4Q18

RESULTS

Conference Call in Portuguese and English
March 21, 2019
11:00 a.m. (Brasília)
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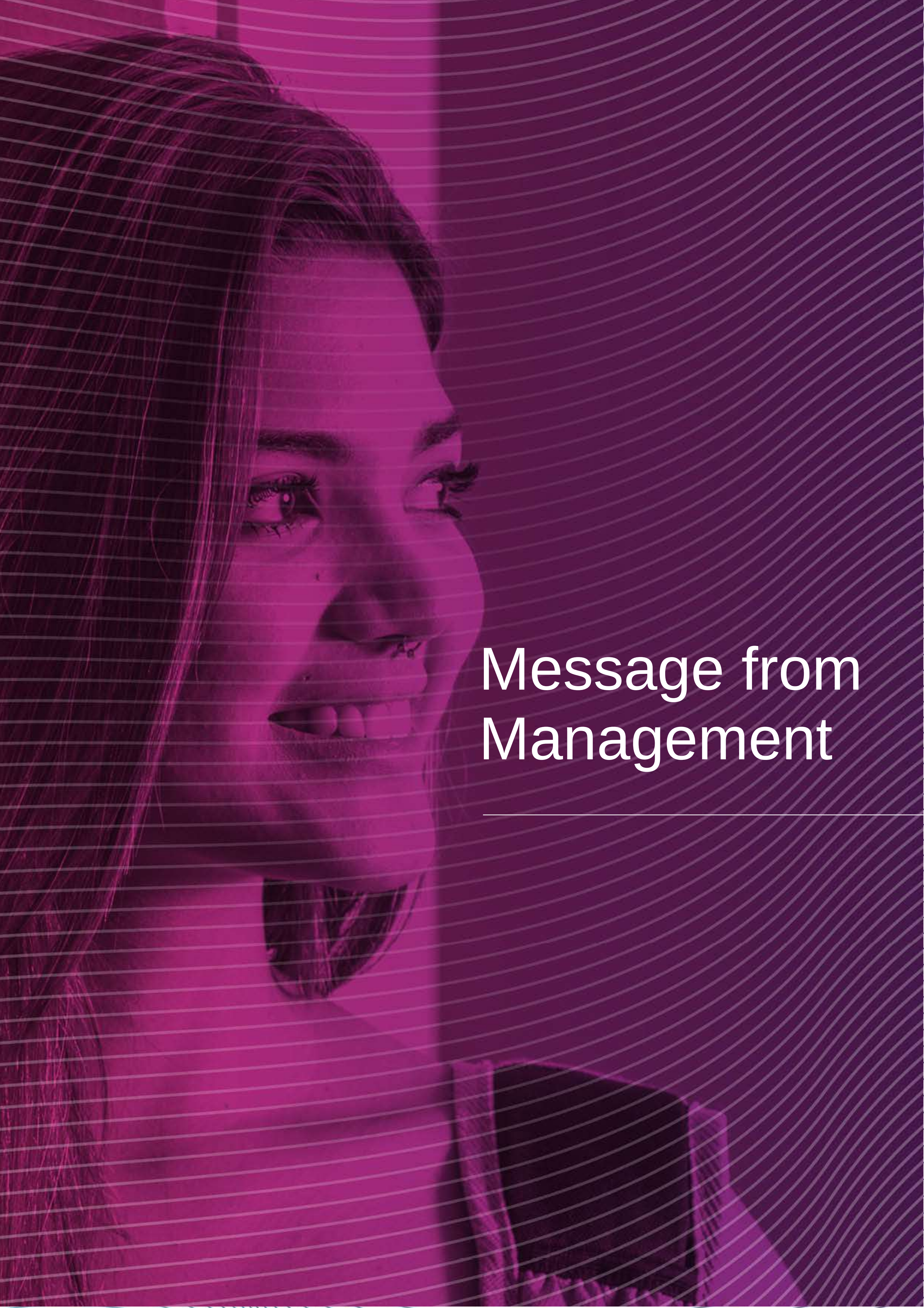
ânima
EDUCAÇÃO



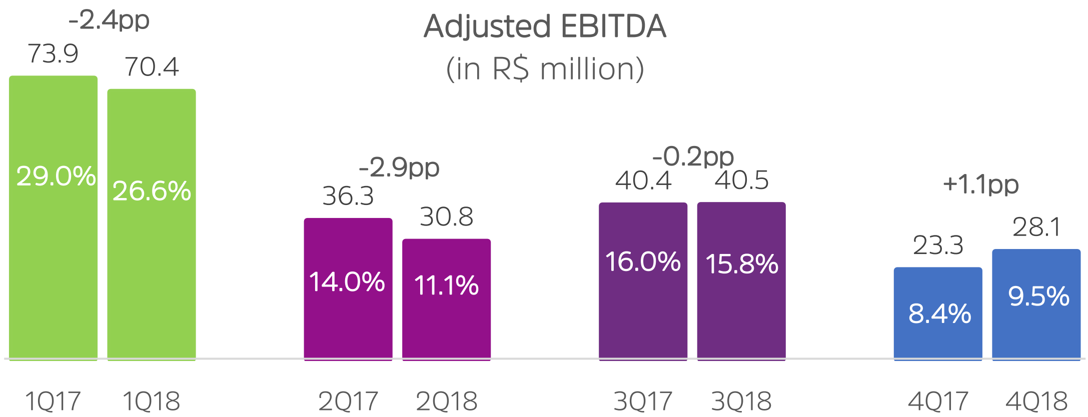
Message from Management

MESSAGE FROM MANAGEMENT

Marking 15 years in operation and 5 years since our IPO, 2018 was a landmark year for Ânima. Significant improvements made in Ânima's operations and governance have laid the groundwork for the Company's success in upcoming cycles. Although we have felt the financial impacts of the adjustments made throughout the year, we are on the right track to maximize growth and profitability in a sustainable way.

Our net revenue increased by 4.8% in 2018, reaching R$1,093.1 million, fueled by strong intake cycles in the year, which led to a 7.0% increase in the student base. However, increasing competitiveness in the sector has required us to adopt a more proactive commercial approach, which continues to exert pressure on net ticket and in the Discounts, Deductions & Scholarships line, an issue that we are working diligently to solve. This performance, together with non-recurring restructuring expenses of R$52 million, affected our profitability in 2018, as announced earlier. Adjusted EBITDA totaled R$169.8 million in 2018 (-2.4% vs. 2017), with a margin of 15.5% (-1.2pp vs. 2017).

However, it is important to note a clear reversal of the trend of pressure on operating margins as of 3Q18, when we began to see a new margin recovery curve that was confirmed in 4Q18 and reported herein. We began a strong margin recovery process focused on general and administrative (G&A) expenses in 2018. The Census Project, launched in July, was designed to eliminate redundancies between the corporate structures and the units. Accordingly, it led to improvements in operational performance based on internal benchmarking. We also carried out specific actions in our Acquisitions block (particularly regarding our 2016 acquisitions of UniSociesc, Una Bom Despacho, and Una Uberlândia), reversing the negative trend observed until 9M18 (-3.8pp vs. 9M17), reaching an operating margin of 21.5% (+17.2pp vs. 4Q17) and reducing the profitability gap between this block and the base operation.



In 4Q18, adjusted EBITDA stood at R$28.1 million, with a margin of 9.5%, up 20.9% and 1.1pp, respectively, versus 4Q17. We believe that this positive margin trend will continue in 2019.

We have developed a three-pillar strategy to help ensure we reach our margin recovery goals. The first pillar involves a high-quality academic model that possesses large-scale transformative power. Internally, we call this model E2A—Ânima's Learning Ecosystem. In keeping with the set timeline, E2A was implemented for intake students in 2018. E2A is a hybrid model that aims to develop competencies through an optimal combination of face-to-face classes and technology. With E2A, we can quickly seize opportunities that arise from the growing prevalence of hybrid models in Brazil's higher education—as legislation adapts to this new landscape. As of 2019, E2A has begun to generate profitability gains that can already be seen on our mature campuses—with more gains expected in 2020.

The second pillar involves transforming the Journey of Ânima Students, or J2A. In this line, we follow our students every step of the way. From the moment they consider studying at one of our institutions, we aim to build a lasting relationship in which we serve as a continual resource for learning opportunities throughout their lives. We are thus transforming processes and relationships in order to provide an experience that delivers quality in line with our current standards of academic excellence. The highlights of the year were the implementation of web and mobile registration for the 2018-2 cycle, impacting more than 42 thousand students, and a simple and effective registration method for *vestibular* (entrance exams) campaigns, which has made the commercial discount application portion of the current enrollment process more efficient. We have begun and will continue working diligently to further refine our enrollment process in 2019, making it even more seamless and intuitive.

Central to the third pillar is our organic expansion plan, or Q2A. Until July 2016, we had 23 mature units throughout our 4 brands (UNA, UniBH, USJT, and UniSociesc). Over the last 2.5 years, we doubled this number of units. As a result, we currently have 47 units, 22 of which we opened, and 2 of which were acquired in 2018 (CESUC - Catalão/GO and Faculdade Jangada - Jaraguá do Sul/SC), expanding Ânima's presence in these cities as part of the Company's organic expansion plan. The prospects for this block are very positive, given that the intake and financial results of the units opened in 2018 reached the breakeven point, exceeding our expectations. This block is essential for Ânima's growth and it recorded a substantial increase in the student base. By the end of 2018 we had over 9.3 thousand students enrolled in the new units, showing that we are on the right track, especially considering that these units are, on average, not yet halfway through the maturity process.

With the start of 2019, we have begun the intake cycle of 8 additional units, focusing on the São Judas brand in the São Paulo metropolitan region, especially in areas close to public transport or avenues undergoing real estate transformation.

We will remain on the lookout for M&A opportunities, seeking post-secondary institutions that have brands with excellent reputations and potential for significant growth and margin gains that are always in line with our positioning.

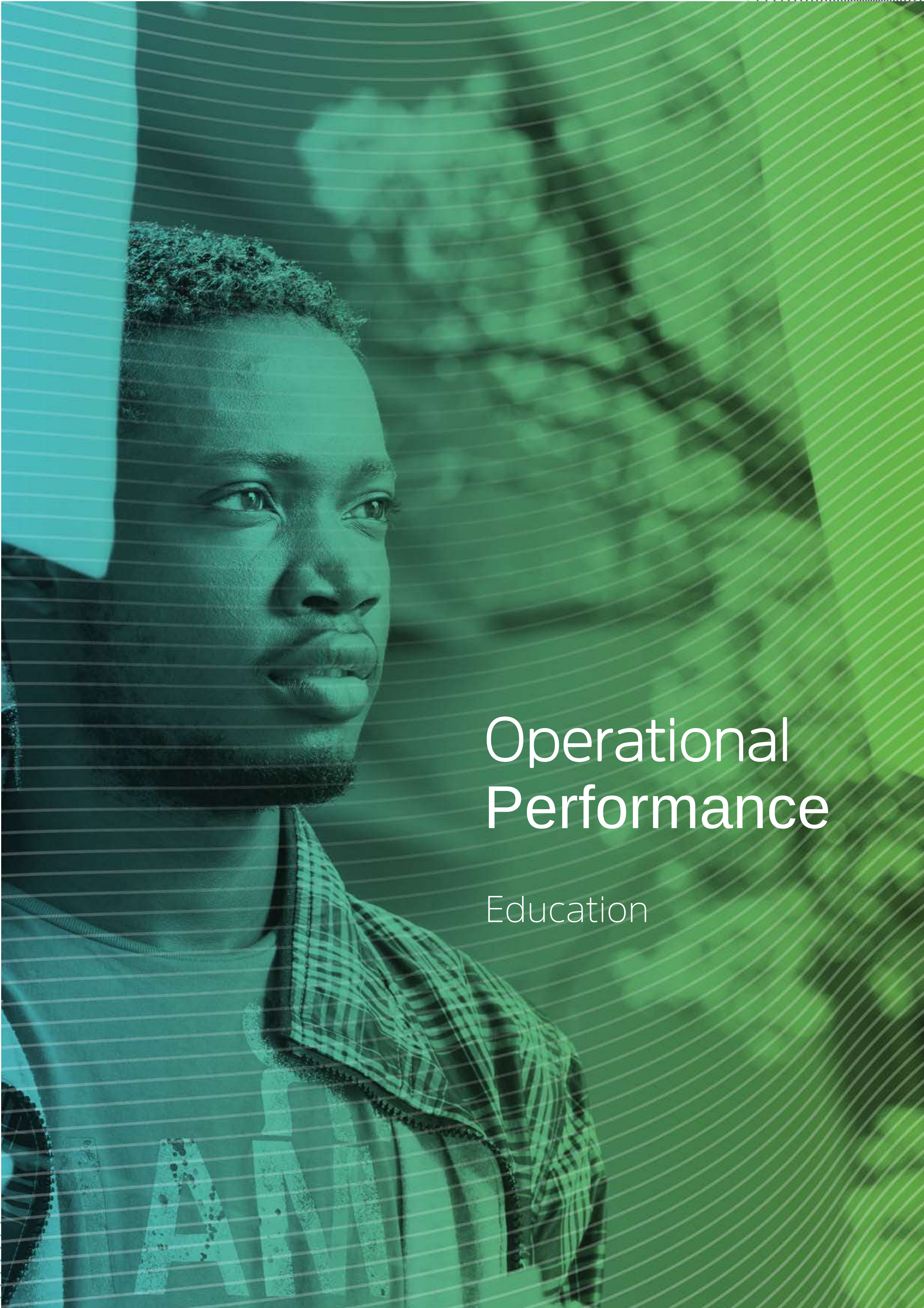
Our M&A strategy continues to be in line with our organic expansion project (Q2A), as it allows us to enter new markets and achieve spiraling growth with the launch of new units.

Meanwhile, the Other Businesses segment, which is composed of HSM and Escola Brasileira de Direito (EBRADI), recorded a significant improvement in its results, having recorded a positive operating margin for the first time in 2018. The highlights were EBRADI's growth, driven by an increase in sales of online courses; the evolution of HSM, driven by the consolidation of HSM's corporate education arm, HMS Academy; the SingularityU Brasil Summit event; and another successful edition of HSM Expo. We continue to focus on further improving the results of this segment.

We invested R$114 million in 2018, or 10% of net revenue, in line with our strategy of growth and process improvements. The main investment groups are the opening and expansion of new academic units (Q2A), continuous investment in the development of our educational systems and technological platform (E2A), and the improvement of our services related to the student experience outside the classroom (J2A). We began 2019 with R$185 million in cash and net debt of R$316 million, representing leverage (net debt ÷ LTM adjusted EBITDA) of 1.9x.

These developments are inextricably linked to the transformation of our governance structure in 2018. Among the changes to our operations, eliminating all overlap between the Board of Directors and the Board of Executive Officers was paramount. We composed our board of directors mostly of independent members, and we set up more robust permanent advisory committees, coordinated by board members strongly dedicated to their areas of expertise. We created the Department of Governance, which concentrates the Company's entire corporate governance system, acting as mediator between the Board of Directors and Management in a structured manner, equipped with tools and a communication platform to ensure effectiveness and best practices.

We reaffirm and reassert our role as the education group that adds the most value for students in Brazil (as shown by the IDD figures disclosed by INEP/MEC). We remain convinced that technology and the inevitable pursuit of academic quality will prevail as trends for post-secondary education. Our commitment to academic quality and our mission to *Transform the Country through Education* are already widely known and recognized. We strongly believe in our mission to deliver high-quality education—and we equally seek to strategically position ourselves to optimally deliver relevant, growing, and sustainable results and returns in the long term to our shareholders.



Operational Performance

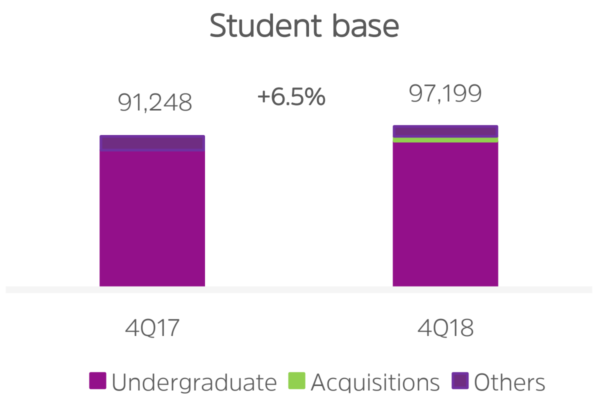
Education

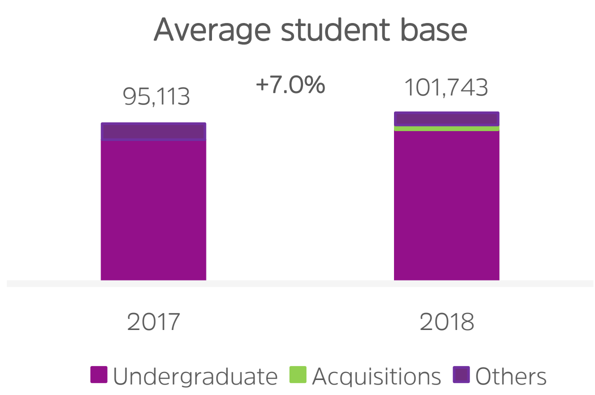
OPERATING PERFORMANCE

EDUCATION

We ended 4Q18 with 97.2 thousand students, a 6.5% growth versus 4Q17 (+3.4% excluding the acquisitions made in 2018), driven by the excellent results of the intake cycles combined with retention efforts, leading to continued and consistent student base growth.

As a positive highlight, the undergraduate student base increased (+8.2 thousand students and +9.9% over the same period last year). As expected, consolidated growth was impacted by a reduction in the number of distance learning students, in line with our strategic decision to stop enrolling students in this segment, as well as a decline in graduate programs, concentrated in UniSociesc.

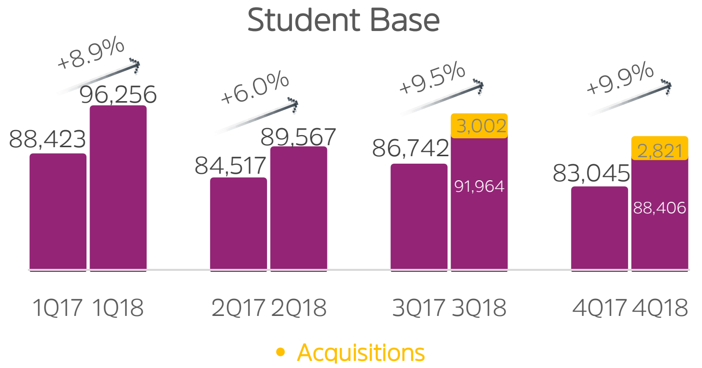


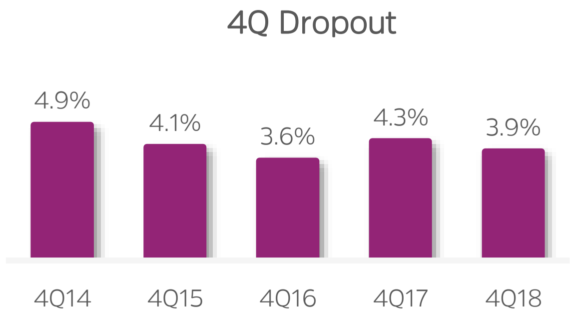


Student Base	4Q17	1Q18	2Q18	3Q18	4Q18	Average 2017	Average 2018	% 4Q18/ 4Q17	% 4Q18/ 3Q18	% Avg 2018/2017
Undergraduate[1]	83,045	96,256	89,567	91,964	88,406	85,682	91,548	6.5%	-3.9%	6.8%
Graduate	4,557	4,715	5,478	5,227	3,846	4,991	4,817	-15.6%	-26.4%	-3.5%
Distance Learning	2,752	1,750	1,797	1,135	1,153	3,339	1,459	-58.1%	1.6%	-56.3%
Vocational Programs & K1	894	1,018	1,055	935	922	1,101	983	3.1%	-1.4%	-10.8%
Total	91,248	103,739	97,897	99,261	94,327	95,113	98,806	3.4%	-5.0%	3.9%
CESUC + Jangada				3,002	2,872		2,937		-4.3%	
Total with Acquisitions	91,248	103,739	97,897	102,263	97,199	95,113	101,743	6.5%	-5.0%	7.0%

[1] Includes blended programs

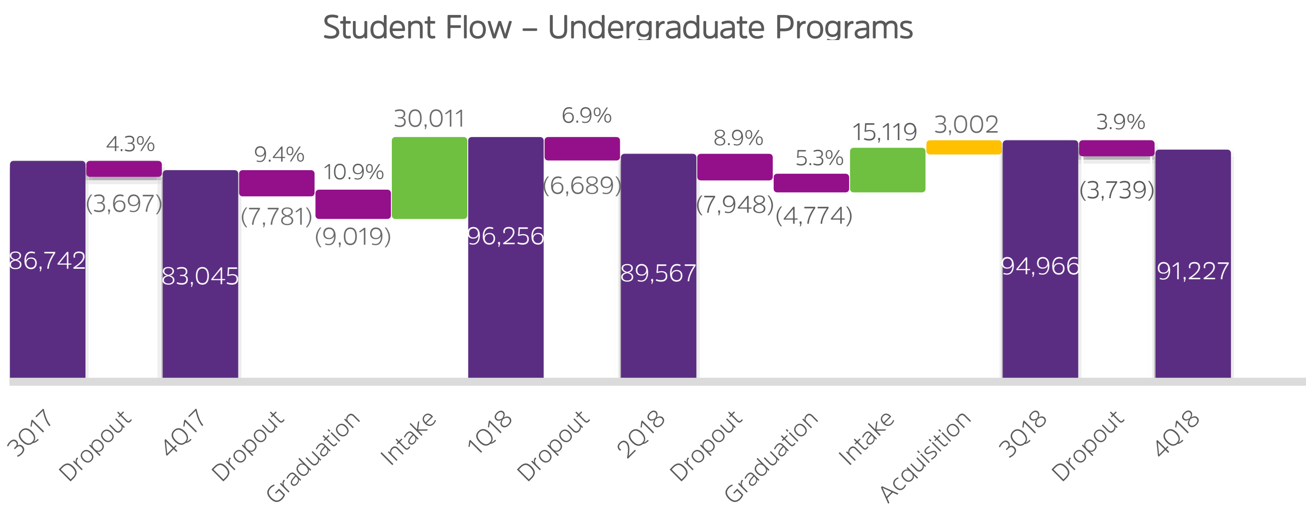
Student Base: Undergraduate courses

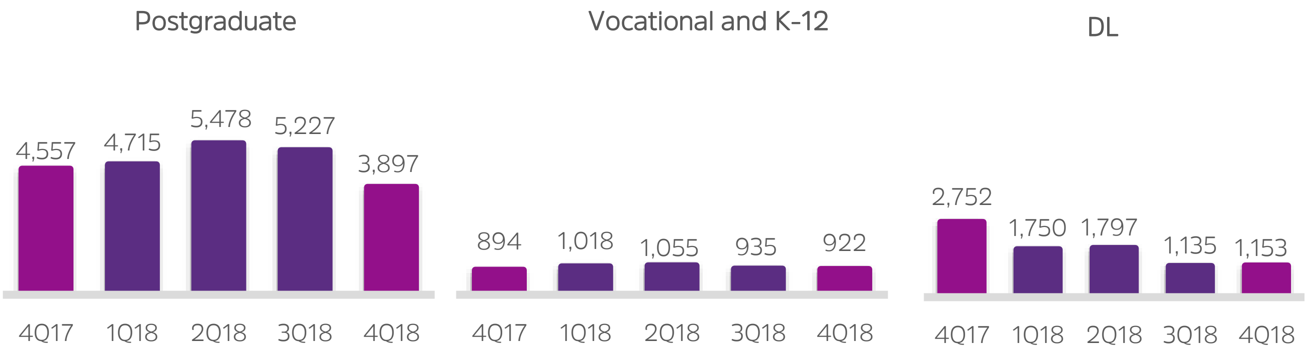




The undergraduate student base continued to grow, increasing 9.9% versus 2017, with the addition of 8.2 thousand students (+6.5% and +5.4 thousand students, respectively, excluding the acquisitions made in 2018).

In addition to good intake cycles, we saw an improvement in student retention rates. In 4Q18, 3.7 thousand undergraduate students dropped out, corresponding to 3.9% of the student base in the beginning of the period (0.4pp better vs. 4Q17).





Graduate Programs – The graduate segment is understood to be more susceptible to the macroeconomic scenario. As a result, we saw a 15.6% decline in the student base compared to 2017, to 3.9 thousand students, concentrated in UniSociesc, which has a partnership with FGV to offer these courses. We continue to put in our best efforts to turn these results around.

Vocational and K-12 Student Base – We ended 2018 with 0.9 thousand K12 and vocational education students (+3.1% vs. 2017), including Florianópolis and Blumenau International Schools, Colégio Tupy (COT), and Escola Técnica Tupy (ETT).

Distance-Learning Student Base – We ended 2018 with 1.2 thousand distance-learning students in undergraduate, graduate, and vocational programs, down 58.1% year-on-year, in line with our strategic decision to stop enrolling students in this segment.

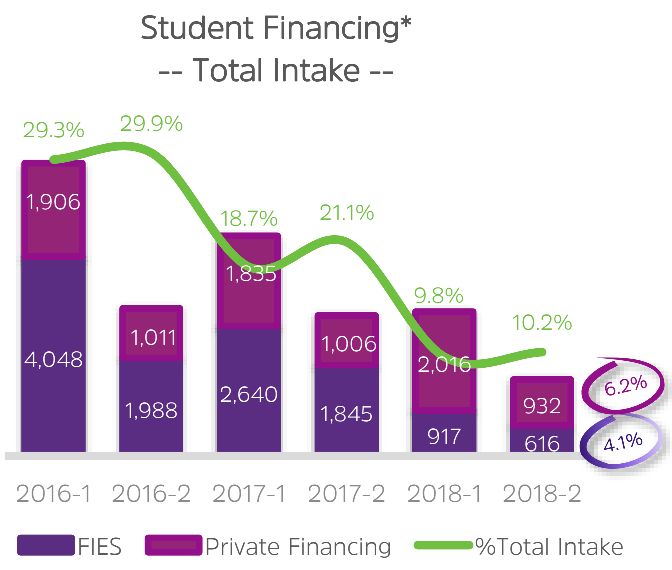
The reported student base does not include EBRADI students because this brand, which was launched in late 2016 to offer online law courses nationwide, is part of the Other Businesses segment.

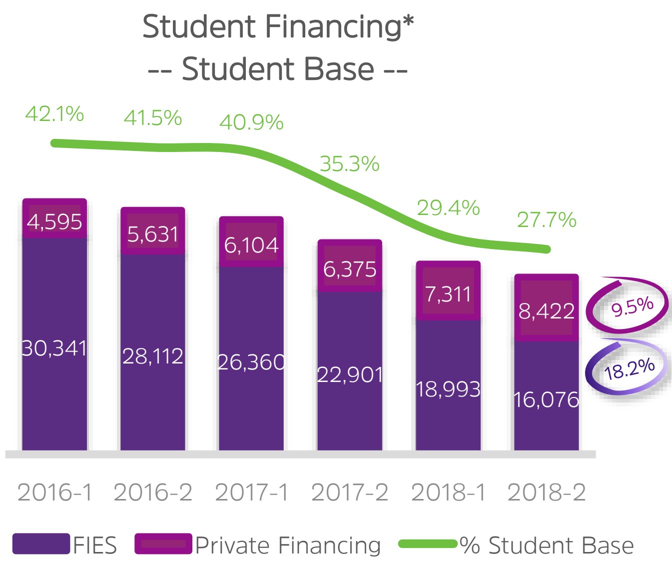
Student Financing

Student Financing

We ended 2H18 with 0.6 thousand new FIES contracts (-66.6% vs. 2H17), accounting for 4.1% of the total intake, excluding the acquisitions made in 2018. This includes both new contracts made available by the government this semester and students who transferred from other institutions. As a result, by the end of 2018, we had around 16.1 thousand FIES students (18.2% of the base), excluding the acquisitions made in 2018.

Regarding private financing, in addition to the traditional *PraValer* products, in which the receivables' credit risk is fully transferred to Ideal Invest, we also offer a type of financing in which students go through *PraValer*'s entire credit scoring process, but an additional number of students is approved based on their ENEM score. The credit risk related to these students remains in our balance sheet. These private financing products together reached 0.9 thousand new students in the last intake cycle (+7.4% vs. 2017-2), corresponding to 6.2% of the total intake, 48 of whom using our own balance sheet. We end the last quarter of the year with 8.4 thousand students with private financing, corresponding to 9.5% of the undergraduate base (excluding the acquisitions), only 1.5 thousand of whom using our own balance sheet.





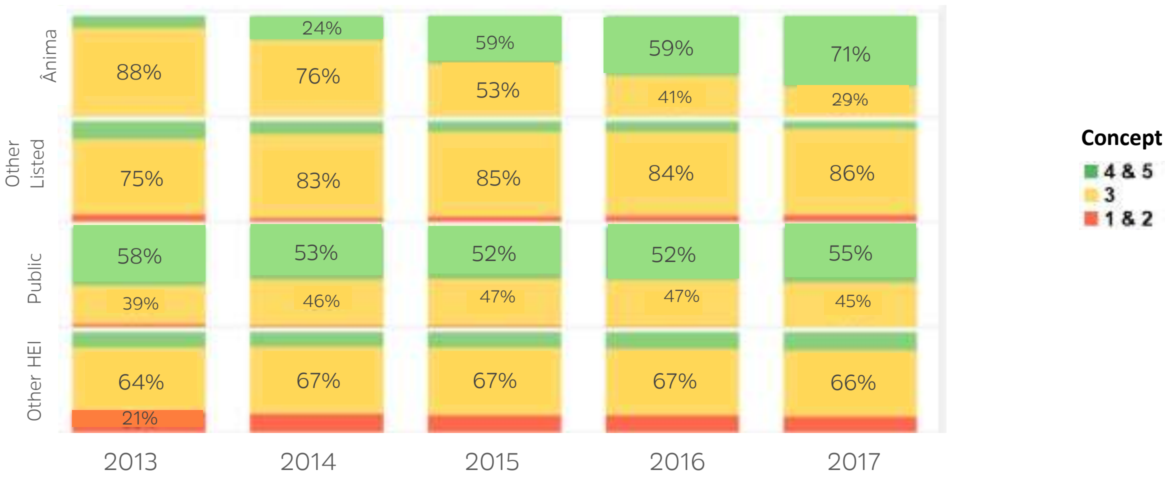
Academic Quality

Academic Quality

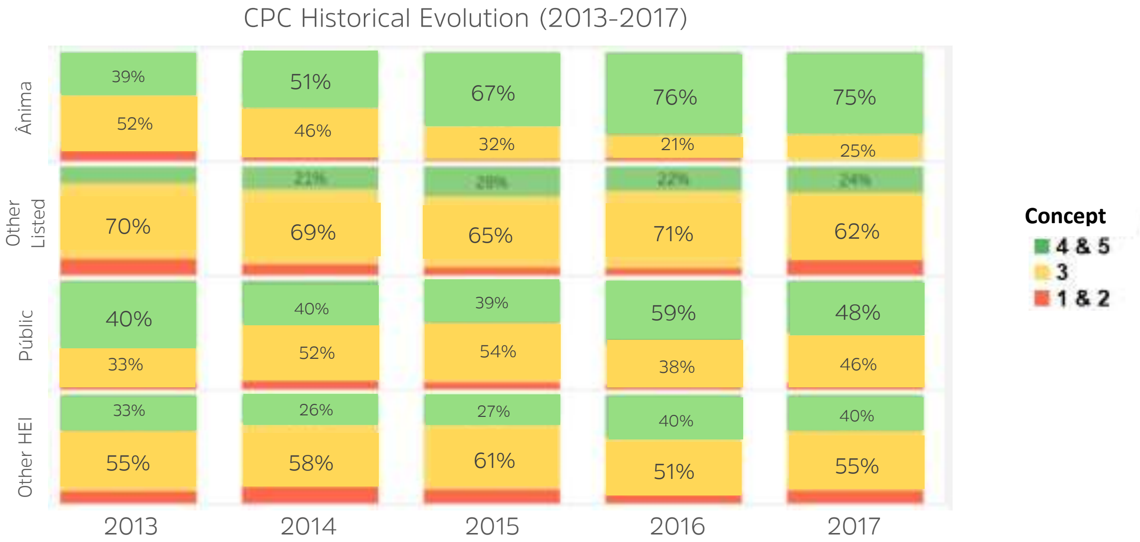
The results published by INEP/MEC at the end of 2018, related to 2017, reinforce the data disclosed in 3Q18 about the superiority of our institutions compared to both other private (listed and unlisted) and public post-secondary institutions. The results confirm the effectiveness of our academic model and our commitment to constantly improve the quality of the education we provide.

In the General Course Index (IGC), considered the main quality indicator of educational institutions, weighted by the number of students. Of our courses, 71% received grades of 4 and 5 (+12 pp versus the previous year), a performance significantly superior to other listed companies and even public institutions.

IGC Historical Evolution (2013-2017)

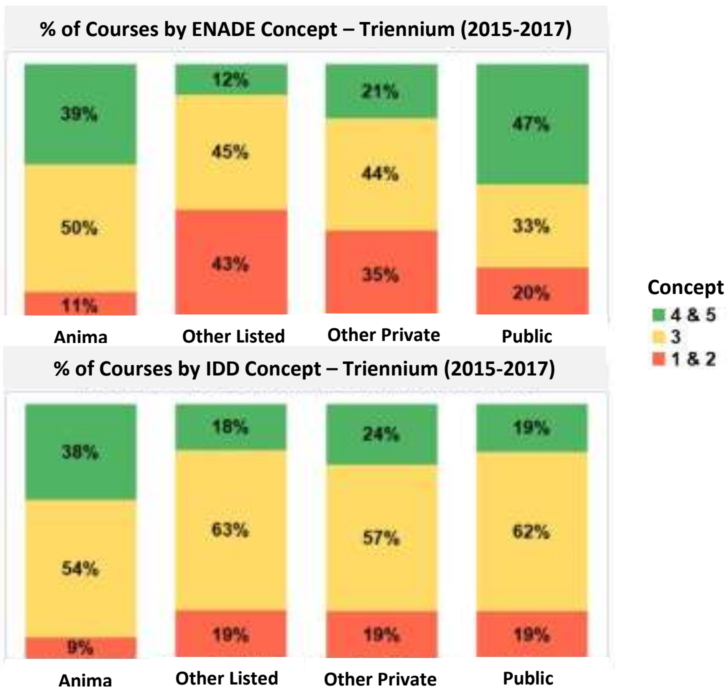


In the Preliminary Course Concept (CPC), which measures student performance and student satisfaction with the institution, 75% of our courses fell between 4 and 5, while only 24% of courses at listed companies and 48% of courses at public institutions fell within this category.



In ENADE, which evaluates the performance of graduating students through a standardized test, we have the highest percentage of courses with the highest concepts (4 and 5), outperforming other private institutions (listed and unlisted), and the lowest percentage of courses with concepts 1 and 2, as disclosed in 3Q18.

When we look at IDD, which measures the real value added by post-secondary education, we can see the higher impact of our academic practices in our students' development, even compared to public institutions. In fact, our post-secondary education has the highest percentage of programs with the highest grades (4 and 5) and the lowest percentage of programs with the lowest grades (1 and 2).



Financial Performance

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

i) **Education** – Post-secondary education (undergraduate and graduate), K-12 and vocational programs, including Florianópolis and Blumenau International Schools, Colégio Tupy (COT), and Escola Técnica Tupy (ETT).

ii) **Other Businesses** – HSM and Escola Brasileira de Direito (EBRADI).

FINANCIAL PERFORMANCE

2018 Results

R$ (million)	2018					
	Consolidated	% Net Revenue	Education	% Net Revenue	Others	% Net Revenue
Gross Revenue	1,843.0	168.6%	1,766.2	172.7%	76.7	109.1%
Discounts, Deductions & Scholarships	(715.3)	-65.4%	(712.5)	-69.7%	(2.8)	-3.9%
Taxes	(34.5)	-3.2%	(30.9)	-3.0%	(3.6)	-5.2%
Net Revenue	1,093.1	100.0%	1,022.8	100.0%	70.3	100.0%
Cash Cost of Services	(631.1)	-57.7%	(600.2)	-58.7%	(30.9)	-44.0%
- Personnel	(432.0)	-39.5%	(429.8)	-42.0%	(2.1)	-3.0%
- Services from Third Parties	(55.1)	-5.0%	(37.5)	-3.7%	(17.6)	-25.0%
- COGS	(1.0)	-0.1%	0.0	0.0%	(1.0)	-1.5%
- Rental & Utilities	(102.6)	-9.4%	(98.7)	-9.7%	(3.9)	-5.6%
- Others	(40.4)	-3.7%	(34.2)	-3.3%	(6.3)	-8.9%
Gross Profit (exclud. deprec. /amort.)	462.0	42.3%	422.6	41.3%	39.4	56.0%
Sales Expenses	(92.3)	-8.4%	(84.0)	-8.2%	(8.4)	-11.9%
- Provision for Doubtful Accounts (PDA)	(44.8)	-4.1%	(41.3)	-4.0%	(3.5)	-5.0%
- Marketing	(47.6)	-4.4%	(42.7)	-4.2%	(4.9)	-6.9%
General & Administrative Expenses	(115.2)	-10.5%	(90.8)	-8.9%	(24.3)	-34.6%
- Personnel	(78.8)	-7.2%	(58.7)	-5.7%	(20.1)	-28.5%
- Third Party Services	(11.4)	-1.0%	(10.2)	-1.0%	(1.2)	-1.7%
- Rental & Utilities	(4.0)	-0.4%	(3.0)	-0.3%	(1.0)	-1.5%
- Others	(21.0)	-1.9%	(19.0)	-1.9%	(2.0)	-2.9%
Other Operating Revenues (Expenses)	4.5	0.4%	5.7	0.6%	(1.2)	-1.7%
- Provisions	(2.5)	-0.2%	(2.5)	-0.2%	(0.0)	0.0%
- Taxes	(2.8)	-0.3%	(1.2)	-0.1%	(1.6)	-2.2%
- Other Operating Revenues	9.8	0.9%	9.4	0.9%	0.4	0.6%
Late Payment Fees	11.2	1.0%	11.2	1.1%	0.0	0.0%
Operating Result	270.2	24.7%	264.7	25.9%	5.5	7.8%
- Corporate Expenses	(100.4)	-9.2%				
Adjusted EBITDA	169.8	15.5%				
(-) Late Payment Fees	(11.2)	-1.0%				
(-) Non-Recurring Items - EBITDA	(62.6)	-5.7%				
EBITDA	95.9	8.8%				
Depreciation & Amortization	(54.3)	-5.0%				
Equity Equivalence	(2.5)	-0.2%				
EBIT	39.1	3.6%				
Net Financial Result	(35.1)	-3.2%				
EBT	4.0	0.4%				
Income Tax and Social Contribution	(1.7)	-0.2%				
Net Income Before Non-Controlling Interest	2.2	0.2%				
Non-Controlling Interest	0.0	0.0%				
Net Income	2.2	0.2%				
(-) Non-Recurring Items - EBITDA	62.6	5.7%				
(-) Non-Recurring Items - Net Income	0.0	0.0%				
Adjusted Net Income	64.9	5.9%				

4Q18 Results

R$ (million)	4Q18					
	Consolidated	% Net Revenue	Education	% Net Revenue	Others	% Net Revenue
Gross Revenue	478.8	162.4%	438.5	170.5%	40.3	106.9%
Discounts, Deductions & Scholarships	(174.0)	-59.0%	(173.4)	-67.4%	(0.7)	-1.7%
Taxes	(9.9)	-3.4%	(8.0)	-3.1%	(1.9)	-5.1%
Net Revenue	294.8	100.0%	257.2	100.0%	37.7	100.0%
Cash Cost of Services	(184.2)	-62.5%	(166.1)	-64.6%	(18.1)	-47.9%
- Personnel	(119.9)	-40.7%	(118.7)	-46.1%	(1.2)	-3.3%
- Services from Third Parties	(22.6)	-7.7%	(11.4)	-4.4%	(11.1)	-29.6%
- COGS	(0.1)	0.0%	0.0	0.0%	(0.1)	-0.4%
- Rental & Utilities	(29.5)	-10.0%	(26.8)	-10.4%	(2.7)	-7.1%
- Others	(12.1)	-4.1%	(9.2)	-3.6%	(2.9)	-7.6%
Gross Profit (exclud. deprec. /amort.)	110.6	37.5%	91.0	35.4%	19.6	52.1%
Sales Expenses	(31.3)	-10.6%	(27.4)	-10.6%	(4.0)	-10.6%
- Provision for Doubtful Accounts (PDA)	(15.3)	-5.2%	(13.3)	-5.2%	(2.0)	-5.3%
- Marketing	(16.0)	-5.4%	(14.0)	-5.5%	(2.0)	-5.3%
General & Administrative Expenses	(27.3)	-9.3%	(21.0)	-8.2%	(6.3)	-16.8%
- Personnel	(17.6)	-6.0%	(12.5)	-4.9%	(5.1)	-13.6%
- Third Party Services	(3.6)	-1.2%	(3.1)	-1.2%	(0.5)	-1.4%
- Rental & Utilities	(1.1)	-0.4%	(0.8)	-0.3%	(0.3)	-0.7%
- Others	(5.0)	-1.7%	(4.6)	-1.8%	(0.4)	-1.1%
Other Operating Revenues (Expenses)	1.0	0.3%	1.6	0.6%	(0.6)	-1.7%
- Provisions	(0.7)	-0.2%	(0.7)	-0.3%	0.0	0.0%
- Taxes	(0.8)	-0.3%	(0.2)	-0.1%	(0.6)	-1.5%
- Other Operating Revenues	2.4	0.8%	2.5	1.0%	(0.1)	-0.1%
Late Payment Fees	1.7	0.6%	1.7	0.7%	0.0	0.0%
Operating Result	54.7	18.5%	46.0	17.9%	8.7	23.0%
- Corporate Expenses	(26.6)	-9.0%				
Adjusted EBITDA	28.1	9.5%				
(-) Late Payment Fees	(1.7)	-0.6%				
(-) Non-Recurring Items - EBITDA	(19.7)	-6.7%				
EBITDA	6.7	2.3%				
Depreciation & Amortization	(14.1)	-4.8%				
Equity Equivalence	(1.3)	-0.4%				
EBIT	(8.6)	-2.9%				
Net Financial Result	(13.2)	-4.5%				
EBT	(21.8)	-7.4%				
Income Tax and Social Contribution	3.7	1.3%				
Net Income Before Non-Controlling Interest	(18.1)	-6.1%				
Non-Controlling Interest	0.0	0.0%				
Net Income	(18.1)	-6.1%				
(-) Non-Recurring Items - EBITDA	19.7	6.7%				
(-) Non-Recurring Items - Net Income	0.0	0.0%				
Adjusted Net Income	1.6	0.5%				

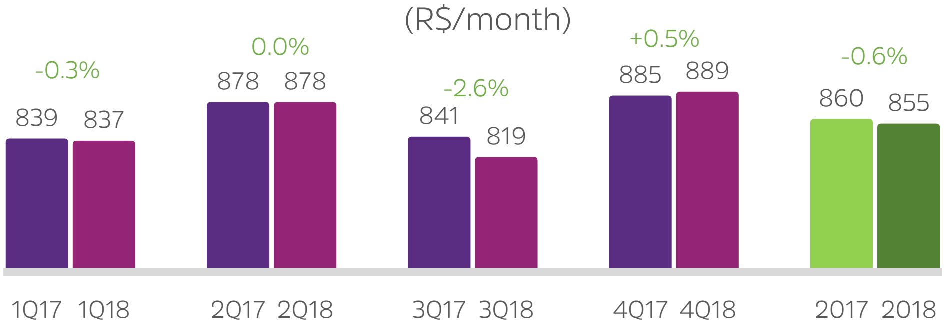
FINANCIAL PERFORMANCE – Education

R$ (million)	Education									
	2018	% Net Revenue	2017	% Net Revenue	% YA	4Q18	% Net Revenue	4Q17	% Net Revenue	% YA
Gross Revenue	1,766.2	172.7%	1,569.4	159.8%	12.5%	438.5	170.5%	386.6	159.7%	13.4%
Discounts, Deductions & Scholarships	(712.5)	-69.7%	(562.7)	-57.3%	26.6%	(173.4)	-67.4%	(138.3)	-57.1%	25.4%
Taxes	(30.9)	-3.0%	(24.9)	-2.5%	24.1%	(8.0)	-3.1%	(6.2)	-2.5%	29.5%
Net Revenue	1,022.8	100.0%	981.8	100.0%	4.2%	257.2	100.0%	242.2	100.0%	6.2%
Cash Cost of Services	(600.2)	-58.7%	(564.1)	-57.5%	6.4%	(166.1)	-64.6%	(153.6)	-63.4%	8.2%
- Personnel	(429.8)	-42.0%	(418.0)	-42.6%	2.8%	(118.7)	-46.1%	(113.0)	-46.6%	5.1%
- Services from Third Parties	(37.5)	-3.7%	(28.8)	-2.9%	30.0%	(11.4)	-4.4%	(9.0)	-3.7%	26.8%
- COGS	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
- Rental & Utilities	(98.7)	-9.7%	(85.5)	-8.7%	15.4%	(26.8)	-10.4%	(22.8)	-9.4%	17.5%
- Others	(34.2)	-3.3%	(31.8)	-3.2%	7.6%	(9.2)	-3.6%	(8.8)	-3.6%	5.2%
Gross Profit (exclud. deprec. /amort.)	422.6	41.3%	417.8	42.5%	1.2%	91.0	35.4%	88.6	36.6%	2.7%
Sales Expenses	(84.0)	-8.2%	(78.3)	-8.0%	7.3%	(27.4)	-10.6%	(29.6)	-12.2%	-7.7%
- Provision for Doubtful Accounts (PDA)	(41.3)	-4.0%	(46.5)	-4.7%	-11.3%	(13.3)	-5.2%	(17.0)	-7.0%	-21.6%
- Marketing	(42.7)	-4.2%	(31.8)	-3.2%	34.3%	(14.0)	-5.5%	(12.6)	-5.2%	11.0%
General & Administrative Expenses	(90.8)	-8.9%	(88.5)	-9.0%	2.7%	(21.0)	-8.2%	(23.1)	-9.5%	-9.0%
- Personnel	(58.7)	-5.7%	(58.1)	-5.9%	1.1%	(12.5)	-4.9%	(14.6)	-6.0%	-14.4%
- Third Party Services	(10.2)	-1.0%	(9.3)	-0.9%	9.4%	(3.1)	-1.2%	(2.5)	-1.0%	22.3%
- Rental & Utilities	(3.0)	-0.3%	(3.1)	-0.3%	-4.2%	(0.8)	-0.3%	(0.8)	-0.3%	-5.4%
- Others	(19.0)	-1.9%	(18.0)	-1.8%	5.4%	(4.6)	-1.8%	(5.1)	-2.1%	-9.7%
Other Operating Revenues (Expenses)	5.7	0.6%	2.3	0.2%	144.0%	1.6	0.6%	1.3	0.5%	27.6%
- Provisions	(2.5)	-0.2%	(4.6)	-0.5%	-45.4%	(0.7)	-0.3%	(1.0)	-0.4%	-29.7%
- Taxes	(1.2)	-0.1%	(1.6)	-0.2%	-25.2%	(0.2)	-0.1%	(0.4)	-0.2%	-53.5%
- Other Operating Revenues	9.4	0.9%	8.5	0.9%	10.5%	2.5	1.0%	2.6	1.1%	-5.4%
Late Payment Fees	11.2	1.1%	11.1	1.1%	0.5%	1.7	0.7%	1.6	0.7%	6.6%
Operating Result	264.7	25.9%	264.5	26.9%	0.1%	46.0	17.9%	38.8	16.0%	18.7%

Net Revenue

Given that these results include the August 2018 acquisitions of CESUC and Jangada, we ended 2018 with net revenue of R$1,022.8 million, +4.2% versus 2017 (+3.3% excluding the acquisitions). In 4Q18, net revenue came to R$257.2 million, 6.2% higher versus 4Q17 (+3.9% excluding the acquisitions).

Net Average Ticket (Excl. CESUC and Jangada)
(R$/month)



Looking specifically to our net ticket, excluding the acquisitions, we ended the year with an average of R$855/month, down 0.6% compared the same period last year, influenced by higher scholarships, discounts, and taxes (-8.5%) concentrated in the first tuition fees, partially offset by the average increase in tuition fees (+5.5%) and a better program mix (+2.4%). In 4Q18, our net ticket averaged R$889/month, up 0.5% year-on-year, also diluted by increased discounts, scholarships, deductions and taxes (-7.6%), but compensated by the same average increase in tuition fees (+5.5%) and higher mix gains (+2.6%). Including the CESUC and Jangada acquisitions announced in July 2018, whose average ticket was lower than that of our brands, our average ticket totaled R$848/month in 2018 (-1.4% vs. 2017) and R$882/month in 4Q18 (-0.3% vs. 4Q17).

Given the scenario of continuous, intense competition in all the cities where we operate and the growth in our student base, we believe that the reduction in average ticket deserves our attention but does not jeopardize the upward trend of net revenue. We will continue to dedicate our efforts to acting directly on the ticket and minimizing its impact on our results through granular control of costs and expenses.

Total Costs and Gross Profit

In 2018, gross profit came to R$422.6 million, or 41.3% of net revenue (-1.2pp vs. 2017). Despite faculty and academic support productivity gains (+0.6pp in personnel costs), we saw an increase in rental and utilities (-1.0pp), mainly as a result of the new units launched at the beginning of the year and the lease agreement revision of São Judas units (Mooca and Butantã), as agreed upon at the time of the acquisition in 2014; as well as an increase in third-party services (-0.8pp) due to our decision to outsource cleaning and security services in our units.

Managerial Reclassification

As disclosed in 2Q18, we have reclassified certain expenses from corporate expenses to selling and personnel expenses in the Education segment. To ensure a consistent comparison with prior periods, the table below shows this classification applied retrospectively:

Reclassification (in R$ million)	2018	9M18	4Q18	2017	9M17	4Q17
Total Reclassification	**11.0**	**8.2**	**2.7**	**6.3**	**3.6**	**2.7**
Marketing Expenses	1.3	0.9	0.3	0.9	0.4	0.5
Personnel Expenses	9.7	7.3	2.4	5.4	3.2	2.2

Selling Expenses

After the above reclassification, selling expenses totaled R$84.0 million in 2018, a 0.2pp increase versus 2017. We saw a 0.7pp improvement (2018 vs. 2017) in our provision for doubtful accounts, mainly due to the decline in the PDA of *PraValer* students who use the credit risk in our balance sheet while we adjusted our PDA to the same criteria applied by PraValer to Ânima's student portfolio.

Our focus on strengthening our brands combined with our organic expansion plan led to an increase in marketing expenses (negative impact of 1.0pp in margin vs. 2017), which had a direct impact on the intake cycle.

General and Administrative Expenses

After the above reclassification, general and administrative expenses totaled R$90.8 million in 2018, or 8.9% of net revenue, in line with 2017. However, 4Q18 results showed an important improvement in this group (+1.3pp vs. 4Q17), mainly due to personnel expenses (+1.1pp vs. 4Q17), as a result of the expense reduction plan (Census Project) announced at the end of 2Q18 and implemented throughout 3Q18.

Other Operating Revenues (Expenses)

Other operating revenues (expenses), including fines and interest on tuition fees, came to a positive R$16.9 million in 2018, an improvement of 0.3pp compared to 2017. The main highlight was the improvement in the provision for risks, given our efforts to improve administrative processes (+0.3pp vs. 2017).

Operating Result

Despite the reduction in the operating result in 2018 (-1.0pp vs. 2017), the actions carried out in 2H18 began to show their effects in the direction of margin improvement, represented in the improvement reported in 4Q18 (+1.9pp vs. 4Q17).

As we mentioned at the end of 2017, in order to monitor the evolution of operating margins in the Education segment, we divided the units into three major blocks based on their respective maturity stages. It is worth noting that we are including the results of the acquisitions made in July 2018 (CESUC and Faculdade Jangada) in the Acquisitions block as of 3Q18.

R$ (million)	Base [1] Excl. New Units			Acquisitions [2] Excl. New Units			Organic Exp. [3]			Education		
	2018	2017	% YA	2018	2017	% YA	2018	2017	% YA	2018	2017	% YA
Net Revenue	785.8	799.9	-1.8%	162.2	169.2	-4.2%	74.8	12.8	486.4%	1,022.8	981.8	4.2%
Gross Profit	348.7	361.6	-3.6%	53.6	56.9	-5.7%	20.3	(0.7)	-3117.4%	422.6	417.8	1.2%
Gross Margin	*44.4%*	*45.2%*	*-0.8pp*	*33.1%*	*33.6%*	*-0.6pp*	*27.1%*	*-5.3%*	*32.3pp*	*41.3%*	*42.5%*	*-1.2pp*
Operating Result	242.5	247.9	-2.1%	23.6	23.1	2.5%	(1.5)	(6.4)	-76.5%	264.7	264.5	0.1%
Operating Margin	*30.9%*	*31.0%*	*-0.1pp*	*14.6%*	*13.6%*	*0.9pp*	*-2.0%*	*-50.6%*	*48.5pp*	*25.9%*	*26.9%*	*-1.0pp*

R$ (million)	Base [1] Excl. New Units			Acquisitions [2] Excl. New Units			Organic Exp. [3]			Education		
	4Q18	4Q17	% YA	4Q18	4Q17	% YA	4Q18	4Q17	% YA	4Q18	4Q17	% YA
Net Revenue	194.9	197.8	-1.5%	34.1	40.0	-14.7%	28.2	4.4	543.5%	257.2	242.2	6.2%
Gross Profit	75.7	79.2	-4.5%	11.3	10.1	11.8%	4.0	(0.7)	-669.1%	91.0	88.6	2.7%
Gross Margin	*38.8%*	*40.0%*	*-1.2pp*	*33.2%*	*25.3%*	*7.9pp*	*14.3%*	*-16.2%*	*30.5pp*	*35.4%*	*36.6%*	*-1.2pp*
Operating Result	43.7	41.9	4.3%	7.3	1.7	326.3%	(5.0)	(4.8)	3.4%	46.0	38.8	18.7%
Operating Margin	*22.4%*	*21.2%*	*1.3pp*	*21.5%*	*4.3%*	*17.2pp*	*-17.7%*	*-110.4%*	*92.7pp*	*17.9%*	*16.0%*	*1.9pp*

[1] Considers Una, UniBH and São Judas (inlcuding the Unimonte campus, but excluding acquisitions and new units opened as of 2016)
[2] Considers acquisitions made throughout 2016 (UniSociesc Feb'16, Una Bom Despacho Jul'16 and Una Uberlândia Oct'16) and the acquisitions made in Jul'18 (CESUC and Faculdade Jangada)
[3] 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)

Our operating margin in the **Base** operation, which includes our mature units under the Una, UniBH, and São Judas (including the Unimonte campus) remained stable (-0.1pp) between 2017 and 2018. Despite the decline in gross profit, which was mainly caused by an increase in rental and utilities, we worked hard to offset this reduction by improving operating expenses. We still have the challenge of resuming growth in net revenue in this block (-1.8% vs. 2017).

In 4Q18, we recorded an improvement in the operating result of these units, reaching R$43.7 million, with an operating margin of 22.4% (+1.3pp). It is important to remember that our mature campuses will record most efficiency gains over the following years, as the new academic model implemented for freshmen at the beginning of 2018 matures.

Regarding the **Acquisitions** made in 2016 (UniSociesc, Una Bom Despacho, and Una Uberlândia) and in July 2018 (CESUC and Faculdade Jangada), we are very pleased to report substantial growth in the operating result, which reached R$23.6 million, with a 14.6% operating margin (+0.9pp vs. 2017). Considering the result obtained in 9M18 (-3.8pp vs. 9M17), we were able to put this segment back on track towards profitability levels closer to the ones recorded by the Base segment. It is worth noting that this improvement was related to the acquisitions made in 2016.

The 4Q18 results leave no doubt about the magnitude of the improvement in this block's operating result: an upturn of R$5.6 million (+17.2pp vs. 4Q17).

In the **Organic Expansion** block, which includes the 14 units opened between July 2016 and January 2018, as well as the 8 new units inaugurated at the beginning of 2019 (pre-operating expenses in 4Q18), we recorded net revenue of R$74.8 million and an operating loss of R$1.5 million (versus net revenue of R$12.8 million and an operating loss of R$6.4 million in 2017).

In 4Q18, our Organic Expansion operations recorded gross profit of R$4.0 million, with a 14.3% margin, and an operating loss of R$5.0 million, influenced by pre-operating expenses in the units opened in 2019. This result is fully in line with our expectation that the new units (Q2A) will reach the breakeven point by the end of the second year of operation. It is important to note that academic units take around five years to reach maturity.

FINANCIAL PERFORMANCE – Other Businesses

R$ (million)	Others									
	2018	% Net Revenue	2017	% Net Revenue	% YA	4Q18	% Net Revenue	4Q17	% Net Revenue	% YA
Gross Revenue	76.7	109.1%	65.9	108.4%	16.4%	40.3	106.9%	36.2	108.2%	11.3%
Discounts, Deductions & Scholarships	(2.8)	-3.9%	(1.3)	-2.1%	118.2%	(0.7)	-1.7%	(0.6)	-1.9%	5.7%
Taxes	(3.6)	-5.2%	(3.9)	-6.4%	-6.2%	(1.9)	-5.1%	(2.1)	-6.3%	-8.6%
Net Revenue	70.3	100.0%	60.8	100.0%	15.7%	37.7	100.0%	33.4	100.0%	12.7%
Cash Cost of Services	(30.9)	-44.0%	(35.5)	-58.4%	-12.9%	(18.1)	-47.9%	(19.2)	-57.5%	-6.0%
- Personnel	(2.1)	-3.0%	(3.5)	-5.8%	-39.4%	(1.2)	-3.3%	(0.9)	-2.7%	34.1%
- Services from Third Parties	(17.6)	-25.0%	(16.6)	-27.4%	5.7%	(11.1)	-29.6%	(9.8)	-29.3%	13.8%
- COGS	(1.0)	-1.5%	(4.1)	-6.7%	-74.4%	(0.1)	-0.4%	(1.8)	-5.3%	-92.2%
- Rental & Utilities	(3.9)	-5.6%	(4.5)	-7.4%	-12.4%	(2.7)	-7.1%	(3.2)	-9.6%	-16.5%
- Others	(6.3)	-8.9%	(6.8)	-11.2%	-8.4%	(2.9)	-7.6%	(3.5)	-10.6%	-18.9%
Gross Profit (exclud. deprec. /amort.)	39.4	56.0%	25.3	41.6%	55.8%	19.6	52.1%	14.2	42.5%	38.0%
Sales Expenses	(8.4)	-11.9%	(4.7)	-7.7%	79.2%	(4.0)	-10.6%	0.4	1.2%	-1126.6%
- Provision for Doubtful Accounts (PDA)	(3.5)	-5.0%	0.3	0.5%	-1191.6%	(2.0)	-5.3%	1.9	5.7%	-205.6%
- Marketing	(4.9)	-6.9%	(5.0)	-8.2%	-2.7%	(2.0)	-5.3%	(1.5)	-4.5%	31.2%
General & Administrative Expenses	(24.3)	-34.6%	(24.8)	-40.9%	-2.1%	(6.3)	-16.8%	(6.1)	-18.2%	4.1%
- Personnel	(20.1)	-28.5%	(19.7)	-32.3%	2.0%	(5.1)	-13.6%	(5.0)	-15.0%	2.6%
- Third Party Services	(1.2)	-1.7%	(1.9)	-3.1%	-34.9%	(0.5)	-1.4%	(0.4)	-1.1%	41.0%
- Rental & Utilities	(1.0)	-1.5%	(1.1)	-1.8%	-6.8%	(0.3)	-0.7%	(0.3)	-0.8%	-1.9%
- Others	(2.0)	-2.9%	(2.2)	-3.6%	-8.2%	(0.4)	-1.1%	(0.4)	-1.3%	-5.9%
Other Operating Revenues (Expenses)	(1.2)	-1.7%	0.1	0.1%	-1410.5%	(0.6)	-1.7%	(0.4)	-1.1%	64.3%
- Provisions	(0.0)	0.0%	(0.1)	-0.2%	-90.3%	0.0	0.0%	(0.1)	-0.2%	-100.0%
- Taxes	(1.6)	-2.2%	(1.0)	-1.6%	58.0%	(0.6)	-1.5%	(0.7)	-2.2%	-20.9%
- Other Operating Revenues	0.4	0.6%	1.2	2.0%	-67.0%	(0.1)	-0.1%	0.4	1.3%	-111.7%
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	7.8%	(4.1)	-6.8%	-232.9%	8.7	23.0%	8.1	24.4%	6.3%

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

In 2018, the Other Businesses segment recorded a significant improvement in its results, reaching an operating profit of R$5.5 million, versus negative R$4.1 million in 2017 (+R$9.6 million). It is the first year in which this segment reported a positive margin, recording an increase of 15.7% in net revenue versus 2017 combined with stable costs and expenses in nominal terms, leading to a margin increase of 14.6pp compared to 2017.

The main highlights were EBRADI's growth, in line with the business plan, which was driven by an increase in sales of online courses and growth at HSM, thanks to the consolidation of HSM Academy, HSM's corporate education arm; the SingularityU Brasil Summit event in 1H18; and another successful edition of HSM Expo in 4Q18.

As we mentioned in our 1Q18 Earnings Release, in January, we decided to simplify the operations of UniSociesc's Innovation and Management area (GIT) by discontinuing the tooling and laboratory analysis sectors and reducing their respective management structures. The remaining activities (consulting and foundry) will be fully conducted by Instituto Ânima and therefore will no longer be consolidated in our results. We are eliminating all the effects related to this business unit, including net revenue of R$8.1 million and an operating loss of R$8.0 million, from the 2018 managerial results presented in this report.

CONSOLIDATED PERFORMANCE

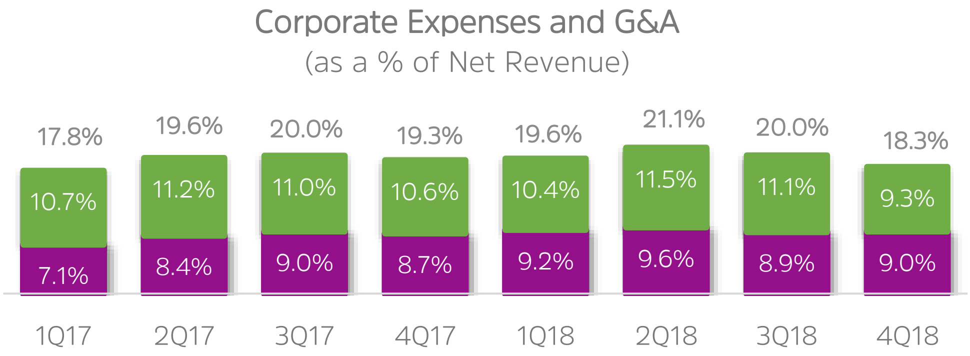
R$ (million)	Consolidated Ânima									
	2018	% Net Revenue	2017	% Net Revenue	% YA	4Q18	% Net Revenue	4Q17	% Net Revenue	% YA
Gross Revenue	1,843.0	168.6%	1,635.4	156.8%	12.7%	478.8	162.4%	422.8	153.4%	13.2%
Discounts, Deductions & Scholarships	(715.3)	-65.4%	(564.0)	-54.1%	26.8%	(174.0)	-59.0%	(138.9)	-50.4%	25.3%
Taxes	(34.5)	-3.2%	(28.8)	-2.8%	20.1%	(9.9)	-3.4%	(8.3)	-3.0%	19.8%
Net Revenue	1,093.1	100.0%	1,042.7	100.0%	4.8%	294.8	100.0%	275.6	100.0%	7.0%
Cash Cost of Services	(631.1)	-57.7%	(599.6)	-57.5%	5.3%	(184.2)	-62.5%	(172.8)	-62.7%	6.6%
- Personnel	(432.0)	-39.5%	(421.5)	-40.4%	2.5%	(119.9)	-40.7%	(113.9)	-41.3%	5.3%
- Services from Third Parties	(55.1)	-5.0%	(45.5)	-4.4%	21.1%	(22.6)	-7.7%	(18.8)	-6.8%	20.1%
- COGS	(1.0)	-0.1%	(4.1)	-0.4%	-74.4%	(0.1)	0.0%	(1.8)	-0.6%	-92.2%
- Rental & Utilities	(102.6)	-9.4%	(90.0)	-8.6%	14.0%	(29.5)	-10.0%	(26.0)	-9.4%	13.3%
- Others	(40.4)	-3.7%	(38.6)	-3.7%	4.8%	(12.1)	-4.1%	(12.3)	-4.5%	-1.7%
Gross Profit (exclud. deprec. /amort.)	462.0	42.3%	443.0	42.5%	4.3%	110.6	37.5%	102.8	37.3%	7.6%
Sales Expenses	(92.3)	-8.4%	(82.9)	-8.0%	11.3%	(31.3)	-10.6%	(29.2)	-10.6%	7.2%
- Provision for Doubtful Accounts (PDA)	(44.8)	-4.1%	(46.2)	-4.4%	-3.0%	(15.3)	-5.2%	(15.1)	-5.5%	1.6%
- Marketing	(47.6)	-4.4%	(36.8)	-3.5%	29.3%	(16.0)	-5.4%	(14.1)	-5.1%	13.1%
General & Administrative Expenses	(115.2)	-10.5%	(113.3)	-10.9%	1.6%	(27.3)	-9.3%	(29.2)	-10.6%	-6.3%
- Personnel	(78.8)	-7.2%	(77.7)	-7.5%	1.3%	(17.6)	-6.0%	(19.6)	-7.1%	-10.0%
- Third Party Services	(11.4)	-1.0%	(11.2)	-1.1%	2.0%	(3.6)	-1.2%	(2.9)	-1.0%	24.7%
- Rental & Utilities	(4.0)	-0.4%	(4.2)	-0.4%	-4.9%	(1.1)	-0.4%	(1.1)	-0.4%	-4.5%
- Others	(21.0)	-1.9%	(20.2)	-1.9%	3.9%	(5.0)	-1.7%	(5.5)	-2.0%	-9.4%
Other Operating Revenues (Expenses)	4.5	0.4%	2.4	0.2%	85.7%	1.0	0.3%	0.9	0.3%	12.3%
- Provisions	(2.5)	-0.2%	(4.7)	-0.4%	-46.6%	(0.7)	-0.2%	(1.0)	-0.4%	-35.3%
- Taxes	(2.8)	-0.3%	(2.6)	-0.2%	7.1%	(0.8)	-0.3%	(1.1)	-0.4%	-32.5%
- Other Operating Revenues	9.8	0.9%	9.7	0.9%	0.9%	2.4	0.8%	3.1	1.1%	-20.2%
Late Payment Fees	11.2	1.0%	11.1	1.1%	0.5%	1.7	0.6%	1.6	0.6%	6.6%
Operating Result	270.2	24.7%	260.3	25.0%	3.8%	54.7	18.5%	46.9	17.0%	16.5%
- Corporate Expenses	(100.4)	-9.2%	(86.4)	-8.3%	16.2%	(26.6)	-9.0%	(23.7)	-8.6%	12.2%
Adjusted EBITDA	169.8	15.5%	173.9	16.7%	-2.4%	28.1	9.5%	23.3	8.4%	20.9%
(-) Late Payment Fees	(11.2)	-1.0%	(11.1)	-1.1%	0.5%	(1.7)	-0.6%	(1.6)	-0.6%	6.6%
(-) Non-Recurring Items - EBITDA	(62.6)	-5.7%	(25.2)	-2.4%	0.0%	(19.7)	-6.7%	(9.2)	-3.4%	0.0%
EBITDA	95.9	8.8%	137.6	13.2%	-30.3%	6.7	2.3%	12.4	4.5%	-45.7%
Depreciation & Amortization	(54.3)	-5.0%	(51.3)	-4.9%	5.9%	(14.1)	-4.8%	(13.5)	-4.9%	4.3%
Equity Equivalence	(2.5)	-0.2%	(0.4)	0.0%	524.7%	(1.3)	-0.4%	(0.2)	-0.1%	502.8%
EBIT	39.1	3.6%	85.9	8.2%	-54.5%	(8.6)	-2.9%	(1.3)	-0.5%	561.0%
Net Financial Result	(35.1)	-3.2%	(37.6)	-3.6%	-6.6%	(13.2)	-4.5%	(7.6)	-2.8%	73.3%
EBT	4.0	0.4%	48.3	4.6%	-91.8%	(21.8)	-7.4%	(8.9)	-3.2%	144.5%
Income Tax and Social Contribution	(1.7)	-0.2%	36.8	3.5%	-104.7%	3.7	1.3%	19.6	7.1%	-81.0%
Net Income Before Non-Controlling Interest	2.2	0.2%	85.2	8.2%	-97.4%	(18.1)	-6.1%	10.7	3.9%	-268.5%
Non-Controlling Interest	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
Net Income	2.2	0.2%	85.2	8.2%	-97.4%	(18.1)	-6.1%	10.7	3.9%	-268.5%
(-) Non-Recurring Items - EBITDA	62.6	5.7%	25.2	2.4%	0.0%	19.7	6.7%	9.2	3.4%	0.0%
(-) Non-Recurring Items - Net Income	0.0	0.0%	(36.4)	-3.5%	0.0%	0.0	0.0%	(24.9)	-9.0%	0.0%
Adjusted Net Income	64.9	5.9%	73.9	7.1%	-12.2%	1.6	0.5%	(5.0)	-1.8%	-132.6%

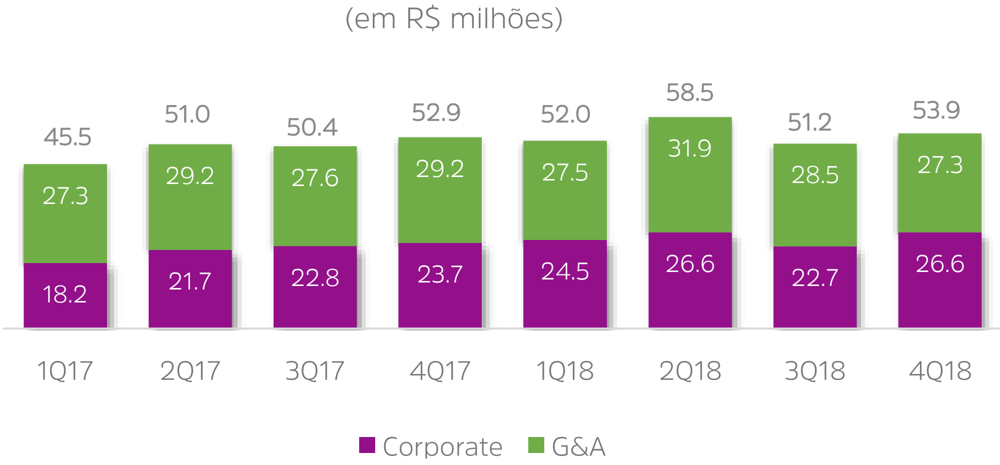
Corporate and G&A Expenses

Corporate expenses after the reclassifications presented herein totaled R$100.4 million in 2018, or 9.2% of net revenue, down 0.9pp compared to 2017. In 4Q18, corporate expenses totaled R$26.6 million, or 9.0% of net revenue (-0.4pp vs. 4Q17).

General and administrative expenses amounted to R$115.2 million in 2018, or 10.5% of net revenue, with a positive impact of 0.4pp on the margin versus 2017. The 4Q18 results show an important improvement in this group (+1.3pp vs. 4Q17), mainly due to personnel expenses (+1.1pp vs. 4Q17).

It is important to note that, as mentioned in 2Q18, we have been focusing on reducing the Company's expenses as a whole, sometimes through centralization when it advances efficiency. The impacts of this approach can be clearly seen in the 4Q18 result when the sum of corporate and G&A expenses of the business units reached 18.3% of net revenue, an improvement of 1.0pp over 4Q17 and 2.8pp over 2Q18 (prior to the Census).





Census Project

In 2017 and 1H18, we saw an increase in personnel expenses both in our operations, due to the opening of new units, and in the holding company, mainly due to the centralization and standardization processes carried out throughout 2017.

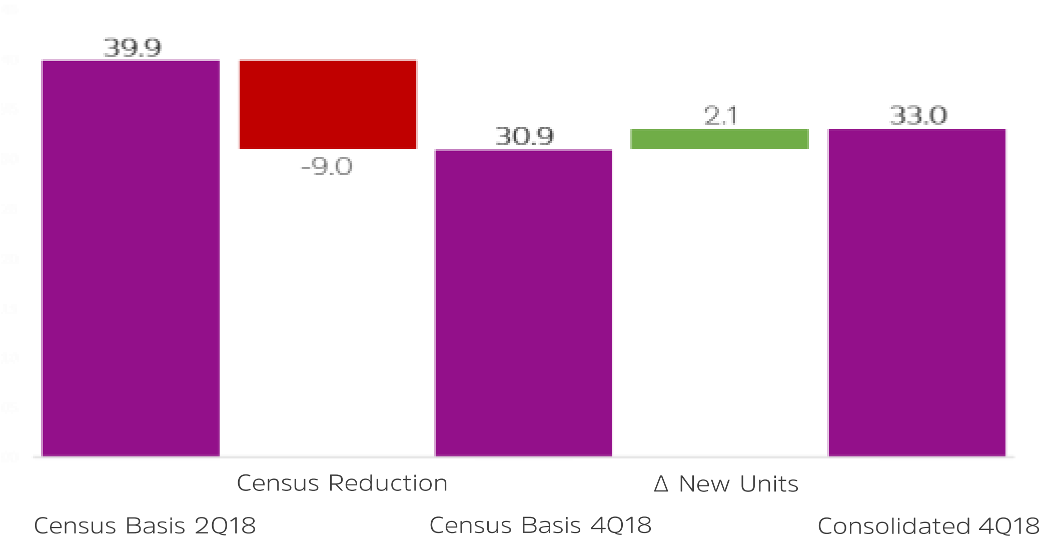
As announced at the end of 2Q18, we have decided to accelerate the process of elimination of existing redundancies between the corporate structures and the units, launching the Census Project in 3Q18 in order to improve our efficiency. As the mentioned project was carried out throughout 3Q18, the best parameter of comparison to measure its effects are the expenses reported in 4Q18 versus 2Q18.

R$ (million)	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	4Q18 vs. 2Q18	Annualized
Personnel Expenses - Corporate	(13.4)	(16.2)	(17.9)	(19.8)	(20.0)	(22.8)	(17.9)	(20.5)	2.3	9.1
Personnel Expenses - Education	(13.9)	(15.1)	(14.5)	(14.6)	(15.0)	(17.1)	(14.1)	(12.5)	4.6	18.4
Consolidated Personnel Expenses	(27.3)	(31.3)	(32.4)	(34.4)	(34.9)	(39.9)	(32.0)	(33.0)	6.9	27.5

The net reduction in personnel expenses between 2Q18 (prior to the Census) and 4Q18 reached R$6.9 million, or R$27.5 million on an annualized basis.

Census Project – Personnel Expenses

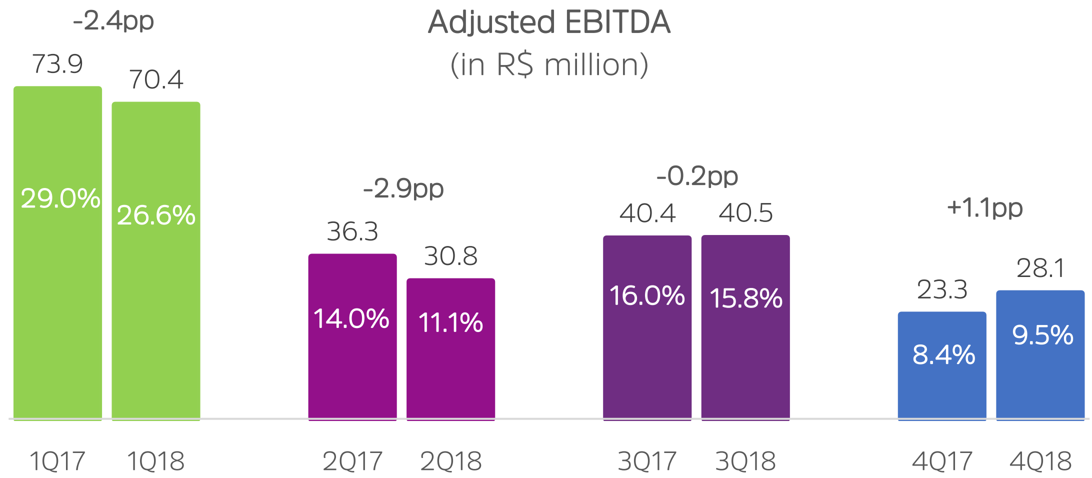
(in R$ million)



This reduction was mainly due to savings obtained through the Census Project (R$35.7 million on an annualized basis), in accordance with the commitment made by the end of 2Q18, minus the increase in personnel expenses observed in 4Q18, due to the expansion of the units opened in 2018 and new hires at the units inaugurated in 2019 (which represented R$8.2 million).

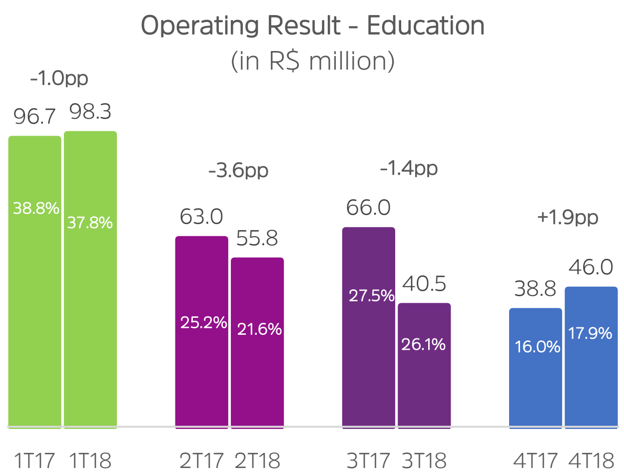
Adjusted EBITDA

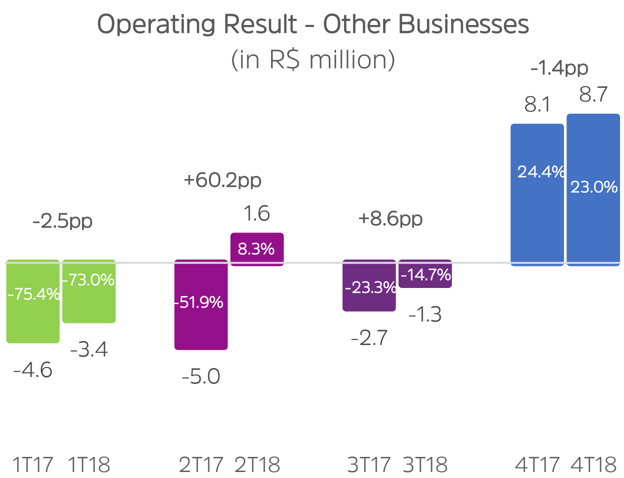
Adjusted EBITDA totaled R$169.8 million in 2018 (-2.4% vs. 2017), with a margin of 15.5% (-1.2pp vs. 2017). Compared to the performance recorded in the first half of the year, we can see a reversal in the trend of operating pressure towards margin recovery as of 3Q18. In 4Q18, adjusted EBITDA stood at R$28.1 million (+20.9% vs. 4Q17), with a margin of 9.5% (+1.1pp vs. 4Q17).



The reversal of the trend of operating pressure towards margin recovery as of 3Q18 was concentrated in the Education segment, which ended 4Q18 with an adjusted operating profit of R$46.0 million and margin of 17.9%, versus R$38.8 million and 16.0%, respectively, in 4Q17.

The Other Businesses segment also recorded significant improvements that were distributed throughout the year, with an operating profit of R$5.5 million and a margin of 7.8%, versus -R$4.1 million and -6.8%, respectively, in 2017.





Non-Recurring Items

R$ (million)	2018	4Q18
Restructuring Expenses	(52.0)	(17.8)
GIT	(8.0)	(1.9)
Adjustment Accounts Receivable FIES	1.2	0.0
Provision	(3.8)	0.0
Total Non Recurring Items	**(62.6)**	**(19.7)**

Restructuring Expenses. Severance packages consumed R$52.0 million in 2018, R$17.8 million of which in 4Q18. In 1H18, severance expenses were related to the decision to outsource cleaning activities on our campuses, whereas in 2H18, these expenses were related to the Census Project (3Q18) and the restructuring of the faculty in certain units (4Q18). The Census Project was carried out in 2H18 to eliminate the existing redundancies between the corporate structures and the units through the centralization and standardization process implemented earlier. The acquisitions made in July 2018, CESUC and Jangada, recorded R$0.4 million in severance expenses between August and December.

GIT. As reported in 1Q18, we decided to simplify GIT's activities at the beginning of the year by discontinuing the tooling and laboratory analysis sectors and transferring the remaining activities (foundry and consulting) to Instituto Ânima. As a result, GIT results are no longer consolidated into our results and we reduced its respective management structures. The previously existing contracts of these areas and severance expenses generated revenue of R$8.1 million and an operating loss of R$8.0 million in 2018, which we excluded from our managerial results. In 4Q18, GIT recorded net revenue of R$0.8 million and an operating loss of R$1.9 million, also excluded from the managerial result.

Provision. As mentioned earlier, we recorded a provision of R$3.8 million in 3Q18 related to a lawsuit involving the cancellation of a property purchase agreement entered into with a third party in 2003, at the time Una was acquired.

Financial Result

R$ (million)	Consolidated Ânima			
	2018	2017	4Q18	4Q17
(+) Financial Revenue	30.5	37.4	7.3	7.2
Late payment fees	11.2	11.1	1.7	1.6
Interest on financial investments	9.0	14.4	2.9	1.8
Inflation adjustment - PN23 FIES acc. rec.	5.7	7.8	1.7	2.8
Other financial revenues	4.5	4.0	0.9	0.9
(-) Financial Expense	(65.2)	(75.2)	(20.4)	(14.7)
Financial debt interest expense[1]	(25.6)	(40.5)	(7.1)	(6.2)
Tax debt interest expenses	(0.4)	(3.2)	(0.1)	0.5
PraValer interest expenses	(20.2)	(18.2)	(7.7)	(5.3)
Accounts payable interest expenses (acquisitions)	(10.8)	(8.3)	(2.7)	(2.2)
Other financial expenses	(8.1)	(5.1)	(2.8)	(1.5)
Financial Result	(34.7)	(37.9)	(13.2)	(7.5)

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

The financial totaled -R$34.7 million in 2018, versus -R$37.9 million in 2017. Financial revenue reached R$30.5 million (-R$6.9 million vs. 2017), while financial expense came to R$65.2 million, an improvement of R$10 million over 2017, mostly due to a reduction in loan interest expenses after amortizations and the decline in the Selic benchmark interest rate in the period.

The company formed in partnership with Le Cordon Bleu, which we recognize in our results using the equity equivalence method, recorded a loss of R$2.5 million in 2018, its first year of operation, in line with the business plan.

Income Tax and Social Contribution

Income tax and social contribution reached R$1.7 million in 2018 and a credit of R$3.7 million in 4Q18. These amounts were mostly due to deferred income tax and social contribution arising from the corporate restructuring in 4Q17 and 4Q18.

Adjusted Net Income

Adjusted net income totaled R$64.9 million in 2018, or 5.9% of net revenue (-1.2pp vs. 2017). Excluding managerial adjustments, the Company recorded a net income of R$2.2 million, mainly due to the non-recurring expenses mentioned above.

In 4Q18, adjusted net income totaled R$1.6 million (+R$6.6 million vs. 4Q17), or 0.5% of net revenue (vs. -1.8% in 4Q17). Excluding managerial adjustments, the Company recorded a net loss of R$18.1 million in 2018, with a margin of 6.1%.

Cash and Net Debt

R$ (million)	Consolidated Ânima		
	DEC 18	SEP 18	DEC 17
(+) Cash and Cash Equivalents	185.4	246.2	115.9
Cash	99.5	23.3	33.9
Financial Investments	85.9	222.9	82.0
(-) Loans and Financing [1]	399.5	405.4	283.4
Short Term	82.4	79.1	57.5
Long Term	317.2	326.3	225.9
(=) Net (Debt) Cash [2]	(214.1)	(159.2)	(167.5)
(-) Other Short and Long Term Obligations	101.8	97.9	75.4
(=) Net (Debt) Cash [3]	(315.9)	(257.1)	(242.9)

[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 2018, cash and cash equivalents totaled R$185.4 million. We have reduced the balance of loans and financing by R$5.9 million since the end of 9M18, mainly due to the amortization of credit operations. We stress that the debt maturity profile is diluted over the next five years, with no significant concentration.

In 2018, our investments increased by R$23.2 million as a result of the faster pace of our organic expansion movements (Q2A) and R$10.5 million due to modernization and digital transformation efforts.

Other short- and long-term obligations, mainly represented by accounts payable related to the acquisitions, amounted to R$101.8 million. In 2018, we fully implemented a share buyback plan approved in May 2018, reaching R$31.9 million, and began the second share buyback plan approved in September 2018 in the amount of R$32.3 million. As a result, we ended the quarter with net debt of R$315.9 million, representing leverage (net debt ÷ LTM adjusted EBITDA) of 1.9x.

Although leverage is at a comfortable level, we will continue to monitor it in order to ensure that it is appropriate for our growth strategy at all times, without a substantial increase in the Company's risk.

Accounts Receivable and Days of Sales Outstanding (DSO)

We ended 2018 with net accounts receivable of R$172.6 million, excluding our latest acquisitions (CESUC and Jangada). As we received the last FIES installment related to PN23 in June, we have not made managerial adjustments to the calculation of days of sales outstanding and accounts receivable since 2Q18.

	2018		9M18		1H18	1Q18	2017	Δ 2018 / 2017
	Excl. Acquisitions	Acquisitions	Excl. Acquisitions	Acquisitions	Total	Total	Total	
Net Accounts Receivable	172.6	1.5	201.3	2.3	197.7	290.7	247.0	(74.4)
Adjusted Accounts Receivable FIES	0.0	0.0	0.0	0.0	0.0	(0.6)	(1.2)	1.2
Adjusted Net Accounts Receivable	**172.6**	**1.5**	**201.3**	**2.3**	**197.7**	**291.3**	**248.3**	**(75.7)**
to mature	93.7	0.4	125.8	1.8	110.3	225.7	179.0	(85.3)
until 180 days	58.0	0.5	57.6	0.2	67.8	47.9	54.1	3.9
between 180 and 360 days	15.4	0.5	12.8	0.2	14.4	12.5	10.8	4.6
between 361 and 720 days	5.6	0.1	5.1	0.1	5.3	5.2	4.4	1.2
more than 721 days	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

We ended the quarter with DSO (Days of Sales Outstanding) of 57 days, representing a 29-day decline from the same period last year.

Breaking down our accounts receivable, we recorded a DSO of 13 days for FIES receivables, a reduction of 135 days from 2017, due to the settlement of amounts related to PN23 that were still recorded in our financial statements at the end of 2017. As shown in the table below, our DSO of 13 for FIES receivables was due to gross accounts receivable of R$32.5 million, which would generate a gross DSO of 49 days, minus PDA of R$23.5 million related to the amount of the FIES portfolio at risk and not covered by FGEDUC related to all years prior to 2018, inclusive.

FIES	2018	
	Excl. Acquisitions	Acquisitions
Gross Accounts Receivable	32.2	0.3
(-) PDD	(23.5)	(0.0)
Gross DSO	49	51

For non-FIES receivables, our DSO stood at 68 days, a year-on-year increase of 11 days. This was mostly caused by the lower provision for doubtful accounts of PraValer students who use the credit risk in our balance sheet, as we adjusted our PDA to the same criteria applied by PraValer to Ânima's student portfolio. In the

Other Businesses line, we ended the year with a DSO of 76 days, a 20-day decline from 2017.

Total	2018		9M18		1H18	1Q18	2017	Δ 2018 / 2017
	Excl. Acquisitions	Acquisitions	Excl. Acquisitions	Acquisitions	Total	Total	Total	
Net Accounts Receivable	172.6	1.5	201.3	2.3	197.7	290.7	247.0	(74.4)
Adjusted Accounts Receivable FIES	0.0	0.0	0.0	0.0	0.0	(0.6)	(1.2)	1.2
Adjusted Net Accounts Receivable	172.6	1.5	201.3	2.3	197.7	291.3	248.3	(75.7)
Net Revenue (accumulative)	1,093.5	9.0	803.4	3.4	548.0	265.1	1,042.7	50.8
DSO	57	29	68	60	65	99	86	(29)

FIES	2018		9M18		1H18	1Q18	2017	Δ 2018 / 2017
	Excl. Acquisitions	Acquisitions	Excl. Acquisitions	Acquisitions	Total	Total	Total	
Net Accounts Receivable	8.7	0.3	36.0	0.5	39.4	145.5	124.4	(115.7)
Adjusted Accounts Receivable FIES	0.0	0.0	0.0	0.0	0.0	(0.6)	(1.2)	1.2
Adjusted Net Accounts Receivable	8.7	0.3	36.0	0.5	39.4	146.1	125.7	(116.9)
Net Revenue (accumulative)	236.9	1.1	183.1	0.3	124.9	64.5	304.3	(67.4)
DSO	13	50	53	127	57	204	149	(135)

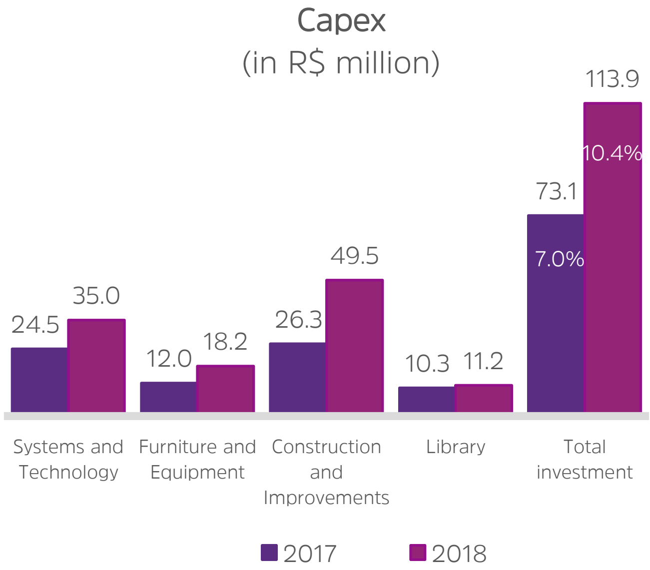
Non FIES	2018		9M18		1H18	1Q18	2017	Δ 2018 / 2017
	Excl. Acquisitions	Acquisitions	Excl. Acquisitions	Acquisitions	Total	Total	Total	
Net Accounts Receivable	147.2	1.2	152.7	1.8	141.4	135.1	106.3	40.9
Net Revenue (accumulative)	778.1	7.9	580.3	3.1	393.3	195.8	677.4	100.7
DSO	68	27	71	53	65	63	57	11

Others	2018		9M18		1H18	1Q18	2017	Δ 2018 / 2017
	Excl. Acquisitions	Acquisitions	Excl. Acquisitions	Acquisitions	Total	Total	Total	
Net Accounts Receivable	16.7		12.5		16.9	12.5	16.3	0.3
Net Revenue (accumulative)	78.5		40.0		29.8	4.7	61.0	17.4
DSO	76		85		102	154	96	(20)

*Weighted average DSO considering aquisitions in the last 12 months

Investments (CAPEX)

CAPEX totaled R$113.9 million in 2018, or 10.4% of net revenue, a 3.4pp increase compared to the 7.0% reported in 2017. As expected, this growth was mainly due to organic expansion through the opening and expansion of our new academic units. We also continue investing in the development of our educational systems and technological platform.



Despite the regulatory flexibilization mentioned in 3Q18, which allowed an increased use of virtual libraries, there is still a minimum requirement for physical libraries, which explains the increase in investments in this item, since we opened eight new units in 2019.1.

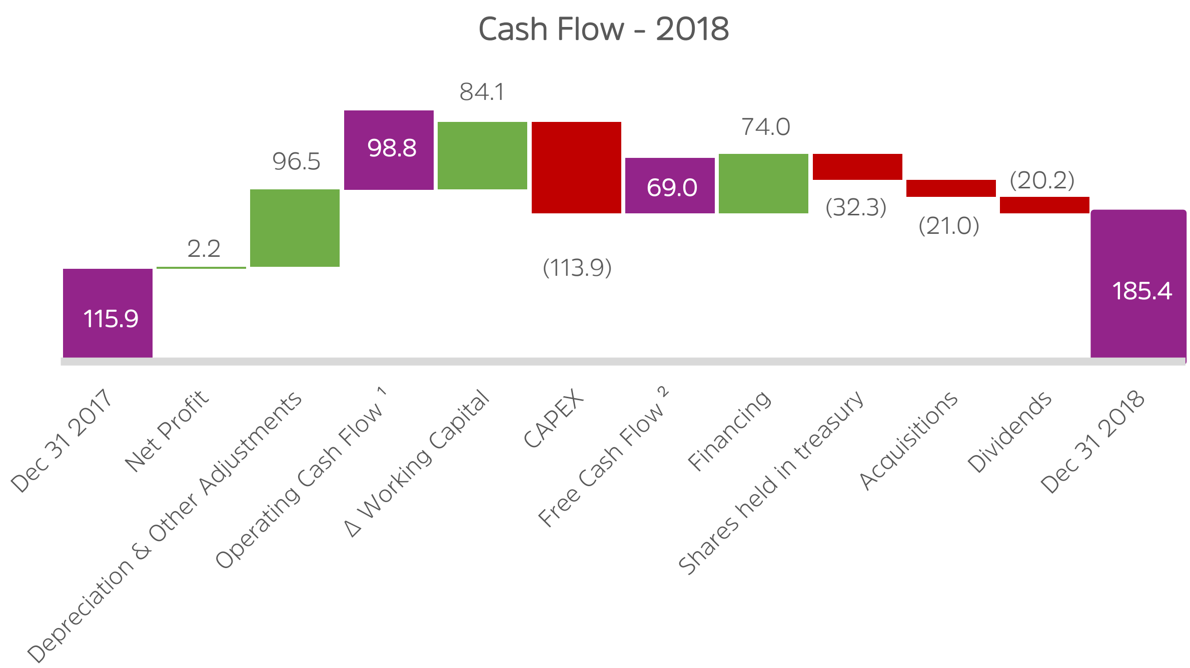
Cash Flow

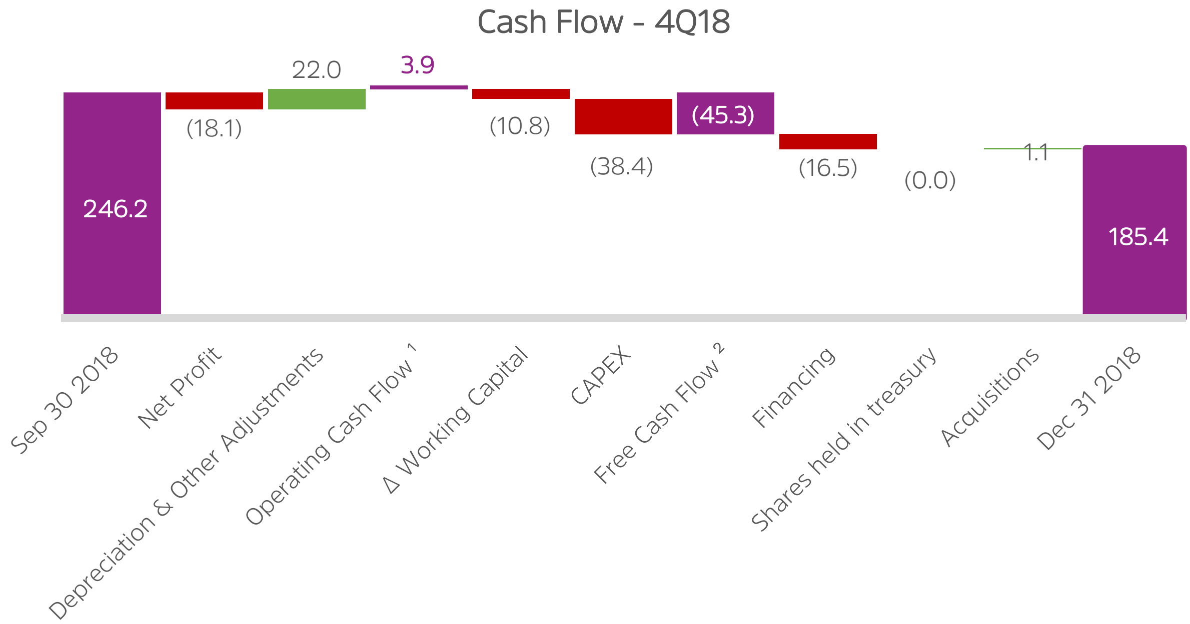
	2018	2017	4Q18	4Q17
Net Income	**2.2**	**85.2**	**(18.1)**	**10.8**
Non-Controlling Interest	0.0	0.0	0.0	0.0
Net Income before Non-Controlling Interest	**2.2**	**85.2**	**(18.1)**	**10.8**
Depreciation & Amortization	54.3	51.3	14.1	13.5
Interest expenses/revenues	31.5	30.7	10.4	5.8
Provisions for labor, tax and civil risks	5.3	5.1	(0.1)	0.5
Other non-cash adjustments	5.4	(24.9)	(2.4)	(18.7)
Operating Cash Flow	**98.8**	**147.3**	**3.9**	**12.0**
Δ Accounts receivable/PDA	77.3	44.7	28.8	32.5
Δ Other assets/liabilities	6.8	(2.7)	(39.7)	(32.2)
Working Capital Variance	**84.1**	**42.0**	**(10.8)**	**0.3**
Free Cash Flow before CAPEX	**182.8**	**189.4**	**(6.9)**	**12.4**
CAPEX - Fixed and Intangible	(113.9)	(73.1)	(38.4)	(24.4)
Free Cash Flow	**69.0**	**116.3**	**(45.3)**	**(12.0)**
Financing/Investments activities	74.0	(156.9)	(16.5)	(17.0)
Shares held in treasury	(32.3)	(4.3)	0.0	0.0
Acquisitions	(21.0)	(12.6)	1.1	(2.1)
Dividends	(20.2)	(5.0)	0.0	0.0
Capital Increase LCB - Ânima	0.0	(3.1)	0.0	0.0
Net Cash Flow from Financing Activities	**0.5**	**(181.9)**	**(15.4)**	**(19.0)**
Net Increase (Reduction) of Cash and Cash Equivalents	**69.5**	**(65.6)**	**(60.8)**	**(31.0)**
Cash at the begging of the period	115.9	181.5	246.2	146.9
Cash at the end of the period	185.4	115.9	185.4	115.9

Operating cash flow before working capital and CAPEX came to R$98.8 million in 2018. In addition to operating cash flow in the period, we saw a working capital gain of R$84.1 million. After CAPEX of R$113.9 million, including the acquisitions, free cash flow amounted to R$69.0 million.

Financing activities generated R$74.0 million in cash in 2018. In the period, we repurchased shares totaling R$32.3 million, in accordance with the share buyback plans approved in May and September 2018. Payments related to the 2016 acquisitions (UniSociesc, Una Uberlândia, and Una Bom Despacho) and to the two acquisitions announced in July 2018 (CESUC and Jangada) absorbed R$21.0 million in the period. Dividends also consumed R$20.2 million from our cash in 2018.

As a result, we ended 2018 with cash and financial investments of R$185.4 million.

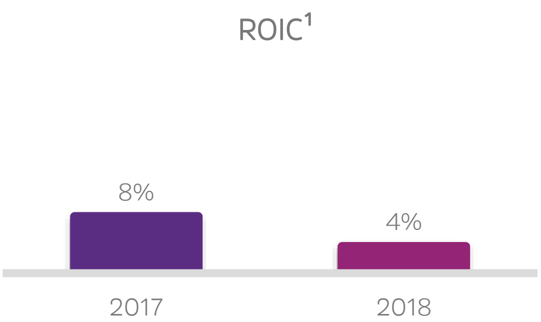


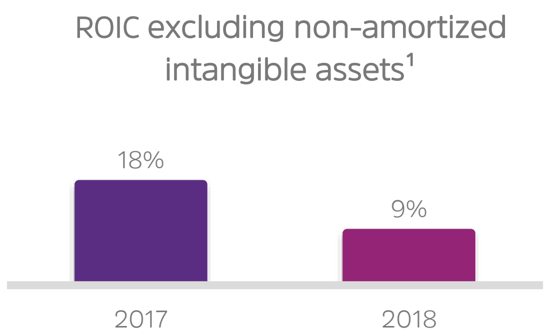


[1] Operating Cash Flow = Net Result + Depreciation & Other Non-Cash Items
[2] Free Cash Flow = Operating Cash Flow – Working Capital – CAPEX

Return on Invested Capital (ROIC)

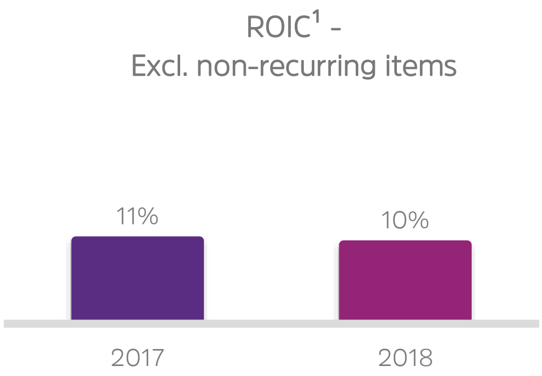
Among other financial performance metrics, we continue to track our return on invested capital (ROIC), which dropped 4.5pp from 2017 to 4%. This decline was mainly driven by non-recurring expenses and higher CAPEX related to the expansion of our operations. Our ROIC, excluding non-amortized intangible assets came to 9% in 2018, down 8.5pp from 2017. Aware of the important challenge of improving this metric, we continue working hard to deliver improvements in this metric.

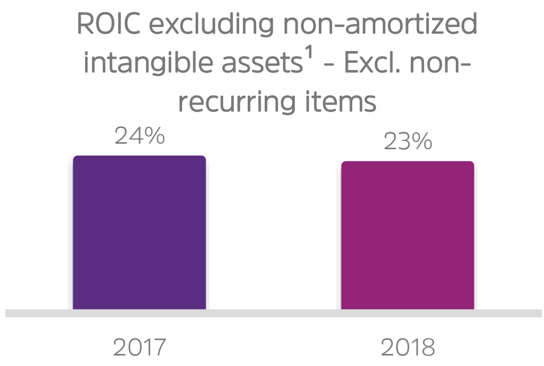




If we exclude non-recurring expenses concentrated in 3Q18 that related to the Census Project and the centralization process carried out during 2017 and early

2018, which had an impact on EBITDA, this metric would have remained in line with 2017.





[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 2018 Income Statement

Consolidated Ânima R$ (million)	2018						
	Release Income Statement	Depreciation & Amortization	Corporate Expenses	Late Payment Fees	Non-Recurring Items	HSM Reclass.	IFRS Income Statement
Gross Revenue	1,843.0		0.0		11.8		1,854.8
Discounts, Deductions & Scholarships	(715.3)		0.0		0.2		(715.1)
Taxes	(34.5)		0.0		(2.7)		(37.3)
Net Revenue	1,093.1		0.0		9.3		1,102.5
Cash Cost of Services	(631.1)	(34.5)	0.0	0.0	(41.1)	(0.4)	(707.1)
- Personnel	(432.0)		0.0		(31.7)		(463.6)
- Services from Third Parties	(55.1)		0.0		(1.5)	(0.4)	(57.0)
- COGS	(1.0)		0.0		(5.8)		(6.8)
- Rental & Utilities	(102.6)		0.0		(1.1)		(103.7)
- Others	(40.4)	(34.5)	(0.0)		(1.0)		(76.0)
Gross Profit (exclud. deprec. /amort.)	462.0	(34.5)	0.0	0.0	(31.7)	(0.4)	395.3
Sales Expenses	(92.3)	0.0	(2.7)	0.0	(1.6)	0.0	(96.7)
- Provision for Doubtful Accounts (PDA)	(44.8)		(0.0)		(1.6)		(46.3)
- Marketing	(47.6)		(2.7)		(0.1)		(50.3)
General & Administrative Expenses	(115.2)	(19.8)	(115.2)	0.0	(9.1)	0.0	(259.3)
- Personnel	(78.8)		(86.5)		(5.8)		(171.2)
- Third Party Services	(11.4)		(10.7)		(0.0)		(22.1)
- Rental & Utilities	(4.0)		(2.4)		(0.0)		(6.4)
- Others	(21.0)	(19.8)	(15.5)		(3.3)		(59.6)
Other Operating Revenues (Expenses)	4.5	0.0	1.1	0.0	(3.8)	0.0	1.8
- Provisions	(2.5)		0.5		(3.9)		(5.9)
- Taxes	(2.8)		(1.0)		(0.0)		(3.8)
- Other Operating Revenues	9.8		1.7		0.0		11.5
Late Payment Fees	11.2			(11.2)			0.0
Operating Result	270.2	(54.3)	(116.7)	(11.2)	(46.3)	(0.4)	41.2
- Corporate Expenses	(100.4)		116.7		(16.3)		0.0
Adjusted EBITDA	169.8	(54.3)	0.0	(11.2)	(62.6)	(0.4)	41.2
(-) Late Payment Fees	(11.2)			11.2			0.0
(-) Non-Recurring Items - EBITDA	(62.6)				62.6		0.0
EBITDA	95.9	(54.3)	0.0	0.0	0.0	(0.4)	41.2
Depreciation & Amortization	(54.3)	54.3					0.0
Equity Equivalence	(2.5)						(2.5)
EBIT	39.1	0.0	0.0	0.0	0.0	(0.4)	38.7
Net Financial Result	(35.1)					0.4	(34.7)
EBT	4.0	0.0	0.0	0.0	0.0	0.0	4.0
Income Tax and Social Contribution	(1.7)						(1.7)
Net Income	2.2	0.0	0.0	0.0	0.0	0.0	2.2
(-) Non-Recurring Items - EBITDA	62.6				(62.6)		0.0
(-) Non-Recurring Items - Net Income	0.0				0.0		0.0
Adjusted Net Income	64.9	0.0	0.0	0.0	(62.6)	0.0	2.2

APPENDIX 2 – Reconciliation of the 4Q18 Income Statement

Ânima Consolidated R$ (million)	4Q18						
	Release Income Statement	Depreciation & Amortization	Corporate Expenses	Late Payment Fees	Non-Recurring Items	HSM Reclass.	IFRS Income Statement
Gross Revenue	478.8		0.0		1.1		479.9
Discounts, Deductions & Scholarships	(174.0)				(0.0)		(174.0)
Taxes	(9.9)		0.0		(0.3)		(10.3)
Net Revenue	294.8		0.0		0.8		295.6
Cash Cost of Services	(184.2)	(9.4)	(0.0)	0.0	(15.3)	0.0	(208.9)
- Personnel	(119.9)				(13.6)		(133.5)
- Services from Third Parties	(22.6)				(0.2)	0.0	(22.8)
- COGS	(0.1)				(1.0)		(1.1)
- Rental & Utilities	(29.5)		0.0		(0.4)		(29.9)
- Others	(12.1)	(9.4)	(0.0)		(0.1)		(21.6)
Gross Profit (exclud. deprec. /amort.)	110.6	(9.4)	0.0	0.0	(14.5)	0.0	86.7
Sales Expenses	(31.3)	0.0	(1.0)	0.0	(0.4)	0.0	(32.8)
- Provision for Doubtful Accounts (PDA)	(15.3)		0.0		(0.4)		(15.8)
- Marketing	(16.0)		(1.0)		(0.0)		(17.0)
General & Administrative Expenses	(27.3)	(4.6)	(28.0)	0.0	(3.3)	0.0	(63.3)
- Personnel	(17.6)		(19.8)		(0.9)		(38.4)
- Third Party Services	(3.6)		(3.4)		(0.0)		(7.0)
- Rental & Utilities	(1.1)		(0.6)		0.0		(1.7)
- Others	(5.0)	(4.6)	(4.1)		(2.4)		(16.2)
Other Operating Revenues (Expenses)	1.0	0.0	1.0	0.0	0.0	0.0	2.0
- Provisions	(0.7)		0.3		0.0		(0.4)
- Taxes	(0.8)		(0.1)		0.0		(0.9)
- Other Operating Revenues	2.4		0.8		0.0		3.3
Late Payment Fees	1.7			(1.7)			0.0
Operating Result	54.7	(14.1)	(28.0)	(1.7)	(18.3)	0.0	(7.3)
- Corporate Expenses	(26.6)		28.0		(1.4)		0.0
Adjusted EBITDA	28.1	(14.1)	0.0	(1.7)	(19.7)	0.0	(7.3)
(-) Late Payment Fees	(1.7)			1.7			0.0
(-) Non-Recurring Items - EBITDA	(19.7)				19.7		0.0
EBITDA	6.7	(14.1)	0.0	0.0	0.0	0.0	(7.3)
Depreciation & Amortization	(14.1)	14.1					0.0
Equity Equivalence	(1.3)						(1.3)
EBIT	(8.6)	0.0	0.0	0.0	0.0	0.0	(8.6)
Net Financial Result	(13.2)					0.0	(13.2)
EBT	(21.8)	0.0	0.0	0.0	0.0	0.0	(21.8)
Income Tax and Social Contribution	3.7						3.7
Net Income	(18.1)	0.0	0.0	0.0	0.0	0.0	(18.1)
(-) Non-Recurring Items - EBITDA	19.7				(19.7)		0.0
(-) Non-Recurring Items - Net Income	0.0				0.0		0.0
Adjusted Net Income	1.6	0.0	0.0	0.0	(19.7)	0.0	(18.1)

APPENDIX 3 – Income Statement – IFRS

	2018	2017	4Q18	4Q17
Net Revenue	**1,102.5**	**1,045.7**	**295.6**	**276.3**
COST OF SERVICES	(707.1)	(646.5)	(209.4)	(189.2)
Gross (Loss) Profit	**395.3**	**399.1**	**86.2**	**87.1**
OPERATING (EXPENSES) / INCOME	(356.7)	(313.0)	(94.8)	(88.4)
Commercial	(96.7)	(84.2)	(32.8)	(29.3)
General and administrative	(259.3)	(228.2)	(63.3)	(59.9)
Equity income	(2.5)	(0.4)	(1.3)	(0.2)
Other operating (expenses) revenues	1.8	(0.2)	2.5	1.0
Income before Financial Result	**38.7**	**86.2**	**(8.6)**	**(1.3)**
Financial interest income	46.2	53.8	9.5	(1.7)
Financial interest expenses	(80.9)	(91.6)	(22.7)	(5.9)
Net (Loss) Income before Taxes	**4.0**	**48.3**	**(21.8)**	**(8.8)**
Income tax and social contribution, current and deferred	(1.7)	36.8	3.7	19.6
Net Income or Loss for the Period	**2.2**	**85.2**	**(18.1)**	**10.8**

APPENDIX 4 – Balance Sheet – IFRS

Assets	DEC 18	DEC 17	SEP 18
Current Assets	408.2	410.0	499.0
Cash and cash equivalents	99.5	33.9	23.3
Cash & financial investments	85.9	82.0	222.9
Accounts receivable	174.1	246.9	203.6
Prepaid expenses	31.6	30.5	21.1
Recoverable taxes	9.7	9.0	10.3
Derivatives	1.8	-	3.3
Other current assets	5.6	7.7	14.5
Non-Current Assets	1,038.3	928.1	999.0
Accounts receivable	-	0.1	-
Prepaid expenses	7.2	11.6	8.5
Judicial deposits	50.3	47.4	45.9
Credit with related parties	9.5	0.3	0.5
Recoverable taxes	12.2	16.2	12.8
Deferred income tax and social contribution	1.6	1.6	1.6
Derivatives	0.9	-	2.4
Other non-current assets	37.3	30.0	35.6
Investments	0.2	2.7	1.4
Fixed	301.8	246.1	282.7
Intangible	617.1	572.1	607.6
Total Assets	1,446.5	1,338.2	1,498.0

Liabilities	DEC 18	DEC 17	SEP 18
Current Liabilities	231.6	221.5	265.5
Supplier	31.0	33.8	28.2
Loans	80.5	52.5	75.8
Personnel	69.5	62.6	95.6
Taxes payable	18.8	17.5	13.2
Advances from clients	16.9	17.5	35.7
Tax debt installments	-	0.1	-
Accounts payables	13.3	11.1	15.9
Dividends payables	0.6	20.2	0.0
Derivatives	-	4.9	-
Other current liabilities	1.0	1.2	1.0
Non-Current Liabilities	549.6	420.2	548.0
Loans	316.3	223.3	323.9
Accounts payables	85.7	61.1	79.3
Debit with related parties	0.0	0.0	0.0
Tax debt installments	2.7	3.0	2.7
Deferred income tax and social contribution	44.5	38.4	43.7
Provisions for risks	97.9	88.3	95.5
Derivatives	-	2.6	-
Other non-current liabilities	2.5	3.4	2.8
Shareholder Equity	665.2	696.4	684.5
Capital Stock	496.4	496.4	496.4
Capital reserve	5.9	6.6	6.6
Earnings reserve	248.1	277.2	246.4
Shares in treasury	(15.6)	(14.2)	(15.6)
Asset valuation adjustment	(69.6)	(69.6)	(69.6)
Retained earnings	0.0	-	20.3
Minority shareholders interest	-	-	-
Total Liabilities and Shareholder Equity	1,446.5	1,338.2	1,498.0

APPENDIX 5 – Cash Flow – IFRS

	2018	2017	4Q18	4Q17
Net Income for the period	2.3	85.2	(18.1)	10.8
Adjustments:				
Allowance for doubtful accounts	46.3	46.2	15.8	15.1
Reversal (restatement) of escrow deposits	(0.6)	(2.1)	(0.5)	(0.5)
Depreciation and amortization	54.3	51.3	14.1	13.5
Decrease in residual value of fixed and intangible assets	0.8	0.4	0.7	0.3
Equity income	2.5	0.4	1.3	0.2
Third party loans update	(2.2)	(1.8)	(0.6)	(0.5)
Losses from Loans with related parties	-	-	-	-
PUT option premium adjustment	-	-	-	-
Interest on loans, financing, debenutres and tax installments	23.1	28.5	7.0	4.7
Constitution, reversal and update of provision for labor, tax and civil risks	5.9	7.2	0.4	1.1
Present value adjustments to accounts payable	10.8	8.3	2.7	2.2
FIES revenues regarding present value adjustments and monetary restatement	(2.5)	(6.2)	0.7	(1.0)
Share repurchase program bonuses	(0.7)	0.1	(0.7)	0.0
Shares granted to employees (Dádiva)	-	-	-	-
Alienation of treasury shares	-	-	-	-
Interest on loans with related parties	-	-	-	-
Deferred income tax and social contribution	1.7	(36.8)	(3.7)	(19.6)
Losses with investments	-	-	-	-
Losses with provision for imparment	-	-	-	-
Losses from the sale of fixed and intangible assets	-	-	-	-
Interest on tax expenses	-	-	-	-
Gain on acquisition of investment / installment	-	-	-	-
Inventory and net assets write-off	-	1.2	-	-
fairvalueofderivatives	3.2	11.6	0.6	0.9
	145.1	193.5	19.7	27.1
Change in operating assets and liabilities				
Decrease (increase) in trade receivables	30.9	(1.4)	13.0	17.4
Decrease (increase) in sundry advances	5.5	7.7	(8.6)	(12.1)
Decrease (increase) in escrow deposits	(3.6)	(13.3)	(3.9)	(8.8)
Decrease (increase) in recoverable taxes and contributions	3.4	0.6	1.3	1.2
Decrease (increase) in other assets	(2.4)	(3.3)	7.2	4.0
Increase (decrease) in trade payables	(2.2)	10.1	2.8	9.0
Increase (decrease) in payroll and related taxes	14.9	7.8	(18.5)	(10.9)
Increase (decrease) in advances from clients	(1.4)	(1.6)	(18.8)	(13.1)
Increase (decrease) of taxes and contributions paid in installments	(0.8)	0.7	(0.0)	1.4
Increase (decrease) of provision for tax, civil and labor risks	(6.3)	(13.7)	(0.8)	(1.3)
Increase (decrease) in other liabilities	(1.1)	3.1	(0.3)	(0.2)
Cash from operations	40.2	(3.4)	(23.5)	(13.3)
Interest paid	(19.6)	(32.8)	(1.9)	(2.2)
Income tax and social contribution paid	-	(0.0)	-	-
Net cash flow from operating activities	165.7	157.3	(5.7)	11.7
Cash Flow from Investment Activities				
Loans with related parties				
Concessions	(9.8)	(4.0)	(9.5)	(4.0)
Subsidiary capital increase	-	(3.1)	-	-
Acquisitions net of cash and equivalents	(12.7)	-	-	-
(Redemption) investment of financial investments	5.4	75.2	140.1	30.1
Yields from financial investments	(9.3)	(15.3)	(3.2)	(2.7)
Acquisition of property and equipment	(87.2)	(53.6)	(28.6)	(16.7)
Acquisition of intangible assets	(26.6)	(19.5)	(9.8)	(7.6)
Net cash flow (applied) from investment activities	(139.7)	(16.5)	89.5	2.8
Cash Flow from Financial Activities				
Loans and financing				
Funding	153.7	5.4	4.7	-
Amortizations	(48.5)	(100.4)	(10.6)	(14.1)
Gains (Losses) with Derivatives	(1.6)	(29.6)	0.3	(2.0)
Accounts payable amontization on controlling acquisitions	(11.5)	(12.6)	(2.0)	(2.1)
Shares held in treasury	(32.3)	(4.3)	-	-
Dividends paid	(20.2)	(5.0)	-	-
Net cash (applied to) flow from financing activities	39.6	(146.4)	(7.7)	(18.1)
Cash (Applied) Flow for the Period	65.6	(5.7)	76.2	(3.6)
Change in Cash and Cash Equivalents				
Cash at the begging of the period	33.9	39.6	23.3	37.5
Cash at the end of the period	99.5	33.9	99.5	33.9
Increase (Decrease) of Cash and Cash Equivalents	65.6	(5.7)	76.2	(3.6)