



Results

3Q20

Results Webinar

November 9, 2020  
11 a.m. (BRL) | 9 a.m. (NY)

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Message from  
the **Management**

## MESSAGE FROM MANAGEMENT

In May 2003, when we made our first acquisition and started operating in the education segment, we knew that we had a lot to learn and that we would have countless challenges and opportunities. However, at that time, we already had the unwavering purpose of building a company that would make a difference in society, transforming lives through education. As a direct result of this purpose, we already had a strong conviction: The quality of the education offered must be a premise and an end in itself to ensure the company's sustainability and growth.

Thus, our strategies and decisions of the last almost 18 years, going from choosing our brands, investment options, to hiring each educator that makes up our team, were made with this purpose and positioning. Quality, for us, was always key and non-negotiable, and so we have strengthened even more reliable and reputable reference brands.

And when the world faces a great challenge, such as the one we are facing with the Covid-19 pandemic, our sustained, cultivated and strengthened positioning from day one, sets us apart and leads us to achieve strong results, standing out from the current context.

One of the pillars of our quality delivery is the Anima Learning Ecosystem - E2A, our hybrid academic model, omnichannel, by competences development, flexible and collaborative. E2A started to be implemented in 2017, to integrate student demand and the needs of organizations and to provide a complete training that addresses today's challenges. This year, with the need for social isolation imposed by the Covid-19 pandemic, the world faced the challenge of quickly adapting to available technologies, and it was in this scenario that E2A had its relevance widely and collectively verified allowing our 140<sup>1</sup> thousand students, living in 8 Brazilian states, experienced the full continuity of their studies.

Covid-19's impacts are still present and continue to demand caution and agility in decisions, with attention to the still uncertain extent of its effects. However, we must not forget that the results we have achieved make us a lot stronger.

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<sup>1</sup> Includes Unisul's students, under co-management since March/2020.

In this context, we highlight the release of the result of our intake process, indicating that 14,600 new undergraduate students joined our institutions in the second half of 2020, including the acquisitions of Unicuritiba, Faseh and UniFG. Adding new students to yet another successful re-enrollment process, we had a 5.8% growth in our student base, reaching 119,300 enrollments in the second half of 2020. This result puts us in a positive spotlight, since the moment of economic crisis has strongly affected an important part of the education segment, which, in general, has had difficulties to keep delivering a satisfactory experience to students.

While we increased our student base, we also kept our ticket recovery schedule and reported, in 3Q20, an average ticket of R\$935/month, up by 10.3% over 3Q19 (+6.3% excluding acquisitions), affected by technological pricing strategies and tools and a better mix of courses.

Thus, we closed 9M20 with a 21.5% growth in net revenue, reaching R\$1,045.7 million, and 33.7% in Adjusted EBITDA, reaching R\$310.2 million, with an EBITDA margin of 29.7%. We particularly highlight the growth of the student base, the increased ticket, the maturation of new organic units, and the gains in operational efficiency.

The operating margin of the Education segment grew 2.9 p.p. in 9M20, reaching 40.5% (vs. 37.6% in 9M19). The advance of our results is even more positive when considering only the operations that were already part of our Ecosystem in 2019. The operating result of the Education segment in 9M20, excluding acquisitions, grew by 4.1 p.p. YoY. Historically, acquisitions made bring us scale gains, although they predictably put pressure on our consolidated margin in the first moments of integration, gradually increasing, as synergies are implemented, until reaching the levels of our mature units.

The challenge for delinquency and on-time payments has become part of the pandemic scenario. Our provision for doubtful accounts (PDA) reflects this context. In this 9M20, we reported a PDA of 5.3% over Net Revenue, lower than the percentage published in 2Q20, but up by 1.9 p.p. YoY, before the pandemic crisis. We are keeping our ongoing efforts to support our students - educational insurance, new types of Pravalier's financing, and also Decola, our own negotiation system. These initiatives were important to ensure a good result in the enrollment process.

However, delinquency remain a reason for attention and concern, requiring the continuity and intensification of initiatives to ensure the permanence of our students.

Analyzing our results segmented by unit blocks according to their time of maturity, we especially highlight the evolution of the margin in the Base block, consisting of mature units, which reached a growth of 5.3%, mainly affected by the efficiency gain of our operational model. The Operating Result reported in this Base block was R\$254.2 million in 9M20, with a margin of 44.6% (+2.2 pp vs. 9M19), with R\$81.4 million recorded in 3Q20, with a margin of 45.3%, up by 2.9 p.p. compared to 3Q19.

In the Acquisitions block, which in this quarter also includes UniFG, acquired in July, we achieved an Operating Result of R\$86.4 million in 9M20, with a margin of 31.7% (+2.9 p.p. vs. 9M19). The maturation process of an important part of the courses of acquired units, as well as the incorporation of three new brands in our Ecosystem only in 2020, makes this block find an opportunity for margins grow as expected and natural synergies are implemented in this integration process.

Thus, the Operating Result of this block in 3Q20 had an important change of scale, reaching R\$ 25.6 million (+85.5% vs. 3Q19), even though with a slight dilution of its margin, reaching 24.9% (-0.8 p.p. vs. 3Q19). It should be noted that, with recent acquisitions, this block is now more representative in our consolidated indicators (27.1% of 9M20's net revenue versus 17.0% YoY).

In the Organic Expansion block, we continue to observe a consistent performance of these units, which continue to mature. Remembering that academic units take around five years to reach maturity and that the units in this block were opened, on average, two and half years after opening. Thus, we expect to follow the evolution of the results of this block as they move towards full maturity, including signs indicating that they should outperform the units of the base block, due to their location and lighter structure. The operating result of these units in 9M20 was R\$66.6 million, with a margin of 41.0% (+16.1 p.p.), with R\$23.0 million and a margin of 44.3% (+13.6 p.p.) in 3Q20.

To provide even more transparency and allow a better analysis of our results, this quarter we started to disclose some information on our medical programs. In this 9M20, we reported a base of 2,447 students enrolled in our medical courses (or 4,222 if we add students under Unisul's co-management), resulting in a Net Revenue, exclusively from Medical courses, of R\$125.4 million. It should be highlighted that part of the programs already authorized are still maturing as they were recently opened, as well as we are waiting for the authorization of new courses. We also can increase the number of open spots in our authorized courses under the *Mais Médicos* Program. With this we have a potential to add 6,373 new students at maturity, reaching a total of 8,820 students in the coming years.

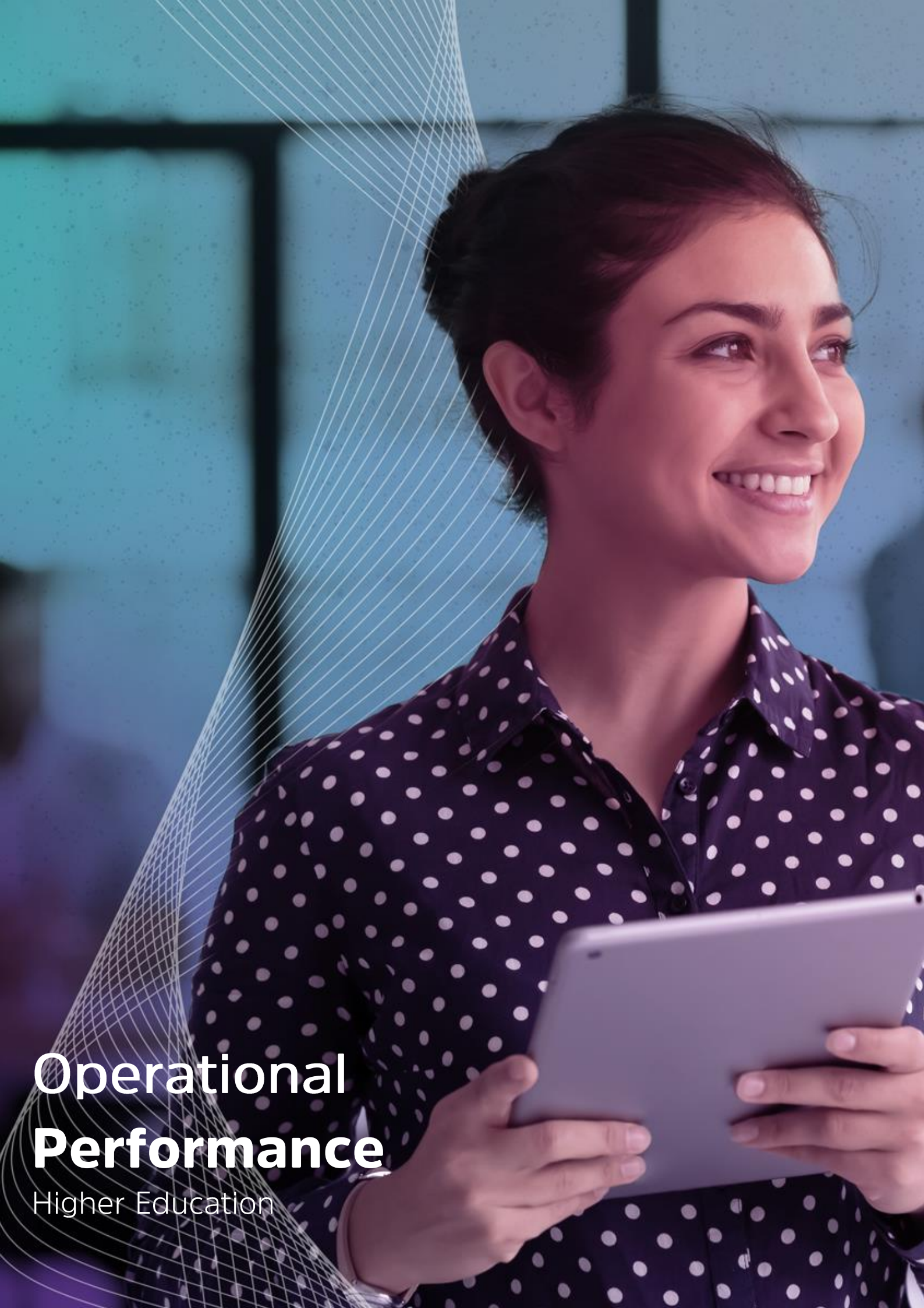
In October, the Ministry of Education published the results of the ENADE indicators (which measure the performance of higher education graduates through a standardized test) and IDD (an indicator of added value to the student). Once again, these indicators reinforce and solidify the superior quality of our HEIs, which have a higher proportion of students with highest concepts (4 and 5) than other private institutions (listed and unlisted).

Consolidating these positive results and quality movements, we announced at the beginning of November the transaction with Laureate Group, which makes us very proud, and represents an important milestone in our history. Laureate institutions that join our Ecosystem provide us with a 140% growth in number of students, taking us to a significantly larger scale, in addition to their total alignment with our high quality positioning, bringing a legacy of decades of operations and enjoying an excellent reputation in their respective markets. The performance in complementary and relevant geographies is another characteristic of this acquisition. With it, our presence will reach markets that currently correspond to 75% of the total enrollments in Brazilian higher education.

In addition, we will have new seats in medical programs in important cities in the country, such as the capitals São Paulo, Natal and Salvador, besides Piracicaba and São José dos Campos, in the State of São Paulo. The new seats, added to the current seats, at maturity, will reach a total of 2,260 seats or 16,254 students, which makes us an even more prominent educational group in this segment in the country.

This recent strategic movement, due to its magnitude and relevance, reaffirms our commitment to building a solid company, with a long-term vision and passionate and obstinate people who seek tirelessly to generate a positive impact on society.

This has been our role since our creation. Our eight principles carry these values in their core. In this very unique year, we especially highlight our seventh principle, which says “*The result is not a purpose, but the means to build the future*”. The meaning of this principle reflects precisely what we are experiencing in 2020: The commitment to deliver excellence can generate results that ensure our success and our long-term sustainability. Lives that transform and generate results, that make it possible to transform more lives, and new results, in a virtuous and continuous cycle of success.



# Operational Performance

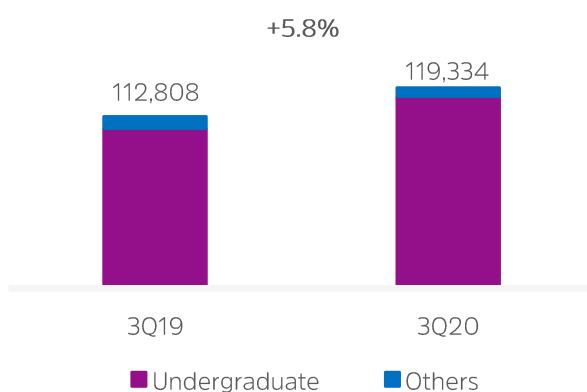
Higher Education

## OPERATIONAL PERFORMANCE

### EDUCATION

The acquisitions we made in 2019 and 2020 (Ages, Unicuritiba, Faseh and UniFG) brought us a great gain in scale in 3Q20, with a 5.8% growth in the student base compared to 3Q19 (-2.3% excluding acquisitions). We highlight the representativeness of the growth in the undergraduate student base, up by 6.8% over 3Q19 (-1.1% excluding acquisitions).

#### Student Base



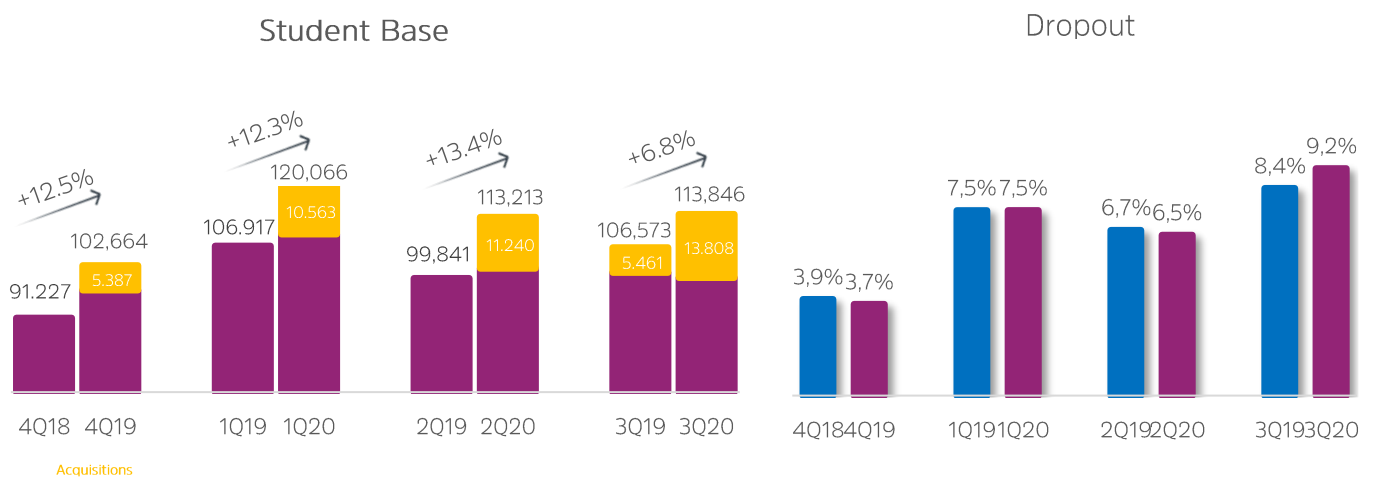
Student Base	3Q19	4Q19	1Q20	2Q20	3Q20	Average 9M19	Average 9M20	% 3Q20/3Q19	% 9M20/9M19
Undergraduate	101,112	97,277	109,503	102,019	100,038	102,623	103,853	-1.1%	1.2%
Others	6,235	5,885	5,312	5,177	4,793	6,491	5,094	-23.1%	-21.5%
Graduate	4,507	4,386	3,825	3,681	3,337	4,626	3,614	-26.0%	-21.9%
Distance Learning	702	468	381	441	411	851	411	-41.5%	-51.7%
Vocational Programs & K12	1,026	1,031	1,106	1,055	1,045	1,014	1,069	1.9%	5.4%
<b>Total</b>	<b>107,347</b>	<b>103,162</b>	<b>114,815</b>	<b>107,196</b>	<b>104,831</b>	<b>109,114</b>	<b>108,947</b>	<b>-2.3%</b>	<b>-0.2%</b>
Acquisitions	5,461	5,387	10,994	11,656	14,503	5,461	12,384		
<b>Total with Acquisitions</b>	<b>112,808</b>	<b>108,549</b>	<b>125,809</b>	<b>118,852</b>	<b>119,334</b>	<b>110,935</b>	<b>121,332</b>	<b>5.8%</b>	<b>9.4%</b>

<sup>1</sup> Including blended programs.

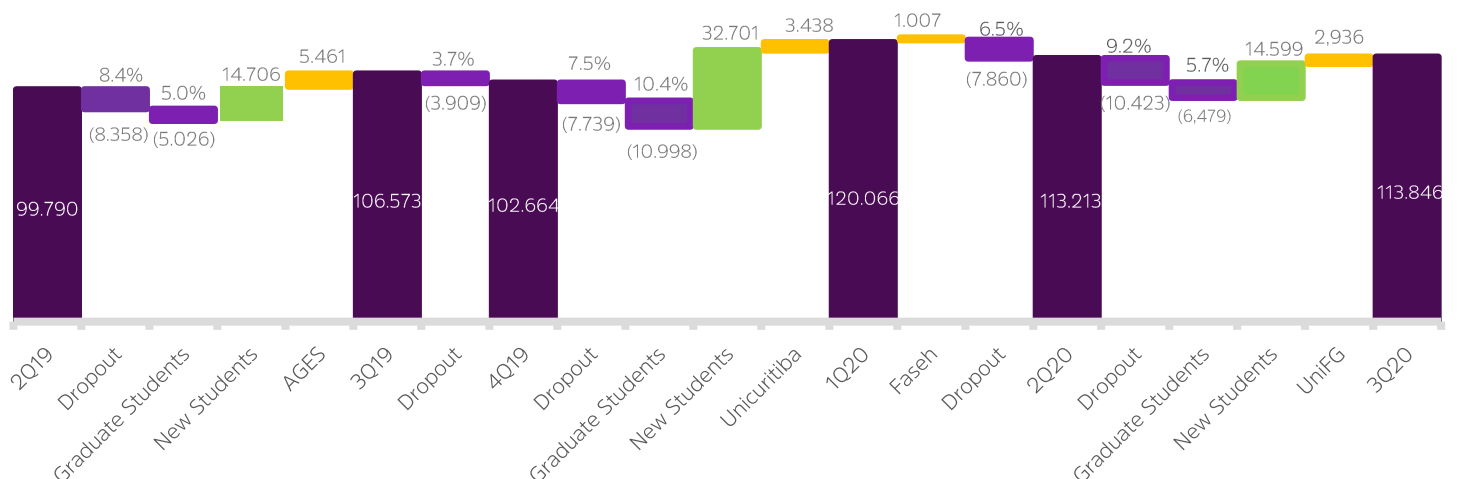
The intake and re-enrollment processes for this second half of 2020 were carried out exclusively in a digital environment, in the midst of a large-scale pandemic and a global economic crisis. We are, even in this context, not only keeping the majority of our students studying, interested in carrying on their dreams and their academic activities, but

also reaching nearly 15,000 new students who did not postpone their plans and chose our Institutions to continue their studies. We were able to report a controlled performance in our retention, ending the quarter with a dropout rate of 9.2% of our undergraduate student base, up by 0.8 p.p. over 3Q19.

## Student Base: Undergraduate



## Student Flow – Undergraduate Programs

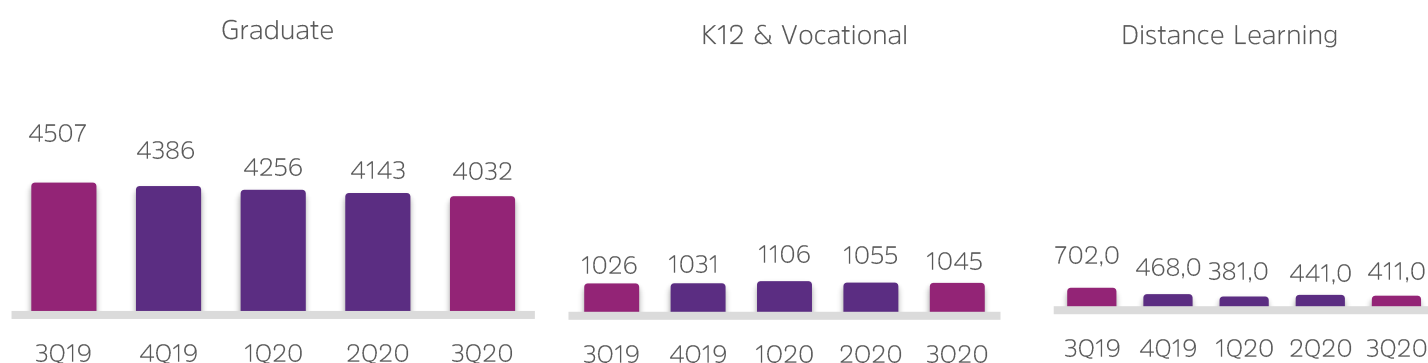


Graduate Programs - We ended 3Q20 with 4,000 graduate students, compared to 4,500 in 3Q19. This segment does not follow the same

enrollment and graduation cycle as in undergraduate courses. We continue to dedicate efforts to strengthen the operational results of this segment, with initiatives that improve the number of students per class, even if they bring a drop in the number of courses at first.

K12 and Vocational Student Base – We closed 3Q20 with 1,000 (+1.9% vs. 3Q19) 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 3Q20, 400 students were enrolled in Distance Learning, between undergraduate and graduate courses (not considering EBRADI and hsmU students). It should be noted that this student base only considers online courses, the legacy of UniSociesc and Una and new courses of São Judas Live, which started this semester.



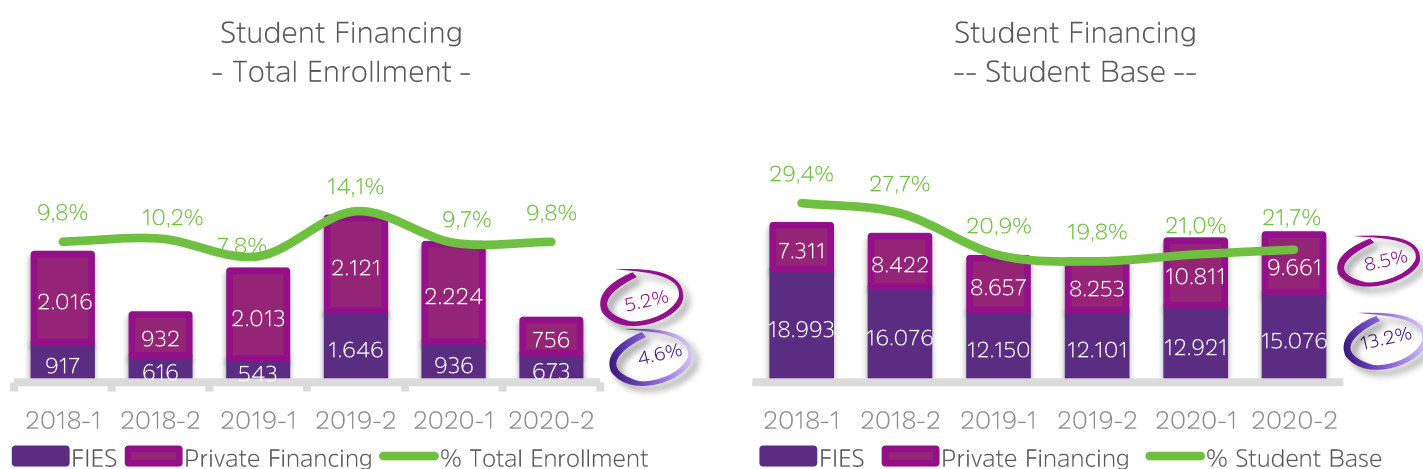


# Student **Financing**

## Student Financing

We ended the intake process in the second half of the year with 0.7 thousand new students financed by FIES, representing 4.6% of total enrollment (vs. 8.6% in 3Q19). This type of financing has been gradually decreasing in the student base and, given the Union's situation with tax and budget pressure, we see no room to change this trend of low representativeness of FIES.

Regarding private financing, we continued our strategic partnership with Pravalier and, as reported, to support our students in this time of financial difficulty, we created two new types of financing (50% without guarantor and 75% with guarantor). Even with such products, we observed a drop in the percentage of incoming students with financing, totaling 0.7 thousand new students in 3Q20, or 5.2% of enrollment (vs. 8.7% in 3Q19), including 0.5 thousand students using the credit risk of our balance sheet. This shows that we continue to engage students paying out-of-pocket.



Thus, we ended the semester with about 15,0 thousand students with FIES, representing 13.2% of the base. Excluding our acquisitions, this number would correspond to 11.7% of the student base. The growth year-on-year is partly related to our acquisitions and the greater retention in students with financing, who suffer less from the current environment of economic restriction. Regarding private financing (Pravalier), we reported around 9,6 thousand students, representing 8.5% of the undergraduate base, with 3,2 thousand students using the credit risk of our balance sheet (2.9% of the base).



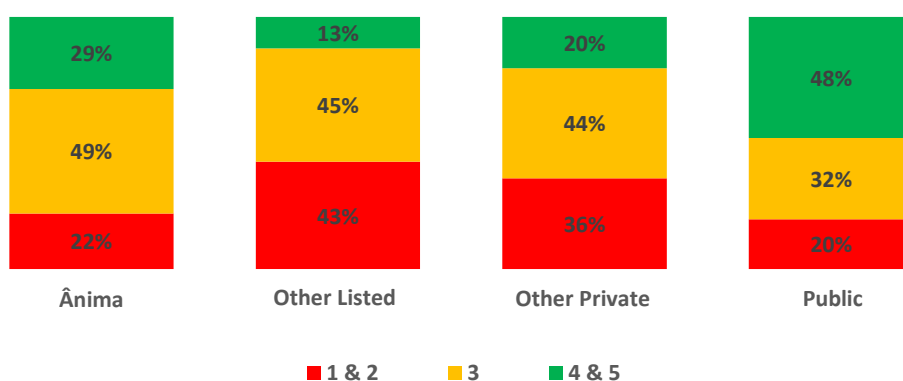
Academic  
Quality

## Academic Quality

The results published by INEP/MEC last October, ENADE and IDD, for 2019, once again ratify the high academic quality of our institutions.

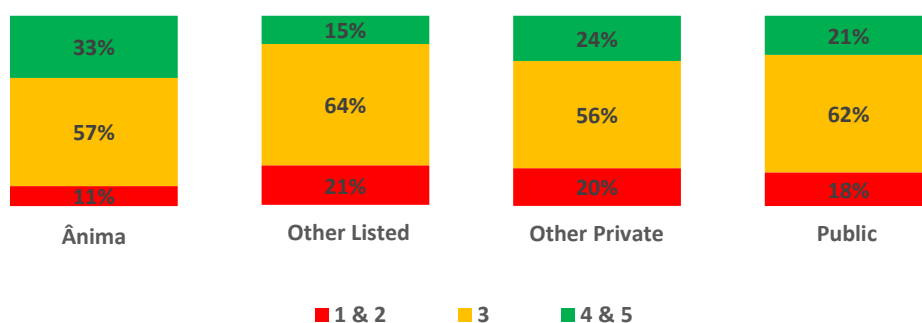
Regarding ENADE, which measures the performance of higher education students through a standardized test, our HEIs have a higher proportion of students with higher grades (4 and 5) than other private institutions (listed and unlisted), and a smaller percentage of students with grades 1 and 2.

**Percentage of Enrollments through ENADE's Grade in the 2017-2019 Triennium**



The IDD, which measures the value added by post-secondary education, reveals the higher impact of our academic practices in our students' development, even compared to public institutions. The results show that our HEIs have the highest percentage of students with the highest grades (4 and 5) and the lowest percentage of students with the lowest grades (1 and 2).

**Percentage of Enrollments through IDD's Grade in the 2017-2019 Triennium**





# 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** – that includes hsm, hsmU and Brazilian School of Law (Escola Brasileira de Direito, EBRADI).

## FINANCIAL PERFORMANCE

### 9M20 Results

R\$ (million)	Consolidated Anima				
	9M20	% Net Revenue	9M19	% Net Revenue	% YA
Gross Revenue	2,015.4	192.7%	1,593.6	185.1%	26.5%
Discounts, Deductions & Scholarships	(935.5)	-89.5%	(705.5)	-81.9%	32.6%
Taxes	(34.2)	-3.3%	(27.1)	-3.1%	26.3%
<b>Net Revenue</b>	<b>1,045.7</b>	<b>100.0%</b>	<b>860.9</b>	<b>100.0%</b>	<b>21.5%</b>
Cash Cost of Services	(415.8)	-39.8%	(397.2)	-46.1%	4.7%
- Personnel	(344.4)	-32.9%	(311.5)	-36.2%	10.6%
- Services from Third Parties	(28.2)	-2.7%	(33.7)	-3.9%	-16.3%
- Rental & Utilities	(19.4)	-1.9%	(22.9)	-2.7%	-15.0%
- Others	(23.8)	-2.3%	(29.1)	-3.4%	-18.3%
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>629.9</b>	<b>60.2%</b>	<b>463.8</b>	<b>53.9%</b>	<b>35.8%</b>
Sales Expenses	(106.2)	-10.2%	(73.1)	-8.5%	45.2%
- Provision for Doubtful Accounts (PDA)	(55.7)	-5.3%	(29.1)	-3.4%	91.1%
- Marketing	(50.5)	-4.8%	(44.0)	-5.1%	14.7%
<b>General &amp; Administrative Expenses</b>	<b>(115.6)</b>	<b>-11.1%</b>	<b>(91.5)</b>	<b>-10.6%</b>	<b>26.3%</b>
- Personnel	(87.9)	-8.4%	(70.9)	-8.2%	24.0%
- Third Party Services	(12.9)	-1.2%	(8.0)	-0.9%	61.9%
- Rental & Utilities	(2.8)	-0.3%	(0.6)	-0.1%	348.6%
- Others	(12.0)	-1.1%	(12.1)	-1.4%	-0.7%
<b>Other Operating Revenues (Expenses)</b>	<b>(2.7)</b>	<b>-0.3%</b>	<b>0.3</b>	<b>0.0%</b>	<b>-936.1%</b>
- Provisions	0.1	0.0%	0.3	0.0%	-70.5%
- Taxes	(6.0)	-0.6%	(3.3)	-0.4%	83.6%
- Other Operating Revenues	3.2	0.3%	3.3	0.4%	-2.4%
Late Payment Fees	7.3	0.7%	7.1	0.8%	1.6%
<b>Operating Result</b>	<b>412.7</b>	<b>39.5%</b>	<b>306.6</b>	<b>35.6%</b>	<b>34.6%</b>
- Corporate Expenses	(102.2)	-9.8%	(74.3)	-8.6%	37.5%
<b>Adjusted EBITDA</b>	<b>310.5</b>	<b>29.7%</b>	<b>232.3</b>	<b>27.0%</b>	<b>33.7%</b>
(-) Late Payment Fees	(7.3)	-0.7%	(7.1)	-0.8%	1.6%
(-) Non-Recurring Items - EBITDA	(85.1)	-8.1%	(22.1)	-2.6%	284.9%
<b>EBITDA</b>	<b>218.2</b>	<b>20.9%</b>	<b>203.0</b>	<b>23.6%</b>	<b>7.5%</b>
Depreciation & Amortization	(111.2)	-10.6%	(90.6)	-10.5%	22.6%
Equity Equivalence	(3.0)	-0.3%	(1.9)	-0.2%	62.2%
<b>EBIT</b>	<b>104.0</b>	<b>9.9%</b>	<b>110.5</b>	<b>12.8%</b>	<b>-5.9%</b>
Net Financial Result	(108.6)	-10.4%	(88.1)	-10.2%	23.2%
<b>EBT</b>	<b>(4.6)</b>	<b>-0.4%</b>	<b>22.4</b>	<b>2.6%</b>	<b>-120.5%</b>
Income Tax and Social Contribution	(3.0)	-0.3%	(3.7)	-0.4%	-19.7%
<b>Net Income</b>	<b>(8.0)</b>	<b>-0.8%</b>	<b>18.7</b>	<b>2.2%</b>	<b>-142.7%</b>
(-) Non-Recurring Items - EBITDA	85.1	8.1%	22.1	2.6%	284.9%
(-) Non-Recurring Items - Net Income	0.0	0.0%	0.0	0.0%	0.0%
<b>Adjusted Net Income</b>	<b>77.1</b>	<b>7.4%</b>	<b>40.8</b>	<b>4.7%</b>	<b>88.8%</b>

## 3Q20 Results

R\$ (million)	3Q20	% Net Revenue	3Q19	% Net Revenue	% YA
Gross Revenue	671.8	191.4%	547.7	186.5%	22.6%
Discounts, Deductions & Scholarships	(308.9)	-88.0%	(244.6)	-83.3%	26.3%
Taxes	(12.0)	-3.4%	(9.5)	-3.2%	26.3%
<b>Net Revenue</b>	<b>351.0</b>	<b>100.0%</b>	<b>293.6</b>	<b>100.0%</b>	<b>19.5%</b>
<b>Cash Cost of Services</b>	<b>(140.2)</b>	<b>-40.0%</b>	<b>(136.4)</b>	<b>-46.4%</b>	<b>-2.8%</b>
- Personnel	(115.8)	-33.0%	(105.2)	-35.8%	-10.1%
- Services from Third Parties	(10.2)	-2.9%	(13.7)	-4.7%	25.4%
- Rental & Utilities	(5.8)	-1.7%	(5.8)	-2.0%	-0.8%
- Others	(8.3)	-2.4%	(11.7)	-4.0%	28.7%
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>210.7</b>	<b>60.0%</b>	<b>157.3</b>	<b>53.6%</b>	<b>34.0%</b>
<b>Sales Expenses</b>	<b>(31.9)</b>	<b>-9.1%</b>	<b>(25.1)</b>	<b>-8.5%</b>	<b>-27.4%</b>
- Provision for Doubtful Accounts (PDA)	(14.8)	-4.2%	(10.6)	-3.6%	-40.0%
- Marketing	(17.1)	-4.9%	(14.5)	-4.9%	-18.3%
<b>General &amp; Administrative Expenses</b>	<b>(44.7)</b>	<b>-12.7%</b>	<b>(30.8)</b>	<b>-10.5%</b>	<b>-45.0%</b>
- Personnel	(32.3)	-9.2%	(24.4)	-8.3%	-32.7%
- Third Party Services	(6.0)	-1.7%	(2.7)	-0.9%	-125.8%
- Rental & Utilities	(1.0)	-0.3%	(0.4)	-0.1%	-191.2%
- Others	(5.3)	-1.5%	(3.4)	-1.2%	-54.6%
<b>Other Operating Revenues (Expenses)</b>	<b>(1.6)</b>	<b>-0.5%</b>	<b>0.2</b>	<b>0.1%</b>	<b>872.1%</b>
- Provisions	(0.2)	0.0%	0.1	0.0%	-207.4%
- Taxes	(3.0)	-0.8%	(1.4)	-0.5%	-107.1%
- Other Operating Revenues	1.5	0.4%	1.5	0.5%	2.0%
<b>Late Payment Fees</b>	<b>2.6</b>	<b>0.7%</b>	<b>2.4</b>	<b>0.8%</b>	<b>7.9%</b>
<b>Operating Result</b>	<b>135.1</b>	<b>38.5%</b>	<b>104.0</b>	<b>35.4%</b>	<b>29.9%</b>
- Corporate Expenses	(34.5)	-9.8%	(25.9)	-8.8%	-33.4%
<b>Adjusted EBITDA</b>	<b>100.6</b>	<b>28.7%</b>	<b>78.1</b>	<b>26.6%</b>	<b>28.8%</b>
(-) Late Payment Fees	(2.6)	-0.7%	(2.4)	-0.8%	-7.9%
(-) Non-Recurring Items - EBITDA	(18.3)	-5.2%	(14.0)	-4.8%	-31.0%
<b>EBITDA</b>	<b>79.6</b>	<b>22.7%</b>	<b>61.7</b>	<b>21.0%</b>	<b>29.1%</b>
Depreciation & Amortization	(39.2)	-11.2%	(31.5)	-10.7%	-24.4%
Equity Equivalence	(1.2)	-0.3%	(0.6)	-0.2%	-106.0%
<b>EBIT</b>	<b>39.2</b>	<b>11.2%</b>	<b>29.6</b>	<b>10.1%</b>	<b>32.6%</b>
Net Financial Result	(36.7)	-10.5%	(30.2)	-10.3%	-21.7%
<b>EBT</b>	<b>2.5</b>	<b>0.7%</b>	<b>(0.6)</b>	<b>-0.2%</b>	<b>511.0%</b>
Income Tax and Social Contribution	(0.7)	-0.2%	(1.9)	-0.6%	65.1%
<b>Net Income</b>	<b>1.8</b>	<b>0.5%</b>	<b>(2.5)</b>	<b>-0.8%</b>	<b>173.4%</b>
(-) Non-Recurring Items - EBITDA	18.3	5.2%	14.0	4.8%	-31.0%
(-) Non-Recurring Items - Net Income	(0.0)	0.0%	0.0	0.0%	0.0%
<b>Adjusted Net Income</b>	<b>20.1</b>	<b>5.7%</b>	<b>11.5</b>	<b>3.9%</b>	<b>-75.1%</b>

## FINANCIAL PERFORMANCE – Education

R\$ (million)	Education									
	9M20	% Net Revenue	9M19	% Net Revenue	% YA	3Q20	% AV	3Q19	% AV	% AH
Gross Revenue	1,955.6	194.5%	1,549.3	187.4%	26.2%	647.5	193.4%	530.3	188.9%	22.1%
Discounts, Deductions & Scholarships	(918.8)	-91.4%	(697.4)	-84.3%	31.7%	(302.1)	-90.2%	(241.1)	-85.9%	25.3%
Taxes	(31.1)	-3.1%	(25.0)	-3.0%	24.5%	(10.7)	-3.2%	(8.5)	-3.0%	25.3%
<b>Net Revenue</b>	<b>1,005.7</b>	<b>100.0%</b>	<b>826.9</b>	<b>100.0%</b>	<b>21.6%</b>	<b>334.8</b>	<b>100.0%</b>	<b>280.7</b>	<b>100.0%</b>	<b>19.3%</b>
Cash Cost of Services	(407.1)	-40.5%	(383.6)	-46.4%	6.1%	(136.7)	-40.8%	(130.9)	-46.6%	4.4%
- Personnel	(342.3)	-34.0%	(309.9)	-37.5%	10.4%	(115.2)	-34.4%	(104.4)	-37.2%	10.3%
- Services from Third Parties	(23.2)	-2.3%	(27.4)	-3.3%	-15.4%	(7.8)	-2.3%	(10.9)	-3.9%	-28.4%
- Rental & Utilities	(19.4)	-1.9%	(22.5)	-2.7%	-13.4%	(5.8)	-1.7%	(5.6)	-2.0%	3.5%
- Others	(22.1)	-2.2%	(23.8)	-2.9%	-7.1%	(7.8)	-2.3%	(9.9)	-3.5%	-20.8%
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>598.6</b>	<b>59.5%</b>	<b>443.3</b>	<b>53.6%</b>	<b>35.0%</b>	<b>198.1</b>	<b>59.2%</b>	<b>149.8</b>	<b>53.4%</b>	<b>32.2%</b>
Sales Expenses	(98.2)	-9.8%	(66.3)	-8.0%	48.1%	(29.7)	-8.9%	(22.6)	-8.0%	31.4%
- Provision for Doubtful Accounts (PDA)	(53.0)	-5.3%	(26.5)	-3.2%	100.3%	(14.3)	-4.3%	(9.9)	-3.5%	44.0%
- Marketing	(45.2)	-4.5%	(39.8)	-4.8%	13.4%	(15.4)	-4.6%	(12.6)	-4.5%	21.6%
<b>General &amp; Administrative Expenses</b>	<b>(96.5)</b>	<b>-9.6%</b>	<b>(74.3)</b>	<b>-9.0%</b>	<b>29.8%</b>	<b>(38.3)</b>	<b>-11.4%</b>	<b>(24.9)</b>	<b>-8.9%</b>	<b>54.0%</b>
- Personnel	(72.6)	-7.2%	(56.0)	-6.8%	29.5%	(27.8)	-8.3%	(19.3)	-6.9%	43.9%
- Third Party Services	(10.1)	-1.0%	(6.6)	-0.8%	53.4%	(4.6)	-1.4%	(2.1)	-0.7%	122.6%
- Rental & Utilities	(2.6)	-0.3%	(0.4)	-0.1%	532.5%	(1.0)	-0.3%	(0.3)	-0.1%	228.4%
- Others	(11.1)	-1.1%	(11.3)	-1.4%	-1.4%	(4.8)	-1.4%	(3.1)	-1.1%	53.5%
<b>Other Operating Revenues (Expenses)</b>	<b>(4.0)</b>	<b>-0.4%</b>	<b>1.0</b>	<b>0.1%</b>	<b>-509.8%</b>	<b>(2.6)</b>	<b>-0.8%</b>	<b>0.5</b>	<b>0.2%</b>	<b>-604.7%</b>
- Provisions	0.1	0.0%	0.3	0.0%	-70.5%	(0.2)	0.0%	0.1	0.1%	-207.4%
- Taxes	(5.8)	-0.6%	(2.5)	-0.3%	132.4%	(2.9)	-0.9%	(1.0)	-0.4%	197.2%
- Other Operating Revenues	1.7	0.2%	3.1	0.4%	-45.4%	0.5	0.1%	1.4	0.5%	-63.9%
<b>Late Payment Fees</b>	<b>7.3</b>	<b>0.7%</b>	<b>7.1</b>	<b>0.9%</b>	<b>1.6%</b>	<b>2.6</b>	<b>0.8%</b>	<b>2.4</b>	<b>0.9%</b>	<b>7.9%</b>
<b>Operating Result</b>	<b>407.2</b>	<b>40.5%</b>	<b>310.8</b>	<b>37.6%</b>	<b>31.0%</b>	<b>130.1</b>	<b>38.9%</b>	<b>105.3</b>	<b>37.5%</b>	<b>23.6%</b>

R\$ (million)	Education Excl. Acquisitions <sup>1</sup>									
	9M20	% Net Revenue	9M19	% Net Revenue	% YA	3Q20	% Net Revenue	3Q19	% Net Revenue	% YA
Net Revenue	857.7	100.0%	814.5	100.0%	5.3%	270.4	100.0%	268.3	100.0%	0.8%
Gross Profit (exclud. deprec. /amort.)	515.1	60.1%	434.7	53.4%	18.5%	161.0	59.5%	141.1	53.4%	14.1%
Gross Margin	60.1%		53.4%		6.7pp	59.5%		52.6%		6.9pp
Operating Result	357.3	41.7%	306.0	37.6%	16.8%	112.4	41.6%	100.5	37.5%	11.9%
Operating Margin	41.7%		37.6%		4.1pp	41.6%		37.4%		4.1pp

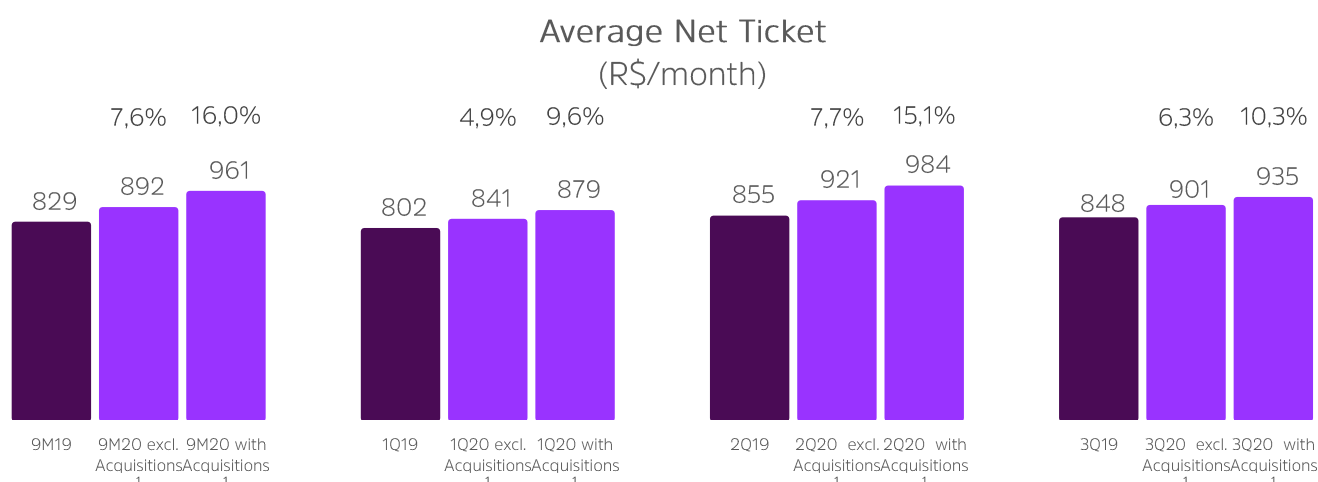
<sup>1</sup> Excluding as acquisitions AGES (aug'19), Unicuritiba (feb'20), Faseh (may'20) e UniFG (jul'20)

## Net Revenue

We ended 3Q20 with a Net Revenue of R\$334.8 million in the Education segment, up by +19.3% over 3Q19 (R\$270.4 million or +0.8% excluding acquisitions). The Net Revenue's growth is due to two main factors: the expansion through acquisitions (+12.2%) and the increase in the net ticket (+8.2%), even with a slight drop in the undergraduate student base (-1.1%).

Excluding the acquisitions, our net ticket averaged R\$901/month in 3Q20, up by 6.3% YoY, affected by an average increase in tuition fees (+9.0%) with gains in the program mix (+4.1%), partially offset by increased scholarships, discounts and taxes (-6.8%).

Considering the acquisitions, bringing a program mix with a higher ticket over our previous base, our average net ticket totaled R\$935/month or +10.3% over 9M19.



<sup>1</sup> G as of Aug/2019, Unicuritiba as of Feb/2020, Faseh as of May/2020 and UniFG as of July/2020

The ongoing evolution in our ticket's behavior results, on one hand, from the right decisions in its reorganization's strategy, through technological tools, projects, and internal initiatives; and, on the other hand, from equally strategic options in our acquisitions, which together led to a better average net ticket when compared to the trend reported in the previous year, ratifying the success on the path to a sustainable growth.

## Total Costs and Gross Profit

As reported in the first half, starting this year, we added the benefits of operational efficiency to the already outstanding quality of our academic model of learning by skills. In this line, we continue to produce significant effects of efficiency gains, confirming a new level of reality in this indicator.

Gross Profit reached R\$198.1 million in 3Q20 or 59.2% of the Net Revenue (+5.8pp vs. 3Q19), mainly due to gains in academic productivity and academic support (personnel costs +2.8pp vs. 3Q19) and third-party service (+1.6pp vs. 3Q19). Excluding acquisitions, Gross Profit would have advanced further in 3Q20 (+6.9pp vs. 3Q19), mainly due to gains in faculty productivity and academic support (personnel costs +4.4pp vs. 3Q19).

Gross Profit reached R\$598.6 million in 9M20, or a margin of 59.5% (+5.9pp vs. 9M19), following the same growth pace observed in the first half of this year.

## Selling Expenses

The increase in competitiveness in a more difficult scenario of access to funds led us to increase our investments to attract new students. Despite the challenging moment we faced, these efforts to retain and attract students made it possible to improve our net ticket and grow not only the student base, but also the net revenue.

We continue with our disciplined PDA calculation methodology, which has seized the risk environment due to the effects of the Covid-19 pandemic, with more visibility, since we performed well in our intake process and are resuming on-campus classes with rotation and phased environments. As a result, PDA remains at higher levels than in the last 5 years for this period, but under less pressure than in 2Q20 and, given that the majority of our students do not have any financing, significantly less than the PDA observed in other listed companies in the sector.

Thus, Selling Expenses totaled R\$98.2 million in 9M20, with an impact of -1.7pp on the margin vs. 9M19, due to the increase in PDA (-2.1pp), despite a slight relative drop in marketing expenses (+0.3pp).

### General and Administrative Expenses

General and Administrative Expenses totaled R\$38.3 million, representing 11.4% of the Net Revenue (-2.5pp over 3Q19). The greatest impact in this line is due to the higher level of G&A from acquisitions made in 2020 (-1.5pp). Considering the year-to-date result, we observed a mitigation of the effect mentioned above, since this line totaled R\$96.5 million in 9M20, representing 9.6% of the Net Revenue (-0.6pp over 9M19). Excluding acquisitions, General and Administrative Expenses remained stable, totaling R\$74.9 million in 9M20, representing 8.7% of the Net Revenue (+0.1pp over 9M19).

### Other Operational Revenues (Expenses)

Other Operational Revenues (Expenses) in 3Q20 had significant impacts due to the current context. The net impact reached -R\$3.1 million or -1.0pp in 3Q19 (-R\$2.6 million in 3Q20 vs. +R\$0.5 million in 3Q19).

This behavior is mainly due to expenses with educational insurance (-R\$2.1 million vs. 3Q19), one of our strategies to provide financial support so that students can overcome the effects of the current economic crisis; and a drop in other revenues (-R\$1.0 million over 3Q19), due to a period in which, with our campuses closed because of the pandemic, we have stopped benefiting from subleasing spaces (auditoriums, cafeteria, services).

### Operating Result

Operational Results totaled R\$130.1 million in 3Q20, or 38.9% of the Net Revenue, +1.4pp YoY. Excluding acquisitions, Operational Results totaled R\$112.4 million in 3Q20, or 41.6% of Net Revenue, +4.1pp over 3Q19, showing, as provided for in their business plans, that the acquisitions

made in 2020 put pressure on our consolidated margin in the first moments of integration, gradually improving, as synergies are implemented, until reaching the levels of our mature units. Operating Results reached R\$407.2 million YTD (9M20) (+37.6% vs. 9M19), with a margin of 40.5% (+2.9pp vs. 9M19).

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

Valores em R\$ (milhões)	Base <sup>1</sup>			Acquisitions <sup>2</sup>			Organic Exp. <sup>3</sup>			Education		
	Excl. New Units			Excl. New Units								
	9M20	9M19	% AH	9M20	9M19	% AH	9M20	9M19	% AH	9M20	9M19	% AH
<b>Net Revenue</b>	570.3	570.2	0.0%	272.7	140.3	94.4%	162.6	116.4	39.7%	1,005.7	826.9	21.6%
<b>Gross Profit (exclud. deprec. /amort.)</b>	347.6	314.4	10.5%	149.8	66.6	125.0%	101.2	62.3	62.6%	598.6	443.3	35.0%
<b>Gross Margin</b>	60.9%	55.1%	5.8pp	54.9%	47.5%	7.5pp	62.3%	53.5%	8.8pp	59.5%	53.6%	5.9pp
<b>Operating Result</b>	254.2	241.4	5.3%	86.4	40.4	113.9%	66.6	29.0	129.8%	407.2	310.8	31.0%
<b>Operating Margin</b>	44.6%	42.3%	2.2pp	31.7%	28.8%	2.9pp	41.0%	24.9%	16.1pp	40.5%	37.6%	2.9pp

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

<sup>2</sup> Considers acquisitions made throughout 2016 (Unisociess Feb'16, Una Bom Despacho Jul'16 and Una Uberlândia Oct'16), AGES in Aug'19, Unicuritiba as of Feb'20, Faseh as of May'20 and UniFG as of July'20

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

Valores em R\$ (milhões)	Base <sup>1</sup>			Acquisitions <sup>2</sup>			Organic Exp. <sup>3</sup>			Education		
	Excl. New Units			Excl. New Units								
	3Q20	3Q19	% AH	3Q20	3Q19	% AH	3Q20	3Q19	% AH	3Q20	3Q19	% AH
<b>Net Revenue</b>	179.7	186.0	-3.4%	103.0	53.8	91.4%	52.1	40.9	27.4%	334.8	280.7	19.3%
<b>Gross Profit (exclud. deprec. /amort.)</b>	109.3	103.6	5.5%	55.3	24.9	122.3%	33.4	21.3	57.0%	198.1	149.8	32.2%
<b>Gross Margin</b>	60.8%	55.7%	5.1pp	53.7%	46.2%	7.5pp	64.2%	52.1%	12.1pp	59.2%	53.4%	5.8pp
<b>Operating Result</b>	81.4	78.9	3.2%	25.6	13.8	85.4%	23.0	12.5	84.0%	130.1	105.2	23.6%
<b>Operating Margin</b>	45.3%	42.4%	2.9pp	24.9%	25.7%	-0.8pp	44.3%	30.6%	13.6pp	38.9%	37.5%	1.3pp

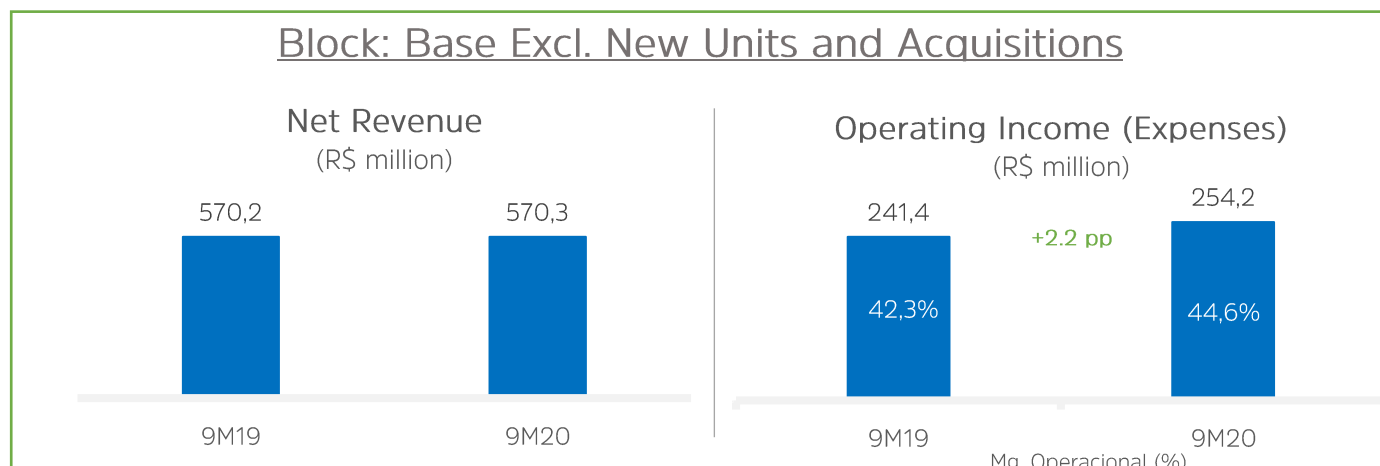
<sup>1</sup> Considers Una, UniBH and São Judas (including the Unimonte campus, but excluding acquisitions and new units opened as of 2016)

<sup>2</sup> Considers acquisitions made throughout 2016 (Unisociess Feb'16, Una Bom Despacho Jul'16 and Una Uberlândia Oct'16), AGES in Aug'19, Unicuritiba as of Feb'20, Faseh as of May'20 and UniFG as of July'20

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

In the Base block, following the growth trend mainly due to the improved ticket and better retention with positive effects on the student base, we ended 9M20 with a Net Revenue of R\$570.3 million, stable YoY. All of this during a challenging macro scenario and affected by Covid-19, as well as with a high level of competitiveness observed in the regions where these units are located. Operational Results reached R\$254.2 million, or a margin of 44.6%, an increase YoY (+2.2pp vs. 9M19). In the gross margin, which already had a progressive increase, we continue to grow in the comparison between years, mainly due to

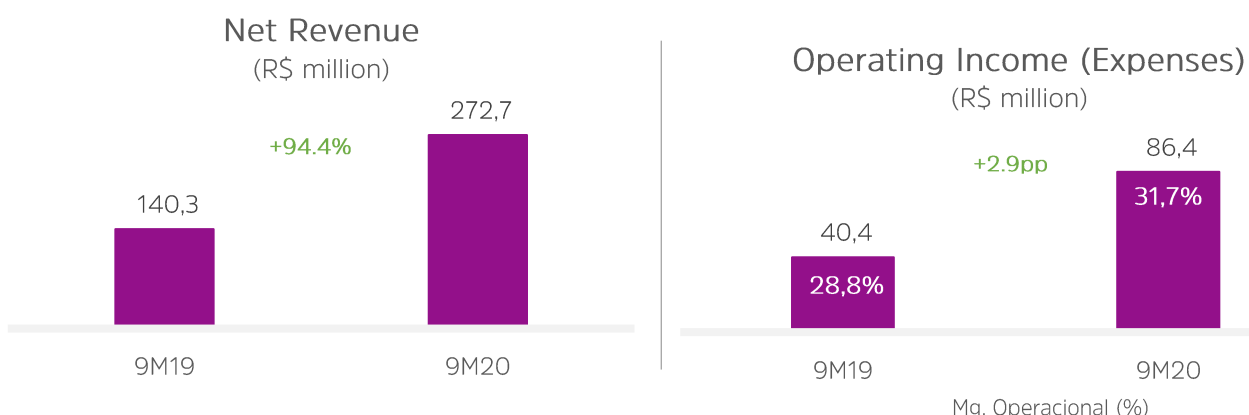
the effects of efficiency gains of the academic model fully implemented in 2018. Gross Profit reached R\$347.6 million in 9M20, with a margin of 61.0% (+5.8pp vs. 9M19).



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), we posted a Net Revenue of R\$272.7 million in 9M20, up by 94.4% YoY, mainly due to 2019 and 2020 acquisitions (AGES, Unicuritiba, Faseh and UniFG). Operational Results of this block follows a positive path this year, with a result of R\$86.4 million, or a margin of 31.7% (+2.9pp vs. 9M19).

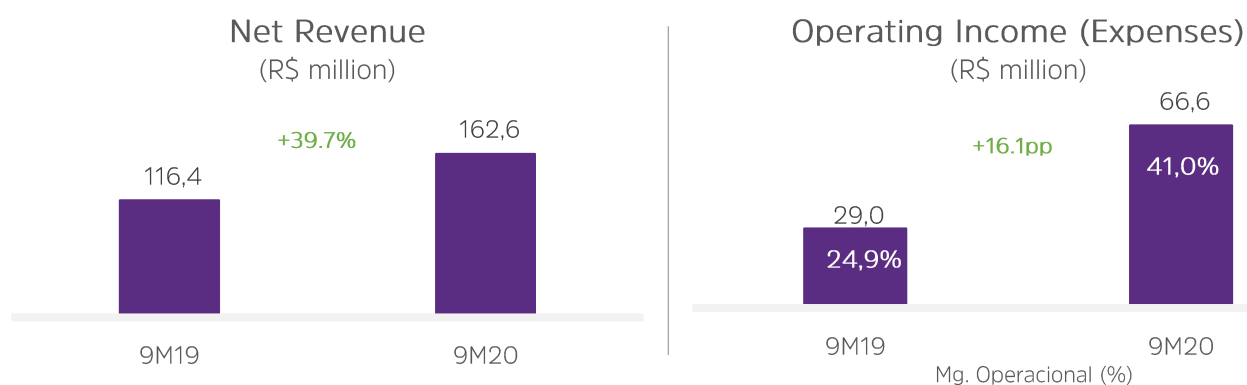
Specifically in 3Q20, we observed the effect of the acquisitions integrated in 2020, Unicuritiba, Faseh and UniFG, which initially slightly dilute the margin (-0.8pp vs. 3Q19) for this block, as provided for in their business plans. This block follows its growth path, as the expected synergies are implemented, generating positive margins according to our history of successful integrations.

### Block: Acquisitions



In the Organic Expansion block, which also 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, we posted a Net Revenue of R\$162.6 million (+39.7%) and Operational Results of R\$66.6 million (+16.1pp), compared to a Net Revenue of R\$116.4 million and Operational Results of R\$29.0 million in 9M19. It should be noted that, as expected, this block has been gaining an increasing share in the consolidated net revenue (16.2% of net revenue), as well as in our operational results (16.4% of the operational results of the education block) and is already nearing the same level of operational margin as the Base block.

### Block: Organic Expansion



## MEDICAL PROGRAMS

While in 2018 we had only one medical program in operation (UniBH), with the strategy of creating, expanding and consolidating our vertical of medical programs, Inspirali, we had a sharp growth in this segment. Currently, we have six medical programs authorized and in progress, with three authorized in the *Mais Médicos* program and under maturation, with the prospect of future expansion; and three, although not within the scope of this program, with additional seats authorized in 2016 and 2017, therefore, still observing a maturation period.

These programs are located in privileged regions and have a base, in this 9M20, of 2,447 enrolled students. The Company may add to these same courses, through the mentioned maturation process, 1,405 new students in the coming years.

Net Revenue obtained from students enrolled in these six courses was R\$125.4 million in 9M20, with an average ticket of R\$7,287. It should be noted that two of the six courses became part our Ecosystem in May and July 2020, that is, they are contributing with only part of the result reported in these 9 months.

It should be highlighted that, considering seats in the final authorization phase, those pending approval, those for future expansion and Unisul's vacancies, in a co-management phase, with a purchase option to be exercised in January 2021, the potential number of total seats of the group at maturity is 1,470 (already considered the additional seats of FIES and Prouni) or 8,820 students.

Medicine seats	Seats	Total + FIES + Prouni	Enrolled Students 3Q20	Potential after Maturity
Authorized Courses	536	642	2,447	3,852
Courses in Co-Management/Purchase Option	287	343	1,775	2,058
Course Awaiting Final Authorization	50	60	-	360
Courses with Pending Authorization	105	125	-	750
Future Expansion Seats	250	300	-	1,800
<b>Total</b>	<b>1,228</b>	<b>1,470</b>	<b>4,222</b>	<b>8,820</b>

While our medical courses currently represent 12% of net revenues, after maturity, they should reach around 27%, remembering that these are programs with recognized higher margins and expressive results.

## FINANCIAL PERFORMANCE – Other Businesses

R\$ (million)	Others									
	9M20	% Net Revenue	9M19	% Net Revenue	% YA	3Q20	% Net Revenue	3Q19	% Net Revenue	% YA
Gross Revenue	59.8	149.5%	44.3	130.1%	35.2%	24.2	149.9%	17.5	134.7%	38.7%
Discounts, Deductions & Scholarships	(16.7)	-41.8%	(8.1)	-23.9%	105.4%	(6.8)	-41.9%	(3.6)	-27.4%	90.5%
Taxes	(3.1)	-7.7%	(2.1)	-6.1%	47.2%	(1.3)	-8.0%	(0.9)	-7.3%	36.2%
Net Revenue	40.0	100.0%	34.0	100.0%	17.6%	16.2	100.0%	13.0	100.0%	24.7%
Cash Cost of Services	(8.7)	-21.8%	(13.5)	-39.8%	-35.6%	(3.5)	-21.6%	(5.5)	-42.3%	-36.3%
- Personnel	(2.2)	-5.4%	(1.6)	-4.8%	31.3%	(0.6)	-3.7%	(0.8)	-5.8%	-21.3%
- Services from Third Parties	(4.9)	-12.3%	(6.2)	-18.2%	-20.5%	(2.4)	-14.9%	(2.8)	-21.5%	-13.5%
- 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	(1.6)	-4.1%	(5.3)	-15.5%	-68.9%	(0.5)	-3.0%	(1.8)	-13.8%	-72.5%
Gross Profit (exclud. deprec. /amort.)	31.3	78.2%	20.5	60.2%	52.7%	12.7	78.4%	7.5	57.7%	69.3%
Sales Expenses	(8.0)	-19.9%	(6.8)	-20.1%	16.8%	(2.3)	-14.1%	(2.5)	-19.3%	-8.8%
- Provision for Doubtful Accounts (PDA)	(2.7)	-6.7%	(2.7)	-7.8%	-0.2%	(0.5)	-3.1%	(0.6)	-4.9%	-22.3%
- Marketing	(5.3)	-13.3%	(4.2)	-12.2%	27.7%	(1.8)	-11.1%	(1.9)	-14.4%	-4.2%
General & Administrative Expenses	(19.1)	-47.8%	(17.2)	-50.6%	11.2%	(6.4)	-39.7%	(6.0)	-46.0%	7.4%
- Personnel	(15.3)	-38.3%	(14.8)	-43.6%	3.2%	(4.5)	-27.8%	(5.0)	-38.8%	-10.5%
- Third Party Services	(2.8)	-7.0%	(1.4)	-4.0%	102.7%	(1.4)	-8.9%	(0.6)	-4.7%	136.4%
- Rental & Utilities	(0.2)	-0.4%	(0.2)	-0.6%	-25.6%	0.0	0.1%	(0.0)	-0.3%	-140.3%
- Others	(0.9)	-2.1%	(0.8)	-2.3%	10.9%	(0.5)	-3.0%	(0.3)	-2.3%	66.1%
Other Operating Revenues (Expenses)	1.3	3.2%	(0.7)	-1.9%	-296.8%	1.0	6.3%	(0.3)	-2.4%	-427.7%
- Provisions	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
- Taxes	(0.2)	-0.4%	(0.8)	-2.2%	-77.5%	(0.0)	0.0%	(0.4)	-3.3%	-99.0%
- Other Operating Revenues	1.5	3.6%	0.1	0.3%	1268.2%	1.0	6.3%	0.1	0.9%	735.7%
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	5.5	13.7%	(4.2)	-12.3%	-231.3%	5.0	30.9%	(1.3)	-10.0%	-484.4%

The Other Business Segment includes hsm, hsmU (free courses and online graduate courses in management) and EBRADI (Brazilian School of Law). In 9M20, the Other Business Segment posted Operational Results of R\$5.5 million, compared to -R\$4.2 YoY. This result is due to the maturation and the resulting gain of scale of EBRADI, with increasing results and already reaching a base of 16,711 students in 9M20.

Regarding this segment, we posted Operational Results of R\$12.4 million in 9M20 for EBRADI + hsmU (vs. R\$5.2 million in 9M19). 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 in 1H20, 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.

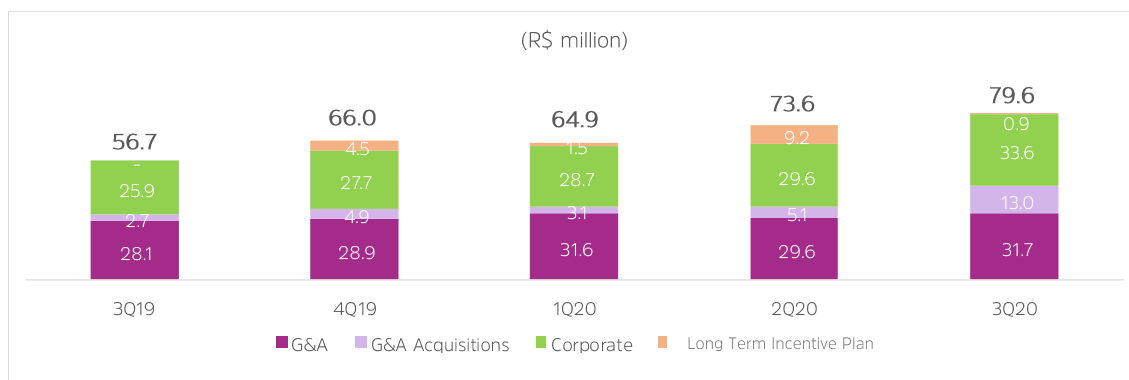
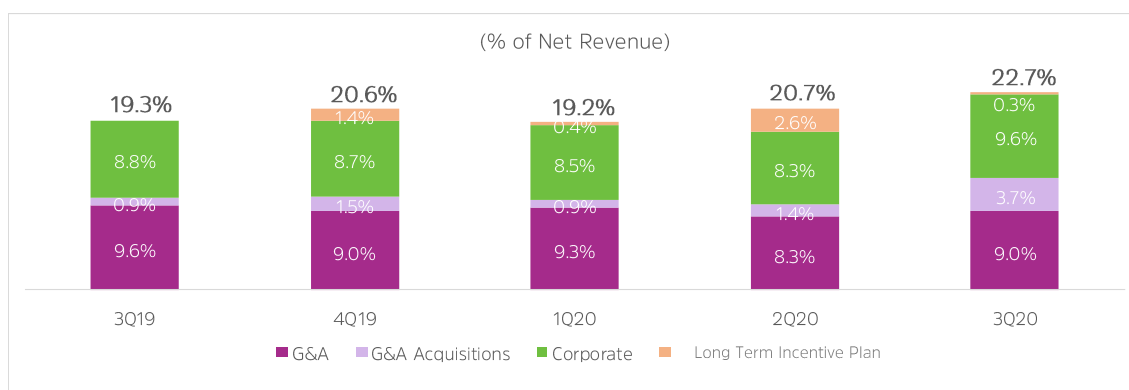
## COMPANY'S CONSOLIDATED PERFORMANCE

R\$ (million)	Consolidated Anima									
	9M20	% Net Revenue	9M19	% Net Revenue	% YA	3Q20	% Net Revenue	3Q19	% Net Revenue	% YA
Gross Revenue	2,015.4	192.7%	1,593.6	185.1%	26.5%	671.8	191.4%	547.7	186.5%	22.6%
Discounts, Deductions & Scholarships	(935.5)	-89.5%	(705.5)	-81.9%	32.6%	(308.9)	-88.0%	(244.6)	-83.3%	26.3%
Taxes	(34.2)	-3.3%	(27.1)	-3.1%	26.3%	(12.0)	-3.4%	(9.5)	-3.2%	26.3%
Net Revenue	1,045.7	100.0%	860.9	100.0%	21.5%	351.0	100.0%	293.6	100.0%	19.5%
Cash Cost of Services	(415.8)	-39.8%	(397.2)	-46.1%	4.7%	(140.2)	-40.0%	(136.4)	-46.4%	-2.8%
- Personnel	(344.4)	-32.9%	(311.5)	-36.2%	10.6%	(115.8)	-33.0%	(105.2)	-35.8%	-10.1%
- Services from Third Parties	(28.2)	-2.7%	(33.7)	-3.9%	-16.3%	(10.2)	-2.9%	(13.7)	-4.7%	25.4%
- Rental & Utilities	(19.4)	-1.9%	(22.9)	-2.7%	-15.0%	(5.8)	-1.7%	(5.8)	-2.0%	-0.8%
- Others	(23.8)	-2.3%	(29.1)	-3.4%	-18.3%	(8.3)	-2.4%	(11.7)	-4.0%	28.7%
Gross Profit (exclud. deprec. /amort.)	629.9	60.2%	463.8	53.9%	35.8%	210.7	60.0%	157.3	53.6%	34.0%
Sales Expenses	(106.2)	-10.2%	(73.1)	-8.5%	45.2%	(31.9)	-9.1%	(25.1)	-8.5%	-27.4%
- Provision for Doubtful Accounts (PDA)	(55.7)	-5.3%	(29.1)	-3.4%	91.1%	(14.8)	-4.2%	(10.6)	-3.6%	-40.0%
- Marketing	(50.5)	-4.8%	(44.0)	-5.1%	14.7%	(17.1)	-4.9%	(14.5)	-4.9%	-18.3%
General & Administrative Expenses	(115.6)	-11.1%	(91.5)	-10.6%	26.3%	(44.7)	-12.7%	(30.8)	-10.5%	-45.0%
- Personnel	(87.9)	-8.4%	(70.9)	-8.2%	24.0%	(32.3)	-9.2%	(24.4)	-8.3%	-32.7%
- Third Party Services	(12.9)	-1.2%	(8.0)	-0.9%	61.9%	(6.0)	-1.7%	(2.7)	-0.9%	-125.8%
- Rental & Utilities	(2.8)	-0.3%	(0.6)	-0.1%	348.6%	(1.0)	-0.3%	(0.4)	-0.1%	-191.2%
- Others	(12.0)	-1.1%	(12.1)	-1.4%	-0.7%	(5.3)	-1.5%	(3.4)	-1.2%	-54.6%
Other Operating Revenues (Expenses)	(2.7)	-0.3%	0.3	0.0%	-936.1%	(1.6)	-0.5%	0.2	0.1%	872.1%
- Provisions	0.1	0.0%	0.3	0.0%	-70.5%	(0.2)	0.0%	0.1	0.0%	-207.4%
- Taxes	(6.0)	-0.6%	(3.3)	-0.4%	83.6%	(3.0)	-0.8%	(1.4)	-0.5%	-107.1%
- Other Operating Revenues	3.2	0.3%	3.3	0.4%	-2.4%	1.5	0.4%	1.5	0.5%	2.0%
Late Payment Fees	7.3	0.7%	7.1	0.8%	1.6%	2.6	0.7%	2.4	0.8%	7.9%
Operating Result	412.7	39.5%	306.6	35.6%	34.6%	135.1	38.5%	104.0	35.4%	29.9%
- Corporate Expenses	(102.2)	-9.8%	(74.3)	-8.6%	37.5%	(34.5)	-9.8%	(25.9)	-8.8%	-33.4%
Adjusted EBITDA	310.5	29.7%	232.3	27.0%	33.7%	100.6	28.7%	78.1	26.6%	28.8%
(-) Late Payment Fees	(7.3)	-0.7%	(7.1)	-0.8%	1.6%	(2.6)	-0.7%	(2.4)	-0.8%	-7.9%
(-) Non-Recurring Items - EBITDA	(85.1)	-8.1%	(22.1)	-2.6%	284.9%	(18.3)	-5.2%	(14.0)	-4.8%	-31.0%
EBITDA	218.2	20.9%	203.0	23.6%	7.5%	79.6	22.7%	61.7	21.0%	29.1%
Depreciation & Amortization	(111.2)	-10.6%	(90.6)	-10.5%	22.6%	(39.2)	-11.2%	(31.5)	-10.7%	-24.4%
Equity Equivalence	(3.0)	-0.3%	(1.9)	-0.2%	62.2%	(1.2)	-0.3%	(0.6)	-0.2%	-106.0%
EBIT	104.0	9.9%	110.5	12.8%	-5.9%	39.2	11.2%	29.6	10.1%	32.6%
Net Financial Result	(108.6)	-10.4%	(88.1)	-10.2%	23.2%	(36.7)	-10.5%	(30.2)	-10.3%	-21.7%
EBT	(4.6)	-0.4%	22.4	2.6%	-120.5%	2.5	0.7%	(0.6)	-0.2%	511.0%
Income Tax and Social Contribution	(3.0)	-0.3%	(3.7)	-0.4%	-19.7%	(0.7)	-0.2%	(1.9)	-0.6%	65.1%
Net Income	(8.0)	-0.8%	18.7	2.2%	-142.7%	1.8	0.5%	(2.5)	-0.8%	173.4%
(-) Non-Recurring Items - EBITDA	85.1	8.1%	22.1	2.6%	284.9%	18.3	5.2%	14.0	4.8%	-31.0%
(-) Non-Recurring Items - Net Income	0.0	0.0%	0.0	0.0%	0.0%	(0.0)	0.0%	0.0	0.0%	0.0%
Adjusted Net Income	77.1	7.4%	40.8	4.7%	88.8%	20.1	5.7%	11.5	3.9%	-75.1%

## Corporate and G&A Expenses

Corporate Expenses totaled R\$34.8 million in 3Q20 and represented 9.9% of Net Revenue vs. R\$25.9 million, or 8.8% of Net Revenue YoY, due to the centralization of processes that used to happen in the units, and greater robustness of the corporate structure, thus ensuring greater scalability and agility in acquisition integrations. In 9M20, these expenses totaled R\$102.2 million (-1.1pp vs. 9M19).

General and Administrative Expenses, consolidating acquisitions, totaled R\$44.7 million in the period, and represented 12.7% of the Net Revenue, versus R\$30.8 million or 10.5% of the Net Revenue YoY, affected by recent acquisitions. Disregarding the effect brought by the acquisitions, General and Administrative Expenses totaled R\$ 30.9 million (8.8% of Net Revenue) vs R\$ 28.1 million in 3Q19 (9.6% of Net Revenue).

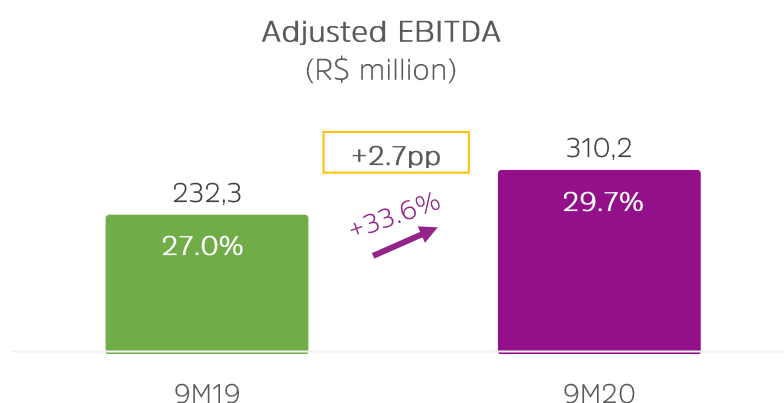


Analyzing the units' G&A, excluding acquisitions, we see an improvement in the performance of this indicator, which in 3Q20 represented 8.8% of Net Revenue (-0.8pp vs 3Q19). Part of this reduction is explained by the

evolution of our organizational design, with new movements of centralizations, to benefit our operations.

## Adjusted EBITDA

As a result of revenue improvement and efficiency gains, adjusted EBITDA totaled R\$310.2 million in 9M20 (+33.6% vs. 9M19), with a 29.7% margin on Net Revenue, representing, even in a challenging scenario like the one we faced, a growth of +2.7pp vs. 9M19.



As reported in the previous items, the main drivers for such result were the growth in Net Revenue, with positive developments in both the base and the ticket; the evolution of the operating result of all student intake at our units; and the efficiency gains derived from the academic model fully implemented in 2018.

We operated six months entirely under social distancing and widespread technology use, facing the challenges that the macroeconomic context has been presenting, through an operational model that proved resilient and enabled us to deliver consistent results. Some of our units, authorized by local authorities, are now resuming their on campus activities in October, still in a phased manner and in rotated environments.

After a positive intake and re-enrollment process, we turn our attention to the challenge of retaining current students and starting to attract new

students for 2021. 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

In R\$ million	3Q20	3Q19	9M20	9M19
restructuring operations	13.4	9.3	17.6	16.3
Integration	2.1	4.2	3.1	4.2
Impairment hsm	-		61.6	-
Others	2.8	0.5	2.8	1.7
<b>Total</b>	<b>18.3</b>	<b>14.0</b>	<b>85.1</b>	<b>22.1</b>

Our non-recurring items in 3Q20 were affected by factors that are mostly necessary to implement strategies that will bring effective efficiency gains.

The main items in this group were: restructuring operations, which totaled R\$13.4 million in 3Q20 (+4.1 million vs. 3Q19), with R\$6.2 million to restructure the new academic model; R\$5.9 million to the merger of four units and R\$1.3 million to the reorganization of administrative structures.

## 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\$3.0 million in 9M20, 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 programs 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 lives and

activities with technology and returned to activities in August, concluding the classes started in the first quarter of 2020. We resumed activities, opening new classes in September 2020, but with limitations on the number of students in this period due to social distancing.

## Financial Result

R\$ (million)	Consolidated Ânima			
	9M20	9M19	3020	3019
<b>(+) Financial Revenue</b>	<b>31.7</b>	<b>20.1</b>	<b>16.0</b>	<b>6.5</b>
Late payment fees	7.3	7.1	2.6	2.4
Interest on financial investments	12.4	5.9	5.9	1.8
Monetary correction	4.1	3.6	3.8	1.2
Discounts obtained	6.6	0.3	3.6	0.2
Other financial revenues	1.3	3.2	0.0	0.9
<b>(-) Financial Expense</b>	<b>(140.2)</b>	<b>(108.2)</b>	<b>(52.7)</b>	<b>(36.7)</b>
Financial debt interest expense <sup>1</sup>	(40.9)	(22.9)	(15.4)	(8.6)
PraValer interest expenses	(12.8)	(16.6)	(2.2)	(4.4)
Accounts payable interest expenses (acquisitions)	(14.4)	(8.2)	(8.7)	(1.9)
Leasing Financial Expens	(55.9)	(49.5)	(19.8)	(17.1)
Financial discounts for students	(10.6)	(7.7)	(4.6)	(3.0)
Other financial expenses	(5.7)	(3.3)	(2.0)	(1.8)
<b>Financial Result</b>	<b>(108.6)</b>	<b>(88.1)</b>	<b>(36.7)</b>	<b>(30.2)</b>

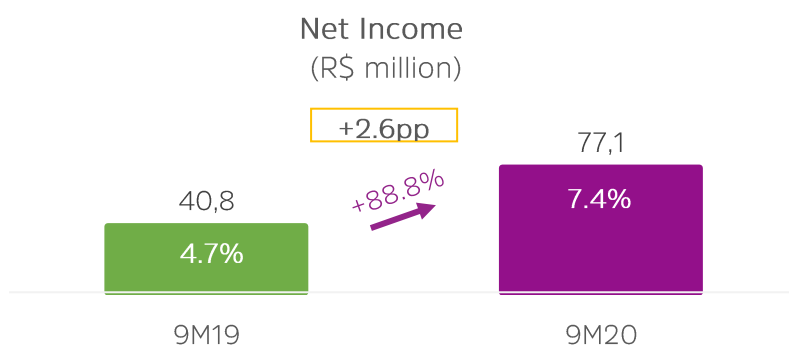
<sup>1</sup>Includes gains and losses on derivatives related to foreign currency loan swap contracts

The Financial Result reached -R\$108.6 million in 9M20, compared to -R\$88.1 million in 9M19. Financial Revenue reached R\$31.7 million, +R\$11.6 million YoY. The main factors that led to this result were: revenue from financial investments (+6.4 million) and discounts mainly from property rental expenses (+R\$6.4 million).

Financial Expenses totaled R\$140.2 million, +R\$ 32.1 million vs. 9M19, 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 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

The strong growth in EBITDA is also followed by a significant increase in Adjusted Net Income, which totaled R\$77.1 million in 9M20 (+88.8% vs. 9M19) or a 7.4% margin on Net Revenue, up by 2.6pp over 9M19. These numbers were reached, even with the increase in financial expenses, explained above, and the higher level of depreciation from investments in technology and structures of our campuses.



## Cash and Net Debt

R\$ (million)	Consolidated Ânima		
	SEPT 20	JUN 20	SEPT 19
(+) Cash and Cash Equivalents	789.8	793.3	107.9
Cash	84.3	41.9	28.0
Financial Investments	705.4	751.4	79.9
(-) Loans and Financing <sup>1</sup>	676.9	605.2	455.0
Short Term	88.0	78.4	208.0
Long Term	588.9	526.7	247.0
(=) Net (Debt) Cash <sup>2</sup>	112.8	188.1	(902.6)
(-) Other Short and Long Term Obligations	270.9	195.3	148.9
(=) Net (Debt) Cash excl. IFRS-16 <sup>3</sup>	(158.1)	(7.1)	(1,051.5)
(-) Liability Lease (IFRS-16)	653.4	594.3	555.5
Short Term	35.7	32.7	23.2
Long Term	617.7	561.6	532.2
(=) Net (Debt) Cash with IFRS-16 <sup>3</sup>	(811.5)	(601.4)	(1,606.9)

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

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

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

Cash and cash equivalents totaled R\$789.8 million in 3Q20, compared to R\$793.3 million in June 2020. This new cash position in 3Q20 is due to the generation of free cash before Capex of R\$78.3 million; amortization of R\$16.3 million in debt and R\$60.1 million in acquisitions.

Total loans and financing reached R\$676.9 million. We stress that the debt maturity profile is diluted over the next five years, with no significant concentration. The other short and long-term obligations, mainly due to securities payable related to acquisitions, totaled R\$270.9 million, representing an increase of R\$75.6 million related to the most recent acquisitions announced.

As a result, excluding the effect of IFRS-16, as provided for in our debt agreements, we closed the quarter with a net debt of R\$158.1 million, or a leverage of 0.59x (net debt ÷ adjusted EBITDA LTM ex-IFRS), which leaves us a comfortable margin for financing new strategic acquisitions.

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

The balance of Net Receivables totaled R\$353.4 million in 3Q20, up by R\$129.0 million over 3Q19, concentrated in the amounts due (+R\$77.2 million vs. 3Q19) of monthly tuition fees, as well as in amounts past due up to 180 days (+R\$ 49.0 million vs. 3Q19). Regarding the amounts due, the impact is explained by two main factors: the increase in receivables from acquisitions (+R\$37.8 million) and 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 relevance, seeking to balance retention and sustainability, to enable the largest number of students to remain studying.

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

We believe that, together, such measures may return past due amounts to historically observed levels. Although these efforts bring positive signs regarding re-enrollment, delinquency remains a cause for concern, given the uncertainty of the macroeconomic environment, requiring extra attention, besides the continuity and intensification of initiatives mentioned above, as well as the search for new alternatives.

(R\$ million)

	3Q20			2Q20	1Q20	4Q19	3Q19	Δ 3Q20 / 3Q19
	Total	Acquisitions	Excl. Acquisitions					
Net Accounts Receivable	353.4	51.0	302.4	328.7	272.9	213.3	224.4	129.0
to mature	224.9	37.8	187.1	204.0	179.8	129.5	147.7	77.2
until 180 days	102.0	10.8	91.2	100.5	70.1	61.4	52.9	49.0
between 181 and 360 days	17.1	1.7	15.5	15.0	14.2	14.3	14.8	2.4
between 361 and 720 days	9.4	0.8	8.6	9.2	8.7	8.2	9.0	0.4
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 DSO (Days of Sales Outstanding) of 85 days, +15 days YoY. As previously reported, this increase is directly due to the effects 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 85 days for Non-FIES students, +7 days over 2Q20 and +15 days YoY. As for FIES receivables, our DSO stood at 108 days (+55 days vs. 3Q19), mainly affected by acquisitions. Finally, in other businesses, our DSO stood at 165 days (+20 days vs. 3Q19), 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	3Q20			2Q20	1Q20	4Q19	3Q19	Δ 3Q20 / 3Q19
	Total	Acquisitions	Excl. Acquisitions					
Net Accounts Receivable	353.4	51.0	302.4	328.7	272.9	213.3	224.4	129.0
Adjusted Accounts Receivable FIES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Adjusted Net Accounts Receivable	353.4	51.0	302.4	328.7	272.9	213.3	224.4	129
Net Revenue (accumulative)	1,046.1	148.3	897.7	695.1	339.0	1,181.5	861.6	184.5
DSO	85	97	68	85	72	63	70	15

FIES	3Q20			2Q20	1Q20	4Q19	3Q19	Δ 3Q20 / 3Q19
	Total	Acquisitions	Excl. Acquisitions					
Net Accounts Receivable	52.3	22.3	30.0	53.6	28.5	6.2	26.0	26
Net Revenue (accumulative)	131.0	36.3	94.6	84.9	36.3	180.8	133.7	(3)
DSO	108	166	43	114	87	12	52	55

Non FIES	3Q20			2Q20	1Q20	4Q19	3Q19	Δ 3Q20 / 3Q19
	Total	Acquisitions	Excl. Acquisitions					
Net Accounts Receivable	275.1	28.7	246.4	253.3	222.6	183.8	179.8	95
Net Revenue (accumulative)	875.1	112.0	763.1	586.4	288.7	929.3	691.9	183
DSO	85	70	68	78	70	70	70	15

Others	3Q20			2Q20	1Q20	4Q19	3Q19	Δ 3Q20 / 3Q19
	Total	Acquisitions	Excl. Acquisitions					
Net Accounts Receivable	26.0	0.0	26.0	21.9	21.7	23.4	18.7	7.3
Net Revenue (accumulative)	40.0	0.0	40.0	23.8	13.9	70.1	34.7	5.4
DSO	165	0	0	165	141	120	145	20

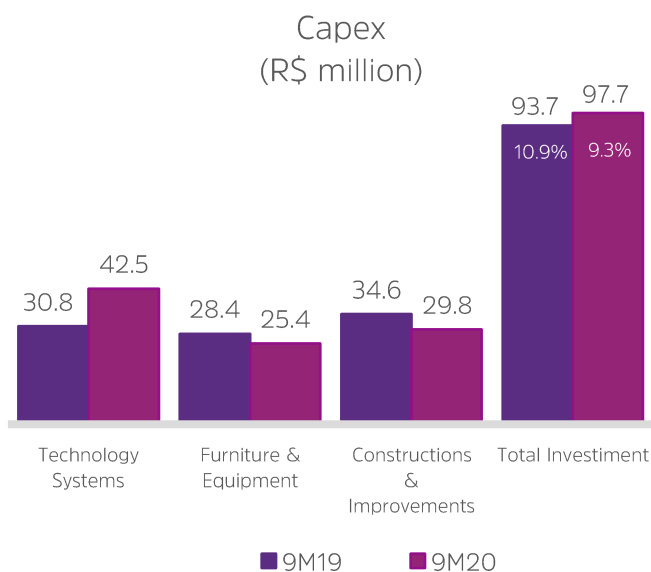
\*Weighted average DSO considering acquisitions in the last 12 months

## Investments (CAPEX)

In 9M20, our investments totaled R\$97.7 million or 9.3% of the Net Revenue, down by 1.5 pp. compared to 10.9% in 9M19.

This investment level continues to be impacted by the organic expansion units - Q2A (R\$28.9 million or 29.3% in 9M20). Excluding the Q2A effect, Capex would have been R\$68.6 million, or 6.6% 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 the use of physical spaces for learning environments, key in this moment when we are resuming on campus activities.



## Cash Flow

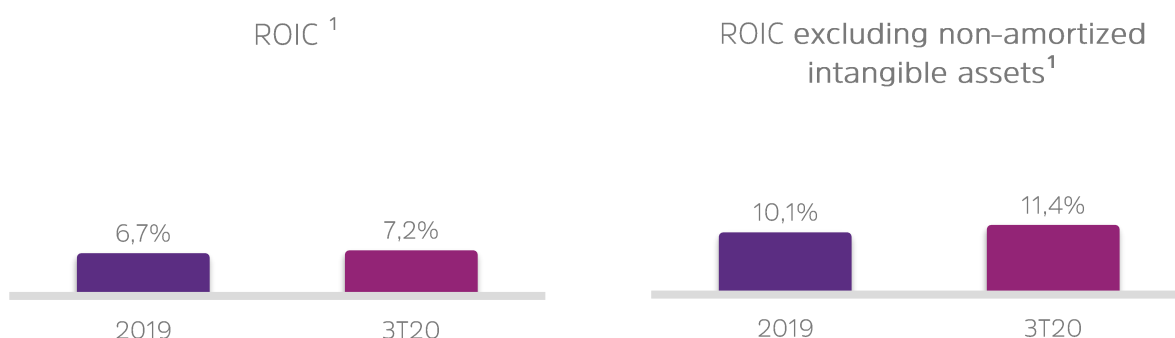
R\$ (million)	9M20	9M19	3Q20	3Q19
<b>Net Result</b>	<b>(8.0)</b>	<b>18.7</b>	<b>1.8</b>	<b>(2.5)</b>
Depreciation & Amortization	65.4	90.7	23.1	31.6
Interest expenses/revenues	93.3	77.9	36.1	26.9
Provisions for labor, tax and civil risks	8.6	(1.2)	5.3	1.1
Amortization of right os usage	44.9	0.0	16.3	0.0
Others	22.8	7.2	16.7	4.1
Impairment HSM	61.6	0.0	0.0	0.0
<b>Operating Cash Flow</b>	<b>289.0</b>	<b>193.3</b>	<b>99.4</b>	<b>61.2</b>
Δ Accounts receivable/PDA	(123.6)	(48.6)	(17.9)	10.9
Δ Other assets/liabilities	38.7	(8.7)	(3.2)	(11.1)
<b>Working Capital Variance</b>	<b>(84.9)</b>	<b>(57.3)</b>	<b>(21.1)</b>	<b>(0.2)</b>
<b>Free Cash Flow before CAPEX</b>	<b>204.1</b>	<b>136.0</b>	<b>78.3</b>	<b>61.0</b>
CAPEX - Fixed and Intangible	(97.7)	(94.8)	(29.0490)	(26.6)
<b>Free Cash Flow</b>	<b>106.4</b>	<b>41.2</b>	<b>49.2</b>	<b>34.4</b>
Financing/Investments activities	(199.5)	(55.0)	8.2	42.4
Capital Increase	1,049.5	0.0	(0.8)	0.0
Shares held in treasury	(100.5)	0.0	0.0	0.0
Acquisitions	(248.8)	(63.3)	(60.1)	(54.7)
<b>Net Cash Flow from Financing Activities</b>	<b>500.7</b>	<b>(118.8)</b>	<b>(52.8)</b>	<b>(12.3)</b>
<b>Net Increase (Reduction) of Cash and Cash Equivalents</b>	<b>607.1</b>	<b>(77.6)</b>	<b>(3.5)</b>	<b>22.2</b>
Cash at the begging of the period	182.6	185.1	793.3	85.4
Cash at the end of the period	789.8	107.5	789.8	107.5

We closed 9M20 with an Operating Cash Generation before Capex of R\$204.1 million (+R\$68.1 million vs. 9M19) or 65.7% of the Adjusted EBITDA, despite the increased pressure on working capital (-R\$84.9 million) due to the increase in receivables and PDA (-R\$123.6 million). Free Cash Generation reached R\$106.4 million versus R\$41.2 million in 9M19 (+R\$65.1 million vs. 9M19).

After our capital increase of R\$1,049.5 million, and investment activities, including acquisitions, our Free Cash Generation reached R\$500.7 million (+R\$619.5 million vs. 9M19). Additionally, we directed R\$100.5 million to our Buyback Program, while investing R\$248.8 million in acquisitions fully in line with our expansion plan. Thus, we ended the quarter with a cash balance and financial investments totaling R\$789.8 million.

## Return on Invested Capital (ROIC)

Among other metrics of financial results, we still monitor our financial performance through our return on invested capital (ROIC) and are working on delivering improvements in this indicator. The growth is also evident in the 3Q20 results, with ROIC totaling 7.2%, up by 0.6pp versus 2019. When analyzing our return excluding non-amortizable intangible assets, we reached 11.4%, +1.2pp versus 2019.



<sup>1</sup> 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

9M20

Consolidated Anima R\$ (million)	9M20					IFRS Income Statement
	Release Income Statement	Depreciation & Amortization	Corporate Expenses	Late Payment Fees	Non- Recurring Items	
Gross Revenue	2,015.4				0.4	2,015.8
Discounts, Deductions & Scholarships	(935.5)				(0.0)	(935.5)
Taxes	(34.2)				(0.0)	(34.2)
<b>Net Revenue</b>	<b>1,045.7</b>	<b>0.0</b>		<b>0.0</b>	<b>0.4</b>	<b>1,046.1</b>
Cash Cost of Services	(415.8)	(70.1)		0.0	(11.2)	(497.1)
- Personnel	(344.4)				(10.9)	(355.3)
- Services from Third Parties	(28.2)				(0.0)	(28.2)
- COGS	0.0				0.0	0.0
- Rental & Utilities	(19.4)				(0.1)	(19.6)
- Others	(23.8)	(70.1)			(0.1)	(94.0)
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>629.9</b>	<b>(70.1)</b>	<b>0.0</b>	<b>0.0</b>	<b>(10.9)</b>	<b>548.9</b>
Sales Expenses	(106.2)	0.0	(2.7)	0.0	0.0	(108.9)
- Provision for Doubtful Accounts (PDA)	(55.7)		(0.1)		0.0	(55.8)
- Marketing	(50.5)		(2.6)		0.0	(53.1)
General & Administrative Expenses	(115.6)	(41.1)	(103.1)	0.0	(71.5)	(331.2)
- Personnel	(87.9)		(65.4)		(1.5)	(154.7)
- Third Party Services	(12.9)		(22.9)		(0.0)	(35.8)
- Rental & Utilities	(2.8)		(0.4)		(0.0)	(3.2)
- Others	(12.0)	(41.1)	(14.4)		(70.0)	(137.5)
Other Operating Revenues (Expenses)	(2.7)	0.0	(2.3)	0.0	3.2	(1.8)
- Provisions	0.1		(8.7)		0.0	(8.6)
- Taxes	(6.0)		(2.8)		(0.0)	(8.8)
- Other Operating Revenues	3.2		9.2		3.2	15.6
Late Payment Fees	7.3			(7.3)	0.0	0.0
<b>Operating Result</b>	<b>412.7</b>	<b>(111.2)</b>	<b>(108.1)</b>	<b>(7.3)</b>	<b>(79.1)</b>	<b>107.0</b>
- Corporate Expenses	(102.2)		108.1		(6.0)	(0.0)
<b>Adjusted EBITDA</b>	<b>310.5</b>	<b>(111.2)</b>	<b>0.0</b>	<b>(7.3)</b>	<b>(85.1)</b>	<b>107.0</b>
(-) Late Payment Fees	(7.3)			7.3	0.0	0.0
(-) Non-Recurring Items - EBITDA	(85.1)				85.1	0.0
<b>EBITDA</b>	<b>218.2</b>	<b>(111.2)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>107.0</b>
Depreciation & Amortization	(111.2)	111.2			0.0	0.0
Equity Equivalence	(3.0)				0.0	(3.0)
<b>EBIT</b>	<b>104.0</b>	<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>104.0</b>
Net Financial Result	(108.6)				0.0	(108.6)
<b>EBT</b>	<b>(4.6)</b>	<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(4.6)</b>
Income Tax and Social Contribution	(3.0)				0.0	(3.0)
<b>Net Income</b>	<b>(8.0)</b>	<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(8.0)</b>
(-) Non-Recurring Items - EBITDA	85.1				(85.1)	0.0
(-) Non-Recurring Items - Net Income	0.0				0.0	0.0
<b>Adjusted Net Income</b>	<b>77.1</b>	<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>(85.1)</b>	<b>(8.0)</b>

## APPENDIX 2 – INCOME STATEMENT – IFRS

	9M20	9M19	3Q20	3Q19
Net Revenue	1,045.7	861.6	351.0	293.7
COST OF SERVICES	(497.1)	(478.8)	(172.9)	(168.3)
Gross (Loss) Profit	548.6	382.8	178.1	125.5
OPERATING (EXPENSES) / INCOME	(445.0)	(272.3)	(139.7)	(95.8)
Commercial	(108.9)	(76.0)	(32.2)	(26.1)
General and administrative	(243.4)	(197.6)	(88.7)	(69.0)
Equity income	(3.0)	(1.9)	(1.2)	(0.6)
Other operating (expenses) revenues	(89.6)	3.2	(17.6)	(0.1)
Income before Financial Result	103.6	110.5	38.4	29.6
Financial interest income	37.5	27.8	19.7	10.0
Financial interest expenses	(146.0)	(115.8)	(56.0)	(40.2)
Net (Loss) Income before Taxes	(5.0)	22.4	2.1	(0.6)
Income tax and social contribution, current and deferred	(3.0)	(3.7)	(0.3)	(1.9)
Net Income or Loss for the Period	(8.0)	18.7	1.8	(2.5)

## APPENDIX 3 – Balance Sheet – IFRS

Assets				Liabilities			
	SEPT 20	SEPT 19	JUN 20		SEPT 20	SEPT 19	JUN 20
<b>Current Assets</b>	<b>1,309.4</b>	<b>369.7</b>	<b>1,312.4</b>	<b>Current Liabilities</b>	<b>442.7</b>	<b>470.7</b>	<b>381.6</b>
Cash and cash equivalents	84.33	27.96	41.92	Supplier	43.1	31.9	44.4
Cash & financial investments	705.43	79.94	751.39	Loans	87.91	203.71	78.4
Accounts receivable	318.36	224.40	302.43	Right of use lease	35.7	23.2	32.7
Prepaid expenses	12.90	17.38	19.46	Personnel	142.7	96.3	130.5
Recoverable taxes	4.82	6.23	6.01	Taxes payable	27.6	14.3	21.9
Derivatives	-	4.08	-	Advances from clients	28.1	30.0	16.4
Rights and loans to acquisitions	172.04	-	177.14	Tax debt installments	6.4	-	-
Other current assets	10.19	9.74	14.03	Accounts payables	64.6	70.0	51.3
Direitos a receber de não controladores	1.32	-	-	Dividends payables	-	-	-
				Derivatives	0.1	0.2	-
				Other current liabilities	6.4	0.9	6.0
<b>Non-Current Assets</b>	<b>2,393.2</b>	<b>1,791.2</b>	<b>2,132.9</b>	<b>Non-Current Liabilities</b>	<b>1,597.4</b>	<b>1,006.5</b>	<b>1,407.6</b>
Accounts receivable	35.1	-	26.3	Loans	587.99	247.02	526.7
Prepaid expenses	-	0.0	-	Right of use lease	617.7	532.2	561.6
Judicial deposits	62.8	57.8	63.5	Accounts payables	169.2	76.3	141.3
Direitos a receber de não controladores	102.0	-	-	Debit with related parties	0.1	0.0	0.0
Credit with related parties	10.6	10.0	10.5	Client advances	7.8	-	-
Recoverable taxes	14.9	12.1	13.2	Tax debt installments	30.7	2.6	2.6
Deferred income tax and social contribution	1.5	1.6	1.5	Deferred income tax and social contribution	74.1	48.6	72.6
Derivatives	-	-	-	Provisions for risks	104.5	96.2	96.2
Rights and loans to acquisitions	11.4	-	-	Derivatives	0.9	-	-
Other non-current assets	5.0	39.7	38.8	Other non-current liabilities	2.2	1.9	2.5
Investments	0.0	-	-	Provision for loss in investment	2.3	1.7	4.1
Right of use	604.2	541.3	553.6				
Fixed	372.8	369.7	391.5	<b>Shareholder Equity</b>	<b>1,662.5</b>	<b>683.8</b>	<b>1,656.1</b>
Intangible	1,172.9	759.0	1,034.0	Capital Stock	1,651.6	496.4	1,651.6
				Expenditure with emission of stocks	(79.4)	-	(78.6)
				Capital reserve	34.8	5.7	39.0
				Earnings reserve	165.5	248.1	232.9
				Shares in treasury	(38.2)	(15.6)	(110.5)
					-	-	-
				Asset valuation adjustment	(69.6)	(69.6)	(69.6)
				Retained earnings	(8.0)	18.7	(9.8)
				Minority shareholders interest	5.7	-	1.0
				Obligations for investment purchase	-	-	-
<b>Total Assets</b>	<b>3,702.6</b>	<b>2,161.0</b>	<b>3,445.3</b>	<b>Total Liabilities and Shareholder Equity</b>	<b>3,702.6</b>	<b>2,161.0</b>	<b>3,445.3</b>

## APPENDIX 4 – Cash Flow – IFRS

	9M20	9M19	3Q20
<b>Net Income for the Period</b>	<b>(7.6)</b>	<b>1.8</b>	<b>(2.5)</b>
Adjust by:			
Provision for Doubtful Debts	55.8	14.9	11.1
Reversal (restatement) court deposit	0.8	0.2	(0.4)
Depreciation and amortization	65.4	23.1	31.6
Disposals of residual value of property, plant and equipment and intangible assets	9.8	8.9	0.3
Equity Pickup	3.0	1.2	0.6
Updating third-party loans	(2.1)	(0.5)	(0.8)
Loss with borrowers with related party	-	-	-
PUT option premium adjustment	-	-	-
Interest on loans, financing, debentures and tax installment	22.6	6.5	7.8
Constitution, reversal and update of provision for labor, tax and civil risks	8.6	5.3	1.5
Present value adjustments to account payable	14.4	8.7	19.0
Revenue from adjustment to present value of the Ampliar and Pravalier financing	0.4	1.0	0.1
Compensation based on shares	5.4	0.8	1.0
Shared granted to employees (Dádiva)	-	-	-
Alienation of treasury shares	-	-	-
Interest on loans with related parties	-	-	-
Current and deferred Income Tax and Social Contribution	3.0	0.7	1.9
Perda com investimentos	-	-	-
Loss with impairment provision	61.6	-	-
Write-off of property, plant and equipment and intangible assets	-	-	-
Interest rates de installments e charges	-	-	-
Investment acquisition/Installment	-	-	-
Written-off - Right of use	(0.8)	0.2	-
Fair value of derivatives	8.7	8.5	0.5
Amortization of right of usage	45.7	16.1	-
Fair value of derivatives	55.9	19.8	-
Rental revenue	(5.8)	(3.0)	-
	<b>344.8</b>	<b>114.3</b>	<b>72.3</b>
<b>Changes in assets and operating liabilities</b>			
Decrease (Increase) in accounts receivable	(179.4)	(32.8)	(0.2)
Decrease (Increase) in sundry prepayments	15.2	6.6	5.5
Decrease (Increase) of court deposits	(6.9)	(1.3)	(1.4)
Decrease (Increase) in recoverable taxes and contributions	(2.0)	(0.5)	1.3
Decrease (Increase) of other assets	(9.2)	(1.9)	(2.1)
Increase (decrease) in suppliers	2.3	(4.7)	0.9
Increase (decrease) of provision for tax, civil and labor risks	45.6	(2.2)	9.0
Increase (decrease) in customer advances	0.8	6.0	12.6
Increase (decrease) of taxes and contributions paid in installments	(3.4)	(3.4)	(0.1)
Increase (decrease) in bonds payable	-	-	-
Increase (decrease) in risks provision	(2.5)	(1.6)	(1.9)
Increase (decrease) in other liabilities	(0.8)	(0.0)	(35.0)
<b>Cash from Operations</b>	<b>(140.4)</b>	<b>(36.0)</b>	<b>(11.4)</b>
Interests Paid	(27.9)	(4.0)	(6.8)
Income tax and social contribution paid	(0.3)	(0.0)	-
<b>Net Cash Flow from Operating Activities</b>	<b>176.2</b>	<b>74.3</b>	<b>54.1</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Loans with related parties	-	-	-
Concessions	-	-	-
Receipts	-	-	-
Capital Increase	(3.1)	(3.1)	-
Acquisition of subsidiaries net of cash acquired	(140.5)	(19.9)	(43.7)
Rights and loans for acquisitions	(83.3)	(26.3)	-
Dividends of subsidiaries paid after business combination	(25.0)	(14.0)	-
(Redemption) application of financial investments	(542.4)	51.7	(22.9)
Earnings from financial investments	(11.9)	(5.8)	(1.6)
Acquisition of property and equipment	(60.5)	(17.0)	(18.1)
Purchase of intangible assets	(37.2)	(12.1)	(8.5)
<b>Net cash used in investing activities</b>	<b>(904.0)</b>	<b>(46.3)</b>	<b>(94.8)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Loans with related parties	-	-	0.0
Funding	-	-	-
Amortization	(3.7)	(0.0)	-
Loans and Financing	-	-	-
Funding	80.7	80.6	100.0
Amortizations	(110.1)	(26.6)	(51.1)
Gains and losses on derivatives	3.2	(0.2)	0.5
Amortization of securities payable in the acquisition of controladas	(69.1)	(14.0)	(10.9)
Rental payment	(69.5)	(24.6)	-
Funding cost in issuing bonds	-	-	-
Acquisition of non-controlling interest in subsidiaries	-	-	-
Capital increase	1,049.5	(0.8)	-
Treasury Shares	(100.5)	-	-
Dividends paid	-	-	-
<b>Net Cash (used) Generated in Financing Activities</b>	<b>780.5</b>	<b>14.4</b>	<b>38.4</b>
<b>CASH FLOW (INVESTED) GENERATED IN THE YEAR</b>	<b>52.7</b>	<b>42.4</b>	<b>(2.3)</b>
<b>CHANGES IN CASH &amp; CASH EQUIVALENTS</b>			
Cash and Financial Investments at the beginning of the period	31.6	41.9	30.3
Cash and Financial Investments at the end of the period	84.3	84.3	28.0
<b>INCREASE (REDUCTION) IN AVAILABILITY</b>	<b>52.8</b>	<b>42.4</b>	<b>(2.4)</b>