

YDUQS Participações S.A.

Interim Accounting Information

**March 31, 2023 and
report on review of
quarterly information**

Report on review of quarterly information

To the Board of Directors and Stockholders
YDUQS Participações S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of YDUQS Participações S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2023, comprising the statements of financial position at that date and the statements of income, comprehensive income, changes in equity and cash flows for the quarter then ended, and explanatory notes.

Management is responsible for the preparation of the parent company and consolidated interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC) and International Accounting Standard (IAS) 34, Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial 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). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently did not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Other matters

Statements of value added

The quarterly information referred to above includes the parent company and consolidated statements of value added for the quarter ended March 31, 2023. These statements are the responsibility of the Company's management and are presented as supplementary information under IAS 34. These statements have been subjected to review procedures performed together with the review of the quarterly information for the purpose of concluding whether they are reconciled with the interim accounting information and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and consistent with the parent company and consolidated interim accounting information taken as a whole.

Rio de Janeiro, May 09, 2023

PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/O-5

Patricio Marques Roche
Contador CRC 1RJ081115/O-4

YDUQS Participações S.A.
Statement of financial position
In thousands of Brazilian reais

| | Parent company | | Consolidated | | | Parent company | | Consolidated | |
|--|------------------|-------------------|------------------|-------------------|---|------------------|-------------------|------------------|-------------------|
| | March 31, 2023 | December 31, 2022 | March 31, 2023 | December 31, 2022 | | March 31, 2023 | December 31, 2022 | March 31, 2023 | December 31, 2022 |
| Assets | | | | | Liabilities and equity | | | | |
| Current | | | | | Current | | | | |
| Cash and cash equivalents (Note 3) | 65,895 | 2,265 | 637,128 | 401,050 | Suppliers | 1,421 | 1,472 | 264,813 | 227,561 |
| Securities (Note 3) | 10,668 | 338 | 490,641 | 384,781 | Loans and financing (Note 11) | 490,698 | 279,726 | 490,698 | 279,726 |
| Trade receivables (Note 4) | | | 1,065,286 | 1,055,886 | Leases (Note 12) | | | 228,988 | 232,020 |
| Related parties (Note 5) | 15 | 18 | | | Salaries and social charges (Note 13) | 282 | 313 | 207,308 | 137,832 |
| Prepaid expenses (Note 6) | 1,301 | 879 | 31,950 | 19,394 | Tax obligations (Note 14) | 4,729 | 1,492 | 93,483 | 69,429 |
| Taxes and contributions recoverable (Note 7) | 56,121 | 64,226 | 183,866 | 216,378 | Prepaid monthly tuition fees | | | 72,876 | 76,658 |
| Dividends receivable | 219,612 | 219,612 | | | Tax payment in installments (Note 15) | | | 4,459 | 4,450 |
| Others | 950 | | 15,517 | 22,972 | Related parties (Note 5) | 81 | 63 | | |
| | | | | | Dividends payable (Note 18) | 53 | 58 | 53 | 58 |
| | | | | | Acquisition price payable (Note 16) | | | 14,373 | 67,292 |
| | <u>354,562</u> | <u>287,338</u> | <u>2,424,388</u> | <u>2,100,461</u> | Others | 4,038 | 4,930 | 13,984 | 12,585 |
| | | | | | | <u>501,302</u> | <u>288,054</u> | <u>1,391,035</u> | <u>1,107,611</u> |
| Non-current | | | | | Non-current | | | | |
| Non-current receivables | | | | | Long-term liabilities | | | | |
| Trade receivables (Note 4) | | | 254,078 | 153,046 | Loans and financing (Note 11) | 3,265,226 | 3,249,702 | 3,265,226 | 3,249,702 |
| Prepaid expenses (Note 6) | 85 | 90 | 6,008 | 6,572 | Leases (Note 12) | | | 1,333,542 | 1,279,049 |
| Legal deposits (Note 17) | 313 | 312 | 88,544 | 89,111 | Contingencies (Note 17) | | | 239,119 | 220,419 |
| Deferred taxes (Note 28) | 1,260 | 1,189 | 440,260 | 398,086 | Tax payment in installments (Note 15) | | | 6,873 | 7,521 |
| Taxes and contributions recoverable (Note 7) | 54,019 | 36,703 | 175,289 | 141,626 | Provision for assets retirement | | | 91,722 | 92,685 |
| Others | | | 12,647 | 12,697 | Acquisition price payable (Note 16) | | | 45,351 | 44,188 |
| | | | | | Financial liabilities - options | | | 55,917 | 55,917 |
| | | | | | Others | 17,232 | 18,065 | 30,811 | 32,056 |
| | <u>55,677</u> | <u>38,294</u> | <u>976,826</u> | <u>801,138</u> | | <u>3,282,458</u> | <u>3,267,767</u> | <u>5,068,561</u> | <u>4,981,537</u> |
| Investments | | | | | Equity (Note 18) | | | | |
| In subsidiaries (Note 8) | 5,693,696 | 5,396,371 | | | Share capital | 1,139,887 | 1,139,887 | 1,139,887 | 1,139,887 |
| Others | | | 338 | 338 | Expenditure on issuing shares | (26,852) | (26,852) | (26,852) | (26,852) |
| Intangible assets (Note 9) | 780,065 | 780,065 | 3,633,721 | 3,633,048 | Capital reserves | 716,645 | 715,981 | 716,645 | 715,981 |
| Property, plant and equipment (Note 10) | | | 2,538,436 | 2,514,222 | Retained earnings | 1,528,128 | 1,528,128 | 1,528,128 | 1,528,128 |
| | <u>6,473,761</u> | <u>6,176,436</u> | <u>6,172,495</u> | <u>6,147,608</u> | Treasury shares | (350,472) | (354,980) | (350,472) | (354,980) |
| | | | | | Equity Valuation Adjustment | (55,917) | (55,917) | (55,917) | (55,917) |
| | | | | | Profit or loss for the period | 148,821 | | 148,821 | |
| | | | | | | <u>3,100,240</u> | <u>2,946,247</u> | <u>3,100,240</u> | <u>2,946,247</u> |
| | <u>6,529,438</u> | <u>6,214,730</u> | <u>7,149,321</u> | <u>6,948,746</u> | Equity interest of non-controlling shareholders | | | 13,873 | 13,812 |
| | | | | | | <u>3,100,240</u> | <u>2,946,247</u> | <u>3,114,113</u> | <u>2,960,059</u> |
| Total assets | <u>6,884,000</u> | <u>6,502,068</u> | <u>9,573,709</u> | <u>9,049,207</u> | Total liabilities and equity | <u>6,884,000</u> | <u>6,502,068</u> | <u>9,573,709</u> | <u>9,049,207</u> |

The Management notes are an integral part of the interim accounting information.

YDUQS Participações S.A.
Statement of income
Three-month periods ended March 31
In thousands of Brazilian reais, except profit per share

| | <u>Parent company</u> | | <u>Consolidated</u> | |
|--|-----------------------|------------------|---------------------|------------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Continued operations | | | | |
| Net revenue from activities (Note 22) | | | 1,313,329 | 1,192,974 |
| Costs of the services provided (Note 23) | | | (479,508) | (465,705) |
| Gross income | | | 833,821 | 727,269 |
| Operating revenues (expenses) | | | | |
| Selling expenses (Note 24) | | | (257,521) | (270,641) |
| General and administrative expenses (Note 24) | (3,170) | (6,119) | (292,184) | (240,919) |
| Equity accounting income (loss) (Note 8) | 303,307 | 190,171 | | |
| Other operating revenues/expenses (Note 25) | 1,308 | 756 | 25,143 | 3,848 |
| Operating income | <u>301,445</u> | <u>184,808</u> | <u>309,259</u> | <u>219,557</u> |
| Financial revenues (Note 26) | 28,912 | 106,208 | 90,250 | 164,041 |
| Financial expenses (Note 26) | (181,607) | (215,169) | (262,050) | (308,307) |
| Net financial income | <u>(152,695)</u> | <u>(108,961)</u> | <u>(171,800)</u> | <u>(144,266)</u> |
| Profit before income tax and social security contribution | 148,750 | 75,847 | 137,459 | 75,291 |
| Current and deferred income tax (Note 28) | 52 | 141 | 8,810 | 628 |
| Current and deferred social security contribution (Note 28) | 19 | 51 | 3,221 | 120 |
| Net income for the period | | | | |
| Attributed to shareholders of the parent company | 148,821 | 76,039 | 148,821 | 76,039 |
| Attributed to non-controlling shareholders | | | 669 | |
| | <u>148,821</u> | <u>76,039</u> | <u>149,490</u> | <u>76,039</u> |
| Net income per batch of 1000 shares - basic (Note 21) | <u>0.51277</u> | <u>0.25229</u> | <u>0.51277</u> | <u>0.25229</u> |
| Net income per batch of 1000 shares - diluted (Note 21) | <u>0.51277</u> | <u>0.25229</u> | <u>0.51277</u> | <u>0.25229</u> |

The Management notes are an integral part of the interim accounting information.

YDUQS Participações S.A.
Statement of comprehensive income
Three-month periods ended March 31
In thousands of Brazilian reais

| | Parent company | | Consolidated | |
|---|-----------------------|-------------|---------------------|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| Net income for the period | 148,821 | 76,039 | 149,490 | 76,039 |
| Other comprehensive income | | | | |
| Total comprehensive income for the period, net of taxes | 148,821 | 76,039 | 149,490 | 76,039 |
| Attributable to: | | | | |
| Parent company's shareholders | 148,821 | 76,039 | 148,821 | 76,039 |
| Non-controlling shareholders | | | 669 | |
| | 148,821 | 76,039 | 149,490 | 76,039 |

The Management notes are an integral part of the interim accounting information.

YDUQS Participações S.A.
Statement of changes in equity
In thousands of Brazilian reais

| | Share capital | Expenditure w/ issue of shares | Goodwill on subscription of shares | Capital reserves | Negative Goodwill on sale of shares | Options granted | Retained earnings | | Shares in treasury | Equity Valuation adjustment | Retained earnings | Equity net Parent company | Equity Interest of non controlling | Equity Net consolidated |
|--|---------------|--------------------------------|------------------------------------|------------------|-------------------------------------|-----------------|-------------------|----------------------|--------------------|-----------------------------|-------------------|---------------------------|------------------------------------|-------------------------|
| | | | | | | | Legal | Retention of profits | | | | | | |
| As of December 31, 2021 | 1,139,887 | (26,852) | 595,464 | (12,141) | 119,332 | 191,797 | 1,394,575 | (160,478) | | | | 3,241,584 | | 3,241,584 |
| Granted options (Note 21) | | | | | 21 | | | | | | | 21 | | 21 |
| Restricted Shares Granting Plan (Note 21) | | | | | 5,385 | | | | | | | 5,385 | | 5,385 |
| Payment of Restricted Shares Granting Plan (Note 18 d.3) | | | | | (140) | | | 140 | | | | | | |
| Payment of Stock options | | | | | | | | 32 | | | | 32 | | 32 |
| Treasury shares acquired | | | | | | | | (43,475) | | | | (43,475) | | (43,475) |
| Net income for the period | | | | | | | | | | 76,039 | | 76,039 | | 76,039 |
| Non-controlling interests | | | | | | | | | | | | | 12,837 | 12,837 |
| As of March 31, 2022 | 1,139,887 | (26,852) | 595,464 | (12,141) | 124,598 | 191,797 | 1,394,575 | (203,781) | | | 76,039 | 3,279,586 | 12,837 | 3,292,423 |
| As of December 31, 2022 | 1,139,887 | (26,852) | 595,464 | (12,141) | 132,658 | 191,797 | 1,336,331 | (354,980) | (55,917) | | | 2,946,247 | 13,812 | 2,960,059 |
| Restricted Shares Granting Plan (Note 20) | | | | | 4,912 | | | | | | | 4,912 | | 4,912 |
| Payment of Restricted Shares Granting Plan | | | | | (4,248) | | | 4,248 | | | | | | |
| Payment of Stock options (Note 18 d.3) | | | | | | | | 260 | | | | 260 | | 260 |
| Net income for the period | | | | | | | | | | 148,821 | | 148,821 | 669 | 149,490 |
| Non-controlling interests | | | | | | | | | | | | | (608) | (608) |
| As of March 31, 2023 | 1,139,887 | (26,852) | 595,464 | (12,141) | 133,322 | 191,797 | 1,336,331 | (350,472) | (55,917) | 148,821 | | 3,100,240 | 13,873 | 3,114,113 |

The Management notes are an integral part of the interim accounting information.

YDUQS Participações S.A.
Statement of cash flows
Three-month periods ended March 31
In thousands of Brazilian reais

| | Parent company | | Consolidated | |
|--|------------------|------------------|------------------|------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Cash flow from operating activities | | | | |
| Profit before income tax and social security contribution | 148,750 | 75,847 | 137,459 | 75,291 |
| Adjustments of profit (loss): | | | | |
| Depreciation and amortization | | 1 | 185,128 | 176,623 |
| Amortization of loan funding costs | 933 | 1,150 | 933 | 1,149 |
| Allowance for doubtful accounts | | | 128,230 | 128,722 |
| Provision for loss - Other trade receivables | | | 1,017 | (72) |
| Granted options – Stock options provision | 209 | 594 | 4,255 | 3,323 |
| Provision for contingencies | | (28) | 29,022 | 23,469 |
| Interest on loans and financing | 141,271 | 117,726 | 141,271 | 117,726 |
| Interest on leases | | | 35,435 | 31,915 |
| Adjustment of assets retirement obligation | | | 731 | (34) |
| Adjustment of commitments payable | | | 3,328 | 3,298 |
| (Gain) Loss on disposal of property, plant and equipment and intangible assets | | | 221 | 1,100 |
| Equity accounting method | (303,307) | (190,171) | | |
| Adjustments to present value – trade receivables | | | 21,166 | 8,800 |
| Adjustment of tax credits | (1,726) | (1,874) | (4,733) | (4,236) |
| Others | 11,697 | (2,323) | (21,132) | 16,732 |
| | (2,173) | 922 | 662,331 | 583,806 |
| Variations in assets and liabilities: | | | | |
| (Increase) in trade receivables | | | (259,825) | (211,541) |
| (Increase) Decrease in prepaid expenses | (417) | 187 | (11,992) | (17,104) |
| (Increase) Decrease in Taxes and contributions recoverable | 2,250 | 8,585 | 12,251 | 2,732 |
| (Increase) in Legal deposits | (1) | | 567 | 487 |
| (Increase) Decrease in other assets | | (2) | 7,455 | 997 |
| Increase (Decrease) in suppliers | (83) | 778 | 28,195 | 48,689 |
| Increase (Decrease) in payroll and social charges | (31) | (65) | 70,132 | 43,263 |
| Increase (Decrease) in tax obligations | 3,237 | (9,939) | 4,970 | (32,155) |
| Increase (Decrease) in monthly fees received in advance | | | (3,782) | (7,743) |
| (Decrease) in Tax installment payment | | | (841) | (908) |
| (Decrease) in Civil / labor / tax awards | | (1) | (17,792) | (20,707) |
| Increase in Provision for assets retirement obligations | | | (1,694) | (5,182) |
| Increase (Decrease) in other liabilities | (873) | 11,713 | (140) | 10,784 |
| | 1,909 | 12,178 | 489,835 | 395,418 |
| Interest paid on loans | (175,951) | (119,620) | (175,951) | (119,620) |
| IRPJ (Income Tax) and CSLL (Social Contribution on Net Income) Paid | | | (11,042) | (8,869) |
| Net cash provided by (used in) operating activities | (174,042) | (107,442) | 302,842 | 266,929 |
| Cash flow from investment activities: | | | | |
| Acquisition of property, plant and equipment | | | (28,212) | (16,562) |
| Acquisition of Intangible assets | | | (76,733) | (69,697) |
| Dividends Received | | | | (15,683) |
| Acquisition of subsidiaries, net of cash obtained | | (100) | | |
| Advance for future capital increase | | | | (173,614) |
| Investment on securities | (10,330) | 26,358 | (105,859) | (14,680) |
| Acquisition price payable | | | | (8,610) |
| Net cash provided by (used in) investment activities. | (10,330) | 26,258 | (225,484) | (284,166) |
| Cash flow from financing activities: | | | | |
| Acquisition of treasury shares | | (43,443) | | (43,443) |
| Use of treasury shares derived from the exercise of stock options | 260 | | 260 | |
| Dividends paid | (5) | | (5) | |
| Debt issuance value | | | | |
| Value received from Loans and financing | 422,840 | 233,156 | 422,840 | 233,156 |
| Loan funding costs | | (11) | | (11) |
| Amortization of loans and financing | (175,093) | (350,147) | (175,093) | (350,147) |
| Lease amortization | | | (89,282) | (102,378) |
| Net cash provided by (used in) financing activities | 248,002 | (160,445) | 158,720 | (262,823) |
| Increase (decrease) in cash and cash equivalents | 63,630 | (241,629) | 236,078 | (280,060) |
| Cash and cash equivalents at the beginning of the period | 2,265 | 485,239 | 401,050 | 905,461 |
| Cash and cash equivalents at the end of the period | 65,895 | 243,610 | 637,128 | 625,401 |
| Increase (decrease) in cash and cash equivalents | 63,630 | (241,629) | 236,078 | (280,060) |

The Management notes are an integral part of the interim accounting information.

YDUQS Participações S.A.
Statement of value added
Three-month periods ended March 31
In thousands of Brazilian reais

| | Parent company | | Consolidated | |
|---|-----------------------|----------------|---------------------|------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Revenues | | | | |
| Educational services | | | 1,359,421 | 1,234,308 |
| Other revenues | | | 940 | 782 |
| Allowance for expected credit losses | | | (128,230) | (128,722) |
| | | | <u>1,232,131</u> | <u>1,106,368</u> |
| Inputs acquired from third parties | | | | |
| Materials, electric power, and others | (861) | (3,674) | (94,607) | (89,500) |
| Third parties' services | (869) | (776) | (113,310) | (95,655) |
| Advertising | | | (106,759) | (111,890) |
| Contingencies | | 50 | (19,796) | (11,568) |
| | <u>(1,730)</u> | <u>(4,400)</u> | <u>(334,472)</u> | <u>(308,613)</u> |
| Gross value added | <u>(1,730)</u> | <u>(4,400)</u> | <u>897,659</u> | <u>797,755</u> |
| Depreciation and amortization | | (1) | (185,128) | (176,623) |
| | | | <u>712,531</u> | <u>621,132</u> |
| Net value added produced | <u>(1,730)</u> | <u>(4,401)</u> | <u>712,531</u> | <u>621,132</u> |
| Value added received from transfer | | | | |
| Equity accounting income (loss) | 303,307 | 190,171 | | |
| Financial revenue | 35,316 | 111,195 | 99,813 | 172,127 |
| Others | 1,442 | 832 | 28,398 | 3,976 |
| | <u>340,065</u> | <u>302,198</u> | <u>128,211</u> | <u>176,103</u> |
| Total distributed value added | <u>338,335</u> | <u>297,797</u> | <u>840,742</u> | <u>797,235</u> |
| Distribution of value added | | | | |
| Work compensation | | | | |
| Direct compensation | 1,164 | 1,518 | 273,909 | 255,830 |
| Benefits | | | 22,686 | 18,612 |
| Severance Pay Fund (FGTS) | | | 17,494 | 18,293 |
| | <u>1,164</u> | <u>1,518</u> | <u>314,089</u> | <u>292,735</u> |
| Taxes, fees and contributions | | | | |
| Federal | 6,767 | 5,706 | 55,039 | 71,148 |
| Municipal | | | 55,128 | 44,304 |
| | <u>6,767</u> | <u>5,706</u> | <u>110,167</u> | <u>115,452</u> |
| Compensation of third-party capital | | | | |
| Interest | 181,583 | 214,534 | 261,274 | 306,990 |
| Rentals | | | 5,722 | 6,019 |
| | <u>181,583</u> | <u>214,534</u> | <u>266,996</u> | <u>313,009</u> |
| Compensation on equity | | | | |
| Retained earnings for the period | 148,821 | 76,039 | 148,821 | 76,039 |
| | <u>148,821</u> | <u>76,039</u> | <u>149,490</u> | <u>76,039</u> |
| Value added distributed | <u>338,335</u> | <u>297,797</u> | <u>840,742</u> | <u>797,235</u> |

The Management notes are an integral part of the interim accounting information.

**Management notes to the financial statements
as of March 31, 2023**

In thousands of Brazilian reais, except when otherwise indicated

1 General information

1.1 Operating context

YDUQS Participações S.A. ("Company") and its subsidiaries (jointly, the "Group") are mainly involved in the development and/or management of activities and/or institutions in the fields of higher education, professional education, and/or other fields related to education, in the management of their own assets and businesses, and the holding of interest, as partner or shareholder, in other partnerships and companies in Brazil.

The Company is a corporation with its principal place of business at Avenida Venezuela, 43, in the City and State of Rio de Janeiro, incorporated under a private share subscription, on March 31, 2007, and currently listed on *Novo Mercado* (New Market).

The Group has 36 companies (including YDUQS Participações S.A), 29 of which are sponsors of a higher education institution, organized as limited liability business companies, and comprises a University, 23 University Centers, and 46 Colleges, accredited and distributed in 25 states in Brazil and in the Federal District.

As of January 1st, 2022, the Group carried out a corporate restructuring involving the following companies: Idez Empreendimentos Educacionais Ltda ("IDEZ"), Uniuol Gestão de Empreendimentos Educacionais e Participações Ltda ("UNIUL"), ABEP – Academia Baiana de Ensino Pesquisa e Extensão Ltda ("RUY BARBOSA"), ANEC – Sociedade Natalense de Educação e Cultura Ltda ("FAL"), and Yduqs Participações 2 Ltda ("ADTALEM"), which have been acquired by their direct parent companies, according to the chart below:

| Acquired company | Acquiring company |
|---|--|
| Idez Empreendimentos Educacionais Ltda. ("IDEZ") | Sociedade Educacional Atual da Amazônia ("ATUAL") |
| Uniuol Gestão de Empreendimentos Educacionais e Participações Ltda. ("UNIUL") | Sociedade Educacional Atual da Amazônia ("ATUAL") |
| ABEP - Academia Baiana de Ensino Pesquisa e Extensão Ltda. ("RUY BARBOSA") | Yduqs Educacional Ltda. ("UNIFANOR") |
| Anec - Sociedade Natalense de Educação e Cultura Ltda. ("FAL") | Sociedade de Ensino Superior, Médio e Fundamental Ltda. ("IREP") |
| Yduqs Participações 2 Ltda. ("ADTALEM") | Sociedade de Ensino Superior Estácio de Sá Ltda. ("SESES") |

The Company manages its financial operations on a consolidated basis, moving financial resources between the companies with the purpose of meeting short-term commitments or profiting from its financial income. Thus, it is possible to have a temporary effect of negative net working capital in the parent company, which does not occur in the consolidated view.

The Company's Board of Directors authorized the publication of these interim accounting information (parent company and consolidated) at a meeting held on May 08, 2023.

1.2 Basis for preparation

The Interim Accounting Information (parent company and consolidated) were elaborated according to Technical Pronouncement CPC 21 — Interim Statement and the International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB). The Interim Accounting Information have also been presented in a manner consistent with the rules issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of the Interim Accounting Information, and show all relevant information related to the Interim Accounting Information (parent company and consolidated), and only that information, which is consistent with that used by the management in its activities.

The presentation of the Statement of Value Added (DVA), individual and consolidated, is required by Brazilian corporate legislation and accounting policies adopted in Brazil applicable to publicly-held companies. International Financial Reporting Standards (IFRS) do not require the presentation of this statement. As a consequence, under IFRS, this statement is presented as supplementary information, without prejudice to the set of the Interim Accounting Information.

1.3 Accounting policies

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These Interim Accounting Information should be read together with the financial statements for the fiscal year that ended December 31, 2022, since their purpose is to provide an update on significant activities, events, and circumstances in relation to those financial statements. In the Interim Accounting Information, the accounting policies are presented in a manner consistent with the accounting practices adopted in the individual and consolidated financial statements of the fiscal year that ended December 31, 2022.

1.4 Changes in accounting policies and disclosures

New standards in force in 2023

- **Amendment to IAS 1 and IFRS Practice Statement 2 - Disclosure of accounting policies:** In February 2021 the IASB issued a new amendment to IAS 1 on disclosure of "material" accounting policies, instead of "significant" accounting policies. The amendments defines what "material accounting policy information" is and explain how to identify it. It also clarifies that immaterial accounting policy information does not need to be disclosed, but if it is, it should not obscure the relevant accounting information. To support this change, the IASB also amended the "IFRS Practice Statement 2 Making Materiality Judgments", to provide guidance on how to apply the concept of materiality to accounting policy disclosures. This amendment is effective as of January 1, 2023.
- **Amendment to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:** This amendment issued in February 2021 clarifies how entities should distinguish changes in accounting policies from changes in accounting estimates, as changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events, as well as to the current period. This amendment is effective as of January 1, 2023.
- **Amendment to IAS 12 - Income Taxes:** This amendment issued in May 2021 requires entities to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This typically applies to lease transactions (right of use assets and lease liabilities) and decommissioning and restoration obligations, as an example, and will require the recognition of additional deferred tax assets and liabilities. This amendment is effective as of January 1, 2023.

The new IFRS standards or International Financial Reporting Interpretations Committee (IFRIC) interpretations that came into force do not have a significant impact on the Group's Interim Accounting Information.

New standards not yet in force in 2023

The following changes were issued by the IASB but are not yet in force for the fiscal year of 2023. The early adoption of the standards, although it is encouraged by the IASB, is not permitted in Brazil by the Accounting Pronouncement Committee (CPC).

- **Amendment to IAS 1 "Presentation of the Financial Statements":** in accordance with IAS 1 – "Presentation of financial statements", for an entity to classify liabilities as non-current in its financial statements, it must have the right to avoid settling the liabilities for at least 12 months from the balance sheet date. In January 2020, the IASB issued an amendment to IAS 1 "Classification of liabilities as current or non-current", whose application date was for fiscal years starting from January 1, 2023, which determined that the entity would not have the right to avoid settlement of a liability for at least 12 months, if, on the balance sheet date, it had not complied with ratios provided for in restrictive clauses (e.g.: covenants), even if contractual measurement of the covenant was only required after the balance sheet date within 12 months.

Subsequently, in October 2022, a new amendment was issued to clarify that liabilities that contain restrictive contractual clauses requiring the achievement of ratios under covenants only after the balance sheet date do not affect the classification as current or non-current. Only covenants that the entity is

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required to comply with by the balance sheet date affect the classification of the liability, even if the measurement only takes place after that date.

The 2022 amendment introduces additional disclosure requirements that allow users of financial statements to understand the risk of the liability being settled within 12 months after the balance sheet date. The 2022 amendment changed the application date of the 2020 amendment. Accordingly, both amendments apply for fiscal years beginning on or after January 1, 2024.

These amendments are not expected to have a significant impact on the Group's financial statements.

There are no other IFRS standards or IFRIC interpretations still to come into force that could have a significant impact on the Group's financial statements.

1.5 Consolidation

The Company consolidates all entities over which it holds control, that is, when it is exposed or has rights to variable returns from its involvement with the investee and is able to direct the relevant activities of the investee.

The consolidated Interim Accounting Information include the operations of the Company and of the following subsidiaries on March 31, 2023 and December 31, 2022:

| | Equity Interest (%) |
|---|---------------------------|
| Direct: | |
| Sociedade de Ensino Superior Estácio de Sá Ltda. ("SESES") | 100% |
| Sociedade de Ensino Superior, Médio e Fundamental Ltda. ("IREP") | 100% |
| Nova Academia do Concurso - Cursos Preparatórios Ltda. ("NACP") | 100% |
| Enseme Serviços Educacionais Ltda. ("Enseme") | 100% |
| União dos Cursos Superiores SEB Ltda. ("Estácio Ribeirão Preto") | 100% |
| Indirect: | |
| Sociedade Educacional Atual da Amazônia ("ATUAL") | 100% |
| Sociedade Universitária de Excelência Educacional do Rio Grande do Norte ("FATERN") | 100% |
| Sociedade Educacional do Rio Grande do Sul S/S Ltda. ("FARGS") | 100% |
| União Luís Educacional S.A. ("UNISÃO LUIS") | 100% |
| Sociedade Educacional da Amazônia ("SEAMA") | 100% |
| Instituto de Ensino Superior Social e Tecnológico Ltda. ("FACITEC") | 100% |
| Associação de Ensino de Santa Catarina ("ASSESC") | 100% |
| Instituto de Estudos Superiores da Amazônia ("IESAM") | 100% |
| Centro de Assistência ao Desenvolvimento de formação Profissional Unicef Ltda. ("Estácio Amazonas") | 100% |
| Centro de Ensino Unificado de Teresina ("CEUT") | 100% |
| Faculdade Nossa Cidade ("FNC") | 100% |
| Faculdades Integradas de Castanhal Ltda. ("FCAT") | 100% |
| Sociedade Empresarial de Estudos Superiores e Tecnológicos Sant'Ana Ltda. ("FUFS") | 100% |
| Sociedade de Ensino Superior Toledo Ltda. ("Unitoledo") | 100% |
| Damásio Educacional Ltda. ("DAMÁSIO") | 100% |
| YDUQS Educacional Ltda. ("UNIFANOR") | 100% |
| Athenas Serviços Administrativos Ltda. | 100% |
| Centro de Educação de Rolim De Moura Ltda. ("FSP") | 100% |
| Centro de Educação do Pantanal Ltda. ("FAPAN") | 100% |
| Pimenta Bueno Serviços Educacionais Ltda. ("FAP") | 100% |
| União Educacional Meta Ltda. ("META") | 100% |
| UNIJIPA – União Das Escolas Superiores de Ji-Paraná Ltda. ("UNIJIPA") | 100% |
| QCX Serviços Educacionais Ltda. ("Qconcursos") | 100% |
| Wemed Educação Médica S.A. ("Hardwork") (i) | 51% |

(i) As mentioned in NE 1.5, for this company the acquisition took place on March 11, 2022.

The period covered by the Interim Accounting Information of the subsidiaries included in the consolidation is the

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same as for the parent company and uniform accounting policies were applied in all consolidated companies, and are consistent with those used in the previous fiscal year.

The consolidation process of the balance sheet and income accounts corresponds to the sum of the balances of assets, liabilities, revenues and expenditure, as appropriate, eliminating transactions between the consolidated companies, as well as the economically unrealized balances and income among those companies.

1.6 Business combination

The Group uses the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred, and equity instruments issued by the Group. The consideration transferred includes the fair value of assets and liabilities resulting from a contingent consideration contract, when applicable. Acquisition-related costs are recorded in the income statement of the fiscal year as incurred. Identifiable assets acquired and contingent liabilities assumed in a business combination are initially measured at fair values on the acquisition date.

The excess of the consideration transferred and the fair value as of the acquisition date of any previous equity interest in the company acquired, as compared to the fair value of the Group interest in identifiable net assets, is recorded as goodwill. When the consideration transferred is less than the fair value of the net assets of the acquired subsidiary, the difference is recognized directly in the income statement for the fiscal year.

The acquisition made in 2022 is summarized below:

WEMED Educação Médica Ltda. ("Hardwork")

As of March 11, 2022, the Company acquired, through its subsidiary Damásio Educacional Ltda. ("Damásio"), the equity interest of 51% of the units of ownership representing the share capital of Wemed Serviços e Cursos Preparatórios para Concursos S.A. ("Hardwork"), an ed-tech company, fully digital and specialized in preparing for residency exams, specialist titles, and revalidation of diplomas. It has the common characteristics of a startup.

Structure of purchase price.

- (i) The contract establishes that the acquisition price of the 51% equity interest is in the total value of Brazilian Reais (BRL) 52 million, of which BRL 23 million will be paid in cash, and BRL 20 million as investment contribution (of which BRL 10 million has been paid in upon the acquisition and BRL 10 million shall be paid in 12 months) and BRL 9 million payable in a single installment on the first anniversary of the closing date.
- (ii) In addition to the acquisition price, the parties recognize that the sellers will be entitled to receive an additional, conditioned and uncertain value corresponding to up to BRL 10 million, according to the contractual conditions until the fiscal year ended on December 31, 2023.
- (iii) In addition, the contract, signed between the parties, includes a call and put option for the subscribed shares in their entirety and not less than the totality of the shares. The subject matter of the option will be determined in accordance with the calculation methodology established by mutual agreement.

The period foreseen for exercising the option will be after the lapse of 5 years. However, for the call option, it is foreseen to choose, for a postponement of up to 3 consecutive years, after the signature of the contract. Right after the established period, the call option may be freely exercised with the application of the discount rate.

For the purposes of payment of the options, if exercised, it must be made in national currency, in a single installment in cash, subject to the contractual terms.

If the options are not exercised by both parties within the period provided for in the contract, they will be automatically cancelled.

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The table below summarizes the 51% equity interest consideration paid, the book balances of the assets acquired and liabilities assumed on the acquisition date and the allocation of the purchase price determined based on the fair value of the assets acquired and liabilities assumed:

| | Wemed ("Hardwork") |
|---|---------------------------|
| Assets | |
| Current | 25,660 |
| Cash and cash equivalents | 12,697 |
| Trade receivables | 3,571 |
| Related parties | 9,307 |
| Taxes and contributions | 42 |
| Other assets | 42 |
| Non-current | 681 |
| Property, plant and equipment | 681 |
| | 26,340 |
| Liabilities | |
| Current | 3,783 |
| Suppliers | 99 |
| Leases | 159 |
| Salaries and charges | 69 |
| Labor obligations | 1,878 |
| Prepaid monthly tuition fees | 1,578 |
| Non-current | 64 |
| Leases | 64 |
| | 3,847 |
| Net assets acquired | 22,493 |
| Non-controlling interests | (11,021) |
| Surplus - Identifiable assets at fair value | 8,113 |
| Goodwill | 31,098 |
| Total consideration | 50,683 |
| Cash flow at the time of acquisition | |
| Cash | 33,000 |
| Payment in installments | 9,000 |
| Investments (Contribution to be paid in) | 10,000 |
| AVP - Adjustment to Present Value (i) | (1,317) |
| Earn-out (ii) | |
| Net cash flow on acquisition | 50,683 |

(i) Discount rate of 13.14% (DI - Future)

(ii) According to item (ii) of the purchase price structure, there is no expectation of earn-out payment on this base date.

The following table summarizes the future call and put option on non-controlling equity interest, based on fair value, discounted at an average rate of 12.97% (DI-Future) equivalent to the period of 2027 to 2030:

| | |
|--------------------------------|----------|
| Financial Liabilities - Option | 55,917 |
| Equity Valuation Adjustment | (55,917) |

2 Notes that were not presented

The interim accounting information are being presented in accordance with CPC 21 (R1), IAS 34, and the rules issued by the Securities and Exchange Commission of Brazil (CVM). Based on this faculty and management's assessment of the relevant impacts of the information to be disclosed, the notes described below are not being presented. The others are being presented in order to enable a perfect understanding of these interim accounting information if read together with the notes disclosed in the financial statements as of December 31, 2022.

Notes that were not presented:

- Summary of principal accounting policies.
- Critical accounting estimates and judgments.

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- Assumptions for calculating the fair value of the share option plan and impairment of non-financial assets.
- Insurance coverage.
- Commitments.
- Other information.

3 Cash and cash equivalents and securities

| | Parent company | | Consolidated | |
|--|-----------------------|--------------------------|-----------------------|--------------------------|
| | March 31, 2023 | December 31, 2022 | March 31, 2023 | December 31, 2022 |
| Cash and banks | 618 | 1,798 | 14,327 | 22,255 |
| Financial Bills (LFs) (Exclusive funds) | 31,701 | 396 | 443,482 | 322,599 |
| Bank Deposit Certificate (CDB) | | | 4,151 | 17,766 |
| CDB (Exclusive funds) | 2,130 | 1 | 5,998 | 348 |
| Repurchase | 31,446 | 70 | 169,170 | 38,082 |
| Cash and cash equivalents | 65,895 | 2,265 | 637,128 | 401,050 |
| Federal Government Bonds (Investment Fund) | 10,668 | 338 | 490,641 | 384,781 |
| Securities | 10,668 | 338 | 490,641 | 384,781 |
| Total | 76,563 | 2,603 | 1,127,769 | 785,831 |

The Company has an investment policy that stipulates that investments must be concentrated in low-risk securities and investments at prime financial institutions. As of March 31, 2023, the operations were remunerated based on percentages of the variation of the Interbank Deposit Certificate (CDI), with the exception of government bonds, which are indexed to the Selic rate and fixed rates.

As of March 31, 2023 and December 31, 2022, all of the Company's securities were classified as "fair value through profit or loss".

Investments in exclusive funds are backed by financial allocations in funds quotas, CDBs, LFs (Financial Bills), government bonds, and repurchase agreements with prime banks and issuers. The average yield of the investment funds as of March 31, 2023, was 99.99% of the CDI rate with an average yield in 2023 of 98.61% of the CDI rate (average annual yield on December 31, 2022 was 105.8% of the CDI rate).

CDBs yield the CDI rate, averaging 92.13% as of March 31, 2023 (99.77% as of December 31, 2022).

4 Trade receivables

| | Consolidated | |
|---|-----------------------|--------------------------|
| | March 31, 2023 | December 31, 2022 |
| Monthly tuition fees received from students | 1,534,713 | 1,449,978 |
| FIES (a) | 63,759 | 88,570 |
| Partnership agreements and exchange deals | 27,365 | 44,182 |
| Credit cards receivable (b) | 209,919 | 160,126 |
| Receivable agreements | 218,684 | 194,328 |
| | 2,054,440 | 1,937,184 |
| Expected credit loss (PCE) | (665,628) | (684,326) |
| Unidentified values | (10,232) | (5,875) |
| (-) Adjustment to present value (c) | (59,216) | (38,051) |

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| | | |
|--------------------|------------------|------------------|
| | 1,319,364 | 1,208,932 |
| Current assets | 1,065,286 | 1,055,886 |
| Non-current assets | 254,078 | 153,046 |
| | <u>1,319,362</u> | <u>1,208,932</u> |

- (a) Trade receivables from the FIES (Student Financing Fund) are represented by educational loans raised by students with CEF (Caixa Econômica Federal) and FNDE (National Education Development Fund), whereby the financed funds are transferred monthly by CEF and Banco do Brasil to the specific checking account. Such an amount has been used to pay social security contributions and federal taxes and converted into cash by means of auctions of National Treasury bonds.

FIES Risk:

Obligations linked to the FIES risk are recognized in other non-current liabilities:

- (i) For FIES students with a guarantor, provision was made for 2.25% of the billing with such characteristic, considering the assumptions of 15% of credit risk exposure over an estimated default rate of 15%.
- (ii) For the uncovered FGEDUC risk, contracted as from March 2012, provision was made for 20% of the credits under the responsibility of the sponsors (where the Guarantor Fund is responsible for the remaining 80%), assuming 15% to the credit risk exposure for an estimated default rate of 15%, i.e., 0.45%.
- (iii) For the uncovered FGEDUC risk, contracted as of April 2012, provision was made for 10% of the credits under the responsibility of the sponsors (where the Guarantor Fund is responsible for the remaining 90%), assuming 15% to this credit risk exposure for an estimated default rate of 15%, i.e., 0.225%.
- (b) A substantial part of credit card receivables consists of late monthly tuition fees and agreements and subscription programs.
- (c) As of March 31, 2023, the adjustment to present value amounts to BRL 59,216 (BRL 9,293 related to PAR, BRL 44,171 to DIS, and BRL 5,753 to Athenas Financing System), and, as of December 31, 2022, BRL 38,051 (BRL 9,153 related to PAR and BRL 25,052 related to Athenas Financing System).

The balance of long-term amounts as of March 31, 2023, is related to PAR (Estácio Installment Payment Program), DIS (Dilution of monthly tuition fees) and Athenas installment payment program. The aging breakdown is as follows:

| | Consolidated | |
|--|-------------------------------|----------------------------------|
| | March 31, 2023 | December 31, 2022 |
| 2024 | 169,994 | 144,529 |
| 2025 | 112,158 | 60,392 |
| 2026 | 68,378 | 26,915 |
| 2027 to 2028 | 22,889 | 4,544 |
| (-) Adjustment to present value | (45,227) | (28,693) |
| (-) Allowance for expected credit losses | (74,114) | (54,641) |
| Non-current assets | <u>254,078</u> | <u>153,046</u> |

The breakdown of receivables by age is presented below:

| | Consolidated | | | |
|------------------------------|-------------------------------|------------|----------------------------------|------------|
| | March 31, 2023 | | December 31, 2022 | |
| | | % | | % |
| FIES | 63,759 | 3 | 88,570 | 5 |
| To be due | 1,035,418 | 50 | 747,016 | 39 |
| Overdue up to 30 days | 185,701 | 9 | 219,886 | 11 |
| Overdue from 31 to 60 days | 62,408 | 3 | 143,656 | 7 |
| Overdue from 61 to 90 days | 44,343 | 2 | 95,104 | 5 |
| Overdue from 91 to 179 days | 275,179 | 13 | 179,785 | 9 |
| Overdue from 180 to 360 days | 387,632 | 20 | 463,167 | 24 |
| | <u>2,054,440</u> | <u>100</u> | <u>1,937,184</u> | <u>100</u> |

The breakdown of receivable agreements by age is presented below:

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| | Consolidated | | | |
|------------------------------|----------------------|------------|-------------------------|------------|
| | March 31, 2023 | % | December 31, 2022 | % |
| To be due | 106,670 | 49 | 78,180 | 40 |
| Overdue up to 30 days | 15,377 | 7 | 15,011 | 8 |
| Overdue from 31 to 60 days | 10,919 | 5 | 15,880 | 8 |
| Overdue from 61 to 90 days | 7,955 | 4 | 15,803 | 8 |
| Overdue from 91 to 179 days | 25,915 | 12 | 28,718 | 15 |
| Overdue from 180 to 360 days | 51,848 | 23 | 40,767 | 21 |
| | <u>218,684</u> | <u>100</u> | <u>194,359</u> | <u>100</u> |

The movement in the allowance for PCE, in the consolidated, is shown below:

| | |
|--|------------------|
| Balance as of December 31, 2021 | 559,243 |
| Constitution | 603,721 |
| Constitution by acquisition | 1,534 |
| Write-off of bills (Acquired) | (2,289) |
| Write-off of bills/checks overdue for more than 360 days | <u>(477,883)</u> |
| Balance as of December 31, 2022 | 684,326 |
| Constitution | 128,230 |
| Write-off of bills/checks overdue for more than 360 days | <u>(146,928)</u> |
| Balance as of March 31, 2023 | <u>665,628</u> |

5 Related Parties

The main balances as of March 31, 2023 and December 31, 2022, as well as the transactions that influenced the income for the period, related to related-party transactions derive from transactions between the Company and its subsidiaries. Related-party transactions do not incur interest and/or adjustment for inflation.

The balance of the subsidiaries' trade receivables relates to the sharing of corporate expenses and is presented below:

| | Parent company | |
|---------------------|----------------------|-------------------------|
| | March 31, 2023 | December 31, 2022 |
| Current assets | | |
| SESES | | 6 |
| UNIFANOR | 9 | |
| Others | 6 | 12 |
| | <u>15</u> | <u>18</u> |
| Current liabilities | | |
| SESES | 63 | 53 |
| IREP | 7 | 5 |
| Others | 11 | 5 |
| | <u>81</u> | <u>63</u> |

6 Prepaid expenses

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| | Consolidated | |
|--|-------------------------------|----------------------------------|
| | March 31, 2023 | December 31, 2022 |
| Advance of vacations and charges | 8,480 | 11,428 |
| Urban Real Estate Property Tax (IPTU) | 14,422 | 162 |
| Insurance | 7,708 | 7,635 |
| Registration fee - MEC | 3,450 | 3,630 |
| Digital platform | 2,340 | 1,480 |
| Technical-pedagogical cooperation Santa Casa | 528 | 634 |
| Other prepaid expenses | 1,030 | 997 |
| | 37,958 | 25,966 |
| Current assets | 31,950 | 19,394 |
| Non-current assets | 6,008 | 6,572 |
| | 37,958 | 25,966 |

In the parent company, the amount of BRL 1,386 in the period ended March 31, 2023, relates to non-life insurance policies (BRL 969 related to non-life insurance policies as of December 31, 2022).

7 Taxes and contributions recoverable

| | Parent company | | Consolidated | |
|--|-------------------------------|----------------------------------|-------------------------------|----------------------------------|
| | March 31, 2023 | December 31, 2022 | March 31, 2023 | December 31, 2022 |
| IRPJ/CSLL to be offset (i) | 73,616 | 67,947 | 163,482 | 128,654 |
| ISS (Services Tax) | | | 85,619 | 86,257 |
| IRRF (Withholding Income Tax) | 36,497 | 32,955 | 46,572 | 69,243 |
| PIS (Employees' Profit Participation Program) and COFINS (Social Contribution on Billings) | | | 56,590 | 51,996 |
| IRPJ/CSLL Prepayments | 27 | 27 | 3,445 | 18,406 |
| INSS (National Institute of Social Security) | | | 2,954 | 2,954 |
| Others | | | 493 | 494 |
| | 110,140 | 100,929 | 359,155 | 358,004 |
| Current assets | 56,121 | 64,226 | 183,866 | 216,378 |
| Non-current assets | 54,019 | 36,703 | 175,289 | 141,626 |
| | 110,140 | 100,929 | 359,155 | 358,004 |

(i) Such values represent the tax credit used in the tax offset in this and in the next fiscal years and are adjusted monthly at the SELIC rate.

8 Investments in subsidiaries
(a) Parent company Yduqs Participações S.A.

| | March 31, 2023 | | December 31, 2022 | |
|--|-----------------------|------------------------|--------------------------|------------------------|
| | Investment | Investment Loss | Investment | Investment Loss |
| Sociedade de Ensino Superior Estácio de Sá Ltda. ("SESES") | 3,891,065 | | 3,721,707 | |
| Sociedade de Ensino Superior, Médio e Fundamental Ltda. ("IREP") | 1,501,201 | | 1,430,549 | |
| Sociedade de Ensino Superior Estácio Ribeirão Preto Ltda. ("Estácio Ribeirão Preto") | 298,402 | | 241,018 | |
| Other subsidiaries (i) | 3,028 | (30) | 3,097 | (30) |
| | 5,693,696 | (30) | 5,396,371 | (30) |

(i) Refers to the companies Nova Academia do Concurso ("NACP") and Ensineme.

YDUQS Participações S.A.

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The subsidiaries' information is presented below:

| March 31, 2023 | | | | | | | | |
|------------------------|-----------------|------------------------------|------------------|-------------------|------------------|---------------|---|----------------------------------|
| | Equity Interest | Number of units of ownership | Total assets | Total liabilities | Equity | Goodwill | Income tax on goodwill from downstream merger | Net income (loss) for the period |
| SESES | 100% | 3,355,747 | 5,273,032 | 1,381,967 | 3,891,065 | | | 178,297 |
| IREP | 100% | 916,392 | 1,944,630 | 505,871 | 1,438,759 | 62,442 | | 66,967 |
| Estácio Ribeiro Preto | 100% | 65,742 | 414,924 | 114,292 | 300,632 | | (2,230) | 58,112 |
| Other subsidiaries (i) | 100% | 19,715 | 707 | (2,286) | 2,993 | 5 | | (69) |
| | | | 7,634,243 | 1,999,844 | 5,634,399 | 62,447 | (2,230) | 303,307 |

(i) Refers to the companies Nova Academia do Concurso ("NACP") and EnsineMe.

| December 31, 2022 | | | | | | | | |
|------------------------|-----------------|------------------------------|------------------|-------------------|------------------|---------------|---|---------------------------------------|
| | Equity Interest | Number of units of ownership | Total assets | Total liabilities | Equity | Goodwill | Income tax on goodwill from downstream merger | Net income (loss) for the fiscal year |
| SESES | 100% | 3,355,747 | 5,045,177 | 1,323,470 | 3,721,707 | | | 326,799 |
| IREP | 100% | 849,492 | 1,856,645 | 488,538 | 1,368,107 | 62,442 | | 22,813 |
| Estácio Ribeiro Preto | 100% | 54,607 | 329,721 | 86,473 | 243,248 | | (2,230) | 145,581 |
| Other subsidiaries (i) | 100% | 19,715 | 779 | (2,283) | 3,062 | 5 | | (716) |
| | | | 7,232,322 | 1,896,198 | 5,336,124 | 62,447 | (2,230) | 494,477 |

(i) Refers to the companies Nova Academia do Concurso ("NACP") and EnsineMe.

The table below presents the overall activity in the investments in subsidiaries in the period ended March 31, 2023 and 2022:

| | |
|---|-----------|
| Investments in subsidiaries as of December 31, 2021 | 5,948,509 |
| Equity accounting method | 190,171 |
| Advance for future capital increase | 100 |
| Capital increase (i) | 39,950 |
| Dividends (Interest on equity) (ii) | (47,000) |
| Granted options | 21 |
| Restricted shares plan | 4,915 |
| Investments in subsidiaries as of March 31, 2022 | 6,136,666 |
| Investments in subsidiaries as of December 31, 2022 | 5,396,371 |
| Equity accounting method | 303,307 |
| Capital increase | 55,165 |
| Dividends (Interest on equity) (ii) | (64,900) |
| Dividends received | (950) |
| Restricted shares plan | 4,703 |
| Investments in subsidiaries as of March 31, 2023 | 5,693,696 |

(ii) The values related to Interest on equity are distributed through capital increases.

We present below the information on direct subsidiaries' investments:

(b) Parent company Sociedade de Ensino Superior Estacio de Sá Ltda. ("SESES")

March December

YDUQS Participações S.A.

Management notes to the financial statements as of March 31, 2023

In thousands of Brazilian reais, except when otherwise indicated

| | 31, 2023 | 31, 2022 |
|---|------------------|------------------|
| Sociedade De Ensino Superior Toledo Ltda. ("UNITOLEDO") | 103,653 | 104,677 |
| YDUQS Educacional Ltda. ("UNIFANOR") | 1,992,487 | 1,958,680 |
| Damásio Educacional Ltda. ("DAMÁSIO") | 402,593 | 386,369 |
| | <u>2,498,733</u> | <u>2,449,725</u> |

We present below the information on SESES' subsidiaries:

| March 31, 2023 | | | | | | | |
|----------------|--------------------|---------------------------------|------------------|----------------------|------------------|----------------|--|
| | Equity Interest | Number of units of ownership | Total assets | Total liabilities | Equity | Goodwill | Net income (loss) for the period |
| UNITOLEDO | 100% | 3,960 | 45,133 | 36,191 | 8,942 | 94,711 | (1,023) |
| UNIFANOR | 100% | 129,717 | 1,810,434 | 295,912 | 1,514,522 | 477,965 | 33,647 |
| DAMÁSIO | 100% | 326,160 | 406,640 | 108,596 | 298,044 | 104,549 | (6,320) |
| | | | <u>2,262,207</u> | <u>440,699</u> | <u>1,821,508</u> | <u>677,225</u> | <u>26,304</u> |

| December 31, 2022 | | | | | | | |
|-------------------|--------------------|---------------------------------|------------------|----------------------|------------------|----------------|---|
| | Equity Interest | Number of units of ownership | Total assets | Total liabilities | Equity | Goodwill | Net income (loss) for the fiscal year |
| UNITOLEDO | 100% | 3,460 | 46,880 | 36,915 | 9,965 | 94,711 | (801) |
| UNIFANOR | 100% | 129,717 | 1,774,117 | 293,402 | 1,480,715 | 477,965 | 122,181 |
| DAMÁSIO | 100% | 323,960 | 402,106 | 120,286 | 281,820 | 104,549 | (36,451) |
| | | | <u>2,223,103</u> | <u>450,603</u> | <u>1,772,500</u> | <u>677,225</u> | <u>84,929</u> |

The table below presents the overall activity in the investments of direct subsidiary SESES in subsidiaries in the period ended March 31, 2023 and 2022:

| | |
|---|------------------|
| Investments in subsidiaries as of December 31, 2021 | <u>2,314,559</u> |
| Equity accounting method | 19,864 |
| Advance for future capital increase | 53,630 |
| Granted options | 471 |
| Goodwill by merger | 582,514 |
| Write-off of the goodwill by merger | (82,143) |
| Other merger | <u>451</u> |
| Investments in subsidiaries as of March 31, 2022 | <u>2,889,346</u> |
| Investments in subsidiaries as of December 31, 2022 | 2,449,725 |
| Equity accounting method | 26,304 |
| Capital increase | 22,520 |
| Granted options | <u>184</u> |
| Investments in subsidiaries as of March 31, 2023 | <u>2,498,733</u> |

(c) Subsidiary Sociedade de Ensino Superior, Médio e Fundamental Ltda. ("IREP")

| | March 31, 2023 | December 31, 2022 |
|--|----------------------|-------------------------|
| Sociedade Educacional Atual da Amazônia ("ATUAL") | 653,107 | 628,856 |
| União das Escolas Superiores de JI-PARANA Ltda ("UNIJIPA") | 72,336 | 71,822 |
| União Educacional Meta Ltda ("UNIÃO META") | 47,300 | 46,698 |
| Centro de Educacional do Pantanal Ltda ("CENTRO PANTANAL") | 69,525 | 64,824 |

Management notes to the financial statements

as of March 31, 2023

In thousands of Brazilian reais, except when otherwise indicated

| | | |
|------------------------|------------------|------------------|
| Other subsidiaries (i) | 230,225 | 226,501 |
| | <u>1,072,493</u> | <u>1,038,701</u> |

(i) Refers to the companies FATERN, ATHENAS, PIMENTA BUENO, and CENTRO ROLIM.

We present below the information on IREP's subsidiaries:

| March 31, 2023 | | | | | | | |
|------------------------|-----------------|------------------------------|------------------|-------------------|----------------|----------------|----------------------------------|
| | Equity Interest | Number of units of ownership | Total assets | Total liabilities | Equity | Goodwill | Net income (loss) for the period |
| ATUAL | 100% | 46,501 | 664,211 | 26,607 | 637,604 | 15,503 | 24,147 |
| UNIJIPA | 100% | 21,508 | 46,341 | 28,941 | 17,400 | 54,936 | 514 |
| UNIÃO META | 100% | 27,173 | 63,116 | 49,058 | 14,058 | 33,242 | 603 |
| CENTRO PANTANAL | 100% | 12,661 | 52,393 | 34,608 | 17,785 | 51,740 | 4,701 |
| Other subsidiaries (i) | 100% | | 301,891 | 88,957 | 212,934 | 17,291 | (4,548) |
| | | | <u>1,127,952</u> | <u>228,171</u> | <u>899,781</u> | <u>172,712</u> | <u>25,417</u> |

| December 31, 2022 | | | | | | | |
|------------------------|-----------------|------------------------------|------------------|-------------------|--------------------------------|----------------|---------------------------------------|
| | Equity Interest | Number of units of ownership | Total assets | Total liabilities | Equity (unsecured liabilities) | Goodwill | Net income (loss) for the fiscal year |
| ATUAL | 100% | 46,501 | 640,304 | 26,951 | 613,353 | 15,503 | 2,299 |
| UNIJIPA | 100% | 21,508 | 45,499 | 28,613 | 16,886 | 54,936 | 3,425 |
| UNIÃO META | 100% | 27,173 | 62,189 | 48,733 | 13,456 | 33,242 | (1,327) |
| CENTRO PANTANAL | 100% | 12,661 | 45,570 | 32,486 | 13,084 | 51,740 | 11,803 |
| Other subsidiaries (i) | 100% | | 297,585 | 88,375 | 209,210 | 17,291 | 16,316 |
| | | | <u>1,091,147</u> | <u>255,158</u> | <u>865,989</u> | <u>172,712</u> | <u>32,516</u> |

(i) Refers to the companies FATERN, ATHENAS, PIMENTA BUENO, and CENTRO ROLIM.

The table below presents the overall activity in the investments of direct subsidiary IREP in the period ended March 31, 2023 and 2022:

| | |
|---|------------------|
| Investments in subsidiaries as of December 31, 2021 | 1,025,815 |
| Equity accounting method | 10,820 |
| Write-off upon merger | (5,920) |
| Advance for future capital increase | 2,570 |
| Investments in subsidiaries as of March 31, 2022 | <u>1,033,285</u> |
| Investments in subsidiaries as of December 31, 2022 | 1,038,701 |
| Equity accounting method | 25,417 |
| Capital increase | 4,770 |
| Granted options | 3,606 |
| Investments in subsidiaries as of March 31, 2023 | <u>1,072,493</u> |

Information on the investments of indirect subsidiaries:

(d) Subsidiary Sociedade Atual da Amazônia ("ATUAL")

| | March 31, 2023 | December 31, 2022 |
|---|----------------|-------------------|
| Sociedade Educacional da Amazônia ("SEAMA") | 64,403 | 60,550 |
| União Luís Educacional S.A. ("SÃO LUIS") | 90,344 | 85,741 |
| Instituto de Ensino Superior Social e Tecnológico Ltda. ("FACITEC") | 49,002 | 41,190 |
| Centro de Assistência ao Desenvolvimento de formação Profissional Unicef Ltda. ("Estácio Amazonas") | 52,485 | 48,381 |
| Instituto de Estudos Superiores da Amazônia ("IESAM") | 109,271 | 103,131 |

YDUQS Participações S.A.

Management notes to the financial statements as of March 31, 2023

In thousands of Brazilian reais, except when otherwise indicated

| | | |
|---|----------------|----------------|
| Centro de Ensino Unificado de Teresina ("CEUT") | 56,695 | 56,350 |
| Faculdade Nossa Cidade ("FNC") | 75,999 | 76,446 |
| Faculdades Integradas de Castanhal Ltda. ("FCAT") | 43,983 | 44,639 |
| Other subsidiaries (i) | 23,193 | 22,743 |
| | <u>565,375</u> | <u>539,171</u> |

(i) Refers to FARGS, ASSESC and FUFs.

We present below the information on ATUAL's subsidiaries:

| March 31, 2023 | | | | | | | | |
|------------------------|-----------------|------------------------------|----------------|-------------------|----------------|----------------|---------------|----------------------------------|
| | Equity Interest | Number of units of ownership | Total assets | Total liabilities | Equity | Goodwill | Goodwill | Net income (loss) for the period |
| SEAMA | 100% | 6,715 | 67,768 | 21,400 | 46,368 | 18,035 | | 3,853 |
| SÃO LUIS | 100% | 4,605 | 100,092 | 37,116 | 62,976 | 27,368 | | 4,604 |
| FACITEC | 100% | 8,951 | 71,685 | 49,337 | 22,348 | 26,654 | | 7,712 |
| Estácio Amazonas | 100% | 48,797 | 63,530 | 37,259 | 26,271 | 26,214 | | 2,723 |
| IESAM | 100% | 15,524 | 95,139 | 23,954 | 71,185 | 26,797 | 11,289 | 6,194 |
| CEUT | 100% | 16,938 | 42,625 | 13,498 | 29,127 | 27,568 | | 345 |
| FNC | 100% | 22,328 | 30,576 | 26,623 | 3,953 | 72,046 | | (447) |
| FCAT | 100% | 12,191 | 53,993 | 30,131 | 23,862 | 20,121 | | (657) |
| Other subsidiaries (i) | 100% | | 45,053 | 40,893 | 4,160 | 19,033 | | 90 |
| | | | <u>570,461</u> | <u>280,211</u> | <u>290,250</u> | <u>263,836</u> | <u>11,289</u> | <u>24,417</u> |

(i) Refers to FARGS, ASSESC and FUFs.

| December 31, 2022 | | | | | | | | |
|------------------------|-----------------|------------------------------|----------------|-------------------|----------------|----------------|---------------|---------------------------------------|
| | Equity Interest | Number of units of ownership | Total assets | Total liabilities | Equity | Goodwill | Goodwill | Net income (loss) for the fiscal year |
| SEAMA | 100% | 6,915 | 63,334 | 20,819 | 42,515 | 18,035 | | 7,758 |
| SÃO LUIS | 100% | 5,001 | 94,635 | 36,262 | 58,373 | 27,368 | | 6,232 |
| FACITEC | 100% | 8,951 | 65,232 | 50,696 | 14,536 | 26,654 | | 3,505 |
| Estácio Amazonas | 100% | 49,187 | 52,579 | 30,412 | 22,167 | 26,214 | | (3,384) |
| IESAM | 100% | 16,128 | 86,963 | 21,973 | 64,990 | 26,797 | 11,344 | 12,922 |
| CEUT | 100% | 16,938 | 41,124 | 12,342 | 28,782 | 27,568 | | (30) |
| FNC | 100% | 22,328 | 31,425 | 27,025 | 4,400 | 72,046 | | (8,644) |
| FCAT | 100% | 12,191 | 54,127 | 29,609 | 24,518 | 20,121 | | 1,280 |
| Other subsidiaries (i) | 100% | | 30,740 | 27,030 | 3,710 | 19,033 | | (7,587) |
| | | | <u>520,159</u> | <u>256,168</u> | <u>263,991</u> | <u>263,836</u> | <u>11,344</u> | <u>12,052</u> |

(i) Refers to the companies FARGS, ASSESC, and FUFs.

The table below presents the overall activity in the investments of direct subsidiary ATUAL in its subsidiaries in the period ended March 31, 2023 and 2022:

| | |
|---|----------------|
| Investments in subsidiaries as of December 31, 2021 | <u>580,851</u> |
| Equity accounting method | 3,958 |
| Advance for future capital increase | 1,460 |
| Amortization of goodwill | (55) |
| Write-off upon merger | <u>(3,135)</u> |
| Investments in subsidiaries as of March 31, 2022 | <u>583,079</u> |
| Investments in subsidiaries as of December 31, 2022 | 539,171 |
| Equity accounting method | 24,417 |
| Capital increase | 1,840 |
| Amortization of goodwill | (55) |
| Granted options | <u>2</u> |

YDUQS Participações S.A.

Management notes to the financial statements as of March 31, 2023

In thousands of Brazilian reais, except when otherwise indicated

Investments in subsidiaries as of March 31, 2023

565,375

(e) Subsidiary YDUQS Educacional Ltda ("UNIFANOR")

| | March 31, 2023 | December 31, 2022 |
|--|----------------------|-------------------------|
| Instituto de Ensino Superior da Amazonia Ltda ("FMF") | 67,789 | 67,556 |
| Sociedade Educacional Ideal Ltda ("FACI") | 120,146 | 118,169 |
| IBMEC Educacional Ltda ("IBMEC") | 650,499 | 639,712 |
| A. Região Tocantina de Educação e Cultura Ltda ("FACIMP") | 57,015 | 53,655 |
| Sociedade de Educação do Vale do Ipojuca Ltda ("UNIFAVIP") | 158,883 | 147,967 |
| | <u>1,054,332</u> | <u>1,027,059</u> |

We present below the information on UNIFANOR's subsidiaries:

March 31, 2023

| | Equity Interest | Number of units of ownership | Total assets | Total liabilities | Equity | Goodwill | Total | Net income (loss) for the period |
|----------|--------------------|------------------------------------|------------------|----------------------|----------------|----------------|------------------|--|
| FMF | 100% | 31,065 | 57,093 | 13,669 | 43,424 | 24,365 | 67,789 | 233 |
| FACI | 100% | 41,127 | 133,439 | 16,065 | 117,374 | 2,772 | 120,146 | 1,977 |
| IBMEC | 100% | 97,816 | 596,957 | 347,116 | 249,841 | 400,658 | 650,499 | 11,062 |
| FACIMP | 100% | 5,810 | 89,209 | 46,390 | 42,819 | 14,196 | 57,015 | 3,360 |
| UNIFAVIP | 100% | 15,290 | 208,872 | 85,963 | 122,909 | 35,974 | 158,883 | 10,915 |
| | | | <u>1,085,570</u> | <u>509,203</u> | <u>576,367</u> | <u>477,965</u> | <u>1,054,332</u> | <u>27,547</u> |

December 31, 2022

| | Equity Interest | Number of units of ownership | Total assets | Total liabilities | Equity | Goodwill | Total | Net income (loss) for the fiscal year |
|----------|--------------------|------------------------------------|-----------------|----------------------|----------------|----------------|------------------|--|
| FMF | 100% | 31,065 | 56,045 | 12,854 | 43,191 | 24,365 | 67,556 | (1,264) |
| FACI | 100% | 41,127 | 99,884 | (15,513) | 115,397 | 2,772 | 118,169 | 9,712 |
| IBMEC | 100% | 96,669 | 533,725 | 294,671 | 239,054 | 400,658 | 639,712 | 22,307 |
| FACIMP | 100% | 5,810 | 84,029 | 44,570 | 39,459 | 14,196 | 53,665 | 12,813 |
| UNIFAVIP | 100% | 12,000 | 161,628 | 49,635 | 111,993 | 35,974 | 147,967 | 49,593 |
| | | | <u>935,311</u> | <u>386,217</u> | <u>549,094</u> | <u>477,965</u> | <u>1,027,059</u> | <u>93,161</u> |

The table below presents the overall activity in the investments of direct subsidiary UNIFANOR in its subsidiaries in the period ended March 31, 2023 and 2022:

| | |
|---|-----------|
| Investments in subsidiaries as of December 31, 2021 | 1,155,386 |
| Equity accounting method | 24,847 |
| Advance for future capital increase | (499) |
| Write-off upon merger | (56,748) |
| Investments in subsidiaries as of March 31, 2022 | 1,122,986 |
| Investments in subsidiaries as of December 31, 2022 | 1,027,059 |

**Management notes to the financial statements
as of March 31, 2023**

In thousands of Brazilian reais, except when otherwise indicated

| | |
|--|------------------|
| Equity accounting method | 27,547 |
| Capital increase | 1,700 |
| Interest on equity | (2,000) |
| Granted options | 26 |
| | <u>1,054,332</u> |
| Investments in subsidiaries as of March 31, 2023 | |

9 Intangibles Assets
(a) Intangible Assets – Parent company

| | December 31, 2022 | | | | March 31, 2023 |
|---|----------------------|-----------|------------|----------|----------------------|
| | Cost | Additions | Write-offs | Transfer | Cost |
| Cost | | | | | |
| Goodwill on investment acquisitions (i) | 780,065 | | | | 780,065 |
| Software right of use | 90 | | | | 90 |
| Goodwill | 79,704 | | | | 79,704 |
| Others | 212 | | | | 212 |
| | 860,071 | | | | 860,071 |
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| | December 31, 2021 | | | | March 31, 2022 |
|-------------------------------------|-----------------------|-----------------|-----------|----------|----------------------|
| | Cost | Additions | Transfer | | Cost |
| Cost | | | | | |
| Goodwill on investment acquisitions | 780,065 | | | | 780,065 |
| Software right of use | 99 | | | | 99 |
| Goodwill | 79,704 | | | | 79,704 |
| Others | 212 | | | | 212 |
| | <u>860,080</u> | | | | <u>860,080</u> |
| | | | | | |
| | Amortization rates | Amortization | Additions | Transfer | Amortization |
| Amortization | | | | | |
| Software right of use | 20% p.a. | (99) | | | (99) |
| Goodwill | 20 to 33% p.a. | (79,704) | | | (79,704) |
| Others | 20% p.a. | (212) | | | (212) |
| Total | | <u>(80,015)</u> | | | <u>(80,015)</u> |
| Net residual balance | | <u>780,065</u> | | | <u>780,065</u> |

(i) Goodwill is an integral part of the intangible assets line due to the merger of the Estácio Ribeirão Preto Holding.

(b) Intangible Assets - Consolidated

**Management notes to the financial statements
as of March 31, 2023**

In thousands of Brazilian reais, except when otherwise indicated

| | December 31, 2022 | | | | | March 31, 2023 |
|-------------------------------------|----------------------|-----------|------------|---------|----------|----------------------|
| | Cost | Additions | Write-offs | Transf. | Reclass. | Cost |
| Cost | | | | | | |
| Goodwill on investment acquisitions | 2,377,702 | 2 | | | | 2,377,704 |
| Software right of use | 1,112,439 | 52,625 | | | | 1,165,064 |
| Learning Center | 130,315 | 1,004 | | | | 131,319 |
| IT Architecture | 21,664 | | | | | 21,664 |
| Knowledge factory DL | 135,305 | | | | | 135,305 |
| Questions database | 13,886 | | | | | 13,886 |
| Brand | 521,314 | 51 | | | | 521,365 |
| Customer portfolio | 178,744 | | | | | 178,744 |
| Others | 413,379 | 23,034 | | | | 436,413 |
| | 4,904,748 | 76,716 | | | | 4,981,464 |

| | Amortization rates | Amortization | Additions | Write-offs | Transf. | Reclass. | Amortization |
|-------------------------------------|-----------------------|--------------|-----------|------------|---------|----------|--------------|
| Amortization | | | | | | | |
| Goodwill on investment acquisitions | Indefinite | (6,924) | | | | | (6,924) |
| Software right of use | 10 to 20% p.a. | (610,961) | (46,852) | | | | (657,813) |
| Learning Center | 10% p.a. | (79,755) | (2,127) | | | | (81,882) |
| IT Architecture | 17 to 20% p.a. | (21,663) | | | | | (21,663) |
| Knowledge factory DL | 10% to 20% p.a. | (61,017) | (2,286) | | | | (63,303) |
| Questions database | 20% p.a. | (12,835) | (159) | | | | (12,994) |
| Brand | 2 to 33% p.a. | (109,974) | (5,769) | | | | (115,743) |
| Customer portfolio | 2 to 33% p.a. | (115,656) | (7,233) | | | | (122,889) |
| Others | 20 to 50% p.a. | (252,915) | (11,617) | | | | (264,532) |
| | | (1,271,700) | (76,043) | | | | (1,347,743) |
| Net residual balance | | 3,633,048 | 673 | | | | 3,633,721 |

| | December 31, 2021 | | | | | | March 31, 2022 |
|-------------------------------------|-------------------------|-----------------|---------------|----------------|---------|----------|----------------------|
| | | Additions by | Addition s | Write- offs | Transf. | Reclass. | |
| Cost | Cost | acquisitions | | | | | Cost |
| Goodwill on investment acquisitions | 2,346,604 | | 38,639 | | | | 2,385,243 |
| Software right of use | 927,515 | | 48,683 | | 1,028 | | 977,226 |
| Learning Center | 126,827 | | 797 | | | | 127,624 |
| IT Architecture | 21,664 | | | | | | 21,664 |
| Knowledge factory DL | 106,213 | | 8,495 | | | | 114,708 |
| Questions database | 13,886 | | | | | | 13,886 |
| Brand | 512,868 | | | | | | 512,868 |
| Customer portfolio | 178,744 | | | | | | 178,744 |
| Others | 344,396 | | 11,722 | (1,134) | (1,028) | | 353,956 |
| | 4,578,717 | | 108,336 | (1,134) | | | 4,685,919 |

| | Amortization rates | Amortization | Additions by acquisitions | Additions | Write-offs | Transf. | Reclass. | Amortization |
|-------------------------------------|-----------------------|--------------|---------------------------------|-----------|------------|---------|----------|--------------|
| Amortization | | | | | | | | |
| Goodwill on investment acquisitions | Indefinite | (6,924) | | | | | | (6,924) |
| Software right of use | 10 to 20% p.a. | (520,252) | | (36,840) | | (9) | | (557,101) |
| Learning Center | 10% p.a. | (68,517) | | (3,068) | | | | (71,585) |
| IT Architecture | 17 to 20% p.a. | (21,165) | | (125) | | | | (21,290) |

YDUQS Participações S.A.

Management notes to the financial statements as of March 31, 2023

In thousands of Brazilian reais, except when otherwise indicated

| | | | | | |
|-----------------------------|-----------------|--------------------|-----------------|----------------|--------------------|
| Knowledge factory DL | 10% to 20% p.a. | (52,009) | (2,517) | | (54,526) |
| Questions database | 20% p.a. | (11,967) | (230) | | (12,197) |
| Brand | 2 to 33% p.a. | (87,082) | (5,591) | | (92,673) |
| Customer portfolio | 2 to 33% p.a. | (86,723) | (7,233) | | (93,956) |
| Others | 20 to 50% p.a. | (215,515) | (7,964) | 9 | (223,470) |
| | | <u>(1,070,154)</u> | <u>(63,568)</u> | | <u>(1,133,722)</u> |
| Net residual balance | | <u>3,508,563</u> | <u>44,768</u> | <u>(1,134)</u> | <u>3,552,197</u> |

As of March 31, 2023 and December 31, 2022, net goodwill on acquisitions of investments was represented as follows:

| | Parent company | | Consolidated | |
|--|----------------|-------------------|------------------|-------------------|
| | March 31, 2023 | December 31, 2022 | March 31, 2023 | December 31, 2022 |
| Goodwill on acquisitions of investments net of accumulated amortization: | | | | |
| ADTALEM | | | 793,615 | 793,613 |
| ATHENAS | | | 307,897 | 307,897 |
| UNITOLEDO | | | 94,711 | 94,711 |
| IREP | | | 89,090 | 89,090 |
| ATUAL | | | 15,503 | 15,503 |
| SEAMA | | | 18,035 | 18,035 |
| IDEZ | | | 2,047 | 2,047 |
| UNIUL | | | 956 | 956 |
| FARGS | | | 8,055 | 8,055 |
| São Luis | | | 27,369 | 27,369 |
| Facitec | | | 26,654 | 26,654 |
| Assesc | | | 4,723 | 4,723 |
| Iesam | | | 26,797 | 26,797 |
| Estácio Amazonas | | | 26,214 | 26,214 |
| CEUT | | | 27,568 | 27,568 |
| FNC | | | 72,046 | 72,046 |
| FCAT | | | 20,120 | 20,120 |
| FUFS | | | 6,255 | 6,255 |
| FAL | | | 8,076 | 8,076 |
| FATERN | | | 14,979 | 14,979 |
| EnsineMe | | | 5 | 5 |
| Estácio Ribeirão Preto | 9,371 | 9,371 | 9,371 | 9,371 |
| Estácio Ribeirão Preto Holding | <u>770,694</u> | <u>770,694</u> | <u>770,694</u> | <u>770,694</u> |
| | <u>780,065</u> | <u>780,065</u> | <u>2,370,780</u> | <u>2,370,778</u> |

Annually, the Company performs impairment tests on goodwill calculated on investment acquisitions, arising from the expectation of future profitability. The last assessment was carried out due to the end of the fiscal year on December 31, 2022.

10 Property, plant and equipment

Property, plant and equipment - Consolidated

| | December 31, 2022 | | | | | | March 31, 2023 |
|--|-------------------------|-----------------------------|----------|------------|---------|----------|----------------------|
| | Cost | Additions by Acquisition | Addition | Write-offs | Transf. | Reclass. | Cost |
| Cost | | | | | | | |
| Land | 68,235 | | | | | | 68,235 |
| Buildings | 370,358 | | 173 | | (683) | | 369,848 |
| Third-party buildings | 2,125,774 | | 123,957 | (43,539) | | | 2,206,192 |
| Improvement works in third parties' real estate properties | 780,928 | | 6,045 | (3,866) | 13,833 | | 796,940 |

**Management notes to the financial statements
as of March 31, 2023**

In thousands of Brazilian reais, except when otherwise indicated

| | | | | | |
|-----------------------------|-----------|---------|----------|----------|-----------|
| Furniture and fixtures | 227,278 | 1,594 | (251) | (6) | 228,615 |
| Computers and peripherals | 255,869 | 8,197 | (137) | (8) | 263,921 |
| Machinery and equipment | 230,465 | 6,948 | (1) | (29) | 237,383 |
| Physical activity equipment | 141,295 | 598 | | (11) | 141,882 |
| Library | 214,078 | 237 | | | 214,315 |
| Facilities | 83,450 | 407 | (458) | | 83,399 |
| Constructions in progress | 21,879 | 15,223 | | (13,149) | 23,953 |
| Assets retirement | 72,039 | | (1,373) | | 70,666 |
| Others | 25,789 | 247 | | | 26,036 |
| | 4,617,437 | 163,626 | (49,625) | (53) | 4,731,385 |

| | Depreciation rates | Depreciation | Additions by Acquisition | Addition | Write-offs | Transf. | Reclass. | Depreciation |
|--|--------------------|--------------|--------------------------|-----------|------------|---------|----------|--------------|
| Depreciation | | | | | | | | |
| Buildings | 1.67 to 4% p.a. | (96,300) | | (1,624) | | 43 | | (97,881) |
| Third-party buildings | 21.60% p.a. | (829,154) | | (63,227) | 15,437 | | | (876,944) |
| Improvement works in third parties' real estate properties | | (407,976) | | | 2,822 | (43) | | (426,358) |
| Furniture and fixtures | 4 to 11.11% p.a. | | | (21,161) | | | | |
| Computers and peripherals | 8.33 to 10% p.a. | (139,999) | | (4,828) | 33 | 6 | | (144,788) |
| Machinery and equipment | 20 to 25% p.a. | (214,694) | | (6,415) | 138 | 10 | | (220,961) |
| Physical activity equipment | 8.33 to 10% p.a. | (125,308) | | (3,814) | 1 | 26 | | (129,095) |
| Library | 6.67% p.a. | (52,872) | | (2,215) | | 11 | | (55,076) |
| Facilities | 5 to 10% p.a. | (132,723) | | (2,010) | | | | (134,733) |
| Assets retirement | 8.33 to 20% p.a. | (49,201) | | (1,386) | 361 | | | (50,226) |
| Others | | (37,210) | | (1,993) | 504 | | | (38,699) |
| | 14.44 to 20% p.a. | (17,778) | | (410) | | | | (18,188) |
| | | (2,103,215) | | (109,083) | 19,296 | 53 | | (2,192,949) |
| Net residual balance | | 2,514,222 | | 54,543 | (30,329) | | | 2,538,436 |

| | December 31, 2021 | | | | | | March 31, 2022 |
|--|-------------------|--------------------------|----------|------------|----------|----------|----------------|
| Cost | Cost | Additions by Acquisition | Addition | Write-offs | Transf. | Reclass. | Cost |
| Lands | 68,235 | | | | | | 68,235 |
| Buildings | 355,885 | | | | 7,785 | | 363,670 |
| Third-party buildings | 1,919,696 | | 216,211 | (2,054) | | | 2,133,853 |
| Improvement works in third parties' real estate properties | 686,491 | 353 | 2,732 | (12,540) | 31,391 | | 708,427 |
| Furniture and fixtures | 213,910 | 34 | 1,969 | (106) | (21) | | 215,786 |
| Computers and peripherals | 247,851 | 40 | 1,152 | (257) | | | 248,786 |
| Machinery and equipment | 214,544 | | 2,741 | (60) | (2) | | 217,223 |
| Physical activity equipment | 129,267 | | 2,986 | | | | 132,253 |
| Library | 213,636 | | 84 | | | | 213,720 |
| Facilities | 86,931 | 114 | 591 | (2,639) | | | 84,997 |
| Constructions in progress | 63,978 | | 10,743 | | (39,176) | | 35,545 |
| Assets retirement | 77,065 | | | (5,182) | | | 71,883 |
| Others | 25,013 | 24 | 49 | (140) | | | 24,946 |
| | 4,302,502 | 565 | 239,258 | (22,978) | (23) | | 4,519,324 |

| | Depreciation rates | Depreciation | Additions by Acquisition | Addition | Write-offs | Transf. | Reclass. | Depreciation |
|--|--------------------|--------------|--------------------------|-----------|------------|---------|----------|--------------|
| Depreciation | | | | | | | | |
| Buildings | 1.67 to 4% p.a. | (89,908) | | (1,576) | | | | (91,484) |
| Third-party buildings | 21.60% p.a. | (635,366) | | (63,188) | 617 | | | (697,937) |
| Improvement works in third parties' real estate properties | | (355,495) | (11) | (24,085) | 12,540 | | | (367,051) |
| Furniture and fixtures | 4 to 11.11% p.a. | | | | | | | |
| Computers and peripherals | 8.33 to 10% p.a. | (122,081) | (3) | (4,649) | 65 | 21 | | (126,647) |
| Machinery and equipment | 20 to 25% p.a. | (191,281) | (5) | (6,600) | 257 | | | (197,629) |
| Physical activity equipment | 8.33 to 10% p.a. | (107,381) | | (4,261) | 49 | 2 | | (111,591) |
| Library | 6.67% p.a. | (44,400) | | (2,020) | | | | (46,420) |
| Facilities | 5 to 10% p.a. | (124,656) | | (2,019) | | | | (126,675) |
| Assets retirement | 8.33 to 20% p.a. | (45,777) | (20) | (4,351) | 2,640 | | | (47,508) |
| Others | | (35,176) | | 349 | | | | (34,827) |
| | 14.44 to 20% p.a. | (16,013) | (1) | (657) | 133 | | | (16,538) |
| | | (1,767,534) | (40) | (113,057) | 16,301 | 23 | | (1,864,307) |
| Net residual balance | | 2,534,968 | 525 | 126,201 | (6,677) | | | 2,655,017 |

**Management notes to the financial statements
as of March 31, 2023**

In thousands of Brazilian reais, except when otherwise indicated

The Group leases a number of rights-of-use assets, such as machinery and equipment, peripherals, furniture and fixtures and rental properties, under non-cancelable lease contracts. The lease terms are according to the contract term and the ownership of the assets does not belong to the Group. All the Group's leases are recognized at the transaction's net present value.

11 Loans and financing

| Type | Financial charges | Parent company/Consolidated | |
|-------------------------------------|--|-----------------------------|-------------------|
| | | March 31, 2023 | December 31, 2022 |
| In local currency | | | |
| Debentures | | | |
| 5th debenture issuance (2nd Series) | CDI+0.785% p.a. | 177,643 | 368,120 |
| 6th debenture issuance | CDI + 2.50% p.a. | 1,872,741 | 1,875,496 |
| 7th debenture issuance | CDI + 1.65% p.a. | 314,436 | 303,219 |
| 8th debenture issuance | CDI + 1.5% p.a. | 498,752 | 516,238 |
| | | <u>2,863,572</u> | <u>3,063,073</u> |
| Loans and financing | | | |
| Safra Loan | CDI +2.80% p.a. | 202,240 | 224,791 |
| FINEP loan | 6% p.a. | 689 | 745 |
| | | <u>202,929</u> | <u>225,536</u> |
| In foreign currency | | | |
| Citibank Loan | 1.18*(SOFRUSD + 0.90%(L) and 0.68%(L)) | 689,423 | 240,819 |
| | | <u>3,755,924</u> | <u>3,529,428</u> |
| Current liabilities | | 490,698 | 279,726 |
| Non-current liabilities | | <u>3,265,226</u> | <u>3,249,702</u> |
| | | 3,755,924 | 3,529,428 |

Activity in loans and debentures presented below comprise the periods ended March 31, 2023 and 2022:

| | Parent company/Consolidated | |
|------------------------------------|-----------------------------|------------------|
| | March 31, 2023 | March 31, 2022 |
| Initial Balance | 3,529,428 | 4,062,194 |
| Fundraising | 422,840 | 233,156 |
| Interest, adjustment for inflation | 142,204 | 118,874 |
| Foreign exchange variance (Swap) | 12,496 | (2,061) |
| Interest paid | (175,951) | (119,620) |
| Principal amortization | (175,093) | (350,147) |
| Loan funding costs | | (11) |
| Final Balance | 3,755,924 | 3,942,385 |

The amounts recorded as non-current liabilities as of March 31, 2023 and December 31, 2022 present the following maturity schedule:

| Parent company/Consolidated | |
|-----------------------------|-------------------|
| March 31, | December 31, 2022 |

**Management notes to the financial statements
as of March 31, 2023**

In thousands of Brazilian reais, except when otherwise indicated

| | 2023 | |
|-------------------------|------------------|------------------|
| 2024 | 297,645 | 704,962 |
| 2025 | 1,232,935 | 1,021,513 |
| 2026 | 1,435,139 | 1,223,719 |
| 2027 | 299,507 | 299,508 |
| Non-current liabilities | <u>3,265,226</u> | <u>3,249,702</u> |

The Company and its subsidiaries do not offer any of their assets as collateral for their loans.

The values of the Group loans are mainly in Brazilian reais, with one contract in US dollars (USD).

In 2023:

- January: the Company concluded the contracting of the loan of line 4131 with Citibank in the amount of USD 80 million (converted to BRL 422,840 at the equivalent quotation on that date) with single amortization of the principal on January 12, 2026, at the cost of USD_SOFR + 0.68% p.a.

In 2022:

- February: The Company concluded the contracting of the 5th loan of line 4131 with Citibank in the amount of USD 44.0 million (converted to BRL 233.2 at the equivalent quotation on that date) with single amortization of the principal on January 02, 2024, and payment of quarterly interest. The transaction was contracted under SWAP at an Active Curve of USD_SOFR + 0.90% p.a. and a Passive Curve of CDI + spread.

The Company settled from the CCB, contracted with Banco do Brasil, with the principal amount of BRL 100 million of Brazilian Reais and maturity date as of February 09, 2022, as well as concluded the single amortization of the principal in the amount of BRL 250 million of Brazilian Reais of the 1st Series of the 5th simple debenture issuance, not convertible into shares, of the unsecured type, on its maturity date, i.e., February 15, 2022.

- March: The Company concluded the renegotiation of CCB with Banco Safra in the principal value of BRL 200 million, which will mature on September 13, 2022. The new transaction started on the same date, with single amortization on May 29, 2024, with annual interest payment, at CDI + spread costs.
- September: The Company completed the 8th debenture issuance in the total value of BRL 500.000, with maturity on September 23, 2027, in a single series, at a cost of 100% of the CDI + 1.50% p.a., with the first principal amortization on September 23, 2026, in the value of BRL 200,000, and the second principal amortization on September 23, 2027, in the value of BRL 300,000.

The Company settled the CCB contracted with Banco Bradesco, in the principal value of BRL 360 million of Brazilian reais, on its maturity date, i.e., on September 23, 2022.

- December: The Company anticipated the settlement of the 4th loan of line 4131 with Citibank in the value of BRL 454,327.

12 Lease assets and liabilities

The lease liabilities arise from the recognition of future payouts and the right of use of the leased asset for practically all lease contracts, including operational ones, and certain short-term or small amounts contracts may be out of scope.

The terms of the leases are according to the contractual term, demonstrated below, on an operational basis, with the additional rate, in nominal terms, for the terms of contracts:

**Management notes to the financial statements
as of March 31, 2023**

In thousands of Brazilian reais, except when otherwise indicated

| Contracts: | DI X Pre Curve | Risk premium | Yduqs Rate | Month Rate |
|----------------|----------------|--------------|------------|------------|
| 0 to 5 years | 12.51% | 105.00% | 13.14% | 1.09% |
| 5 to 10 years | 13.12% | 105.00% | 13.78% | 1.08% |
| 10 to 15 years | 13.26% | 105.00% | 13.92% | 1.09% |
| 15 to 30 years | 13.31% | 105.00% | 13.98% | 1.10% |

Lease contracts are secured by the underlying assets.

| | Consolidated | |
|-------------------------|-------------------------------|------------------------------|
| | March 31, 2023 | December 31, 2022 |
| Leases payable | 2,284,312 | 2,231,030 |
| Lease interest | (721,782) | (719,961) |
| | 1,562,530 | 1,511,069 |
| Current liabilities | 228,988 | 232,020 |
| Non-current liabilities | 1,333,542 | 1,279,049 |
| | 1,562,530 | 1,511,069 |

The increase in lease liabilities results from new contracts and contract renewals. Depreciation and interest are recognized in the statement of income as a replacement of operational lease expenses ("rent").

Changes in lease assets and liabilities in the period:

Right-of-use assets

| | Consolidated | | |
|-----------------------------------|---|---------------|------------------|
| | Buildings from third parties | Others | Total |
| Right-of-use assets on 12/31/2022 | 1,296,620 | 9,584 | 1,306,204 |
| Additions | 123,957 | 11,458 | 135,415 |
| Write offs | (28,102) | (218) | (28,320) |
| Depreciation | (63,227) | (2,235) | (65,462) |
| Right-of-use assets on 03/31/2023 | 1,329,248 | 18,589 | 1,347,837 |

Lease liabilities

| | Consolidated | | |
|--|---|-----------------|--------------------|
| | Buildings from third parties | Others | Total |
| Right-of-use liabilities on 12/31/2022 | 1,501,245 | 9,824 | 1,511,069 |
| Additions | 123,957 | 11,458 | 135,415 |
| Write-offs | (29,890) | (216) | (30,106) |
| Interest incurred | 34,912 | 523 | 35,435 |
| Payments | (86,764) | (2,518) | (89,282) |
| Right-of-use liabilities on 03/31/2023 | 1,543,459 | 19,071 | 1,562,530 |
| Current | (221,735) | (7,253) | (228,988) |
| Non-current | (1,321,724) | (11,818) | (1,333,542) |
| | (1,543,459) | (19,071) | (1,562,530) |

Right-of-use assets

| Consolidated | | |
|---|---------------|--------------|
| Buildings from third parties | Others | Total |

YDUQS Participações S.A.

Management notes to the financial statements as of March 31, 2023

In thousands of Brazilian reais, except when otherwise indicated

| | | | |
|-----------------------------------|-----------|---------|-----------|
| Right-of-use assets on 12/31/2021 | 1,284,329 | 12,652 | 1,296,981 |
| Additions | 216,213 | 1,300 | 217,512 |
| Write-offs | (1,438) | (36) | (1,474) |
| Depreciation | (63,188) | (2,517) | (65,705) |

| | | | |
|-------------------------------|-----------|--------|-----------|
| Right-of-use asset 03/31/2022 | 1,435,916 | 11,399 | 1,447,314 |
|-------------------------------|-----------|--------|-----------|

Lease liabilities

| | Consolidated | | |
|--|---------------------------------|---------|-----------|
| | Buildings from third parties | Others | Total |
| Right-of-use liabilities on 12/31/2021 | 1,432,270 | 12,611 | 1,444,881 |
| Additions | 216,212 | 1,264 | 217,476 |
| Write-offs | (1,529) | | (1,529) |
| Interest incurred | 31,729 | 186 | 31,915 |
| Payment of principal | (100,058) | (2,320) | (102,378) |
| Right-of-use liabilities on 03/31/2022 | 1,578,624 | 11,741 | 1,590,365 |
| Current | 205,209 | 6,637 | 211,846 |
| Non-current | 1,373,415 | 5,104 | 1,378,519 |
| | 1,578,624 | 11,741 | 1,590,365 |

13 Salaries and social charges

| | Parent company | | Consolidated | |
|---|-------------------|----------------------|-------------------|----------------------|
| | March 31, 2023 | December 31, 2022 | March 31, 2023 | December 31, 2022 |
| Salaries, indemnity amounts, and social charges payable | 282 | 313 | 128,251 | 95,517 |
| Provision for vacation | | | 59,024 | 42,315 |
| Provision for 13 th salary | | | 20,033 | |
| | 282 | 313 | 207,308 | 137,832 |

14 Tax obligations

| | Parent company | | Consolidated | |
|--|-------------------|----------------------|-------------------|----------------------|
| | March 31, 2023 | December 31, 2022 | March 31, 2023 | December 31, 2022 |
| ISS (Services Tax) payable | 32 | 31 | 35,367 | 31,035 |
| IRRF (Income Tax Withheld at Source) payable | 161 | 163 | 25,175 | 27,846 |
| PIS (Employees' Profit Participation Program) and COFINS (Social Contribution on Billings) payable | 4,536 | 1,298 | 12,018 | 5,381 |
| IRPJ (Corporate Income Tax) and CSLL (Social Contribution on Net Income) payable | | | 20,917 | 5,159 |
| Other taxes payable | | | 6 | 8 |
| | 4,729 | 1,492 | 93,483 | 69,429 |

15 Tax payments in installments

| | Consolidated | |
|--|----------------------|----------------------|
| | March 31, 2023 | December 31, 2022 |
| INSS (National Institute of Social Security) | 5,124 | 5,482 |
| PIS (Employees' Profit Participation Program) and COFINS (Social Contribution on Billings) | 4,121 | 4,286 |
| IRPJ (Corporate Income Tax) and CSLL (Social Contribution on Net Income) | 713 | 804 |

**Management notes to the financial statements
as of March 31, 2023**

In thousands of Brazilian reais, except when otherwise indicated

| | | |
|---------------------------|---------------|---------------|
| Severance Pay Fund (FGTS) | 962 | 962 |
| Others | 412 | 437 |
| | <u>11,332</u> | <u>11,971</u> |
| Current liabilities | 4,459 | 4,450 |
| Non-current liabilities | 6,873 | 7,521 |
| | <u>11,332</u> | <u>11,971</u> |

The balance of tax payment in installments is adjusted monthly using the Selic rate.

These tax payments in installments are related to taxes with Municipal Governments, the Federal Revenue Office, and Social Security, and their long-term maturities are presented below:

| | Consolidated | |
|--------------|-------------------------------|------------------------------|
| | March 31, 2023 | December 31, 2022 |
| 2024 | 2,732 | 3,534 |
| 2025 | 1,691 | 1,644 |
| 2026 to 2029 | <u>2,450</u> | <u>2,343</u> |
| | <u>6,873</u> | <u>7,521</u> |

16 Acquisition price payable

| | Consolidated | |
|---|-------------------------------|------------------------------|
| | March 31, 2023 | December 31, 2022 |
| FARGS | 3,972 | 4,102 |
| CEUT | 3,657 | 3,586 |
| UNITOLEDO | 2,865 | 2,775 |
| ADTALEM | 2,957 | 16,409 |
| ATHENAS GRUPO EDUCACIONAL | 16,178 | 48,226 |
| QCONCURSOS | 29,073 | 28,125 |
| WEMED ("HARDWORK") | | <u>7,241</u> |
| | <u>58,702</u> | <u>110,464</u> |
| Acquisition of real estate property (i) | <u>1,022</u> | <u>1,016</u> |
| | <u>59,724</u> | <u>111,480</u> |
| Current liabilities | 14,373 | 67,292 |
| Non-current liabilities | <u>45,351</u> | <u>44,188</u> |
| | <u>59,724</u> | <u>111,480</u> |

(i) The balance refers to the commitment signed between IREP and União Norte Brasileira de Educação e Cultura - UNBEC concerning various real estate properties located in the City of Fortaleza, State of Ceará.

It basically refers to the value payable to former owners, related to the acquisition of related companies and real estate properties, adjusted monthly using one of the following indexes: SELIC, IPCA (General Market Price Index), IGP-M, or the variation of CDI, depending on the contract.

The amounts recorded as non-current liabilities as of March 31, 2023 and December 31, 2022 present the following maturity schedule:

| Consolidated | |
|-------------------------------|------------------------------|
| March 31, 2023 | December 31, 2022 |

**Management notes to the financial statements
as of March 31, 2023**

In thousands of Brazilian reais, except when otherwise indicated

| | | |
|--------------|---------------|---------------|
| 2024 | 14,950 | 14,771 |
| 2025 to 2026 | <u>30,401</u> | <u>29,418</u> |
| | <u>45,351</u> | <u>44,188</u> |

17 Contingencies

The Company's subsidiaries are party to various civil, labor, and tax proceedings at different court levels. Management, based on the opinion of its external legal counsel, made a provision for amounts considered sufficient to cover potential losses from pending litigation.

As of March, 2023, and December 31, 2022, the provision for contingencies was comprised as follows:

| | Consolidated | | | |
|-------|-----------------------|-----------------------|--------------------------|-----------------------|
| | March 31, 2023 | | December 31, 2022 | |
| | Contingencies | Legal deposits | Contingencies | Legal deposits |
| Civil | 54,428 | 27,581 | 54,940 | 27,155 |
| Labor | 122,011 | 49,440 | 111,179 | 50,884 |
| Tax | <u>62,680</u> | <u>11,523</u> | <u>54,300</u> | <u>11,072</u> |
| | <u>239,119</u> | <u>88,544</u> | <u>220,419</u> | <u>89,111</u> |

In the periods ended March 31, 2023 and December 31, 2022, the parent company has no provisions for contingencies and on March 31, 2023, the value of BRL 313 refers to the parent company's legal deposits (BRL 312 in the fiscal year ended December 31, 2022).

The activity in the provision for contingencies is shown below:

| | Civil | Labor | Tax | Total |
|----------------------------------|---------------|----------------|---------------|----------------|
| Balances as of December 31, 2022 | 54,940 | 111,179 | 54,300 | 220,419 |
| Additions | 14,154 | 20,318 | 3,067 | 37,539 |
| Additions by Acquisition | 2,605 | | 4,865 | 7,470 |
| Reversals | (13,497) | (2,367) | (1,879) | (17,743) |
| Write-offs for payouts | (6,297) | (11,496) | | (17,793) |
| Adjustment for inflation | <u>2,523</u> | <u>4,377</u> | <u>2,327</u> | <u>9,227</u> |
| Balances as of March 31, 2023 | <u>54,428</u> | <u>122,011</u> | <u>62,680</u> | <u>239,119</u> |

| | Civil | Labor | Tax | Total |
|----------------------------------|---------------|----------------|---------------|----------------|
| Balances as of December 31, 2021 | 54,045 | 129,715 | 37,714 | 221,474 |
| Additions | 8,387 | 22,239 | 2,248 | 32,874 |
| Reversals | (5,437) | (14,935) | (935) | (21,307) |
| Write-offs for payouts | (5,263) | (15,298) | (146) | (20,707) |
| Adjustment for inflation | <u>5,001</u> | <u>5,356</u> | <u>1,545</u> | <u>11,902</u> |
| Balances as of March 31, 2022 | <u>56,733</u> | <u>127,077</u> | <u>40,426</u> | <u>224,236</u> |

In the periods ended March 31, 2023 and 2022, expenses with the provision for contingencies recognized in the statement of income were as follows:

| <u>March</u> | <u>March</u> |
|--------------|--------------|
|--------------|--------------|

Management notes to the financial statements**as of March 31, 2023****In thousands of Brazilian reais, except when otherwise indicated**

| | 31, 2023 | 31, 2022 |
|---|---------------------|---------------------|
| Income breakdown | | |
| Additions | 37,539 | 32,874 |
| Reversals | (17,743) | (21,307) |
| Adjustment for inflation | 9,227 | 11,902 |
| Provision for contingencies | 29,023 | 23,469 |
| General and administrative expenses (Note 24) | (19,792) | (11,567) |
| Financial income (Note 26) | (9,227) | (11,902) |
| | <u>(29,023)</u> | <u>(23,469)</u> |

(a) Civil

Most proceedings involve mainly claims for indemnity for pecuniary and non-pecuniary damages arising from incorrect collections and the late issue of diplomas, among other matters of an operational and/or educational nature, as well as a number of claims entailing real estate law.

The provisions recognized for civil lawsuits are due to the following matters:

| Subject-Matters | Amounts |
|--|----------------------|
| Success Fees | 14,954 |
| Undue Collection | 14,884 |
| Real Estate Property | 6,985 |
| Non-pecuniary/Pecuniary Damage | 6,820 |
| FIES | 2,374 |
| Issuance of Certificates of Completion/Diplomas and Graduation | 1,880 |
| Enrollment | 953 |
| Procon Fine | 744 |
| Course Accreditation and Cancellation | 729 |
| Monthly Fee | 634 |
| PROUNI | 305 |
| System Access | 147 |
| Internship | 144 |
| Others (i) | 2,875 |
| | <u>54,428</u> |

(i) These relate to proceedings involving other operating and/or academic issues, public-interest civil actions and other compensation claims.

(b) Labor

The main requests in labor claims regard overtime, unused vacations, recognition of employment relationships, pay parity, and salary differences arising from the decrease in the working hours of certain teachers.

The provisions recognized for labor lawsuits are due to the following subject-matters:

| Subject-Matters | Amounts |
|---|----------------|
| Salary and Severance Differences + Decrease in Working Hours + FGTS + Notice Period | 46,478 |
| Overtime + Elimination of Breaks During and Between Shifts | 22,440 |
| Employer's Social Security Payment | 9,699 |
| Fees | 6,704 |
| Deviation from Agreed Position and Pay Parity | 6,639 |
| Additional Payments (Premium for Unhealthy/Night/Improvement/Service Time/Dangerous Work) | 6,494 |
| Income tax / Interest and Adjustment for Inflation | 6,062 |
| Fines (Article 467 CLT, Article 477 CLT AND CCT/ACT) | 5,293 |
| Success Fees | 4,309 |
| Vacation Pay | 2,690 |
| Pain and Suffering/ Pecuniary Damage/ Moral Harassment | 1,913 |
| Work and Social Security Card (CTPS) Rectification + Indirect Termination + Employment Relationship Recognition | 464 |
| Others (i) | 2,826 |

**Management notes to the financial statements
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122,011

(i) Claims in addition to those listed above (resulting from them) and union fees.

(c) Tax

Tax proceedings mainly relate to tax immunity, escalation of social security contributions arising from Law No. 11096/05 and exclusion of scholarships from the tax base, and fines for alleged non-compliance with ancillary obligations (special regimes of accounting bookkeeping).

The provisions recognized for tax claims are due to the following subject-matters:

| Subject-Matters | Amounts |
|---|----------------|
| ISS (Services Tax) | 29,978 |
| Success Fees | 14,568 |
| Miscellaneous Fines | 5,235 |
| IRPJ/CSLL/PIS/COFINS | 5,160 |
| IPTU (Urban Real Estate Property Tax) / Jurisdiction / IPVA (Tax on Vehicles) | 4,906 |
| Social Security Contribution | 2,463 |
| Sewage Charges / Fees | 370 |
| | 62,680 |

Possible losses, not provisioned in the statement of financial position

The Company has tax, civil and labor cases involving risks of loss classified by management as possible, based on the opinion of its legal advisers. These proceedings do not have to be provisioned for under the accounting policies currently in force.

| | Consolidated | |
|-------|-------------------------------|----------------------------------|
| | March 31, 2023 | December 31, 2022 |
| Civil | 245,900 | 248,690 |
| Labor | 678,777 | 649,391 |
| Tax | 931,246 | 922,404 |
| | 1,855,923 | 1,820,485 |

The main proceedings classified as possible loss can be grouped as follows:

| Civil Matters | Amounts |
|--|----------------|
| Real Estate Property | 106,999 |
| Non-pecuniary / Pecuniary Damage | 44,278 |
| Undue Collection | 22,554 |
| FIES | 5,185 |
| Course Accreditation and Cancellation | 3,469 |
| Issuance of Certificates of Completion/Diplomas and Graduation | 3,225 |
| Enrollment | 3,045 |
| Monthly Fee | 1,682 |
| Procon Fine | 941 |
| PROUNI | 248 |
| Internship | 128 |
| System Access | 79 |
| Others (i) | 54,067 |

Management notes to the financial statements**as of March 31, 2023****In thousands of Brazilian reais, except when otherwise indicated****245,900**

- (i) These relate to proceedings involving other operating and/or academic issues, public-interest civil actions, and other compensation claims.

| Labor Matters | Amounts |
|---|----------------|
| Salary and severance differences + decrease in working hours + FGTS + notice period + compensation | 238,282 |
| Reinstatement | 168,355 |
| Overtime + Elimination of Breaks During and Between Shifts | 103,830 |
| Fees | 41,722 |
| Additional Payments (Premium for Unhealthy/Night/Improvement/Service Time/Dangerous Work) | 29,642 |
| Pain and Suffering/ Pecuniary Damage/Moral Harassment | 26,643 |
| Vacation Pay | 13,769 |
| Fines (Article 467 CLT, Article 477 CLT AND CCT/ACT) | 13,308 |
| Employer's Social Security Payment | 12,710 |
| Deviation from Agreed Position and Pay Parity | 4,190 |
| Work and Social Security Card (CTPS) Rectification + Indirect Termination + Employment Relationship Recognition | 2,662 |
| Income tax / Interest and Adjustment for Inflation | 600 |
| Others (i) | 23,064 |
| | 678,777 |

- (i) Claims in addition to those listed above (resulting from them) and union fees.

| Tax Matters | Amounts |
|--|----------------|
| ISS (Services Tax) | 776,383 |
| Contribution to the Social security / FGTS | 113,011 |
| IRPJ / CSLL / IRRF | 22,515 |
| IPTU (Urban Real Estate Property Tax) / Jurisdiction / IPVA (Tax on Vehicles) | 8,647 |
| PIS (Employees' Profit Participation Program) and COFINS (Social Contribution on Billings) | 2,648 |
| Sewage Charges / Fees | 1,687 |
| Miscellaneous Fines | 1,262 |
| Others | 5,093 |
| | 931,246 |

Among the main lawsuits classified as possible losses that are not provided for in the Interim Accounting Information, we highlight the ones that we deem individually relevant, that is, whose results may significantly impact our equity, our financial capacity or our business, or those of our subsidiaries.

Labor:

- (i) Labor lawsuit filed by the Labor Prosecution Office, against Sociedade de Ensino Superior Estácio de Sá Ltda. ("SESES"), through which the following is discussed: (i) nullity of waivers occurring between November 2017 to December 2018; (ii) the reinstatement of workers dismissed in the period; (iii) declaration of the unconstitutionality of Article 477-A, of the Consolidated Labor Laws (CLT); (iv) condemnation of the defendants in the obligation not to carry out new collective dismissals without prior collective bargaining; (v) imposition of a fine; and (vi) individual and collective non-pecuniary damage. Claims were partially granted in the judgment to: (i) declare the unconstitutionality of Article 477-A, of the CLT; (ii) declare the nullity of the collective dismissal that occurred at the end of 2017; (iii) convict the company of individual and collective pain and suffering. The request for reinstatement of professors dismissed in 2018 was dismissed. The Regional Labor Court (TRT) overruled the decision to rule out the unconstitutionality of Article 477-A, of the CLT. On the other hand, it increased the amount of the sentence to pay compensation to teachers, which decision was the subject of an appeal pending judgment in the Superior labor Court (TST). There is no calculation approved by the court, and it is not possible, on this date, to estimate any financial impact. Without prejudice, the amount involved in the action is BRL 161 million, and, for this reason, we consider the process relevant due to the amount and complexity of the matter. Our

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external advisors understand the chance of loss possible, due to the possibility of reassessment by the Superior Courts.

Tax:

Social security contributions:

- (i) Tax assessment notices were received against SESES for alleged non-performance of the principal tax liability for the period from February to December 2007. The Company appealed requesting the cancellation of the tax assessment notices, claiming that they were clearly groundless. The appeal was partially accepted and considered the percentage of the employer's contributions at the rate of 20% from the month in which the Company changed from a non-profit entity to a company. The National Treasury filed a Tax Foreclosure to collect the respective debt. SESES filed a Motion against the Tax Enforcement, the National Treasury filed its contestation and SESES submitted its rebuttal. The expert analysis began and the judgment by the trial court is currently pending. The total amount involved is BRL 26,733, of which BRL 26,404 is classified as possible and BRL 1,329 as probable.

ISS (Services Tax):

- (i) A Tax Foreclosure was received against Sociedade Tecnopolitana da Bahia Ltda. ("STB"), acquired by IREP in June 2010, due to the lack of payment of ISS during the period of 2007 to February 2011. The assessment resulted from due diligence in connection with the procedures for cancellation of the registration of the activities previously performed at STB's headquarters and branch facilities. In June 2021, an order was issued summoning the parties to specify the evidence they intended to produce. In response, the company specified evidence, while the Municipality stated that it had no interest in the production. Judgment by the trial court is pending. The total amount involved is BRL 28,914.
- (ii) Action for Annulment filed by SESES against the Municipality of Vila Velha, aiming at canceling ISS debits, resulting from the accusation that they have been allegedly paid or retained in lower amounts in the period of 2006 and 2013. The defense is based on the following arguments (i) partial statute of limitation; (ii) material nullity; and (iii) errors in setting the ISS tax base since value were considered values to correspond to scholarships awarded and enrollments canceled. At the moment, we are awaiting the completion of the expert evidence, the purpose of which is to prove item (iii). In February 2021, the expert evidence was completed in favor of SESES. After the summons of the parties, Estácio filed a statement agreeing with the expert report terms. The Municipality requested clarifications. The completion of the expert work is pending. The total amount involved is BRL 20,517.
- (iii) Tax Foreclosure filed by the Municipality of Salvador was received referring to alleged ISS credits for the periods of calculation from July 2012 to November 2013, due to differences in the establishment of the tax basis (deductibility of scholarships from the tax base of ISS). A Motion against the Tax Enforcement was filed requesting an expert accounting analysis. After appointment of the accounting expert and appointment of the respective retained experts, the company is waiting for the expert's opinion. The total amount involved is BRL 17,111.
- (iv) Tax Foreclosure filed by the Municipality of São João de Meriti was received referring to alleged ISS credits for the calculation periods of 2011, 2012, 2013, and 2014, presumably due to the non-inclusion of values intended for unconditional discounts arising from scholarships in the tax base. A motion against the Tax Enforcement was filed with a request for recognition of the statutes of limitations for debts overdue up to March 2014 and the dissolution of the process due to the payment of debts that occurred before the registration in active debt. In May 2021, an order was issued certifying the absence of a manifestation by the Municipality and the case record was put under advisement. After new notifications for manifestation, in March 2023 a new decision was issued recognizing the Municipality's contumacy and SESES claimed production of expert evidence and presented supplementary documentation. The company is waiting for the expert diligence and trial court decision. The total value involved is BRL 17,065.
- (v) Annulment Action proposed by SESES against the Municipality of Rio de Janeiro, which seeks to avoid the collection of ISS on higher education services in the period between January 2005 and January 2007, the period in which it was immune, as well as ISS on scholarships studies granted under PROUNI, in the period between February 2007 and July 2009, and collection of ISS due as a tax responsible, in the period from January 2005 to May 2009, arising from services provided by guard and surveillance companies and real estate property

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maintenance and cleaning companies. On June 29, 2021, an injunction was issued to suspend the enforceability of the tax credit, and, as a result, an objection was filed by the Municipality of Rio de Janeiro. After, SESES filed a reply and, after being notified, the parties specified the evidence and indicated the technical assistant that shall accompany the expert work. The start of the expert examination is awaited. The total amount involved is BRL 531,390.

- (vi) A Tax Foreclosure filed by the Municipality of Petrópolis was received referring to alleged ISS credits from the calculation periods from December 2015 to December 2019, presumably due to the non-payment of the respective tax when transmitting a class in the Distance Learning (DL) modality, as well as the use of the SESES support unit in the municipality. A motion against the Tax Enforcement was filed and, in March 2023, a decision on acceptance of the guarantee was presented and suspension of tax enforcement up to the judgment of the motions was issued. The company is waiting for the trial. The total value involved is BRL 31,918.

18 Equity

(a) Share Capital

The share capital may be increased by the Board of Directors, regardless of the statutory reform, up to the limit of one billion (1,000,000,000) shares. As of March 31, 2023, the share capital is represented by 309,088,851 common shares.

The shareholding structure of the Company on March 31, 2023 and December 31, 2022 is presented below:

| Shareholders | Common shares | | | |
|------------------------------------|----------------------|--------------|-------------------------|--------------|
| | March 31, 2023 | % | December 31, 2022 | % |
| Managers and directors | 1,173,929 | 0.4 | 1,173,929 | 0.4 |
| Rose Fundo de Investimento | 43,398,873 | 14.0 | 43,398,873 | 14.0 |
| Schroder Investment Management | | | 20,781,076 | 6.7 |
| Zaher Family | 33,342,000 | 10.8 | 33,342,000 | 10.8 |
| Wellington Management | 15,850,177 | 5.1 | | |
| Paradice Investment Management LLC | 15,944,332 | 5.2 | | |
| Treasury | 18,609,657 | 6.0 | 18,896,806 | 6.1 |
| Free float | 180,769,883 | 58.5 | 191,496,167 | 62.0 |
| | <u>309,088,851</u> | <u>100.0</u> | <u>309,088,851</u> | <u>100.0</u> |

(b) Activity of capital shares

There were no changes in the capital shares during the period ended March 31, 2023.

(c) Treasury shares

On March 21, 2022, the Board of Directors approved the start of the 6th program of repurchases, ending on December 21, 2023. The total number of shares repurchased was twelve million, two hundred and seventy-four thousand and one hundred (12,274,100) common shares, equivalent to 59.87% of the total of shares planned for the program.

| | Number | Average cost | Balance |
|---|------------|--------------|---------|
| Treasury shares as of December 31, 2022 | 18,896,806 | 18.79 | 354,980 |
| Payment of SOP, ILP and cancellation with treasury shares (Note 18 d.3) | (287,149) | 15.70 | (4,508) |

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| | | | |
|--------------------------------------|-------------------|--------------|----------------|
| Repurchase of shares | | | |
| Treasury shares as of March 31, 2023 | <u>18,609,657</u> | <u>18.83</u> | <u>350,472</u> |

(d) Capital reserves**(d.1) Goodwill on share subscription**

The goodwill reserve refers to the difference between the subscription price that the shareholders pay for the shares and their par value. Since this is a capital reserve, it may only be used to increase capital, offset losses, redeem, reimburse or purchase shares or pay cumulative dividends on preference shares.

The share subscription goodwill amount in the Interim Accounting Information as of March 31, 2023 and December 31, 2022 is as follows:

| | Parent company | |
|---------------------------------------|-------------------------------|----------------------------------|
| | March 31, 2023 | December 31, 2022 |
| Tax reserve | 3 | 3 |
| Non-distributable profits (i) | 96,477 | 96,477 |
| Special goodwill reserve under merger | 85 | 85 |
| Goodwill on share subscription | <u>498,899</u> | <u>498,899</u> |
| | <u>595,464</u> | <u>595,464</u> |

(i) Profits earned prior to the Company's conversion into a business company

The goodwill on the share issuance is comprised as follows:

| | March 31, 2023 |
|--------------------------------------|-------------------------------|
| Subscription of 17,853,127 shares | (23,305) |
| Value paid for the 17,853,127 shares | <u>522,204</u> |
| Goodwill on share issuance | <u>498,899</u> |

(d.2) Granted options

The Company recorded the capital reserve for stock options granted, as mentioned in Note 21. As required by the technical pronouncement, the fair value of the options was determined on the grant date and is being recognized over the vesting period up to these individual and consolidated interim accounting information date.

(d.3) Goodwill and negative goodwill on the sale of treasury shares

The goodwill and negative goodwill on the sale of treasury shares refers to the difference between the acquisition price that the Company paid for the shares and the sale value when using the shares to pay for the granted options.

The negative goodwill on the sale of treasury shares is represented as follows as of March 31, 2023 and December 31, 2022:

| | Number of shares | Sale | Value paid | Negative Goodwill |
|---|-----------------------------|-------------|-------------------|------------------------------|
| Negative Goodwill as of December 31, 2022 | 2,841,580 | 49,145 | 36,736 | 12,141 |
| SOP payment in 2023 | <u>13,100</u> | <u>260</u> | <u>260</u> | |

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| | | | | |
|--|------------------|---------------|---------------|---------------|
| Negative Goodwill as of March 31, 2023 | <u>2,854,680</u> | <u>49,405</u> | <u>36,996</u> | <u>12,141</u> |
|--|------------------|---------------|---------------|---------------|

(e) Retained earnings**(e.1) Legal reserve**

A legal reserve must be established on the basis of 5% of the net income for the fiscal year, until it reaches 20% of the paid-up share capital or 30% of the share capital plus capital reserves. After this limit, appropriation is no longer mandatory. The capital reserve may only be used to increase share capital or to offset accumulated losses.

(e.2) Retained earnings reserve

In accordance with Article 196 of the Corporations Act, the general meeting may, at the proposal of the boards of directors, decide to retain part of the net income for the fiscal year provided for in the capital budget to meet investment and expansion projects.

(f) Equity valuation adjustment

Equity valuation adjustment refers to the fair value of the Hardwork stock option contract, fully subscribed, which represents the remaining 49%, as detailed in note 1.5 (i).

19 Financial instruments and sensitivity analysis of financial assets and liabilities

Market values of financial assets and liabilities were determined based on available market information and valuation methodologies appropriate for each situation. However, considerable judgment was necessary to interpret market balances in order to produce the most appropriate realizable value estimate. Consequently, the estimates presented herein do not necessarily indicate the amounts that could be realized in the current exchange market. The use of different market information and/or valuation methodologies may have a relevant effect on the value of the market value.

The Company's assets and liabilities financial instruments as of March 31, 2023 are recorded in equity accounts in amounts compatible to those practiced in the market.

(a) Cash and cash equivalents and securities

The values recorded for cash and cash equivalents and securities are close to the market values, considering the financial transactions have immediate liquidity.

(b) Loans and financing

Loans and financing are measured at the amortized cost, using the effective rate method.

(c) Trade receivables

Trade receivables are classified as receivables and are accounted for by their contractual values, which are close to market value.

(d) Derivative financial instruments

Although the derivative transaction is intended to protect the Company from fluctuations arising from its exposure to foreign exchange risk, it was decided not to adopt the hedge accounting methodology. Thus, the Swap transaction on March 31, 2023, presented a negative fair value of BRL 46,010 as a corresponding entry to the results.

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We present below the information related to the derivatives financial instruments held by the Company as of September 31, 2023, recorded at fair value with the effect on results:

| | | | | | | | Market Value (BRL M) | | |
|----------------|----------------------------|----------------------------|-----------------------|---|--------------|---------------|----------------------|----------------|-----------------|
| Swap Contracts | Principal Contracted (USD) | Principal Contracted (BRL) | YDUQS Receives | YDUQS Pays | Initial Date | Maturity Date | Assets | Liabilities | Gross Income |
| Citibank | 44,000,000 | 233,156,000 | 1.18*(SOFRUSD +0.90%) | CDI (Interbank Deposit Certificate) + 1.20% | Feb 02, 2022 | Feb 01, 2024 | 227,843 | 238,391 | (10,548) |
| Citibank | 80,000,000 | 422,840,000 | 1.18*(SOFRUSD +0.68%) | CDI (Interbank Deposit Certificate) + 1.25% | Jan 10, 2023 | Jan 12, 2026 | 415,569 | 436,238 | (20,669) |
| Total | | | | | | | 643,412 | 674,629 | (31,217) |

(e) Other financial instruments, assets, and liabilities

The estimated realizable values of the Group's financial assets and liabilities were determined based on information available in the market and appropriate valuation methodologies.

19.1 Fair value hierarchy

The table below presents the financial instruments recorded at fair value using the measurement method:

| | Consolidated | |
|--|----------------|-------------------|
| | March 31, 2023 | December 31, 2022 |
| Level 2 | | |
| Financial instruments at fair value through profit or loss | | |
| Financial investments | 1,113,442 | 763,576 |
| (-) Derivative financial instruments - Swap | (689,423) | (240,819) |
| | <u>424,019</u> | <u>522,757</u> |

The measurement of financial instruments is grouped at levels from 1 to 3, based on the level of quotation of their fair value:

Level 1 - prices quoted in active markets for identical assets and liabilities;

Level 2 - other techniques for which all input with significant effect on the fair value is observable, either directly or indirectly; and

Level 3 – techniques using input with a significant effect on the fair value that is not based on observable market input.

During the period ended March 31, 2023, there were no transfers arising from fair value measurements between levels 1 and 2, not inside the level 3.

19.2 Financial risk factors

All the Company's transactions are performed with banks having recognized liquidity, which minimizes risks. Management records a provision for uncollectible accounts in an amount considered sufficient to cover possible risks of realization of trade receivables; therefore, the risk of incurring losses resulting from the difficulty of receiving billed values is measured and recorded in the accounts. The main market risk factors affecting the business are the following:

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(a) Credit risk

This risk is related to difficulties in collecting values for services provided.

The Group is also subject to credit risk in its financial investments.

The credit risk related to the service provision is minimized by strict control of the student base and by the active management of default levels and the pulverization of balances. In addition, the Company requires the settlement or negotiation of the amounts overdue upon the return of the students for classes in the next semester.

Concerning the credit risk associated with financial institutions, the Company and its subsidiaries operate according to the Investment Policy approved by the Board of Directors. The balances of cash and cash equivalents, securities and legal deposits are held at financial institutions with A to AAA credit rating assigned by the credit rating agencies Standard & Poor's, Fitch and Moody's. In cases where there are two or more ratings, the rating of the majority shall be adopted. In the event of different ratings, the Company adopts the higher rating as a basis.

(b) Interest rate risk

The Group is exposed to fluctuations in the CDI rate, which is used to adjust its financial investments and debts. In addition, any increase in interest rates could increase the cost of students' loans, including loans under the terms of the FIES program, and decrease the demand for the courses.

(c) Exchange rate risk

The Group's income is susceptible to variations due to exchange rate volatility since its assets and liabilities are linked to a currency other than its functional currency. However, as the Company has a Swap contract for line 4131, exposure to foreign exchange risk does not exist.

(d) Liquidity risk

Liquidity risk is the risk that the Group may not have sufficient cash resources available to meet its commitments due to the different terms of settlement of its rights and obligations.

The control of the Group's liquidity and cash flow is monitored daily by the Group's Management areas, in order to ensure that the operational cash generation and the previous fundraising, when necessary, are sufficient to maintain its commitments' schedule, not posing liquidity risks for the Group.

The table below analyzes the Group's financial liabilities, by maturity ranges, corresponding to the remaining period of the reporting date of the balance sheet until the contractual maturity date. The values presented in the table are the contracted cash flows not discounted.

| | Consolidated | | | |
|---------------------------------|-----------------------|------------------------------|-------------------------------|-------------------------|
| | Less than one year | Between one and two years | Between two and five years | More than five years |
| In 2023 | | | | |
| Suppliers | 264,813 | | | |
| Loans | 961,543 | 1,910,095 | 2,193,074 | |
| Financial lease obligations | 228,988 | 368,341 | 427,794 | 1,403,531 |
| Commitments payable | 14,373 | 15,864 | 33,740 | |
| Financial liabilities - options | | | 55,917 | |
| In 2022 | | | | |
| Suppliers | 227,561 | | | |
| Loans | 686,127 | 1,171,725 | 2,983,297 | |
| Financial lease obligations | 232,020 | 399,508 | 393,260 | 1,242,216 |
| Commitments payable | 67,292 | 15,846 | 36,114 | |
| Financial liabilities - options | | | 55,917 | |

**Management notes to the financial statements
as of March 31, 2023**

In thousands of Brazilian reais, except when otherwise indicated

(e) Sensitivity analysis

CVM Resolution No. 550, of October 17, 2008, sets forth that publicly-held companies must disclose, in a specific note, qualitative and quantitative information on all their financial instruments, whether recognized or not as assets or liabilities in the balance sheet.

The Group's financial instruments are represented by cash, trade receivables, trade payables, legal deposits, loans and financing, which are registered at cost value, plus income or charges incurred and financial investments, that are registered at fair value.

The main risks underlying the Group's operations are linked to changes in the CDI rate.

CVM Instruction No. 607, of July 17, 2019, provides that specific information on financial instruments must be shown in a specific note and that a table must be included with details of a sensitivity analysis.

Loans in Brazilian reais consist of transactions for which the carrying value is close to the fair value of these financial instruments.

Investments linked to the CDI rate are recorded at fair value, according to the quotations disclosed by the respective financial institutions. Most of the other investments refer to bank deposit certificates and repurchase agreements and, therefore, the value recorded for these securities does not differ from market value.

With the purpose of verifying the sensitivity of the index for the financial investments and loans to which the Group was exposed on the base date of March 31, 2023, three different scenarios were defined. Based on the CDI rate officially published by CETIP on March 31, 2023 (13.65% p.a.), this rate was used as the probable scenario for the year. After that, rate variations of 25% and 50% were calculated for scenarios II and III, respectively.

For each scenario, "gross financial revenues and financial expenses" were calculated, disregarding the levy of taxes on the investments' yields. The base date used for the portfolio was March 31, 2023, projected for one year and verifying the sensitivity of the CDI rate for each scenario.

| | | Scenario for CDI increase | | |
|--|---|---------------------------|-----------------------|-----------------------|
| Transactions | Risk | Probable Scenario (I) | Scenario (II) | Scenario (III) |
| Financial investments BRL 1,113,442 | CDI | 13.65% BRL 151,985 | 17.06% BRL 189,981 | 20.48% BRL 227,977 |
| Debentures V - 2nd Series BRL 177,643 | CDI (Interbank Deposit Certificate) + 0.79% | 13.74% BRL 24,408 | 17.15% BRL 30,475 | 20.57% BRL 36,541 |
| CCB – Safra BRL 202,240 | CDI (Interbank Deposit Certificate) + 2.18% | 16.13% BRL 32,616 | 19.61% BRL 39,668 | 23.10% BRL 46,720 |
| 4131 - Citi (USD 80MM) BRL 434,463 | CDI (Interbank Deposit Certificate) + 1.79% | 15.07% BRL 65,476 | 18.53% BRL 80,488 | 21.98% BRL 95,499 |
| 4131 - Citi (USD 44MM) BRL 254,960 | CDI (Interbank Deposit Certificate) + 1.2% | 15.01% BRL 38,279 | 18.47% BRL 47,084 | 21.92% BRL 55,889 |
| Debentures VI BRL 1,872,741 | CDI (Interbank Deposit Certificate) + 3.79% | 16.49% BRL 308,838 | 19.99% BRL 374,343 | 23.49% BRL 439,848 |
| Debentures VII BRL 314,436 | CDI (Interbank Deposit Certificate) + 1.65% | 15.53% BRL 48,817 | 18.99% BRL 59,724 | 22.46% BRL 70,631 |
| Debentures VIII BRL 498,752 | CDI (Interbank Deposit Certificate) + 2.79% | 15.35% BRL 76,582 | 18.82% BRL 93,857 | 22.28% BRL 111,133 |

**Management notes to the financial statements
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In thousands of Brazilian reais, except when otherwise indicated

| Net position | | (BRL 443,032) | (BRL 535,658) | (BRL 628,285) |
|--|---|-----------------------|-----------------------|----------------------|
| Scenario for CDI decrease | | | | |
| Transactions | Risk | Probable Scenario (I) | Scenario (II) | Scenario (III) |
| Financial investments BRL 1,113,442 | CDI | 13.65% BRL 151,985 | 10.24% BRL 113,989 | 6.83% BRL 75,992 |
| Debentures V - 2nd Q BRL 177,643 | CDI (Interbank Deposit Certificate) + 0.79% | 13.74% BRL 24,408 | 10.32% BRL 18,341 | 6.91% BRL 12,274 |
| CCB – Safra BRL 202,240 | CDI (Interbank Deposit Certificate) + 2.18% | 16.13% BRL 32,616 | 12.64% BRL 25,565 | 9.15% BRL 18,513 |
| 4131 - Citi (USD 80MM) BRL 434,463 | CDI (Interbank Deposit Certificate) + 1.79% | 15.07% BRL 65,476 | 11.62% BRL 50,465 | 8.16% BRL 35,454 |
| 4131 - Citi (USD 44MM) BRL 254,960 | CDI (Interbank Deposit Certificate) + 1.2% | 15.01% BRL 38,279 | 11.56% BRL 29,474 | 8.11% BRL 20,669 |
| Debentures VI BRL 1,872,741 | CDI (Interbank Deposit Certificate) + 3.79% | 16.49% BRL 308,838 | 12.99% BRL 243,333 | 9.50% BRL 177,828 |
| Debentures VII BRL 314,436 | CDI (Interbank Deposit Certificate) + 1.65% | 15.53% BRL 48,817 | 12.06% BRL 37,910 | 8.59% BRL 27,003 |
| Debentures VIII BRL 498,752 | CDI (Interbank Deposit Certificate) + 2.79% | 15.35% BRL 76,582 | 11.89% BRL 59,307 | 8.43% BRL 42,032 |
| Net position | | (BRL 443,032) | (BRL 350,406) | (BRL 257,780) |

We present below the Company's variations in assets and liabilities linked to the exchange rate.

The sensitivity analysis related to foreign exchange risk refers to the position on December 31, 2022, and seeks to simulate how an exchange rate stress could affect the Company.

In addition, three scenarios were outlined, I, II and III, which represent, respectively, the probable scenario and the possible deterioration scenarios of 25% and 50% in the risk variable. To carry out the analysis, the Company uses an assumption of the probable scenario of the exchange rate at the end of 2022 disclosed in the last Focus Report - BACEN prior to the end of the fiscal year. Based on the probable exchange rate, scenarios of deterioration of 25% and 50% of the risk variable were generated.

The table below represents the sensitivity analysis involving the net effect resulting from these shocks in the exchange rate. We have decided to keep the Swap long leg separate from the short leg in order to make the effect of the derivative more evident.

| | | Scenario for dollar increase | | |
|---------------------------------------|---------------|------------------------------|----------------------------|----------------------------|
| Transactions | Risk | Scenario (I) | Scenario (II) | Scenario (III) |
| Swap - Long Leg 227,843 415,569 | Exchange rate | 5.62 252,904 461,278 | 7.03 316,130 576,598 | 8.43 379,356 691,917 |
| Debt in USD 238,390 436,238 | Exchange rate | 5.62 264,611 484,221 | 7.03 330,764 605,276 | 8.43 396,916 726,331 |

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as of March 31, 2023**

In thousands of Brazilian reais, except when otherwise indicated

| | | | |
|--------------|----------|----------|----------|
| Net position | (34,650) | (43,312) | (51,974) |
|--------------|----------|----------|----------|

(f) Capital Management

The Company's debt in relation to equity for the period ended March 31, 2023, and for the fiscal year ended December 31, 2022, is presented below as consolidated data:

| | Consolidated | |
|---|-------------------------------|----------------------------------|
| | March 31, 2023 | December 31, 2022 |
| Loans and financing (Note 11) | 3,755,924 | 3,529,428 |
| Leases (Note 12) | 1,562,530 | 1,511,069 |
| Acquisition price payable (Note 16) | 59,723 | 111,480 |
| (-) Cash and cash equivalents and securities (Note 3) | (1,127,769) | (785,831) |
| Net debt | 4,250,408 | 4,366,146 |
| Equity | 3,114,113 | 2,960,059 |
| Net debt on equity | 1.36 | 1.48 |

(g) Offsetting of financial instruments

There are no significant assets or liabilities subject to contractual offsetting as of March 31, 2023, and December 31, 2022.

20 Managers' compensation**(a) Compensation**

In accordance with the Corporations Act and the Company's Bylaws, it is the responsibility of the shareholders, at the General Meeting, to set the overall amount of the annual compensation of managers. It is incumbent upon the Board of Directors to distribute the funds among the managers. The Annual and Special General Meeting held on April 27, 2023 established a monthly global compensation limit to the Managers (Board of Directors, Audit Committee and Executive Board) of the Company.

In the periods ended March 31, 2023 and 2022, the total compensation (fixed, variable, shares, and the respective social charges) of the Company's directors, officers and main executives was BRL 9,674 and BRL 4,367, respectively. Compensations is within the limits approved at the corresponding shareholders' meetings.

The Company and its subsidiaries do not grant post-employment benefits, contract termination benefits, or other long-term benefits to Management and its employees, except for the share call option plan described in Note 21 (b).

(b) Share call option plan

In the Annual General Meeting held on September 12, 2008, the shareholders approved a Company's Share Call Option Plan ("Plan") for the administrators, employees, and service providers of the Company ("beneficiaries"). The Plan is administrated by the Plan Management Committee, created by the Board of Directors, specifically for this purpose during the meeting held on July 1, 2008. The Committee is responsible for creating an option program of acquisition of shares and granting to the Beneficiaries (reviewed from time to time) the options and specific applicable rules, always subjecting them to the general rules of the Plan ("Program").

**Management notes to the financial statements
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The volume of stock options is limited to 5% of the shares representing the Company's share capital on the date on which each Program is approved.

Up to March 31, 2023, 11 option programs of acquisition of shares were created, six of which do not have a stockpile available (programs of 1st to 5th and 9th), all the other programs (6th to 8th, 10th, and 11th), although being terminated, still have an outstanding stockpile.

For the programs below, the Company uses the Binomial model for the calculation of the fair value of the options of each grant.

On October 14, 2014, with the end of the 6th Program, the creation of the 7th Program was approved, with the issue price of the shares to be acquired of twenty-three Brazilian reais and sixty cents (BRL 23.60), with its value increased by adjustment for inflation based on the IGPM variation from October 14, 2014, until the date of effective exercise of the option.

On October 2, 2015, with the end of the 7th Program, the creation of the 8th Program was approved, with the issue price of the shares to be acquired of thirteen Brazilian reais and fifteen cents (BRL 13.15), with its value plus an adjustment for inflation based on the IGPM variation from October 2, 2015, until the date of effective exercise of the option.

On April 29, 2016, with the end of the 8th Program, the creation of the 9th Program was approved, with the issue price of the shares to be acquired of ten Brazilian reais and eighty-five cents (BRL 10.85), with its value increased by adjustment for inflation based on the IGPM variation from April 29, 2016, until the date of effective exercise of the option.

On July 19, 2016, with the end of the 9th Program, the creation of the 10th Program was approved, with the issue price of the shares to be acquired of fifteen Brazilian reais and twelve cents (BRL 15.12), with its value plus adjustment for inflation based on the IGPM variation from July 19, 2016, until the date of effective exercise of the option.

On April 25, 2017, with the end of the 10th Program, the creation of the 11th Program was approved, with the issue price of the shares to be acquired of fourteen Brazilian reais and eighteen cents (BRL 14.18), with its value plus adjustment for inflation based on the IGPM variation from April 25, 2017, until the date of effective exercise of the option.

As of December 31, 2022, the number of granted options, which were exercised accumulated from all programs, was 13,434,662 shares (BRL 116,870), of which 11,218,904 shares were from closed programs and 2,215,758 shares from active programs. The total number of shares granted, less the forfeited shares is 16,901,902 shares (BRL 156,902), of which 12,042,223 shares are of closed programs and 4,859,679 shares of active programs.

As of March 31, 2023, the number of options granted, which were exercised accumulated from all programs, was 13,441,762 shares (BRL 116,870), of which 11,218,904 shares were from closed programs and 2,222,858 shares from active programs. The total number of shares granted, less the forfeited shares is 16,901,902 shares (BRL 156,902), of which 12,042,223 shares of closed programs and 4,859,679 shares of active programs.

Granted options programs with a balance of shares to be exercised are as follows:

| Programs | Granted | Forfeited Options | Abandoned Options | Issued | Balance of Shares |
|----------------------|------------------|-------------------|-------------------|------------------|-------------------|
| 6P | 5,090,000 | 2,247,000 | 1,919,845 | 866,714 | 51,441 |
| 7P | 889,000 | 379,200 | 331,174 | 97,526 | 81,100 |
| 8P | 983,000 | 463,400 | 52,127 | 458,813 | 8,660 |
| 10P | 1,105,779 | 554,000 | 107,779 | 442,000 | 2,000 |
| 11P | 991,010 | 555,510 | 63,755 | 357,805 | 13,940 |
| Overall Total | 9,058,789 | 4,199,110 | 2,474,680 | 2,222,858 | 157,141 |

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The total of granted options that were exercised in the last quarters is as follows:

| | <u>Shares exercised</u> |
|--------------------|-------------------------|
| December 31, 2018 | 12,842,762 |
| March 31, 2019 | 12,901,362 |
| June 30, 2019 | 13,181,276 |
| September 30, 2019 | 13,203,276 |
| December 31, 2019 | 13,208,276 |
| March 31, 2020 | 13,229,276 |
| June 30, 2020 | 13,229,276 |
| September 30, 2020 | 13,359,572 |
| December 31, 2020 | 13,359,572 |
| March 31, 2021 | 13,359,572 |
| June 30, 2021 | 13,434,662 |
| September 30, 2021 | 13,434,662 |
| December 31, 2021 | 13,434,662 |
| March 31, 2022 | 13,434,662 |
| June 30, 2022 | 13,441,762 |
| September 30, 2022 | 13,441,762 |
| December 31, 2022 | 13,434,662 |
| March 31, 2023 | 13,441,762 |

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The assumptions used to calculate each grant, based on the Binominal model, are as follows:

| Program | End of Vesting period | Maturity Date | Granted Options | Price of Base Asset | Annual Volatility Expectation | Distribution of Dividends | Risk-free Interest Rate | Fair value | Quantity Forfeited |
|--------------------------|-----------------------|---------------|-----------------|---------------------|-------------------------------|---------------------------|-------------------------|------------|--------------------|
| 11th Program Apr17 | 04/23/2018 | 04/23/2028 | 188,000 | R\$ 14.18 | 46.66% | 0.00% | 8.94% | 6.14 | 13,500 |
| 11th Program Apr17 | 04/23/2019 | 04/23/2028 | 188,000 | R\$ 14.18 | 46.66% | 0.00% | 8.94% | 6.84 | 86,000 |
| 11th Program Apr17 | 04/23/2020 | 04/23/2028 | 188,000 | R\$ 14.18 | 46.66% | 0.00% | 8.94% | 7.41 | 132,500 |
| 11th Program Apr17 | 04/23/2021 | 04/23/2028 | 188,000 | R\$ 14.18 | 46.66% | 0.00% | 8.94% | 7.86 | 135,500 |
| 11th Program Apr17 | 04/23/2022 | 04/23/2028 | 188,000 | R\$ 14.18 | 46.66% | 0.00% | 8.94% | 8.26 | 137,000 |
| 11th Program Apr17 Cons. | 04/23/2018 | 04/23/2028 | 25,505 | R\$ 14.18 | 46.66% | 0.00% | 8.94% | 6.14 | 25,505 |
| 11th Program Apr17 Cons. | 04/23/2019 | 04/23/2028 | 25,505 | R\$ 14.18 | 46.66% | 0.00% | 8.94% | 6.84 | 25,505 |
| 10th Program Jul16 | 04/15/2017 | 07/19/2026 | 208,000 | R\$ 15.12 | 59.18% | 0.00% | 12.50% | 6.89 | 2,000 |
| 10th Program Jul16 | 04/15/2018 | 07/19/2026 | 208,000 | R\$ 15.12 | 59.18% | 0.00% | 12.50% | 7.89 | 33,000 |
| 10th Program Jul16 | 04/15/2019 | 07/19/2026 | 208,000 | R\$ 15.12 | 59.18% | 0.00% | 12.50% | 8.61 | 153,000 |
| 10th Program Jul16 | 04/15/2020 | 07/19/2026 | 208,000 | R\$ 15.12 | 59.18% | 0.00% | 12.50% | 9.18 | 183,000 |
| 10th Program Jul16 | 04/15/2021 | 07/19/2026 | 208,000 | R\$ 15.12 | 59.18% | 0.00% | 12.50% | 9.64 | 183,000 |
| 10th Program Jul16 Cons. | 04/15/2017 | 07/19/2026 | 32,890 | R\$ 15.12 | 59.18% | 0.00% | 12.50% | 6.89 | 0 |
| 10th Program Jul16 Cons. | 04/15/2018 | 07/19/2026 | 32,889 | R\$ 15.12 | 59.18% | 0.00% | 12.50% | 7.89 | 0 |
| 9th Program Apr16 | 04/15/2017 | 04/15/2027 | 80,000 | R\$ 11.87 | 54.57% | 0.00% | 12.93% | 6.02 | 20,000 |
| 9th Program Apr16 | 04/15/2018 | 04/15/2027 | 80,000 | R\$ 11.87 | 54.57% | 0.00% | 12.93% | 6.66 | 20,000 |
| 9th Program Apr16 | 04/15/2019 | 04/15/2027 | 80,000 | R\$ 11.87 | 54.57% | 0.00% | 12.93% | 7.14 | 80,000 |
| 9th Program Apr16 | 04/15/2020 | 04/15/2027 | 80,000 | R\$ 11.87 | 54.57% | 0.00% | 12.93% | 7.52 | 80,000 |
| 9th Program Apr16 | 04/15/2021 | 04/15/2027 | 80,000 | R\$ 11.87 | 54.57% | 0.00% | 12.93% | 7.83 | 80,000 |
| 9th Program Apr16 Cons. | 04/15/2017 | 05/01/2019 | 450,000 | R\$ 11.87 | 54.57% | 0.00% | 12.93% | 3.17 | 100,000 |
| 9th Program Apr16 Cons. | 04/15/2018 | 05/01/2020 | 450,000 | R\$ 11.87 | 54.57% | 0.00% | 12.93% | 4.43 | 100,000 |
| 8P Program | 04/15/2016 | 04/15/2026 | 196,600 | R\$ 13.15 | 28.80% | 0.00% | 11.99% | 5.45 | 2,000 |
| 8P Program | 04/15/2017 | 04/15/2027 | 196,600 | R\$ 13.15 | 28.80% | 0.00% | 11.99% | 6.42 | 56,800 |
| 8P Program | 04/15/2018 | 04/15/2028 | 196,600 | R\$ 13.15 | 28.80% | 0.00% | 11.99% | 7.2 | 81,200 |
| 8P Program | 04/15/2019 | 04/15/2029 | 196,600 | R\$ 13.15 | 28.80% | 0.00% | 11.99% | 7.88 | 150,200 |
| 8P Program | 04/15/2020 | 04/15/2030 | 196,600 | R\$ 13.15 | 28.80% | 0.00% | 11.99% | 8.47 | 173,200 |
| 7P Program Oct14 | 04/15/2015 | 04/15/2025 | 177,800 | R\$ 26.83 | 28.80% | 0.00% | 11.99% | 8.58 | 16,000 |
| 7P Program Oct14 | 04/15/2016 | 04/15/2026 | 177,800 | R\$ 26.83 | 28.80% | 0.00% | 11.99% | 9.71 | 37,000 |
| 7P Program Oct14 | 04/15/2017 | 04/15/2027 | 177,800 | R\$ 26.83 | 28.80% | 0.00% | 11.99% | 10.64 | 86,000 |
| 7P Program Oct14 | 04/15/2018 | 04/15/2028 | 177,800 | R\$ 26.83 | 28.80% | 0.00% | 11.99% | 11.47 | 104,400 |
| 7P Program Oct14 | 04/15/2019 | 04/15/2029 | 177,800 | R\$ 26.83 | 28.80% | 0.00% | 11.99% | 12.24 | 135,800 |
| 6P Program Aug14 | 04/15/2015 | 04/15/2025 | 60,000 | R\$ 29.16 | 26.68% | 0.00% | 11.99% | 14.48 | 0 |
| 6P Program Aug14 | 04/15/2016 | 04/15/2026 | 60,000 | R\$ 29.16 | 26.68% | 0.00% | 11.99% | 15.1 | 28,000 |
| 6P Program Aug14 | 04/15/2017 | 04/15/2027 | 60,000 | R\$ 29.16 | 26.68% | 0.00% | 11.99% | 15.74 | 28,000 |
| 6P Program Aug14 | 04/15/2018 | 04/15/2028 | 60,000 | R\$ 29.16 | 26.68% | 0.00% | 11.99% | 16.38 | 28,000 |
| 6P Program Aug14 | 04/15/2019 | 04/15/2029 | 60,000 | R\$ 29.16 | 26.68% | 0.00% | 11.99% | 16.98 | 44,000 |
| 6P Program Aug14 Cons. | 04/15/2015 | 08/01/2024 | 50,000 | R\$ 29.16 | 28.80% | 0.00% | 11.99% | 14.43 | 0 |
| 6P Program Aug14 Cons. | 04/15/2016 | 08/01/2024 | 50,000 | R\$ 29.16 | 28.80% | 0.00% | 11.99% | 15.02 | 0 |
| 6P Program July14 | 04/15/2015 | 04/15/2025 | 608,000 | R\$ 29.94 | 26.43% | 0.00% | 11.99% | 15.13 | 0 |
| 6P Program July14 | 04/15/2016 | 04/15/2026 | 608,000 | R\$ 29.94 | 26.43% | 0.00% | 11.99% | 15.76 | 80,000 |
| 6P Program July14 | 04/15/2017 | 04/15/2027 | 608,000 | R\$ 29.94 | 26.43% | 0.00% | 11.99% | 16.41 | 602,000 |
| 6P Program July14 | 04/15/2018 | 04/15/2028 | 608,000 | R\$ 29.94 | 26.43% | 0.00% | 11.99% | 17.05 | 608,000 |
| 6P Program July14 | 04/15/2019 | 04/15/2029 | 608,000 | R\$ 29.94 | 26.43% | 0.00% | 11.99% | 17.65 | 608,000 |
| 6P Program July14 Cons. | 04/15/2015 | 07/04/2024 | 162,500 | R\$ 29.94 | 28.80% | 0.00% | 11.99% | 15.09 | 0 |
| 6P Program July14 Cons. | 04/15/2016 | 07/04/2024 | 162,500 | R\$ 29.94 | 28.80% | 0.00% | 11.99% | 15.69 | 0 |
| 6P Program Oct13 | 04/15/2014 | 04/15/2024 | 265,000 | R\$ 16.82 | 28.80% | 0.00% | 11.99% | 5.05 | 5,000 |
| 6P Program Oct13 | 04/15/2015 | 04/15/2025 | 265,000 | R\$ 16.82 | 28.80% | 0.00% | 11.99% | 5.79 | 5,000 |
| 6P Program Oct13 | 04/15/2016 | 04/15/2026 | 265,000 | R\$ 16.82 | 28.80% | 0.00% | 11.99% | 6.4 | 19,000 |
| 6P Program Oct13 | 04/15/2017 | 04/15/2027 | 265,000 | R\$ 16.82 | 28.80% | 0.00% | 11.99% | 6.94 | 88,000 |
| 6P Program Oct13 | 04/15/2018 | 04/15/2028 | 265,000 | R\$ 16.82 | 28.80% | 0.00% | 11.99% | 7.43 | 104,000 |
| 5P 3 Program | 04/15/2014 | 04/15/2024 | 144,000 | R\$ 16.16 | 39.85% | 0.00% | 11.02% | 6.37 | 0 |
| 5P 3 Program | 04/15/2015 | 04/15/2025 | 144,000 | R\$ 16.16 | 39.85% | 0.00% | 11.02% | 7.02 | 21,000 |
| 5P 3 Program | 04/15/2016 | 04/15/2026 | 144,000 | R\$ 16.16 | 39.85% | 0.00% | 11.02% | 7.6 | 102,000 |
| 5P 3 Program | 04/15/2017 | 04/15/2027 | 144,000 | R\$ 16.16 | 39.85% | 0.00% | 11.02% | 8.11 | 102,000 |
| 5P 3 Program | 04/15/2018 | 04/15/2028 | 144,000 | R\$ 16.16 | 39.85% | 0.00% | 11.02% | 8.58 | 123,000 |
| 4P Program Jan/13 | 04/15/2014 | 04/15/2024 | 160,200 | R\$ 14.40 | 33.47% | 0.00% | 3.90% | 8.23 | 7,200 |
| 4P Program Jan/13 | 04/15/2015 | 04/15/2025 | 160,200 | R\$ 14.40 | 33.47% | 0.00% | 3.90% | 8.35 | 7,200 |
| 4P Program Jan/13 | 04/15/2016 | 04/15/2026 | 160,200 | R\$ 14.40 | 33.47% | 0.00% | 3.90% | 8.48 | 7,200 |
| 4P Program Jan/13 | 04/15/2017 | 04/15/2027 | 160,200 | R\$ 14.40 | 33.47% | 0.00% | 3.90% | 8.62 | 88,200 |
| 4P Program Jan/13 | 04/15/2018 | 04/15/2028 | 160,200 | R\$ 14.40 | 33.47% | 0.00% | 3.90% | 8.75 | 94,200 |

In compliance with the provisions of technical pronouncement CPC 10 (R1), the share-based payments that were open on March 31, 2023, and December 31, 2022, were measured and recognized by the Company.

The Company recognizes the stock options granted on a quarterly basis, as a capital reserve with a corresponding counter entry in the statement of income, as general and administrative expenses, in the line item personal and social charges. In the period ended March 31, 2023, no provision was recognized (BRL 26 in the fiscal year ended December 31, 2022). The accumulated provision as of March 31, 2023 is BRL 74,855 (BRL 74,855 as of December 31, 2022).

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The variations in the number of outstanding share options and their corresponding weighted average prices for the fiscal year are presented below:

Executive board

| | March 31, 2023 | | December 31, 2022 | |
|-----------|---|------------------------|---|------------------------|
| | Average price for the share exercise | Options - thousands | Average price for the share exercise | Options - thousands |
| January 1 | | | 15.81 | 12,000 |
| Exercised | | | 15.81 | (12,000) |
| | | | | |

(c) Performance Share Program

The purpose of the Plan is to allow the grant of Restricted Shares to Beneficiaries selected by the Board of Directors, subject to certain conditions, with the objective of: (a) encouraging the expansion, success, and achievement of the corporate purpose of the Company and the companies under its control; (b) encouraging better management of the Company and the companies under its control, awarding participants the possibility of being Company's shareholders, thereby encouraging them to optimize all aspects that could value the company in the long term; (c) aligning the interest of the beneficiaries with the shareholders' interest; and (d) encouraging the retaining of managers and employees at the Company or in the companies under its control.

The managers and employees of the Company or of the companies under its control may be elected as Plan Beneficiaries, as defined by the Board of Directors.

The total number of restricted shares that may be granted under the Plan may not exceed, together with the options and/or shares granted under other Share-based compensation plans of the Company (which shall be considered in calculating the total limit established herein), the total limit of 3% of the Company's share capital on the date of approval of each Program.

The reference price of each restricted share used to define the number of restricted shares granted to each beneficiary will correspond to the weighted average quote of the Company's shares on B3 S.A. during the thirty (30) trading sessions prior to the date of each Program.

Each Program created by the Board of Directors will have a term of five years, and the restricted shares granted will be divided into five equal annual lots, with the vesting period occurring annually.

Exceptionally, with respect to the 1st Program, approved by the Board of Directors in 2018, the vesting period for the first 20% of restricted shares granted ended on April 15, 2019, with the delivery of the respective restricted shares to the beneficiaries within 30 days of the end of the vesting period, so that the vesting period for each of the other lots of 20% will end on April 15 each year, with the delivery of the respective restricted shares within a maximum of 30 days.

For the Restricted Shares Granting Plan, the provision for the program in the period ended March 31, 2023 is BRL 4,912 (BRL 19,394 as of December 31, 2022). The accumulated provision as of March 31, 2023 is BRL 58,467 (BRL 57,802 as of December 31, 2022).

As of March 31, 2023, the number of shares granted and delivered was 3,255,510 shares, and the total shares granted amounted to 9,170,900 shares.

| Program | Granted | Additional per Dividends | Additional per Performance | Delivered | Unvested | Cancelled | Forfeited |
|---------|---------|-----------------------------|-------------------------------|-----------|----------|-----------|-----------|
|---------|---------|-----------------------------|-------------------------------|-----------|----------|-----------|-----------|

**Management notes to the financial statements
as of March 31, 2023**

In thousands of Brazilian reais, except when otherwise indicated

| | | | | | | | |
|----------------------|------------------|----------------|----------------|------------------|------------------|----------------|------------------|
| 1P | 1,395,500 | 90,926 | 40,825 | 665,681 | 117,869 | 88,100 | 655,600 |
| 1P - Cons | 130,000 | 9,441 | | 139,441 | 0 | 0 | 0 |
| 1P - Esp. | 300,000 | 28,680 | 16,158 | 233,774 | 89,062 | 22,001 | |
| 2P | 879,000 | 19,000 | 41,500 | 458,537 | 191,251 | 38,677 | 251,035 |
| 2P - Cons | 98,000 | 3,158 | | 94,028 | 0 | 130 | 7,000 |
| 2P - Esp. | 100,000 | 2,749 | 5,000 | 60,887 | 41,690 | 5,172 | |
| 3P | 630,000 | 15,455 | | 565,455 | 0 | 0 | 80,000 |
| 3P - Cons | 98,000 | 0 | | | 84,000 | 0 | 14,000 |
| 3P - Esp. | 200,000 | 5,620 | | 205,620 | 0 | 0 | |
| 4P | 100,000 | 3,073 | 5,000 | 61,046 | 0 | 7,027 | 40,000 |
| 5P | 80,000 | 2,760 | | | 0 | 2,760 | 80,000 |
| 6P | 1,389,600 | 37,210 | | 432,461 | 534,103 | 63,324 | 396,922 |
| 7P | 445,000 | 9,542 | | 94,047 | 141,709 | 3,786 | 215,000 |
| 8P | 460,000 | 19,468 | | | 416,929 | 2,539 | 60,000 |
| 9P | 100,000 | 1,846 | | 40,628 | 30,609 | 609 | 30,000 |
| 10P | 1,330,800 | 25,572 | | 191,155 | 781,558 | 67,778 | 315,881 |
| 11P | 85,000 | 272 | | 12,750 | 20,152 | 4,370 | 48,000 |
| 12P | 1,350,000 | 9,925 | | | 1,150,075 | 1,150 | 208,700 |
| Overall Total | 9,170,900 | 284,697 | 108,483 | 3,255,510 | 3,599,007 | 307,423 | 2,402,138 |

21 Earnings per share

The table below presents information on the income and shares used to calculate basic and diluted earnings per share.

(a) Earnings per share – basic

| | <u>2023</u> | <u>2022</u> |
|--|----------------|----------------|
| Numerator | | |
| Net income for the period | 148,821 | 76,039 |
| Denominator (in thousands of shares) | | |
| Weighted average of the number of outstanding shares | <u>290,227</u> | <u>301,390</u> |
| Net income per batch of 1,000 shares - basic | <u>0.51277</u> | <u>0.25229</u> |

(b) Earnings per share - diluted

| | <u>2023</u> | <u>2022</u> |
|---|----------------|----------------|
| Numerator | | |
| Net income for the period | 148,821 | 76,039 |
| Denominator (in thousands of shares) | | |
| Weighted average of the number of outstanding shares | 290,227 | 301,390 |
| Potential increase in the number of shares due to the stock option plan | | |
| Adjusted weighted average of outstanding shares | <u>290,227</u> | <u>301,390</u> |
| Net income per batch of 1,000 shares - diluted | <u>0.51277</u> | <u>0.25229</u> |

22 Net revenue from services provided

Consolidated

**Management notes to the financial statements
as of March 31, 2023**

In thousands of Brazilian reais, except when otherwise indicated

| | <u>2023</u> | <u>2022</u> |
|---|------------------|------------------|
| Gross revenue | 2,673,783 | 2,454,259 |
| Deduction from gross revenue | (1,360,454) | (1,261,285) |
| Grants - scholarships | (1,243,948) | (1,183,608) |
| Refund of monthly tuition fees and charges | (12,282) | (9,822) |
| Discounts granted | (4,933) | (11,886) |
| Taxes | (46,840) | (42,117) |
| Adjustment to present value – PAR/DIS/Credathenas | (21,166) | (8,800) |
| FIES (i) | (31,285) | (5,052) |
| | <u>1,313,329</u> | <u>1,192,974</u> |

(i) Refers to FGEDUC and management fees.

23 Costs of services provided

| | <u>Consolidated</u> | |
|--|---------------------|------------------|
| | <u>2023</u> | <u>2022</u> |
| Personnel and social charges | (276,312) | (267,668) |
| Electricity, water, gas, and telephone | (10,092) | (11,859) |
| Rental, condominium fees, and IPTU | (14,054) | (10,646) |
| Mail and couriers | (431) | (516) |
| Depreciation and amortization | (107,129) | (110,363) |
| Teaching material | (1,975) | (2,110) |
| Third-party services - security and cleaning | (14,992) | (16,350) |
| Others | (54,523) | (46,193) |
| | <u>(479,508)</u> | <u>(465,705)</u> |

24 Selling, general and administrative expenses

| | <u>Parent company</u> | | <u>Consolidated</u> | |
|---|-----------------------|----------------|---------------------|------------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Selling expenses | | | | |
| Allowance for expected credit losses (Note 4) | | | (128,230) | (128,722) |
| Advertising | | | (104,180) | (111,890) |
| Sales and marketing | | | (25,101) | (29,850) |
| Others | | | (10) | (179) |
| | | | <u>(257,521)</u> | <u>(270,641)</u> |
| General and administrative expenses | | | | |
| Personnel and social charges | (1,355) | (1,703) | (92,378) | (82,302) |
| Third-parties services | (869) | (777) | (42,534) | (33,688) |
| Maintenance and repairs | | | (22,024) | (14,777) |
| Depreciation and amortization | | (1) | (77,999) | (66,260) |
| Educational agreements | | | (11,609) | (9,087) |
| Travel and accommodation | (1) | (3) | (2,982) | (2,633) |
| Provision for contingencies (Note 17) | | 50 | (19,792) | (11,567) |
| Insurance | (551) | (3,564) | (1,138) | (4,149) |
| Transportation | | (1) | (1,317) | (1,363) |
| Vehicle rental | | | (1,479) | (1,107) |
| Others | (394) | (120) | (18,932) | (13,986) |
| | <u>(3,170)</u> | <u>(6,119)</u> | <u>(292,184)</u> | <u>(240,919)</u> |

25 Other operating revenues/expenses

| <u>Parent company</u> | <u>Consolidated</u> |
|-----------------------|---------------------|
|-----------------------|---------------------|

**Management notes to the financial statements
as of March 31, 2023**

In thousands of Brazilian reais, except when otherwise indicated

| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
|--|--------------|-------------|----------------|--------------|
| Earn-out (i) | | | 32,923 | |
| Lease revenues | | | 2,231 | 1,530 |
| Revenues with agreements | 755 | 756 | 1,168 | 1,225 |
| Gain (loss) on disposal of property, plant and equipment | | | (4,208) | 187 |
| Other operating revenues (expenses) | <u>553</u> | | <u>(6,971)</u> | <u>906</u> |
| | <u>1,308</u> | <u>756</u> | <u>25,143</u> | <u>3,848</u> |

(i) Write-off of the earn-out relating to medicine vacancies linked to the acquisition of Athenas Group.

26 Financial income (expenses)

| | <u>Parent company</u> | | <u>Consolidated</u> | |
|---|-----------------------|------------------|---------------------|------------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Financial revenues | | | | |
| Late payment fines and interest | | | 19,258 | 14,870 |
| Revenues from financial investments | 6,914 | 11,858 | 34,704 | 45,790 |
| Derivatives fair value (SWAP) (i) | 26,674 | 97,461 | 26,674 | 97,461 |
| Adjustment of tax credits and financial products | 1,726 | 1,874 | 18,645 | 12,877 |
| Others | 2 | | 532 | 1,128 |
| (-) PIS and COFINS on financial transactions (ii) | <u>(6,404)</u> | <u>(4,985)</u> | <u>(9,563)</u> | <u>(8,085)</u> |
| | <u>28,912</u> | <u>106,208</u> | <u>90,250</u> | <u>164,041</u> |
| Financial expenses | | | | |
| Bank expenses | (209) | (222) | (2,883) | (2,941) |
| Interest and financial charges | (119,573) | (101,116) | (127,271) | (111,400) |
| Adjustment of provision for contingencies (Note 17) | | (22) | (9,227) | (11,903) |
| Financial deductions (iii) | | | (19,875) | (31,118) |
| Negative exchange variation | | | (4,261) | (3,455) |
| Derivatives fair value (SWAP) (i) | (39,171) | (95,400) | (39,171) | (95,400) |
| Interest on loans (SWAP) | (21,698) | (16,610) | (21,698) | (16,610) |
| Expenses with loans | (933) | (1,150) | (933) | (1,150) |
| Lease interest – Right-of-use | | | (35,435) | (31,915) |
| Others | <u>(23)</u> | <u>(649)</u> | <u>(1,296)</u> | <u>(2,415)</u> |
| | <u>(181,607)</u> | <u>(215,169)</u> | <u>(262,050)</u> | <u>(308,307)</u> |

(i) Refers to loans in foreign currency and derivatives contracted to protect the Company from foreign exchange exposure.

(ii) Refers to charges on financial revenues and JCP (Interest on Equity).

(iii) Related to discounts granted upon renegotiation of overdue monthly tuition fees.

27 Income by business segment

**Management notes to the financial statements
as of March 31, 2023**

In thousands of Brazilian reais, except when otherwise indicated

March 31, 2023

| | In-class courses | Digital | Premium | Total |
|---|---------------------|----------------|----------------|------------------|
| Gross revenue | 1,369,433 | 920,791 | 383,559 | 2,673,783 |
| Deductions | (832,650) | (466,266) | (61,538) | (1,360,454) |
| Net revenue (Note 22) | 536,783 | 454,525 | 322,021 | 1,313,329 |
| Costs of the services provided (Note 23) | (206,871) | (70,383) | (95,125) | (372,379) |
| Personnel and social charges | (174,275) | (15,042) | (86,995) | (276,312) |
| Rental, condominium fees, and IPTU | (10,991) | 49 | (3,112) | (14,054) |
| Mail and couriers | (163) | (194) | (74) | (431) |
| Teaching material | (1,233) | | (742) | (1,975) |
| Third parties' services and others | (20,209) | (55,196) | (4,202) | (79,607) |
| Depreciation and amortization (Note 23) | (76,308) | (6,844) | (23,977) | (107,129) |
| Gross income | 253,604 | 377,298 | 202,919 | 833,821 |
| Selling expenses (Note 24) | (120,844) | (118,264) | (18,413) | (257,521) |
| General and administrative expenses (Note 24) | (92,543) | (69,304) | (52,338) | (214,185) |
| Depreciation and amortization (Note 24) | (34,591) | (26,333) | (17,075) | (77,999) |
| Other revenue/expenses (Note 25) | 9,333 | 9,664 | 6,146 | 25,143 |
| Operating income | 14,959 | 173,061 | 121,239 | 309,259 |

March 31, 2022

| | In-class courses | Digital | Premium | Total |
|---|---------------------|----------------|----------------|------------------|
| Gross revenue | 1,334,058 | 813,273 | 306,929 | 2,454,260 |
| Deductions | (774,281) | (442,440) | (44,565) | (1,261,286) |
| Net revenue (Note 22) | 559,777 | 370,833 | 262,364 | 1,192,974 |
| Costs of the services provided (Note 23) | (211,813) | (64,967) | (78,562) | (355,342) |
| Personnel and social charges | (177,106) | (18,625) | (71,939) | (267,670) |
| Rental, condominium fees, and IPTU | (7,665) | (255) | (2,726) | (10,646) |
| Mail and couriers | (262) | (191) | (63) | (516) |
| Teaching material | (1,415) | (18) | (677) | (2,110) |
| Third parties' services and others | (25,365) | (45,878) | (3,157) | (74,400) |
| Depreciation and amortization (Note 23) | (86,869) | (5,814) | (17,680) | (110,363) |
| Gross income | 261,095 | 300,052 | 166,122 | 727,269 |
| Selling expenses (Note 24) | (144,088) | (108,208) | (18,345) | (270,641) |
| General and administrative expenses (Note 24) | (79,107) | (59,631) | (35,922) | 174,660 |
| Depreciation and amortization (Note 24) | (32,097) | (21,849) | (12,313) | (66,259) |
| Other revenue/expenses (Note 25) | 1,927 | 1,534 | 387 | 3,848 |
| Operating income | 7,730 | 111,898 | 99,929 | 219,557 |

**Management notes to the financial statements
as of March 31, 2023**

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The reconciliation of taxes assessed according to nominal tax rates and the amount of tax recorded for the periods ended March 31, 2023 and 2022 are presented below:

| | Parent company | | Consolidated | |
|---|-----------------------|-------------|---------------------|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| Profit before income tax and social security contribution | 148,750 | 75,847 | 137,459 | 75,291 |
| Nominal rate combined from income tax and social security contribution - % | 34 | 34 | 34 | 34 |
| Income tax and social security contribution at legislation rates | (50,575) | (25,788) | (46,736) | (25,599) |
| Equity accounting method | 103,125 | 64,658 | | |
| Goodwill | | | 2,710 | 3,541 |
| Non-deductible expenses (i) | 587 | | 1,462 | (167) |
| Interest on Equity | (22,066) | (15,980) | | |
| Tax loss - not constituted | (31,000) | (22,698) | (31,504) | (28,504) |
| Non-taxable income | | | (231) | 1,650 |
| Tax incentives of PROUNI program | | | 89,752 | 57,051 |
| Others | | | 222 | 73 |
| Current and deferred income tax and social security contribution in the income for the period | 71 | 192 | 15,675 | 8,045 |
| Current IRPJ and CSLL in income | | | (30,126) | (8,064) |
| Deferred IRPJ and CSLL in income | | | 44,127 | 16,110 |
| IRPJ and CSLL from prior periods | | | (1,969) | (7,298) |
| | <u>71</u> | <u>192</u> | <u>12,032</u> | <u>748</u> |

(i) These refer basically to expenses with sponsorships, donations and gifts.

As of March 31, 2023, the Company recorded deferred tax credit from the temporary differences in the amount of BRL 440,260 (BRL 398,086 as of December 31, 2022). The breakdown of the tax effect on the temporary additions that gave rise to such credit is as follows:

| | Parent company | | Consolidated | |
|--|-----------------------|--------------------------|-----------------------|--------------------------|
| | March 31, 2023 | December 31, 2022 | March 31, 2023 | December 31, 2022 |
| Adjustment to present value | | | 15,972 | 9,408 |
| Provision for contingencies | | | 81,299 | 74,942 |
| Expected credit loss - PCE | | | 104,577 | 78,974 |
| Monthly tuition fees to be invoiced / canceled | | | 21,550 | 23,737 |
| Provision for asset retirement | | | 20,338 | 19,692 |
| Assets surplus value amortization | | | (7,822) | (12,909) |
| Provision for Fies risk | | | 329 | 325 |
| Recognized granted options | 1,246 | 1,175 | 63,268 | 63,047 |
| Leases | | | 82,181 | 78,851 |
| Business combination | | | (27,252) | (27,951) |
| Goodwill incorporated | | | (2,230) | (2,230) |
| Depreciation | 14 | 14 | 5,962 | 5,937 |
| Tax loss | | | 79,553 | 82,608 |
| Other assets | | | 2,535 | 3,653 |
| | <u>1,260</u> | <u>1,189</u> | <u>440,260</u> | <u>398,086</u> |
| Assets | <u>1,260</u> | <u>1,189</u> | <u>440,260</u> | <u>398,086</u> |
| | <u>1,260</u> | <u>1,189</u> | <u>440,260</u> | <u>398,086</u> |

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The realization of the deferred tax effect on temporary differences recorded on March 31, 2023, is linked to the realization of the provision which gave rise to this credit.

The Company has been adopting measures that will allow the consumption of tax loss and negative CSLL basis, with the consequent realization of deferred tax assets on tax loss and negative CSLL basis, such as corporate reorganizations and their consequent operational improvements.

Deferred income tax and social security contribution assets on tax losses will be realized in accordance with Management's expectations, as follows:

| | March 31, 2023 <u>Consolidated</u> |
|--------------|---|
| 2024 to 2027 | 61,133 |
| 2028 to 2032 | <u>18,420</u> |
| | <u>79,553</u> |

* * *