



**QUARTELY
INFORMATION**

06.30.2024

smart fit

Contents

NOTE	DESCRIPTION	PAGE
	GLOSSARY	3
	BALANCE SHEETS	4
	STATEMENTS OF PROFIT AND LOSS	5
	STATEMENTS OF COMPREHENSIVE INCOME	6
	STATEMENTS OF CHANGES IN EQUITY	7
	STATEMENTS OF CASH FLOWS	8
	STATEMENTS OF VALUE ADDED	9
1	GENERAL INFORMATION	10
2	BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS	10
3	SIGNIFICANT TRANSACTIONS IN THE PERIOD	11
4	CASH AND CASH EQUIVALENTS	13
5	INVESTMENTS IN FINANCIAL ASSETS	14
6	TRADE RECEIVABLES	14
7	RELATED PARTIES	15
8	TAXES RECOVERABLE	18
9	DERIVATIVE FINANCIAL INSTRUMENTS	18
10	OTHER RECEIVABLES	18
11	INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES	19
12	PROPERTY AND EQUIPMENT	21
13	INTANGIBLE ASSETS	22
14	LEASES	23
15	TRADE PAYABLES	25
16	OTHER LIABILITIES	25
17	BORROWINGS	26
18	PROVISIONS FOR JUDICIAL LIABILITIES	28
19	CURRENT AND DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION	29
20	EQUITY	31
21	OPERATING REVENUE AND DEFERRED REVENUE	31
22	COST AND EXPENSES BY NATURE	32
23	FINANCE INCOME (COSTS)	32
24	EARNINGS PER SHARE	33
25	SEGMENT INFORMATION	33
26	FINANCIAL RISK MANAGEMENT	35
27	SHARE-BASED PAYMENT	39
28	ADDITIONAL INFORMATION	39
29	ADDITIONAL INFORMATION TO THE STATEMENTS OF CASH FLOWS	40
30	EVENTS AFTER THE REPORTING PERIOD	40
31	MANAGEMENT	41

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
Jun/24 or 06/30/2024	Financial Information as of and for the six-month period ended June 30, 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
PPA	Purchase Price Allocation
RSU	Restricted Shares
R\$/BRL	Reais – 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 President

CONDENSED BALANCE SHEETS

At June 30, 2024

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

	Notes	Parent		Consolidated	
		06/30/2024	12/31/2023	06/30/2024	12/31/2023
ASSETS					
Current assets					
Cash and cash equivalents	4	33,726	46,505	1,434,754	1,103,433
Investments in financial assets	5	1,876,768	2,052,180	1,379,829	1,509,880
Trade receivables	6	184,213	148,818	458,787	349,007
Related parties	7	121,030	85,123	43,001	32,962
Taxes recoverable	8	92,719	75,187	209,906	228,284
Derivative financial instruments	9	2,864	8,460	4,836	12,939
Other receivables	10	56,947	19,740	175,400	109,629
Total current assets		2,368,267	2,436,013	3,706,513	3,346,134
Noncurrent assets					
Investments in financial assets	5	4,749	4,234	105,764	69,212
Related parties	7	145,485	14,335	22,581	-
Taxes recoverable	8	-	-	34,449	33,289
Derivative financial instruments	9	19,365	14,784	19,365	14,997
Other receivables	10	153,098	121,264	252,337	214,790
Deferred income tax and social contribution	19	467,344	430,115	849,803	798,258
Investments in subsidiaries and joint ventures	11	3,959,515	3,659,845	48,384	40,940
Right-of-use assets	14	1,347,775	1,193,246	4,288,910	3,755,019
Property and equipment	12	1,251,501	1,163,244	4,603,384	4,044,554
Intangible assets	13	156,191	152,209	2,074,983	1,912,984
Total noncurrent assets		7,505,023	6,753,276	12,299,960	10,884,043
TOTAL ASSETS		9,873,290	9,189,289	16,006,473	14,230,177
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables	15	158,303	167,449	379,756	399,172
Related parties	7	20,495	42,332	1,559	2,603
Taxes and contributions payable		81,745	84,397	222,597	216,171
Other liabilities	16	132,386	235,299	199,695	283,619
Borrowings	17	64,113	32,482	638,215	594,402
Lease liabilities	14	201,086	186,655	596,936	542,182
Deferred revenue	21	24,548	27,596	223,295	206,083
Derivative financial instruments	10	2,795	-	2,795	-
Total current liabilities		685,471	776,210	2,264,848	2,244,232
Noncurrent liabilities					
Related parties	7	291	291	-	-
Other liabilities	16	10,335	11,924	76,394	24,330
Borrowings	17	2,602,248	2,216,422	4,156,131	3,225,497
Lease liabilities	14	1,191,112	1,070,148	4,078,012	3,565,232
Deferred revenue	21	5,004	132	5,004	132
Deferred tax liabilities	19	-	-	7,153	7,719
Derivative financial instruments	9	31,873	36,198	31,873	36,198
Provisions for judicial liabilities	18	7,339	9,702	32,266	31,203
Total noncurrent liabilities		3,848,202	3,344,817	8,386,833	6,890,311
TOTAL LIABILITIES AND EQUITY		4,533,673	4,121,027	10,651,681	9,134,543
EQUITY					
	20				
Share capital		2,970,443	2,970,443	2,970,443	2,970,443
Capital reserves		836,847	953,421	836,847	953,421
Legal reserve		770,554	770,554	770,554	770,554
Retained earnings		136,291	-	136,291	-
Other comprehensive income		625,482	373,844	625,482	373,844
Equity attributable to the owners of the Company		5,339,617	5,068,262	5,339,617	5,068,262
Noncontrolling interests		-	-	15,175	27,372
TOTAL EQUITY		5,339,617	5,068,262	5,354,792	5,095,634
TOTAL LIABILITIES AND EQUITY		9,873,290	9,189,289	16,006,473	14,230,177

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

CONDENSED STATEMENTS OF PROFIT AND LOSS

Period ended June 30, 2024

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

	Notes	Parent				Consolidated			
		Six-month period ended		Three-month period ended		Six-month period ended		Three-month period ended	
		06/30/2024	06/30/2023	06/30/2024	06/30/2023	06/30/2024	06/30/2023	06/30/2024	06/30/2023
PROFIT (LOSS)									
Operating revenue	21	824,396	691,086	421,286	356,273	2,617,572	2,024,378	1,357,684	1,042,435
Costs	22	(532,564)	(451,969)	(274,349)	(230,047)	(1,538,734)	(1,205,446)	(802,161)	(625,717)
Gross profit		291,832	239,117	146,937	126,226	1,078,838	818,932	555,523	416,718
Selling expenses	22	(87,800)	(69,948)	(43,840)	(32,263)	(209,780)	(160,279)	(107,543)	(79,110)
General and administrative expenses	22	(133,363)	(103,771)	(67,023)	(55,898)	(268,054)	(207,070)	(136,017)	(108,306)
Other operating income (expenses), net	22	(1,682)	133,775	678	141,183	(12,448)	158,234	(2,270)	173,878
Share of profit (loss) of investees	11	218,048	188,302	110,821	103,223	(1,616)	3,172	(547)	1,378
Operating profit before finance income (costs)		287,035	387,475	147,573	282,471	586,940	612,989	309,146	404,558
Finance income	23	108,804	181,400	52,046	89,507	154,987	231,587	77,158	116,071
Finance costs	23	(243,879)	(215,554)	(138,162)	(109,860)	(513,964)	(444,777)	(274,896)	(225,872)
Finance income (costs), net	23	(135,075)	(34,154)	(86,116)	(20,353)	(358,977)	(213,190)	(197,738)	(109,801)
Profit before income tax and social contribution		151,960	353,321	61,457	262,118	227,963	399,799	111,408	294,757
Current		(2,897)	(10,466)	-	(1,947)	(82,596)	(70,693)	(44,473)	(36,282)
Deferred		37,229	-	31,610	-	43,519	16,897	27,465	3,585
Income tax and social contribution	19	34,332	(10,466)	31,610	(1,947)	(39,077)	(53,796)	(17,008)	(32,697)
PROFIT FOR THE PERIOD		186,292	342,855	93,067	260,171	188,886	346,003	94,400	262,060
Profit for the period attributable to:									
Owners of the Company						186,292	342,855	93,067	260,171
Noncontrolling interests						2,594	3,148	1,333	1,889
Earnings per share attributable to owners of the Company:									
Basic	24	0.3178	0.5848	0.1588	0.4438	0.3178	0.5848	0.1588	0.4438
Diluted	24	0.3072	0.5642	0.1534	0.4281	0.3072	0.5642	0.1534	0.4281

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

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

Period ended June 30, 2024

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

Notes	Parent				Consolidated				
	Six-month period ended		Three-month period ended		Six-month period ended		Three-month period ended		
	06/30/2024	06/30/2023	06/30/2024	06/30/2023	06/30/2024	06/30/2023	06/30/2024	06/30/2023	
OTHER COMPREHENSIVE INCOME									
PROFIT FOR THE PERIOD	186,292	342,855	93,067	260,171	188,886	346,003	94,400	262,060	
<i>Items that may be subsequently reclassified to profit or loss</i>									
Foreign exchange effect on translation of financial statements of foreign subsidiaries	11	248,052	26,714	(149,245)	(41,916)	248,441	26,490	(149,478)	(42,032)
<i>Other comprehensive income not reclassified to profit or loss in subsequent periods</i>									
Effect of investments on equity instruments measured at fair value through other comprehensive income		5,113	9,794	(5,676)	4,771	5,113	9,794	(5,676)	4,771
Deferred income tax and social contribution on effect of investments on equity instruments measured at fair value	19	(1,527)	(3,066)	1,676	(1,424)	(1,527)	(3,066)	1,676	(1,424)
TOTAL OTHER COMPREHENSIVE INCOME		251,638	33,442	(153,245)	(38,569)	252,027	33,218	(153,478)	(38,685)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		437,930	376,297	(60,178)	221,602	440,913	379,221	(59,078)	223,375
<i>Comprehensive income for the period attributable to:</i>									
Owners of the Company					437,930	376,297	(60,178)	221,602	
Noncontrolling interests					2,983	2,924	1,100	1,773	

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

CONDENSED STATEMENTS OF CHANGES IN EQUITY

Six-month period ended June 30, 2024

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

	Six-month period ended June 30, 2023									
	Capital reserves				Equity attributable to					
	Share capital	Capital reserve	Equity instruments	Transactions with shareholders	Retained earnings (accumulated losses)	Other comprehensive income	Owners of the Company	Noncontrolling interests	Total consolidated equity	
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	-	-	-	-	342,855	-	342,855	3,148	346,003	
Other comprehensive income	-	-	-	-	-	33,442	33,442	(224)	33,218	
Total comprehensive income for the period	-	-	-	-	342,855	33,442	376,297	2,924	379,221	
Share-based payments ⁽¹⁾	-	4,934	-	-	-	-	4,934	-	4,934	
Dividends paid to subsidiaries	-	-	-	-	-	-	-	(640)	(640)	
Transactions with shareholders recognized directly in equity	-	4,934	-	-	-	-	4,934	(640)	4,294	
At June 30, 2023	2,970,443	2,242,555	99,841	(39,850)	(1,032,977)	327,605	4,567,617	24,013	4,591,630	
	Six-month period ended June 30, 2024									
	Capital reserves					Equity attributable to				
	Share capital	Capital reserve	Equity instruments	Transactions with shareholders	Legal reserve	Retained earnings (accumulated losses)	Other comprehensive income	Owners of the Company	Noncontrolling interests	Total consolidated equity
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	-	-	-	-	-	186,292	-	186,292	2,594	188,886
Other comprehensive income	-	-	-	-	-	-	251,638	251,638	389	252,027
Total comprehensive income for the period	-	-	-	-	-	186,292	251,638	437,930	2,983	440,913
Share-based payments ⁽¹⁾	-	10,108	-	-	-	-	-	10,108	-	10,108
Increase in equity interest in subsidiaries ⁽²⁾	-	-	-	(126,682)	-	-	-	(126,682)	(12,801)	(139,483)
Dividends paid to subsidiaries	-	-	-	-	-	(50,001)	-	(50,001)	(2,379)	(52,380)
Transactions with shareholders recognized directly in equity	-	10,108	-	(126,682)	-	(50,001)	-	(166,575)	(15,180)	(181,755)
At June 30, 2024	2,970,443	903,538	99,841	(166,532)	770,554	136,291	625,482	5,339,617	15,175	5,354,792

(1) See note 27.

(2) See note 3.

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

CONDENSED STATEMENTS OF CASH FLOWS

Six-month period ended June 30, 2024

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

Notes	Parent		Consolidated	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit for the period	186,292	342,855	188,886	346,003
Adjustments to reconcile profit for the period to net cash from operating activities:				
Current income tax and social contribution	19	(34,332)	39,077	53,796
Depreciation and amortization	12,13,14	216,806	674,897	556,125
Allowance for expected credit losses	6	(2)	11	(31)
Share of profit (loss) of investees	11	(218,048)	1,616	(3,172)
Remeasurement of previously held interest		-	-	(176,599)
Write-off of intangible assets, property and equipment, and leases		22,989	14,959	25,956
Interest on borrowings	23	179,300	288,656	238,486
Interest on leases	23	55,230	197,830	162,155
Discounts obtained on leases	23	(1,110)	(3,871)	(4,304)
Income from financial investments	23	(94,138)	(121,313)	(162,999)
Gain (loss) on derivative financial instruments	23	405	(118)	(6,828)
Share-based payment plan	27	10,304	10,664	4,934
Provisions for judicial liabilities	18	(2,363)	1,031	6,202
Deferred revenue		(4,676)	15,584	230
Others		(4,236)	(7,407)	(16,631)
Changes in operating assets and liabilities:				
Trade receivables		(35,393)	(109,489)	(38,188)
Related parties		(60,143)	(20,198)	8,688
Taxes recoverable		(17,532)	(1,912)	7,611
Other receivables		(55,258)	(82,934)	(84,073)
Trade payables		(9,212)	(19,608)	62,579
Taxes and contributions payable		4,815	5,690	36,051
Other liabilities		18,636	27,998	30,976
Cash generated by (used in) operating activities	158,334	227,555	1,100,049	1,046,967
Interest paid on borrowings	17	(137,172)	(243,584)	(219,537)
Interest paid on leases	14	(54,831)	(196,238)	(160,440)
Income tax and social contribution paid		(463)	(54,893)	(17,461)
Net cash generated by (used in) operating activities	(34,132)	48,778	605,334	649,529
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to property and equipment	12	(204,079)	(661,464)	(465,056)
Additions to intangible assets	13	(9,220)	(12,108)	(5,538)
Direct initial costs of right-of-use assets	14	(50,338)	(51,180)	(15,664)
Proceeds from sale of property and equipment		-	-	19,701
Dividends received from subsidiaries		5,547	-	-
Loans granted		(43)	(28,164)	(4,604)
Financial investments		269,703	215,480	339,167
Acquisition of subsidiaries, net of cash received		(193,001)	(270,542)	(85,911)
Capital increase in subsidiaries and joint venture	11	(72,254)	(913)	-
Payment of contingent consideration		-	(521)	(521)
Net cash generated by (used in) investing activities	(253,685)	51,802	(808,891)	(218,426)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings	17	1,438,501	2,275,848	74,176
Repayments of borrowings	17	(1,064,949)	(1,507,866)	(306,535)
Payment of lease	14	(97,594)	(280,995)	(242,129)
Dividends paid to noncontrolling interests		-	(2,571)	(1,867)
Payment (receipt) of transactions with financial derivatives		(920)	2,554	-
Others		-	-	(9,838)
Net cash generated by (used in) financing activities	275,038	(206,676)	486,970	(486,193)
DECREASE (INCREASE) IN CASH AND CASH EQUIVALENTS	(12,779)	(106,096)	283,413	(55,090)
CHANGES IN CASH AND CASH EQUIVALENTS				
Opening balance	46,505	234,037	1,103,433	1,251,418
Exchange differences on cash and cash equivalents	-	-	47,908	8,265
Closing balance	33,726	127,941	1,434,754	1,204,593
DECREASE (INCREASE) IN CASH AND CASH EQUIVALENTS	(12,779)	(106,096)	283,413	(55,090)

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

CONDENSED STATEMENTS OF VALUE ADDED

Six-month period ended June 30, 2024

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

	Notes	Parent		Consolidated	
		06/30/2024	06/30/2023	06/30/2024	06/30/2023
WEALTH CREATED					
REVENUES					
Service revenue	21	946,945	793,556	2,789,345	2,164,812
Allowance for expected credit losses	6	2	1,475	(11)	31
Other operating income (expenses), net		(1,682)	133,775	(12,448)	158,234
INPUTS PURCHASED FROM THIRD PARTIES					
Cost of sales and services		(187,071)	(146,869)	(490,571)	(365,178)
Materials, electric power, outside services and others		(53,505)	(40,650)	(92,614)	(72,856)
Advertising materials, marketing, promotion funds and others related to sales		(85,309)	(70,294)	(194,812)	(146,588)
GROSS VALUE ADDED		619,380	670,993	1,998,889	1,738,455
RETENTIONS					
Depreciation and amortization	12,13,14	(216,806)	(194,573)	(674,897)	(556,125)
WEALTH CREATED BY THE COMPANY		402,574	476,420	1,323,992	1,182,330
WEALTH RECEIVED IN TRANSFER					
Share of profit (loss) of investees	11	218,048	188,302	(1,616)	3,172
Finance income	23	108,804	181,400	154,987	231,587
TOTAL WEALTH FOR DISTRIBUTION		729,426	846,122	1,477,363	1,417,089
WEALTH DISTRIBUTED					
PERSONNEL					
Salaries and wages		143,229	114,551	378,812	284,646
Benefits		19,246	17,845	38,669	34,080
Social security costs		9,297	8,323	15,774	12,535
TAXES, FEES AND CONTRIBUTIONS:					
Federal		48,051	79,353	184,942	170,155
State		97	27	2,116	1,275
Municipal		35,824	29,116	50,386	39,710
LENDERS AND LESSORS:					
Interest	23	243,879	215,554	513,964	444,777
Leases		43,511	38,498	103,814	83,908
SHAREHOLDERS:					
Owners' share of profits		186,292	342,855	186,292	342,855
Noncontrolling interests' share of profit		-	-	2,594	3,148
WEALTH DISTRIBUTED		729,426	846,122	1,477,363	1,417,089

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

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At June 30, 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, 2° 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 June 30, 2024, the Group had a total of 1,529 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 six-month period ended June 30, 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 six-month period ended June 30, 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 the Group's Board of Directors on August 7, 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 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 June 30, 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 PANAMÁ

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.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At June 30, 2024

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

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\$15,723 was paid up to June 30, 2024 and the remaining balance will be paid in two 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
Property and equipment - surplus value	662	993	1,655
Intangible assets – customer list	3,546	926	4,472
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)
Deferred tax liabilities on surplus value	(1,431)	(652)	(2,083)
Total identifiable assets acquired and liabilities assumed at fair value	3,704	2,051	5,755
Consideration	14,825	7,121	21,946
Goodwill arising on transaction - preliminary	11,121	5,070	16,191

Goodwill arising on the transaction is attributable to the future profitability of the acquired business.

For the six-month period ended June 30, 2024, the acquired businesses contributed to the Group's results with net revenue of R\$4,374 and profit of R\$1,711. Had the business combination taken place at the beginning of the year, operating revenue and profit for the period would have been R\$5,753 and R\$2,295, respectively.

The Group incurred acquisition-related costs in the amount of R\$80 referring to due diligence and PPA.

ACQUISITION OF NONCONTROLLING INTERESTS IN PERU (LATAM GYM S.A.)

On May 2, 2024, the subsidiary Sporty Panamá SA ("Sporty Panamá") entered into a Purchase and Sale Agreement for the acquisition of 100% of the shares of Latam Gym S.A. Company. ("Latam Gym"), headquartered in Peru, which holds 10% of the share capital of Smartfit Peru SAC ("Smartfit Peru"), a subsidiary of the Company headquartered in Peru.

The total amount of the transaction was PEN 88 million, equivalent to approximately R\$120,843, of which R\$70,473 was paid up to June 30, 2024 and the remaining balance will be paid in 18 monthly installments starting in May 2025.

Since the start of Smartfit Peru's operations, the Company held a direct 90% interest in the subsidiary's share capital and, consequently, already consolidated the results and balance sheet in its financial statements, and as a result of the Transaction it now directly and indirectly holds all the shares in its share capital.

The balance sheet of the acquired company on the acquisition date does not present balances that cannot be measured reliably, and Latam Gym's balance sheet referring to April 30, 2024 is represented by the following group of assets or liabilities:

	Latam Gym
Acquisition of noncontrolling interests	
Cash and cash equivalents	40
Other receivables	23
Investments in subsidiaries and joint ventures	7,710
Borrowings	(15,902)
Total identifiable assets acquired and liabilities assumed at fair value	(8,129)
Consideration	120,843

This operation is not considered a business combination, but rather a purchase of noncontrolling interest, involving a change in the percentage of interest in a subsidiary without loss of control. In accordance with applicable accounting standards, these transactions are treated as capital transactions, not affecting goodwill or the result for the period, and any difference between the amount paid or received and the carrying amount of the noncontrolling interest adjusts the parent's equity. This transaction resulted in a record in Sporty Panamá's equity in the amount of R\$129,048. With this operation, the noncontrolling interest that represented R\$7,738 was eliminated from the balance sheet, as the Company now fully controls Latam Gym, which held this interest.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At June 30, 2024

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

ACQUISITION OF BIENSTAR S.A.

On May 27, 2024, a subsidiary of the Group entered into a Purchase and Sale Agreement for the acquisition of 100% of the shares of Bienstar S.A. ("Bienstar"), company headquartered in Uruguay. The total amount of the transaction was US\$2 million, equivalent to approximately R\$10,715, of which R\$5,381 was paid up to June 30, 2024 and the remaining balance will be paid within 120 days from the transaction date.

The balance sheet of the acquired company on the acquisition date does not present balances that cannot be measured reliably, and Bienstar S.A.'s balance sheet referring to May 31, 2024 is represented by the following group of assets or liabilities:

	Bienstar
Business combination	
Cash and cash equivalents	323
Trade receivables	283
Other receivables	205
Property and equipment	3,360
Trade payables	(986)
Other liabilities	(2,184)
Total identifiable assets acquired and liabilities assumed at fair value	1,001
Consideration	10,715
Goodwill arising on transaction – preliminary	9,714

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 six-month period ended June 30, 2024, the acquired business contributed to the Group's results with net revenue of R\$541 and loss of R\$526. Had the business combination taken place at the beginning of the year, operating revenue and loss for the period would have been R\$3,091 and R\$1,715, respectively.

ACQUISITIONS OF OTHER CLUBS 2023

In December 2023, the Company acquired three subsidiaries (Holandeses, Cohama and Lake) and made the preliminary recording of the PPA. During 2024, the Company finalized the PPA and made some reallocations, adjusting goodwill for the surplus value of customer list, fixed assets and deferred tax. In addition, there were changes to the initial balance sheets of the companies acquired due to initial adjustments to the balance sheets and price adjustments.

On March 15, 2024, based on the purchase and sale agreement, a price adjustment of R\$231 was made in favor of the Group, related to the acquisition of Lake.

During the six-month period, the Group paid R\$3,241 for the acquisition of Holandeses, R\$4,058 for the acquisition of Lake and R\$4,169 for the acquisition of Cohama.

ACQUISITION OF NONCONTROLLING INTERESTS

On June 25, 2024, the Company acquired a noncontrolling interest in subsidiary BioSanta, which held 24.8% of the quotas. The Company paid R\$2,150 to acquire this interest.

On June 24, 2024, the Company acquired a noncontrolling interest in subsidiary Bio Plaza which held 15.58% of the quotas. The Company paid R\$547 to acquire this interest.

4. CASH AND CASH EQUIVALENTS

BREAKDOWN OF BALANCES

	Parent		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Cash and cash equivalents				
Cash and banks	6,071	1,864	275,997	169,636
CDB ⁽¹⁾⁽⁴⁾	24,313	39,557	311,859	458,461
Non-exclusive investment funds ⁽²⁾	3,342	5,084	191,615	84,351
Repurchase agreements ⁽³⁾	-	-	624,626	390,985
Other financial investments	-	-	30,657	-
Total	33,726	46,505	1,434,754	1,103,433

- (1) They are remunerated at a weighted average rate of 102.44% 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 10.95% (10.85% in Dec/23), Sporty City Colombia with an average annual rate of 7.66% (10.15% in Dec/23), and Latamfit Chile with an average annual rate of 6.94% (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 103.24% of the CDI (102.63% in Dec/23). The maturities are variable; however, they are highly liquid, with no loss of remuneration upon redemption.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At June 30, 2024

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

5. INVESTMENTS IN FINANCIAL ASSETS

BREAKDOWN OF BALANCES

	Parent		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Investments in financial assets				
Exclusive investment funds ⁽¹⁾	1,876,768	2,052,180	-	-
Government securities ⁽²⁾	-	-	525,236	570,293
Financial bills ⁽³⁾	-	-	854,995	939,588
Interests in publicly-held company ⁽⁴⁾	-	-	70,333	35,453
Other financial investments	4,749	4,234	35,029	33,758
Total	1,881,517	2,056,414	1,485,593	1,579,092
Current	1,876,768	2,052,180	1,379,829	1,509,880
Noncurrent	4,749	4,234	105,764	69,212

- (1) Refer to the private credit exclusive fixed income investment funds Átila RF CP FI remunerated at a weighted average rate of 110.11% of the CDI (105.36% in Dec/23) and Santo Amaro RF CP remunerated at a weighted average rate of 108.38% 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 100.42% 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 101.31% 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 127.13% of the CDI (109.91% of the CDI in Dec/23) and Santo Amaro fund remunerated at a weighted average rate of 112.71% 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	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Trade receivables				
Trade receivables arising from contracts with customers ⁽¹⁾	184,363	148,970	461,839	352,048
Allowance for expected credit losses	(150)	(152)	(3,052)	(3,041)
Total	184,213	148,818	458,787	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 June 30, 2024, the average collection period for trade receivables is approximately 30 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).

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At June 30, 2024

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

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 Jun-2024 are recognized in profit or loss in the amount of R\$305 (R\$305 in Jun-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 AEGM, 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:

	06/30/2024	06/30/2023
Officers' compensation		
Fees	5,861	3,349
Benefits	1,845	1,125
Bonuses	3,067	1,120
Stock option plan	9,178	1,631
Total compensation	19,951	7,225

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At June 30, 2024

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

RELATED-PARTY BALANCES

	06/30/2024				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	3	-	30	-	349	-	182	-
Smartfin	9,776	-	161	-	20,708	-	184	-
Smartdom	37	10,043	23	-	-	9,347	-	-
Bio Plaza	472	5,375	1	-	344	5,005	-	-
Asnsmart	119	-	44	-	-	940	-	-
Bioswim	2,559	114,262	6,266	(1)	7,986	-	30,953	(1)
Biosanta	38	581	131	-	-	749	6	-
Smartfe	27	4,099	15	-	-	-	-	-
M2	51	-	307	-	34	245	297	-
SmartMNG	37	10,036	21	-	64	-	-	-
Biomorum	2	-	1,752	-	-	-	5,258	-
Racebootcamp	523	-	83	-	7,946	-	-	-
TotalPass	107,239	-	11,676	-	45,265	-	5,522	-
Just Fit	135	-	215	-	28	-	27	-
Bio Pauli	-	1,089	61	-	-	-	190	-
Bio Franqueadora	12	-	-	-	-	-	4	-
MB Negócios Digitais	-	-	-	-	-	448	-	-
Total balances with related parties	121,030	145,485	20,786	-	82,724	16,734	42,623	-
Current	121,030	-	20,495	-	82,724	2,399	42,332	-
Noncurrent	-	145,485	291	-	-	14,335	291	-
CONSOLIDATED								
Joint ventures								
TotalPass Mexico	43,001	22,581	1,559	-	23,580	9,382	2,411	-
Noncontrolling interests	-	-	-	-	-	-	192	-
Total balances with related parties	43,001	22,581	1,559	-	23,580	9,382	2,603	-

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

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

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At June 30, 2024

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

RELATED-PARTY TRANSACTIONS

	Six-month period ended							
	06/30/2024				06/30/2023			
	Operating revenue	Costs	Expenses	Finance income (costs)	Operating revenue	Costs	Expenses	Finance income (costs)
PARENT								
Subsidiaries								
Smartfin	-	-	(884)	-	-	-	(1,774)	-
Smartdom	195	-	-	650	190	-	-	734
Bio Plaza	345	-	-	335	347	-	-	336
Asnsmart	590	-	-	6	548	-	-	229
Bioswim	-	(2,028)	-	-	-	(1,505)	-	-
Biosanta	-	-	-	101	-	-	-	85
M2	177	-	-	-	174	-	-	-
Biomorum	-	(12,013)	-	-	-	(9,203)	-	-
Totalpass	-	(6,204)	-	-	-	(3,181)	-	-
Bio Pauli	-	(371)	-	-	-	-	-	-
Total balances with related parties	1,307	(20,616)	(884)	1,092	1,259	(13,889)	(1,774)	1,384
CONSOLIDATED								
Joint ventures								
TotalPass Mexico	26,998	(2,715)	-	1,280	9,183	(965)	-	-
FitMaster	430	(15)	-	-	-	-	-	-
Total balances with related parties	27,428	(2,730)	-	1,280	9,183	(965)	-	-

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At June 30, 2024

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

8. TAXES RECOVERABLE

	Parent		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Taxes recoverable				
PIS/ COFINS	4,381	2,761	6,787	4,405
IRPJ/ CSLL	26,463	29,242	83,132	79,969
IRRF on financial investments	60,795	42,069	63,694	43,618
IGV/ IVA	-	-	71,270	107,070
Others	1,080	1,115	19,472	26,511
Total	92,719	75,187	244,355	261,573
Current	92,719	75,187	209,906	228,284
Noncurrent	-	-	34,449	33,289

9. DERIVATIVE FINANCIAL INSTRUMENTS

BREAKDOWN OF BALANCES

	Parent		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Derivative financial investments				
Assets				
Smartfit call option - M2	5,246	5,690	5,246	5,690
Smartfit call option – ASN	892	868	892	868
Smartfit call option - End Fit	14,119	13,916	14,119	13,916
Interest rate swap – Smartfit Mexico	-	-	1,972	4,692
Interest rate swap – 7 th issue of debentures	1,972	2,770	1,972	2,770
Total	22,229	23,244	24,201	27,936
Current	2,864	8,460	4,836	12,939
Noncurrent	19,365	14,784	19,365	14,997
Liabilities				
Put option of the noncontrolling shareholder – MB Negócios Digitais	28,624	30,305	28,624	30,305
Put option of the noncontrolling shareholder – ASN Smart	1,266	1,328	1,266	1,328
Put option of the noncontrolling shareholder – End Fit	3,249	3,449	3,249	3,449
Put option of the noncontrolling shareholder – Fit Master	1,529	1,116	1,529	1,116
Total	34,668	36,198	34,668	36,198
Current	2,795	-	2,795	-
Noncurrent	31,873	36,198	31,873	36,198

10. OTHER RECEIVABLES

BREAKDOWN OF BALANCES

	Parent		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Other receivables				
Security deposits ⁽¹⁾	-	197	41,026	40,529
Loans to third parties ⁽²⁾	29,436	25,368	65,622	55,785
Escrow deposits ⁽³⁾	83,595	79,949	104,700	100,936
Prepaid expenses	71,743	28,565	112,407	57,253
Advances to suppliers	13,796	3,980	71,521	50,965
Others	11,475	2,945	32,461	18,951
Total	210,045	141,004	427,737	324,419
Current	56,947	19,740	175,400	109,629
Noncurrent	153,098	121,264	252,337	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\$23,132 (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).

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At June 30, 2024

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

11. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES

BREAKDOWN OF BALANCES

	06/30/2024	Six-month period ended June 30, 2024		12/31/2023	Six-month period ended June 30, 2023	
	Investment balance	Share of profit (loss) of investees	Other comprehensive income	Investment balance	Share of profit (loss) of investees	Other comprehensive income
PARENT						
Subsidiaries						
Academia Cohama Ltda.	10,593	850	-	9,743	-	-
Academia de Ginástica Tietê Plaza Ltda.	15,868	1,043	-	-	-	-
Academia Smart Holandeses Ltda.	9,120	1,067	-	8,048	-	-
ACL Academia de Ginástica Ltda.	7,541	420	-	-	-	-
ADV Esporte e Saúde Ltda.	36,771	2,967	-	33,804	17,989	-
Biopauli Compra, Venda e Administração de Bens Ltda.	12,526	743	-	12,872	615	-
Biosanta Academia Ltda.	-	87	-	381	9	-
Centrale Compra, Venda e Locação de Imóveis Ltda.	2,076	(12,594)	-	11,102	1,187	-
Escola de Natação e Ginástica Biomorum Ltda.	15,432	854	-	14,578	(2,098)	-
Escola de Natação e Ginástica Bioswim Ltda.	181,324	49,941	-	248,083	40,920	-
Just Fit Empreendimentos e Participações S.A.	135,257	11,224	-	124,033	12,745	-
Lake Academia de Ginástica Ltda.	10,543	865	-	9,909	-	-
M2 - Academia de Ginástica Ltda.	1,668	183	-	1,855	472	-
MB Negócios Digitais S.A.	110,920	3,282	158	110,630	2,554	(80)
Nation CT Academia de Musculação S.A.	24,411	(2,053)	-	4,214	963	-
Racebootcamp Academia de Ginástica Ltda.	41,088	1,005	-	19,118	1,986	-
Smartfin Cobranças Ltda.	(3,008)	1,794	-	(4,802)	4,603	-
SmartMNG Academia de Ginástica Ltda.	50,283	6,576	-	53,744	7,822	-
SmartRFE Academia de Ginástica Ltda.	33,309	2,531	-	34,877	5,733	-
Totalpass Participações Ltda.	2,069	(221)	-	2,290	(2,737)	-
Corporacion Sport City S.A.	117,345	8,313	7,334	103,344	13,989	7,827
Latamgym SAPI de CV	1,501,548	50,795	93,989	1,337,920	13,974	63,495
Servicios Deportivos para Latinoamerica S.A.	2,223	(1)	133	2,091	-	105
Sporty City SAS	628,252	53,094	40,818	534,340	27,553	30,512
Sporty Panamá S.A.	486,426	8,072	72,029	535,374	2,656	(45,409)
Latamfit Chile SPA	288,404	10,888	19,785	257,731	27,587	(5,391)
Smartfit Peru SAC	77,994	9,676	6,642	61,676	6,957	(1,689)
Smartfit SAS	20,082	717	(1,892)	21,257	(1,481)	(11,185)
Smartfit Paraguay S.A.	45,961	2,208	4,248	39,505	3,514	(2,571)
Smartfit Uruguay S.A.	42,097	1,063	4,522	26,386	(1,285)	(194)
SMFT - Escola de Ginastica e Dança S.A.	460	-	-	-	-	-
Joint ventures						
FitMaster LLC	47,924	2,659	3,872	40,940	2,075	(1,978)
Total	3,956,507	218,048	251,638	3,655,043	188,302	33,442
Included in assets	3,959,515			3,659,845		
Included in liabilities¹	(3,008)			(4,802)		
CONSOLIDATED						
Joint ventures						
FitMaster LLC	47,924	2,659	3,872	40,940	2,075	(1,977)
SMFT - Escola de Ginastica e Dança S.A.	460	-	-	-	-	-
Total Pass SA de CV	-	(4,275)	(572)	-	1,097	(2,778)
Total	48,384	(1,616)	3,300	40,940	3,172	(4,755)

(1) See note 16.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At June 30, 2024

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

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 control - 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
Gain (loss) on 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⁾	72,254	913
Acquisition of control - Tietê Plaza ⁽²⁾	14,825	-
Acquisition of subsidiary – ACL ⁽²⁾	7,121	-
Price adjustment	(231)	-
Dividends and interest on capital	(134,339)	-
Offset against loan agreement	-	4,847
Transactions with noncontrolling shareholder	(127,852)	-
Share of profit (loss) of investees	218,048	(1,616)
Other comprehensive income in subsidiaries	3,586	-
Foreign exchange effects	248,052	3,300
At June 30, 2024	3,956,507	48,384

(1) At June 30, 2024, in parent, this refers to the capital increase in subsidiaries Latamgym Mexico (R\$18,000), Smartfit Uruguay (R\$10,126), Racebootcamp (R\$20,965), Nation CT (R\$22,250), SMFT (R\$460) and FitMaster LLC (R\$453).

(2) See note 3.

SUMMARIZED AGGREGATED FINANCIAL INFORMATION ON JOINT VENTURES

	06/30/2024	12/31/2023
BALANCE SHEETS		
Current assets	99,202	45,429
Noncurrent assets	142,104	95,064
Total assets	241,306	140,493
Current liabilities	185,397	86,235
Noncurrent liabilities	3,490	-
Total liabilities	188,887	86,235
Total equity	52,419	54,258
STATEMENT OF PROFIT AND LOSS		
	Six-month period ended	
	06/30/2024	06/30/2023
Operating revenue	150,173	72,975
Costs and expenses	(154,781)	(64,991)
Operating profit (loss)	(4,608)	7,984
Finance income (costs)	(3,233)	(547)
Profit (loss) for the period	(7,841)	7,437

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At June 30, 2024

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

12. PROPERTY AND EQUIPMENT

BREAKDOWN OF AND VARIATIONS IN THE BALANCES⁽⁶⁾

	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⁾	40,284	32,298	9,145	3,714	114,384	6,031	205,856
Write-offs	(333)	(5,034)	(270)	(82)	(3,704)	(22)	(9,445)
Depreciation	(52,557)	(33,320)	(7,858)	(4,367)	-	(8,409)	(106,511)
Transfers and reclassifications ⁽¹⁾	59,294	55,771	7,047	4,231	(133,120)	5,134	(1,643)
At June 30, 2024							
Cost	1,251,551	677,948	173,901	62,528	102,366	136,554	2,404,848
Accumulated depreciation	(674,760)	(276,886)	(79,363)	(38,726)	-	(83,612)	(1,153,347)
Net value	576,791	401,062	94,538	23,802	102,366	52,942	1,251,501
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⁾	71,624	49,967	23,062	8,563	499,003	12,472	664,691
Write-offs	(5,069)	(3,424)	(733)	(308)	(4,275)	(1,231)	(15,040)
Acquisition of subsidiaries ⁽⁴⁾	6,281	585	157	159	-	-	7,182
Depreciation	(187,496)	(79,728)	(23,920)	(14,763)	-	(25,391)	(331,298)
FX effects	134,172	33,001	13,054	3,378	33,188	5,422	222,215
Transfers and reclassifications ⁽¹⁾	335,975	156,087	45,263	13,204	(560,435)	20,986	11,080
At June 30, 2024							
Cost	4,377,406	1,692,742	513,056	203,691	514,064	372,626	7,673,585
Accumulated depreciation	(1,753,194)	(755,137)	(203,726)	(124,692)	-	(233,452)	(3,070,201)
Net value	2,624,212	937,605	309,330	78,999	514,064	139,174	4,603,384

(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\$1,710 (see note 13) and Right-of-use assets reclassified to Property and equipment in the amount of R\$12,790 (see note 14).

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At June 30, 2024

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

- (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 June 30, 2024, this includes finance costs, capitalized at R\$1,777 (R\$2,447 in Dec/23) in parent and R\$3,227 (R\$4,061 in Dec/23) in 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⁽³⁾

	Goodwill	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	-	-	1,038	-	-	8,182	9,220
Write-offs	-	-	(2)	-	-	-	(2)
Amortization	-	(804)	(6,075)	-	-	-	(6,879)
Transfers and reclassifications ⁽¹⁾	-	-	1,643	-	-	-	1,643
At June 30, 2024							
Cost	82,320	42,422	82,058	-	8,478	8,182	223,460
Accumulated amortization	-	(38,940)	(28,329)	-	-	-	(67,269)
Net value	82,320	3,482	53,729	-	8,478	8,182	156,191

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At June 30, 2024

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

	Goodwill	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	-	-	3,921	-	5	8,182	12,108
Acquisitions of subsidiaries ⁽²⁾	26,101	-	-	4,472	-	-	30,573
Write-offs	(231)	-	(737)	-	-	-	(968)
Amortization	-	(2,398)	(9,443)	(16,409)	(290)	(1,717)	(30,257)
FX effects	137,802	968	939	4,974	20	1,762	146,465
Transfers and reclassifications ⁽¹⁾	1,042	987	3,285	(1,303)	67	-	4,078
At June 30, 2024							
Cost	1,932,594	78,284	155,344	91,091	29,833	21,829	2,308,975
Accumulated amortization	-	(59,211)	(69,155)	(81,444)	(20,088)	(4,094)	(233,992)
Net value	1,932,594	19,073	86,189	9,647	9,745	17,735	2,074,983

(1) In Parent, the remaining balance in the Transfers and reclassifications column refers to reclassifications to Property and equipment (see note 12). 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\$1,710 (see note 12) and reclassifications of R\$2,368 to Deferred tax liabilities.

(2) See note 3.

(3) 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⁾	-	384,047	384,047	28,085	1,155,725	1,183,810
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⁾	-	290,314	290,314	-	690,471	690,471
Acquisitions of subsidiaries ⁽⁵⁾	-	-	-	-	2,174	2,174
Write-offs	-	(544)	(544)	(40)	(9,772)	(9,812)
Depreciation	-	(103,416)	(103,416)	(17,148)	(296,194)	(313,342)
Tax credits on depreciation	-	(8,833)	(8,833)	-	(10,638)	(10,638)
Assignment of right of use ⁽¹⁾	-	(22,992)	(22,992)	-	-	-
FX effects	-	-	-	6,685	181,143	187,828
Transfers and reclassifications ⁽²⁾	-	-	-	(11,803)	(987)	(12,790)
At June 30, 2024	-	1,347,775	1,347,775	86,984	4,201,926	4,288,910

(1) Refer to the assignment of rental contracts related to Company's units transferred to other Group companies in the period ended June 30, 2024.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At June 30, 2024

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

- (2) Refer to reclassifications to Property and equipment of lease agreements terminated (see note 12).
(3) Includes R\$50,338 (R\$20,103 in Dec/23) in parent and R\$51,180 (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	-	239,976	239,976	-	639,291	639,291
Acquisitions of subsidiaries ⁽³⁾	-	-	-	-	2,570	2,570
Write-offs	-	(667)	(667)	-	(10,861)	(10,861)
Interest incurred	-	55,230	55,230	5,700	192,130	197,830
Considerations ⁽¹⁾	-	(153,535)	(153,535)	(32,747)	(448,357)	(481,104)
Tax credits on interest	-	3,718	3,718	-	4,422	4,422
Assignment of right of use ⁽²⁾	-	(9,327)	(9,327)	-	-	-
FX effects	-	-	-	5,961	209,425	215,386
At June 30, 2024	-	1,392,198	1,392,198	76,089	4,598,859	4,674,948
Current	-	201,086	201,086	44,213	552,723	596,936
Noncurrent	-	1,191,112	1,191,112	31,876	4,046,136	4,078,012

- (1) Due to one-off discounts obtained with property owners, the Group recognized R\$1,110 in parent and R\$3,871 in consolidated as discounts obtained with leases at June 30, 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 June 30, 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	24,436	309,693	334,129
2025	29,912	554,314	584,226
2026	11,287	557,658	568,945
2027 onwards	10,454	3,177,194	3,187,648
Total	76,089	4,598,859	4,674,948

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	6,852,977	4,598,859
PIS/COFINS – 9.25% ⁽¹⁾	193,779	138,987

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

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At June 30, 2024

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

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

At June 30, 2024, the Company did not incur variable lease expenses in parent and incurred R\$9,454 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	4,201,926	5,137,929
Lease liabilities	2,355,361	2,391,595
Finance charges	2,243,498	3,154,453
Total lease liabilities	4,598,859	5,546,048
Finance costs	2,243,498	3,154,453
Depreciation expense	4,195,434	5,055,116
Total expenses⁽¹⁾	6,438,932	8,209,569

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

15. TRADE PAYABLES

	Parent		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Trade payables				
Local currency	158,253	167,280	339,507	365,191
Foreign currency	50	169	40,249	33,981
Total	158,303	167,449	379,756	399,172

In general, the Group operates with an average payment term of 26 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	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Other liabilities				
Salaries, accruals and social contributions	67,742	49,581	124,655	96,026
Dividends and/or interest on capital payable	47,455	-	47,455	-
Investments in subsidiaries and joint ventures with negative equity ⁽¹⁾	3,008	4,802	-	-
Acquisition of control - Sporty Panama ⁽²⁾	-	163,745	-	163,745
Contingent consideration - MB Negócios Digitais	4,219	4,010	4,219	4,010
Contingent consideration - Latamfit Chile	4,892	4,560	4,892	4,560
Contingent consideration - Just Fit	2,767	2,767	2,767	2,767
Consideration for acquisition - Lake	700	4,895	700	4,895
Consideration for acquisition - Holandeses	800	3,997	800	3,997
Consideration for acquisition - Cohama	800	4,853	800	4,853
Consideration for acquisition - ACL ⁽²⁾	2,180	-	2,180	-
Consideration for acquisition - Tietê Plaza ⁽²⁾	4,106	-	4,106	-
Consideration for acquisition - Latam Gym ⁽²⁾	-	-	52,292	-
Consideration for acquisition - Bienstar ⁽²⁾	-	-	5,638	-
Others	4,052	4,013	25,585	23,096
Total	142,721	247,223	276,089	307,949
Current	132,386	235,299	199,695	283,619
Noncurrent	10,335	11,924	76,394	24,330

(1) See note 11.

(2) See note 3.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At June 30, 2024

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

17. BORROWINGS

BREAKDOWN OF BALANCES

	Parent		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Borrowings				
Debentures	2,501,741	2,205,130	2,501,741	2,205,130
Commercial note	125,902	-	125,902	-
Working capital	38,718	43,774	2,166,703	1,614,769
Total	2,666,361	2,248,904	4,794,346	3,819,899
Current	64,113	32,482	638,215	594,402
Noncurrent	2,602,248	2,216,422	4,156,131	3,225,497
Local currency	2,666,361	2,248,904	2,689,869	2,272,659
Foreign currency	-	-	2,104,477	1,547,240

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	1,438,501	2,275,848
Acquisitions of subsidiaries	-	15,902
Accrued interest and cost amortization	181,077	291,883
Principal paid	(1,064,949)	(1,507,866)
Interest payment	(137,172)	(243,584)
Exchange differences	-	142,264
At June 30, 2024	2,666,361	4,794,346

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At June 30, 2024

(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	06/30/2024	12/31/2023
PARENT						
DEBENTURES						
Fifth issue	BRL	250.0	CDI + 1.90%	09/30/2028	146,864	140,323
Sixth issue	BRL	1,060.0	CDI + 2.40%	12/20/2028	-	1,040,037
Seventh issue - 1 st series	BRL	362.3	CDI + 1.50%	10/10/2029	41,426	40,313
Seventh issue - 2 nd series	BRL	37.3	IPCA + 7.37%	10/10/2029	362,180	371,984
Eight issue	BRL	600.0	CDI + 1.95%	10/20/2030	611,184	612,473
Nineth issue-1 st series	BRL	720.0	CDI + 1.32%	04/05/2029	728,255	-
Nineth issue-2 nd series	BRL	600.0	CDI + 1.52%	04/05/2031	611,832	-
COMMERCIAL NOTES						
2 nd issue of Commercial notes	BRL	125.0	CDI + 1.37%	04/05/2029	125,902	-
WORKING CAPITAL						
Smartfit Brasil	BRL	100.0	CDI + 2.49%	08/15/2027	9,166	10,477
SUBSIDIARIES						
WORKING CAPITAL						
Latamgym Mexico ⁽¹⁾	MXN	1,300.0	TIIE + 1.90%	03/17/2025	77,989	133,871
Latamgym Mexico ⁽²⁾	MXN	356.7	TIIE + 2.80%	12/31/2024	-	18,843
Latamgym Mexico	MXN	290.0	TIIE + 2.00%	05/31/2027	-	72,721
Latamgym Mexico	MXN	300.0	TIIE + 2.00%	09/30/2027	70,157	70,850
Latamgym Mexico	MXN	281.0	TIIE + 2.00%	12/31/2027	74,248	79,614
Latamgym Mexico	MXN	1,575.0	TIIE + 2.00%	07/24/2028	478,842	264,226
SportyCity Colombia	COP	40,000.0	IBR + 4.95%	02/09/2027	16,782	39,583
SportyCity Colombia	COP	36,000.0	IBR + 5.00%	04/01/2027	35,787	37,664
Latamfit Chile	CLP	25,218.6	7.22%	10/03/2024	9,390	33,217
Latamfit Chile	CLP	23,000.0	9.48%	12/29/2025	273	84,378
Latamfit Chile	CLP	11,091.2	5.67%	12/02/2024	9,390	17,498
Latamfit Chile	CLP	20,000.0	9.55%	08/17/2028	81,048	109,453
Smartfit Peru	PEN	66.0	8.00%	08/09/2024	15,335	16,994
Smartfit Peru	PEN	62.7	4.78%	07/15/2025	23,802	65,624
Smartfit Peru	PEN	119.1	10.65%	11/30/2025	-	156,500
Smartfit Peru	PEN	60.0	8.11%	09/30/2024	50,103	79,261
Smartfit Peru	PEN	150.0	8.06%	02/21/2028	217,609	-

(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

On March 28, 2024, the Board of Directors' meeting approved an increase in the credit facility in the amount of MXN 1,000 million, equivalent to approximately R\$300,000, thus totaling MXN 2,750 million, equivalent to approximately R\$800,000, with the same conditions as the main facility, a total term of 60 months, grace period of 24 months and variable interest rate of TIIE 28 days + spread of 2.00% per year.

In continuation of the disbursements made under the syndicated credit facility obtained in Mexico, during the six-month period ended June 30, 2024, MXN 625 million, equivalent to approximately R\$200,000 was disbursed. Of the total amount of the credit facility, MXN 1,575 million, approximately R\$460,000, was disbursed.

BORROWING SMARTFIT PERU SAC

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%.

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, of which R\$720,000 refers to the First Series Debentures, with CDI rate + 1.32%, lower than the ceiling rate of CDI + 1.37%, and maturing in 5 years (April 2029); and R\$600,000 refers to the Second Series Debentures, with a CDI rate + 1.52% and maturing in 7 years (April 2031). The funds were paid in on April 26, 2024.

There was also prior authorization for the Company to pay the total optional early redemption price of the simple debentures, not convertible into shares, in a single series, of the unsecured type of the Company's 6th issue, in the amount of R\$1,108,475, occurred on April 29, 2024.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At June 30, 2024

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

COMMERCIAL NOTES

On May 6, 2024, the Board of Directors' meeting approved the fundraising through the 2nd public issue of commercial notes, in a single series, in the total amount of R\$125,000.

The nominal unit value of the commercial notes will be subject to interest corresponding to 100% of the average daily rates of DI – One-day Interbank Deposits, “over extra-group”, expressed in percentage for the year, based on 252 business days, increased exponentially by a spread of 1.37% p.a.

Among the maturity clauses, the total optional early redemption clauses and the optional extraordinary amortization clauses stand out.

BORROWINGS LATAMFIT CHILE SPA

During the six-month period ended June 30, 2024, the Group signed several borrowing agreements in Chile, totaling CLP 32,600 million, equivalent to approximately R\$192,000 million. The final term of the transactions is 60 months, with rates varying between ICP+ 2.90% and 8.78%. The main purpose of these transactions is to strengthen the Company's working capital and continue its policy of expansion.

BORROWINGS SPORTY CITY SAS

During the six-month period ended 30 June 2024, the Group signed several borrowing agreements in Colombia totaling COP 117.300 million, equivalent to approximately R\$157,000 million. The final term of the transactions is between 36 and 60 months, with rates varying between IBR+1.65% and IBR+2.95%. The main purpose of these transactions is to strengthen the Company's working capital and continue its policy of expansion.

BORROWINGS SPORTY PANAMÁ SA

During the six-month period ended June 30, 2024, the Group signed several borrowing agreements in Panama, totaling USD 20.5 million, equivalent to approximately R\$114,00 million. The final term of the transactions is between 36 and 60 months, with rates varying between 5.85% and SOFR+2.25%. The main purpose of these transactions is to strengthen the Company's working capital and continue its policy of expansion.

COVENANTS

The Group made an analysis of the operating guarantees and at June 30, 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.

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	596	2,768	63	3,427
Write-offs and reversals	(4,416)	-	(1,374)	(5,790)
At June 30, 2024	1,235	5,758	346	7,339
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	2,273	4,434	525	7,232
Write-offs and reversals	(4,614)	(213)	(1,374)	(6,201)
Exchange differences	27	5	-	32
At June 30, 2024	8,632	7,468	16,166	32,266

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:

	06/30/2024	12/31/2023
Consolidated		
Civil	7,563	9,933
Labor	741	1,813
Tax	8,199	8,986
Total	16,503	20,732

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At June 30, 2024

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

ESCROW DEPOSITS

At June 30, 2024, the Group has escrow deposits of R\$83,595 (R\$79,949 in Dec/23) in parent and R\$104,700 (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".

	06/30/2024			12/31/2023		
	Provisions	Escrow deposits	Subtotal	Provisions	Escrow deposits	Subtotal
PARENT						
Civil	(1,236)	74	(1,162)	(5,055)	843	(4,212)
Labor	(5,758)	2,067	(3,691)	(2,990)	508	(2,482)
Tax	(345)	81,099	80,754	(1,657)	78,243	76,586
Court-frozen deposits	-	355	355	-	355	355
Total in parent	(7,339)	83,595	76,256	(9,702)	79,949	70,247
CONSOLIDATED						
Civil	(8,633)	959	(7,674)	(10,946)	1,369	(9,577)
Labor	(7,468)	2,329	(5,139)	(3,242)	726	(2,516)
Tax	(16,165)	101,055	84,890	(17,015)	98,484	81,469
Court-frozen deposits	-	357	357	-	357	357
Total in consolidated	(32,266)	104,700	72,434	(31,203)	100,936	69,733

"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

	Six-month period ended			
	Parent		Consolidated	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Income tax and social contribution				
Current	(2,897)	(10,466)	(82,596)	(70,693)
Deferred	37,229	-	43,519	16,897
Total	34,332	(10,466)	(39,077)	(53,796)

RECONCILIATION OF EFFECTIVE INCOME TAX AND SOCIAL CONTRIBUTION EXPENSE

	Six-month period ended			
	Parent		Consolidated	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Income tax and social contribution				
Profit before income tax and social contribution	151,960	353,321	227,963	399,799
Statutory rate in Brazil	34%	34%	34%	34%
Expected tax assets	(51,666)	(120,129)	(77,507)	(135,932)
Share of profit (loss) of investees	74,136	64,023	(549)	1,078
Interest on capital	17,000	-	17,000	-
Unrecognized deferred tax – temporary differences	-	(7,078)	-	(7,473)
Unrecognized deferred tax – tax loss carryforwards	-	-	-	(13,108)
Offset of tax loss	-	4,639	(1,586)	8,795
Adjustment of companies taxed on the presumed profit	-	-	6,260	11,613
Difference in rates of foreign subsidiaries	-	-	6,316	36,044
Others	(5,138)	48,079	10,989	45,187
Total	34,332	(10,466)	(39,077)	(53,796)
Current	(2,897)	(10,466)	(82,596)	(70,693)
Deferred	37,229	-	43,519	16,897
Effective rate	(23%)	3%	17%	13%

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At June 30, 2024

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

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	(5,490)	-	-	-	-	59,278
Others	-	(5,970)	-	-	-	-	(5,970)
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	74,418	8,594	1,929	(7,659)	-	9,035	86,317
Leases	84,702	34,519	4,141	(654)	-	1,427	124,135
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
Subtotal	667,861	117,774	(2,036)	-	(3,114)	10,055	790,539
Unrecognized deferred tax	(482,648)	482,648	-	-	-	-	-
Total	185,213	600,422	(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)
PARENT							
Deferred assets							
Leases	23,818	5,764	-	-	-	-	29,582
Tax losses	352,989	34,871	-	-	-	-	387,860
Provisions	59,278	10,627	-	-	-	-	69,905
Others	(5,970)	(14,033)	-	-	-	-	(20,003)
Total	430,115	37,229	-	-	-	-	467,344
CONSOLIDATED							
Deferred assets							
Property and equipment	86,317	(32,848)	-	-	-	6,048	59,517
Leases	124,135	19,844	-	-	-	7,796	151,775
Tax losses	480,304	70,175	-	-	-	2,167	552,646
Provisions	72,788	12,109	-	-	-	911	85,808
Deferred revenue	13,266	(14,286)	-	-	-	482	(538)
Others	13,729	(11,475)	(4,452)	-	(1,527)	(2,833)	(6,558)
Total	790,539	43,519	(4,452)	-	(1,527)	14,571	842,650
Deferred assets	798,258	40,065	-	-	(1,527)	13,007	849,803
Deferred liabilities	(7,719)	3,454	(4,452)	-	-	1,564	(7,153)

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At June 30, 2024

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

20. EQUITY

SHARE CAPITAL

At June 30, 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:

	06/30/2024		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⁾	47,921,777	8,17%	52,673,584	8,98%
Other shareholders ⁽²⁾	188,632,906	32,18%	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

	Six-month period ended			
	Parent		Consolidated	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Operating revenue by type of service				
Gym plans	904,971	724,256	2,505,801	1,897,915
Annual fees	18,026	44,311	170,731	152,801
Membership fees	2,502	1,483	10,210	18,440
Others	21,446	23,506	102,603	95,656
Gross operating revenue	946,945	793,556	2,789,345	2,164,812
Taxes on revenue	(122,549)	(102,470)	(171,773)	(140,434)
Net operating revenue	824,396	691,086	2,617,572	2,024,378

Operating revenues by geographic region are disclosed in note 25.

BREAKDOWN OF DEFERRED REVENUE

	Parent				Consolidated	
	Parent		Consolidated		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Deferred revenue						
Gym plans	7,251	6,370	55,413	56,589		
Annual fees	14,593	17,978	163,040	141,823		
Membership fees	1,130	2,718	2,816	5,834		
Others	6,578	662	7,030	1,969		
Total	29,552	27,728	228,299	206,215		
Current	24,548	27,596	223,295	206,083		
Noncurrent	5,004	132	5,004	132		

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At June 30, 2024

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

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:

	Six-month period ended					
	06/30/2024			06/30/2023		
	Costs	Expenses	Total	Costs	Expenses	Total
PARENT						
Personnel and related taxes	130,219	68,402	198,621	107,715	56,122	163,837
Depreciation and amortization, net of PIS and COFINS	199,582	8,345	207,927	180,665	5,938	186,603
Utilities expenses	85,992	237	86,229	73,163	3,335	76,498
Operational support services	46,261	37,625	83,886	41,117	28,729	69,846
Opening of new units	6,783	3,867	10,650	2,348	1,089	3,437
Variable lease of real estate, common area maintenance fees and occupancy expenses	25,543	1,415	26,958	24,632	1,054	25,686
Maintenance	28,604	723	29,327	14,572	497	15,069
Media and commercials	-	73,772	73,772	-	61,878	61,878
Credit card management fee	-	10,162	10,162	-	8,457	8,457
Allocation to stock option plans	-	10,304	10,304	-	4,221	4,221
Gain (loss) on remeasurement of previously held interest	-	-	-	-	(176,599)	(176,599)
Others	9,580	7,993	17,573	7,757	45,223	52,980
Total	532,564	222,845	755,409	451,969	39,944	491,913
CONSOLIDATED						
Personnel and related taxes	340,431	151,783	492,214	263,812	118,747	382,559
Depreciation and amortization, net of PIS and COFINS	648,927	15,864	664,791	534,156	12,221	546,377
Utilities expenses	230,892	1,073	231,965	178,798	7,161	185,959
Operational support services	116,618	68,517	185,135	86,907	50,189	137,096
Opening of new units	18,903	13,781	32,684	9,416	9,221	18,637
Variable lease of real estate, common area maintenance fees and occupancy expenses	75,728	3,378	79,106	62,023	2,588	64,611
Maintenance	78,022	1,195	79,217	49,371	764	50,135
Media and commercials	-	152,406	152,406	-	117,248	117,248
Credit card management fee	-	43,587	43,587	-	34,846	34,846
Allocation to stock option plans	-	10,664	10,664	-	4,940	4,940
Gain (loss) on remeasurement of previously held interest	-	-	-	-	(176,599)	(176,599)
Others	29,213	28,034	57,247	20,963	27,789	48,752
Total	1,538,734	490,282	2,029,016	1,205,446	209,115	1,414,561

23. FINANCE INCOME (COSTS)

	Six-month period ended			
	Parent		Consolidated	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
FINANCE INCOME				
Interest income	11,459	10,442	16,465	17,779
Exchange differences	381	18,667	7,566	28,732
Income from financial investments	94,138	137,556	121,313	162,999
Gain on derivative financial instruments ⁽¹⁾	1,009	12,502	4,483	13,730
Discounts obtained on leases	1,110	1,424	3,871	4,304
Other finance income	707	809	1,289	4,043
Total finance income	108,804	181,400	154,987	231,587
FINANCE COSTS				
Interest on borrowings	(179,300)	(149,265)	(288,656)	(238,486)
Interest on leases	(55,230)	(43,633)	(197,830)	(162,155)
Exchange differences	(2,501)	(4,340)	(11,755)	(14,311)
Loss on derivative financial instruments ⁽¹⁾	(1,414)	(1,504)	(4,365)	(6,902)
Other finance costs	(5,434)	(16,812)	(11,358)	(22,923)
Total finance costs	(243,879)	(215,554)	(513,964)	(444,777)
Total finance income (costs), net	(135,075)	(34,154)	(358,977)	(213,190)

(1) See note 9.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At June 30, 2024

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

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:

	Six-month period ended			
	Basic		Diluted	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Earnings per share				
Earnings attributable to owners of the Company	186,292	342,855	186,292	342,855
Weighted average number of shares during the period (unit)	586,242,289	586,242,289	606,502,862	607,687,205
Earnings per share	0.3178	0.5848	0.3072	0.5642

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, TotalPass, Studios 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.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At June 30, 2024

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

	Six-month period ended June 30, 2023									
	Brazil				Mexico	Other Latin America			Share of profit (loss) of investees	Consolidated
	Smartfit	Bio Ritmo	Others	Total	Smartfit	Smartfit	Others	Total		
SEGMENTS										
Operating revenue	789,247	62,805	113,936	965,988	466,970	587,709	3,711	591,420	-	2,024,378
Costs	(502,684)	(43,767)	(38,733)	(585,184)	(303,926)	(313,760)	(2,576)	(316,336)	-	(1,205,446)
Gross profit	286,563	19,038	75,203	380,804	163,044	273,949	1,135	275,084	-	818,932
Selling expenses				(91,446)	(42,936)			(25,897)	-	(160,279)
General and administrative expenses				(147,417)	(18,405)			(41,248)	-	(207,070)
Other operating income (expenses), net				162,461	(3,838)			(389)	-	158,234
Share of profit (loss) of investees				-	-			-	3,172	3,172
Operating profit before finance income (costs)				304,402	97,865			207,550	3,172	612,989
OTHER INFORMATION										
Costs	(211,695)	(14,276)	(19,647)	(245,618)	(156,877)	(140,213)	(1,195)	(141,408)	-	(543,903)
Expenses	(339)	-	(7,942)	(8,281)	(925)	(3,016)	-	(3,016)	-	(12,222)
Depreciation and amortization	(212,034)	(14,276)	(27,589)	(253,899)	(157,802)	(143,229)	(1,195)	(144,424)	-	(556,125)
Costs	(142,572)	(10,495)	(2,339)	(155,406)	(107,160)	(82,032)	(986)	(83,018)	-	(345,584)
Expenses	(402)	-	(1,278)	(1,680)	(1,018)	(1,245)	-	(1,245)	-	(3,943)
Fixed lease	(142,974)	(10,495)	(3,617)	(157,086)	(108,178)	(83,277)	(986)	(84,263)	-	(349,527)
Costs	(2,348)	(822)	(151)	(3,321)	(3,914)	(2,181)	-	(2,181)	-	(9,416)
Expenses	(1,089)	(44)	-	(1,133)	(7,167)	(921)	-	(921)	-	(9,221)
Opening of new units	(3,437)	(866)	(151)	(4,454)	(11,081)	(3,102)	-	(3,102)	-	(18,637)

	Six-month period ended June 30, 2024									
	Brazil				Mexico	Other Latin America			Share of profit (loss) of investees	Consolidated
	Smartfit	Bio Ritmo	Others	Total	Smartfit	Smartfit	Others	Total		
SEGMENTS										
Operating revenue	946,816	75,095	137,464	1,159,375	672,209	782,461	3,527	785,988	-	2,617,572
Costs	(595,815)	(45,670)	(49,463)	(690,948)	(410,311)	(435,082)	(2,393)	(437,475)	-	(1,538,734)
Gross profit	351,001	29,425	88,001	468,427	261,898	347,379	1,134	348,513	-	1,078,838
Selling expenses				(114,842)	(53,718)			(41,220)	-	(209,780)
General and administrative expenses				(185,061)	(27,749)			(55,244)	-	(268,054)
Other operating income (expenses), net				(15,395)	2,161			786	-	(12,448)
Share of profit (loss) of investees				-	-			-	(1,616)	(1,616)
Operating profit (loss) before finance income (costs)				153,129	182,592			252,835	(1,616)	586,940
OTHER INFORMATION										
Costs	(232,491)	(14,029)	(25,364)	(271,884)	(205,821)	(180,269)	(1,059)	(181,328)	-	(659,033)
Expenses	(339)	-	(11,015)	(11,354)	(1,913)	(2,597)	-	(2,597)	-	(15,864)
Depreciation and amortization	(232,830)	(14,029)	(36,379)	(283,238)	(207,734)	(182,866)	(1,059)	(183,925)	-	(674,897)
Costs	(156,663)	(9,332)	(4,213)	(170,208)	(141,704)	(111,304)	(877)	(112,181)	-	(424,093)
Expenses	(402)	-	(2,155)	(2,557)	(1,156)	(1,328)	-	(1,328)	-	(5,041)
Fixed lease	(157,065)	(9,332)	(6,368)	(172,765)	(142,860)	(112,632)	(877)	(113,509)	-	(429,134)
Costs	(6,783)	-	(3,376)	(10,159)	(2,522)	(6,222)	-	(6,222)	-	(18,903)
Expenses	(3,867)	-	(409)	(4,276)	(5,795)	(3,710)	-	(3,710)	-	(13,781)
Opening of new units	(10,650)	-	(3,785)	(14,435)	(8,317)	(9,932)	-	(9,932)	-	(32,684)

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At June 30, 2024

(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 June 30, 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:

	Impact on profit or loss	
	10% increase	10% decrease
PARENT		
Interest rate sensitivity		
Variable interest	(8,170)	8,170
CONSOLIDATED		
Interest rate sensitivity		
Variable interest	(18,466)	18,466

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\$523, is recognized as income 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\$1,712, is recognized as income in finance income (costs), and the Group has not applied hedge accounting for this instrument.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At June 30, 2024

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

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 an 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	7,033	(7,033)

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 June 30, 2024				
Trade payables	158,303	-	-	158,303
Related parties	20,495	291	-	20,786
Taxes and contributions payable	81,745	-	-	81,745
Other liabilities	132,386	10,335	-	142,721
Borrowings ⁽¹⁾	370,963	313,065	3,581,879	4,265,907
Lease liabilities ⁽¹⁾	317,426	300,863	1,356,394	1,974,683
Derivative financial instruments	2,795	28,624	3,249	34,668
Total	1,084,113	653,178	4,941,522	6,678,813
CONSOLIDATED				
At June 30, 2024				
Trade payables	379,756	-	-	379,756
Related parties	1,559	-	-	1,559
Taxes and contributions payable	222,597	-	-	222,597
Other liabilities	199,695	76,394	-	276,089
Borrowings ⁽¹⁾	1,051,410	867,132	4,841,178	6,759,720
Lease liabilities ⁽¹⁾	912,833	907,703	5,012,460	6,832,996
Derivative financial instruments	2,795	28,624	3,249	34,668
Total	2,770,645	1,879,853	9,856,887	14,507,385

(1) Includes interest to be accrued.

At June 30, 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\$58,493 (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\$462,758 (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.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At June 30, 2024

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

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 are 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	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Customer list by late payment range				
Current	176,115	135,138	443,930	327,333
Past due:				
Up to 30 days	4,173	12,112	9,972	16,480
From 31 to 60 days	18	488	1,370	2,312
From 61 to 90 days	308	155	1,472	411
From 91 to 180 days	2,454	815	2,955	1,949
From 181 to 360 days	571	174	894	2,727
More than 361 days	724	88	1,246	836
Total	184,363	148,970	461,839	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.

Net debt is as follows:

	06/30/2024	12/31/2023
Consolidated		
Cash and cash equivalents	1,434,754	1,103,433
Investments in financial assets	1,485,593	1,579,092
Borrowings	(4,794,346)	(3,819,899)
Lease liabilities	(4,674,948)	(4,107,414)
Net debt	(6,548,947)	(5,244,788)
Equity	5,339,617	5,068,262
Net debt	(1,23)	(1,03)

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At June 30, 2024

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

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 June 30, 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	-	1,881,517	-	1,881,517
Other receivables				
N2B loan	-	-	23,132	23,132
Derivative financial instruments				
Call option of the noncontrolling shareholder – M2 Academia de Ginástica	-	-	5,246	5,246
Call option of the noncontrolling shareholder – ASN Smart	-	-	892	892
Call option of the noncontrolling shareholder – End Fit	-	-	14,119	14,119
Interest rate swap – 7 th issue of debentures	-	1,972	-	1,972
Total	-	1,883,489	43,389	1,926,878
Liabilities				
Derivative financial instruments				
Put option of the noncontrolling shareholder – MB Negócios Digitais	-	-	(28,624)	(28,624)
Put option of the noncontrolling shareholder – ASN Smart	-	-	(1,266)	(1,266)
Put option of the noncontrolling shareholder – End Fit	-	-	(3,249)	(3,249)
Put option of the noncontrolling shareholder – Fit Master	-	-	(1,529)	(1,529)
Total	-	-	(34,668)	(34,668)
CONSOLIDATED				
Assets				
Cash and cash equivalents				
Repurchase agreements	-	624,626	-	624,626
Investments in financial assets				
Exclusive investment funds and other financial investments	-	1,384,980	-	1,384,980
Interests in publicly-held company	70,333	-	-	70,333
Other receivables				
N2B loan	-	-	23,132	23,132
Derivative financial instruments				
Call option of the noncontrolling shareholder – M2 Academia de Ginástica	-	-	5,246	5,246
Call option of the noncontrolling shareholder – ASN Smart	-	-	892	892
Call option of the noncontrolling shareholder – End Fit	-	-	14,119	14,119
Interest rate swap – Smartfit Mexico	-	1,972	-	1,972
Interest rate swap – 7 th issue of debentures	-	1,972	-	1,972
Total	70,333	2,013,550	43,389	2,127,272
Liabilities				
Derivative financial instruments				
Sale obligation of the noncontrolling shareholder – MB Negócios Digitais	-	-	(28,624)	(28,624)
Sale obligation of the noncontrolling shareholder – ASN	-	-	(1,266)	(1,266)
Sale obligation of the noncontrolling shareholder – End Fit	-	-	(3,249)	(3,249)
Sale obligation of the noncontrolling shareholder – Fit Master	-	-	(1,529)	(1,529)
Total	-	-	(34,668)	(34,668)

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	372	1,530	372	1,530
At June 30, 2024	43,389	(34,668)	43,389	(34,668)

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 June 30, 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:

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At June 30, 2024

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

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\$2,636,164 in parent and R\$4,755,874 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

On April 24, 2024, the Board of Directors approved the grant of 203,225 Restricted Shares under the Long-Term Incentive Plan with Restricted Shares, approved at the Extraordinary General Meeting of September 25, 2023. The contracts were signed in June 2024 with a vesting period of 3 years.

Of this total, 133,834 shares were granted to executives from the head office and subsidiaries in Brazil and will be accounted for at Fair Value. The value of RSU SMFT3 was defined base on the average of the closing prices of the last 30 trading sessions on B3, resulting in R\$25.38, a value that will be reviewed annually. These shares were accounted for with a corresponding entry in capital reserve.

The remaining 69,391 shares, granted to executives of foreign subsidiaries, will be settled in cash due to the impossibility of payment in equity instruments. Therefore, they were recognized with a corresponding entry in “Other liabilities”, subject to mark-to-market.

VARIATIONS IN PLANS

At June 30, 2024, the amount recognized in profit or loss in parent was R\$10,304 (R\$4,221 in Jun/23), R\$9,935 referring to SOP against a capital reserve and R\$342 referring to RSU, with R\$173 with a corresponding entry in capital reserve and R\$196 with a corresponding entry in “Other liabilities”. Up to this date, R\$1 (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\$360 (R\$719 in Jun/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.

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 June 30, 2024, the basic insurance coverage is R\$10,315,102 and the coverage for loss of profits is R\$18,000.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At June 30, 2024

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

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	
		06/30/2024	06/30/2023	06/30/2024	06/30/2023
Additions of right-of-use assets	14	239,976	154,181	639,291	500,142
Acquisition of subsidiaries and joint ventures	3	5,184	-	63,114	-
Transfers between property and equipment, intangible assets, and right-of-use assets		1,643	4,746	4,078	8,841
Dividends receivable from subsidiaries		129,486	-	-	-
Interest on capital payable to investors		47,455	-	47,455	-
Offset against loan granted		-	-	4,847	1,682

30. EVENTS AFTER THE REPORTING PERIOD

ACQUISITION OF VELOCITY GROUP

As informed in a Notice to the Market on July 16, 2024, Smart Fit's wholly-owned operating subsidiaries, Racebootcamp and Bioswim, entered into an agreement to acquire 100% of the shares of Velocity Academia de Ginástica Ltda. ("Velocity"). The Group will pay to Velocity shareholders an estimated amount of R\$183,000, of which R\$163,000 at the closing of the Transaction, R\$10,000 will be released from the 3rd anniversary of the Closing Date to the 6th anniversary, and R\$10,000 subject to compliance with certain conditions and goals established in the Contract, and such payment will not occur before 12 months from the Closing Date. The closing of the Transaction will be subject to compliance with the usual conditions precedent for this type of transaction in the market.

TENTH ISSUE OF DEBENTURES

On July 18, 2024, the Company carried out the 10th Issue of simple Debentures, non-convertible into shares, of the unsecured type, for public distribution, under the automatic registration procedure, in the amount of R\$ 450 million, with a CDI rate +1.10% and maturing in 5 years (July 2029). The funds were paid up on August 1, 2024, and the net proceeds from the issue were used to pay the total optional early redemption price of the Company's 5th issue of simple Debentures, non-convertible into shares, of the unsecured type. The remaining funds will be used for general corporate purposes and to strengthen working capital.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At June 30, 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 Françaoso 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 e Pinho Soares

Welerson Cavalieri

EXECUTIVE BOARD

Edgard Gomes Corona

Chief Executive Officer

André Macedo Pezeta

Chief Financial Officer

José Luís Rizzardo Pereira

Investor Relations Officer

Diogo Ferraz de Andrade Corona

Chief Operating Officer

Juana Melo Pimentel

Chief Legal, Compliance, Data Protection and ESG Officer

Alexandre Gregjanin

Chief Technology Officer

Nassim Miguel Hueb Neto

Chief People and Management Officer

Itamar Hercolano Junior

Expansion Manager

Wellington de Oliveira

Alyne Quinalha Amorim

Controller Director

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 June 30, 2024, which comprises the statement of financial position as at June 30, 2024, and the related statements of profit or loss and of comprehensive income for the three and six-months periods then ended, and of changes in equity and of cash flows for the six-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 six-month period ended on June 30, 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, August 07, 2024.

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

Raphael de Oliveira Costa
Accountant CRC-SP295905/O