

# **YDUQS Participações S.A.**

**Quarterly Financial Statements – QFS**

**June 30, 2023**

**and the report on the 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 June 30, 2023, comprising the statements of financial position at that date and the statements of income and comprehensive income for the quarter and six-month period then ended, and the statements of changes in equity and cash flows for the six-month period 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 six-month period ended June 30, 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, August 10, 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	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022		June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
<b>Assets</b>					<b>Liabilities and equity</b>				
Current					Current				
Cash and cash equivalents (Note 3)	56,000	2,265	813,765	401,050	Suppliers	1,748	1,472	239,177	227,561
Securities (Note 3)	36,427	338	340,327	384,781	Loans and financing (Note 11)	729,340	279,726	729,340	279,726
Trade receivables (Note 4)			1,186,552	1,055,886	Leases (Note 12)			229,403	232,020
Related parties (Note 5)	25	18			Salaries and social charges (Note 13)	391	313	286,051	137,832
Prepaid expenses (Note 6)	1,120	879	24,943	19,394	Tax obligations (Note 14)	1,860	1,492	80,035	69,429
Taxes and contributions recoverable (Note 7)	59,146	64,226	195,035	216,378	Prepaid monthly tuition fees			60,219	76,658
Dividends receivable	106,799	219,612			Tax payment in installments (Note 15)			4,510	4,450
Others	717		16,294	22,972	Related parties (Note 5)	73	63		
					Dividends payable (Note 18)	52	58	151	58
					Acquisition price payable (Note 16)			13,773	67,292
	260,234	287,338	2,576,916	2,100,461	Others	3,960	4,930	11,743	12,585
						737,424	288,054	1,654,402	1,107,611
Non-current					Non-current				
Non-current receivables					Long-term liabilities				
Trade receivables (Note 4)			224,847	153,046	Loans and financing (Note 11)	3,066,013	3,249,702	3,066,013	3,249,702
Prepaid expenses (Note 6)	78	90	5,979	6,572	Leases (Note 12)			1,395,862	1,279,049
Legal deposits (Note 17)	444	312	88,332	89,111	Contingencies (Note 17)			223,693	220,419
Deferred taxes (Note 28)	1,357	1,189	439,627	398,086	Tax payment in installments (Note 15)			6,146	7,521
Taxes and contributions recoverable (Note 7)	54,019	36,703	176,666	141,626	Allowance for assets retirement			92,914	92,685
Others			12,576	12,697	Acquisition price payable (Note 16)			46,361	44,188
					Financial liabilities - options			55,917	55,917
					Others	16,399	18,065	29,587	32,056
	55,898	38,294	948,027	801,138		3,082,412	3,267,767	4,916,493	4,981,537
Investments					Equity (Note 18)				
In subsidiaries (Note 8)	5,862,487	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	3,613,082	3,633,048	Capital reserves	722,574	715,981	722,574	715,981
Property, plant and equipment (Note 10)			2,584,584	2,514,222	Retained earnings	1,528,128	1,528,128	1,528,128	1,528,128
	6,642,552	6,176,436	6,198,004	6,147,608	Treasury shares	(349,748)	(354,980)	(349,748)	(354,980)
					Equity valuation adjustment	(55,917)	(55,917)	(55,917)	(55,917)
					Profit or loss for the period	180,776		180,776	
						3,138,848	2,946,247	3,138,848	2,946,247
	6,698,450	6,214,730	7,146,031	6,948,746	Equity interest of non-controlling shareholders			13,204	13,812
						3,138,848	2,946,247	3,152,052	2,960,059
Total assets	6,958,684	6,502,068	9,722,947	9,049,207	Total liability and equity	6,958,684	6,502,068	9,722,947	9,049,207

The Management explanatory notes are an integral part of the quarterly financial statements.

**YDUQS Participações S.A.**  
**Statement of income**  
**Six-month period ended June 30**  
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>
<b>Continued operations</b>				
Net revenue from activities (Note 22)			2,621,289	2,327,831
Costs of services provided (Note 23)			(1,029,846)	(997,301)
<b>Gross income</b>			1,591,443	1,330,530
<b>Operating revenues (expenses)</b>				
Selling expenses (Note 24)			(488,204)	(515,486)
General and administrative expenses (Note 24)	(6,309)	(11,932)	(611,792)	(482,208)
Equity accounting income (loss) (Note 8)	471,641	273,630		
Other operating revenues/expenses (Note 25)	2,062	1,511	30,823	12,621
<b>Operating income</b>	<u>467,394</u>	<u>263,209</u>	<u>522,270</u>	<u>345,457</u>
Financial revenues (Note 26)	72,731	43,769	171,751	145,646
Financial expenses (Note 26)	(359,517)	(294,676)	(519,433)	(478,900)
<b>Net financial income</b>	<u>(286,786)</u>	<u>(250,907)</u>	<u>(347,682)</u>	<u>(333,254)</u>
<b>Profit before income tax and social security contribution</b>	180,608	12,302	174,588	12,203
Current and deferred income tax (Note 28)	124	39	5,151	526
Current and deferred social security contribution (Note 28)	44	14	1,800	(23)
<b>Net profit for the period</b>				
Attributed to shareholders of the parent company	180,776	12,355	180,776	12,355
Attributed to non-controlling shareholders			763	351
	<u>180,776</u>	<u>12,355</u>	<u>181,539</u>	<u>12,706</u>
Net income per batch of 1000 shares - basic (Note 21)	<u>0.62238</u>	<u>0.04133</u>	<u>0.62238</u>	<u>0.04133</u>
Net income per batch of 1000 shares - diluted (Note 21)	<u>0.61801</u>	<u>0.04113</u>	<u>0.61801</u>	<u>0.04113</u>

The Management explanatory notes are an integral part of the quarterly financial statements.

**YDUQS Participações S.A.**  
**Statement of comprehensive income**  
**Six-month period ended June 30**  
**In thousands of Brazilian reais**

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Net income for the period	180,776	12,355	180,776	12,355
Other comprehensive income				
Total comprehensive income for the period, net of taxes	180,776	12,355	180,776	12,355
Attributable to:				
Parent company's shareholders	180,776	12,355	180,776	12,355
Non-controlling shareholders			763	351
	180,776	12,355	181,539	12,706

The Management explanatory notes are an integral part of the quarterly financial statements.

**YDUQS Participações S.A.**  
**Statement of changes in equity**  
**Six-month period ended June 30**  
**In thousands of Brazilian reais**

	Capital reserves					Retained profits					Equity net Parent company	Equity interest of non controlling shareholders	Equity Net consolidated
	Share capital	Expenditure w/ issue of shares	Goodwill on subscription of shares	Negative goodwill on sale of shares	Options granted	Legal	Retention of profits	Shares in treasury	Equity valuation adjustment	Profit earnings			
<b>As of January 1, 2022</b>	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)					26						26		26
Restricted Shares Granting Plan (Note 21)					7,906						7,906		7,906
Payment of Restricted Shares Granting Plan (Note 18 d.3)					(140)			140					
Payment of Stock options								32			32		32
Treasury shares acquired								(124,472)			(124,472)		(124,472)
Net income for the period										12,355	12,355	351	12,706
Non-controlling interests												12,533	12,533
<b>As of June 30, 2022</b>	1,139,887	(26,852)	595,464	(12,141)	127,124	191,797	1,394,575	(284,778)		12,355	3,137,431	12,884	3,150,315
<b>As of January 1, 2023</b>	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
Granted Options (Note 20)					529						529		529
Restricted Shares Granting Plan (Note 20)					11,037						11,037		11,037
Payment of Restricted Shares Granting Plan					(4,973)			4,973					
Payment of Stock options (Note 18 d.3)								259			259		259
Acquired treasury shares (Note 18 (c))													
Dividends paid												(763)	(763)
Net income for the period										180,776	180,776	763	181,539
Non-controlling interests												(608)	(608)
<b>As of June 30, 2023</b>	1,139,887	(26,852)	595,464	(12,141)	139,251	191,797	1,336,331	(349,748)	(55,917)	180,776	3,138,848	13,204	3,152,052

The Management explanatory notes are an integral part of the quarterly financial statements.

**YDUQS Participações S.A.**  
**Statement of cash flows**  
**Six-month period ended June 30**  
**In thousands of Brazilian reais**

	Parent company		Consolidated	
	2023	2022	2023	2022
<b>Cash flow from operating activities</b>				
Profit before income tax and social security contribution	180,608	12,302	174,588	12,203
<b>Adjustments of profit (loss):</b>				
Depreciation and amortization		1	387,299	355,616
Amortization of loan funding costs	1,865	2,258	1,865	2,258
Allowance for doubtful accounts			294,834	323,788
Allowance for loss - Other trade receivables			1,501	556
Granted options – Stock options allowance	497	605	15,848	6,869
Allowance for contingencies		(447)	51,352	45,091
Interest on loans and financing	275,972	251,474	275,972	251,474
Interest on leases			73,912	75,283
Adjustment of assets retirement obligation			2,025	4,215
Adjustment of commitments payable			5,002	9,981
(Gain) Loss on disposal of property, plant and equipment and intangible assets			2,558	6,985
Equity accounting method	(471,640)	(273,630)		
Adjustment to Present Value – trade receivables			17,904	3,989
Adjustment of tax credits	(5,050)	(3,686)	(10,292)	(7,934)
Others	11,070	1,557	(17,270)	(4,527)
	<b>(6,678)</b>	<b>(9,566)</b>	<b>1,277,098</b>	<b>1,085,847</b>
<b>Variations in assets and liabilities:</b>				
(Increase) in trade receivables			(515,205)	(393,638)
(Increase) Decrease in prepaid expenses	(229)	112	(4,956)	(11,736)
(Increase) Decrease in taxes and contributions recoverable	8,534	16,604	11,063	(25,131)
(Increase) in Legal deposits	(132)	(19)	779	16,111
(Increase) Decrease in other assets	(26)	(65)	5,931	(3,944)
Increase (Decrease) in suppliers	(62)	1,755	(8,275)	20,736
Increase (Decrease) in payroll and social charges	1	(584)	145,242	13,577
Increase (Decrease) in tax obligations	368	(12,022)	3,784	(29,344)
Increase (Decrease) in prepaid monthly tuition fees			(16,439)	(16,961)
(Decrease) in tax installment payment			(1,698)	(1,673)
(Decrease) in civil/labor/tax awards		(1)	(55,548)	(49,405)
Increase in allowance for assets retirement obligations			(1,796)	(10,028)
Increase (Decrease) in other liabilities	(712)	114	(3,308)	(21,649)
	<b>1,064</b>	<b>(3,672)</b>	<b>836,672</b>	<b>572,762</b>
Interest paid on loans	(271,960)	(224,725)	(271,960)	(224,725)
IRPJ (Corporate Income Tax) and CSLL (Social Contribution on Net Income) Paid			(27,752)	(20,261)
<b>Net cash provided by (used in) operating activities.</b>	<b>(270,896)</b>	<b>(228,397)</b>	<b>536,960</b>	<b>327,776</b>
<b>Cash flow from investment activities:</b>				
Acquisition of property, plant and equipment			(55,584)	(55,841)
Acquisition of Intangible assets			(163,271)	(153,734)
Dividends received	112,813			
Acquisition of subsidiaries, net of cash obtained				(25,303)
Advance for future capital increase		(37,050)		
Investment (redemption) in securities	(36,089)	74,002	44,455	146,778
Acquisition price payable			(15,955)	(18,599)
<b>Net cash provided by (used in) investment activities.</b>	<b>76,724</b>	<b>36,952</b>	<b>(190,355)</b>	<b>(106,699)</b>
<b>Cash flow from financing activities:</b>				
Acquisition of treasury shares	260	(124,440)	260	(124,440)
Use of treasury shares derived from the exercise of stock options				
Dividends paid	(6)		(670)	
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	(175,187)	(350,294)	(175,187)	(350,294)
Lease amortization			(181,133)	(179,559)
<b>Net cash provided by (used in) financing activities</b>	<b>247,907</b>	<b>(241,589)</b>	<b>66,110</b>	<b>(421,148)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>53,735</b>	<b>(433,034)</b>	<b>412,715</b>	<b>(200,071)</b>
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	56,000	52,205	813,765	705,390
<b>Increase (decrease) in cash and cash equivalents</b>	<b>53,735</b>	<b>(433,034)</b>	<b>412,715</b>	<b>(200,071)</b>

The Management explanatory notes are an integral part of the quarterly financial statements.



**YDUQS Participações S.A.**  
**Statement of value added**  
**Six-month period ended June 30**  
**In thousands of Brazilian reais**

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Revenues</b>				
Educational services			2,716,702	2,415,477
Other revenues			1,254	1,597
Allowance for expected credit losses			(294,834)	(323,788)
			<u>2,423,122</u>	<u>2,093,286</u>
<b>Inputs acquired from third parties</b>				
Materials, electric power, and others	(1,593)	(7,292)	(189,683)	(190,439)
Third parties' services	(1,843)	(1,752)	(239,535)	(207,447)
Advertising			(153,651)	(156,320)
Contingencies		284	(31,129)	(23,892)
	<u>(3,436)</u>	<u>(8,760)</u>	<u>(613,998)</u>	<u>(578,098)</u>
<b>Gross value added</b>	<u>(3,436)</u>	<u>(8,760)</u>	<u>1,809,124</u>	<u>1,515,188</u>
Depreciation and amortization		(1)	(387,299)	(355,616)
			<u>1,421,825</u>	<u>1,159,572</u>
<b>Net value added produced</b>	<u>(3,436)</u>	<u>(8,761)</u>	<u>1,421,825</u>	<u>1,159,572</u>
<b>Value added received in transfer</b>				
Equity accounting method income	471,640	273,630		
Financial income	83,094	56,657	187,659	164,071
Others	2,272	1,665	34,849	34,673
	<u>557,006</u>	<u>331,952</u>	<u>222,508</u>	<u>198,744</u>
<b>Total distributed value added</b>	<u>553,570</u>	<u>323,191</u>	<u>1,644,333</u>	<u>1,358,316</u>
<b>Distribution of value added</b>				
Work compensation				
Direct compensation	2,406	2,487	608,440	538,948
Benefits			44,665	38,945
Guarantee Fund for Length of Service (FGTS)			38,303	40,523
	<u>2,406</u>	<u>2,487</u>	<u>691,408</u>	<u>618,416</u>
Taxes, fees, and contributions				
Federal	11,090	14,529	135,653	150,458
Municipal			106,399	90,785
	<u>11,090</u>	<u>14,529</u>	<u>242,052</u>	<u>241,243</u>
Compensation of third-party capital				
Interest	359,298	293,820	517,638	476,672
Rents			11,696	9,279
	<u>359,298</u>	<u>293,820</u>	<u>529,334</u>	<u>485,951</u>
Compensation on equity				
Retained profits for the period	180,776	12,355	180,776	12,355
Non-controlling shareholders' interest in retained profits			763	351
	<u>180,776</u>	<u>12,355</u>	<u>181,539</u>	<u>12,706</u>
<b>Value added distributed</b>	<u>553,570</u>	<u>323,191</u>	<u>1,644,333</u>	<u>1,358,316</u>

The Management explanatory notes are an integral part of the quarterly financial statements.

## 1 General information

### 1.1 Operating context

YDUQS Participações S.A. (the “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 headquartered at Avenida Venezuela, 43, in the City and State of Rio de Janeiro, incorporated by way of a private share subscription on March 31, 2007, and currently listed on *Novo Mercado* (New Market).

The Group has 36 companies, including the Company, 29 of which are sponsors of a higher education institution, organized as business limited liability companies, and which 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 1, 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 for this 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, at a meeting held on August 9, 2023, authorized the disclosure of this quarterly information (parent company and consolidated).

### 1.2 Basis for preparation

The Quarterly Financial Statements (“QFS”) (parent company and consolidated) were prepared according to the Technical Pronouncement CPC 21 — Interim Statement and the International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well presented in a manner consistent with the rules issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of the Quarterly Financial Statements - QFS, and show all relevant information related to the QFS (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) does 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 quarterly financial statements.

**Management explanatory notes to the financial statements  
as of June 30, 2023**

In thousands of Brazilian reais, except when otherwise indicated

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### 1.3 Accounting policies

This quarterly information should be read together with the financial statements for the fiscal year ended December 31, 2022, since its purpose is to provide an update on significant activities, events, and circumstances in relation to those financial statements. In the QFS, 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 to accounting policies and disclosures

#### New standards in force in 2023

- **Amendments 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 define "material accounting policy information" and explain how to identify it. They also clarify that immaterial accounting policy information does not need to be disclosed, but if it is disclosed, 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. The amendments are effective as of January 1, 2023.
- **Amendment to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:** the 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 quarterly financial statements.

#### 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 liability for at least 12 months, if, on the balance sheet date, it had not complied it with ratios provided for in restrictive clauses (e.g.: covenants), even if the 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

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sheet date do not affect the classification as current or non-current. Only covenants that the entity is 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 quarterly information includes the Company's transactions and the following subsidiaries on June 30, 2023 and December 31, 2022:

	Equity Interest (%)
<b>Direct:</b>	
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%
Ensine.me Serviços Educacionais Ltda. ("EnsineMe")	100%
União dos Cursos Superiores SEB Ltda. ("Estácio Ribeirão Preto")	100%
<b>Indirect:</b>	
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%
Instituto de Ensino Superior da Amazonia Ltda. ("FMF")	100%
Sociedade Educacional Ideal Ltda. ("FACI")	100%
IBMEC Educacional Ltda. ("IBMEC")	100%
A. Região Tocantina de Educação e Cultura Ltda. ("FACIMP")	100%
Sociedade de Educação do Vale do Ipojuca Ltda. ("UNIFAVIP")	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. ("UNIÃO 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%

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

The period covered by the QFS of the subsidiaries included in the consolidation is the 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 said 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 value 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 statement of profit or loss 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, 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 for 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 five years. However, for the call option, it is foreseen to choose, for a postponement of up to three consecutive years, after the signature of the contract. Immediately after the established period, the call option may be freely exercised with the application of the discount rate.

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

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

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 purchase price allocation determined based on the fair value of the assets acquired and liabilities assumed:

	<b>Hardwork</b>
<b>Assets</b>	
<b>Current</b>	<b>25,660</b>
Cash and cash equivalents	12,697
Trade receivables	3,571
Related parties	9,307
Taxes and contributions	42
Other assets	42
<b>Non-current</b>	<b>681</b>
Property, plant and equipment	681
	<b>26,340</b>
<b>Liabilities</b>	
<b>Current</b>	<b>3,783</b>
Suppliers	99
Leases	159
Salaries and charges	69
Labor obligations	1,878
Prepaid monthly tuition fees	1,578
<b>Non-current</b>	<b>64</b>
Leases	64
	<b>3,847</b>
Net assets acquired	22,493
Non-controlling interests	(11,021)
Surplus - Identifiable assets at fair value	8,113
Goodwill	31,098
<b>Total consideration</b>	<b>50,683</b>
<b>Cash flow at the time of acquisition</b>	
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)	
<b>Net cash flow on acquisition</b>	<b>50,683</b>

(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 Explanatory Notes that were not presented

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

Explanatory notes that are not presented:

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- Summary of principal accounting policies;
- Critical accounting estimates and judgments;
- Assumptions for calculating the fair value of the share option plan and impairment of non-financial assets;
- Insurance coverage;
- Commitments; and
- Other information.

**3 Cash and cash equivalents and securities**

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>June 30, 2023</b>	<b>December 31, 2022</b>	<b>June 30, 2023</b>	<b>December 31, 2022</b>
Cash and banks	533	1,798	13,425	22,255
Financial Bills (LFs) (Exclusive funds)	38,755	396	469,000	322,599
Bank Deposit Certificate (CDB)			108,740	17,766
CDB (Exclusive funds)	1,035	1	18,776	348
Repurchase	15,677	70	203,824	38,082
Cash and cash equivalents	56,000	2,265	813,765	401,050
Federal Government Bonds (Investment Fund)	36,427	338	340,327	384,781
Securities	36,427	338	340,327	384,781
Total	92,427	2,603	1,154,092	785,831

The Company has an investments policy that stipulates that investments must be concentrated in low-risk securities and investments at prime financial institutions. As of June 30, 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 June 30, 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 June 30, 2023, was 104.42% of the CDI rate with average profitability in 2023 of 99.65% of the CDI rate (average annual profitability as of December 31, 2022 was 105.8% of the CDI rate).

Bank Deposit Certificates - CDBs yield the CDI rate, averaging 94.16% as of June 30, 2023 (99.77% as of December 31, 2022).

**4 Trade receivables**

	<b>Consolidated</b>	
	<b>June 30, 2023</b>	<b>December 31, 2022</b>
Student fees	1,594,833	1,449,978
Student Financing Fund (FIES) (a)	82,893	88,570
Partnership agreements and exchange deals	31,618	44,182
Credit cards receivable (b)	190,188	160,126
Receivable agreements	200,071	194,328
	2,099,603	1,937,184

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Expected Credit Losses (PCE)	(623,909)	(684,326)
Unidentified values	(8,341)	(5,875)
(-) Adjustment to present value (c)	(55,954)	(38,051)
	<u>1,411,399</u>	<u>1,208,932</u>
Current assets	1,186,552	1,055,886
Non-current assets	224,847	153,046
	<u>1,411,399</u>	<u>1,208,932</u>

- (a) Trade receivables from the FIES (Student Financing Fund) are represented by educational loans raised by students with Caixa Econômica Federal (CEF) and National Education Development Fund (FNDE), whereby the financed funds are transferred monthly by CEF and Banco do Brasil to the specific bank checking account. Such amount has been used to pay the 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 guarantor, it was set up allowance was set up for 2.25% of the income with characteristic, considering the assumptions of 15% of credit risk exposure over an estimate default rate of 15%.
- (ii) For the uncovered Guarantee Fund for Educational Credit Operations (FGEDUC) risk, contracted as of March 2012, an allowance 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% 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, an allowance 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% 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 June 30, 2023, the adjustment to present value amounts to BRL 55,954 (BRL 9,296 related to PAR, BRL 38,995 to DIS, and BRL 7,663 to Athenas Financing System), and, as of December 31, 2022, BRL 38,051 (BRL 9,153 related to PAR, BRL 25,052 related to DIS, and BRL 3,846 related to Athenas Financing System).

The balance of long-term amounts as of June 30, 2023, is related to PAR (Estácio's Installment Payment Program), DIS (Dilution of monthly tuition fees), and Athenas' installment payment program. The aging breakdown is as follows:

	<b>Consolidated</b>	
	<b>June 30, 2023</b>	<b>December 31, 2022</b>
2024	99,583	144,529
2025	117,808	60,392
2026	72,396	26,915
2027 to 2028	27,193	4,544
(-) Adjustment to present value	(40,507)	(28,693)
(-) Allowance for expected credit losses	(51,626)	(54,641)
Non-current assets	<u>224,847</u>	<u>153,046</u>



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The breakdown of receivables by age is presented below:

	Consolidated			
	June 30, 2023	%	December 31, 2022	%
FIES	82,893	4	88,570	5
To be due	879,832	42	747,016	39
Overdue up to 30 days	252,512	12	219,886	11
Overdue from 31 to 60 days	164,738	8	143,656	7
Overdue from 61 to 90 days	129,747	6	95,104	5
Overdue from 91 to 179 days	182,300	9	179,785	9
Overdue from 180 to 360 days	407,581	19	463,167	24
	<u>2,099,603</u>	<u>100</u>	<u>1,937,184</u>	<u>100</u>

The breakdown of receivables by age is presented below:

	Consolidated			
	June 30, 2023	%	December 31, 2022	%
To be due	70,433	35	78,180	40
Overdue up to 30 days	20,862	11	15,011	8
Overdue from 31 to 60 days	18,175	9	15,880	8
Overdue from 61 to 90 days	16,174	8	15,803	8
Overdue from 91 to 179 days	30,329	15	28,718	15
Overdue from 180 to 360 days	44,098	22	40,767	21
	<u>200,071</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
Organization	323,788
Constitution by acquisition	1,534
Write-off of invoices (Acquired)	(2,289)
Write-off of invoices overdue for more than 360 days	(253,864)
Balance as of June 30, 2022	<u>628,412</u>
Balance as of December 31, 2022	684,326
Organization	294,834
Write-off of invoices overdue for more than 360 days	<u>(355,251)</u>
Balance as of June 30, 2023	<u>623,909</u>

## 5 Related parties

The main balances as of June 30, 2023 and December 31, 2022, as well as the transactions that influenced the income for the period, related to related-party transactions derived from transactions between the Company and its subsidiaries. Related-party transactions do not incur interest and/or adjustment for inflation.

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

	Parent company	
	June 30, 2023	December 31, 2022
Current assets		
SESES		6
UNIFANOR	18	
Others	7	12
	<u>25</u>	<u>18</u>
Current liabilities		
SESES	49	53
UNIFANOR	14	
IREP	5	5
Others	5	5
	<u>73</u>	<u>63</u>

**6 Prepaid expenses**

	Consolidated	
	June 30, 2023	December 31, 2022
IPTU (urban Real Estate Property Tax)	10,142	162
Insurance	7,836	7,635
Advance of vacations and charges	4,756	11,428
Digital platform	3,898	1,480
Registration fee - MEC	3,323	3,630
Technical-pedagogical cooperation - Santa Casa	423	634
Others	544	997
	<u>30,922</u>	<u>25,966</u>
Current assets	24,943	19,394
Non-current assets	5,979	6,572
	<u>30,922</u>	<u>25,966</u>

In the parent company, the amount of BRL 1,198 in the period ended June 30, 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	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
IRPJ/CSLL to be offset (i)	95,633	67,947	175,144	128,654
IRPJ/CSLL Prepayments	27	27	17,195	18,406
Municipal Service Tax (ISS)			86,801	86,257
IRRF	17,505	32,955	33,150	69,243
Employees' Profit Participation Program (PIS) and Social Contribution on Billings (COFINS)			55,966	51,996
INSS			2,954	2,954
Others			491	494
	<u>113,165</u>	<u>100,929</u>	<u>371,701</u>	<u>358,004</u>
Current assets	59,146	64,226	195,035	216,378
Non-current assets	54,019	36,703	176,666	141,626
	<u>113,165</u>	<u>100,929</u>	<u>371,701</u>	<u>358,004</u>

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

## 8 Investments in subsidiaries

### (a) Parent company Yduqs Participações S.A.

	June 30, 2023		December 31, 2022	
	Investment	Investment Loss	Investment	Investment Loss
SESES	3,995,662		3,721,707	
IREP	1,521,206		1,430,549	
Estácio Ribeiro Preto	342,652		241,018	
Other subsidiaries (i)	2,967	(30)	3,097	(30)
	<u>5,862,487</u>	<u>(30)</u>	<u>5,396,371</u>	<u>(30)</u>

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

The subsidiaries' information is presented below:

June 30, 2023									
	Equity Interest	Number of units of ownership	Total assets	Total liabilities	Equity	Goodwill I	Income tax on goodwill from downstream merger	Total	Net income (loss) for the period
SESES	100%	3,408,107	5,336,940	1,341,278	3,995,662			3,995,662	283,677
IREP	100%	916,392	1,980,628	521,864	1,458,764	62,442		1,521,206	85,250
Estácio Ribeiro Preto	100%	68,972	417,338	72,456	344,882		(2,230)	342,652	102,844
Other subsidiaries (i)	100%	19,715	648	(2,284)	2,932	5		2,937	(130)
			<u>7,735,554</u>	<u>1,933,314</u>	<u>5,802,240</u>	<u>62,447</u>	<u>(2,230)</u>	<u>5,862,457</u>	<u>471,641</u>

- (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 II	Income tax on goodwill from downstream merger	Total	Net income (loss) for the fiscal year
SESES	100%	3,355,747	5,045,177	1,323,470	3,721,707			3,721,707	326,799
IREP	100%	849,492	1,856,645	488,538	1,368,107	62,442		1,430,549	22,813
Estácio Ribeiro Preto	100%	54,607	329,721	86,473	243,248		(2,230)	241,018	145,581
Other subsidiaries (i)	100%	19,715	779	(2,283)	3,062	5		3,067	(716)
			<u>7,232,322</u>	<u>1,896,198</u>	<u>5,336,124</u>	<u>62,447</u>	<u>(2,230)</u>	<u>5,396,341</u>	<u>494,477</u>

- (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 June 30, 2023 and 2022:

Investments in subsidiaries as of December 31, 2021	5,948,509
Equity accounting method	273,630
Advance for future capital increase	37,050
Capital increase (i)	109,905
Dividends (Interest on equity) (ii)	(129,300)
Granted options	26
Restricted share plan	7,586
Investments in subsidiaries as of June 30, 2022	<u>6,247,406</u>

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Investments in subsidiaries as of December 31, 2022	5,396,371
Equity accounting method	471,641
Capital increase	89,080
Dividends (Interest on equity) (i)	(104,800)
Dividends received	(950)
Granted options	2,086
Restricted share plan	9,059
Investments in subsidiaries as of June 30, 2023	<u>5,862,487</u>

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

We present below the information on direct subsidiaries' investments:

#### (b) SESES

	June 30, 2023	December 31, 2022
UNITOLEDO	102,319	104,677
UNIFANOR	2,019,046	1,958,680
DAMÁSIO	405,496	386,369
	<u>2,526,861</u>	<u>2,449,725</u>

We present below the information on SESES' subsidiaries:

June 30, 2023							
	Equity Interest	Number of units of ownership	Total assets	Total liabilities	Equity	Goodwill	Net income (loss) for the period
UNITOLEDO	100%	3,949	44,428	36,820	7,608	94,711	(2,357)
UNIFANOR	100%	129,717	1,840,156	299,075	1,541,081	477,965	59,940
DAMÁSIO	100%	328,130	404,284	103,337	300,947	104,549	(11,939)
			<u>2,288,868</u>	<u>439,232</u>	<u>1,849,636</u>	<u>677,225</u>	<u>45,644</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 June 30, 2023 and 2022:

Investments in subsidiaries as of December 31, 2021	<u>2,314,559</u>
Equity accounting method	43,410
Advance for future capital increase	53,630
Granted options	617
Extraordinary dividends	(65,950)
Restricted share plan	(181)
Goodwill by merger	582,514
Write-off of the goodwill upon merger	(82,143)
Other merger	451
Investments in subsidiaries as of June 30, 2022	<u>2,846,906</u>

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Investments in subsidiaries as of December 31, 2022	2,449,725
Equity accounting method	45,643
Capital increase	31,022
Restricted share plan	(37)
Granted options	508
Investments in subsidiaries as of June 30, 2023	<u>2,526,861</u>

#### (c) IREP

	June 30, 2023	December 31, 2022
ATUAL	660,092	628,856
UNIJIPA	73,722	71,822
UNIÃO META	48,600	46,698
CENTRO PANTANAL	73,351	64,824
Other subsidiaries (i)	<u>244,466</u>	<u>226,501</u>
	<u>1,100,231</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:

June 30, 2023							
	Equity Interest	Number of units of ownership	Total assets	Total liabilities	Equity	Goodwill	Net income (loss) for the period
ATUAL	100%	465,112	667,910	23,321	644,589	15,503	30,764
UNIJIPA	100%	21,508	44,683	25,897	18,786	54,936	1,900
UNIÃO META	100%	27,173	64,163	48,805	15,358	33,242	1,903
CENTRO PANTANAL	100%	12,661	54,680	33,069	21,611	51,740	8,528
Other subsidiaries (i)	100%	224,210	316,691	89,516	227,175	17,291	(1,711)
			<u>1,148,127</u>	<u>220,608</u>	<u>927,519</u>	<u>172,712</u>	<u>41,384</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>225,158</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 June 30, 2023 and 2022:

Investments in subsidiaries as of December 31, 2021	1,025,815
Equity accounting method	9,958
Capital increase	200,013
Write-off upon merger	(5,920)
Advance for future capital increase	(183,218)
Granted options	4
Investments in subsidiaries as of June 30, 2022	<u>1,046,652</u>

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Investments in subsidiaries as of December 31, 2022	1,038,701
Equity accounting method	41,384
Capital Increase	20,240
Advance for future capital increase	(5,265)
Granted options	5,171
Investments in subsidiaries as of June 30, 2023	<u>1,100,231</u>

Information on the investments of indirect subsidiaries:

#### (d) ATUAL

	June 30, 2023	December 31, 2022
SEAMA	66,798	60,550
SÃO LUIS	92,829	85,741
FACITEC	52,065	41,190
Estácio Amazonas	51,509	48,381
IESAM	112,300	103,131
CEUT	56,258	56,350
FNC	74,544	76,446
FCAT	44,381	44,639
Other subsidiaries (i)	25,256	22,743
	<u>575,940</u>	<u>539,171</u>

(i) Refers to FARGS, ASSESC, and FUFS.

We present below the information on ATUAL'S subsidiaries:

June 30, 2023								
	Equity Interest	Number of units of ownership	Total assets	Total liabilities	Equity	Goodwill	Goodwill	Profit income (loss) for the period
SEAMA	100%	6,715	64,508	15,745	48,763	18,035		6,247
SÃO LUIS	100%	4,605	96,547	31,086	65,461	27,368		7,088
FACITEC	100%	9,680	69,119	43,708	25,411	26,654		10,585
Estácio Amazonas	100%	52,357	64,598	39,303	25,295	26,214		1,744
IESAM	100%	15,524	85,599	11,330	74,269	26,797	11,234	9,277
CEUT	100%	16,938	40,572	11,882	28,690	27,568		(262)
FNC	100%	22,328	27,379	24,881	2,498	72,046		(1,902)
FCAT	100%	12,191	48,899	24,639	24,260	20,121		(258)
Other subsidiaries (i)	100%		46,067	39,844	6,223	19,033		(409)
			<u>543,288</u>	<u>242,418</u>	<u>300,870</u>	<u>263,836</u>	<u>11,234</u>	<u>32,110</u>

(i) Refer to FARGS, ASSESC, and FUFS.

December 31, 2022								
	Equity Interest	Number of units of ownership	Total assets	Total liabilities	Equity	Goodwi ll	Goodwill	Profit net (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>

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(i) Refer to 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 June 30, 2023 and 2022:

Investments in subsidiaries as of December 31, 2021	580,851
Equity accounting method	3,460
Advance for future capital increase	(1,505)
Capital increase	3,725
Extraordinary dividends	(28,453)
Amortization of goodwill	(110)
Write-off upon merger	(3,135)
Granted options	3
Investments in subsidiaries as of June 30, 2022	554,836
Investments in subsidiaries as of December 31, 2022	539,171
Equity accounting method	32,110
Capital increase	4,760
Amortization of goodwill	(110)
Granted options	9
Investments in subsidiaries as of June 30, 2023	575,940

### (e) UNIFANOR

	June 30, 2023	December 31, 2022
FMF	67,481	67,556
FACI	121,523	118,169
IBMEC	659,897	639,712
FACIMP	60,323	53,655
UNIFAVIP	166,981	147,967
	1,076,205	1,027,059

We present below the information on UNIFANOR'S subsidiaries:

June 30, 2023							
	Equity Interest	Number of units of ownership	Total assets	Total liabilities	Equity	Goodwill	Profit income (loss) for the period
FMF	100%	31,065	55,034	11,918	43,116	24,365	67,481
FACI	100%	42,912	126,312	7,561	118,751	2,772	121,523
IBMEC	100%	99,516	607,396	348,157	259,239	400,658	659,897
FACIMP	100%	7,425	83,542	37,415	46,127	14,196	60,323
UNIFAVIP	100%	15,290	216,589	85,582	131,007	35,974	166,981
			1,088,873	490,633	598,240	477,965	1,076,205
							50,292

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December 31, 2022

	Equity Interest	Number of units of ownership	Total assets	Total liabilities	Equity	Goodwill	Total	Profit net (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	53,655	12,813
UNIFAVIP	100%	12,000	161,628	49,635	111,993	35,974	147,967	49,593
			<b>935,311</b>	<b>386,217</b>	<b>549,094</b>	<b>477,965</b>	<b>1,027,059</b>	<b>93,161</b>

The table below presents the overall activity in the investments of direct subsidiary UNIFANOR in its subsidiaries in the period ended June 30, 2023 and 2022:

Investments in subsidiaries as of December 31, 2021	1,155,386
Equity accounting method	45,802
Dividends (interest on equity)	(7,001)
Extraordinary dividends	(47,381)
Capital increase	5,951
Restricted share plan	(31)
Granted options	36
Write-off upon merger	(56,748)
Investments in subsidiaries as of June 30, 2022	1,096,014
Investments in subsidiaries as of December 31, 2022	1,027,059
Equity accounting method	50,292
Capital increase	6,800
Interest on equity	(8,000)
Restricted share plan	(9)
Granted options	63
Investments in subsidiaries as of June 30, 2023	<u>1,076,205</u>

## 9 Intangibles Assets

### (a) Intangible Assets – Parent company

	December 31, 2022				June 30, 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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	<b>Amortization rates</b>	<b>Amortization</b>	<b>Additions</b>	<b>Write-offs</b>	<b>Transfer</b>	<b>Amortization</b>	
Amortization							
Software right of use	20% p.a.	(90)				(90)	
Goodwill	20 to 33% p.a.	(79,704)				(79,704)	
Others	20% p.a.	(212)				(212)	
Total		<u>(80,006)</u>	<u></u>	<u></u>	<u></u>	<u>(80,006)</u>	
Net residual balance		<u>780,065</u>	<u></u>	<u></u>	<u></u>	<u>780,065</u>	
		<b>December 31, 2021</b>				<b>June 30, 2022</b>	
		<b>Cost</b>	<b>Additions</b>	<b>Write-offs</b>	<b>Transfer</b>	<b>Cost</b>	
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></u>	<u></u>	<u></u>	<u>860,080</u>	
		<b>Amortization rates</b>	<b>Amortization</b>	<b>Additions</b>	<b>Write-offs</b>	<b>Transfer</b>	<b>Amortization</b>
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></u>	<u></u>	<u></u>	<u></u>	<u>(80,015)</u>
Net residual balance		<u>780,065</u>					<u>780,065</u>

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

**(b) Intangible Assets - Consolidated**

	December 31, 2022					June 30, 2023
	Cost	Additions	Write-offs	Transf.	Reclass.	Cost
Cost						
Goodwill on investment acquisitions	2,377,702	2				2,377,704
Software right of use	1,226,110	112,491	(34)	11,894	2,315	1,352,776
Content production	355,371	2,574		4,233	26,858	389,036
Surplus value	872,473	51	(70)		(16,101)	856,353
Intangible asset in progress	65,460	48,208		(16,127)	(29,178)	68,363
Others	7,632				(197)	7,435
	4,904,748	163,326	(104)		(16,303)	5,051,667

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As of June 30, 2023 and December 31, 2022, net goodwill on acquisitions of investments was represented as follows:

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Annually, the Company performs impairment tests on goodwill calculated on investment acquisitions, arising from the expectation of future profitability, the last assessment being 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					June 30, 2023
	Cost	Addition	Write-offs	Transf.	Reclass.	Cost
Cost						
Land	68,235					68,235
Buildings	370,358	233		2,671	(555)	372,707
Third-party buildings	2,125,774	246,006	(56,701)			2,315,079
Improvement works in third parties' real estate properties	780,928	9,002	(3,866)	31,865	13,732	831,661
Fixtures and fittings	227,278	8,872	(770)	(29)	1,946	237,297
Computers and peripherals	255,869	13,015	(403)	(21)		268,460
Machinery and equipment	230,465	9,787	(2)	(10)	1,329	241,569
Physical activity equipment	141,295	2,017	(4)	(16)	9	143,301
Library	214,078	713				214,791
Facilities	83,450	877	(458)			83,869
Constructions in progress	21,879	27,124		(34,536)	(165)	14,302
Demobilization	72,039		(1,475)			70,564
Others	25,789	728	(27)		7	26,497
	4,617,437	318,374	(63,706)	(76)	16,303	4,888,332

	Depreciation rates	Depreciation	Addition	Write-offs	Transf.	Reclass.	Depreciation
Depreciation							
Buildings	1.67 to 4% p.a.	(96,300)	(3,252)		43	(446)	(99,955)
Third-party buildings	21.60% p.a.	(829,154)	(126,095)	15,437			(939,812)
Improvement works in third parties' real estate properties	4 to 11.11% p.a.	(407,976)	(40,694)	2,822	(43)	(3,626)	(449,517)
Fixtures and fittings	8.33 to 10% p.a.	(139,999)	(9,449)	247	17	(1,110)	(150,294)
Computers and peripherals	20 to 25% p.a.	(214,694)	(12,048)	395	23		(226,324)
Machinery and equipment	8.33 to 10% p.a.	(125,308)	(7,785)	1	19	(115)	(133,188)
Physical activity equipment	6.67% p.a.	(52,872)	(4,442)	4	17		(57,293)
Library	5 to 10% p.a.	(132,723)	(4,024)				(136,747)
Facilities	8.33 to 20% p.a.	(49,201)	(2,831)	361			(51,671)
Demobilization		(37,210)	(3,720)	504			(40,426)
Others	14.44 to 20% p.a.	(17,778)	(778)	35			(18,521)
		(2,103,215)	(215,118)	19,806	76	(5,297)	(2,303,748)
Net residual balance		2,514,222	103,256	(43,900)		11,006	2,584,584

	December 31, 2021					June 30, 2022	
	Cost	Additions by Acquisition	Addition	Write-offs	Transf.	Reclass.	Cost
Cost							
Lands	68,235						68,235
Buildings	355,885			(12)	20,202		376,075
Third-party buildings	1,919,696	171	320,245	(3,132)			2,236,980
Improvement works in third parties' real estate properties	686,491	353	7,846	(12,676)	46,818		728,832
Fixtures and fittings	213,910	34	6,637	(400)	(48)		220,133
Computers and peripherals	247,851	40	2,800	(1,232)	(723)		248,736
Machinery and equipment	214,544		8,548	(313)	(333)		222,446
Physical activity equipment	129,267	24	6,158	(34)	166		135,581
Library	213,636		366				214,002
Facilities	86,931	114	1,593	(2,753)	(114)		85,771
Constructions in progress	63,978		24,791		(66,907)		21,862
Demobilization	77,065			(9,823)			67,242
Others	25,013		432	(652)	(48)		24,745
	4,302,502	736	379,416	(31,027)	(987)		4,650,640

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	Depreciation rates	Depreciation	Additions by Acquisition	Addition	Write-offs	Transf.	Reclass.	Depreciation
<b>Depreciation</b>								
Buildings	1.67 to 4% p.a.	(89,908)		(3,223)				(93,131)
Third-party buildings	21.60% p.a.	(635,366)	(9)	(135,324)	939			(769,760)
Improvement works in third parties' real estate properties		(355,495)	(13)	(39,940)	12,518	(22)		(382,952)
Fixtures and fittings	4 to 11.11% p.a.							
Computers and peripherals	8.33 to 10% p.a.	(122,081)	(3)	(9,374)	343	80		(131,035)
Machinery and equipment	20 to 25% p.a.	(191,281)	(7)	(13,337)	1,462	724		(202,439)
Physical activity equipment	8.33 to 10% p.a.	(107,381)		(9,708)	271	105		(116,713)
Library	6.67% p.a.	(44,400)	(1)	(4,227)	11	30		(48,587)
Facilities	5 to 10% p.a.	(124,656)		(4,041)				(128,697)
Demobilization	8.33 to 20% p.a.	(45,777)	(22)	(6,309)	2,661	22		(49,425)
Others		(35,176)		(1,251)	233			(36,194)
	14.44 to 20% p.a.	(16,013)		(1,412)	637	48		(16,740)
		(1,767,534)	(55)	(228,146)	19,075	987		(1,975,673)
<b>Net residual balance</b>		2,534,968	681	151,270	(11,952)			2,674,967

The Group leases a number of right of use assets, such as machinery and equipment, peripherals, fixtures, and fittings and properties rental, under non-cancelable lease agreements. 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**

		Parent company/Consolidated	
		June 30, 2023	December 31, 2022
Type	Financial charges		
In local currency			
Debentures			
5th debenture issuance (2nd Series)	CDI + 0.785% p.a.	183,637	368,120
6th debenture issuance	CDI + 2.50% p.a.	1,876,827	1,875,496
7th debenture issuance	CDI + 1.65%	303,318	303,219
8th debenture issuance	CDI + 1.5%	516,566	516,238
		2,880,348	3,063,073
Loans and financing			
Safra Loan	CDI +2.80% p.a.	209,743	224,791
FINEP loan	6% p.a.	597	745
		210,340	225,536
In foreign currency			
Citibank Loan	1.18*(SOFRUSD + 0.90%(L) and +0.68%(L))	704,665	240,819
		3,795,353	3,529,428
Current liabilities		729,340	279,726
Non-current liabilities		3,066,013	3,249,702
		3,795,353	3,529,428

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Activity in loans and debentures is presented below for the periods ended June 30, 2023 and 2022:

	Parent company/Consolidated	
	June 30, 2023	June 30, 2022
<b>Initial Balance</b>	<b>3,529,428</b>	<b>4,062,194</b>
Funding	422,840	233,156
Interest, adjustment for inflation	277,834	253,732
Foreign exchange variance (Swap)	12,398	3,134
Interest paid	(271,960)	(224,725)
Principal amortization	(175,187)	(350,294)
Loan funding costs		(11)
<b>Final Balance</b>	<b>3,795,353</b>	<b>3,977,186</b>

The amounts recorded as non-current liabilities as of June 30, 2023 and December 31, 2022 have the following maturity schedule:

	Parent company/Consolidated	
	June 30, 2023	December 31, 2022
2024	98,430	704,962
2025	1,232,937	1,021,513
2026	1,435,139	1,223,719
2027	299,507	299,508
Non-current liabilities	3,066,013	3,249,702

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 BRL, 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 in the equivalent quotation on that date) with single amortization of the principal on January 12, 2026, at the cost of USD Secured Overnight Financing Rate (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 in the equivalent quotation on that date) with single amortization of the principal on January 2, 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 Bank Credit Note (CCB), contracted with Banco do Brasil, with the principal amount of BRL 100 million of Brazilian Reais and maturity date as of February 9, 2022, as well as concluded the single amortization of the principal in the amount of BRL 250 million 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 would 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.

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- 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, 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 the operational ones, and certain short-term or small-amount contracts may be out of scope.

The terms of the leases are according to the contractual term, demonstrated below operationally, the additional rate in nominal terms for the terms of contracts:

Contracts	DI X Pre Curve	Risk Premium	Yduqs Rate	Month Rate
0 to 5 years	10.87%	105.00%	11.41%	0.95%
5 to 10 years	11.39%	105.00%	11.96%	0.95%
10 to 15 years	11.60%	105.00%	12.18%	0.96%
15 to 30 years	11.68%	105.00%	12.26%	0.97%

Lease contracts are secured by the underlying assets.

		<b>Consolidated</b>
	<b>June 30, 2023</b>	<b>December 31, 2022</b>
Lease payable	2,387,394	2,231,030
Lease interest	(762,129)	(719,961)
	<b>1,625,265</b>	<b>1,511,069</b>
Current liabilities	229,403	232,020
Non-current liabilities	1,395,862	1,279,049
	<b>1,625,265</b>	<b>1,511,069</b>

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

			<b>Consolidated</b>
	<b>Third-Party Buildings</b>	<b>Others</b>	<b>Total</b>
Right of use assets on 12/31/2022	1,296,620	9,584	1,306,204
Additions	246,006	16,787	262,793
Write-offs	(41,263)	(520)	(41,783)
Depreciation	(126,095)	(4,277)	(130,372)
Right of use assets on 6/30/2023	<b>1,375,268</b>	<b>21,574</b>	<b>1,396,842</b>

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#### Right of use assets

	<b>Consolidated</b>		
	<b>Third-Party Buildings</b>	<b>Others</b>	<b>Total</b>
Right of use assets on 12/31/2021	1,284,329	12,652	1,296,981
Additions	320,245	3,329	323,574
Additions by acquisitions	162		162
Write-offs	(2,192)	(36)	(2,228)
Depreciation	(135,324)	(4,925)	(140,249)
Right of use asset on 6/30/2022	1,467,220	11,020	1,478,240

#### Lease liabilities

	<b>Consolidated</b>		
	<b>Third-Party Buildings</b>	<b>Others</b>	<b>Total</b>
Right of use liabilities on 12/31/2022	1,501,245	9,824	1,511,069
Additions	246,006	16,787	262,793
Write-offs	(40,857)	(519)	(41,376)
Interest incurred	72,098	1,814	73,912
Payments	(175,631)	(5,502)	(181,133)
Right of use liabilities on 6/30/2023	1,602,861	22,404	1,625,265
Current	221,301	8,102	229,403
Non-current	1,381,560	14,302	1,395,862
	1,602,861	22,404	1,625,265

#### Lease liabilities

	<b>Consolidated</b>		
	<b>Third-Party Buildings</b>	<b>Others</b>	<b>Total</b>
Right of use liabilities on 12/31/2021	1,432,270	12,611	1,444,881
Additions	320,245	3,294	323,539
Additions by acquisitions	171		171
Write-offs	(4,968)	(42)	(5,010)
Interest incurred	74,875	408	75,283
Payment of principal	(174,657)	(4,902)	(179,559)
Right of use liabilities on 6/30/2022	1,647,936	11,369	1,659,305
Current	229,269	5,985	235,254
Non-current	1,418,667	5,384	1,424,051
	1,647,936	11,369	1,659,305

## 13 Salaries and social charges

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>June 30, 2023</b>	<b>December 31, 2022</b>	<b>June 30, 2023</b>	<b>December 31, 2022</b>
Salaries, indemnity amounts, and social charges payable	391	313	161,495	95,517
Allowance for vacation			80,908	42,315
Allowance for 13 <sup>th</sup> salary			43,648	
	391	313	286,051	137,832

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**14 Tax obligations**

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>June 30, 2023</b>	<b>December 31, 2022</b>	<b>June 30, 2023</b>	<b>December 31, 2022</b>
ISS payable	32	31	32,375	31,035
IRRF payable	162	163	22,881	27,846
PIS and COFINS payable	1,666	1,298	6,155	5,381
IRPJ and CSLL payable			18,624	5,159
Other taxes payable				8
	<u>1,860</u>	<u>1,492</u>	<u>80,035</u>	<u>69,429</u>

**15 Tax payment in installments**

	<b>Consolidated</b>	
	<b>June 30, 2023</b>	<b>December 31, 2022</b>
INSS	4,769	5,482
PIS and COFINS	3,933	4,286
IRPJ and CSLL	618	804
FGTS	962	962
Others	374	437
	<u>10,656</u>	<u>11,971</u>
Current liabilities	4,510	4,450
Non-current liabilities	6,146	7,521
	<u>10,656</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:

	<b>Consolidated</b>	
	<b>June 30, 2023</b>	<b>December 31, 2022</b>
2024	1,834	3,534
2025	1,759	1,644
2026 to 2029	2,553	2,343
	<u>6,146</u>	<u>7,521</u>



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**16 Acquisition price payable**

	<b>Consolidated</b>	
	<b>June 30, 2023</b>	<b>December 31, 2022</b>
FARGS	3,784	4,102
CEUT	3,635	3,586
UNITOLEDO	2,955	2,775
ADTALEM	2,058	16,409
ATHENAS GRUPO EDUCACIONAL	16,687	48,226
QCONCURSOS	30,021	28,125
Hardwork		7,241
	<u>59,140</u>	<u>110,464</u>
Acquisition of real estate property (i)	<u>994</u>	<u>1,016</u>
	<u>60,134</u>	<u>111,480</u>
Current liabilities	13,773	67,292
Non-current liabilities	<u>46,361</u>	<u>44,188</u>
	<u>60,134</u>	<u>111,480</u>

(i) Balance referring 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.

Acquisition price payable 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 June 30, 2023 and December 31, 2022 have the following maturity schedule:

	<b>Consolidated</b>	
	<b>June 30, 2023</b>	<b>December 31, 2022</b>
2024	39,085	14,771
2025 to 2026	<u>7,276</u>	<u>29,417</u>
	<u>46,361</u>	<u>44,188</u>

**17 Contingencies**

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

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As of June 30, 2023, and December 31, 2022, the allowance for contingencies was comprised as follows:

	Consolidated			
	June 30, 2023		December 31, 2022	
	Contingencies	Legal deposits	Contingencies	Legal deposits
Civil	51,039	27,153	54,940	27,155
Labor	111,751	50,436	111,179	50,884
Tax	60,903	10,743	54,300	11,072
	<u>223,693</u>	<u>88,332</u>	<u>220,419</u>	<u>89,111</u>

In the periods ended June 30, 2023 and December 31, 2022, the parent company has no allowances for contingencies. As of June 30, 2023, the amount of BRL 444 refers to legal deposits from the parent company (BRL 312 for the fiscal year ended December 31, 2022).

The activity in the allowance for contingencies is shown below:

	Civil	Labor	Tax	Total
Balances as of December 31, 2022	54,940	111,179	54,300	220,419
Additions	18,946	40,593	6,759	66,298
Additions by acquisition	2,605		4,865	7,470
Reversals	(16,135)	(10,277)	(8,756)	(35,168)
Write-offs for payments	(14,924)	(38,690)	(1,934)	(55,548)
Adjustment for inflation	5,607	8,946	5,669	20,222
Balances on June 30, 2023	<u>51,039</u>	<u>111,751</u>	<u>60,903</u>	<u>223,693</u>
	Civil	Labor	Tax	Total
Balances on December 31, 2021	54,045	129,715	37,714	221,474
Additions	15,945	37,281	5,032	58,258
Reversals	(9,442)	(22,104)	(2,820)	(34,366)
Write-offs for payments	(13,029)	(36,059)	(317)	(49,405)
Adjustment for inflation	8,043	10,205	2,951	21,199
Balances on June 30, 2022	<u>55,562</u>	<u>119,038</u>	<u>42,560</u>	<u>217,160</u>

On June 30, 2023 and 2022, the expense for allowance for contingencies recognized in the statement of income was as follows:

	June 30, 2023	June 30, 2022
Income breakdown		
Additions	66,298	58,258
Reversals	(35,168)	(34,366)
Adjustment for inflation	20,222	21,199
Allowance for contingencies	<u>51,352</u>	<u>45,091</u>
General and administrative expenses (Note 24)	(31,130)	(23,892)
Financial income (Note 26)	<u>(20,222)</u>	<u>(21,199)</u>
	<u>(51,352)</u>	<u>(45,091)</u>

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**(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 allowances recognized for civil lawsuits are due to the following matters:

<b>Objects</b>	<b>Amounts</b>
Undue Collection	16,937
Success Fees	13,040
Pain and Suffering/Pecuniary Damage	6,358
Real Estate Property	5,831
Issuance of Certificates of Completion/Diplomas and Graduation	1,715
FIES	1,208
Enrollment	1,103
Monthly tuition fee	696
Course Accreditation and Cancellation	661
University for All Program (PROUNI)	263
Internship	172
Procon Fine	161
System Access	123
Others (i)	2,771
	<b>51,039</b>

(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 allowances recognized for labor lawsuits are due to the following objects:

<b>Objects</b>	<b>Amounts</b>
Salary and Severance Differences + Decrease in Working Hours + FGTS + Notice Period	42,041
Overtime + Elimination of Breaks During and Between Shifts	19,443
Employer's Social Security Payment	8,309
Deviation from Agreed Position and Pay Parity	6,561
Additional Payments (Premium for Unhealthy/Night/Improvement/Service Time/Dangerous Work)	6,272
Fees	6,154
Income tax / Interest and Adjustment for Inflation	5,517
Fines (Article 467 CLT, Article 477 CLT AND CCT/ACT)	5,190
Success Fees	4,507
Vacation Pay	2,709
Pain and Suffering/ Pecuniary Damage/ Moral Harassment	2,064
Others (i)	2,984
	<b>111,751</b>

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

**(c) Tax**

The 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 allowances recognized for tax lawsuits are due to the following objects:

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<b>Objects</b>	<b>Amounts</b>
ISS	34,640
Success Fees	14,886
Sewage Charges / Fees	5,013
IRPJ/CSLL/PIS/COFINS	3,788
Social Security Contribution	2,462
IPTU/Jurisdiction/IPVA (Tax on Vehicles)	113
Miscellaneous Fines	1
	<b>60,903</b>

**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.

	<b>Consolidated</b>	
	<b>June 30, 2023</b>	<b>December 31, 2022</b>
Civil	247,274	248,690
Labor	720,293	649,391
Tax	1,060,568	922,404
	<b>2,028,135</b>	<b>1,820,485</b>

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

<b>Civil Matters</b>	<b>Amounts</b>
Real Estate Property	154,892
Pain and Suffering/Pecuniary Damage	39,168
Undue Collection	20,792
FIES	5,467
Enrollment	3,996
Course Accreditation and Cancellation	3,737
Issuance of Certificates of Completion/Diplomas and Graduation	3,644
Monthly tuition fee	1,595
Procon Fine	790
PROUNI	543
Internship	230
System Access	126
Others (i)	12,294
	<b>247,274</b>

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

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<b>Labor Matters</b>	<b>Amounts</b>
Salary and severance differences + decrease in working hours + FGTS + notice period + compensation	256,319
Overtime + Elimination of Breaks During and Between Shifts	111,841
Reinstatement	171,996
Fees	44,192
Pain and Suffering/ Pecuniary Damage/ Moral Harassment	27,298
Additional Payments (Premium for Unhealthy/Night/Improvement/Service Time/Dangerous Work)	32,003
Employer's Social Security Payment	12,897
Fines (Article 467 CLT, Article 477 CLT AND CCT/ACT)	13,701
Deviation from Agreed Position and Pay Parity	4,042
Vacation Pay	14,132
Work and Social Security Card (CTPS) Rectification + Indirect Termination + Employment Relationship Recognition	3,421
Stability	489
Others (i)	27,962
	<b>720,293</b>

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

<b>Tax Matters</b>	<b>Amounts</b>
ISS	884,683
Contribution to the Social security / FGTS	117,811
IRPJ / CSLL / IRRF	23,454
IPTU/Jurisdiction/IPVA	9,034
PIS / COFINS	2,790
Sewage Charges / Fees	2,153
Miscellaneous Fines	1,310
Others	19,333
	<b>1,060,568</b>

Among the main lawsuits classified as possible losses that are not provided for in the QFS, the Company highlights those that it deems individually relevant, that is, whose results may significantly impact the Company's equity, financial capacity, or our business, or those of its subsidiaries.

#### 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 notice claiming that it was clearly groundless. The appeal was partially accepted and considered the percentage of the employers' contributions at the rate of 20% as of 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 Foreclosure, the National Treasury filed its contestation and SESES submitted its rebuttal. The expert analysis has begun and the judgment by the trial court is currently pending. The total amount involved is BRL 27,988, of which BRL 26,647 is classified as possible and BRL 1,341 as probable.

##### ISS - Tax on services:

- (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 arose 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 intend to produce. In response, the Company specified evidence, while

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the Municipality stated that it had no interest in the production. Judgment by the trial court is pending. The total amount involved is BRL 30,477.

- (ii) Action for Annulment was 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 they were considered values to corresponding to scholarships awarded and enrollments canceled. At the moment, SESES is 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, SESES filed a statement agreeing with the expert report terms. The Municipality requested clarifications. After a favorable supplementary report, SESES presented a statement in agreement with the terms of the report. The completion of the expert work and judgment at the lower court is awaited. The total amount involved is BRL 21,841.
- (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 18,036.
- (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 amounts intended for unconditional discounts arising from scholarships in the tax base. A Motion against the Tax Enforcement were filed with a request for recognition of the statute of limitations of 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 statement by the Municipality and the case record was put under advisement. After new notifications for statement, in March 2023 a new decision was issued recognizing the Municipality's default, 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 amount involved is BRL 17,592.
- (v) Action for Annulment was 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, a 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 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 this, SESES filed a Reply and, after being subpoenaed, the parties specified evidence, the production of expert evidence was granted and SESES appointed the technical assistant who shall accompany the expert. The start of the expert examination is awaited. The total amount involved is BRL 573,156.
- (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 said 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 presented and suspension of tax enforcement up to the judgment of the motions was issued. The Municipality's to filing an Answer is awaited. The total amount involved is BRL 38,679.

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**18 Equity****(a) Share Capital**

The Company's share capital may be increased by the Board of Directors, irrespective of the statutory reform, up to the limit of one billion (1,000,000,000) shares. On June 30, 2023, the share capital is represented by 309,088,851 common shares.

The shareholding breakdown of the Company on June 30, 2023 and December 31, 2022 is presented below:

Shareholders	Common shares			
	June 30, 2023	%	December 31, 2022	%
Administrators and directors	1,154,845	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
Fidelity Investment	15,610,285	5.1		
Treasury	18,561,450	6.0	18,896,806	6.1
Free float	197,021,398	63.7	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 was no activity in the capital shares during the period ended June 30, 2023.

**(c) Treasury shares**

On March 21, 2022, the Board of Directors approved the start of 6th program of repurchases, ending on December 21, 2023. The total number of shares repurchased is 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 on December 31, 2022	18,896,806	18.79	354,980
Payment of Stock Options (SOP), Long-term incentive (ILP) and cancellation with treasury shares (Note 18 d.3)	(335,356)	15.60	(5,232)
Treasury shares on June 30, 2023	<u>18,561,450</u>	<u>18.84</u>	<u>349,748</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 can only be used to increase capital, offset losses, redeem, reimburse or purchase shares or pay cumulative dividends on preference shares.

The share subscription goodwill in the QFS on June 30, 2023, and December 31, 2022, is as follows:

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	Parent company	
	June 30, 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	498,899	498,899
	<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:

	June 30, 2023
Subscription of 17,853,127 shares	(23,305)
Amount 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 this individual and consolidated QFS 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 amount when using the shares to pay for the granted options.

The negative goodwill on the disposal of treasury shares is represented as follows as of June 30, 2023, and December 31, 2022:

	Number of shares	Sale	Value paid	Negative Goodwill
Negative goodwill on December 31, 2022	2,841,580	49,145	36,736	12,141
SOP payment in 2023	<u>13,100</u>	<u>259</u>	<u>259</u>	
Negative goodwill on June 30, 2023	<u>2,854,680</u>	<u>49,404</u>	<u>36,995</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.



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**(e.2) Retained profits reserve**

In accordance with Article 196 of the Corporations Act, the general meeting may, at the proposal of the bodies of management, 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 below do not necessarily indicate the values 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 amount of the market value.

The Company's assets and liabilities financial instruments as of June 30, 2023 are recorded in equity accounts in amounts compatible with those practiced in the market.

**(a) Cash and cash equivalents and securities**

The values recorded 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.

We present below the information related to the derivatives financial instruments held by the Company on June 30, 2023, recorded at fair value with effect on profit or loss:

Swap Contracts	Initial Date	Maturity Date	Principal Contracted (USD)	Principal Contracted (BRL)	YDUQS Receives	YDUQS Pays	Market Value			(BRL M)	
							Assets	Liabilities	Net Exposure	Mark to Market (MTM)	Fair Value (Accumulated)
Citibank	Feb/02/02	Feb/01/24	44,000,000	233,156,000	1.18*(SOFRUSD+ 0.90%)	CDI + 1.20%	216,218	238,656	22,437	(26,165)	(3,728)
Citibank	Jan/10/23	Jan/12/26	80,000,000	422,840,000	1.18*(SOFRUSD+ 0.68%)	CDI + 1.25%	400,517	451,316	50,799	(61,764)	(10,965)
<b>Total</b>			<b>124,000,000</b>	<b>655,996,000</b>			<b>616,736</b>	<b>689,972</b>	<b>73,236</b>	<b>(87,929)</b>	<b>(14,693)</b>

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**(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:

	<b>Consolidated</b>	
	<b>June 30, 2023</b>	<b>December 31, 2022</b>
Level 2		
Financial instruments at fair value through profit or loss		
Financial investments	1,140,667	763,576
(-) Derivative financial instruments – Swap	(704,665)	(240,819)
	<u>436,002</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 a 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 June 30, 2023, there were no transfers arising from fair value measurements between levels 1 and 2, not inside level 3.

**19.2 Financial risk factors**

All the Company's transactions are performed with banks having recognized liquidity, which minimizes risks. Management records an allowance 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:

**(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 allowance 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 ratings assigned by the credit

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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 student 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 agreement for the 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 commitment 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	239,177			
Loans	1,145,480	1,600,543	2,093,867	
Financial lease obligations	229,403	332,055	448,045	1,403,113
Commitments payable	13,773	41,450	8,265	
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	

**(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, 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, which are registered at fair value.

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

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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 BRL 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 the 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 June 30, 2023, three different scenarios were defined. Based on the CDI rate officially published by Central for Custody and Financial Settlement of Private Securities (CETIP) on June 30, 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 investment yields. The base date used for the portfolio was June 30, 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	CDI	13.65%	17.06%	20.48%
BRL 1,140,667		BRL 155,701	BRL 194,626	BRL 233,552
Debentures V - 2nd Series	CDI + 0.79%	13.74%	17.15%	20.57%
BRL 183,794		BRL 25,252	BRL 31,529	BRL 37,806
CCB – Safra	CDI + 2.18%	16.13%	19.61%	23.10%
BRL 209,744		BRL 33,827	BRL 41,140	BRL 48,454
4131 - Citi (USD 80MM)	CDI + 1.25%	15.07%	18.53%	21.98%
BRL 451,316		BRL 68,016	BRL 83,610	BRL 99,204
4131 - Citi (USD 44MM)	CDI + 1.20%	15.01%	18.47%	21.92%
BRL 238,656		BRL 35,831	BRL 44,073	BRL 52,315
Debentures VI	CDI + 2.50%	16.49%	19.99%	23.49%
BRL 1,883,926		BRL 310,683	BRL 376,579	BRL 442,475
Debentures VII	CDI + 1.65%	15.53%	18.99%	22.46%
BRL 303,978		BRL 47,193	BRL 57,738	BRL 68,282
Debentures VIII	CDI + 1.50%	15.35%	18.82%	22.28%
BRL 519,354		BRL 79,746	BRL 97,734	BRL 115,723
<b>Net position</b>		<b>(BRL 444,847)</b>	<b>(BRL 537,777)</b>	<b>(BRL 630,707)</b>

Scenario for CDI decrease				
Transactions	Risk	Probable Scenario (I)	Scenario (II)	Scenario (III)
Financial investments	CDI	13.65%	10.24%	6.83%
BRL 1,140,667		BRL 155,701	BRL 116,776	BRL 77,851
Debentures V - 2nd Series	CDI + 0.79%	13.74%	10.32%	6.91%
BRL 183,794		BRL 25,252	BRL 18,975	BRL 12,698
CCB – Safra	CDI + 2.18%	16.13%	12.64%	9.15%
BRL 209,744		BRL 33,827	BRL 26,513	BRL 19,199
4131 - Citi (USD 80MM)	CDI + 1.25%	15.07%	11.62%	8.16%
BRL 451,316		BRL 68,016	BRL 52,423	BRL 36,829
4131 - Citi (USD 44MM)	CDI + 1.20%	15.01%	11.56%	8.11%
BRL 238,656		BRL 35,831	BRL 27,589	BRL 19,348
Debentures VI	CDI + 2.50%	16.49%	12.99%	9.50%
BRL 1,883,926		BRL 310,683	BRL 244,787	BRL 178,891
Debentures VII	CDI + 1.65%	15.53%	12.06%	8.59%
BRL 303,978		BRL 47,193	BRL 36,649	BRL 26,104
Debentures VIII	CDI + 1.50%	15.35%	11.89%	8.43%
BRL 519,354		BRL 79,746	BRL 61,757	BRL 43,768
<b>Net position</b>		<b>(BRL 444,847)</b>	<b>(BRL 351,916)</b>	<b>(BRL 258,986)</b>

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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 June 30, 2023 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 as an assumption of the probable scenario the exchange rate at the end of 2022 disclosed in the last Focus Report - BACEN prior to the close of the period. Based on the probable exchange rate, scenarios of deterioration of 25% and 50% of the risk variable are 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.

Transactions	Risk	Scenario for dollar increase		
		Scenario (I)	Scenario (II)	Scenario (III)
Swap - Long Leg	Exchange rate	5.00	6.25	7.50
216,218		223,062	278,827	332,592
400,517		413,194	516,492	619,791
Debt in USD	Exchange rate	5.00	6.25	7.50
238,665		246,219	307,774	369,328
451,316		465,601	582,001	698,401
Net position		(75,564)	(94,455)	(113,346)

**(f) Capital Management**

The Company's debt in relation to equity for the period ended June 30, 2023 and for the fiscal year ended December 31, 2022 is presented below as consolidated data:

	Consolidated	
	June 30, 2023	December 31, 2022
Loans and financing (Note 11)	3,795,353	3,529,428
Leases (Note 12)	1,625,265	1,511,069
Acquisition price payable (Note 16)	60,134	111,480
(-) Cash and cash equivalents and securities (Note 3)	(1,154,092)	(785,831)
Net debt	4,326,660	4,366,146
Equity	3,152,053	2,960,059
Net debt on equity	1.37	1.48

**(g) Offsetting of financial instruments**

There are no significant assets or liabilities subject to contractual offsetting as of June 30, 2023, and December 31, 2022.

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

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

In the periods ended June 30, 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 17,151 and BRL 30,450, respectively. Compensation 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) Shares call option plan**
First Share Plan

In the Annual General Meeting held on September 12, 2008, the shareholders approved a Company's Share Call Option Plan ("First Plan") to the Company's administrators, employees, and service providers ("beneficiaries"). The First 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 First Plan ("Program").

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 June 30, 2023, 11 stock option programs had been created, of which six programs do not contain shares to be exercised (programs from the 1st to the 5th and 9th). All other programs (6th to 8th, 10th and 11th), despite being closed, still contain a stock of shares to be exercised.

As of June 30, 2023, the number of granted options, which were exercised accumulated from all programs, was 13,441,762 shares (BRL 116,870), of which 11,218,904 shares 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 were shares of closed programs and 4,859,679 shares of active programs.

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 were shares of closed programs and 4,859,679 shares of active programs.

For the granted options programs described below, with a balance of shares to be consumed, the Company uses the Binomial model and the Black and Scholles model to calculate the fair value of the options for each grant.

Year	Programs	Issue price	Granted	Forfeited Options	Abandoned Options	Issued	Balance of Shares
2013	6P	BRL 15.67	5,090,000	2,247,000	1,924,845	866,714	51,441
2014	7P	BRL 23.60	889,000	379,200	331,174	97,526	81,100
2015	8P	BRL 13.15	983,000	463,400	59,587	458,813	1,200
2016	10P	BRL 15.12	1,105,779	554,000	107,779	442,000	2,000
2017	11P	BRL 14.18	991,010	555,510	71,255	357,805	6,440
<b>General Total</b>			<b>9,058,789</b>	<b>4,199,110</b>	<b>2,494,640</b>	<b>2,222,858</b>	<b>142,181</b>

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

Program	Date of Grant	End of Vesting Period	Maturity Date	Granted Options	Price of Base Asset	Fair value	Quantity Forfeited
11th Program Apr17	04/25/2017	04/23/2018	04/23/2028	188,000	14.18	6.14	13,500
11th Program Apr17	04/25/2017	04/23/2019	04/23/2028	188,000	14.18	6.84	86,000
11th Program Apr17	04/25/2017	04/23/2020	04/23/2028	188,000	14.18	7.41	132,500
11th Program Apr17	04/25/2017	04/23/2021	04/23/2028	188,000	14.18	7.86	135,500
11th Program Apr17	04/25/2017	04/23/2022	04/23/2028	188,000	14.18	8.26	137,000
11th Program Apr17 Cons.	04/25/2017	04/23/2018	04/23/2028	25,505	14.18	6.14	25,505
11th Program Apr17 Cons.	04/25/2017	04/23/2019	04/23/2028	25,505	14.18	6.84	25,505
10th Program Jul16	07/19/2016	04/15/2017	07/19/2026	208,000	15.12	6.89	2,000
10th Program Jul16	07/19/2016	04/15/2018	07/19/2026	208,000	15.12	7.89	33,000
10th Program Jul16	07/19/2016	04/15/2019	07/19/2026	208,000	15.12	8.61	153,000
10th Program Jul16	07/19/2016	04/15/2020	07/19/2026	208,000	15.12	9.18	183,000
10th Program Jul16	07/19/2016	04/15/2021	07/19/2026	208,000	15.12	9.64	183,000
10th Program Jul16 Cons.	07/19/2016	04/15/2017	07/19/2026	32,890	15.12	6.89	0
10th Program Jul16 Cons.	07/19/2016	04/15/2018	07/19/2026	32,889	15.12	7.89	0
9th Program Apr16	04/29/2016	04/15/2017	04/15/2027	80,000	11.87	6.02	20,000
9th Program Apr16	04/29/2016	04/15/2018	04/15/2027	80,000	11.87	6.66	20,000
9th Program Apr16	04/29/2016	04/15/2019	04/15/2027	80,000	11.87	7.14	80,000
9th Program Apr16	04/29/2016	04/15/2020	04/15/2027	80,000	11.87	7.52	80,000
9th Program Apr16	04/29/2016	04/15/2021	04/15/2027	80,000	11.87	7.83	80,000
9th Program Apr16 Cons.	04/29/2016	04/15/2017	05/01/2019	450,000	11.87	3.17	100,000
9th Program Apr16 Cons.	04/29/2016	04/15/2018	05/01/2020	450,000	11.87	4.43	100,000
8P Program	10/28/2015	04/15/2016	04/15/2026	196,600	13.15	5.45	2,000
8P Program	10/28/2015	04/15/2017	04/15/2027	196,600	13.15	6.42	56,800
8P Program	10/28/2015	04/15/2018	04/15/2028	196,600	13.15	7.20	81,200
8P Program	10/28/2015	04/15/2019	04/15/2029	196,600	13.15	7.88	150,200
8P Program	10/28/2015	04/15/2020	04/15/2030	196,600	13.15	8.47	173,200
7P Program Oct14	10/14/2014	04/15/2015	04/15/2025	177,800	26.83	8.58	16,000
7P Program Oct14	10/14/2014	04/15/2016	04/15/2026	177,800	26.83	9.71	37,000
7P Program Oct14	10/14/2014	04/15/2017	04/15/2027	177,800	26.83	10.64	86,000
7P Program Oct14	10/14/2014	04/15/2018	04/15/2028	177,800	26.83	11.47	104,400
7P Program Oct14	10/14/2014	04/15/2019	04/15/2029	177,800	26.83	12.24	135,800
6P Program Aug14	08/01/2014	04/15/2015	04/15/2025	60,000	29.16	14.48	0
6P Program Aug14	08/01/2014	04/15/2016	04/15/2026	60,000	29.16	15.10	28,000
6P Program Aug14	08/01/2014	04/15/2017	04/15/2027	60,000	29.16	15.74	28,000
6P Program Aug14	08/01/2014	04/15/2018	04/15/2028	60,000	29.16	16.38	28,000
6P Program Aug14	08/01/2014	04/15/2019	04/15/2029	60,000	29.16	16.98	44,000
6P Program Aug14 Cons.	08/01/2014	04/15/2015	08/01/2024	50,000	29.16	14.43	0
6P Program Aug14 Cons.	08/01/2014	04/15/2016	08/01/2024	50,000	29.16	15.02	0
6P Program Jul14	07/04/2014	04/15/2015	04/15/2025	608,000	29.94	15.13	0
6P Program Jul14	07/04/2014	04/15/2016	04/15/2026	608,000	29.94	15.76	80,000
6P Program Jul14	07/04/2014	04/15/2017	04/15/2027	608,000	29.94	16.41	602,000
6P Program Jul14	07/04/2014	04/15/2018	04/15/2028	608,000	29.94	17.05	608,000
6P Program Jul14	07/04/2014	04/15/2019	04/15/2029	608,000	29.94	17.65	608,000
6P Program Jul14 Cons.	07/04/2014	04/15/2015	07/04/2024	162,500	29.94	15.09	0
6P Program Jul14 Cons.	07/04/2014	04/15/2016	07/04/2024	162,500	29.94	15.69	0
6P Program Oct13	10/02/2013	04/15/2014	04/15/2024	265,000	16.82	5.05	5,000
6P Program Oct13	10/02/2013	04/15/2015	04/15/2025	265,000	16.82	5.79	5,000
6P Program Oct13	10/02/2013	04/15/2016	04/15/2026	265,000	16.82	6.40	19,000
6P Program Oct13	10/02/2013	04/15/2017	04/15/2027	265,000	16.82	6.94	88,000
6P Program Oct13	10/02/2013	04/15/2018	04/15/2028	265,000	16.82	7.43	104,000
5P 3 Program	03/01/2013	04/15/2014	04/15/2024	144,000	16.16	6.37	0
5P 3 Program	03/01/2013	04/15/2015	04/15/2025	144,000	16.16	7.02	21,000
5P 3 Program	03/01/2013	04/15/2016	04/15/2026	144,000	16.16	7.60	102,000
5P 3 Program	03/01/2013	04/15/2017	04/15/2027	144,000	16.16	8.11	102,000
5P 3 Program	03/01/2013	04/15/2018	04/15/2028	144,000	16.16	8.58	123,000
4P Program Jan/13	01/10/2013	04/15/2014	04/15/2024	160,200	14.40	8.23	7,200
4P Program Jan/13	01/10/2013	04/15/2015	04/15/2025	160,200	14.40	8.35	7,200
4P Program Jan/13	01/10/2013	04/15/2016	04/15/2026	160,200	14.40	8.48	7,200
4P Program Jan/13	01/10/2013	04/15/2017	04/15/2027	160,200	14.40	8.62	88,200
4P Program Jan/13	01/10/2013	04/15/2018	04/15/2028	160,200	14.40	8.75	94,200

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The assumptions used to calculate each granting, based on the Black and Scholles model, are as follows:

Program	Date of Grant	End of Vesting Period	Maturity Date	Granted Options	Price of Base Asset	Fair value	Quantity Forfeited
4P Program Nov/2012	11/05/2012	04/15/2014	04/15/2024	15,000	13.13	6.31	0
4P Program Nov/2012	11/05/2012	04/15/2015	04/15/2025	15,000	13.13	6.88	0
4P Program Nov/2012	11/05/2012	04/15/2016	04/15/2026	15,000	13.13	7.36	15,000
4P Program Nov/2012	11/05/2012	04/15/2017	04/15/2027	15,000	13.13	7.79	15,000
4P Program Nov/2012	11/05/2012	04/15/2018	04/15/2028	15,000	13.13	8.08	15,000
4P Program Aug/12	08/06/2012	04/15/2013	04/15/2023	18,000	8.66	2.64	0
4P Program Aug/12	08/06/2012	04/14/2014	04/14/2024	18,000	8.66	3.37	18,000
4P Program Aug/12	08/06/2012	04/14/2015	04/14/2025	18,000	8.66	3.88	18,000
4P Program Aug/12	08/06/2012	04/14/2016	04/14/2026	18,000	8.66	4.29	18,000
4P Program Aug/12	08/06/2012	04/14/2017	04/14/2027	18,000	8.66	4.55	18,000
4P Program Jul/12	07/02/2012	04/15/2013	04/15/2023	48,000	8.10	2.23	0
4P Program Jul/12	07/02/2012	04/14/2014	04/14/2024	48,000	8.10	2.96	0
4P Program Jul/12	07/02/2012	04/14/2015	04/14/2025	48,000	8.10	3.46	9,000
4P Program Jul/12	07/02/2012	04/14/2016	04/14/2026	48,000	8.10	3.86	9,000
4P Program Jul/12	07/02/2012	04/14/2017	04/14/2027	48,000	8.10	4.12	48,000
4P Program Apr/12	04/02/2012	04/15/2013	04/15/2023	234,000	6.50	1.12	27,000
4P Program Apr/12	04/02/2012	04/14/2014	04/14/2024	234,000	6.50	1.81	42,000
4P Program Apr/12	04/02/2012	04/14/2015	04/14/2025	234,000	6.50	2.26	42,000
4P Program Apr/12	04/02/2012	04/14/2016	04/14/2026	234,000	6.50	2.60	60,000
4P Program Apr/12	04/02/2012	04/14/2017	04/14/2027	234,000	6.50	2.82	138,000
3P Program Apr/11	04/20/2011	04/14/2013	04/14/2023	165,240	7.80	2.27	38,133
3P Program Apr/11	04/20/2011	04/14/2014	04/14/2024	165,240	7.80	2.92	61,011
3P Program Apr/11	04/20/2011	04/14/2015	04/14/2025	165,240	7.80	3.42	61,011
3P Program Apr/11	04/20/2011	04/14/2016	04/14/2026	165,240	7.80	3.74	80,079
3P Program Jan/11	01/03/2011	04/14/2013	04/14/2023	183,807	9.00	3.02	35,592
3P Program Jan/11	01/03/2011	04/14/2014	04/14/2024	183,807	9.00	3.72	51,072
3P Program Jan/11	01/03/2011	04/14/2015	04/14/2025	183,807	9.00	4.25	51,072
3P Program Jan/11	01/03/2011	04/14/2016	04/14/2026	183,807	9.00	4.60	51,072
2P Program Jul/10	07/28/2010	04/14/2013	04/14/2023	129,684	6.73	2.72	48,438
2P Program Jul/10	07/28/2010	04/14/2014	04/14/2024	129,684	6.73	3.12	48,438
2P Program Jul/10	07/28/2010	04/14/2015	04/14/2025	129,684	6.73	3.36	60,936
2P Program May/10	05/06/2010	04/14/2013	04/14/2023	140,625	6.33	2.52	140,625
2P Program May/10	05/06/2010	04/14/2014	04/14/2024	140,625	6.33	2.52	140,625
2P Program May/10	05/06/2010	04/14/2015	04/14/2025	140,625	6.33	2.52	140,625
1P Program Mar/10	03/01/2010	04/14/2013	04/14/2023	90,909	7.50	3.77	0
1P Program Mar/10	03/01/2010	04/14/2014	04/14/2024	90,909	7.50	4.18	0
1P Program Mar/10	03/01/2010	04/14/2015	04/14/2025	90,909	7.50	4.43	0
1P Program Jan/10	01/11/2010	04/14/2013	04/14/2023	89,088	8.17	4.34	38,181
1P Program Jan/10	01/11/2010	04/14/2014	04/14/2024	89,088	8.17	4.76	52,728
1P Program Jan/10	01/11/2010	04/14/2015	04/14/2025	89,088	8.17	5.03	52,728
1P Program Sep/09	09/29/2009	04/14/2013	04/14/2023	174,537	6.70	3.40	32,727
1P Program Sep/09	09/29/2009	04/14/2014	04/14/2024	174,537	6.70	3.62	101,814
1P Program Jan/09	01/13/2009	04/14/2013	04/15/2023	90,909	4.40	1.92	72,729
1P Program Jan/09	01/13/2009	04/14/2014	04/15/2024	90,909	4.40	2.11	72,729
1P Program Sep/08	09/30/2008	04/14/2013	04/14/2023	663,633	4.68	2.08	399,999
1P Program Jul/2008	07/11/2008	04/14/2013	04/14/2023	703,626	7.83	3.71	552,720



## YDUQS Participações S.A.

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#### Second Share Plan

The Second Stock Option Plan was submitted for approval by the shareholders at the Shareholders' Meeting held on April 27, 2023, with the Board of Directors being the body responsible for its management.

The maximum amount of shares covered must not exceed the number of five million, six hundred and fifty thousand (5,650,000) shares, subject to any adjustments arising from bonuses, reverse splits, splits, and other events provided for in the plan.

Each Option will entitle the Participant to acquire one share of the number of granted options.

Under the terms of the Plan, the options must be acquired by the Participant upon payment of the acquisition price, which will be defined by the Board of Directors within the scope of the respective programs. Once acquired, the options will become eligible for exercise, to the extent that the Participant remains continuously linked as an officer of the Company until the end of the respective vesting periods below:

- (a) Options A and Options B will become Vested Options as of December 1, 2025.
- (b) Options C and Options D will become Vested Options as of December 1, 2026.

Strike price per option is BRL 15.00 for Options A; BRL 20.00 for Options B; BRL 25.00 for Options C; and BRL 30.00 for Options D. The Board of Directors may provide in the respective option program and contract that the strike price will be reduced by the amount per share distributed to its shareholders as of a certain date, either as dividends, interest on equity, redemption, capital reduction, among other theories.

The acquisition price of each option will be determined by the Board of Directors within the scope of the respective program.

The strike period of six months provided for in the Plan was established by the Board of Directors and takes into account market practices and the Company's intention that participants exercise their options in a short period of time after becoming vested options.

Year	Program	Granted	Issued	Unvested	Forfeited	Balance
2023	1P	5,650,000	0	5,650,000	0	5,650,000

The assumptions used to calculate each granting, based on the Black and Scholes model, are as follows:

Batch	Batch Reference	Pricing model	Date of grant	Date of vesting period	Maturity date	Preci of base asset	Strike price	Volatility	Dividend yield	Interest rate	Expected of the option (expiration)	Fair Value B&S
1	NOVO SOP YDUQS-1	Black and Scholes	05/02/2023	12/01/2025	06/01/2026	BRL 7.81	BRL 15.00	53.65%	0.00%	11.76%	3.08	2.14
2	NOVO SOP YDUQS-2	Black and Scholes	05/02/2023	12/01/2025	06/01/2026	BRL 7.81	BRL 20.00	53.65%	0.00%	11.76%	3.08	1.53
3	NOVO SOP YDUQS-3	Black and Scholes	05/02/2023	12/01/2026	06/01/2027	BRL 7.81	BRL 25.00	55.77%	0.00%	11.88%	4.08	1.91
4	NOVO SOP YDUQS-4	Black and Scholes	05/02/2023	12/01/2026	06/01/2027	BRL 7.81	BRL 30.00	55.77%	0.00%	11.88%	4.08	1.58

In compliance with the allowances of technical pronouncement CPC 10 (R1), the share-based payments that were open on June 30, 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 June 30, 2023, an allowance of BRL 529 was recognized (BRL 26 in the fiscal year ended December 31, 2022). The accumulated allowance as of June 30, 2023 is BRL 75,384 (BRL 74,855 as of December 31, 2022).

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**(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 the Company's shareholders, thereby encouraging them to optimize all aspects that can add value the Company in the long term; (c) aligning the interests of the beneficiaries with the shareholders' interests; and (d) encouraging the retaining of administrators and employees at the Company or in the companies under its control.

The administrators and employees of the Companies or of the company 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 30 trading sessions prior to the date of each Program.

Each Program created by the Board of Directors will have a term of five (5) 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, as 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 allowance for the Program in the fiscal year ended June 30, 2023 is BRL 11,037 (BRL 19,394 as of December 31, 2022). The accumulated allowance as of June 30, 2023 is BRL 63,867 (BRL 57,802 as of December 31, 2022).

As of June 30, 2023, the number of shares granted and delivered was 3,839,463 shares, and the total shares granted amounted to 11,225,900 shares.

Year	Program	Granted	Additional per Dividends	Additional per Performance	Delivered	Unvested	Canceled	Forfeited
2018	1P	1,395,500	90,926	40,825	724,622	0	147,031	655,600
2018	1P - Cons	130,000	9,441	0	139,441	0	0	0
2018	1P - Esp	300,000	28,680	16,158	322,836	0	22,001	0
2019	2P	879,000	19,000	41,500	510,138	88,069	90,258	251,035
2020	2P - Cons	98,000	3,158	0	94,028	0	130	7,000
2019	2P - Esp	100,000	2,749	5,000	81,732	20,845	5,172	0
2019	3P	630,000	15,455	0	565,455	0	0	80,000
2022	3P - Cons	98,000	0	0	0	84,000	0	14,000
2019	3P - Esp	200,000	5,620	0	205,620	0	0	0
2019	4P	100,000	3,073	5,000	61,046	0	7,027	40,000
2019	5P	80,000	2,760	0	0	0	2,760	80,000
2020	6P	1,389,600	37,210	0	535,100	337,402	145,586	408,722
2020	7P	445,000	9,542	0	94,047	141,709	3,786	215,000
2020	8P	460,000	19,468	0	0	416,929	2,539	60,000
2020	9P	100,000	1,846	0	40,628	30,609	609	30,000
2021	10P	1,330,800	25,572	0	311,167	562,067	155,256	327,881
2021	11P	85,000	272	0	15,269	15,114	6,889	48,000
2022	12P	1,350,000	9,925	0	138,334	893,620	107,271	220,700
2023	13P	735,000	0	0	0	735,000	0	0
2023	13P - Esp	1,320,000	0	0	0	1,320,000	0	0
<b>General Total</b>		<b>11,225,900</b>	<b>284,697</b>	<b>108,482</b>	<b>3,839,463</b>	<b>4,645,364</b>	<b>696,316</b>	<b>2,437,938</b>

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**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 profit for the period	180,776	12,355
Denominator (in thousands of shares)		
Weighted average of the number of outstanding shares	<u>290,460</u>	<u>298,906</u>
Net income per batch of 1,000 shares - basic	<u>0.62238</u>	<u>0.04133</u>

**(b) Earnings per share – diluted**

	<u>2023</u>	<u>2022</u>
Numerator		
Net profit for the period	180,776	12,355
Denominator (in thousands of shares)		
Weighted average of the number of outstanding shares	290,460	298,906
Potential increase in the number of shares due to the stock option plan	<u>2,055</u>	<u>1,448</u>
Adjusted weighted average of outstanding shares	<u>292,515</u>	<u>300,354</u>
Net income per batch of 1,000 shares - diluted	<u>0.61801</u>	<u>0.04113</u>

**22 Net revenue from services provided**

	<u>Consolidated</u>	
	<u>2023</u>	<u>2022</u>
Gross revenue	5,553,287	5,028,872
Deduction from gross revenue	(2,931,998)	(2,701,041)
Grants - scholarships	(2,678,627)	(2,551,601)
Refund of monthly tuition fees and charges	(17,896)	(14,966)
Discounts granted	(69,612)	(29,633)
Taxes	(96,667)	(89,243)
Adjustment to present value – PAR/DIS/Credathenas	(17,904)	(3,989)
FIES (i)	<u>(51,292)</u>	<u>(11,609)</u>
	<u>2,621,289</u>	<u>2,327,831</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	(607,140)	(592,870)
Electricity, water, gas, and telephone	(25,208)	(24,089)
Rental, condominium fees, and IPTU	(23,573)	(19,711)
Mail and couriers	(806)	(956)
Depreciation and amortization	(212,093)	(223,304)
Teaching material	(5,331)	(5,230)
Third-party services - security and cleaning	(31,085)	(32,730)
Others	<u>(124,610)</u>	<u>(98,411)</u>
	<u>(1,029,846)</u>	<u>(997,301)</u>

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**24 Selling, general, and administrative expenses**

	Parent company		Consolidated	
	2023	2022	2023	2022
Selling expenses				
Allowance for expected credit losses (Note 4)			(294,834)	(323,788)
Advertising			(150,105)	(151,965)
Sales and marketing			(43,225)	(60,551)
Others			(40)	20,818
			<u>(488,204)</u>	<u>(515,486)</u>
General and administrative expenses				
Personnel and social charges	(2,788)	(3,156)	(204,393)	(150,002)
Third parties' services	(1,843)	(1,751)	(84,031)	(73,176)
Maintenance and repairs			(43,815)	(32,785)
Depreciation and amortization		(1)	(175,206)	(132,312)
Educational agreements			(23,985)	(18,662)
Travel and accommodation	(1)	(34)	(6,910)	(5,026)
Allowance for contingencies (Note 17)		284	(31,130)	(23,892)
Insurance	(1,278)	(7,145)	(2,598)	(8,338)
Transportation		(1)	(2,820)	(2,831)
Vehicle rental			(3,245)	(2,913)
Others	(399)	(128)	(33,659)	(32,271)
	<u>(6,309)</u>	<u>(11,932)</u>	<u>(611,792)</u>	<u>(482,208)</u>

**25 Other operating revenues/expenses**

	Parent company		Consolidated	
	2023	2022	2023	2022
Earn-out (i)			32,923	
Lease revenues			5,343	2,564
Revenues with agreements	1,511	1,511	3,838	4,851
Gain (loss) on disposal of property, plant and equipment			(4,215)	1,162
Other operating revenues (expenses)	551		(7,066)	4,044
	<u>2,062</u>	<u>1,511</u>	<u>30,823</u>	<u>12,621</u>

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

**26 Financial income**

	Parent company		Consolidated	
	2023	2022	2023	2022
Financial revenues				
Late payment fines and interest			28,940	25,708
Revenues from financial investments	9,349	16,257	68,973	91,242
Derivatives fair value (SWAP) (i)	68,693	36,712	68,693	36,712
Adjustment of tax credits and financial products	5,050	3,686	19,949	8,334
Others	2	1	1,103	2,076
(-) PIS and COFINS on financial transactions (ii)	(10,363)	(12,888)	(15,907)	(18,426)
	<u>72,731</u>	<u>43,769</u>	<u>171,751</u>	<u>145,646</u>

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Financial expenses				
Bank expenses	(371)	(371)	(5,427)	(6,023)
Interest and financial charges	(231,163)	(212,906)	(247,564)	(226,743)
Adjustment of allowance for contingencies (Note 17)		163	(20,222)	(21,199)
Financial deductions (iii)			(33,452)	(50,008)
Negative exchange variation			(7,409)	(14,606)
Derivatives fair value (SWAP) (i)	(81,090)	(39,847)	(81,090)	(39,847)
Interest on loans (SWAP)	(44,809)	(38,579)	(44,809)	(38,579)
Expenses with loans	(1,865)	(2,258)	(1,865)	(2,258)
Lease interest - Right of use			(73,912)	(75,287)
Others	(219)	(878)	(3,683)	(4,350)
	<u>(359,517)</u>	<u>(294,676)</u>	<u>(519,433)</u>	<u>(478,900)</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**

	June 30, 2023			
	On-site	Digital	Premium	Total
Gross Revenue	2,850,004	1,946,474	756,810	5,553,288
Deductions	(1,756,427)	(1,037,281)	(138,291)	(2,931,999)
<b>Net revenue (Note 22)</b>	<b>1,093,577</b>	<b>909,193</b>	<b>618,519</b>	<b>2,621,289</b>
Costs of the services provided (Note 23)	(457,698)	(159,318)	(200,738)	(817,754)
Personnel and social charges	(390,932)	(32,698)	(183,512)	(607,142)
Rental, condominium fees, and IPTU	(17,504)	1	(6,069)	(23,572)
Mail and couriers	(309)	(337)	(160)	(806)
Teaching material	(3,870)	(5)	(1,456)	(5,331)
Third parties' services and others	(45,083)	(126,279)	(9,541)	(180,903)
Depreciation and amortization (Note 23)	(150,333)	(13,442)	(48,317)	(212,092)
<b>Gross income</b>	<b>485,546</b>	<b>736,433</b>	<b>369,464</b>	<b>1,591,443</b>
Selling expenses (Note 24)	(226,059)	(217,798)	(44,347)	(488,204)
General and administrative expenses (Note 24)	(182,149)	(145,244)	(109,193)	(436,586)
Depreciation and amortization (Note 24)	(80,723)	(58,032)	(36,451)	(175,206)
Other revenue/expenses (Note 25)	11,572	11,229	8,022	30,823
<b>Operating income</b>	<b>8,187</b>	<b>326,588</b>	<b>187,495</b>	<b>522,270</b>

  

	June 30, 2022			
	On-site	Digital	Premium	Total
Gross Revenue	2,750,447	1,659,755	618,670	5,028,872
Deductions	(1,666,759)	(942,043)	(92,239)	(2,701,041)
<b>Net revenue (Note 22)</b>	<b>1,083,688</b>	<b>717,712</b>	<b>526,431</b>	<b>2,327,831</b>
Costs of the services provided (Note 23)	(461,718)	(139,075)	(173,204)	(773,997)
Personnel and social charges	(395,092)	(38,148)	(159,630)	(592,870)
Rental, condominium fees, and IPTU	(14,751)	(428)	(4,532)	(19,711)
Mail and couriers	(513)	(340)	(103)	(956)
Teaching material	(3,931)	(10)	(1,289)	(5,230)
Third parties' services and others	(47,431)	(100,149)	(7,650)	(155,230)
Depreciation and amortization (Note 23)	(174,270)	(12,982)	(36,052)	(223,304)
<b>Gross income</b>	<b>447,700</b>	<b>565,655</b>	<b>317,175</b>	<b>1,330,530</b>
Selling expenses (Note 24)	(273,211)	(201,816)	(40,459)	(515,486)
General and administrative expenses (Note 24)	(163,271)	(110,657)	(75,968)	(349,896)
Depreciation and amortization (Note 24)	(64,447)	(42,417)	(25,448)	(132,312)
Other revenue/expenses (Note 25)	6,367	2,365	3,889	12,621
<b>Operating income</b>	<b>(46,862)</b>	<b>213,130</b>	<b>179,189</b>	<b>345,457</b>

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**28 Income tax and social security contribution**

The reconciliation of taxes assessed according to nominal tax rates and the amount of tax recorded for the periods ended June 30, 2023 and 2022 are presented below:

	Parent company		Consolidated	
	2023	2022	2023	2022
Profit before income tax and social security contribution	180,608	12,302	174,588	12,203
Nominal rate combined from income tax and social security contribution - %	34	34	34	34
Income tax and social security contribution at legislation rates	(61,407)	(4,183)	(59,360)	(4,149)
Equity accounting method	160,358	93,034		
Goodwill			5,438	9,882
Non-deductible expenses (i)	1,717		2,532	(713)
Interest on Equity	(35,632)	(43,962)		
Tax loss - not constituted	(64,868)	(44,836)	(71,638)	(65,096)
Non-taxable income			(731)	2,432
Tax incentives of PROUNI program			135,123	65,241
Others			(2,444)	180
Current and deferred income tax and social security contribution in the income for the period	168	53	8,920	7,777
Current IRPJ and CSLL in income			(34,574)	(11,857)
Deferred IRPJ and CSLL in income		53	43,493	19,634
IRPJ and CSLL from prior periods			(1,968)	(7,274)
	168	53	6,951	503

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

As of June 30, 2023, the Company recorded deferred tax credit from the temporary differences and tax loss and negative basis in the amount of BRL 439,270 (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	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Leases			86,846	78,851
PCE			81,207	78,974
Tax loss			78,727	82,608
Allowance for contingencies			76,054	74,942
Recognized granted options	1,344	1,175	65,853	63,047
Monthly tuition fees to be invoiced / canceled			34,504	23,737
Allowance for asset retirement			21,364	19,692
Adjustment to present value			15,818	9,408
Depreciation	13	14	7,466	5,937
Other assets			3,207	3,655
Allowance for FIES risk			339	325
Goodwill of Incorporated companies			(2,230)	(2,230)
Assets surplus value amortization			(2,752)	(12,909)
Business combination			(26,776)	(27,951)
	1,357	1,189	439,627	398,086
Assets	1,357	1,189	439,627	398,086
	1,357	1,189	439,627	398,086

Management explanatory notes to the financial statements  
as of June 30, 2023  
In thousands of Brazilian reais, except when otherwise indicated

The realization of the deferred tax effect on temporary differences recorded as of June 30, 2023 is linked to the realization of the allowance 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:

	June 30, 2023 <u>Consolidated</u>
2023	6,216
2024 to 2027	60,167
2028 to 2032	12,344
	<u>78,727</u>

29 Subsequent events

On 07/10/2023, Yduqs Participações S.A. executed the Optional Acquisition, under the terms of Article 55 of Law No. 6,404, and CVM Resolution No. 77, of Debentures corresponding to the 6th issue of simple, unsecured debentures, not convertible into shares, for public distribution with restricted efforts, in a single series, under a firm guarantee placement regime. A total of 71,564 debentures were acquired at the Unit Price (PU) on the payment date, amounting to BRL 73,141,703. The acquired Debentures were subsequently canceled on 07/27/2023.

On 08/09/2023, during the Board of Directors' Meeting, YDUQS Participações S.A. approved the advance payment of the dividends for the current fiscal year, in the amount of BRL 80,000,000 equivalent to approximately BRL 0.275425 per common share issued by the Company, not considering treasury shares, under the terms of Law No. 6,404, as of December 15, 1976 as amended, of article 31, item "c" of the Company's Articles of Incorporation.

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