

# YDUQS



## EARNINGS RELEASE

### 3Q21 & 9M21

November 8<sup>th</sup>, 2021

**YDUQ**  
B3 LISTED NM



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# DISCLAIMER



Rio de Janeiro, November 8<sup>th</sup>, 2021 - **YDUQS Participações S.A.**, one of the largest private organizations in Brazil's higher education private sector, presents its **results for the third 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, Grupo Athenas Educacional as from August 2020 and Qconcursos as from July 2021, 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

**November 9<sup>th</sup>, 2021 | 07:00 a.m. (EST)**

[Click here for the Webinar](#)

## IR CONTACT

[ri@yduqs.com.br](mailto:ri@yduqs.com.br)

**Visit our Website:** <https://www.yduqs.com.br>

# MESSAGE FROM THE MANAGEMENT

We have turned the page on the pandemic in on-campus learning. In the third quarter, our Digital and Premium business units continued to grow, at a pace that is now business as usual, however, excellent news come from our campuses, with solid evidence of class resumptions. We already have more than 50% of our students back in the classrooms, which has an encouraging and energizing impact on our professors, and we will have 100% of students back in the first half of 2022. The improvements we made to our units' physical structures and course portfolio have increased our ticket (+10%) and margin (+4 p.p. in 3Q21 compared to the first half of the year). Our students recognize the skills and engagement of our faculty, by coming back with a renewal rate that came to 83% in this quarter. We have identified that 80% of interviewed students intend to begin on-campus programs in 22.1. The results are worthwhile; the outlook is even more so.

Our digital learning is thriving freely and positively, backed by the best content and method in the market and by our DL center model – agile implementation, low initial investment and quick return. In the quarter, we reached nearly 2,000 centers – a milestone achieved not long ago, in a subsequent event that was very important to us. Bringing the content, so far restricted to higher-income students, to all four corners of the country is our greatest purpose just as our highway for growth.

DL and Idomed, which features our Medical Schools and grew by 27% in a year, have protected Yduqs during a series of crisis – reduction in FIES, economic stagnation and the pandemic – and they already account for half of the Company's total revenue and two thirds of EBITDA. The growth of these business lines will now become even more obvious with the on-campus learning growth picking-up.

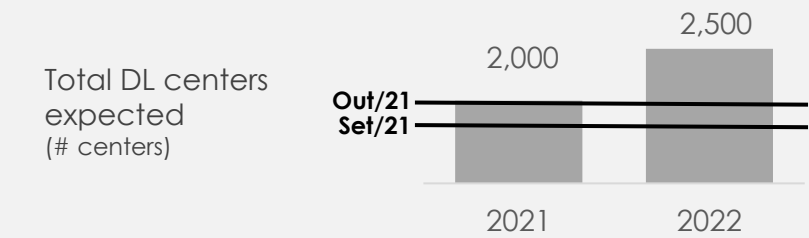
We continue to heavily invest in EnsiMe and in digital transformation, accounting for half of the R\$325 million in CAPEX in 9M21, and the results are impressive, specially the NPS, which climbed 22 p.p. for digital learning and 19 p.p. for on-campus, from 3Q21 end up to now. This places us in a new level of appreciation and respect with our students and faculty members, who have even more tools available to learn and teach.

Another achievement of our management was Yduqs' first trainee program made exclusively for black people. An affirmative action that opens doors in our support corporate structure – coupled with those opened by our education in the lives of many people.

I would like to thank everyone for continuing to support this work.

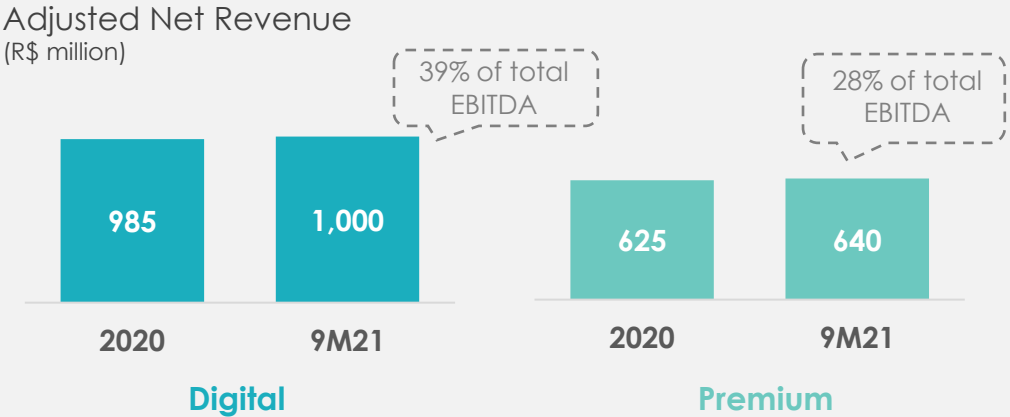
**Eduardo Parente**  
CEO

Better intake results, still in expansion...



- Already in October/21, **total number of DL centers exceeds expectation of 2,000** centers for the end of 2021.
- **Conclusion of Qconcurso acquisition**, with digital total student base closing at **~1 million students**.

...and with strong revenue growth...



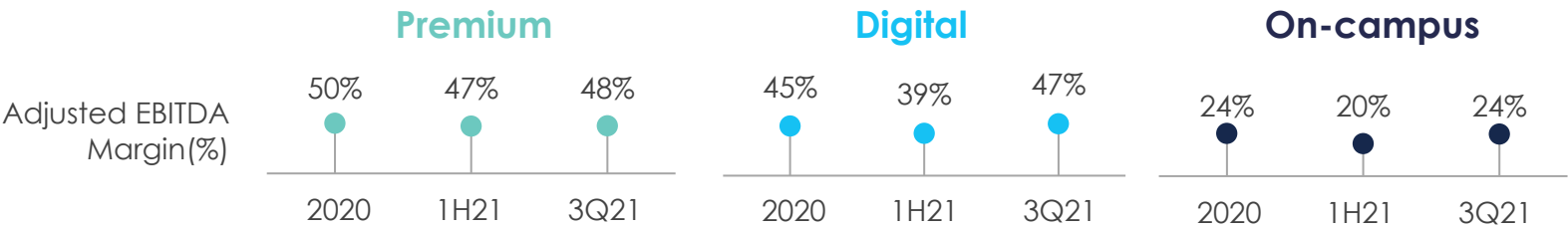
- **9M21 Net Revenue** for both Digital and Premium segments **exceeds 2020 total net revenue**, maintaining large representativeness in YDUQS total EBITDA.



...positively impacting average ticket, combined with an improvement in renewals...

	Average Ticket	Renewal Rate
Premium	+12% YoY Medicine	96%
Digital	-1% YoY	78%
On-campus	+10% YoY	83%

...leading to an EBITDA margin recovery



**80% reduction of non recurring effects** on EBITDA (R\$ 295 million in 9M20 vs R\$ 59 million in 9M21)

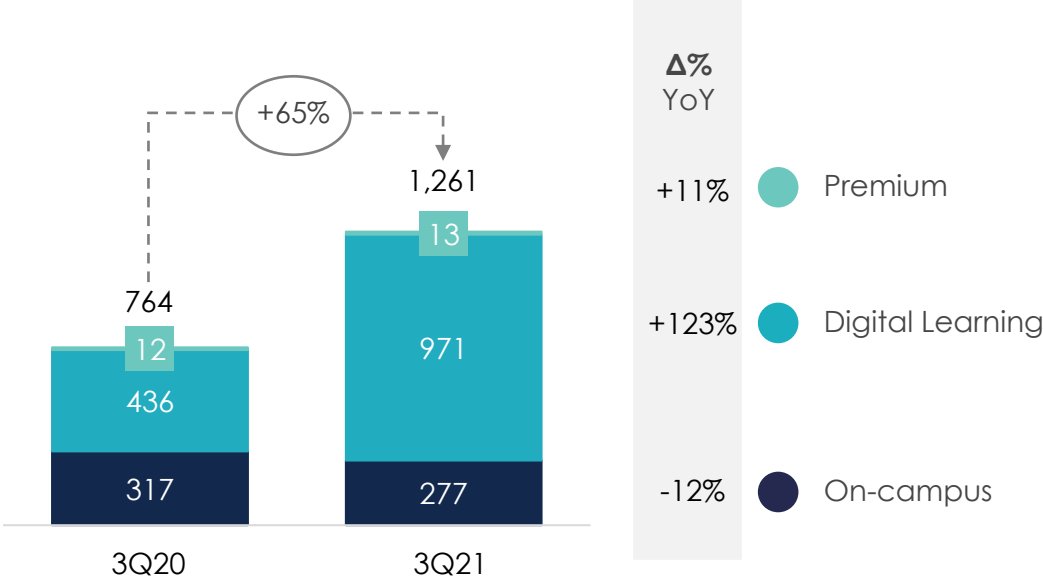
OPERATIONAL DATA

YDUQS







Total (thousand students)	3Q20	3Q21	Δ %
<b>Total Base</b>	<b>764.2</b>	<b>1,261.4</b>	<b>65.1%</b>
<b>On-campus</b>	<b>316.9</b>	<b>277.4</b>	<b>-12.5%</b>
<b>Digital Learning</b>	<b>435.6</b>	<b>970.9</b>	<b>122.9%</b>
Undergraduate	322.8	444.3	37.7%
Lifelong	112.8	526.6	366.9%
QConcursos	-	443.0	n.a.
<b>Premium</b>	<b>11.8</b>	<b>13.1</b>	<b>11.3%</b>
Medicine	5.6	7.1	27.3%
IBMEC	6.2	6.1	-3.0%
<b>Total Base(ex-FIES)</b>	<b>731.9</b>	<b>1,243.7</b>	<b>69.9%</b>
<b>Total Base(ex-acquisitions)</b>	<b>660.2</b>	<b>739.1</b>	<b>11.9%</b>
FIES	32.3	17.7	-45.1%
DIS	332.0	340.0	2.4%
On-campus	122.9	94.8	-22.9%
100% online	165.9	210.4	26.8%
Flex	43.1	34.8	-19.2%
PAR	7.2	4.2	-41.4%
Campi (ex-shared) <sup>(1)</sup>	108	110	1.9%
On-campus	98	97	-1.0%
Premium	16	19	18.8%
Shared with on-campus	6	6	0.0%
Centers	1,383	1,936	40.0%

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 (including Qconcursos from Jul/21).
- **Premium:** Medicine + IBMEC student base.



(1) Refers to the acquisitions of Adtalem (as from May/20), Athenas (as from Aug/20) and Qconcursos (as from July/21).

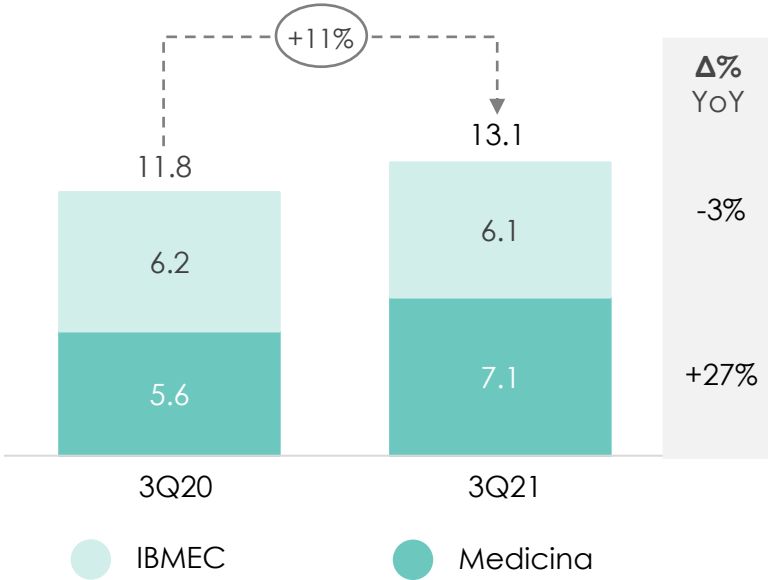
(2) It considers campi with individual management, that is, if there are 2 campi nearby or with complementary operations, which have the same management, it is considered only one campi.

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Premium (Thousand students)	3Q20	3Q21	Δ %
Premium Total	11.8	13.1	11.3%
Medicine	5.6	7.1	27.3%
Undergraduate	5.3	6.4	22.4%
FIES	1.2	1.1	-5.2%
Graduate	0.3	0.6	114.8%
IBMEC	6.2	6.1	-3.0%
Undergraduate	4.8	4.9	0.9%
FIES	0.4	0.2	-41.5%
Graduate	1.4	1.2	-16.9%
Premium Total (ex-FIES)	10.2	11.8	15.2%
Premium Total (ex-acquisitions) <sup>(1)</sup>	4.9	5.9	21.4%

Campi <sup>(2)</sup>	16	19	18.8%
Thousand students/Campi	0.7	0.7	-

Detailed Premium Base  
(Thousand students)



The **Premium** segment has been recording strong results, ending 3Q21 with 13.1 thousand students, which represents a 11.3% growth compared to the same period in the previous year, stemming from recent acquisitions and authorized Medical seats at the beginning of the year. **IBMEC student base** ended the quarter with 6.1 thousand students, a slight 3.0% decrease due to a reduction in graduate student base, as a result of the period's seasonal effect. The student base for **Medicine** recorded a solid 27.3% YoY increase, driven by 150 new authorized seats at the beginning of the year.

In 3Q21, renewal rate improved by 1.3 p.p. YoY, reaching 96%, strengthening the company's investments in student retention and greater satisfaction level.

We expect to end the year with **an expected Medical undergraduate student base in the range of 6.2-6.6 thousand students** and we already achieved 6.4 thousand students in 3Q21. Furthermore, considering the current calendar of authorization and monitoring visits, **we have up to +450 seats in the approval process**.



(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 (3Q20: 6 units | 3Q21: 6 units)

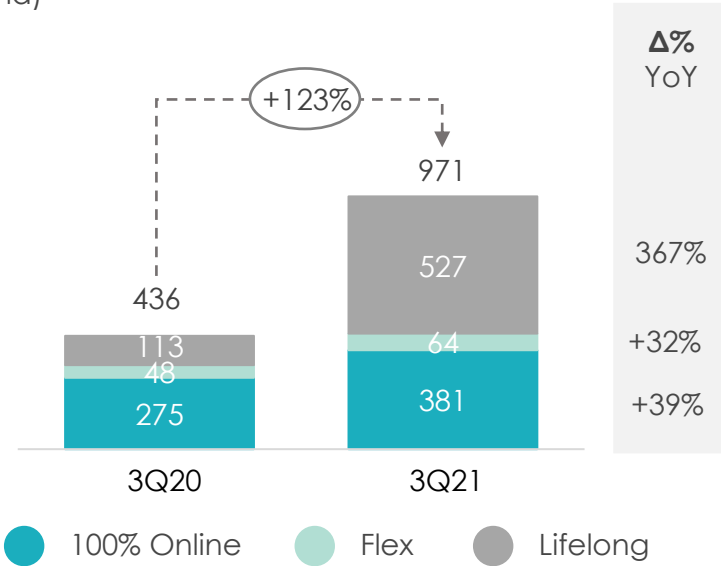
Digital Learning (Thousand students)	3Q20	3Q21	Δ %
Digital Learning Total	435.6	970.9	122.9%
Undergraduate	322.8	444.3	37.7%
100% online	274.6	380.5	38.6%
Flex	48.2	63.8	32.3%
Lifelong	112.8	526.6	366.9%
Qconcurcos	-	443.0	n.a.
Digital Learning (ex-acquisitions) <sup>(1)</sup>	383.9	495.0	28.9%

**Digital Learning**, which includes Lifelong, reached 970.9 thousand students by the end of 3Q21, recording robust growth of 122.9% YoY, boosted by the completion of Qconcurcos' acquisition in July 21.

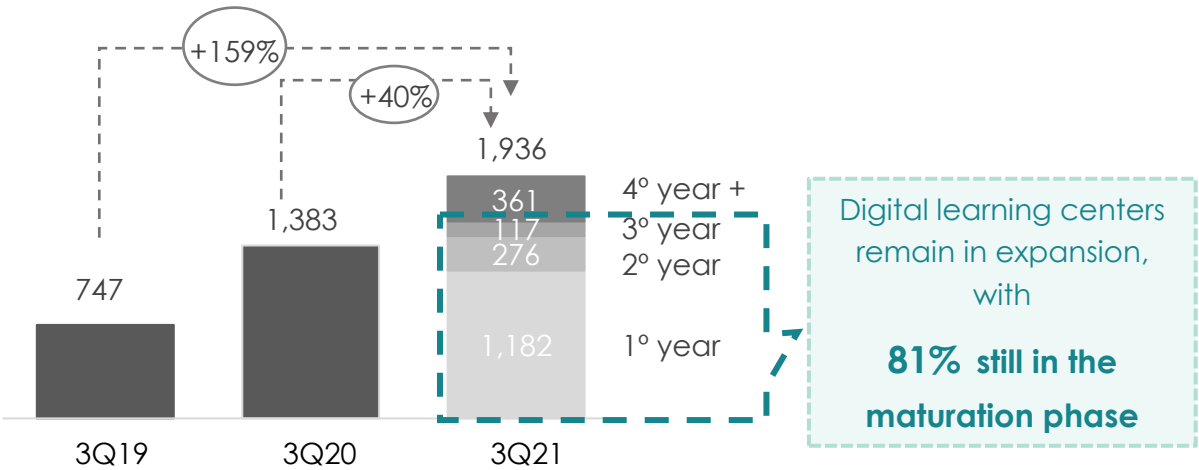
The **undergraduate student base** recorded a substantial 37.7% YoY growth, stemming from the centers' strong growth pace, which was up by 40% YoY (+553 centers). The maturation of centers has also played an important part in this result, considering that 81% of them are still maturing, meaning they have not yet reached 4 years of operation. Digital Learning has been growing especially in small cities (63% of centers at located in cities with population of up to 50,000 people.)

As of 3Q21, **Lifelong** student base includes the incorporation of 443 thousand (paying) students from Qconcurcos, as mentioned above. The renewal rate improved by 1.5 p.p., compared to 3Q20, reaching 78%.

Detailed Digital Learning base (thousand)



Number of Centers (# centers)



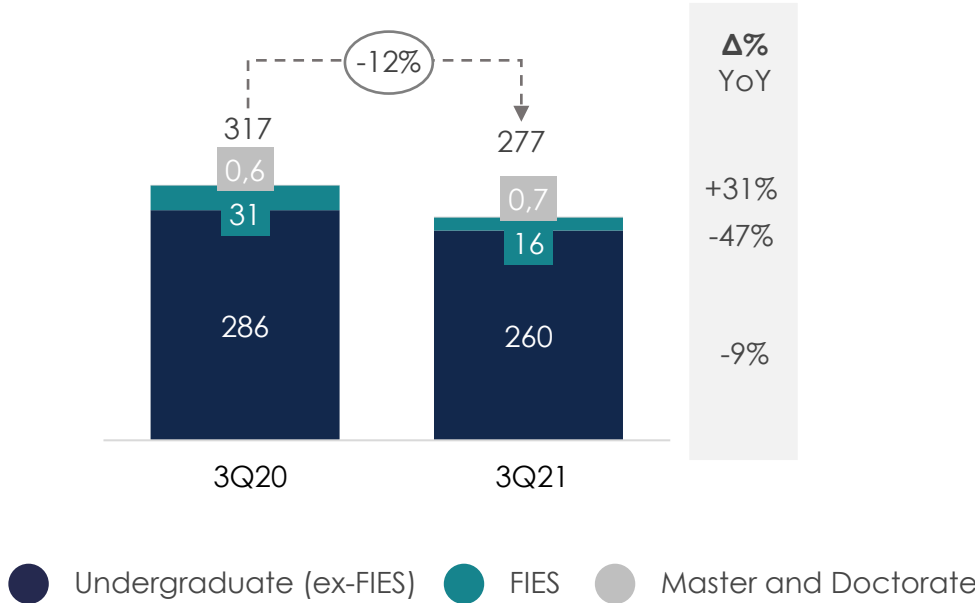
(1) Refers to the acquisitions of Adtalem (as from May/20), Athenas (as from Aug/20) and Qconcurcos (as from July/21).



On-campus (Thousand students)	3Q20	3Q21	Δ %
On-campus Total	316.9	277.4	-12.5%
Undergraduate (ex-FIES)	285.6	260.2	-8.9%
Undergraduate	316.3	276.6	-12.5%
On-campus	299.3	255.3	-14.7%
FIES	30.7	16.4	-46.7%
Semi on-campus	17.0	21.4	25.6%
Masters and Doctorate	0.6	0.7	30.9%
On-campus Total (ex-FIES)	286.1	261.0	-8.8%
On-campus Total (ex-acquisitions) <sup>(1)</sup>	271.5	238.2	-12.3%

Campi	98	97	-1.0%
Thousand students/Campi	3.2	3.0	-7.6%

Detailed on-campus base  
(Thousand students)



The **On-Campus** segment was down by 12.5% YoY, ending 3Q21 with 277.4 thousand students. This drop can be explained by some factors such as the 46.7% YoY drop in FIES student base, lower intake due to the pandemic and the period's seasonal effect.

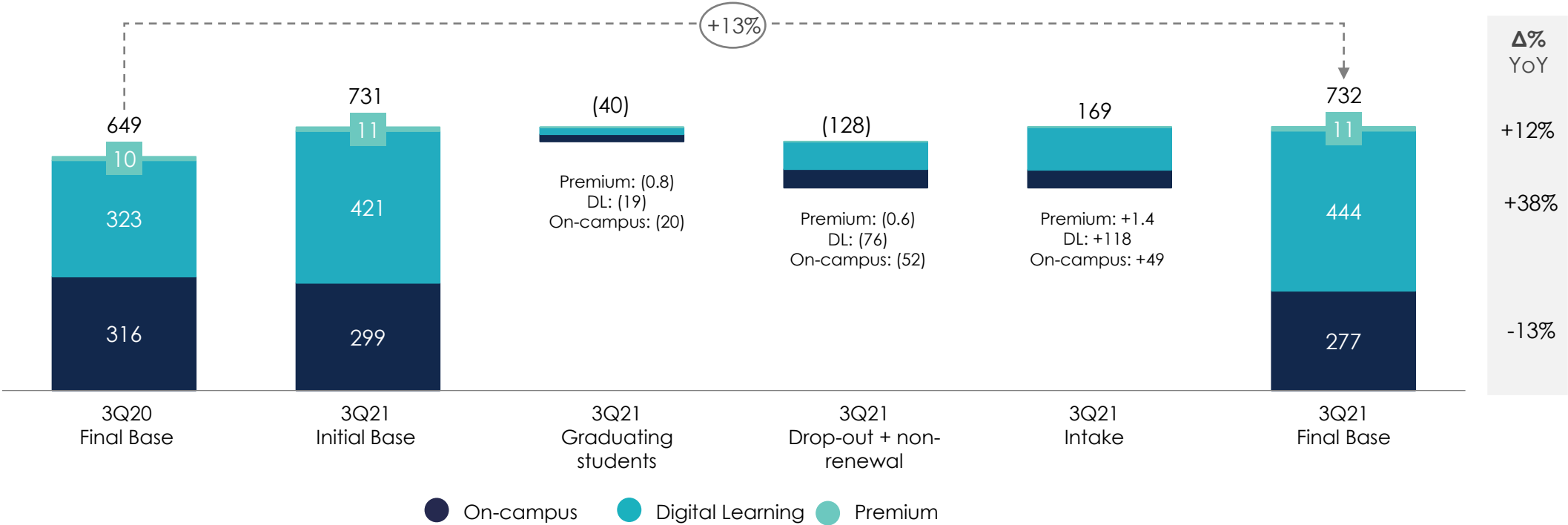
Student base for **hybrid learning has been gaining momentum** and increased by 25.6% vs. 3Q20, due to the higher intake for the segment.

It is important to emphasize that enrollment renewal rate was slightly up (+0.7 p.p. YoY), reaching 83%. Furthermore, in 1H21, 15% of students had already resumed on-campus classes, figure that increased to 51% in 2H21. We expect to have 100% of students back in on-campus classes in 2022.

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

# CHANGES IN THE UNDERGRADUATE BASE

(thousand students)	Initial base 3Q21	Graduating students 3Q21	Drop-out + non-renewal 3Q21	Intake 3Q21	3Q21 Final Base
Undergraduate	731.4	(40.0)	(128.4)	169.2	732.3
Premium	11.3	(0.8)	(0.6)	1.4	11.3
Medicine	6.2	(0.2)	(0.4)	0.8	6.4
IBMEC	5.1	(0.6)	(0.2)	0.5	4.9
Digital Learning	421.3	(19.3)	(76.2)	118.5	444.3
100% Online	362.7	(18.9)	(57.4)	94.2	380.5
Flex	58.6	(0.3)	(18.8)	24.3	63.8
On-campus	298.8	(19.9)	(51.6)	49.4	276.6
On-campus	279.3	(18.3)	(47.8)	42.1	255.3
Semi on-campus	19.5	(1.6)	(3.8)	7.3	21.4



# AVERAGE TICKET<sup>(1)</sup>

## PREMIUM

	Undergraduate Medicine			Undergraduate IBMEC		
	9M20	9M21	Δ %	9M20	9M21	Δ %
<b>Adjusted Average Ticket<sup>(2)</sup></b>	<b>8,270.1</b>	<b>8,777.5</b>	<b>6.1%</b>	<b>2,708.4</b>	<b>2,697.9</b>	<b>-0.4%</b>
Average Ticket (R\$/month)	7,489.9	8,420.4	12.4%	2,633.5	2,697.5	2.4%

## DIGITAL LEARNING

	Total Undergraduate			100% Online			Flex		
	9M20	9M21	Δ %	9M20	9M21	Δ %	9M20	9M21	Δ %
<b>Adjusted Average Ticket<sup>(2)</sup></b>	<b>239.7</b>	<b>234.3</b>	<b>-2.3%</b>	<b>212.0</b>	<b>211.2</b>	<b>-0.4%</b>	<b>408.6</b>	<b>365.2</b>	<b>-10.6%</b>
Average Ticket (R\$/month)	237.4	234.3	-1.3%	211.1	211.2	0.1%	398.2	365.2	-8.3%

## ON-CAMPUS

	Total Undergraduate			On-campus Undergraduate			On-campus Undergraduate (ex-FIES)			Semi on-campus Undergraduate		
	9M20	9M21	Δ %	9M20	9M21	Δ %	9M20	9M21	Δ %	9M20	9M21	Δ %
<b>Adjusted Average Ticket<sup>(2)</sup></b>	<b>640.8</b>	<b>664.1</b>	<b>3.6%</b>	<b>653.8</b>	<b>680.9</b>	<b>4.2%</b>	<b>620.4</b>	<b>670.0</b>	<b>8.0%</b>	<b>429.2</b>	<b>432.9</b>	<b>0.9%</b>
Average Ticket (R\$/month)	608.8	662.5	8.8%	619.8	679.2	9.6%	585.1	668.2	14.2%	429.2	432.9	0.9%

In 9M21, the impact of mandatory discounts determined by laws and court decisions amounted to R\$24.2 million (-82.0% YoY) and have mostly impacted the medicine course. The **adjusted Medicine undergraduate average ticket** was up by 6.1% YoY, ending the period at R\$8,778/month. Excluding the effects of these discounts, average ticket would have been up by 12.4% vs. 9M20. The **adjusted IBMEC's Average Ticket** remained stable at R\$2,698/month, influenced by the incorporation in 2021 of Damasio's law students (of lower ticket). Without this effect the average ticket would have increased by 1.2% YoY.

For Digital Learning, **adjusted undergraduate average ticket** was down by 2.3% vs. 9M20, ending the period at R\$234/month, in line with the 2Q21 guidance.

The **On-campus adjusted undergraduate average ticket** has been recovering over the past quarters, mainly due to the significant reduction in the impact from laws and court decisions coupled with tuition adjustments and change in student base mix. In 9M21, on-campus adjusted undergraduate average ticket was up by 3.6% YoY (R\$664/month). Excluding the FIES effect, on-campus adjusted undergraduate average ticket (ex-FIES) was up by 8.0% YoY, totaling R\$670/month. Semi on-campus courses average ticket came to R\$433/month, up by 0.9% vs. 9M20.

(1) Average ticket = Net revenue for the period x 1.000 /9/ weighted student base considering acquisitions.

(2) Excluding the impact of discounts from laws and court decisions.



FINANCIAL DATA

YDUQS



# INCOME STATEMENT

(R\$ million)	3Q20	3Q21	Δ%	9M20	9M21	Δ%	Ex-acquisitions <sup>(1)</sup>		
							9M20	9M21	Δ%
<b>Gross Revenue</b>	<b>1,940.4</b>	<b>2,201.3</b>	<b>13.4%</b>	<b>5,656.2</b>	<b>6,640.0</b>	<b>17.4%</b>	<b>5,141.3</b>	<b>5,666.2</b>	<b>10.2%</b>
Monthly tuition fees	1,924.2	2,164.1	12.5%	5,619.3	6,573.3	17.0%	5,118.9	5,644.0	10.3%
Others	16.2	37.2	129.2%	36.9	66.7	80.7%	22.4	22.2	-0.9%
Deductions from gross revenue	(964.1)	(1,103.2)	14.4%	(2,765.5)	(3,299.0)	19.3%	(2,553.9)	(2,932.7)	14.8%
<b>Net Revenue</b>	<b>976.3</b>	<b>1,098.1</b>	<b>12.5%</b>	<b>2,890.7</b>	<b>3,341.0</b>	<b>15.6%</b>	<b>2,587.4</b>	<b>2,733.5</b>	<b>5.6%</b>
Cost of Services	(434.2)	(501.3)	15.5%	(1,227.1)	(1,459.3)	18.9%	(1,028.7)	(1,139.6)	10.8%
<b>Gross Profit</b>	<b>542.2</b>	<b>596.8</b>	<b>10.1%</b>	<b>1,663.6</b>	<b>1,881.7</b>	<b>13.1%</b>	<b>1,558.8</b>	<b>1,593.9</b>	<b>2.3%</b>
Gross margin (%)	55.5%	54.3%	-1.2 p.p.	57.6%	56.3%	-1.2 p.p.	60.2%	58.3%	-1.9 p.p.
Selling Expenses	(160.7)	(191.6)	19.2%	(638.3)	(674.7)	5.7%	(592.7)	(585.6)	-1.2%
G&A Expenses	(194.5)	(247.1)	27.0%	(605.2)	(704.8)	16.5%	(566.0)	(584.4)	3.2%
Other operating revenue/ expenses	(1.1)	7.4	n.a.	(0.1)	16.4	n.a.	(0.5)	13.1	-2482.5%
(+) Depreciation and amortization	146.3	195.7	33.8%	361.0	504.7	39.8%	309.0	403.7	30.6%
<b>EBITDA</b>	<b>332.2</b>	<b>361.3</b>	<b>8.8%</b>	<b>781.1</b>	<b>1,023.3</b>	<b>31.0%</b>	<b>708.5</b>	<b>840.7</b>	<b>18.6%</b>
EBITDA margin (%)	34.0%	32.9%	-1.1 p.p.	27.0%	30.6%	3.6 p.p.	27.4%	30.8%	3.4 p.p.
<b>Financial result</b>	<b>(86.9)</b>	<b>(103.1)</b>	<b>18.6%</b>	<b>(244.9)</b>	<b>(285.8)</b>	<b>16.7%</b>	<b>(236.8)</b>	<b>(261.6)</b>	<b>10.4%</b>
Depreciation and amortization	(146.3)	(195.7)	33.8%	(361.0)	(504.7)	39.8%	(309.0)	(403.7)	30.6%
Income tax	9.9	8.4	-15.0%	18.9	0.8	-95.9%	17.1	(8.0)	n.a.
Social contribution	3.7	2.0	-45.8%	6.8	(1.0)	n.a.	5.9	(3.5)	n.a.
<b>Net Income</b>	<b>112.5</b>	<b>72.8</b>	<b>-35.2%</b>	<b>200.8</b>	<b>232.5</b>	<b>15.8%</b>	<b>185.7</b>	<b>163.8</b>	<b>-11.8%</b>
Net margin (%)	11.5%	6.6%	-4.9 p.p.	6.9%	7.0%	0.1 p.p.	7.2%	6.0%	-1.2 p.p.
<b>Adjusted Net Revenue<sup>(2)</sup></b>	<b>1,044.4</b>	<b>1,106.9</b>	<b>6.0%</b>	<b>3,025.4</b>	<b>3,365.2</b>	<b>11.2%</b>	<b>2,707.1</b>	<b>2,757.3</b>	<b>1.9%</b>
<b>Adjusted EBITDA<sup>(2)</sup></b>	<b>399.7</b>	<b>396.4</b>	<b>-0.8%</b>	<b>1,076.2</b>	<b>1,082.1</b>	<b>0.5%</b>	<b>989.0</b>	<b>891.1</b>	<b>-9.9%</b>
Adjusted EBITDA margin (%)	38%	36%	-2.5 p.p.	35.6%	32.2%	-3.4 p.p.	36.5%	32.3%	-4.2 p.p.
<b>Adjusted Net Income<sup>(2)</sup></b>	<b>194.7</b>	<b>146.2</b>	<b>-24.9%</b>	<b>519.2</b>	<b>363.6</b>	<b>-30.0%</b>	<b>487.6</b>	<b>280.2</b>	<b>-42.5%</b>
Adjusted Net margin (%)	18.6%	13.2%	-5.4 p.p.	17.2%	10.8%	-6.4 p.p.	18.0%	10.2%	-7.8 p.p.

(1) Refers to the acquisitions of Adtalem (as from May/20), Athenas (as from Aug/20) and Qconcurso (as from July/21).

(2) Adjusted by laws and court decisions, mainly for medicine students. | Adjusted EBITDA by non-recurring items.



# OPERATING REVENUE (1/2)

(R\$ million)	3Q20	3Q21	Δ%	9M20	9M21	Δ%	Ex-acquisitions <sup>(1)</sup>		
							9M20	9M21	Δ%
<b>Gross Revenue</b>	<b>1,940.4</b>	<b>2,201.3</b>	<b>13.4%</b>	<b>5,656.2</b>	<b>6,640.0</b>	<b>17.4%</b>	<b>5,141.3</b>	<b>5,666.2</b>	<b>10.2%</b>
Monthly tuition fees	1,924.2	2,164.1	12.5%	5,619.3	6,573.3	17.0%	5,118.9	5,644.0	10.3%
Other	16.2	37.2	129.2%	36.9	66.7	80.7%	22.4	22.2	-0.9%
<b>Deductions from Gross Revenue</b>	<b>(964.1)</b>	<b>(1,103.2)</b>	<b>14.4%</b>	<b>(2,765.5)</b>	<b>(3,299.0)</b>	<b>19.3%</b>	<b>(2,553.9)</b>	<b>(2,932.7)</b>	<b>14.8%</b>
Discounts and scholarships	(928.7)	(1,060.4)	14.2%	(2,652.2)	(3,167.5)	19.4%	(2,456.7)	(2,832.2)	15.3%
Taxes	(37.6)	(39.0)	3.9%	(115.2)	(121.3)	5.3%	(99.0)	(92.0)	-7.1%
AVP and other deductions	2.1	(3.9)	n.a.	2.0	(10.2)	n.a.	1.8	(8.5)	-574.9%
<b>Net Revenue</b>	<b>976.3</b>	<b>1,098.1</b>	<b>12.5%</b>	<b>2,890.7</b>	<b>3,341.0</b>	<b>15.6%</b>	<b>2,587.4</b>	<b>2,733.5</b>	<b>5.6%</b>
Premium	150.1	209.0	39.3%	407.0	620.3	52.4%	310.4	423.9	36.6%
Digital Learning	270.2	354.1	31.1%	724.1	1,000.2	38.1%	673.1	889.6	32.2%
On-campus	556.0	534.7	-3.8%	1,759.5	1,720.5	-2.2%	1,603.6	1,420.1	-11.4%
<b>Adjusted Net Revenue <sup>(2)</sup></b>	<b>1,044.4</b>	<b>1,106.9</b>	<b>6.0%</b>	<b>3,025.4</b>	<b>3,365.2</b>	<b>11.2%</b>	<b>2,707.1</b>	<b>2,757.3</b>	<b>1.9%</b>
Premium	172.6	216.1	25.7%	442.7	640.4	44.7%	339.3	443.3	30.6%
Digital Learning	274.7	354.3	30.0%	731.1	1,000.2	36.8%	679.9	889.6	30.8%
On-campus	597.2	536.5	-10.6%	1,851.6	1,724.7	-6.9%	1,688.6	1,424.2	-15.7%
<b>Net Revenue FIES</b>	<b>103.2</b>	<b>63.7</b>	<b>-38.2%</b>	<b>328.0</b>	<b>241.1</b>	<b>-26.5%</b>	<b>255.6</b>	<b>185.1</b>	<b>-27.6%</b>

In 9M21, **net revenue** recorded a strong **increase of 15.6% YoY** (+R\$ 450.3 million), due to the significant growth of the **Premium +36.6%** (+R\$113.6 million YoY ex-acquisitions) and **Digital Learning +32.2%** (+R\$216.5 million YoY ex-acquisitions) business units, which combined **already account for 49% of the Company's total net revenue** (+10 p.p. vs. 9M20). Furthermore, **Acquisitions** brought a R\$607.5 million net revenue in 9M21, more than offsetting the 11.4% drop (-R\$183.4 million YoY ex-acquisitions) in the On-campus segment, still impacted by the loss in FIES, in addition to the pandemic fallout.

Net revenue was impacted by laws and court decisions (individual lawsuits) which resulted in the grating of discounts to students in the amount of R\$24.2 million in 9M21 (-82.0% YoY), representing less than 1% of the Company's total net revenue. Excluding said effect, **adjusted net revenue was up by 11.2% YoY**.

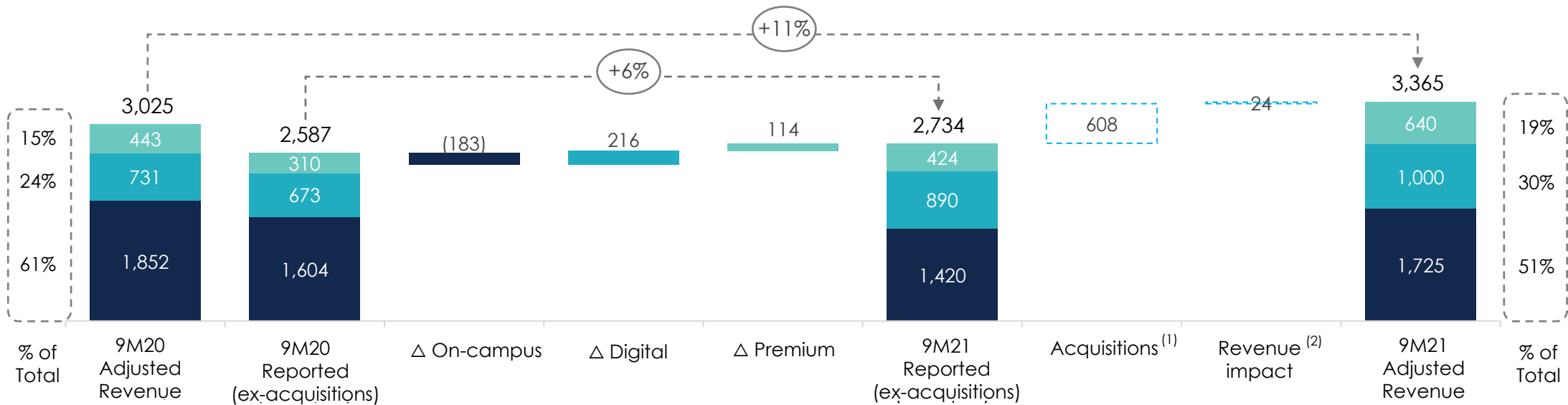


(1) Refers to the acquisitions of Adtalem (as from May/20), Athenas (as from Aug/20) and Qconcurso (as from July/21).  
(2) Adjusted by laws and court decisions, mainly for medicine students.

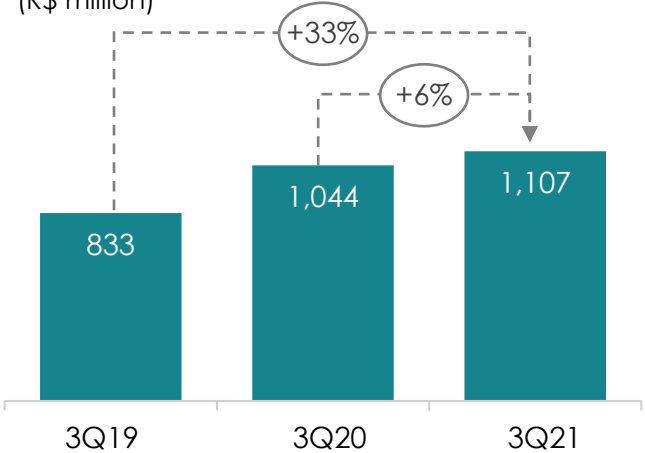
# OPERATING REVENUE (2/2)

Contribution to total adjusted net revenue<sup>(2)</sup>  
(R\$ million; 9M20 vs 9M21)

On-campus Digital Learning Premium



Adjusted Net Revenue<sup>(2)</sup>  
(R\$ million)

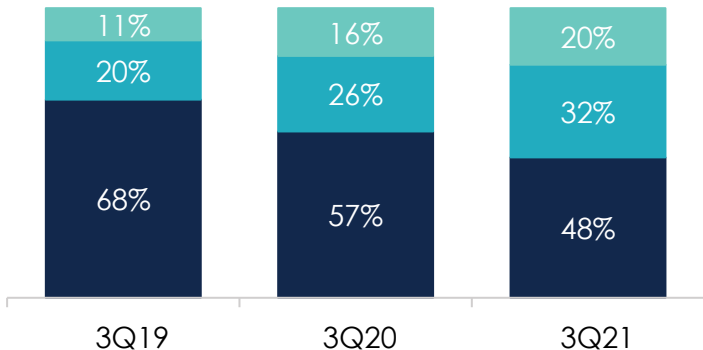


87% reduction on the impact of laws and court decisions

68.0 million in 3Q20  
8.8 million in 3Q21

Reported revenue , grows 12% vs. 3Q20

Adjusted Net Revenue<sup>(2)</sup> by BU  
(% of net revenue)



(1) Refers to the acquisitions of Adtalem (as from May/20), Athenas (as from Aug/20) and Qconcurso (as from July/21).  
(2) Impact related to discounts from laws and court decisions.

# COST OF SERVICES AND GROSS PROFIT(1/2)

(R\$ million)	3Q20	3Q21	Δ%	9M20	9M21	Δ%	Ex-acquisitions <sup>(1)</sup>		
							9M20	9M21	Δ%
<b>Cost of Services</b>	<b>(434.2)</b>	<b>(501.3)</b>	<b>15.5%</b>	<b>(1,227.1)</b>	<b>(1,459.3)</b>	<b>18.9%</b>	<b>(1,028.7)</b>	<b>(1,139.6)</b>	<b>10.8%</b>
Personnel	(264.5)	(275.6)	4.2%	(800.9)	(868.5)	8.4%	(663.6)	(666.1)	0.4%
Rent. Municipal Property Tax and Others	(16.1)	(12.5)	-22.0%	(36.5)	(38.5)	5.5%	(33.7)	(32.5)	-3.5%
Rent	(59.2)	(81.9)	38.3%	(166.4)	(247.3)	48.6%	(164.6)	(186.1)	13.1%
Leasing - right of use of properties (IFRS-16)	55.1	83.1	51.0%	163.1	249.5	53.0%	162.0	189.6	17.1%
Other	(11.9)	(14.0)	18.0%	(33.2)	(41.0)	23.5%	(31.0)	(36.0)	16.0%
Transfer of Centers	(32.1)	(48.0)	49.7%	(73.6)	(127.8)	73.7%	(72.0)	(125.2)	73.7%
Third-party services	(10.8)	(15.1)	39.7%	(32.7)	(42.0)	28.6%	(30.8)	(37.2)	20.7%
Utilities	(7.2)	(9.0)	25.1%	(22.8)	(26.6)	16.9%	(20.4)	(19.9)	-2.3%
Other costs	(4.4)	(4.4)	-1.1%	(10.6)	(10.4)	-2.2%	(8.1)	(8.2)	2.1%
Depreciation and amortization	(99.1)	(136.7)	37.9%	(250.0)	(345.4)	38.2%	(200.2)	(250.5)	25.2%
Leasing - right of use of properties	(56.8)	(67.4)	18.8%	(152.1)	(191.4)	25.8%	(128.3)	(144.5)	12.6%
Systems. Apps and Software	(9.0)	(6.2)	-30.7%	(13.6)	(13.3)	-1.8%	(2.9)	(4.7)	59.9%
Improvement to third-party assets	(11.6)	(38.5)	230.9%	(30.3)	(69.1)	127.8%	(27.7)	(52.3)	88.9%
IT equipment	(3.4)	(4.0)	16.1%	(8.7)	(12.2)	41.2%	(7.1)	(7.7)	8.7%
Machinery and equipment	(3.1)	(3.0)	-3.2%	(7.0)	(8.5)	21.7%	(4.4)	(4.9)	10.1%
Other D&A costs	(15.2)	(17.6)	15.8%	(38.3)	(50.9)	32.7%	(29.6)	(36.4)	22.8%
<b>Gross profit</b>	<b>542.2</b>	<b>596.8</b>	<b>10.1%</b>	<b>1,663.6</b>	<b>1,881.7</b>	<b>13.1%</b>	<b>1,558.8</b>	<b>1,593.9</b>	<b>2.3%</b>
Gross margin (%)	55.5%	54.3%	-1.2 p.p.	57.6%	56.3%	-1.2 p.p.	60.2%	58.3%	-1.9 p.p.
<b>Adjusted Cost of Services<sup>(2)</sup></b>	<b>(436.2)</b>	<b>(482.4)</b>	<b>10.6%</b>	<b>(1,241.7)</b>	<b>(1,439.1)</b>	<b>15.9%</b>	<b>(1,042.8)</b>	<b>(1,126.6)</b>	<b>8.0%</b>
<b>Adjusted Cost of Personnel<sup>(2)</sup></b>	<b>(266.5)</b>	<b>(256.7)</b>	<b>-3.7%</b>	<b>(800.8)</b>	<b>(848.3)</b>	<b>5.9%</b>	<b>(672.9)</b>	<b>(653.1)</b>	<b>-2.9%</b>

(1) Refers to the acquisitions of Adtaleo (as from May/20), Athenas (as from Aug/20) and Qconcurso (as from July/21).

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



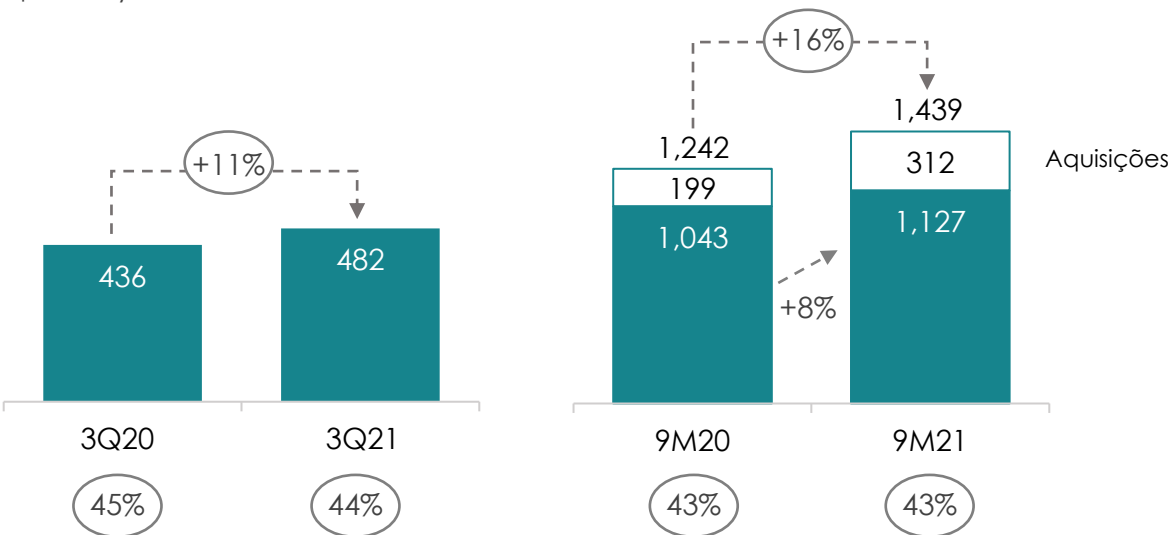


# COST OF SERVICES AND GROSS PROFIT(1/2)

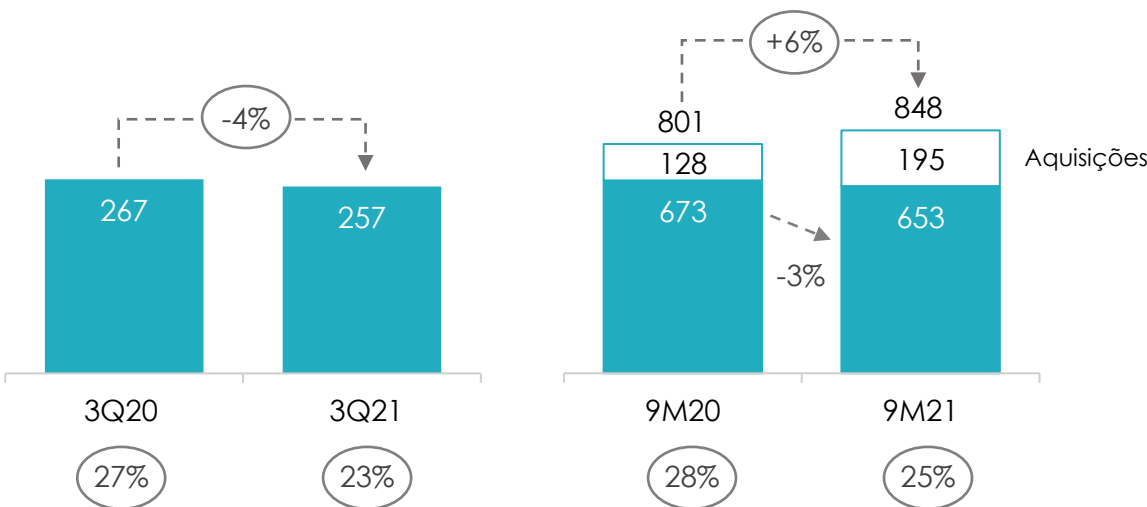
In 9M21, **cost of services** was up by 18.9% YoY, mainly as a result of recent acquisitions due to the increase in Digital Learning and higher depreciation and amortization. Excluding the acquisitions, cost of services would have increased by 10.8% YoY. Excluding non-recurring effects, cost of services (ex-acquisitions) we up by 8% YoY, below LTM accumulated inflation (IPCA(2) 10.25%). The main changes in 9M21 figures were:

- R\$67.6 million YoY increase in personnel costs, mainly due to acquisitions as of May 2020 and non-recurring costs related to operational efficiency gains that amounted to R\$20.3 million in 9M21. Excluding acquisitions and non-recurring effects, adjusted personnel costs were down by 2.9% YoY.
- R\$54.2 million YoY increase in transfer to centers, due to the strong expansion of Digital Learning partner centers (+533 centers).
- R\$9.4 million YoY increase in third-party services (security and cleaning), related to the acquisitions and the gradual resumption of on-campus classes.
- R\$95.4 million YoY increase in depreciation and amortization, due to the acquisitions, improvements to third-party assets related to returned and return properties, in addition to the IFRS 16 effect.

Adjusted cost of services<sup>(1)</sup>  
(R\$ million)



Adjusted Cost of Personnel<sup>(1)</sup>  
(R\$ million)



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

# SELLING EXPENSES(1/2)

(R\$ million)	3Q20	3Q21	Δ%	9M20	9M21	Δ%	Ex-acquisitions <sup>(1)</sup>		
							9M20	9M21	Δ%
<b>Selling Expenses</b>	<b>(160.7)</b>	<b>(191.6)</b>	<b>19.2%</b>	<b>(638.3)</b>	<b>(674.7)</b>	<b>5.7%</b>	<b>(592.7)</b>	<b>(585.6)</b>	<b>-1.2%</b>
Bad Debt	(78.4)	(89.4)	14.0%	(379.3)	(344.1)	-9.3%	(358.7)	(299.2)	-16.6%
Out-of-pocket	(31.1)	(53.1)	70.5%	(252.3)	(201.1)	-20.3%	(231.8)	(159.9)	-31.0%
PAR <sup>(2)</sup>	(13.6)	(0.0)	-99.9%	(44.3)	(19.3)	-56.3%	(44.3)	(19.3)	-56.3%
DIS <sup>(2)</sup>	(33.7)	(36.3)	7.9%	(82.7)	(123.6)	49.5%	(82.7)	(120.0)	45.1%
Advertising and M&S	(82.6)	(102.1)	23.5%	(259.2)	(330.5)	27.5%	(233.9)	(286.3)	22.4%
Advertising	(67.2)	(69.5)	3.3%	(209.4)	(255.4)	22.0%	(184.1)	(218.9)	18.9%
Sales & Marketing (M&S)	(15.4)	(32.6)	111.6%	(49.8)	(75.0)	50.6%	(49.8)	(67.3)	35.2%
Others	0.3	(0.1)	-122.1%	0.2	(0.2)	-193.3%	(0.1)	(0.1)	35.0%
<b>Adjusted selling expenses<sup>(3)</sup></b>	<b>(160.2)</b>	<b>(191.6)</b>	<b>19.5%</b>	<b>(538.6)</b>	<b>(674.7)</b>	<b>25.3%</b>	<b>(495.4)</b>	<b>(585.6)</b>	<b>18.2%</b>
<b>Bad Debt + Discounts</b>	<b>(112.0)</b>	<b>(117.4)</b>	<b>4.7%</b>	<b>(473.8)</b>	<b>(423.8)</b>	<b>-10.6%</b>	<b>(451.2)</b>	<b>(372.7)</b>	<b>-17.4%</b>
% of net revenue	11.5%	10.7%	-0.8 p.p.	16.4%	12.7%	-3.7 p.p.	17.4%	13.6%	-3.8 p.p.
<b>Adjusted Bad Debt <sup>(3)</sup> + Discounts</b>	<b>(111.5)</b>	<b>(117.4)</b>	<b>5.2%</b>	<b>(374.1)</b>	<b>(423.8)</b>	<b>13.3%</b>	<b>(353.9)</b>	<b>(372.7)</b>	<b>5.3%</b>
% of net revenue	11.4%	10.7%	-0.7 p.p.	12.9%	12.7%	-0.3 p.p.	13.7%	13.6%	0.1 p.p.

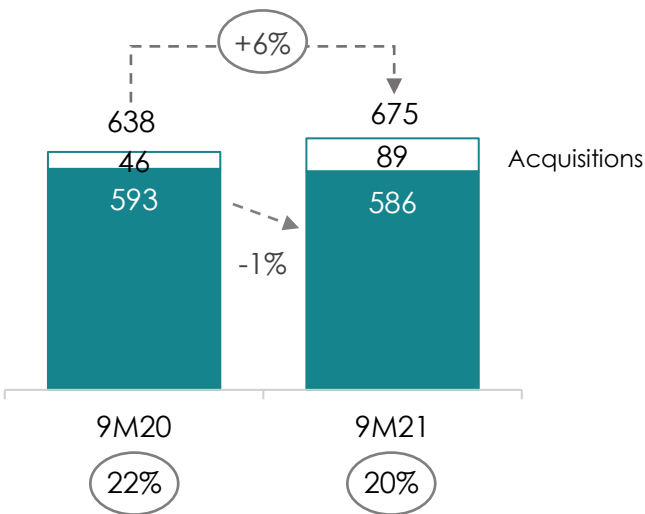
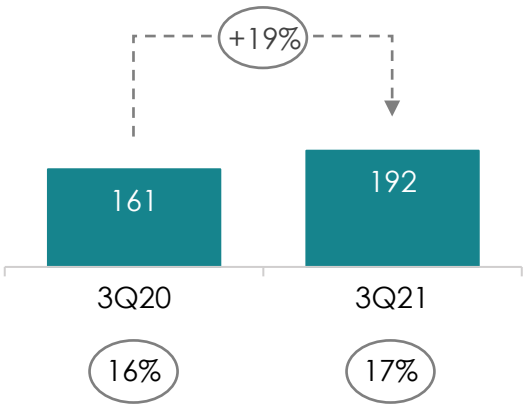
In 9M21, **selling expenses** were up by 5.7% (+R\$36.5 million YoY), due to recent acquisitions. Excluding the acquisitions, selling expenses would have decreased by 1.2% vs. 9M20.

**Bad debt expenses** had a non-recurring impact of R\$99.2 million on total selling expenses in 2Q20. Excluding said effect in 2020, adjusted Bad Debt was stable as a percentage of net revenue in 9M21. Discounts granted in 9M21 were down by 15.6% (-R\$14.8 million YoY), therefore, **adjusted Bad Debt + discounts** were up by 13.3% and ended 9M21 representing 12.7% of net revenue (-0.3 p.p. YoY).

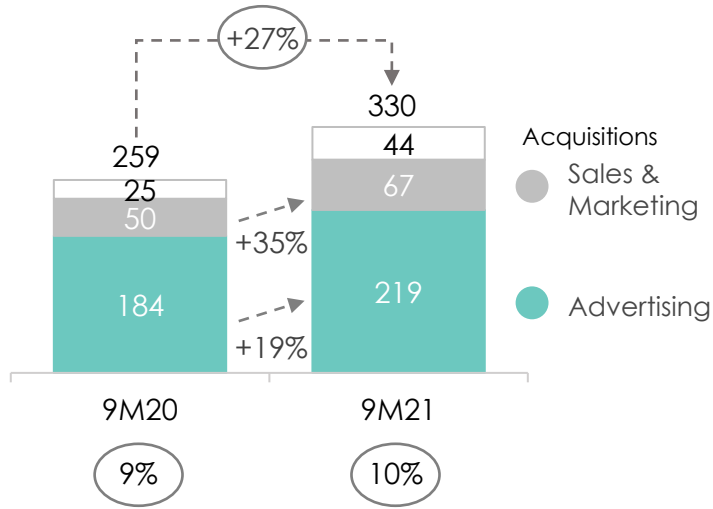
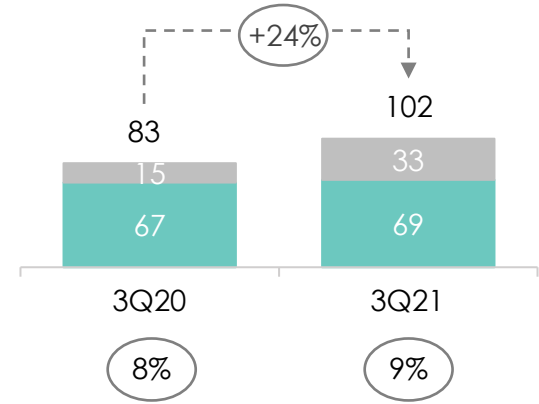
In 9M21, **advertising and Sales & Marketing (M&S) expenses** were up by 27.5% (+R\$71.2 million YoY), due to recent acquisitions, increased intake efforts in 1Q21, coupled with higher Call Center expenses (+R\$8.7 million) and sales commission (+R\$12.3 million). As a percentage of total net revenue, advertising and M&S expenses were slightly up by 0.9 p.p. YoY, but we expect them to end 2H21 in line with the same period in the previous year.

(1) Refers to the acquisitions of Adtalem (as from May/20), Athenas (as from Aug/20) and Qconcurso (as from July/21).  
 (2) Considers Bad Debt Drop-out.  
 (3) Adjusted by non-recurring items, explained in detail on the EBITDA section.

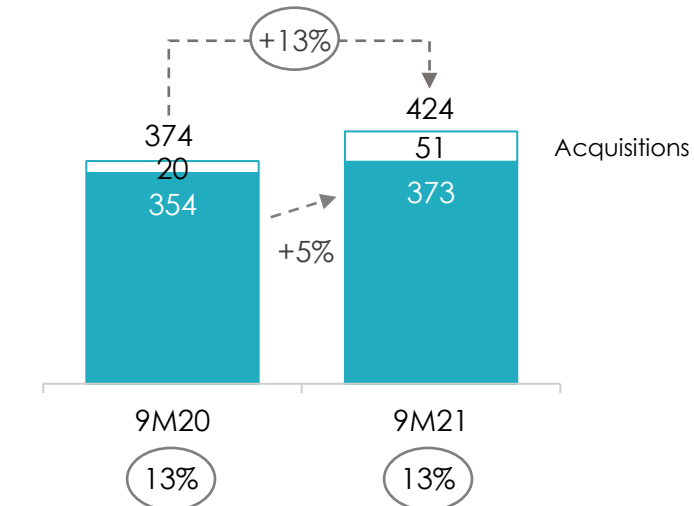
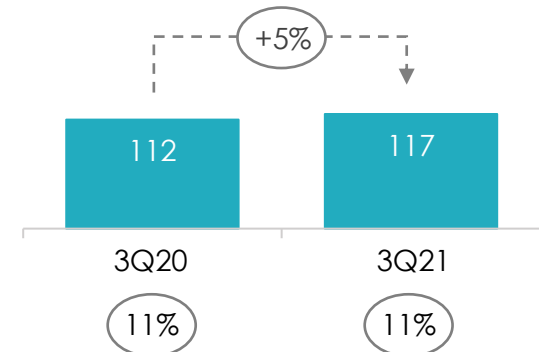
Adjusted sellings expenses  
(R\$ million)



Advertising and Sales & Marketing expenses  
(R\$ million)



Adjusted Bad Debt<sup>(1)</sup> + Discounts  
(R\$ million)



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

# GENERAL, ADMINISTRATIVE AND OTHER EXPENSES (1/2)

(R\$ million)	3Q20	3Q21	Δ%	9M20	9M21	Δ%	Ex-acquisitions <sup>(1)</sup>		
							9M20	9M21	Δ%
<b>G&amp;A Expenses</b>	<b>(194.5)</b>	<b>(247.1)</b>	<b>27.0%</b>	<b>(605.2)</b>	<b>(704.8)</b>	<b>16.5%</b>	<b>(566.0)</b>	<b>(584.4)</b>	<b>3.2%</b>
Personnel	(64.8)	(87.1)	34.4%	(181.0)	(260.5)	44.0%	(158.6)	(174.5)	10.0%
Third-party services	(30.3)	(37.3)	23.4%	(95.1)	(98.9)	4.0%	(89.2)	(85.8)	-3.9%
Provision for contingencies	(18.4)	(12.3)	-33.1%	(112.9)	(51.7)	-54.2%	(114.5)	(56.1)	-51.0%
Maintenance and repairs	(16.7)	(21.8)	30.7%	(37.9)	(60.5)	59.5%	(31.3)	(50.3)	60.6%
Other	(17.1)	(29.4)	72.0%	(67.3)	(73.9)	9.8%	(63.4)	(64.6)	1.9%
Depreciation and amortization	(47.2)	(59.1)	25.1%	(111.0)	(159.3)	43.5%	(108.9)	(153.2)	40.7%
Amortization of Trade Fund	(15.8)	(17.1)	7.9%	(27.9)	(49.5)	77.5%	(25.7)	(43.3)	68.3%
Systems, Applications and Software	(17.7)	(27.0)	52.3%	(47.2)	(68.8)	45.8%	(47.2)	(68.8)	45.8%
Other D&A expenses	(13.6)	(15.0)	9.7%	(36.0)	(41.0)	14.2%	(36.0)	(41.0)	14.2%
<b>Other revenue/ expenses</b>	<b>(1.1)</b>	<b>7.4</b>	<b>n.a.</b>	<b>(0.1)</b>	<b>16.4</b>	<b>n.a.</b>	<b>(0.5)</b>	<b>13.1</b>	<b>n.a.</b>
<b>Adjusted G&amp;A Expenses<sup>(2)</sup></b>	<b>(193.5)</b>	<b>(239.6)</b>	<b>23.9%</b>	<b>(529.8)</b>	<b>(690.5)</b>	<b>30.3%</b>	<b>(488.4)</b>	<b>(570.8)</b>	<b>16.9%</b>

In 9M21, **general and administrative expenses** were up by 16.5% (+R\$99.6 million YoY), especially due to the acquisitions. Excluding the acquisitions effect, general and administrative expenses increased by 3.2% YoY, way below the LTM accumulated inflation (IPCA(3) 10.25%). The main changes in 9M21 figures were:

- Personnel expenses grew by 44.0% (+R\$79.6 million YoY), mainly due to the incorporation of acquisitions as of May 2020, coupled with the headcount increase from the Company's new corporate structure.
- R\$61.2 million YoY reduction in provision for contingencies. Excluding the R\$54.9 million impact from the review of the lawsuit base in 9M20, this expense was down by 10.9% YoY.
- R\$22.6 million YoY increase in maintenance and repairs, related to the maintenance of software and the units' furniture and equipment.
- R\$48.3 million increase in depreciation and amortization, of which (i) R\$21.6 million in the amortization of acquisition premium and (ii) R\$21.6 million in software maintenance due to investments in digital transformation and technology.



(1) Refers to the acquisitions of Adtalem (as from May/20), Athenas (as from Aug/20) and Qconcurso (as from July/21).

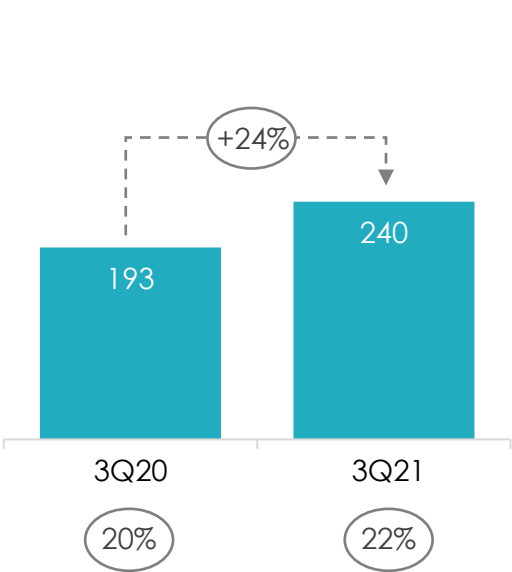
(2) Adjusted by non-recurring items, explained in detail on the EBITDA section.

(3) Source: IBGE

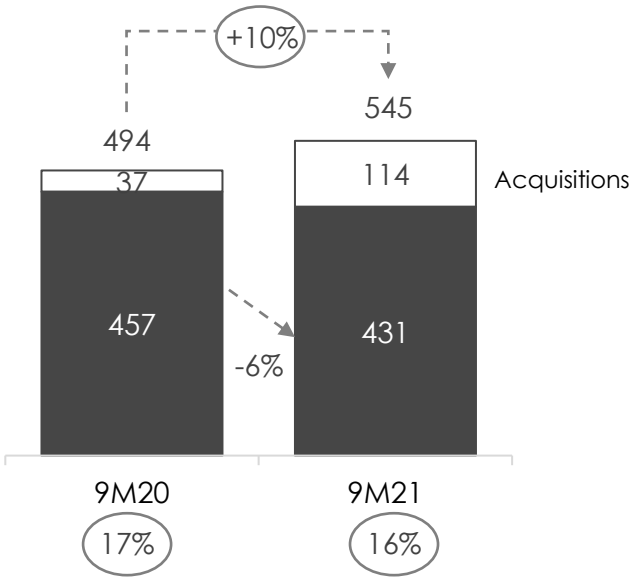
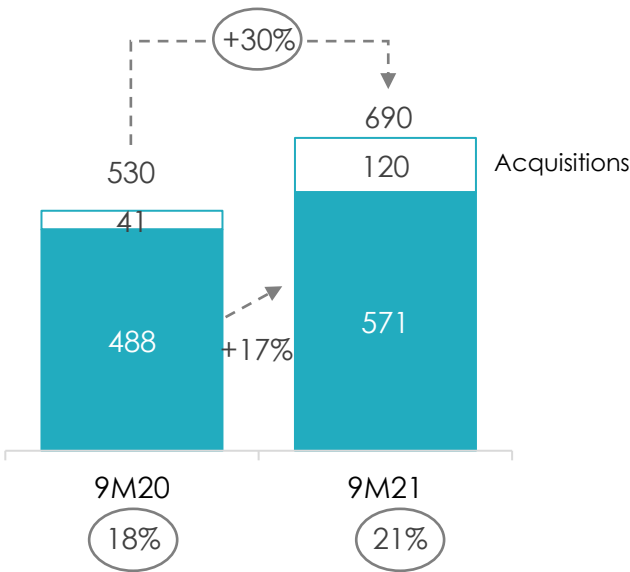
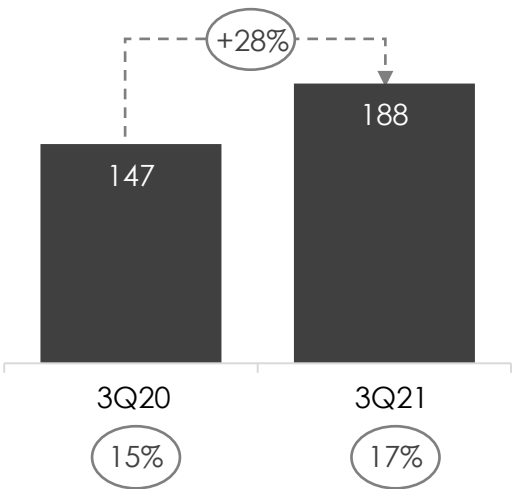
# GENERAL, ADMINISTRATIVE AND OTHER EXPENSES (2/2)

In 9M21, general and administrative expenses were impacted by non-recurring effects that amounted R\$14.3 million (-81.0% YoY), related to the integration of acquisitions, M&A and other expenses. General and administrative expenses, ex-D&A and acquisitions, totaled R\$431 million, down by 6% YoY.

Adjusted G&A expenses<sup>(1)</sup>  
(R\$ million)



G&A expenses(ex-D&A)  
(R\$ million)



○ % of net revenue

# EBITDA AND MARGIN (1/2)

(R\$ million)	3Q20	3Q21	Δ%	9M20	9M21	Δ%	Ex-acquisitions <sup>(1)</sup>		
							9M20	9M21	Δ%
<b>Net Revenue</b>	<b>976.3</b>	<b>1.098.1</b>	<b>12.5%</b>	<b>2,890.7</b>	<b>3,341.0</b>	<b>15.6%</b>	<b>2,587.4</b>	<b>2,733.5</b>	<b>5.6%</b>
Costs and Expenses	(790.5)	(932.5)	18.0%	(2,470.6)	(2,822.5)	14.2%	(2,188.0)	(2,296.6)	5.0%
(+) Depreciation and amortization	146.3	195.7	33.8%	361.0	504.7	39.8%	309.0	403.7	30.6%
<b>EBITDA</b>	<b>332.2</b>	<b>361.3</b>	<b>8.8%</b>	<b>781.1</b>	<b>1,023.3</b>	<b>31.0%</b>	<b>708.5</b>	<b>840.7</b>	<b>18.6%</b>
EBITDA margin (%)	34.0%	32.9%	-1.1 p.p.	27.0%	30.6%	3.6 p.p.	27.4%	30.8%	3.4 p.p.
<b>Non-recurring items</b>	<b>67.6</b>	<b>35.1</b>	<b>-48.0%</b>	<b>295.2</b>	<b>58.8</b>	<b>-80.1%</b>	<b>280.5</b>	<b>52.5</b>	<b>-81.3%</b>
Restructuring	(2.0)	18.9	n.a.	0.1	20.3	16128.5%	(9.3)	14.4	-254.3%
M&A. Integration and others	1.0	7.4	626.1%	5.7	14.3	149.1%	17.9	14.3	-20.1%
Review of legal proceedings base	-	-	n.a.	54.9	-	n.a.	54.9	-	n.a.
Bad Debt	0.5	-	n.a.	99.7	-	n.a.	97.3	-	n.a.
Non-recurring items from net revenue	68.0	8.8	-87.1%	134.7	24.2	-82.0%	119.7	23.8	-80.1%
<b>Adjusted EBITDA</b>	<b>399.7</b>	<b>396.4</b>	<b>-0.8%</b>	<b>1,076.2</b>	<b>1,082.1</b>	<b>0.5%</b>	<b>989.0</b>	<b>893.2</b>	<b>-9.7%</b>
Adjusted EBITDA margin(%)	38.3%	35.8%	-2.5 p.p.	35.6%	32.2%	-3.4 p.p.	36.5%	32.4%	-4.1 p.p.
<b>Adjusted EBITDA ex-IFRS 16</b>	<b>343.4</b>	<b>308.5</b>	<b>-10.2%</b>	<b>909.6</b>	<b>825.1</b>	<b>-9.3%</b>	<b>823.5</b>	<b>697.2</b>	<b>-15.3%</b>
Adjusted EBITDA margin(%)	32.9%	27.9%	-5.0 p.p.	30.1%	24.5%	-5.5 p.p.	30.4%	25.3%	-5.1 p.p.
<b>EBITDA ex-IFRS 16</b>	<b>275.9</b>	<b>273.4</b>	<b>-0.9%</b>	<b>614.4</b>	<b>766.3</b>	<b>24.7%</b>	<b>543.0</b>	<b>646.8</b>	<b>19.1%</b>
EBITDA margin(%)	28.3%	24.9%	-3.4 p.p.	21.3%	22.9%	1.7 p.p.	21.0%	23.7%	2.7 p.p.

In 9M21, the Company's **reported EBITDA** recorded an increase of 31.0% (+R\$242.2 million YoY) and an EBITDA margin of 30.6% (+3.6 p.p. YoY). Below we present the main reasons for this result.

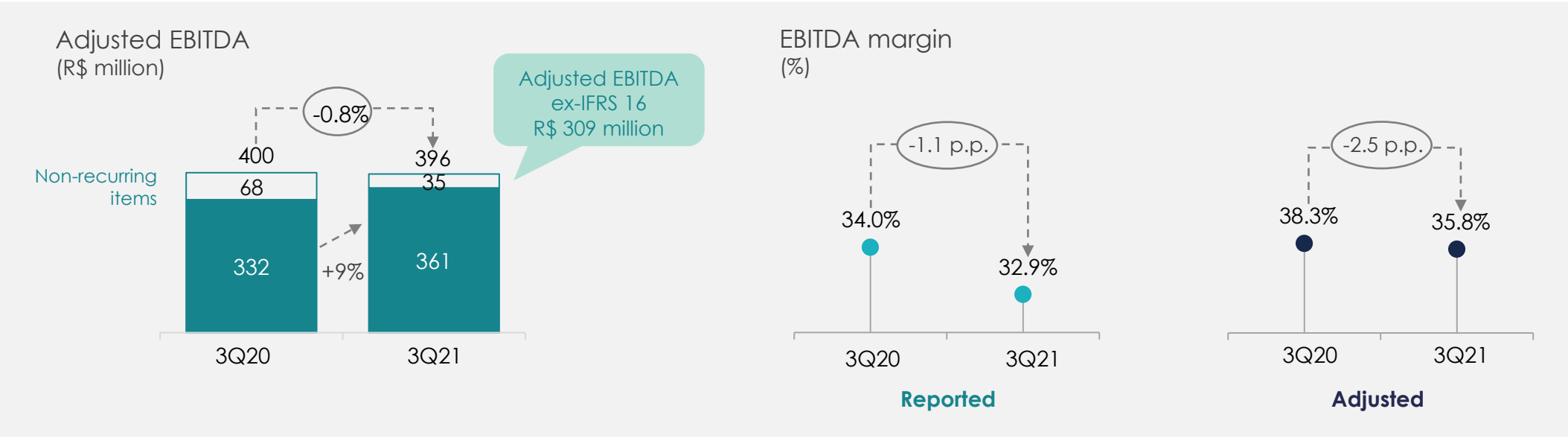
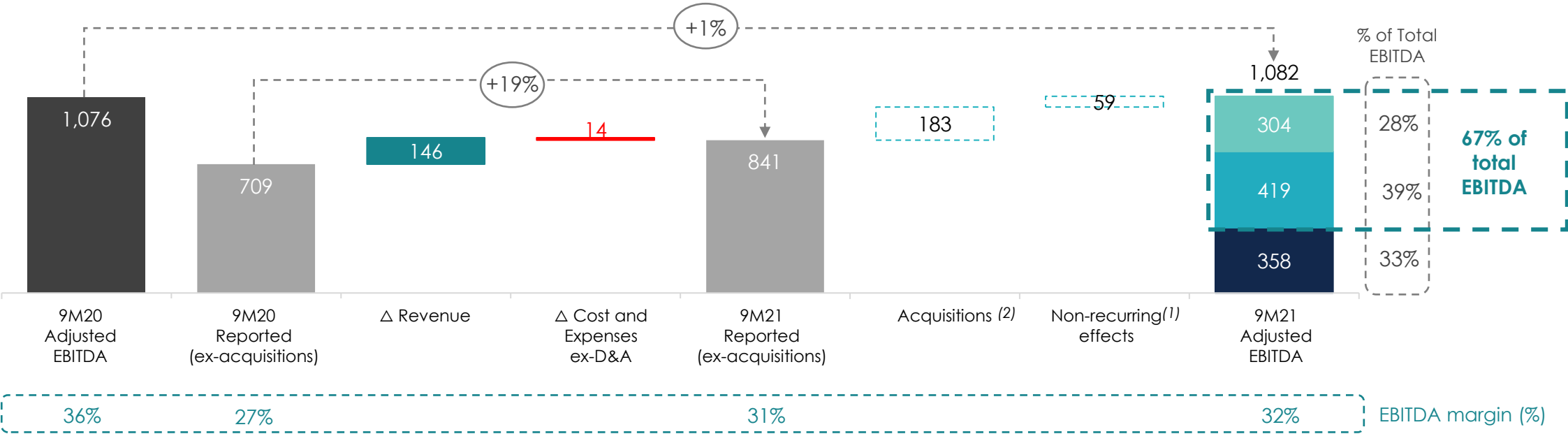
- **R\$182.6 million** YoY contribution from acquisitions carried out as of May 2020.
- **R\$146.1 million** increase in net revenue (ex-acquisitions), due to the Premium and Digital Learning business units growth.
- **R\$13.9 million** negative impact from costs and expenses (ex-acquisitions), mainly due to the increase in transfer costs and general & administrative expenses.

9M21's result was impacted by non-recurring effects from laws and court decisions, integration and M&A expenses, organizational restructuring and other, which totaled R\$58.8 million. Excluding said effects, the Company's **adjusted EBITDA** totaled R\$1,082.1 million and **adjusted EBITDA margin** stood at 32.2% (-3.4 p.p.)

# EBITDA AND MARGIN(2/2)

Adjusted EBITDA  
(R\$ million; 9M20 vs. 9M21)

On-campus   Digital Learning   Premium



(1) Non-recurring effects with laws and court decisions, restructurings, M&A and others, in the amount of R\$58.8 million in 9M21.  
(2) Refers to the acquisitions of Adtalem (as from May/20), Athenas (as from Aug/20) and Qconcursos (as from July/21).

# FINANCIAL RESULT AND NET INCOME (1/3)

(R\$ million)	3Q20	3Q21	Δ%	9M20	9M21	Δ%	Ex-acquisitions <sup>(1)</sup>		
							9M20	9M21	Δ%
<b>EBITDA</b>	<b>332.2</b>	<b>361.3</b>	<b>8.8%</b>	<b>781.1</b>	<b>1.023.3</b>	<b>31.0%</b>	<b>708.5</b>	<b>840.7</b>	<b>18.6%</b>
<b>Financial Result</b>	<b>(86.9)</b>	<b>(103.1)</b>	<b>18.6%</b>	<b>(244.9)</b>	<b>(285.8)</b>	<b>16.7%</b>	<b>(236.8)</b>	<b>(261.6)</b>	<b>10.4%</b>
<b>Financial Revenue</b>	<b>72.2</b>	<b>80.7</b>	<b>11.8%</b>	<b>316.2</b>	<b>206.2</b>	<b>-34.8%</b>	<b>302.6</b>	<b>124.6</b>	<b>-58.8%</b>
Fines and interest charged	17.0	13.6	-19.9%	34.6	33.0	-4.4%	27.8	29.1	4.8%
Investments	7.8	21.8	179.1%	28.7	44.1	53.6%	24.9	28.7	15.1%
Active Exchange Variation - SWAP	36.4	29.8	-18.2%	234.5	96.6	-58.8%	234.5	36.6	-84.4%
Inflation adjustments	5.0	13.7	175.7%	2.8	28.1	899.3%	2.7	26.1	875.8%
Others	5.9	1.7	-71.2%	15.7	4.5	-71.5%	12.8	4.0	-68.6%
<b>Financial Expenses</b>	<b>(159.1)</b>	<b>(183.7)</b>	<b>15.5%</b>	<b>(561.2)</b>	<b>(492.0)</b>	<b>-12.3%</b>	<b>(539.4)</b>	<b>(386.1)</b>	<b>-28.4%</b>
Interest and financial charges	(34.5)	(70.3)	104.0%	(90.9)	(151.7)	66.9%	(83.7)	(144.0)	72.0%
Financial discounts	(33.6)	(27.9)	-16.9%	(94.6)	(79.8)	-15.6%	(92.5)	(73.4)	-20.6%
Bank expenses	(2.5)	(2.5)	-0.9%	(9.3)	(7.4)	-20.0%	(8.7)	(6.3)	-27.9%
Interest and exchange Variation -SWAP	(46.5)	(35.3)	-24.0%	(265.7)	(111.4)	-58.1%	(265.7)	(51.4)	-80.7%
Interest on leasing	(30.7)	(30.6)	-0.5%	(84.8)	(93.6)	10.3%	(73.1)	(73.2)	0.2%
Others	(11.3)	(17.1)	51.8%	(15.9)	(48.2)	203.1%	(15.7)	(37.8)	140.2%
(+) Depreciation and amortization	(146.3)	(195.7)	33.8%	(361.0)	(504.7)	39.8%	(309.0)	(403.7)	30.6%
<b>Profit before taxes</b>	<b>98.9</b>	<b>62.5</b>	<b>-36.9%</b>	<b>175.2</b>	<b>232.8</b>	<b>32.9%</b>	<b>162.7</b>	<b>175.4</b>	<b>7.8%</b>
Income tax	9.9	8.4	-15.0%	18.9	0.8	-95.9%	17.1	(8.0)	-147.0%
Social Contribution	3.7	2.0	-45.8%	6.8	(1.0)	-115.4%	5.9	(3.5)	-159.2%
<b>Net Income</b>	<b>112.5</b>	<b>72.8</b>	<b>-35.2%</b>	<b>200.8</b>	<b>232.5</b>	<b>15.8%</b>	<b>185.7</b>	<b>163.8</b>	<b>-11.8%</b>
Net margin (%)	11.5%	6.6%	-4.9 p.p.	6.9%	7.0%	0.0 p.p.	7.2%	6.0%	-1.2 p.p.
<b>Net Income ex-IFRS 16</b>	<b>144.5</b>	<b>84.0</b>	<b>n.a.</b>	<b>273.5</b>	<b>263.4</b>	<b>-3.7%</b>	<b>224.0</b>	<b>190.5</b>	<b>-14.9%</b>
Net margin (%)	14.8%	7.7%	-7.1 p.p.	9.5%	7.9%	-1.6 p.p.	8.7%	7.0%	-1.7 p.p.
<b>Adjusted Net Income<sup>(2)</sup></b>	<b>194.7</b>	<b>146.2</b>	<b>-24.9%</b>	<b>519.2</b>	<b>363.6</b>	<b>-30.0%</b>	<b>487.6</b>	<b>280.2</b>	<b>-42.5%</b>
Adjusted Net margin (%)	18.6%	13.2%	-5.4 p.p.	17.2%	10.8%	-6.4 p.p.	18.0%	10.2%	-7.8 p.p.
<b>Adjusted Net Income<sup>(2)</sup> ex-IFRS 16</b>	<b>226.7</b>	<b>157.4</b>	<b>-30.6%</b>	<b>591.9</b>	<b>394.5</b>	<b>-33.4%</b>	<b>525.8</b>	<b>306.8</b>	<b>-41.6%</b>
Adjusted Net margin (%)	21.7%	14.2%	-7.5 p.p.	19.6%	11.7%	-7.8 p.p.	19.4%	11.1%	-8.3 p.p.

(1) Refers to the acquisitions of Adtale (as from May/20), Athenas (as from Aug/20) and Qconcurso (as from July/21).

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





In 9M21, the Company's **financial result** was worse by 16.7% (+R\$40.8 million YoY). Below we present the main reasons for this result.

- R\$25.2 million increase in the inflation adjustments line (related to DIS and PAR monetary restatement), due to higher IPCA rate and increase in DIS intake cycle.
- R\$15.4 million increase in earnings from financial investments.
- R\$60.8 million growth in interest and financial charges stemming from higher debt and interest rates.
- R\$14.8 million decrease in discounts granted, even during the pandemic.
- R\$8.7 million increase in IFRS 16 interest from the incorporation of acquisitions.
- R\$32.3 million hike in the other financial expenses line, mainly related to the restatement of contingencies.

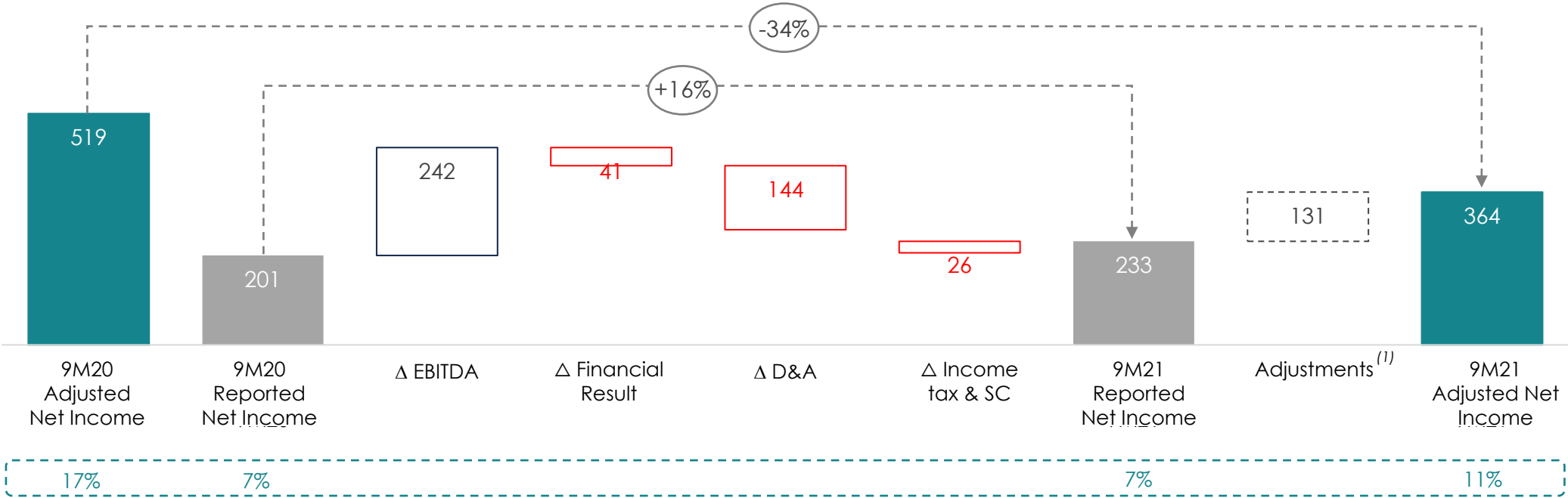
In 9M21, **net income** was up by 15.8% (+31.7 million YoY) and **net margin** stood at 7.0%, in line with the previous year. Below we present the main reasons for this result.

- R\$242.2 million increase in EBITDA, boosted by Premium and Digital Learning business units
- R\$40.8 million worsening in financial result, as explained above.
- R\$143.7 million increase in depreciation and amortization, chiefly due to the incorporation of acquisitions, improvements to third-party properties, amortization of acquisition premium, IFRS 16 effects and investments in systems, applications and software.
- R\$25.9 million impact from income tax and social contribution, due to the reverse tax rate from IFRS 16 adjustments in the calculation of exploration income.

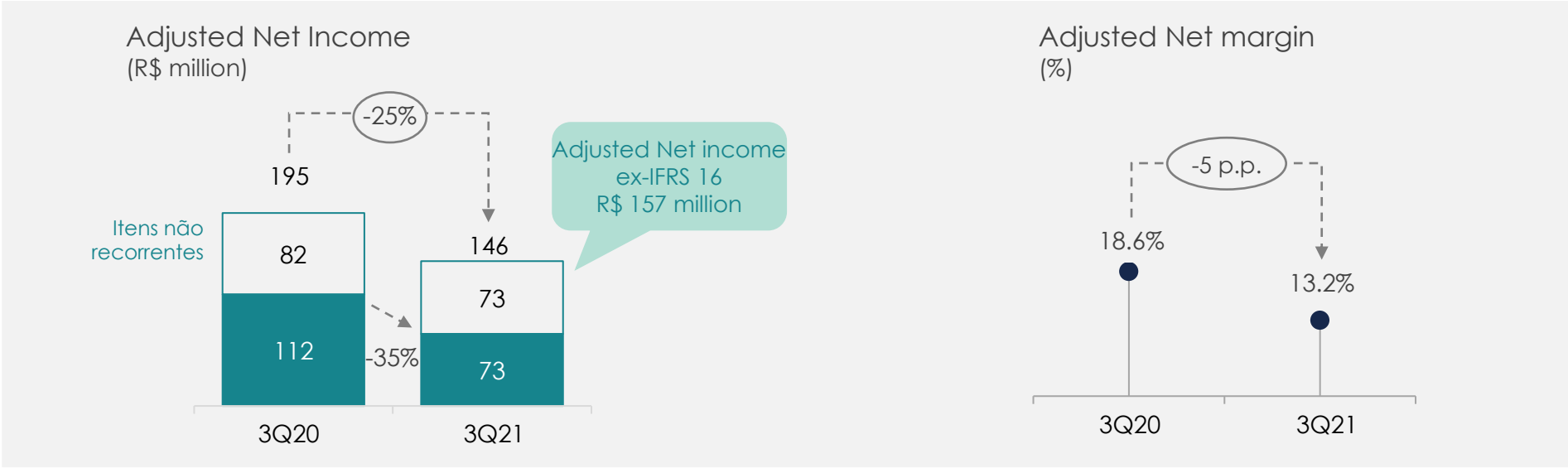
Net income was also impacted by non-recurring and non-cash effects in the amount of R\$110.4 million in 9M21; (i) R\$58.8 million from EBITDA; (ii) R\$70.1 million related to the goodwill of acquisition and improvements of third-party property related to the properties returned and to return and (iii) R\$2.2 million from income tax and social contribution. Excluding said non-recurring effect, **adjusted net income** would have decreased by 30.0% YoY and adjusted net margin stood at 10.8% (-6.4 p.p. YoY).

# FINANCIAL RESULT and NET INCOME (3/3)

Adjusted Net Income  
(R\$ million; 9M20 vs. 9M21)



Net margin(%)



(1) Non-recurring effects on EBITDA in the total amount of R\$58,8 million, R\$70.1 million million referring to the amortization of goodwill on acquisitions of third-party assets related to the properties returned an to return and R\$2,2 million of income tax and social

(R\$ million)	3Q20	2Q21	3Q21
<b>Monthly tuition fees received</b>	<b>1,464.4</b>	<b>1,592.4</b>	<b>1,470.6</b>
Out-of-Pocket	886.7	975.6	775.9
Exchange Deals	16.9	21.8	19.7
PAR	201.2	168.0	172.7
DIS	333.4	398.7	470.9
CREDATHENAS	26.2	28.3	31.4
<b>FIES</b>	<b>164.0</b>	<b>173.5</b>	<b>133.3</b>
<b>Other</b>	<b>250.0</b>	<b>211.7</b>	<b>299.2</b>
<b>Gross Accounts Receivable</b>	<b>1,878.5</b>	<b>1,977.5</b>	<b>1,903.1</b>

<b>Bad Debt</b>	<b>(683.9)</b>	<b>(653.1)</b>	<b>(578.2)</b>
Out-of-Pocket <sup>(1)</sup>	(527.8)	(499.1)	(410.3)
PAR (50%)	(92.9)	(78.2)	(80.9) (a)
DIS (15%)	(48.5)	(57.7)	(68.5) (b)
CREDATHENAS	(14.7)	(18.0)	(18.5)
<b>Amounts to be identified</b>	<b>(12.3)</b>	<b>(39.8)</b>	<b>(15.6)</b>
<b>Adjustment to presente value (APV)<sup>(2)</sup></b>	<b>(27.2)</b>	<b>(27.9)</b>	<b>(31.8)</b>
APV PAR	(15.3)	(11.3)	(10.6) (c)
APV DIS	(10.3)	(13.9)	(18.3) (d)
APV CREDATHENAS	(1.5)	(2.8)	(3.0)
<b>Net Accounts Receivable</b>	<b>1,155.1</b>	<b>1,256.7</b>	<b>1,277.5</b>

In 3Q21, the **company's gross accounts receivable** showed a +1.3% YoY change. In this period, the last 6 months net revenue increased ~15% but ex-DIS receivables fell by ~7%, mainly due to better collection, renewal in all business units and write-off of receivables above 360 days (100% provisioned).

**Net accounts receivable** increased by R\$122.4 million vs. 3Q20, as a result of the DIS increase of R\$109.5 million, which has a longer payment period.

## PAR and DIS Reconciliation

(R\$ million)	PAR		DIS	
	3Q20	3Q21	3Q20	3Q21
<b>Gross revenue paid in cash</b>	11.3	9.0	11.0	8.8
<b>Gross revenue paid in installments</b>	10.6	7.0	122.9	111.7
Taxes – revenue deductions	(0.7)	(0.5)	(3.9)	(4.2)
Adjustment to Present Value (APV) <sup>(2)</sup>	2.6	0.7 Δ(c)	(0.7)	(4.4) Δ(d)
Bad Debt – long term (50%)	(5.1)	(2.7) Δ(a)	(8.8)	(10.8) Δ(b)
Bad Debt non-renegotiated dropouts	(8.5)	2.7	(24.9)	(25.5)
<b>Bad Debt of Net Revenue (%)</b>	<b>1.4%</b>	<b>0.0%</b>	<b>3.4%</b>	<b>3.3%</b>

(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)	3Q20	2Q21	3Q21	Δ% vs. 3Q20	Δ% vs. 2Q21
Net accounts receivables	1,155.1	1,256.7	1,277.5	10.6%	1.7%
Net Revenue (12M)	4,206.2	4,190.2	4,391.4	4.4%	4.8%
<b>Average Term of Receivables (ATR) (days)</b>	<b>99</b>	<b>108</b>	<b>105</b>	<b>6.1%</b>	<b>-2.8%</b>
FIES accounts receivable	164.0	173.5	133.3	-18.7%	-23.2%
FIES Revenue (12M)	632.3	469.6	430.4	-31.9%	-8.4%
FGEDUC Deductions (12M)	(56.4)	(42.3)	(39.2)	-30.5%	-7.4%
Taxes (12M)	(24.9)	(17.9)	(16.0)	-35.6%	-10.3%
FIES Net Revenue (12M)	551.0	409.4	375.1	-31.9%	-8.4%
<b>FIES ATR (days)</b>	<b>107</b>	<b>153</b>	<b>128</b>	<b>19.6%</b>	<b>-16.3%</b>
Ex-FIES accounts receivable	991.1	1,083.3	1,144.2	15.4%	5.6%
Ex-FIES net revenue (12M)	3,655.2	3,780.8	4,016.3	9.9%	6.2%
<b>Ex-FIES ATR (days)</b>	<b>98</b>	<b>103</b>	<b>103</b>	<b>5.1%</b>	<b>0.0%</b>

In 3Q21, **consolidated average term of receivables (ATR)** was up by 6.1% (+6 days YoY) compared to 3Q20, mainly due to the incorporation of acquisitions. Compared to 2Q21, ATR was down by 3 days.

**FIES average term of receivables** was up by 19.6% (+21 days YoY), mostly due to the period of renewals curve. Compared to 2Q21, there was a 25-day decrease due to the delay in FIES receivables.

**Ex-FIES ATR** was up by 5.1% (+5 days YoY), due to the seasonality effect of intake, which is mostly via DIS, and the PAR effect.



## Aging of Total Gross Accounts Receivable<sup>(1)</sup>

Vertical Analysis

(R\$ million)	3Q20	3Q21	Δ%	3Q20 (%)	3Q21 (%)
FIES	164.0	133.3	-18.7%	9%	7%
Not yet due	994.6	930.7	-6.4%	53%	49%
Overdue up to 30 days	111.9	155.0	38.5%	6%	8%
Overdue from 31 to 60 days	47.6	64.4	35.2%	3%	3%
Overdue from 61 to 90 days	28.7	25.4	-11.4%	2%	1%
Overdue from 91 to 179 days	253.0	251.5	-0.6%	13%	13%
Overdue more than 180 days	278.7	342.8	23.0%	15%	18%
<b>Gross accounts receivables</b>	<b>1,878.5</b>	<b>1,903.1</b>	<b>1.3%</b>	<b>100%</b>	<b>100%</b>

## Aging of Agreements Receivable<sup>(2)</sup>

Vertical Analysis

(R\$ million)	3Q20	3Q21	Δ%	3Q20 (%)	3Q21 (%)
Not yet due	68.9	82.2	19.2%	50%	55%
Overdue up to 30 days	10.5	13.3	26.3%	8%	9%
Overdue from 31 to 60 days	4.5	7.6	67.9%	3%	5%
Overdue from 61 to 90 days	3.1	4.6	50.3%	2%	3%
Overdue from 91 to 179 days	11.1	15.7	41.4%	8%	10%
Overdue more than 180 days	40.3	27.5	-31.8%	29%	18%
<b>Agreements receivable</b>	<b>138.4</b>	<b>150.8</b>	<b>9.0%</b>	<b>100%</b>	<b>100%</b>

## FIES: Changes in Accounts Receivable

(R\$ million)	3Q20	3Q21	Δ%
Opening balance	190.1	135.1	-28.9%
FIES revenue	82.0	55.5	-32.3%
Transfer	(94.3)	(55.8)	-40.9%
FIES Provision	(7.0)	(5.4)	-22.8%
Acquired	(23.7)	(3.1)	-86.9%
White-off by loss	-	-	n.a.
<b>Closing balance</b>	<b>147.1</b>	<b>126.3</b>	<b>-14.1%</b>

## FIES: Changes in Accounts Receivable

(R\$ million)	3Q20	3Q21	Δ%
Opening balance	10.5	38.4	263.8%
Transfer	94.3	55.8	-40.9%
Payment of Taxes	(9.2)	(7.1)	-23.6%
Buyback in auction	(84.1)	(70.0)	-16.7%
Acquired	5.4	(10.1)	-287.7%
<b>Closing balance</b>	<b>17.0</b>	<b>7.0</b>	<b>-58.8%</b>

(R\$ million)	3Q20	3Q21	Δ%	9M20	9M21	Δ%
Total Capex	104.5	150.6	44.1%	269.5	325.5	20.8%
Digital Transformation and IT	48.4	66.0	36.4%	88.0	143.2	62.7%
Sustainability & Improvement	29.6	40.7	37.3%	84.4	91.9	9.0%
Expansion	26.4	43.9	65.9%	97.1	90.3	-7.0%

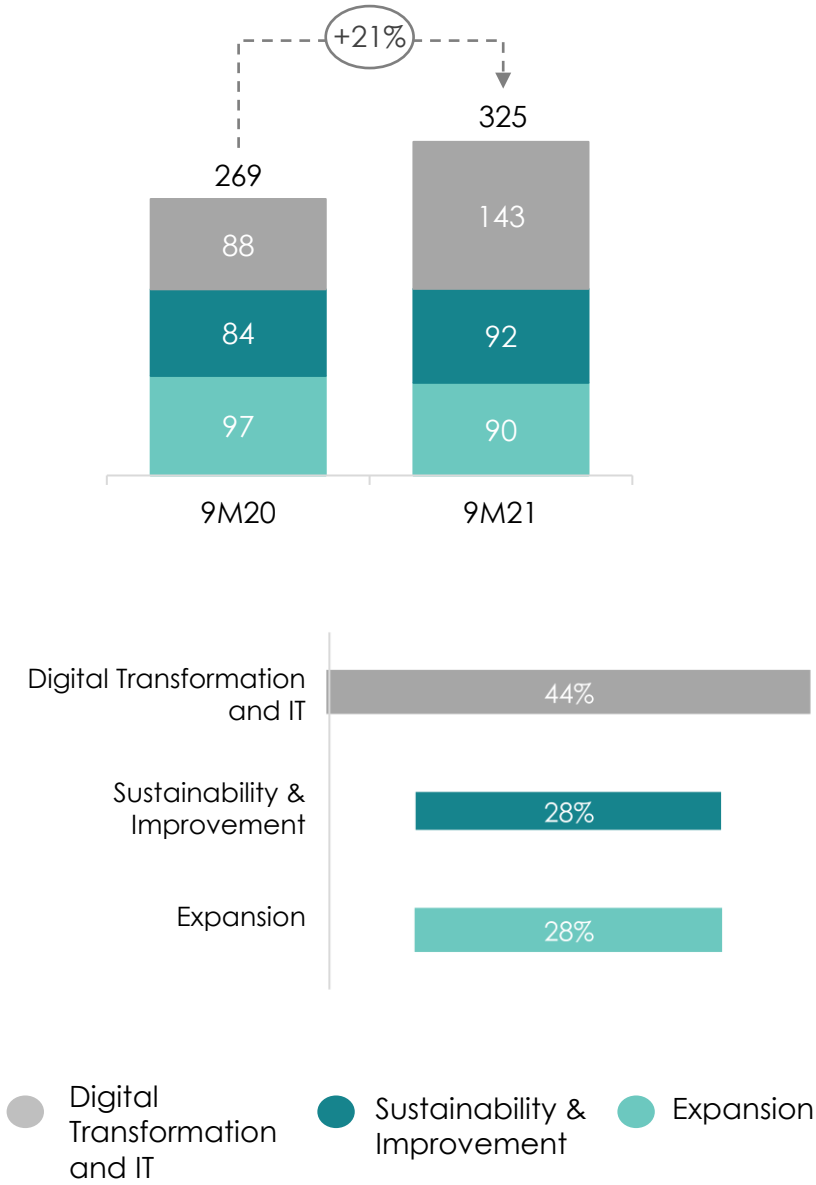
% of Net Revenue						
Total Capex	10.7%	13.7%	3.0 p.p.	9.3%	9.7%	0.4 p.p.
Digital Transformation and IT	5.0%	6.0%	1.1 p.p.	3.0%	4.3%	1.2 p.p.
Sustainability & Improvement	3.0%	3.7%	0.7 p.p.	2.9%	2.8%	-0.2 p.p.
Expansion	2.7%	4.0%	1.3 p.p.	3.4%	2.7%	-0.7 p.p.

In 9M21, **total Capex** came to R\$325.5 million, up by 20.8% YoY compared to 9M20, representing 9.7% of total net revenue. This increase was mostly due to a significant 62.7% YoY increase in **investments in digital transformation and information technology**, continuing with the Company's efforts to offer even more up-to-date and innovative educational services, which already accounts for 44% of total Capex in 9M21.

**Investments in Sustainability & Improvement**, which include maintenance and improvement of the units' physical infrastructure, projects targeted at boosting student satisfaction, legal and compliance-related projects, among others, were up 8.6% YoY and already accounts for 28% of total Capex.

Increasing investments in digital transformation and IT are improving student experience and, consequently, boosting the NPS for both Digital Learning (+22 p.p. vs. 9M20) and On-campus (+19 p.p. vs. 9M20) segments, as well as retention rate and educational quality.

CAPEX  
(R\$ million)



# CASH POSITION

(R\$ million)	3Q20	3Q21	Δ%
<b>(-) Cash and cash equivalents [a]</b>	<b>(1,920.6)</b>	<b>(1,897.9)</b>	<b>-1.2%</b>
<b>Gross Debt [b]</b>	<b>4,702.6</b>	<b>5,311.2</b>	<b>12.9%</b>
Bank loans	3,227.3	3,678.0	14.0%
Leasing	1,352.8	1,460.7	8.0%
Commitments payable (M&A)	122.4	172.5	40.9%
<b>Net Debt [b+a]</b>	<b>2,782.0</b>	<b>3,413.3</b>	<b>22.7%</b>
<b>Net debt (Ex-IFRS 16)/ adjusted EBITDA (LTM)<sup>(1)</sup></b>	<b>1.0x</b>	<b>1.4x</b>	

The Company's **cash and cash equivalents** ended 3Q21 at R\$1,897.9 million.

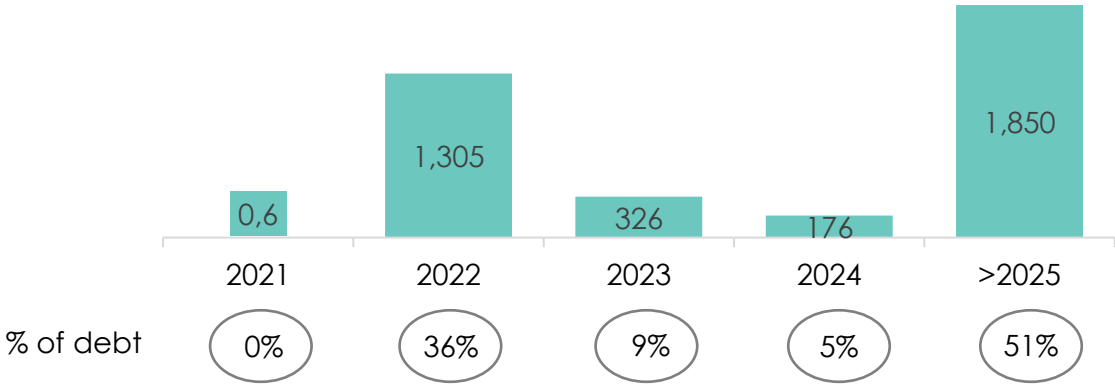
**Gross debt (excluding leasing)** ended the quarter at R\$3,850.5 million.

Excluding leasing from gross debt, the **net debt/LTM EBITDA adjusted by non-recurring items** stood at **1.4x**.

# DEBT

Debt Type (R\$ million)	Issue Date	Due Date	Cost	Balance payable (Principal + interest)	% of total
Debenture V (1 <sup>st</sup> series)	feb-19	feb-22	CDI + 0.59%	251.8	7%
Debenture V (2 <sup>nd</sup> series)	feb-19	feb-24	CDI + 0.79%	352.7	10%
Loans Citi	jan-21	jan-22	CDI + 1.85%	211.8	6%
Loans Citi	feb-20	feb-22	CDI + 0.70%	110.1	3%
FINEP	feb-15	jan-25	TJLP + 0.50%	2.0	0%
Loans Citi	apr-20	apr-22	CDI + 2.75%	76.4	2%
Loans Bradesco	sep-20	sep-22	CDI + 2.70%	360.4	10%
Loans Banco Safra	jun-20	jun-22	CDI + 2.80%	204.4	6%
Loans Itaú	sep-20	apr-23	CDI + 2.70%	155.0	4%
Loans BB	dec-20	feb-22	CDI + 1.85%	100.4	3%
Debenture VI	feb-21	feb-26	CDI + 2.50%	1,866.9	51%
<b>Bank Loans</b>	<b>-</b>	<b>-</b>	<b>CDI+2.23%</b>	<b>3,691.9</b>	<b>100%</b>

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



(1) Excluding IFRS 16 leasing amounts from gross debt; adjusted EBITDA for non-recurring items. accumulated in the last twelve months.

# APPENDIX

YDUQS





# DETAILED MEDICAL SCHOOL SEAT OFFERING

6.2-6.6k students in  
medicine undergraduate base  
expected by the end of 2021

Up to +450 new medicine seats under approval process

Units	State	Authorized/ Qualified Seats	3Q21	Full Potential <sup>(1)</sup>	
			Student Base	Authorized/ Qualified Seats	Student Base
Presidente Vargas	RJ	240	1,652	240	1,728
Città	RJ	170	1,074	170	1,224
Juazeiro do Norte	CE	100	702	100	720
Ribeirão Preto	SP	76	532	76	547
Teresina	PI	110	704	110	792
Alagoinhas	BA	65	294	165	1,188
Jaraguá do Sul	SC	50	201	150	1,080
Juazeiro	BA	155	570	155	1,116
Angra dos Reis	RJ	89	357	155	1,116
Canindé	CE	50	93	120	864
Cáceres	MT	50	90	100	720
Castanhal	PA	50	45	150	1,080
Quixadá	CE	50	48	150	1,080
Açailândia	MA	50	49	150	1,080
Total Authorized Seats <sup>(2)</sup>		1,305	6,411	1,991	14,335
Iguatu	CE	50	0	150	1,080
Ji-Paraná	RO	50	0	150	1,080
Total Qualified Seats		1,405	6,411	2,291	16,495
Athenas		-		200	-



(1) Assuming seat expansion to maximum capacity (+100 seats/year) in all Mais Médicos units. Student base includes ProUni and FIES.

(2) Authorized seats are qualified seats which received MEC final authorization.

# INCOME STATEMENT BY BUSINESS UNIT: NEW BREAKDOWN

	Consolidated	Premium	Digital Learning	On-campus
R\$ million	9M21	9M21	9M21	9M21
<b>Gross Revenue</b>	<b>6,640.0</b>	<b>751.0</b>	<b>2,003.7</b>	<b>3,885.2</b>
Monthly tuition fees	6,640.0	751.0	2,003.7	3,885.2
Deductions from Gross Revenue	(3,299.0)	(130.8)	(1,003.4)	(2,164.7)
<b>Net Operating Revenue</b>	<b>3,341.0</b>	<b>620.2</b>	<b>1,000.3</b>	<b>1,720.5</b>
<b>Cost of Services</b>	<b>(1,459.3)</b>	<b>(267.1)</b>	<b>(197.6)</b>	<b>(994.6)</b>
Personnel	(868.6)	(205.3)	(56.8)	(606.6)
Rent, municipal property tax and other	(38.5)	(4.9)	0.5	(34.2)
Third-party services and other	(206.8)	(8.7)	(128.8)	(69.3)
Depreciation and amortization	(345.4)	(48.2)	(12.6)	(284.6)
<b>Gross profit</b>	<b>1,881.7</b>	<b>353.1</b>	<b>802.7</b>	<b>725.9</b>
Gross Margin (%)	56.3%	56.9%	80.2%	42.2%
<b>Selling, G&amp;A and Other Expenses</b>	<b>(1,363.1)</b>	<b>(146.4)</b>	<b>(454.2)</b>	<b>(762.6)</b>
Personnel	(261)	(36.4)	(98.6)	(125.5)
Advertising	(330)	(19.6)	(111.4)	(199.5)
Bad Debt	(344)	(21.0)	(136.5)	(186.5)
Other Expenses	(285)	(48.6)	(56.7)	(180.0)
Other Revenue	16	2.9	4.1	9.4
Depreciation and amortization	(159)	(23.9)	(55.0)	(80.4)
<b>(+) Depreciation and amortization</b>	<b>504.7</b>	<b>72.1</b>	<b>67.6</b>	<b>365.0</b>
<b>EBITDA</b>	<b>1,023.3</b>	<b>278.8</b>	<b>416.2</b>	<b>328.4</b>
EBITDA margin (%)	30.6%	44.9%	41.6%	19.1%
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>1,082.0</b>	<b>304.1</b>	<b>419.4</b>	<b>358.5</b>
Adjusted EBITDA margin(%)	32.2%	47.5%	41.9%	20.8%

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



# INCOME STATEMENT BY BUSINESS UNIT: PREVIOUS BREAKDOWN

In IFRS-16	On-campus			Digital Learning			Corporate			Consolidated		
R\$ million	9M20	9M21	Δ%	9M20	9M21	Δ%	9M20	9M21	Δ%	9M20	9M21	Δ%
Gross Operating Revenue	4,207.6	4,542.9	8.0%	1,448.6	2,097.1	44.8%	-	-	-	5,656.2	6,640.0	17.4%
Deductions from Gross Revenue	(2,065.7)	(2,234.7)	8.2%	(699.8)	(1,064.2)	52.1%	-	-	-	(2,765.5)	(3,299.0)	19.3%
Net Operating Revenue	2,141.9	2,308.1	7.8%	748.8	1,032.9	37.9%	-	-	-	2,890.7	3,341.0	15.6%
Cost of Services	(1,105.5)	(1,275.3)	15.4%	(121.5)	(182.9)	50.5%	-	-	-	(1,227.1)	(1,458.2)	18.8%
Personnel	(757.9)	(822.9)	8.6%	(43.1)	(45.7)	6.1%	-	-	-	(800.9)	(868.6)	8.4%
Rent, municipal property tax and other	(36.3)	(38.8)	6.8%	(0.2)	0.3	n.a.	-	-	-	(36.5)	(38.5)	5.5%
Third-party services and other	(65.8)	(78.4)	19.1%	(73.8)	(127.3)	72.4%	-	-	-	(139.7)	(205.7)	47.3%
Depreciation and amortization	(245.5)	(335.2)	36.5%	(4.5)	(10.2)	129.1%	-	-	-	(250.0)	(345.4)	38.2%
Gross profit	1,036.3	1,032.8	-0.3%	627.3	850.0	35.5%	-	-	-	1,663.6	1,882.9	13.2%
Gross margin (%)	48.4%	44.7%	-3.6 p.p.	83.8%	82.3%	-1.5 p.p.	-	-	-	57.6%	56.4%	-1.2 p.p.
Selling, G&A and Other Expenses	(529.5)	(417.9)	-21.1%	(105.7)	(185.9)	75.9%	(608.3)	(760.5)	25.0%	(1,243.5)	(1,364.3)	9.7%
Personnel	(25.8)	(36.7)	42.4%	(14.7)	(40.7)	176.8%	(140.5)	(183.1)	30.4%	(181.0)	(260.5)	44.0%
Advertising	0.0	0.0	n.a.	0.0	0.0	n.a.	(259.2)	(332.1)	28.1%	(259.2)	(332.1)	28.1%
Bad Debt	(306.7)	(219.2)	-28.5%	(72.6)	(124.8)	72.0%	0.0	0.0	n.a.	(379.3)	(344.1)	-9.3%
Other Expenses	(170.6)	(132.8)	-22.1%	(16.3)	(11.6)	-29.0%	(126.1)	(123.9)	-1.8%	(313.0)	(268.3)	-14.3%
Depreciation and amortization	(26.5)	(29.1)	10.1%	(2.1)	(8.8)	314.8%	(82.4)	(121.4)	47.2%	(111.0)	(159.3)	43.5%
Operating Profit	506.8	614.9	21.3%	521.6	664.1	27.3%	(608.3)	(760.5)	25.0%	420.1	518.6	23.4%
Operating margin (%)	23.7%	26.6%	3.0 p.p.	69.7%	64.3%	-5.4 p.p.	n.a.	n.a.	n.a.	14.5%	15.5%	1.0 p.p.
Reported EBITDA	778.8	979.3	25.7%	528.15	683.1	29.3%	(525.8)	(639.1)	21.5%	781.1	1,023.3	31.0%
EBITDA margin (%)	36.4%	42.4%	6.1 p.p.	70.5%	66.1%	-4.4 p.p.	n.a.	n.a.	n.a.	27.0%	30.6%	3.6 p.p.

# CASH FLOW STATEMENT

(R\$ million)	9M20	9M21	Δ%
<b>Profit before taxes</b>	<b>175.2</b>	<b>232.8</b>	<b>32.9%</b>
Adjustments to reconcile profit	1,068.0	1,164.5	9.0%
<b>Result after reconciliation to net cash generated</b>	<b>1,243.2</b>	<b>1,397.3</b>	<b>12.4%</b>
Changes in assets and liabilities	(212.5)	(715.2)	236.6%
<b>Operating Cash Flow before Capex</b>	<b>1,030.7</b>	<b>682.1</b>	<b>-33.8%</b>
Acquisition of property and equipment	(114.4)	(120.9)	5.7%
Acquisition of intangible assets	(155.1)	(204.6)	31.9%
Cash flow from investment activities	(2,006.0)	(301.0)	-85.0%
<b>Operating Cash Flow after Capex</b>	<b>(1,244.8)</b>	<b>55.7</b>	<b>-104.5%</b>
Cash flow from financing activities	2,386.8	76.4	-96.8%
<b>Free Cash Flow</b>	<b>1,142.1</b>	<b>132.1</b>	<b>-88.4%</b>
<b>Cash at the beginning of the year</b>	<b>240.5</b>	<b>925.3</b>	<b>284.7%</b>
Increase (decrease) in cash and cash equivalents	1,142.1	132.1	-88.4%
<b>Cash at the end of the year</b>	<b>1,382.6</b>	<b>1,057.4</b>	<b>-23.5%</b>
<b>Cash Flow Reconciliation</b>			
<b>Operating Cash Flow</b>	<b>1,030.7</b>	<b>682.1</b>	<b>-33.8%</b>
Income tax and social contribution paid	39.4	33.9	-14.0%
Interest paid on loan	67.4	146.1	116.6%
Increase in judicial deposits	(7.3)	9.1	n.a.
Contractual Termination <sup>(1)</sup>	-	45.0	n.a.
Delay in the transfer of FIES <sup>(2)</sup>	(136.0)	-	n.a.
Payment postponement and others <sup>(3)</sup>	(68.1)	1.1	n.a.
<b>Cash flow after reconciliation</b>	<b>926.2</b>	<b>917.3</b>	<b>-1.0%</b>
<b>FCO/Adjusted EBITDA</b>	<b>86.1%</b>	<b>84.8%</b>	<b>-1 p.p.</b>

(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.

(3) Postponement of bonus payment and taxes.



# BALANCE SHEET

R\$ million	3Q20	2Q21	3Q21
<b>Current Assets</b>	<b>2,994.1</b>	<b>3,075.8</b>	<b>3,010.9</b>
Cash and cash equivalents	1,382.6	1,212.3	1,057.4
Marketable Securities	538.0	755.1	840.5
Accounts receivable	873.3	964.8	939.9
Inventory	1.2	1.9	2.3
Advancements to employees/third parties	5.9	11.6	9.7
Prepaid expenses	12.9	18.1	15.0
Taxes and contributions	114.6	100.2	101.9
Swap differential receivable	51.0	2.2	32.0
Other	14.5	9.8	12.1
<b>Non-Current Assets</b>	<b>6,416.9</b>	<b>6,565.4</b>	<b>6,916.9</b>
Long-term assets	985.4	875.5	944.1
LT swap differential receivable	183.4	-	-
LT accounts receivable	281.9	291.9	337.6
LT prepaid expenses	4.2	4.6	7.9
LT Judicial deposits	91.6	111.7	111.8
LT taxes and contributions	113.5	120.8	126.1
LT deferred taxes	296.0	334.0	348.3
Other LT items	14.8	12.6	12.4
Permanent assets	5,431.4	5,689.8	5,972.8
Investments	0.3	0.3	0.3
Property and equipment	2,370.0	2,495.6	2,517.8
Intangible assets	3,061.1	3,193.9	3,454.7
<b>Total Assets</b>	<b>9,411.0</b>	<b>9,641.2</b>	<b>9,927.8</b>

R\$ million	3Q20	2Q21	3Q21
<b>Current Liabilities</b>	<b>1,466.2</b>	<b>1,977.2</b>	<b>2,497.6</b>
Loans and financing	341.9	973.0	1,336.1
Leasing	207.5	212.5	206.8
Suppliers	220.3	209.9	248.0
Swap payable	52.5	0.7	30.8
Salaries and payroll charges	317.3	290.4	317.2
Tax liabilities	98.5	55.3	82.5
Prepaid monthly tuition fees	24.4	24.2	64.0
Advancement of current agreement	3.4	5.0	5.0
Taxes paid in installments	3.5	3.6	3.7
Acquisition price payable	31.7	55.6	59.8
Dividends payable	153.5	141.7	141.7
Other liabilities	11.9	5.3	1.9
<b>Long-term liabilities</b>	<b>4,623.6</b>	<b>4,402.1</b>	<b>4,083.7</b>
LT Loans and financing	2,885.5	2,701.0	2,341.9
Contingencies	210.4	255.0	230.8
LT leasing	1,145.4	1,214.2	1,253.8
LT SWAP differential payable	195.9	-	-
Agreement advances	25.5	38.6	37.4
LT taxes paid in installments	13.5	8.1	7.0
Provision for asset demobilization	31.1	77.0	78.5
Deferred taxes	4.3	-	-
LT acquisition price payable	90.7	86.6	112.7
Other LT items	21.4	21.6	21.6
<b>Shareholders' Equity</b>	<b>3,321.2</b>	<b>3,261.9</b>	<b>3,346.5</b>
Capital stock	1,139.9	1,139.9	1,139.9
Share issuance costs	(26.9)	(26.9)	(26.9)
Capital reserves	679.7	689.0	700.8
Earnings reserves	1,509.3	1,465.8	1,465.8
Income for the period	200.8	159.7	232.5
Treasury Shares	(181.7)	(165.6)	(165.6)
<b>Total Liabilities and Shareholders' Equity</b>	<b>9,411.0</b>	<b>9,641.2</b>	<b>9,927.8</b>



# FROM x TO - Breakdown by business unit

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

# YDUQS

IR Contact  
ri@yduqs.com.br  
[www.yduqs.com.br](http://www.yduqs.com.br)