

Individual and consolidated Interim Financial Statements

Ser Educacional S.A.

March 31, 2023

with the independent auditor's review report on quarterly information (ITR)

Ser Educacional S.A.

Ser Educacional S.A.

Individual and consolidated interim financial statements

March 31, 2023

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Independent auditor's review report on quarterly information

To the Shareholders, Board of Directors and Management of
Ser Educacional S.A.
Recife - PE

Introduction

We have reviewed the accompanying individual and consolidated interim financial statements, contained in the Quarterly Information Form (ITR) of Ser Educacional S.A. ("Company") for the quarter ended March 31, 2023, comprising the statement of financial position as of March 31, 2023 and the related statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended, including the explanatory notes.

Management is responsible for preparation of the individual and consolidated interim financial statements in accordance with Accounting Pronouncement NBC TG 21 Interim Financial Reporting – and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial statements based on our review.

Scope of the review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial statements

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial statements included in the quarterly information referred to above are not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information Form (ITR) and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters

Statements of value added

The abovementioned quarterly information includes the individual and consolidated statements of value added (SVA) for the three-month period ended March 31, 2023, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the individual and consolidated interim financial statements and accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial statements.

Recife, May 15, 2023

ERNST & YOUNG
Auditores Independentes S.S. Ltda.
CRC SP-015199/O



Henrique Piereck de Sá
Accountant CRC PE 023398/O

Ser Educacional S.A.

Statements of financial position

March 31, 2023 and December 31, 2022

In thousands of Brazilian reais, unless otherwise indicated

Assets	Note	Parent Company		Consolidated		Liabilities and shareholders' equity	Note	Parent Company		Consolidated	
		March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022			March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Current											
Cash and cash equivalents	7	71,684	49,411	133,253	180,764	Suppliers		10,716	14,651	32,311	32,255
Financial investments	7	72,837	51,154	95,457	60,251	Loans and financing	14. a	172,845	180,045	173,081	180,340
Restricted cash	5. c			8,159	6,931	Derivative financial instruments - swap	14. a	6,249	13,610	6,249	13,610
Accounts receivable	8	191,879	172,716	438,064	438,743	Debentures	14. 1	3,301	11,208	3,301	11,208
Taxes recoverable	9	6,587	5,411	23,661	24,922	Salaries and social charges	15	59,248	53,621	119,524	113,861
Related parties	23. a	1,952	1,952	1,952	1,952	Taxes payable	9	8,109	6,794	26,664	30,105
Other credits		20,335	11,054	25,109	39,074	Commitments payable	13			79,018	60,871
						Lease commitments	16	22,413	21,699	57,621	66,913
		365,274	291,698	725,655	752,637	Related parties	23. a	62,184			
						Other liabilities		20,308	12,974	53,685	43,064
								365,373	314,602	551,454	552,227
Non-Current											
Long term receivables						Non-Current					
Accounts receivable	8	3,694	30,832	9,555	73,332	Loans and financing	14. a	356,809	375,230	356,859	375,280
Related parties	23. a	23,050	2,115	1,627	2,115	Derivative financial instruments - swap	14. a	27,739	26,336	27,739	26,336
Judicial deposits and freezing		14,203	13,674	23,273	19,740	Debentures	14. f	199,173	199,111	199,173	199,111
Indemnification Assets	24			115,282	115,282	Lease commitments	16	364,436	277,083	724,103	638,817
FIES Guarantor Fund	8. b	21,455	15,704	51,168	52,028	Commitments payable	13			166,325	228,624
Financial investments	7			569	544	Taxes payable	9	799		3,097	2,790
Taxes recoverable	9			1,312	1,706	Provision for contingencies	24	7,295	6,814	132,215	131,349
Deferred taxes	22	6,436	6,433	21,564	21,615	Other liabilities			612	12	12
Other credits		3,405	436	8,357	5,228			956,251	885,186	1,609,523	1,602,319
Restricted cash	5. c			57,400	63,000						
Investments	5. a	1,395,497	1,495,963			Shareholders' equity	17	987,549	987,549	987,549	987,549
Property and equipment	12	274,776	263,111	480,187	487,640	Share Capital		253,380	253,380	253,380	253,380
Right of use	11	333,074	253,532	664,814	593,228	Profit reserve		(3,398)	(3,398)	(3,398)	(3,398)
Intangible Assets	10	89,859	63,821	1,209,393	1,203,974	Treasury shares		(28,352)		(28,352)	
		2,165,529	2,145,621	2,644,501	2,639,440	Accumulated losses					
								1,209,179	1,237,531	1,209,179	1,237,531
Total assets											
		2,530,803	2,437,319	3,370,156	3,392,077	Total liabilities and shareholders' equity		2,530,803	2,437,319	3,370,156	3,392,077

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

Ser Educacional S.A.

Statements of profit or loss

Three-month periods ended March 31, 2023 and 2022

In thousands of Brazilian reais, unless otherwise indicated

	Note	Parent Company		Consolidated	
		01/01/2023 to 03/31/2023	01/01/2022 to 03/31/2022	01/01/2023 to 03/31/2023	01/01/2022 to 03/31/2022
Net revenue from services provided	18	193,920	150,201	424,547	380,210
Costs of services provided	19	(81,447)	(62,124)	(218,273)	(187,240)
Gross profit		112,473	88,077	206,274	192,970
Selling expenses	20.a	(17,447)	(21,159)	(40,361)	(37,969)
General and administrative expenses	20.a	(51,750)	(61,514)	(126,217)	(117,620)
Other operating expenses, net	20.b	(1,547)	(2,170)	(3,039)	(16,813)
Equity in the results of subsidiaries	6	(26,273)	2,158		
Operating profit		15,456	5,392	36,657	20,568
Financial revenues	21	6,539	40,632	12,839	48,321
Financial expenses	21	(49,619)	(64,555)	(76,057)	(88,856)
Finance income (costs)		(43,080)	(23,923)	(63,218)	(40,535)
Loss before income tax and social contribution		(27,624)	(18,531)	(26,561)	(19,967)
Income tax and social contribution		(728)	212	(1,791)	1,648
Current	22.a	(348)	(9)	(1,727)	(3,570)
Deferred	22.e	(380)	221	(64)	5,218
Loss for the period		(28,352)	(18,319)	(28,352)	(18,319)
Attributable to					
Parent Company's shareholders		(28,352)	(18,319)	(28,352)	(18,319)
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)	(0.14)		

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

Ser Educacional S.A.

Statements of comprehensive income
Three-month periods ended March 31, 2023 and 2022
In thousands of Brazilian reais, unless otherwise indicated

	Parent Company and Consolidated	
	March 31, 2023	March 31, 2022
Loss for the period	(28,352)	(18,319)
Other components of comprehensive income for the period		
Comprehensive income (loss) for the period	(28,352)	(18,319)

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

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Statements of changes in equity

Three-month periods ended March 31, 2023 and 2022

In thousands of Brazilian reais, unless otherwise indicated

	Attributable to the parent company's shareholders					
	Share Capital		Profit reserve		Treasury shares	Total Equity
	Share capital	Expenses on share issue	Legal	Retention		
As of January 1, 2022	991,644	(4,095)	73,218	402,310		1,463,077
Loss for the period						(18,319)
Treasury shares acquired					(1,087)	(1,087)
As of March 31, 2022	991,644	(4,095)	73,218	402,310	(1,087)	1,443,671
As of January 1, 2023	991,644	(4,095)	73,218	180,162	(3,398)	1,237,531
Loss for the period						(28,352)
As of March 31, 2023	991,644	(4,095)	73,218	180,162	(3,398)	1,209,179

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

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Statements of cash flow

Three-month periods ended March 31, 2023 and 2022

In thousands of Brazilian reais, unless otherwise indicated

	Note	Parent Company		Consolidated	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Operating activities					
Losses before income tax and social contribution		(27,624)	(18,531)	(26,561)	(19,967)
Adjustments for					
Depreciation and amortization	10 to 12	25,769	18,094	60,278	49,569
(Reversal) Provision for contingencies		197	(26)	(274)	(16)
Equity in the results of subsidiaries	6	26,273	(2,158)		
Adjustment to present value of accounts receivable		1,233	401	1,942	1,752
Reversal of adjustment to present value of commitments payable	13			640	5,475
Creation of allowance for doubtful accounts	20.a	10,236	12,446	24,661	28,787
Gain on write-off of non-current assets	10 to 12	(317)		(149)	
Earnings from financial investments		(1,583)	(1,685)	(1,894)	(1,756)
Interest and monetary variations, net		38,609	24,548	52,363	38,696
		72,793	33,089	111,006	102,540
Changes in assets and liabilities					
Accounts receivable		18,992	(8,853)	39,866	(3,229)
Taxes recoverable		(444)	1,691	1,658	4,278
Other credits		(10,748)	(2,049)	8,496	(10,890)
Suppliers		(6,670)	(1,933)	(2,511)	(13,509)
Salaries and social charges		2,074	759	3,203	(8,200)
Taxes payable		653	1,259	(3,225)	1,266
Other liabilities		5,637	1,089	10,616	12,051
		82,287	25,052	169,109	84,307
Cash from operating activities					
Interest paid on loans and debentures	14. b and 14. 1	(55,179)	(12,683)	(55,180)	(12,683)
Interest paid on leases	16. b	(9,308)	(6,097)	(19,985)	(16,324)
Interest paid on acquisition of subsidiaries	13			(5,366)	(3,101)
Income tax and social contribution paid		(72)	(17)	(1,913)	(1,674)
		17,728	6,255	86,665	50,525
Net cash from operating activities					
Investing activities					
Investment in securities		(115,440)	(466,492)	(217,195)	(566,536)
Redemption of securities		95,340	477,004	188,230	502,310
Advance for future capital increase in subsidiaries	5. b	(2,349)	(287,414)		
Profits from Subsidiaries	5. b		28,006		
Additions to property and equipment	13	(7,944)	(5,689)	(11,008)	(9,370)
Additions to intangible assets	11	(5,628)	(5,160)	(8,378)	(6,313)
Net cash from business combination				91	6,697
Net cash arising from the merger	5.a(ii)	19,021	1,207		
Payment on acquisition of subsidiaries				(52,503)	(246,923)
		(17,000)	(258,538)	(100,763)	(320,135)
Net cash used in investing activities					
Financing activities					
Raising of loans and financing	14. b		231,000		231,000
Amortization of principal on loans and financing	14. b	(13,546)	(52,680)	(13,604)	(53,537)
Amortization of leases	16. b	(6,158)	(5,474)	(20,297)	(13,690)
Related parties	23	41,249	67,303	488	489
Acquisition of treasury shares	17		(1,087)		(1,087)
		21,545	239,062	(33,413)	163,175
Net cash provided by (used) in financing activities					
		22,273	(13,221)	(47,511)	(106,435)
Increase (decrease) in cash and cash equivalents					
Cash and cash equivalents					
at beginning of the period		49,411	40,729	180,764	213,704
at the end of the period		71,684	27,508	133,253	107,269
		22,273	(13,221)	(47,511)	(106,435)
Increase (decrease) in cash and cash equivalents					

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Statements of value added

Three-month period ended March 31, 2023 and 2022

In thousands of Brazilian reais, unless otherwise indicated

	Note	Parent Company		Consolidated	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Revenues					
Revenue from services	18	453,173	333,140	969,826	861,011
Provision for Doubtful Accounts	8.e	(10,236)	(12,446)	(24,661)	(28,787)
Revenue deductions	18	(253,581)	(178,531)	(530,438)	(467,584)
		189,356	142,163	414,727	364,640
Inputs from third parties					
Services provided by individuals and corporations	19 and 20	(12,507)	(15,929)	(44,034)	(37,114)
Electricity, water and telephone	19	(3,472)	(3,308)	(8,753)	(8,001)
Publicity and advertising	20	(17,447)	(21,159)	(40,361)	(37,969)
Office supplies	20	(1,709)	(1,442)	(3,983)	(4,254)
Other	19 and 20	(8,345)	(9,856)	(24,263)	(34,098)
		(43,480)	(51,694)	(121,394)	(121,436)
Gross value added		145,876	90,469	293,333	243,204
Depreciation and amortization.	19 and 20	(25,769)	(18,094)	(60,278)	(49,569)
Net value added produced by the entity		120,107	72,375	233,055	193,635
Financial revenues	21	6,713	40,853	13,323	48,867
Equity in the results of subsidiaries	5	(26,273)	2,158		
Total value added to distribute		100,547	115,386	246,378	242,502
Distribution of value added					
Salaries and social charges	19 and 20	(70,997)	(62,794)	(176,704)	(153,699)
Taxes, fees and contributions		(6,574)	(4,417)	(17,116)	(12,115)
Federal taxes		(1,024)	(148)	(3,744)	51
Municipal taxes		(5,550)	(4,269)	(13,372)	(12,166)
Third-party capital remuneration		(51,328)	(66,494)	(80,910)	(95,007)
Financial expenses	21	(49,619)	(64,555)	(76,057)	(88,856)
Rentals	19	(1,709)	(1,939)	(4,853)	(6,151)
Loss for the period		28,352	18,319	28,352	18,319
Value added distributed		(100,547)	(115,386)	(246,378)	(242,502)

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

Ser Educacional S.A.

Notes to the individual and consolidated interim financial statements

March 31, 2023

In thousands of Brazilian reais, unless otherwise indicated

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 in having an interest, as a partner or shareholder, in other companies in Brazil.

The Group has 33 incorporated companies, 25 of which as limited liability companies and 8 as corporations. In the education sector, it owns 59 campuses in operation, distributed among 51 accreditations in operation, being 2 universities, 24 university centers and 25 colleges, in addition to 961 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 354.1 thousand students, 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 and Escolas Técnicas Joaquim Nabuco e Maurício de Nassau, Centro Universitário 7 de Setembro – UNI7, under which it offers 2,116 courses, through campuses and distance-learning centers. Also in the education sector, the Group owns GOKURSOS, BEDUKA, DELÍNEA, PROVA FÁCIL and Peixe 30 brands, 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 2022, *Fitch Ratings* issued an opinion upgrading the Company's long-term national rating from “AA-(bra)” to “AA(bra)”, with a stable outlook.

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Notes to the individual and consolidated interim financial statements

March 31, 2023

In thousands of Brazilian reais, unless otherwise indicated

1.1 Economic Scenario

The growth of vaccination and the maintenance of sanitary measures to mitigate the effects of Covid-19 on the population has led to the return to normality of economic activities globally. Even so, the Group keeps monitoring movements related to the pandemic, aiming to preserve the health of students, employees and partners and to mitigate any remaining risks and their economic and social impacts in the post-crisis period.

However, as this normalization process took place throughout 2022, some variations in the cost and expense accounts in the first quarter of 2022 when compared to the same period of 2023 are due to this condition.

As required by circular letters CVM/SNC/SEP No. 02/20 and CVM-SNC/SEP No. 03/2020, Management continues to assess some potential consequences arising from the pandemic in the Group's operations and the possible effects on the Group's individual and consolidated financial statements, and did not identify any relevant impacts.

1.2 Statement of compliance and basis of preparation

Statement of compliance

The individual and consolidated interim financial statements have been prepared under accounting practices adopted in Brazil, including the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), with the standards issued by the Brazilian Securities and Exchange Commission (CVM), and in compliance with the International Financial Reporting Standards - IFRS, issued by the International Accounting Standards Board (IASB), and disclose all the applicable significant information related to the financial statements, which is consistent with the information used by Management in the performance of its duties.

Basis of preparation

The individual and consolidated interim financial statements referring to the period ended March 31, 2023 were prepared using historical cost as the basis for value, except for intangible assets arising from business combinations and financial instruments 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 the financial statements as of December 31, 2022 (Section B, Note 3).

The presentation of the Statement of Value Added (SVA), although not required by IFRS, is mandatory for publicly-held companies in Brazil. As a result, this statement is reported as additional

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Notes to the individual and consolidated interim financial statements

March 31, 2023

In thousands of Brazilian reais, unless otherwise indicated

information for IFRS purposes, without prejudice to the set of individual and consolidated financial statements.

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

Approval of the individual and consolidated interim financial statements

These individual and consolidated interim financial statements are being issued upon their approval by the Board of Directors and review by the Fiscal Council, on May 15, 2023.

1.3 Notes not presented

The interim financial statements are presented in compliance with NBC TG 21 (R4), IAS 34, and the rules issued by CVM. Based on this and the Management's assessment of the relevant impacts of the information to be disclosed, the notes described below are not presented or are presented as a summary. The others are presented to allow a perfect understanding of these interim financial statements if read with the notes disclosed in the annual individual and consolidated financial statements dated December 31, 2022.

- New or revised pronouncements firstly applied in 2022 (Note 2)
- Standards issued but not in force (Note 2.1), which entered into force from 2023;
- Critical accounting estimates, judgments and assumptions and accounting policies (Note 3);
- Business combination and goodwill (Note 6(g));
- Insurance (Note 29); and
- Summary of significant accounting policies (Note 31).

2 Interpretations and impacts on the assessment of IFRS 16 - Leases / NBC TG 06(R3) Lease Transactions

The Group operates as a lessee in a significant number of leases concentrated in properties where its universities, university centers, educational centers, colleges, and offices are located. The Group adopted assumptions to calculate the discount rate, which was based on the average annual cost of third-party capital, and part of their contracts was already classified as lease assets since 2013. The table below shows the rates charged, vis-à-vis the terms of the contracts:

Agreements by term and discount rate

Agreement terms	Rate % p.a.
10 years (i)	10.52%
19 years (ii)	13.91%

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Notes to the individual and consolidated interim financial statements

March 31, 2023

In thousands of Brazilian reais, unless otherwise indicated

- (i) Contracts accounted for as leases after the adoption of NBC TG 06 (R3) / IFRS 16.
- (ii) Contracts accounted for as leases since 2013.

The Group presents in the table below the maturity analysis of its contracts, undiscounted installments, reconciled with the balance in the consolidated Statement of Financial Position as of March 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\$
2023	105,239
Between 2024 and 2028	637,963
Between 2029 and 2033	501,437
After 2033	89,394
Non-discounted amounts	1,334,033
Interest embedded	(552,309)
Lease liabilities balance	781,724

Difference caused by full application of NBC TG 06 (R3)

In accordance with CIRCULAR LETTER/CVM/SNC/SEP/No. 02/2019, the Group adopted as an accounting policy the requirements of NBC TG 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 NBC TG 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	795,882	664,814	131,068
Lease commitments	915,023	781,724	133,299

Impact on P&L

Ser Educacional S.A.

Notes to the individual and consolidated interim financial statements

March 31, 2023

In thousands of Brazilian reais, unless otherwise indicated

	With Inflation				No Inflation			
	Interest	Depreciation	Minimum Payment	Impact on P&L	Interest	Depreciation	Minimum Payment	Impact on P&L
2023	93,973	94,490	(147,095)	41,368	81,598	85,086	(145,523)	21,162
Between 2024 and 2028	417,557	386,321	(715,516)	88,362	329,199	325,478	(637,963)	16,714
Between 2029 and 2033	207,871	286,575	(672,800)	(178,354)	144,944	236,784	(501,437)	(119,708)
After 2033	28,720	50,925	(147,441)	(67,795)	16,554	39,556	(89,396)	(33,286)
Total	748,121	818,311	(1,682,852)	(116,419)	572,295	686,904	(1,374,319)	(115,118)

Section B - Risks

3 Risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including cash flow or fair value interest rate risk), credit risk, and liquidity 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 use 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.

(a) Market risk

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 taking into consideration 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 3.3).

(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 in

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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 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).

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 allowance for expected credit losses in the quarter.

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 contracted maturities. The amounts shown in the table represent the contractual undiscounted cash flows at the contracted rates.

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	Parent Company			
	Up to one year	Between one and two years	Between three and five years	Over five years
March 31, 2023				
Loans and financing	240,843	242,944	226,638	
Debentures	30,039	86,074	175,466	
Lease commitments	62,747	64,813	172,031	367,648
	<u>333,629</u>	<u>393,831</u>	<u>574,135</u>	<u>367,648</u>
December 31, 2022				
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
	<u>320,480</u>	<u>298,487</u>	<u>656,326</u>	<u>283,101</u>
	Consolidated			
	Up to one year	Between one and two years	Between three and five years	Over five years
March 31, 2023				
Loans and financing	240,966	242,944	226,638	
Debentures	30,039	86,074	175,466	
Lease commitments	139,290	133,318	349,618	711,807
Commitments payable	79,017	89,684	30,769	45,873
	<u>489,312</u>	<u>552,020</u>	<u>782,491</u>	<u>757,680</u>
December 31, 2022				
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
Commitments payable	60,870	87,726	132,499	8,400
	<u>468,085</u>	<u>452,502</u>	<u>961,187</u>	<u>654,966</u>

(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

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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 maintenances and/or courses, with no significant change expected in its operations.

3.2 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.

Financial leverage ratios are presented as follows:

	March 31, 2023	Consolidated December 31, 2022
Loans, financing and derivatives	563,928	595,566
Debentures payable	202,474	210,319
Commitments payable	245,343	289,495
Lease commitments	781,724	705,730
Cash and cash equivalents	(133,253)	(180,764)
Financial investments	(96,026)	(60,795)
Restricted cash due to payable commitments	(65,559)	(69,931)
Net debt	1,498,631	1,489,620
Shareholders' equity	1,209,179	1,237,531
Equity plus net debt - Total capital	2,707,810	2,727,151
Financial leverage ratio	55.3%	54.6%

3.3 Additional sensitivity analysis

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

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2023, projecting for one year.

		Scenarios with Indexers Increase		
Operations	Risk	(I)	(II)	(III)
Assets				
Financial investments	CDI	13.29%	16.61%	19.94%
123,767		16,449	20,558	24,679
Tradable securities	CDI	13.29%	16.61%	19.94%
96,026		12,762	15,950	19,148
Liabilities				
Debentures	CDI	13.29%	16.61%	19.94%
(202,474)		(26,909)	(33,636)	(40,363)
Financing - Working Capital	CDI	13.29%	16.61%	19.94%
(352,956)		(46,908)	(58,626)	(70,379)
Loan in foreign currency	CDI	13.29%	16.61%	19.94%
(207,088)		(27,522)	(34,397)	(41,293)
Leasing	CDI	13.29%	16.61%	19.94%
(143)		(19)	(24)	(29)
Commitments payable	CDI	13.29%	16.61%	19.94%
(2,114)		(281)	(351)	(421)
Commitments payable	IPCA	4.65%	5.81%	6.98%
(177,670)		(8,263)	(10,323)	(12,401)
Net position		(80,691)	(100,849)	(121,061)
Operations	Risk	(I)	(II)	(III)
Assets				
Financial investments	CDI	13.29%	9.97%	6.65%
123,767		16,449	12,340	8,231
Tradable securities	CDI	13.29%	9.97%	6.65%
96,026		12,762	9,574	6,386
Liabilities				
Debentures of Financial Institutions	CDI	13.29%	9.97%	6.65%
(202,474)		(26,909)	(20,182)	(13,454)
Financing - Working Capital	CDI	13.29%	9.97%	6.65%
(352,956)		(46,908)	(35,190)	(23,472)
Loan in foreign currency	CDI	13.29%	9.97%	6.65%
(207,088)		(27,522)	(20,647)	(13,771)
Leasing	CDI	13.29%	9.97%	6.65%
(143)		(19)	(14)	(10)
Commitments payable	CDI	13.29%	9.97%	6.65%
(2,114)		(281)	(211)	(141)
Commitments payable	IPCA	4.65%	3.49%	2.33%
(177,670)		(8,263)	(6,201)	(4,140)
Net position		(80,691)	(60,530)	(40,371)

Considering the economic forecasts released by the Central Bank of Brazil's Focus Report on April 20, 2023, corroborated by financial market economists, it is estimated that the inflation rate measured by IPCA and interest rates measured by CDI will be closer to Scenario I.

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Section C - Segment Reporting

4 Assessment of information by segment

Since its activities are concentrated substantially, on-campus higher education, the Group is organized and managed in a single business unit. Courses offered by the Group, although aimed at a diverse audience, are not controlled and managed by the main manager of operations as independent segments, and decision-making on resources to be allocated to the segment and the assessment of its operational performance is carried out on an integrated basis as a single segment.

Section D - Group Structure

5 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 quarter ended March 31, 2023 include the operations of the Group and the subsidiaries:

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	Direct %		Indirect %	
	March 31, 2023	December 31, 2022	March 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		
CETEBÁ - Centro de Ensino e Tecnologia da Bahia Ltda	99.99	99.99		
SECARGO - Sociedade Educacional Carvalho Gomes Ltda	99.99	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	
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		
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	99.99	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		
Uninassau Participações S.A.	99.99	99.99		
Instituto de Ensino Superior Juvêncio Terra Ltda	99.99	99.99		
Overdrives Coworking Escritórios Virtuais 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 Ltda			99.99	99.99
CRIA - Tecnologias Educacionais e Soluções Digitais 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		

(i) Company acquired in 2023; and

(ii) Companies merged on January 13, 2023 (Note 5(a)(ii)).

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(a) Investments

	March 31, 2023				
	Net	Equity	Investment	Goodwill	Intangible Assets
	Equity	Income	Amount	(Note 11(c))	Identified note 10(d)
					Total
Direct subsidiaries					
CETBA - Centro de Ensino e Tecnologia da Bahia Ltda.	7,970	(1,675)	7,970		7,970
SERMED - Medicina Humana e Veterinária Ltda. (i)	11,197	(4,110)	11,197		11,197
CENESUP - Centro Nacional de Ensino Superior Ltda.	564,965	(2,146)	564,965		564,965
EDUCRED - Administradora de Crédito Educativo e Cobrança Ltda.	(242)	(314)	(242)		(242)
SECARGO - Sociedade Educacional Carvalho Gomes Ltda.	26,895	1,026	26,895	4,362	31,257
ICES - Instituto Campinense de Ensino Superior Ltda.	316,016	1,094	316,016		316,016
Centro de Educação Profissional BJ Ltda.	3,583	303	3,583		3,583
ABES - Sociedade Baiana de Ensino Superior Ltda.	24,681	(3,533)	24,681	8,405	33,086
Centro de Educação Continuada Maurício de Nassau Ltda.	97	(1,131)	97		97
SESPS - Sociedade de Ensino Superior e de Pesquisa de Sergipe Ltda.	43,887	(499)	43,887	1,043	45,397
Faculdade Maurício de Nassau de Belém Ltda.	22,515	189	22,515	959	24,735
Uninassau Participações S.A.	475		475		475
Instituto de Ensino Superior Juvêncio Terra Ltda.	5,340	(708)	5,340		5,340
Faculdade Joaquim Nabuco de São Lourenço da Mata Ltda.	602	(6)	602		602
Overdrives Coworking Escritórios Virtuais Ltda.	3,936	(120)	3,936		3,936
3L Tecnologias Educacionais e Soluções Digitais S.A.	335,966	(11,952)	335,966		335,966
Ser Finanças	1,643	(1,585)	1,643		1,643
Ser Finance	3,246	(13)	3,246		3,246
Acquisition of Maintenances					
FADE - Faculdade Decisão				1,028	2,200
FACOCMA - Faculdades COC de Maceió					3,000
Total Direct Subsidiaries	1,372,772	(25,180)	1,372,772	15,797	6,928
Indirect subsidiaries					
SOPEP - Sociedade Paulista de Ensino e Pesquisa S/S Ltda. (i)	10,660	(6,087)	10,660		12,712
Sociedade Universitária Miletto Ltda. (i)	1,815	(423)	1,815		1,815
Sociedade Regional de Educação e Cultura Ltda.	44,182	10,808	44,182	68,522	67,517
Colégio Cultural Módulo Ltda.	13,952	418	13,952	3,191	5,044
Beduka Serviços de Tecnologia em Educação Ltda.	(390)	(110)	(390)	3,009	2,619
Sociedade Educacional de Rondônia S/S Ltda.	28,037	4,300	28,037	131,563	26,713
Gokursos Inovações Educacionais Ltda	10,022	(2,137)	10,022		10,022
Centro de Treinamento e Desenvolvimento da Medicina Humana e Veterinária Ltda	1,104	174	1,104	5,567	6,671
Clinica Veterinária CDMV Ltda	940	(780)	940	2,276	2,597
Starline Tecnologia S.A.	1,218	(475)	1,218	18,604	8,383
Delínea Tecnologia Educacional Ltda	1,244	(1,796)	1,244	6,124	12,195
Plantão Veterinário Hospital Ltda	351	24	351		2,033
Pet Shop Kero Kolo Ltda	(123)	(318)	(123)		978
Sociedade Técnica Educacional Da Lapa S/A (FAEL)	30,510	(1,543)	30,510	133,176	138,305
Peixe 30 Ltda.	(42)	(243)	(42)		(42)
Nous Ltda.	311	(6)	311		311
CRIA - Tecnologias Educacionais e Soluções Digitais Ltda	9	(1)	9		9
Sete de Setembro Ensino Superior LTDA.	(8,185)	(6,279)	(8,185)	1,270	11,771
Políclínica Escola de Saúde Uninassau LTDA.	8	(2)	8		8
Total Indirect Subsidiaries	135,623	(4,476)	135,623	373,302	288,248
Merged companies					
União de Ensino Superior do Pará - UNAMA				87,136	54,273
Instituto Santareno de Educação Superior - FIT				5,320	7,600
ADEA - Sociedade de Desenvolvimento Educacional Avançado Ltda.				5,125	5,125
SODECAM - Sociedade de Desenvolvimento Cultural do Amazonas Ltda.				43,882	60,195
Instituto Avançado Ensino Superior de Barreiras Ltda				60,006	88,137
Faculdade Joaquim Nabuco de Olinda Ltda.				3,521	2,700
CESPI - Centro de Ensino Superior Piauiense Ltda. (ii)		(416)		8,662	4,404
CIESPI - Centro Integrado de Educação Superior do Piauí Ltda. (ii)		(301)			
SESPI - Sociedade de Ensino Superior Piauiense Ltda. (ii)		(376)		5,360	5,996
Total Merged Companies		(1,093)		219,012	223,305
Acquisition of Indirect Maintenances					
Sociedade Metodista Bennet					10,000
	1,508,395	(30,749)	1,508,395	608,111	528,481
					2,634,987

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	Net	Equity	Income	December 31, 2022			Total
				Investment	Goodwill	Intangible Assets	
				Amount	(Note 11(c))	Identified note 10(d)	
Direct subsidiaries							
CETEB - Centro de Ensino e Tecnologia da Bahia Ltda.	9,645	(4,983)	9,645				9,645
SEMED - Medicina Humana e Veterinária Ltda	15,307	(14,864)	15,307				15,307
CENESUP - Centro Nacional de Ensino Superior Ltda.	567,110	(113,102)	567,110				567,110
EDUCRED - Administradora de Crédito Educativo e Cobrança Ltda.	72	(429)	72				72
SECARGO - Sociedade Educacional Carvalho Gomes Ltda.	25,869	6,509	25,869		4,362		30,231
ICES - Instituto Campinense de Ensino Superior Ltda.	314,922	39,603	314,922				314,922
Centro de Educação Profissional BJ Ltda.	3,280	3,013	3,280				3,280
ABES - Sociedade Baiana de Ensino Superior Ltda.	28,214	(7,522)	28,214		8,405		36,619
Centro de Educação Continuada Maurício de Nassau Ltda.	1,229	(4,808)	1,229				1,229
SESPS - Sociedade de Ensino Superior e de Pesquisa de Sergipe Ltda.	44,387	1,496	44,387		1,043	467	45,897
Faculdade Maurício de Nassau de Belém Ltda.	22,326	5,462	22,326		959	1,261	24,546
CESPI - Centro de Ensino Superior Piauiense Ltda.	17,346	3,502	17,346		8,662	4,404	30,412
CIESPI - Centro Integrado de Educação Superior do Piauí Ltda.	16,981	4,494	16,981				16,981
SESPI - Sociedade de Ensino Superior Piauiense Ltda.	18,885	4,378	18,885		5,360	5,996	30,241
Uninassau Participações S.A.	475		475				475
Instituto de Ensino Superior Juvêncio Terra Ltda.	6,049	(1,589)	6,049				6,049
Faculdade Joaquim Nabuco de São Lourenço da Mata Ltda.	608	(151)	608				608
Overdrives Coworking Escritórios Virtuais Ltda.	4,056	(352)	4,056				4,056
3L Tecnologias Educacionais e Soluções Digitais S.A.	347,917	(17,287)	347,917				347,917
Ser Finanças	879	(4,464)	879				879
Ser Finance	3,259	259	3,259				3,259
Acquisition of Maintenances							
FADE - Faculdade Decisão					1,028	2,200	3,228
FACOCMA - Faculdades COC de Maceió						3,000	3,000
Total Direct Subsidiaries	1,448,816	(100,835)	1,448,816	29,819	17,328	1,495,963	
Indirect subsidiaries							
SOPEP - Sociedade Paulista de Ensino e Pesquisa S/S Ltda.	16,747	(12,476)	16,747			12,857	29,604
Sociedade Universitária Miletto Ltda.	2,238	(671)	2,238				2,238
Sociedade Regional de Educação e Cultura Ltda.	33,374	36,511	33,374		68,522	68,416	170,312
Colégio Cultural Módulo Ltda.	13,534	2,245	13,534		3,191	5,778	22,503
Beduka Serviços de Tecnologia em Educação Ltda.	(280)	(1,003)	(280)		3,009		2,729
Sociedade Educacional de Rondônia S/S Ltda.	23,737	13,024	23,737		131,563	27,060	182,360
Gokursos Inovações Educacionais Ltda	12,159	(1,004)	12,159				12,159
Centro de Treinamento e Desenvolvimento da Medicina Humana e Veterinária Ltda	929	114	929		5,567		6,496
Clinica Veterinária CDMV Ltda	1,720	(1,880)	1,720		2,276	2,632	6,628
Starline Tecnologia S.A.	1,693	(123)	1,693		18,604	8,733	29,030
Delínea Tecnologia Educacional Ltda	3,040	(3,224)	3,040		6,124	12,593	21,757
Plantão Veterinário Hospital Ltda	327	(656)	327			2,047	2,374
Pet Shop Kero Kolo Ltda	195	(304)	195			981	1,176
Sociedade Técnica Educacional Da Lapa S/A (FAEL)	32,053	10,797	32,053		133,176	142,654	307,883
Peixe 30 Ltda.	201	(259)	201				201
Nous Ltda.	316	(582)	316				316
CRIA - Tecnologias Educacionais e Soluções Digitais Ltda	10		10				10
Total Indirect Subsidiaries	141,993	40,509	141,993	372,032	283,751	797,776	
Merged companies							
União de Ensino Superior do Pará - UNAMA					87,136	54,373	141,509
Instituto Santareno de Educação Superior - FIT					5,320	7,600	12,920
ADEA - Sociedade de Desenvolvimento Educacional Avançado Ltda.					5,125		5,125
SODECAM - Sociedade de Desenvolvimento Cultural do Amazonas Ltda.					43,882	60,543	104,425
Instituto Avançado de Ensino Superior de Barreiras Ltda					60,006	88,687	148,693
Faculdade Joaquim Nabuco de Olinda Ltda.					3,521	2,700	6,221
Total Merged Companies				204,990	213,903	418,893	
Acquisition of Indirect Maintenances							
Sociedade Metodista Bennet						10,000	
Total	1,590,809	(60,326)	1,590,809	606,841	524,982	2,712,632	

In the Parent Company, identified intangible assets are classified as an investment and in the Consolidated classified as intangible assets.

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- (i) Clínica Escola de Saúde Uninassau Ltda. which appears in the table dated December 2022, changed its name to SERMED – Medicina Humana & Veterinária Ltda.
- (ii) In January 2023, aiming at reducing costs and optimizing processes, the companies Centro de Ensino Superior Piauiense Ltda (FAP Teresina), CIESPI - Centro Integrado de Educação Superior do Piauí Ltda (FAP Aliança), Sociedade de Ensino Superior Piauiense Ltda - SESPI (FAP Parnaíba) were merged by Ser Educacional S.A., whose balances are shown below:

Assets		Liabilities	
Caixa	19,021	Salaries and social charges	3,553
Accounts receivable	37,386	Taxes payable	1,185
Allowance for doubtful accounts	(14,900)	Lease commitments	42,971
Intangible Assets	1,280	Other	4,104
Right of Use	38,109	Total Liabilities	51,813
Property and equipment	14,060		
Other	8,986	Equity	52,129
Total Assets	<u>103,942</u>	Total Liabilities and Equity	<u>103,942</u>

(b) Changes in investments in subsidiaries:

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

As of December 31, 2022	1,495,963
Advance for future capital increase	2,349
Equity in the results of subsidiaries	(26,273)
Write-off due to merger	(76,542)
As of March 31, 2023	<u>1,395,497</u>

(c) Acquisition of FAEL

On January 14, 2022, after approval by the Administrative Council for Economic Defense - CADE and solution of the conditions precedent according to the agreement signed on May 28, 2021, the Group signed the closing agreement for the acquisition of 100% of the share capital of Sociedade Técnica Educacional da Lapa S.A., supporting entity of FAEL, with the payment of R\$ 280,000, of which R\$ 70,000 were withheld in escrow account with Banco Santander S.A., which will be released in 5 years, according to the schedule defined in the agreement (restricted cash) and R\$ 8,934 related to the positive change in working capital, as provided for in the agreement. In addition, the aforementioned agreement provides for the payment of an earn-out of up to R\$ 17,500, already included in the consideration, which is conditioned to the achievement of certain performance targets by FAEL, to be paid at the end of the second year. On March 31, 2023, the balance of consideration payable is R\$ 79,957, including R\$ 65,559 related to the escrow account (note 13).

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The table below shows the consolidated result of assets acquired and identified, goodwill, liabilities assumed and the amount of the consideration for the acquisition, in the amount of R\$ 280,000, plus the earn-out payment expectation at present value:

	FAEL
Intangible assets identified - Licenses	62,800
Intangible assets identified - Brand	24,900
Intangible assets identified - Student portfolio	31,900
Identified Intangible - Intellectual Property	36,100
Identifiable assets acquired	42,702
Goodwill	133,176
Liabilities taken	(38,991)
Consideration for the acquisition	292,587

(d) 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 hybrid learning modality.

The acquisition price was R\$ 10,000, of which R\$ 5,000 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 conditions precedent set forth in the agreement, the transaction was completed on January 2, 2023. As of March 31, 2023, the balance of the consideration payable is R\$ 5,130 (Note 13).

The table below shows the provisional total of assets acquired and identified, goodwill, liabilities assumed and the amount of the consideration for the acquisition:

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	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	1,270
Contingencies	(1,135)
Liabilities taken	(5,314)
Consideration for the acquisition	<u>10,000</u>

The consolidated statement of profit or loss for the period ended March 31, 2023 includes revenue and net loss, in the amounts of R\$ 2,816 and R\$ 6,640 respectively.

Section E - Selected significant notes

6 Financial instruments by category

	Parent Company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Financial assets carried at amortized cost				
Financial investments	68,004	48,392	123,767	174,237
Accounts Receivable	172,165	150,151	381,083	365,432
Related parties	25,002	4,067	3,579	4,067
	<u>265,171</u>	<u>202,610</u>	<u>508,429</u>	<u>543,736</u>
Assets measured at fair value through profit or loss				
Financial investments	72,837	51,154	96,026	60,251
Accounts receivable Educared, Pravalor and others	23,408	53,397	66,536	146,643
	<u>96,245</u>	<u>104,551</u>	<u>162,562</u>	<u>206,894</u>
	<u>361,416</u>	<u>307,161</u>	<u>670,991</u>	<u>750,630</u>

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	Parent Company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Financial liabilities carried at amortized cost				
Suppliers	10,716	14,651	32,311	32,255
Loans and financing	529,654	555,275	529,940	555,620
Debentures	202,474	210,319	202,474	210,319
Related parties	62,184			
Commitments payable			159,909	199,582
Lease commitments	386,849	298,782	781,724	705,730
	<u>1,191,877</u>	<u>1,079,027</u>	<u>1,706,358</u>	<u>1,703,506</u>
Financial liabilities recorded at fair value				
Derivative financial instruments - swap	33,988	39,946	33,988	39,946
Commitments payable (i)			19,875	19,982
	<u>33,988</u>	<u>39,946</u>	<u>53,863</u>	<u>59,928</u>
	<u>1,225,865</u>	<u>1,118,973</u>	<u>1,760,221</u>	<u>1,763,434</u>

(i) Refers to earn-out on FAEL and Starline.

The fair value of the financial instruments approximates the carrying amounts, since the impact of the discount to present value, using market interest on March 31, 2023, is not significant. Fair values are based on discounted cash flows, using the Group's cash cost, which approximates the respective agreements' rate.

7 Cash and cash equivalents and securities

	Parent Company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Current				
Cash on hand	56	54	150	157
Banks - current account	3,624	965	9,336	6,370
Financial investments	68,004	48,392	123,767	174,237
Cash and cash equivalents	<u>71,684</u>	<u>49,411</u>	<u>133,253</u>	<u>180,764</u>
Financial investments	<u>72,837</u>	<u>51,154</u>	<u>95,457</u>	<u>60,251</u>
Financial investments	<u>72,837</u>	<u>51,154</u>	<u>95,457</u>	<u>60,251</u>
	<u>144,521</u>	<u>100,565</u>	<u>228,710</u>	<u>241,015</u>

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 NBC TG 03 (R3) / IAS 7.

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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 digital learning network and investments for the installation of new on-campus units. Short-term investments 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:

Type	Average remuneration	Parent Company		Consolidated	
		March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
CDB	101.6% of CDI (101.2% of CDI in 2022)	68,004	48,392	123,767	174,237
	Financial investments	68,004	48,392	123,767	174,237
Current					
Repo transactions (i)	81.8% of CDI (82.0% of CDI in 2022)	7,842	2,155	26,904	7,724
Investment Funds	98.2% of CDI (99.1% of CDI in 2022)	20,613	23,976	20,674	24,034
Treasury Financial Bills (ii)	100.4% of CDI (100.4% of CDI in 2022)	18	18	3,515	3,489
Financial Bill	103.2% of CDI (104.3% of CDI in 2022)	44,364	25,005	44,364	25,004
		72,837	51,154	95,457	60,251
Non Current					
Capital Account	100.4% of CDI (100.4% of CDI in 2022)			569	544
				569	544
	Tradable securities	72,837	51,154	96,026	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 the transaction is authorized by Central Bank of Brazil.

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8 Accounts receivable

	Parent Company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Monthly tuition fees (a)	189,248	178,946	429,999	446,309
FIES receivable (b)	25,032	18,787	66,090	58,737
Agreements receivable (c)	44,071	33,580	109,251	102,817
Education credits receivable (d)	26,402	67,719	73,523	179,280
Other	5,224	2,552	23,029	17,168
Total	289,977	301,584	701,892	804,311
(-) Provision for expected credit losses (e)	(91,410)	(83,714)	(247,286)	(259,599)
(-) Adjustment to present value	(2,994)	(14,322)	(6,987)	(32,637)
	<u>195,573</u>	<u>203,548</u>	<u>447,619</u>	<u>512,075</u>
(-) Current	<u>(191,879)</u>	<u>(172,716)</u>	<u>(438,064)</u>	<u>(438,743)</u>
Non-Current	<u>3,694</u>	<u>30,832</u>	<u>9,555</u>	<u>73,332</u>

Non-current receivables relate to educational credits receivable with terms over 365 days, as per Note 8 (d).

(a) Student Monthly Tuitions

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

	Parent Company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
To be due	5,171		10,991	
Overdue up to 90 days	44,900	53,222	98,228	134,640
Overdue 91 to 180 days	28,640	19,416	68,359	51,162
Overdue 181 to 360 days	38,268	41,037	89,215	98,478
Overdue 361 to 540 days	38,587	34,878	88,200	86,373
Overdue 541 to 720 days	33,682	30,393	75,006	75,656
	<u>189,248</u>	<u>178,946</u>	<u>429,999</u>	<u>446,309</u>

The amounts due refer to the installments due after the end of the course in distance learning, according to the payment plan chosen by the student. A substantial portion of the tuition fees in arrears is paid within the semiannual cycle.

The Group is actively working to mitigate the impacts caused by Covid-19 pandemic, mainly related to default in hybrid 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.

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

The amounts outstanding as of March 31, 2023 refer to the installments of students re-enrolled in FIES and part of tuition fees for the period, pending transfer by the Federal Government, which usually occurs in up to 60 days after the application for the program and invoicing by the educational institution.

Within the scope of the new FIES, 13% of the amount paid to institutions is retained for investment in FIES Guarantor Fund, 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 March 31, 2023, the balance of this FIES Guarantor Fund was R\$ 21,465 and R\$ 51,168 (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 5(a)(ii)).

(c) Agreements receivable

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

	Parent Company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
To be due	10,359	6,200	23,206	17,953
Overdue up to 90 days	6,781	9,513	16,113	25,562
Overdue 91 to 180 days	6,868	3,922	16,218	11,811
Overdue 181 to 360 days	7,852	5,453	20,576	18,553
Overdue 361 to 540 days	6,491	4,349	17,814	15,602
Overdue 541 to 720 days	5,720	4,143	15,324	13,336
	<u>44,071</u>	<u>33,580</u>	<u>109,251</u>	<u>102,817</u>

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(d) Educational receivables

	Parent Company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Educred (i)	21,394	63,015	54,469	159,629
Pravaler (ii)	5,008	4,701	15,316	13,838
Other		3	3,738	5,813
	26,402	67,719	73,523	179,280
(-) Adjustment to present value (i)	(2,994)	(14,322)	(6,987)	(32,637)
	23,408	53,397	66,536	146,643
(-) Current	(19,714)	(22,565)	(56,981)	(73,311)
Non-Current	3,694	30,832	9,555	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:

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:

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	Parent Company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
To be due	12,356	44,896	38,108	120,229
Overdue up to 90 days	3,070	1,813	7,259	5,795
Overdue 91 to 180 days	1,648	1,740	4,495	5,484
Overdue 181 to 360 days	2,720	2,058	7,368	6,427
Overdue 361 to 540 days	2,097	1,570	5,473	4,722
Overdue 541 to 720 days	1,517	1,320	3,833	3,986
	<u>23,408</u>	<u>53,397</u>	<u>66,536</u>	<u>146,643</u>

(e) Allowance for doubtful accounts

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

	Parent Company	Consolidated
Balance as of December 31, 2022	(83,714)	(259,599)
Write-off of unrecoverable credits	11,516	23,686
Write-off due to sale of receivables (note 8(d)(i))	5,924	13,288
Allowance for doubtful accounts arising from mergers note 5(a)(ii)	(14,900)	
Allowance for doubtful accounts (note 20(a))	<u>(10,236)</u>	<u>(24,661)</u>
Balance as of March 31	<u>(91,410)</u>	<u>(247,286)</u>

The Group writes off receivables past due for more than 720 days, considered non-collectible, on a quarterly basis.

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9 Taxes recoverable and payable

	Parent Company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
<u>Taxes recoverable</u>				
Current				
Income tax and social contribution to offset	6,587	5,411	15,986	17,261
Service tax - ISS			7,658	7,658
Other			17	3
	6,587	5,411	23,661	24,922
Non Current				
ISS to offset (i)			1,312	1,706
	6,587	5,411	24,973	26,628
<u>Taxes payable</u>				
Current				
Income tax and social contribution	238		2,325	6,109
Withholding Income Tax	4,206	4,407	10,797	11,660
Service tax - ISS	2,478	1,770	9,524	8,590
Installment payment of taxes (ii)	193		2,107	2,067
Other	994	617	1,911	1,679
	8,109	6,794	26,664	30,105
Non Current				
Installment payment of taxes (ii)	799		3,097	2,790
	8,908	6,794	29,761	32,895

(i) Refers to ISS to be offset by UNINORTE, due to acquired tax benefits;

(ii) Refers mainly to ISS paid in installments at UNINORTE, in the amount of R\$ 1,575 in the short term and R\$ 1,312 in the long term, with fixed installments of R\$ 131 and final maturity on January 9, 2025.

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10. Intangible Assets

(a) Parent Company

Breakdown	Annual rates of of Amortization			March 31, 2023	December 31, 2022
		Cost	Amortization	Balance	Balance
Software licenses and deployments	20%	70,386	(46,262)	24,124	24,311
Operating licenses	33%	16,292	(15,288)	1,004	1,104
Agreements (i)	25%	17,444	(11,654)	5,790	4,989
Digital Content	20%	49,630	(26,499)	23,131	21,999
Goodwill	20%	5,297	(5,255)	42	72
Goodwill (c)		22,668		22,668	8,646
Intangible assets identified on acquisitions (d)	13%	14,700	(1,600)	13,100	2,700
		<u>196,417</u>	<u>(106,558)</u>	<u>89,859</u>	<u>63,821</u>

Change	December 31, 2022	Additions	Amortization	Mergers (note 5(a)(ii))	March 31, 2023
Software licenses and deployments	24,311	2,007	(2,230)	36	24,124
Operating licenses	1,104	21	(155)	34	1,004
Agreements (i)	4,989	476	(885)	1,210	5,790
Digital Content	21,999	3,124	(1,992)		23,131
Goodwill	72		(30)		42
Goodwill (c)	8,646			14,022	22,668
Intangible assets identified on acquisitions (d)	2,700			10,400	13,100
	<u>63,821</u>	<u>5,628</u>	<u>(5,292)</u>	<u>25,702</u>	<u>89,859</u>

(b) Consolidated

Breakdown	Annual rates of of Amortization			March 31, 2023	December 31, 2022
		Cost	Amortization	Balance	Balance
Software licenses and deployments	20%	104,854	(69,406)	35,448	35,920
Operating licenses	33%	29,744	(25,689)	4,055	4,374
Agreements (i)	25%	21,333	(13,937)	7,396	6,750
Digital Content	20%	56,430	(30,697)	25,733	24,868
Goodwill	20%	5,480	(5,312)	168	238
Goodwill (c)		608,111		608,111	606,841
Intangible assets identified on acquisitions (d)	13%	621,249	(92,767)	528,482	524,983
		<u>1,447,201</u>	<u>(237,808)</u>	<u>1,209,393</u>	<u>1,203,974</u>

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Change	December 31,			Business combination 5 (d)		March 31,
	2022	Additions	Amortization	Additions	Amortization	2023
Software licenses and deployments	35,920	3,454	(4,062)	726	(590)	35,448
Operating licenses	4,374	36	(355)			4,055
Agreements (i)	6,750	1,763	(1,117)			7,396
Digital Content	24,868	3,125	(2,260)			25,733
Goodwill	238		(70)			168
Goodwill (c)	606,841			1,270		608,111
Intangible assets identified on acquisitions (d)	524,983		(8,272)	11,771		528,482
	<u>1,203,974</u>	<u>8,378</u>	<u>(16,136)</u>	<u>13,767</u>	<u>(590)</u>	<u>1,209,393</u>

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

(c) Goodwill

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

	Consolidated
On December 31, 2022	606,841
Acquisition of UNI7 (Note 5(d))	1,270
As of March 31, 2023	<u>608,111</u>

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(d) Intangible assets identified on acquisitions

As of March 31, 2023 and December 31, 2022, intangible assets identified on investment acquisitions were as follows:

	March 31, 2023									
	Course licenses	Brands	Customer Portfolio	Contracts	Software	Non Compete	DEDUCA Platform	Content Base	Early Rental Agreement	Intellectual property
										Total
Sociedade de Ensino Superior e de Pesquisa de Sergipe Ltda - SESPS	467		200							667
Faculdade Maurício de Nassau de Belém Ltda	1,261									1,261
Faculdade Decisão - FADE	2,200	100								2,300
Instituto de Ensino Superior Juvêncio Terra Ltda.		100								100
Faculdades COC de Maceió - FACOCMA	3,000									3,000
Sociedade Paulista de Ensino e Pesquisa S/S Ltda.		17,400	5,600							23,000
Colégio Cultural Módulo Ltda - UNIJUAZEIRO	7,897	3,501	248							11,646
Sociedade Regional de Educação e Cultura Ltda - FACIMED	58,821		16,792							75,613
Sociedade Metodista Bennett	10,000									10,000
Centro de Treinamento e Desenvolvimento da Medicina Humana e Veterinária Ltda			795							795
Clinica Veterinária CDMV Ltda		2,795								2,795
Sociedade Educacional de Rondônia S/S Ltda - UNESC	17,900	7,300	4,400							29,600
Starline Tecnologia S/A		7,135		1,525	2,606					11,266
Delínea Tecnologia Educacional		8,360					161	5,784		14,305
Plantão Veterinário Hospital Ltda		1,834				266				2,100
Pet Shop Kero Kolo Ltda		935				58				993
Sociedade Técnica Educacional da Lapa S/A	62,800	24,900	31,900							155,700
UNI7 - Centro Universitário Sete de Setembro	4,104	5,441	2,226							11,771
Total	168,450	79,801	62,161	1,525	2,606	324	161	5,784		36,100
Accumulated amortization	(6,092)	(9,351)	(23,562)	(1,455)	(923)	(81)	(25)	(1,520)		(52,034)
	162,358	70,450	38,599	70	1,683	243	136	4,264		304,878
Merged companies										
Instituto Avançado de Ensino Superior de Barreiras Ltda - UNIFASB	69,293	12,725	9,969							91,987
União de Ensino Superior do Pará – UNESPA	45,500	12,100	800							58,400
Instituto Santareno de Educação Superior – ISES	7,600	700								8,300
SODECAM - Sociedade de Desenvolvimento Cultural do Amazonas Ltda	42,450	22,500							26,000	90,950
Faculdade Joaquim Nabuco de Olinda Ltda. (iii)	2,700	400								3,100
Centro de Ensino Superior Piauiense - CESP	4,404	508								4,912
Sociedade de Ensino Superior Piauiense Ltda.	5,996	692								6,688
Total	177,943	49,625	10,769						26,000	264,337
Accumulated amortization		(10,942)	(3,791)						(26,000)	(40,733)
	177,943	38,683	6,978							223,604
Average annual amortization rates										
	34% (i)	7%	27%	16%	25%	20%	20%	20%	39%	25%
	340,301	109,133	45,577	70	1,683	243	136	4,264		528,482

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	Course licenses	Brands	Customer Portfolio	Contracts	Software	Non Compete	DEDUCA Platform	Content Base	Early Rental Agreement	Intellectual property	Total
Sociedade de Ensino Superior e de Pesquisa de Sergipe Ltda - SESPS	467		200								667
Faculdade Maurício de Nassau de Belém Ltda	1,261										1,261
Centro de Ensino Superior Piauiense - CESP	4,404	508									4,912
Sociedade de Ensino Superior Piauiense Ltda.	5,996	692									6,688
Faculdade Decisão - FADE	2,200	100									2,300
Instituto de Ensino Superior Juvêncio Terra Ltda.		100									100
Faculdades COC de Maceió - FACOCMA	3,000										3,000
Sociedade Paulista de Ensino e Pesquisa S/S Ltda.		17,400	5,600								23,000
Colégio Cultural Módulo Ltda - UNIJUAZEIRO	7,897	3,501	248								11,646
Sociedade Regional de Educação e Cultura Ltda - FACIMED	58,821		16,792								75,613
Sociedade Metodista Bennett	10,000										10,000
Centro de Treinamento e Desenvolvimento da Medicina Humana e Veterinária Ltda			795								795
Clinica Veterinária CDMV Ltda		2,795									2,795
Sociedade Educacional de Rondônia S/S Ltda - UNESC	17,900	7,300	4,400								29,600
Starline Tecnologia S/A		7,135		1,525	2,606						11,266
Delínea Tecnologia Educacional		8,360					161	5,784			14,305
Plantão Veterinário Hospital Ltda		1,834				266					2,100
Pet Shop Kero Kolo Ltda		935				58					993
Sociedade Técnica Educaional da Lapa S/A	62,800	24,900	31,900							36,100	155,700
Total	174,746	75,560	59,935	1,525	2,606	324	161	5,784		36,100	356,741
Accumulated amortization	(5,415)	(9,716)	(20,727)	(1,356)	(760)	(65)	(19)	(1,235)		(6,769)	(46,062)
	169,331	65,844	39,208	169	1,846	259	142	4,549		29,331	310,679
Merged companies											
Instituto Avançado de Ensino Superior de Barreiras Ltda - UNIFASB	69,293	12,725	9,969								91,987
União de Ensino Superior do Pará – UNESPA	45,500	12,100	800								58,400
Instituto Santareno de Educação Superior – ISES	7,600	700									8,300
SODECAM - Sociedade de Desenvolvimento Cultural do Amazonas Ltda	42,450	22,500							26,000		90,950
Faculdade Joaquim Nabuco de Olinda Ltda. (iii)	2,700	400									3,100
Total	167,543	48,425	10,769						26,000		252,737
Accumulated amortization		(9,070)	(3,363)						(26,000)		(38,433)
	167,543	39,355	7,406								214,304
Average annual amortization rates											
	34% (i)	7%	27%	16%	25%	20%	20%	20%	39%	25%	
	336,874	105,199	46,614	169	1,846	259	142	4,549		29,331	524,983

(i) Refers to Centro Universitário de Juazeiro do Norte.

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(e) Impairment of goodwill and intangible assets with indefinite useful lives

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 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.

The monitoring performed for March 31, 2023 did not result in the need to recognize losses.

11 Right of use

Pursuant to CVM Resolution No. 859/2020, addressing changes to NBC TG 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) Balance breakdown

	Annual rates of	December 31, 2023			Balance as of
	Amortization	Cost	Depreciation	Net balance	December 31, 2022
<u>Parent Company</u>					
Right of Use of Real Estate	5% to 10%	477,392	(144,318)	333,074	253,532
Total		<u>477,392</u>	<u>(144,318)</u>	<u>333,074</u>	<u>253,532</u>
<u>Consolidated</u>					
Right of Use of Real Estate	5% to 10%	1,004,437	(339,623)	664,814	593,228
Total		<u>1,004,437</u>	<u>(339,623)</u>	<u>664,814</u>	<u>593,228</u>

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(b) Change

Parent Company	December 31, 2022	Additions (i)	Write-offs (ii)	Amortization	Mergers (Note 5(a)(ii))	March 31, 2023
Right of Use of Real Estate	253,532	61,870	(10,319)	(10,118)	38,109	333,074
Total	<u>253,532</u>	<u>61,870</u>	<u>(10,319)</u>	<u>(10,118)</u>	<u>38,109</u>	<u>333,074</u>

Consolidated	December 31, 2022	Additions (i)	Write-offs (ii)	Amortization	March 31, 2023
Right of Use of Real Estate	593,228	110,165	(13,744)	(24,835)	664,814
Total	<u>593,228</u>	<u>110,165</u>	<u>(13,744)</u>	<u>(24,835)</u>	<u>664,814</u>

- (i) Additions refer to new properties, leased in Arapiraca/AL, Macapá/AP, Manaus/AM, Porto Velho/RO, Sobral/CE, inclusion of Uni7 rental contracts and contractual adjustments of several contracts. (Note 16); and
- (ii) Refers to properties returned in the period.

12 Property and equipment

(a) Balance breakdown

Parent Company	Average annual rates of depreciation	Cost	Depreciation	March 31, 2023 Net balance	Balance as of December 31, 2022
Land		25,257		25,257	25,257
Buildings and improvements	6% to 10%	277,868	(112,665)	165,203	160,242
Vehicles	20%	2,200	(1,951)	249	257
Equipment and facilities	10%	95,004	(53,378)	41,626	37,532
Furniture and fixtures	10%	33,550	(22,722)	10,828	9,863
Computers	20%	47,966	(36,194)	11,772	11,889
Books	10%	56,787	(38,114)	18,673	16,906
Total in operation		538,632	(265,024)	273,608	261,946
Construction in progress		1,168		1,168	1,165
Total Property and Equipment		<u>539,800</u>	<u>(265,024)</u>	<u>274,776</u>	<u>263,111</u>

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Consolidated	Average annual rates of depreciation	March 31, 2023			Balance as of December 31, 2022
		Cost	Depreciation	Net balance	
Land		25,257		25,257	25,257
Buildings and improvements	6% to 10%	492,661	(209,488)	283,173	285,468
Vehicles	20%	4,479	(3,939)	540	622
Equipment and facilities	10%	252,885	(159,205)	93,680	96,246
Furniture and fixtures	10%	86,674	(64,776)	21,898	22,558
Computers	20%	102,688	(86,559)	16,129	16,896
Books	10%	136,030	(97,795)	38,235	39,323
Total in operation		1,100,674	(621,762)	478,912	486,370
Construction in progress		1,275		1,275	1,270
Total Property and Equipment		1,101,949	(621,762)	480,187	487,640

(b) Change

Parent Company	December 31, 2022	Additions (i)	Write- Offs	Depreciation	Mergers (note 5(a)(iii))	March 31, 2023
Land	25,257					25,257
Buildings and improvements	160,242	5,689	(20)	(5,765)	5,057	165,203
Vehicles	257			(42)	34	249
Equipment and facilities	37,532	767	40	(1,960)	5,247	41,626
Furniture and fixtures	9,863	370		(598)	1,193	10,828
Computers	11,889	598		(984)	269	11,772
Books	16,906	517		(1,010)	2,260	18,673
Total in operation	261,946	7,941	20	(10,359)	14,060	273,608
Construction in progress	1,165	3				1,168
Total Property and Equipment	263,111	7,944	20	(10,359)	14,060	274,776

Consolidated	December 31, 2022	Additions (i)	Write-Offs	Depreciation	Business combination 5 (d)		March 31, 2023
					Additions	Depreciation	
Land	25,257						25,257
Buildings and improvements	285,468	6,861	(20)	(9,136)			283,173
Vehicles	622	1		(83)			540
Equipment and facilities	96,246	2,158	39	(4,880)	1,360	(1,243)	93,680
Furniture and fixtures	22,558	686		(1,458)	1,179	(1,067)	21,898
Computers	16,896	754		(1,644)	3,159	(3,036)	16,129
Books	39,323	543		(2,106)	1,311	(836)	38,235
Total in operation	486,370	11,003	19	(19,307)	7,009	(6,182)	478,912
Construction in progress	1,270	5					1,275
Total Property and Equipment	487,640	11,008	19	(19,307)	7,009	(6,182)	480,187

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- (i) Additions refer mainly to the renovation of units in the cities of Porto Alegre/RS, Cabo de Santo Agostinho/PE, Florianópolis/SC, Porto Alegre/RS, Patos/PB and Recife/PE, 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\$ 8,129 in the Parent Company and Consolidated.

13 Commitments payable

Commitments payable arise from the following investment acquisitions:

	Consolidated	
	March 31, 2023	December 31, 2022
Sociedade Regional de Educação e Cultura Ltda. ("FACIMED")	29,011	43,050
Colégio Cultural Módulo Ltda. ("UNIJUAZEIRO")	8,178	7,962
Sociedade Educacional de Rondônia S/S Ltda. ("UNESC")	61,189	74,874
Instituto Avançado de Ensino Superior de Barreiras. ("UNIFASB")	48,826	63,769
Centro de Treinamento e Desenvolvimento da Medicina Humana e Veterinária Ltda.	3,050	2,970
Starline Tecnologia S/A	2,918	3,025
Delinea Tecnologia Educacional LTDA	4,970	4,848
Plantão Veterinário Hospital Ltda ("Hospital") and Pet Shop Kero Kolo Ltda. ("Pet Shop")	2,114	2,040
Sociedade Técnica Educacional da Lapa S.A. ("FAEL") (i)	79,957	86,957
Sete de Setembro Ensino Superior LTDA. ("UNI7") (Note 5(d))	5,130	
	<u>245,343</u>	<u>289,495</u>
(-) Current	<u>(79,018)</u>	<u>(60,871)</u>
Non-Current	<u>166,325</u>	<u>228,624</u>

- (i) Includes the amount of R\$ 65,559 related to the guarantee deposited in a restricted bank account, as per the purchase and sale agreement (Note 5 (c)), for which the payment of the first installment was made on January 13, 2023 in the amount of R\$ 7,071.

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The long-term installments fall due as shown below:

	Consolidated	
	March 31, 2023	December 31, 2022
Between one and two years	89,684	87,726
Between two and three years	30,769	71,548
Between three and four years	36,609	25,119
Over four years	9,263	44,231
	<u>166,325</u>	<u>228,624</u>

The change in commitments payable is as follows:

	Consolidated
Balance as of December 31, 2022	289,495
Acquisition (Note 5(d))	10,000
Principal payments	(52,503)
Adjustment to Present Value	640
Interest paid	(5,366)
Interest incurred	3,077
Balance as of March 31, 2023	<u>245,343</u>

14 Loans and financing and derivative financial instruments - Swap and debentures

(a) Balance breakdown

	Modality	Financial charges	Parent Company		Consolidated	
			March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
	Working Capital (i)	CDI + 1.69% to 2.3% p.a.	352,956	375,684	352,956	375,684
	Loan in foreign currency (ii)	EUR + 2.16% p.a.	173,100	175,502	173,100	175,502
	Finame	6% p.a.	3,598	4,089	3,598	4,088
	Leasing	12.52% p.a. and 13.83% p.a.			143	203
	Other				143	143
			<u>529,654</u>	<u>555,275</u>	<u>529,940</u>	<u>555,620</u>
(-) Current			<u>(172,845)</u>	<u>(180,045)</u>	<u>(173,081)</u>	<u>(180,340)</u>
Non-Current			<u>356,809</u>	<u>375,230</u>	<u>356,859</u>	<u>375,280</u>

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Modality	Financial charges	Parent Company		Consolidated	
		March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Swap derivative financial instrument (ii)	CDI + 2.70% p.a.	33,988	39,946	33,988	39,946
		33,988	39,946	33,988	39,946
(-) Current		(6,249)	(13,610)	(6,249)	(13,610)
Non-Current		27,739	26,336	27,739	26,336

- (i) In 2022, the renewals of working capital loans were carried out as shown in the table below:

Bank	Date	Rate	Renewal		March 31, 2023	December 31, 2022
			Maturities	Grace period		
CEF	March 8	CDI + 1.69% p.a.	Feb 2025		104,688	117,590
Santander	June 27	CDI + 2.30% p.a.	Dec 2025	12 months	93,713	97,492
Itaú Unibanco S.A.	June 13	CDI + 2.30% p.a.	Jan 2026	12 months	154,555	160,602
					352,956	375,684

- (ii) 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 R\$ 200,000 (equivalent to EUR 31,182 thousand, on the date of contracting), 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, with 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.

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(b) Change

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

	<u>Parent Company</u>	<u>Consolidated</u>
On December 31, 2022	595,221	595,566
Interest incurred	14,611	14,611
Interest and result - swap	9,854	9,854
Exchange differences	(2,907)	(2,907)
Interest paid	(39,591)	(39,592)
Amortization of principal	(13,546)	(13,604)
As of March 31, 2023	<u>563,642</u>	<u>563,928</u>

(c) Guarantees

Finame's values refer to the financing of the aircraft and are guaranteed by the fiduciary sale of the asset (Note 12 (c)). For Caixa Econômica Federal, the Group offered financial investments and fiduciary assignment of credit as collaterals, representing 30% and 5%, respectively, besides corporate sureties from subsidiaries.

(d) Classification by year of maturity

The long-term installments fall due as shown below:

	<u>Parent Company</u>		<u>Consolidated</u>	
	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Between one and two years	196,326	150,288	196,376	150,337
Between two and three years	112,737	129,478	112,737	129,478
Between three and four years	47,747	74,419	47,747	74,419
Between four and five years		21,045		21,046
	<u>356,809</u>	<u>375,230</u>	<u>356,859</u>	<u>375,280</u>

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(e) 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	Annual	Annual

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 NBC TG 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.

In the period ended March 31, 2023, the covenants related to loan and financing agreements were met and did not show values higher than the imposed limits.

14.1 Debentures

On July 15, 2022, the Group's Board of Directors approved the third issue of simple, non-convertible, unsecured debentures, in a single series, of the Group, pursuant to CVM Instruction No. 476. The funds were raised with the purpose of reinforcing cash. The debentures' unit par value will accrue interest corresponding to the accumulated variation of the interest rate 100% CDI + 2% per year.

The issuance of debentures was closed on August 15, 2022, with a unit par value of R\$ 1,000, amounting to R\$ 200,000 with costs incurred of R\$ 1,240. The payment term is five years, including a 24-month grace period for the principal, with semi-annual payments of principal and interest after the grace period and up to final maturity. The debt breakdown in the Parent Company and Consolidated is as follows:

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	Parent Company and Consolidated
On December 31, 2022	210,319
Interest incurred	7,743
Interest paid	(15,588)
As of March 31, 2023	202,474
Current	(3,301)
Non-current	199,173

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

	Parent Company and Consolidated	
	March 31, 2023	December 31, 2022
Between one and two years	28,323	28,323
Between two and three years	56,895	56,895
Between three and four years	56,895	56,895
Over four years	57,060	56,998
	199,173	199,111

Debentures require the meeting of 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 as of 2023, and (ii) the ratio between financial expenses, net of financial income, excluding interest on leasing, and adjusted EBITDA, which should not exceed 2.0x.

In the period ended March 31, 2023, the covenants related to the agreements for the issue of debentures were met and did not show values higher than the imposed limits.

15 Salaries and social charges

	Parent Company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Salaries payable	12,834	10,917	26,799	25,609
Labor charges	9,824	9,269	20,168	22,062
Provision for vacation and charges	26,483	26,851	53,772	56,064
Provision for Christmas bonus and charges	6,323		12,946	
Profit sharing	1,956	4,172	2,618	5,400
Other	1,828	2,412	3,221	4,726
	59,248	53,621	119,524	113,861

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16 Lease commitments

As mentioned in Note 12, 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 period, 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.

(a) Maturities

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

Parent Company		March 31, 2023		December 31, 2022
			Present value of minimum payments	Present value of minimum payments
Maturities	Minimum payments	Discount to present value		
Current				
Up to one year	62,747	(40,334)	22,413	21,699
Non-Current				
Between one and two years	64,813	(38,460)	26,353	20,056
Between three and five years	172,031	(90,530)	81,501	65,698
Over five years	367,648	(111,066)	256,582	191,329
	604,492	(240,056)	364,436	277,083
	667,239	(280,390)	386,849	298,782
Consolidated		March 31, 2023		December 31, 2022
			Present value of minimum payments	Present value of minimum payments
Maturities	Minimum payments	Discount to present value		
Current				
Up to one year	139,290	(81,669)	57,621	66,913
Non-Current				
Between one and two years	133,318	(76,693)	56,625	48,353
Between three and five years	349,618	(179,496)	170,122	148,265
Over five years	711,807	(214,451)	497,356	442,199
	1,194,743	(470,640)	724,103	638,817
	1,334,033	(552,309)	781,724	705,730

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(b) Change

The change in lease obligations is as follows:

	Parent Company	Consolidated
Balance as of December 31, 2022	298,782	705,730
New agreements/Remeasurement	61,870	110,165
Mergers (note 5 (a)(ii))	42,971	
Write-offs (i)	(10,616)	(13,874)
Interest (Note 21)	9,308	19,985
Minimum payments	(15,466)	(40,282)
Balance as of March 31, 2023	386,849	781,724

(i) Refers to properties returned in the period.

17 Share capital and reserves

a) Share Capital

As of March 31, 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 March 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.

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. During the program, the Company repurchased 386,800 common shares issued by it, equivalent to 0.73% of the total number of outstanding shares, at an average repurchase price of R\$ 8.78 at market price, which are being held in Treasury.

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(c) Retained earnings

As of March 31, 2023, the Company's retained earnings amounted to R\$ 180,162. 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.

18 Net Revenue from services

	Parent		Consolidated	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Gross revenue from services provided				
Undergraduate monthly tuition (i)	398,867	276,765	837,041	687,118
Graduate courses monthly tuition	8	113	3,998	3,872
Digital learning monthly tuition (ii)	53,464	55,640	112,605	155,550
Other revenues	834	622	16,182	14,471
	<u>453,173</u>	<u>333,140</u>	<u>969,826</u>	<u>861,011</u>
Gross revenue deductions				
Discounts and scholarships (iii)	(215,925)	(154,080)	(449,411)	(401,057)
PROUNI (iv)	(37,356)	(24,251)	(80,359)	(66,101)
FGEDUC and FIES charges	(300)	(200)	(668)	(426)
Taxes on services	(5,672)	(4,408)	(14,841)	(13,217)
	<u>(259,253)</u>	<u>(182,939)</u>	<u>(545,279)</u>	<u>(480,801)</u>
	<u>193,920</u>	<u>150,201</u>	<u>424,547</u>	<u>380,210</u>

- (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;
- (ii) The drop in gross revenue from digital learning mainly reflects the decrease in FAEL's student base and the overall average ticket for this line of business;
- (iii) Higher volume of discounts for freshmen, mainly in the first monthly fees of the semester in hybrid learning; and
- (iv) Increase in PROUNI student base combined with the pass-through of inflation to monthly fees.

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19 Costs of services rendered

	Parent Company		Consolidated	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Payroll and social charges (i)	(46,046)	(33,069)	(119,073)	(102,818)
Services provided by individuals and companies (ii)	(6,086)	(5,387)	(25,157)	(19,537)
Electricity, water and telephone	(3,472)	(3,308)	(8,753)	(8,001)
Depreciation and amortization (iii)	(22,761)	(15,851)	(55,582)	(45,627)
Rentals	(1,709)	(1,939)	(4,853)	(6,151)
Other	(1,373)	(2,570)	(4,855)	(5,106)
	<u>(81,447)</u>	<u>(62,124)</u>	<u>(218,273)</u>	<u>(187,240)</u>

- (i) The increase refers to UNI7 acquisition, the hiring of personnel to support and expand new businesses, collective bargaining and severance pay;
- (ii) In the consolidated, basically refers to the increase in transfers to partner learning centers due to the growth in digital learning and the increase in the student base in health courses in hybrid learning; and
- (iii) Refers to the increase in the amortization of the right of use due to the remeasurement and adherence to new rental contracts and the amortization of intangible assets identified at FAEL.

20 Operating expenses

(a) Selling, general and administrative expenses

	Parent Company		Consolidated	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Payroll and social charges (i)	(24,951)	(29,725)	(57,631)	(50,881)
Services provided by individuals and companies (ii)	(6,421)	(10,542)	(18,877)	(17,577)
Selling, marketing and advertising (ii)	(17,447)	(21,159)	(40,361)	(37,969)
Provision and effective loss for doubtful accounts (Note 8(e))	(10,236)	(12,446)	(24,661)	(28,787)
Depreciation and amortization.	(3,008)	(2,243)	(4,696)	(3,942)
Office supplies	(1,709)	(1,442)	(3,983)	(4,254)
Other	<u>(5,425)</u>	<u>(5,116)</u>	<u>(16,369)</u>	<u>(12,179)</u>
	<u>(69,197)</u>	<u>(82,673)</u>	<u>(166,578)</u>	<u>(155,589)</u>

- (i) The increase refers to the hiring of personnel to support and expand new businesses, collective bargaining and severance pay; The decrease in the parent company is due to the sharing of expenses at the Shared Services Center – CSC, located in Recife, with other Group's subsidiaries; and
- (ii) The decrease in the parent company is due to the sharing of expenses at the Shared Services Center – CSC, located in Recife, with other Group's subsidiaries, expenses on services rendered by individuals and legal entities and selling, publicity and advertisement expenses;

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(b) Other operating expenses, net

	Parent Company		Consolidated	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Write-off of PPE / Right of Use	251	(5)	277	
Judicial fees	(999)	(1,624)	(3,018)	(4,044)
(Reversal) Provision for contingencies	(197)		274	
Fine for termination of atypical lease agreement (i)				(8,350)
Other (ii)	(602)	(541)	(572)	(4,419)
	<u>(1,547)</u>	<u>(2,170)</u>	<u>(3,039)</u>	<u>(16,813)</u>

The main impacts occurred in 2022 refer to:

- (i) 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.
- (ii) Reimbursement of tax credits in the amount of R\$ 4,407, arising from UNINORTE acquisition, which were not considered in the purchase price allocation.

21 Finance income (costs)

	Parent Company		Consolidated	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Financial revenues				
Interest on monthly tuitions and agreements	1,108	1,832	4,651	5,965
Earnings from financial investments	2,586	2,343	5,363	4,375
Discounts obtained	23	146	48	336
Foreign exchange gain (i)	2,907	36,105	2,907	36,105
(-) PIS and Cofins on financial revenues	(174)	(221)	(484)	(546)
Other	89	427	354	2,086
	<u>6,539</u>	<u>40,632</u>	<u>12,839</u>	<u>48,321</u>

	Parent Company		Consolidated	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Financial expenses				
Interest on loans, financing and debentures (ii)	(22,354)	(13,549)	(22,354)	(13,700)
Interest on leases	(9,308)	(6,097)	(19,985)	(16,324)
Discounts granted (iii)	(6,213)	(3,408)	(16,906)	(11,812)
Interest on commitments payable			(3,077)	(3,859)
Interest and swap result on loans (i)	(9,854)	(41,014)	(9,854)	(41,014)
Other	(1,890)	(487)	(3,881)	(2,147)
	<u>(49,619)</u>	<u>(64,555)</u>	<u>(76,057)</u>	<u>(88,856)</u>
Finance income (costs), net	<u>(43,080)</u>	<u>(23,923)</u>	<u>(63,218)</u>	<u>(40,535)</u>

- (i) Refer to exchange rate variations and inflation adjustment stemming from the swap contracted for

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hedging, which showed a high oscillation in the first quarter of 2022;

- (ii) Increase due to the issuance of debentures (Note 14.1); and
- (iii) The increase in discounts granted refer to volume of renegotiations with students to recover tuition fees in arrears prior to December 2022, mainly due to the impacts of the Covid-19 pandemic;

22 Income tax and social contribution

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

	Parent Company		Consolidated	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Current IR and CS				
Presumptive Profit	(152)		(151)	(1,397)
Taxable income	(1,786)	(9)	(9,277)	(4,364)
Tax incentive	1,590		7,701	2,191
Total current IR and CS, net of incentive	(348)	(9)	(1,727)	(3,570)

(b) Companies under presumptive profit regime

	Consolidated	
	March 31, 2023	March 31, 2022
Gross revenue from services	1,028	10,195
Gross revenue from sales		325
32% assumption	329	3,262
8% assumption		26
Other revenues	116	821
Taxable base of presumptive profit	445	4,109
Income tax and social contribution - 34%	151	1,397

Part of the higher education support operations and professional education operations and new businesses are carried out under the presumptive profit regime of the Group's investees.

(c) Companies under taxable income regime

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	Parent Company		Consolidated	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Losses before income tax and social contribution	(27,624)	(18,531)	(27,006)	(24,076)
Tax loss on subsidiaries			42,472	33,669
	(27,624)	(18,531)	15,466	9,593
Combined nominal rate of income tax and social contribution	34%	34%	34%	34%
Income tax and social contribution at statutory rates	(9,392)		5,258	3,261
Interest in the profit of subsidiaries	8,933	(734)		
Adjustment to present value of accounts receivable	(249)	(162)	(441)	19
Leases	1,346	432	1,542	2,355
Creation of provision for expected credit losses	378	377	818	1,844
Other additions and exclusions	1,464	(186)	2,957	(3,129)
Reversal of contingencies	67	(9)	(93)	14
Offsetting of tax loss	(761)		(764)	
IR and CS - previous periods		(9)		
	1,786	(291)	9,277	4,364
Tax benefit from operation profit - PROUNI	(1,590)		(7,701)	(2,191)
Income tax and social contribution on the income (loss) for the period	196		1,576	2,173
Effective tax rate - %			10.19%	6.45%

(d) Breakdown of the effective rate

	Parent Company		Consolidated	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Earnings (Losses) before income tax and social contribution				
Companies under presumptive profit regime			445	4,109
Companies under taxable income regime	(27,624)	(18,531)	15,466	33,669
	(27,624)	(18,531)	15,911	37,778
Income tax and social contribution				
Companies under presumptive profit regime			151	1,397
Companies under taxable income regime			1,576	2,173
Total current IR and CS			1,727	3,570
Effective tax rate			10.85%	9.45%

In the statement of 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 finance income (costs), the effective rate presented, on a non-recurring basis, a percentage above the history of the normal course of operations.

(e) Deferred taxes

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	Company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Assets				
Adjustment to present value of accounts receivable	75	359	176	819
Provision for contingencies	183	171	350	328
Creation of provision for expected credit losses	613	488	2,911	3,039
Right of use, net of depreciation and lease obligations	1,350	1,136	3,051	2,972
Intangible assets with a defined useful life identified in business combination	45	45	793	746
Trade Accounts Payable - Provisions	12		39	
Tax goodwill			1,539	1,674
Income tax loss and negative basis of social contribution	4,158	4,234	12,705	12,037
Total deferred tax assets, net	<u>6,436</u>	<u>6,433</u>	<u>21,564</u>	<u>21,615</u>
	Parent		Consolidated	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Results				
Adjustment to present value of accounts receivable	(284)	(10)	(643)	(42)
Provision for contingencies	12	(1)	22	79
Creation of provision for expected credit losses	125	(101)	(128)	679
Right of use, net of depreciation and lease obligations	214	44	79	331
Intangible assets with a defined useful life identified in business combination			47	47
Trade Accounts Payable - Provisions	12		39	
Tax goodwill			(135)	(135)
Deferred Income Tax and Social Contribution - Previous Periods	(383)	(265)		1,342
Income tax loss and negative basis of social contribution	(76)	554	655	2,917
Total deferred tax assets, net	<u>(380)</u>	<u>221</u>	<u>(64)</u>	<u>5,218</u>

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23 Related parties

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

(a) Current accounts

	Parent Company	
	March 31, 2023	December 31, 2022
<u>Assets</u>		
CETEB - Centro de Ensino e Tecnologia da Bahia Ltda.	1,610	
ABES - Sociedade Baiana de Ensino Superior Ltda.	1,456	
CENESUP - Centro Nacional de Ensino Superior Ltda.	7,326	
EDUCRED - Adm de Crédito Educative Cobrança	2,645	
SERMED – Medicina Humana & Veterinária Ltda.	4,360	
Centro de Educação Continuada Mauricio de Nassau Ltda.	1,100	
3L Tecnologias Educacionais e Soluções Digitais S/A	2,845	
Overdrives Coworking Escritórios Virtuais Ltda	81	
Ocktus Participações Ltda (i)	3,579	4,067
	<u>25,002</u>	<u>4,067</u>
(-) Current	(1,952)	(1,952)
Non-Current	<u>23,050</u>	<u>2,115</u>
<u>Current Liabilities</u>		
ICES - Instituto Campinense de Ensino Superior Ltda. (ii)	45,860	
SECARGO - Sociedade Educacional Carvalho Gomes Ltda.	6,877	
Faculdade Maurício de Nassau de Belém Ltda.	7,113	
SESPS - Sociedade de Ensino Superior e de Pesquisa de Sergipe Ltda.	2,334	
	<u>62,184</u>	

- (i) 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 Janguê 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 paid in 67 monthly installments, under identical conditions to the financing originally assumed by the Group, through Finame (Note 14), with fiduciary sale of the aircraft; and
- (ii) Refers to the settlement of transfers between group companies regarding the assignment of receivables.

The Group has the practice of capitalizing and/or distributing profits on a half-yearly basis between the

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Parent Company and its subsidiaries, see Note 5 (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	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Global compensation of key management staff	5,052	4,606	5,052	4,606

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

(c) Rentals

	March 31, 2023			March 31, 2022		
	Result	Disbursement	Balance	Result	Disbursement	Balance
Right of Use			252,687			165,518
Depreciation Expense	7,283			6,406		
Lease commitments			305,282			212,181
Interest expenses	7,846			6,254		
Minimum payments		(11,745)			(11,586)	
	15,129	(11,745)	557,969	12,660	(11,586)	377,699

The Group entered into Property Rent Agreements with Ocktus Participações Ltda., owned by shareholder José Janguê 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.

24 Provision for contingencies

	Parent Company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Probable (a)				
Civil	603	495	3,667	2,483
Labor	6,692	6,319	10,275	10,598
Tax			1,991	1,986
	7,295	6,814	15,933	15,067
Contingencies arising from business combination (c)			116,282	116,282
	7,295	6,814	132,215	131,349

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(a) Probable

Management, based on the opinion of its external legal advisors, 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, the recognition of employment relationships, equal pay and salary differences resulting from the reduction of faculty working hours.

(b) Possible

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

	Parent Company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Civil	27,672	27,565	65,538	65,683
Labor	12,080	12,070	45,794	45,386
Tax	2,158	8	2,306	2,320
	<u>41,910</u>	<u>39,643</u>	<u>113,638</u>	<u>113,389</u>

(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).

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In addition to the lawsuits provisioned, with indemnification assets recognized by the Group, we also have a contingency proceeding 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.

25 Basic and diluted earnings per share

Basic earnings 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 period. The Company has no potential common shares with dilutive effects.

	Parent Company and Consolidated	
	March 31, 2023	March 31, 2022
Losses for the period attributable to the Parent Company's shareholders	(28,352)	(18,319)
Weighted average of common shares outstanding (thousands)	128,335	128,722
Basic and diluted losses per share - R\$	(0.22)	(0.14)

Message from Management

Ser Educacional completed the first quarter of 2023 with results consistent with the planning for the year, whose main objectives are to improve operational and financial performance, through the organic expansion of the student base, generation of synergies from acquisitions made in recent years, optimization of the operational structure and increase in cash generation. These goals aim to provide the company with the ability to face a scenario that is still adverse and uncertain in the economy, which presents a backdrop of high interest rates in search of inflation control, while Brazilian families still have their disposable income tightened and their indebtedness index above the optimal.

In this environment, the results of 2023.1 enrollment season can be considered positive, with 7.9% growth in Hybrid Learning enrollment, as well as in Digital learning, which despite the still very competitive scenario, also recorded 9.6% enrollment growth, both when comparing to 1Q23 and 1Q22. This performance was the result of the company's strategy of focusing on courses with more hours of practical classes and a higher average ticket, such as in the areas of health and engineering, especially for Hybrid Learning. was the implementation of a commercial policy focused on passing on inflation in the tuition of courses offered, aiming to take advantage of the strength of the brands, laboratory structure, and increasingly distinctive clinics in its well-located units in the cities where it operates.

As a result of the increase in intake and the improvement in dropout rates, the regulated education student base grew 5.3%, with a healthy growth in the average ticket of 6.3%, which led to a 11.7% increase in revenue, in the quarterly comparison.

The operational optimization plan started in the second half of 2022 has also shown the first tangible results of the activities that are being developed and are expected to last until the end of the year. An example was the sale of Educared portfolio to PraValer, a landmark transaction for Brazilian higher education, showing that the offering of private student loans in Brazil is possible and profitable, provided that solid practices are adopted for granting and controlling the financing granted. The transaction provided an inflow of R\$ 69.7 million into the Company in a first moment. As a result, the sale of Educared portfolio was the main factor that led to the decrease in average term of receipt of total tuition at Ser Educacional by 16 days in the quarterly comparison and the net debt drop by 8.5% compared to 4Q22. In addition, the quarter was marked by the first returns of properties made during the summer holidays and the resulting optimization of costs and expenses related to these moves, which, despite not yet visibly reflected in 1Q23 results, will be seen throughout the year.

On the new business front, Ser Educacional continued investing in its portfolio of technology and healthcare companies to increasingly interconnect them into its continuing education ecosystem, driving continued growth in ancillary revenues. Among the new businesses, the operational performance of Peixe30 stands out, which reached 475,000 users in less than 1 year after its launch and the inauguration of Hospital Veterinário DOK in Maceió, which will raise the quality and reputation of the Veterinary Medicine course of the educational institutions' brands of Ser Educacional.

The company continues to pursue the goals set for the year, aiming to present in the coming quarters results that demonstrate more clearly the effects of the activities underway in its quest to regain operational leverage, while continuing to strive to improve its ESG practices.

In this sense, at the Annual Shareholders' Meeting, held in April 2023, the shareholders of Ser Educacional elected Ms. Iara Xavier, its first Independent Director, increasing the diversity of its the Board of Directors, which now has a majority of independent members and with no overlap between executive officers and directors.

The Company also showed one more cycle of improvements in its academic quality indicators. In March 2023, the Ministry of Education (MEC) released the Preliminary Course Concept (CPC) and General Course Index (IGC) grades



for the 2021 cycle. The Company had 97% of its courses with CPC with grades 3, 4 or 5, with 26% of this total with grades 4 or 5, compared to 96% in 2019, with 13% of these courses with grades 4 or 5. In addition, the Company achieved the General Index of Courses of 2.61, a result above the average of the private sector of higher education in Brazil.

In this scenario, the Company continues to invest in the development of its continuing education ecosystem, implementing academic improvements that are reflected in the improvement of quality indicators measured by MEC, while improving its ESG practices and acting in the process of resuming its operational leverage. Ser Educacional's Management thanks its students, teachers, employees, shareholders and service providers for their trust and partnership in the mission of transforming Brazil through education, conveying values such as entrepreneurship, culture and social responsibility to the communities in which their operations are located.

OPERATIONAL PERFORMANCE

1Q23 Student Intake Results

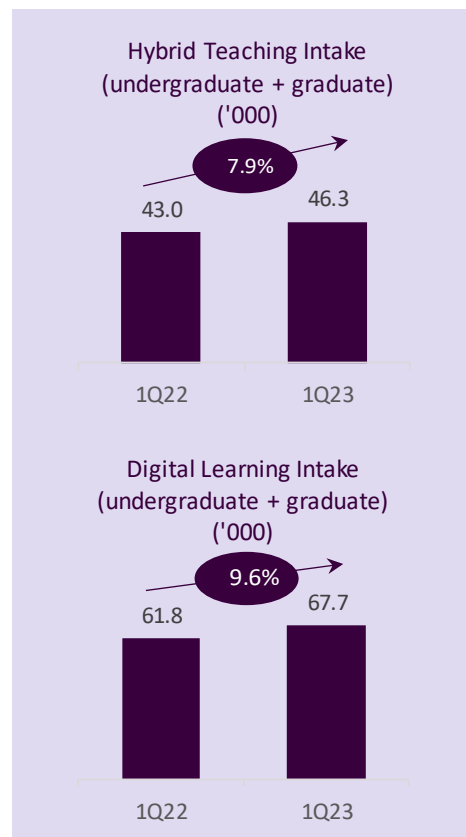
Student Enrollment of Continued Education			
Segment	1Q23	1Q22	% Chg
Hybrid Teaching (undergraduate + graduate)	46.3	43.0	7.9%
Hybrid Teaching (Ex-Acquisitions)	45.9	43.0	6.9%
Digital Learning (undergraduate + graduate)	67.7	61.8	9.6%
Total Enrollment	114.0	104.7	8.9%
Total Enrollment (Ex-Acquisitions)	113.6	104.7	8.5%

Hybrid Learning (on-campus) student intake – 1Q23

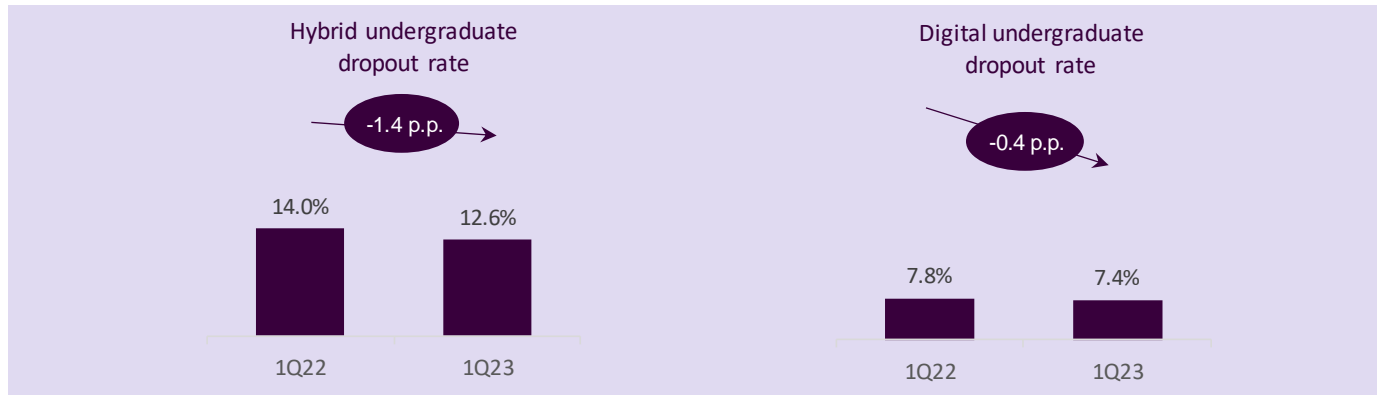
Intake recorded 7.9% growth when comparing 1Q23 and 1Q22, mainly due to the Company's strategy of focusing its efforts on offering health and engineering courses, which represent a higher average ticket, aiming to better capitalize on its differentials regarding the structure of laboratories, clinics, and recognition of its regional brands.

Digital learning student intake – 1Q23

Intake in Digital Learning segment grew 9.6%, in the 1Q23 x 1Q22 comparison, mainly due to the commercial synergies related to UNIFAEL integration, which completed its first year in January 2023 and allowed the integration with systems and strategies, as well as training and connection between partner learning centers and units, enabling increased capillarity in the offer of health and engineering courses, in addition to increasing the number of students in technology courses, which remain with solid demand in Digital Learning, especially due to the transfer of these courses from Hybrid Learning to Digital.



Dropout Rate¹



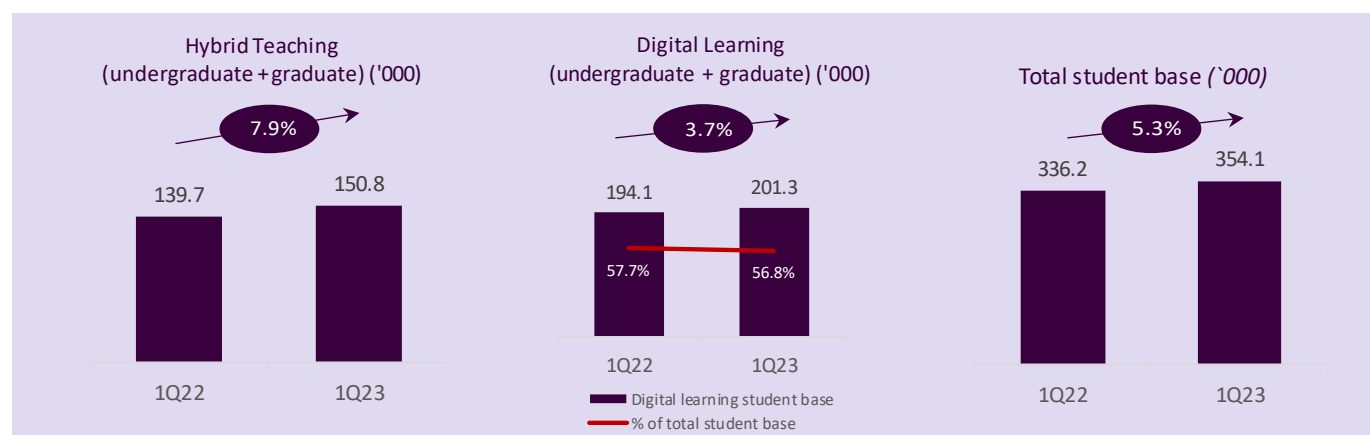
(1) Dropout rate = dropout of the period / enrolled students at the end of the previous semester - graduates + intake + acquisitions)

Hybrid undergraduate segment showed a reduction in the dropout rate of 1.4 p.p., when comparing 1Q23 versus 1Q22, due to the lessening of the effects of the pandemic and its impacts on the daily lives of students, as well as the result of activities implemented by the Company, such as the creation of experience mentors, implementation of the monthly payment plan via credit card, among others.

In the digital undergraduate segment, the dropout rate was 7.4%, versus 7.8% in 1Q22, representing a 0.4 p.p. decrease. The dropout rate in Digital Learning in odd quarters is lower than the average dropout for the year as it reflects the seasonal change generated by the system for recognizing enrolled students, which excludes from the student base those who have more than 2 monthly payments in arrears and have not accessed the system for more than 60 days, changing the seasonality of dropout rate of these students to be recognized throughout the semester and no longer during the enrollment period.

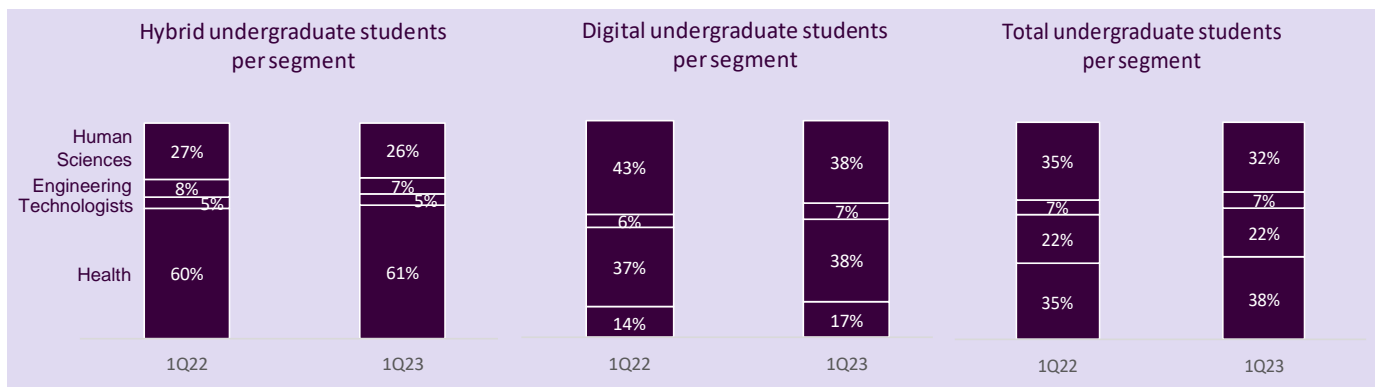
Evolution of the Student Base

Number of Students	Undergraduate		Graduate		Vocational		Total
1Q23	Hybrid (On Campus)	Digital	On Campus	Digital	On Campus	Digital	Total
Dec22 Base	136,100	126,349	1,139	29,633	1,509	432	295,162
Enrollments	45,929	57,665	413	10,000	317	-	114,324
Acquisition	1,304	59	237	-	-	-	1,600
Leavers	(12,656)	(7,758)	(209)	(939)	(112)	(2)	(21,676)
Dropouts	(21,451)	(13,086)	(50)	(611)	(81)	(10)	(35,289)
Mar23 Base	149,226	163,229	1,530	38,083	1,633	420	354,121
% Mar23 Base / Dec22 Base	9.6%	29.2%	34.3%	28.5%	8.2%	-2.8%	20.0%
% Mar23 Base / Mar22 Base	7.8%	0.7%	17.6%	18.7%	-19.4%	2.9%	5.3%
Mar23 Base (Ex-Acquisitions)	147,923	163,156	1,306	38,079	1,633	420	352,517
% Mar23 Base / Mar22 Base	6.9%	0.7%	0.4%	18.7%	-19.4%	2.9%	4.8%



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 61% of the Hybrid Learning undergraduate student base and 38% of the total undergraduate base.

In Digital Learning, the student base growth has been more widespread. However, the first results of the Company's strategy to increase its investments in laboratories, systems integration and training of partner learning centers among the original regional brands stand out with UNIFAEEL, which completed its first year of consolidation, resulting in health courses increasing their share from 14% to 17% and engineering from 6% to 7% of the total undergraduate digital student base. The growth in the share of technology courses in the student base is mainly due to the lower offer of these courses in Hybrid Learning, which were transferred to Digital Learning.



Operational Data	1Q23	1Q22	% Chg. 1Q23 x 1Q22
Medicine vacancies	521	473	10.1%
Medical students	3,056	2,819	8.4%
Operational campuses	59	61	-3.3%
Operational Centers	961	1,015	-5.3%

The increase in the number of seats and student base in the Medicine course when comparing 1Q22 x 1Q23 was due to the approval of 48 new seats for UNESC's operations, in the city of Vilhena (RO), in March 2022.

The lower number of partner Campuses and Learning Centers in operation is due to the Company's strategy to improve its operational performance, closing activities in underperforming units and learning centers, which includes the reduction of the leased real estate, even when the units themselves are not closed and remain operating with leaner spaces. It is worth noting that even with the number of Campuses reduced from 61 to 59 in the quarterly comparison, UNI7 Campus was included, whose acquisition was completed in January 2023.

Student Financing

STUDENT LOANS	1Q22	Dec/22	1Q23
Hybrid (on campus) Undergraduate Students	138,397	136,100	149,226
FIES Students	10,521	14,321	12,907
% of FIES Students	7.6%	10.5%	8.6%
EDUCRED Students	1,623	1,738	1,037
% of EDUCRED Students	1.2%	1.3%	0.7%
PRAVALER Students	377	1,071	991
% of PRAVALER Students	0.3%	0.8%	0.7%
Total Students Loans	12,521	17,130	14,935
% of Total Students Loans	9.0%	12.6%	10.0%
Digital Undergraduate Students	162,017	126,349	163,229
PROUNI - Hybrid Undergraduate	13,933	12,123	16,220
PROUNI - Digital Undergraduate	2,135	5,196	5,678
Total PROUNI Students	16,068	17,319	21,898
% of PROUNI Students	5.3%	6.6%	7.0%

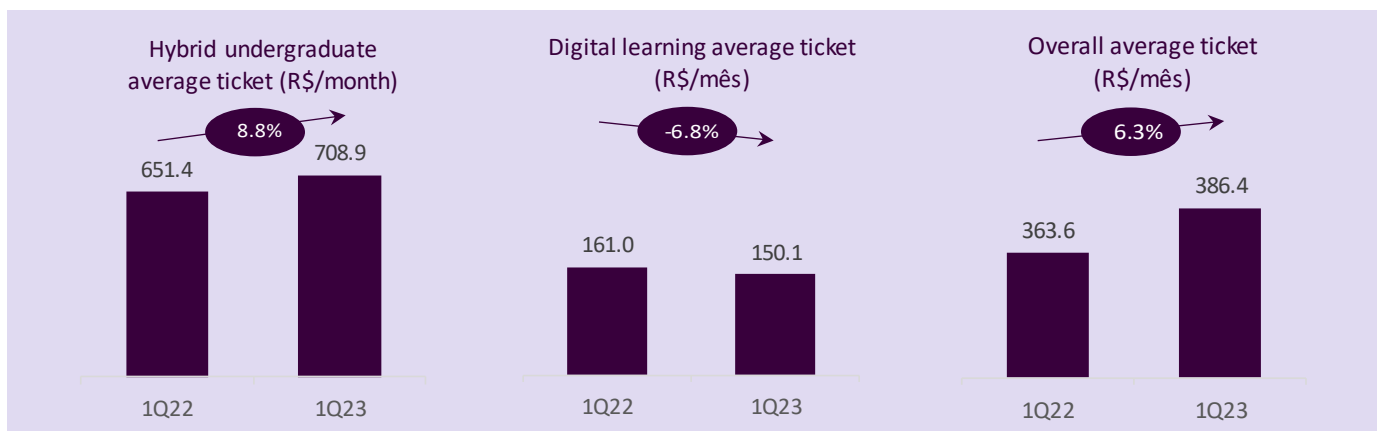
FIES and PROUNI student base showed growth in its share of hybrid and digital undergraduate student base (for PROUNI), mainly due to the increase in student intake from these programs in 1Q23, since in 2023, the schedules of these programs showed a better fit to the funding cycle of this quarter, compared to 2022, which still had the effects of COVID-19 pandemic period.

Average Net Ticket

Average Ticket (R\$)	1Q23	1Q22	% Chg. 1Q23 x 1Q22
Hybrid Teaching (Undergraduate)	708.93	651.38	8.8%
Hybrid Teaching (Undergraduate + graduate)	705.99	650.39	8.5%
Digital Learning (Undergraduate + graduate)	150.06	161.01	-6.8%
Total Net Average Ticket	386.42	363.63	6.3%

When comparing 1Q23 to 1Q22 results above, the average undergraduate ticket for Hybrid Learning showed 8.8% growth, mainly due to the combined effect of (i) passing on prices to upperclassmen, (ii) reduced dropout rate, (iii) increased share of health courses in the Company's total course mix, and (iv) improved conditions in the competitive landscape.

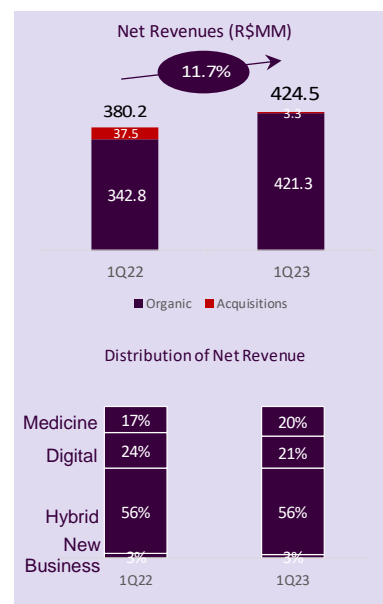
In Digital Learning, the drop in the average ticket is mainly due to the conditions of the competitive scenario that remains pressured by the increase in the offer of courses in this segment, in addition to the increase in the share of technology courses in the Company's total student base of this segment, which in turn was partially offset by the increased share of health and engineering courses.



FINANCIAL PERFORMANCE

Costs of Services Provided

Gross Revenue - Accounting (R\$ '000)	1Q23	1Q22	% Chg. 1Q23 x 1Q22
Gross Operating Revenue	969,826	861,011	12.6%
Hybrid Teaching Monthly Tuition	841,039	690,990	21.7%
Digital Learning Monthly Tuition	112,605	155,550	-27.6%
Others	16,182	14,471	11.8%
Deductions from Gross Revenue	(545,279)	(480,801)	13.4%
Discounts and Scholarships	(449,411)	(401,057)	12.1%
PROUNI	(80,359)	(66,101)	21.6%
FGEDUC And FIES charges	(668)	(426)	56.8%
Taxes	(14,841)	(13,217)	12.3%
% Discounts and Scholarships/ Net Oper. Rev.	46.3%	46.6%	-0.2 p.p.
Net Operating Revenue	424,547	380,210	11.7%
Hybrid Teaching Monthly Tuition	319,299	272,574	17.1%
Digital Learning Revenues	90,815	93,950	-3.3%
Others	14,433	13,686	5.5%



- a) The 12.6% increase in gross revenue is due to (i) the higher volume of students enrolled in hybrid and digital undergraduate, due to the improvement in intake and dropout rates, (ii) growth in the student base of the Medicine course and (iii) increase in the average ticket of Hybrid Learning, due to the improvement in the mix of courses and the inflation passthrough on of tuition fees to upperclassmen.
- b) The 11.7% increase in net revenue is explained by the same reasons described above, offset by the 12.1% growth in discounts and scholarships. Excluding acquisitions, net revenue for the quarter was R\$ 421.3 million, with 10.8% growth, showing that the company continues to grow its net revenue on an organic basis, with emphasis on Digital Learning, which recorded 17.1% growth in the period.

Costs of Services Provided

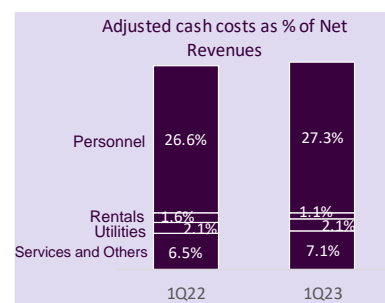
Breakdown of Cost of Services Rendered Accounting (R\$ '000)	1Q23	1Q22	% Chg. 1Q23 x 1Q22
Cost of Services Rendered	(218,273)	(187,240)	16.6%
Payroll and Charges	(119,073)	(102,818)	15.8%
Rent	(4,853)	(6,151)	-21.1%
Concessionaires (Electricity, Water and Telephone)	(8,753)	(8,001)	9.4%
Third-Party Services and Others	(30,012)	(24,643)	21.8%
Depreciation and Amortization	(55,582)	(45,627)	21.8%

- a) Personnel costs and charges increased 15.8% when compared to 1Q22. In this scenario, the Company had non-recurring costs of R\$ 3.3 million in the quarter. Excluding this effect, the increase in costs was 14.5%, mainly due to the collective bargaining agreement, the increase in the number of employees when comparing both periods, due to the expansion of laboratory and clinical activities, new businesses and UNI7 acquisition;

- b) Rental costs reached R\$ 4.9 million in 1Q23, versus R\$ 6.2 million in 1Q22, with a 21.1% drop, due to the measurement of rents that used to be treated as cost and were calculated in accordance with IFRS-16 accounting standards, with the effects being, in practice, reclassified to depreciation and interest on lease accounts. The impact on adjusted EBITDA can be seen in the line of minimum rents paid, which, as can be seen in the adjusted EBITDA table, this line shows a 34.2% increase, from R\$ 30.0 million to R\$ 40.3 million, reflecting exactly the reclassification between accounts and the increase in rental cost, which when added together, the net increase is 24.8%. This increase is due to the expected adjustment of agreements in line with inflation, the increase in the leased property base and the return of the leases of several UNINORTE properties that were anticipated in May 2017, classified as "Advantageous Lease Agreement", which were recognized as amortization until May 2022 and the inclusion of UNI7 campus;
- c) The line of utilities increased 9.4%, due to the total resumption of administrative activities and on-campus practical classes, when comparing 1Q23 and 1Q22 results, and the acquisition of UNI7;
- d) The 21.8% increase in third-party and other services was mainly due to (i) commissioning of partner learning centers as a result of its increased share in the revenue generated in Digital Learning, (ii) higher cost of access licenses in the digital learning platform due to the growth in the total student base and (iii) increase in preceptorship costs due to the increased number of students enrolled in health courses in recent periods, which have more hours of practical classes, according to the progression of classes;

The table below shows managerial operating costs, which are adjusted for non-recurring effects.

Breakdown of Cost of Services Rendered Adjusted (R\$ '000)	1Q23	1Q22	% Chg. 1Q23 x 1Q22
Cost of Services Rendered	(214,946)	(185,500)	15.9%
Payroll and Charges	(115,746)	(101,078)	14.5%
Rent	(4,853)	(6,151)	-21.1%
Concessionaires (Electricity, Water and Telephone)	(8,753)	(8,001)	9.4%
Third-Party Services and Others	(30,012)	(24,643)	21.8%
Depreciation and Amortization	(55,582)	(45,627)	21.8%



Gross Profit

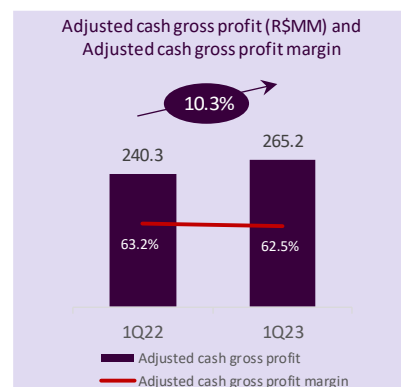
Gross Profit - Accounting (R\$ '000)	1Q23	1Q22	% Chg. 1Q23 x 1Q22
Net Operating Revenue	424,547	380,210	11.7%
Cost of Services Rendered	(218,273)	(187,240)	16.6%
Gross Profit	206,274	192,970	6.9%
Gross Margin	48.6%	50.8%	-2.2 p.p.
(-) Depreciation	55,582	45,627	21.8%
Cash Gross Profit	261,856	238,597	9.7%
Cash Gross Margin	61.7%	62.8%	-1.1 p.p.

- a) The growth in gross cash profit reflects the combined effect of the increase in revenue as a result of the organic development of Hybrid and Digital Learning and the lower margin is mainly due to the increase in personnel costs and services provided.

- b) The 21.8% increase in depreciation and amortization rate was mainly due to the inclusion of PP&E depreciation, right of use and amortization of intangible assets identified in acquisitions.

The table below shows the gross cash profit adjusted for the main effects of non-recurring costs.

Gross Profit - Adjusted (R\$ '000)	1Q23	1Q22	% Chg. 1Q23 x 1Q22
Net Operating Revenue	424,547	380,210	11.7%
Cost of Services Rendered	(214,946)	(185,500)	15.9%
Adjusted Gross Profit	209,601	194,710	7.6%
Adjusted Gross Margin	49.4%	51.2%	-1.8 p.p.
(-) Depreciation	55,582	45,627	21.8%
Adjusted Cash Gross Profit	265,183	240,337	10.3%
Adjusted Cash Gross Margin	62.5%	63.2%	-0.7 p.p.



Operating Expenses (Selling, General and Administrative)

Operating Expenses - Accounting (R\$ '000)	1Q23	1Q22	% Chg. 1Q23 x 1Q22
General and Administrative Expenses	(166,578)	(155,589)	7.1%
Payroll and Charges	(57,631)	(50,881)	13.3%
Third-Party Services	(18,877)	(17,577)	7.4%
Advertising	(40,361)	(37,969)	6.3%
Materials	(3,983)	(4,254)	-6.4%
PDA	(24,661)	(28,787)	-14.3%
Others	(16,369)	(12,179)	34.4%
Depreciation and Amortization	(4,696)	(3,942)	19.1%
Other Net Operating Expenses/Revenue	(3,039)	(16,813)	-81.9%
Operating Income	36,657	20,568	78.2%
General and Administrative Expenses (Ex-Depreciation and Amortization)	(161,882)	(151,647)	6.7%

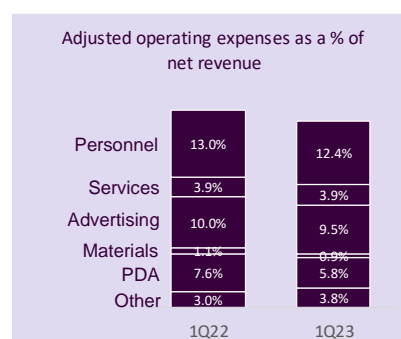
- a) Personnel expenses and charges showed a 13.3% increase, mainly due to the non-recurring effect of R\$ 4.9 million related to indemnity fines arising from the adjustment of the administrative structure to accommodate the Company's current student base. Excluding non-recurring effects between the two periods, the increase was 6.4%, mainly due to the collective bargaining agreement;
- b) Expenses with services provided increased 7.4% compared to 1Q22. Despite being relatively in line with inflation, excluding non-recurring effects between the periods that can be seen in the managerial table below, the increase in these expenses was 11.6%. This change was due to (i) the increase in expenses with the provision of security and cleaning services, referring to price transfers after the normalization of activities after the weakening of the pandemic and (ii) the growth of units in the countryside of the Northeastern and Northern. Non-recurring effects

with services provided in the quarter were related to the execution of projects in IT, advisory and consultancy areas, in the amount of R\$ 2.5 million;

- c) Advertising expenses increased 6.3% compared to 1Q22, however, as a percentage of net revenue, increased from 10.0% to 9.5%, showing an improvement in the Company's commercial strategy, mainly as a result of the measures adopted to improve operational efficiency and focus on improving the portfolio of courses offered in the Hybrid and Digital Learning segments;
- d) PDA and Effective Losses line dropped 14.3% compared to 1Q22, representing, as a percentage of net revenue, 5.8% in 1Q23, versus 7.6% in 1Q22, mainly due to a decline in the dropout rate, lower default as well as higher past due tuitions recovery.
- e) Other expenses recorded a 34.4% increase as compared to 1Q22, basically due to the increase of travels, congresses and events expenses, due to the resumption of the Company's commercial and regulatory activities after the weakening of the effects of Covid-19 pandemic, the increase of building maintenance expenses and higher expenses related to supporting systems in order to help the Company with its digital transformation journey;
- f) Other Net Operating Income (Expenses) recorded an expense of R\$ 3.0 million, due to higher legal costs. In 1Q23, we had a non-recurring effect in the amount of R\$ 0.5 million. Compared to 1Q22, there was a 35.9% reduction in this expense line, when comparing in a pro forma basis, as seen in the table below.

The table below presents managerial view of general and administrative expenses, adjusted for non-recurring effects.

Operating Expenses - Adjusted (R\$ ('000))	1Q23	1Q22	% Chg. 1Q23 x 1Q22
General and Administrative Expenses	(159,071)	(150,494)	5.7%
Payroll and Charges	(52,720)	(49,543)	6.4%
Third-Party Services	(16,416)	(14,716)	11.6%
Advertising	(40,361)	(37,969)	6.3%
Materials	(3,983)	(4,254)	-6.4%
PDA	(24,661)	(28,787)	-14.3%
Others	(16,234)	(11,284)	43.9%
Depreciation and Amortization	(4,696)	(3,942)	19.1%
Other Net Operating Expenses/Revenue	(2,581)	(4,026)	-35.9%
Adjusted Operating Income	47,949	40,191	19.3%
General and Administrative Expenses (Ex-Depreciation and Amortization)	(154,375)	(146,552)	5.3%



EBITDA and Adjusted EBITDA

EBITDA (R\$ '000)	1Q23	1Q22	% Chg. 1Q23 x 1Q22
Operating Income	36,657	20,568	78.2%
(+) Depreciation and amortization	60,278	49,569	21.6%
EBITDA¹	96,935	70,137	38.2%
EBITDA Margin	22.8%	18.4%	4.4 p.p.
(+) Revenue from Interest on Agreements and Others ²	4,651	5,965	-22.0%
(+) Non-recurring costs and expenses ³	11,293	19,623	-42.5%
(-) Minimum rent paid ⁴	(40,284)	(30,014)	34.2%
Adjusted EBITDA⁵	72,594	65,711	10.5%
Adjusted EBITDA Margin	17.1%	17.3%	-0.2 p.p.

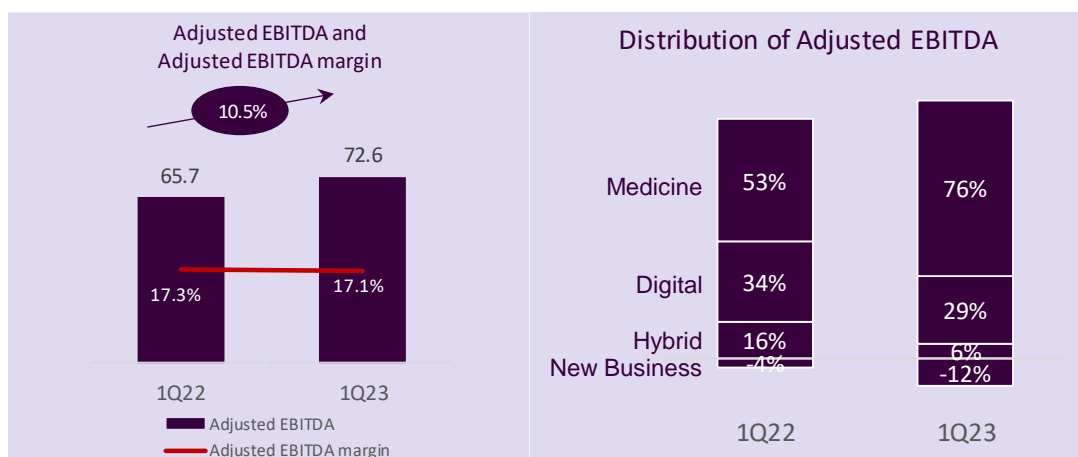
1. EBITDA is not an accounting measure.

2. Revenue from interest on agreements and others comprises our net financial result arising from revenue from interest and fines on tuitions corresponding to financial charges on renegotiated and overdue tuition fees.

3. Non-recurring costs and expenses are mainly related to expenses related to mergers and acquisitions, severance expenses arising from the workforce optimization process, which would not affect normal cash flow.

4. Minimum rent refers to rental agreements recorded under financial leasing in accordance with IFRS 16. The expenses from such leasing are not recorded under EBITDA, but are part of adjusted EBITDA.

5. Adjusted EBITDA corresponds to EBITDA plus (a) financial revenue from fines and interest on tuition, (b) non-recurring costs and expenses, and (c) minimum rent paid.



The increase in Adjusted EBITDA in 1Q23 x 1Q22 comparison was due to the growth in net revenue in 1Q23, as a result of the increase in hybrid and digital undergraduate student base and the improvement in the average ticket, partially offset by higher cost and expenses.

SUMMARY OF NON-RECURRING ITEMS (R\$ '000)	1Q23	1Q22	% Chg. 1Q23 x 1Q22
Non-Recurring Costs and Expenses Impacting Adjusted EBITDA	11,293	19,623	-42.5%
Payroll	8,238	3,079	167.6%
Cost	3,327	1,740	91.2%
Expense	4,911	1,338	267.0%
Third-Party Services	2,461	2,861	-14.0%
Other	593	13,683	-95.7%
Tax Expenses	135	895	-84.9%
Other Expenses	-	-	0.0%
Loss in Asset Recovery Value	(277)	-	N.M.
Others	735	12,787	-94.3%
Non-Recurring Costs and Expenses that do not Impact Adjusted EBITDA	(1,177)	(665)	77.2%
Complementary Income tax and social contribution on Adjusted Net Income*	(1,177)	(665)	77.2%
Total Non Recurring Costs and Expenses	10,115	18,958	-46.6%

* The same Income Tax (IR) calculation base was used on non-recurring results to better reflect adjusted net income.

Main indicators by segment

Results by Segment (R\$ ('000))	1Q23*				
	Hybrid Teaching**	Digital Learning*	New business ⁽¹⁾	Consolidated	Medicine
Net Revenue	321,443	90,815	12,289	424,547	83,365
Adjusted Cash Gross Profit	205,515	56,105	3,563	265,183	72,138
Adjusted Cash Gross Margin	63.9%	61.8%	29.0%	62.5%	86.5%
Adjusted EBITDA	60,226	21,307	(8,939)	72,594	55,524
Adjusted EBITDA Margin	18.7%	23.5%	-72.7%	17.1%	66.6%
Student Base ('000)	152,389	201,732	-	354,121	3,056

* Results allocations are unaudited.

** Including only results of the (hybrid) on-campus undergraduate segment.

(1) Comprises edtechs and companies recently incorporated to make up the continuing education ecosystem, in addition to pre-operational units.

The table above segregates the results of on-campus units from digital learning activities, which are experiencing an expansion phase in the base of learning centers for which the brands were launched in this segment and UNIFAEL acquisition.

New Businesses	KPI	1Q22	2Q22	3Q22	4Q22	1Q23
Prova Fácil + Delínea	b2b client base	148	158	181	190	206
Beduka	Unique users (in million)	3	4	4	4	3
Beduka	Pageviews (in million)	8	14	13	13	7
Peixe30	User base	17	124	312	401	475
b.Uni	Client base	11	14	16	22	25
Veterinary Hospitals	Units	3	3	3	4	4
Veterinary Hospitals	Complete appointments (in thousands)	2	4	5	6	7
Veterinary Hospitals	Attendances / Unit (in thousands)	1	1	2	2	2

*Due to the implementation of a new operational control system for veterinary hospitals, a new registration methodology was implemented for better operational control as from 1Q23, this information was adjusted to the same methodology in the history of previous quarters.

Finance Result

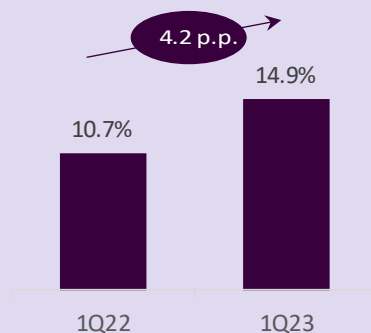
Financial Result - Accounting (R\$ '000)	1Q23	1Q22	% Chg. 1Q23 x 1Q22
(+) Financial Revenue	12,839	48,321	-73.4%
Interest on Agreements and Others	4,651	5,965	-22.0%
Returns on Financial Investments	5,363	4,375	22.6%
Active exchange variation	2,907	36,105	-91.9%
Others	(82)	1,876	-104.4%
(-) Financial Expenses	(76,057)	(88,856)	-14.4%
Interest Expenses	(22,354)	(13,700)	63.2%
Interest on Leasing	(19,985)	(16,324)	22.4%
Discounts Granted	(16,906)	(11,812)	43.1%
Monetary Variation Expenses	(3,077)	(3,859)	-20.3%
Interest and swap result on loans	(9,854)	(41,014)	-76.0%
Others	(3,881)	(2,147)	80.8%
Financial Result	(63,218)	(40,535)	56.0%

- a) Financial Income was down 73.4% mainly due to the 91.9% decrease in the heading of exchange variation on loans in foreign currency (with *swap*) contracted with Banco Itaú;
- b) Interest on Agreements and Others was R\$ 4.7 million in 1Q23, 22.0% lower compared to 1Q22, when it reached R\$ 6.0 million, mainly due to the lower dropout rate and the Company's policy of preserving the transfer of average ticket to upperclassmen;
- c) Income from Financial Investments increased from R\$ 4.4 million in 1Q22 to R\$ 5.4 million in 1Q23, representing 22.6% increase, as a result of the hike in CDI between the periods, partially offset by the decrease in the average cash balance;
- d) The sum of the Foreign Exchange Gains and Interest Financial Expense and Swap Result on Loans, referring to the contracting of the credit facility in modality 4131 with Banco Itaú, showed an increase in the net financial expense of 41.5% increasing from R\$ 4.9 million in 1Q22 to R\$ 6.9 million in 1Q23. This increase is due to the higher average CDI rate between the periods and the fact that the loan was contracted in January 2022 and therefore did not bear interest during the full quarter.
- e) Financial expenses amounted to R\$ 76.1 million in 1Q23, 14.4% lower than 1Q22, at R\$ 88.9 million. When comparing the two periods, this change was mainly due to the lower interest expense recorded for swap contracts to protect foreign currency loans, partially offset by the increase in net debt and the average CDI between the two periods;
- f) Interest Expenses increased 68.2%, from R\$ 13.7 million in 1Q22 to R\$ 22.4 million in 1Q23, as a result of the hike in the average interest rate (CDI) on financial debt and the increase in net debt;
- g) Interest on Leases reached R\$ 20.0 million in 1Q23, compared to R\$ 16.3 million in 1Q22, with 22.4% increase, as a result of the re-measurement of leased properties, as mentioned in Rental Costs;
- h) Discounts Granted reached R\$ 16.9 million in 1Q23, versus R\$ 11.8 million in 1Q22, due to the higher volume of financial discounts in agreements for recovery of credits from old tuition fees when comparing the two periods, due to the increase in the average student base in recent years, and due to the recovery of the economy;

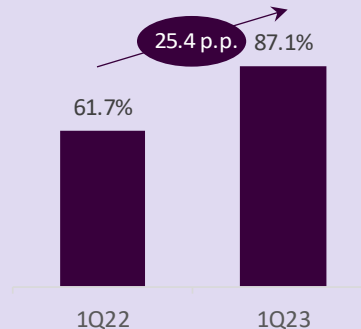
The table below presents the financial result on a managerial view, adjusting for non-recurring effects of other financial revenues:

Financial Result - Adjusted (R\$ '000)	1Q23	1Q22	% Chg. 1Q23 x 1Q22
(+) Financial Revenue	12,839	48,321	-73.4%
Interest on Agreements and Others	4,651	5,965	-22.0%
Returns on Financial Investments	5,363	4,375	22.6%
Active exchange variation	2,907	36,105	-91.9%
Others	(82)	1,876	-104.4%
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Interest Expenses	(22,354)	(13,700)	63.2%
Interest on Leasing	(19,985)	(16,324)	22.4%
Discounts Granted	(16,906)	(11,812)	43.1%
Monetary Variation Expenses	(3,077)	(3,859)	-20.3%
Interest and swap result on loans	(9,854)	(41,014)	-76.0%
Others	(3,881)	(2,147)	80.8%
Financial Result	(63,218)	(40,535)	56.0%

Net Financial Result as % of Net Revenue



Net Financial Result as % of Adjusted EBITDA



Net Income (Loss)

Net Loss - Accounting (R\$ 000)	1Q23	1Q22	% Chg. 1Q23 x 1Q22
Operating Income	36,657	20,568	78.2%
(+) Financial Result	(63,218)	(40,535)	56.0%
(+) Income and Soc. Contrib. Taxes	(1,727)	(3,570)	-51.6%
(+) Deferred Income and Soc. Contrib. Taxes	(64)	5,218	N.M.
Consolidated Net Loss	(28,352)	(18,319)	54.8%
Net Margin	-6.7%	-4.8%	-1.9 p.p.

The table below presents managerial net loss adjusted for non-recurring effects. The company recorded adjusted net loss of R\$ 18.2 million in 1Q23, versus adjusted net income of R\$ 0.6 million in 1Q22.

Net Income (Loss) - Adjusted (R\$ 000)	1Q23	1Q22	% Chg. 1Q23 x 1Q22
Adjusted Operating Income	47,949	40,191	19.3%
(+) Financial Result	(63,218)	(40,535)	56.0%
(+) Income and Soc. Contrib. Taxes	(2,904)	(4,235)	-31.4%
(+) Deferred Income and Soc. Contrib. Taxes	(64)	5,218	N.M.
Adjusted Net Income (Loss)	(18,237)	639	N.M.
Adjusted Net Margin	-4.3%	0.2%	N.M.

Reconciliation of adjusted net income excluding IFRS-16 effects

Net Income (Loss) Adjusted (Ex-IFRS 16) (R\$ ('000))	1Q23	1Q22	% Chg. 1Q23 x 1Q22
Adjusted Net Income (Loss)	(18,237)	639	N.M.
Adjusted Net Margin	-4.3%	0.2%	N.M.
Rent (IFRS 16)	(32,727)	(22,457)	45.7%
Depreciation and Amortization (IFRS 16)	22,160	17,968	23.3%
Interest on Leasing (IFRS 16)	14,644	10,730	36.5%
Income and Social Contribution Taxes (IFRS 16)	(442)	(211)	109.3%
Adjusted Net Income (Loss) - (Ex-IFRS 16)	(14,603)	6,668	N.M.
Adjusted Net Margin (Ex-IFRS 16)	-3.4%	1.8%	N.M.

The table above shows the impact of IFRS 16 on the Company's adjusted net income (loss) for the purposes of demonstration and comparability with previous years. In 1Q23, excluding IFRS 16 impacts, the net loss was R\$ 14.6 million.

Accounts Receivable and Net Receivable Days

Accounts Receivable and Average Receivable Days R\$ ('000)	1Q22	4Q22	1Q23
Gross Accounts Receivable	772,657	771,674	694,905
Monthly tuition fees	423,487	446,309	429,999
FIES	62,194	58,737	66,090
Negotiated agreements receivable	117,398	102,817	109,251
Education credits receivable	130,830	146,643	66,536
Credit Card and Others	38,748	17,168	23,029
PDA balance	(320,555)	(259,599)	(247,286)
Net Accounts Receivable	452,102	512,075	447,619
Net Revenue (Last 12 Months - FIES+Ex-FIES+Pronatec)	1,480,844	1,676,343	1,720,680
Net Receivable Days (FIES+Ex-FIES+Pronatec)	110	110	94
Net Revenue FIES (Last 12 Months)	157,873	122,112	121,221
Net Receivable Days (FIES)	75	52	67
Net Receivable Days (Monthly tuition fees + Negotiated agreements receivable + Education credits receivable)	104	111	90

Average net receivable days went from 110 to 94 days, mainly due to the sale of part of the Educured receivables portfolio to PraValer, which reduced Educured's gross balance of accounts receivable, whose transaction details are described in the [Material Fact released on 03/22/2023](#). In addition, it is worth noting that total receivables from monthly fees and agreements receivable showed a decrease compared to 1Q22, even with an increase of 11.7% in net revenue, showing the improvement in payment punctuality and past due tuitions recovery, when comparing the same periods .

Aging of Monthly tuition fees (R\$ '000)	1Q22	% Chg.	4Q22	% Chg.	1Q23	% Chg.
Not yet due	-	0.0%	-	0.0%	10,991	2.6%
Overdue from 1 to 90 days	85,858	20.3%	134,640	30.2%	98,228	22.8%
Overdue from 91 to 180 days	73,445	17.3%	51,162	11.5%	68,359	15.9%
Overdue from 181 to 360 days	90,246	21.3%	98,478	22.1%	89,215	20.7%
Overdue from 361 to 540 days	86,538	20.4%	86,373	19.4%	88,200	20.5%
Overdue from 541 to 720 days	87,400	20.6%	75,656	17.0%	75,006	17.4%
TOTAL	423,487	120.3%	446,309	130.2%	429,999	122.8%
% of Gross Accounts Receivable	54.8%		57.8%		61.9%	

Aging of Negotiated Agreements (R\$ '000)	1Q22	% Chg.	4Q22	% Chg.	1Q23	% Chg.
Not yet due	43,342	36.9%	17,953	17.5%	23,206	21.2%
Overdue from 1 to 90 days	15,698	13.4%	25,562	24.9%	16,113	14.7%
Overdue from 91 to 180 days	14,198	12.1%	11,811	11.5%	16,218	14.8%
Overdue from 181 to 360 days	17,368	14.8%	18,553	18.0%	20,576	18.8%
Overdue from 361 to 540 days	15,352	13.1%	15,602	15.2%	17,814	16.3%
Overdue from 541 to 720 days	11,440	9.7%	13,336	13.0%	15,324	14.0%
TOTAL	117,398	100.0%	102,817	100.0%	109,251	100.0%
% of Gross Accounts Receivable	15.2%		13.3%		15.7%	

The table below shows the evolution of our PDA from December 31, 2022 to March 31, 2023:

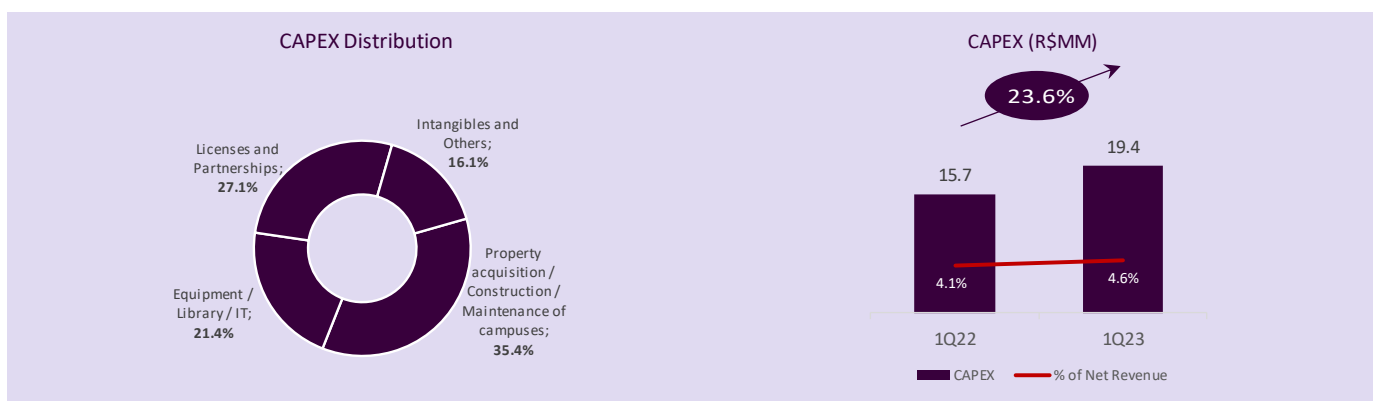
Constitution of Provision for Doubtful Accounts in the Income Statement (R\$ '000)	12/31/2022	Write-off due to sale of receivables	Gross Increase in Provision for Doubtful	Write-off	03/31/2023
Total	259,599	(13,288)	24,661	(23,686)	247,286

Investment (CAPEX)

CAPEX (R\$ ('000))	1Q23	% of Total	1Q22	% of Total
CAPEX Total	19,386	100.0%	15,683	100.0%
Property acquisition / Construction / Maintenance of campuses	6,866	35.4%	4,543	29.0%
Equipment / Library / IT	4,141	21.4%	4,827	30.8%
Licenses and Partnerships	5,253	27.1%	3,093	19.7%
Intangibles and Others	3,126	16.1%	3,220	20.5%
Acquisitions Debt Payment	52,503		246,923	
Total CAPEX + Acquisitions Payables	71,889		262,606	

In 1Q23, the Company invested R\$ 19.4 million, and investments in refurbishments of campuses, equipment, laboratories and libraries amounted to R\$ 11.0 million, mainly explained by the resumption of activities due to weakening of the pandemic, with 23.6% increase when compared to 1Q22. Investments in licenses and agreements amounted to R\$ 5.3 million. Investments in intangible assets and other investments amounted to R\$ 3.1 million, mainly due to the development of the digital content of the subjects offered in the Company's courses.

In 1Q23, Acquisition Debt payments refer mainly to the amounts for the acquisitions of UNESC, UNIFASB, UNI7, UNIFACIMED, Hospital Plantão Veterinário, CDMV/DOK and UNIFAEL. In case of UNIFAEL, the acquisition finance is deducted from the escrow account.



Indebtedness

Indebtedness (R\$ ('000))	03/31/2023	12/31/2022	% Chg. Mar23 x Dec22
Total Cash	369,279	383,266	-3.6%
Restricted Cash (Escrow FAEL)	(65,559)	(69,931)	N.M.
Judicial deposits	(23,273)	(19,748)	17.8%
FG-FIES Guarantee Fund	(51,168)	(52,028)	-1.7%
Cash, Cash equivalents and Securities	229,279	241,559	-5.1%
Cash and cash equivalents	133,253	180,764	-26.3%
Securities	96,026	60,795	58.0%
Gross debt	(946,186)	(1,025,449)	-7.7%
Loans and financing	(563,928)	(595,566)	-5.3%
Short term	(179,330)	(193,950)	-7.5%
Long term	(384,598)	(401,616)	-4.2%
Debentures	(202,474)	(210,319)	-3.7%
Short term	(3,301)	(11,208)	-70.5%
Long term	(199,173)	(199,111)	0.0%
Aquisitions Payables*	(179,784)	(219,564)	-18.1%
Net Debt	(716,907)	(783,890)	-8.5%
Net Debt / Adjusted EBITDA (LTM)	(2.39)	(2.68)	
* Acquisitions payables refer to acquisition scheduled payments			

The Company's cash and cash equivalents amounted to R\$ 294.8 million, a 5.3% decline as compared to December 2022. This change is mainly due to the sale of part of Educured's receivables portfolio to PraValer, as mentioned in Accounts Receivables, as well as the operating cash generation in the period that was mitigated by financial and acquisition debt repayments.

As of March 31, 2023, the Company's gross debt stood at R\$ 946.2 million, showing a 7.7% decline compared to R\$ 1,025.4 million recorded on December 31, 2022, due to payment of interest and debt principal, according to the debt repayment schedule, mainly consisting of the transactions below described:

- Contracting of working capital, as mentioned above, as follows: R\$ 200.0 million with Caixa Econômica Federal, with CDI rate + 0.19% p.m., renewed in March 2022, in the amount of R\$ 156.0 million, for a term of 36 months and CDI rate + 0.14% p.m., with repayment to be made in 12 quarterly installments, with no grace period; R\$ 200.0 million with Itaú Unibanco, with CDI rate + 2.75% p.a., renewed in June 2022, in the amount of R\$ 150.0 million, for a term of 30 months and CDI+2.30% p.a. rate; and R\$ 100.0 million with Banco Santander Brasil, with CDI rate + 2.90% p.a., renewed in June 2022, in the amount of R\$ 90.0 million, for a term of 30 months and a rate of CDI+2.30% p.a. As of March 31, 2023, the outstanding working capital balance was R\$ 353.0 million;
- Contracting of a loan in foreign currency (4131 modality) with Itaú BBA International PLC and contracting of a swap with Banco Itaú Unibanco in the amount of R\$ 200.0 million, payable in 5 years, with semi-annual payment, with interest in 10 installments and the principal in 7 installments from the 18th month from the date of contracting and final rate of CDI + 2.70% per year. As of March 31, 2023, the outstanding balance of such transactions was R\$ 207.0 million;
- On August 15, 2022, the 3rd issue of simple debentures, not convertible into shares, in a single series, of the unsecured type was launched with a unit par value of R\$ 1,000.00, with the total amount of R\$ 200 million on the issue date. Debentures will be amortized semi-annually starting on the 24th month from the issuance date, in 7 installments, with the last installment due on the Maturity Date, yielding CDI+2.00% per year. As of March 31, 2023, the outstanding balance of debentures was R\$ 202.5 million;

d) Increase in commitments payable as a result of acquisitions: (1) UNESC, which had an installment payment of the acquisition amounts financed by the selling shareholders, producing a balance payable of R\$ 75.1 million, including payment conditioned by the approval of medical seats in Vilhena; (2) UNIFASB, which produced a balance payable of R\$ 80.0 million to be deposited in an escrow account and released to sellers, after deducting liabilities payable by sellers, in 5 successive annual installments, in the amount of R\$ 16.0 million each, with the first installment due on January 31, 2022 and the others on the same date for the subsequent 4 years; (3) CDVM and Hospital Veterinário DOK, whereby, according to the transaction structure, the amount of R\$ 3.6 million will be paid in 5 installments of annual and successive equal amount, with the first installment due on the 1-year anniversary, counted from the closing date, and the others, on the same date of the subsequent 4 years, adjusted by IPCA variation between the closing date and the date of each payment; (4) Delinea, which had a balance of R\$ 2.0 million to be paid up to the 6th anniversary of the closing date, with installments released annually during this period, as set forth in the agreement; (5) Plantão Veterinário Hospital and Pet Shop Kero Kolo, which generated a balance payable of R\$ 5.0 million to be paid as follows: (i) R\$ 1.0 million on the first anniversary of the closing date of the Transaction and (ii) five installments of R\$ 800 thousand in the years following the Transaction's anniversary, adjusted by IPCA.

In 1Q23, the Company had a net debt of R\$ 716.9 million versus a net debt of R\$ 783.9 million as of December 31, 2022, mainly impacted by the sale of the Educured's receivables to PraValer.

Debt Amortization Schedule (R\$ '000)	Loans and Financing	A.V. (%)	Aquisitions Payables	A.V. (%)	Debentures	A.V. (%)	Total	A.V. (%)
Short Term	179,330	31.8%	79,018	32.2%	3,301	1.6%	261,649	25.9%
Total Long Term	384,598	68.2%	166,325	67.8%	199,173	98.4%	750,096	74.1%
1-2 years	224,115	39.7%	89,684	36.6%	28,323	14.0%	342,122	33.8%
2-3 years	112,737	20.0%	30,769	12.5%	56,895	28.1%	200,401	19.8%
3-4 years	47,747	8.5%	36,609	14.9%	56,895	28.1%	141,251	14.0%
4-5 years	-	0.0%	9,263	3.8%	57,060	28.2%	66,323	6.6%
Total Loans, Financing and Acquisitions payables	563,928	100.0%	245,343	100.0%	202,474	100.0%	1,011,745	100.0%
Escrow FAEL	-		(65,559)		-		(65,559)	
Total Loans, Financing and Acquisitions payables (Ex-Escrow FAEL)	563,928		179,784		202,474		946,186	

Cash Flow

Cash Flow (R\$ '000)	1Q23	1Q22	% Chg. 1Q23 x 1Q22
Cash flow from operating activities			
Net cash from operating activities	86,665	50,525	71.5%
(-) Cash flow allocated to investing activities	(71,798)	(255,909)	-71.9%
(+) / (-) Securities	(28,965)	(64,226)	-54.9%
(+) / (-) Cash flow allocated to financing activities	(33,413)	163,175	-120.5%
Decrease in cash and cash equivalents	(47,511)	(106,435)	-55.4%
Net increase in cash and cash equivalents			
Beginning of period	180,764	213,704	-15.4%
End of period	133,253	107,269	24.2%
Decrease in cash and cash equivalents	(47,511)	(106,435)	-55.4%
Cash and Securities changes	(16,652)	(40,453)	-58.8%
Beginning of period	311,490	291,064	7.0%
End of period	294,838	250,611	17.6%

Net operating cash generation increased from R\$ 50.5 million in 1Q22 to R\$ 86.7 million in 1Q23, up 71.5%, mainly due to the increase in operating cash generation before interest payments, inflow of amount of R\$ 69.7 million referring to the 1st tranche of the sale of part of Educared's receivables portfolio to PraValer, settled in March 2023, partially offset by the increase in interest payments on financial debt and acquisitions, when comparing the two periods.

ABOUT SER EDUCACIONAL GROUP

Founded in 2003 and headquartered in Recife, Grupo Ser Educacional (B3 SEER3) is one of the largest private education groups in Brazil and the leader in the Northeast and North regions in terms of number of students enrolled. It offers undergraduate, graduate, vocational and digital learning courses in 26 states and the Federal District, with a consolidated base of approximately 354.1 thousand students. The Company operates under the following brands: UNINASSAU, UNINASSAU – Centro Universitário Maurício de Nassau, UNINABUCO - Centro Universitário Joaquim Nabuco, Faculdades UNINABUCO, Escolas Técnicas Joaquim Nabuco e Maurício de Nassau, UNIVERITAS/UNG, UNAMA – Universidade da Amazônia e Faculdade da Amazônia, UNIVERITAS – Centro Universitário Universitas Veritas, Faculdades UNIVERITAS, 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, CDMV – Centro de Desenvolvimento da Medicina Veterinária, Centro Universitário da Lapa – UNIFAEL and Centro Universitário 7 de Setembro – UNI7.

Investor Relations Contact

Rodrigo de Macedo Alves and Geraldo Soares de Oliveira Júnior

(+55 11) 97093-2225 | ri@sereducacional.com | www.sereducacional.com/ri

Press Contact

(+55 81) 3413-4611 | imprensa@sereducacional.com

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