

ESTÁCIO PARTICIPAÇÕES S.A.

Publicly-Held Company
Corporate Taxpayer's ID (CNPJ ME) 08.807.432/0001-10
State Registry (NIRE) 33.3.0028205-0

MATERIAL FACT**Acquisition of Adtalem**

Estácio Participações S.A. ("Company"; "YDUQS") - (B3: YDUQ3; OTC: YDUQY), pursuant to art. 157, §4 of the Law No 6,404/76 ("Brazilian Corporation Law") and in compliance with CVM instruction No. 358, hereby informs the market and the general public that, on October 18, 2019, its wholly-owned subsidiary Sociedade de Ensino Superior Estácio de Sá LTDA ("SESES") has executed a share purchase agreement to acquire 100% of Adtalem Brasil Holding S.A. ("Adtalem" and "Transaction", respectively).

The acquisition is transformational for the history of YDUQS, as it enables a significant expansion of the Company operation horizons. The combination of scale, investment capacity, technology and quality will lead to the creation of a unique operation that will transform higher education in Brazil.

More details regarding the Transaction, as follows:

Asset Description: Adtalem is the 10th largest private higher education group in Brazil with 102,000 enrolled students, 20 campuses and more than 180 distance learning centers all over the country, offering undergraduate, graduate, MBA and preparatory courses. Adtalem owns the brands Ibmec, Wyden (FMF, Unimetrocamp, Facid, UniFBV, Facimp, UniRuy, Área 1, Unifavip, Unifanor and Faci), Damásio Educacional, SJT Med and Clio.

Quality: Adtalem's institutions enjoy academic excellence, distinguished quality and brand recognition. Ibmec has a premium positioning, has been elected the best private business school in the country by the Student's Guide magazine for the last three years and enjoys relevant credentials such as an indication stamp from the Brazilian Bar Association (OAB) for its law courses. Wyden institutions are among the top three scores in IGC metric where it operates, with all of its courses ranked above 4 by the Ministry of Education. Damásio in turn, has one of the highest approval ratings in Brazilian Bar Association exams (law practice) and public tenders.

Distance Learning (DL): Adtalem has more than 180 distance learning centers, the vast majority being owned by partner franchisees.

Medical School: Adtalem has been awarded with two new Medical Schools under the "Mais Médicos II" Program (Ji-Paraná/RO and Açailândia/MA). The institutions selected by

the Ministry of Education will be allowed to offer 50 seats per year in each city. Adtalem currently operates a medical school (Facid) with approximately 580 students, 110 authorized seats per year and score 4 Course Concept.

Transaction Rationale: In addition to relevant operational synergies, Adtalem's acquisition objective is to transform YDUQS, allowing us to have a broader approach to education and an increased focus on accelerating growth. Besides more than 102,000 students, the transaction adds strong and complementary brands to YDUQS' portfolio, as well as valuable capabilities. We see in Adtalem's team the ideal partners to take a new step on the pedagogical vanguard of DL – further accelerating its expansion – and enriching our medicine and post-graduate courses. We also identify significant geographic complementarity, strengthening our presence in the North and Northeast regions. Acquired brands will be preserved.

Transaction Value and Payment Consideration: The Transaction consists in the acquisition of 100% of Adtalem's shares for an enterprise value of R\$ 1.92 billion ("EV"), plus the pro forma net cash position of R\$305 million in Adtalem as of June 30, 2019. The total amount shall be paid in cash due at closing. The Transaction's value includes a locked-box mechanism in which all cash generated from Adtalem's operations between June 30, 2019 and the closing date will remain in the acquired company. The price of the Transaction will be paid with a combination of existing cash and financing instruments.

Value Creation: The Transaction implies an EV/EBITDA multiple of 10x, based on the last 12 months ex-IFRS 16 EBITDA ended in June 30, 2019 and an EV/Student of R\$18.8 thousand.

Inapplicability of article 256 of Brazilian Corporation Law and Withdrawal Right: the Transaction will not be made by the Company, but by SESES, and thus, the approval of the Company's shareholders is not necessary under the terms of item 7.3, page 135 of the Circular Letter/CVM/SEP/nº3/2019, and no withdrawal right to the Company's shareholders is applicable.

Closing Conditions: The Transaction is not subject to any Company's shareholder vote, but is subject to customary precedent conditions and approval by the Administrative Council for Economic Defense - CADE.

Rio de Janeiro, October 21st 2019

Gustavo Zeno

CFO and Investor Relation Officer