IFRS-16

ânima
EDUCAÇÃO

DISCLAIMER

The general and summarized information related to the activities pursued by Ânima Educação until this date should not be construed as a share acquisition invitation, offer or request. This presentation may contain statements that merely express the expectations of the Company's management, as well as forecasts of future and uncertain events. Such expectations and/or forecasts involve risks and uncertainties, consequently decisions related to the acquisition of the Company's shares should not be based on them.

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IFRS-16 NEW RULE - LEASES

- In Jan'19 came into force the new **IFRS-16 accounting rule**, that changes the accounting recognition of contracts that involve the availability of use of assets <u>with the purpose of bringing most leases from a lessee to its balance sheet</u>.

- The new rule affects:
  - I. **EBITDA**: rent expenses are no longer considered in this metric;
  - II. **Net Income**: is now impacted by two new expenses (the depreciation of the new accounting asset represented by the right to use the assets and the financial expense arising from the lease liability).

IFRS-16: Impact on Financial Statements

Recognition

lease agreements

PV obligation of the

lease agreements

Balance Sheet

Asset

= "Right to use" the asset

Liability

= Obligation to pay the lease

Income Statement

Lease Expenses

Depreciation

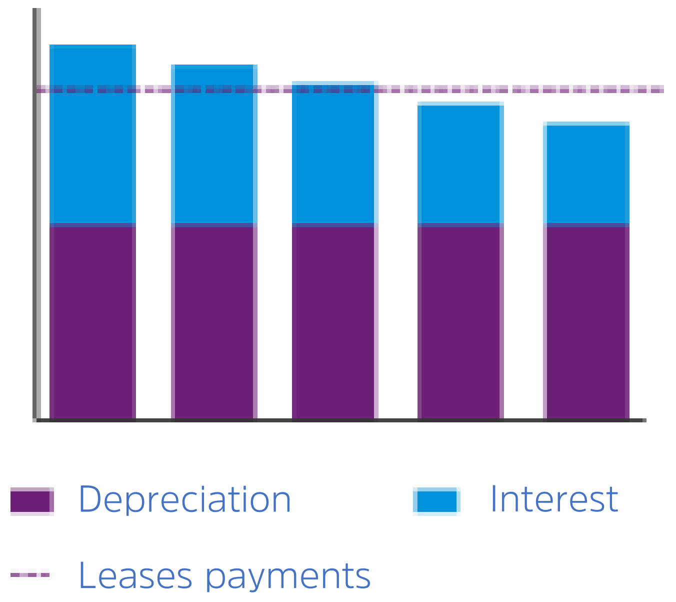
+ Interest

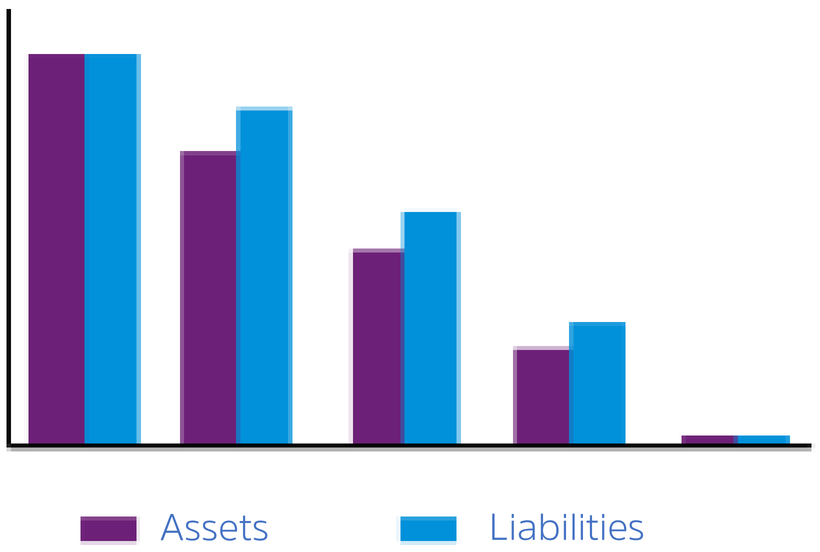
= Total expense of leases

Lease expense is replaced by the expenses on the depreciation of the asset of the right of use and financial expenses.

- There will also be changes in the accounting over the term of the lease;
- At Anima, the observed impact is related to lease agreements, since all our academic and administrative units are leased

IFRS-16: Impact on Financial Statements

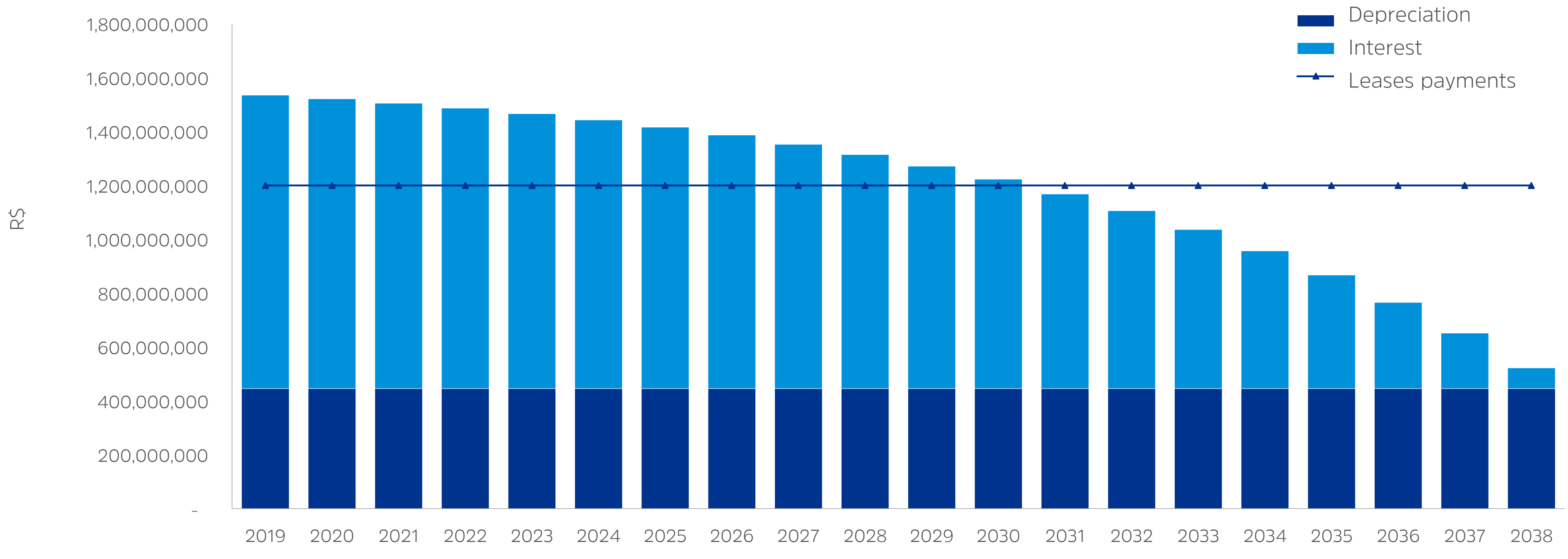




- As a consequence of the financial expenses calculated on this amortized cost of the liability, companies are required to record **higher expenses at the beginning of the lease term** for most contracts, since lease **payments, as well as the depreciation of the right of use asset, are fixed**, but the interest expenses are higher at the beginning of the contract.

IFRS-16: Simulation

- As an example, we did a simulation to see what would happen with a single lease with a 20-year term and a monthly value of R$ 100,000.00. We have verified that the impact in relation to the net result is null when considering the total term of the contract



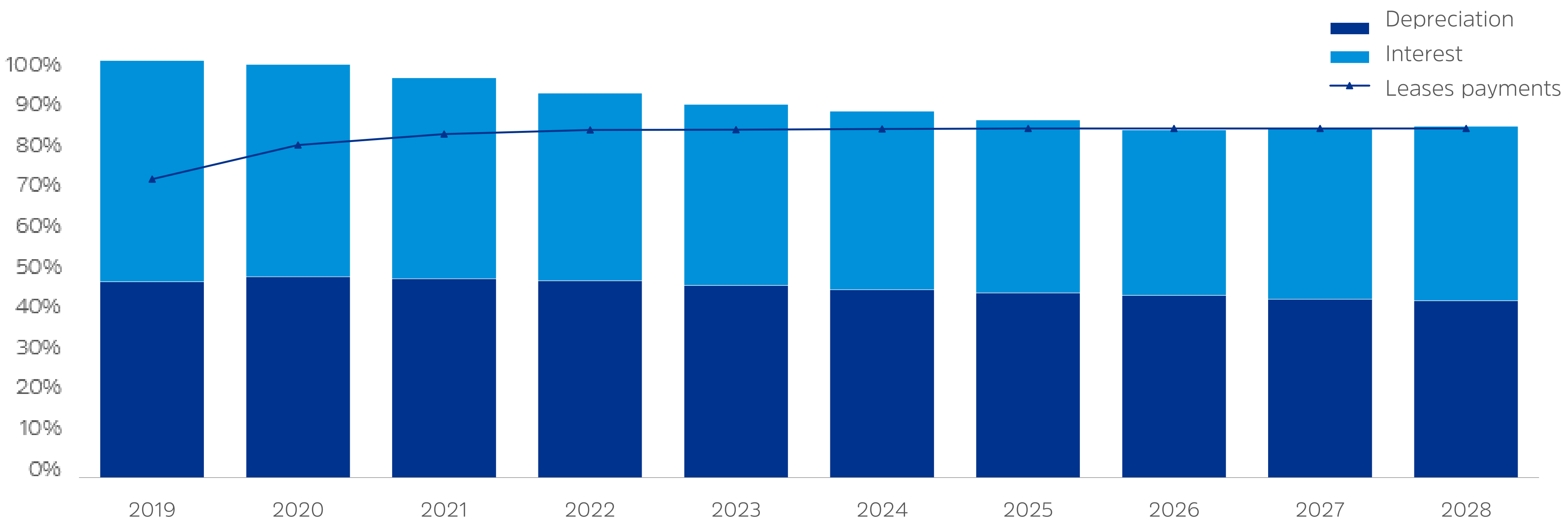
IFRS-16: Impact on Financial Statements

- At Ânima the impact of the new rule in 1Q19 reached an increase in the EBITDA calculation of R$ 20 million, since rent expenses are no longer considered

- Net income, on the other hand, had an initial negative impact of R$ 9.2 million, arising from the depreciation of the right of use assets and of the financial expenses of the liability, which totaled R$ 29.2 million in the period.

IFRS-16: Ânima Simulation

- Considering the actual data of the current portfolio of real estate rented by Ânima, and simulating the impacts on net income prospectively for 10 years, in which the initial value of expenses is the total value of asset depreciation plus the liability interest of 2019 (on a 100 basis), we observe:



IFRS-16: Conclusions

- We will have an effect on net income in the initial years, as a consequence of the higher financial expenses at the beginning of the lease term for most contracts, which will be softened over the next few years, reaching the same level as the amount of rents in 2025.

- The rule is a strictly accounting classification change

- Despite the effect on EBITDA and Net Income calculation, it has no effect on the cash and therefore is neutral in relation to the management of our operations