

EARNINGS RELEASE

1Q21

YDUQS



May 12th, 2021

YDUQ
B3 LISTED NM



Índice
Brasil 50 **IBRX 50**

Índice de
Ações com Governança
Corporativa Diferenciada **IGC**

Índice de
Ações com Tag Along
Diferenciado **ITAG**

YDUQ3 | YDUQY B3 ADR

Rio de Janeiro, May 12th, 2021 - **YDUQS Participações S.A.**, one of the largest private organizations in Brazil's higher education private sector, presents its **results for the first quarter of 2021**.

The Company's financial information is presented based on the consolidated numbers, in Brazilian Reais, in accordance with the Brazilian Corporation Law and the accounting practices adopted in Brazil (BRGAAP), already in accordance with the International Financial Reporting Standards (IFRS).

The consolidated results account for Adtalem Brasil Holding Ltda. as from May 2020 and Grupo Athenas Educacional as from August 2020, except when specified.

This document may have forward looking statements that are subject to risks and uncertainties that lead such expectations to not materialize or substantially differ from expectations. These forecasts express the opinion only for the date they were made, and the Company does not undertake to update them in the light of new information.

EARNINGS CONFERENCE CALL

May 13th, 2021 | 8:00 a.m. (EST)

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[Click here for the WebCast](#)

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The first quarter of 2021 shows that we have been able to overcome the most severe stage of the crisis brought by the pandemic and, once again, reinforces the value and how solid our long-term strategic plan, based on Medicine, Digital Learning and acquisitions. These three pillars led YDUQS to grow its student base (by 13.3% between 1Q20 and 1Q21) and revenue (by 18%, in the same comparison), and they have also been fundamental to maintain the Company's good financial health. We are turning the page on the pandemic hitting record numbers in student and faculty satisfaction, advancements in teaching and operational improvements. Looking ahead, we expect Medicine and Digital Learning to continue on full steam, envisioning a much better intake for on-campus segment in the second quarter, and we can predict new leaps in the ESG and digital technology applied to education fronts.

This report's figures show YDUQS's significant performance improvement since the beginning of the pandemic, and we are almost free from last year's non-recurring effects (amounting to about R\$450.00 million). The impact of these effects in this quarter was at approximately R\$13 million. The effect from laws and court decisions on tuition fees was also residual in the quarter (less than 10% of the amount recorded in the last quarter of 2020) and, most importantly, our Bad Debt is stable, at 11%, including discounts over net revenue. The worst moment is, indeed, behind us.

Our historic capital allocation discipline and the company's long-term strategy, anchored on growth segments and profitability that are benchmarks in the sector, continue to show their quality and robustness. Acquisitions were pivotal for preserving student base during the pandemic and add much value. Digital learning doubled its size in two years, both in number of students and revenue, and the network of centers increased by almost 60% in a year marked by all kinds of restrictions. Our Premium operations were up by almost 180% in student base. Combined, Digital Learning and Premium segment keep growing in share in the composition of the group's net revenue, already accounting for almost half of YDUQS's total net revenue. These figures show how much a good portfolio provides us resilience and protects us during crisis.

YDUQS is in good shape, both economically and operationally speaking. Adjusted EBITDA for the quarter (R\$326 million) returned to pre-Covid levels and we ended the period with over R\$300 million in operating cash generation (thus, 92% conversion). Our cash amounts to R\$2.0 billion with a healthy leverage, at 1.3x net debt/EBITDA. The Company is strong and remains growing in the teaching front. In the midst of the most severe crisis of all time, we increased NPS in all teaching segments, with no exceptions (+17 p.p. in on-campus and +21 p.p. in digital learning). The level of satisfaction and engagement of our faculty, which shined in adapting to their real-time classes on the web, was also up by 2 p.p., reaching 76% satisfaction at the workplace and the company's perspectives.

The reduction in government student loans, known as "Fies effect", has masked the combined strength of our three strategic pillars for years. We have overcome this crisis - today, Fies student base is stable at 20 thousand enrollments. Then came the pandemic, and we were able to, once again, rely on our strategic strengths to overcome it. For now on, Medicine's constant growth (most of it already contracted), the strength of the best Digital Learning in the market combined with future acquisitions will keep accelerating our growth, now in a much more visible way. Part of the intake effects during the first cycle of the year - outside usual schedule - will only show in 2Q21 results and we will have a much more favorable mid-year intake, especially for the on-campus segment. Lastly, we have the great task of reorganizing and amplifying the way we communicate our advances in our ESG agenda. They are activities that have been part of our daily routine for over 50 years, already organized in a system with proper metrics and goals, and which will be leveraged with more efficient engagement and results reporting processes. In the digital technology applied to teaching front we have not stopped moving forward - among the deliveries of the period are a new digital platform, already in use by more than 100 thousand students, new generations of the student and faculty apps, which are rated the best in the sector, and many projects related to the Aura model, our pioneering work in the insertion of the digital in the on-campus experience.

In addition to having a solid strategy, we gather at YDUQS a team capable of not only executing it with discipline and focus, but also of promoting the necessary adjustments to provide quick and effective responses to external changes. The barriers that made it difficult to see, in their fullness, our growth, are falling, one by one. We thank all of you who have followed and supported us in this journey.

Eduardo Parente
CEO

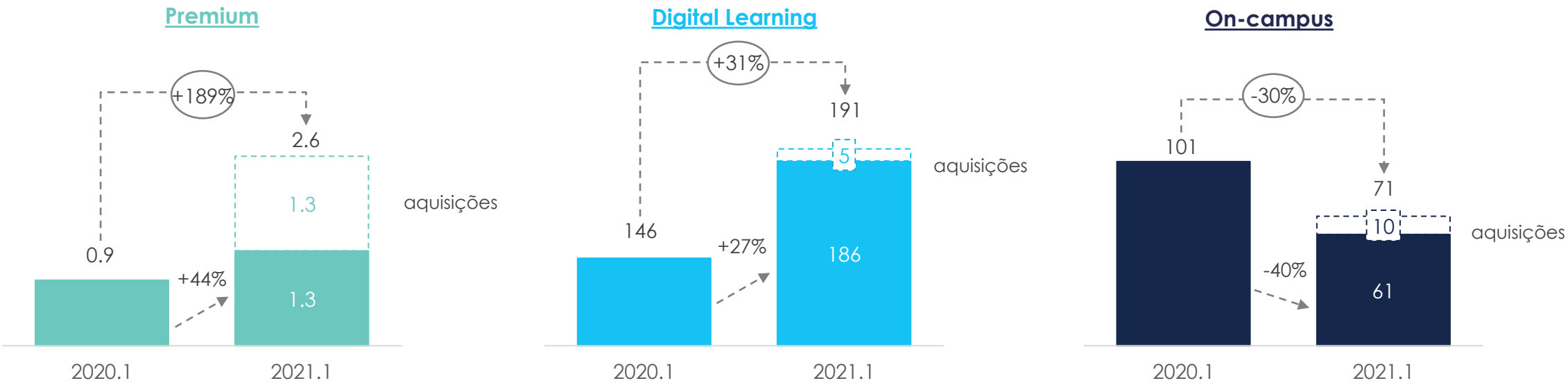
Medicine and Digital Learning organic growth

Thousand students	2020.1 ⁽¹⁾	2021.1	Δ%	2021.1 (ex-acquisitions)	Δ%
Premium	0.9	2.6	189%	1.3	44%
Digital Learning	146	191	31%	186	27%
On-campus	101	71	-30%	61	-40%
Total	248	265	7%	248	0.2%

2021.1 Intake up by 7% YoY

Even in face of an adverse scenario (pandemic, delay in ENEM examination, etc.), intake increased as a result of medicine and digital learning organic growth, in addition to acquisitions.

Intake
(Thousand students)



(1) 2020.1 figures do not include intake from the acquired companies as from May/2020.
(2) Intake considers the period of October-April.



Premium

- We reached the **6 thousand medicine undergraduate students mark**. New expectation for 2021 year end: 6.2-6.6 thousand students
- Medicine **Average Ticket** increase (+5% YoY)
- Premium **EBITDA Margin** at 53%
- **Renewal Rate** +2.8 p.p. vs. 1Q20
- **IDOMED**: New brand identity for medicine



Digital Learning

- **Net Revenue** doubled in 2 years and was up by 38% vs. 1Q20
- **Undergraduate Student base** doubled in 2 years and was up by 30% vs. 1Q20
- **Renewal Rate** +0.3 p.p. vs. 1Q20
- **Centers continue to expand** (+58% vs. 1Q20), and 76% of them are still maturing. 2,000 centers expected for 2021



On-campus

- **Average Ticket** increased by 4% vs 1Q20
- **Renewal rate** shows stability given the pandemic scenario, with a 0.2 p.p. increase
- **Aura**: 43% of students having access to EnsinMe content
- **Chance in student mix**: Third consecutive year of increase in the share of health courses, increasing from 30% to 42% of the total student base

YDUQS



Mandatory discounts related to laws and court decisions have only a **residual impact**



Bad Debt + discounts (as a % of Net Revenue) at a **stable level**



NPS Improvement⁽¹⁾
Apr/21 YTD
On-campus: +17 p.p.
Digital Learning: +21 p.p.



Solid Capital Structure and low leverage



Acquisitions: More than R\$95 million⁽²⁾ captured in synergies



Larger share of Premium and Digital segments, accounting for 46% of Net Revenue

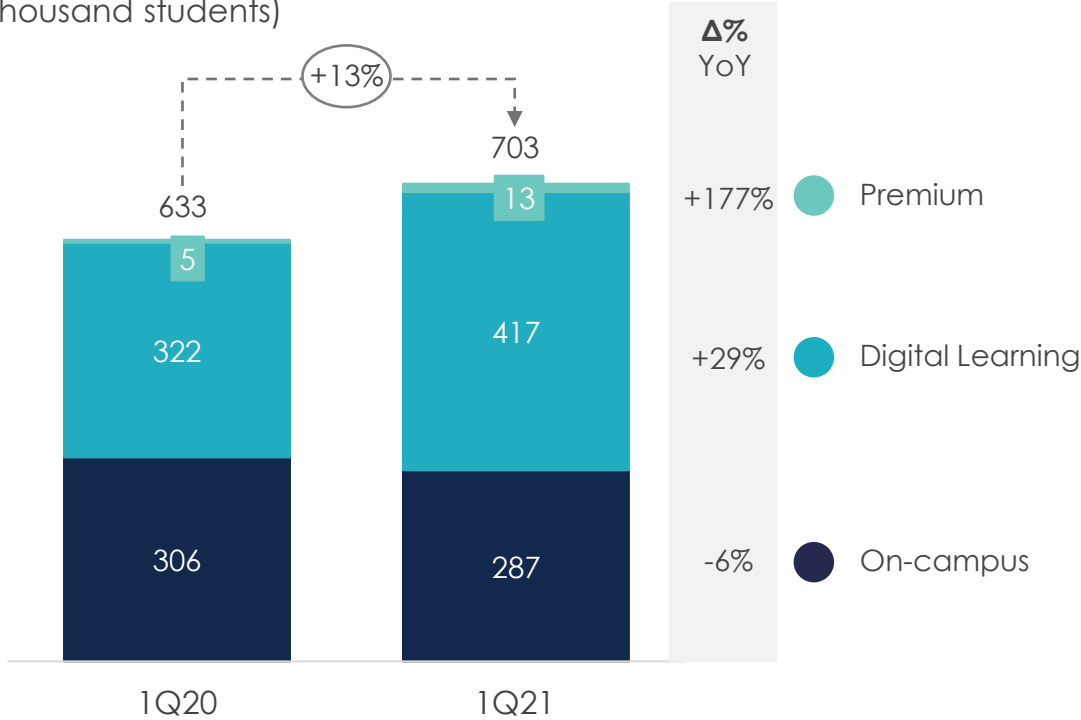
OPERATIONAL DATA

YDUQS



Total (thousand students)	1Q20	1Q21	Δ %
Total Base	632.5	716.5	13.3%
On-campus	305.8	286.6	-6.3%
Digital Learning	322.2	417.2	29.5%
Undergraduate	248.2	322.3	29.9%
Lifelong	74.0	94.9	28.1%
Premium	4.6	12.7	176.9%
Medicine	4.6	6.5	42.7%
IBMEC	0.0	6.1	n.a.
Total Base(ex-FIES)	606.2	693.5	14.4%
Total Base(ex-acquisitions)	632.5	634.8	0.4%
FIES	26.3	23.0	-12.6%
DIS	299.3	320.1	7.0%
On-campus	130.9	125.7	-4.0%
100% online	134.8	153.2	13.6%
Flex	33.6	41.2	22.8%
PAR	9.2	5.1	-44.4%
Campi (ex-shared) ⁽¹⁾	95	112	17.9%
On-campus	80	97	21.3%
Premium	19	21	10.5%
Shared with on-campus	4	6	50%
Centers	1,015	1,601	57.7%

Total student base
(Thousand students)



New student base breakdown

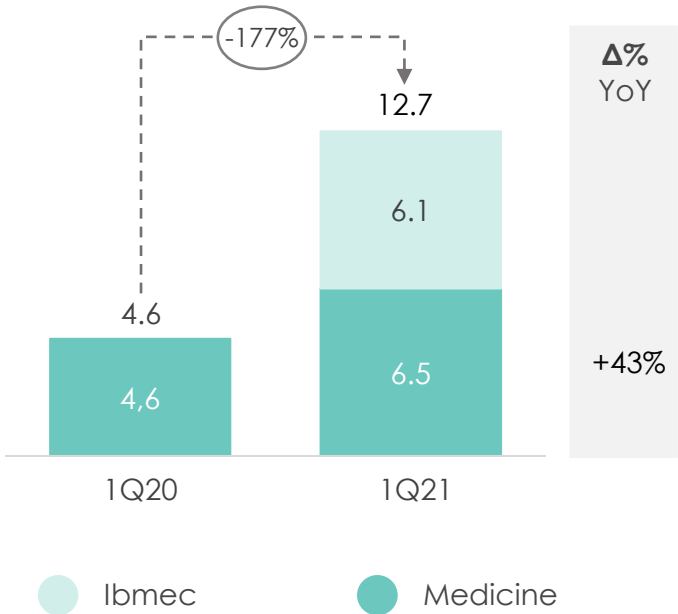
- **On-Campus:** On-Campus and Semi on-campus undergraduate student base, Masters and Doctorate Degrees (excluding premium).
- **Digital Learning:** Digital Learning undergraduate + Lifelong student base.
- **Premium:** Medicine + Ibmec student base.

(1) It considers campi with individual management, that is, if there are 2 campi nearby or with complementary operations, which have the same management, it is considered only one campi.

Premium (Thousand students)	1Q20	1Q21	Δ %
Premium Total	4.6	12.7	176.9%
Medicine	4.6	6.5	42.7%
Undergraduate	4.3	6.0	38.8%
FIES	1.0	1.2	18.2%
Graduate	0.2	0.5	113.0%
IBMEC	0.0	6.1	n.a.
Undergraduate	0.0	5.2	n.a.
FIES	0.0	0.2	n.a.
Graduate	0.0	1.0	n.a.
Premium Total (ex-FIES)	3.6	11.3	214.1%
Premium Total (ex-acquisitions ⁽¹⁾)	4.6	5.6	22.3%

Campi ⁽²⁾	19	21	10.5%
Thousand students/Campi	0.2	0.6	150.6%

Detailed Premium Base
(Thousand students)



The **Premium** segment posted strong results, ending 1Q21 with 13 thousand students, which represents an expressive 177% jump compared to the same period of the previous year. This result was impacted by the acquisitions, given that **Ibmec student base**, which ended the quarter at 6.1 thousand students, comes from the acquisition of Adtalem, and also by the **medicine** course's results.

Almost 2 thousand Medicine students have been added to the base (vs 1Q20), which totaled 6.5 thousand students (6 thousand undergrad students and 0.5 thousand graduate students), up by 43% vs 1Q20. For 2021, we have additional 100 **qualified seats** at the Iguatu and Ji-paraná units awaiting MEC final authorization to begin the intake cycle. Besides those seats, there is the possibility of up to +200 seats considering seat increase in Alagoinhas and Jaraguá do Sul. We also have a potential for +200 seats, not yet qualified, from the acquisition of Athenas group, which are currently under judicial and administrative processes. We expect to **end 2021 with a Medicine undergraduate student base ranging from 6.2 to 6.6 thousand students.**



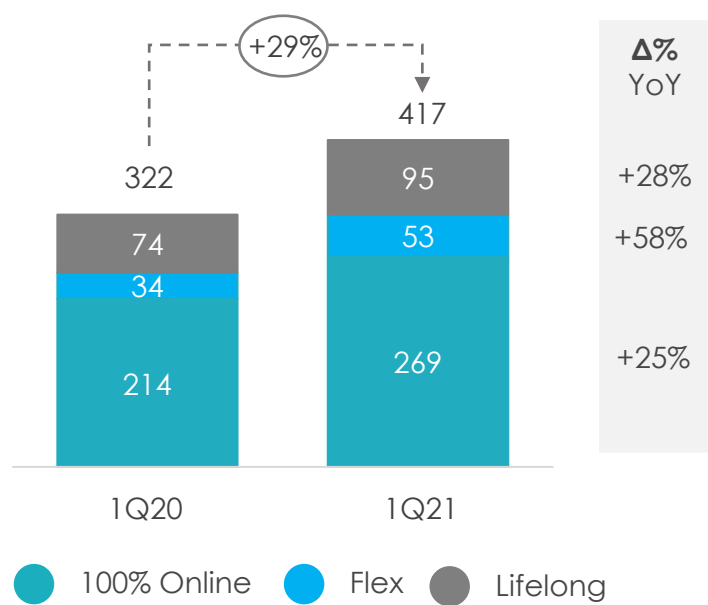
(1) Refers to the acquisitions of Adtalem (as from May/20) and Athenas (as from Aug/20).
(2) Number of campi includes units shared with other on-campus courses (1Q20: 4 units | 1Q21: 6 units).

Digital Learning (Thousand students)	1Q20	1Q21	Δ %
Digital Learning Total	322.2	417.2	29.5%
Undergraduate	248.2	322.3	29.9%
100% online	214.4	268.9	25.4%
Flex	33.8	53.4	58.3%
Lifelong	74.0	94.9	28.1%
Digital Learning (ex-acquisitions) ⁽¹⁾	322.2	381.3	18.3%

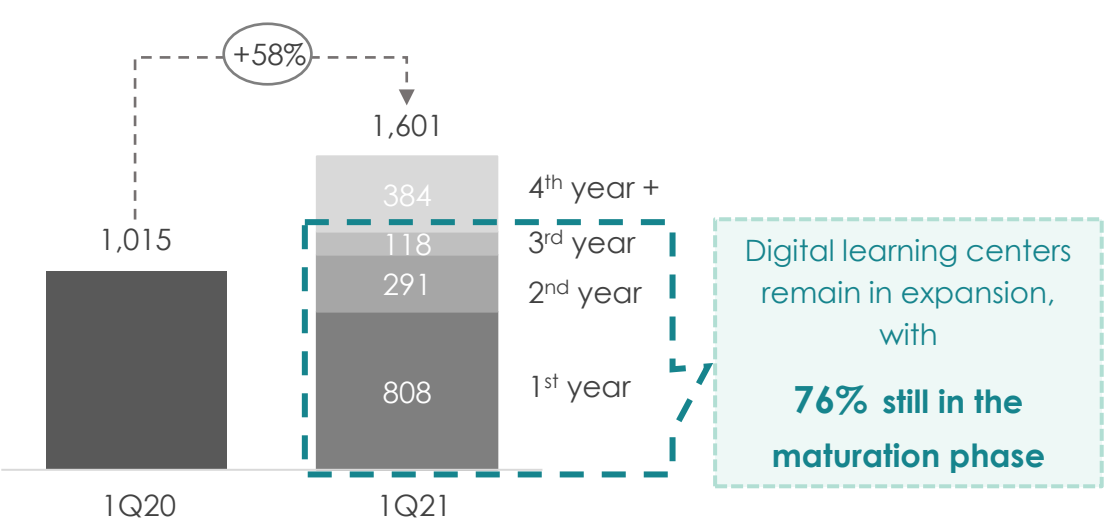
Digital Learning reached 417 thousand students by the end of 1Q21, once again recording strong growth of +29% vs 1Q20. One of the factors that resulted in this growth was the **centers' strong growth pace**, which were up by 58% vs. 1Q20, and also the 31% increase in intake. The **maturation of centers** has also played an important part in this result, considering that 76% of them are still maturing, meaning they do not have 4 years of operations yet. **Excluding acquisitions**, Digital Learning student base would have increased by +18% vs. 1Q20.

These excellent numbers are a result of the company's efforts to continue focusing on the **development and improvement of its digital platforms**, investing even further in **technology and digital transformation**.

Detailed Digital Learning base (thousand)



Number of Centers (# centers)

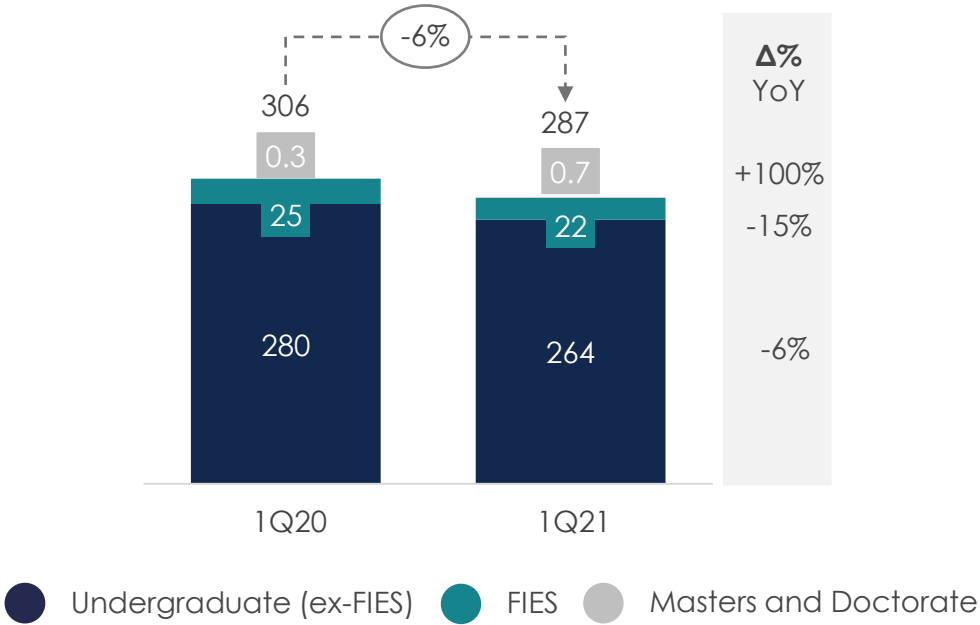


(1) Refers to the acquisitions of Adtalem (as from May/20) and Athenas (as from Aug/20).

On-campus (Thousand students)	1Q20	1Q21	Δ%
On-campus Total	305.8	286.6	-6.3%
Undergraduate Ex-FIES	280.1	264.3	-5.6%
Undergraduate	305.4	286.0	-6.4%
On-campus	286.6	268.1	-6.4%
FIES	25.4	21.6	-14.7%
Semi on-campus	18.8	17.8	-5.4%
Masters and Doctorate	0.3	0.7	100.6%
On-campus Total (ex-FIES)	280.4	265.0	-5.5%
On-campus Total (ex-acquisitions) ⁽¹⁾	305.8	247.9	-18.9%

Campi	80	97	21.3%
Thousand students/Campi	3.8	3.1	-19.3%

Detailed on-campus base
(Thousand students)



The **On-Campus** segment (excluding premium) was down by 6.3% vs. 1Q20, ending 1Q21 at 287 thousand students. This drop can be explained by some factors such as the increasing **drop in FIES student base** (FIES student base was down by 15% vs. 1Q20 and ex-FIES student base by 5.5%) and the **delay in the ENEM examination**. Due to the ENEM examination postponement and the subsequent delay in announcing the results, the company’s usual intake period was extended, hurting the final student base for 1Q21. In terms of intake, which directly impacts final student base, we note that the usual seasonality of the sector was impacted by this delay.

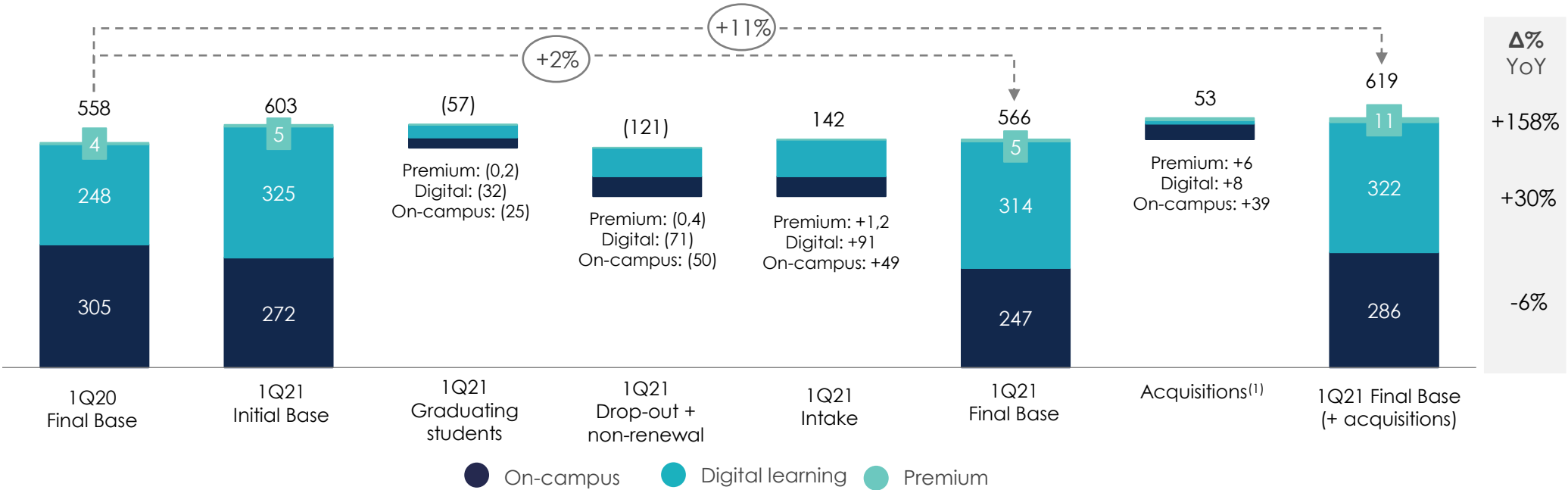
Furthermore, acquisitions have offset on-campus student base. **Excluding the acquisitions effect**, student base would have dropped by 19% compared to the same period in the previous year.

(1) Refers to the acquisitions of Adtalem (as from May/20) and Athenas (as from Aug/20).

CHANGES IN THE UNDERGRADUATE BASE

Only Estácio + Unitoledo undergraduate

(thousand students)	Initial base	Graduating students	Drop-out + non-renewal	Intake	1Q21 Final Base (Estácio + Unitoledo)	Acquisitions	1Q21 (including acquisitions)
Undergraduate	602.6	(57.2)	(120.7)	141.7	566.4	53.0	619.5
Premium	4.7	(0.2)	(0.4)	1.2	5.3	5.9	11.2
Medicine	4.7	(0.2)	(0.4)	1.2	5.3	0.8	6.0
IBMEC	-	-	-	-	-	5.2	5.2
Digital Learning	325.5	(32.0)	(70.5)	91.0	314.0	8.4	322.3
100% Online	277.6	(31.7)	(54.0)	68.6	260.5	8.4	268.9
Flex	47.9	(0.3)	(16.5)	22.4	53.4	0.0	53.5
On-campus	272.5	(25.0)	(49.8)	49.5	247.2	38.7	286.0
On-campus	255.4	(23.3)	(46.8)	44.1	229.4	38.7	268.1
Semi on-campus	17.1	(1.7)	(3.0)	5.4	17.8	-	17.8



(1) Refers to the acquisitions of Adtalem (as from May/20) and Athenas (as from Aug/20).

AVERAGE TICKET⁽¹⁾

PREMIUM

	Undergraduate Medicine			Undergraduate IBMEC		
	1Q20	1Q21	Δ%	1Q20	1Q21	Δ%
Adjusted Average Ticket ⁽²⁾	8,404.8	8,813.5	4.9%	-	2,657.4	-
Average Ticket (R\$/month)	8,404.8	8,354.3	-0.6%	-	2,657.1	-

DIGITAL LEARNING

	Total Undergraduate			100% Online			Flex		
	1Q20	1Q21	Δ%	1Q20	1Q21	Δ%	1Q20	1Q21	Δ%
Adjusted Average Ticket ⁽²⁾	244.3	239.9	-1.8%	217.4	207.5	-4.5%	414.9	403.0	-2.9%
Average Ticket (R\$/month)	244.3	239.9	-1.8%	217.4	207.5	-4.5%	414.9	403.0	-2.9%

ON-CAMPUS

	Total Undergraduate			On-campus Undergraduate			On-campus Undergraduate (ex-FIES)			Semi on-campus Undergraduate		
	1Q20	1Q21	Δ%	1Q20	1Q21	Δ%	1Q20	1Q21	Δ%	1Q20	1Q21	Δ%
Adjusted Average Ticket ⁽²⁾	657.2	686.1	4.4%	669.6	698.2	4.3%	642.3	683.4	6.4%	446.8	478.0	7.0%
Average Ticket (R\$/month)	657.2	686.0	4.4%	669.6	698.0	4.2%	642.3	683.3	6.4%	446.8	478.0	7.0%

In 1Q21, the mandatory discounts determined by law and court decisions have mostly impacted the medicine course. Even so, the **medicine undergraduate average ticket** was in line with 1Q20 and ended the quarter at R\$8,354/month (-0.6% YoY). However, excluding these discount effects, average ticket would have been up by 4.9% vs. 1Q20.

Digital learning undergraduate average ticket was slightly down by 1.8% vs. 1Q20, ending the quarter at R\$240/month.

On-campus undergraduate average ticket ended 1Q21 at R\$686/month, up by +4.4% YoY. It is important to highlight that on-campus undergraduate average ticket (ex-semi on-campus and FIES) was up by 6.4% YoY, which resulted in a +4.3% YoY increase in on-campus undergraduate average ticket (ex-semi on-campus). Excluding the acquisitions effect, on-campus undergraduate average ticket (ex-semi on-campus) was stable (-0.3% YoY).



(1) Average ticket = Net revenue for the period x 1.000 / 3/ weighted student base considering acquisitions.
(2) Excluding the impact of discounts from laws and court decisions.

FINANCIAL DATA

YDUQS



INCOME STATEMENT

(R\$ million)	1Q20	1Q21	Δ%	1Q21 (ex-acquisitions)	Δ%
Gross Revenue	1,694.2	2,057.0	21.4%	1,748.3	3.2%
Monthly tuition fees	1,686.5	2,043.3	21.2%	1,741.7	3.3%
Others	7.7	13.6	76.6%	6.6	-14.8%
Deductions from gross revenue	(771.0)	(974.7)	26.4%	(870.5)	12.9%
Net Revenue	923.3	1.082.3	17.2%	877.9	-4.9%
Cost of Services	(348.9)	(456.8)	30.9%	(356.3)	2.1%
Gross Profit	574.4	625.5	8.9%	521.6	-9.2%
<i>Gross Margin</i>	62.2%	57.8%	-4.4 p.p.	59.4%	-2.8 p.p.
Selling Expenses	(179.5)	(251.6)	40.1%	(229.0)	27.6%
G&A Expenses	(154.3)	(220.9)	43.2%	(188.8)	22.4%
Other operating revenue/ expenses	4.0	5.8	43.3%	4.6	14.3%
(+) Depreciation and amortization	93.2	154.4	65.8%	122.2	31.2%
EBITDA	337.7	313.1	-7.3%	230.6	-31.7%
<i>EBITDA Margin</i>	36.6%	28.9%	-7.6 p.p.	26.3%	-10.3 p.p.
Financial result	(70.4)	(105.5)	49.8%	(95.1)	35.1%
Depreciation and amortization	(93.2)	(154.4)	65.8%	(122.2)	31.2%
Income tax	(4.5)	(7.3)	63.1%	(1.0)	-77.5%
Social contribution	(1.8)	(2.7)	49.6%	(0.4)	-76.5%
Net Income	167.9	43.2	-74.3%	11.9	-92.9%
<i>Net Margin</i>	18.2%	4.0%	-14.2 p.p.	1.4%	-16.8 p.p.

OPERATING REVENUE (1/2)

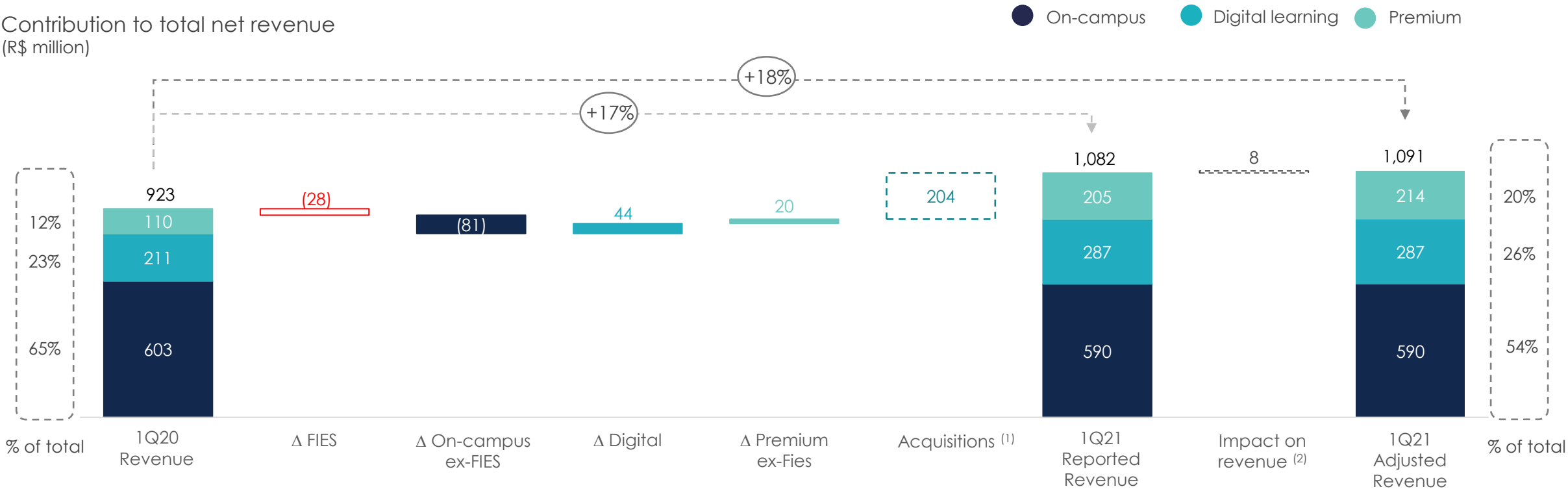
(R\$ million)	1Q20	1Q21	Δ%	1Q21 (ex-acquisitions)	Δ%
Gross Revenue	1,694.2	2,057.0	21.4%	1,748.3	3.2%
Monthly tuition fees	1,686.5	2,043.3	21.2%	1,741.7	3.3%
Other	7.7	13.6	76.6%	6.6	-14.8%
Deductions from Gross Revenue	(771.0)	(974.7)	26.4%	(870.5)	12.9%
Discounts and scholarships	(728.4)	(932.0)	28.0%	(837.8)	15.0%
Taxes	(35.9)	(39.5)	10.2%	(30.4)	-15.2%
AVP and other deductions	(6.8)	(3.1)	-53.5%	(2.2)	-66.8%
Net Revenue	923.3	1,082.3	17.2%	877.9	-4.9%
Premium	109.8	202.1	84.0%	136.0	23.8%
Digital Learning	210.6	290.3	37.9%	254.6	20.9%
On-campus	602.8	589.9	-2.1%	487.3	-19.2%
Net Revenue (ex-FIES)	831.7	998.4	20.0%	814.6	-2.1%
Premium	90.6	174.3	92.5%	110.6	22.2%
Digital Learning	210.6	290.3	37.9%	254.6	20.9%
On-campus	530.5	533.7	0.6%	449.4	-15.3%
Adjusted Net Revenue ⁽¹⁾	923.3	1,090.7	18.1%	886.1	-4.0%
Premium	109.8	210.4	91.6%	144.1	31.2%
Digital Learning	210.6	290.3	37.9%	254.6	20.9%
On-campus	602.8	590.0	-2.1%	487.4	-19.2%

In 1Q21, the Company's **net revenue** posted **strong growth of 17.2% YoY** (+159.1 million). This result was explained by the **Premium** (+R\$26.2 million YoY ex-acquisitions) and **Digital Learning** (+R\$44.0 million YoY ex-acquisitions) growth, both recording good results in terms of student renewal and intake. Furthermore, **acquisitions** generated a net revenue of R\$204.4 million in 1Q21, more than offsetting the R\$115.6 million decrease in the on-campus business unit (ex-acquisitions). In the quarter, FIES losses amounted to R\$28.3 million YoY (ex-acquisitions) and R\$7.6 million in consolidated terms. Excluding the FIES loss effect, consolidated net revenue increased by 20% YoY, or R\$166.7 million.

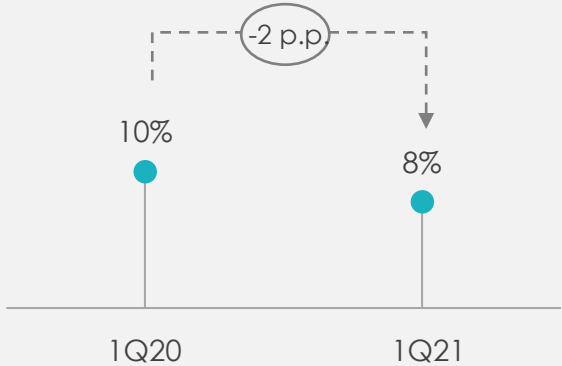
In 1Q21, net revenue had an R\$8.4 million impact from laws and court decisions (individual lawsuits) which resulted in the grating of discounts for students, mostly for medicine students. Excluding this impact, **adjusted net revenue** was **up by 18.1% YoY**. It is important to note that the effect from these laws and court decisions shall remain residual throughout 2021.

OPERATING REVENUE (1/2)

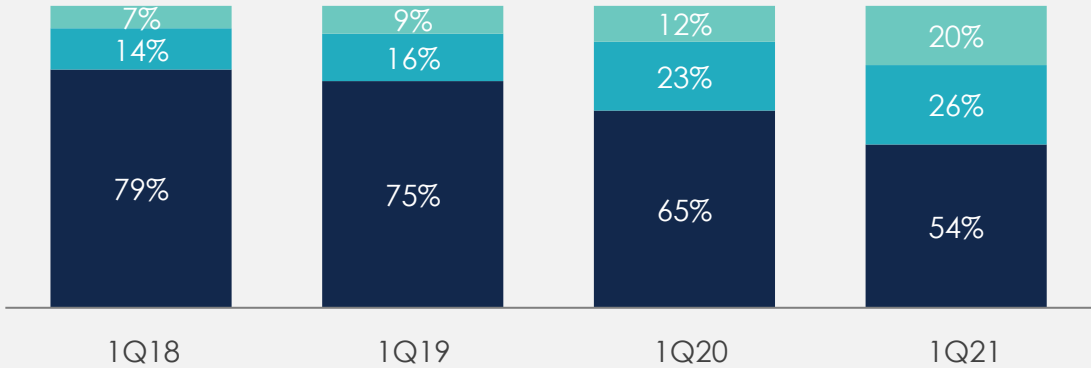
Contribution to total net revenue
(R\$ million)



FIES Revenue
(% of total net revenue)



Representativeness of each YDUQS's business unit
(% of net revenue)



(1) Refers to the acquisitions of Adtalem (as from May/20) and Athenas (as from Aug/20).
(2) Impact related to discounts from laws and court decisions in the total amount of R\$8.4 million.

COST OF SERVICES AND GROSS PROFIT (1/2)

(R\$ million)	1Q20	1Q21	Δ%	1Q21 (ex-acquisitions)	Δ%
Cost of Services	(348.9)	(456.8)	30.9%	(356.3)	2.1%
Personnel	(229.8)	(276.9)	20.5%	(215.3)	-6.3%
Rent, Municipal Property Tax and Others	(11.0)	(13.2)	19.5%	(10.4)	-5.7%
Rent	(58.2)	(83.5)	43.4%	(62.4)	7.3%
Leasing - right of use of properties (IFRS-16)	57.7	83.2	44.2%	63.0	9.1%
Other	(10.6)	(12.9)	22.6%	(11.0)	3.9%
Transfer of Centers	(16.5)	(37.5)	127.4%	(36.8)	123.0%
Third-party services	(14.2)	(12.7)	-10.6%	(11.2)	-21.2%
Utilities	(8.4)	(8.1)	-3.8%	(6.1)	-27.2%
Other costs	(2.5)	(2.8)	10.0%	(2.3)	-10.5%
Depreciation and amortization	(66.4)	(105.7)	59.1%	(74.2)	11.7%
Leasing - right of use of properties	(43.3)	(62.8)	44.8%	(47.0)	8.4%
Systems, Apps and Software	(1.1)	(3.8)	231.7%	(1.2)	3.2%
Improvement to third-party assets	(8.4)	(14.5)	73.5%	(10.8)	29.2%
IT equipment	(2.2)	(3.9)	79.7%	(2.5)	17.2%
Machinery and equipment	(1.5)	(2.9)	99.0%	(1.5)	5.5%
Other D&A costs	(10.0)	(17.8)	79.0%	(11.2)	12.2%
Gross profit	574.4	625.5	8.9%	521.6	-9.2%
Gross Margin	62.2%	57.8%	-4.4 p.p.	59.4%	-2.8 p.p.
Adjusted Cost of Services⁽¹⁾	(346.8)	(455.5)	31.4%	(356.3)	2.8%

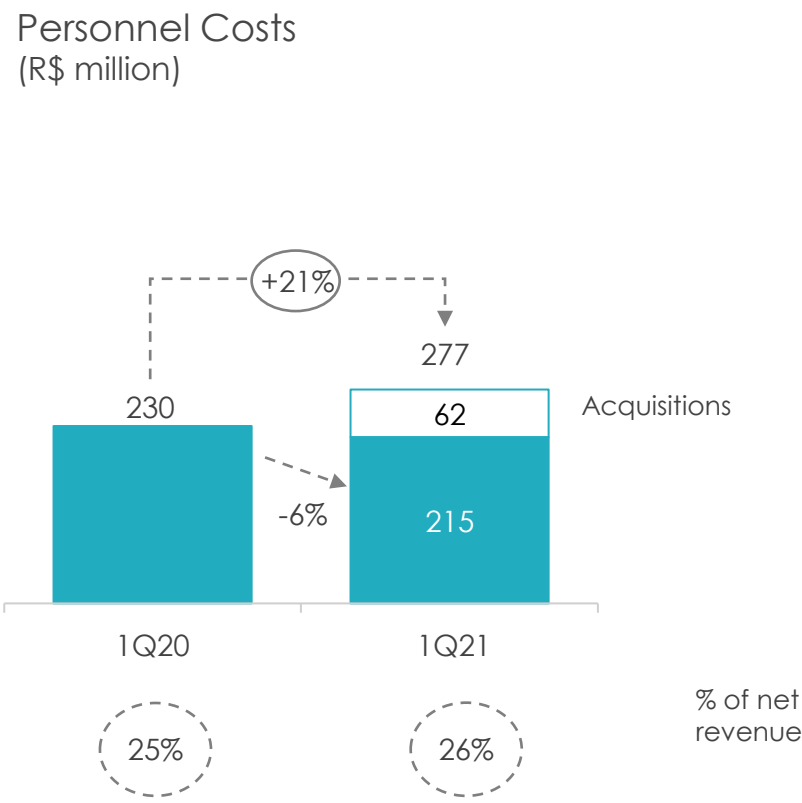
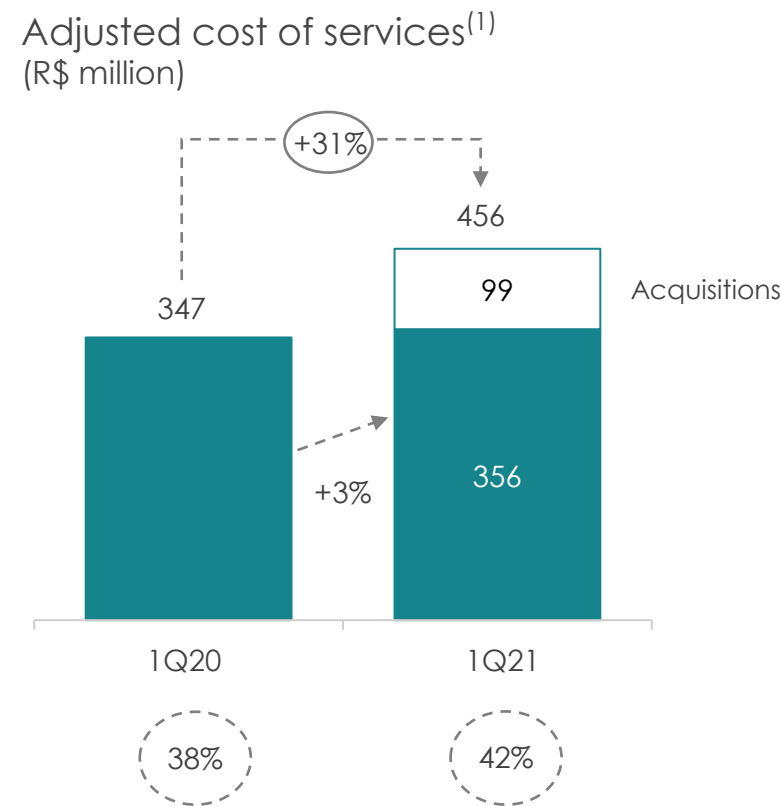
Cost of services was up by 30.9% YoY in 1Q21 as a result of acquisitions (+R\$100.5 million in 1Q21), increased costs with transfer to partner centers (+R\$21.0 million YoY) due to the accelerated growth of digital learning at partner centers vs. own centers, and the R\$39.2 million increase in depreciation and amortization related to the IFRS 16 effect, software, improvement to third-party assets and others. Excluding the acquisitions effect, cost of services was slightly up by 2.1% YoY (+R\$7.4 million), and was below LTM accumulated inflation (IPCA⁽²⁾ 6.10%), resulting from the following:

- Personnel was down by R\$14.5 million YoY, due to the adoption of digital solutions and gains from operational research;
- Third-party services decreased by R\$3.0 million YoY and Utilities by R\$2.3 million YoY, due to reduced security, cleaning and maintenance costs in view of the postponement of the beginning of on-campus classes;
- R\$7.8 million increase in depreciation and amortization, related to improvements to third-party assets (provision for future renovation works for the handover of properties) and the IFRS 16 effect;

COST OF SERVICES AND GROSS PROFIT (2/2)

Costs have also been impacted by restructuring and infrastructure non-recurring items, which amounted to R\$1.3 million in 1Q21. Excluding such effect, cost of services would have increased by 31.4% YoY and 2.8% YoY (ex-acquisitions).

Gross Profit was up by 8.9% YoY and **gross margin** was at 57.8% (-4.4 p.p. YoY).



(1) Adjusted by non-recurring items, explained in detail on the EBITDA section.

(R\$ million)	1Q20	1Q21	Δ%	1Q21 (ex-acquisitions)	Δ%
Selling Expenses	(179,5)	(251,6)	40,1%	(229,0)	27,6%
Bad Debt	(71,8)	(95,4)	32,8%	(85,5)	19,0%
Out-of-pocket	(30,7)	(41,6)	35,5%	(32,1)	4,5%
PAR ⁽¹⁾	(11,7)	(8,5)	-27,6%	(8,5)	-27,6%
DIS ⁽¹⁾	(29,4)	(45,3)	54,2%	(44,9)	52,7%
Advertising	(107,7)	(156,2)	45,1%	(143,5)	33,3%
Other	(0,0)	(0,0)	8,4%	(0,0)	-49,2%
Bad Debt + Discounts	(111,1)	(124,5)	12,1%	(111,7)	0,5%
% of net revenue	12,0%	11,5%	-0,5 p.p.	12,7%	0,7 p.p.

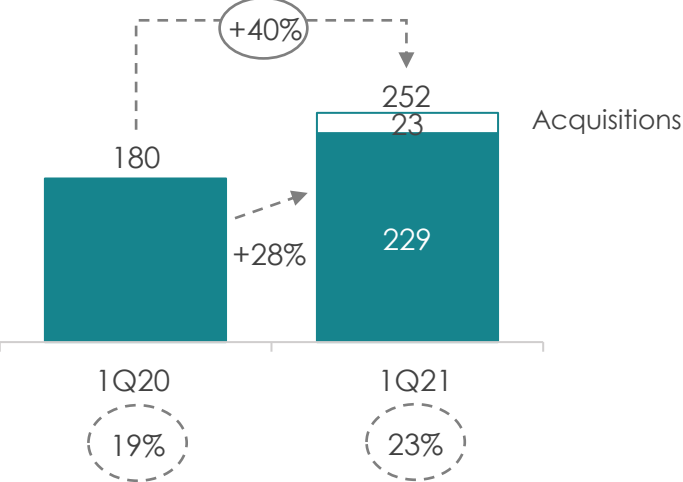
In 1Q21, **selling expenses** were up by 40.1% YoY, due to increase in Bad Debt (+32.8% YoY) and advertising (+45.1% YoY), in addition to the acquisitions effect, which added R\$22.6 million to selling expenses in 1Q21. Excluding the acquisitions effects, selling expenses would have increased by 27.6% YoY.

Bad Debt expenses increased by R\$23.6 million YoY, resulting from the growth in the out-of-the-pocket students (+R\$10.9 million YoY), due to the change in student base mix (13% YoY reduction in FIES student base), that is, higher volume of out-of-the-pocket students.

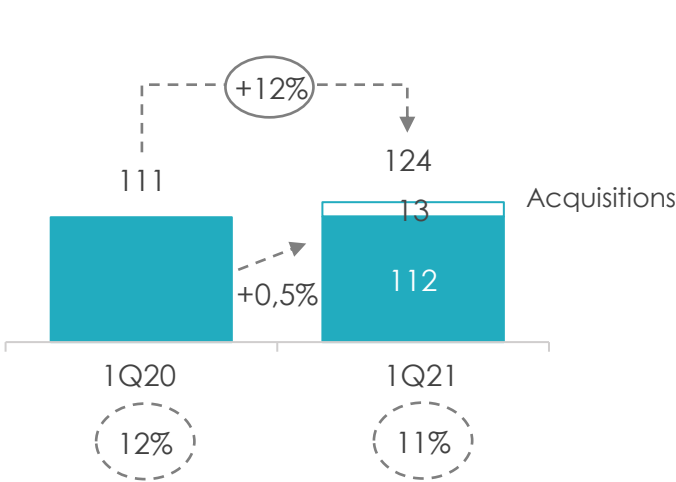
Bad Debt plus discounts granted grew R\$13.4 million YoY, reaching 11.5% of net revenue, resulting from recent acquisitions. Excluding the acquisitions effect, Bad Debt plus discounts granted was stable (+R\$0.6 million YoY), reaching 12.7% of the Company's net revenue.

Advertising expenses in 1Q21 were up by 45.1% YoY (R\$48.5 million) and accounted for 14.4% of net revenue, as a result of increased intake efforts in 1S21 (+47.1 million in intake expenses) given the adverse scenario (pandemic, delay in ENEM examination, etc.).

Selling expenses
(R\$ million)



Bad Debt + Discounts
(R\$ million)

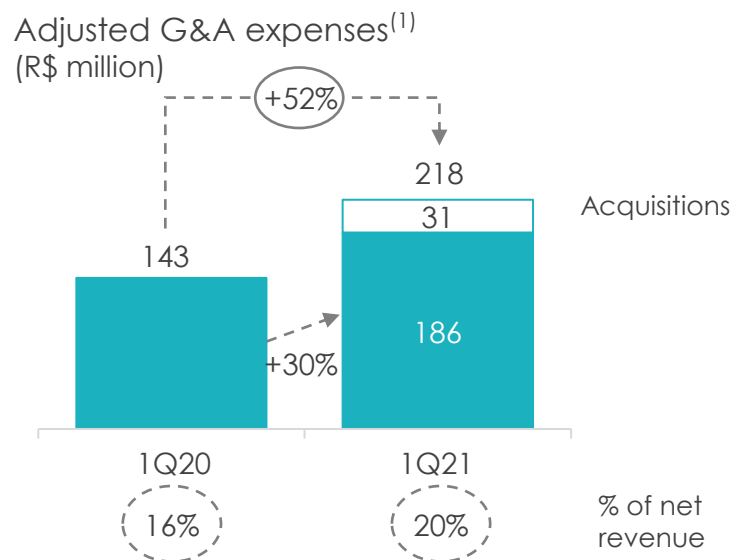


Advertising expenses
(R\$ million)



GENERAL, ADMINISTRATIVE AND OTHER EXPENSES

(R\$ million)	1Q20	1Q21	Δ%	1Q21 (ex-acquisitions)	Δ%
G&A Expenses	(154.3)	(220.9)	43.2%	(188.8)	22.4%
Personnel	(44.4)	(86.6)	95.2%	(61.0)	37.5%
Third-party services	(32.9)	(30.8)	-6.6%	(26.8)	-18.8%
Provision for contingencies	(22.4)	(15.8)	-29.4%	(18.7)	-16.6%
Maintenance and repairs	(9.8)	(18.9)	91.6%	(16.5)	67.2%
Other	(18.0)	(20.2)	12.0%	(17.9)	-0.7%
Depreciation and amortization	(26.7)	(48.7)	82.4%	(48.0)	79.6%
Amortization of Trade Fund	(1.9)	(16.8)	770.8%	(16.1)	732.0%
Systems, Applications and Software	(14.4)	(19.7)	36.6%	(19.7)	36.6%
Other D&A expenses	(10.4)	(12.2)	17.9%	(12.2)	17.9%
Other revenue/ expenses	4.0	5.8	43.3%	4.6	14.3%
Adjusted G&A Expenses⁽¹⁾	(143.3)	(217.7)	51.9%	(186.2)	29.9%



General and administrative expenses increased by 43.2% YoY and by 22.4% YoY (ex-acquisitions) in 1Q21, due to the following factors:

- R\$42.2 million growth in personnel expenses, due to the new grants and the LTI program maturation (R\$12,5 million), administrative bonus and recent acquisitions. Excluding the acquisitions effect, personnel expenses were up by R\$16.6 million in 1Q21;
- R\$9.0 million growth in maintenance and repairs in 1Q21, related to new medicine units, software maintenance and acquisitions. Excluding the acquisitions effect, this growth came to R\$6.6 million in the quarter, and mostly due to software maintenance;
- R\$2.2 million increase in other expenses in 1Q21, related to greater teaching resources expenses, associated with the maturation of health/medicine courses;
- R\$22.0 million increase in depreciation and amortization from the incorporation of acquisitions (R\$17 million related to trade fund/goodwill), software and the IFRS 16 impact;

Despite the increases mentioned above, the third-party services and provision for contingencies lines decreased by R\$8.7 million YoY. Excluding the acquisitions effect, they would have reduced by R\$9.9 million in 1Q20.

General & administrative expenses were impacted in R\$3.2 million in 1Q21 from non-recurring items related to M&A integration and other. Excluding such non-recurring effect, **adjusted G&A expenses** would have increased by 51.9% YoY and 29.9% YoY (ex-acquisitions).



(1) Adjusted by non-recurring items, explained in detail on the EBITDA section.

EBITDA AND MARGIN (1/2)

(R\$ million)	1Q20	1Q21	Δ%	1Q21 (ex-acquisitions)	Δ%
Net Revenue	923,3	1.082,3	17,2%	877,9	-4,9%
Costs and Expenses	(678,7)	(923,6)	36,1%	(769,5)	13,4%
(+) Depreciation and amortization	93,2	154,4	65,8%	122,2	31,2%
EBITDA	337,7	313,1	-7,3%	230,6	-31,7%
EBITDA Margin (%)	36,6%	28,9%	-7,6 p.p.	26,3%	-10,3 p.p.
Non-recurring items	13,1	13,0	-0,6%	10,9	-16,2%
Restructuring	3,8	1,9	-50,3%	0,5	-86,1%
Consulting Services & Others	9,3	2,7	-71,0%	2,0	-78,4%
Discounts from laws and court decisions on revenue	-	8,4	n.a.	8,4	n.a.
Adjusted EBITDA	350,8	326,1	-7,0%	241,5	-31,1%
Adjusted EBITDA Margin(%)	38,0%	29,9%	-8,1 p.p.	27,3%	-10,7 p.p.
EBITDA ex-IFRS 16	278,9	228,5	-18,1%	166,2	-40,4%
Margin EBITDA (%)	30,2%	21,0%	-9,3 p.p.	18,8%	-11,5 p.p.

The Company's **EBITDA** decreased by 7.3% in 1Q21, impacted by the following factors:

- R\$28.3 million reduction in FIES revenue (ex-acquisitions) due to the 46% YoY drop in student base (ex-acquisitions);
- R\$61.8 million increase in costs and expenses (ex-D&A and acquisitions);
- R\$17.1 million decrease in net revenue (ex-FIES and acquisitions), with the most impact on the on-campus business unit (-R\$81.2 million YoY), partially offset by Digital Learning (+R\$44.0 million YoY) and Premium (+R\$20.1 million YoY).

Despite the impacts listed above, recent acquisitions added R\$82.5 million in the quarter, largely offsetting the impact of the FIES reduction and increased cost and expenses.

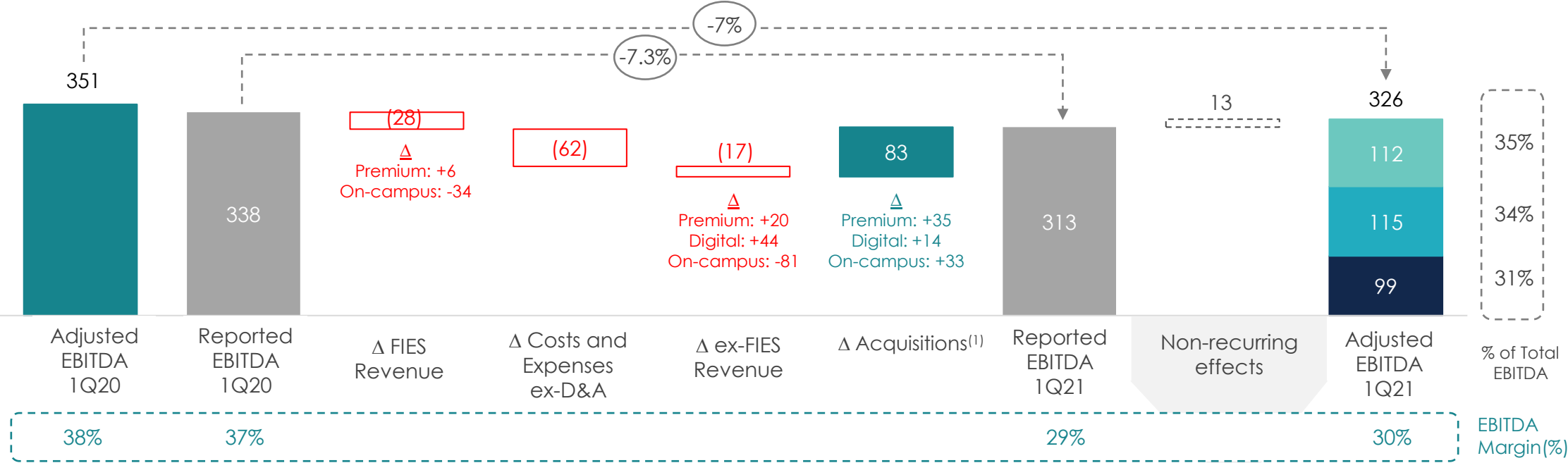
In 1Q21, non-recurring effects from laws and court decisions, organizational restructuring, M&A and integration expenses and others totaled R\$13.0 million. Excluding these effects, the Company's **adjusted EBITDA** came to R\$326.1 million, down by 7% YoY and **adjusted EBITDA margin** was at 29.9% (-8.1 p.p. YoY).

It is important to emphasize that **Premium** (Medicine + IBMEC) and **Digital Learning** (Undergraduate + Lifelong) business units have increased their share in the Company's EBITDA, and, in this quarter, combined they already account for **70% of the Company's total EBITDA**, a result that reinforces our growth on these two business units.



EBITDA AND MARGIN (2/2)

Adjusted EBITDA
(R\$ million)



Account	Description	4Q20	1Q20	1Q21
Revenue	Discounts granted from laws and court decisions	83.8	0.0	8.4
Costs	Organizational Restructuring	21.0	2.1	1.0
	Infrastructure costs	11.5	0.0	0.3
Expenses	M&A. integration and other expenses	43.6	10.9	3.2
Impact on EBITDA		159.8	13.1	13.0

(1) Acquisitions include Adtalem as from May/20 and Athenas as from Aug/20

FINANCIAL RESULT and NET INCOME (1/2)

(em R\$ milhões)	1T20	1T21	Δ%	1T21 (ex-aquisições)	Δ%
EBITDA	337.7	313.1	-7.3%	230.6	-31.7%
Financial Result	(70.4)	(105.5)	49.8%	(95.1)	35.1%
Financial Revenue	180.2	41.5	-77.0%	36.9	-79.5%
Fines and interest charged	10.2	11.3	10.5%	9.5	-7.3%
Investments	10.1	7.7	-24.4%	5.1	-50.0%
Active Exchange Variation - SWAP	155.7	12.9	-91.7%	12.9	-91.7%
Inflation adjustments	3.6	8.3	133.5%	8.2	129.8%
Others	0.5	1.3	136.6%	1.2	124.2%
Financial Expenses	(250.6)	(147.0)	-41.4%	(132.0)	-47.3%
Interest and financial charges	(16.3)	(33.4)	105.8%	(31.1)	91.7%
Financial discounts	(39.2)	(29.0)	-26.0%	(26.2)	-33.3%
Bank expenses	(3.5)	(2.4)	-31.2%	(2.1)	-41.0%
Interest and exchange Variation -SWAP	(163.0)	(30.8)	-81.1%	(30.8)	-81.1%
Interest on leasing	(26.0)	(31.9)	22.8%	(24.7)	-4.9%
Others	(2.6)	(19.3)	632.4%	(17.0)	546.0%
(+) Depreciation and amortization	(93.2)	(154.4)	65.8%	(122.2)	31.2%
Profit before taxes	174.2	53.3	-69.4%	13.3	-92.4%
Income tax	(4.5)	(7.3)	63.1%	(1.0)	-77.5%
Social Contribution	(1.8)	(2.7)	49.6%	(0.4)	-76.5%
Net Income	167.9	43.2	-74.3%	11.9	-92.9%
Net Margin	18.2%	4.0%	-14.2 p.p.	1.4%	-16.8 p.p.
Net Income ex-IFRS 16	179.0	54.6	-69.5%	20.4	-88.6%
Net Margin (%)	19.4%	5.0%	-14.3 p.p.	2.3%	-17.1 p.p.
Adjusted Net Income⁽¹⁾	182.9	73.0	-60.1%	38.9	-78.7%
Adjusted Net Margin	19.8%	6.7%	-13.1 p.p.	4.4%	-15.4 p.p.

The Company's **financial result** was at a worse level in 1Q21 (+49.8% YoY), mainly impacted by the following factors:

- R\$17.2 million YoY from interest and fees from loans raised to finance recent acquisitions and reinforce the company's cash position;
- R\$10.2 million from the payment in advance of swap debt, taxes and interest in the financial discounts line;
- R\$5.9 million increase, IFRS16 interest from the incorporation of recent acquisitions.

Excluding the acquisitions effect, the Company's financial result was up by 35.1% YoY.

Net income was down by 74.3% in 1Q21, impacted by the following factors:

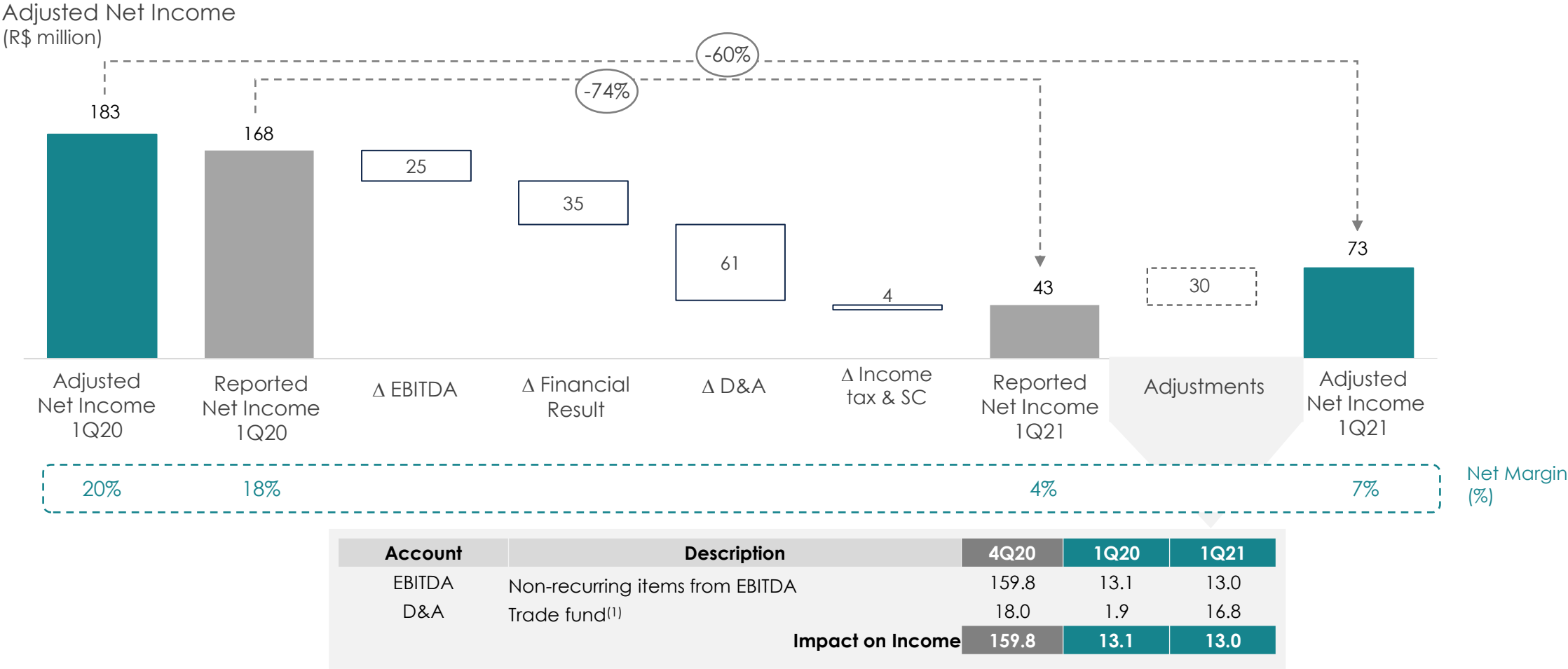
- R\$35 million YoY increase in financial result;
- R\$61.3 million increase in depreciation and amortization, of which: R\$32.2 million is from the incorporation of recent acquisitions and R\$29.0 million from the increase in depreciation at Estácio related to: (i) trade fund (goodwill from acquisitions); (ii) software; (iii) IFRS-16 effect and improvements;



(1) Adjusted by non-cash items detailed in the next slide.

FINANCIAL RESULT and NET INCOME (2/2)

- R\$3.7 million YoY increase in income tax and social contributions due to the acquisitions. Excluding this effect, income tax and social contributions would have reduced by R\$4.9 million YoY.
- Impacts from adjustments amounted to R\$29.8 million, of which: (i) R\$13.0 million in EBITDA and (ii) R\$16.8 million of trade fund⁽¹⁾. Excluding this effect, **adjusted net income** would have reached R\$73.0 million (-59.6% YoY) and adjusted net margin of 6.7% (-12.9 p.p. YoY).



(1) Related to amortization of goodwill from acquisitions.

(R\$ million)	1Q20	4Q20	1Q21	1Q21 (ex-acquisitions)
Monthly tuition fees received	1,154.8	1,464.2	1,504.0	1,290.7
Out-of-Pocket	579.0	998.5	960.4	777.1
Exchange Deals	12.3	13.6	17.7	12.7
PAR	211.2	160.3	163.9	163.9
DIS	352.4	266.8	337.0	337.0
CREDATHENAS	-	25.0	25.0	-
FIES	178.6	161.3	138.7	98.1
Other	187.1	216.3	229.6	199.3
Gross Accounts Receivable	1,520.5	1,841.8	1,872.3	1,588.1

Bad Debt	(506.0)	(694.6)	(694.8)	(629.1)
Out-of-Pocket ⁽¹⁾	(363.2)	(565.4)	(551.1)	(503.0)
PAR (50%)	(94.8)	(79.6)	(83.7)	(83.7)
DIS (15%)	(48.0)	(34.3)	(42.8)	(42.4)
CREDATHENAS	-	(15.4)	(17.2)	-
Amounts to be identified	(9.3)	(23.4)	(34.7)	(6.8)
Adjustment to presente value (APV)⁽²⁾	(34.2)	(19.5)	(24.8)	(21.8)
APV PAR	(21.5)	(12.8)	(11.5)	(11.5)
APV DIS	(12.7)	(6.7)	(10.4)	(10.2)
APV CREDATHENAS	-		(2.8)	-
Net Accounts Receivable	971.0	1,104.3	1,118.1	930.3

Gross accounts receivables increased by R\$351.8 million YoY, mainly impacted by the acquisitions and the change in student base mix (growth in out-of-the-pocket students with the effect of the FIES decrease). Excluding the acquisitions effect, this figure was up by R\$67.6 million YoY.

Net accounts receivables were up by R\$147.1 million YoY, impacted mainly by acquisitions and increase in Bad Debt from out-of-the-pocket students (R\$188.8 million). Excluding the acquisitions effect, net accounts receivables would have decreased by R\$40.7 million YoY.

PAR and DIS Reconciliation

(R\$ million)	PAR		DIS	
	1Q20	1Q21	1Q20	1Q21
Gross revenue paid in cash	16.2	11.2	13.0	7.9
Gross revenue paid in installments	15.1	9.5	178.4	131.9
Taxes – revenue deductions	(1.3)	(0.7)	(6.7)	(4.9)
Adjustment to Present Value (APV) ⁽²⁾	(0.7)	1.3 Δ(c)	(6.1)	(3.7) Δ(d)
Bad Debt – long term (50%)	(1.9)	(4.1) Δ(a)	(10.5)	(8.6) Δ(b)
Bad Debt non-renegotiated dropouts	(9.9)	(4.4)	(18.9)	(36.7)
Bad Debt of Net Revenue (%)	0.2%	0.4%	1.1%	0.8%

(1) Includes short-term DIS and PAR installments and student balance dropout and non-renewal DIS/PAR.

(2) Correction of installments based on IPCA and brought to present value on NTN-2024.



AVERAGE TERM OF RECEIVABLES

(R\$ million)	1Q20	1Q21	Δ%	1Q21 (ex-acquisitions)	Δ%
Net accounts receivables	971.0	1,118.1	15.1%	930.3	-4.2%
Net Revenue (LTM)	3,555.7	4,101.1	15.3%	3,314.9	-6.8%
Average Term of Receivables (ATR) (days)	98	98	0.0%	101	3.1%
FIES accounts receivable	178.6	138.7	-22.3%	98.1	-45.1%
FIES Revenue (LTM)	653.7	525.7	-19.6%	370.2	-43.4%
FGEDUC Deductions (LTM)	(52.5)	(49.4)	-5.7%	(32.4)	-38.2%
Taxes (LTM)	(24.1)	(20.7)	-14.3%	(13.1)	-45.8%
FIES Net Revenue (LTM)	577.2	455.6	-21.1%	324.8	-43.7%
FIES ATR (days)	111	110	-0.9%	109	-1.8%
Ex-FIES accounts receivable	792.4	979.3	23.6%	832.3	5.0%
Ex-FIES net revenue (LTM)	2,978.5	3,645.6	22.4%	2,990.1	0.4%
Ex-FIES ATR (days)	96	97	1.0%	100	4.2%

Consolidated ATR remained stable vs. 1Q20. Excluding acquisitions, there was a 3-day increase when compared to the same period in the previous year.

FIES ATR decreased by 1 day when compared to the same period in the previous year. Excluding acquisitions, the decline was of 2 days vs. 1Q20.

Ex-FIES ATR was down by 1 day vs. 1Q20. Excluding acquisitions, it was up by 4 days when compared to 1Q20.



Aging of Total Gross Accounts Receivable⁽¹⁾

Vertical Analysis

(R\$ million)	1Q20	1Q21	Δ%	1Q20 (%)	1Q21 (%)
FIES	178.6	138.7	-22.3%	12%	7%
Not yet due	757.5	794.3	4.9%	50%	42%
Overdue up to 30 days	113.5	137.1	20.8%	7%	7%
Overdue from 31 to 60 days	51.7	58.1	12.3%	3%	3%
Overdue from 61 to 90 days	25.7	17.1	-33.3%	2%	1%
Overdue from 91 to 179 days	169.1	283.6	67.7%	11%	15%
Overdue more than 180 days	224.4	443.3	97.6%	15%	24%
Gross accounts receivables	1,520.5	1,872.3	23.1%	100%	100%

Aging of Agreements Receivable⁽²⁾

Vertical Analysis

(R\$ million)	1Q20	1Q21	Δ%	1Q20 (%)	1Q21 (%)
Not yet due	37.0	63.5	71.6%	46%	53%
Overdue up to 30 days	6.1	9.2	51.4%	8%	8%
Overdue from 31 to 60 days	3.8	6.1	60.1%	5%	5%
Overdue from 61 to 90 days	2.9	4.5	54.5%	4%	4%
Overdue from 91 to 179 days	9.9	14.9	50.0%	12%	13%
Overdue more than 180 days	20.9	20.8	-0.4%	26%	17%
Agreements receivable	80.6	119.0	47.6%	100%	100%

FIES: Changes in Accounts Receivable

(R\$ million)	1Q20	1Q21	Δ%
Opening balance	159.3	160.5	0.8%
FIES revenue	102.9	62.0	-39.8%
Transfer	(74.4)	(81.7)	9.9%
FIES Provision	(9.3)	(5.6)	-39.6%
Acquired	-	(1.5)	n.a.
Closing balance	178.4	133.6	-25.1%

FIES: Changes in Accounts Receivable

(R\$ million)	1Q20	1Q21	Δ%
Opening balance	136.3	0.8	-99.4%
Transfer	74.4	81.7	9.9%
Payment of Taxes	(1.9)	(12.0)	541.5%
Buyback in auction	(208.7)	(68.3)	-67.3%
Acquired	-	2.9	n.a.
Closing balance	0.2	5.1	2,764.8%

(1) Amounts overdue for more than 360 days are written off from Accounts Receivable up to the limit of the allowance for doubtful accounts

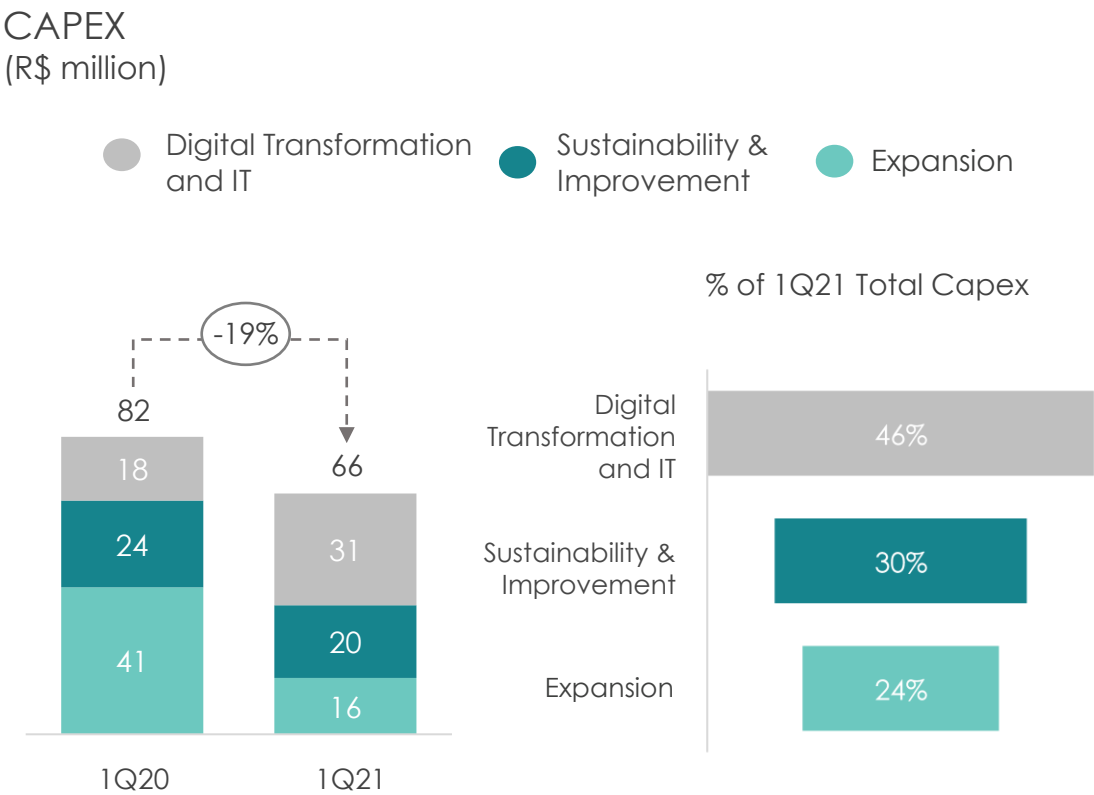
(2) Excludes credit card agreements



(R\$ million)	1Q20 ⁽¹⁾	1Q21	Δ%
Total Capex	82.2	66.2	-19.4%
Digital Transformation and IT	17.6	30.5	73.1%
Sustainability & Improvement	23.9	20.1	-16.0%
Expansion	40.7	15.6	-61.6%

Total Capex (ex-acquisitions ⁽²⁾)	82.2	59.4	-27.7%
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% of Net Revenue			
Total Capex	8.9%	6.1%	-2.8 p.p.
Digital Transformation and IT	1.9%	2.8%	0.9 p.p.
Sustainability & Improvement	2.6%	1.9%	-0.7 p.p.
Expansion	4.4%	1.4%	-3.0 p.p.



- **Total CAPEX** came to R\$66.2 million in 1Q21, down by 19.4% YoY, driven by the reduction in expansion and sustainability & improvement capex. **Excluding the acquisitions effect**, total capex would have ended the quarter at R\$59.4 million (-27.7% YoY).
- Even so, we note a significant increase in **digital transformation and information technology investments**, continuing with the Company's efforts to focus on offering even more up-to-date education services. These investments accounted for the largest portion of capex in 1Q21, 46% of total, closing the quarter at R\$30.5 million.
- The second largest portion of total capex is **investments in sustainability & improvement**, which amounted to R\$20 million in the quarter. These investments include maintenance and improvement of the physical infrastructure of units, projects related to improving student satisfaction, projects involving legal and compliance matters, among others.

(1) There was a reclassification of R\$7 million of 1Q20 capex from Sustainability & Improvement to expansion.
(2) Refers to the acquisitions of Adtalem (as from May/20) and Athenas (as from Aug/20).

CASH POSITION

(R\$ million)	1Q20	1Q21	Δ%
(-) Cash and cash equivalents [a]	(2,545.6)	(2,050.3)	-19.5%
Gross Debt [b]	3,434.3	5,293.0	54.1%
Bank loans	2,319.0	3,713.1	60.1%
Leasing	1,051.3	1,438.7	36.9%
Commitments payable (M&A)	64.0	141.2	120.6%
Net Debt [b+a]	888.7	3,242.7	264.9%
Net debt (Ex-IFRS 16)/ adjusted EBITDA (LTM)	-0.1x	1.3x	

The Company's **cash and cash equivalents** totaled R\$2,050.3 million in 1Q21, down by R\$495.3 million YoY, due to lower FIES collection, increased interest and loan payments and one-time payment of rental contract termination fee.

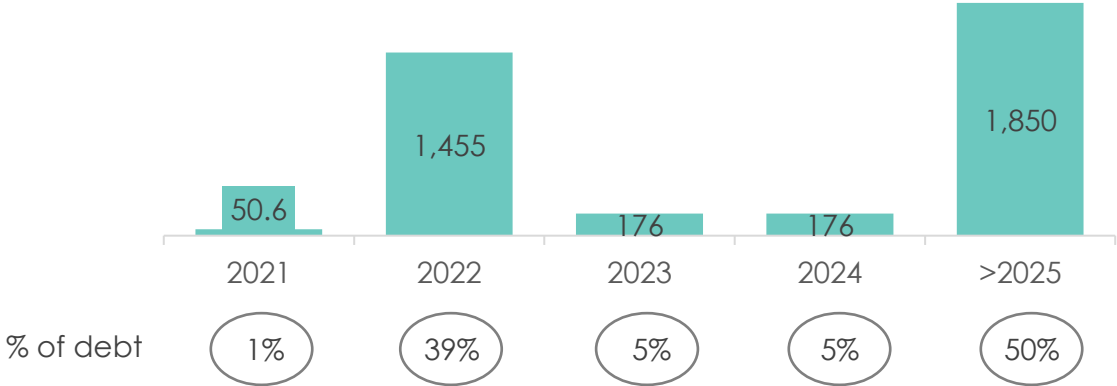
Gross debt (excluding leasing) ended the quarter at R\$3,854.3 million.

Excluding leasing from gross debt, the **net debt /adjusted by non-recurring items EBITDA** ratio was at **1.3x**.

DEBT

Debt Type (R\$ million)	Issue Date	Due Date	Cost	Balance payable (Principal + interest)	% of total
Debenture V (1 st series)	feb-19	fe-b22	CDI + 0.59%	250.8	7%
Debenture V (2 nd series)	feb-19	feb-24	CDI + 0.79%	351.2	9%
Loans Citi	jan-21	jan-22	CDI + 1.85% a.a.	210.9	6%
Loans Citi	feb-20	feb-22	CDI + 0.70%	109.8	3%
FINEP	feb-15	jan-25	TJLP + 0.50%	2.3	0%
Loans Citi	apr-20	apr-22	CDI + 2.75%	75.8	2%
Loans Bradesco	sep-20	sep-22	CDI + 2.70%	360.2	10%
Loans Banco ABC	apr-20	apr-21	CDI + 3.85%	51.2	1%
Loans Banco Safra	jun-20	jun-22	CDI + 2.80%	202.6	5%
Loans Itaú	sep-20	apr-23	CDI + 2.70%	154.0	4%
Loans BB	dec-20	feb-22	CDI + 1.85%	100.2	3%
Debenture VI	feb-21	feb-26	CDI + 2.50% a.a.	1,859.4	50%
Bank Loans	-	-	CDI+1.62%	3,728.5	100%

Debt amortization schedule
(R\$ million, principal amount)



APPENDIX

YDUQS



DETAILED MEDICAL SCHOOL SEAT OFFERING

1Q21							Expectation on full potential ⁽¹⁾	
Unit	State	Type	Start of Operation	Status	Authorized/ Qualified Seats p/y ⁽²⁾	Student Base ⁽³⁾	Authorized/ Qualified Seats p/y ⁽²⁾	Student Base ⁽³⁾
Presidente Vargas	RJ	Organic	1998.2	Matured	240	1,610	240	1,728
Città	RJ	Organic	2014.1	Matured	170	1,041	170	1,224
Juazeiro do Norte	CE	Organic	2000.1	Matured	100	677	100	720
Ribeirão Preto	SP	Organic	2015.1	Maturing	76	534	76	547
Teresina (Facid)	PI	Organic	2005.1	Matured	110	691	110	792
Alagoinhas	BA	MM I	2017.2	Maturing	65	264	165	1,188
Jaraguá do Sul	SC	MM I	2018.1	Maturing	50	207	150	1,080
Juazeiro	BA	MM I	2018.1	Maturing	155	520	155	1,116
Angra dos Reis	RJ	MM I	2018.1	Maturing	89	295	155	1,116
Canindé	CE	MM II	2020.2	Maturing	50	80	150	1,080
Cáceres	MT	Judicial Decision	2020.2	Maturing	50	62	50	360
Castanhal	PA	MM II	2021.1	Maturing	50	-	150	1,080
Quixadá	CE	MM II	2021.1	Maturing	50	2	150	1,080
Açailândia	MA	MM II	2021.1	Maturing	50	-	150	1,080
Total authorized ⁽²⁾					1,305	5,983	1,971	14,191
Iguatu	CE	MM II	2021.2	Qualified (pending final Authorization)	50	-	150	1,080
Ji-Paraná	RO	MM II	2021.2		50	-	150	1,080
Total Qualified					1,405	5,983	2,271	16,351
Athenas ⁽³⁾					-	-	200	-

Medicine undergraduate student base came to 5,983 students, a growth of over 30% when compared to the same period of the previous year. The **Castanhal, Quixadá and Açailândia** units had the MEC authorization visits in October and November 2020. As MEC issued the final authorization for these units in March 2021, these units were opened and began intake process in April, which will be reflected in 2Q21 student base. Out of the 150 seats at Castanhal, Quixadá and Açailândia units, 125 have been made available and all of them have already been filled. **We expect all seats in those units to be filled by the end of the year, totaling an expected medicine undergraduate student base in the range of 6.2-6.6 thousand students.**

(1) Considers the expansion to the maximum capacity of granted seats (+100 seats/year) in all Mais Médicos units. Student base includes Prouni and FIES.
(2) Authorized seats are qualified seats which have already received authorization from MEC.
(3) Seats not yet qualified from the acquisition of Athenas Group are under court and/or administrative discussions, with the possibility of up to +200 seats.

FROM x TO - Breakdown by business unit

PREVIOUS BREAKDOWN			
On-Campus	Undergraduate	Medicine	Premium
		IBMEC	Premium
		Other Courses	On-Campus
	Graduate	Medicine ⁽¹⁾	Premium
		IBMEC ⁽¹⁾	Premium
		Masters/ Doctorate (ex-premium)	On-Campus
Digital Learning	100% online undergraduate	100% online undergraduate	Digital
	Flex undergraduate	Flex undergraduate	Digital
		Semi on-campus undergraduate	On-Campus
	Graduate	Graduate	Lifelong



NEW BREAKDOWN		
Premium	Medicine	Undergraduate
		Graduate
	IBMEC	Undergraduate
		Graduate
On-Campus	On-Campus	Undergraduate
		Masters/ Doctorate
	Semi on-campus	Undergraduate
Digital	100% online	Undergraduate
	Flex	Undergraduate
Lifelong	On-Campus	Graduate
	Digital Learning	Graduate

New student base breakdown

- **On-Campus:** On-Campus and Semi on-campus undergraduate student base, Masters and Doctorate Degrees (excluding premium).
- **Digital Learning:** Digital Learning undergraduate + Lifelong student base.
- **Premium:** Medicine + Ibmec student base.

The breakdown of the student base in the previous format is available on the spreadsheet, which is in the *Results Center* section of the Company’s IR website. To access it, [click here](#).

(1) includes medicine masters and doctorate degrees and Ibmec

INCOME STATEMENT BY BUSINESS UNIT: NEW BREAKDOWN

	Consolidated	Premium	Digital	On-campus
Em R\$ Milhões	1Q21	1Q21	1Q21	1Q21
Gross Revenue	2,057.0	244.6	559.4	1.253.0
Monthly tuition fees	2,047.9	243.0	557.5	1.247.4
Other	9.0	1.6	1.8	5.6
Net Operating Revenue	(974.7)	(42.5)	(269.0)	(663.1)
Cost of Services	1,082.3	202.1	290.3	589.9
Personnel	(456.8)	(75.6)	(60.9)	(320.3)
Rent, municipal property tax and other	(276.9)	(56.5)	(18.9)	(201.5)
Third-party services and other	(13.2)	(2.9)	0.4	(10.8)
Depreciation and amortization	(61.1)	(2.9)	(37.0)	(21.2)
Net Operating Revenue	(105.7)	(13.4)	(5.4)	(86.9)
Gross profit	625.5	126.4	229.5	269.6
Gross Margin	57.79%	62.57%	79.04%	45.70%
Selling, G&A and Other Expenses	(466.8)	(47.1)	(135.4)	(284.3)
Personnel	(86.6)	(12.5)	(28.8)	(45.2)
Advertising	(156.2)	(7.0)	(49.2)	(100.0)
Bad Debt	(95.4)	(4.0)	(28.2)	(63.2)
Other Expenses	(85.6)	(16.3)	(16.3)	(53.0)
Other Revenue	5.8	0.2	2.2	3.3
Depreciation and amortization	(48.7)	(7.5)	(15.0)	(26.2)
(+) Depreciation and amortization	154.4	20.8	20.4	113.2
EBITDA	313.1	100.2	114.5	98.4
EBITDA Margin (%)	28.9%	49.6%	39.4%	16.7%
Adjusted EBITDA ⁽¹⁾	326.1	111.8	115.5	98.8
Adjusted EBITDA margin(%)	29.9%	53.1%	39.8%	16.7%
Discounts	(29.0)	(1.3)	(6.2)	(21.5)
Fees and interest on delays	9.5	1.1	3.1	5.2

(1) Adjusted by non-recurring items (restructuring, consulting services and other)



INCOME STATEMENT BY BUSINESS UNIT: PREVIOUS BREAKDOWN

In IFRS-16	On-Campus			Distance Learning			Corporate			Consolidated		
R\$ million	1Q20	1Q21	Δ%	1Q20	1Q21	Δ%	1Q20	1Q21	Δ%	1Q20	1Q21	Δ%
Gross Operating Revenue	1.288.5	1.477.6	14.7%	405.7	579.4	42.8%	-	-	-	1,694.2	2057.0	21.4%
Deductions from Gross Revenue	(584.9)	(692.4)	18.4%	(186.1)	(282.3)	51.7%	-	-	-	(771.0)	(974.7)	26.4%
Net Operating Revenue	703.6	785.3	11.6%	219.6	297.1	35.3%	-	-	-	923.3	1,082.3	17.2%
Cost of Services	(321.8)	(401.5)	24.8%	(27.1)	(55.3)	103.8%	-	-	-	(348.9)	(456.8)	30.9%
Personnel	(218.9)	(263.0)	20.2%	(10.9)	(13.9)	27.5%	-	-	-	(229.8)	(276.9)	20.5%
Rent, municipal property tax and other	(11.0)	(13.4)	21.4%	0.0	0.2	n.a.	-	-	-	(11.0)	(13.2)	19.5%
Third-party services and other	(25.5)	(24.3)	-5.1%	(16.1)	(36.8)	128.6%	-	-	-	(41.7)	(61.1)	46.6%
Depreciation and amortization	(66.3)	(100.9)	52.2%	(0.1)	(4.8)	3694.5%	-	-	-	(66.4)	(105.7)	59.1%
Gross profit	381.9	383.7	0.5%	192.5	241.8	25.6%	-	-	-	574.4	625.5	8.9%
Gross Margin	54.3%	48.9%	-5.4 p.p.	87.6%	81.4%	-6.3 p.p.	-	-	-	62.2%	57.8%	-4.4 p.p.
Selling, G&A and Other Expenses	(106.4)	(120.4)	13.1%	(17.4)	(45.0)	159.3%	(206.0)	(301.4)	46.3%	(329.8)	(466.8)	41.5%
Personnel	(4.9)	(9.5)	95.6%	(4.0)	(10.5)	160.2%	(35.4)	(66.5)	87.7%	(44.4)	(86.6)	95.2%
Advertising	0.0	0.0	n.a.	0.0	0.0	n.a.	(107.7)	(156.2)	45.1%	(107.7)	(156.2)	45.1%
Bad Debt	(60.5)	(66.5)	9.8%	(11.3)	(28.9)	155.9%	0.0	0.0	n.a.	(71.8)	(95.4)	32.8%
Other Expenses	(38.1)	(35.0)	-8.1%	(1.4)	(3.5)	149.8%	(39.7)	(41.3)	4.2%	(79.2)	(79.8)	0.8%
Depreciation and amortization	(2.9)	(9.3)	225.5%	(0.6)	(2.1)	234.1%	(23.2)	(37.3)	60.6%	(26.7)	(48.7)	82.4%
Operating Profit	275.5	263.4	-4.4%	175.1	196.7	12.4%	(206.0)	(301.4)	46.3%	244.6	158.7	-35.1%
Operating Margin (%)	39.2%	33.5%	-5.6 p.p.	79.7%	66.2%	-13.5 p.p.	n.a.	n.a.	n.a.	26.5%	14.7%	-11.8 p.p.
Reported EBITDA	344.7	373.6	8.4%	175.9	203.6	15.8%	(182.8)	(264.1)	44.5%	337.7	313.1	-7.3%
EBITDA Margin (%)	49.0%	47.6%	-1.4 p.p.	80.1%	68.5%	-11.5 p.p.	n.a.	n.a.	n.a.	36.6%	28.9%	-7.6 p.p.

BALANCE SHEET

R\$ million	1Q20	4Q20	1Q21
Current Assets	3,332.2	2,736.4	3,068.0
Cash and cash equivalents	10.4	925.3	1,278.5
Marketable Securities	2,535.2	707.9	771.8
Accounts receivable	641.7	890.2	863.1
Inventory	-	1.2	1.9
Advancements to employees/third parties	12.1	22.2	16.8
Prepaid expenses	16.4	8.2	23.9
Taxes and contributions	68.9	137.6	86.3
Swap differential receivable	33.0	33.3	13.5
Other	14.5	10.5	12.2
Non-Current Assets	4,304.6	6,524.7	6,574.7
Long-term assets	918.3	886.8	882.2
LT swap differential receivable	122.7	120.8	30.4
LT accounts receivable	329.3	214.2	254.9
LT prepaid expenses	4.7	4.1	4.9
LT Judicial deposits	76.5	102.7	112.6
LT taxes and contributions	183.1	107.7	131.7
LT deferred taxes	190.3	322.6	335.4
Other LT items	11.8	14.7	12.3
Permanent assets	3,386.3	5,637.9	5,692.5
Investments	0.3	0.3	0.3
Property and equipment	1,764.8	2,451.1	2,512.4
Intangible assets	1,621.2	3,186.5	3,179.8
Total Assets	7,636.8	9,261.1	9,642.7

R\$ million	1Q20	4Q20	1Q21
Current Liabilities	977.9	1,292.7	1,215.8
Loans and financing	196.5	356.0	278.4
Leasing	132.6	199.5	217.3
Suppliers	170.1	251.2	267.1
Swap payable	33.7	34.3	20.1
Salaries and payroll charges	176.9	202.2	251.4
Tax liabilities	62.0	106.7	69.3
Prepaid monthly tuition fees	15.7	44.2	16.9
Advancement of current agreement	3.3	5.0	4.6
Taxes paid in installments	3.6	3.5	3.5
Acquisition price payable	21.7	57.9	55.3
Dividends payable	153.5	23.4	23.3
Other liabilities	8.4	8.8	8.6
Long-term liabilities	3,383.5	4,763.4	5,169.8
LT Loans and financing	2,111.8	2,986.1	3,434.6
Contingencies	119.1	246.8	248.3
LT leasing	895.9	1,151.8	1,221.5
LT SWAP differential payable	125.1	127.3	34.4
Agreement advances	27.2	41.1	40.3
LT taxes paid in installments	10.6	9.1	8.8
Provision for asset demobilization	27.8	89.9	74.6
Deferred taxes	2.3	-	-
LT acquisition price payable	42.3	89.9	85.9
Other LT items	21.3	21.4	21.4
Shareholders' Equity	3,275.4	3,205.0	3,257.1
Capital stock	1,139.9	1,139.9	1,139.9
Share issuance costs	(26.9)	(26.8)	(26.8)
Capital reserves	678.4	687.5	696.4
Earnings reserves	1,509.3	1,465.8	1,465.8
Proposed additional dividends	-	118.4	118.4
Income for the period	167.9	-	43.2
Treasury Shares	(193.2)	(179.8)	(179.8)
Total Liabilities and Shareholders' Equity	7,636.8	9,261.1	9,642.7



CASH FLOW STATEMENT

(em R\$ milhões)	1Q20	1Q21	Δ%
Profit before taxes	174.2	53.3	-69.4%
Adjustments to reconcile profit	240.0	355.2	48.0%
Result after reconciliation to net cash generated	414.2	408.5	-1.4%
Changes in assets and liabilities	(4.8)	(219.9)	4472.4%
Operating Cash Flow before Capex	409.4	188.6	-53.9%
Acquisition of property and equipment	(46.3)	(20.8)	-55.0%
Acquisition of intangible assets	(36.0)	(45.4)	26.4%
Cash flow from investment activities	(933.8)	(70.6)	-92.4%
Operating Cash Flow after Capex	(606.6)	51.8	-108.5%
Cash flow from financing activities	1,609.6	301.4	-81.3%
Free Cash Flow	1,002.9	353.1	-64.8%
Cash at the beginning of the year	240.5	925.3	284.7%
Increase (decrease) in cash and cash equivalents	1,002.9	353.1	-64.8%
Cash at the end of the year	1,243.4	1,278.5	2.8%
Cash Flow Reconciliation			
Operating Cash Flow	409.4	188.6	-53.9%
IRPJ e CSLL Pagos	5.0	11.3	127.4%
Interest paid on loan	17.5	46.1	163.4%
Increase in judicial deposits	0.4	9.9	2,353.3%
Contractual Termination ⁽¹⁾	-	45.0	n.a.
Delay in the transfer of FIES ⁽²⁾	(136.0)	-	n.a.
Cash flow after reconciliation	296.3	300.9	1.6%
FCO/Adjusted EBITDA	84.5%	92.3%	7.8 p.p.

(1) In 1Q21, R \$ 45 million refers to the timely payment of termination of the rental agreement, an amount provisioned in the past.
 (2) In 1Q20, R \$ 136 million refers to the FIES transfer referring to Dec / 19.



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