

Message from Management

Webinar in Portuguese through the zoom
platform
with simultaneous translation into English via
webcast
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MESSAGE FROM MANAGEMENT

We ended 1Q20 with positive results, a solid capital structure and clear minds to face the difficult times ahead of us in the short term. Just over two months ago, we began living a new reality brought on by the COVID-19 pandemic. With all the uncertainties in the current global scenario, there seems to be at least one lesson that we learned during the last nine weeks: people, companies, governments and institutions will never be the same.

We have before us an unique opportunity to strengthen and accelerate several of our innovative practices, as well as abandon some of the older ones. We feel confident that this difficult period will bring us new benchmarks. Despite all the current uncertainties, this is good news.

Agility to make decisions and implement changes, flexibility to adapt to a new form of personal and professional interaction, and creativity to adopt solutions are differentials that put us in a privileged position in the education sector, helping us preserve the high quality of our student and faculty activities.

Our hybrid learning model, focused on the development of competencies, became a reference in the country and puts us at the forefront of this scenario, in which we are already experiencing a new way of working that intensifies our students' connection with their future.

In this context, the strength and quality of our brands become even more important for students who need to choose an experience that will prepare them for this new world.

As a result of more than four years investing in technological tools and digital solutions, building a data base and training our faculty, with a lot of engagement, passion and purpose, in only five days, we managed to convert the learning context of 140 thousand¹ students into a digital environment with an intense use of technology. As a result, we have enabled more than one hundred thousand students to pursue their dreams, by guaranteeing their education, putting them at the center of their decision-making process, and, most importantly, allowing them to stay safe in their homes. The response has been extremely rewarding: spontaneous public demonstrations, messages of gratitude, tributes to professors and students' continuous presence in the new digital environment.

¹ Already includes Unisul, whose co-management period began in March.

It is clear to us at this time that we are facing a great opportunity to prove to the world that technology is a tool that improves the quality of learning experiences, shifts paradigms and even creates a solid base for an important discussion on current regulations and public policies regarding Brazil's post-secondary education sector.

This context has also shown us many other possibilities. We already identified new developments in our academic model, which, among other ideas, allow us to reallocate part of our investments, that were still allocated to physical structures, to technological solutions that will further improve learning experiences.

After guaranteeing the quality of our academic experience, and given that we understand and sympathize with any financial difficulties that our students may be facing, we contracted an insurance, at no cost to them, in the case of involuntary unemployment, physical incapacity, accident or death of the financial representative, in addition to two new types of financing, managed by Pravaler.

Integrating Ânima's Ecosystem, we also consolidated the remote work of our teams, sharing with around 8,000 people the best home office practices, focused on efficiency and safety. Given the unique characteristics of this present time, we have been quickly developing solutions to preserve the mental health of all our educators, through meditation sessions, yoga, exercises, martial arts and psychological support, as well as creating similar activities for our students.

This moment also gave us the opportunity to extend our intake process for the first semester of 2020 until April (historically, the intake process ends in March), allowing us to enroll 31.7 thousand new students in this cycle.

On one hand, the intake volume was predictably pressured, mainly due to the fiercer competition in the larger regions where we operate and the impacts of the pandemic at the end of the process. On the other hand, we maintained our plan to recover the ticket, which increased by 9.6% in the quarter versus the same period last year (4.9% excluding acquisitions). Even with the consolidation of five campuses and without the opening of new units, our student base grew by 10.6% over 2019, mainly as a result of our retention indicators and the increase from the acquisitions of AGES and Unicuritiba.

Our academic model of learning through competencies (Ânima's Learning Ecosystem – E2A), which was implemented in all programs in 2018, began

generating gains in faculty efficiency, as expected, improving personnel costs by 2.7pp versus 1Q19 and introducing a new level to this indicator.

The segmented analysis of our operations based on their respective stages of maturity reveals that all blocks (Base, Acquisitions and Organic Expansion) continued their upward trend. This growth are mainly due to the effects of E2A (Base operation units), gains from the new acquisitions in 2019 and 2020, in addition to the efforts to integrate the previous acquisitions (Acquisitions block), or the maturation of new units (Organic Expansion block).

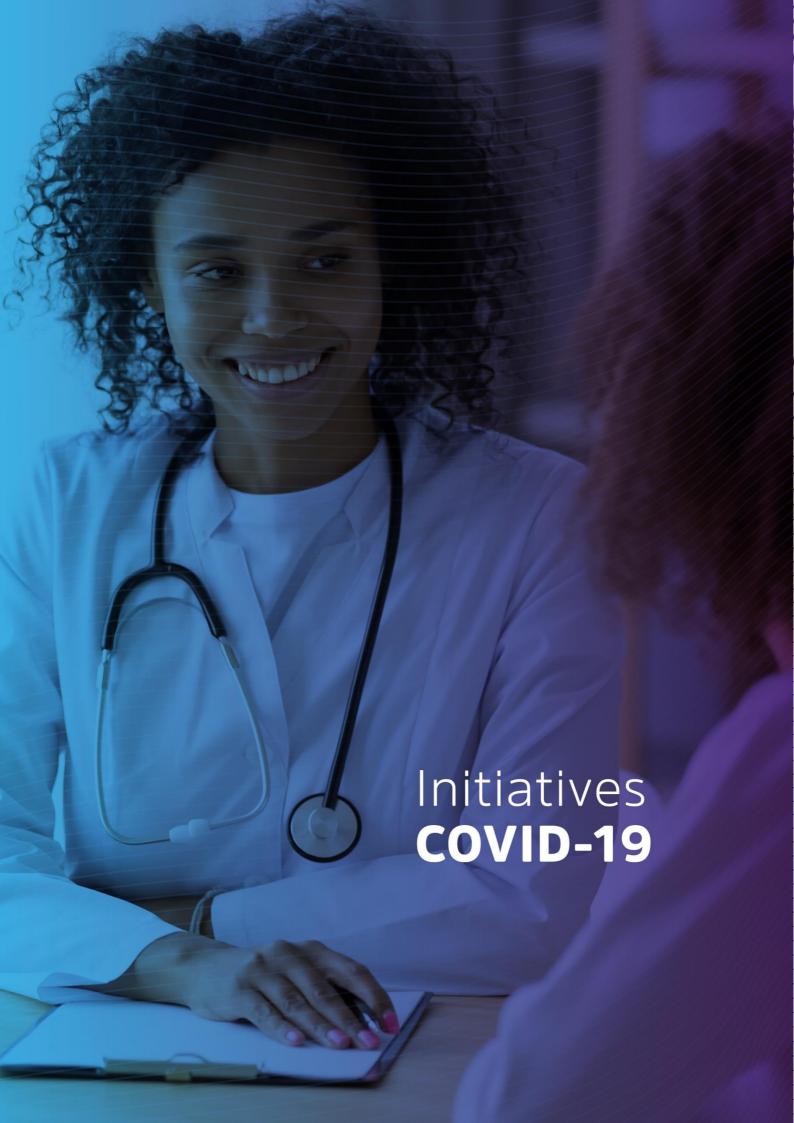
As a result, we ended 1Q20 with consolidated net revenue of R\$338.6 million, 20.1% up on 1Q19 (+7.7% excluding AGES and Unicuritiba), and adjusted EBITDA of R\$118.3 million (+21.4% vs. 1Q19), continuing our trend of increasing the margin, which reached 34.9% (+0.3pp vs. 1Q19).

Continuing our expansion strategy, we recently announced the arrival of Faseh – Faculdade da Saúde e Ecologia Humana, located in the expansion area of the Metropolitan Region of Belo Horizonte (MG). The integration of Faseh will enhance Ânima's academic excellence in the health area and expand our performance as one of the largest private medical education organizations in the country. With that, we started to manage seven medical courses in four states of the country (USJT Cubatão / São Paulo, Ages Jacobina and Irecê / Bahia, UniBH Belo Horizonte / Minas Gerais, Faseh Vespasiano / MG and Unisul Tubarão and Pedra Branca / Santa Catarina), with about 3,700 students and maturing, as already disclosed.

This is undoubtedly a unique chapter of our history. But challenges bring us together, our actions make us stronger and we find opportunities amid difficulties, because innovating, doing it differently and reinventing ourselves is in our DNA.

Ânima has all the features (academic model, data base, technology, personnel and governance) to stand out, transforming the difficulties arising from this current crisis into a great opportunity to bring more visibility to our differentials, further strengthening us to make a difference in the transformation of our country!

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COVID-19

When we began seeing the evolution of the COVID-19 outbreak in the world, we decided to hold a meeting between our Board of Directors and Executive Board, and the Company's management contacted the Audit and Risk Committee. As a result, on February 27, we began preparations to migrate all our academic, faculty and administrative activities to a digital environment, in addition to creating an emergency committee to specifically deal with this issue, which has been working full time ever since, monitoring epidemiological and scientific developments to provide data and support the decisions of the Company's management on the implementation of response protocols.

This matter became a permanent item in the agenda of the Executive Committee, which, based on the data provided, has been working with several possible scenarios. This dynamic has played a key role in the speed of our decision-making process, which allowed us to take the academic and administrative measures detailed below.

It is important to mention that, in addition to the measures focused on prevention and care, the return of our activities has also been an essential element of our discussions. We already prepared and approved a protocol for the gradual return of on-campus activities, the date of which will be defined in accordance with the guidelines established by the public authorities in the regions where we operate.

In this context, in order to deal with the pandemic, we focused on four main fronts: People; Academic Experience; Results and Capital Structure; and Society.

People

In the People front, which includes students and educators, since the beginning, we have adopted the premise of maintaining the highest number of people active, safe and with their health preserved. We believe that, in this moment of social isolation, it is crucial to promote intellectual activities, as a way to contribute to the health of our entire community.

On February 28, we began daily communications with educators and students, through meetings, lectures and podcasts to provide them with guidance regarding self-care and hygiene measures; the adequate use of PPEs; the use of hand sanitizer; how to take care of someone with SARS-CoV-2; and the preparation of daily reports with updated information.

On March 6, we began adopting measures for the possible occurrence of cases among educators and students, with the supervision of medical professors and the preparation of technical reports on (a) the epidemiological situation and (b) revised recommendations. We created a group in our internal communication system, Workplace, which is available to all our employees, in order to insert and follow the trajectory and communications related to the Prevention and Care Committee.

On March 9, all response protocols in the event of suspected or confirmed cases of COVID-19 had already been defined and approved by our management, and began being widely distributed to all our units in the seven states where we operate.

On March 12, with the growing effects of the pandemic in the country, we relocated everyone in vulnerable groups (as defined by the World Health Organization) to home office activities and studies through digital platforms. On the next day, as a preventive measure, we began migrating all our students and educators to the digital environment.

On March 20, we began operating in a fully digital environment, without compromising our activities and maintaining the same goal of preserving intellectual activities in favor of health, with the exception of the security and maintenance teams, who continued to work at the campuses on a shift basis, to guarantee the integrity of our facilities.

At the same time that we made this decision, we began making several arrangements to care for people during the period of social isolation, especially with regard to the psychological aspects of being quarantined. As a result, a few days after the beginning of the isolation measures, we started implementing initiatives focused on the mental health of our community, such as lives, videos, webinars and daily activities several times a day, including meditation, kundalini, yoga and aikido, among others.

Based on the positive results derived from this experience, we are currently revising our home office policy to guarantee that our activities and our educators' routine have the highest levels of efficiency and quality, with sustainability and the understanding that, in many respects, the reality of our operations has permanently changed and, in our case, for the better.

Academic Experience

Our hybrid academic model (Ânima's Learning Ecosystem – E2A) was an important differential during this crisis, converting what used to be a trend into reality. Given

that we implemented E2A over two years ago, we already had materials and professors duly trained in every discipline of all our programs.

On March 9, we began a great mobilization and preparation effort that enabled us to be ready to significantly adapt the learning scenario for all our students. Following our quality standards, as of March 19, E2A has allowed our entire base of around 140 thousand students (including Unicuritiba's and Unisul's students) to experience their academic environment from their homes, in a learning scenario that uses technology as a tool to improve the interaction between professors and students.

As a result of the isolation measures, we saw education institutions dividing themselves into three different profiles: those that changed their learning scenario without losing quality, like us; those that changed their education model to distance learning, with significant impacts on the experience of students who have been struggling with this alternative; and those that, due to the lack of tools, simply ceased to provide educational services.

Our scenario should not be mistaken for the distance-learning method, in which, as defined by its own standard, teachers and students are in different places at different times, characterizing an asynchronous education model. Our students are experiencing their digital environment together with their usual professors, through virtual classrooms, where the environment is offered live, simultaneously, at different locations for the protection of our society in this moment of social distancing we are facing.

After nine weeks, our students are now acquainted with the new learning scenario, displaying high attendance rates to classes and giving us very positive feedbacks, with suggestions for an even greater use of technology after the isolation period ends. This great experience our students are reporting is undoubtedly related to the intense commitment and ability to adapt of our professors, who, with their creativity and passion for teaching, use the methodological tools offered by E2A to further improve the learning process.

For the intake cycle of the second semester of 2020, we are launching an online selection process and offering trial classes so that thousands of applicants may "sample" the Ânima Experience. Initiatives to present our programs and campuses are nothing new, but the digital environment has allowed us to offer this experience on a large scale and at no additional cost.

The dichotomy we still see in this sector between on-campus and distance-learning education, which already did not correspond to our reality, given that we move fluidly between technological and physical environments, seems to have been ultimately put to the test, at a time when face-to-face interactions had to be adapted to a model that requires interpersonal relations to be established through the use of technology.

It is clear to us at this time that we are facing a great opportunity to prove to the world that technology is a tool that improves the quality of learning experiences, shifts paradigms and even creates a solid base for an important discussion on current regulations and public policies regarding Brazil's post-secondary education sector.

Results and Capital Structure

In the Results and Capital Structure front, based on our 7th Principle (the result is the way to build the future), our efforts have been focused on the intensive monitoring of our main business indicators, with special attention to the development of initiatives that will minimize the impacts of COVID-19 on our student base (intake and dropout) and our financial result (default/provisions for doubtful accounts).

Within the scope of the capital structure, we began 2020 with a strong position and fully prepared to overcome this moment with resilience. As widely disclosed, our restricted public offering of shares in January 2020 was very successful, raising R\$1.1 billion. In addition, we entered into a loan agreement of R\$450 million with International Finance Corporation – IFC, indexed to the CDI rate, with a three-year grace period and a total term of 8 years, further improving our debt profile.

With regard to possible pressures in default that the current scenario of higher unemployment due to the crisis may cause, we adopted some preventive measures, including:

• We entered into a partnership with Mapfre Seguros that will allow us to offer all our students in 2020, at no additional cost to them, an educational insurance that, in the case of loss of income due to involuntary unemployment or total temporary physical incapacity of their financial representative due to illness or accident, will ensure the payment of up to 3 monthly tuitions. In the case of death of the financial representative, the warranty will be extended to up to 12 monthly tuitions.

- As a result of our strong partnership with Pravaler, we established new alternatives for students with a good academic performance, with financing between 50% and 75% and shared risk, in which we will bear the costs for the first year and Pravaler for the following years.
- We brought forward and intensified the Decola program, which consists of negotiating overdue tuition fees, with the flexibilization of late fines and interest and a better settlement of payments, focusing on students' retention and continued education, especially at a time of great uncertainty and instability in the country's job and economic scenario.

In relation to potential risks in our intake processes and the retention of our students, we structured a specific data base to register this moment full of information and opportunities. The records developed by our Assessment and Indicators Center (NAVI) include:

- a Daily Dropout & Abandonment Report that adds to the dropout predictions with which we already work a specific scenario that takes into consideration the possible effects of COVID-19, relating them to other variables, such as students' engagement in the digital platforms, the delay in the payment of bank slips and the effect of certain students in the influential group dropping out.
- an Engagement Dashboard, with the purpose of monitoring the use of the digital platforms by our students, which allows us to prepare action plans targeted at different audiences.

These data, among others, are available online through the Company's BI and have helped us make strategic, tactical and operational decisions in a timely manner.

We may not yet be able to determine the magnitude of the challenges we are currently facing, due to the inherent uncertainties of the outbreak. However, the risks are mapped in detail, the interference indicators are being continuously monitored, the possible scenarios are being outlined and the necessary strategic decisions are being made within a governance structure that we built in the last few years and that shows significant strength in this highly complex moment.

Society

We are aware of our responsibility as an education company during a crisis and so, on March 20, we introduced a campaign called "Knowledge Cannot Stop", through which we offer Ânima's Ecosystem to all public and private higher education institutions in Brazil, so that they can continue with their educational processes, without interruption.

We also carried out several social initiatives to fight COVID-19, such as donating PPEs in Florianópolis, Curitiba, Blumenau, Joinville, Jaraguá do Sul and São Bento do Sul.

Ânima Lab, our makerspace integrated with the community, contributed to the production and manufacturing of face shields and cloth masks that were distributed to the general population.

In partnership with CEC BRA, in Jaraguá do Sul, we reinforced the production of robots similar to those in China to sanitize hospital environments.

We developed an app that offers schedule management and psychological support to volunteers.

At the Regional Sul, 60 UniSociesc students are working as volunteers on the front lines against COVID-19, by screening patients in the city of Joinville, constantly following all the guidelines and using PPEs.

In the city of Cubatão, 86 students of the Medical School of Universidade São Judas volunteered to fight the pandemic, 52 of whom are working directly on site and 34 are in the rearward, all within the scope of a partnership with the Municipality of Cubatão, through an agreement with the Ministry of Health.

Finally, we were one of the first companies to sign the "Don't Fire" manifest, an initiative that managed to gather more than 4 thousand Brazilian companies that are aware of their social responsibility at this critical moment in the country and made a commitment to maintain their workforce during April and May.

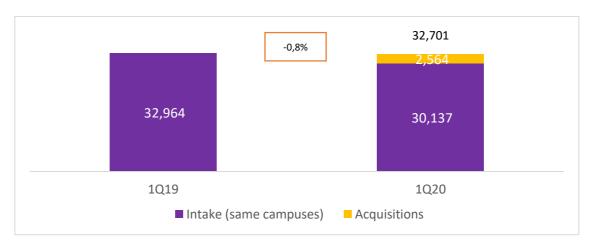
Even when facing uncertainties, some facts become very clear to us: we will be different from this point forward, further supported by our hybrid learning and working model, which will help us be better and lighter! We all derived inspiration from Winston Churchill's words, "Never let a good crisis go to waste", to act quickly and courageously, without losing our focus on results and present goals, but working very hard to build the future.



OPERATIONAL PERFORMANCE

EDUCATION

During our intake process in the first semester, we identified a fiercer competitive environment, mainly in the city of São Paulo, as well as some effects of the COVID-19 pandemic on the number of enrollments, especially at the end of the period. As a result, we began 1Q20 with 32.7 thousand new undergraduate students, a drop of 0.8% versus the same period last year (-8.6% excluding acquisitions). Proceeding with our efforts to recover the ticket, even in this complex scenario, once again we recorded an average ticket of new students that exceeded the one from the previous year, confirming this new trend.

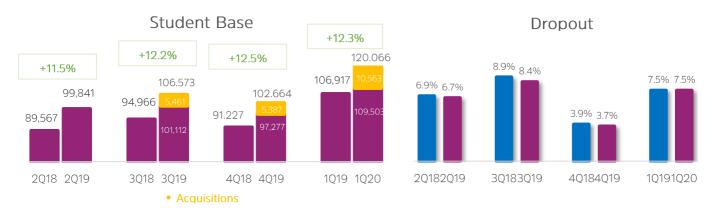


Therefore, we closed 1Q20 with a consolidated base of 125.8 thousand students, 10.6% up on 1Q19. Excluding the acquisitions of AGES and Unicuritiba, the undergraduate student base grew by 2.4% and the consolidated base increased by 1.0%, even with the consolidation of five campuses last year and without the opening of new units.

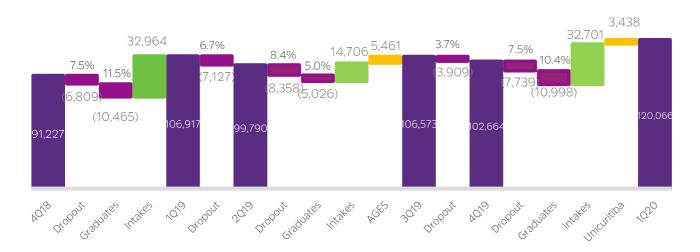
Student Base	1Q19	2Q19	3Q19	4Q19	1Q20	% 1Q20/ 1Q19
Undergraduate	106,917	99,841	101,112	97,277	109,503	2.4%
Others	6,804	6,434	6,235	5,885	5,312	-21.9%
Graduate	4,745	4,626	4,507	4,386	3,825	-19.4%
Distance Learning	1,019	832	702	468	381	-62.6%
Vocational Programs &	1,040	976	1,026	1,031	1,106	6.3%
Total	113,721	106,275	107,347	103,162	114,815	1.0%
Aquisições			5,461	5,387	10,994	
Total with Acquisitions	113,721	106,275	112,808	108,549	125,809	10.6%

In regard to retention, we continued to record positive results due to the several initiatives of the Ânima Student Journey (J2A) project. Our dropout rate stood at 7.5%, in line with 1Q19, despite the initial impacts of COVID-19 at the end of the reenrollment process.

Student Base: Undergraduate



Student Flow - Undergraduate



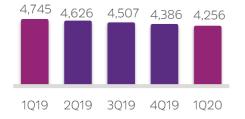
Graduate Student Base – We ended 1Q20 with 4.3 thousand students, versus 4.8 thousand in 1Q19. This segment does not follow the same inflow and outflow cycle of the undergraduate segment. We continue to devote efforts to strengthen the operating results of this segment, with initiatives that help improve the number of students per class, even if they initially reduce the number of courses.

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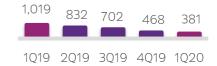
K12 and Vocational Student Base – We ended 1Q20 with 1.1 thousand K-12 and vocational education students (+6.3% vs. 1Q19), which includes the Florianópolis and Blumenau International Schools, Colégio Tupy (COT) and Escola Técnica Tupy (ETT). This increase is in line with our expectations for the beginning of the year.

Distance Learning Student Base – At the end of 1Q20, 0.4 thousand students were enrolled in our distance-learning courses, among undergraduate and graduate (excluding EBRADI and hsmU students). It is worth noting that this student base only considers courses that are 100% online, inherited from UniSociesc, in the conclusion and ending phases.

Graduate Vocational & K-12 DL





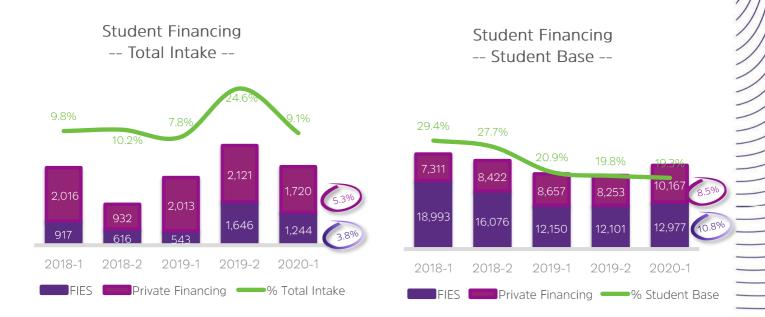




Student Financing

We ended 1Q20 with 1.2 thousand new students with FIES financing, who accounted for 3.8% of total intake, in line with the lower share of this type of financing in the student base.

Regarding private financing, we continued our strategic partnership with Pravaler. We reached 1.7 thousand new students in 1Q20, corresponding to 5.3% of total intake (versus 4.9% in 1Q19), 0.6 thousand of whom using the credit risk of our balance sheet.



As a result, we ended the quarter with slightly more than 12.9 thousand FIES students (10.8% of the base) and approximately 10.2 thousand students with private financing (Pravaler), accounting for 8.5% of the undergraduate base, 2.9 thousand of whom using the credit risk of our balance sheet (2.4% of the base).



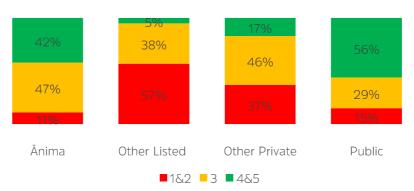
Academic Quality

The most recent results published by INEP/MEC, related to 2018, ratify the high academic quality of our institutions, as disclosed in 4Q19.

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

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

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



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





FINANCIAL PERFORMANCE

1Q20 Results

R\$ (million)	Consolidated	% Net Revenue	Education	% Net Revenue	Others	% Net Revenue
Gross Revenue	684.1	202.0%	664.5	204.7%	19.5	140.4%
Discounts, Deductions & Scholarships	(334.6)	-98.8%	(330.0)	-101.6%	(4.6)	-32.9%
Taxes	(10.9)	-3.2%	(9.9)	-3.0%	(1.0)	-7.5%
Net Revenue	338.6	100.0%	324.7	100.0%	13.9	100.0%
Cash Cost of Services	(126.3)	-37.3%	(122.9)	-37.8%	(3.4)	-24.7%
- Personnel	(99.7)	-29.4%	(98.7)	-30.4%	(1.0)	-7.4%
- Services from Third Parties	(10.4)	-3.1%	(8.9)	-2.7%	(1.6)	-11.2%
- Rental & Utilities	(7.6)	-2.3%	(7.6)	-2.4%	(0.0)	0.0%
- Others	(8.6)	-2.5%	(7.7)	-2.4%	(0.9)	-6.1%
Gross Profit (exclud. deprec. /amort.)	212.3	62.7%	201.8	62.2%	10.5	75.3%
Sales Expenses	(32.0)	-9.5%	(29.0)	-8.9%	(3.0)	-21.5%
- Provision for Doubtful Accounts (PDA)	(11.6)	-3.4%	(10.0)	-3.1%	(1.5)	-11.1%
- Marketing	(20.5)	-6.0%	(19.0)	-5.9%	(1.5)	-10.5%
General & Administrative Expenses	(34.7)	-10.2%	(27.8)	-8.6%	(6.9)	-49.4%
- Personnel	(26.9)	-8.0%	(21.1)	-6.5%	(5.9)	-42.1%
- Third Party Services	(3.4)	-1.0%	(2.7)	-0.8%	(0.7)	-4.8%
- Rental & Utilities	(8.0)	-0.2%	(0.7)	-0.2%	(0.1)	-0.7%
- Others	(3.5)	-1.0%	(3.3)	-1.0%	(0.2)	-1.8%
Other Operating Revenues (Expenses)	(0.0)	0.0%	(0.0)	0.0%	0.0	0.1%
- Provisions	0.1	0.0%	0.1	0.0%	0.0	0.0%
- Taxes	(1.3)	-0.4%	(1.2)	-0.4%	(0.1)	-1.0%
- Other Operating Revenues	1.2	0.4%	1.1	0.3%	0.2	1.2%
Late Payment Fees	2.9	0.9%	2.9	0.9%	0.0	0.0%
Operating Result	148.5	43.9%	147.9	45.5%	0.6	4.6%
- Corporate Expenses	(30.2)	-8.9%				
Adjusted EBITDA	118.3	34.9%				
(-) Late Payment Fees	(2.9)	-0.9%				
(-) Non-Recurring Items - EBITDA	(62.7)	-18.5%				
EBITDA	52.7	15.6%				
Depreciation & Amortization	(35.7)	-10.6%				
Equity Equivalence	(0.6)	-0.2%				
EBIT	16.4	4.8%				
Net Financial Result	(34.5)	-10.2%				
EBT	(18.1)	-5.3%				
Income Tax and Social Contribution	(0.7)	-0.2%				
Net Income	(18.8)	-5.6%				
(-) Non-Recurring Items - EBITDA	62.7	18.5%				
(-) Non-Recurring Items - Net Income	0.0	0.0%				
Adjusted Net Income	43.9	13.0%				
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FINANCIAL PERFORMANCE – Education

			Education	1	
R\$ (million)	1Q20	% Net Revenue	1Q19	% Net Revenue	% YA
Gross Revenue	664.5	204.7%	522.6	191.0%	27.2%
Discounts, Deductions & Scholarships	(330.0)	-101.6%	(240.8)	-88.0%	37.0%
Taxes	(9.9)	-3.0%	(8.2)	-3.0%	20.9%
Net Revenue	324.7	100.0%	273.6	100.0%	18.7%
Cash Cost of Services	(122.9)	-37.8%	(109.5)	-40.0%	12.2%
- Personnel	(98.7)	-30.4%	(90.5)	-33.1%	9.0%
- Services from Third Parties	(8.9)	-2.7%	(7.0)	-2.6%	26.7%
- Rental & Utilities	(7.6)	-2.4%	(5.6)	-2.1%	35.1%
- Others	(7.7)	-2.4%	(6.3)	-2.3%	22.1%
Gross Profit (exclud. deprec. /amort.)	201.8	62.2%	164.1	60.0%	23.0%
Sales Expenses	(29.0)	-8.9%	(22.8)	-8.3%	27.5%
- Provision for Doubtful Accounts (PDA)	(10.0)	-3.1%	(6.2)	-2.3%	60.6%
- Marketing	(19.0)	-5.9%	(16.5)	-6.0%	15.0%
General & Administrative Expenses	(27.8)	-8.6%	(22.9)	-8.4%	21.5%
- Personnel	(21.1)	-6.5%	(17.8)	-6.5%	18.3%
- Third Party Services	(2.7)	-0.8%	(1.8)	-0.7%	48.2%
- Rental & Utilities	(0.7)	-0.2%	(0.0)	0.0%	1986.4%
- Others	(3.3)	-1.0%	(3.2)	-1.2%	2.4%
Other Operating Revenues (Expenses)	(0.0)	0.0%	0.6	0.2%	-106.4%
- Provisions	0.1	0.0%	0.1	0.0%	6.1%
- Taxes	(1.2)	-0.4%	(0.6)	-0.2%	103.9%
- Other Operating Revenues	1.1	0.3%	1.1	0.4%	1.6%
Late Payment Fees	2.9	0.9%	3.3	1.2%	-10.9%
Operating Result	147.9	45.5%	122.3	44.7%	20.9%

R\$ (million)	Ensino Excl. Acquisitions ¹								
N. J. (TILLIOTT)	1Q20	% Net Revenue	1Q19	% Net Revenue	% YA				
Net Revenue	289.8	100.0%	273.6	100.0%	5.9%				
Gross Profit (exclud. deprec. /amort.) Gross Margin	180.4 62.3%	62.3%	164.1 60.0%	60.0%	9.9% 2.3pp				
Operating Result Operating Margin	131.1 45.2%	45.2%	122.3 44.7%	44.7%	7.2% 0.5pp				

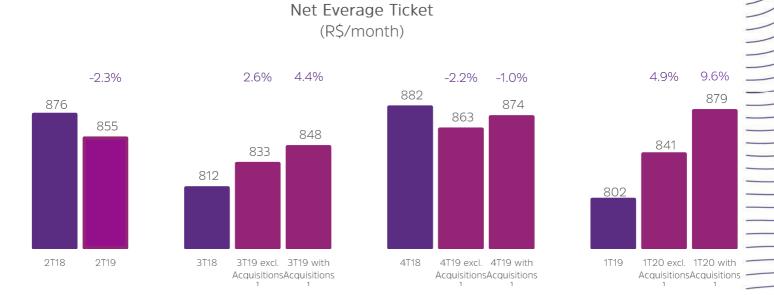
¹ Excluding acquisitions AGES (ago'19) e Unicuritiba (fev'20)

Net Revenue

We ended 1Q20 with net revenue from the Education segment of R\$324.7 million, 18.7% up on 1Q19 (R\$289.8 million, or +5.9%, excluding AGES and Unicuritiba). This increase in net revenue was due to three factors: an organic expansion in the student base (+1.0%), a higher average net ticket excluding acquisitions (+4.9%) and expansion through acquisitions (+12.8%).

Excluding AGES and Unicuritiba, our net ticket reached an average of R\$841/month in 1Q20, a 4.9% increase over the same period last year, due to an average increase in tuition fees (+9.0%) and gains in program mix (+5.8%), despite higher scholarships, discounts and taxes (-9.8%).

Including acquisitions, which have a higher ticket than our brands, our net ticket reached an average of R\$879/month, 9.6% up on 1Q19.



¹AGES as of August 2019 and Unicuritiba as of February 2020

Our efforts to recover the ticket, which include several internal initiatives, resulted in a better average net ticket than indicated by the trend last year, showing that we continue in the right path for a sustainable growth trajectory.

Total Costs and Gross Profit

Gross profit came to R\$201.8 million in 1Q20, or 62.2% of net revenue (+2.2pp vs. 1Q19). It is worth noting in this item the faculty and academic support productivity gains, which resulted in a 2.7pp improvement in personnel costs versus 1Q19.

Our academic model of learning through competencies (Ânima's Learning Ecosystem – E2A), which was implemented in all programs in 2018, began generating gains in faculty efficiency, as expected, introducing a new level to this indicator.

Selling Expenses

Selling expenses reached R\$29.0 million in 1Q20, representing an impact of -0.6pp on the margin compared to 1Q19, as a result of higher provisions for doubtful accounts (-0.8pp), despite a slight relative reduction in marketing expenses (+0,2pp).

In 1Q20, provisions for doubtful accounts accounted for 3.2% of net revenue, higher than in 1Q19 (2.3% of net revenue), but lower than in 1Q18 (3.5% of net revenue). This increase was mainly due to higher accounts receivable not yet due (+R\$44.3 million vs. 1Q19) of tuition fees, FIES and credit card receivables, as well as in the aging level of amounts overdue by up to 180 days (+R\$15.9 million vs. 1Q19).

In anticipation of a possible rise in provisions for doubtful accounts in 2Q20, caused by the effects of COVID-19, we implemented preventive measures to minimize the impact of provisions for doubtful accounts on our results, as detailed in the COVID-19 section (educational insurance and new types of financing with Pravaler).

General and Administrative Expenses

General and administrative expenses stood at R\$27.8 million in 1Q20, or 8.6% of net revenue, -0.2pp vs. 1Q19. The increase in these expenses was mainly due to the higher share of Q2A units, which are still in the maturation stage and have therefore a proportionally higher level of G&A expenses than mature operations.

Other Operating Revenues (Expenses)

Other operating revenues (expenses), including fines and interest on tuition fees, came to R\$2.9 million in 1Q20, a 0.5pp contraction versus 1Q19, mainly due to lower fines and interest, as a result of the Decola program, which establishes preventive

negotiations regarding overdue tuition fees, with the flexibilization of late fines and interest and a better settlement of outstanding payments by students.

Operating Result

The operating result reached R\$147.9 million in 1Q20, or 45.5% of net revenue, up 0.8pp over 1Q19.

We continue to monitor the evolution of operating margins in the Education segment, dividing the units into three major blocks based on their respective stages of maturity: Base, Acquisitions and Organic Expansion. It is worth noting that we have begun including AGES and Unicuritiba in the Acquisitions block as of August 2019 and February 2020, respectively.

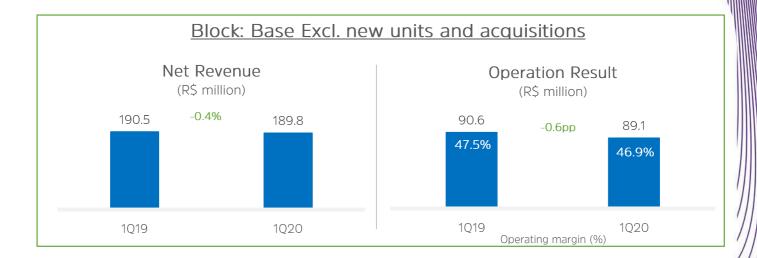
Valores em R\$ (milhões) com IFRS-16		Base ¹ Excl. New Units		Acquisitions ² Excl. New Units		Organic Exp. ³			Education			
	1Q20	1Q19	% AH	1Q20	1Q19	% AH	1Q20	1Q19	% AH	1Q20	1Q19	% AH
Net Revenue	189.8	190.5	-0.4%	79.7	45.1	76.6%	55.1	38.0	45.3%	324.7	273.6	18.7%
Gross Profit (exclud. deprec. /amort.)	118.1	114.6	3.1%	48.9	25.3	93.2%	34.8	24.3	43.4%	201.8	164.1	23.0%
Gross Margin	62.2%	60.1%	2.1pp	61.4%	56.1%	5.3pp	63.1%	63.9%	-0.8pp	62.2%	60.0%	2.2pp
Operating Result	89.1	90.6	-1.6%	35.6	18.1	97.0%	23.2	13.6	69.7%	147.9	122.3	20.9%
Operating Margin	46.9%	47.5%	-0.6pp	44.7%	40.1%	4.6pp	42.0%	36.0%	6.1pp	45.5%	44.7%	0.8pp

¹ Considers Una, UniBH and São Judas (inlcuding the Unimonte campus, but excluding acquisitions and new units opened as of 2016)

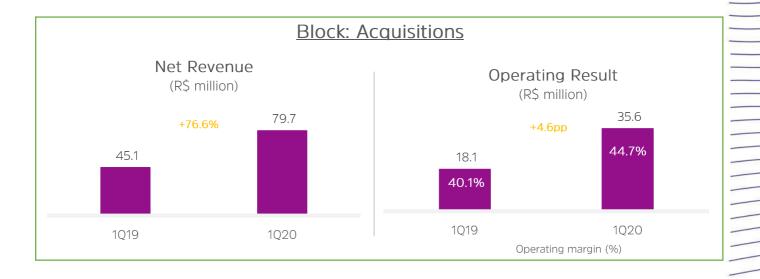
The Base operation ended the first quarter with net revenue of R\$189.8 million, a 0.4% drop from 1Q19. It is important to mention that this drop in net revenue is the lowest in the last six quarters, even with the fierce competitiveness in the regions where our units are located, which contributed to an operating result of R\$89.1 million, or a margin of 46.9% (-0.6pp vs. 1Q19). Nevertheless, the gross margin continued to increase year on year, mainly due to efficiency gains from the E2A (academic model fully implemented in 2018). Gross profit reached R\$118.1 million in 1Q20, or 62.2% of net revenue (+2.1pp vs. 1Q19).

² Considers acquisitions made throughout 2016 (UniSociesc Feb'16, Una Bom Despacho Jul'16 and Una Uberlândia Oct'16), AGES in Aug'19 and Unicuritiba as of Feb'20

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), Itajaí (Jul'17), Itajaí (Jul'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), Florianópolis Continente (Jan'19), Conselheiro Lafaiete (Jan'19), Itumbiara (Jan'19), and the acquisitions made in 2018 (CESUC, Faculdade Jangada and Faced)



Regarding the **Acquisitions** block, which includes the acquisitions made in 2016 (UniSociesc, Una Bom Despacho and Una Uberlândia), AGES (as of August 2019) and Unicuritiba (as of February 2020), we recorded net revenue of R\$79.7 million in 1Q20, 76.6% up on the same period last year, primarily impacted by AGES and Unicuritiba. This block's operating result, also impacted by the new operations, totaled R\$35.7 million, or 44.7% of net revenue (+4.6pp vs. 1Q19). If we exclude AGES and Unicuritiba, this segment's result still followed the positive growth trend (operating margin up by 1.9pp).



The performance of the Organic Expansion block, which includes the acquisitions made in 2018 (CESUC, Faculdade Jangada and Faced), continued to be firmly positive and consistent, even without the inauguration of new units in 2020. This block recorded net revenue of R\$55.1 million (+45.3%) and an operating result of

R\$23.2 million (+6.1pp), versus net revenue of R\$38.0 million and an operating result of R\$13.6 million in 1Q19.



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

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FINANCIAL PERFORMANCE – Other Businesses

			Others		
R\$ (million)	1Q20	% Net Revenue	1Q19	% Net Revenue	% YA
Gross Revenue	19.5	140.4%	10.8	130.0%	81.5%
Discounts, Deductions & Scholarships	(4.6)	-32.9%	(2.2)	-26.3%	110.0%
Taxes	(1.0)	-7.5%	(0.3)	-3.7%	242.8%
Net Revenue	13.9	100.0%	8.3	100.0%	68.0%
Cash Cost of Services	(3.4)	-24.7%	(1.9)	-23.3%	78.2%
- Personnel	(1.0)	-7.4%	(0.2)	-1.8%	577.8%
- Services from Third Parties	(1.6)	-11.2%	(0.6)	-7.6%	146.4%
- COGS	0.0	0.0%	0.0	0.0%	0.0%
- Rental & Utilities	(0.0)	0.0%	0.0	0.0%	0.0%
- Others	(0.9)	-6.1%	(1.1)	-13.8%	-25.4%
Gross Profit (exclud. deprec. /amort.)	10.5	75.3%	6.4	76.7%	65.0%
Sales Expenses	(3.0)	-21.5%	(1.9)	-22.9%	58.4%
- Provision for Doubtful Accounts (PDA)	(1.5)	-11.1%	(1.1)	-13.2%	41.3%
- Marketing	(1.5)	-10.5%	(0.8)	-9.7%	81.5%
General & Administrative Expenses	(6.9)	-49.4%	(5.6)	-67.5%	22.9%
- Personnel	(5.9)	-42.1%	(4.9)	-59.0%	20.0%
- Third Party Services	(0.7)	-4.8%	(0.4)	-5.1%	57.8%
- Rental & Utilities	(0.1)	-0.7%	(0.1)	-0.8%	47.9%
- Others	(0.2)	-1.8%	(0.2)	-2.7%	11.9%
Other Operating Revenues (Expenses)	0.0	0.1%	(0.1)	-1.7%	-114.1%
- Provisions	0.0	0.0%	0.0	0.0%	0.0%
- Taxes	(0.1)	-1.0%	(0.1)	-1.7%	1.8%
- Other Operating Revenues	0.2	1.2%	0.0	0.0%	7488.6%
Late Payment Fees	0.0	0.0%	0.0	0.0%	0.0%
Operating Result	0.6	4.6%	(1.3)	-15.3%	-150.1%

The Other Businesses segment is composed of hsm, hsmU (online graduate business programs) and EBRADI – Escola Brasileira de Direito. In 1Q20, the other businesses segment recorded an operating result of R\$0.6 million, versus a loss of R\$1.3 million in the same period last year. This result was due to the maturation of EBRADI and the resulting gains of scale, with more consistent results, reaching a base of 12,788 students in 1020.

Hsm's trend of improved performance, observed in January and February 2020, was directly impacted by the COVID-19 pandemic in the second half of March 2020, with the cancellation of events and on-campus programs that were scheduled to take place in 2020, in accordance with the social distancing guidelines of the competent authorities.

As a result of this highly uncertain scenario with low visibility on what will be the impacts on the corporate education sector, even after the critical period of this pandemic, we reassessed our projections for hsm's results and adjusted the impairment test for this business unit, with the revision of each of its activities and changes to previous estimates and assumptions, adjusting them to the current higher level of risk. Based on our updated assessment, we recorded R\$61.6 million as impairment loss, which will be registered under non-recurring expenses in this quarter.

CONSOLIDATED PERFORMANCE

		Cons	olidated Â	nima	
R\$ (million)	1Q20	% Net Revenue	1Q19	% Net Revenue	% YA
Gross Revenue	684.1	202.0%	533.4	189.2%	28.3%
Discounts, Deductions & Scholarships	(334.6)	-98.8%	(243.0)	-86.2%	37.7%
Taxes	(10.9)	-3.2%	(8.5)	-3.0%	28.9%
Net Revenue	338.6	100.0%	281.9	100.0%	20.1%
Cash Cost of Services	(126.3)	-37.3%	(111.4)	-39.5%	13.4%
- Personnel	(99.7)	-29.4%	(90.7)	-32.2%	9.9%
- Services from Third Parties	(10.4)	-3.1%	(7.6)	-2.7%	36.6%
- Rental & Utilities	(7.6)	-2.3%	(5.6)	-2.0%	35.1%
- Others	(8.6)	-2.5%	(7.5)	-2.7%	14.8%
Gross Profit (exclud. deprec. /amort.)	212.3	62.7%	170.5	60.5%	24.5%
Sales Expenses	(32.0)	-9.5%	(24.7)	-8.7%	29.9%
- Provision for Doubtful Accounts (PDA)	(11.6)	-3.4%	(7.3)	-2.6%	57.7%
- Marketing	(20.5)	-6.0%	(17.3)	-6.2%	18.1%
General & Administrative Expenses	(34.7)	-10.2%	(28.5)	-10.1%	21.7%
- Personnel	(26.9)	-8.0%	(22.7)	-8.1%	18.7%
- Third Party Services	(3.4)	-1.0%	(2.3)	-0.8%	49.9%
- Rental & Utilities	(8.0)	-0.2%	(0.1)	0.0%	717.5%
- Others	(3.5)	-1.0%	(3.4)	-1.2%	3.0%
Other Operating Revenues (Expenses)	(0.0)	0.0%	0.4	0.1%	-103.9%
- Provisions	0.1	0.0%	0.1	0.0%	6.1%
- Taxes	(1.3)	-0.4%	(0.7)	-0.3%	84.2%
- Other Operating Revenues	1.2	0.4%	1.1	0.4%	16.8%
Late Payment Fees	2.9	0.9%	3.3	1.2%	-10.9%
Operating Result	148.5	43.9%	121.0	42.9%	22.7%
- Corporate Expenses	(30.2)	-8.9%	(23.6)	-8.4%	27.9%
Adjusted EBITDA	118.3	34.9%	97.4	34.6%	21.4%
(-) Late Payment Fees	(2.9)	-0.9%	(3.3)	-1.2%	-10.9%
(-) Non-Recurring Items - EBITDA	(62.7)	-18.5%	(1.8)	-0.7%	3292.6%
EBITDA	52.7	15.6%	92.3	32.7%	-42.9%
Depreciation & Amortization	(35.7)	-10.6%	(28.7)	-10.2%	24.7%
Equity Equivalence	(0.6)	-0.2%	(0.5)	-0.2%	12.5%
EBIT	16.4	4.8%	63.1	22.4%	-74.1%
Net Financial Result	(34.5)	-10.2%	(25.1)	-8.9%	37.2%
EBT	(18.1)	-5.3%	38.0	13.5%	-147.7%
Income Tax and Social Contribution	(0.7)	-0.2%	0.1	0.0%	-641.4%
Net Income	(18.8)	-5.6%	38.1	13.5%	-149.3%
(-) Non-Recurring Items - EBITDA	62.7	18.5%	1.8	0.7%	3292.6%
(-) Non-Recurring Items - Net Income	0.0	0.0%	0.0	0.0%	0.0%
Adjusted Net Income	43.9	13.0%	40.0	14.2%	9.9%

Corporate and G&A Expenses

Corporate expenses totaled R\$30.2 million in 1Q20, or 8.9% of net revenue (-0.5pp vs. 1Q19).

Within the scope of the variable compensation program (P2A – *Apaixonados pela Ânima*), which was reactivated due to the achievement of the 2019 budget goals, part of the amount was tied to the performance in the first quarter of 2020. Given that we achieved the goal needed for the payment of this final part, in 1Q20, we recorded another R\$1.5 million under corporate expenses related to this item. As a result, we fully settled the amounts related to the 2019 P2A program.

General and administrative expenses, including AGES and Unicuritiba (R\$3.1 million or 0.9pp), amounted to R\$34.7 million in the period, or 10.2% of net revenue, down 0.1pp from 1Q19.

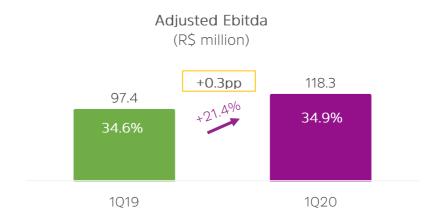
Our corporate expenses were partially impacted by additional initiatives to centralize expenses that were previously allocated in the units. On the other hand, recent acquisitions initially cause an increase in G&A, which will be naturally diluted by the integration processes in the coming months.



¹ AGES as of August 2019 and Unicuritiba as of February 2020

Adjusted EBITDA

Adjusted EBITDA totaled R\$118.3 million in 1Q20 (+21.4% vs. 1Q19), with a margin of 34.9% (+0.3pp vs. 1Q19).



As mentioned in previous items, this improvement was positively impacted by the upturn in net revenue, with increases in the base and the ticket; gains in faculty efficiency as a result of E2A, our academic model fully implemented in 2018; and the strategy of expansion through acquisitions. On the other hand, the factors that pressured the margin and prevented it from growing even more were related to higher provisions for doubtful accounts; an increase in expenses with third-party services; and a rise in rental and utilities that was already expected, due to the maturation of academic units within the scope of the O2A project.

Despite the current economic crisis that poses challenges that could not have been anticipated, we remain confident in the continuous evolution of our operating margins, even if at a slower pace than previously expected, based on the flexibility and resilience of our operating structures and on new initiatives to adjust our budget to the new scenario we are seeing.

Non-Recurring Items

R\$ (million)	1Q20 EBITDA
Operational restructuring	1.0
Integration	0.1
Impairment hsm	61.6
Total	62.7

Non-recurring items (excluding hsm's impairment) that impacted EBITDA totaled R\$1.1 million in 1Q20, primarily related to the remaining amount of administrative structures reorganized in 2019, focused on efficiency gains.

As mentioned in the Other Businesses section, hsm's performance was directly impacted by the COVID-19 pandemic in the second half of March 2020, with the cancellation of events and on-campus programs that were scheduled to take place in 2020. In this scenario, we revised the impairment test for this business unit, generating an adjustment to the asset's carrying amount of R\$61.6 million in the period.

Le Cordon Bleu - Equity Income

The partnership entered into between the Company and Le Cordon Bleu, whose results are recognized under equity income, recorded a R\$0.6 million loss in 1Q20, in line with its business plan.

Le Cordon Bleu's operation was also affected by the social distancing caused by the COVID-19 pandemic. We have adopted strategies to maintain constant communication with students through lives and technology-assisted activities, and we will have a plan to make up for the missed classes that will be focused on practical activities, as soon as the working conditions of the physical facilities have been normalized pursuant to public authorities' guidelines.

Unisul – Integration Processes

The co-management period between Fundação Unisul and Ânima began after CADE's approval, without restrictions, on the exercise of the maintenance transfer option regarding Universidade do Sul de Santa Catarina – Unisul, which reached a final and unappealable decision on March 13. The partnership consists of a management and service agreement, with the purpose of implementing Ânima's educational management system at Unisul, providing several services of this system and Ânima Educação's Shared Service Center (CSC).

In December, Unisul began strictly executing the restructuring plan that was presented by Fundação Unisul to the Federal Public Ministry. The loans set forth in the plan were granted and Fundação Unisul has been working tirelessly to settle its debts, all in accordance with the restructuring plan.

Also in the first quarter, we began discussing the implementation of Ânima's Learning Ecosystem (E2A), which is expected to begin operating in the second half of 2020, when the new students enrolled in the first and second semesters of the year will be migrated to the new academic model.

In addition to the implementation of E2A, we supported the administrative restructuring process and proposed a new model of organizational structure, as well as prepared all sectors to implement the services of our Shared Service Center, which will be carried out gradually throughout 2020. These services include financial management, budget planning and control, communication and marketing services.

Financial Result

R\$ (million)	Consolidated Ânima				
	1Q20	1Q19			
(+) Financial Revenue	5.4	7.8			
Late payment fees	2.9	2.6			
Interest on financial investments	1.6	2.0			
Inflation adjustment	0.2	1.1			
Other financial revenues	0.7	2.1			
(-) Financial Expense	(39.8)	(32.9)			
Financial debt interest expense ¹	(8.9)	(7.0)			
PraValer interest expenses	(3.0)	(3.7)			
Accounts payable interest expenses (acquisition	(3.3)	(2.7)			
Leasing Financial Expens	(18.0)	(15.9)			
Financial discounts for students	(3.5)	(2.9)			
Other financial expenses	(3.3)	(0.7)			
Financial Result	(34.5)	(25.1)			

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

We ended 1Q20 with a net financial expense of R\$34.5 million, versus a net financial expense of R\$25.1 million in 1Q19. Financial revenue reached R\$5.4 million, down R\$2.4 million from the same period last year, due to the reduction in the interest rates of financial investments and the monetary restatement of recoverable taxes.

Financial expenses came to R\$39.8 million, an increase of R\$6.9 million over 1Q19, mainly due to higher lease expenses and expenses with loans/debenture issue for our recent acquisitions.

Adjusted Net Income

We ended 1Q20 with adjusted net income of R\$43.9 million, a 9.9% increase versus 1Q19, with a margin of 13.0% (-1.2pp), mainly due to the increase in financial expenses, as explained above, and higher depreciation as a result of investments made to our campuses' structures.

Cash and Net Debt

R\$ (million)	Consolida		
	MAR 20	DEZ 19	MAR 19
(+) Cash and Cash Equivalents	931.9	182.6	136.7
Cash	36.4	31.6	44.5
Financial Investments	895.5	151.0	92.2
(-) Loans and Financing ¹	629.3	692.9	376.0
Short Term	90.4	105.8	80.0
Long Term	538.8	587.0	296.0
(=) Net (Debt) Cash ²	302.6	(510.3)	(790.0)
(-) Other Short and Long Term Obligations	124.0	143.1	103.2
(=) Net (Debt) Cash excl. IFRS-16 ³	178.6	(653.4)	(893.2)
(-) Liability Lease (IFRS-16)	594.9	555.2	550.7
Short Term	29.7	24.7	27.2
Long Term	565.2	530.5	523.5
(=) Net (Debt) Cash with IFRS-16 ³	(416.2)	(1,208.6)	(1,443.9)

¹ Net of swap adjustment ² Considering financial debt (bank loans) only.

At the end of 1020, cash and cash equivalents reached R\$931.9 million, versus R\$182.6 million in December 2019, mainly due to the R\$1.1 billion raised through the restricted public offering of shares carried out in January 2020, with the main purpose of strengthening our growth strategy via M&As.

Loans and financing came to R\$692.3 million. We stress that the rest of the debt maturity profile is diluted over the next five years, with no significant concentration.

Other short and long-term obligations, mainly represented by accounts payable related to the acquisitions, amounted to R\$124.0 million.

As a result, excluding the IFRS-16 effect, pursuant to our debt contracts, we ended the quarter with positive net cash and cash equivalents of R\$178.6 million, representing leverage of -0.82x (net debt ÷ LTM adjusted EBITDA ex-IFRS-16), given that our cash position is now significantly higher than our debt.

³ Including obligations related to tax debt and acquisitions payables.

Accounts Receivable and Days of Sales Outstanding (DSO)

We ended 1Q20 with net accounts receivable of R\$272.9 million, an increase of R\$62.1 million versus 1Q19, concentrated in amounts not yet due (+R\$44.3 million vs. 1Q19) of tuition fees, FIES and credit card receivables, as well as in amounts overdue by up to 180 days (+R\$15.9 million vs. 1Q19).

(R\$ million)

	Total	1Q20 AcquisitionsExcl.	Acquisitions	4Q19	3Q19	2Q19	1Q19	Δ 1Q20 / 1Q19
Net Accounts Receivable	272.9	26.9	246.0	213.3	224.4	235.4	210.8	62.1
to mature	179.8	20.0	159.8	129.5	147.7	153.8	135.5	44.3
until 180 days	70.1	5.4	64.7	61.4	52.9	58.5	54.2	15.9
between 181 and 360 days	14.2	1.3	13.0	14.3	14.8	16.1	14.9	(0.6)
between 361 and 720 days	8.7	0.2	8.5	8.2	9.0	7.0	6.1	2.6
more than 721 days	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

We ended the quarter with DSO (Days of Sales Outstanding) of 72 days, representing a five-day increase over the same period last year.

Breaking down our accounts receivable, we recorded a DSO of 70 days for non-FIES receivables, a five-day increase when compared to the same period last year and in line with the second half of last year. For FIES receivables, our DSO stood at 87 days, mainly impacted by the acquisitions (AGES and Unicuritiba). In the other businesses line, we ended the period with a DSO of 141 days (-14 days vs. 1Q19), in line with this segment's new DSO due to the growth in EBRADI and hsmU, in accordance with their respective business plans.

(R\$ million)

Total	Total Total Acquisitions Excl. Acquisitions		4Q19	3Q19	2Q19	1Q19	Δ 1Q20 / 1Q19	
	Total	Acquisition	l. Acquisitions			l		
Net Accounts Receivable	272.9	26.9	246.0	213.3	224.4	235.4	210.8	62.1
Adjusted Accounts Receivable FIES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted Net Accounts Receivable	272.9	26.9	246.0	213.3	224.4	235.4	210.8	62.1
Net Revenue (accumulative)	339.0	35.3	303.7	1,181.5	861.6	567.9	282.5	56.4
DSO	72	66	73	63	70	75	67	5

FIES	1020			4019	3019	2019	1019	Δ 1020 / 1019
		Acquisitions Excl.	Acquisitions	4019	פוטכ	2019	פוטו	Z IQ207 IQ18
Net Accounts Receivable	28.5	11.6	16.9	6.2	26.0	46.6	28.6	(0.1)
Adjusted Accounts Receivable FIES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted Net Accounts Receivable	28.5	11.6	16.9	6.2	26.0	46.6	28.6	(0.1)
Net Revenue (accumulative)	36.3	8.9	27.4	180.8	133.7	87.0	40.0	(3.6)
DSO	87	133	55	12	52	96	64	23

Non FIES		1Q2	4Q19	2010	2010	1010	A 1000 / 1010	
		Acquisitions	Excl. Acquisitions	4019	2019	2019	IQI9	Δ 1Q20 / 1Q19
Net Accounts Receivable	222.6	15.3	207.3	183.8	179.8	172.0	167.9	54.7
Net Revenue (accumulative)	288.7	26.4	262.3	929.3	691.9	458.0	233.0	55.8
DSO	70	50	71	70	70	68	65	5

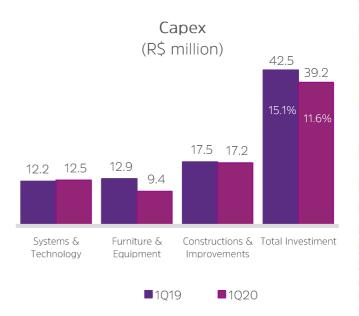
Others	Total Acqu	1Q20 isitionsExcl. Acquisitions	4Q19	3Q19	2Q19	1Q19	Δ 1Q20 / 1Q19
Net Accounts Receivable	21.7	21.7	23.4	18.7	16.9	14.2	7.5
Net Revenue (accumulative)	13.9	13.9	70.1	34.7	21.7	8.3	5.6
DSO	141	141	120	145	140	155	(14)

^{*}Weighted average DSO considering aquisitions in the last 12 months

Investments (CAPEX)

In 1Q20, CAPEX reached R\$39.2 million, or 11.6% of net revenue, a 3.5pp decline compared to the 15.1% recorded in 1Q19.

This level of investment continues to be affected by the organic expansion units through the maturation of the units opened between July 2016 and January 2019, which accounted for 35% of total Capex in 1020, or R\$13.8 million. Excluding this effect, our Capex came to R\$25.4 million, or 7.5% of net revenue.



We also continued to invest in the development of our educational systems and technological platform within the context of our digital transformation process. In this aspect, we have further assessed and adopted virtual lab solutions that may reduce the need for physical spaces designed for those learning environments in the near future.

Cash Flow

R\$ (million)	1Q20	1Q19
Ajusted Net Income	43.9	39.2
Depreciation & Amortization	21.4	28.7
Interest expenses/revenues	30.5	25.3
Provisions for labor, tax and civil risks	0.2	(0.9)
Amortization of right os usage	14.4	0.0
Operating Cash Flow	110.4	92.2
Δ Accounts receivable/PDA	(51.9)	(36.6)
Δ Other assets/liabilities	15.3	(5.0)
Working Capital Variance	(36.6)	(41.6)
Free Cash Flow before CAPEX	73.8	50.6
CAPEX - Fixed and Intangible	(39.2)	(42.5)
Free Cash Flow	34.6	8.1
Financing/Investments activities	954.8	(50.9)
Rights and loans of acquisitions	(36.4)	0.0
Shares held in treasury	(57.6)	0.0
Acquisitions	(146.2)	(5.9)
Dividends	0.0	0.0
Net Cash Flow from Financing Activities	714.7	(56.8)
Net Increase (Reduction) of Cash and Cash Equivalents	749.3	(48.7)
Cash at the begging of the period	182.6	185.4
Cash at the end of the period	931.9	136.7

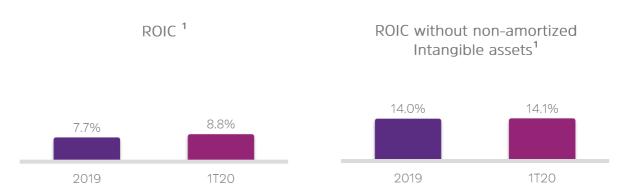
Operating cash flow before working capital and CAPEX came to R\$110.4 million in 1Q20 (+R\$18.2 million vs. 1Q19), or 93% of adjusted EBITDA in the period. Free cash flow reached R\$73.8 million, versus R\$50.6 million in 1Q19 (+R\$23.2 million vs. 1Q19).

After general investments of R\$39.2 million, including the acquisitions, free cash flow reached R\$34.6 million in the period (+R\$26.5 million vs. 1Q19), representing a conversion of 29% in relation to adjusted EBITDA. As a result, we ended the quarter with cash and financial investments of R\$931.9 million, mainly due to the R\$1.1 billion raised through the restricted public offering of shares carried out in January 2020.

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Return on Invested Capital (ROIC)

We monitor our financial performance through our return on invested capital (ROIC) and are working on delivering improvements in this indicator. Our progress was still evident in 1Q20, when ROIC reached 8.8%, up 1.1pp over 1Q19. Our ROIC excluding non-amortized intangible assets came to 14.1% in the period, up 0.1pp versus 2019.



 $^{^1}$ ROIC = LTM EBIT* (1- effective tax rate) \div avg. invested capital. Invested Capital = net working capital + long-term FIES accounts receivable + net fixed assets.

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APPENDIX 1 – Reconciliation of the Income Statement

1Q20

	1020								
Consolidated Ånima R\$ (million)	Release Income Statement	Depreciation & Amortization	Corporate Expenses	Late Payment Fees	Non- Recurring Items	IFRS Income Statement			
Gross Revenue	684.1				0.4	684.5			
Discounts, Deductions & Scholarships	(334.6)				(0.0)	(334.6)			
Taxes	(10.9)				(0.0)	(10.9)			
Net Revenue	338.6	0.0		0.0	0.4	339.0			
Cash Cost of Services	(126.3)	(22.1)		0.0	(8.0)	(149.2)			
- Personnel	(99.7)				(8.0)	(100.5)			
- Services from Third Parties	(10.4)				(0.0)	(10.4)			
- COGS	0.0				0.0	0.0			
- Rental & Utilities	(7.6)				0.0	(7.6)			
- Others	(8.6)	(22.1)			(0.0)	(30.7)			
Gross Profit (exclud. deprec. /amort.)	212.3	(22.1)	0.0	0.0	(0.5)	189.7			
Sales Expenses	(32.0)	0.0	(0.7)	0.0	0.0	(32.7)			
- Provision for Doubtful Accounts (PDA)	(11.6)		(0.1)		0.0	(11.6)			
- Marketing	(20.5)		(0.6)		0.0	(21.0)			
General & Administrative Expenses	(34.7)	(13.6)	(31.2)	0.0	(62.1)	(141.6)			
- Personnel	(26.9)		(20.0)		(0.1)	(47.0)			
- Third Party Services	(3.4)		(6.4)		(0.0)	(9.8)			
- Rental & Utilities	(0.8)		(O.1)		0.0	(1.0)			
- Others	(3.5)	(13.6)	(4.8)		(62.0)	(83.9)			
Other Operating Revenues (Expenses)	(0.0)	0.0	1.5	0.0	0.0	1.5			
- Provisions	0.1		(0.1)		0.0	0.0			
- Taxes	(1.3)		(0.7)		0.0	(2.1)			
- Other Operating Revenues	1.2		2.3		0.0	3.5			
Late Payment Fees	2.9			(2.9)	0.0	0.0			
Operating Result	148.5	(35.7)	(30.4)	(2.9)	(62.5)	16.9			
- Corporate Expenses	(30.2)		30.4		(0.1)	(0.0)			
Adjusted EBITDA	118.3	(35.7)	0.0	(2.9)	(62.7)	16.9			
(-) Late Payment Fees	(2.9)			2.9	0.0	0.0			
(-) Non-Recurring Items - EBITDA	(62.7)				62.7	0.0			
EBITDA	52.7	(35.7)	0.0	0.0	0.0	16.9			
Depreciation & Amortization	(35.7)	35.7			0.0	0.0			
Equity Equivalence	(0.6)				0.0	(0.6)			
EBIT	16.4	0.0	0.0	0.0	0.0	16.4			
Net Financial Result	(34.5)				0.0	(34.5)			
EBT	(18.1)	0.0	0.0	0.0	0.0	(18.1)			
Income Tax and Social Contribution	(0.7)				0.0	(0.7)			
Net Income	(18.8)	0.0	0.0	0.0	0.0	(18.8)			
(-) Non-Recurring Items - EBITDA	62.7				(62.7)	0.0			
(-) Non-Recurring Items - Net Income	0.0				(0.0)	0.0			
Adjusted Net Income	43.9	0.0	0.0	0.0	(62.7)	(18.8)			

APPENDIX 2 – Income Statement - IFRS

	1Q20	1Q19
Net Revenue	339.0	282.5
COST OF SERVICES	(149.2)	(134.3)
Gross (Loss) Profit	189.7	148.3
OPERATING (EXPENSES) / INCOME	(173.4)	(85.2)
Commercial	(32.7)	(25.4)
General and administrative	(75.3)	(61.4)
Equity income	(0.6)	(0.5)
Other operating (expenses) revenues	(64.8)	2.2
Income before Financial Result	16.3	63.1
Financial interest income	6.8	11.2
Financial interest expenses	(41.3)	(36.3)
Net (Loss) Income before Taxes	(18.1)	38.0
Income tax and social contribution, current and deferred	(0.7)	0.1
Net Income or Loss for the Period	(18.8)	38.1

APPENDIX 3 – Balance Sheet - IFRS

Assets	MAR 20	MAR 19	Dec-19	Liabilities	MAR 20	MAR 19	Dec-19
Current Assets	1,281.1	389.3	455.9	Current Liabilities	336.2	251.2	339.9
Cash and cash equivalents	36.4	44.5	31.6	Supplier	42.0	27.1	32.0
Cash & financial investments	895.5	92.2	151.0	Loans	90.4	78.4	103.4
Accounts receivable	272.9	210.8	213.3	Right of use lease	29.7	27.2	24.7
Prepaid expenses	18.2	21.3	27.8	Personnel	83.7	62.5	75.6
Recoverable taxes	4.8	6.2	4.1	Taxes payable	17.2	12.9	20.6
Derivatives	-	1.6	2.4	Advances from clients	26.0	25.2	17.0
Rights and loans to acquisitions	40.1	-	-	Tax debt installments	-	-	-
Other current assets	13.2	12.6	5.7	Accounts payables	45.9	16.3	65.3
				Dividends payables	-	0.6	-
				Derivatives	-	0.1	_
				Other current liabilities	1.4	1.0	1.3
Non-Current Assets	2,075.8	1,614.3	1,944.1				
Accounts receivable	-	-	_	Non-Current Liabilities	1,355.6	1,049.0	1,369.7
Prepaid expenses	-	6.0	-	Loans	538.8	294.6	587.0
Judicial deposits	60.7	53.6	61.1	Right of use lease	565.2	523.5	530.5
		-		Accounts payables	75.5	84.2	75.2
Credit with related parties	10.0	9.7	9.8	Debit with related parties	0.0	0.0	0.0
Recoverable taxes	13.5	14.1	12.8	Client advances	-	-	-
Deferred income tax and social contribution	1.5	1.6	1.6	Tax debt installments	2.6	2.7	2.6
Derivatives	-	1.4	=	Deferred income tax and social contribution	71.0	44.8	70.
Rights and loans to acquisitions	116.5	_	100.1	Provisions for risks	96.7	96.4	98.8
Other non-current assets	39.7	36.6	41.1	Derivatives	_	_	_
Investments	_	_	_	Other non-current liabilities	2.8	2.4	3.2
Right of use	562.0	540.9	531.5	Provision for loss in investment	2.9	0.3	2.3
Fixed	386.0	305.1	367.1				
Intangible	885.9	645.4	818.9	Shareholder Equity	1,665.1	703.4	690.4
				Capital Stock	1,631.6	496.4	531.4
				Expenditure with emission of stocks	(77.8)	_	(28.6
				Capital reserve	34.3	5.9	34.3
				Earnings reserve	232.9	248.1	244.
				Shares in treasury	(67.6)	(15.6)	(21.2
						_	_
				Asset valuation adjustment	(69.6)	(69.6)	(69.6
				Retained earnings	(18.8)	38.1	0.0
						-	-
				Minority shareholders interest	_	_	_
				Obligations for investment purchase	-	-	-
Total Assets	3,356.9	2,003.5	2,400.0	Total Liabilities and Shareholder Equity	3,356.9	2,003.5	2,400.0

APPENDIX 4 – Cash Flow - IFRS

	1T20	1T <u>19</u>
Lucro líquido do período	(18.8)	38.1
Adjustments by:	44.5	7.6
Allowance for loan losses Reversal (update) judicial deposit	11.6 0.2	7.6 (1.0)
Depreciation and amortization	21.4	28.7
Write-off of residual value of property	0.7	0.3
Equity Update of loans to third parties	0.6 (0.9)	0.5 (0.6)
Loss with borrowers with related party	- (0.5)	-
PUT option premium adjustment	-	-
Interest on loans, financing, debenutres and tax installments Constitution, reversal and update of provision for labor, tax and civil risks	9.2	6.7 0.1
Present value adjustments to accounts payable	(0.0) 21.2	18.6
FIES revenues regarding present value adjustments and monetary restatement	(0.0)	(0.1)
Share repurchase program bonuses	-	(0.0)
Shares granted to employees (Dádiva) Alienation of treasury shares	_	_
Interest on loans with related parties	_	-
Deferred income tax and social contribution	0.7	0.3
Losses with investments	- 616	-
Perda com provisão impairment Losses from the sale of fixed and intangible assets	61.6 -	_
Interest on tax expenses	_	-
Gain on acquisition of investment / installment	-	-
Inventory and net assets write-off Fairvalue ofderivatives	- 0.2	- 0.6
Amortization of right os usage	14.4	-
		_
	122.0	99.8
Change in operating assets and liabilities		
Decrease (increase) in trade receivables	(63.6)	(44.2)
Decrease (increase) in sundry advances	9.7	12.1
Decrease (increase) in escrow deposits Decrease (increase) in recoverable taxes and contributions	(1.2) (1.1)	(2.5) 1.6
Decrease (increase) in other assets	(6.0)	(5.6)
Increase (decrease) in trade payables	9.2	(3.9)
Increase (decrease) in payroll and related taxes Increase (decrease) in advances from clients	0.4 5.1	(11.5) 8.3
Increase (decrease) in advances from clients Increase (decrease) of taxes and contributions paid in installments	-	(0.0)
Increase (decrease) in accounts payable	-	2.4
Increase (decrease) of provision for tax, civil and labor risks	(0.3)	(3.4)
Increase (decrease) in other liabilities Cash from operations	(0.3)	(0.2)
Interest paid	(14.7)	(7.5)
Income tax and social contribution paid	(0.1)	-
Net cash flow from operating activities Cook Flow from Investment Activities	59.2	45.5
Cash Flow from Investment Activities Loans with related parties		
Concessions	_	(0.2)
Receipts	-	-
Capital increase Acquisitions net of cash and equivalents	1,051.1 (103.8)	- (4.7)
Rights and loans of acquisitions	(36.4)	-
(Redemption) investment of financial investments	(742.8)	(4.1)
Yields from financial investments	(1.6)	(2.2)
Acquisition of property and equipment Acquisition of intangible assets	(28.9) (10.3)	(35.9) (6.6)
Net cash flow (applied) from investment activities	127.3	(53.7)
Cash Flow from Financial Activities		
Loans with related parties		
Funding	-	0.0
Amortizations Loans and financing	-	(0.0)
	0.0	0.0
Funding	(85.1)	(43.0)
Funding Amortizations		(0.3)
Funding Amortizations Gains (Losses) with Derivatives	3.5	(3 6)
Funding Amortizations		(3.6)
Funding Amortizations Gains (Losses) with Derivatives Accounts payable amontization on controlling acquisitions	3.5	(3.6) - -
Funding Amortizations Gains (Losses) with Derivatives Accounts payable amontization on controlling acquisitions IPO costs Acquisition of non-controlling interest Capital increase	3.5 (42.4) - - -	(3.6) - - -
Funding Amortizations Gains (Losses) with Derivatives Accounts payable amontization on controlling acquisitions IPO costs Acquisition of non-controlling interest Capital increase Shares held in treasury	3.5	(3.6) - - - -
Funding Amortizations Gains (Losses) with Derivatives Accounts payable amontization on controlling acquisitions IPO costs Acquisition of non-controlling interest Capital increase	3.5 (42.4) - - -	- - - -
Funding Amortizations Gains (Losses) with Derivatives Accounts payable amontization on controlling acquisitions IPO costs Acquisition of non-controlling interest Capital increase Shares held in treasury Dividends paid	3.5 (42.4) - - - (57.6)	- - - - -
Funding Amortizations Gains (Losses) with Derivatives Accounts payable amontization on controlling acquisitions IPO costs Acquisition of non-controlling interest Capital increase Shares held in treasury Dividends paid Net cash (applied to) flow from financing activities	3.5 (42.4) - - - (57.6) - (181.5)	- - - - - (46.9)
Funding Amortizations Gains (Losses) with Derivatives Accounts payable amontization on controlling acquisitions IPO costs Acquisition of non-controlling interest Capital increase Shares held in treasury Dividends paid Net cash (applied to) flow from financing activities Cash (Applied) Flow for the Period Change in Cash and Cash Equivalents Cash at the begging of the period	3.5 (42.4) - - (57.6) - (181.5) 4.9	(46.9) (55.0)
Funding Amortizations Gains (Losses) with Derivatives Accounts payable amontization on controlling acquisitions IPO costs Acquisition of non-controlling interest Capital increase Shares held in treasury Dividends paid Net cash (applied to) flow from financing activities Cash (Applied) Flow for the Period Change in Cash and Cash Equivalents	3.5 (42.4) - - (57.6) - (181.5)	(46.9)