3Q24 Results

Results Webinar
November 8, 2024
11 a.m. (Brasilia) | 9 a.m. (NY) | 2 p.m (London)
Conference Call in Portuguese with simultaneous translation into English
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3Q24 EARNINGS RELEASE

São Paulo, November 7, 2024 – Smart Fit (SMFT3), the leader in the fitness industry across Latin America in memberships and clubs[1], announces its 3Q24 results. To facilitate analysis, the results are shown without the effect of IFRS 16/CPC 06 (R02). The effects of IFRS 16/CPC 06 (R02) on the result are detailed from page **24** onwards.

HIGHLIGHTS OF THE PERIOD

- **Record of 285 clubs added in the last 12 months, an acceleration in the pace of expansion. New guidance of 280-300 net openings in 2024, a 35%[2] increase in the number of clubs added compared to 2023**

  Solid growth of 22% in the clubs' network vs. 3Q23, with the addition of 62 units in 3Q24, totaling 1,591 clubs in 15 countries across Latin America.

- **Member base reached the impressive milestone of 5.2 million in 3Q24, being 4.8 million in clubs, a growth of 18% vs. 3Q23 and 4% vs. 2Q24**

  The addition of 686 thousand members in clubs in the first nine months of 2024, reflects the expansion of the club network and the successful efforts to attract and retain members.

- **Significant growth of 31% in net revenue vs. 3Q23, surpassing R$1.4 billion in 3Q24 (+5% vs. 2Q24)**

  Strong performance reflects a 19% expansion in the average member base in own clubs and an 11% increase in the average ticket in the period.

- **Cash gross margin of 49.7% in 3Q24, combining record expansion of the club network with solid profitability**

  The seventh straight quarter of stable cash gross margin of mature clubs[3] at 52% and maturation of units opened in recent years are consistent with historical levels.

- **Record EBITDA of R$442 million in 3Q24, strong growth of 35% vs. 3Q23, with operating cash flow of R$379 million, representing a conversion of 86%**

  Increase of 1.1 p.p. in the EBITDA margin vs. 3Q23, totaling 31.1% in 3Q24. Record EBITDA of R$1.6 billion over the last 12 months, with a high conversion rate to operating cash of 96%.

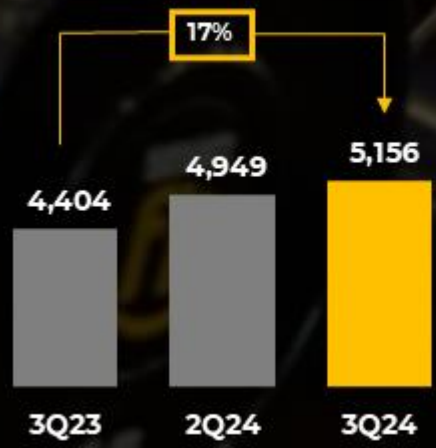
- **Recurring net income[4] of R$124 million, +22% vs. 3Q23**

  Recurring net margin of 8.7% in 3Q24, (0.6) p.p. vs. 3Q23.

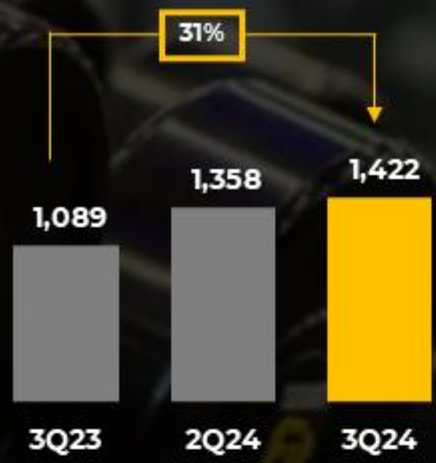
3Q24 Highlights	3Q24	3Q23	3Q24 vs. 3Q23	2Q24	3Q24 vs. 2Q24	9M24	9M23	9M24 vs. 9M23
Clubs	1,591	1,306	22%	1,529	4%	1,591	1,306	22%
Total Members (000)[a]	5,156	4,404	17%	4,949	4%	5,156	4,404	17%
Net Revenue (R$ million)	1,422	1,089	31%	1,358	5%	4,040	3,114	30%
EBITDA[b] (R$ million)	442	327	35%	437	1%	1,275	970	31%
EBITDA Margin	31.1%	30.0%	*1.1 p.p.*	32.2%	(1.1) p.p.	31.6%	31.2%	0.4 p.p.
Recurring Net Income[c] (R$ million)	124	101	22%	143	(13%)	382	334	14%
Operating Cash Flow[d] (R$ million)	379	314	21%	473	(20%)	1,111	1,062	5%

(1) According to the International Health, Racquet & Sportsclub Association data, disclosed in 2024, with a base date of 2023 ("IHRSA"); (2) Considers the midpoint of the guidance of 280 to 300 net additions of gyms in 2024, according to the Material Fact disclosed on 02/06/2024 and revised on 11/07/2024; (3) A unit is considered mature when it has been operating for at least 24 months at the start of the calendar year; (4) Excludes the impacts related to the revaluation of the stake in the Panama and Costa Rica operations and non-recurring financial expenses of R$22.1 million after IR/CSLL in 2Q24 and R$5.3 million in 3Q24 related to the prepayment of the 6th and 5th issue in combination with other liability management initiatives. See "Net Income" section; (a) Includes members of clubs, studios and digital channel; (b) Excludes the gain of R$176.6 million obtained in 2Q23 from the revaluation of the existing 50% stake in Panama and excludes the effects of IFRS-16/CPC06 (R2). See "EBITDA Breakdown" section; (c) Excludes the effects of IFRS-16/CPC06 (R2) and non-recurring impacts, as defined in Recurring Net Income ("4"). See "Net Income" section; (d) See "Operating Cash Flow" section.

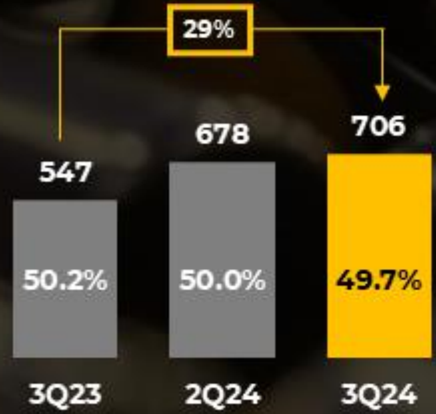
Clients [a]
(000)



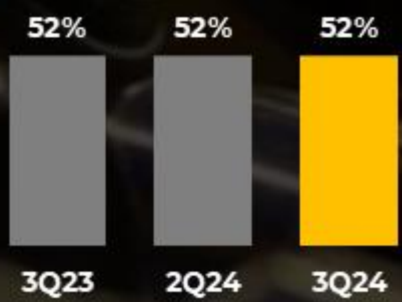
Net Revenue
(R$ M)



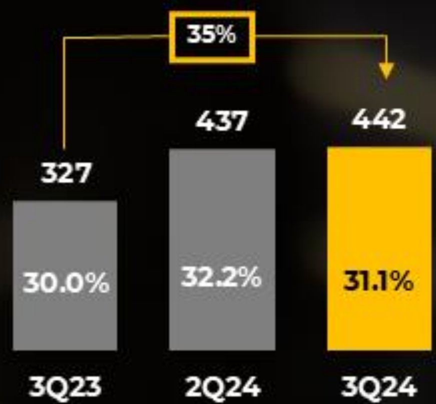
Cash Gross Profit and Margin [b] (R$ M)



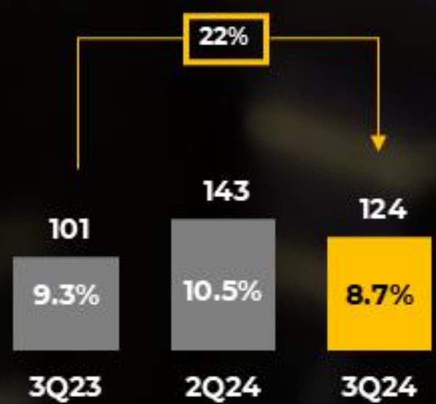
Gross Margin Mature Clubs [c] (%)



EBITDA (R$ M)
and margin [b] (%)



Recurring Net Profit (R$ M)
and recurring margin [d] (%)



(a) Includes members of clubs, studios and digital channel;
(b) Excludes the effects of IFRS-16/CPC06 (R2), see "Cash Gross Profit" and "EBITDA Breakdown" sections;
(c) A unit is considered mature when it has been operating for at least 24 months at the start of the calendar year; and
(d) Excludes the effect of IFRS-16/CPC06 (R2) and non-recurring effects, see "Net Income" section.

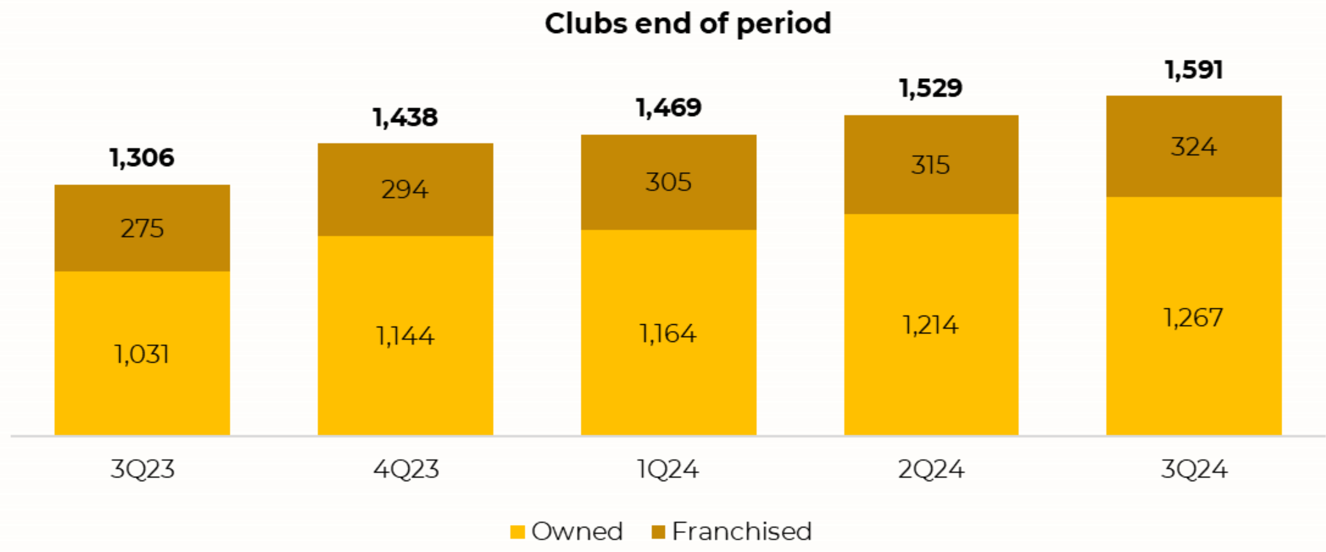
smart fit

OPERATING PERFORMANCE

CLUB NETWORK

The Company ended the third quarter of 2024 with 1,591 clubs in 15 countries, a 22% expansion in network compared to the same period of the previous year, reinforcing its leadership position in the fitness industry in Latin America. At the end of the period, the club network consisted of 1,267 own units (80% of the total) and 324 franchises.

In the quarter, 62 clubs were added, 61 under the Smart Fit brand and 1 Bio Ritmo unit. Of the additions in the quarter, 53 are own clubs (85% of additions), and 9 are franchises. By region, 26 clubs were added in Brazil, 21 in Other Latin America and 15 in Mexico.



In the last 12 months, the Company added 285 clubs, a record level of expansion, with 83% of the additions being own clubs. By region, 40% of the additions were in Other Latin America, 36% in Brazil and 23% in Mexico.

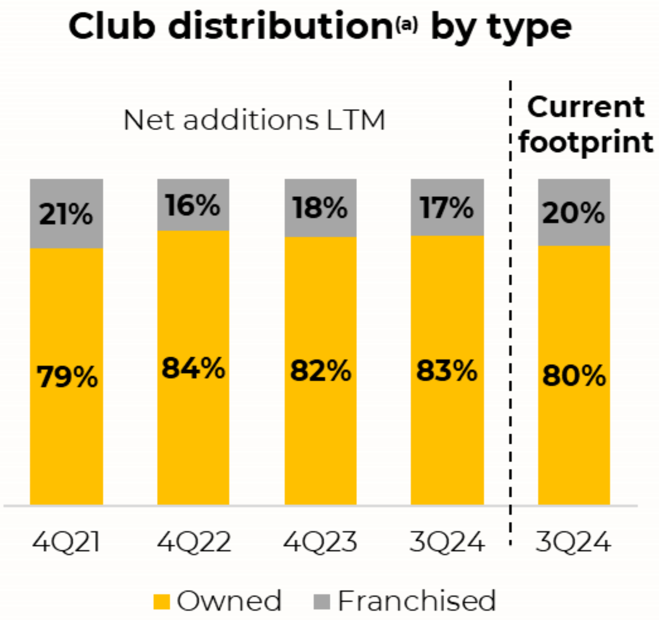
The Company ended October with 179 clubs added and 154 under construction – units that will be inaugurated in 2024 and 2025. In this regard, the Company announced the new projection of openings of clubs for 2024 to 280-300 clubs, a 16%[1] increase compared to the previously disclosed range of 240-260 units, and a 35%[1] increase in club openings versus 2023, resulting in a 20%[1] club network growth when compared to the number of units at the end of 4Q23. This decision is anchored in the consistent returns obtained from clubs opened in the last three years and the robust performance of mature units, which result from solid execution and the strong secular trends in the fitness segment. In addition, there is a favorable scenario of real estate opportunities, reflecting the solid and longstanding relations with key real estate developers in the region, combined with our vast know-how in opening and operating clubs.

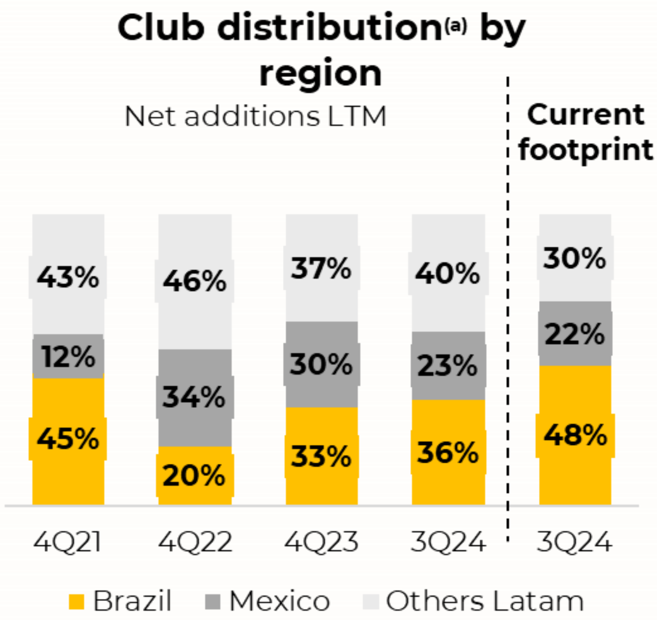
Note that, of the own clubs under the Smart Fit brand, 788 units (63%) were mature at the end of 3Q24, compared to 647 in the same period last year, considering the definition that a unit is mature when it had been operating for at least 24 months at the start of the year.

Furthermore, the Company ended the period with 26 studios, 13 own units and 13 franchises, following the addition of two units during the quarter in the states of Rio de Janeiro and Pernambuco, bringing the total to 62 operational rooms. In the last 12 months, nine studios, including four franchises, were added.

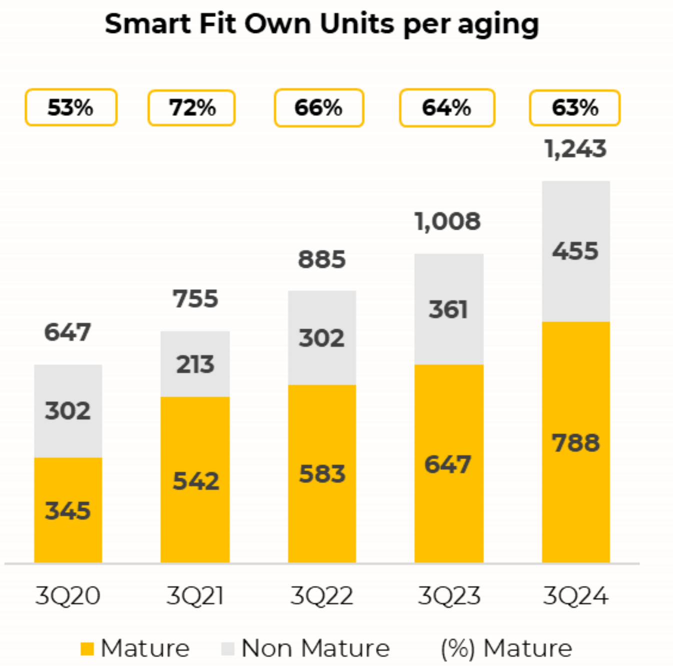
(1) Considers the midpoint of the guidance of 280 to 300 net additions of gyms in 2024, according to the Material Fact disclosed on 02/06/2024 and revised on 11/07/2024.

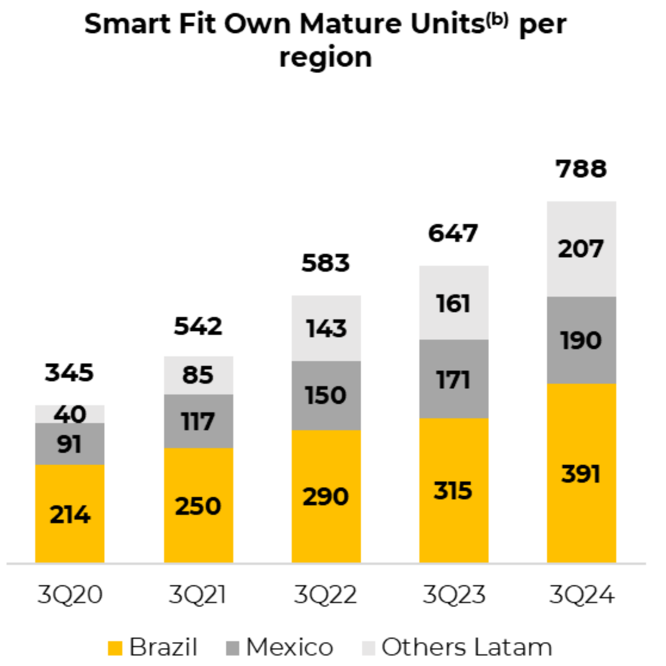
The studio segment has a strong portfolio of training modalities, consisting of (i) Race Bootcamp (high-intensity interval training - HIIT); (ii) Tonus Gym (bodybuilding training); (iii) Vidya (different types of Yoga); (iv) Jab House (combination of boxing and functional training); and (v) One Pilates (pilates).





(a) Includes only the Company's clubs (excludes studios).





(b) A unit is considered mature when it has been operating for at least 24 months at the start of the calendar year.

EVOLUTION OF CLUB NETWORK

Clubs	End of Period					Growth 3Q24 vs.		Variation 3Q24 vs.	
	3Q23	4Q23	1Q24	2Q24	3Q24	2Q24	3Q23	2Q24	3Q23
Total	**1,323**	**1,459**	**1,492**	**1,553**	**1,617**	**64**	**294**	**4%**	**22%**
Clubs	**1,306**	**1,438**	**1,469**	**1,529**	**1,591**	**62**	**285**	**4%**	**22%**
By Type									
Owned	1,031	1,144	1,164	1,214	1,267	53	236	4%	23%
Franchised	275	294	305	315	324	9	49	3%	18%
By Brand									
Smart Fit	1,278	1,410	1,441	1,500	1,561	61	283	4%	22%
Owned	1,008	1,121	1,141	1,190	1,243	53	235	4%	23%
Brazil	448	486	493	506	525	19	77	4%	17%
Mexico	274	302	304	320	334	14	60	4%	22%
Other Latin America[a]	286	333	344	364	384	20	98	5%	34%
Franchised	270	289	300	310	318	8	48	3%	18%
Brazil	183	193	200	202	208	6	25	3%	14%
Mexico	14	16	16	19	20	1	6	5%	43%
Other Latin America[a]	73	80	84	89	90	1	17	1%	23%
Bio Ritmo and others[b]	28	28	28	29	30	1	2	3%	7%
Owned	23	23	23	24	24	0	1	–	4%
Franchised	5	5	5	5	6	1	1	20%	20%
By Region									
Brazil	658	706	720	736	762	26	104	4%	16%
Mexico	288	318	320	339	354	15	66	4%	23%
Other Latin America[a]	360	414	429	454	475	21	115	5%	32%
Studio[c]	**17**	**21**	**23**	**24**	**26**	**2**	**9**	**8%**	**53%**

(a) The "Other Latin America" region includes own operations in Argentina, Chile, Colombia, Costa Rica, Panama, Paraguay, Peru and Uruguay and the franchises in El Salvador, Ecuador, Guatemala, Dominican Republic, and Honduras; (b) "Bio Ritmo and others" includes 28 Bio Ritmo units, one O2 unit, and one Nation unit; (c) Studios include 13 own clubs and 13 franchises.

MEMBER BASE

In 3Q24, the member base surpassed the impressive milestone of 5.2 million, a 17% growth compared to 3Q23 and 4% compared to 2Q24. In clubs, the member base surpassed 4.8 million members, an increase of 18% compared to 3Q23 and 4% from 2Q24, mainly reflecting the substantial expansion of the Company in recent quarters and the solid maturation of its club network.

In the year-to-date through the third quarter of 2024, 686 thousand members were added to clubs. In its own mature clubs, the number of members per unit grew by 3% compared to December 2023, mainly driven by Other Latin America and Brazil, which registered growth during the period above historical levels.

EVOLUTION OF MEMBER BASE

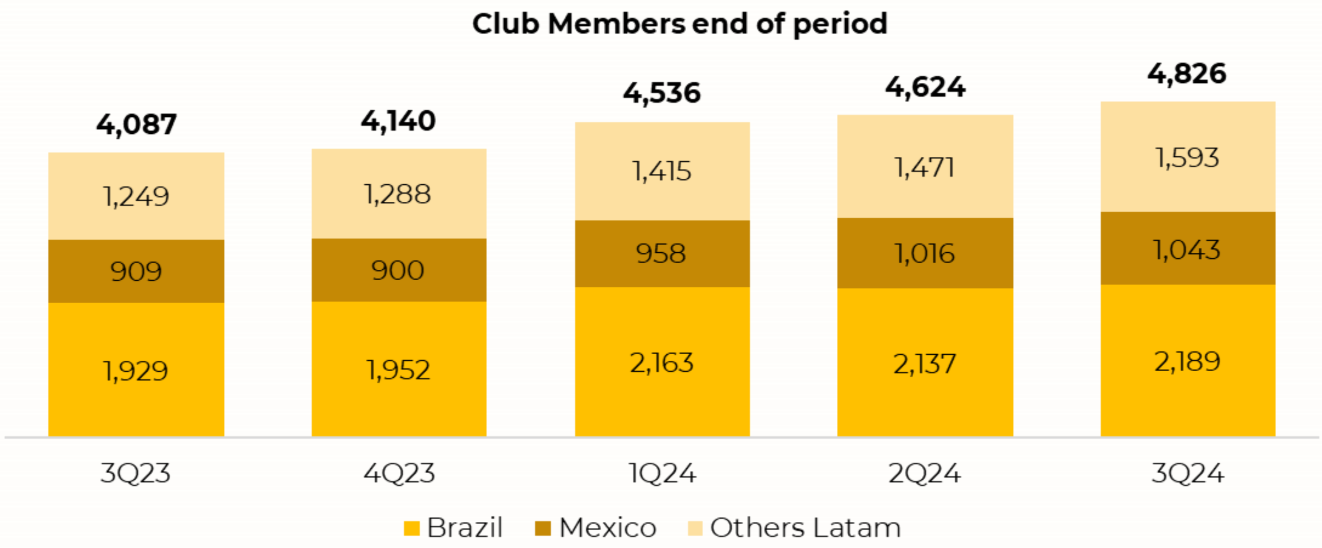
Clients ('000)	End of Period					Growth 3Q24 vs.		Variation 3Q24 vs.	
	3Q23	4Q23	1Q24	2Q24	3Q24	2Q24	3Q23	2Q24	3Q23
Total	**4,404**	**4,456**	**4,856**	**4,949**	**5,156**	**207**	**752**	**4%**	**17%**
Clubs	**4,087**	**4,140**	**4,536**	**4,624**	**4,826**	**202**	**739**	**4%**	**18%**
By Type									
Owned	3,208	3,267	3,594	3,658	3,833	176	625	5%	19%
Franchised	880	873	941	967	993	26	113	3%	13%
By Brand									
Smart Fit	**4,035**	**4,089**	**4,482**	**4,571**	**4,772**	**201**	**738**	**4%**	**18%**
Owned	3,164	3,224	3,550	3,613	3,789	176	625	5%	20%
Brazil	1,316	1,353	1,525	1,515	1,559	44	243	3%	18%
Mexico	860	851	903	953	976	23	116	2%	13%
Other Latin America[a]	988	1,020	1,122	1,146	1,255	109	267	9%	27%
Franchised	871	865	932	958	984	26	113	3%	13%
Bio Ritmo and others[b]	**53**	**51**	**53**	**53**	**54**	**1**	**1**	**1%**	**2%**
By Region									
Brazil	1,929	1,952	2,163	2,137	2,189	53	260	2%	13%
Mexico	909	900	958	1,016	1,043	27	134	3%	15%
Other Latin America[a]	1,249	1,288	1,415	1,471	1,593	122	344	8%	28%
Studio	**5**	**5**	**5**	**5**	**6**	**1**	**1**	**17%**	**19%**
Digital[c]	**312**	**311**	**316**	**320**	**325**	**5**	**13**	**2%**	**4%**

(a) The "Other Latin America" region includes own clubs in Argentina, Chile, Colombia, Costa Rica, Panama, Paraguay, Peru and Uruguay. For franchises, it includes El Salvador, Ecuador, Guatemala, Dominican Republic and Honduras; (b) "Bio Ritmo and others" includes the operations of Bio Ritmo, O2, and Nation; (c) Club members who are also subscribers to Smart Nutri and Smart Coach digital plans are considered only as members of clubs or Studios.

The member base in Brazil ended 3Q24 with 2.2 million, a 13% growth when compared to 3Q23. During this period, 260 thousand members were added to the base due to the solid maturation curve of the 104 units inaugurated in the last 12 months. Compared to 2Q24, the member base expanded by 2%, mainly due to the solid ramp-up of the clubs opened in the previous 18 months.

Mexico reached 1 million members in 3Q24, which represents 0.8% of the people enrolled in one of the clubs of the Company in the country, a growth of 15% compared to 3Q23 and 3% versus 2Q24. In the quarter, 27 thousand members were added, reflecting the solid maturation of the 66 clubs added in the last 12 months, despite the less favorable seasonality for attracting members in mature units in the region due to the approaching end of summer in the Northern Hemisphere.

In Other Latin America, the member base reached 1.6 million in 3Q24, up 28% from 3Q23. In the quarter, 122 thousand members were added, an 8% growth compared to 2Q24. This growth was positively impacted by the increase in the member base in Peru and the addition of 115 units in the region over the last 12 months, as well as the favorable seasonal effect for member attraction due to the onset of summer.



The Company has been expanding and improving the offer of digital products and services, complementing the in-person training experience at the clubs. At the end of the third quarter of 2024, exclusively digital members totaled 325 thousand, 4% more than in 3Q23 and 2% more than in 2Q24.

Currently, the main digital services include:

(i) Queima Diária, one of Latin America's largest digital fitness platforms, which offers access to 176 on-demand physical exercise programs and other content on nutrition and healthier lifestyle habits. At the end of 3Q24, the platform had 320 thousand members, in line with the level of 2Q24;

(ii) Smart Fit Nutri, the app-based nutritional follow-up service, with bioimpedance scales and teleconsultations with nutritionists, reached 176 thousand subscribers in Brazil at the end of 3Q24, a 15% increase compared to 3Q23 and remained stable compared to 2Q24. Membership expansion results from initiatives adopted to provide a better member experience and drive greater engagement, such as the ongoing installation of bioimpedance scales at more clubs. In the first nine months of 2024, more than 576 thousand bioimpedance analyses were made, 49% more than in the same period of the previous year; and

(iii) Smart Fit Coach, the online personal trainer service through customized consulting that guides members in their fitness routines.

At TotalPass, a corporate benefits platform that operates as an aggregator of the B2B fitness market in Brazil and Mexico, growth continued at a fast pace in 2024. We ended 3Q24 with approximately 19.4 thousand partner units registered in Brazil, an increase of 64% compared to the same period of the previous year, and operations in more than 1,300 cities, with the addition of partners in more than 400 cities in the period. In Mexico, we ended the quarter with approximately 5 thousand units registered, up 39% from 3Q23.

TotalPass' value proposition to HR departments of companies and potential partners has been continuously improving, reflecting, among other factors, the strength of the group's brands and the complementary range of the modalities offered, and the reach and quality of the partner base.

FINANCIAL PERFORMANCE

Main financial indicators[a] (R$ million)	**3Q24**	**3Q23**	**3Q24 vs. 3Q23**	**2Q24**	**3Q24 vs. 2Q24**	**9M24**	**9M23**	**9M24 vs. 9M23**
Gross Revenue	1,515.1	1,164.7	30%	1,445.8	5%	4,304.4	3,329.5	29%
Net Revenue	**1,422.1**	**1,089.2**	**31%**	**1,357.7**	**5%**	**4,039.7**	**3,113.6**	**30%**
Cash costs of services[b]	(715.8)	(542.1)	32%	(679.3)	5%	(2,019.6)	(1,549.2)	30%
Cash gross profit[b]	**706.3**	**547.1**	**29%**	**678.3**	**4%**	**2,020.1**	**1,564.4**	**29%**
Cash gross margin	*49.7%*	*50.2%*	*(0.6) p.p.*	*50.0%*	*(0.3) p.p.*	*50.0%*	*50.2%*	*(0.2) p.p.*
Pre-operating Costs	(12.9)	(9.0)	42%	(11.1)	16%	(31.8)	(18.4)	72%
Cash gross profit before pre-operating costs[b]	719.2	556.1	29%	689.4	4%	2,051.9	1,582.8	30%
Gross margin before pre-operating costs	*50.6%*	*51.1%*	*(0.5) p.p.*	*50.8%*	*(0.2) p.p.*	*50.8%*	*50.8%*	*(0.0) p.p.*
SG&A	(265.5)	(218.4)	22%	(240.4)	10%	(744.9)	(595.8)	25%
% Net Revenue	*(18.7%)*	*(20.0%)*	*1.4 p.p.*	*(17.7%)*	*(1.0) p.p.*	*(18.4%)*	*(19.1%)*	*0.7 p.p.*
Selling Expenses[c]	(105.2)	(79.3)	33%	(100.9)	4%	(301.2)	(230.3)	31%
% Net Revenue	*(7.4%)*	*(7.3%)*	*(0.1) p.p.*	*(7.4%)*	*0.0 p.p.*	*(7.5%)*	*(7.4%)*	*(0.1) p.p.*
General and administrative expenses[d]	(143.7)	(123.6)	16%	(130.6)	10%	(401.0)	(322.4)	24%
% Net Revenue	*(10.1%)*	*(11.3%)*	*1.2 p.p.*	*(9.6%)*	*(0.5) p.p.*	*(9.9%)*	*(10.4%)*	*0.4 p.p.*
Pre-operating expenses	(9.8)	(7.6)	29%	(6.6)	49%	(23.6)	(16.9)	40%
Other (expenses) revenues	(6.7)	(7.9)	(14%)	(2.3)	197%	(19.2)	(26.3)	(27%)
Panama Revaluation[e]	-	-	–	-	–	-	176.6	–
Equity Income	1.4	(1.5)	–	(0.5)	–	(0.2)	1.6	–
EBITDA[f]	**442.3**	**327.2**	**35%**	**437.4**	**1%**	**1,275.0**	**1,146.8**	**11%**
EBITDA Margin	*31.1%*	*30.0%*	*1.1 p.p.*	*32.2%*	*(1.1) p.p.*	*31.6%*	*36.8%*	*(5.3) p.p.*
Adjusted EBITDA[g]	**442.3**	**327.2**	**35%**	**437.4**	**1%**	**1,275.0**	**970.2**	**31%**
Adjusted EBITDA Margin	*31.1%*	*30.0%*	*1.1 p.p.*	*32.2%*	*(1.1) p.p.*	*31.6%*	*31.2%*	*0.4 p.p.*
Adjusted EBITDA before pre-operating expenses[h]	**465.0**	**343.9**	**35%**	**455.1**	**2%**	**1,330.4**	**1,005.5**	**32%**
Adjusted EBITDA Margin before pre-operating expenses	*32.7%*	*31.6%*	*1.1 p.p.*	*33.5%*	*(0.8) p.p.*	*32.9%*	*32.3%*	*0.6 p.p.*
Depreciation and amortization	(192.2)	(163.6)	17%	(198.6)	(3%)	(573.1)	(470.1)	22%
Financial Result	(87.9)	(44.1)	99%	(98.2)	(11%)	(256.0)	(114.3)	124%
Income tax and Social Contribution	(44.0)	(25.1)	75%	(26.4)	67%	(102.9)	(78.9)	30%
Profit (loss) for the period	**118.3**	**94.4**	**25%**	**114.2**	**4%**	**342.9**	**483.6**	**(29%)**
Net Margin	*8.3%*	*8.7%*	*(0.3) p.p.*	*8.4%*	*(0.1) p.p.*	*8.5%*	*15.5%*	*(7.0) p.p.*

(a) All indicators exclude the effects of IFRS-16 in relation to the commercial leases of clubs and offices; (b) For a better analysis of our operational performance, we have shown "Cash Cost of Services," which excludes the effects of IFRS-16, depreciation and amortization. "Cash gross profit before pre-operating expenses" also excludes pre-operating costs with opening of new units. See "Gross Profit" section for the calculation of these measurements; (c) "Selling expenses" exclude pre-operating expenses; (d) "General and administrative expenses" excludes depreciation and effects of IFRS-16 (e) Gain of R$176.6 million in 2Q23 from the revaluation of the existing 50% stake in Panama, due to the acquisition of control of this operation, made in accordance with the accounting standards in force in the period; (f) See the "EBITDA Breakdown" section for the calculation of this measurement; (g) "Adjusted EBITDA" excludes the gain of R$176.6 million in 2Q23 from the revaluation of the existing 50% stake in Panama; (h) "Adjusted EBITDA before pre-operating costs and expenses" excludes costs and expenses with openings of new units. See the "EBITDA Breakdown" section for the calculation of this measurement.

NET REVENUE

Net revenue in 3Q24 totaled R$1,422.1 million, up 31% from 3Q23, mainly due to the 19% increase in the average number of members in Smart Fit's own clubs, reflecting a solid 23% expansion of the average network of own clubs and the maturation of these units, in addition to an 11% increase in the average ticket compared to the same period of the previous year, with growth in all regions of operation. In the last 12 months, the net revenue surpassed the mark of R$5 billion, for the first time ever, totaling R$5,170.9 million.

The strong growth in net revenue in the quarter reflects the successful sales and operational efforts to attract and retain members, based on the brand's strength and the unique value proposition of our business model. Note that this increase in the average ticket of Smart Fit members is mainly due to the price increases in recent years in different regions and diverse initiatives rolled out in the period to optimize revenues per club sustainably. Some of the sales and operating initiatives, such as the expansion of the club network, have contributed to the percentage increase in members enrolled in the Black card membership, which accounted for 65% of the member base of own clubs at the end of 3Q24, increasing 1 p.p. from 3Q23, driven by the Other Latin America region, which registered an expansion of 2 p.p..

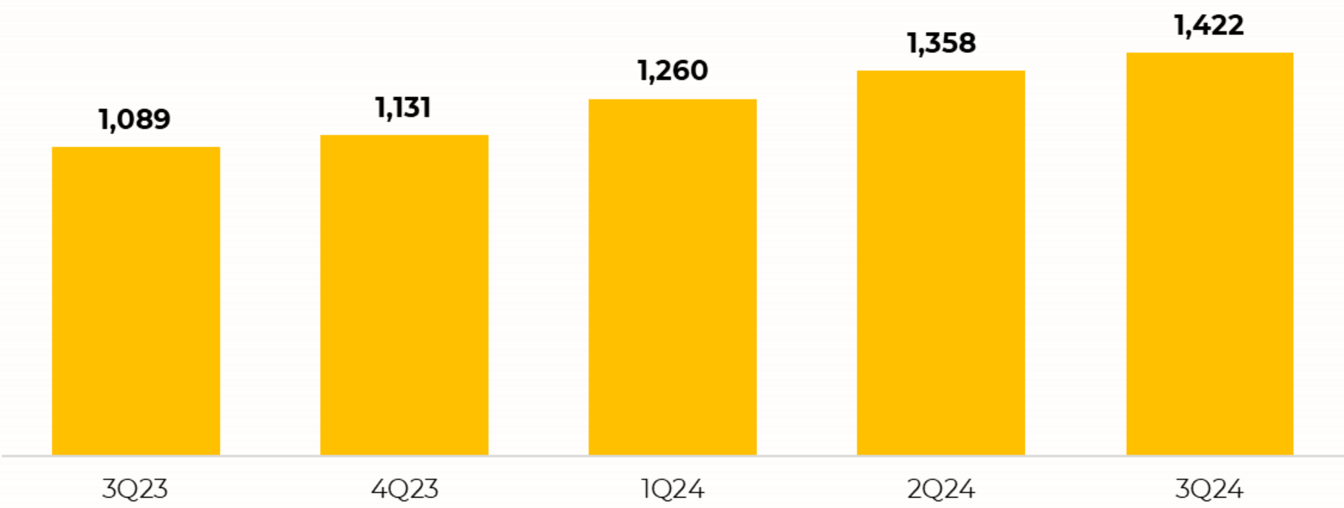
Net Revenue by Brand and Region

Net Revenue (R$ million)	**3Q24**	**3Q23**	**3Q24 vs. 3Q23**	**2Q24**	**3Q24 vs. 2Q24**	**9M24**	**9M23**	**9M24 vs. 9M23**
Smart Fit	1,308.8	994.5	32%	1,243.0	5%	3,710.2	2,838.4	31%
Brazil	503.7	413.0	22%	482.0	4%	1,450.5	1,202.3	21%
Mexico	345.5	268.1	29%	346.1	(0%)	1,017.7	735.0	38%
Other Latin America [a]	459.5	313.4	47%	414.9	11%	1,242.0	901.1	38%
Bio Ritmo and others[b]	42.0	35.7	18%	41.0	2%	120.6	102.3	18%
Others [c]	71.4	59.0	21%	73.7	(3%)	208.8	172.9	21%
Total	**1,422.1**	**1,089.2**	**31%**	**1,357.7**	**5%**	**4,039.7**	**3,113.6**	**30%**
International Revenue (% total)	57%	54%	3.2 p.p.	56%	0.6 p.p.	56%	53%	3.4 p.p.

(a) "Other Latin America" region considers only own operations controlled in the region (Argentina, Chile, Colombia, Costa Rica, Panama, Paraguay, and Peru). As of 4Q23, the region also included the own operation controlled in Uruguay; (b) "Bio Ritmo and others" includes the operations of Bio Ritmo, O2, and Nation; (c) "Other" includes royalties received from franchises in Brazil and abroad, except for Colombia and Mexico, and other brands operated by the Company in Brazil, including TotalPass, Queima Diária and studios.

Evolution of Net Revenue

(R$ million)



In 3Q24, net revenue at Smart Fit clubs totaled R$1,308.8 million, up 32% from 3Q23 and 5% from 2Q24, both due to the increase in average number of members in own clubs and the increase in average ticket.

In Brazil, net revenue at Smart Fit clubs totaled R$503.7 million in 3Q24, increasing 22% from 3Q23, thanks to the solid 19% growth in the average member base in own clubs and the 3% increase in average ticket. Compared to 2Q24, net revenue increased 4%, due to the increase in average ticket and the expansion of the average member base in own clubs.

In Mexico, net revenue in the quarter was R$345.5 million, a robust 29% increase compared to 3Q23, mainly reflecting the 13% increase in average ticket and the 14% expansion in the average member base of own clubs. The increase in average ticket per member, in local currency, in the region is mainly due to the Revenue Management agenda, combined with (i) the price increase in the Smart plan, concentrated in the second half of 2023 and considering the unique characteristics of each club, (ii) the first price increase of Black card membership in the region at the end of last year; (iii) the increase in members enrolled in the Black card membership, reaching 47% of own clubs in 3Q24; and (iv) the ramp-up of units opened in 2023, which increases its average ticket constantly until maturation. Compared to 2Q24, revenue remained stable and, in local currency, grew by 3%, reflecting an expansion of the member base with an average ticket relatively in line with the previous quarter.

Net revenue at Smart Fit clubs in the Other Latin America region totaled R$459.5 million in 3Q24, a solid 47% growth when compared to 3Q23, due to the 24% increase in the average member base of own clubs in the region and the 18% increase in the average ticket. Compared to 2Q24, revenue increased 11% due to the 6% expansion in average member base of own clubs in the region and the 5% increase in average ticket.

CASH COST OF SERVICES PROVIDED

Cash cost of services provided totaled R$715.8 million in 3Q24, 32% higher than in 3Q23. This rise was primarily driven by a 23% expansion in the average number of own clubs, supporting the substantial addition of 625 thousand members at these locations, by the increase in costs for clubs undergoing the ramp-up process, particularly those opened in the past 12 months, and by higher expenses related to the opening of new units.

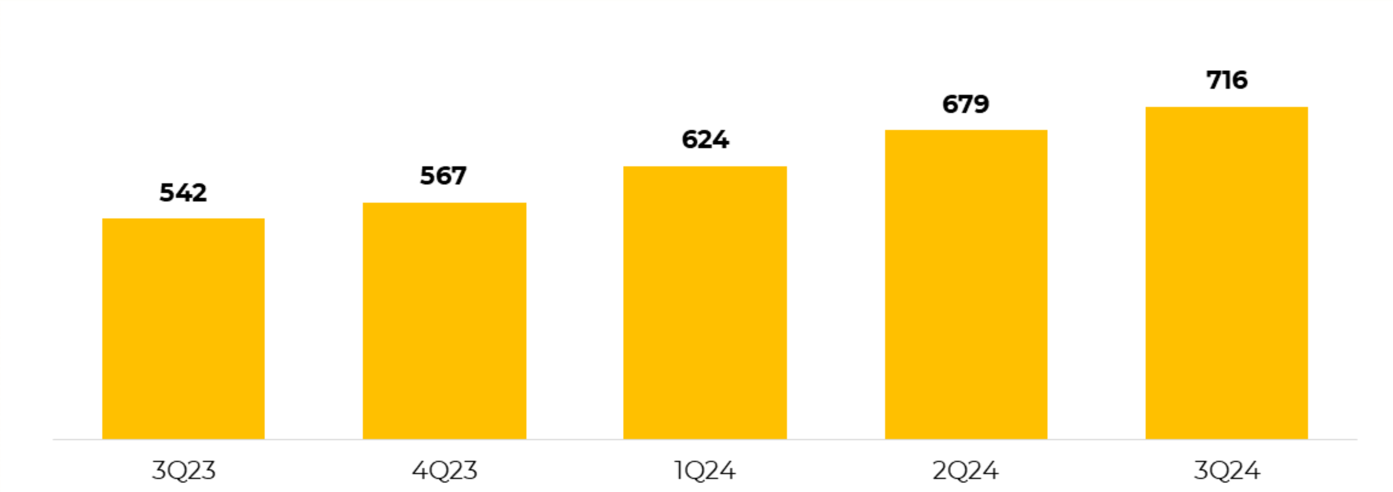
Cash Cost of Services Provided by Type

Cash Cost of Services Provided[a] (R$ million)	3Q24	3Q23	3Q24 vs. 3Q23	2Q24	3Q24 vs. 2Q24	9M24	9M23	9M24 vs. 9M23
Occupation	272.1	212.0	28%	257.9	6%	772.0	619.6	25%
Personnel and third-party services	258.4	185.3	39%	236.7	9%	715.3	536.0	33%
Consumption	116.8	100.5	16%	121.7	(4%)	347.7	279.3	24%
Other	68.4	44.3	54%	63.0	9%	184.6	114.3	62%
Cash Cost of Services Provided	**715.8**	**542.1**	**32%**	**679.3**	**5%**	**2,019.6**	**1,549.2**	**30%**

(a) For a better analysis of our operational performance, we have shown "Cash Cost of Services Provided", which excludes the effects of IFRS-16, depreciation and amortization. The rent of properties is considered in this caption.

Evolution of Cash Cost of Services Provided

(R$ million)



Compared to 2Q24, cash cost in 3Q24 increased by 5%, aligned with the growth in net revenue. This growth was mainly due to the (i) 3% increase in the average member base in own clubs and the 4% increase in the average number of own clubs as a result of the ramp-up process of the new clubs; (ii) increased personnel costs, mainly due to the minimum wage adjustment in Chile, which occurred in July; and (iii) the higher expenses related to the opening of new units, reflecting the accelerated pace of openings during the period.

Considering only mature clubs, costs remained stable compared to 2Q24, with Brazil and Mexico standing out positively due to a lower utilities expenses, explained by energy efficiency projects and mild temperatures in both regions during the period. Note that the Company remains focused on improving operational efficiency to mitigate the impact of the inflationary scenario on the business, including constant renegotiation of rents and increased staff productivity and other services.

CASH GROSS PROFIT

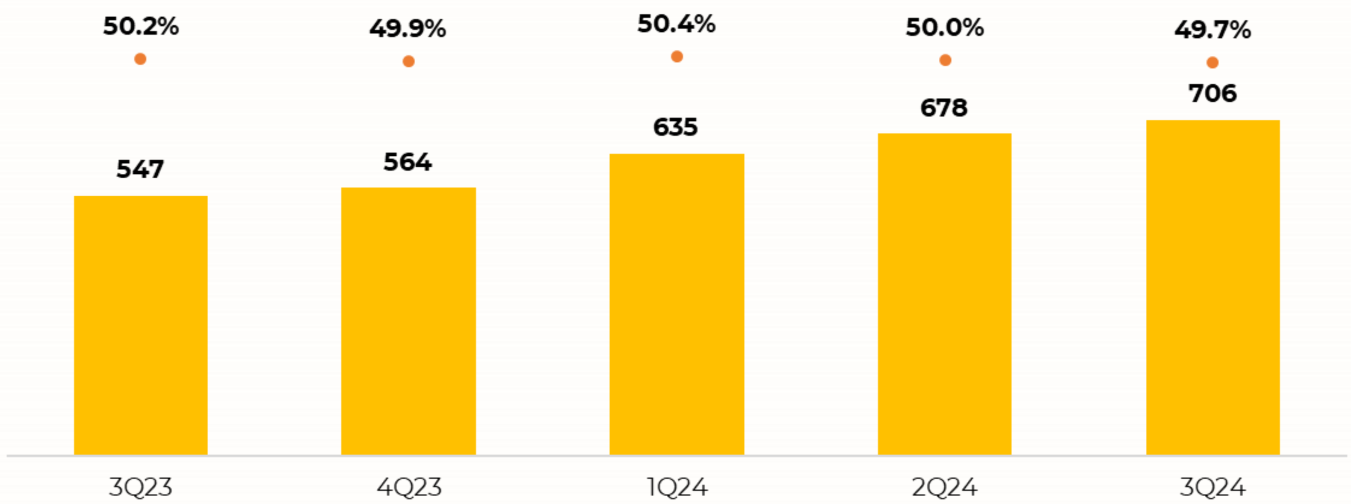
Cash gross profit in 3Q24 totaled R$706.3 million, increasing 29% from 3Q23, mainly reflecting the consistent maturation of units inaugurated in the last three years. Cash gross margin came to 49.7% in 3Q24, decreasing 0.6 p.p. versus 3Q23, due to the increase in costs of units undergoing the ramp-up process, especially for the clubs opened in the last 12 months, and the higher expenses related to the opening of new units. In the last 12 months, cash gross profit totaled R$2,584.3 million, resulting in a cash gross margin of 50.0%. Cash gross margin before pre-operating costs, that is, those related to the openings, was 50.6% in 3Q24, down 0.5 p.p. from the same period of the previous year, due to the greater proportion of units opened in the 12 months prior to the end of the respective quarters. In the last 12 months, cash gross profit before pre-operating costs totaled R$2,629.5 million, resulting in a cash gross margin before pre-operating costs of 50.9%.

Cash Gross Profit[a] (R$ million)	**3Q24**	**3Q23**	**3Q24 vs. 3Q23**	**2Q24**	**3Q24 vs. 2Q24**	**9M24**	**9M23**	**9M24 vs. 9M23**
Net Revenue	**1,422.1**	**1,089.2**	**31%**	**1,357.7**	**5%**	**4,039.7**	**3,113.6**	**30%**
(-) Cash Costs of Services Provided	715.8	542.1	32%	679.3	5%	2,019.6	1,549.2	30%
Cash Gross Profit[b]	**706.3**	**547.1**	**29%**	**678.3**	**4%**	**2,020.1**	**1,564.4**	**29%**
Cash Gross Margin	*49.7%*	*50.2%*	*(0.6 p.p.)*	*50.0%*	*(0.3 p.p.)*	*50.0%*	*50.2%*	*(0.2 p.p.)*
(+) Pre-Operating Costs	12.9	9.0	42%	11.1	16%	31.8	18.4	72%
Cash Gross Profit before Pre-Operating Costs[c]	**719.2**	**556.1**	**29%**	**689.4**	**4%**	**2,051.9**	**1,582.8**	**30%**
Cash Gross Margin before Pre-Operating Costs	*50.6%*	*51.1%*	*(0.5 p.p.)*	*50.8%*	*(0.2 p.p.)*	*50.8%*	*50.8%*	*0.0 p.p.*

(a) For a better analysis of the performance of our operations, all indicators exclude the effects of IFRS-16, depreciation, and amortization; (b) "Cash gross profit" excludes depreciation and amortization; (c) "Cash gross profit before pre-operating costs" excludes depreciation, amortization and the cost of opening new units.

Evolution of Cash Gross Profit and Cash Gross Margin

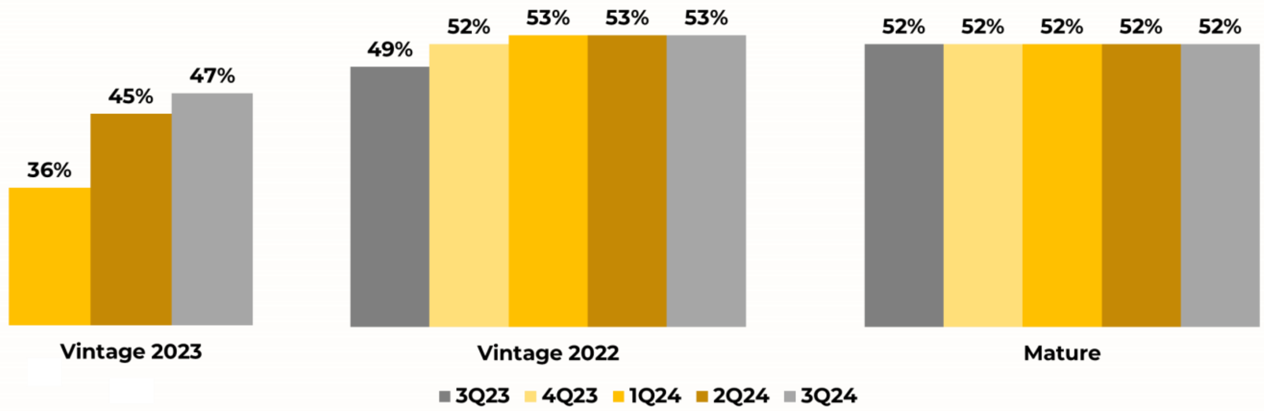
(R$ million and % of net revenue)



Compared to 2Q24, cash gross profit increased by R$28.0 million in 3Q24, a growth of 4%, and cash gross margin decreased by 0.3 p.p., mainly reflecting the greater proportion of units opened in the 12 months prior to the end of the respective quarters. Cash gross margin before pre-operating costs, that is, those related to the openings, decreased by 0.2 p.p. compared to the previous quarter.

Gross Margin per Vintage

(Own Smart Fit units)



In 3Q24, the cash gross margin of mature Smart Fit clubs remained stable at 52% for the seventh straight quarter, due to initiatives to optimize revenue per club sustainably, combined with intensive and successful efforts to improve operational efficiency. Annualized gross profit per unit for these mature units was R$2.4 million, which is in line with 2Q24. Units inaugurated in 2022 ("Vintage 2022") registered a cash gross margin of 53%, consistent with the last two quarters, with a 2% increase in annualized gross profit per unit, reaching R$2.4 million per unit, in line with mature units. The solid performance of Vintage 2022 own units, which are still in the maturation process, is a result of a combination of solid revenue growth, due to the expansion know-how and Smart Fit brand's strength, with occupancy costs structurally lower than mature units, contributing to a potential profitability level higher than that of mature units.

Note that the units opened in 2023 ("Vintage 2023") maintain their maturation pace at the same historical levels. The Vintage 2023 achieved an average of 2.8 thousand members per unit in September 2024, with a solid expansion of 3 p.p. in cash gross margin compared to the previous quarter, reaching 47% in 3Q24. This performance is consistent with previous vintages, considering the average age of the vintage during the period, considering that, of the 176 Smart Fit own clubs added in 2023, 113 were opened in 4Q23.

GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general, and administrative expenses[a,b] (R$ million)	3Q24	3Q23	3Q24 vs. 3Q23	2Q24	3Q24 vs. 2Q24	9M24	9M23	9M24 vs. 9M23
Selling expenses	105.2	79.3	33%	100.9	4%	301.2	230.3	31%
General and administrative expenses	143.7	123.6	16%	130.6	10%	401.0	322.4	24%
Pre-operating expenses	9.8	7.6	29%	6.6	49%	23.6	16.9	40%
Total	**258.7**	**210.5**	**23%**	**238.1**	**9%**	**725.7**	**569.5**	**27%**

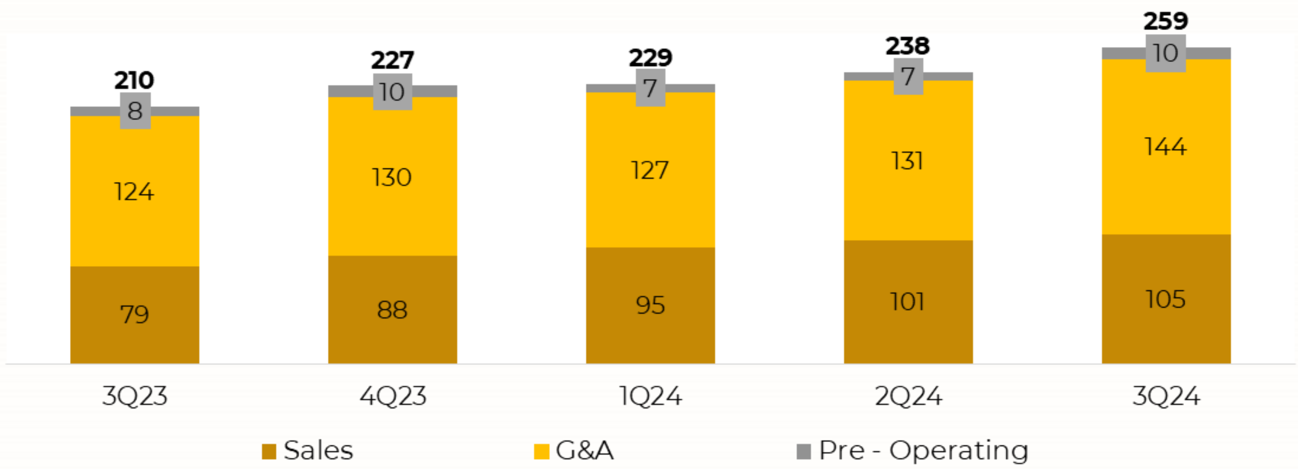
(a) For a better analysis of our operational performance, all indicators exclude the effects of IFRS-16 regarding commercial leases related to the rents of clubs and offices; (b) Excludes "Other (expenses) / revenues".

Selling, general, and administrative expenses totaled R$258.7 million in the quarter, 23% higher than in 3Q23, representing 18.2% of net revenue, a dilution of 1.1 p.p. compared to 19.3% in the third quarter of 2023. General and administrative expenses totaled R$143.7 million in 3Q24, a 16% increase compared to 3Q23, and represented 10.1% of the net revenue for the period, a 1.2 p.p. dilution compared to the same period of the previous year. This dilution in general and administrative expenses reflects the operating leverage of the business, which more than offset the increased investments in the Company's structure in all countries of operation, in addition to the structuring of new businesses. Also note that the additional grant of stock options related to the long-term incentive plan (LTIP) in 3Q23 contributed to this dilution, adding R$14 million and R$4 million to general and administrative expenses in 3Q23 and 3Q24, respectively.

This increase in expenses is mainly driven by higher selling expenses, which totaled R$105.2 million in 3Q24, up 33% from 3Q23, representing 7.4% as a percentage of net revenue (remaining stable vs. 3Q23). This increase in selling expenses is a reflection of the strong expansion of the club network, with a greater number of units inaugurated in 3Q24 vs. 3Q23, and of investments in marketing to strengthen the brand. Lastly, pre-operating expenses totaled R$9.8 million in 3Q24 vs. R$7.6 million in the same period of the previous year, due to the higher number of openings of own clubs in the last months.

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

(R$ million)



Compared to 2Q24, selling, general and administrative expenses increased 9%, with an increase of 0.7 p.p. as a percentage of net revenue. General and administrative expenses increased 10% versus 2Q24, outpacing the growth of net revenue, due to increased investments in the structuring of new businesses and the higher volume of corporate events held during the period, particularly meetings involving the operations team leaders. Furthermore, the pre-operating expenses increased 49% compared to 2Q24, due to the higher number of own clubs added and units under construction. Selling expenses rose 4% compared to the previous quarter, mainly due to the expansion of the club network, which was in line with the revenue growth in the period.

EBITDA

EBITDA Breakdown[a] (R$ million)	3Q24	3Q23	3Q24 vs. 3Q23	2Q24	3Q24 vs. 2Q24	9M24	9M23	9M24 vs. 9M23
Net Income	**118.3**	**94.4**	**25%**	**114.2**	**4%**	**342.9**	**483.6**	**(29%)**
(+) Income Taxes (IR & CSLL)	44.0	25.1	75%	26.4	67%	102.9	78.9	30%
(+) Financial Result	87.9	44.1	99%	98.2	(11%)	256.0	114.3	124%
(+) Depreciation	192.2	163.6	17%	198.6	(3%)	573.1	470.1	22%
EBITDA	**442.3**	**327.2**	**35%**	**437.4**	**1%**	**1,275.0**	**1,146.8**	**11%**
EBITDA Margin	*31.1%*	*30.0%*	*1.1 p.p.*	*32.2%*	*(1.1) p.p.*	*31.6%*	*36.8%*	*(5.3) p.p.*
Panama Revaluation Impact[b]	–	–	–	–	–	–	(176.6)	(100%)
Adjusted EBITDA[c]	**442.3**	**327.2**	**35%**	**437.4**	**1%**	**1,275.0**	**970.2**	**31%**
Adjusted EBITDA Margin	*31.1%*	*30.0%*	*1.1 p.p.*	*32.2%*	*(1.1) p.p.*	*31.6%*	*31.2%*	*0.4 p.p.*
(+) Pre-operating costs and expenses	22.7	16.7	36%	17.7	28%	55.4	35.3	57%
Adjusted EBITDA before pre-operating expenses	**465.0**	**343.9**	**35%**	**455.1**	**2%**	**1,330.4**	**1,005.5**	**32%**
Adjusted EBITDA margin before pre-operating expenses	*32.7%*	*31.6%*	*1.1 p.p.*	*33.5%*	*(0.8) p.p.*	*32.9%*	*32.3%*	*0.6 p.p.*

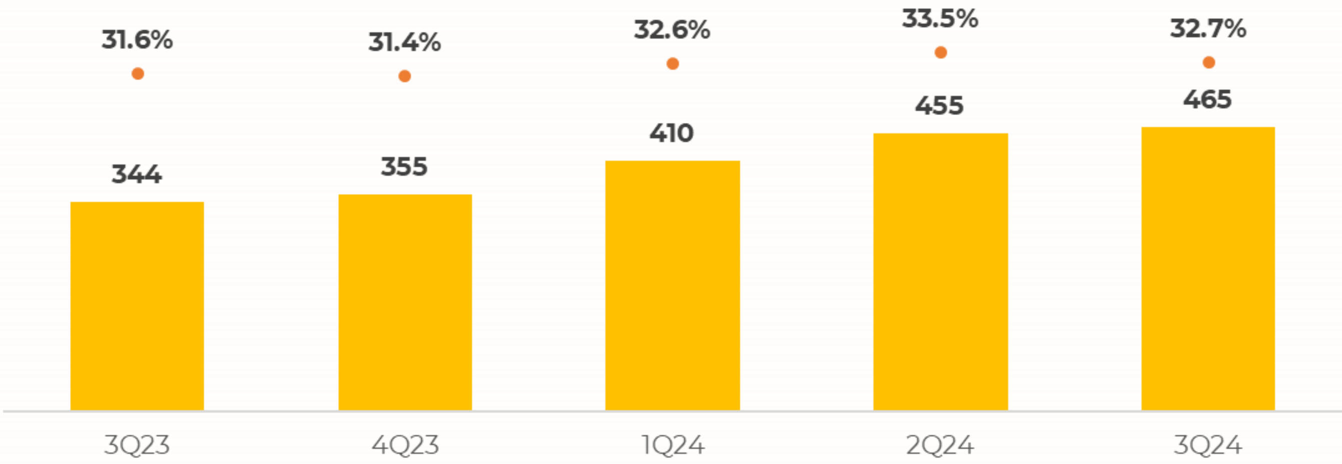
(a) For a better analysis of our operational performance, all indicators exclude the effects of IFRS-16 regarding commercial leases related to the rents of clubs and offices; (b) Gain in 2Q23 from the revaluation of the existing 50% stake in Panama, due to the acquisition of control of this operation, made in accordance with the accounting standards in force in the period; (c) "Adjusted EBITDA" excludes the gain of R$176.6 million in 2Q23 from the revaluation of the existing 50% stake in Panama.

EBITDA totaled R$442.3 million in 3Q24, the highest level ever for a quarter, registering strong growth of 35% compared to the same period of the previous year, with a margin of 31.1%, up 1.1 p.p. from 3Q23. In the last 12 months, EBITDA totaled R$1,607.1 million, resulting in a margin of 31.1%.

Adjusted EBITDA before pre-operating expenses, also at a record level, totaled R$465.0 million in 3Q24, a 30% increase compared to 3Q23. Adjusted EBITDA margin before pre-operating expenses was 32.7% in the period, an expansion of 1.1 p.p. compared to 3Q23, reflecting the operating leverage of the business. In the last 12 months, adjusted EBITDA before pre-operating expenses totaled R$1,685.7 million, resulting in an adjusted EBITDA margin before pre-operating expenses of 32.6%.

Evolution of adjusted EBITDA and adjusted EBITDA Margin before pre-operating expenses[(a)]

(R$ million and % of net revenue)



(a) 2Q23 excludes the gain of R$176.6 million from the revaluation of the 50% stake in Panama.

Compared to 2Q24, adjusted EBITDA before pre-operating expenses in 3Q24 increased 2%, resulting in an adjusted EBITDA margin before pre-operating expenses 0.8 p.p. lower than in the previous quarter.

EBITDA by Region

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

EBITDA[a,b] (R$ million)	3Q24	3Q23	3Q24 vs. 3Q23	2Q24	3Q24 vs. 2Q24	9M24	9M23	9M24 vs. 9M23
Brazil	241.6	203.2	19%	232.1	4%	696.9	582.7	20%
Mexico	133.8	96.4	39%	135.1	(1%)	406.1	266.3	53%
Other Latin America	215.9	160.6	34%	203.6	6%	592.4	468.2	27%
G&A expenses and other operating expenses	(150.5)	(131.5)	14%	(132.8)	13%	(420.2)	(348.6)	21%
Equity Income	1.4	(1.5)	–	(0.5)	–	(0.2)	1.6	–
Adjusted EBITDA[c]	**442.3**	**327.2**	**35%**	**437.4**	**1%**	**1,275.0**	**970.2**	**31%**
Panama Revaluation Impact[d]	–	–	–	–	–	–	176.6	–
EBITDA	**442.3**	**327.2**	**35%**	**437.4**	**1%**	**1,275.0**	**1,146.8**	**11%**

(a) For a better analysis of our operational performance, all indicators exclude the effects of IFRS-16 regarding commercial leases related to the rents of clubs and offices; (b) EBITDA by region considers cash gross profit subtracting the selling expenses. General and administrative expenses (G&A) and other operating expenses will be analyzed on a consolidated basis as they sustain the operations of the entire company; (c) Adjusted EBITDA excludes the gain of R$176.6 million in 2Q23 with the revaluation of the 50% stake in Panama; (d) Gain of R$176.6 million in 2Q23 with revaluation of the existing 50% stake in Panama, due to the acquisition of control of this operation, made in accordance with the accounting standards in force in the period.

In Brazil, EBITDA in 3Q24 was R$241.6 million, up 19% from 3Q23, due to the strong growth in average revenue per club. EBITDA margin in the region was 39.3% in 3Q24, down 0.8 p.p. from the same period of the previous year. The cash gross margin expansion of 0.7 p.p. for the Smart Fit brand and 5.2 p.p. for the Bio Ritmo brand versus 3Q23 was more than offset by higher investments in sales and marketing, mainly related to Other Businesses. Compared to 2Q24, EBITDA in Brazil grew by R$9.6 million, with a margin increase of 0.3 p.p. Note that in the high-end segment, the Bio Ritmo brand registered the tenth consecutive quarter of growth in average revenue per club, achieving a cash gross margin of 45.2% in the quarter. In the last 12 months, EBITDA in Brazil totaled R$902.8 million, with a margin of 39.2%, accounting for 42% of total EBITDA from the 3 regions reported (vs. 43% in the same period of the previous year).

In Mexico, EBITDA in 3Q24 was R$133.8 million, up 39% from 3Q23, due to the strong growth in average revenue per club with a 2.2 p.p. expansion of cash gross margin and dilution of marketing expenses. Compared to 2Q24, EBITDA in the region decreased by 1%, due to higher marketing investments. EBITDA margin in 3Q24 was 38.7% in the region, up 2.7 p.p. year on year and 0.3 p.p. versus 2Q24. In the last 12 months, EBITDA in Mexico totaled R$504.5 million, with a margin of 39.3%, accounting for 23% of total EBITDA by region.

In the Other Latin America region, EBITDA in 3Q24 was R$215.9 million, up 34% from the same period last year, positively impacted by strong growth in average revenue per club. Compared to 2Q24, EBITDA in the region grew R$12.3 million in the quarter, with an EBITDA margin of 46.7%, which is 2.1 p.p. lower than the previous quarter. This is mainly due to the higher number of units opened in recent quarters, as well as the increase in selling expenses. In the last 12 months, EBITDA in the region totaled R$754.6 million, with a margin of 47.7%, accounting for 35% of total EBITDA by region.

NET INCOME

Recurring Net Profit[a] (R$ million)	3Q24	3Q23	3Q24 vs. 3Q23	2Q24	3Q24 vs. 2Q24	9M24	9M23	9M24 vs. 9M23
Net profit (loss)	**118.3**	**94.4**	**25%**	**114.2**	**4%**	**342.9**	**483.6**	**(29%)**
Net margin	*8.3%*	*8.7%*	*(0.3) p.p.*	*8.4%*	*(0.1) p.p.*	*8.5%*	*15.5%*	*(7.0) p.p.*
(+) Panama Revaluation	0.3	6.8	(95%)	6.5	(95%)	11.2	(149.8)	–
(+) Early Remption of debentures	5.3	–	–	22.1	(76%)	27.4	–	–
Recurring net profit (loss)[b]	**123.9**	**101.2**	**22%**	**142.8**	**(13%)**	**381.5**	**333.8**	**14%**
Recurring net margin	*8.7%*	*9.3%*	*(0.6) p.p.*	*10.5%*	*(1.8) p.p.*	*9.4%*	*10.7%*	*(1.3) p.p.*

(a) For a better analysis of our operational performance, all indicators exclude the effects of IFRS-16 regarding commercial leases related to the rents of clubs and offices; (b) "Recurring Net Profit (Loss)" excludes the impacts related to (i) the revaluation of the stake in the Panama and Costa Rica operations; and (ii) non-recurring financial expenses, after IR/CSLL, of R$22.1 million related to the prepayment of the 6th issue in 2Q24 and R$5.3 million related to the prepayment of the 5th issue in 3Q24, and other bilateral debts in Colombia .

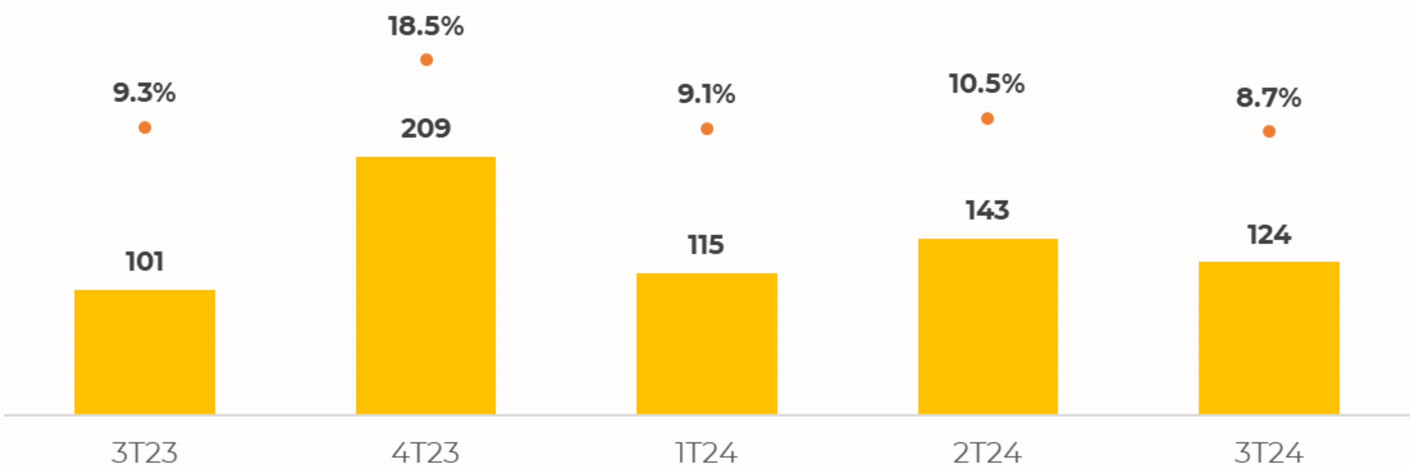
Recurring net income grew 22% in 3Q24 compared to 3Q23, reaching R$123.9 million, with a net margin of 8.7%. This strong performance reflects the business's operating leverage, with the stable profitability of mature units and a solid ramp-up of units opened in recent years. It was partially offset by an increase in depreciation, amortization, and financial expenses in the period, a temporary effect of the acceleration of investments made by the Company.

Recurring net income for the quarter decreased 13% compared to 2Q24, mainly due to the higher income tax and social contribution rate in the period, as 2Q24 was affected by the declaration of interest on equity.

In the last 12 months, recurring net income totaled R$591.0 million, resulting in a net margin of 11.4% in the period. Recurring net income for the last 12 months excludes (i) the recognition of deferred taxes of R$483 million in 4Q23; (ii) the impact from the revaluation of the stake in the Panama and Costa Rica operations of R$17.0 million in the last 12 months; (iii) non-recurring financial expenses, after IR/CSLL, of R$22.1 million related to the prepayment of the 6th issue in 2Q24 and R$5.3 million related to the prepayment of the 5th issue in 3Q24, and other bilateral debts in Colombia.

Evolution of Recurring Net Profit and Net Margin

(R$ million and % of net revenue)



OPERATING CASH FLOW

Operating Cash Flow (R$ million)	**3Q24**	**3Q23**	**3Q24 vs. 3Q23**	**2Q24**	**3Q24 vs. 2Q24**	**9M24**	**9M23**	**9M24 vs. 9M23**
EBITDA[a]	**442.3**	**327.2**	**35%**	**437.4**	**1%**	**1,275.0**	**970.2**	**31%**
Itens of result with no impact on cash[b]	13.3	23.6	(44%)	13.5	(2%)	57.1	57.8	(1%)
IR/CSLL Paid	(30.3)	(17.3)	75%	(38.7)	(22%)	(85.2)	(34.8)	145%
Working capital variation	**(46.2)**	**(19.4)**	**139%**	**60.4**	**-**	**(136.4)**	**69.1**	**–**
Receivables	(50.2)	(39.8)	26%	(10.2)	394%	(159.9)	(78.1)	105%
Suppliers	(3.6)	(32.4)	(89%)	38.7	-	(23.0)	29.1	–
Wages, provisions and social contributions	12.7	7.9	61%	16.3	(22%)	41.3	34.0	22%
Taxes[c]	(5.2)	45.0	–	15.5	-	5.3	84.1	(94%)
Operating Cash Flow	**379.0**	**314.1**	**21%**	**472.6**	**(20%)**	**1,110.5**	**1,062.3**	**5%**

(a) Adjusted EBITDA excludes the gain of R$176.6 million in 2Q23 with the revaluation of the existing 50% stake in Panama, due to the acquisition of control of this operation, made in accordance with the accounting standards in force in the period; (b) Includes mainly equity income, asset write-offs, deferred revenue, and provisions; (c) Includes taxes on sales and services.

In 3Q24, the operating cash flow was positive at R$379.0 million compared to R$314.1 million in 3Q23, due to the record EBITDA in the quarter, with a 35% growth compared to 3Q23. In 3Q24, the EBITDA conversion into operating cash was 86% compared to 96% in the same period of the previous year, as the Tax line was positively impacted in 3Q23 by the recovery and consumption of tax credits, mainly related to withholding income taxes on financial investments in Brazil and consumption of General Sales Tax credit in several regions of operation due to the gain in scale of the respective operations.

The working capital variation in 3Q24 was negatively impacted by a 2 days increase in the Receivables line versus 2Q24 due to the seasonality of the period for member attraction and the level of promotional activity, being partially offset by the favorable trends in Wages, provisions, and social contributions line which historically happens during the first three quarters of the year.

In the last 12 months, EBITDA was R$1,607.1 million, with an operating cash flow of R$1,536.5 million, representing a high conversion of 96%.

CAPEX

Capex[a] (R$ million)	3Q24	3Q23	3Q24 vs. 3Q23	2Q24	3Q24 vs. 2Q24	9M24	9M23	9M24 vs. 9M23
Capex	**453.5**	**325.0**	**40%**	**365.3**	**24%**	**1,122.1**	**795.8**	**41%**
Expansion	388.9	270.3	44%	295.7	32%	930.3	638.5	46%
Maintenance	53.4	45.3	18%	57.5	(7%)	156.5	116.9	34%
Corporate and Innovation	11.2	9.4	19%	12.1	(7%)	35.3	40.4	(13%)

(a) Excludes investments in the grant of right of use related to the acquisition of commercial points.

In 3Q24, capex was R$453.5 million, an increase of 40% compared to 3Q23, mainly due to a 44% increase in investments to expand the club network, totaling R$388.9 million in the period. The higher expansion capex reflects the accelerated pace of openings of own clubs in the period (53 in 3Q24 vs. 37 in 3Q23), and the higher investments in the construction of units that will be inaugurated in the coming quarters. Compared to 2Q24, expansion capex increased R$93.2 million, or 32%, due to the higher number of own clubs opened in the period. In the last 12 months, expansion capex totaled R$1,385.1 million.

Maintenance capex totaled R$53.4 million in the quarter, an 18% increase from 3Q23, due to (i) the strategy to preserve the high-standard offer at our units; (ii) the increase in the number of mature clubs; (iii) the ongoing investments in a program to enhance the availability of strength training exercises in some units, aimed at better accommodating the changing habits of members; and (iv) the project to improve energy efficiency, which includes air conditioning automation and other initiatives. Note that these last two initiatives totaled investments of R$13.0 million and R$0.7 million in 3Q24, respectively. Compared to 2Q24, maintenance capex decreased by 7% due to higher investments in the current program to expand the offer of strength training exercises and in the energy efficiency project in the previous quarter.

In the last 12 months, the maintenance capex of Smart Fit clubs came to R$226.0 million, representing 5.7% of the gross revenue of mature units, which is in line with the strategy of offering a high standard experience. Note that investments in the program to increase the offer of strength training exercises totaled R$48.2 million in the last 12 months.

Capex on corporate and innovation projects totaled R$11.2 million in 3Q24, up 19% year on year.

CASH AND DEBT

Cash and Debt[a,b] (R$ million)	3Q23	4Q23	1Q24	2Q24	3Q24
Cash and Cash Equivalents	2,767	2,613	2,337	2,815	2,967
Gross Debt	3,576	3,917	4,163	4,870	5,212
By nature:					
Loans and debentures	3,465	3,820	4,075	4,794	5,176
Lease liability - equipment	111	97	89	76	36
By maturity					
Short-term	843	643	764	682	650
Long-term	2,733	3,274	3,399	4,188	4,562
Net Debt (Net Cash)	809	1,304	1,826	2,056	2,245
Other Liabilities and Assets[c]	199	197	43	89	81
Adjusted Net Debt	1,008	1,501	1,869	2,145	2,326
Adjusted Net Debt / EBITDA LTM[d]	0.49x	0.68x	0.80x	0.93x	0.94x

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

At the end of 3Q24, the Company had a solid cash balance of R$2,967 million and gross debt of R$5,212 million, 88% of it maturing in the long term. Adjusted net debt was R$2,326 million, resulting in an adjusted net debt/EBITDA LTM ratio of 0.94x (as defined in the Company's debentures), stable compared to 2Q24, reflecting the high EBITDA conversion rate to cash that supports the Company's robust growth plan. Note that the adjusted net debt/EBITDA LTM ratio, excluding the effects of IFRS-16 related to property leases at the end of 3Q24 is 1.45x vs. 1.44x in 2Q24, which indicates a healthy level, especially considering the high predictability of the company's results and with a very long debt maturity profile.

The Company's financial liquidity position remains solid due to the proceeds of R$2.6 billion obtained from the primary offering of shares and from borrowings, whose terms have improved gradually in the last 18 months, which enabled the company to lengthen its debt maturities at a lower financial cost. In this context, the Company carried out the 10th issue of debentures in 3Q24, in the amount of R$450 million, with a coupon of CDI rate + 1.10% and maturing in 5 years. Of the net proceeds from the issue, approximately R$152 million were used in the total optional redemption, which was exempt from the prepayment fee, of the debentures of the Company's 5th issue, with a coupon of CDI rate + 1.90%.

In addition, note the constant liability management initiatives, with a focus on the improvements in the terms of the Company's debts in Colombia. This initiative resulted in a significant spread reduction of 180 bps on the local interest rate in the country when comparing the rates of September 2024 vs. December 2023.

These initiatives in Brazil and Colombia combined efforts to improve the Company's cost of debt and extend its maturity, contributing to cash generation. However, they resulted in a non-recurring negative impact on the financial result for 3Q24, amounting to R$8.0 million and R$41.5 million for the year before taxes.

The Company maintains the maturities of loans and financing in alignment with its capacity to generate operating cash flow and accesses local financing lines to drive its expansion in the countries where it operates. At the end of 3Q24, the gross debt maturity schedule was as follows:

Gross Debt Maturites [a]	2024[b]	2025	2026	2027	2028	2029	2030	2031	Total
% of total	5%	10%	11%	14%	21%	22%	11%	6%	**100%**
Total	274	508	572	737	1,098	1,123	599	300	**5,212**
Brazil	143	16	0	127	778	1,079	599	300	**3,044**
Mexico	52	201	223	208	91	0	0	0	**775**
Other Latin America [c]	79	291	350	402	228	44	0	0	**1,393**

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

EVENTS AFTER THE REPORTING PERIOD

COMPLETION OF THE VELOCITY GROUP ACQUISITION

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

11TH ISSUE OF DEBENTURES

On October 21, 2024, the Company conducted the 11th issue of non-convertible, unsecured debentures in a single series, for public distribution, with automatic registration, in the amount of R$300 million, with a rate of CDI +0.89% and maturing in 5 years (October 2029). The proceeds were received on October 31, 2024. The proceeds will be used by the Companhia for general corporate purposes and to strengthen working capital.

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

IMPACT OF THE ADOPTION OF IFRS 16

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

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

Statement of Profit and Loss (R$ million)	3Q24 Reported	Impacts of IFRS 16	3Q24 excluding IFRS 16	3Q23 Reported	Impacts of IFRS 16	3Q23 excluding IFRS 16	9M24 Reported	Impacts of IFRS 16	9M24 excluding IFRS 16	9M23 Reported	Impacts of IFRS 16	9M23 excluding IFRS 16
Net Revenue	1,422.1	–	1,422.1	1,089.2	–	1,089.2	4,039.7	–	4,039.7	3,113.6	–	3,113.6
Cost of services	(834.6)	70.0	(904.6)	(652.4)	49.7	(702.1)	(2,373.3)	204.0	(2,577.3)	(1,857.9)	148.0	(2,005.8)
Rents and other occupation costs	(47.8)	230.7	(278.6)	(37.2)	179.1	(216.3)	(132.8)	654.8	(787.7)	(104.8)	524.7	(629.5)
Depreciation and amortization (cost)	(349.5)	(160.8)	(188.8)	(289.5)	(129.4)	(160.1)	(1,008.6)	(450.8)	(557.7)	(833.4)	(376.7)	(456.6)
Gross profit	587.6	70.0	517.6	436.8	49.7	387.1	1,666.4	204.0	1,462.4	1,255.7	148.0	1,107.7
SG&A	(268.4)	0.5	(268.9)	(398.6)	(0.1)	(398.5)	(758.7)	1.7	(760.4)	(607.7)	1.5	(609.2)
Selling expenses	(105.2)	–	(105.2)	(79.3)	–	(79.3)	(301.2)	–	(301.2)	(230.3)	–	(230.3)
General and administrative	(140.9)	2.8	(143.7)	(121.0)	2.6	(123.6)	(393.1)	7.8	(401.0)	(315.8)	6.5	(322.4)
Rents and other occupation costs	(1.9)	2.8	(4.7)	(1.1)	2.6	(3.7)	(5.3)	7.8	(13.2)	(3.7)	6.5	(10.2)
Pre-operating expenses	(9.8)	–	(9.8)	(7.6)	–	(7.6)	(23.6)	–	(23.6)	(16.9)	–	(16.9)
Depreciation and amortization (costs)	(5.7)	(2.3)	(3.4)	(6.2)	(2.7)	(3.5)	(21.6)	(6.2)	(15.4)	(18.4)	(5.0)	(13.4)
Others (expenses) revenue	(6.7)	–	(6.7)	(7.9)	(0.0)	(7.9)	(19.2)	–	(19.2)	(26.3)	–	(26.3)
Panama Revaluation[a]	–	–	–	(0.0)	(0.0)	–	(0.0)	–	(0.0)	176.6	–	176.6
Equity Income	1.4	–	1.4	(1.5)	(0.0)	(1.5)	(0.2)	–	(0.2)	1.6	(0.0)	1.6
Operating profit (loss) before financial result	320.6	70.5	250.1	213.2	49.6	163.6	907.5	205.7	701.9	826.2	149.5	676.7
Financial Result	(193.2)	(105.4)	(87.9)	(126.6)	(82.6)	(44.0)	(552.2)	(296.2)	(256.0)	(339.8)	(225.7)	(114.1)
Income tax and Social Contribution[b]	(40.7)	3.2	(44.0)	(25.1)	–	(25.1)	(79.8)	23.1	(102.9)	(78.9)	–	(78.9)
Net profit	86.6	(31.7)	118.3	61.6	(32.8)	94.4	275.5	(67.4)	342.9	407.6	(76.0)	483.6

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

Gross profit	587.6	70.0	517.6	436.8	49.7	387.1	1,666.4	204.0	1,462.4	1,255.7	148.0	1,107.7
Depreciation and amortization (costs)	349.5	160.8	188.8	289.5	129.4	160.1	1,008.6	450.8	557.7	833.4	376.7	456.6
Gross profit excluding depreciation	937.1	230.7	706.3	726.2	179.1	547.1	2,675.0	654.8	2,020.1	2,089.1	524.7	1,564.4
Gross Margin excluding depreciation	*65.9%*		*49.7%*	*66.7%*		*50.2%*	*66.2%*		*50.0%*	*67.1%*		*50.2%*
Net profit	86.6	(31.7)	118.3	61.6	(32.8)	94.4	275.5	(67.4)	342.9	407.6	(76.0)	483.6
(-) IR & CSLL	40.7	(3.2)	44.0	25.1	–	25.1	79.8	(23.1)	102.9	78.9	–	78.9
(-) Financial Result	193.2	105.4	87.9	126.6	82.4	44.1	552.2	296.2	256.0	339.8	225.5	114.3
(-) Depreciation and amortization	355.2	163.1	192.2	295.7	132.1	163.6	1,030.1	457.0	573.1	851.8	381.8	470.1
EBITDA	675.8	233.5	442.3	508.9	181.7	327.2	1,937.7	662.7	1,275.0	1,678.0	531.2	1,146.8
EBITDA Margin	*47.5%*		*31.1%*	*46.7%*		*30.0%*	*48.0%*		*31.6%*	*53.9%*		*36.8%*

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

(b) Effect of deferred income tax on the temporary differences of IFRS16 in 3Q24 and 9M24

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

PRESENTATION OF RESULTS

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

Operation	Recognition in Income Statement for the period		Recognition in Balance sheet for the period	
	2024	2023	2024	2023
Brazil, Mexico, Colombia, Chile, Peru, Argentina, Paraguay, Panama, Costa Rica, Uruguay, and Queima Diária	Consolidated	Consolidated	Consolidated	Consolidated
Dominican Republic, El Salvador, Ecuador, Guatemala and Honduras	Royalties for use of brand	Royalties for use of brand	n/a	n/a

INCOME STATEMENT

INCOME STATEMENT (R$ million)	3Q24	3Q23	3Q24 vs. 3Q23	2Q24	3Q24 vs. 2Q24	9M24	9M23	9M24 vs. 9M23
Net Revenue	**1,422.1**	**1,089.2**	**31%**	**1,357.7**	**5%**	**4,039.7**	**3,113.6**	**30%**
Costs of Services Rendered	(834.6)	(652.4)	28%	(802.2)	4%	(2,373.3)	(1,857.9)	28%
Gross Profit	**587.6**	**436.7**	**35%**	**555.5**	**6%**	**1,666.4**	**1,255.7**	**33%**
Operating revenues (expenses)								
Sales	(115.0)	(86.9)	32%	(107.5)	7%	(324.8)	(247.2)	31%
General and administrative	(146.6)	(127.2)	15%	(136.0)	8%	(414.7)	(334.3)	24%
Equity accounting	1.4	(1.5)	–	(0.5)	–	(0.2)	1.6	–
Other (expenses) revenues	(6.7)	(7.9)	(14%)	(2.3)	197%	(19.2)	(26.3)	(27%)
Panama Revaluation[a]	-	–	–	–	–	–	176.6	–
Profit before financial result	320.6	213.2	50%	309.1	4%	907.5	826.2	10%
Financial result	(193.2)	(126.6)	53%	(197.7)	(2%)	(552.2)	(339.8)	63%
Profit before IR/CS	127.4	86.6	47%	111.4	14%	355.3	486.4	(27%)
Income tax and Social Contribution	(40.7)	(25.1)	63%	(17.0)	140%	(79.8)	(78.9)	1%
Net profit (loss)	**86.6**	**61.6**	**41%**	**94.4**	**(8%)**	**275.5**	**407.6**	**(32%)**

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

BALANCE SHEET

ASSETS (R$ million)	3Q24	3Q23
CURRENT	**3,952**	**3,471**
Cash and cash equivalents	2,967	2,767
Customers	509	350
Derivative financial instruments	8	7
Other receivables	468	347
NON-CURRENT	**12,436**	**9,724**
Permanent assets	4,750	3,710
Right-of-use assets	4,387	3,557
Intangible assets	2,013	1,875
Investment	49	43
Other assets	1,237	539
TOTAL ASSETS	**16,388**	**13,195**

LIABILITY (R$ million)	3Q24	3Q23
CURRENT	**2,255**	**2,369**
Borrowings	628	792
Lease liabilities	610	572
Suppliers	376	293
Deferred revenue	213	228
Accounts Payable	0	78
Other liabilities	427	406
NON-CURRENT	**8,858**	**6,088**
Borrowings	4,548	2,673
Lease liabilities	4,183	3,312
Other liabilities	127	103
SHAREHOLDERS' EQUITY	**5,276**	**4,738**
Share capital	2,970	2,970
Capital reserves	842	943
Legal reserves	771	0
Accumulated losses	222	403
Other comprehensive income	454	397
Noncontrolling interest	16	25
TOTAL LIABILITY AND SHAREHOLDERS' EQUITY	**16,388**	**13,195**

CASH FLOW

Cash Flow Statement (R$ million)	3Q24	3Q23	3Q24 vs. 3Q23	2Q24	3Q24 vs. 2Q24	9M24	9M23	9M24 vs. 9M23
CASH FLOW FROM OPERATING ACTIVITIES								
Result for the Period	86.6	61.6	41%	94.4	(8%)	275.5	407.6	(32%)
Depreciation and amortization	355.2	295.7	20%	349.1	2%	1,030.1	851.8	21%
Write-off of intangible assets and fixes assets	9.4	7.6	24%	9.1	4%	24.4	33.6	(27%)
Accrued interest on debt and exchange variation	153.1	117.6	30%	163.2	(6%)	441.8	356.1	24%
Accrued interest on leases	110.6	88.0	26%	101.5	9%	308.4	250.1	23%
Others	(29.7)	(31.0)	(4%)	(49.9)	(40%)	(94.5)	(336.4)	(72%)
Working capital variation	(45.9)	(28.0)	64%	23.4	-	(246.4)	(4.3)	5615%
Cash generated by (used in) operating activities	**639.3**	**511.5**	**25%**	**690.9**	**(7%)**	**1,739.4**	**1,558.5**	**12%**
Interest paid on loans and debentures	(67.9)	(67.1)	1%	(194.5)	(65%)	(311.5)	(286.7)	9%
Interest paid on leases	(110.0)	(87.0)	26%	(100.7)	9%	(306.2)	(247.4)	24%
Income tax and social contribution paid	(30.3)	(17.3)	-	(38.7)	(22%)	(85.2)	(34.8)	145%
Net cash generated by (used in) operating activities	**431.1**	**340.1**	**27%**	**357.1**	**21%**	**1,036.5**	**989.6**	**5%**
CASH FLOW FROM INVESTMENT ACTIVITIES								
Additions to fixed asset	(446.9)	(322.1)	39%	(361.6)	24%	(1,108.3)	(787.2)	41%
Additions to intangible assets	(22.3)	(1.7)	1211%	(2.1)	957%	(34.4)	(7.2)	375%
Initial direct costs of right-of-use assets	(4.9)	(2.0)	-	(5.5)	(11%)	(56.0)	(17.6)	218%
Payments for the acquisition of group of assets, subsidiary and joint venture	(7.8)	(713%)	10%	(88.7)	-	(278.4)	(9304%)	199%
Capital increase in subsidiary and joint venture	32%	-	-	(56%)	-	(59%)	0.0	-
Financial Investments	18.7	103.3	(82%)	48.6	(62%)	234.2	442.4	(47%)
Related parties and loans with third parties	(0.6)	(7.8)	-	(2.0)	(68%)	(28.8)	(12.4)	133%
Payment of contingent consideration	-	-	-	-	-	0.0	(0.5)	-
Net cash used in investment activities	**(463.5)**	**(237.4)**	**95%**	**(412.0)**	**12%**	**(1,272.3)**	**(455.8)**	**179%**
CASH FLOW FROM FINANCING ACTIVITIES								
Payment of loans and costs	(432.8)	(130.6)	231%	(1,258.7)	(66%)	(1,940.7)	(437.2)	344%
Proceeds from loans	797.4	255.2	-	1,888.8	(58%)	3,073.3	329.3	833%
Payment of lease	(170.7)	(125.4)	36%	(144.8)	18%	(451.7)	(367.5)	23%
Others	(46.2)	0.0	-	64%	-	(46.3)	(11.7)	295%
Net cash generated by (used in) financing activities	**147.6**	**(0.9)**	**-**	**485.9**	**(70%)**	**634.6**	**(487.1)**	**-**
INCREASE (REDUCTION) OF BALANCE OF CASH AND EQUIVALENT	**115.3**	**101.8**	**13%**	**431.0**	**(73%)**	**398.7**	**46.7**	**753%**
Opening balance	1,434.8	1,204.6	19%	961.8	49%	1,103.4	1,251.4	(12%)
Closing balance	1,520.9	1,314.3	16%	1,434.8	6%	1,520.9	1,314.3	16%
Exchange variation on cash and cash equivalents	(29.2)	7.9	-	42.0	-	18.7	16.1	16%

Investor Relations

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