2024

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

	Three-month period ended March 31, 2023									
	Capital reserves				Retained earnings (accumulated losses)	Other comprehensive income	Equity attributable to		Total equity	
	Share capital	Capital reserve	Equity instruments	Transactions with shareholders			Owners of the Company	Noncontrolling interests		
CHANGES IN EQUITY										
At December 31, 2022	2,970,443	2,237,621	99,841	(39,850)	(1,375,832)	294,163	4,186,386	21,729	4,208,115	
Profit for the period	-	-	-	-	82,684	-	82,684	1,259	83,943	
Other comprehensive income	-	-	-	-	-	72,011	72,011	(108)	71,903	
Total comprehensive income for the period	-	-	-	-	82,684	72,011	154,695	1,151	155,846	
Share-based payments ⁽¹⁾	-	2,467	-	-	-	-	2,467	-	2,467	
Transactions with shareholders recognized directly in equity	-	2,467	-	-	-	-	2,467	-	2,467	
At March 31, 2023	2,970,443	2,240,088	99,841	(39,850)	(1,293,148)	366,174	4,343,548	22,880	4,366,428	
	Three-month period ended March 31, 2024									
	Capital reserves					Retained earnings (accumulated losses)	Other comprehensive income	Equity attributable to		Total equity
	Share capital	Capital reserve	Equity instruments	Transactions with shareholders	Legal reserve			Owners of the Company	Noncontrolling interests	
CHANGES IN EQUITY										
At December 31, 2023	2,970,443	893,430	99,841	(39,850)	770,554	-	373,844	5,068,262	27,372	5,095,634
Profit for the period	-	-	-	-	-	93,225	-	93,225	1,261	94,486
Other comprehensive income	-	-	-	-	-	-	98,393	98,393	156	98,549
Total comprehensive income for the period	-	-	-	-	-	93,225	98,393	191,618	1,417	193,035
Share-based payments ⁽¹⁾	-	4,979	-	-	-	-	-	4,979	-	4,979
Increase in equity interest in subsidiaries	-	-	-	4,902	-	-	-	4,902	(4,902)	-
Dividends paid to subsidiaries	-	-	-	-	-	-	-	-	(659)	(659)
Transactions with shareholders recognized directly in equity	-	4,979	-	4,902	-	-	-	9,881	(5,561)	4,320
At March 31, 2024	2,970,443	898,409	99,841	(34,948)	770,554	93,225	472,237	5,269,761	23,228	5,292,989

(1) See note 27.

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

CONDENSED STATEMENTS OF CASH FLOWS

Three-month period ended March 31, 2024

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

Notes	Parent		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
CASH FLOW FROM OPERATING ACTIVITIES				
Profit for the period	93,225	82,684	94,486	83,943
Adjustments to reconcile profit for the period to net cash from operating activities:				
Current income tax and social contribution	19	(2,722)	22,069	21,099
Depreciation and amortization	12,13,14	106,425	325,754	268,844
Allowance for expected credit losses	6	(2)	(251)	958
Share of profit (loss) of investees	11	(107,227)	1,069	(1,794)
Write-off of intangible assets, property and equipment, and leases		17,395	5,856	16,969
Interest on borrowings	23	70,763	125,439	119,467
Interest on leases	23	26,171	96,311	79,900
Discounts obtained on leases	23	(607)	(1,833)	(2,141)
Income from financial investments	23	(49,063)	(61,012)	(82,416)
Gain (loss) on derivative financial instruments	23	2,940	4,357	(3,825)
Share-based payment plan	27	4,967	5,145	2,467
Provisions for judicial liabilities	18	1,942	2,673	26
Deferred revenue		(3,823)	15,626	6,277
Others		(4,407)	(2,708)	(6,961)
Changes in operating assets and liabilities:				
Trade receivables		(34,410)	(99,355)	(30,438)
Related parties		(43,605)	(11,335)	5,371
Taxes recoverable		(2,168)	(6,383)	(15,302)
Other receivables		(60,204)	(70,624)	(15,106)
Trade payables		(32,479)	(57,544)	27,807
Taxes and contributions payable		2,425	8,226	32,525
Other liabilities		10,865	13,165	16,310
Cash generated by (used in) operating activities	(3,599)	150,855	409,131	523,980
Interest paid on borrowings	17	(1,438)	(49,096)	(54,641)
Interest paid on leases	14	(25,961)	(95,555)	(79,043)
Income tax and social contribution paid		-	(16,202)	(2,743)
Net cash generated by (used in) operating activities	(30,998)	115,748	248,278	387,553
CASH FLOW FROM INVESTING ACTIVITIES				
Additions to property and equipment	12	(88,239)	(299,834)	(224,851)
Additions to intangible assets	13	(9,144)	(2,386)	(3,459)
Direct initial costs of right-of-use assets	14	(44,869)	(45,681)	(8,156)
Dividends received from subsidiaries		1,334	-	-
Loans granted		454	(26,167)	(2,286)
Financial investments		445,002	166,927	299,671
Acquisition of subsidiaries, net of cash received		(182,399)	(181,808)	-
Acquisition of joint venture		-	(129,273)	(85,911)
Capital increase in subsidiaries and joint venture	11	(52,270)	(350)	-
Payment of contingent consideration		-	(521)	(521)
Net cash generated by (used in) investing activities	69,869	(73,362)	(396,914)	(25,513)
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from borrowings	17	-	387,057	36,385
Repayments of borrowings	17	(2,474)	(249,124)	(194,382)
Payment of lease	14	(48,944)	(136,181)	(118,482)
Dividends paid to noncontrolling interests		-	(659)	-
Others		-	-	(4,919)
Net cash generated by (used in) financing activities	(51,418)	(147,282)	1,093	(281,398)
DECREASE (INCREASE) IN CASH AND CASH EQUIVALENTS	(12,547)	(104,896)	(147,543)	80,642
CHANGES IN CASH AND CASH EQUIVALENTS				
Opening balance		46,505	1,103,433	1,251,418
Exchange differences on cash and cash equivalents		-	5,930	5,016
Closing balance		33,958	961,820	1,337,076
DECREASE (INCREASE) IN CASH AND CASH EQUIVALENTS	(12,547)	(104,896)	(147,543)	80,642

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

CONDENSED STATEMENTS OF VALUE ADDED

Three-month period ended March 31, 2024

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

	Notes	Parent		Consolidated	
		03/31/2024	03/31/2023	03/31/2024	03/31/2023
WEALTH CREATED					
REVENUES					
Service revenue	21	463,032	384,828	1,343,588	1,050,791
Allowance for expected credit losses	6	2	-	251	(958)
Other operating income (expenses), net		(2,360)	(7,408)	(10,178)	(15,644)
INPUTS PURCHASED FROM THIRD PARTIES					
Cost of sales and services		(88,252)	(73,565)	(231,637)	(176,434)
Materials, electric power, outside services and others		(28,596)	(20,694)	(48,825)	(36,850)
Advertising materials, marketing, promotion funds and others related to sales		(43,309)	(36,975)	(94,069)	(72,882)
GROSS VALUE ADDED		300,517	246,186	959,130	748,023
RETENTIONS					
Depreciation and amortization	12,13,14	(106,425)	(96,814)	(325,754)	(268,844)
WEALTH CREATED BY THE COMPANY		194,092	149,372	633,376	479,179
WEALTH RECEIVED IN TRANSFER					
Share of profit (loss) of investees	11	107,227	85,079	(1,069)	1,794
Finance income	23	56,758	91,893	77,829	115,516
TOTAL WEALTH FOR DISTRIBUTION		358,077	326,344	710,136	596,489
WEALTH DISTRIBUTED					
PERSONNEL					
Salaries and wages		69,404	51,957	181,150	135,259
Benefits		9,156	7,863	18,825	15,690
Social security costs		4,729	3,928	8,165	5,409
TAXES, FEES AND CONTRIBUTIONS:					
Federal		37,378	41,437	93,405	77,044
State		14	7	969	583
Municipal		17,625	14,256	24,670	19,511
LENDERS AND LESSORS:					
Interest	23	105,717	105,694	239,068	218,905
Leases		20,829	18,518	49,398	40,145
SHAREHOLDERS:					
Owners' share of profits		93,225	82,684	93,225	82,684
Noncontrolling interests' share of profit		-	-	1,261	1,259
WEALTH DISTRIBUTED		358,077	326,344	710,136	596,489

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

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At March 31, 2024

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

1. GENERAL INFORMATION

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

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

The Group continues the expansion plan, with the opening of new clubs and maintenance of the clubs in operation. At March 31, 2024, the Group had a total of 1,469 units in operation (1,438 at December 31, 2023), with a solid cash position.

2. BASIS OF PRESENTATION OF THE CONDENSED INTERIM FINANCIAL INFORMATION

BASIS OF PREPARATION

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

This condensed interim financial information was not audited. All significant information in the condensed interim financial information, and only this information, is being disclosed and corresponds to the information used in managing the Company's activities. The Group's management estimates that this interim financial information includes all adjustments required to present fairly the results of each period in a manner consistent with the results of the audited annual financial statements. The results for the three-month period ended March 31, 2024 do not necessarily reflect the proportion of the Group's results for the entire year.

The condensed interim financial information was concluded and authorized for issue by Group's Board of Directors on May 8, 2024.

GENERAL ACCOUNTING POLICIES

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

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

FUNCTIONAL AND PRESENTATION CURRENCY

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

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

FOREIGN CURRENCY-DENOMINATED TRANSACTIONS AND BALANCES

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

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At March 31, 2024

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

HYPERINFLATIONARY ECONOMY

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

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

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

NEW AND REVISED STANDARDS AND INTERPRETATIONS ISSUED AND EFFETIVE

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

Standard	Description
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 1	Classification of Liabilities as Current or Noncurrent
Amendments to IAS 7	Supplier Finance Arrangements
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback

NEW AND REVISED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

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

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

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

3. SIGNIFICANT TRANSACTIONS IN THE PERIOD

PAYMENT OF THE REMAINING INSTALLMENT FOR THE ACQUISITION OF SPORTY MPANAMÁ

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

INCREASE IN EQUITY INTEREST IN SPORTS WORLD

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

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

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ACQUISITIONS OF OTHER CLUBS

The Group entered into Purchase and Sale Agreements for the acquisition of 100% of the shares of Academia de Ginástica Tietê Plaza Ltda ("Tietê Plaza") on February 22, 2024 and ACL Academia de Ginástica Ltda ("ACL") on March 14, 2024, for the total amount of R\$ 21,946, of which R\$ 10,973 was paid up to March 31, 2024 and the remaining balance will be paid in six equal monthly installments. These companies are franchised units of the Group that operated in accordance with the terms and conditions of the Franchise Agreement.

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

Business combination	Tietê Plaza	ACL	Total
Assets			
Cash and cash equivalents	239	408	647
Trade receivables	-	19	19
Other receivables	4	6	10
Right-of-use assets	767	1,407	2,174
Property and equipment	951	1,216	2,167
Liabilities			
Trade payables	(10)	(127)	(137)
Other liabilities	(110)	(125)	(235)
Lease liabilities	(882)	(1,688)	(2,570)
Other liabilities	(32)	(317)	(349)
Current taxes payable	-	(15)	(15)
Total identifiable assets acquired and liabilities assumed at fair value	(927)	(784)	(1,711)
Consideration	14,825	7,121	21,946
Goodwill arising on transaction - preliminary	13,898	6,337	20,235

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

For the three-month period ended March 31, 2024, the acquired businesses contributed to the Group's results with net revenue of R\$1,442 and profit of R\$521. Had the business combination taken place at the beginning of the year, operating revenue and profit for the period would have been R\$2,768 and R\$1,103, respectively.

The Group incurred acquisition-related costs in the amount of R\$32 referring to due diligence.

4. CASH AND CASH EQUIVALENTS

BREAKDOWN OF BALANCES

	Parent		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Cash and cash equivalents				
Cash and banks	6,145	1,864	258,239	169,636
CDB ⁽¹⁾⁽⁴⁾	23,322	39,557	296,423	458,461
Non-exclusive investment funds ⁽²⁾	4,491	5,084	90,478	84,351
Repurchase agreements ⁽³⁾	-	-	316,680	390,985
Total	33,958	46,505	961,820	1,103,433

- (1) They are remunerated at a weighted average rate of 102.60% of the CDI (101.50% in Dec/23) and managed by independent financial institutions. The maturities are variable; however, they are highly liquid, with no loss of remuneration upon redemption.
- (2) These are distributed into subsidiaries Latamgym Mexico with an average annual rate of 10.58% (10.85% in Dec/23), Sporty City Colombia with an average annual rate of 7.15% (10.15% in Dec/23), and Latamfit Chile with an average annual rate of 8.85% (10.03% in Dec/23).
- (3) These refer to transactions involving the purchase of securities with repurchase commitment by issuers of the securities, which are mainly remunerated at 100.00% of the CDI (100.00% in Dec/23).
- (4) This includes the balance of the CDBs that compose the portfolio of the Santo Amaro exclusive investment fund remunerated at a weighted average rate of 103.78% of the CDI (102.63% in Dec/23). The maturities are variable; however, they are highly liquid, with no loss of remuneration upon redemption.

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5. INVESTMENTS IN FINANCIAL ASSETS

BREAKDOWN OF BALANCES

	Parent		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Investments in financial assets				
Exclusive investment funds ⁽¹⁾	1,655,874	2,052,180	-	-
Government securities ⁽²⁾	-	-	511,651	570,293
Financial bills ⁽³⁾	-	-	863,913	939,588
Interests in publicly-held company ⁽⁴⁾	-	-	63,828	35,453
Other financial investments	4,808	4,234	33,992	33,758
Total	1,660,682	2,056,414	1,473,384	1,579,092
Current	1,655,874	2,052,180	1,375,559	1,509,880
Noncurrent	4,808	4,234	97,825	69,212

- (1) Refer to the private credit exclusive fixed income investment funds Átila RF CP FI remunerated at a weighted average rate of 112.90% of the CDI (105.36% in Dec/23) and Santo Amaro RF CP remunerated at a weighted average rate of 109.04% of the CDI (105.25% in Dec/23). In the Parent, the amounts of share units held by the Company are presented under Investments in financial assets in the line "Exclusive investment funds". In Consolidated, the financial investment of the funds was fully consolidated into this condensed interim financial information, in accordance with CVM Instruction 408/04, and their balances were presented by each financial component.
- (2) Represented by government securities (LFT) remunerated at a weighted average rate of 100.34% of the CDI (101.49% of the CDI in Dec/23) for the securities of Santo Amaro and Atila funds remunerated at a weighted average rate of 100.99% of the CDI (101.43% in Dec/23).
- (3) Refer to private credit securities by financial institutions of Atila fund remunerated at a weighted average rate of 135.06% of the CDI (109.91% of the CDI in Dec/23) and Santo Amaro fund remunerated at a weighted average rate of 113.82% of the CDI (109.09% of the CDI in Dec/23).
- (4) Refers to the investment in shares of Sports World.

6. TRADE RECEIVABLES

BREAKDOWN OF BALANCES

	Parent		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Trade receivables				
Trade receivables arising from contracts with customers ⁽¹⁾	183,380	148,970	451,422	352,048
Allowance for expected credit losses	(150)	(152)	(2,790)	(3,041)
Total	183,230	148,818	448,632	349,007

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

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

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

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

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7. RELATED PARTIES

NATURE OF THE RELATED PARTIES

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

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

OTHER RELATED-PARTY TRANSACTIONS

The Group has (i) a property lease agreement with one of its shareholders signed in 2015, and interest and amortization arising from lease liabilities in March 2024 are recognized in profit or loss in the amount of R\$ 152 (R\$ 153 in March 2023).

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

COMPENSATION OF KEY MANAGEMENT PERSONNEL

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

The table below shows the officers' compensation:

	03/31/2024	03/31/2023
Officers' compensation		
Fees	2,825	1,669
Benefits	1,163	781
Bonuses	1,533	560
Stock option plan	6,470	816
Total compensation	11,991	3,826

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RELATED-PARTY BALANCES

	03/31/2024				12/31/2023			
	Other receivables		Other liabilities		Other receivables		Other liabilities	
	Trading transactions	Loans, interest on capital and dividends	Trading transactions	Loans, interest on capital and dividends	Trading transactions	Loans, interest on capital and dividends	Trading transactions	Loans, interest on capital and dividends
PARENT								
Subsidiaries								
ADV Esportes	1	-	11	-	349	-	182	-
Smartfin	10,031	-	348	-	20,708	-	184	-
Smartdom	21	9,693	12	-	-	9,347	-	-
Bio Plaza	456	5,190	1	-	344	5,005	-	-
Asnsmart	84	-	34	-	-	940	-	-
Bioswim	3,120	-	3,824 ⁽¹⁾	-	7,986	-	30,953 ⁽¹⁾	-
Biosanta	38	561	131	-	-	749	6	-
Nation CT	14,266	-	-	-	-	-	-	-
Smartfe	3	-	13	-	-	-	-	-
M2	25	245	305	-	34	245	297	-
SmartMNG	4	-	23	-	64	-	-	-
Biomorum	2	-	-	-	-	-	5,258	-
Racebootcamp	63	-	79	-	7,946	-	-	-
TotalPass	68,369	-	7,740	-	45,265	-	5,522	-
Just Fit	6	-	211	-	28	-	27	-
Bio Pauli	-	-	63	-	-	-	190	-
Bio Franqueadora	12	-	-	-	-	-	4	-
MB Negócios Digitais	-	448	-	-	-	448	-	-
Total balances with related parties	96,501	16,137	12,795	-	82,724	16,734	42,623	-
Current	96,501	2,008	12,504	-	82,724	2,399	42,332	-
Noncurrent	-	14,129	291	-	-	14,355	291	-
CONSOLIDATED								
Joint ventures								
TotalPass Mexico	34,465	30,384 ⁽²⁾	1,484	-	23,580	9,382	2,411	-
Noncontrolling interests	-	-	192	-	-	-	192	-
Total balances with related parties	34,465	30,384	1,676	-	23,580	9,382	2,603	-

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

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

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

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RELATED-PARTY TRANSACTIONS

	Three-month period ended							
	03/31/2024				03/31/2023			
	Operating revenue	Costs	Expenses	Finance income (costs)	Operating revenue	Costs	Expenses	Finance income (costs)
PARENT								
Subsidiaries								
Smartfin	-	-	(705)	-	-	-	(1,195)	-
Smartdom	91	-	-	-	91	-	-	363
Bio Plaza	153	-	-	-	169	-	-	171
Asnsmart	278	-	-	-	264	-	-	165
Bioswim	-	(804)	-	-	-	(844)	-	-
Biosanta	-	-	-	579	-	-	-	112
M2	84	-	-	-	86	-	-	-
Biomorum	-	(6,124)	-	-	-	(4,210)	-	-
Totalpass	148	(2,585)	-	-	-	(1,336)	-	-
Bio Pauli	-	(190)	-	-	-	-	-	-
Total balances with related parties	754	(9,703)	(705)	579	610	(6,390)	(1,195)	811
CONSOLIDATED								
Joint ventures								
TotalPass Mexico	13,010	(1,313)	-	-	3,916	(390)	-	-
Total balances with related parties	13,010	(1,313)	-	-	3,916	(390)	-	-

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8. TAXES RECOVERABLE

	Parent		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Taxes recoverable				
PIS/ COFINS	3,618	2,761	5,807	4,405
IRPJ/ CSLL	26,463	29,242	81,750	79,969
IRRF on financial investments	46,157	42,069	49,772	43,618
IGV/ IVA	-	-	105,071	107,070
Others	1,117	1,115	25,129	26,511
Total	77,355	75,187	267,529	261,573
Current	77,355	75,187	234,695	228,284
Noncurrent	-	-	32,834	33,289

9. DERIVATIVE FINANCIAL INSTRUMENTS

BREAKDOWN OF BALANCES

	Parent		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Derivative financial investments				
Assets				
Smartfit call option - M2	5,415	5,690	5,415	5,690
Smartfit call option - ASN	790	868	790	868
Smartfit call option - End Fit	13,385	13,916	13,385	13,916
Interest rate swap – Smartfit Mexico	-	-	3,275	4,692
Interest rate swap – 7 th issue of debentures	2,128	2,770	2,128	2,770
Total	21,718	23,244	24,993	27,936
Current	7,543	8,460	10,818	12,939
Noncurrent	14,175	14,784	14,175	14,997
Liabilities				
Put option of the noncontrolling shareholder – MB Negócios Digitais	31,467	30,305	31,467	30,305
Put option of the noncontrolling shareholder – ASN Smart	1,391	1,328	1,391	1,328
Put option of the noncontrolling shareholders – End Fit	3,332	3,449	3,332	3,449
Put option of the noncontrolling shareholder – Fit Master	1,422	1,116	1,422	1,116
Total	37,612	36,198	37,612	36,198

10. OTHER RECEIVABLES

BREAKDOWN OF BALANCES

	Parent		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Other receivables				
Security deposits ⁽¹⁾	-	197	40,713	40,529
Loans to third parties ⁽²⁾	26,610	25,368	60,565	55,785
Escrow deposits ⁽³⁾	80,732	79,949	101,623	100,936
Prepaid expenses	77,171	28,565	113,394	57,253
Advances to suppliers	15,579	3,980	65,552	50,965
Others	3,305	2,945	19,081	18,951
Total	203,397	141,004	400,928	324,419
Current	73,236	19,740	172,882	109,629
Noncurrent	130,161	121,264	228,046	214,790

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

(2) Includes the loan with N2B Nutrição Empresarial Ltda. ("N2B", a startup that operates in the nutrition industry) in the amount of R\$22,940 (R\$22,476 in Dec/23), indexed to the positive IPCA variation, with maturity in February 2025, which will entitle Smartfit to hold a 67.27% interest in N2B in the event of conversion of this loan into common shares.

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

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11. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES

BREAKDOWN OF BALANCES

	03/31/2024		03/31/2023	
	Investment balance	Share of profit (loss) of investees	Investment balance	Share of profit (loss) of investees
PARENT				
Subsidiaries				
Academia Cohama Ltda	10,192	449	9,743	-
Academia de Ginástica Tietê Plaza Ltda	15,257	432	-	-
Academia Smart Holandeses Ltda	8,631	583	8,048	-
ACL Academia de Ginástica Ltda	7,210	89	-	-
ADV Esporte e Saúde Ltda	35,471	1,667	33,804	8,301
Biopauli Compra, Venda e Administração de Bens Ltda	13,240	368	12,872	148
Biosanta Academia Ltda	457	76	381	35
Centrale Compra, Venda e Locação de Imóveis Ltda	2,063	(12,607)	11,102	198
Escola de Nataç�o e Gin�stica Biomorum Ltda	14,952	374	14,578	(1,105)
Escola de Nataç�o e Gin�stica Bioswim Ltda	273,299	25,216	248,083	8,091
Just Fit Empreendimentos e Participa�es SA	130,889	6,856	124,033	4,009
Lake Academia de Gin�stica Ltda	10,386	477	9,909	-
M2 - Academia de Gin�stica Ltda	1,928	73	1,855	165
MB Neg�cios Digitais S.A.	112,121	1,445	110,630	1,770
Nation CT Academia de Muscula�o SA	10,500	(1,714)	4,214	(15)
Racebootcamp Academia de Gin�stica Ltda	41,239	1,156	19,118	881
Smartfin Cobran�as Ltda	(3,283)	1,519	(4,802)	2,450
SmartMNG Academia de Gin�stica Ltda	57,741	3,997	53,744	3,423
SmartRFE Academia de Gin�stica Ltda	35,981	1,104	34,877	(460)
Totalpass Participa�es Ltda	400	(1,890)	2,290	(719)
Corporacion Sport City SA	112,841	5,703	103,344	10,634
Latamgym SAPI de CV	1,462,737	33,161	1,337,920	10,627
Servicios Deportivos para Latinoamerica SA	2,196	(1)	2,091	-
Sporty City SAS	578,190	25,375	534,340	10,572
Sporty Panam� SA	555,210	2,167	535,374	4,795
Latamfit Chile SPA	243,252	4,283	257,731	14,924
Smartfit Peru SAC	65,503	2,619	61,676	4,349
Smartfit SAS	21,553	365	21,257	78
Smartfit Paraguay SA	40,753	690	39,505	1,635
Smartfit Uruguay SA	34,128	1,616	26,386	(1,068)
SMFT - Escola de Ginastica e Dan�a S.A.	350	-	-	-
Joint ventures				
FitMaster LLC	42,262	1,579	40,940	1,361
Total	3,937,649	107,227	3,655,043	85,079
Included in assets	3,940,932		3,659,845	
Included in liabilities¹	(3,283)		(4,802)	
CONSOLIDATED				
Joint ventures				
FitMaster LLC	42,262	1,579	40,940	1,361
SMFT - Escola de Ginastica e Dan�a S.A.	350	-	-	-
Total Pass SA de CV	-	(2,648)	-	433
Total	42,612	(1,069)	40,940	1,794

(1) See note 16.

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CHANGES FOR THE PERIOD

	Parent	Consolidated
Investments in subsidiaries and joint ventures		
At December 31, 2022	2,816,293	447,994
Capital increases	140,300	-
Acquisition of interest - Sporty Panama	-	(406,648)
Acquisition of subsidiary – Lake	9,790	-
Acquisition of subsidiary – Holandeses	7,994	-
Acquisition of subsidiary – Cohama	9,705	-
Price adjustment - acquisition of control – Sporty Panama	(2,683)	-
Consideration present value adjustment – Sporty Panama	(10,880)	-
Dividends and interest on capital	(46,851)	-
Offset against loan agreement	-	2,864
Income from remeasurement of previously held interest	176,599	-
Loss from dilution of equity interest	(14,169)	-
Share-based payments in subsidiaries	(4,206)	-
Share of profit (loss) of investees	493,380	(1,089)
Merger of Field Fit	90	-
Other comprehensive income in subsidiaries	6,726	-
Foreign exchange effects	72,955	(2,181)
At December 31, 2023	3,655,043	40,940
Capital increase ⁽¹⁾	52,270	350
Acquisition of control - Tietê Plaza ⁽²⁾	14,825	-
Acquisition of subsidiary – ACL ⁽²⁾	7,121	-
Dividends and interest on capital	(1,334)	-
Offset against loan agreement	-	2,956
Gain/Loss from dilution of equity interest	4,104	-
Share of profit (loss) of investees	107,227	(1,069)
Other comprehensive income in subsidiaries	(414)	-
Foreign exchange effects	98,807	(565)
At March 31, 2024	3,937,649	42,612

(1) At March 31, 2024, in parent, this refers to the capital increase in subsidiaries Latamgym México (R\$18,000), Plonay Uruguay (R\$4,955), Racebootcamp (R\$20,965), Nation CT (R\$8,000) and Portugal (R\$350).

(2) See note 3.

SUMMARIZED AGGREGATED FINANCIAL INFORMATION ON JOINT VENTURES

	03/31/2024	12/31/2023
BALANCE SHEETS		
Current assets	77,646	45,429
Noncurrent assets	135,474	95,064
Total assets	213,120	140,493
Current liabilities	165,712	86,235
Total liabilities	165,712	86,235
Total equity	47,408	54,258
STATEMENT OF PROFIT AND LOSS		
	Three-month period ended	
	03/31/2024	03/31/2023
Operating revenue	66,425	32,749
Costs and expenses	(69,910)	(28,323)
Operating profit (loss)	(3,485)	4,426
Finance income (costs)	(1,512)	(361)
Profit (loss) for the period	(4,997)	4,065

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12. PROPERTY AND EQUIPMENT

BREAKDOWN OF AND VARIATIONS IN THE BALANCES⁽⁴⁾

	Facilities and leasehold improvements	Machinery and equipment	Furniture and fixtures	IT equipment	Property and equipment in progress	Other property and equipment	Total
PARENT							
At December 31, 2022							
Cost	1,040,872	516,161	133,309	45,346	85,967	103,917	1,925,572
Accumulated depreciation	(531,387)	(213,865)	(55,004)	(25,883)	-	(63,346)	(889,485)
Net value	509,485	302,296	78,305	19,463	85,967	40,571	1,036,087
Additions ⁽³⁾	50,791	76,549	14,231	6,642	208,588	11,104	367,905
Write-offs	(4,963)	(14,056)	(1,774)	(310)	(4,414)	(1,288)	(26,805)
Merger/Spin-off	(30)	(322)	(42)	(2)	-	-	(396)
Acquisition of assets	80	880	112	6	-	-	1,078
Depreciation	(96,227)	(56,306)	(13,978)	(7,976)	-	(15,075)	(189,562)
Transfers and reclassifications ⁽²⁾	70,967	42,306	9,620	2,483	(165,335)	14,896	(25,063)
At December 31, 2023							
Cost	1,149,983	606,202	155,712	53,514	124,806	128,117	2,218,334
Accumulated depreciation	(619,880)	(254,855)	(69,238)	(33,208)	-	(77,909)	(1,055,090)
Net value	530,103	351,347	86,474	20,306	124,806	50,208	1,163,244
Additions ⁽³⁾	21,948	15,832	5,050	1,792	42,537	2,509	89,668
Write-offs	(347)	(2,205)	(122)	(35)	(334)	(257)	(3,300)
Depreciation	(25,947)	(16,431)	(3,830)	(2,139)	-	(4,169)	(52,516)
Transfers and reclassifications ⁽¹⁾	45,373	39,730	6,500	1,166	(98,781)	4,530	(1,482)
At March 31, 2024							
Cost	1,216,957	656,187	167,034	56,294	68,228	134,878	2,299,578
Accumulated depreciation	(645,827)	(267,914)	(72,962)	(35,204)	-	(82,057)	(1,103,964)
Net value	571,130	388,273	94,072	21,090	68,228	52,821	1,195,614
CONSOLIDATED							
At December 31, 2022							
Cost	2,967,947	1,159,258	296,474	156,747	363,384	150,939	5,094,749
Accumulated depreciation	(1,171,766)	(494,453)	(120,862)	(94,878)	-	(80,771)	(1,962,730)
Net value	1,796,181	664,805	175,612	61,869	363,384	70,168	3,132,019
Additions ⁽³⁾	112,908	88,432	22,300	9,675	1,074,677	17,622	1,325,614
Write-offs	(14,958)	(35,408)	(3,194)	(1,214)	(6,609)	(76)	(61,459)
Acquisition of subsidiaries ⁽⁴⁾	92,883	44,406	21,915	2,095	3,292	4,951	169,542
Acquisition of assets ⁽⁴⁾	80	880	112	6	-	-	1,078
Depreciation	(312,559)	(130,712)	(37,928)	(24,266)	-	(43,943)	(549,408)
FX effects	27,283	(1,667)	2,389	1,008	18,835	(853)	46,995
Transfers and reclassifications ⁽²⁾	566,907	150,381	71,241	19,593	(906,996)	79,047	(19,827)
At December 31, 2023							
Cost	3,781,399	1,389,082	422,380	173,896	546,583	325,666	6,639,006
Accumulated depreciation	(1,512,674)	(607,965)	(169,933)	(105,130)	-	(198,750)	(2,594,452)
Net value	2,268,725	781,117	252,447	68,766	546,583	126,916	4,044,554
Additions ⁽³⁾	40,338	24,261	10,860	3,719	217,704	4,601	301,483
Write-offs	(1,084)	(725)	(217)	(142)	(3,642)	(377)	(6,187)
Acquisition of subsidiaries ⁽⁴⁾	1,321	558	129	159	-	-	2,167
Depreciation	(90,724)	(38,216)	(11,460)	(7,124)	-	(12,559)	(160,083)
FX effects	50,196	7,808	6,019	1,181	11,131	917	77,252
Transfers and reclassifications ⁽¹⁾	243,596	101,403	37,459	7,007	(406,668)	14,849	(2,354)
At March 31, 2024							
Cost	4,132,350	1,529,267	479,682	186,515	365,108	354,099	7,047,021
Accumulated depreciation	(1,619,982)	(653,061)	(184,445)	(112,949)	-	(219,752)	(2,790,189)
Net value	2,512,368	876,206	295,237	73,566	365,108	134,347	4,256,832

(1) In Parent, the remaining balance in the Transfers and reclassifications column refers to reclassifications to Intangible assets (see note 13). In Consolidated, the remaining balance in the Transfers and reclassifications column refers to Property and equipment reclassified to Intangible assets in the amount of R\$4,138 (see note 13) and Right-of-use assets reclassified to Property and equipment in the amount of R\$1,784 (see note 14).

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- (2) In Parent, the remaining balance in the Transfers and reclassifications column refers to reclassifications to Intangible assets (see note 13). In Consolidated, the remaining balance in the Transfers and reclassifications column refers to Property and equipment reclassified to Intangible assets in the amount of R\$38,208 (see note 13) and Right-of-use assets reclassified to Property and equipment in the amount of R\$18,381 (see note 14).
- (3) At March 31, 2024, this includes finance costs, capitalized at R\$1,429 (R\$2,447 in Dec/23) in the parent and R\$1,649 (R\$4,061 in Dec/23) in the consolidated.
- (4) See note 3.
- (5) The estimated annual depreciation rates by main class of assets are as follows: Facilities and leasehold improvements: 10%; Machinery and equipment: 10%; Furniture and fixtures: 10%; IT equipment: 20%

13. INTANGIBLE ASSETS

BREAKDOWN OF AND VARIATIONS IN THE BALANCES⁽⁴⁾

	Goodwill ⁽²⁾	Assignment of right of use	Software	Customer list	Trademarks and patents	Other intangible assets	Total
PARENT							
At December 31, 2022							
Cost	82,320	42,773	50,398	-	8,478	-	183,969
Accumulated amortization	-	(36,809)	(13,678)	-	-	-	(50,487)
Net value	82,320	5,964	36,720	-	8,478	-	133,482
Additions	-	-	3,943	-	-	-	3,943
Acquisition of assets	-	16	-	-	-	-	16
Write-offs	-	-	(2)	-	-	-	(2)
Merger/Spin-off	-	(14)	-	-	-	-	(14)
Amortization	-	(1,680)	(8,599)	-	-	-	(10,279)
Transfers and reclassifications ⁽¹⁾	-	-	25,063	-	-	-	25,063
At December 31, 2023							
Cost	82,320	42,422	79,317	-	8,478	-	212,537
Accumulated amortization	-	(38,136)	(22,192)	-	-	-	(60,328)
Net value	82,320	4,286	57,125	-	8,478	-	152,209
Additions	-	-	962	-	-	8,182	9,144
Write-offs	-	-	(553)	-	-	-	(553)
Amortization	-	(404)	(3,021)	-	-	-	(3,425)
Transfers and reclassifications ⁽¹⁾	-	-	1,482	-	-	-	1,482
At March 31, 2024							
Cost	82,320	42,422	81,135	-	8,478	8,182	222,537
Accumulated amortization	-	(38,540)	(25,140)	-	-	-	(63,680)
Net value	82,320	3,882	55,995	-	8,478	8,182	158,857

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

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

	Goodwill ⁽²⁾	Assignment of right of use	Software	Customer list	Trademarks and patents	Other intangible assets	Total
CONSOLIDATED							
At December 31, 2022							
Cost	1,323,956	69,919	100,840	44,790	29,280	-	1,568,785
Accumulated amortization	-	(52,263)	(44,079)	(43,312)	(16,673)	-	(156,327)
Net value	1,323,956	17,656	56,761	1,478	12,607	-	1,412,458
Additions	-	5,040	9,903	-	294	-	15,237
Acquisitions of subsidiaries	398,907	-	123	40,758	-	12,809	452,597
Acquisition of assets	-	16	-	-	-	-	16
Write-offs	-	(133)	(202)	-	(301)	-	(636)
Merger/Spin-off	-	-	-	-	-	-	-
Amortization	-	(4,366)	(16,497)	(21,724)	(3,287)	(2,377)	(48,251)
FX effects	45,017	1,303	432	(2,599)	126	(924)	43,355
Transfers and reclassifications ⁽¹⁾	-	-	37,704	-	504	-	38,208
At December 31, 2023							
Cost	1,767,880	76,916	147,519	82,948	29,869	11,885	2,117,017
Accumulated amortization	-	(57,400)	(59,295)	(65,035)	(19,926)	(2,377)	(204,033)
Net value	1,767,880	19,516	88,224	17,913	9,943	9,508	1,912,984
Additions	-	-	1,814	-	5	8,182	10,001
Acquisitions of subsidiaries ⁽⁴⁾	22,342	⁽³⁾	-	-	-	-	22,342
Write-offs	-	-	(2)	-	-	-	(2)
Amortization	-	(1,241)	(4,737)	(6,583)	(157)	(689)	(13,407)
FX effects	48,876	418	107	1,074	20	380	50,875
Transfers and reclassifications ⁽¹⁾	-	987	3,084	-	67	-	4,138
At March 31, 2024							
Cost	1,839,098	77,096	152,459	84,021	29,833	20,447	2,202,954
Accumulated amortization	-	(57,416)	(63,969)	(71,617)	(19,955)	(3,066)	(216,023)
Net value	1,839,098	19,680	88,490	12,404	9,878	17,381	1,986,931

(1) The remaining balance in the Transfers and reclassifications column refers to reclassifications to Property and equipment (see note 12).

(2) Includes goodwill on the acquisition of Bio Ritmo, Smartfit Peru, Sporty City Colombia, Latamfit Chile, Latamgym Mexico, Pro Forma, MB Negócios Digitais, Just Fit, Sporty Panamá, Holandeses, Cohama and Lake.

(3) Refers to the provisional amount of goodwill on the acquisition of Tietê Plaza and ACL.

(4) See note 3.

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

14. LEASES
BREAKDOWN OF AND VARIATIONS IN THE BALANCES OF RIGHT-OF-USE ASSETS

	Parent			Consolidated		
	Machinery and equipment	Buildings ⁽⁴⁾	Total	Machinery and equipment	Buildings ⁽⁴⁾	Total
Right-of-use assets						
At December 31, 2022						
Additions and remeasurements ⁽³⁾	-	1,029,761	1,029,761	126,123	2,941,246	3,067,369
Acquisitions of subsidiaries	-	-	-	-	102,098	102,098
Acquisition of assets	-	10,678	10,678	-	10,678	10,678
Merger/Spin-off	-	(4,114)	(4,114)	-	-	-
Write-offs	-	(11,562)	(11,562)	(3)	(59,093)	(59,096)
Depreciation	-	(197,775)	(197,775)	(38,552)	(521,184)	(559,736)
Tax credits on depreciation	-	(16,770)	(16,770)	-	(20,285)	(20,285)
Assignment of right of use ⁽¹⁾	-	(1,019)	(1,019)	-	-	-
FX effects	-	-	-	12,018	36,544	48,562
Transfers and reclassifications ⁽²⁾	-	-	-	(18,381)	-	(18,381)
At December 31, 2023	-	1,193,246	1,193,246	109,290	3,645,729	3,755,019
Additions and remeasurements ⁽³⁾	-	200,511	200,511	-	351,153	351,153
Acquisitions of subsidiaries ⁽⁵⁾	-	-	-	-	2,174	2,174
Write-offs	-	(544)	(544)	-	(1,147)	(1,147)
Depreciation	-	(50,484)	(50,484)	(8,887)	(143,377)	(152,264)
Tax credits on depreciation	-	(4,401)	(4,401)	-	(5,321)	(5,321)
Assignment of right of use ⁽¹⁾	-	(22,992)	(22,992)	-	-	-
FX effects	-	-	-	4,792	45,343	50,135
Transfers and reclassifications ⁽²⁾	-	-	-	(797)	(987)	(1,784)
At March 31, 2024	-	1,315,336	1,315,336	104,398	3,893,567	3,997,965

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

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

- (1) Refer to the assignment of rental contracts related to Company's units transferred to other Group companies in the period ended March 31, 2024.
- (2) Refer to reclassifications to Property and equipment of lease agreements terminated (see note 12).
- (3) Includes R\$44,869 (R\$20,103 in Dec/23) in parent and R\$45,682 (R\$24,853 in Dec/23) in consolidated for initial direct costs and a deduction of R\$1,836 in consolidated referring to a leaseback operation.
- (4) The main terms of real estate contracts are: Brazil, with an average of 10 years, and Mexico, with an average of 30 years.
- (5) See note 3.

BREAKDOWN OF AND VARIATIONS IN THE BALANCES OF LEASE LIABILITIES

	Parent			Consolidated		
	Machinery and equipment	Buildings	Total	Machinery and equipment	Buildings	Total
Lease liabilities						
At December 31, 2022	-	1,089,870	1,089,870	117,771	3,211,676	3,329,447
Additions and remeasurements	-	363,944	363,944	29,921	1,130,872	1,160,793
Acquisitions of subsidiaries	-	-	-	-	116,672	116,672
Acquisition of assets	-	4,712	4,712	-	4,712	4,712
Merger/Spin-off	-	(4,677)	(4,677)	-	-	-
Write-offs	-	(13,101)	(13,101)	-	(67,909)	(67,909)
Interest incurred	-	92,462	92,462	16,185	326,426	342,611
Considerations ⁽¹⁾	-	(281,256)	(281,256)	(77,813)	(760,307)	(838,120)
Tax credits on interest	-	5,984	5,984	-	7,262	7,262
Assignment of right of use ⁽²⁾	-	(1,135)	(1,135)	-	-	-
FX effects	-	-	-	11,111	40,835	51,946
At December 31, 2023	-	1,256,803	1,256,803	97,175	4,010,239	4,107,414
Additions and remeasurements	-	155,642	155,642	-	305,472	305,472
Acquisitions of subsidiaries ⁽³⁾	-	-	-	-	2,570	2,570
Write-offs	-	(667)	(667)	-	(1,480)	(1,480)
Interest incurred	-	26,171	26,171	3,091	93,220	96,311
Considerations ⁽¹⁾	-	(75,512)	(75,512)	(15,880)	(217,689)	(233,569)
Tax credits on interest	-	1,767	1,767	-	2,082	2,082
Assignment of right of use ⁽²⁾	-	(9,327)	(9,327)	-	-	-
FX effects	-	-	-	4,295	52,028	56,323
At March 31, 2024	-	1,354,877	1,354,877	88,681	4,246,442	4,335,123
Current	-	195,972	195,972	51,582	520,286	571,868
Noncurrent	-	1,158,905	1,158,905	37,099	3,726,156	3,763,255

- (1) Due to one-off discounts obtained with property owners, the Group recognized R\$607 in parent and R\$1,833 in consolidated as discounts obtained with leases at March 31, 2024, and R\$3,073 in parent and R\$9,033 in consolidated at December 31, 2023 (see Note 23), which do not change the contracts' conditions.
- (2) Refer to the assignment of rental contracts related to Company's units transferred to other Group companies in the period ended March 31, 2024.
- (3) See note 3.

ANALYSIS OF IMPAIRMENT INDICATORS FOR RIGHT-OF-USE ASSETS

The Group continuously monitors conditions that may indicate any risk of impairment of right-of-use assets. See note 12.

DISCOUNT RATES

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

FLOW OF LEASE MATURITIES

	Consolidated		
	Machinery and equipment	Buildings	Total
2024	37,800	405,278	443,078
2025	29,346	518,526	547,872
2026	11,092	540,674	551,766
2027 onwards	10,443	2,781,964	2,792,407
Total	88,681	4,246,442	4,335,123

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

	Consolidated	
	Par value (interest-free)	Adjusted to present value
Lease consideration of properties	6,218,185	4,246,442
PIS/COFINS – 9.25% ⁽¹⁾	185,866	134,814

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

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

At March 31, 2024, the Company did not incur variable lease expenses in parent and incurred R\$4,196 in consolidated (did not incur variable lease expense in parent and incurred R\$7,025 in consolidated at December 31, 2023).

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

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

	Consolidated	
	Actual flow	Flow w/ inflation
Right-of-use assets	3,893,567	4,771,722
Lease liabilities	2,205,203	2,274,496
Finance charges	2,041,239	2,860,244
Total lease liabilities	4,246,442	5,134,740
Finance costs	2,041,239	2,860,244
Depreciation expense	3,887,077	4,753,732
Total expenses⁽¹⁾	5,928,316	7,613,976

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

15. TRADE PAYABLES

	Parent		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Trade payables				
Local currency	135,006	167,280	306,334	365,191
Foreign currency	22	169	34,704	33,981
Total	135,028	167,449	341,038	399,172

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

16. OTHER LIABILITIES

BREAKDOWN OF BALANCES

	Parent		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Other liabilities				
Salaries, accruals and social contributions	55,649	49,581	108,395	96,026
Investments in subsidiaries and joint ventures with negative equity ⁽¹⁾	3,283	4,802	-	-
Acquisition of control - Sporty Panama ⁽²⁾	-	163,745	-	163,745
Contingent consideration - MB Negócios Digitais	4,115	4,010	4,115	4,010
Contingent consideration - Latamfit Chile	4,227	4,560	4,227	4,560
Contingent consideration - Just Fit	2,767	2,767	2,767	2,767
Consideration for acquisition - Lake	2,848	4,895	2,848	4,895
Consideration for acquisition - Holandeses	2,398	3,997	2,398	3,997
Consideration for acquisition - Cohama	2,826	4,853	2,826	4,853
Consideration for acquisition - ACL ⁽²⁾	3,561	-	3,561	-
Consideration for acquisition - Tietê Plaza ⁽²⁾	7,412	-	7,412	-
Others	3,953	4,013	23,619	23,096
Total	93,039	247,223	162,168	307,949
Current	82,629	235,299	138,993	283,619
Noncurrent	10,410	11,924	23,175	24,330

(1) See note 11.

(2) See note 3.

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

17. BORROWINGS

BREAKDOWN OF BALANCES

	Parent		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Borrowings				
Debentures	2,275,954	2,205,130	2,275,954	2,205,130
Working capital	41,230	43,774	1,798,742	1,614,769
Total	2,317,184	2,248,904	4,074,696	3,819,899
Current	101,878	32,482	712,770	594,402
Noncurrent	2,215,306	2,216,422	3,361,926	3,225,497
Local currency	2,317,184	2,248,904	2,340,810	2,272,659
Foreign currency	-	-	1,733,886	1,547,601

SUMMARY OF CHANGES IN BORROWINGS

	Parent	Consolidated
Borrowings		
At December 31, 2022	2,000,030	3,419,894
Fundraising	597,500	1,099,507
Acquisitions of subsidiaries	-	42,196
Accrued interest and cost amortization	299,274	485,219
Principal paid	(369,544)	(802,587)
Interest payment	(278,356)	(452,962)
Exchange differences	-	28,632
At December 31, 2023	2,248,904	3,819,899
Fundraising	-	387,057
Accrued interest and cost amortization	72,192	127,088
Principal paid	(2,474)	(249,124)
Interest payment	(1,438)	(49,096)
Exchange differences	-	38,872
At March 31, 2024	2,317,184	4,074,696

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

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

DESCRIPTION OF THE MAIN FINANCIAL AGREEMENTS

	Currency of the agreement	Par value in the currency of the agreement (in millions)	Charges (p.a.)	Maturity	03/31/2024	12/31/2023
PARENT						
DEBENTURES						
Fifth issue	BRL	250.0	CDI + 1.90%	09/30/2028	146,647	140,323
Sixth issue	BRL	1,060.0	CDI + 2.40%	12/20/2028	1,075,293	1,040,037
Seventh issue - 1 st series	BRL	362.3	CDI + 1.50%	10/10/2029	41,704	371,894
Seventh issue - 2 nd series	BRL	37.3	IPCA + 7.37%	10/10/2029	383,167	40,313
Eighth issue	BRL	600.0	CDI + 1.95%	10/20/2030	629,143	612,473
WORKING CAPITAL						
Smartfit Brasil	BRL	100.0	CDI + 2.49%	08/15/2027	9,768	10,477
SUBSIDIARIES						
WORKING CAPITAL						
Latamgym Mexico ⁽¹⁾	MXN	1,300.0	TIIE + 1.90%	03/17/2025	102,828	133,871
Latamgym Mexico ⁽²⁾	MXN	356.7	TIIE + 2.80%	12/31/2024	9,952	18,843
Latamgym Mexico	MXN	290.0	TIIE + 2.00%	05/31/2027	71,147	72,721
Latamgym Mexico	MXN	300.0	TIIE + 2.00%	09/30/2027	90,223	70,850
Latamgym Mexico	MXN	150.0	TIIE + 2.00%	12/31/2027	81,341	79,614
Latamgym Mexico	MXN	1,325.0	TIIE + 2.00%	07/24/2028	391,500	264,226
SportyCity Colômbia	COP	40,000.0	IBR + 4.95%	02/09/2027	37,742	39,583
SportyCity Colômbia	COP	36,000.0	IBR + 5.00%	04/01/2027	36,106	37,664
Latamfit Chile	CLP	25,218.6	7.22%	10/03/2024	23,177	33,217
Latamfit Chile	CLP	23,000.0	9.48%	12/29/2025	80,084	84,378
Latamfit Chile	CLP	11,091.2	5.67%	12/02/2024	16,221	17,498
Latamfit Chile	CLP	20,000.0	9.55%	08/17/2028	101,464	109,453
Smartfit Peru	PEN	66.0	8.00%	08/09/2024	11,680	16,994
Smartfit Peru	PEN	62.7	4.78%	07/15/2025	56,776	65,624
Smartfit Peru	PEN	119.1	10.65%	11/30/2025	-	156,500
Smartfit Peru	PEN	60.0	8.11%	09/30/2024	80,873	79,261
Smartfit Peru	PEN	150.0	8.06%	02/21/2028	201,762	-

- (1) Non-revolving credit agreement due in two installments, with final maturity on March 17, 2025, with monthly principal repayments beginning after the 25th month from the disbursement. The bonds are secured by a pledge unrelated to property on a bank account that Latamgym SAPI de CV holds in HSBC and is guaranteed by the Company. This agreement restricts any change of control of either the borrower or the payment of dividends and the distributions from the borrower to its parent company.
- (2) Non-revolving credit agreement with monthly capital repayments starting after the 12th month from the disbursement. This agreement restricts any change of control of either the borrower or the guarantor and restricts the payment of dividends and distributions from the borrower to its parent company.

SYNDICATED CREDIT FACILITY

In continuation of the disbursements made under the syndicated credit facility obtained in Mexico, during the three-month period ended March 31, 2024, MXN 375 million, equivalent to approximately US\$113 million, was disbursed. Of the total amount of the credit facility of MXN 1,750 million, equivalent to approximately R\$500 million, MXN 1,325 million, approximately R\$399 million, was disbursed.

BORROWING SMARTFIT PERU

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

COVENANTS

The Group made an analysis of the operating guarantees and at March 31, 2024 it was also compliant with the operating and financial covenants (covenants with non-financial clauses), the main ones related to compliance with the allocation of funds raised, disclosure of information, as well as any non-compliance with pecuniary obligations of the debts issued, among others.

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18. PROVISION FOR JUDICIAL LIABILITIES
BREAKDOWN OF AND VARIATIONS IN THE BALANCES

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

	Civil	Labor	Tax	Total
PARENT				
At December 31, 2022	1,680	1,433	1,512	4,625
Additions and increases	5,042	1,624	205	6,871
Write-offs and reversals	(1,667)	(67)	(60)	(1,794)
At December 31, 2023	5,055	2,990	1,657	9,702
Additions and increases	4,739	1,744	50	6,533
Write-offs and reversals	(4,591)	-	-	(4,591)
At March 31, 2024	5,203	4,734	1,707	11,644
CONSOLIDATED				
At December 31, 2022	7,418	1,608	15,862	24,888
Additions and increases	5,711	2,318	1,213	9,242
Write-offs and reversals	(2,183)	(684)	(60)	(2,927)
At December 31, 2023	10,946	3,242	17,015	31,203
Additions and increases	5,314	1,928	137	7,379
Write-offs and reversals	(4,640)	(66)	-	(4,706)
Exchange differences	4	1	-	5
At March 31, 2024	11,624	5,105	17,152	33,881

LAWSUITS CLASSIFIED AS POSSIBLE LOSS

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

	03/31/2024	12/31/2023
Consolidated		
Civil	11,404	9,933
Labor	1,648	1,813
Tax	8,708	8,986
Total	21,760	20,732

ESCROW DEPOSITS

At March 31, 2024, the Group has escrow deposits of R\$80,732 (R\$79,949 in Dec/23) in parent and R\$101,623 (R\$100,936 in Dec/23) in consolidated related to administrative and judicial proceedings, mainly in the tax (IRRF withholdings) and social security (INSS contributions) areas, which are included under "Other receivables".

	03/31/2024			12/31/2023		
	Provisions	Escrow deposits	Subtotal	Provisions	Escrow deposits	Subtotal
PARENT						
Civil	(5,204)	600	(4,604)	(5,055)	843	(4,212)
Labor	(4,734)	598	(4,136)	(2,990)	508	(2,482)
Tax	(1,706)	79,179	77,473	(1,657)	78,243	76,586
Court-frozen deposits	-	355	355	-	355	355
Total in parent	(11,644)	80,732	69,088	(9,702)	79,949	70,247
CONSOLIDATED						
Civil	(11,625)	1,218	(10,407)	(10,946)	1,369	(9,577)
Labor	(5,105)	831	(4,274)	(3,242)	726	(2,516)
Tax	(17,151)	99,217	82,066	(17,015)	98,484	81,469
Court-frozen deposits	-	357	357	-	357	357
Total in consolidated	(33,881)	101,623	67,742	(31,203)	100,936	69,733

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“RES JUDICATA” DECISION IN TAX MATTERS

The Group does not have final and unappealable court decisions on taxes collected on a continuous basis, which are impacted by the recent decision of the Brazilian Federal Supreme Court (STF). As a result, it will not be necessary to review the likelihood of loss or the ongoing lawsuits and/or lawsuits already settled, which involve the discussion of taxes collected on a continuous basis.

19. CURRENT AND DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

BREAKDOWN OF PROFIT OR LOSS

	Three-month period ended			
	Parent		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Income tax and social contribution				
Current	(2,897)	(8,519)	(38,123)	(34,411)
Deferred	5,619	-	16,054	13,312
Total	2,722	(8,519)	(22,069)	(21,099)

RECONCILIATION OF EFFECTIVE INCOME TAX AND SOCIAL CONTRIBUTION EXPENSE

	Three-month period ended			
	Parent		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Income tax and social contribution				
Profit before income tax and social contribution	90,503	91,203	116,555	105,042
Statutory rate in Brazil	34%	34%	34%	34%
Expected tax assets	(30,771)	(31,009)	(39,629)	(35,714)
Share of profit (loss) of investees	36,457	28,927	(363)	610
Unrecognized deferred tax – temporary differences	-	(3,760)	(1,197)	(4,022)
Offset of tax loss	-	3,719	-	5,093
Adjustment of companies taxed on the presumed profit	-	-	3,769	6,531
Difference in rates of foreign subsidiaries	-	-	3,939	21,398
Others	(2,964)	(6,396)	11,414	(14,995)
Total	2,722	(8,519)	(22,069)	(21,099)
Current	(2,897)	(8,519)	(38,123)	(34,411)
Deferred	5,619	-	16,054	13,312
Effective date	(3%)	9%	19%	20%

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VARIATIONS AND BREAKDOWN OF DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

	12/31/2022	Profit (loss)	Acquisition of subsidiaries	Reclassifications	Other comprehensive income	Foreign exchange effect on translation	12/31/2023
PARENT							
Deferred assets							
Leases	27,584	(3,766)	-	-	-	-	23,818
Tax losses	266,070	86,919	-	-	-	-	352,989
Provisions	64,768	(11,460)	-	-	-	-	53,308
Subtotal	358,422	71,693	-	-	-	-	430,115
Unrecognized deferred tax	(358,422)	358,422	-	-	-	-	-
Total	-	430,115	-	-	-	-	430,115
CONSOLIDATED							
Deferred assets							
Property and equipment	97,922	16,857	1,929	57,386	-	5,068	179,162
Leases	84,702	35,794	4,141	94,510	-	(286)	218,861
Tax losses	418,804	65,733	2,791	(4,161)	-	(2,863)	480,304
Provisions	83,267	(12,261)	-	1,748	-	34	72,788
Deferred revenue	9,896	(560)	-	3,290	-	640	13,266
Others	(3,226)	21,748	(10,897)	7,436	(3,114)	1,782	13,729
Property and equipment	(23,504)	(8,263)	-	(65,045)	-	3,967	(92,845)
Leases	-	(1,275)	-	(95,164)	-	1,713	(94,726)
Others	(4,512)	(2,166)	-	6,302	-	1,199	823
Subtotal	667,861	117,773	(2,036)	-	(3,114)	10,055	790,539
Unrecognized deferred tax	(482,648)	482,648	-	-	-	-	-
Total	185,213	600,421	(2,036)	-	(3,114)	10,055	790,539
Deferred assets	197.560	584.289	(2.036)	10.897	(3.114)	10.662	798.258
Deferred liabilities	(12.347)	16.133	-	(10.897)	-	(607)	(7.719)

	12/31/2023	Profit (loss)	Acquisition of subsidiaries	Reclassifications	Other comprehensive income	Foreign exchange effect on translation	03/31/2024
PARENT							
Deferred assets							
Leases	23,818	3,982	-	-	-	-	27,800
Tax losses	352,989	(1,297)	-	-	-	-	351,692
Provisions	53,308	2,934	-	-	-	-	56,242
Total	430,115	5,619	-	-	-	-	435,734
CONSOLIDATED							
Deferred assets							
Property and equipment	179,162	19,332	-	-	-	2,090	200,584
Leases	218,861	17,648	-	-	-	(3,967)	232,542
Tax losses	480,304	(13,445)	-	-	-	21	466,880
Provisions	72,788	3,192	-	-	-	46	76,026
Deferred revenue	13,266	(7,611)	-	-	-	179	5,834
Others	13,729	4,007	(2,107)	-	149	244	16,022
Total	790,539	16,054	(2,107)	-	149	8,896	813,531
Deferred assets	798.258	12.719	-	-	149	9.172	820.297
Deferred liabilities	(7.719)	3.335	(2.107)	-	-	(275)	(6.766)

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20. EQUITY

SHARE CAPITAL

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

	03/31/2024		12/31/2023	
	Common shares	%	Common shares	%
Shareholder				
Corona family	87,015,094	14.84%	87,015,094	14.84%
Pátria	191,821,477	32.72%	191,821,477	32.72%
Shares held by owners of the Company	278,836,571	47.56%	278,836,571	47.56%
Canada Pension Plan Investment Board – CPPIB ⁽¹⁾	70,851,035	12.09%	70,851,035	12.09%
Novastar Investment Pte. Ltd – GIC ⁽¹⁾	52,673,584	8.98%	52,673,584	8.98%
Other shareholders ⁽²⁾	183,881,099	31.37%	183,881,099	31.37%
Shares publicly traded in the market	307,405,718	52.44%	307,405,718	52.44%
Total	586,242,289	100.00%	586,242,289	100.00%

(1) Shareholders abroad.

(2) Shareholders with less than 5% interest.

21. OPERATING REVENUE AND DEFERRED REVENUE

BREAKDOWN OF OPERATING REVENUE

	Three-month period ended			
	Parent		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Operating revenue by type of service				
Gym plans	442,574	346,845	1,207,655	917,884
Annual fees	9,360	24,497	86,230	77,326
Membership fees	1,401	550	5,778	9,953
Others	9,697	12,936	43,925	45,628
Gross operating revenue	463,032	384,828	1,343,588	1,050,791
Taxes on revenue	(59,922)	(50,015)	(83,700)	(68,848)
Net operating revenue	403,110	334,813	1,259,888	981,943

Operating revenues by geographic region are disclosed in note 25.

BREAKDOWN OF DEFERRED REVENUE

	Parent				Consolidated			
	Parent		Consolidated		Parent		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Deferred revenue								
Gym plans	6,963	6,370	59,298	56,589				
Annual fees	14,753	17,978	156,762	141,823				
Membership fees	1,731	2,718	4,174	5,834				
Others	458	662	1,607	1,969				
Total	23,905	27,728	221,841	206,215				
Current	23,855	27,596	221,791	206,083				
Noncurrent	50	132	50	132				

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22. COST AND EXPENSES BY NATURE

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

	Three-month period ended					
	03/31/2024			03/31/2023		
	Costs	Expenses	Total	Costs	Expenses	Total
PARENT						
Personnel and related taxes	64,325	32,340	96,665	51,443	23,630	75,073
Depreciation and amortization, net of PIS and COFINS	97,878	4,145	102,023	89,668	3,074	92,742
Utilities expenses	41,709	113	41,822	36,392	1,753	38,145
Operational support services	21,683	20,450	42,133	20,354	13,937	34,291
Opening of new units	2,597	1,688	4,285	884	603	1,487
Variable lease of real estate, common area maintenance fees and occupancy expenses	12,549	682	13,231	11,925	474	12,399
Maintenance	12,794	389	13,183	7,060	356	7,416
Media and commercials	-	37,591	37,591	-	32,617	32,617
Credit card management fee	-	4,682	4,682	-	4,466	4,466
Allocation to stock option plans	-	4,967	4,967	-	2,111	2,111
Others	4,680	5,613	10,293	4,196	9,945	14,141
Total	258,215	112,660	370,875	221,922	92,966	314,888
CONSOLIDATED						
Personnel and related taxes	166,462	72,621	239,083	127,566	54,435	182,001
Depreciation and amortization, net of PIS and COFINS	312,876	7,857	320,733	258,037	5,840	263,877
Utilities expenses	110,446	1,434	111,880	85,012	3,583	88,595
Operational support services	52,617	35,416	88,033	43,065	23,950	67,015
Opening of new units	7,826	7,166	14,992	2,569	4,342	6,911
Variable lease of real estate, common area maintenance fees and occupancy expenses	36,133	1,562	37,695	30,565	1,352	31,917
Maintenance	35,885	488	36,373	22,773	545	23,318
Media and commercials	-	75,218	75,218	-	59,976	59,976
Credit card management fee	-	20,099	20,099	-	16,851	16,851
Allocation to stock option plans	-	5,145	5,145	-	2,467	2,467
Others	14,328	17,446	31,774	10,142	22,236	32,378
Total	736,573	244,452	981,025	579,729	195,577	775,306

23. FINANCE INCOME (COSTS)

	Three-month period ended			
	Parent		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
FINANCE INCOME				
Interest income	6,006	4,767	9,600	8,030
Exchange differences	374	9,584	5,156	14,494
Income from financial investments	49,063	69,956	61,012	82,416
Gain on derivative financial instruments ⁽¹⁾	-	6,545	-	7,772
Discounts obtained on leases	607	629	1,833	2,141
Other finance income	708	412	228	663
Total finance income	56,758	91,893	77,829	115,516
FINANCE COSTS				
Interest on borrowings	(70,763)	(74,150)	(125,439)	(119,467)
Interest on leases	(26,171)	(21,951)	(96,311)	(79,900)
Exchange differences	(2,139)	(4,148)	(6,046)	(8,751)
Loss on derivative financial instruments ⁽¹⁾	(2,940)	(1,164)	(4,554)	(3,947)
Other finance costs	(3,704)	(4,281)	(6,718)	(6,840)
Total finance costs	(105,717)	(105,694)	(239,068)	(218,905)
Total finance income (costs), net	(48,959)	(13,801)	(161,239)	(103,389)

(1) See note 9.

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24. EARNINGS PER SHARE

CALCULATION OF EARNINGS PER SHARE

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

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

	Three-month period ended			
	Basic		Diluted	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Earnings per share				
Earnings attributable to owners of the Company	93,225	82,684	93,225	82,684
Weighted average number of shares during the period (unit)	586,242,289	586,242,289	606,452,925	607,687,205
Earnings per share	0.1590	0.1410	0.1537	0.1361

25. SEGMENT INFORMATION

Management analyzes its operations based on the following business segments:

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

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

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

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	Three-month period ended March 31, 2024									
	Brazil				Mexico	Other LATAM			Share of profit (loss) of investees	Consolidated
	Smartfit	Bio Ritmo	Others	Total	Smartfit	Smartfit	Others	Total		
SEGMENTS										
Operating revenue	464,794	35,971	63,782	564,547	326,092	367,592	1,657	369,249	-	1,259,888
Costs	(290,000)	(22,227)	(20,681)	(332,908)	(195,086)	(207,434)	(1,145)	(208,579)	-	(736,573)
Gross profit	174,794	13,744	43,101	231,639	131,006	160,158	512	160,670	-	523,315
Selling expenses				(56,320)	(25,089)			(20,828)	-	(102,237)
General and administrative expenses				(93,783)	(13,682)			(24,572)	-	(132,037)
Other operating income (expenses), net				(12,775)	1,783			814	-	(10,178)
Share of profit (loss) of investees				-	-			-	(1,069)	(1,069)
Operating profit (loss) before finance income (costs)				68,761	94,018			116,084	(1,069)	277,794
OTHER INFORMATION										
Costs	(114,324)	(6,965)	(10,321)	(131,610)	(99,562)	(86,218)	(507)	(86,725)	-	(317,897)
Expenses	(170)	-	(5,505)	(5,675)	(943)	(1,239)	-	(1,239)	-	(7,857)
Depreciation and amortization	(114,494)	(6,965)	(15,826)	(137,285)	(100,505)	(87,457)	(507)	(87,964)	-	(325,754)
Costs	(77,165)	(4,672)	(1,918)	(83,755)	(68,300)	(53,302)	(419)	(53,721)	-	(205,776)
Expenses	(201)	-	(1,075)	(1,276)	(567)	(648)	-	(648)	-	(2,491)
Fixed lease	(77,366)	(4,672)	(2,993)	(85,031)	(68,867)	(53,950)	(419)	(54,369)	-	(208,267)
Costs	(2,597)	-	(1,805)	(4,402)	(1,221)	(2,203)	-	(2,203)	-	(7,826)
Expenses	(1,688)	-	(120)	(1,808)	(3,243)	(2,115)	-	(2,115)	-	(7,166)
Opening of new units	(4,285)	-	(1,925)	(6,210)	(4,464)	(4,318)	-	(4,318)	-	(14,992)

	Three-month period ended March 31, 2023									
	Brazil				Mexico	Other LATAM			Share of profit (loss) of investees	Consolidated
	Smartfit	Bio Ritmo	Others	Total	Smartfit	Smartfit	Others	Total		
SEGMENTS										
Operating revenue	383,524	30,534	54,031	468,089	226,886	285,120	1,848	286,968	-	981,943
Costs	(247,639)	(20,741)	(11,831)	(280,211)	(143,594)	(154,570)	(1,354)	(155,924)	-	(579,729)
Gross profit	135,885	9,793	42,200	187,878	83,292	130,550	494	131,044	-	402,214
Selling expenses				(48,927)	(19,550)			(12,692)	-	(81,169)
General and administrative expenses				(70,623)	(8,474)			(19,667)	-	(98,764)
Other operating income (expenses), net				(10,544)	(4,866)			(234)	-	(15,644)
Share of profit (loss) of investees				-	-			-	1,794	1,794
Operating profit (loss) before finance income (costs)				57,784	50,402			98,451	1,794	208,431
OTHER INFORMATION										
Costs	(106,168)	(6,668)	(4,001)	(116,837)	(75,613)	(69,946)	(608)	(70,554)	-	(263,004)
Expenses	(170)	-	(4,120)	(4,290)	(516)	(1,034)	-	(1,034)	-	(5,840)
Depreciation and amortization	(106,338)	(6,668)	(8,121)	(121,127)	(76,129)	(70,980)	(608)	(71,588)	-	(268,844)
Costs	(71,835)	(5,185)	(1,516)	(78,536)	(51,940)	(40,762)	(500)	(41,262)	-	(171,738)
Expenses	(201)	-	(644)	(845)	(508)	(529)	-	(529)	-	(1,882)
Fixed lease	(72,036)	(5,185)	(2,160)	(79,381)	(52,448)	(41,291)	(500)	(41,791)	-	(173,620)
Costs	(884)	(207)	(84)	(1,175)	(888)	(506)	-	(506)	-	(2,569)
Expenses	(603)	-	-	(603)	(3,073)	(666)	-	(666)	-	(4,342)
Opening of new units	(1,487)	(207)	(84)	(1,778)	(3,961)	(1,172)	-	(1,172)	-	(6,911)

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

26. FINANCIAL RISK MANAGEMENT

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

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

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

MARKET RISK MANAGEMENT

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

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

FOREIGN EXCHANGE RISK MANAGEMENT

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

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

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

INTEREST RATE RISK MANAGEMENT

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

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

The sensitivity analyses below have been established based on interest rate exposures at March 31, 2024. A 10% increase or decrease represents management's assessment of a reasonably possible change in interest rates. A positive number below would indicate an increase in results (finance income) and a negative number would indicate a decrease in results (finance costs). If interest rates were 10% higher/lower, with no changes in other variables, the effects would be as follows:

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At March 31, 2024

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

	Impact on profit or loss	
	10% increase	10% decrease
PARENT		
Interest rate sensitivity		
Variable interest	(6,999)	6,999
CONSOLIDATED		
Interest rate sensitivity		
Variable interest	(15,726)	15,726

In Mexico, the Group contracted an interest rate swap with a bank to hedge the total exposure of a borrowing, swapping the variable interest rate (TIIE) for a fixed rate. The instruments have terms similar to those of the hedged item. The mark-to-market, in the amount of R\$1,614, is recognized as costs in finance income (costs), and the Group has not applied hedge accounting for this instrument.

In Brazil, the Group contracted an interest rate swap to hedge the total exposure of the 2nd series of the 7th issue of debentures, swapping the IPCA index for the CDI. The instrument has a structure similar to that of the hedged item. The mark-to-market, in the amount of R\$642, is recognized as income in finance income (costs), and the Group has not applied hedge accounting for this instrument.

PRICE RISK MANAGEMENT

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

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

	Impact on profit or loss	
	10% increase	10% decrease
CONSOLIDATED		
Price sensitivity		
Shares of listed company	6,383	(6,383)

LIQUIDITY RISK MANAGEMENT

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

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

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

	Maturity			Total
	Between 0 and 1 year	Between 1 and 2 years	Over 2 years	
PARENT				
At March 31, 2023				
Trade payables	135,028	-	-	135,028
Related parties	12,504	291	-	12,795
Taxes and contributions payable	83,606	-	-	83,606
Other liabilities	82,629	10,410	-	93,039
Borrowings ⁽¹⁾	116,669	21,597	4,429,605	4,567,871
Lease liabilities ⁽¹⁾	306,552	290,907	1,291,759	1,889,218
Derivative financial instruments	-	34,280	3,332	37,612
Total	736,988	357,485	5,724,696	6,819,169
CONSOLIDATED				
At March 31, 2023				
Trade payables	341,038	-	-	341,038
Related parties	1,676	-	-	1,676
Taxes and contributions payable	238,982	-	-	238,982
Other liabilities	138,993	23,175	-	162,168
Borrowings ⁽¹⁾	857,145	528,084	5,338,685	6,723,914
Lease liabilities ⁽¹⁾	872,147	830,181	4,427,014	6,129,342
Derivative financial instruments	-	34,280	3,332	37,612
Total	2,449,981	1,415,720	9,769,031	13,634,732

(1) Includes interest to be accrued.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At March 31, 2024

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

At March 31, 2024, there are guarantees granted by the Group by means of letters of guarantee from independent financial institutions related to the payment of lease agreements and several accounts payable in the amount of R\$59,887 (R\$49,004 at December 31, 2023). Additionally, in parent, there are guarantees granted by the Company through SBLC for borrowing agreements of certain subsidiaries, in the amount of R\$354,949 (R\$317,888 at December 31, 2023).

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

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

CREDIT RISK MANAGEMENT

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

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

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

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

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

	Parent		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Customer list by late payment range				
Current	157,855	135,138	416,213	327,333
Past due:				
Up to 30 days	21,395	12,112	29,427	16,480
From 31 to 60 days	170	488	876	2,312
From 61 to 90 days	642	155	1,907	411
From 91 to 180 days	2,447	815	401	1,949
From 181 to 360 days	549	174	815	2,727
More than 361 days	322	88	1,783	836
Total	183,380	148,970	451,422	352,048

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

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

CAPITAL RISK MANAGEMENT

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

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

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

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At March 31, 2024

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

Net debt is as follows:

	03/31/2024	12/31/2023
Consolidated		
Cash and cash equivalents	961,820	1,103,433
Investments in financial assets	1,473,384	1,579,092
Borrowings	(4,074,696)	(3,819,899)
Lease liabilities	(4,335,123)	(4,107,414)
Net debt	(5,974,615)	(5,244,788)
Equity	5,269,761	5,068,262
Net debt	(1.13)	(1.03)

FINANCIAL INSTRUMENTS BY CATEGORY

FAIR VALUE HIERARCHY OF THE FINANCIAL INSTRUMENTS

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

The tables below present the Group's financial assets measured at fair value at March 31, 2024 and their allocation to the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
PARENT				
Assets				
Investments in financial assets				
Exclusive investment funds and other financial investments	-	1,660,682	-	1,660,682
Other receivables				
N2B loan	-	-	22,940	22,940
Derivative financial instruments				
Call option of the noncontrolling shareholder – M2 Academia de Ginástica	-	-	5,415	5,415
Call option of the noncontrolling shareholder – ASN Smart	-	-	790	790
Call option of the noncontrolling shareholder – End Fit	-	-	13,385	13,385
Interest rate swap – 7 th issue of debentures	-	2,128	-	2,128
Total	-	1,662,810	42,530	1,705,340
Liabilities				
Derivative financial instruments				
Put option of the noncontrolling shareholder – MB Negócios Digitais	-	-	(31,467)	(31,467)
Put option of the noncontrolling shareholder – ASN Smart	-	-	(1,391)	(1,391)
Put option of the noncontrolling shareholder – End Fit	-	-	(3,332)	(3,332)
Put option of the noncontrolling shareholder – Fit Master	-	-	(1,422)	(1,422)
Total	-	-	(37,612)	(37,612)
CONSOLIDATED				
Assets				
Cash and cash equivalents				
Repurchase agreements	-	316,680	-	316,680
Investments in financial assets				
Exclusive investment funds and other financial investments	-	1,380,372	-	1,380,372
Interests in publicly-held company	63,828	-	-	63,828
Other receivables				
N2B loan	-	-	22,940	22,940
Derivative financial instruments				
Call option of the noncontrolling shareholder – M2 Academia de Ginástica	-	-	5,415	5,415
Call option of the noncontrolling shareholder – ASN Smart	-	-	790	790
Call option of the noncontrolling shareholder – End Fit	-	-	13,385	13,385
Interest rate swap – Smartfit Mexico	-	3,275	-	3,275
Interest rate swap – 7 th issue of debentures	-	2,128	-	2,128
Total	63,828	1,702,455	42,530	1,808,813
Liabilities				
Derivative financial instruments				
Sale obligation of the noncontrolling shareholder – MB Negócios Digitais	-	-	(31,467)	(31,467)
Sale obligation of the noncontrolling shareholder – ASN	-	-	(1,391)	(1,391)
Sale obligation of the noncontrolling shareholder – End Fit	-	-	(3,332)	(3,332)
Sale obligation of the noncontrolling shareholder – Fit Master	-	-	(1,422)	(1,422)
Total	-	-	(37,612)	(37,612)

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At March 31, 2024

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

CHANGES IN LEVEL 3 ASSETS AND LIABILITIES

	Parent		Consolidated	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Financial instruments - Level 3				
At December 31, 2022	21,574	(36,990)	21,574	(36,990)
Gains and losses recognized in profit or loss	21,443	792	21,443	792
At December 31, 2023	43,017	(36,198)	43,017	(36,198)
Gains and losses recognized in profit or loss	(487)	(1,414)	(487)	(1,414)
At March 31, 2024	42,530	(37,612)	42,530	(37,612)

The Group's policy is to recognize transfers between the different categories of the fair value hierarchy when they occur or when there are changes in circumstances causing the transfer. In the period ended March 31, 2024, there were no transfers between the different hierarchies used to determine the fair value of the Group's financial instruments.

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

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

FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES MEASURED AT AMORTIZED COST

The balance of "Borrowings" is monetarily adjusted based on market indexes (CDI) and contractual rates (note 17) and, due to market conditions, the fair value of borrowings is R\$2,279,622 in parent and R\$4,033,054 in consolidated.

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

27. SHARE-BASED PAYMENT

VARIATIONS IN PLANS

On March 31, 2024, the amount recognized in profit or loss was R\$4,967 (R\$2,111 in Mar/23), against a capital reserve. Up to this date, R\$12 (R\$296 in Dec/23) has been paid by the beneficiaries to the Company for the right to acquire the options. Regarding the phantom shares, the amount recognized in profit or loss was R\$178 (R\$356 in Mar/23) against "Other liabilities". The expense is recognized individually by plan and number of options linked to each vesting period, in accordance with CPC 10 (R1) / IFRS 2.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At March 31, 2024

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

28. ADDITIONAL INFORMATION

INSURANCE

The policy adopted by the Group considers mainly the concentration of risks and their materiality, taking into consideration the nature of their activities and the advice of their insurance brokers. At March 31, 2024, the basic insurance coverage is R\$9,565,450 and the coverage for loss of profits is R\$18,000.

29. ADDITIONAL INFORMATION TO THE STATEMENTS OF CASH FLOWS

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

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

NON-CASH TRANSACTIONS	Notes	Parent		Consolidated	
		03/31/2024	03/31/2023	03/31/2024	03/31/2023
Additions of right-of-use assets	14	155,642	55,246	305,472	197,049
Acquisition of subsidiaries and joint ventures	3	10,973	-	10,973	-
Transfers between property and equipment, intangible assets, and right-of-use assets		1,482	-	4,138	2,519
Offset against loan granted		-	-	2,956	(219)

30. EVENTS AFTER THE REPORTING PERIOD

NINETH ISSUE OF DEBENTURES

On April 5, 2024, the Company issued the 9th Issue of simple Debentures, not convertible into shares, of the unsecured type, in two series, for public distribution, under the automatic registration procedure, aimed at professional investors in the amount of R\$ 1,320,000,000, of which R\$ 720,000,000 refers to the First Series Debentures, with a CDI rate of +1.32%, lower than the ceiling rate, and maturing in 5 years (April 2029); and R\$ 600,000,000 refers to the Second Series Debentures, with a CDI rate of +1.52% and maturing in 7 years (April 2031). The funds were paid in on April 26, 2024, and the net proceeds from the issue were used to pay the total optional early redemption price of the Company's 6th issue of single series unsecured debentures, not convertible into shares, which took place on April 29, 2024. The remaining funds will be used for general corporate purposes and to strengthen working capital.

ACQUISITION OF A MINORITY INTEREST IN PERU

As reported in a Notice to the Market on May 2, 2024, one of Smart Fit's wholly-owned subsidiaries entered into an agreement to acquire 100% of the shares of Latam Gym S.A., which holds only 10% of the share capital of Smartfit Peru SAC, a subsidiary of the Company based in Peru. Since the start of Smartfit Peru's operations, the Company has held a direct 90% stake in Smartfit Peru's share capital and, consequently, already consolidated the results and balance sheet in its financial statements, and as a result of the Transaction it will directly and indirectly hold all the shares in its share capital. As a result of the Transaction, the shareholders' agreement and other agreements linked to the Seller are terminated and the Company will make a payment of PEN 88.0 million to the Seller in two installments: (i) PEN 52.0 million to be paid within 3 business days of this date; and (ii) PEN 36.0 million to be paid on the 1st anniversary of the closing date of the Transaction, subject to certain customary conditions for this type of transaction. In dollars, the total estimated value of the payment is US\$ 23.7 million.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At March 31, 2024

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

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

Daniel Rizardi Sorrentino

DIRECTORS

Edgard Gomes Corona

Thiago Lima Borges

Diogo Ferraz de Andrade Corona

Luis Felipe França Pereira da Cruz

Claudia Elisa e Pinho Soares

Wolfgang Stephan Schwerdtle

Ricardo Lerner Castro

Felipe Rodrigues Affonso

SUPERVISORY BOARD

Helena Turola de Araújo Pena

Evelyn Veloso Trindade

Rubens Approbato Machado Junior

AUDIT COMMITTEE

Edward Ruiz

Claudia Elisa de Pinho Soares

Welerson Cavaliere

EXECUTIVE BOARD

Edgard Gomes Corona

André Macedo Pezeta

José Luís Rizzardo Pereira

Diogo Ferraz de Andrade Corona

Juana Melo Pimentel

Alexandre Gregianin

Nassim Miguel Hueb Neto

Chief Executive Officer

Chief Financial Officer

Investor Relations Officer

Chief Operating Officer

Chief Legal, Compliance, Data Protection and ESG Officer

Chief Technology Officer

Chief People and Management Officer

Wellington de Oliveira

Controller Director

Alyne Quinalha Amorim

Accountant - CRC SP340782/O-0



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

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

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

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Smartfit Escola de Ginástica e Dança S.A. ("Company") contained in the Quarterly Information Form (ITR) for the quarter ended on March 31, 2024, which comprises the statement of financial position as at March 31, 2024, and the related statements of profit or loss and of comprehensive income for the three-month period then ended, and of changes in equity and of cash flows for the three-month period then ended, including explanatory notes, including material accounting policies and other explanatory information.

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

Scope of review

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



Conclusion on the individual and consolidated interim financial information

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

Other matters

Statements of value added

The quarterly information referred to above includes the individual and consolidated statements of value added (SVA) for the Three-month period ended on March 31, 2024, prepared under the responsibility of the Company's Management, and presented as supplementary information for IAS 34 purposes. These statements were subject to review procedures conducted jointly with the review of the quarterly information for the purpose of concluding whether they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, pursuant to such standard and consistently with the individual and consolidated interim financial information taken as set.

São Paulo, May 08, 2024.

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


Raphael de Oliveira Costa
Accountant CRC-SP295905/O