

# 3Q19

## RESULTS

## Message from **Management**

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### Conference Call:

Portuguese with simultaneous translation into  
English

November 12, 2019

9:00 a.m. (NY) | 11:00 a.m. (Brasília)

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## MESSAGE FROM MANAGEMENT

We ended the third quarter of 2019 with very relevant achievements that reaffirm and reinforce the choices we made to improve our results and show our commitment to consistently recovering our margins at all levels.

For the first time in the last four years, we recorded an average ticket of new students that exceeded the one from the previous year due to a series of internal initiatives, despite of the competitive environment, a still challenging macro scenario and lower government financing. Even though we are only in the beginning of the ticket reversal journey, we already reported an improvement of 2.6% in this quarter excluding AGES (acquisition made in August 2019), versus 3Q18.

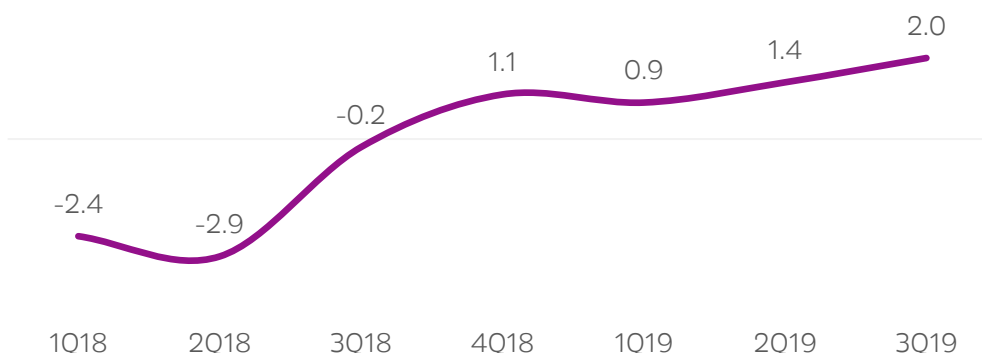
This increase in the ticket was accompanied by a more pressured volume of new students, but what we have learned throughout this process and the maturation of the tools we used will give us strength for a more relevant intake campaign in the first semester of 2020, always seeking an optimal point between volume and ticket.

Due to a new record reduction in our dropout rates, we celebrated a 10.3% increase in our student base, reaching 112.8 thousand enrollments in the second half of 2019 (or +5.0% and 107.3 thousand students, excluding AGES). The continuous improvement in our retention rates, mainly due to the results of the digital transformation project J2A (Ânima Student Journey), is another important indicator of the maturity of our management processes.

In light of all these achievements, both in the average ticket and the student base, we celebrated in this 3Q19 a significant growth in the consolidated Net Revenue of 14.6% (+9.8%, excluding AGES) versus the same period last year, with operating margin of 26.8%, (+26.5%, excluding AGES), 2.1pp above 3Q18 (+1.8pp, excluding AGES).

Excluding the effect of IFRS-16 but already including AGES, Adjusted EBITDA stood at R\$52.4 million in the period (+29.5% vs. R\$40.5 million in 3Q18), with margin of 17.8% over Net Revenue (+2.0pp vs. 3Q18), further consolidating the margin recovery trend. In 9M19, our adjusted EBITDA reached R\$165.4 million, with a margin of 19.2% (+1.5pp vs. R\$141.6 million in 9M18).

Adjusted EBITDA Margin development ex-IFRS-16  
(in pp vs. same period quarter)



The Education segment specifically had an even stronger acceleration: the Operating Result reached R\$80.1 million versus R\$64.5 million in 3Q18, an increase of 24.2%, accompanied by an upturn in the operating margin of 2.4pp (28.5% in 3Q19 versus 26.1% in 3Q18). This result was driven by an improvement in the ticket and expenses of the Base operation units (operating margin of +3.7pp), the consolidation of AGES in the Acquisitions block (operating margin of +6.2pp) and the continuous and significant maturation of the organic expansion units (operating margin of +6.4pp).

In the beginning of the quarter, we implemented a project to unify 4 units (Una Barro Preto, Una Uberlândia, Una Catalão and UniSociesc Jaraguá do Sul) in other campuses in the same cities/regions, as well as centralized the activities of Minas Gerais and Goiás in a single Regional unit – the MG/GO Regional Unit – in 3Q19, which already generated significant efficiency gains.

We remain strong in our granular control of costs and expenses, the careful execution of our academic model through competencies (E2A), the successful maturation of the units opened in the last three years within the scope of our organic expansion strategy (Q2A) and the continuous improvement in our students' journey (J2A).

In August, we took another important step in our growth project, focused on the health vertical, through AGES, the leading higher education institution in the North region of Bahia state, close to the border with Sergipe, and our first operation in the Northeast. With this, we now have two more Medical courses in maturation stage and with strong potential for value creation, reaching 357 annual Medical seats (55 in the final phase of approval). After a little more than three months of the integration process, we are increasingly aware of this institution's opportunities, which has proven to be an absolutely differentiated and transformational project in the region.

The number of inorganic growth opportunities (M&A) has been increasing and, in line with our history, we remain very active in projects that are consistent with our DNA and positioning and, more importantly, deliver to our shareholders potential for value creation.

2019 has been an important year for learning and for the consistent evolution of processes and internal tools, directly associated with the digital transformation project's constant maturation. We know there is still a long way ahead of us, but the growth we recorded this quarter gives us strength, solid bases and great conviction regarding our team's ability to fulfill our mission to ***Transform the Country through Education***, creating value in a sustainable manner for our stakeholders.





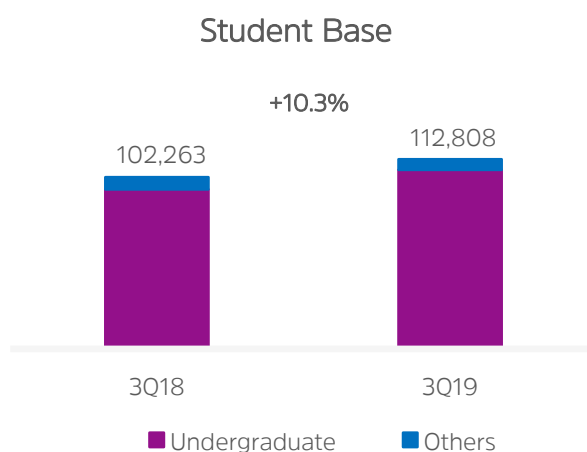
# Operational **Performance**

Education

## OPERATIONAL PERFORMANCE

### EDUCATION

We ended 3Q19 with a consolidated base of 112.8 thousand students, which represents a 10.3% growth compared to 3Q18 (+5.0% excluding AGES). We continue to see the undergraduate student base growth as a positive highlight, increasing 12.2% over the same period last year, with the addition of 11.6 thousand students (+6.5% and +6.1 thousand students, respectively, excluding AGES). Even in a competitive and still challenging environment and with a pressured intake process, we recorded growth due to the continuous improvement in the retention rates, mainly impacted by the results of the J2A (Ânima Student Journey).

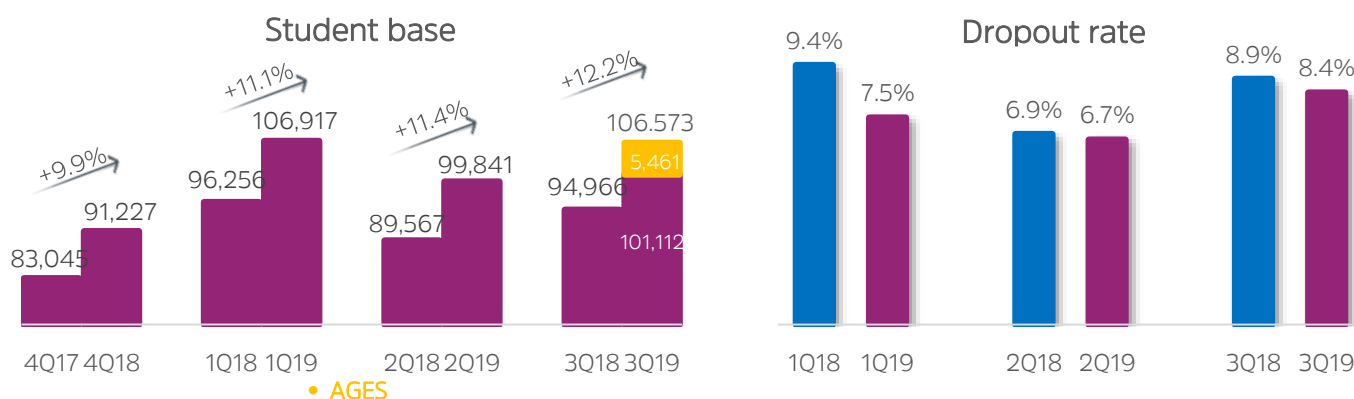


Student Base	3Q18	4Q18	1Q19	2Q19	3Q19	Average 9M18	Average 9M19	% 3Q19/ 3Q18	% 9M19/ 9M18
Undergraduate <sup>1</sup>	94,966	91,227	106,917	99,841	101,112	93,596	102,623	6.5%	9.6%
Graduate	5,227	3,897	4,745	4,626	4,507	5,140	4,626	-13.8%	-10.0%
Distance Learning	1,135	1,153	1,019	832	702	1,561	851	-38.1%	-45.5%
Vocational Programs & K12	935	922	1,040	976	1,026	1,003	1,014	9.7%	1.1%
<b>Total</b>	<b>102,263</b>	<b>97,199</b>	<b>113,721</b>	<b>106,275</b>	<b>107,347</b>	<b>101,300</b>	<b>109,114</b>	<b>5.0%</b>	<b>7.7%</b>
AGES					5,461		5,461		
<b>Total with Acquisitions</b>	<b>102,263</b>	<b>97,199</b>	<b>113,721</b>	<b>106,275</b>	<b>112,808</b>	<b>101,300</b>	<b>110,935</b>	<b>10.3%</b>	<b>9.5%</b>

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



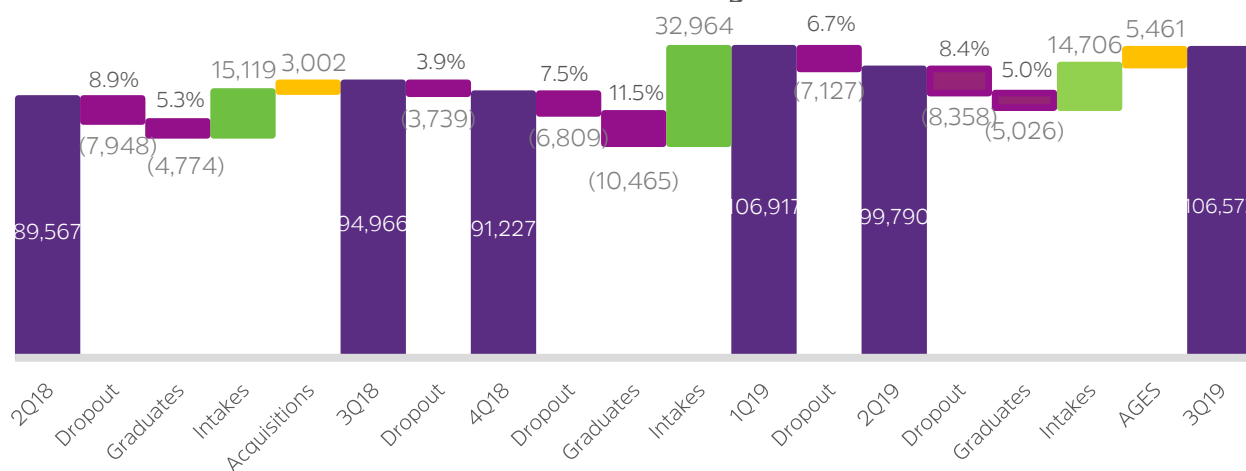
## Student Base: Undergraduate

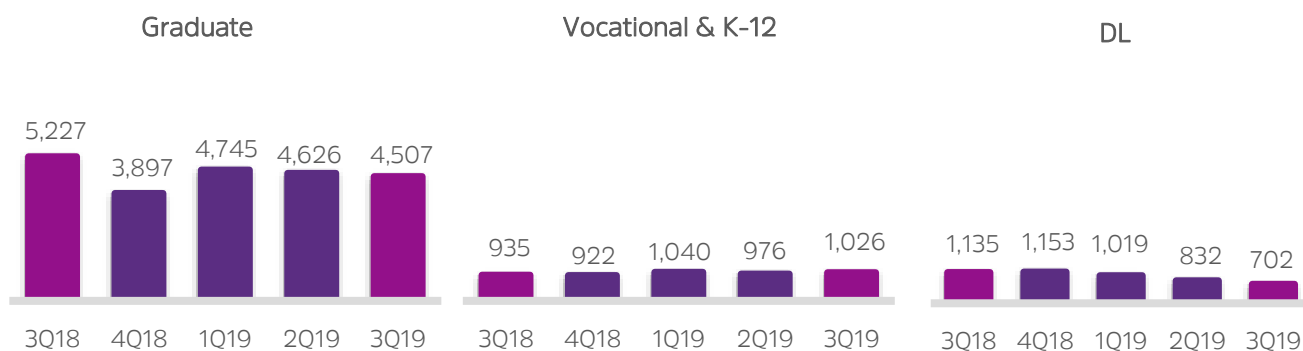


We continue observing a consistent improvement in our dropout rate, which stood at 8.4% of our undergraduate students in 3Q19, a 0.5pp improvement versus the same period last year.

This performance reflects, among other initiatives, the impact of the J2A project (Ânima Student Journey), which has developed several solutions for improving the students' experience throughout their academic journey.

## Student Flow - Undergraduate





**Graduate Student Base** – We ended 3Q19 with 4.5 thousand students, down 13.8% from 3Q18. This segment does not follow the same inflow and outflow cycle of the undergraduate segment, and we have observed stability in the number of enrollments throughout the year. We continue to devote efforts to improve the results of this segment.

**Vocational & K-12** – We ended 3Q19 with 1.0 thousand K-12 and vocational education students (+9.7% vs. 3Q18), which includes the Florianópolis and Blumenau International Schools, Colégio Tupy (COT) and Escola Técnica Tupy (ETT).

**Distance Learning Student Base** – At the end of the third quarter, 0.7 thousand students were enrolled in our distance-learning courses, among undergraduate and graduate (excluding EBRADI and hsmU students), down 38.1% year on year. It is worth noting that this student base only considers courses that are 100% online. Students enrolled in blended courses are included in the undergraduate student base.



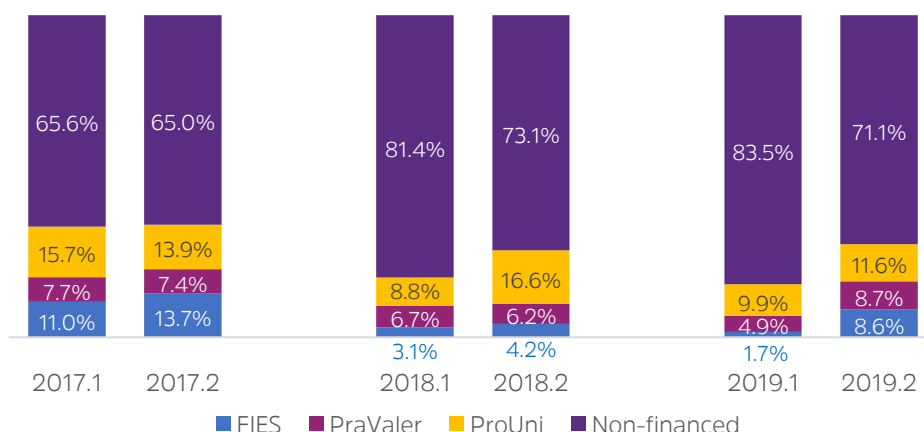
A man with a beard and short hair is shown in profile, smiling as he looks down at a smartphone held in his hands. The background is a warm, orange-toned image of a tree with dense foliage. The entire image has a subtle pattern of thin, white, diagonal lines.

# Student **Financing**



## Student Financing

Intake Evolution

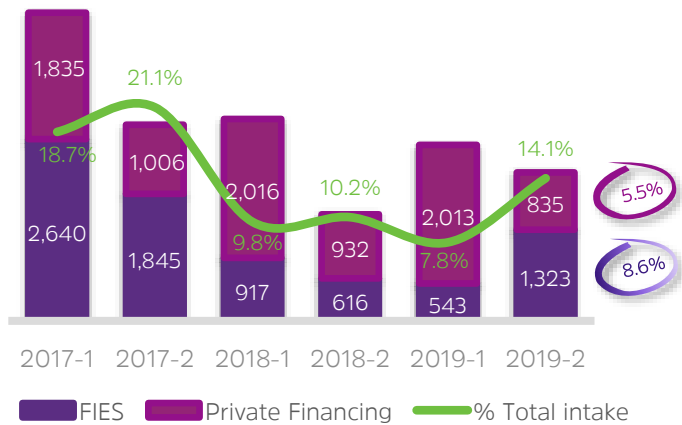


We ended 3Q19 with 1.3 thousand new students with FIES financing, who accounted for 8.6% of the total intake. This includes both new contracts made available by the government for this semester and students transferred from other institutions. As a result, we ended the quarter with approximately 16.1 thousand FIES students (15.1% of the base). Excluding AGES, new FIES students totaled 1.1 thousand students in the quarter, or 7.7% of the total intake, reaching 17.6 thousand students at the end of the period (13.5% of the base).

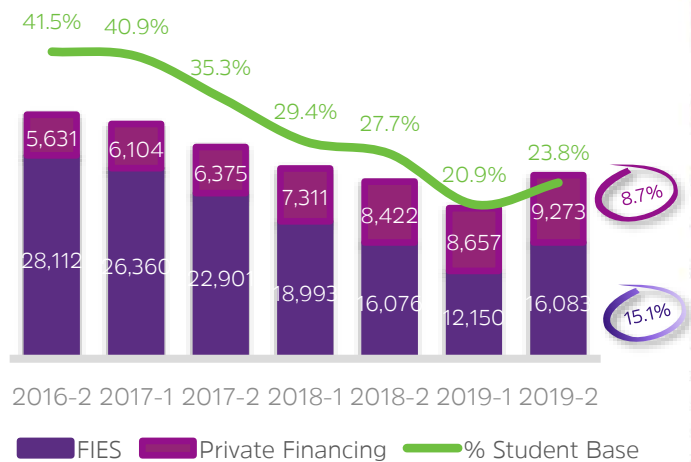
Regarding private financing, in addition to the traditional PraValer products, in which it assumes 100% of the receivables' credit risk, we also offer a type of financing in which students go through PraValer's entire credit scoring process, but an additional number of students is approved based on their ENEM score. The credit risk related to these students remains in our balance sheet. These private financing products together reached 0.8 thousand new students in the quarter, corresponding to 5.5% of the total intake, 0.3 thousand of whom using the credit risk of our balance sheet. We ended 3Q19 with 9.3 thousand students with private financing, corresponding to 8.7% of the undergraduate base, 2.6 thousand of whom using the credit risk of our balance sheet (2.4% of the base).



Student Financing  
-- Total Intake --



Student Financing  
-- Student Base --







# Academic **Quality**



## Academic Quality

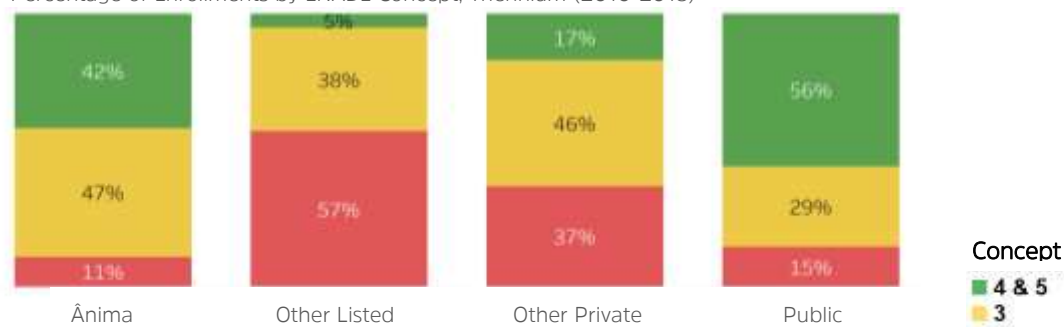
The most recently results published by INEP/MEC, related to 2018, confirm the high academic quality of our institutions.

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 (listed and not listed) and a lower percentage of students with scores of 1 and 2.

When we look at the IDD concept, which measures real 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.

Given that the evaluation cycles of other academic indicators (CC, CPC and IGC) are published by the MEC at the end of the year, our respective indicators are still related to 2017. Further information will be disclosed in the 4Q19 Earnings Release.

Percentage of Enrollments by ENADE Concept, Triennium (2016-2018)



Percentage of Enrollments by IDD Concept, Triennium (2016-2018)







# Financial Performance

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

- i) **Education** – includes 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** – includes hsm, hsmU and EBRADI (Escola Brasileira de Direito).



## FINANCIAL PERFORMANCE

### EFFECTS OF IFRS-16

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

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

The new standard affects the calculation of EBITDA, as lease expenses are no longer considered in the calculation of this metric (in our case, with a positive impact of R\$66.9 million in 9M19, R\$25.7 million of which in 3Q19). It also had a negative impact of R\$25.7 million on net income in 9M19 (R\$6.4 million in 3Q19), as leases are divided into two counter-entries: depreciation of the right-of-use asset and a financial liability representing the obligation to make future lease payments, whose sum totaled R\$92.6 million (R\$32.1 million in 2Q19).

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

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

## 3Q19 Income Statement: excluding the effect of IFRS-16

R\$ (million)	3Q19 - excl. IFRS-16					
	Consolidated	% Net Revenue	Education	% Net Revenue	Others	% Net Revenue
<b>Gross Revenue</b>	<b>547.7</b>	<b>186.5%</b>	<b>530.3</b>	<b>188.9%</b>	<b>17.5</b>	<b>134.7%</b>
Discounts, Deductions & Scholarships	(244.6)	-83.3%	(241.1)	-85.9%	(3.6)	-27.4%
Taxes	(9.5)	-3.2%	(8.5)	-3.0%	(0.9)	-7.3%
<b>Net Revenue</b>	<b>293.6</b>	<b>100.0%</b>	<b>280.7</b>	<b>100.0%</b>	<b>13.0</b>	<b>100.0%</b>
<b>Cash Cost of Services</b>	<b>(159.7)</b>	<b>-54.4%</b>	<b>(154.2)</b>	<b>-54.9%</b>	<b>(5.5)</b>	<b>-42.3%</b>
- Personnel	(105.2)	-35.8%	(104.4)	-37.2%	(0.8)	-5.8%
- Services from Third Parties	(13.7)	-4.7%	(10.9)	-3.9%	(2.8)	-21.5%
- Rental & Utilities	(29.1)	-9.9%	(28.9)	-10.3%	(0.2)	-1.2%
- Others	(11.7)	-4.0%	(9.9)	-3.5%	(1.8)	-13.8%
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>134.0</b>	<b>45.6%</b>	<b>126.5</b>	<b>45.1%</b>	<b>7.5</b>	<b>57.7%</b>
<b>Sales Expenses</b>	<b>(25.1)</b>	<b>-8.5%</b>	<b>(22.6)</b>	<b>-8.0%</b>	<b>(2.5)</b>	<b>-19.3%</b>
- Provision for Doubtful Accounts (PDA)	(10.6)	-3.6%	(9.9)	-3.5%	(0.6)	-4.9%
- Marketing	(14.5)	-4.9%	(12.6)	-4.5%	(1.9)	-14.4%
<b>General &amp; Administrative Expenses</b>	<b>(32.9)</b>	<b>-11.2%</b>	<b>(26.8)</b>	<b>-9.5%</b>	<b>(6.1)</b>	<b>-47.2%</b>
- Personnel	(24.4)	-8.3%	(19.3)	-6.9%	(5.0)	-38.8%
- Third Party Services	(2.7)	-0.9%	(2.1)	-0.7%	(0.6)	-4.7%
- Rental & Utilities	(2.4)	-0.8%	(2.2)	-0.8%	(0.2)	-1.5%
- Others	(3.4)	-1.2%	(3.1)	-1.1%	(0.3)	-2.3%
<b>Other Operating Revenues (Expenses)</b>	<b>0.2</b>	<b>0.1%</b>	<b>0.5</b>	<b>0.2%</b>	<b>(0.3)</b>	<b>-2.4%</b>
- Provisions	0.1	0.0%	0.1	0.1%	0.0	0.0%
- Taxes	(1.4)	-0.5%	(1.0)	-0.4%	(0.4)	-3.3%
- Other Operating Revenues	1.5	0.5%	1.4	0.5%	0.1	0.9%
<b>Late Payment Fees</b>	<b>2.4</b>	<b>0.8%</b>	<b>2.4</b>	<b>0.9%</b>	<b>0.0</b>	<b>0.0%</b>
<b>Operating Result</b>	<b>78.6</b>	<b>26.8%</b>	<b>80.1</b>	<b>28.5%</b>	<b>(1.5)</b>	<b>-11.3%</b>
- Corporate Expenses	(26.2)	-8.9%				
<b>Adjusted EBITDA</b>	<b>52.4</b>	<b>17.8%</b>				
(-) Late Payment Fees	(2.4)	-0.8%				
(-) Non-Recurring Items - EBITDA	(14.0)	-4.8%				
<b>EBITDA</b>	<b>36.0</b>	<b>12.3%</b>				
Depreciation & Amortization	(16.5)	-5.6%				
Equity Equivalence	(0.6)	-0.2%				
<b>EBIT</b>	<b>18.9</b>	<b>6.5%</b>				
Net Financial Result	(13.1)	-4.5%				
<b>EBT</b>	<b>5.8</b>	<b>2.0%</b>				
Income Tax and Social Contribution	(1.9)	-0.6%				
<b>Net Income</b>	<b>3.9</b>	<b>1.3%</b>				
(-) Non-Recurring Items - EBITDA	14.0	4.8%				
(-) Non-Recurring Items - Net Income	0.0	0.0%				
<b>Adjusted Net Income</b>	<b>17.9</b>	<b>6.1%</b>				



## 9M19 Income Statement: excluding the effect of IFRS-16

R\$ (million)	9M19 - excl. IFRS-16					
	Consolidated	% Net Revenue	Education	% Net Revenue	Others	% Net Revenue
<b>Gross Revenue</b>	<b>1,593.6</b>	<b>185.1%</b>	<b>1,549.3</b>	<b>187.4%</b>	<b>44.3</b>	<b>130.1%</b>
Discounts, Deductions & Scholarships	(705.5)	-81.9%	(697.4)	-84.3%	(8.1)	-23.9%
Taxes	(27.1)	-3.1%	(25.0)	-3.0%	(2.1)	-6.1%
<b>Net Revenue</b>	<b>860.9</b>	<b>100.0%</b>	<b>826.9</b>	<b>100.0%</b>	<b>34.0</b>	<b>100.0%</b>
<b>Cash Cost of Services</b>	<b>(458.2)</b>	<b>-53.2%</b>	<b>(444.7)</b>	<b>-53.8%</b>	<b>(13.5)</b>	<b>-39.8%</b>
- Personnel	(311.5)	-36.2%	(309.9)	-37.5%	(1.6)	-4.8%
- Services from Third Parties	(33.7)	-3.9%	(27.4)	-3.3%	(6.2)	-18.2%
- Rental & Utilities	(83.9)	-9.7%	(83.5)	-10.1%	(0.4)	-1.3%
- Others	(29.1)	-3.4%	(23.8)	-2.9%	(5.3)	-15.5%
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>402.7</b>	<b>46.8%</b>	<b>382.3</b>	<b>46.2%</b>	<b>20.5</b>	<b>60.2%</b>
<b>Sales Expenses</b>	<b>(73.1)</b>	<b>-8.5%</b>	<b>(66.3)</b>	<b>-8.0%</b>	<b>(6.8)</b>	<b>-20.1%</b>
- Provision for Doubtful Accounts (PDA)	(29.1)	-3.4%	(26.5)	-3.2%	(2.7)	-7.8%
- Marketing	(44.0)	-5.1%	(39.8)	-4.8%	(4.2)	-12.2%
<b>General &amp; Administrative Expenses</b>	<b>(95.2)</b>	<b>-11.1%</b>	<b>(77.7)</b>	<b>-9.4%</b>	<b>(17.5)</b>	<b>-51.5%</b>
- Personnel	(70.9)	-8.2%	(56.0)	-6.8%	(14.8)	-43.6%
- Third Party Services	(8.0)	-0.9%	(6.6)	-0.8%	(1.4)	-4.0%
- Rental & Utilities	(4.3)	-0.5%	(3.8)	-0.5%	(0.5)	-1.5%
- Others	(12.1)	-1.4%	(11.3)	-1.4%	(0.8)	-2.3%
<b>Other Operating Revenues (Expenses)</b>	<b>0.3</b>	<b>0.0%</b>	<b>1.0</b>	<b>0.1%</b>	<b>(0.7)</b>	<b>-1.9%</b>
- Provisions	0.3	0.0%	0.3	0.0%	0.0	0.0%
- Taxes	(3.3)	-0.4%	(2.5)	-0.3%	(0.8)	-2.2%
- Other Operating Revenues	3.3	0.4%	3.1	0.4%	0.1	0.3%
<b>Late Payment Fees</b>	<b>7.1</b>	<b>0.8%</b>	<b>7.1</b>	<b>0.9%</b>	<b>0.0</b>	<b>0.0%</b>
<b>Operating Result</b>	<b>241.9</b>	<b>28.1%</b>	<b>246.4</b>	<b>29.8%</b>	<b>(4.5)</b>	<b>-13.2%</b>
- Corporate Expenses	(76.5)	-8.9%				
<b>Adjusted EBITDA</b>	<b>165.4</b>	<b>19.2%</b>				
(-) Late Payment Fees	(7.1)	-0.8%				
(-) Non-Recurring Items - EBITDA	(22.1)	-2.6%				
<b>EBITDA</b>	<b>136.1</b>	<b>15.8%</b>				
Depreciation & Amortization	(47.6)	-5.5%				
Equity Equivalence	(1.9)	-0.2%				
<b>EBIT</b>	<b>86.7</b>	<b>10.1%</b>				
Net Financial Result	(38.6)	-4.5%				
<b>EBT</b>	<b>48.1</b>	<b>5.6%</b>				
Income Tax and Social Contribution	(3.7)	-0.4%				
<b>Net Income</b>	<b>44.4</b>	<b>5.2%</b>				
(-) Non-Recurring Items - EBITDA	22.1	2.6%				
(-) Non-Recurring Items - Net Income	0.0	0.0%				
<b>Adjusted Net Income</b>	<b>66.5</b>	<b>7.7%</b>				

## 3Q19 Income Statement: including the effect of IFRS-16

R\$ (million)	3Q19 - with IFRS-16					
	Consolidado	% AV	Education	% AV	Others	% AV
<b>Gross Revenue</b>	<b>547.7</b>	<b>186.5%</b>	<b>530.3</b>	<b>188.9%</b>	<b>17.5</b>	<b>134.7%</b>
Discounts, Deductions & Scholarships	(244.6)	-83.3%	(241.1)	-85.9%	(3.6)	-27.4%
Taxes	(9.5)	-3.2%	(8.5)	-3.0%	(0.9)	-7.3%
<b>Net Revenue</b>	<b>293.6</b>	<b>100.0%</b>	<b>280.7</b>	<b>100.0%</b>	<b>13.0</b>	<b>100.0%</b>
<b>Cash Cost of Services</b>	<b>(136.4)</b>	<b>-46.4%</b>	<b>(130.9)</b>	<b>-46.6%</b>	<b>(5.5)</b>	<b>-42.3%</b>
- Personnel	(105.2)	-35.8%	(104.4)	-37.2%	(0.8)	-5.8%
- Services from Third Parties	(13.7)	-4.7%	(10.9)	-3.9%	(2.8)	-21.5%
- Rental & Utilities	(5.8)	-2.0%	(5.6)	-2.0%	(0.2)	-1.2%
- Others	(11.7)	-4.0%	(9.9)	-3.5%	(1.8)	-13.8%
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>157.3</b>	<b>53.6%</b>	<b>149.8</b>	<b>53.4%</b>	<b>7.5</b>	<b>57.7%</b>
<b>Sales Expenses</b>	<b>(25.1)</b>	<b>-8.5%</b>	<b>(22.6)</b>	<b>-8.0%</b>	<b>(2.5)</b>	<b>-19.3%</b>
- Provision for Doubtful Accounts (PDA)	(10.6)	-3.6%	(9.9)	-3.5%	(0.6)	-4.9%
- Marketing	(14.5)	-4.9%	(12.6)	-4.5%	(1.9)	-14.4%
<b>General &amp; Administrative Expenses</b>	<b>(30.8)</b>	<b>-10.5%</b>	<b>(24.9)</b>	<b>-8.9%</b>	<b>(6.0)</b>	<b>-46.0%</b>
- Personnel	(24.4)	-8.3%	(19.3)	-6.9%	(5.0)	-38.8%
- Third Party Services	(2.7)	-0.9%	(2.1)	-0.7%	(0.6)	-4.7%
- Rental & Utilities	(0.4)	-0.1%	(0.3)	-0.1%	(0.0)	-0.3%
- Others	(3.4)	-1.2%	(3.1)	-1.1%	(0.3)	-2.3%
<b>Other Operating Revenues (Expenses)</b>	<b>0.2</b>	<b>0.1%</b>	<b>0.5</b>	<b>0.2%</b>	<b>(0.3)</b>	<b>-2.4%</b>
- Provisions	0.1	0.0%	0.1	0.1%	0.0	0.0%
- Taxes	(1.4)	-0.5%	(1.0)	-0.4%	(0.4)	-3.3%
- Other Operating Revenues	1.5	0.5%	1.4	0.5%	0.1	0.9%
<b>Late Payment Fees</b>	<b>2.4</b>	<b>0.8%</b>	<b>2.4</b>	<b>0.9%</b>	<b>0.0</b>	<b>0.0%</b>
<b>Operating Result</b>	<b>104.0</b>	<b>35.4%</b>	<b>105.3</b>	<b>37.5%</b>	<b>(1.3)</b>	<b>-10.0%</b>
- Corporate Expenses	(25.9)	-8.8%				
<b>Adjusted EBITDA</b>	<b>78.1</b>	<b>26.6%</b>				
(-) Late Payment Fees	(2.4)	-0.8%				
(-) Non-Recurring Items - EBITDA	(14.0)	-4.8%				
<b>EBITDA</b>	<b>61.7</b>	<b>21.0%</b>				
Depreciation & Amortization	(31.5)	-10.7%				
Equity Equivalence	(0.6)	-0.2%				
<b>EBIT</b>	<b>29.6</b>	<b>10.1%</b>				
Net Financial Result	(30.2)	-10.3%				
<b>EBT</b>	<b>(0.6)</b>	<b>-0.2%</b>				
Income Tax and Social Contribution	(1.9)	-0.6%				
<b>Net Income</b>	<b>(2.5)</b>	<b>-0.8%</b>				
(-) Non-Recurring Items - EBITDA	14.0	4.8%				
(-) Non-Recurring Items - Net Income	0.0	0.0%				
<b>Adjusted Net Income</b>	<b>11.5</b>	<b>3.9%</b>				



## 9M19 Income Statement: including the effect of IFRS-16

R\$ (million)	9M19 - with IFRS-16					
	Consolidated	% Net Revenue	Education	% Net Revenue	Others	% Net Revenue
<b>Gross Revenue</b>	<b>1,593.6</b>	<b>185.1%</b>	<b>1,549.3</b>	<b>187.4%</b>	<b>44.3</b>	<b>130.1%</b>
Discounts, Deductions & Scholarships	(705.5)	-81.9%	(697.4)	-84.3%	(8.1)	-23.9%
Taxes	(27.1)	-3.1%	(25.0)	-3.0%	(2.1)	-6.1%
<b>Net Revenue</b>	<b>860.9</b>	<b>100.0%</b>	<b>826.9</b>	<b>100.0%</b>	<b>34.0</b>	<b>100.0%</b>
<b>Cash Cost of Services</b>	<b>(397.2)</b>	<b>-46.1%</b>	<b>(383.6)</b>	<b>-46.4%</b>	<b>(13.5)</b>	<b>-39.8%</b>
- Personnel	(311.5)	-36.2%	(309.9)	-37.5%	(1.6)	-4.8%
- Services from Third Parties	(33.7)	-3.9%	(27.4)	-3.3%	(6.2)	-18.2%
- Rental & Utilities	(22.9)	-2.7%	(22.5)	-2.7%	(0.4)	-1.3%
- Others	(29.1)	-3.4%	(23.8)	-2.9%	(5.3)	-15.5%
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>463.8</b>	<b>53.9%</b>	<b>443.3</b>	<b>53.6%</b>	<b>20.5</b>	<b>60.2%</b>
<b>Sales Expenses</b>	<b>(73.1)</b>	<b>-8.5%</b>	<b>(66.3)</b>	<b>-8.0%</b>	<b>(6.8)</b>	<b>-20.1%</b>
- Provision for Doubtful Accounts (PDA)	(29.1)	-3.4%	(26.5)	-3.2%	(2.7)	-7.8%
- Marketing	(44.0)	-5.1%	(39.8)	-4.8%	(4.2)	-12.2%
<b>General &amp; Administrative Expenses</b>	<b>(91.5)</b>	<b>-10.6%</b>	<b>(74.3)</b>	<b>-9.0%</b>	<b>(17.2)</b>	<b>-50.6%</b>
- Personnel	(70.9)	-8.2%	(56.0)	-6.8%	(14.8)	-43.6%
- Third Party Services	(8.0)	-0.9%	(6.6)	-0.8%	(1.4)	-4.0%
- Rental & Utilities	(0.6)	-0.1%	(0.4)	-0.1%	(0.2)	-0.6%
- Others	(12.1)	-1.4%	(11.3)	-1.4%	(0.8)	-2.3%
<b>Other Operating Revenues (Expenses)</b>	<b>0.3</b>	<b>0.0%</b>	<b>1.0</b>	<b>0.1%</b>	<b>(0.7)</b>	<b>-1.9%</b>
- Provisions	0.3	0.0%	0.3	0.0%	0.0	0.0%
- Taxes	(3.3)	-0.4%	(2.5)	-0.3%	(0.8)	-2.2%
- Other Operating Revenues	3.3	0.4%	3.1	0.4%	0.1	0.3%
<b>Late Payment Fees</b>	<b>7.1</b>	<b>0.8%</b>	<b>7.1</b>	<b>0.9%</b>	<b>0.0</b>	<b>0.0%</b>
<b>Operating Result</b>	<b>306.6</b>	<b>35.6%</b>	<b>310.8</b>	<b>37.6%</b>	<b>(4.2)</b>	<b>-12.3%</b>
- Corporate Expenses	(74.3)	-8.6%				
<b>Adjusted EBITDA</b>	<b>232.3</b>	<b>27.0%</b>				
(-) Late Payment Fees	(7.1)	-0.8%				
(-) Non-Recurring Items - EBITDA	(22.1)	-2.6%				
<b>EBITDA</b>	<b>203.0</b>	<b>23.6%</b>				
Depreciation & Amortization	(90.6)	-10.5%				
Equity Equivalence	(1.9)	-0.2%				
<b>EBIT</b>	<b>110.5</b>	<b>12.8%</b>				
Net Financial Result	(88.1)	-10.2%				
<b>EBT</b>	<b>22.4</b>	<b>2.6%</b>				
Income Tax and Social Contribution	(3.7)	-0.4%				
<b>Net Income</b>	<b>18.7</b>	<b>2.2%</b>				
(-) Non-Recurring Items - EBITDA	22.1	2.6%				
(-) Non-Recurring Items - Net Income	0.0	0.0%				
<b>Adjusted Net Income</b>	<b>40.8</b>	<b>4.7%</b>				

## 3Q19 and 9M19 Income Statement: IFRS-16 effect

Consolidated Ânima R\$ (million)	3Q19 - Release Income Statement			9M19 - Release Income Statement		
	Excl. IFRS-16	With IFRS-16	IFRS-16 Effect	Excl. IFRS-16	With IFRS-16	IFRS-16 Effect
<b>Gross Revenue</b>	<b>547.7</b>	<b>547.7</b>	<b>0.0</b>	<b>1,593.6</b>	<b>1,593.6</b>	<b>0.0</b>
Discounts, Deductions & Scholarships	(244.6)	(244.6)	0.0	(705.5)	(705.5)	0.0
Taxes	(9.5)	(9.5)	0.0	(27.1)	(27.1)	0.0
<b>Net Revenue</b>	<b>293.6</b>	<b>293.6</b>	<b>0.0</b>	<b>860.9</b>	<b>860.9</b>	<b>0.0</b>
<b>Cash Cost of Services</b>	<b>(159.7)</b>	<b>(136.4)</b>	<b>23.3</b>	<b>(458.2)</b>	<b>(397.2)</b>	<b>61.0</b>
- Personnel	(105.2)	(105.2)	0.0	(311.5)	(311.5)	0.0
- Services from Third Parties	(13.7)	(13.7)	0.0	(33.7)	(33.7)	0.0
- COGS	0.0	0.0	0.0	0.0	0.0	0.0
- Rental & Utilities	(29.1)	(5.8)	23.3	(83.9)	(22.9)	61.0
- Others	(11.7)	(11.7)	0.0	(29.1)	(29.1)	0.0
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>134.0</b>	<b>157.3</b>	<b>23.3</b>	<b>402.7</b>	<b>463.8</b>	<b>61.0</b>
<b>Sales Expenses</b>	<b>(25.1)</b>	<b>(25.1)</b>	<b>0.0</b>	<b>(73.1)</b>	<b>(73.1)</b>	<b>0.0</b>
- Provision for Doubtful Accounts (PDA)	(10.6)	(10.6)	0.0	(29.1)	(29.1)	0.0
- Marketing	(14.5)	(14.5)	0.0	(44.0)	(44.0)	0.0
<b>General &amp; Administrative Expenses</b>	<b>(32.9)</b>	<b>(30.8)</b>	<b>2.1</b>	<b>(95.2)</b>	<b>(91.5)</b>	<b>3.7</b>
- Personnel	(24.4)	(24.4)	0.0	(70.9)	(70.9)	0.0
- Third Party Services	(2.7)	(2.7)	0.0	(8.0)	(8.0)	0.0
- Rental & Utilities	(2.4)	(0.4)	2.1	(4.3)	(0.6)	3.7
- Others	(3.4)	(3.4)	0.0	(12.1)	(12.1)	0.0
<b>Other Operating Revenues (Expenses)</b>	<b>0.2</b>	<b>0.2</b>	<b>0.0</b>	<b>0.3</b>	<b>0.3</b>	<b>0.0</b>
- Provisions	0.1	0.1	0.0	0.3	0.3	0.0
- Taxes	(1.4)	(1.4)	0.0	(3.3)	(3.3)	0.0
- Other Operating Revenues	1.5	1.5	0.0	3.3	3.3	0.0
<b>Late Payment Fees</b>	<b>2.4</b>	<b>2.4</b>	<b>0.0</b>	<b>7.1</b>	<b>7.1</b>	<b>0.0</b>
<b>Operating Result</b>	<b>78.6</b>	<b>104.0</b>	<b>25.4</b>	<b>241.9</b>	<b>306.6</b>	<b>64.7</b>
- Corporate Expenses	(26.2)	(25.9)	0.3	(76.5)	(74.3)	2.2
<b>Adjusted EBITDA</b>	<b>52.4</b>	<b>78.1</b>	<b>25.7</b>	<b>165.4</b>	<b>232.3</b>	<b>66.9</b>
(-) Late Payment Fees	(2.4)	(2.4)	0.0	(7.1)	(7.1)	0.0
(-) Non-Recurring Items - EBITDA	(14.0)	(14.0)	0.0	(22.1)	(22.1)	0.0
<b>EBITDA</b>	<b>36.0</b>	<b>61.7</b>	<b>25.7</b>	<b>136.1</b>	<b>203.0</b>	<b>66.9</b>
Depreciation & Amortization	(16.5)	(31.5)	(15.1)	(47.6)	(90.6)	(43.1)
Equity Equivalence	(0.6)	(0.6)	0.0	(1.9)	(1.9)	0.0
<b>EBIT</b>	<b>18.9</b>	<b>29.6</b>	<b>10.6</b>	<b>86.7</b>	<b>110.5</b>	<b>23.8</b>
Net Financial Result	(13.1)	(30.2)	(17.1)	(38.6)	(88.1)	(49.5)
<b>EBT</b>	<b>5.8</b>	<b>(0.6)</b>	<b>(6.4)</b>	<b>48.1</b>	<b>22.4</b>	<b>(25.7)</b>
Income Tax and Social Contribution	(1.9)	(1.9)	0.0	(3.7)	(3.7)	0.0
<b>Net Income</b>	<b>3.9</b>	<b>(2.5)</b>	<b>(6.4)</b>	<b>44.4</b>	<b>18.7</b>	<b>(25.7)</b>
(-) Non-Recurring Items - EBITDA	14.0	14.0	0.0	22.1	22.1	0.0
(-) Non-Recurring Items - Net Income	0.0	0.0	0.0	0.0	0.0	0.0
<b>Adjusted Net Income</b>	<b>17.9</b>	<b>11.5</b>	<b>(6.4)</b>	<b>66.5</b>	<b>40.8</b>	<b>(25.7)</b>



## FINANCIAL PERFORMANCE – Education

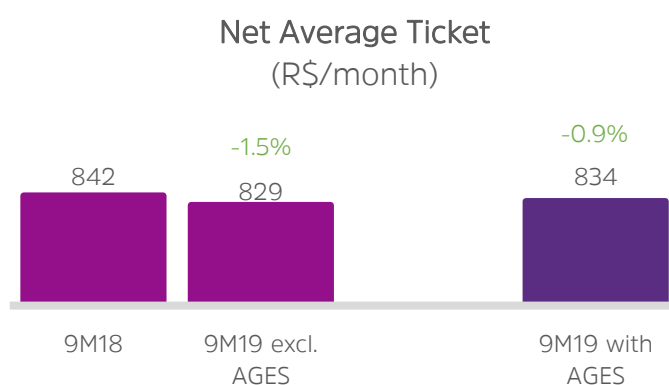
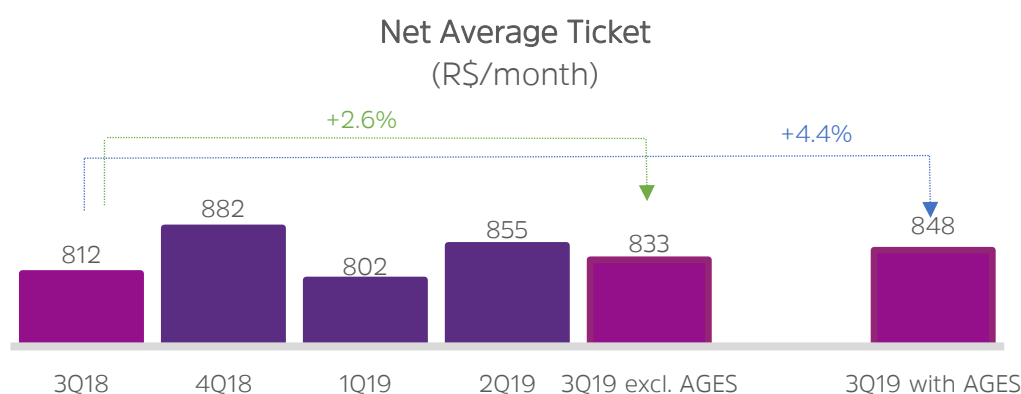
R\$ (million)	Education - excl. IFRS-16									
	3Q19	% Net Revenue	3Q18	% Net Revenue	% YA	9M19	% Net Revenue	9M18	% Net Revenue	% YA
Gross Revenue	530.3	188.9%	441.7	178.6%	20.0%	1,549.3	187.4%	1,327.7	173.4%	16.7%
Discounts, Deductions & Scholarships	(241.1)	-85.9%	(187.0)	-75.6%	28.9%	(697.4)	-84.3%	(539.2)	-70.4%	29.3%
Taxes	(8.5)	-3.0%	(7.4)	-3.0%	15.5%	(25.0)	-3.0%	(22.9)	-3.0%	9.0%
Net Revenue	280.7	100.0%	247.4	100.0%	13.5%	826.9	100.0%	765.6	100.0%	8.0%
Cash Cost of Services	(154.2)	-54.9%	(148.4)	-60.0%	3.9%	(444.7)	-53.8%	(434.0)	-56.7%	2.4%
- Personnel	(104.4)	-37.2%	(103.5)	-41.8%	0.9%	(309.9)	-37.5%	(311.1)	-40.6%	-0.4%
- Services from Third Parties	(10.9)	-3.9%	(11.7)	-4.7%	-6.3%	(27.4)	-3.3%	(26.1)	-3.4%	5.3%
- Rental & Utilities	(28.9)	-10.3%	(25.4)	-10.3%	14.1%	(83.5)	-10.1%	(71.9)	-9.4%	16.1%
- Others	(9.9)	-3.5%	(7.9)	-3.2%	24.5%	(23.8)	-2.9%	(24.9)	-3.3%	-4.5%
Gross Profit (exclud. deprec. /amort.)	126.5	45.1%	99.0	40.0%	27.8%	382.3	46.2%	331.6	43.3%	15.3%
Sales Expenses	(22.6)	-8.0%	(16.1)	-6.5%	39.9%	(66.3)	-8.0%	(56.6)	-7.4%	17.1%
- Provision for Doubtful Accounts (PDA)	(9.9)	-3.5%	(6.9)	-2.8%	43.7%	(26.5)	-3.2%	(27.9)	-3.6%	-5.2%
- Marketing	(12.6)	-4.5%	(9.2)	-3.7%	37.0%	(39.8)	-4.8%	(28.7)	-3.7%	38.9%
General & Administrative Expenses	(26.8)	-9.5%	(22.6)	-9.1%	18.6%	(77.7)	-9.4%	(69.8)	-9.1%	11.2%
- Personnel	(19.3)	-6.9%	(14.1)	-5.7%	36.6%	(56.0)	-6.8%	(46.2)	-6.0%	21.2%
- Third Party Services	(2.1)	-0.7%	(2.7)	-1.1%	-22.5%	(6.6)	-0.8%	(7.1)	-0.9%	-6.8%
- Rental & Utilities	(2.2)	-0.8%	(0.9)	-0.4%	153.9%	(3.8)	-0.5%	(2.2)	-0.3%	73.0%
- Others	(3.1)	-1.1%	(4.9)	-2.0%	-35.7%	(11.3)	-1.4%	(14.4)	-1.9%	-21.3%
Other Operating Revenues (Expenses)	0.5	0.2%	0.7	0.3%	-24.2%	1.0	0.1%	4.1	0.5%	-75.8%
- Provisions	0.1	0.1%	(1.6)	-0.6%	-109.2%	0.3	0.0%	(1.8)	-0.2%	-118.9%
- Taxes	(1.0)	-0.4%	(0.3)	-0.1%	232.4%	(2.5)	-0.3%	(1.0)	-0.1%	152.1%
- Other Operating Revenues	1.4	0.5%	2.6	1.0%	-46.7%	3.1	0.4%	6.9	0.9%	-54.2%
Late Payment Fees	2.4	0.9%	3.6	1.4%	-32.2%	7.1	0.9%	9.5	1.2%	-24.4%
Operating Result	80.1	28.5%	64.5	26.1%	24.2%	246.4	29.8%	218.6	28.6%	12.7%

R\$ (million)	Education Excl. AGES – with IFRS-16		Education Excl. AGES – excl. IFRS-16					
	3Q19	9M19	3Q19	3Q18	% YA	9M19	9M18	% YA
<b>Net Revenue</b>	<b>268.3</b>	<b>814.5</b>	<b>268.3</b>	<b>247.4</b>	<b>8.4%</b>	<b>814.5</b>	<b>765.6</b>	<b>6.4%</b>
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>141.1</b>	<b>434.7</b>	<b>117.9</b>	<b>99.0</b>	<b>19.1%</b>	<b>373.6</b>	<b>331.6</b>	<b>12.7%</b>
<i>Gross Margin</i>	<i>52.6%</i>	<i>53.4%</i>	<i>43.9%</i>	<i>40.0%</i>	<i>3.9pp</i>	<i>45.9%</i>	<i>43.3%</i>	<i>2.6pp</i>
<b>Operating Result</b>	<b>100.5</b>	<b>306.0</b>	<b>76.1</b>	<b>64.5</b>	<b>18.0%</b>	<b>242.4</b>	<b>218.6</b>	<b>10.9%</b>
<i>Operating Margin</i>	<i>37.4%</i>	<i>37.6%</i>	<i>28.4%</i>	<i>26.1%</i>	<i>2.3pp</i>	<i>29.8%</i>	<i>28.6%</i>	<i>1.2pp</i>

Acquisition made in Aug'19

## Net Revenue

We ended 3Q19 with net revenue from the Education segment of R\$280.7 million, +13.5% versus 3Q18 (R\$268.3 million, or +8.4% excluding AGES). In 9M19, Net Revenue came to R\$826.9 million, +8.0% versus 9M18 (R\$814.5 million or +6.4%, excluding AGES).



Excluding AGES, our net ticket reached an average of R\$833/month in 3Q19, a 2.6% improvement over the same period last year, due to gains in program mix (+5.6%), an increase in the student base (+5.0%) and an average increase in tuition fees (+5.0%), partially offset by higher scholarships, discounts and taxes (-7.1%).

In 9M19, our net average ticket excluding AGES reached R\$834/month (-0.9% vs. 9M18), mainly due to higher scholarships, discounts and taxes (-8.8%), partially offset by an increase in the student base (+7.7%), the same average increase in tuition fees (5.0%) and lower gains in program mix (2.5%).

As previously mentioned, despite a still challenging environment with lower government financing, for the first time in four years, we recorded an average ticket



of new students that exceeded the one from the previous year, due to a series of internal initiatives. We know this is only the first step in a long journey, but what we have learned has greatly contributed to the maturation and strengthening of our internal processes. We remain committed to several initiatives that allow our net average ticket to follow a sustainable growth trajectory.

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

Excluding the IFRS-16 impacts for comparison purposes, gross profit came to R\$126.5 million in 3Q19, or 45.1% of net revenue (+5.1pp vs. 3Q18), mainly due to faculty and academic support productivity gains (personnel costs +4.6pp vs. 3Q18). In 9M19, gross profit reached R\$382.3 million, or 46.2% of net revenue (+2.9pp vs. 9M18).

### **Selling Expenses**

Selling expenses reached R\$22.6 million in 3Q19, representing an impact of -1.5pp on margin compared to 3Q18, as a result of higher marketing expenses and provisions for doubtful accounts. The increase in marketing expenses (-0.8pp vs. 3Q18 and -1.1pp vs. 9M18) was due to the organic expansion plan (Q2A) and initiatives to strengthen our brands, especially in the most competitive regions. Regarding our provisions for doubtful accounts, the increase when compared to 3Q18 (-0.7pp) was mainly a result of the anticipation of the Decola program, which was felt more strongly in the second quarter, and a larger share of accounts receivable above 360 days, the provisions of which are significantly higher. In 9M19, provisions for doubtful accounts remained lower than in the previous year (+0.4pp vs. 9M18).

### **General and Administrative Expenses**

Excluding the effect of IFRS-16, general and administrative expenses stood at R\$26.8 million in 3Q19, representing 9.5% of net revenue, -0.4pp vs. 3Q18. In 9M19, these expenses reached R\$77.7 million (-0.3pp vs. 9M18) and were especially affected by the growth in Q2A units, the 4.3% salary increase firmed upon in the collective bargaining agreement and the consolidation of AGES (R\$3.5 million in the quarter).

## Other Operating Revenues (Expenses)

Other operating revenues (expenses), including fines and interest on tuition fees, came to R\$2.9 million in 3Q19, a 0.7pp contraction vs. 3Q18. In 9M19, other operating revenues (expenses) stood at R\$8.1 million (-0.7pp vs. 9M18).

## Operating Result

Excluding the effect of IFRS-16, Operating Result reached R\$80.1 million in 3Q19, or 28.5% of net revenue, +2.4pp in relation to the same period last year, a stronger increase when compared to 1H19 (+0.7pp vs. 1H18). In 9M19, the operating result came to R\$246.4 million, or 29.8% of net revenue (+1.2pp vs. 9M18).

We continue to monitor the evolution of operating margins in the Education segment, dividing the units into three major blocks based on their respective stage of maturity: Base, Acquisitions and Organic Expansion. It is worth noting that we have begun including AGES in the Acquisitions block (August and September) as of this quarter.

R\$ (million)	Base <sup>1</sup>			Acquisitions <sup>2</sup>			Organic Exp. <sup>3</sup>			Education		
	Excl. New Units			Excl. New Units								
	3Q19	3Q18	% YA	3Q19	3Q18	% YA	3Q19	3Q18	% YA	3Q19	3Q18	% YA
<b>Net Revenue</b>	186.2	187.6	-0.8%	53.6	43.5	23.2%	40.9	16.3	150.9%	280.7	247.4	13.5%
<b>Gross Profit (exclud. deprec. /amort.)</b>	89.2	81.4	9.6%	19.7	12.6	56.2%	17.6	5.0	252.0%	126.5	99.0	27.8%
<i>Gross Margin</i>	47.9%	43.4%	4.5pp	36.7%	29.0%	7.7pp	43.0%	30.7%	12.3pp	45.1%	40.0%	5.1pp
<b>Operating Result</b>	65.4	59.1	10.7%	8.0	3.8	110.5%	6.6	1.6	314.3%	80.1	64.5	24.2%
<i>Operating Margin</i>	35.2%	31.5%	3.7pp	14.9%	8.7%	6.2pp	16.2%	9.8%	6.4pp	28.5%	26.1%	2.4pp

R\$ (million)	Base <sup>1</sup>			Acquisitions <sup>2</sup>			Organic Exp. <sup>3</sup>			Education		
	Excl. New Units			Excl. New Units								
	9M19	9M18	% YA	9M19	9M18	% YA	9M19	9M18	% YA	9M19	9M18	% YA
<b>Net Revenue</b>	570.4	590.9	-3.5%	140.0	128.1	9.3%	116.5	46.6	150.1%	826.9	765.6	8.0%
<b>Gross Profit (exclud. deprec. /amort.)</b>	279.5	273.1	2.3%	54.7	42.3	29.2%	48.2	16.2	197.0%	382.3	331.6	15.3%
<i>Gross Margin</i>	49.0%	46.2%	2.8pp	39.0%	33.0%	6.0pp	41.4%	34.8%	6.6pp	46.2%	43.3%	2.9pp
<b>Operating Result</b>	199.5	198.8	0.4%	28.0	16.4	71.1%	18.9	3.5	439.0%	246.4	218.6	12.7%
<i>Operating Margin</i>	35.0%	33.6%	1.4pp	20.0%	12.8%	7.2pp	16.2%	7.5%	8.7pp	29.8%	28.6%	1.2pp

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

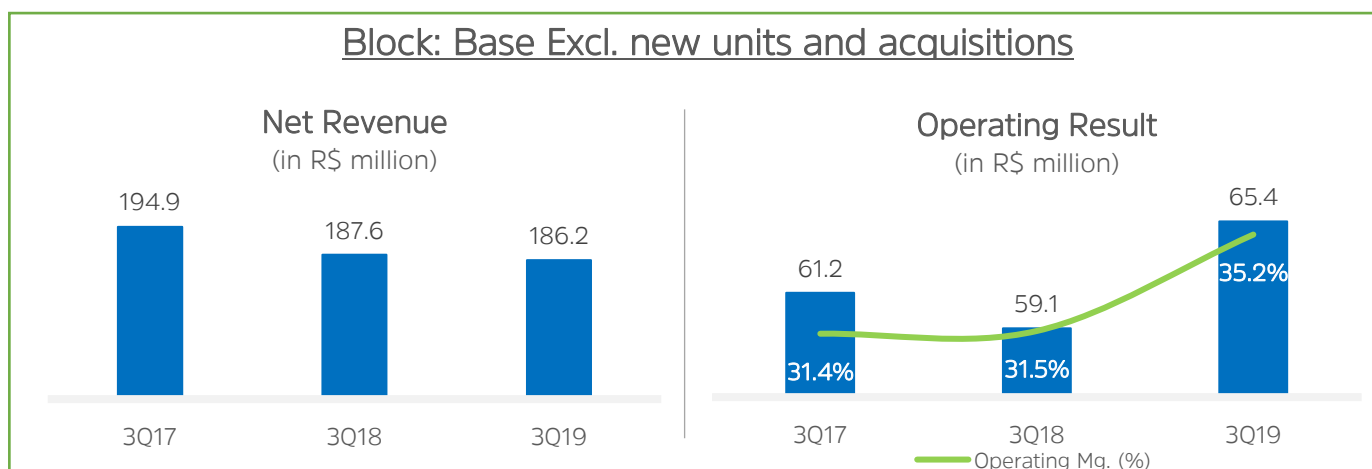
<sup>2</sup> Considers acquisitions made throughout 2016 (Unisociesc Feb'16, Una Bom Despacho Jul'16 and Una Uberlândia Oct'16) and AGES in Aug'19

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

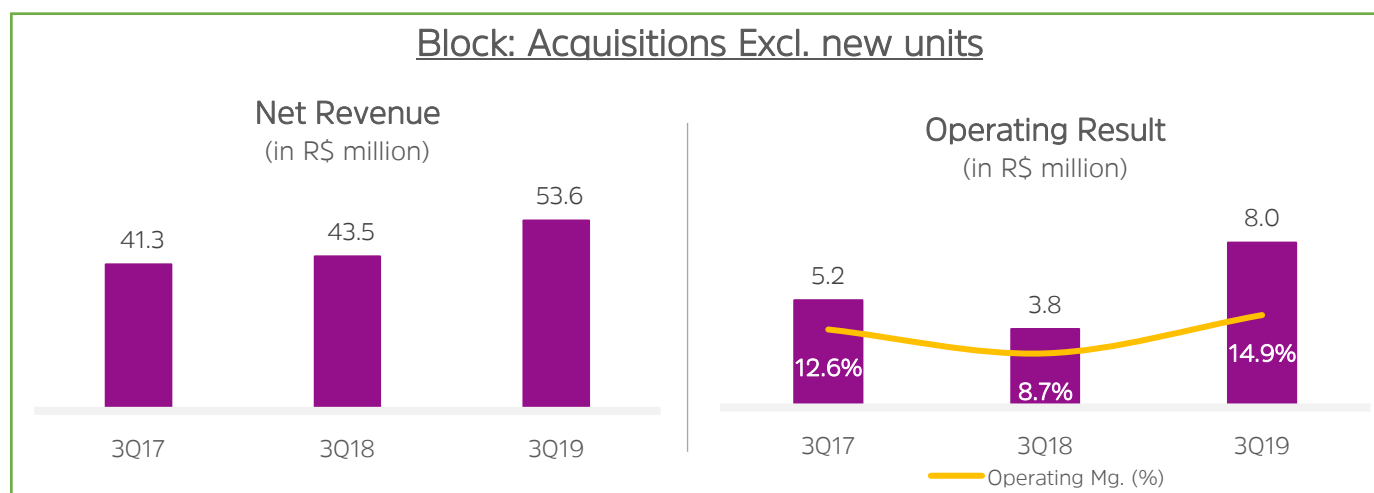
The **Base** operation ended the quarter with Net Revenue of R\$186.2 million, in line with 3Q18 (-0.8%). When compared to 1H19, Net Revenue experienced a recovery, mainly due to a better ticket, as a result of a higher dropout rate among students with a lower ticket (who enrolled in 2018\_2 and 2019\_1 and historically tend to dropout in the first semesters of the course) and a lower dropout rate among senior students (who enrolled in 2015 and 2016), who have higher tickets. The operating margin continued to increase year on year, mainly due to efficiency gains from the E2A (academic model fully implemented in 2018) and the granular management of expenses. Gross profit reached R\$89.2 million in the quarter, or 47.9% of net



revenue (+4.5pp vs. 3Q18), and the operating result reached R\$65.4 million, or 35.2% of net revenue (+3.7pp vs. 3Q18).

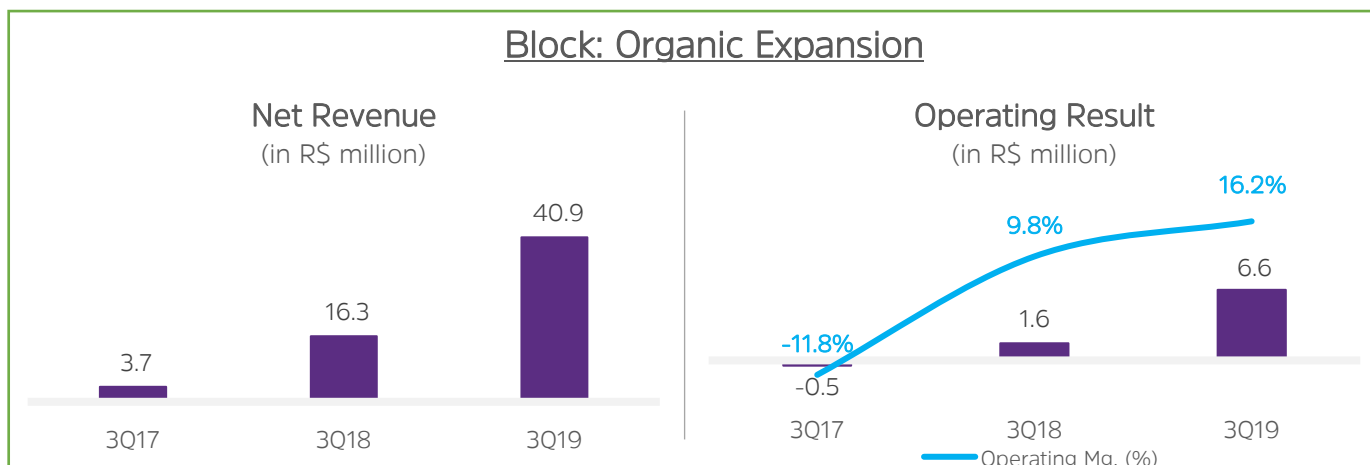


Regarding the **Acquisitions** block, which includes the acquisitions made in 2016 (UniSociesc, Una Bom Despacho and Una Uberlândia) and AGES (August/September 2019), we recorded Net Revenue of R\$53.6 million in the quarter, 23.2% higher compared to the same period last year, primarily impacted by AGES. This block's Operating Result, also impacted by the new operation, reached R\$8.0 million, or margin of 14.9% (+6.2pp vs. 3Q18).



The performance of the **Organic Expansion** block, which includes the 14 units opened between Jul'16 and Jan'18, the 8 new units inaugurated at the beginning of 2019 and the acquisitions made in 2018 (CESUC, Faculdade Jangada and Faced), continued to exceed its business plans. This block recorded Net Revenue of R\$40.9

million and Operating Result of R\$6.6 million (versus net revenue of R\$16.3 million and operating result of R\$1.6 million in 3Q18).



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



## FINANCIAL PERFORMANCE – Other Businesses

R\$ (million)	Others - excl. IFRS-16									
	3Q19	% Net Revenue	3Q18	% Net Revenue	% YA	9M19	Net Reven	9M18	% Net Revenue	% YA
<b>Gross Revenue</b>	<b>17.5</b>	<b>134.7%</b>	<b>10.2</b>	<b>115.9%</b>	<b>71.3%</b>	<b>44.3</b>	<b>130.1%</b>	<b>36.5</b>	<b>111.6%</b>	<b>21.3%</b>
Discounts, Deductions & Scholarships	(3.6)	-27.4%	(0.9)	-10.6%	281.7%	(8.1)	-23.9%	(2.1)	-6.4%	287.4%
Taxes	(0.9)	-7.3%	(0.5)	-5.3%	102.4%	(2.1)	-6.1%	(1.7)	-5.2%	23.1%
<b>Net Revenue</b>	<b>13.0</b>	<b>100.0%</b>	<b>8.8</b>	<b>100.0%</b>	<b>47.3%</b>	<b>34.0</b>	<b>100.0%</b>	<b>32.7</b>	<b>100.0%</b>	<b>4.1%</b>
<b>Cash Cost of Services</b>	<b>(5.5)</b>	<b>-42.3%</b>	<b>(2.5)</b>	<b>-28.4%</b>	<b>119.5%</b>	<b>(13.5)</b>	<b>-39.8%</b>	<b>(12.9)</b>	<b>-39.5%</b>	<b>5.0%</b>
- Personnel	(0.8)	-5.8%	(0.6)	-6.3%	35.1%	(1.6)	-4.8%	(0.9)	-2.8%	82.2%
- Services from Third Parties	(2.8)	-21.5%	(1.7)	-18.9%	67.3%	(6.2)	-18.2%	(6.4)	-19.7%	-3.7%
- Rental & Utilities	(0.2)	-1.2%	(0.1)	-1.0%	79.9%	(0.4)	-1.3%	(1.3)	-3.8%	-65.6%
- Others	(1.8)	-13.8%	(0.1)	-1.7%	1109.5%	(5.3)	-15.5%	(3.4)	-10.4%	55.3%
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>7.5</b>	<b>57.7%</b>	<b>6.3</b>	<b>71.6%</b>	<b>18.7%</b>	<b>20.5</b>	<b>60.2%</b>	<b>19.8</b>	<b>60.5%</b>	<b>3.6%</b>
<b>Sales Expenses</b>	<b>(2.5)</b>	<b>-19.3%</b>	<b>(1.6)</b>	<b>-18.1%</b>	<b>57.0%</b>	<b>(6.8)</b>	<b>-20.1%</b>	<b>(4.4)</b>	<b>-13.4%</b>	<b>56.2%</b>
- Provision for Doubtful Accounts (PDA)	(0.6)	-4.9%	(0.8)	-9.4%	-22.9%	(2.7)	-7.8%	(1.5)	-4.6%	77.9%
- Marketing	(1.9)	-14.4%	(0.8)	-8.7%	142.9%	(4.2)	-12.2%	(2.9)	-8.8%	44.9%
<b>General &amp; Administrative Expenses</b>	<b>(6.1)</b>	<b>-47.2%</b>	<b>(5.9)</b>	<b>-66.7%</b>	<b>4.4%</b>	<b>(17.5)</b>	<b>-51.5%</b>	<b>(18.0)</b>	<b>-55.1%</b>	<b>-2.7%</b>
- Personnel	(5.0)	-38.8%	(4.4)	-50.4%	13.4%	(14.8)	-43.6%	(14.9)	-45.7%	-0.6%
- Third Party Services	(0.6)	-4.7%	(0.2)	-2.8%	144.1%	(1.4)	-4.0%	(0.7)	-2.1%	98.2%
- Rental & Utilities	(0.2)	-1.5%	(0.2)	-2.8%	-21.1%	(0.5)	-1.5%	(0.8)	-2.4%	-32.6%
- Others	(0.3)	-2.3%	(0.9)	-10.6%	-68.6%	(0.8)	-2.3%	(1.6)	-4.9%	-51.7%
<b>Other Operating Revenues (Expenses)</b>	<b>(0.3)</b>	<b>-2.4%</b>	<b>(0.1)</b>	<b>-1.6%</b>	<b>127.4%</b>	<b>(0.7)</b>	<b>-1.9%</b>	<b>(0.6)</b>	<b>-1.7%</b>	<b>14.7%</b>
- Provisions	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	(0.0)	0.0%	-100.0%
- Taxes	(0.4)	-3.3%	(0.2)	-1.9%	158.1%	(0.8)	-2.2%	(1.0)	-3.1%	-24.6%
- Other Operating Revenues	0.1	0.9%	0.0	0.4%	293.1%	0.1	0.3%	0.4	1.4%	-76.3%
<b>Late Payment Fees</b>	<b>0.0</b>	<b>0.0%</b>	<b>0.0</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0</b>	<b>0.0%</b>	<b>0.0</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Operating Result</b>	<b>(1.5)</b>	<b>-11.3%</b>	<b>(1.3)</b>	<b>-14.7%</b>	<b>12.7%</b>	<b>(4.5)</b>	<b>-13.2%</b>	<b>(3.2)</b>	<b>-9.7%</b>	<b>42.6%</b>

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

In 3Q19, the Other Businesses segment recorded an operating loss of R\$1.5 million, versus -R\$1.3 million in 3Q18, excluding the IFRS-16 effect. The negative result in the period is in line with the seasonal trends for this business, usually followed by a recovery in the last quarter. In 9M19, the operating result totaled -R\$4.5 million, versus -R\$3.2 million in 9M18. The difference in the annual comparison was due to the exceptional performance of the SingularityU Brazil Summit, which was held for the first time in Brazil in 1H18.

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

## CONSOLIDATED PERFORMANCE

R\$ (million)	Consolidated Anima - excl. IFRS-16									
	3Q19	% Net Revenue	3Q18	% Net Revenue	% YA	9M19	% Net Revenue	9M18	% Net Revenue	% YA
<b>Gross Revenue</b>	<b>547.7</b>	<b>186.5%</b>	<b>452.0</b>	<b>176.4%</b>	<b>21.2%</b>	<b>1,593.6</b>	<b>185.1%</b>	<b>1,364.2</b>	<b>170.9%</b>	<b>16.8%</b>
Discounts, Deductions & Scholarships	(244.6)	-83.3%	(187.9)	-73.3%	30.2%	(705.5)	-81.9%	(541.3)	-67.8%	30.3%
Taxes	(9.5)	-3.2%	(7.8)	-3.1%	20.7%	(27.1)	-3.1%	(24.6)	-3.1%	10.0%
<b>Net Revenue</b>	<b>293.6</b>	<b>100.0%</b>	<b>256.2</b>	<b>100.0%</b>	<b>14.6%</b>	<b>860.9</b>	<b>100.0%</b>	<b>798.3</b>	<b>100.0%</b>	<b>7.9%</b>
<b>Cash Cost of Services</b>	<b>(159.7)</b>	<b>-54.4%</b>	<b>(150.9)</b>	<b>-58.9%</b>	<b>5.8%</b>	<b>(458.2)</b>	<b>-53.2%</b>	<b>(446.9)</b>	<b>-56.0%</b>	<b>2.5%</b>
- Personnel	(105.2)	-35.8%	(104.0)	-40.6%	1.1%	(311.5)	-36.2%	(312.0)	-39.1%	-0.2%
- Services from Third Parties	(13.7)	-4.7%	(13.3)	-5.2%	2.9%	(33.7)	-3.9%	(32.5)	-4.1%	3.5%
- Rental & Utilities	(29.1)	-9.9%	(25.4)	-9.9%	14.3%	(83.9)	-9.7%	(73.1)	-9.2%	14.7%
- Others	(11.7)	-4.0%	(8.1)	-3.2%	44.4%	(29.1)	-3.4%	(28.3)	-3.5%	2.7%
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>134.0</b>	<b>45.6%</b>	<b>105.3</b>	<b>41.1%</b>	<b>27.3%</b>	<b>402.7</b>	<b>46.8%</b>	<b>351.3</b>	<b>44.0%</b>	<b>14.6%</b>
<b>Sales Expenses</b>	<b>(25.1)</b>	<b>-8.5%</b>	<b>(17.7)</b>	<b>-6.9%</b>	<b>41.4%</b>	<b>(73.1)</b>	<b>-8.5%</b>	<b>(61.0)</b>	<b>-7.6%</b>	<b>19.9%</b>
- Provision for Doubtful Accounts (PDA)	(10.6)	-3.6%	(7.7)	-3.0%	36.6%	(29.1)	-3.4%	(29.4)	-3.7%	-0.9%
- Marketing	(14.5)	-4.9%	(10.0)	-3.9%	45.1%	(44.0)	-5.1%	(31.5)	-4.0%	39.4%
<b>General &amp; Administrative Expenses</b>	<b>(32.9)</b>	<b>-11.2%</b>	<b>(28.5)</b>	<b>-11.1%</b>	<b>15.6%</b>	<b>(95.2)</b>	<b>-11.1%</b>	<b>(87.8)</b>	<b>-11.0%</b>	<b>8.4%</b>
- Personnel	(24.4)	-8.3%	(18.6)	-7.3%	31.1%	(70.9)	-8.2%	(61.1)	-7.7%	15.9%
- Third Party Services	(2.7)	-0.9%	(2.9)	-1.1%	-8.2%	(8.0)	-0.9%	(7.8)	-1.0%	2.5%
- Rental & Utilities	(2.4)	-0.8%	(1.1)	-0.4%	115.7%	(4.3)	-0.5%	(3.0)	-0.4%	45.2%
- Others	(3.4)	-1.2%	(5.8)	-2.3%	-41.0%	(12.1)	-1.4%	(16.0)	-2.0%	-24.3%
<b>Other Operating Revenues (Expenses)</b>	<b>0.2</b>	<b>0.1%</b>	<b>0.5</b>	<b>0.2%</b>	<b>-62.2%</b>	<b>0.3</b>	<b>0.0%</b>	<b>3.5</b>	<b>0.4%</b>	<b>-90.6%</b>
- Provisions	0.1	0.0%	(1.6)	-0.6%	-109.2%	0.3	0.0%	(1.8)	-0.2%	-118.8%
- Taxes	(1.4)	-0.5%	(0.5)	-0.2%	205.6%	(3.3)	-0.4%	(2.0)	-0.3%	63.3%
- Other Operating Revenues	1.5	0.5%	2.6	1.0%	-42.6%	3.3	0.4%	7.3	0.9%	-55.5%
<b>Late Payment Fees</b>	<b>2.4</b>	<b>0.8%</b>	<b>3.6</b>	<b>1.4%</b>	<b>-32.2%</b>	<b>7.1</b>	<b>0.8%</b>	<b>9.5</b>	<b>1.2%</b>	<b>-24.4%</b>
<b>Operating Result</b>	<b>78.6</b>	<b>26.8%</b>	<b>63.2</b>	<b>24.7%</b>	<b>24.4%</b>	<b>241.9</b>	<b>28.1%</b>	<b>215.5</b>	<b>27.0%</b>	<b>12.3%</b>
- Corporate Expenses	(26.2)	-8.9%	(22.7)	-8.9%	15.4%	(76.5)	-8.9%	(73.8)	-9.3%	3.6%
<b>Adjusted EBITDA</b>	<b>52.4</b>	<b>17.8%</b>	<b>40.5</b>	<b>15.8%</b>	<b>29.5%</b>	<b>165.4</b>	<b>19.2%</b>	<b>141.6</b>	<b>17.7%</b>	<b>16.8%</b>
(-) Late Payment Fees	(2.4)	-0.8%	(3.6)	-1.4%	-32.2%	(7.1)	-0.8%	(9.5)	-1.2%	-24.4%
(-) Non-Recurring Items - EBITDA	(14.0)	-4.8%	(31.6)	-12.3%	-55.7%	(22.1)	-2.6%	(43.0)	-5.4%	-48.5%
<b>EBITDA</b>	<b>36.0</b>	<b>12.3%</b>	<b>5.3</b>	<b>2.1%</b>	<b>582.5%</b>	<b>136.1</b>	<b>15.8%</b>	<b>89.2</b>	<b>11.2%</b>	<b>52.6%</b>
Depreciation & Amortization	(16.5)	-5.6%	(13.5)	-5.3%	22.1%	(47.6)	-5.5%	(40.2)	-5.0%	18.2%
Equity Equivalence	(0.6)	-0.2%	(0.4)	-0.2%	47.6%	(1.9)	-0.2%	(1.3)	-0.2%	46.1%
<b>EBIT</b>	<b>18.9</b>	<b>6.5%</b>	<b>(8.6)</b>	<b>-3.4%</b>	<b>-320.1%</b>	<b>86.7</b>	<b>10.1%</b>	<b>47.7</b>	<b>6.0%</b>	<b>81.8%</b>
Net Financial Result	(13.1)	-4.5%	(6.3)	-2.4%	109.1%	(38.6)	-4.5%	(21.9)	-2.7%	75.9%
<b>EBT</b>	<b>5.8</b>	<b>2.0%</b>	<b>(14.9)</b>	<b>-5.8%</b>	<b>-139.1%</b>	<b>48.1</b>	<b>5.6%</b>	<b>25.7</b>	<b>3.2%</b>	<b>86.8%</b>
Income Tax and Social Contribution	(1.9)	-0.6%	(1.8)	-0.7%	6.1%	(3.7)	-0.4%	(5.4)	-0.7%	-32.3%
<b>Net Income Before Non-Controlling Interest</b>	<b>3.9</b>	<b>1.3%</b>	<b>(16.7)</b>	<b>-6.5%</b>	<b>-123.6%</b>	<b>44.4</b>	<b>5.2%</b>	<b>20.3</b>	<b>2.5%</b>	<b>118.8%</b>
Non-Controlling Interest	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
<b>Net Income</b>	<b>3.9</b>	<b>1.3%</b>	<b>(16.7)</b>	<b>-6.5%</b>	<b>-123.6%</b>	<b>44.4</b>	<b>5.2%</b>	<b>20.3</b>	<b>2.5%</b>	<b>118.8%</b>
(-) Non-Recurring Items - EBITDA	14.0	4.8%	31.6	12.3%	-55.7%	22.1	2.6%	43.0	5.4%	-48.5%
(-) Non-Recurring Items - Net Income	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
<b>Adjusted Net Income</b>	<b>17.9</b>	<b>6.1%</b>	<b>15.0</b>	<b>5.8%</b>	<b>19.8%</b>	<b>66.5</b>	<b>7.7%</b>	<b>63.3</b>	<b>7.9%</b>	<b>5.2%</b>

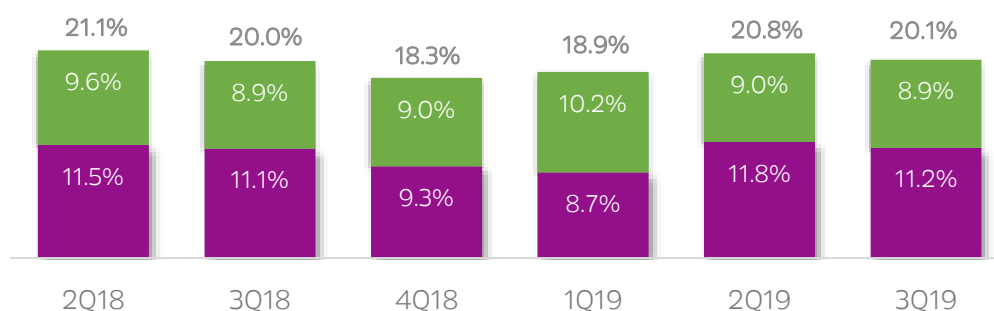


## Corporate and G&A Expenses

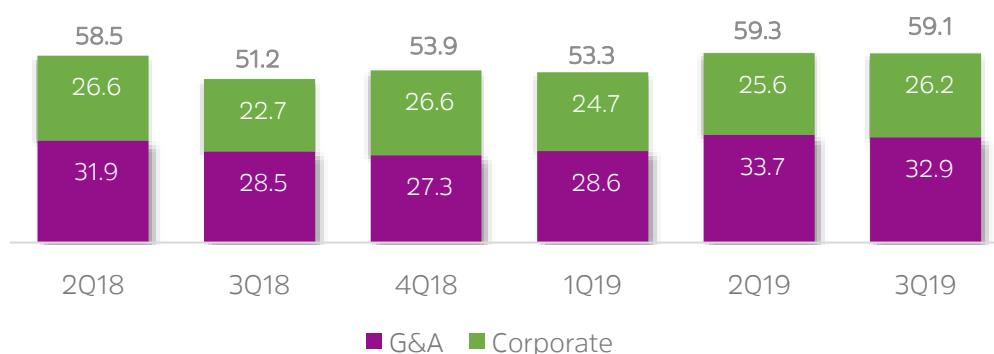
Excluding the IFRS-16 effect, corporate expenses reached R\$26.2 million in 3Q19, or 8.9% of net revenue, in line with 3Q18. General and Administrative expenses, including AGES (R\$3.5 million or 0.8pp), amounted R\$32.9 million in the period, or 11.2% of Net Revenue, in line with 3Q18.

It is important to mention that we remained focused on reducing the Company's expenses as a whole, seeking new opportunities for efficiency gains. The results of these efforts can be clearly seen in the 3Q19 result, when the sum of corporate and G&A expenses of the business units reached 20.1% of net revenue, in line with 3Q18 (or 19.8% excluding AGES).

Corporate and G&A Expenses  
(as a % of Net Revenue)

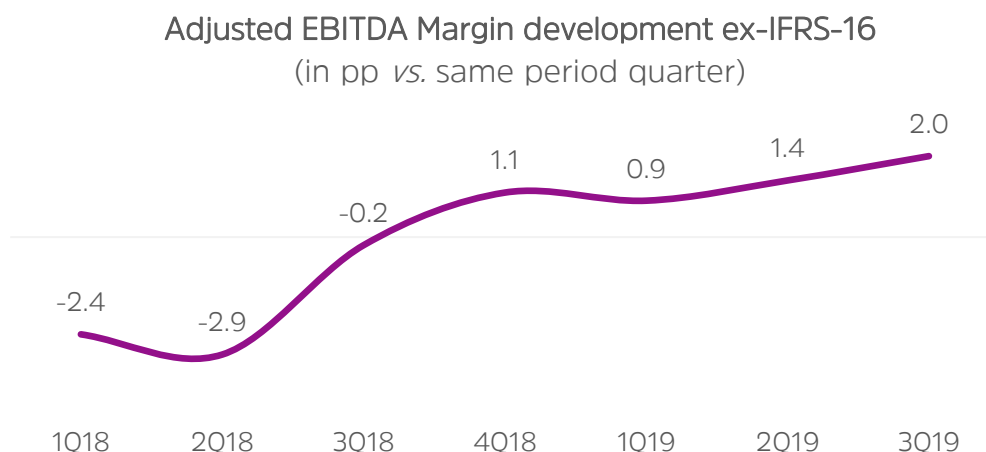
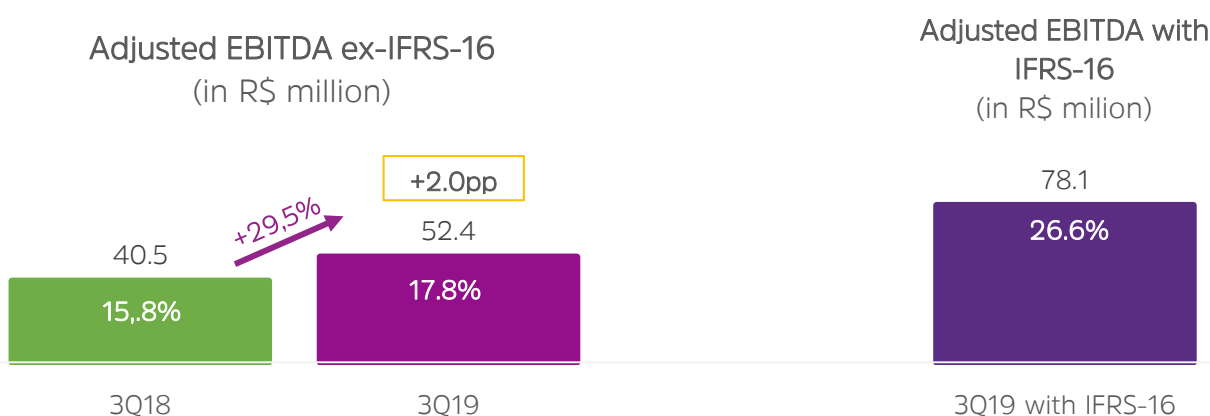


(in R\$ million)



## Adjusted EBITDA

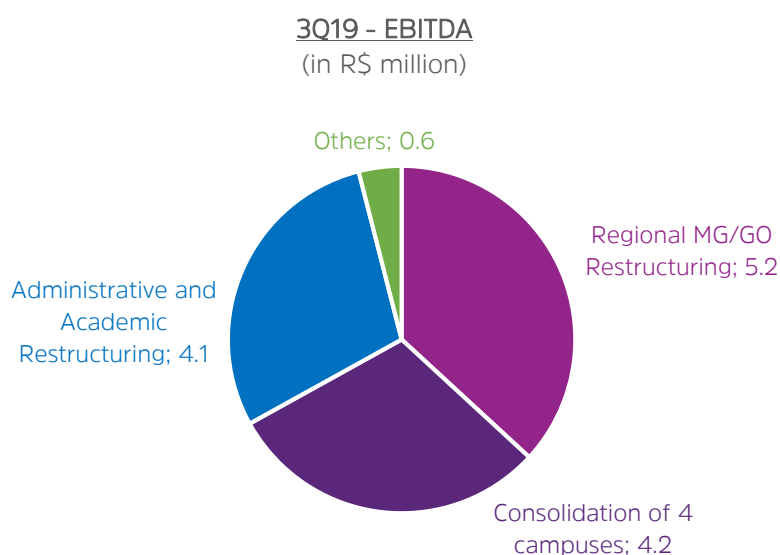
Excluding the effect of IFRS-16, we ended 3Q19 with adjusted EBITDA of R\$52.4 million (+29.5% vs. 3Q18), with a margin of 17.8% (+2.0pp vs. 3Q18), following the margin recovery trend. In 9M19, our adjusted EBITDA came to R\$165.4 million, with a margin of 19.2% (+1.5pp vs. 9M18). Excluding AGES, our adjusted EBITDA ex-IFRS-16 reached R\$48.4 million in 3Q19 (with a margin of 17.2% or +1.4pp) and R\$161.4 million in 9M19 (with a margin of 19.0% or +1.3pp).



Excluding management adjustments, the evolution is even more significant. Accounting EBITDA reported in 3Q19 reached R\$36.0 million versus R\$5.3 million in 3Q18, representing a 582.5% growth, or +10.2pp. Year-to-date accounting EBITDA increased by 52.6% (R\$136.1 million versus R\$89.2 million), or +4.6pp.



## Non-Recurring Items



Our non-recurring items in 3Q19 are at significantly lower levels in relation to the same period in 2018. Within the management efforts we have been promoting in search of additional efficiency gains, which implies, at first, non-recurring expenses with Restructuring Expenses, in this 3Q we promoted the unification of the management of our brands in the MG/GO Regional, in addition to the consolidation of 4 campuses (Una Barro Preto, Una Uberlândia, Una Catalão and UniSociesc Jaraguá do Sul), with the redistribution of students in same cities/regions.

## Le Cordon Bleu – Equity Income

The company formed in partnership with Le Cordon Bleu, which the results are recognized through equity equivalence, recorded R\$1.9 million loss in 3Q19 and R\$3.7 million loss in 9M19, in line with its business plan.

## Financial Result

R\$ (million)	Consolidated Ânima with IFRS-16		Consolidated Ânima excl. IFRS-16			
	3Q19	9M19	3Q19	3Q18	9M19	9M18
<b>(+) Financial Revenue</b>	<b>9.1</b>	<b>20.1</b>	<b>9.1</b>	<b>9.5</b>	<b>20.1</b>	<b>23.2</b>
Late payment fees	4.9	7.1	4.9	3.6	7.1	9.5
Interest on financial investments	1.4	4.9	1.4	3.3	4.9	6.1
Inflation adjustment	1.2	3.6	1.2	1.3	3.6	4.1
Other financial revenues	1.5	4.5	1.5	1.2	4.5	3.6
<b>(-) Financial Expense</b>	<b>(39.2)</b>	<b>(108.2)</b>	<b>(22.2)</b>	<b>(15.7)</b>	<b>(58.6)</b>	<b>(44.7)</b>
Financial debt interest expense <sup>1</sup>	(10.9)	(22.6)	(10.9)	(6.8)	(22.6)	(18.6)
Tax debt interest expenses	0.0	0.0	0.0	(0.1)	0.0	(0.3)
PraValer interest expenses	(4.4)	(16.6)	(4.4)	(3.0)	(16.6)	(12.5)
Accounts payable interest expenses (acquisitions)	(1.9)	(8.2)	(1.9)	(3.3)	(8.2)	(8.1)
Leasing Financial Expense <sup>2</sup>	(17.1)	(49.5)	0.0	0.0	0.0	0.0
Other financial expenses	(5.0)	(11.2)	(5.0)	(2.6)	(11.2)	(5.3)
<b>Financial Result</b>	<b>(30.2)</b>	<b>(88.1)</b>	<b>(13.1)</b>	<b>(6.3)</b>	<b>(38.6)</b>	<b>(21.5)</b>

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

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

Excluding the IFRS-16 impact, we ended 3Q19 with a net financial expense of R\$13.1 million, versus a net financial expense of R\$6.3 million in 3Q18. Financial revenue reached R\$9.1 million (-R\$0.4 million vs. 3Q18), while financial expenses came to R\$22.2 million, an increase of R\$6.4 million over 3Q18, mostly due to an upturn in interest on loans and interest expenses as a result of funding for our recent acquisitions; and PraValer, due to the progress of contracts from previous semesters, which are subject to higher discounts as the grace period increases.

Considering the IFRS-16 impact, our financial result reached -R\$30.2 million in the quarter, mainly due to a financial lease expense of R\$17.1 million in the period, as a result of the new accounting method for rental and utilities.

## Income Tax and Social Contribution

We reported an income tax and social contribution expense of R\$1.9 million in the quarter, versus an expense of R\$1.8 million in 3Q18. In 9M19, we recorded an income tax and social contribution expense of R\$3.7 million, versus an expense of R\$5.4 million in 9M18.



## Adjusted Net Income

Excluding the IFRS-16 effect, we ended 3Q19 with adjusted net income of R\$17.9 million, a 19.8% growth versus 3Q18, with a margin of 6.1% (+0.3pp). In 9M19, our adjusted net income came to R\$66.5 million, 5.2% up on 9M18, with a margin of 7.7% (-0.2pp).

Excluding managerial adjustments, net income reached R\$3.9 million in 3Q19, versus a loss of R\$16.7 million in 3Q18. In 9M19, net income came to R\$44.4 million in 9M19, versus R\$20.3 million in 9M18.

After the IFRS-16 reclassification, adjusted net income totaled R\$11.5 million in 3Q19, with a margin of 3.9%, and R\$40.8 million in 9M19, with a margin of 4.7%.

## Cash and Net Debt

R\$ (million)	Consolidated Ânima with IFRS-16		Consolidated Ânima excl. IFRS-16		
	SEP 19	JUN 19	SEP 19	JUN 19	SEP 18
<b>(+) Cash and Cash Equivalents</b>	<b>107.9</b>	<b>85.7</b>	<b>107.9</b>	<b>85.7</b>	<b>246.2</b>
Cash	28.0	30.3	28.0	30.3	23.3
Financial Investments	79.9	55.4	79.9	55.4	222.9
<b>(-) Loans and Financing <sup>1</sup></b>	<b>455.0</b>	<b>376.0</b>	<b>455.0</b>	<b>376.0</b>	<b>405.4</b>
Short Term	208.0	80.0	208.0	80.0	79.1
Long Term	247.0	296.0	247.0	296.0	326.3
<b>(-) Liability Lease (IFRS-16)</b>	<b>555.5</b>	<b>550.7</b>			
Short Term	23.2	27.2			
Long Term	532.2	523.5			
<b>(=) Net (Debt) Cash <sup>2</sup></b>	<b>(902.6)</b>	<b>(841.0)</b>	<b>(347.1)</b>	<b>(290.3)</b>	<b>(159.2)</b>
(-) Other Short and Long Term Obligations	148.9	104.5	148.9	104.5	97.9
<b>(=) Net (Debt) Cash <sup>3</sup></b>	<b>(1,051.5)</b>	<b>(945.5)</b>	<b>(496.0)</b>	<b>(394.8)</b>	<b>(257.1)</b>

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

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

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

At the end of 3Q19, cash and cash equivalents reached R\$107.9 million. Loans and financing came to R\$455.0 million, a R\$79.0 million increase since the end of June 2019, mainly due to a bridge financing of R\$100 million to pay for the acquisition of AGES. We already finalized a negotiation for a long-term funding more consistent with our M&A goals to which the proceeds are allocated. 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\$148.9 million. As a result, excluding the IFRS-16 effect, we ended the quarter with net debt of R\$496.0 million, representing leverage of 2.56x (net debt ÷ LTM adjusted EBITDA).

The effects of the reclassification introduced by IFRS-16 represent a difference of R\$555.5 million, related to the present value of lease agreements, which are now classified in liabilities at the same amount attributed to the right-of-use asset.

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

We ended 3Q19 with net accounts receivable of R\$224.4 million.

	(In R\$ million)			2Q19	1Q19	4Q18	3Q18	Δ 3Q19 / 3Q18
	Total	3Q19 Excl. AGES	AGES					
<b>Net Accounts Receivable</b>	<b>224.4</b>	<b>215.4</b>	<b>9.0</b>	<b>235.4</b>	<b>210.8</b>	<b>174.1</b>	<b>203.6</b>	<b>20.8</b>
to mature	147.7	141.7	6.0	153.8	135.5	94.1	127.6	20.1
until 180 days	52.9	50.0	2.9	58.5	54.2	58.5	57.8	(4.9)
between 180 and 360 days	14.8	14.7	0.1	16.1	14.9	15.9	13.0	1.7
between 361 and 720 days	9.0	9.0	0.0	7.0	6.1	5.6	5.1	3.8
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 70 days. Breaking down our accounts receivable, we recorded a DSO of 52 days for FIES receivables, in line with the usual payment terms of the referred program.

For non-FIES receivables, our DSO stood at 70 days, a year-on-year increase of 2 days. In the other businesses line, we ended the quarter with a DSO of 145 days (+60 days vs. 3Q18), in line with this segment's new DSO due to the growth in EBRADI and hsmU, in accordance with their respective business plans.



(in R\$ million)

Total	3Q19			2Q19	1Q19	4Q18	3Q18	Δ 3Q19 / 3Q18
	Total	Excl. AGES	AGES					
Net Accounts Receivable	224.4	215.4	9.0	235.4	210.8	174.1	203.6	20.8
Net Revenue (accumulative)	861.6	845.8	15.8	567.9	282.5	1,102.5	806.8	54.7
DSO	70	69	34	75	67	57	68	2

FIES	3Q19			2Q19	1Q19	4Q18	3Q18	Δ 3Q19 / 3Q18
	Total	Excl. AGES	AGES					
Net Accounts Receivable	26.0	20.3	5.6	46.6	28.6	9.0	36.5	(10.5)
Net Revenue (accumulative)	133.7	127.4	6.3	87.0	40.0	238.0	183.4	(49.7)
DSO	52	43	53	96	64	14	54	(2)

Non FIES	3Q19			2Q19	1Q19	4Q18	3Q18	Δ 3Q19 / 3Q18
	Total	Excl. AGES	AGES					
Net Accounts Receivable	179.8	176.4	3.3	172.0	167.9	148.4	154.5	25.2
Net Revenue (accumulative)	691.9	682.5	9.4	458.0	233.0	786.0	583.4	108.5
DSO	70	70	21	68	65	68	72	(2)

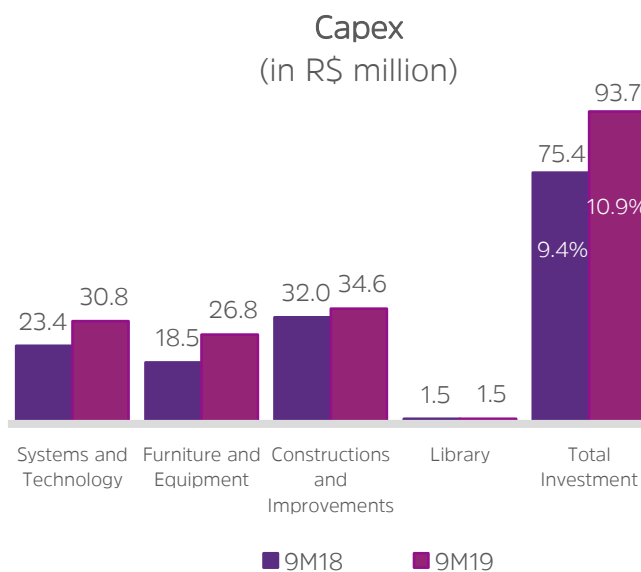
Others	3Q19			2Q19	1Q19	4Q18	3Q18	Δ 3Q19 / 3Q18
	Total	Excl. AGES	AGES					
Net Accounts Receivable	18.7	18.7		16.9	14.2	16.7	12.5	(0.0)
Net Revenue (accumulative)	34.7	34.7		21.7	8.3	78.5	40.0	(8.1)
DSO	145	145		140	155	76	85	60

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

## Investments (CAPEX)

In 9M19, CAPEX reached R\$93.7 million, or 10.9% of net revenue, a 1.5pp increase compared to the 9.4% recorded in 9M18.

This level of investment is affected by the organic expansion units through the maturation of the units opened between July 2016 and January 2019, which accounted for 35% of total Capex in 9M19, or R\$33.3 million. Excluding this effect, our normalized Capex would be of R\$60.5 million, or 7.0% of net revenue.



We also continue to invest in the development of our educational systems and technological platform within the context of our digital transformation process.

## Cash Flow

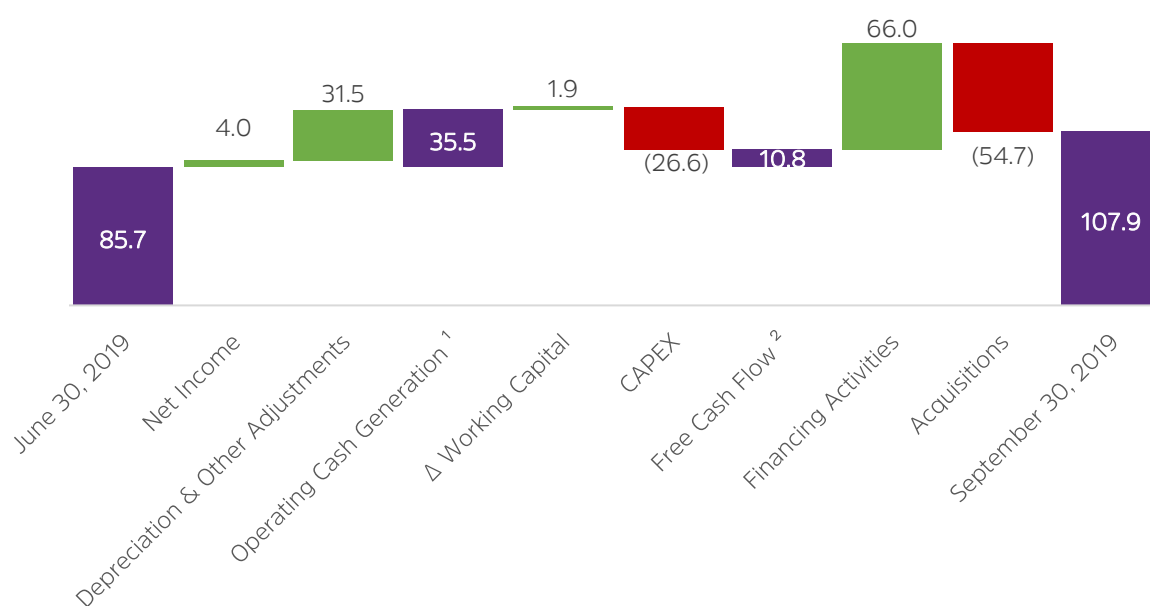
R\$ (million)	With IFRS-16		Excl. IFRS-16			
	3Q19	9M19	3Q19	3Q18	9M19	9M18
<b>Net Income</b>	<b>(2.5)</b>	<b>18.7</b>	<b>4.0</b>	<b>(16.7)</b>	<b>44.4</b>	<b>20.3</b>
Non-Controlling Interest	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net Income before Non-Controlling Interest</b>	<b>(2.5)</b>	<b>18.7</b>	<b>4.0</b>	<b>(16.7)</b>	<b>44.4</b>	<b>20.3</b>
Depreciation & Amortization	31.6	90.7	17.2	13.5	48.3	40.2
Interest expenses/revenues	26.9	77.9	9.9	9.2	28.4	21.1
Provisions for labor, tax and civil risks	1.1	(1.2)	1.1	5.1	(1.2)	5.4
Other non-cash adjustments	4.1	7.2	3.4	2.9	6.6	7.8
<b>Operating Cash Flow</b>	<b>61.2</b>	<b>193.4</b>	<b>35.5</b>	<b>14.0</b>	<b>126.5</b>	<b>94.9</b>
Δ Accounts receivable/PDA	10.9	(48.6)	10.9	(3.7)	(48.6)	48.4
Δ Other assets/liabilities	(11.1)	(8.7)	(9.0)	26.3	(9.1)	46.5
<b>Working Capital Variance</b>	<b>(0.2)</b>	<b>(57.3)</b>	<b>1.9</b>	<b>22.6</b>	<b>(57.7)</b>	<b>94.9</b>
<b>Free Cash Flow before CAPEX</b>	<b>61.0</b>	<b>136.1</b>	<b>37.4</b>	<b>36.7</b>	<b>68.8</b>	<b>189.8</b>
CAPEX - Fixed and Intangible	(26.6)	(94.8)	(26.6)	(26.1)	(94.8)	(75.4)
<b>Free Cash Flow</b>	<b>34.4</b>	<b>41.3</b>	<b>10.8</b>	<b>10.5</b>	<b>(26.0)</b>	<b>114.3</b>
Financing/Investments activities	42.4	(55.0)	66.0	(19.2)	12.3	90.5
Shares held in treasury	0.0	0.0	0.0	(20.1)	0.0	(32.3)
Acquisitions	(54.7)	(63.3)	(54.7)	(18.5)	(63.3)	(22.1)
Dividends	0.0	(0.5)	0.0	0.0	(0.5)	(20.2)
Capital Increase LCB - Ânima	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net Cash Flow from Financing Activities</b>	<b>(12.2)</b>	<b>(118.8)</b>	<b>11.4</b>	<b>(57.8)</b>	<b>(51.5)</b>	<b>16.0</b>
<b>Net Increase (Reduction) of Cash and Cash Equivalents</b>	<b>22.2</b>	<b>(77.5)</b>	<b>22.2</b>	<b>(47.3)</b>	<b>(77.5)</b>	<b>130.3</b>
Cash at the begging of the period	85.7	185.4	85.7	293.5	185.4	115.9
Cash at the end of the period	107.9	107.9	107.9	246.2	107.9	246.2

Excluding the IFRS-16 effect, operating cash flow before working capital and CAPEX came to R\$35.5 million in 3Q19 (+R\$21.4 million vs. 3Q18). Free cash flow reached R\$37.4 million (+R\$0.7 million vs. 3Q18).

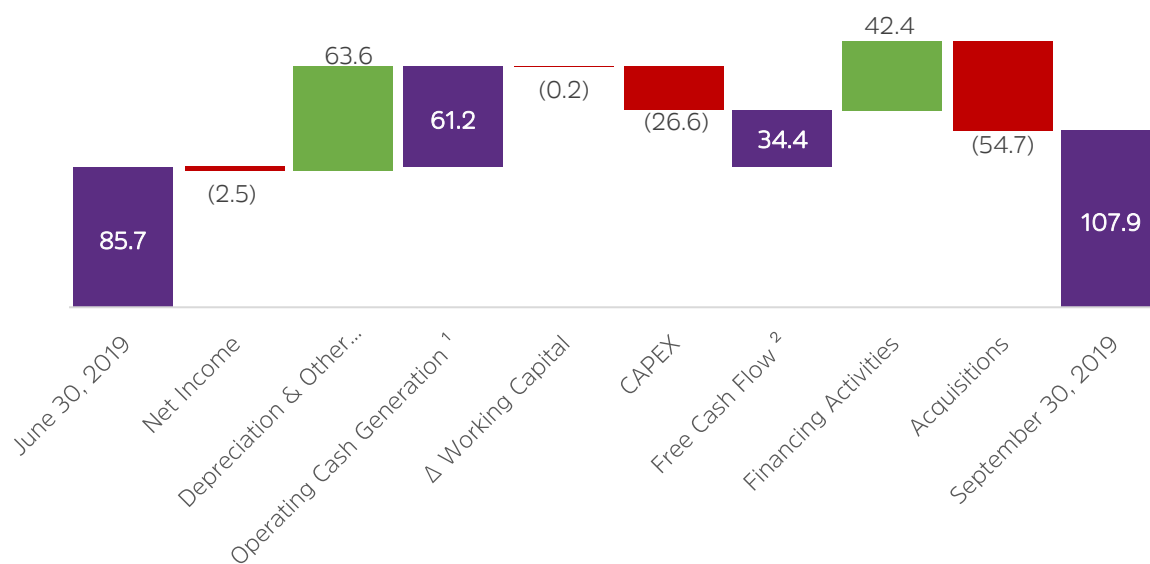
After general investments of R\$26.6 million, including the acquisitions, free cash flow reached R\$10.8 million (+R\$0.3 million vs. 3Q18). As a result, we ended 3Q19 with cash and financial investments of R\$107.9 million.



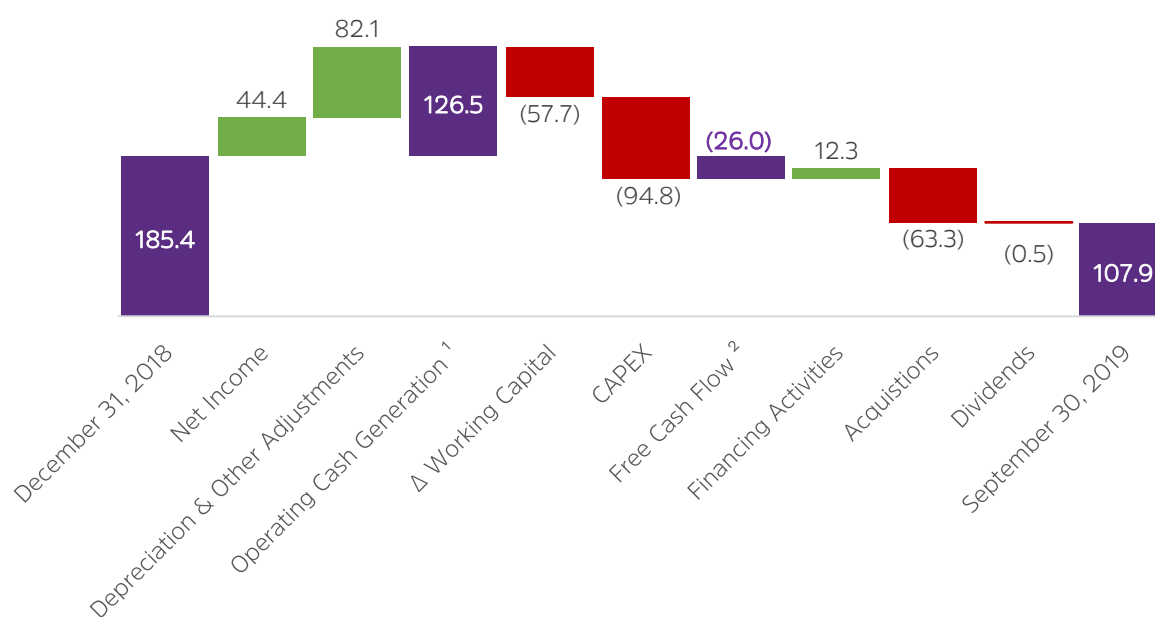
### 3Q19 Cash Flow - excl. IFRS-16



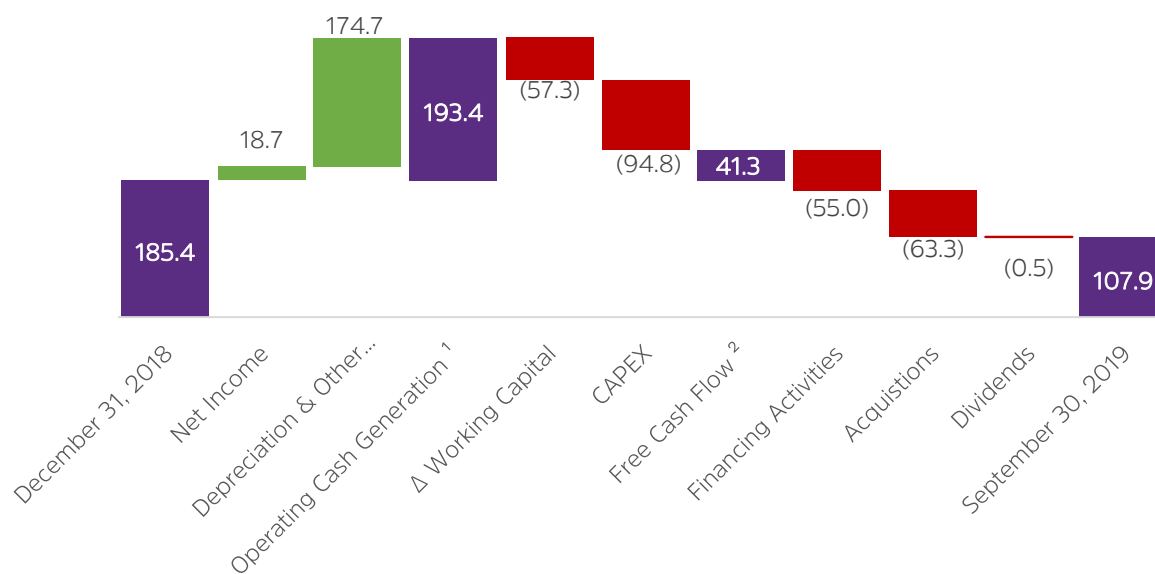
### 3Q19 Cash Flow - with IFRS-16



### 9M19 Cash Flow - excl. IFRS-16



### 9M19 Cash Flow - with IFRS-16

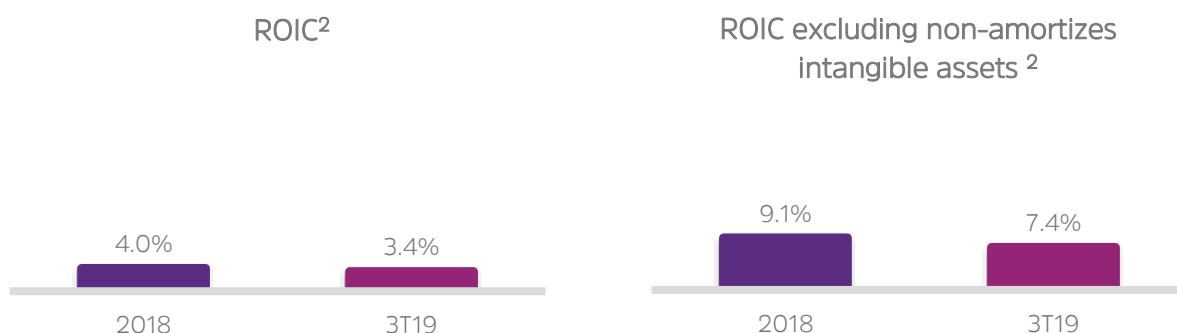


<sup>1</sup> Operating Cash Flow = Net Result + Depreciation & Other Non-Cash Items

<sup>2</sup> Free Cash Flow = Operating Cash Flow – Working Capital – CAPEX

## 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. In 3Q19, excluding the IFRS-16<sup>1</sup> effect, ROIC reached 3.4%, down 0.6pp versus 2018. Our ROIC excluding non-amortized intangible assets came to 7.4% in 3Q19, down 1.7pp versus 2018.



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

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

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



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

### 3Q19 excluding IFRS-16

Consolidated Ânima R\$ (million)	3Q19 - excl. IFRS-16					
	Release Income Statement	Depreciation & Amortization	Corporate Expenses	Late Payment Fees	Non- Recurring Items	IFRS Income Statement
<b>Gross Revenue</b>	<b>547.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>547.7</b>
Discounts, Deductions & Scholarships	(244.6)	0.0	0.0		0.0	(244.6)
Taxes	(9.5)	0.0	(0.0)		0.0	(9.5)
<b>Net Revenue</b>	<b>293.6</b>	<b>0.0</b>	<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>293.7</b>
<b>Cash Cost of Services</b>	<b>(159.7)</b>	<b>(10.6)</b>	<b>0.0</b>	<b>0.0</b>	<b>(8.3)</b>	<b>(178.6)</b>
- Personnel	(105.2)		0.0		(6.5)	(111.7)
- Services from Third Parties	(13.7)		0.0		(0.1)	(13.8)
- COGS	0.0		0.0		0.0	0.0
- Rental & Utilities	(29.1)		0.0		(1.6)	(30.7)
- Others	(11.7)	(10.6)	0.0		(0.0)	(22.3)
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>134.0</b>	<b>(10.6)</b>	<b>0.0</b>	<b>0.0</b>	<b>(8.3)</b>	<b>115.1</b>
<b>Sales Expenses</b>	<b>(25.1)</b>	<b>0.0</b>	<b>(0.5)</b>	<b>0.0</b>	<b>(0.5)</b>	<b>(26.1)</b>
- Provision for Doubtful Accounts (PDA)	(10.6)		(0.1)		(0.5)	(11.1)
- Marketing	(14.5)		(0.4)		0.0	(14.9)
<b>General &amp; Administrative Expenses</b>	<b>(32.9)</b>	<b>(5.9)</b>	<b>(27.5)</b>	<b>0.0</b>	<b>(3.1)</b>	<b>(69.4)</b>
- Personnel	(24.4)		(18.9)		(3.1)	(46.3)
- Third Party Services	(2.7)		(4.3)		(0.0)	(7.0)
- Rental & Utilities	(2.4)		(0.6)		(0.0)	(3.0)
- Others	(3.4)	(5.9)	(3.8)		0.0	(13.1)
<b>Other Operating Revenues (Expenses)</b>	<b>0.2</b>	<b>0.0</b>	<b>(0.3)</b>	<b>0.0</b>	<b>(0.0)</b>	<b>(0.1)</b>
- Provisions	0.1		(1.7)		0.0	(1.5)
- Taxes	(1.4)		(0.8)		0.0	(2.2)
- Other Operating Revenues	1.5		2.1		(0.0)	3.6
<b>Late Payment Fees</b>	<b>2.4</b>		<b>0.0</b>	<b>(2.4)</b>	<b>0.0</b>	<b>0.0</b>
<b>Operating Result</b>	<b>78.6</b>	<b>(16.5)</b>	<b>(28.4)</b>	<b>(2.4)</b>	<b>(11.9)</b>	<b>19.5</b>
- Corporate Expenses	(26.2)		28.4		(2.1)	(0.0)
<b>Adjusted EBITDA</b>	<b>52.4</b>	<b>(16.5)</b>	<b>0.0</b>	<b>(2.4)</b>	<b>(14.0)</b>	<b>19.5</b>
(-) Late Payment Fees	(2.4)			2.4		0.0
(-) Non-Recurring Items - EBITDA	(14.0)				14.0	0.0
<b>EBITDA</b>	<b>36.0</b>	<b>(16.5)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>19.5</b>
Depreciation & Amortization	(16.5)	16.5				0.0
Equity Equivalence	(0.6)					(0.6)
<b>EBIT</b>	<b>18.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>18.9</b>
Net Financial Result	(13.1)					(13.1)
<b>EBT</b>	<b>5.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>5.8</b>
Income Tax and Social Contribution	(1.9)					(1.9)
<b>Net Income</b>	<b>3.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>3.9</b>
(-) Non-Recurring Items - EBITDA	14.0				(14.0)	0.0
(-) Non-Recurring Items - Net Income	0.0				0.0	0.0
<b>Adjusted Net Income</b>	<b>17.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(14.0)</b>	<b>3.9</b>

## 3Q19 with IFRS-16

Consolidated Ânima R\$ (million)	3Q19 - with IFRS-16					IFRS Income Statement
	Release Income Statement	Depreciation & Amortization	Corporate Expenses	Late Payment Fees	Non- Recurring Items	
<b>Gross Revenue</b>	<b>547.7</b>		<b>0.0</b>		<b>0.0</b>	<b>547.7</b>
Discounts, Deductions & Scholarships	(244.6)		0.0		0.0	(244.6)
Taxes	(9.5)		(0.0)		0.0	(9.5)
<b>Net Revenue</b>	<b>293.6</b>	<b>0.0</b>	<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>293.7</b>
<b>Cash Cost of Services</b>	<b>(136.4)</b>	<b>(23.6)</b>	<b>0.0</b>	<b>0.0</b>	<b>(8.3)</b>	<b>(168.3)</b>
- Personnel	(105.2)		0.0		(6.5)	(111.7)
- Services from Third Parties	(13.7)		0.0		(0.1)	(13.8)
- COGS	0.0		0.0		0.0	0.0
- Rental & Utilities	(5.8)		0.0		(1.6)	(7.4)
- Others	(11.7)	(23.6)	0.0		(0.0)	(35.3)
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>157.3</b>	<b>(23.6)</b>	<b>0.0</b>	<b>0.0</b>	<b>(8.3)</b>	<b>125.4</b>
<b>Sales Expenses</b>	<b>(25.1)</b>	<b>0.0</b>	<b>(0.5)</b>	<b>0.0</b>	<b>(0.5)</b>	<b>(26.1)</b>
- Provision for Doubtful Accounts (PDA)	(10.6)		(0.1)		(0.5)	(11.1)
- Marketing	(14.5)		(0.4)		0.0	(14.9)
<b>General &amp; Administrative Expenses</b>	<b>(30.8)</b>	<b>(7.9)</b>	<b>(27.2)</b>	<b>0.0</b>	<b>(3.1)</b>	<b>(69.1)</b>
- Personnel	(24.4)		(18.9)		(3.1)	(46.3)
- Third Party Services	(2.7)		(4.3)		(0.0)	(7.0)
- Rental & Utilities	(0.4)		(0.3)		(0.0)	(0.6)
- Others	(3.4)	(7.9)	(3.8)		0.0	(15.1)
<b>Other Operating Revenues (Expenses)</b>	<b>0.2</b>	<b>0.0</b>	<b>(0.3)</b>	<b>0.0</b>	<b>(0.0)</b>	<b>(0.1)</b>
- Provisions	0.1		(1.7)		0.0	(1.5)
- Taxes	(1.4)		(0.8)		0.0	(2.2)
- Other Operating Revenues	1.5		2.1		(0.0)	3.6
<b>Late Payment Fees</b>	<b>2.4</b>		<b>0.0</b>	<b>(2.4)</b>	<b>0.0</b>	<b>0.0</b>
<b>Operating Result</b>	<b>104.0</b>	<b>(31.5)</b>	<b>(28.0)</b>	<b>(2.4)</b>	<b>(11.9)</b>	<b>30.2</b>
- Corporate Expenses	(25.9)		28.0		(2.1)	0.0
<b>Adjusted EBITDA</b>	<b>78.1</b>	<b>(31.5)</b>	<b>0.0</b>	<b>(2.4)</b>	<b>(14.0)</b>	<b>30.2</b>
(-) Late Payment Fees	(2.4)			2.4		0.0
(-) Non-Recurring Items - EBITDA	(14.0)				14.0	0.0
<b>EBITDA</b>	<b>61.7</b>	<b>(31.5)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>30.2</b>
Depreciation & Amortization	(31.5)	31.5				0.0
Equity Equivalence	(0.6)					(0.6)
<b>EBIT</b>	<b>29.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>29.6</b>
Net Financial Result	(30.2)		0.0	0.0	0.0	(30.2)
<b>EBT</b>	<b>(0.6)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.6)</b>
Income Tax and Social Contribution	(1.9)		0.0	0.0	0.0	(1.9)
<b>Net Income</b>	<b>(2.5)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(2.5)</b>
(-) Non-Recurring Items - EBITDA	14.0				(14.0)	0.0
(-) Non-Recurring Items - Net Income	0.0				0.0	0.0
<b>Adjusted Net Income</b>	<b>11.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(14.0)</b>	<b>(2.5)</b>

## 9M19 excluding IFRS-16

Consolidated Ânima R\$ (million)	9M19 - excl. IFRS-16					IFRS Income Statement
	Release Income Statement	Depreciation & Amortization	Corporate Expenses	Late Payment Fees	Non- Recurring Items	
<b>Gross Revenue</b>	<b>1,593.6</b>		<b>0.0</b>		<b>0.8</b>	<b>1,594.4</b>
Discounts, Deductions & Scholarships	(705.5)		0.0		0.0	(705.5)
Taxes	(27.1)		0.0		(0.2)	(27.3)
<b>Net Revenue</b>	<b>860.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.6</b>	<b>861.6</b>
<b>Cash Cost of Services</b>	<b>(458.2)</b>	<b>(29.3)</b>	<b>0.0</b>	<b>0.0</b>	<b>(13.7)</b>	<b>(501.1)</b>
- Personnel	(311.5)		0.0		(11.1)	(322.7)
- Services from Third Parties	(33.7)		0.0		(0.2)	(33.9)
- COGS	0.0		0.0		(0.6)	(0.6)
- Rental & Utilities	(83.9)		0.0		(1.6)	(85.5)
- Others	(29.1)	(29.3)	0.0		(0.1)	(58.4)
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>402.7</b>	<b>(29.3)</b>	<b>0.0</b>	<b>0.0</b>	<b>(13.0)</b>	<b>360.4</b>
<b>Sales Expenses</b>	<b>(73.1)</b>	<b>0.0</b>	<b>(1.4)</b>	<b>0.0</b>	<b>(1.5)</b>	<b>(76.0)</b>
- Provision for Doubtful Accounts (PDA)	(29.1)		(0.2)		(1.5)	(30.9)
- Marketing	(44.0)		(1.1)		0.0	(45.1)
<b>General &amp; Administrative Expenses</b>	<b>(95.2)</b>	<b>(18.3)</b>	<b>(80.0)</b>	<b>0.0</b>	<b>(5.6)</b>	<b>(199.1)</b>
- Personnel	(70.9)		(51.0)		(5.6)	(127.5)
- Third Party Services	(8.0)		(15.1)		(0.0)	(23.1)
- Rental & Utilities	(4.3)		(3.1)		(0.0)	(7.4)
- Others	(12.1)	(18.3)	(10.7)		0.0	(41.1)
<b>Other Operating Revenues (Expenses)</b>	<b>0.3</b>	<b>0.0</b>	<b>2.9</b>	<b>0.0</b>	<b>0.0</b>	<b>3.2</b>
- Provisions	0.3		(1.2)		0.0	(0.8)
- Taxes	(3.3)		(2.0)		0.0	(5.3)
- Other Operating Revenues	3.3		6.1		0.0	9.3
<b>Late Payment Fees</b>	<b>7.1</b>			<b>(7.1)</b>		<b>0.0</b>
<b>Operating Result</b>	<b>241.9</b>	<b>(47.6)</b>	<b>(78.5)</b>	<b>(7.1)</b>	<b>(20.1)</b>	<b>88.6</b>
- Corporate Expenses	(76.5)		78.5		(2.0)	(0.0)
<b>Adjusted EBITDA</b>	<b>165.4</b>	<b>(47.6)</b>	<b>0.0</b>	<b>(7.1)</b>	<b>(22.1)</b>	<b>88.6</b>
(-) Late Payment Fees	(7.1)			7.1		0.0
(-) Non-Recurring Items - EBITDA	(22.1)				22.1	0.0
<b>EBITDA</b>	<b>136.1</b>	<b>(47.6)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>88.6</b>
Depreciation & Amortization	(47.6)	47.6				0.0
Equity Equivalence	(1.9)					(1.9)
<b>EBIT</b>	<b>86.7</b>	<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>86.7</b>
Net Financial Result	(38.6)					(38.6)
<b>EBT</b>	<b>48.1</b>	<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>48.1</b>
Income Tax and Social Contribution	(3.7)					(3.7)
<b>Net Income</b>	<b>44.4</b>	<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>44.4</b>
(-) Non-Recurring Items - EBITDA	22.1				(22.1)	0.0
(-) Non-Recurring Items - Net Income	0.0				0.0	0.0
<b>Adjusted Net Income</b>	<b>66.5</b>	<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>(22.1)</b>	<b>44.4</b>



## 9M19 with IFRS-16

Consolidated Ânima R\$ (million)	9M19 - with IFRS-16					IFRS Income Statement
	Release Income Statement	Depreciation & Amortization	Corporate Expenses	Late Payment Fees	Non- Recurring Items	
<b>Gross Revenue</b>	<b>1,593.6</b>				<b>0.8</b>	<b>1,594.4</b>
Discounts, Deductions & Scholarships	(705.5)				0.0	(705.5)
Taxes	(27.1)				(0.2)	(27.3)
<b>Net Revenue</b>	<b>860.9</b>	<b>0.0</b>		<b>0.0</b>	<b>0.6</b>	<b>861.6</b>
<b>Cash Cost of Services</b>	<b>(397.2)</b>	<b>(67.9)</b>		<b>0.0</b>	<b>(13.7)</b>	<b>(478.8)</b>
- Personnel	(311.5)				(11.1)	(322.7)
- Services from Third Parties	(33.7)				(0.2)	(33.9)
- COGS	0.0				(0.6)	(0.6)
- Rental & Utilities	(22.9)				(1.6)	(24.5)
- Others	(29.1)	(67.9)			(0.1)	(97.1)
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>463.8</b>	<b>(67.9)</b>	<b>0.0</b>	<b>0.0</b>	<b>(13.0)</b>	<b>382.8</b>
<b>Sales Expenses</b>	<b>(73.1)</b>	<b>0.0</b>	<b>(1.4)</b>	<b>0.0</b>	<b>(1.5)</b>	<b>(76.0)</b>
- Provision for Doubtful Accounts (PDA)	(29.1)		(0.2)		(1.5)	(30.9)
- Marketing	(44.0)		(1.1)		0.0	(45.1)
<b>General &amp; Administrative Expenses</b>	<b>(91.5)</b>	<b>(22.7)</b>	<b>(77.8)</b>	<b>0.0</b>	<b>(5.6)</b>	<b>(197.6)</b>
- Personnel	(70.9)		(51.0)		(5.6)	(127.5)
- Third Party Services	(8.0)		(15.1)		(0.0)	(23.1)
- Rental & Utilities	(0.6)		(0.9)		(0.0)	(1.6)
- Others	(12.1)	(22.7)	(10.7)		0.0	(45.5)
<b>Other Operating Revenues (Expenses)</b>	<b>0.3</b>	<b>0.0</b>	<b>2.9</b>	<b>0.0</b>	<b>0.0</b>	<b>3.2</b>
- Provisions	0.3		(1.2)		0.0	(0.8)
- Taxes	(3.3)		(2.0)		0.0	(5.3)
- Other Operating Revenues	3.3		6.1		0.0	9.3
<b>Late Payment Fees</b>	<b>7.1</b>			<b>(7.1)</b>		<b>0.0</b>
<b>Operating Result</b>	<b>306.6</b>	<b>(90.6)</b>	<b>(76.3)</b>	<b>(7.1)</b>	<b>(20.1)</b>	<b>112.4</b>
- Corporate Expenses	(74.3)		76.3		(2.0)	0.0
<b>Adjusted EBITDA</b>	<b>232.3</b>	<b>(90.6)</b>	<b>0.0</b>	<b>(7.1)</b>	<b>(22.1)</b>	<b>112.4</b>
(-) Late Payment Fees	(7.1)			7.1		0.0
(-) Non-Recurring Items - EBITDA	(22.1)				22.1	0.0
<b>EBITDA</b>	<b>203.0</b>	<b>(90.6)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>112.4</b>
Depreciation & Amortization	(90.6)	90.6				0.0
Equity Equivalence	(1.9)					(1.9)
<b>EBIT</b>	<b>110.5</b>	<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>110.5</b>
Net Financial Result	(88.1)					(88.1)
<b>EBT</b>	<b>22.4</b>	<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>22.4</b>
Income Tax and Social Contribution	(3.7)					(3.7)
<b>Net Income</b>	<b>18.7</b>	<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>18.7</b>
(-) Non-Recurring Items - EBITDA	22.1				(22.1)	0.0
(-) Non-Recurring Items - Net Income	0.0				0.0	0.0
<b>Adjusted Net Income</b>	<b>40.8</b>	<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>(22.1)</b>	<b>18.7</b>

## APPENDIX 2 – Income Statement - IFRS

	With IFRS-16		Excl. IFRS-16			
	3Q19	9M19	3Q19	3Q18	9M19	9M18
<b>Net Revenue</b>	<b>293.7</b>	<b>861.6</b>	<b>293.7</b>	<b>257.6</b>	<b>861.6</b>	<b>806.8</b>
COST OF SERVICES	(168.3)	(478.8)	(178.6)	(172.5)	(501.1)	(498.2)
<b>Gross (Loss) Profit</b>	<b>125.4</b>	<b>382.8</b>	<b>115.1</b>	<b>85.1</b>	<b>360.4</b>	<b>308.6</b>
<b>OPERATING (EXPENSES) / INCOME</b>	<b>(95.8)</b>	<b>(272.3)</b>	<b>(96.1)</b>	<b>(93.7)</b>	<b>(273.7)</b>	<b>(261.4)</b>
Commercial	(26.1)	(76.0)	(26.1)	(19.2)	(76.0)	(63.9)
General and administrative	(69.0)	(197.6)	(70.0)	(70.8)	(199.8)	(196.0)
Equity income	(0.6)	(1.9)	(0.6)	(0.4)	(1.9)	(1.3)
Other operating (expenses) revenues	(0.1)	3.2	0.6	(3.3)	3.9	(0.2)
<b>Income before Financial Result</b>	<b>29.6</b>	<b>110.5</b>	<b>19.0</b>	<b>(8.6)</b>	<b>86.7</b>	<b>47.3</b>
Financial interest income	10.0	27.8	10.0	15.1	27.8	36.6
Financial interest expenses	(40.2)	(115.8)	(23.1)	(21.4)	(66.3)	(58.1)
<b>Net (Loss) Income before Taxes</b>	<b>(0.6)</b>	<b>22.4</b>	<b>5.8</b>	<b>(14.9)</b>	<b>48.1</b>	<b>25.7</b>
Income tax and social contribution, current and deferred	(1.9)	(3.7)	(1.9)	(1.8)	(3.7)	(5.4)
<b>Net Income or Loss for the Period</b>	<b>(2.5)</b>	<b>18.7</b>	<b>4.0</b>	<b>(16.7)</b>	<b>44.4</b>	<b>20.3</b>

## APPENDIX 3 – Balance Sheet - IFRS

Assets	SEP 19	SEP 18	JUN 19	Liabilities	SEP 19	SEP 18	JUN 19
<b>Current Assets</b>	<b>369.7</b>	<b>499.0</b>	<b>360.9</b>	<b>Current Liabilities</b>	<b>470.7</b>	<b>265.5</b>	<b>258.8</b>
Cash and cash equivalents	28.0	23.3	30.3	Supplier	31.9	28.2	28.9
Cash & financial investments	79.9	222.9	55.4	Loans	227.0	75.8	88.8
Accounts receivable	224.4	203.6	235.4	Personnel	96.3	95.6	79.9
Prepaid expenses	17.4	21.1	20.2	Taxes payable	14.3	13.2	14.8
Recoverable taxes	6.2	10.3	7.6	Advances from clients	30.0	35.7	17.4
Derivatives	4.1	3.3	-	Tax debt installments	-	-	-
Other current assets	9.7	14.5	12.0	Accounts payables	70.0	15.9	16.7
				Dividends payables	-	0.0	-
				Derivatives	0.2	-	11.3
				Other current liabilities	0.9	1.0	1.0
<b>Non-Current Assets</b>	<b>1,791.2</b>	<b>999.0</b>	<b>1,609.7</b>	<b>Non-Current Liabilities</b>	<b>1,006.5</b>	<b>548.0</b>	<b>1,025.4</b>
Accounts receivable	-	-	-	Loans	779.3	323.9	789.5
Prepaid expenses	0.0	8.5	0.1	Accounts payables	76.3	79.3	85.1
Judicial deposits	57.8	45.9	56.0	Debit with related parties	0.0	0.0	0.0
		-	-	Client advances	-	-	-
Credit with related parties	10.0	0.5	9.8	Tax debt installments	2.6	2.7	2.7
Recoverable taxes	12.1	12.8	12.0	Deferred income tax and social contribution	48.6	43.7	46.7
Deferred income tax and social contribution	1.6	1.6	1.6	Provisions for risks	96.2	95.5	95.3
Derivatives	-	2.4	-	Derivatives	-	-	2.8
Other non-current assets	39.7	35.6	36.4	Other non-current liabilities	1.9	2.8	2.1
Investments	-	1.4	-	Provisão para perdas em investimento	1.7	-	1.1
Fixed	911.1	282.7	869.1				
Intangible	759.0	607.6	624.8	<b>Shareholder Equity</b>	<b>683.8</b>	<b>684.5</b>	<b>686.4</b>
				Capital Stock	496.4	496.4	496.4
				Capital reserve	5.7	6.6	5.9
				Earnings reserve	248.1	246.4	248.1
				Shares in treasury	(15.6)	(15.6)	(15.6)
				Asset valuation adjustment	(69.6)	(69.6)	(69.6)
				Retained earnings	18.7	20.3	21.2
				Minority shareholders interest	-	-	-
<b>Total Assets</b>	<b>2,161.0</b>	<b>1,498.0</b>	<b>1,970.6</b>	<b>Total Liabilities and Shareholder Equity</b>	<b>2,161.0</b>	<b>1,498.0</b>	<b>1,970.6</b>



## APPENDIX 4 – Cash Flow - IFRS

	With IFRS-16		Excl. IFRS-16			
	3Q19	9M19	3Q19	3Q18	9M19	9M18
<b>Net Income for the period</b>	<b>(2.5)</b>	<b>18.7</b>	<b>3.9</b>	<b>(16.7)</b>	<b>44.4</b>	<b>20.3</b>
Adjustments:						
Allowance for doubtful accounts	11.1	30.9	11.1	8.6	30.9	30.5
Reversal (restatement) of escrow deposits	(0.4)	(2.0)	(0.4)	(0.2)	(2.0)	(0.1)
Depreciation and amortization	31.6	90.7	17.2	13.5	48.3	40.2
Decrease in residual value of fixed and intangible assets	0.3	0.8	0.3	0.1	0.8	0.2
Equity income	0.6	1.9	0.6	0.4	1.9	1.3
Third party loans update	(0.8)	(2.4)	(0.8)	(0.1)	(2.4)	(1.6)
Losses from Loans with related parties	-	-	-	-	-	-
PUT option premium adjustment	-	-	-	-	-	-
Interest on loans, financing, debentures and tax installments	7.8	20.9	7.8	6.2	20.9	16.2
Constitution, reversal and update of provision for labor, tax and civil risks	1.5	0.8	1.5	5.4	0.8	5.5
Present value adjustments to accounts payable	19.0	57.7	1.9	3.3	8.2	8.1
FIES revenues regarding present value adjustments and monetary restatement	0.1	(0.7)	0.1	(0.3)	(0.7)	(3.1)
Share repurchase program bonuses	1.0	1.0	1.0	-	1.0	(0.0)
Shares granted to employees (Dádiva)	-	-	-	-	-	-
Alienation of treasury shares	-	-	-	-	-	-
Interest on loans with related parties	-	-	-	-	-	-
Deferred income tax and social contribution	1.9	3.7	1.9	1.8	3.7	5.4
Losses with investments	-	-	-	-	-	-
Losses with provision for impairment	-	-	-	-	-	-
Losses from the sale of fixed and intangible assets	-	-	-	-	-	-
Interest on tax expenses	-	-	-	-	-	-
Gain on acquisition of investment / installment	-	-	-	-	-	-
Inventory and net assets write-off	-	-	-	-	-	-
Fairvalue of derivatives	0.5	1.5	0.5	0.7	1.5	2.5
Decrease IFRS-16	0.7	0.7	-	-	-	-
	<b>72.3</b>	<b>224.3</b>	<b>46.6</b>	<b>22.6</b>	<b>157.4</b>	<b>125.4</b>
<b>Change in operating assets and liabilities</b>						
Decrease (increase) in trade receivables	(0.2)	(79.5)	(0.2)	(12.3)	(79.5)	17.9
Decrease (increase) in sundry advances	5.5	12.7	5.5	7.6	12.7	14.1
Decrease (increase) in escrow deposits	(1.4)	(5.7)	(1.4)	(2.3)	(5.7)	0.2
Decrease (increase) in recoverable taxes and contributions	1.3	3.6	1.3	0.8	3.6	2.1
Decrease (increase) in other assets	(2.1)	(8.1)	(2.1)	(3.6)	(8.1)	(9.6)
Increase (decrease) in trade payables	0.9	(1.1)	3.0	1.0	(1.5)	(4.9)
Increase (decrease) in payroll and related taxes	9.0	18.2	9.0	12.5	18.2	33.4
Increase (decrease) in advances from clients	12.6	13.1	12.6	12.5	13.1	17.5
Increase (decrease) of taxes and contributions paid in installments	(0.1)	(0.1)	(0.1)	(0.2)	(0.1)	(0.8)
Increase (decrease) in accounts payable	-	(1.3)	-	-	(1.3)	0.1
Increase (decrease) of provision for tax, civil and labor risks	(1.9)	(5.9)	(1.9)	(2.1)	(5.9)	(5.6)
Increase (decrease) in other liabilities	(35.0)	(35.5)	(35.0)	(0.2)	(35.5)	(0.8)
<b>Cash from operations</b>	<b>(11.4)</b>	<b>(89.6)</b>	<b>(9.3)</b>	<b>13.8</b>	<b>(90.0)</b>	<b>63.7</b>
Interest paid	(6.8)	(15.9)	(6.8)	(7.4)	(15.9)	(17.7)
Income tax and social contribution paid	-	-	-	-	-	-
<b>Net cash flow from operating activities</b>	<b>54.1</b>	<b>118.8</b>	<b>30.5</b>	<b>29.1</b>	<b>51.6</b>	<b>171.4</b>
<b>Cash Flow from Investment Activities</b>						
Loans with related parties						
Concessions	-	-	-	(0.4)	-	(0.4)
Receipts	-	0.0	-	-	0.0	0.2
Subsidiary capital increase	-	-	-	-	-	-
Acquisitions net of cash and equivalents	(43.7)	(45.1)	(43.7)	(12.7)	(45.1)	(12.7)
(Redemption) investment of financial investments	(22.9)	11.3	(22.9)	(61.1)	11.3	(134.7)
Yields from financial investments	(1.6)	(5.3)	(1.6)	(3.7)	(5.3)	(6.2)
Acquisition of property and equipment	(18.1)	(70.8)	(18.1)	(19.5)	(70.8)	(58.6)
Acquisition of intangible assets	(8.5)	(24.0)	(8.5)	(6.6)	(24.0)	(16.8)
<b>Net cash flow (applied) from investment activities</b>	<b>(94.8)</b>	<b>(133.9)</b>	<b>(94.8)</b>	<b>(104.0)</b>	<b>(133.9)</b>	<b>(229.3)</b>
<b>Cash Flow from Financial Activities</b>						
Loans with related parties						
Funding	0.0	0.0	0.0	0.0	0.0	0.0
Amortizations	-	-	-	(0.0)	-	(0.0)
Loans and financing	-	-	-	-	-	-
Funding	100.0	100.0	100.0	-	100.0	149.1
Amortizations	(51.1)	(139.6)	(27.5)	(11.6)	(72.3)	(37.9)
Gains (Losses) with Derivatives	0.5	0.5	0.5	0.3	0.5	(2.0)
Accounts payable amortization on controlling acquisitions	(10.9)	(16.9)	(10.9)	(5.8)	(16.9)	(9.4)
IPO costs	-	-	-	-	-	-
Acquisition of non-controlling interest	-	-	-	-	-	-
Capital increase	-	-	-	-	-	-
Shares held in treasury	-	-	-	(20.1)	-	(32.3)
Dividends paid	-	(0.5)	-	-	(0.5)	(20.2)
<b>Net cash (applied to) flow from financing activities</b>	<b>38.4</b>	<b>(56.5)</b>	<b>62.0</b>	<b>(37.2)</b>	<b>10.8</b>	<b>47.3</b>
<b>Cash (Applied) Flow for the Period</b>	<b>(2.4)</b>	<b>(71.6)</b>	<b>(2.4)</b>	<b>(112.1)</b>	<b>(71.6)</b>	<b>(10.6)</b>
<b>Change In Cash and Cash Equivalents</b>						
Cash at the beginning of the period	30.3	99.5	30.3	135.4	99.5	33.9
Cash at the end of the period	28.0	28.0	28.0	23.3	28.0	23.3
<b>Increase (Decrease) of Cash and Cash Equivalents</b>	<b>(2.4)</b>	<b>(71.6)</b>	<b>(2.4)</b>	<b>(112.1)</b>	<b>(71.6)</b>	<b>(10.6)</b>