

**Cogna Educação S.A.
and subsidiaries**

**Individual and consolidated
financial statements for the year
ended December 31, 2023**

Contents

Management report	3
Independent auditors' report on individual and consolidated financial statements	16
Balance sheets	21
Statement of income	23
Statement of comprehensive income	24
Statement of changes in shareholders' equity	25
Statements of cash flows	26
Statement of added value	27
Notes to the individual and consolidated interim financial information	28

2023 MANAGEMENT REPORT

To the Shareholders,

In compliance with legal provisions, the Management of Cogna Educação S.A. – “Cogna” or “Company” – is pleased to present the Management Report and the Financial Statements of the Company for the fiscal year ended December 31, 2023, compared to 2022. The consolidated financial statements were prepared and are being presented as the accounting practices adopted in Brazil, including the pronouncements issued by Accounting Pronouncement Committee (CPC). Additionally, they were also prepared and are being presented according to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

ABOUT COGNA EDUCAÇÃO

Cogna Educação is one of the largest private educational organizations in the world. In the market for more than 55 years, the Company operates in all Brazilian states and different education segments, with a full platform of services and content offered in different business models. At the end of 2023, Cogna had more than 1 million Higher Education and Post-graduate education students in Kroton segment, served through 112 own Higher Education units and over 3,000 accredited Digital Education hubs. In Basic Education, Vasta ended the quarter with 2.0 million students provided by approximately 6.5 thousand member schools, using core and complementary content solutions.

NOTE

The Company's operating and financial information for 2023, unless otherwise indicated, is presented based on consolidated figures, including continued and discontinued operations, in reais, in accordance with the Brazilian corporate law and practices adopted in Brazil, already in compliance with the International Financial Reporting Standards (IFRS), whose comparisons are based on the same period in 2022. With the aim of aiding users in reading this information, below is the combined result of the continued and discontinued operation:

R\$'000	Note	Consolidated (Continued operation)		Consolidated (Continued and discontinued operation)	
		12/31/2023	12/31/2022	12/31/2023	12/31/2022
Net revenue from sales and services					
Higher education		3,537,556	3,261,918	3,537,556	3,261,918
Basic education		2,277,242	1,742,875	2,357,932	1,830,284
Net revenue from sales and services	32	5,814,798	5,004,793	5,895,488	5,092,202
Cost of sales and services					
Services	33	(1,450,369)	(1,436,307)	(1,450,369)	(1,436,307)
Sales	33	(658,843)	(380,844)	(701,013)	(428,576)
		(2,109,212)	(1,817,151)	(2,151,382)	(1,864,883)
Gross profit		3,705,586	3,187,642	3,744,106	3,227,319
Operating expenses					
Commercial expenses	33	(702,994)	(536,697)	(712,039)	(548,718)
General and administrative expenses	33	(1,766,613)	(1,685,720)	(1,782,332)	(1,709,188)
Impairment losses on trade receivables	33	(446,445)	(439,345)	(448,116)	(434,972)
(Reversal) of impairment losses on intangible assets	17	-	(95,138)	36,678	(215,434)
Other operating income	33	35,466	14,920	35,466	14,920
Other operating expenses	33	(74,184)	(28,736)	(74,184)	(28,736)
Share of loss equity-accounted investees	15	(18,656)	(4,512)	(16,404)	(1,887)
Profit before finance result and taxes		732,160	412,414	783,175	303,304
Finance result					
Finance income	34	388,361	546,857	392,423	548,364
Finance costs	34	(1,292,099)	(1,439,761)	(1,295,279)	(1,443,791)
		(903,738)	(892,904)	(902,856)	(895,427)
Loss before income tax and social contribution		(171,578)	(480,490)	(119,681)	(592,123)
Income tax and social contribution					
Current	27.1	12,166	20,907	10,017	19,718
Deferred	27.1	(307,914)	31,572	(401,689)	31,407
		(295,748)	52,479	(391,672)	51,125
Loss from continued operations		(467,326)	(428,011)	(511,353)	(540,998)
Loss from discontinued operations		(44,027)	(112,987)	-	-
Loss for the year		(511,353)	(540,998)	(511,353)	(540,998)

MESSAGE FROM MANAGEMENT

FINANCIAL HIGHLIGHTS

Net Revenue: Double-digit growth in quarterly and annual Net Revenue. Growth of 12.6% in 4Q23 versus 4Q22, totaling R\$ 1,908.9 million. In 2023, growth was 15.8% versus 2022, reaching a total Net Revenue of R\$ 5,895.5 million.

Recurring EBITDA: Recurring EBITDA grew 17.1% in 4Q23 and reached R\$ 551.9 million, continuing to deliver consistent results. In the year-to-date, Recurrent EBITDA reaches R\$ 1,736.1 million, accounting for a growth of 18.9% over 2022.

Recurring EBITDA Margin: Recurring EBITDA margin in the quarter grew 1.1 p.p. and reached 28.9%. In the year-to-date, the margin increased 0.7 p.p., totaling 29.4%.

Operating Cash Generation (OCG) after Capex: Year-to-date, OCG after Capex grew 65.4% and reached R\$ 893.5 million versus R\$ 540.3 million in 2022. In 4Q23, OCG grew 282.2% versus 4Q22, totaling R\$ 240.8 million in the quarter. This result is a consequence of the asset light strategy, with an increase in the conversion of Recurring EBITDA into Cash +14.5 p.p. in the year totaling 51.5% and growth in Recurring EBITDA. Operating Cash Generation after Capex and Debt Service totaled R\$ 148.1 million in 4Q23 and R\$ 200.2 million in the 2023 year-to-date.

Adjusted Net Income (Loss) (ANP): In 4Q23, deferred income tax on a tax loss of a group company was written-off. It is worth highlighting that it is a one-off impact.

Net Debt/EBITDA 12M: The Cognia's liability management actions, coupled with the growing cash generation and EBITDA, allowed the continuous of the Company's leverage from 2.10x in the 4Q22 to 1.83x in 4Q23. The Company reduced net debt by R\$ 30.1 million vs 3Q23. The Company does not need new intakes in 2024 to amortize debts until December 31, 2024.

COGNA

Cogna directed its efforts to provide consistent financial results over the years, demonstrating an ongoing commitment to the robustness and stability of its operations, resulting in the delivery of double-digit growth in the main indicators in 4Q23 and in the year 2023.

Since the beginning of the pandemic, Cognia has maintained an unwavering commitment to delivering consistent results and focusing on cash generation for its shareholders.

During the year 2021, Cognia focused its efforts on resuming EBITDA growth after the impacts of the pandemic. To this end, the company implemented more robust commercial policies at Kroton and carried out a commercial work in Vasta to migrate customers to more profitable solutions. Furthermore, Cognia implemented an operational optimization on Kroton's campuses, with a 36% reduction in the total number of campuses, aiming to improve efficiency and convert EBITDA into cash more effectively. Such initiatives resulted in a significant increase in Cognia's recurring EBITDA, recording growth of 96% compared to the previous year, highlighting the company's remarkable execution ability even in challenging periods.

In 2022, Cognia directed its efforts to optimize Revenue, fostering growth in all its business units (Kroton, Vasta and Saber). It expanded the course portfolio at Vasta and invested in new areas such as hybrid and digital courses. Moreover, the company focused on migrating customers to more profitable solutions, in addition to ensuring the stability of intake and dropout rates at Kroton. Such initiatives resulted in significant growth in Net Revenue, demonstrating the company's ability to adapt to market demands and drive growth in its core operations.

In the subsequent year, 2023, Cogna placed great emphasis on Operating Cash Generation (OCG) as an integral part of its continuous growth strategy. The company Invested in policies and processes aimed at optimizing cash flows and efficiency in converting EBITDA into OCG, which exceeded 50% in the period. Cogna also implemented improvements in receivables management and in reducing operating costs, standing out as a company focused on generating value for shareholders. These actions resulted in a significant increase in operating cash generation after CAPEX, demonstrating the Company's commitment to strengthening its financial position and maximizing the return on invested capital (ROIC). Operating Cash Generation after Capex and Debt Service totaled R\$ 200.2 million in the 2023 year-to-date.

This upward and adaptive path reflects Cogna's ongoing commitment to facing market challenges and providing sound results to its investors through diversified operations and quality management.

The results for the fourth quarter and 2023 corroborate our trajectory to achieve the targets established in the 2024 Guidance, as presented on Cogna Day 2023. Following our strategy of generating value to shareholders, focusing on cash generation, through clear strategies and maintaining our leadership position as the most diverse company in the industry, we reiterate that this diversity is a core strength.

In the 4Q23, Cogna's Net Revenue grew 12.6% versus 4Q22, Recurring EBITDA recorded a growth of 17.1%, in addition to an increase of R\$ 177.8 million in Post-CAPEX Operating Cash Generation, totaling an EBITDA to Cash conversion of 43.6 % in the quarter. Growth in 2023 versus 2022 was 15.8% in Net Revenue, 18.9% in Recurrent EBITDA and 65.4% in Operating Cash Generation after Capex, which totaled R\$ 893.5 million in 2023.

In Kroton, we recorded a growth of 1.7% in Net Revenue, as the impact of a temporary movement in the behavior of revenues resulting from the extension of distance learning education courses that in 2023 were brought forward to 3Q23. Kroton Recurrent EBITDA increased 1.1% in the quarter, with a margin in line with 4Q22. In 2023, Net Revenue grew 8.8%, reaching R\$ 3,640.6 million, while Recurrent EBITDA in 2023 totaled R\$ 1,144.1 million in Kroton, accounting for a growth of 12.7% versus 2022. Such growth is the result of the Company's continuous work to improve the quality of our intake rate, evolving our processes and systems and improving the level of satisfaction of our students (NPS).

At Vasta, we started the 2024 cycle with 22.9% growth in ACV versus 4Q22, recording growth in all business lines. Total Net Revenue grew 9.7% in 4Q23 (vs 4Q22), reaching R\$ 554.1 million. It is worth highlighting that there was no revenue from sales to the government (B2G) in both periods, as negotiations started at the beginning of the year. In 2023, Vasta's Net Revenue grew 17.6%, reaching R\$ 1,486.3 million. Recurrent EBITDA grew 18.1% in 4Q23 and 20.8% in 2023.

In Saber, we recorded a growth of 59.4% in Net Revenue in 4Q23 versus 4Q22, reaching R\$ 402.1 million and 58.0% in 2023 versus 2022, totaling R\$ 807.9 million. This strong growth was driven by the market share gain in the National Book and Textbook Program (NBTP), the most representative business in Saber.

Post-CAPEX Operating Cash Generation (OCG) was one of the main highlights for the 4Q23 result, with a 282.2% growth versus 4Q22 and reaching R\$ 240.8 million. In the 2023 year-to-date, OCG totaled R\$ 893.5 million, a 65.4% growth versus the same period of 2022. Cogna's evolution in cash generation has been a highlight, with a unique quality in the sector over the last 3 years. In addition to the ongoing evolution of OCG, the conversion efficiency of Recurring EBITDA into OCG has constantly evolved, reaching 51.5% in the year-to-date of 2023. The strong result in 2023 reinforces our optimism regarding the ability to generate cash throughout the year and our commitment to the OCG guidance for 2024. It is important highlighting that we had a time mismatch in the receipt of the NBTP in the amount of R\$ 50 million, which we expected to receive in 2024.

Growth: revenue increase in all business units, highlighting the strong evolution in Vasta and Saber

At Kroton, we reached the sixth quarter of revenue growth, despite the time mismatch previously mentioned. We ended the year 2023 with an important intake cycle, stability in dropouts, improvement in student satisfaction and, thus, an increase in re-enrollment. Accordingly, the growth in Kroton's Net Revenue in 2023 was 8.8% versus 2022.

In Vasta, Subscription Revenues grew 22.9% in 4Q23 versus 4Q22, with growth of 9.0% in Learning Systems and important growth in the lines of Complementary Solutions (+41.2%) and Textbook Subscription Products ("PAR") (+56.9%), markets that still present low penetration, indicating opportunities for continued growth. There was no revenue from sales to the government (B2G) this quarter, as negotiations started at the beginning of the year.

At Saber, as mentioned in the previous Release, the greatest revenue recognition originating from NBTP would occur during the last quarter of the year. As a result, total Net Revenue grew 59.4% in 4Q23, reaching R\$ 402.1 million. This growth is driven by the increase in NBTP (+62.0%) and other services (+102.7%), which was the sale of the Acerta Brasil program in 4Q23, which enhances the progression of learning and assessment of public school students for the state of Paraná.

Efficiency: Recurrent EBITDA growth in all business units

Cogna ended the year 2023 with 18.9% growth in Recurrent EBITDA, reaching R\$ 1,736.1 million in the period, with growth in all business units of Kroton (+12.7%), Vasta (+20.8%) and Saber (+74.8%), recording operational efficiency gains; that is, gains in Recurrent EBITDA margin in all business units. At Kroton, the continuous improvement in the quality of Revenue resulted in a reduction in Delinquency and, consequently, lower Allowance for Doubtful Accounts - ADA levels in relation to Net Revenue.

Cogna's Recurring EBITDA totaled R\$ 551.9 million in 4Q23, growth of 17.1% versus 4Q22. This growth came mainly from the efficiency gain at Vasta and the important market share gain in NBTP in Saber in Elementary Education II.

The Company's leverage reduced from 2.10x in 4Q22 to 1.83x in 4Q23, reflecting liability management actions, growing cash generation and Recurrent EBITDA. The Company does not need new intakes in 2024 to amortize debts until December 31, 2024. The interest rate reduction cycle in the Brazilian market generates a natural benefit in the Company's deleveraging process.

Experience: focus on delivering the best experience for our students

In 2023, we consolidated and continued progressing in our strategic priority which is providing an amazing experience for our students. We are committed to fostering and disseminating a culture of active listening, where our students' feedback is not only heard, but directs our continuous improvement efforts.

The year was marked by major advances in our journey to raise the standard of excellence in the student experience. Through a detailed analysis of our students' feedback, which is worked on in our over 15 squads, we identified areas for improvement and implemented strategic measures to make the journey increasingly fluid, such as: digital graduation, increase in the portfolio of services available on digital channels, WhatsApp and IVR, revitalization of the Student Portal, among others.

Our commitment to quality and continuous improvement of our services was rewarded in two very significant manners, through recognition from our students and the market:

Students: we achieved a substantial increase in our NPS ratings, with more than 300,000 reviews. In 2023, we continued making consistent progress each quarter and achieved the best historical consolidated NPS for the year, 45% above the 2022 result. Moreover, we recorded the highest levels of customer satisfaction on all monitored fronts.

Market: we were recognized in three categories of the Cliente S/A 2023 Award. Our case “Service, the student at the center of digital transformation” was awarded the “Game Changer Leader” category, while the case “From billing to financial partnership. How Cogna generates value without sacrificing experience” won the “Leader in Credit, Collection and Risk Strategy” category. Besides, to crown our achievements, our Vice President of Student Experience and Success, Rodrigo Cavalcanti, received the Personality of the Year award. Furthermore, we received the Best NPS in Brazil Award in DL Higher Education, carried out by the company SoluCX and Exame magazine | NPS Awards.

Looking to the future, we are focused on maintaining this upward path, continuing to invest in innovative technologies, expanding the use of Artificial Intelligence (AI) and refining processes to ensure that each phase of our students’ journey is marked by excellence.

In terms of learning quality, in Course assessments, more than 85% of our courses received 4 or 5 concepts. In the assessments of Educational Institutions, more than 94% received grades 4 or 5.

We highlight 6 deliveries throughout 2023: (i) updates in the Curricular Matrices and Commentary of the entire Cogna Undergraduate Portfolio for 2024; (ii) production of new disciplines with a new, more dynamic and engaging academic model; (iii) adoption of 336 digital solutions (software and simulators) further valuing the teaching and learning process; (iv) launch of two new products: EJA and Technical; (v) restructuring of the Adaptive Learning implementation phases, to be implemented in 2024. Finally, structuring the intermediate certifications that will be implemented in 2024, favoring the employability of our students through certifications throughout their graduation journey.

People and Culture: diversity and focus on retaining our talent.

This quarter, we released the results of the diversity census of the Company's employees with 70% of the eligible base joining, resulting in over 13 thousand respondents. We observed an increase of 2 p.p. in self-declared black employees and leaders versus the 2022 census. The census will enable Cognia to direct its practices considering all its personas.

Reinforcing our commitment to making Cognia an excellent place to work, we carried out an engagement survey with our employees and observed important improvements compared to the survey carried out in 2021: (i) 24 p.p. increase in e-NPS, an indicator that measures employee satisfaction with the company; (ii) 3 p.p. improvement in l-NPS, which measures satisfaction with leadership; and, (iii) 19 p.p. improvement in Cognia's average favorability.

Innovation: consistency in the pillars of Open Innovation and Corporate Venture Building, increasing competitive advantage and ensuring longevity.

We maintained consistency in the innovation journey in 4Q23, focusing on the fronts below:

(i) CVB - Corporate Venture Building, focused on paving the way for disruption in the Brazilian education sector by generating incremental revenue > Voomp Creators, our 1st startup created internally; E.CO – Corporate University, our thesis in the MVP phase has already attracted its first customers and operates by taking advantage of several Cognia operational synergies; and finally the portfolio expansion, reaching the mark of 6 new active theses at different maturity phases.

(ii) OPEN INNOVATION - Accelerate core transformation by generating efficiency through connection with the innovation ecosystem. We closed 2023 with over 350 startups mapped, more than 25 startups connected and selected for pitches, which resulted in the design of 12 tests focused on solving core business pain points. We also have a program with an exclusive focus on the Generative Artificial Intelligence agenda, highlighting the start of tests with three Generative Artificial Intelligence startups, currently in the execution phase, with a focus on the commercial, billing and content areas.

Macroeconomic environment

Historically, three macroeconomic indicators have the greatest influence on Cognia's results: (i) inflation; (ii) unemployment and; (iii) GDP change. Such economic vectors have this behavior on Cognia mainly due to their influence on the Kroton business unit, the Graduate B2C vertical.

Considering the points described above, we had developments that contributed to double-digit growth in the Company's Revenue and EBITDA: (i) reduction of 200 bps (13.75% in 2022 vs. 11.75%) in the basic interest rate, positively affecting our financial result; (ii) the accumulated IPCA price index closed at 4.62% in 2023, falling below the inflation target ceiling for the first time since 2020; and (iii) 2.9% growth in GDP. Additionally, the unemployment rate closed 2023 at 7.8%, the lowest level since 2014, showing a 1.8% decrease (vs. 9.6% in 2022). The last three items directly impact the greater demand for higher education in Brazil.

Operating performance

Kroton

The Kroton student base grew significantly in both modalities, in the High-On-Site Attendance (+6.7%) and Low-On-Site Attendance (LOA) (6.3%), thus bringing the total number of students to 954.1 thousand in 4Q23, a 6.4% growth compared to the number of students in 4Q22, being the 10th consecutive quarter of growth in the student base at Kroton. This is the result of the company's continuous work to improve the quality of our intake, evolution of our processes and improvement of

systems, as well as the improvement in the level of satisfaction of our students (NPS), which is reflected in better re-enrollment levels.

The rationalization of campuses, which began in 2020, concomitant with the adoption of the asset light strategy, enabled efficiency gains for Kroton. Between 2021 and 2023, through the closure of 36.4% of campuses (176 to 112 units) and the operational success in migrating a high share of students from closed units to other Kroton units, the growth of 47.0% in the number of High-On-Site Attendance (HOA) per campus was not impeded. The company is committed to evaluating the profitability of its campuses at each intake cycle, aiming at achieving greater portfolio efficiency.

In 2023, Kroton showed an 8.8% growth in Net Revenue, reflecting the increase in the intake cycle.

Kroton's Recurrent EBITDA grew 12.7% in 2023, reaching R\$ 1,144.2 million, with a margin expansion of 1.1 p.p. (31.4% versus 30.3%), mainly reflecting the improvement in Advance for Doubtful Accounts (ADA), greater dilution of operating expenses, in addition to the increase in the share of revenue from distance learning and medicine courses.

Vasta

In the end of 2023, Vasta had over 1.4 million students with its Traditional Learning Solutions and over 500 thousand students with Complementary Learning Solutions. This strategy is aligned with the company's focus on strengthening its customer base throughout the year, focusing on a more effective school mix and fostering growth in high-quality learning systems such as Anglo, PH, Amplia and Fibonacci. These brands have a higher average price, lower delinquency rates, further adoption of Complementary Solutions and long-term relationships. On the other hand, a decrease in the customer base is observed mainly in the low-cost and PAR (paper) segments, which tend to have a greater number of students and lower profit margins.

There was a 13.6% increase in the number of students served through Complementary Solutions, due to 339 new partner schools that adopted our learning systems.

In 2023, Vasta's growth was 17.6% in Net Revenue, and 20.8% in Recurrent EBITDA, demonstrating resilient financial performance in our main segment and expansion in complementary solutions. Furthermore, starting in 2023, Vasta began to extend products and services to the Brazilian public sector (B2G); in the first year of this operation, Vasta presented a Net Revenue of R\$ 81 million from the B2G segment.

Financial performance

- Gross and net revenue – Cogna's gross revenue for fiscal year 2023 fiscal was R\$ 7,686.7 million, up 14.7% year-on-year, due to the revenue growth at Kroton, Vasta and Saber. Net revenue for 2023 totaled R\$ 5,895.5 million, a growth of 15.8% compared to 2022, following the trend shown in gross revenue.
- Cost of sales and services – the Company's costs totaled R\$ 2,151.4 million, equivalent to 36.5% of net revenue, a decrease of 0.1 p.p. compared to 2022.
- Gross profit and gross margin – the gross profit for 2023 reached R\$ 3,744.1 million, with a gross margin of 63.5%, a growth of 16.0% and an increase of 0.1 p.p., respectively, compared to 2022.
- Operating expenses – operating expenses reached R\$ 2,960.9 million in 2023, representing 50.2% of net revenue for the period against 57.4% of net revenue in 2022. Operating expenses are broken down into three broad lines:
 - General and administrative expenses: are derived from the business segments and mainly include expenses with administrative personnel, consulting, travel and third-party services.

These expenses amounted to R\$ 1,782.3 million in 2023, or 30.2% of net revenue, a decrease of 3.3 p.p. compared to 2022.

- Commercial expenses: are expenses with commercial, advertising and marketing team. In 2023, this group of expenses totaled R\$ 712.0 million, 12.1% of net revenue, an increase of 1.3 p.p. in the annual comparison.
- Impairment losses on trade receivables (PCLD): in 2023, this group totaled R\$ 448.1 million, 7.6% of net revenue, a reduction of 0.9 p.p. compared to 2022, due to the continued improvement in the performance at Kroton
- Impairment losses on intangible assets totaled R\$ 36.7 million in 2023 and R\$ 215.4 million in 2022.
- Other Operating Income/Expenses/Equity Pick-Up: the result of these lines was negative R\$ 55.1 million in 2023, or 0.9% of net revenue for the period, against negative R\$ 15.7 million in 2022.
- EBITDA – in 2023, the Company's EBITDA (after deducting non-recurring expenses) was R\$ 1,736.1 million, 18.9% higher than in 2022 and representing 29.4% of the net revenue for the period, due to the improvement in the results of Kroton, Vasta and Saber.
- Indebtedness – Cogna closed the year 2023 with a net debt of R\$ 3,277.6 million, a decrease of 1.7% over the previous year.
- Finance result – the financial result was negative R\$ 902.9 million against negative R\$ 895.4 million recorded in 2022.
- Income tax and social contribution – income tax and social contribution totaled negative R\$ 391.7 million, 6.6% of net revenue.
- Loss for the year – The loss for the year ended 2023 totaled negative R\$ 511.4 million, with a margin of -8.7% compared to a net loss of negative R\$ 541.0 million and net margin of -10.6 % in 2022, reflecting the write-off of deferred income tax in the amount of R\$ 434 million from tax loss and temporary differences in Group's companies. It is worth highlighting that it is a one-off impact:
- Investments – In the comparative view of the accumulated results for the years, Capex and investment in expansion decreased 2.6%, from R\$ 441.6 million in 2022 to R\$ 429.9 million in 2023. These actions are part of the Company's strategy to improve capital allocation, with changes between Capex lines such as greater investment in 2023 in Content and Systems Development and Software Licenses, a 55.8% increase in Expansions – works and improvements, regarding the migration of the Anglo unit from Tamandaré to Bela Cintra, which will bring more modern facilities with greater mobility for students and a 28.6% decrease in Investment in Expansion. Considering Capex and Investment in Expansion as a percentage of Net Revenue, there was a reduction of 1.4 p.p., ending the year at 7.3%.

We present below the table for reconciliation of Ebitda to Adjusted Ebitda:

	Consolidated	
	12/31/2023	12/31/2022
Loss for the year	(511,353)	(540,998)
Income tax and social contribution - Note 27.1	(295,748)	52,479
Finance result - Note 34	(903,738)	(892,905)
Depreciation and amortization of intangible assets - Note 33	(905,049)	(924,384)
(-) Discontinued operations	(95,042)	(3,877)
Income tax and social contribution	(95,924)	(1,354)
Finance result	882	(2,523)
Accounting EBITDA	1,688,224	1,227,689
(+) Interest on monthly payments - note 34	102,369	92,039
Management EBITDA	1,790,593	1,319,728
(-) Amortization of surplus value – Educbank	(1,195)	-
(-) Non-recurring items (i)	(133,126)	(335,636)
Reversal of provision for tax, civil and labor losses	188,826	195,419
Adjusted EBITDA	1,736,088	1,459,945

(i) Referring to contract terminations/restructuring, M&A, expansion, asset write-offs, and impairment.

Corporate governance, investors relations and awards

The Company's shares - "COGN3" - are listed on B3's Novo Mercado, a segment with the best Corporate Governance practices, thus reiterating its commitment to the financial community and to all the shareholders.

Regarding the Board of Directors, the Company continues to have a high level of experience in the educational market, which is an outstanding feature of the company. Currently, the Board of Directors has 5 members, 2 of which are independent in accordance with the applicable legislation, increasing corporate governance standards in line with the best market practices.

Additionally, the Advisory Committees established in 2019 remained active, as follows: "Audit and Risk", "People and ESG", "Finance and M&A", and "Strategy and Innovation". The main role of the committees is to provide the Board of Directors with the elements and information necessary for the decision-making process and to support the Executive Board in the policies approved by the Board of Directors.

Cogna also has a Fiscal Council with 3 members responsible for, among other duties, inspecting Management's activities, reviewing the Company's financial statements and reporting its conclusions to the shareholders. Finally, Cognia also has a Control, Audit and Compliance Department whose main purposes are (a) to map and manage the risks to which the Company is exposed, (b) to carry out independent audits in the business areas, (c) to apply all compliance practices through policies, rules and procedures, (d) to manage and investigate reports made by through the whistleblower channel and (e) to monitor strategic risks related to Information Security with the Internal Audit area and the Security Committee of Information and Risks. These instruments establish the basic operation guidelines expressed by Top Management in compliance with the integrity standards and values.

Always ensuring transparency and diligence in communicating with the financial community and disclosing Cognia's results and strategy, the Investors Relations (IR) area attended more than 30 events with analysts and investors in 2023, including conferences and virtual non-deal roadshows in Brazil and abroad, in addition to presentations for analysts and investors and our own events, such as our Investor Day. Additionally, hundreds of meetings and online conference have been held.

Cogna won several awards in 2023, including: three awards in the 2023 edition of 'Cliente SA' Award, an important magazine in the Customer Experience (CX) sector: Silver Award in the "Game Changing Leader" category, Gold Award in the "Credit, Collection and Risk Strategy Leader" category. Moreover,

Student Experience and Success VP, Rodrigo Cavalcanti, was elected the market's Personality of the Year 2023 of CX. We were also recognized by "Great Place to Work Brazil", "Great Place to Work Woman", and "Great Place to Work MG" as one of the 15 best companies to work in Minas Gerais.

Also in 2023, the Institutional Investor Magazine ranking was released, prepared annually through market research. In the Sell-Side view, we ranked second in the Best CEO, Best CFO, IR Professional, IR Team, Board of Directors and Investor Day categories.

Our CEO Roberto Valério received the Best Southeast HR Award for Best CEO, which aims to recognize the CEOs from the Southeast region who most support their HR.

We received the "Educador Nota 10" Award, co-organized by the SOMOS Institute in partnership with the Victor Civita Foundation. This Award recognizes and values teachers, pedagogical coordinators and school managers from Kindergarten to High School in public and private schools across the country.

Capital market

SHAREHOLDING STRUCTURE

Cogna's capital is represented by 1,876,606,210 common shares and is distributed as follows:

Cogna shareholding structure*	Quantity	%
Treasury	4,650,087	0.25%
Free float	1,871,956,123	99.75%
Total	1,876,606,210	100.00%

*Position on 12/31/2023

PERFORMANCE OF SHARES

Cogna's shares (COGN3) are part of several indices, with highlight to the Ibovespa, the Differentiated Corporate Governance Index (IGC), the Differentiated Tag Along Share Index (ITAG), the Consumption Index (ICON) and MSCI Brazil. In addition to composing three new B3 Sustainability Indexes in 2022: ISE, ICO2 and IGPTW.

In 4Q23, the Company shares were traded in 100% of the trading in the market, totaling a traded volume of R\$ 3.8 billion, resulting in an average daily trading volume of R\$ 64.5 million. Currently, Cogna shares are monitored by 12 different local and international (Research) brokers. Cogna ended December 2023 with a market value of R\$ 6.5 billion.

In the fourth quarter of 2023, Cogna's share appreciated 31.2%, while the Ibovespa appreciated 15.1%, ITAG, IGC, ICON appreciated 14.6%, 14.11% and 12.3%, respectively in the same period.

Average daily trading volume (MM)	4Q23	4Q22
Average daily trading volume (MM)	64.5	1090
Starting price	2.66	2.94
Maximum	3.5	3.31
Minimum	2.38	1.97
Medium	2.90	2.56
Closing price	3.49	2.12
Price change over the period	+31.2%	-27.9%

Shareholders' remuneration

Cogna's Bylaws provide for the distribution of mandatory dividends of 25% of net profit, adjusted by deductions and additions provided for in art. 202, II and III of the Brazilian Corporation Law. Due to the net loss, dividends were not distributed in 2023.

ESG: Cogna commitments for a better world and achievements in 2023

Following the Sustainability strategy and aligned with the best practices, Cogna advances the ESG agenda and the generation of added value for its stakeholders and society.

The last quarter of the year is marked by the completion of the 2nd year of the Cogna Commitments for a Better World, a manifesto that materializes, through public targets, the Company's commitment to sustainable development.

On the Social agenda, we stress our commitment to development and education in our country, through the Company's social impact platform. In 2023, 1,244 social projects were implemented by our Higher Education Institutions in actions that align the generation of positive social impact with professional practice. In total, over 200 thousand people benefited and further 400 thousand received services in our community spaces.

The advances and efforts of the Company's agenda were recognized by the most relevant bodies in its categories, including:

- B3's Corporate Sustainability Index (ISE) portfolio for the second consecutive year, as the first and only education company to be part of the Index;
- Presence in the 2024 S&P Yearbook, being the only company in the education sector in Brazil – and Latin America – to be considered a member of the Corporate Sustainability yearbook for the second year in a row. Last year, in addition to the inclusion, Cogna was also selected as an industry mover by the global report;
- Improvement in the CDP (Carbon Disclosure Project) assessment, with advancement in such assessment from C to B (on a scale from D- to A).;
- Receipt of the Pro-Ethics Seal from the Brazilian Office of the Comptroller General (CGU) - where we are also the only education company - recognizing that the Company has the best practices for preventing, detecting and remediating acts of corruption and fraud, always seeking a more honest, ethical and transparent environment.

Independent audit

In fulfillment of CVM Instruction 381/03, we inform that KPMG Auditores Independentes Ltda. was engaged to provide the following services in 2023: audit of financial statements in accordance with accounting practices adopted in Brazil and International Financial Reporting ("IFRS") standards; and review of quarterly interim financial information in accordance with the Brazilian and international review standards for interim information (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively).

The engagement of independent auditors is based on the principles that safeguard the auditor's independence, which consist of the following: (a) the auditor should not audit his own work; (b) cannot exercise management functions; and (c) shall not provide any services that may be deemed prohibited by current regulations. Additionally, Management obtains, from the independent auditors, a statement that the special services provided (if any) do not affect their professional independence.

Arbitration clause

Cogna adopts arbitration to resolve corporate conflicts, through the Market Arbitration Chamber, pursuant to art. 39 of the Company's Bylaws.

Declaration of the Executive Board

Cogna's Executive Board declares that, pursuant to CVM Instruction 59, dated December 21, 2021, it has reviewed, discussed and agreed (i) with the content and opinions expressed in the report of KPMG Auditores Independentes Ltda., issued on March 20, 2024; and (ii) with the accounting financial statements for the fiscal year ended December 31, 2023.

Acknowledgment

Cogna's Management appreciates all the trust and support of all its Higher Education and Basic Education students, teaching institutions and partner schools, government agencies, suppliers, investors and employees, who daily help us to embark on a new era, with growth opportunities while maintaining the purpose of transforming people's lives through quality education.

For details of the analysis of our 2023 income (loss), please visit our website:

ri.cogna.com.br

THE MANAGEMENT



KPMG Auditores Independentes Ltda.

Rua Verbo Divino, 1400, Conjunto Térreo ao 801 - Parte,

Chácara Santo Antônio, CEP 04719-911, São Paulo - SP

Caixa Postal 79518 - CEP 04707-970 - São Paulo - SP - Brasil

Telefone +55 (11) 3940-1500

kpmg.com.br

Independent auditors' report on the individual and consolidated financial statements

To

Board of Directors and Shareholders of

Cogna Educação S.A.

Belo Horizonte – MG

Opinion

We have audited the individual and consolidated financial statements of Cogna Educação S.A. (“the Company”), identified as Parent Company and Consolidated, respectively, which comprise the individual and consolidated statement of financial position as at December, 31 2023, the individual and consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying individual and consolidated financial statements present fairly, in all material respects, the individual and consolidated financial position of the Cogna Educação S.A. as at December 31, 2023, and its individual and consolidated financial performance and its individual and consolidated cash flows for the year then ended in accordance with accounting practices adopted in Brazil and IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for opinion

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

Key audit matters

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

Impairment of cash generating units that contain goodwill for expected future profitability

See Notes 2.13 and 17 to the individual and consolidated financial statements.

Key audit matter	How our audit addressed this matter
<p>As of December 31, 2023, the Company presents, in its consolidated financial statements, significant amounts of goodwill based on expected future profitability arising from business combinations, which must be tested at least annually to identify the need to recognize impairment, according to the applicable accounting standard.</p> <p>The determination of the value in use of the cash-generating units (CGU) is based on estimated future cash flows, discounted at present value, which involve significant assumptions, such as: (i) EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) margin; (ii) average growth in net revenue; (iii) growth rate in perpetuity; and (iv) discount rate.</p> <p>Due to the uncertainties and judgments related to the main assumptions used to estimate the future cash flows of the cash-generating units, which, if changed, could result in amounts substantially different from those used in the preparation of the consolidated financial statements, as well as their related disclosures, we considered this matter to be significant in our audit.</p>	<p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> – analysis, with the assistance of our corporate finance experts, of the main assumptions used by the Company to project future cash flows, comparison of perpetuity growth rate and discount rate assumptions with available market information, and comparison of EBITDA margin and average net revenue growth assumptions with historical performance and previous forecasts. – recalculation, with the assistance of our corporate finance experts, of the present value of the cash flows projected by the Company for the cash-generating units; – comparison of net book value with value in use by cash-generating units; and – evaluation whether the disclosures in the consolidated financial statements include all relevant information. <p>Based on evidence obtained through above-summarized procedures, we considered the recoverable value of cash generating units containing goodwill by future yield estimate as acceptable, as well as related disclosures, in the context of the consolidated financial statements taken as a whole.</p>

Measurement of the provision for expected credit losses on accounts receivable from Kroton segment

See Notes 2.8 and 9 to the individual and consolidated financial statements.

Key audit matter	How our audit addressed this matter
<p>As of December 31, 2023, the Company presents, in its consolidated financial statements, significant balances of accounts receivable generated by the sale of Kroton segment. The measurement of the provision for expected credit losses on accounts receivable from this segment (higher education) that comes from students with and without private installment payments, requires a significant judgment by the Company in determining the main assumptions, which include: (i) determination of the student's risk profile; (ii) default rates for dropouts and graduates; (iii) expected dropout of active students; and (iv) expected cash inflows for agreements with renegotiated securities.</p> <p>Due to the complexity and level of judgment used in determining the main assumptions for measuring the provision for expected credit losses on accounts receivable from Kroton segment, as well as the impact that any changes in these assumptions could have on the Company's consolidated financial statements, we considered this matter to be significant in our audit.</p>	<p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> – reconciliation of the databases of the main assumptions with the accounting balances and ancillary financial reports; – documentary tests, on a sample basis, on the data supporting the main assumptions used to measure the provision for expected losses; – recalculation of the models implemented by the Company to measure the provision for expected credit losses for students with and without private installment payments and comparison with the amounts recognized in the financial statements; and – evaluation whether the disclosures in the individual and consolidated financial statements include relevant information. <p>During our audit, we identified adjustments that, although immaterial, affected the measurement of the provision for expected credit losses for students with private installment payments and without private installment payments, which were not recorded and disclosed by the Company as they were considered immaterial.</p> <p>Based on the evidences obtained through the procedures summarized above, we consider it acceptable to measure the provision for expected credit losses on accounts receivable from Kroton segment, as well as the related disclosures, in the context of the audit of the consolidated financial statements, taken as a whole.</p>

Other matters

Statements of added value

Individual and consolidated statements of added value (DVA) for the year ended December 31, 2023, prepared under responsibility of Company's Management, and presented as supplementary information for IFRS purposes, were submitted to audit procedures carried out together with the audit of Company's financial statements. To form our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in CPC 09 Technical Pronouncement - Statement of Added Value. In our opinion, these statements of added value were prepared, in all material respects, in accordance with the criteria defined in this Technical Pronouncement and are consistent in relation to the individual and consolidated financial statements taken as a whole.

Other information accompanying individual and consolidated financial statements and the auditors' report

Management is responsible for other information comprising Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management and Those Charged with Governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with Accounting Practices Adopted in Brazil and with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of individual and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance of the Company and its subsidiaries are the people responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Individual and Consolidated Financial Statements

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

As part of the audit conducted in accordance with Brazilian and international auditing standards, we exercise professional judgment and maintain our professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the individual and consolidated financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

São Paulo, March 20, 2024

KPMG Auditores Independentes Ltda.
CRC 2SP-014428/O-6
(Original report in Portuguese signed by)

Flavio Gozzoli Gonçalves
Accountant CRC 1SP290557/O-2

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

BALANCE SHEETS

Year ended December 31, 2023 and 2022

In thousands of reais

ASSETS	Note	Individual		Consolidated	
		12/31/2023	12/31/2022	12/31/2023	12/31/2022
Current assets					
Cash and cash equivalents	7	509,390	19	624,483	121,772
Marketable securities	8	9,066	757,304	1,166,805	2,007,061
Trade receivable	9	-	-	2,266,054	2,011,108
Inventories	10	-	-	476,607	426,322
Prepayments		804	814	104,682	93,278
Taxes recoverable	11	3,330	-	80,699	53,442
Income tax and social contribution recoverable	12	15,068	29,721	98,622	205,231
Trade receivable from sale of subsidiaries	13	-	-	35,481	12,190
Other receivables	14	857	617	130,890	129,323
Bonds receivable from related parties	30	57,942	105,530	-	-
Related parties – other receivable	30	244,027	438,593	-	-
Total current assets		840,484	1,332,598	4,984,323	5,059,727
Assets held for sale		61,300	-	64,166	-
Non-current assets					
Non-current receivables					
Marketable securities	8	-	-	46,040	52,012
Trade receivable	9	-	-	125,322	289,734
Derivative financial instruments	6.2	1,956	4,978	1,956	4,978
Taxes recoverable	11	38,105	23,758	101,581	88,118
Income tax and social contribution recoverable	12	112,381	94,735	211,377	175,751
Trade receivable from sale of subsidiaries	13	-	-	3,582	16,309
Other receivables	14	-	-	50,655	35,004
Guarantee to tax, civil and labor losses	26	-	33,283	16,939	144,920
Judicial deposits	26	4,152	1,445	51,516	52,387
Deferred income tax and social contribution	27.2	-	-	665,355	1,174,673
Bonds receivable from related parties	30	986,297	1,200,218	-	-
Related parties – other receivable	30	128,333	-	-	-
Equity accounted investees	15	13,396,457	13,819,896	64,483	83,739
Other investments and interests in entities	15(e)	-	-	9,879	8,271
Property, plant and equipment	16	-	-	3,771,037	4,058,943
Intangible assets and goodwill	17	514,242	515,812	14,967,652	15,152,185
Total non-current assets		15,181,923	15,694,125	20,087,374	21,337,024
Total assets		16,083,707	17,026,723	25,135,863	26,396,751

The footnotes to these Individual and Consolidated Financial Statements are an integral part of the Financial Stater

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

BALANCE SHEETS

Year ended December 31, 2023 and 2022

In thousands of reais

LIABILITIES	Note	Individual		Consolidated	
		12/31/2023	12/31/2022	12/31/2023	12/31/2022
Current liabilities					
Loans	18	4,619	-	4,619	-
Bonds	19	852,741	1,932,853	1,450,226	2,038,312
Lease liabilities	20	-	-	155,726	146,503
Suppliers		1,973	697	690,473	664,375
Reverse factoring	21	-	-	577,943	313,442
Salaries and social contributions	22	17,031	10,356	403,220	387,031
Income tax and social contribution payable		-	-	29,449	22,536
Taxes payable	23	6,462	788	82,646	96,514
Contractual obligations and deferred income		-	-	161,419	192,768
Accounts payable for business combination and acquisition of associates	24	-	-	81,588	168,061
Other liabilities		53	53	32,679	39,736
Related parties – other liabilities	30	209,357	186,490	-	-
		1,092,236	2,131,237	3,669,988	4,069,278
Liabilities held for sale	4	-	-	2,866	-
Non-current liabilities					
Loans	18	56,959	-	56,959	-
Bonds	19	2,815,484	1,992,880	3,422,746	3,152,882
Lease liabilities	20	-	-	2,685,320	2,866,626
Reverse factoring	21	-	-	11,337	-
Derivative financial instruments	6.2	2,714	23,032	2,714	23,032
Accounts payable for business combination and acquisition of associates	24	-	-	54,852	84,368
Provisions for tax, civil and labor losses	25	618	34,669	631,303	720,653
Liabilities assumed in the business combination	25	-	-	1,002,916	1,227,287
Deferred income tax and social contribution	27	450,302	668,343	808,321	907,160
Other liabilities		-	-	80,262	104,077
		3,326,077	2,718,924	8,756,730	9,086,085
Total liabilities		4,418,313	4,850,161	12,429,584	13,155,363
Shareholders' equity					
Share capital	28	7,667,615	7,667,615	7,667,615	7,667,615
Capital reserves		4,009,933	4,517,204	4,009,933	4,517,204
Treasury shares		(12,154)	(8,257)	(12,154)	(8,257)
		11,665,394	12,176,562	11,665,394	12,176,562
Interest of non-controlling shareholders		-	-	1,040,885	1,064,826
Total shareholders' equity		11,665,394	12,176,562	12,706,279	13,241,388
Total liabilities and shareholders' equity		16,083,707	17,026,723	25,135,863	26,396,751

The footnotes to these Individual and Consolidated Financial Statements are an integral part of the Financial Statements

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

STATEMENT OF INCOME

Year ended December 31, 2023 and 2022

In thousands of reais

	Note	Individual		Consolidated	
		12/31/2023	12/31/2022	12/31/2023	12/31/2022
Net revenue from sales and services	32	-	-	5,814,798	5,004,793
Cost of sales and services					
Services	33	-	-	(1,450,369)	(1,436,307)
Sales	33	-	-	(658,843)	(380,844)
		-	-	(2,109,212)	(1,817,151)
Gross profit		-	-	3,705,586	3,187,642
Operating expenses					
Commercial expenses	33	-	-	(702,994)	(536,697)
General and administrative expenses	33	(2,724)	(8,163)	(1,766,613)	(1,685,720)
Impairment losses on trade receivables	33	-	-	(446,445)	(439,345)
Impairment losses on intangible assets	17	-	-	-	(95,138)
Other operating income	33	-	-	35,466	14,920
Other operating expenses	33	-	-	(74,184)	(28,736)
Share of loss equity-accounted investees	15	(348,292)	(293,564)	(18,656)	(4,512)
Profit (loss) before finance result and taxes		(351,016)	(301,727)	732,160	412,414
Finance result					
Finance income	34	244,926	534,042	388,361	546,857
Finance costs	34	(560,821)	(684,928)	(1,292,099)	(1,439,761)
		(315,895)	(150,886)	(903,738)	(892,904)
Loss before income tax and social contribution		(666,911)	(452,613)	(171,578)	(480,490)
Income tax and social contribution					
Current	27.1	-	-	12,166	20,907
Deferred	27.1	218,059	36,670	(307,914)	31,572
		218,059	36,670	(295,748)	52,479
Loss from continued operations		(448,852)	(415,943)	(467,326)	(428,011)
Loss from discontinued operations		(44,027)	(112,987)	(44,027)	(112,987)
Loss for the year		(492,879)	(528,930)	(511,353)	(540,998)
Allocated to:					
Controlling shareholders		(492,879)	(528,930)	(492,879)	(528,930)
Non-controlling shareholders		-	-	(18,474)	(12,068)
Basic loss per common share - R\$ - continued operations	35	-	-	(0.27)	(0.29)
Diluted losses per common share - R\$ - continued operations	35	-	-	(0.27)	(0.29)
Basic loss per common share - R\$ - Consolidated	35	-	-	(0.25)	(0.23)
Diluted loss per common share - R\$ - Consolidated	35	-	-	(0.25)	(0.23)

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

Year ended December 31, 2023 and 2022

In thousands of reais

	Individual		Consolidated	
	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2023</u>	<u>12/31/2022</u>
Loss for the year	(492,879)	(528,930)	(511,353)	(540,998)
Other comprehensive income	-	-	-	-
Comprehensive income for the year	<u>(492,879)</u>	<u>(528,930)</u>	<u>(511,353)</u>	<u>(540,998)</u>
Allocated to:				
Controlling shareholders	(492,879)	(528,930)	(492,879)	(528,930)
Non-controlling shareholders	-	-	(18,474)	(12,068)

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
Year ended December 31, 2023 and 2022
In thousands of reais

	Capital	Capital reserves	Treasury shares	Accumulated losses	Individual Total shareholders' equity	Non- controlling interest	Consolidated Total shareholders' equity
Balances at January 1, 2022	7,667,615	5,116,787	(57,812)	-	12,726,590	1,044,074	13,770,664
Comprehensive loss for the year							
Loss for the year	-	-	-	(528,930)	(528,930)	(12,068)	(540,998)
Total comprehensive loss for the year	-	-	-	(528,930)	(528,930)	(12,068)	(540,998)
Contribution from shareholders and distribution to shareholders							
Recognized options granted	-	29,892	-	-	29,892	4,297	34,189
Disposal of treasury shares	-	(72,022)	68,397	-	(3,625)	-	(3,625)
Repurchase of treasury shares	-	-	(18,842)	-	(18,842)	-	(18,842)
Loss of minority interest	-	(28,523)	-	-	(28,523)	28,523	-
Allocation of income (loss) for the year							
Consumption of capital reserves	-	(528,930)	-	528,930	-	-	-
Total contributions from shareholders and distribution to shareholders	-	(599,583)	49,555	528,930	(21,098)	32,820	11,722
Balances at December 31, 2022	7,667,615	4,517,204	(8,257)	-	12,176,562	1,064,826	13,241,388
Comprehensive loss for the year							
Loss for the year	-	-	-	(492,879)	(492,879)	(18,474)	(511,353)
Total comprehensive loss for the year	-	-	-	(492,879)	(492,879)	(18,474)	(511,353)
Contribution from shareholders and distribution to shareholders							
Recognized options granted	-	28,439	-	-	28,439	3,078	31,517
Disposal of treasury shares	-	(11,104)	11,570	-	466	-	466
Gain or loss on the disposal of treasury shares	-	(980)	-	-	(980)	-	(980)
Repurchase of treasury shares (Notes 15 and 28.1)	-	(30,747)	(15,467)	-	(46,214)	(9,184)	(55,398)
Acquisition due to business combination (Note 5)	-	-	-	-	-	639	639
Allocation of income (loss) for the year							
Consumption of capital reserves	-	(492,879)	-	492,879	-	-	-
Total contributions from shareholders and distribution to shareholders	-	(507,271)	(3,897)	492,879	(18,289)	(5,467)	(23,756)
Balances at December 31, 2023	7,667,615	4,009,933	(12,154)	-	11,665,394	1,040,885	12,706,279

The footnotes to these Individual and Consolidated Financial Statements are an integral part of the Financial Statements

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS - INDIRECT METHOD

Year ended December 31, 2023 and 2022

In thousands of reais

	Note	Individual		Consolidated	
		12/31/2023	12/31/2022	12/31/2023	12/31/2022
Cash flow from operating activities					
Loss before income tax and social contribution		(710,938)	(565,600)	(119,681)	(592,123)
Adjustments for:					
Depreciation and amortization	16 and 17	339	294	455,741	458,040
Depreciation IFRS-16	16	-	-	223,814	211,654
Amortization of intangible assets generated in business combination	17	1,838	-	237,490	260,871
Impairment losses on trade receivables	9 and 13	-	-	456,731	434,972
Adjustment to present value – Trade receivable	9	-	-	843	(6,627)
Inflation adjustment on assignment of amounts to subsidiaries	30	(24,276)	(279,411)	-	-
Reversal for tax, civil and labor losses	25 and 27	(698)	(55)	(128,605)	(64,773)
Finance income on trade receivable from sale of subsidiaries	34	-	-	(4,443)	(10,170)
Financial charges		336,756	480,070	1,063,741	1,252,799
Price adjustment to accounts payable for acquisition	24	-	-	59,388	-
Share-based payment expense		3,550	-	31,517	34,189
Income (loss) from sale or write-off of assets and other investments		-	-	(5,749)	14,105
(Reversal) of impairment losses of intangible assets	17	-	-	(36,678)	215,434
Income from financial investments and marketable securities	34	(27,165)	(80,287)	(152,535)	(335,508)
Share of loss equity-accounted investees	15	392,319	406,551	16,404	1,887
Gain (loss) on derivative transactions	6.2	5,204	18,054	5,204	18,054
		(23,071)	(20,384)	2,103,182	1,892,804
Changes in:					
(Increased) in trade receivables		-	-	(536,483)	(451,715)
(Increased) in inventories		-	-	(67,654)	(76,947)
Decreased (increased) in prepayments		10	403	(12,927)	31,189
Decreased (Increased) in taxes recoverable		(20,670)	(90,552)	50,301	(63,969)
Decreased (Increased) in judicial deposits		(2,707)	(1,027)	871	4,414
(Increased) decreased in related parties - other receivables		(6,619)	5,130	-	-
(Increased) decreased in other receivables		(847)	(251)	13,667	14,031
Increased (decreased) in suppliers		1,276	(1,952)	25,799	15,866
Increased in reverse factoring		-	-	275,838	3,285
Increased (decreased) in salaries and social contributions		6,675	10,356	18,516	(81)
Increased (decreased) in taxes payable		5,772	90,847	(22,954)	(53,235)
(Decreased) increased in contractual obligations and deferred income		-	-	(34,115)	16,638
(Decreased) in taxes and contributions in installments		-	-	-	(12)
Payment of tax, civil and labor losses		(150)	(202)	(96,165)	(108,231)
(Decreased) in other liabilities		-	(280)	(31,192)	(34,165)
Cash generated from operating activities		(40,331)	(7,912)	1,686,684	1,189,872
Income tax and social contribution paid		-	-	(19,911)	(36,825)
Payment of interest on leases	20	-	-	(293,585)	(295,966)
Payment of interest on loans and bonds	18 and 19	(481,270)	(581,203)	(674,527)	(739,734)
Payment of interest in operations with derivatives	6.2	(18,814)	-	(18,814)	-
Income of private bonds received		152,621	-	-	-
Net cash from (used in) operating activities		(387,794)	(589,115)	679,847	117,347
Cash flow from investing activities					
Proceeds from investment in marketable securities		775,403	(560,487)	998,763	715,873
Additions to property and equipment	16	-	-	(121,238)	(148,079)
Additions of intangible assets	17	-	-	(335,384)	(293,490)
Acquired cash in business combination	5	-	-	898	379
Cash assigned in discontinued operation	4	-	-	(2,866)	-
Acquisition of subsidiaries	24	-	-	(7,357)	(29,241)
Capital increase in subsidiaries	15	(82,040)	(294,543)	-	-
Receipt for sale of subsidiaries	13	-	-	12,769	191,102
Receipt of amounts in the sale of real estate	14	-	-	8,389	-
Advance and loan to third parties	13 and 14	-	-	(49,313)	-
Receipt of amounts assigned in cash	30	119,995	2,860,379	-	-
Receipt of interest on own capital of subsidiaries	15	46,002	11,285	-	-
Dividends received		-	-	1,200	3,236
Receipt of private bonds		264,588	381,766	-	-
Private acquisition of bonds		-	(400,000)	-	-
Net cash from (used in) investing activities		1,123,948	1,998,400	505,861	439,780
Cash flow from financing activities					
Repurchase of treasury shares	28	(15,467)	(18,842)	(55,398)	(18,842)
Gain or loss on the disposal of treasury shares		(514)	(3,625)	(514)	(3,625)
Repurchase of bonds	19	(1,006,123)	(377,689)	(1,006,123)	(377,689)
Issuance of bonds	19	1,500,000	500,000	1,500,000	500,000
Loans	18	60,936	-	60,936	-
Issue costs of bonds	19	(25,404)	(19,911)	(25,404)	(19,911)
Lease liabilities payment	20	-	-	(165,414)	(140,950)
Payment of loans, bonds and derivatives	18,19 and 6.2	(740,211)	(1,858,726)	(795,210)	(1,859,524)
Installments paid in companies' acquisitions	24	-	-	(195,870)	(116,282)
Net cash used in investing activities		(226,783)	(1,778,793)	(682,997)	(2,036,823)
Net increase (decrease) in cash and cash equivalents		509,371	(369,508)	502,711	(1,479,696)
Cash and cash equivalents at the beginning of the year	7	19	369,527	121,772	1,601,468
Cash and cash equivalents at the end of the year	7	509,390	19	624,483	121,772
Net increase (decrease) in cash and cash equivalents		509,371	(369,508)	502,711	(1,479,696)

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

STATEMENT OF ADDED VALUE

Year ended December 31, 2023 and 2022

In thousands of reais

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Revenue from sales and services	-	-	5,895,488	5,092,202
Other revenues	-	-	35,466	14,920
Impairment losses on trade receivables	-	-	(448,116)	(434,972)
	-	-	5,482,838	4,672,150
Inputs acquired from third parties				
Cost of sales and services	-	-	(701,013)	(428,576)
Materials, energy, outsourced services and other	28,567	8,240	(670,089)	(539,428)
Impairment losses on intangible assets	-	-	36,678	(215,434)
Gross added value	28,567	8,240	4,148,414	3,488,712
Retentions				
Depreciation and amortization	(339)	(294)	(667,559)	(669,694)
Amortization of intangible assets generated in business combination	(1,838)	-	(237,490)	(260,871)
Net added value	26,390	7,946	3,243,365	2,558,147
Added value received as transfer				
Share of loss equity-accounted investees	(392,319)	(406,551)	(16,404)	(1,887)
Finance income	244,926	534,042	392,423	509,905
Total added value payable	(121,003)	135,437	3,619,384	3,066,165
Distribution of added value				
Personnel:				
Direct remuneration	22,036	13,143	1,202,195	1,123,315
Benefits	540	215	126,542	127,181
Social charges	5,526	2,719	413,738	385,609
Taxes, rates and contributions:				
Federal	(217,069)	(36,641)	420,769	(13,633)
State	-	-	1,239	942
Municipal	22	3	6,942	(11,549)
Third-party capital remuneration:				
Finance costs	560,821	684,928	1,295,279	1,405,332
Rents	-	-	514,990	485,521
Copyright	-	-	149,043	104,445
Remuneration of own capital:				
Retained losses for the year	(492,879)	(528,930)	(511,353)	(540,998)
Distributed added value	(121,003)	135,437	3,619,384	3,066,165

1. Operations

Cogna Educação S.A., hereinafter referred to as “Company”, “Individual” or “Cogna”, headquartered at Rua Claudio Manoel, 36, in the city of Belo Horizonte – MG, and its subsidiaries (jointly, the “Group”) are mainly engaged in providing On Campus and distance-learning higher education and graduate program courses; editing, marketing and distribution of teaching books, educational materials and workbooks, especially with educational, literary and informative content and learning systems; offer, by means of their schools, basic education, pre-university preparatory courses, language courses for children and adolescents; educational solutions for technical and higher education, among other complementary activities, such as education technology development for services to complement management and training; the administration of kindergarten, elementary and high school activities; advising and/or enabling the possibility of direct and indirect financing of students in relation to their respective school modalities and the development of software for adaptive teaching and optimization of academic management.

Cogna carries out its activities through its direct subsidiaries: Editora e Distribuidora Educacional S.A. (“EDE”), Anhanguera Educacional Participações S.A. (“AESAPAR”), Vasta Platform Limited (“Vasta”) and Saber Serviços Educacionais Ltda. (“Saber”). Furthermore, as of December 31, 2022, and following the Group’s corporate reorganization processes to better allocate its businesses, the indirect subsidiary Pitágoras Sistema de Educação Superior Sociedade S.A. (“PSES”), previously with an interest held by EDE, now has 100% of its interest directly held by Cogna. Currently, PSES’s is mainly engaged in offering Higher Education courses for On Campus and distance learning education mainly linked to the health and medicine areas.

The Company is listed on B3 - Brasil, Bolsa, Balcão, in the special segment referred to as Novo Mercado, under code COGN3 through which it trades its common shares. In addition, the subsidiary Vasta has been publicly traded on the North American stock exchange NASDAQ, operating under code VSTA.

The individual and consolidated financial statements were approved to be issued by the Board of Directors' Meeting on March 19, 2024.

2. Material accounting policies

The Group applied the accounting policies described below consistently to all the years presented in these individual and consolidated financial statements, unless otherwise indicated. Furthermore, the Group adopted the Disclosure of Accounting Policies (amendments to CPC 26/IAS 1 and IFRS Practice Statement 2) as of January 1, 2023. The amendments require disclosure of “material” rather than “significant” accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they affected the accounting policy information disclosed in this Note 2 in certain cases (see Note 2.27.1 (a) for more information).

2.1. Basis of preparation

The Company’s individual and consolidated financial statements were prepared according to the accounting practices adopted in Brazil, including the pronouncements issued by Accounting Pronouncement Committee (CPC) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and evidence all information of financial statements, and only them, which are consistent with those used by Management in its administration.

The financial statements were prepared considering the historical cost as value basis, which, in case of certain financial assets, other financial assets and liabilities is adjusted to reflect the measurement at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires Company’s management to exercise its judgment in the process of applying the Group’s accounting policies. Those areas requiring the highest level of judgment and having the highest complexity, and the areas where assumptions and estimates are material for the financial statements are disclosed in Note 3.

2.2 Consolidation

The Company consolidates all entities in which they retain control, i.e., is exposed to or is entitled to variable returns from its involvement in an investee and has the capacity to direct activities related of the investee. The subsidiaries included in the consolidation are described in the Note below.

a) Subsidiaries

Subsidiaries are all entities in which the Group retains control, i.e., is exposed to or is entitled to variable returns from its involvement in an investee and has the capacity to direct activities related of the investee. The subsidiaries are fully consolidated as of the date control is transferred to the Group. Consolidation is interrupted beginning as of the date in which the Group no longer holds control.

Investments in subsidiaries are determined under the equity method, whose investment is initially recognized at acquisition cost and subsequently adjusted by changes in the investees’ net assets. Investments in jointly-controlled operations (when applicable) are recognized proportionately in relation to the interest in the joint operation.

Identifiable assets acquired and liabilities assumed for the acquisition of subsidiaries in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes the interest of the non-parent company in that acquiree both by its fair value as well as by its proportional part in the non-controlling interest in the fair value of the net assets of that acquired. Measurement of the non-parent company interest is determined in each acquisition made. Costs related to acquisition are accounted for in income for the year, as incurred.

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES
NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS
Year ended December 31, 2023 and 2022
In thousands of reais, unless otherwise indicated

Transactions, balances and unrealized gains from transactions among the Group's companies are eliminated. Unrealized losses are also eliminated, unless the transaction shall provide impairment evidence of the asset transferred. The accounting policies of new subsidiaries are changed when required in order to assure the consistency with the policies adopted by the Group.

Below is a list of the companies controlled by the Company for the years ended December 31, 2023 and 2022:

<u>Consolidated companies</u>	Interest %	
	<u>12/31/2023</u>	<u>12/31/2022</u>
Direct subsidiary:		
AESAPAR - Anhanguera Educacional Participações S.A.	84.55	84.55
Indirect subsidiaries AESAPAR:		
AESAPRO - Clínica Médica Anhanguera Ltda.	99.99	99.99
Juspodivm - Instituto Excelência Ltda. (iii)	0.00	99.99
Edufor - Edufor serviços educacionais Ltda. – ME (iii)	0.00	99.99
ICF - Sociedade Piauiense de ensino superior Ltda. (iii)	0.00	99.99
Fateci Cursos Técnicos S/S. (iii)	0.00	99.99
PSES Serviços Educacionais Ltda.	99.99	99.99
Sociedade Educacional da Paraíba Ltda. (iii)	0.00	99.99
Platos Soluções Educacionais S.A	31.93	31.93
Saraiva Educação S.A.	0.00	0.45
Ampli Educacional S.A.	99.99	99.99
CSP Serviços de Pagamento Ltda.	99.99	99.99
CSP Participações Ltda.	99.99	99.99
Indirect subsidiary CSP Participações:		
Voomp Bank Instituição de Pagamento Ltda.	99.99	99.99
Direct subsidiary:		
EDE - Editora e Distribuidora Educacional	99.99	99.99
Indirect subsidiaries EDE:		
Orme - Orme Serviços Educacionais	99.99	99.99
Projecta - Projecta Educacional	99.99	99.99
Cepar - Centro de Ensino Superior de Parauapebas Ltda. (i)	0.00	99.99
Cemar - Centro de Ensino Superior de Maraba Ltda. (i)	0.00	99.99
Cesupar - Centro de Ensino Superior de Paragominas Ltda. (i)	0.00	99.99
União - União de Ensino Unopar (i)	0.00	99.99
Unic Educacional (i)	0.00	99.99
Platos Soluções Educacionais S.A.	68.07	68.07
Eduquer Serviços Educacionais Ltda. (i)	0.00	99.99
AESAPAR - Anhanguera Educacional Participações S.A.	15.45	15.45
Saber - Saber Serviços Educacionais S.A.	37.96	37.96
CAde - Centro Avançado de Ensino LTDA. (v)	99.99	0.00
Indirect subsidiary Unic Educacional:		
Unime Salvador - Iuni Educacional (i)	0.00	99.99
Direct subsidiary:		
Saber - Saber Serviços Educacionais S.A.	62.04	62.04
Indirect subsidiaries Saber:		
Somos Idiomas S.A.	99.99	99.99
Editora Scipione S.A.	84.17	84.17
Editora Ática S.A.	99.99	70.28
Somos Educação S.A.	0.00	99.99
Saraiva Educação S.A.	99.99	81.48
Saraiva Soluções Educacionais S.A. (vi)	70.28	70.28
SGE Comércio de Material Didático Ltda.	0.00	0.09
Editora Pigmento Ltda. (vi)	99.99	0.00
Editora Joaquim Ltda. (vi)	99.99	0.00
Editora Todas as Letras Ltda. (vi)	99.99	0.00
Indirect subsidiaries Editora Atica:		
SB Sistemas	99.99	99.70
SGE Comércio de Material Didático Ltda.	99.99	99.91
Eligis Tecnologia e Inovação Ltda.	99.99	0.00
Saraiva Soluções Educacionais S.A. (vi)	29.72	0.00
Maxiprint Editora Ltda. (vi)	99.99	0.00
Sinvisa Investimentos Ltda. (vi)	99.99	0.00
Editora Scipione S.A. (vi)	15.83	0.00

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES
NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS
Year ended December 31, 2023 and 2022
In thousands of reais, unless otherwise indicated

Indirect subsidiaries Saraiva Educação:		
Editora Pigmento Ltda.	0.00	99.99
Editora Joaquim Ltda.	0.00	99.99
Editora Todas as Letras Ltda.	0.00	99.99
Saraiva Gestão de Marcas Ltda.	50.00	50.00
SRV Editora Ltda. (viii)	99.99	0.00
Indirect subsidiaries - Somos Educação (iv):		
Saraiva Soluções Educacionais S.A. (vi)	0.00	29.72
Editora Ática S.A. (vi)	0.00	29.72
Maxiprint Editora Ltda. (vi)	0.00	99.99
Stood Sistemas e Treinamento à Distância Ltda. (iv)	0.00	99.99
Sinvisa Investimentos Ltda. (vi)	0.00	99.99
Editora Scipione S.A. (vi)	0.00	15.83
Saraiva Educação S.A. (vi)	0.00	18.07
Indirect subsidiaries Stood Sistemas:		
Eligis Tecnologia E Inovação Ltda. (vi)	0.00	99.99
Indirect subsidiaries - Sinvisa Investimentos:		
Educação Inovação e Tecnologia S.A ("AppProva")	99.99	99.99
Nice Participações S.A.	99.99	99.99
Direct subsidiary:		
PSES - Pitágoras Sistema de Ensino Sociedade	99.99	99.99
Direct subsidiary:		
Vasta Platform Limited ("Vasta")	77.00	77.00
Indirect subsidiaries Vasta Platform:		
Somos Sistemas de Ensino S.A. ("Somos Sistemas")	99.99	99.99
Indirect subsidiaries Somos Sistemas:		
Livraria Livro Fácil Ltda. ("Livro Fácil") (vii)	0.00	99.99
Colégio Anglo São Paulo Ltda.	99.99	99.99
A & R Comercio e Serviços de Informática Ltda. ("Pluri")	99.99	99.99
Sociedade Educacional da Lagoa ("SEL")	99.99	99.99
Emme - Produções de Materiais em Multimídia Ltda.	99.99	99.99
Phidelis Tecnologia Desenvolvimento de Sistemas Ltda.	99.99	99.99
MVP Consultoria e Sistemas Ltda.	99.99	99.99
Escola Start Ltda ("Start") (ii)	51.00	0.00

- (i) The direct company "EDE" merged companies on March 31, 2023.
(ii) The indirect company Somos Sistemas acquired the company "Start" on March 3, 2023.
(iii) The direct company "Aesapar" merged companies on August 1, 2023.
(iv) The direct company "EDE" merged the company "Stood" on August 15, 2023.
(v) On August 18, 2023, the direct subsidiary "EDE" acquired the entire equity interest of the company "CAde."
(vi) On July 01, 2023, the indirect subsidiary Somos Educação was extinguished and its investments were taken over by Ática, Saraiva, and Stoodi.
(vii) On October 01, 2023, the indirect subsidiary "Somos Sistemas" took over the company Livro Fácil.
(viii) Company acquired in order to absorb the SETS operation at the closing of the Transaction, per Note 4.

b) Associates

Associated companies are the entities in which the Group has, directly or indirectly, significant influence but does not control or jointly-control on financial and operating policies.

Investments in associated companies are accounted under the equity method. Such investments are initially recognized by the cost, which includes expenditures with transactions. After initial recognition, consolidated financial statements include the Group's interest in investee's income or losses for the year and other comprehensive income up to the date in which there is an influence.

As of December 31, 2023 and 2022, Company's financial statements include the following associated companies:

<u>Indirect associated companies</u>	Interest %	
	<u>12/31/2023</u>	<u>12/31/2022</u>
Educbank Gestão de Pagamentos Educacionais S.A.	45.00	45.00
Minha Biblioteca Ltda.(i)	20.00	20.00

(i) Relative to the stake of the indirect subsidiary Saraiva Educação, representing the investment balance of assets held for sale, per Note 4.

c) Non-controlling interest

The Group regards transactions with non-parent company interests as transactions with the owners of Group's assets. For purchases of non-controlling ownership shareholders, the difference between any considerations paid and the acquired portion of the book value of the subsidiary is recorded in shareholders' equity. Gains or losses on disposals for non-controlling interest are also directly recorded in net assets "Equity valuation adjustments".

d) Business combination

In accordance with the provisions of CPC 15 - Business combination, the acquisitions are recorded under the acquisition method when the set of activities of an entity meets the definition of a business and the control is transferred to the Company. The consideration transferred is usually measured at fair value, as well as the identifiable net assets acquired. Any contingent consideration payable is measured at fair value on the acquisition date and remeasured at each reporting date, and subsequent changes at fair value are recorded in the result for the year. Any goodwill arising from the transaction is annually tested for evaluation of impairment. The business combinations carried out during the year are described in further detail in note 5.

e) Operating segments

The information by operating segment is presented in a manner consistent with the internal report submitted to the Executive Board, which is the main operational decision maker, in addition to being responsible for allocating resources, evaluating performance and making strategic decisions in the Company. The Company's segmentation structure is divided into:

- (i) **Kroton**: B2C (Business to Consumer) Vertical of Higher Education that operates in the on campus and distance (DL) learning modalities and the B2C (Business to Business to Consumer) vertical of Higher Education which offers Continuing Education products and services, both in person and Distance Learning Education are considered. Operating results are regularly analyzed by the main manager of this segment, considering all the registered businesses, even for on campus and distance learning education modalities. Although the revenue from these two modalities have different origins, the costs are fully shared, considering that even for on campus courses there are already more than 30% of subjects being taken by the student in the distance modality, in addition, the on campus units are used as distance hubs and share managers and administrative teams;
- (ii) **Vasta**: Composed of the vertical that serves the B2B (Business to Business) market of Basic Education, comprising the services platform for schools, which offers a range of educational products and solutions, including digital services that support the school management process. Revenue has a subscription model concept with long-term agreements;

(iii) **Saber:** Composed of Brazilian Book and Teaching Material Program (NBTP), Educational Solutions for Technical and Higher Education (“SETS”) products, preparatory studies for exams and OAB (Brazilian Bar Association) and language teaching offered during the undergraduate course, in addition to the operation that provides services to Public Basic Education B2Gov (Business to Government). Additionally, it includes the services provided by the Group’s language schools (“Red Balloon”). In December 2023, due to the processes of negotiation of “SETS” operation as disclosed in subsequent event, and in compliance with CPC 31, the accounting balances were reclassified to the line "result of discontinued operations" in the Statement of Income for the Year. Therefore, the balance presented in Note 36 refers to other operations, per Note 4.

f) Cash generating units – (“CGU”)

For impairment valuation purposes, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash Generating Unit - “CGU”). For testing purposes, goodwill is allocated to CGUs or to groups of cash generating units that will benefit from the business combination from which the goodwill was generated. In this context, the Company identifies its operations through the following CGU’s: (i) Kroton, segregated into Kroton Med and Kroton Ex-Med; (ii) Vasta, segregated into Content and Digital, and; (iii) Saber segregated into NBTP, Idiomas and Sets. Further information on asset and goodwill impairment test are presented in Note 17.

2.3 Functional and presentation currency

The items included in the financial statements of each of the Group’s companies are measured using the main currency of the economic environment where it operates (the "functional currency"). The individual and consolidated financial statements are being presented in Brazilian reais, functional currency of the Company and also, the presentation currency of the Group. All balances have been rounded to the nearest value, unless otherwise indicated.

2.4 Statement of comprehensive income

Other comprehensive income includes revenue and expense items (including reclassification adjustments, when applicable) that, in accordance with the procedures, are not recognized in the statement of income as required or permitted under the Pronouncements, Interpretations and Guidance issued by CPC, when applicable. In the years ended December 31, 2023 and 2022, the Group did not present items other than the results for the years presented in the individual and consolidated statements of income.

2.5 Cash and cash equivalents

Cash and cash equivalents include cash, available bank deposits and other short-term, highly liquid investments that are readily convertible into known amounts of cash subject to an insignificant risk of changes in value.

2.6 Financial assets and liabilities

All financial assets and liabilities are initially recognized when the Company becomes a party to the instrument's contractual provisions.

Financial assets

Upon initial recognition, a financial asset is classified as measured: at amortized cost, at fair value through

profit or loss or at fair value through other comprehensive income. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for the management financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. They comprise cash and cash equivalents, securities, derivative financial instruments, trade accounts receivable, trade receivable from the sale of subsidiaries, amounts receivable from related parties, other credits and investments.

A financial asset is measured at amortized cost if it meets both conditions below and is not designated as measured at fair value through profit or loss:

- It is held within a business model whose purpose is to maintain financial assets to receive contractual cash flows, and;
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal value.

A financial asset is measured at fair value through other comprehensive income if it meets both conditions below and is not designated as measured at fair value through profit or loss:

- It is maintained within a business model whose purpose is achieved by both the receipt of contractual cash flows and the sale of financial assets, and;
- Its contractual terms generate, on specific dates, cash flows which are only payments of principal and interest on outstanding principal value.

All financial assets not classified as measured at amortized cost or at fair value through other comprehensive income, as described above, are classified at fair value through profit or loss.

Company's investments are initially recognized at fair value plus transaction cost for all financial assets not classified at fair value through profit or loss. Financial assets classified at fair value through profit or loss are initially recognized at fair value, and transaction costs are charged to income (loss). Financial assets are written off when rights to receive cash flows have been expired or transferred; in the latter case, as long as the Group has transferred virtually all ownership risks and benefits. Financial assets measured at fair value through profit or loss are subsequently recorded at fair value.

Gains or losses resulting from fluctuations in their fair value of financial assets measured at fair value through profit or loss are presented in statement of income under "Financial incomes" caption for the period in which they occur.

Considering their respective nature, as of December 31, 2023, the Company's financial assets are classified as measured at amortized cost, except for securities, derivative financial instruments and other investments, which are measured at fair value through profit or loss.

Financial liabilities

Are measured at amortized cost using the effective interest rate method. They comprise loans and bonds, in addition to balances payable to suppliers and risk of anticipation of reverse factoring, accounts payable for acquisitions of companies and amounts payable to related parties.

The Group fails to recognize a financial liability when its contractual obligations are discharged or canceled or

expire. The Group also derecognizes a financial liability when terms are modified, and the cash flows of the modified liability are substantially different if a new financial liability based on the terms changed is recognized at fair value.

Financial assets and liabilities are offset and their net amounts in the balance sheet only when there is a legal right to offset the amounts recognized and there is an intent to settle them on net bases, or realize the asset and settle the liability simultaneously.

Impairment of financial assets

The Group assesses, on a forward-looking basis, the expected credit losses associated with debt securities recorded at amortization cost and at fair value through the result. Applied methodology depends on whether significant increase in credit risk occurred or not.

For trade receivables, the Group recognizes expected losses from the initial recognition of receivables and according to the maturity ranges of the securities and rollover between these ranges, as described in note 9 (c).

2.7 Derivative financial instruments

Derivative financial instruments are recognized at fair value on the date the derivative agreement is entered into, and are subsequently remeasured at their fair value through profit or loss. The respective gains or losses incurred are recorded under finance result in the statement of income. The accounting balances and risks linked to this operation are presented in further details in Note 6.2 (a).

2.8 Trade receivable

Correspond to trade accounts receivable for the sale of goods or provision of services by the Group.

Revenue is recognized when the control of a good or service is transferred to a client for an amount equal to the estimated transaction price.

Trade accounts receivable are initially recognized at fair value and, subsequently, measured at amortized cost using the effective interest rate method less provision for impairment. The provision for losses is established since billing based on the performances presented by the different business lines and respective expected collections up to 365 days from the maturity. Specifically for Vasta and Saber (“SETS”) business unit, the period of 540 days from the maturity is considered.

The Company sets up the provision for expected loss monthly by analyzing the amounts of receivables recorded each month (in the period of 12 months for the Kroton segment and 18 months for the Vasta and Saber segment) and the respective openings by delay ranges, calculating their recovery performance. In this methodology, for each delay range, a percentage of probability of estimated loss is assigned considering current and historical information of delinquency for each product. The Company considers the expected cash inflow for its agreements on renegotiated securities with a maturity date over 360 days, and additionally, the calculation of the provision for expected losses considers an expectation of recovery of the renegotiated securities, based on the historical average of the cash event of the renegotiation with the student. Furthermore, for the cases of large customers who present a high risk of non-payment, provisions are fully recorded.

For PEP – Private Student Installment Payment – the Company recognizes provision for expected losses on receivables, reflecting management's best estimate of future delinquency. This provisioning mainly considers: a) the future expected loss for students with installment payments, which is higher than the average of paying students; and b) the percentage of historical dropout of students. On a regular basis, the amount provisioned is revalued based on outstanding securities on the trade receivable base date, as mentioned in note 9. Additionally, the Company no longer offers this product to new students since 2021.

Regarding PMT – Installment Payment of Late Enrollment, the Company follows a process similar to the one mentioned above in relation to PEP, and additionally charges the student's current bank slips. This product continues to be offered to new entrants, both on campus and distance learning education.

2.9 Inventories

Inventories are stated at cost or net realizable present value, whichever is lower. The inventory valuation method is the average cost method. The cost of finished products and work in progress comprises editorial costs (such as design costs), raw materials, direct labor, other direct costs and the respective direct production expenses.

The Company makes a provision for losses on inventory of slow moving finished products and raw materials and they are periodically assessed and evaluated as to the realization expectation. Management periodically assesses the need to send such products for destruction.

2.10 Assets and liabilities held for sale and discontinued operations

Non-current assets held for sale are classified as "held for sale" if it is highly probable that they will be primarily recovered through sales instead of the continuous use. Assets held for sale are generally stated at the lowest value between their book value and the fair value less selling expenses. Impairment losses determined in the initial classification as held for sale and gains and losses from subsequent measurements, are recognized in income (loss). Once classified as held for sale, intangible assets and property and equipment are no longer amortized or depreciated, and any investment measured under the equity method is no longer subject to the application of the method.

- (i) Represents a separate major line of business or geographical area of operations;
- (ii) Is part of an individual coordinated plan to sell an important separate business line or geographical operation area; or
- (iii) It is a subsidiary acquired only for the purpose of resale.

The classification as a discontinued operation is made upon its disposal or when the operation fails to meet the criteria for being held for sale, if this occurs before. When an operation is classified as a discontinued

operation, the comparative statements of income and the statement of comprehensive income are reissued as if the operation had been discontinued since the beginning of the comparative period.

In the year ended December 31, 2023, due to the negotiation processes involving the sale of the book market operation of Educational Solutions for Technical and Higher Education (“SETS”), and in compliance with the provisions of CPC 31, the Company reclassified its assets and liabilities linked to the SETS business, to the line “Assets Held For Sale” and “Liabilities Held For Sale.”

Also in accordance with the aforementioned CPC 31, the impacts on the result for the year linked to the “SETS” operation, were also reclassified to a specific line in the statement of income for the period, named “result of discontinued operations”. Additionally, the comparative balances of the 2022 Profit (Loss) are being re-presented to demonstrate the impact obtained had the operation been discontinued since the beginning of the previous year.

The balances presented in the value added statement encompass continued and discontinued operations, while the Profit (Loss) notes only present continued operations. The equity balances for the year ended December 31, 2023 were adjusted and segregated into Assets and Liabilities Held For Sale, while their comparative period remains considering the entire operation; thus, the financial statement of cash flow using the indirect method segregates continuing operations in investment activity, while there is no impact on the comparative period. More information is included in note 4.

2.11 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes acquisition, formation or construction cost. Historical cost also includes financing costs related to the acquisition of qualified assets.

Subsequently incurred costs are added to the asset's book value or are recognized as a separate asset, as applicable, only when it is likely that associated future economic benefits will flow and that the item's cost can be reliably measured. The book value of replaced items and parts is written off. All other maintenance and repair costs are recorded as a contra entry to income (loss) for the year, when incurred.

Lands are not depreciated. Depreciation of other assets is calculated using the straight-line method, with the costs of other assets being allocated to their residual values over the estimated useful lives, as follows:

	<u>Useful lives</u>	
	<u>(years)</u>	
	<u>2023</u>	<u>2022</u>
IT equipment	3	3
Furniture, equipment and fixtures	11	11
Library	8	8
Buildings and improvements(i)	25	25

⁽ⁱ⁾ The buildings and improvements have a defined useful life in accordance with the maturity of the lease agreement.

Residual values and the useful lives of material assets are reviewed and adjusted, if adequate, at the end of each year.

The Company reviewed the useful life of its assets and concluded that the depreciation rates used are consistent with its operations as of December 31, 2023 and 2022.

The asset's book value will be immediately written off to its recoverable value if the asset's book value is greater than its estimated recoverable amount. Gains and losses from divestitures are determined by the comparison of results with the book value and are recognized under "Other operating expenses (revenues)" in the statement of income.

2.12 Intangible assets

Intangible assets are stated at acquisition costs, less accumulated amortization and impairment losses, and are comprised of rights and concessions that mainly include software, related to computer program licenses, trademarks, operating licenses, in addition to the goodwill based on expected future profitability (goodwill), resulting from a business combination, as well as relationships with clients, whether contractual or not. A review of the recoverability of intangible assets with indeterminate useful lives and goodwill is performed annually.

Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures, including expenditures on internally-generated goodwill and trademarks and patents, are recognized in the income (loss) as incurred.

Below is a more detailed description of each of them:

a) Goodwill

Goodwill is represented by the difference between the amount transferred and the fair value of identifiable net assets, and liabilities assumed in a business combination.

b) Software

Licenses acquired for computer programs are capitalized based at the costs incurred to acquire the software and prepare them for use or to develop new functionalities for the existing ones. These costs are amortized over the estimated useful life of the respective software, up to 5 years.

The directly attributable costs, which are capitalized as part of the software product or project, include costs on employees allocated to the development and an adequate portion of direct expenses and are amortized under the straight-line method throughout its useful lives.

Development costs that do not meet the capitalization criteria are recognized as expenses as incurred. Development costs previously expensed are not recognized as asset in a subsequent period.

c) Content production and digital book

Development expenditures with platform contents are capitalized only if they can be measured reliably, if the product or process is technically and commercially feasible, if future economic benefits are probable, and if the Company intends to and has sufficient resources to complete development and use or sell the asset. Otherwise, it is recognized in Profit or Loss when incurred. After initial recognition, development expenses are measured at cost less accumulated amortization and any accumulated impairment losses. Amortization is calculated using the straight-line method over its estimated useful life of three years. The Company did not identify changes in the useful life at December 31, 2023 and 2022.

d) Trademarks

Separately acquired trademarks and licenses are initially stated at historical cost. Trademarks and licenses acquired within a business combination are recognized at fair value on the acquisition date. Subsequently, trademarks and licenses with defined useful life are recorded at the cost less accumulated amortization. Amortization is calculated under the straight-line method to allocate cost of trademarks and licenses over their estimated useful life from 19 to 30 years.

e) Hub operation license and partner network

The hub is a local operational unit that can be either its own or belong to third parties (partners) and is responsible for providing the structure to the student in audiovisual, library and computer resources, so as to support the distance learning. Amortization is calculated under the straight-line method over the estimated period of use of the license, in up to 25 years.

f) Contractual relationships with clients ("client portfolio")

Client portfolios acquired in a business combination are recognized at fair value on the acquisition date. Contractual relationships with customers have a defined useful life and are recorded at cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected useful life of the client relationship, up to 12 years.

g) Non-contractual relationships with clients ("non-compete agreement")

The non-contractual relationship with clients or student portfolio represents a key intangible asset that is separable from and has a different value than the tangible assets acquired and goodwill. Non-contractual relationships with clients have a defined useful life of 3 to 14 years and are stated at cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected useful life of the client relationship.

2.13 Impairment of non-financial assets

Assets with an indefinite useful life, such as goodwill, are not subject to amortization and are tested every year to identify any possible need of impairment. Goodwill impairment reviews are conducted annually or more often if events or changes in the circumstances indicate possible impairment.

Assets subject to amortization are reviewed to confirm their impairment whenever events or changes in circumstances indicate that the book value may not be recoverable. An impairment loss is recognized when the book value of the asset exceeds its recoverable value which reflects the higher value between the fair value of the asset minus the costs of disposal and its value in use.

As mentioned in Note 2.2, assets are grouped into the smallest cash-generating unit for which there are separately identifiable cash flows. For the purposes of this test, the Company identifies its operations by the following CGU's: (i) Kroton, segregated into Kroton Med and Kroton Ex-Med; (ii) Vasta, segregated into Content and Digital, and; (iii) Saber segregated into NBTP, Idiomas and Sets.

Non-financial assets, except goodwill, that suffered impairment are then reviewed for an analysis of a possible reversal of impairment on the balance sheet date. Further information about the impairment test of goodwill intangible assets is described in Note 17(b).

2.14 Suppliers and reverse factoring

Trade accounts payable are obligations due for assets or services acquired from suppliers in the normal course of businesses. They are initially recognized at fair value and, subsequently, measured at amortized cost using

the effective interest rate method.

Some domestic suppliers have the option to assign the Company's receivables, without recourse to financial institutions. Through these operations, suppliers can anticipate their receipts with reduced financial costs since the financial institutions consider the credit risk of the Company. The operation does not change the terms, prices and conditions formerly agreed with the suppliers. The Company classifies these operations in a specific caption "Suppliers – reverse factoring". In the cash flow statements, these amounts are allocated as operating activity, since such transaction has a similar nature as accounts payable to suppliers. Furthermore, the Company, pursuant to technical pronouncement CPC 12, adjusts the liability assumed with suppliers to present value by segregating the interest included in each negotiation and appropriating it to its financial result, under financial costs.

2.15 Loans and bonds

They are initially recognized at fair value, net of costs incurred in the transaction and are subsequently stated at amortized cost. Any difference between the amounts raised (net of transaction costs) and the redemption amount is recognized in the income statement during the period while the loans are in progress, under the effective interest rate method.

They are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet dates.

2.16 Leases

The Company has adopted CPC 06 (R2) / IFRS 16 – Leases and recognizes the liabilities for future payments and the lease liabilities leased assets for almost all commercial lease agreements, including operating leases. Agreements valid for less than 12 months, or with low value, do not fit into this context.

The recognition of assets and lease liabilities in the balance sheet is initially carried out considering the measurement at present value of future minimum lease payments. Additionally, in the Company's Statements of Cash Flow, the total amount of cash paid in these operations is separated from the total amount: (i) principal amount (presented within financing activities) and; (ii) interest amount (presented in operating activities).

2.17 Provisions for tax, civil and labor losses

Allowances for losses on labor, tax and civil lawsuits and administrative proceedings are recognized when: (i) the Group has a legal present or not formalized obligation resulting from past events; (ii) it is likely that an outflow of funds will be required to settle the obligation; and (iii) the amount can be estimated on reliable basis.

The provisions are measured at the present value of the expenditures that shall be necessary to settle the obligation, using a pre-tax rate which reflects the current market evaluations as to the value of the cash over time and the specific risks of the liability. The increase in the obligation over time is recognized as a financial cost.

2.18 Liabilities assumed in the business combination

Under CPC 15 - Business combination - the Company, based on the reports of its legal and financial advisors, recognizes provisions for the liabilities assumed in the business combination. They are recognized when the Company finds potential non-compliances in relation to past practices of the subsidiaries acquired by the Company regarding compliance with labor, civil and tax legislation, and related to the period when they belonged to the former owners of the acquired companies.

The Company recognizes, in accounting terms, the potential obligations resulting from past events whose fair value can be reasonably measured, even if it depends on the occurrence of future events to materialize in contingencies.

2.19 Current and deferred income tax and social contribution

The taxable income for the year comprises the Corporate Income Tax - IRPJ and the Social Contribution on Net Income - current and deferred CSLL, calculated on income before taxes and recognized in the Statement of Income.

The IRPJ and CSLL are calculated at the rates of 25% and 9% respectively, adjusted to taxable income by the additions and exclusions provided for in the legislation. Deferred income tax and social contribution are calculated on tax losses, social contribution tax loss carryforwards and other temporary differences in the balances of assets and liabilities for tax purposes and in the financial statements. Deferred income tax and social contribution assets and liabilities are fully recorded in the financial statements, except, in the case of assets, when it is not probable that future taxable profits will be realized, in this scenario, there is a limit to the amount of the deferred asset to be recognized.

Deferred income tax and social contribution assets and liabilities are offset when there is an exercisable legal right to offset current tax assets against current tax liabilities and when deferred income and social contribution tax assets and liabilities are related to the income tax and social contribution is levied by the same tax authority and on the taxable entity or different taxable entity when there is an intent of settling the balances on a net basis.

The higher education institutions controlled by the Company are included in the *Universidade para Todos* Program - ProUni, which establishes, through Law 11096, of January 13, 2005, exemption from certain federal taxes (PIS, COFINS, IRPJ and CSLL) to higher education institutions that grant full and partial scholarships to low-income students enrolled in traditional undergraduate courses and technological graduation courses. The regulation is valid until 2032, renewable for another 10 years.

As permitted by the tax legislation, certain subsidiaries whose annual revenue for the previous year was less than R\$78,000 opted for the presumed profit regime. For these companies, the calculation basis of income tax is calculated at the rate of 8% and that of social contribution at the rate of 12% on gross revenues (32% when the revenue arises from service provision and 100% from financial income), to which the regular income tax and social contribution rates are applied.

As described in the accounting interpretation ICPC22 / IFRIC 23, liabilities related to uncertain tax positions are recognized only when Management determines, based on the opinion of its internal and external legal advisors, that the tax authority is unlikely to accept the tax treatment adopted by the Company.

2.20 Basic and diluted earnings or losses per share

Basic earnings or losses per share are calculated by dividing result attributable to Company's shareholders by the weighted average number of common shares issued during the year, less the common shares purchased by the Company and held as treasury shares.

The effect of dilution per share is calculated on the income attributable to shareholders by adjusting to weighted average quantity of outstanding common shares, assuming conversion of all common shares that would possibly provoke dilution. The Company has stock options with potential dilutive effects.

2.21 Employee benefits

2.21.01 Short-term benefits

Obligations for short-term employee benefits are recognized as personnel expenses as the related service is provided. The liability is recognized at the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated.

The Company also provides its commercial team with commissions based on existing sales and revenue targets, which are periodically reviewed. These amounts are provisioned under "labor liabilities" on a monthly basis according to the achievement of such targets, with payments being made at certain periods of the year.

2.21.02 Share-based payment

The Group offers managers and/or strategic employees of the Company (or other companies under its direct or indirect control) Long-Term Incentive (LTI) Plans with share-based payment.

The fair value of restricted shares granted or options granted is recognized as an expense over the period in which the stock option vests, which represents the period that specific vesting conditions must be met. The contra-entry is recorded as a credit in capital reserves - granting of stock options in the shareholders' equity.

Labor charges incurred are recognized as an expense in Profit or Loss against Liabilities and are updated monthly based on the closing price of the respective base shares.

On the balance sheet dates, the Company revises its estimate of the number of options that will vest based on the established conditions. The impact of the review of the initial estimates, if any, is recognized in the Statement of Income, forward-looking.

The plans in force in 2023 are as follows:

- a) Stock options "SOP": This comprised the former "Ananguera Educacional" and "Kroton Educacional Plans" created in 2013 and 2015. These plans have already been terminated, the grace periods have all been fulfilled, and the last deadlines for exercising current contracts expired in 2023.
- b) Cogna's restricted stock option plans – RSU: approved by the Company on September 3, 2018. The fair value of the restricted shares granted was measured at the market price of the Company's shares on the grant date and the restricted shares was granted on a non-interest-bearing basis to the participants, through the transfer of shares held in treasury. This program was terminated, the grace

periods were all fulfilled, and the last contracts in force were settled in 2023.

- c) Vasta's restricted stock option plans – RSU: approved on July 31, 2020 by Cogna Educação S.A., a shareholder of Vasta Platform Limited, aiming to increase the involvement of eligible beneficiaries in the creation of value and profitability of the subsidiary, as well as encourage them to make significant contributions to the performance and growth of Vasta Platform Limited in the long term, and the fair value of the restricted shares granted is measured at the market price of the shares of the subsidiary Vasta on the grant date.
- d) Stock option plan - 2021 Performance Shares: approved on April 28, 2021, with the purpose of the Plan is to allow Grantees to receive Options that will give them the right, subject to certain performance conditions, to acquire and subscribe Cogna's shares. The fair value of options granted is measured at the market price of the Cogna's shares on the grant date and the Strike Price of the Options granted will be R\$ 0.01 per Share.
- e) Stock option plan - 2023 Performance Shares: approved on April 28, 2023, this new Plan provides for the possibility of granting options of two different types: "Extraordinary Bonus Options" and "Performance Options", which differ by (i) the respective grace periods, (ii) by the Grantees who will be beneficiaries and (iii) by the possibility of adjusting the number of options that may actually be exercised by the Grantee based on the Company's financial performance, verifying the degree of achievement of certain annual financial targets. The fair value of options granted is measured at the market price of the Cogna's shares on the grant date and the Strike Price of the Options granted will be R\$ 0.01 per Share.
- f) Stock option plan - 2023 Performance Share - VASTA: At a meeting of the Board of Directors of the subsidiary Vasta Platform Limited, held on August 09, 2023, a new Long-Term Incentive (LTI) Plan was approved based on the "2023 Performance Shares Plan" model adopted by Cogna. The fair value of options granted in Vasta's Performance Shares Plan is measured at the market price of Vasta Platform Limited's shares on the grant date and the Strike Price of the Options granted will be R\$ 0.01 per Share.

2.22 Shareholders' equity

Company's common shares are classified in the shareholders' equity. Incremental costs directly attributable to issue of new shares or option are shown in shareholders' equity as a deduction of the amount obtained, net of taxes.

When any Company's subsidiary buys shares of the Company (treasury shares), the amount paid, including any additional directly attributable costs (net of income tax), is deducted from the capital attributable to the Company's shareholders until the shares are cancelled or reissued. When those shares are subsequently reissued, any amount received, net of any additional directly attributable transaction costs, and of respective effects of IRPJ and CSLL, is included in the capital attributable to the Company's shareholders.

2.23 Treasury shares

Own equity instruments that are repurchased (treasury shares) and recognized at acquisition cost and deducted from shareholders' equity. No gain or loss is recognized in the statement of income on the purchase, sale, issuance or cancellation of the Company's equity instruments.

2.24 Revenue from sales and services

Revenue comprises the fair value of the consideration received or receivable for the sale of products and

services in the Group's normal course of activities. Revenue is presented net of taxes, returns, rebates and discounts and adjusted to present value, and after elimination of sales between Group companies.

CPC 47/IFRS 15 establishes a five-step model applicable to revenue earned from a client contract, regardless of the type of revenue transaction or industry: (i) When the parties to the contract approve the contract and are committed to fulfilling their respective obligations; (ii) When the Entity can identify the rights of each party related to the goods or services transferred; (iii) When the entity can identify the payment terms for the goods or services to be transferred; (iv) When the agreement has commercial substance, and; (v) When it is probable that the Entity will receive the consideration to which it will be entitled in exchange for the goods or services which will be transferred to the client.

Below we present the policies adopted for revenues from sales of products (books, publications, content of subscriptions), and also from sales of services (on campus higher education courses, distance higher education, and basic education):

a) Sale of products

Revenue from the sale of products is recognized when (or as) it satisfies the performance obligation by transferring the promised good to the client, and its recognition may be at a specific time or over the agreement period. The Company adopts the policy of recognizing revenue on the date the product is delivered to the purchaser.

Advance receipts from the sale of teaching collections are recorded under "Prepayments from clients" and recognized upon delivery of the material.

b) Sale of services

The revenue from sale of services consists mainly of the provision of higher education (undergraduate) courses and is recognized based on the services performed until the balance sheet date. The following conditions are observed when revenue from student agreements is recognized, according to the form of payment for the service: (i) the existence of a valid and signed agreement; (ii) the value of the services is easily identifiable and, (iii) it is probable that the entity will receive consideration for the services provided.

The monthly fees of the courses and respective discounts vary according to the course, unit or academic term. Six monthly fees are charged each semester, the first being usually considered as enrollment fee. The students' bond always takes place in semesters and the renewal by the students depend on the fulfillment of academic and contractual obligations, at the end of the academic semester.

FIES (Student Financing Program) students, whose agreements are financed under this government program, need to carry out the validation and amendment of the agreement with the FNDE (National Fund for the Development of Education). The Company carries out additional validation and verification procedures, including, without limitation, the monitoring of the status of the students' agreement amendment process in the SisFies (FIES Computerized System), to ensure the receipt of the installments on normal and recurring basis. Additionally, the student signs an agreement for provision of educational services with the Educational Institution (university or college) and, in case of delinquency, the institution can directly charge the student.

For the monthly fees of distance learning education courses – DL, a percentage between 30% and 36% is transferred to the partner hub that gives on campus classes, which varies according to the size of the classes and has specific rules that may change according to each hub. The agreement between the subsidiaries and the hub is a joint operation and establishes the rights of the parties to the respective revenues and the obligations for the respective expenses, thus, revenue is recognized only on the portion referring to the interest of the Company and its subsidiaries. Upon receipt of the student's monthly fee, accounts payable are created for the partner hubs.

The hub is a local operational unit that can be either its own or belong to third parties (partners) and is responsible for providing the structure to the student in audiovisual, library and computer resources, so as to support the distance learning.

Revenue from basic education services consists of language courses and preparatory courses. They are recognized over their duration.

c) Revenue from royalties

Revenue from royalties is recognized on accrual basis in conformity with the essence of applicable agreements.

In the Group, this revenue refers mainly to the franchise contracts maintained by the subsidiary Red Balloon with its franchise network.

2.25 Finance income and costs

The financial incomes and costs of the Company mainly comprise the following:

- Interest revenue on students' monthly fees;
- Interest expense from loans and bonds;
- Net gains/losses on financial assets measured at fair value through profit or loss;
- Interest on loan agreement receivable of subsidiaries;
- Update of liabilities for acquisition of subsidiaries;
- Expenses of inflation adjustment for contingencies and liabilities assumed in the business combination;

They are recognized as the Company becomes party to the contractual provisions of the instrument. Additionally, they are recognized under the effective interest method.

2.26 Fair value measurement

Fair value is the price that would be received upon the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date, on the primary market or, in the absence thereof, on the most advantageous market to which the Company has access on such date. The fair value of a liability reflects its risk of non-performance, which includes, among others, the credit risk of the business itself.

If there is no price quoted on an active market, the Company uses valuation techniques that maximize the use of relevant observable data and minimize the use of non-observable data. The valuation technique chosen incorporates all the factors that market participants would consider when setting the price for a transaction. If an asset or liability measured at fair value has a purchase and sale price, the Group measures the assets based on purchase prices and the liabilities based on sale prices. A market is considered as active if the transactions for the asset or liability take place with sufficient frequency and volume to provide information on prices on an ongoing basis.

The best evidence of the fair value of a financial instrument upon initial recognition is usually the transaction price – i.e., the fair value of the consideration given or received. If the Business determines that the fair value at initial recognition differs from the transaction price and the fair value is not evidenced by a price quoted in an active market for an identical asset or liability or by a valuation technique for any unobservable value. As the data are considered insignificant in relation to the measurement, the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. This difference is subsequently recognized in the statement of comprehensive result on an appropriate basis over the useful life of the instrument, or until its assessment is fully supported by observable market data or the transaction is closed, whichever occurs first.

To provide an indication of the reliability of the data used in measuring the fair value, the Company classified its financial instruments in accordance with judgments and estimates of observable data, as far as possible. The fair value hierarchy is based on the degree to which the observable fair value is used in valuation techniques as follows:

- Level 1: Fair value measurements are those derived from prices quoted (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Fair value measurements are those derived from inputs other than the quoted prices included in Level 1 that are observable for the asset or liability, directly or indirectly; and
- Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.27 New or reviewed pronouncements applied for the first time in 2023 and new standards and interpretations not effective yet

The Group adopted certain standards and amendments for the first time, which are effective for annual periods beginning on or after January 1, 2023 (unless when otherwise indicated). The Group decided not to early adopt any other standard, interpretation or change that has been issued but is not yet effective.

2.27.1 New or reviewed pronouncements applied for the first time in 2023

a) Amendments to CPC 26/IAS 1 and IFRS Practice Statement 2 - Disclosure of accounting policies

In February 2021, the IASB issued amendments to IAS 1 (standard related to CPC 26 (R1)) and IFRS Practice Statement 2 Making Materiality Judgments, in which it provides guides and examples to help entities apply materiality judgment to the disclosure of accounting policies. The amendments aim to assist entities in disclosing accounting policies that are most useful by replacing the requirement for disclosure of significant accounting policies with material accounting policies and adding guidance on how entities should apply the concept of materiality when making decisions about the disclosure of accounting policies.

The changes had an impact on the Group's accounting policy disclosures (Note 2), but not on the measurement, recognition or presentation of items in the Group's financial statements.

b) Amendments to CPC 23 / IAS 8 - Definition of accounting estimates

In February 2021, the IASB issued amendments to IAS 8 (standard related to CPC 23), in which it introduces the definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and correction of errors. In addition, they clarify how entities use measurement and input techniques to develop accounting estimates.

Changes did not have an impact on the consolidated financial statements of the Group.

c) Amendments to CPC 32/IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction

Amendments to IAS 12 Income Tax (equivalent to CPC 32 – Income taxes) narrow the scope of the initial recognition exception, so that it no longer applies to transactions that generate equal taxable and deductible temporary differences, such as leases and decommissioning liabilities.

Changes did not have an impact on the consolidated financial statements of the Group.

d) CPC 50/ IFRS 17 – Insurance Contracts

This pronouncement will replace the current CPC 11 / IFRS 4, after the review of the international standard by the IASB. The purpose of CPC 50 – Insurance Contracts is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects.

This pronouncement is applicable to all types of insurance contracts (such as life, property and casualty, direct insurance and reinsurance), regardless of the type of entities that issue them, and also certain guarantees and financial instruments with discretionary participation features; some scope exceptions will be applicable.

The new standard did not have an impact on the consolidated financial statements of the Group.

2.27.2 New standards, but not effective yet

The following standards will come into force in an year subsequent to the issue of Financial Statements:

The Group did not adopt the following accounting standards in the preparation of these financial statements.

- a) Classification of liabilities as current or non-current and non-current liabilities with Covenants (amendments to CPC 26/IAS 1)

The amendments, issued in 2020 and 2022, aim to clarify the requirements for determining whether a liability is current or non-current and require new disclosures to non-current liabilities that are subject to future covenants. The amendments are applicable for the annual periods started as of or after January 1, 2024. As disclosed in Notes 2.15 and 20, the Group has partial collateralized bank loan and bonds that are subject to specific covenants. Although both liabilities are classified as non-current as of December 31, 2023, a future breach of specific covenants may require the Group to settle the liabilities before the contractual due dates.

- b) Amendments to IFRS 16 – Leases

The changes, issued in September 2022, provide for the addition of requirements on how an entity accounts for a sale of an asset and leases back that same asset (leaseback), after the initial date of the transaction. In short, the seller-lessee should not recognize any gain or loss relating to the lease liabilities retained thereby. Amendments become effective for annual periods starting on or after January 1, 2024. It was concluded that there will be no impacts with the application of this regulation.

- c) CPC 26 / IAS 1 and CPC 40 / IFRS 7 – Supplier financing agreements (Reverse factoring).

The amendments introduce new disclosures related to financing agreements with suppliers (“Reverse factoring”) that help users of financial statements to assess the effects of those arrangements on an entity’s liabilities and cash flows and on the entity’s exposure to liquidity risk. Changes apply to the annual periods starting on or after January 1, 2024.

- d) Lack of convertibility (amendments to CPC 02/IAS 21).

Management is evaluating possible impacts, and there has been no indication of the need for any recognition or additional disclosure so far.

3. Estimates and critical accounting judgments

In the preparation of the financial statements, the Company adopts accounting estimates and judgments, which are continuously evaluated and based on historical experience and on other factors, including forward-looking statements considered reasonable and relevant under the circumstances. Based on these assumptions, the Group makes estimates regarding forward-looking statements that may differ from the respective actual results. The estimates and assumptions which present a material risk, likelihood of causing an important adjustment to the book value of assets and liabilities for the coming year are shown below.

3.1. Judgments

a) Determining the lease period

The Company's subsidiaries have lease agreements whereby they act as lessees of the properties that are used for on campus classes (related to Higher Education operations). In Basic Education, the Company's subsidiaries have lease agreements to act as lessees in the warehouses where the products are located, in addition to lease agreements for computing equipment used in learning systems and in educational solutions ("chromebooks"). When determining the lease term, Management considers all the facts and circumstances that create an economic incentive to exercise an extension option. Extension options (or periods after the termination options) are only included in the lease term when it is reasonably certain that the option will be exercised (or that the agreement will not be terminated). For the leases of buildings, warehouses, equipment or even computers used in educational solutions, the following factors are usually the most relevant:

- (i) If there are significant penalties for termination (or non-extension), the Company is reasonably certain to extend (or not terminate) the lease.
- (ii) If there are lease improvements with significant residual balances, the Company is reasonably certain to extend (or not terminate) the lease.
- (iii) In addition, the Company considers other factors, including historical practices related to the use of specific categories of assets (own or leased), as well as the historical duration of the leases and the costs required to replace the leased asset.

3.2. Estimates

a) Assessment of the existence of impairment losses on goodwill

Annually, the Group tests possible losses ("impairment") on goodwill, in accordance with the accounting policy mentioned in note 2.12 and 17 (b). Recoverable amounts of CGUs were determined based on the value in use calculations, which were, in turn, based on estimates.

The Company reviewed its assumptions of the long-term model used in the calculation of the impairment test for the year 2023. The new criteria adopted were analyzed and approved by Management, as well as the rates used. The calculations and the impairment test were prepared by management, in accordance with the accounting standards.

b) Deferred income tax and social contribution

The liability method (according to the concept described in IAS 12 - "Liability Method") of accounting for deferred income tax and social contribution is used for temporary differences between the book value of assets and liabilities and their respective tax values. The amount of deferred income tax and social contribution assets is reviewed at each balance sheet date and reduced to the amount that is no longer realizable through future taxable income. Deferred tax assets and liabilities are calculated using the tax rates applicable to taxable income in the years in which these temporary differences are expected to be realized. Future taxable income may be higher or lower than the estimates considered to determine deferred tax assets. Further details are presented in Note 27.

c) Provisions for tax, civil and labor losses

The Group is a party to several legal and administrative proceedings and recognizes a provision for all legal proceedings for which the probability of loss is considered probable. The assessment of the probability of loss includes the assessment of available evidence, including the opinion of the internal and external legal advisors of the Group and its subsidiaries, in addition to the history of provision for lawsuits closed in the last 12 months ("Average price") for civil lawsuits. Additionally, the Group also recognizes provision for lawsuits with risk of possible loss arising from business combinations, as described in Notes 2.17 and 25. Management believes that this provision is sufficient and it is properly presented in the financial statements.

d) Impairment losses on trade receivables

As described in Note 2.8, the Company analyzes the accounts receivable from monthly fees and other operations, considering the risks involved, and recognizes provision to cover potential losses on their realization, as mentioned in Note 9 (c).

e) Determination of the adjustment to present value of certain assets and liabilities

For certain assets and liabilities that are part of the Company's operations, Management evaluates and recognizes the effects of adjustment to present value, considering the time value of money and the uncertainties associated with them.

f) Inventories - Provision for obsolescence of inventory

The Group adopts the aging of production by type of product and label as a criterion for provisioning for inventory obsolescence, and additionally considers the collection or labels that were discontinued as it understands that this criterion is more consistent with its business model. Under this concept, a provision for inventory loss due to obsolescence is recognized the older the production date is in relation to the base date. The Company considers the editorial renewal calendar of its products to determine the number of periods in which the products may suffer obsolescence, which usually occurs between the third and fifth year.

g) Allocation of acquisition price - Business combination and accounting treatment of commitments assumed for acquisition of remaining interest from non-controlling shareholders

During the process of allocation of the acquisition price in a business combination, Management uses assumptions (growth rate, projections, discount rate, useful life, among others) which involve a significant level of estimates and judgments.

4. **Assets and liabilities held for sale and discontinued operations**

As presented in Note 2.10, Cogna, through its subsidiary Saber, and jointly with the company Grupo Editorial Nacional Participações S.A. (“GEN”), signed a stock purchase and sale agreement and other covenants, whereby it agreed to purchase the entire share capital of its subsidiary SRV Editora Ltda., which, on the closing date of the agreed transaction, will hold all inventory, license or sublicense and, exclusively, the publishing labels SaraivaJur, SaraivaUni, Benvirá, and Érica – focused on higher education, which make up the “Educational Solutions for Technical and Higher Education” (“SETS”) assets, related to the business of publishing and marketing print and digital books, in the “Scientific, Technical and Professional” (“CTP”) segment (“Operation”).

In a move that occurred on the same date, its subsidiary Saber (with the consent of Cogna) signed a stock purchase and sale agreement and other covenants jointly with Grupo Gen, whereby it agreed to sell all the shares issued by SRV Editora Ltda to Grupo Gen. SRV Editora Ltda will maintain the entire “SETS” operation of Grupo Cogna (currently at Saraiva Educação S.A.) after the conclusion of the Operation.

The operation does not include textbooks (aimed at primary education) and NBTP books. The Operation also includes the sale of the entire equity interest held by Grupo Cogna (20%) in Minha Biblioteca Ltda, a company formed by publishing groups to offer books in digital library format to higher education institutions.

The amount of consideration to be received will be R\$ 62,500; upon reaching certain metrics for the business sold, this amount may reach up to R\$ 72,500. The price of the transaction is also subject to cash adjustments and inflation correction that are usual in transactions of this nature.

The completion of the Transaction is subject to certain suspensive conditions, including prior approval by Brazil’s national competition regulator, the Administrative Council for Economic Defense (CADE).

Based on the information presented above, as well as the published market releases, the high probability of carrying out the business with GEN, as well as other assets (inventory, prepayments and deferred taxes) and liabilities (labor obligations), the Company reclassified the constant balances on Cogna’s Balance Sheet under the item “Assets Held For Sale” and “Liabilities Held For Sale.” In addition, regarding the impacts on the income, the Company reclassified the balances belonging to the SETS’s business to the “result of discontinued operations” item, including the comparative result for 2022, which is restated, pursuant to that standard.

We present below the effects arising from the restatements and disclosures of the classification of assets and liabilities of SETS as a discontinued operation, as provided for in technical pronouncement CPC 31/IFRS 5, for the year ended December 31, 2023 and 2022:

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES
NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS
Year ended December 31, 2023 and 2022
In thousands of reais, unless otherwise indicated

Balance sheet

ASSETS	12/31/2023	12/31/2022	LIABILITIES	12/31/2023	12/31/2022
Current assets			Current liabilities		
Cash and cash equivalents	2,866	1,194	Salaries and social contributions	2,866	1,194
Inventories	17,718	9,122			
Prepayments	1,585	1,366			
Total current assets	22,169	11,682	Total current liabilities	2,866	1,194
Non-current assets			Non-current liabilities		
Deferred income tax and social contribution	3,667	5,621			
Equity accounted investees	1,652	600			
Intangible assets and goodwill	36,678	-			
Total non-current assets	41,997	6,221	Total non-current liabilities	-	-
			Total liabilities	2,866	1,194
			Net assets	61,300	16,709
Total assets	64,166	17,903	Total liabilities and net asset	64,166	17,903

Statement of income for the year

	12/31/2023	12/31/2022
Net revenue from sales and services	80,690	87,409
Cost of sales and services	(42,170)	(47,732)
Gross profit	38,520	39,677
Operating expenses		
Commercial expenses	(9,045)	(12,021)
General and administrative expenses	(15,719)	(23,468)
Impairment losses on trade receivables	(1,671)	4,373
Reversal of impairment losses on intangible assets (i)	36,678	(120,296)
Equity accounted investees	2,252	2,625
Profit (loss) before finance result and taxes	51,015	(109,110)
Finance result		
Finance income	4,062	1,507
Finance costs	(3,180)	(4,030)
	882	(2,523)
Profit (Loss) before income tax and social contribution	51,897	(111,633)
Income tax and social contribution		
Current	(2,149)	(1,189)
Deferred	(93,775)	(165)
	(95,924)	(1,354)
Loss from discontinued operations	(44,027)	(112,987)

- (i) As a result of the review of its impairment assumptions in the long-term cash flow model, the Company determined an impairment loss in assets in the amount of R\$ 120,296 in the "SETS" cash generating unit. During 2023, considering the fair value, net of sales expenses calculated in the Operation, the Company partially reversed the recognition of impairment by R\$ 36,678 recorded in intangible assets generated in business combination.

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES
 NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS
 Year ended December 31, 2023 and 2022
 In thousands of reais, unless otherwise indicated

Statement of cash flows (i)

	<u>12/31/2023</u>	<u>12/31/2022</u>
Cash flow from operating activities		
Adjustments for reconciliation with income (loss):		
Discontinued operations to income (loss)	15,219	11,025
Changes in operating assets and liabilities:		
Discontinued operations for operating activities	(12,353)	(10,592)
Net cash generated (invested) by operating activities	<u>2,866</u>	<u>433</u>
Cash flow from investing activities	-	-
Cash flow from financing activities	-	-
Net increase (decrease) in cash and cash equivalents	<u>2,866</u>	<u>433</u>

(i) The balances presented here are considered in full to the changes that occurred in the statements of cash flows.

Below are the main changes resulting from discontinued operations, which are applicable to the Company's income, according to their nature:

Net revenue

	<u>12/31/2023</u>	<u>12/31/2022</u>
Gross revenue	88,905	97,302
Deductions from gross revenue		
Taxes	(2,337)	(2,093)
Discounts and returns	(5,878)	(7,800)
Net revenue	<u>80,690</u>	<u>87,409</u>

Costs and expenses by nature

	<u>12/31/2023</u>	<u>12/31/2022</u>
Salaries and social charges	(16,142)	(18,352)
Allowance for Doubtful Accounts	(1,671)	4,373
Advertising	(4,643)	(5,204)
Cost of sales books	(42,170)	(47,732)
Utilities, cleaning and security	(1,035)	(990)
Consulting and advisory	(31)	(36)
Other general expenses	(1,934)	(10,601)
Traveling	(190)	(154)
Outsourced services	(789)	(152)
Reversal of impairment losses on intangible assets	36,678	(120,296)
	<u>(31,927)</u>	<u>(199,144)</u>
Cost of sales and services	(42,170)	(47,732)
Commercial expenses	(9,045)	(12,021)
General and administrative expenses	(15,719)	(23,468)
Provision for expected loss	(1,671)	4,373
Reversal of impairment losses on intangible assets	36,678	(120,296)
	<u>(31,927)</u>	<u>(199,144)</u>

5. Business combination and acquisition of ownership interest

5.1. Business combination

5.1.1. Acquisitions made in 2023

(a) Escola Start Ltda. (“Start”)

The Company, through its indirect subsidiary Somos Sistemas de Ensino S.A. (“Somos”), acquired a 51% interest in the capital of Escola Start Ltda., (“Start”) on March 3, 2023.

Start is a company engaged in providing bilingual education services for kindergarten, elementary and high school, and preparatory courses for entrance exams, including the sale of books, teaching materials, school uniforms and stationery.

The total amount of the operation was R\$ 4,414, namely: (i) R\$ 2,806 referring to the acquisition price of 51% of the equity interest in Start, and (ii) R\$ 1,608 referring to the fair value of the call option of the non-controlling interest of 49% of the share capital to be exercised in 2028. This amount was paid in two installments, a fixed installment of R\$ 4,100 in cash on the acquisition date and a variable installment of R\$ 314, subject to price readjustment depending on the calculation of financial indicators of net revenue, net indebtedness and cash, provided for in the agreement, determined and restated by 100% of the CDI (Interbank Deposit Certificate) rate. The variable installment was paid on August 18, 2023.

As mentioned above, on the same date the Company acquired a stock purchase option to acquire shares issued by Start held by the non-controlling minority shareholder. The maturity of this option is January 2028, with a strike price of R\$ 11,700 (“strike price”).

The acquisitions were recorded under the acquisition method, that is, the consideration transferred, the identifiable net assets acquired and the liabilities assumed were measured at fair value, while goodwill is measured as the excess of the consideration paid on such terms.

(b) Centro Avançado de Ensino LTDA. (“CAde”)

The Company, through its indirect subsidiary Editora e Distribuidora Educacional S.A. (“EDE”), acquired a 100% interest in the capital of Centro Avançado de Ensino LTDA. (“CAde”) on August 18, 2023.

CAde is a company engaged in the Basic Education market – Elementary Education and High School, in the Youth and Adult Education (EJA) modality, both on campus and remotely.

The total amount of the operation was R\$ 9,451, namely: (i) R\$ 3,257 in cash; (ii) R\$ 1,000 in two annual installments of the same amount; and (iii) the variable portion in the amount of R\$ 5,194 will be paid between 2025 and 2028, calculated according to the number of CAde students who complete Elementary Education or High School in the EJA modality between January 1, 2024 and June 30, 2026 in units where there is an authorized and/or accredited hub through the Company’s accreditation. The installments are adjusted by the Amplified Consumer Price Index (IPCA).

The following table presents the net identifiable assets acquired and liabilities assumed for the business combination in 2023, with the fair value of license intangible assets calculated on a provisional basis:

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES
NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS
Year ended December 31, 2023 and 2022
In thousands of reais, unless otherwise indicated

	Start	CAde	Consolidated Total
Current assets			
Cash and cash equivalents	888	10	898
Trade receivable	986	276	1,262
Inventories	349	-	349
Prepayments	62	-	62
Taxes recoverable	127	-	127
Other receivables	37	-	37
Total current assets	2,449	286	2,735
Non-current assets			
Trade receivable	-	77	77
Property, plant and equipment	796	-	796
Intangible assets and goodwill	3,667	9,303	12,970
<i>Client portfolio⁽ⁱ⁾</i>	1,844	-	1,844
<i>Brand⁽ⁱⁱ⁾</i>	1,823	-	1,823
<i>MEC License⁽ⁱⁱⁱ⁾</i>	-	9,303	9,303
Total non-current assets	4,463	9,380	13,843
Total assets	6,912	9,666	16,578
Current liabilities			
Suppliers	299	-	299
Salaries and social contributions	477	62	539
Income tax and social contribution - deferred	1,794	-	1,794
Taxes payable	106	-	106
Contractual obligations and deferred income	2,766	-	2,766
Other liabilities	58	-	58
Total current liabilities	5,500	62	5,562
Non-current liabilities			
Other liabilities	109	153	262
Total current liabilities	109	153	262
Total liabilities	5,609	215	5,824
Total identifiable net assets (A)	1,303	9,451	10,754

Fair value measurement methodology:

- (i) As a result of the purchase price allocation, the Company identified R\$ 1,844 in the customer portfolio based on expected trade receivables of around 8% per year.
- (ii) As a result of the purchase price allocation, the Company identified R\$ 1,823 in registered trademarks, during their estimated useful life of 13 years.
- (iii) As a result of the purchase price allocation, the Company identified R\$ 9,303 in MEC [Ministry of Education] licenses based on the evaluation carried out using the With and Without method, considering a discount rate of 18.5%.

Goodwill recognized as the result of the acquisitions was determined as follows:

	Start	CAde	Total
Consideration transferred	2,806	9,451	12,257
Non-controlling interest based on the proportionate interest in identifiable net assets	639	-	639
Amount of identifiable assets, net	(1,303)	(9,451)	(10,754)
Goodwill (i)	2,142	-	2,142

- (i) Related to the acquisition of a 51% interest in the capital of Escola Start Ltda., ("Start") and 100% of Centro Avançado de Ensino Ltda (CAde). Goodwill is recognized based on the expected synergies from the combination of the operations of the acquired companies and the acquirer, as well as the expected increase in the Company's market share due to the penetration of the Company's products and services in regions where it did not previously operate. Additionally, current tax legislation allows the deduction of goodwill at the acquisition date and the fair value of the net assets acquired when a non-substantive action is taken after the acquisition by the Company (i.e., when the Company merges with or transfers the acquired companies); accordingly, the tax and accounting bases of the acquired net assets are the same at the acquisition date.

5.1.2. Acquisitions made in 2022

The Company, through its indirect subsidiary Somos Sistemas de Ensino S.A. (“Somos”) acquired 100% of the equity interest in companies Phidelis Tecnologia Desenvolvimento de Sistemas Ltda. and MVP Consultoria e Sistemas Ltda. (together, “Phidelis”), on January 17, 2022. Phidelis is an academic management platform that offers software development and licensing in addition to messaging, student retention, enrollment, and delinquency management. The Company will pay a fixed amount of R\$ 16,492, of which R\$ 8,854 will be paid in cash on the acquisition date and the remaining amount of R\$ 7,638 will be paid in 2 years, with a variable payment of R\$ 5,474 in 3 installments restated by the IPCA rate, linked to the achievement of performance targets between 2022 and 2025.

We present below a summary of the main groups of balance sheet accounts on the date of this acquisition:

	MVP	Phidelis	Consolidated Total combinations
Current assets			
Cash and cash equivalents	217	162	379
Trade receivable	131	65	196
Taxes recoverable	5	1	6
Total current assets	353	228	581
Non-current assets			
Property, plant and equipment	72	-	72
Intangible assets	5,014	2,044	7,058
Software license	2,702	523	3,225
Client portfolio	2,312	1,521	3,833
Total non-current assets	5,086	2,044	7,130
Total assets	5,439	2,272	7,711
Current liabilities			
Salaries and social contributions	6	24	30
Tax liabilities	90	34	124
Other liabilities	10	2	12
Total current liabilities	106	60	166
Non-current liabilities			
Provision for tax, civil and labor losses	2,504	-	2,504
Total current liabilities	2,504	-	2,504
Total liabilities	2,610	60	2,670
Shareholders' equity	2,829	2,212	5,041
Acquisition price	18,366	3,600	21,966
Goodwill	15,537	1,388	16,925

6. Financial risk management

6.1. Sundry considerations and policies

Risk management and financial instrument management are carried out through policies, strategic definitions or implementation of control systems, which are defined by the Company's Board of Directors. The adherence of treasury positions to financial instruments is presented and evaluated monthly by the Company's Treasury Committee and subsequently submitted to the Audit and Executive Committees and the Board of Directors.

The market value of the Company's financial assets and liabilities were calculated based on available market information and appropriate valuation methodologies for each scenario. However, considerable judgment was required in the interpretation of the market data to estimate the most adequate realization value. Consequently, the estimates presented here do not necessarily indicate the values that could be realized in the current exchange market. Using different market information and/or evaluation methodologies may have a material effect on market value amount.

To provide an indication of the reliability of the data used in measuring the fair value, the Company classified its financial instruments in accordance with judgments and estimates of observable data, as far as possible. The fair value hierarchy is based on the degree to which the observable fair value is used in valuation techniques as follows:

- Level 1: Fair value measurements are those derived from prices quoted (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Fair value measurements are those derived from inputs other than the quoted prices included in Level 1 that are observable for the asset or liability, directly or indirectly; and
- Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES
NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS
Year ended December 31, 2023 and 2022
In thousands of reais, unless otherwise indicated

We present below the hierarchy of financial instruments recorded in the Company's equity balances as of December 31, 2023. The Company did not disclose the fair values of financial instruments because their book values approximate the fair value.

Fair value hierarchy	Level	Individual		Consolidated	
		12/31/2023	12/31/2022	12/31/2023	12/31/2022
Assets - Amortized cost					
Cash and cash equivalents		509,390	19	624,483	121,772
Trade receivable		-	-	2,391,376	2,300,842
Trade receivable from sale of subsidiaries		-	-	39,063	28,499
Other receivable		857	617	181,545	164,327
Bonds receivable from related parties		1,044,239	1,305,748	-	-
Related parties – other receivable		372,360	438,593	-	-
		1,926,846	1,744,977	3,236,467	2,615,440
Assets - Fair value through profit or loss					
Marketable securities	2	9,066	757,304	1,212,845	2,059,073
Derivative financial instruments	2	1,956	4,978	1,956	4,978
Other investments	3	-	-	9,879	8,271
		11,022	762,282	1,224,680	2,072,322
Liabilities - Amortized cost					
Loans		61,578	-	61,578	-
Bonds		3,668,225	3,925,733	4,872,972	5,191,194
Suppliers		1,973	697	690,473	664,375
Reverse factoring		-	-	589,280	313,442
Accounts payable for business combination and acquisition of associates		-	-	103,217	196,512
Other liabilities		53	53	112,941	143,813
Related parties – other liabilities		209,357	186,490	-	-
		3,941,186	4,112,973	6,430,461	6,509,336
Liabilities - Fair value through profit or loss					
Derivative financial instruments	2	2,714	23,032	2,714	23,032
Accounts payable for business combination and acquisition of associates	3	-	-	33,223	55,917
		2,714	23,032	35,937	78,949

Fair value measurements – Level 3

a. Valuation techniques and significant non-observable inputs

The table below shows the valuation techniques used to measure Level 3 fair values, as well as significant non-observable inputs used:

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES
NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS
Year ended December 31, 2023 and 2022
In thousands of reais, unless otherwise indicated

Entities	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Phidelis	Discounted cash flows: The valuation model considers the present value of the net cash flows that are expected to be generated by the operation (net revenue).	1. Compliance with financial targets is linked to net revenue for FY 2024. 2. Receita: for the revenue projection, we consider the continuity of old contracts and new contracts with an average annual revenue growth of 21.1%.	Estimated fair value would increase (decrease) if: - Any product is no longer monetized (lower) - Risk-adjusted discount rate were lower (greater)
SEL	Discounted cash flows: The valuation model considers the present value of the net cash flows that are expected to be generated by the operation (net revenue).	1. Renewal, in writing, by FY 2024, of the Structured Education Program Contract; or 2. Execution of a new contract, in writing, with SESI [Industrial Social Service], in effect for FY 2024, with or without the need for a public tender, so that the Buyer continues to provide services to SESI in 2024, according to the specific scope to be defined by SESI ("2024 Structured Education Renewal Program").	Estimated fair value would increase (decrease) if: - With no renewal of contracts (lower)
CAde	Discounted cash flows: The valuation model considers the present value of the net cash flows that are expected to be generated by the operation (net revenue).	1. Completion of the "EJA" ["Education for Youths and Adults," an educational program geared toward those who did not complete their schooling at the appropriate age]; students who complete the "EJA" (Primary and/or Secondary Education) throughout Brazil will be evaluated, between January 01, 2024 and June 30, 2026, which may be changed to the period from July 01, 2025 to December 31 2026 if less than 60% of hubs offer "EJA" in the first assessment period. R\$ 80 per certified student, limited to 100 students per hub and per assessment period.	Estimated fair value would increase (decrease) if: - The number of students completing EJA will increase (decrease) within the calculation period.
Flex Flix	Discounted cash flows: The valuation model considers the present value of the net cash flows that are expected to be generated by the operation (net revenue)	1. Budgeted growth rate of net revenues and EBITDA: 2.4%. 2. Adjusted to risk: 39.6%.	Not applicable.
Start	Discounted cash flows: The valuation model considers the present value of the net cash flows that are expected to be generated by the operation (net revenue)	Not applicable.	Not applicable.

b. Reconciliation with closing balances

The following table presents changes during the period in the measurement of level-3 fair values:

	12/31/2022	Additions	Interest	Payments	Level 2 transfers	12/31/2023
Sociedade Educacional da Lagoa	25,876	-	6,858	(14,814)	-	17,920
Phidelis	7,251	-	1,032	-	-	8,283
Redação Nota 1000	2,650	-	666	-	(3,316)	-
Mind Makers	6,600	32,967	1,626	(41,193)	-	-
Educbank	13,540	-	602	(14,142)	-	-
Start	-	4,400	-	(4,400)	-	-
CADE	-	7,020	-	-	-	7,020
Total Accounts payable for business combination and acquisition of associates	55,917	44,387	10,784	(74,549)	(3,316)	33,223
Call option - Start	-	1,608	-	-	-	1,608
Flex Flix	8,271	-	-	-	-	8,271
Total Other investments	8,271	1,608	-	-	-	9,879
	64,188	45,995	10,784	(74,549)	(3,316)	43,102

6.2. Financial risk factors

The Company's activities are exposed to market, credit and liquidity financial risks.

The Company's Management and the Board of Directors oversee the management of these risks in line with the goals in capital management:

a) Policy for use of derivative financial instruments

Derivative financial instruments are recognized at fair value on the date the derivative agreement is entered into, and are subsequently remeasured at their fair value through profit or loss. Changes that occur are recorded under financial incomes or costs, in the statement of income. The Company carries out transactions with derivative financial instruments, without speculative purposes, with the purpose of hedging its exposure to changes in interest rates linked to the bonds contracted and updated by the IPCA rate, related to the issues "COGNA BTG", 2nd and 3rd series, and "COGNA 2nd issue bonds", 3rd series. These derivative financial instruments are specifically represented by swap contracts and measured at fair value through profit or loss.

Derivative transactions have the following conditions and amounts for the year ended December 31, 2023:

Swap transaction	Purpose of the derivative	Remuneration of assets	Remuneration of liabilities	Notional value (R\$)	Maturity	Long position (R\$)	Short position (R\$)	Consolidated
								Gain (loss) (R\$)
COGNA 2 nd issue of 3 rd series bonds	Debenture protection	IPCA + 6.7234%	CDI (Interbank Deposit Certificate) + 2.1000%	134,292	08/15/2025	146,348	144,392	1,956
COGNA - 8 th issue of 2 nd Series bonds	Debenture protection	IPCA + 7.9273%	CDI (Interbank Deposit Certificate) + 2.1900%	342,616	07/16/2029	399,385	399,820	(435)
COGNA - 8 th issue of 3 rd Series bonds	Debenture protection	IPCA + 8.0031%	CDI (Interbank Deposit Certificate) + 2.5900%	105,579	07/15/2032	128,224	130,503	(2,279)
Total				582,487		673,957	674,715	(758)
Non-current assets								1,956
Non-current liabilities								(2,714)
								(758)

During the year, the contracts were amortized and interest was paid, as follows:

	Consolidated	
	12/31/2023	12/31/2022
Balance on December 31	18,054	-
Losses on derivative instruments, net	5,204	18,054
Interest payment	(18,814)	-
Payment of principal	(3,686)	-
Balance on December 31	758	18,054

b) Market risk - cash flow risk associated with interest rates

This risk arises from the possibility that the Group may incur losses due to fluctuations in interest rates that increase financial costs related to loans and bonds raised in the market, in addition to operations with derivatives (swap) which aim at hedging these bonds contracted and also accounts payable to third parties for installment acquisitions. The Company continuously monitors market interest rates, to manage the cash balance and financial liabilities related to these rates.

The Company's financial instruments with exposure to the risk of fluctuations in interest rates pegged to the CDI (Interbank Deposit Certificate), IPCA and TJLP rates, as well as the contracted interest rates, are presented below:

	<u>12/31/2023</u>	<u>12/31/2022</u>	Consolidated
			Interest rate
Bonds pegged to the CDI (Interbank Deposit Certificate) rate	3,786,690	4,620,155	100% CDI + int. 0.65–2.95% p.a.
Derivative financial instruments (i)	582,487	570,978	CDI + int. 2.10–2.59% p.a.
Accounts payable for business combination and acquisition of associates	69,889	110,138	CDI
Total	<u>4,439,066</u>	<u>5,301,271</u>	

	<u>12/31/2023</u>	<u>12/31/2022</u>	Consolidated
			Interest rate
Bonds linked to the IPCA rate	740,451	571,039	IPCA + int. 1.55–8.00% p. a.
Derivative financial instruments (i)	(582,487)	(570,978)	IPCA + int. 6.72–8.00% p.a.
Accounts payable for business combination and acquisition of associates	66,551	142,291	IPCA
Total	<u>224,515</u>	<u>142,352</u>	

	<u>12/31/2023</u>	<u>12/31/2022</u>	Consolidated
			Interest rate
Bonds linked to fixed rates	345,831	-	12.50% Fixed rate
Total	<u>345,831</u>	<u>-</u>	

	<u>12/31/2023</u>	<u>12/31/2022</u>	Consolidated
			Interest rate
Loan	61,578	-	TJLP + 1.25% p.a.
Total	<u>61,578</u>	<u>-</u>	

(i) Relative to the amount contracted by the Company to hedge against fluctuations in the interest rates of bonds linked to the IPCA rate ("notional value", as presented in Note 6.2 (a)).

c) Credit risk

It is the risk of a business counterpart not complying with obligations provided in a financial instrument or contract with client, resulting in financial loss. The Company is exposed to credit risk during their operating and financing (related to FIES, PEP and PMT) activities (mainly in relation to accounts receivable), including deposits in banks, securities, in addition to other financial instruments. The Company maintains appropriate provisions in the balance sheet to cover these risks:

Trade receivable - Higher education (Kroton)

The Group's sales policy follows the risk inherent to its segment and is limited by the rules of the Federal Government (Law 9870/99, which provides for the total amount of school fees). The legislation allows student enrollment not to be renewed in case of delinquency for the following semester, causing them to negotiate their debts with the institution. The diversification of its portfolio of receivables, and the monitoring of terms are procedures adopted to minimize potential delinquency in accounts receivable. We present below the policy applied to the products offered:

FIES: For students contemplated by the Student Financing Fund (FIES), the Company has a substantial part of the credits guaranteed by FGEDUC. For the portion of the credit not guaranteed by the program, the Company estimates the potential for delinquency and sets up the respective provision.

PEP: As of 2015, the Company offered students a Private Student Installment (PEP) product for the main purpose of offering a payment alternative to students who did not obtain FIES. The product aims to finance part of the course, from 70% to 50% of the monthly fee, updated with the Brazilian Extended Consumer Price Index (IPCA), to be paid within the same term of the chosen course, after its completion. As of 2018, for new entrants (except at Faculdade Anhanguera), the Company changed the maturity of the financed installments, establishing that the payment term of the installment portion of the first semester in which the student opted for this product would be transferred to the subsequent semester. Thus, in the second semester, students would pay the installments financed in the first semester and new revenues with maturities in the following semesters, recognized as private installment revenues. The long-term accounts receivable from students benefited by PEP are adjusted to present value. Furthermore, as of the first semester, the Company decided to no longer offer the PEP product to new entrants.

PMT: As of the second semester of 2016, the Company offered students a Late Enrollment Installment (PMT) product - with the main purpose of attracting student intake with late enrollment. This concept was applied to students who had not yet completed their enrollment, as they entered after the beginning of classes, but with sufficient time to complete the minimum workload for the semester. Initially, the plan offered the student the condition of paying these initial semester installments in the months following graduation. In the second half of 2021, the Company changed the offer of this product, considering that in new student enrollments the postponed tuition fees will be diluted throughout the course and no longer paid only after graduation.

Trade receivable are mainly comprised of individual clients, linked to the provision of undergraduate services and debt negotiations. The risk of this group is managed according to the aging of debt securities' maturity of each student.

Trade receivable – Basic education (Vasta)

Trade receivable in this group consist of book distributors, schools, franchisees, and individuals linked to the sale of books and learning systems for the provision of basic education services. The risk of this group is managed according to the periodic credit analysis of each corporate client (schools and book distributors) and individual, in addition to the aging of the maturity of the securities and the segregation between segments of services provided and products sold.

Trade receivable – Basic education (Saber)

Similar to higher education, the pricing and enrollment policy is governed by specific regulations and allows for non-renewal at the end of the school term in case of delinquency. Basically, the amount of accounts receivable is made up of individuals (parents of students). The risk of this group is managed according to the aging of the maturity of the securities.

The credit quality of financial assets can be evaluated by reference to external credit ratings (if any) or according to historical information about counterparty delinquency indexes:

	<u>12/31/2023</u>	<u>Consolidated 12/31/2022</u>
Trade receivable (Note 9)		
Kroton	4,938,328	4,937,514
Vasta	783,447	708,417
Saber	151,804	136,864

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES
NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS
Year ended December 31, 2023 and 2022
In thousands of reais, unless otherwise indicated

Credit card	10,809	15,999
Gross trade receivable	5,884,388	5,798,794
Expected loss	(3,411,102)	(3,416,885)
Adjustment to present value	(81,910)	(81,067)
Trade receivable, net	2,391,376	2,300,842

Financial instruments and cash deposits

The Company and its subsidiaries restrict its exposure to credit risks associated with financial instruments and deposits with banks and financial investments by investing in top-tier financial institutions and in accordance with previously established limits in Company's policy.

	12/31/2023	Consolidated 12/31/2022
Cash and cash equivalents (Note 7)		
AAA (i)	624,232	86,243
AA (ii)	251	35,529
	624,483	121,772
Marketable securities (Note 8)		
AAA (i)	1,212,845	1,850,847
AA (ii)	-	208,226
	1,212,845	2,059,073

- (i) Since Santander Brasil is not evaluated by Fitch, the rating of the Standard & Poor's agency was used to classify the investments issued by the financial institution in the amount of R\$ 260,732, of which R\$ 7,963 were allocated in cash and cash equivalents and R\$ 252,769 allocated to securities.
- (ii) Investments in National Treasury securities are classified by the Brazil rating considering the global scale, which is BB, and in rating correspondence on a global and local scale, this classification is allocated in AA.

d) Liquidity risk

It consists of the eventuality of the Company not having sufficient financial resources to honor their commitments on account of the different settlement terms of their rights and obligations.

The cash flow of the Company and its subsidiaries is carried out centrally by the Group's finance department, which monitors the forecasts of the entities' liquidity requirements to ensure that they have sufficient cash to meet their operational needs. The Group also constantly monitors the cash balance and the level of indebtedness of the companies and implements measures so that the companies receive eventual capital contributions and/or access the capital market when necessary, and so that they remain within the existing credit limits. This forecast takes into consideration the debt financing plans, compliance with clauses, attainment of the internal goals of liquidity indicators of the balance sheet and, if applicable, regulatory requirements.

The cash surplus held by the entities, in addition to the balance required for the management of working capital, is also centrally managed by the Group. The treasury department invests the cash surplus in time deposits, short-term deposits, and securities, choosing instruments with appropriate maturities or sufficient liquidity, to maintain the Company with an appropriate volume of resources to maintain its operations.

The Company's main financial liabilities refer to bonds contracted, derivative financial instruments (swap), trade accounts payable and suppliers - reverse factoring, and accounts payable for acquisitions. The main purpose of such financial liabilities is obtaining funds for the Group's operations. The following table shows the Company's financial liabilities, by maturity, corresponding to the remaining period of the security or liability.

Financial liabilities by maturity bracket

	≤01 year	01-02 years	>02 years	Consolidated Total
--	-----------------	--------------------	---------------------	-------------------------------

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES
NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS
Year ended December 31, 2023 and 2022
In thousands of reais, unless otherwise indicated

December 31, 2023				
Loans	4,619	13,989	42,970	61,578
Bonds	1,450,226	1,491,934	1,930,812	4,872,972
Suppliers	690,473	-	-	690,473
Reverse factoring	577,943	11,337	-	589,280
Derivative financial instruments	-	-	2,714	2,714
Accounts payable for business combination and acquisition of associates	81,588	15,573	39,279	136,440
	2,804,849	1,532,833	2,015,775	6,353,457

Financial liabilities by maturity bracket - Projected ⁽ⁱ⁾

				Consolidated
	≤01 year	01-02 years	>02 years	Total
December 31, 2023				
Loans	5,224	14,975	45,999	66,198
Bonds	1,640,161	1,687,331	2,183,689	5,511,181
Suppliers	690,473	-	-	690,473
Reverse factoring	622,249	12,206	-	634,455
Derivative financial instruments	-	-	3,069	3,069
Accounts payable for business combination and acquisition of associates	92,273	17,613	44,423	154,309
	3,050,380	1,732,125	2,277,180	7,059,685

(ii) It considers the most likely base scenario over a 12-month horizon. Projected rates: CDI – 13.10%, IPCA – 4.62% and TJLP – 7.05% p.a.

6.3. Capital management

The main purpose of the Company's capital management is to safeguard its ability to continue operating, to offer good returns to shareholders and reliability to other interested parties, in addition to maintaining a capital structure with a focus on reducing financial costs, maximizing shareholder's return. In order to keep or adjust the capital structure, the Company may review the dividend payment and capital return to shareholders' policy or even issue or repurchase shares. The Company has a capital structure designed to make the growth strategy feasible, whether organically or through acquisitions. Investment decisions consider the expected return potential. Therefore, we present below the financial leverage ratios:

	Consolidated	
	12/31/2023	12/31/2022
Loans, bonds, accounts payable for acquisitions and derivative financial instruments	(5,071,748)	(5,461,677)
Cash and cash equivalents and marketable securities	1,791,288	2,180,845
Net debt	(3,280,460)	(3,280,832)
Shareholders' equity	11,665,394	12,176,562
Leverage ratio	28.12%	26.94%

6.4. Sensitivity analysis

The following is the sensitivity analysis of financial instruments, which shows the risks that could generate material losses to the Company, according to the assessment made by Management, considering, for a period as the most probable base scenario in a 12-month horizon, the projected rates: CDI – 13.10%, IPCA – 4.62%, TJLP – 7.05% and fixed at 12.50% p.a. Additionally, we show scenarios with 15% and 30% deterioration in the risk variable considered, respectively.

Exposure	Risk	Consolidated		
		Probable scenario	Possible scenario	Remote scenario
			-15%	-30%

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES
NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS
Year ended December 31, 2023 and 2022
In thousands of reais, unless otherwise indicated

Cash and cash equivalents, marketable securities	1,837,328	CDI increase	240,633	269,794	304,984
Bonds and Other liabilities linked to the CDI (Interbank Deposit Certificate)	(4,439,066)	CDI increase	(581,380)	(668,587)	(755,794)
Bonds and Other liabilities linked to the IPCA	(224,515)	IPCA increase	(10,375)	(11,931)	(13,488)
Bonds linked to fixed rates	(345,831)	Fixed rate	(43,229)	(49,713)	(56,198)
Loans	(61,578)	TJLP	(4,341)	(4,992)	(5,644)
	<u>(3,233,662)</u>		<u>(398,692)</u>	<u>(465,429)</u>	<u>(526,140)</u>

Source: IPCA of the Focus report of the Central Bank of Brazil - BACEN, and CDI (Interbank Deposit Certificate) according to reference rates B3 S.A., both available on the websites of the respective institutions.

7. Cash and cash equivalents

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Cash				
Current account	85	19	22,442	21,392
	85	19	22,442	21,392
Interest earning bank deposits				
OPCM - Committed Operation ⁽ⁱ⁾	482,955	-	483,190	461
CDB - Bank Deposit Certificate	26,350	-	118,851	99,919
	509,305	-	602,041	100,380
Total continued operations	509,390	19	624,483	121,772
Assets held for sale				
Cash				
Current account	-	-	2,866	-
Total discontinued operations	-	-	2,866	-
Total Cash and Investments available⁽ⁱⁱ⁾	509,390	19	627,349	121,772

(i) Related to daily interest earning bank deposits with private banks backed by public securities without risk of loss of profitability when redeemed and with immediate liquidity.

(ii) It comprises the total cash and interest earning bank deposits held by the Company considering the SETS's operation in the amount of R\$ 2,866, which are being reclassified to the "Assets held for sale" item, as Note 4. For the correct calculation of the net debt applicable to the analysis of financial covenants, it is necessary to consider the total amount of cash and available investments presented above, which are held by the Company.

The Company and its subsidiaries have short-term Interest earning bank deposits with high liquidity and an insignificant risk of change in value, mainly linked to the CDI (Interbank Deposit Certificate) or SELIC rate, a significant part of which is made from exclusive fixed-income investment funds, under the administration and management of large financial institutions. The purpose of these funds is to remunerate the Group's cash and cash equivalents without incurring medium and high-risk instruments or securities. Interest earning bank deposits have average gross profitability of 101.8% of CDI (103.9% of the CDI on December 31, 2022).

8. Marketable Securities

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
LFT - Financial Treasury Bill	2,986	297,605	474,353	709,883
LF - Financial Bills	-	-	728,558	429,314
LTN - National treasury bills	6,080	459,699	9,934	879,986
NTN - National Treasury Note	-	-	-	39,890
Total continued operations	9,066	757,304	1,212,845	2,059,073
Current	9,066	757,304	1,166,805	2,007,061
Non-current	-	-	46,040	52,012

<u>9,066</u>	<u>757,304</u>	<u>1,212,845</u>	<u>2,059,073</u>
--------------	----------------	------------------	------------------

Securities have average gross profitability of 101.8% of CDI (103.9% of the CDI on December 31, 2022).

9. Trade receivable

a) Breakdown

	Trade receivable	Expected loss	Adjustment to present value	Consolidated 12/31/2023 Trade receivable, net
Private Installment Payment (PEP/PMT)	3,770,622	(2,595,900)	(81,613)	1,093,109
PEP	2,813,789	(1,828,563)	(66,427)	918,799
PMT	956,833	(767,337)	(15,186)	174,310
Kroton without private installment payment	1,167,706	(708,931)	(297)	458,478
Paying student	916,394	(524,718)	(297)	391,379
FIES	251,312	(184,213)	-	67,099
Kroton	4,938,328	(3,304,831)	(81,910)	1,551,587
Vasta	783,447	(92,017)	-	691,430
Saber (ii)	151,804	(14,254)	-	137,550
Credit card (i)	10,809	-	-	10,809
Total	5,884,388	(3,411,102)	(81,910)	2,391,376
Total without private installment payment and credit card	2,102,957	(815,202)	(297)	1,287,458
Current assets				2,266,054
Non-current assets				125,322
				<u>2,391,376</u>

- (i) Receivables arising from installment sales by credit card, arising from payments for services provided and goods sold by the Company.
- (ii) It comprises accounts receivable from services rendered by the Group's language schools, in addition to the Brazilian Book and Teaching Material Program (NBTP) products.

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES
NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS
Year ended December 31, 2023 and 2022
In thousands of reais, unless otherwise indicated

				Consolidated 12/31/2022
	Trade receivable	Expected loss	Adjustment to present value	Trade receivable, net
Private Installment Payment (PEP/PMT)	3,810,858	(2,689,881)	(80,867)	1,040,110
PEP	2,876,786	(1,888,983)	(69,158)	918,645
PMT	934,072	(800,898)	(11,709)	121,465
Kroton without private installment payment	1,126,656	(649,435)	(200)	477,021
Paying student	937,523	(511,419)	(200)	425,904
FIES	189,133	(138,016)	-	51,117
Kroton	4,937,514	(3,339,316)	(81,067)	1,517,131
Vasta	708,417	(69,481)	-	638,936
Saber (ii)	136,864	(8,088)	-	128,776
Credit card (i)	15,999	-	-	15,999
Total	5,798,794	(3,416,885)	(81,067)	2,300,842
Total without private installment payment and credit card	1,971,937	(727,004)	(200)	1,244,733
Current assets				2,011,108
Non-current assets				289,734
				2,300,842

- (i) Receivables arising from installment sales by credit card, arising from payments for services provided and goods sold by the Company.
- (ii) It comprises accounts receivable from services rendered by the Group's language schools, in addition to Educational Solutions for Technical and Higher Education ("SETS") products, and the Brazilian Book and Teaching Material Program (NBTP).

b) Analysis of trade receivable maturities (aging list)

	12/31/2023	Consolidated 12/31/2022
Amounts falling due	2,272,042	2,497,759
Overdue (days):		
≤30	317,388	174,175
31-60	140,442	160,470
61-90	126,610	125,279
91-180	279,057	344,112
181-365	524,489	529,764
>365	2,224,360	1,967,235
Total overdue	3,612,346	3,301,035
Provision for expected loss	(3,411,102)	(3,416,885)
Adjustment to present value	(81,910)	(81,067)
	2,391,376	2,300,842

Kroton - paying students

	12/31/2023	Consolidated 12/31/2022
Amounts falling due	95,828	112,128
Overdue (days):		
≤30	31,220	38,763
31-60	37,405	43,783
61-90	73,153	73,815
91-180	273,864	269,031
181-365	268,447	225,288
>365 ⁽ⁱ⁾	136,180	174,515
Total overdue	820,269	825,195
Gross trade receivable - paying student (-) AVP	916,097	937,323
(-) Balance of ADA	524,718	511,419
Net trade receivable - paying student	391,379	425,904
Gross ADA/AR percentage	57.3%	54.6%

- (i) It considers the student's accounts receivable with the longest delay (delinquency effect by the student's SSN). In other words, the sum of trade notes maturing in up to 365 days, but due to the fact of having any student trade note with a higher maturity date which has already been written-off as loss, now has an ADA fully provisioned.

c) ADA and write-offs

The Company sets up the provision for expected loss monthly by analyzing the amounts of receivables recorded each month in the period of up to 12 months for the Kroton and Saber (NBTP) segments and 18 months for the Vasta and SABER segments (“SETS”) and the respective openings by delay ranges, calculating their recovery performance. In this methodology, for each delay range, a percentage of probability of estimated loss is assigned considering current and historical information of delinquency for each product. We present below the assumptions applied to each segment:

Kroton: Payer The calculation methodology considers the probability of loss from the student's standpoint, considering all accounts receivable on their oldest due date, and which are provisioned according to the risk profile, defined by default history, academic and financial data, such as total debt, history of renegotiation, among others. The Company considers the cash inflow expected for its agreements on renegotiated securities.
Private Installment Payment: The expected loss for the PEP and PMT amounts receivable is calculated mainly based on the average between i) expected dropout rate and its delinquency rate and ii) expected graduated and dropped students rate, and their delinquency rate.

Vasta: The Company calculates the probability of loss on a monthly basis by analyzing the amounts of receivables recorded each month, and the respective openings by range of late payment, calculating the recovery performance. In this methodology, a percentage of probability of loss is assigned to each range of late payment, considering current and historical information on delinquency, which is updated monthly. It is worth emphasizing that the provision for losses is established since billing based on the performances presented by the business lines and respective expected collections up to 540 days from the maturity. Additionally, the calculation excludes sales to companies of Cogna group (intercompany sales), which do not present a risk of loss.

Saber: The Company calculates the probability of loss on a monthly basis by analyzing the monthly rollovers of receivables, overdue and falling due accounts receivable and the respective breakdowns by range of late payment, calculating the recovery performance. In this methodology, a percentage of probability of loss is assigned to each range of late payment. It is worth noting that the Company considers the expected cash inflow for its agreements on renegotiated bonds with maturity above 365 days for the NBTP business segment and 540 days for the SETS business segment.

Changes in expected losses

The changes in impairment losses on trade receivables in the year ended December 31, 2023 and 2022, are shown below:

	<u>12/31/2023</u>	<u>Consolidated 12/31/2022</u>
Opening balance	(3,416,885)	(3,430,725)
Write-off against accounts receivable	453,899	448,812
Discontinued operations (i)	(1,671)	4,270
Formation	(446,445)	(439,242)
Closing balance	(3,411,102)	(3,416,885)

(i) Discontinued operation, as Note 4.

When the delay reaches a maturity bracket greater than 365 days (for the Kroton segment), and 540 days (for the Vasta and Saber segment), the security is written off. Even for the written-off securities, the collection efforts are maintained and the respective receipts and renegotiations are recognized directly in the income (loss) when realized.

d) Private Installment Payment (PEP/PMT)

The balance of accounts receivable from the Private Installment Payment (PEP/PMT) consists of the receivables from the installment products offered in Kroton's on campus education, which is segregated into two main products:

- i) Private Student Installment Payment (PEP). This product aims to provide access to education for students who, despite depending on student funding, do not have access to it. In this modality, the student would pay about half of the tuition of the course after graduation, with the expectation of closing the payments in double the duration of the course. As of the 2021 cycle, the Company decided to no longer offer the PEP product to new entrants.
- ii) Late Enrollment Installment Payment (PMT). This product is offered only in the semester of student enrollment and aims to facilitate payment for students who enroll in the middle of the semester cycle. Instead of charging the monthly fees accumulated from the first month of the semester to the month of the student's entry, initially, the student would pay only one monthly fee and the payment of the others would be postponed after graduation. In the second semester of 2021, the Company changed the offer of this product where, for new entrants, the tuition fees of this project will be diluted throughout the course and no longer paid only after graduation.

Expected PEP and PMT Recovery

The expected loss for the PEP and PMT amounts receivable is calculated mainly based on the average between i) expected dropout rate and its delinquency rate and ii) expected graduated and dropped students rate, and their delinquency rate. The projection of future losses calculated by the Company represents, on the measurement date, the management's best estimate of future delinquency, considering historical receipt data for the dropped and graduated PEP and PMT classes, adjusted by the current market conditions, economics, and percentage of estimated future recovery.

10. Inventories

	Consolidated	
	12/31/2023	12/31/2022
Finished products (i)	297,844	207,782
Work in process	106,481	140,425
Raw materials	66,418	61,809
Right to return	5,864	15,955
Imports in progress	-	351
	476,607	426,322

- (i) Considers finished products linked to continued operations. The balance of the "SETS" operation was reclassified to the item "Assets held for sale," per Note 4.

Additionally, inventories were reduced to the net realizable value in the amount of R\$ 32,507 (R\$ 29,382 in 2022). This reduction was recognized as an expense and is included in the Cost of Sales.

11. Taxes recoverable

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Recoverable PIS, COFINS and ISS (i)	41,435	23,758	179,119	136,483
Recoverable INSS	-	-	3,034	3,019
Other recoverable taxes	-	-	127	2,058
	41,435	23,758	182,280	141,560
Current	3,330	-	80,699	53,442
Non-current	38,105	23,758	101,581	88,118
	41,435	23,758	182,280	141,560

- (i) It refers to PIS and COFINS credits calculated and maintained in the book sale operation and which can be offset against other federal taxes, in addition to withholding taxes due to the issuance of invoices for the provision of services.

12. Income tax and social contribution

The Company has recoverable income tax and social contribution amounts related to prepayments, in addition to withholding taxes on interest earning bank deposits, and invoices from suppliers, which may be used to offset any federal tax administered by the Brazilian Federal Revenue Service.

As of December 31, 2023, the amounts related to income tax and social contribution was R\$ 127,449 in the parent company (R\$ 124,456 as of December 31, 2022), and R\$ 309,999 in the consolidated (R\$ 380,982 as of December 31, 2022).

13. Trade receivable from sale of subsidiaries

	Consolidated	
	12/31/2023	12/31/2022
COLÉGIO ALPHAVILLE	9,887	8,865
Somos Operações Escolares (i)	29,176	11,390
JAFAR	-	8,244
	39,063	28,499
Current	35,481	12,190
Non-current	3,582	16,309
	39,063	28,499

- (i) The balance receivable from the sale of schools operation, involved in transactions with Salta (Eleva). The amounts presented herein are already net of the respective balance payable for the acquisition of Sistema Eleva de Ensino, in the amount of R\$ 540,789.

The changes in the trade receivable from sale of subsidiaries caption are shown below:

	Consolidated	
	12/31/2023	12/31/2022
Opening balance	28,499	209,430
Addition (i)	29,176	-
Interest adjustment	4,443	10,170
Receipts	(12,769)	(191,101)
Impairment losses on trade receivables (ii)	(10,286)	-
Closing balance	39,063	28,499

- (i) Relative to the post-closing adjustment and verification of cash effect via an addendum to the contract entered into on October 30, 2023, whereby the seller Saber and the buyer Salta (Eleva) agree to the retention of the amount of R\$ 29,176 related to the tax credits. Receipt will occur quarterly as the tax credits are used by Salta.
- (ii) Jafar's accounts receivable showed signs of impairment; therefore it was provisioned as an expected loss.

The amounts are updated mainly by the variation of the CDI (Interbank Deposit Certificate) and IPCA in accordance with the respective sale contracts of subsidiaries. Below is the schedule of accounts receivable on the sale of subsidiaries:

	Maturity (years):	Consolidated			
		12/31/2023		12/31/2022	
		Total	%	Total	%
Total current assets	≤01	35,481	90.9	12,190	42.8
	01-02	1,889	4.8	4,593	16.1
	02-03	1,693	4.3	2,357	8.3
	03-04	-	-	2,357	8.3
	04-05	-	-	7,002	24.5
Total non-current assets		3,582	9.1	16,309	57.2
Total		39,063	100.0	28,499	100.0

14. Other receivables

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2022	12/31/2023
Prepaid expenses (i)	608	346	14,275	26,855
Credit with former acquiree's owners (ii)	249	271	88,506	93,270
National Social Security Institute (INSS) terminations (iii)	-	-	30,859	30,859
Sale of properties (iv)	-	-	19,707	8,997
Loan with third parties (v)	-	-	20,137	-
Other	-	-	8,061	4,346
Total	857	617	181,545	164,327
Current	857	617	130,890	129,323
Non-current	-	-	50,655	35,004
	857	617	181,545	164,327

- (i) Comprised of: R\$ 6,895 related to the software license, R\$ 4,060 due to revenue deferral in the leaseback capital gain, R\$ 1,142 related to insurance expenses, R\$ 256 related to HGU contract of Kroton segment, and R\$ 1,922 for minor diversified credits.
- (ii) Mainly comprised of: R\$ 64,179 related to contractual reimbursement rights of the former owners of company Academia Paulista Anchieta Ltda. (APA) to subsidiary Anhanguera Educacional S.A., resulting from the balance of ISS to be paid in installments through the incentive installment payment program (PPI) of the City Council of São Paulo, R\$ 12,976 relating to the acknowledgment of indebtedness of the Soce linhares unit that subsidiary EDE is entitled to receive, and R\$ 11,351 relating to minor diversified credits.
- (iii) It is composed mainly of recoverable INSS from positive judicial decisions on severance pay.
- (iv) Comprised of: R\$ 19,100 referring to the balance receivable from the sale of property in São Luiz do Maranhão and R\$ 607 from pulverized smaller values. The amount of R\$ 8,389 was received in the year.
- (v) Loan receivable between PSES and third parties linked to the expansion of medical school programs, in the main amount of R\$ 20,000 and maturity on December 31, 2024, inflation-adjusted at 100% of the IPCA price index.

15. Investments

(a) Breakdown of investments in direct subsidiaries and associated companies

	12/31/2023	Individual 12/31/2022
Editora e Distribuidora Educacional S.A. ("EDE")	2,707,263	2,485,126
Anhanguera Educacional Participações S.A. ("AESAPAR")	705,152	1,465,834
Vasta Platform Limited. ("VASTA")	3,479,905	3,564,853
Saber Serviços Educacionais Ltda. ("SABER")	409,768	320,520
Pitágoras Sistema de Educação Superior Sociedade S.A. ("PSES")	593,628	410,919
Goodwill in business combination	5,500,741	5,572,644
Total	13,396,457	13,819,896
Educabank Gestão de Pagamentos Educacionais S.A.	64,483	83,139
Minha Biblioteca Ltda. (i)	-	600
Consolidated	64,483	83,739

(i) Discontinued operation, as Note 4.

(b) Information on indirect subsidiaries

	12/31/2023					
	Interest in the shareholders' equity	Number of shares	Total assets	Total liabilities	Shareholders' equity	Profit (loss) for the year
EDE	99.99%	2,415,181,278	5,241,093	2,533,830	2,707,263	256,393
AESAPAR	84.55%	998,392,008	3,734,661	2,900,643	834,018	(1,085,340)
VASTA	77.00%	83,650,024	4,598,984	79,626	4,519,358	(83,773)
SABER	62.04%	373,581,423	1,407,349	746,859	660,490	383,137
PSES	99.99%	303,356,609	1,244,875	651,188	593,687	211,667
			16,226,962	6,912,146	9,314,816	(317,916)
	12/31/2022					
	Interest in the shareholders' equity	Number of shares	Total assets	Total liabilities	Shareholders' equity	Profit (loss) for the year
EDE	99.99%	2,415,181,279	5,075,115	2,589,989	2,485,127	192,339
AESAPAR	84.55%	943,483,397	4,440,011	2,706,322	1,733,689	(620,372)
VASTA	77.00%	83,478,667	4,657,963	28,284	4,629,679	(54,572)
SABER	62.04%	3,725,569,249	1,435,201	918,566	516,635	51,823
PSES	99.99%	303,356,609	1,017,029	606,069	410,960	63,468
			16,625,319	6,849,230	9,776,089	(367,314)

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2023 and 2022

In thousands of reais, unless otherwise indicated

(c) Changes in investments in direct subsidiaries

Investment						Goodwill and intangible assets in business combination	Individual	Consolidated	
	EDE	AESAPAR	Vasta	Saber	PSES		Total	Educbank	Total
Balance at December 31, 2022	2,485,126	1,465,834	3,564,853	320,520	410,919	5,572,644	13,819,896	83,139	83,139
Changes									
Amortization of allocated goodwill	-	-	-	-	-	(71,903)	(71,903)	(1,195)	(1,195)
Equity in net income of subsidiaries	256,393	(917,642)	(64,505)	237,698	211,667	-	(276,389)	(17,461)	(17,461)
Capital increase (decrease) with cash effect	-	152,637	-	(70,597)	-	-	82,040	-	-
Reflex share repurchase	-	-	(30,747)	-	-	-	(30,747)	-	-
Reflexes of stock option plan ⁽ⁱ⁾	5,726	4,323	10,304	4,536	-	-	24,889	-	-
Interest on capital	-	-	-	(17,044)	(28,958)	-	(46,002)	-	-
Assets held for sale ⁽ⁱⁱ⁾	(23,269)	-	-	(38,031)	-	-	(61,300)	-	-
Result from discontinued operations ⁽ⁱⁱ⁾	(16,713)	-	-	(27,314)	-	-	(44,027)	-	-
Balance at December 31, 2023	2,707,263	705,152	3,479,905	409,768	593,628	5,500,741	13,396,457	64,483	64,483

(i) The Company has stock purchase option plans as a form of incentive for the performance and retention of its managers and employees recorded at its direct and indirect subsidiaries. The effects of the Restricted Stock Units ("RSU") Granting Plan and Performance Shares Units ("PSU") Plan recorded in the subsidiaries are reflected by equivalence in the parent companies.

(ii) Refers to amounts reclassified to "Assets held for sale and discontinued operations" caption. The balances presented here represent the net equity to be written off, together with the calculated Profit or Loss linked to this operation, the latter being presented under the Equity Equivalence item at the parent company. Further details on the compositions are described in note 4.

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2023 and 2022

In thousands of reais, unless otherwise indicated

(d) Other investments

As mentioned in Note 2.6, the Company, through its subsidiary Somos Sistemas de Ensino S.A., has a minority interest (and without the respective control) in the company Flex Flix Limited. In the period ended December 31, 2023, the amount of this interest is R\$ 8,271. Furthermore, through the same subsidiary, the Company recorded a balance of R\$ 1,608 linked to the option to purchase 49% of the share capital of Escola Start Ltda.

(e) Information on indirect subsidiaries

					12/31/2023	
	Interest in the shareholders' equity	Number of units	Total assets	Total liabilities	Shareholders' equity	Profit / loss for the year
Sociedade Piauiense de Ensino Superior Ltda. ⁽ⁱⁱⁱ⁾	0.00%	-	-	-	-	(2,417)
Clínica Médica Anhanguera Ltda.	99.99%	5,831,700	5,907	1,268	4,639	2,009
Instituto Excelência Ltda. ⁽ⁱⁱⁱ⁾	0.00%	-	-	-	-	193
Edufor serviços educacionais Ltda. – ME ⁽ⁱⁱⁱ⁾	0.00%	-	-	-	-	(353)
Fateci Cursos Técnicos S/S ⁽ⁱⁱⁱ⁾	0.00%	-	-	-	-	301
Clauder Ciarlini Filho S/S.	99.99%	8,536,000	7,857	5,891	1,966	(1,124)
Sociedade Educacional da Paraíba Ltda. ⁽ⁱⁱⁱ⁾	0.00%	-	-	-	-	(302)
União de Ensino Unopar ⁽ⁱ⁾	0.00%	-	-	-	-	488
Projecta Educacional	99.99%	10,234,275	6,762	521	6,241	452
Orme Serviços Educacionais	99.99%	466,825,943,590	736,440	606,827	129,613	(109,920)
Centro de Ensino Superior de Marabá Ltda. ⁽ⁱ⁾	0.00%	-	-	-	-	348
Centro de Ensino Superior de Parauapebas Ltda. ⁽ⁱ⁾	0.00%	-	-	-	-	445
Centro de Ensino Superior de Paragominas Ltda.)	0.00%	-	-	-	-	(371)
Eduquer Serviços Educacionais Ltda. ⁽ⁱ⁾	0.00%	-	-	-	-	(14)
Platos Soluções Educacionais S.A.	99.99%	58,587,252	35,295	11,650	23,645	(11,246)
Unic Educacional ⁽ⁱ⁾	0.00%	-	-	-	-	(4,191)
Iuni Educacional - Unime Salvador ⁽ⁱ⁾	0.00%	-	-	-	-	(2,379)
SGE Comércio de Material Didático Ltda..	99.99%	2,706,339	12,188	8,021	4,167	1,461
SB Sistemas de Ensino Ltda..	99.99%	152,264	1,601	234	1,367	1,177
Editora Ática S.A.	99.99%	397,091,842	1,002,916	524,231	478,685	78,679
Editora Scipione S.A.	99.99%	3,088,609,523	160,266	110,259	50,007	27,894
Maxiprint Editora Ltda.	99.99%	1,575,885	25,279	24,102	1,177	3,750
Somos Idiomas S.A.	99.99%	120,421,129	361,606	339,027	22,579	145
Nice Participações S.A.	99.99%	23,606,962	389	4,939	(4,550)	(952)
Educação Inovação e Tecnologia S.A. (AppProva)	99.99%	7,445,415	3,062	527	2,535	(3,796)
Somos Educação Investimentos S.A.	99.99%	117,122,081	49,290	22,533	26,757	(13,715)
Stoodi Ensino e Treinamento à Distância Ltda. ^(iv)	0.00%	-	-	-	-	(8,727)
Eligis Tecnologia e Inovação Ltda..	99.99%	98,200	59	-	59	(1)
Somos Educação S.A. (vi)	0.00%	-	-	-	-	(14,320)
Editora Joaquim Ltda.	99.99%	311,868	1,010	360	650	310
Editora Pigmento Ltda.	99.99%	347,000	770	191	579	231
Editora Todas as Letras Ltda.	99.99%	592,834	1,156	392	764	104
Saraiva Educação S.A.	99.99%	130,083,962	418,625	230,503	188,122	67,090
Saraiva Soluções Educacionais S.A	99.99%	500	1,426	773	653	(599)
Escola Start Ltda. ⁽ⁱⁱ⁾	51.00%	500,000	6,626	5,456	1,170	1,747
Sociedade Educacional da Lagoa Ltda.	99.99%	6,080,000	18,089	2,827	15,262	2,465
Pluri - A&R Comércio e Serviços de Informática Ltda.	99.99%	8,891,650	26,913	21,283	5,630	(7,648)
Emme Produções de Materiais em Multimidia Ltda Epp.	99.99%	7,721,149	714	676	38	(5,733)
Livro Fácil ^(v)	0.00%	-	-	-	-	2,034
Colégio Anglo São Paulo	99.99%	1,000	-	1	(1)	-
Phidelis tecnologia desenvolvimento de sistemas Ltda.	99.99%	790,000	-	1	(1)	-
MVP consultoria e sistemas Ltda.	99.99%	1,553,000	2,295	429	1,866	863
Somos Sistemas de Ensino S.A.	99.99%	5,441,121,711	7,459,119	2,865,473	4,593,646	(73,905)
To extend the areas of performance	99.99%	500	1	2	(1)	(1)
CSP Serviços	99.99%	100	-	1	(1)	(1)
CSP Participações	99.99%	100	-	-	-	-
Voomp Bank	99.99%	100	-	-	-	-
CAdE – Centro Avançado de Ensino Ltda.	99.99%	638,184	424	50	374	(252)

(i) Companies merged by the direct subsidiary EDE on March 31, 2023.

(ii) Company acquired by the indirect subsidiary Somos Sistemas on March 3, 2023.

(iii) Companies merged by the direct subsidiary Aesapar on August 01, 2023.

(iv) Companies merged by the direct subsidiary EDE on August 01, 2023.

(v) Company merged by the indirect subsidiary Somos Sistemas on September 30, 2023.

(vi) Company extinguished, and its investments were taken over by the indirect subsidiary Ática and direct subsidiary Saber on July 01, 2023.

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2023 and 2022

In thousands of reais, unless otherwise indicated

16. Property, plant and equipment

	Consolidated							
	IT equipment	Furniture, equipment and fixtures	Library	Buildings and improvements	Construction in progress	Land	Right-of- use assets (IFRS-16)	Total
Balances at December 31, 2021	65,592	303,138	70,938	1,020,211	58,741	112,640	2,569,991	4,201,251
Additions	38,643	6,304	17,826	929	78,586	-	359,291	501,579
Additions through to business combination	53	12	-	-	7	-	-	72
Disposals	(408)	(4,767)	(557)	(54,168)	(616)	-	(196,350)	(256,866)
Depreciation	(38,385)	(48,005)	(20,826)	(68,223)	-	-	(211,654)	(387,093)
Transfers	-	-	-	42,965	(42,965)	-	-	-
Balances at December 31, 2022	65,495	256,682	67,381	941,714	93,753	112,640	2,521,278	4,058,943
2022 Annual average depreciation rate	29%	9%	12%	5%	0%	0%	5%	
Balances at December 31, 2022	65,495	256,682	67,381	941,714	93,753	112,640	2,521,278	4,058,943
Additions	20,822	28,516	6,902	24,187	40,811	-	206,622	327,860
Additions through to business combination	-	613	-	183	-	-	-	796
Disposals	(81)	(855)	(449)	(14,405)	71	(34,178)	(183,132)	(233,029)
Depreciation	(37,816)	(40,359)	(17,845)	(63,699)	-	-	(223,814)	(383,533)
Transfers	-	-	-	101,468	(101,468)	-	-	-
Balances at December 31, 2023	48,420	244,597	55,989	989,448	33,167	78,462	2,320,954	3,771,037
2023 Annual average depreciation rate	29%	9%	12%	5%	0%	0%	5%	
Balances at December 31, 2023								
Cost	260,493	608,757	204,715	1,527,716	33,167	78,462	3,206,922	5,920,232
Accumulated depreciation	(212,073)	(364,160)	(148,726)	(538,268)	-	-	(885,968)	(2,149,195)

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2023 and 2022

In thousands of reais, unless otherwise indicated

17. Intangible assets

						Consolidated
	Software	Content production	Trademarks	Goodwill and intangible assets allocated	Other intangible assets	Total
Balances at December 31, 2021	620,820	75,593	5,866	14,784,686	88,989	15,575,954
Additions	167,886	142,708	3,865	-	5	314,464
Additions through to business combination	3,225	-	-	17,590	-	20,815
Disposals	(142)	-	-	-	-	(142)
Impairment losses of intangible assets	(6,448)	-	-	(208,986)	-	(215,434)
Amortization	(191,594)	(76,051)	(3,593)	(260,871)	(11,363)	(543,472)
Balances at December 31, 2022	593,747	142,250	6,138	14,332,419	77,631	15,152,185
2022 Annual average amortization rate	20%	35%	33%	6%	12%	
Balances at December 31, 2022	593,747	142,250	6,138	14,332,419	77,631	15,152,185
Additions (i)	233,312	99,562	2,510	-	-	335,384
Additions through to business combination (ii)	-	-	-	15,112	-	15,112
Disposals	(280)	(11)	(66)	-	(1,160)	(1,517)
Reversal of impairment of intangible assets (iii)	-	-	-	36,678	-	36,678
Transfers to assets held for sale (iv)	-	-	-	(36,678)	-	(36,678)
Amortization	(198,552)	(84,278)	(3,135)	(237,490)	(10,057)	(533,512)
Transfers	(2,132)	-	-	2,132	-	-
Balances at December 31, 2023	626,095	157,523	5,447	14,112,173	66,414	14,967,652
2023 Annual average amortization rate	20%	35%	33%	6%	12%	
Balances at December 31, 2023						
Cost	1,671,603	540,186	21,708	15,253,394	117,013	17,603,904
Accumulated amortization	(1,045,508)	(382,663)	(16,261)	(1,141,221)	(50,599)	(2,636,252)

(i) The amounts of software additions for the year are mainly related to projects to optimize the control systems of Cogna and its subsidiaries.

(ii) The additions that took place in 2023 are related to the acquisitions of Anglo Start and CAde, which are presented in greater detail in Note 5.

(iii) The Company partially reversed the recognition of impairment in the amount of R\$ 36,678 on intangible assets generated in business combinations, linked to discontinued operations, as presented in Note 4.

(iv) Refers to the amounts reclassified to the Assets Held For Sale item, as presented in Note 4.

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2023 and 2022

In thousands of reais, unless otherwise indicated

a) Goodwill generated on the acquisition of subsidiaries and intangible assets allocated in a business combination

In the Consolidated Financial Statements, the goodwill arising from the difference between the amount paid for the acquisition of investments in subsidiaries and the fair value of the assets and liabilities is classified as intangible assets. Part of the amount paid for the acquisition of the subsidiaries was allocated to identifiable intangible assets with a defined and indefinite useful life after analyzing the acquired assets.

	Consolidated	
	12/31/2023	12/31/2022
Goodwill (i)	12,638,681	12,987,953
Brand (ii)	1,651,595	1,834,595
Hub operation license and partner network (iii)	675,210	670,816
Client portfolio (iv)	944,698	1,098,120
Non-competition agreement	-	345
	15,910,184	16,591,829
Impairment losses of intangible assets	(1,798,011)	(2,259,410)
	14,112,173	14,332,419

(i) It refers to the goodwill generated in the acquisitions of subsidiaries, classified as from expected future profitability. It has no defined useful life and is subject to annual impairment tests.

(ii) Intangible assets with an estimated useful life between 19 and 30 years.

(iii) It refers to licenses for operating on campus and distance learning and the distance-learning hub partner network. It has no defined useful life and is subject to annual impairment tests.

(iv) Intangible assets with an estimated useful life between 3 and 14 years.

b) Goodwill impairment test

The Company assesses at least annually the recoverability of its assets, or when there is an indication of any impairment. The impairment test compares the discounted cash flow for a scenario of eight years, plus perpetuity versus the value of the asset, as the Company understands that this is the maturation time of a new cash-generating unit.

The test considered the base date of June 30, 2023 in its projections, with no significant change in its assumptions for December 31, 2023. The following shows the allocation of goodwill and intangible assets allocated per cash-generating unit level:

	Consolidated	
	12/31/2023	12/31/2022
Kroton (Kroton Med and Kroton Ex-Med)	8,615,736	8,681,844
Vasta (contents and digital formats)	5,139,917	5,295,441
Saber ("National Book and Textbook Program—NBTP" and Languages)	356,520	355,134
	14,112,173	14,332,419

For the year ended December 31, 2023, the Company assessed events that occurred in its cash-generating units that could affect its expectation of recovery of non-financial assets, and, after this assessment, a need to recognize the loss was not detected in cash generating units.

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2023 and 2022

In thousands of reais, unless otherwise indicated

The following growth assumptions were used in the calculations:

KROTON		VASTA	SABER	
Kroton Med	Kroton Ex-Med	Contents and digital formats	Languages	NBTP
<p>1. Perpetuity growth rate of 5.15% (previously 4.74%) and applied discount rate (WACC) of 13.61% (previously 13.41%).</p>	<p>1. Perpetuity growth rate of 5.15% (previously 4.74%) and applied discount rate (WACC) of 13.61% (previously 13.41%).</p>	<p>1. Perpetuity growth rate at 5.15% (previously 4.74%) and applied discount rate (WACC) at 13.19% (previously 12.10%).</p>	<p>1. Perpetuity growth rate at 5.15% (previously 4.74%) and applied discount rate (WACC) at 13.15% (previously 12.22%).</p>	<p>1. Perpetuity growth rate at 5.15% (previously 4.74%) and applied discount rate (WACC) at 13.15% (previously 12.22%).</p>
<p>2. Growth in the average price for freshmen, in line with inflation expectations in all years of the projection. For senior students, the projection presents growth of 3% above inflation (previously 3%), as already practiced.</p>	<p>2. Growth in the average price of on campus freshmen in line with inflation expectations as of 2026 and half inflation in distance learning education. The average price of senior students shows a growth of 2% above inflation (previously 3%) according to the one already practiced.</p>	<p>2. Net Revenue grows at a CAGR of 16% from 2024 to 2031 (previously 14%), with growth based on learning systems, complementary solutions, B2G, Start and Digital Service.</p>	<p>2. Net Revenue grows at a CAGR of 20% (previously 11%) from 2024 to 2031, mainly due to the increase of students at English Solution (B2B), Escolas de Rua (B2C), Wings (B2G) and Bilingual Schools.</p>	<p>2. Net Revenue grows at a CAGR of 12% from 2024 to 2031 (previously 3%) following product seasonality.</p>
<p>3. Net Revenue grows at a CAGR of 7% (previously 8%) from 2024 to 2031, mainly due to increased number of students, considering the funding and evasion. On the other hand, the adjusted EBITDA had a CAGR of 9% (previously 10%) from 2024 to 2031.</p>	<p>3. Growth in intake of CAGR of 8% between 2024 and 2031 (previously 9%) and in Adjusted EBITDA with a CAGR of 12% (previously 16%) from 2024 to 2031.</p>	<p>3. Adjusted EBITDA with CAGR of 23% (previously 21%) from 2024 to 2031 and increase in EBITDA margin.</p>	<p>3. Adjusted EBITDA with CAGR from 2024 to 2031 of 29% (previously 17%), with efficiency gain due to the scalability of the business.</p>	<p>3. Adjusted EBITDA at a CAGR of 10% (previously 6%) from 2024 to 2031, with a change in the product mix and NBTP cycle.</p>

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2023 and 2022

In thousands of reais, unless otherwise indicated

18. Loans

(a) Breakdown

	Remuneration	Issue	Maturity	Consolidated	
				12/31/2023	12/31/2022
FINEP (i)	TJLP + 1.25% p.a.	04/18/2023	10/15/2030	61,578	-
Total				61,578	-
Current liabilities				4,619	-
Non-current liabilities				56,959	-
				61,578	-

(i) The loan from Finep does not require financial indicators to be maintained; however, it has performance indexes related to proof of the allocation of funds borrowed and continuation of the project that is the object of the intake, within a period of 13 months.

(b) Changes

	Consolidated	
	12/31/2023	12/31/2022
Opening balance	-	888
Addition	60,936	-
Interest appropriation	3,551	26
Payment of interest (i)	(2,909)	(116)
Payment of principal	-	(798)
Closing balance	61,578	-

(i) Interest payments are made monthly and principal payments will begin on October 15, 2024.

(c) Amortization schedule

	Maturity (years):	Consolidated			
		12/31/2023		12/31/2022	
		Total	%	Total	%
Total current liabilities	≤01	4,619	7.5	-	-
		4,619	7.5	-	-
	01-02	13,989	22.7	-	-
	02-03	13,989	22.7	-	-
	03-04	13,989	22.7	-	-
Total non-current liabilities	04-05	13,989	22.7	-	-
	>05	1,003	1.6	-	-
		56,959	92.5	-	-
		61,578	100.0	-	-

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2023 and 2022

In thousands of reais, unless otherwise indicated

19. Bonds

(a) Breakdown

	Remuneration	Issue	Maturity	Individual		Consolidated	
				12/31/2023	12/31/2022	12/31/2023	12/31/2022
EDE SARAIVA 4 th issue of single series bonds	CDI + 2.75% p.a.	08/27/2018	08/17/2026	-	-	173,142	231,984
COGNA 1 st issue of single series bonds (iii)	CDI + 0.65% p.a.	04/15/2019	04/15/2024	204,288	202,610	204,288	202,610
COGNA 2 nd issue of 2 nd series bonds	CDI + 1.00% p.a.	08/15/2018	08/15/2023	-	1,827,126	-	1,827,126
COGNA 2 nd issue of 3 rd series bonds	IPCA + 6.7234% p.a.	08/15/2018	08/15/2025	144,290	137,741	144,290	137,741
COGNA 6 th issue of single series bonds	CDI + 2.15% p.a.	05/20/2020	09/20/2025	514,004	513,850	514,004	513,850
COGNA 7 th issue of 1 st and 2 nd series bonds	CDI+2.60% p.a. & CDI+2.95% p.a.	08/20/2021	08/20/2024 and 08/20/2026	740,710	742,049	740,710	742,049
COGNA - 8 th issue of 1 st Series bonds	CDI + 1.45% p.a.	08/02/2022	07/13/2027	69,647	69,059	69,647	69,059
COGNA - 8 th issue of 2 nd Series bonds	IPCA + 7.9273% p.a.	08/02/2022	07/12/2029	350,598	329,949	350,598	329,949
COGNA - 8 th issue of 3 rd Series bonds	IPCA + 8.0031% p.a.	08/02/2022	07/13/2032	107,869	103,349	107,869	103,349
COGNA 9 th issue of single series bonds	CDI (Interbank Deposit Certificate) + 2.15% p.a.	01/27/2023	01/20/2026	529,239	-	529,239	-
COGNA 10 th issue of bonds 1 st series	CDI + 1.90% p.a.	08/09/2023	08/01/2025	104,817	-	104,817	-
COGNA 10 th issue of bonds 2 nd series	CDI + 1.90% p.a.	08/09/2023	08/01/2025	419,238	-	419,238	-
COGNA 11 st issue of bonds 1 st series	IPCA + 1.55% p.a.	12/28/2023	11/16/2028	88,455	-	88,455	-
COGNA 11 st issue of bonds 2 nd series	12.50% Fixed rate	12/28/2023	11/16/2028	345,831	-	345,831	-
COGNA 11 st issue of bonds 3 rd series	IPCA + 6.9165% p.a.	12/28/2023	11/18/2030	49,239	-	49,239	-
AESAPAR 1 st issue	CDI + 2.95% p.a.	11/25/2021	11/25/2026	-	-	503,565	503,832
VASTA 1 st issue of single series bonds	CDI + 2.30% p.a.	08/10/2021	08/05/2024	-	-	528,040	529,645
Total				3,668,225	3,925,733	4,872,972	5,191,194
Current liabilities				852,741	1,932,853	1,450,226	2,038,312
Non-current liabilities				2,815,484	1,992,880	3,422,746	3,152,882
				3,668,225	3,925,733	4,872,972	5,191,194

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2023 and 2022

In thousands of reais, unless otherwise indicated

The bonds, issued in book-entry form, without the issue of certificates and without the possibility of converting shares, have the following characteristics:

							Consolidated
Company	Issue	Series	Quant.	Unit value	Issue amount	Payment of principal	Interest payment
COGNA	1 st	Single	80,000	10	800,000	Upon maturity	Half-yearly (Apr & Oct)
COGNA	2 nd	2 nd	426,434	10	4,264,340	Annual	Semi-annual (Feb & Aug)
COGNA	2 nd	3 rd	10,600	10	106,000	Annual	Semi-annual (Feb & Aug)
COGNA	6 th	Single	500,000	1	500,000	Upon maturity	Semi-annual (May & Nov)
COGNA	7 th	1 st /2 nd	900,000	1	900,000	Upon maturity	Semi-annual (Feb & Aug)
EDE	4 th	Single	2,200	100	220,000	Annual	Semi-annual (Feb & Aug)
AESAPAR	6 th	Single	500,000	1	500,000	Annual	Semi-annual (May & Nov)
VASTA	1 st	Single	500,000	1	500,000	Upon maturity	Semi-annual (Feb & Aug)
COGNA	8 th	1 st	67,000	1	67,000	Upon maturity	Semiannual (Jan & July)
COGNA	8 th	2 nd	331,000	1	331,000	Annual	Semiannual (Jan & July)
COGNA	8 th	3 rd	102,000	1	102,000	Annual	Semiannual (Jan & July)
COGNA	9 th	Single	500,000	1	500,000	Upon maturity	Semiannual (Jan & July)
COGNA	10 th	1 st	100,000	1	100,000	Upon maturity	Semi-annual (Feb & Aug)
COGNA	10 th	2 nd	400,000	1	400,000	Upon maturity	Semi-annual (Feb & Aug)
COGNA	11 th	1 st	91,459	1	91,459	Annual	Semi-annual (May & Nov)
COGNA	11 th	2 nd	357,599	1	357,599	Annual	Semi-annual (May & Nov)
COGNA	11 th	3 rd	50,942	1	50,942	Annual	Semi-annual (May & Nov)

(b) Changes

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Opening balance	3,925,733	5,625,390	5,191,194	6,865,494
Addition - Principal ⁽ⁱ⁾	1,500,000	500,000	1,500,000	500,000
Issuance costs	(25,404)	(19,911)	(25,404)	(19,911)
Repurchase of bonds ⁽ⁱⁱ⁾	(1,006,123)	(377,689)	(1,006,123)	(377,689)
Repurchase revenue	(1,216)	-	(1,216)	-
Accrued interest	468,138	612,953	653,145	794,232
Appropriation of costs	21,983	24,919	24,518	27,412
Interest payment	(478,361)	(581,203)	(671,618)	(739,618)
Payment of principal	(736,525)	(1,858,726)	(791,524)	(1,858,726)
Closing balance	3,668,225	3,925,733	4,872,972	5,191,194

- (i) On January 27, 2023, the Company carried out the 9th issue of simple and non-convertible bonds, of the unsecured type, in a single series, in the total amount of R\$ 500,000, remunerated at the CDI (Interbank Deposit Certificate) rate. On August 01, 2023, the Company carried out the 10th issue of simple and non-convertible bonds, of the unsecured type, in two series, in the total amount of R\$ 500,000, remunerated at the CDI (Interbank Deposit Certificate) rate + 1.90%. The 1st series of the issuance has a 'Social

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2023 and 2022

In thousands of reais, unless otherwise indicated

Bond' ESG label, in line with ICMA's Social Bonds Principles. On December 28, 2023, the Company carried out the 11st issue of simple and non-convertible bonds, of the unsecured type, in three series, in the total amount of R\$ 500,000. Series 1, 2 and 3 are remunerated, respectively, at the rates of CDI (Interbank Deposit Certificate) + 1.55%, 12.50% (fixed rate), and IPCA + 6.9165%. The impacts resulting from the contracting of derivative financial instruments are presented in Note 6.2.

- (ii) During January, February and April 2023, the Company repurchased 201,324 bonds, all of its own issue, totaling R\$ 1,051,579, of which R\$ 1,006,123 was principal and the remainder as interest. The repurchase interest rate is CDI+1.24% p.a.

(c) Committed performance ratios

“Cogna”, “EDE” and “AESAPAR” issues (quarterly calculations)

The bonds issued by parent company Cogna and subsidiaries EDE and AESAPAR require the maintenance of financial ratios (“covenants”), which are calculated quarterly, based on the interim information and the consolidated statements of the Company. The calculation period comprises, where it is necessary for the calculation and as determined in the deed, the 12 months immediately prior to the end of each quarter and the calculation is the quotient of the division of the net debt by the adjusted EBITDA, and the resulting amount should not be greater than 3.00. This index cannot be exceeded in 2 consecutive quarters or in 3 alternating quarters within the term of the contract, which did not occur as of December 31, 2023.

The concept of adjusted EBITDA means, based on the Company's quarterly information (ITR) or consolidated financial statements, as the case may be, the result obtained in the twelve (12) months prior to the calculation date (last twelve months concept), less income tax and social contribution, depreciation and amortization, the financial result and the result of non-recurring items, plus operating financial revenue.

The financial ratio for the calculation of the division of net debt by adjusted EBITDA reached 1.83, within the conditions established in the aforementioned financial contractual clauses.

“Vasta” Issue (annual calculation)

The bonds issued by the indirect subsidiary Somos Sistemas require the maintenance of financial ratios (“covenants”), which are calculated on an yearly basis, based on the consolidated financial statements of the subsidiary. The calculation period comprises the 12 months immediately prior to the end of each year and the calculation is the quotient of the division of the net debt by the adjusted EBITDA, and the resulting amount should not be greater than:

- (i) 4.25 times in the 1st year (December 31, 2021);
- (ii) 4.00 times in the 2nd year (December 31, 2022);
- (iii) 3.75 times in the 3rd year (December 31, 2023); and
- (iv) 3.50 times in the 4th year (December 31, 2024).

This ratio cannot be breached for two consecutive periods or for three alternate periods during the term of the Issue, which did not occur until December 31, 2023. Considering the information presented above, together with that presented in the Individual and Consolidated Financial Statements for the year ended December 31, 2022, the financial index related to the calculation of the quotient of the division of net debt by adjusted EBITDA reached the result of 2.43 in the last 12 months. This index was exceeded as of December 31, 2021, being the first year to have exceeded the index, but still in compliance with the aforementioned financial contractual clauses.

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2023 and 2022

In thousands of reais, unless otherwise indicated

(d) Amortization schedule

	Maturity (days):	Individual		12/31/2023	
		Total	%	Total	Consolidated
					%
	≤01	852,741	23.2	1,450,226	29.8
Total current liabilities		852,741	23.2	1,450,226	29.8
	01-02	1,188,411	32.4	1,491,934	30.6
	02-03	639,857	17.4	943,596	19.4
	03-04	286,175	7.8	286,175	5.9
	04-05	402,160	11.0	402,160	8.3
	>05	298,881	8.1	298,881	6.1
Total non-current liabilities		2,815,484	76.8	3,422,746	70.2
		3,668,225	100.0	4,872,972	100.0

	Maturity (days):	Individual		12/31/2022	
		Total	%	Total	Consolidated
					%
	≤01	1,932,853	49.3	2,038,312	39.3
Total current liabilities		1,932,853	49.3	2,038,312	39.3
	01-02	644,115	16.4	1,196,856	23.1
	02-03	711,785	18.1	1,015,308	19.5
	03-04	143,169	3.6	446,907	8.6
	04-05	64,838	1.7	64,838	1.2
	>05	428,973	10.9	428,973	8.3
Total non-current liabilities		1,992,880	50.7	3,152,882	60.7
		3,925,733	100.0	5,191,194	100.0

20. Lease liabilities

(a) Changes

	Consolidated	
	12/31/2023	12/31/2022
Opening balances	3,013,129	3,027,371
Additions	62,834	2,321
Renegotiations	143,788	356,970
Cancellations	(221,195)	(242,903)
Adjustment to present value ⁽ⁱ⁾	301,489	306,286
Payment of interest	(293,585)	(295,966)
Payment of principal	(165,414)	(140,950)
Closing balances	2,841,046	3,013,129
Current	155,726	146,503
Non-current	2,685,320	2,866,626
	2,841,046	3,013,129

⁽ⁱ⁾ The adjustment to present value related to lease liabilities agreements is calculated individually and applied to the useful life of the contract, considering its maturity. The fee is calculated at cost of capital less the impact estimated by the guarantee on the fee.

In addition to the amounts presented above, some of the real estate leases in which the Company and its subsidiaries are lessees contain variable terms of payment that are linked to the performance of the use of the underlying asset, and therefore are not included in the measurement of the book balances.

In accordance with the bonds deeds, the Group's lease operations have no impact on the calculation of the financial ratios (covenants) of the bonds.

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2023 and 2022

In thousands of reais, unless otherwise indicated

(b) Items not applicable to the scope of CPC 06 (R2)/IFRS 16

As provided for in CPC 06 (R2)/IFRS 16, short-term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), will continue to recognize their lease expenses on a straight-line basis in the income statements for the year and thus not be included in the lease liability. These effects for the year ended December 31, 2023 are as follows:

	Consolidated	
	12/31/2023	12/31/2022
Fixed payments	458,999	436,916
Variable payments	22,948	19,812
Payments related to short-term and low-value contracts and other	29,637	19,137
Total paid	511,584	475,865

(c) Future commitments

The lease balances payable related to “future commitments” for the year ended December 31, 2023, are shown below:

In years:	Consolidated			Consolidated		
	IFRS 16	(-) AVP	12/31/2023	IFRS 16	(-) AVP	12/31/2022
≤01	435,259	(279,533)	155,726	444,307	(297,803)	146,504
01-05	2,085,590	(1,141,259)	944,331	2,199,814	(1,327,114)	872,700
>05 ⁽ⁱ⁾	3,091,968	(1,350,979)	1,740,989	3,487,434	(1,493,509)	1,993,925
	5,612,817	(2,771,771)	2,841,046	6,131,555	(3,118,426)	3,013,129

(i) Our contracts have an automatic renewal option, and the company intends to exercise this option, increasing the average lease term.

(d) CVM/SNC/SEP Circular Letter 02/2019

The table below shows the potential right of recoverable PIS/COFINS embedded in the lease consideration, according to the periods set for payment:

Cash flows	12/31/2023	
	Nominal	Consolidated Adjusted to present value
Consideration payable	5,612,817	(2,771,771)
Potential PIS/COFINS (3.65%)	201,329	(99,735)
	5,814,146	(2,871,506)

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2023 and 2022

In thousands of reais, unless otherwise indicated

21. Reverse factoring

Some domestic suppliers have the option to assign the Company's receivables, without recourse to financial institutions. Through these operations, suppliers can anticipate their receipts with reduced financial costs since the financial institutions consider the credit risk of the Company.

As of December 31, 2023, the balance of reverse factoring suppliers was R\$ 589,280 (R\$ 313,442 on December 31, 2022), and the discount rates on assignment transactions carried out by our suppliers with financial institutions had a weighted average of 1.05% per month (on December 31, 2022, the weighted average was 1.27% per month) and maximum payment term of 420 days. The balance is initially recognized net of the adjustment to present value, which is subsequently recognized as a financial cost.

22. Salaries and social contributions

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Salaries payable (i)	3,116	835	70,483	61,015
INSS payable	130	191	53,755	47,506
FGTS payable	454	-	13,560	3,008
IRRF (Withholding income tax) payable	285	425	33,396	29,458
Provision for vacation pay and 13 th salary	128	157	58,176	53,371
Provision charges	47	74	25,376	19,770
Provision for profit sharing	12,704	8,674	117,399	114,952
Other	167	-	31,075	57,951
	17,031	10,356	403,220	387,031

- (i) Considers salaries payable linked to continued operations. The balance of the SETS operation was reclassified to the "Liabilities Held For Sale" item, per Note 4.

23. Taxes payable

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
ISS	-	-	19,022	20,207
PIS	1,372	76	5,085	11,663
COFINS	5,041	350	19,834	21,381
IRRF (withholding income tax) and CSLL (social contribution on net income)	4	362	34,151	32,622
INSS	-	-	2,831	6,377
Other	45	-	1,723	4,264
	6,462	788	82,646	96,514

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2023 and 2022

In thousands of reais, unless otherwise indicated

24. Accounts payable for business combination and acquisition of associates

	12/31/2023	Consolidated 12/31/2022
Editora de Gouges (i)	28,224	35,942
Uniabc	37,375	35,703
SEL	17,920	30,268
Educbank	1,023	24,494
Colégio Leonardo da Vinci	4,498	24,049
Metropolitana	12,693	18,579
Colégio Lato Sensu	302	17,321
Phidelis	11,672	15,391
Livraria Livro Fácil	-	10,515
EMME	8,148	10,217
CAdE	6,436	-
Other	8,149	29,950
Total	136,440	252,429
Current	81,588	168,061
Non-current	54,852	84,368
	136,440	252,429

- (i) Refers to the balance payable to Salta (Eleva) in transactions involving the purchase of the Learning System, already discounted from the amounts receivable from the sale of schools, as mentioned in Note 13. The amount presented herein refers to the net amount payable in the last three installments, which exceeds the balance receivable.

The changes in the accounts payable in acquisitions item are shown below:

	12/31/2023	Consolidated 12/31/2022
Opening balance	252,429	262,544
Addition (i)	13,865	22,631
Acquisition of minority interest	-	95,922
Interest adjustment	11,497	15,561
Write-offs	-	(3,171)
Price adjustment (ii)	59,388	-
Adjustment to present value	2,488	4,465
Installment payments	(195,870)	(116,282)
Cash payments	(7,357)	(29,241)
Closing balance	136,440	252,429

- (i) The additions that took place in 2023 are related to the acquisitions of Start and CAdE, which are presented in greater detail in Note 5. The addition balance considers the option to purchase Start, in the amount R\$ 1,608.
- (ii) This amount comprises: (i) R\$ 26,421 of increase in the calculation of indebtedness in the transaction with Salta (Eleva), of which R\$ 36,049 is a reduction in the sale price of the schools and R\$ 9,628 is a reduction in the purchase price of the learning system; and (ii) R\$ 32,967 of earn-out complement in the amount of the acquisition of Mind Makers, based on the amount paid for the number of students linked to current contracts determined in April 2023.

Below is the amortization schedule for accounts payable for acquisitions:

	Maturity (days):	12/31/2023		Consolidated 12/31/2022	
		Total	%	Total	%
Total current liabilities	≤01	81,588	59.8	168,061	66.6
	01-02	81,588	59.8	168,061	66.6
	02-03	15,573	11.4	32,192	12.7
	03-04	31,688	23.2	20,090	8.0
	>04	2,064	1.5	29,896	11.8
Total non-current liabilities		5,527	4.1	2,190	0.9
Total		54,852	40.2	84,368	33.4
		136,440	100.0	252,429	100.0

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2023 and 2022

In thousands of reais, unless otherwise indicated

25. Provision for tax, civil, and labor losses and liabilities assumed in the business combination

The Company is involved in certain legal matters arising from the normal course of its business related to tax, labor and civil claims, in addition to contingent liabilities acquired in business combinations.

The risk of loss is classified based on the opinion of the legal advisors. Moreover, the Company's Management understands that the provisions for tax, civil and labor losses are sufficient to cover possible losses in administrative and legal proceedings.

25.1. Balances and changes in lawsuits with expectation of probable loss

The table below shows the changes in contingencies for the period ended December 31, 2023:

	Consolidated				
	Tax	Civil	Labor	Liabilities assumed in business combinations (i)	Total
Balance at December 31, 2022	460,797	92,166	167,690	1,227,287	1,947,940
Additions	13,193	61,354	73,259	-	147,806
Inflation adjustment	21,875	12,852	18,963	14,579	68,269
Reversals	(2,772)	(41,129)	(41,814)	(219,935)	(305,650)
Total impact on profit (loss)	32,296	33,077	50,408	(205,356)	(89,575)
Payments	(522)	(38,002)	(57,641)	-	(96,165)
Former sponsor (with guarantee)	(106,442)	(2,286)	(238)	(19,015)	(127,981)
Balance at December 31, 2023	386,129	84,955	160,219	1,002,916	1,634,219

- (i) The amounts presented herein are related to discussions of practices adopted in subsidiaries acquired by the Company in the tax, civil and labor levels in the periods in which these belonged to their former owners. The reversals occurred in the period are due to statute of limitations or closure of the proceedings. The accounting balance of this item is composed of: (i) R\$ 983,653 from tax lawsuits, R\$ 6,566 from civil lawsuits and, R\$ 12,697 from labor lawsuits. More information is presented in item 25.2.

Reconciliation of effects impacts with Company's profit (loss):

	Consolidated				
	Tax	Civil	Labor	Liabilities assumed in business combinations (i)	Total
General and administrative expenses	(9,187)	(20,225)	(31,445)	189,462	128,605
Finance costs	(21,875)	(12,852)	(18,963)	(77,824)	(131,514)
Finance income	-	-	-	63,245	63,245
Income tax and social contribution	(1,234)	-	-	30,473	29,239
	(32,296)	(33,077)	(50,408)	205,356	89,575

25.2. Main probable lawsuits by type

Below are the main lawsuits per nature classified as probable loss and which make up the outstanding balance on the date of the financial statements. Part of these contingencies are the responsibility of the former sponsors/owners:

Tax lawsuits

As of December 31, 2023, the Company has 9 administrative and judicial proceedings of a tax nature (42 as of December 31, 2022), whose balance is composed of the following claims:

- Tax assessment notice received by the subsidiary Somos Sistema de Ensino S.A., with the purpose of collecting the goodwill for the period from 2015 to 2017, in the amount of R\$ 197,584;
- Tax foreclosures filed by the Municipality of São Paulo charging the ISSQN of the former sponsors of Academia Paulista Anchieta, a company acquired by the company Anhanguera in the amount of R\$ 30,573. In the case of loss, the Company has a contractual guarantee;

The Company is also a defendant in other tax lawsuits of lesser relevance in individual amounts, which total R\$ 157,972. These demands generally address various taxes.

Civil lawsuits

For civil claims considered common and similar in nature, provisions are recorded based on the historical average of lawsuits closed in the last 12 months. Claims that do not meet the above criteria are provisioned according to an individual assessment, and provisions are recorded based on the probable risk of loss, in law and case law, in accordance with the Management's assessment of loss carried out with the aid of its legal advisors. The Company has, on December 31, 2023, 13,841 civil lawsuits (16,170 as of December 31, 2022) which amount to R\$ 84,955 (R\$ 92,165 as of December 31, 2022).

Labor lawsuits

The Company has, on December 31, 2023, 751 labor lawsuits (810 as of December 31, 2022) which amount to R\$ 160,219 (R\$ 167,690 as of December 31, 2022). Labor lawsuits, in general, have a variety of claims, mainly related to the payment of overtime, salary differences, among other labor costs and requests from outsourcing companies, in which the Company's responsibility is only joint.

Liabilities assumed in business combination

The main lawsuits undertaken by the Company in business combination and classified by management as based on the opinion of its legal advisors, are as follows:

(i) Tax:

- The Tax Assessment Notice was filed against the subsidiary Somos Sistemas de Ensino S.A. and the companies Somos Educação S.A. and Ativic S.A. (linked to Grupo Abril S.A.) were held jointly and severally liable for the collection of federal taxes (IRPJ/CSLL) in the amount of R\$ 380,229 (R\$ 351,266 as of December 31, 2022);

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2023 and 2022

In thousands of reais, unless otherwise indicated

- The Company is also a party to two tax assessment notices drawn up by the Federal Revenue Service related to the collection of debts related to the Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL), which total R\$ 96,817 and R\$ 152,626 (R\$ 92,793 and R\$ 139,574 as of December 31, 2022), respectively, the latter being the responsibility of third parties, with the Company appearing as a joint and several debtor;
- Based on the history and risk analysis of assessments due to the use of goodwill in acquisitions made by Somos, with the consequent constitution of a tax credit by the tax authorities, we considered a likely obligation resulting from past events of R\$ 113,351 (R\$ 170,984 as of December 31, 2022) and other tax procedures, including all acquirees that may be questioned by the tax authorities, totaling R\$ 240,630 (R\$ 259,839 as of December 31, 2022).

(ii) Civil:

- The Company is a party to 19 civil lawsuits with an average amount of R\$ 346, which total R\$ 6,566 (R\$ 6,538 as of December 31, 2022). The demands mostly involve consumer orders.

(iii) Labor:

- The Company is a party to 16 labor lawsuits with an average amount of R\$ 793. Labor lawsuits, in general, have a variety of claims, mainly related to the payment of severance pay, overtime, salary differences, among other labor costs which total R\$ 12,697 (R\$ 12,668 as of December 31, 2022).

25.3. Lawsuits with possible losses

The table below considers all possible contingencies of the Company:

	12/31/2023	12/31/2022	Quantity on 12/31/2023	Consolidated Quantity on 12/31/2022
Tax	1,370,497	1,073,387	397	382
Civil	268,903	229,701	773	660
Labor	180,415	149,711	512	724
Total	1,819,815	1,452,799	1,682	1,766

As of December 31, 2023, the Company and its parent companies had 1,682 legal and administrative claims classified by Management as possible loss risk based on the opinion of their legal advisors, with 142 lawsuits of partial and/or full liability of former sponsors/sellers of companies acquired by the Company. Below we highlight the main ones:

(i) Tax:

- Tax Assessment Notice issued by the Brazilian Federal Revenue Service against the Company after an inspection procedure regarding the non-payment of taxes related to the stock award plans in the amount of R\$ 175,230;

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2023 and 2022

In thousands of reais, unless otherwise indicated

- Tax lawsuits filed by the Federal Government for the purpose of collecting an overdue tax liability arising from social security contributions of a company merged by the subsidiary Editora e Distribuidora Educacional S/A, in the period in which it belonged to a former owner. Tax lawsuits related to this object total R\$ 140,674;
 - Tax Assessment Notice drawn up by the Federal Revenue Service of Brazil against the subsidiary Editora e Distribuidora Educacional S/A (EDE) related to the social security contribution on the Profit sharing plan. The assessment totals R\$ 92,341;
 - Tax assessment notice issued by the Brazilian Federal Revenue Service against the company merged by the subsidiary Editora e Distribuidora Educacional related to the non-deductibility of the expense in the Corporate Income Tax of the Profit Sharing plan in the amount of R\$ 85,532.
 - Tax execution filed by the Municipality of São Paulo against the Company, seeking the collection of ISSQN (service tax) from a company taken over by subsidiary Anhanguera Educacional Participações S/A, in the amount of R\$ 56,678. Liability for the lawsuit is shared with former maintainers;
 - Tax assessment issued by the Brazilian Federal Revenue Service against the Company, aiming to receive the social security contribution calculated on stock options, in the amount of R\$ 55,399;
 - The Company is still a party to 379 lawsuits totaling R\$ 764,643. The demands are mainly related to sundry taxes.
- (ii) Civil:**
- A Public Civil Lawsuit filed by Federal Prosecutors against the Company, seeking to cease charging fees for issuing diplomas. The former sponsors are fully responsible for this lawsuit in the amount of R\$ 53,055;
 - The Company is a defendant in 772 lawsuits, with an average value of R\$ 280, which total R\$ 215,848. The demands are mainly related to requests of a consumer nature.
- (iii) Labor:**
- Labor claim against Somos Sistemas de Ensino S.A. requesting indemnification of severance pay and other labor amounts, totaling R\$ 18,661;
 - The Company is a defendant in 511 lawsuits, with an average amount of R\$ 316, totaling R\$ 161,754. The demands are mainly related to requests for overtime, wage differences, among other labor costs.

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2023 and 2022

In thousands of reais, unless otherwise indicated

26. Judicial deposits and guarantees for tax, civil and labor losses

26.1. Judicial deposits

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Tax	-	-	39,572	40,228
Civil	-	3	-	-
Labor	4,152	1,442	11,944	12,159
Total	4,152	1,445	51,516	52,387

26.2. Guarantees of provision for tax, civil and labor losses provision⁽ⁱ⁾

				Consolidated
	Tax	Civil	Labor	Total
Balance at December 31, 2022	118,631	18,184	8,105	144,920
Addition	5,399	1,013	1,447	7,859
Inflation adjustment	(16,055)	257	268	(15,530)
Reversals (ii)	(97,493)	(15,046)	(7,771)	(120,310)
Total, former sponsor	(108,149)	(13,776)	(6,056)	(127,981)
Balance at December 31, 2023	10,482	4,408	2,049	16,939

- (i) The guarantees provided because of the acquisitions, against the contingencies mentioned in Note 25.1, are contractually provided for and comprise: a) retention of rents of properties leased by the Company's subsidiaries; b) retention of part of the purchase price; and c) mortgage on the property belonging to the sellers.
- (ii) The change in the period is due to the updating of lawsuits related to the charge of ISSQN (service tax) in the municipality of São Paulo, for which the former sponsoring entities of APA (Academia Paulista Anchieta) are exclusively responsible. In most of these updates, the lawsuits deemed as "probable" risk now have their risks assessed as "possible."

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2023 and 2022

In thousands of reais, unless otherwise indicated

27. Income tax and social contribution - current and deferred

27.1. Income tax and social contribution on income

Income tax and social contribution recognized in the period differ from the theoretical value that would be obtained using the nominal tax rates defined by law, applicable to the profit of consolidated entities. Therefore, we present below the reconciliation of these main amounts of additions and/or exclusions performed in tax bases, as follows:

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Loss before income and social contribution taxes for the year	(666,911)	(452,613)	(171,578)	(480,490)
Combined nominal rate for income tax and social contribution - %	34%	34%	34%	34%
IRPJ and CSLL at nominal rates	226,750	153,888	58,337	163,367
Equity in net income of subsidiaries	(118,419)	(99,812)	(6,343)	(1,534)
Tax incentives in subsidiaries subject to the ProUni benefit	-	-	193,280	90,312
Net additions without recording deferred amounts	12,273	12,298	145,980	56,542
Deferred IRPJ and CSLL on temporary differences and non-realizable tax losses ⁽ⁱ⁾	-	-	(518,059)	-
Deferred IRPJ and CSLL on tax losses	97,455	-	97,455	-
Difference in the presumed income rate of subsidiary	-	-	349	3,617
Deferred IRPJ and CSLL not recorded on the loss for the period of subsidiaries	-	(22,057)	(295,986)	(343,894)
Deferred IRPJ and CSLL on contingencies	-	-	29,239	54,852
Deferred IRPJ and CSLL on goodwill	-	-	-	40,137
IRPJ and CSLL for other transactions	-	(7,647)	-	(10,920)
Total income tax and social contribution	218,059	36,670	(295,748)	52,479
Current corporate income tax and social contribution in income (loss)	-	-	12,166	20,907
Deferred income tax and social contribution in income (loss)	218,059	36,670	(307,914)	31,572
	218,059	36,670	(295,748)	52,479

- (i) This mainly refers to the write-off of Deferred Income Tax Assets on temporary differences and tax losses of the subsidiary Aesapar, due to the lack of prospect of recovering these balances against future results. Due to the potential participation of other legal entities in the group with competitive processes within the scope of MEC, the forecast for the corporate reorganization of other legal entities is impacted. There is no loss of rights to the tax benefits of temporary differences, but the absence of an outlook of probable recovery of these benefits in the foreseeable future demands that such assets be written off.

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2023 and 2022

In thousands of reais, unless otherwise indicated

27.2. Deferred income tax and social contribution

Changes in income tax and social contribution assets and liabilities are as follows:

				Individual		
	12/31/2022	Other adjustments	Effects in income (loss)	12/31/2023		
<u>In the liabilities</u>						
Goodwill on business combination	(668,343)	(18)	218,059	(450,302)		
Non-current liabilities, net	(668,343)	(18)	218,059	(450,302)		
				Consolidated		
	12/31/2022	Other adjustments	Held for sale	Income (loss) from discontinued operation	Effects in income (loss)	12/31/2023
<u>Income tax / social contribution:</u>						
Tax losses / negative basis of social contribution on net income	727,118	(2,026)	-	-	429,451	1,154,543
Temporary differences in taxable income						
Impairment losses on trade receivables	923,772	-	-	-	(401,080)	522,692
Adjustment to present value	(3,147)	-	-	-	(8,082)	(11,229)
Provision for tax, civil and labor losses	(78,572)	-	-	-	(131,697)	(210,269)
Loan depreciation and cost	(44,716)	-	-	-	63,179	18,463
Non-deductible provision	55,628	(796)	(3,667)	-	(21,331)	29,834
Stock option plan, RSU and PLR	67,456	-	-	-	(12,129)	55,327
Lease liabilities	180,730	-	-	-	(97,784)	82,946
Goodwill on business combination	(1,560,756)	(2,301)	-	(93,775)	(128,441)	(1,785,273)
Non-current assets (liabilities), net	267,513	(5,123)	(3,667)	(93,775)	(307,914)	(142,966)
Non-current assets	1,174,673				665,355	
(-) Non-current liabilities	(907,160)				(808,321)	
Total	267,513				(142,966)	

Deferred income tax and social contribution liabilities are derived from intangible assets arising from acquisitions and deferred income tax and social contribution liabilities are derived from tax losses and balances from additions to previous and current Taxable Income.

27.3. Tax incentives

ProUni establishes through Law 11096, of January 13, 2005, an exemption from certain federal taxes to higher education institutions that grant full and partial scholarships to low-income students enrolled in traditional and technological undergraduate courses. The higher education entities controlled by the Company are included in that program.

The amount of tax benefits due to ProUni calculated in the year ended December 31, 2023, including PIS and COFINS, is R\$ 322,009 (R\$ 217,292 on December 31, 2022).

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2023 and 2022

In thousands of reais, unless otherwise indicated

28. Shareholders' equity

28.1. Share Capital

As of December 31, 2023 and 2022, the subscribed and paid-up capital of the Company totaled R\$ 7,667,615, corresponding to 1,876,606,210 nominative common shares. We present its respective distribution:

	12/31/2023		12/31/2022	
	Amount	Quantity	Amount	Quantity
Total shares - ex-treasury	7,655,461	1,871,956,123	7,659,358	1,874,692,369
Total treasury shares	12,154	4,650,087	8,257	1,913,841
Total shares	7,667,615	1,876,606,210	7,667,615	1,876,606,210

In addition, we present below the changes in treasury shares:

	12/31/2023		12/31/2022	
	Amount	Quantity	Amount	Quantity
Opening balance	8,257	1,913,841	57,812	2,860,602
Repurchase of treasury shares (i)	15,467	7,045,600	18,842	7,771,461
Disposal of shares	(11,570)	(4,309,354)	(68,397)	(8,718,222)
Closing balance	12,154	4,650,087	8,257	1,913,841

- (i) The Company, following the share repurchase plan approved by Management as of February 10, 2022, repurchased 7,045,600 registered, book-entry common shares with no par value to be held in treasury in January and February 2023, considering an average amount of R\$ 2.19, which totaled R\$ 15,467. With this change, the Company informs that it concluded its share buyback plan, which had a maturity of one year from its approval.

28.2. Capital reserve and granted options

The Company grants share-based remuneration plans to the Group's executives and employees and considered the recognition of the amounts calculated as of the date that they started to dedicate themselves to the Group's operations. Further details are presented in Note 29.

Equity instruments from business combination

Balance constituted due to the acquisitions of Unopar and Anhanguera, resulting from the operations described below:

Unopar: On December 15, 2011, 20% of the acquisition payment (equivalent to R\$ 260,000) was made through shares issued by the Company and corresponded to 13,877,460 common shares and 83,264,760 preferred shares, which were issued on September 28, 2012, net of (R\$ 16,127) referring to the book value of the holding companies that hold a 20% stake of Unopar's share capital; and

Anhanguera: On July 3, 2014, due to the merger of Anhanguera's shares, 135,362,103 common shares of the Company were issued. The difference between the total amount of the acquisition and the amount attributed to the capital and option plan formed in this merger totaled R\$ 5,908,314 and was recorded as a capital reserve "Equity instruments arising from the business combination".

The Company partially consumed the balances of this item with the absorption of losses for the years in the total amount of (R\$ 492,879) on December 31, 2023 and (R\$ 528,930) on December 31, 2022, in addition to (R\$ 1,852,979) considering the years 2020 and 2021.

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2023 and 2022

In thousands of reais, unless otherwise indicated

Equity gain on issuance of subsidiary's shares

On July 30, 2020, the subsidiary Vasta Platform Ltda. ("Vasta") carried out the initial public offering of the business. Vasta's class A shares began to be traded on NASDAQ on July 31, 2020, and were settled on August 4, 2020. The reflection of the costs of this issue were recorded by the Company against Capital Reserve, totaling (R\$ 109,677). During FY 2022, 256,036 new class "A" shares were issued for the exercise of LTI, which required the recording of a net equity adjustment of R\$ 711,794 reflecting the equity appreciation that occurred at Vasta. In the years 2021 and 2023, there was a record of impacts of (R\$ 18,536) and (R\$ 30,747), respectively, from the class "A" share buyback program carried out by the Subsidiary Vasta Platform Ltda.

And these are the main changes, the balance of all capital reserve accounts for the year ended December 31, 2023, is R\$ 4,009,933 (R\$ 4,517,204 as of December 31, 2022). The other changes add up to R\$ 179,691, consisting of reserves from grants, gain or loss of treasury shares, among others. Capital reserves are consumed by accumulated losses.

28.3. Non-controlling interest

Because of the IPO of the direct subsidiary Vasta Platform Ltda. ("Vasta") in July 2020, the Company reduced its interest in the shareholders' equity from 100% to 77.62%.

In the year ended December 31, 2022, there was a reduction in this percentage, from 77.62%, to 77%, due to the settlement of tranches of the share-based compensation plan (RSU-Vasta), implying in the issuance of Vasta shares for delivery to the beneficiaries who, therefore, became minority shareholders. Such event resulted in the loss of interest in the amount of R\$ 28,523, recognized under non-controlling interests in shareholders' equity, with a contra entry to capital reserves in Cogna.

Additionally, there was an acquisition of 51% interest in the capital of Escola Start Ltda., ("Start") on March 3, 2023, according to Note 5, in the amount of R\$ 3,092.

Based on this information, the amount related to the control of non-controlling shareholders as of December 31, 2023 totaled R\$ 1,040,885 (R\$ 1,064,826 as of December 31, 2022).

29. Share-based remuneration plans

29.1. Restricted stock option plans - RSU

At the Extraordinary General Meeting held on September 3, 2018, the Company's shareholders approved the creation of a Restricted Stock Option Plan as a way of encouraging the increase in performance and permanence in the Company of the Company's administrators and/or employees or other companies under its direct or indirect control.

Rights can be granted to receive a maximum number of restricted shares that does not exceed 19,416,233 (nineteen million, four hundred and sixteen thousand, two hundred and thirty-three) shares, corresponding to 1.18% of the Company's total capital on the date of approval of the Plan, excluding shares that were held in treasury also on this date.

The settlement of the contracts is subject to the continuation of the employment and/or manager relationship for a predetermined grace period in the granting contracts.

The fair value of the restricted shares granted is measured at the market price of the Company's shares on the grant date and the restricted shares will be granted on a non-interest-bearing basis to the participants, through the transfer of shares held in treasury.

Also in 2018, the Company decided to establish a Restricted Stock Award Plan, where Restricted Shares could be granted to executives to promote the migration of stock options granted under the 2015 Plan, upon express acceptance by the respective beneficiaries and their waiver of stock options not yet exercised. The following terms and conditions have been fixed: a) beneficiaries whose contract had a grace period for the last lot ending in 2020, 2021, or 2022 would be eligible for migration; b) the grace periods of the original contracts would be maintained and the original gains expected by the beneficiaries would be preserved in the calculation of the exchange ratio. The fair value of equity instruments was recalculated on the date of the modification separately for each of the lots of each grant.

Below is a representation of the transactions carried out in the period ended December 31, 2023

PLANS	Number of shares		
	12/31/2022	Restricted shares settled or canceled	12/31/2023
KROT_2015 Plan - Migrated	18,874	(18,874)	-
KROT_2018 Plan - New	590,416	(590,416)	-
TOTAL	609,290	(609,290)	-

The Company did not recognize the expenses related to the Restricted Stock Plan grants in the period ended December 31, 2023 (R\$ 499 as of December 31, 2022) against capital reserves in shareholders' equity, and personnel expenses were not recognized as charges and the updating of the accumulated balances of charges by the closing price of Cogna's share, with a balancing entry in the provision for charges in Liabilities (R\$ 57 in the year ended December 31, 2022).

29.2. Performance Shares Plan – PSU

29.2.1. 2021 PSU plan

On April 28, 2021, the Extraordinary General Meeting approved the creation of the Stock Option Plan (“2021 Performance Shares Plan”), and the consequent granting of authorization to the Board of Directors and the People and Governance Committee of the Company for them to adopt all the necessary measures for its implementation and execution.

Options, including those arising from migration, may be granted up to a maximum limit of 2% of the Company’s total capital stock on the date of approval of this Plan. If any Option is terminated or canceled and was not fully exercised, Shares linked to such Options will again be available for future granting of Options.

The purpose of the Plan is to allow Grantees to receive Options that will give them the right, subject to certain performance conditions, to acquire and subscribe Shares with a view to: (a) stimulate the expansion, success, and achievement of the Company’s social objectives and results, aligning the financial benefit to be obtained by the Grantee regarding the Annual Targets as applicable; (b) align the interests of the Grantees to the Company’s shareholders; (c) enable the Company to maintain the beneficiaries of the Plan linked to it or to the Subsidiaries, Grantees; and (d) encourage the creation of long-term value to the Company.

The managers and employees of the Company or its Subsidiaries who are considered key executives may be elected as grantees, being subject to the approval by the Committee.

The fair value of options granted is measured at the market price of the Company’s shares on the grant date and the Strike Price of the Options granted will be R\$ 0.01 per Share. All the Options Granted in each contract are segregated in a period of four (4) years, being granted 25% per annum of the total Options, with a grace period of twelve (12) months in relation to each grant.

The Company may issue new shares within the authorized capital limit or sell treasury shares to fulfill the exercise of the options granted.

29.2.2. 2023 PSU plan

On April 28, 2023, the Extraordinary General Meeting approved the creation of a new Stock Option Plan (“2023 Performance Shares Plan”), which aims to allow the managers and/or employees of the Company or its subsidiaries elected by the Board of Directors or by the Personnel and ESG Committee to receive options to purchase shares issued by the Company that will give them the right to acquire or subscribe for common, registered, book-entry shares with no par value.

The options granted will be of two different types: “Extraordinary Bonus Options” and “Performance Options”, which differ by (i) the respective grace periods, (ii) by the Grantees who will be beneficiaries and (iii) by the possibility of adjusting the number of options that may actually be exercised by the Grantee based on the Company’s financial performance, verifying the degree of achievement of certain annual financial targets, to be defined by the Board of Directors, based on the Company’s Recurring EBITDA and Operating Cash Generation (OCG) for each of the years 2025, 2026 and 2027.

The Options granted under the terms of the Plan will grant rights to acquire or subscribe to, and receive, Shares in a total amount corresponding to up to 2% of the Company’s total share capital on the date of approval of this Plan (maximum dilution limit of the share capital as a result of the Plan), already considering the maximum

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2023 and 2022

In thousands of reais, unless otherwise indicated

increase in the number of Options resulting from the achievement of the multiplication factors provided for in the Annual Financial Targets Clause. The total number of Shares issued or likely to be issued pursuant to the Plan must always follow the Company's authorized capital limit. If any Option is terminated or canceled and was not fully exercised, Shares linked to such Options will again be available for future granting of Options.

Below is a representation of the transactions carried out in the period ended December 31, 2023:

Grants	Quantity of options					12/31/2023
	12/31/2022	Options granted	Options settled	Migrated Options PSU21 vs. PSU23	Options cancelled	
Contracts migrated from 2021 RSU to PSU (i)	782,295	-	(202,848)	(14,944)	(51,142)	513,361
2021 PSU Grants	17,274,652	2,462,554	(3,998,343)	(515,807)	(1,627,758)	13,595,298
2023 PSU Grants	-	23,944,164	-	530,751	(1,560,000)	22,914,915
TOTAL	18,056,947	26,406,718	(4,201,191)	-	(3,238,900)	37,023,574

- (i) The contracts in force on 04/30/2021 of the Cogna 2018 Restricted Shares Plan (RSU) of beneficiaries allocated in the business areas named Cogna, Platos or Kroton were partially migrated to the new Performance Shares Plan (PSU). The number of shares canceled in RSU and granted in PSU was calculated based on the remaining vesting period of each contract on the migration date of 05/01/2021.

The Company recognized expenses related to the granting of the Performance Share Plans (PSU2021 and PSU2023) in the amount of R\$ 21,625 in the period ended December 31, 2023, as a contra entry to capital reserves under shareholders' equity (R\$ 26,769 as of December 31, 2022). Furthermore, the amount of R\$ 13,661 in the period ended December 31, 2023 (R\$ 3,254 as of December 31, 2022) was recognized as personnel expenses with charges, net of restatement at the share price on the closing date of the period.

29.3. Stock options ("SOP")

The stock option plans issued by the Company are closed for new grants. The grace periods have all been completed and, thus, no expenses have been recorded in the current year. The options that were effective on December 31, 2022 expired in 2023 and were abandoned.

The variations in the number of stock options and their corresponding weighted average prices, considering the split retrospectively, are shown below:

PLANS	Number of stock options				12/31/2023	Average price for the year
	12/31/2022	Options granted	Exercised options	Abandoned options		
AEDU_2013 Plan	31,967	-	-	(31,967)	-	R\$ 9.65
KROT_2013 Plan	4,050,000	-	-	(4,050,000)	-	R\$ 7.20
KROT_2015 Plan	8,095,000	-	-	(8,095,000)	-	R\$ 8.85
TOTAL	12,176,967	-	-	(12,176,967)	-	

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2023 and 2022

In thousands of reais, unless otherwise indicated

29.4. Restricted stock option plans - VASTA

On July 31, 2020, Cogna Educação S.A., the sole shareholder of Vasta Platform Limited at the time, approved the creation of the Restricted Stock Plan of its subsidiary Vasta to increase the involvement of eligible beneficiaries in the creation of value and profitability of the subsidiary, as well as encouraging them to make significant contributions to the long-term performance and growth of Vasta Platform Limited.

Rights were granted to employees and executives to receive Vasta Platform's Class A shares limited to 3% of the total shares of Vasta, which correspond to 2,490,348 shares.

Vasta has granted restricted stock award contracts to the beneficiary allocated in up to five different annual tranches, the acquisition of which will be subject to the continued employment of the beneficiary in the Company or to an applicable member of the Company's Group. Each tranche will be settled according to the vesting schedule defined by the Board of Directors in the contracts awarded.

The fair value of the restricted shares granted is measured at the market price of subsidiary Vasta's shares on the grant date and the restricted shares will be granted on a non-interest-bearing basis to the participants, through the transfer of shares held in treasury or upon the issuance of new shares.

Below is a representation of the transactions carried out in the period ended December 31, 2023:

PLANS	Number of restricted shares				12/31/2023
	12/31/2022	Restricted shares granted	Restricted shares settled	Restricted shares canceled	
Vasta plan	800,796	1,164,850	(330,233)	(40,560)	1,594,853
TOTAL	800,796	1,164,850	(330,233)	(40,560)	1,594,853

In the year ended December 31, 2023, the Company recognized the amount of R\$ 13,128 related to expenses with grants under the Vasta's Restricted Stock Plan (R\$ 22,404 as of December 31, 2022). Additionally, was recognized as personnel expenses with charges and the updating of the accumulated balances of charges by the closing price of Vasta's share in the amount of R\$ 3,565, with a balancing entry in the provision for charges in Liabilities (R\$ 4,403 as of December 31, 2022), net of restatement for the closing price of Vasta's share.

29.5. 2023 Vasta PSU Plan

At a meeting of the Board of Directors of Vasta Platform Limited, held on August 09, 2023, a new long-term incentive (LTI) plan was approved based on the model of the "2023 Performance Shares Plan" adopted by Cogna, with granting in 2023 and vestings in 2026, 2027, and 2028, and dilution of 1.75% in Vasta shares.

PLANS	Quantity of options				12/31/2023
	12/31/2022	Options granted	Options settled	Options cancelled	
2023 Vasta PSU plan	-	1,072,506	(25,000)	(56,454)	991,052
TOTAL	-	1,072,506	(25,000)	(56,454)	991,052

The Company recognized the amount of R\$ 2,033 related to expenses with grants under the 2023 PSU Vasta Plan. In addition, the amount of R\$ 1,161 was recognized as personnel expenses with charges and the updating of the accumulated balances of charges by the closing price of Vasta's share, with a balancing entry in the provision for charges in Liabilities.

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2023 and 2022

In thousands of reais, unless otherwise indicated

30. Related parties

30.1. Related parties transactions

The main transactions contracted by the Company and its subsidiaries with related parties for the year ended December 31, 2023 are presented below:

Bonds receivable from related parties:

Related party				Individual
	12/31/2022	Interest	Settlement	12/31/2023
Somos Sistemas (i)	313,350	42,242	(91,869)	263,723
EDE ⁽ⁱⁱ⁾	822,942	95,162	(252,680)	665,424
Somos Idiomas ⁽ⁱⁱⁱ⁾	169,456	18,296	(72,660)	115,092
	1,305,748	155,700	(417,209)	1,044,239
Current assets	105,530			57,942
Non-current assets	1,200,218			986,297
	1,305,748			1,044,239

- (i) Cogna is a creditor (debenture holder) of securities whose obligation is currently held by Somos Sistemas, held on December 31, 2019 in the amount of R\$ 101,770, remunerated at CDI (Interbank Deposit Certificate) + 1% p.a., settled on August 14, 2023. Additionally, on September 28, 2022, the Company remitted funds to the subsidiary Somos Sistemas through the 9th issue of simple bonds, in the amount of R\$ 250,000, remunerated at CDI (Interbank Deposit Certificate) + 2.40% p.a. with final maturity on September 28, 2025;
- (ii) In April 2019, Cogna transferred the amounts that were raised through its first issuance of bonds, which took place on April 15, 2019, to subsidiary EDE in the amount of R\$ 800,000, remunerated at the CDI (Interbank Deposit Certificate) + 0.65% p.a., maturing on December 31, 2025; and
- (iii) On March 25, 2022, Cogna remitted funds to the subsidiary Somos Idiomas through the 1st issue of simple bonds, in the amount of R\$ 150,000, remunerated at the CDI (Interbank Deposit Certificate) rate + 3.57% p.a., and with final maturity on December 31, 2025.

Related parties – other receivable (Assets)

	Individual	
	12/31/2023	12/31/2022
Apportionment of corporate expenses (i)	6,288	8,180
Indemnity agreement Saber (ii)	189,397	180,923
Amounts assigned to subsidiaries - loan (iii)	128,333	224,052
Interest on own capital receivable	48,342	13,459
Dividends receivable	-	9,241
Other	-	2,738
	372,360	438,593
Current assets	244,027	438,593
Non-current assets	128,333	-
	372,360	438,593

- (i) Refers to balances receivable from the apportionment of corporate expenses carried out between Cogna Group's companies, charged via debit note. The amount recognized in income (loss) related to this operation as of December 31, 2023 was R\$ 30,757 of revenue (R\$ 11,185 as of December 31, 2022).

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2023 and 2022

In thousands of reais, unless otherwise indicated

- (ii) Amounts receivable from the guarantee contract between Cogna and Saber signed on December 31, 2019, in the amount of R\$ 149,600, updated by the IPCA rate, with an updated balance of R\$ 189,397 (R\$ 180,923 as of December 31, 2022), relating to contingent liabilities assumed by the corporate reorganization;
- (iii) In order to better allocate capital among the Group's subsidiaries, the Company made cash transfers to its subsidiaries against capital increases or loan agreements, depending on an analysis by each company. For this purpose, loan agreements maturing in December 2025 were entered into considering the remuneration of CDI+3.57% p.a. Tax on Financial Transactions (IOF) is not levied on these operations, because of Decree 10.504/2020, approved by the Government, which defined a zero rate for the tax on credit operations. The balances receivable per subsidiary are shown below:

Subsidiary				Individual
	12/31/2022	Interest	Amortization	12/31/2023
Pses	39,696	6,761	-	46,457
EDE	184,356	17,515	(119,995)	81,876
	224,052	24,276	(119,995)	128,333

Related parties – other (Liabilities):

			Individual
	12/31/2023		12/31/2022
Apportionment of corporate expenses	-		2,508
Indemnity Agreement Saber (i)	203,942		168,561
Advance of dividends	5,415		15,421
	209,357		186,490
Current liabilities	209,357		186,490
	209,357		186,490

- (i) Substantially related to accounts payable resulting from indemnity contracts with Somos Sistemas.

Other operations:

- (i) A Donation Agreement with Charge was signed between Cogna Educação S.A. and Fundação Pitágoras, seeking to comply with the social and institutional purposes of the Foundation. The former Chairman of the Board of Directors and the Members of the Company's Board of Directors are part of the Foundation's Board of Trustees. The total amount was R\$ 1,025, paid on 4 different dates during 2023 (R\$ 0 as of December 31, 2022).
- (ii) On January 4, 2020, Anhanguera Educacional Participações S/A and Fundação Manoel de Barros entered into an Agreement for Technical, Scientific and Cultural Cooperation with a Donation with Charge, for a period of 2 years, seeking to comply with the social and institutional purposes of the Foundation. The Members of the Board of Trustees, Board of Directors and Fiscal Council of Fundação Manoel de Barros are Executives of the Company. Reimbursement of R\$ 150 related to this contract was carried out in 2023 (R\$ 150 as of December 31, 2022).
- (iii) Lease agreements were signed for non-residential properties intended for university operations of the subsidiary EDE, leased from Vertia Empreendimentos Imobiliários Ltda., a company controlled by a shareholder and former member of the Company's Board of Directors and current member of the Company's Founders' Committee, also having as shareholder the current president of the Company's Board of Directors. On July 10, 2019, the Company renewed the lease term for an additional period of 10 years, starting on January 1, 2020. The amount paid monthly for these agreements totals R\$ 2,852. The readjustment index is IPCA (R\$ 2,636 as of December 31, 2022).

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2023 and 2022

In thousands of reais, unless otherwise indicated

- (iv) Lease agreements were signed for non-residential properties intended for university operations of UNOPAR's University Campus, in the city of Londrina-PR, leased from Create Administração de Bens Móveis e Imóveis Ltda., a company controlled by shareholders and former members of the Board of Directors. The agreements are valid for 20 years commencing on January 1, 2012. The amount paid monthly by the subsidiary EDE for these agreements totals R\$ 1,564 (R\$ 1,480 as of December 31, 2022).
- (v) On July 18, 2023, we entered into a service agreement with Educa Mais Brasil Programas Educacionais Ltda. ("Instituto Educar"), for the purpose of providing services to transform leads into potential students enrolled in higher education, graduate programs, and other non-degree-based courses offered by the Company. The Agreement is valid for a period of 12 (twelve) months, starting on the date of its signing, and may be terminated and/or rescinded by either Party, at any time, with at least 30 days advance notice. The controller of Instituto Educar is a first-degree relative of a member of the founders committee and current chairman of the Board of Directors, and is a shareholder of the Company. Instituto Educar is remunerated according to the students who actually enroll (success fee), pursuant to the terms and conditions set forth in the Agreement. In 2023 there was no disbursement related to this Agreement.

30.2. Compensation of key management personnel

Key management personnel includes the members of the Board of Directors and Tax Council, president, the vice-presidents and statutory directors.

	12/31/2023	Consolidated 12/31/2022
Salaries	13,528	16,339
Benefits	502	661
Charges	4,806	6,178
Variable remuneration	10,198	14,549
Stock option plan and restricted shares	20,162	19,472
	49,196	57,199

31. Insurance coverage

The Company has a risk management program aiming to delimit risks, seeking coverage compatible with its size and operation in the market. Coverages were contracted at the amount indicated below, to cover possible claims, considering its activity nature, risks involved in its operations and the opinion of insurance advisors.

On December 31, 2023, the Company and its subsidiaries presented the following main insurance policies contracted from third parties:

	12/31/2023	Consolidated 12/31/2022
Property, plant and equipment	353,000	338,000
General civil liability and executives	228,422	234,782
Vehicles	2,683	5,159
	584,105	577,941

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2023 and 2022

In thousands of reais, unless otherwise indicated

32. Net revenue from sales and services

	12/31/2023				
	Kroton	Vasta	Saber	Elimination	Consolidated
Gross revenue from services	5,044,970	51,313	79,246	-	5,175,529
Deductions from gross revenue					
Taxes	(109,397)	(5,299)	(7,035)	-	(121,731)
ProUni	(893,440)	-	-	-	(893,440)
Discounts and returns	(505,739)	-	(2,445)	-	(508,184)
Net revenue from services	3,536,394	46,014	69,766	-	3,652,174
Gross revenue from sales	104,176	1,676,781	695,515	(39,242)	2,437,230
Deductions from gross revenue					
Taxes	-	(4,141)	-	-	(4,141)
Discounts and returns	-	(232,381)	(49,987)	-	(282,368)
Net revenue from sales	104,176	1,440,259	645,528	(39,242)	2,150,721
Gross revenue from royalties	-	-	11,903	-	11,903
Net revenue from royalties	-	-	11,903	-	11,903
Net revenue	3,640,570	1,486,273	727,197	(39,242)	5,814,798

	12/31/2022				
	Kroton	Vasta	Saber	Elimination	Consolidated
Gross revenue	4,694,591	41,753	69,788	-	4,806,132
Gross revenue from services					
Taxes	(86,340)	(7,300)	(6,183)	-	(99,823)
ProUni	(823,667)	-	-	-	(823,667)
Discounts and returns	(519,563)	-	(6,260)	-	(525,823)
Net revenue from services	3,265,021	34,453	57,345	-	3,356,819
Gross revenue from sales	81,659	1,379,338	356,386	(30,000)	1,787,383
Deductions from gross revenue					
Taxes	-	(2,662)	-	-	(2,662)
Discounts and returns	-	(146,849)	(717)	-	(147,566)
Net revenue from sales	81,659	1,229,827	355,669	(30,000)	1,637,155
Gross revenue from royalties	-	-	10,819	-	10,819
Net revenue from royalties	-	-	10,819	-	10,819
Net revenue	3,346,680	1,264,280	423,833	(30,000)	5,004,793

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2023 and 2022

In thousands of reais, unless otherwise indicated

33. Costs and expenses by nature

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Salaries and social charges ⁽ⁱ⁾	(28,102)	(16,076)	(1,726,333)	(1,617,752)
Allowance for doubtful accounts ⁽ⁱ⁾	-	-	(446,445)	(439,345)
Depreciation and amortization	(339)	(294)	(443,745)	(451,858)
Advertising ⁽ⁱ⁾	(215)	(181)	(405,825)	(312,649)
Cost of goods sold	-	-	(79,884)	(47,584)
Cost of sales books ⁽ⁱ⁾	-	-	(135,220)	(57,701)
Costs of paper	-	-	(238,524)	(175,429)
Amortization of intangible assets generated in business combinations.	(1,838)	-	(237,490)	(260,871)
Utilities, cleaning and security ⁽ⁱ⁾	(1,169)	(2,143)	(313,087)	(316,517)
Depreciation - IFRS 16	-	-	(223,814)	(211,654)
Consulting and advisory ⁽ⁱ⁾	-	(606)	(328,181)	(216,712)
Other revenues (expenses), net of property, plant and equipment ⁽ⁱ⁾	-	-	20,670	(13,816)
Other general expenses ⁽ⁱ⁾	(2,413)	-	(197,332)	(132,554)
Charges of apportionment of corporate expenses	30,757	11,185	-	-
Price adjustment to accounts payable for acquisition	-	-	(59,388)	-
Copyright	-	-	(149,043)	(104,445)
Rent and Common Charges	-	-	(50,829)	(48,605)
Editorial costs	-	-	(103,882)	(93,949)
Traveling ⁽ⁱ⁾	(87)	-	(62,007)	(47,803)
Amortization of digital book	-	-	(11,996)	(6,182)
Outsourced services ⁽ⁱ⁾	(16)	-	(232)	(2,077)
Contingencies	698	(48)	128,605	64,774
Impairment losses on intangible assets	-	-	-	(95,138)
	(2,724)	(8,163)	(5,063,982)	(4,587,867)
Cost of sales and services	-	-	(2,198,549)	(1,817,151)
Commercial expenses	-	-	(702,994)	(536,697)
General and administrative expenses	(2,724)	(8,163)	(1,677,276)	(1,685,720)
Impairment losses on trade receivables	-	-	(446,445)	(439,345)
Impairment losses on intangible assets	-	-	-	(95,138)
Other operating revenues	-	-	35,466	14,920
Other operating expenses	-	-	(74,184)	(28,736)
	(2,724)	(8,163)	(5,063,982)	(4,587,867)

(i) Considers the costs and expenses linked to continued operations. The results of discontinued operations are presented in Note 4.

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2023 and 2022

In thousands of reais, unless otherwise indicated

34. Finance result

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Finance income				
Income on monthly payments	-	-	102,369	92,039
Income from interest earning bank deposits and securities ⁽ⁱⁱⁱ⁾	27,165	80,287	152,535	334,894
Gain with derivative financial instruments	31,625	4,978	31,625	4,978
Interest on accounts receivable from sale of subsidiaries	-	-	4,443	10,170
Income receivable	-	-	14,584	10,421
Income on loan agreement receivable of subsidiaries ⁽ⁱ⁾	24,276	279,411	-	-
Other finance income ^{(ii), (iii)}	153,355	169,366	19,560	55,896
Reversal of inflation readjustment	8,505	-	63,245	38,459
	244,926	534,042	388,361	546,857
Financial costs				
Lease Interest ^(iv)	-	-	(301,489)	(306,286)
Interest and costs from loans and bonds	(493,672)	(637,871)	(679,998)	(821,670)
Loss with derivative financial instruments	(36,829)	(23,032)	(36,829)	(23,032)
Inflation readjustment	(23,563)	(19,844)	(131,514)	(187,120)
Interest on reverse factoring	-	-	(72,642)	(27,476)
Other financial costs ⁽ⁱⁱⁱ⁾	(6,229)	(2,292)	(23,232)	(29,602)
Update of liabilities for acquisition of subsidiaries	-	-	(13,985)	(20,026)
Bank and collection fees	(343)	(1,806)	(22,854)	(20,592)
Commercial and tax interest and late-payment interest	(185)	(83)	(9,556)	(3,957)
	(560,821)	(684,928)	(1,292,099)	(1,439,761)
Financial result	(315,895)	(150,886)	(903,738)	(892,904)

(i) Related to interest on loan operations carried out by Cogna to its subsidiaries, further described in Note 30.

(ii) Substantially composed of interest on internal bonds carried out with the subsidiaries EDE, Somos Sistemas and Red Balloon. More information is included in Note 30.

(iii) Financial incomes and costs related to continued operations are considered. The financial result arising from discontinued operations is presented in Note 4

(iv) Relating to interest on leases, pursuant to the criteria provided for in CPC 06/IFRS 16.

35. Loss per share

35.1. Basic

The basic loss per share is calculated by dividing the result attributable to the holders of common shares of the Company by the weighted average number of common shares held by shareholders (excluding those held in treasury) during the year.

	Loss for the year	
	12/31/2023	12/31/2022
Loss attributable to Company's shareholders	(511,353)	(540,998)
Weighted average number of outstanding common shares	1,871,781	1,878,129
Basic losses per common share	(0.27)	(0.29)

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2023 and 2022

In thousands of reais, unless otherwise indicated

35.2. Diluted

For dilution purposes, the Company has a stock option plan granted to the beneficiaries, whereby the issue of shares is allowed at the time of the option period. On December 31, 2023 and 2022, there was no dilution effect as it was a loss per share.

36. Segment reporting

The company manages its activities in three main operating business segments, as described in Note 2.2 (e) to differentiate its offered products. As of December 31, 2023, because of the treatment given to the result of discontinued operations, related to the SETS's operation, the balances for the comparison of 2022 are being restated, as presented in note 4. Thus, we present below the results of these segmentations for the year ended December 31, 2023 and 2022 previously disclosed:

					12/31/2023
	Kroton	Vasta	Saber	Elimination	Total
Net revenue	3,640,570	1,486,273	727,197	(39,242)	5,814,798
Cost of sales and services	(1,130,063)	(570,907)	(447,484)	39,242	(2,109,212)
	2,510,507	915,366	279,713	-	3,705,586
Operating expenses:					
Commercial expenses	(397,857)	(246,096)	(59,041)	-	(702,994)
General and administrative expenses	(1,373,023)	(465,523)	71,933	-	(1,766,613)
Impairment losses on trade receivables	(378,654)	(55,771)	(12,020)	-	(446,445)
Other (expenses) revenues, net	(26,060)	(14,385)	1,727	-	(38,718)
Share of loss equity-accounted investees	-	(18,655)	(1)	-	(18,656)
Profit before finance result and taxes	334,913	114,936	282,311	-	732,160
Assets	15,158,312	7,403,481	2,574,070	-	25,135,863
Current and non-current liabilities	7,694,622	2,882,690	1,852,272	-	12,429,584
					12/31/2022
	Kroton	Vasta	Saber	Elimination	Total
Net revenue	3,346,680	1,264,280	423,833	(30,000)	5,004,793
Cost of sales and services	(1,103,456)	(474,586)	(269,109)	30,000	(1,817,151)
	2,243,224	789,694	154,724	-	3,187,642
Operating expenses:					
Commercial expenses	(296,316)	(194,043)	(46,338)	-	(536,697)
General and administrative expenses	(1,314,581)	(470,052)	98,913	-	(1,685,720)
Impairment losses on trade receivables	(407,461)	(45,904)	14,020	-	(439,345)
Impairment losses on intangible assets	-	-	(95,138)	-	(95,138)
Other (expenses) revenues, net	(18,561)	989	3,756	-	(13,816)
Share of loss equity-accounted investees	-	(4,512)	-	-	(4,512)
Operating income and before financial result	206,305	76,172	129,937	-	412,414
Assets	16,029,771	7,513,331	2,853,649	-	26,396,751
Current and non-current liabilities	8,009,846	2,883,399	2,262,118	-	13,155,363

37. Cash flow supplementary information

Statements of cash flows, by the indirect method, are prepared and presented in accordance with the accounting pronouncement CPC 03 (R2) / IAS 7 – Statement of Cash Flows. During the year, the Group carried out additions and cancellations of contracts in rights-of-use leases, in addition to changes in guarantees linked to operations with former sponsors and offsets of accounts receivable and payable in transactions made with other companies, all of them have no cash effect. The aforementioned impacts are as follows:

	<u>12/31/2023</u>	<u>Consolidated</u> <u>12/31/2022</u>
Adjustments for:		
Property, plant and equipment		
Addition of financial leases (IFRS 16/CPC 06)	206,622	359,291
Write-off of financial leases (IFRS 16/CPC 06)	(183,132)	(196,350)
	<u>23,490</u>	<u>162,941</u>
Liabilities assumed in the business combination		
Former sponsor guarantees	127,981	10,097
	<u>127,981</u>	<u>10,097</u>
	<u>151,471</u>	<u>173,038</u>

38. Subsequent event

According to a statement released to the market on January 30, 2024, Cogna, through its subsidiary Saber, signed a Stock Purchase and Sale Agreement and other covenants, jointly with the company Grupo Editorial Nacional Participações S.A. (“Grupo Gen”), whereby it agreed to purchase the entire share capital of its subsidiary SRV Editora Ltda., which will hold, on the closing date of the agreed transaction, all inventory, license or sublicense and, exclusively, the publishing labels SaraivaJur, SaraivaUni, Benvirá, and Érica – focused on higher education, which make up the “SETS” assets, related to the business of publishing and marketing print and digital books, in the “Scientific, Technical and Professional” (“CTP”) segment (“Operation”).

In a transaction carried out on the same date, Saber, with Cogna’s consent, signed a share purchase agreement and other covenants jointly with Gen Group, in which it agreed to sell all shares issued by SRV Editora Ltda to Gen Group. SRV Editora Ltda currently maintains the entire operation of SETS from Cogna Group.

The operation does not include textbooks (aimed at primary education) and NBTP books. The Operation also includes the sale of the entire equity interest held by Grupo Cogna (20%) in Minha Biblioteca Ltda, a company formed by publishing groups to offer books in digital library format to higher education institutions.

The total unconditional price of the Operation is R\$ 62,500 and, upon reaching certain metrics for the business sold, this amount could reach up to R\$ 72,500. The price of the Transaction is also subject to cash adjustments and inflation correction that are usual in transactions of this nature.

It is extremely worth mentioning that the completion of Operation is subject to certain suspensive conditions, including prior approval by the Administrative Council for Economic Defense (CADE).