

YDUQS Participações S.A.

**Quarterly Information – ITR
March 31, 2021, and
Independent Auditors' Report**

Report on review of quarterly information

To the Board of Directors and Stockholders
YDUQS Participações S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of YDUQS Participações S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2021, comprising the balance sheet at that date and the statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company and consolidated interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC) and International Accounting Standard (IAS) 34, Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently did not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Other matters

Statements of value added

The quarterly information referred to above includes the parent company and consolidated statements of value added for the three-month period ended March 31, 2021. These statements are the responsibility of the Company's management and are presented as supplementary information under IAS 34. These statements have been subjected to review procedures performed together with the review of the interim accounting information for the purpose of concluding whether they are reconciled with the interim accounting information and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and consistent with the parent company and consolidated interim accounting information taken as a whole.

Audit and review of comparative year's figures

The Quarterly Information Form (ITR) mentioned in the first paragraph includes accounting information, related to the statements of income, comprehensive income, changes in equity, cash flows and value added for the three-month period ended March 31, 2020, obtained from the Quarterly Information Form (ITR) for that quarter, and to the balance sheet as at December 31, 2020, obtained from the financial statements at December 31, 2020, prepared before the adjustments described in note 1.5, that were made to restate these 2020 financial information, presented for comparison purposes. The review of the Quarterly Information (ITR) for the quarter ended March 31, 2020 and the audit of the financial statements for the year ended December 31, 2020, as originally prepared, were conducted by other independent auditors, who issued review and audit reports dated May 7, 2020 and March 16, 2021, respectively, without qualifications.

As part of our review of the quarterly information for the quarter ended March 31, 2021, we have also reviewed the adjustments described in note 1.5 that were made to restate the quarterly information in the Quarterly Information Form (ITR) for the quarter ended March 31, 2020 and the financial statements of the year ended December 31, 2020, presented for comparison purposes. Based on our review, nothing has come to our attention that causes us to believe that these adjustments are not appropriate and have not been correctly recorded, in all material respects. We were not engaged to audit, review or apply any other procedures to the Company's Quarterly Information Form (ITR) or financial statements for the quarter ended March 31, 2020 and the year ended December 31, 2020 and, therefore, we do not express any opinion or any form of assurance on the quarterly information and financial statements for 2020 taken as a whole.

Rio de Janeiro, May 12, 2021

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Patricio Marques Roche
Contador CRC 1RJ081115/O-4

YDUQS Participações S.A.

Statements of financial position In thousands of reais

	Parent Company		Consolidated			Parent Company		Consolidated	
	New representation		New representation						
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020		March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Assets					Liabilities and equity				
Current					Current				
Cash and cash equivalents (Note 3)	620,566	334,127	1,278,475	925,341	Trade payables	3,653	2,993	267,097	251,229
Securities (Note 3)	132,893	131,524	771,813	707,935	Loans and financing (Note 11)	298,567	390,302	298,567	390,302
Derivative financial instruments - Swap (Note 19)	13,473	33,312	13,473	33,312	Leases (Note 12)			217,255	199,549
Accounts receivable (Note 4)			863,149	890,151	Salaries and welfare charges (Note 13)	581	599	251,405	202,157
Prepaid expenses (Note 6)	663		23,923	8,178	Tax obligations (Note 14)	225	23,475	69,326	106,695
Dividends receivable					Prepaid monthly tuition fees			16,857	44,211
Taxes and contributions recoverable (Note 7)	26,411	32,557	86,298	137,601	Tax payment in installments (Note 15)			3,491	3,543
Other			30,833	33,879	Related parties (Note 5)	75	78		
					Dividends payable	23,324	23,355	23,324	23,355
					Acquisition price payable (Note 16)			55,266	57,936
					Other	4,793	4,810	13,222	13,791
	794,006	531,520	3,067,964	2,736,397		331,218	445,612	1,215,810	1,292,768
Non-current					Non-current				
Long-term assets					Long-term liabilities				
Derivative financial instruments - Swap (Note 19)	30,370	120,787	30,370	120,787	Loans and financing (Note 11)	3,469,030	3,113,448	3,469,030	3,113,448
Accounts receivable (Note 4)			254,923	214,160	Leases (Note 12)			1,221,454	1,151,775
Prepaid expenses (Note 6)	2	1	4,891	4,058	Contingencies (Note 17)	315	300	248,290	246,842
Judicial deposits (Note 17)	239	232	112,624	102,688	Tax payment in installments (Note 15)			8,752	9,190
Deferred taxes (Note 28)	778	3,210	335,434	322,632	Provision for assets retirement			74,661	89,630
Taxes and contributions recoverable (Note 7)	30,378	15,048	131,673	107,726	Acquisition price payable (Note 16)			85,920	89,946
Other			12,268	14,760	Other	23,889	24,722	61,709	62,561
	61,767	139,278	882,183	886,811		3,493,234	3,138,470	5,169,816	4,763,392
Investments					Shareholders' equity (Note 18)				
In subsidiaries (Note 8)	5,445,628	5,338,152			Capital stock	1,139,887	1,139,887	1,139,887	1,139,887
Other			338	338	Expenditure with shares issuance	(26,852)	(26,852)	(26,852)	(26,852)
Intangible assets (Note 9)	780,088	780,096	3,179,829	3,186,539	Capital reserves	696,350	687,503	696,350	687,503
Property, plant and equipment (Note 10)	4	5	2,512,353	2,451,044	Profits reserve	1,465,767	1,465,767	1,465,767	1,465,767
	6,225,720	6,118,253	5,692,520	5,637,921	Proposed additional dividend	118,423	118,423	118,423	118,423
	6,287,487	6,257,531	6,574,703	6,524,732	Treasury shares	(179,759)	(179,759)	(179,759)	(179,759)
					Income for the period	43,225		43,225	
						3,257,041	3,204,969	3,257,041	3,204,969
Total assets	7,081,493	6,789,051	9,642,667	9,261,129	Total liabilities and shareholders' equity	7,081,493	6,789,051	9,642,667	9,261,129

The Management notes are an integral part of the quarterly information.

YDUQS Participações S.A.

Statements of income

For the three-month periods ended March 31,
In thousands of reais

	Parent Company		Consolidated	
	2021	2020	2021	2020
Continued operations				
Net revenue from activities (Note 22)			1,082,328	923,269
Costs of services provided (Note 23)			(456,834)	(348,910)
Gross income			625,494	574,359
Operating revenues (expenses)				
Selling expenses (Note 24)			(251,636)	(179,549)
General and administrative expenses (Note 24)	(5,754)	(3,333)	(220,940)	(154,275)
Equity accounting income (Note 8)	98,662	181,160		
Other operating revenues/expenses (Note 25)	755	755	5,799	4,044
Operating income	<u>93,663</u>	<u>178,582</u>	<u>158,717</u>	<u>244,579</u>
Financial revenues (Note 26)	16,042	161,711	41,499	180,209
Financial expenses (Note 26)	(65,834)	(172,427)	(146,954)	(250,598)
Net financial income	<u>(49,792)</u>	<u>(10,716)</u>	<u>(105,455)</u>	<u>(70,389)</u>
Income before income tax and social contribution	<u>43,871</u>	<u>167,866</u>	<u>53,262</u>	<u>174,190</u>
Current and deferred income tax (Note 28)	(475)	16	(7,335)	(4,496)
Current and deferred social contribution (Note 28)	(171)	6	(2,702)	(1,806)
Net profit for the fiscal year, attributable to shareholders	<u>43,225</u>	<u>167,888</u>	<u>43,225</u>	<u>167,888</u>
Net earnings per lot of 1,000 shares - basic (Note 21)	<u>0.14347</u>	<u>0.55833</u>	<u>0.14347</u>	<u>0.55833</u>
Net earnings per lot of 1,000 shares - diluted (Note 21)	<u>0.14336</u>	<u>0.55833</u>	<u>0.14336</u>	<u>0.55833</u>

The Management notes are an integral part of the quarterly information.

YDUQS Participações S.A.**Statements of comprehensive income**
For the three-month periods ended March 31,
In thousands of reais, except profit per share

	Parent Company		Consolidated	
	2021	2020	2021	2020
Net profit for the fiscal year	43,225	167,888	43,225	167,888
Other comprehensive income				
Total comprehensive income of fiscal year, net of taxes	<u>43,225</u>	<u>167,888</u>	<u>43,225</u>	<u>167,888</u>
Attributable to:				
Non-controlling shareholders	<u>43,225</u>	<u>167,888</u>	<u>43,225</u>	<u>167,888</u>

The Management notes are an integral part of the quarterly information.

YDUQS Participações S.A.

Statements of changes in equity In thousands of reais

	Capital reserves				Retained earnings						
	Capital	Expenditure w / issue	Premium in subscription	Negative Goodwill in sale	Options		Retained	Shares	Earnings	Additional dividends	
	share	of shares	of shares	of shares	granted	Legal	Earnings	Treasury	accumulated	proposed	Total
As of January 1, 2020	1,139,887	(26,852)	595,464	(10,838)	89,395	178,980	1,330,347	(194,031)			3,102,352
Granted Options (Note 21)					(270)						(270)
Restricted Shares Granting Plan (Note 21)					26,045						26,045
Negative goodwill on treasury shares sale (Note 18d.3)				(825)				825			
Payment of Stock options (Note 21)								1,979			1,979
Payment of Restricted Shares Granting Plan (Note 21)					(11,468)			11,468			
Net profit for the fiscal year									98,181		98,181
Appropriation of net income											
Constitution of reserves						4,909			(4,909)		
Minimum mandatory dividends (R\$ 0.08 per share)									(23,318)		(23,318)
Additional proposed dividends							(48,469)		(69,954)	118,423	
As of December 31, 2020	1,139,887	(26,852)	595,464	(11,663)	103,702	183,889	1,281,878	(179,759)		118,423	3,204,969
Granted Options (Note 20)					59						59
Restricted Shares Granting Plan (Note 20)					8,788						8,788
Net income for the period									43,225		43,225
As of March 31, 2021	1,139,887	(26,852)	595,464	(11,663)	112,549	183,889	1,281,878	(179,759)	43,225	118,423	3,257,041

The Management notes are an integral part of the quarterly information.

YDUQS Participações S.A.
Statements of cash flows
For the three-month periods ended March 31,
In thousands of reais

	Parent Company		Consolidated	
	2021	2020	2021	2020
	New Presentation		New Presentation	
Cash flow from operating activities				
Income before income tax and social contribution	43,871	167,866	53,262	174,190
Adjustments to reconcile the income to cash and cash equivalents generated:				
Depreciation and amortization	9	12	154,407	93,150
Amortization of loan funding costs	5,245	113	5,245	113
Provision for doubtful debts			95,411	71,842
Provision for loss - Other accounts receivable			277	304
Granted options - Stock options provision	333	58	12,546	3,390
Provision for contingencies	18	4	25,398	23,198
Interest on loans and financing, not realized	33,836	13,408	65,903	39,607
Adjustment of assets retirement obligation			2,300	287
Adjustment of commitments payable			191	683
Earnings from the write-off of property, plant, and equipment and intangible assets			(914)	(202)
Equity accounting method	(98,662)	(181,160)		
Adjustments to present value - accounts receivable			2,436	6,764
Adjustment of tax credits	(299)	(229)	(706)	(1,475)
Other	(7,745)	2,262	(7,285)	2,374
	(23,394)	2,334	408,471	414,225
Variation in assets and liabilities:				
(Increase) in accounts receivable			(111,608)	(28,386)
Decrease (Increase) in prepaid expenses	(664)	121	(16,578)	(9,309)
Decrease (Increase) in taxes and contributions recoverable	(8,885)	176	28,063	5,999
(Increase) in judicial deposits	(7)	(6)	(9,936)	(405)
Decrease (Increase) in other assets	(9)	(593)	5,424	(6,985)
Increase (Decrease) in trade payables	550	(624)	14,807	43,412
Increase (Decrease) in salaries and welfare charges	(18)	(51)	45,549	41,529
Increase (Decrease) in tax obligations	(21,465)	188	(48,868)	(3,213)
Increase (Decrease) in monthly tuition fees received in advance			(27,354)	(2,662)
(Decrease) in tax installment payment			(590)	(589)
(Decrease) in civil/labor convictions	(3)		(23,950)	(22,478)
Increase in provision for assets retirement Obligations			(17,269)	
Increase (Decrease) in other liabilities	(20)	(253)	(166)	755
	(53,915)	1,292	245,995	431,893
Interest paid on loans	(46,069)	(17,489)	(46,069)	(17,489)
IRPJ (Income Tax) and CSLL (Social Contribution on Net Income) Paid			(11,341)	(4,988)
Net cash provided by (used in) operating activities.	(99,984)	(16,197)	188,585	409,416
Cash flow from investment activities:				
Acquisition of property, plant and equipment			(20,801)	(46,258)
Acquisition of intangible assets			(45,436)	(35,960)
Premium and goodwill from investment in subsidiaries			166	70
Advance for future capital increase	(300)	(300)		
Securities	(1,369)	(734,279)	(63,878)	(933,533)
Acquisition price payable			(6,886)	(376)
Net cash provided by (used in) investment activities	(1,669)	(734,579)	(136,835)	(1,016,057)
Cash flow from financing activities:				
Use of treasury shares derived from the exercise of stock options		676		676
Dividends paid	(31)		(31)	
Debenture issuance amount	1,850,000		1,850,000	
Amount received from loans and financing	36,080	1,674,549	36,080	1,674,549
Loan funding costs	(13,309)		(13,309)	
Amortization of loans and borrowings	(1,484,648)	(147)	(1,484,648)	(49)
Lease amortization			(86,708)	(65,620)
Net cash used in financing activities	388,092	1,675,078	301,384	1,609,556
Increase in the balance of cash and cash equivalents	286,439	924,302	353,134	1,002,915
Cash and cash equivalents at the beginning of the period	334,127	71,979	925,341	240,520
Cash and cash equivalents at the end of the period	620,566	996,281	1,278,475	1,243,435
Variation in cash and cash equivalents balance	286,439	924,302	353,134	1,002,915

The Management notes are an integral part of the quarterly information.

YDUQS Participações S.A.
Statements of value added
For the three-month periods ended March 31,
In thousands of reais

	Parent Company		Consolidated	
	2021	2020	2021	2020
Revenue				
Educational services			1,120,851	957,309
Other revenues			984	1,811
Provision for doubtful accounts			(95,411)	(71,842)
			<u>1,026,424</u>	<u>887,278</u>
Inputs acquired from third parties				
Materials, electric power and third-party services	(4,059)	(2,009)	(284,004)	(207,199)
Contingencies	(3)		(15,803)	(22,393)
	<u>(4,062)</u>	<u>(2,009)</u>	<u>(299,807)</u>	<u>(229,592)</u>
Gross value added	<u>(4,062)</u>	<u>(2,009)</u>	<u>726,617</u>	<u>657,686</u>
Depreciation and amortization	(9)	(12)	(154,407)	(93,150)
Net value added produced	<u>(4,071)</u>	<u>(2,021)</u>	<u>572,210</u>	<u>564,536</u>
Value added received in transfer				
Equity method income	98,662	181,160		
Financial revenue	16,195	162,003	43,107	181,386
Other	(4,413)	719	786	4,334
	<u>110,444</u>	<u>343,882</u>	<u>43,893</u>	<u>185,720</u>
Total value added to be distributed	<u>106,373</u>	<u>341,861</u>	<u>616,103</u>	<u>750,256</u>
Distribution of value added				
Work compensation				
Direct compensation	1,441	1,092	274,339	200,265
Benefits			15,895	12,247
FGTS (Government Severance Indemnity Fund for Employees)			17,690	14,762
	<u>1,441</u>	<u>1,092</u>	<u>307,924</u>	<u>227,274</u>
Taxes, fees and contributions				
Federal	1,118	566	71,451	58,072
State				4
Municipal			43,094	38,003
	<u>1,118</u>	<u>566</u>	<u>114,545</u>	<u>96,079</u>
Remuneration of third-party capital				
Interest	60,589	172,315	141,709	250,485
Rent			8,700	8,530
	<u>60,589</u>	<u>172,315</u>	<u>150,409</u>	<u>259,015</u>
Remuneration on equity				
Retained earnings	43,225	167,888	43,225	167,888
	<u>43,225</u>	<u>167,888</u>	<u>43,225</u>	<u>167,888</u>
Distributed value added	<u>106,373</u>	<u>341,861</u>	<u>616,103</u>	<u>750,256</u>

The Management notes are an integral part of the quarterly information.

1 General information

1.1 Operating context

YDUQS Participações S.A. (the "Company") and its subsidiaries (jointly, the "Group") are mainly involved in the development and/or management of activities and/or institutions in the fields of higher education, professional education and/or other fields related to education, in the management of their own assets and businesses, and the holding of interests, as partners or shareholders, in other partnerships and companies in Brazil.

The Company is a corporation headquartered at Avenida Venezuela, 43, in the City and State of Rio de Janeiro, incorporated by way of a private share subscription on March 31, 2007, and currently listed on *Novo Mercado* (New Market).

The Group is made up of 38 companies, including YDUQS Participações S.A., 33 of which are sponsors of a higher education institution, organized as limited liability business companies, and comprises a University, 21 University Centers, 50 Colleges, accredited and distributed in 25 states in the country and in the Federal District.

At a meeting held on July 11, 2019, the Board of Directors of YDUQS Participações S.A. resolved on the creation of a new brand for the Company, named **YDUQS**.

Changing the holding company's brand enables it to better use existing resources and businesses, and to build different positions through new brands and creating new business units.

The Special General Meeting held on April 24, 2020, approved the change of the Company's corporate name from "Estácio Participações S.A." to "YDUQS Participações S.A.", with the consequent amendment to Article 1, "head provision", of the Articles of Incorporation. The Estácio brand will continue to serve the current operations in the higher education segment. The shares issued by the Company started to be traded on B3 under a new trading code ("YDUQ3"), in replacement of "ESTC3", and a new trading name ("YDUQS PART"). Additionally, the American Depositary Receipts (ADRs) traded on the North American market started to be traded under the code "YDUQY", in replacement of "ECPCY".

Recent acquisitions

On October 18, 2019, the Company executed the private purchase and sale instrument to acquire all the units of ownership of Adtalem Brasil Holding S.A. ("Adtalem") through its direct subsidiary Sociedade de Ensino Superior Estácio de Sá Ltda. ("SESES"). On April 13, 2020, the Brazilian Antitrust Authority (CADE) issued a certificate confirming the final and unappealable decision that examined and approved the acquisition without restrictions and settled the transaction on April 24, 2020 for the amount of R\$ 2,206,497, thus the income of the acquired company was consolidated as from May 1, 2020.

On June 4, 2020, the Company signed a private purchase and sale instrument to acquire all the units of ownership of Athenas Grupo Educacional ("Grupo Athenas") for the amount of R\$ 120,000. The acquisition further provides for an earn-out clause for medical courses at R\$ 600 per authorized slot, totaling a potential amount of R\$ 180,000, to be paid after the 1st enrollment of the respective courses. On July 20, 2020, the Brazilian Antitrust Authority (CADE) issued a certificate confirming the final decision that examined and approved the acquisition of Grupo Athenas without restrictions, thus the income of the acquired company was consolidated as from August 1, 2020.

The Company's Board of Directors approved the disclosure of this interim financial information at a meeting held on May 11, 2021.

1.2 Basis for preparation

The quarterly information (parent company and consolidated) was prepared according to the Technical Pronouncement CPC 21 — Interim Statement and the International Accounting Standard IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB). Also, the presentation of such information has been done in a manner consistent with the rules issued by the Brazilian Securities and Exchange Commission applicable to the preparation of the Quarterly Information – ITR, and all relevant information is shown related to the financial statements (parent company and consolidated), and only these, which are consistent with the used by the management in its activities.

The presentation of the Statement of Value Added (DVA), individual and consolidated, is required by Brazilian corporate legislation and accounting practices adopted in Brazil applicable to publicly-held companies. The DVA was prepared in accordance with the criteria defined in Technical Pronouncement CPC 09 – Statement of Value Added. International Financial Reporting Standards (IFRS) do not require the presentation of this statement. As a consequence, under IFRS, this statement is presented as supplementary information, without prejudice to the set of this quarterly information.

1.3 Accounting policies

This quarterly information should be read together with the financial statements for the fiscal year ended December 31, 2020, since its purpose is to provide for an update of significant activities, events, and circumstances in relation to those financial statements. In the quarterly information, the accounting policies are presented in a manner consistent with the accounting practices adopted in the individual and consolidated financial statements for the fiscal year ended December 31, 2020.

1.4 Changes to accounting policies and disclosures

New standards effective from 2021

There are no new CPC, IFRS rules, or IFRIC interpretations that entered into force in 2021 that could have a significant impact on the Group's financial statements.

1.5 New presentation of comparative figures

In 2021, adjustments from previous years were identified, related to the rectification in the classification of cash and cash equivalents. The Company understands that some investments were not characterized as notes and securities, according to the understanding previously adopted, and these should be classified under the caption cash and cash equivalents in the balance sheets, individual and consolidated. As a consequence, the revised notes and securities were recorded in the individual and consolidated balance sheets, under the caption Cash and cash equivalents. Additionally, the respective movements in investment activities were recorded in the statement of cash flows, which previously presented as cash and cash equivalents the full values of bonds and securities.

The effects of the new presentation are set out below:

As of December 31, 2020	Parent Company			Consolidated		
	Original	Adjusted	New Presentation	Original	Adjusted	New Presentation
Assets						
Current						
Cash and cash equivalents (Note 3)	118	334,009	334,127	28,407	896,934	925,341
Securities (Note 3)	465,533	(334,009)	131,524	1,604,868	(896,934)	707,935
Current	531,520		531,520	2,736,397		2,736,397
Non-current	6,257,531		6,257,531	6,524,732		6,524,732
Total assets	6,789,051		6,789,051	9,261,129		9,261,129

**Management Notes to the Financial Statements
as of March 31, 2021**
In thousands of reais

Three-month periods ended March 31, 2020

Cash flow of investment activities:

	Parent Company			Consolidated		
	Original	Adjusted	New Presentation	Original	Adjusted	New Presentation
Net cash provided by (used in) operating activities	(16,197)	-	(16,197)	409,416	-	409,416
Investment of securities		(734,279)	(734,279)		(933,533)	(933,533)
Generated (invested) net cash from Investment activities.	(300)	(734,279)	(734,579)	(82,524)	(933,533)	(1,016,057)
Net cash used in financing activities	1,675,078	-	1,675,078	1,609,556	-	1,609,556
Increase of cash and cash equivalents balance	1,658,581	(734,279)	(924,302)	1,936,448	(933,533)	(1,002,915)
Cash and cash equivalents at the start of the period	208,552	(136,573)	71,979	609,112	(368,592)	240,520
Cash and cash equivalents at the end of the period	1,867,133	(870,852)	996,281	2,545,560	(1,302,125)	1,243,435
Variation to the cash and cash equivalents balance	1,658,581	734,279	924,302	1,936,448	933,533	1,002,915

The adjustments did not impact the previously reported balances of net income for the period, shareholders' equity, earnings per share or the dividend distribution base.

1.6 Covid-19 Effect

As of March 11, 2020, the World Health Organization (WHO) announced the outbreak of the COVID-19 pandemic. Since the beginning of the pandemic, the Company has implemented measures to maintain its provision of services as well as all the support necessary to carry on its business.

The measures implemented include the use of information technology resources to offer live classes, using systemic platforms for online communication and collaboration, maintaining the quality levels hired by in-class students; normal maintenance of distance learning classes and continuity of the Company's business processes, even at distance, which are operating with reduced loss of efficiency.

In the first quarter of 2021, the remaining effects of the COVID-19 pandemic were punctual and the main impact on the Company's income was court decisions with effect for students and/or individualized groups. Such effects had a non-recurring effect on the net revenue of R\$ 8.4 million.

Additionally, the Company continues to follow the reflexes of the pandemic, the main ones being the following:

- 1) Cash position;
- 2) Accounts receivable;
- 3) Assessment of asset impairment.

2 Notes that were not presented

The quarterly information is being presented in accordance with CPC 21 (R1), IAS 34 and the rules issued by the CVM. Based on this faculty and management's assessment of the relevant impacts of the information to be disclosed, the notes described below are not presented. The others are presented in order to enable a perfect understanding of this quarterly information if read together with the notes disclosed in the financial statements as of December 31, 2020.

Notes that were not presented:

- Summary of principal accounting policies;
- Critical accounting estimates and judgments;
- Assumptions for calculating the fair value of the share option plan and impairment of non-financial assets already disclosed in the notes to the financial statements as of December 31, 2020;
- Insurance coverage and

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- Other information.

3 Cash and cash equivalents and securities

	Controladora		Consolidado	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Cash and banks	265	118	38,840	28,407
Financial Bills (Exclusive funds)	28,357	30,124	183,780	138,739
CDB	591,944	301,836	1,052,433	709,340
CDB (Exclusive funds)		695	3,422	6,297
Repurchase		1,354		33,846
Corporate Credit				8,712
Cash and cash equivalents	<u>620,566</u>	<u>334,127</u>	<u>1,278,475</u>	<u>925,341</u>
Federal Government Bonds (Exclusive funds)	<u>132,893</u>	<u>131,524</u>	<u>771,813</u>	<u>707,935</u>
Notes and Securities	<u>132,893</u>	<u>131,524</u>	<u>771,813</u>	<u>707,935</u>

The Company has an investments policy that stipulates that investments must be concentrated in low-risk securities and investment at prime financial institutions. As of March 31, 2021, the operations were remunerated based on percentages of the variation of the Interbank Deposit Certificate (CDI), with the exception of government bonds, which are indexed to the Selic rate and fixed rates.

As of March 31, 2021 and December 31, 2020, all of the Company's securities were classified as "fair value through profit or loss".

Investments in exclusive funds are backed by financial allocations in funds quotas, Bank Deposit Certificates (CDBs), LFs (Financial Bills), government bonds, and repurchase agreements with prime banks and issuers. The average yield of the investment funds as of March 31, 2021, was 93.71% of the CDI rate with an average yield in 2021 of 94.67% of the CDI rate (average annual yield at December 31, 2020 was 89.62% of the CDI rate).

CDBs yield the CDI rate, averaging 102.96% as of March 31, 2021 (102.61% as of December 31, 2020)

With the acquisition of Adtalem, other investment funds with an annual average return on March 31, 2021, of 90.97% of the CDI (103.26% on December 31, 2020) were included in the portfolio.

The Company does not have risk financial assets. The information on the Company's exposure to liquidity and market risks is included in Note 19.

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4 Accounts receivable

	Consolidated	
	March 31, 2021	December 31, 2020
Monthly tuition fees received from students	1,486,309	1,450,572
FIES (a)	138,731	161,292
Partnership agreements and exchange deals	17,704	13,647
Credit cards receivable (b)	110,596	90,450
Receivable agreements	118,975	125,879
	<u>1,872,315</u>	<u>1,841,840</u>
Provision for doubtful accounts (PCLD)	(694,790)	(694,604)
Unidentified amounts	(34,689)	(23,393)
(-) Adjustment to present value (c)	<u>(24,764)</u>	<u>(19,532)</u>
	<u>1,118,072</u>	<u>1,104,311</u>
Current assets	863,149	890,151
Non-current assets	<u>254,923</u>	<u>214,160</u>
	<u>1,118,072</u>	<u>1,104,311</u>

The balance of long-term amounts as of March 31, 2021, is related to PAR (Estácio Installment Payment Program), DIS (Dilution of monthly tuition fees) and the Athenas installment payment program. The aging breakdown is as follows:

	Consolidated	
	March 31, 2021	December 31, 2020
2021		13,620
2022	170,793	153,434
2023 to 2026	235,497	181,825
(-) Adjustment to present value (c)	(24,764)	(19,532)
(-) Provision for doubtful accounts	<u>(126,603)</u>	<u>(115,187)</u>
Non-current assets	<u>254,923</u>	<u>214,160</u>

PAR is a type of installment payment that YDUQS offers to its students by which students can finance up to 70% of their monthly tuition fees, with payments commencing one month after they complete the course. This financing is adjusted by the IPCA index.

DIS is a type of installment payment by which the student pays R\$ 49.00 for the first monthly tuition fees, and the difference between the amount paid and the full monthly tuition fee (not considering any scholarship and/or benefits) is diluted over the number of monthly tuition payments corresponding to the estimated full term of the minimum regular program, adjusted monthly by the IPCA index.

(a) Accounts receivable from the FIES (Student Financing Fund) are represented by educational loans raised by students with CEF (Caixa Econômica Federal) and FNDE (National Education Development Fund), whereby the financed funds are transferred monthly by CEF and Banco do Brasil to the specific bank account. Such amount has been used to pay the social security contributions and federal taxes and converted into cash by means of auctions of National Treasury bonds.

(i) For FIES students with guarantor, provision was made for 2.25% of the income with characteristic, considering the assumptions of 15% credit risk exposure over an estimate default rate of 15%.

(ii) For the uncovered Educational Credit Operations Guarantee Fund (FGEDUC) risk, contracted as from April 2012, a provision was made for 10% of the credits under the responsibility of the sponsors (where the Guarantor Fund is responsible for the remaining 90%), assuming 15% exposure to this credit risk for an estimated default rate of 15%, i.e. 0.225%.

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(iii) For the uncovered Educational Credit Operations Guarantee Fund (FGEDUC) risk, contracted until June 2012, a provision was made for 20% under the responsibility of the sponsors (where the Guarantor Fund is responsible for the remaining 80%), assuming 15% exposure to this credit risk for an estimated default rate of 15%, i.e. 0.45%.

(b) A substantial part of credit card receivables consists of late monthly tuition fees and agreements.

(c) As of March 31, 2021, the adjustment to present value amounts to R\$ 24,764 (R\$ 11,548 related to PAR, R\$ 10,420 to DIS, and R\$ 2,796 to Athenas financing), and, as of December 31, 2020, R\$ 19,532 (R\$ 12,808 related to PAR and R\$ 6,724 related to DIS).

The breakdown of receivables by age is presented below:

	Consolidated			
	March 31, 2021	%	December 31, 2020	%
FIES	138,731	7	161,292	9
To become overdue	794,329	42	758,955	42
Overdue up to 30 days	137,113	7	201,029	11
Overdue for 31 to 60 days	58,086	3	122,654	7
Overdue for 61 to 90 days	17,136	1	93,975	5
Overdue for 91 to 179 days (i)	283,607	15	127,735	7
Overdue for 180 to 360 days	443,313	25	376,200	19
	<u>1,872,315</u>	<u>100</u>	<u>1,841,840</u>	<u>100</u>

(i) The relevant part of the variation relates to financial products (DIS/PAR transfer) and recent acquisitions.

The breakdown of receivables by age is presented below:

	Consolidated			
	March 31, 2021	%	December 31, 2020	%
To become overdue	63,541	52	42,653	34
Overdue up to 30 days	9,166	8	11,394	8
Overdue for 31 to 60 days	6,090	6	8,473	7
Overdue for 61 to 90 days	4,522	4	8,191	7
Overdue for 91 to 179 days	14,879	13	12,731	10
Overdue for 180 to 360 days	20,777	16	42,437	34
	<u>118,975</u>	<u>100</u>	<u>125,879</u>	<u>100</u>

The activity of Provision for doubtful accounts (PCLD), in the consolidated, is as follows:

Balance as of December 31, 2019	471,190
Constitution	535,278
PCLD acquired at the time of acquisition	103,211
Write-off of bills / checks overdue for more than 360 days	<u>(415,075)</u>
Balance as of December 31, 2020	694,604
Constitution	95,411
Write-off of bills / checks overdue for more than 360 days	<u>(95,225)</u>
Balances as of March 31, 2021	<u>694,790</u>

5 Related parties

The main balances as of March 31, 2021 and December 31, 2020, as well as the transactions that influenced the income for the period, related to related-party transactions derive from transactions between the Company and its subsidiaries. Related-party transactions do not incur interest and/or monetary adjustment.

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The balance of the subsidiaries' accounts payable relates to the sharing of corporate expenses and are presented below:

	Parent Company	
	March 31, 2021	December 31, 2020
Current liabilities		
Current account		
Seses	75	78
Subsidiaries	75	78

6 Prepaid expenses

	Consolidated	
	March 31, 2021	December 31, 2020
Insurance	3,919	2,777
IPTU (Urban Real Estate Property Tax)	14,240	148
Advance of vacations and charges	3,206	2,176
Registration fee - MEC	3,747	2,827
Rents to be distributed	1,549	1,982
Technical-pedagogical cooperation - Santa Casa	1,373	1,479
Other prepaid expenses	780	847
	28,814	12,236
Current assets	23,923	8,178
Non-current assets	4,891	4,058
	28,814	12,236

In the parent company, the amount of R\$ 665 in the period ended March 31, 2021, relates to non-life insurance policies (R\$ 1 related to non-life insurance policies as of December 31, 2020).

7 Taxes and contributions recoverable

	Parent Company		Consolidated	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
IRRF (Withholding Income Tax)	29,289	29,985	35,369	39,088
IRPJ/CSLL Prepayments			313	11,335
IRPJ/CSLL to be offset (i)	27,500	17,620	85,513	99,952
PIS			889	789
COFINS (Social Contribution on Billings)			3,297	2,920
ISS (Services Tax)			67,614	66,496
INSS (National Institute of Social Security)			24,476	24,247
Other			500	500
	56,789	47,605	217,971	245,327
Current assets	26,411	32,557	86,298	137,601
Non-current assets	30,378	15,048	131,673	107,726
	56,789	47,605	217,971	245,327

(i) This amount refers to the excess of IRPJ/CSLL prepayments made in previous years, which is applied to offset government taxes. It is adjusted monthly by the Selic rate.

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8 Investment in subsidiaries**(a) Parent Company YDUQS Participações S.A.**

	March 31, 2021		December 31, 2020	
	Investment	Investment Loss	Investment	Investment Loss
Sociedade de Ensino Superior Estácio de Sá Ltda. ("SESES")	4,002,999		3,923,599	
Sociedade de Ensino Superior, Médio e Fundamental Ltda. ("IREP")	1,228,349		1,226,699	
Nova Academia do Concurso - Cursos Preparatórios Ltda. ("NACP")	3,368		3,244	
Ensine.me Serviços Educacionais Ltda. ("EnsineMe")		(30)		(30)
Sociedade de Ensino Superior Estácio Ribeirão Preto Ltda. ("Estácio Ribeirão Preto")	210,912		184,610	
	<u>5,445,628</u>	<u>(30)</u>	<u>5,338,152</u>	<u>(30)</u>

The subsidiaries' information is presented below:

March 31, 2021								
Interest	Number of units of ownership	Total assets	Total liabilities	Shareholder s' Equity	Goodwill	Income tax on goodwill from downstream merger	Total	Net income (loss) for the period
SESES	100%	3,084,087	5,132,070	1,129,071	4,002,999		4,002,999	71,236
IREP	100%	672,692	1,748,406	582,499	1,165,907	62,442	1,228,349	1,329
NACP	100%	17,904	1,617	(1,751)	3,368		3,368	(177)
EnsineMe (i)	100%	251	32	67	(35)	5	(30)	
Estacio Ribeirão Preto	100%	23,837	310,140	96,998	213,142	(2,230)	210,912	26,274
		<u>7,192,265</u>	<u>1,806,884</u>	<u>5,385,381</u>	<u>62,447</u>	<u>(2,230)</u>	<u>5,445,598</u>	<u>98,662</u>

December 31, 2020								
Interest	Number of units of ownership	Total assets	Total liabilities	Shareholder s' Equity	Goodwill	Income tax on goodwill from downstream merger	Total	Net income (loss) for the fiscal year
SESES	100%	2,977,837	4,949,627	1,026,028	3,923,599		3,923,599	156,165
IREP	100%	628,492	1,699,071	534,814	1,164,257	62,442	1,226,699	14,328
NACP	100%	17,364	1,572	(1,672)	3,244		3,244	(1,220)
EnsineMe (i)	100%	251	32	67	(35)	5	(30)	
Estacio Ribeirão Preto	100%	23,837	269,831	82,991	186,840	(2,230)	184,610	89,372
		<u>6,920,133</u>	<u>1,642,228</u>	<u>5,277,905</u>	<u>62,447</u>	<u>(2,230)</u>	<u>5,338,122</u>	<u>258,645</u>

(i) Provision for unsecured liabilities recorded under "Other" in current liabilities of the parent company

The table below presents the overall activity in the investments in subsidiaries in the period ended March 31, 2021 and in the fiscal year ended December 31, 2020:

Investments in subsidiaries as of December 31, 2019	2,612,140
Equity accounting method	258,645
Advance for future capital increase	2,468,200
Capital increase	(26,550)
Granted options	(270)
Restricted shares plan	25,987
Investments in subsidiaries as of December 31, 2020	<u>5,338,152</u>
Equity accounting method	98,662
Advance for future capital increase	300
Granted options	59
Restricted shares plan	8,455

YDUQS Participações S.A.

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Investments in subsidiaries as of March 31, 2021

5,445,628

The accounting information of the subsidiaries used to apply the equity accounting method was related to the base date of March 31, 2021.

The information on direct subsidiaries' investments is presented below:

(b) Sociedade de Ensino Superior Estacio de Sá Ltda. ("SESES")

	<u>March 31, 2021</u>	<u>December 31, 2020</u>
Sociedade De Ensino Superior Toledo Ltda. ("UNITOLEDO")	104,249	105,077
YDUQS Participações 2. ("ADTALEM")	<u>2,159,551</u>	<u>2,121,705</u>
	<u>2,263,800</u>	<u>2,226,782</u>

The information on SESES' subsidiaries is presented below:

<u>March 31, 2021</u>							
	<u>Interest</u>	<u>Number of units of ownership</u>	<u>Total assets</u>	<u>Total liabilities</u>	<u>Shareholders' Equity</u>	<u>Goodwill</u>	<u>Net income for the period</u>
UNITOLEDO	100%	3,460	50,747	41,209	9,538	94,711	(829)
ADTALEM	100%	2,037,114	<u>2,075,257</u>	<u>(2,151)</u>	<u>2,077,408</u>	<u>82,143</u>	<u>25,792</u>
			<u>2,126,004</u>	<u>39,058</u>	<u>2,086,946</u>	<u>176,854</u>	<u>24,963</u>

<u>December 31, 2020</u>							
	<u>Interest</u>	<u>Number of units of ownership</u>	<u>Total assets</u>	<u>Total liabilities</u>	<u>Shareholders' Equity</u>	<u>Goodwill</u>	<u>Net income for the fiscal year</u>
UNITOLEDO	100%	3,460	49,992	39,626	10,366	94,711	7,695
ADTALEM	100%	1,014,623	<u>2,573,856</u>	<u>534,294</u>	<u>2,039,562</u>	<u>82,143</u>	<u>17,381</u>
			<u>2,623,848</u>	<u>573,920</u>	<u>2,049,928</u>	<u>176,854</u>	<u>25,076</u>

The table below represents the overall activity in the investments of the direct subsidiary SESES in its subsidiaries in the period ended March 31, 2021 and the fiscal year ended December 31, 2020.

Investments in subsidiaries as of December 31, 2019	96,236
Equity accounting method	25,076
Advance for future capital increase	13,040
Granted options	1,955
Acquisition of subsidiary	2,008,196
Goodwill on the acquisition	<u>82,279</u>
Investments in subsidiaries as of December 31, 2020	<u>2,226,782</u>
Equity accounting method	24,966
Advance for future capital increase	11,380
Granted options	<u>672</u>
Investments in subsidiaries as of March 31, 2021	<u>2,263,800</u>

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(c) Sociedade de Ensino Superior, Médio e Fundamental Ltda. ("IREP")

	March 31, 2021	December 31, 2020
Sociedade Educacional Atual da Amazônia ("ATUAL")	607,308	604,267
ANEC - Sociedade Natalense de Educação e Cultura ("FAL")	6,735	7,283
Sociedade Universitária de Excelência Educacional do Rio Grande do Norte ("FATERN")	24,395	25,828
Athenas Serviços Administrativos Ltda ("ATHENAS")	4,605	4,766
União das Escolas Superiores de JI-PARANA Ltda ("UNIJIPA")	42,323	40,424
Pimenta Bueno Serviços Educacionais LTDA ("PIMENTA BUENO")	2,022	1,702
Centro Educacional Rolim de Moura Ltda ("CENTRO ROLIM")	10,964	9,887
União Educacional Meta Ltda ("UNIÃO META")	49,868	48,082
Centro de Educacional do Pantanal Ltda ("CENTRO PANTANAL")	83,562	81,704
	831,782	823,943

The information on IREP's subsidiaries is presented below:

March 31, 2021

	Interest	Number of units of ownership	Total assets	Total liabilities	Shareholder s' Equity	Goodwill	Total	Net profit (loss) for the period
ATUAL	100%	43,678	631,169	39,364	591,805	15,503	607,308	2,091
FAL	100%	20,881	8,145	9,486	(1,341)	8,076	6,735	(948)
FATERN	100%	9,160	20,660	11,244	9,416	14,979	24,395	(1,433)
ATHENAS	100%	4,951	(895)	480	(1,375)	5,980	4,605	(1,342)
UNIJIPA	100%	20,118	35,364	20,013	15,351	26,972	42,323	1,898
PIMENTA BUENO	100%	4,777	7,069	3,933	3,136	(1,114)	2,022	320
CENTRO ROLIM	100%	8,717	19,631	12,075	7,556	3,408	10,964	1,026
UNIÃO META	100%	27,033	54,746	37,727	17,019	32,849	49,868	1,350
CENTRO PANTANAL	100%	12,661	28,136	18,204	9,932	73,630	83,564	2,297
			804,025	152,526	651,499	180,283	831,782	5,259

December 31, 2020

	Interest	Number of units of ownership	Total assets	Total liabilities	Shareholder s' Equity	Goodwill	Total	Net income (loss) for the fiscal year
ATUAL	100%	43,478	647,156	58,392	588,764	15,503	604,267	15,236
FAL	100%	20,781	9,158	9,951	(793)	8,076	7,283	(2,488)
FATERN	100%	9,160	13,991	3,142	10,849	14,979	25,828	(2,817)
ATHENAS	100%	4,951	386	1,600	(1,214)	5,980	4,766	(134)
UNIJIPA	100%	20,118	29,417	15,965	13,452	26,972	40,424	(86)
PIMENTA BUENO	100%	3,542	6,633	3,817	2,816	(1,114)	1,703	(556)
CENTRO ROLIM	100%	7,414	17,495	11,016	6,479	3,408	9,887	(132)
UNIÃO META	100%	27,033	51,558	36,325	15,233	32,849	48,082	(118)
CENTRO PANTANAL	100%	12,661	24,435	16,363	8,072	73,630	81,703	1,000
			800,229	156,571	643,658	180,283	823,943	9,905

The table below represents the overall activity in the investments of the direct subsidiary IREP in its subsidiaries in the period ended March 31, 2021 and the fiscal year ended December 31, 2020:

Investments in subsidiaries as of December 31, 2019	623,802
Equity accounting method	9,905
Acquisition of subsidiary	38,029
Goodwill on the acquisition	141,726
Advance for future capital increase	10,386
Granted Options	95
Investments in subsidiaries as of December 31, 2020	823,943
Equity accounting method	5,259
Advance for future capital increase	2,580

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Investments in subsidiaries as of March 31, 2021		831,782
(d) Sociedade Atual da Amazônia ("ATUAL")		
	March 31, 2021	December 31, 2020
Sociedade Educacional da Amazônia ("SEAMA")	59,919	58,243
Idez Empreendimentos Educacionais Sociedade Simples Ltda. ("IDEZ")	1,814	1,945
Sociedade Educacional do Rio Grande do Sul S/S Ltda. ("FARGS")	16,586	17,593
Uniuol Gestão de Empreendimentos Educacionais e Participações S.A. ("UNIUL")	1,127	1,244
Unisãoluis Educacional S.A ("SÃO LUIS")	86,471	84,955
Instituto de Ensino Superior Social e Tecnológico Ltda. ("FACITEC")	47,757	47,703
Associação de Ensino de Santa Catarina ("ASSESC")	5,001	5,309
Centro de Assistência ao Desenvolvimento de formação Profissional Unicel Ltda. ("Estácio Amazonas")	51,762	52,022
Instituto de Estudos Superiores da Amazônia ("IESAM")	104,787	103,026
Centro de Ensino Unificado de Teresina ("CEUT")	57,736	56,380
Faculdade Nossa Cidade ("FNC")	89,606	91,033
Faculdades Integradas de Castanhal Ltda. ("FCAT")	45,027	44,639
Sociedade Empresarial de Estudos Superiores e Tecnológicos Sant'Ana Ltda. ("FUFS")	9,205	9,344
	576,798	573,436

The information on ATUAL's subsidiaries is presented below:

March 31, 2021									
	Interest	Number of units of ownership	Total assets	Total liabilities	Equity	Goodwil I	Goodwill	Total	Net income (loss) for the period
SEAMA	100%	4,407	59,401	17,517	41,884	18,035		59,919	1,676
IDEZ	100%	9,947	4,055	4,288	(233)	2,047		1,814	(531)
FARGS	100%	8,606	25,370	16,839	8,531	8,055		16,586	(1,008)
UNIUL	100%	10,428	1,137	966	171	956		1,127	(117)
SÃO LUIS	100%	3,819	85,515	26,412	59,103	27,368		86,471	1,516
FACITEC	100%	6,051	85,961	64,858	21,103	26,654		47,757	24
ASSESC	100%	3,115	13,772	13,494	278	4,723		5,001	(608)
Estácio Amazonas	100%	48,797	61,927	36,379	25,548	26,214		51,762	(260)
IESAM	100%	14,980	78,599	12,338	66,261	26,797	11,729	104,787	1,818
CEUT	100%	16,938	50,240	20,072	30,168	27,568		57,736	1,356
FNC	100%	22,328	46,529	28,969	17,560	72,046		89,606	(1,427)
FCAT	100%	12,191	55,373	30,467	24,906	20,121		45,027	388
FUFS	100%	13,593	9,173	6,223	2,950	6,255		9,205	(539)
			577,052	278,822	298,230	266,839	11,729	576,798	2,288

December 31, 2020									
	Interest	Number of units of ownership	Total assets	Total liabilities	Equity	Goodwill I	Goodwill	Total	Net income (loss) for the fiscal year
SEAMA	100%	4,407	56,276	16,068	40,208	18,035		58,243	8,536
IDEZ	100%	9,247	3,577	3,679	(102)	2,047		1,945	(2,040)
FARGS	100%	8,606	17,954	8,416	9,538	8,055		17,593	(1,019)
UNIUL	100%	10,328	1,168	880	288	956		1,244	(462)
SÃO LUIS	100%	3,819	82,678	25,091	57,587	27,368		84,955	(1,540)
FACITEC	100%	6,051	84,041	62,992	21,049	26,654		47,703	(1,134)
ASSESC	100%	2,916	11,754	11,168	586	4,723		5,309	(1,230)
Estácio Amazonas	100%	48,797	56,158	30,350	25,808	26,214		52,022	1,250
IESAM	100%	14,980	73,024	8,580	64,444	26,797	11,785	103,026	8,398
CEUT	100%	16,938	44,839	16,027	28,812	27,568		56,380	7,847
FNC	100%	22,328	44,616	25,629	18,987	72,046		91,033	(1,159)
FCAT	100%	12,191	46,764	22,246	24,518	20,121		44,639	8,031
FUFS	100%	13,593	9,009	5,920	3,089	6,255		9,344	(4,788)

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	<u>531,858</u>	<u>237,046</u>	<u>294,812</u>	<u>266,839</u>	<u>11,785</u>	<u>573,436</u>	<u>20,690</u>
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The table below represents the overall activity in the investments of the direct subsidiary ATUAL in its subsidiaries in the period ended March 31, 2021 and the fiscal year ended December 31, 2020:

Investments in subsidiaries as of December 31, 2019	553,793
Equity accounting method	20,690
Advance for future capital increase	2,090
Amortization of goodwill	(3,256)
Granted options	24
Capital increase	<u>95</u>
Investments in subsidiaries as of December 31, 2020	<u>573,436</u>
Equity accounting method	2,288
Advance for future capital increase	1,130
Amortization of goodwill	<u>(56)</u>
Investments in subsidiaries as of March 31, 2021	<u>576,798</u>

9 Intangible Assets

(a) Intangible Assets - Parent Company

	December 31, 2020		March 31, 2021
	Cost	Additions	Cost
Cost			
Goodwill on investments' acquisitions (i)	780,065		780,065
Software use rights	99		99
Integration Project	212		212
Goodwill	79,704		79,704
	<u>860,080</u>		<u>860,080</u>
	Amortization rates	Amortization	Additions
Amortization			
Software use rights	20% p.a.	(99)	(99)
Integration Project	20% p.a.	(181)	(189)
Goodwill	20 to 33% p.a.	(79,704)	(79,704)
		<u>(79,984)</u>	<u>(8)</u>
			<u>(79,992)</u>
Net residual balance		<u>780,096</u>	<u>(8)</u>
			<u>780,088</u>
	December 31, 2019		March 31, 2020
	Cost	Additions	Cost
Cost			
Goodwill on investments' acquisitions (i)	780,065		780,065
Software use rights	99		99
Integration Project	212		212
Goodwill	79,704		79,704
	<u>860,080</u>		<u>860,080</u>

Management Notes to the Financial Statements
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	<u>Amortization rates</u>	<u>Amortization</u>	<u>Additions</u>	<u>Amortization</u>
Amortization				
Software use rights	20% p.a.	(99)		(99)
Integration Project	20% p.a.	(138)	(11)	(149)
Goodwill	20 to 33% p.a.	(79,704)		(79,704)
		<u>(79,941)</u>	<u>(11)</u>	<u>(79,952)</u>
Net residual balance		<u>780,139</u>	<u>(11)</u>	<u>780,128</u>

(i) Goodwill is an integral part of the investments line due to the merger of Estácio Ribeirão Preto Holding.

(b) Intangible assets - Consolidated

		December 31, 2020				March 31, 2021	
					Reclas. for property, plant, and equipment		
		Cost	Additions	Write- offs	Transf.	Cost	
Cost							
Goodwill on Investments' acquisitions		2,180,477	372			2,180,849	
Software use rights		650,949	31,356		18,251	700,464	
EAD and Integration		18,360				18,360	
Learning Center		115,366	1,210		5,873	122,449	
IT Architecture		21,664				21,664	
Online class material		8,043				8,043	
Knowledge Factory - EAD		56,724	5,680		739	63,143	
Questions database		13,886				13,886	
Goodwill (i)		798,755	(489)			798,266	
Other		161,356	7,140		(24,863)	144,555	
		4,025,580	45,269			4,071,679	
	Amortization rates	Amortization	Additions	Write- offs	Transf.	Reclas. for property, plant, and equipment	Amortization
Amortization							
Goodwill on Investments' acquisitions	Indefinite	(6,924)					(6,924)
Software use rights	10 to 20% p.a.	(396,651)	(23,501)				(420,152)
EAD and Integration	20% p.a.	(18,210)	(21)				(18,231)
Learning Center	10% p.a.	(56,317)	(3,467)				(59,784)
IT Architecture	17 to 20% p.a.	(20,065)	(275)				(20,340)
Online class material	20% p.a.	(7,783)	(42)				(7,825)
Knowledge Factory - EAD	10% p.a.	(18,984)	(1,444)				(20,428)
Questions database	20% p.a.	(10,484)	(450)				(10,934)
Goodwill (i)	20 to 50% p.a.	(261,651)	(16,770)				(278,421)
Other	20 to 20% p.a.	(41,972)	(6,839)				(48,811)
		(839,041)	(52,809)				(891,850)
Net residual balance		3,186,539	(7,540)			830	3,179,829

(i) Refers to intangible assets allocated in business combination: Client portfolio, Brands and operating license.

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		December 31, 2019					March 31, 2020	
		Cost	Additions	Write-offs	Transf.	Reclass.	Cost	
Cost								
Goodwill on Investments' acquisitions		1,276,056	136				1,276,192	
Software use rights		441,660	21,753		3,836	(65)	467,184	
EAD and Integration		18,360					18,360	
Learning Center		102,810	5,690				108,500	
IT Architecture		21,664					21,664	
Online class material		8,043					8,043	
Knowledge Factory - EAD		44,372	2,349				46,721	
Questions database		13,122	362				13,484	
Goodwill (i)		201,185	(206)				200,979	
Other		70,291	5,805		(3,836)		72,260	
		2,197,563	35,889			(65)	2,233,387	
		Amortization rates	Amortization	Additions	Write-offs	Transf.	Reclass.	Amortization
Amortization								
Goodwill on Investments' acquisitions		Indefinite	(6,924)					(6,924)
Software use rights		20% p.a.	(293,265)	(15,592)				(308,823)
EAD and Integration		20% p.a.	(17,904)	(76)		33	1	(17,980)
Learning Center		10% p.a.	(43,147)	(3,245)				(46,392)
IT Architecture		17 to 20% p.a.	(16,220)	(961)				(17,181)
Online class material		20% p.a.	(7,457)	(83)				(7,540)
Knowledge Factory - EAD		10% p.a.	(13,578)	(1,259)				(14,837)
Questions database		20% p.a.	(8,002)	(654)				(8,656)
Goodwill (i)		20 to 50% p.a.	(158,462)	(1,931)				(160,393)
Other		20% p.a.	(22,188)	(1,288)		(33)		(23,509)
			(587,147)	(25,089)				(612,235)
Net residual balance			1,610,416	10,800			(64)	1,621,152

(i) Refers to intangible assets allocated in business combination: Client portfolio, Brands and operating license.

As of March 31, 2021 and December 31, 2020, net goodwill on acquisitions of investments was represented as follows:

	Parent Company		Consolidated	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Goodwill on acquisitions of investments net of accumulated amortization				
IREP			89,090	89,090
UNITOLEDO			94,711	94,711
ADTALEM			762,513	762,559
ATHENAS			15,503	141,726
ATUAL			142,144	15,503
Seama			18,035	18,035
Idez			2,047	2,047
Uniuol			956	956
Fargs			8,055	8,055
São Luis			27,369	27,369
Facitec			26,654	26,654
Assesc			4,724	4,723
Iesam			26,797	26,797
Estácio Amazonas			26,214	26,214
Ceut			27,568	27,568
FNC			72,046	72,046
FCAT			20,119	20,120
FUFS			6,255	6,255
FAL			8,076	8,076
FATERN			14,979	14,979
EnsineMe			5	5
Estácio Ribeirão Preto	9,371	9,371	9,371	9,371
Estácio Ribeirão Preto Holding	770,694	770,694	770,694	770,694

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780,065 780,065 2,173,925 2,173,553

The Company carries out annual impairment tests, the most recent being for the year ended December 31, 2020, related to goodwill on investment acquisitions and mergers, based on expected future profitability for projected future earnings over the next ten years using a nominal perpetuity growth rate of 5.0% p.a. (equivalent to the long-term inflation rate, not considering any actual growth) and a single nominal discount rate of 14.3% to discount estimated future cash flows.

10 Property, plant, and equipment

Property, plant and equipment – Consolidated

	December 31, 2020					March 31, 2021	
	Cost	Addition	Write-offs	Transf.	Reclassif.	Cost	
Cost							
Land	68,235					68,235	
Buildings	349,601	209		887	235	350,932	
Third-party buildings (i)	1,677,964	179,951	(49,506)			1,808,409	
Improvement works in third parties' real estate properties	594,863	7,685	(3,634)	14,491	6,790	620,195	
Furniture and fixtures	207,299	627	(796)	(12)	27	207,145	
Computers and peripherals	259,175	2,006	(1,901)	185	1,410	260,875	
Machinery and equipment	176,730	4,168	(6)	(369)	(221)	180,302	
Physical activity/hospital equipment	111,552	1,189		19	(1,129)	111,631	
Library	211,715	137	(86)			211,766	
Facilities	83,125	(280)	(67)	9	2	82,789	
Constructions in progress	61,452	4,962	(179)	(15,387)	(7,944)	42,904	
Assets retirement	82,677		(16,262)			66,415	
Other	23,627	139	(2)	161		23,925	
	3,908,015	200,793	(72,439)	(16)	(830)	4,035,523	
	Depreciation rates	Depreciation	Addition	Write-offs	Transf.	Reclassif.	Depreciation
Depreciation							
Buildings	1.67% p.a.	(134,616)	(1,622)		46,992	4,143	(85,103)
Third-party buildings	21.60% p.a.	(441,625)	(63,787)	14,344			(491,068)
Leaseholds improvements (i)	11.11% p.a.	(238,354)	(15,182)	2,212	(46,992)	(4,143)	(302,459)
Furniture and fixtures	8.33% p.a.	(114,848)	(3,868)	789			(117,927)
Computers and peripherals	25% p.a.	(196,514)	(5,804)	1,893	4	(3,185)	(203,606)
Machinery and equipment	8.33% p.a.	(79,202)	(3,865)	4	12	3,185	(79,866)
Physical activity/hospital equipment	6.67% p.a.	(36,837)	(1,813)				(38,650)
Library	5% p.a.	(116,718)	(2,294)	86			(118,926)
Facilities	8.33% p.a.	(38,293)	(1,416)	23			(39,686)
Assets retirement		(46,590)	(1,336)	16,030			(31,896)
Other	14.44% p.a.	(13,374)	(611)	2			(13,983)
		(1,456,971)	(101,598)	35,383	16		(1,523,170)
Net residual balance		2,451,044	99,195	(37,056)		(830)	2,512,353

In the parent company, the amount of R\$ 4 in the period ended March 31, 2021, relates to computers and peripherals (R\$ 5 in the fiscal year ended December 31, 2020).

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	December 31, 2019					March 31, 2020	
	Cost	Addition	Write-offs	Transf.	Reclassif.	Cost	
Cost							
Land	19,787					19,787	
Buildings	241,413	2,696		4,079		248,188	
Third-party buildings (i)	1,134,379	58,700	(7,897)			1,185,182	
Improvement works in third parties' real estate properties	364,147	2,850		14,666		381,663	
Furniture and fixtures	140,155	2,129	(1,279)		6	141,011	
Computers and peripherals	182,156	2,802	(158)		36	184,836	
Machinery and equipment	138,724	3,080	(42,384)			99,420	
Physical activity/hospital equipment	87,887	5,217	(13)		17	93,108	
Library	171,481	83	(386)			171,178	
Facilities	64,946	2,053			6	67,005	
Tablets	9,309		(4,531)			4,778	
Constructions in progress	41,790	25,285		(18,745)		48,330	
Assets retirement	27,471					27,471	
Other	18,342	270	(7)			18,605	
	2,641,987	105,165	(56,655)		65	2,690,562	
	Depreciation rates	Depreciation	Addition	Write-offs	Transf.	Reclassif.	Depreciation
Depreciation							
Buildings	1.67% p.a.	(67,310)	(1,080)				(68,390)
Third-party buildings	21.60% p.a.	(163,985)	(44,252)	2,296			(205,941)
Improvement works in third parties' real estate properties		(191,733)	(8,875)				(200,608)
Furniture and fixtures	11.11% p.a.	(71,906)	(2,914)	1,237			(73,583)
Computers and peripherals	8.33% p.a.	(145,829)	(3,522)	155	(624)	(1)	(149,821)
Machinery and equipment	25% p.a.	(94,621)	(1,645)	43,416	624		(52,226)
Physical activity/hospital equipment	6.67% p.a.	(28,005)	(1,385)	7			(29,383)
Library	5% p.a.	(84,379)	(1,799)	386			(85,792)
Facilities	8.33% p.a.	(25,970)	(1,134)				(27,104)
Tablets	20% p.a.	(8,901)	(408)	4,531			(4,778)
Assets retirement		(18,267)	(517)				(18,784)
Other	14.44% p.a.	(8,859)	(530)	3			(9,386)
		(909,765)	(68,061)	52,031		(1)	(925,796)
Net residual balance		1,732,222	37,104	(4,624)		64	1,764,766

The Company leases a number of rights-of-use assets, such as machinery and equipment, peripherals, furniture and fixtures and properties rental, under non-cancelable lease agreements. The lease terms are according to the contract term. The assets title does not belong to the Company. All the Company's leases are recognized by the operation's net present value.

		December 31, 2020			March 31, 2021
		<u>Cost</u>	<u>Additions</u>	<u>Write-offs</u>	<u>Cost</u>
Cost					
Financial leases capitalized		<u>1,732,527</u>	<u>179,993</u>	<u>(49,507)</u>	<u>1,863,013</u>
		<u>1,732,527</u>	<u>179,993</u>	<u>(49,507)</u>	<u>1,863,013</u>
	<u>Depreciation rate</u>	<u>Depreciation</u>	<u>Additions</u>	<u>Write-offs</u>	<u>Depreciation</u>
Depreciation					
Financial leases capitalized	21.60% p.a.	<u>(478,870)</u>	<u>(65,851)</u>	<u>14,344</u>	<u>(530,377)</u>
		<u>(478,870)</u>	<u>(65,851)</u>	<u>14,344</u>	<u>(530,377)</u>
Net accounting balance		1,253,657	114,142	(35,163)	1,332,636

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11 Loans and financing

		Parent Compan		Consolidated	
		March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Type	Financial charges				
In local currency					
Fifth debenture issuance (1st Series)	CDI +0.585% p.a.	250,579	252,028	250,579	252,028
Fifth debenture issuance (2nd Series)	CDI +0.785% p.a.	350,593	352,833	350,593	352,833
6th issuance of debentures	CDI +2.50% p.a.	1,846,687		1,846,687	
Santander loan	CDI +1.10% p.a.		605,805		605,805
Loan ABC	CDI +3.85% p.a.	51,228	50,503	51,228	50,503
Safrá Loan	CDI +2.80% p.a.	202,619	200,258	202,619	200,258
FINEP loan	6% p.a.	2,323	2,474	2,323	2,474
Itaú CCB Loan	CDI +2.70% p.a.	153,541	151,695	153,541	151,695
Bradesco CCB Loan	CDI +2.70% p.a.	358,620	362,347	358,620	362,347
Banco do Brasil CCB Loan	CDI +1.85% p.a.	100,262	100,089	100,262	100,089
Itaú promissory notes	CDI +2.5% p.a.		361,309		361,309
Citibank loan	CDI+2.75% p.a.	75,845	75,825	75,845	75,825
In foreign currency					
	Libor +1.46 and +0.64 p.a.				
Citibank loan		375,300	988,584	375,300	988,584
		<u>3,767,597</u>	<u>3,503,750</u>	<u>3,767,597</u>	<u>3,503,750</u>
Current liabilities		298,567	390,302	298,567	390,302
Non-current liabilities		<u>3,469,030</u>	<u>3,113,448</u>	<u>3,469,030</u>	<u>3,113,448</u>
		3,767,597	3,503,750	3,767,597	3,503,750

The amounts recorded as non-current liabilities as of March 31, 2021 and December 31, 2020 have the following maturity schedule:

	Parent Company		Consolidated	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
2022	1,126,490	2,612,473	1,126,490	2,612,473
2023	322,635	325,297	322,635	325,297
2024	172,891	175,553	172,891	175,553
As from 2025	<u>1,847,014</u>	<u>125</u>	<u>1,847,014</u>	<u>125</u>
Non-current liabilities	<u>3,469,030</u>	<u>3,113,448</u>	<u>3,469,030</u>	<u>3,113,448</u>

The Company and its subsidiaries do not offer any of their assets as collateral for their loans.

The amounts of the Group loans are mainly in Reais, of which only three are in USD (US dollars).

In February 2020, the Company concluded the contracting of the 1st loan of a line 4131 with Citibank in the amount of US\$ 125,000 (converted to R\$ 541,675 in equivalent quotation on that date) with single amortization of the principal on February 17, 2022 at the cost of Libor + 0.69993% p.a.

In February 2020, the Company concluded the contracting of the 2nd loan of a line 4131 with Citibank in the amount of US\$ 40,000 (converted to R\$ 173,336 in equivalent quotation on that date) with single amortization of the principal on February 18, 2021 at the cost of Libor + 0.62% p.a.

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In February 2020, the Company concluded the contracting of the 3rd loan of a line 4131 with Citibank in the amount of US\$ 25,000 (converted to R\$ 109,537 in equivalent quotation on that date) with single amortization of the principal on February 25, 2022 at the cost of Libor + 0.64% p.a.

In March 2020, the Company concluded the contracting of a CCB with Santander in the amount of R\$ 500,000, with a single amortization of the principal on March 4, 2022 at the cost of 100% of CDI + 1.095% p.a.

In March 2020, the Company completed the third issue of promissory notes in the total amount of R\$ 500,000 in two series, the first series at a cost of 100% of the CDI + 2.5% p.a. in the principal amount of R\$ 350,000 maturing on March 17, 2022 and the second series at a cost of 100% + 2.5% p.a. in the principal amount of R\$ 150,000, maturing on March 29, 2021.

In April 2020, the Company concluded the contracting of a CCB with Citibank in the amount of R\$ 75,000, with a single amortization of the principal on April 4, 2022 at the cost of 100% of CDI + 2.75% p.a.

In April 2020, the Company completed the fourth issue of promissory notes in the total amount of R\$ 350,000 in a single series, at the cost of 100% of the CDI + 2.7% p.a. maturing on April 9, 2021.

In April 2020, the Company concluded the contracting of a CCB with Santander in the amount of R\$ 100,000, with a single amortization of the principal on April 20, 2021 at the cost of 100% of CDI + 3.69% p.a.

In April 2020, the Company concluded the contracting of a CCB with ABC in the amount of R\$ 50,000, with a single amortization of the principal on April 28, 2021 at the cost of 100% of CDI + 3.85% p.a.

In June 2020, the Company concluded the contracting of a CCB with Safra in the amount of R\$ 200,000, with a single amortization of the principal on June 09, 2022 at the cost of 100% of CDI + 2.80% p.a.

In September 2020, the Company concluded the contracting of a CCB with Itaú in the amount of R\$ 150,000, with a single amortization of the principal on April 04, 2023, at the cost of 100% of CDI + 2.70% p.a.

In September 2020, the Company fully settled the second series of the third issuance of Promissory Notes to Banco Itaú in the amount of R\$ 153,133.

In September 2020, the Company concluded the contracting of a CCB with Bradesco in the amount of R\$ 360,000, with a single amortization of the principal on September 23, 2022, at the cost of 100% of CDI + 2.70% p.a.

In September 2020, the Company fully settled the fourth issuance of Promissory Notes to Banco Bradesco in the amount of R\$ 358,337.

In December 2020, the Company concluded the contracting of a CCB with Banco do Brasil in the amount of R\$ 100,000, with a single amortization of the principal on February 09, 2022, at the cost of 100% of CDI + 1.85% p.a.

In January 2021, the Company decided with Citibank to roll the 2nd loan of line 4131 for a total of US\$ 40,000 (converted to R\$ 210,000 according to the quote equivalent to the date) with a single principal amortization on January 19, 2022, at the cost of Libor + 1.46% p.a.

In February 2021, the Company fully settled the first series of the third issuance of Promissory Notes to Banco Itaú in the amount of R\$ 364,977.

Also in February 2021, the Company fully settled two CCBs contracted with Santander bank in the amount of R\$ 100,438 and R\$ 506,706.

Finishing the settlements of February 2021, the Company settled the 1st 4131 line loan with Citibank in the amount of R\$ 545,179.

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In addition to the February settlements, the Company completed the sixth issuance of debentures in the total amount of R\$ 1,850,000 due on February 18, 2026, in a single series, at a cost of 100% of the CDI + 2.50% p.a., with the first principal amortization on February 18, 2025, in the amount of R\$ 925,000, and the second principal amortization on February 18, 2026, in the amount of R\$ 925,000.

The agreements held with several creditors include covenants that require the maintenance of certain financial indexes with previously established parameters. As of March 31, 2021, and in December 2020, the subsidiaries and the parent company had reached all indexes required in the agreements.

12 Leases

The lease liability arises from the recognition of future payments and the right to use the leased asset for practically all lease agreements, including operational ones, certain short-term agreements or agreements for a small amount may be out of scope.

The terms of the leases are according to the contractual term, demonstrated below, so that transactions, the additional rate, in nominal terms, for the terms of contracts:

Contracts	DI X Pre Curve	Risk premium	Estácio Rate	Month Rate
0 to 5 years	7.37%	105.00%	7.74%	0.64%
5 to 10 years	8.34%	105.00%	8.76%	0.70%
10 to 15 years	8.83%	105.00%	9.27%	0.74%
15 to 30 years	9.09%	105.00%	9.54%	0.76%

Lease agreements are secured by the underlying assets.

	Consolidated	
	March 31, 2021	December 31, 2020
Leases payable	2,077,532	1,970,971
Lease interest	(638,823)	(619,647)
	<u>1,438,709</u>	<u>1,351,324</u>
Current liabilities	217,255	199,549
Non-current liabilities	1,221,454	1,151,775
	<u>1,438,709</u>	<u>1,351,324</u>

The increase in lease liabilities arises from the Company's net debt addition. Depreciation and interest are recognized in the statement of income as a replacement of operational lease expenses ("rent").

Changes in leasing assets and liabilities in the period are as follows:

	Consolidated		
	Buildings From third parties	Other	Total
Right of use asset on 12/31/2020	1,236,337	17,320	1,253,657
Additions	179,951	42	179,993
Write-offs	(35,162)		(35,162)
Depreciation	(63,786)	(2,066)	(65,852)
Right of use asset on 03/31/2021	<u>1,317,340</u>	<u>15,296</u>	<u>1,332,636</u>

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Lease liabilities

	Consolidated		
	Buildings From third parties	Other	Total
Right of use liabilities on 12/31/2020	1,333,325	17,999	1,351,324
Additions	179,951	41	179,992
Write-offs	(37,970)		(37,970)
Interest incurred	31,820	107	31,927
Payment of principal	(84,261)	(2,303)	(86,564)
Right of use liabilities on 03/31/2021	<u>1,422,865</u>	<u>15,844</u>	<u>1,438,709</u>
Current	210,079	7,176	217,255
Non-current	<u>1,212,786</u>	<u>8,669</u>	<u>1,221,454</u>
	<u>1,422,865</u>	<u>15,845</u>	<u>1,438,709</u>

Right of use asset

	Consolidated		
	Buildings From third parties	Other	Total
Right of use asset on 12/31/2019	970,394	13,298	983,692
Additions	58,700	206	58,906
Write-offs	(5,602)	1,039	(4,563)
Depreciation	(44,252)	(1,593)	(45,844)
Right of use asset on 03/31/2020	<u>979,240</u>	<u>12,950</u>	<u>992,191</u>

Lease liabilities

	Consolidated		
	Buildings From third parties	Other	Total
Right of use liabilities on 12/31/2019	1,021,766	14,751	1,036,517
Additions	58,700	206	58,906
Write-offs	(5,864)	1,039	(4,826)
Interest incurred	25,860	341	26,201
Payment of principal	(63,644)	(1,878)	(65,522)
Right of use liabilities on 03/31/2020	<u>1,036,818</u>	<u>14,459</u>	<u>1,051,276</u>
Current	140,878	5,382	146,260
Non-current	<u>895,940</u>	<u>9,077</u>	<u>905,016</u>
	<u>1,036,818</u>	<u>14,459</u>	<u>1,051,276</u>

13 Salaries and welfare charges

	Parent Company		Consolidated	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Salaries, indemnity amounts and welfare charges payable	581	599	148,142	121,414
Provision for vacation			83,063	80,743
Provision for 13 th salary			20,200	
	<u>581</u>	<u>599</u>	<u>251,405</u>	<u>202,157</u>

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14 Tax obligations

	<u>Parent Company</u>		<u>Consolidated</u>	
	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2021</u>	<u>December 31, 2020</u>
ISS payable	28	11	31,939	26,627
IRRF payable	87	102	10,592	41,143
PIS and COFINS payable	110	16,469	4,687	23,058
IOF (Tax on Financial Transactions) payable			89	2
	<u>225</u>	<u>16,582</u>	<u>47,307</u>	<u>90,830</u>
IRPJ payable		5,062	15,835	11,485
CSLL payable		1,831	6,184	4,380
	<u>225</u>	<u>6,893</u>	<u>22,019</u>	<u>15,865</u>
	<u>225</u>	<u>23,475</u>	<u>69,326</u>	<u>106,695</u>

15 Tax installment payment

	<u>Consolidated</u>	
	<u>March 31, 2021</u>	<u>December 31, 2020</u>
IRPJ (Corporate Income Tax)	1,097	1,279
CSLL (Social Contribution on Net Income)	18	19
FGTS (Government Severance Indemnity Fund for Employees)	962	962
ISS (Services Tax)	1	1
PIS	76	78
COFINS (Social Contribution on Billings)	518	533
INSS (National Institute of Social Security)	9,050	9,380
Other	521	481
	<u>12,243</u>	<u>12,733</u>
Current liabilities	3,491	3,543
Non-current liabilities	8,752	9,190
	<u>12,243</u>	<u>12,733</u>

The balance of tax installment payment is adjusted monthly by the Selic rate.

These tax installment payments are related to taxes to Municipal Governments, the Federal Revenue Office and Social Security, and their long-term maturities are presented below:

	<u>Consolidated</u>	
	<u>March 31, 2021</u>	<u>December 31, 2020</u>
2022	2,305	2,854
2023	2,706	2,685
2024	2,141	2,119
2025	507	494
2026 to 2029	1,093	1,038
	<u>8,752</u>	<u>9,190</u>

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16 Acquisition price payable

	Consolidated	
	2021	2020
SÃO LUIS	9,998	9,950
CEUT	3,211	3,135
FUFS (i)		2,379
UNITOLEDO	30,184	30,038
ADTALEM (ii)	39,310	44,226
ATHENAS (iii)	57,619	57,341
	<u>140,322</u>	<u>147,069</u>
Acquisition of real estate properties (iv)	<u>864</u>	<u>813</u>
	<u>141,186</u>	<u>147,882</u>
Current liabilities	55,266	57,936
Non-current liabilities	<u>85,920</u>	<u>89,946</u>
	<u>141,186</u>	<u>147,882</u>

(i) In March 2021, the acquisition of FUFS was settled

(ii) On October 18, 2019, the Company acquired through the parent company SESES all the units of ownership of Adtalem Brasil Holding S/A, in which the Company had a balance payable for the companies acquired from the group in the total amount of R\$ 39,310 on March 31, 2021. In March 2021, an installment concerning the acquisition of Adtalem was settled.

(iii) On July 27, 2020, the Company acquired, through its parent company IREP, all shares of Athenas Grupo Educacional (Athenas Serviços Administrativos LTDA., Centro de Educação de Rolim De Moura LTDA., Centro de Educação do Pantanal LTDA., Pimenta Bueno Serviços Educacionais LTDA., União Educacional Meta LTDA., UNIJIPA – União Das Escolas Superiores de Ji-Paraná LTDA, in which there is a balance payable of R\$ 57,619 on March 31, 2021.

(iv) Balance related to the commitment entered into between IREP and União Norte Brasileira de Educação e Cultura - UNBEC concerning various real estate properties located in the City of Fortaleza, State of Ceará.

It basically refers to the amount payable to former owners, related to the acquisition of related companies and real estate properties, adjusted monthly by one of the following indexes: SELIC, IPCA (General Market Price Index), IGP-M or the variation of CDI, depending on the agreement.

The amounts recorded as non-current liabilities as of March 31, 2021 and December 31, 2020 have the following maturity schedule:

	Consolidated	
	2021	2020
2021		32,605
2022	28,300	57,341
2023 to 2025	<u>57,620</u>	
	<u>85,920</u>	<u>89,946</u>

17 Contingencies

The Company and its subsidiaries are party to various civil, labor and tax proceedings at different court levels. Management, based on the opinion of its external legal counsel, has made a provision for amounts considered sufficient to cover potential losses from pending litigation.

As of March, 2021, and December 31, 2020, the provision for contingencies consisted of the following:

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	Consolidated			
	March 31, 2021		December 31, 2020	
	Contingencies	Judicial deposits	Contingencies	Judicial deposits
Civil	87,153	49,555	92,453	39,316
Labor	130,999	48,155	123,456	48,602
Tax	30,138	14,914	30,933	14,770
	<u>248,290</u>	<u>112,624</u>	<u>246,842</u>	<u>102,688</u>

In the period ended March 31, 2021, the amount of R\$ 315 relates to the parent company's contingency liability and success fees (R\$ 300 in the fiscal year ended December 31, 2020, of which R\$ 50 related to civil and R\$ 250 to tax contingencies) and, as of March 31, 2021, the amount of R\$ 239 refers to the parent company's judicial deposits (R\$ 232 in the fiscal year ended December 31, 2020).

The activity in the provision for contingencies is shown below:

	Civil	Labor	Tax	Total
Balances as of December 31, 2019	24,073	90,960	3,383	118,416
Additions by Acquisition	7,895	14,638	15,077	37,610
Additions	97,685	78,691	17,245	193,621
Reversals	(15,543)	(5,368)	(7,001)	(27,912)
Write-offs for payments	(31,825)	(55,811)	(693)	(88,329)
Monetary adjustment	10,168	346	2,922	13,436
Balances as of December 31, 2020	92,453	123,456	30,933	246,842
Additions	8,453	14,756	4,532	27,741
Reversals	(5,840)	(2,262)	(3,272)	(11,374)
Write-offs for payments	(10,854)	(11,092)	(2,004)	(23,950)
Monetary adjustment	2,941	6,141	(51)	9,031
Balances as of March 31, 2021	<u>87,153</u>	<u>130,999</u>	<u>30,138</u>	<u>248,290</u>

On March 31, 2021 and December 31, 2020, expenses with the provision for contingencies, recognized in the statement of income were as follows:

	2021	2020
Composition of the income		
Additions	27,741	193,621
Reversals	(11,374)	(27,912)
Monetary adjustment	9,031	13,436
Provision for contingencies	<u>25,398</u>	<u>179,145</u>
General and administrative expenses (Note 24)	(15,803)	(165,717)
Financial income (Note 26)	<u>(9,595)</u>	<u>(13,428)</u>
	<u>(25,398)</u>	<u>(179,145)</u>

(a) Civil

Most proceedings involve mainly claims for indemnity for moral and property damages arising from incorrect collections and late issue of diplomas, among other matters of an operational and/or educational nature, as well as a number of claims entailing real estate law.

The provisions recognized for civil lawsuits are due to the following matters:

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Matter	Amounts
Real estate	36,928
Success Fees	14,722
Undue collection	13,921
Accreditation and Cancellation of the Course	6,586
Pain and Suffering / Property Damage	4,006
Issuance of Certificates of Completion/Diplomas and Graduation	2,150
Registration	1,852
FIES	1,327
Monthly fee	703
PROUNI	370
Stage	141
Procon Fine	106
System Access	96
Other (i)	4,245
	87,153

(i) These relate to proceedings involving other operating and/or academic issues, public-interest civil actions and other compensation claims.

(b) Labor

The main labor claims are employees seeking overtime, unused vacations, recognition of employment relationship, salary parity and salary differences arising from the decrease in the working hours of certain teachers.

The provisions recognized for labor lawsuits are due to the following matters:

Matter	Amounts
Salary and Severance Differences + Decrease in Working Hours + FGTS + Notice Period	43,480
Income tax / Interest and Monetary Adjustment	13,349
Deviation from agreed position and salary parity	17,608
Employer's social security payment	10,063
Overtime + Elimination of Breaks During and Between Shifts	19,437
Fine (Article 467 CLT, Article 477 CLT AND CCT/ACT)	5,544
Fees	5,820
Success fees	4,479
Pain and Suffering / Property Damage / Moral Harassment	1,867
Additional Payments (Premium for Unhealthy/Night/Improvement/Service Time/Dangerous Work)	2,845
Vacation pay	2,528
CTPS Rectification + Indirect Termination + Employment Relationship Recognition	354
Stability	74
Other	3,552
	130,999

(c) Tax

The tax proceedings mainly relate to tax immunity, escalation of social security contributions arising from Law No. 11.096/05 and exclusion of scholarships from the tax calculation basis and fines for alleged non-compliance with ancillary obligations (special regimes of accounting bookkeeping).

The provisions recognized for tax claims are due to the following matters:

Matter	Amounts
ISS (Services Tax)	16,010
Success fees	8,155
IRPJ / CSLL / IRRF	3,388
Social Security Contributions	2,031
Sewage Charges / Fees	232
Miscellaneous fines	201
PIS (Social Integration Program) /COFINS (Social Contribution on Billings)	117
IPTU / FORO / IPVA (Tax on Vehicles)	3
	30,138

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(d) Possible losses, not provisioned in the statement of financial position

The Company has tax, civil and labor cases involving risks of loss classified by management as possible, based on the opinion of its legal advisers. These proceedings do not have to be provisioned for under the accounting practices currently in force.

	Consolidated	
	March 31, 2021	December 31, 2020
Civil	269,323	279,487
Labor	502,398	398,831
Tax	526,100	673,390
	1,297,821	1,351,708

The main proceedings classified as possible loss can be grouped as follows:

Civil	Amounts
Real estate	166,570
Undue collection	28,171
Pain and Suffering / Property Damage	22,804
FIES	11,726
Issuance of Certificates of Completion/Diplomas and Graduation	7,618
Registration	5,900
Monthly fee	2,793
Accreditation and cancellation of the course	2,326
Procon Fine	1,597
PROUNI	321
Stage	318
System Access	277
Other (i)	18,902
	269,323

- (i) These relate to proceedings involving other operating and/or academic issues, public-interest civil actions and other compensation claims.

Labor	Amounts
Salary and severance differences + decrease in working hours + FGTS + notice period + compensation	170,419
Reintegration	141,743
Overtime + Elimination of Breaks During and Between Shifts	69,880
Fees	32,550
Pain and Suffering / Property Damage / Moral Harassment	20,512
Additional Payments (Premium for Unhealthy/Night/Improvement/Service Time/Dangerous Work)	18,141
Vacation pay	11,142
Fine (Article 467 CLT, Article 477 CLT AND CCT/ACT)	9,975
Employer's social security payment	8,094
Deviation from agreed position and salary parity	5,929
CTPS Rectification + Indirect Termination + Employment Relationship Recognition	1,087
Stability	770
Other (ii)	12,158
	502,398

- (i) Claims in addition to those listed above (resulting from them) and union fees.

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Tax	Amounts
Contribution to Social security / FGTS	247,214
ISS (Services Tax)	236,114
IRPJ / CSLL / IRRF	18,412
PIS (Social Integration Program) / COFINS (Social Contribution on Billings)	8,267
IPTU / FORO / IPVA (Tax on Vehicles)	7,516
Miscellaneous fines	2,899
Other	5,678
	526,100

Of the main proceedings that were not provisioned in the financial information, the following involve amounts above R\$ 10,000:

Social security contributions:

- (i) Due to the divergence of understanding regarding the initial date of the rate grading provided for in article 13 of Law No. 11.096/05 ("PROUNI Act"), Tax Enforcements were issued by the National Treasury against SESES to recover debts related to the alleged differences in payments of social security contributions. The Company submitted the respective motion against these enforcements, in which SESES filed a petition stating the favorable decision had been made final and unappealable in the case records of ordinary proceeding No. 0017945-16.2009.4.02.5101. (1) In the first tax enforcement filed concerning the matter, on August 13, 2019, the National Treasury informed the court that the debits under collection would be rectified to reflect the reasoning forming the final and unappealable decision in favor of YDUQS. In October 2019 an official DEMAC notice was attached stating that it had made the rectifications to the DEBCADs, after determining the effects resulting from the final and unappealable decision, by way of the dossier opened at the Federal Revenue Office (RFB). SESES filed a statement requesting release of the proportional amounts deposited at the escrow account. In July 2020, a decision was rendered on one of the Tax Enforcements to grant the request made by SESES for the release of the excess amount deposited in court, of R\$ 5,027. In August 2020, an order was issued determining that CEF be notified to carry out the transfer of the already adjusted amount of R\$ 5,040. In September 23, 2020, a decision was partially granted for SESES, in the case record of the Tax Enforcement Motions, to recognize the partial payment of debits entered in CDAs No. 40.028.226-7, 40.028.231-3, 40.028.230-5, and 40.028.232-1, since the forwarding started from the corporate transformation of SESES, applying the initial tax rate of 20% from 2007 and not from 2005, the year of publication of Law 11.096/2005, as understood by the Tax Authority, but maintaining the share of social security contributions of insured persons, which removes the discussion of article 13 of Law no. 11.096/2005. In October 2020, an appeal was filed by SESES against the decision. In March 5, 2021, the appellate decision was rendered, which granted the appeal filed by SESES, unanimously, to disregard the full debt discussed. The Company is awaiting judgment on the motions for clarification filed by the National Treasury against said appellate decision. (2) In another tax enforcement filed concerning the matter, after the guarantee of the court, on January 22, 2018, a judgment was rendered that partially granted SESES request to disregard CDA no. 39.808.401-7 (since the forwarding started from the corporate transformation of SESES, applying an initial tax rate of 20% from 2007 and not from 2005, the year of publication of Law No. 11.096/2005, as agreed by the Tax Authority), but maintaining CDA no. 39.838.008-2, considering that it is a social security contribution of insured persons (which removes the discussion of article 13 of Law no. 11.096/2005.) In February 2018, an appeal was filed by SESES, pending trial by the TRF. (3) Finally, in the last tax enforcement filed by the National Treasury on the same matter, after guarantee of the court, the Company is awaiting the conclusion of the expert analysis as regards the motions for the tax enforcement. With the reduction in the amount involved determined in the decisions reported above, the total amount involved became R\$ 42,346.
- (ii) Tax assessment notices against SESES for alleged non-performance of the principal tax liability for the period from February 2007 to December 2007. The Company appealed requesting the cancellation of the tax assessment notices claiming that they were clearly groundless. The appeal was partially accepted, and considered the percentage of the employers' contributions at the rate of 20% as from the month in which the Company changed from a non-profit entity to a company. In January 2018, the Company filed an annulment action to contest the remaining debt. The interim relief claimed was awarded. In February 2018, the National Treasury filed a Tax Enforcement proceeding to demand the debit and the annulment action was dismissed

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without prejudice as a result of having its grounds due to the filing of the Tax Enforcement. In May 2018, SESES filed a Motion against the Tax Enforcement, the National Treasury filed its contestation and SESES submitted its rebuttal. Currently, the Company is awaiting the accounting expert analysis and trial by the trial court. The total amount involved is R\$ 22,074.

ISS – Tax on services:

- (i) The Tax Enforcement issued by the Municipality of Niterói, in connection with the tax assessment notice issued in September 2009, is demanding Services Tax (ISS) from SESES for the period January 2004 to January 2007, considering the suspension of tax immunity by the municipal administration as a result of the alleged non-compliance with requirements for qualifying for the benefits provided by article 14 of CTN, that is, because the tax/accounting bookkeeping was supposedly not presented for inspection under the terms of the legislation in force. Motions were filed against the enforcement in September 2013. Expert analyses were carried out, with a report favorable to the Company. However, the municipality of Niterói contested the expert report, contending it should be rejected as it had not been notified of the scheduled date and location. The request was accepted and the second expert analysis, conducted in November 2019, concluded once again that SESES' accounting records for the disputed period were in full compliance with legal requirements. SESES filed a new statement regarding the new expert analysis. Judgment by the lower court is pending. The total amount involved is R\$ 41,064.
- (ii) In August 2018, a Tax Enforcement was brought against Sociedade Tecnopolitana da Bahia Ltda. (STB), merged into IREP in June 2010, for failure to pay taxes on services (ISS) in the period 2007 to February 2011. The assessment arose from a due diligence in connection with the procedures for cancellation of the registration of the activities previously performed at STB's headquarters and branch facilities. In October 2018, a Motion to Stay Execution was filed. In December 2019, the Municipality filed its challenge. In March 2020, the case record was held by the judge under advisement and a decision was rendered in June 2020, summoning IREP to make a statement on the Municipality's challenge. In June 2020, IREP statement was filed. Judgment by the lower court is pending. The total amount involved is R\$ 20,532.
- (iii) Action for Annulment was filed by SESES against the Municipality of Vila Velha, aiming at cancelling ISS debits, resulting from the accusation that they had been allegedly paid or retained in lower amounts in the periods of 2006 and 2013. The defense is based on the following arguments: (i) partial statute of limitation; (ii) material nullity; and (iii) error in setting the ISS tax base, since the ISS debit were considered to correspond to scholarships awarded and enrollments cancelled. At the moment, the company is awaiting the completion of the expert evidence, which purpose is to prove item (iii). In February 2021, the expert evidence was completed in a manner favorable to SESES. The decision is awaited for a statement by the parties. The total amount involved is R\$ 14,681.
- (iv) The Municipality of Salvador filed a Tax Enforcement claiming alleged ISS tax liabilities for the period 07/2012 to 11/2013, due to discrepancies regarding the fixing of the tax calculation base (deductibility of study grants from the ISS calculation base). A Motion against the Tax Enforcement was filed requesting an expert accounting analysis. After appointment of the accounting expert and appointment of the respective retained experts in June 2020, the last installment of expert fees was paid. The Company is waiting for the expert's opinion. The total amount involved is R\$ 12,151.

18 Shareholders' Equity

(a) Capital Stock

The capital stock may be increased by the Board of Directors, irrespective of the statutory reform, up to the limit of one billion (1,000,000,000) shares. As of March 31, 2021, the capital stock is represented by 309,088,851 common shares.

The shareholding structure of the Company on March 31, 2021 and December 31, 2020 is presented below:

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Shareholders	Common shares			
	March 31, 2021	%	December 31, 2020	%
Managers and directors	819,094	0.3	819,094	0.3
Rose Fundo de Investimento	33,319,073	10.8	33,319,073	10.8
Vontobel	15,923,572	5.2	15,923,572	5.2
Schroder Investment Management	19,503,153	6.3		
Treasury	7,808,219	2.5	7,808,219	2.5
Other (i)	231,715,740	74.9	251,218,893	81.2
	<u>309,088,851</u>	<u>100</u>	<u>309,088,851</u>	<u>100</u>

(i) Free float

(b) Activity of capital shares

There were no changes in the shares during the period ended March 31, 2021.

(c) Treasury shares

	Quantity	Average Cost	Balance
Treasury shares as of December 31, 2019	7,808,219	23.02	179,759
Treasury shares as of December 31, 2020	<u>7,808,219</u>	<u>23.02</u>	<u>179,759</u>

There were no changes in the treasury shares during the period ended March 31, 2021.

(d) Capital reserves

(d.1) Goodwill on share subscription

The goodwill reserve refers to the difference between the subscription price that the shareholders pay for the shares and their par value. Since this is a capital reserve, it can only be used to increase capital, offset losses, redeem, reimburse or purchase shares or pay cumulative dividends on preferred shares.

The share subscription goodwill in the financial statements as of March 31, 2021 and December 31, 2020 is as follows:

	Parent Company	
	March 31, 2021	December 31, 2020
Taxes reserve	3	3
Non-distributable profits (i)	96,477	96,477
Special goodwill reserve under merger	85	85
Goodwill on shares subscription	<u>498,899</u>	<u>498,899</u>
	<u>595,464</u>	<u>595,464</u>

(i) Profits earned prior to the Company's conversion into a business company.

The goodwill on the share issuance is comprised as follows:

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	March 31, 2021
Subscription of 17,853,127 shares	(23,305)
Amount paid for the 17,853.127 shares	<u>522,204</u>
Goodwill on share issuance	<u><u>498,899</u></u>

(d.2) Granting options

The Company recorded the capital reserve for stock options granted, as mentioned in Note 20. As required by the technical pronouncement, the fair value of the options was determined on the grant date and is being recognized over the vesting period up to this individual and consolidated quarterly information date.

(d.3) Goodwill and discount on the sale of treasury shares

The goodwill and discount on the sale of treasury shares refers to the difference between the acquisition price that the Company paid for the shares and the sale amount when using the shares to pay for the options granted.

The negative goodwill on the sale of treasury shares is represented as follows as of March 31, 2021 and December 31, 2020:

	<u>Quantity of shares</u>	<u>Sale</u>	<u>Amount paid</u>	<u>Discount</u>
Discount as of December 31, 2020	2,724,983	46,513	34,850	11,663
Negative goodwill as of March 31, 2021	<u>2,724,983</u>	<u>46,513</u>	<u>34,850</u>	<u>11,663</u>

(e) Profit reserves**(e.1) Legal reserve**

The legal reserve must be established on the basis of 5% of the net profit for the year, until it reaches 20% of the paid-up capital stock or 30% of the capital stock plus capital reserves. After this limit, appropriation is no longer mandatory. The capital reserve may only be used to increase capital stock or to offset accumulated losses.

(e.2) Retained earnings

In accordance with article 196 of the Corporations Act, the general meeting may, at the proposal of the boards of directors, decide to retain part of the net profit for the year provided for in the capital budget to meet investment and expansion projects. On April 24, 2020, the retention of profits according to item 7.4 (b.ii) was approved in the Ordinary General Meeting.

(e.3) Exceeding profit reserve

According to article 199 of the Corporations Act, the sum of profit reserves may not exceed the amount of the Company's capital stock.

19 Financial instruments and sensitivity analysis of financial assets and liabilities

Market values of financial assets and liabilities were determined based on available market information and valuation methodologies appropriate for each situation. However, considerable judgment was necessary to interpret market balances in order to produce the most appropriate realizable value estimate. Consequently, the estimates presented herein do not necessarily indicate the values that could be realized in the current

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exchange market. The use of different market information and/or valuation methodologies may have a relevant effect on the amount of the market value.

The Company's assets and liabilities financial instruments as of March 31, 2021 and December 31, 2020 are recorded in equity accounts in amounts compatible with those practiced in the market.

(a) Cash and cash equivalents and securities

The values accounted for are close to market values, considering that they are subject to a maximum grace period of 90 days.

(b) Loans and financing

Loans and financing are measured at the amortized cost, using the effective rate method.

(c) Accounts receivable

Accounts receivable are classified as receivables and are accounted for using their contractual values, which are close to market value.

(d) Derivative and financial instruments

Although the derivative transaction is intended to protect the Company from fluctuations arising from its exposure to foreign exchange risk, it was decided not to adopt the hedge accounting methodology. The swap transaction, which on March 31, 2021, presented a positive fair value of R\$ 43,844 as a corresponding entry to the results.

We present below the information related to the derivatives financial instruments held by the Company as of March 31, 2021, recorded at fair value with the effect on income:

Swap Agreement s	Principal Contracte d (US\$)	Principal Contracted	YDUQS Receive s	YDUQS Pays	Initial Date	Maturity Date	Market Value (R\$ M)		
							Assets	Liabilities	Gross income
Citibank	40,000,000	210,000,000	Libor + 1.46% p.a.	CDI (Interbank Deposit Certificate) + 1.85%	Jan/18/21	Jan/19/22	231,077	210,955	20,122
Citibank	25,000,000	109,537,500	Libor + 0.64% p.a.	CDI (Interbank Deposit Certificate) + 0.70%	Feb/27/20	Feb/25/22	375,300	320,768	54,531
Total							606,377	531,723	74,653

(e) Other financial instruments, assets, and liabilities

The estimated realizable values of the Group's financial assets and liabilities were determined based on information available in the market and appropriate valuation methodologies.

19.1 Fair value hierarchy

The table below presents the financial instruments recorded at fair value using the measurement method:

	Consolidated	
	March 31, 2021	December 31, 2020
Level 2 financial investments	2,011,448	1,604,869
	<u>2,011,448</u>	<u>1,604,869</u>

The measurement of financial instruments is grouped at levels from 1 to 3, based on the level of quotation of their fair value:

Level 1 – prices quoted in active markets for identical assets and liabilities;

Level 2 – other techniques for which all input with significant effect on the fair value is observable, either directly or indirectly; and

Level 3 – techniques using input with significant effect on the fair value that is not based on observable market input.

During the period ended March 31, 2021, there were no transfers arising from fair value measurements between levels 1 and 2, not inside or outside level 3.

19.2 Financial risk factors

All the Company's operations are performed with banks having recognized liquidity, which minimizes risks. Management records a provision for doubtful accounts in an amount considered sufficient to cover possible risks of realization of accounts receivable; therefore, the risk of incurring losses resulting from the difficulty of receiving billed amounts is measured and recorded in the accounts. The main market risk factors affecting the business are the following:

(a) Credit risk

This risk is related to difficulties in collecting amounts for services provided.

The Company is also subject to credit risk on its financial investments.

The credit risk related to the provision of services is minimized by strict control of the student base and by the active management of default levels and the pulverization of balances. In addition, the Company requires the settlement or negotiation of the amounts overdue upon return of the students for classes in the next semester.

With respect to the credit risk associated with financial institutions, the Company and its subsidiaries operate according to the investments policy approved by the Board of Directors. The balances of cash and cash equivalents, securities and judicial deposits are held at financial institutions with A to AAA credit rating assigned by the credit rating agencies Standard & Poor's, Fitch and Moody's. In the event of two or more ratings, the rating of the majority shall prevail. In the event of different ratings, the Company adopts the higher rating as a basis.

(b) Interest rate risk

The Company is exposed to fluctuations in the Interbank Deposit Certificate (CDI) rate, which is used to adjust its financial investments and debts. In addition, any increase in interest rates could increase the cost of students' loans, including loans under the terms of the FIES program, and decrease the demand for the courses.

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(c) Exchange rate risk

The Company's income is susceptible to variations due to exchange rate volatility, since its assets and liabilities are linked to a currency other than its functional currency. However, as the Company has a swap agreement for lines 4131, exposure to foreign exchange risk does not exist.

(d) Liquidity risk

Liquidity risk is the risk that the Company may not have sufficient cash resources available to meet its commitments due to the different terms of settlement of its rights and obligations.

The control of the Company's liquidity and cash flow is monitored daily by the Group's Management areas, in order to ensure that the operational cash generation and the previous fundraising, when necessary, are sufficient to maintain its commitment schedule, not posing liquidity risks for the Group.

The table below analyzes the financial liabilities, by maturity ranges, corresponding to the remaining period of the reporting date of the statement of financial position until the contractual maturity date. The amounts presented in the table are the contracted cash flows not discounted.

	Consolidated			
	Less than one year	Between one and two years	Between two and five years	More than five years
In 2021				
Trade payables	267,097			
Loans	298,567	932,834	1,170,878	2,511,248
Financial lease obligations	217,255	356,106	309,246	797,281
Acquisition price payable	55,266	28,492	58,186	
In 2020				
Trade payables	251,229			
Loans	390,302	416,646	2,573,734	514,618
Financial lease obligations	199,549	381,125	293,694	838,813
Acquisition price payable	57,936	34,489	60,550	

(e) Sensitivity analysis

CVM Resolution No. 550 of October 17, 2008 sets forth that publicly-held companies must disclose, in a specific note, qualitative and quantitative information on all their financial instruments, recognized or not as assets or liabilities in the statement of financial position.

The Company's financial instruments consist of cash and cash equivalents, accounts receivable and payable, judicial deposits and loans and financing, and are recorded at cost adjusted by revenues or charges incurred, which was close to market value as of March 31, 2021 and December 31, 2020.

The main risks underlying the Group's operations are linked to changes in the CDI (Interbank Certificates of Deposit) rate.

CVM Instruction No. 607 of July 17, 2019, provides that specific information on financial instruments must be shown in a specific note, and that a table must be included with details of a sensitivity analysis.

Loans in Brazilian reais consist of transactions for which the carrying amount is close to the fair value of these financial instruments.

Investments linked to CDI rate are recorded at fair value, according to the quotations disclosed by the respective financial institutions. Most of the other investments refer to bank deposit certificates and repurchase agreements and, therefore, the value recorded for these securities does not differ from market value.

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With the purpose to verify the sensitivity of the index for the financial investments to which the Company was exposed on the base date of March 31, 2021, three different scenarios were defined. Based on the CDI rate officially published by CETIP on March 31, 2021 (2.65% p.a.), this rate was used as the probable scenario for the year. After that, rate variations of 25% and 50% were calculated for scenarios II and III, respectively.

For each scenario, "gross financial revenue and financial costs" were calculated, disregarding the levy of taxes on the investments' yields. The base date used for the portfolio was March 31, 2021, projected for one year and verifying the sensitivity of the CDI rate for each scenario.

Scenario fall of CDI				
Operations	Risk	Probable Scenario (I)	Scenario (II)	Scenario (III)
Financial investments	CDI	2.65%	3.31%	3.97%
R\$ 2,011,448		53,301	66,626	79,951
Debentures V - 1st Q	CDI (Interbank Deposit Certificate) + 0.585%	3.25%	3.92%	4.58%
R\$ 250,801		R\$ 8,152	R\$ 9,823	R\$ 11,494
Debentures V - 2nd Q	CDI (Interbank Deposit Certificate) + 0.79%	3.46%	4.12%	4.79%
R\$ 351,204		R\$ 12,136	R\$ 14,481	R\$ 16,826
Citibank (40MMUSD)	CDI (Interbank Deposit Certificate) + 0.60%	3.27%	3.93%	4.60%
R\$ 210,955		R\$ 6,889	R\$ 8,295	R\$ 9,701
Citibank (25MM US\$)	CDI (Interbank Deposit Certificate) + 0.70%	3.37%	4.04%	4.70%
R\$ 109,813		R\$ 3,699	R\$ 4,432	R\$ 5,164
CCB - Itaú	CDI (Interbank Deposit Certificate) + 2.70%	5.42%	6.10%	6.78%
R\$ 154,049		R\$ 8,352	R\$ 9,400	R\$ 10,448
CCB - Citibank	CDI (Interbank Deposit Certificate) + 2.75%	5.47%	6.15%	6.83%
R\$ 75,845		R\$ 4,151	R\$ 4,667	R\$ 5,183
CCB - Bradesco	CDI (Interbank Deposit Certificate) + 2.70%	5.42%	6.10%	6.78%
R\$ 360,304		R\$ 19,534	R\$ 21,985	R\$ 24,436
CCB - ABC	CDI (Interbank Deposit Certificate) + 3.85%	6.60%	7.29%	7.98%
R\$ 51,228		R\$ 3,382	R\$ 3,734	R\$ 4,087
CCB - Safra	CDI (Interbank Deposit Certificate) + 2.80%	5.52%	6.21%	6.89%
R\$ 202,619		R\$ 11,193	R\$ 12,573	R\$ 13,953
CCB - BB	CDI (Interbank Deposit Certificate) + 1.85%	4.55%	5.22%	5.90%
R\$ 100,262		R\$ 4,561	R\$ 5,237	R\$ 5,914
Debentures VI	CDI (Interbank Deposit Certificate) + 2.50%	5.22%	5.90%	6.57%
R\$ 1,859,774		R\$ 97,008	R\$ 109,636	R\$ 122,265
Net position		R\$ (125,756)	R\$ (137,731)	R\$ (149,714)

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Scenario fall of CDI				
Operations	Risk	Probable Scenario (I)	Scenario (II)	Scenario (III)
Financial investments	CDI (Interbank Deposit Certificate)	2.65%	1.99%	1.32%
R\$ 2,011,448		R\$ 53,301	R\$ 39,976	R\$ 26,550
Debentures V - 1st Q	CDI (Interbank Deposit Certificate) + 0.585%	3.25%	2.58%	1.92%
R\$ 250,801		R\$ 8,152	R\$ 6,481	R\$ 4,810
Debentures V - 2nd Q	CDI (Interbank Deposit Certificate) + 0.79%	3.46%	2.79%	2.12%
R\$ 351,204		R\$ 12,136	R\$ 9,792	R\$ 7,447
Citibank (40MMUSD)	CDI (Interbank Deposit Certificate) + 0.60%	3.27%	2.60%	1.93%
R\$ 210,955		R\$ 6,889	R\$ 5,483	R\$ 4,078
Citibank (25MMUSD)	CDI (Interbank Deposit Certificate) + 0.70%	3.37%	2.70%	2.03%
R\$ 109,813		R\$ 3,699	R\$ 2,966	R\$ 2,234
CCB - Itaú	CDI (Interbank Deposit Certificate) + 2.70%	5.42%	4.74%	4.06%
R\$ 154,049		R\$ 8,352	R\$ 7,304	R\$ 6,255
CCB - Citibank	CDI (Interbank Deposit Certificate) + 2.75%	5.47%	4.79%	4.11%
R\$ 75,845		R\$ 4,151	R\$ 3,635	R\$ 3,118
CCB - Bradesco	CDI (Interbank Deposit Certificate) + 2.70%	5.42%	4.74%	4.06%
R\$ 360,304		R\$ 19,534	R\$ 17,082	R\$ 14,631
CCB - ABC	CDI (Interbank Deposit Certificate) + 3.85%	6.60%	5.91%	5.23%
R\$ 51,228		R\$ 3,382	R\$ 3,030	R\$ 2,677
CCB - Safra	CDI (Interbank Deposit Certificate) + 2.800%	5.52%	4.84%	4.16%
R\$ 202,619		R\$ 11,193	R\$ 9,813	R\$ 8,433
CCB - BB	CDI (Interbank Deposit Certificate) + 1.85%	4.55%	5.22%	5.90%
R\$ 100,262		R\$ 4,561	R\$ 5,237	R\$ 5,914
Debentures VI	CDI (Interbank Deposit Certificate) + 2.50%	5.22%	4.54%	3.86%
R\$ 1,859,774		R\$ 97,008	R\$ 84,380	R\$ 71,751
Net position		R\$ (125,756)	R\$ (115,123)	R\$ (104,896)

The variations in the Company's assets and liabilities linked to the exchange rate are presented below.

The sensitivity analysis related to foreign exchange risk refers to the position on March 31, 2021 and seeks to simulate how an exchange rate stress could affect the Company.

In addition, three scenarios were outlined, I, II and III, which represent, respectively, the probable scenario and the possible deterioration scenarios of 25% and 50% in the risk variable. To carry out the analysis, the Company uses as a premise of the probable scenario the exchange rate at the end of 2021 disclosed in the last Focus Report - BACEN prior to the close of the period. Based on the probable exchange rate, scenarios of deterioration of 25% and 50% of the risk variable are generated.

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The table below represents the sensitivity analysis involving the net effect resulting from these shocks in the exchange rate. We have decided to keep the swap long leg separate from the short leg in order to make the effect of the derivative more evident.

Operations	Risk	Scenario for dollar rise		
		Scenario (I)	Scenario (II)	Scenario (III)
Swap - Long Leg 375,300	Exchange rate	5.35 348,332	6.69 435,415	8.03 522,497
Debt in US\$ 320,768	Exchange rate	5.35 (297,719)	6.69 (372,148)	8.03 (446,578)
Net position		50,613	63,266	75,919

(f) Capital Management

The Company's debt in relation to Shareholders' Equity for the period ended March 31, 2021 and for the year ended December 31, 2020 is presented below in consolidated data:

	Consolidated	
	March 31, 2021	December 31, 2020
Loans and financing (Note 11)	3,767,598	3,503,750
(-) Cash and cash equivalents (Note 3)	(1,278,475)	(925,341)
(-) Financial Instruments - SWAP (Note 19)	(74,653)	(161,599)
Net debt	4,414,470	2,416,810
Shareholders' Equity	3,257,041	3,204,969
Net debt on equity	0.74	0.75

(g) Offsetting of financial instruments

There are no significant assets or liabilities subject to contractual offsetting as of March 31, 2021, and December 31, 2020.

20 Managers' compensation

(a) Compensation

In accordance with the Corporations Act and the Company's Bylaws, it is the responsibility of the shareholders, at the General Meeting, to set the overall amount of the annual remuneration the directors. It is incumbent upon the Board of Directors to distribute the funds among the directors.

In the periods ended March 31, 2021 and 2020, the total compensation (salaries and profit sharing) of the Company's directors, officers and main executives was R\$ 4,197 and R\$ 3,645, respectively. These amounts of compensations are within the limits approved at the corresponding shareholders' meetings.

The Company and its subsidiaries do not grant post-employment benefits, termination benefits or other long-term benefits to Management and their employees, except for the share option plan described in Note 20 (b).

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(b) Share option plan

The history and the details of the share option plans has not changed in relation to the information presented in the financial statements as of December 31, 2020.

As of March 31, 2021, the number of options granted, which were exercised accumulated from all programs, was 13,359,572 shares (R\$ 115,461), of which 11,218,904 share were from closed programs and 2,140,668 shares from active programs. The total number of shares granted, less the forfeited shares is 16,903,402 shares (R\$ 156,942), of which 12,042,223 were shares of closed programs and 4,861,179 shares of active programs.

Granted options programs with balance of shares to be exercised:

Programs	Granted	Options Forfeited	Options Abandoned	Issued	Balance of shares
6P	5,090,000	2,247,000	1,919,419	866,214	57,367
7P	889,000	379,200	331,174	97,526	81,100
8P	983,000	463,400	52,127	458,813	10,660
10P	1,105,779	554,000	107,779	419,000	25,000
11P	991,010	554,010	20,255	299,115	117,630
Overall Total	9,058,789	4,197,610	2,430,754	2,140,668	289,757

The total of granted shares that were exercised in the last quarters is as follows:

	Shares exercised
December 31, 2018	12,842,762
March 31, 2019	12,901,362
June 30, 2019	13,181,276
September 30, 2019	13,203,276
December 31, 2019	13,208,276
March 31, 2020	13,229,276
June 30, 2020	13,229,276
September 30, 2020	13,359,572
December 31, 2020	13,359,572
March 31, 2021	13,359,572

The assumptions used to calculate each granting, based on the Binominal model, are as follows:

End of Grace Period	Maturity Date	Granted Options	Price of Base Asset	Annual Volatility Expectation	Payment of dividends	Risk-free Interest Rate	Option Estimated Life (years)	Fair value	Quantity Forfeited
04/23/2018	04/23/2028	188,000	R\$ 14.18	46.66%	0.00%	8.94%	0	6.14	13,500
04/23/2019	04/23/2028	188,000	R\$ 14.18	46.66%	0.00%	8.94%	0	6.84	86,000
04/23/2020	04/23/2028	188,000	R\$ 14.18	46.66%	0.00%	8.94%	0	7.41	132,500
04/23/2021	04/23/2028	188,000	R\$ 14.18	46.66%	0.00%	8.94%	0	7.86	132,500
04/23/2022	04/23/2028	188,000	R\$ 14.18	46.66%	0.00%	8.94%	0	8.26	132,500
04/23/2018	04/23/2028	25,505	R\$ 14.18	46.66%	0.00%	8.94%	0	6.14	25,505
04/23/2019	04/23/2028	25,505	R\$ 14.18	46.66%	0.00%	8.94%	0	6.84	25,505
04/15/2017	07/19/2026	208,000	R\$ 15.12	59.18%	0.00%	12.50%	0	6.89	2,000
04/15/2018	07/19/2026	208,000	R\$ 15.12	59.18%	0.00%	12.50%	0	7.89	33,000
04/15/2019	07/19/2026	208,000	R\$ 15.12	59.18%	0.00%	12.50%	0	8.61	153,000
04/15/2020	07/19/2026	208,000	R\$ 15.12	59.18%	0.00%	12.50%	0	9.18	183,000
04/15/2021	07/19/2026	208,000	R\$ 15.12	59.18%	0.00%	12.50%	0	9.64	183,000
04/15/2017	07/19/2026	32,890	R\$ 15.12	59.18%	0.00%	12.50%	0	6.89	0

YDUQS Participações S.A.

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04/15/2018	07/19/2026	32,889	R\$ 15.12	59.18%	0.00%	12.50%	0	7.89	0
04/15/2017	04/15/2027	80,000	R\$ 11.87	54.57%	0.00%	12.93%	0	6.02	20,000
04/15/2018	04/15/2027	80,000	R\$ 11.87	54.57%	0.00%	12.93%	0	6.66	20,000
04/15/2019	04/15/2027	80,000	R\$ 11.87	54.57%	0.00%	12.93%	0	7.14	80,000
04/15/2020	04/15/2027	80,000	R\$ 11.87	54.57%	0.00%	12.93%	0	7.52	80,000
04/15/2021	04/15/2027	80,000	R\$ 11.87	54.57%	0.00%	12.93%	0	7.83	80,000
04/15/2017	05/01/2019	450,000	R\$ 11.87	54.57%	0.00%	12.93%	0	3.17	100,000
04/15/2018	05/01/2020	450,000	R\$ 11.87	54.57%	0.00%	12.93%	0	4.43	100,000
04/15/2016	04/15/2026	196,600	R\$ 13.15	28.80%	0.00%	11.99%	0	5.45	2,000
04/15/2017	04/15/2027	196,600	R\$ 13.15	28.80%	0.00%	11.99%	0	6.42	56,800
04/15/2018	04/15/2028	196,600	R\$ 13.15	28.80%	0.00%	11.99%	0	7.2	81,200
04/15/2019	04/15/2029	196,600	R\$ 13.15	28.80%	0.00%	11.99%	0	7.88	150,200
04/15/2020	04/15/2030	196,600	R\$ 13.15	28.80%	0.00%	11.99%	0	8.47	173,200
04/15/2015	04/15/2025	177,800	R\$ 26.83	28.80%	0.00%	11.99%	0	8.58	16,000
04/15/2016	04/15/2026	177,800	R\$ 26.83	28.80%	0.00%	11.99%	0	9.71	37,000
04/15/2017	04/15/2027	177,800	R\$ 26.83	28.80%	0.00%	11.99%	0	10.64	86,000
04/15/2018	04/15/2028	177,800	R\$ 26.83	28.80%	0.00%	11.99%	0	11.47	104,400
04/15/2019	04/15/2029	177,800	R\$ 26.83	28.80%	0.00%	11.99%	0	12.24	135,800
04/15/2015	04/15/2025	60,000	R\$ 29.16	26.68%	0.00%	11.99%	0	14.48	0
04/15/2016	04/15/2026	60,000	R\$ 29.16	26.68%	0.00%	11.99%	0	15.1	28,000
04/15/2017	04/15/2027	60,000	R\$ 29.16	26.68%	0.00%	11.99%	0	15.74	28,000
04/15/2018	04/15/2028	60,000	R\$ 29.16	26.68%	0.00%	11.99%	0	16.38	28,000
04/15/2019	04/15/2029	60,000	R\$ 29.16	26.68%	0.00%	11.99%	0	16.98	44,000
04/15/2015	08/01/2024	50,000	R\$ 29.16	28.80%	0.00%	11.99%	0	14.43	0
04/15/2016	08/01/2024	50,000	R\$ 29.16	28.80%	0.00%	11.99%	0	15.02	0
04/15/2015	04/15/2025	608,000	R\$ 29.94	26.43%	0.00%	11.99%	0	15.13	0
04/15/2016	04/15/2026	608,000	R\$ 29.94	26.43%	0.00%	11.99%	0	15.76	80,000
04/15/2017	04/15/2027	608,000	R\$ 29.94	26.43%	0.00%	11.99%	0	16.41	602,000
04/15/2018	04/15/2028	608,000	R\$ 29.94	26.43%	0.00%	11.99%	0	17.05	608,000
04/15/2019	04/15/2029	608,000	R\$ 29.94	26.43%	0.00%	11.99%	0	17.65	608,000
04/15/2015	07/04/2024	162,500	R\$ 29.94	28.80%	0.00%	11.99%	0	15.09	0
04/15/2016	07/04/2024	162,500	R\$ 29.94	28.80%	0.00%	11.99%	0	15.69	0
04/15/2014	04/15/2024	265,000	R\$ 16.82	28.80%	0.00%	11.99%	0	5.05	5,000
04/15/2015	04/15/2025	265,000	R\$ 16.82	28.80%	0.00%	11.99%	0	5.79	5,000
04/15/2016	04/15/2026	265,000	R\$ 16.82	28.80%	0.00%	11.99%	0	6.4	19,000
04/15/2017	04/15/2027	265,000	R\$ 16.82	28.80%	0.00%	11.99%	0	6.94	88,000
04/15/2018	04/15/2028	265,000	R\$ 16.82	28.80%	0.00%	11.99%	0	7.43	104,000
04/15/2014	04/15/2024	144,000	R\$ 16.16	39.85%	0.00%	11.02%	0	6.37	0
04/15/2015	04/15/2025	144,000	R\$ 16.16	39.85%	0.00%	11.02%	0	7.02	21,000
04/15/2016	04/15/2026	144,000	R\$ 16.16	39.85%	0.00%	11.02%	0	7.6	102,000
04/15/2017	04/15/2027	144,000	R\$ 16.16	39.85%	0.00%	11.02%	0	8.11	102,000
04/15/2018	04/15/2028	144,000	R\$ 16.16	39.85%	0.00%	11.02%	0	8.58	123,000
04/15/2014	04/15/2024	160,200	R\$ 14.40	33.47%	0.00%	3.90%	0	8.23	7,200

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04/15/2015	04/15/2025	160,200	R\$ 14.40	33.47%	0.00%	3.90%	0	8.35	7,200
04/15/2016	04/15/2026	160,200	R\$ 14.40	33.47%	0.00%	3.90%	0	8.48	7,200
04/15/2017	04/15/2027	160,200	R\$ 14.40	33.47%	0.00%	3.90%	0	8.62	88,200
04/15/2018	04/15/2028	160,200	R\$ 14.40	33.47%	0.00%	3.90%	0	8.75	94,200

In compliance with the provisions of the technical pronouncement CPC 10 (R1), the share-based payments that were open on March 31, 2021, and December 31, 2020, were measured and recognized by the Company.

The Company recognizes the share options granted on a quarterly basis, as a capital reserve with a corresponding counter entry in the statement of income, as general and administrative expenses, in the line item personal and welfare charges. In the period ended March 31, 2021, a provision of R\$ 59 was recognized (reversal of R\$ 270 in the fiscal year ended December 31, 2020). As of March 31, 2021, the provision amounted to R\$ 74,752 (R\$ 74,693 as of December 31, 2020).

The variations in the number of outstanding share options and their corresponding weighted average prices for the period are presented below:

Executive Board

	March 31, 2021		December 31, 2020	
	Average price for the share exercise	Options - millions	Average price for the share exercise	Options - millions
January 1,	13.88	38,000	13.88	149,000
Granted			17.82	21,000
Exercised			15.55	26,000
Forfeited			14.59	64,000
	13.88	38,000	13.10	38,000

Board of directors

	March 31, 2021		December 31, 2020	
	Average price for the share exercise	Options - millions	Average price for the share exercise	Options - millions
January 1,			10.13	65,779
Abandoned			10.13	65,779
			10.13	

(c) Performance Share Program

On October 18, 2018, the special general meeting approved the Company's new Restricted Share Option Program.

The purpose of the Plan is to allow the grant of Restricted Shares to Beneficiaries selected by the Board of Directors, subject to certain conditions, with the objective of: (a) encouraging the expansion, success and achievement of the corporate purpose of the Company and the companies under its control; (b) encouraging better management of the Company and the companies under its control, awarding participants the possibility of being Company's shareholders, thereby encouraging them to optimize all aspects that could value the company in the long term; (c) aligning the interests of the beneficiaries with the shareholders' interests; and (d) encouraging the retaining of managers and employees at the Company or in the companies under its control.

The managers and employees of the Companies or of the company under its control may be elected as plan beneficiaries, as defined by the Board of Directors.

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The total number of restricted shares that may be granted under the Plan may not exceed, together with the options and/or shares granted under other compensation plans based on the Company's shares (which will be considered in the calculation of the total limit established herein), the total limit of 3% of the Company's capital stock on the date of approval of each Program.

The reference price of each restricted share used to define the number of restricted shares granted to each beneficiary will correspond to the weighted average quote of the Company's shares on B3 S.A. during the 30 trading sessions prior to the date of each Program.

Each Program created by the Board of Directors will have a term of five years, and the restricted shares granted will be divided into five equal annual lots, with the vesting period occurring annually.

Exceptionally, with respect to the 1st Program, approved by the Board of Directors in 2018, the vesting period for the first 20% of restricted shares granted ended on April 15, 2019, with the delivery of the respective restricted shares to the beneficiaries within 30 days of the end of the vesting period, so that the vesting period for each of the other lots of 20% will end on April 15 each year, with the delivery of the respective restricted shares within a maximum of 30 days.

For the Restricted Shares Granting Plan, the provision for the program in the fiscal year ended March 31, 2021 is R\$ 8,788 (R\$ 26,045 as of December 31, 2020). The accumulated provision as of March 31, 2021 is R\$ 37,797 (R\$ 29,009 as of December 31, 2020).

As of March 31, 2021, the number of shares granted and delivered was 924,465 shares, and the total shares granted amounted to 6,307,100 shares.

Programs	Granted	Additional shares dividends	Additional shares performance	Shares delivered	Unvested	Cancelled	Forfeited
1P	1,395,500	77,104	40,825	409,712	465,974	48,543	589,200
1P - Cons.	130,000	9,441		139,441			
1P - Esp.	300,000	22,376	16,158	117,812	215,432	5,289	
2P	879,000		41,500	207,500	576,000		137,000
2P - Cons.	98,000				98,000		
2P - Esp.	100,000		5,000	25,000	80,000		
3P	630,000				550,000		80,000
3P - Esp.	200,000				200,000		
4P	100,000		5,000	25,000	80,000		
5P	80,000				80,000		
6P	1,389,600				1,295,600		94,000
7P	445,000				390,000		55,000
8P	460,000				460,000		
9P	100,000				100,000		
Overall Total	6,307,100	108,921	108,483	924,465	4,591,006	53,832	955,200

21 Earnings per share

The table below presents information on the earnings and shares used to calculate basic and diluted earnings per share.

(a) Earnings per share – basic

	2021	2020
Numerator		
Net income for the period	43,225	167,888
Denominator (in thousands of shares)		
Weighted average of the number of outstanding shares	301,281	300,697
Net earnings per lot of 1000 shares - basic	0.14347	0.55833

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(b) Earnings per share - diluted

	<u>2021</u>	<u>2020</u>
Numerator		
period	43,225	167,888
Denominator (in thousands of shares)		
Weighted average of the number of outstanding shares	301,281	300,697
Potential increase in the number of shares due to the stock option plan	<u>225</u>	<u>225</u>
Weighted average of outstanding shares	<u>301,506</u>	<u>300,922</u>
Net earnings per lot of 1000 shares - diluted	<u>0.14336</u>	<u>0.55833</u>

22 Net revenue from services provided

	Consolidated	
	<u>2021</u>	<u>2020</u>
Gross revenues -in-class	1,477,634	1,288,523
Gross revenue - distance learning	<u>579,352</u>	<u>405,722</u>
	2,056,986	1,694,245
Deduction from gross revenue	(974,658)	(770,976)
Grants - scholarships (i)	(895,670)	(710,846)
Refund of monthly tuition fees and charges	(10,058)	(6,155)
Discounts granted (ii)	(17,895)	(2,030)
Taxes	(39,507)	(35,851)
Adjustment to present value - PAR/DIS	(2,436)	(6,764)
FGEDUC	(6,591)	(7,197)
Other	<u>(2,501)</u>	<u>(2,133)</u>
	<u>1,082,328</u>	<u>923,269</u>

(i) Refers to the provision made for court decisions in the amount of R\$ 8.4 (Note 1.5 (i))

(ii) Refers to the punctuality discount of subsidiary Adtalem.

23 Costs of services provided

	Consolidated	
	<u>2021</u>	<u>2020</u>
Personnel and welfare charges	(276,888)	(229,781)
Electricity, water, gas and telephone	(8,066)	(8,389)
Rental, condominium fees and IPTU	(13,193)	(11,039)
Postage and mailbags	(405)	(424)
Depreciation and amortization	(105,668)	(66,428)
Teaching material	(1,072)	(608)
Third-party services - security and cleaning	(12,745)	(14,249)
Other	<u>(38,797)</u>	<u>(17,992)</u>
	<u>(456,834)</u>	<u>(348,910)</u>

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24 Selling, general and administrative expenses

	Parent Company		Consolidated	
	2021	2020	2021	2020
Selling expenses				
Provision for doubtful accounts (Note 4)			(95,411)	(71,842)
Advertising			(132,177)	(88,063)
Sales and marketing			(24,020)	(19,617)
Other			(28)	(27)
			<u>(251,636)</u>	<u>(179,549)</u>
General and administrative expenses				
Personnel and welfare charges	(1,658)	(1,299)	(86,584)	(44,358)
Third-party services	(992)	(679)	(30,787)	(32,947)
Consumables			(418)	(382)
Maintenance and repairs	(20)	(30)	(18,851)	(9,839)
Depreciation and amortization	(9)	(12)	(48,739)	(26,722)
Educational agreements			(5,788)	(4,608)
Travel and accommodation		(10)	(809)	(2,353)
Institutional events			(8)	(55)
Provision for contingencies (Note 17)	(3)		(15,803)	(22,393)
Photocopies and bookbinding			(793)	(730)
Insurance	(2,943)	(1,190)	(3,366)	(2,044)
Cleaning material			(512)	(422)
Transportation	(2)	(1)	(910)	(1,078)
Vehicle rental			(1,265)	(835)
Other	(127)	(112)	(6,307)	(5,509)
	<u>(5,754)</u>	<u>(3,333)</u>	<u>(220,940)</u>	<u>(154,275)</u>

25 Other operating revenues/expenses

	Parent Company		Consolidated	
	2021	2020	2021	2020
Revenues with agreements	755	755	1,139	755
Lease revenues			1,127	2,540
Business intermediation			236	848
Gain on disposal of fixed assets			8,203	208
Provision for losses other revenue			(277)	(304)
Other operating expenses			(4,629)	(3)
	<u>755</u>	<u>755</u>	<u>5,799</u>	<u>4,044</u>

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26 Financial income

	Parent Company		Consolidated	
	2021	2020	2021	2020
Financial revenues				
Late payment fines and interest			11,215	9,971
Revenues from financial investments	2,820	5,744	7,670	10,146
Derivatives fair value (SWAP) (i)	12,923	154,706	12,923	154,706
Tax credits adjustment	299	229	706	1,475
PAR adjustment			3,352	1,427
DIS adjustment			4,115	744
Other		1,032	1,518	1,740
	<u>16,042</u>	<u>161,711</u>	<u>41,499</u>	<u>180,209</u>
Financial expenses				
Bank expenses	(405)	(55)	(2,434)	(3,539)
Interest and financial charges	(29,352)	(13,408)	(33,344)	(20,374)
Adjustment of provision for contingencies (Note 17)	(15)	(4)	(9,595)	(805)
Financial deductions (i)			(29,046)	(39,227)
Negative exchange variation			(2,591)	(1,032)
Interest and exchange variation on loans (SWAP) (i)	(30,807)	(158,832)	(30,807)	(158,832)
Expenses with loans	(5,245)	(113)	(5,245)	(113)
Lease interest - Right of use			(31,927)	(25,989)
Other	(10)	(15)	(1,965)	(687)
	<u>(65,834)</u>	<u>(172,427)</u>	<u>(146,954)</u>	<u>(250,598)</u>

- i. Refers to loans in foreign currency and derivatives contracted to protect the Company from foreign exchange exposure.
ii. Related to discounts granted upon renegotiation of overdue monthly tuition fees.

27 Income by business segment

	In-class courses		EAD (Distance Learning)		Consolidated	
	2021	2020	2021	2020	2021	2020
Gross operating revenue	1,477,634	1,288,523	579,352	405,722	2,056,986	1,694,245
(-) Gross revenue deductions	(692,375)	(584,874)	(282,283)	(186,102)	(974,658)	(770,976)
Net operating revenue	<u>785,259</u>	<u>703,649</u>	<u>297,069</u>	<u>219,620</u>	<u>1,082,328</u>	<u>923,269</u>
Costs of services provided	(401,532)	(321,769)	(55,302)	(27,141)	(456,834)	(348,910)
Personnel	(262,983)	(218,878)	(13,905)	(10,903)	(276,888)	(229,781)
Rental, condominium fees and IPTU	(13,396)	(11,039)	203		(13,193)	(11,039)
Teaching material	(1,405)	(958)	(72)	(74)	(1,477)	(1,032)
Third parties' services and other	(22,847)	(24,592)	(36,761)	(16,038)	(59,608)	(40,630)
Depreciation	(100,901)	(66,302)	(4,767)	(126)	(105,688)	(66,428)
Gross income	<u>383,727</u>	<u>381,880</u>	<u>241,797</u>	<u>192,479</u>	<u>625,494</u>	<u>574,359</u>

Consolidating the strategy plan with the creation of multiband, in 2021, the Company starts to present the result in three generating units, being in-class courses, EAD (Distance Learning) and premium.

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	In-class courses	EAD (Distance Learning)	Premium	Consolidated
Gross revenues	1,253,030	559,372	244,584	2,056,986
Deduction from gross revenue	(663,124)	(269,039)	(42,495)	(974,658)
Net revenue from activities (Note 22)	589,906	290,333	202,090	1,082,328
Costs of the services provided (Note 23)	(233,409)	(55,477)	(62,281)	(351,166)
Personnel and welfare charges	(201,464)	(18,901)	(56,523)	(276,888)
Rental, condominium fees and IPTU	(10,770)	429	(2,853)	(13,193)
Postage and Mailbags	(195)	(173)	(37)	(405)
Teaching material	(652)	-	(419)	(1,072)
Third-party services and others	(20,328)	(36,831)	(2,449)	(59,608)
Depreciation and amortization (Note 23)	(86,931)	(5,376)	(13,361)	(105,668)
Resultado bruto	269,566	229,480	126,448	625,494
Selling expenses (Note 24)	(163,170)	(77,407)	(11,031)	(251,608)
General and administrative expenses (Note 24)	(98,232)	(45,165)	(28,832)	(172,229)
Depreciation and amortization (Note 24)	(26,224)	(15,043)	(7,473)	(48,739)
Other operating revenues/expenses (Note 25)	3,348	2,239	211	5,799
Operating income	(14,711)	94,104	79,324	158,717

28 Income tax and social contribution

The reconciliation of taxes assessed according to nominal tax rates and the amount of tax recorded for the periods ended March 31, 2021 and 2020 are presented below:

	Parent Company		Consolidated	
	2021	2020	2021	2020
Income before income tax and social contribution	43,871	167,866	53,262	174,190
Nominal rate combined from income tax and social contribution - %	34	34	34	34
Income tax and social contribution at legislation rates	(14,916)	(57,074)	(18,109)	(59,225)
Equity accounting method	33,545	61,595		
Non-deductible expenses (i)	(1)		1,160	(195)
Tax loss - not constituted	(18,510)	(4,499)	(20,587)	(5,091)
Other			(150)	1,919
	118	22	(37,686)	(62,592)
Tax benefits				
Tax incentives - PROUNI			28,288	56,090
Tax Incentive - Lei Rouanet			125	200
Current and deferred income tax and social contribution in the income for the period	118	22	(9,273)	(6,302)

(i) Basically consist of expenses for sponsorships, donations and gifts

	Parent Company		Consolidated	
	2021	2020	2021	2020
Current income tax and social contribution			(24,460)	(34,127)
Deferred income tax and social contribution	118	22	15,187	27,825
Income tax and social contribution of previous periods	(764)		(764)	
	(646)	22	(10,037)	(6,302)

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As of March 31, 2021, the Company recorded deferred tax credit from the temporary differences in the amount of R\$ 335,435 (R\$ 322,632 as of December 31, 2020). The breakdown of the tax effect on the temporary additions that gave rise to such credit is as follows:

	Parent Company		Consolidated	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Adjustment to present value			6,130	5,738
Provision for contingencies	107	102	84,419	83,926
Provision for doubtful accounts (PCLD)			89,112	89,941
Monthly tuition fees to be billed / cancelled			25,100	32,581
Provision for retirement			13,668	14,020
Assets Surplus Value Amortization			(25,565)	(31,191)
Provision for Fies Risk			7,294	7,284
Recognized granted options	657	544	51,864	47,598
Leases			44,833	41,933
Business combination			(33,044)	(33,294)
Goodwill incorporated			(11,290)	(11,290)
Depreciation	14	14	9,069	8,025
Foreign exchange variations		2,550		2,550
Tax loss			77,067	62,573
Other assets			(3,223)	2,238
	<u>778</u>	<u>3,210</u>	<u>335,434</u>	<u>322,632</u>
Assets	778	3,210	346,165	326,769
Liabilities			(10,731)	(4,137)
	<u>778</u>	<u>3,210</u>	<u>335,434</u>	<u>322,632</u>

The realization of the deferred tax effect on temporary differences recorded on March 31, 2021, is linked to the realization of the provision which gave rise to this credit. Consequently, it is not currently possible to present expected annual realization, since the Company's management is not yet able to forecast the timing of the realization of the provision for contingencies and the provision for retirement.

As of March 31, 2021 the subsidiary IREP accounted for deferred income tax and social contribution liabilities amounting to R\$ 9,060 due to the tax amortization of goodwill generated upon acquisition of the companies merged into it.

As of March 31, 2021, the Company recorded tax credits arising from income tax loss and social contribution negative base amounting to R\$ 156,533 (R\$ 138,024 on December 31, 2020) that were not yet accounted for, because it is not possible to state at this time that their realization is considered probable.

The deferred income tax and social contribution - assets will be realized according to the expectations of the Management, as follows:

	2021
	Consolidated
2021	12,315
2022	13,025
2023 to 2026	48,588
2027 to 2030	3,139
	<u>77,067</u>

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29 Commitments

The table below presents the required and non-cancelable annual minimum future payments related to the contractual obligations undertaken by the Company as of March 31, 2021 and December 31, 2020.

	Consolidated		
	<u>Less than one year</u>	<u>Between one and five years</u>	<u>More than five years</u>
Commitments as of March 31, 2021			
Campus leases / rental agreement	467,630	1,702,051	957,027
Commitments as of December 31, 2020			
Campus leases / rental agreement	554,292	1,731,253	912,201

* * *