

EARNINGS RELEASE

4Q23 & 2023

March 14th, 2024

YDUQS

YDUQ
B3 LISTED NM
IBRX100 B3

ITAG B3
IGC B3

ICO2 B3
IDIVERSA B3



Rio de Janeiro, March 14th, 2024 - **YDUQS Participações S.A.**, one of the largest private organizations in Brazil's higher education private sector, presents its **results for the fourth quarter of 2023 (4Q23)**.

The Company's financial information is presented based on the consolidated numbers, in Brazilian Reais, in accordance with the Brazilian Corporation Law and the accounting practices adopted in Brazil (BRGAAP), already in accordance with the International Financial Reporting Standards (IFRS).

This document may have forward looking statements that are subject to risks and uncertainties that lead such expectations to not materialize or substantially differ from expectations. These forecasts express the opinion only for the date they were made, and the Company does not undertake to update them in the light of new information.



RESULTS VIDEO CONFERENCE

March 15th, 2024 | 9:00 a.m. (BRT) Portuguese with simultaneous translation to English

[Click here for the Webinar](#)

March 15th, 2024 | 11:00 a.m. (BRT) – Video conference in English

[Click here for the Webinar](#)

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Visit our website: <https://www.yduqs.com.br>

We were finally able to see an untethered Yduqs in 2023. The growth we recorded across all business units shows that we made the right choices and that Yduqs was completely transformed in just a few years. Our portfolio diversification strategy and price and cost discipline led the company to use strong operational leverage, resulting in significant cash generation and expansion of net profit. Our approach to technology, which is not limited to mere digitalization and seeks actually to transform teaching and our operations, has allowed us to offer better services and explore new products. The way we understand and implement our ESG agenda, integrated into our strategy, strengthens our links with all audiences and has become an excellent catalyst for esteem and reputation. Blurring the lines between economic and financial aspects, technology, and results for society is difficult, but we have achieved this integration with legitimacy and consistency.

Double-digit growth in EBITDA across all business verticals drove an 18% increase in the company's global indicator, with a rise of 1 p.p. in its consolidated margin. We met or exceeded all guidance provided throughout the year. We are committed to feeding the market with an accurate and transparent vision. As highlighted recently, Yduqs' cash generation capacity stands out in more favorable scenarios. Our operating cash flow surpassed the symbolic milestone of BRL 1 billion, and net profit increased by almost 150% in the annual comparison. Debt and CAPEX are still being managed with quality, a milestone for our management, and we distributed dividends for the 17th year in a row.

Our operational performance is being driven by technology, which is simultaneously helping to increase quality, allowing the exploration of new products, and exponentially improving our market approach. Still in 2023, we had significant results from our digital transformation process, which will continue to bear fruit in 2024 and beyond. Accelerating our investment curve in technology during and immediately after the pandemic was a good decision: The results are now starting to reappear, and we will be able to return to historical investment levels, between 7% and 8% of revenue, in the medium term. This movement will be another lever for us to sustain the growth trajectory of our cash generation capacity for shareholders and business profitability.

We add our ESG agenda to this operational, economic, and financial strength, which achieved international reference status last year. Yduqs became the world's only higher education organization in 2023 with an 'AA' rating by MSCI, achieved carbon neutrality in its operations and was invited to be an ambassador for the UN Education agenda in Brazil.

For this year and the next, our view is that our cash generation capacity will be surprising. We have triggers ready and well-positioned to capture on several fronts. We will hold Yduqs Day in Rio de Janeiro in May, and our management will enjoy sharing details of our vision and plans to capture all this value.

We are incredibly grateful to our entire community of teachers, students, employees, and everyone who supports us with investment, knowledge, and guidance.

Eduardo Parente
CEO

HIGHLIGHTS

Year ended with **strong cash generation and net income, with EBITDA margin expansion**

vs.
2022

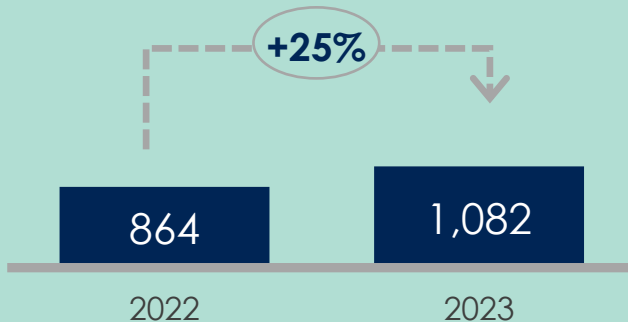
Net Revenue +13%

Adjusted EBITDA +18%

Adjusted EBITDA margin +1p.p.

Adjusted Net Income +R\$ 203MM

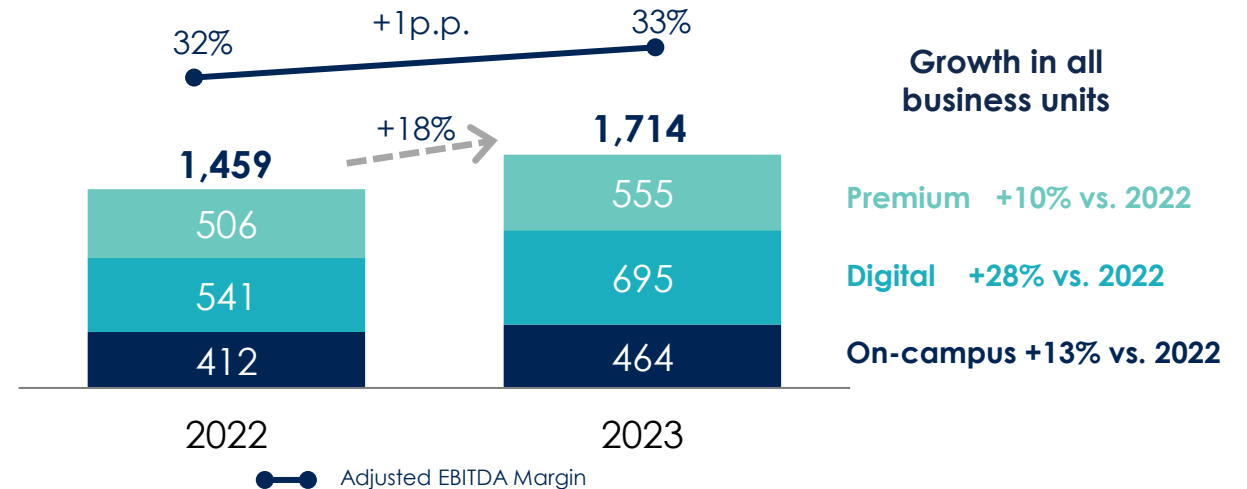
Operating Cash Flow (OFC)
(R\$ million)



**Reduction in cost of debt
and average term extended**

CDI+1.35%
-0.61p.p. vs. 3Q23
3.4 years
+1.5 year vs. 3Q23

Adjusted EBITDA
(R\$ million)



Guidance achieved

Digital Intake +29% vs. 4Q22

Guidance: between 10% and 20% vs. 4Q22

Adjusted EBITDA +10% vs. 4Q22

Guidance: between 5% and 15% vs. 4Q22

Average Ticket

Upperclassmen of +1 year

Medicine +10% vs. 4Q22

Digital +11% vs. 4Q22

On-campus +8% vs. 4Q22

OPERATIONAL
DATA

YDUQS



Total (thousand students)	4Q22	4Q23	Δ %
Total Base	1,194.9	1,308.0	9.5%
On-campus	268.0	262.9	-1.9%
Digital Learning ⁽¹⁾	912.8	1,029.4	12.8%
Premium	14.1	15.7	11.3%

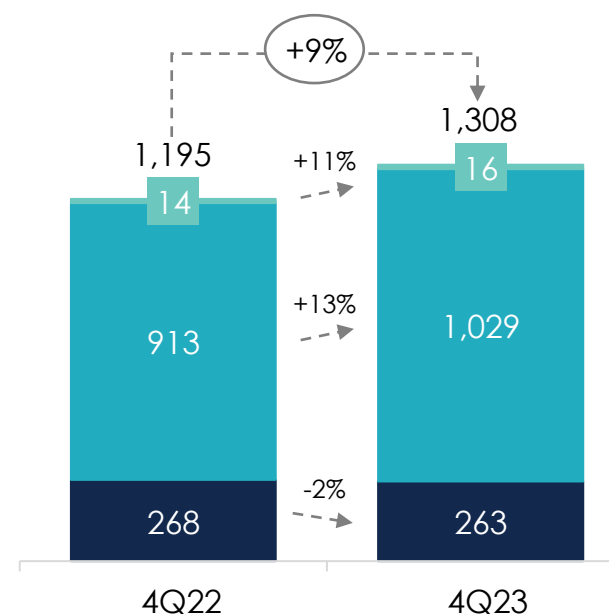
FIES	14.8	11.4	-23.1%
DIS	359.6	389.2	8.2%
Digital	238.5	277.9	16.5%
On-campus	121.1	111.3	-8.1%
PAR	2.9	1.3	-55.7%

Campi (ex-compartilhados) ⁽²⁾	103	103	0.0%
Presencial	87	87	0.0%
Premium	21	21	0.0%
Compartilhado com Presencial	5	5	0.0%
Polos	2,512	2,604	3.7%

Total (thousand students)	4Q22	4Q23	Δ %
Total Intake	35.4	45.3	27.7%
Premium	-	-	-
Digital Learning	34.6	44.7	29.4%
DIS	17.4	29.8	71.8%
On-campus	0.9	0.5	-39.6%
DIS	0.4	0.3	-27.0%

● Premium ● Digital Learning ⁽¹⁾ ● On-campus

Total Student base
(Thousand students)



(1) Base Includes Qconcursos, for more details [click here](#).

(2) It considers campi with individual management, that is, if there are 2 campi nearby or with complementary, which have the same management, it is considered only on campus.

Student base (thousand students)	4Q22	4Q23	Δ %
Total Premium	14.1	15.7	11.3%

Medicine	7.9	8.7	10.6%
Undergraduate	7.5	8.4	11.8%
FIES	1.0	1.0	4.6%
Graduate	0.3	0.3	-16.5%
IBMEC	6.2	7.0	12.2%
Undergraduate	4.9	5.5	12.9%
FIES	0.2	0.2	-21.1%
Graduate	1.3	1.5	9.5%

Average Ticket ⁽¹⁾ (R\$/month)	4Q22	4Q23	Δ %
Medicine Undergraduate	9,487	9,981	5.2%
IBMEC Undergraduate	2,983	3,279	9.9%

AT of Upperclassmen ⁽²⁾ (R\$/month)	4Q22	4Q23	Δ %
Medicine Undergraduate	9,724	10,689	9.9%
IBMEC Undergraduate	2,978	3,327	11.7%

The **Premium** segment ended 4Q23 with **15.7 thousand students (+11.3% YoY)**, boosted by an increase in undergraduate programs.

The **Medicine undergraduate** segment maintained its strong performance, closing 4Q23 with 8.4 thousand students, exceeding the guidance for 2023 (8.2 – 8.3 thousand students), due to the courses' maturation coupled with stronger intake throughout the year.

The **Medicine undergraduate average ticket** ended the quarter up by 5.2% YoY, due to higher intake prices and price adjustments above inflation. It is important to highlight that average ticket was impacted by a review in FG-FIES percentage deduction. Excluding said effect, average ticket would have increased ~7% vs. 4Q22.

In 4Q23, **IBMEC total student base** increased by 12.2% YoY, highlighting stemming from better intake performance throughout the year, especially in São Paulo, where a new unit (Faria Lima) was opened.

IBMEC undergraduate average ticket was up by 9.9% YoY, as a result of price increases for both intake and upperclassmen for over 1 year, with price adjustments above inflation, combined with the effect from mix of units with higher tickets.

(1) Average ticket = Net revenue for the period x 1,000/3/ student base.

(2) Average ticket for upperclassmen for more than one year.

Student base (thousand students)	4Q22	4Q23	Δ %
Total Digital Learning	912.8	1,029.4	12.8%
Undergraduate	429.8	500.8	16.5%
Digital	363.8	425.7	17.0%
Flex	66.0	75.1	13.7%
Lifelong	483.0	528.7	9.4%
Qconcurcos	443.1	494.5	11.6%
Digital Learning (ex-Qconcurcos)	469.7	534.9	13.9%

Intake (thousand students)	4Q22	4Q23	Δ %
Total Undergraduate	34.6	44.7	29.4%
Digital Undergraduate	30.1	38.1	26.7%
Flex Undergraduate	4.5	6.6	48.1%

Average Ticket ⁽¹⁾ (R\$/month)	4Q22	4Q23	Δ %
Total Undergraduate	220	229	4.1%
Digital Undergraduate	195	199	1.7%
Flex Undergraduate	354	400	13.0%

AT of Upperclassmen ⁽²⁾ (R\$/month)	4Q22	4Q23	Δ %
Total Undergraduate	241	268	11.2%

The **Digital Learning segment**, which includes Lifelong, reached **1,029.4 thousand students** by the end of 4Q23, moving up by 12.8% YoY, mainly driven by the performance of undergraduate programs.

Undergraduate student base recorded substantial growth of 16.5% YoY, driven by excellent intake figures both in the quarter and full year, coupled with student base maturation that played an important part in this result.

Total undergraduate average ticket ended 4Q23 up by 4.1% YoY. Compared to 4Q21, the average ticket registered a strong accumulated growth of 14%. The decrease in average ticket in this quarter, compared to the previous quarter is due to a bigger share of first-year students in the base, in addition to the impact of campaigns that started in 1H23 in the average ticket.

(1) Average ticket = Net revenue for the period x 1,000/3/ student base.

(2) Average ticket for upperclassmen for more than one year.

Student base (thousand students)	4Q22	4Q23	Δ %
Total On-campus	268.0	262.9	-1.9%
Undergraduate	265.1	259.9	-2.0%
On-campus	234.2	211.0	-9.9%
FIES	13.6	10.2	-25.1%
Semi on-campus	30.9	48.9	58.2%
Masters/Doctorate and others	2.9	3.0	5.4%

Average Ticket ⁽¹⁾ (R\$/month)	4Q22	4Q23	Δ %
Total Undergraduate	614	655	6.8%
On-campus undergraduate	645	707	9.6%
Semi On-campus undergraduate	377	431	14.4%

AT of Upperclassmen ⁽²⁾ (R\$/month)	4Q22	4Q23	Δ %
On-campus undergraduate	730	791	8.4%

The **On-campus segment** ended 4Q23 with **262.9 thousand students**. This result shows a downward trend in student base drop, which is related to a good intake performance, coupled with a stable renewal rate (83%).

Semi on-campus undergraduate student base hiked 58.2% YoY, due to the high demand for this segment. The strong semi on-campus undergraduate programs' performance, coupled with a stable renewal rate contributed to the total undergraduate student base's good performance, which recorded a slight decrease of 2.0% YoY.

On-campus undergraduate average ticket ended 4Q23 up by 9.6% YoY, stemming from the combination of price increases for both intake and upperclassmen for more than one year, which has been adjusted above inflation.

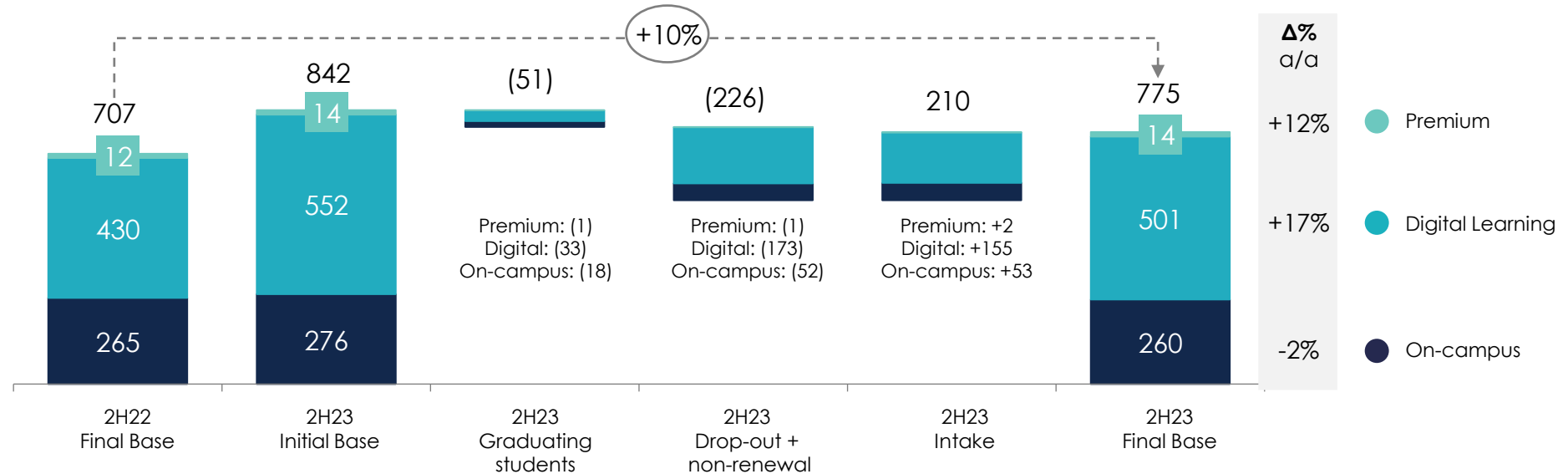
Semi on-campus undergraduate average ticket recorded substantial growth of 14.4% YoY, boosted by the higher market demand for this product, the review of the programs' pricing format and the positive impact of health programs mix.

(1) Average ticket = Net revenue for the period x 1,000/3/ student base.

(2) Average ticket for upperclassmen for more than one year.

CHANGES IN THE UNDERGRADUATE BASE 2H23

(thousand students)	Final Base 2H22	Initial Base 2H23		Graduating students 2H23		Drop-out + non-renewal 2H23		Intake 2H23		Final Base 2H23	Δ % 2H23 vs. 2H22
		In thousand	% ⁽¹⁾	In thousand	% ⁽¹⁾	In thousand	% ⁽¹⁾	In thousand	% ⁽¹⁾		
Undergraduate	707	842	100%	(51)	6%	(226)	27%	210	25%	775	10%
Premium	12	14	2%	(1)	5%	(1)	8%	2	14%	14	12%
Medicine	8	8	1%	(0)	5%	(0)	6%	1	13%	8	12%
IBMEC	5	6	1%	(0)	6%	(1)	10%	1	16%	6	13%
Digital Learning	430	552	66%	(33)	6%	(173)	31%	155	28%	501	17%
Digital	364	468	56%	(32)	7%	(144)	31%	134	29%	426	17%
Flex	66	84	10%	(1)	2%	(28)	34%	21	25%	75	14%
On-campus	265	276	33%	(18)	6%	(52)	19%	53	19%	260	-2%
On-campus	234	235	28%	(16)	7%	(39)	17%	32	13%	211	-10%
Semi on-campus	31	41	5%	(1)	4%	(13)	31%	22	53%	49	58%



* Percentage of the initial base.

FINANCIAL
DATA

YDUQS



INCOME STATEMENT

(R\$ million)	4Q22	4Q23	Δ %	2022	2023	Δ %
Gross Revenue	2,384.9	2,626.5	10.1%	9,789.7	10,852.2	10.9%
Monthly tuition fees and others	2,384.9	2,626.5	10.1%	9,789.7	10,852.2	10.9%
Deductions from gross revenue	(1,283.3)	(1,396.8)	8.8%	(5,224.8)	(5,704.6)	9.2%
Net Revenue	1,101.6	1,229.7	11.6%	4,564.9	5,147.6	12.8%
Cost of Services	(506.7)	(540.3)	6.6%	(1,982.5)	(2,077.3)	4.8%
Gross Profit	595.0	689.4	15.9%	2,582.5	3,070.3	18.9%
<i>Gross margin (%)</i>	<i>54.0%</i>	<i>56.1%</i>	<i>2.1 p.p.</i>	<i>56.6%</i>	<i>59.6%</i>	<i>3.1 p.p.</i>
Selling Expenses	(244.6)	(260.8)	6.6%	(951.0)	(955.1)	0.4%
G&A Expenses	(285.9)	(373.4)	30.6%	(1,041.1)	(1,311.4)	26.0%
Other operating revenue/ expenses	9.9	(31.3)	n.a.	27.1	0.8	-97.1%
(+) Depreciation and amortization	182.3	203.0	11.4%	708.5	785.3	10.8%
EBITDA	256.6	226.9	-11.6%	1,326.0	1,589.8	19.9%
<i>EBITDA margin (%)</i>	<i>23.3%</i>	<i>18.5%</i>	<i>-4.8 p.p.</i>	<i>29.0%</i>	<i>30.9%</i>	<i>1.8 p.p.</i>
Financial result	(177.6)	(173.8)	-2.1%	(704.6)	(694.3)	-1.5%
Depreciation and amortization	(182.3)	(203.0)	11.4%	(708.5)	(785.3)	10.8%
Income tax	13.8	23.2	68.2%	23.6	34.2	45.3%
Social contribution	5.1	6.4	27.2%	8.2	10.1	23.6%
Net Income	(84.3)	(120.3)	42.7%	(55.4)	154.6	n.a.
<i>Net margin (%)</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>3.0%</i>	<i>n.a.</i>
Adjusted EBITDA ⁽¹⁾	313.5	344.9	10.0%	1,458.7	1,714.0	17.5%
<i>Adjusted EBITDA margin (%)</i>	<i>28.5%</i>	<i>28.0%</i>	<i>-0.4 p.p.</i>	<i>32.0%</i>	<i>33.3%</i>	<i>1.3 p.p.</i>
Adjusted Net Income ⁽²⁾	(8.4)	11.6	n.a.	139.3	342.4	145.8%
<i>Adjusted Net Income margin (%)</i>	<i>n.a.</i>	<i>0.9%</i>	<i>n.a.</i>	<i>3.1%</i>	<i>6.7%</i>	<i>3.6 p.p.</i>

(1) Adjusted EBITDA for non-recurring items, for more details [click here](#).

(2) Adjusted Net income for non-recurring items, for more details [click here](#).

NET REVENUE (1/2)

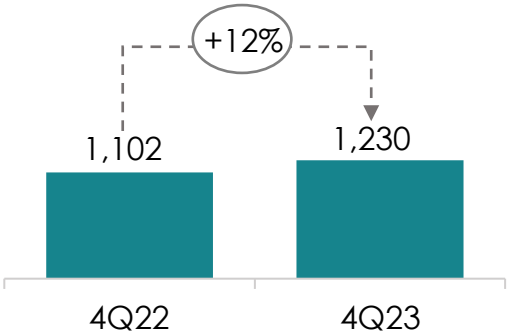
(R\$ million)	4Q22	4Q23	Δ %	2022	2023	Δ %
Gross Revenue	2,384.9	2,626.5	10.1%	9,789.7	10,852.2	10.9%
Monthly tuition fees	2,341.4	2,575.9	10.0%	9,628.1	10,657.8	10.7%
Other	43.5	50.6	16.3%	161.6	194.4	20.3%
Deductions from Gross Revenue	(1,283.3)	(1,396.8)	8.8%	(5,224.8)	(5,704.6)	9.2%
Discounts and scholarships	(1,248.2)	(1,361.3)	9.1%	(5,043.5)	(5,501.9)	9.1%
Taxes	(39.5)	(50.0)	26.7%	(173.0)	(193.7)	11.9%
AVP and other deductions	4.4	14.5	232.8%	(8.2)	(9.0)	9.4%
Net Revenue	1,101.6	1,229.7	11.6%	4,564.9	5,147.6	12.8%
Premium	273.1	317.0	16.1%	1,078.0	1,266.6	17.5%
Medicine	221.2	260.5	17.8%	856.3	1,007.0	17.6%
IBMEC	52.0	56.5	8.7%	221.8	259.6	17.1%
Digital Learning	334.1	395.1	18.2%	1,402.0	1,733.8	23.7%
Digital	213.3	253.9	19.1%	892.0	1,127.4	26.4%
FLEX	70.1	90.0	28.4%	300.3	384.9	28.2%
Lifelong	50.8	51.2	0.8%	209.8	221.4	5.6%
On-campus	494.4	517.6	4.7%	2,084.9	2,147.2	3.0%
On-campus	459.5	454.4	-1.1%	1,926.3	1,887.6	-2.0%
Semi on-campus	34.9	63.2	80.9%	158.6	259.6	63.6%
DIS Net Revenue	20.1	55.0	173.9%	349.6	513.8	47.0%
Digital undergraduate	18.9	44.2	134.0%	192.6	322.8	67.6%
On-campus undergraduate	1.2	10.8	808.4%	157.0	191.0	21.7%
DIS Net Revenue (% of NOR)	1.8%	4.5%	2.6 p.p.	7.7%	10.0%	2.3 p.p.

The company's **net revenue** recorded significant growth of 11.6% vs. 4Q22 and 12.8% vs. 2022, chiefly due to strong increase recorded in the **Premium Business Unit** (+16.1% vs. 4Q22 and 17.5% vs. 2022) and **Digital Business Unit** (+18.2% vs. 4Q22 and 23.7% vs. 2022). In both businesses, growth stemmed from higher average ticket, both for intake and price adjustment for upperclassmen for more than one year, as well as the increase in undergraduate student bases.

In the **On-campus Business Unit**, the highlight was a resumption of revenue growth (+4.7% vs. 4Q22 and 3.0% vs. 2022), due to ticket growth and maintenance of the student base after strong intake cycles, in addition to higher revenue from DIS.

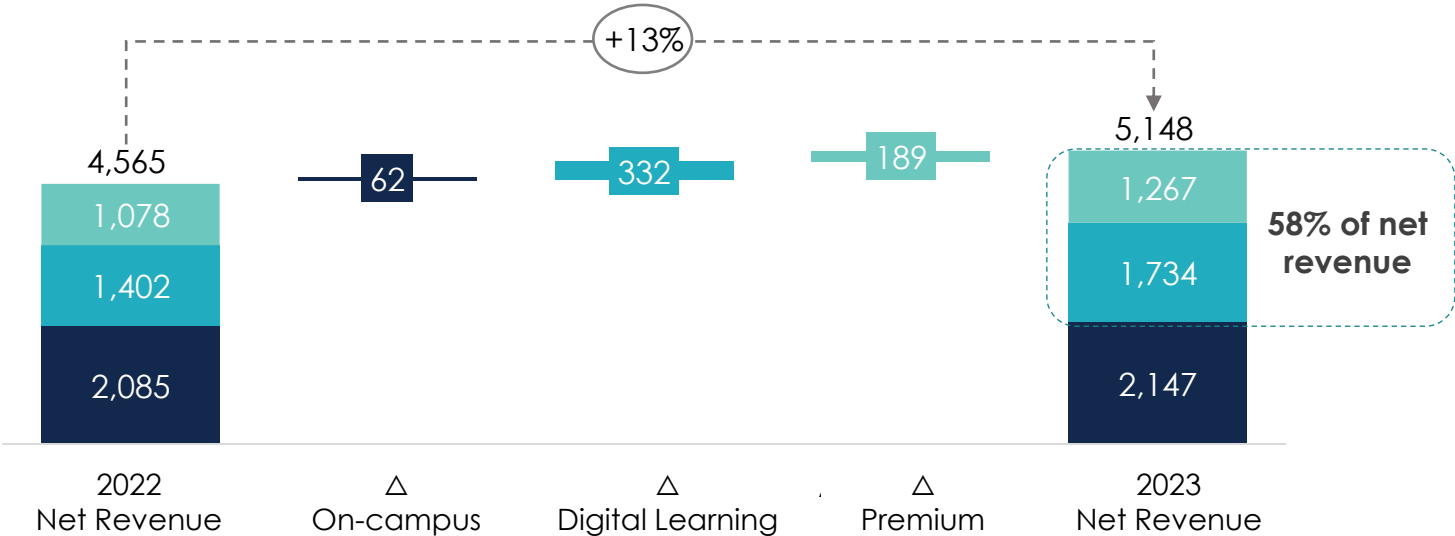
Net revenue from DIS was up by R\$34.9 million vs. 4Q22 and R\$164.2 million vs. 2022. This result is directly related to strong intake cycles: both in 4Q23 and in 2023, intake revenue accounted for 19% and 25% of total net revenue, respectively, increasing 6 p.p. vs 4Q22 and 3 p.p. vs. 2022, thus contributing to the increased representation of revenue from DIS on total net revenue.

Total Net Revenue
(R\$ million)



Total Net Revenue by business unit
(R\$ million)

Premium Digital Learning On-campus



COST OF SERVICES AND GROSS PROFIT (1/2)

(R\$ million)	4Q22	4Q23	Δ %	2022	2023	Δ %
Cost of Services	(506.7)	(540.3)	6.6%	(1,982.5)	(2,077.3)	4.8%
Personnel	(300.9)	(311.8)	3.6%	(1,183.8)	(1,215.5)	2.7%
Rent, Municipal Property Tax and Others	(14.6)	(7.1)	-51.2%	(35.7)	(39.0)	9.3%
Rent	(82.3)	(88.8)	7.9%	(325.8)	(345.2)	5.9%
Leasing - right of use of properties (IFRS-16)	78.8	92.3	17.2%	333.8	356.1	6.7%
Other	(11.1)	(10.5)	-5.2%	(43.7)	(49.4)	13.1%
Transfer to Centers (Revenue share)	(57.2)	(76.5)	33.6%	(212.7)	(266.5)	25.3%
Third-party services	(15.7)	(15.6)	-0.6%	(64.5)	(63.0)	-2.2%
Utilities	(13.7)	(15.7)	14.7%	(48.9)	(52.6)	7.5%
Other costs	(2.2)	(5.7)	159.5%	(8.9)	(17.0)	90.8%
Depreciation and amortization	(102.3)	(107.8)	5.4%	(428.1)	(423.6)	-1.0%
Leasing - right of use of properties	(59.5)	(64.2)	7.8%	(255.7)	(250.3)	-2.1%
Systems, apps and Software	(2.8)	(2.0)	-29.1%	(8.6)	(8.6)	-0.1%
Improvement to third-party assets	(16.6)	(17.1)	3.1%	(71.2)	(72.5)	1.8%
IT equipment	(3.2)	(3.0)	-6.3%	(12.5)	(12.2)	-2.4%
Machinery and equipment	(3.1)	(3.0)	-4.0%	(13.5)	(11.9)	-11.2%
Other D&A costs	(17.1)	(18.6)	8.5%	(66.6)	(68.1)	2.3%
Gross profit	595.0	689.4	15.9%	2,582.5	3,070.3	18.9%
Gross margin (%)	54.0%	56.1%	2.1 p.p.	56.6%	59.6%	3.1 p.p.
Non-recurring Cost ⁽¹⁾	25.1	22.5	-10.6%	59.1	38.7	-34.5%
Adjusted Cost of Services (ex-D&A) ⁽¹⁾	(379.2)	(410.0)	8.1%	(1,495.3)	(1,615.0)	8.0%
Premium	(94.0)	(104.7)	11.4%	(351.7)	(406.9)	15.7%
Digital Learning	(72.9)	(94.6)	29.9%	(278.9)	(337.0)	20.8%
On-campus	(212.3)	(210.7)	-0.8%	(864.8)	(871.0)	0.7%
Adjusted Cost of Personnel ⁽¹⁾	(275.6)	(289.4)	5.0%	(1,124.8)	(1,176.8)	4.6%

Cost of services were up by 6.6% vs. 4Q22 and by 4.8% vs. 2022, increasing less than the net revenue growth, thus contributing to the 1 p.p. margin expansion in the year.

The **personnel line** was impacted by the accounting of higher variable compensation for the units' support staff. Excluding such effect, in the amount of R\$8 million vs. 4Q22 and R\$43 million vs. 2022, personnel costs would have been in line with 4Q22 figures and down by ~1% versus 2022, due to improvements in scheduling (OR).

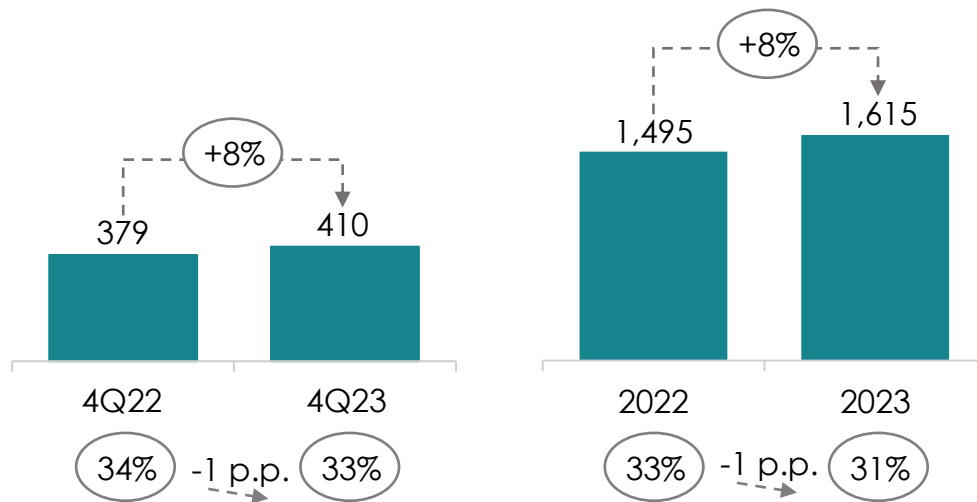
Transfer to centers increased in the quarter as well as in the year, due to stronger intake in 1H23, which boosted the percentage of transfers to the partner hubs in the quarter, in addition to an increase in revenue from partner centers vs. company-owned centers.

Adjusted cost of services (ex-D&A) ended the period representing 31% of the company's total net revenue, down by 1.4 p.p. vs. 2022.

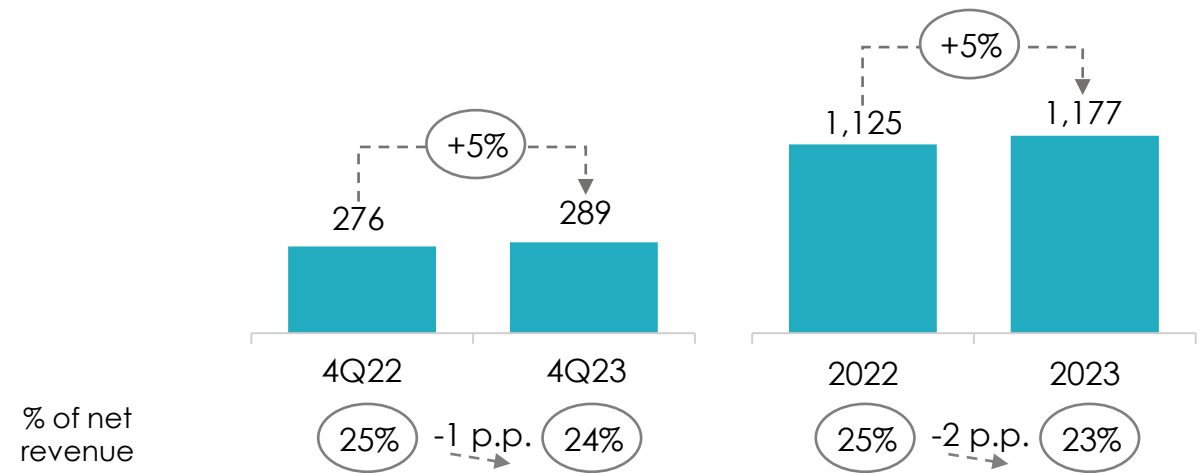
(1) Adjusted by non-recurring items, for more detail [click here](#).

COST OF SERVICES AND GROSS PROFIT (2/2)

Adjusted cost of services (ex-D&A) ⁽¹⁾
(R\$ million)



Adjusted Cost of Personnel ⁽¹⁾
(R\$ million)



(1) Adjusted by non-recurring items, for more detail [click here](#).

SELLING EXPENSES (1/2)

(R\$ million)	4Q22	4Q23	Δ %	2022	2023	Δ %
Selling Expenses	(244.6)	(260.8)	6.6%	(951.0)	(955.1)	0.4%
Bad Debt	(180.1)	(192.9)	7.1%	(582.9)	(618.7)	6.1%
Out-of-pocket	(180.5)	(200.0)	10.8%	(449.9)	(474.5)	5.5%
PAR ⁽¹⁾	5.6	(1.3)	n.a.	(10.2)	(1.0)	-89.9%
DIS ⁽¹⁾	(5.1)	8.4	n.a.	(122.9)	(143.2)	16.5%
Marketing and Sales (M&S)	(64.5)	(67.9)	5.4%	(368.1)	(336.4)	-8.6%
Advertising	(37.6)	(41.2)	9.6%	(251.2)	(246.5)	-1.9%
Other	(26.9)	(26.8)	-0.5%	(116.8)	(89.9)	-23.0%
Non-recurring expenses ⁽²⁾	28.5	12.5	-56.2%	42.3	14.1	-66.6%
Adjusted Selling Expenses ⁽²⁾	(216.1)	(248.3)	14.9%	(908.7)	(941.0)	3.6%
% of net revenue	19.6%	20.2%	0.6 p.p.	19.9%	18.3%	-1.6 p.p.
Adjusted Bad Debt ⁽²⁾	(151.6)	(180.4)	19.0%	(540.6)	(604.5)	11.8%
% of net revenue	13.8%	14.7%	0.9 p.p.	11.8%	11.7%	-0.1 p.p.
Financial discounts	(17.2)	(22.5)	30.9%	(91.1)	(77.1)	-15.4%
Adjusted Bad Debt ⁽²⁾ + Discounts	(168.8)	(202.8)	20.2%	(631.7)	(681.6)	7.9%
% of net revenue	15.3%	16.5%	1.2 p.p.	13.8%	13.2%	-0.6 p.p.
Bad Debt by BU	(180.1)	(192.9)	7.1%	(582.9)	(618.7)	6.1%
Premium	(36.4)	(15.4)	-57.7%	(61.9)	(43.3)	-30.1%
Digital Learning	(61.1)	(81.7)	33.7%	(235.0)	(288.1)	22.6%
On-campus	(82.7)	(95.8)	15.8%	(285.8)	(287.3)	0.5%
Bad Debt by BU (% of net revenue)	16.4%	15.7%	-0.7 p.p.	12.8%	12.0%	-0.8 p.p.
Premium	13.3%	4.9%	-8.5 p.p.	5.7%	3.4%	-2.3 p.p.
Digital Learning	18.3%	20.7%	2.4 p.p.	16.8%	16.6%	-0.1 p.p.
On-campus	16.7%	18.5%	1.8 p.p.	13.7%	13.4%	-0.3 p.p.

Adjusted selling expenses were up by 14.9% vs. 4Q22 and 3.6% vs. 2022, an increase lower than that of net income, thus contributing to the 1.6 p.p. expansion in margin for the year.

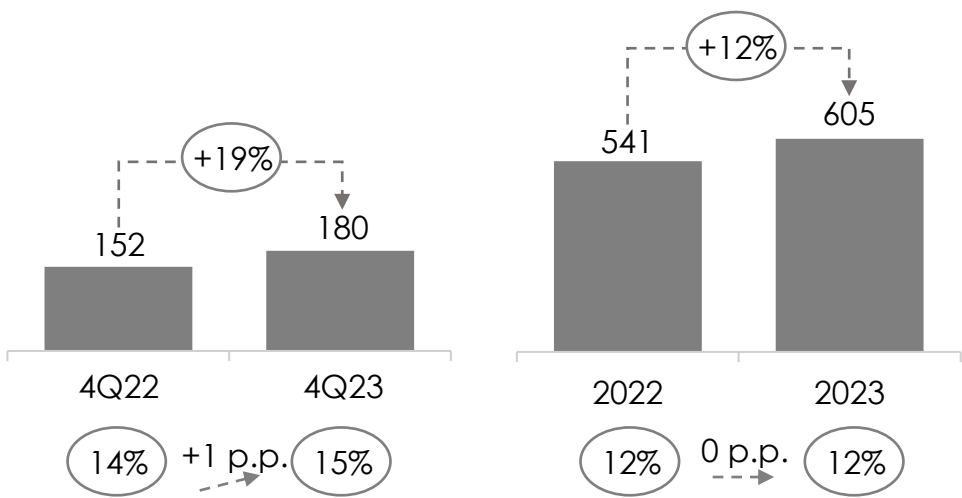
Adjusted Bad Debt expenses represented 11.7% of 2023 revenue, stable vis-à-vis 2022, as a result of healthy renewal rate, as well as a positive credit recovery performance. In 4Q23, these expenses increased by 19.0% YoY and up 0.9 p.p. in relation to revenue, due to higher intake, bigger share of revenue from DIS in total revenue and higher percentage of provision for DIS. The non-recurring effects on Bad Debt totaled R\$12.5 million in 4Q23 and R\$14.1 million in 2023, and refer to the write-off of accounts receivable from past acquisitions given the evolution of internal controls.

As regards **Bad Debt per Business Unit**, we highlight the effect of higher intake and share of DIS, which impacted the Digital and On-Campus business units.

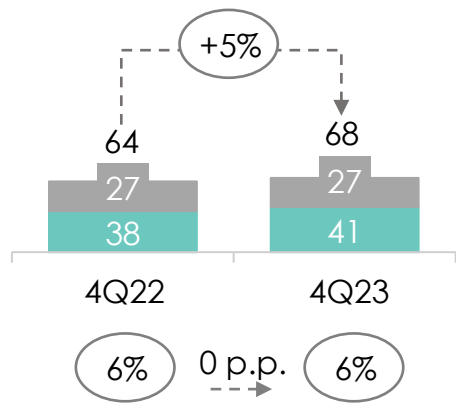
Marketing & Sales expenses decreased by R\$31.7 million in 2023, due to a greater efficiency of intake campaigns coupled with the reclassification of call center expenses. As a percentage of revenue, these expenses were **down by 1.5 p.p. vs. 2022**. Excluding the effect of the reclassification of call center expenses, this decrease would have been of 1 p.p. vs. 2022 and would remain stable in the quarter.

(1) Considers Bad Debt Drop-out and non-renewal.
(2) Adjusted by non-recurring items, for more detail [click here](#).

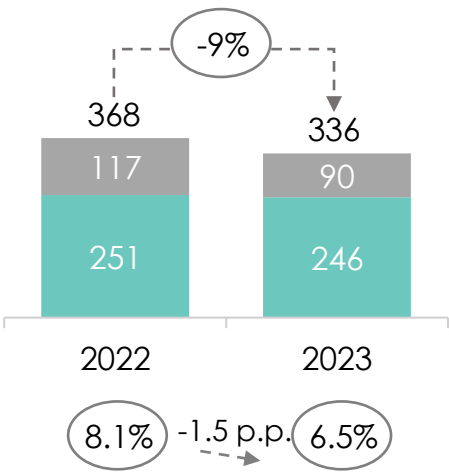
Adjusted Bad Debt ⁽¹⁾
(R\$ million)



Sales and Marketing
(R\$ million)



● Others ● Advertising



(1) Adjusted by non-recurring items, for more detail [click here](#).

GENERAL, ADMINISTRATIVE AND OTHER EXPENSES (1/2)

(R\$ million)	4Q22	4Q23	Δ %	2022	2023	Δ %
G&A Expenses	(285.9)	(373.4)	30.6%	(1,041.1)	(1,311.4)	26.0%
Personnel	(86.0)	(106.1)	23.4%	(317.9)	(410.7)	29.2%
Third-party services	(44.7)	(48.1)	7.5%	(164.0)	(173.8)	6.0%
Provision for contingencies	(24.8)	(52.0)	109.4%	(76.5)	(110.9)	45.0%
Maintenance and repairs	(20.8)	(31.0)	48.7%	(73.6)	(100.0)	35.9%
Other	(29.5)	(41.0)	38.7%	(128.7)	(154.3)	19.9%
Depreciation and amortization	(80.0)	(95.2)	19.1%	(280.5)	(361.6)	28.9%
Goodwill acquisitions	(17.7)	(16.0)	-9.2%	(64.8)	(65.1)	0.5%
Systems, applications and software	(44.7)	(60.5)	35.2%	(150.8)	(227.2)	50.6%
Other D&A expenses	(17.6)	(18.7)	6.7%	(64.8)	(69.4)	7.0%
Other revenue/ expenses	9.9	(31.3)	n.a.	27.1	0.8	-97.1%
Non-recurring G&A and other ⁽¹⁾	3.2	83.0	2492.7%	31.3	71.4	127.9%
Adjusted G&A and other Expenses ⁽¹⁾	(192.8)	(226.5)	17.5%	(702.2)	(877.6)	25.0%
Premium	(52.2)	(63.0)	20.8%	(166.4)	(227.3)	36.6%
Digital Learning	(53.0)	(69.2)	30.5%	(212.5)	(285.2)	34.2%
On-Campus	(87.6)	(94.3)	7.6%	(323.3)	(365.1)	12.9%
Adjusted Personnel ⁽¹⁾	(86.0)	(106.1)	23.4%	(314.9)	(410.3)	30.3%

Adjusted general, administrative and other expenses (ex-D&A) increased by 17.5% vs. 4Q22 and 25.0% vs. 2022.

The increase in **Personnel** line is due to the accounting of higher variable compensation given the year's positive results (impact of R\$13 million vs. 4Q22 and R\$64 million vs. 2022), in addition to IT services insourcing (previously accounted for in other G&A lines).

Provision for contingencies increased due to the adoption of new risk assessment criteria for labor proceedings, following a more conservative approach. This led to the reclassification of contingencies previously considered possible as probable, anticipating future effects. As a result, a non-recurring impact of R\$45.4 million was recorded in 4Q23.

The **maintenance and repairs** line increased as a result of higher expenditures with system maintenance, given the recent implementation of projects in the company, such as Salesforce deployment, in addition to the reallocation of call center expenses.

In **Other expenses**, the increase chiefly arises from travel and lodging expenses and higher expenses with education agreements related to the maturation of medicine courses and other health programs.

(1) Adjusted by non-recurring items, for more detail [click here](#).

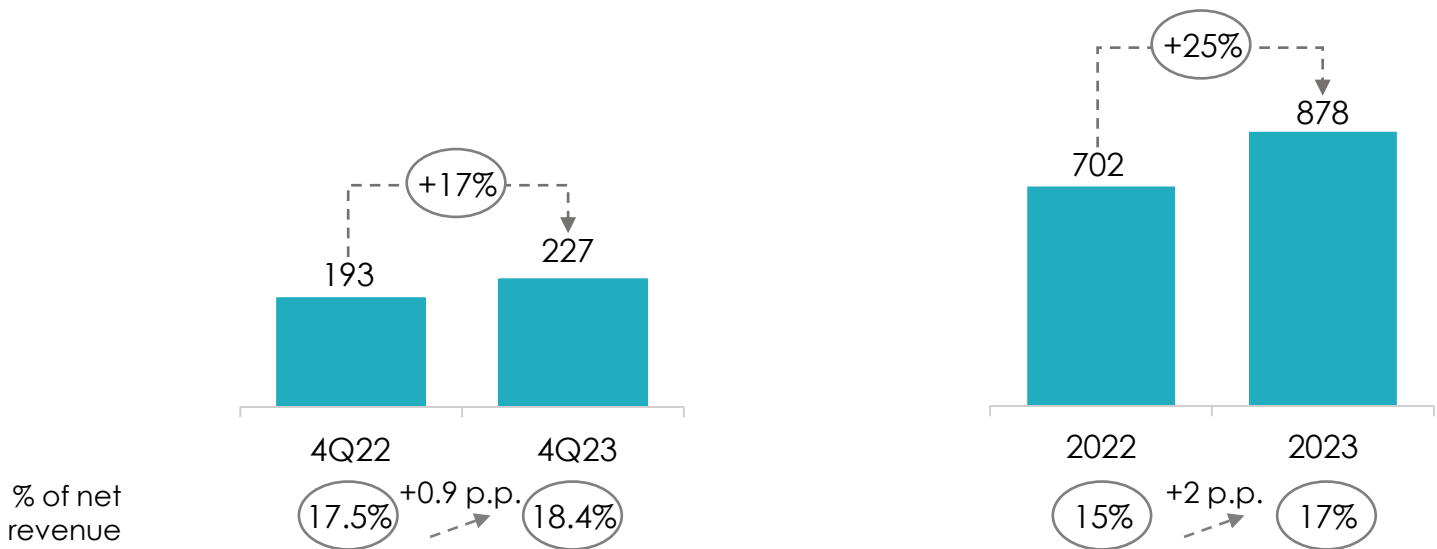
GENERAL, ADMINISTRATIVE AND OTHER EXPENSES (2/2)

The **Depreciation and amortization** increase is related to the amortization of systems, applications and software due to investments in digital transformation and technology over the past few years. These assets have a shorter-than-average depreciation and amortization term.

The variation in **other revenue/expenses** line is due to the write-off of book value related to the sale of two real estate properties, which does not have cash impacts. The transaction was completed in 4Q23 and the term for receiving the amount due extends until 2026. This impact in the amount of R\$35.2 million was classified as non-recurring.

As described above, some lines were impacted by non-recurring effects in the amount of R\$83.0 million, namely: (i) adoption of new risk assessment criteria for legal proceedings (R\$45.4 million); (ii) write-off of book value related to the sale of two real estate properties (R\$35.2 million) and (iii) M&A and other expenses (R\$2.4 million). The main changes in the period are explained below.

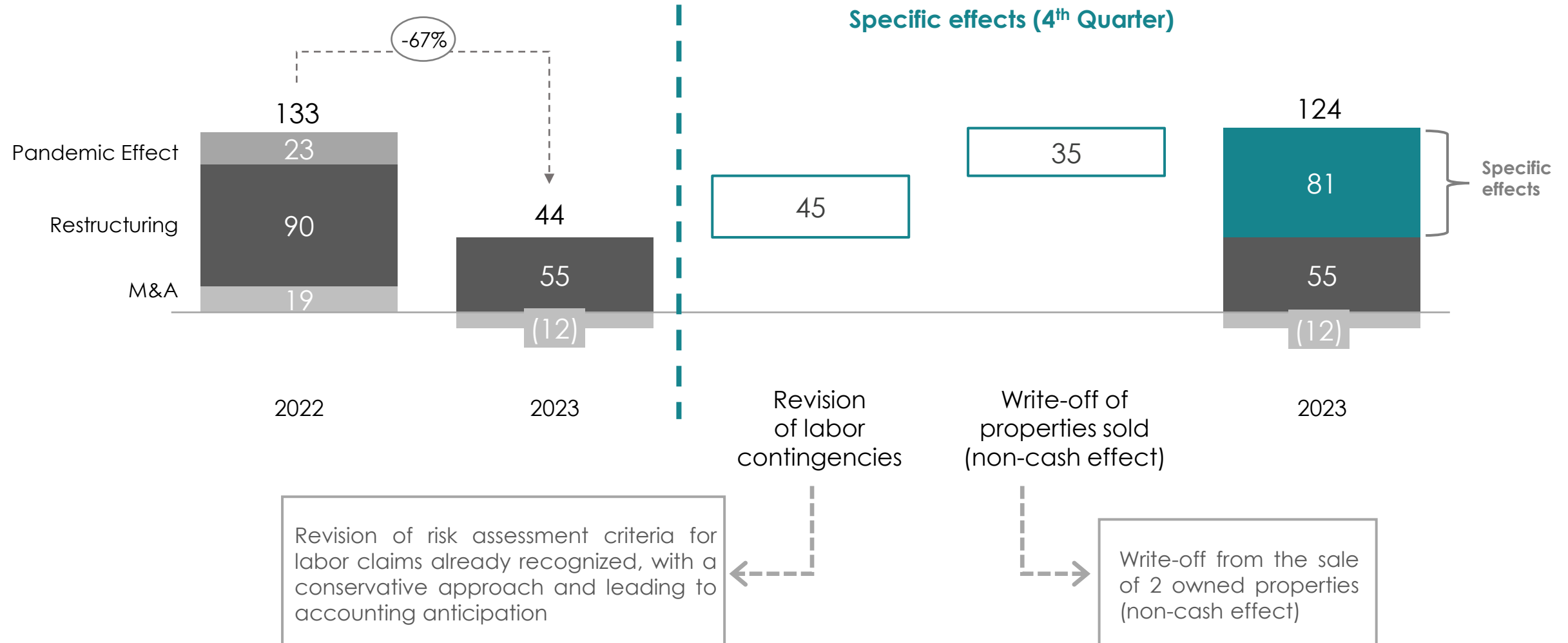
Adjusted G&A and Other expenses (ex-D&A) ⁽¹⁾
(R\$ million)



(1) Adjusted by non-recurring items, for more detail [click here](#).

NON-RECURRING

Non-recurring effects ⁽¹⁾
(R\$ million)



(1) For more detail [click here](#).

EBITDA AND MARGIN (1/2)

(R\$ million)	4Q22	4Q23	Δ %	2022	2023	Δ %
Net Revenue	1,101.6	1,229.7	11.6%	4,564.9	5,147.6	12.8%
Costs and Expenses	(1,027.2)	(1,205.8)	17.4%	(3,947.5)	(4,343.0)	10.0%
(+) Depreciation and amortization	182.3	203.0	11.4%	708.5	785.3	10.8%
EBITDA	256.6	226.9	-11.6%	1,326.0	1,589.8	19.9%
EBITDA margin (%)	23.3%	18.5%	-4.8 p.p.	29.0%	30.9%	1.8 p.p.
Non-recurring items	56.9	117.9	107.4%	132.7	124.2	-6.5%
Restructuring of faculty	25.1	22.5	-10.6%	59.1	38.7	-34.5%
Restructuring of corporate	-	-	n.a.	3.0	0.4	-85.7%
Bad Debt	28.5	12.5	-56.2%	42.3	14.1	-66.6%
Contingencies	-	45.4	n.a.	-	45.4	n.a.
Contractual fines real estate, M&A and other	3.2	37.6	1075.7%	28.3	25.6	-9.7%
Adjusted EBITDA	313.5	344.9	10.0%	1,458.7	1,714.0	17.5%
Adjusted EBITDA margin(%)	28.5%	28.0%	-0.4 p.p.	32.0%	33.3%	1.3 p.p.
Premium	110.9	128.1	15.5%	506.0	554.8	9.6%
Adjusted EBITDA margin(%)	40.6%	40.4%	-0.2 p.p.	46.9%	43.8%	-3.1 p.p.
Digital Learning	124.4	128.3	3.1%	541.2	695.1	28.5%
Adjusted EBITDA margin(%)	37.2%	32.5%	-4.8 p.p.	38.6%	40.1%	1.5 p.p.
On-Campus	78.2	88.5	13.2%	411.5	464.0	12.8%
Adjusted EBITDA margin(%)	15.8%	17.1%	1.3 p.p.	19.7%	21.6%	1.9 p.p.
IFRS 16 Effect	79.8	93.6	17.3%	338.8	361.4	6.7%
Adjusted EBITDA ex-IFRS 16	233.7	251.3	7.5%	1,119.9	1,352.6	20.8%
Adjusted EBITDA margin(%)	21.2%	20.4%	-0.8 p.p.	24.5%	26.3%	1.7 p.p.
EBITDA ex-IFRS 16	176.8	133.3	-24.6%	987.2	1,228.4	24.4%
EBITDA margin (%)	16.1%	10.8%	-5.2 p.p.	21.6%	23.9%	2.2 p.p.

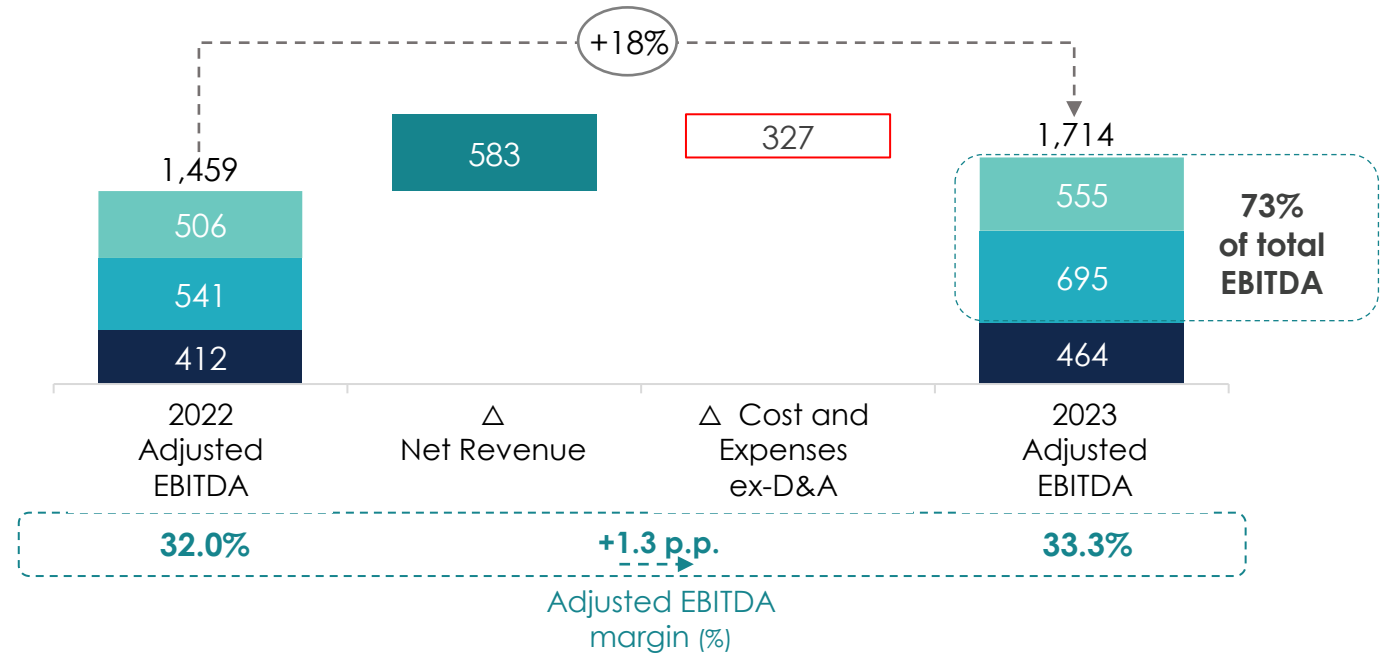
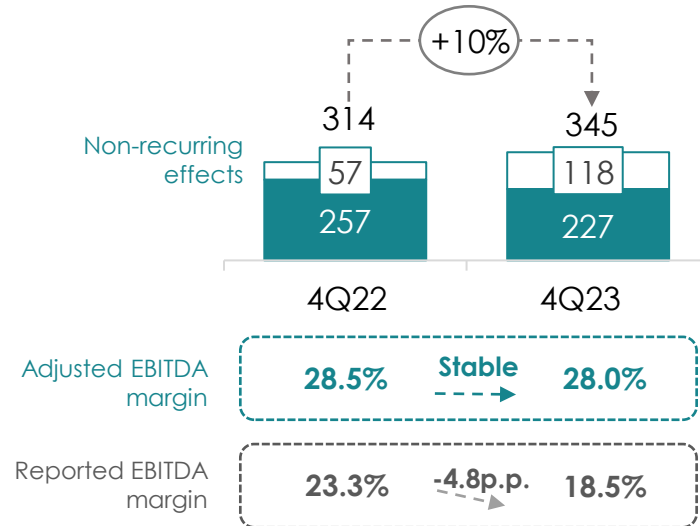
Adjusted EBITDA was **up by 10.0% YoY** and adjusted EBITDA margin stood at 28.0%. In the full year, it increased by 17.5% vs. 2022 and adjusted EBITDA Margin was up by 1.3 p.p..

This strong performance stems from the substantial **Net Revenue** growth in all segments, coupled with efficient **Cost and Expenses** management. Despite the increase in said line of R\$96.7 million vs. 4Q22 and R\$327.3 million vs. 2022, the result was in line with 4Q22 figures and down by 1.3 p.p. vs. 2022, due to the efficiency in faculty costs as well as in sales and marketing costs, in addition to our business' strong operating leverage.

EBITDA AND MARGIN (2/2)

Adjusted EBITDA
(R\$ million)

● Premium ● Digital Learning ● On-campus



FINANCIAL RESULT AND NET INCOME

4Q23
YDUQS

(R\$ million)	4Q22	4Q23	Δ %	2022	2023	Δ %
EBITDA	256.6	226.9	-11.6%	1,326.0	1,589.8	19.9%
Financial Result	(177.6)	(173.8)	-2.1%	(704.6)	(694.3)	-1.5%
Financial Revenue	44.6	39.6	-11.4%	209.8	200.4	-4.5%
Fines and interest charged	8.8	9.2	4.6%	53.9	56.0	3.9%
Financial Investments	44.2	35.5	-19.6%	183.4	142.9	-22.1%
Inflation adjustments	(5.3)	(5.8)	10.8%	(29.2)	(26.6)	-9.0%
(-) PIS and COFINS ⁽¹⁾	(3.7)	(0.0)	-98.9%	(1.3)	25.5	n.a.
Others	0.6	0.7	11.9%	3.0	2.7	-11.3%
Financial Expenses	(226.8)	(219.2)	-3.3%	(915.9)	(894.8)	-2.3%
Interest and financial charges	(152.9)	(127.8)	-16.4%	(588.5)	(575.1)	-2.3%
Financial discounts	(17.2)	(22.5)	30.9%	(91.1)	(77.1)	-15.4%
Bank expenses	(2.9)	(1.9)	-34.4%	(12.1)	(9.3)	-23.1%
Interest on leasing	(33.3)	(41.4)	24.5%	(143.4)	(154.1)	7.5%
Others	(20.6)	(25.7)	24.5%	(80.8)	(79.1)	-2.1%
Swap Net Effect	4.7	5.9	25.9%	1.5	0.1	-92.2%
Depreciation and amortization	(182.3)	(203.0)	11.4%	(708.5)	(785.3)	10.8%
Profit before taxes	(103.2)	(149.9)	45.3%	(87.2)	110.3	n.a.
Income tax	13.8	23.2	68.2%	23.6	34.2	45.3%
Social Contribution	5.1	6.4	27.2%	8.2	10.1	23.6%
Net Income	(84.3)	(120.3)	42.7%	(55.4)	154.6	n.a.
Net margin (%)	n.a.	n.a.	n.a.	n.a.	3.0%	n.a.
Net Income ex-IFRS 16	(70.7)	(108.0)	52.8%	8.1	198.6	2355.0%
Net margin (%)	n.a.	n.a.	n.a.	0.2%	3.9%	3.7 p.p.
Adjusted Net Income ⁽²⁾	(8.4)	11.6	n.a.	139.3	342.4	145.8%
Adjusted net margin (%)	n.a.	0.9%	n.a.	3.1%	6.7%	3.6 p.p.
Adjusted Net Income ⁽²⁾ ex-IFRS 16	5.2	23.9	357.4%	202.8	386.3	90.5%
Adjusted net margin (%)	0.5%	1.9%	1.5 p.p.	4.4%	7.5%	3.1 p.p.

A reduction in financial expenses led the company's **financial result** to improve both in the quarter and the year. The improvement in financial expenses is due not only to a reduction in interest and charges, given the yield curve, but also to a lower volume of financial discounts in the year, arising from opportunities identified in renewal campaigns. On the other hand, we should highlight the increase in interest from leases resulting from new contracts and contract renewals.

In 4Q23, Net Income was impacted by the quarter's non-recurring effects, as explained in previous slides. In the year, the company's **net income** grew by R\$210.1 million, stemming from the substantial EBITDA increase, better financial result and the positive income tax and social contribution variation.

Excluding the non-recurring effects on EBITDA, as explained on slide 21, the amortization of goodwill⁽³⁾ in the amount of R\$16.0 million in 4Q23 and R\$65.1 million in 2023 and recalculating the effective rate that taxes (income tax and social contribution)⁽³⁾, **adjusted net income increased** by 145.8% vs. 2022, with net margin of 6.7% (+3.6 p.p. vs. 2022).

(1) It refers to charges on financial income and JCP (Interest on Equity).

(2) Adjusted for detailed non-recurring effects detailed in the text.

(3) Goodwill related to the acquisitions made from 2020. | Impact of -R\$2.1 million in 4Q23 and -R\$1.5 million in 2023 income tax and social contribution.

(R\$ million)	4Q22	3Q23	4Q23	Δ% vs. 4Q22	Δ% vs. 3Q23
Monthly tuition fees received	1,450.0	1,603.2	1,632.3	12.6%	1.8%
Out-of-Pocket	1,065.5	1,007.8	1,195.4	12.2%	18.6%
DIS (Inactive)	219.4	198.9	234.0	6.6%	17.7%
PAR	57.3	57.0	45.2	-21.2%	-20.8%
DIS	327.1	538.4	391.8	19.8%	-27.2%
Exchange Deals	44.2	33.2	28.7	-35.0%	-13.5%
FIES	88.6	70.4	83.2	-6.1%	18.1%
Other	354.5	466.8	425.7	20.1%	-8.8%
Credit Cards to be received	160.1	214.7	194.7	21.6%	-9.3%
Agreements	194.3	252.1	231.0	18.9%	-8.4%
Gross Accounts Receivable	1,937.2	2,173.5	2,169.9	12.0%	-0.2%
Bad Debt	(684.3)	(673.1)	(722.4)	5.6%	7.3%
Out-of-Pocket ⁽¹⁾	(615.9)	(549.0)	(629.6)	2.2%	14.7%
DIS (Inactive)	(151.1)	(168.5)	(145.2)	-3.9%	-13.8%
PAR (50%)	(24.1)	(24.5)	(19.2)	-20.2%	-21.5%
DIS (20%)	(44.4)	(99.7)	(73.6)	65.9%	-26.1%
Amounts to be identified	(5.9)	(8.1)	(7.5)	26.9%	-7.4%
Adjustment to present value (APV) ⁽²⁾	(38.1)	(61.6)	(47.1)	23.7%	-23.6%
DIS APV	(25.1)	(46.0)	(32.9)	31.3%	-28.4%
Net Accounts Receivable	1,208.9	1,430.8	1,392.9	15.2%	-2.6%

In 4Q23, **gross accounts receivable** were up by 12.0% YoY. The main variations are explained below:

- Growth in the **out-of-pocket students** line, related to the revenue growth.
- Increase in **active DIS** line as a result of the higher intake volume and revenue from DIS, compared to 4Q22.
- Increase in **others** line, related to the growth in settlements, which is in line with the revenue performance, and the increase in credit card receivables.

Net accounts receivable ended 4Q23 up by 15.2% YoY, driven by the revenue increase in the period.

In the previous quarter, we began to disclose the DIS (Inactive) line both in Accounts Receivable and in Bad Debt expenses. It is important to note that DIS (Inactive) has always been included in the “out-of-pocket students” line and refers to the entries of DIS students who dropped out. When students drop out, both the Accounts Receivable and the balance of Bad Debt expenses of these students migrate from the of DIS (Active) lines to the of DIS (Inactive) lines.

(1) Includes short-term DIS and PAR installments and student balance dropout and non-renewal DIS/PAR.

(2) Correction of installments based on IPCA and brought to present value on NTN-2026.

AVERAGE TERM OF RECEIVABLES

(R\$ million)	4Q22	3Q23	4Q23	Δ% vs. 4Q22	Δ% vs. 3Q23
Net accounts receivables	1,208.9	1,430.8	1,392.9	15.2%	-2.6%
Net Revenue Annualized	4,575.4	5,012.0	5,150.0	12.6%	2.8%
Average Term of Receivables ATR (days)	95	103	97	2.4%	-5.3%
FIES net accounts receivable	88.6	70.4	83.2	-6.1%	18.1%
FIES Revenue (12M)	270.8	240.9	227.6	-16.0%	-5.5%
FGEDUC Deductions (12M)	(27.0)	(80.3)	(82.7)	205.9%	2.9%
Taxes (12M)	(9.9)	(8.3)	(8.4)	-15.5%	0.5%
FIES Net Revenue (12M)	233.9	152.2	136.6	-41.6%	-10.3%
FIES ATR (days)	136	166	219	60.8%	31.7%
Ex-FIES net accounts receivable	1,120.4	1,360.4	1,309.8	16.9%	-3.7%
Ex-FIES net revenue (12M)	4,341.5	4,859.8	5,013.5	15.5%	3.2%
Ex-FIES ATR (days)	93	101	94	1.2%	-6.7%

In 4Q23, the company's consolidated average term of receivables (ATR) increased by 2 days vs. 4Q22, due the following:

FIES ATR: increase of 83 days vs. 4Q22, due to the reduction in revenue related to the program's downturn and increase in contribution to the New Fies Guarantee Fund ("FG-Fies").

ex-FIES ATR: increase of 1 day vs. 4Q22 due to the increase in revenue from DIS and higher volume of settlements and credit card payments.

Aging of Total Gross Accounts Receivable ⁽¹⁾

(R\$ million)	4Q22	4Q23	Δ%	Vertical Analysis	
				4Q22 (%)	4Q23 (%)
FIES	88.6	83.2	-6.1%	5%	4%
Not yet due	747.0	918.2	22.9%	39%	42%
Overdue up to 30 days	219.9	279.9	27.3%	11%	13%
Overdue from 31 to 60 days	143.7	134.8	-6.1%	7%	6%
Overdue from 61 to 90 days	95.1	138.8	46.0%	5%	6%
Overdue from 91 to 180 days	179.8	248.3	38.1%	9%	11%
Overdue more than 180 days	463.2	366.7	-20.8%	24%	17%
Gross accounts receivables	1,937.2	2,169.9	12.0%	100%	100%

Aging of Agreements Receivable ⁽²⁾

(R\$ million)	4Q22	4Q23	Δ%	Vertical Analysis	
				4Q22 (%)	4Q23 (%)
Not yet due	78.2	90.8	16.2%	40%	39%
Overdue up to 30 days	15.0	19.6	30.2%	8%	8%
Overdue from 31 to 60 days	15.9	20.1	26.8%	8%	9%
Overdue from 61 to 90 days	15.8	21.3	34.7%	8%	9%
Overdue from 91 to 180 days	28.7	35.7	24.2%	15%	15%
Overdue more than 180 days	40.8	43.6	6.9%	21%	19%
Agreements receivable	194.3	231.0	18.9%	100%	100%

FIES: Changes in Accounts Receivable

(R\$ million)	4Q22	4Q23	Δ%
Opening balance	121.5	70.4	-42.0%
FIES revenue	58.3	48.0	-17.7%
Payment of Taxes	(8.5)	(0.2)	-97.1%
Buyback FIES	(82.7)	(35.0)	-57.7%
Closing balance	88.6	83.2	-6.1%

(1) Amounts overdue for more than 360 days are written off from Accounts Receivable up to the limit of the allowance for doubtful accounts.

(2) Excludes credit card agreements.

(R\$ million)	4Q22	4Q23	Δ%	2022	2023	Δ %
Total Capex	159.1	135.0	-15.2%	491.7	470.4	-4.3%
Digital Transformation and IT	73.6	61.5	-16.5%	249.9	250.7	0.3%
Sustainability & Improvement	54.4	52.1	-4.2%	153.7	155.5	1.2%
Expansion	31.1	21.4	-31.3%	88.0	64.2	-27.0%

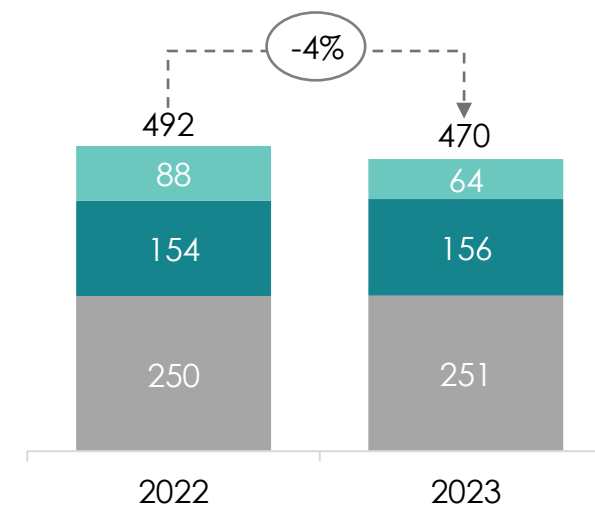
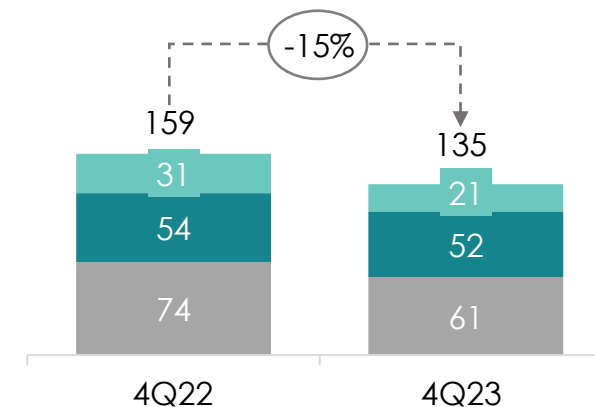
% of Net Revenue

Total Capex	14.4%	11.0%	-3.5 p.p.	10.8%	9.1%	-1.6 p.p.
Digital Transformation and IT	6.7%	5.0%	-1.7 p.p.	5.5%	4.9%	-0.6 p.p.
Sustainability & Improvement	4.9%	4.2%	-0.7 p.p.	3.4%	3.0%	-0.3 p.p.
Expansion	2.8%	1.7%	-1.1 p.p.	1.9%	1.2%	-0.7 p.p.

The company's **total Capex** decreased by R\$24.1 million vs. 4Q22 and by R\$21.3 million vs. 2022, representing 9.1% of revenue (-1.6 p.p. vs. 2022), thus achieving the guidance published in 2Q23. This result is in line with the company's estimate of closing the year with a lower level of investments as a percentage of revenue and brings us closer to achieving the mid-term guidance (7-8% of Net Operating Revenue).

During the year, investments in **Digital Transformation and Technology** remained stable as a percentage of revenue, reflecting the company's strategy of offering increasingly innovative educational services, as well as investments in AI ("Artificial Intelligence").

CAPEX
(R\$ million)



● Digital Transformation and IT ● Sustainability & Improvement ● Expansion

CASH FLOW STATEMENT

(R\$ million)	4Q22	4Q23	Δ%	2022	2023	Δ %
Adjusted EBITDA ex IFRS 16	233.7	251.3	7.5%	1,119.9	1,352.6	20.8%
Non-recurring	(56.9)	(117.9)	107.4%	(132.7)	(124.2)	-6.5%
EBITDA ex-IFRS 16	176.8	133.3	-24.6%	987.2	1,228.4	24.4%
Working capital variation	(29.3)	(33.3)	13.7%	(100.7)	(89.1)	-11.5%
receivables	53.8	12.6	-76.6%	24.7	(195.5)	n.a.
accounts payable	(99.0)	(126.6)	27.9%	(142.7)	28.9	n.a.
others	15.8	80.7	409.2%	17.4	77.5	345.1%
Taxes (IT/SC)	(0.9)	(15.9)	1700.0%	(22.2)	(57.3)	158.2%
Operating Cash Flow (OCF)	146.6	84.1	-42.7%	864.3	1,082.0	25.2%
Capex	(159.1)	(135.0)	-15.2%	(491.7)	(470.4)	-4.3%
Acquisition of property and equipment	(53.8)	(46.8)	-13.0%	(145.8)	(136.8)	-6.1%
Acquisition of intangible assets	(105.1)	(88.2)	-16.1%	(345.9)	(333.6)	-3.6%
(=) Free Cash Flow	(12.3)	(50.9)	314.0%	372.6	611.6	64.1%
Interest ex IFRS 16	(134.2)	(126.5)	-5.8%	(497.3)	(544.3)	9.4%
(=) Free cash flow to equity (FCFE)	(146.5)	(177.4)	21.1%	(124.7)	67.4	n.a.
Capitation / debt amortization	(598.7)	(224.6)	-62.5%	(578.8)	(48.7)	-91.6%
M&A	(14.9)	(1.2)	-91.8%	(86.8)	(25.7)	-70.4%
Dividends paid	(37.6)	(80.0)	113.0%	(37.6)	(80.8)	115.0%
Buyback and Others	0.0	0.0	-96.9%	(200.6)	0.3	n.a.
(=) Net cash generation	(797.7)	(483.2)	-39.4%	(1,028.4)	(87.4)	-91.5%
Cash at the beginning of the year	1,583.5	1,181.6	-25.4%	1,814.2	785.8	-56.7%
Cash at the end of the year	785.8	698.3	-11.1%	785.8	698.3	-11.1%
OCF/ EBITDA ex-IFRS 16	82.9%	63.1%	-19.8 p.p.	87.6%	88.1%	0.5 p.p.

Operating cash flow (OCF) was **up by R\$217.7 million** vs. 2022, reaching R\$1,082 million and cash conversion rate of 88.1%, mainly stemming from higher EBITDA ex-IFRS16 and lower working capital variation. As a result, **free cash flow to equity** increased by **R\$192.0 million vs. 2022**, closing the year with a positive performance, compared to the past two years.

In 4Q23, OFC decreased and is due to: (i) lower EBITDA ex-IFRS 16, impacted by non-recurring effects and higher leasing (IFRS 16), mainly due to the end of the grace period of some leasing agreements; and (ii) higher taxes, related to the taxable income increase and lower payment of Interest on Equity vs. 2022.

In the last quarter, the company completed two important liability management operations: (i) 9th debenture issue, in the amount of R\$700 million, linked to the issuance of real estate receivable certificates (CRI) to partially amortize the 6th debenture issue; and (ii) settlement of bank debt with Citibank in the amount of USD44 million (R\$237 million) and issue, in January, of a new debt in the same amount with longer term, thus recomposing the cash balance. Combined, these operations increased the average term of debt by 0.5 year and reduced average cost from 1.96% to 1.68% in 4Q23. Net cash generation was negative due to the funding and amortization operations carried out during the year, coupled with the payment of dividends.

CASH POSITION

(R\$ million)	4Q22	4Q23	Δ%
Gross Debt [b]	5,152.0	5,197.3	0.9%
Bank loans ⁽²⁾	3,529.4	3,474.3	-1.6%
Leasing	1,511.1	1,668.7	10.4%
Commitments payable (M&A)	111.5	54.2	-51.3%
(-) Cash and cash equivalents [a]	(785.8)	(698.3)	-11.1%
Net Debt [a+b]	4,366.1	4,499.0	3.0%
Net Debt (ex-IFRS 16) [a+b-c]	2,855.1	2,830.2	-0.9%
Net debt (Ex-IFRS 16)/ adjusted EBITDA (LTM)⁽¹⁾	1.96x	1.65x	-0.31x
Adjusted EBITDA LTM	1,458.7	1,714.0	17.5%

Net Debt/ (LTM) adjusted EBITDA ended the period at **1.65x**, showing that the company maintains healthy leverage and capital discipline. The net debt (ex-IFRS 16)/(LTM) reported EBITDA ratio ended the period at 1.78x.

As mentioned on the previous slide, the company has been carrying out important liability management work, which has resulted not only in an increase in the average term of debt, but also in a reduction in average cost.

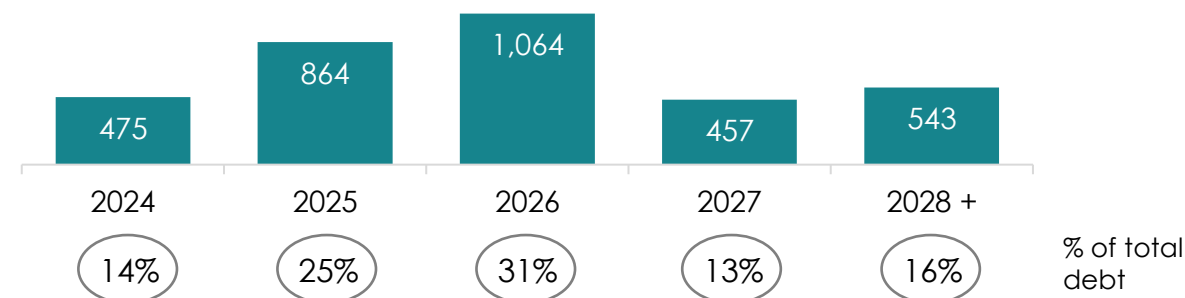
Moreover, in February 2024, the Board of Directors approved the 10th debenture issue in the amount of R\$1.1 billion, in two series, maturing in 5 and 7 years, which will **reduce cost of debt to CDI + 1.35%**.

DEBT

4Q23
YDUQS

Debt Type (R\$ million)	Average term (in years)	Cost	Balance payable (principal + interest)	% of total
FINEP	0.5	TJLP + 0.5%	0.4	0%
Credit Notes	0.4	CDI + 2.18%	225.1	6%
4131	1.5	CDI + 1.23%	450.1	13%
5 th Debenture (2 nd series)	0.1	CDI + 0.79%	183.3	5%
6 th Debenture (unique)	1.6	CDI + 2.50%	1,108.8	32%
7 th Debenture (unique)	1.4	CDI + 1.65%	303.2	9%
8 th Debenture (unique)	3.3	CDI + 1.50%	517.1	15%
9 th Debenture (1 st series)	4.8	CDI + 0.82%	283.0	8%
9 th Debenture (2 nd series)	4.3	CDI + 0.90%	317.1	9%
9 th Debenture (3 rd series)	6.4	CDI + 0.98%	106.3	3%
Bank loans in 4Q23		CDI + 1.68%	3,494.6	100%

Debt amortization schedule in Dec/23
(R\$ million; principal amount ⁽³⁾)



(1) Excluding IFRS 16 leasing amounts from gross debt; adjusted EBITDA for non-recurring items, accumulated in the last twelve months.

(2) Total loans include short issuance and swap spending.

(3) The difference between the presented in the chart and the ITR is related to the discount rate, swap and interest.

APPENDIX

YDUQS



NON-RECURRING EFFECTS

Classification	Account	Line	Description	4Q22	4Q23	2022	2023
Operational Efficiency	Cost	Personnel	Faculty restructuring	25.1	22.5	59.1	38.7
	G&A	Personnel	Restructuring of corporate	-	-	3.0	0.4
		Other	Contractual fines due to the return of properties and others	3.2	2.4	28.3	16.2
M&A	Selling expenses	Bad Debt	Write-off of amounts payable from acquisitions	19.0	12.5	19.0	14.1
	G&A	Other revenue/expenses	Write-off of amounts payable from past acquisitions	-	-	-	(25.9)
Pandemic effects	Selling expenses	Bad Debt	Provision for delinquency of medical students in 2Q22	-	-	13.8	-
		Bad Debt	FIES ceiling of medicine graduates in 4Q22	9.6	-	9.6	-
Asset sales	G&A	Other revenue/expenses	Write-off of book value related to sold real estate	-	35.2	-	35.2
Contingencies	G&A	Provision for contingencies	Adoption of new risk assessment criteria for legal proceedings	-	45.4	-	45.4
NEGATIVE IMPACT ON EBITDA (R\$ million)				56.9	117.9	132.7	124.2

MEDICAL SEATS OFFERING BY UNIT (Undergraduate)

Units	State	Authorized Seats	4Q23	Full Potential ⁽¹⁾	
			Student Base (thousand)	Authorized Seats	Student Base (thousand)
Vista Carioca (Presidente Vargas)	RJ	240	1.55	240	1.7
Città	RJ	170	1.14	170	1.2
Juazeiro do Norte	CE	100	0.72	100	0.7
Ribeirão Preto	SP	76	0.54	76	0.5
Teresina	PI	110	0.78	110	0.8
Alagoínhas	BA	118	0.51	165	1.2
Jaraguá do Sul	SC	150	0.54	150	1.1
Juazeiro	BA	155	0.96	155	1.1
Angra dos Reis	RJ	89	0.48	155	1.1
Canindé	CE	50	0.24	150	1.1
Cáceres	MT	50	0.19	50	0.4
Castanhal	PA	50	0.15	150	1.1
Quixadá	CE	50	0.16	150	1.1
Açailândia	MA	50	0.16	150	1.1
Iguatu	CE	50	0.12	150	1.1
Ji-Paraná	RO	50	0.10	150	1.1
Unijipa	RO	28	0.06	28	0.2
Total		1,586	8.4	2,299	16.5

(1) Considers the expansion to the maximum capacity of granted seats (+100 seats/years) in all *Mais Médicos* units. Student base includes *ProUni* and *FIES*.

INCOME STATEMENT BY BUSINESS UNIT - Quarter

4Q23
YDUQS

	Consolidated			Premium			Digital Learning			On-campus		
(R\$ million)	4Q22	4Q23	Δ%	4Q22	4Q23	Δ%	4Q22	4Q23	Δ%	4Q22	4Q23	Δ%
Gross Revenue	2,385	2,627	10%	321	380	18%	783	916	17%	1,281	1,331	4%
Monthly tuition fees	2,385	2,627	10%	321	380	18%	783	916	17%	1,281	1,331	4%
Deductions from Gross Revenue	(1,283)	(1,397)	9%	(48)	(63)	31%	(449)	(521)	16%	(787)	(813)	3%
Net Operating Revenue	1,102	1,230	12%	273	317	16%	334	395	18%	494	518	5%
Cost of Services	(507)	(540)	7%	(113)	(133)	17%	(80)	(103)	29%	(313)	(304)	-3%
Personnel	(301)	(312)	4%	(86)	(100)	17%	(16)	(17)	8%	(200)	(195)	-2%
Rent, municipal property tax and other	(15)	(7)	-51%	(3)	(3)	-9%	(0)	(0)	-98%	(11)	(4)	-63%
Third-party services and other	(89)	(114)	28%	(6)	(7)	8%	(57)	(78)	37%	(25)	(28)	13%
Depreciation and amortization	(102)	(108)	5%	(18)	(24)	28%	(7)	(8)	15%	(77)	(76)	-1%
Gross Profit	595	689	16%	160	184	15%	254	292	15%	181	214	18%
Gross margin (%)	54%	56%	2 p.p.	58%	58%	-1 p.p.	76%	74%	-2 p.p.	37%	41%	5 p.p.
Selling, G&A and Other Expenses	(521)	(666)	28%	(115)	(110)	-4%	(163)	(210)	29%	(243)	(345)	42%
Personnel	(86)	(106)	23%	(20)	(26)	33%	(35)	(43)	25%	(32)	(36)	15%
Advertising	(64)	(68)	5%	(8)	(10)	16%	(23)	(25)	11%	(34)	(33)	-1%
Bad Debt	(180)	(193)	7%	(36)	(15)	-58%	(61)	(82)	34%	(83)	(96)	16%
Other Expenses	(120)	(172)	43%	(31)	(38)	23%	(23)	(29)	26%	(66)	(105)	60%
Third-party services	(45)	(48)	8%	(11)	(13)	16%	(13)	(14)	11%	(21)	(21)	1%
Maintenance and repairs	(21)	(31)	48%	(4)	(7)	72%	(5)	(7)	37%	(11)	(16)	45%
Provision for contingencies	(25)	(52)	109%	(1)	1	n.a.	(2)	(3)	63%	(22)	(51)	130%
Other	(29)	(41)	39%	(15)	(19)	34%	(4)	(5)	45%	(11)	(16)	44%
Other Revenue	10	(31)	n.a.	(2)	1	n.a.	4	(1)	n.a.	8	(31)	n.a.
Depreciation and amortization	(80)	(95)	19%	(17)	(22)	27%	(25)	(29)	16%	(38)	(44)	18%
(+) Depreciation and amortization	182	203	11%	36	45	28%	32	37	16%	115	121	5%
EBITDA	257	227	-12%	80	119	48%	123	119	-3%	53	(11)	n.a.
EBITDA margin (%)	23%	18%	-5 p.p.	29%	37%	8 p.p.	37%	30%	-7 p.p.	11%	n.a.	n.a.
Adjusted EBITDA ⁽¹⁾	314	345	10%	111	128	16%	124	128	3%	78	88	13%
Adjusted EBITDA margin (%)	28%	28%	0 p.p.	41%	40%	0 p.p.	37%	32%	-5 p.p.	16%	17%	1 p.p.

(1) Adjusted by non-recurring items, for more detail [click here](#).

INCOME STATEMENT BY BUSINESS UNIT - Year

	Consolidated			Premium			Digital Learning			On-campus		
(R\$ million)	2022	2023	Δ %	2022	2023	Δ %	2022	2023	Δ %	2022	2023	Δ %
Gross Revenue	9,790	10,852	11%	1,266	1,537	21%	3,227	3,801	18%	5,297	5,514	4%
Monthly tuition fees	9,790	10,852	11%	1,266	1,537	21%	3,227	3,801	18%	5,297	5,514	4%
Deductions from Gross Revenue	(5,225)	(5,705)	9%	(188)	(270)	44%	(1,825)	(2,067)	13%	(3,212)	(3,367)	5%
Net Operating Revenue	4,565	5,148	13%	1,078	1,267	17%	1,402	1,734	24%	2,085	2,147	3%
Cost of Services	(1,983)	(2,078)	5%	(427)	(507)	19%	(309)	(368)	19%	(1,246)	(1,203)	-3%
Personnel	(1,184)	(1,215)	3%	(325)	(378)	16%	(71)	(66)	-6%	(788)	(771)	-2%
Rent, municipal property tax and other	(36)	(39)	9%	(10)	(11)	11%	(0)	0	n.a.	(25)	(28)	11%
Third-party services and other	(335)	(399)	19%	(20)	(24)	20%	(214)	(273)	28%	(101)	(102)	1%
Depreciation and amortization	(428)	(424)	-1%	(72)	(94)	31%	(25)	(29)	17%	(332)	(301)	-9%
Gross Profit	2,582	3,070	19%	651	759	17%	1,093	1,366	25%	839	945	13%
Gross margin (%)	57%	60%	3 p.p.	60%	60%	0 p.p.	78%	79%	1 p.p.	40%	44%	4 p.p.
Selling, G&A and Other Expenses	(1,965)	(2,265)	15%	(323)	(384)	19%	(677)	(819)	21%	(965)	(1,062)	10%
Personnel	(319)	(411)	29%	(67)	(96)	44%	(133)	(177)	33%	(119)	(138)	16%
Advertising	(368)	(336)	-9%	(33)	(38)	16%	(135)	(134)	-1%	(200)	(164)	-18%
Bad Debt	(583)	(619)	6%	(62)	(43)	-30%	(235)	(288)	23%	(286)	(287)	1%
Other Expenses	(442)	(539)	22%	(106)	(136)	28%	(92)	(115)	25%	(244)	(288)	18%
Third-party services	(164)	(174)	6%	(39)	(45)	16%	(49)	(54)	10%	(77)	(75)	-2%
Maintenance and repairs	(74)	(100)	36%	(13)	(21)	66%	(19)	(26)	39%	(42)	(53)	25%
Provision for contingencies	(76)	(111)	45%	(3)	2	n.a.	(9)	(16)	78%	(64)	(97)	50%
Other	(129)	(154)	20%	(52)	(72)	39%	(16)	(19)	23%	(61)	(63)	3%
Other Revenue	27	1	-97%	2	8	328%	6	10	64%	19	(18)	n.a.
Depreciation and amortization	(280)	(361)	29%	(57)	(79)	38%	(88)	(116)	31%	(135)	(167)	23%
(+) Depreciation and amortization	709	785	11%	129	173	34%	113	144	28%	467	468	0%
EBITDA	1,326	1,590	20%	457	548	20%	529	692	31%	341	350	3%
EBITDA margin (%)	29%	31%	2 p.p.	42%	43%	1 p.p.	38%	40%	2 p.p.	16%	16%	0 p.p.
Adjusted EBITDA ⁽¹⁾	1,459	1,714	18%	506	555	10%	541	695	28%	412	464	13%
Adjusted EBITDA margin (%)	32%	33%	1 p.p.	47%	44%	-3 p.p.	39%	40%	1 p.p.	20%	22%	2 p.p.

(1) Adjusted by non-recurring items, for more detail [click here](#).

COLLECTION / ACCOUNTS RECEIVABLE

(R\$ million)	4Q22	4Q23	Δ%	2022	2023	Δ %
Net Revenue	1,101.6	1,229.7	11.6%	4,564.9	5,147.6	12.8%
(-) Taxes	39.5	50.0	26.7%	173.0	193.7	11.9%
(+) Bad Debt	(180.1)	(192.9)	7.1%	(582.9)	(618.7)	6.1%
(+) Financial discounts/ fines	(8.3)	(13.2)	58.8%	(37.3)	(21.2)	-43.2%
(+) Inflation adjustments DIS/PAR	(7.4)	(3.1)	-58.2%	(18.3)	2.7	n.a.
Total Generation of accounts receivable	945.3	1,070.5	13.3%	4,099.4	4,704.1	14.7%
Total collection	980.1	1,083.1	10.5%	4,103.2	4,508.6	9.9%
FIES Net Revenue	58.3	48.0	-17.7%	243.8	150.3	-38.4%
FIES collection	51.5	33.6	-34.8%	225.1	154.4	-31.4%
Net revenue ex-FIES	1,043.3	1,181.7	13.3%	4,321.1	4,997.3	15.6%
Generation of accounts receivable ex-FIES	887.0	1,022.5	15.3%	3,855.6	4,553.8	18.1%
Collection ex-FIES	928.6	1,049.5	13.0%	3,878.1	4,354.1	12.3%
% Collection/Generation of accounts receivable (ex-FIES)	104.7%	102.6%	-2.1 p.p.	100.6%	95.6%	-5.0 p.p.

BALANCE SHEET

(R\$ million)	4Q22	3Q23	4Q23
Current Assets	2,100.5	2,561.1	2,113.1
Cash and cash equivalents	401.0	887.1	502.0
Securities	384.8	294.6	196.4
Accounts receivable	1,055.9	1,178.7	1,206.7
Inventory	3.3	3.3	4.2
Advancements to employees/third parties	11.7	18.8	10.3
Prepaid expenses	19.4	20.0	22.8
Taxes and contributions	216.4	149.8	159.2
Swap differential receivable	-	-	3.8
Other	7.9	8.7	7.9
Non-Current Assets	6,948.7	7,237.2	7,174.5
Long-term assets	801.1	1,034.6	1,017.6
LT accounts receivable	153.0	252.1	186.3
LT prepaid expenses	6.6	5.6	5.6
LT Judicial deposits	89.1	82.0	77.4
LT taxes and contributions	141.6	208.4	228.9
LT deferred taxes	398.1	474.0	500.1
Other LT items	12.7	12.6	19.3
Permanent assets	6,147.6	6,202.6	6,157.0
Investments	0.3	0.3	0.3
Property and equipment	2,514.2	2,598.0	2,560.3
Intangible assets	3,633.0	3,604.2	3,596.3
Total Assets	9,049.2	9,798.2	9,287.6

(R\$ million)	4Q22	3Q23	4Q23
Current Liabilities	1,107.6	1,690.3	1,430.2
Loans and financing	277.4	691.2	560.3
Leasing	232.0	233.8	242.0
Suppliers	227.6	229.1	198.8
Swap payable	2.3	8.0	5.6
Salaries and payroll charges	137.8	326.5	252.3
Tax liabilities	69.4	72.1	74.9
Prepaid monthly tuition fees	76.7	90.4	65.2
Advancement of current agreement	5.0	5.0	5.0
Taxes paid in installments	4.5	4.5	4.2
Acquisition price payable	67.3	14.3	13.5
Dividends payable	0.1	0.1	0.1
Other liabilities	7.6	15.3	8.3
Long-term liabilities	4,981.5	4,854.9	4,800.3
LT Loans and financing	3,249.7	2,995.3	2,908.4
Contingencies	220.4	222.2	240.0
LT leasing	1,279.0	1,416.3	1,426.8
Agreement advances	31.1	27.3	26.1
LT taxes paid in installments	7.5	5.4	5.0
Provision for asset demobilization	92.7	92.4	94.4
LT acquisition price payable	44.2	39.1	40.8
Financial Liabilities - Options	55.9	55.9	57.9
Other LT items	0.9	1.0	1.0
Shareholders' Equity	2,960.1	3,253.1	3,057.1
Capital stock	1,139.9	1,139.9	1,139.9
Share issuance costs	(26.9)	(26.9)	(26.9)
Capital reserves	716.0	724.7	725.7
Earnings reserves	1,586.4	1,528.1	1,448.1
Income for the period	(58.2)	273.3	152.3
Treasury Shares	(355.0)	(344.2)	(338.9)
Equity Valuation Adjustment	(55.9)	(55.9)	(57.9)
Participation of Non-Controlling Shareholders	13.8	14.1	14.7
Total Liabilities and Shareholders' Equity	9,049.2	9,798.2	9,287.6



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