Individual and Consolidated Financial Statements

Ser Educacional S.A.

December 31, 2023
and Independent Auditor's Report

Ser Educacional S.A.

Individual and consolidated financial statements

December 31, 2023

Content

Management report 3
Independent auditor's report on individual and consolidated financial statements 9

Individual and consolidated financial statements

Statement of financial position 16
Statement of profit or loss for the year 17
Statements of comprehensive income 18
Statement of changes in equity 19
Statements of cash flow 20
Statement of value added 21
Notes to the individual and consolidated financial statements 22

Ser Educacional S.A.

2023 Management Report

To the Shareholders,

Ser Educacional S.A. presents the Management Report and Financial Statements for the fiscal year ended December 31, 2023.

STRATEGY

In 2023, Ser Educacional celebrated 20 years of a history dedicated to the social transformation of its students through quality higher education, in a journey of remarkable progress that symbolize its commitment to social development in Brazil.

Since its origins in 2003, when the first UNINASSAU unit was opened in Recife, the Company has grown sustainably, based on a strategy that combined organic development and acquisitions, to become the supporting entity of a portfolio of relevant brands: UNINASSAU, UNAMA, UNG, UNINORTE, UNIFAEL, UNIFASB, UNIFACIMED, UNESC and UNI7. As a result, the company has gained national reach, with a solid role in transforming the societies in which it operates through the promotion of quality learning associated with social and inclusive initiatives, to the extent that in 2017 UNINASSAU became the only Brazilian institution to have a seat at the UN, thanks to innovative projects such as Praia Sem Barreiras, Mães Esperança, Faculdade na Comunidade and others.

Over the last 4 years, the Company has also diversified its business and brand portfolio by acquiring content edtechs, such as Starline and Delínea, and veterinary hospitals, such as DOK and Plantão Veterinário, and with the creation of Gokursos, a marketplace for free courses, b.Uni, a fintech for accounts and digital financial businesses, and human health polyclinics. In addition to serving the Group's ecosystem, these businesses are expandable for relationships with the market (B2B and B2B2C).

In 2023, the company achieved results in line with its planning for the year, with the main goals of: improving its operational and financial performance by organically expanding its student base; generating synergies from the acquisitions made in recent years; and reducing its net debt indicators. To achieve these goals defined during the fourth quarter of 2022, the Company focused on executing activities aligned with 3 fundamental pillars:

(i) Reorganization of the course portfolio, so as to prioritize the offering of health and engineering courses in Hybrid Learning, while in Digital Learning UNIFAEL integration process was completed and currently has investments in expanding the portfolio of partner learning centers, aiming for a mix of courses also prioritizing the areas of health and engineering;

(ii) Review of the structure of operating costs and expenses, which enabled the optimization of the leased real estate stock and which resulted in a significant reduction in property rental and maintenance costs, as well as an improvement in the occupancy rates of academic spaces and class formation; and

(iii) Reduction in financial debt, which ended 2023 with the net debt to adjusted EBITDA ratio at 2.18x, compared to 2.68x at the end of 2022.

In the same period, the acquisition by CENESUP - Centro Nacional de Ensino Superior Ltda. of 100% of the shares representing the share capital of Sete de Setembro Ensino Superior Ltda. was completed. Operating for over 20 years in higher education, UNI7 is one of the most renowned and traditional educational institutions in Fortaleza, with around 1,600 students enrolled in its Hybrid Learning undergraduate courses, with emphasis on Law, Administration, Engineering and Psychology, and with a privileged infrastructure and a complementary location to the other two units held by UNINASSAU in Fortaleza, creating potential for generating operational synergies and expanding UNI7's course portfolio through the offering of health courses and Digital Learning.

Fiscal year 2023 was also marked by the first year of UNIFAEL consolidation, which has allowed Ser Educacional to go forward on its path of growth and high profitability in Digital Learning, providing higher education with a nationwide reach and solid capillarity, supporting the development of its continuing education ecosystem through the expansion of its digital learning offer and also through the development of the edtechs and human and animal health clinics that complete this ecosystem.

OPERATIONAL PERFORMANCE

The company's initiatives in the development of strategic acquisitions, organic growth and investments in the development of its continuing education ecosystem, in addition to the consolidation of Ubíqua in hybrid learning, which is already in its third year of implementation, with broad support from the academic world, and is responsible for significant improvements in student and teacher satisfaction, resulted in a year 2023 with solid operating indicators, with the student intake in regulated education growing 39.9% compared to the same period last year, with Hybrid Learning growing 10.5% and Digital 61.8%. Dropout rates also improved in the period, with a drop of 1.0 percentage points in Hybrid Learning, which ended the quarter at 12.4%, and 0.9 percentage points in Digital Learning, which completed the same period with 27.8%. This positive result in intaking and retaining students allowed the Company's total student base to close the year with growth compared to the same period of the previous year. The evolution of the student base in Hybrid Learning segment was due to the Company's focus on offering a leaner portfolio of courses dedicated to the areas of knowledge in health and engineering, aiming to maximize the Company's competitive advantages in terms of its distinctive structure of laboratories and clinics, as well as the privileged location of its units and brand positioning in the cities where it operates. As a result, the increase in the health student base stands out again, now accounting for 63% of the Hybrid Learning undergraduate student base and 40% of the total undergraduate base. In Digital Learning, health courses increased their share by 4 percentage points, from 16% to 20% of the undergraduate student base, reflecting the results of the company's strategy of increasing its investment in laboratories and the integration of training systems at the partner learning centers between the original regional brands and UNIFAEL.

INVESTMENTS

In 2023, the acquisition by CENESUP - Centro Nacional de Ensino Superior Ltda. of 100% of the shares representing the share capital of Sete de Setembro Ensino Superior Ltda., the parent company of Centro Universitário Sete de Setembro, was completed, consolidated in January 2023 with an investment of R$ 10.0 million.

Investments in organic growth amounted to R$ 91.9 million in 2023, with 15.4% decline as compared to 2022, mainly due to the resumption of investments that had been held back during the years of the pandemic, made in infrastructure, library and laboratories for accreditation of courses, especially in Medicine, with MEC, in addition to technology and digital content to support the Company's operations.

These investments are also part of the development of the Company's continuing education ecosystem, which are promoting an increasingly complete and innovative portfolio of digital courses, in addition to improvements in health laboratories, particularly the implementation of clinics to serve the population, allowing better training of students in practical classes and higher return on courses in these areas of knowledge.

ACADEMIC QUALITY

Academic quality indicators showed progress in 2023. According to the information regarding ENADE (National Student Performance Exam) published by INEP (National Institute of Studies and Research) in October 2023 referring to 2022 cycle, Ser Educacional's educational institutions reached 65% of the courses evaluated with grades from 3 to 5, versus 63% in the comparable cycle of 2018.

ESG

Environment

Ser Educacional group invested R$ 4.5 million in 2021 in a solar plant located at its UNINASSAU unit in Caruaru/PE, to supply its units in Pernambuco State and sell the surplus generation. In 2023, 1,266.564 kWh of energy were generated to supply the units. In addition to this initiative, the Company also makes consistent efforts to raise awareness among its students and has a program for the collection of recyclable waste at its units and water reuse practices.

Social Responsibility

Social responsibility is a fundamental pillar in Ser Educacional’s culture, permeating its values and the Company’s routine. The Company promotes sustainability activities in the areas of culture, sport and social and environmental actions through its institutions and coordinated by Instituto Ser Educacional, which provides thousands of social services in the aforementioned areas. These initiatives not only strengthen students' bonds with their communities, but also establish a positive connection between the Institution, students, the locations served and governments.

Winning the *Catalyst Award 2023* in the category "Diversity, Equity, Inclusion and Belonging" by the Novas Histórias (New Stories) project, which offers distance learning scholarships to mothers in prison, highlighted Ser Educacional's commitment to sustainability actions, going beyond the traditional provision of quality education.

Since 2019, the Company has published its annual report in ESG format, which is available on its investor relations website.

Corporate Governance

In 2023, the shareholders of Ser Educacional elected Ms. Iara Xavier to join the Board of Directors as an independent member, with a solid reputation and knowledge of the regulation and operation of Brazilian higher education, replacing Mr. Jânyo Diniz, who remains at the Company as CEO. As a result, Ser Educacional elected the first woman to its Board of Directors this year, while at the same time it no longer has any overlap between executives who hold positions on its Statutory Executive Board and Board of Directors, thereby evidencing the company's commitment to the best corporate governance practices and the high compliance rates of the Corporate Governance Report, filed with the CVM in July 2023.

FINANCIAL PERFORMANCE

Student base

Ser Educacional group ended 2023 with a total base of 312.9 thousand students, with 6.0% growth as compared to 295.2 thousand students at the end of 2022. The evolution of the student base in Hybrid Learning segment was due to the Company's focus on offering a leaner portfolio of courses dedicated to the areas of knowledge in health and engineering, aiming to maximize the Company's competitive advantages in terms of its distinctive structure of laboratories and clinics, as well as the privileged location of its units and brand positioning in the cities where it operates.

In Digital Learning segment, health courses increased their share by 4 percentage points, from 16% to 20% of the undergraduate student base, reflecting the results of the company's strategy of increasing its investment in laboratories and the integration of training systems at the partner learning centers between the original regional brands and UNIFAEL.

Revenues

Gross revenue amounted to R$ 3,964.9 million in 2023, with 15.6% growth versus 2022, due to (i) the higher volume of students enrolled in hybrid and digital undergraduate, as a result of the improvement in intake and dropout rates; (ii) the growth in the student base of the Medicine course; and (iii) inflation pass-through. Net revenue reached R$ 1,824.7 million, an increase of 8.9% compared to 2022, due to discounts and scholarships offered in student intake campaigns.

Costs of Services Provided

The cost of services amounted to R$ 887.3 million, representing 48.6% of net revenue in 2023, up 5.3% as compared to 2022, when these costs reached R$ 842.8 million. The main increases in operating costs for the year refer to (i) the integration of UNIFAEL's operations; (ii) the full resumption of on-campus administrative activities and practical classes, as well as UNI7 acquisition; and (iii) the impact of higher inflation rate on costs during 2023.

Gross Profit and Gross Margin

Gross profit was R$ 937.4 million in 2023, representing 12.5% growth when compared to the previous year, with 51.4% gross margin, 1.7 percentage point higher than gross margin recorded in 2022.

Operating Expenses

Operating expenses amounted to R$ 714.5 million in 2023, corresponding to 39.2% of net revenue, up 10.2% versus the previous year. In addition to the inflation impact on the main accounts, this increase was seen mainly in personnel expenses, as a result of the variable compensation and increase in headcount in expanding units and operations, in the provision for doubtful accounts receivable, due to the adjustment of the portfolio from the COVID-19 pandemic period and the sale of the Educred portfolio, and in other expenses, basically due to the higher volume of costs for travel, congresses and maintenance of buildings and software, partially offset by the lower commercial, advertising and publicity expenses.

Other operating expenses totaled R$ 26.1 million in 2023, down 87.5% compared to 2022, basically due to the write-off of escrow deposits and the impairment loss incurred in 2022.

Operational Result

In 2023, the Company reached an operating profit of R$ 196.8 million, versus an operating loss of R$ 24.2 million in 2022.

Financial result

Net financial result in 2023 was a financial expense in the amount of R$ 228.1 million, up 19.6%, compared to R$ 190.7 million recorded in 2022, mainly due to the increase in gross debt, including impacts of exchange rate variations and swaps, leases, discounts granted and expenses related to the execution of financial transactions partially offset by the lower basic interest rates and inflation during the year.

Income Tax and Social Contribution

In 2023, the provision for Income Tax and Social Contribution showed an expense of R$ 4.3 million, versus a R$ 7.2 million expense in provision in 2022. Expenses on these taxes, even though the Company is making a loss, arise from subsidiaries with a taxable profit and the drop is due to the change in the tax regime of subsidiaries with operations in the expansion phase, reflecting the Company's efforts in tax planning and management.

Loss for the Year

As a result of the above factors, in 2023, the Company recorded a loss of R$ 35.6 million compared to a loss of R$ 222.1 million in 2022.

Cash Generation and Indebtedness

Ser Educacional ended 2023 with a consolidated operating cash generation of R$ 365.3 million, 29.1% higher than in 2022, which supported a R$ 34.5 million increase in cash and cash equivalents (R$ 51.9 million when securities are added), and a net debt, excluding lease obligations, of R$ 784.9 million, virtually in line with the end of 2022, mainly due to the impact of the sale of the Educred portfolio to Pravaler.

Independent Audit

In compliance with the provisions of Article 31 of CVM Resolution No. 23, dated February 25, 2021, which determines the rotation of independent auditors every five-year period, as well as in accordance with the best corporate governance practices adopted by the Company, thus ensuring increased independence of auditors, the Board of Directors of Ser Educacional, in a meeting held on March 31, 2023, approved the hiring of PricewaterhouseCoopers Auditores Independentes Ltda. ("PWC") to act as independent auditor of the Company and its subsidiaries, replacing Ernst & Young Auditores Independentes S.S. (“EY”), with PWC starting its activities after reviewing the quarterly information for the second quarter of 2023.

In 2023, the fees relating to the services engaged by Ser Educacional with EY for the special review of its quarterly information for the first quarter of 2023 totaled R$ 432,181.83. Fees for services engaged with PWC for the special review of its quarterly earnings release for the second and third quarter of 2023 and audit of its financial statements for the year ended December 31, 2023, totaled R$ 1,350,853.22

Also in 2023, Ser Educacional hired EY's services to perform additional services related to auditing of systems and to issue an equity appraisal report for purposes of merger of subsidiaries, whose fees totaled R$ 468,608.88.

Statement of the Executive Board

The Executive Board of Ser Educacional states, pursuant to CVM Resolution No. 80, dated March 29, 2022, that it has reviewed, discussed, and agreed (i) with the content and opinions expressed in PWC's report, issued on March 25, 2024; and (ii) with the accounting financial statements for the fiscal year ended December 31, 2023, accompanied by a favorable opinion from the Fiscal Council.

Adherence to the Arbitration Chamber

The Company, its Shareholders, Management and members of the Fiscal Council undertake to resolve, through arbitration, any disputes or controversies that may arise between them, related to, or arising, in particular, from the application, validity, effectiveness, interpretation, violation and its effects of the provisions contained in the Novo Mercado Participation Agreement, the Novo Mercado Listing Regulation, the Bylaws and the legislation in force and applicable to the Company's activities.

Acknowledgments

The Management of Ser Educacional thanks its students, professors, employees, shareholders, and service providers for the trust and partnership throughout 2023 and hopes to count on this same dedication in 2024.

The Management

Independent auditor's report

To the Board of Directors and Stockholders
Ser Educacional S.A.

Opinion

We have audited the accompanying parent company financial statements of Ser Educacional S.A. (the "Company"), which comprise the statement of financial position as at December 31, 2023 and the statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, as well as the accompanying consolidated financial statements of Ser Educacional S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated statement of financial position as at December 31, 2023 and the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

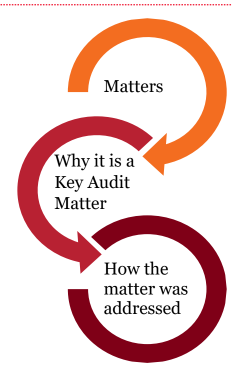
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company and of the Company and its subsidiaries as at December 31, 2023, and the financial performance and the cash flows for the year then ended, as well as the consolidated financial performance and the cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB)) (currently described as "IFRS Accounting Standards" by the IFRS Foundation).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Parent Company and Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the ethical requirements established in the Code of Professional Ethics and Professional Standards issued by the Brazilian Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the parent company and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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Why it is a Key Audit Matter	How the matter was addressed in the audit
Revenue recognition (Notes 21 and 30.20(a))	
The main source of revenue for the Company and its subsidiaries is derived substantially from the tuition fees charged for undergraduate and postgraduate courses in on-campus and online formats. In the context of undergraduate courses, enrollment agreements are formalized every six months, while in postgraduate courses, the agreement covers the entire program. Revenue is generated by a large volume of transactions with low individual value, which requires a structured internal control environment that is effective throughout the whole year. Considering the significance of revenue to the Company's parent company and consolidated financial statements, in conjunction with the great audit effort on this matter given the nature of the transactions, we consider this a Key Audit Matter.	As an audit response, we carried out the following main procedures related to this matter: • We understood and tested the internal control environment implemented by the Company and its subsidiaries for the enrollment process, the issuance of charges and the accounting recording of tuition fees. • We inspect, on a sampling basis, agreements signed with students, billing slips issued, attendance reports to analyze contractual conditions and registration documents of linked students, as well as checking the subsequent receipt of tuition fees selected in the sample. Such tests included transactions involving the *Fundo de Financiamento Estudantil* (FIES) (Higher Education Student Financing Fund) and the *Universidade para Todos* - PROUNI (University for All) verifying the actual eligibility and adhesion through student contracts with the proper agencies. • We carry out reconciliations of revenue reports with the respective accounting records. • We assessed the disclosures made by the Company in the individual and consolidated financial statements. As a result of our procedures, we ascertain that the information presented in the individual and consolidated financial statements is consistent with the information analyzed in our audit.
Provision for expected credit losses on doubtful accounts (Notes 3.1 (d), 9(e) and 30.5)	
Determining the amount allocated to the provision for expected losses in accounts receivable is a task that involves a high level of subjectivity and requires significant judgment on the part of the Company's	As an audit response, we carried out the following main procedures related to this matter: • We understood the internal control environment relevant to the process of

Why it is a Key Audit Matter	How the matter was addressed in the audit
management. This process covers several assumptions and factors, such as debt renegotiation, default history and analysis of the macroeconomic and sector environment. The Company's management exercises judgment on the probability of receiving future tuition fees from students enrolled in government programs, such as the Higher Education Student Financing Fund (FIES). In addition, due to the half-yearly enrollment cycle, students who remain in default at the end of each semester or who do not renew their enrollment represent a higher risk of losses in accounts receivable. In this context, agreements must be reached to recover overdue credits, requiring judgments to determine the provision for expected losses. This assessment is not limited to students in default, but also includes those who have entered into agreements to pay off overdue installments, which may not be fully honored. We considered this matter to be a focus are for auditing, as the use of judgments, assumptions, and factors in determining the allowance for expected credit losses may result in significant variations in this estimate concerning actual and expected losses.	measuring the provision for credits from trade accounts receivable. • We assessed the reasonableness of the critical judgments and estimates adopted in the model used by management to determine the recorded provision. • We also tested the integrity of the historical receivables base used to determine the actual loss history, and assessing the reasonableness of the expected loss rates estimated by management, by reprocessing the data used, by maturity group, including comparison with that actually verified in previous periods. • We compared, by sampling basis, the maturity dates of receivables informed in the position of outstanding receivables, by maturity grouping with the corresponding supporting documentation. We consider that the information disclosed in the financial statements is consistent with the information analyzed in our audit.
Impairment test of goodwill and intangible assets with indefinite useful life (Notes 11(c), 11 (d), 11 (e) and 30.12)	
The Company and its subsidiaries have recorded under intangible assets, goodwill based on future profitability expectations and intangible assets with an indefinite useful life resulting from the acquisition of businesses, in the amount of R$ 607,107 thousand and R$ 338,496 thousand, respectively. The company performed the annual impairment test for goodwill and intangible assets with an indefinite useful life using the value-in-use model, which consists of determining the net present value of the future cash flows of each of the Cash Generating Units (CGUs).	As an audit response, we carried out the following main procedures related to this matter: • We understood the relevant internal controls related to the preparation of the discounted cash flows of the cash-generating unit to which goodwill and intangible assets with an indefinite useful life were allocated. • Alongside our valuation experts, we analyzed the reasonableness and consistency of the calculation model used by management to prepare forecasts, as well as the data and

Ser Educacional S.A.

Why it is a Key Audit Matter	How the matter was addressed in the audit
We considered this matter as a focus area for auditing because, in addition to the relevance of the balance, it is an area that involves critical estimates and judgments on the part of the Company's management in determining the assumptions and forecasts made which, if changed, may significantly modify the recoverability prospects for each CGU, with consequent impact on the individual and consolidated financial statements.	assumptions used in preparing cash flows, such as growth rates and profitability estimates, through comparison with economic and sector forecasts, and discount rates, considering in our assessment the cost of capital for the Company and comparable organizations. • We tested the mathematical accuracy of the calculations and data on the main assumptions used in cash flow forecasts. • We performed a sensitivity analysis for the main assumptions of the forecasts, to assess the results in different possible scenarios. • We assessed the disclosures made by the Company in the individual and consolidated financial statements. We consider that the information disclosed in the financial statements is consistent with the information analyzed in our audit.
Measurement of lease agreements (Notes 2.2, 3.1(g), 12, 19 and 30.9)	
The Company and its subsidiaries have rental agreements for properties where their units are located, consisting of universities, university centers, learning centers, colleges and offices. These agreements result in the recognition of lease liabilities and the corresponding right to use the assets, in accordance with Technical Pronouncement CPC 6 (R2) - Leases (IFRS 16 - Leases). We considered this to be a Key Audit Matter due to the significance of the amounts recorded as right-of-use assets and the respective lease liabilities in the financial statements, as well as because it involves a high level of judgment in the definition and use of assumptions (incremental rate, lease terms, among other aspects) that impact on the determination of the amounts of lease liabilities, right-of-use assets and	As an audit response, we carried out the following main procedures related to this matter: • Reading and understanding lease agreements on a sample basis in order to confirm that they contain lease elements, as well as assessing the integrity of the agreement list. • Assessment of the criteria adopted by management to define contractual terms. • Assessment of the criteria adopted by management to determine the discount rates (incremental financing rate) used to measure lease liabilities. • Recalculation to verify the amount of the lease liability and the right to use the recognized assets.

Why it is a Key Audit Matter	How the matter was addressed in the audit
depreciation and interest expenses in the income statement for the year.	• Reading and understanding disclosures and compliance with Securities and Exchange Commission (CVM) standards in the accompanying notes. Our audit procedures performed demonstrated that the criteria and assumptions disclosed in the financial statements for recognizing lease agreements are consistent with the information obtained in our audit process.

Other matters

Statements of Value Added

The parent company and consolidated Statements of Value Added for the year ended December 31, 2023, prepared under the responsibility of the Company's management and presented as supplementary information for IFRS Accounting Standards purposes, were submitted to audit procedures performed in conjunction with the audit of the Company's financial statements. For the purposes of forming our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Value Added". In our opinion, these Statements of Value Added have been properly prepared in all material respects, in accordance with the criteria established in the Technical Pronouncement, and are consistent with the parent company and consolidated financial statements taken as a whole.

Audit of previous year's figures

The audit of the financial statements for the year ended December 31, 2022 were conducted under the responsibility of another firm of auditors that have issued their audit reports dated March 23, 2023 and without qualification.

Other information accompanying the parent company and consolidated financial statements and the auditor's report

The Company's management is responsible for the other information that comprises the Management Report·

Our opinion on the parent company and consolidated financial statements does not cover the Management Report, and we do not express any form of audit conclusion thereon.

In connection with the audit of the parent company and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the parent company and consolidated financial statements

Management is responsible for the preparation and fair presentation of the parent company and consolidated financial statements in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) (currently described as "IFRS Accounting Standards" by the IFRS Foundation), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company and consolidated financial statements, management is responsible for assessing the ability of the Company and its subsidiaries, as a whole, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries, as a whole, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the parent company and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the parent company and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the parent company and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its subsidiaries, as a whole, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries, as a whole, to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the parent company and consolidated financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the parent company and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats to our independence or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Recife, March 25, 2024

PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/F-6

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CPF: 63302675534
Signing Time: 15 de abril de 2024 | 17:51 BRT
O: ICP-Brasil, OU: Secretaria da Receita Federal do Brasil - RFB
C: BR
Issuer: AC SERASA RFB v5

Luciano Jorge Moreira Sampaio Júnior
Contador CRC 1BA018245/O-1

Ser Educacional S.A.

Statements of financial position
December 31, 2023 and December 31, 2022
In thousands of Brazilian reais, unless otherwise indicated

		Parent Company		Consolidated	
Assets	**Note**	**December 31, 2023**	**December 31, 2022**	**December 31, 2023**	**December 31, 2022**
Current					
Cash and cash equivalents	8	116,692	49,411	215,267	180,764
Financial investments	8	63,520	51,154	77,585	60,251
Restricted cash	8.a			7,943	6,931
Accounts receivable	9	248,846	172,716	520,047	438,743
Taxes recoverable	10	12,384	5,411	26,037	24,922
Related parties	26	1,951	1,952	1,951	1,952
Other credits		11,132	11,054	25,698	39,074
		454,525	291,698	874,528	752,637
Non-current					
Long term receivables					
Accounts receivable	9	1,008	30,832	1,493	73,332
Related parties	26	163	2,115	163	2,115
Judicial deposits		16,063	13,674	27,230	19,748
Indemnification Assets	27.c			9,318	115,282
FIES Guarantor Fund	9.b	42,038	15,704	87,423	52,028
Financial investments	8	50		1,468	544
Taxes recoverable	10			6,392	1,706
Deferred taxes	25.e	6,619	6,433	23,706	21,615
Other credits		5,294	436	13,415	5,228
Restricted cash	8.a			57,400	63,000
Investments	6.a	1,394,442	1,495,963		
Property & Equipment	13	278,814	263,111	459,333	487,640
Right-of-use	12	376,100	253,532	735,278	593,228
Intangible assets	11	100,102	63,821	1,191,786	1,203,974
		2,220,693	2,145,621	2,614,405	2,639,440
Total assets		2,675,218	2,437,319	3,488,933	3,392,077

		Parent Company		Consolidated	
Liabilities and equity	**Note**	**December 31, 2023**	**December 31, 2022**	**December 31, 2023**	**December 31, 2022**
Current					
Trade accounts payable	14	15,197	14,651	40,674	32,255
Loans and financing	16	197,348	180,045	197,440	180,340
Derivative financial instruments - swap	16	14,801	13,610	14,801	13,610
Debentures	17	43,724	11,208	43,724	11,208
Salaries and social charges	18	69,340	53,621	121,571	113,861
Taxes payable	10	8,434	6,794	42,778	30,105
Commitments payable	15			80,327	60,871
Lease commitments	19	32,332	21,699	68,519	66,913
Related parties	26	359			
Other obligations		20,966	12,974	46,596	43,064
		402,501	314,602	656,430	552,227
Non-current					
Loans and financing	16	243,421	375,230	243,471	375,280
Derivative financial instruments - swap	16	37,763	26,336	37,763	26,336
Debentures	17	369,921	199,111	369,921	199,111
Lease commitments	19	402,825	277,083	777,282	638,817
Commitments payable	15			164,685	228,624
Taxes payable	10	938		2,124	2,790
Provision for contingencies	27	8,362	6,814	27,770	131,349
Other obligations			612		12
		1,063,230	885,186	1,623,016	1,602,319
Equity	20				
Capital		987,549	987,549	987,549	987,549
Profit reserve		225,336	253,380	225,336	253,380
Treasury shares		(3,398)	(3,398)	(3,398)	(3,398)
		1,209,487	1,237,531	1,209,487	1,237,531
Total liabilities and equity		2,675,218	2,437,319	3,488,933	3,392,077

The Notes are an integral part of the individual and consolidated financial statements.

Ser Educacional S.A.

Statements of profit or loss
Year ended December 31, 2023
In thousands of Brazilian reais, unless otherwise indicated

		Parent Company		Consolidated	
	Note	01/01/2023 to 12/31/2023	01/01/2022 to 12/31/2022	01/01/2023 to 12/31/2023	01/01/2022 to 12/31/2022
Net revenue from services provided	21	870,570	660,747	1,830,934	1,676,343
Cost of services provided	22	(353,120)	(287,824)	(881,561)	(842,844)
Gross profit		517,450	372,923	949,373	833,499
Selling expenses	23.a	(59,943)	(92,657)	(138,566)	(162,100)
General and administrative expenses	23.a	(250,322)	(242,244)	(577,390)	(486,453)
Other operating expenses, net	23.b	(10,271)	(26,023)	(26,136)	(209,174)
Equity in profit (loss) of subsidiaries	6	(57,622)	(100,835)		
Operational income		139,292	(88,836)	207,281	(24,228)
Financial income	24	39,913	93,020	65,880	126,752
Financial expenses	24	(206,897)	(226,705)	(296,821)	(317,435)
Financial result		(166,984)	(133,685)	(230,941)	(190,683)
Loss before income tax and social contribution		(27,692)	(222,521)	(23,660)	(214,911)
Income tax and social contribution		(352)	373	(4,384)	(7,237)
Current	25.a		(9)	(6,497)	(10,363)
Deferred	25.e	(352)	382	2,113	3,126
Loss for the year		(28,044)	(222,148)	(28,044)	(222,148)
Attributable to					
Parent Company's shareholders		(28,044)	(222,148)	(28,044)	(222,148)
Weighted average of common shares outstanding as of year-end (in thousands)				128,335	128,722
Losses per share attributable to shareholders of the Parent Company during the period (in R$ per share)				(0.22)	(1.73)

The Notes are an integral part of the individual and consolidated financial statements.

Ser Educacional S.A.

Statements of comprehensive income
Year ended December 31, 2023
In thousands of Brazilian reais, unless otherwise indicated

	Parent Company and Consolidated	
	December 31, 2023	December 31, 2022
Loss for the year	(28,044)	(222,148)
Other components of comprehensive income for the year		
Comprehensive income for the year	(28,044)	(222,148)

The Notes are an integral part of the individual and consolidated financial statements.

Ser Educacional S.A.

Statement of changes in equity
Year ended December 31, 2023
In thousands of Brazilian reais, unless otherwise indicated

		Attributable to the parent company's shareholders						
		Capital		Profit reserve				
	Note	**Capital**	**Expenses to issue shares**	**Legal**	**Retention**	**Treasury shares**	**Loss for the year**	**Total Equity**
As of January 1, 2022		991,644	(4,095)	73,218	402,310			1,463,077
Loss for the year							(222,148)	(222,148)
Absorption of loss for the year	20.c				(222,148)		222,148	
Treasury shares acquired	20.d					(3,398)		(3,398)
As of December 31, 2022		991,644	(4,095)	73,218	180,162	(3,398)		1,237,531
Loss for the year							(28,044)	(28,044)
Absorption of loss for the year	20.c				(28,044)		28,044	
As of December 31, 2023		991,644	(4,095)	73,218	152,118	(3,398)		1,209,487

The Notes are an integral part of the individual and consolidated financial statements.

Ser Educacional S.A.

Statements of cash flow
Year ended December 31, 2023
In thousands of Brazilian reais, unless otherwise indicated

		Parent Company		Consolidated	
	Note	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Operating activities					
Losses before income tax and social contribution		(27,692)	(222,521)	(23,660)	(214,911)
Adjustments for					
Depreciation and amortization	11 to 13	96,942	82,550	225,863	214,318
(Reversal) Provision for contingencies		1,238	1,135	2,378	(1,165)
Share in the loss of subsidiaries	6.a	57,622	100,835		
Adjustment to present value of accounts receivable		(576)	470	(1,811)	3,577
Adjustment to present value of commitments payable	15				
Set up of provision for expected credit losses	23.a	72,895	38,421	160,486	113,270
Gain (loss) on write-off of non-current assets	11 to 13	1,356	16,533	(11,552)	181,961
Earnings from financial investments		(5,148)	(4,219)	(7,672)	(24,949)
Mark-to-market adjustment		7,606		7,606	
Interest and inflation adjustments, net		152,295	130,529	202,053	192,553
		356,538	143,733	553,691	464,654
Changes in assets and liabilities					
Accounts receivable		(83,963)	(65,221)	(166,127)	(149,510)
Taxes recoverable		(5,937)	(79)	(5,798)	(287)
Other credits		(5,036)	(11,274)	(37,093)	(34,659)
Trade accounts payable		(2,502)	(2,578)	5,852	(10,089)
Salaries and social charges		10,799	2,744	5,250	11,943
Taxes payable		1,052	2,566	7,667	369
Other obligations		5,307	(550)	1,920	469
Cash from operating activities		276,258	69,341	365,362	282,890
Interest paid on loans and debentures	16 and 17	(120,266)	(51,850)	(120,266)	(51,850)
Interest paid on leases	19.b	(36,733)	(31,484)	(76,790)	(74,303)
Interest paid on acquisition of subsidiaries	15			(6,297)	(4,398)
Income tax and social contribution paid		(72)	(17)	(2,434)	(5,572)
Net cash from (used in) operating activities		119,187	(14,010)	159,575	146,767
Investing activities					
Investment in tradable securities		(565,162)	(604,910)	(892,327)	(883,869)
Redemption of securities		557,894	638,291	881,741	858,745
Advance for future capital increase in subsidiaries	6.b	(127,900)	(348,954)		
Dividends received	6.b	48,600	111,997		
Additions to property and equipment	13	(37,501)	(36,600)	(51,099)	(70,556)
Additions to intangible assets	11	(25,521)	(27,335)	(40,777)	(38,070)
Net cash from business combination				91	6,697
Net cash generated by the merger	6.a	24,544	1,207		
Payment of acquisition of subsidiaries	15			(52,070)	(295,210)
Net cash used in investing activities		(125,046)	(266,304)	(154,441)	(422,263)
Financing activities					
Debenture funding	17	198,869	198,760	198,869	198,760
Raising of loans and financing	16		281,000		281,000
Amortization of principal on loans and financing	16	(100,333)	(156,498)	(100,536)	(157,575)
Amortization of leases	19.b	(27,708)	(23,272)	(70,917)	(78,184)
Related parties	26	2,312	(7,596)	1,953	1,953
Acquisition of treasury shares	20.a		(3,398)		(3,398)
Net cash from financing activities		73,140	288,996	29,369	242,556
Increase (decrease) in cash and cash equivalents		67,281	8,682	34,503	(32,940)
Cash and cash equivalents					
At the beginning of the period		49,411	40,729	180,764	213,704
At the end of the period		116,692	49,411	215,267	180,764
Increase (decrease) in cash and cash equivalents		67,281	8,682	34,503	(32,940)

The Notes are an integral part of the individual and consolidated financial statements.

Ser Educacional S.A.

Statements of value added
Year ended December 31, 2023
In thousands of Brazilian reais, unless otherwise indicated

		Parent Company		Consolidated	
	Note	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Revenues					
Revenue from services	21	1,945,134	1,337,338	3,971,348	3,428,929
Provision for expected credit losses	9.e	(72,895)	(38,421)	(160,486)	(113,270)
Revenue deductions	21	(1,046,142)	(657,300)	(2,074,445)	(1,693,886)
		826,097	641,617	1,736,417	1,621,773
Inputs from third parties					
Services provided by individuals and companies	22 and 23	(64,591)	(67,553)	(185,640)	(182,805)
Electricity, water and telephone	22	(18,075)	(14,357)	(43,157)	(37,245)
Publicity and advertising	23	(59,943)	(92,657)	(138,566)	(162,176)
Office supplies	23	(7,476)	(6,922)	(16,515)	(18,390)
Other	22 and 23	(45,224)	(63,904)	(122,146)	(292,035)
		(195,309)	(245,393)	(506,024)	(692,651)
Gross value added		630,788	396,224	1,230,393	929,122
Depreciation and amortization	22 and 23	(96,942)	(82,550)	(225,863)	(214,318)
Net value added produced by the entity		533,846	313,674	1,004,530	714,804
Added value received on transfer					
Financial income	24	41,033	93,936	68,252	129,141
Equity in profit (loss) of subsidiaries	6.a	(57,622)	(100,835)		
Total value added to distribute		517,257	306,775	1,072,782	843,945
Distribution of value added					
Personnel and social charges	22 and 23	(298,809)	(277,938)	(710,122)	(665,232)
Taxes, fees and contributions		(29,894)	(19,834)	(72,725)	(68,326)
Federal taxes		(2,090)	(919)	(12,264)	(13,838)
Municipal taxes		(27,804)	(18,915)	(60,461)	(54,488)
Third-party capital remuneration		(216,598)	(231,151)	(317,979)	(332,535)
Financial expenses	24	(206,897)	(226,705)	(296,821)	(317,435)
Rentals	22	(9,701)	(4,446)	(21,158)	(15,100)
Loss for the year		28,044	222,148	28,044	222,148
Value added distributed		(517,257)	(306,775)	(1,072,782)	(843,945)

The Notes are an integral part of the individual and consolidated financial statements.

Section A - General Information

1 Operations

Ser Educacional S.A. (the “Company”) and its subsidiaries (jointly, the “Group”) are mainly involved in developing and managing activities for on-campus and distance-learning undergraduate, graduate, and professional training courses and other education-related areas, and investing, as a partner or shareholder, in other companies in Brazil.

The Group has 31 incorporated companies, 23 of which as limited liability companies and 8 as corporations. In the education sector, it owns 58 operating campuses, distributed among 50 accreditations in operation, of which 2 universities, 26 university centers and 22 colleges, in addition to 863 distance-learning centers in operation, representing one of Brazil’s largest private education groups, with a leading presence in the North and Northeast regions in terms of the number of enrolled students. The Group is present in all 26 states of Brazil and in the Federal District, with a consolidated base of approximately 312.9 thousand students (unaudited information), operating under the following brands: UNINASSAU – Centro Universitário Maurício de Nassau, UNINABUCO – Centro Universitário Nabuco, UNG – Universidade Guarulhos, UNAMA – Universidade da Amazônia, UNIVERITAS – Centro Universitário Universus Veritas, UNINORTE - Centro Universitário do Norte, Centro Universitário de Ciências Biomédicas de Cacoal – UNIFACIMED, UNIJUAZEIRO - Centro Universitário de Juazeiro do Norte, Sociedade Educacional de Rondônia – UNESC, Centro Universitário São Francisco de Barreiras – UNIFASB, Centro Universitário FAEL, CDMV – Centro de Desenvolvimento da Medicina Veterinária, Faculdades UNINASSAU, Faculdades UNINABUCO e Escolas Técnicas Joaquim Nabuco e Maurício de Nassau, Centro Universitário 7 de Setembro – UNI7, under which it offers 2,080 courses (*), through campuses and distance-learning centers. Also in the education sector, the Group owns GOKURSOS, BEDUKA, DELÍNEA, PROVA FÁCIL and Peixe 30 brands, represented by edtechs, which operate in the course marketplace segment, online support for students wishing to enter higher education, content production, test management and professional network that facilitates networking with professionals and recruiters, respectively. The Group also operates in the veterinary medicine sector through clinics and hospitals under CDO, CDM, DOK and PLANTÃO VETERINÁRIO brands, and in the financial sector through fintech b.Uni, offering digital accounts and financial products and services to account holders, the latter still at an early stage and structuring its operations.

The Company is a publicly-held company headquartered in Recife, in the State of Pernambuco, It is listed on the B3 S.A.- Brasil, Bolsa, Balcão, in the Novo Mercado special segment, where its common shares are traded under the ticker SEER3. In June 2023, *Fitch Ratings* issued an opinion on the Company’s long-term national rating, keeping it at “AA-(bra)”, with a stable outlook.

1.1 Basis of preparation and compliance statement

The individual and consolidated financial statements were prepared and are being presented in accordance with the accounting practices adopted in Brazil, including the pronouncements, interpretations and guidelines issued by the Accounting Pronouncements Committee (CPC) and with the standards issued by the Securities and Exchange Commission (CVM), in compliance with International Financial Reporting Standards - IFRS, issued by International Accounting Standards Board (IASB) (currently referred to by the IFRS Foundation as “IFRS accounting standards” (*IFRS® Accounting Standards*)), including the interpretations issued by the IFRS Interpretations Committee (IFRIC® Interpretations) or by its predecessor body, Standing Interpretations Committee (SIC® Interpretations), and highlight all relevant information specific to the financial statements, which are consistent with the practices used by Management in running its operations.

The material accounting policies applied in the preparation of these individual and consolidated financial statements are summarized in Note 31.

The individual and consolidated financial statements referring to the year ended December 31, 2023, were prepared on a historical cost basis, except for derivative financial instruments and assets and liabilities from business combinations, which were measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires Management to exercise its judgment in the process of applying the Group’s accounting policies. Those areas involving a high degree of judgment or complexity and areas where assumptions and estimates are significant to the individual and consolidated financial statements are disclosed in Note 3.

The presentation of the individual and consolidated Statement of Value Added (SVA) is required by Brazilian corporate law and accounting policies adopted in Brazil, applicable to publicly-held companies. IFRS do not require the presentation of this statement. As a result, under the IFRS, this statement is reported as additional information, without prejudice to the set of individual and consolidated financial statements.

Management has assessed the Group’s ability to continue regularly doing business and is convinced that they hold sufficient funds to remain as a going concern in the future. Furthermore, Management is not aware of any material uncertainty that could raise significant concerns about its ability to continue operating. Thus, the financial statements of the Company and Consolidated were prepared based on a going concern basis.

These individual and consolidated financial statements are being issued upon their approval by the Board of Directors and review by the Fiscal Council, on March 25, 2024.

1.2 Effects of the pandemic (Covid-19)

As from 2022, with the increase in vaccination to mitigate the effects of coronavirus on the population, overall general economic activities have begun a return to normal. In the education segment, state and municipal health authorities in all states and municipalities released on-campus classes in public and private schools, colleges and universities, maintaining the safety protocol in the fight against COVID-19. The Company also decided to return on-campus classes at the units in full and also on activities in the administrative areas of the units and in the administrative center, which can be carried out in a hybrid way, according to the work schedule defined by the managers of each area.

The Group continued to offer students options for installment payment of their tuition fees and the use of student financing with different conditions as compared to the normal course of operations, mainly for those whose own or family income was most affected by the crisis and who enjoyed such benefits in 2021, selectively reducing the offer as from the first quarter of 2022.

The Group continues to monitor COVID-19 impacts, aiming at preserving the health of students and employees and mitigating the risks related to the uncertainties still existing on the performance of the economy and social impacts in the country in the post-crisis period.

As required by official letters CVM/SNC/SEP No. 02/20 and CVM-SNC/SEP No. 03/2020, Management continues to analyze some potential developments resulting from the current crisis in the Group's operations and the possible effects on the Group’s financial statements, particularly as related to the measurement of critical accounting estimates and judgments, mainly related to the provision for expected credit losses (Note 9(e)), the impairment of goodwill and intangible assets with indefinite useful life (Note 11(e)), the provision for contingencies (Note 27) and the identification of financial risks, not resulting in relevant impacts derived from the pandemic for the Group in 2023.

1.3 Tax Reform on consumption

On December 20, 2023, Constitutional Amendment ("EC") No. 132 was enacted, establishing the Tax Reform ("Reform") on consumption. Several topics, including the rates of new taxes, are still pending regulation by Supplementary Laws ("LC"), which are expected to be forwarded to the National Congress for examination within 180 days.

The Reform model is based on a dual VAT with two jurisdictions, a federal one (Contribution on Goods and Services - CBS) and a sub-national one (Tax on Goods and Services (IBS)), which will replace PIS, COFINS, ICMS and ISS taxes.

A Selective Tax ("IS") was also created - under federal jurisdiction, which will be levied on the production, extraction, sale or import of goods and services harmful to health and the environment, under the terms of the LC.

A transition period will be in force from 2024 to 2032, under which the two tax systems - old and new - will coexist. The impacts of the Reform on the calculation of the aforementioned taxes, from the beginning of the transition period, will only be fully known when the process of regulating pending issues by LC is completed. Consequently, the Reform has no impact on the financial statements as of December 31, 2023.

2 New or revised pronouncements firstly applied in 2023

The Group applied for the first time certain standards and amendments, which are valid for annual periods beginning on or after January 1, 2023. The Group has decided not to early adopt any other standards, interpretations or amendments that have been issued but are not yet effective.

Amendment to IAS 1/CPC 26(R1) and IFRS Practice Statement 2 - Disclosure of accounting policies:

Changing the term “significant accounting policies” to “material accounting policies”. The amendment also defines the meaning of "material accounting policy information", explains how to identify it and clarifies that immaterial accounting policy information is not required to be disclosed, but if it is, it should not overshadow the relevant accounting information. "IFRS Practice Statement 2 Making Materiality Judgments", also amended, provides guidance on how to apply the concept of materiality to accounting policy disclosures.

Amendments to IAS 8 / CPC 23 - Accounting Policies, Changes in Estimates and Rectification of Errors:

In February 2021, IASB issued amendments to IAS 8 (corresponding standard to CPC 23), by which the definition of 'accounting estimates' is introduced. The amendment replaces the definition of change in accounting estimates with the definition of accounting estimates. According to the new definition, accounting estimates are “monetary amounts in the financial statements subject to measurement uncertainty”.

The definition of change in accounting estimates has been deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate resulting from new information or new events is not a correction of an error;
- The effects of a change in an input or measurement technique used to develop an accounting estimate correspond to changes in accounting estimates if they do not result from the correction of prior period errors.

IASB has added two examples (Examples 4-5) in the Guidance on IAS 8 implementation, which accompanies the Standard. IASB deleted one example (Example 3) as it could be confusing in light of the amendments. The amendments are applicable for annual periods beginning on or after January 1, 2023 relating to changes in accounting policies and changes in accounting estimates occurring on or after the beginning of that period, early adoption being permitted.

The Group assessed the impacts of the amendments to IAS 8/CPC 23 on its financial statements and no effect would be expected if the standard were in force.

Amendments to IAS 1 / CPC 26 (R1) – Presentation of Financial Statements and Statement of IFRS Practice 2 – Making Materiality Judgments – Disclosure of Accounting Policies

The amendments modify the requirements contained in IAS 1 regarding the disclosure of accounting policies. The amendments replace all examples of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it could reasonably influence the decisions of the principal users of the general purpose financial statements made based on those financial statements.

Supporting paragraphs in IAS 1 have also been amended to clarify that accounting policy information relating to irrelevant transactions, other events or conditions is immaterial and don’t need to be disclosed. Accounting policy information may be relevant due to the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to transactions, other material events or conditions is relevant in itself.

Amendments to IAS 12 / CPC 32 - Taxes on profit: Deferred Taxes related to Assets and Liabilities arising from a Single Transaction

The amendments introduce an additional exception from the initial recognition exemption. Under the amendments, the entity does not apply the initial recognition exemption to transactions resulting in similar taxable and deductible temporary differences.

Depending on applicable tax law, similar taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction other than a business combination and that affects neither accounting profit nor taxable profit. For example, this could occur on recognition of the lease liability and corresponding right-of-use asset applying IFRS 16 at the lease inception date.

After the amendments to IAS 12, the entity shall recognize the corresponding deferred tax asset and liability, and the recognition of any deferred tax asset is subject to the recoverability criteria contained in IAS 12.

IASB also adds an illustrative example in IAS 12 that explains how the changes are applied. The amendments are applicable to transactions occurring on or after the beginning of the first comparative period presented. Additionally, at the beginning of the first comparative period, the entity recognizes:

- A deferred tax asset (when it is probable that the entity will have taxable profit in an amount sufficient for such deductible temporary differences to be used) and a deferred tax liability for all deductible and taxable temporary differences associated with:

- Right of use assets and lease liabilities
- Liabilities for Decommissioning, Restoration and Other Similar Liabilities and corresponding amounts recognized as part of the cost of the respective asset

• The cumulative effect of the initial application of the amendments as an adjustment to the opening balance of retained earnings (or other equity component, as applicable) at that date.

The amendments are applicable for annual periods beginning on or after January 1, 2023 with early adoption permitted. The Group assessed the impacts of the amendments to IAS 12/CPC 32 on its financial statements and no effect would be expected if the standard were in force.

2.1 Standards issued but not yet in force

New and amended standards and interpretations issued by IASB, but not yet effective as of the date of issue of the Company's financial statements, are described below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendment to IAS 1 "Presentation of Financial Statements"

According to IAS 1 "Presentation of financial statements", for an entity to classify liabilities as non-current in its financial statements, it shall have the right to avoid settlement of the liabilities for at least twelve months from the reporting date. In January 2020, IASB issued an amendment to IAS 1 "Classification of liabilities as current or non-current", whose date of adoption was for fiscal years beginning on or after January 1, 2023, which determined that an entity would not have the right to avoid the settlement of a liability for at least twelve months if, on the reporting date, it had not complied with the indices set out in covenants, even if the contractual measurement of the covenant was only required after the reporting date by up to twelve months.

Subsequently, in October 2022, a new amendment was issued to clarify that liabilities containing covenants that require the achievement of covenant ratios only after the reporting date do not affect the classification as current or non-current. Only covenants with which the entity is required to comply by the reporting date affect the classification of the liability, even if the measurement only occurs after that date.

The 2022 amendment introduces additional disclosure requirements that allow users of the financial statements to understand the risk of the liability being settled within twelve months of the reporting date. The 2022 amendment changed the effective date of the 2020 amendment. Therefore, both amendments apply to years beginning on or after January 1, 2024.

Amendment to IFRS 16 - "Leases"

The amendment issued in September 2022 provides clarifications on the lease liability in a sale and leaseback transaction. When measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines the "lease payments" and the "revised lease payments" so that it does not result in the recognition by the seller-lessee of any amount of related gain or loss to the right of use held by them. This could particularly affect sale and leaseback transactions where lease payments include variable payments which are not linked to an index or rate. This amendment is effective from January 1, 2024.

Amendments to IAS 7 "Statement of Cash Flows" and "Financial Instruments: Disclosure"

The amendment issued by IASB in May 2023 includes new disclosure requirements on Supplier Finance Arrangements (SFAs) with the aim of allowing investors to assess the effects on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are described in this amendment as agreements under which one or more financing providers offer to pay amounts owed by an entity to its suppliers, and the entity agrees to pay pursuant to the terms and conditions of the agreement on the same date, or a later date, that suppliers are paid. The agreements usually provide the entity with extended payment terms, or the entity's suppliers with early collection terms, compared to the original due date of the related invoice.

The new disclosures include the following key information:

(a) The terms and conditions of SFAs agreements.
(b) For the start and end date of the reporting period:
    i. The carrying amount and items of financial statements associated with financial liabilities that are part of SFAs.
    ii. The carrying amount and items associated with financial liabilities (i) for which suppliers have already received payment from financing providers.
    iii. Range of payment due dates for financial liabilities (i) and comparable accounts payable that are not part of the aforementioned SFA agreements.
(c) Non-cash changes in the carrying amounts of financial liabilities in b(i).
(d) Concentration of liquidity risk with financial providers.

IASB provided a temporary exemption for the disclosure of comparative information in the first year of adoption of this amendment. This exemption also includes some specific opening balances. Furthermore, the required disclosures are applicable only for annual periods during the first year of adoption.

This amendment is effective from January 1, 2024 and these amendments are not expected to have a significant impact on the Group's individual and consolidated financial statements.

There are no other IFRS accounting standards or IFRIC interpretations that have not yet come into force that could have a significant impact on the Group's individual and consolidated financial statements.

Section B - Risks

3 Critical accounting estimates, judgments and assumptions

Accounting estimates and judgments are continually reviewed and are based on historical experience and other factors, including expectations of future events deemed reasonable for the circumstances.

3.1 Critical accounting estimates and assumptions

Based on assumptions, the Group makes estimates concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that present a significant risk, likely to cause a material adjustment in the carrying amounts of assets and liabilities for the next fiscal year, are listed below.

(a) Impairment

Annually, at year-end, or earlier if so indicated, the Group tests for impairment of goodwill and course licenses which are intangibles with indefinite useful life, in compliance with the accounting policy presented in Note 31.12. Recoverable amounts of Cash-Generating Units (CGUs) have been determined based on value-in-use calculations, prepared by internal experts, and reviewed by the Management, prepared based on estimates and budgetary forecasts approved by Management (including, among others an explicit period of 5 years plus perpetuity and consider an estimated discount rate and revenue growth), as detailed in Note No. 11 (e).

Licenses refer to certificates granted by regulatory authorities to authorize institutions to provide educational activities and are granted on a permanent basis, being therefore considered as having indefinite useful lives.

If a possible and reasonable change in a key assumption upon which management has based its calculation of recoverable amount could result in a carrying amount exceeding its recoverable amount:

(i) the amount by which the recoverable amount of the unit exceeds its carrying value;
(ii) the amount on which the key assumption is based; and
(iii) the new amount on which the key assumption must be based, after incorporating any effects derived from this change in other variables used to measure the recoverable value, so that the recoverable value of the unit is equal to its carrying amount.

(b) Provision for contingencies

The assessment of the probability of loss includes an appraisal of the available evidence, the hierarchy of laws, the available case law, recent court decisions and their relevance in the judicial system, and the opinion of external and internal legal counsel. Provisions for contingencies (labor, civil and tax) are recognized when: (i) there is a present or non-formalized obligation as a result of events that have already occurred; (ii) it is probable that an outflow of resources will be necessary to settle the obligation; and (iii) the amount of this outflow can be reliably estimated based on the judgment of legal counsel. These provisions are reviewed and adjusted for changes in circumstances, such as applicable limitation period, findings of tax inspections or additional exposure identified based on new matters or court decisions (Note 27).

(c) Allocation of fair value in business combinations

The Group analyzes on the dates of business combination the identifiable assets and liabilities, according to CPC 15 / IFRS 3 - Business Combinations and identifies the items of asset and liabilities to be recorded. Judgment is used to identify the intangible assets acquired, and contingent liabilities assumed. Estimates are used to determine the assets and liabilities' fair values arising from the business combination.

(d) Provision for expected credit losses on doubtful accounts

The Group carries out analyzes to address losses on the realization of accounts receivable arising from monthly tuition fees and checks receivable. This assessment consider a high level of subjectivity and requires considerable judgment on the part of the Company's Management. This process covers several assumptions and factors, such as debt renegotiation, default history and analysis of the macroeconomic and sector environment. Considering the risks involved, upon identifying objective evidence of loss, Management records a provision for loss, in line with the guidelines of CPC 48/IFRS 9 (Note 9(e)).

(e) Intangible assets with a definite useful life

The Group has identified intangible assets arising from business combinations or acquired, such as licenses, customer portfolios and brands, which have a defined useful life. The useful life of the brands and student portfolios is similar to the students' intake and graduation cycle, i.e., from 4 to 5 years. Management estimates the useful lives of certain intangible assets based on historical experience concerning the use of these intangible assets.

Annually, or earlier, if so indicated, the Group tests the intangible assets that have indefinite useful lives for impairment under the accounting policy presented in Note 31.12. The recoverable amounts for the CGUs are determined based on the estimated value in use.

(f) Determination of adjustments to present value of certain assets and liabilities

Management evaluates and recognizes upon initial recording the effects of the adjustment to present value of certain financial assets and liabilities that are part of the Group's operations, considering the currency's time value and the uncertainties associated with them.

(g) Incremental borrowing rate of leases

Obtaining this rate involves a high level of judgment, and must be a function of the lessee's credit risk, the term of the lease agreement, the nature and quality of the guarantees offered and the economic environment in which the transaction is held. The rate calculation process ideally uses readily observable information, based on which the necessary adjustments must be made to obtain the incremental borrowing rate.

(h) Fair value of derivatives and other financial instruments.

The fair value of financial instruments not traded in active markets is determined using valuation techniques. The Group uses its judgment to select various methods and define assumptions that are mainly based on market conditions existing at the reporting date. The Group used discounted cash flow analysis to calculate the fair value of various financial assets at fair value through profit or loss, which are not traded on active markets.

3.2 Critical judgments in applying accounting policies

(a) Lease terms

Lease terms are negotiated on an individual basis and include a wide range of different terms and conditions.

When determining the lease term, management considers all the facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. Extension options (or periods following termination options) are included in the lease term only when there is reasonable certainty that the lease will be extended (or will not be terminated).

For leases of buildings and rooms, the following factors are typically the most relevant:

- If the termination (or non-extension) would incur significant fines, it is reasonably certain that the Group will proceed with the extension (or will not proceed with the termination).
- If there are improvements to third-party properties with a significant residual balance, it is reasonably certain that the Group will extend (or not terminate) the lease.
- Additionally, the Group considers other factors, including past practices regarding periods of use of specific types of assets (leased or owned) and terms of leases, and the costs and business disruption required to replace the leased asset.

Lease agreements do not contain restrictive clauses, but leased assets may not be used as collateral for loans.

4 Risk Management

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including cash flow or fair value risk linked to interest rates), credit risk, liquidity risk and regulatory risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize any potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge risk exposure.

Risk management is carried out by the Group's central treasury department, which identifies, assesses, and hedges financial risks in close cooperation with the Group's operating units. The Board of Directors approves and reviews risk management policies, and also monitors controls with the specific areas.

Risk	Exposure	Method used for measuring impact	Management
Market risk - Exchange rate	Future financial transactions	Cash flow forecast	Forward future agreements
	Financial assets and liabilities in foreign currency	Sensitivity analysis	

Risk	Exposure	Method used for measuring impact	Management
Market risk - interest rate	Long-term loans with floating rates	Sensitivity analysis	Interest rate swap
Credit risk	Cash and cash equivalents trade accounts receivable and derivative financial instruments	Maturity analysis Credit assessment	Diversification of financial institutions Guidance on investment in debt instruments
Liquidity risk	Loans and other liabilities	Cash flow forecast	Available credit facilities
Regulatory risk	Course licenses, PROUNI FIES	Analysis of education policies	Regulatory monitoring and availability of seats in programs

(a) Market risk

Interest rate

The Group’s cash flow or fair value risk related to interest rate arises from short- and long-term loans, debentures, lease liabilities, and short-term investments substantially linked to interbank deposit certificate (CDI) floating rates. The Group analyzes its interest rate exposure on a dynamic basis, simulating various scenarios and considering the refinancing and the renewal of existing positions. Based on this assessment, the Group monitors the risk of significant changes in interest rates and calculates the impact on income (Note 4.3).

Exchange rate

The Group uses swap transactions for hedging against exposure to currency risk.

Management has established a policy that requires Group companies to manage their currency risk relative to their functional currency. Group companies, whose operations are exposed to currency risk, are required to protect their positions through hedging operations, carried out under the guidance of the Group Treasury.

Currency risk occurs when future financial transactions, assets or liabilities recorded are held in a currency other than the entity's functional currency.

The Group's financial risk management policy is to protect 100% of its financial assets for the term of the agreement or at least for the subsequent 12 months, depending on the asset class.

The Group uses foreign exchange transactions with fixed rates to hedge against exposure to currency risk. Under the Group’s policy, the key terms of agreements and options must be aligned with hedged items.

(b) Credit risk

Credit risk is managed at a Group level and arises from cash and cash equivalents, financial instruments, and deposits with banks and credits with other financial institutions, as well as from exposure to student credit, including outstanding accounts receivable. The Group’s sales policy is directly related to the level of credit exposure it is willing to be subject to in the course of its business. Enrollment for the next semester is not permitted if a student is in default with the institution. In order to minimize the effects of defaults on its accounts receivable, the Company has diversified its receivables portfolio, has selection procedures in place for its students, and monitors due dates. In on-campus segment, a portion of the Group’s credits is guaranteed by the Higher Education Student Financing Program (Programa de Financiamento ao Estudante de Ensino Superior or FIES), which is decreasing each semester due to the reduced offer of scholarships by the Federal Government and the graduation of former students. The Group sets up provision for expected credit losses on doubtful accounts to cover credit risk, including the possible risk of default on the unguaranteed portion of the debt of the students who benefit from FIES. This credit analysis considers student creditworthiness based on their payment history, the length of their relationship with the institution, and their credit rating (SPC and Serasa).

In thousands of Brazilian reais, unless otherwise indicated

Management monitors specific credit risks and does not expect any losses due to defaults by counterparties additional to the amounts already provided for in Note 9(e), which reflect the changes in the provision for expected credit losses in the period.

Concerning credit risk related to financial institutions, the Group invests cash, cash equivalents, and tradable securities with financial institutions and investment funds with institutional credit ratings of at least brBBB, by *Standard & Poor's*; BBB(br), by *Fitch Ratings*; and Baa1.br, by *Moody's*.

(c) Liquidity risk

Liquidity risk is the risk of the Company not having sufficient funds to meet its financial commitments, on account of mismatches in maturities or volumes between expected revenue and payments.

Assumptions regarding future disbursements and receipts are made in order to manage cash liquidity and are monitored daily by the treasury department.

The following table provides a breakdown of financial liabilities, grouped according to their due dates, for the remaining period from the Statement of Financial Position date to their contractual maturities. The amounts shown in the table represent the contractual undiscounted cash flows at the contracted rates.

				Parent Company
	Up to one year	**Between one and two years**	**Between three and five years**	**Over five years**
December 31, 2023				
Trade accounts payable	15,197			
Loans and financing	254,772	201,405	124,399	
Debentures	83,709	154,971	320,183	
Lease commitments	72,701	72,026	205,846	329,292
Tax installments	611	512	426	
	426,990	428,914	650,854	329,292
December 31, 2022				
Trade accounts payable	14,651			
Loans and financing	235,621	187,436	298,422	
Debentures	30,544	59,115	217,507	
Lease commitments	54,315	51,936	140,397	283,101
Tax installments	213	213	639	
	335,344	298,700	656,965	283,101

In thousands of Brazilian reais, unless otherwise indicated

				Consolidated
	Up to one year	Between one and two years	Between three and five years	Over five years
December 31, 2023				
Trade accounts payable	40,674			
Loans and financing	254,772	201,405	124,399	
Debentures	83,709	154,971	320,183	
Lease commitments	148,239	148,378	417,489	614,996
Tax installments	16,971	883	843	60
Commitments payable	80,327	90,076	74,609	
	624,692	595,713	937,523	615,056
December 31, 2022				
Trade accounts payable	32,255			
Loans and financing	235,804	187,436	298,422	
Debentures	30,544	59,115	217,507	
Lease commitments	140,867	118,225	312,759	646,566
Tax installments	1,954	1,922	980	116
Commitments payable	60,870	87,726	132,499	8,400
	502,294	454,424	962,167	655,082

(d) Regulatory risk

Regulatory aspects analysis in the Group’s education sector serves as a decision-making instrument for the supporting entity, aiming to improve the institution's performance by identifying opportunities for gains and impact of losses. The Group periodically analyzes its regulatory risks aiming to mitigate or minimize their impacts, mainly those related to the availability of PROUNI and FIES and the understanding of these programs’ rules, as well as the monitoring of maintenance and/or courses, with no significant change expected in its operations.

4.2 Capital management

The Group’s objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Consistently with other players in the industry, the Group monitors its capital based on the financial leverage ratio. This ratio corresponds to the net debt expressed as a percentage of the sum of net debt and equity. Net debt is calculated as total loans (including short- and long-term loans, as shown in the consolidated Statement of Financial Position), commitments payable and lease obligations, less cash and cash equivalents, financial investments and restricted cash.

In thousands of Brazilian reais, unless otherwise indicated

Financial leverage ratios are presented as follows:

	Note		Consolidated
		December 31, 2023	December 31, 2022
Loans, financing and derivatives	16	493,475	595,566
Debentures payable	17	413,645	210,319
Commitments payable	15	245,012	289,495
Lease commitments	19	845,801	705,730
Cash and cash equivalents	8	(215,267)	(180,764)
Financial investments	8	(79,053)	(60,795)
Restricted cash due to payable commitments	8	(65,343)	(69,931)
Net debt		1,638,270	1,489,620
Equity		1,209,487	1,237,531
Equity plus net debt - Total capital		2,847,757	2,727,151
Financial leverage ratio		57.5%	54.6%

Net debt for the purposes of defining financial covenants of loan and financing agreements excludes the balances of lease obligations in the debt composition.

4.3 Additional sensitivity analysis

Interest rates and inflation

With the purpose of determining the sensitivity of the indexers to which the Group was exposed as of December 31, 2023, different scenarios were defined, using the last interest rates accrued in the last twelve months (Base Scenario), and based on this, changes of 25% (Scenario I) and 50% (Scenario II) were calculated, sensitizing the increase and decrease of the indexers. We have calculated the net position (financial income less financial expenses) for each scenario, excluding the tax effect. CDI indexer sensitivity was tested for each scenario using the portfolio base-date of December 31, 2023, projecting for one year.

In thousands of Brazilian reais, unless otherwise indicated

			Indexer Scenarios - 2023			
			Rise		Drop	
Operations	**Balances**	**Base**	**(I)**	**(II)**	**(I)**	**(II)**
CDI risk - % annual		13.04%	16.30%	19.56%	9.78%	6.52%
Assets						
Short-term investments	209,176	27,277	34,096	40,915	20,457	13,638
Financial investments	79,053	10,309	12,886	15,463	7,731	5,154
Liabilities						
Debentures	(413,645)	(53,938)	(67,424)	(80,907)	(40,455)	(26,969)
Financing - Working Capital	(269,177)	(35,101)	(43,876)	(52,651)	(26,326)	(17,550)
Loan in foreign currency	(222,031)	(28,953)	(36,191)	(43,429)	(21,715)	(14,476)
Commitments payable	(7,538)	(983)	(1,229)	(1,474)	(737)	(491)
IPCA risk - % annual		3.86%	4.83%	5.79%	2.90%	1.93%
Liabilities						
Commitments payable	(172,131)	(6,644)	(8,314)	(9,966)	(4,992)	(3,322)
Net position		(88,034)	(110,052)	(132,050)	(66,036)	(44,016)

			Indexer Scenarios - 2022			
			Rise		Drop	
Operations	**Balances**	**Base**	**(I)**	**(II)**	**(I)**	**(II)**
CDI risk - % annual		12.39%	15.49%	18.59%	9.29%	6.20%
Assets						
Short-term investments	174,237	21,588	26,989	32,391	16,187	10,803
Financial investments	60,795	7,533	9,417	11,302	5,648	3,769
Liabilities						
Debentures	(210,319)	(26,058)	(32,578)	(39,096)	(19,540)	(13,039)
Financing - Working Capital	(375,684)	(46,547)	(58,193)	(69,840)	(34,901)	(23,292)
Loan in foreign currency	(215,448)	(26,694)	(33,373)	(40,052)	(20,015)	(13,358)
Leasing	(203)	(25)	(31)	(38)	(19)	(13)
Commitments payable	(4,848)	(601)	(751)	(901)	(450)	(301)
IPCA risk - % annual		5.78%	7.23%	8.68%	4.34%	2.89%
Liabilities						
Commitments payable	(214,716)	(12,421)	(15,524)	(18,637)	(9,319)	(6,205)
Net position		(83,225)	(104,045)	(124,872)	(62,409)	(41,635)

In thousands of Brazilian reais, unless otherwise indicated

Considering the economic forecasts released by the Central Bank of Brazil's Focus Report on February 23, 2024, validated by financial market economists, it is estimated that the inflation rate measured by IPCA will be closer to the base scenario and the interest rates measured by CDI will be closer to Scenario I, with a drop in the indexes.

Exchange rate

On December 31, 2023, if the Brazilian real had changed by around 4% against the euro, with all other variables held constant, the net income for the year would have changed, up or down, as shown in the table below, mainly as a result exchange gains/losses on the translation of foreign currency loans held in euros, financial assets measured at fair value through profit or loss and exchange gains/losses on the translation of loans into euros.

		Brazilian reais		
			Impact on P&L	
Operations	**Balance**	**Base**	**2023**	**2022**
Currency risk - Euro		Upside		
Loan in foreign currency	169,467	4% (5% in 2022)	13,557	16,947

		Indexer Scenarios				
			Rise		Drop	
Operations	**Balances**	**Base**	**(I)**	**(II)**	**(I)**	**(II)**
Currency risk - Euro		4.00%	5.00%	6.00%	3.00%	2.00%
Loan in foreign currency	169,467	6,779	8,473	10,168	5,084	3,389

Section C - Segment Reporting

5 Evaluation of Information by Segment

Since its activities are concentrated substantially, on-campus undergraduate education, the Group is organized and managed in a single business unit for this activity, but considering the offer of on-campus and distance learning as separate products. Courses offered by the Group, although aimed at a diverse audience, are not controlled and managed by Management as independent segments, and decision-making on resources to be allocated to the segment and the assessment of its operational performance is performed on an integrated basis as a single segment.

In thousands of Brazilian reais, unless otherwise indicated

Section D - Group Structure

6 Subsidiaries

The period covered by the financial statements of the subsidiaries included in the consolidation is the same as that of the Parent Company. Uniform accounting policies were applied to all of the consolidated companies, and they are consistent with those used for the previous period.

The balance sheet and income accounts' consolidation process corresponds to the sum of the balances of assets, liabilities, revenue, and expenses, as appropriate, eliminating transactions between the consolidated companies. For income accounts, the amounts are consolidated only from the date on which control was acquired by the Group.

The consolidated financial statements for the year ended December 31, 2023 include the operations of the Group and the subsidiaries:

	Direct %		Indirect %	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
ICES - Instituto Campinense de Ensino Superior Ltda	99.99	99.99		
ABES - Sociedade Baiana de Ensino Superior Ltda	99.99	99.99		
Centro de Educação Profissional BJ Ltda	99.99	99.99		
CETEBA - Centro de Ensino e Tecnologia da Bahia Ltda	99.99	99.99		
SECARGO - Sociedade Educacional Carvalho Gomes Ltda (iii)		99.99		
CENESUP - Centro Nacional de Ensino Superior Ltda	99.99	99.99		
Sociedade Paulista de Ensino e Pesquisa S/S Ltda			99.99	99.99
Colégio Cultural Módulo Ltda			99.99	99.99
Sociedade Regional de Educação e Cultura Ltda			99.99	99.99
Beduka Serviços de Tecnologia em Educação Ltda			99.99	99.99
Sociedade Educacional de Rondônia S/S Ltda			99.99	99.99
UNI7 - Centro Universitário Sete de Setembro (i)			99.99	
Centro de Educação Continuada Mauricio de Nassau Ltda	99.99	99.99		
SESPS - Sociedade de Ensino Superior e de Pesquisa de Sergipe Ltda	99.99	99.99		
Faculdade Maurício de Nassau de Belém Ltda (iii)		99.99		
CESPI - Centro de Ensino Superior Piauiense Ltda (ii)		99.99		
CIESPI - Centro Integrado de Educação Superior do Piauí Ltda (ii)		99.99		
SESPI - Sociedade de Ensino Superior Piauiense Ltda (ii)		99.99		
Instituto de Ensino Superior Juvêncio Terra Ltda	99.99	99.99		
3L Tecnologias Educacionais e Soluções Digitais S.A.	99.99	99.99		
Gokursos Inovações Educacionais S.A.			99.99	99.99
Starline Tecnologia S/A			99.99	99.99
Delínea Tecnologia Educacional Ltda			99.99	99.99
Sociedade Técnica Educacional da Lapa S/A (FAEL)			99.99	99.99
Peixe 30 Tecnologia e Soluções Digitais S/A			99.99	99.99
CRIA - Tecnologias Educacionais e Soluções Digitais Ltda			99.99	99.99
SERMED - Medicina Humana e Veterinária Ltda	99.99	99.99		
Clínica Veterinária CDMV Ltda (Hospital Veterinário DOK)			99.99	99.99
Centro de Treinamento e Desenvolvimento da Medicina Humana e Veterinária Ltda			99.99	99.99
Plantão Veterinário Hospital Ltda			99.99	99.99
Pet Shop Kero Kolo Ltda			99.99	99.99
Policlinica Escola de Saude Uninassau LTDA.			99.99	
EDUCRED - Administradora de Crédito Educativo e Cobrança Ltda	99.99	99.99		
Uninassau Participações S.A.	99.99	99.99		
Overdrives Coworking Escritórios Virtuais Ltda	99.99	99.99		
Ser Finanças - Serviços Financeiros Ltda	99.99	99.99		
Ser Finance Sociedade de Crédito Direto S.A.	99.99	99.99		

In thousands of Brazilian reais, unless otherwise indicated

(i) Company acquired in 2023;
(ii) Companies merged on January 13, 2023 (Note 6(a)(ii)); and
(iii) Companies merged on July 07, 2023 (Note 6(a)(ii)).

(a) Investments

(i) Direct subsidiaries

		December 31, 2023			
		Investments			
Direct subsidiaries	**Equity Income**	**Equity**	**Goodwill**	**Intangible assets identified**	**Total**
CENESUP - Centro Nacional de Ensino Superior Ltda.	6,385	605,659			605,659
3L Tecnologias Educacionais e Soluções Digitais S.A.	(35,080)	328,186			328,186
ICES - Instituto Campinense de Ensino Superior Ltda.	13,302	311,548			311,548
SESPS - Sociedade de Ensino Superior e de Pesquisa de Sergipe Ltda.	3,227	48,362	1,043	467	49,872
ABES - Sociedade Baiana de Ensino Superior Ltda.	(8,621)	27,186	8,405		35,591
SERMED Medicina Humana e Veterinaria LTDA. (i)	(16,394)	17,518			17,518
CETEBA - Centro de Ensino e Tecnologia da Bahia Ltda.	(7,276)	7,976			7,976
Instituto de Ensino Superior Juvêncio Terra Ltda.	(1,796)	5,992			5,992
Centro de Educação Profissional BJ Ltda.	3,062	6,346			6,346
Overdrives Coworking Escritórios Virtuais Ltda.	(186)	4,110			4,110
EDUCRED - Administradora de Crédito Educativo e Cobrança Ltda.	(1,686)	4,522			4,522
Ser Finance Sociedade de Crédito Direto S.A.	(916)	4,343			4,343
Ser Finanças - Serviços Financeiros Ltda	(7,694)	4,431			4,431
Faculdade Joaquim Nabuco de São Lourenço da Mata Ltda.	(53)	555			555
Uninassau Participações S.A.		475			475
Centro de Educação Continuada Mauricio de Nassau Ltda.	(6,056)	1,090			1,090
Faculdade Maurício de Nassau de Belém Ltda. (i)	1,161		959	1,261	2,220
Acquisition of Maintenances					
FADE - Faculdade Decisão			1,028	2,200	3,228
FACOCMA - Faculdades COC de Maceió				3,000	3,000
	(58,621)	1,378,299	11,435	6,928	1,396,662

In thousands of Brazilian reais, unless otherwise indicated

(i) Merged by subsidiary ICES – Instituto Campinense de Ensino Superior

		December 31, 2022			
		Investments			
Direct subsidiaries	Equity Income	Equity	Goodwill	Intangible assets identified	Total
CENESUP - Centro Nacional de Ensino Superior Ltda.	(113,102)	567,110			567,110
3L Tecnologias Educacionais e Soluções Digitais S.A.	(17,287)	347,917			347,917
ICES - Instituto Campinense de Ensino Superior Ltda.	39,603	314,923			314,923
SESPS - Sociedade de Ensino Superior e de Pesquisa de Sergipe Ltda.	1,496	44,387	1,043	467	45,897
ABES - Sociedade Baiana de Ensino Superior Ltda.	(7,522)	28,214	8,405		36,619
SECARGO - Sociedade Educacional Carvalho Gomes Ltda. (iii)	6,509	25,869	4,362		30,231
Faculdade Maurício de Nassau de Belém Ltda.	5,462	22,326	959	1,261	24,546
SESPI - Sociedade de Ensino Superior Piauiense Ltda.(ii)	4,378	18,885	5,360	5,996	30,241
CESPI - Centro de Ensino Superior Piauiense Ltda. (ii)	3,502	17,345	8,661	4,405	30,411
CIESPI - Centro Integrado de Educação Superior do Piauí Ltda. (ii)	4,494	16,981			16,981
SERMED - Medicina Humana e Veterinária Ltda (I)	(14,864)	15,307			15,307
CETEBA - Centro de Ensino e Tecnologia da Bahia Ltda.	(4,983)	9,645			9,645
Instituto de Ensino Superior Juvêncio Terra Ltda.	(1,589)	6,049			6,049
Overdrives Coworking Escritórios Virtuais Ltda.	(352)	4,056			4,056
Centro de Educação Profissional BJ Ltda.	3,013	3,280			3,280
Ser Finance	259	3,259			3,259
Centro de Educação Continuada Mauricio de Nassau Ltda.	(4,808)	1,229			1,229
Ser Finanças	(4,464)	879			879
Faculdade Joaquim Nabuco de São Lourenço da Mata Ltda.	(151)	608			608
Uninassau Participações S.A.		475			475
EDUCRED - Administradora de Crédito Educativo e Cobrança Ltda.	(429)	72			72
Acquisition of Maintenances					
FADE - Faculdade Decisão			1,028	2,200	3,228
FACOCMA - Faculdades COC de Maceió				3,000	3,000
	(100,835)	1,448,816	29,818	17,329	1,495,963

(i) Clínica Escola de Saúde Uninassau Ltda. which appears in the tables dated December 2022, changed its trade name to SERMED – Medicina Humana & Veterinária Ltda; and

(ii) Aiming at reducing costs and optimizing processes, in January 07, 2023 the companies Centro de Ensino Superior Piauiense Ltda (Uninassau - FAP Teresina), CIESPI - Centro Integrado de Educação Superior do Piauí Ltda (Uninassau - FAP Aliança), Sociedade de Ensino Superior Piauiense Ltda - SESPI (Uninassau - FAP Parnaíba) were merged by Ser Educacional S.A., and in July 07, 2023, the companies SECARGO - Sociedade Educacional Carvalho Gomes Ltda (Uninassau - Natal) were merged by Ser Educacional S.A. and Faculdade Maurício de Nassau de Belém Ltda (Uninassau – Belém) was merged by ICES – Instituto Campinense de Ensino e Pesquisa Ltda, whose balances are shown below, respectively:

In thousands of Brazilian reais, unless otherwise indicated

Ser Educacional S.A.

	FAPs	SECARGO	Parent Company	FAUNI	Balances - Consolidated
Assets					
Cash	19,021	5,523	24,544	3,965	28,509
Account receivables	37,386	17,804	55,190	17,448	72,638
Allowance for doubtful accounts	(14,900)	(5,628)	(20,528)	(5,566)	(26,094)
Intangible assets	1,280	26	1,306	15	1,321
Right of Use	38,109	7,575	45,684	9,899	55,583
Property & Equipment	14,060	6,142	20,202	2,531	22,733
Other	8,986	4,005	12,991	3,874	16,865
Total Assets	103,942	35,447	139,389	32,166	171,555
Liabilities					
Salaries and social charges	3,553	1,367	4,920	1,352	6,272
Taxes payable	1,185	413	1,598	515	2,113
Lease commitments	42,971	9,480	52,451	10,909	63,360
Other	4,104	1,326	5,430	2,130	7,560
Total Liabilities	51,813	12,586	64,399	14,906	79,305
Shareholders’ Equity	52,129	22,861	74,990	17,260	92,250
Total Liabilities and Equity	103,942	35,447	139,389	32,166	171,555

In thousands of Brazilian reais, unless otherwise indicated

(ii) Indirect Subsidiaries

		December 31, 2023			
		Investments			
Indirect Subsidiaries	**Equity Income**	**Equity**	**Goodwill**	**Intangible assets identified**	**Total**
Sociedade Tecnica Educacional Da Lapa S/A	(9,448)	25,667	133,176	125,259	284,102
Sociedade Educacional de Rondônia S/S Ltda.	14,604	25,675	131,563	25,674	182,912
Sociedade Regional de Educação e Cultura Ltda.	40,181	48,703	68,522	64,818	182,043
Starline Tecnologia S.A.	(1,022)	2,892	18,604	7,557	29,053
Delínea Tecnologia Educacional	(625)	6,400	6,124	11,019	23,543
Colégio Cultural Módulo Ltda.	1,133	15,141	3,191	3,069	21,401
Gokursos	(1,752)	10,433			10,433
SOPEP - Sociedade Paulista de Ensino e Pesquisa S/S Ltda.	(22,662)	10,433		12,277	22,710
Clinica Veterinária CDMV Ltda	(2,978)	3,454	2,276	2,492	8,222
Centro de Desenv.da Medicina Veterinária, Cursos e Treinam. Ltda. - CDMV	137	1,190	5,567		6,757
Beduka Serviços de Tecnologia em Educação Ltda.	(578)	(208)	3,009		2,801
Plantão Veterinário	(48)	450		1,994	2,444
Sociedade Universitária Mileto Ltda.	(974)	1,871			1,871
Kero Kolo	(402)	(114)		970	856
Sete de Setembro Ensino Superior LTDA.	(16,456)	313	266	10,894	11,473
Cria - Incubadora Digital	(1)	9			9
NOUS LTDA.	(25)				
Policlinica Escola de Saude Uninassau LTDA.	(342)	(22)			(22)
PEIXE 30	(2,697)	(171)			(171)
Acquisition of Maintenances					
Sociedade Metodista Bennet				10,000	10,000
	(3,955)	152,116	372,298	276,023	800,437

		December 31, 2022			
		Investments			
Indirect Subsidiaries	**Equity Income**	**Equity**	**Goodwill**	**Intangible assets identified**	**Total**
Sociedade Tecnica Educacional Da Lapa S/A (FAEL)	10,797	32,053	133,176	142,654	307,883
Sociedade Educacional de Rondônia S/S Ltda.	13,024	23,737	131,563	27,060	182,360
Sociedade Regional de Educação e Cultura Ltda.	36,511	33,374	68,522	68,416	170,312
SOPEP - Sociedade Paulista de Ensino e Pesquisa S/S Ltda.	(12,476)	16,747		12,857	29,604
Starline Tecnologia S.A.	(123)	1,693	18,604	8,733	29,030
Colégio Cultural Módulo Ltda.	2,245	13,534	3,191	5,778	22,503
Delínea Tecnologia Educacional Ltda	(3,224)	3,040	6,124	12,593	21,757
Gokursos Inovações Educacionais Ltda	(1,004)	12,159			12,159
Clinica Veterinária CDMV Ltda	(1,880)	1,720	2,276	2,632	6,628
Centro de Treinamento e Desenvolvimento da Medicina Humana e Veterinária Ltda	114	929	5,567		6,496
Beduka Serviços de Tecnologia em Educação Ltda.	(1,003)	(280)	3,009		2,729
Plantão Veterinário Hospital Ltda	(656)	327		2,047	2,374
Sociedade Universitária Mileto Ltda.	(671)	2,238			2,238
Pet Shop Kero Kolo Ltda	(304)	195		981	1,176
Nous Ltda.	(582)	316			316
Peixe 30 Ltda.	(259)	201			201
CRIA - Tecnologias Educacionais e Soluções Digitais Ltda		10			10
Acquisition of Maintenances					
Sociedade Metodista Bennet				10,000	10,000
	40,509	141,993	372,032	293,751	807,776

In thousands of Brazilian reais, unless otherwise indicated

(iii) Merged companies

		December 31, 2023			
		Investments			
Direct companies merged	**Equity Income**	**Equity**	**Goodwill**	**Intangible assets identified**	**Total**
CESPI - Centro de Ensino Superior Piauiense Ltda.(ii)	(416)		8,662	4,404	13,066
SESPI - Sociedade de Ensino Superior Piauiense Ltda.(ii)	(376)		5,360	5,996	11,356
Faculdade Joaquim Nabuco de Olinda Ltda.			3,521	2,700	6,221
ADEA - Sociedade de Desenvolvimento Educacional Avançado Ltda.			5,125		5,125
CIESPI - Centro Integrado de Educação Superior do Piauí Ltda. (ii)	(301)				
SECARGO - Sociedade Educacional Carvalho Gomes Ltda. (iii)	2,094		4,362		4,362
Total Direct Subsidiaries	1,001		27,030	13,100	40,130

		December 31, 2022			
		Investments			
Direct companies merged	**Equity Income**	**Equity**	**Goodwill**	**Intangible assets identified**	**Total**
Faculdade Joaquim Nabuco de Olinda Ltda.			3,521	2,700	6,221
ADEA - Sociedade de Desenvolvimento Educacional Avançado Ltda.			5,125		5,125
Total Direct Subsidiaries			8,646	2,700	11,346

		December 31, 2023			
		Investments			
Indirect companies merged	**Equity Income**	**Equity**	**Goodwill**	**Intangible assets identified**	**Total**
Instituto Avançado de Ensino Superior de Barreiras Ltda			60,006	86,487	146,493
União de Ensino Superior do Pará - UNAMA			87,136	53,970	141,106
SODECAM - Sociedade de Desenvolvimento Cultural do Amazonas Ltda.			43,882	59,151	103,033
Instituto Santareno de Educação Superior - FIT			5,320	7,600	12,920
Total Indirect Subsidiaries			196,344	207,208	403,552

		December 31, 2022			
		Investments			
Indirect companies merged	**Equity Income**	**Equity**	**Goodwill**	**Intangible assets identified**	**Total**
Instituto Avançado de Ensino Superior de Barreiras Ltda			60,007	88,687	148,694
União de Ensino Superior do Pará - UNAMA			87,136	54,373	141,509
SODECAM - Sociedade de Desenvolvimento Cultural do Amazonas Ltda.			43,882	60,543	104,425
Instituto Santareno de Educação Superior - FIT			5,320	7,600	12,920
Total Indirect Subsidiaries			196,345	211,203	407,548

In thousands of Brazilian reais, unless otherwise indicated

(b) Changes in investments in subsidiaries:

The change in the balance of investments in subsidiaries is as follows:

	Parent Company	
	2023	**2022**
As of January 1	1,495,963	1,381,187
Advance for future capital increase	127,900	348,954
Equity in profit (loss) of subsidiaries	(57,622)	(100,835)
Earnings received from subsidiaries	(48,600)	(111,997)
Write-off due to merger	(123,199)	(14,233)
Write-off due to impairment		(7,113)
As of December 31,	1,394,442	1,495,963

(c) Acquisition of Centro Universitário Sete de Setembro – UNI7

On June 30, 2022, the Agreement for the Purchase and Sale of Shares was entered into, whereby the Group, through its subsidiary CENESUP – Centro Nacional de Ensino Superior, acquired 100% of the shares representing the share capital of Sociedade Centro Universitário Sete de Setembro – UNI7. Operating for over 20 years in higher education, UNI7 is one of the most renowned and traditional educational institutions in Fortaleza. It has 1,600 students in undergraduate courses in law, administration, engineering and psychology (*), in the on-campus learning modality.

(*) unaudited information.

The acquisition price was R$ 10,131, of which R$ 5,131 paid in cash on the closing date and the remaining R$ 5,000 in 3 successive annual installments adjusted by CDI variation. The approval of UNI7 acquisition by CADE was granted on December 13, 2022, but, due to the fulfillment of other precedent conditions set forth in the agreement, the transaction was completed on January 2, 2023. As of December 31, 2023, the balance of the consideration payable is R$ 5,633 (Note 15).

The table below shows the consolidated total result of assets acquired and identified, goodwill, liabilities assumed and the amount of the consideration for the acquisition, as per the purchase price allocation report prepared on the acquisition date:

	Uni7
Intangible assets identified - Licenses	4,104
Intangible assets identified - Brand	5,441
Intangible assets identified - Student portfolio	2,226
Identifiable assets assumed	3,408
Goodwill	266
Liabilities taken	(5,314)
Consideration for the acquisition	10,131

In thousands of Brazilian reais, unless otherwise indicated

The consolidated statement of profit or loss for the half-year period ended December 31, 2023 includes net revenue and loss, in the amounts of R$ 12,727 and R$ 16,619, respectively.

Section E - Selected significant notes

7 Financial instruments by category

	Parent Company		Consolidated	
	December 31, 2023	**December 31, 2022**	**December 31, 2023**	**December 31, 2022**
Financial assets carried at amortized cost				
Cash and cash equivalents	116,692	49,411	215,267	180,764
Short-term investments	115,725	48,392	209,176	174,237
Restricted cash			65,343	69,931
Trade accounts receivable	221,068	150,151	456,588	365,432
Accounts receivable Educred, Pravaler and others	28,786	53,397	64,952	146,643
Related parties	2,114	4,067	2,114	4,067
Judicial deposits	16,063	13,674	27,230	19,748
FIES Guarantor Fund	42,038	15,704	87,423	52,028
Other credits	16,426	11,490	39,113	44,302
	558,912	346,286	1,167,206	1,057,152
Assets measured at fair value through profit or loss				
Financial investments	63,520	51,154	79,053	60,251
	622,432	397,440	1,246,259	1,117,403
Financial liabilities carried at amortized cost				
Trade accounts payable	15,197	14,651	40,674	32,255
Loans and financing	440,769	555,275	440,911	555,620
Debentures	413,645	210,319	413,645	210,319
Commitments payable			179,669	199,582
Lease commitments (i)	435,157	298,782	845,801	705,730
Tax installments	611		17,002	2,067
	1,304,768	1,079,027	1,920,700	1,703,506
Financial liabilities recorded at fair value				
Derivative financial instruments - swap	52,564	39,946	52,564	39,946
Commitments payable (ii)				19,982
	52,564	39,946	52,564	59,928
	1,357,332	1,118,973	1,973,264	1,763,434

In thousands of Brazilian reais, unless otherwise indicated

(i) Increase derived from the effect of the remeasurement of some agreements due to the term renewal and recognition of new agreements; and
(ii) Refers to earn-out on FAEL and Starline.

Fair value estimate

The fair value of the financial instruments approximates the carrying amounts, using market interest on December 31, 2023, with no significant impact. Fair values are based on discounted cash flows, using the Group's cash cost, which approximates the respective agreements' rate.

It is assumed that the balances of trade accounts receivable and trade accounts payable at their book value, less impairment for trade accounts receivable, are close to their fair values.

The table below classifies assets and liabilities recorded at fair value according to the valuation method. The different levels were defined as follows:

- Level 1 - prices quoted (unadjusted) in active markets for identical assets and liabilities; Quoted prices include, where applicable, market assumptions regarding climate change, such as rising interest rates and inflation, as well as changes due to ESG risk.
- Level 2 - information, other than quoted prices included in level 1, that is observable by the market for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - information for assets or liabilities not based on market observable data (i.e. unobservable assumptions). This is the case for unlisted equity securities and instruments where ESG risk gives rise to a significant unobservable adjustment.

Specific valuation techniques used to measure financial instruments classified as Level 2 include:

- The fair value of interest rate swaps is calculated as the present value of estimated future cash flows based on observable yield curves.

Information related to derivative financial instruments – swap, as of December 31, 2023, recorded at fair value with effect on profit or loss are:

	Maturity	Principal contracted		Agreed rate		Long	Short	Net	Mark to	Fair value
Starting date	date	In Euro	Brazilian rea	Original	Swap	Position	Position	exposure	market (MtM)	(accumulated)
				Eur +	CDI +					
01/07/2022	01/07/2027	31,182	200,000	2.1647%p.a.	2.70%p.a.	169,467	214,424	(44,957)	(52,564)	(7,607)

The Group did not change any valuation techniques in determining Level 1 and Level 3 fair values.

The table below presents the Group's Level 2 assets and liabilities measured at fair value as of December 31, 2023 and 2022:

In thousands of Brazilian reais, unless otherwise indicated

	Parent Company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Assets				
Financial investments	63,570	51,154	79,053	60,795
Total assets	63,570	51,154	79,053	60,795
Liabilities				
Derivatives used for hedging	52,564	39,946	52,564	39,946
Total liabilities	52,564	39,946	52,564	39,946

8 Cash and cash equivalents and securities

	Parent Company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Current liabilities				
Cash on hand	123	54	262	157
Banks - current account	844	965	5,829	6,370
Short-term investments	155,725	48,392	209,176	174,237
Cash and cash equivalents	116,692	49,411	215,267	180,764
Short-term investments	63,520	51,154	77,585	60,251
Financial investments	63,520	51,154	77,585	60,251
Non Current				
Financial investments	50		1,468	544
	180,262	100,565	294,320	241,559

Cash and cash equivalents consist of the Group's cash on hand, deposits in banks and short-term financial investments with daily liquidity, maintained to meet short-term commitments, and readily convertible into a known amount of cash subject to an immaterial risk of changes in value. These funds were classified as cash equivalents since they meet the criteria set by CPC 03 (R3) / IAS 7.

The funds will be used to preserve the minimum cash level and to finance the business expansion, through (i) acquisitions and (ii) investments in organic growth, including the expansion and infrastructure of the learning centers of the distance-learning network and investments for the installation of new on-campus units.

Short-term investments classified as Tradable Securities comprise fixed income investment funds, with securities indexed to the DI rate and portfolios mostly invested in government bonds and securities issued by financial institutions, in addition to repo agreements backed by debentures with maturities over three months of the investment date, belonging to the portfolio of financial institutions, with low risk for the group, and Bank Deposit Certificates (CDB), which are securities issued by financial institutions, as follows:

In thousands of Brazilian reais, unless otherwise indicated

		Parent Company		Consolidated	
Type	Average remuneration	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
CDB	101.9% of CDI (101.2% of CDI in 2022)	115,725	48,392	209,176	174,237
	Financial investments	115,725	48,392	209,176	174,237
Current liabilities					
Repo transactions (i)	82.0% of CDI (82.0% of CDI in 2022)	14,440	2,155	23,970	7,724
Investment Funds	102.8% of CDI (99.1% of CDI in 2022)	49,062	23,976	49,076	24,034
Treasury Financial Bills (ii)	100.2% of CDI (100.4% of CDI in 2022)	18	18	4,539	3,489
Financial Bill	106.0% of CDI (104.3% of CDI in 2022)		25,005		25,004
		63,520	51,154	77,585	60,251
Non Current					
Capital Account	100.4% of CDI (100.4% of CDI in 2022)	50		1,468	544
		50		1,468	544
	Financial investments	63,570	51,154	79,053	60,795

(i) Investments in repo transactions are not subject to IOF and are made for the amount on cash on the last day of the month, which will be used in the first days of the following month; and
(ii) Investments in Treasury Bills – LFT refer to the capital payment at Ser Finance Sociedade de Crédito Direto S.A., which is in the process of being formalized, to be made after its operation is authorized by the Central Bank of Brazil.

(a) Restricted cash

On January 14, 2022, the Company signed the closing agreement for the acquisition of Sociedade Técnica Educacional da Lapa S.A. - FAEL, with the payment of R$ 289,834, of which R$ 70,000 were withheld in escrow account (restricted cash) with Banco Santander S.A., which will be released in 5 years according to the schedule defined in the agreement, starting January 14, 2023. The change and current balance of restricted cash is presented as follows:

			Consolidated
	Current liabilities	Non Current	Total
As of January 1, 2023	6,931	63,000	69,931
Interest accrued	8,086		8,086
Transfers	5,600	(5,600)	
Proceeds from borrowings	(12,674)		(12,674)
As of December 31, 2023	7,943	57,400	65,343

In thousands of Brazilian reais, unless otherwise indicated

9 Accounts receivable

	Parent Company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Monthly tuition fees (a)	233,693	178,946	494,882	446,309
FIES receivable (b)	43,259	18,787	94,571	58,737
Agreements receivable (c)	42,314	33,580	96,716	102,817
Education credits receivable (d)	33,590	67,719	75,693	179,280
Other (i)	2,694	2,552	19,627	17,168
Total	355,550	301,584	781,489	804,311
(-) Provision for expected credit losses (a)	(100,892)	(83,714)	(249,208)	(259,599)
(-) Adjustment to present value	(4,804)	(14,322)	(10,741)	(32,637)
	249,854	203,548	521,540	512,075
(-) Current	(248,846)	(172,716)	(520,047)	(438,743)
Non-current	1,008	30,832	1,493	73,332

(i) Mainly refers to monthly tuition and credit card installment agreements, to be received in up to 12 installments, in accordance with the financial policy.

Non-current receivables relate to educational credits receivable with terms over 365 days. In this case, the reduction in long-term balances in the parent company and consolidated refers to the assignment carried out during the year, as described in Note 9 (d).

In thousands of Brazilian reais, unless otherwise indicated

(a) Student Monthly Tuitions

The maturity analysis of the balance student tuition fees is as follows:

	Parent Company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Falling due	19,636		39,363	
Overdue up to 90 days	70,193	53,222	142,377	134,640
Overdue 91 to 180 days	27,322	19,416	55,380	51,162
Overdue 181 to 360 days	47,626	41,037	103,079	98,478
Overdue 361 to 540 days	31,844	34,878	74,662	86,373
Overdue 541 to 720 days	37,072	30,393	80,021	75,656
	233,693	178,946	494,882	446,309

The amounts due refer to the installments due 12 months after the end of the course in distance learning, according to the payment plan chosen by the student, which was implemented in 2023. Monthly installments due in the month are substantially received within the semiannual cycle.

The Group is actively working to mitigate the impacts caused by Covid-19 pandemic, mainly related to default in on-campus learning, by introducing more assertive methodologies to renegotiate overdue monthly tuitions, with new payment methods focused on reestablishing adequate conditions for the payment of older monthly tuitions.

(b) Higher Education Student Financing Fund (FIES) receivable

As of December 31, 2023, the balances relating to the installments of students in FIES re-enrollment process and part of the monthly fees for the period, pending transfer by the Federal Government, amounted to R$ 43,259 (R$ 18,787 in 2022) at the parent company, and R$ 94,571 (R$ 58,737 in 2022) in the consolidated. The transfer by the Federal Government usually occurs within 60 days of enrollment in the program and billing by the educational institution.

Within the scope of the new FIES, 13% to 27% of the amount paid to institutions is retained for investment in the FIES Guarantor Fund (FG-FIES), which will be used to cover any losses from the program individually by educational institution. The amounts invested in the fund may not be redeemed or used for other purposes without release by Fundo Nacional de Desenvolvimento da Educação - FNDE. As of December 31, 2023, the balance was R$ 42,038 and R$ 87,423 (December 31, 2022: R$ 15,704 and R$ 52,028) in the Parent Company and in the Consolidated, respectively, and part of the increase in the Parent Company refers to mergers (Note 6(a) (ii and iii)). Management recognizes a provision for losses equivalent to 50% of the total amount recorded, considering the Federal Government's perspective on the loss disclosed in previous program agreements, and the fact that the program has not yet completed a full cycle since its inception. Management will assess this estimate on a prospective basis as the first cycle of the program is completed and any defaults can effectively be incurred.

In thousands of Brazilian reais, unless otherwise indicated

The change refers to the increase in student revenue and the FIES buyback amounts to be received in December 2023 and which were transferred in 2024.

(c) Agreements receivable

The maturity analysis of the balances for agreements receivable is as follows:

	Parent Company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Falling due	245	6,200	17,276	17,953
Overdue up to 90 days	12,923	9,513	22,720	25,562
Overdue 91 to 180 days	6,392	3,922	11,214	11,811
Overdue 181 to 360 days	8,791	5,453	16,531	18,553
Overdue 361 to 540 days	7,619	4,349	15,088	15,602
Overdue 541 to 720 days	6,344	4,143	13,887	13,336
	42,314	33,580	96,716	102,817

(d) Educational receivables

	Parent Company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Educred (i)	21,151	63,015	49,147	159,629
Pravaler (ii)	12,439	4,701	23,615	13,838
Other		3	2,931	5,813
	33,590	67,719	75,693	179,280
(-) Adjustment to present value (i)	(4,804)	(14,322)	(10,741)	(32,637)
	28,786	53,397	64,952	146,643
(-) Current	(27,778)	(22,565)	(63,459)	(73,311)
Non-current	1,008	30,832	1,493	73,332

(i) On March 17, 2023, subsidiary Educred – Administração de Crédito Educativo Ltda., entered into the Instrument of Promise of Assignment and Acquisition of Credit Rights Without Co-obligation and Other Covenants with Pravaler S.A., which provides for the assignment of a portion of receivables with no withdrawal right, arising from student loans of undergraduate courses generated by Educred for Pravaler. The summary of the transaction and the amount written off from accounts receivable is shown below:

In thousands of Brazilian reais, unless otherwise indicated

			Parent Company
Assignment of the portfolio of receivables		**Write-off of accounts receivable**	
Gross value of the portfolio	53,851	Gross value of the portfolio	56,185
Average interest rate per year	9.25%	Monthly fees to be invoiced	(2,334)
Discount rate per year	19.68%	Adjustment to present value	(14,044)
Average portfolio duration	21.3 months		
Projected default	24.0%	Allowance for doubtful accounts	(5,885)
Net amount received	29,391		33,922

			Consolidated
Assignment of the portfolio of receivables		**Write-off of accounts receivable**	
Gross value of the portfolio	109,790	Gross value of the portfolio	112,748
Average interest rate per year	9.25%	Monthly fees to be invoiced	(2,902)
Discount rate per year	19.68%	Adjustment to present value	(27,386)
Average portfolio duration	21.3 months		
Projected default	24.0%	Allowance for doubtful accounts	(13,288)
Net amount received	69,713		69,172

(ii) Refers to the portion of student financing agreements related to the product that shares the risks of possible default with the Group's institutions.

The maturity analysis of balances for educational receivables is presented below, net of the present value adjustment:

	Parent Company		Consolidated	
	December 31, 2023	**December 31, 2022**	**December 31, 2023**	**December 31, 2022**
Falling due	16,893	44,896	36,128	120,229
Overdue up to 90 days	1,612	1,813	3,826	5,795
Overdue 91 to 180 days	1,909	1,740	4,562	5,484
Overdue 181 to 360 days	3,731	2,058	8,738	6,427
Overdue 361 to 540 days	2,640	1,570	6,696	4,722
Overdue 541 to 720 days	2,001	1,320	5,002	3,986
	28,786	53,397	64,952	146,643

In thousands of Brazilian reais, unless otherwise indicated

(e) Provision for expected credit losses on doubtful accounts

ECL estimate is calculated considering the analysis of bills outstanding and overdue for up to 720 days by maturity range, applying the default percentage obtained to the balances in each range on the base date in question. Additionally, the Group enters into agreements to recover overdue credits as a way of optimizing the recovery of these amounts.

The change in the allowance for expected credit losses related to trade accounts receivable from the Group's students for the year ended December 31, 2023 is shown below:

	Parent Company		Consolidated	
	2023	2022	2023	2022
Balances as of January 1	(83,714)	(95,834)	(259,599)	(275,531)
Write-off of unrecoverable credits (i)	70,360	50,541	157,589	168,878
Write-off due to sale of receivables (note 9(d)(i)))	5,885		13,288	
Provision for expected credit losses arising from business combination (ii)	(20,528)			(39,676)
Allowance for doubtful accounts (note 23(a))	(72,895)	(38,421)	(160,486)	(113,270)
Balance as of December 31	(100,892)	(83,714)	(249,208)	(259,599)

(i) The Group writes off receivables past due for more than 720 days, considered non-collectible, on a quarterly basis; and

(ii) In 2023, refers to the merger of companies by the Parent Company (Note 6(ii)) and in 2022 to FAEL acquisition.

10 Taxes recoverable and payable

	Parent Company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Taxes recoverable				
Current liabilities				
Income tax and social contribution to offset	11,063	5,411	22,033	17,261
Service tax - ISS			1,444	7,658
Other	1,321		2,560	3
	12,384	5,411	26,037	24,922
Non Current				
Service tax - ISS (i)			6,392	1,706
	12,384	5,411	32,429	26,628

In thousands of Brazilian reais, unless otherwise indicated

	Parent Company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Taxes payable				
Current liabilities				
Income tax and social contribution			3,237	6,109
Withholding Income Tax	3,857	4,407	10,710	11,660
Service tax - ISS	3,600	1,770	10,766	8,590
Tax installments (ii)	611		17,002	2,067
PIS and COFINS	241	416	788	1,196
Other	125	201	275	483
	8,434	6,794	42,778	30,105
Non Current				
Tax installments	938		2,124	2,790
	938		2,124	2,790
	9,372	6,794	44,902	32,895

(i) In Current, refers to ISS to be offset from UNINORTE, due to the acquired tax benefits that will be used to pay ISS in installments, in the amount of R$ 1,706, due on January 9, 2025 while, in Non-Current, a request for agreement has been made with the Municipality for credit recovery; and

(ii) In December 2023, Instituto Campinense de Ensino Superior - ICES entered into an agreement with the property lessors and the sellers of UNAMA, which consisted of the advance payment of installments of the rental agreement in order to settle ISS tax debt. In return, ICES signed up to Programa de Regularização Incentivada (Incentivized Settlement Program - PRI) of the Municipality of Belém in the amount of R$ 22,500, with a down payment of R$ 8,000 and the remainder divided into 6 installments.

In thousands of Brazilian reais, unless otherwise indicated

11. Intangible Assets

(a) Parent Company

Balance Breakdown

	Annual rates of Amortization	Cost	Amortization	December 31, 2023 Balance	December 31, 2022 Balance
Software licenses and deployments	20%	78,251	(54,907)	23,344	24,311
Operating licenses	33%	17,152	(16,368)	784	1,104
Agreements (i)	25%	19,376	(12,968)	6,408	4,989
Digital Content	20%	59,732	(32,552)	27,180	21,999
Goodwill	20%	5,297	(5,261)	36	72
Goodwill (Note 6(a))		27,989		27,989	8,646
Intangible assets identified on acquisitions (Note 11 (d))	13%	15,961	(1,600)	14,361	2,700
		223,758	(123,656)	100,102	63,821

	Annual rates of Amortization	Cost	Amortization	December 31, 2022 Balance	December 31, 2021 Net balance
Software licenses and deployments	20%	68,198	(43,887)	24,311	15,215
Operating licenses	33%	14,930	(13,826)	1,104	1,231
Agreements (i)	25%	13,173	(8,184)	4,989	6,301
Digital Content	20%	46,506	(24,507)	21,999	17,981
Goodwill	20%	5,297	(5,225)	72	424
Goodwill (Note 6(a)) (ii)		8,646		8,646	5,125
Intangible assets identified on acquisitions (Note 11(d))		3,100	(400)	2,700	
		159,850	(96,029)	63,821	46,277

Change

	December 31, 2022	Additions	Mergers (Note 6(a)(ii))	December 31, 2023
Software licenses and deployments	24,311	9,824	41	23,344
Operating licenses	1,104	294	55	784
Agreements (i)	4,989	2,177	1,210	6,408
Digital Content	21,999	13,226		27,180
Goodwill	72			36
Goodwill (Note 6(a))	8,646		19,343	27,989
Intangible assets identified on acquisitions (Note 11 (d))	2,700		11,661	14,361
	63,821	25,521	32,310	100,102

In thousands of Brazilian reais, unless otherwise indicated

	December 31, 2021	Additions	Amortization	Mergers (Note 6(a)(ii))	December 31, 2022
Software licenses and deployments	15,215	14,420	(5,324)		24,311
Operating licenses	1,231	591	(718)		1,104
Agreements (i)	6,301	1,683	(2,995)		4,989
Digital Content	17,981	10,626	(6,608)		21,999
Goodwill	424	15	(367)		72
Goodwill (Note 6(a))	5,125			3,521	8,646
Intangible assets identified on acquisitions (Note 11 (d))				2,700	2,700
	46,277	27,335	(16,012)	6,221	63,821

(b) Consolidated

Balance Breakdown

	Annual rates of of Amortization	December 31, 2023 Cost	Amortization	Balance	December 31, 2022 Balance
Software licenses and deployments	20%	117,125	(82,073)	35,052	35,920
Operating licenses	33%	30,274	(26,760)	3,514	4,374
Agreements (i)	25%	29,402	(15,707)	13,695	6,750
Digital Content	20%	66,532	(37,487)	29,045	24,868
Goodwill	20%	5,480	(5,366)	114	238
Goodwill (Note 6(a))		607,107		607,107	606,841
Intangible assets identified on acquisitions (Note 11 (d))	13%	621,249	(117,990)	503,259	524,983
		1,477,169	(285,383)	1,191,786	1,203,974

	Annual rates of Amortization	December 31, 2022 Cost	Amortization	Balance	December 31, 2021 Net balance
Software licenses and deployments	20%	100,676	(64,756)	35,920	20,313
Operating licenses	33%	29,709	(25,335)	4,374	2,758
Agreements (i)	25%	19,569	(12,819)	6,750	8,124
Digital Content	20%	53,305	(28,437)	24,868	18,008
Goodwill	20%	5,481	(5,243)	238	424
Goodwill (Note 6(a)) (ii)		606,841		606,841	512,906
Intangible assets identified on acquisitions (d)		609,478	(84,495)	524,983	500,911
		1,425,059	(221,085)	1,203,974	1,063,444

In thousands of Brazilian reais, unless otherwise indicated

Change

	December 31, 2022	Additions	Amortization	Business combination and goodwill (Note 6(d)) Additions	Business combination and goodwill (Note 6(d)) Amortization	December 31, 2023
Software licenses and deployments	35,920	17,148	(16,728)	726	(590)	35,052
Operating licenses	4,374	566	(1,426)			3,514
Agreements (i)	6,750	9,836	(2,888)			13,695
Digital Content	24,868	13,227	(9,050)			29,045
Goodwill	238		(124)			114
Goodwill (Note 6(a))	606,841			266		607,107
Intangible assets identified on acquisitions (Note 11 (d))	524,983		(33,497)	11,773		503,259
	1,203,974	40,777	(63,713)	12,765	(590)	1,191,786

	December 31, 2021	Additions	Reclassification	Amortization	Business combination (ii) Additions	Business combination (ii) Amortization	Write-off due to impairment	December 31, 2022
Software licenses and deployments	20,313	21,197		(8,889)	7,485	(4,176)		35,920
Operating licenses	2,758	1,421		(1,798)	1,993			4,374
Agreements (i)	8,124	3,567		(4,941)				6,750
Digital Content	18,008	11,704		(7,571)	5,674	(2,947)		24,868
Goodwill	424	181		(367)				238
Goodwill (Note 6(a))	512,906				150,039		(53,309)	606,841
Intangible assets identified on acquisitions (Note 11 (d))	500,911			(34,194)	155,766		(97,500)	524,983
	1,063,444	38,070		(57,760)	320,957	(7,123)	(150,809)	1,203,974

(i) Refer to agreements with hospitals, clinics, and polyclinics to carry out practical classes and tutor the Group's students;

(ii) Goodwill determined in business combinations has an indefinite useful life, being subject to impairment test carried out on an annual basis, for which the breakdown and change are shown in Notes 6(a) and 11(e); and

(iii) Additions and amortizations from the business combination substantially arise from FAEL acquisition.

(c) Goodwill

Goodwill determined in business combinations has an indefinite useful life, being subject to impairment test carried out on an annual basis, Note 11 (e). The change is as follows:

In thousands of Brazilian reais, unless otherwise indicated

	Consolidated	
	2023	**2022**
As of January 1	606,841	512,906
Godwill on acquisition	266	133,176
UNI7 (Note 6(c))	266	
FAEL		133,176
Goodwill adjustments		14,068
Conditioned price increase - UNESC		23,492
Other (i)		(9,424)
Provision for impairment (Note 11(e))		(53,309)
As of December 31,	607,107	606,841

(i) Adjustments made to goodwill refer to adjustments arising from the accounting carried out upon completion and issuance of the final purchase price allocation report versus the amounts allocated based on the preliminary reports, at the time of the closing of the respective business combinations. All adjustments were made to reflect new information gathered related to facts and circumstances existing at the date of the respective acquisitions, which, if known on those dates, would have affected the measurement of the amounts initially recognized. These adjustments in 2022 referred to Delínea (R$ 7,629) and Plantão Veterinário/Kero Kolo (R$ 1,795).

In thousands of Brazilian reais, unless otherwise indicated

(d) Intangible assets identified on acquisitions

(i) Intangible assets with a defined useful life

						December 31, 2023
	Course licenses	Brands	Customer Portfolio	Intellectual property	Other	Total
Sociedade Técnica Educacional da Lapa S/A		24,900	31,900	36,100		92,900
Sociedade Regional de Educação e Cultura Ltda - FACIMED			16,792			16,792
Sociedade Educacional de Rondônia S/S Ltda - UNESC		7,300	4,400			11,700
Sociedade Paulista de Ensino e Pesquisa S/S Ltda.		17,400	5,600			23,000
Delínea Tecnologia Educacional		8,360			5,945	14,305
UNI7 - Centro Universitário Sete de Setembro		5,441	2,226			7,667
Colégio Cultural Módulo Ltda - UNIJUAZEIRO	7,897	3,501	248			11,646
Starline Tecnologia S/A		7,135			4,131	11,266
Sociedade Metodista Bennett						
Faculdades COC de Maceió - FACOCMA						
Clinica Veterinária CDMV Ltda			795			795
Faculdade Decisão - FADE		100				100
Plantão Veterinário Hospital Ltda		1,834			266	2,100
Pet Shop Kero Kolo Ltda		935			58	993
Centro de Treinamento e Desenvolvimento da Medicina Humana e Veterinária Ltda		2,795				2,795
Sociedade de Ensino Superior e de Pesquisa de Sergipe Ltda - SESPS			200			200
Instituto de Ensino Superior Juvêncio Terra Ltda.		100				100
Total	7,897	79,801	62,161	36,100	10,400	196,359
Accumulated amortization	(7,897)	(12,011)	(32,651)	(15,794)	(5,510)	(73,863)
		67,790	29,510	20,306	4,890	122,496
Merged companies						
Instituto Avançado de Ensino Superior de Barreiras Ltda - UNIFASB		12,725	9,969			22,694
SODECAM - Sociedade de Desenvolvimento Cultural do Amazonas Ltda		22,500			26,000	48,500
União de Ensino Superior do Pará – UNESPA		12,100	800			12,900
Instituto Santareno de Educação Superior – ISES		700				700
Sociedade de Ensino Superior Piauiense Ltda.		692				692
Centro de Ensino Superior Piauiense - CESP		508				508
Faculdade Joaquim Nabuco de Olinda Ltda.		400				400
Faculdade Maurício de Nassau de Belém Ltda						
Total		49,625	10,769		26,000	86,394
Accumulated amortization		(11,911)	(6,218)		(26,000)	(44,129)
		37,714	4,551			42,265
Average annual amortization rates	34% (i)	7%	27%	25%	25%	
		105,504	34,061	20,306	4,890	164,761

In thousands of Brazilian reais, unless otherwise indicated

						December 31, 2022
	Course licenses	**Brands**	**Customer Portfolio**	**Intellectual property**	**Other**	**Total**
Sociedade Técnica Educacional da Lapa S/A		24,900	31,900	36,100		92,900
Sociedade Regional de Educação e Cultura Ltda - FACIMED			16,792			16,792
Sociedade Educacional de Rondônia S/S Ltda - UNESC		7,300	4,400			11,700
Sociedade Paulista de Ensino e Pesquisa S/S Ltda.		17,400	5,600			23,000
Delínea Tecnologia Educacional		8,360			5,945	14,305
Colégio Cultural Módulo Ltda - UNIJUAZEIRO	7,897	3,501	248			11,646
Starline Tecnologia S/A		7,135			4,131	11,266
Sociedade Metodista Bennett						
Sociedade de Ensino Superior Piauiense Ltda.		692				692
Centro de Ensino Superior Piauiense - CESP		508				508
Faculdades COC de Maceió - FACOCMA						
Clinica Veterinária CDMV Ltda		2,795				2,795
Faculdade Decisão - FADE		100				100
Plantão Veterinário Hospital Ltda		1,834			266	2,100
Faculdade Maurício de Nassau de Belém Ltda						
Pet Shop Kero Kolo Ltda		935			58	993
Centro de Treinamento e Desenvolvimento da Medicina Humana e Veterinária Ltda			795			795
Sociedade de Ensino Superior e de Pesquisa de Sergipe Ltda - SESPS			200			200
Instituto de Ensino Superior Juvêncio Terra Ltda.		100				100
Total	7,897	75,560	59,935	36,100	10,400	189,892
Accumulated amortization	(5,415)	(9,716)	(20,727)	(6,769)	(3,435)	(46,062)
	2,482	65,844	39,208	29,331	6,965	143,830
Merged companies						
Instituto Avançado de Ensino Superior de Barreiras Ltda - UNIFASB		12,725	9,969			22,694
SODECAM - Sociedade de Desenvolvimento Cultural do Amazonas Ltda		22,500				48,500
União de Ensino Superior do Pará – UNESPA		12,100	800			12,900
Instituto Santareno de Educação Superior – ISES		700				700
Faculdade Joaquim Nabuco de Olinda Ltda.		400				400
Total		48,425	10,769			85,194
Accumulated amortization		(9,070)	(3,363)			(38,433)
		39,355	7,406			46,761
Average annual amortization rates	34%	7%	27%	25%	25%	
	2,482	105,199	46,614	29,331	6,965	190,591

In thousands of Brazilian reais, unless otherwise indicated

(ii) Intangible assets with an indefinite useful life – course licenses

	December 31, 2023	December 31, 2022
Sociedade Técnica Educacional da Lapa S/A	62,800	62,800
Sociedade Regional de Educação e Cultura Ltda - FACIMED	58,821	58,821
Sociedade Educacional de Rondônia S/S Ltda - UNESC	17,900	17,900
UNI7 - Centro Universitário Sete de Setembro	4,104	
Sociedade Metodista Bennett	10,000	10,000
Sociedade de Ensino Superior Piauiense Ltda.		5,996
Centro de Ensino Superior Piauiense - CESP		4,404
Faculdades COC de Maceió - FACOCMA	3,000	3,000
Faculdade Decisão - FADE	2,200	2,200
Faculdade Maurício de Nassau de Belém Ltda		1,261
Sociedade de Ensino Superior e de Pesquisa de Sergipe Ltda - SESPS	467	467
Total	159,292	166,849
Merged companies		
Instituto Avançado de Ensino Superior de Barreiras Ltda - UNIFASB	69,293	69,293
SODECAM - Sociedade de Desenvolvimento Cultural do Amazonas Ltda	42,450	42,450
União de Ensino Superior do Pará – UNESPA	45,500	45,500
Instituto Santareno de Educação Superior – ISES	7,600	7,600
Sociedade de Ensino Superior Piauiense Ltda.	5,996	
Centro de Ensino Superior Piauiense - CESP	4,404	
Faculdade Maurício de Nassau de Belém Ltda	1,261	
Faculdade Joaquim Nabuco de Olinda Ltda.	2,700	2,700
Total	179,204	167,543
	338,496	334,392

(e) Impairment

Goodwill and intangible assets with indefinite useful lives are allocated to CGUs identified under the respective units that benefit from the transaction and do not generate economic benefits for the Group.

The recoverable amount of a CGU is determined based on the calculation of its value in use. Those calculations use estimates of cash flow, before income tax (IRPJ) and social contribution (CSLL), based on financial assumptions approved by Management for five years ("explicit period"). The amounts concerning the cash flow after the five-year period were extrapolated based on estimated growth rates. The growth rate does not exceed the average long-term growth rate for the sector in which a CGU operates.

The assumptions adopted were the following:

Education:

(i) Discount Rate – WACC of 15.1% p.a. (2022: 13.9%),

(ii) Gross Margin of 61.5% (2022: 59.3%)

In thousands of Brazilian reais, unless otherwise indicated

Other businesses:
(i) Discount Rate – WACC of 13% p.a. (2022: 12.1%),
(ii) Gross Margin of 45.5% (2022: 49.8%)

Consolidated:
(i) Nominal flow,
(ii) Explicit period of 5 years, and
(iii) Growth rate in perpetuity - 5.6% p.a.

The Company's management performs annual impairment tests, but monitors the performance of each CGU on a quarterly basis to assess the need to anticipate the impairment tests, aiming at possible recognition of losses.

In fiscal year 2022, the Group identified some CGUs ("Cash Generating Units" or "assets") that showed carrying amounts higher than their recoverable amounts based on their value in use, determined through discounted future cash flows, resulting in the set up of provisions for impairment arising from the business combination, as shown in the table below:

Parent Company and Consolidated

	As of December 31, 2022		
	Loss due to devaluation		
Asset or CGU	**Goodwill**	**Course licenses**	**Total**
UnG	43,591	90,600	134,191
Mileto	1,346	4,500	5,846
CETEBA	4,140		4,140
Juvêncio Terra	573	2,400	2,973
Hospital Veterinário	2,928		2,928
Petshop Kero Kolo	732		732
	53,309	97,500	150,809

The assumptions adopted were as follows (i) Nominal flow, (ii) Explicit period of 5 years, (iii) Discount rate that considers the weighted average cost of capital (WACC) of 12.5% p.a., (iv) Perpetuity growth rate of 5.1% p.a., and (v) gross margin of 59%.

For impairment testing sensitivity scenarios, the working the perpetuity growth rate, discount rate and margin assumptions were changed, with no need to recognize any additional impairment loss.

The monitoring performed for December 31, 2023 did not result in the need to recognize losses. (Note 3(b))

In thousands of Brazilian reais, unless otherwise indicated

12 Right of use

Pursuant to CVM Resolution No. 859/2020, addressing changes to CPC 06 (R3) - Leases, as a result of benefits related to the Covid-19 pandemic granted to lessees in lease agreements - the Group assessed that the benefits arising from rental discounts obtained in some properties are punctual and did not result in a change in the effective term of such agreements. These discounts were recognized directly in the statement of profit or loss for the year until June 30, 2022, the final date of the effective term of CVM Resolution No. 859/2020.

(a) Parent Company

Balance Breakdown

	Average annual rates of Amortization	December 31, 2023 Cost	Depreciation	Net balance	December 31, 2022
Right of Use of Real Estate	5% to 10%	527,360	(151,260)	376,100	253,532
Total		527,360	(151,260)	376,100	253,532

	Annual rates of Amortization	December 31, 2022 Cost	Depreciation	Net balance	December 31, 2021 Net balance
Right of Use of Real Estate	8%	373,838	(120,306)	253,532	182,415
Total		373,838	(120,306)	253,532	182,415

Change

	December 31, 2022	Additions (i) New	Additions (i) Remeasurement	Write-offs (ii)	Depreciation	Mergers (Note 6(a)(ii))	December 31, 2023
Right of Use of Real Estate	253,532	20,603	91,716	(329)	(35,106)	45,684	376,100
Total	253,532	20,603	91,716	(329)	(35,106)	45,684	376,100

	December 31, 2021	Additions (i) New	Additions (i) Remeasurement	Write-offs (ii)	Depreciation	Mergers (Note 6(a)(ii))	December 31, 2022
Right of Use of Real Estate	182,415	43,552	61,992	(8,870)	(30,831)	5,274	253,532
Total	182,415	43,552	61,992	(8,870)	(30,831)	5,274	253,532

In thousands of Brazilian reais, unless otherwise indicated

(b) Consolidated

Balance Breakdown

	Average annual rates of Amortization	December 31, 2023 Cost	Depreciation	Net balance	December 31, 2022
Right of Use of Real Estate	5% to 10%	1,052,644	(317,366)	735,278	593,228
Total		1,052,644	(317,366)	735,278	593,228

	Average annual rates of Amortization	December 31, 2022 Cost	Depreciation	Net balance	December 31, 2021
Right of Use of Real Estate	10%	911,413	(318,185)	593,228	517,860
Total		911,413	(318,185)	593,228	517,860

Change

	December 31, 2022	Additions (i) New	Additions (i) Remeasurement	Write-offs (ii)	Depreciation	December 31, 2023
Right of Use of Real Estate	593,228	29,237	238,435	(40,584)	(85,038)	735,278
Total	593,228	29,237	238,435	(40,584)	(85,038)	735,278

	December 31, 2021	Additions (i) New	Additions (i) Remeasurement	Write-offs (ii)	Depreciation	– Additions	Depreciation	December 31, 2022
Right of Use of Real Estate	517,860	48,711	128,171	(18,772)	(85,552)	4,568	(1,758)	593,228
Total	517,860	48,711	128,171	(18,772)	(85,552)	4,568	(1,758)	593,228

(i) Additions refer to new properties, leased in Santarém/PA, Patos/PB, Porto Alegre/RS and Arapiraca/AL, inclusion of Uni7 rental agreement and contractual adjustments of several agreements (Note 19); and

(ii) Refers to the properties returned during the year and to the write-off of the rental agreement signed with UNAMA's lessors, which consisted of the advance payment of installments to settle ISS tax debts owed by UNAMA's former supporting entities. The arrangement allowed the termination of the agreement for the right to use the property in Belém/PA in the amount of R$ 13,398 and the recognition of a new right to use the property in the amount of R$ 23,693.

In thousands of Brazilian reais, unless otherwise indicated

Balances recognized in the statement of profit or loss

The statement of profit or loss inclue the following amounts related to leases:

	Parent Company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Charge on depreciation of rigth of use assets (included in costs - total depreciation charge - Note 22)				
Buildings	(35,106)	(35,106)	(85,038)	(85,552)
Interest expense (included in financial expenses - Note 24)	(36,733)	(31,484)	(76,790)	(74,303)
Expenses related to variable lease payments not included in lease liabilities (included in costs - Note 22)	(189)	(56)	(1,600)	(1,315)

(c) Interpretations and impacts on the assessment of IFRS 16 - Leases / CPC 06(R3) Lease Transactions

The Group operates as a lessee in a significant number of leases concentrated in properties where its unites are located, comprising universities, university centers, learning centers, colleges, and offices.

The Group adopted assumptions to calculate the incremental borrowing rate (note 3.1 (g)), and part of its agreements was already classified as lease assets since 2013. The table below shows the rates charged, vis-à-vis the terms of the contracts:

Agreement term	Rate % p.a.
11 years (i)	3.09% to 16.67%
18 years (ii)	8.43% to 15.39%

(i) Agreements accounted for as leases after the adoption of CPC 06 (R3) / IFRS 16.
(ii) Agreements which have been accounted as leases since 2013.

The Group presents in the table below the maturity analysis of its agreements, undiscounted installments, reconciled with the balance in the consolidated Balance Sheet as of December 31, 2023. As a result of PROUNI incentive, the Group does not use PIS and COFINS credits recoverable on rent paid, and, for this reason, it does not show the potential credit.

Maturity of Installments	R$
2024	148,239
Between 2025 and 2029	691,881
Between 2030 and 2034	435,045
After 2034	53,937
Non-discounted amounts	1,329,102
Interest embedded	(483,301)
Lease liabilities balance	845,801

In thousands of Brazilian reais, unless otherwise indicated

Difference caused by full application of CPC 06 (R3)

In compliance with OFÍCIO CIRCULAR/CVM/SNC/SEP/No.02/2019, the Group adopted as an accounting policy the requirements of CPC 06 (R3) in the measurement and remeasurement of its right of use and lease liability, proceeding the use of the discounted cash flow technique excluding inflation.

In order to safeguard the reliable representation of the information in view of CPC 06 (R3) requirements and to meet the guidelines of CVM technical areas, the liability balances without inflation, effectively accounted for (actual flow x nominal rate), and the estimate of the balances inflated in the comparison periods (nominal flow x nominal rate) are provided.

Other assumptions, such as the maturity schedule of liabilities and interest rates used in the calculation are disclosed in Notes 11 and 16, as well as the inflation rates are observable in the market, so that the nominal flows can be prepared by users of the financial statements.

Impact on assets and liabilities:

	With Inflation	No Inflation	Difference CVM Official letter
Right-of-use	867,109	735,278	131,831
Lease commitments	987,462	845,801	141,661

Impact on P&L:

	With Inflation				No Inflation				
	Interest	Depreciation	Minimum Payment	Impact on P&L	Interest	Depreciation	Minimum Payment	Impact on P&L	Difference CVM Official letter
2024	93,591	105,168	(152,986)	45,773	79,719	91,561	(148,239)	23,042	22,731
Between 2025 and 2029	374,080	457,039	(788,435)	42,685	299,383	391,429	(691,881)	(1,069)	43,754
Between 2030 and 2034	134,433	261,658	(573,753)	(177,663)	97,719	216,709	(435,045)	(120,617)	(57,046)
After 2034	10,501	43,554	(85,658)	(31,604)	6,480	33,980	(53,937)	(13,477)	(18,127)
Total	612,605	867,419	(1,600,832)	(120,809)	483,301	733,679	(1,329,102)	(112,121)	(8,688)

In thousands of Brazilian reais, unless otherwise indicated

13 Property and equipment

(a) Parent Company

Balance Breakdown

	Average annual rates of depreciation	December 31, 2023			December 31, 2022
		Cost	Depreciation	Net balance	
Land		25,257		25,257	25,257
Buildings and improvements	6% to 10%	298,573	(127,668)	170,905	160,242
Vehicles	20%	2,388	(2,224)	164	257
Equipment and facilities	10%	105,621	(63,983)	41,638	37,532
Furniture and fixtures	10%	35,870	(25,867)	10,003	9,863
Computers	20%	49,881	(40,139)	9,742	11,889
Books	10%	60,508	(43,814)	16,694	16,906
Total in operation		578,098	(303,695)	274,403	261,946
Works in progress		4,411		4,411	1,165
Total Property and Equipment		582,509	(303,695)	278,814	263,111

	Annual rates of depreciation	December 31, 2022			December 31, 2021
		Cost	Depreciation	Net balance	Net balance
Land		25,257		25,257	25,257
Buildings and improvements	6%	264,732	(104,490)	160,242	156,256
Vehicles and aircrafts	6% and 10%	1,860	(1,603)	257	568
Equipment and facilities	10%	82,064	(44,532)	37,532	32,615
Furniture and fixtures	10%	29,579	(19,716)	9,863	9,764
Computers	20%	44,621	(32,732)	11,889	9,910
Books	10%	49,599	(32,693)	16,906	18,451
Total in Operations		497,712	(235,766)	261,946	252,821
Works in progress		1,165		1,165	6,014
Total Property and Equipment		498,877	(235,766)	263,111	258,835

In thousands of Brazilian reais, unless otherwise indicated

Change

	December 31, 2022	Additions (i)	Write-Offs	Depreciation	Transfers	Mergers (Note 6(a)(ii))	December 31, 2023
Land	25,257						25,257
Buildings and improvements	160,242	24,165	(1,709)	(20,257)	120	8,344	170,905
Vehicles	257			(148)		55	164
Equipment and facilities	37,532	5,548	(5)	(8,560)	(36)	7,159	41,638
Furniture and fixtures	9,863	1,155		(2,540)	124	1,401	10,003
Computers	11,889	1,351		(3,800)	(44)	346	9,742
Books	16,906	1,872		(4,981)		2,897	16,694
Total in operation	261,946	34,091	(1,714)	(40,286)	164	20,202	274,403
Works in progress	1,165	3,363			(117)		4,411
Total Property and Equipment	263,111	37,454	(1,714)	(40,286)	47	20,202	278,814

	December 31, 2021	Additions	Write-Offs	Depreciation	Transfers	Mergers (Note 6(a)(ii))	December 31, 2022
Land	25,257						25,257
Buildings and improvements	156,256	14,301	(170)	(18,662)	4,436	4,081	160,242
Vehicles and aircrafts	568		(48)	(263)		-	257
Equipment and facilities	32,615	11,136	(5)	(6,880)		666	37,532
Furniture and fixtures	9,764	2,283		(2,262)		78	9,863
Computers	9,910	5,644	(3)	(3,677)		15	11,889
Books	18,451	2,397		(3,963)		21	16,906
Total in Operations	252,821	35,761	(226)	(35,707)	4,436	4,861	261,946
Works in progress	6,014	839	(1,252)		(4,436)		1,165
Total Property and Equipment	258,835	36,600	(1,478)	(35,707)	-	4,861	263,111

(i) Additions refer mainly to the renovation of units in the cities of Imperatriz/MA, Recife/PE, Teresina/PI, Cabo de Santo Agostinho/PE, Serra Talhada/PE, Belo Horizonte/MG, as well as the purchase of furniture, laboratory equipment, computer equipment and air conditioning for the units and administrative center.

In thousands of Brazilian reais, unless otherwise indicated

(b) Consolidated

Balance Breakdown

	Average annual rates of depreciation	December 31, 2023 Cost	Depreciation	Net balance	December 31, 2022
Land		25,257		25,257	25,257
Buildings and improvements	6% to 10%	512,300	(234,568)	277,732	285,468
Vehicles	20%	4,441	(4,113)	328	622
Equipment and facilities	10%	259,845	(173,812)	86,033	96,246
Furniture and fixtures	10%	88,425	(69,117)	19,308	22,558
Computers	20%	103,682	(90,583)	13,099	16,896
Books	10%	137,877	(104,775)	33,102	39,323
Total in operation		1,131,827	(676,968)	454,859	486,370
Works in progress		4,474		4,474	1,270
Total Property and Equipment		1,136,301	(676,968)	459,333	487,640

	Average annual rates of depreciation	December 31, 2022 Cost	Depreciation	Net balance	December 31, 2021
Land		25,257		25,257	25,257
Buildings and improvements	6%	486,098	(200,630)	285,468	282,824
Vehicles and aircrafts	6% and 10%	4,483	(3,861)	622	1,610
Equipment and facilities	10%	249,442	(153,196)	96,246	90,526
Furniture and fixtures	10%	84,847	(62,289)	22,558	24,501
Computers	20%	98,774	(81,878)	16,896	14,180
Books	10%	134,176	(94,853)	39,323	43,361
Total in Operations		1,083,077	(596,707)	486,370	482,259
Works in progress		1,270		1,270	8,086
Total Property and Equipment		1,084,347	(596,707)	487,640	490,345

Change

	December 31, 2022	Additions (i)	Write-Offs	Depreciation	Transfers	Business combination and goodwill Additions	Business combination and goodwill Depreciation	December 31, 2023
Land	25,257							25,257
Buildings and improvements	285,468	31,681	(3,061)	(36,476)	120			277,732
Vehicles	622	3	(9)	(288)				328
Equipment and facilities	96,246	9,321	(13)	(19,618)	(20)	1,360	(1,243)	86,033
Furniture and fixtures	22,558	2,506	(1)	(5,879)	12	1,179	(1,067)	19,308
Computers	16,896	1,839		(5,765)	6	3,159	(3,036)	13,099
Books	39,323	2,390		(9,086)		1,311	(836)	33,102
Total in operation	486,370	47,740	(3,084)	(77,112)	118	7,009	(6,182)	454,859
Works in progress	1,270	3,359	(37)		(118)			4,474
Total Property and Equipment	487,640	51,099	(3,121)	(77,112)		7,009	(6,182)	459,333

In thousands of Brazilian reais, unless otherwise indicated

	December 31, 2021	Additions (i)	Write-Offs	Depreciation	Transfers	Additions	Depreciation	December 31, 2022
Land	25,257							25,257
Buildings and improvements	282,824	29,276	(2,259)	(30,493)	4,436	2,191	(507)	285,468
Vehicles and aircrafts	1,610	3	(471)	(520)				622
Equipment and facilities	90,526	24,217	(133)	(18,914)		1,345	(795)	96,246
Furniture and fixtures	24,501	3,940	(10)	(6,220)		1,768	(1,421)	22,558
Computers	14,180	7,736	(3)	(6,163)		3,943	(2,797)	16,896
Books	43,361	4,543	(1)	(8,696)		139	(23)	39,323
Total in Operations	482,259	69,715	(2,877)	(71,006)	4,436	9,386	(5,543)	486,370
Works in progress	8,086	841	(3,221)		(4,436)			1,270
Total Property and Equipment	490,345	70,556	(6,098)	(71,006)	-	9,386	(5,543)	487,640

(ii) Additions refer mainly to the renovation of units in the cities of Rio de Janeiro/RJ, Aracaju/SE, Curitiba/PR, Florianópolis/SC, Patos/PB, Vitória da Conquista/ BA and Campina Grande/PB, as well as the purchase of furniture, laboratory equipment, computer equipment and air conditioning for the units and administrative center.

(c) Guarantees

The Group has a loan agreement (Finame) for aircraft, which fiduciarily lien the acquired asset (Note 23(a)). In addition, buildings, machinery, and IT equipment are pledged as collateral in legal proceedings in the total amount of R$ 4,683 in the Parent Company and R$ 7,879 in the Consolidated.

Trade accounts payable

	Parent Company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Trade accounts payable - legal entities	15,142	14,607	39,354	31,065
Trade accounts payable - Individuals	55	44	1,320	1,190
	15,197	14,651	40,674	32,255

As of December 31, 2023 and December 31, 2022, the Group had no transactions of Trade accounts payable that would cause a significant effect of adjustment to present value in its accounting balances. The group did not operate with reverse factoring transactions in 2022 and 2023.

In thousands of Brazilian reais, unless otherwise indicated

15 Commitments payable

Commitments payable arise from the following investment acquisitions:

	Consolidated	
	December 31, 2023	December 31, 2022
Sociedade Técnica Educacional da Lapa S.A. (“FAEL”) (i)	82,603	86,957
Sociedade Educacional de Rondônia S/S Ltda. ("UNESC") (ii)	62,448	74,874
Instituto Avançado de Ensino Superior de Barreiras. ("UNIFASB")	50,881	63,769
Sociedade Regional de Educação e Cultura Ltda. ("FACIMED")	30,278	43,050
Colégio Cultural Módulo Ltda. ("UNIJUAZEIRO")	5,579	7,962
Sete de Setembro Ensino Superior LTDA. ("UNI7") (Note 6(c))	5,633	
Delinea Tecnologia Educacional LTDA	1,905	4,848
Centro de Treinamento e Desenvolvimento da Medicina Humana e Veterinária Ltda. ("CDMV") and Clínica Veterinária CDMV Ltda. ("Hospital Veterinário DOK")	2,344	2,970
Plantão Veterinário Hospital Ltda (“Hospital”) and Pet Shop Kero Kolo Ltda. (“Pet Shop”)	2,251	2,040
Starline Tecnologia S/A (iii)	1,090	3,025
	245,012	289,495
(-) Current	(80,327)	(60,871)
Non-current	164,685	228,624

(i) Such amount includes escrow accounts, which are reflected in assets as “restricted cash” (Note 8(a)) and earn-out provided for in the agreement;
(ii) Includes R$ 33,000 related to earn-out based on the approval of additional medical course seats; and
(iii) Refers to earn-out balances provided for in the agreement.

The long-term installments fall due as shown below:

	Consolidated	
	December 31, 2023	December 31, 2022
Between one and two years	90,076	87,726
Between two and three years	29,335	71,548
Between three and four years	36,443	25,119
Over four years	8,831	44,231
	164,685	228,624

In thousands of Brazilian reais, unless otherwise indicated

The change in commitments payable is as follows:

	Consolidated	
	December 31, 2023	December 31, 2022
Balances as of January 1	289,495	239,593
Acquisition (Note 6(c))	10,131	294,977
Price adjustment	(1,594)	16,421
Principal payments	(52,070)	(275,200)
Payment through restricted cash (Note 8(a))	(12,674)	
Interest paid	(6,297)	(3,701)
Interest incurred	18,021	17,405
Balance as of December 31	245,012	289,495

16 Loans and financing and derivative financial instruments - Swap

		Parent Company		Consolidated	
Modality	Financial charges	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
IFC (i)	CDI + 1.65% p.a.				
Working Capital	CDI + 1.69% to 2.3% p.a.	269,177	375,684	269,177	375,684
Loan in foreign currency (i)	EUR + 2.16% p.a.	169,467	175,502	169,467	175,502
Finame	6% p.a.	2,125	4,089	2,126	4,088
Leasing	12.52% p.a. and 13.83% p.a.				203
Other				141	143
		440,769	555,275	440,911	555,620
(-) Current		(197,348)	(180,045)	(197,440)	(180,340)
Non-current		243,421	375,230	243,471	375,280

(i) On January 7, 2022, the Group contracted a loan in foreign currency, as provided for in Law 4.131/62, with Itaú BBA *International* PLC, in the amount of EUR 31,182 thousand, equivalent to R$ 200,000, with interest rate of 2.16% per year and a term of 5 years, with final maturity on January 7, 2027, with an 18-month grace period, amortization in 7 half-yearly installments as of the 24th month and payment of semi-annual interest, including during the grace period, and guarantee of corporate endorsement. The proceeds were raised to reinforce the cash position with a view to paying for the acquisition of FAEL. Additionally, aiming to mitigate the exchange rate risks of this transaction, a full swap was contracted with Itaú Unibanco S.A., in an amount equivalent to R$ 200,000. Said derivative financial instrument will incur charges based on CDI variation plus interest of 2.70% per annum, the balances of which are shown as follows:

		Parent Company		Consolidated	
Modality	Financial charges	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Swap derivative financial instrumen	CDI + 2.70% p.a.	52,564	39,946	52,564	39,946
		52,564	39,946	52,564	39,946
(-) Current		(14,801)	(13,610)	(14,801)	(13,610)
Non-current		37,763	26,336	37,763	26,336

In thousands of Brazilian reais, unless otherwise indicated

(a) Change

The debt breakdown in the Parent Company and Consolidated, and the swap derivative agreement is as follows:

	Parent Company		Consolidated	
	2023	2022	2023	2022
As of January 1	595,221	434,870	595,566	436,065
Loan raising		281,000		281,000
Loan from business combination				149
Interest incurred	53,344	57,231	53,344	57,309
Mark-to-market adjustment	7,606		7,606	
Foreign exchange losses	44,117	4,085	44,117	4,085
Foreign exchange gains	(16,871)	26,383	(16,871)	26,383
Interest paid	(89,751)	(51,850)	(89,751)	(51,850)
Amortization of principal	(100,333)	(156,498)	(100,536)	(157,575)
As of December 31,	493,333	595,221	493,475	595,566

(b) Collaterals

Finame's values refer to the aircraft's financing and are guaranteed by the asset's fiduciary sale (Note 13 (c)). For the working capital loan with Caixa Econômica Federal, the Group offered financial investments and fiduciary assignment of credit as collaterals, representing 30% and 5% of the balance, respectively, besides corporate sureties from subsidiaries.

(c) Classification by year of maturity

The long-term installments fall due as shown below:

	Parent Company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Between one and two years	167,391	150,288	167,441	150,337
Between two and three years	84,129	129,478	84,129	129,478
Between three and four years	29,664	74,419	29,664	74,419
Between four and five years		21,045		21,046
	281,184	375,230	281,234	375,280

The reduction is due to payments made in 2023, with proceeds from the issue of debentures (Note 17).

In thousands of Brazilian reais, unless otherwise indicated

(d) Covenants

Working capital loans require the meeting of the following covenants:

	Itaú (i)	Caixa (ii)	Santander (i)	Law 4.131 and Swap (iii)
Net Debt/Adjusted EBITDA	≤ 2.5	≤ 2.5	≤ 2.5	≤ 2.5
Financial expense/Adjusted EBITDA	≤ 2	≤ 2.0	n/a	n/a
Current liquidity	n/a	n/a	≥ 1.2	n/a
Calculation period	Quarterly	Half-yearly	Yearly	Yearly

Adjusted EBITDA ("*Earnings Before Interest, Taxes, Depreciation and Amortization*"), considers the operating profit plus depreciation and/or amortization cost and/or expense, plus or minus non-recurring and/or non-operating net income and minus the minimum lease payments.

(i) the covenant, as the ratio between net financial debt and adjusted EBITDA may be 0.5 higher for 4 consecutive quarters, in the event of shareholding acquisition with similar corporate purpose;
(ii) In the year ended December 31, 2022, only the covenant (i), the ratio between net financial debt and adjusted EBITDA, recorded 2.68, on a one-off and extraordinary basis. The Group reclassified to current the amount of R$ 65,000 referring to the portion of the debt falling due in 2024 and 2025, as required by CPC 26 / IAS 1. With the attainment of a waiver from said financial institution, on March 10, 2023, which exempted compliance with this covenant for December 31, 2022, the Group reclassified the installments falling due from March 2024 back to non-current, in the amount of R$ 52,000; and
(iii) The covenant set forth in Law 4.131/Swap considers accounting EBITDA only plus or minus non-operating income.

For the year ended December 31, 2023, the “covenants” relating to loan and financing agreements were met and are within the desired limits.

In thousands of Brazilian reais, unless otherwise indicated

17 Debentures

Modality	Financial charges	Parent Company and Consolidated December 31, 2023	December 31, 2022
3rd issue of debentures	CDI + 2.00% p.a.	204,095	210,319
4th issue of debentures	CDI + 2.00% p.a.	209,550	
		413,645	210,319
(-) Current		(43,724)	(11,208)
Non-current		369,921	199,111

In 2022 and 2023, the Company issued simple debentures, not convertible into shares, of the unsecured type, in a single series, in compliance with CVM Instruction No. 476, as follows:

	3rd issue	4th issue
Board of Directors Approval	07/15/2022	10/02/2023
Closing of issue	08/15/2022	10/19/2023
Quantity	200,000	200,000
Par Value - R$	1,000	1,000
Total amount	200,000	200,000
Cost incurred	1,240	1,131
Charges	CDI + 2.0%	CDI + 2.0%
Term	5 years	5 years
Grace period	18 months	24 months
Amortization - Principal + Interest	Half-yearly	Half-yearly
Use	Cash reinforcement	Extension of debt

The debt breakdown in the Parent Company and Consolidated is as follows:

	Parent Company and Consolidated December 31, 2023	December 31, 2022
As of January 1	210,319	
Debenture funding	200,000	200,000
Funding costs	(1,131)	(1,240)
Appropriated costs	286	103
Interest incurred	34,686	11,456
Interest paid	(30,515)	
As of December 31,	413,645	210,319
(-) Current	43,724	11,208
Non-current	369,921	199,111

In thousands of Brazilian reais, unless otherwise indicated

The installments due in the long term have the following schedule:

	Parent Company and Consolidated	
	December 31, 2023	December 31, 2022
Between one and two years	106,669	28,323
Between two and three years	106,669	56,895
Between three and four years	106,772	56,895
Over four years	49,811	56,998
	369,921	199,111

Debentures require the meeting of financial covenants, calculated on a quarterly basis, based on the consolidated financial statements, namely: (i) the ratio between net debt and adjusted EBITDA, which should not exceed 2.5x, and (ii) the ratio between EBITDA and net financial expenses should be higher than or equal to 2x.

For the year ended December 31, 2023, the “covenants” relating to debenture agreements were met and are within the desired limits.

18 Salaries and social charges

	Parent Company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Wages payable	14,446	10,917	28,976	25,609
Social charges	10,627	9,269	21,699	22,062
Provision for vacation pay and charges	30,433	26,851	54,055	56,064
Share granting plan (i)	2,551		2,551	
Profit sharing	8,934	4,172	10,101	5,400
Other	2,349	2,412	4,189	4,726
	69,340	53,621	121,571	113,861

(i) At the Extraordinary Shareholders’ Meeting held on July 6, 2023, the Share Grant Plan was approved, establishing terms and conditions for the granting by the Company of up to 2,252,627 shares issued by it (equivalent to 1.75% of the total share capital on that date), to its statutory or non-statutory officers, managers, executives and employees, with a view to:

a) encourage the expansion, success and achievement of the Company's corporate purposes and goals, encouraging the integration of beneficiaries and the alignment of the interests of these statutory or non-statutory officers, managers, executives and employees with the interests of the Company and its shareholders;

b) reinforce the Company's ability to attract and retain statutory or non-statutory officers, managers, executives and senior employees, with a view to developing its activities, by offering them the possibility of receiving shares and seeking a long-term commitment from such executives to the Company's goals; and

c) share the creation of value, as well as the risks inherent to the Company's business.

The program will be managed by the Board of Directors, which will have broad powers to, among others, (i) create, implement and modify the programs, which shall define: (a) the total number of shares to be granted; (b) the possibility of settling, in cash, part or all of the shares granted, on the granting dates; (c) the goals and conditions to be achieved for the shares granted to be transferred to the beneficiaries; (d) any restrictions on the transfer of the shares received by the beneficiaries; (e) any other specific conditions, criteria and rules relating to such grants of shares.

The Board of Directors shall define the terms and conditions for transferring the shares to the beneficiaries, stipulating that the delivery of the shares granted to the beneficiaries shall occur within a minimum period of: (i) 18 months from the grant for beneficiaries with more than 12 months of employment relationship with the Company; and (ii) 30 months, in other cases, always counted as from the signing of the respective grant agreement.

The grant and respective transfer of the shares to beneficiaries shall be effected free of charge, and will comply with the terms and conditions of the plan, the program and the respective agreement.

The delivery of shares granted may, at the discretion of the Board of Directors, be effected through (i) the issuance of new shares through a capital increase within the limit of the authorized capital; and/or (ii) the use of treasury shares, subject to the rules set forth in Law No. 6.404/1976.

As of December 31, 2023, the Company recognized the amount of R$ 2,551 in profit or loss for the year.

19 Lease commitments

As mentioned in Note 11, the Group adopted the practical expedient set forth in CVM Resolution No. 859, of July 7, 2020, which allowed lessees to account for the effects of grants received as minimum lease payments, as a result of the pandemic caused by Covid-19, directly in the result of the year, whereby the application of the accounting treatment for contractual amendment provided for in the standard is not required. These discounts were recognized directly in the statement of profit or loss for the year until June 30, 2022, the final date of the effective term of CVM Resolution No. 859/2020.

In thousands of Brazilian reais, unless otherwise indicated

(a) Maturities

The due dates for the payments of the minimum lease of the lease agreements are as follows:

Parent Company

	December 31, 2023			December 31, 2022
Due date	**Minimum payments**	**Discount to present value**	**Present value of minimum payments**	**Present value of minimum payments**
Current				
Up to one year	72,702	(40,370)	32,332	21,699
Non-current				
Between one and two years	72,026	(37,445)	34,581	20,056
Between three and five years	205,847	(91,009)	114,838	65,698
Over five years	329,290	(75,884)	253,406	191,329
	607,163	(204,338)	402,825	277,083
	679,865	(244,708)	435,157	298,782

Consolidated

	December 31, 2023			December 31, 2022
Due date	**Minimum payments**	**Discount to present value**	**Present value of minimum payments**	**Present value of minimum payments**
Current				
Up to one year	148,238	(79,719)	68,519	66,913
Non-current				
Between one and two years	148,378	(74,678)	73,700	48,353
Between three and five years	417,489	(178,638)	238,851	148,265
Over five years	614,997	(150,266)	464,731	442,199
	1,180,864	(403,582)	777,282	638,817
	1,329,102	(483,301)	845,801	705,730

In thousands of Brazilian reais, unless otherwise indicated

(b) Change

The change in lease obligations is as follows:

	Parent Company		Consolidated	
	2023	2022	2023	2022
Balances as of January 1	298,782	219,872	705,730	626,963
New agreements (i)	20,603	43,552	29,237	48,711
Remeasurement	91,716	61,993	238,435	128,171
Mergers (Note 6(a)(ii))	52,451	5,753		
Write-offs (i)	(687)	(9,116)	(56,684)	(22,505)
Additions from business combinations				2,574
Interest (Note 21)	36,733	31,484	76,790	74,303
Minimum payments	(64,441)	(54,756)	(147,707)	(152,487)
Balance as of December 31	435,157	298,782	845,801	705,730

(i) In December 2023, Instituto Campinense de Ensino Superior - ICES entered into an agreement with the lessors of UNAMA properties, which consists of the advance of installments to settle the ISS tax debt of the former supporting entities of UNAMA. In turn, the arrangement allowed the termination of the agreement for the right to use the property in Belém/PA in the amount of R$ 13,398 and the recognition of a new right to use the property in the amount of R$ 23,693.

20 Share capital and reserves

a) Share Capital

As of December 30, 2023, the Company’s share capital is represented by 128,721,560 registered common shares with no par value, totaling R$ 991,644. Costs incurred by the Group for the issue of shares in November 2017 totaled R$ 4,095, deducted from the share capital, and awaiting capitalization by the Group’s Board of Directors.

The Company's authorized share capital is R$ 1,500,000.

(b) Legal reserve

As of December 31, 2023, the Company had R$ 73,218 as legal reserve. The legal reserve takes 5% of profit for the year or the remaining balance, up to the limit of 20% of capital. The purpose of the legal reserve is to ensure capital integrity, and it may only be used to offset losses and increase capital.

In thousands of Brazilian reais, unless otherwise indicated

(c) Retained earnings

As of December 31, 2023, the Company's retained earnings amounted to R$ 144,543. Retained earnings represent the portion of profit allocated to the retained earnings reserve account for future capital investment, subject to the approval of shareholders at the Annual Shareholders' Meeting. In 2022, retained earnings were used to absorb losses in the amount of R$ 222,148 and in 2023 in the amount of R$ 35,619.

(d) Treasury shares

On January 13, 2022, the company implemented the share buyback program, expiring on January 16, 2023. The Company's purpose in executing the Share Buyback Program is to invest available funds in the acquisition of common shares issued by the Company on the stock exchange, at market prices, with no reduction to the Company's share capital to be held in treasury, subsequent cancellation or also, possible reallocation of shares to be assigned to any other plans approved by the Company's Shareholders' Meeting.

The Company understands that the Share Buyback Program will increase the value creation for its shareholders, through a proper management of the Company's capital structure.

At a meeting held on January 16, 2023, the Board of Directors resolved on the termination of the Company's Share Buyback Program in force between January 13, 2022 and January 12, 2023. From the creation of the program until January 13, 2023, the Company repurchased three hundred and eighty-six thousand and eight hundred (386,800) common shares issued by it, equivalent to 0.73% of the total number of outstanding shares, acquired on the Stock Exchange at market price, which are being held in Treasury at the par value of R$ 3,398.

21 Net Revenue from services

	Parent Company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Gross revenue from services provided				
Undergraduate monthly tuition - on-campus (i)	1,707,624	1,123,240	3,422,475	2,809,063
Graduate courses monthly tuition - on-campus	104	185	15,512	15,393
Distance-learning monthly tuition - DL (ii)	234,515	211,242	466,008	543,162
Other revenues	2,891	2,671	67,353	61,311
	1,945,134	1,337,338	3,971,348	3,428,929
Gross revenue deductions				
Discounts and scholarships (iii)	(877,010)	(545,928)	(1,722,710)	(1,403,090)
PROUNI (iv)	(167,786)	(110,378)	(348,910)	(288,009)
FGEDUC and FIES charges	(1,346)	(994)	(2,825)	(2,787)
Taxes on services	(28,422)	(19,291)	(65,969)	(58,700)
	(1,074,564)	(676,591)	(2,140,414)	(1,752,586)
	870,570	660,747	1,830,934	1,676,343

(i) Increase in undergraduate gross revenue due to the pass-through of inflation and an increase in the on-campus student base, which includes the acquisition of UNI7. Additionally, the parent company includes the effects of mergers (Note 6a(ii));

In thousands of Brazilian reais, unless otherwise indicated

(ii) For the Parent Company, the increase refers to the effect of mergers and for the consolidated, it mainly reflects the drop in FAEL's student base and the review of the gross monthly tuition fees for this line of business;

(iii) The increase in discounts basically refers to the impact of the student intake campaigns and the higher weight of the old campaigns for veteran students, in line with the growth in gross revenue from on-campus undergraduate courses, preserving the transfer of part of inflation in the average price of tuition fees; and

(iv) Increase in PROUNI student base, mainly in new units and distance learning, combined with the pass-through of inflation to tuition fees, in line with the growth in gross revenue from on-campus undergraduate courses.

22 Costs of services rendered

	Parent Company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Payroll and social charges (i)	(194,802)	(156,700)	(472,197)	(456,041)
Services provided by individuals and companies (ii)	(34,965)	(27,462)	(114,200)	(108,629)
Electricity, water and telephone	(18,075)	(14,357)	(43,157)	(37,245)
Depreciation and amortization (iii)	(82,890)	(73,688)	(205,362)	(198,768)
Rents (iv)	(9,701)	(4,446)	(21,158)	(15,100)
Other	(12,687)	(11,171)	(25,487)	(27,061)
	(353,120)	(287,824)	(881,561)	(842,844)

(i) The increase refers to UNI7 acquisition, the hiring of personnel to support and expand new businesses, salary increases following the collective bargaining, severance pay related to actions for restructuring the operation of several units and the effects of mergers (Note 6a(ii));

(ii) In the parent company, basically refers to the increase in transfers to partner learning centers due to the growth in distance-learning, combined with the increase in the student base in on-campus health courses, also with impacts in consolidated;

(iii) The increase refers to the amortization of the right of use due to the remeasurement, adherence to new rental agreements and improvements in several properties of the group's units; and

(iv) Refers to remeasurement and adjustments in rental agreements (Note 12).

In thousands of Brazilian reais, unless otherwise indicated

23 Operating expenses

(a) Selling, general and administrative expenses

	Parent Company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Payroll and social charges (i)	(104,007)	(121,238)	(237,925)	(209,191)
Services provided by individuals and companies (i)	(29,626)	(40,091)	(71,440)	(74,176)
Selling, marketing and advertising (ii)	(59,943)	(92,657)	(138,566)	(162,176)
Provision and effective loss for doubtful accounts (iii)	(72,895)	(38,421)	(160,486)	(113,270)
Depreciation and amortization	(14,052)	(8,862)	(20,501)	(15,550)
Office supplies	(7,476)	(6,922)	(16,515)	(18,390)
Other (iv)	(22,266)	(26,710)	(70,523)	(55,800)
	(310,265)	(334,901)	(715,956)	(648,553)

The decrease in the parent company's expenses related to services rendered by individuals and companies expenses, is mainly due to the sharing of expenses at the Shared Services Center – CSC, located in Recife, with other Group's subsidiaries.

(i) The increase in Consolidated is due to the impact of collective bargaining, the provision for bonuses and the stock grant program, as well as the increase in personnel to support the Group's other businesses, which are in an expansion phase;
(ii) The reduction reflects the Company's efforts to optimize the group's advertising expenses, without negatively impacting the student base;
(iii) The increase basically refers to the rise in the provision for defaults in distance learning, the impact of defaults on renegotiated bills in the Covid-19 pandemic and the adjustment of the remaining balance of Educred's portfolio after its assignment (Note 8(d)(i).
(iv) The increase in consolidated refers to property maintenance, travel expenses and software maintenance.

In thousands of Brazilian reais, unless otherwise indicated

(b) Other operating expenses, net

	Parent Company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Write-off of PPE / Right of Use (i)	(1,182)	713	(8,262)	1,821
Judicial fees	(7,175)	(6,672)	(19,151)	(16,351)
(Reversal) Provision for contingencies	(1,238)	(1,135)	(2,380)	1,107
Fine for termination of atypical lease agreement (ii)				(8,350)
Write-off of assets (iii)		(8,586)		(28,731)
Impairment loss (Note 11(e))		(7,113)		(150,809)
Other (iv)	(678)	(3,230)	3,657	(7,861)
	(10,273)	(26,023)	(26,136)	(209,174)

(i) In 2023, Instituto Campinense de Ensino Superior - ICES entered into an agreement with the lessors of UNAMA properties, which consisted of the advance of installments to settle the ISS tax debt of the former supporting entities of UNAMA. The agreement allowed the termination of the right of use agreement and the obligation to lease the property in Belém/PA;

The main impacts occurred in 2022 refer to:

(ii) Agreement for the return of a property by UNAMA in the amount of R$ 8,350 and its impact on the property and equipment, right of use and lease accounts, partially reversed this quarter;
(iii) Basically refers to the write-off of judicial deposits prior to 2020, in the amount of R$ 24,794, after reconciling the inventory of legal proceedings with bank information on active deposits; and
(iv) Refers mainly to tax credits in the amount of R$ 4,407, arising from UNINORTE acquisition, which were not considered in the purchase price allocation.

In thousands of Brazilian reais, unless otherwise indicated

24 Financial results

	Parent Company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Financial income				
Interest on monthly tuitions and agreements	9,019	5,528	24,076	24,840
Earnings from financial investments	14,384	12,892	26,011	25,408
Discounts obtained	438	367	558	732
Foreign exchange gains - Swap (i)	16,871	74,304	16,871	74,309
(-) PIS and Cofins on financial income	(1,120)	(916)	(2,372)	(2,389)
Other	321	845	736	3,852
	39,913	93,020	65,880	126,752

	Parent Company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Financial expenses				
Interest on loans, financing and debentures (ii)	(87,487)	(72,662)	(87,487)	(73,571)
Interest on leases	(36,733)	(31,484)	(76,790)	(74,303)
Discounts granted (iii)	(24,400)	(17,792)	(57,815)	(49,997)
Interest on commitments payable			(7,141)	(10,901)
Mark-to-market adjustment	(7,606)		(7,606)	
Foreign exchange losses - Swap (i)	(44,117)	(100,687)	(44,117)	(100,692)
Interest on liabilities	(1,921)	(791)	(3,918)	(1,826)
Other	(4,633)	(3,289)	(11,947)	(6,145)
	(206,897)	(226,705)	(296,821)	(317,435)
Finance income (costs), net	(166,984)	(133,685)	(230,941)	(190,683)

(i) Refers to the exchange rate variation and the result of the swap contracted for hedging, whose exchange rate showed strong fluctuations in 2023;

(ii) Increase due to the issue of debentures (Note 17); and

(iii) Refers to discounts granted in negotiations and recoveries of monthly tuition over 360 days.

In thousands of Brazilian reais, unless otherwise indicated

25 Income tax and social contribution

(a) Breakdown of Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL)

	Parent Company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Current IR and CS				
Presumptive Profit			(650)	(5,337)
Taxable income		(9)	(21,468)	(48,996)
Tax incentive			15,621	43,970
Total current IR and CS, net of incentive		(9)	(6,497)	(10,363)

(b) Companies under presumptive profit regime

	Consolidated	
	December 31, 2023	December 31, 2022
Gross revenue from services	4,056	38,644
Gross revenue from sales		1,057
32% assumption	1,298	12,366
8% assumption		85
Other revenues	614	3,245
Taxable base of presumptive profit	1,912	15,696
Income tax and social contribution - 34%	650	5,337

Part of the operations supporting higher education, the vocational education and new business operations calculate income tax and social contribution based under the presumptive profit regime. Companies that use this methodology are part of the Group's investees.

In thousands of Brazilian reais, unless otherwise indicated

(c) Companies under taxable income regime

	Parent Company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Losses before income tax and social contribution	(27,692)	(222,521)	(25,572)	(230,607)
Losses before income tax and social contribution of subsidiaries			37,666	390,200
	(27,692)	(222,521)	12,094	159,593
Combined nominal rate of income tax and social contribution - %	34%	34%	34%	34%
Income tax and social contribution at the rates set by law	(9,415)	(75,657)	4,112	54,261
Equity in profit (loss) of subsidiaries	19,571	34,284		
Adjustment to present value of accounts receivable	(3,979)	(186)	(3,279)	(259)
Leases	4,954	2,598	15,112	2,564
Creation of provision for expected credit losses	(1,969)	(822)	(3,548)	1,513
Other Additions and deletions	13,954	7,064	12,772	(7,637)
Reversal of contingencies	442	407	933	(341)
Tax loss offset	(13,929)		(4,634)	(1,106)
IR and CS - previous periods		(9)		
	9,629	(32,321)	21,468	48,995
Tax benefit from operation profit - PROUNI	(13,061)	(21,468)	(15,587)	(43,969)
PAT and Miscellaneous Incentives	(499)	(21,468)	(34)	
Negative Base				
Income tax and social contribution on the income (loss) for the period			5,847	5,026
Effective tax rate - %			15.5%	6.45%

(d) Breakdown of the effective rate

	Parent Company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Earnings (Losses) before income tax and social contribution				
Companies under presumptive profit regime			1,912	15,696
Companies under taxable income regime	(27,692)	(222,521)	12,094	159,593
	(27,692)	(222,521)	14,006	175,289
Income tax and social contribution				
Companies under presumptive profit regime			650	5,337
Companies under taxable income regime			5,847	5,026
Total current IR and CS			6,497	10,363
Effective rate			46.39%	5.91%

To demonstrate the effective rate, the Group considered earnings before income tax and social contribution only from subsidiaries with accounting and tax profit, not to distort the calculation of the actual rate by the subsidiaries that presented accounting and tax loss. However, due to the seasonality of results and considering the tax impacts of financial result and the calculation of operation profit at subsidiary Instituto Campinense de Ensino Superior (ICES), the effective rate presented, on a non-recurring basis, a percentage above the history of the normal course of operations.

In thousands of Brazilian reais, unless otherwise indicated

(e) Deferred taxes

	Parent Company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Assets				
Adjustment to present value of accounts receivable	45	359	94	819
Provision for contingencies	210	171	388	328
Set up of provision for expected credit losses	688	488	2,684	3,039
Bonuses payable	226		254	
Right of use, net of depreciation and lease obligations	1,482	1,136	3,243	2,972
Intangible assets with a defined useful life identified in business combination	45	45	929	746
Trade Accounts Payable - Provisions	40		127	
Tax goodwill			1,151	1,674
Income tax loss and negative basis of social contribution	3,883	4,234	14,836	12,037
Total deferred tax assets, net	6,619	6,433	23,706	21,615

	Parent Company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Result				
Adjustment to present value of accounts receivable	(314)	(12)	(725)	(110)
Provision for contingencies	39	28	60	(1)
Set up of provision for expected credit losses	200	(2,187)	(355)	(3,901)
Bonuses payable	225		254	
Right of use, net of depreciation and lease obligations	346	196	271	235
Intangible assets with a defined useful life identified in business combination			183	188
Trade Accounts Payable - Provisions	40		127	
Tax goodwill			(523)	903
Income tax loss and negative basis of social contribution	(351)	2,357	2,821	5,812
Other	(537)			
Total change on Deferred Tax Assets, net	(352)	382	2,113	3,126

For the purposes of calculating deferred income tax and social contribution, the Group uses the rate of 2.51%. This is an average historical percentage, considering the effective rate when not impacted by atypical or seasonal events.

In thousands of Brazilian reais, unless otherwise indicated

26 Related parties

Related-party transactions are negotiated at arm's length and under normal market conditions.

(a) Current accounts

	Parent Company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Assets				
Ocktus Participações Ltda	2,114	4,067	2,114	4,067
	2,114	4,067	2,114	4,067
(-) Current	(1,951)	(1,952)	(1,951)	(1,952)
Non-current	163	2,115	163	2,115
Current Liabilities				
SESPS - Sociedade de Ensino Superior e de Pesquisa de Sergipe Ltda.	(359)			
	(359)			

On June 25, 2019, the Group entered into an Aircraft Purchase and Sale Promise agreement with the company Ocktus Participações Ltda., owned by the shareholder José Janguiê Bezerra Diniz, who established the transfer of ownership of the *Phenom* 300 aircraft for around R$ 24,902. Ocktus paid the Group R$ 14,001 in cash and the remaining amount of this transaction, in the amount of R$ 10,901, would be settled in 67 monthly installments, under identical conditions to the financing originally assumed by the Group, through Finame (Note 16), with fiduciary sale of the aircraft.

The Group has the practice of capitalizing and/or distributing profits on a half-yearly basis between the Parent Company and its subsidiaries, see Note 6(b).

b) Compensation of key management staff

Key management staff include the Group's statutory directors and officers. The compensation paid or payable to key Management staff is shown below:

	Parent Company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Global compensation of key management staff	13,144	17,918	13,144	17,918

The Group does not grant post-employment benefits, termination benefits to key Management staff or its employees.

In July 2022, the Company settled the Long-Term Incentive Plan for Group executives, created in July 2019, which provided for the payment of bonuses after 36 months and the achievement of certain targets.

In thousands of Brazilian reais, unless otherwise indicated

At the Extraordinary Shareholders' Meeting held on July 6, 2023, the Share Grant Plan was approved, establishing terms and conditions for the granting by the Company of up to 2,252,627 shares issued by it (equivalent to 1.75% of the total share capital on that date), to its statutory officers; in 2023, the amount of R$ 1,267 was recognized (Note 18(i)).

(c) Rentals

			December 31, 2023			December 31, 2022
	Result	Disbursement	Balance	Result	Disbursement	Balance
Right of Use			233,196			203,886
Depreciation Expense	(25,743)			26,251		
Lease commitments			295,414			252,903
Interest expenses	(29,985)			24,964		
Minimum payments		(42,463)			(47,779)	
	(55,728)	(42,463)		51,215	(47,779)	

The Group entered into Property Rent Agreements with Ocktus Participações Ltda., owned by shareholder José Janguiê Bezerra Diniz for ten years, which may be renewed for an equal period. The difference between the expense and the payments refers to the minimum of an asset for use, which is amortized in liabilities. The reduction in 2023 refers to the renegotiations of agreements and the return of properties of certain units.

27 Provision for contingencies

	Parent Company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Probable (a)				
Civil	1,276	495	3,797	2,483
Labor	7,086	6,319	11,664	10,598
Tax			1,991	1,986
	8,362	6,814	17,452	15,067
Contingencies arising from business combination (c)			10,318	116,282
	8,362	6,814	27,770	131,349

(a) Probable

Based on the opinion of its external legal advisors, management has set up provisions considered sufficient to cover potential probable losses from pending litigation, as shown above.

Civil - The major lawsuits classified as probable losses involve indemnity for pain and suffering and damages and claims from students relating to the existence of debts to the Group's institutions.

Labor - The main claims relate to overtime, unused vacation, equal pay and salary differences resulting from the reduction of faculty working hours.

In thousands of Brazilian reais, unless otherwise indicated

(b) Possible

The Group has also performed a study, assessment and quantification of the various civil, labor and tax proceedings classified as possible losses, for which there is no provision, as follows.

	Parent Company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Civil	30,708	27,565	69,609	65,683
Labor	17,676	12,070	44,595	45,386
Tax	2,158	8	2,306	2,320
	50,542	39,643	116,510	113,389

The increase in the Parent Company in 2023 refers to mergers (Note 6(a)(ii)) and in the consolidated it refers to new proceedings and unfavorable remote proceedings in the trial court.

(c) Contingencies arising from business combination

The provisioned claims basically refer to tax exposures of União de Ensino Superior do Pará – UNESPA and Instituto Santareno de Ensino Superior – ISES, acquired in 2014, with the municipalities of Belém and Santarém, respectively, in the total amount of R$ 108,766.

Case 0019270-28.2014.8.14.0301 - This relates to a tax collection lawsuit brought by the Municipality of Belém related to the collection of ISS due to UNESPA's supposed loss of tax exemption. The matter is related to the ISS tax exemption granted to UNESPA by the government through a municipal decree. The exemption was later withdrawn, and the tax credit related to the last five years was assessed, generating this lawsuit. Before this lawsuit was filed, UNESPA filed an action for annulment, registered under No. 0057879-84.2009.8.14.0301, to annul the tax deficiency notices that authorized the filing of the present tax collection lawsuit. Motions to stay execution have been filed, and the process is currently in the evidentiary stage. The classification of loss assigned by the external legal advisors reflected in the purchase price allocation and accounted for by the company is possible in the original amount of R$ 103,082 (December 31, 2022 - R$ 103,082).

UNESPA and ISES selling shareholders have contractually agreed to indemnify the Group for the amount that may become due concerning the lawsuit mentioned above. A withholding has been fixed contractually, and discounts on the future rental of the units and the properties have been mortgaged in favor of the Group. In this sense, an indemnity asset, equivalent to the fair value of the indemnified liability, as described above, was recorded in a total of R$ 108,766 (December 31, 2022 - R$ 108,766).

In December 2023, Instituto Campinense de Ensino Superior - ICES entered into an agreement with the property lessors and the sellers of UNAMA, which consisted of the advance payment of installments of the rental agreement in order to settle ISS tax debt in the amount of R$ 22,500, through adherence to Programa de Regularização Incentivada (Incentivized Settlement Program - PRI) of the Municipality of Belém. This agreement closes proceedings under No. 0019270-28.2014.8,14.0301 and annulment action No. 0057879-56.2009.8.14.0301 in progress at the 2nd Tax Court of Belém involving UNAMA sellers. The indemnity asset was written off, equivalent to the fair value of the indemnified liability in the amount of R$ 108,766.

In addition to the lawsuits provisioned, with indemnification assets recognized by the Group, there is also a contingency at the administrative level at the Administrative Council of Tax Appeals - CARF, an agency linked to the current Ministry of the Economy, regarding tax assessment notices drawn in December 2016 and April 2018 to collect social security contributions and contributions to entities and funds, from January 2011 to December 2014, in the original amount of R$ 173,029 of Sociedade Paulista de Ensino e Pesquisa (SOPEP), the current supporting entity of UNG. The Federal Revenue Office understood that the activities carried out by Associação Paulista de Educação e Cultura (APEC), the former supporting entity of UNG, were not classified as non-profit, and even though the maintenance of UNG was only transferred in January 2015, SOPEP was issued a notice of secondary liability for the lack of payment of said contributions.

As the contingency refers to periods before the acquisition, the agreement establishes that any losses are guaranteed by the retention or discounts in the future rent of units and mortgage of a property in favor of the Group, in the original amount of R$ 362,505. The lawyers in charge of these proceedings were contracted by the selling shareholders and are monitored by the Group’s lawyers and classified these lawsuits as possible losses.

28 Basic and diluted losses per share - R$

Basic earnings (losses) per share are calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of common shares issued during the year. The Company has no potential common shares with dilutive effects.

	Parent Company and Consolidated	
	December 31, 2023	December 31, 2022
Losses for the period attributable to the Parent Company’s shareholders	(28,044)	(222,148)
Weighted average of common shares outstanding (thousands)	128,335	128,722
Basic and diluted losses per share - R$	(0.22)	(1.73)

29 Insurance (unaudited)

Insurance coverage, as of December 31, 2023, was contracted at the amounts shown below, which are under the insurance policies:

Types	Coverage (In thousands)
Material damage to property and equipment (buildings/equipment)	R$ 144,967
General liability with third parties	R$ 15,000
Fleet - Material damage, bodily damage and transported objects	100% Fipe
Management civil liability	R$ 60,000

Section F - Accounting Policies

30 Summary of material accounting policies

The main accounting policies used in the preparation of these financial statements are defined below. These policies have been consistently applied in the years presented, unless otherwise stated.

30.1 Consolidation

The following material accounting policies are applied to the preparation of the consolidated financial statements:

(a) Subsidiaries

Subsidiaries are all entities over which the Group has control. They are fully consolidated from the date on which control is transferred to the Group and deconsolidated from the date on which that control ceases.

Identifiable assets acquired and assumed liabilities and contingent liabilities on the acquisition of subsidiaries in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes the non-controlling interest in the acquiree, both at fair value and at the proportional portion of the non-controlling interest in the acquiree's net assets' fair value. Non-controlling interests are determined on each acquisition. Acquisition-related costs are recorded in the income statement for the fiscal year as incurred.

Transactions, balances, and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of the impairment of the asset being transferred. The accounting policies of subsidiaries have been changed where necessary to ensure consistency with the Group's policies.

30.2 Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits and other short-term highly liquid investments with original maturities of three months or less, and an immaterial risk of value changes.

30.3 Financial assets and liabilities

30.3.1 Initial recognition and measurement of financial assets

Financial assets are classified, upon initial recognition, as subsequently measured at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss.

The classification of financial assets at initial recognition depends on the contractual cash flow characteristics of the financial asset and the business model of the Group for managing these financial assets. All financial assets are recognized at fair value, plus, in the case of financial assets not accounted for at fair value through profit or loss, transaction costs attributed to the acquisition of the financial asset.

Subsequent measurement

For subsequent measurement purposes, financial assets are classified into four categories:

- Financial assets at amortized cost;
- Financial assets at fair value through other comprehensive income with the reclassification of accumulated gains and losses (debt instruments);
- Financial assets designated at fair value through other comprehensive income without reclassification of accumulated gains and losses at the time of derecognition (equity instruments); and
- Assets at fair value through profit or loss.

The Group does not have financial assets classified in the categories of financial assets at fair value through other comprehensive income with the reclassification of accumulated gains and losses (debt instruments) and financial assets designated at fair value through other comprehensive income without reclassification of gains and losses accumulated at the time of derecognition (equity instruments).

30.3.2 Financial assets at amortized cost

The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to maintain financial assets to receive contractual cash flows; and
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that constitute, exclusively, payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in the income statement when the asset is written off, modified, or impaired.

The Group's financial assets at amortized cost include cash and cash equivalents, trade accounts receivable and deposits and judicial blocks.

30.3.3 Financial assets measured at fair value through profit or loss

Financial assets at fair value through profit or loss comprise financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets required to be measured at fair value. Financial assets are classified as held for sale if they are acquired to be sold or repurchased in the short term.

Financial assets with cash flows other than solely payments of principal and interest are classified and measured at fair value through profit or loss, regardless of the business model.

Financial assets at fair value through profit or loss are presented in the balance sheet at fair value, with net changes in fair value recognized in the statement of profit or loss.
The Group's financial assets classified at fair value through profit or loss include financial investments.

30.3.4 Derecognition (write-off)

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily written off (i.e. excluded from profit or loss for the year) when: the rights to receive cash flows from the asset expire; the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay in full the cash flows received, without significant delay, to a third party under a transfer agreement; and (a) the Group has transferred substantially all risks and rewards relating to the asset, or (b) the Group has neither transferred nor retained substantially all risks and rewards relating to the asset, but has transferred control over the asset.

30.3.5 Initial recognition and measurement of financial liabilities

Financial liabilities are classified, as initial recognition, as financial liabilities at fair value through profit or loss, amortized cost or as derivatives designated as hedge instruments in an effective hedge, as appropriate.

Financial liabilities are initially recognized at fair value, and, in the case of loans and financing and accounts payable, they are added to the directly related transaction cost.

The Group's financial liabilities include trade accounts payable, loans and financing, debentures, commitments payable, lease obligations and tax installment plans.

The Group's financial liabilities measured at fair value through profit or loss include swap agreements to hedge foreign currency loans.

Subsequent measurement

After initial recognition, borrowings, and financing subject to interest are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the income statement when the liabilities are written off and during the amortization process using the effective interest rate method.

30.3.6 Derecognition (write-off)

A financial liability is written off when the obligation is revoked, canceled, or expires. When an existing financial liability is replaced by another from the same lender with terms substantially different or the terms of an existing liability are significantly changed. This replacement or change is treated as a write-off of the original liability and recognition of a new liability, the difference in the corresponding book values being recognized in the statement of profit or loss.

30.4 Accounts receivable

Accounts receivable result from teaching services provided and do not include amounts for services provided after the balance sheet. Services paid for but not provided before the reporting date are recorded as monthly tuitions received in advance in liabilities and are recognized as income in the corresponding period on an accruals basis.

Accounts receivable from students are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method less an allowance for doubtful accounts or impairment.

30.5 Impairment of financial assets (includes the provision for expected credit losses on doubtful accounts)

Exposures for which there has been no significant increase in credit risk since initial recognition are provisioned for possible default events in the next 12 months (12-month expected credit loss). For credit exposures for which there has been a significant increase in credit risk since initial recognition, an allowance for expected credit losses is required over the remaining life of the exposure, regardless of the timing of the default (an expected credit loss for life).

This methodology applies to financial instruments classified as amortized cost.

For trade accounts receivable, given the short-term nature of the Group's receivables and its policy for granting and managing risk and credit used, the Group has not identified any material impact that could affect its financial statements other than the provision for expected credit losses already recognized so far.

For the other financial assets subject to impairment analysis, no expected loss was recognized in the year ended December 31, 2023, because according to the Group's assessment and the associated risk is low, there is no history of losses. A financial asset is written off when there is no reasonable expectation of recovering contractual cash flows.

30.6 Investments in subsidiaries (applicable only for parent company financial statements)

Investments in subsidiary companies are recorded in the parent company’s financial statements accounted for using the equity method.

Corporate interests in subsidiaries are shown in the parent company’s statement of income as equity income, representing the net income attributable to the subsidiaries' shareholders.

Goodwill related to expected future profitability is presented in the individual financial statements as part of the investment. The same adjustments made in the consolidated financial statements are made in the individual financial statements to reach the same values of equity and results.

30.7 Business combination

Identifiable assets acquired and liabilities and contingent liabilities assumed to acquire subsidiaries in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes the non-controlling interest in the acquiree, both at fair value and at the proportional portion of the non-controlling interest in the acquiree's net assets' fair value. Non-controlling interests are determined on each acquisition. Acquisition-related costs are recorded in the income statement for the fiscal year as incurred.

30.8 Intangible assets

(a) Goodwill

Goodwill consists of the positive difference between the amount paid and/or payable for acquiring a business and the net amount of the fair value of its assets and liabilities of the acquired subsidiary. Goodwill on acquisitions of subsidiaries is recorded under intangible assets in the consolidated financial statements. Goodwill is tested for impairment annually. It is recorded in the books at cost less accumulated impairment losses. Impairment losses recognized on goodwill cannot be reversed.

Gains and losses on an entity's disposal include the book value of the goodwill corresponding to the entity sold.

(b) Students portfolio

Contractual relationships with students acquired in business combinations are recognized at their fair value on acquisition. The contractual relationships have a defined useful life and are booked at cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected period of the relationship with the student.

(c) Software licenses and installation

Software licenses are capitalized based on the costs incurred to acquire the software plus the costs of making it ready for use. These costs are amortized over the estimated useful life of the software, which is five years.

Software maintenance costs are recognized as expenses at the time they are incurred. Other development costs that do not meet these criteria are recognized as expenses when incurred. Development costs previously recognized as expenses are not recognized as assets in subsequent periods.

Software development costs recognized as assets are amortized over the software's estimated useful life, which does not exceed five years.

(d) Accreditation and operating licenses

Accreditation and operating licenses are capitalized based on the costs incurred to obtain authorization for and recognition of the Ministry of Education courses, plus the renewal of licenses for course units. Accreditation and licenses have a defined useful life and are recorded at cost less accumulated amortization. Amortization is calculated using the straight-line method during the validity of the licenses obtained from the Ministry of Education.

(e) Digital content

Digital content is capitalized at the amount of the costs incurred to acquire the right to use the digital content as part of the Group's services. These costs are amortized over the contract period.

(f) Agreements

Agreements are capitalized at the costs incurred to execute contracts with partner companies, giving the Group’s students the right to undertake the supplementary undergraduate activities required for their academic education. These costs are amortized over the periods of the respective agreements.

(g) Goodwill

Refers to intangible assets with defined useful lives, representing amounts paid upon the acquisition of new business premises (goodwill). They are amortized on a straight-line basis over the term of the rental agreement for the leased properties.

(h) Intangible assets identified on acquisitions - Course licenses

Course licenses identified on acquisitions relate basically to the amounts of licenses and the accreditation of courses by the Ministry of Education. They are first recorded at fair value based on appraisal reports supporting the amounts allocated as part of business combinations.

These intangible assets identified on acquisitions have indefinite useful lives and are subject to annual impairment testing. There may be a defined useful life for assets due for accreditation by the Ministry of Education, assessed before obtaining accreditation as a university center.

(i) Intangible assets identified in acquisitions - Trademarks

Trademarks identified on acquisitions are first recorded at fair value based on appraisal reports supporting the amounts allocated in business combinations.

These intangible assets identified on acquisitions have defined useful lives and are subject to amortization calculated using the straight-line method to allocate the cost over their estimated useful lives.

30.9 Right of use

The right-to-use asset is initially measured at cost, which is the initial value for measuring the lease liability and subsequently at cost less any accumulated depreciation and impairment losses and adjusted by certain lease liability remeasurements. Depreciation is calculated using the straight-line method over the remaining term of the agreements or the useful life of the lease asset, whichever is lower.

Lease terms are negotiated on an individual basis and include a wide range of different terms and conditions. Lease agreements do not contain restrictive clauses, but leased assets may not be used as collateral for loans.

30.10 Property and equipment

Property and equipment are measured at historical cost, less accumulated depreciation, and impairment losses. Historical costs include expenses directly attributable to the acquisition of the items.

The land is not depreciated. The depreciation of other assets is calculated using the straight-line method to allocate their costs, less residual value, over their useful lives.

Property and equipment in progress refer to constructing new buildings and the renovation of third-party buildings to adapt them to the Group's activities. These balances are reviewed and transferred to their specific accounts every six months if concluded so that depreciation can begin.

Subsequent costs are included in an asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group, and they can be reliably measured. The carrying amount of the replaced item is derecognized. All other repair and maintenance costs are charged to the statement of income as they are incurred.

An item of property and equipment is written off when it is sold or when no future economic benefit is anticipated from its use or sale. Any gain or loss resulting from the asset write-off (calculated as the difference between the net amount of the disposal and the asset's residual value) are recorded in the statement of income for the period during which the asset is written off.

Residual values, useful lives and depreciation methods for assets are reviewed and adjusted if necessary when there is an indication of a significant change since the date of the last balance sheet.

30.11 Capitalized borrowing costs

The historical costs of property and equipment include interest on loans directly related to the acquisition, construction, or production of an asset that requires a significant amount of time to be completed for use or sale. These are capitalized as part of the cost of the corresponding asset. All other borrowing costs are expensed for the period during which they are incurred. Borrowing costs include interest and other costs related to the borrowing incurred by the entity.

30.12 Impairment of non-financial assets

Assets that have an indefinite useful life, for example, goodwill, are not subject to amortization and are tested annually for impairment. Assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the highest of an asset's fair value less sale costs, and value in use. To assess impairment, assets are grouped at the lowest level for which there is separately identifiable cash flow (cash-generating unit or CGU level). Non-financial assets other than goodwill that have been adjusted due to impairment are subsequently reviewed for the possible reversal of the impairment at the reporting date.

30.13 Suppliers and commitments payable

Trade accounts payable are obligations to pay for goods or services that were acquired in the normal course of business and commitments to pay are obligations arising from the acquisition of properties and balances payable arising from business combinations, being classified as current liabilities if payment is due within a period of up to one year. Otherwise, trade accounts and commitments payable are shown as non-current liabilities.

Accounts and commitments payable are initially recorded at fair value and subsequently measured at amortized cost using the effective interest rate method.

30.14 Leases

The lease liability is initially measured at the present value of the payments not made, discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined, by the incremental loan rate.

After the initial measurement, the lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change (i) in future payments resulting from a change in the index or rate (ii) in the estimate of the expected amount to be paid in the guaranteed residual value or (iii) changes in the valuation if the Group from which it will exercise the option to purchase, extension or termination. In this event, a fine may be imposed pursuant to the agreement. When the lease liability is remeasured, the value of the corresponding adjustment is recorded in the carrying amount of the right-of-use asset or the result if the book value of the right-of-use asset has been reduced to zero.

30.15 Loans and financing

Borrowing is recognized initially at fair value, net of transaction costs incurred, and subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the total amount payable is recognized in the income statement over the period of the borrowing using the effective interest rate method.

Borrowing is classified within current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Both general and specific borrowing costs directly related to the acquisition, construction, or production of a qualifying asset, which requires a substantial period to prepare for its intended use or sale, are capitalized as part of the cost of that asset when it is probable that future economic benefits associated with the item will flow to the Company, and the costs can be reliably measured. Other borrowing costs are recognized as finance costs in the period in which they are incurred.

30.16 Debentures

Debentures are recognized initially at fair value, net of transaction costs incurred, and are subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the total amount payable is recognized in the income statement over the period in which the debentures are outstanding using the effective interest rate method.

Debentures are classified as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting period.

Both general and specific debenture costs directly related to the acquisition, construction, or production of a qualifying asset, which requires a substantial period to prepare for its intended use or sale, are capitalized as part of the cost of that asset when it is probable that future economic benefits associated with the item will flow to the Company, and the costs can be reliably measured. Other debenture costs are recognized as expenses in the period during which they are incurred.

30.17 Provisions

Provisions for contingencies (labor, civil and tax) are recognized when: (i) there is a present or non-formalized obligation as a result of events that have already occurred; (ii) it is probable that an outflow of resources will be necessary to settle the obligation; and (iii) the amount of this outflow can be reliably estimated based on the judgment of legal counsel.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the time elapsed is recognized within financial expenses.

30.18 Taxation

(a) Current income tax (IRPJ) and social contribution (CSLL)

The cost of IRPJ and CSLL for the period includes current tax. Income taxes are recognized in the statement of income, except as they relate to items recognized directly in equity. In this case, the tax is also recognized in equity. The undergraduate teaching activities by the units that have joined Programa Universidade para Todos "PROUNI" are exempt from IRPJ and CSLL during the term of their membership.

(b) Deferred income tax and social contribution

Deferred tax is recognized with temporary differences between the carrying amounts of assets and liabilities and the respective amounts for tax purposes. Deferred tax is not recognized for:

a) temporary differences in the initial recognition of the asset or liability in a transaction that is not a business combination and that does not affect either the accounting result or tax profit or loss;
b) temporary differences related to investments in subsidiaries, affiliates, and jointly controlled companies, insofar as the Group can control the timing of the reversal of temporary differences and it is likely that they will not revert in the foreseeable future; and
c) temporary taxable differences resulting from the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences resulting from how the Group expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the rates expected to be applied to temporary differences in their reversal. Deferred tax assets and liabilities are offset if there is a legal right to offset current tax liabilities and assets, whether they are taxes related to the same taxable entity or different tax entities, but which intend to resolve current tax liabilities and assets on a net basis, or if your tax assets and liabilities are realized simultaneously.

A deferred tax asset is recognized for tax losses, tax credits and temporary deductible differences to the extent that future taxable profits will probably be available against which they can be used. Deferred tax assets are reviewed at each reporting date and will be reduced to the extent that it is no longer probable that the tax benefit will be realized.

(c) PIS and COFINS

For revenue from teaching activities, except for undergraduate teaching by units that have joined the PROUNI, PIS and COFINS are payable at the rates of 0.65% and 3.00%, respectively. PIS is payable on revenue from non-teaching activities at a rate of 1.65% and COFINS at 7.6%.

Undergraduate teaching by units that have joined the PROUNI is exempt from PIS and COFINS.

(d) PROUNI

Units that have joined the PROUNI program are exempt from the following federal taxes during the period of their membership:

- IRPJ and CSLL, introduced by Law 7.689 of December 15, 1988;
- COFINS, introduced by Supplementary Law 70 of December 29, 1991; and
- PIS, introduced by Supplementary Law 7 of September 7, 1970.

The exemptions mentioned above are originally calculated on the amount of revenue received from the provision of higher education services, including undergraduate and specific training courses.

(e) ISS

Revenue from teaching activities is subject to ISS, as established in Supplementary Law 116/2003, at 3% to 5%, depending on the municipality. The tax is recognized following the recognition of the Group's revenue.

30.19 Earnings per share

The Company calculates earnings per lot of 1,000 shares using the weighted average number of total common shares outstanding during the period, corresponding to income, under CPC 41 (IAS 33). Common shares are classified in equity.

Incremental costs directly attributable to new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

30.20 Recognition of revenue, costs and expenses

Revenue, costs, and expenses are recognized on an accruals basis.

(a) Service revenue

Revenue consists of the fair value of the consideration received or receivable from business relating to higher education, graduate courses, short courses, and related educational activities. Revenue is shown net of tax and after returns, rebates and discounts. Revenue from services provided is recognized based on services carried out before the balance sheet date.

Monthly tuitions for courses and the discounts granted on them vary depending on the course, the unit, and the academic term. Revenue is generated from fixed-price contracts and recognized monthly as the services are provided. Gross revenue reflects the list price of tuition fees for each course and discounts and scholarships reflect promotional campaigns in line with efforts aimed at student intake and the prices charged on the market. In the context of undergraduate courses, enrollment agreements are formalized every six months, while in postgraduate courses, the agreement covers the entire program.

The Group records as deduction the educational charges arising from financing agreements guaranteed by the students who joined the FGEDUC, under Regulatory Ordinance 21 of October 21, 2010, Regulatory Ordinance 14 of June 28, 2012, and Regulatory Ordinance 3 of January 3, 2014. The educational charges total 7.63% of revenue arising from students who have joined FGEDUC through FIES rule in force until 2017. Such charges were eliminated for students enrolled under the “NOVO FIES” rule, effective from 2018.

(b) Costs and expenses

Costs and expenses are recognized when they effectively represent an effort to generate revenue, when in the same period the revenue and the effort required to generate it can be compared or when an asset does not produce future economic benefits and when a liability is incurred without the corresponding recognition of an asset.

(c) Financial revenues and expenses

According to the period, financial income and expenses are recognized on the accrual basis of earned income or charges incurred from financial investments and loans, financing, and other contracts, using the effective interest rate method or inflation indexes.

Discounts granted to refer to the reductions made in the debts of defaulting students for previous semesters, whether due to the renegotiation of payment for the maintenance of students at the institution or the recovery of older amounts, through discount campaigns on the face value of the debt.

30.21 Payment of dividends and interest on equity

The payment of dividends and interest on equity to the Company's shareholders is recognized as a liability in the Group's financial statements at the end of the year under the Company's bylaws, which establish a mandatory minimum of 25%, net of any dividends and interest on equity paid in advance during the year. Any amount exceeding the mandatory minimum is provided only on the date on which the shareholders approve it at a Shareholders' Meeting. The Group's policy is to distribute 30% of the profit for the period, calculated on a semiannual basis.

The tax effect of interest on equity is recognized in the statemen of profit or loss and, due to the loss recorded in 2023, there was no recognition of interest on equity.

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In Person Signer Events	Signature	Timestamp

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Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
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Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
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Certified Delivered	Security Checked	15 April 2024 | 17:50
Signing Complete	Security Checked	15 April 2024 | 17:51
Completed	Security Checked	15 April 2024 | 17:51

Payment Events	Status	Timestamps

AUDIT COMMITTEE’S ANNUAL REPORT

DUTIES AND ACTIVITIES

The Audit Committee of Ser Educacional S.A is a non-statutory body, directly linked to the Company's Board of Directors, with operational autonomy and its own budget approved by the Board of Directors, subject to applicable legislation and regulations, in particular the Regulation of the Novo Mercado Special Corporate Governance Segment of the B3 S.A. – Brasil, Bolsa, Balcão, and its Internal Regulation.

Pursuant to article 22 of the Novo Mercado Regulation of B3 S.A, the Audit Committee is responsible for: I. opining on the hiring or dismissal of the Company's Independent Auditors; II. evaluate the quarterly information, interim statements and financial statements; III. monitor the activities of the Internal Audit and the Company's Internal Controls area; IV. evaluate and monitor the Company's Risk exposures; V. evaluate, monitor and recommend to the Management the correction or improvement of the Company's Internal Policies, including the Policy on Transactions with Related Parties; and VI. have means for receiving and processing information about non-compliance with legal and regulatory provisions applicable to the Company, in addition to internal regulations and codes, including the provision of specific procedures to protect the provider and the confidentiality of information.

The Audit Committee was elected and installed on April 29, 2021, with three members, one being an independent board member, acting as Committee Coordinator, an additional board member and an independent external member. During the 2022 fiscal year, the Audit and Risks Committee met ten times to carry out its activities, and its members have been given free access to the Company's bodies, as well as to its executives, in addition to having, whenever necessary, with the presence of representatives of the Independent Auditors.

CONCLUSION OF THE REPORT

The members of the Audit Committee, in the exercise of their legal, regulatory and regimental duties and responsibilities, with the natural limitations in the scope of their performance, proceeded to the examination and analysis of the financial statements, accompanied by the audit report containing the unqualified opinion of the independent auditors, the annual management report and the allocation of results proposal, all related to the year ended December 31, 2023. Considering the information provided by the Company's Management and the audit carried out by PricewaterhouseCoopers Auditores Independentes, they recommend, unanimously, the approval, by the Board of Directors of the Company, of the documents mentioned above.

Recife, March 25, 2024

Flavio Cesar Maia Luz
Committee Member and Coordinator

Francisco Muniz Barreto
Marcelo Amaral Moraes
Committee Members

SER EDUCACIONAL S.A.
Corporate Taxpayer's ID (CNPJ/MF): 04.986.320/0001-13
Company Registry (NIRE): 26.3.0001679-6
Publicly-held Company

FISCAL COUNCIL'S OPINION

The members of the Fiscal Council of Ser Educacional S.A. ("Company"), in the exercise of their legal and statutory duties and in compliance with article 163 of Law 6,404/76 and subsequent amendments, have examined the Management report and the Company's parent company and consolidated financial statements for the year ended December 31, 2023, accompanied by the respective notes and prepared in accordance with the current legislation, as well as the allocation of results proposal presented by the Company's Management. Based on the documents examined, the clarifications provided by the Company's Management representatives and PricewaterhouseCoopers Auditores Independentes Ltda.'s report on the financial statements, issued with no restrictions on this date, the members of the Fiscal Council unanimously concluded that such documents, together with the annual Management report, are fit to be submitted to the Company's Annual Shareholders' Meeting.

Recife, March 25, 2024.

Fernando Eduardo R. Santos
Board member

Nazareno Habib O. Bichara
Board member

José Écio Pereira da Costa Jr.
Board member