



# EARNINGS RELEASE **4Q23**

## **VIDEO CONFERENCE**

March 1, 2024 at 11:00 a.m. (BRT)

## **Live broadcast:**

[Click here](#) or on the website **ri.senior.com.br**



# EARNINGS RELEASE

## 4Q23

Blumenau (SC), **February 29, 2024** – Senior Sistemas S.A. (“Senior” or “Company”) hereby releases its results for the **fourth quarter of 2023** (“4Q23”). The Company’s consolidated financial statements were prepared in accordance with accounting standards adopted in Brazil and International Financial Reporting Standards (IFRS).

**NET REVENUE REACHES R\$ 835.4 MILLION,  
WITH GROWTH IN CLOUD REVENUE OF 35.8% IN 2023**



Net Revenue

**R\$ 835.4 MM**

+16.3% vs 2022



Recurring Revenue

**R\$ 716.9 MM**

+23.6% vs 2022



EBITDA

**R\$ 248.8 MM**

+25.7% vs 2022



Net Income

**R\$ 176.2 MM**

+30.8% vs 2022

Cloud revenue reaches R\$ 365.1 million, recording growth of 35.8% over 2022.

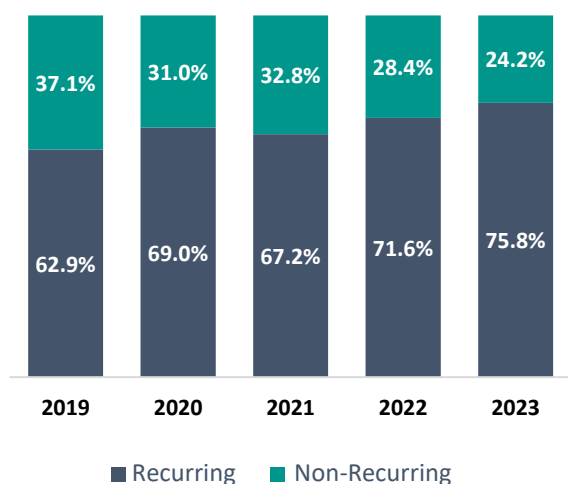
Recurring Revenue grows 23.6% in 2023, reaching 75.8% of GOR’s share.

EBITDA with consistent growth and EBITDA Margin of 29.8%.

Net income in 2023, with consistent growth and Net Margin of 21.1%.

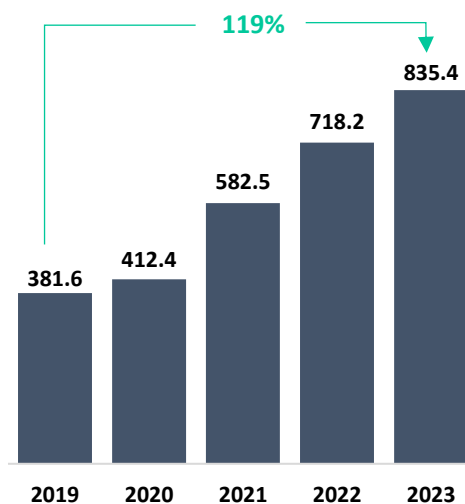
## A RESILIENT BUSINESS MODEL WITH A GROWTH HISTORY IN DIFFERENT MACROECONOMIC CYCLES

### Recurring Revenue Share (R\$ MM; %)



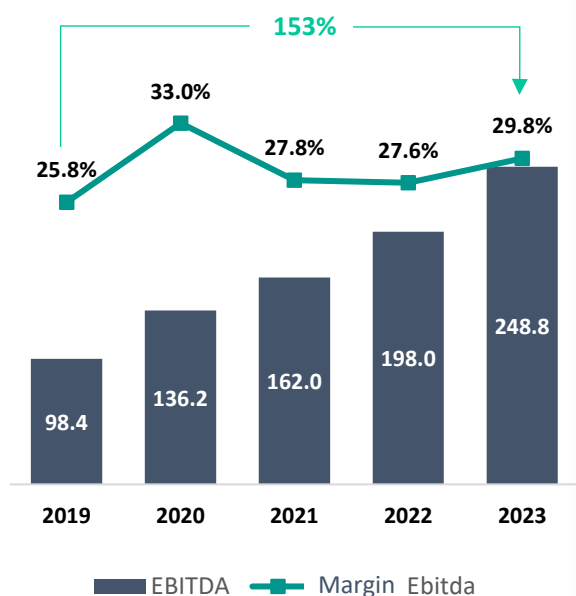
### Net Revenue (R\$ MM; %)

CAGR 19-23 = 22.9%



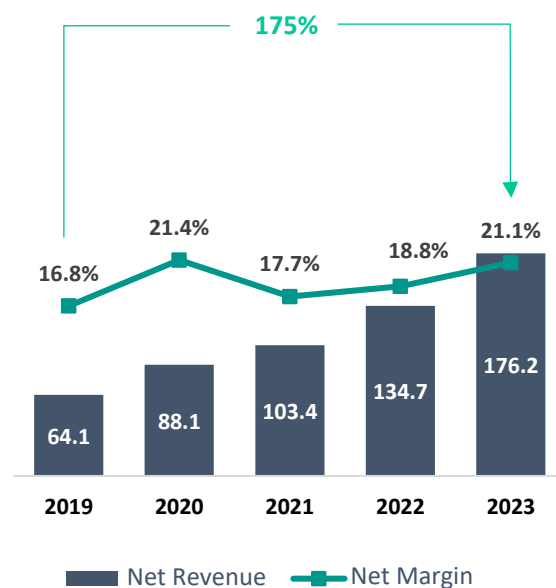
### EBITDA (R\$ MM; %)

CAGR 19-23 = 26.8%



### Net Income (R\$ MM; %)

CAGR 19-23 = 31.0%



## Message from Management

The year 2023 was another period of consistent results for Senior, confirming a solid trajectory of growth and profitability over the years.

We reported growth in Recurring Revenue of 23.6% vs 2022, reaching R\$ 716.9 million in the year, accounting for 75.8% of the Company's total revenue. We increased Cloud Revenue by 35.8%, which totaled R\$ 365.1 million in the end of 2023, confirming the Company's focus on continuing its growth in this category.

We recorded the highest EBITDA in Senior's history, totaling R\$ 248.8 million (+25.7% vs 2022) with EBITDA Margin of 29.8%, Net Income of R\$ 176.2 million (+30.8% vs 2022) and Net Margin of 21.1%.

We also ended the year well capitalized, with a cash generation of R\$ 232.7 million (+32.2% vs 2022), allowing us to take advantage of opportunities arising from our M&A pipeline and maintaining the contribution of inorganic growth to the expansion of Senior's business.

We further expanded investments in our portfolio of Management products to build the Senior of the Future: We are the first and only software vendor in Brazil with Management solutions developed on a completely new technology platform, our Senior X Platform. This is an important advance that allows us to provide our clients with greater speed in digital transformation according with new market technologies such as Generative AI, Artificial Intelligence, BOTs, and at the same time generate operational efficiency gains compared to our competitors. Furthermore, we announced the conclusion of the Konviva Edtech acquisition, which completes our Talent Experience suite at HCM Senior.

We created the Joint Venture with BTG Pactual to deliver a new experience in financial services for Companies. After obtaining the approval from the Administrative Council for Economic Defense (CADE) in September 2023, we are awaiting approval from the Central Bank of Brazil (BACEN) while we structure the operation strategy with BTG. Still in the Financial area, Wiipo, our Fintech for Financial Services and Benefits for People, already has 2.5 million employees connected to the app, 362% more flexible benefits transacted, R\$ 32 million in payroll loans granted and a growth of 82.7% in revenue compared to the previous year.

The Platform capacity consolidated its results, reaching R\$ 9.8 million in revenue, with growth of over 62% in the year. In this last period, we increased our installed base and accelerated growth in strategic areas such as sales, products and partnerships.

Moreover, in the international market, we recorded record results in 2023 with our operation in Colombia. We closed the year with Net Revenue of R\$ 30.3 million (+25.1% vs 2022) and a CAGR of 26% since we took over Novasoft's operation in 2021.

In our corporate agenda, we prioritize our purpose of empowering people and boosting business and were certified by Great Place to Work (GPTW) for the sixth consecutive year. Furthermore, we were recognized as one of the 150 best large companies to work for and one of the 140 best Information Technology companies in Brazil. We will continue working to make our work environment increasingly attractive and welcoming for our employees, our main asset.

With pride and satisfaction, we celebrate the 2023 results and reaffirm our commitment for the year 2024 on Senior's three strategic fronts: profitable growth of the 3 business capabilities – Management, Financial and Platform, expansion of our addressable market in Latin America and maintenance of the Company's inorganic growth agenda.

### The Management

## Highlights in 4Q23

### Senior Ecosystem – Management, Financial and Platform



**Acquisition of Konviva:** with the arrival of Konviva Edtech, Senior strengthens its Management capacity, completing the Talent Experience suite with the Corporate Education solution integrated with the HCM platform. Such integration meets the growing demand of organizations to foster an agile, flexible and customized experience in the development, engagement and retention journey of their employees. After compliance with all precedent conditions, the Company took over control of the operation on January 2, 2024. For further information, [click here](#).



**Senior and BTG JV :** In 2023, Senior signed the incorporation of a Joint Venture with BTG Pactual with the purpose of creating a platform to offer financial services and products to Companies, integrated with Senior's management systems. In September, we received the definitive approval from CADE and are currently waiting authorization from the Central Bank of Brazil to begin offering a new experience in financial services to Companies across the country. For further information, [click here](#).

### ESG – Environmental, Social and Governance



**Interest on Own Capital:** On December 12, 2023, the Board of Directors approved the payment of Interest on own Capital for the fourth quarter of 2023 in the amount of R\$ 5.3 million, corresponding to R\$ 4.20 per share, whose payment took place on December 22, 2023. For further information, [click here](#).



**Senior is GPTW:** For the 6<sup>th</sup> year in a row, Senior was recognized by Great Place to Work and once again entered the ranking of the 150 best large companies to work for in Brazil. Moreover, the company is also in the ranking of the 140 best large Information Technology companies and among the 60 best companies in Santa Catarina, achieving 4<sup>th</sup> place in the latter ranking.

During the Best in Technology ceremony, Senior was one of the companies that received the "Emotional Health Highlight", related to the health and well-being of its employees.



**Social Impact:** Senior supports several social impact actions by making donations and sponsorships with the purpose of contributing to society and the communities where it operates. The selection of initiatives takes place annually and more than R\$ 750,000 were directed to several projects and institutions in Brazil throughout 2023.

## Solution Ecosystem

Our ecosystem of solutions is made up of three business capabilities: Management, Financial and Platform. From raw materials to the final consumer, we serve over 11,000 clients at different stages of the production chain, in strategic industries such as Manufacturing, Agribusiness, Logistics, Construction, Wholesale & Distribution, which have more than 6.6 million users connected to solutions in Brazil and Latin America.

Our business capabilities represent our strategy of creating and developing solutions that foster efficiency and enable assertive and strategic management for our clients and partners.

We present below a brief description and the break down of each of our capabilities.



### MANAGEMENT

Management consists of (i) ERP solutions; (ii) HR solutions for management and development of human capital; (iii) and specialized Manufacturing, Agribusiness, Logistics, Construction, Wholesale & Distribution solutions, among others.

Based on its active client base, Management leverages other business capabilities by promoting cross-selling opportunities for financial, automation and productivity solutions.



### FINANCIAL

The focus in the Financial area is to offer financial services to People and Companies.

With Wiipo, our Fintech for Financial Services for People, we offer products such as Flexible Benefits, Payroll Loans, Salary Advances and Discount Clubs.

Moreover, to provide a new experience in Financial Services for Companies, we created a Joint Venture with BTG Pactual in July 2023. We are waiting the approval from regulatory bodies to begin offering products to our clients.



### PLATFORM

The Platform capability aims to strengthen our X ecosystem using a platform that allows to customize and integrate several functionalities such as BPM, RPA, Chatbot, ECM and Electronic Signature, Analytics and Senior Connect to Senior's management solutions, through no-code and low-code tools, as well as APIs.

In this capacity, we also provide the Senior XStore marketplace, a hub that connects technology solution providers to our client base.

## Consolidated Financial Highlights

R\$ THOUSAND	4Q23	4Q22	Δ %	2023	2022	Δ %
<b>Gross Revenue</b>	<b>251,002</b>	<b>217,436</b>	<b>15.4%</b>	<b>945,472</b>	<b>809,723</b>	<b>16.8%</b>
Recurring Revenue	191,076	159,717	19.6%	716,982	580,081	23.6%
Non-Recurring Revenue	59,926	57,719	3.8%	228,490	229,642	-0.5%
% Recurring Revenue	76.1%	73.5%	2.6%	75.8%	71.6%	4.2%
% Non-Recurring Revenue	23.9%	26.5%	-2.6%	24.2%	28.4%	-4.2%
<b>Net Revenue</b>	<b>221,531</b>	<b>194,303</b>	<b>14.0%</b>	<b>835,430</b>	<b>718,188</b>	<b>16.3%</b>
<b>Gross Income</b>	<b>149,285</b>	<b>125,056</b>	<b>19.4%</b>	<b>557,182</b>	<b>469,821</b>	<b>18.6%</b>
Gross Margin	67.4%	64.4%	3.0 p.p.	66.7%	65.4%	1.3 p.p.
<b>Net Income</b>	<b>51,490</b>	<b>35,234</b>	<b>46.1%</b>	<b>176,179</b>	<b>134,670</b>	<b>30.8%</b>
Net Margin	23.2%	18.1%	5.1 p.p.	21.1%	18.8%	2.3 p.p.
<b>EBITDA</b>	<b>72,857</b>	<b>48,628</b>	<b>49.8%</b>	<b>248,804</b>	<b>197,950</b>	<b>25.7%</b>
EBITDA Margin	32.9%	25.0%	7.9 p.p.	29.8%	27.6%	2.2 p.p.

## Sales Performance

R\$ THOUSAND	4Q23	4Q22	Δ %	2023	2022	Δ %
Recurring Revenue	191,076	159,717	19.6%	716,982	580,081	23.6%
Non-Recurring Revenue	59,926	57,719	3.8%	228,490	229,642	-0.5%
<b>Total Gross Revenue</b>	<b>251,002</b>	<b>217,436</b>	<b>15.4%</b>	<b>945,472</b>	<b>809,723</b>	<b>16.8%</b>
Sales Deductions	(29,471)	(23,133)	27.4%	(110,042)	(91,535)	20.2%
<b>Total Net Revenue</b>	<b>221,531</b>	<b>194,303</b>	<b>14.0%</b>	<b>835,430</b>	<b>718,188</b>	<b>16.3%</b>



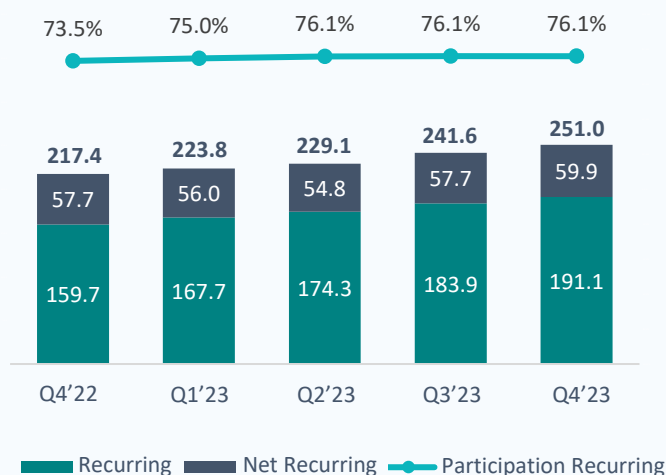
## Gross and Net Revenue

Gross Revenue totaled R\$ 251.0 million at the end of 4Q23, up 15.4% compared to 4Q22, mainly driven by the 19.6% growth in Recurring Revenue, which currently accounts for 76.1% of Total Gross Revenue.

In 2023, Gross Revenue totaled R\$ 945.5 million, accounting for a growth of 16.8% compared to 2022, with emphasis on HCM and ERP products that contributed significantly to said growth.

Net Revenue was R\$ 221.5 million in the quarter, totaling R\$ 835.4 million in the year, accounting for an increase of 16.3% in relation to 2022.

Recurring and Non-Recurring Revenue (R\$ MM)



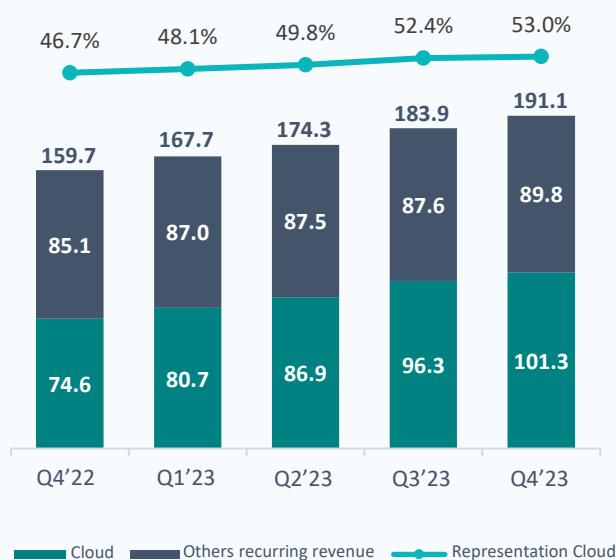
## Recurring Revenue

Gross Recurring Revenue totaled R\$ 191.1 million in the quarter, accounting for an increase of 19.6% over the same period of previous year, due to the 35.8% growth in Cloud Revenue, currently accounting for 53.0% of Recurring Revenue Gross for the quarter.

Gross recurring revenue grew 23.6% in the year, reaching R\$ 716.9 million, accounting for an increase of R\$ 136.9 million compared to 2022.

This growth is mainly driven by the sale of new cloud-based products, cross-selling and upselling to existing clients, as well as new names. The effect of contractual readjustments (inflation) in the revenue growth was significantly lower than in 2022.

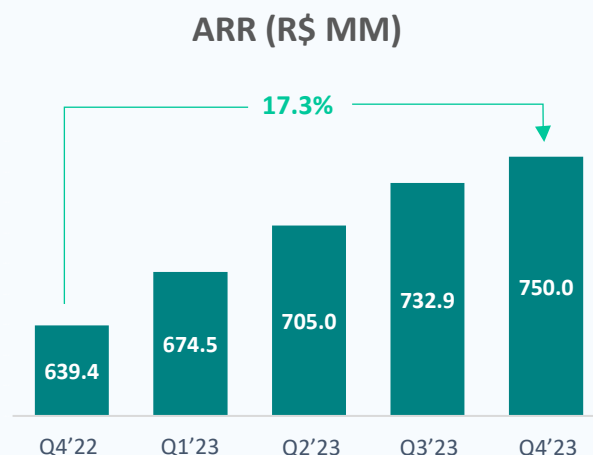
Representativeness of Cloud Recurring Revenue (R\$ MM)





## Annualized Recurring Revenue (ARR)

Annualized Recurring Revenue (ARR) reached R\$ 750.0 million in 4Q23, with a total increase of R\$ 110.6 million or 17.3% over the last 12 months. This important growth in ARR demonstrates the Company's consistency in revenue generation.



## Non-Recurring Revenue

Gross Non-Recurring Revenue increased 3.8% in 4Q23 compared to 4Q22, totaling R\$ 59.9 million, mainly generated by on-premises license sales.

In the year-to-date, Non-Recurring Revenue recorded a result close to that recorded in the previous year, ending 2023 with R\$ 228.5 million versus R\$ 229.6 million in 2022, a performance aligned with the Company's strategy of expanding the cloud-based product portfolio and prioritize the migration to the cloud, reducing clients' initial investment in licenses and services.

## Gross Income and Gross Margin

R\$ THOUSAND	4Q23	4Q22	Δ %
<b>Net Revenue</b>	<b>221,531</b>	<b>194,303</b>	<b>14.0%</b>
Cost of Services Rendered	(72,246)	(69,247)	4.3%
<b>Gross Income</b>	<b>149,285</b>	<b>125,056</b>	<b>19.4%</b>
<i>Gross Margin</i>	<i>67.4%</i>	<i>64.4%</i>	<i>3.0 p.p.</i>

2023	2022	Δ %
<b>835,430</b>	<b>718,188</b>	<b>16.3%</b>
(278,248)	(248,367)	12.0%
<b>557,182</b>	<b>469,821</b>	<b>18.6%</b>
<i>66.7%</i>	<i>65.4%</i>	<i>1.3 p.p.</i>

Gross Income totaled R\$ 149.3 million, accounting for an increase of 19.4% versus 4Q22. Moreover, Gross Margin reached 67.4% in 4Q23, growing 3.0 p.p. compared to the same period of previous year.

The good performance of Gross Income and Gross Margin in 4Q23 is explained by (i) the increase in Net Revenue for the quarter (+14.0%) and (ii) lower growth in the costs of services rendered (+4.3% vs 16.9% in 4Q22) resulting from the reduction in personnel costs generated by the greater volume of vacations in 2023, and as a result of the smaller readjustment of collective labor agreements compared to 2022.

In the year-to-date 2023, Gross Income grew 18.6%, following the expansion in Net Revenue (+16.3% vs 2022), while Gross Margin increased 1.3 p.p. in relation to 2022, reflecting the growth in the share of Recurring Revenue in the company's total revenue and the lower cost growth in 4Q23.

# Operating Expenses

R\$ THOUSAND	4Q23	4Q22	Δ %	2023	2022	Δ %
<b>Operating expenses</b>						
Sales Expenses	(34,666)	(33,369)	3.9%	(126,105)	(112,364)	12.2%
Research and Development Expenses	(29,942)	(27,117)	10.4%	(116,621)	(95,163)	22.5%
Administrative Expenses	(25,407)	(24,299)	4.6%	(101,696)	(92,327)	10.1%
Equity in Net Income of Subsidiaries	(132)	203	(165.0)%	102	259	(60.6)%
Other Operating Revenues and Expenses	4,660	(942)	(594.7)%	420	(4,726)	(108.9)%
<b>Operating expenses</b>	<b>(85,487)</b>	<b>(85,524)</b>	<b>(0.1)%</b>	<b>(343,900)</b>	<b>(304,321)</b>	<b>13.0%</b>

## Sales Expenses

Sales Expenses grew R\$ 1.3 million in 4Q23 compared to 4Q22, accounting for 15.6% of Net Revenue versus 17.2% in 4Q22, mainly driven by the lower growth in personnel expenses due to the higher volume of vacations in 2023, as well as due to the smaller readjustment of collective labor agreements in 2023 than that applied in 2022.

Year-to-date growth reached R\$ 13.7 million or 12.2% versus 2022, accounting for 15.1% of Net Revenue, while in 2022 the representativeness was 15.6%. In 2023, growth was mainly driven by increased expenses with marketing, events and trade fairs, highlighting Conarh and Senior Experience.

## Research and Development

Research and Development Expenses grew R\$ 2.8 million or 10.4% compared to 4Q22, accounting for 13.5% of Net Revenue in 4Q23. Year-to-date growth reached R\$ 21.5 million or 22.5% versus 2022. These expenses represented 14.0% in 2023 versus 13.3% in 2022 in relation to Net Revenue. Such increase is due to investments in technology and innovation to strengthen our portfolio of Management products to build the Senior of the Future: We are the first and only software vendor in Brazil with Management solutions developed on a completely new technology platform, our SeniorX Platform. Moreover, we currently offer solutions with the new ERP X and HCM X. Furthermore, the increase is also justified by the workforce expansion, salary adjustment, increase in benefits and talent retention throughout the year.

## General and Administrative Expenses

General and Administrative Expenses grew R\$ 1.1 million or 4.6% in 4Q23 compared to 4Q22, accounting for 11.5% of Net Revenue, versus 12.5% in the same period of previous year, a contraction generated by lower growth personnel expenses, already explained in the items above. Year-to-date growth reached 10.1% or R\$ 9.4 million versus 2022, accounting for 12.2% of Net Revenue versus 12.9% in the same period of previous year. The growth for the year was mainly driven by the increase in personnel expenses, technology expenses and depreciation and amortization costs.

## Other Operating Revenues and Expenses

Other Operating Revenues and Expenses in 4Q23 were mainly impacted by (i) the result of the sale of an equity interest held by the Subsidiary Senior Participações in the amount of R\$ 11.3 million, and (ii) the write-off of prepaid expenses for the purpose of IPO, considering the expiry of the term, in the amount of R\$ 5.4 million. Year-to-date, the positive result in 4Q23 is offset by the expenses recorded in this group, mainly by the share-based compensation plan.

## EBITDA and EBITDA Margin

EBITDA totaled R\$ 72.8 million in 4Q23, recording growth of 49.8% over 4Q22, and EBITDA Margin of 32.9% versus 25.0% in the same period of previous year, mainly impacted by some one-off effects described in the previous item related to the sale of equity interest held by a subsidiary, as well as the write-off of prepaid expenses related to the IPO process that was not carried out. Moreover, the December period recorded lower personnel costs due to a longer period of collective vacations.

EBITDA totaled R\$ 248.8 million in the year, growth of 25.7% over 2022, reaching an EBITDA Margin of 29.8%. This excellent performance demonstrates the consolidation of the Recurring Revenue growth strategy and austere cost and expense management.

R\$ MM	4Q23	4Q22	Δ %	2023	2022	Δ %
<b>Total Net Revenue</b>	<b>221,531</b>	<b>194,303</b>	<b>14.0%</b>	<b>835,430</b>	<b>718,188</b>	<b>16.3%</b>
<b>Net Income</b>	<b>51,490</b>	<b>35,234</b>	<b>46.1%</b>	<b>176,179</b>	<b>134,670</b>	<b>30.8%</b>
(-/+ ) Financial Revenues and Expenses	(4,954)	(3,713)	33.4%	(17,405)	(11,020)	57.9%
(+) Depreciation and Amortization	9,059	9,096	(0.4)%	35,522	32,450	9.5%
(+) (Current and Deferred) Income Tax and Social Contribution	17,262	8,011	115.5%	54,508	41,850	30.2%
<b>(=) EBITDA</b>	<b>72,857</b>	<b>48,628</b>	<b>49.8%</b>	<b>248,804</b>	<b>197,950</b>	<b>25.7%</b>
EBITDA Margin	32.9%	25.0%	7.9 p.p.	29.8%	27.6%	2.2 p.p.

## Net Income and Net Margin

Net Income in 4Q23 totaled R\$ 51.5 million, accounting for a growth of 46.1% compared to 4Q22, reaching a Net Margin of 23.2% with an expansion of 5.1 p.p. compared to the same period of 2022.

Net Income for the year totaled R\$ 176.2 million, accounting for a growth of 30.8% compared to 2022 and Net Margin of 21.1%. This increase is due to the relevant growth in EBITDA and the growth in income from financial investments resulting from the greater balance of cash and cash equivalents made available by the Company, as a result of low debt and sound cash management.

R\$ THOUSAND	4Q23	4Q22	Δ %	2023	2022	Δ %
<b>Total Net Revenue</b>	<b>221,531</b>	<b>194,303</b>	<b>14.0%</b>	<b>835,430</b>	<b>718,188</b>	<b>16.3%</b>
<b>Net Income</b>	<b>51,490</b>	<b>35,234</b>	<b>46.1%</b>	<b>176,179</b>	<b>134,670</b>	<b>30.8%</b>
Net Margin	23.2%	18.1%	5;1 p.p.	21.1%	18.8%	2.3 p.p.

## Cash and Net Cash Position

The Company ended the year 2023 with a balance of cash and cash equivalents of R\$ 257.5 million (R\$ 146.1 million as of December 31, 2022) and Net Cash of R\$ 187.0 million (R\$ 53.4 million as of December 31, 2022).

R\$ THOUSAND	2023	2022	Δ %
Cash and Cash Equivalents	257,483	146,133	76.2%
Interest Earning Bank Deposits (Novasoft Fund)	1	1,159	-99.9%
(-) Lease Liabilities	(26,220)	(26,884)	-2.5%
(-) Equity Interest Payable	(44,206)	(67,050)	-34.1%
<b>Net Cash (1)</b>	<b>187,058</b>	<b>53,358</b>	<b>250.6%</b>

(1) Net Cash corresponds to the balance of cash and cash equivalents and interest earning bank deposits, deducted from Gross Debt (loans and financing, lease liabilities and equity interests payable (current and non-current)).

The increase in the Cash and Cash Equivalents Balance and Net Cash is mainly due to the growth in Revenue and EBITDA, deducted from payments of installments relating to acquisitions of companies carried out in previous periods and payments for acquisitions of property, plant and equipment and intangible assets. The Company demonstrates a solid cash position, with a low level of indebtedness and cash and cash equivalents available for investments.

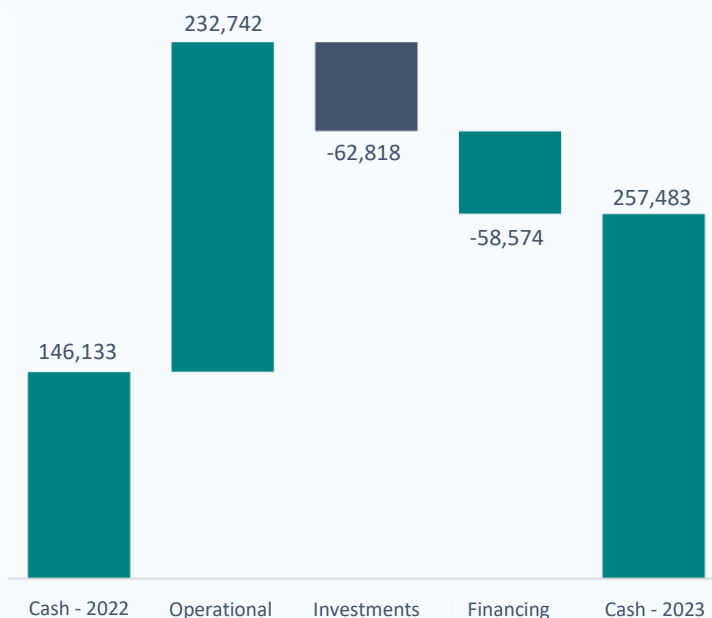
The strong Operating Cash Generation of R\$ 232.7 million in 2023, recording growth of 32.2%, results mainly from the Operating Income for the year.

Investment activities are directly linked to the acquisition of property, plant and equipment and intangible assets and the payment for acquisitions of companies carried out by the Company in previous periods.

Financing activities mainly derived from payment of dividends and interest on own capital.

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### Cash Change 2022 x 2023



## About Senior

Senior has been operating in the market for over 35 years and constantly evolving, being a benchmark in management software, always focused on innovating and developing solutions that streamline decision-making and boost business.

Cliente  
Simplicidade  
Autonomia  
Inovação

POTENCIALIZAR  
PESSOAS  
E IMPULSIONAR  
NEGÓCIOS

## Legal notices

*Some of the statements made herein were based on hypotheses, assumptions and perspectives of the Company's Management based on data and information available on the date of preparation of the document. Actual results, performance and events may significantly differ from those expressed herein, as a result of several factors, such as general and economic conditions in Brazil and other countries, exchange rates, among others. Certain percentage information and amounts disclosed herein may have been rounded for disclosure purposes. Therefore, totals in some tables may not represent the arithmetic sum of the numbers that precede them and may differ from those presented in the financial statements. This performance report includes pro forma accounting and non-accounting data and accounting data such as operational, financial and projections based on the expectations of the Company's management.*

*EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is not a measure of financial performance defined by accounting practices adopted in Brazil, nor by International Financial Reporting Standards (IFRS), issued by the International Accounting Standard Board (IASB), do not represent the cash flows for the years presented and should not be considered as a substitute for net income, as an indicator of operational performance, as a substitute for cash flow, as a liquidity indicator or as a basis for the distribution of dividends. Although EBITDA has a standard meaning, pursuant to Article 3, item I, of CVM Instruction 527/12, the Company cannot guarantee that other companies, including closely held companies, will adopt this same meaning.*



## Annex I - Statement of Income

R\$ THOUSAND	4Q23	4Q22	Δ %	2023	2022	Δ %
<b>Net revenue</b>	<b>221,531</b>	<b>194,303</b>	<b>14.0%</b>	<b>835,430</b>	<b>718,188</b>	<b>16.3%</b>
Cost of services rendered	(72,246)	(69,247)	4.3%	(278,248)	(248,367)	12.0%
<b>Gross income</b>	<b>149,285</b>	<b>125,056</b>	<b>19.4%</b>	<b>557,182</b>	<b>469,821</b>	<b>18.6%</b>
<b>Operating expenses</b>	<b>(85,487)</b>	<b>(85,524)</b>	<b>(0.1)%</b>	<b>(343,900)</b>	<b>(304,321)</b>	<b>13.0%</b>
Sales expenses	(34,666)	(33,369)	3.9%	(126,105)	(112,364)	12.2%
Research and development expenses	(29,942)	(27,117)	10.4%	(116,621)	(95,163)	22.5%
Administrative expenses	(25,407)	(24,299)	4.6%	(101,696)	(92,327)	10.1%
Equity in net income of subsidiaries	(132)	203	(165.0)%	102	259	(60.6)%
Other operating revenues	4,660	(942)	(594.7)%	420	(4,726)	(108.9)%
<b>Income before financial income (loss) and taxes</b>	<b>63,798</b>	<b>39,532</b>	<b>61.4%</b>	<b>213,282</b>	<b>165,500</b>	<b>28.9%</b>
Financial income (loss)	4,954	3,713	33.4%	17,405	11,020	57.9%
Financial revenue	9,277	6,716	38.1%	32,471	22,911	41.7%
Financial expenses	(4,323)	(3,003)	44.0%	(15,066)	(11,891)	26.7%
<b>Net income before income tax and social contribution</b>	<b>68,752</b>	<b>43,245</b>	<b>59.0%</b>	<b>230,687</b>	<b>176,520</b>	<b>30.7%</b>
Income tax and social contribution	(17,262)	(8,011)	115.5%	(54,508)	(41,850)	30.2%
Current	(17,797)	(8,118)	119.2%	(46,704)	(34,348)	36.0%
Deferred	535	107	400.0%	(7,804)	(7,502)	4.0%
<b>Income for the period</b>	<b>51,490</b>	<b>35,234</b>	<b>46.1%</b>	<b>176,179</b>	<b>134,670</b>	<b>30.8%</b>
<b>Attributed to the parent company's partners</b>	<b>50,774</b>	<b>34,786</b>	<b>45.9%</b>	<b>174,665</b>	<b>133,527</b>	<b>30.8%</b>
<b>Attributed to non-controlling partners</b>	<b>716</b>	<b>445</b>	<b>60.9%</b>	<b>1,514</b>	<b>1,143</b>	<b>32.5%</b>

## Annex III – Balance Sheet

ASSETS - R\$'000	2023	2022	LIABILITIES - R\$'000	2023	2022
<b>Current assets</b>	<b>361,741</b>	<b>236,969</b>	<b>Current liabilities</b>	<b>153,866</b>	<b>130,483</b>
Cash and cash equivalents	257,483	146,133	Equity interest payable	20,197	29,192
Accounts receivable	82,750	63,553	Lease liabilities	5,136	3,534
Recoverable taxes	6,779	4,955	Salaries and social charges	75,314	66,553
Interest earning bank deposit	1	1,159	Interest on own capital and dividends	22,464	1,999
Other assets	14,728	21,169	Tax liabilities	15,615	12,374
			Suppliers	8,119	7,489
			Other liabilities	7,021	9,342
			<b>Non-current liabilities</b>	<b>79,798</b>	<b>86,398</b>
			Lease liabilities	21,084	23,350
			Equity interest payable	24,009	37,858
			Provision for litigation	8,011	7,889
			Deferred tax liabilities	24,989	17,185
			Other liabilities	1,705	116
<b>Non-current assets</b>	<b>321,448</b>	<b>320,446</b>	<b>Shareholders' equity</b>	<b>449,525</b>	<b>340,534</b>
Long-term assets	4,073	2,230	Capital	253,937	165,059
Accounts receivable	1,295	2,188	Capital reserves	6,257	3,096
Other financial assets	2,778	42	Legal reserve	34,689	25,956
Investments	4,062	1,700	Profit reserve (Statutory reserve of investments)	116,986	118,584
Property, plant and equipment	23,587	22,321	Additional dividends proposed	33,760	25,956
Intangible assets	266,665	269,549	Equity valuation adjustment	(1,041)	(2,181)
Right-of-use assets	23,061	24,646	Non-controlling interest	4,937	4,064
<b>Total assets</b>	<b>683,189</b>	<b>557,415</b>	<b>Total liabilities</b>	<b>683,189</b>	<b>557,415</b>



## Annex III – Cash Flow

R\$ THOUSAND	4Q23	4Q22	Δ %	2023	2022	Δ %
<b>Cash flow from operating activities</b>						
Income before income tax and social contribution	68,752	43,245	59.0%	230,687	176,520	30.7%
<b>Adjustments for reconciliation:</b>						
Depreciation and amortization	9,059	9,096	(0.4%)	35,522	32,450	9.5%
Write-offs of permanent assets and leases	2,561	208	1,131.3%	3,273	781	319.1%
Provision for interest - IFRS 16	792	855	(7.4%)	3,439	3,363	2.3%
Provision of interest on loans and financing	-	-	-	-	314	(100%)
Provision for interest on investment acquisition	814	927	(12.2%)	7,196	3,953	82.0%
Provision for losses	1,728	(243)	(811.1%)	3,318	(906)	(466.2%)
Provision for contingencies	127	(2,136)	(105.9%)	122	(651)	(118.7%)
Provision for share-based payment	1,338	1,357	(1.4%)	5,790	3,817	51.7%
Equity in net income of subsidiaries	132	(203)	(165.0%)	(102)	(259)	(60.6%)
<b>Change in balances of assets and liabilities:</b>						
Accounts receivable	(3,594)	(897)	300.7%	(21,622)	(9,514)	127.3%
Inventories	(108)	(19)	468.4%	70	392	(82.1%)
Recoverable taxes	915	(2,068)	(144.2%)	(1,824)	(1,836)	(0.7%)
Other assets	4,273	(164)	(2,705.5%)	3,712	(12,107)	(130.7%)
Suppliers	(687)	761	(190.3%)	630	2,825	(77.7%)
Social and labor charges	(3,706)	(635)	483.6%	8,761	10,847	(19.2%)
Tax liabilities	4,826	1,385	248.4%	1,353	1,420	(4.7%)
Other liabilities	(5,687)	(10,522)	(46.0%)	1,295	1,864	(30.5%)
Income tax and social contribution paid	(8,245)	485	(1,800.0%)	(44,816)	(32,850)	36.4%
Interest paid on loans and acquisitions payable	(2,147)	(1,928)	11.4%	(4,062)	(4,376)	(7.2%)
<b>Cash generated by operating activities</b>	<b>71,143</b>	<b>39,504</b>	<b>80.1%</b>	<b>232,742</b>	<b>176,047</b>	<b>32.2%</b>
<b>Cash flow from investment activities</b>						
Related parties	(18)	-	-	(77)	-	-
Merged/acquired cash	-	1,629	(100.0%)	-	1,629	(100.0%)
Investment acquisition	(3,209)	-	-	(3,209)	-	-
Acquisition of property, plant and equipment	(885)	(896)	(1.2%)	(8,047)	(8,293)	(3.0%)
Acquisitions of intangible assets	(14,469)	(57,923)	(75.0%)	(52,643)	(82,251)	(36.0%)
Interest earning bank deposits	332	232	43.1%	1,158	2,938	(60.6%)
<b>Cash invested in investment activities</b>	<b>(18,249)</b>	<b>(56,958)</b>	<b>(68.0%)</b>	<b>(62,818)</b>	<b>(85,977)</b>	<b>(26.9%)</b>
<b>Cash flow from financing activities</b>						
Payments of loans and financing	-	-	-	-	(11,000)	(100.0%)
Lease payment – IFRS 16	(2,098)	(1,997)	5.1%	(8,191)	(7,106)	15.3%
Payment of dividends and interest on own capital	(5,232)	(23,877)	(78.1%)	(50,383)	(47,473)	6.1%
<b>Cash consumed in financing activities</b>	<b>(7,330)</b>	<b>(25,874)</b>	<b>(71.7%)</b>	<b>(58,574)</b>	<b>(65,579)</b>	<b>(10.7%)</b>
<b>Net changes in cash and cash equivalents</b>	<b>45,564</b>	<b>(43,328)</b>	<b>(205.2%)</b>	<b>111,350</b>	<b>24,491</b>	<b>354.7%</b>
Cash and cash equivalents at the beginning of the year	211,919	189,461	11.9%	146,133	121,642	20.1%
Cash and cash equivalents at the end of the year	257,483	146,133	76.2%	257,483	146,133	76.2%
<b>Net changes in cash and cash equivalents</b>	<b>45,564</b>	<b>(43,328)</b>	<b>(205.2%)</b>	<b>111,350</b>	<b>24,491</b>	<b>354.7%</b>



# Contact

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## Investor Relations



+55 (47) 3039-5013



[ri@senior.com.br](mailto:ri@senior.com.br)



[ri.senior.com.br](http://ri.senior.com.br)