YDUQS Participações S.A.

Financial Statements
individual and consolidated on
December 31, 2023
and independent auditor's report

Independent auditor's report

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

Opinion

We have audited the accompanying parent company financial statements of YDUQS Participações S.A. (the "Company"), which comprise the statement of financial position as at December 31, 2023 and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, as well as the accompanying consolidated financial statements of YDUQS Participações S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated statement of financial position as at December 31, 2023 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

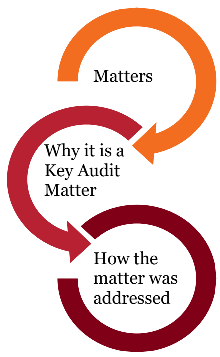
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of YDUQS Participações S.A. and of YDUQS Participações S.A and its subsidiaries as at December 31, 2023, and the financial performance and the cash flows for the year then ended, as well as the consolidated financial performance and the cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) (currently described as "IFRS Accounting Standards" by the IFRS Foundation).

Basis for opinion

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

Key audit matters

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



Why it is a Key Audit Matter	How the matter was addressed in the audit
Recognition of revenue from students' monthly tuition fees (Note 23)	
The Company's revenue mainly comprises the provision of higher education services, onsite and online, in regular courses offered on a semi-annual basis by the Company, in addition to extension courses and services arising from subscription plans to specialized courses. Net revenue totaled R$ 5,147,562 thousand in the year ended December 31, 2023. Revenue is generated by a large volume of transactions with low individual value, which requires a structured internal control environment that is effective throughout the whole year. Considering the significance of revenue to the Company's parent company and consolidated financial statements, in conjunction with the great audit effort on this matter given the nature of the transactions, we consider this a key audit matter.	Our audit procedures included, among others: Understanding and testing the operational effectiveness of the internal control environment related to the process of recognition of students' monthly tuition fees, as well as the technology environment that supports the Company's internal control structure. We tested the integrity of billing data by reprocessing of analytical bases extracted from the academic system and their proper reconciliation with the accounting records. We tested, on a sampling basis, transactions regarding revenues earned throughout the whole year, inspecting contracts signed with students, billing documents , and subsequent receipts. These tests included transactions involving the Student Financing Fund (FIES) and the University for All Program (PROUNI), verifying the actual eligibility and adhesion through student contracts with the proper agencies. In addition, also on a sampling basis, we applied tests on the Company's amounts receivable overdue and falling due, including those arising from agreements, in order to obtain evidence of the actual curricular activities of students, such as attendance reports and performance evaluations conducted, corroborating their actual existence. The results of these procedures are consistent with the information disclosed in the financial statements.
Estimates adopted for measuring the provision for impairment of trade receivables (Notes 2.22(v) and 4)	
The Company and its subsidiaries periodically review their portfolio of trade receivables to estimate the need to recognize a provision for impairment, which, at December 31, 2023, totaled R$ 722,406 thousand. The provision for impairment of trade receivables is measured based on expected losses for all trade receivables, using a simplified calculation model, including renegotiated debts, expected loss percentage and maturity groupings. In view of the degree of judgment involved and the	Our audit procedures included, among others, understanding and testing the effectiveness of the internal control environment significant to the process of measurement of the provision for impairment of trade receivables. We assessed the reasonableness of the critical judgments and estimates adopted in the model used by management to determine the recognized provision. We also tested the integrity of the historical basis of receivables used to determine the actual history of

Why it is a Key Audit Matter	How the matter was addressed in the audit
critical estimates used in measuring the provision, as well as the impact that its fluctuations may have on the Company's financial statements, we maintained this issue a key audit matter.	losses, and assessed the reasonableness of the expected loss rates estimated by management, by reprocessing the data used by it, by maturity grouping, including the comparison with that actually verified in previous periods. We compared the maturities of the receivables informed in the position of the outstanding receivables, by maturity grouping, at December 31, 2023, with the corresponding supporting documentation. In addition, our audit procedures included discussions with management on the evolution of balances and the consistency of criteria for the current year. We consider that the critical judgments and assumptions adopted by management to measure the provision for impairment of trade receivables are reasonable and the disclosures in the notes to the financial statements are consistent with the data and information obtained.

Impairment of goodwill from business combination (Notes 2.22(i) and 9 (b)) The Company presents an asset with indefinite useful life (goodwill) in its consolidated financial statements, whose cost totals R$ 2,370,780 thousand at December 31, 2023. Assets with indefinite useful life are tested for impairment. These reviews are performed annually or more frequently if events or changes in circumstances indicate a potential impairment. The process of testing goodwill impairment is complex and involves a high degree of subjectivity by management, since it is carried out based on projections of expected cash flows of each Cash Generating Unit (CGU) to which the balances relate. These projections consider assumptions in each CGU, such as estimates of average budgeted gross margin, weighted average growth rate, used to extrapolate cash flows after the budgeted period and discount rate. The use of a different set of assumptions could significantly change the recoverable amounts calculated by the Company. For this reason, as well as the significance of the amounts involved and the subjectivity of the judgments adopted, these matter remains as an area of focus in our audit.	Our audit procedures included, among others, understanding the internal control environment over the processes used to measure the recoverable amount of goodwill based on expected future profitability. We assessed the reasonableness of management's main operating, financial and economic assumptions, the logical and arithmetical consistency of the projections and involved our specialists in corporate finance in the review of the discounted cash flow models and significant calculation assumptions, including the respective sensitivity analyses. In addition, we read the disclosures made in the accompanying notes. Our audit procedures indicated that the judgments and assumptions used by management in the measurement of the recoverable amount of assets are consistent with the data and information analyzed in our audit.

Other matters

Statements of Value Added

The parent company and consolidated Statements of Value Added for the year ended December 31, 2023, prepared under the responsibility of the Company's management and presented as supplementary information for IFRS purposes, were submitted to audit procedures performed in conjunction with the audit of the Company's financial statements. For the purposes of forming our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Value Added". In our opinion, these Statements of Value Added have been properly prepared in all material respects, in accordance with the criteria established in the Technical Pronouncement, and are consistent with the parent company and consolidated financial statements taken as a whole.

Other information accompanying the parent company and consolidated financial statements and the auditor's report

The Company's management is responsible for the other information that comprises the Management Report.

Our opinion on the parent company and consolidated financial statements does not cover the Management Report, and we do not express any form of audit conclusion thereon.

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

Responsibilities of management and those charged with governance for the parent company and consolidated financial statements

Management is responsible for the preparation and fair presentation of the parent company and consolidated financial statements in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) (currently described as "IFRS Accounting Standards" by the IFRS Foundation), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor's responsibilities for the audit of the parent company and consolidated financial statements

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

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the parent company and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its subsidiaries, as a whole, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company, and its subsidiaries, as a whole, to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the parent company and consolidated financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the parent company and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Rio de Janeiro, March 14, 2024

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

Patricio Marques Roche
Contador CRC 1RJ081115/O-4

YDUQS Participações S.A.
Statements of financial position as of December 31
In thousands of Brazilian reais

	Parent company		Consolidated	
Assets	**2023**	**2022**	**2023**	**2022**
Current				
Cash and cash equivalents (Note 3)	9,174	2,265	501,971	401,050
Securities (Note 3)	7,715	338	196,375	384,781
Trade receivables (Note 4)			1,206,679	1,055,886
Related Parties (Note 5)	115	18		
Prepaid expenses (Note 6)	862	879	22,751	19,394
Taxes and contributions recoverable (Note 7)	23,267	64,226	159,171	216,378
Dividends receivable	133,519	219,612		
Others	732		22,344	22,972
	175,384	287,338	2,109,291	2,100,461
Non-current				
Non-current receivables				
Trade receivables (Note 4)			186,257	153,046
Prepaid expenses (Note 6)	67	90	5,596	6,572
SWAP differential receivable	3,774		3,774	
Legal deposits (Note 17)	341	312	77,434	89,111
Deferred taxes (Note 29)	1,518	1,189	500,100	398,086
Taxes and contributions recoverable (Note 7)	98,501	36.703	228,916	141,626
Others			19,258	12,697
	104,201	38,294	1,021,335	801,138
Investments				
In subsidiaries (Note 8)	5,480,837	5,396,371		
Others			338	338
Intangible assets (Note 9)	780,065	780,065	3,596,282	3,633,048
Property, plant and equipment (Note 10)			2,560,350	2,514,222
	6,260,902	6,176,436	6,156,970	6,147,608
	6,365,103	6,214,730	7,178,305	6,948,746
Total assets	6,540,487	6,502,068	9,287,596	9,049,207

	Parent company		Consolidated	
Liability and equity	**2023**	**2022**	**2023**	**2022**
Current				
Suppliers	1,698	1,472	198,814	227,561
Loans and financing (Note 11)	565,950	279,726	565,950	279,726
Leases (Note 12)			241,968	232,020
Salaries and social charges (Note 13)	641	313	252,297	137,832
Tax obligations (Note 14)	2,651	1,492	74,901	69,429
Prepaid monthly fees			65,190	76,658
Tax payment in installments (Note 15)			4,200	4,450
Related parties (Note 5)	86	63		
Dividends payable	67	58	67	58
Acquisition price payable (Note 16)			13,468	67,292
Others	3,928	4,930	13,330	12,585
	575,021	288,054	1,430,185	1,107,611
Non-current				
Long-term liabilities				
Loans and financing (Note 11)	2,908,396	3,249,702	2,908,396	3,249,702
Leases (Note 12)			1,426,765	1,279,049
Contingencies (Note 17)			239,958	220,419
Tax payment in installments (Note 15)			4,999	7,521
Allowance for assets retirement			94,425	92,685
Acquisition price payable (Note 16)			40,775	44,188
Financial liabilities - options			57,925	55.917
Others	14,734	18,065	27,083	32,056
	2,923,130	3,267,767	4,800,326	4,981,537
Equity (Note 18)				
Share capital	1,139,887	1,139,887	1,139,887	1,139,887
Expenditure on issuing shares	(26,852)	(26,852)	(26,852)	(26,852)
Capital reserves	725,676	715,981	725,676	715,981
Retained earnings	1,520,472	1,528,128	1,520,472	1,528,128
Treasury shares	(338,922)	(354,980)	(338,922)	(354,980)
Equity Valuation Adjustment	(57,925)	(55,917)	(57,925)	(55,917)
Proposed additional dividend	80,000		80,000	
	3,042,336	2,946,247	3,042,336	2,946,247
Equity interest of non-controlling shareholders			14,749	13,812
	3,042,336	2,946,247	3,057,085	2,960,059
Total liabilities and equity	6,540,487	6,502,068	9,287,596	9,049,207

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

YDUQS Participações S.A.
Statements of income
Fiscal years ended on December 31
In thousands of Brazilian reais, except profit per share

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Continued operations				
Net revenue from activities (Note 23)			5,147,562	4,564,940
Costs of the services provided (Note 24)			(2,077,284)	(1,982,472)
Gross income			3,070,278	2,582,468
Operating revenues (expenses)				
Selling expenses (Note 25)			(955,088)	(951,014)
General and administrative expenses (Note 25)	(13,453)	(16,903)	(1,311,414)	(1,041,115)
Equity accounting income (Note 8)	699,867	494,477		
Other operating revenues/expenses (Note 26)	3,710	2,862	791	27,074
Operating income	690,124	480,436	804,567	617,413
Financial revenues (Note 27)	118,431	18,497	308,606	211,504
Financial expenses (Note 27)	(656,541)	(557,221)	(1,002,904)	(916,130)
Net financial income	(538,110)	(538,724)	(694,298)	(704,626)
Profit (Loss) before income tax and social security contribution	152,014	(58,288)	110,269	(87,213)
Current and deferred income tax (Note 29)	242	32	34,244	23,566
Current and deferred social security contribution (Note 29)	88	12	10,138	8,203
Net income (loss) for the period				
Attributed to shareholders of the parent company	152,344	(58,244)	152,344	(58,244)
Attributed to non-controlling shareholders			2,307	2,800
	152,344	(58,244)	154,651	(55,444)
Net income (loss) per batch of one thousand shares – basic (Note 22)			0.52387	(0.19782)
Net income (loss) per batch of one thousand shares – diluted (Note 22)			0.52387	(0.19782)

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

YDUQS Participações S.A.
Statements of comprehensive income
Fiscal years ended on December 31
In thousands of Brazilian reais

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Net income (loss) for the fiscal year	152,344	(58,244)	154,651	(55,444)
Other comprehensive income				
Equity valuation adjustment	(2,008)		(2,008)	
Total comprehensive income of fiscal year, net of taxes	150,336	(58,244)	152,643	(55,444)
Attributable to:				
Parent company's shareholders	150,336	(58,244)	150,336	(58,244)
Non-controlling shareholders			2,307	2,800
Total comprehensive income	150,336	(58,244)	152,643	(55,444)

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

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

			Capital reserves			Retained earnings								
	Capital social	Expenditure with issue of shares	Goodwill on subscription of shares	Negative Goodwill on disposal of shares	Options granted	Legal	Retention of profits	Shares in treasury	Adjustment of assessment equity	Profit accumulated	Dividend Additional proposed	Equity net Parent company	Equity Interest of non Parente companies	Equity Net Consolidated
As of December 31, 2021	1,139,887	(26,852)	595,464	(12,141)	119,332	191,797	1,394,575	(160,478)				3,241,584		3,241,584
Granted options (Note 21)					26							26		26
Restricted Shares Granting Plan (Note 21)					19,394							19,394		19,394
Cancellation of Treasury Shares (Note 21)								25				25		25
Repurchase of shares								(200,653)				(200,653)		(200,653)
Payment of Restricted Shares Granting Plan (Note 18 d.3)					(6,094)			6,094						
Payment of Stock options								32				32		32
Equity Valuation Adjustment (Call option)									(55,917)			(55,917)		(55,917)
Loss for the fiscal year										(58,244)		(58,244)	2,800	(55,444)
Loss absorption with reserves							(58,244)			58,244				
Non-controlling interests													11,012	11,012
As of December 31, 2022	1,139,887	(26,852)	595,464	(12,141)	132,658	191,797	1,336,331	(354,980)	(55,917)			2,946,247	13,812	2,960,059
Granted options (Note 21)					2,023							2,023		2,023
Restricted Shares Granting Plan (Note 21)					23,471							23,471		23,471
Payment of Restricted Shares Granting Plan					(15,799)			15,799						
Payment of Stock options (Note 18 d.3)								259				259		259
Equity Valuation Adjustment									(2,008)			(2,008)		(2,008)
Net income for the fiscal year										152,344		152,344	2,307	154,651
Allocation of net profit:														
Constitution of reserves						7,617				(7,617)				
Additional dividend distributed										(80,000)		(80,000)	(762)	(80,762)
Proposed additional dividend							(15,273)			(64,727)	80,000			
Non-controlling interests													(608)	(608)
As of December 31, 2023	1,139,887	(26,852)	595,464	(12,141)	142,353	199,414	1,321,058	(338,922)	(57,925)			3,042,336	14,749	3,020,903

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

YDUQS Participações S.A.
Statements of cash flows
Fiscal years ended on December 31
In thousands of Brazilian reais

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Cash flow from operating activities				
Profit (Loss) before income tax and social security contribution	152,014	(58,288)	110,269	(87,213)
Adjustments of profit (loss):				
Depreciation and amortization		2	785,268	708,542
Amortization of loan funding costs	3,944	4,447	3,944	4,447
Allowance for expected loss credit			618,636	603,721
Allowance for loss - Other trade receivables			4,430	5,469
Granted options – Stock options allowance	971	578	41,267	20,813
Allowance for contingencies		(447)	157,381	115,156
Interest on loans and financing	536,870	549,339	536,870	549,339
Interest on leases			154,084	143,377
Adjustment of assets retirement obligation			2,775	7,579
Adjustment of commitments payable			8,807	17,881
(Gain) Loss on disposal of property, plant and equipment and intangible assets			36,045	981
Equity accounting method	(699,867)	(494,477)		
Update of trade receivables - FIES			(2,695)	18,276
Adjustments to present value – trade receivables			9,021	8,247
Adjustment of tax credits	(9,142)	(6,842)	(17,690)	(14,875)
Others	(3,088)	(6,023)	(64,492)	(36,803)
	(18,298)	**(11,711)**	**2,383,920**	**2,064,937**
Variations in assets and liabilities:				
(Increase) in trade receivables			(808,968)	(604,226)
(Increase) Decrease in prepaid expenses	40	(326)	(2,381)	(7,782)
(Increase) Decrease in Taxes and contributions recoverable	12,077	19,994	8,797	(8,260)
(Increase) in Legal deposits	(29)	(65)	11,677	11,508
(Increase) Decrease in other assets	(1,129)		7,097	595
Increase (Decrease) in suppliers	(112)	(263)	(22,978)	32,282
Increase (Decrease) in payroll and social charges	(2)	(585)	99,485	(69,759)
Increase (Decrease) in tax obligations	1,159	(13,402)	5,197	(30,207)
Increase (Decrease) in monthly fees received in advance			(11,468)	(1,354)
(Decrease) in Tax installment payment			(3,456)	(3,327)
(Decrease) in Civil / labor / tax awards		(1)	(145,313)	(116,211)
Increase in Allowance for assets retirement obligations			(1,035)	(5,911)
Increase (Decrease) in other liabilities	(52)	222	(1,711)	(16,988)
	(6,346)	**(6,137)**	**1,518,863**	**1,245,297**
Interest paid on loans	(550,871)	(506,226)	(550,871)	(506,226)
IRPJ (Income Tax) and CSLL (Social Contribution on Net Income) Paid			(57,341)	(22,206)
Net cash provided by (used in) operating activities	**(558,167)**	**(512,363)**	**910,651**	**716,865**
Cash flow from investment activities:				
Acquisition of property, plant and equipment			(136,821)	(145,761)
Acquisition of Intangible assets			(333,571)	(345,893)
Acquisition of subsidiaries, net of cash obtained				(25,757)
Advance for future capital increase		(103,949)		
Redemption (investment) of securities	(7,377)	81,916	188,407	523,998
Dividends received	700,562	868,399		
Acquisition price payable			(25,651)	(61,008)
Net cash provided by (used in) investment activities.	**693,185**	**846,366**	**(307,636)**	**(54,422)**
Cash flow from financing activities:				
Acquisition of treasury shares	260	(200,595)	260	(200,595)
Dividends paid	(80.941)	(37,557)	(80,754)	(37,557)
Debenture issuance amount		500,000		500,000
Value received from Loans and financing	1,122,840	233,156	1,122,840	233,156
Loan funding costs	(17,363)	(3,298)	(17,363)	(3,298)
Amortization of loans and financing	(1,153,855)	(1,308,683)	(1,153,855)	(1,308,683)
Lease amortization			(373,222)	(349,877)
Net cash used in financing activities	**(129,059)**	**(816,977)**	**(502,094)**	**(1,166,854)**
Increase (decrease) in cash and cash equivalents	**6,909**	**(482,974)**	**100,921**	**(504,411)**
Cash and cash equivalents at the beginning of the fiscal year	2,265	485,239	401,050	905,461
Cash and cash equivalents at the end of the fiscal year	9,174	2,265	501,971	401,050
Increase (decrease) in cash and cash equivalents	**6,909**	**(482,974)**	**100,921**	**(504,411)**

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

YDUQS Participações S.A.
Statements of value added
Fiscal years ended on December 31
In thousands of Brazilian reais

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Revenues				
Educational services			5,338,876	4,734,567
Other revenues			2,365	3,392
Allowance for expected credit losses			(618,636)	(603,721)
			4,722,605	4,134,238
Inputs acquired from third parties				
Materials, electric power, and others	(3,262)	(8,165)	(407,618)	(376,209)
Third parties' services	(4,508)	(3,536)	(504,612)	(444,013)
Advertising			(252,155)	(257,724)
Contingencies		284	(110,876)	(76,466)
	(7,770)	(11,417)	(1,275,261)	(1,154,412)
Gross value added	(7,770)	(11,417)	3,447,344	2,979,826
Depreciation and amortization		(2)	(785,268)	(708,542)
Net value added produced	(7,770)	(11,419)	2,662,076	2,271,284
Value added received from transfer				
Equity accounting method income	699,867	494,477		
Financial revenue	134,304	35,896	335,160	240,728
Others	4,090	3,170	6,096	50,096
	838,261	533,543	341,256	290,824
Total value added to be distributed	830,491	522,124	3,003,332	2,562,108
Distribution of value added				
Work compensation				
Direct compensation	4,806	4,410	1,218,346	1,104,042
Benefits			91,455	88,234
Government Severance Indemnity Fund for Employees (FGTS)			75,804	75,168
	4,806	4,410	1,385,605	1,267,444
Taxes, fees, and contributions				
Federal	18,089	21,300	237,156	235,418
Municipal			208,079	178,123
	18,089	21,300	445,235	413,541
Compensation of third-party capital				
Interest	655,252	554,658	997,758	910,621
Rents			20,083	25,946
	655,252	554,658	1,017,841	936,567
Compensation on equity				
Retained profits (loss) for the fiscal year	152,344	(58,244)	152,344	(55,444)
Non-controlling shareholders' equity interest in retained earnings			2,307	
	152,344	(58,244)	154,651	(55,444)
Value added distributed	830,491	522,124	3,003,332	2,562,108

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

In thousands of Brazilian reais, except when otherwise indicated

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 busnesses, and the holding of interest, as partner or shareholder, in other partnerships and companies in Brazil.

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

The Group has thirty-six (36) companies, including YDUQS Participações S.A, twenty-nine (29) of which are sponsors of a higher education institution, organized as limited liability business companies, and comprises a University, twenty-four (24) University Centers, and forty-one (41) Colleges, accredited and distributed in twenty-five (25) states in Brazil and in the Federal District.

As at January 1st, 2022, the Group carried out a corporate restructuring involving the following companies: Idez Empreendimentos Educacionais Ltda ("IDEZ"), Uniuol Gestão de Empreendimentos Educacionais e Participações Ltda ("UNIUOL"), 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. ("UNIUOL")	Sociedade Educacional Atual da Amazônia ("ATUAL")
ABEP - Academia Baiana de Ensino Pesquisa e Extensão Ltda. ("RUY BARBOSA")	Yduqs Educacional Ltda. ("UNIFANOR")
Anec - Sociedade Natalense de Educação e Cultura Ltda. ("FAL")	Sociedade de Ensino Superior, Médio e Fundamental Ltda. ("IREP")
Yduqs Participações 2 Ltda. ("ADTALEM")	Sociedade de Ensino Superior Estácio de Sá Ltda. ("SESES")

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

The Company's Board of Directors authorized the publication of these financial statements (parent company and consolidated) at a meeting held on March 13, 2024.

1.2 Basis for preparation

The financial statements (parent company and consolidated) have been prepared in accordance with accounting policies adopted in Brazil, including the pronouncements and interpretations and guidelines issued by the Accounting Pronouncements Committee (CPC) and the international financial reporting rules International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) (currently called "IFRS® accounting rules "), including the interpretations issued by the IFRS Interpretations Committee (IFRIC® Interpretations) or by its predecessor body, Standing Interpretations Committee (SIC® Interpretations), and evidence all relevant information of the financial statements (parent company and consolidated), and that alone, which is consistent with that used by Management.

The relevant accounting policies applied in preparing these financial statements (parent company and consolidated) are presented in Note 2.

The preparation of financial statements demands the use of certain critical accounting estimates and judgment of the Company's management in the process for application of the Group's accounting policies. The areas which require a higher level of judgment and which are more complex, as well as the areas where assumptions and estimates are of significance for the financial statements include: impairment loss on trade receivables, goodwill impairment, share-based payment transactions, allowance for tax, civil and labor risks, and useful life of assets (Note 2.22).

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. 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 financial statements.

1.3 Changes in accounting policies and disclosures

New standards in force in 2023

- **Amendment to IAS 1 and IFRS Practice Statement 2 - Disclosure of accounting policies:** in February 2021 the IASB issued a new amendment to IAS 1 on disclosure of "material" accounting policies, instead of "significant" accounting policies. The amendments define what "material accounting policy information" is and explain how to identify it. It also clarifies that immaterial accounting policy information does not need to be disclosed, but if so, 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. Said amendment is 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. Said amendment is effective as of January 1, 2023.

- **Amendment to IAS 12 - Income Taxes:** the 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. Said amendment is effective as of January 1, 2023.

  The new IFRS standards or IFRIC interpretations that came into force don't have a significant impact on the Group's financial statements.

New standards not yet in force in 2023

The following changes were issued by IASB but are not yet in force for the fiscal year of 2023. The early adoption of the standards, although it is encouraged by 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 twelve months from the balance sheet date. In January 2020, the IASB issued an amendment to IAS 1 "Classification of liabilities as current or non-current", whose application date was for fiscal years starting from January 1, 2023, which determined that the entity would not have the right to avoid settlement of a liability for at least 12 months, if, on the balance sheet date, it had not complied with ratios provided for in restrictive clauses (e.g.: covenants), even if contractual measurement of the covenant was only required after the balance sheet date within 12 months.

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

- **Amendments to IAS 7 - Statement of Cash Flows and IFRS 7 - Financial Instruments:** The amendments add a disclosure objective to IAS 7 stating that an entity must disclose information about its vendors financing arrangements that allows users of the financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. Additionally, IFRS 7 was amended to include suppliers' financing agreements as an example within the requirements to disclose information about the entity's exposure to concentration of liquidity risk.

  The term "suppliers' financing agreements" is not defined. Instead, the amendments describe the characteristics of an arrangement for which the entity would provide the information.

- **Amendments to IFRS 16 – Leases – Lease liabilities in a "Sale and Leaseback" transaction:** The amendments to IFRS16 include subsequent measurement requirements for sale and leaseback transactions, which satisfy the requirements of CPC 47 (IFRS 15), for the purposes of accounting as a sale.

  The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' so that the seller-lessee does not recognize a gain or loss related to the right of use retained by the seller-lessee after the commencement date.
  The changes do not affect the gain or loss recognized by the seller-lessee related to the full or partial termination of a lease. Without these new requirements, a seller-lessee may have recognized a gain on the right of use it retains solely due to the remeasurement of the lease liability (for example, following a lease amendment or change within the lease term) that applies the general requirements in IFRS16. This may particularly have been the case in a leaseback that includes variable lease payments that are not dependent on an index or rate.

  As part of the changes, the IASB amended the Illustrative Example in IFRS16 and added a new example to illustrate the subsequent measurement of the right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the resulting liability
  of a sale and leaseback transaction that qualifies as a sale in the application of CPC 47 (IFRS 15) is a lease liability.

  The changes are applicable for annual periods beginning on or after January 1, 2024, with early adoption permitted. If the seller-lessee applies changes for a previous period, they must disclose such fact.

  The seller-lessee applies the changes retrospectively in accordance with CPC 23 (IAS 8) to sale and leaseback transactions entered into after the date of initial adoption, which is defined as the beginning of the annual reporting period in which the entity applied IFRS16 for the first time.

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.

1.4 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.

In thousands of Brazilian reais, except when otherwise indicated

The consolidated financial statements include the operations of the Company and of the following subsidiaries on December 31, 2023 and 2022:

Direct:	**Equity Interest (%)**
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%

Indirect:	**Equity Interest (%)**
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%
Unisãoluis Educacional S.A ("UNISÃOLUIS")	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 Unicel 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. ("META")	100%
UNIJIPA – União Das Escolas Superiores de Ji-Paraná Ltda. ("UNIJIPA")	100%
GrupoQ Educação S.A. ("Qconcursos")	100%
Wemed Educação Médica S.A. ("Hardwork") (i)	51%

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

The period covered by the financial statements 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.

1.5 Business combination

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

In thousands of Brazilian reais, except when otherwise indicated

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.

Acquisition made in 2022 is summarized below:

WEMED Educação Médica Ltda. ("Hardwork")

As of March 11, 2022, the Company acquired, through its subsidiary Damásio Educacional Ltda. ("Damásio"), an 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 exam, specialist title, 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 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 have been paid in upon the acquisition and BRL 10 million shall be paid in 12 months) and BRL 9 million payable in a single installment on the first anniversary of the closing date.

(ii) In addition to the acquisition price, the parties recognize that the sellers will be entitled to receive an additional, conditioned and uncertain value corresponding to up to BRL 10 million, according to the contractual conditions until the fiscal year ended on December 31, 2023.

(iii) In addition, the contract, signed between the parties, includes a call and put option for the subscribed shares in their entirety and not less than the totality of the shares. The subject matter of the option will be determined in accordance with the calculation methodology established by mutual agreement.

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

For the purposes of payment of the options, if exercised, it must be made in national currency, in a single installment in cash, subject to the contractual terms. If the options are not exercised by both parties within the period provided for in the contract, they will be automatically cancelled.

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

	Wemed ("Hardwork")
Assets	
Current	**25,660**
Cash and cash equivalents	12,697
Trade receivables	3,571
Related Parties	9,307
Taxes and contributions	42
Other assets	42
Non-current	**681**
Property, plant and equipment	681
	26,340
Liability	
Current	**3,783**

In thousands of Brazilian reais, except when otherwise indicated

Suppliers	99
Leases	159
Salaries and charges	69
Labor obligations	1,878
Prepaid monthly fees	1.578
Non-current	**64**
Leases	64
	3,847
Net assets acquired	22,493
Non-controlling interests	(11,021)
Surplus - Identifiable assets at fair value	8,113
Goodwill	31,098
Total consideration	**50,683**
Cash flow at the time of acquisition	
Cash	33,000
Payment in installments	9,000
Investments (Contribution to be paid in)	10,000
AVP - Adjustment to Present Value (i)	(1,317)
Net cash flow on acquisition	**50,683**

(i) Discount rate of 13.14% (DI - Future)
(ii) According to item (ii) of the purchase price structure, there is no expectation of Earn-out payment on this base date.

The following table summarizes the future call and put option on non-controlling interests, 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 Summary of significant accounting policies

The significant accounting policies adopted in preparing these financial statements are described below. These policies were consistently applied in the fiscal years presented, unless otherwise stated.

2.1 Consolidation

The following are the accounting policies adopted in preparing the consolidated financial statements.

Subsidiaries

Subsidiaries are all entities (including structured entities) in which the Group has control. The subsidiaries are fully consolidated as from the date the control is transferred to the Group. The consolidation is interrupted from the date on which the Group ceases to have control.
Identifiable assets acquired and liabilities and contingent liabilities assumed for the acquisition of subsidiaries in a business combination are initially measured at fair values on the acquisition date. Acquisition-related costs are recorded in the income statement of the fiscal year as incurred.

Transactions, balances and unrealized gains on transactions between Group's entities are eliminated. Unrealized losses are also eliminated, unless the transaction provides evidence of impairment of the asset transferred. The subsidiaries' accounting policies are changed as needed to assure consistency with the policies adopted by the Group.

2.2 Financial instruments

Financial assets

Initial recognition and measurement

Financial assets are classified, in the initial recognition, as subsequently measured at the amortized cost, at fair value through other comprehensive income and the fair value through profit or loss.

The classification of the financial assets in the initial recognition depends on the characteristics of the contractual cash flows of the financial asset and the business model of the Company for the management of such financial assets. All financial assets are recognized at fair value, plus, in the case of financial assets not recorded at fair value through profit or loss, the transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For the purposes of subsequent measurement, the financial assets are classified into four categories:
- Financial assets at amortized cost;
- Financial assets at fair value through other comprehensive incomes with reclassification of accumulated profits and losses;
- Financial assets designated at fair value through other comprehensive income, without reclassification of accumulated profit and losses at the moment of its de-recognition (equity instruments); and
- Financial assets at the fair value through profit or loss.

Financial assets at amortized cost

The Company measures financial assets at amortized cost if both conditions below are met:
- The financial asset was maintained in the business model, intended to maintain financial assets for purposes of receiving contractual cash flows; and
- The contractual terms of the financial asset must originate, on specific dates, cash flows that consist, exclusively, of payments of principal and interest on the value of the outstanding principal value.

The financial assets at amortized costs are subsequently measured through the actual interest method and are subject to impairment. Gains and losses are recognized in income when the asset is written off, modified or shows impairment.

The Company's financial assets at amortized cost include cash and cash equivalents, customers trade receivables and legal deposits.

Financial assets at fair value through other comprehensive income
(Debt instruments)

The Company values debt instruments at fair value through other comprehensive income if both of the following conditions are met:
- The financial asset was maintained in the business model, intended to maintain financial assets for purposes of receiving contractual cash flows; and
- The contractual terms of the financial asset must originate, on specific dates, cash flows that consist, exclusively, of payments of principal and interest on the value of the outstanding principal value.

For debt instruments at fair value through other comprehensive income, interest revenue, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and calculated in the same way as for financial assets measured at amortized cost. Remaining changes in fair value are recognized in other comprehensive income. Upon de-recognition, the cumulative change in fair value recognized in other comprehensive income is reclassified to income.

The Company does not have financial assets (debt instruments) at fair value through other comprehensive income.

<u>Financial assets at fair value through other comprehensive income (Equity instruments)</u>

Upon initial recognition, the Company may irrevocably choose to classify its equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under CPC 39 - Financial Instruments: Filing and are not held for trading. The classification is determined by considering each instrument specifically.

Gains and losses on these financial assets are never reclassified to income. Equity instruments designated at fair value through other comprehensive income are not subject to the impairment test.
The Company does not have financial assets (equity instruments) at fair value through other comprehensive income.

<u>Financial assets at the fair value through profit or loss</u>

Financial assets at fair value through profit or loss comprise financial assets held for trading, financial assets designated on initial recognition at fair value through profit or loss or financial assets to be mandatorily measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of sale or repurchase in the short term.

Financial assets with cash flows other than payments of principal and interest are classified and measured at fair value through profit or loss, regardless of the business model.

Financial assets at fair value through profit or loss are presented in the balance sheet by the fair value, with the net variations of the fair value recognized in the statement of profit or loss.

The Company's financial assets classified at fair value through profit or loss include securities.

<u>De-recognition (write-off)</u>

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is written off mainly (that is, excluded from the income for the fiscal year) when: the rights to receive cash flows from the asset expire; the Company transferred its rights to receive cash flows from the asset or undertook an obligation to pay cash flows received without delay to a third party under a "transfer" agreement; and (a) the Company transferred substantially all the risks and benefits related to the asset, or (b) the Company did not transfer nor retain substantially all the risks and benefits relating to the asset but transferred control over the asset.

<u>Impairment of financial assets</u>

Credit exposures for which there has been no significant increase in credit risk since initial recognition are provisioned as a result of possible default events in the next 12 months (12-month expected credit loss). For credit exposures for which there has been a significant increase in credit risk since initial recognition, an allowance for expected credit losses over the remaining life of the exposure is required, regardless of the time of default (a lifetime expected credit loss).

For trade receivables, given the short-term nature of the Company's receivables and its credit risk policy used, the Company did not identify anything additional with a material impact that could affect its consolidated financial statements.

This methodology is applicable to financial instruments classified as amortized cost or fair value through other comprehensive income (with the exception of investments in equity instruments).

For other financial assets subject to impairment analysis, no expected loss was recognized for the fiscal year ended December 31, 2023, as according to the Company's assessment, in addition to the associated risk being low, there is no history of losses.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, upon initial recognition, as financial liabilities at fair value through profit or loss, loans and receivables or trade payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are recognized initially at fair value and, in the case of loans and financing and trade payables, are added with the directly related transaction costs.

The Company's financial liabilities include trade payables, debentures and loans and financing.

Subsequent measurement

After the initial recognition, loans and financing subject to interest are subsequently measured by the amortized cost, using the effective interest rate method. Gains and losses are recognized in the statement of profit or loss at the time when the liabilities are written-off, and also during the amortization process by the effective interest rate method.

De-recognition (write-off)

A financial liability is written off when the obligation is revoked, cancelled or expires. When an existing financial liability is replaced for another at the same lender under terms and conditions substantially different, or the terms of an existing liability are significantly changed, such replacement or change is recognized as de-recognition of the original liability and recognition of a new liability, and the difference in the related carrying values is recognized in the statement of profit or loss.

2.3 Cash and cash equivalents

Cash and cash equivalents include cash, bank accounts and other highly liquid short-term investments, with original maturities not exceeding three months and with low risk of changes in value, which are held to meet the Company's short-term commitments.

2.4. Bonds and Securities

Securities have the features of financial assets measured at fair value through profit or loss, long-term maturity, immediate liquidity and are recorded added with financial yield (income), corresponding to their fair value.

2.5 Trade receivables and advance monthly tuitions

Trade receivables arise from the service provision of teaching activities and do not include amounts for services provided after the dates of the statements of financial position. Unearned services billed on the dates of the statements of financial position are recorded as unearned monthly tuition fees and recognized in the respective income of the fiscal year, on accrual basis.

Customers' trade receivables are recognized initially at fair value and subsequently measured at amortized cost, using the effective interest method, less allowance for expected credit losses ("PCE" or impairment).

2.6 Expected credit losses

This allowance appears as a deduction from trade receivables, and is set up in an amount considered by Management to be sufficient to meet any expected losses in collecting monthly tuitions and checks receivable, taking into account the risks involved.

2.7 Investments in subsidiaries

Investments in subsidiaries are evaluated by the equity accounting method. In the individual financial statements, the goodwill for expected future profitability - goodwill and the surplus on assets identifiable at fair value are presented in the investment.

2.8 Property, plant and equipment

Property, plant and equipment are measured at acquisition or construction cost, less accumulated depreciation.

Depreciation is calculated on a straight-line method at the rates mentioned in Note 10, and considers the estimated economic useful life of the assets

Subsequent expenditures to initial recognition are incorporated into the residual value of the property, plant and equipment or recognized as a specific item, as appropriate, only if the economic benefits associated with such item are likely and the values can be measured reliably. The residual balance of the replaced item is written-off. Other repairs and maintenance are recognized directly in income when incurred.

The property, plant and equipment items are written off when sold, or when no future economic benefit is anticipated from their use or sale. Any gains or losses resulting from the write-off of an asset (calculated as being the difference between the net sales proceeds and the residual value of the asset) are recognized in the statement of profit or loss for the fiscal year in which the asset is written-off.

The residual values and useful lives of the assets are reviewed and adjusted, if necessary, at the end of each fiscal year.

2.9 Intangible Assets

(a) Goodwill

Goodwill is represented by the surplus remaining after the allocation of the value paid to all identified tangible and intangible assets and liabilities of the acquired subsidiary. In the case of a negative goodwill calculation, the amount is recorded as a gain in the income for the fiscal year, on the acquisition date. Goodwill is subject to annual impairment test.
Goodwill is recorded at cost less accumulated impairment losses. Recognized impairment losses on goodwill are not reversed. Gains and losses on the disposition of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to Cash Generating Units (CGUs) for impairment test purposes. The allocation is made to the Cash Generating Units, represented by each acquired institution, that are expected to benefit from the business combination from which the goodwill originated.

(b) Business Combination

(b.1) Student portfolio

The contractual relations with students, acquired in a business combination, are recognized at the fair value on the acquisition date. Contractual relationships have a finite useful life and are recorded at cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected life of the student relationship.

(b.2) Brand

The trademark represents an intangible asset with a finite life, as it is an identifiable, measurable non-monetary asset with no physical substance. It is calculated using the average rate for education companies obtained from Royalty Source and Royaltystat. Determination of the useful lives of the trademarks considers the (Income approach -Relief from Royalty) methodology, whose calculation is based on the royalty rate on the projected net revenue, or the methodology of representation of the relevance of 80% or 90% of the projected cash flow generation from the intangible assets.

(b.3) Transaction License

The fair value of the existing transaction license is determined based on the cost approach. The value is derived from the current expenses to acquire same, which include: MEC fees, preparation of Institutional Development Plan (PDI) and Pedagogical Course Project (PPC), rent before the start of the activity and various costs with teachers for visits, travel, meals, transport, etc. Amortization is calculated based on the accreditation period of educational institutions, which is held every three years.

(b.4) Surplus of assets (Goodwill)

Determined by the difference between the sum of the fair value of the identifiable net assets (determined based on CPC 15 – Business combination) and the carrying amount of the acquired asset.

(c) Software

Software licenses are capitalized based on costs incurred in acquiring the software plus the costs of making it ready for use. These costs are amortized during the estimated useful life of software.

The costs associated with software maintenance are recognized as expenses as incurred. Development costs that are directly attributable to the project and to the testing of identifiable and unique software products, controlled by the Group are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software, so that it is available for use.
- Management intends to complete the software and use or sell it.
- The software may be sold or used.
- It can be demonstrated that the software is likely to generate future economic benefits.
- Adequate technical, financial, and other resources are available to complete the development and to use or sell the software.
- The expense attributable to software during its development can be measured reliably.

The directly attributable costs, which are capitalized as part of the software product, include costs with employees allocated to software development and an appropriate portion of the applicable indirect expenses.

Other development expenses not meeting these criteria are recognized as expenses, as incurred. Development costs previously recognized as expense are not recognized as asset in a subsequent period.

Software development costs recognized as assets are amortized over their estimated useful life, not exceeding five years.

2.10 Impairment of non-financial assets

Assets with an indefinite useful life, as goodwill, are not amortized, but are tested annually for impairment. The goodwill impairment reviews are made annually or more frequently if the events or changes in the circumstances

indicate a possible impairment.
Assets which are subject to amortization are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable value, which is the greater of its fair value, less its selling costs and its value in use.

For impairment assessing, assets are grouped at the lowest level for which there are separately identifiable cash flows (Cash Generating Units or CGU). For the purpose of this test, the goodwill is allocated to the Cash Generating Units, represented by each acquired institution, that are expected to benefit from the business combination from which the goodwill originated.

Non-financial assets, other than goodwill, that have been adjusted for impairment, are reviewed subsequently to analyze the possibility of reversing the impairment loss on reporting date. Goodwill impairment recognized in income for the fiscal year is not reversed.

In the estimate of the value-in-use of the asset, the estimated future cash flows are discounted to their present value, using a discount rate, before taxes, that reflects the weighted average cost of capital for the industry in which the cash generating unit operates. The net selling value is determined, whenever possible, based on a firm selling contract in a transaction at arm's length bases, between knowledgeable and interested parties, adjusted by expenses attributable to the sale of the asset, or when there is no firm selling contract, based on the market price of an active market, or on the price of the most recent transaction with similar assets.

2.11 Lease

The Group owns several commercial properties leased for its administrative area and teaching units. Leases terms are individually negotiated and contain a wide range of different terms and conditions. Leasing contracts do not contain restrictive clauses, however, the leased assets cannot be used as collateral for loans.

Assets and liabilities arising from a lease are initially measured at present value, with lease payments discounted using the interest rate implicit in the leases.

2.12 Loans and financing

The loans are initially recognized by the fair value, net of costs incurred in the transactions and are subsequently stated at the amortized cost. Any difference between the values raised (net of transaction costs) and the total value payable is recognized in the statement of profit or loss during the period in which the loans are outstanding, using the effective interest method.

Loans are classified as current liability, unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2.13 Distribution of dividends and interest on equity

The distribution of dividends and interest on equity to the Company's shareholders is recognized as a liability in the Company's financial statements at the end of the fiscal year, based on its bylaws. Any value above the mandatory minimum is only provisioned as at the date it is approved by the shareholders at the General Meeting.

2.14 Allowance for assets retirement

Represents the estimate of future expenses for the restoration of leased buildings in which the Group's teaching units are located. They are recognized in property, plant and equipment at their present value, measured at fair value, as part of the value of the assets that gave rise to them, provided that there is a legal obligation and their value can be estimated on a reliable basis, with the corresponding entry being the registry of an allowance in the Company's liabilities. Interest incurred on updating the allowance is classified as financial expenses. Retirement estimates reviewed annually are depreciated/amortized on the same basis as main assets.

2.15 Provisions

Provisions for lawsuits (labor, civil and tax) are recognized when: (i) the Group has a present or constructive obligation as a result of events already occurred; (ii) it is probable that an outflow of funds will be required to settle the obligation; and (iii) the value can be safely estimated.

When there are a number of similar obligations, the probability of settling them is determined by taking into account the class of obligations as a whole. An allowance is recognized even if the probability of settlement related to any individual item included in the same class of obligations is small.

Provisions are measured at the present value of the expenses that must be required to settle the obligation, using a pre-tax rate, which reflects current market evaluations of the value of money in time and the specific risks of the obligation. The increase in the obligation as a result of the passage of time is recognized as a financial expense.

2.16 Tax Levy

Subsidiaries that have joined the PROUNI are exempt from the following federal taxes for as long as they are members:

- IRPJ and CSLL, introduced by Law No. 7.689 of December 15, 1988;
- COFINS, introduced by Supplementary Law No. 70 of December 31, 1991; and
- PIS, introduced by Supplementary Law No. 7 of September 7, 1970.

The above-mentioned exemptions are originally calculated on the value of revenues received as a result of providing higher education services, including undergraduate courses and specific-training associate degrees.

Yduqs Participações S.A. (Parent company) does not enjoy the exemptions arising from PROUNI and normally calculates federal taxes.

Current income tax and social security contribution

Current income tax and social security contribution were calculated considering the criteria established by the Federal Revenue Service Ruling, specifically PROUNI, which allow that taxes calculated on the profit from traditional and technological graduation activities are not paid to the public treasury.

PIS and COFINS

The PROUNI rules define that revenues from traditional and technological graduation activities are exempt from PIS and COFINS payment. For revenues from other teaching activities, PIS and COFINS are levied at the rates of 0.65% and 3.00%, respectively, and for activities not related to teaching, PIS is levied at the rate of 1.65% and to COFINS at 7.60%.

Deferred income tax and social security contribution

Deferred taxes are recognized for all deductible temporary differences, non-used tax credits and losses, as far as it is probable that taxable income be available, to allow deductible temporary differences to be realized and non-used tax credits and losses to be used, except:

- When the deferred tax asset relating to the deductible temporary difference arises upon initial recognition of an asset or liability in a transaction that is not a business combination and, on the transaction date, does not affect accounting income or tax earnings or losses.

- Deferred tax assets are recognized on deductible temporary differences relating to investments in subsidiaries only to the extent that it is likely that the temporary differences will be reversed in the near future, and that taxable income will be available for them to be used.

The carrying amount of deferred tax assets is reviewed at each reporting date, and is written-off when it is no longer probable for the taxable income to be available to allow the utilization of all or part of deferred tax assets. Written-off deferred tax assets are reviewed on each reporting date and are recognized to the extent that it becomes probable that future taxable income will enable the deferred tax assets to be recovered. Deferred tax assets and liabilities are measured at the tax rate that is expected to be applied in the year when assets will be realized or liabilities will be settled, based on tax rates (and tax law) that were issued on reporting date.

Deferred tax related to items recognized directly in equity is also recognized in equity, and not in the statement of profit or loss. Deferred tax items are recognized according to the transaction that originated the deferred tax, in the comprehensive income or directly in equity.

Deferred tax assets and liabilities will be shown net if there is a legal or contractual right to offset the tax asset against the tax liability, and if the deferred tax relates to the same taxable entity and is subject to the same tax authority.

2.17 Share-based payments

The Company grants its main executives and managers a share-based compensation plan settled with shares, under which the Company receives the services from these executives and managers and pays the consideration with equity instruments. The fair value of services received in exchange for the granting of options is recognized as an expense. The total value to be recognized is determined by reference to the fair value of the option grants, excluding the impact of any vesting conditions based on non-market service and performance (e.g., profitability, revenue growth goals, and remaining in employment for a specific period). Non-market vesting conditions are included in the assumptions on the number of options whose rights must be acquired. The total value of the expense is recognized during the period in which the right is vested; period during which the specific vesting conditions must be met.

At the reporting date, the Company reviews its estimates of the number of options whose rights should be vested based on non-market vesting conditions. The Company recognizes the impact of revising the initial estimates, if any, on the statement of profit or loss, with a corresponding adjustment to equity.

Values received, net of any directly attributable transaction costs, are credited to share capital (par value) and capital reserve, if applicable, when the options are exercised.

In addition to the Share Call Option Plan, the Company recognized the creation of a Restricted Shares Granting Plan, as contemplated in the annual global compensation of the Company's Managers.

2.18 Equity Interest on profits

The Group recognizes a liability and an expense for equity interest of income based on a methodology that takes into account the profit attributable to the Company's shareholders after certain adjustments. The Group recognizes an allowance when there is a contractual obligation or when there was a previous practice which created a constructive obligation.

2.19 Income per share

The Company calculates earnings per lot of 1000 shares, using the weighted average number of total outstanding common shares during the fiscal year corresponding to the income, as per Technical Pronouncement CPC 41 (IAS 33). (Note 22)

Diluted income per share is calculated by adjusting the weighted average number of outstanding common shares, to assume the conversion of all potential ordinary shares with dilutive effects. For share options, a calculation is made to determine the number of shares that could have been acquired at fair value (determined as the average annual market price of the Company's share), based on the monetary value of the subscription rights linked to outstanding share options. The number of shares calculated as described above is compared with the number of outstanding shares, assuming the exercise of share options.

2.20 Share capital

Common shares are classified in equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from values raised, net of tax.

When a company in the Group purchases shares of the Company's capital (treasury shares), the value paid, including any directly attributable additional costs (net of income tax), is deducted from equity attributable to the Company's shareholders until the shares are canceled or reissued. When these shares are subsequently reissued, any value received, net of any directly attributable additional transaction additional costs and the respective income tax and social security contribution effects, is included in equity attributable to the Company's shareholders.

2.21 Recognition of revenue, costs and expenses

Revenues, costs and expenses are recognized on an accrual basis.

(a) Revenue from services

Revenue comprises the fair value of the consideration received or receivable for the provision of teaching activity services in the normal course of the Group's activities and online education services for students in selection processes through subscription plans. Revenue is presented net of taxes, returns, cancellations, deductions, and discounts. The Company evaluates revenue transactions according to specific criteria to determine whether it is acting as agent or principal and finally concluded that it is acting as principal in all its income contracts.

The Group recognizes revenue when its value can be reliably measured, being probable that future economic benefits will flow to the Company, and when specific criteria have been met.

(b) Financial revenues and expenses

Financial revenues and expenses mainly include income from interest on financial investments, expenses with interest on financing, gains and losses on valuation at fair value, according to the classification of the security, in addition to net foreign exchange and monetary variations.

2.22 Critical accounting estimates and judgments

Critical accounting estimates and assumptions

Preparation of the Company's individual and consolidated financial statements requires the management to make judgments and estimates and to adopt assumptions that affect the values of revenues, expenses, assets, and liabilities, as well as disclosures of contingent liabilities on the base date of the financial statements. Uncertainty in respect of these assumptions and estimates may, however, lead to income requiring a significant adjustment in the carrying amount of the respective asset or liability in future periods.

Settlement of transactions involving these estimates may result in significantly different figures from those reported on financial statements on account of inherent inaccuracies of the estimation process. The Company reviews its estimates and assumptions once a year.

(i) Impairment of goodwill

Annually, the Group tests possible losses (impairment) on goodwill, in accordance with the accounting policy presented in Note 2.10. The recoverable values of Cash Generating Units (CGUs) were determined based on calculations of the value in use, based on the following estimates.

In thousands of Brazilian reais, except when otherwise indicated

	In percentage	
	2023	**2022**
Average gross margin (i)	58.7	57.5
Growth rate (ii)	3.5	4.0
Discount rate (iii)	11.7	13.6

(i) Average budgeted gross margin.
(ii) Weighted average growth rate used to extrapolate the cash flows after the budgeted period.
(iii) Discount rate before tax applied to cash flow projections (post-tax).

(ii) Share-based payment transactions

The Company measures the cost of equity-settled transactions based on the fair value of equity instruments on the date of grant thereof. Estimating the fair value of share-based payments requires determining the most appropriate valuation model for the granting of equity instruments, which depends on the terms and conditions of the grant. This also requires determining the most appropriate data for the valuation model, including the expected life of the option, volatility and yield of dividends, and corresponding assumptions. The assumptions and models for estimating the fair value of share-based payments are disclosed in Note 21(b).

(iii) Allowances for tax, civil and labor risks

The Company recognizes allowances for civil, tax and labor claims. The assessment of the probability of loss includes assessing available evidence, the hierarchy of laws, available case law, the most recent court decisions and their relevance in the legal system, as well as the assessment of external lawyers. Provisions are revised and adjusted to consider changes in circumstances, such as applicable lapse of time, conclusions of tax inspections, or additional exposures identified based on new matters or court decisions.

(iv) Useful life of assets

The Company annually revises the economic useful lives of its assets, based on reports from external appraisers. Depreciation is recognized in income based on the remaining useful life balance.

(v) Expected credit losses

The Group applies the simplified approach of IFRS 9/CPC 48 for the measurement of expected credit losses considering an allowance for expected losses over the useful life of all trade receivables from customers and contracts assets.
To measure expected credit losses, the trade receivables from customers and contract assets were grouped based on shared credit risk characteristics and days of delay. The Group concluded that the expected loss rates for trade receivables from customers represent a reasonable approximation of the loss rates.

Another definition of the Group's policy determines that receivables, for which the expected credit loss is greater than 12 months, are subject to de-recognition, and therefore, the balance of trade receivables is written-off.

(vi) Business combination

In accordance with the provisions of CPC 15 - Business combinations, the Group uses the acquisition method, whose consideration transferred for the acquisition of a subsidiary is the fair value of the transferred assets, incurred liabilities, and equity instruments issued by the Group. The consideration transferred includes the fair value of assets and liabilities resulting from a contingent consideration contract, when applicable. Acquisition-related costs are recorded in the income statement of the fiscal year as incurred. Identifiable assets acquired and contingent liabilities assumed in a business combination are initially measured at fair values on the acquisition date.

In thousands of Brazilian reais, except when otherwise indicated

2.23 Statements of cash flows

The statements of cash flows were prepared using the indirect method and are presented according to Technical Pronouncement CPC 03 R2 (IAS 7) - Statement of Cash Flows, issued by CPC (IASB).

2.24 Statement of value added ("DVA")

The purpose of this statement is to evidence the wealth created by the Company and its subsidiaries and its distribution during a particular period and is presented, as required by Brazilian corporate law, and by the accounting policies adopted in Brazil applicable to publicly-held companies.
The DVA was prepared based on information obtained from the accounting records supporting the financial statements and under the allowances of Technical Pronouncement CPC 09. Its first part presents the wealth created by the Company, represented by revenues, inputs acquired from third parties, and the value added received from third parties (equity accounting income, financial revenues, and other revenues). The second part of the DVA shows the wealth distributed among personnel, taxes, fees, and contributions, compensation on third-party equity, and return on equity.

2.25 Information by segment

Information by operating segments is presented in a form that is consistent with the internal report provided to the main operations decision-maker. The main operations decision maker, responsible for allocating resources and evaluating the performance of operational segments, is the Executive Board, which is also responsible for making the strategic decisions of the Group.

Consolidating the strategy plan with the creation of multi-brand models, in 2021, the Company started to present income in 3 large generating units, with the transactions being: in class, premium, and digital education. The Company's income is followed up, monitored, and evaluated in an integrated manner.

3 Cash and cash equivalents and securities

		Parent company		Consolidated
	2023	2022	2023	2022
Cash and banks	259	1,798	14,242	22,255
Financial Bills (LFs) (Exclusive funds)	7,545	396	268,912	322,599
Bank Deposit Certificate (CDB)			84,648	17,766
CDB (Exclusive funds)	85	1	11,089	348
Repurchase	1,285	70	123,080	38,082
Cash and cash equivalents	9,174	2,265	501,971	401,050
Federal Government Bonds (Investment Fund)	7,715	338	196,375	384,781
Bonds and securities	7,715	338	196,375	384,781
Total	16,889	2,603	698,346	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. On December 31, 2023, the transactions 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.

On December 31, 2023 and 2022, all of the securities of the Company are 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 compensation of the investment funds as of December 31, 2023, was 104.12% of the CDI rate with an average profitability in 2023 of 102.04% of the CDI rate (average annual profitability as of December 31, 2022 was 105.8% of the CDI rate).

In thousands of Brazilian reais, except when otherwise indicated

Bank Deposit Certificates - CDBs yield the CDI rate, averaging 95.04% as of December 31, 2023 (99.77% as of December 31, 2022)

4 Trade receivables

	Consolidated	
	2023	**2022**
Students fees	1,632,334	1,449,978
FIES (a)	83,176	88,570
Partnership agreements and exchange deals	28,697	44,182
Credit cards receivable (b)	194,663	160,126
Receivable agreements	230,999	194,328
	2,169,869	1,937,184
PCE	(722,406)	(684,326)
Unidentified values	(7,456)	(5.875)
(-) Adjustment to present value (c)	(47,071)	(38,051)
	1,392,936	1,208,932
Current assets	1,206,679	1,055,886
Non-current assets	186,257	153,046
	1,392,936	1,208,932

(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 an amount has been used to pay social security contributions and federal taxes and converted into cash by means of auctions of National Treasury bonds.

FIES Risk:

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

(i) For FIES students with a guarantor, it was set up allowance for 2.25% of the billing with such characteristic, considering the assumptions of 15% of credit risk exposure over an estimated default rate of 15%.

(ii) For the uncovered FGEDUC risk, contracted as from March 2012, 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% to the credit risk exposure for an estimated default rate of 15%, i.e., 0.45%.

(iii) For the uncovered FGEDUC risk, contracted as of April 2012, 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% to this credit risk exposure for an estimated default rate of 15%, i.e., 0.225%.

(b) A substantial part of credit card receivables consists of late monthly tuition fees and agreements and subscription programs.

(c) As of December 31, 2023, the adjustment to present value values to BRL 47,071 (BRL 6,754 related to PAR, BRL 32,906 to DIS, BRL 7,411 to the Athenas Financing System), and, as of December 31, 2022, BRL 38,051 (BRL 9,153 related to PAR, BRL 25,052 to DIS, and BRL 3,846 to the Athenas Financing System).

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

In thousands of Brazilian reais, except when otherwise indicated

	Consolidated	
	2023	**2022**
2024		144,529
2025	159,653	60,392
2026	71,645	26,915
2027 to 2028	36,931	4,544
(-) Adjustment to present value	(32,315)	(28,693)
(-) Allowance for expected credit losses	(49,657)	(54,641)
Non-current assets	186,257	153,046

The breakdown of receivables by age is presented below:

	Consolidated			
	2023	**%**	**2022**	**%**
FIES	83,176	4	88,570	5
To fall due	918,169	43	747,016	39
Overdue up to 30 days	279,900	13	219,886	11
Overdue for 31 to 60 days	134,835	6	143,656	7
Overdue for 61 to 90 days	138,807	6	95,104	5
Overdue for 91 to 180 days	248,305	11	179,785	9
Overdue from 181 to 360 days	366,677	17	463,167	24
	2,169,869	100	1,937,184	100

The breakdown of receivables by age is presented below:

	Consolidated			
	2023	**%**	**2022**	**%**
To fall due	90,777	39	78,149	40
Overdue up to 30 days	19,551	9	15,011	8
Overdue for 31 to 60 days	20,134	9	15,880	8
Overdue for 61 to 90 days	21,293	9	15,803	8
Overdue for 91 to 180 days	35,676	15	28,718	15
Overdue from 181 to 360 days	43,568	19	40,767	21
	230,999	100	194,328	100

The movement in the allowance for expected credit loss (PCE), in the consolidated, is shown below:

Balance as of December 31, 2021	559,243
Constitution	603,721
Constitution by acquisition	1,534
Write-off of bills (Acquired)	(2,289)
Write-off of invoices overdue for more than 360 days	(477,883)
Balance as of December 31, 2022	684,326
Constitution	618,636
Write-off of invoices overdue for more than 360 days	(580,556)
Balance as of December 31, 2023	722,406

In thousands of Brazilian reais, except when otherwise indicated

5 Related parties

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

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

	Parent company	
	2023	**2022**
Current assets		
SESES	89	6
FARGS	7	
IREP	6	
RIBEIRÃO PRETO	3	
Others	10	12
	115	18
Current liability		
SESES	79	53
UNIFANOR	7	
IREP		5
Others		5
	86	63

6 Prepaid expenses

	Consolidated	
	2023	**2022**
Advance of vacations and charges	7,652	11,428
Insurance	7,279	7,635
Digital content creation	6,415	620
Registration fee - MEC	3,481	3,630
Digital platform	3,044	1.480
Urban Real Estate Property Tax (IPTU)		162
Others	476	1,011
	28,347	25,966
Current assets	22,751	19,394
Non-current assets	5,596	6,572
	28,347	25,966

In the parent company, in the fiscal year ended December 31, 2023, the amount of BRL 929 refers to non-life insurance policies (BRL 969 refers to non-life insurance policies as of December 31, 2022).

7 Taxes and contributions recoverable

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
IRPJ/CSLL negative balance (i)	94,511	67,947	161,050	128,654
IRPJ/CSLL Prepayments	27	27	18,592	18,406
ISS (Municipal Service Tax)			89,990	86,257
Withholding Income Tax (IRRF)	27,230	32,955	57,523	69,243
Social Integration Program (PIS) and Social Security Financing Contribution (COFINS)			59,782	51,996
National Institute of Social Security (INSS)			656	2,954
Others			494	494
	121,768	100,929	388,087	358,004

In thousands of Brazilian reais, except when otherwise indicated

Current assets	23,267	64,226	159,171	216,378
Non-current assets	98,501	36.703	228,916	141,626
	121,768	100,929	388,087	358,004

(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.

	2023		2022	
	Investment	Investment Loss	Investment	Investment Loss
Sociedade de Ensino Superior Estácio de Sá Ltda. ("SESES")	3,854,001		3,721,707	
Sociedade de Ensino Superior, Médio e Fundamental Ltda. ("IREP")	1,531,181		1,430,549	
Sociedade de Ensino Superior Estácio Ribeirão Preto Ltda. ("Estácio Ribeirão Preto")	95,420		241,018	
Other subsidiaries (i)	235	(30)	3,097	(30)
	5,480,837	(30)	5,396,371	(30)

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

The subsidiaries' information is presented below:

	December 31, 2023								
	Equity Interest	Number of units of ownership	Total assets	Total liabilities	Equity	Goodwill	Income tax on goodwill from downstream merger	Total	Net income (loss) for the fiscal year
SESES	100%	3,459,107	5,125,003	1,271,002	3,854,001			3,854,001	396,946
IREP	100%	916,392	2,027,346	558,607	1,468,739	62.442		1,531,181	119,681
Estácio Ribeirão Preto	100%	77,897	282,729	185,079	9,650		(2,230)	95,420	186,102
Other subsidiaries (i)	100%	19,945	298	98	200	5		205	(2,862)
			7,435,376	**2,014,786**	**5,420,590**	**62,447**	**(2,230)**	**5,480,807**	**699,867**

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

	December 31, 2022								
	Equity Interest	Number of units of ownership	Total assets	Total liabilities	Equity	Goodwill	Income tax on goodwill from downstream merger	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 Ribeirão 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)
			7,232,322	**1,896,198**	**5,336,124**	**62,447**	**(2,230)**	**5,396,341**	**494,477**

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

The table below presents the overall activity of investments in subsidiaries in the fiscal years ended December 31, 2023 and 2022:

In thousands of Brazilian reais, except when otherwise indicated

Investments in subsidiaries in 2021	5,948,507
Equity accounting method	494,477
Capital increase	145,265
Dividends (Interest on equity) (i)	(170,900)
Advance for future capital increase	103,950
Dividends received	(868,399)
Dividends receivable	(219,612)
Equity valuation adjustment	(55,917)
Granted options	26
Restricted shares plan	18,974
Investments in subsidiaries in 2022	5,396,371
Equity accounting method	699,867
Capital increase	134,725
Dividends (Interest on equity) (i)	(158,500)
Dividends received	(480,950)
Dividends receivable	(133,519)
Equity valuation adjustment	(2,008)
Granted options	8,859
Restricted shares plan	15,992
Investments in subsidiaries in 2023	5,480,837

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

We present below the information on direct subsidiaries' investments:

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

	2023	2022
Sociedade De Ensino Superior Toledo Ltda. ("UNITOLEDO")	101,285	104,677
YDUQS Educacional Ltda. ("UNIFANOR")	1,909,069	1,958,680
Damásio Educacional Ltda. ("DAMÁSIO")	396,204	386,369
	2,406,556	2,449,725

We present below the information on SESES' subsidiaries:

2023	Equity Interest	Number of units of ownership	Total assets	Total liabilities	Equity	Goodwill	Total	Net income (loss) for the period
UNITOLEDO	100%	4,610	38,322	31,748	6,574	94,711	101,285	(5,748)
UNIFANOR	100%	129,717	1,665,786	234,682	1,431,104	477,965	1,909,069	92,931
DAMÁSIO	100%	352,932	395,499	103,844	291,655	104,549	396,204	(30,321)
			2,099,607	**370,275**	**1,729,331**	**677,225**	**2,406,556**	**56,862**

2022	Equity Interest	Number of units of ownership	Total assets	Total liabilities	Equity	Goodwill	Total	Net income (loss) for the fiscal year
UNITOLEDO	100%	3,460	46,880	36.915	9,965	94,711	104,677	(801)
UNIFANOR	100%	129,717	1,774,117	293,402	1,480,715	477,965	1,958,680	122,181
DAMÁSIO	100%	323,960	402,106	120,286	281,820	104,549	386,369	(36,451)
			2,223,103	**450,603**	**1,772,500**	**677,225**	**2,449,725**	**84,929**

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

In thousands of Brazilian reais, except when otherwise indicated

Investments in subsidiaries in 2021	2,314,559
Equity accounting method	84,930
Capital increase	58,270
Goodwill by merger	582,514
Write off of the goodwill by merger	(82,143)
Equity Valuation Adjustment	(55,917)
Dividends received	(331,901)
Dividends receivable	(122,181)
Balance before merger	453
Restricted shares plan	(262)
Granted options	1.403
Investments in subsidiaries in 2022	2,449,725
Equity accounting method	56,862
Capital increase	44,427
Dividends (Interest on equity) (i)	(120,000)
Dividends receivable	(23,233)
Equity valuation adjustment	(2,008)
Restricted shares plan	(122)
Granted options	906
Investments in subsidiaries in 2023	2,406,556

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

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

	2023	2022
Sociedade Educacional Atual da Amazônia ("ATUAL")	662,406	628,856
União das Escolas Superiores de JI-PARANA Ltda ("UNIJIPA")	71,992	71,822
União Educacional Meta Ltda ("UNIÃO META")	47,497	46,698
Centro de Educacional do Pantanal Ltda ("CENTRO PANTANAL")	65,604	64,824
Other subsidiaries (i)	260,708	226,501
	1,108,257	1,038,701

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

We present below the information on IREP's subsidiaries:

2023	Equity Interest	Number of units of ownership	Total assets	Total liabilities	Equity	Goodwill	Total	Net income (loss) for the fiscal year
ATUAL	100%	466,672	678,278	31,375	646,903	15,503	662,406	44,081
UNIJIPA	100%	21,508	45,976	28,920	17,056	54,936	71,992	4,644
UNIÃO META	100%	27,173	56,736	42,481	14,255	33,242	47,497	2,484
CENTRO PANTANAL	100%	12,661	74,015	60,151	13,864	51,740	65,604	16,396
Other subsidiaries (i)	100%	228,357	322,180	78,711	243,467	17,291	260,758	8,935
			1,177,185	**241,638**	**935,545**	**172,712**	**1,108,257**	**76,540**

2022	Equity Interest	Number of units of ownership	Total assets	Total liabilities	Equity (unsecured liabilities)	Goodwill	Total	Net income (loss) for the fiscal year
ATUAL	100%	46,501	640,304	26,951	613,353	15,503	628,856	2,299
UNIJIPA	100%	21,508	45,499	28,613	16,886	54,936	71,822	3,425
UNIÃO META	100%	27,173	62,189	48,733	13,456	33,242	46,698	(1,327)
CENTRO PANTANAL	100%	12,661	45,570	32,486	13,084	51,740	64,824	11,803
Other subsidiaries (i)	100%		297,585	88,375	209,210	17,291	226,501	16,316
			1,091,147	**225,158**	**865,989**	**172,712**	**1,038,701**	**32,516**

In thousands of Brazilian reais, except when otherwise indicated

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

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

Investments in subsidiaries in 2021	1,025,815
Equity accounting method	32,516
Capital increase	207,878
Advance for future capital increase	(183,063)
Write-off upon merger	(5,920)
Dividends receivable	(38,541)
Granted options	15
Investments in subsidiaries in 2022	1,038,701
Equity accounting method	76,540
Capital increase	25,499
Advance for future capital increase	(8,408)
Dividends (Interest on equity) (i)	(2,060)
Dividends receivable	(32,484)
Restricted shares plan	(1)
Granted options	10,471
Investments in subsidiaries in 2023	1,108,257

Information on the investments of indirect subsidiaries:

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

	2023	2022
Sociedade Educacional da Amazônia ("SEAMA")	62,080	60,550
Unisãoluis Educacional S.A ("SÃO LUIS")	85,741	85,741
Instituto de Ensino Superior Social e Tecnológico Ltda. ("FACITEC")	54,680	41,190
Centro de Assistência ao Desenvolvimento de formação Profissional Unicel Ltda. ("Estácio Amazonas")	49,498	48,381
Instituto de Estudos Superiores da Amazônia ("IESAM")	103,768	103,131
Centro de Ensino Unificado de Teresina ("CEUT")	53,742	56,350
Faculdade Nossa Cidade ("FNC")	75,256	76,446
Faculdades Integradas de Castanhal Ltda. ("FCAT")	44,961	44,639
Other subsidiaries (i)	29,706	22,743
	559,432	539,171

(i) Refer to FARGS, ASSESC and FUFS.

We present below the information on ATUAL's subsidiaries:

									2023
	Equity Interest	**Number of units of ownership**	**Total assets**	**Total liabilities**	**Equity**	**Goodwill**	**Goodwill**	**Total**	**Profit net (loss) for the fiscal year**
SEAMA	100%	6,715	68,119	24,074	44,045	18,035		62,080	12,807
SÃO LUIS	100%	4,605	99,143	40,770	58,373	27,368		85,741	13,958
FACITEC	100%	9,870	72,705	44,679	28,026	26,654		54,680	17,600
Estácio Amazonas	100%	52,357	71,738	48,454	23,284	26,214		49,498	(273)
IESAM	100%	15,524	89,711	23,864	65,847	26,797	11,124	103,768	15,186
CEUT	100%	17,108	35,694	9,520	26,174	27,568		53,742	(2,779)
FNC	100%	22,578	26,226	23,016	3,210	72,046		75,256	(3,220)
FCAT	100%	12,191	47,703	22,863	24,840	20,121		44,961	366
Other subsidiaries (i)	100%		60,757	50,084	10,673	19,033		29,706	(5,056)
			571,796	**287,324**	**284,472**	**263,836**	**11,124**	**559,432**	**48,589**

(i) Refer to FARGS, ASSESC and FUFS.

In thousands of Brazilian reais, except when otherwise indicated

									2022
	Equity Interest	**Number of units of ownership**	**Total assets**	**Total liabilities**	**Equity**	**Goodwill**	**Goodwill**	**Total**	**Profit net (loss) for the fiscal year**
SEAMA	100%	6,915	63,334	20,819	42,515	18,035		60,550	7,758
SÃO LUIS	100%	5,001	94,635	36,262	58,373	27,368		85,741	6,232
FACITEC	100%	8,951	65,232	50,696	14,536	26,654		41,190	3,505
Estácio Amazonas	100%	49,187	52,579	30,412	22,167	26,214		48,381	(3,384)
IESAM	100%	16,128	86,963	21,973	64,990	26,797	11,344	103,131	12,922
CEUT	100%	16,938	41,124	12,342	28,782	27,568		56,350	(30)
FNC	100%	22,328	31,425	27,025	4,400	72,046		76,446	(8,644)
FCAT	100%	12,191	54,127	29,609	24,518	20,121		44,639	1,280
Other subsidiaries (i)	100%		30,740	27,030	3,710	19,033		22,743	(7,587)
			520,159	256,168	263,991	263,836	11,344	539,171	12,052

(i) Refer to FARGS, ASSESC and FUFS.

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

Investments in subsidiaries in 2021	580,851
Equity accounting method	12,052
Advance for future capital increase	275
Capital increase	11,192
Interest on equity	(5,020)
Amortization of goodwill	(220)
Dividends received	(28,453)
Dividends receivable	(27,832)
Write-off upon merger	(3,135)
Granted options	11
Investments in subsidiaries in 2022	539,171
Equity accounting method	48,589
Capital increase	19,625
Amortization of goodwill	(220)
Dividends (Interest on equity)	(4,400)
Dividends receivable	(43,551)
Granted options	23
Investments in subsidiaries in 2023	559,432

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

	2023	**2022**
Instituto de Ensino Superior da Amazonia Ltda ("FMF")	67,048	67,556
Sociedade Educacional Ideal Ltda ("FACI")	118,167	118,169
IBMEC Educacional Ltda ("IBMEC")	532,814	639,712
A. Região Tocantina de Educação e Cultura Ltda ("FACIMP")	53,656	53,655
Sociedade de Educação do Vale do Ipojuca Ltda ("UNIFAVIP")	147,971	147,967
	919,657	1,027,059

We present below the information on UNIFANOR's subsidiaries:

In thousands of Brazilian reais, except when otherwise indicated

								2023
	Equity Interest	**Number of units of ownership**	**Total assets**	**Total liabilities**	**Equity**	**Goodwill**	**Total**	**Net income (loss) for the fiscal year**
FMF	100%	31,065	50,315	7,632	42,683	24,365	67,048	(508)
FACI	100%	42,912	129,083	13,392	115,395	2,772	118,167	5,947
IBMEC	100%	105,891	484,200	352,044	132,156	400,658	532,814	37,656
FACIMP	100%	7,425	75,321	35,861	39,460	14,196	53,656	11,909
UNIFAVIP	100%	15,290	179,960	67,963	111,997	35,974	147,971	30,682
			918,879	**476,891**	**441,692**	**477,965**	**919,657**	**85,686**

								2022
	Equity Interest	**Number of units of ownership**	**Total assets**	**Total liabilities**	**Equity**	**Goodwill**	**Total**	**Net income (loss) for the fiscal year**
FMF	100%	31,065	56,045	12,854	43,191	24,365	67,556	(1,264)
FACI	100%	41,127	99,884	(15,513)	115,397	2,772	118,169	9,712
IBMEC	100%	96,669	533,725	294,671	239,054	400,658	639,712	22,307
FACIMP	100%	5,810	84,029	44,570	39,459	14,196	53,655	12,813
UNIFAVIP	100%	12,000	161,628	49,635	111,993	35,974	147,967	49,593
			935,311	**386,217**	**549,094**	**477,965**	**1,027,059**	**93,161**

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

Investments in subsidiaries in 2021	1,155,386
Equity accounting method	93,161
Capital increase	19,804
Dividends (Interest on equity)	(22,711)
Write-off upon Merger	(56,748)
Dividends received	(97,594)
Dividends receivable	(64,248)
Restricted Shares Plan	(111)
Granted Options	120
Investments in subsidiaries in 2022	1,027,059
Equity accounting method	85,686
Capital increase	8,075
Interest on equity	(9,500)
Dividends received	(115,000)
Dividends receivable	(76,694)
Restricted shares plan	(94)
Granted Options	125
Investments in subsidiaries in 2023	919,657

9 Intangible Assets

(a) Intangible Assets – Parent company

	2022				2023
	Cost	**Additions**	**Write-offs**	**Transfer**	**Cost**
Cost					
Goodwill on investment acquisitions (i)	780,065				780,065
Software right of use	90				90
Surplus	79,704				79,704
Others	212				212
	860,071				860,071

In thousands of Brazilian reais, except when otherwise indicated

	Amortization rates	Amortization	Additions	Write-offs	Transfer	Amortization
Amortization						
Software right of use	20% p.a.	(90)				(90)
Surplus	20 to 33% p.a.	(79,704)				(79,704)
Others	20% p.a.	(212)				(212)
Total		(80,006)				(80,006)
Net residual balance		780,065				780,065

	2021				2022
	Cost	Additions	Write-offs	Transfer	Cost
Cost					
Goodwill on investment acquisitions	780,065				780,065
Software right of use	99		(9)		90
Surplus	79,704				79,704
Others	212				212
	860,080		(9)		860,071

	Amortization rates	Amortization	Additions	Write-offs	Transfer	Amortization
Amortization						
Software right of use	20% p.a.	(99)		9		(90)
Surplus	20 to 33% p.a.	(79,704)				(79,704)
Others	20% p.a.	(212)				(212)
Total		(80,015)		9		(80,006)
Net residual balance		780,065				780,065

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

(b) Intangible Assets - Consolidated

	2022					2023
	Cost	Additions	Write-offs	Transf.	Reclass.	Cost
Cost						
Goodwill on investment acquisitions	2,377,702	2				2,377,704
Software	1,226,110	178,532	(34)	81,627	(11,205)	1,475,030
Content production	355,371	5,430		59,230	11,119	431,150
Surplus	872,473	51	(70)		(16,100)	856,354
Intangible asset in Progress	65,460	149,609		(140,857)	(768)	73,444
Others	7,632				193	7,825
	4,904,748	333,624	(104)		(16,761)	5,221,507

	Amortization rates	Amortization	Additions	Write-offs	Transf.	Reclass.	Amortization
Amortization							
Goodwill on investment acquisitions	Indefinite	(6,924)					(6,924)
Software	5 to 100% p.a.	(678,359)	(255,711)			3,548	(930,522)
Content production	5 to 50% p.a.	(189,917)	(37,405)			(3,531)	(230,853)
Surplus	2 to 100% p.a.	(390,114)	(65,098)			5,283	(449,929)
Others	5 to 50% p.a.	(6,386)	(611)				(6,997)
		(1,271,700)	(358,825)			5,300	(1,625,225)
Net residual balance		3,633,048	(25,201)	(104)		(11,461)	3,596,282

In thousands of Brazilian reais, except when otherwise indicated

	2021					2022
	Cost	**Additions**	**Write-offs**	**Transf.**	**Reclass.**	**Cost**
Cost						
Goodwill on investment acquisitions	2,346,604	31,098				2,377,702
Software	1,011,675	257,816	(68,730)	25,358	(9)	1,226,110
Content production	274,107	10,702	2	70,559		355,370
Surplus	854,706	17,768				872,474
Intangible asset in Progress	84,204	77,361		(96,105)		65,460
Others	7,421	14		188	9	7,632
	4,578,717	394,759	(68,728)			4,904,748

	Amortization rates	Amortization	Additions	Write-offs	Transf.	Reclass.	Amortization
Amortization							
Goodwill on investment acquisitions	Indefinite	(6,924)					(6,924)
Software	5 to 100% p.a.	(576,926)	(170,152)	68,728	(9)		(678,359)
Content production	5 to 50% p.a.	(155,766)	(34,151)				(189,917)
Surplus	2 to 100% p.a.	(325,317)	(64,797)				(390,114)
Others	5 to 50% p.a.	(5,221)	(1,174)		9		(6,386)
		(1,070,154)	(270,274)	68,728			(1,271,700)
Net residual balance		3,508,563	124,485				3,633,048

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

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

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 fiscal year ended December 31, 2023. These assessments are made based on projections of future income for a period of 10 years, using a nominal rate of 3.5% per year as the perpetuity growth rate and a single nominal discount rate of 12% to discount cash flows estimated future cash flows.

If the carrying amount of the asset exceeds its recoverable value, the Company recognizes a reduction in the carrying value of such asset (impairment). The impairment is recorded in the income of the fiscal year.

In thousands of Brazilian reais, except when otherwise indicated

Management determined the budgeted gross margin based on past performance and its expectations for the market development. The weighted average growth rate used are consistent with the estimates included in the sector reports. The discount rates used correspond to rates before taxes, and reflect specific risks regarding the relevant operational segments.

The key assumptions were based in the historical performance of the Company and the macroeconomic assumptions that are reasonable and grounded based on the projections of financial market, documented and approved by Company's Management. As of December 31, 2023 and 2022, there was no need to record any allowance for loss on goodwill determined on investment acquisitions and mergers.

10 Property, plant and equipment

Property, plant and equipment - Consolidated

	2022					2023
	Cost	**Addition**	**Write-offs**	**Transf.**	**Reclass.**	**Cost**
Cost						
Lands	68,235		(4,380)			63,855
Buildings	370,358	608	(70,260)	11,505	(623)	311,588
Third-party buildings	2,125,774	428,230	(88,824)			2,465,180
Improvements in third-party properties	780,928	21,188	(9,572)	54,886	14,681	862,111
Furniture and fixtures	227,278	15,832	(1,063)	(142)	1,919	243,824
Computers and peripherals	255,869	20,677	(1,359)	(123)	(412)	274,652
Machinery and equipment	230,465	14,046	(396)	92	1,233	245,440
Physical activity equipment	141,295	7,946	(320)	(110)	102	148,913
Library	214,078	1,079	(128)			215,029
Facilities	83,450	1,846	(3,202)		204	82,298
Constructions in progress	21,879	68,806		(66,391)	(409)	23,885
Demobilization	72,039	1,781	(2,191)			71,629
Others	25,789	1,966	(55)	(17)	45	27,728
	4,617,437	584,005	(181,750)	(300)	16,740	5,036,132

	Depreciation rates	**Depreciation**	**Addition**	**Write-offs**	**Transf.**	**Reclass.**	**Depreciation**
Depreciation							
Buildings	1.67 to 4% p.a.	(96,300)	(6,377)	25,610	43	(446)	(77,470)
Third-party buildings	21.60% p.a.	(829,154)	(254,391)	20,352			(1,063,193)
Improvements in third-party properties	4 to 11.11% p.a.	(407,976)	(77,053)	7,134	(43)	(3,626)	(481,564)
Furniture and fixtures	8.33 to 10% p.a.	(139,999)	(19,409)	510	110	(1,109)	(159,897)
Computers and peripherals	20 to 25% p.a.	(214,694)	(22,290)	1,351	125	9	(235,499)
Machinery and equipment	8.33 to 10% p.a.	(125,308)	(15,755)	395	(28)	(106)	(140,802)
Physical activity equipment	6.67% p.a.	(52,872)	(8,967)	313	75		(61,451)
Library	5 to 10% p.a.	(132,723)	(8,047)	126			(140,644)
Facilities	8.33 to 20% p.a.	(49,201)	(5,307)	1,791			(52,717)
Demobilization		(37,210)	(7,308)	1,217			(43,301)
Others	14.44 to 20% p.a.	(17,778)	(1,539)	55	18		(19,244)
		(2,103,215)	(426,443)	58,854	300	(5,278)	(2,475,782)
Net residual balance		2,514,222	157,562	(122,896)		11,462	2,560,350

	2021						2022
	Cost	**Additions by Acquisition**	**Addition**	**Write-offs**	**Transf.**	**Reclass.**	**Cost**
Cost							
Lands	68,235						68,235
Buildings	355,885		713		25,329	(11,569)	370,358
Third-party buildings	1,919,696	171	320,148	(114,241)			2,125,774
Improvements in third-party properties	686,491	353	18,985	(17,875)	81,405	11,569	780,928
Furniture and fixtures	213,910	34	14,541	(1,098)	(89)	(20)	227,278
Computers and peripherals	247,851	40	10,876	(1,957)	(938)	(3)	255,869
Machinery and equipment	214,544		16,556	(343)	(301)	9	230,465
Physical activity equipment	129,267	24	12,103	(114)	24	(9)	141,295
Library	213,636		442				214,078
Facilities	86,931	114	2,796	(3,584)	(2,829)	22	83,450
Constructions in progress	63,978		69,476		(111,575)		21,879
Demobilization	77,065		4,538	(9,564)			72,039
Others	25,013		1,780	(953)	(52)	1	25,789
	4,302,502	736	472,954	(149,729)	(9,026)		4,617,437

In thousands of Brazilian reais, except when otherwise indicated

	Depreciation rates	Depreciation	Additions by Acquisition	Addition	Write-offs	Transf.	Reclass.	Depreciation
Depreciation								
Buildings	1.67 to 4% p.a.	(89,908)		(6,392)				(96,300)
Third-party buildings	21.60% p.a.	(635,366)	(9)	(259,721)	65,942			(829,154)
Improvements in third-party properties	4 to 11.11% p.a.	(355,495)	(13)	(74,930)	17.608	4,854		(407,976)
Furniture and fixtures	8.33 to 10% p.a.	(122,081)	(3)	(18,880)	791	174		(139,999)
Computers and peripherals	20 to 25% p.a.	(191,281)	(7)	(26,170)	1,824	940		(214,694)
Machinery and equipment	8.33 to 10% p.a.	(107,381)		(18,347)	300	120		(125,308)
Physical activity equipment	6.67% p.a.	(44,400)	(1)	(8,697)	76	150		(52,872)
Library	5 to 10% p.a.	(124,656)		(8,067)				(132,723)
Facilities	8.33 to 20% p.a.	(45,777)	(22)	(9,724)	3,584	2,738		(49,201)
Demobilization		(35,176)		(4,657)	2,623			(37,210)
Others	14.44 to 20% p.a.	(16,013)		(2,683)	868	50		(17,778)
		(1,767,534)	(55)	(438,268)	93,616	9,026		(2,103,215)
Net residual balance		2,534,968	681	34,686	(56,113)			2,514,222

The Group leases a number of rights 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	
Type	**Financial charges**	**2023**	**2022**
In local currency			
Debentures			
5th debenture issuance (2nd Series)	CDI + 0.785% p.a.	183,269	368,120
6th debenture issuance	CDI + 2.50% p.a.	1,103,278	1,875,496
7th debenture issuance	CDI + 1.65% p.a.	302,679	303,219
8th debenture issuance	CDI + 1.5% p.a.	514,686	516,238
9th debenture issuance – CRI (1st Series)	CDI + 0.819% p.a.	276,034	
9th debenture issuance – CRI (2nd Series)	CDI + 0.90% p.a.	309,295	
9th debenture issuance – CRI (3rd Series)	CDI + 0.98% p.a.	103,727	
		2,792,968	3,063,073
Loans and financing			
Safra Loan	CDI +2.80% a.a.	225,208	224,791
FINEP loan	6% p.a.	410	745
		225,618	225,536
In foreign currency			
Citibank Loan	1.18*(SOFRUSD + 0.90%(L) and +0.68%(L))	455,760	240,819
		3,474,346	**3,529,428**
Current liability		565,950	279,726
Non-current liability		2,908,396	3,249,702
		3,474,346	**3,529,428**

In thousands of Brazilian reais, except when otherwise indicated

Activity in loans and debentures presented below comprise the fiscal years ended December 31, 2023 and 2022:

	Parent company/Consolidated	
	2023	**2022**
Initial Balance	**3,529,428**	**4,062,194**
Funding	1,122,840	733,156
Interest, monetary variation	540,814	553,787
Foreign exchange variance (Swap)	3,353	(1,502)
Interest paid	(550,871)	(506,226)
Principal amortization	(1,153,855)	(1,308,683)
Loan funding costs	(17,363)	(3,298)
Final Balance	**3,474,346**	**3,529,428**

The amounts recorded in non-current liability as of December 31, 2023 and 2022, present the following maturities schedule:

	Parent company/Consolidated	
	2023	**2022**
2024		704,962
2025	857,001	1,021,513
2026	1,059,116	1,223,719
2027	453,231	299,508
2028 to 2030	539,048	
Non-current liability	2,908,396	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 Brazilian reais, with one contract in US dollars (USD).

In 2023:

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

- July: the Company carried out the Optional Acquisition, in accordance with article 55 of Law No. 6,404, and CVM Resolution No. 77, of Debentures that correspond to the 6th (sixth) simple debenture issuance of the Company, not convertible into shares, of the unsecured type, for public distribution with restricted efforts, in single series. 71,564 debentures were purchased from unit price (PU) on the payment date corresponding to the amount of BRL 73,142.
- December: The Company anticipated the settlement of the 5th loan on line 4131 with Citibank in the amount of BRL 233.2 million, and paid off in an extraordinary and optional manner the amount of BRL 673.7 million from the sixth debenture issuance.

  The Company concluded the ninth debenture issuance in three series, which served as collateral for the issuance of certificates of real estate receivables, in the total amount of BRL 700.0 million, with the First Series costing 11.3487% and maturing in 1,823 days, the Second Series with a cost of CDI + 0.90% and a maturity in 1,823 days and the Third Series with a cost of IPCA + 6.3584% and a maturity in 2,553 days.

  Additionally, the Company also contracted derivatives (swap) for the First Series and Third Series Debentures, so the Debentures will have a cost of CDI + 0.82% and CDI + 0.98% respectively.

In thousands of Brazilian reais, except when otherwise indicated

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 02, 2024, and payment of quarterly interest. The transaction was contracted under SWAP at an Active Curve of USD_SOFR + 0.90% p.a. and a Passive Curve of CDI + spread.

  The Company settled from the CCB, contracted with Banco do Brasil, with the principal amount of BRL 100 million of Brazilian Reais and maturity date as of February 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, in its maturity date, i.e., February 15, 2022.

- March: The Company concluded the renegotiate 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.

- September: The Company completed the 8th debenture issuance in the total value of BRL 500.000, with maturity on September 23, 2027, in a single series, at a cost of 100% of the CDI + 1.50% p.a., with the first principal amortization on September 23, 2026, in the value of BRL 200,000, and the second principal amortization on September 23, 2027, in the value of BRL 300,000.

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

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

The agreements held with several creditors include covenants that require the maintenance of certain financial indexes with previously established parameters. As of December 31, 2023, and 2022, the subsidiaries and the parent company reached all indices required in the agreements.

12 Leases liabilities and assets

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 amounts contracts may be out of scope.

The terms of the leases are according to the contractual term, demonstrated below, on an operational basis, 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	10.13%	105.00%	10.64%	0.85%
5 to 10 years	10.70%	105.00%	11.24%	0.89%
10 to 15 years	10.87%	105.00%	11.41%	0.90%
15 to 30 years	10.89%	105.00%	11.43%	0.91%

Lease contracts are secured by the underlying assets.

	Consolidated	
	2023	**2022**
Leases payable	2,435,133	2,231,030
Lease interest	(766,400)	(719,961)
	1,668,733	1,511,069

In thousands of Brazilian reais, except when otherwise indicated

Current liability	241,968	232,020
Non-current liability	1,426,765	1,279,049
	1,668,733	1,511,069

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

Changes in leasing assets and liabilities in the fiscal year:

Right of use assets

			Consolidated
	Buildings from third parties	**Others**	**Total**
Right of use assets in 2022	1,296,620	9,584	1,306,204
Additions	428,230	18,954	447,184
Write-offs	(68,472)	(539)	(69,011)
Depreciation	(254,391)	(9,140)	(263,531)
Right of use assets in 2023	1,401,987	18,859	1,420,846

Right of use assets

			Consolidated
	Buildings from third parties	**Others**	**Total**
Right of use assets in 2021	1,284,329	12,652	1,296,981
Additions	320,148	7,053	327,201
Additions by acquisitions	162		162
Write-offs	(48,298)	272	(48,570)
Depreciation	(259,721)	(9,849)	(269,570)
Right-of-use assets in 2022	1,296,620	9,584	1,306,204

Lease liabilities

			Consolidated
	Buildings from third parties	**Others**	**Total**
Right of use liabilities in 2022	1,501,245	9,824	1,511,069
Additions	428,230	18,954	447,184
Write-offs	(69,846)	(536)	(70,382)
Interest incurred	150,969	3,115	154,084
Payments	(361,881)	(11,341)	(373,222)
Right of use liabilities in 2023	1,648,717	20,016	1,668,733
Current	(234,427)	(7,541)	(241,968)
Non-current	(1,414,290)	(12,475)	(1,426,765)
	(1,648,717)	(20,016)	(1,668,733)

Lease liabilities

			Consolidated
	Buildings from third parties	**Others**	**Total**
Right of use liabilities in 2021	1,432,270	12,611	1,444,881
Additions	320,434	7,225	327,659
Additions by acquisitions	162		162
Write-offs	(54,692)	(442)	(55,134)
Interest incurred	142,598	779	143,377
Payment of principal	(339,527)	(10,350)	(349,877)
Right of use liabilities in 2022	1,501,245	9,824	1,511,069
Current	(227,408)	(4,612)	(232,020)
Non-current	(1,273,837)	(5,212)	(1,279,049)
	(1,501,245)	(9,824)	(1,511,069)

In thousands of Brazilian reais, except when otherwise indicated

13 Salaries and social charges

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Salaries, indemnity amounts, and social charges payable	641	313	194,044	95,517
Allowance for vacation			58,253	42,315
	641	313	252,297	137,832

14 Tax obligations

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
ISS (Services Tax) payable	32	31	35,830	31,035
IRRF payable	206	163	30,518	27,846
PIS and COFINS payable	2,413	1,298	6,467	5,381
IRPJ (Corporate Income Tax) and CSLL (Social Contribution on Net Income) payable			2,088	5,159
Other taxes payable			(2)	8
	2,651	1,492	74,901	69,429

15 Tax payment in installments

	Consolidated	
	2023	**2022**
National Institute of Social Security (INSS)	3,999	5,482
Social Integration Program (PIS) and Social Security Financing Contribution (COFINS)	3,513	4,286
IRPJ and CSLL	419	804
Government Severance Indemnity Fund for Employees (FGTS)	962	962
Others	306	437
	9,199	11,971
Current liability	4,200	4,450
Non-current liability	4,999	7,521
	9,199	11,971

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

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

	Consolidated	
	2023	**2022**
2024		3,534
2025	2,012	1,644
2026	1,581	1,262
2027 to 2029	1,406	1,081
	4,999	7,521

In thousands of Brazilian reais, except when otherwise indicated

16 Acquisition price payable

	Consolidated	
	2023	**2022**
FARGS	3,488	4,102
CEUT	3,671	3,586
UNITOLEDO	3,137	2,775
ADTALEM	2,157	16,409
ATHENAS GRUPO EDUCACIONAL	18,105	48,226
QCONCURSOS	23,685	28,125
WEMED ("HARDWORK")		7,241
	54,243	110,464
Acquisition of real estate property (i)		1,016
	54,243	111,480
Current liability	13,468	67,292
Non-current liability	40,775	44,188
	54,243	111,480

(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.

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

The amounts recorded in non-current liability as of December 31, 2023 and 2022, present the following maturities schedule:

	Consolidated	
	2023	**2022**
2024		14,771
2025	33,092	22,616
2026	7,683	6,801
	40,775	44,188

17 Contingencies

The Company's subsidiaries are party to various civil, labor, and tax proceedings at different court levels.

The Company periodically reviews its methodology for estimating its allowances and unallowanced contingent liabilities, considering the best estimate of risk of loss. And as a way of improving the assessment of the probability of losses and the estimation of the values involved in actions considered common and similar in nature, Civil and Labor, the Company revised the individual assessment criteria carried out, for the historical performance behavior that consists of the average base payment history (which represents the maximum exposure to risk of loss, if it were to be probable).

Management, based on the opinion of its external legal counsel, made an allowance for amounts considered sufficient to cover potential losses from pending litigation.

In thousands of Brazilian reais, except when otherwise indicated

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

	Consolidated			
	2023		2022	
	Contingencies	Legal deposits	Contingencies	Legal deposits
Civil	52,324	22,155	54,940	27,155
Labor	167,270	44,438	111,179	50,884
Tax-Related	20,364	10,841	54,300	11,072
	239,958	77,434	220,419	89,111

In the fiscal years ended December 31, 2023 and 2022, the parent company does not have allowances for contingencies. As of December 31, 2023, the amount of BRL 341 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-Related	Total
Balance in 2022	54,940	111,179	54,300	220,419
Additions	44,913	176,509	808	222,230
Additions by Acquisition	2,605		4,866	7,471
Reversals	(27,163)	(40,974)	(43,217)	(111,354)
Write-offs for payments	(38,748)	(100,140)	(6,425)	(145,313)
Adjustment for inflation	15,777	20,696	10,032	46,505
Balance in 2023	52,324	167,270	20,364	239,958

	Civil	Labor	Tax-Related	Total
Balance in 2021	54,045	129,715	37,714	221,474
Additions	33,634	64,688	12,453	110,775
Reversals	(14,065)	(16,978)	(3,268)	(34,311)
Write-offs for payments	(30,399)	(85,443)	(368)	(116,210)
Adjustment for inflation	11,725	19,197	7,769	38,691
Balance in 2022	54,940	111,179	54,300	220,419

As of September 31, 2023 and 2022, the expense with allowance for contingencies recognized in the statement of profit or loss was represented as follows:

	2023	2022
Income breakdown		
Additions	222,230	110,775
Reversals	(111,354)	(34,311)
Adjustment for inflation	46,505	38,691
Allowance for contingencies	157,381	115,155
General and administrative expenses (Note 24)	(110,876)	(76,464)
Financial income (Note 26)	(46,505)	(38,691)
	(157,381)	(115,155)

(a) Civil

Most proceedings involve mainly claims for indemnity for pecuniary and non-pecuniary damages arising from alleged incorrect collections and any late issue of diplomas, among other matters of operational and/or educational nature. In addition, there are demands in which real estate issues and possible breach of contractual obligations with service providers are discussed.

In thousands of Brazilian reais, except when otherwise indicated

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

Subject-Matters	Values
Undue Collection	20,865
Success Fees	12,667
Real Estate Property	3,863
FIES	3,820
Issuance of Certificates of Completion/Diplomas and Graduation	3,040
Enrollment	1,926
Course Accreditation and Cancellation	742
Monthly Fee	549
Pain and Suffering / Pecuniary Damage	472
Internship	422
PROUNI	350
System Access	181
Procon Fine	154
Others (i)	3,273
	52,324

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

(b) Labor

Most labor complaints mainly involve requests for overtime, equal pay and salary differences resulting from reductions in working hours for certain teachers.

The provisions recognized for labor lawsuits are due to the following subjects:

Subject-Matters	Values
Salary and Severance Differences + Decrease in Working Hours + FGTS + Notice Period	71,945
Overtime + Elimination of Breaks During and Between Shifts	24,691
Fees	11,709
Deviation from Agreed Position and Pay Parity	8,893
Employer's Social Security Payment	8,028
Additional Payments (Premium for Unhealthy/Night/Improvement/Service Time/Dangerous Work)	6,867
Fines (Article 467 CLT, Article 477 CLT AND CCT/ACT)	5,886
Income tax / Interest and Adjustment for Inflation	4,944
Success Fees	3,767
Pain and Suffering/ Pecuniary Damage/ Moral Harassment	3,597
Vacation	2,231
Stability	123
Others (i)	14,589
	167,270

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

(c) Tax-Related

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

In thousands of Brazilian reais, except when otherwise indicated

Subject-Matters	Values
Success Fees	8,241
ISS (Municipal Service Tax)	6,373
IRPJ/CSLL/PIS/COFINS	3,905
Social Security Contribution	1,003
Sewage Charges / Fees	815
IPTU (Urban Real Estate Property Tax) / Jurisdiction / IPVA (Tax on Vehicles)	26
Miscellaneous Fines	1
	20,364

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 (internal and external) legal advisers. These cases are not subject to the constitution of an allowance in accordance with current accounting policies.

	Consolidated	
	2023	**2022**
Civil	182,117	248,690
Labor	115,307	649,391
Tax-Related	1,135,034	922,404
	1,432,458	1,820,485

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

Civil Matter	Values
Real Estate Property	159,447
Undue Collection	5,733
Course Accreditation and Cancellation	3,632
Pain and Suffering / Pecuniary Damage	2,210
Enrollment	1,627
Monthly Fee	518
Issuance of Certificates of Completion/Diplomas and Graduation	314
PROUNI	8
Others (i)	8,628
	182,117

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

Labor Matters	Values
Salary and severance differences + decrease in working hours + FGTS + notice period + compensation	57,448
Overtime + Elimination of Breaks During and Between Shifts	14,301
Additional Payments (Premium for Unhealthy/Night/Improvement/Service Time/Dangerous Work)	6,441
Pain and Suffering/ Pecuniary Damage/ Moral Harassment	5,194
Work and Social Security Card (CTPS) Rectification + Indirect Termination + Employment Relationship Recognition	5,097
Fees	3,799
Reinstatement	3,034
Fines (Article 467 CLT, Article 477 CLT AND CCT/ACT)	2,160
Deviation from Agreed Position and Pay Parity	1,328
Vacation	820
Employer's Social Security Payment	534
Stability	231
Others (i)	14,920
	115,307

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

In thousands of Brazilian reais, except when otherwise indicated

Tax Matter	Values
ISS (Municipal Service Tax)	957,469
Contribution to the Social security / FGTS	121,602
IRPJ / CSLL / IRRF	23,952
PIS (Social Integration Program) / COFINS (Social Contribution on Billings)	11,226
IPTU (Urban Real Estate Property Tax) / Jurisdiction / IPVA (Tax on Vehicles)	9,530
Sewage Charges / Fees	2,227
Miscellaneous Fines	1,713
Others	7,315
	1,135,034

Among the main lawsuits classified as possible losses that are not provided for in the financial statements, we highlight the ones that we deem individually relevant, that is, whose results may significantly impact our equity, our financial capacity or our Company business, and/or those of our 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 notices claiming that they were clearly groundless. The appeal was partially accepted and considered the percentage of the employer's contributions at the rate of 20% from the month in which the Company changed from a non-profit entity to a company. The National Treasury filed a Tax Foreclosure to collect the respective debt which is currently awaiting judgment at the lower court. The total amount involved is BRL 23,956.

ISS - Tax on services:

(i) Tax foreclosure filed against Sociedade Tecnopolitana da Bahia Ltda. (STB), incorporated by IREP in June 2010, resulting from the lack of payment of ISS in the period from 2007 to February 2011, resulting from the process of reducing the activity of the STB's headquarters and branch establishments. The case is awaiting trial in lower court. The total amount involved is BRL 32,278.

(ii) Action for Annulment filed by SESES against the Municipality of Vila Velha, aiming at canceling ISS debits, resulting from the allegation 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 correspond to scholarships awarded and enrollments canceled. The case is awaiting trial in lower court. The total amount involved is BRL 12,216.

(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). The case is awaiting trial in lower court. The total amount involved is BRL 19,102.

(iv) Action for Annulment filed by SESES against the Municipality of Rio de Janeiro that aims to eliminate the ISS charge: (a) on higher education services in the period between January 2005 and January 2007, period in which it was immune, (b) as well as ISS on scholarships studies granted under PROUNI, in the period between February 2007 and July 2009, and (c) 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. As of June 29, 2021, an injunction was issued to suspend the enforceability of the tax credit, and a lower court judgment is currently awaited. The total amount involved is BRL 520,444.

(v) 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. The case is awaiting trial in lower court. The total amount involved is BRL 42,793.

In thousands of Brazilian reais, except when otherwise indicated

18 Equity

(a) Share Capital

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

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

	Common shares			
Shareholders	**2023**	%	**2022**	%
Managers and directors	1,587,964	0.5	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
Família Zaher	33,342,000	10.8	33,342,000	10.8
BlackRock, Inc.	15,495,505	5.0		
Treasury	17,735,401	5.7	18,896,806	6.1
Free float	197,529,108	63.9	191,496,167	62.0
	309,088,851	100.0	309,088,851	100.0

(b) Activity of capital shares

There were no changes in the shares during the fiscal year ended December 31, 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 in 2022	18,896,806	18.79	354,980
Payment of SOP, ILP and cancellation with treasury shares (Note 18 d.3)	(1,161,406)	13.83	(16,058)
Treasury shares in 2023	17,735,400	19.11	338,922

(d) Capital reserves

(d.1) Goodwill on share subscription

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

The share subscription goodwill in the financial statements as of December 31, 2023 and 2022, is as follows:

In thousands of Brazilian reais, except when otherwise indicated

	Parent company	
	2023	**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
	595,464	595,464

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

The goodwill on the share issuance is comprised as follows:

	2023
Subscription of 17,853,127 shares	(23,305)
Value paid for the 17,853,127 shares	522,204
Goodwill on share issuance	498,899

(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 financial statements reporting date.

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

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

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

	Number of shares	**Disposal**	**Value paid**	**Negative Goodwill**
Negative goodwill in 2022	2,841,580	49,145	36,736	12,141
SOP payment in 2023	13,100	259	259	
Negative goodwill in 2023	2,854,680	49,404	36,995	12,141

(e) Retained earnings

(e.1) Legal reserve

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

(e.2) Retained earnings reserve

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

In thousands of Brazilian reais, except when otherwise indicated

(f) Equity valuation adjustment

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

(g) Dividends

The by-laws of the Company sets forth a minimum mandatory dividend equivalent to 25% of the net income for the fiscal year, adjusted by the legal reserve set up according to the provisions of the corporation law.

As of December 31, 2023, the presentation of dividends and their respective changes in the fiscal year are shown below (on December 31, 2022, the Company presented a loss):

	Parent company
	2023
Parent company's net income for the fiscal year	152,344
Constitution of the legal reserve (Article 193 of Law No. 6,404)	(7,617)
Net income after appropriation of legal reserve	144,727
Mandatory minimum dividends - 25%	36,182
Additional dividend distributed	43,818
Total dividends distributed (i)	80,000
Additional dividend proposed	80,000
Total dividends	160,000
Number of shares on December 31	309,088,851
Treasury shares amount on December 31	(17,735,401)
Dividend per outstanding share - in Brazilian reais	0.2746
Dividend additional per outstanding share – in Brazilian reais	0.2746

(i) As of December 5, 2023, the Company paid in cash dividends for the 2023 fiscal year, in the amount of BRL 80,000, equivalent to approximately BRL 0.274930192 per common share issued by the Company. The early distribution approved at the Company's Board of Directors meeting on August 9, 2023.

19 Financial instruments and sensitivity analysis of financial assets and liabilities

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

The Company's assets and liabilities financial instruments as of December 31, 2023, are recorded in equity accounts in values compatible to 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.

In thousands of Brazilian reais, except when otherwise indicated

(b) Loans and financing

They are measured at the amortized cost, using the effective rate method.

(c) Trade receivables

They 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 (swaps) held by the Company as of December 31, 2023, recorded at fair value with effect on income:

BRL Thousand

Swap Contracts	Initial Date	Maturity Date	Principal Contracted (USD)	Principal Contracted (BRL)	Contracted rate	Swap Rate	Long leg	Short leg	Net exposure	Marking to market (MTM)	Fair Value (Accumulated)
Swap contract (exchange rate)											
Citibank	01/10/23	01/12/26	80,000	422,840	1.18*(SOFRUSD +0.68%)	CDI +1.25%	400,575	450,109	49,534	(54,124)	(4,590)
Swap contracts (fee)											
Bradesco	12/1/23	12/16/28	-	280,431	Pre + 11.3487%	CDI + 0.819%	282,713	282,990	(277)	4,051	3,774
XP	12/1/23	10/15/30	-	105,367	IPCA + 6.3584%	CDI + 0.98%	106,345	106,341	4	(1,084)	(1,080)

(e) Other financial instruments, assets, and liabilities

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

19.1 Fair value hierarchy

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

	Consolidated	
	2023	**2022**
Level 2		
Financial instruments at fair value through profit or loss		
Financial investments	684,104	763,576
Financial derivative instruments - SWAP	3,774	
(-) Derivative financial instruments – Swap (i)	(835,521)	(240,819)
	143,869	522,757

(i) Referring to loans for the ninth debenture issuance – CRI (1st and 3rd Series) and 4131 at Banco Citibank.

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

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

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

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

In the fiscal year ended December 31, 2023, there were no transfers arising from fair value measurements levels 1 and 2, nor inside level 3

19.2 Financial risk factors

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

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

(b) Interest rate risk

The Group is exposed to fluctuations in the Interbank Deposit Certificate (CDI) rate, which is used to adjust its financial investments and debts. In addition, any increase in interest rates could increase the cost loans, including students' 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, in order to mitigate exposure to exchange rate risk.

(d) Liquidity risk

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

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

In thousands of Brazilian reais, except when otherwise indicated

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	198,814			
Loans	885,381	1,143,781	2,298,641	123,124
Financial lease obligations	241,968	467,184	420,734	1,221,142
Commitments payable	13,468	36,507	8,947	
Financial liabilities – options			57,925	
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, payable, legal deposits, loans and financing, which are registered at cost value, plus income or charges incurred and financial investments, that are registered at fair value.

The main risks underlying the Group's operations are linked to changes in the CDI (Interbank Deposit Certificate) rate.

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

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

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

With the purpose to verify the sensitivity of the index for the financial investments to which the Group was exposed on the base date of December 31, 2023, three different scenarios were defined. Based on the CDI rate officially published by CETIP on December 31, 2023, (11.65% 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 December 31, 2023, projected for one year and verifying the sensitivity of the CDI rate for each scenario.

In thousands of Brazilian reais, except when otherwise indicated

				Scenario for CDI increase
Transactions	**Risk**	**Probable Scenario (I)**	**Scenario (II)**	**Scenario (III)**
Financial investments	CDI	11.65%	14.56%	17.48%
BRL 698,346		BRL 81,357	BRL 101,697	BRL 122,036
Debentures V - 2nd Series	CDI (Interbank Deposit Certificate) + 0.79%	11.74%	14.65%	17.57%
(BRL 183,235)		(BRL 21,508)	(BRL 26,848)	(BRL 32,189)
CCB – Safra	CDI + 2.18%	14.08%	17.06%	20.04%
(BRL 224,970)		(BRL 31,685)	(BRL 38,380)	(BRL 45,075)
4131 - Citi (USD 80MM)	CDI + 1.25%	13.05%	15.99%	18.94%
(BRL 449,892)		(BRL 58,691)	(BRL 71,958)	(BRL 85,225)
Debentures VI	CDI + 2.50%	14.44%	17.43%	20.41%
(BRL 1,108,229)		(BRL 160,042)	(BRL 193,126)	(BRL 226,210)
Debentures VII	CDI + 1.65%	13.49%	16.45%	19.41%
(BRL 303,088)		(BRL 40,893)	(BRL 49,866)	(BRL58,839)
Debentures VIII	CDI + 1.50%	13.32%	16.28%	19.24%
(BRL 516,889)		(BRL 68,874)	(BRL 84,154)	(BRL 99,435)
CRI – 1st Series	CDI + 0.82%	12.57%	15.50%	18.44%
(BRL 282,857)		(BRL 35,542)	(BRL 43,848)	(BRL 52,154)
CRI – 2nd Series	CDI + 0.90%	12.65%	15.59%	18.53%
(BRL 316,938)		(BRL 40,108)	(BRL 49,422)	(BRL 58,736)
CRI – 3rd Series	CDI + 0.98%	12.74%	15.69%	18.63%
(BRL 106,291)		(BRL 13,546	(BRL 16,672)	(BRL 19,798)
Net position		**(BRL 389,532)**	**(BRL 472,577)**	**(BRL 555,625)**

				Scenario for CDI decrease
Transactions	**Risk**	**Probable Scenario (I)**	**Scenario (II)**	**Scenario (III)**
Financial investments	CDI	11.65%	8.74%	5.83%
BRL 698,346		BRL 81,357	BRL 61,018	BRL 40,679
Debentures V - 2nd Series	CDI (Interbank Deposit Certificate) + 0.79%	11.74%	8.82%	5.91%
(BRL 183,235)		(BRL 21,508)	(BRL 16,167)	(BRL 10,826)
CCB - Safra	CDI + 2.18%	14.08%	11.11%	8.13%
(BRL 224,970)		(BRL 31,685)	(BRL 24,990)	(BRL 18,295)
4131 - Citi (USD 80MM)	CDI + 1.25%	13.05%	10.10%	7.15%
(BRL 449,892)		(BRL 58,691)	(BRL 45,424)	(BRL 32,157)
Debentures VI	CDI + 2.50%	14.44%	11.46%	8.47%
(BRL 1,108,229)		(BRL 160,042)	(BRL 126,958)	(BRL 93,874)
Debentures VII	CDI + 1.65%	13.49%	10.53%	7.57%
(BRL 303,088)		(BRL 40,893)	(BRL 31,920)	(BRL 22,947)
Debentures VIII	CDI + 1.50%	13.32%	10.37%	7.41%
(BRL 516,889)		(BRL 68,874)	(BRL 53,594)	(BRL 38,314)
CRI – 1st Series	CDI + 0.82%	12.57%	9.63%	6.69%
(BRL 282,857)		(BRL 35,542)	(BRL 27,237)	(BRL 18,931)
CRI – 2nd Series	CDI + 0.90%	12.65%	9.72%	6.78%
(BRL 316,938)		(BRL 40,108)	(BRL 30,794)	(BRL 21,480)
CRI – 3rd Series	CDI + 0.98%	12.74%	9.80%	6.86%
(BRL 106,291)		(BRL 13,546)	(BRL 10,420)	(BRL 7,294)
Net position		**(BRL 389,532)**	**(BRL 306,486)**	**(BRL 223,439)**

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

The sensitivity analysis related to foreign exchange risk refers to the position on December 31, 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 2023 disclosed in the last Focus Report - BACEN prior to the close of the fiscal year. Based on the probable exchange rate, scenarios of deterioration of 25% and 50% of the risk variable are generated.

In thousands of Brazilian reais, except when otherwise indicated

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

		Scenario for dollar increase		
Transactions	**Risk**	**Scenario (I)**	**Scenario (II)**	**Scenario (III)**
Swap - Long Leg	FX rate	4.85	6.07	7.28
400,575		400,575	500,719	600,863
Debt in USD	FX rate	4.85	6.07	7.28
450,109		450,109	562,636	675,164
Net position		(49,534)	(61,917)	(74,301)

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

The sensitivity analysis related to inflation refers to the position on December 31, 2023, and seeks to simulate how a stress in the IPCA rate 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 IPCA rate at the end of December 2023 disclosed in the last Focus Report - BACEN prior to the close of the fiscal year. Based on the probable IPCA 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 IPCA. We have decided to keep the Swap long leg separate from the short leg in order to make the effect of the derivative more evident.

		Scenario for IPCA rise		
Transactions	**Risk**	**Scenario (I)**	**Scenario (II)**	**Scenario (III)**
Long leg	IPCA + 6.3584%	10.82%	11.93%	13.05%
106,345		117,850	119,036	120,221
Short leg	IPCA + 6.3584%	10.82%	11.93%	13.05%
106,341		117,845	119,031	120,217
Net position		4	4	5

(f) Capital Management

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

	Consolidated	
	2023	**2022**
Loans and financing (Note 11)	3,474,346	3,529,428
Leases (Note 12)	1,668,733	1,511,069
Acquisition price payable (Note 16)	54,243	111,480
(-) Cash and cash equivalents and securities (Note 3)	(698,346)	(785,831)
(-) Financial instruments – SWAP (Note 19.d)	(3,774)	
Net debt	4,495,202	4,366,146
Equity	3,057,085	2,960,059
Net debt on equity	1.47	1.48

In thousands of Brazilian reais, except when otherwise indicated

(g) Offsetting of financial instruments

There are no material financial assets and liabilities subject to contractual offsetting as of December 31, 2023, and December 31, 2022.

20 Insurance coverage

The Company and its subsidiaries has a risk management program that seeks to limit the risks, and searching the market for coverage compatible with its size and operation. The insurance coverage was contracted for the amounts indicated below, considered sufficient by Management to cover possible claims, considering the nature of its activity, the risks involved in its operations and the guidance of its insurance consultants.

The Company and its subsidiaries have the following main insurance policies contracted with third parties:

	Amounts insured	
	2023	**2022**
Civil liability of officers	80,000	80,000
Civil liability	30,000	30,000
Property insurance (i)	124,506	141,000
Cyber Risk Insurance	20,000	20,000
Group Life	1,501,935	1,620,000

(i) Corresponds to buildings, improvements, furniture, machinery, materials and utensils, goods and raw materials.

21 Managers' compensation

(a) Compensation

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

In the fiscal years ended December 31, 2023 and 2022, the total compensation (fixed, variable, shares, and the respective social charges) of the Company's directors, officers and main executives was BRL 35,927 and BRL 51,483, respectively. Remunerations are 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 their employees, except for the share call option plan described in Note 21 (b).

(b) Shares call option plan

First Stock 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.

In thousands of Brazilian reais, except when otherwise indicated

Up to June 30, 2023, eleven stock option programs were created, of which six programs do not contain stockpile 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 stockpile to be exercised.

As of December 31, 2023 and 2022, 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 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	1,947,046	866,714	29,240
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
	Overall Total		**9,058,789**	**4,199,110**	**2,516,841**	**2,222,858**	**119,980**

In thousands of Brazilian reais, except when otherwise indicated

The assumptions used to calculate each granting, 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	BRL 14.18	BRL 6.14	13,500
11th Program Apr17	04/25/2017	04/23/2019	04/23/2028	188,000	BRL 14.18	BRL 6.84	86,000
11th Program Apr17	04/25/2017	04/23/2020	04/23/2028	188,000	BRL 14.18	BRL 7.41	132,500
11th Program Apr17	04/25/2017	04/23/2021	04/23/2028	188,000	BRL 14.18	BRL 7.86	135,500
11th Program Apr17	04/25/2017	04/23/2022	04/23/2028	188,000	BRL 14.18	BRL 8.26	137,000
11th Program Apr17 Cons.	04/25/2017	04/23/2018	04/23/2028	25,505	BRL 14.18	BRL 6.14	25,505
11th Program Apr17 Cons.	04/25/2017	04/23/2019	04/23/2028	25,505	BRL 14.18	BRL 6.84	25,505
10th Program Jul16	07/19/2016	04/15/2017	07/19/2026	208,000	BRL 15.12	BRL 6.89	2,000
10th Program Jul16	07/19/2016	04/15/2018	07/19/2026	208,000	BRL 15.12	BRL 7.89	33,000
10th Program Jul16	07/19/2016	04/15/2019	07/19/2026	208,000	BRL 15.12	BRL 8.61	153,000
10th Program Jul16	07/19/2016	04/15/2020	07/19/2026	208,000	BRL 15.12	BRL 9.18	183,000
10th Program Jul16	07/19/2016	04/15/2021	07/19/2026	208,000	BRL 15.12	BRL 9.64	183,000
10th Program Jul16 Cons.	07/19/2016	04/15/2017	07/19/2026	32,890	BRL 15.12	BRL 6.89	0
10th Program Jul16 Cons.	07/19/2016	04/15/2018	07/19/2026	32,889	BRL 15.12	BRL 7.89	0
9th Program Apr16	04/29/2016	04/15/2017	04/15/2027	80,000	BRL 11.87	BRL 6.02	20,000
9th Program Apr16	04/29/2016	04/15/2018	04/15/2027	80,000	BRL 11.87	BRL 6.66	20,000
9th Program Apr16	04/29/2016	04/15/2019	04/15/2027	80,000	BRL 11.87	BRL 7.14	80,000
9th Program Apr16	04/29/2016	04/15/2020	04/15/2027	80,000	BRL 11.87	BRL 7.52	80,000
9th Program Apr16	04/29/2016	04/15/2021	04/15/2027	80,000	BRL 11.87	BRL 7.83	80,000
8P Program	10/28/2015	04/15/2016	04/15/2026	196,600	BRL 13.15	BRL 5.45	2,000
8P Program	10/28/2015	04/15/2017	04/15/2027	196,600	BRL 13.15	BRL 6.42	56,800
8P Program	10/28/2015	04/15/2018	04/15/2028	196,600	BRL 13.15	BRL 7.20	81,200
8P Program	10/28/2015	04/15/2019	04/15/2029	196,600	BRL 13.15	BRL 7.88	150,200
8P Program	10/28/2015	04/15/2020	04/15/2030	196,600	BRL 13.15	BRL 8.47	173,200
7P Program Oct14	10/14/2014	04/15/2015	04/15/2025	177,800	BRL 26.83	BRL 8.58	16,000
7P Program Oct14	10/14/2014	04/15/2016	04/15/2026	177,800	BRL 26.83	BRL 9.71	37,000
7P Program Oct14	10/14/2014	04/15/2017	04/15/2027	177,800	BRL 26.83	BRL 10.64	86,000
7P Program Oct14	10/14/2014	04/15/2018	04/15/2028	177,800	BRL 26.83	BRL 11.47	104,400
7P Program Oct14	10/14/2014	04/15/2019	04/15/2029	177,800	BRL 26.83	BRL 12.24	135,800
6P Program Aug14	08/01/2014	04/15/2015	04/15/2025	60,000	BRL 29.16	BRL 14.48	0
6P Program Aug14	08/01/2014	04/15/2016	04/15/2026	60,000	BRL 29.16	BRL 15.10	28,000
6P Program Aug14	08/01/2014	04/15/2017	04/15/2027	60,000	BRL 29.16	BRL 15.74	28,000
6P Program Aug14	08/01/2014	04/15/2018	04/15/2028	60,000	BRL 29.16	BRL 16.38	28,000
6P Program Aug14	08/01/2014	04/15/2019	04/15/2029	60,000	BRL 29.16	BRL 16.98	44,000
6P Program Aug14 Cons.	08/01/2014	04/15/2015	08/01/2024	50,000	BRL 29.16	BRL 14.43	0
6P Program Aug14 Cons.	08/01/2014	04/15/2016	08/01/2024	50,000	BRL 29.16	BRL 15.02	0
6P Program July14	07/04/2014	04/15/2015	04/15/2025	608,000	BRL 29.94	BRL 15.13	0
6P Program July14	07/04/2014	04/15/2016	04/15/2026	608,000	BRL 29.94	BRL 15.76	80,000
6P Program July14	07/04/2014	04/15/2017	04/15/2027	608,000	BRL 29.94	BRL 16.41	602,000
6P Program July14	07/04/2014	04/15/2018	04/15/2028	608,000	BRL 29.94	BRL 17.05	608,000
6P Program July14	07/04/2014	04/15/2019	04/15/2029	608,000	BRL 29.94	BRL 17.65	608,000
6P Program July14 Cons.	07/04/2014	04/15/2015	07/04/2024	162,500	BRL 29.94	BRL 15.09	0
6P Program July14 Cons.	07/04/2014	04/15/2016	07/04/2024	162,500	BRL 29.94	BRL 15.69	0
6P Program Oct13	10/02/2013	04/15/2014	04/15/2024	265,000	BRL 16.82	BRL 5.05	5,000
6P Program Oct13	10/02/2013	04/15/2015	04/15/2025	265,000	BRL 16.82	BRL 5.79	5,000
6P Program Oct13	10/02/2013	04/15/2016	04/15/2026	265,000	BRL 16.82	BRL 6.40	19,000
6P Program Oct13	10/02/2013	04/15/2017	04/15/2027	265,000	BRL 16.82	BRL 6.94	88,000
6P Program Oct13	10/02/2013	04/15/2018	04/15/2028	265,000	BRL 16.82	BRL 7.43	104,000
5P 3 Program	03/01/2013	04/15/2014	04/15/2024	144,000	BRL 16.16	BRL 6.37	0
5P 3 Program	03/01/2013	04/15/2015	04/15/2025	144,000	BRL 16.16	BRL 7.02	21,000
5P 3 Program	03/01/2013	04/15/2016	04/15/2026	144,000	BRL 16.16	BRL 7.60	102,000
5P 3 Program	03/01/2013	04/15/2017	04/15/2027	144,000	BRL 16.16	BRL 8.11	102,000
5P 3 Program	03/01/2013	04/15/2018	04/15/2028	144,000	BRL 16.16	BRL 8.58	123,000
4P Program Jan/13	01/10/2013	04/15/2014	04/15/2024	160,200	BRL 14.40	BRL 8.23	7,200
4P Program Jan/13	01/10/2013	04/15/2015	04/15/2025	160,200	BRL 14.40	BRL 8.35	7,200
4P Program Jan/13	01/10/2013	04/15/2016	04/15/2026	160,200	BRL 14.40	BRL 8.48	7,200
4P Program Jan/13	01/10/2013	04/15/2017	04/15/2027	160,200	BRL 14.40	BRL 8.62	88,200
4P Program Jan/13	01/10/2013	04/15/2018	04/15/2028	160,200	BRL 14.40	BRL 8.75	94,200

In thousands of Brazilian reais, except when otherwise indicated

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/12	11/05/2012	04/15/2014	04/15/2024	15,000	BRL 13.13	BRL 6.31	0
4P Program Nov/12	11/05/2012	04/15/2015	04/15/2025	15,000	BRL 13.13	BRL 6.88	0
4P Program Nov/12	11/05/2012	04/15/2016	04/15/2026	15,000	BRL 13.13	BRL 7.36	15,000
4P Program Nov/12	11/05/2012	04/15/2017	04/15/2027	15,000	BRL 13.13	BRL 7.79	15,000
4P Program Nov/12	11/05/2012	04/15/2018	04/15/2028	15,000	BRL 13.13	BRL 8.08	15,000
4P Program Aug/12	08/06/2012	04/15/2013	04/15/2023	18,000	BRL 8.66	BRL 2.64	0
4P Program Aug/12	08/06/2012	04/14/2014	04/14/2024	18,000	BRL 8.66	BRL 3.37	18,000
4P Program Aug/12	08/06/2012	04/14/2015	04/14/2025	18,000	BRL 8.66	BRL 3.88	18,000
4P Program Aug/12	08/06/2012	04/14/2016	04/14/2026	18,000	BRL 8.66	BRL 4.29	18,000
4P Program Aug/12	08/06/2012	04/14/2017	04/14/2027	18,000	BRL 8.66	BRL 4.55	18,000
4P Program Jul/12	07/02/2012	04/15/2013	04/15/2023	48,000	BRL 8.10	BRL 2.23	0
4P Program Jul/12	07/02/2012	04/14/2014	04/14/2024	48,000	BRL 8.10	BRL 2.96	0
4P Program Jul/12	07/02/2012	04/14/2015	04/14/2025	48,000	BRL 8.10	BRL 3.46	9,000
4P Program Jul/12	07/02/2012	04/14/2016	04/14/2026	48,000	BRL 8.10	BRL 3.86	9,000
4P Program Jul/12	07/02/2012	04/14/2017	04/14/2027	48,000	BRL 8.10	BRL 4.12	48,000
4P Program Apr/12	04/02/2012	04/15/2013	04/15/2023	234,000	BRL 6.50	BRL 1.12	27,000
4P Program Apr/12	04/02/2012	04/14/2014	04/14/2024	234,000	BRL 6.50	BRL 1.81	42,000
4P Program Apr/12	04/02/2012	04/14/2015	04/14/2025	234,000	BRL 6.50	BRL 2.26	42,000
4P Program Apr/12	04/02/2012	04/14/2016	04/14/2026	234,000	BRL 6.50	BRL 2.60	60,000
4P Program Apr/12	04/02/2012	04/14/2017	04/14/2027	234,000	BRL 6.50	BRL 2.82	138,000
3P Program Apr/11	04/20/2011	04/15/2012	04/15/2022	165,324	BRL 7.80	BRL 1.29	12,717
3P Program Apr/11	04/20/2011	04/14/2013	04/14/2023	165,240	BRL 7.80	BRL 2.27	38,133
3P Program Apr/11	04/20/2011	04/14/2014	04/14/2024	165,240	BRL 7.80	BRL 2.92	61,011
3P Program Apr/11	04/20/2011	04/14/2015	04/14/2025	165,240	BRL 7.80	BRL 3.42	61,011
3P Program Apr/11	04/20/2011	04/14/2016	04/14/2026	165,240	BRL 7.80	BRL 3.74	80,079
3P Program Jan/11	01/03/2011	04/15/2012	04/15/2022	183,861	BRL 9.00	BRL 1.99	10,170
3P Program Jan/11	01/03/2011	04/14/2013	04/14/2023	183,807	BRL 9.00	BRL 3.02	35,592
3P Program Jan/11	01/03/2011	04/14/2014	04/14/2024	183,807	BRL 9.00	BRL 3.72	51,072
3P Program Jan/11	01/03/2011	04/14/2015	04/14/2025	183,807	BRL 9.00	BRL 4.25	51,072
3P Program Jan/11	01/03/2011	04/14/2016	04/14/2026	183,807	BRL 9.00	BRL 4.60	51,072
2P Program Jul/10	07/28/2010	04/15/2011	04/15/2021	129,702	BRL 6.73	BRL 1.37	39,063
2P Program Jul/10	07/28/2010	04/14/2012	04/14/2022	129,684	BRL 6.73	BRL 2.19	39,063
2P Program Jul/10	07/28/2010	04/14/2013	04/14/2023	129,684	BRL 6.73	BRL 2.72	48,438
2P Program Jul/10	07/28/2010	04/14/2014	04/14/2024	129,684	BRL 6.73	BRL 3.12	48,438
2P Program Jul/10	07/28/2010	04/14/2015	04/14/2025	129,684	BRL 6.73	BRL 3.36	60,936
2P Program May/10	05/06/2010	04/15/2011	04/15/2021	140,625	BRL 6.33	BRL 2.52	0
2P Program May/10	05/06/2010	04/15/2012	04/15/2015	140,625	BRL 6.33	BRL 2.52	140,625
2P Program May/10	05/06/2010	04/14/2013	04/14/2023	140,625	BRL 6.33	BRL 2.52	140,625
2P Program May/10	05/06/2010	04/14/2014	04/14/2024	140,625	BRL 6.33	BRL 2.52	140,625
2P Program May/10	05/06/2010	04/14/2015	04/14/2025	140,625	BRL 6.33	BRL 2.52	140,625
1P Program Mar/10	03/01/2010	04/15/2011	04/15/2021	90,909	BRL 7.50	BRL 2.43	0
1P Program Mar/10	03/01/2010	04/14/2012	04/14/2022	90,909	BRL 7.50	BRL 3.23	0
1P Program Mar/10	03/01/2010	04/14/2013	04/14/2023	90,909	BRL 7.50	BRL 3.77	0
1P Program Mar/10	03/01/2010	04/14/2014	04/14/2024	90,909	BRL 7.50	BRL 4.18	0
1P Program Mar/10	03/01/2010	04/14/2015	04/14/2025	90,909	BRL 7.50	BRL 4.43	0
1P Program Jan/10	01/11/2010	04/15/2011	04/15/2021	89,112	BRL 8.17	BRL 2.96	10,914
1P Program Jan/10	01/11/2010	04/14/2012	04/14/2022	89,088	BRL 8.17	BRL 3.78	38,181
1P Program Jan/10	01/11/2010	04/14/2013	04/14/2023	89,088	BRL 8.17	BRL 4.34	38,181
1P Program Jan/10	01/11/2010	04/14/2014	04/14/2024	89,088	BRL 8.17	BRL 4.76	52,728
1P Program Jan/10	01/11/2010	04/14/2015	04/14/2025	89,088	BRL 8.17	BRL 5.03	52,728
1P Program Sep/09	09/29/2009	04/15/2010	04/15/2020	174,582	BRL 6.70	BRL 1.78	0
1P Program Sep/09	09/29/2009	04/15/2011	02/15/2021	174,537	BRL 6.70	BRL 2.51	32,727
1P Program Sep/09	09/29/2009	04/14/2012	04/14/2022	174,537	BRL 6.70	BRL 3.00	32,727
1P Program Sep/09	09/29/2009	04/14/2013	04/14/2023	174,537	BRL 6.70	BRL 3.40	32,727
1P Program Sep/09	09/29/2009	04/14/2014	04/14/2024	174,537	BRL 6.70	BRL 3.62	101,814
1P Program Jan/09	01/13/2009	04/15/2010	04/15/2020	90,915	BRL 4.40	BRL 0.57	18,180
1P Program Jan/09	01/13/2009	04/15/2011	04/15/2021	90,909	BRL 4.40	BRL 1.21	72,729
1P Program Jan/09	01/13/2009	04/14/2012	04/15/2022	90,909	BRL 4.40	BRL 1.62	72,729
1P Program Jan/09	01/13/2009	04/14/2013	04/15/2023	90,909	BRL 4.40	BRL 1.92	72,729
1P Program Jan/09	01/13/2009	04/14/2014	04/15/2024	90,909	BRL 4.40	BRL 2.11	72,729

In thousands of Brazilian reais, except when otherwise indicated

Second Share Plan

The Second Stock Option Plan was submitted for approval by the shareholders at the General 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 (1) 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 fifteen Brazilian reais (BRL 15.00) for Options A; Twenty Brazilian reais (BRL 20.00) for Options B; Twenty-five Brazilian reais (BRL 25.00) for Options C; and thirty Brazilian reais (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 (6) 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 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 Scholles model, are as follows:

Lot	Batch reference	Pricing model	Date of Grant	Date of vesting period	Maturity date	Price of base asset	Strike price	Volatility	Dividend yield	Interest rate	Expected life of the option (Maturity)	Fair Value B&S
1	NEW 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	NEW 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	NEW 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	NEW 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 the technical pronouncement CPC 10 (R1), the share-based payouts that were open on December 31, 2023 and 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 fiscal year ended December 31, 2023, an allowance of BRL 2.023 was recognized (BRL 26 in the fiscal year ended December 31, 2022). The accumulated allowance as of December 31, 2023, is BRL 76,878 (BRL 74,855 as of December 31, 2022).

In thousands of Brazilian reais, except when otherwise indicated

(c) Performance Share Program

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

The managers and employees of the Company or of the 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 thirty (30) trading sessions prior to the date of each Program.

Each Program created by the Board of Directors will have a term of five (5) years, and the restricted shares granted will be divided into five (5) equal annual lots, with the vesting period occurring annually.

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

For the Restricted Shares Granting Plan, the value of the program allowance for the fiscal year ended December 31, 2023, is BRL 7,672 (BRL 19,394 on December 31, 2022). The accumulated allowance as of December 31, 2023, is BRL 64,475 (BRL 57,802 as of December 31, 2022).

As of December 31, 2023, the number of shares granted and delivered was 3,839,463 shares, and the total shares granted amounted to 11,225,900 shares.

Program Year	Program	Granted	Additional per Dividends	Additional per Performance	Delivered	Unvested	Cancelled	Forfeited
2018	1P	1,395,500	90,926	40,825	724,622		147,031	655,600
2018	1P - Cons	130,000	9,441		139,441			
2018	1P - Esp.	300,000	28,680	16,158	322,836		22,001	
2019	2P	879,000	20,041	41,500	510,138	85,983	90,385	254,035
2020	2P - Cons	98,000	3,158		94,028		130	7,000
2019	2P - Esp.	100,000	3,004	5,000	81,732	21,100	5,172	
2019	3P	630,000	15,455		565,455			80,000
2022	3P - Cons	98,000	1,026			85,026		14,000
2019	3P - Esp.	200,000	5,620		205,620			
2019	4P	100,000	3,073	5,000	61,046		7,027	40,000
2019	5P	80,000	2,760				2,760	80,000
2020	6P	1,389,600	41,096		535,100	321,256	146,218	428,122
2020	7P	445,000	11,277		237,491		3,786	215.000
2020	8P	460,000	24,574		168,814	253,221	2,539	60,000
2020	9P	100,000	2,221		71,612		609	30,000
2021	10P	1,330,800	32,307		311,167	553,439	155,578	342,923
2021	11P	85,000	458		15,269	15,300	6,889	48,000
2022	12P	1,350,000	20,545		138,334	882,052	107,443	242,716
2023	13P	735,000	8,710			722,710		21,000
2023	13P - Esp.	1,320,000	16,165			1,336,165		
Overall Total		**11,225,900**	**340,537**	**108,483**	**4,182,705**	**4,276,252**	**697,568**	**2,518,396**

22 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

	2023	2022
Numerator		
Net income (loss) for the fiscal year	152,344	(58,244)
Denominator (in thousands of shares)		
Weighted average of the number of outstanding shares	290,803	294,426
Net income (loss) per batch of a thousand shares - basic	0.52387	(0.19782)

(b) Earnings per share - diluted

	2023	2022
Numerator		
Net income (loss) for the period	152,344	(58,244)
Denominator (in thousands of shares)		
Weighted average of the number of outstanding shares	290,803	294,426
Weighted average of outstanding shares	290,803	294,426
Net income (loss) per batch of a thousand shares - diluted	0.52387	(0.19782)

23 Net revenue from services provided

	Consolidated	
	2023	2022
Gross revenue	10,852,196	9,789,702
Deduction from gross revenue	(5,704,634)	(5,224,762)
Grants - scholarships	(5,173,474)	(4,937,333)
Refund of monthly tuition fees and charges	(30,355)	(25,347)
Discounts granted	(215,452)	(54,073)
Taxes	(193,680)	(173,019)
Adjustment to present value – PAR/DIS/Credathenas	(9,020)	(8,247)
FIES (i)	(82,653)	(26,743)
	5,147,562	4,564,940

(i) Refers to FGEDUC and management fees.

24 Costs of services provided

	Consolidated	
	2023	2022
Personnel and social charges	(1,215,471)	(1,183,792)
Electricity, water, gas, and telephone	(52,594)	(48,922)
Rental, condominium fees, and IPTU	(38,991)	(35,686)
Mail and Couriers	(1,549)	(1,846)
Depreciation and amortization	(423,639)	(428,050)
Teaching material	(10,790)	(9,719)
Third-party services - security and cleaning	(63,039)	(64,451)
Others	(271,211)	(210,006)
	(2,077,284)	(1,982,472)

In thousands of Brazilian reais, except when otherwise indicated

25 Selling, general and administrative expenses

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Commercial expenses				
Allowance for expected credit losses (Note 4)			(618,636)	(603,721)
Advertising			(246,489)	(251,241)
Sales and marketing			(89,916)	(116,846)
Others			(47)	20,794
			(955,088)	(951,014)
General and administrative expenses				
Personnel and social charges	(5,598)	(5,469)	(410,747)	(317,874)
Third parties' services	(4,508)	(3,537)	(173,795)	(163,989)
Maintenance and repairs	(1)		(100,032)	(73,589)
Depreciation and amortization		(2)	(361,630)	(280,492)
Educational agreements			(51,725)	(38,063)
Travel and accommodation	(1)	(24)	(17,508)	(8,378)
Provision for contingencies (Note 17)		284	(110,876)	(76,464)
Insurance	(2,804)	(7,890)	(5,485)	(10,446)
Transportation	(30)	(1)	(6,174)	(5,635)
Vehicle rental			(6,057)	(5,805)
Others	(511)	(264)	(67,385)	(60,380)
	(13,453)	(16,903)	(1,311,414)	(1,041,115)

26 Other operating revenues/expenses

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Earn-out (i)			32,923	
Lease revenues			11,012	8,232
Revenues with agreements	3,021	3,021	6,292	7,570
Gain (loss) on disposal of property, plant and equipment			(38,147)	5,589
Other operating revenues (expenses)	689	(159)	(11,289)	5,683
	3,710	2,862	791	27,074

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

27 Financial income

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Financial revenues				
Late payment fines and interest			55,891	53,796
Revenues from financial investments	16,915	27,360	142,877	183,446
Derivatives fair value (SWAP) (i)	108,245	1,692	108,245	1,692
Adjustment of tax credits and financial products	9,142	6,842	25,284	(1,833)
Others	2	1	2,911	3,626
(-) PIS and COFINS on financial transactions (ii)	(15,873)	(17,398)	(26,602)	(29,223)
	118,431	18,497	308,606	211,504

In thousands of Brazilian reais, except when otherwise indicated

Financial expenses				
Bank expenses	(721)	(792)	(9,339)	(12,141)
Interest and financial charges	(441,993)	(461,110)	(480,144)	(500,104)
Adjustment of provision for contingencies (Note 17)		163	(46,505)	(38,691)
Financial deductions (iii)			(77,088)	(91,110)
Negative exchange variation			(12,267)	(26,252)
Derivatives fair value (*SWAP*) (i)	(107,824)	(190)	(107,824)	(190)
Interest on loans (SWAP)	(95,180)	(88,255)	(95,180)	(88,255)
Expenses with loans	(3,965)	(4,447)	(3,965)	(4,447)
Lease interest - Right of use			(154,086)	(143,377)
Others	(6,858)	(2,590)	(16,506)	(11,563)
	(656,541)	(557,221)	(1,002,904)	(916,130)

(i) Refers to loans in foreign currency and derivatives contracted to protect the Company from foreign exchange exposure.
(ii) Refers to charges on financial income and JCP (Interest on Equity).
(iii) Related to discounts granted upon renegotiation of overdue monthly tuition fees.

28 Income by business segment

				2023
	In-class courses	**Digital**	**Premium**	**Total**
Gross Revenue	5,514,151	3,800,998	1,537,049	10,852,198
Deductions	(3,366,958)	(2,067,242)	(270,436)	(5,704,636)
Net revenue (Note 23)	**2,147,193**	**1,733,756**	**1,266,613**	**5,147,562**
Costs of the Services Provided (Note 24)	(901,197)	(339,078)	(413,370)	(1,653,645)
Personnel and social charges	(771,440)	(66,152)	(377,879)	(1,215,471)
Rental, condominium fees, and IPTU	(27,738)	230	(11,483)	(38,991)
Mail and Couriers	(649)	(607)	(293)	(1,549)
Teaching material	(8,310)	(10)	(2,470)	(10,790)
Third parties' services and others	(93,060)	(272,539)	(21,245)	(386,844)
Depreciation and amortization (Note 24)	(301,372)	(28,285)	(93,982)	(423,639)
Gross income	**944,624**	**1,366,393**	**759,261**	**3,070,278**
Selling expenses (Note 25)	(451,767)	(422,051)	(81,270)	(955,088)
General and administrative expenses (Note 25)	(425,774)	(291,495)	(232,515)	(949,784)
Depreciation and amortization (Note 25)	(166,634)	(116,158)	(78,838)	(361,630)
Other Revenues/Expenses (Note 26)	(17,967)	10,397	8,361	791
Operating income	**(117,518)**	**547,086**	**374,999**	**804,567**

				2022
	In-class courses	**Digital**	**Premium**	**Consolidated**
Gross Revenue	5,296,988	3,226,727	1,265,987	9,789,702
Deductions	(3,212,097)	(1,824,714)	(187,951)	(5,224,762)
Net revenue (Note 23)	2,084,891	1,402,013	1,078,036	4,564,940
Costs of the Services Provided (Note 24)	(915,681)	(284,616)	(354,125)	(1,554,422)
Personnel and social charges	(788,922)	(70,539)	(324,331)	(1,183,792)
Rental, condominium fees, and IPTU	(24,943)	(390)	(10,352)	(35,685)
Mail and Couriers	(919)	(668)	(259)	(1,846)
Teaching material	(7,638)	(39)	(2,042)	(9,719)
Third parties' services and others	(93,259)	(212,980)	(17,141)	(323,380)
Depreciation and amortization (Note 24)	(331,642)	(24,707)	(71,701)	(428,050)
Gross income	**837,568**	**1,092,690**	**652,210**	**2,582,468**
Selling expenses (Note 25)	(486,292)	(370,030)	(94,692)	(951,014)
General and administrative expenses (Note 25)	(362,663)	(225,086)	(172,874)	(760,623)
Depreciation and amortization (Note 25)	(135,134)	(88,041)	(57,317)	(280,492)
Other Revenues/Expenses (Note 26)	18,777	6,344	1,953	27,074
Operating income	**(127,744)**	**415,877**	**329,280**	**617,413**

In thousands of Brazilian reais, except when otherwise indicated

29 Income tax and social security contribution

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

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Profit (Loss) before income tax and social security contribution	152,014	(58,288)	110,269	(87,213)
Nominal rate combined from income tax and social security contribution - %	34	34	34	34
Income tax and social security contribution at legislation rates	(51,685)	19,818	(37,491)	29,652
Equity accounting method	237,955	168,122		
Goodwill			7,449	19,615
Non-deductible expenses (i)	3,109	2,326	908	2,769
Interest on Equity	(53,890)	(58,106)		
Tax loss - not constituted	(135,159)	(132,116)	(149,549)	(171,811)
Non-taxable income			(1,038)	4,398
Tax incentives of PROUNI program			216,804	144,016
Incentive - *"Lei do Bem"*			2,933	
Other tax incentives			5,907	994
Other expenses			134	358
Current and deferred income tax and social security contribution charges over the income for the fiscal year	330	44	46,057	29,992
Current IRPJ and CSLL in income			(57,874)	(14,293)
Deferred IRPJ and CSLL in income	330	44	103,931	44,285
IRPJ and CSLL from previous fiscal years			(1,675)	1,777
	330	44	44,382	31,769

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

As of December 31, 2023, the Company recorded deferred tax credit from the temporary differences and tax loss and negative basis in the amount of BRL 474,012 (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	
	2023	**2022**	**2023**	**2022**
Expected credit loss - PCE			115,718	78,974
Leases			93,478	63,047
Allowance for contingencies			81,585	74,942
Tax loss			79,345	82,608
Recognized granted options	1,505	1,175	75,921	63,047
Monthly tuition fees to be invoiced / canceled			23,264	23,737
Allowance for retirement			22,494	19,692
Adjustment to present value			13,199	9,408
Depreciation	13	14	12,880	5,937
Other Assets			2,790	3,655
Allowance for Fies Risk			342	325
Goodwill incorporated			(2,230)	(2,230)
Assets Surplus Value Amortization			7,298	(12,909)
Business Combination			(25,961)	(27,951)
	1,518	1,189	500,123	398,086
Assets	1,518	1,189	500,123	398,086
	1,518	1,189	500,123	398,086

In thousands of Brazilian reais, except when otherwise indicated

The realization of the deferred tax effect on temporary differences recorded as of December 31, 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 and social security contribution assets on losses will be realized in accordance with Management's expectations, as follows:

	2023
	Consolidated
2024	8,358
2025 to 2027	44,256
2028 to 2032	26,731
	79,345

30 Subsequent Events

As of January 1, 2024, the Group carried out a corporate restructuring involving the following companies: Sociedade Universitária de Excelência Educacional Rio Grande do Norte Ltda. ("FATERN"), Nova Academia do Concurso – Cursos Preparatórios Ltda. ("NAC"), Centro Educacional Nossa Cidade Ltda. ("FNC") and Ensine.me Serviços Educacionais Ltda. ("EnsineMe") which were incorporated into their direct parent companies, as shown in the table below:

Acquired company	Acquiring company
Sociedade Universitária de Excelência Educacional Rio Grande do Norte Ltda. ("FATERN")	Sociedade de Ensino Superior, Médio e Fundamental Ltda. ("IREP")
Nova Academia do Concurso – Cursos Preparatórios Ltda. ("NAC")	Sociedade de Ensino Superior Estácio de Sá Ltda. ("SESES")
Centro Educacional Nossa Cidade Ltda. ("FNC")	Sociedade Educacional Atual da Amazônia ("ATUAL")
Ensine.me Serviços Educacionais Ltda. ("EnsineMe")	Sociedade de Ensino Superior Estácio de Sá Ltda. ("SESES")

On January 31, 2024, the Company concluded the contracting of the 8th loan of line 4131 with Citibank in the amount of USD 44.0 million (converted into BRL 218.4 million in quotation equivalent to January 30, 2024). The transaction was contracted under SWAP at an Active Curve of USD_SOFR + 0.8640% p.a. and a Passive Curve of CDI + spread.

On February 15, 2024, the Company fully settled the Fifth debenture issuance (2nd Series) with a principal amount of BRL 175 million and interest in the amount of BRL 10.9 million.

On February 23, 2024, the Company approved the 10th issue of simple debentures, not convertible into shares, of the unsecured type, in up to 2 (two) series, for public distribution, in the total amount of BRL 1.1 billion, with the 1st Series maturing in 5 years and the 2nd Series maturing in 7 years, and both will be subject to a public offering (Bookbuilding).

* * *

MANAGEMENT REPORT

Dear Shareholders,

The Management of YDUQS Participações S.A. ("Company") hereby presents the Management Report and Consolidated Financial Statements for the fiscal year ended December 31, 2023, prepared in accordance with the accounting practices adopted in Brazil and with International Financial Reporting Standards ("IFRS") and accompanied by the Independent Auditor's Report.

Corporate Profile

YDUQS is one of Brazil's largest higher education players in number of students, according to INEP's latest Higher Education Census, and is structured based on three large business units that grant speed and specific focus for each operational segment: Premium, Digital Learning and On-campus business units.

The Company's portfolio comprises major education brands: Estácio, Ibmec, IDOMED and Wyden operating in the On-campus, Semi on-campus and Digital Learning segments. Damásio, Hardwork Medicina and Grupo Q - specialized in preparing candidates for examinations and public service exams - are part of its portfolio. Each institution serves different student profiles across the country, offering a customized educational experience. Aimed at complementing this education ecosystem, the Company relies on EnsineMe, a business branch dedicated to developing methodologies, digital content, platforms and specific technologies for education in all our institutions.

YDUQS' executive officers would like to emphasize the Company's commitment to operating a base of over 1 million students by the end of 2023, always delivering academic excellence, adequate financial and equity conditions to implement its business plan, as well as complying with its obligations. This commitment is based on the ongoing pursuit of improved operational and financial performance. Furthermore, the Company always strives to improve the engagement and communication with all stakeholders. YDUQS is committed to integrating sustainability into all its activities, enhancing its legacy in the education industry – in the environmental, social, governance and economic pillars – working ethically and transparently towards sustainable development.

Message from the Management

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

YDUQS's CEO

Operational performance

Table 1: Student Base

thousand	2022	2023	Δ %
Total Base	**1,194.9**	**1,308.0**	**9.5%**
On-Campus	**268.0**	**262.9**	**-1.9%**
On-campus undergraduate degree	234.2	211.0	-9.9%
Semi on-campus undergraduate degree	30.9	48.9	58.2%
Master's and Doctorate degrees	2.9	3.0	5.4%
Digital Learning	**912.8**	**1,029.4**	**12.8%**
Undergraduate	429.8	500.8	16.5%
Lifelong	483.0	528.7	9.4%
QConcursos	443.1	494.5	11.6%
Premium	**14.1**	**15.7**	**11.3%**
Medicine	7.9	8.7	10.6%
IBMEC	6.2	7.0	12.2%

At the end of 2023, the Company's total student base was **1,308.0 thousand students** (+9.5% versus 2022). The main changes in the period are explained below, broken down by business unit.

The **Premium** segment ended the year with **15.7 thousand students (+11.3% YoY)**, boosted by an increase in undergraduate programs. The **Medicine undergraduate** segment maintained its strong performance, closing the period 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 in the year. **IBMEC total student base** increased by 12.2% vs. 2022, stemming from better intake performance throughout the year, especially in São Paulo, where a new unit (Faria Lima) was opened.

The **Digital Learning segment,** which includes Lifelong, reached **1,029.4 thousand students** by the end of 2023, moving up by 12.8% YoY, mainly driven by the performance of undergraduate programs. **Undergraduate student base** recorded substantial growth of 16.5% vs. 2022, 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.

The **On-campus segment** ended the year 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% vs. 2022, due to the high demand for this model. The semi on-campus undergraduate programs' strong performance, coupled with a stable renewal rate contributed to the total undergraduate student base's performance, which recorded a slight decrease of 2.0% vs. 2022.

Financial Performance

Table 2: Income Statement

R$ million	2022	2023	∆%
Gross Operating Revenue	**9,789.7**	**10,852.2**	**10.9%**
Monthly tuition fees	9,789.7	10,852.2	10.9%
Deductions from gross revenue	(5,224.8)	(5,704.6)	9.2%
Net Operating Revenue	**4,564.9**	**5,147.6**	**12.8%**
Premium	1,078.0	1,266.6	17.5%
Digital Learning	1,402.0	1,733.8	23.7%
On-Campus	2,084.9	2,147.2	3.0%
Cost of Services	(1,982.5)	(2,077.3)	4.8%
Gross profit	**2,582.5**	**3,070.3**	**18.9%**
Gross Margin	*56.6%*	*59.6%*	*3.1 p.p.*
Selling Expenses	(951.0)	(955.1)	0.4%
G&A Expenses	(1,041.1)	(1,311.4)	26.0%
Other operating revenue/ expenses	27.1	0.8	-97.1%
(+) Depreciation and amortization	708.5	785.3	10.8%
EBITDA	**1,326.0**	**1,589.8**	**19.9%**
EBITDA Margin	*29.0%*	*30.9%*	*1.8 p.p.*
Financial Result	(704.6)	(694.3)	-1.5%
Depreciation and amortization	(708.5)	(785.3)	10.8%
Income tax	23.6	34.2	45.3%
Social Contribution	8.2	10.1	23.6%
Net Income (Loss)	**(55.4)**	**154.6**	**n.a.**
Net Margin	*n.a.*	*3.0%*	*n.a.*
Adjusted EBITDA(1)	**1,458.7**	**1,714.0**	**17.5%**
Adjusted EBITDA Margin	*32.0%*	*33.3%*	*1.3 p.p.*
Adjusted Net Income(2)	**139.3**	**342.4**	**145.8%**
Adjusted Net Margin	*3.1%*	*6.7%*	*3.6 p.p.*

(1) *Adjustment to costs and expenses in the amount of R$124.2 million, related to the operating research (OR), restructuring of administrative staff, Bad Debt, contingencies, write-off of amounts from acquisitions, contractual fines, M&A and other expenses.*

(2) *Adjusted to non-recurring items in EBITDA in the amount of R$124.2 million; R$65.1 million related to the amortization of goodwill from acquisitions and recalculating the effective tax rate that changes taxes (income tax and social contribution) that led to an impact of -R$1.5 million. Total impact on Net Income of R$187.7 million.*

The Company's **net revenue** recorded substantial growth of 12.8% vs. 2022, chiefly due to strong increase recorded in the **Premium Business Unit** (+17.5% vs. 2022) and **Digital Business Unit** (+23.7% vs. 2022). In both businesses, revenue 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 (+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.

Cost of services were up 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 up due to the accounting of higher variable compensation for the units' support staff. Excluding such effect, in the amount of 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 selling expenses were up by 3.6% vs. 2022, an increase lower than that of net revenue, thus contributing to the 1.6 p.p. margin increase 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. The non-recurring effects on Bad Debt totaled R$14.1 million in 2023 and refer to the write-off of accounts receivable from past acquisitions given the evolution of internal controls.

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.

Adjusted general, administrative and other expenses (ex-D&A) were up by 25.0% vs. 2022. This result can be explained by the following factors: (i) increase in Personnel line, due to the accounting of higher variable compensation given the year's positive results (impact of R$64 million vs. 2022), in addition to IT services insourcing (previously accounted for in other G&A lines); (ii) increase in provision for contingencies 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 deemed as possible to probable, anticipating future effects. As a result, a non-recurring impact of R$45.4 million was recorded in the quarter; (iii) increase in the maintenance and repairs line, 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; and (iv) increase in other expenses chiefly from travel and lodging expenses and higher expenses with education agreements related to the maturation of medicine courses and other health programs.

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 last quarter 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.

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.

Adjusted EBITDA 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 lines of R$327.3 million vs. 2022, the result was 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.

A reduction in financial expenses led the Company's **financial result** to improve in 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.

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. **Adjusted net income** was up by 145.8% vs. 2022 and net margin stood at 6.7% (+3.6 p.p. YoY).

Academic Model

EnsineMe

EnsineMe is YDUQS's business unit dedicated to developing and producing a digital ecosystem for higher education, including methodologies for digital learning, learning management, platforms and content. We work to make possible a customized education experience at a high academic standard for all. Our academic ecosystem is entirely designed in modules and filled with data, serving the education institutions matrix's most diverse needs. Our team of academic curators is comprised of Masters and Doctoral graduates from well-known institutions, such as IME, UFRJ, USP, UFSCAR and FGV, coupled with a hub for digital and audiovisual production with instructional, UX and UI designers, programmers, screenwriters, videographers, and other professionals, who have decades of experience in digital learning. We transform the teaching and learning process into innovative and efficient multi-media learning tools, which are capable of making possible the access to unprecedented quality education in Brazil, which was, up to now, restricted to elite institutions.

AURA

Aura is our teaching-learning model: a unique and innovative methodology designed for our on-campus and digital learning students, making the teaching and learning process increasingly interactive.

In 2023, we expanded our learning ecosystem by investing in new digital content formats, course materials especially developed for our professors, in-person and virtual pedagogic practice and innovation labs, university extension centers, in addition to intermediate certifications by major fields and undergraduate programs for all our segments. All of these features are brought together in a curriculum that is connected to the highly dynamic job market.

During the year, we revisited our evaluation journey, unifying the evaluation process for both operations, which led to an 8-p.p. increase in student participation in "Evaluating Learning", our pedagogical reinforcement program. In particular, we designed a proposal for new students geared towards welcoming them, teaching them how to plan their study routine and getting them used to higher education.

In digital and on-campus classes, students have access to digital contents in accordance with their learning plan. Engaged, students are invited to explore contents so that they can actively participate in discussions in the classroom or at interactive forums. Protagonism and self-learning are also encouraged in a virtual environment that will offer students the flexibility they seek in developing their skills.

In Research, we highlight clean energy projects, an initiative in line with our ESG practices. Aimed at preparing citizens and professionals with the skills required by a global world, we designed a remote mobility program, directly impacting 800 students. Furthermore, we sent 38 health students to Fundación Barceló in Argentina to gain a multicultural experience, with face-to-face classes during the month of July. As part of our Language & Culture program, 18,000 students had the opportunity to take English, Spanish, French and Italian classes free of charge at our Higher Education Institutions ("HEIs").

The Company also expanded the data management department, which already included a portfolio with 77 academic indicators to monitor and manage the consolidation of the learning model in our virtual and on-campus classrooms. In 2023, the digital capture of on-campus exams, using the Teacher App, enabled the Company to analyze and more effectively manage student learning, based on the data obtained. An analysis of the Question Analysis Report (RAQs), made available by the Ministry of Education (MEC), allowed us to find out the main knowledge objects required in the exams and to cross-check this data with our students' performance in the Question Bank. Based on that, it is possible to make inferences about this learning behavior and how to intervene in the evaluations taking into account the results obtained in the ENADE.

Lastly, in 2023, the Teacher Relations department conducted training activities for more than 4,800 professors, 51.3% of whom with masters' degrees and 24.5% with doctorate degrees, ending the 2023 cycle with 95.5% adherence. We innovated in the connection with teachers by creating an institutional communication channel for the academic team, with a customized layout for the Estácio and Wyden brands. All these actions also had an impact on our Regulatory visits' scores, as detailed below.

Regulatory Framework

Evaluation: ENADE and in loco visits

The result of the indicators for YDUQS' courses (Course Preliminary Concept, CPC) and Higher Education Institutions (Overall Course Index, IGC) which was evaluated in the ENADE 2022 cycle, which should have been disclosed by the end of 2023, has not been published yet.

As regards in loco evaluation visits to courses and Institutions, which are significantly important for consolidating academic excellence in regulatory terms, YDUQS has been growing and showing regulatory maturity: out of the 425 evaluation visits the Ministry of Education (MEC) made to YDUQS' HEIs across Brazil in 2023, almost 94% received grade 4 or 5 (on a 1-to-5 scale, and score 3 or higher is considered satisfactory) and 100% of the institutional reaccreditation visits were rated 4 or 5, attesting to YDUQS academic quality and excellent work.

Evaluation: Master's and Doctorate Degrees

In view of the four-year period, the high scores of our *stricto sensu* master's and doctorate programs have been maintained, according to the CAPES post-secondary improvement scale. As for Universidade Estácio de Sá, the Law and Family Health programs received grade 5, standing out in the state of Rio de Janeiro. The grade 4 awarded to our master's and doctoral programs in Education and Dentistry, as well as to our professional master's programs in Corporate Management and Development attests to the sustained level of the excellence of these programs. Regarding Centro Universitário Ibmec, also in Rio de Janeiro, the quality of the Management and Economics programs received grade 4.

Transformation of the Institutions' Academic Organization

On July 6, 2023, the Ministry of Education issued ordinance for the accreditation of the **Centro Universitário do Pantanal** university center, located in the Municipality of Cáceres, State of Mato Grosso, transforming the college into a university center, which was approved with grade 4 in the in loco visit (1-to-5 scale).

Expansion of Medicine - *Mais Médicos* I Program

On April 06, 2023, an Ordinance was published authorizing the increase in the number of seats for the medical course of the Institution **Faculdade Estácio de Alagoinhas**, located in the city of Alagoinhas, state of Bahia, from 65 to 118 total annual seats.

Mais Médicos III Program (Ordinance no. 01/2023/SERES/MEC)

On October 4, 2023, a public call for proposals was published for sponsoring institutions of Higher Education Institutions to select proposals to authorize the operation of Medicine courses nationwide.

Sustainability (ESG)

In 2023, we saw the Environmental, Social and Governance (ESG) theme gain momentum and relevance, and we strengthened our commitments to our stakeholders and sustainable development. It was a year of great progress in this agenda and of many returns that show the market the strength of our business and the prominence of our brand. We have been included in the main ESG ratings and received an "AA" rating at MSCI, the most required rating by investors. We are part of the Carbon Efficient Index (ICO2 B3) and reported to the Carbon Disclosure Project (CDP). Our governance continues to be recognized as a reference among our peers.

For decades, YDUQS has put sustainability in its core business, with the engagement and participation of the Company's several departments, as well as its leaders and students and relies on an ESG Committee dedicated to the topic. Our strategy and financial results are connected to the ESG pillars that ensure value and resilience to our Company.

Environmental Pillar

The Company has environmental management practices geared towards reducing impacts and externalities and fostering conscious consumption of resources. All the group's units have environmental processes and guidelines and their results are accounted for. They are monitored through a quarterly self-evaluation program and by the Environment corporate department. The items considered in the evaluations include compliance with (i) environmental licensing; (ii) waste collection, transportation and final disposal contracts; (iii) compliance with the Solid Waste Management Plan (PGRS in Portuguese) and Health Services Waste Management Plan (PGRSS in Portuguese); (iv) environmental training on waste management procedures within the operational unit; (v) issuance of waste transportation manifests (MTR, in Portuguese).

A strategy at corporate level seeks to strengthen environmental management and ensure we improve in aspects such as reduced water and electricity consumption, as well as recycling and waste disposal initiatives.

Regarding energy and water management, YDUQS seeks to use practices and technologies that raise awareness and reduce water and energy consumption at the operations. The Company monitors electricity consumption by telemetry, enabling a precise measurement, which will lead to better management and, subsequently, better results. Currently, 91% of the Company's energy comes from renewable/traceable sources, of which 79% from the Wholesale Energy Market, 3% from distributed generation and 9% in the captive market, offset by I-RECs. Moreover, the Company has a solar plant in the state of Rio de Janeiro with capacity to generate 270 MWh/month.

Climate change is a global challenge and YDUQS is playing its part in promoting a positive agenda regarding this topic. In 2023, the Company implemented several initiatives. As an example, it prepared the 2022 Greenhouse Gas Inventory, which was assured by an independent party and was included in the Public Emissions Registry, achieving the program's highest level of excellence. As a result, the Company was awarded the Gold Seal by the Brazilian GHG Protocol Program. In line with its ESG Goals, YDUQS also offset total CO_2e emissions generated by its activities (scopes 1 and 2 included in the 2022 inventory). This process involved investments in two renewable energy projects associated with the Clean Development Mechanism (CDM). Therefore, YDUQS positions itself as a Carbon Neutral company, reinforcing its commitment to neutralizing CO_2e emissions. This is just one of the many initiatives being implemented in the quest to restore the ecosystem.

Social Pillar

YDUQS Institute

The YDUQS Institute consolidates the social and environmental responsibility actions carried out by YDUQS for over 50 years. And we want to go further! Our purpose is to transform lives by promoting and encouraging citizenship in order to build fairer and more inclusive societies.

We have enhanced the social responsibility initiatives outside the walls of the Groups' Higher Education Institutions, building bridges between the different social players, organizations, communities and individuals, reinforcing our belief that together we can transform more. The Institute made it possible to create synergies between projects, benefited social institutions and encouraged students, faculty members and employees to participate.

We work through education, culture and sports, supporting and running projects that foster social development and professional training in the regions surrounding our units, mainly focusing on diverse and vulnerable groups, as well as encouraging intrapreneurship by inviting our HEIs' students to perform professional activities in our actions.

Additionally, we are organized on three project fronts: (1) Priority Programs, which are designed by the institute and we will address them later on. (2) Institutional Projects, in which we support the group's units initiatives that offer professional training projects to the surrounding communities with the participation of our students, such as extension projects, as well as the *trote solidário*, fundraising campaigns and the academic scholarship program for athletes, para-athletes and for other partner institutions aimed at increasingly democratizing access to education. Lastly, we have (3) Incentivized Projects, in which the Institute is responsible for defining the criteria for supporting projects and initiatives using the Company's tax exemption resources.

In less than 3 years, we have already made an impact on more than 1 million people through our direct initiatives or our support: we have distributed over 2,000 scholarships and supported more than 300 projects.

YDUQS' HEIs are present in all Brazilian states and contribute to local development through Extension Projects with several initiatives in neighboring communities.

Our initiatives are designed to support and develop athletes by facilitating access to higher education. Thus, we have several partnerships with confederations, federations, clubs, sports-related institutions. Together, we have educated more than 2,000 people and have around 900 athletes and para-athletes, from youth to high-performance categories of several sports studying with us. These partnerships have also contributed to carrying out more than 800 campaign activations and 50 lectures/live streaming events for our students and employees of the YDUQS Group's brands in 2023.

Our Literacy and Writing Skills Project for Youth and Adults is another outstanding initiative, which helps reducing illiteracy in Brazil. The project has helped more than 1,300 people since its creation.

Moreover, we support the entire education journey of students in the University for All Program (*Programa Universidade para Todos*, Prouni), through the Rede de Valor program. Created in 2022, the program grants R$400.00 stipends to Medical students registered with Prouni from the 1st to the 6th semester. The funds are raised through donations from individuals and private social investment that are directed to the Institute's philanthropic fund, which is audited annually. To date, we have supported over 128 students, 35 of whom have already graduated from the Cittá, Vista Carioca and Angra campuses.

In addition, we created a new priority program called Diversity & Inclusion Scholarships, which allow several economically vulnerable students to take the Medicine program. Students who are eligible for Prouni, and meet the income and academic performance criteria, take part in the program. Students receive full scholarships for the entire duration of the Medicine course, which are maintained based on academic performance criteria. In order to guarantee the program's sustainability, YDUQS Institute covers 80% of the cost of the class and a partner company covers the remaining 20%. In 2023, 20 students enrolled in the program's first class, 60% of whom are black or brown. Three units in the states of Rio de Janeiro and Rondônia participated.

Employees

In 2023, results achieved also reflect our employees' engagement with the Company's business model and organizational culture. YDUQS ended year is with 17,172 employees, 8,995 of whom are faculty members and 8,177 hold administrative and educational support positions. In total, the Company paid R$1.626 billion in personnel costs and social charges in 2023.

The Company's employee profile stands out for its diversity of gender and age:

Employees by gender	%
Men	45.3%
Women	54.7%

Employees by age group	%
Under 30 years old	22.0%
Between 31 and 40 years old	34.2%

Between 41 and 50 years old	25.9%
Between 51 and 60 years old	12.7%
Over 60 years old	5.2%

Management System and Variable Compensation

As part of the process of ongoing monitoring of results, the management system determines the guidelines, which are translated into goals and OKRs, establishing the path to be followed, intensifying everyone's efforts in what matters to the strategy through their full involvement in the process. Through the cascading of goals and definition of OKRs, we were able to perform the deployment with efficiency from the executive level to the operational levels so that it is possible to guarantee a better performance in the results by the end of the year.

The Company has more than 900 managers with specific goals based on financial and non-financial indicators. Except for interns and outsourced service providers, all our administrative employees are eligible for variable compensation programs, and receive compensation in accordance with the performance of their departments and of the Company as a whole. Currently, 160 executives, including members of the Board of Directors, are eligible for the Long-Term Incentive programs (share-based compensation).

Governance Pillar

Quality, excellence in management, business integrity, ethical compliance and fostering the access to education in Brazil are YDUQ's commitments to its shareholders and all other stakeholders. We perceive the Governance pillar as the one which encompasses and ensures the execution of the Sustainability and Social Pillars This pillar encourages the Company's ongoing innovation as well as the creation and review of more inclusive and sustainable processes, ensuring diversity is a tool for improvement.

The Company is listed in the Novo Mercado, Brazil's highest Corporate Governance level. In line with the other two ESG pillars, we advanced in promoting discussions about equality at the organization, giving voice and importance to employees and students, and we also relaunched our corporate university, in order to engage and professionalize even further our employees.

The Company's Management is composed of the members of the Board of Directors and Board of Executive Officers, supported by the Fiscal Council. The Company is managed based on legal and regulatory requirements in force, including the Novo Mercado Listing Rules.

The Board of Directors currently comprises nine sitting members, who serve a two-year tenure. Members are advised by three committees - People & Governance Committee, Audit & Finance Committee, and Academic Committee. The Fiscal Council, with a one-year term of office and re-election allowed, comprises three sitting members and the same number of alternates, all of whom are independent. The Statutory Executive Board comprises four executive officers (the Chief Executive Officer, the Chief Financial and Investor Relations Officer, the Executive Officer and one officer without a specific mandate), who serve a two-year term of office. All members of the Board of Directors, Fiscal Council and Statutory Executive Board have excellent reputation, multidisciplinary expertise, diversity of nationality, gender, academic background and age. For further information, visit the Company's website www.yduqs.com.br.

Independent Auditors

Pursuant to CVM Resolution 162/2022, which addresses the provision of other services by our independent auditors, we emphasize that the Company's policy regarding relations with its independent auditors and their provision of services not related to the external audit is guided by principles that preserve their independence. We hired PricewaterhouseCoopers Auditores Independentes LTDA. ("PwCAI") to audit the Company's individual and consolidated financial statements for the fiscal year ended December 31, 2023, prepared in accordance with Brazilian accounting practices. The fee for the external audit was R$2,680,000.00.

Service	Fee	Term	Nature
Audit	R$2,472,000.00	April 2023 to March 2024	Quarterly review and analysis of the 2023 financial statements
Audit	R$208,000.00	Fiscal year ended on December 31, 2023	Limited assurance on the compilation of non-financial information included in the 2023 Annual Sustainability Report
Audit	R$476,618.00	Fiscal year ended on December 31, 2023	Issuance of comfort letter regarding the Public Offering of Distribution of Real Estate Receivables Certificates ('CRI') dated November 30, 2023, in accordance with the Defined Prospectus.
TOTAL	**R$3,156,618.00**		

Arbitration Clause

YDUQS Participações S.A. ("Company") is bound by decisions of the Market Arbitration Chamber, as per Article XII of the Company's Bylaws.

The Management

Statement by the Board of Executive Officers

In compliance with Article 27 of CVM Resolution no. 80/2021, the Executive Officers of YDUQS Participações S.A. ("Company", "YDUQS") hereby unanimously and without dissent declare that they have reviewed, discussed and agreed on the contents of the Company's Financial Statements and the unqualified opinion in the independent auditor's report issued by PriceWaterhouseCoopers Auditores Independentes LTDA.("PwCAI"), both of which for the fiscal year ended December 31, 2023.

Rio de Janeiro, March 14, 2024.

Eduardo Parente Menezes, Rossano Marques, Marina Da Fontoura Azambuja and José Aroldo Alves Júnior.