



4Q22 & 2022 RESULTS

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4Q22 Conference Call

March 29th, 2023 | Wednesday

02 p.m. (Brasilia) / 01 p.m. (New York) / 06 p.m. (London)

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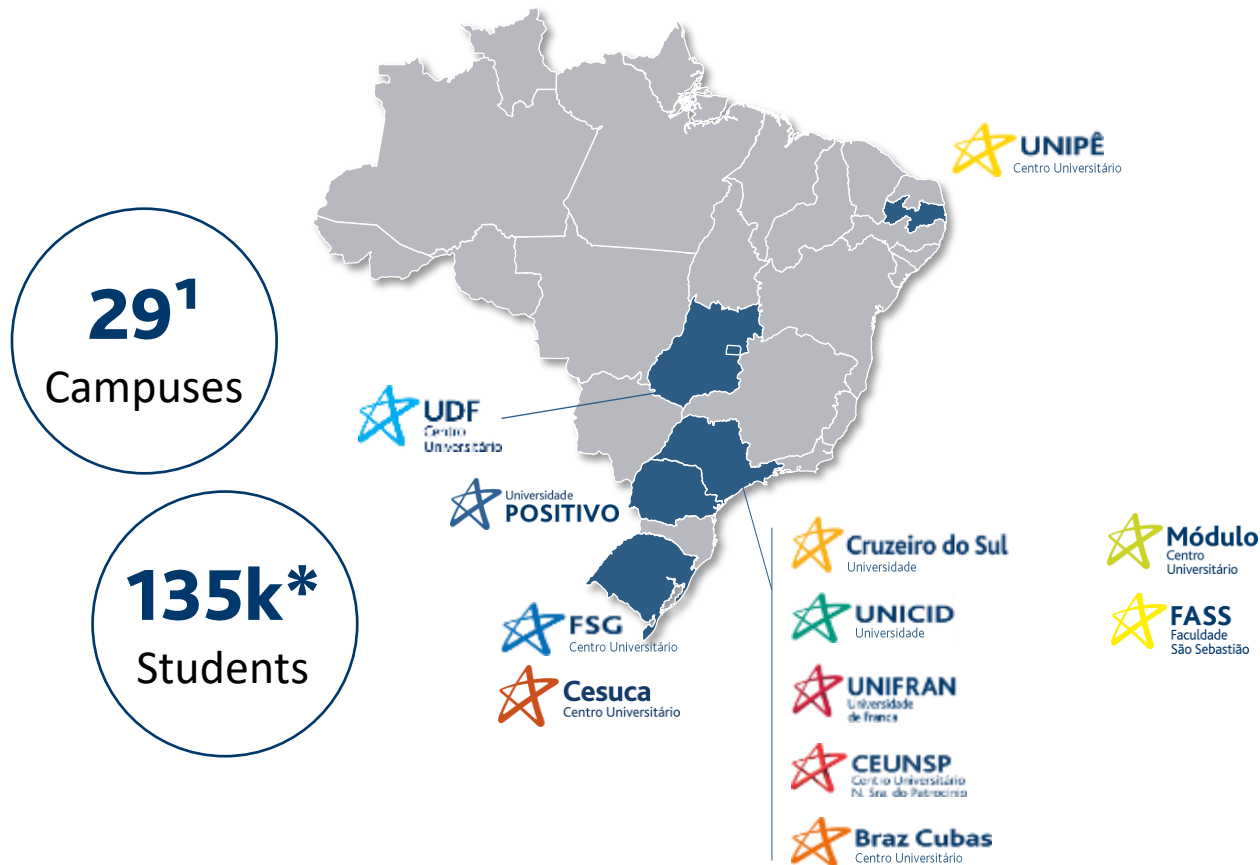
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Investor Relations

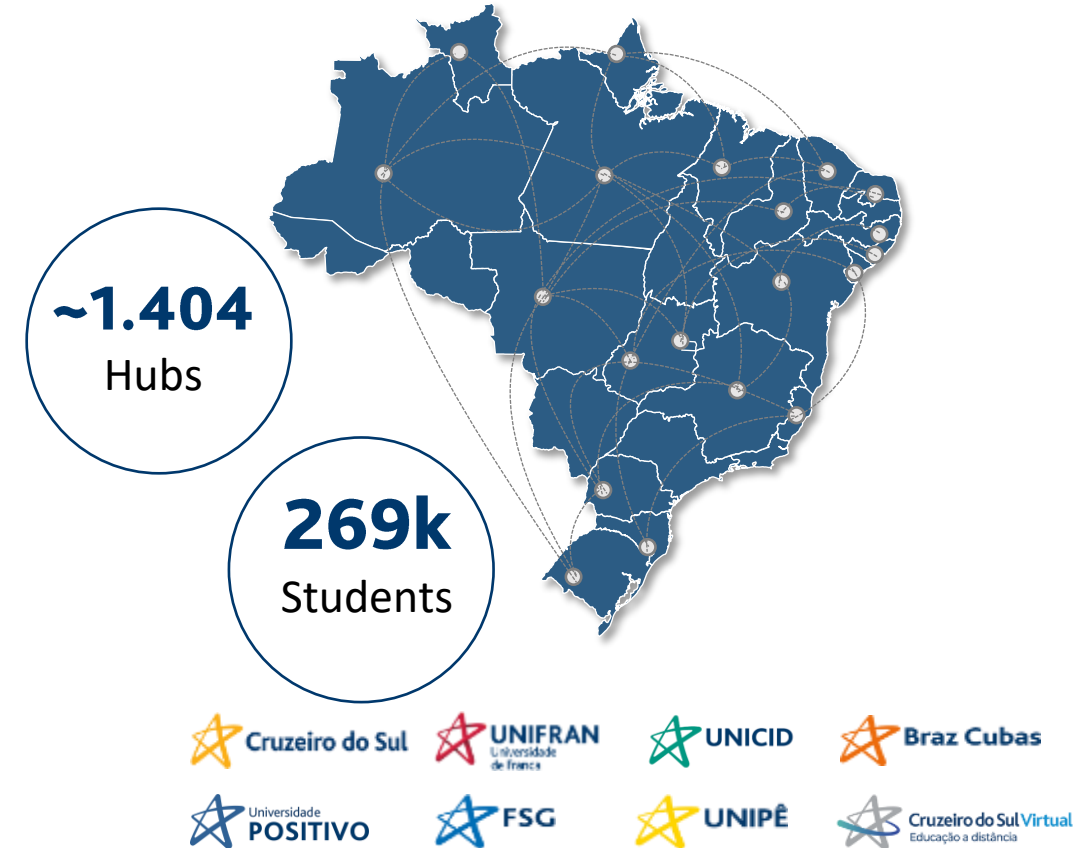
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Cruzeiro do Sul Educacional is one of the largest quality-focused education group in Brazil with more than 404k* students in 29¹ campuses and more than ~1.404 hubs

On-Campus



Distance Learning



Message from the Management

In 2022 we addressed important projects for the future of Cruzeiro do Sul. Since Fabio Fossen joined as CEO, we have dedicated ourselves to develop the Company's new corporate strategy reinforcing the On-Campus/Medicine and EaD/Long Life Learning business lines. To ensure the execution of the strategy, we restructured the organization's leadership with the appointment of Vice-presidencies focused on the development of these verticals, we reinforced our focus on student success with the creation of an Academic and Innovation team and with relevant changes in the student's assistance pillar with the design and implementation of our Digital Evolution. Thus, since August, we have created the Digital Education VP with the mission of accelerating the development of digital businesses on the undergraduate, graduate and non-regulated education business lines; the On-Campus VP focused on the evolution of on-campus education and operational efficiency; the Technology area incorporated the student services as part of our Digital Evolution.

Looking to the operational side, 2022 was marked by the achievement of a record intake volumes in both segments. In the on-campus, we enrolled 82 thousand students throughout the year, a volume 14.5% above 2021, ending the year with a base of 128 thousand students, an increase of 4.5% vs. last year. In on-campus, the re-enrollment's KPI surpassed pre-pandemic levels, reinforcing the value of our brands. In DL, as well as on-campus, we reached a record in intake (+14.6% vs. 2021), ending the student base with 238 thousand students, an expansion of 8.5%. Following the execution of our growth plan in the number of hubs, we added 188 in 2022 (+15.5% vs. 2021), reaching a total of 1,404 hubs.

It should be noted that, in addition to base growth, better commercial planning, with a focus on pricing, prioritizing the portfolio of more profitable courses, caused the ticket (ROL year/final student base) to grow by around 6% in On-Campus. While in distance learning, despite the competitive environment in 100% online courses, the advance in penetration of hybrid courses in the distance learning base (17% vs. 14% in 2021), contributed to the 7% expansion in the segment's ticket.

On the academic side, for the second consecutive year UNIFRAN was ranked by Times Higher Education as the best private Higher Education Institution in Brazil and we climbed 4 positions in the ranking in Latin America, moving to position 151 in the overall ranking. Our Professor Dr. Lucimara Pires Martins, from the Graduate Program in Astrophysics and Computational Physics and the Astrophysics Nucleus at Unicid, went to the United States to develop the first stage of her project approved in 2021 by NASA's Space Telescope Scientific Institute (STScI), the Hubble. In November, the project by professors from the Graduate Program in Science at Unifran was selected to represent Brazil at the World Climate Conference (COP27), organized by the United Nations, with the aim of discussing climate change and proposing solutions. to minimize its effects.

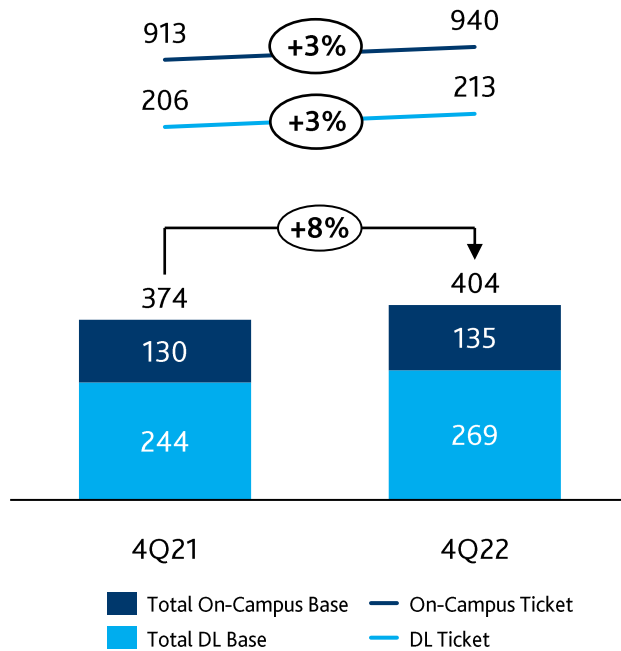
From da financial point of view, 2022 was marked by a very challenging macroeconomic scenario, with high inflation and interest rates, which negatively impacted the purchasing power of our students, consequently increasing the levels of default that affect our results. Despite the challenges, we ended the year with net revenue of R\$ 2.0 billion, 11.4% higher than in 2021, as a result of the expansion of the on-campus and distance learning business, together with the increase in the ticket (6% in on-campus and 7% in DL). Our gross profit was R\$948.1 million, an increase of 10.5% vs. the previous year, with a gross margin of 46.7%, despite the challenges with the unions. Adjusted EBITDA reached R\$580.6 million, with a margin of 28.6%, impacted by the worsening of PDA (6.7% of NOR vs. 5.4% in 2021). Adjusted Net Earnings reached R\$69.0 million vs. R\$ 143.6 million in the previous period reflecting the increase in interest and updating of contracts.

Entering in 2023, following our new commercial strategy, the intake process until Mar/26 (remembering that we are going until the end of April) shows 11% growth in on-campus and 40% growth in distance learning, renewing the records we had achieved in 2022. Additionally, re-enrollment's KPI continue at pre-pandemic levels. As for the ticket, as in 2022, in on-campus, we increased prices for freshmen, reinforcing the strategy of a positive trend in tickets aimed at mitigating the student base recruited during the pandemic. In distance learning, we continue to observe competition in the 100% digital segment and we carry on with the strategy of expanding the hybrid segment.

The Management

4Q22 Highlights

Growth of ~8% in total student base, with on-campus and DL tickets growing (mitigating the impact of graduating pre-pandemic classes with higher tickets)



+13.3%

On-campus undergrad intake 2022.2 cycle

+4.5%

On-campus undergrad Student base vs. 4Q21

+14.5%

DL undergrad Intake In 2022.2 cycle

+8.5%

DL undergrad student base vs. 4Q21

R\$24.9 million

Manag. Oper. Cash Flow **21.3% of EBITDA**

+8.0%

Net Revenue reaching R\$522 MM million on 4Q22

42.0%

Adj. Gross Margin 443bps lower than 4Q21

1.0x

Net Debt/Adj. Ebitda*

R\$123.7 million

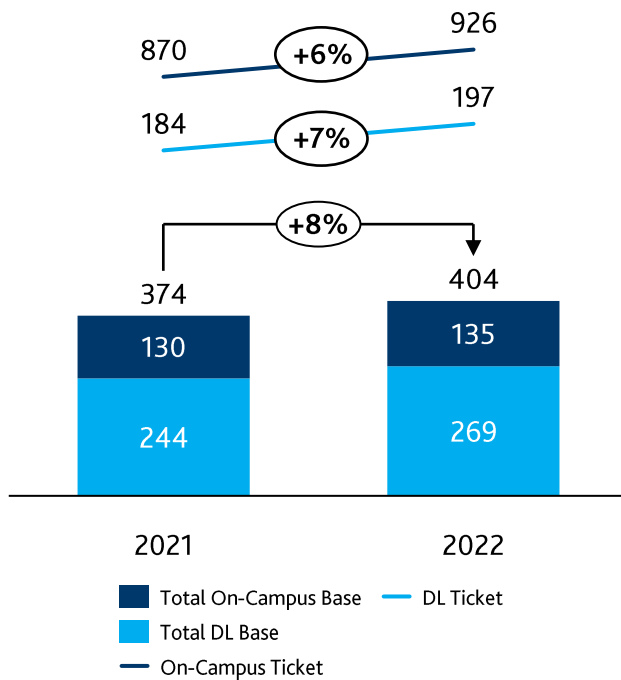
Adj. Ebitda In 4Q22 **10.9%** lower than 4Q21

23.7%

Adj. EBITDA Margin **+505bps** above of 4Q21

2022 Highlights

Growth of ~8% in total student base, with on-campus and DL tickets growing



+14.5%

On-campus undergrad intake 2022 vs. 2021

+4.5%

On-campus undergrad Student base vs. 2021

+14.6%

DL undergrad Intake 2022 vs. 2021

+8.5%

DL undergrad student base vs. 2021

R\$361.7 million

Manag. Oper. Cash Flow
65.7% of EBITDA

+11.4%

Net Revenue reaching R\$2.0 billion on 2022

46.7%

Adj. Gross Margin
85bps lower than 2021

1.0x

Net Debt/Adj. Ebitda*

R\$580.6 million

Adj. Ebitda

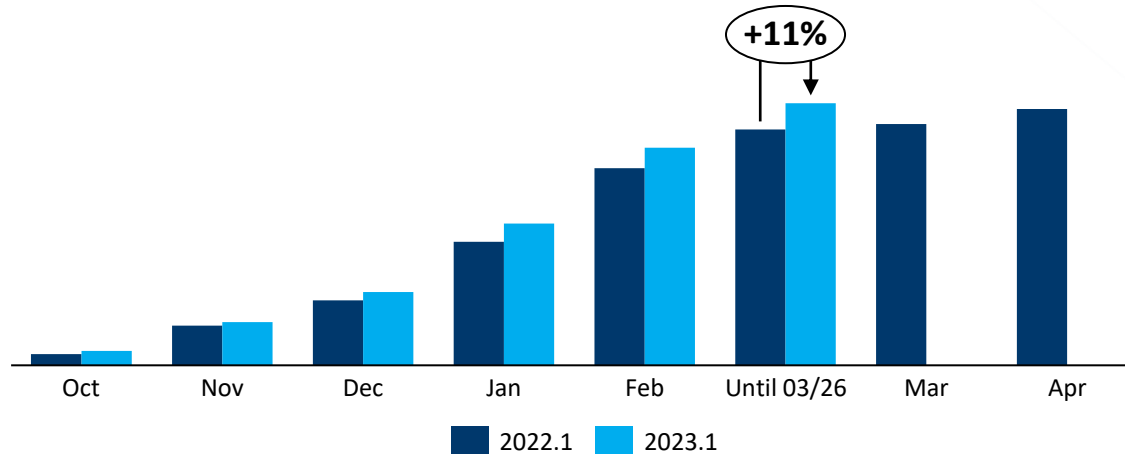
In 2022 **+8.4%** higher than 2021

28.6%

Adj. EBITDA Margin
81bps lower than 2021

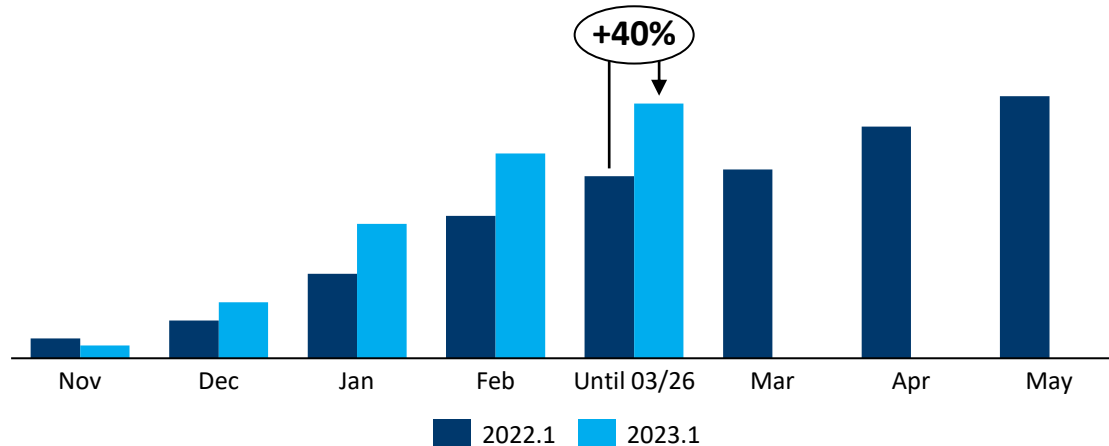
2023 Intake

★ 2023.1 Intake – On Campus (until March 26th)



- ★ Intake on the same date (March 26th) with assertive growth vs. the cycle 22.1
- ★ We will extend intake until April again given demand
- ★ Intake until March 26th already higher than the complete cycle of 22.1 even with one month less
- ★ Freshman ticket (ex medicine) with a higher trend than last year due to price discipline strategy

★ 2023.1 Intake – DL (until March 26th)



- ★ Intake same date with high double digit growth vs. the cycle 22.1 as a result of the execution of expansion plan, the hubs maturation and review of the digital intake strategy
- ★ Competitive pricing environment
- ★ On Campus courses gaining share (~+3pp) in the freshman base, mitigating competition in 100% digital courses

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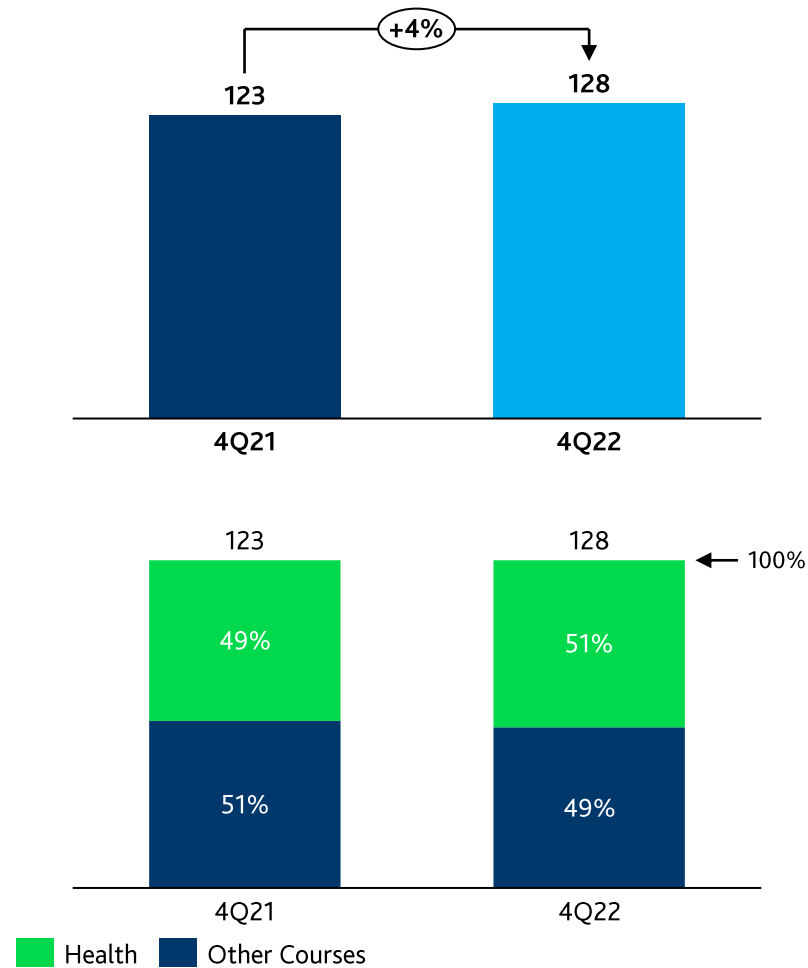
Operational Performance

Undergrad student base growth 4Q22

On-campus

Expansion in the student base; Health-related courses continue to represent more than half of the base.

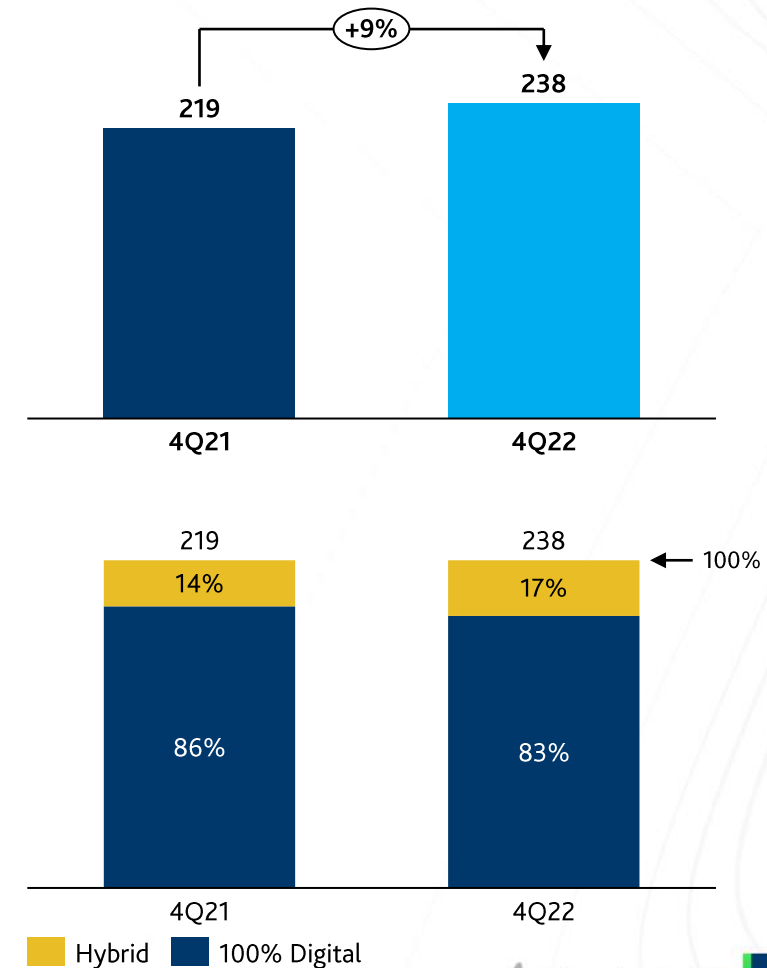
Student base - Undergrad 4Q22



DL

Expansion of the student base; Hybrid courses continue to gain relevance in the base.

Student base - Undergrad 4Q22



Consolidated Student Base Dynamics

On-Campus

Final student base expansion in 4Q22; +4.0%

End of the year with 135k students, an expansion of 4.0% vs. the 4Q21.

Re-enrollment's KPI higher than pre-pandemic (90.1%).

On-Campus	4Q22	4Q21	Y/Y
BoP	140	134	4,6%
Intake	0	0	(5,7%)
Dropout	(4)	(3)	31,3%
Graduation	0	0	-
Gra School and K12	(1)	(1)	(18,1%)
EoP	135	130	4,0%

DL

Expansion of the final student base in 4Q22; +10.3%

4Q22 was measured by a slowdown in intake when compared to the same period of the previous year (-25.9%), however, intake for the 2022.2 cycle was 14.5% higher than the 2021.2 cycle.

We ended the year with a final student base of 269 thousand students, an expansion of 10.3% vs. the 4Q21.

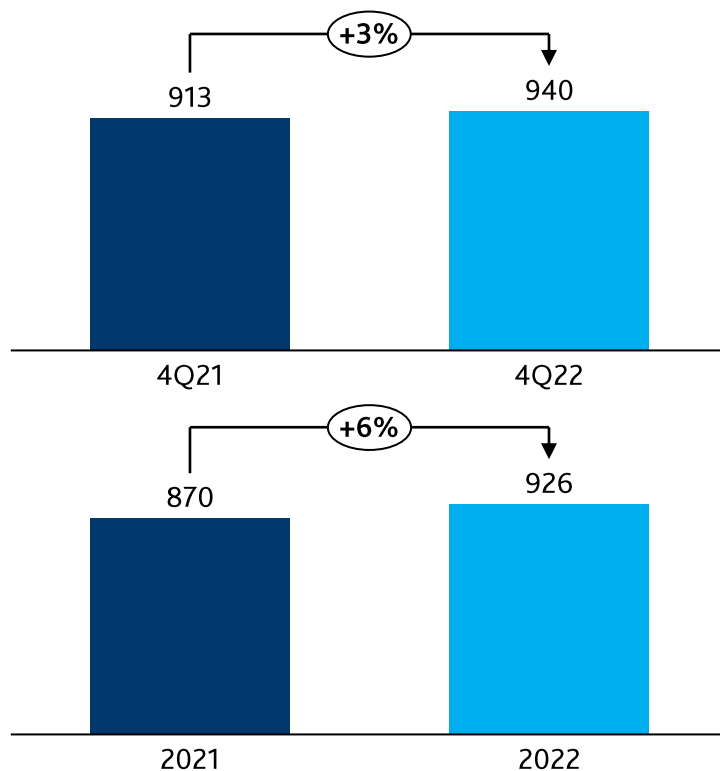
DL	4Q22	4Q21	Y/Y
BoP	267	226	18,0%
Intake	24	32	(25,9%)
Dropout	(20)	(13)	48,5%
Graduation	0	0	-
Gra School and K12	(2)	(1)	66,6%
EoP	269	244	10,3%

On-Campus

Consolidated ticket expanding 3% on 4Q22;

The on-campus undergrad ticket was 3% higher, despite the impact of students' mix at the base with a bigger intake (freshmen).

On-Campus Ticket (R\$/month)

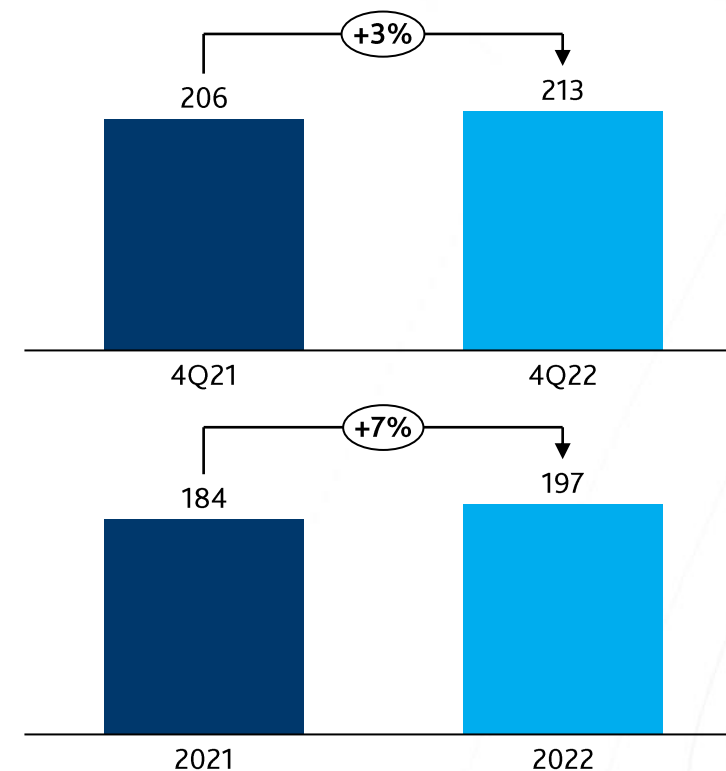


DL

**Ticket expanding 3% on 4Q22;
Hybrid mitigating price competition**

The average ticket in distance learning undergraduate courses was 3% higher, mainly as a result of the higher penetration of students in hybrid courses of ~17% (+3.1 p.p. vs. 4Q21) which helped to mitigate the impact of the more competitive in 100% online.

DL Ticket (R\$/month)



Ticket Dynamics

(Net Operating Revenue/
Students in the end of period)



Financial Performance

4Q22 Highlights

Expansion of student base and net revenue

R\$ million	4Q22	4Q21	%
Students - YE '000	404,2	373,8	8,1%
OnCampus '000	135,2	130,0	4,0%
On-Campus ex-Medicine	123,8	118,7	4,3%
Medicine	4,2	3,8	11,0%
Grad School & K12	7,2	7,5	(4,0%)
DL - YE '000	269,0	243,8	10,3%
Revenues	521,9	483,0	8,0%
Gross Margin	42,0%	46,1%	-412bps
Adj. EBITDA	123,7	138,9	(10,9%)
EBITDA Margin	23,7%	28,8%	-505bps
Adj. Net Earnings	(1,0)	39,2	(102,6%)
Manag. Oper. Cash Flow	24,9	45,1	(44,8%)
MOCF/EBITDA	21,3%	34,0%	-1.271bps

★ Increase of +8.1% in the total Student Base vs. 4Q21 showing the resumption of on-campus and continuity in the DL expansion.

★ On-Campus: +4.0%

★ DL: +10.3%

★ Net Revenue of R\$521.9 million, growth of 8.0% vs. the 4Q21.

★ Gross Margin of 42.0%, 412 bps below 4Q21

★ Adjusted EBITDA of R\$123.7 million, 10.9% lower than the same period of last year

★ Adjusted EBITDA margin of 23.7% vs. 28.8% in 4Q21

★ Adjusted Net Loss of R\$1,0 million vs. Adj. Net Earnings of R\$39.2 million in 4Q21

★ Management Operating Cash Generation of R\$24.9 million, 21.3% of EBITDA

2022 Highlights

Expansion of student base and net revenue

R\$ million	2022	2021	%
Students - YE '000	404,2	373,8	8,1%
OnCampus '000	135,2	130,0	4,0%
On-Campus ex-Medicine	123,8	118,7	4,3%
Medicine	4,2	3,8	11,0%
Grad School & K12	7,2	7,5	(4,0%)
DL - YE '000	269,0	243,8	10,3%
Revenues	2.028,3	1.820,6	11,4%
Gross Margin	46,7%	47,1%	-37bps
Adj. EBITDA	580,6	535,9	8,4%
EBITDA Margin	28,6%	29,4%	-81bps
Adj. Net Earnings	69,0	143,6	(52,0%)
Manag. Oper. Cash Flow	361,7	438,4	(17,5%)
MOCF/EBITDA	65,7%	86,2%	-2.044bps

★ Increase of +8.1% in the total Student Base vs. 2021 showing the resumption of on-campus and continuity in the DL expansion.

★ On-Campus: +4.0%

★ DL: +10.3%

★ Net Revenue of R\$2.0 billion, growth of 11.4% vs. the 2021.

★ Gross Margin of 46.7% vs. 47.1% in 2021

★ Adjusted EBITDA of R\$580.6 million, 8.4% higher than the same period of last year

★ EBITDA margin of 28.6%, 81bps below 2021

★ Adjusted Net Income of R\$69,0 vs. R\$143.6 million in 2021

★ Managerial Operating Cash Generation of R\$361.7 million, 65.7% of EBITDA

Financial Figures – Net Revenue 4Q22 and 2022

Revenue expansion in all segments, highlighting DL and health courses (+11.7%; +11.6%)

R\$ million	4Q22	4Q21	%
On Campus	376,0	351,8	6,9%
Health Courses ¹	253,7	227,2	11,7%
Distance Learning	162,1	145,2	11,6%
Revenue net of scholarships, cancellations and discounts	538,1	497,0	8,3%
Other Revenues	2,3	1,8	31,2%
Taxes	(18,6)	(15,8)	17,5%
Net Revenue	521,9	483,0	8,0%

- ★ Consolidated net revenue in the quarter reached R\$521.9 million, 8.0% higher than 4Q21 as a result of (i) Increase in the consolidated student base (+8.1%) and (ii) Ticket expansion.
- ★ Net revenue from scholarships, cancellations and discounts for on-campus attendance expanded 6.9%, reaching R\$376.0 million, as a result of the larger student base (+4.0%) and the progression/growth of students in health courses, which already represent 67% of the on-campus revenue.
- ★ In on-campus, courses focused on health area (with on-campus profile) grew 11.7% in the period and already represent ~67% of on-campus revenue vs. 65% last year.
- ★ In DL, despite the slowdown in intake process in the period that impacted the revenue growth rate, the larger student base (+10.3%) and the opening of new centers (+188; 15.5%) contributed to the expansion of 11, 6% on net revenue from grants, cancellations and discounts.

R\$ million	2022	2021	%
On Campus	1.489,3	1.349,9	10,3%
Health Courses ¹	998,8	859,0	16,3%
Distance Learning	603,2	523,5	15,2%
Revenue net of scholarships, cancellations and discounts	2.092,5	1.873,4	11,7%
Other Revenues	10,4	8,2	26,7%
Taxes	(74,5)	(61,0)	22,3%
Net Revenue	2.028,3	1.820,6	11,4%

- ★ Consolidated net revenue for 2022 reached R\$2.0 billion, 11.4% higher than 2021.
- ★ Net revenue from scholarships, cancellations and discounts for on-campus expanded 10.3%, reaching R\$1.5 billion, reflecting the larger student base (+4.0%) and the progression/growth of students in health courses.
- ★ In on-campus, courses focused on the health area (with on-campus profile) grew 16.3% in the period and already represent ~67% of on-campus revenue vs. 65% last year.
- ★ In DL, the larger student base (+10.3%) and the opening of new hubs (+188; 15.5%) contributed to the 15.2% expansion in net revenue from scholarships, cancellations and discounts.

Financial Results – Gross Profit

Gross margin down 412bps in 4Q22 due to unions agreement and return to 100% on-campus activities

R\$ million	4Q22	4Q21	%
Labor	(179,8)	(162,9)	10,4%
Right of Use Amortization	(30,5)	(26,4)	15,7%
Partners' DL Centers	(37,7)	(32,6)	15,8%
Other Costs	(54,6)	(38,3)	42,3%
Gross Profit	219,2	222,8	(1,6%)
Gross Margin	42,0%	46,1%	-412bps
Non Recurring	-	1,5	(100,0%)
Adjusted Gross Profit	219,2	224,3	(2,3%)
Adj. Gross Margin	42,0%	46,4%	-443bps

- ☆ Gross profit in the quarter reached R\$219.2 million, 1.6% lower than 4Q21, with a margin of 42.0% impacted in part by the revenue slowdown. Labor costs were impacted by: (i) faculty collective bargaining agreement (retroactive to March/22); (ii) increase in the technical staff of preceptors given the progression of health courses; and (iii) adjustments in the academic matrix
- ☆ In addition, the cost line was impacted by the increase in the amortization of the right of use, due to the variation in the inflation indexes (IGPM/IPCA) on the anniversaries of the lease contracts, and by the increase in transfers, given the expansion both in the hubs and in the student base in the DL.
- ☆ The “other costs” line was impacted by the resumption of on-campus activities, such as: (i) increase in the number of cleaning and security service providers and (ii) maintenance expenses

R\$ million	2022	2021	%
Labor	(647,1)	(590,8)	9,5%
Right of Use Amortization	(120,4)	(101,6)	18,4%
Partners' DL Centers	(135,6)	(119,4)	13,6%
Other Costs	(177,1)	(151,0)	17,3%
Gross Profit	948,1	857,9	10,5%
Gross Margin	46,7%	47,1%	-37bps
Non Recurring	-	8,6	(100,0%)
Adjusted Gross Profit	948,1	866,5	9,4%
Adj. Gross Margin	46,7%	47,6%	-85bps

- ☆ Gross profit in 2022 reached R\$948.1 million, ~10.5% higher than in 2021, with a margin of 46.7% (-0.4 p.p. y/y) as a reflection of management initiatives in the search for efficiency that mitigated, in parts, the impacts of (i) Salary readjustment of 4% as agreed in 2021; (iii) Salary bonus of 50%; (iv) Increase in the technical staff and preceptors due to the progression in health courses; and (iv) adjustments in the academic matrix
- ☆ In addition, the cost line was impacted by (i) Increase in the amortization of the right of use, which is affected by the monetary restatement of the IGPM/IPCA inflation indexes that affect rents; (ii) Increase in the transfer of hubs, given the expansion of hubs and student base in DL and (iii) Increase in outsourced services and utilities given the resumption of 100% on-campus classes.
- ☆ Non-recurring costs in 2021 refer to expenses with M&A and the opening/expansion of centers.

Financial Results – Adj. EBITDA – 4Q22 and 2022

EBITDA and adjusted EBITDA margin impacted by higher default in the period

R\$ million	4Q22	4Q21	%
Gross Profit	219,2	222,8	(1,6%)
<i>Gross Margin</i>	42,0%	46,1%	<i>-412bps</i>
SG&A	(100,1)	(98,4)	1,7%
PDA	(40,3)	(24,7)	63,2%
<i>PDA/Revenue</i>	<i>(7,7%)</i>	<i>(5,1%)</i>	<i>-261bps</i>
D&A	(39,5)	(25,2)	56,4%
Other Revenues	7,9	6,8	15,7%
EBIT	47,2	81,2	(41,9%)
D&A	70,0	51,6	35,6%
EBITDA	117,2	132,9	(11,8%)
<i>EBITDA Margin</i>	22,5%	27,5%	<i>-505bps</i>
Non Recurring ¹	6,4	6,0	7,3%
Adjusted EBITDA	123,7	138,9	(10,9%)
<i>Adj. EBITDA Margin</i>	23,7%	28,8%	<i>-505bps</i>

R\$ million	2022	2021	%
Gross Profit	948,1	857,9	10,5%
<i>Gross Margin</i>	46,7%	47,1%	<i>-37bps</i>
SG&A	(409,5)	(366,0)	11,9%
PDA	(135,4)	(98,4)	37,5%
<i>PDA/Revenue</i>	<i>(6,7%)</i>	<i>(5,4%)</i>	<i>-127bps</i>
D&A	(118,4)	(93,9)	26,1%
Other Revenues	26,8	13,9	93,1%
EBIT	311,6	313,3	(0,5%)
D&A	238,8	195,5	22,1%
EBITDA	550,4	508,9	8,2%
<i>EBITDA Margin</i>	27,1%	28,0%	<i>-81bps</i>
Non Recurring ¹	30,2	27,0	12,0%
Adjusted EBITDA	580,6	535,9	8,4%
<i>Adj. EBITDA Margin</i>	28,6%	29,4%	<i>-81bps</i>

★ Adjusted EBITDA in the quarter reached R\$123.7 million, 10.9% lower than 4Q21 with a margin of 23.7% (-5.1p.p. YoY)

★ The drop in Adjusted EBITDA in 4Q22 is mainly explained by the retraction in Gross Profit and the higher Provision for Doubtful Accounts (PDA) (7.7% of revenue vs. 5.1% in 4Q21) as a reflection of the weaker macroeconomic scenario challenging, in addition to the change in the mix of students with greater penetration of freshmen (both segments), in addition to the expansion of Distance Learning.

★ Adjusted EBITDA in 2022 reached R\$580.6 million, 8.4% higher than in 2021 with a margin of 28.6% (-0.8 p.p. YoY)

★ The increase in general and administrative expenses is basically explained by the increase in administrative and marketing expenses vs. the previous year (+0.7 p.p. vs. 2021).

★ The expansion of adjusted EBITDA in 2022 is mainly a result of the return of on-campus events, which benefited the rent of our spaces and mitigated part of the negative impact of the Provision for Doubtful Accounts (PDA) of 1.3 p.p. in the period (6.7% of revenue in 2022), as a reflection of the more challenging macroeconomic scenario with a higher default rate in the period, in addition to the expansion of DL.

Financial Results – Net Earnings 4Q22 and 2022

Adjusted net income pressured by the increase in the basic interest rate and inflation index

R\$ million	4Q22	4Q21	%
EBITDA	117,2	132,9	(11,8%)
D&A	(70,0)	(51,6)	35,6%
Financial Result	(29,3)	(24,0)	22,4%
Lease liability interest	(31,4)	(28,3)	10,9%
Taxes	(2,0)	(3,9)	(48,0%)
Net Earnings	(15,5)	25,1	(161,8%)
Intangible Amortization	8,0	8,1	(0,5%)
Non Recurring Expenses	6,4	6,0	7,3%
Adj. Net Earnings (Loss)	(1,0)	39,2	(102,6%)

★ Adjusted net loss in the quarter was R\$1.0 million vs. adjusted net earnings of R\$39.2 in 4Q21, reflecting the increase in the basic interest rate and inflationary indexes by which the debt and lease contracts have financial backing.

R\$ million	2022	2021	%
EBITDA	550,4	508,9	8,2%
D&A	(238,8)	(195,5)	22,1%
Financial Result	(178,0)	(124,3)	43,2%
Lease liability interest	(125,6)	(109,5)	14,8%
Taxes	(1,4)	3,4	(142,0%)
Net Earnings	6,6	83,0	(92,0%)
Intangible Amortization	32,1	33,7	(4,6%)
Non Recurring Expenses	30,2	27,0	12,0%
Adj. Net Earnings	69,0	143,6	(52,0%)

★ Adjusted net earnings in 2022 reached R\$69 million vs. R\$143.6 in 2021, as a reflection of the increase in the basic interest rate and inflationary indexes by which the debt and lease agreements have financial backing.

Financial Results – Accounts Receivable

Days of Receivable in line with historical

R\$ million	4Q22	4Q21	%	4Q21	%
Tuition	360,8	346,5	4,1%	362,9	(0,6%)
Student Financing	62,4	59,2	5,5%	67,3	(7,3%)
Agreements	62,9	47,4	32,6%	54,2	16,1%
Other Receivables	55,6	41,9	32,8%	51,6	7,8%
Gross Receivables	541,7	495,0	9,4%	536,0	1,1%
AVP	(13,4)	(4,6)	193,4%	(11,6)	15,8%
PDA	(290,9)	(278,4)	4,5%	(282,6)	2,9%
Net Receivables	237,4	212,1	11,9%	241,8	(1,8%)
Days of Receivables	41	40	+1 day	43	-2days

★ The days of receivables on 4Q22 was 41 days, an increase of 1 days vs. 4Q21, and an improvement of 2 days in relation to the period ended on 06/30/2022 (period corresponding to the end of the academic semester).

R\$ million	12/31/2022	12/31/2021	%	06/30/2022	%
Tuition	360,8	346,5	4,1%	363	(0,6%)
Student Financing	62,4	59,2	5,5%	67	(7,3%)
Agreements	62,9	47,4	32,6%	54	16,1%
Other Receivables	55,6	41,9	32,8%	52	7,8%
Gross Receivables	541,7	495,0	9,4%	536	1,1%
AVP	(13,4)	(4,6)	193,4%	(12)	15,8%
PDA	(290,9)	(278,4)	4,5%	(283)	2,9%
Net Receivables	237,4	212,1	11,9%	242	(1,8%)
Days of Receivables	42	42	+0day	43	-1 day

★ The days of receivables in 2022 was 42 days stable vs. 2021, and an improvement of 1 day in relation to the period ended on 06/30/2022 (period corresponding to the end of the academic semester).

Financial Results – Capex* 4Q22 and 2022

Resumption in CAPEX

R\$ million	4Q22	4Q21	%
Infrastructure / Technology	(51,5)	(27,6)	86,4%
Expansion	(2,2)	(0,4)	410,5%
Capex	(53,7)	(28,1)	91,4%

- ★ Investments in 4Q22 were approximately R\$53,7 million, an increase of 91,4% vs. 4Q21 driven by the resumption of investment projects in infrastructure and technology, mainly focused on improving the student experience.

R\$ million	2022	2021	%
Infrastructure / Technology	(136,7)	(75,9)	80,1%
Expansion	(8,2)	(11,8)	(30,4%)
Capex	(144,9)	(87,7)	65,2%

- ★ Investments in 2022 were approximately R\$144,9 million, an increase of 65,2%, mainly driven by the resumption of investments in infrastructure that had been paralyzed due to the pandemic.
- ★ Additionally, it is worth noting that investments for expansion in 2022 came mainly from improvements on the campuses versus the opening of the Guarulhos and Villa Lobos campuses in 2021.

Financial Results – Managerial Operating Cash Flow – 4Q22 and 2022

Positive cash generation, despite adverse scenario

R\$ million	4Q22	4Q21	%
EBITDA	117,2	132,9	(11,8%)
Working Capital ¹	(38,5)	(57,7)	(33,3%)
Taxes	(0,1)	(1,9)	(94,7%)
CAPEX	(53,7)	(28,1)	91,4%
Manag. Oper. Cash Flow²	24,9	45,1	(44,8%)
MOCF/EBITDA	21,3%	34,0%	-1.271bps
Non Recurring	6,4	6,0	7,3%
Adj. Manag. Oper. Cash Flow ²	31,4	51,1	(38,7%)

R\$ million	2022	2021	%
EBITDA	550,4	508,9	8,2%
Working Capital ¹	(36,9)	22,1	(267,2%)
Taxes	(7,0)	(4,8)	45,0%
CAPEX	(144,9)	(87,7)	65,2%
Manag. Oper. Cash Flow²	361,7	438,4	(17,5%)
MOCF/EBITDA	65,7%	86,2%	-2.044bps
Non Recurring	30,2	27,0	12,0%
Adj. Manag. Oper. Cash Flow ²	391,9	465,4	(15,8%)

★ Managerial operating cash generation, including non-recurring R\$6.4 million in the quarter, reached R\$24.9 million, 44.8% lower than 4Q21, and reached 21.3% of EBITDA.

★ Excluding non-recurring impacts, managerial operating cash generation would be close to R\$31.4 million vs. R\$51.1 million last year.

★ The managerial operating cash generation, including non-recurring ones of R\$30.2 million in 2022, reached R\$361.7 million, 17.5% lower than registered in 2021 and reached 65.7% of EBITDA.

★ The drop in operating cash generation is basically explained by (i) Decrease in accounts payable that benefited the year 2021 due to the adoption of the provisions of MP 139/2020, regarding the postponement of the payment of taxes (INSS and FGTS) and (ii) The resumption of CAPEX for maintenance/technology in view of the return of face-to-face classes.

★ Excluding non-recurring impacts, managerial operating cash generation would be R\$391.9 million vs. R\$465.4 million from last year.

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

²Managerial Information including non-recurring expenses

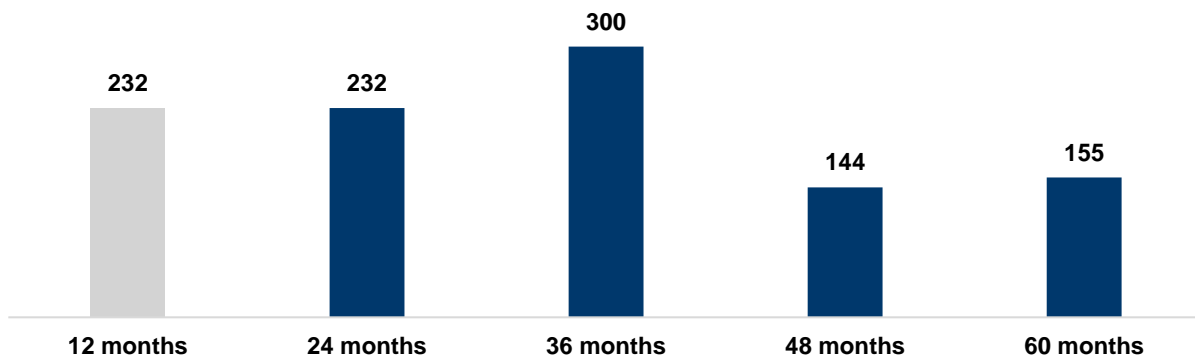
Financial Results – Net Debt (Cash)

Stable leverage indicator close to 1x

R\$ million	4Q22 (a)	4Q21 (b)	(a)/(b)	3Q22 (c)	(a)/(c)
Cash	(853)	(1.085)	(21,4%)	(928)	(8,1%)
Financial Debt	1.067	1.177	(9,3%)	1.074	(0,7%)
Acquisition	373	395	(5,7%)	362	2,8%
Net Debt (Cash)	587	487	20,6%	509	15,5%
Net Debt/Adj. EBITDA	1,0x	0,9x	11,3%	0,9x	18,5%
Lease	1.307	1.203	8,6%	1.305	0,1%
Net Debt (Cash) after Lease	1.894	1.690	12,1%	1.813	4,4%

★ The Company ended 2022 with net debt (ex-lease liabilities) of R\$587 million vs. R\$487 million last year, impacted by the payment of R\$ 50 million in dividends, the increase in the basic interest rate with an effect on the financial result and for carrying out the Repurchase Plan in the amount of R\$23 million.

Debentures Amortization Schedule - R\$ million



APPENDIX



Appendix – Student base, DL Centers & Campuses

Student Base - Q/Q Movement

End of Period	Total	On Campus	DL
3Q22	406,7	140,0	266,7
Intake	23,9	0,2	23,7
Dropout	(24,2)	(4,5)	(19,7)
Graduation	0,0	0,0	0,0
Grad School and K12	(2,2)	(0,6)	(1,6)
4Q22	404,2	135,2	269,0

Students Base - By enrollment type

Students (000)	4Q22	4Q21	YoY
On-Campus Graduation	123,8	118,7	4,3%
Med School	4,2	3,8	11,0%
Gra School and K12	7,2	7,5	(4,0%)
On-Campus	135,2	130,0	4,0%
DL Graduation	237,7	219,0	8,5%
Hybrid	41,0	30,7	33,6%
DL Gra School and K12	31,3	24,8	26,2%
DL	269,0	243,8	10,3%
Total	404,2	373,8	8,1%

Infrastructure

EoP	4Q22	4Q21	Δ	%
DL	1.404	1.216	+188	15,5%
Campuses	29	29	+0	0,0%

DL Centers - Maturation

% of matured DL Centers	4Q22	4Q21
Year 1	13,4%	0,2%
Year 2	0,1%	15,0%
Year 3	13,0%	28,1%
Year 4	24,4%	27,1%
Matured	49,1%	29,6%

Appendix

- IFRS16 EBITDA, Pre-IFRS16 EBITDA
- Non-recurring

Adjusted EBITDA

R\$ million	4Q22	4Q21	%	2022	2021	%
Adjusted EBITDA IFRS-16	123,7	138,9	(10,9%)	580,6	535,9	8,4%
Rents	(51,8)	(45,2)	14,4%	(201,9)	(172,4)	17,1%
Adjusted EBITDA Pre IFRS-16	71,9	93,6	(23,2%)	378,7	363,5	4,2%
Adjusted EBITDA Pre IFRS-16 Margin	13,8%	17,9%	-416bps	72,6%	69,7%	+293bps

Non Recurring

R\$ million	4Q22	4Q21	%	2022	2021	%
Restructuring	0,0	-	-	6,4	-	-
Openings and Expansions	0,4	2,2	(81,1%)	4,1	5,5	(24,9%)
M&A/Projects/Terminations	6,0	3,8	56,8%	19,7	15,5	26,7%
Non Recurring	6,4	6,0	7,3%	30,2	21,0	43,7%

Appendix – P&L

R\$ million	4Q22	4Q21	2022	2021
On Campus	376,0	351,8	1.489,3	1.349,9
Health	253,7	227,2	998,8	859,0
DL	162,1	145,2	603,2	523,5
Revenue net of scholarships, cancellations and discounts	538,1	497,0	2.092,5	1.873,4
Other Revenues	2,3	1,8	10,4	8,2
Taxes	(18,6)	(15,8)	(74,5)	(61,0)
Net Revenue	521,9	483,0	2.028,3	1.820,6
Labor	(179,8)	(162,9)	(647,1)	(590,8)
Right of Use Amortization	(30,5)	(26,4)	(120,4)	(101,6)
Partners' DL Centers	(37,7)	(32,6)	(135,6)	(119,4)
Other Costs	(54,6)	(38,3)	(177,1)	(151,0)
COGS	(302,7)	(260,2)	(1.080,2)	(962,7)
Gross Profit	219,2	222,8	948,1	857,9
<i>Gross Margin</i>	<i>42,0%</i>	<i>46,1%</i>	<i>46,7%</i>	<i>47,1%</i>
SG&A	(100,1)	(98,4)	(409,5)	(366,0)
D&A	(39,5)	(25,2)	(118,4)	(93,9)
Provision for Doubtful Accounts	(40,3)	(24,7)	(135,4)	(98,4)
Other Revenues	7,9	6,8	26,8	13,9
EBIT	47,2	81,2	311,6	313,3
D&A	70,0	51,6	238,8	195,5
EBITDA	117,2	132,9	550,4	508,9
<i>EBITDA Margin</i>	<i>22,5%</i>	<i>27,5%</i>	<i>27,1%</i>	<i>28,0%</i>
COGS - Non Recurring	-	1,5	-	8,6
Expenses - Non Recurring	6,4	4,5	30,2	18,3
Adjusted EBITDA	123,7	138,9	580,6	535,9
<i>Adjusted EBITDA Margin</i>	<i>23,7%</i>	<i>28,8%</i>	<i>28,6%</i>	<i>29,4%</i>
Financial Results	(60,7)	(52,3)	(303,6)	(233,8)
EBT	(13,5)	29,0	8,0	79,5
Taxes	(2,0)	(3,9)	(1,4)	3,4
Net Earnings	(15,5)	25,1	6,6	83,0
Intangible Amortization	8,0	8,1	32,1	33,7
Non Recurring Expenses	6,4	6,0	30,2	27,0
Adjusted Net Earnings	(1,0)	39,2	69,0	143,6

Appendix – Balance Sheet

	Dec.22	Dec.21
Total Assets	4.707.622	4.776.017
Current Assets	1.121.194	1.302.377
Cash and Equivalents	852.743	1.084.985
Marketable Securities	-	-
Accounts Receivables	215.995	187.816
Taxes and Contributions	28.948	13.557
Advance to Suppliers	-	-
Related Parties	-	-
Other Assets	23.508	16.019
Non-current Assets	3.586.428	3.473.640
Long Term Assets	212.877	189.309
Accounts Receivables	21.393	24.273
Related Parties	-	-
Advance to Investments	-	-
Judicial Deposits	23.940	18.375
Other Assets	63.457	46.147
Deferred Taxes	104.087	100.514
Investments	146	146
Property and Equipment	519.784	485.936
Right of Use	1.152.355	1.092.179
Intangible	1.701.266	1.706.070
	Dec.22	Dec.21
Total Liabilities	3.302.228	3.322.229
Current Liabilities	656.683	559.893
Financial Debt	3.770	15.122
Bond (Debentures)	232.154	115.479
Suppliers	69.368	50.471
Related Parties	2.948	2.519
Salaries and Payroll Charges	143.412	120.555
Tax Liabilities	53.446	49.695
Dividends	1.569	19.702
Customer Advance	40.820	39.242
Leasing	100.379	78.326
Acquisitions	-	63.688
Deferred Revenues	722	722
Others	8.095	4.372
Non-Current Liabilities	2.645.545	2.762.336
Financial Debt	-	3.761
Bond (Debentures)	831.242	1.042.297
Related Parties	-	-
Salaries and Payroll Charges	8.494	24.847
Tax Liabilities	129.800	136.540
Deferred Taxes	16.484	17.278
Judicial Deposits	67.487	65.295
Leasing	1.206.276	1.124.717
Acquisitions	372.756	331.714
Deferred Revenues	9.508	10.230
Others	3.498	5.657
Shareholder's Equity	1.405.394	1.453.788
Capital	1.203.576	1.203.576
Capital Reserves	161.978	161.978
Earnings Reserves	62.973	88.234
Ações em Tesouraria	(23.133)	-
Liabilities + Shareholder's Equity	4.707.622	4.776.017

Appendix – Cash Flow

	4Q22	4Q21
Profit (Loss) before income taxes	(13.482)	28.979
Equity Income	-	-
Depreciation and amortization	39.455	25.232
Right of use amortization	30.529	26.395
Amortization of fund raising costs	167	229
Debt Interests	213	633
Acquisitions Interests	11.585	7.163
Bonds (debentures) Interests	37.611	25.216
Lease Interests	31.393	28.301
PV Assets and Liabilities	(284)	1.081
Judicial Deposits Provision	1.537	1.901
Provision for Doubtful Accounts	40.293	24.695
PPE and Intangibles	1	143
Asset Sale Deferred Revenues	(180)	(790)
Lease discontinuation	(651)	(13)
Adjustments to Profit (Loss) before taxes to reconcile with the cash flow	178.187	169.165
Accounts receivable	(50.175)	(54.243)
Judicial Deposits	613	(1.266)
Taxes Recoverable	2.041	(1.052)
Other Credits	(6.338)	17.404
Suppliers	13.541	1.397
Salaries and Payroll Charges	(25.839)	(36.639)
Taxes	2.996	1.604
	-	-
Customer Advance	(24.124)	(16.812)
Others	2.535	(290)
	93.437	79.268
Taxes	(102)	(1.928)
Net cash from operating activities	93.335	77.340
Acquisitions	(1.321)	(1.202)
PPE acquisitions	(25.839)	(14.493)
Intangible acquisitions	(27.868)	(13.564)
Net cash from investing activities	(55.028)	(29.259)
Cash flow from financing activities		
Debt downpayments	(3.983)	(13.436)
Bonds (Debentures) downpayments	(41.152)	(14.417)
Lease downpayments	(51.760)	(45.235)
	(16.874)	
Net cash from financing activities	(113.769)	(73.088)
Increase (decrease) of cash and equivalents	(75.462)	(25.007)
Cash and Equivalents		
At the beginning	928.205	1.109.992
At the end	852.743	1.084.985
Increase (decrease) of cash and equivalents	(75.462)	(25.007)



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