Results

4Q20

Message from the **Management**

Results Webinar

March 18, 2021
11 a.m. (BRL) | 10 a.m. (NY)

To access the Webinar (Portuguese): **click here**
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MESSAGE FROM THE MANAGEMENT

2020 has brought humankind to challenges never foreseen or imagined by our generation. We had to quickly learn how to live differently, placing people and health care at the core of governments, companies and society. The shocking behavior change imposed by the Covid-19 pandemic tested our social, emotional, and technological adaptability skills. It has brought us the opportunity to understand human relationships differently and value what brings us closer together, giving us the strength to continue writing our story. The crisis is not over yet and we are learning the lessons of the moment to define potentially transformational strategies that reinforce our sustainability on the long term.

As an education company made by people for people, Ânima Educação also had a very remarkable year, with all our 8 Principles making a difference and placing us in an even more prominent position, especially within the educational segment. We have created effective contingency plans through a Prevention and Care Committee established in February 2020 and which has been operating intensively and permanently since then. During the huge challenge of social isolation, we continue to transform lives, making dreams come true, with our students at the core, strongly supported by our teachers, with the intense use of technology and with an entrepreneurial team of educators who are deeply dedicated and committed to the rigorous execution of our purpose. We were agile in decision-making, converting all our students and educators to the virtual environment in just 5 days, with quality and individualized attention. Our quality premise, which has been in our DNA since Ânima's first day, guiding all our decisions for nearly 18 years, was the main axis of this unique performance.

Completely focused on our core business, we elected five strategic trends in our project, implemented since April 2020: 1 - Transforming Ânima into a personalized learning ecosystem; 2 - Lifelong learning; 3 - Transforming the students' experience; 4 - New Business Models; and 5 - Building the capacity to grow. The strategy's focus is to change the traditional concept of educational service to a flexible and personalized concept, focusing on students' entire professional life. These five trends were key in 2020, as they develop the necessary response to changes in the market, creating the tools for Ânima to continue growing even faster, leading these changing times in higher education.

This is how we ended 2020 overcoming our biggest challenges. Our Net Revenue grew by 20.4% over 2019, reaching R$1,421.6 million, mainly due to the higher net ticket, the acquisitions made in 2020 and the intake and retention initiatives that strengthened our student base. Our average ticket closed 2020 at R$1,003, up by 19,8% over 2019, achieved through a strong repositioning strategy with technological tools, supported by data and analysis, great commitment to the appreciation of the educational service, and an improved programs mix, catalyzed by our most recent acquisitions and the growth of health programs in all our brands.

This was essentially made possible by a unique education proposal, with superior quality and reputation, once again attested by INEP/MEC indicators, which published the CPC (Preliminary Course Concept) in 4Q20, reinforcing our position considerably higher than the average among private and public schools.

Efforts to gain efficiency also played a key role in 2020. Our hybrid academic model, to develop competences, with flexibility for intense use of digital resources, improving the quality of the experience - Ânima Learning Ecosystem (E2A) - made possible a 2.1 percentage points operational gain, leading to an Adjusted EBITDA of R$376.1 million in the year (up by 28.4% over 2019) and a margin of 26.5%, up by 1.7 p.p. over 2019.

In the Education segment, our operating margin grew by 1.5 p.p. in the year vs. 2019, reaching 37.1% (vs. 35.6% in 2019). Excluding acquisitions, this result is even more positive, having grown by 2.6 p.p. We know that our acquisitions are important to bring us gains in scale, which has played a key role in our growth journey. Even though the integrations, at first, put pressure on our consolidated margin, they gradually grow to the levels of our mature units as the mapped synergies are implemented.

INSPIRALI, our vertical responsible for the integration, management and development of our medical schools, remains on its growth path. In November, we announced the acquisition of MEDROOM, a startup created to build educational objects and simulation environments in virtual reality ("VR") and augmented reality ("RA") for medical education, that brings to INSPIRALI's portfolio of educational solutions the ability to build these realistic simulation environments.

In numbers, INSPIRALI closed 2020 with a base of 2,424 students enrolled in our medical courses (or 4,095 if we add students under Unisul's co-management, already integrated as of January 2021), resulting in a Net Revenue, exclusively for medical courses (which are part of our Education segment), of R$174.7 million in the year (up by 96.4% vs. 2019). We highlight that part of the medical programs already authorized is still maturing as they were opened less than six years ago (maturation time due to the term of the program) while we await the authorization for new programs. We also may increase seats in some of our authorized programs under the Mais Médicos Program. The potential is for us to add 4,668 new students at maturity, totaling 8,820 students in the coming years. It is worth noting that, after CADE approves the transaction with Laureate, our medical student base from the combined companies will have the potential to reach, at maturity, 2,260 seats with 16,236 students.

It is important to highlight that we reinforced our investments in a strategic way, increasing the Digital Transformation initiatives, one of our competitive differentials that had played an overweight role in 2020. Three years after starting the digital transformation journey, the 2020 pandemic and its challenges showed us that Ânima was on the right track. During this period, technology ceased to be a supporting area and became a strategic skill, incorporated into the business to make the academic project feasible and stronger, increase team efficiency and offer a new experience to students and teachers. 2020's investment in technology grew 60% YoY. It made it possible to accelerate several digital transformation pillars: migration to a cloud architecture, incorporation of agile practices across the Company – from organizing by squads to people management processes – development of data & analytics skills in all areas (pricing models and dropout predictor), in addition to innovation and experimentation initiatives.

The expertise acquired by the Digital Transformation journey and the fact that Ânima's Learning Ecosystem has already incorporated hybrid teaching since 2017 made it possible, with the beginning of the pandemic, to migrate from in-class to digital classes in only one week. No class missed even one lecture. We borrowed 2,076 Chromebooks and had over 1,200 classes attending lectures synchronously at the same time.

In the portfolio of digital products developed and improved, we can mention: Ulife, a digital learning platform that includes live classes, synchronous and asynchronous activities, online labs, interactive digital objects, online assessments, among other tools; the digital certificate, launched 14 months before MEC's deadline; and the digital admission exam, which allows candidates to enroll in an entirely remote way, from the application and submission of documents to the admission test, made available with many security features, including facial recognition.

The combination of this strategy with our academic model has made a difference in several students' lives due to its quality delivery with technology that allows a unique experience, which gives us a different position during crises, in a macro scenario that remains challenging.

In this context, our efforts to attract and retain students were a priority throughout the year and resulted, even in an adverse macro scenario, in a rare performance confirmed by the dropout rate only 1.1 p.p. higher in 4Q20 vs. 4Q19 (pre-pandemic). This result is directly due to our initiatives to support our students with the new loan modalities of Pravaler and Decola, our negotiation system, since on-time payments and defaulting payments remain a factor. This scenario affected our provision for doubtful accounts (PDA), which suffered some pressure in 4Q20, standing at 7.9% of the Net Revenue. The provision for doubtful accounts totaled R$85.4 million in the year, representing 6.0% of the Net Revenue, up by 2.3 p.p. over 2019, mainly due to the economic crisis of the Covid-19 pandemic. We know that the crisis is likely to continue until vaccination advances. Therefore, delinquency remains a point of concern, demanding the continuity and intensification of initiatives to ensure our students do not drop out and help them to overcome this time of trouble.

The impacts of 2020 persist and require permanent attention and caution, especially given the still uncertain scenario on the extent of its effects. On the other hand, we integrated two important new acquisitions that strengthened our strategy and maintained financial discipline by focusing special attention on our cash, with two public offerings in January and December this year, both extraordinarily successful, ratifying the market's perception of our Company's strength and opportunities. The two offerings, added to our results in the year, despite the crisis, strengthen us to face the challenges and especially to make the best possible use of the opportunities already present in 2021.

In this sense, we are well structured to integrate Laureate's brands in strict compliance with CADE standards. With great dedication and energy, we have worked hard with an Office for Integration Planning (OIP), an Integration Committee on our Board of Directors and two top consulting companies supporting us. We are excited and ready to start working on this transformational acquisition, which will result in a company with the most valuable brand portfolio in the segment, with a unique and superior mix of quality and scale, making us the most relevant educational Company in the country.

In 2021, deleveraging initiatives is also one of our priorities. Our net cash and cash equivalents totaled R$339.2 million (ex-IFRS-16) at the end of 2020. We received the support of a top bank union, ensuring the funds to acquire Laureate and, in a structured and safe way, we have already started implementing plans to take the Company to an indebtedness level in line with its historical rates. The measures include the follow on held in December

(R$918.0 million), sale-leaseback agreements for real state, potential sales of assets, and the advance of our business's result combined with Laureate's assets after CADE's approval. We will keep the market up to date on this important financial indicator.

What we experienced in 2020 was a unique moment worldwide, and Ânima Educação could made a big difference. What has allowed us to continue our mission is the unquestionable legitimacy and strong alignment of our purpose. Our main thesis that the quality of the education offered must be a premise and an end in itself to ensure the Company's sustainability has guided our strategic decisions since our foundation.

Our hybrid academic model and digital transformation process have been key elements to achieve our purpose. That is why, when facing the pandemic, our strong positioning offered solutions that helped continue delivering educational services with quality and, thus, robust results that make us stronger and confident in the great opportunities ahead of us, in 2021, when Ânima Educação will become the country's most relevant Company in higher education.

Without the great commitment and dedication of all our educators, none of this would have been possible. Therefore, this is the time to say thanks and recognize this! To our entire community, who chooses to be in Ânima Educação every day, who dreams a lot and achieves even more, who never stays put and, with great passion, gets involved in all our projects and strategies to Transform the Country through Education together, our THANK YOU VERY MUCH!

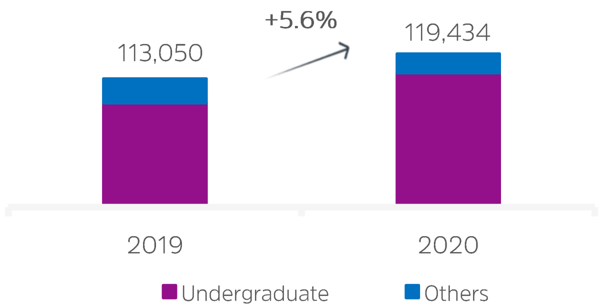
Performance
Operational
Higher Education

OPERATIONAL PERFORMANCE

HIGHER EDUCATION

We closed 2020 with a consolidated average base of 119,400 students, up by 5.6% YoY. Our undergraduate student base grew 6.7% in the year. Even without considering acquisitions, and in such a challenging year due to the pandemic, we performed 0.3% better than 2019, which shows the strength of our organic and inorganic growth. This performance is mainly due to the successful delivery of educational services with intensive use of technology, which was possible due to our Anima Learning Ecosystem (E2A), a hybrid model based on skill, which allowed us to adjust classes in a social-distancing reality quickly. Our agility in adapting our intake processes to the virtual environment, with recent digital transformation investments, also played a key role in these positive results. The acquisitions we made in 2019 and 2020 (AGES, Unicuritiba, Faseh and UniFG) played a key role in gaining scale in the year's average. Excluding acquisitions, the average student-base in the year was practically in line with the previous year, closing the year with a 1.0% drop, which we consider a good result in an incredibly challenging year with the Covid-19 crisis.

Student Base

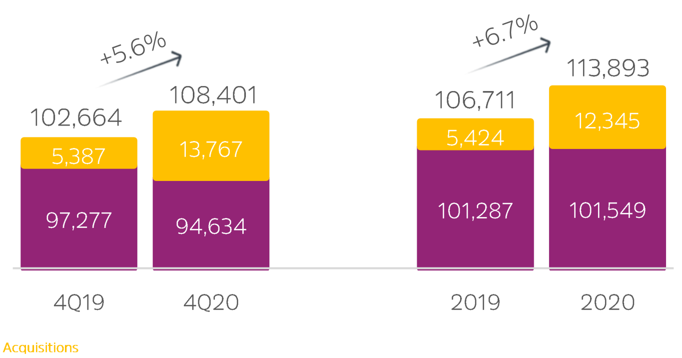


Student Base	4Q19	1Q20	2Q20	3Q20	4Q20	Average 2019	Average 2020	% 4Q20/ 4Q19	% 2020/ 2019
Undergraduate	97,277	109,503	102,019	100,038	94,634	101,287	101,549	-2.7%	0.3%
Others	5,885	5,312	5,177	4,793	4,616	6,340	4,975	-21.6%	-21.5%
Graduate	4,386	3,825	3,681	3,337	3,147	4,566	3,498	-28.2%	-23.4%
Distance Learning	468	381	441	411	426	755	415	-9.0%	-45.1%
Vocational Programs & K12	1,031	1,106	1,055	1,045	1,043	1,018	1,062	1.2%	4.3%
Total	103,162	114,815	107,196	104,831	99,250	107,626	106,523	-3.8%	-1.0%
Acquisitions	5,387	10,994	11,656	14,503	14,492	5,424	12,911		
Total with Acquisitions	108,549	125,809	118,852	119,334	113,742	113,050	119,434	4.8%	5.6%

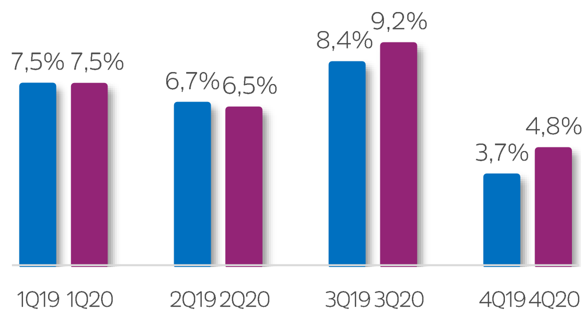
[1] Including blended programs.

In 2020, 47,300 new students joined our undergraduate courses, with most of the intake process exclusively through digital means. The work to retain students in a restrictive macroeconomic scenario was a priority throughout the year and carried out on different fronts: either by keeping the quality of education during the isolation (due to E2A), or by broad initiatives of socio-emotional support, or also, with financing alternatives offered to students during a crisis. The dropout rate in 4Q20 was 4.8%, up by 1.1 p.p. over 2019. Considering the time we are living in and the issues due to the scenario very affected by the Covid-19 pandemic, the dropout remains a core focus of our efforts, and the result achieved in 2020 vs. 2019 when there was no global crisis such as the one we are experiencing, reinforces our unique quality proposal and places us in a prominent position in the segment. We are always thinking about continuing our mission to transform the country through education, throughout we structured paths so that our students could continue their studies and their dreams, besides welcoming those beginning their academic journey.

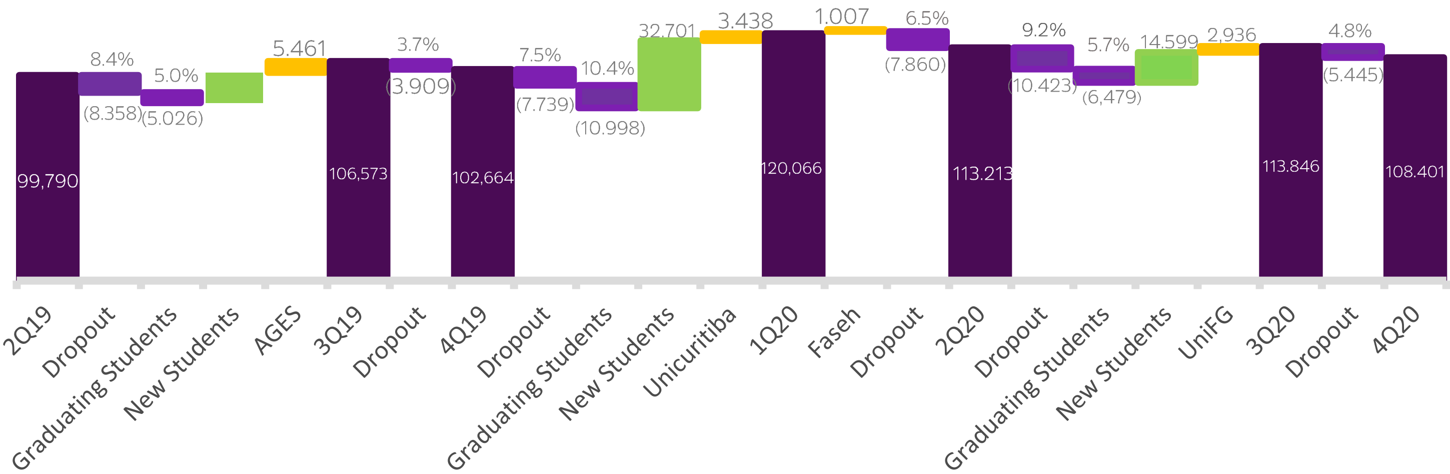
Student Base: Undergraduate Studies



Dropout



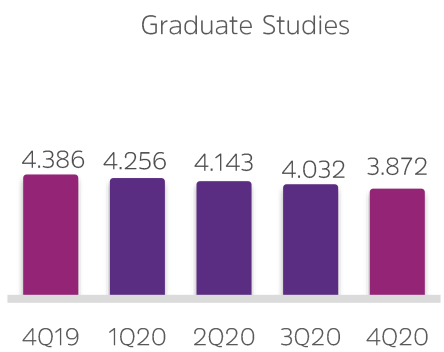
Student Flow – Undergraduate

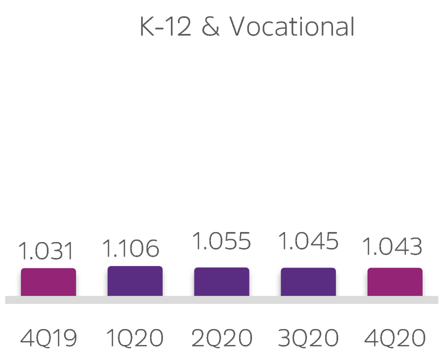


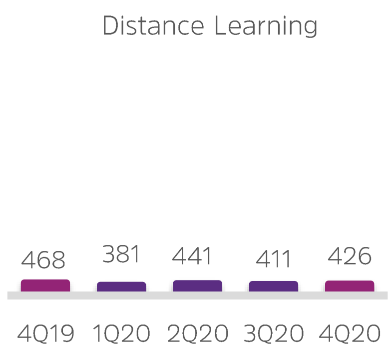
Graduate Studies - We closed 2020 with 3,900 students, compared to 4,400 in 4Q19, a decrease due to the Covid-19 pandemic, which affects this segment more intensely, as it is more linked to the economic cycle of the job market. As we have seen, companies have had to revise their budgets, cut expenses and reduce costs. Graduate programs have naturally been part of these efforts. The cycle of entries, exits and duration of this segment does not follow the graduation cycle. We continue to dedicate efforts to strengthen this segment's results, with initiatives that improve its efficiency, although, at first, they bring a lower number of courses and students.

K-12 and Vocational Student Base – We closed 4Q20 with 1,000 (+1.2% vs. 4Q19) K12 and vocational education students, including Florianópolis and Blumenau International Schools, Colégio Tupy (COT) and Escola Técnica Tupy (ETT).

Distance Learning - At the end of 4Q20, 400 students were enrolled in Distance Learning, between undergraduate and graduate courses (not considering EBRADI and hsmU students). This student base only considers online courses, UniSociesc and Una's legacy, and new courses of São Judas Live, which started in the second half of 2020.







Student **Financing**

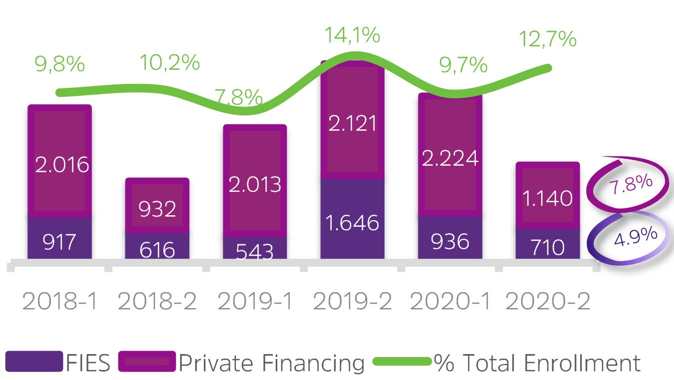
Student Financing

Considering agreements concluded, we closed 4Q20 with 700 new students financed by FIES, representing 4.9% of total intake (vs. 10.7% in 4Q19). We continue to monitor the decrease in this type of loan in our student base, with no prospect of change, given the government's fiscal and budgetary pressure aggravated by the pandemic. Thus, we closed the year with 14,300 students with FIES (13.2% of the base). Excluding our acquisitions (AGES, Unicuritiba, Faseh and UniFG), this number would correspond to 10.2% of the base.

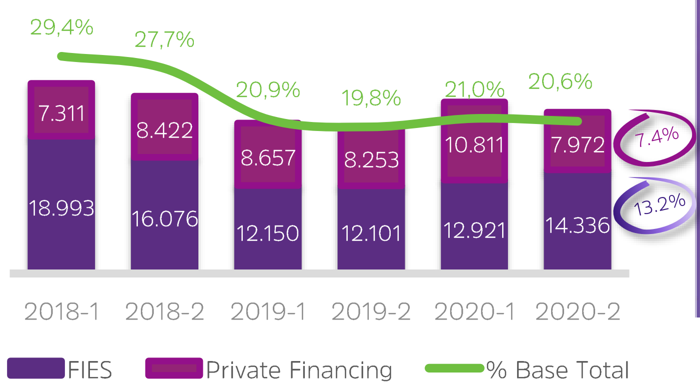
Regarding private loans, we continued our partnership with Pravaler and, as reported, we created two new types of loans to support our students in this time of financial difficulty (50% without guarantor and 75% with a guarantor, with credit risk in our balance sheet during the first year). With a more pressured economic environment, we have noticed the effects of greater credit restrictions. As a result, on the one hand, we see a lower percentage of incoming students with traditional loans and, on the other hand, a proportional increase in students opting for the new models created in 2020. Thus, the total of new students using Pravaler reached 1,100 in 4Q20, or 7.8% of the intake (vs. 13.8% in 4Q19), with 800 students using the credit risk of our balance sheet. Although the representativeness of students at risk in our balance sheet has grown in the intake, as explained, the representativeness of the undergraduate students base remains lower and controlled (2,900 or 2.7% of the base), compared to total students with private loans (about 8,000 students or 7.4% of the base).

This financing scenario shows that we have further intensified students' engagement mostly without any type of loan, which accounted for 87.3% of the intake.

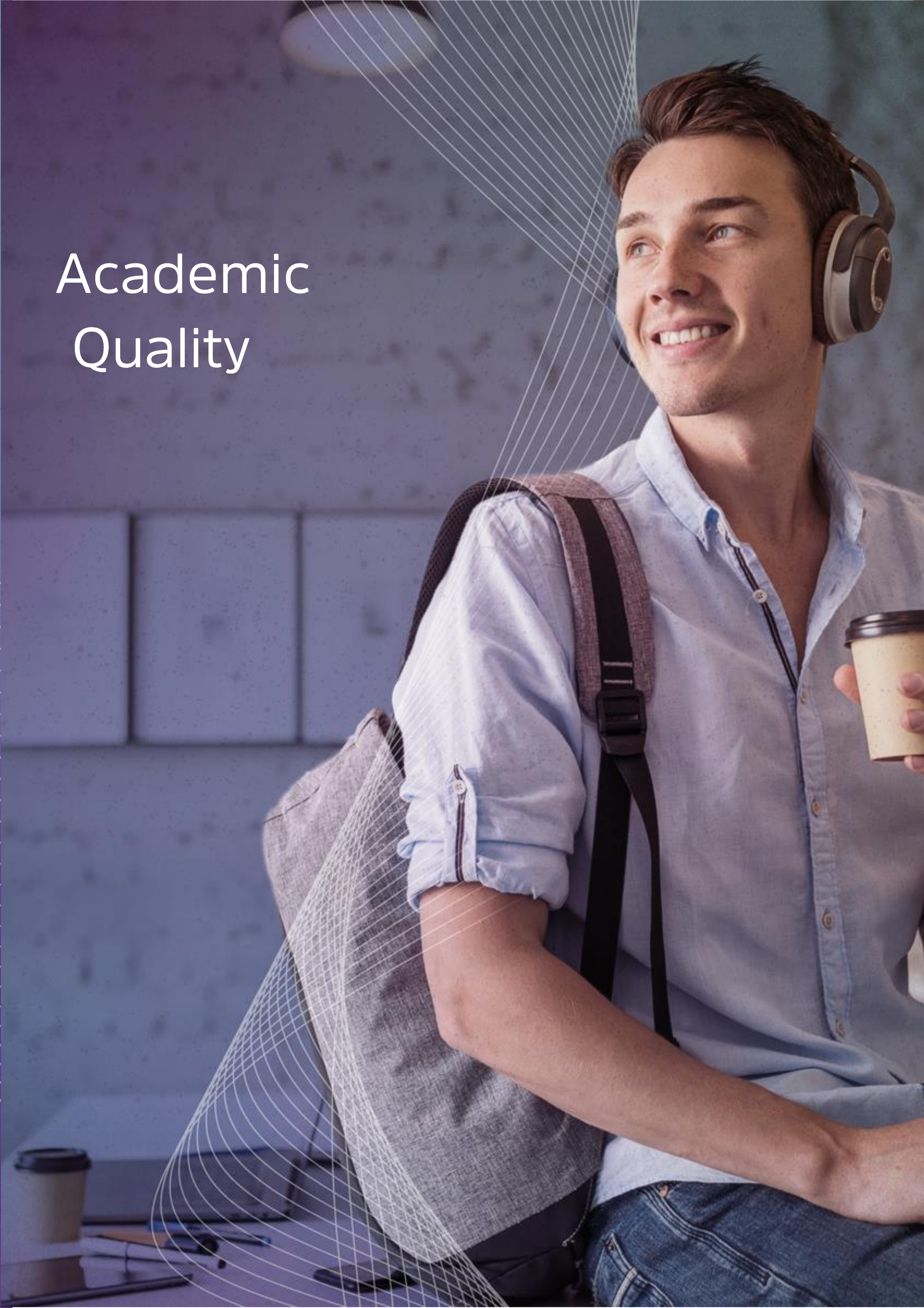
Student Financing
- Total Enrollment -



Student Financing
-- Student Base --



Academic Quality



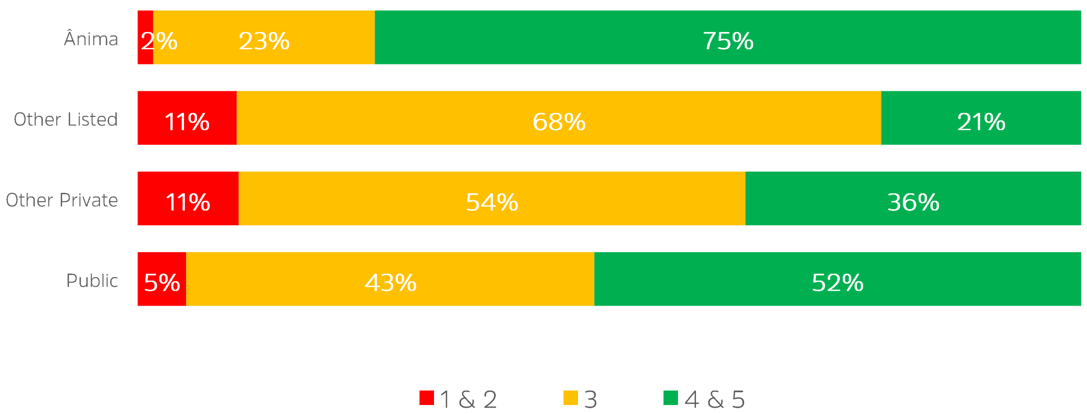
Academic Quality

MEC Indicators

The most recent results published by INEP/MEC, referring to 2019, confirm our institutions' high academic quality.

In 4Q20, INEP/MEC published the CPC results (Preliminary Course Concept), which assesses the performance of students by course. When looking at the distribution of courses in the three ranges compared to other HEIs in Brazil, we see that while 75% of our students are in courses with CPCs in ranges 4 and 5, in Private HEIs, this number is only 36%. In this cycle, we also present a percentage well above public institutions (52%).

Percentage of Enrollments by CPC Ranges in the 2017-2019 Three-Year Period



Source: Inep, Higher Education Quality Indicators - CPC Results (2017-2019). Others Listed includes Cogna, Laureate, Ser and YDUQS (considering the base year 2019)

Ânima Learning Ecosystem

Developing an academic project involves thinking about teaching quality and the future. Guided by this vision, in 2017, we started implementing Ânima Learning Ecosystem (E2A), which proposes a new format for the education system. By understanding that higher education urgently needs to reconnect with the world outside of school and take an effective role in adding value to young people's lives, we have invested heavily in the development of a model that evolves from the concept of the education system to a learning ecosystem.

At E2A, curricula are offered in an integrated manner, seeking a global understanding of knowledge, no longer divided into subjects. E2A brings a pedagogical proposal for the development of critical, reflective subjects and professionals, capable of dialogue with different social actors and, above all, prepared to make decisions in complex scenarios. Thus, we developed the Curricular Units (UC), reorganizing the contents based on skills, mixing talents, specific technical knowledge and soft skills, without using a pre-established linear form, but organized thematically. Using technology to improve the learning experience and bring the teacher closer to the student, E2A is a hybrid model. The digital resources are attractive and serve as remarkably interesting tools for the engagement and involvement of students.

All E2A's course units contain technological components and use digital resources while enabling face-to-face moments, which are especially valued because they make sense in the learning process. E2A is a fluid model mixing in-class, digital, extension and the working world. The student can personalize the learning process in all its dimensions, including the choice of learning scenario. We defend what we call the "joystick" model of omnichannel education, where the student, the protagonist of his or her education, chooses which learning environment offers the best conditions for their development.

This model made it possible, in March 2020, with the need for social isolation, for students from all over Brazil to continue studying as usual, with the same methodologies, adapting the joystick to a fully digital scenario, as this was the safest way to continue the activities. Likewise, once the in-class activities are resumed, the model allows a quick adjustment, according to the students' choice.

Another important learning tool for our Ecosystem is to bring the working world into the academic world. Ânima Educação understands that the student should be inserted in the real work environment during his/her undergraduate studies from the very first moment. Thus, in a pioneering way, the educational institutions (HEIs) of Ânima Ecosystem start to adopt Dual Course Units, a partnership between HEIs and companies, which will directly participate in the students' education. Thus, companies contribute to developing skills and competencies to be developed together with the students, and a teaching plan is developed together.

As an important advance of the recently implemented model, we gradually consolidated the returns related to E2A, noting that the efficiency gains obtained so far directly result from the quality and innovation it represents. Our history of teaching quality has been certified and reinforced by indicators over the years, and we continue the modernization path to add new learning tools, with a dynamic model that will only improve more and more. This is the sustainable way to fulfill our purpose to transform lives, bringing quality education, adding value and making a difference to the largest number of people in the country.

Learn more about E2A at the presentation of Investor Path on Digital Hybrid Education by clicking here (Portuguese only).

Financial Performance

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

i) **Education** – 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 Business** – Includes hsm, hsmU and Brazilian School of Law (Escola Brasileira de Direito, EBRADI).

FINANCIAL PERFORMANCE

2020 Results

R$ (million)	Consolidated Ânima				
	2020	% Net Revenue	2019	% Net Revenue	% YA
Gross Revenue	2,692.4	189.4%	2,164.1	183.3%	24.4%
Discounts, Deductions & Scholarships	(1,224.0)	-86.1%	(944.8)	-80.0%	29.5%
Taxes	(46.9)	-3.3%	(38.4)	-3.3%	22.0%
Net Revenue	1,421.6	100.0%	1,180.9	100.0%	20.4%
Cash Cost of Services	(575.1)	-40.5%	(559.1)	-47.3%	2.9%
- Personnel	(471.1)	-33.1%	(426.5)	-36.1%	10.4%
- Services from Third Parties	(40.6)	-2.9%	(53.2)	-4.5%	-23.6%
- Rental & Utilities	(25.3)	-1.8%	(32.7)	-2.8%	-22.8%
- Others	(38.1)	-2.7%	(46.6)	-3.9%	-18.2%
Gross Profit (exclud. deprec. /amort.)	846.5	59.5%	621.8	52.7%	36.1%
Sales Expenses	(164.2)	-11.6%	(105.1)	-8.9%	56.3%
- Provision for Doubtful Accounts (PDA)	(85.4)	-6.0%	(44.2)	-3.7%	93.2%
- Marketing	(78.8)	-5.5%	(60.9)	-5.2%	29.5%
General & Administrative Expenses	(164.5)	-11.6%	(125.3)	-10.6%	31.3%
- Personnel	(119.2)	-8.4%	(96.7)	-8.2%	23.3%
- Third Party Services	(22.7)	-1.6%	(10.7)	-0.9%	112.5%
- Rental & Utilities	(3.3)	-0.2%	(1.3)	-0.1%	147.1%
- Others	(19.3)	-1.4%	(16.6)	-1.4%	16.1%
Other Operating Revenues (Expenses)	(13.4)	-0.9%	(0.8)	-0.1%	1486.1%
- Provisions	(10.1)	-0.7%	0.4	0.0%	0.0%
- Taxes	(8.1)	-0.6%	(5.8)	-0.5%	38.9%
- Other Operating Revenues	4.9	0.3%	4.6	0.4%	6.0%
Late Payment Fees	8.7	0.6%	8.8	0.7%	-0.6%
Operating Result	513.2	36.1%	399.3	33.8%	28.5%
- Corporate Expenses	(137.1)	-9.6%	(106.5)	-9.0%	28.7%
Adjusted EBITDA	376.1	26.5%	292.8	24.8%	28.4%
(-) Late Payment Fees	(8.7)	-0.6%	(8.8)	-0.7%	-0.6%
(-) Non-Recurring Items - EBITDA	(95.7)	-6.7%	(38.5)	-3.3%	148.9%
EBITDA	271.6	19.1%	245.5	20.8%	10.6%
Depreciation & Amortization	(149.8)	-10.5%	(123.1)	-10.4%	21.7%
Equity Equivalence	(3.6)	-0.3%	(2.5)	-0.2%	45.6%
EBIT	118.2	8.3%	120.0	10.2%	-1.5%
Net Financial Result	(154.5)	-10.9%	(126.3)	-10.7%	22.4%
EBT	(36.3)	-2.6%	(6.3)	-0.5%	474.9%
Income Tax and Social Contribution	(4.3)	-0.3%	(3.3)	-0.3%	31.6%
Net IncomeBefore Non-Controlling Interest	(40.6)	-2.9%	(9.6)	-0.8%	323.7%
Non-Controlling Interest	(0.5)	0.0%	0.0	0.0%	0.0%
Net Income	(41.1)	-2.9%	(9.6)	-0.8%	328.5%
(-) Non-Recurring Items - EBITDA	95.7	6.7%	38.5	3.3%	148.9%
Adjusted Net Income	54.6	3.8%	28.9	2.4%	89.2%

4Q20 Results

R$ (million)	Consolidated Ânima				
	4T20	% Net Revenue	4T19	% Net Revenue	% YA
Gross Revenue	677.0	180.1%	570.5	178.3%	18.7%
Discounts, Deductions & Scholarships	(288.4)	-76.7%	(239.3)	-74.8%	20.5%
Taxes	(12.7)	-3.4%	(11.3)	-3.5%	11.7%
Net Revenue	375.9	100.0%	319.9	100.0%	17.5%
Cash Cost of Services	(159.3)	-42.4%	(161.9)	-50.6%	1.6%
- Personnel	(126.6)	-33.7%	(115.0)	-35.9%	-10.2%
- Services from Third Parties	(12.5)	-3.3%	(19.6)	-6.1%	36.2%
- Rental & Utilities	(5.8)	-1.5%	(9.8)	-3.1%	40.9%
- Others	(14.4)	-3.8%	(17.5)	-5.5%	18.0%
Gross Profit (exclud. deprec. /amort.)	216.6	57.6%	158.0	49.4%	37.1%
Sales Expenses	(58.1)	-15.4%	(32.0)	-10.0%	-81.6%
- Provision for Doubtful Accounts (PDA)	(29.7)	-7.9%	(15.1)	-4.7%	-97.1%
- Marketing	(28.4)	-7.5%	(16.9)	-5.3%	-67.7%
General & Administrative Expenses	(48.9)	-13.0%	(33.8)	-10.6%	-44.8%
- Personnel	(31.3)	-8.3%	(25.8)	-8.1%	-21.2%
- Third Party Services	(9.8)	-2.6%	(2.7)	-0.8%	-261.8%
- Rental & Utilities	(0.5)	-0.1%	(0.7)	-0.2%	26.4%
- Others	(7.3)	-1.9%	(4.5)	-1.4%	-61.3%
Other Operating Revenues (Expenses)	(10.6)	-2.8%	(1.2)	-0.4%	-809.4%
- Provisions	(10.2)	-2.7%	0.0	0.0%	-21684.3%
- Taxes	(2.1)	-0.6%	(2.6)	-0.8%	18.3%
- Other Operating Revenues	1.7	0.5%	1.3	0.4%	26.6%
Late Payment Fees	1.5	0.4%	1.6	0.5%	-10.4%
Operating Result	100.5	26.7%	92.7	29.0%	8.4%
- Corporate Expenses	(34.9)	-9.3%	(32.2)	-10.1%	-8.5%
Adjusted EBITDA	65.5	17.4%	60.5	18.9%	8.3%
(-) Late Payment Fees	(1.5)	-0.4%	(1.6)	-0.5%	10.4%
(-) Non-Recurring Items - EBITDA	(10.6)	-2.8%	(16.4)	-5.1%	35.0%
EBITDA	53.4	14.2%	42.5	13.3%	25.7%
Depreciation & Amortization	(38.7)	-10.3%	(32.5)	-10.1%	-19.1%
Equity Equivalence	(0.5)	-0.1%	(0.6)	-0.2%	7.2%
EBIT	14.2	3.8%	9.5	3.0%	50.2%
Net Financial Result	(46.0)	-12.2%	(38.2)	-11.9%	-20.3%
EBT	(31.7)	-8.4%	(28.7)	-9.0%	-10.5%
Income Tax and Social Contribution	(1.4)	-0.4%	0.4	0.1%	430.3%
Net IncomeBefore Non-Controlling Interest	(33.1)	-8.8%	(28.3)	-8.9%	-16.9%
Non-Controlling Interest	(0.0)	0.0%	0.0	0.0%	0.0%
Net Income	(33.1)	-8.8%	(28.3)	-8.9%	-16.9%
(-) Non-Recurring Items - EBITDA	10.6	2.8%	16.4	5.1%	35.0%
Adjusted Net Income	(22.5)	-6.0%	(12.0)	-3.7%	-87.8%

FINANCIAL PERFORMANCE – Education

R$ (million)	Education									
	2020	% Net Revenue	2019	% Net Revenue	% YA	4Q20	% Net Revenue	4Q19	% Net Revenue	% YA
Gross Revenue	2,598.4	191.7%	2,078.6	187.0%	25.0%	642.8	183.9%	529.3	186.1%	21.4%
Discounts, Deductions & Scholarships	(1,201.5)	-88.6%	(933.3)	-84.0%	28.7%	(282.7)	-80.9%	(235.9)	-82.9%	19.8%
Taxes	(41.7)	-3.1%	(33.9)	-3.1%	22.9%	(10.6)	-3.0%	(8.9)	-3.1%	18.4%
Net Revenue	1,355.3	100.0%	1,111.4	100.0%	21.9%	349.6	100.0%	284.5	100.0%	22.9%
Cash Cost of Services	(558.5)	-41.2%	(528.7)	-47.6%	5.6%	(151.4)	-43.3%	(145.0)	-51.0%	4.4%
- Personnel	(468.5)	-34.6%	(424.1)	-38.2%	10.5%	(126.3)	-36.1%	(114.2)	-40.2%	10.5%
- Services from Third Parties	(30.6)	-2.3%	(38.0)	-3.4%	-19.5%	(7.4)	-2.1%	(10.6)	-3.7%	-30.2%
- Rental & Utilities	(25.3)	-1.9%	(31.6)	-2.8%	-20.0%	(5.8)	-1.7%	(9.1)	-3.2%	-36.2%
- Others	(34.1)	-2.5%	(35.0)	-3.1%	-2.4%	(12.0)	-3.4%	(11.1)	-3.9%	7.5%
Gross Profit (exclud. deprec. /amort.)	796.8	58.8%	582.7	52.4%	36.7%	198.2	56.7%	139.4	49.0%	42.1%
Sales Expenses	(152.7)	-11.3%	(95.7)	-8.6%	59.5%	(54.5)	-15.6%	(29.4)	-10.3%	85.1%
- Provision for Doubtful Accounts (PDA)	(81.8)	-6.0%	(41.6)	-3.7%	96.7%	(28.8)	-8.2%	(15.1)	-5.3%	90.4%
- Marketing	(70.9)	-5.2%	(54.1)	-4.9%	30.9%	(25.7)	-7.3%	(14.3)	-5.0%	79.6%
General & Administrative Expenses	(134.4)	-9.9%	(101.4)	-9.1%	32.5%	(38.0)	-10.9%	(27.1)	-9.5%	40.2%
- Personnel	(96.3)	-7.1%	(76.7)	-6.9%	25.7%	(23.8)	-6.8%	(20.6)	-7.3%	15.2%
- Third Party Services	(15.7)	-1.2%	(8.6)	-0.8%	83.8%	(5.6)	-1.6%	(1.9)	-0.7%	187.2%
- Rental & Utilities	(3.0)	-0.2%	(1.0)	-0.1%	191.1%	(0.4)	-0.1%	(0.6)	-0.2%	-33.4%
- Others	(19.3)	-1.4%	(15.2)	-1.4%	27.3%	(8.2)	-2.3%	(3.8)	-1.4%	111.9%
Other Operating Revenues (Expenses)	(15.3)	-1.1%	1.2	0.1%	-1355.5%	(11.3)	-3.2%	0.2	0.1%	-4864.8%
- Provisions	(10.1)	-0.7%	0.4	0.0%	-2694.6%	(10.2)	-2.9%	0.0	0.0%	-21676.6%
- Taxes	(7.5)	-0.6%	(3.7)	-0.3%	102.1%	(1.7)	-0.5%	(1.2)	-0.4%	38.8%
- Other Operating Revenues	2.4	0.2%	4.5	0.4%	-47.9%	0.6	0.2%	1.4	0.5%	-53.5%
Late Payment Fees	8.7	0.6%	8.8	0.8%	-0.6%	1.5	0.4%	1.6	0.6%	-10.4%
Operating Result	503.1	37.1%	395.6	35.6%	27.2%	95.9	27.4%	84.8	29.8%	13.2%

R$ (million)	Education Excl. Acquisitions [1]					
	2020	2019	% YA	4Q20	4Q19	% YA
Net Revenue	1,141.7	1,081.6	5.6%	284.0	267.1	6.3%
Gross Profit (exclud. deprec. /amort.)	680.6	562.3	21.0%	165.5	127.6	29.7%
Gross Margin	*59.6%*	*52.0%*	*7.6pp*	*58.3%*	*47.8%*	*10.5pp*
Operating Result	436.3	385.1	13.3%	79.0	79.2	-0.2%
Operating Margin	*38.2%*	*35.6%*	*2.6pp*	*27.8%*	*29.6%*	*-1.8pp*

[1] Excluding Aquisitions AGES (aug'19), Unicuritiba (feb'20), Faseh (may'20) e UniFG (jul'20)

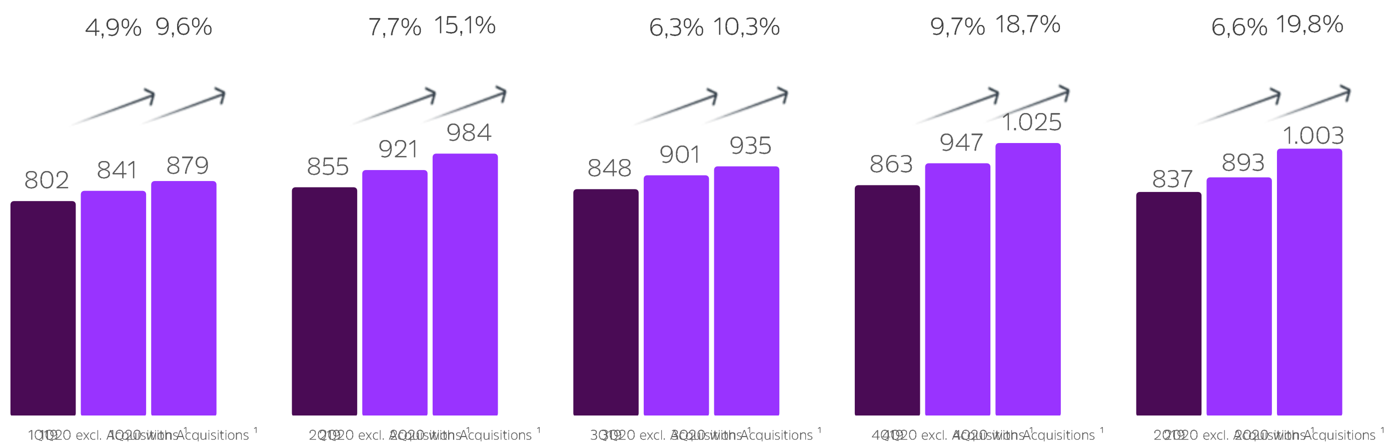
Net Revenue

Our Net Revenue in the Education segment reached R$349.6 million in 4Q20, up by +22.9% over 4Q19, keeping the growth rate observed in the year. In the same units, without considering acquisitions, Net Revenue grew +6.3%. In the year, Net Revenue from Education grew by +21.9% vs. 2019, reading R$1,355.3 million (R$1,141.7 million or +5.6% excluding acquisitions). This significant advance in Net Revenue for the year, even with a small decrease in graduate studies' student-base in the same campuses, is explained by two main factors: the higher student base via acquisitions and the higher consolidated net ticket.

Excluding the acquisitions, our net ticket averaged R$947/month in 4Q20, up by 9.7% YoY in the same campuses, affected by an average increase in tuition fees (+9.0%) with gains in the program mix (+4.3%), partially offset by increased scholarships, discounts and taxes (-3.9%).

Considering the acquisitions, bringing a program mix with a higher ticket over our previous base, our average net ticket totaled R$1,025/month or +18.7% over 4Q19.

Average Net Ticket
(R$/month)



[1] AGES as of Aug/2019, Unicuritiba as of Feb/2020, Faseh as of May/2020 and UniFG as of July/2020

The behavior of our ticket's continuous advance is due to the right decisions in the recomposition strategy, through technological tools, projects and internal initiatives, and, also, equally strategic options in our acquisitions, which reinforce the superior position of our brands. The result is an average net ticket, in 4Q20, with the greatest advance within the year and, in 2019 vs. 2020, a growth curve, which confirms the right path chosen for a sustainable expansion.

Total Costs and Gross Profit

The results of the quality and efficiency of our academic model (E2A) are observed on different fronts in 2020. In addition to its proven efficiency in teaching quality, which contributes to retention and intake, the E2A design improves operational efficiency, showing superior results in teaching efficiency, attesting to a new level of reality in this indicator.

In 4Q20, Gross Profit reached R$198.2 million, or 56.7% of the Net Revenue (+7.7 p.p. vs. 4Q19) mainly due to the gains in teaching productivity and academic support (+4.0 p.p. vs. 4Q19), third-party services (+1.6 p.p. vs. 4Q19) and rent and occupancy rate (+1.5 p.p. vs. 4Q19), the last two related to the partial closure of our campuses due to social isolation, with renegotiations of rent and related services. Excluding the 2019 and 2020 acquisitions, the effect of these productivity gains on Gross Profit in 4Q20 would have been even higher (+10.5 p.p. vs. 4Q19).

Efficiency gains brought by E2A should continue in 2021, considering both the maturity of the model in the courses already part of our base and its implementation in the acquired brands.

With this, we saw an important advance of Gross Profit in 2020, which reached R$796.8 million, or 58.8% margin (+6.4 p.p. vs. 2019). Excluding acquisitions, Gross Profit reached R$680.6 million, or a 59.6% margin (+7.6 vs. 2019). The reported growth has placed us in a prominent position in the segment, especially considering that 2020 was lived almost entirely in an economic crisis scenario.

Selling Expenses

In 2020, the scenario of uncertainties and scarcity of resources due to the pandemic - a period that lasted for almost ten months of the year and continues in 2021 - led us to increase our efforts and invest even more in student activities for retention and intake.

Throughout the year, we saw, even more, the relevance of Ânima Learning Ecosystem (E2A), implemented in 2017, and which had important developments in 2020, becoming essential for all our students to continue their studies, adapting to a fully digital scenario. Thus, we rely on the qualitative results of E2A in the new environment to further improve our academic model's communication, making additional investments in advertising, especially in the fourth quarter, an important period both for retention and intake for the first half of the following year. As a result, marketing expenses in 4Q20 totaled R$25.7 million or 7.3% of the Net Revenue, up by 2.3 p.p. vs. 2019 (R$14.3 million or 5.0% of NR).

Besides, since the first months of the year, predicting the effects of Covid-19, we have implemented preventive measures to minimize the PDA impact on our results. In 4Q20, PDA totaled R$28.8 million, or 8.2% of the Net Revenue. Although most of our students do not have any type of loan, we continue to observe a healthier behavior in our receivables portfolio compared to the segment. We continue engaged in the re-enrollment process, using our program to renegotiate debts, Decola Program, and alternative loans offered with Pravaler, hoping to prevent the delinquency from becoming a dropout within the challenging scenario faced.

As a result, Selling Expenses totaled R$54.5 million in 4Q20 (15.6% of the net revenue vs. 10.3% in 4Q19). In the year, our Selling Expenses reached R$152.7 million, or 11.3% of the net revenue (-2.7 p.p. vs. 2019), due to the increase in PDA and marketing expenses.

General and Administrative Expenses

We closed 2020 with General and Administrative Expenses totaling R$134.4 million, representing 9.9% of the Net Revenue, slightly higher than 2019 (-0.8 p.p.). Excluding acquisitions, these expenses totaled R$103.9 million in 2020, representing 9.1% of Net Revenue (-0.4 p.p. vs. 2019). This result was affected by a 0.4 p.p. increase in expenses with Third-Party Services, due to our digitization initiatives, including a migration to a cloud architecture with the said service contracted (Cloud Service), as well as our recent acquisitions (which had been operating with a high level of third-party services) and a 0.2 p.p. growth in Personnel expenses, also affected by acquisitions made and, with the implementation of synergies, gradually diluted, as can already be seen in 4Q20.

Particularly in 4Q20, the main impact on the General and Administrative Expenses line was precisely on expenses with third-party services (-0.9 p.p. vs. 4Q19), as already explained in the previous paragraph; and other expenses (-0.9 p.p. vs. 4Q19), with the main impacts coming from expenses with new acquisitions, which are optimized in the integration process, and educational insurance expenses, an initiative implemented in 2Q20 and in the final stage to evaluate its effects, in addition to one-time inventory adjustments. This increase in expenses was partially offset by an improvement in Rent and Occupancy Rate and Personnel expenses, even with an additional impact of R$3.3 million related to provisions for bonuses and incentive plans. Thus, in 4Q20, General and Administrative Expenses totaled R$38.0 million, representing 10.9% of Net Revenue (up by 1.4 p.p. over 4Q19).

Other Operational Revenues (Expenses)

Other Operating Revenues (Expenses), including fines and interest on monthly tuitions, totaled R$6.5 million in 2020, or 0.5% of Net Revenue (-1.4 p.p. vs. 2019). This behavior is due to a higher provision for legal contingencies (R$10.1 million), with a probability of conclusion changed in 4Q20, particularly a judicial controversy related to night work in the HEI of Minas Gerais. We understand that these are one-off contingencies, and their objects have already been mitigated. Throughout 2020, this line was also affected by higher Taxes and Fees (-0.3 p.p. vs. 2019), due to the significant improvement in our net result for tax purposes; and by the lower other operating revenues (-0.2 p.p. vs. 2019), considering that during the period in which our campuses were closed we no longer benefit from subletting spaces (auditoriums, cafeterias and other services) and service revenue in our service clinics (veterinary hospitals, physical therapy clinics and dental offices).

Operating Result

In 2020, the Operational Result from Education totaled R$503.1 million, or 37.1% of Net Revenue, +1.5 p.p. YoY. Excluding acquisitions, the operating result grew 13.3% vs. 2019, totaling R$436.3 million in the year, or 38.2% of Net Revenue, +2.6 p.p. vs. 2019. This shows, on the one hand, the good performance of our mature operations, and on the other hand, the expected pressure from acquisitions made in 2020, impacting our consolidated margin when first integrated and, gradually, contributing to results as we implement synergies, until reaching the levels of our mature units.

4Q20 Operating Result reached R$95.9 million (+13.2% vs. 4Q19) and a 27.4% margin (-2.4 p.p. vs. 4Q19), particularly impacted by the higher Selling Expenses (PDA and Marketing), increase in third-party services and by the significant impact of the provision for legal contingencies (-2.9 p.p. vs. 4Q19).

To better understand the advance of Education's operational margins, we divided the result into three major blocks, according to their different maturation stages: Base, Organic Expansion and Acquisitions. We included AGES in the Acquisitions block as of August 2019, Unicuritiba as of February 2020, Faseh as of May and UniFG as of July.

R$ (million)	Base [1]			Organic Exp. [2]			Acquisitions [3]			Education		
	Excl. New Units			Excl. New Units								
	2020	2019	% YA	2020	2019	% YA	2020	2019	% YA	2020	2019	% YA
Net Revenue	763.3	759.8	0.5%	214.0	155.3	37.8%	378.0	196.2	92.6%	1,355.3	1,111.4	21.9%
Gross Profit (exclud. deprec. /amort.)	461.3	409.2	12.7%	132.4	80.8	64.0%	203.0	92.7	118.9%	796.8	582.7	36.7%
Gross Margin	*60.4%*	*53.9%*	*6.6pp*	*61.9%*	*52.0%*	*9.9pp*	*53.7%*	*47.3%*	*6.5pp*	*58.8%*	*52.4%*	*6.4pp*
Operating Result	310.4	306.0	1.4%	81.6	36.6	123.3%	111.1	53.0	109.7%	503.1	395.5	27.2%
Operating Margin	*40.7%*	*40.3%*	*0.4pp*	*38.1%*	*23.5%*	*14.6pp*	*29.4%*	*27.0%*	*2.4pp*	*37.1%*	*35.6%*	*1.5pp*

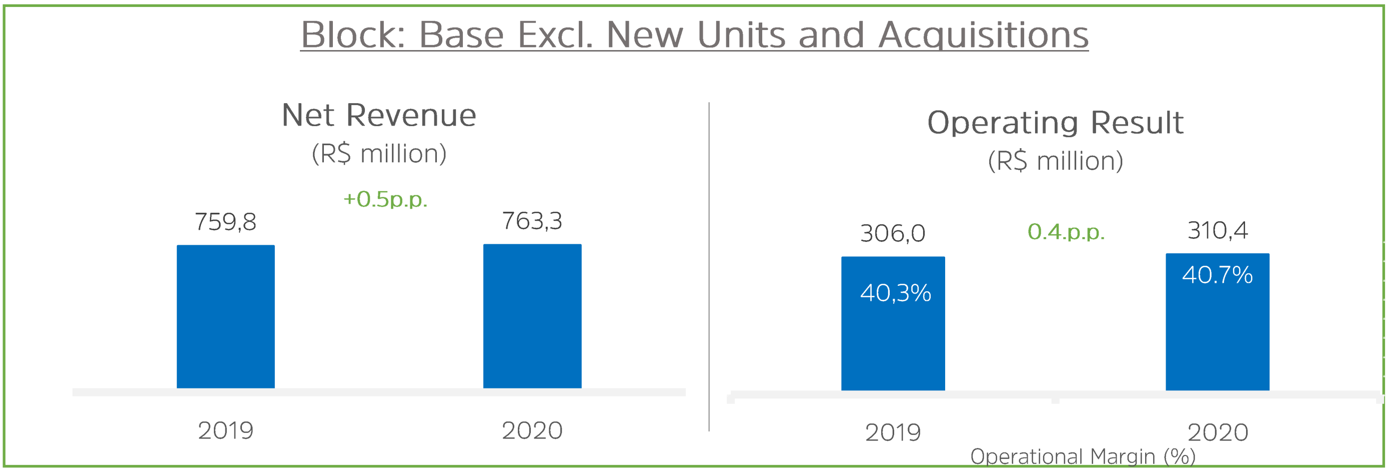
[1] Consider Una, UniBH and São Judas (including campus Unimonte, but excluding acquisitions and new units opened as of 2016)
[2] Considers Organic Expansion: Units of Sete Lagoas (Jul'16), Catalão (Oct'16), Divinópolis (Feb'17), Pouso Alegre (Mar'17), Nova Serrana (Apr'17), São Bento do Sul (Jan'17), 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 acquisitions made throughout 2018 (CESUC, Faculdade Jangada e Faced)
[3] Considers acquisitions made throughout 2016 (UniSociesc Feb'16, Una Bom Despacho Jul'16 e Una Uberlândia Oct'16), AGES in Aug'19, Unicuritiba starting in Feb'20, Faseh in May'20 and UniFG in Jul'20

R$ (million)	Base [1]			Organic Exp. [2]			Acquisitions [3]			Education		
	Excl. New Units			Excl. New Units								
	4Q20	4Q19	% YA	4T20	4T19	% YA	4T20	4T19	% YA	4T20	4T19	% YA
Net Revenue	193.0	189.6	1.8%	51.3	38.9	32.0%	105.3	56.0	88.1%	349.6	284.5	22.9%
Gross Profit (exclud. deprec. /amort.)	113.8	94.8	20.0%	31.1	18.5	68.5%	53.3	26.2	103.6%	198.2	139.4	42.1%
Gross Margin	*58.9%*	*50.0%*	*9.0pp*	*60.7%*	*47.5%*	*13.2pp*	*50.6%*	*46.7%*	*3.9pp*	*56.7%*	*49.0%*	*7.7pp*
Operating Result	56.2	64.6	-13.0%	15.0	7.6	98.3%	24.7	12.6	96.1%	95.9	84.8	13.2%
Operating Margin	*29.1%*	*34.1%*	*-5.0pp*	*29.2%*	*19.5%*	*9.8pp*	*23.5%*	*22.5%*	*1.0pp*	*27.4%*	*29.8%*	*-2.4pp*

[1] Consider Una, UniBH and São Judas (including campus Unimonte, but excluding acquisitions and new units opened as of 2016)
[2] 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 acquisitions made throughout 2018 (CESUC, Faculdade Jangada e Faced)
[3] Considers acquisitions made throughout 2016 (UniSociesc Feb'16, Una Bom Despacho Jul'16 e Una Uberlândia Oct'16), AGES in Aug'19, Unicuritiba starting in Feb'20, Faseh in May'20 and UniFG in Jul'20

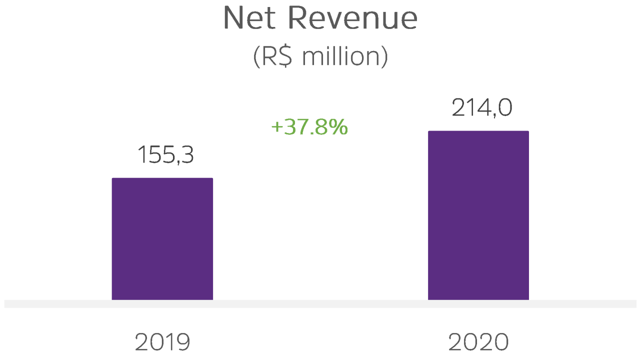
In 2020, the Base block's Net Revenue totaled R$763.3 million (0.5% over 2019), following the evolution trend, especially due to the ticket trend, despite the challenging macro scenario and the effects of Covid-19 nearly the entire year, and a high level of competitiveness observed in the regions where these units are located. Gross Profit showed an important evolution, reaching R$461.3 million in the year, with a margin of 60.4% (+6.6 p.p. vs. 2019), mainly because of efficiency gains from E2A, an academic model fully implemented in 2018. The Operating Result reached R$310.4 million, or a 40.7% margin (+0.4 p.p. vs. 2019). The one-off impact in 4Q20 of legal contingencies' provisions slowed the growth path in the operating margin, which had been progressively increasing year-on-year.

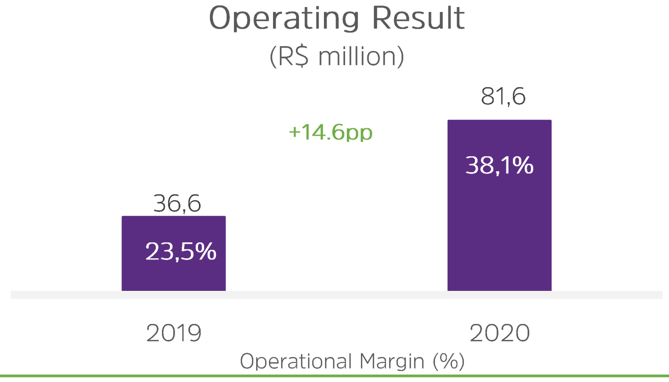
In 4Q20, the Net Revenue in units of the Base block grew 1.8% (R$193.0 million vs. R$189.6 million in 4Q19), higher than in the year. Gross Profit increased by 20.0% (R$113.8 million vs. R$94.8 million in 4Q19), with the gross margin up by 9.0 p.p., while the operating margin fell by -5.0 p.p., as explained in the annual performance.



In the Organic Expansion block, which includes acquisitions made in 2018 (CESUC, Faculdade Jangada and Faced), we continue to observe a positive and consistent performance, even without opening new units in 2020. In this block, Net Revenue reached R$214.0 million (+37.8%), and Operating Result totaled R$81.6 million (+14.6 p.p.), compared to a Net Revenue of R$155.3 million and an Operating Result of R$36.6 million in 2019. It should be noted that, as expected, this block has been gaining an increasing share in the consolidated Net Revenue (15.8% of net revenue), as well as in our Operational Result (16.3%) and is increasingly closer to the same level of operational margin as the Base block.

Block: Organic Expansion



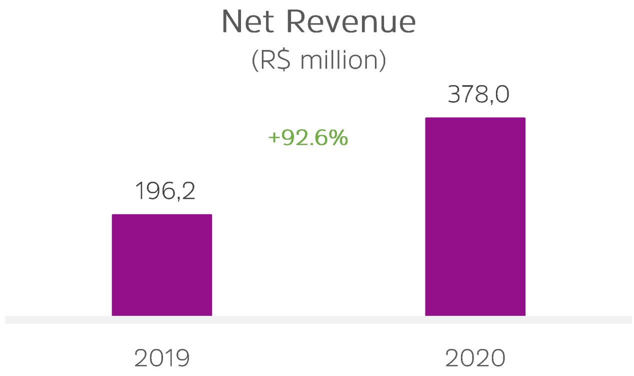


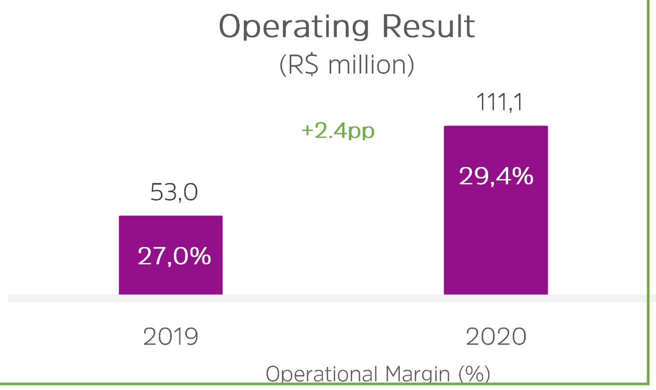
Regarding the Acquisitions block, which includes both acquisitions made in 2016 (UniSociesc, Una Bom Despacho and Una Uberlândia), as well as AGES (as of August 2019), Unicuritiba (as of February 2020), Faseh (as of May 2020) and UniFG (as of July 2020), Net Revenue reached R$378.0 million in 2020, up by 92.6% YoY, mainly due to 2019 and 2020 acquisitions (AGES, Unicuritiba, Faseh and UniFG). This block's operational results follow a positive path this year, with a result of R$111.1 million, or a margin of 29.4% (+2.4pp vs. 2019).

In 4Q20, we observed a slight improvement in the margin for the quarter (+1.0 p.p. vs. 4Q19), already representing an advance vs. 3Q20, when the effect of the most recently integrated acquisitions had an impact, bringing a slight pressure on the margin. According to our history of successful integrations, this advance path follows precisely what was planned for this block's units, insofar as the expected synergies are implemented, gradually generating positive margins.

We highlight that this block has gained a share in consolidated net revenue (27.9% of Net Revenue) and our operating result (22.1%) and follows a scheduled growth path with the opportunity to reach the operating margin of the block Base.

Block: Acquisitions





INSPIRALI: MEDICINE VERTICAL

INSPIRALI, our Medicine vertical, responsible for the integration, management and development of our medical schools, which has gained more relevance in our results, remains on its growth path. In 2020, we had six medical programs operating, with three authorized under the Mais Médicos Program and under maturation, with a prospect to expand the number of seats in the future; and other three that had increases in the authorized number of seats in 2016, 2017 and 2019, thus also observing a maturation period.

Thus, we closed 2020 with a base of 2,424 students enrolled in courses located in privileged locations. The YTD Net Revenue with students enrolled in these six courses (which are part of our Education segment) totaled R$174.7 million in 2020 (vs. R$89.0 million in 2019), with an average ticket of R$7,236. It should be noted that two of the six courses became part of our Ecosystem in May and July 2020. As there is a difference between the average ticket of these courses and our base, they will still have a smaller impact until they are fully comparable in the year. On the other hand, these same two courses contribute with only part of the result reported in the year regarding the Revenue.

As of January 2021, we have integrated Unisul's operations into our results. With that, we added 1,671 students from Unisul's courses to our student base, even without considering the intake process for the first half of 2021. If we consider this student base, we closed the year with 4,095 students.

It should be noted that the lower intake of students between odd and even quarters is part of the dropout dynamics of the segment, and the respective seats are occupied immediately through the transfer of students, reestablishing the full occupation of all authorized seats.

It is worth noting that after CADE approves the transaction with Laureate, our medical student base from the combined companies will have the potential to reach, at maturity, 2,260 seats with 16,236 students.

Regarding our Net Revenue in the Education segment, while our medical courses currently represent 12.6%, after maturity, they should reach around 27% (remembering that these are recognized programs with higher margins and expressive results).

We believe that, due to our experience and the advance we have seen in these courses, with scale gains with the INSPIRALI model, there is a potential for the result of the medical courses, at maturity, to reach an EBITDA margin much higher than other courses, in line with the benchmarks of this segment.

The growth prospect for this segment's representativeness in our results, considering its higher margins compared to other courses and the high demand and resilience of the student's profile, puts us in a prominent position regarding the future margin evolution.

FINANCIAL PERFORMANCE – Other Businesses

R$ (million)	Others									
	2020	% Net Revenue	2019	% Net Revenue	% YA	4Q20	% Net Revenue	4T19	% Net Revenue	% YA
Gross Revenue	94.0	141.7%	85.5	123.0%	10.0%	34.2	130.0%	41.2	116.3%	-17.1%
Discounts, Deductions & Scholarships	(22.5)	-33.9%	(11.5)	-16.5%	95.8%	(5.8)	-22.0%	(3.4)	-9.5%	72.4%
Taxes	(5.2)	-7.8%	(4.5)	-6.5%	14.7%	(2.1)	-8.0%	(2.4)	-6.9%	-13.2%
Net Revenue	66.3	100.0%	69.5	100.0%	-4.5%	26.3	100.0%	35.5	100.0%	-25.8%
Cash Cost of Services	(16.6)	-25.0%	(30.4)	-43.8%	-45.4%	(7.9)	-29.9%	(16.9)	-47.6%	-53.3%
- Personnel	(2.5)	-3.8%	(2.4)	-3.4%	6.0%	(0.4)	-1.5%	(0.8)	-2.1%	-49.0%
- Services from Third Parties	(10.0)	-15.1%	(15.2)	-21.9%	-34.0%	(5.1)	-19.4%	(9.0)	-25.4%	-43.3%
- COGS	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
- Rental & Utilities	(0.0)	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
- Others	(4.0)	-6.1%	(11.6)	-16.8%	-65.5%	(2.4)	-9.1%	(6.4)	-18.0%	-62.7%
Gross Profit (exclud. deprec. /amort.)	49.7	75.0%	39.1	56.2%	27.3%	18.4	70.1%	18.6	52.4%	-0.8%
Sales Expenses	(11.6)	-17.4%	(9.4)	-13.5%	23.3%	(3.6)	-13.7%	(2.6)	-7.2%	40.7%
- Provision for Doubtful Accounts (PDA)	(3.6)	-5.4%	(2.6)	-3.8%	36.7%	(0.9)	-3.5%	0.0	0.1%	-2549.5%
- Marketing	(8.0)	-12.0%	(6.8)	-9.7%	18.1%	(2.7)	-10.1%	(2.6)	-7.3%	2.7%
General & Administrative Expenses	(30.1)	-45.3%	(23.9)	-34.4%	25.8%	(10.9)	-41.6%	(6.7)	-18.9%	63.3%
- Personnel	(22.8)	-34.4%	(20.0)	-28.9%	14.0%	(7.5)	-28.6%	(5.2)	-14.7%	44.7%
- Third Party Services	(7.0)	-10.5%	(2.1)	-3.1%	227.4%	(4.2)	-16.0%	(0.8)	-2.1%	452.5%
- Rental & Utilities	(0.3)	-0.4%	(0.3)	-0.4%	-10.6%	(0.1)	-0.4%	(0.1)	-0.2%	24.3%
- Others	0.0	0.1%	(1.4)	-2.0%	-103.1%	0.9	3.4%	(0.6)	-1.8%	-239.5%
Other Operating Revenues (Expenses)	1.9	2.9%	(2.1)	-3.0%	-192.9%	0.6	2.4%	(1.4)	-4.0%	-144.5%
- Provisions	(0.0)	0.0%	0.0	0.0%	0.0%	(0.0)	0.0%	0.0	0.0%	0.0%
- Taxes	(0.6)	-0.9%	(2.1)	-3.0%	-72.1%	(0.4)	-1.6%	(1.4)	-3.8%	-69.1%
- Other Operating Revenues	2.5	3.8%	0.1	0.1%	4542.2%	1.0	4.0%	(0.1)	-0.1%	-2091.6%
Late Payment Fees	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Operating Result	10.0	15.1%	3.7	5.4%	167.9%	4.5	17.2%	7.9	22.4%	-42.9%

The Other Business Segment includes hsm, hsmU (free courses and online graduate courses in management) and EBRADI (Brazilian School of Law). In 2020, the Operational Results of Other Businesses totaled R$10.0 million, compared to R$3.7 million YoY. This result is due to the maturation and the resulting scale gain of EBRADI, increasing results and already reaching a base of 24,455 students in 2020.

Looking at this segment, the Operating Results for BRADI + hsmU reached R$18.5 million in 2020 (vs. R$8.2 million in 2019). The significant growth of these courses reinforces our choice for the lifelong learning strategy. More than ever, we understand that higher education will necessarily adopt a dynamic of constant updating and improvement throughout professional life, in line with the growth of markets and prospects for the post-employment world.

As reported over the year, hsm's performance was directly affected by the COVID-19 pandemic, with cancellations of events and in-class courses that would take place in 2020 due to social distancing measures. Especially in 4Q20, Net Revenue (R$26.3 million vs. R$35.5 million in 4Q19) and the result of this block (R$4.5 million vs. R$7.9 million in 4Q19) are affected by the fact that hsm ExpoManagement, a traditional corporate event, among the largest in Latin America, was not held.

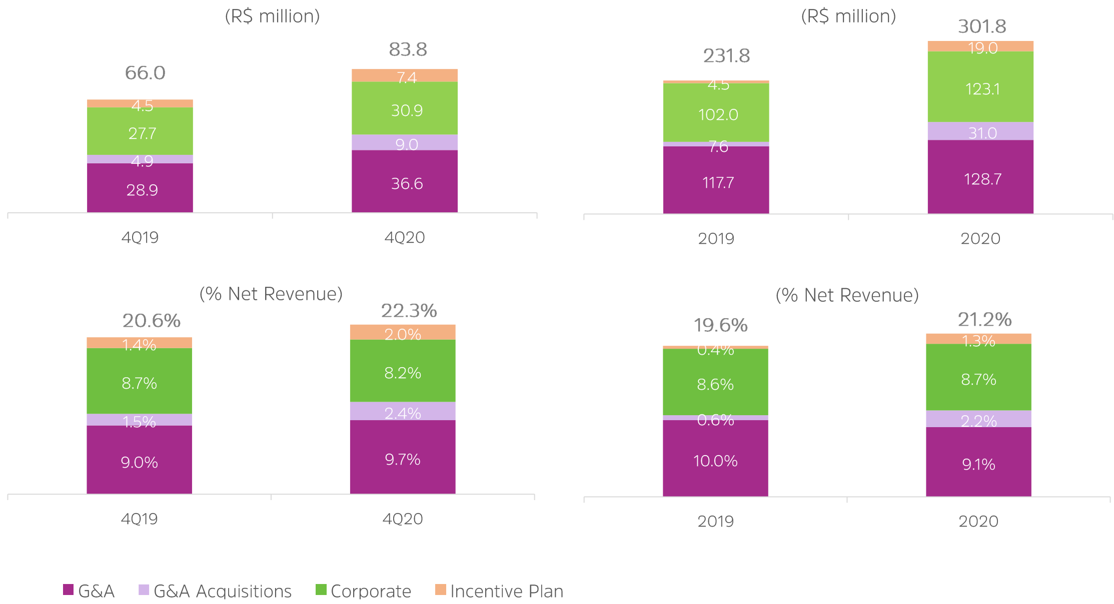
COMPANY'S CONSOLIDATED PERFORMANCE

R$ (million)	Consolidated Ânima					Consolidated Ânima				
	2020	% Net Revenue	2019	% Net Revenue	% YA	4T20	% Net Revenue	4T19	% Net Revenue	% YA
Gross Revenue	2,692.4	189.4%	2,164.1	183.3%	24.4%	677.0	180.1%	570.5	178.3%	18.7%
Discounts, Deductions & Scholarships	(1,224.0)	-86.1%	(944.8)	-80.0%	29.5%	(288.4)	-76.7%	(239.3)	-74.8%	20.5%
Taxes	(46.9)	-3.3%	(38.4)	-3.3%	22.0%	(12.7)	-3.4%	(11.3)	-3.5%	11.7%
Net Revenue	1,421.6	100.0%	1,180.9	100.0%	20.4%	375.9	100.0%	319.9	100.0%	17.5%
Cash Cost of Services	(575.1)	-40.5%	(559.1)	-47.3%	2.9%	(159.3)	-42.4%	(161.9)	-50.6%	1.6%
- Personnel	(471.1)	-33.1%	(426.5)	-36.1%	10.4%	(126.6)	-33.7%	(115.0)	-35.9%	-10.2%
- Services from Third Parties	(40.6)	-2.9%	(53.2)	-4.5%	-23.6%	(12.5)	-3.3%	(19.6)	-6.1%	36.2%
- Rental & Utilities	(25.3)	-1.8%	(32.7)	-2.8%	-22.8%	(5.8)	-1.5%	(9.8)	-3.1%	40.9%
- Others	(38.1)	-2.7%	(46.6)	-3.9%	-18.2%	(14.4)	-3.8%	(17.5)	-5.5%	18.0%
Gross Profit (exclud. deprec. /amort.)	846.5	59.5%	621.8	52.7%	36.1%	216.6	57.6%	158.0	49.4%	37.1%
Sales Expenses	(164.2)	-11.6%	(105.1)	-8.9%	56.3%	(58.1)	-15.4%	(32.0)	-10.0%	-81.6%
- Provision for Doubtful Accounts (PDA)	(85.4)	-6.0%	(44.2)	-3.7%	93.2%	(29.7)	-7.9%	(15.1)	-4.7%	-97.1%
- Marketing	(78.8)	-5.5%	(60.9)	-5.2%	29.5%	(28.4)	-7.5%	(16.9)	-5.3%	-67.7%
General & Administrative Expenses	(164.5)	-11.6%	(125.3)	-10.6%	31.3%	(48.9)	-13.0%	(33.8)	-10.6%	-44.8%
- Personnel	(119.2)	-8.4%	(96.7)	-8.2%	23.3%	(31.3)	-8.3%	(25.8)	-8.1%	-21.2%
- Third Party Services	(22.7)	-1.6%	(10.7)	-0.9%	112.5%	(9.8)	-2.6%	(2.7)	-0.8%	-261.8%
- Rental & Utilities	(3.3)	-0.2%	(1.3)	-0.1%	147.1%	(0.5)	-0.1%	(0.7)	-0.2%	26.4%
- Others	(19.3)	-1.4%	(16.6)	-1.4%	16.1%	(7.3)	-1.9%	(4.5)	-1.4%	-61.3%
Other Operating Revenues (Expenses)	(13.4)	-0.9%	(0.8)	-0.1%	1486.1%	(10.6)	-2.8%	(1.2)	-0.4%	-809.4%
- Provisions	(10.1)	-0.7%	0.4	0.0%	0.0%	(10.2)	-2.7%	0.0	0.0%	-21684.3%
- Taxes	(8.1)	-0.6%	(5.8)	-0.5%	38.9%	(2.1)	-0.6%	(2.6)	-0.8%	18.3%
- Other Operating Revenues	4.9	0.3%	4.6	0.4%	6.0%	1.7	0.5%	1.3	0.4%	26.6%
Late Payment Fees	8.7	0.6%	8.8	0.7%	-0.6%	1.5	0.4%	1.6	0.5%	-10.4%
Operating Result	513.2	36.1%	399.3	33.8%	28.5%	100.5	26.7%	92.7	29.0%	8.4%
- Corporate Expenses	(137.1)	-9.6%	(106.5)	-9.0%	28.7%	(34.9)	-9.3%	(32.2)	-10.1%	-8.5%
Adjusted EBITDA	376.1	26.5%	292.8	24.8%	28.4%	65.5	17.4%	60.5	18.9%	8.3%
(-) Late Payment Fees	(8.7)	-0.6%	(8.8)	-0.7%	-0.6%	(1.5)	-0.4%	(1.6)	-0.5%	10.4%
(-) Non-Recurring Items - EBITDA	(95.7)	-6.7%	(38.5)	-3.3%	148.9%	(10.6)	-2.8%	(16.4)	-5.1%	35.0%
EBITDA	271.6	19.1%	245.5	20.8%	10.6%	53.4	14.2%	42.5	13.3%	25.7%
Depreciation & Amortization	(149.8)	-10.5%	(123.1)	-10.4%	21.7%	(38.7)	-10.3%	(32.5)	-10.1%	-19.1%
Equity Equivalence	(3.6)	-0.3%	(2.5)	-0.2%	45.6%	(0.5)	-0.1%	(0.6)	-0.2%	7.2%
EBIT	118.2	8.3%	120.0	10.2%	-1.5%	14.2	3.8%	9.5	3.0%	50.2%
Net Financial Result	(154.5)	-10.9%	(126.3)	-10.7%	22.4%	(46.0)	-12.2%	(38.2)	-11.9%	-20.3%
EBT	(36.3)	-2.6%	(6.3)	-0.5%	474.9%	(31.7)	-8.4%	(28.7)	-9.0%	-10.5%
Income Tax and Social Contribution	(4.3)	-0.3%	(3.3)	-0.3%	31.6%	(1.4)	-0.4%	0.4	0.1%	430.3%
Net IncomeBefore Non-Controlling Interest	(40.6)	-2.9%	(9.6)	-0.8%	323.7%	(33.1)	-8.8%	(28.3)	-8.9%	-16.9%
Non-Controlling Interest	(0.5)	0.0%	0.0	0.0%	0.0%	(0.0)	0.0%	0.0	0.0%	0.0%
Net Income	(41.1)	-2.9%	(9.6)	-0.8%	328.5%	(33.1)	-8.8%	(28.3)	-8.9%	-16.9%
(-) Non-Recurring Items - EBITDA	95.7	6.7%	38.5	3.3%	148.9%	10.6	2.8%	16.4	5.1%	35.0%
Adjusted Net Income	54.6	3.8%	28.9	2.4%	89.2%	(22.5)	-6.0%	(12.0)	-3.7%	-87.8%

Corporate and G&A Expenses

In 4Q20, we reported a dilution of Corporate Expenses totaling R$34.9 million in 4Q20 or 9.3% of Net Revenue, down by 0.8 p.p. over 4Q19.

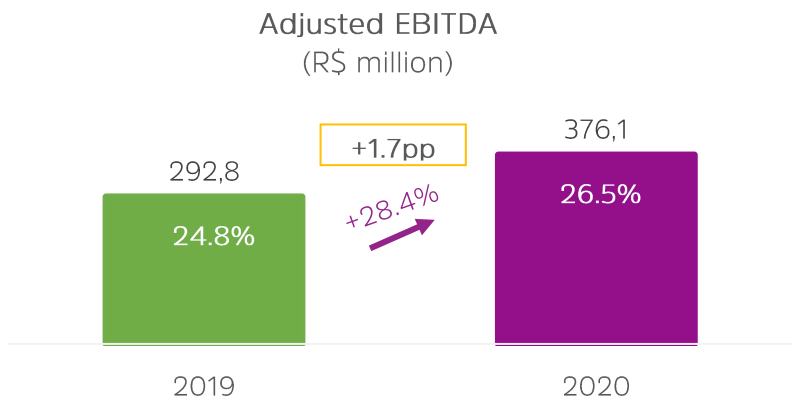
General and Administrative Expenses, consolidating acquisitions, totaled R$164.5 million in 2020 and represented 11.6% of Net Revenue, vs. R$125.3 million or 10.6% of Net Revenue in the previous year. In this line, we mainly observed an increase in third-party services due to the digital transformation process's advance, as already explained in Education, and expenses related to INSPIRALI's growth and greater scalability. In 4Q20, the impact of third-party services was even more relevant (up by 1.8 p.p. over 4Q19), with General and Administrative Expenses totaling R$48.9 million, representing 13.0% of Net Revenue (up by 2.5 p.p. over 4Q19).



Our good results helped reach and even exceed the performance targets set. Therefore, our variable compensation plans (short- and long-term incentives) are active and fully implemented. In this quarter, we recognized R$7.4 million related to incentive plans. In 2020, the incentive plans totaled R$19.0 million (R$4.5 million in 2019).

Adjusted EBITDA

The important advance in revenue (student base + net ticket) and efficiency gains is a highlight in an extremely relevant year in which Adjusted EBITDA totaled R$376.1 million, representing an expressive growth of +28.4% vs. 2019. The EBITDA margin reached 26.5% of Net Revenue, up by +1.7 p.p. vs. 2019, despite the challenging scenario faced.



As reported in previous items, Net Revenue's growth positively contributed to this growth, mainly due to the higher ticket, the higher operating result of all seasons at our units, and the efficiency gains derived from the academic model.

At the end of 2020, we turned our focus to the challenge of re-enrolling current students and attracting students for 2021. We are engaged in the re-enrollment process, in a challenging scenario, so that our students, even at such time, can continue to follow their dreams.

We remain alert to short-term challenges and firmly focused on continuing to deliver positive results to our entire academic and investor community.

Non-Recurring Items

R$ (million)	2020	2019	4Q20	4Q19
Restructing Operations	24.4	29.8	6.8	9.4
Integration	3.6	5.8	0.5	5.7
Impairment hsm	61.6	-	-	-
Others	6.2	2.9	3.4	1.3
Total	95.7	38.5	10.6	17.2

In 4Q20, our non-recurring items totaled R$10.6 million (vs. R$17.2 million in 4Q19). The main item in 4Q20 refers to the restructuring of new acquisitions made in the second half of the year. Part of these expenses we classify under "restructuring operations" when related to the academic model and the merge of units and part as "integration" when related to synergies in the implementation of our shared services. We will be able to observe positive reflexes of these measures already in 2021.

In the year, due to hsm's impairment, non-recurring items totaled R$95.7 million. Excluding this effect, non-recurring items would represent R$34.2 million (vs. R$38.5 million in 2019).

Le Cordon Bleu – Equity Income

The Company formed in partnership with Le Cordon Bleu, which we recognize in our results using the equity method, had a negative result of R$3.6 million in 2020, in line with what was expected in the current macroeconomic context.

Although Le Cordon Bleu's operation was affected by the social distancing by COVID-19, as courses are essentially in person, the strength of the brand proved resilient, with no relevant dropout. We adopted strategies to keep in touch with students through livestreams and activities with technology and returned to August activities, concluding the classes started in the first quarter of 2020. We resumed activities, opening new classes in September 2020, but with limitations on students' number in this period due to social distancing.

UNISUL

Since March 2020, when CADE approved the transaction, we started the co-management work with Unisul. This important period, which we can already call transition, since we exercised the purchase option in January 2021, was key to ratify our assessment regarding the quality of the Institution, its intense impact on Santa Catarina's community and the great potential of its legacy to transform the region, while we were able to contribute wit management initiatives that are already incorporated into Unisul's operations.

Some relevant developments implemented in 2020 are noteworthy:

MEDICAL PROGRAMS

- We have implemented more effective ticket management measures that will follow the maturation path at the base, as scheduled;
- Effectiveness in the occupation of 287 authorized seats, with a total of 1,700 students enrolled in 2020 (vs. 1,300 students in 2019).

INTAKE

- For the intake process of the second half of 2020, under co-management, we were able to share the expertise of our commercial team and the technological tools developed by our data & analytics team in recent years, which contributed to a successful process, enabling 662 new students to enroll (vs. 513 students in 2H2019);

RESTRUCTURING

- As informed when the transaction was announced, a relevant part of Unisul's growth process was related to the Restructuring Plan signed by the then maintaining foundation of the Institution and the Public Ministry of Santa Catarina. During our co-management throughout 2020, we closely monitored each step of the disciplined implementation of said plan, which reached an even better than expected result. As a result, we are integrating Unisul with a better operational and financial situation than originally planned;

- An example of the decrease in expenses is the savings implemented with the merge of some campuses and the negotiation of rent for academic units;

- Regarding the previous owner Fundação that transferred the maintenance rights to us, as planned and necessary, the organization is leaving the transition process in order, with its financial obligations organized and able to continue to play its important role in the region's development.

VIRTUAL UNISUL

- We had the opportunity to get to know Unisul's virtual courses operation closely, which has a reputation recognized for quality and continues to show resilience in the evolution of the net ticket of the digital programs (R$527), which stands out in this teaching modality;

- We anticipate, in this segment, a very promising opportunity and especially an important synergy with the potential entry of Laureate after CADE's approval.

RESULTS AND PERFORMANCE IN 2020*

- In November 2019 we signed the agreement for co-management during the year 2020, with a purchase option in January 2021. We started co-management in March 2020, after the approval of CADE.

- We support the Fundação by making the planned loans and anticipating additional amounts reported, accelerating the restructuring process, but above all with the implementation of our management systems and processes;

- As a result of co-management, Unisul ended the year 2020 with a Net Revenue of R$ 293.0 millions, more than 15,2% above what was projected (R$254.2 millions) in our internal models approved by our M&A Committee and Board, reinforcing the quality of the execution of our co-management;

- Regarding the operational result, the performance was much higher than projected in our business plan. We expected that the year 2020 would be an intense year of restructuring, in order to consolidate the operation at breakeven from 2021. As a result of the successful restructuring and our shared management model, already in 2020 we achieved an adjusted operating result of R$56.0 millions and exercised the option to acquire in January 2021.

For more information on the transaction, access the presentation made on November 13, 2019 by clicking here.

** unaudited and pro-forma figures adapted to Anima's in-person and fiscal parameters.*

LAUREATE: TRANSFORMATIONAL ACQUISITION

THE ACQUISITION

In November 2020, we announced the transaction with the Laureate Group for the acquisition of their institutions in Brazil. It is undoubtedly a strategic and transformational movement that results in the creation of the most relevant education network in the country. Beyond the reached scale, the MEC indicators (CPC, IGC, Enade and IDD) of the two companies are the highest in the sector, mostly in the ranges 4 and 5, which means a combination of high-quality brands forming the most valuable portfolio in Brazil

The acquisition, under CADE´s approval, will bring significant **scale** gain with strong complementary geographical presence featuring a unique **medical school** portfolio asset in premium locations with strong contracted growth. Representing multiple **value creation** opportunities to drive future growth and profitability.

The shared values and principles of both companies will result in **numerous benefits** for Society. The union of talents will allow sharing the best management practices, led by a team that will result in the company with the greatest collective competence in the education market.

For more information to the presentation made for the market please click here.

THE INTEGRATION:

Whereas the operation is under CADEs approval, in strict observance of the rules of that body, in December we began working on the preparation for integration. We set up an Integration Planning Office, which has been working intensively and has already subsidized the Company with elements and schedules capable of initiating the integration of the operations immediately after being authorized.

We set up, within the Board of Directors, an Integration Committee, which already has a mature organizational design project for the combined Companies. We, also, hired two international consulting firms, with a strong reputation in the integration of large conglomerates, which already completed the necessary diagnoses for the moment we are authorized by CADE to start the combination of both operations.

With our trackrecord of acquisitions and integration, a team prepared and strengthened by the support of experts and intense involvement of all top management, we feel firmly ready to share the best practices, integrate people and operations, and inaugurate the most relevant education company, capable of affecting and accelerating the Transformation of the Country Through Education!

Financial Result

R$ (million)	Consolidated Ânima			
	2020	2019	4Q20	4Q19
(+) Financial Revenue	42.4	25.5	16.0	5.6
Late payment fees	8.7	8.8	1.5	1.6
Interest on financial investments	17.9	8.3	5.5	2.4
Monetary correction	4.9	4.6	0.8	1.1
Discounts obtained	7.3	0.3	0.7	0.1
Other financial revenues	2.0	3.5	0.6	0.4
(-) Financial Expense	(196.9)	(151.8)	(61.9)	(43.8)
Financial debt interest expense[1]	(41.4)	(32.5)	(0.5)	(9.6)
PraValer interest expenses	(22.8)	(26.7)	(10.0)	(10.1)
Accounts payable interest expenses (acquisitions)	(27.3)	(10.6)	(12.9)	(2.4)
Leasing Financial Expens	(76.2)	(66.5)	(20.3)	(17.0)
Financial discounts for students	(15.5)	(9.7)	(4.9)	(2.0)
Other financial expenses	(12.1)	(5.8)	(6.4)	(2.7)
Financial Result	(154.5)	(126.3)	(46.0)	(38.2)

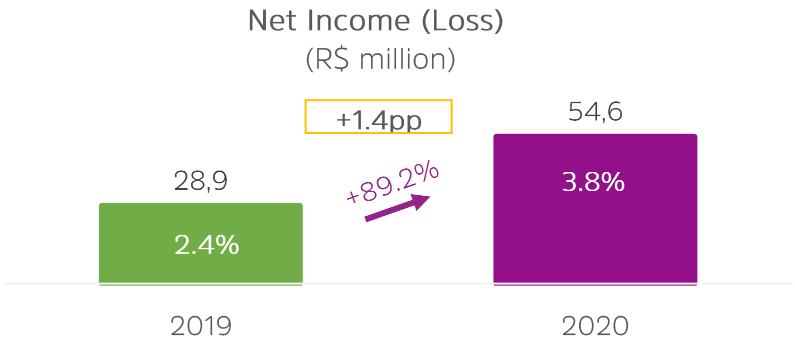
[1]Includes gains and losses on derivatives related to foreign currency loan swap contracts

We ended 2020 with a Financial Result of -R$154.5 million, compared to -R$126.3 million in 2019. Financial Revenue reached R$42.4 million, +R$16.9 million vs. the previous year. The main factors that led to this result were the revenue from financial investments (+R$9.6 million), due to the cash from our intake operations, and discounts in negotiations, mainly in property rent expenses (+R$7.0 million).

Financial Expenses totaled R$196.9 million, +R$45.1 million vs. 2019, mainly due to commissions and expenses related to new credit operations to make our recent acquisitions feasible; interest linked to debentures issued in 2H19; increase and update in the balance of securities payable related to recent acquisitions; lease expenses due to IFRS-16, and the higher level of financial discounts granted to students.

Adjusted Net Income

We ended 2020 with an Adjusted Net Result of R$54.6 million (+ 89.2% vs. 2019) or a 3.8% margin on Net Revenue, up by 1.4 p.p. over 2019. hsm's impairment and the IFRS16 accounting rule, even though they do not affect the Company's cash, impact the Net Accounting Result, which totaled -R$41.1 million. Excluding hsm's impairment, the net result would reach +R$20.5 million.



Cash and Net Debt

R$ (million)	Consolidated Ânima			
	Pro-forma feb-21	DEC 20	SET 20	DEC 19
(+) Cash and Cash Equivalents	1,255.8	1,277.9	789.8	182.6
Cash	68.8	73.2	84.3	31.6
Financial Investments	1,187.0	1,204.7	705.4	151.0
(-) Loans and Financing [1]	655.6	653.0	676.9	692.9
Short Term	132.2	129.9	88.0	105.8
Long Term	523.4	523.1	588.9	587.0
(=) Net (Debt) Cash [2]	600.2	624.9	112.8	(510.3)
(-) Other Short and Long Term Obligations	267.3	285.7	270.9	143.1
(=) Net (Debt) Cash excl. IFRS-16 [3]	332.9	339.2	(158.1)	(653.4)
(-) Liability Lease (IFRS-16)	829.9	666.6	653.4	555.2
Short Term	45.0	40.4	35.7	24.7
Long Term	784.9	626.1	617.7	530.5
(=) Net (Debt) Cash with IFRS-16 [3]	(497.0)	(327.4)	(811.5)	(1,208.6)

[1] Net of swap adjustment
[2] Considering financial debt (bank loans) only.
[3] Including obligations related to tax debt and acquisitions payables.

At the end of 2020, cash and cash equivalents and financial investments totaled R$1,277.9 million, compared to R$789.8 million in Sep/2020. The capital increase in December, which totaled R$918.0 million, contributed to this year's cash position.

Total loans and financing reached R$653.0 million. We stress that the debt maturity profile is diluted over the next five years, with no significant concentration in 2021. The other short and long-term obligations, mainly due to securities payable related to acquisitions, totaled R$285.7 million, representing an increase of R$14.8 million related to the most recent acquisitions announced.

As a result, excluding the effect of IFRS-16, we closed the year with net cash and cash equivalents of R$339.2 million as provided for in our debt agreements.

We ended the first two months of 2021 with net cash and cash equivalents of R$332.9 million (Pro-forma February). This position already reflects the effects of the exercise of Unisul's call option.

In anticipation of the debt that will be contracted to make the payment of the Laureate group's assets, we have already started structured deleveraging actions to keep the Company at a leveraging level in line with its historical rates.

Accounts Receivable and Days of Sales Outstanding (DSO)

We ended 4Q20 with a balance of Net Accounts Receivable of R$379.0 million, up by R$165.6 million vs. 4Q19, concentrated in the monthly tuitions due (62.4% of the total), as well as in tuitions overdue up to 180 days. Regarding the amounts due, the impact is explained by two main factors: the increase in receivables from acquisitions (+R$43.5 million) the effects of renegotiations under the Decola Program, which is a tool already widely used for years, but, in the current context, it has gained an even more granular and strategic position, seeking to balance retention and sustainability, to enable the continuity of studies for the largest number of students.

Regarding amounts past due up to 180 days, the increase is due to the more challenging scenario for on-time payments because of the COVID-19 pandemic. As already reported in the PDD section, we are implementing several measures to reduce overdue amounts, with new types of loans in Pravaler and, as mentioned in the paragraph above, our negotiation system, Decola.

Although these efforts bring positive signs regarding re-enrollment, the default remains a cause for concern, given the uncertainty of the macroeconomic environment, requiring extra attention, besides the continuity and intensification of initiatives mentioned above and the search for new alternatives.

(R$ million)

	4Q20			3T20	2Q20	1T20	4Q19	Δ 4Q20 / 4Q19
	Total	Acquisitions	Excl. Acquisitions					
Net Accounts Receivable	379.0	63.6	315.4	353.4	328.7	272.9	213.3	165.6
to mature	236.6	43.5	193.1	224.9	204.0	179.8	129.5	107.1
until 180 days	112.1	18.0	94.1	102.0	100.5	70.1	61.4	50.8
between 181 and 360 days	21.1	1.8	19.3	17.1	15.0	14.2	14.3	6.8
between 361 and 720 days	9.2	0.3	8.8	9.4	9.2	8.7	8.2	0.9
more than 721 days	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

We closed the quarter with a DSO (Days of Sales Outstanding) of 96 days, +33 days YoY. As previously reported this increase is directly because of the Covid-19 pandemic on students' payment means and indicates the need for increased attention in the short-term, given the economic scenario still under pressure.

Segmenting the analysis of receivables and average terms, our DSO stood at 90 days for Non-FIES students, +5 days over 3Q20 and +20 days YoY. As for FIES receivables, our DSO stood at 106 days (-2 days vs. 3Q20 + 93 day days vs. 4Q19), mainly affected by acquisitions. Finally, in other businesses, our DSO stood at 175 days (+55 days vs. 4Q19), in line with the new DSO-level in this segment based on the growth of EBRADI and hsmU, according to their business plans.

(R$ million)

Total	4Q20			3Q20	2Q20	1T20	4Q19	Δ 4Q20 / 4Q19
	Total	Acquisitions	Excl. Acquisitions	Total				
Net Accounts Receivable	379.0	63.6	315.4	353.4	328.7	272.9	213.3	165.6
Net Revenue (accumulative)	1,422.0	215.9	1,206.1	1,046.1	695.1	339.0	1,181.5	240.5
DSO	96	106	94	85	85	72	63	33.2

FIES	4Q20			3Q20	2Q20	1T20	4Q19	Δ 4Q20 / 4Q 9
	Total	Acquisitions	Excl. Acquisitions	Total				
Net Accounts Receivable	51.4	22.2	29.2	52.3	53.6	28.5	6.2	45.1
Net Revenue (accumulative)	173.9	51.0	122.9	131.0	84.9	36.3	180.8	(6.8)
DSO	106	157	85	108	114	87	12	93.9

Non FIES	4Q20			3Q20	2Q20	1T20	4Q19	Δ 4Q20 / 4Q19
	Total	Acquisitions	Excl. Acquisitions	Total				
Net Accounts Receivable	295.4	41.4	254.0	275.1	253.3	222.6	183.8	111.6
Net Revenue (accumulative)	1,181.7	164.9	1,016.8	875.1	586.4	288.7	929.3	252.4
DSO	90	91	90	85	78	70	70	20.4

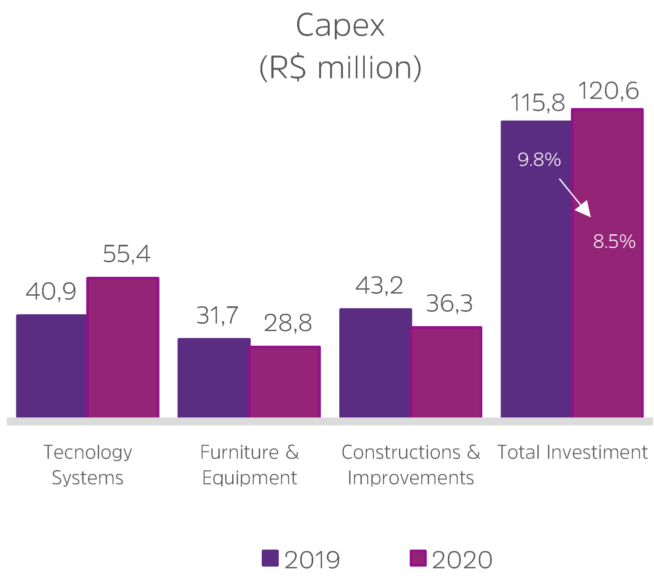
Others	4Q20			3Q20	2Q20	1T20	4Q19	Δ 4Q20 / 4Q19
	Total	Acquisitions	Excl. Acquisitions	Total				
Net Accounts Receivable	32.2	0.0	32.2	26.0	21.9	21.7	23.4	8.8
Net Revenue (accumulative)	66.3	0.0	66.3	40.0	23.8	13.9	70.1	(3.8)
DSO	175	0	175	165	165	141	120	54.9

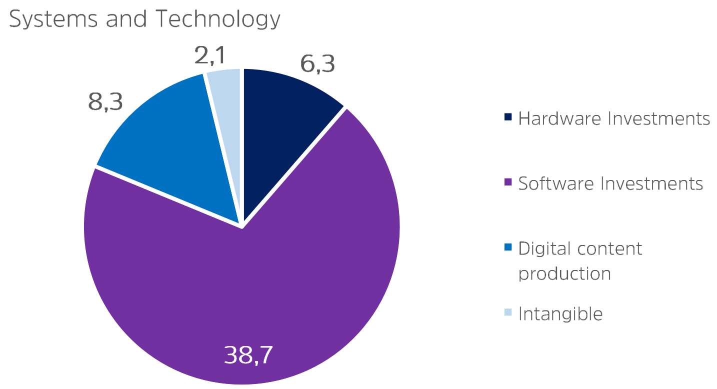
*Weighted average DSO considering aquisitions in the last 12 months

Investments (CAPEX)

In 2020, our investments totaled R$120.6 million or 8.5% of the Net Revenue, down by 1.3 p.p. compared to 9.8% in 2019.

This investment level continues to be impacted by the organic expansion units - Q2A (R$29.4 million or 24.4% in 2020). Excluding the Q2A effect, Capex would have been R$91.1 million, or 6.4% of NR. The strong investments made in technology continue to be an important part of Capex, but it has been a valuable tool to increase the quality of our processes and the learning experience of our students.





In this sense, we continue to evolve in the strategy to adopt solutions for online labs and simulators that indicate a better efficiency in using physical spaces for learning environments, key at this moment when we are resuming classroom activities.

Cash Flow

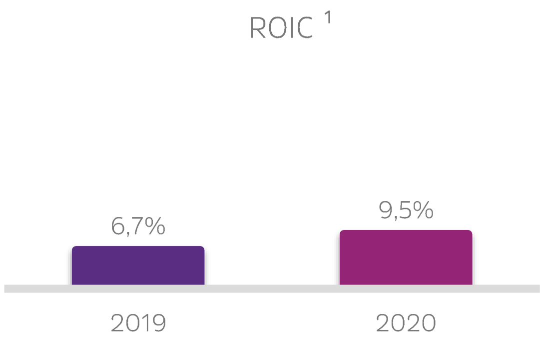
R$ (million)	2020	2019	4Q20	4Q19
Resulltado Líquido	(41.1)	(9.6)	(33.1)	(28.3)
Depreciation & Amortization	88.3	66.3	22.9	18.0
Interest expenses/revenues	58.3	40.1	20.9	10.2
Financial Expenses on Leasing	76.2	66.5	20.3	17.0
Provisions for labor, tax and civil risks	22.2	0.6	13.6	1.7
Amortization of right os usage	60.6	56.8	15.7	14.4
Others	15.3	8.4	(7.5)	2.7
Operating Cash Flow	341.9	229.1	52.8	35.7
Δ Accounts receivable/PDA	(148.6)	(36.8)	(25.0)	11.8
Δ Other assets/liabilities	(39.2)	(12.3)	(77.9)	(3.7)
Working Capital Variance	(187.8)	(49.1)	(102.9)	8.2
Free Cash Flow before CAPEX	154.1	180.0	(50.1)	43.9
CAPEX - Fixed and Intangible	(120.6)	(115.8)	(22.8)	(21.0)
Free Cash Flow	33.5	64.2	(72.9)	22.9
Financing/Investments activities	(271.8)	153.9	(72.3)	208.9
Capital increase	1,930.9	0.0	881.4	0.0
Shares held in treasury	(100.5)	0.0	0.0	0.0
Acquisitions	(496.9)	(220.4)	(248.0)	(157.1)
Dividends	0.0	(0.5)	0.0	0.0
Net Cash Flow from Financing Activities	1,061.8	(67.0)	561.0	51.8
Net Increase (Reduction) of Cash and Cash Equivalents	1,095.3	(2.8)	488.1	74.7
Cash at the begging of the period	182.6	185.4	789.8	107.9
Cash at the end of the period	1,277.9	182.6	1,277.9	182.6

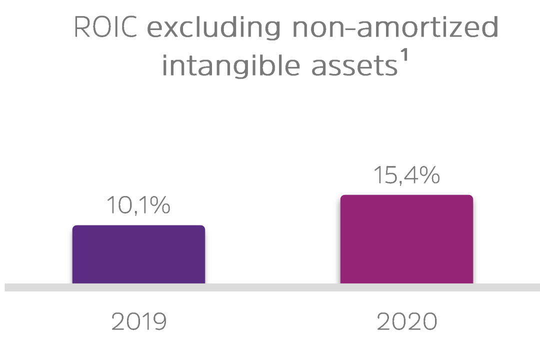
We ended 2020 with a significant Operating Cash Generation of R$341.8 million (+R$112.8 million vs. 2019), representing 90.9% of Adjusted EBITDA, which reinforces the Company's financial strength and the expressive results achieved in 2020. Operating Cash Generation before Capex totaled R$154.0 million (-R$26.0 million vs. 2019) or 40.9% of adjusted EBITDA in the period, affected by the greater pressure on working capital (-R$187.8 million), mainly due to higher accounts receivable and PDA (-R$148.6 million), as already explained above. Considering the Capex at R$120.6 million, Free Cash Generation totaled R$33.4 million vs. R$64.2 million in 2019 (-R$30.8 million vs. 2019).

After the two capital increases that totaled R$1,930.9 million, and investment activities, including acquisitions, Cash Generation reached R$1,061.8 million (+R$ 1,128.8 million vs. 2019). Additionally, we directed R$100.5 million to our Buyback Program while investing R$496.9 million in acquisitions fully in line with our expansion plan. Thus, we ended the quarter with a cash balance and financial investments totaling R$1,277.9 million.

Return on Invested Capital (ROIC)

We monitor our financial performance through our return on invested capital (ROIC) and deliver improvements in this indicator. We ended 2020 with an ROIC of 9.5%, up by 2.8 p.p. vs. 2019. When analyzing our return excluding non-amortizable intangible assets, we reached 15.4%, +5.3pp versus 2019.





[1] ROIC = LTM EBIT* (1- effective tax rate) ÷ avg. invested capital.
Invested Capital = net working capital + long-term FIES accounts receivable + net fixed assets

APPENDIX 1 – Reconciliation of the Income Statement

2020

Consolidated Ânima R$ (million)	2020					
	Release Income Statement	Depreciation & Amortization	Corporate Expenses	Late Payment Fees	Non-Recurring Items	IFRS Income Statement
Gross Revenue	2,692.4				0.4	2,692.9
Discounts, Deductions & Scholarships	(1,224.0)				(0.0)	(1,224.0)
Taxes	(46.9)				(0.0)	(46.9)
Net Revenue	1,421.6	0.0		0.0	0.4	1,422.0
Cash Cost of Services	(575.1)	(93.6)		0.0	(14.8)	(683.5)
- Personnel	(471.1)				(14.5)	(485.5)
- Services from Third Parties	(40.6)				(0.0)	(40.7)
- COGS	0.0				0.0	0.0
- Rental & Utilities	(25.3)				(0.1)	(25.4)
- Others	(38.1)	(93.6)			(0.1)	(131.9)
Gross Profit (exclud. deprec. /amort.)	846.5	(93.6)	0.0	0.0	(14.5)	738.5
Sales Expenses	(164.2)	0.0	(3.0)	0.0	0.0	(167.3)
- Provision for Doubtful Accounts (PDA)	(85.4)		(0.1)		0.0	(85.5)
- Marketing	(78.8)		(2.9)		0.0	(81.8)
General & Administrative Expenses	(164.5)	(56.2)	(142.0)	0.0	(72.7)	(435.4)
- Personnel	(119.2)		(89.3)		(2.0)	(210.5)
- Third Party Services	(22.7)		(31.3)		0.0	(54.0)
- Rental & Utilities	(3.3)		(0.5)		(0.3)	(4.0)
- Others	(19.3)	(56.2)	(21.0)		(70.4)	(166.9)
Other Operating Revenues (Expenses)	(13.4)	0.0	4.7	0.0	(5.4)	(14.0)
- Provisions	(10.1)		(3.5)		(8.6)	(22.2)
- Taxes	(8.1)		(3.3)		(0.0)	(11.4)
- Other Operating Revenues	4.9		11.4		3.2	19.5
Late Payment Fees	8.7			(8.7)	0.0	0.0
Operating Result	513.2	(149.8)	(140.4)	(8.7)	(92.5)	121.8
- Corporate Expenses	(137.1)		140.4		(3.2)	0.0
Adjusted EBITDA	376.1	(149.8)	0.0	(8.7)	(95.7)	121.8
(-) Late Payment Fees	(8.7)			8.7	0.0	0.0
(-) Non-Recurring Items - EBITDA	(95.7)				95.7	0.0
EBITDA	271.6	(149.8)	0.0	0.0	0.0	121.8
Depreciation & Amortization	(149.8)	149.8			0.0	0.0
Equity Equivalence	(3.6)				0.0	(3.6)
EBIT	118.2	0.0	0.0	0.0	0.0	118.2
Net Financial Result	(154.5)				0.0	(154.5)
EBT	(36.3)	0.0	0.0	0.0	0.0	(36.3)
Income Tax and Social Contribution	(4.3)				0.0	(4.3)
Net Income	(41.1)	0.0	0.0	0.0	0.0	(41.1)
(-) Non-Recurring Items - EBITDA	95.7				(95.7)	0.0
Adjusted Net Income	54.6	0.0	0.0	0.0	(95.7)	(41.1)

APPENDIX 2 – INCOME STATEMENT – IFRS

	2020	2019	4Q20	4Q19
Net Revenue	1,422.0	1,181.5	376.2	319.9
COST OF SERVICES	(683.5)	(671.6)	(186.4)	(192.8)
Gross (Loss) Profit	738.5	509.9	189.8	127.1
OPERATING (EXPENSES) / INCOME	(620.3)	(389.9)	(236.8)	(117.7)
Commercial	(167.3)	(110.0)	(58.4)	(34.0)
General and administrative	(338.3)	(281.9)	(90.1)	(84.3)
Equity income	(3.6)	(2.5)	(0.5)	(0.6)
Other operating (expenses) revenues	(111.1)	4.4	(87.8)	1.2
Income before Financial Result	118.2	120.0	(47.0)	9.5
Financial interest income	57.0	35.1	19.5	7.3
Financial interest expenses	(211.6)	(161.4)	(65.5)	(45.5)
Net (Loss) Income before Taxes	(36.3)	(6.3)	(93.0)	(28.7)
Income tax and social contribution, current and deferred	(4.3)	(3.3)	(1.7)	0.4
Net Income or Loss before Non-Controlling Interest	(40.6)	(9.6)	(94.7)	(28.3)
Non-Controlling Interest	(0.5)			
Net Income or Loss for the Period	(41.1)	(9.6)	(94.7)	(28.3)

APPENDIX 3 – Balance Sheet – IFRS

Assets	DEC 20	DEC 19	SEPT 20
Current Assets	2,106.4	455.9	1,309.4
Cash and cash equivalents	73.18	31.55	84.33
Cash & financial investments	1,204.67	151.04	705.43
Accounts receivable	343.60	213.35	318.36
Prepaid expenses	24.99	27.77	12.90
Recoverable taxes	5.88	4.09	4.82
Derivatives	-	2.39	-
Rights and loans to acquisitions	-	-	-
Other current assets	40.89	5.68	10.19
Rights receivable from non-controlling interests	413.20	-	173.36
Non-Current Assets	2,476.0	1,944.1	2,393.2
Accounts receivable	35.4	-	35.1
Prepaid expenses	-	-	-
Judicial deposits	63.4	61.1	62.8
Direitos a receber de não controladores	103.2	-	102.0
Credit with related parties	10.8	9.8	10.6
Recoverable taxes	15.2	12.8	14.9
Deferred income tax and social contribution	1.5	1.6	1.5
Derivatives	-	-	-
Rights and loans to acquisitions	-	100.1	11.4
Other non-current assets	7.0	41.1	5.0
Investments	10.8	-	0.0
Right of use	608.7	531.5	604.2
Fixed	370.9	367.1	372.8
Intangible	1,249.0	818.9	1,172.9
Total Assets	4,582.4	2,400.0	3,702.6

Liabilities	DEC 20	DEC 19	SEPT 20
Current Liabilities	441.0	339.9	442.7
Supplier	48.8	32.0	43.1
Loans	129.61	103.44	87.9
Right of use lease	40.4	24.7	35.7
Personnel	97.4	75.6	142.7
Taxes payable	25.3	20.6	27.6
Advances from clients	36.7	17.0	28.1
Tax debt installments	10.1	-	6.4
Accounts payables	46.3	65.3	64.6
Dividends payables	-	-	-
Derivatives	0.3	-	0.1
Other current liabilities	6.1	1.3	6.4
Non-Current Liabilities	1,614.9	1,369.7	1,597.4
Loans	521.17	587.03	588.0
Right of use lease	626.1	530.5	617.7
Accounts payables	189.4	75.2	169.2
Debit with related parties	0.1	0.0	0.1
Client advances	7.0	-	7.8
Tax debt installments	39.9	2.6	30.7
Deferred income tax and social contribution	111.8	70.1	74.1
Provisions for risks	115.0	98.8	104.5
Derivatives	1.9	-	0.9
Other non-current liabilities	2.5	3.2	2.2
Provision for loss in investment	-	2.3	2.3
Shareholder Equity	2,526.5	690.4	1,662.5
Capital Stock	2,569.6	531.4	1,651.6
Expenditure with emission of stocks	(116.0)	(28.6)	(79.4)
Capital reserve	35.2	34.3	34.8
Earnings reserve	124.4	244.1	165.5
Shares in treasury	(38.2)	(21.2)	(38.2)
		-	
Asset valuation adjustment	(69.6)	(69.6)	(69.6)
Retained earnings	0.0	0.0	(8.0)
Minority shareholders interest	21.0	-	5.7
Obligations for investment purchase	-	-	-
Total Liabilities and Shareholder Equity	4,582.4	2,400.0	3,702.6

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APPENDIX 4 – Cash Flow – IFRS

	2020	2019	4T20	4T19
Net Profit for the Period	(40.7)	(9.6)	(33.1)	(30.8)
Adjustments by:		-		-
Allowance for doubtful accounts	85.5	47.4	29.7	16.6
Reversal (update) of judicial deposits	0.9	(2.6)	0.1	(0.6)
Depreciation and Amortisation	88.3	66.3	22.9	18.0
Write off residual value of fixed and intangible	10.1	3.2	0.3	2.4
Equity	3.6	2.5	0.5	0.6
Update of loans to third parties	(2.4)	(2.9)	(0.3)	(0.5)
Loss to creditors with related party	-	-	-	-
PUT option premium adjustment	-	-	-	-
Interest on loans, financing, debentures and tax installments	30.8	29.5	8.2	8.6
Constitution, updating and reversal of provision for labor, tax and civil risks	22.2	3.2	13.6	2.4
Present value adjustment expense and monetary correction of securities	27.3	10.6	12.9	2.4
Revenue adjusted to present value financing Ampliar and Pravaler	0.2	-	(0.1)	-
Share-based remuneration	5.8	1.0	0.4	-
Income tax and Social Contribution current and deferred	4.3	3.3	1.4	(0.4)
Loss with investments	-	-	-	-
Loss with impairment provision	61.6	-	-	-
Low rights of use	(0.9)	-	(0.1)	-
Fair value with derivatives	0.9	1.9	(7.8)	0.4
Fair value earn out	(1.5)		(1.5)	
Amortization right of use of leases	61.5	56.7	15.8	14.4
Present value adjustment expense on leases	76.2	66.5	20.3	17.0
Rental income	(6.4)	-	(0.5)	-
Write off IFRS16	-	0.9	-	0.3
	427.4	276.5	82.5	52.2
Change in operating assets and liabilities				
Decrease (increase) in trade receivables	(234.1)	(84.2)	(54.7)	(4.7)
Decrease (increase) in sundry advances	3.2	2.1	(12.1)	(10.7)
Decrease (increase) in escrow deposits	(8.5)	(9.1)	(1.6)	(3.5)
Decrease (increase) in recoverable taxes and contributions	(3.3)	5.0	(1.3)	1.4
Decrease (increase) in other assets	(38.7)	(2.9)	(29.5)	5.3
Increase (reduction) of suppliers	8.9	(1.3)	6.6	(0.2)
Increase (reduction) in tax, social and wage obligations	(4.7)	5.5	(50.3)	(12.7)
Increase (reduction) in advance of customers	7.3	0.1	6.6	(13.0)
Increase (reduction) in instalments of taxes and contributions	6.6	(0.2)	10.1	(0.0)
Increase (reduction) in securities payable	-	(1.3)	-	(0.0)
Increase (reduction) in provision for risks	(4.4)	(7.2)	(1.9)	(1.3)
Increase (reduction) of other liabilities	(5.3)	(4.4)	(4.6)	31.0
Cash from operations	(272.9)	(98.0)	(132.5)	(8.4)
		-		-
Interest paid	(29.5)	(18.4)	(1.7)	(2.5)
Income tax and social contribution paid	(0.4)	-	(0.1)	-
Net cash flow from operating activities	124.5	160.1	(51.8)	41.3
Cash Flow from Investment Activities				
Loans with related parties				
Concessions	-	-	-	-
Receipts	-	0.0	-	-
Capital increase	(6.3)	-	(3.2)	-
Acquisition of net cash controls	(148.4)	(44.6)	(7.9)	0.5
Rights and loans for acquisitions	(323.4)	(120.2)	(240.1)	(120.2)
Dividends of controlled paid after business combination	(25.0)	-	-	-
(Buy-back) Application of financial investments	(1,036.4)	(58.1)	(493.9)	(69.4)
Revenue from financial investments	(17.2)	(7.0)	(5.3)	(1.7)
Purchase of fixed assets	(71.5)	(82.7)	(10.9800)	(11.8)
Purchase of intangible asset	(49.1)	(33.1)	(11.8500)	(9.1)
Net cash invested in investment activities	(1,677.3)	(345.6)	(773.3)	(211.7)
Cash Flow from Financial Activities				
Loans with related parties				
Funding	-	0.0	-	0.0
Amortizations	(3.7)	-	-	-
Loans and financing	-	-	-	-
Funding	161.7	497.8	81.0	397.8
Amortizations	(211.0)	(326.9)	(100.9)	(187.3)
Gains (Losses) with Derivatives	3.2	1.5	-	1.0
Amortisation of securities payable on acquisition of controls	(89.9)	(25.0)	(20.8)	(8.1)
Lease payment	(96.3)	-	(26.7)	-
IPO costs	-	-	-	-
Acquisition of non-controlling interest	-	-	-	-
Capital increase	1,930.9	-	881.4	-
Shares held in treasury	(100.5)	-	-	-
Dividends paid	-	(0.5)	-	-
Net cash (applied to) flow from financing activities	1,594.4	146.9	814.0	203.4
Cash (Applied) Flow for the Period	41.6	(38.6)	(11.1)	33.0
Change in Cash and Cash Equivalents				
Cash at the begging of the period	31.6	99.5	84.3	28.0
Cash at the end of the period	73.2	31.6	73.2	(2.4)
Increase (Decrease) of Cash and Cash Equivalents	41.6	(68.0)	(11.1)	3.6