

EARNINGS RELEASE

PRESS RELEASE

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November 10th 2023, Friday

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**3Q
23**

CSED

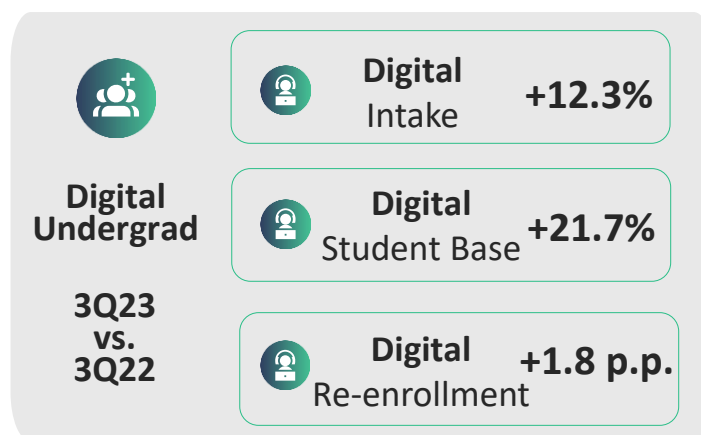
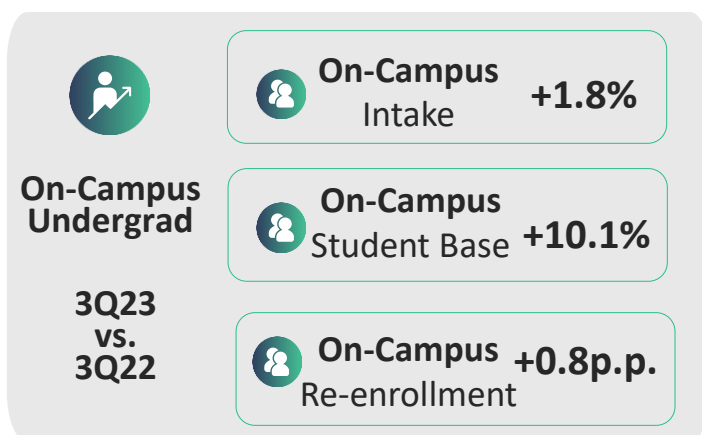
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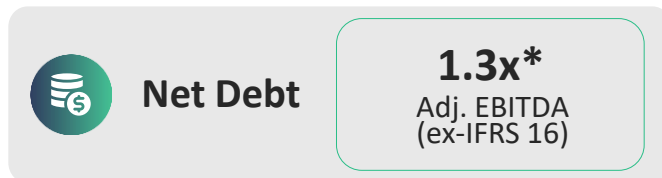
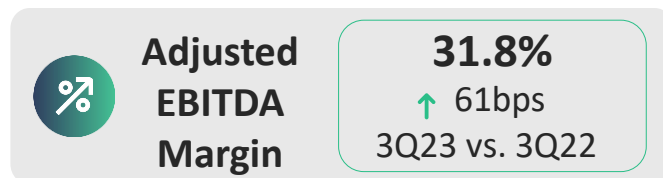
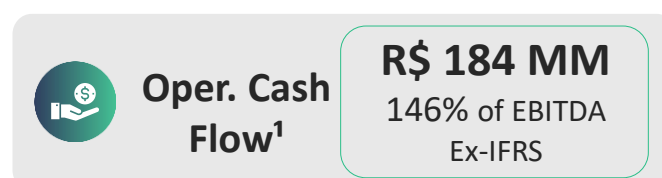
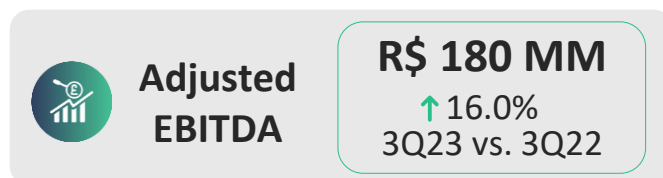
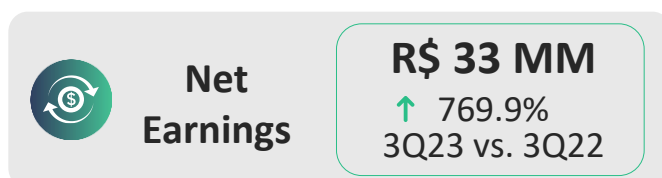
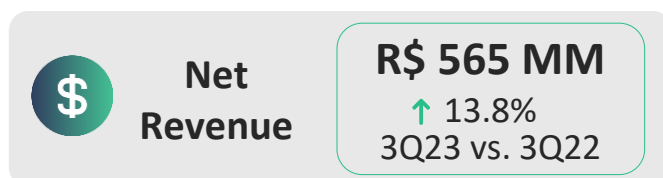
SÃO PAULO, November 9th, 2023

Cruzeiro do Sul Educacional ("Cruzeiro do Sul" or "Company") (CSED3) announces today its results for the third quarter of 2023 (3Q23). The consolidated financial statements were prepared in accordance with accounting practices adopted in Brazil and with international accounting standards (IFRS) issued by the International Accounting Standards Board (IASB).

OPERATIONAL HIGHLIGHTS



FINANCIAL HIGHLIGHTS



¹ EBITDA Ex-IFRS 16 – Working Capital - Taxes
 Net Financial Debt/EBITDA LTM ex-IFRS 16

DISCLAIMER

This presentation may contain forward-looking statements. These forecasts only reflect expectations of the Company's managers regarding future economic conditions, as well as the Company's performance, financial performance and results, among others. The terms "anticipates", "believes", "expects", "predicts", "intends", "plans", "projects", "objective", "should", and similar terms, which, of course, involve risks and uncertainties that may or may not be expected by the Company and therefore are not guarantees of future results of the Company and therefore the future results of the Company's operations may differ from current expectations and the reader should not rely exclusively in the information contained herein. The Company does not undertake to update the presentations and forecasts in the light of new information or its future developments. The values reported for 2023 onwards are estimates or targets. The financial and operational information set out in this presentation is rounded off. The total amount is presented in the tables and graphs could therefore differ from the direct numerical aggregation of the preceding numbers. Non-financial information contained herein, as well as other operational information, were not audited by independent auditors. No investment decision should be based on validity, accuracy or completeness of the information or opinions contained in this presentation.





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Cruzeiro do Sul Educacional

is one of the largest quality-focused education group in Brazil with more than 483k* students in 27¹ campuses and more than ~1,673 hubs

ON-CAMPUS

 **154k***
STUDENTS

 **27¹**
CAMPUSES



 **UDF**
Centro Universitário

 **Universidade POSITIVO**

 **FSG**
Centro Universitário

 **Cesuca**
Centro Universitário

 **UNIPÊ**
Centro Universitário de João Pessoa

 **Universidade Cruzeiro do Sul**

 **UNICID**
Universidade Cidade de S. Paulo

 **UNIFRAN**
Universidade de Franca

 **CEUNSP**
Centro Universitário N. Sra. do Patrocínio

 **Braz Cubas**
Centro Universitário

 **Módulo**
Centro Universitário

 **FASS**
Faculdade São Sebastião



 **Universidade Cruzeiro do Sul**

 **Universidade POSITIVO**

 **UNIFRAN**
Universidade de Franca

 **FSG**
Centro Universitário


 **UNICID**
Universidade Cidade de S. Paulo


 **UNIPÊ**
Centro Universitário de João Pessoa

 **Braz Cubas**
Centro Universitário

 **Cruzeiro do Sul Virtual**
Educação a distância


DIGITAL

 **329k**
STUDENTS

 **~1,673**
HUBS

*Includes ~ 4k students on basic education on Sep/2023

¹ The number of ¹ Number of campuses as recorded in the MEC's basis

 Brands that work with Medicine

MESSAGE FROM MANAGEMENT

In addition to the positive evolution in results, 3Q23 was marked by advances in the area of technology and innovation, which are in line with the Company's long-term strategy of placing students and learning at the center of our attention. The first of these was the launch of the “Duda” app, which came to improve the student journey. The application was co-built with students, uniting the main demands within the academic and administrative spheres, becoming a unified and closer relationship channel. We believe that the proximity that the app provides can result in positive benefits for all stakeholders. In addition to Duda, we launched an app to target prospect students that already has more than 50 thousand downloads, strengthening relationships with potential higher education candidates.

Still in the technological sphere, the advancement of digitalization and automation processes, combined with changes in management methodologies in the billing area, has contributed to improvements in internal indicators.

Additionally, at a strategic level, we made progress in the health business unit (which represents more than 51% of our student base) with the structuring of a team of Continuing Education specialists who should contribute to the expansion of this line of business in a more decisive way.

Going into academic topics, in the last 18 months, we received reaccreditation for 9 of our 14 Institutions and 7 were reaccredited with a grade of 5 and two smaller units with a grade of 4, in accordance with the MEC's Institutional Concept (CI). It is important to mention that, with the most recent re-accreditations, we reached the milestone of 64% of our institutions with a maximum grade of 5. The remaining 36% are all grade 4, and it is worth highlighting that they are colleges, with no research differential, or are institutions with older re-accreditations (2014) and prior to our acquisition. In our on-campus student base, more than 85% are in institutions with top grades.

Regarding the performance of 3Q23, undergrad on-campus enrollment was 1.8% higher than the same period of the previous year, with tickets (Net Revenue for the quarter/final student base) practically stable. For the third consecutive quarter, we broke a record in the re-enrollment KPI, achieving 90.9% retention. The increase of 0.8 p.p. vs. 3Q22 is the result of the strategy implemented mid last year, based on the active participation of our units. We ended the quarter with a base of 146 thousand undergrad students, an expansion of 10.1% vs. last year. It is worth noting that students on health courses represent 51.3% of the on-campus base, an increase of 0.4 p.p. vs. o 3Q22.

In Digital, undergrad intake grew 12.3% vs. o 3Q22, ending with a base of 284 thousand undergrad students, an expansion of 21.7% vs. the previous year. Just like on-campus, we made important advances in re-enrollment, reaching the milestone of 77.8% retention (+ 1.8 p.p. vs. 3Q22), the highest level in recent years. Regarding the ticket, we had a slight expansion of 0.5% vs. o 3Q22, as a result of the increase in hybrid courses, which already represent 21.7% of the digital base (+4.3p.p. vs. 3Q22).

Given the intake dynamics in the Digital segment that extends until the second half of November, until Nov 7th, enrollment was at ~124 thousand undergrad students, an increase of 17% vs. same date in 2022. Following the execution of an organic growth strategy within the Digital vertical, we ended 3Q23 with 1,673 DL centers, an expansion of 309 units in the last 12 months (+22.7% vs. 3Q22).

Finally, regarding the financial results of 3Q23, we achieved Net Revenue of R\$565 million, an expansion of 13.8%. Gross margin expanded 1.4p.p. to 49.1%. Adjusted EBITDA was R\$180 million, with a margin of 31.8%, an increase of 61bps vs. o 3Q22. Net Profit reached R\$33 million, 8.7x higher than the R\$ 4 million in 3Q22 and operating cash generation was R\$184 million, an expansion of 18.3% vs. o 3Q22. Finally, the Company's leverage remained stable at 1.3x, even after the distribution of ~R\$71 million in dividends to shareholders and share buybacks in the last 12 months.

OPERATIONAL PERFORMANCE

ON-CAMPUS

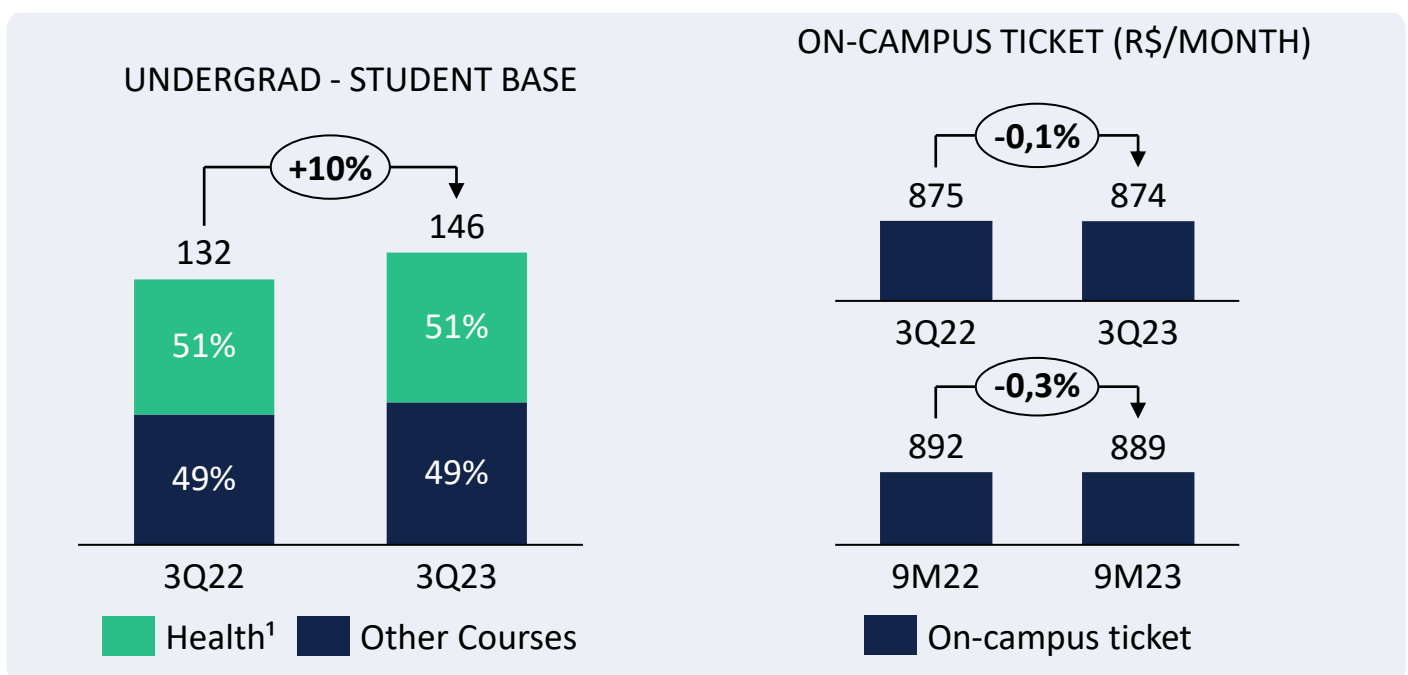
Expansion in the On-Campus student base and improvement of the re-enrollment KPI

Intake for the 3Q23 expanded by 1.8% (Y/Y), ending the student base in the cycle with 154k students, an expansion of 9.8% vs. the same period as the previous year. Additionally, for the third consecutive quarter, we had an improvement on re-enrollment KPI vs. last year. (+0.8 p.p.)

On-Campus	3Q23	3Q22	Y/Y
BoP	153	139	10,0%
Intake	27	26	1,8%
Dropout	(20)	(18)	9,8%
Graduation	(7)	(7)	(5,7%)
Gra School and K12	1	0	677,8%
EoP	154	140	9,8%

Penetration of health students relevant in the mix

The global on-campus undergrad ticket (freshmen + senior) was practically stable vs. 3Q22.



*Ticket = Net Rev./Final Student Base (freshmen + senior) - Managerial numbers, unaudited

¹ Health: Medicine, Psychology, Biomedicine, Biological Sciences, Physics Ed, Nursing, Pharmacy, Physiotherapy, Speech Therapy, Hospital Management, Veterinary Medicine, Nutrition, Dentistry, Optometry, Radiology and Occupational Therapy.

DIGITAL



Expansion in the Digital student base, result of greater intake and re-enrollment

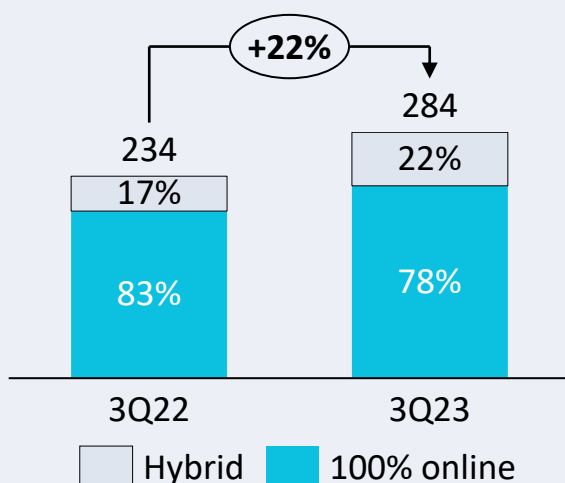
Growth of 12.3% in intake for the quarter, ending the student base at 329k, an expansion of 23.4% vs. the same period of the previous year. Additionally, there is an improvement of 1.8p.p. on re-enrollment KPI vs. last year, as a result of investment initiatives in technology, focused on the student experience.

DIGITAL	3Q23	3Q22	Y/Y
BoP	315	248	26,7%
Intake	98	87	12,3%
Dropout	(69)	(65)	7,5%
Graduation	(20)	(18)	14,7%
Gra School and K12	6	14	(53,1%)
EoP	329	267	23,4%

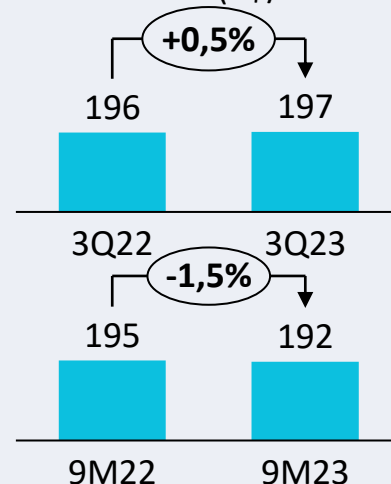
Penetration of students in hybrid courses contributing to ticket expansion

The average ticket in digital undergrad had a slight increase of 0.5% vs. 3Q22, mainly reflecting the mix of students in hybrid courses (+4.3% p.p. vs. 3Q22), which helped to mitigate the more aggressive pricing dynamics of courses offered 100% online.

UNDERGRAD – STUDENT BASE



DIGITAL TICKET (R\$/MONTH)



*Ticket = Net Rev./Final Student Base (freshmen + senior)
 Managerial numbers, unaudited.

FINANCIAL PERFORMANCE



NET REVENUE 3Q23 & 9M23

FINANCIAL DATA

Expansion in all segments reflecting improvement in intake and Y/Y re-enrollment; Health Net Revenue stable at 49% of Net Revenue

R\$ million	3Q23	3Q22	%	9M23	9M22	%
On Campus	400,2	363,2	10,2%	1.222,6	1.113,3	9,8%
Health Courses ¹	274,0	244,4	12,1%	832,1	745,2	11,7%
Distance Learning	181,6	147,1	23,5%	526,9	441,1	19,4%
Revenue net of scholarships, cancellations and discounts	581,8	510,3	14,0%	1.749,5	1.554,4	12,6%
Other Revenues	3,3	3,7	(10,1%)	8,9	8,0	11,4%
Taxes	(20,3)	(17,7)	14,5%	(59,9)	(55,9)	7,1%
Net Revenue	564,8	496,3	13,8%	1.698,5	1.506,5	12,7%

CONSOLIDATED NET REVENUE **3Q23** **9M23**
+13.8% | +12.7%
 Consolidated net revenue in the quarter reached R\$ 564.8 million, 13.8% higher than 3Q22, reflecting the increase in the consolidated student base (+18.8%). While in the 9M23 revenue reached R\$ 1.7 billion, 12.7% higher than 9M22.

ON-CAMPUS NET REVENUE **+10.2% | +9.8%**
 Net revenue from scholarships, cancellations and discounts for on-campus increased 10.2%, reaching R\$ 400.2 million, reflecting the larger student base (+10.1%). In the 9M23, the expansion was 9.8% reaching R\$ 1.2 billion.

HEALTH NET REVENUE **+12.1% | +11.7%**
 In on-campus, courses focused on the health area (with on-campus profile) grew 12.1% in the quarter and 11.7% in the 9M23. Health revenue represents ~68% of on-campus revenue vs. 67% last year.

68%
ON-CAMPUS
NET REVENUE

DIGITAL NET REVENUE **+23.5% | +19.4%**
 Net revenue from scholarships, cancellations and discounts for digital increased 23.5%, reaching R\$ 181.6 million, as a result of the larger student base (+21.7%) and the continued expansion of the hubs (+309; 22.7%). In the 9M23, revenue expanded by 19.4%, reaching R\$ 526.9 million.

+309
HUBS

GROSS PROFIT 3Q23 & 9M23

FINANCIAL DATA

Expansion of 141bps in 3Q23 adjusted gross margin, reflecting cost management discipline

R\$ million	3Q23	3Q22	%	9M23	9M22	%
Labor	(163,5)	(155,0)	5,5%	(508,4)	(467,2)	8,8%
Right of Use Amortization	(32,0)	(30,3)	5,6%	(95,3)	(89,8)	6,1%
Partners' Digital Hubs	(42,8)	(33,3)	28,3%	(121,8)	(97,9)	24,4%
Other Costs	(49,6)	(41,2)	20,2%	(152,8)	(122,5)	24,7%
Gross Profit	277,1	236,4	17,2%	820,1	728,9	12,5%
Gross Margin	49,1%	47,6%	+141bps	48,3%	48,4%	-10bps
Non Recurring	-	-	-	1,0	-	-
Adjusted Gross Profit	277,1	236,4	17,2%	821,1	728,9	12,6%
Adj. Gross Margin	49,1%	47,6%	+141bps	48,3%	48,4%	-4bps



Gross profit in the quarter reached R\$ 277.1 million, 17.2% higher than 3Q22, with a margin of 49.1% (+1.4 p.p y/y). The increase in gross margin in the period reflects efficiency initiatives.

In addition, the cost line was impacted by the increase in the transfer of hubs, as a result of the expansion of Digital revenue (+23.5%) and the student base in partners' digital hubs (+23.4%). The "other costs" line was impacted, mainly by the increase in third-party services such as: (i) security, (ii) technology and (iii) laboratory consumables given the maturation of courses in the health area.




In the 9M23, gross profit expanded by 12.5%, reaching R\$ 820.1 million, with gross margin in line with the same period of the previous year. The gross margin for the period was impacted, mainly by the other costs line, as a reflection of (i) the increase in third-party services focused on the technology area, (ii) the increase in the number of cleaning and security service providers, and (iii) the progression of courses in the health area, with a greater volume of laboratory classes.

ADJUSTED EBITDA 3Q23 & 9M23


FINANCIAL DATA

EBITDA margin expansion reflecting improvement in gross profit and PDA

R\$ million	3Q23	3Q22	%	9M23	9M22	%
Gross Profit	277,1	236,4	17,2%	820,1	728,9	12,5%
Gross Margin	49,1%	47,6%	+141bps	48,3%	48,4%	-10bps
SG&A	(121,2)	(96,9)	25,1%	(321,9)	(309,4)	4,0%
PDA	(15,9)	(28,4)	(44,0%)	(88,2)	(95,1)	(7,2%)
<i>PDA/Revenue</i>	<i>(2,8%)</i>	<i>(5,7%)</i>	<i>+290bps</i>	<i>(5,2%)</i>	<i>(6,3%)</i>	<i>+112bps</i>
D&A	(30,3)	(27,1)	11,7%	(94,0)	(79,0)	19,1%
Other Revenues	7,2	6,4	12,6%	22,4	18,9	18,9%
EBIT	116,8	90,4	29,2%	338,4	264,4	28,0%
D&A	62,3	57,4	8,4%	189,4	168,8	12,2%
EBITDA	179,1	147,9	21,1%	527,8	433,2	21,8%
EBITDA Margin	31,7%	29,8%	+192bps	31,1%	28,8%	+232bps
Non Recurring ¹	0,5	6,9	(93,0%)	3,3	23,8	(86,1%)
Adjusted EBITDA	179,6	154,8	16,0%	531,1	457,0	16,2%
Adj. EBITDA Margin	31,8%	31,2%	+61bps	31,3%	30,3%	+93bps

 Adjusted EBITDA in the quarter reached R\$ 179.6 million, 16.0% above 3Q22 with a margin of 31.8%, an improvement of 0.6 p.p..

Despite the improvement in the Provision for Doubtful Account (PDA) line, which went from 5.7% of Net Revenue in 3Q22 to 2.8% in 3Q23, higher marketing expenses pressured margin expansion. The improvement in PDA in the quarter is the result of the change in the billing management model with a focus on technology, as well as improving re-enrollment.

 Adjusted EBITDA reached R\$ 531.1 million in 9M23, 16.2% higher when compared to the same period of the previous year, with a margin of 31.3%, an improvement of 0.9 p.p.. The efficiency gain in general and administrative expenses, added to the improvement in PDA (5.2% of Net Revenue vs. 6.3% in 9M22), as well as the increase in revenues from the rental of spaces for events (+19% vs. 3Q22), mitigated the impact of the stable gross margin for the period.

NET EARNINGS 3Q23 & 9M23

FINANCIAL DATA

Expansion in Net Earnings reflecting operational improvement

R\$ million	3Q23	3Q22	%	9M23	9M22	%
EBITDA	179,1	147,9	21,1%	527,8	433,2	21,8%
D&A	(62,3)	(57,4)	8,4%	(189,4)	(168,8)	12,2%
Financial Result	(58,2)	(57,6)	1,1%	(147,7)	(148,7)	(0,7%)
Lease liability interest	(32,0)	(30,8)	4,1%	(95,4)	(94,2)	1,3%
Taxes	6,6	1,7	283,5%	(1,8)	0,6	(408,5%)
Net Earnings	33,2	3,8	769,9%	93,5	22,1	323,0%
Non Recurring Expenses	0,5	6,9	(93,0%)	3,3	23,8	(86,1%)
Adj. Net Earnings*	33,7	10,7	214,5%	96,8	45,9	111,0%



Adjusted net earnings in the quarter was R\$ 33.7 million, an expansion of 3.1x vs. o 3Q22. The increase in net earnings is the result of the improvement in EBITDA, coupled with the reduction in gross debt.

Adjusted net earnings in 9M23 was R\$ 96.8 million, an improvement of 2.1x when compared to the same period of the previous year.

*Adjusted Net Income: management information / Non-Recurring, details on pg. 20

ACCOUNTS RECEIVABLE 3Q23 (LTM)

FINANCIAL DATA

R\$ million	3Q23	3Q22	%
Tuition	390,5	351,2	11,2%
Student Financing	60,4	62,2	(2,9%)
Agreements	91,2	60,1	51,7%
Other Receivables	73,2	62,0	17,9%
Gross Receivables	615,3	535,6	14,9%
AVP	(15,1)	(13,7)	10,8%
PDA	(326,5)	(294,7)	10,8%
Net Receivables	273,7	227,2	20,5%
Days of Receivables LTM*	44	41	+3 days



The days of receivables in 3Q23 increased by 3 days vs. o 3Q22, reaching 44 days, due to the greater volume of agreements in progress.

*Last Twelve Months DoR: Accounts Receivable/Net Revenue for the LTM*360

CAPEX* 3Q23 & 9M23

FINANCIAL DATA

Investments in infrastructure and technology aimed at the best student experience

R\$ million	3Q23	3Q22	%	9M23	9M22	%
Infrastructure / Technology	(56,2)	(29,9)	88,0%	(138,9)	(85,2)	63,0%
Expansion	-	(1,3)	-	-	(6,0)	(100,0%)
Capex	(56,2)	(31,2)	80,2%	(138,9)	(91,2)	52,3%



Investments in 3Q23 were approximately R\$ 56.2 million, an increase of 80.2% vs. 3Q22, as a reflection of the resumption of investment projects in infrastructure and technology, mainly focused on improving the student experience.

In 9M23, investments were approximately R\$ 138.9 million, an increase of 52.3% vs. 9M22.

*Management Information

OPERATING CASH FLOW 3Q23 & 9M23

FINANCIAL DATA

Increase in cash generation as a result of operational improvement

R\$ million	3Q23	3Q22	%	9M23	9M22	%
IFRS-16 EBITDA	179,1	147,9	21,1%	527,8	433,2	21,8%
Rent	(52,9)	(52,1)	1,6%	(159,1)	(150,1)	6,0%
Ex-IFRS EBITDA	126,2	95,8	31,7%	368,7	283,1	30,3%
Working Capital ¹	58,5	61,3	(4,6%)	17,9	1,6	992,6%
Taxes	(0,8)	(1,7)	(53,5%)	(2,2)	(6,9)	(68,2%)
Oper. Cash Flow	184,0	155,5	18,3%	384,4	277,8	38,4%
OCF/Ex-IFRS EBITDA	145,7%	162,2%	-1.648bps	104,2%	98,1%	+611bps
Capex	(56,2)	(31,2)	80,2%	(138,9)	(91,2)	52,3%
Free Cash Flow	127,8	124,3	2,8%	245,5	186,6	31,6%
FCF/Ex-IFRS EBITDA	101,3%	129,7%	-2.844bps	66,6%	65,9%	+66bps
Non Recurring	0,5	6,9	(93,0%)	3,3	23,8	(86,1%)
Adj. Free. Cash Flow	128,3	131,2	(2,2%)	248,8	210,4	18,3%



Operating cash generation reached R\$ 184.0 million, 18.3% higher than 3Q22, and reached 145.7% of Ex-IFRS EBITDA.



Operating cash generation in 9M23 reached R\$ 384.4 million, 38.4% higher than 9M22, and reached 104.2% of Ex-IFRS EBITDA.

¹Working capital: Assets (Accounts receivable, Taxes recoverable and Other receivables) and Liabilities (Suppliers, Obligations with related parties, Labor obligations, Tax obligations, Advances from customers, Deferred income, Other accounts payable)

²Management information including non-recurring expenses

NET DEBT (CASH)

FINANCIAL DATA

Improvement in the leverage indicator of 1% (Ex-IFRS) reaching 1.3x (vs. 2Q23)

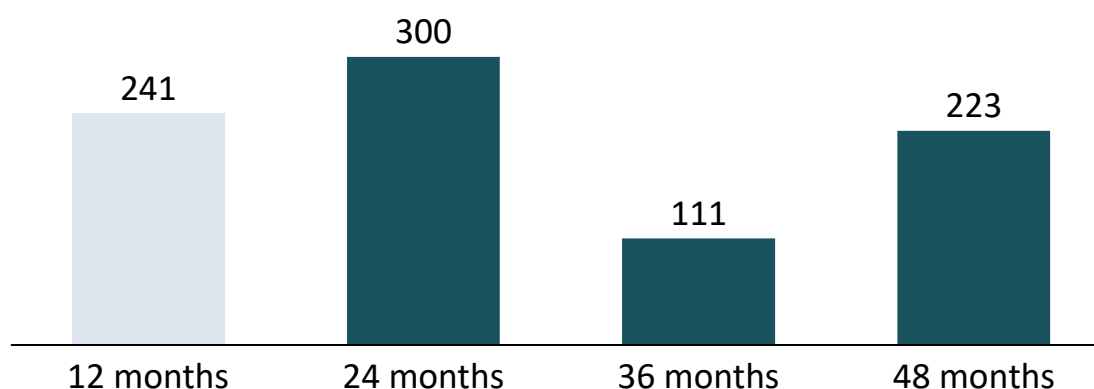
R\$ million	3Q23 (a)	3Q22 (b)	(a)/(b)	2T23 (c)	(a)/(c)
Cash	(714,8)	(928,2)	(23,0%)	(728,2)	(1,8%)
Financial Debt	874,6	1.074,3	(18,6%)	965,7	(9,4%)
Acquisition	409,8	362,5	13,0%	397,0	3,2%
Net Debt (Cash)	569,5	508,6	12,0%	634,4	(10,2%)
Net Debt/Adj. EBITDA	1,3x	1,3x	1,0%	1,5x	(15,1%)
Lease	1.346,7	1.304,7	3,2%	1.333,0	1,0%
Net Debt (Cash) after Lease	1.916,2	1.813,3	5,7%	1.967,4	(2,6%)



The Company ended 3Q23 with net debt (ex-lease liabilities) of R\$ 569.5 million vs. R\$ 508.6 million last year,. Despite the positive operational performance, net debt was impacted by (i) execution of the Repurchase Plan in the amount of R\$ 46 million and (ii) Payment of dividends in the amount of R\$ 25 million.

*Net Financial Debt/EBITDA LTM ex IFRS-16

DEBENTURES AMORTIZATION SCHEDULE – R\$ MILLION



APPENDIX

STUDENT BASE

APPENDIX

STUDENTS BASE - Q/Q MOVEMENT

End of Period	Total	On-Campus	Digital
2Q23	468	153	315
Intake	124	27	98
Dropout	(90)	(20)	(69)
Graduation	(27)	(7)	(20)
Grad School and K12	7	1	6
3Q23	483	154	329

STUDENTS BASE – BY ENROLLMENT TYPE

Students (000)	3Q23	3Q22	YoY
On-Campus Graduation	141	128	10,2%
Med School	4	4	4,1%
Gra School and K12	8	8	5,6%
On-Campus	154	140	9,8%
Digital Graduation	284	234	21,7%
Hybrid	62	41	51,8%
Digital Gra School and K12	45	33	35,6%
Digital	329	267	23,4%
Total	483	407	18,8%

HUBS E CAMPUSES

APPENDIX

INFRASTRUCTURE



EoP	3Q23	3Q22	Δ	%
Digital Hubs	1.673	1.364	+309	22,7%
Campuses	27	29	(2)	(6,9%)

* Two campuses were extinguished during 1Q23: Campuses Modulo and Positivo (Ponta Grossa), unifying these units.

% of matured DL Centers	3Q23	3Q22
Year 1	18,5%	7,9%
Year 2	6,5%	4,1%
Year 3	3,3%	15,8%
Year 4	12,9%	24,9%
Matured	58,8%	47,3%

IFRS16 EBTIDA, PRE-IFRS16 EBTIDA & NON-RECURRING

APPENDIX

ADJUSTED EBITDA

R\$ million	3Q23	3Q22	%	9M23	9M22	%
Adjusted EBITDA IFRS-16	179,6	154,8	16,0%	531,1	457,0	16,2%
Rents	(52,9)	(52,1)	1,6%	(159,1)	(150,1)	6,0%
Adjusted EBITDA Pre IFRS-16	126,7	102,7	23,3%	372,1	306,8	21,2%
Adjusted EBITDA Pre IFRS-16 Margir	22,4%	20,7%	+173bps	21,9%	20,4%	+154bps

NON-RECURRING

R\$ million	3Q23	3Q22	%	9M23	9M22	%
Openings and Expansions	-	0,7	-	-	3,4	(100,0%)
M&A/Projects/Terminations	0,5	6,2	(92,3%)	2,8	13,5	(79,0%)
Non Recurring	0,5	6,9	(93,0%)	2,8	16,9	(83,2%)

P&L

APPENDIX

	3Q23	3Q22	9M23	9M22
On Campus	400,2	363,2	1.222,6	1.113,3
Health	274,0	244,4	832,1	745,2
Digital	181,6	147,1	526,9	441,1
Revenue net of scholarships, cancellations and discounts	581,8	510,3	1.749,5	1.554,4
Other Revenues	3,3	3,7	8,9	8,0
Taxes	(20,3)	(17,7)	(59,9)	(55,9)
Net Revenue	564,8	496,3	1.698,5	1.506,5
Labor	(163,5)	(155,0)	(508,4)	(467,2)
Right of Use Amortization	(32,0)	(30,3)	(95,3)	(89,8)
Partners' Digital Hubs	(42,8)	(33,3)	(121,8)	(97,9)
Other Costs	(49,6)	(41,2)	(152,8)	(122,5)
COGS	(287,8)	(259,8)	(878,4)	(777,5)
Gross Profit	277,1	236,4	820,1	728,9
Gross Margin	49,1%	47,6%	48,3%	48,4%
SG&A	(121,2)	(96,9)	(321,9)	(309,4)
D&A	(30,3)	(27,1)	(94,0)	(79,0)
Provision for Doubtful Accounts	(15,9)	(28,4)	(88,2)	(95,1)
Other Revenues	7,2	6,4	22,4	18,9
EBIT	116,8	90,4	338,4	264,4
D&A	62,3	57,4	189,4	168,8
EBITDA	179,1	147,9	527,8	433,2
EBITDA Margin	31,7%	29,8%	31,1%	28,8%
COGS - Non Recurring	-	-	1,0	-
Expenses - Non Recurring	0,5	6,9	2,4	23,8
Adjusted EBITDA	179,6	154,8	531,1	457,0
Adjusted EBITDA Margin	31,8%	31,2%	31,3%	30,3%
Financial Results	(90,2)	(88,3)	(243,1)	(242,9)
EBT	26,6	2,1	95,3	21,5
Taxes	6,6	1,7	(1,8)	0,6
Net Earnings	33,2	3,8	93,5	22,1
Non Recurring Expenses	0,5	6,9	3,3	23,8
Adjusted Net Earnings	33,7	10,7	96,8	45,9

BALANCE SHEET

APPENDIX

	Sep.23	Sep.22
Total Assets	4.726.869	4.761.512
Current Assets	1.048.357	1.194.323
Cash and Equivalents	714.800	928.205
Accounts Receivables	250.444	211.418
Taxes and Contributions	32.025	30.989
Other Assets	51.088	23.711
Non-current Assets	3.678.512	3.567.189
Long Term Assets	243.192	202.396
Accounts Receivables	23.250	15.804
Judicial Deposits	31.604	24.553
Other Assets	81.254	57.352
Deferred Taxes	107.084	104.687
Investments	146	146
Property and Equipment	561.464	514.654
Right of Use	1.161.004	1.159.915
Intangible	1.712.706	1.690.078
	Sep.23	Sep.22
Total Liabilities	3.287.305	3.322.172
Current Liabilities	933.379	650.640
Financial Debt	-	7.540
Bond (Debentures)	240.801	200.965
Suppliers	101.208	51.125
Related Parties	3.166	2.948
Salaries and Payroll Charges	186.870	168.810
Tax Liabilities	52.777	47.629
Customer Advance	75.861	64.944
Leasing	101.343	99.484
Acquisitions	164.933	1.287
Deferred Revenues	722	722
Others	5.698	5.186
Non-Current Liabilities	2.353.926	2.671.532
Bond (Debentures)	633.750	865.805
Salaries and Payroll Charges	10.063	8.935
Tax Liabilities	122.350	131.102
Deferred Taxes	15.892	16.684
Judicial Deposits	67.458	69.021
Leasing	1.245.321	1.205.220
Acquisitions	244.829	361.205
Deferred Revenues	8.966	9.688
Others	5.297	3.872
Shareholder's Equity	1.439.564	1.439.340
Capital	1.203.576	1.203.576
Capital Reserves	108.434	161.978
Earnings Reserves	132.995	80.045
Shares in Treasury	(5.441)	(6.259)
Liabilities + Shareholder's Equity	4.726.869	4.761.512

CASH FLOW

APPENDIX

R\$	3Q23	3Q22
Profit (Loss) before income taxes	26.648	2.105
Depreciation and amortization	30.302	27.140
Right of use amortization	31.985	30.301
Amortization of fund raising costs	168	168
Debt Interests	-	364
Acquisitions Interests	12.782	13.360
Bonds (debentures) Interests	33.463	40.658
Lease Interests	32.010	30.756
PV Assets and Liabilities	2.301	2.112
Judicial Deposits Provision	2.574	2.254
Provision for Doubtful Accounts	15.896	28.366
PPE and Intangibles	759	2.556
Asset Sale Deferred Revenues	(180)	(181)
Lease discontinuation	(293)	-
Adjustments to Profit (Loss) before taxes to reconcile with the cash flow	188.415	179.959
Accounts receivable	(29.579)	(15.912)
Judicial Deposits	(894)	(1.912)
Taxes Recoverable	(2.504)	(10.185)
Other Credits	(4.653)	13.532
Changes in liabilities		
Suppliers	27.122	(8.185)
Salaries and Payroll Charges	4.314	19.990
Taxes	(2.146)	(4.918)
	-	(68)
Customer Advance	42.687	38.901
Others	(1.625)	(1.636)
	221.137	209.566
Taxes	(788)	(1.696)
Net cash from operating activities	220.349	207.870
Cash flow from investments		
Acquisitions	-	(45.972)
PPE acquisitions	(35.892)	(23.665)
Intangible acquisitions	(20.258)	(7.498)
Net cash from investing activities	(56.150)	(77.135)
Cash flow from financing activities		
Debt downpayments	-	(4.133)
Bonds (Debentures) downpayments	(124.734)	(94.419)
Lease downpayments	(52.906)	(52.057)
Shares in treasury	-	(6.259)
Net cash from financing activities	(177.640)	(156.868)
Increase (decrease) of cash and equivalents	(13.441)	(26.133)
Cash and Equivalents		
At the beginning	728.241	954.338
At the end	714.800	928.205
Increase (decrease) of cash and equivalents	(13.441)	(26.133)



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