

# 4019

RESULTS

## Message from Management

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### Conference Call:

Portuguese with simultaneous translation into  
English

March 11, 2020

11:00 a.m. (Brasília) | 10:00 a.m. (NY)

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## MESSAGE FROM MANAGEMENT

Commenting on 2019, with so many accomplishments and achievements, is a task that is both challenging and rewarding. We experienced the unavoidable reflection that comes with the end of a decade, especially a decade that was so intense, had so many events and left a mark in Ânima's history. At the same time, we begin a new decade with renewed strength, carrying out a public offering of shares with significant demand, placing the Company to a new liquidity level and with a well-defined fund allocation, providing us with new energy to remain strong, focused and firmly committed to our purpose.

The Company experienced a moment of clear improvement in all dimensions: consistently increasing results, with the EBITDA margin moving forward as scheduled and driving the reactivation of management's variable compensation (P2A program), student base growth, better retention, evolution of Ânima's learning ecosystem, digital transformation under continuous development, and an increasingly structured data base, supporting our initiatives and, especially, providing elements for a mature and agile decision-making process. All of this within a governance structure that is cohesive, organized and able to reduce the delay between the long-term strategy and present execution.

This is how we end 2019, reporting an improvement in margin, with adjusted EBITDA of R\$202.0 million (+19.0% vs. 2018, excluding the IFRS-16 effect), and margin up by 1.6pp when compared to 2018.

Despite the still competitive and challenging scenario, our student base presented consistent growth. In 2019, our student base reached 110.3 thousand students, 10.0% higher compared to 2018, mainly due to our undergraduate student base (+11.0 thousand students and +11.8% versus 2018), where we are reaping the benefits from the J2A project (Ânima's Student Journey), in better retention rates.

The Education operating margins, which we have divided into three major blocks based on their respective stages of maturity, continued to improve in all segments. In the units of Organic Expansion, which is the Company's main growth driver, net revenue more than doubled in 2019 when compared to 2018, and the margin grew by 14.6pp. In the Acquisition units (which began including AGES in 2019), we recorded an increase in revenue (+21%) and margins (+5pp). In the Base operation units, the operating margin increased by 2pp, due to efficiency gains, given that they are located in regions where competition is still fierce.

The complete results of the quality indicators disclosed by the Ministry of Education once again confirmed the quality of our academic proposal, whose format has been

significantly evolving, without fear of innovating, towards the right path to improve students' experience.

In November and December, we announced two transactions: Unicuritiba's acquisition and Unisul's partnership and option to purchase, both already approved by the CADE without restrictions. Unicuritiba became a part of our operations in February. In Unisul, we will begin the co-management period in the coming weeks, which will be extended until the exercise of the option, expected to happen in January 2021. We believe these transactions represent good growth prospects for our future margins, subsequent to the integration and synergy implementation period.

Our health vertical continued its upward trend. We currently have three operational programs (UniBH, Jacobina and Cubatão), with 336 annual seats, and one program with 50 annual seats authorized in March 9, 2020 (Irecê). With the partnership with Unisul, we will have another 287 annual seats in two programs (Tubarão and Grande Florianópolis), as well as the prospect of 105 additional annual seats in the two programs related to the *Mais Médicos* program (Limeira, with 55 seats, and Tucuruí, with 50 seats) and a potential increase of 100 seats in those programs. In total, we may reach 878 annual Medicine seats.

This is how we end 2019, with many prospects and prepared for the challenges ahead, and begin a new decade with a more robust approach and more sophisticated tools and processes, certain that we made the right decisions and are now ready for the future ahead of us.

With the right team, purpose, courage and resources, we are experiencing a new moment of the same Ânima, the company that was created to make a difference in Brazil. With a strong governance structure, we associate the construction of our future with execution, growing in a sustainable manner that consolidates the Company. We will continue following a path that allows us to maximize our students' experience, while at the same time creating value for our shareholders and stakeholders. We will thus accomplish our mission of *Transforming the Country through Education!*





# Operational Performance

Education



## OPERATIONAL PERFORMANCE

### EDUCATION

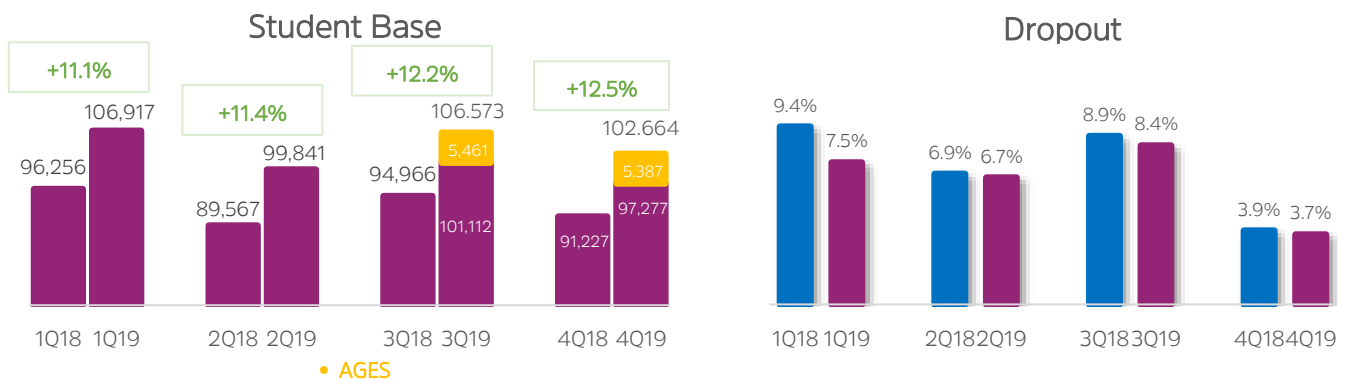
We ended 2019 with an average consolidated base of 110.3 thousand students, 10.0% higher versus 2018 (+7.3% excluding AGES).

Student Base	4Q18	1Q19	2Q19	3Q19	4Q19	Average 2018	Average 2019	% 4Q19/4Q18	% 2019/2018
Undergraduate	91,227	106,917	99,841	101,112	97,277	93,004	101,287	6.6%	8.9%
Others	5,972	6,804	6,434	6,235	5,885	7,271	6,340	-1.5%	-12.8%
Graduate	3,897	4,745	4,626	4,507	4,386	4,829	4,566	12.5%	-5.5%
Distance Learning	1,153	1,019	832	702	468	1,459	755	-59.4%	-48.2%
Vocational Programs & K12	922	1,040	976	1,026	1,031	983	1,018	11.8%	3.6%
<b>Total</b>	<b>97,199</b>	<b>113,721</b>	<b>106,275</b>	<b>107,347</b>	<b>103,162</b>	<b>100,275</b>	<b>107,626</b>	<b>6.1%</b>	<b>7.3%</b>
AGES				5,461	5,387		5,424		
<b>Total with Acquisitions</b>	<b>97,199</b>	<b>113,721</b>	<b>106,275</b>	<b>112,808</b>	<b>108,549</b>	<b>100,275</b>	<b>110,338</b>	<b>11.7%</b>	<b>10.0%</b>

<sup>1</sup> Includes blended programs

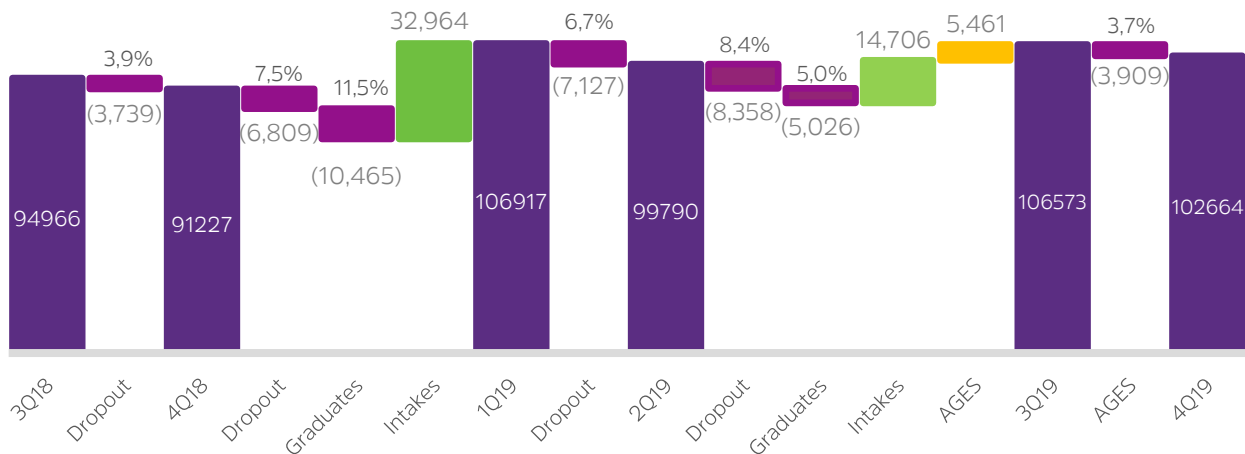
We continued to record a consistent improvement in our dropout rate, which stood at 3.7% in 4Q19, a 0.2pp improvement over 4Q18.

#### Student Base: Undergraduate



Even in a competitive and still challenging environment and with a volume pressured intake process, we recorded growth due to the continuous improvement in the retention rates, mainly impacted by the results of the J2A project (Ânima's Student Journey).

## Student Flow – Undergraduate



**Graduate Student Base** – We ended 2019 with 4.4 thousand students, a 12.5% increase versus 2018. This segment does not follow the same intake and graduation cycle of the undergraduate segment, and we have observed stability in the number of enrollments throughout the year. We continue to devote efforts to strengthen the results of this segment.

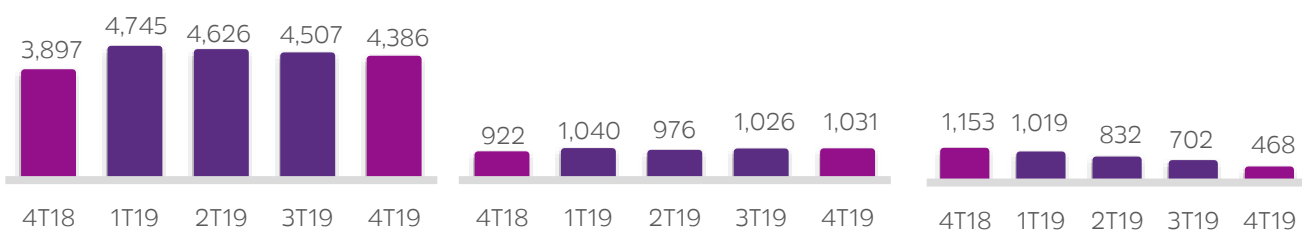
**Vocational and K-12 Student Base** – We ended 4Q19 with 1.0 thousand K-12 and vocational education students (+11.8% vs. 4Q18), which includes the Florianópolis and Blumenau International Schools, Colégio Tupy (COT) and Escola Técnica Tupy (ETT).

**Distance Learning Student Base** – At the end of 2019, 0.5 thousand students were enrolled in our distance-learning courses, among undergraduate and graduate (excluding EBRADI and hsmU students). It is worth noting that this student base only considers courses that are 100% online.

### Graduate

### Vocational & K-12

### DL





A young man with a beard and short dark hair is shown in profile, smiling as he looks at a smartphone held in his hands. The image is heavily overlaid with a warm orange color and a fine grid pattern. The background is blurred, showing what appears to be a window with foliage outside.

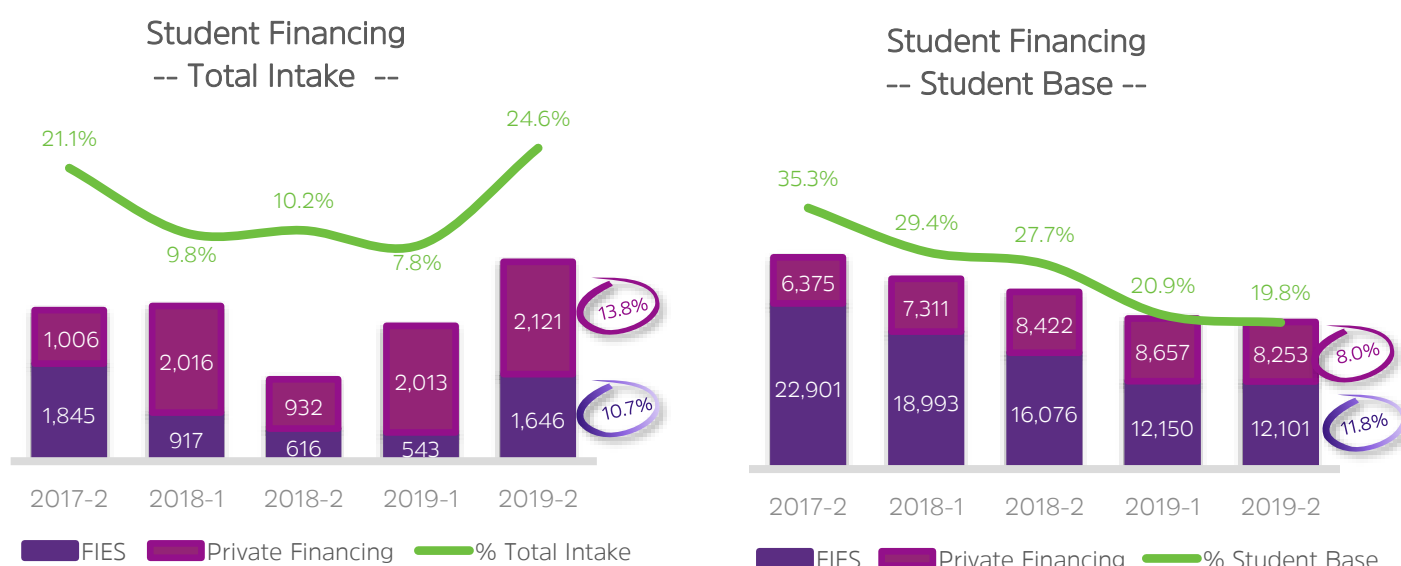
# Student Financing



## Student Financing

We ended 2019 with 1.6 thousand new students with FIES financing, who accounted for 10.7% of total intake, versus 4.1% in 2018. This increase may be explained by the new AGES students, new contracts concluded in 4Q19 from transferred students and a higher number of seats granted by the government to our HEI.

Regarding private financing, we have achieved a greater level of assertiveness with PraValer products, thus reaching 2.1 thousand new students in 2H19, or 13.8% of total intake (versus 6.2% in 2H18), 0.7 thousand of whom using the credit risk of our balance sheet.



As a result, we ended the year with approximately 12.1 thousand FIES students (11.8% of the base). Excluding AGES, FIES students reached 9.8 thousand at the end of the year (9.5% of the base). Regarding PraValer, we ended 2019 with 8.3 thousand students with private financing, 8.0% of the undergraduate base, 2.3 thousand of whom using the credit risk of our balance sheet (2.3% of the base).





Academic  
Quality

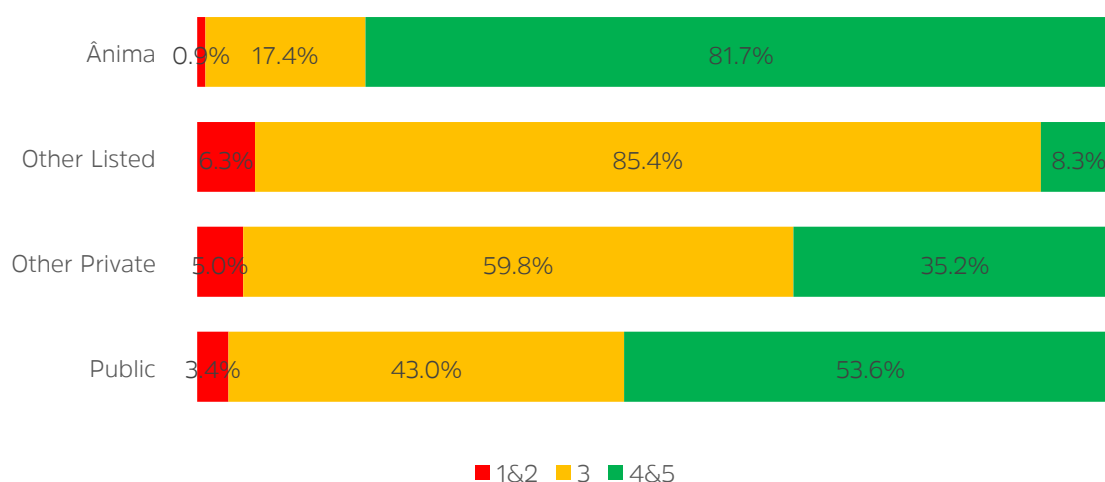


## Academic Quality

The most recent results published by INEP/MEC, related to 2018, confirm the high academic quality of our institutions.

When we compare the distribution of our programs in the three ranges with the other higher education institutions in Brazil, we note that while 82% of our students are in programs with CPCs in the range between 4 and 5, in private institutions, this percentage is 28.5% only. In this cycle, our percentage was also considerably higher than that of public institutions.

Percentage of enrolments by CPC level in the triennium 2016-2018

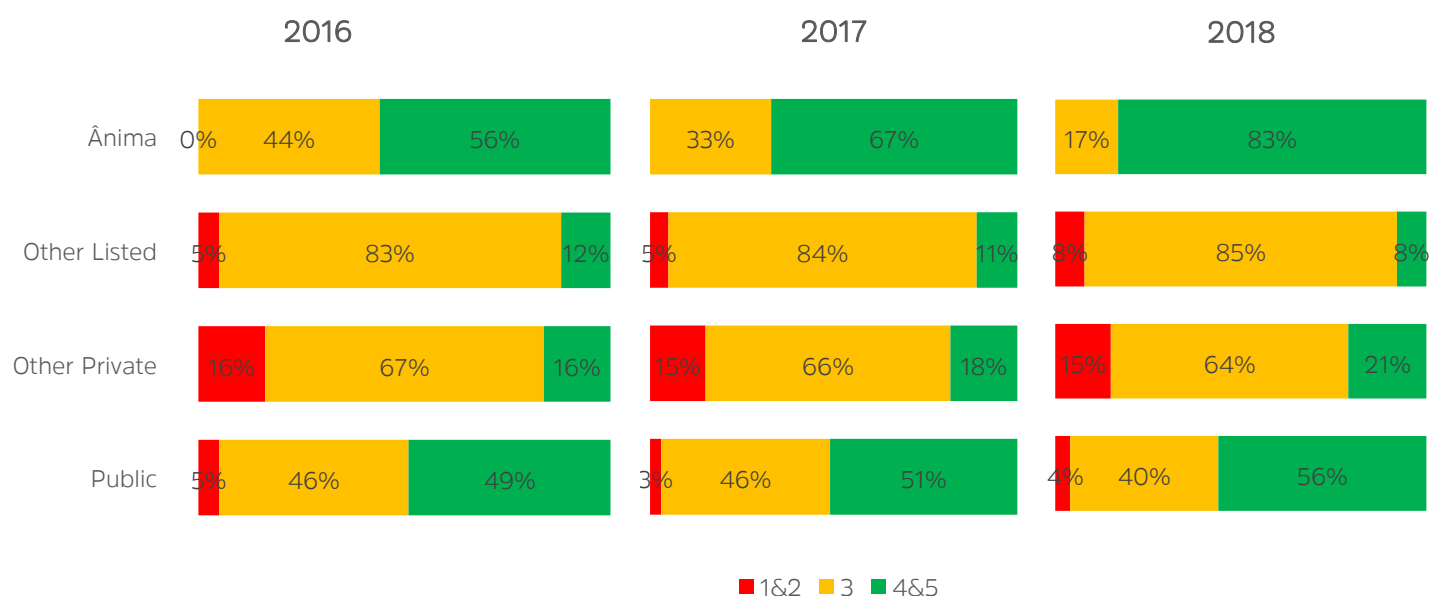


Source: Inep, Quality Indicators of Higher Education – CPC Results (2016-2018)

The General Course Index (IGC) follows the same trend of consistent quality growth, both in relation to our own institutions and when compared to the market, underlining our academic excellence.



## Percentage of enrolments by IGC level in the triennium 2016-2018

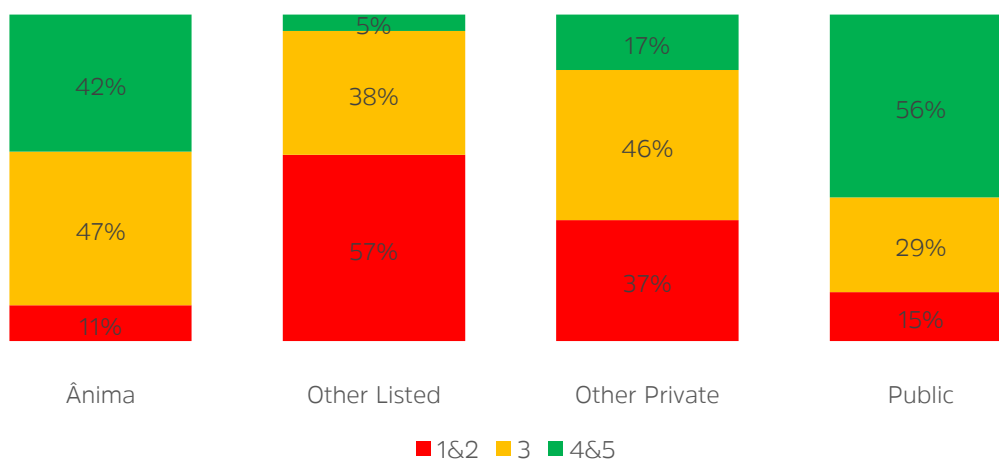


Source: Inep, Quality Indicators of Higher Education – IGC Results (2016-2018)

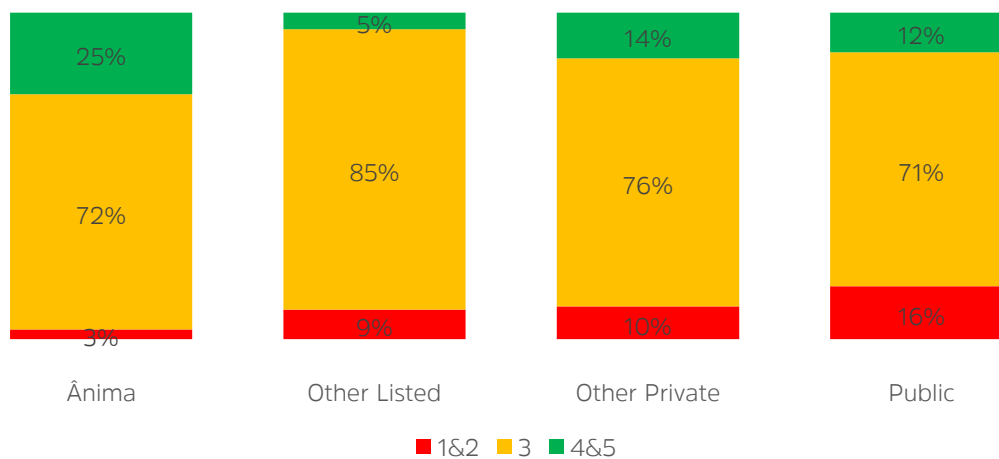
Looking specifically at the ENADE concept, which measures the performance of students graduating from higher education institutions through a standardized test, our HEIs presented a larger share of students with higher scores (4 and 5) than other private institutions (publicly-held and not publicly-held) and a lower percentage of students with scores of 1 and 2.

When we look at the IDD concept, which measures value-added in higher education, we can perceive a stronger impact of our academic practices on our students' development, even when compared to public institutions. Our HEIs have a larger percentage of students with higher scores (4 and 5) and a lower percentage of students with scores of 1 and 2.

Percentage of enrolments by ENADE concept in the triennium  
2016-2018



Percentage of enrolments by IDD concept in the triennium  
2016-2018







# Financial Performance

The Company's financial results are divided into two segments:

- i) **Education** – which includes, in addition to post-secondary education (undergraduate and graduate), K12 and vocational programs, including Florianópolis and Blumenau International Schools, Colégio Tupy (COT) and Escola Técnica Tupy (ETT).
- ii) **Other Businesses** – which includes hsm, hsmU and EBRADI (Escola



## FINANCIAL PERFORMANCE

### IFRS-16 EFFECTS

As we have explained since 1Q19, the new IFRS-16 accounting standard came into effect in 2019, changing the criteria for the recognition of contracts involving the right to use assets in the balance sheets. At Ânima, the impact is related to lease contracts, as all our academic and administrative units, with the exception of the São Judas University Center - Campus Unimonte, are leased, being thus subject to the new standard.

It is worth noting that this classification change is strictly accounting in nature, with no cash effect, therefore, neutral to the management of our operations.

The new standard affects the calculation of EBITDA, as lease expenses are no longer considered in the calculation of this metric (in our case, with a positive impact of R\$90.7 million in 2019, R\$23.9 million of which in 4Q19). It also had a negative impact of R\$33.5 million on net income in 2019 (R\$7.8 million in 4Q19), as leases are divided into two counter-entries: depreciation of the right-of-use asset and a financial liability representing the obligation to make future lease payments, whose sum totaled R\$124.2 million in the year (R\$31.6 million in 4Q19).

For more details on the new accounting standard, please refer to Appendix 5 of our 1Q19 Earnings Release.

In order to provide the market with transparent and comparable data, in 2019, we disclosed our information excluding the effect of IFRS-16, in addition to figures reflecting the new classification.

As of 1Q20, given that the comparison basis with 2019 has already been established, we will stop disclosing ex-IFRS-16 figures and begin reporting solely the results in accordance with the new accounting standard.



## 2019 Income Statement: excluding the effect of IFRS-16

R\$ (million)	2019 - excl. IFRS-16					
	Consolidated	% Net Revenue	Education	% Net Revenue	Others	% Net Revenue
<b>Gross Revenue</b>	<b>2,164.1</b>	<b>183.3%</b>	<b>2,078.6</b>	<b>187.0%</b>	<b>85.5</b>	<b>123.0%</b>
Discounts, Deductions & Scholarships	(944.8)	-80.0%	(933.3)	-84.0%	(11.5)	-16.5%
Taxes	(38.4)	-3.3%	(33.9)	-3.1%	(4.5)	-6.5%
<b>Net Revenue</b>	<b>1,180.9</b>	<b>100.0%</b>	<b>1,111.4</b>	<b>100.0%</b>	<b>69.5</b>	<b>100.0%</b>
<b>Cash Cost of Services</b>	<b>(642.3)</b>	<b>-54.4%</b>	<b>(611.9)</b>	<b>-55.1%</b>	<b>(30.4)</b>	<b>-43.8%</b>
- Personnel	(426.5)	-36.1%	(424.1)	-38.2%	(2.4)	-3.4%
- Services from Third Parties	(53.2)	-4.5%	(38.0)	-3.4%	(15.2)	-21.9%
- Rental & Utilities	(115.9)	-9.8%	(114.8)	-10.3%	(1.2)	-1.7%
- Others	(46.6)	-3.9%	(35.0)	-3.1%	(11.6)	-16.8%
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>538.6</b>	<b>45.6%</b>	<b>499.5</b>	<b>44.9%</b>	<b>39.1</b>	<b>56.2%</b>
<b>Sales Expenses</b>	<b>(105.1)</b>	<b>-8.9%</b>	<b>(95.7)</b>	<b>-8.6%</b>	<b>(9.4)</b>	<b>-13.5%</b>
- Provision for Doubtful Accounts (PDA)	(44.2)	-3.7%	(41.6)	-3.7%	(2.6)	-3.8%
- Marketing	(60.9)	-5.2%	(54.1)	-4.9%	(6.8)	-9.7%
<b>General &amp; Administrative Expenses</b>	<b>(130.2)</b>	<b>-11.0%</b>	<b>(105.8)</b>	<b>-9.5%</b>	<b>(24.4)</b>	<b>-35.1%</b>
- Personnel	(96.7)	-8.2%	(76.7)	-6.9%	(20.0)	-28.9%
- Third Party Services	(10.7)	-0.9%	(8.6)	-0.8%	(2.1)	-3.1%
- Rental & Utilities	(6.2)	-0.5%	(5.5)	-0.5%	(0.8)	-1.1%
- Others	(16.6)	-1.4%	(15.2)	-1.4%	(1.4)	-2.0%
<b>Other Operating Revenues (Expenses)</b>	<b>(0.8)</b>	<b>-0.1%</b>	<b>1.2</b>	<b>0.1%</b>	<b>(2.1)</b>	<b>-3.0%</b>
- Provisions	0.4	0.0%	0.4	0.0%	0.0	0.0%
- Taxes	(5.8)	-0.5%	(3.7)	-0.3%	(2.1)	-3.0%
- Other Operating Revenues	4.6	0.4%	4.5	0.4%	0.1	0.1%
<b>Late Payment Fees</b>	<b>8.8</b>	<b>0.7%</b>	<b>8.8</b>	<b>0.8%</b>	<b>0.0</b>	<b>0.0%</b>
<b>Operating Result</b>	<b>311.2</b>	<b>26.4%</b>	<b>307.9</b>	<b>27.7%</b>	<b>3.3</b>	<b>4.7%</b>
- Corporate Expenses	(109.2)	-9.2%				
<b>Adjusted EBITDA</b>	<b>202.0</b>	<b>17.1%</b>				
(-) Late Payment Fees	(8.8)	-0.7%				
(-) Non-Recurring Items - EBITDA	(38.5)	-3.3%				
<b>EBITDA</b>	<b>154.8</b>	<b>13.1%</b>				
Depreciation & Amortization	(65.4)	-5.5%				
Equity Equivalence	(2.5)	-0.2%				
<b>EBIT</b>	<b>86.9</b>	<b>7.4%</b>				
Net Financial Result	(59.8)	-5.1%				
<b>EBT</b>	<b>27.1</b>	<b>2.3%</b>				
Income Tax and Social Contribution	(3.3)	-0.3%				
<b>Net Income</b>	<b>23.9</b>	<b>2.0%</b>				
(-) Non-Recurring Items - EBITDA	38.5	3.3%				
(-) Non-Recurring Items - Net Income	0.0	0.0%				
<b>Adjusted Net Income</b>	<b>62.3</b>	<b>5.3%</b>				

## 4Q19 Income Statement: excluding the effect of IFRS-16

R\$ (million)	4Q19 - excl. IFRS-16					
	Consolidated	% Net Revenue	Education	% Net Revenue	Others	% Net Revenue
<b>Gross Revenue</b>	<b>570.5</b>	<b>178.3%</b>	<b>529.3</b>	<b>186.1%</b>	<b>41.2</b>	<b>116.3%</b>
Discounts, Deductions & Scholarships	(239.3)	-74.8%	(235.9)	-82.9%	(3.4)	-9.5%
Taxes	(11.3)	-3.5%	(8.9)	-3.1%	(2.4)	-6.9%
<b>Net Revenue</b>	<b>319.9</b>	<b>100.0%</b>	<b>284.5</b>	<b>100.0%</b>	<b>35.5</b>	<b>100.0%</b>
<b>Cash Cost of Services</b>	<b>(184.1)</b>	<b>-57.5%</b>	<b>(167.2)</b>	<b>-58.8%</b>	<b>(16.9)</b>	<b>-47.6%</b>
- Personnel	(115.0)	-35.9%	(114.2)	-40.2%	(0.8)	-2.1%
- Services from Third Parties	(19.6)	-6.1%	(10.6)	-3.7%	(9.0)	-25.4%
- Rental & Utilities	(32.0)	-10.0%	(31.3)	-11.0%	(0.7)	-2.1%
- Others	(17.5)	-5.5%	(11.1)	-3.9%	(6.4)	-18.0%
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>135.8</b>	<b>42.5%</b>	<b>117.2</b>	<b>41.2%</b>	<b>18.6</b>	<b>52.4%</b>
<b>Sales Expenses</b>	<b>(32.0)</b>	<b>-10.0%</b>	<b>(29.4)</b>	<b>-10.3%</b>	<b>(2.6)</b>	<b>-7.2%</b>
- Provision for Doubtful Accounts (PDA)	(15.1)	-4.7%	(15.1)	-5.3%	0.0	0.1%
- Marketing	(16.9)	-5.3%	(14.3)	-5.0%	(2.6)	-7.3%
<b>General &amp; Administrative Expenses</b>	<b>(35.0)</b>	<b>-10.9%</b>	<b>(28.2)</b>	<b>-9.9%</b>	<b>(6.9)</b>	<b>-19.3%</b>
- Personnel	(25.8)	-8.1%	(20.6)	-7.3%	(5.2)	-14.7%
- Third Party Services	(2.7)	-0.8%	(1.9)	-0.7%	(0.8)	-2.1%
- Rental & Utilities	(2.0)	-0.6%	(1.7)	-0.6%	(0.2)	-0.7%
- Others	(4.5)	-1.4%	(3.8)	-1.4%	(0.6)	-1.8%
<b>Other Operating Revenues (Expenses)</b>	<b>(1.2)</b>	<b>-0.4%</b>	<b>0.2</b>	<b>0.1%</b>	<b>(1.4)</b>	<b>-4.0%</b>
- Provisions	0.0	0.0%	0.0	0.0%	0.0	0.0%
- Taxes	(2.6)	-0.8%	(1.2)	-0.4%	(1.4)	-3.8%
- Other Operating Revenues	1.3	0.4%	1.4	0.5%	(0.1)	-0.1%
<b>Late Payment Fees</b>	<b>1.6</b>	<b>0.5%</b>	<b>1.6</b>	<b>0.6%</b>	<b>0.0</b>	<b>0.0%</b>
<b>Operating Result</b>	<b>69.3</b>	<b>21.7%</b>	<b>61.5</b>	<b>21.6%</b>	<b>7.8</b>	<b>21.9%</b>
- Corporate Expenses	(32.7)	-10.2%				
<b>Adjusted EBITDA</b>	<b>36.6</b>	<b>11.4%</b>				
(-) Late Payment Fees	(1.6)	-0.5%				
(-) Non-Recurring Items - EBITDA	(16.4)	-5.1%				
<b>EBITDA</b>	<b>18.6</b>	<b>5.8%</b>				
Depreciation & Amortization	(17.8)	-5.6%				
Equity Equivalence	(0.6)	-0.2%				
<b>EBIT</b>	<b>0.2</b>	<b>0.1%</b>				
Net Financial Result	(21.2)	-6.6%				
<b>EBT</b>	<b>(21.0)</b>	<b>-6.6%</b>				
Income Tax and Social Contribution	0.4	0.1%				
<b>Net Income</b>	<b>(20.6)</b>	<b>-6.4%</b>				
(-) Non-Recurring Items - EBITDA	16.4	5.1%				
(-) Non-Recurring Items - Net Income	0.0	0.0%				
<b>Adjusted Net Income</b>	<b>(4.2)</b>	<b>-1.3%</b>				



## 2019 Income Statement: including the effect of IFRS-16

R\$ (million)	2019 - with IFRS-16					
	Consolidated	% Net Revenue	Education	% Net Revenue	Others	% Net Revenue
<b>Gross Revenue</b>	<b>2,164.1</b>	<b>183.3%</b>	<b>2,078.6</b>	<b>187.0%</b>	<b>85.5</b>	<b>123.0%</b>
Discounts, Deductions & Scholarships	(944.8)	-80.0%	(933.3)	-84.0%	(11.5)	-16.5%
Taxes	(38.4)	-3.3%	(33.9)	-3.1%	(4.5)	-6.5%
<b>Net Revenue</b>	<b>1,180.9</b>	<b>100.0%</b>	<b>1,111.4</b>	<b>100.0%</b>	<b>69.5</b>	<b>100.0%</b>
<b>Cash Cost of Services</b>	<b>(559.1)</b>	<b>-47.3%</b>	<b>(528.7)</b>	<b>-47.6%</b>	<b>(30.4)</b>	<b>-43.8%</b>
- Personnel	(426.5)	-36.1%	(424.1)	-38.2%	(2.4)	-3.4%
- Services from Third Parties	(53.2)	-4.5%	(38.0)	-3.4%	(15.2)	-21.9%
- Rental & Utilities	(32.7)	-2.8%	(31.6)	-2.8%	(1.2)	-1.7%
- Others	(46.6)	-3.9%	(35.0)	-3.1%	(11.6)	-16.8%
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>621.8</b>	<b>52.7%</b>	<b>582.7</b>	<b>52.4%</b>	<b>39.1</b>	<b>56.2%</b>
<b>Sales Expenses</b>	<b>(105.1)</b>	<b>-8.9%</b>	<b>(95.7)</b>	<b>-8.6%</b>	<b>(9.4)</b>	<b>-13.5%</b>
- Provision for Doubtful Accounts (PDA)	(44.2)	-3.7%	(41.6)	-3.7%	(2.6)	-3.8%
- Marketing	(60.9)	-5.2%	(54.1)	-4.9%	(6.8)	-9.7%
<b>General &amp; Administrative Expenses</b>	<b>(125.3)</b>	<b>-10.6%</b>	<b>(101.4)</b>	<b>-9.1%</b>	<b>(23.9)</b>	<b>-34.4%</b>
- Personnel	(96.7)	-8.2%	(76.7)	-6.9%	(20.0)	-28.9%
- Third Party Services	(10.7)	-0.9%	(8.6)	-0.8%	(2.1)	-3.1%
- Rental & Utilities	(1.3)	-0.1%	(1.0)	-0.1%	(0.3)	-0.4%
- Others	(16.6)	-1.4%	(15.2)	-1.4%	(1.4)	-2.0%
<b>Other Operating Revenues (Expenses)</b>	<b>(0.8)</b>	<b>-0.1%</b>	<b>1.2</b>	<b>0.1%</b>	<b>(2.1)</b>	<b>-3.0%</b>
- Provisions	0.4	0.0%	0.4	0.0%	0.0	0.0%
- Taxes	(5.8)	-0.5%	(3.7)	-0.3%	(2.1)	-3.0%
- Other Operating Revenues	4.6	0.4%	4.5	0.4%	0.1	0.1%
<b>Late Payment Fees</b>	<b>8.8</b>	<b>0.7%</b>	<b>8.8</b>	<b>0.8%</b>	<b>0.0</b>	<b>0.0%</b>
<b>Operating Result</b>	<b>399.3</b>	<b>33.8%</b>	<b>395.6</b>	<b>35.6%</b>	<b>3.7</b>	<b>5.4%</b>
- Corporate Expenses	(106.5)	-9.0%				
<b>Adjusted EBITDA</b>	<b>292.8</b>	<b>24.8%</b>				
(-) Late Payment Fees	(8.8)	-0.7%				
(-) Non-Recurring Items - EBITDA	(38.5)	-3.3%				
<b>EBITDA</b>	<b>245.5</b>	<b>20.8%</b>				
Depreciation & Amortization	(123.1)	-10.4%				
Equity Equivalence	(2.5)	-0.2%				
<b>EBIT</b>	<b>120.0</b>	<b>10.2%</b>				
Net Financial Result	(126.3)	-10.7%				
<b>EBT</b>	<b>(6.3)</b>	<b>-0.5%</b>				
Income Tax and Social Contribution	(3.3)	-0.3%				
<b>Net Income</b>	<b>(9.6)</b>	<b>-0.8%</b>				
(-) Non-Recurring Items - EBITDA	38.5	3.3%				
(-) Non-Recurring Items - Net Income	0.0	0.0%				
<b>Adjusted Net Income</b>	<b>28.9</b>	<b>2.4%</b>				

## 4Q19 Income Statement: including the effect of IFRS-16

R\$ (million)	4Q19 - with IFRS-16					
	Consolidated	% AV	Education	% AV	Others	% AV
<b>Gross Revenue</b>	<b>570.5</b>	<b>178.3%</b>	<b>529.3</b>	<b>186.1%</b>	<b>41.2</b>	<b>116.3%</b>
Discounts, Deductions & Scholarships	(239.3)	-74.8%	(235.9)	-82.9%	(3.4)	-9.5%
Taxes	(11.3)	-3.5%	(8.9)	-3.1%	(2.4)	-6.9%
<b>Net Revenue</b>	<b>319.9</b>	<b>100.0%</b>	<b>284.5</b>	<b>100.0%</b>	<b>35.5</b>	<b>100.0%</b>
<b>Cash Cost of Services</b>	<b>(161.9)</b>	<b>-50.6%</b>	<b>(145.0)</b>	<b>-51.0%</b>	<b>(16.9)</b>	<b>-47.6%</b>
- Personnel	(115.0)	-35.9%	(114.2)	-40.2%	(0.8)	-2.1%
- Services from Third Parties	(19.6)	-6.1%	(10.6)	-3.7%	(9.0)	-25.4%
- Rental & Utilities	(9.8)	-3.1%	(9.1)	-3.2%	(0.7)	-2.1%
- Others	(17.5)	-5.5%	(11.1)	-3.9%	(6.4)	-18.0%
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>158.0</b>	<b>49.4%</b>	<b>139.4</b>	<b>49.0%</b>	<b>18.6</b>	<b>52.4%</b>
<b>Sales Expenses</b>	<b>(32.0)</b>	<b>-10.0%</b>	<b>(29.4)</b>	<b>-10.3%</b>	<b>(2.6)</b>	<b>-7.2%</b>
- Provision for Doubtful Accounts (PDA)	(15.1)	-4.7%	(15.1)	-5.3%	0.0	0.1%
- Marketing	(16.9)	-5.3%	(14.3)	-5.0%	(2.6)	-7.3%
<b>General &amp; Administrative Expenses</b>	<b>(33.8)</b>	<b>-10.6%</b>	<b>(27.1)</b>	<b>-9.5%</b>	<b>(6.7)</b>	<b>-18.9%</b>
- Personnel	(25.8)	-8.1%	(20.6)	-7.3%	(5.2)	-14.7%
- Third Party Services	(2.7)	-0.8%	(1.9)	-0.7%	(0.8)	-2.1%
- Rental & Utilities	(0.7)	-0.2%	(0.6)	-0.2%	(0.1)	-0.2%
- Others	(4.5)	-1.4%	(3.8)	-1.4%	(0.6)	-1.8%
<b>Other Operating Revenues (Expenses)</b>	<b>(1.2)</b>	<b>-0.4%</b>	<b>0.2</b>	<b>0.1%</b>	<b>(1.4)</b>	<b>-4.0%</b>
- Provisions	0.0	0.0%	0.0	0.0%	0.0	0.0%
- Taxes	(2.6)	-0.8%	(1.2)	-0.4%	(1.4)	-3.8%
- Other Operating Revenues	1.3	0.4%	1.4	0.5%	(0.1)	-0.1%
<b>Late Payment Fees</b>	<b>1.6</b>	<b>0.5%</b>	<b>1.6</b>	<b>0.6%</b>	<b>0.0</b>	<b>0.0%</b>
<b>Operating Result</b>	<b>92.7</b>	<b>29.0%</b>	<b>84.8</b>	<b>29.8%</b>	<b>7.9</b>	<b>22.4%</b>
- Corporate Expenses	(32.2)	-10.1%				
<b>Adjusted EBITDA</b>	<b>60.5</b>	<b>18.9%</b>				
(-) Late Payment Fees	(1.6)	-0.5%				
(-) Non-Recurring Items - EBITDA	(16.4)	-5.1%				
<b>EBITDA</b>	<b>42.5</b>	<b>13.3%</b>				
Depreciation & Amortization	(32.5)	-10.1%				
Equity Equivalence	(0.6)	-0.2%				
<b>EBIT</b>	<b>9.5</b>	<b>3.0%</b>				
Net Financial Result	(38.2)	-11.9%				
<b>EBT</b>	<b>(28.7)</b>	<b>-9.0%</b>				
Income Tax and Social Contribution	0.4	0.1%				
<b>Net Income</b>	<b>(28.3)</b>	<b>-8.9%</b>				
(-) Non-Recurring Items - EBITDA	16.4	5.1%				
(-) Non-Recurring Items - Net Income	0.0	0.0%				
<b>Adjusted Net Income</b>	<b>(12.0)</b>	<b>-3.7%</b>				



## 2019 and 4Q19 Income Statement: IFRS-16 effect

Consolidated Anima R\$ (million)	2019 - Release Income Statement			4Q19 - Release Income Statement		
	Excl. IFRS-16	With IFRS-16	IFRS-16 Effect	Excl. IFRS-16	With IFRS-16	IFRS-16 Effect
<b>Gross Revenue</b>	<b>2,164.1</b>	<b>2,164.1</b>	<b>0.0</b>	<b>570.5</b>	<b>570.5</b>	<b>0.0</b>
Discounts, Deductions & Scholarships	(944.8)	(944.8)	0.0	(239.3)	(239.3)	0.0
Taxes	(38.4)	(38.4)	0.0	(11.3)	(11.3)	0.0
<b>Net Revenue</b>	<b>1,180.9</b>	<b>1,180.9</b>	<b>0.0</b>	<b>319.9</b>	<b>319.9</b>	<b>0.0</b>
<b>Cash Cost of Services</b>	<b>(642.3)</b>	<b>(559.1)</b>	<b>83.2</b>	<b>(184.1)</b>	<b>(161.9)</b>	<b>22.2</b>
- Personnel	(426.5)	(426.5)	0.0	(115.0)	(115.0)	0.0
- Services from Third Parties	(53.2)	(53.2)	0.0	(19.6)	(19.6)	0.0
- COGS	0.0	0.0	0.0	0.0	0.0	0.0
- Rental & Utilities	(115.9)	(32.7)	83.2	(32.0)	(9.8)	22.2
- Others	(46.6)	(46.6)	0.0	(17.5)	(17.5)	0.0
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>538.6</b>	<b>621.8</b>	<b>83.2</b>	<b>135.8</b>	<b>158.0</b>	<b>22.2</b>
<b>Sales Expenses</b>	<b>(105.1)</b>	<b>(105.1)</b>	<b>0.0</b>	<b>(32.0)</b>	<b>(32.0)</b>	<b>0.0</b>
- Provision for Doubtful Accounts (PDA)	(44.2)	(44.2)	0.0	(15.1)	(15.1)	0.0
- Marketing	(60.9)	(60.9)	0.0	(16.9)	(16.9)	0.0
<b>General &amp; Administrative Expenses</b>	<b>(130.2)</b>	<b>(125.3)</b>	<b>4.9</b>	<b>(35.0)</b>	<b>(33.8)</b>	<b>1.2</b>
- Personnel	(96.7)	(96.7)	0.0	(25.8)	(25.8)	0.0
- Third Party Services	(10.7)	(10.7)	0.0	(2.7)	(2.7)	0.0
- Rental & Utilities	(6.2)	(1.3)	4.9	(2.0)	(0.7)	1.2
- Others	(16.6)	(16.6)	0.0	(4.5)	(4.5)	0.0
<b>Other Operating Revenues (Expenses)</b>	<b>(0.8)</b>	<b>(0.8)</b>	<b>0.0</b>	<b>(1.2)</b>	<b>(1.2)</b>	<b>0.0</b>
- Provisions	0.4	0.4	0.0	0.0	0.0	0.0
- Taxes	(5.8)	(5.8)	0.0	(2.6)	(2.6)	0.0
- Other Operating Revenues	4.6	4.6	0.0	1.3	1.3	0.0
<b>Late Payment Fees</b>	<b>8.8</b>	<b>8.8</b>	<b>0.0</b>	<b>1.6</b>	<b>1.6</b>	<b>0.0</b>
<b>Operating Result</b>	<b>311.2</b>	<b>399.3</b>	<b>88.1</b>	<b>69.3</b>	<b>92.7</b>	<b>23.4</b>
- Corporate Expenses	(109.2)	(106.5)	2.6	(32.7)	(32.2)	0.5
<b>Adjusted EBITDA</b>	<b>202.0</b>	<b>292.8</b>	<b>90.7</b>	<b>36.6</b>	<b>60.5</b>	<b>23.9</b>
(-) Late Payment Fees	(8.8)	(8.8)	0.0	(1.6)	(1.6)	0.0
(-) Non-Recurring Items - EBITDA	(38.5)	(38.5)	0.0	(16.4)	(16.4)	0.0
<b>EBITDA</b>	<b>154.8</b>	<b>245.5</b>	<b>90.7</b>	<b>18.6</b>	<b>42.5</b>	<b>23.9</b>
Depreciation & Amortization	(65.4)	(123.1)	(57.7)	(17.8)	(32.5)	(14.6)
Equity Equivalence	(2.5)	(2.5)	0.0	(0.6)	(0.6)	0.0
<b>EBIT</b>	<b>86.9</b>	<b>120.0</b>	<b>33.1</b>	<b>0.2</b>	<b>9.5</b>	<b>9.2</b>
Net Financial Result	(59.8)	(126.3)	(66.5)	(21.2)	(38.2)	(17.0)
<b>EBT</b>	<b>27.1</b>	<b>(6.3)</b>	<b>(33.5)</b>	<b>(21.0)</b>	<b>(28.7)</b>	<b>(7.8)</b>
Income Tax and Social Contribution	(3.3)	(3.3)	0.0	0.4	0.4	0.0
<b>Net Income</b>	<b>23.9</b>	<b>(9.6)</b>	<b>(33.5)</b>	<b>(20.6)</b>	<b>(28.3)</b>	<b>(7.8)</b>
(-) Non-Recurring Items - EBITDA	38.5	38.5	0.0	16.4	16.4	0.0
(-) Non-Recurring Items - Net Income	0.0	0.0	0.0	0.0	0.0	0.0
<b>Adjusted Net Income</b>	<b>62.3</b>	<b>28.9</b>	<b>(33.5)</b>	<b>(4.2)</b>	<b>(12.0)</b>	<b>(7.8)</b>

## FINANCIAL PERFORMANCE – Education

R\$ (million)	Education – excl. IFRS-16									
	2019	% Net Revenue	2018	% Net Revenue	% YA	4Q19	% Net Revenue	4Q18	% Net Revenue	% YA
<b>Gross Revenue</b>	<b>2,078.6</b>	<b>187.0%</b>	<b>1,766.2</b>	<b>172.7%</b>	<b>17.7%</b>	<b>529.3</b>	<b>186.1%</b>	<b>438.5</b>	<b>170.5%</b>	<b>20.7%</b>
Discounts, Deductions & Scholarships	(933.3)	-84.0%	(712.5)	-69.7%	31.0%	(235.9)	-82.9%	(173.4)	-67.4%	36.1%
Taxes	(33.9)	-3.1%	(30.9)	-3.0%	9.7%	(8.9)	-3.1%	(8.0)	-3.1%	11.7%
<b>Net Revenue</b>	<b>1,111.4</b>	<b>100.0%</b>	<b>1,022.8</b>	<b>100.0%</b>	<b>8.7%</b>	<b>284.5</b>	<b>100.0%</b>	<b>257.2</b>	<b>100.0%</b>	<b>10.6%</b>
<b>Cash Cost of Services</b>	<b>(611.9)</b>	<b>-55.1%</b>	<b>(600.2)</b>	<b>-58.7%</b>	<b>2.0%</b>	<b>(167.2)</b>	<b>-58.8%</b>	<b>(166.1)</b>	<b>-64.6%</b>	<b>0.6%</b>
- Personnel	(424.1)	-38.2%	(429.8)	-42.0%	-1.3%	(114.2)	-40.2%	(118.7)	-46.1%	-3.8%
- Services from Third Parties	(38.0)	-3.4%	(37.5)	-3.7%	1.5%	(10.6)	-3.7%	(11.4)	-4.4%	-7.4%
- Rental & Utilities	(114.8)	-10.3%	(98.7)	-9.7%	16.3%	(31.3)	-11.0%	(26.8)	-10.4%	16.7%
- Others	(35.0)	-3.1%	(34.2)	-3.3%	2.3%	(11.1)	-3.9%	(9.2)	-3.6%	20.7%
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>499.5</b>	<b>44.9%</b>	<b>422.6</b>	<b>41.3%</b>	<b>18.2%</b>	<b>117.2</b>	<b>41.2%</b>	<b>91.0</b>	<b>35.4%</b>	<b>28.8%</b>
<b>Sales Expenses</b>	<b>(95.7)</b>	<b>-8.6%</b>	<b>(84.0)</b>	<b>-8.2%</b>	<b>14.0%</b>	<b>(29.4)</b>	<b>-10.3%</b>	<b>(27.4)</b>	<b>-10.6%</b>	<b>7.6%</b>
- Provision for Doubtful Accounts (PDA)	(41.6)	-3.7%	(41.3)	-4.0%	0.8%	(15.1)	-5.3%	(13.3)	-5.2%	13.3%
- Marketing	(54.1)	-4.9%	(42.7)	-4.2%	26.8%	(14.3)	-5.0%	(14.0)	-5.5%	2.1%
<b>General &amp; Administrative Expenses</b>	<b>(105.8)</b>	<b>-9.5%</b>	<b>(90.8)</b>	<b>-8.9%</b>	<b>16.5%</b>	<b>(28.2)</b>	<b>-9.9%</b>	<b>(21.0)</b>	<b>-8.2%</b>	<b>34.0%</b>
- Personnel	(76.7)	-6.9%	(58.7)	-5.7%	30.5%	(20.6)	-7.3%	(12.5)	-4.9%	65.0%
- Third Party Services	(8.6)	-0.8%	(10.2)	-1.0%	-16.0%	(1.9)	-0.7%	(3.1)	-1.2%	-36.9%
- Rental & Utilities	(5.5)	-0.5%	(3.0)	-0.3%	84.3%	(1.7)	-0.6%	(0.8)	-0.3%	115.2%
- Others	(15.2)	-1.4%	(19.0)	-1.9%	-20.1%	(3.8)	-1.4%	(4.6)	-1.8%	-16.5%
<b>Other Operating Revenues (Expenses)</b>	<b>1.2</b>	<b>0.1%</b>	<b>5.7</b>	<b>0.6%</b>	<b>-78.6%</b>	<b>0.2</b>	<b>0.1%</b>	<b>1.6</b>	<b>0.6%</b>	<b>-85.6%</b>
- Provisions	0.4	0.0%	(2.5)	-0.2%	-115.7%	0.0	0.0%	(0.7)	-0.3%	-107.1%
- Taxes	(3.7)	-0.3%	(1.2)	-0.1%	214.4%	(1.2)	-0.4%	(0.2)	-0.1%	550.0%
- Other Operating Revenues	4.5	0.4%	9.4	0.9%	-51.5%	1.4	0.5%	2.5	1.0%	-44.3%
<b>Late Payment Fees</b>	<b>8.8</b>	<b>0.8%</b>	<b>11.2</b>	<b>1.1%</b>	<b>-21.4%</b>	<b>1.6</b>	<b>0.6%</b>	<b>1.7</b>	<b>0.7%</b>	<b>-5.3%</b>
<b>Operating Result</b>	<b>307.9</b>	<b>27.7%</b>	<b>264.7</b>	<b>25.9%</b>	<b>16.3%</b>	<b>61.5</b>	<b>21.6%</b>	<b>46.0</b>	<b>17.9%</b>	<b>33.7%</b>

R\$ (million)	Education Excl. AGES - with IFRS-16		Education Excl. AGES - excl. IFRS-16					
	2019	4Q19	2019	2018	% YA	4Q19	4Q18	% YA
<b>Net Revenue</b>	<b>1,081.6</b>	<b>267.1</b>	<b>1,081.6</b>	<b>1,022.8</b>	<b>5.7%</b>	<b>267.1</b>	<b>257.2</b>	<b>3.8%</b>
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>562.3</b>	<b>127.6</b>	<b>480.2</b>	<b>422.6</b>	<b>13.6%</b>	<b>106.6</b>	<b>91.0</b>	<b>17.1%</b>
<i>Gross Margin</i>	<i>52.0%</i>	<i>47.8%</i>	<i>44.4%</i>	<i>41.3%</i>	<i>3.1pp</i>	<i>39.9%</i>	<i>35.4%</i>	<i>4.5pp</i>
<b>Operating Result</b>	<b>385.1</b>	<b>79.2</b>	<b>299.6</b>	<b>264.7</b>	<b>13.2%</b>	<b>57.2</b>	<b>46.0</b>	<b>24.2%</b>
<i>Operating Margin</i>	<i>35.6%</i>	<i>29.6%</i>	<i>27.7%</i>	<i>25.9%</i>	<i>1.8pp</i>	<i>21.4%</i>	<i>17.9%</i>	<i>3.5pp</i>

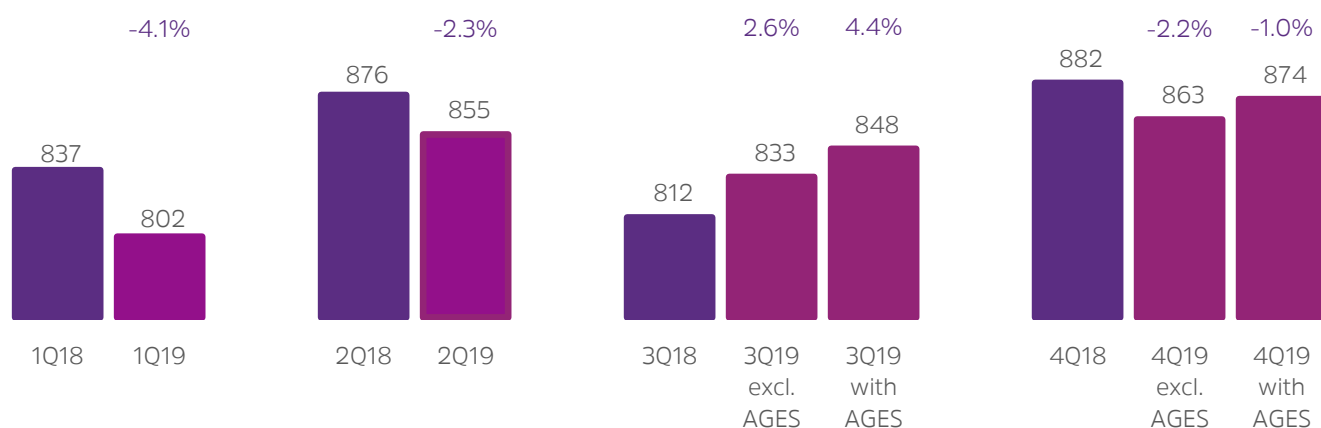
Acquisition made in Aug'19



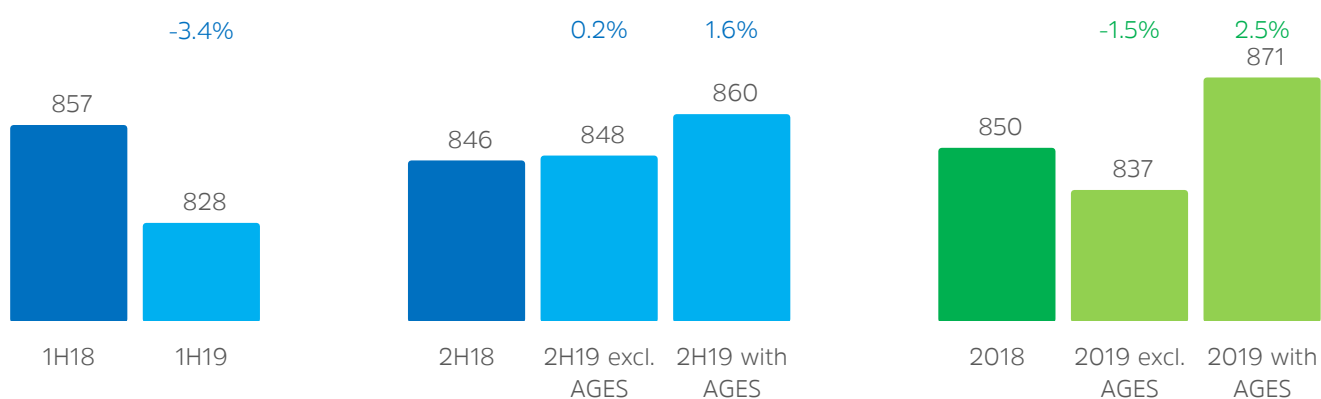
## Net Revenue

We ended the year of 2019 with Net Revenue from the Education segment of R\$1,111.4 million, +8.7% versus 2018 (R\$1,081.6 million or +5.7%, excluding AGES). In 4Q19, Net Revenue came to R\$284.5 million, 10.6% versus 4Q18 (R\$267.1 million, or +3.8%, excluding AGES).

### Net Average Ticket (R\$/month)



### Net Average Ticket (R\$/month)



Looking specifically to our net ticket excluding AGES, we ended 2019 with an average of R\$837/month in 2019, a 1.5% reduction versus 2018, due to higher scholarships, discounts and taxes (-8.9%), an average increase in tuition fees (+5.0%) and gains in program mix (+2.4%).

Our efforts to recover the ticket, which include several internal initiatives, resulted in an annualized net ticket that was better than indicated by the trend in the first half of the year, due to the effect achieved in the 3Q19 intake, showing that we are in the right path for a sustainable growth trajectory.

In 4Q19 in particular, our net average ticket excluding AGES reached R\$863/month (-2.2% vs. 4Q18), mainly due to a senior student base with more scholarships, discounts and taxes (-9.2%), partially offset by an average increase in tuition fees (5.0%) and an improvement in the program mix (2.0%).

### **Total Costs and Gross Profit**

Excluding the IFRS-16 impacts, Gross Profit came to R\$499.5 million in 2019, or 44.9% of net revenue (+3.6pp vs. 2018). It is worth noting in this item the faculty and academic support productivity gains, which resulted in a 3.8pp improvement in personnel costs versus 2018.

### **Selling Expenses**

Selling expenses came to R\$95.7 million in 2019, representing an impact of -0.4pp in margin versus 2018, due to an increase in marketing expenses (-0.7pp), due to the organic expansion plan (Q2A) and initiatives to strengthen our brands, especially in the most competitive regions. Provisions for doubtful accounts remained in line with the previous year (+0.3pp vs. 2018), with a behavior similar to our days of sales outstanding.

### **General and Administrative Expenses**

Excluding the effect of IFRS-16, general and administrative expenses stood at R\$105.8 million in 2019, representing 9.5% of net revenue, -0.6pp vs. 2018. The increase in these expenses was mainly due to the higher share of Q2A units, which are still in an average maturation stage, and have therefore a proportionally higher level of G&A expenses than mature operations.

### **Other Operating Revenues (Expenses)**



Other operating revenues (expenses), including fines and interest on tuition fees, came to R\$10.0 million in 2019, a 0.7pp reduction versus 2018, mainly due to lower fines and interest, as a result of our preventive efforts to renegotiate late payments.

## Operating Result

Excluding the effect of IFRS-16, the operating result reached R\$307.9 million in 2019, or 27.7% of net revenue, +1.8pp compared to 2018. In 4Q19, the operating result came to R\$61.5 million, or margin of 21.6%, +3.7pp versus 4Q18.

We continue to monitor the evolution of operating margins in the Education segment, dividing the units into three major blocks based on their respective stages of maturity: Base, Acquisitions and Organic Expansion. It is worth noting that we began to include AGES in the Acquisitions block as of August.

Valores em R\$ (milhões)	Base <sup>1</sup>			Aquisições <sup>2</sup>			Exp. Orgânica <sup>3</sup>			Ensino		
	Excl. Novas Unid.			Excl. Novas Unid.								
	2019	2018	% AH	2019	2018	% AH	2019	2018	% AH	2019	2018	% AH
<b>Receita Líquida</b>	759.8	785.8	-3.3%	196.2	162.2	21.0%	155.3	74.8	107.8%	1,111.4	1,022.8	8.7%
<b>Lucro Bruto (excluindo deprec. /amort.)</b>	362.8	348.7	4.1%	76.0	53.6	41.7%	60.6	20.3	198.6%	499.5	422.7	18.2%
<i>Mg. Bruta</i>	47.8%	44.4%	3.4pp	38.7%	33.1%	5.7pp	39.0%	27.1%	11.9pp	44.9%	41.3%	3.6pp
<b>Resultado Operacional</b>	250.0	242.5	3.1%	38.4	23.6	62.5%	19.5	(1.5)	-1410.0%	307.9	264.6	16.4%
<i>Mg. Operacional</i>	32.9%	30.9%	2.0pp	19.6%	14.6%	5.0pp	12.6%	-2.0%	14.6pp	27.7%	25.9%	1.8pp

Valores em R\$ (milhões)	Base <sup>1</sup>			Acquisitions <sup>2</sup>			Organic Exp. <sup>3</sup>			Education		
	Excl. New Units			Excl. New Units								
	4Q19	4Q18	% YA	4Q19	4Q18	% YA	4Q19	4Q18	% YA	4Q19	4Q18	% YA
<b>Receita Líquida</b>	189.3	194.9	-2.8%	56.2	34.1	65.0%	38.9	28.2	37.9%	284.5	257.2	10.6%
<b>Lucro Bruto (excluindo deprec. /amort.)</b>	83.4	75.7	10.2%	21.4	11.3	88.7%	12.4	4.0	208.1%	117.2	91.0	28.8%
<i>Mg. Bruta</i>	44.0%	38.8%	5.2pp	38.0%	33.2%	4.8pp	32.0%	14.3%	17.7pp	41.2%	35.4%	5.8pp
<b>Resultado Operacional</b>	50.5	43.7	15.5%	10.4	7.3	43.1%	0.6	(5.0)	-112.3%	61.5	46.0	33.8%
<i>Mg. Operacional</i>	26.7%	22.4%	4.2pp	18.6%	21.5%	-2.9pp	1.6%	-17.7%	19.3pp	21.6%	17.9%	3.7pp

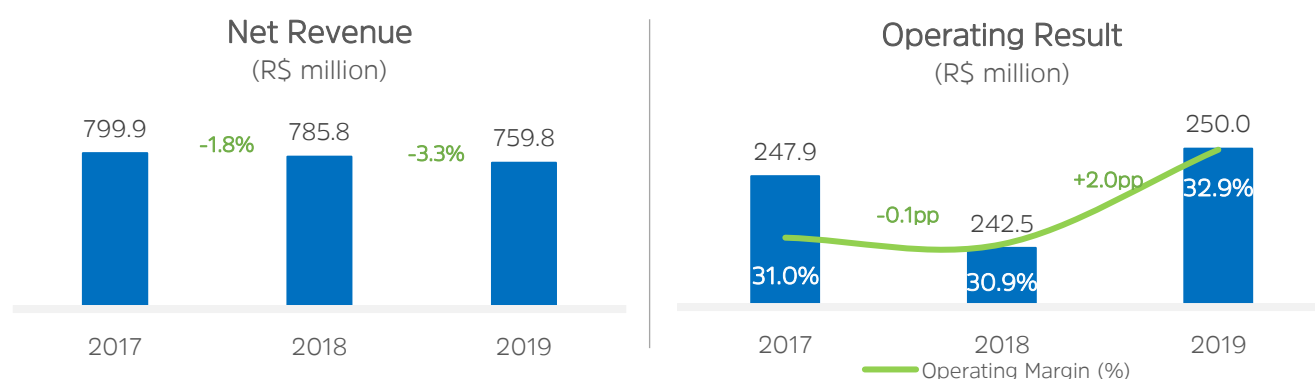
<sup>1</sup> Considers Una, UNIBH and São Judas (including the Unimonte campus, but excluding acquisitions and new units opened as of 2016)

<sup>2</sup> Considers acquisitions made throughout 2016 (Unisocies Feb'16, Una Bom Despacho Jul'16 and Una Uberlândia Oct'16) and AGES in Aug'19

<sup>3</sup> Considers organic expansion: Units of Sete Lagoas (Jul'16), Catalão (Oct'16), Divinópolis (Feb'17), Pouso Alegre (Mar'17), Nova Serrana (Apr'17), São Bento do Sul (Jan'17), Itajaí (Jul'17), Itabira (Jan'18), Jataí (Jan'18), Jabaquara (Jan'18), Santo Amaro (Jan'18), Paulista (Jan'18), Palácio Avenida (Jan'18), Jaraguá do Sul (Jan'18), Vila Leopoldina (Jan'19), Santana (Jan'19), São Bernardo do Campo (Jan'19), Guarulhos (Jan'19), Cubatão (Jan'19), Florianópolis Continente (Jan'19), Conselheiro Lafaiete (Jan'19), Itumbiara (Jan'19), and the acquisitions made in 2018 (CESUC, Faculdade Jangada and Faced)

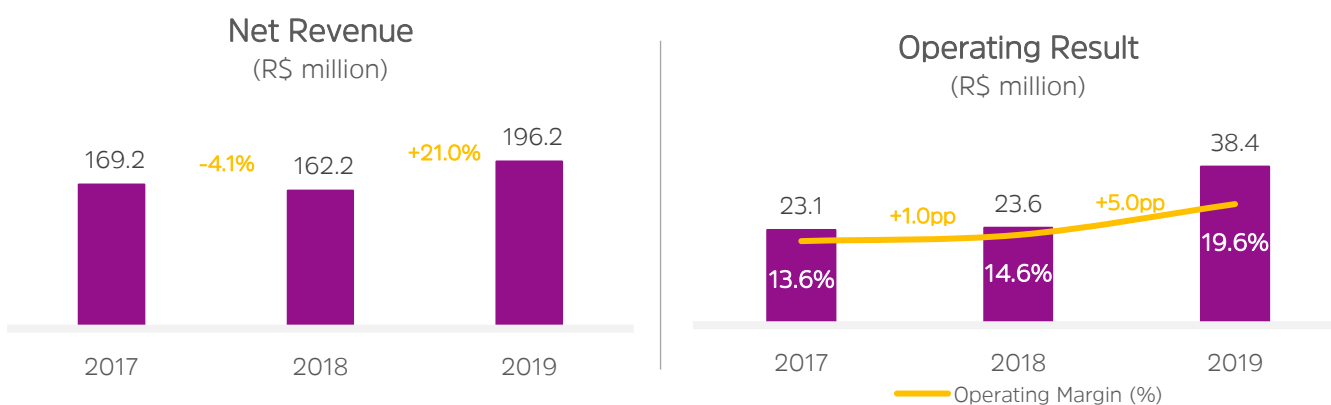
The **Base** operation ended the year with net revenue of R\$759.8 million, a reduction versus 2018 (-3.3%), primarily due to the high level of competitiveness in the regions where our units are located. Nevertheless, the operating margin continued to increase year on year, mainly due to efficiency gains from the E2A (academic model fully implemented in 2018) and the granular management of expenses. Gross profit reached R\$362.8 million in 2019, or margin of 47.8% (+3.4pp vs. 2018), and the operating result reached R\$250.0 million, or margin of 32.9% (+2.0pp vs. 2018).

### Block: Base Excl. new units and acquisitions



Regarding the **Acquisitions** block, which includes the acquisitions made in 2016 (UniSociesc, Una Bom Despacho and Una Uberlândia) and AGES (as of August 2019), we recorded net revenue of R\$196.2 million in the year, +21.0% compared to last year, primarily impacted by AGES. This block's operating result, also impacted by the new operation, totaled R\$38.4 million, or 19.6% of net revenue (+5.0pp vs. 2018). If we exclude AGES, this segment's result also followed the positive growth trend (net revenue +2.6% and operating margin +3.5pp).

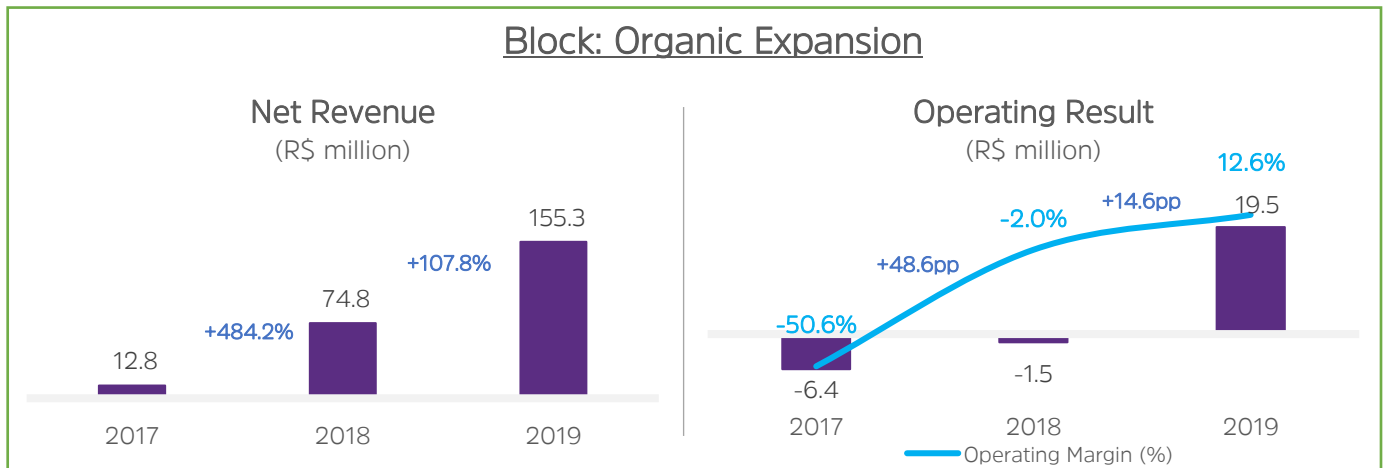
### Block: Acquisitions Excl. new units



The performance of the **Organic Expansion** block, which besides of including the 14 units opened between Jul'16 and Jan'18 and the 8 new units inaugurated at the beginning of 2019, also includes the acquisitions made in 2018 (CESUC, Faculdade Jangada and Faced), continued to show positive and consistent performance. This block recorded net revenue of R\$155.3 million and operating result of R\$19.5 million (versus net revenue of R\$74.8 million and operating loss of R\$1.5 million in 2018).



### Block: Organic Expansion



It is important to note that academic units take around 5 years to reach maturity and that the units in this block were opened, on average, two years ago.

## FINANCIAL PERFORMANCE – Other Businesses

R\$ (million)	Others - excl. IFRS-16									
	2019	% Net Revenue	2018	% Net Revenue	% YA	4Q19	% Net Revenue	4Q18	% Net Revenue	% YA
<b>Gross Revenue</b>	<b>85.5</b>	<b>123.0%</b>	<b>76.7</b>	<b>109.1%</b>	<b>11.4%</b>	<b>41.2</b>	<b>116.3%</b>	<b>40.3</b>	<b>106.9%</b>	<b>2.4%</b>
Discounts, Deductions & Scholarships	(11.5)	-16.5%	(2.8)	-3.9%	316.5%	(3.4)	-9.5%	(0.7)	-1.7%	409.3%
Taxes	(4.5)	-6.5%	(3.6)	-5.2%	24.7%	(2.4)	-6.9%	(1.9)	-5.1%	26.1%
<b>Net Revenue</b>	<b>69.5</b>	<b>100.0%</b>	<b>70.3</b>	<b>100.0%</b>	<b>-1.2%</b>	<b>35.5</b>	<b>100.0%</b>	<b>37.7</b>	<b>100.0%</b>	<b>-5.9%</b>
<b>Cash Cost of Services</b>	<b>(30.4)</b>	<b>-43.8%</b>	<b>(30.9)</b>	<b>-44.0%</b>	<b>-1.8%</b>	<b>(16.9)</b>	<b>-47.6%</b>	<b>(18.1)</b>	<b>-47.9%</b>	<b>-6.6%</b>
- Personnel	(2.4)	-3.4%	(2.1)	-3.0%	12.7%	(0.8)	-2.1%	(1.2)	-3.3%	-38.4%
- Services from Third Parties	(15.2)	-21.9%	(17.6)	-25.0%	-13.6%	(9.0)	-25.4%	(11.1)	-29.6%	-19.3%
- Rental & Utilities	(1.2)	-1.7%	(3.9)	-5.6%	-70.5%	(0.7)	-2.1%	(2.7)	-7.1%	-72.8%
- Others	(11.6)	-16.8%	(6.3)	-8.9%	86.1%	(6.4)	-18.0%	(2.9)	-7.6%	122.4%
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>39.1</b>	<b>56.2%</b>	<b>39.4</b>	<b>56.0%</b>	<b>-0.8%</b>	<b>18.6</b>	<b>52.4%</b>	<b>19.6</b>	<b>52.1%</b>	<b>-5.2%</b>
<b>Sales Expenses</b>	<b>(9.4)</b>	<b>-13.5%</b>	<b>(8.4)</b>	<b>-11.9%</b>	<b>12.2%</b>	<b>(2.6)</b>	<b>-7.2%</b>	<b>(4.0)</b>	<b>-10.6%</b>	<b>-36.0%</b>
- Provision for Doubtful Accounts (PDA)	(2.6)	-3.8%	(3.5)	-5.0%	-25.1%	0.0	0.1%	(2.0)	-5.3%	-101.9%
- Marketing	(6.8)	-9.7%	(4.9)	-6.9%	39.1%	(2.6)	-7.3%	(2.0)	-5.3%	30.6%
<b>General &amp; Administrative Expenses</b>	<b>(24.4)</b>	<b>-35.1%</b>	<b>(24.3)</b>	<b>-34.6%</b>	<b>0.2%</b>	<b>(6.9)</b>	<b>-19.3%</b>	<b>(6.3)</b>	<b>-16.8%</b>	<b>8.3%</b>
- Personnel	(20.0)	-28.9%	(20.1)	-28.5%	-0.1%	(5.2)	-14.7%	(5.1)	-13.6%	1.3%
- Third Party Services	(2.1)	-3.1%	(1.2)	-1.7%	76.3%	(0.8)	-2.1%	(0.5)	-1.4%	47.0%
- Rental & Utilities	(0.8)	-1.1%	(1.0)	-1.5%	-26.1%	(0.2)	-0.7%	(0.3)	-0.7%	-7.2%
- Others	(1.4)	-2.0%	(2.0)	-2.9%	-29.4%	(0.6)	-1.8%	(0.4)	-1.1%	56.8%
<b>Other Operating Revenues (Expenses)</b>	<b>(2.1)</b>	<b>-3.0%</b>	<b>(1.2)</b>	<b>-1.7%</b>	<b>72.6%</b>	<b>(1.4)</b>	<b>-4.0%</b>	<b>(0.6)</b>	<b>-1.7%</b>	<b>125.6%</b>
- Provisions	0.0	0.0%	(0.0)	0.0%	-100.0%	0.0	0.0%	0.0	0.0%	0.0%
- Taxes	(2.1)	-3.0%	(1.6)	-2.2%	33.7%	(1.4)	-3.8%	(0.6)	-1.5%	136.1%
- Other Operating Revenues	0.1	0.1%	0.4	0.6%	-86.5%	(0.1)	-0.1%	(0.1)	-0.1%	5.1%
<b>Late Payment Fees</b>	<b>0.0</b>	<b>0.0%</b>	<b>0.0</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0</b>	<b>0.0%</b>	<b>0.0</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Operating Result</b>	<b>3.3</b>	<b>4.7%</b>	<b>5.5</b>	<b>7.8%</b>	<b>-40.7%</b>	<b>7.8</b>	<b>21.9%</b>	<b>8.7</b>	<b>23.0%</b>	<b>-10.3%</b>

The Other Businesses segment is composed of hsm, EBRADI – Escola Brasileira de Direito, and hsmU (online graduate business programs). Hsm is an integrated educational solution platform that promotes the continuing education and professional development of executives and managers from all over Brazil through customized products that foster learning, the exchange of experience and networking. EBRADI is an Ânima brand launched at the end of 2016 to offer online legal education and training to students from all over the country. Its portfolio includes preparatory courses for the Brazilian Bar exam, as well as graduate and extension Law programs.

In 2019, the other businesses segment recorded an operating result of R\$3.3 million, versus R\$5.5 million in 2018, excluding the IFRS-16 effect. The difference in the annual comparison was due to the exceptional performance of the SingularityU Brazil Summit, which was held for the first time in Brazil in 2018.

In the period, the result was also impacted by lower demand at hsm Academy (hsm's corporate education branch). On the other hand, EBRADI and hsmU continued to grow in line with their business plans.



## CONSOLIDATED PERFORMANCE

R\$ (million)	Consolidated Anima - excl. IFRS-16									
	2019	% Net Revenue	2018	% Net Revenue	% YA	4Q19	% Net Revenue	4Q18	% Net Revenue	% YA
<b>Gross Revenue</b>	<b>2,164.1</b>	<b>183.3%</b>	<b>1,843.0</b>	<b>168.6%</b>	<b>17.4%</b>	<b>570.5</b>	<b>178.3%</b>	<b>478.8</b>	<b>162.4%</b>	<b>19.2%</b>
Discounts, Deductions & Scholarships	(944.8)	-80.0%	(715.3)	-65.4%	32.1%	(239.3)	-74.8%	(174.0)	-59.0%	37.5%
Taxes	(38.4)	-3.3%	(34.5)	-3.2%	11.3%	(11.3)	-3.5%	(9.9)	-3.4%	14.5%
<b>Net Revenue</b>	<b>1,180.9</b>	<b>100.0%</b>	<b>1,093.1</b>	<b>100.0%</b>	<b>8.0%</b>	<b>319.9</b>	<b>100.0%</b>	<b>294.8</b>	<b>100.0%</b>	<b>8.5%</b>
<b>Cash Cost of Services</b>	<b>(642.3)</b>	<b>-54.4%</b>	<b>(631.1)</b>	<b>-57.7%</b>	<b>1.8%</b>	<b>(184.1)</b>	<b>-57.5%</b>	<b>(184.2)</b>	<b>-62.5%</b>	<b>-0.1%</b>
- Personnel	(426.5)	-36.1%	(432.0)	-39.5%	-1.3%	(115.0)	-35.9%	(119.9)	-40.7%	-4.1%
- Services from Third Parties	(53.2)	-4.5%	(55.1)	-5.0%	-3.3%	(19.6)	-6.1%	(22.6)	-7.7%	-13.2%
- Rental & Utilities	(115.9)	-9.8%	(102.6)	-9.4%	13.0%	(32.0)	-10.0%	(29.5)	-10.0%	8.5%
- Others	(46.6)	-3.9%	(40.4)	-3.7%	15.3%	(17.5)	-5.5%	(12.1)	-4.1%	44.9%
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>538.6</b>	<b>45.6%</b>	<b>462.0</b>	<b>42.3%</b>	<b>16.6%</b>	<b>135.8</b>	<b>42.5%</b>	<b>110.6</b>	<b>37.5%</b>	<b>22.8%</b>
<b>Sales Expenses</b>	<b>(105.1)</b>	<b>-8.9%</b>	<b>(92.3)</b>	<b>-8.4%</b>	<b>13.9%</b>	<b>(32.0)</b>	<b>-10.0%</b>	<b>(31.3)</b>	<b>-10.6%</b>	<b>2.0%</b>
- Provision for Doubtful Accounts (PDA)	(44.2)	-3.7%	(44.8)	-4.1%	-1.2%	(15.1)	-4.7%	(15.3)	-5.2%	-1.8%
- Marketing	(60.9)	-5.2%	(47.6)	-4.4%	28.0%	(16.9)	-5.3%	(16.0)	-5.4%	5.6%
<b>General &amp; Administrative Expenses</b>	<b>(130.2)</b>	<b>-11.0%</b>	<b>(115.2)</b>	<b>-10.5%</b>	<b>13.1%</b>	<b>(35.0)</b>	<b>-10.9%</b>	<b>(27.3)</b>	<b>-9.3%</b>	<b>28.1%</b>
- Personnel	(96.7)	-8.2%	(78.8)	-7.2%	22.7%	(25.8)	-8.1%	(17.6)	-6.0%	46.5%
- Third Party Services	(10.7)	-0.9%	(11.4)	-1.0%	-6.1%	(2.7)	-0.8%	(3.6)	-1.2%	-24.9%
- Rental & Utilities	(6.2)	-0.5%	(4.0)	-0.4%	55.6%	(2.0)	-0.6%	(1.1)	-0.4%	84.4%
- Others	(16.6)	-1.4%	(21.0)	-1.9%	-21.0%	(4.5)	-1.4%	(5.0)	-1.7%	-10.5%
<b>Other Operating Revenues (Expenses)</b>	<b>(0.8)</b>	<b>-0.1%</b>	<b>4.5</b>	<b>0.4%</b>	<b>-118.7%</b>	<b>(1.2)</b>	<b>-0.4%</b>	<b>1.0</b>	<b>0.3%</b>	<b>-215.0%</b>
- Provisions	0.4	0.0%	(2.5)	-0.2%	-115.6%	0.0	0.0%	(0.7)	-0.2%	-107.1%
- Taxes	(5.8)	-0.5%	(2.8)	-0.3%	111.0%	(2.6)	-0.8%	(0.8)	-0.3%	237.1%
- Other Operating Revenues	4.6	0.4%	9.8	0.9%	-53.0%	1.3	0.4%	2.4	0.8%	-45.3%
<b>Late Payment Fees</b>	<b>8.8</b>	<b>0.7%</b>	<b>11.2</b>	<b>1.0%</b>	<b>-21.4%</b>	<b>1.6</b>	<b>0.5%</b>	<b>1.7</b>	<b>0.6%</b>	<b>-5.3%</b>
<b>Operating Result</b>	<b>311.2</b>	<b>26.4%</b>	<b>270.2</b>	<b>24.7%</b>	<b>15.2%</b>	<b>69.3</b>	<b>21.7%</b>	<b>54.7</b>	<b>18.5%</b>	<b>26.7%</b>
- Corporate Expenses	(109.2)	-9.2%	(100.4)	-9.2%	8.7%	(32.7)	-10.2%	(26.6)	-9.0%	23.0%
<b>Adjusted EBITDA</b>	<b>202.0</b>	<b>17.1%</b>	<b>169.8</b>	<b>15.5%</b>	<b>19.0%</b>	<b>36.6</b>	<b>11.4%</b>	<b>28.1</b>	<b>9.5%</b>	<b>30.2%</b>
(-) Late Payment Fees	(8.8)	-0.7%	(11.2)	-1.0%	-21.4%	(1.6)	-0.5%	(1.7)	-0.6%	-5.3%
(-) Non-Recurring Items - EBITDA	(38.5)	-3.3%	(62.6)	-5.7%	-38.6%	(16.4)	-5.1%	(19.7)	-6.7%	-16.8%
<b>EBITDA</b>	<b>154.8</b>	<b>13.1%</b>	<b>95.9</b>	<b>8.8%</b>	<b>61.3%</b>	<b>18.6</b>	<b>5.8%</b>	<b>6.7</b>	<b>2.3%</b>	<b>176.6%</b>
Depreciation & Amortization	(65.4)	-5.5%	(54.3)	-5.0%	20.4%	(17.8)	-5.6%	(14.1)	-4.8%	26.6%
Equity Equivalence	(2.5)	-0.2%	(2.5)	-0.2%	-3.3%	(0.6)	-0.2%	(1.3)	-0.4%	-53.5%
<b>EBIT</b>	<b>86.9</b>	<b>7.4%</b>	<b>39.1</b>	<b>3.6%</b>	<b>122.4%</b>	<b>0.2</b>	<b>0.1%</b>	<b>(8.6)</b>	<b>-2.9%</b>	<b>-102.7%</b>
Net Financial Result	(59.781)	-5.1%	(35.1)	-3.2%	70.3%	(21.2)	-6.6%	(13.2)	-4.5%	60.9%
<b>EBT</b>	<b>27.1</b>	<b>2.3%</b>	<b>4.0</b>	<b>0.4%</b>	<b>584.2%</b>	<b>(21.0)</b>	<b>-6.6%</b>	<b>(21.8)</b>	<b>-7.4%</b>	<b>-3.7%</b>
Income Tax and Social Contribution	(3.3)	-0.3%	(1.7)	-0.2%	90.4%	0.4	0.1%	3.7	1.3%	-89.0%
<b>Net Income</b>	<b>23.9</b>	<b>2.0%</b>	<b>2.2</b>	<b>0.2%</b>	<b>961.4%</b>	<b>(20.6)</b>	<b>-6.4%</b>	<b>(18.1)</b>	<b>-6.1%</b>	<b>13.9%</b>
(-) Non-Recurring Items - EBITDA	38.470	3.3%	62.6	5.7%	-38.6%	16.4	5.1%	19.7	6.7%	-16.8%
(-) Non-Recurring Items - Net Income	0.000	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
<b>Adjusted Net Income</b>	<b>62.34</b>	<b>5.3%</b>	<b>64.9</b>	<b>5.9%</b>	<b>-3.9%</b>	<b>(4.2)</b>	<b>-1.3%</b>	<b>1.6</b>	<b>0.5%</b>	<b>-360.2%</b>

## Corporate and G&A Expenses

Excluding the IFRS-16 effect, corporate expenses reached R\$109.2 million in 2019, or 9.2% of net revenue, in line with 2018.

In 2019, given that we achieved, even if partially, the budget goals needed for the variable compensation program (P2A – Passionate about Ânima Program), we recorded a provision of R\$4.5 million that will be paid to those benefited by the program. This provision was recognized under corporate expenses and will be allocated to the G&A expenses of the respective transactions when they are carried out.

General and administrative expenses, including AGES (R\$8.5 million or 0.7pp), amounted to R\$130.2 million in the period, or 11.0% of net revenue, -0.5pp versus 2018.

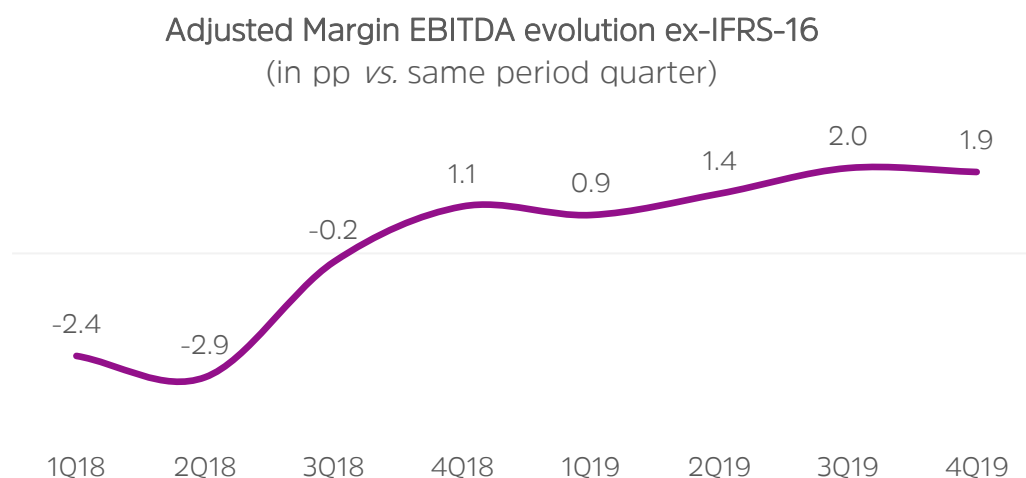
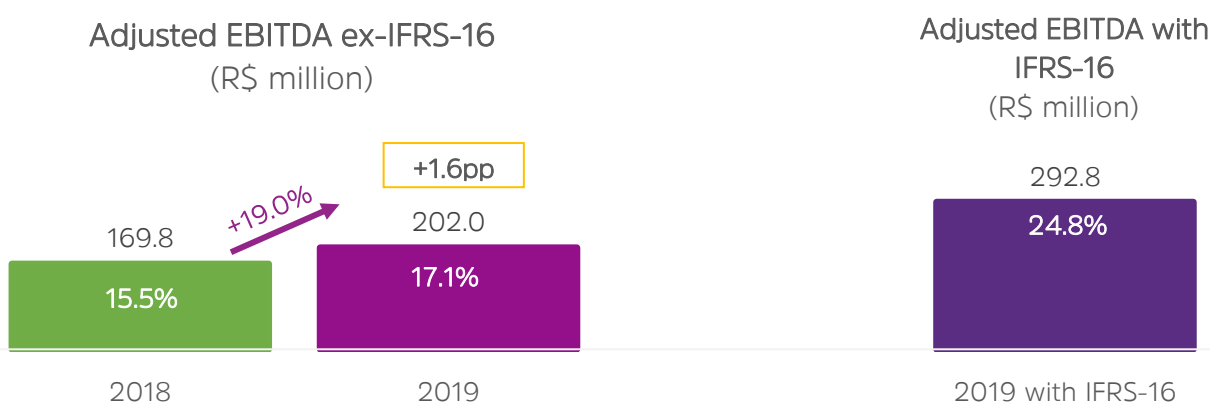
It is important to mention that we remain focused on reducing the Company's expenses as a whole, seeking new opportunities for efficiency gains.





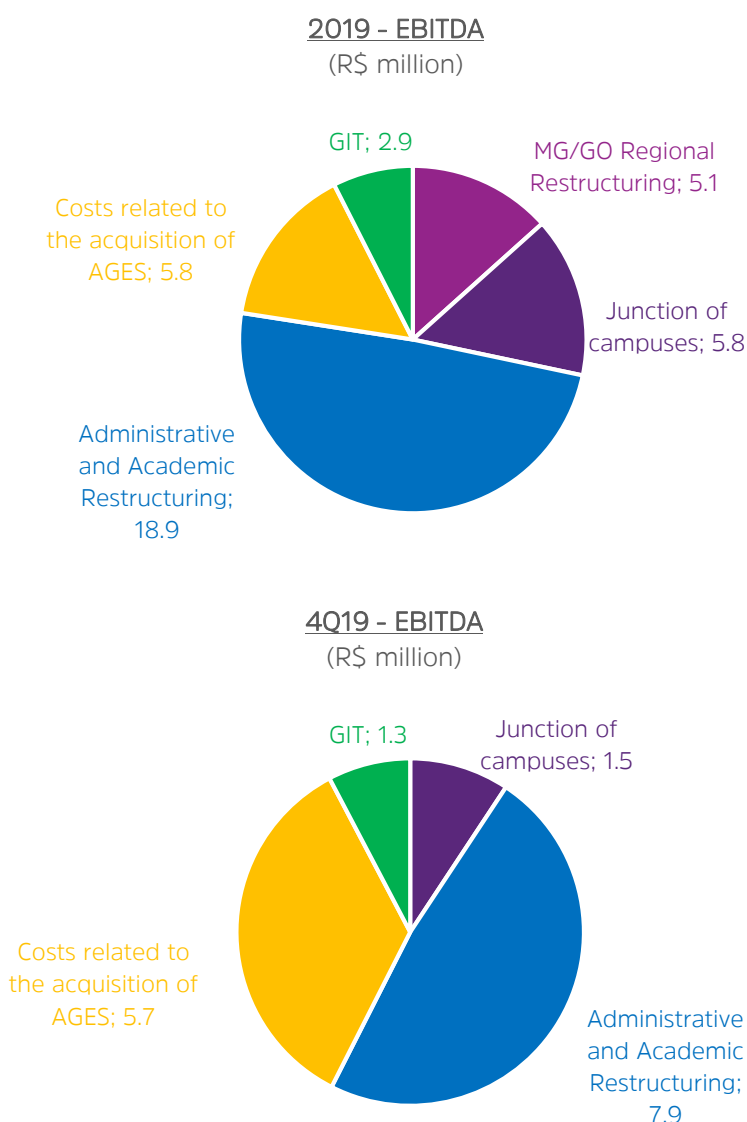
## Adjusted EBITDA

Excluding the IFRS-16 effect, we ended 2019 with adjusted EBITDA of R\$202.0 million (+19.0% vs. 2018), with margin of 17.1% over net revenue (+1.6pp vs. 2018), following the consistent margin recovery trend. In 4Q19, our adjusted EBITDA came to R\$36.6 million, or margin of 11.4% (+1.9pp vs. 4Q18). Excluding AGES, our adjusted EBITDA ex-IFRS-16 reached R\$193.7 million in 2019 (with margin of 16.8% or +1.3pp) and R\$32.3 million in 4Q19 (with margin of 10.7% or +1.2pp).



Excluding managerial adjustments, the increase is even more significant. In 2019, accounting EBITDA came to R\$154.8 million, versus R\$95.9 million in 2018, which represents a 61.3% growth, or 4.3pp. In 4Q19, accounting EBITDA grew by 176.6% when compared to 4Q18 (R\$18.6 million versus R\$6.7 million), or +3.5pp.

## Non-Recurring Items



In 2019, our non-recurring items stood at significantly lower levels than those observed during last year. Within our efforts on the management front in search of additional efficiency gains initially entailed non-recurring restructuring expenses in the second half of the year. As a result of these efforts, we promoted the unification of our brands' management in the MG/GO Regional Unit and the consolidation of four campuses (Una Barro Preto, Una Uberlândia, Una Catalão and UniSociesc Jaraguá do Sul), with the redistribution of students in the same cities/regions.

In addition, at the end of the year, the Boa Vista campus was transformed in a Cultural, Sports and Innovation Complex (UniSociesc Campus Park) for students, professors, business owners and the whole community, as a new way to explore



university spaces. At the same time, the other unit in Joinville will now offer all of UniSociesc Joinville's undergraduate programs.

Regarding GIT (UniSociesc's Innovation and Management area), which we simplified in 2018 by discontinuing the tooling and laboratory analysis sectors and reducing their respective structures to the minimum necessary to fully carry out previously firming contracts, all of the commitments were finalized in 4Q19. As a result, we will not incur this type of expenses in 2020.

### **Le Cordon Bleu – Equity Income**

The company formed in partnership with Le Cordon Bleu, which the results are recognized through equity equivalence, recorded result of -R\$2.5 million in 2019 and -R\$0.6 million in 4Q19, in line with its business plan.

## Financial Result

R\$ (million)	Consolidated Ânima with IFRS-16		Consolidated Ânima excl. IFRS-16			
	2019	4Q19	2019	2018	4Q19	4Q18
<b>(+) Financial Revenue</b>	<b>25.6</b>	<b>5.6</b>	<b>25.6</b>	<b>30.5</b>	<b>5.6</b>	<b>7.3</b>
Late payment fees	8.8	1.6	8.8	11.2	1.6	1.7
Interest on financial investments	8.3	3.4	8.3	9.0	3.4	2.9
Inflation adjustment	4.6	1.1	4.6	5.7	1.1	1.7
Other financial revenues	4.0	(0.5)	4.0	4.5	(0.5)	0.9
<b>(-) Financial Expense</b>	<b>(151.9)</b>	<b>(43.8)</b>	<b>(85.4)</b>	<b>(65.2)</b>	<b>(26.8)</b>	<b>(20.4)</b>
Financial debt interest expense <sup>1</sup>	(34.0)	(11.3)	(34.0)	(25.6)	(11.3)	(7.1)
PraValer interest expenses	(26.7)	(10.1)	(26.7)	(20.2)	(10.1)	(7.7)
Accounts payable interest expenses (acquisitions)	(10.6)	(2.4)	(10.6)	(10.8)	(2.4)	(2.7)
Leasing Financial Expense <sup>2</sup>	(66.5)	(17.0)	0.0	0.0	0.0	0.0
Other financial expenses	(14.2)	(2.9)	(14.2)	(8.5)	(2.9)	(2.9)
<b>Financial Result</b>	<b>(126.3)</b>	<b>(38.2)</b>	<b>(59.8)</b>	<b>(34.7)</b>	<b>(21.2)</b>	<b>(13.2)</b>

<sup>1</sup>Includes gains and losses on derivatives related to foreign currency loan swap contracts

<sup>2</sup> Impact of the IFRS-16 as of 1Q19

Excluding the IFRS-16 impact, we ended 2019 with a net financial expense of R\$59.8 million, versus a net financial expense of R\$34.7 million in 2018. Financial revenue reached R\$25.6 million, -R\$4.9 million versus 2018, mainly due to lower fines and interest, as a result of our preventive efforts to renegotiate students' late payments.

Financial expenses came to R\$85.4 million, an increase of R\$20.2 million versus 2018, mostly due to an increase in expenses with interest on loans/debenture issue as a result of increased leverage for our recent acquisitions; and PraValer, due to the progress of contracts from previous semesters, which are subject to higher discounts as the grace period increases.

Considering the IFRS-16 impact, our financial result reached -R\$126.3 million in the year, mainly due to a financial lease expense of R\$66.5 million in the period, as a result of the new accounting method for rental and utilities.

## Adjusted Net Income

Excluding the IFRS-16 effect, we ended 2019 with adjusted net income of R\$62.3 million, a 3.9% reduction versus 2018, with margin of 5.3% (-0.6pp), mainly due to the increase in financial expenses, as explained above, and higher depreciation as a result of investments made to our campuses' structures.



Excluding managerial adjustments, net income reached R\$23.9 million in 2019, versus R\$2.2 million in 2018, representing growth of 961.4% or +1.8pp.

With the reclassification of IFRS-16, adjusted net income came to R\$28.9 million in 2019, with margin of 2.4%.

## Cash and Net Debt

R\$ (million)	Consolidated Ânima		
	DEC 19	SET 19	DEC 18
<b>(+) Cash and Cash Equivalents</b>	<b>182.6</b>	<b>107.9</b>	<b>185.4</b>
Cash	31.6	28.0	99.5
Financial Investments	151.0	79.9	85.9
<b>(-) Loans and Financing <sup>1</sup></b>	<b>692.9</b>	<b>455.0</b>	<b>399.5</b>
Short Term	105.8	208.0	82.4
Long Term	587.0	247.0	317.2
<b>(=) Net (Debt) Cash <sup>2</sup></b>	<b>(510.3)</b>	<b>(347.1)</b>	<b>(214.1)</b>
(-) Other Short and Long Term Obligations	143.1	148.9	101.8
<b>(=) Net (Debt) Cash excl. IFRS-16 <sup>3</sup></b>	<b>(653.4)</b>	<b>(496.0)</b>	<b>(315.9)</b>
<b>(-) Liability Lease (IFRS-16)</b>	<b>555.2</b>	<b>555.5</b>	
Short Term	24.7	23.2	
Long Term	530.5	532.2	
<b>(=) Net (Debt) Cash with IFRS-16 <sup>3</sup></b>	<b>(1,208.6)</b>	<b>(1,051.5)</b>	

<sup>1</sup> Net of swap adjustment

<sup>2</sup> Considering financial debt (bank loans) only.

<sup>3</sup> Including obligations related to tax debt and acquisitions payables.

At the end of 2019, cash and cash equivalents reached R\$182.6 million. Loans and financing came to R\$692.9 million, increasing R\$237.9 million since the end of September 2019, mainly due to the long-term funding related to M&As. We stress that the rest of the debt maturity profile is diluted over the next 5 years, with no significant concentration.

Other short and long-term obligations, mainly represented by accounts payable related to the acquisitions, amounted to R\$143.1 million. As a result, excluding the IFRS-16 effect, we ended the quarter with net debt of R\$653.4 million, representing leverage of 3.23x (net debt ÷ LTM adjusted EBITDA).

With the R\$1.1 billion raised through the restricted public offering of shares carried out in January 2020, our cash position will be significantly higher than our debt, bringing our net cash and cash equivalents to a positive level.

The effects of the reclassification introduced by IFRS-16 represent a difference of R\$555.2 million, related to the present value of lease agreements, which are now classified in liabilities at the same amount attributed to the right-of-use asset.

## Accounts Receivable and Days of Sales Outstanding (DSO)

We ended 4Q19 with net accounts receivable of R\$213.3 million.

(R\$ million)								
	4Q19			3Q19	2Q19	1Q19	4Q18	Δ 4Q19 / 4Q18
	Total	Excl. Acquisitions	Acquisitions					
<b>Net Accounts Receivable</b>	<b>213.3</b>	<b>203.1</b>	<b>10.2</b>	<b>224.4</b>	<b>235.4</b>	<b>210.8</b>	<b>174.1</b>	<b>39.3</b>
to mature	129.5	122.0	7.5	147.7	153.8	135.5	94.1	35.4
until 180 days	61.4	58.7	2.7	52.9	58.5	54.2	58.5	2.9
between 180 and 360 days	14.3	14.2	0.1	14.8	16.1	14.9	15.9	(1.6)
between 361 and 720 days	8.2	8.2	0.0	9.0	7.0	6.1	5.6	2.6
more than 721 days	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

We ended the quarter with DSO (Days of Sales Outstanding) of 63 days, with no significant change in relation to previous quarters.

Breaking down our accounts receivable, we recorded a DSO of 12 days for FIES receivables, with net accounts receivable being impacted by the PDA of R\$25.5 million related to the value at risk of the FIES portfolio not covered by FGEDUC for all the years prior to 2019, inclusive. Excluding this effect, our gross DSO came to 57 days.

FIES	2019		
	Total	Excl. Acquisitions	Acquisitions
Gross Accounts Receivable	31.7	27.4	4.4
(-) PDA	(25.5)	(25.4)	(0.1)
Gross DSO	57	60	43

For non-FIES receivables, our DSO stood at 70 days, a year-on-year increase of 2 days. In the other businesses line, we ended the year with a DSO of 120 days (+43 days vs. 4Q18), in line with this segment's new DSO due to the growth in EBRADI and hsmU, in accordance with their respective business plans.



(R\$ million)

Total	4Q19			3Q19	2Q19	1Q19	4Q18	Δ 4Q19 / 4Q18
	Total	Excl. Acquisitions	Acquisitions					
Net Accounts Receivable	213.3	203.1	10.2	224.4	235.4	210.8	174.1	39.3
Net Revenue (accumulative)	1,181.5	1,147.1	34.4	861.6	567.9	282.5	1,102.5	79.0
DSO	63	64	45	70	75	67	57	6

FIES	4Q19			3Q19	2Q19	1Q19	4Q18	Δ 4Q19 / 4Q18
	Total	Excl. Acquisitions	Acquisitions					
Net Accounts Receivable	6.2	2.0	4.3	26.0	46.6	28.6	9.0	(2.8)
Net Revenue (accumulative)	180.8	165.6	15.2	133.7	87.0	40.0	238.0	(57.2)
DSO	12	4	42	52	96	64	14	(1)

Non FIES	4Q19			3Q19	2Q19	1Q19	4Q18	Δ 4Q19 / 4Q18
	Total	Excl. Acquisitions	Acquisitions					
Net Accounts Receivable	183.8	177.8	5.9	179.8	172.0	167.9	148.4	35.4
Net Revenue (accumulative)	929.3	910.1	19.2	691.9	458.0	233.0	786.0	143.3
DSO	70	70	46	70	68	65	68	2

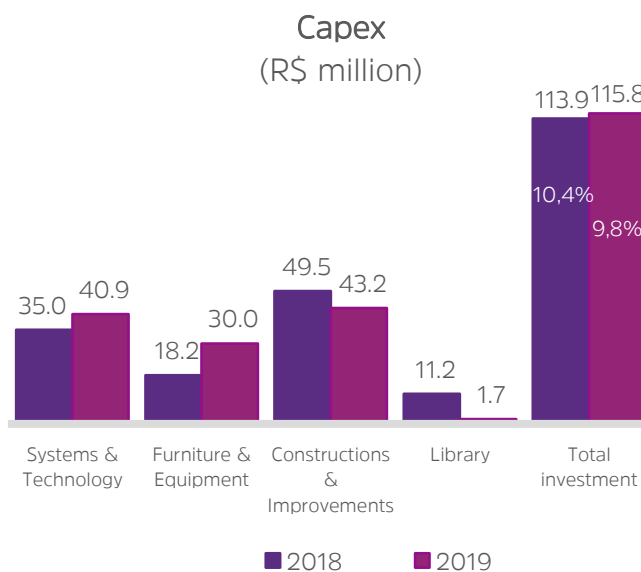
Others	4Q19			3Q19	2Q19	1Q19	4Q18	Δ 4Q19 / 4Q18
	Total	Excl. Acquisitions	Acquisitions					
Net Accounts Receivable	23.4	23.4		18.7	16.9	14.2	16.7	6.7
Net Revenue (accumulative)	70.1	70.1		34.7	21.7	8.3	78.5	(8.3)
DSO	120	120		145	140	155	76	43

\*Weighted average DSO considering acquisitions in the last 12 months

## Investments (CAPEX)

In 2019, CAPEX reached R\$115.8 million, or 9.8% of net revenue, a 0.6pp decline compared to the 10.4% recorded in 2018.

This level of investment is affected by the organic expansion units through the maturation of the units opened between July 2016 and January 2019, which accounted for 37% of total Capex in 2019, or R\$42.8 million. Excluding this effect, our normalized Capex would be of R\$73.0 million, or 6.2% of net revenue.



We also continued to invest in the development of our educational systems and technological platform within the context of our digital transformation process. As part of this process, all our units fully adopted the virtual library system, which became an operating expense (OPEX) of system access, instead of an investment in physical libraries (CAPEX), thus explaining the significant reduction in this item.

## Cash Flow

R\$ (million)	With IFRS-16		Excl. IFRS-16			
	2019	4Q19	2019	2018	4Q19	4Q18
<b>Net Income</b>	<b>(9.6)</b>	<b>(28.3)</b>	<b>23.9</b>	<b>2.2</b>	<b>(20.6)</b>	<b>(18.1)</b>
Depreciation & Amortization	123.1	32.4	66.3	54.3	18.0	14.1
Interest expenses/revenues	105.1	27.2	38.6	31.5	10.2	10.4
Provisions for labor, tax and civil risks	0.6	1.7	0.6	5.3	1.7	(0.1)
Other non-cash adjustments	9.9	2.7	9.0	5.4	2.4	(2.4)
<b>Operating Cash Flow</b>	<b>229.0</b>	<b>35.6</b>	<b>138.3</b>	<b>98.8</b>	<b>11.8</b>	<b>3.9</b>
Δ Accounts receivable/PDA	(36.8)	11.8	(36.8)	77.3	11.8	28.8
Δ Other assets/liabilities	(12.3)	(3.6)	(12.5)	6.8	(3.4)	(39.7)
<b>Working Capital Variance</b>	<b>(49.1)</b>	<b>8.2</b>	<b>(49.3)</b>	<b>84.1</b>	<b>8.4</b>	<b>(10.8)</b>
<b>Free Cash Flow before CAPEX</b>	<b>180.0</b>	<b>43.9</b>	<b>89.0</b>	<b>182.8</b>	<b>20.2</b>	<b>(6.9)</b>
CAPEX - Fixed and Intangible	(115.8)	(21.0)	(115.8)	(113.9)	(21.0)	(38.4)
<b>Free Cash Flow</b>	<b>64.2</b>	<b>22.9</b>	<b>(26.7)</b>	<b>69.0</b>	<b>(0.8)</b>	<b>(45.3)</b>
Financing/Investments activities	153.9	208.9	244.8	74.0	232.5	(16.5)
Rights and loans of acquisitions	(120.2)	(120.2)	(120.2)	0.0	(120.2)	0.0
Shares held in treasury	0.0	0.0	0.0	(32.3)	0.0	0.0
Acquisitions	(70.8)	(7.5)	(70.8)	(21.0)	(7.5)	1.1
Dividends	(0.5)	0.0	(0.5)	(20.2)	0.0	0.0
<b>Net Cash Flow from Financing Activities</b>	<b>(37.7)</b>	<b>81.1</b>	<b>53.3</b>	<b>0.5</b>	<b>104.8</b>	<b>(15.4)</b>
<b>Net Increase (Reduction) of Cash and Cash Equivalents</b>	<b>26.5</b>	<b>104.1</b>	<b>26.5</b>	<b>69.5</b>	<b>104.1</b>	<b>(60.8)</b>
Cash at the begging of the period	185.4	107.9	185.4	115.9	107.9	246.2
Cash at the end of the period	182.6	182.6	182.6	185.4	182.6	185.4

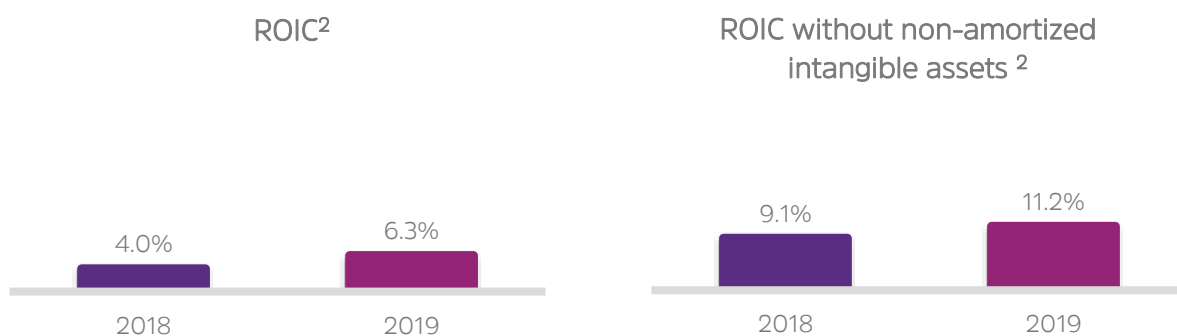
Excluding the IFRS-16 effect, operating cash flow before working capital and CAPEX came to R\$138.3 million in 2019 (+R\$39.5 million vs. 2018). Free cash flow reached R\$89.0 million, versus R\$182.8 million in 2018. It is worth noting that we received approximately R\$100 million in 2018 in relation to the payment of the last FIES installment (PN 23).

After general investments of R\$115.8 million, including the acquisitions, free cash flow reached -R\$26.7 million. As a result, we ended 2019 with cash and financial investments of R\$182.6 million.

## Return on Invested Capital (ROIC)

We monitor our financial performance through our return on invested capital (ROIC) and are working on delivering improvements in this indicator. Our progress was evident in 2019, when ROIC reached 6.3%, a 2.3pp increase versus 2018, excluding the IFRS-16<sup>1</sup> effect. Our ROIC excluding non-amortized intangible assets came to 11.2% in 2019, +2.1pp versus 2018.





<sup>1</sup> As we adopted the prospective methodology for the accounting reclassification introduced by IFRS-16, the calculation of ROIC, which takes into consideration EBIT in the last 12 months, will be restated considering the IFRS-16 effect as of 4Q19.

<sup>2</sup> ROIC = LTM EBIT\* (1- effective tax rate) ÷ avg. invested capital.

Invested Capital = net working capital + long-term FIES accounts receivable + net fixed assets.

## Corporate Governance

Since the Company was founded in 2003, our initiatives have been based on our mission to Transform the Country through Education, guided by our transparency, respect, cooperation, commitment, recognition and innovation values.

With our IPO in 2013, we joined the Novo Mercado listing segment, which represents B3's highest level of corporate governance.

In 2019, about to complete 17 years of existence, we took one step further, strengthened by our commitment to the best corporate governance practices, through the consolidation of our ethical standards and the continuous improvement of our transparency in relation to our stakeholders.

Our initiatives in 2019 included the evolution of the Company's Corporate Governance, with a structure composed of a Board of Directors with a majority of independent members and a broader competency matrix. We have five advisory committees (Academic, Audit and Risk Management, Finance and M&A, People and Digital Transformation), as well as a Board of Auditors and an Executive Committee.

The Company installed a Governance Executive Area of the Board of Directors, responsible for the Governance Department, and an Executive Area responsible for Audit, Risk Management and Compliance, both of which report directly to the Chairman of the Board of Directors and are supported by a fully independent Audit and Risk Management Committee, which strengthens the Company's governance system, with clearly defined roles and equal treatment of shareholders.

## APPENDIX 1 – Reconciliation of the Income Statement and the IFRS16 effect

2019 excluding IFRS-16

Consolidated Ânima R\$ (million)	2019 - excl. IFRS-16					IFRS Income Statement
	Release Income Statement	Depreciation & Amortization	Corporate Expenses	Late Payment Fees	Non- Recurring Items	
<b>Gross Revenue</b>	<b>2,164.1</b>		<b>0.0</b>		<b>0.8</b>	<b>2,164.9</b>
Discounts, Deductions & Scholarships	(944.8)		0.0		0.0	(944.8)
Taxes	(38.4)		0.0		(0.2)	(38.6)
<b>Net Revenue</b>	<b>1,180.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.6</b>	<b>1,181.5</b>
<b>Cash Cost of Services</b>	<b>(642.3)</b>	<b>(39.4)</b>	<b>0.0</b>	<b>0.0</b>	<b>(21.6)</b>	<b>(703.3)</b>
- Personnel	(426.5)		0.0		(19.1)	(445.6)
- Services from Third Parties	(53.2)		0.0		(0.2)	(53.4)
- COGS	0.0		0.0		(0.6)	(0.6)
- Rental & Utilities	(115.9)		0.0		(1.6)	(117.6)
- Others	(46.6)	(39.4)	0.0		(0.1)	(86.1)
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>538.6</b>	<b>(39.4)</b>	<b>0.0</b>	<b>0.0</b>	<b>(21.0)</b>	<b>478.2</b>
<b>Sales Expenses</b>	<b>(105.1)</b>	<b>0.0</b>	<b>(1.9)</b>	<b>0.0</b>	<b>(3.0)</b>	<b>(110.0)</b>
- Provision for Doubtful Accounts (PDA)	(44.2)		(0.2)		(3.0)	(47.4)
- Marketing	(60.9)		(1.7)		0.0	(62.5)
<b>General &amp; Administrative Expenses</b>	<b>(130.2)</b>	<b>(26.0)</b>	<b>(116.0)</b>	<b>0.0</b>	<b>(11.1)</b>	<b>(283.2)</b>
- Personnel	(96.7)		(73.1)		(5.9)	(175.7)
- Third Party Services	(10.7)		(22.0)		(5.1)	(37.8)
- Rental & Utilities	(6.2)		(3.8)		(0.0)	(10.0)
- Others	(16.6)	(26.0)	(17.1)		(0.1)	(59.7)
<b>Other Operating Revenues (Expenses)</b>	<b>(0.8)</b>	<b>0.0</b>	<b>5.3</b>	<b>0.0</b>	<b>(0.1)</b>	<b>4.4</b>
- Provisions	0.4		(3.6)		0.0	(3.2)
- Taxes	(5.8)		(2.3)		(0.1)	(8.1)
- Other Operating Revenues	4.6		11.2		0.0	15.8
<b>Late Payment Fees</b>	<b>8.8</b>			<b>(8.8)</b>		<b>0.0</b>
<b>Operating Result</b>	<b>311.2</b>	<b>(65.4)</b>	<b>(112.5)</b>	<b>(8.8)</b>	<b>(35.1)</b>	<b>89.4</b>
- Corporate Expenses	(109.2)		112.5		(3.4)	(0.0)
<b>Adjusted EBITDA</b>	<b>202.0</b>	<b>(65.4)</b>	<b>0.0</b>	<b>(8.8)</b>	<b>(38.5)</b>	<b>89.4</b>
(-) Late Payment Fees	(8.8)			8.8		0.0
(-) Non-Recurring Items - EBITDA	(38.5)				38.5	0.0
<b>EBITDA</b>	<b>154.8</b>	<b>(65.4)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>89.4</b>
Depreciation & Amortization	(65.4)	65.4				0.0
Equity Equivalence	(2.5)					(2.5)
<b>EBIT</b>	<b>86.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>86.9</b>
Net Financial Result	(59.8)					(59.8)
<b>EBT</b>	<b>27.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>27.1</b>
Income Tax and Social Contribution	(3.3)					(3.3)
<b>Net Income</b>	<b>23.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>23.9</b>
(-) Non-Recurring Items - EBITDA	38.5				(38.5)	0.0
(-) Non-Recurring Items - Net Income	0.0				0.0	0.0
<b>Adjusted Net Income</b>	<b>62.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(38.5)</b>	<b>23.9</b>

## 2019 with IFRS-16

Consolidated Ânima R\$ (million)	2019 - with IFRS-16					
	Release Income Statement	Depreciation & Amortization	Corporate Expenses	Late Payment Fees	Non- Recurring Items	IFRS Income Statement
<b>Gross Revenue</b>	<b>2,164.1</b>				<b>0.8</b>	<b>2,164.9</b>
Discounts, Deductions & Scholarships	(944.8)				0.0	(944.8)
Taxes	(38.4)				(0.2)	(38.6)
<b>Net Revenue</b>	<b>1,180.9</b>	<b>0.0</b>		<b>0.0</b>	<b>0.6</b>	<b>1,181.5</b>
<b>Cash Cost of Services</b>	<b>(559.1)</b>	<b>(90.9)</b>		<b>0.0</b>	<b>(21.6)</b>	<b>(671.6)</b>
- Personnel	(426.5)				(19.1)	(445.6)
- Services from Third Parties	(53.2)				(0.2)	(53.4)
- COGS	0.0				(0.6)	(0.6)
- Rental & Utilities	(32.7)				(1.6)	(34.4)
- Others	(46.6)	(90.9)			(0.1)	(137.6)
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>621.8</b>	<b>(90.9)</b>	<b>0.0</b>	<b>0.0</b>	<b>(21.0)</b>	<b>509.9</b>
<b>Sales Expenses</b>	<b>(105.1)</b>	<b>0.0</b>	<b>(1.9)</b>	<b>0.0</b>	<b>(3.0)</b>	<b>(110.0)</b>
- Provision for Doubtful Accounts (PDA)	(44.2)		(0.2)		(3.0)	(47.4)
- Marketing	(60.9)		(1.7)		0.0	(62.5)
<b>General &amp; Administrative Expenses</b>	<b>(125.3)</b>	<b>(32.2)</b>	<b>(113.3)</b>	<b>0.0</b>	<b>(11.1)</b>	<b>(281.9)</b>
- Personnel	(96.7)		(73.1)		(5.9)	(175.7)
- Third Party Services	(10.7)		(22.0)		(5.1)	(37.8)
- Rental & Utilities	(1.3)		(1.1)		(0.0)	(2.5)
- Others	(16.6)	(32.2)	(17.1)		(0.1)	(66.0)
<b>Other Operating Revenues (Expenses)</b>	<b>(0.8)</b>	<b>0.0</b>	<b>5.3</b>	<b>0.0</b>	<b>(0.1)</b>	<b>4.4</b>
- Provisions	0.4		(3.6)		0.0	(3.2)
- Taxes	(5.8)		(2.3)		(0.1)	(8.1)
- Other Operating Revenues	4.6		11.2		0.0	15.8
<b>Late Payment Fees</b>	<b>8.8</b>			<b>(8.8)</b>		<b>0.0</b>
<b>Operating Result</b>	<b>399.3</b>	<b>(123.1)</b>	<b>(109.9)</b>	<b>(8.8)</b>	<b>(35.1)</b>	<b>122.4</b>
- Corporate Expenses	(106.5)		109.9		(3.4)	(0.0)
<b>Adjusted EBITDA</b>	<b>292.8</b>	<b>(123.1)</b>	<b>0.0</b>	<b>(8.8)</b>	<b>(38.5)</b>	<b>122.4</b>
(-) Late Payment Fees	(8.8)			8.8		0.0
(-) Non-Recurring Items - EBITDA	(38.5)				38.5	0.0
<b>EBITDA</b>	<b>245.5</b>	<b>(123.1)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>122.4</b>
Depreciation & Amortization	(123.1)	123.1				0.0
Equity Equivalence	(2.5)					(2.5)
<b>EBIT</b>	<b>120.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>120.0</b>
Net Financial Result	(126.3)					(126.3)
<b>EBT</b>	<b>(6.3)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(6.3)</b>
Income Tax and Social Contribution	(3.3)					(3.3)
<b>Net Income</b>	<b>(9.6)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(9.6)</b>
(-) Non-Recurring Items - EBITDA	38.5				(38.5)	0.0
(-) Non-Recurring Items - Net Income	0.0				0.0	0.0
<b>Adjusted Net Income</b>	<b>28.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(38.5)</b>	<b>(9.6)</b>



## 4Q19 excluding IFRS-16

Consolidated Ânima R\$ (million)	4Q19 - excl. IFRS-16					
	Release Income Statement	Depreciation & Amortization	Corporate Expenses	Late Payment Fees	Non- Recurring Items	IFRS Income Statement
<b>Gross Revenue</b>	<b>570.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>570.5</b>
Discounts, Deductions & Scholarships	(239.3)	0.0	0.0		0.0	(239.3)
Taxes	(11.3)	0.0	0.0		0.0	(11.3)
<b>Net Revenue</b>	<b>319.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>319.9</b>
<b>Cash Cost of Services</b>	<b>(184.1)</b>	<b>(10.1)</b>	<b>0.0</b>	<b>0.0</b>	<b>(7.9)</b>	<b>(202.2)</b>
- Personnel	(115.0)		0.0		(7.9)	(122.9)
- Services from Third Parties	(19.6)		0.0		(0.0)	(19.6)
- COGS	0.0		0.0		0.0	0.0
- Rental & Utilities	(32.0)		0.0		(0.0)	(32.0)
- Others	(17.5)	(10.1)	0.0		(0.0)	(27.7)
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>135.8</b>	<b>(10.1)</b>	<b>0.0</b>	<b>0.0</b>	<b>(7.9)</b>	<b>117.7</b>
<b>Sales Expenses</b>	<b>(32.0)</b>	<b>0.0</b>	<b>(0.5)</b>	<b>0.0</b>	<b>(1.6)</b>	<b>(34.0)</b>
- Provision for Doubtful Accounts (PDA)	(15.1)		0.1		(1.6)	(16.6)
- Marketing	(16.9)		(0.5)		0.0	(17.4)
<b>General &amp; Administrative Expenses</b>	<b>(35.0)</b>	<b>(7.7)</b>	<b>(36.0)</b>	<b>0.0</b>	<b>(5.4)</b>	<b>(84.1)</b>
- Personnel	(25.8)		(22.1)		(0.3)	(48.2)
- Third Party Services	(2.7)		(6.9)		(5.1)	(14.7)
- Rental & Utilities	(2.0)		(0.6)		0.0	(2.6)
- Others	(4.5)	(7.7)	(6.3)		(0.1)	(18.6)
<b>Other Operating Revenues (Expenses)</b>	<b>(1.2)</b>	<b>0.0</b>	<b>2.4</b>	<b>0.0</b>	<b>(0.1)</b>	<b>1.2</b>
- Provisions	0.0		(2.4)		0.0	(2.4)
- Taxes	(2.6)		(0.3)		(0.1)	(2.9)
- Other Operating Revenues	1.3		5.1		0.0	6.4
<b>Late Payment Fees</b>	<b>1.6</b>		<b>0.0</b>	<b>(1.6)</b>	<b>0.0</b>	<b>0.0</b>
<b>Operating Result</b>	<b>69.3</b>	<b>(17.8)</b>	<b>(34.0)</b>	<b>(1.6)</b>	<b>(15.0)</b>	<b>0.8</b>
- Corporate Expenses	(32.7)		34.0		(1.4)	(0.0)
<b>Adjusted EBITDA</b>	<b>36.6</b>	<b>(17.8)</b>	<b>0.0</b>	<b>(1.6)</b>	<b>(16.4)</b>	<b>0.8</b>
(-) Late Payment Fees	(1.6)			1.6		0.0
(-) Non-Recurring Items - EBITDA	(16.4)				16.4	0.0
<b>EBITDA</b>	<b>18.6</b>	<b>(17.8)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.8</b>
Depreciation & Amortization	(17.8)	17.8				0.0
Equity Equivalence	(0.6)					(0.6)
<b>EBIT</b>	<b>0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>
Net Financial Result	(21.2)					(21.2)
<b>EBT</b>	<b>(21.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(21.0)</b>
Income Tax and Social Contribution	0.4					0.4
<b>Net Income</b>	<b>(20.6)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(20.6)</b>
(-) Non-Recurring Items - EBITDA	16.4				(16.4)	0.0
(-) Non-Recurring Items - Net Income	0.0				0.0	0.0
<b>Adjusted Net Income</b>	<b>(4.2)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(16.4)</b>	<b>(20.6)</b>

## 4Q19 with IFRS-16

Consolidated Ânima R\$ (million)	4Q19 - with IFRS-16					
	Release Income Statement	Depreciation & Amortization	Corporate Expenses	Late Payment Fees	Non- Recurring Items	IFRS Income Statement
<b>Gross Revenue</b>	<b>570.5</b>		<b>0.0</b>		<b>0.0</b>	<b>570.5</b>
Discounts, Deductions & Scholarships	(239.3)		0.0		0.0	(239.3)
Taxes	(11.3)		0.0		0.0	(11.3)
<b>Net Revenue</b>	<b>319.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>319.9</b>
<b>Cash Cost of Services</b>	<b>(161.9)</b>	<b>(22.9)</b>	<b>0.0</b>	<b>0.0</b>	<b>(7.9)</b>	<b>(192.8)</b>
- Personnel	(115.0)		0.0		(7.9)	(122.9)
- Services from Third Parties	(19.6)		0.0		(0.0)	(19.6)
- COGS	0.0		0.0		0.0	0.0
- Rental & Utilities	(9.8)		0.0		(0.0)	(9.8)
- Others	(17.5)	(22.9)	0.0		(0.0)	(40.5)
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>158.0</b>	<b>(22.9)</b>	<b>0.0</b>	<b>0.0</b>	<b>(7.9)</b>	<b>127.1</b>
<b>Sales Expenses</b>	<b>(32.0)</b>	<b>0.0</b>	<b>(0.5)</b>	<b>0.0</b>	<b>(1.6)</b>	<b>(34.0)</b>
- Provision for Doubtful Accounts (PDA)	(15.1)		0.1		(1.6)	(16.6)
- Marketing	(16.9)		(0.5)		0.0	(17.4)
<b>General &amp; Administrative Expenses</b>	<b>(33.8)</b>	<b>(9.5)</b>	<b>(35.5)</b>	<b>0.0</b>	<b>(5.4)</b>	<b>(84.3)</b>
- Personnel	(25.8)		(22.1)		(0.3)	(48.2)
- Third Party Services	(2.7)		(6.9)		(5.1)	(14.7)
- Rental & Utilities	(0.7)		(0.2)		0.0	(0.9)
- Others	(4.5)	(9.5)	(6.3)		(0.1)	(20.5)
<b>Other Operating Revenues (Expenses)</b>	<b>(1.2)</b>	<b>0.0</b>	<b>2.4</b>	<b>0.0</b>	<b>(0.1)</b>	<b>1.2</b>
- Provisions	0.0		(2.4)		0.0	(2.4)
- Taxes	(2.6)		(0.3)		(0.1)	(2.9)
- Other Operating Revenues	1.3		5.1		0.0	6.4
<b>Late Payment Fees</b>	<b>1.6</b>		<b>0.0</b>	<b>(1.6)</b>	<b>0.0</b>	<b>0.0</b>
<b>Operating Result</b>	<b>92.7</b>	<b>(32.5)</b>	<b>(33.6)</b>	<b>(1.6)</b>	<b>(15.0)</b>	<b>10.1</b>
- Corporate Expenses	(32.2)		33.6		(1.4)	(0.0)
<b>Adjusted EBITDA</b>	<b>60.5</b>	<b>(32.5)</b>	<b>0.0</b>	<b>(1.6)</b>	<b>(16.4)</b>	<b>10.1</b>
(-) Late Payment Fees	(1.6)			1.6		0.0
(-) Non-Recurring Items - EBITDA	(16.4)				16.4	0.0
<b>EBITDA</b>	<b>42.5</b>	<b>(32.5)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>10.1</b>
Depreciation & Amortization	(32.5)	32.5				0.0
Equity Equivalence	(0.6)					(0.6)
<b>EBIT</b>	<b>9.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>9.5</b>
Net Financial Result	(38.2)		0.0	0.0	0.0	(38.2)
<b>EBT</b>	<b>(28.7)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(28.7)</b>
Income Tax and Social Contribution	0.4		0.0	0.0	0.0	0.4
<b>Net Income</b>	<b>(28.3)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(28.3)</b>
(-) Non-Recurring Items - EBITDA	16.4				(16.4)	0.0
(-) Non-Recurring Items - Net Income	0.0				0.0	0.0
<b>Adjusted Net Income</b>	<b>(12.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(16.4)</b>	<b>(28.3)</b>

## APPENDIX 2 – Income Statement - IFRS

	With IFRS-16		Excl. IFRS-16			
	2019	4Q19	2019	2018	4Q19	4Q18
<b>Net Revenue</b>	<b>1,181.5</b>	<b>319.9</b>	<b>1,181.5</b>	<b>1,102.5</b>	<b>319.9</b>	<b>295.6</b>
COST OF SERVICES	(671.6)	(192.8)	(703.3)	(707.1)	(202.2)	(209.4)
<b>Gross (Loss) Profit</b>	<b>509.9</b>	<b>127.1</b>	<b>478.2</b>	<b>395.3</b>	<b>117.7</b>	<b>86.2</b>
<b>OPERATING (EXPENSES) / INCOME</b>	<b>(389.9)</b>	<b>(117.7)</b>	<b>(391.3)</b>	<b>(356.7)</b>	<b>(117.5)</b>	<b>(94.8)</b>
Commercial	(110.0)	(34.0)	(110.0)	(96.7)	(34.0)	(32.8)
General and administrative	(281.9)	(84.3)	(284.1)	(259.3)	(84.4)	(63.3)
Equity income	(2.5)	(0.6)	(2.5)	(2.5)	(0.6)	(1.3)
Other operating (expenses) revenues	4.4	1.2	5.3	1.8	1.5	2.5
<b>Income before Financial Result</b>	<b>120.0</b>	<b>9.5</b>	<b>86.9</b>	<b>38.7</b>	<b>0.2</b>	<b>(8.6)</b>
Financial interest income	35.1	7.3	35.1	46.2	7.3	9.5
Financial interest expenses	(161.4)	(45.5)	(94.8)	(80.9)	(28.5)	(22.7)
<b>Net (Loss) Income before Taxes</b>	<b>(6.3)</b>	<b>(28.7)</b>	<b>27.1</b>	<b>4.0</b>	<b>(21.0)</b>	<b>(21.8)</b>
Income tax and social contribution, current and deferred	(3.3)	0.4	(3.3)	(1.7)	0.4	3.7
<b>Net Income or Loss for the Period</b>	<b>(9.6)</b>	<b>(28.3)</b>	<b>23.9</b>	<b>2.2</b>	<b>(20.6)</b>	<b>(18.1)</b>



## APPENDIX 3 – Balance Sheet - IFRS

Assets	DEC 19	DEC 18	SET 19	Liabilities	DEC 19	DEC 18	SET 19
<b>Current Assets</b>	<b>455.9</b>	<b>408.2</b>	<b>369.7</b>	<b>Current Liabilities</b>	<b>339.9</b>	<b>231.6</b>	<b>470.7</b>
Cash and cash equivalents	31.6	99.5	28.0	Supplier	32.0	31.0	31.9
Cash & financial investments	151.0	85.9	79.9	Loans	103.4	80.5	203.7
Accounts receivable	213.3	174.1	224.4	Right of use lease	24.7	-	23.2
Prepaid expenses	27.8	31.6	17.4	Personnel	75.6	69.5	96.3
Recoverable taxes	4.1	9.7	6.2	Taxes payable	20.6	18.8	14.3
Derivatives	2.4	1.8	4.1	Advances from clients	17.0	16.9	30.0
Rights and loans to acquisitions	20.1	-	-	Tax debt installments	-	-	-
Other current assets	5.7	5.6	9.7	Accounts payables	65.3	13.3	70.0
				Dividends payables	-	0.6	-
				Derivatives	-	-	0.2
				Other current liabilities	1.3	1.0	0.9
<b>Non-Current Assets</b>	<b>1,944.1</b>	<b>1,038.3</b>	<b>1,791.2</b>	<b>Non-Current Liabilities</b>	<b>1,369.7</b>	<b>549.6</b>	<b>1,006.5</b>
Accounts receivable	-	-	-	Loans	587.0	316.3	247.0
Prepaid expenses	-	7.2	0.0	Right of use lease	530.5	-	532.2
Judicial deposits	61.1	50.3	57.8	Accounts payables	75.2	85.7	76.3
				Debit with related parties	0.0	0.0	0.0
Credit with related parties	9.8	9.5	10.0	Client advances	-	-	-
Recoverable taxes	12.8	12.2	12.1	Tax debt installments	2.6	2.7	2.6
Deferred income tax and social contribution	1.6	1.6	1.6	Deferred income tax and social contribution	70.1	44.5	48.6
Derivatives	-	0.9	-	Provisions for risks	98.8	97.9	96.2
Rights and loans to acquisitions	100.1	-	-	Derivatives	-	-	-
Other non-current assets	41.1	37.3	39.7	Other non-current liabilities	3.2	2.5	1.9
Investments	-	0.2	-	Provision for loss in investment	2.3	-	1.7
Right of use	531.5	-	541.3				
Fixed	367.1	301.8	369.7	<b>Shareholder Equity</b>	<b>690.4</b>	<b>665.2</b>	<b>683.8</b>
Intangible	818.9	617.1	759.0	Capital Stock	531.4	496.4	496.4
				Expenditure with emission of stocks	(28.6)	-	-
				Capital reserve	34.3	5.9	5.7
				Earnings reserve	244.1	248.1	248.1
				Shares in treasury	(21.2)	(15.6)	(15.6)
				Asset valuation adjustment	(69.6)	(69.6)	(69.6)
				Retained earnings	0.0	0.0	18.7
<b>Total Assets</b>	<b>2,400.0</b>	<b>1,446.5</b>	<b>2,161.0</b>	<b>Total Liabilities and Shareholder Equity</b>	<b>2,400.0</b>	<b>1,446.5</b>	<b>2,161.0</b>

## APPENDIX 4 – Cash Flow - IFRS

	With IFRS-16		Excl. IFRS-16			
	2019	4Q19	2019	2018	4Q19	4Q18
<b>Net Income for the period</b>	<b>(9.6)</b>	<b>(30.8)</b>	<b>23.9</b>	<b>2.3</b>	<b>(20.6)</b>	<b>(18.1)</b>
Adjustments:						
Allowance for doubtful accounts	47.4	16.6	47.4	46.3	16.6	15.8
Reversal (restatement) of escrow deposits	(2.6)	(0.6)	(2.6)	(0.6)	(0.6)	(0.5)
Depreciation and amortization	123.1	32.4	66.3	54.3	18.0	14.1
Decrease in residual value of fixed and intangible assets	3.2	2.4	3.2	0.8	2.4	0.7
Equity income	2.5	0.6	2.5	2.5	0.6	1.3
Third party loans update	(2.9)	(0.5)	(2.9)	(2.2)	(0.5)	(0.6)
Losses from Loans with related parties	-	-	-	-	-	-
PUT option premium adjustment	-	-	-	-	-	-
Interest on loans, financing, debentures and tax installments	29.5	8.6	29.5	23.1	8.6	7.0
Constitution, reversal and update of provision for labor, tax and civil risks	3.2	2.4	3.2	5.9	2.4	0.4
Present value adjustments to accounts payable	77.1	19.4	10.6	10.8	2.4	2.7
FIES revenues regarding present value adjustments and monetary restatement	(1.5)	(0.8)	(1.5)	(2.5)	(0.8)	0.7
Share repurchase program bonuses	1.0	-	1.0	(0.7)	-	(0.7)
Shares granted to employees (Dádiva)	-	-	-	-	-	-
Alienation of treasury shares	-	-	-	-	-	-
Interest on loans with related parties	-	-	-	-	-	-
Deferred income tax and social contribution	3.3	(0.4)	3.3	1.7	(0.4)	(3.7)
Losses with investments	-	-	-	-	-	-
Losses with provision for impairment	-	-	-	-	-	-
Losses from the sale of fixed and intangible assets	-	-	-	-	-	-
Interest on tax expenses	-	-	-	-	-	-
Gain on acquisition of investment / installment	-	-	-	-	-	-
Inventory and net assets write-off	-	-	-	-	-	-
Fairvalue of derivatives	1.9	0.4	1.9	3.2	0.4	0.6
Decrease IFRS-16	0.9	0.3	-	-	-	-
	276.5	52.2	185.7	145.1	28.4	19.7
<b>Change in operating assets and liabilities</b>						
Decrease (increase) in trade receivables	(84.2)	(4.7)	(84.2)	30.9	(4.7)	13.0
Decrease (increase) in sundry advances	2.1	(10.7)	2.1	5.5	(10.7)	(8.6)
Decrease (increase) in escrow deposits	(9.1)	(3.5)	(9.1)	(3.6)	(3.5)	(3.9)
Decrease (increase) in recoverable taxes and contributions	5.0	1.4	5.0	3.4	1.4	1.3
Decrease (increase) in other assets	(2.9)	5.3	(2.9)	(2.4)	5.3	7.2
Increase (decrease) in trade payables	(1.3)	(0.2)	(1.5)	(2.2)	(0.1)	2.8
Increase (decrease) in payroll and related taxes	5.5	(12.7)	5.5	14.9	(12.7)	(18.5)
Increase (decrease) in advances from clients	0.1	(13.0)	0.1	(1.4)	(13.0)	(18.8)
Increase (decrease) of taxes and contributions paid in installments	(0.2)	(0.0)	(0.2)	(0.8)	(0.0)	(0.0)
Increase (decrease) in accounts payable	(1.3)	(0.0)	(1.3)	3.2	(0.0)	3.1
Increase (decrease) of provision for tax, civil and labor risks	(7.2)	(1.3)	(7.2)	(6.3)	(1.3)	(0.8)
Increase (decrease) in other liabilities	(4.4)	31.0	(4.4)	(1.1)	31.0	(0.3)
<b>Cash from operations</b>	<b>(98.0)</b>	<b>(8.4)</b>	<b>(98.2)</b>	<b>40.2</b>	<b>(8.2)</b>	<b>(23.5)</b>
Interest paid	(18.4)	(2.5)	(18.4)	(19.6)	(2.5)	(1.9)
Income tax and social contribution paid	-	-	-	-	-	-
<b>Net cash flow from operating activities</b>	<b>160.1</b>	<b>41.3</b>	<b>69.2</b>	<b>165.7</b>	<b>17.6</b>	<b>(5.7)</b>
<b>Cash Flow from Investment Activities</b>						
Loans with related parties						
Concessions	(0.0)	(0.0)	(0.0)	(9.8)	(0.0)	(9.5)
Receipts	0.0	-	0.0	0.7	-	0.5
Subsidiary capital increase	-	-	-	-	-	-
Acquisitions net of cash and equivalents	(44.6)	0.5	(44.6)	(12.7)	0.5	-
Rights and loans of acquisitions	(120.2)	(120.2)	(120.2)	-	(120.2)	-
(Redemption) investment of financial investments	(58.1)	(69.4)	(58.1)	5.4	(69.4)	140.1
Yields from financial investments	(7.0)	(1.7)	(7.0)	(9.3)	(1.7)	(3.2)
Acquisition of property and equipment	(82.7)	11.83	(82.7)	(87.2)	(11.8)	(28.6)
Acquisition of intangible assets	(33.1)	9.14	(33.1)	(26.6)	(9.1)	(9.8)
<b>Net cash flow (applied) from investment activities</b>	<b>(345.6)</b>	<b>(211.7)</b>	<b>(345.6)</b>	<b>(139.7)</b>	<b>(211.7)</b>	<b>89.5</b>
<b>Cash Flow from Financial Activities</b>						
Loans with related parties						
Funding	0.0	-	0.0	0.0	-	0.0
Amortizations	-	-	-	(0.0)	-	(0.0)
Loans and financing	-	-	-	-	-	-
Funding	497.8	397.8	497.8	153.7	397.8	4.7
Amortizations	(326.9)	(187.3)	(235.9)	(48.5)	(163.7)	(10.6)
Gains (Losses) with Derivatives	1.5	1.0	1.5	(1.6)	1.0	0.3
Accounts payable amortization on controlling acquisitions	(25.0)	(8.1)	(25.0)	(11.5)	(8.1)	(2.0)
IPO costs	-	-	-	-	-	-
Acquisition of non-controlling interest	-	-	-	-	-	-
Capital increase	-	-	-	-	-	-
Shares held in treasury	-	-	-	(32.3)	-	-
Dividends paid	(0.5)	-	(0.5)	(20.2)	-	-
<b>Net cash (applied to) flow from financing activities</b>	<b>146.9</b>	<b>203.4</b>	<b>237.8</b>	<b>39.6</b>	<b>227.0</b>	<b>(7.7)</b>
<b>Cash (Applied) Flow for the Period</b>	<b>(38.6)</b>	<b>33.0</b>	<b>(38.6)</b>	<b>65.6</b>	<b>33.0</b>	<b>76.2</b>
<b>Change In Cash and Cash Equivalents</b>						
Cash at the begging of the period	99.5	28.0	99.5	33.9	28.0	23.3
Cash at the end of the period	31.6	(2.4)	31.6	99.5	31.6	99.5
<b>Increase (Decrease) of Cash and Cash Equivalents</b>	<b>(68.0)</b>	<b>3.6</b>	<b>(68.0)</b>	<b>65.6</b>	<b>3.6</b>	<b>76.2</b>