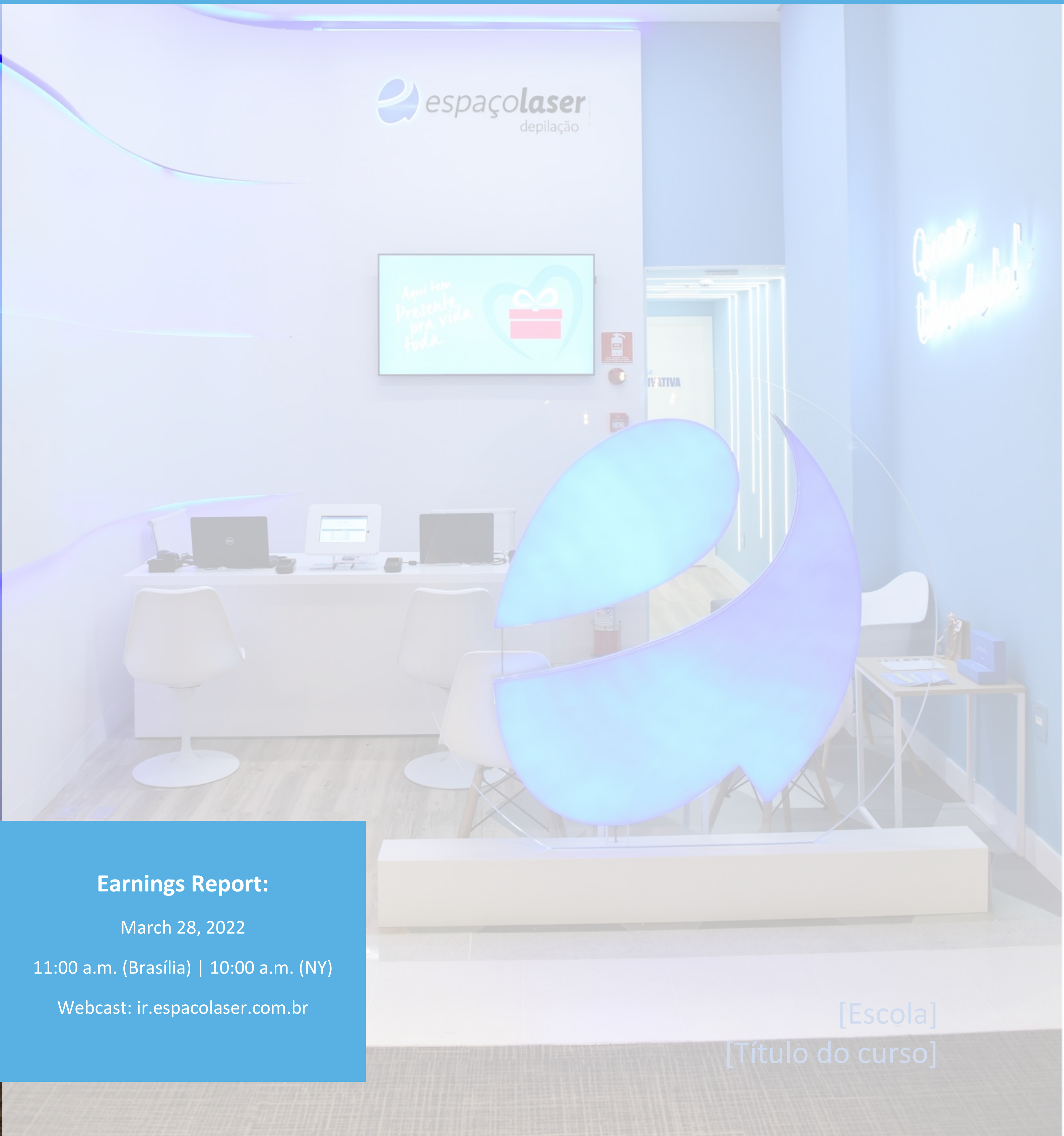
4Q21 Earnings



Earnings Report:

March 28, 2022

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

Webcast: ir.espacolaser.com.br

[Escola]

[Título do curso]

espaçolaser depilação

4Q21 Release

ESPA
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São Paulo, March 25, 2022 – MPM Corpóreos S.A. (B3: ESPA3) - "Espaçolaser" or "Company", is announcing today its earnings for the fourth quarter of 2021 (4Q21). Our financial statements were prepared on the basis of consolidated numbers in Brazilian *Reais* as per Brazilian Corporate Law and accounting practices adopted in Brazil (BRGAAP) and in conformity with international financial reporting standards (IFRS), unless stated otherwise.

To aid comprehension of our performance in the periods, certain non-recurring effects were excluded, as were IFRS-16 related impacts. Each section includes reconciliations with financial statements.

Highlights

Ticker: ESPA3

Quote: R$5.82

Total Shares: 244,235,566

Market Value: R$1.4 billion

IR Contract: dri@espacolaser.com.br

- We closed 4Q21 with **729 Espaçolaser stores** in Brazil, having added **48 stores** in this quarter, and a record expansion of **157 units in the year (up by 27% vs. 2020).**
- Opening of **29 Espaçolaser International stores in 2021**, being 6 in Colombia and 7 in Argentina, **closing the year with 36 stores present in 3 Latin** American **countries** (Argentina, Chile and Colombia)
- Annual growth of **23.3% in the chain's sales** mainly reflecting the strong **expansion** of our chain of stores. **In 4Q21, we grew by 10.1%** the highlight being our record sales in October.
- **Annual growth of 5.8% in same-store sales;** however, **same-store sales dropped in the quarter** (-8.2%), mainly due to **resumption of year-end travelling,** in the month of December.
- Maintenance of **high customer satisfaction rates**, with NPS for the quarter at **83.3 points,** and score in the consumer complaints site *Reclame Aqui* following an upward trend, reaching our historical record of **8.3 (Optimal)** vs. 7.1 in the end of 3Q21.
- **Increase of 46.6% in Net Revenues in the quarter, which** amounted to **R$249.0 million**, boosted by **organic growth linked to the acquisition of our chain's franchises.** In 2021, Net Revenues reached **R$853.2 million**, up **45.8%** year-on-year.
- **Growth of 63.7% in EBITDA** for the year, to **R$261.0 million**, with a **30.6%** margin (**+3.3 p.p**.). In 4Q21, Adjusted EBITDA amounted to **R$56.4 million**, with a retraction in EBITDA margin, impacted by the acceleration in the opening of stores and mismatch between price transfers and cost pressures.
- In 2021, adjusted net income was **R$135.5 million,** up by 3.6x against 2020. In the quarter, net income totaled **R$24.4 million**, with a 9.8% margin.

R$ thousand Except when indicated	4Q21	4Q20	Chg.	2021	2020	Chg.
Operational Highlights						
Number of Espaçolaser stores	729	572	157	729	572	157
Number of Estudioface stores	13	10	3	13	10	3
Number of International stores	36	7	29	36	7	29
Espaçolaser NPS	83.3	78.6	4.7 p.p.	83.1	80.0	3.1 p.p.
Espaçolaser System-Wide Sales[1]	387,041	351,400	10.1%	1,220,112	989,649	23.3%
Same-store sales (SSS)[2] - YoY Variation	(8.2%)	2.8%	-11.0 p.p.	5.8%	(15.4%)	21.2 p.p.
Espaçolaser Digital Sales	59.5%	35.3%	24.2 p.p.	55.8%	25.9%	29.9 p.p.
Espaçolaser clients by gender - Women	90.0%	90.6%	(0.6 p.p.)	90.5%	90.6%	(0.1 p.p.)
Espaçolaser clients by gender - Men	10.0%	9.4%	0.6 p.p.	9.5%	9.4%	0.1 p.p.
Financial Highlights						
Net Revenue[3]	249,032	169,902	46.6%	853,231	585,307	45.8%
Gross Profit[4]	96,722	81,545	18.6%	400,584	299,100	33.9%
Gross Margin (%)	38.8%	48.0%	-9.2 p.p.	46.9%	51.1%	(4.2 p.p.)
Adjusted EBITDA[5]	56,414	53,145	6.2%	261,043	159,500	63.7%
Adjusted EBITDA Margin (%)	22.7%	31.3%	-8.6 p.p.	30.6%	27.3%	3.3 p.p.
Adjusted Net Income[6]	24,401	36,653	(33.4%)	135,510	37,482	261.5%
Adjusted Net Margin (%)	9.8%	21.6%	-11.8 p.p.	15.9%	6.4%	9.5 p.p.
Adjusted Operating Cash Flow[7]	(13,445)	24,697	n.a.	9,015	150,356	(94.0%)
Adjusted Operating Cash Flow / Adjusted EBITDA (%)	(23.8%)	46.5%	n.a.	3.5%	94.3%	n.a

[1] System-wide Sales corresponds to Espaçolaser units' total sales, as if we owned 100% of all Espaçolaser stores (including franchises).
[2] Same -Store Sales corresponds to sales of stores already open in the same period of the previous year, in order to track change without the effect of stores added in the period.
[3] For comparison purposes, net revenues for the period were adjusted to: (i) exclude the impact of the postponement of revenue recognition for the months in which stores were closed in 2020; and (ii) consolidate the figures of JVs absorbed in 4Q21.
[4] Gross Profit adjusted for: postponement of revenue recognition as mentioned above; (ii) consolidation of figures of JVs absorbed in 3Q21 and 4Q21; and (iii) elimination of effects related to IFRS-16.
[5] Adjusted EBITDA for: (i) postponement of revenue recognition as mentioned above; (ii) consolidation of figures of JVs absorbed in 3Q21 and 4Q21; (iii) elimination of non-recurring expenses; (iv) elimination of effects of gains from a bargain purchase in 2020; and (v) elimination of effects related to IFRS-16.
[6] Adjusted Net Income for: (i) postponement of revenue recognition as mentioned above; (ii) consolidation of figures of JVs absorbed in 3Q21 and 4Q21; (iii) elimination of non-recurring expenses; (iv) elimination of effects of gains from a bargain purchase in 9M20; (v) elimination of effects of gains from a bargain purchase in 2020; (vi) elimination of effects related to IFRS 16; and (vii) elimination of accounting impact related to evolution of MTM call and put options we hold with non-controlling shareholders of certain subsidiaries.
[7] Adjusted Operating Cash Flow is calculated based on net cash flow from / (used for) operating activities, less the impact of the fiscal year's financial result.

Management's Message

Marked by our debut on the Stock Exchange, the year 2021 was transformational for Espaçolaser, given the simplification of our ownership structure, significant growth in our chain of stores, and international expansion of our laser hair removal business. However, it was a challenging year due to the effects of the pandemic in the first months, and also as a result of changes in the macroeconomic scenario, which partially affected the performance of our stores.

On February 9, after completing the IPO, we purchased the remaining interest of approximately 80 partners in 20 subsidiaries (adding up to 219 stores), which consolidated the company's control and centralized its decision-making processes, providing greater agility to the expansion and improvement of our Company's internal processes. The merger of the legal entities, which started in 2Q21, will result in less complexity, efficiency gains in back-office activities, and improved cash management.

The remaining funding proceeds were used for purchasing 100 franchises of our chain, which enabled us to internalize the results of mature stores, and expand our growth in regions where exploration rights used to be reserved primarily to franchisees.

The repurchase of exploration rights relating to franchise acquisitions enabled us to accelerate our organic expansion in Brazil, where we opened a record 157 Espaçolaser units, expanding our presence in regions such as the Northeast, the Midwest, and the North, particularly in the State of Bahia, where we have doubled our presence.

Following the company's growth pace, we restructured the sales and corporate teams in order to accommodate the acquired franchises and the large number of openings throughout the year. We set up a dedicated department for the operations team, and hired a People, ESG, Performance and Culture Officer in order to improve the interface with stores, qualify our teams, and ensure excellence in customer assistance.

On May 11, we completed the purchase of a 66.7% stake in Cela, marking the entry of Espaçolaser into Chile's market. Cela is a company with a strong cultural alignment. So, we see a clear potential to improve our commercial model to leverage sales per store, and expand our presence in Chile. Also, due to the accelerated openings in Argentina and Colombia, we closed 2021 with 36 international stores, or a growth of 5.1x in our store base against the previous year.

We have implemented important improvements in our facial aesthetics (Estudioface) business, as a result of the creation of a dedicated business management structure. We are currently changing the technology of our equipment through the implementation of Pico Ultra 300, which is very efficient in treatments to prevent aging spots, melasma, and tattoo removal, thus improving our mix of services.
Considering all challenges that we have faced throughout the year, we closed 2021 with the certainty that we succeeded in our mission to expand our leadership and take the Company to an advanced level. We are confident that long-term trends will remain unchanged, and we will continue to focus on training our teams and developing technological tools that will help us explore the whole potential of our store base.

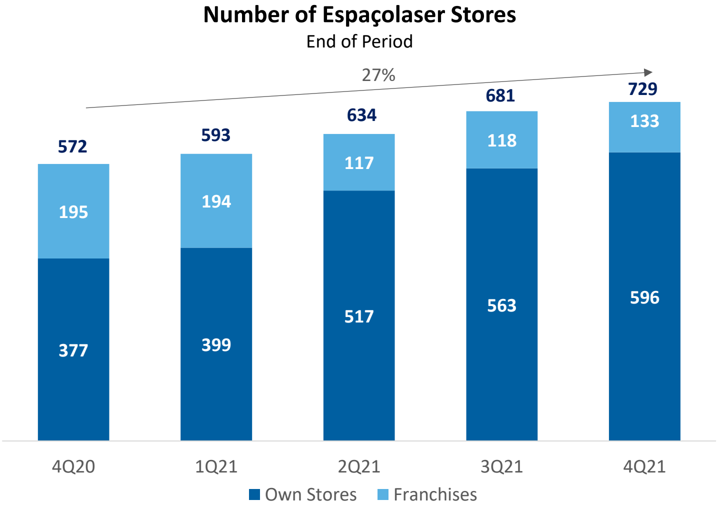
Operating Results

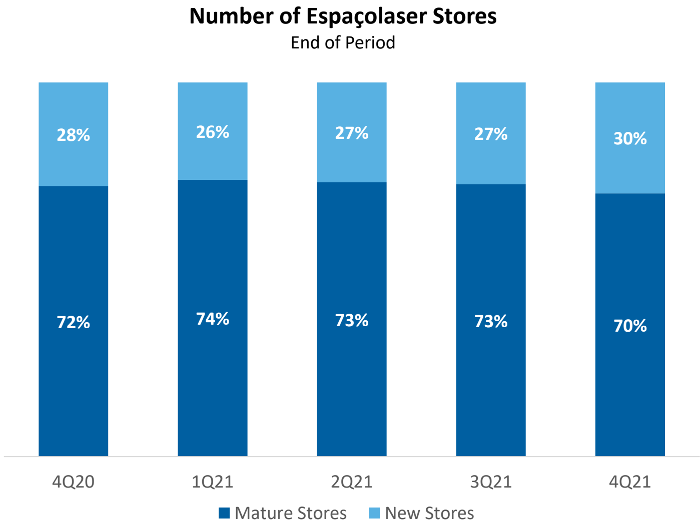
Espaçolaser Brasil

We closed the year 2021 with 729 stores, which corresponds to the record- breaking opening of 157 new units, or a 27.4% increase against the previous year, of which 48 were opened in the last quarter of the year.

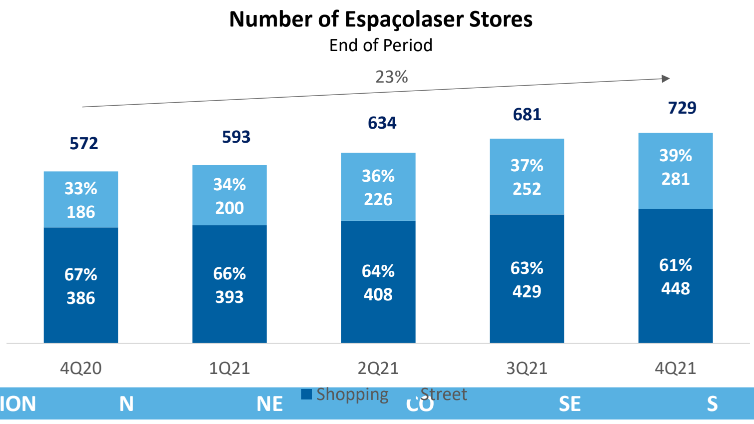
We grew in all regions of Brazil, particularly in the Northeast, Midwest and North, with growths of 17.1%, 10.2% and 8.8%, respectively. We continued to have an important percentage of stores in maturing stage (30%), which represents the potential already contracted for our future growth.

In our expansion process, we increased our presence in 92 cities, and rolled-out our brand in 54. We highlight the State of Bahia, where we opened 13 additional stores after the repurchase process, duplicating our presence in comparison with the 11 pre-existing units.





It is important to highlight that we continue to expand our presence in street stores, which enables us to reduce occupancy costs and improve the profitability of our units.

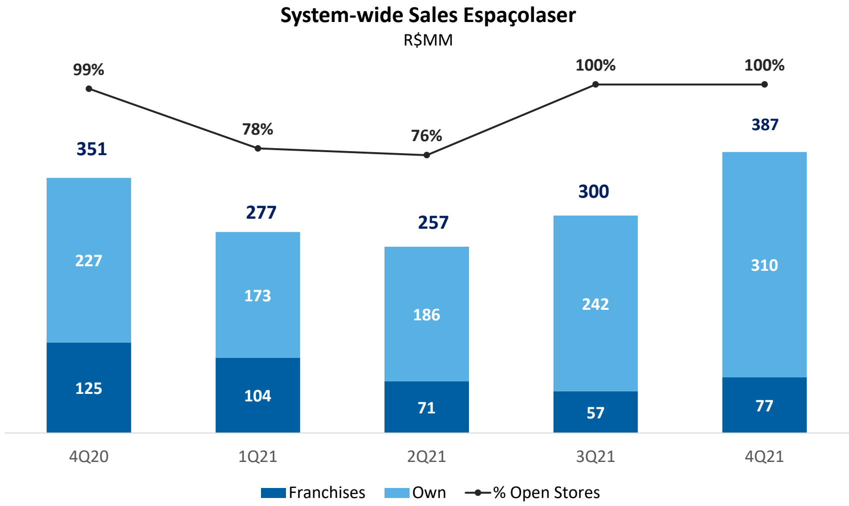


REGION	N	NE	CO	SE	S
3Q21	34	76	59	413	99
4Q21	37	89	65	431	107
% Chg.	**8.8%**	**17.1%**	**10.2%**	**4.4%**	**8.1%**

We closed 2021 with R$1.2 billion in system-wide-sales, or a growth of 23.3% against 2020. This growth resulted from the combination between the expansion of our chain of stores and a 5.8% growth in same store sales.

The growth pace of our chain's sales in 4Q21 dropped to 10.1%, mainly due to resumption of year-end traveling in December, which led to a reduction of 8.2% in our same store sales. It is important to highlight that, compared to 3Q21, our chain's sales increased by 29.2%, mainly due to record sales in the promotional months of October and November.

It should be noted that, differently from traditional retail, we understand that there is a maximum level of sales per store, according to the capacity of the equipment and our proposal to provide high customer satisfaction levels. Given that our customers purchase packages of 10 sessions per area and tend to purchase new areas over time, if we were to continue increasing our sales per store, we would see a detracting effect in NPS in the case customers had difficulties scheduling their sessions. Thus, when a given store consistently sells above an optimal maximum level, we open more stores in the region to accommodate the demand among the stores, and this affects our same store sales indicator.



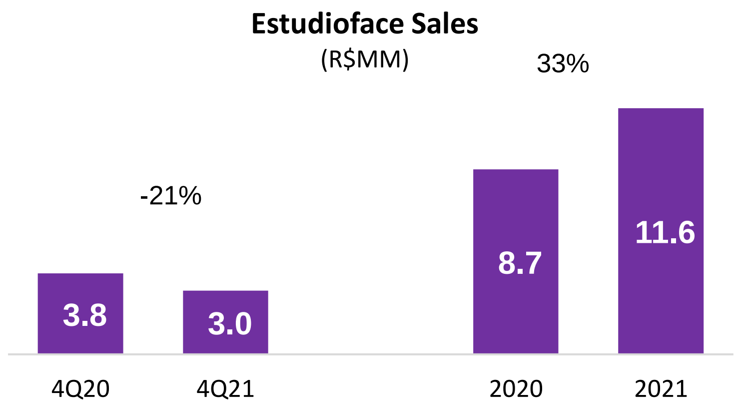
Estudioface

Created in 2017 with the purpose of expanding the scope of our facial aesthetics services, and counting on possible cross selling with our customer base, Estudioface is a company focused on rejuvenation and facial aesthetics whose portfolio includes products such as botulinum toxin, facial filler and laser, among others.

Throughout the year, we carried out important changes in the brand: seeking to be more attentive to our customers, we created a commercial operation dedicated to business management, and are now changing the technology in our stores so as to expand our portfolio of services and increase the share of laser, which improves the profitability of stores.

With an initial focus on expansion through the franchise model, in the middle of the year we resumed sales of new franchises, closing 2021 with another 7 franchises sold. Currently, we have 13 stores in operation, of which 1 is an owned store and 12 are franchises, located in the São Paulo, Rio de Janeiro, Salvador, Fortaleza, Belo Horizonte and Cuiabá.

In 2021, we the chain's sales amounted to R$11.6 million, or an increase of 33.1% against 2020. In 4Q21, as occurred in Espaçolaser stores, we suffered the impact of resumption of travel in the end of the year.

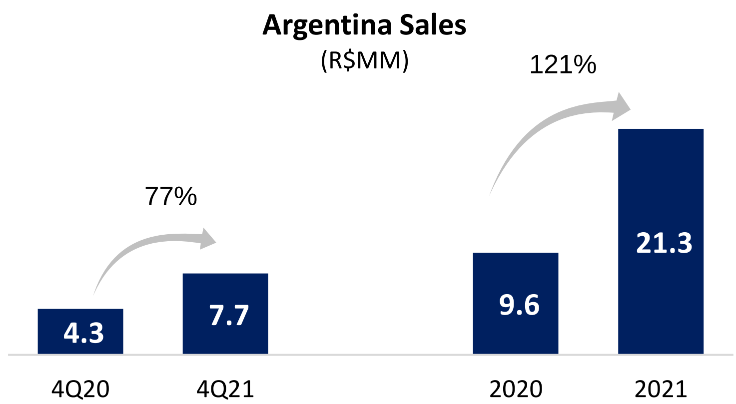


International Expansion

Argentina

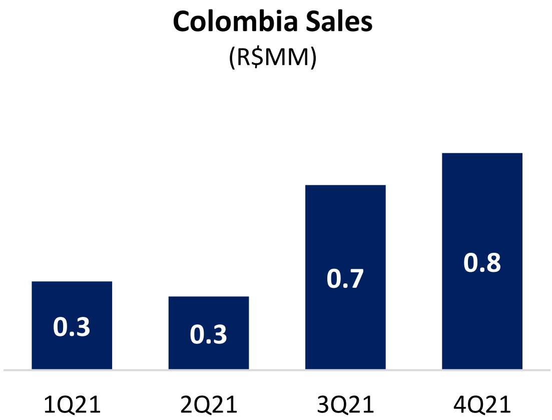
Our international expansion began in 2018 in Argentina based on a joint venture model under the brand "Definit by Espaçolaser". On October 2, 2020, we signed a capitalization agreement with Definit that resulted in our purchase of a 51% stake in the company. Accordingly, as from that date, revenues earned by this joint venture started to be consolidated in the equity pick-up account of our statement of income.

By the end of 2021, we had 13 units in Argentina, including the opening of three units in the quarter, and seven units throughout the year, which were financed with cash generated by the operations themselves, showing the adaptability of our sales model to other markets outside Brazil. It is also important to notice that we started to operate franchises in Argentina, which will boost our growth in the country without the allocation of incremental funds.
In 2021, we recorded a 121% growth in the chain's sales, 77% of this which was recorded in 4Q21. We carried out 47.1 thousand laser procedures in Argentina in the last quarter of 2021, or a 22.1% increase against the volume of procedures in 3Q21.



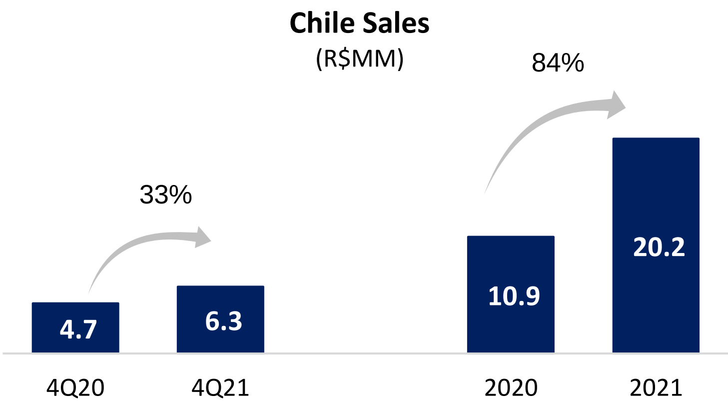
Colombia

In 2020, encouraged by the success of our operations in Argentina, we set up a team to start a 100% proprietary operation in Colombia. We opened our first store in Colombia in December 2020, and, currently, we have 7 stores in the country, having opened another four units in 4Q21. We carried out 6.2 thousand procedures in 4Q21, up by 76.4% compared to the number of procedures performed in the previous quarter, which confirmed the expected maturity of these stores. We closed 2021 with chain's sales amounting to R$2.0 million, of which R$0.8 million was recorded in 4Q21:



Chile

In May this year we completed the purchase of control in Chile's Cela group, a brand that has 16 stores and whose services, technology and culture are similar to those of Espaçolaser. Over the year, we made a series of improvements in our sales model, including: (i) implementation of the "Indicate a Friend" model, which is essential for generation of new leads, and relies on a 'word-of-mouth' marketing; (ii) implementation of 3 sessions for armpits and beards as a courtesy, helping potential customers test the service and see the results as from the first session, thus increasing potential conversions; (iii) restructuring and reorganization of our stores, with management of spaces and agendas for evaluations and procedures; and (iv) implementation of our retail culture for all store employees, from consultants to physiotherapists. Evidencing the strength of our model, which goes far beyond the technology that we use, we performed 39.5 thousand procedures in the quarter, up by 26.1% against the previous quarter. Our sales amounted to R$6.3 million, up by 21.1% in the quarterly comparison. In 2021, our sales amounted to R$20.2 million, or an expansion of 84% against 2020.



ESG

In December, we completed the "Great Place to Work" (GPTW) training program for our Corporate leaders, Regional Officers and Field Managers. This initiative involves an approach to the main concepts of environment transformation and management of our corporate climate for obtainment an excellent workplace. The contents applied also sensitize the leaders about the importance of their role and the need to create relationships of trust and respect with their subordinates, should it be in on-site or remote management activities.

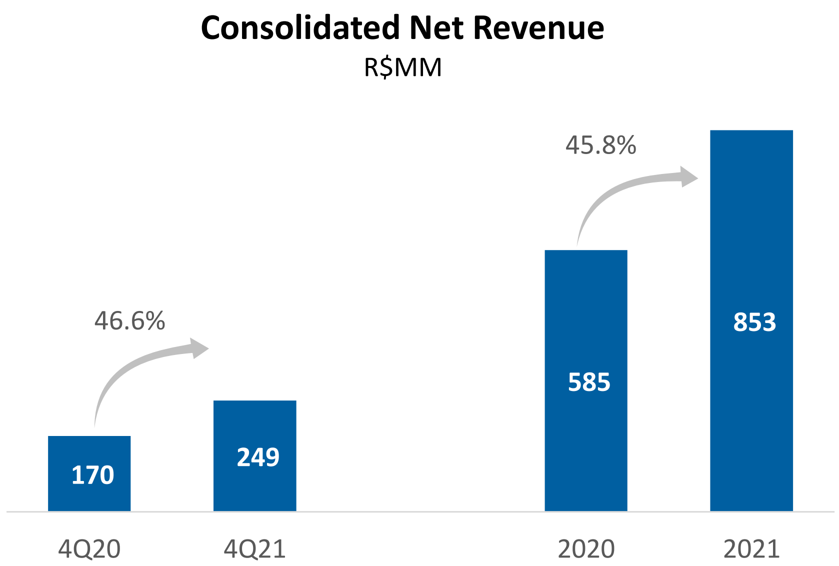
Throughout the year we carried out social actions aiming at boosting projects, such as the support provided to Rio Branco's APAE for the construction of the Equine-assisted Therapy Center, and to Canecas do Brasil, supporting institutions that take care of people with disabilities. During Christmas, we donated staple baskets to the elderly in the scope of the "Old Friend" project, in Heliópolis, and also to families of the NGO AFESU. Additionally, we carried out the "Natal Solidário" action with our employees, with donations of toys to children of the NGO UNAS, in Heliópolis.

Financial Results

Net Revenues

For better comparability between figures, we adjusted the results of the periods to exclude the impact of postponing revenues recognition during the months when our stores were closed in 2020, which had a negative impact on 2Q20 and a positive impact on the subsequent quarters, following recognition of revenues on a straight-line basis after the reopening of stores. Despite the fact that this adjustment did not affect 4Q21, in the first three quarters of 2021 our revenues still had to be adjusted. Additionally, for comparison purposes, we added the results of the JVs merged in the quarter. According to articles 226 and 227 of Law No. 6.404/76 and their paragraphs, such JVs are absorbed by the Company, and their results for the year are transferred to the shareholders' equity of the Company, or the "Acquiring Company."

In 2021, our Net Revenues amounted to R$853.2 million, or a growth of 45.8% against the year 2020. This growth was mainly boosted by the organic expansion of our chain of owned stores, and by the acquisition of chain franchises. In 4Q21, we maintained a strong expansion pace, reaching a growth of 46.6% against the same quarter of the previous year. Net revenues amounted to R$249.0 million.



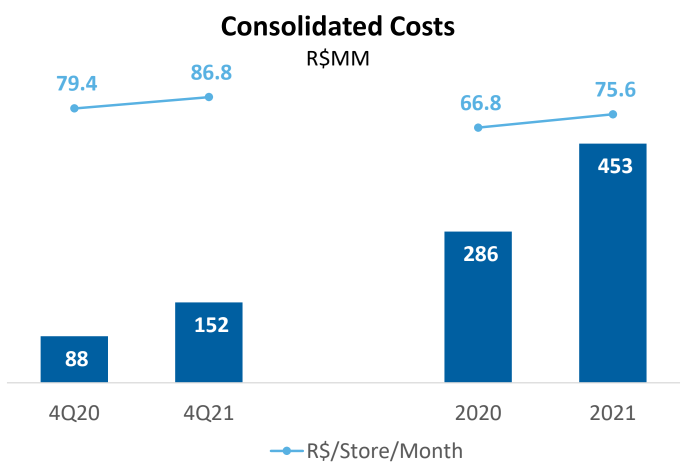
R$ thousands Except when indicated	4Q21	4Q20	Chg.	2021	2020	Chg.
Net Revenue	**167,220**	**206,854**	**(19.2%)**	**714,265**	**521,909**	**36.9%**
(+/-) Revenue Postponement Impact (COVID) 2020	–	(36,952)	(100.0%)	(63,398)	63,398	n.a.
(+) Impact JVs Incorporation	81,812	–	n.a.	202,364	–	n.a.
Adjusted Net Revenue	**249,032**	**169,902**	**46.6%**	**853,231**	**585,307**	**45.8%**

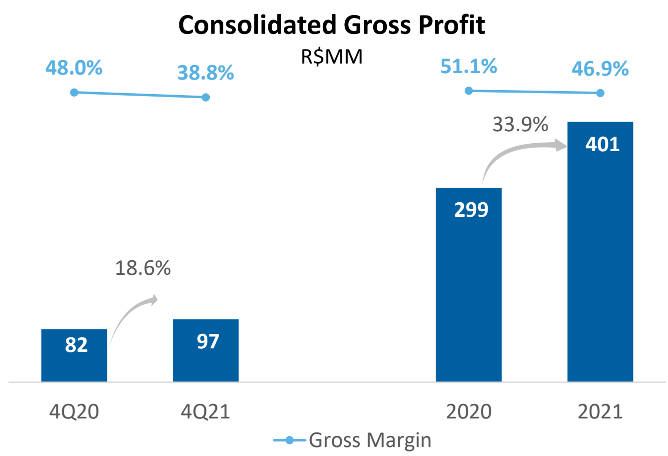
Gross Profit

Our gross profit is adjusted to exclude the effects of the postponement of revenue recognition, and to consolidate the amounts of the JVs absorbed in 3Q21 and 4Q21.

We closed the year 2021 with Accumulated Gross Profit of R$400.6 million, or a growth of 33.9% against 2020. The gross margin dropped by 4.2 p.p., influenced by three main factors: (i) acceleration in the pace of opening of stores and the maturing effect (2.2pp), (ii) negotiation of specific rents in 2020, and (iii) suspension of employment agreements in 2020 (2.0pp).

In the quarter, gross profit amounted to R$96.7 million, or a growth of 18.6% against the same quarter of the previous year. The opening of 33 owned stores in the quarter (vs. 13 stores opened in 4Q20), and a strong cost pressure (+9.3% vs. 4Q20) led to a 9.2 p.p. drop in the margin. It is important to say that, in the end of September, we adjusted our price list by 5%. However, the benefit of this adjustment is not yet reflected in our results due to the promotional activities of the months of October and November 2021.





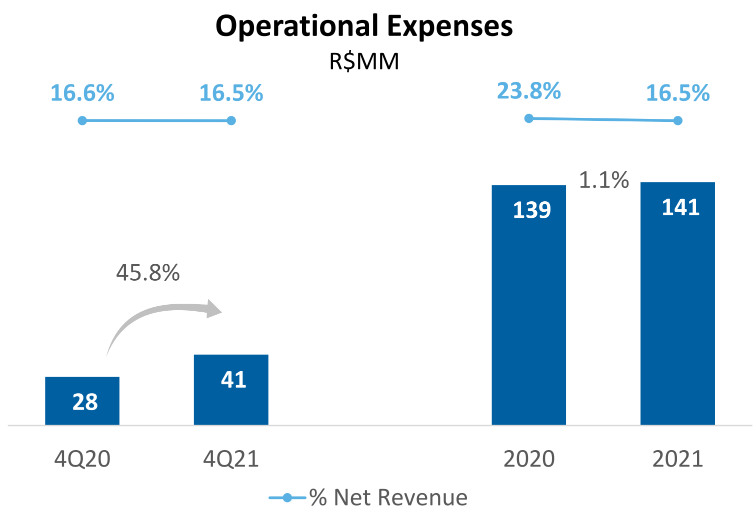
R$ thousands Except when indicated	4Q21	4Q20	Chg.	2021	2020	Chg.
Gross Profit (ex-Depreciation and Amortization)	**42,214**	**131,062**	**(67.8%)**	**335,468**	**277,093**	**21.1%**
(+/-) Revenue Postponement Impact (COVID) 2020	–	(36,952)	(100.0%)	(63,398)	63,398	n.a.
(+) Impact JVs Incorporation	74,680	–	n.a.	179,552	–	n.a.
(-) Realocation Credit Card Fees from G&A to Costs	(5,301)	(4,627)	14.6%	(13,256)	(12,119)	(20.6%)
(-) IFRS-16 Impact	(14,870)	(7,939)	87.3%	(37,783)	(29,272)	29.1%
Adjusted Gross Profit (ex-Depreciation and Amortization)	**96,722**	**81,545**	**18.6%**	**400,584**	**299,100**	**33.9%**
Adjusted Gross Margin	*38.8%*	*48.0%*	*(9.2 p.p.)*	*46.9%*	*51.1%*	*(4.2 p.p.)*

Operating Expenses

We have adjusted our operating expenses in 3Q21 and 4Q21 in order to consolidate the results of the JVs absorbed by us. In addition to this effect, in 2021 we excluded the effects of (i) the early settlement of stock option plans after our IPO; (ii) advisors' expenses relating to the IPO and franchise acquisitions; (iii) the fine for changing the operator of the health plan offered to our employees. In 2020, we excluded the gain relating to a bargain purchase; and (iv) expenses relating to the opening balance sheet of the Cela acquisition (Chile).

We closed 2021 with operating expenses of R$141.0 million, which represents a slight increase in absolute terms, but a dilution of 7.3 p.p. compared to 2020. This dilution is mainly explained by the expansion of 58.0% in our chain of owned stores without significant additions in its structure. Additionally, we managed to capture part of the gains from our corporate consolidation, centralization of decision-making processes, and digitalization. Finally, we highlight the reduction in provisions for doubtful debts, which reflects the improvement in the process of collection of payments from defaulters.

In the quarter, operating expenses increased by 45.8% to R$41.2 million. This increase reflects the adjustments made in our corporate structure in order to accommodate the chain's expansion. On a per store basis, operating expenses amounted to R$23.4 thousand/store/month in the quarter, down 7.5% against R$25.4 thousand/store/month in 4Q20.



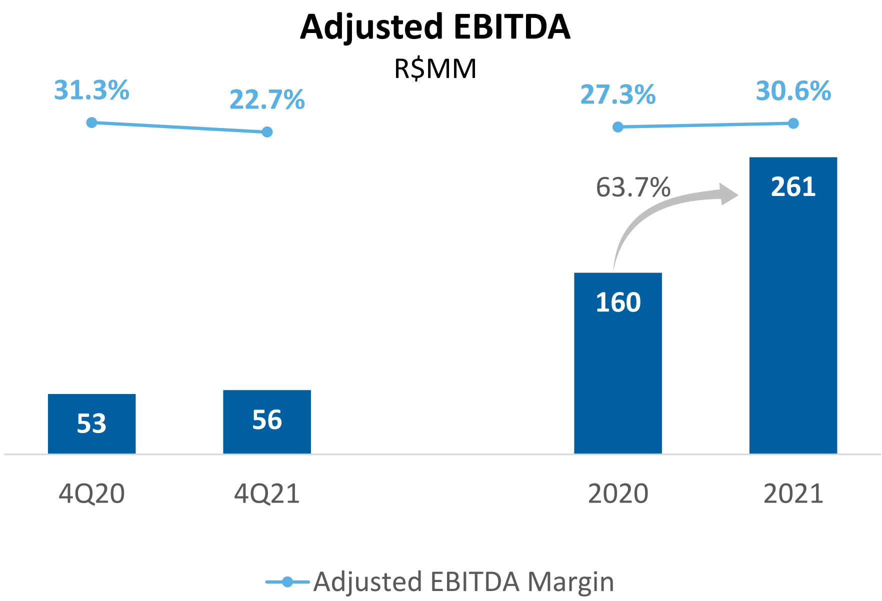
R$ thousands Except when indicated	4Q21	4Q20	Chg.	2021	2020	Chg.
Operational Expenses (ex-Depreciation and Amortization)	**51,840**	**32,853**	**57.8%**	**166,309**	**151,243**	**10.0%**
(+) Realocation Credit Card Fees from G&A to Costs	5,301	4,627	14.6%	13,256	12,119	9.4%
(+) Impact JVs Incorporation	(772)	–	n.a.	(8,851)	–	n.a.
(-) Profit from advantageous purchase	–	–	n.a.	–	(302)	n.a.
(+) Non-recurring expenses	6,157	–	n.a.	20,882	–	n.a.
Ajusted Operational Expenses (ex-Depreciation and Amortization)	**41,153**	**28,226**	**45.8%**	**141,022**	**139,426**	**1.1%**

R$ thousand Except when indicated	4Q21	4Q20	Chg.	2021	2020	Chg.
Operational Expenses (ex-Depreciation and Amortization)	**41,153**	**28,226**	**45.8%**	**141,022**	**139,426**	**1.1%**
% Net Revenue	**16.5%**	**16.6%**	**(0.1 p.p.)**	**16.5%**	**23.8%**	**(7.3 p.p.)**
General and Administrative Expenses	16,039	5,281	203.7%	50,524	46,023	9.8%
% Net Revenue	6.4%	3.1%	3.3 .p.	5.9%	7.9%	(1.9 p.p.)
Personnel Expenses	20,627	12,419	66.1%	59,075	43,183	36.8%
% Net Revenue	8.3%	7.3%	1.0 p.p.	6.9%	7.4%	(0.5 p.p.)
Marketing	7,265	6,633	9.5%	23,782	25,555	(6.9%)
% Net Revenue	2.9%	3.9%	(1.0 p.p.)	2.8%	4.4%	(1.6 p.p.)
Provision for expected credit losses	(2,778)	3,893	(171.4%)	7,641	24,665	(69.0%)
% Net Revenue	-1.1%	2.3%	(3.4 p.p.)	0.9%	4.2%	(3.3 p.p.)

Adjusted EBITDA

In 2021, Adjusted EBITDA amounted to R$261.0 million, up by 63.7% against 2020, with a 30.6% margin, which corresponds to a 3.3 p.p. increase in the annual comparison. The expansion in our chain of stores, and the efficient management of general and administrative expenses were the main drivers of growth in EBITDA and EBITDA margin.

In 4Q21, Adjusted EBITDA was R$56.4 million, or a growth of 6.2% against the same period of the previous year. The temporary compression of store margins largely explains the 8.6-p.p. drop in EBITDA margins, which reached 22.7% in the period.



R$ thousand Except when indicated	4Q21	4Q20	Chg.	2021	2020	Chg.
Net Income	**21,858**	**122,511**	**n.a.**	**179,142**	**58,820**	**n.a.**
(+) Income Tax and Social Contribution	(23,111)	36,410	n.a.	4,215	57,282	-92.6%
(+) Depreciation and Amortization	12,131	21,234	-42.9%	60,274	56,967	5.8%
(+/-) Financial Result	31,004	(82,120)	-137.8%	45,129	(47,393)	-195.2%
EBITDA	**41,882**	**98,035**	**-57.3%**	**288,760**	**125,676**	**129.8%**
(-) IFRS 16 Impact	(14,870)	(7,939)	87.3%	(37,783)	(29,272)	29.1%
(+/-) Revenue Postponement Impact (COVID) 2020	–	(36,952)	(100.0%)	(63,398)	63,398	n.a.
(+) Impact JVs Incorporation	23,245	–	n.a.	52,581	–	n.a.
(-) Profit from advantageous purchase	–	–	n.a.	–	(302)	n.a.
(+) Non-recurring expenses	6,157	–	n.a.	20,882	–	n.a.
Adjusted EBITDA	**56,414**	**53,145**	**6.2%**	**261,043**	**159,500**	**63.7%**
Adjusted EBITDA Margin	*22.7%*	*31.3%*	*(8.6 p.p.)*	*30.6%*	*27.3%*	*3.3 p.p.*

Depreciation and Amortization

Depreciation and amortization amounted to R$11.8 million in 4Q21, down by 16.2% year-on-year.

In 2021, depreciation and amortization amounted to R$46.8 million, up by 42.4% in the annual comparison, reflecting the increase in our store base in the period.

Financial Result

We adjusted our financial result to exclude the impact of gains on options to buy and sell non-controlling interests.

In 2021, our financial result corresponded to expenses of R$68.9 million, against expenses of R$44.6 million in 2020, reflecting the increase in the Company's indebtedness, and the increase in the basic interest rate, which rose from 2.0% to 9.25% at the end of the year. In 4Q21, our financial result was an expense of R$35.3 million, against expenses of R$10.8 million in 4Q20.

Income Tax and Social Contribution

We adjusted our income tax and social contribution account for the effects of net revenues, costs, operating expenses, and variation in the options to buy and sell non-controlling interests, as described in the corresponding sections of this document.

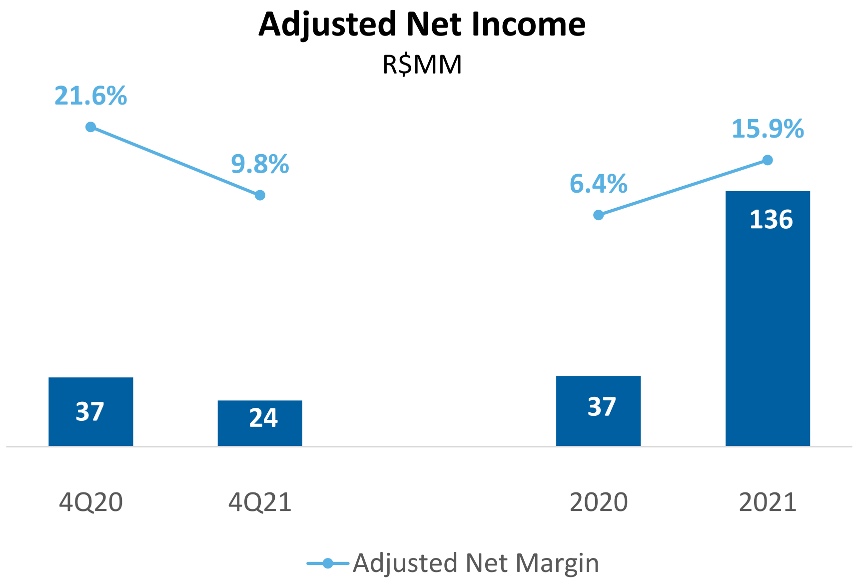
In 4Q21, our revenues amounted to R$15.1 million, against revenues of R$8.4 million in the same period of the previous year. This revenue is associated with the accounting of the deferred income tax credit relating to the year 2021.

In 2021, our expenses amounted to R$9.8 million, against expenses of R$44.6 million in 2020, given the improved efficiency of the effective rate, which, in turn, is associated with the corporate consolidation after the acquisition of the JVs and the appropriation of interest on equity.

Adjusted Net Income

Net income was R$135.5 million in 2021, or a growth of 3.6x against income recorded in 2020, with expansion of net margin to 15.9%.

In 4Q21, net income was R$24.4 million, with a 9.8% margin, down 11.8 p.p. mainly due to the reduction of the EBITDA margin, combined with the increase in financial expenses.



R$ thousand Except when indicated	4Q21	4Q20	Chg.	2021	2020	Chg.
Net Income	**21,858**	**122,511**	**n.a.**	**179,142**	**58,820**	**n.a.**
(+/-) Variation in the value of Purchase and Sale options	–	(62,507)	(100.0%)	(14,187)	(66,343)	(78.6%)
(-) IFRS 16 Impact	(660)	1,036	(163.7%)	344	3,362	(89.8%)
(+/-) Revenue Postponement Impact (COVID) 2020	–	(24,388)	(100.0%)	(41,842)	41,843	n.a.
(+) Impact JVs Incorporation	(861)	–	n.a.	(7,795)	–	n.a.
(-) Profit from advantageous purchase	–	–	n.a.	–	(200)	n.a.
(+) Non-recurring expenses	4,064	–	n.a.	19,848	–	n.a.
Adjusted Net Income	**24,401**	**36,653**	**(33.4%)**	**135,510**	**37,482**	**261.5%**
Adjusted Net Margin	*9.8%*	*21.6%*	*(11.8 p.p.)*	*15.9%*	*6.4%*	*9.5 p.p.*

Operating Cash Flow

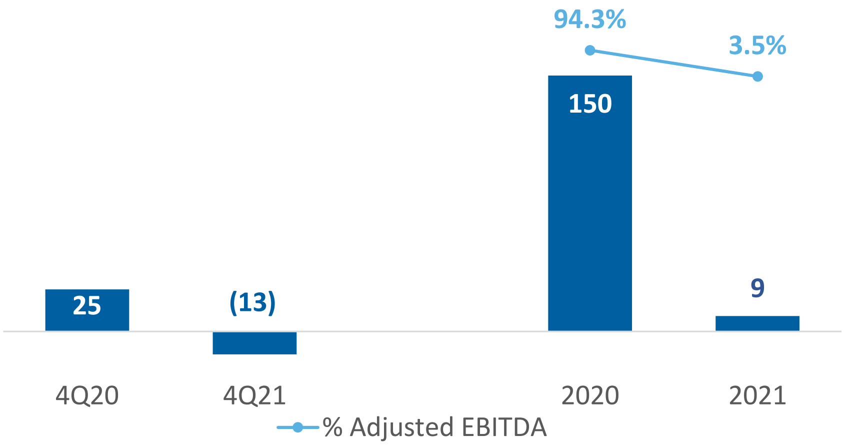
We closed the year 2021 with cash generation of R$9.0 million, compared to R$150.4 million in 2020, reflecting the acceleration of the plan to open stores, requiring more cash in the initial stages, and the extension of approximately 2 months in the financing terms offered to customers, aiming at facilitating payment conditions to our customers amidst a more restrictive income scenario.

Additionally, we highlight that cash generation in the year 2020 was influenced by sales retraction during the more restrictive periods of the pandemic, and by the monetization of receivables and slowdown in our expansion.

In 4Q21, our adjusted operating cash consumption was R$13.4 million, compared to cash generation of R$24.7 million in the same period of the previous year, reflecting also the accelerated expansion rate and elongation of receivable term.

Adjusted Operating Cash Flow

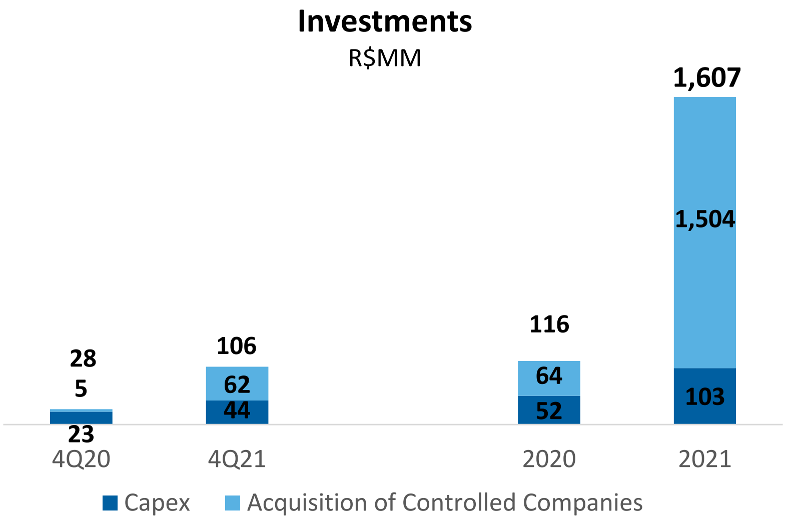
R$MM



R$ thousand Except when indicated	4Q21	4Q20	Chg.	2021	2020	Chg.
Income (Loss) Before Income Tax and Social Contribution	**(1,252)**	**160,799**	**(100.8%)**	**183,357**	**116,102**	**57.9%**
(+) Adjustments to Income (Loss) Before Income Tax and Social Contribution	**52,672**	**(62,452)**	**n.a.**	**139,252**	**58,273**	**139.0%**
Depreciation and Amortization	2,949	13,496	(78.1%)	64,981	56,967	14.1%
Provision for expected credit losses	2,795	(20,525)	(113.6%)	28,957	16,934	71.0%
Others	46,928	(55,423)	n.a.	45,314	(15,628)	n.a.
(+) Working Capital Variations	**(64,865)**	**(73,650)**	**(11.9%)**	**(313,594)**	**(24,019)**	**1205.6%**
Accounts Receivable	(122,526)	(35,903)	241.3%	(220,855)	(37,670)	486.3%
Deferred Revenue	63,667	13,619	367.5%	(39,516)	94,551	n.a.
Others	(6,006)	(51,366)	(88.3%)	(53,223)	(80,900)	(34.2%)
Adjusted Net Cash Generated by Operating Activities	**(13,445)**	**24,697**	**(154.4%)**	**9,015**	**150,356**	**(94.0%)**
Capex	(44,027)	(23,460)	87.7%	(103,405)	(52,479)	97.0%
Acquisition of Controlled Companies	(61,786)	(4,700)	1215%	(1,503,909)	(63,927)	2252.5%
Others	1,804	(14,773)	n.a.	108	(14,773)	(100.7%)
Net Cash Generated by Investment Activities	**(104,009)**	**(42,933)**	**142.3%**	**(1,607,206)**	**(131,179)**	**1125.2%**
Net Cash Generated by Financing Activities	**(9,958)**	**(49,897)**	**(80.0%)**	**1,592,686**	**74,665**	**2033.1%**
Net Cash Flow	**(127,412)**	**(68,133)**	**87.0%**	**(5,505)**	**93,842**	**(105.9%)**

Investments

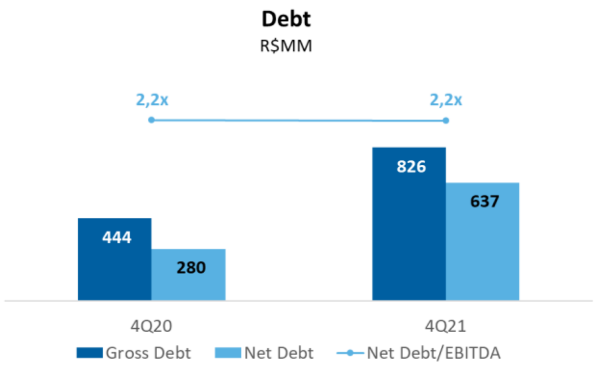
In 4Q21, our capex was R$44.0 million, up by 87.7% in an annual comparison, of which 96.6% was allocated to expansion projects. Thus, in 2021 our Capex was R$103.4 million, or 12.1% of net revenues for the period, and growth of 97.0% in the annual comparison. Additionally, we invested R$61.8 million in the purchase of subsidiaries in 4Q21, adding up to R$1,503.9 million in 2021, reflecting the acquisition of 100 franchises of our chain.

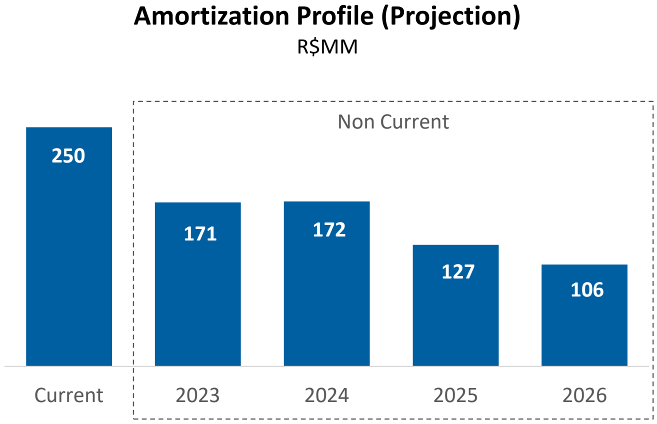


Indebtedness

Our net debt was R$637.0 million in 2021, up by R$356.8 million year-on-year. This increase reflects the purchase of 100 franchises, compared to 78 franchises estimated at the moment of the IPO; acceleration of the organic expansion plan; and extension of approximately 2 months in the terms of payments of customers, in order to facilitate payment conditions.

Measured by the net debt/EBITDA ratio, our leverage was 2.2x in 4Q21, remaining stable against the same period of the previous year. 70% of our gross debt has long-term maturities, and the proceeds from the 1st issue of debentures contributed to improve our debt profile.





APPENDICES

IFRS-16 Reconciliation

R$ thousand Except when indicated	4Q21			2021		
	IAS17	IFRS16	Chg .	IAS17	IFRS16	Chg .
Net Revenue	**167,220**	**167,220**	**–**	**714,265**	**714,265**	**–**
Costs	(134,516)	(125,006)	(9,510)	(411,219)	(378,797)	(32,422)
Gross Profit	**32,704**	**42,214**	**(9,510)**	**303,046**	**335,468**	**(32,422)**
General and Administrative Expenses	(331)	(331)	–	(46,708)	(46,708)	–
Adjusted EBITDA	**32,373**	**41,883**	**(9,510)**	**256,338**	**288,760**	**(32,422)**
Depreciation and Amortization	(4,977)	(12,131)	7,154	(32,197)	(60,274)	28,077
Financial Result	(29,308)	(31,004)	1,696	(40,440)	(45,129)	4,689
Income Tax and Social Contribution	23,111	23,111	–	(4,215)	(4,215)	–
Net Income	**21,199**	**21,858**	**(660)**	**179,486**	**179,142**	**344**

R$ thousand Except when indicated	4Q20			2020		
	IAS17	IFRS16	Chg .	IAS17	IFRS16	Chg .
Net Revenue	**206,854**	**206,854**	**–**	**521,909**	**521,909**	**–**
Costs	(83,730)	(75,792)	(7,939)	(274,087)	(244,815)	(29,272)
Gross Profit	**123,124**	**131,062**	**(7,939)**	**247,822**	**277,094**	**(29,272)**
General and Administrative Expenses	(31,149)	(31,149)	–	(151,417)	(151,417)	–
Adjusted EBITDA	**91,975**	**99,913**	**(7,939)**	**96,405**	**125,677**	**(29,272)**
Depreciation and Amortization	(14,089)	(21,233)	7,144	(32,894)	(56,967)	24,073
Financial Result	83,951	82,119	1,831	55,954	47,392	8,561
Income Tax and Social Contribution	(36,410)	(36,410)	–	(57,282)	(57,282)	–
Net Income	**125,426**	**124,389**	**1,036**	**62,182**	**58,820**	**3,362**

Management Income Statement (excluding IFRS-16 and other impacts detailed in this document)

R$ thousand Except when indicated	4Q21	4Q20	Chg.	2021	2020	Chg.
Net Revenue	**249,032**	**169,902**	**46.6%**	**853,231**	**585,307**	**45.8%**
Costs	**(152,309)**	**(88,358)**	72.4%	**(452,647)**	**(286,207)**	58.2%
Personnel	(90,237)	(55,203)	63.5%	(286,942)	(191,725)	49.7%
Rent	(27,617)	(17,947)	53.9%	(85,292)	(51,198)	66.6%
Direct Costs	(29,154)	(13,891)	109.9%	(67,157)	(34,475)	94.8%
Credit Card Commissions	(5,301)	(4,627)	14.6%	(13,256)	(12,119)	9.4%
Gross Profit	**96,722**	**81,545**	**18.6%**	**400,584**	**299,100**	**33.9%**
% Gross Margin	38.8%	48.0%	*(9.2 p.p.)*	46.9%	51.1%	*(4.2 p.p.)*
General and Administrative Expenses	**(41,153)**	**(28,226)**	**45.8%**	**(141,022)**	**(139,426)**	**1.1%**
Personnel	(20,627)	(12,419)	66.1%	(59,075)	(43,183)	36.8%
General and Administrative	(16,039)	(5,281)	203.7%	(50,524)	(46,023)	9.8%
Sales	(7,265)	(6,633)	9.5%	(23,782)	(25,555)	(6.9%)
Provision for expected credit losses	2,778	(3,893)	(171.4%)	(7,641)	(24,665)	(69.0%)
Equity Income	**845**	**(174)**	**n.a.**	**1,481**	**(174)**	**n.a.**
EBITDA	**56,414**	**53,145**	**6.2%**	**261,043**	**159,500**	**63.7%**
% EBITDA Margin	22.7%	31.3%	*(8.6 p.p.)*	30.6%	27.3%	*3.3 p.p.*
Depreciation and Amortization	(11,808)	(14,089)	(16.2%)	(46,837)	(32,894)	42.4%
Financial Results	(35,278)	(10,756)	228.0%	(68,925)	(44,566)	54.7%
Income Tax and Social Contribution	15,073	8,354	80.4%	(9,771)	(44,558)	(78.1%)
Net Income	**24,401**	**36,653**	**(33.4%)**	**135,510**	**37,482**	**261.5%**
% Net Margin	*9.8%*	*21.6%*	*########*	*15.9%*	*6.4%*	*9.5 p.p.*

Statement of Corporate Income (including IFRS-16)

R$ thousand Except when indicated	4Q21	4Q20	Chg.	2021	2020	Chg.
Gross Revenue	**220,999**	**232,390**	**(4.9%)**	**839,041**	**610,524**	**37.4%**
Taxes over Sales	(29,410)	(25,016)	17.6%	(98,368)	(64,762)	51.9%
Cancellations	(24,369)	(520)	4586.3%	(26,408)	(23,853)	10.7%
Net Revenue	**167,220**	**206,854**	**(19.2%)**	**714,265**	**521,909**	**36.9%**
Costs	**(125,006)**	**(75,792)**	64.9%	**(378,797)**	**(244,816)**	54.7%
Personnel	(88,063)	(55,203)	59.5%	(278,595)	(191,725)	45.3%
Rent	(12,249)	(10,008)	22.4%	(42,366)	(21,926)	93.2%
Direct Costs	(24,694)	(13,891)	77.8%	(57,836)	(34,475)	67.8%
Gross Profit	**42,214**	**131,062**	**(67.8%)**	**335,468**	**277,093**	**21.1%**
% Gross Margin	25.2%	63.4%	*(38.1 p.p.)*	47.0%	53.1%	*(6.1 p.p.)*
General and Administrative Expenses	**(51,840)**	**(32,853)**	**57.8%**	**(166,309)**	**(151,243)**	**10.0%**
Sales	(20,394)	(6,633)	207.5%	(34,424)	(25,555)	34.7%
General and Administrative	(31,446)	(26,220)	19.9%	(131,885)	(125,688)	4.9%
Equity Income	**51,509**	**(174)**	**n.a.**	**119,601**	**(174)**	**n.a.**
EBITDA	**41,882**	**98,035**	**(57.3%)**	**288,760**	**125,676**	**129.8%**
% EBITDA Margin	25.0%	47.4%	*(22.3 p.p.)*	40.4%	24.1%	*16.3 p.p.*
Depreciation and Amortization	(12,131)	(21,234)	(42.9%)	(60,274)	(56,967)	5.8%
Financial Results	(31,004)	82,120	(137.8%)	(45,129)	47,393	(195.2%)
Call and put options related to non-controlling interests	–	94,707	(100.0%)	21,495	100,520	(78.6%)
Income Tax and Social Contribution	23,111	(36,410)	(163.5%)	(4,215)	(57,282)	(92.6%)
Net Income	**21,858**	**122,511**	**(82.2%)**	**179,142**	**58,820**	**204.6%**
% Net Margin	*13.1%*	*59.2%*	*(46.2 p.p.)*	*25.1%*	*11.3%*	*13.8 p.p.*

Balance Sheet

R$ thousand Except when indicated	4Q21	4Q20	Chg.
Total Assets	**2,215,889**	**1,460,045**	**51.8%**
Current Assets	**851,416**	**839,866**	**1.4%**
Cash and cash equivalents	143,446	148,951	(3.7%)
Financial Applications		14,773	
Accounts Receivable from Clients	656,963	437,776	50.1%
Call options from non-controlling shareholders	–	204,171	(100.0%)
Advancements to suppliers	22,067	4,821	357.7%
Other Assets	28,940	29,374	(1.5%)
Non-Current Assets	**1,364,473**	**620,179**	**120.0%**
Accounts Receivable from Clients	45,256	5,553	715.0%
Accounts Receivable - Related Parties	6,850	2,567	166.8%
Derivative Financial Instruments	25,559	24,731	3.3%
Other Assets	6,772	5,578	21.4%
Marketable Securities	20,424	–	n.a.
Deferred income tax and social contribution	36,354	–	n.a.
Investments	3,122	1,642	90.1%
Fixed Assets	308,907	181,145	70.5%
Intangibles	851,834	346,906	145.6%
Assets by right of use	59,395	52,057	14.1%
Liabilities and Shareholders' Equity	**2,215,889**	**1,460,045**	**51.8%**
Current Liabilities	**761,155**	**645,840**	**17.9%**
Loans and Financing	240,129	156,502	53.4%
Debentures	9,596	–	n.a.
Lease liabilities	27,213	19,956	36.4%
Suppliers	25,440	13,470	88.9%
Onerous contract	8,243	8,243	–
Deferred revenue	287,481	278,534	3.2%
Salaries and social charges	42,287	27,318	54.8%
Taxes and contributions payable	36,578	43,908	(16.7%)
Taxes paid in installments	3,274	3,441	(4.9%)
Accounts Payable	71,319	41,158	73.3%
Call and put options from non-controlling shareholders	–	52,370	(100.0%)
Other accounts payable	9,595	940	920.7%
Non-Current Liabilities	**733,917**	**465,555**	**57.6%**
Onerous contract	65,256	74,127	(12.0%)
Loans and Financing	328,828	312,309	5.3%
Debentures	248,007	–	n.a.
Lease liabilities	38,964	31,091	25.3%
Derivative Financial Instruments	–	–	n.a.
Taxes and contributions payable	7,684	4,539	69.3%
Deferred income tax and social contribution	–	8,249	(100.0%)
Accounts Payable	22,092	5,729	285.6%
Taxes paid in installments	4,200	5,663	(25.8%)
Provisions for dismantling assets	2,924	6,545	(55.3%)
Provisions for lawsuits	14,965	17,303	(13.5%)
Accounts payable - related parties	–	–	n.a.
Other accounts payable	997	–	n.a.
Shareholders' Equity	**720,817**	**348,650**	**106.7%**

Cash Flow

R$ thousand Except when indicated	4Q21	4Q20	Chg.	2021	2020	Chg.
Income (Loss) Before Income Tax and Social Contribution	**(1,252)**	**160,799**	**n.a.**	**183,357**	**116,102**	**57.9%**
(+) Adjustments to Income (Loss) Before Income Tax and Social Contribution	**52,672**	**(62,452)**	**n.a.**	**139,252**	**58,273**	**139.0%**
Depreciation and Amortization	2,949	13,496	(78.1%)	64,981	56,967	14.1%
Interest on loans, leasings and fiscal installments	20,878	18,099	15.4%	57,273	63,756	(10.2%)
Provision for expected credit losses	2,795	(20,525)	n.a.	28,957	16,934	71.0%
Result of financial instruments	(19)	(64,110)	n.a.	(828)	(69,923)	(98.8%)
Others	26,069	(9,412)	n.a.	(11,131)	(9,461)	n.a.
Reduction (increase) in assets	**(134,253)**	**(34,350)**	**290.8%**	**(229,370)**	**(46,250)**	**395.9%**
Accounts Receivable	(122,526)	(35,903)	241.3%	(220,855)	(37,670)	486.3%
Advancements to suppliers	3,183	(4,765)	n.a.	(17,246)	(3,233)	433.4%
Other assets	(8,060)	3,147	n.a.	13,014	(8,856)	n.a.
Accounts Receivable - related parties	(6,850)	3,171	n.a.	(4,283)	3,509	(222.1%)
Increase (reduction) in liabilities	**57,468**	**(35,362)**	**(262.5%)**	**(123,813)**	**(19,491)**	**535.2%**
Deferred Revenue	63,667	13,619	367.5%	(39,516)	94,551	n.a.
Payment of loans and financing – interest	(11,920)	3,938	n.a.	(39,589)	(41,722)	(5.1%)
Interest paid - leasings	(2,636)	2,449	n.a.	(7,915)	(4,281)	84.9%
Suppliers	3,540	(19,602)	n.a.	11,970	(10,948)	(209.3%)
Income Tax and Social Contribution payable	(54,633)	557	n.a.	(54,633)	1,780	(3169.3%)
Income Tax and Social Contribution	60,090	(4,281)	n.a.	–	(37,397)	(100.0%)
Others	(640)	(32,042)	(98.0%)	5,870	(21,474)	n.a.
Net Cash Generated by Operating Activities	**(25,365)**	**28,635**	**(188.6%)**	**(30,574)**	**108,634**	**(128.1%)**
Capex	(44,027)	(23,460)	87.7%	(103,405)	(52,479)	97.0%
Investment in Financial Applications					(14,773)	
Acquisition of Controlled Companies	(61,786)	(4,700)	1214.6%	(1,503,909)	(63,927)	2252.5%
Others	1,804	–	n.a.	108	–	n.a.
Net Cash Generated by Investment Activities	**(104,009)**	**(42,933)**	**142.3%**	**(1,607,206)**	**(131,179)**	**1125.2%**
Capital increase - IPO	–	–	n.a.	1,200,000	–	n.a.
Transaction costs related to the IPO	–	–	n.a.	(51,144)	–	n.a.
Financial Investments	2,827	–	n.a.	338	–	n.a.
Receipt of Shareholders	4,958	–	n.a.	4,958	–	n.a.
Call and put options for stakes	–	–	n.a.	206,317	–	n.a.
Loans and Financing	(168,212)	3,402	n.a.	321,705	453,728	(29.1%)
Payment of loans and financing - principal	(75,572)	(24,234)	211.8%	(234,799)	(276,386)	(15.0%)
Receipt of Shareholders		1,499			1,499	
Lease consideration	(4,421)	(6,257)	(29.3%)	(27,704)	(21,080)	31.4%
Liquidation of derivative financial instruments	–	(27,415)	n.a.	–	(27,415)	n.a.
Dividends paid	(1)	(830)	(99.9%)	(34,737)	(13,959)	148.9%
Net Cash Generated by Financing Activities	**1,962**	**(53,835)**	**(103.6%)**	**1,632,275**	**116,387**	**1302.5%**
Net Cash Flow	**(127,412)**	**(68,133)**	**87.0%**	**(5,505)**	**93,842**	**n.a.**

Legal Notice

Statements in this document concerning Espaçolaser's business prospects, operating and financial projections and growth prospects are merely projections and, as such, they 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, thus, they are 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 our independent auditors.