

EARNINGS 4Q23

EARNINGS REPORT:

March 22, 2024

11:00 a.m. (Brasília)

10:00a.m. (NY)

Webcast:

ri.espacolaser.com.br



São Paulo, March 21, 2024 – MPM Corpóreos S.A. (B3: ESPA3) - “Espaçolaser” or the “Company” is announcing today its earnings for the fourth quarter of 2023 (4Q23). 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 compliance with International Financial Reporting 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.

4Q23 Highlights

- We ended 2023 with **789 Espaçolaser stores in Brazil**, continuing our **expansion strategy** with **8 new** stores opened in the quarter. Considering all our operations, we closed the year with **850 stores**, having opened **50 stores** in the period.
- In our international operations, we opened 3 new stores and ended the quarter with **57 stores** in Latin America, **growth of 23.9%** year-on-year.
- Our **customer satisfaction** rates continue making us a **benchmark** for the industry, **reaching 87 points in the year**, and our score on the Reclame Aqui consumer complaints portal closing the year at **8.7 (Excellent)**, with an **RA1000 certificate**.
- We recorded **all-time record** system-wide sales, reaching **R\$500.5 million** for the quarter, **growth of 0.4%** in total gross sales compared to 4Q22 and **27.7%** compared to 3Q23. For the year, system-wide sales totaled **R\$1.6 billion**, **an increase of 7.0%** compared to the same period of the previous year.
- We posted net revenues of **R\$268.5 million** for 4Q23, **with growth of 4.8%** in the annual comparison. Year-to-date, net revenues totaled **R\$1.0 billion**, with an **8.1% increase** compared to 2022.
- Our gross profit was **R\$99.3 million** for the quarter, a growth of **9.6%**, with a gross margin of **37.0%**, an **increase of 1.7 p.p.** For 2023, we reported gross profit of **R\$399.8 million**, with growth of **12.5%** compared to the same period of the previous year, and a gross margin of **39.7%**, with an increase of **1.6 p.p.**
- The Company's Adjusted EBITDA totaled **R\$43.9 million** for the quarter, **a growth of 29.8%**, with a margin of 16.4%, up **3.2 p.p.** compared to 4Q22. For the year, Adjusted EBITDA totaled **R\$213.1 million**, with a **strong growth of 39.0%** for the period, with a **margin of 21.2%**, up **4.7 p.p.** compared to 2022.
- For the year, we recorded a **major loss reversal**, with **net income** reaching **R\$6.6 million** for 2023, compared to a loss of R\$47.0 million recorded in the previous year, and a **margin of 0.7%**. For the quarter, the Company recorded a loss of R\$7.4 million.
- **Operating cash generation** for the quarter totaled **R\$34.8 million**, with a **growth of 24.5%** and an EBITDA-to-cash conversion of **79.2%**. For 2023, adjusted operating cash flow was **R\$197.2 million**, with **73.2% growth** for the period and **92.5% cash conversion**.
- In February 2024, we announced two issues of **debentures** in the total amount of **R\$733 million**, **extending the average maturity of debt**, which will allow the Company to resume investments in the business.

Ticker: ESPA3

Quote: R\$1.05

Total Shares:
361,423,066

Market Value: R\$0.4bn

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R\$ thousands Except as indicated otherwise	4Q23	4Q22	Var.	2023	2022	Var.
Operational Highlights						
Number of Espaçolaser Stores	789	769	20	789	769	20
Number of Estudioface Stores	4	10	(6)	4	10	(6)
Number of International Stores	57	46	11	57	46	11
NPS Espaçolaser	86.0	86.3	(0.3 p.p.)	86.8	86.3	0.5 p.p.
System-Wide Sales Espaçolaser ¹	500,529	498,593	0.4%	1,635,751	1,529,219	7.0%
Same-store sales (SSS) ² - YoY Evolution	(1.3%)	14.1%	(15.2 p.p.)	5.0%	3.0%	1.9 p.p.
Espaçolaser Digital Sales	63.9%	65.6%	(1.7 p.p.)	62.9%	67.1%	(4.3 p.p.)
Espaçolaser customers by gender – Women	87.1%	86.9%	0.3 p.p.	86.7%	88.8%	(2.1 p.p.)
Espaçolaser customers by gender – Men	12.9%	13.1%	(0.3 p.p.)	13.3%	11.2%	2.1 p.p.
Financial Highlights						
Net Revenues ³	268,491	256,298	4.8%	1,006,447	931,461	8.1%
Gross Profit ⁴	99,336	90,595	9.6%	399,845	355,300	12.5%
Gross Margin (%)	37.0%	35.3%	1.7 p.p.	39.7%	38.1%	1.6 p.p.
Adjusted EBITDA ⁵	43,903	33,812	29.8%	213,120	153,270	39.0%
Adjusted EBITDA Margin (%)	16.4%	13.2%	3.2 p.p.	21.2%	16.5%	4.7 p.p.
Adjusted Net Income ⁶	(7,447)	(12,907)	n.a.	6,583	(46,970)	n.a.
Adjusted Net Margin (%)	(2.8%)	(5.0%)	2.3 p.p.	0.7%	(5.0%)	5.7 p.p.
Adjusted Operating Cash Flow ⁷	34,780	27,937	24.5%	197,232	113,844	73.2%
Adjusted Operating Cash Flow/Adjusted EBITDA (%)	79.2%	82.6%	(3.4 p.p.)	92.5%	74.3%	18.3 p.p.

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

² 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.

³ For comparison purposes, 2022 net revenues for 2022 were adjusted to consolidate the figures of JVs and franchises merged.

⁴ Gross Profit adjusted for: (i) consolidation of figures for JVs and franchises merged in 2022; (ii) elimination of non-recurring costs and expenses; and (iii) elimination of effects related to IFRS-16.

⁵ EBITDA Adjusted for: (i) consolidation of figures for JVs and franchises merged in 2022; (ii) elimination of non-recurring costs and expenses; and (iii) elimination of effects related to IFRS-16.

⁶ Adjusted Net Profit due to: (i) consolidation of figures for JVs and franchises merged in 2022; (ii) elimination of non-recurring costs and expenses; and (iii) elimination of effects related to IFRS-16.

⁷ 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 pleased to report the earnings for the fourth quarter and year 2023, which was marked by several challenges in the macroeconomic scenario, with relevant impacts especially in the retail sector, and our overcoming in deliveries, even in the face of this conjuncture. Our Company showed resilience and determination, which resulted in a period of remarkable growth and strategic changes with significant achievements in all areas of operation.

As a hallmark of this management, we have focused our efforts on executing our sustainable growth strategy. We started the year recording all-time record sales in every month of the first quarter. These results drove our same-store-sales indicator to a significant growth of 5.0% in 2023, marking the beginning of the turnaround initiated in mid-2022. Furthermore, throughout the period we implemented strategic optimizations in our portfolio of own stores, in addition to improvements in the customer journey, which resulted in greater operational efficiency and financial sustainability.

During the first half of the year, we maintained a constant focus on customer acquisition and loyalty, reflected in the strengthening of the sales funnel, which ensured consistency in sales growth, with emphasis on system-wide sales, which reached R\$ 1.6 billion in the year, representing an increase of 7.0% compared to 2022.

Linked to our sustainable growth strategy, the year was also marked by the implementation of several initiatives, focusing on capturing efficiency gains in costs and expenses and generating relevant operational results. These initiatives reflected on the expressive improvement in the Company's margins. For 2023 year-to-date, adjusted EBITDA totaled R\$213.1 million, with an expressive growth of 39.0% and a relevant rise in margin of 4.7 p.p.

Our constant focus on optimizing operations and improving all indicators led us to a major loss reversal, with adjusted net income totaling R\$6.6 million in 2023 and net margin gains of 5.7 p.p., compared to a loss of R\$47.0 million in the previous year. All these efforts meant that we ended the year with a more solid financial position, reflecting our efficient management and well-executed strategies. We closed the year with an adjusted operating cash flow of R\$197.2 million, with a growth of 73.2% in the period, and cash conversion of 92.5%.

Our strong commitment to service excellence and customer satisfaction has resulted in high levels of satisfaction and market leadership. We ended another year being a reference in quality of service, with an NPS of 87 points for the year, and achieving a score on the *Reclame Aqui* consumer complaints portal of 8.7 (Excellent) in December, with an RA1000 certificate. Additionally, during the year we were recognized in ESG initiatives, including the renewal of the Great Place to Work Certification for the 4th consecutive year and entry into the GPTW *Saúde* ranking, and we received several recognitions related to inclusion and diversity, in addition to our entry into the B3 IDIVERSA.

Finally, in February 2024, we announced the Company's 3rd issue of debentures, in the total amount of R\$733 million. With this new capital structure, we will once again invest in technology, digital and in the infrastructure of our stores. Furthermore, we increased efficiency in our capital structure, with debt elongation and liability optimization, to continue optimizing our operations, allowing investments to be made in the business linked to our growth strategy.

In summary, the year 2023 was marked by a period of sustainable growth, operational efficiency and commitment to service excellence. We thank all our employees, customers and shareholders for the trust placed in our company. We look forward to continuing this successful journey next year.

Optimization of the Capital Structure

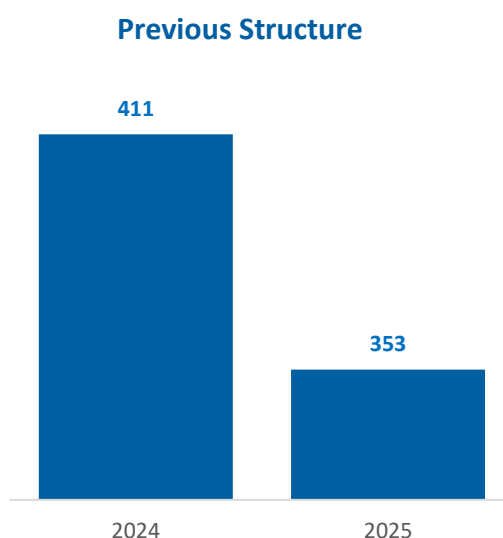
According to a Material Fact released on February 19, 2024, Espaçolaser announced the approval of two issues of non-convertible debentures in the total amount of R\$733 million.

The following were issued: (i) 346.5 thousand MPM debentures were issued, with a unit par value of R\$1,000.00, thus totaling R\$346.5 million, within the scope of the MPM Issue, and (ii) 386.5 thousand Corpóreos debentures, with a unit par value of R\$1,000.00, thus totaling R\$386.5 million, within the scope of the Corpóreos Issue, and collectively totaling an amount of R\$733.0 million. Both Issues have a maturity period of 5 years from the dates of their respective issues, with quarterly amortization starting from the 12th month from the date of their respective issues. The proceeds were used to pay in advance certain debts of the Company, including the second issue of debentures carried out in 2022, in addition to paying the Company's and the Subsidiary's external credit transactions governed by Law No. 4.131. The Debentures will be entitled to a remuneration equivalent to 100% of the DI (Interbank Deposits) rate plus a spread equivalent to 4.50% per year.

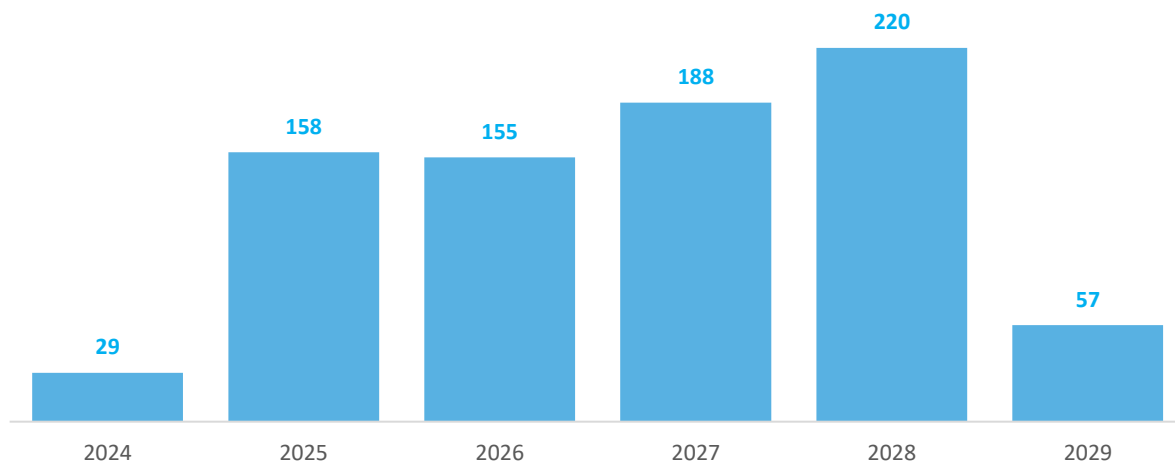
It should be noted that we thereby have all of our debt with at least a 12-month grace period for principal amortization and that the level of leverage, measured by the net debt/accounting EBITDA ratio less the effect of mergers and non-recurring costs and expenses, was defined at 3.0x until the fiscal year ending December 31, 2024 and at 2.5x from the fiscal quarter ending March 31, 2025 until the maturity date of the debentures.

With the extension of debt, Espaçolaser intends to use the cash on hand to resume investments in technology systems and in the infrastructure of its stores. This strategic move not only better aligns with the company's cash generation flow, but also allows the company to resume investments in the business.

Below we show a comparison of the Company's debt amortization schedule before the 3rd issue and with the new structure:



New Structure



With the new structure, we significantly extended our average debt maturity from 1.5 year to 3.7 years, with a debt structure more suited to the Company's cash generation.

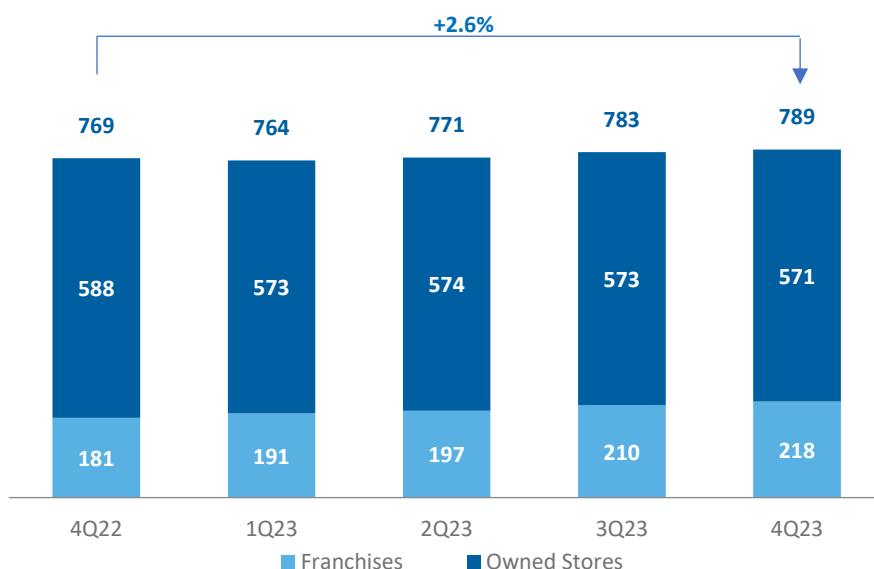
Operating Results

EspaceoLaser

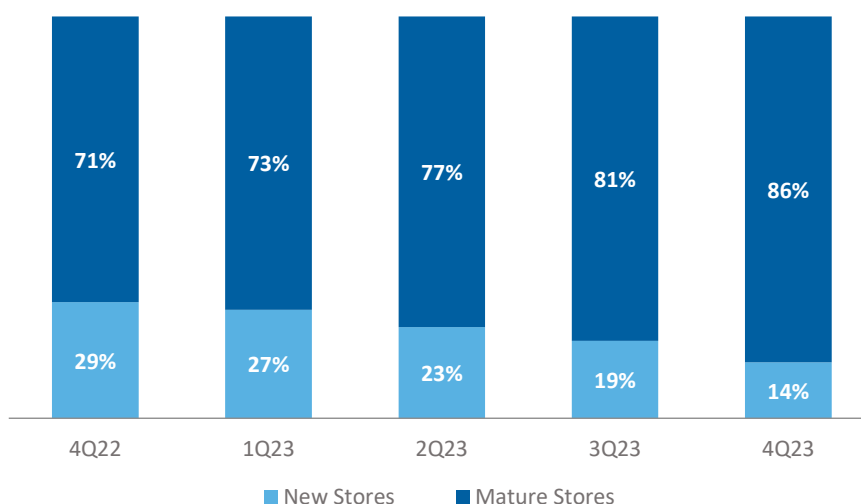
We ended 2023 with a total of 789 EspaceoLaser stores in Brazil, representing an increase of 2.6% compared to the same period of 2022. During 4Q23, we recorded the opening of 8 franchises, in line with our store portfolio optimization strategy and our emphasis on expansion through franchises. For 2023 year-to-date, net franchise openings totaled 20 units.

At the end of 4Q23, 13.9% of the 789 EspaceoLaser Brasil stores were in maturation process, considering a curve of approximately two years.

NUMBER OF ESPAÇOLASER STORES



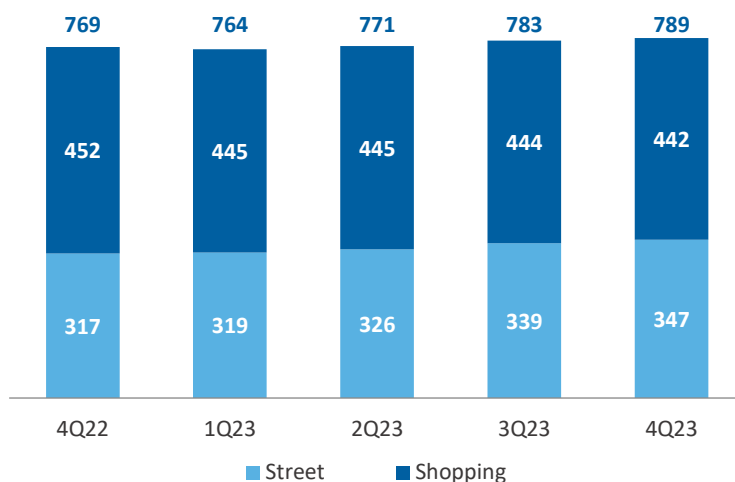
ESPAÇOLASER STORES PROFILE



Compared to the fourth quarter of 2022, we expanded our operations in the North, Northeast and Midwest regions of Brazil, while at the same time increasing our reach of street stores and shopping malls, which represented, at the end of 4Q23, 44% of the EspaceoLaser store base in Brazil, compared to 41% for the previous year.



LOCATION OF ESPAÇOLASER STORES



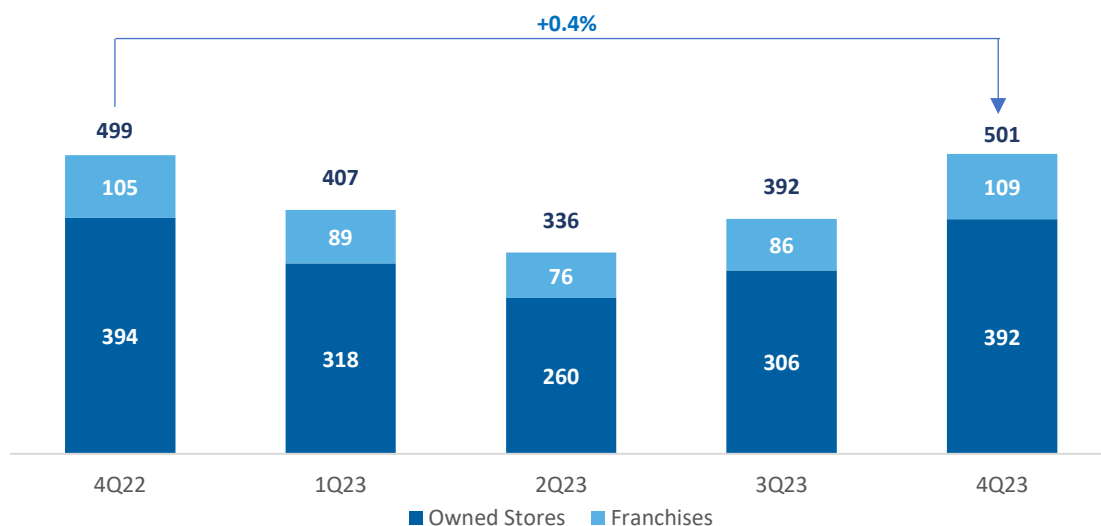
REGION	N	NE	MW	SE	S
4Q22	46	108	75	434	106
4Q23	51	116	80	438	104
%Var.	10.9%	7.4%	6.7%	0.9%	(1.9%)

System-Wide Sales and Same-Store-Sales

The Espaçolaser chain's gross sales (system-wide sales) achieved a new all-time record, reaching R\$500.5 million in 4Q23, up 0.4% compared to the same quarter of the previous year, reflecting the better result of promotional campaigns during the quarter, as well as the greater average tickets compared to 4Q22, due to an adjustment of the price list in 3Q23. Year-to-date, system-wide sales also reached an all-time record level, totaling R\$1.6 billion, with a growth of 7.0% compared to 2022.

Our same-store sales indicator showed a slight reduction of 1.3% in 4Q23 compared to 4Q22. The impact resulted from the search of balance between volume and price, according to which we strengthened, during the first half of the year, our sales funnel and customer conversion, which generated significant volume, with increased attendance and less idleness. During the second half of the year, we sought to improve the profitability of our portfolio by increasing the average ticket. For 2023 year-to-date, the growth recorded was 5.0%.

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



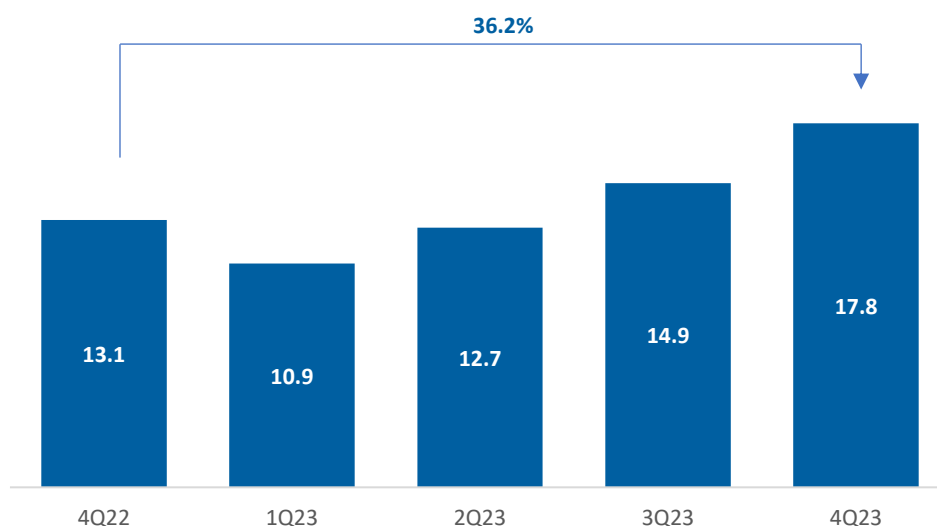
International Operation

Argentina

We have been present in Argentina since 2018, our first country of operation outside Brazil, through a joint-venture business model. We opened two stores during the quarter, ending 4Q23 with 22 units in this country, 16 of which were owned. Sales reached R\$17.8 million for the quarter, an increase of 36.2% year-on-year. Year-to-date, sales recorded a growth of 34.5% compared to 2022, totaling R\$56.2 million.

Throughout the quarter, we performed 87,100 procedures in Argentina, a 5.0% increase compared to the number of procedures performed in the same period of the previous year. During the year, 305,700 procedures were performed, a 20% increase compared to 2022. Both such growths reflect the significant increase in new customers added to our base, reflecting our capture of leads in the period with a strong reversal in sales.

ARGENTINA SALES (R\$ MM)



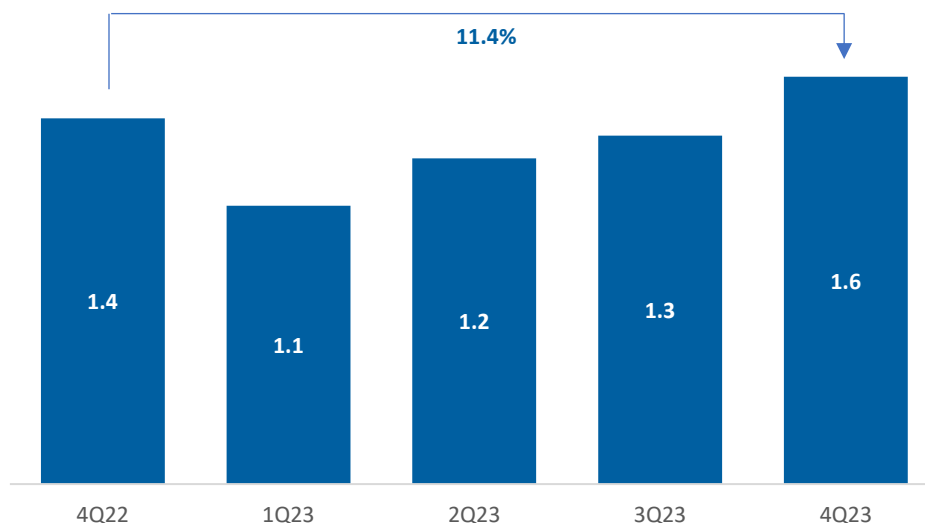
Colombia

In 2020, we opened our first store in Colombia as a 100% greenfield project. At the end of 4Q23, we had 9 owned stores in this country. Sales amounted to R\$1.6 million for the quarter, a growth of 11.4% compared to 4Q22. For 2023, sales totaled R\$5.2 million.

In 4Q23, 26,500 procedures were performed in the country, an increase of 37% compared to 4Q22, and year-to-date the number of procedures performed totaled 92,500, an increase of 35% compared to 2022.

In January 2024, we announced a strategic partnership with F3L, an influential local operator in Colombia, which operates businesses in 11 countries in Latin America and Spain and is consolidating itself as a key player in the Colombian scenario. In February, the group took over the operation of the nine EspaçoLaser units in Colombia in a franchise format. The Colombian company's consolidated expertise is crucial to boost EspaçoLaser's ambitious expansion plan in Latin America and reflects the Company's continuous search for efficiency and improvement in all sectors of the business, representing a strategic opportunity for operational alignment and international growth. This strategic cooperation not only strengthens EspaçoLaser's presence in the Colombian market, but also demonstrates the company's continued commitment to offering high-quality services and innovation in laser hair removal.

COLOMBIA SALES (R\$ MM)

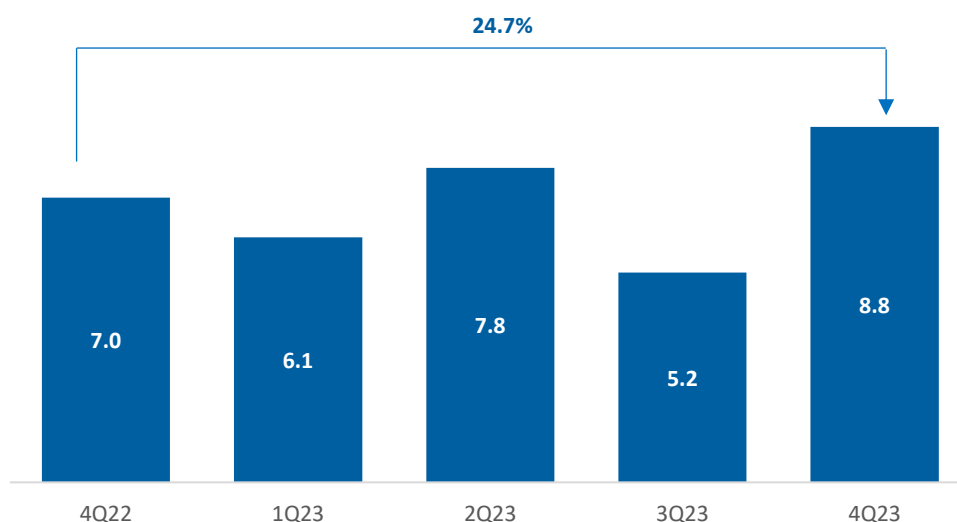


Chile

We began our operations in Chile in 2021, with the acquisition of control of the Cela group, a brand that has similarities with Espaçolaser's service, technology and culture. We opened 2 franchise stores during the quarter, ending 4Q23 with 25 stores in the country, 20 of which are our own.

For 4Q23, our sales in Chile totaled R\$8.8 million, with a relevant increase of 24.7% compared to 4Q22. Year-to-date, sales grew by 29.8% compared to 2022 and totaled R\$27.8 million. In 4Q23, we recorded an increase of 76% in procedures performed, reaching 98,900 procedures, and the increase in the year was 81.5%, with a total of 324,800 procedures performed.

CHILE SALES (R\$ MM)



Financial Performance

Adjusted Net Revenues

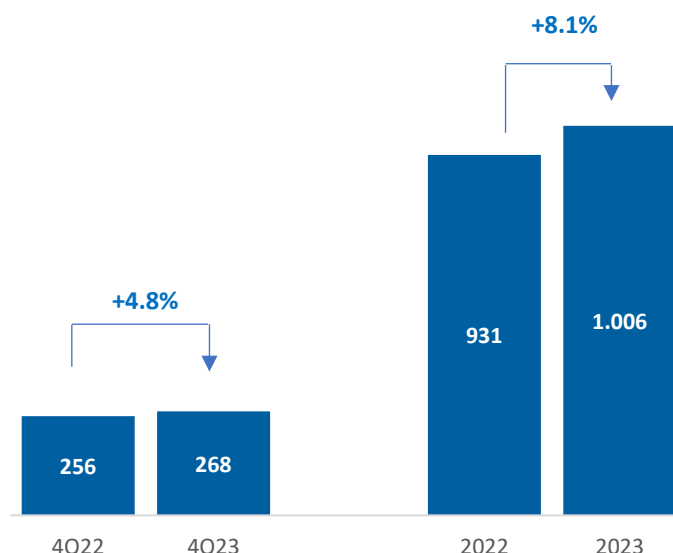
For comparability purposes, we added the results of Joint Ventures (JVs) and franchises merged to the results between the 2021 and 2022 quarters. Starting from 4Q22 earnings, that adjustment is no longer necessary, given the completion of the corporate consolidation process in 3Q22. According to articles 226 and 227 (and paragraphs) of Law No. 6.404/1976, the merged JVs and franchises are absorbed by the Company, with the results of these JVs and franchises for the year transferred to the Company's Shareholders' Equity, as we are the surviving company.

For 4Q23, the Company's net revenues reached a new all-time record of R\$268.5 million, a growth of 4.8% compared to 4Q22. Initiatives were deployed during the quarter which resulted in reduction of the level of cancellations, which decreased by 5.3% in the quarter-to-quarter comparison, reaching 11.1% of gross revenues, compared to 12.1% for the same period of 2022. Additionally, in line with our profitability growth strategy, the average ticket grew by 7.1% for 4Q23 compared to the same period of the previous year.

For 2023, adjusted net revenues reached an all-time record level of R\$1.0 billion, up by 8.1% compared to 2022.

R\$ thousands Except as indicated otherwise	4Q23	4Q22	Var.	2023	2022	Var.
Net Revenues	268,491	256,298	4.8%	1,006,447	906,515	11.0%
(+) Impact of JV Mergers	—	—	n.a.	—	24,946	n.a.
Adjusted Net Revenues	268,491	256,298	4.8%	1,006,447	931,461	8.1%

CONSOLIDATED NET REVENUES (R\$ MM)



Costs of Services Provided and Adjusted Gross Profit

Our cost per store reached R\$98.6 thousand per month in 4Q23, compared to R\$93.9 thousand per month as recorded for 4Q22, an increase of 4.9% in the period. Year-to-date, our cost per store reached R\$88.1 thousand per month, rising 9.5% compared to 2022. This increase is mainly due to higher direct costs for the quarter, reflecting the greater volume recorded in the period. It is worth noting that in 2023, cost per store as a percentage of net revenues per store decreased by 1.6 p.p. compared to 2022.

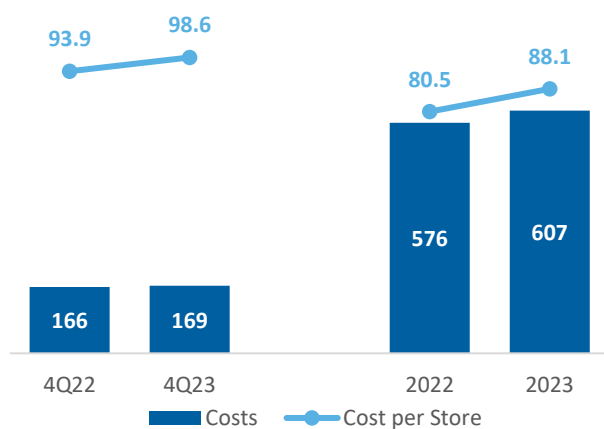
Personnel costs decreased by 3.4% compared to the same quarter of the previous year, reflecting the organizational restructuring initiatives deployed during the year, impacted by the decreased headcount per store compared to 4Q22. Year-to-date, personnel costs grew by 1.5% compared to 2022, impacted by the increased payment of commissions for sales targets exceeded, in addition to the effect of an adjustment under the annual collective bargaining agreement of our employees. Despite the growth recorded, costs as a percentage of net revenues improved by 2.4 p.p. compared to 2022, reflecting the operational leverage gains of the cost reduction initiatives implemented during the year.

Our lease costs decreased by 8.4% compared to 4Q22. Throughout 2023, the Company implemented a program of renegotiating store lease agreements, with a review of all the store base, which resulted in a decrease in occupancy costs, with a 1.1 p.p. dilution compared to annual net revenues compared to the same period of 2022.

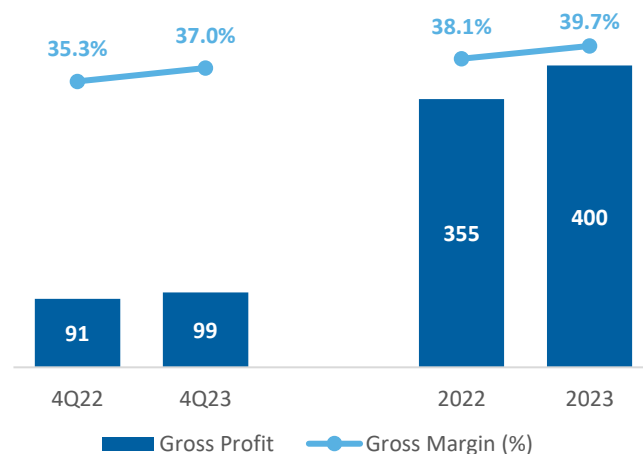
We remain focused on operational leverage gains through better management of costs and expenses, with the aim of minimizing inflationary effects on our operations. Actions aimed at reducing personnel expenses and renegotiating lease agreements, initiatives to improve operational efficiency and contract reviews that have been taking place since the beginning of 2023 should continue to generate efficiency gains, further strengthening the solid management of the Company's costs.

As a result, the Company's gross profit totaled R\$99.3 million in 4Q23, a 9.6% growth compared to 4Q22, with gross margin of 37.0%. For 2023, income amounted R\$399.8 million, with growth of 12.5% and a rise in gross margin of 1.6 p.p. to 39.7%, demonstrating the continuity of efficiency gains related to cost optimization that were carried out during the year.

CONSOLIDATED COSTS (R\$ MM)



CONSOLIDATED GROSS PROFIT (R\$ MM)



R\$ thousands Except as indicated otherwise	4Q23	4Q22	Var.	2023	2022	Var.
Gross Profit (ex-Depreciation and Amortization)	115,957	102,731	12.9%	452,418	386,871	16.9%
(+) Impact of JV Mergers	—	—	n.a.	—	18,415	n.a.
(-) Reallocation G&A Credit Card Commissions Costs	(4,679)	(3,623)	29.1%	(16,356)	(11,993)	36.4%
(-) Impact of IFRS-16	(11,942)	(8,513)	40.3%	(38,804)	(38,801)	0.0%
(+) Non-Recurring Expenses	—	—	n.a.	2,587	808	220.0%
Adjusted Gross Profit (ex-Depreciation and Amortization)	99,336	90,595	9.6%	399,845	355,300	12.5%
<i>Adjusted Gross Margin</i>	<i>37.0%</i>	<i>35.3%</i>	<i>1.7 p.p.</i>	<i>39.7%</i>	<i>38.1%</i>	<i>1.6 p.p.</i>

Adjusted Operating Expenses

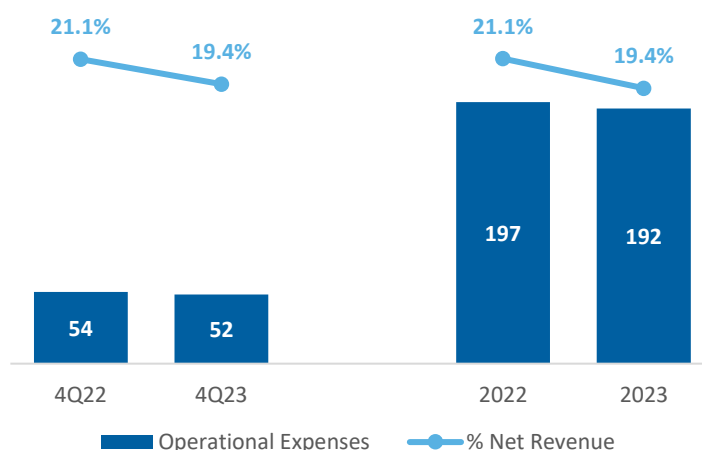
General and administrative expenses reached R\$52.0 million in 4Q23, a drop of 3.8% in the annual comparison, which is equivalent to 19.4% of the quarter's net revenues, down 1.7 p.p. below year-on-year, reflecting the continued headcount optimization efforts in our back-office, as well as the reversal of provisions for doubtful debts, and other efficiency initiatives.

Our increase in marketing expenses recorded for the quarter and for 2023 is in line with the Company's strategy of reinforcing investment in advertising, and in improvements in the journey of our clients, which resulted in increased sell-out, and the consolidation of the brand as synonymous with class.

During the quarter, we adjusted operating expenses to exclude non-recurring amounts related to the total accrual of royalties that were previously subject to gradual accrual, aligning our accounting records with the reality that we have exhausted the initiatives to receive the amounts. As a result of the write-off of royalties, we recognized a reversal of the corresponding accrual and the creation of the actual loss, updating our adherence to the most sophisticated accounting standards. Additionally, in 4Q23, there was also a revision of historical investments and royalties related to our operation in Argentina.

In the year, general and administrative expenses totaled R\$192.1 million, a 2.4% and equivalent to 19.1%, with a 2.1-p.p. improvement as a percentage of net revenue compared to the previous year.

OPERATING EXPENSES (R\$ MM)



R\$ thousands Except as indicated otherwise	4Q23	4Q22	Var.	2023	2022	Var.
Operating Expenses (ex-Depreciation and Amortization)	66,051	60,706	8.8%	237,587	210,038	13.1%
(+) Reallocation of G&A Credit Card Commissions to Costs	4,679	3,623	29.1%	16,356	11,993	36.4%
(+) Impact of JV Mergers	—	—	n.a.	—	(2,918)	n.a.
(+) Non-recurring expenses	9,340	2,997	211.7%	29,095	4,035	621.0%
Adjusted Operating Expenses (ex-Depreciation and Amortization)	52,032	54,086	(3.8%)	192,136	196,928	(2.4%)

R\$ thousands Except as indicated otherwise	4Q23	4Q22	Var.	2023	2022	Var.
Operating Expenses (ex-Depreciation and Amortization)	52,032	54,086	(3.8%)	192,136	196,928	(2.4%)
% Net Revenues	19.4%	21.1%	(1.7 p.p.)	19.1%	21.1%	(2.1 p.p.)
General and Administrative Expenses	17,506	17,475	0.2%	61,990	75,192	(17.6%)
% Net Revenues	6.5%	6.8%	(0.3 p.p.)	6.2%	8.1%	(1.9 p.p.)
Other Operating Revenue and Expenses	(1,468)	(2,009)	(26.9%)	(10,399)	(7,131)	45.8%
% Net Revenues	(0.5%)	(0.8%)	0.2 p.p.	(1.0%)	(0.8%)	(0.3 p.p.)
Personnel expenses	26,737	25,991	2.9%	88,846	85,130	4.4%
% Net Revenues	10.0%	10.1%	(0.2 p.p.)	8.8%	9.1%	(0.3 p.p.)

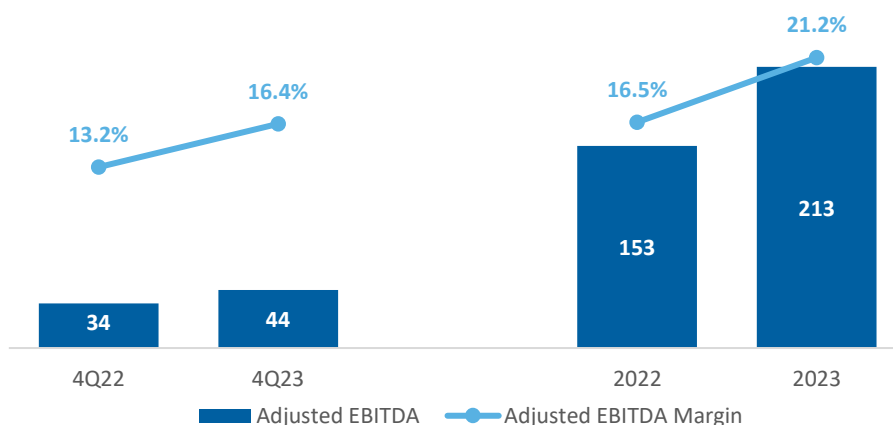
Marketing expenses	13,454	11,289	19.2%	50,827	36,911	37.7%
% Net Revenues	5.0%	4.4%	0.6 p.p.	5.1%	4.0%	1.1 p.p.
Provision for expected credit losses	(4,196)	1,340	n.a.	873	6,825	(87.2%)
% Net Revenues	(1.6%)	0.5%	(2.1 p.p.)	0.1%	0.7%	(0.6 p.p.)

Adjusted EBITDA

As a result of efforts in all fronts carried out in 4Q23 and throughout the year, we managed to deliver solid and consistent results, with Adjusted EBITDA of R\$43.9 million in the quarter, growth of 29.8% compared to 4Q22, and Adjusted EBITDA Margin of 16.4%, up by 3.2 p.p. compared to the same period of the previous year.

For 2023 year-to-date, the EBITDA indicators showed a significant growth of 39.0% compared to the same period of the previous year, reaching R\$213.1 million, with adjusted EBITDA margin of 21.2%, representing a rise of 4.7 p.p. These results reinforce the efficiency of our turnaround started in mid-2022, with the deployment of projects focused on the growth of revenues and reduction of costs, improving the profitability of the Company and all the experience and journey of our customers.

ADJUSTED EBITDA (R\$ MM)



R\$ thousands Except as indicated otherwise	4Q23	4Q22	Var.	2023	2022	Var.
Net income	(19,001)	(16,059)	18.3%	(25,515)	(51,366)	(50.3%)
(+/-) Income Tax and Social Contribution	3,487	4,369	(20.2%)	27,260	7,225	277.3%
(+) Depreciation and Amortization	24,028	19,358	24.1%	87,764	78,528	11.8%
(+/-) Financial Result	33,191	31,659	4.8%	125,931	148,165	(15.0%)
EBITDA	41,705	39,328	6.0%	215,440	182,552	18.0%
(-) Impact of IFRS 16	(11,942)	(8,513)	40.3%	(38,804)	(38,801)	0.0%
(+) Impact of JV Mergers	—	—	n.a.	—	4,675	n.a.
(+) Non-recurring expenses	14,140	2,997	371.8%	36,482	4,844	653.1%
Adjusted EBITDA	43,903	33,812	29.8%	213,120	153,270	39.0%
<i>Adjusted EBITDA Margin</i>	<i>16.4%</i>	<i>13.2%</i>	<i>3.2 p.p.</i>	<i>21.2%</i>	<i>16.5%</i>	<i>4.7 p.p.</i>

Depreciation and Amortization

For 4Q23, depreciation and amortization totaled R\$13.4 million, an increase of 6.2% in the annual comparison. For 2023, depreciation and amortization reached R\$51.4 million, stable compared to the same period of 2022.

Financial Result

For 4Q23, our financial result was an expense of R\$29.6 million, stable (-0.3%) compared to 4Q22. Year-to-date, financial result was an expense of R\$115.5 million, with a reduction of 16.8% compared to 2022, which was positively

impacted by a lower payment of interest for the period, in addition to revenues from the financial investments made in the period.

Adjusted Income Tax and Social Contribution

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

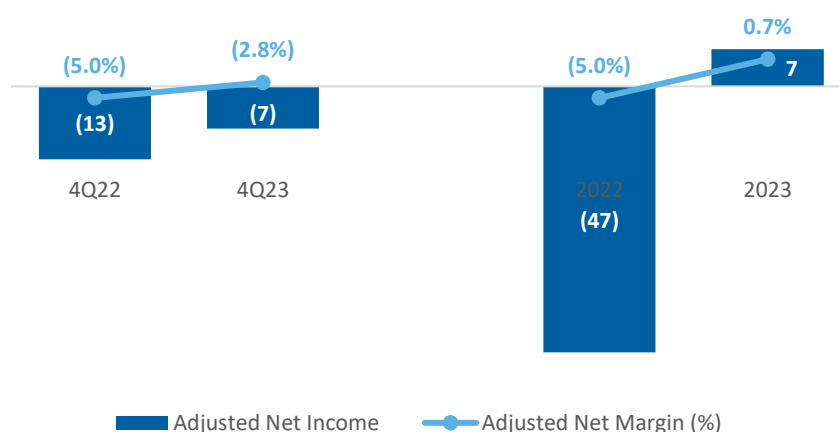
For 4Q23, we recorded an expense of R\$8.3 million in Income Tax and Social Contribution, compared to an expense of R\$4.4 million for the previous year. In 2023, income tax and social contribution totaled negative R\$39.7 million, compared to negative R\$10.0 million for 2022.

Adjusted Net Income (Loss)

In 4Q23, we recorded a loss of R\$7.4 million, compared to a loss of R\$12.9 million recorded in the same period of the previous year.

For 2023, reflecting the effects described above, the Company posted loss reversal, recording adjusted net income of R\$6.6 million, compared to a loss of R\$47.0 million for 2022. Net margin also showed a significant growth of 5.7 p.p. in the period, reaching 0.7% for 2023.

ADJUSTED NET INCOME (R\$ MM) AND NET MARGIN (%)



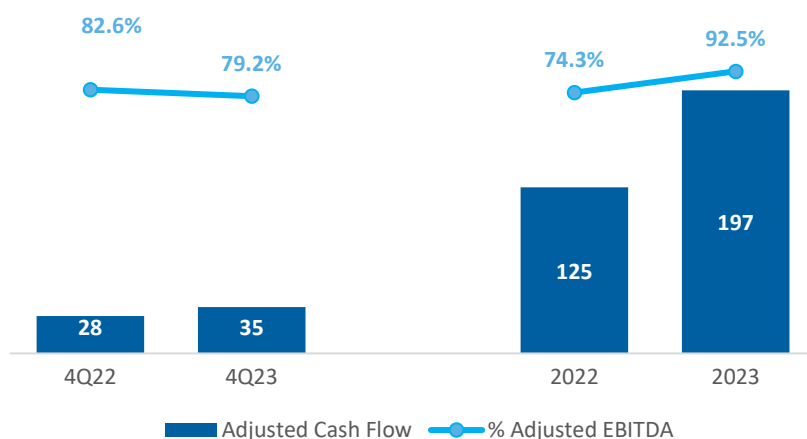
R\$ thousands Except as indicated otherwise	4Q23	4Q22	Var.	2023	2022	Var.
Net income	(19,001)	(16,059)	18.3%	(25,515)	(51,366)	n.a.
(-) Impact of IFRS 16	2,221	155	1333.0%	8,018	(447)	n.a.
(+) Impact of JV Mergers	–	–	n.a.	–	(1)	n.a.
(+) Non-recurring costs and expenses (adjusted at a rate of 34%)	9,332	2,997	211.4%	24,078	4,844	397.1%
Adjusted Net Income	(7,447)	(12,907)	(42.3%)	6,583	(46,970)	n.a.
<i>Adjusted Net Margin</i>	<i>(2.8%)</i>	<i>(5.0%)</i>	<i>2.3 p.p.</i>	<i>0.7%</i>	<i>(5.0%)</i>	<i>5.7 p.p.</i>

Operating Cash Flow

For 4Q23, adjusted operating cash was R\$34.8 million, with a growth of 24.5% compared to 4Q22. This improvement is due to the lower working capital recorded for the period, especially thanks to the Company's cash management optimization initiatives.

Year-to-date, the Company posted adjusted operating cash generation of R\$197.2 million, representing an EBITDA-to-cash conversion of 92.5% for the period and a growth of 73.2% relative to the same period of last year.

ADJUSTED OPERATING CASH FLOW (R\$ MM)



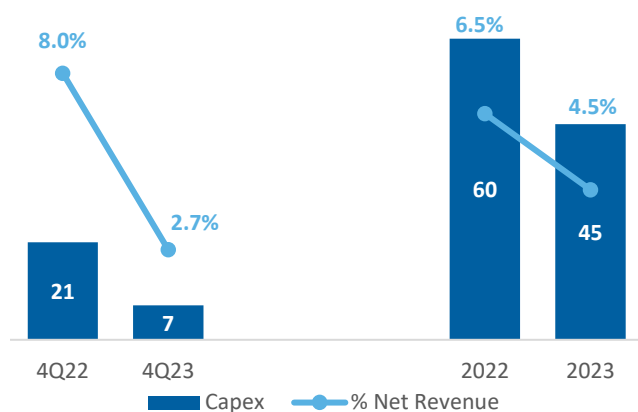
R\$ thousands Except as indicated otherwise	4Q23	4Q22	Var.	2023	2022	Var.
Income (Loss) before Income Tax and Social Contribution	(15,514)	(11,690)	32.7%	1,745	(44,141)	n.a.
(+) Adjustments to Income (Loss) before Income Tax and Social Contribution	76,104	58,470	30.2%	254,613	205,521	23.9%
Depreciation and amortization	23,422	21,809	7.4%	94,019	88,105	6.7%
Provision for doubtful debts	(535)	(3,893)	(86.3%)	4,534	6,733	(32.7%)
Other	53,217	40,554	31.2%	156,060	110,683	41.0%
(+) Changes in Working Capital	(25,810)	(18,843)	37.0%	(59,126)	(47,536)	24.4%
Accounts receivable	(76,954)	(101,166)	(23.9%)	(70,111)	(58,508)	19.8%
Deferred Revenues	59,834	63,832	(6.3%)	950	15,589	(93.9%)
Other	(8,690)	18,491	n.a.	10,035	(4,617)	n.a.
Adjusted Net Cash from operating activities	34,780	27,937	24.5%	197,232	113,844	73.2%
Capex	(5,344)	(20,311)	(73.7%)	(41,875)	(58,777)	(28.8%)
Acquisition of Subsidiaries	–	(1,109)	n.a.	(1,368)	(92,024)	(98.5%)
Other	(1,927)	(246)	683.3%	(3,536)	(1,439)	145.7%
Sale of property, plant and equipment	1,602	–	n.a.	7,398	–	n.a.
Net Cash from investing activities	(5,669)	(21,666)	(73.8%)	(39,381)	(152,240)	(74.1%)
Net Cash from financing activities	(93,473)	157,636	n.a.	(238,283)	133,344	n.a.
Net Cash Flow	(64,362)	163,907	n.a.	(80,432)	94,948	n.a.

Investments

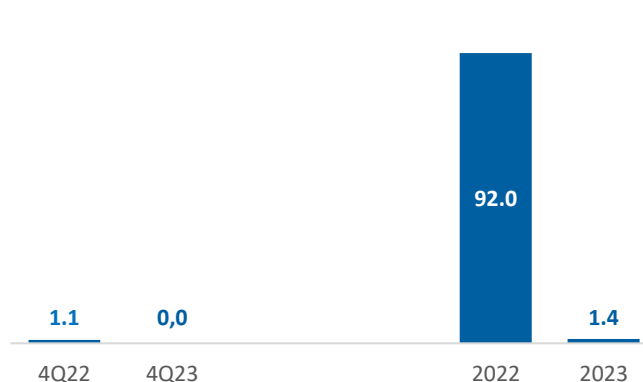
During 4Q23, we maintained our strategy of concentrating our efforts on expanding through franchises, without opening any stores of our own in the period, which led to a 64.6% decrease in investing activities compared to the same period of the previous year.

For 2023, our Capex totaled R\$45.4 million, a 24.6% decrease compared to 2022 (sic). In The largest portion of investments was used towards renewing our technology park, particularly for 1Q23.

INVESTMENTS (R\$ MM)



ACQUISITION OF FRANCHISES & SUBSIDIARIES (R\$ MM)

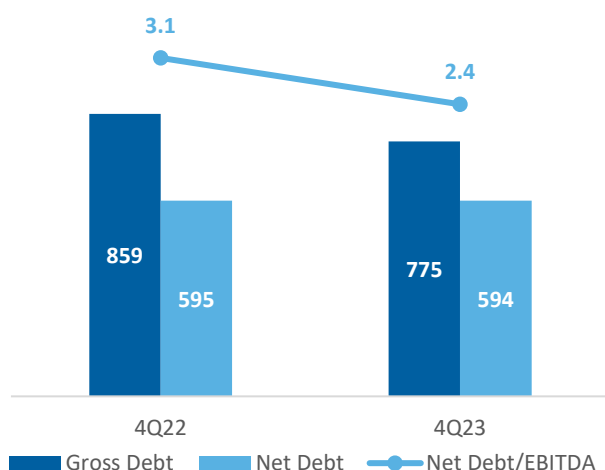


Indebtedness

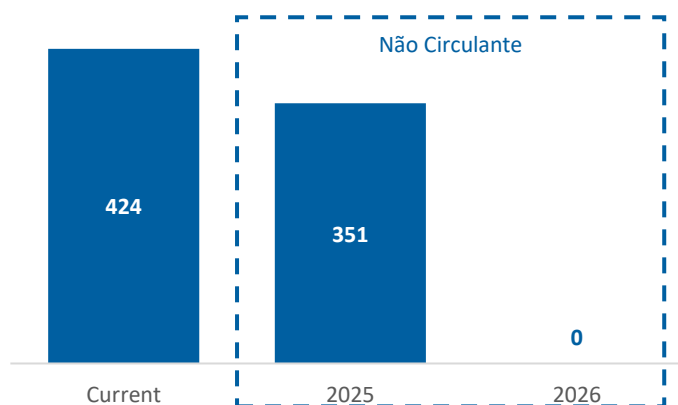
At the end of 4Q23, the Company had a net of R\$594.5 million, a R\$6 million decrease year-on-year, resulting in a leverage level of 2.36x for 4Q23, a major reduction compared to the 3.41x recorded in the same period of 2022, and, considering the net debt/Accounting EBITDA ratio excluding the accounting effect of merged companies and non-recurring costs and expenses, the level continues below the covenants of the 2nd debenture issue of 3.0x, with a considerable decrease of 0.7 p.p. in the indicator relative to the same period of the previous year.

It is important to mention that, as mentioned above, the Company has, since February 2023, a new capital structure which is better aligned with its cash generation flow and will also allow it to invest in the business and execute its growth strategy.

INDEBTEDNESS (R\$ MM)



AMORTIZATION SCHEDULE (R\$ MM)



R\$ thousands Except as indicated otherwise	4Q23			2023		
	IAS17	IFRS16	Var.	IAS17	IFRS16	Var.
Net Revenues	268,491	268,491	–	1,006,447	1,006,447	–
Costs	(164,476)	(152,534)	(11,942)	(592,833)	(554,029)	(38,804)
Gross profit	104,015	115,957	(11,942)	413,614	452,418	(38,804)
General and Administrative Expenses	(74,252)	(74,252)	–	(236,977)	(236,977)	–
Adjusted EBITDA	29,763	41,705	(11,942)	176,637	215,440	(38,804)
Depreciation and amortization	(13,431)	(24,028)	10,597	(51,412)	(87,764)	36,352
Financial result	(29,625)	(33,191)	3,566	(115,461)	(125,931)	10,470
Income Tax and Social Contribution	(3,487)	(3,487)	–	(27,260)	(27,260)	–
Net Income	(16,779)	(19,001)	2,221	(17,496)	(25,515)	8,019

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

R\$ thousands Except as indicated otherwise	4Q23	4Q22	Var.	2023	2022	Var.
Net Revenues	268,491	256,298	4.8%	1,006,447	931,461	8.1%
Costs	(169,155)	(165,703)	2.1%	(606,602)	(576,161)	5.3%
Personnel	(104,682)	(108,397)	(3.4%)	(381,127)	(375,408)	1.5%
Rent	(28,698)	(31,316)	(8.4%)	(105,070)	(107,569)	(2.3%)
Direct Costs	(31,096)	(22,367)	39.0%	(104,049)	(80,207)	29.7%
Credit card commissions	(4,679)	(3,623)	29.1%	(16,356)	(12,976)	26.0%
Gross profit	99,336	90,595	9.6%	399,845	355,300	12.5%
<i>% Gross Margin</i>	37.0%	35.3%	1.7 p.p.	39.7%	38.1%	1.6 p.p.
General and Administrative Expenses	(52,032)	(54,086)	(3.8%)	(192,136)	(196,927)	(2.4%)
Personnel	(26,737)	(25,991)	2.9%	(88,846)	(85,130)	4.4%
General and Administrative	(17,506)	(17,475)	0.2%	(61,990)	(75,192)	(17.6%)
Other Operating Revenues and Expenses	1,468	2,009	(26.9%)	10,399	7,131	45.8%
Marketing expenses	(13,454)	(11,289)	19.2%	(50,827)	(36,911)	37.7%
Provision for doubtful debts	4,196	(1,340)	n.a.	(873)	(6,825)	(87.2%)
Equity pick-up	(3,401)	(2,697)	26.1%	5,410	(5,103)	n.a.
EBITDA	43,903	33,812	29.8%	213,120	153,270	39.0%
<i>% EBITDA Margin</i>	16.4%	13.2%	3.2 p.p.	21.2%	16.5%	4.7 p.p.
Depreciation and amortization	(13,430)	(12,645)	6.2%	(51,413)	(51,506)	(0.2%)
Financial result	(29,625)	(29,705)	(0.3%)	(115,460)	(138,765)	(16.8%)
Income Tax and Social Contribution	(8,294)	(4,369)	89.8%	(39,664)	(9,968)	297.9%
Net income	(7,447)	(12,907)	(42.3%)	6,583	(46,970)	n.a.
<i>% Net Margin</i>	(2.8%)	(5.0%)	2.3 p.p.	0.7%	(5.0%)	5.7 p.p.

Statement of Corporate Income (including IFRS-16)

R\$ thousands Except as indicated otherwise	4Q23	4Q22	Var.	2023	2022	Var.
Gross Revenues	354,875	343,761	3.2%	1,350,562	1,170,254	15.4%
Taxes on sales	(46,229)	(45,088)	2.5%	(177,021)	(153,259)	15.5%
Cancellations	(39,519)	(41,728)	(5.3%)	(165,461)	(109,833)	50.6%
Discounts given	(636)	(647)	n.a.	(1,633)	(647)	n.a.
Net Revenues	268,491	256,298	4.8%	1,006,447	906,515	11.0%
Costs	(152,534)	(153,567)	(0.7%)	(554,029)	(519,644)	6.6%
Personnel	(104,682)	(108,397)	(3.4%)	(382,989)	(375,770)	1.9%
Rent	(16,756)	(22,803)	(26.5%)	(66,266)	(64,846)	2.2%
Direct Costs	(31,096)	(22,367)	39.0%	(104,774)	(79,028)	32.6%
Gross Profit	115,957	102,731	12.9%	452,418	386,872	16.9%
% Gross Margin	43.2%	40.1%	3.1 p.p.	45.0%	42.7%	2.3 p.p.
General and Administrative Expenses	(66,051)	(60,706)	8.8%	(237,587)	(210,038)	13.1%
Selling Expenses	(18,133)	(14,912)	21.6%	(67,183)	(49,177)	36.6%
General and Administrative	(47,918)	(45,794)	4.6%	(170,404)	(160,861)	5.9%
Equity pick-up	(8,201)	(2,697)	204.1%	610	5,718	(89.3%)
EBITDA	41,705	39,328	6.0%	215,440	182,552	18.0%
% EBITDA Margin	15.5%	15.3%	0.2 p.p.	21.4%	20.1%	1.3 p.p.
Depreciation and Amortization	(24,028)	(19,358)	24.1%	(87,764)	(78,527)	11.8%
Financial Result	(33,191)	(31,659)	4.8%	(125,931)	(148,165)	(15.0%)
Income Before Income Tax	(15,514)	(11,689)	32.7%	1,745	(44,143)	n.a.
Income Tax and Social Contribution	(3,487)	(4,369)	(20.2%)	(27,260)	(7,225)	277.3%
Net Income	(19,001)	(16,058)	18.3%	(25,515)	(51,366)	(50.3%)
% Net Margin	(7.1%)	(6.3%)	(0.8 p.p.)	(2.5%)	(5.7%)	3.1 p.p.

Balance Sheet

R\$ thousands Except as indicated otherwise	4Q23	4Q22	Var.
Total Assets	2,284,617	2,328,604	(1.9%)
Current Assets	952,695	980,322	(2.8%)
Cash and cash equivalents	157,962	238,394	(33.7%)
Trade accounts receivable	738,090	691,179	6.8%
Derivative financial instruments	2,421	5,129	(52.8%)
Advances to suppliers	1,313	11,002	(88.1%)
Other Assets	52,908	34,618	52.8%
Non-Current Assets	1,331,922	1,348,282	(1.2%)
Trade accounts receivable	59,030	56,424	4.6%
Related-party receivables	8,072	18,458	(56.3%)
Other assets	1,050	5,633	(81.4%)
Securities	20,000	20,000	n.a.
Deferred income tax and social contribution	35,744	41,235	(13.3%)
Investments	–	(1,913)	n.a.
Property and equipment	313,942	322,170	(2.6%)
Intangible assets	804,968	821,801	(2.0%)
Right-of-use assets	89,116	64,474	38.2%
Liabilities and Shareholders' Equity	2,284,617	2,330,517	(2.0%)
Current Liabilities	950,454	563,366	68.7%
Loans and financing	132,432	45,757	189.4%
Debentures	291,583	47,061	519.6%
Lease liabilities	32,189	26,868	19.8%
Trade accounts payable	27,879	27,780	0.4%
Onerous contract	8,243	8,243	n.a.
Deferred revenues	304,599	303,649	0.3%
Salaries and payroll charges	66,231	47,155	40.5%
Taxes and contributions payable	75,782	44,822	69.1%
Tax installments	2,322	3,360	(30.9%)
Accounts payable	–	1,387	n.a.
Other accounts payable	8,219	6,356	29.3%
Related-party payables	975	928	5.1%
Non-Current Liabilities	473,803	879,735	(46.1%)
Onerous contract	48,770	57,013	(14.5%)
Loans and financing	76,723	203,028	(62.2%)
Debentures	274,134	562,859	(51.3%)
Lease liabilities	61,957	33,769	83.5%
Taxes and contributions payable	185	5,054	(96.3%)
Tax installments	3,290	4,915	(33.1%)
Provisions for dismantling assets	–	4,326	n.a.
Provisions for lawsuits	4,964	6,121	(18.9%)
Provision for investment loss	2,535	1,913	32.5%
Other accounts payable	1,245	737	68.9%
Shareholders' Equity	860,360	887,416	(3.0%)

Cash Flow

R\$ thousands Except as indicated otherwise	4Q23	4Q22	Var.	2023	2022	Var.
Income (Loss) before Income Tax and Social Contribution	(15,514)	(11,690)	32.7%	1,745	(44,141)	n.a.
Adjustments to reconcile income or loss with cash from operating activities	76,104	58,470	30.2%	254,613	205,521	23.9%
Depreciation and amortization	23,422	21,809	7.4%	94,019	88,105	6.7%
Interest on loans, leases and tax installments	29,184	46,540	(37.3%)	131,455	106,047	24.0%
Provision for doubtful debts	(535)	(3,893)	(86.3%)	4,534	6,733	(32.7%)
Income from financial instruments	(656)	(24,228)	(97.3%)	2,708	–	n.a.
Other	22,780	(6,016)	n.a.	24,410	7,112	243.2%
Exchange rate variation	1,909	24,258	(92.1%)	(2,513)	(2,476)	1.5%
Decrease (increase) in assets	(73,145)	(88,255)	(17.1%)	(73,546)	(55,296)	33.0%
Accounts receivable	(76,954)	(101,166)	(23.9%)	(70,111)	(58,508)	19.8%
Other assets	1,046	7,651	(86.3%)	(9,652)	11,867	n.a.
Related-party receivables	2,763	5,260	(47.5%)	6,217	(8,655)	n.a.
Increase (decrease) in liabilities	17,205	39,061	(56.0%)	(112,299)	(96,251)	16.7%
Deferred Revenues	59,834	63,832	(6.3%)	950	15,589	(93.9%)
Loans and financing paid – interest	(30,130)	(30,351)	(0.7%)	(126,719)	(104,011)	21.8%
Interest paid – leases	–	(1,661)	n.a.	–	(7,030)	n.a.
Trade accounts payable	1,972	5,775	(65.9%)	9,788	10,202	(4.1%)
Tax and social contribution payable	4,356	(11,508)	n.a.	13,721	(12,986)	n.a.
Income tax and social contribution	(2,921)	25,554	n.a.	(27,086)	8,530	n.a.
Other	(15,906)	(12,580)	26.4%	17,047	(6,545)	n.a.
Net Cash from operating activities	4,650	(2,414)	n.a.	70,512	9,832	617.2%
Capex	(5,344)	(20,311)	(73.7%)	(41,875)	(58,777)	(28.8%)
Acquisition of Subsidiaries	–	(1,109)	n.a.	(1,368)	(92,024)	(98.5%)
Sale of Property, Plant and Equipment	1,602	–	n.a.	7,398	–	n.a.
Intangible assets	(817)	(384)	112.8%	(1,609)	(1,193)	34.9%
Net Cash from investing activities	(5,656)	(23,654)	(76.1%)	(39,508)	(130,574)	(69.7%)
Capital increase	–	217,899	n.a.	–	217,899	n.a.
Financial Investments	–	424	n.a.	–	424	n.a.
Cost of issuance of financing and debentures	976	–	n.a.	3,765	–	n.a.
Loans and financing contracted	1,567	(115)	n.a.	5,055	349,873	(98.6%)
Debentures issued	–	(9,454)	n.a.	–	605,546	n.a.
Loans and financing paid – principal	(17,543)	(12,238)	43.3%	(41,103)	(645,362)	(93.6%)
Capital contribution from shareholders	–	(1,364)	n.a.	–	–	n.a.
Debentures paid – principal	(46,125)	–	n.a.	(46,125)	(250,000)	(81.6%)
Lease consideration	(2,218)	(7,165)	(69.0%)	(33,156)	(41,025)	(19.2%)
Net Cash from financing activities	(63,343)	187,987	n.a.	(111,563)	237,355	n.a.
Net Cash Flow	(64,362)	163,907	n.a.	(80,432)	94,948	n.a.

EARNINGS CONFERENCE CALL

MARCH 22, 2024 (FRIDAY)

IN PORTUGUESE

11:00 a.m. – Brasília Time (BRT)

WEBCAST IN PORTUGUESE, [CLICK HERE](#)

IN ENGLISH (SIMULTANEOUS TRANSLATION)

10:00 a.m. – New York Time (EST)

WEBCAST IN ENGLISH, [CLICK HERE](#)

INVESTOR RELATIONS

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Press office

FSB Comunicação

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.