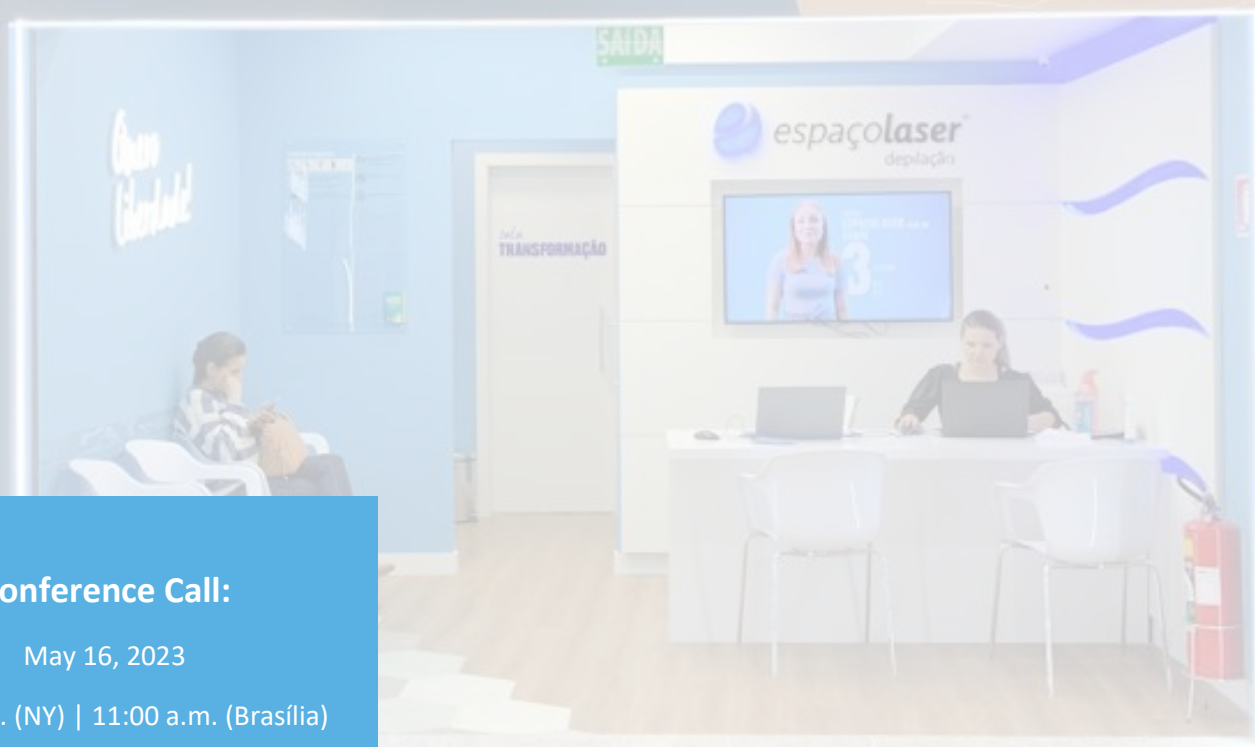




# 1Q23 Earnings



## Conference Call:

May 16, 2023

10:00 a.m. (NY) | 11:00 a.m. (Brasília)

Webcast: [ir.espacolaser.com.br](https://ir.espacolaser.com.br)

**São Paulo, May 15, 2023** – MPM Corpóreos S.A. (B3: ESPA3) - “Espaçolaser” or “Company” is announcing today its earnings for the first quarter of 2023 (1Q23). The Company's financial information is presented in *Reais* on a consolidated basis, according to the Brazilian Corporate Law and the accounting practices in place in Brazil (BRGAAP), already in accordance with the International Financial Report Standards (IFRS), except as indicated otherwise.

In order to ensure a better understanding of the Company's performance for the periods, certain non-recurring effects were excluded, in addition to impacts of IFRS 16. Reconciliation of the figures with the Financial Statements is provided in each section.

## Highlights

- Continuing the process of optimization of our network of stores, and prioritizing our expansion through franchises, we ended 1Q23 with **764 Espaçolaser stores in Brazil**.
- In the quarter, we **expanded** our international operations with the opening of 7 new units, ending the period with **53 stores**.
- We recorded a **growth of 22.7%** in gross system-wide sales in 1Q23, with **record sales in all months** of the quarter, driven by the **18.8% growth** in gross **same-store sales** indicator in the period.
- Significant increase** in the number of **customers** in our units, as measured by the same-store tickets indicator, which **grew by 36.5%** in the quarter. This result directly reflects the success of our **commercial** and **customer acquisition and loyalty** strategies, with high satisfaction levels (NPS of 87.0 in 1Q23).
- Following the dynamics of revenue recognition, and **two consecutive quarters of record sales**, net revenues amounted to R\$267.4 million in 1Q23, **up by 15.4%** in the annual comparison.
- Gross profit was R\$118.8 million in the quarter, with gross margin of 44.4%, higher than the previous year and in the direction of the Company's **historical profitability levels**.
- In the same line, our Adjusted EBITDA was R\$64.4 million, **up by 21.3%**, with a margin of 24.1%, **up by 1.2 p.p.** against 1Q22. This result also benefitted from the **efficiency initiatives** carried out in the quarter, and our search for increasing **productivity**.
- Net income of R\$10.9 million** in the quarter, with **net margin gains** year-over-year.
- Finally, we maintained a healthy operating cash generation that amounted to **R\$34.6 million** in 1Q23, representing **53.8%** of EBITDA for the period.

Ticker: ESPA3

Quote: R\$1.48

Total Shares: 361,423,066

Market Value: R\$0.5 bi

IR Contact:  
dri@espacolaser.com.br

R\$ thousands Except as indicated otherwise	1Q23	1Q22	Chg.
<b>Operational Highlights</b>			
Number of Espaçolaser Stores	764	750	14
Number of Estudioface Stores	9	12	(3)
Number of International Stores	53	36	17
NPS Espaçolaser	87.0	86.0	1.0 p.p.
Espaçolaser System-Wide Sales (Gross Sales) <sup>1</sup>	407,188	331,981	22.7%
Same-Store Sales (Gross Sales) <sup>2</sup> - YoY Basis	18.8%	(4.5%)	23.3 p.p.
Espaçolaser Digital Sales	44.9%	67.2%	(22.3 p.p.)
Espaçolaser customers by gender - Women	85.9%	89,8%	(3.9 p.p.)
Espaçolaser customers by gender - Men	14.1%	10,2%	3.9 p.p.
<b>Financial Highlights</b>			
Net Revenues <sup>3</sup>	267,434	231,720	15.4%
Gross Profit <sup>4</sup>	118,764	102,565	15.8%
Gross Margin (%)	44.4%	44.3%	0.1 p.p.
Adjusted EBITDA <sup>5</sup>	64,374	53,064	21.3%
Adjusted EBITDA Margin (%)	24.1%	22.9%	1.2 p.p.
Adjusted Net Income <sup>6</sup>	10,919	6,544	66.9%
Adjusted Net Margin (%)	4.1%	2.8%	1.3 p.p.
Adjusted Operating Cash Flow <sup>7</sup>	34,617	45,813	(24.4%)
Adjusted Operating Cash Flow/Adjusted EBITDA (%)	53.8%	86.3%	(32.6 p.p.)

<sup>1</sup> System-wide sales correspond to Espaçolaser units' total gross sales, as if we owned 100% of all Espaçolaser stores (including franchises).

<sup>2</sup> Same-Store Sales correspond to gross sales at stores that were already open in the same period of the previous year, in order to track changes without the effect of stores added in the period.

<sup>3</sup> For comparison purposes, net revenues for 1Q22 were adjusted to consolidate the figures of JVs and franchises merged.

<sup>4</sup> Gross Income adjusted for: (i) consolidation of figures for JVs and franchises merged in 1Q22; (ii) exclusion of non-recurring costs; and (iii) exclusion of effects related to IFRS-16.

<sup>5</sup> EBITDA adjusted for: (i) consolidation of figures for JVs and franchises merged in 1Q22; (ii) exclusion of non-recurring costs and expenses; and (iii) exclusion of effects related to IFRS-16.

<sup>6</sup> Net Income adjusted for: (i) consolidation of figures for JVs and franchises merged in 1Q22; (ii) exclusion of non-recurring costs and expenses; and (iii) exclusion of effects related to IFRS-16.

<sup>7</sup> Adjusted Operating Cash Flow is calculated based on net cash flow from (used in) operating activities, net of the impact of financial result for the year.

## Management's Message

We are satisfied to share with you the results of the first quarter of 2023, a year that started with some very important achievements. Despite the challenging outlook, we continued to break historical sales records in each month of the quarter, thanks to the tireless work of our team and a well-defined sales strategy. We continued to focus on client acquisition and loyalty initiatives, filling up our funnel for this and the coming years, and our same-store sales indicator continued its strong growth trajectory started in 4Q22, up by 18.8% against the previous year.

As we have been indicating since the middle of 2022, our turnaround has already started, now also reflected in our P&L, favored by two quarters with strong sales, and following the revenues recognition dynamics. Net revenues increased by 15% in the annual comparison, with higher gross margin and EBITDA margin, in the direction of our historical levels. Finally, we maintained a healthy operational cash generation, which represented a conversion of over 50% of our EBITDA.

We continued to focus on our roadmap of priority initiatives and on advancing in our segmentation and customer journey agendas in order to improve their experience and increase the optimization and productivity of the stores' agendas.

We continued to expand our chain with the opening of 10 franchises in the quarter, spread in almost all regions of Brazil, and marking our entrance in 10 new cities. Additionally, we moved forward in the agenda of optimization of our portfolio of own stores, closing 15 stores in the quarter, and redistributing these sales and customers to other stores next to them. This measure was taken after a detailed analysis of the performance of each store, seeking to improve our operational efficiency and keeping the Company's financial sustainability.

In terms of the denominator, we reviewed the profile and scope of regional directors and field managers, with a rationalization of the number of professionals from 8 to 6 Regional Directors, and from 70 to 60 Field Managers. In our back-office, the conclusion of our corporate consolidation in November 2022 also allowed us to improve the efficiency of our operations, with a reduction of approximately 10% in the corporate structure, and savings in general and administrative expenses.

We continue to focus on maintaining the excellence in the delivery of our services and the trust of our customers in our brand. We reaffirm our commitment to continue developing the laser hair removal market in order to transform lives, promote well-being and health, consolidate our leadership and strengthen our market position.

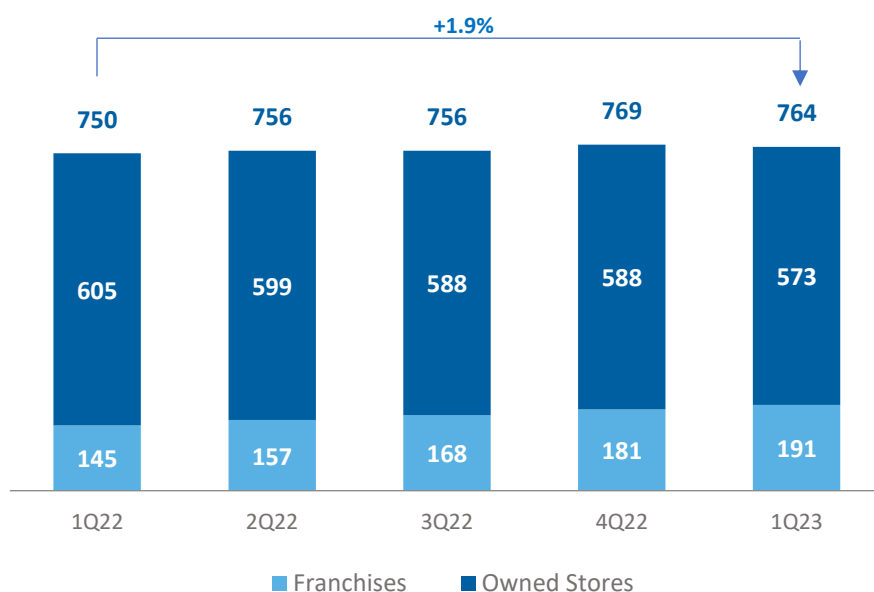
## Operating Results

### Espaçolaser

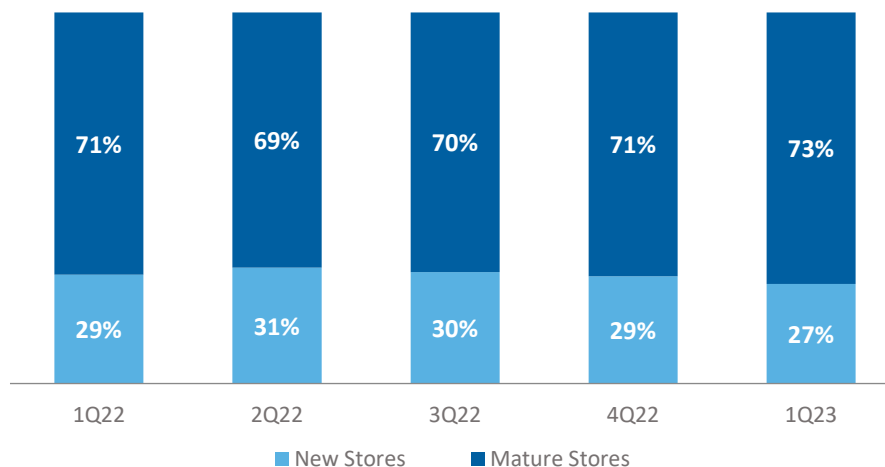
At the end of 1Q23, we had 764 Espaçolaser stores in Brazil, up by 1.9% compared to the first quarter of 2022. In 1Q23, we opened 10 new franchises and closed 15 own stores, following the optimization of our store portfolio that started in 2022, aiming at improving our stores' utilization level.

Of the 764 Espaçolaser Brasil stores, 27% were in the maturation process, considering a curve of approximately two years.

#### NUMBER OF ESPAÇOLASER STORES



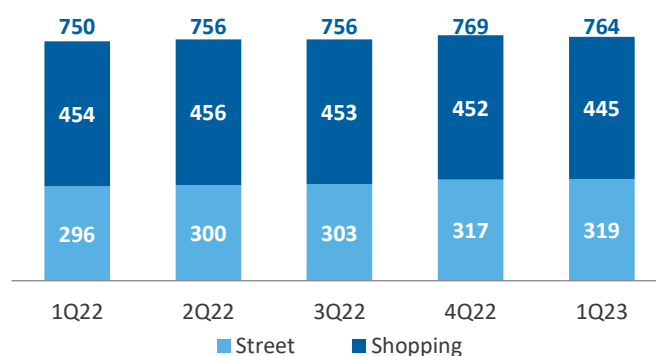
## PROFILE OF ESPAÇOLASER STORES



Compared to 1Q22, we increased our presence in the North, Northeast and Midwest regions, besides increasing the proportion of street stores, which currently represent 42% of the Espaçolaser store base in Brazil, against 39% in the previous year.



## LOCATION OF ESPAÇOLASER STORES



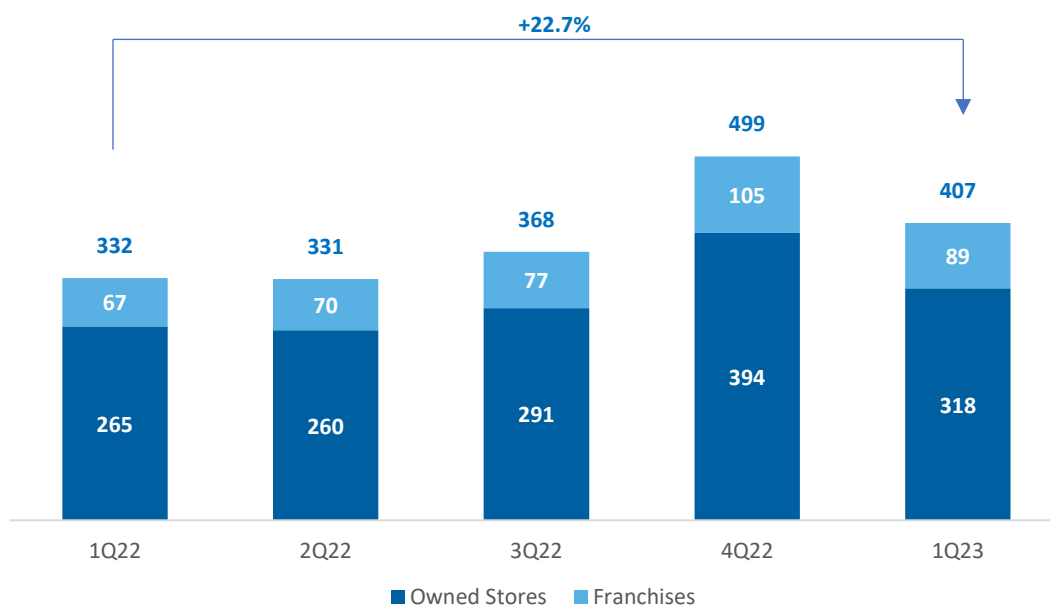
REGION	North	Northeast	Midwest	Southeast	South
1Q22	42	100	68	431	109
1Q23	48	110	76	428	102
% Chg.	14.3%	10.0%	11.8%	(0.7%)	(6.4%)

## System-Wide Sales

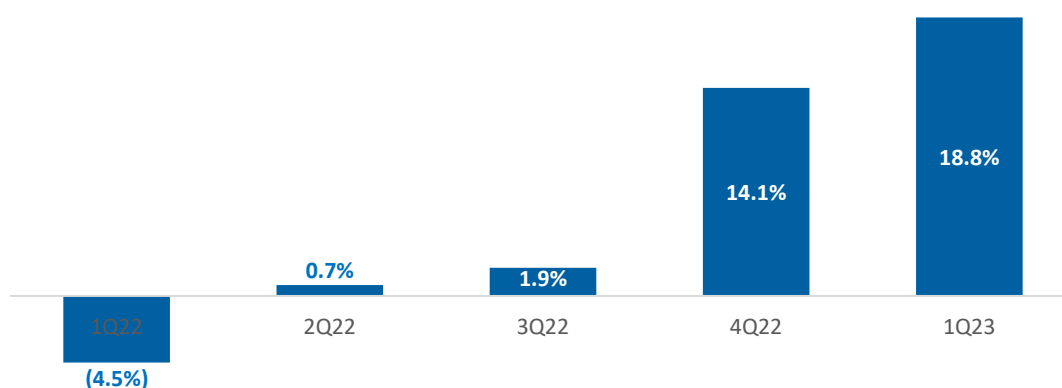
With the purpose of increasing transparency and facilitating the understanding of our Company's results, as of this quarter, we will report our gross sales (before cancellations), which provide a better correlation with the gross revenues line of the Income Statement. From now on, the analyses of system-wide sales growth and same-store sales will be based on gross sales, and we will provide a background from 1Q22 to 1Q23 for comparison purposes. Finally, we highlight that, when cancelations are deducted from gross sales, we reach the net sales indicator that the Company used to report until the end of last year.

Considering these bases, gross system-wide sales of the Espaçolaser network reached R\$407.2 million in 1Q23, up by 22.7% against the same quarter of the previous year. This growth was mainly driven by the same-store sales indicator, which accelerated its growth pace in the quarter, up by 18.8%, against 14.1% in 4Q22, consolidating the turnaround started in the middle of 2022. In line to the trend observed in the previous quarter, the growth was mostly based on volume, with an increase of 36.5% in same-store tickets. We are filling up our funnel with new customers that rapidly carry out an up-sell in other areas, and become loyal to our brand for many years.

## ESPAÇOLASER SYSTEM-WIDE SALES (GROSS SALES IN R\$ MM)



## SAME-STORE SALES (GROSS SALES)

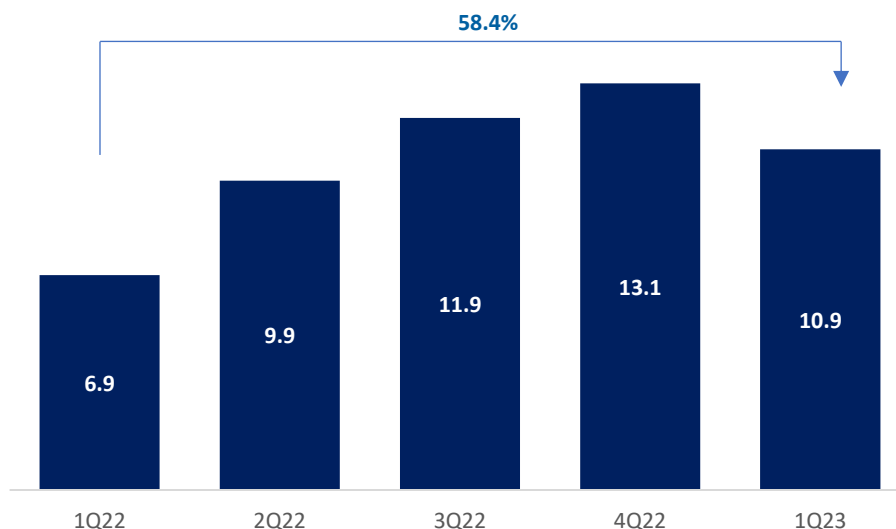


## International Operations

### Argentina

We are present in Argentina, our first country of operation outside Brazil, since 2018, through a joint venture model. In 1Q23, we opened two own stores, making up 19 units in the country, of which 16 are own stores. Sales totaled R\$10.9 million in the quarter, an increase of 58.4% compared to the previous year.

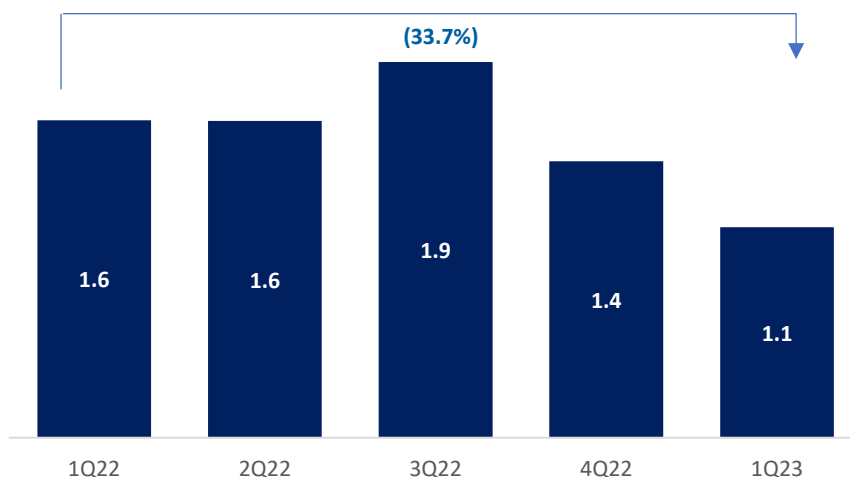
**ARGENTINA SALES (R\$ MM)**



### Colombia

In 2020, we opened our first store in Colombia through a 100% greenfield operation. In 1Q23, we opened one own store, totaling 9 own stores in the country. Sales reached R\$1.1 million in the quarter, a decrease of 33.7% compared to 1Q22.

**COLOMBIA SALES (R\$ MM)**



## Chile

We arrived in this country in 2021, through the purchase of the control of Cela group, a brand that displays similarities to Espaçolaser in terms of services, technology and culture. We opened four own stores in 1Q23, reaching 24 stores in the country, of which 20 are own stores. In 1Q23, our sales in Chile totaled R\$6.1 million, an increase of 59.5% compared to 1Q22.



## Financial Results

### Adjusted Net Revenue

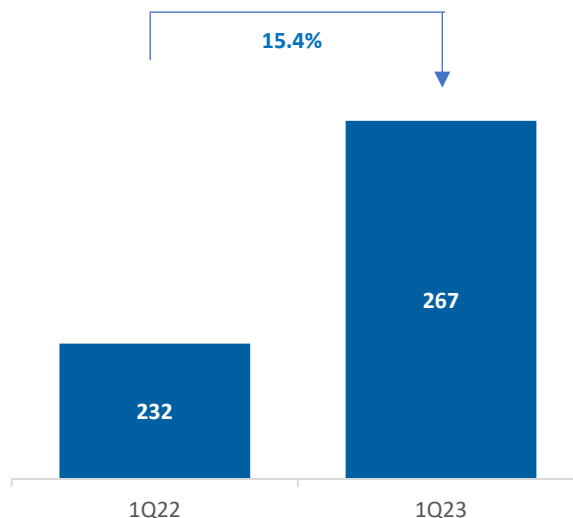
For comparison purposes, we added the results from JVs and franchises merged to the results for the periods from 3Q21 to 3Q22. As of 4Q22 result, such adjustment is no longer required, since we completed the corporate consolidation process in 3Q22. Pursuant to articles 226 and 227 and paragraphs of Law No. 6.404/76, the JVs and franchises merged are absorbed by the Company and their results are transferred to the Shareholders' Equity of the Company, the surviving entity.

In 1Q23, the Company's net revenue amounted to R\$267.4 million, up by 15.4% against the previous year, driven by strong sales recorded in 4Q22 and 1Q23, with historical records for all months since October. These, in turn, reflect the success of our sales campaigns and the customer acquisition strategies implemented.

R\$ thousands Except as indicated otherwise	1Q23	1Q22	Chg.
<b>Net Revenue</b>	<b>267,434</b>	<b>232,862</b>	<b>14.8%</b>
(+) JVs and franchises merger impact	–	(1,142)	n.a.
<b>Adjusted Net Revenue</b>	<b>267,434</b>	<b>231,720</b>	<b>15.4%</b>



## CONSOLIDATED NET REVENUE (R\$ MM)



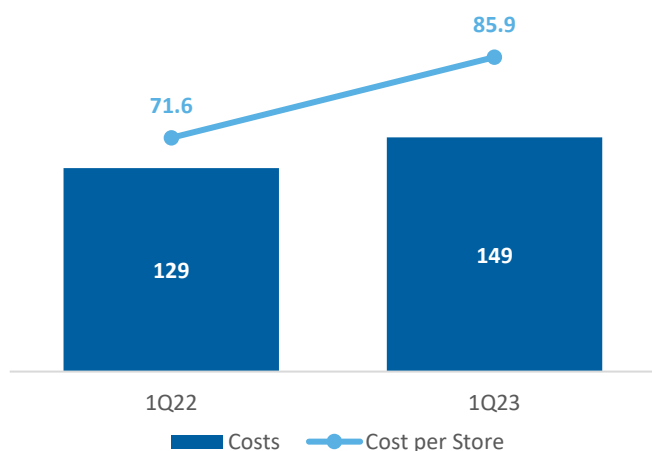
## Cost of Services Provided and Adjusted Gross Profit

We adjusted our costs in order to exclude the expenses regarding the optimization of our staff in the stores.

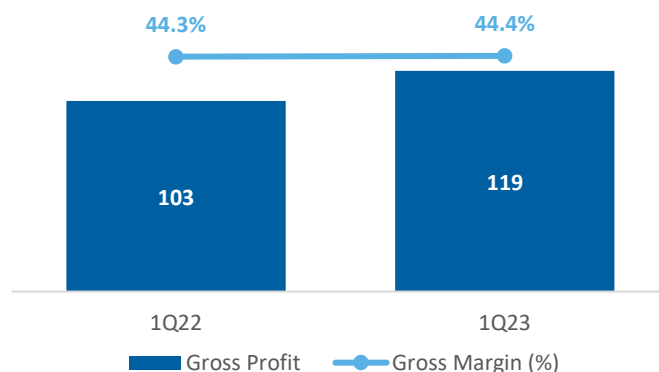
The cost per store was R\$85.9 thousand/month in 1Q23, compared to R\$71.6 thousand/month in 1Q22, an increase of 20.0%. This variation is mainly related to the increase in personnel costs, due to the collective bargaining agreement and the payment of commissions related to sales targets surpassed. In addition, 1Q22 had a one-off benefit related to the fact that the Company had stored cryogen in 4Q21, reducing the need for new purchases in that quarter.

Thus, our gross profit reached R\$118.8 million in 1Q23, up by 15.8%, with gross margin of 44.4%, a slight increase of 0.1 p.p. in the annual comparison. In relation to the previous quarter, the gross profit increased by 31.1%, with an increase of 9.1 p.p. in the gross margin, driven by strong sales in two consecutive quarters, and following the Company's revenue recognition dynamics.

## CONSOLIDATED COSTS (R\$ MM)



## CONSOLIDATED GROSS PROFIT (R\$ MM)



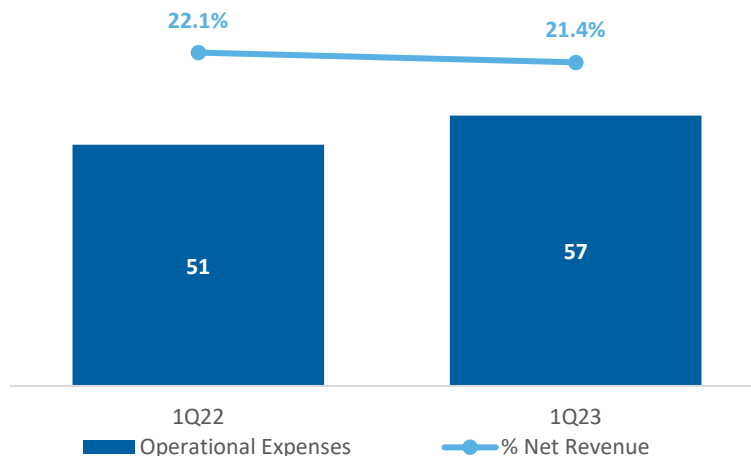
R\$ thousands Except as indicated otherwise	1Q23	1Q22	Chg.
<b>Gross Profit (ex-Depreciation and Amortization)</b>	<b>126,530</b>	<b>118,946</b>	<b>6.4%</b>
(+) JVs and franchises merger impact	—	(1,945)	n.a.
(-) Credit Card Commissions Reallocated from G&A to Costs	(2,009)	(2,285)	(12.1%)
(-) IFRS-16 Impact	(7,619)	(12,152)	(37.3%)
(+) Non-Recurring Costs (optimization of staff in the stores)	1,862	—	n.a.
<b>Adjusted Gross Profit (ex-Depreciation and Amortization)</b>	<b>118,764</b>	<b>102,565</b>	<b>15.8%</b>
<i>Adjusted Gross Margin</i>	<i>44.4%</i>	<i>44.3%</i>	<i>0.1 p.p.</i>

## Adjusted Operating Expenses

We adjusted our operating expenses to exclude non-recurring amounts in connection with the closing of stores in the quarter and employment terminations relating to the optimization of the staff, given the completion of the corporate consolidation process.

Operating expenses amounted to R\$57.2 million in 1Q23, representing 21.4% of net revenues for the period, an increase of 0.6 p.p. compared to the previous year, following the initiatives for achieving greater efficiency in our back office, particularly after completion of the corporate consolidation process. This efficiency was partially offset by the increase in marketing expenses, following the Company's decision to strengthen its brand and leadership, highlighting the launch of the new commercial campaign on February 6, 2023, featuring Juliana Paes, Jade Picon and Gabriel Medina, to engage different audiences.

### OPERATING EXPENSES (R\$ MM)



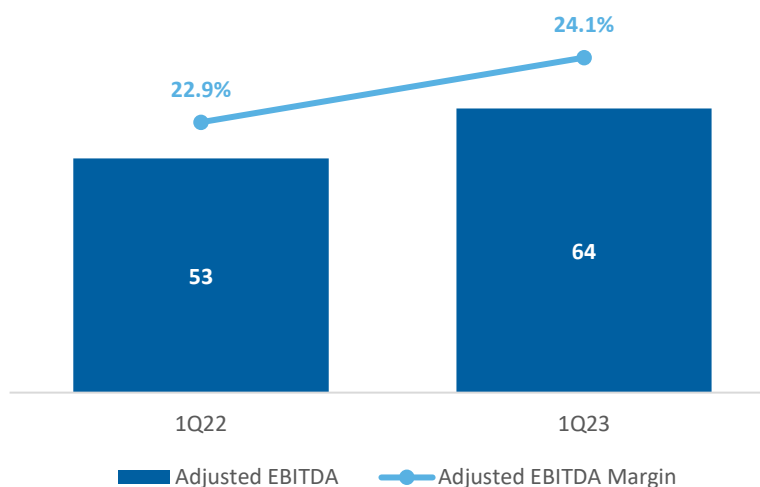
R\$ thousands Except as indicated otherwise	1Q23	1Q22	Chg.
<b>Operating Expenses (ex-Depreciation and Amortization)</b>	<b>62,560</b>	<b>52,606</b>	<b>18.9%</b>
(+) Reallocation of Credit Card Commissions from G&A to Costs	2,009	2,285	(12.1%)
(+) JVs and franchises merger impact	—	(776)	n.a.
(+) Non-Recurring Expenses (closing of stores and optimization of the corporate structure)	3,302	—	n.a.
<b>Adjusted Operating Expenses (ex-Depreciation and Amortization)</b>	<b>57,249</b>	<b>51,097</b>	<b>12.0%</b>

R\$ thousands Except as indicated otherwise	1Q23	1Q22	Chg.
<b>Operating Expenses (ex-Depreciation and Amortization)</b>	<b>57,249</b>	<b>51,097</b>	<b>12.0%</b>
<b>Net Revenues %</b>	<b>21.4%</b>	<b>22.1%</b>	<b>(0.6 p.p.)</b>
General and Administrative Expenses	14,925	15,302	(2.5%)
<b>Net Revenues %</b>	<b>5.6%</b>	<b>6.6%</b>	<b>(1.0 p.p.)</b>
Personnel Expenses	22,053	20,636	6.9%
<b>Net Revenues %</b>	<b>8.2%</b>	<b>8.9%</b>	<b>(0.7 p.p.)</b>
Marketing Expenses	12,972	8,213	57.9%
<b>Net Revenues %</b>	<b>4.9%</b>	<b>3.5%</b>	<b>1.3 p.p.</b>
Provision for expected credit losses	7,300	6,946	5.1%
<b>Net Revenues %</b>	<b>2.7%</b>	<b>3.0%</b>	<b>(0.3 p.p.)</b>

## Adjusted EBITDA

Reflecting the effects described above, the Adjusted EBITDA totaled R\$64.4 million in 1Q23, with EBITDA margin of 24.1%, increases of 21.3% and 1.2 p.p. compared to 1Q22. Compared to the previous quarter, the evolution is even more evident, with an increase of 90.4% in EBITDA, and of 10.9 p.p. in EBITDA margin, consolidating the turnaround in course, previously only evident in the operational sphere, in the Company's financial results. We are already showing the strength of our roadmap of priority initiatives and searching to increase our top line and reduce the bottom line for the maximum efficiency of our operations.

### ADJUSTED EBITDA (R\$ MM)



R\$ thousands Except as indicated otherwise	1Q23	1Q22	Chg.
<b>Net Income</b>	<b>5,999</b>	<b>7,457</b>	<b>(19.5%)</b>
(+/-) Income Tax and Social Contribution	10,659	4,528	135.4%
(+) Depreciation and Amortization	19,495	21,128	(7.7%)
(+/-) Financial Result	30,676	31,196	(1.7%)
<b>EBITDA</b>	<b>66,829</b>	<b>64,309</b>	<b>3.9%</b>
(-) IFRS 16 Impact	(7,619)	(12,152)	(37.3%)
(+) JVs and franchises merger impact	—	906	n.a.
(+) Non-Recurring costs and expenses	5,163	—	n.a.
<b>Adjusted EBITDA</b>	<b>64,374</b>	<b>53,064</b>	<b>21.3%</b>
<i>Adjusted EBITDA Margin</i>	<i>24.1%</i>	<i>22.9%</i>	<i>1.2 p.p.</i>

## Depreciation and Amortization

In 1Q23, depreciation and amortization totaled R\$12.4 million, practically in line with the annual comparison.

## Financial Result

In 1Q23, our financial result was an expense of R\$28.7 million, 0.7% below the expense of R\$28.9 million recorded in 1Q22, driven by the capital increase completed in 4Q22, which added R\$225 million to the Company's cash.

## Adjusted Income Tax and Social Contribution

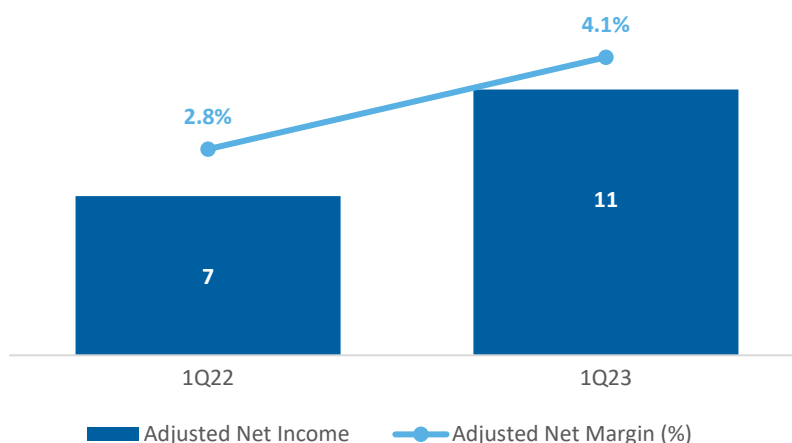
We adjusted Income Tax and Social Contribution to reflect the non-recurring costs and expenses detailed in the corresponding sections of this document.

In 1Q23, we recorded an expense of R\$12.4 million in Income Tax and Social Contribution, against an expense of R\$5.3 million in the previous year.

## Adjusted Net Income (Loss)

Reflecting the effects described above, the Company reported adjusted net income of R\$10.9 million in 1Q23, up by 66.8%, with net margin of 4.1%, increasing 1.3 p.p. against 1Q22.

### ADJUSTED NET INCOME (R\$ MM)

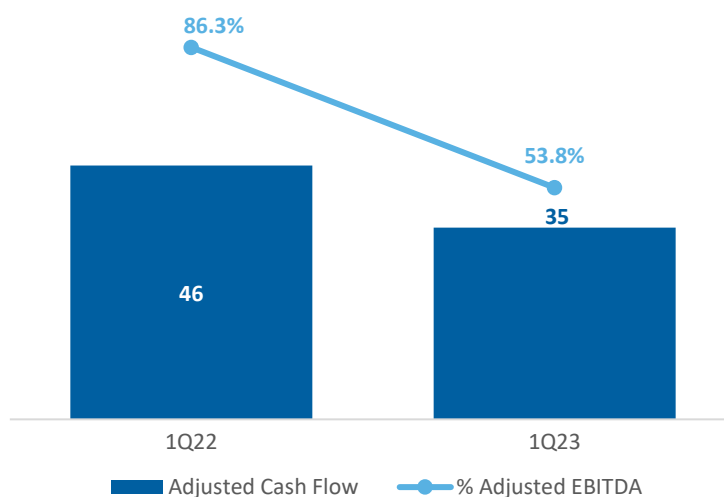


R\$ thousands Except as indicated otherwise	1Q23	1Q22	Chg.
<b>Net Income</b>	<b>5,999</b>	<b>7,457</b>	<b>(19.5%)</b>
(-) IFRS 16 Impact	1,511	(913)	n.a.
(+) Non-Recurring costs and expenses (adjusted at a rate of 34%)	3,408	—	n.a.
<b>Adjusted Net Income</b>	<b>10,919</b>	<b>6,544</b>	<b>66.8%</b>
<i>Adjusted Net Margin</i>	<i>4.1%</i>	<i>2.8%</i>	<i>1.3 p.p.</i>

## Operational Cash Flow

In 1Q23, we recorded adjusted operational cash generation of R\$34.6 million, compared to cash generation of R\$45.8 million recorded in 1Q22, mainly driven by the increase in receivables, which affected our working capital. In the quarterly comparison, our cash generation increased by 23.9%, reflecting the control of the average terms of accounts receivable from customers.

### ADJUSTED OPERATIONAL CASH FLOW (R\$ MM)

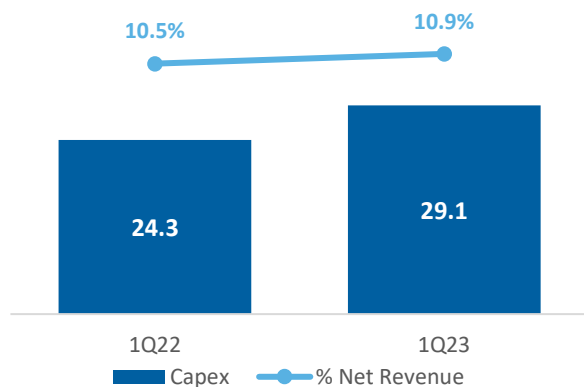


R\$ thousands Except as indicated otherwise	1Q23	1Q22	Chg.
<b>Income (Loss) before Income Tax and Social Contribution</b>	<b>16,658</b>	<b>11,985</b>	<b>39.0%</b>
<b>(+) Adjustments to Income (Loss) before Income Tax and Social Contribution</b>	<b>64,433</b>	<b>55,896</b>	<b>15.3%</b>
Depreciation and Amortization	20,859	19,904	4.8%
Provision for doubtful debts	7,300	6,510	12.1%
Other	36,277	29,482	23.0%
<b>(+) Changes in Working Capital</b>	<b>(46,477)</b>	<b>(22,068)</b>	<b>110.6%</b>
Accounts receivable	(20,185)	9,903	n.a.
Deferred revenues	(27,211)	(35,746)	(23.9%)
Other	919	3,775	(75.6%)
<b>Adjusted Net Cash from operational activities</b>	<b>34,617</b>	<b>45,813</b>	<b>(24.4%)</b>
Capex	(29,076)	(24,251)	19.9%
Acquisition of Controlled Companies	(820)	(43,713)	(98.1%)
<b>Net Cash from investing activities</b>	<b>(29,896)</b>	<b>(67,964)</b>	<b>(56.0%)</b>
<b>Net Cash from financing activities</b>	<b>(47,040)</b>	<b>9,577</b>	<b>n.a.</b>
<b>Net Cash Flow</b>	<b>(42,319)</b>	<b>(12,574)</b>	<b>236.6%</b>

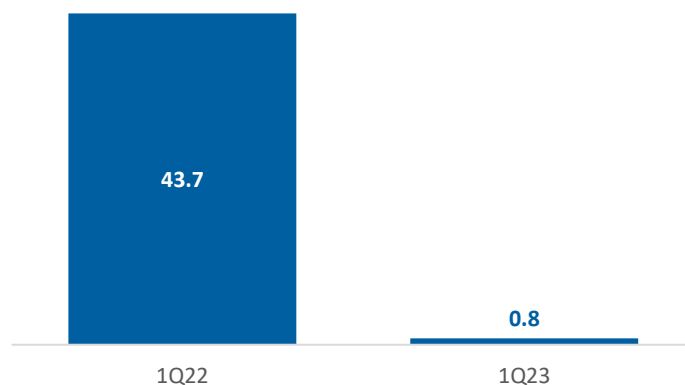
## Investments

In the first quarter of 2023, our capex reached R\$29.1 million, most part of which was allocated to the acquisition of Gentlelase Pro Max machines, equipped with Alexandrite laser and ND YAG laser. This decision reflected our intention to increase the availability of this technology to our higher phototype customers. Additionally, it must be mentioned that the Company continued its strategy to concentrate efforts in the expansion through franchises and preserve its cash, without opening own stores in the period.

## INVESTMENTS (R\$ MM)



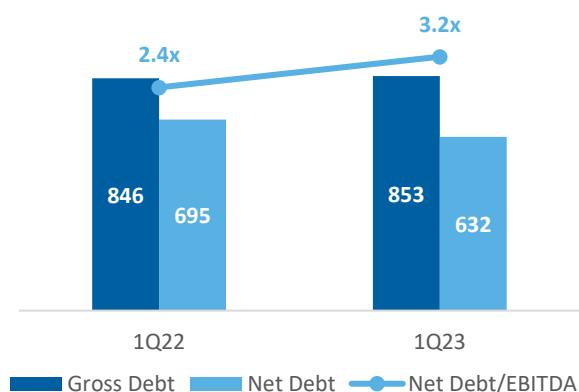
## ACQUISITION OF FRANCHISES & SUBSIDIARIES (R\$ MM)



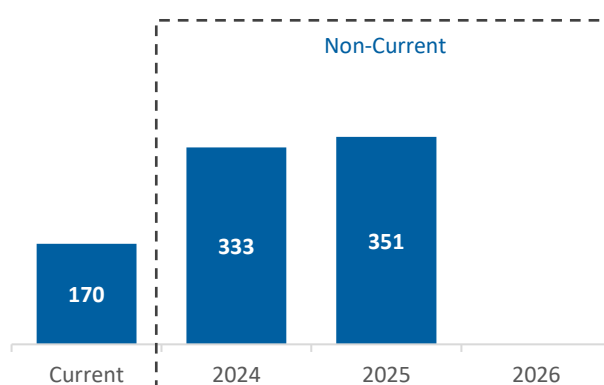
## Indebtedness

At the end of 1Q23, our net debt reached R\$631.8 million, a reduction of R\$38.2 million in comparison to the previous year, reflecting the inflow of funds from the capital increase in 4Q22, which amounted to R\$225 million. This led to a leverage ratio of 3.2x in 1Q23, considering net debt/Accounting EBITDA excluding the accounting effect of JVs and franchises merged and non-recurring costs and expenses. This is below the leverage of 3.5x of covenants of the 2<sup>nd</sup> issue of debentures. Finally, it should be noted that 80% of the maturities are allocated in the long term.

## INDEBTEDNESS (R\$ MM)



## AMORTIZATION PROFILE (R\$ MM)



## APPENDICES

### IFRS-16 Reconciliation

R\$ thousands Except as indicated otherwise	1Q23		
	IAS17	IFRS16	Chg.
<b>Net Revenues</b>	<b>267,434</b>	<b>267,434</b>	–
Costs	(148,523)	(140,904)	(7,619)
<b>Gross Profit</b>	<b>118,911</b>	<b>126,530</b>	<b>(7,619)</b>
General and Administrative Expenses	(59,700)	(59,700)	–
<b>Adjusted EBITDA</b>	<b>59,211</b>	<b>66,829</b>	<b>(7,619)</b>
Depreciation and Amortization	(12,392)	(19,495)	7,103
Financial Result	(28,649)	(30,676)	2,027
Income Tax and Social Contribution	(10,660)	(10,660)	–
<b>Net Income</b>	<b>7,510</b>	<b>5,999</b>	<b>1,511</b>

## Managerial Income Statement (excluding IFRS-16 and other impacts set out in the document)

R\$ thousands Except as indicated otherwise	1Q23	1Q22	Chg.
<b>Net Revenues</b>	<b>267,434</b>	<b>231,720</b>	<b>15.4%</b>
<b>Costs</b>	<b>(148,670)</b>	<b>(129,155)</b>	<b>15.1%</b>
Personnel	(95,680)	(83,740)	14.3%
Rent	(24,233)	(25,220)	(3.9%)
Direct Costs	(26,748)	(17,830)	50.0%
Credit Card Commissions	(2,009)	(2,366)	(15.1%)
<b>Gross Profit</b>	<b>118,764</b>	<b>102,565</b>	<b>15.8%</b>
% Gross Margin	44.4%	44.3%	0.1 p.p.
<b>Operating Expenses</b>	<b>(57,249)</b>	<b>(51,097)</b>	<b>12.0%</b>
Personnel	(22,053)	(20,636)	6.9%
General and Administrative	(14,925)	(15,302)	(2.5%)
Marketing Expenses	(12,972)	(8,213)	57.9%
Provision for doubtful debts	(7,300)	(6,946)	5.1%
<b>Equity Income</b>	<b>2,860</b>	<b>1,597</b>	<b>79.1%</b>
<b>EBITDA</b>	<b>64,374</b>	<b>53,064</b>	<b>21.3%</b>
% EBITDA Margin	24.1%	22.9%	1.2 p.p.
Depreciation and Amortization	(12,392)	(12,386)	0.1%
Financial Result	(28,649)	(28,863)	(0.7%)
Income Tax and Social Contribution	(12,415)	(5,271)	135.5%
<b>Net Income</b>	<b>10,919</b>	<b>6,544</b>	<b>66.9%</b>
% Net Margin	4.1%	2.8%	1.3 p.p.



## Corporate Income Statement (including IFRS-16)

R\$ thousands Except as indicated otherwise	1Q23	1Q22	Chg.
<b>Gross Revenues</b>	<b>356,548</b>	<b>297,907</b>	<b>19.7%</b>
Taxes on sales	(46,898)	(39,064)	20.1%
Cancellations	(41,847)	(25,981)	61.1%
Discounts granted	(369)	–	n.a.
<b>Net Revenues</b>	<b>267,434</b>	<b>232,862</b>	<b>14.8%</b>
<b>Costs</b>	<b>(140,904)</b>	<b>(113,916)</b>	<b>23.7%</b>
Personnel	(97,542)	(83,801)	16.4%
Rent	(16,614)	(12,578)	32.1%
Direct Costs	(26,748)	(17,537)	52.5%
<b>Gross Profit</b>	<b>126,530</b>	<b>118,946</b>	<b>6.4%</b>
% Gross Margin	47.3%	51.1%	(3.8 p.p.)
<b>General and Administrative Expenses</b>	<b>(62,560)</b>	<b>(52,606)</b>	<b>18.9%</b>
Selling Expenses	(14,981)	(10,359)	44.6%
General and Administrative	(47,579)	(42,247)	12.6%
<b>Equity Income</b>	<b>2,860</b>	<b>(2,031)</b>	<b>n.a.</b>
<b>EBITDA</b>	<b>66,829</b>	<b>64,309</b>	<b>3.9%</b>
% EBITDA Margin	25.0%	27.6%	(2.6 p.p.)
Depreciation and Amortization	(19,495)	(21,128)	(7.7%)
Financial Result	(30,676)	(31,196)	(1.7%)
Income Tax and Social Contribution	(10,659)	(4,528)	135.4%
<b>Net Income</b>	<b>5,999</b>	<b>7,457</b>	<b>(19.5%)</b>
% Net Margin	2.2%	3.2%	(1.0 p.p.)

## Balance Sheet

R\$ thousand Except when indicated	1Q23	1Q22	Var.
<b>Total Assets</b>	<b>2,310,000</b>	<b>2,192,501</b>	<b>5.4%</b>
<b>Current Assets</b>	<b>970,885</b>	<b>840,861</b>	<b>15.5%</b>
Cash and cash equivalents	196,075	130,872	49.8%
Accounts Receivable from Clients	717,957	659,996	8.8%
Instrumentos financeiros derivativos	5,314	—	n.a.
Advancements to suppliers	2,890	26,186	(89.0%)
Other Assets	48,649	23,807	104.3%
<b>Non-Current Assets</b>	<b>1,339,115</b>	<b>1,351,640</b>	<b>(0.9%)</b>
Accounts Receivable from Clients	43,291	28,473	52.0%
Accounts Receivable - Related Parties	17,554	11,272	55.7%
Other Assets	5,798	6,882	(15.8%)
Marketable Securities	20,000	20,121	(0.6%)
Deferred income tax and social contribution	40,183	50,744	(20.8%)
Investments	947	4,719	(79.9%)
Fixed Assets	337,425	315,547	6.9%
Intangibles	816,742	847,764	(3.7%)
Assets by right of use	57,175	66,118	(13.5%)
<b>Liabilities and Shareholders' Equity</b>	<b>2,310,000</b>	<b>2,192,501</b>	<b>5.4%</b>
<b>Current Liabilities</b>	<b>623,607</b>	<b>656,113</b>	<b>(5.0%)</b>
Loans and Financing	76,548	192,795	(60.3%)
Debentures	93,186	4,628	1913.5%
Lease liabilities	31,690	26,837	18.1%
Suppliers	20,094	22,157	(9.3%)
Onerous contract	8,243	8,243	n.a.
Deferred revenue	276,438	251,735	9.8%
Salaries and social charges	51,558	53,064	(2.8%)
Taxes and contributions payable	57,466	61,838	(7.1%)
Taxes paid in installments	3,290	3,131	5.1%
Accounts Payable	247	27,606	(99.1%)
Other accounts payable	4,089	3,537	15.6%
Contas a pagar - partes relacionadas	758	542	39.9%
<b>Non-Current Liabilities</b>	<b>791,724</b>	<b>809,664</b>	<b>(2.2%)</b>
Onerous contract	54,952	63,195	(13.0%)
Loans and Financing	165,798	375,584	(55.9%)
Debentures	517,593	248,017	108.7%
Lease liabilities	29,008	43,700	(33.6%)
Derivative Financial Instruments	—	24,795	n.a.
Taxes and contributions payable	5,168	7,725	(33.1%)
Accounts Payable	—	22,092	n.a.
Taxes paid in installments	4,948	3,497	41.5%
Provisions for dismantling assets	4,812	3,269	47.2%
Provisions for lawsuits	6,229	13,704	(54.5%)
Other accounts payable	3,216	4,086	(21.3%)
<b>Shareholders' Equity</b>	<b>894,669</b>	<b>726,724</b>	<b>23.1%</b>

## Cash Flow

R\$ thousands Except as indicated otherwise	1Q23	1Q22	Chg.
<b>Income (Loss) before Income Tax and Social Contribution</b>	<b>16,658</b>	<b>11,985</b>	<b>39.0%</b>
<b>Adjustments to reconcile income or loss with cash from operating activities</b>	<b>64,436</b>	<b>55,896</b>	<b>0.2%</b>
Depreciation and Amortization	20,859	19,904	4.8%
Interest on loans, leases and tax installments	34,701	17,633	96.8%
Provision for doubtful debts	7,300	6,510	12.1%
Income from financial instruments	–	50,304	n.a.
Other	1,710	3,142	(45.6%)
Exchange Rate Variation	(134)	(41,597)	(99.7%)
<b>Decrease (increase) in assets</b>	<b>(21,071)</b>	<b>10,503</b>	<b>(300.6%)</b>
Accounts receivable	(20,185)	9,903	n.a.
Other assets	(1,790)	5,022	n.a.
Accounts receivable - related parties	904	(4,422)	n.a.
<b>Increase (decrease) in liabilities</b>	<b>(57,427)</b>	<b>(49,744)</b>	<b>15.4%</b>
Deferred revenues	(27,211)	(35,746)	(23.9%)
Loans and financing paid – interest	(32,021)	(17,173)	86.5%
Trade accounts payable	426	(7,402)	n.a.
Income tax and social contribution payable	(468)	14,379	n.a.
Income tax and social contribution	(9,024)	(11,116)	(18.8%)
Other	10,871	7,314	48.6%
<b>Net Cash from operational activities</b>	<b>2,596</b>	<b>28,640</b>	<b>(90.9%)</b>
Capex	(29,076)	(24,251)	19.9%
Acquisition of Controlled Companies	(820)	(43,713)	(98.1%)
<b>Net Cash from investing activities</b>	<b>(29,896)</b>	<b>(67,964)</b>	<b>(56.0%)</b>
Loans and financing contracted	2,216	105,650	(97.9%)
Loans and financing paid - principal	(8,207)	(67,773)	(87.9%)
Lease payments	(9,028)	(11,127)	(18.9%)
<b>Net Cash from financing activities</b>	<b>(15,019)</b>	<b>26,750</b>	<b>n.a.</b>
<b>Net Cash Flow</b>	<b>(42,319)</b>	<b>(12,574)</b>	<b>236.6%</b>

## Legal Notice

Statements in this document concerning Espaçolaser's business prospects, operating and financial projections and growth prospects are merely projections and, as such, are based solely on the expectations of our Executive Board on the future of our business. These expectations largely depend on market conditions and on the performance of the Brazilian economy, our sector and international markets, and are thus subject to change without prior notice. All variations shown herein were calculated based on rounded numbers in thousands of *Reais*.

This performance report includes accounting and non-accounting data such as operating figures, pro-forma financial data, and projections based on Management's expectations. Non-accounting data have not been reviewed by the Company's independent auditors.