

ESTÁCIO PARTICIPAÇÕES S.A.

Publicly Held Company

Corporate Taxpayer's ID (CNPJ/MF) 08.807.432/0001-10

State Registry (NIRE) 33.3.0028205-0

NOTICE TO THE MARKET

Clarifications on news published in the press on November 26, 2019

To the CVM – Brazilian Securities and Exchange Commission

Mr. Fernando Soares Vieira – Corporate Relations Head Office

To the B3 S.A. – Brasil, Bolsa, Balcão

Mrs. Ana Lucia da Costa Pereira - Listing and Supervision Superintendence of Issuers

Ref.: Official Letter Nr. 295/2019/CVM/SEP/GEA-2 and Official Letter Nr. 1047/2019-SLS

Estácio Participações S.A. (“Yduqs” or “Company” - B3: YDUQ3; OTC: YDUQY) hereby clarifies, pursuant to (i) Official Letter Nr. 295/2019/CVM/SEP/GEA-2, sent by the Brazilian Securities and Exchange Commission (“CVM”) on November 26, 2019, and (ii) Official Letter Nr. 1047/2019-SLS, sent by B3 S.A. – Brasil, Bolsa, Balcão (“B3”) on November 27, 2019 (“**Official Letters**”), both transcribed respectively in Exhibit I and Exhibit II of this Notice and related to the news published on November 26, 2019, in the Valor Econômico newspaper, under the title “*Acquisition of the Owner of Ibmecc will Advance Plans, says the CEO of Yduqs*” (“**News**”), based entirely on the information disclosed in the presentation to analysts and market agents (Investors Day) held on the same date (“**Investors Day Presentation**”).

Initially, we note that the Investors Day Presentation was widely publicized both through a Notice to the Market before the market opening on November 26th, and featured on the front page of the Company’s Investor Relations website (<https://www.yduqs.com.br/>).

Notwithstanding the disclosure of the Presentation in compliance with the requirements of this Autarchy, it should be clarified that the information was not considered as a Material Fact by Company since there were no projections, as per Item 14 of Official Letter/CVM/SEP/0001/2008 and CVM Instructions 358/2002 and 202/93. The presentation included plans drawn up by the Company and directly conditioned to the pending approval of Adtalem’s acquisition of by CADE, as disclosed in the Material Fact of October 21, 2019.

That said, answering the inquiries presented in the Official Letters, the ambitions indicated therein are true and are consistent with all management information widely disclosed by the Company through the following documents:

(i) Yduqs' financial and operating results publicly disclosed in its quarterly financial report for the 3rd quarter of 2019 ("3Q19"), as well as the respective earnings release (**Presentation on the 3Q19 Earnings**);

(ii) results and other information on Sociedade de Ensino Superior Toledo Ltda. ("UniToledo"), disclosed by the Company to the market on September 12, 2019, through (a) a Material Fact and (b) a Notice to the Market with a presentation detailing the main aspects involved in UniToledo's acquisition.

(iii) results and other information on Adtalem Brasil Holding S.A. ("Adtalem"), disclosed by the Company to the market on October 21, 2019 through (a) a Material Fact and (b) a Notice to the Market with a presentation detailing the main aspects involved in Adtalem's acquisition ("**Adtalem Presentation**").

The potential impacts of these acquisitions on Yduqs' operations and results were disclosed and commented by the Management in the 3Q19 Notes, as well as in the **Presentation on the 3Q19 Earnings**, in more detail.

I. EBITDA

As shown in **Slide 11** of the **Presentation on the 3Q19 Earnings**, UniToledo's EBITDA (R\$0.013 billion) plus Adtalem's EBITDA (R\$0.191 billion) at the end of 2018, plus the Company's YTD EBITDA up to the 3rd quarter of 2019 (R\$1.3 billion in IFRS 16), reaches R\$1.5 billion.

This includes the synergies ¹of UniToledo's and Adtalem's operations, conservatively estimated at R\$0.090 billion, already disclosed in **Slide 9** of the **Presentation of UniToledo's M&A** and in **Slide 10** of **Presentation of Adtalem's M&A**, respectively.

Finally, the consolidated EBITDA of the Company, Adtalem, and UniToledo, already considering the said synergies and other synergies of the current operations, must add the EBITDA of 0.153 billion of the Medicine Course, which considers the base of 8,700 students disclosed in **Slide 10** of the **Presentation on the 3Q19 Earnings**; therefore, the Company's consolidated EBITDA would reach R\$2 billion.

II. 50% INCREASE IN THE OPERATING EBITDA OF THE ON-CAMPUS SEGMENT

Analyzing the **Presentation on the 4Q18 Earnings (Slide 26)**, **1Q19 Earnings (Slide 26)**, **2Q19 Earnings (Slide 25)** and **3Q19 Earnings (Slide 26)**, the Company's YTD EBITDA reached the current level of R\$0.54 billion LTM, considering the exclusion of expenses with general and administrative expenses (G&A) and sales and marketing expenses (S&M).

¹Mainly expenses with corporate personnel, suppliers and scale gain.

UniToledo's and Adtalem's YTD EBITDA of on-campus operations reached the level of R\$0.294 billion LTM; therefore, this increase in the Company's operation will positively impact the EBITDA by 54%.

III. REACHING THE MILESTONE OF 1 MILLION STUDENTS

Regarding the number of students, the plan to reach 1 million, mentioned in the News, is also in line with the data indicated by the Company in **Slide 11 of the Presentation on the 3Q19 Earnings**, which shows the Company's current number of students (575,000), as well as the number of students if the acquisition of Adtalem materializes, i.e. 682,000 students.

The expansion in distance learning increases by **274,000** students, reaching the milestone of 1 million students when considering the Distance Learning's expansion, widely disclosed, as well as (i) the survey of 1,519 municipalities to expand distance learning centers, disclosed in **Slide 4 of UBS Education Day Presentation**; (ii) the Company's operations in 542 cities to date (Slide 9 of the Presentation on the 3Q19 Earnings); (iii) the average number of 200 students per distance learning center; and (iv) the current average number of 1.4 centers per municipality.

IV. OPENING 2,000 DISTANCE LEARNING TEACHING CENTERS

As mentioned in Item III above and in **Slide 4 of UBS Education Day**, 1,519 municipalities were mapped for the expansion of Distance Learning centers, of which 977 are being opened.

Currently, as shown in **Slide 9 of the Presentation on the 3Q19 Earnings**, the Company has 747 Distance Learning centers in operation and Adtalem has 181 others.

Considering (i) the number of current Distance Learning centers of the Company and Adtalem, and (ii) plus the number of 977 municipalities mapped for expansion, we reach 2,000 distance learning centers, as disclosed.

As can be seen, all information in the News refers to the Company's expansion plan to increase its results and operations, which was widely and publicly disclosed through a several documents available on CVM's and B3's electronic systems and on the Company's Investor Relations website, and are in line with the Company's management results and data.

Although our Policy for Disclosure of Material Act or Fact, disclosed on October 19, 2018, includes an optional provision to disclose projections (Article 4.7. and following), the Company does not usually disclose projections, as stated in the Reference Form, released on May 30, 2019:

Projections Disclosed and Assumptions - Not applicable, considering that, on the date of this Reference Form, the Company does not disclose projections.

Furthermore, it should be noted that both the Reference Form published in 2017 and the Material Fact of December 3, 2017, stated that:

Projections disclosed and assumptions - In compliance with the provisions of Official Letter/CVM/SEP/Nr.01/2017 and, as per the Material Fact published on December 3, 2012, the Company's Management opted to discontinue the disclosure of financial projections ("guidance") in this Section, considering need to align its policy on the disclosure of the guidance with the procedures adopted by its independent auditors and other consultants in the context of public offerings of securities issued by the Company in Brazil and abroad, in compliance with CVM Instruction 400.

Therefore, we reinforce, as highlighted above, that the Company:

- (i) does not make projections under current regulations;
- (ii) has been duly disclosing its expansion plans; and
- (iii) has merely **consolidated** in the **Investors Day Presentation** the management's numbers already widely disclosed in several of the Company's presentations, as shown in this answer and with the purpose of bringing more **transparency** to the market.

The Company reinforces its commitment to keep its shareholders and the market in general informed of any material matter of interest to the market, pursuant to the applicable law.

Rio de Janeiro, November 28, 2019.

Eduardo Haiama
CFO and Investor Relations Officer