

EARNINGS RELEASE

4Q20 & 2020

YDUQS



March 17th, 2020

YDUQ
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YDUQ3 | YDUQY B3 ADR

Rio de Janeiro, March 17th, 2021 - **YDUQS Participações S.A.**, one of the largest private organizations in Brazil's higher education private sector, presents its **results for the fourth quarter of 2020 (4Q20) and year 2020**.

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. In order to have a better comparison of the quarterly results, the Company has decided to release pro forma operational and financial information, excluding the effects of acquisitions (Adtalem and Athenas), when indicated.

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

March 18th, 2021 | 8:00 a.m. (EST)

+55 (11) 3137-8056

[Click here for the Webcast](#)

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The year 2020 was surely one of the toughest times our society has ever lived; and, for YDUQS, it was the year we have seen concrete evidence of our robust growth strategy and strong encouragement to develop and quickly adopt digital education technologies.

Our growth vectors continue to produce operating results well above the market and what would be expected in a year such as 2020. Digital Learning student base grew 64% in the period and more than doubled its size in two years (110% vs. 2018). We have reached 427 thousand DL students, who enjoy the country's largest Digital Learning center infrastructure (1,510 centers), 577 more vs 2019. Our Medicine courses continue with 100% of seats filled, achieved maximum grades on the accreditation evaluations, and already have 5.4 thousand undergraduate students. At the beginning of March, we received authorization for 150 new seats at the Quixadá (CE), Açailândia (MA) and Castanhal (PA) units, and we expect to be granted more seat authorizations in 2021, emphasizing our strategic advantage of contracted growth in the segment. Digital Learning and premium segments (which includes Medicine and Ibmecc) currently account for 24% and 15% of the group's total net revenue, respectively.

Our acquisitions amounted to R\$2.3 billion and earned R\$775 million in additional revenue and more than R\$70 million in operating synergies, in annualized amounts. We ended 2020 with 763 thousand students, a 34% surge compared to 2019, with gains in retention (83% in the on-campus segment, and 82% in the digital learning segment) and in satisfaction. Our institutions' consolidated NPS was up by 8 p.p. compared to the previous period - a historical record, given all challenges brought by the pandemic. Our fundamentals remain absolutely solid.

Regarding our financial results, in addition to the direct effects of the pandemic, as the linear discounts granted by laws and court decisions, non-recurring items (related to the pandemic itself or to integration processes) and the reduction in public financing from FIES, pressured our results. FIES losses, which came to R\$302 million in 2020, hide our student base growth and impact student profile, which impacts provisions, among other factors. 2020 was the last year with significant FIES impacts, which will allow us to see the real growth level we have achieved.

Despite those factors, our solid model and the several initiatives we took during the year enabled us to reach R\$4.07 billion adjusted net revenue, R\$1.35 billion adjusted EBITDA and R\$567 million adjusted net income. Our cash generation continues to be the highest in the segment. YDUQS ended the period with cash and cash equivalents of R\$1.6 billion for new acquisitions and debt remains healthy (1.4x), strengthening the feasibility of new growth projects through M&A.

Last, but not least, in 2020 we have seen a significant boost in the development and adoption of technologies in teaching. It was an important year specially for our faculty, because many of our professors found on digital technology an ally they did not know. We had great advances in the production of digital content and methodologies (through our business unit known as EnsinMe) and in the model, unique in Brazil, to add digital content to on-campus learning, named Aura. Following the Pandemic, we continue with the largest digital transformation project currently in course in Brazilian education.

I cannot forget to thank our teams for their delivery and strength. We enter 2021 a lot stronger as an organization. We took a new leap in terms of Compliance and adapted to LGPD (Brazilian General law of data protection) during the pandemic. There are advances in equality issues – female managers are already 57% of the total, and we continue to be the most diverse organization in the sector in terms of race. The health of our employees and faculty is a precious asset, of which we seek to take really good care.

We thank all of you who have followed, supported and encouraged us in this journey, which will lead to an education with quality never seen before in the country to a larger number of Brazilians, throughout the country.

Eduardo Parente
CEO



(R\$ million)	4Q19	4Q20	Δ%	2019	2020	Δ%
Net Revenue	842.0	963.0	14.4%	3,565.0	3,853.7	8.1%
Gross Profit	448.7	445.2	-0.8%	2,044.3	2,108.8	3.2%
Gross Margin	53.3%	46.2%	-7.1 p.p.	57.3%	54.7%	-2.6 p.p.
EBITDA	232.2	114.2	-50.8%	1,261.0	895.3	-29.0%
EBITDA Margin	27.6%	11.9%	-15.7 p.p.	35.4%	23.2%	-12.1 p.p.
Net Income	58.1	(102.6)	n.a.	646.1	98.2	-84.8%
Net Margin (%)	6.9%	n.a.	n.a.	18.1%	2.5%	-15.6 p.p.

Adjusted Net Revenue⁽¹⁾	842.0	1,046.8	24.3%	3,565.0	4,071.7	14.2%
Adjusted EBITDA⁽²⁾	289.1	274.1	-5.2%	1,359.7	1,349.9	-0.7%
Adjusted EBITDA Margin ⁽²⁾	34.3%	26.2%	-8.2 p.p.	38.1%	33.2%	-5.0 p.p.



Focus on Digital Transformation and IT

- The Company has invested heavily in **Digital Transformation and IT projects**, amounting to R\$176 million in the year.
- In 2020, we created **AURA**, a new education system to integrate, as never seen before, digital and on-campus learning, gaining efficiency in allocating online content with significant teaching and student experience improvements.
- **Intake and renewal** can be **100% online**.
- In the **STUDENT APP**, students have everything they need in their hands: a fast and easy mobile solution both from the academic and administrative standpoints.
- **EnsineMe**: A business unit that produces multi-brand content with digital tools, bringing high-standard content to everyone.
- NPS increased both for Digital Learning and On-campus, closing the year up by +10pts and +8pts (vs. 2019.2), respectively.

Main Highlights

- **Digital Learning** continues to grow, with student base (+63% YoY for undergraduate) and centers (+62% vs. 2019) increasing at an accelerated pace.
- In 2020, there was an increase of 244 seats in medicine (+27% YoY) vs. 2019. **Medicine student base** came to 5,378 students, a 34% growth versus the previous year.
- **FIES student base** reduced by 22% vs. 2019.
- **Impact of laws and injunctions** on revenue totaled R\$83.8 million in 4Q20 and R\$218.0 million in 2020.
- Excluding acquisitions, **costs** were down by 7% in 2020.
- Solid **cash position** closing 4Q20 at R\$1.6 billion.
- **Operating cash flow before capex** is up by 40% vs. 2019, closing the year at R\$1.1 billion.
- Low debt, and **Net Debt (ex-IFRS16)/ adjusted EBITDA** was at 1.4x.

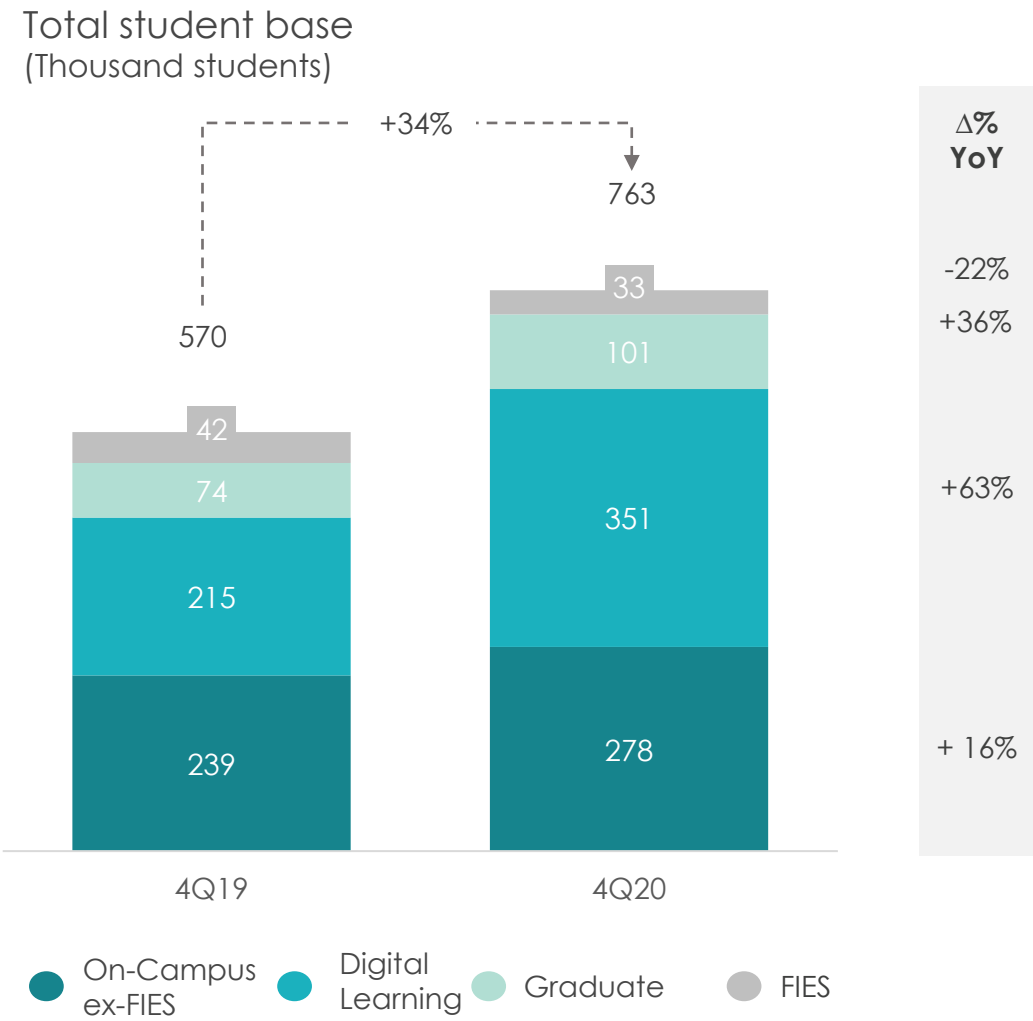
OPERATIONAL DATA

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STUDENT BASE: Overview

(thousand students)	4Q19	4Q20	Δ%
Undergraduate	495.5	661.3	33.5%
On-Campus	280.9	310.7	10.6%
Acquisitions ⁽¹⁾	-	50.5	n.a.
Digital Learning	214.6	350.7	63.4%
Acquisitions ⁽¹⁾	-	8.2	n.a.
Graduate	74.2	101.3	36.4%
On-Campus	28.1	24.5	-12.7%
Acquisitions ⁽¹⁾	-	4.3	n.a.
Digital Learning	46.2	76.8	66.3%
Acquisitions ⁽¹⁾	-	28.7	n.a.
Total Base	569.7	762.6	33.9%
Total Base (ex-FIES)	527.8	729.7	38.3%
Total Base (ex-acquisitions)	569.7	670.9	17.8%

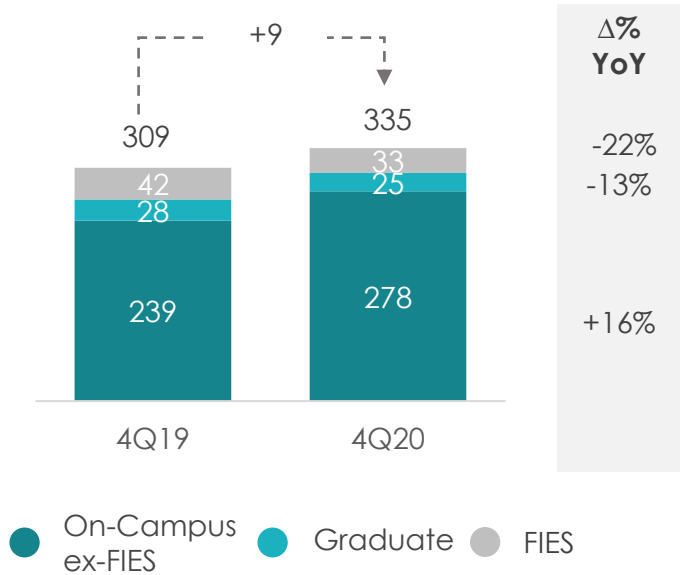


(1) Refers to Adtalem (as from May/20) and Athenas (as from Aug/20) acquisitions.

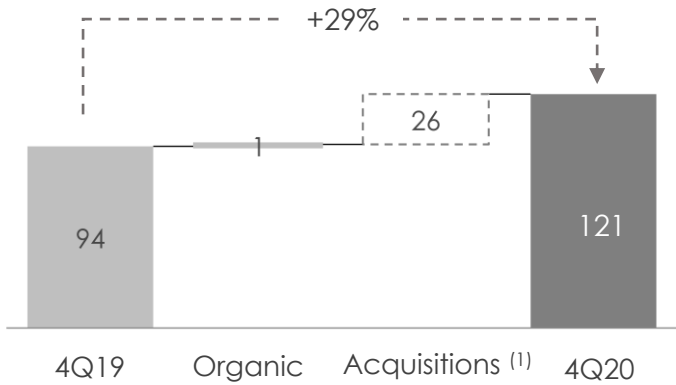
HIGHLIGHTS: On-Campus

(thousand students)	4Q19	4Q20	Δ%
Total On-Campus	309.0	335.2	8.5%
Undergraduate ex-FIES	238.9	277.8	16.3%
Undergraduate	280.9	310.7	10.6%
Out-of-pocket	226.4	270.0	19.3%
Acquisitions ⁽¹⁾	-	38.5	n.a.
DIS	101.9	123.9	21.6%
FIES	42.0	32.9	-21.6%
Acquisitions ⁽¹⁾	-	12.1	n.a.
PAR	12.5	7.8	-37.9%
Graduate	28.1	24.5	-12.7%
Own	14.4	13.2	-8.5%
Acquisitions ⁽¹⁾	-	4.3	n.a.
Partnerships	13.7	11.3	-17.1%
Total On-Campus (ex-acquisitions)	309.0	280.3	-9.3%
Undergraduate (ex-acquisitions)	280.9	260.1	-7.4%
Number of units	94	121	28.7%
Acquisitions ⁽¹⁾	-	26	n.a.

Detailed On-Campus Base
(thousand students)



Number of Units
(# units)



● On-Campus ex-FIES ● Graduate ● FIES

On-campus segment ended 4Q20 with 335 thousand students, an 8.5% increase YoY, due to the Company's recent acquisitions. **Excluding the acquisitions effect, undergraduate student base** would have decreased by 7.4% YoY, due to the reduction in FIES student base.

It is important to highlight that **FIES student base** continues to decrease, down by -22% YoY and **out-of-pocket student base** closed the year at 270 thousand students, up by 19% YoY.

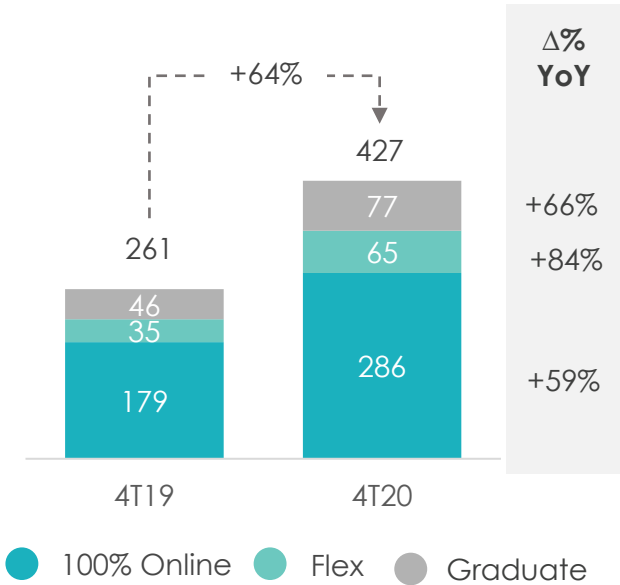
The pandemic has established new standards of relationship and engagement with students. Live streaming online classes was successful to **approximately 95% of the on-campus student base**. The **engagement grew during the pandemic**, as well as student satisfaction (+8 p.p. vs 2019).

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

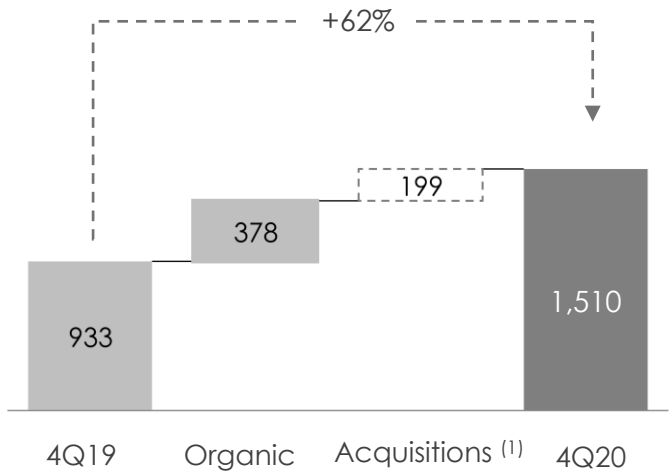
(thousand students)	4Q19	4Q20	Δ%
Total Digital Learning	260.8	427.4	63.9%
Undergraduate	214.6	350.7	63.4%
100% online	179.3	285.8	59.4%
Acquisitions ⁽¹⁾	-	8.2	n.a.
Flex	35.4	64.9	83.6%
Graduate	46.2	76.8	66.3%
Own	16.2	38.0	134.8%
Acquisitions ⁽¹⁾	-	28.7	n.a.
Partnerships	30.0	38.8	29.3%
Total DL (ex-acquisitions)	260.8	390.6	49.8%

DIS (undergraduate)	128.4	217.2	69.1%
100% online	106.0	174.0	64.1%
Flex	22.4	43.2	93.0%
Operational Data			
Number of DL centers	933	1,510	61.8%
Acquisitions ⁽¹⁾	-	199	n.a.
Covered cities	676	965	42.8%

Detailed Digital Learning Base
(thousand students)



Number of Centers
(# centers)



Digital Learning continues to post solid results, reaching 427 thousand students in 4Q20, a significant 64% YoY growth in student base, due to recent acquisitions and, mainly, the strong growth pace and maturity of centers, which increased by 62% vs. 4Q19. **Excluding acquisitions, student base** would have significantly grown by 49.8% YoY.

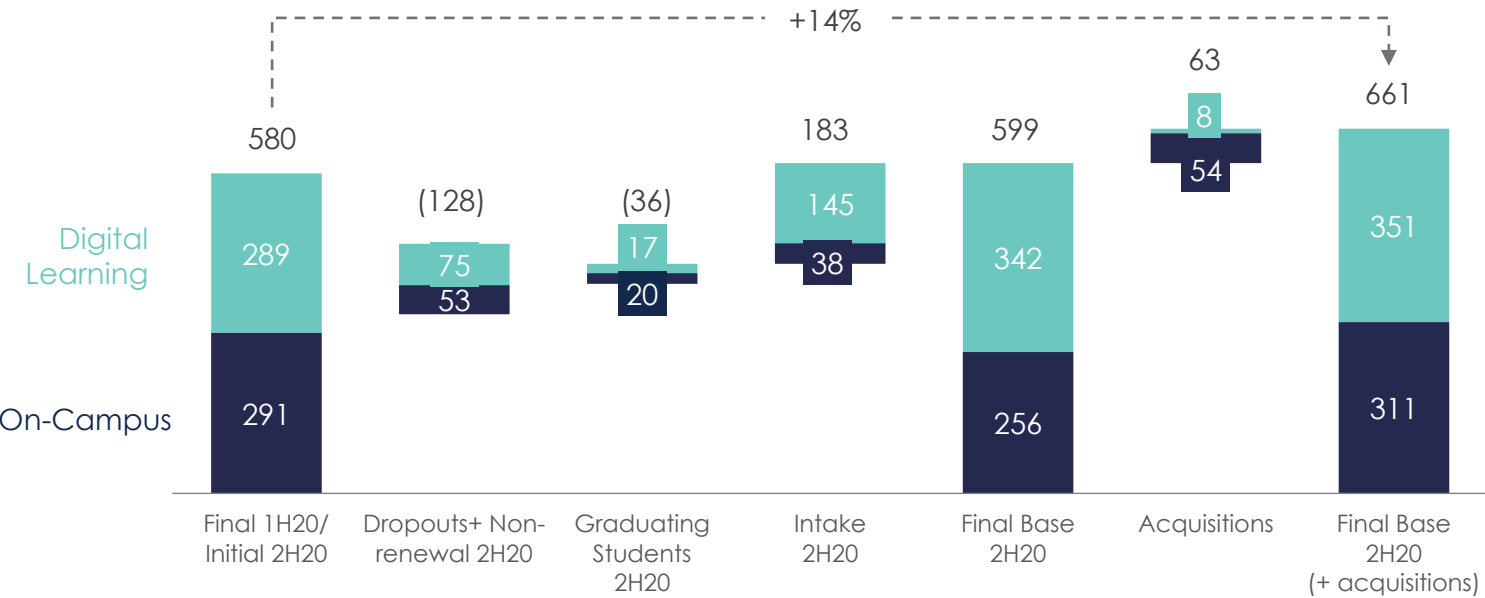
The Company has focused its efforts on the **development and improvement of digital platforms** through heavy **investments in technology and innovation**. This has been essential for the segment's extremely positive results. Substantiating these results, we can highlight the significant +3 p.p. increase in **retention rate for undergraduate digital learning**, ex-acquisitions⁽¹⁾, closing 2H20 at 82%.

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

CHANGES IN THE UNDERGRADUATE BASE

Only Estácio undergraduate

(thousand students)	Initial base	Graduating students	Drop-out + non-renewal	Intake	Acquisitions	4Q20 (including acquisitions)
Undergraduate	580	(36)	(128)	183	63	661
On-Campus	291	(20)	(53)	38	54	311
Out-of-pocket	255	(13)	(51)	37	42	270
FIES	27	(7)	(0)	1	12	33
PAR	10	-	(2)	-	-	8
Digital Learning	289	(17)	(75)	145	8	351
100% Online	232	(15)	(57)	117	8	286
Flex	57	(2)	(17)	28	-	65



Retention Rate⁽¹⁾
Excluding acquisitions with less than 12 months

Undergraduate	2H19	2H20	Δ%
On-Campus	86%	83%	-3 p.p.
Digital Learning	79%	82%	+3 p.p.

In 2H20, **on-campus retention rate** was 83%, down by 3 p.p. YoY. The **Digital Learning segment** ended the semester at 82%, 3 p.p. up versus 2H19.

(1) Retention Rate: $[1 - ((\text{dropouts} + \text{non-renewal}) / (\text{renewable student base: initial student base} - \text{graduating students} + \text{intake}))]$. The retention rate calculation doesn't include Adtalem and Athenas' student base.

AVERAGE TICKET

	TOTAL ON-CAMPUS ⁽²⁾			UNDERGRADUATE			UNDERGRADUATE ex-FIES			GRADUATE ⁽²⁾		
	2H19	2H20	Δ%	2H19	2H20	Δ%	2H19	2H20	Δ%	2H19	2H20	Δ%
Adjusted Average Ticket* ⁽¹⁾	746.0	788.9	5.8%	770.6	807.7	4.8%	677.2	698.7	3.2%	-	-	-
Average Ticket* (R\$/month)	746.0	716.0	-4.0%	770.5	731.4	-5.1%	677.1	681.5	0.6%	296.7	388.7	31.0%
Student base (thousand)	294.7	324.6	10.2%	279.4	310.0	11.0%	237.2	277.4	16.9%	15.3	14.6	-4.6%
Net Revenue (R\$ million)	1.318.9	1.394.5	5.7%	1.291.7	1.360.6	5.3%	963.8	1.134.4	17.7%	27.2	34.0	25.0%

	TOTAL DL ⁽¹⁾			UNDERGRADUATE [1+2]			100% ONLINE [1]			FLEX [2]			GRADUATE ⁽²⁾		
	2H19	2H20	Δ%	2H19	2H20	Δ%	2H19	2H20	Δ%	2H19	2H20	Δ%	2H19	2H20	Δ%
Adjusted Average Ticket* ⁽¹⁾	245.0	229.2	-6.4%	248.0	223.4	-9.9%	218.1	195.8	-10.2%	398.3	342.1	-14.1%	-	-	-
Average Ticket* (R\$/month)	244.9	226.9	-7.4%	247.9	220.9	-10.9%	218.0	195.7	-10.2%	398.2	329.1	-17.3%	206.8	278.6	34.7%
Student base (thousand)	233.1	385.4	65.3%	216.0	345.2	59.8%	180.1	280.1	55.5%	35.9	65.1	81.3%	17.1	40.2	135.1%
Net Revenue (R\$ million)	342.5	524.7	53.2%	321.3	457.5	42.4%	235.6	329.0	39.6%	85.7	128.5	49.9%	21.2	67.2	216.8%

The **consolidated on-campus average ticket**, adjusted to discounts granted by law and court decisions, totaled R\$788.9/month in the semester, up by 5.8% YoY. Average ticket was boosted by recent acquisitions and by the significant increase in graduate students' average ticket (+31.0% YoY). It is important to highlight that **adjusted average ticket for ex-FIES undergraduate students** was up by 3.2%, closing the semester at R\$698.7/month and remained stable (+0.6% YoY) even with the discounts granted by law and court decisions.

Following the Company's accelerated growth strategy in the segment, **consolidated digital learning adjusted average ticket** ended the semester down by 6.4% YoY (R\$229.2/month), mainly impacted by the undergraduate courses adjusted ticket (-9.9% YoY), partially offset by the significant increase in graduate student average ticket, which was up by 34.7% YoY, ending the semester at R\$278.6/month.

The average ticket is calculated for the Company's consolidated numbers, considering all recent acquisitions: Unitoledo, Adtalem and Athenas.

(*) Average ticket = Net revenue for the period x 1,000 / 6/ weighted student base considering acquisitions.
 (1) Excluding the impact of discounts from laws and court decisions.
 (2) Graduate student base and revenue from partners and extra courses are excluded from the calculation.



FINANCIAL DATA

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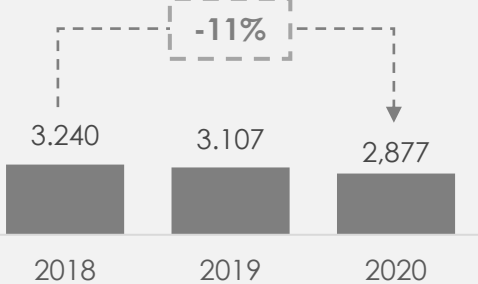


NON-RECURRING EFFECTS

Classification	Account	Status	Description	4Q18	2018	4Q19	2019	1Q20	2Q20	3Q20	4Q20	2020
Pandemic	Revenue ⁽¹⁾	✓	Scholarships related to the <i>Estácio com Você</i> program	-	-	-	-	-	22.2	3.7	-	25.9
		✓	Discounts granted by law and court decisions	-	-	-	-	-	45.3	63.0	83.8	192.0
	Cost	✓	Effect of MP 936 ⁽²⁾	-	-	-	-	-	(11.1)	(14.9)	-	(26.0)
		✓	Addition in provision to face Covid-19	-	-	-	-	-	27.3	-	-	27.3
Operational efficiency	Cost		Costs with organizational restructuring	100.3	103.3	41.9	61.7	2.1	1.1	12.8	21.0	37.0
	Expenses	✓	Consulting	10.4	30.3	9.8	9.8	-	-	-	-	-
M&A	Expenses		M&A and integration expenses	-	-	-	6.2	9.3	6.0	6.2	22.4	43.9
Complementary provisions	Selling	✓	Provision from past FIES renewals	-	-	-	-	-	71.9	-	-	71.9
	Expenses	✓	Revision of legal proceedings base and increase in contingencies	-	-	-	-	-	54.9	-	19.7	74.6
Other	Cost		Physical infrastructure costs	-	-	-	15.8	-	(4.8)	-	11.5	6.7
	Expenses	✓	Losses from the sale of portfolio in 2018	42.5	42.5	-	-	-	-	-	-	-
	Expenses		Other	11.3	11.3	5.2	5.2	1.7	2.5	(4.6)	1.4	1.1
NEGATIVE IMPACT ON EBITDA (R\$ million)				164.5	187.4	56.9	98.7	13.1	215.3	66.3	159.8	454.6

Adjusted on-campus personnel costs (ex-acquisition) per on-campus student (R\$)

Considering cumulative inflation in 2019-2020, personnel costs per student would have **decreased by 19%.**



Out of total non-recurring amounts in 2020, almost half (47%) was concentrated in the second quarter. The negative impact of the pandemic, provisions from past FIES renewals and revision of legal proceedings base (concluded in 4Q20) have been the main non-recurring pressures. In 4Q20, there was a non-recurring impact of R\$159.8 million.

It is important to highlight that effects related to the Pandemic in 2021 should be residual and temporary, and the effects with operational efficiency and M&A generate permanent gains, such as significant reduction in personnel costs (see graph on the left) and Net revenue and EBITDA (M&A).



(1) In 3Q20, amount adjusted to the R\$12.6 million impact in the quarter, related to laws and court decisions accounted for in 3Q20.
(2) Temporary flexibilization measures of labor laws enacted in April 2020

INCOME STATEMENT

(R\$ million)	4Q19	4Q20	Δ%	4Q19 ⁽¹⁾ adjusted	4Q20 ⁽¹⁾ adjusted	Δ%	2019	2020	Δ%	2019 ⁽¹⁾ adjusted	2020 ⁽¹⁾ adjusted	Δ%
Gross Revenue	1,519.8	2,047.3	34.7%	1,519.8	2,047.3	34.7%	6,185.0	7,703.5	24.6%	6,185.0	7,703.5	24.6%
Monthly tuition fees	1,508.3	2,030.8	34.6%	1,508.3	2,030.8	34.6%	6,139.1	7,650.1	24.6%	6,139.1	7,650.1	24.6%
Others	11.5	16.5	43.4%	11.5	16.5	43.4%	45.8	53.4	16.6%	45.8	53.4	16.6%
Deductions from gross revenue	(677.8)	(1,084.2)	60.0%	(677.8)	(1,084.2)	60.0%	(2,619.9)	(3,849.7)	46.9%	(2,619.9)	(3,849.7)	46.9%
Net Revenue	842.0	963.0	14.4%	842.0	1,046.8	24.3%	3,565.0	3,853.7	8.1%	3,565.0	4,071.7	14.2%
Cost of Services	(393.4)	(517.8)	31.6%	(351.5)	(485.3)	38.1%	(1,520.7)	(1,744.9)	14.7%	(1,443.3)	(1,727.0)	19.7%
Gross Profit	448.7	445.2	-0.8%	490.6	561.5	14.4%	2,044.3	2,108.8	3.2%	2,121.8	2,344.7	10.5%
Gross Margin	53.3%	46.2%	-7.1 p.p.	58.3%	53.6%	-4.6 p.p.	57.3%	54.7%	-2.6 p.p.	59.5%	57.6%	-1.9 p.p.
Selling Expenses	(134.9)	(221.5)	64.3%	(134.9)	(221.5)	64.3%	(571.6)	(859.8)	50.4%	(571.6)	(760.2)	33.0%
G&A Expenses	(161.2)	(289.9)	79.8%	(146.2)	(246.3)	68.5%	(587.1)	(895.0)	52.5%	(565.8)	(775.9)	37.1%
Other operating revenue/ expenses	4.2	2.5	-40.8%	4.2	2.5	-40.8%	14.4	2.4	-83.4%	14.4	2.4	-83.4%
(+) Depreciation and amortization	75.4	178.0	136.0%	75.4	178.0	136.0%	360.9	538.9	49.3%	360.9	538.9	49.3%
EBITDA	232.2	114.2	-50.8%	289.1	274.1	-5.2%	1,261.0	895.3	-29.0%	1,359.7	1,349.9	-0.7%
EBITDA Margin	27.6%	11.9%	-15.7 p.p.	34.3%	26.2%	-8.2 p.p.	35.4%	23.2%	-12.1 p.p.	38.1%	33.2%	-5.0 p.p.
Financial result	(96.2)	(106.5)	10.7%	(96.2)	(85.5)	-11.1%	(242.1)	(351.4)	45.2%	(242.1)	(330.4)	36.5%
Depreciation and amortization	(75.4)	(178.0)	136.0%	(75.4)	(178.0)	136.0%	(360.9)	(538.9)	49.3%	(360.9)	(538.9)	49.3%
Income tax	(1.6)	50.3	n.a.	(2.3)	48.4	n.a.	(7.2)	69.2	n.a.	(8.4)	64.2	n.a.
Social contribution	(1.0)	17.2	n.a.	(1.2)	16.6	n.a.	(4.6)	24.0	n.a.	(5.1)	22.2	n.a.
Net Income	58.1	(102.6)	n.a.	114.0	75.6	-33.7%	646.1	98.2	-84.8%	743.2	567.0	-23.7%
Net Margin	6.9%	n.a.	n.a.	13.5%	7.2%	-6.3 p.p.	18.1%	2.5%	-15.6 p.p.	20.8%	13.9%	-6.9 p.p.

(1) Adjusted by non-recurring items, explained in detail on slide "Non-recurring Effects". Net Income adjusted by the impact of non-recurring items on EBITDA, plus R\$21.0 million in financial result referring to comfort letter and adjusting tax and social contribution.



OPERATING REVENUE (1/2)

(R\$ million)	4Q19	4Q20	Δ%	Pro forma (ex-acquisitions)		2019	2020	Δ%	Pro forma (ex-acquisitions)	
				4Q20	Δ%				2020	Δ%
Gross Revenue	1,519.8	2,047.3	34.7%	1,713.3	12.7%	6,185.0	7,703.5	24.6%	6,854.6	10.8%
Monthly tuition fees	1,508.3	2,030.8	34.6%	1,706.5	13.1%	6,139.1	7,650.1	24.6%	6,825.4	11.2%
Other	11.5	16.5	43.4%	6.9	-40.3%	45.8	53.4	16.6%	29.2	-36.1%
Deductions from Gross Revenue	(677.8)	(1,084.2)	60.0%	(940.5)	38.8%	(2,619.9)	(3,849.7)	46.9%	(3,494.3)	33.4%
Discounts and scholarships	(654.8)	(1,051.7)	60.6%	(919.4)	40.4%	(2,497.6)	(3,703.9)	48.3%	(3,376.0)	35.2%
Taxes	(32.0)	(38.3)	19.8%	(27.3)	-14.8%	(139.7)	(153.5)	9.9%	(126.2)	-9.6%
AVP and other deductions	9.0	5.8	-35.7%	6.1	-31.9%	17.3	7.7	-55.2%	7.9	-54.3%
Net Revenue	842.0	963.0	14.4%	772.8	-8.2%	3,565.0	3,853.7	8.1%	3,360.3	-5.7%
On-Campus	673.7	707.8	5.1%	540.9	-19.7%	2,870.4	2,849.7	-0.7%	2,424.7	-15.5%
Medicine	92.0	105.5	14.6%	95.4	3.6%	349.0	433.9	24.3%	408.5	17.0%
FIES	155.8	126.3	-18.9%	92.4	-40.7%	648.6	450.5	-30.5%	346.3	-46.6%
Digital Learning	168.3	255.2	51.6%	232.0	37.8%	694.6	1,004.0	44.5%	935.6	34.7%
Adjusted Net Revenue⁽¹⁾	842.0	1,046.8	24.3%	843.9	0.2%	3,565.0	4,071.7	14.2%	3,551.0	-0.4%

In 2020, the Company's net revenue was impacted by a series of laws and court decisions that resulted in the granting of discounts by higher education institutions, thus impacting on-campus operation in several Brazilian states. Such impacts amounted to R\$218.0 million in 2020 and R\$83.8 million in 4Q20, and approximately R\$12.6 million of this amount refers to 3Q20, accounted for in 4Q20 (cancelled out in full year results). For 2021, we only see a residual effect of such discounts related to laws and injunctions, with no material impacts.

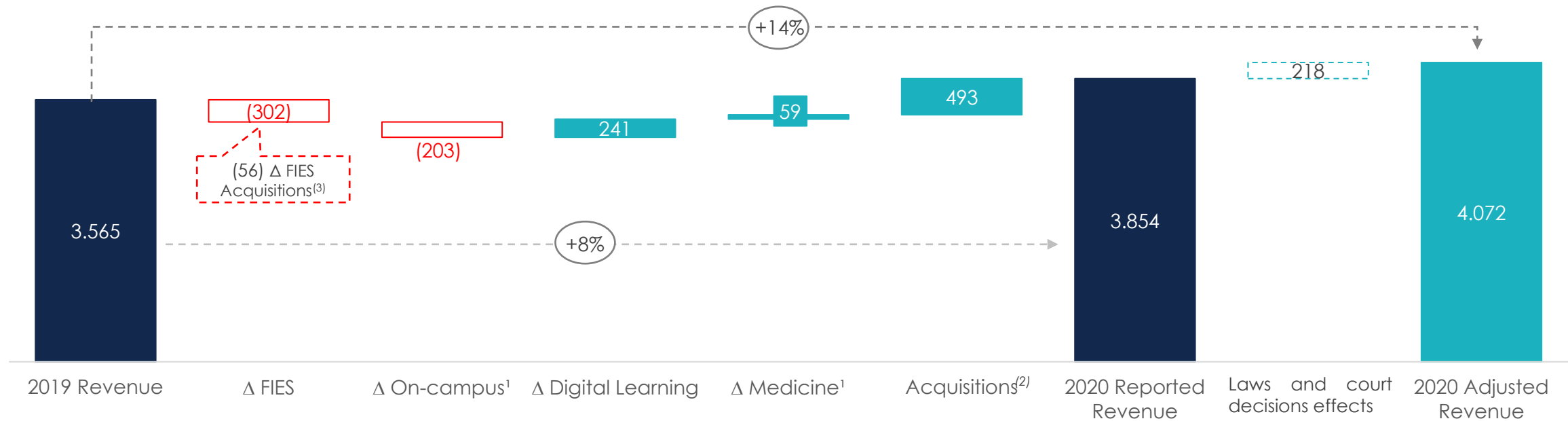
The Company's **net revenue** was up by 14.4% in 4Q20 and by 8.1% in the year. **Acquisitions** (+493.5 million in 2020), **Medicine** (+17.0% YoY ex-acquisitions) and **Digital Learning** (+34.7% YoY ex-acquisitions) continue to be the main strong growth levers of net revenue, more than offsetting FIES losses in the amount of R\$302.3 million (ex-acquisitions) in 2020.



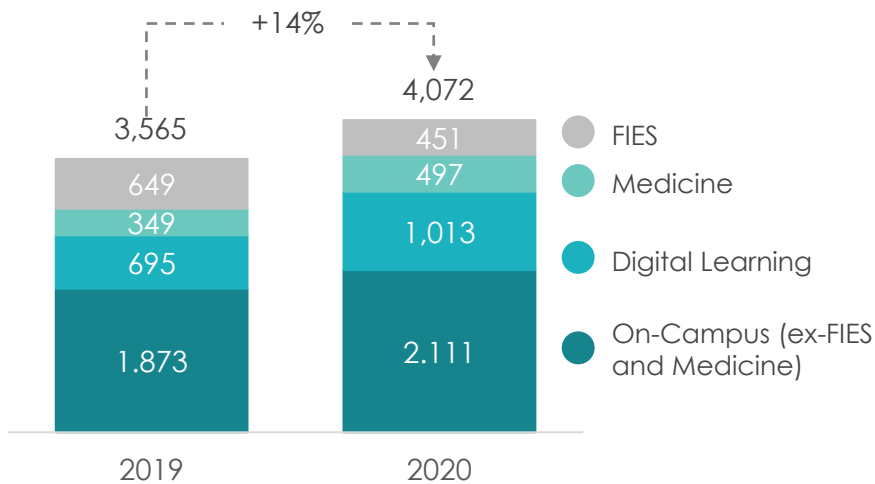
(1) Net Operating Revenue adjusted by laws and court decision impacts in the amount of R\$218.0 million in 2020.

OPERATING REVENUE (2/2)

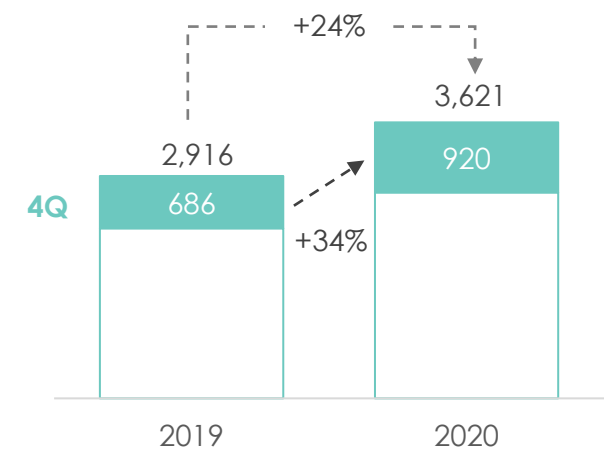
Contribution to adjusted net revenue⁽¹⁾
(R\$ million; 2020 vs. 2019)



Adjusted net revenue⁽¹⁾ by BU
(R\$ million)



Adjusted net revenue⁽¹⁾ (ex-Fies)
(R\$ million)



(1) Net revenue adjusted by the effects of laws and court decisions related to Covid-19 in the amount of R\$218.0 million in 2020.
(2) Considers Adtalem's results as from May/20 and Athenas' results as from Aug/20.
(3) Annualized FIES acquisitions Revenue

COST OF SERVICES AND GROSS PROFIT (1/2)

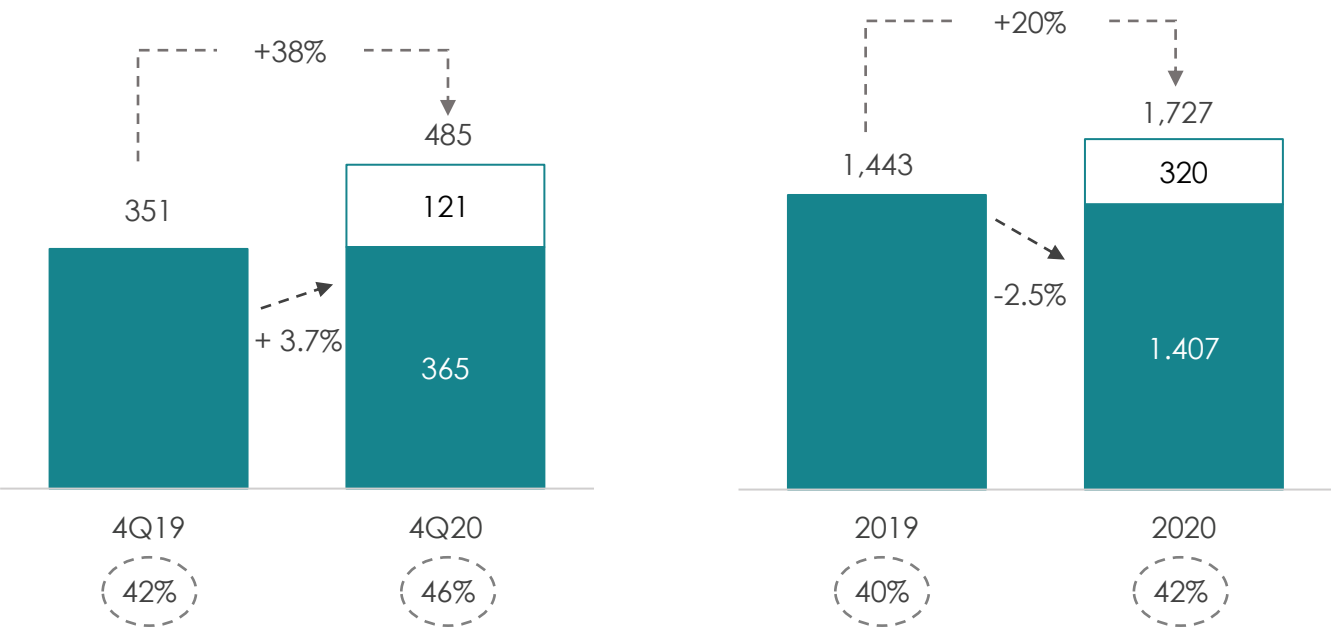
(R\$ million)	4Q19	4Q20	Δ%	Pro forma (ex-acquisitions)		2019	2020	Δ%	Pro forma (ex-acquisitions)	
				4Q20	Δ%				2020	Δ%
Cost of Services	(393.4)	(517.8)	31.6%	(391.5)	-0.5%	(1,520.7)	(1,744.9)	14.7%	(1,420.2)	-6.6%
Personnel	(291.2)	(307.1)	5.5%	(224.4)	-23.0%	(1,069.0)	(1,108.1)	3.7%	(888.0)	-16.9%
Rent, Municipal Property Tax and Others	(10.1)	(25.8)	155.1%	(23.9)	137.0%	(39.3)	(62.3)	58.4%	(57.6)	46.5%
Transfer of Centers	(12.9)	(36.9)	186.0%	(35.9)	177.9%	(43.3)	(110.5)	155.1%	(107.9)	149.2%
Third-party services	(13.6)	(14.2)	4.2%	(12.9)	-5.3%	(55.0)	(46.9)	-14.7%	(43.7)	-20.5%
Utilities	(12.5)	(8.7)	-30.2%	(6.5)	-47.8%	(41.6)	(31.5)	-24.2%	(26.9)	-35.4%
Other costs	(3.5)	(1.7)	-50.7%	0.1	n.a.	(9.6)	(12.4)	28.9%	(7.9)	-17.3%
Depreciation and amortization	(49.5)	(123.3)	149.4%	(88.1)	78.1%	(262.9)	(373.3)	42.0%	(288.2)	9.6%
Leasing - right of use of properties	(24.2)	(56.2)	132.3%	(43.8)	81.0%	(160.4)	(208.3)	29.9%	(172.1)	7.3%
Systems, Apps and Software	(1.5)	(8.9)	509.4%	(1.1)	-27.7%	(6.1)	(22.5)	265.8%	(4.0)	-34.8%
Other cost D&A	(23.8)	(58.3)	144.7%	(43.3)	81.7%	(96.4)	(142.6)	47.8%	(112.1)	16.3%
Gross profit	448.7	445.2	-0.8%	381.3	-15.0%	2,044.3	2,108.8	3.2%	1,940.1	-5.1%
Gross Margin	53.3%	46.2%	-7.1 p.p.	49.3%	-3.9 p.p.	57.3%	54.7%	-2.6 p.p.	57.7%	0.4 p.p.
Non-recurring costs ⁽¹⁾	41.9	32.5	-	26.9	-	77.5	17.9	-	12.8	-
Adjusted Cost of Services⁽¹⁾	(351.5)	(485.3)	38.1%	(364.6)	3.7%	(1,443.3)	(1,727.0)	19.7%	(1,407.4)	-2.5%

Cost of services was up by 31.6% in 4Q20 and by 14.7% in 2020, due to the recent acquisitions and increased costs with transfer of centers (+R\$67.2 million in 2020), from the accelerated growth of digital learning in partner centers vs own centers. Excluding the acquisitions effect, cost of services remained stable in the quarter and was down by 6.6% YoY in 2020, with the main gains in the following lines:

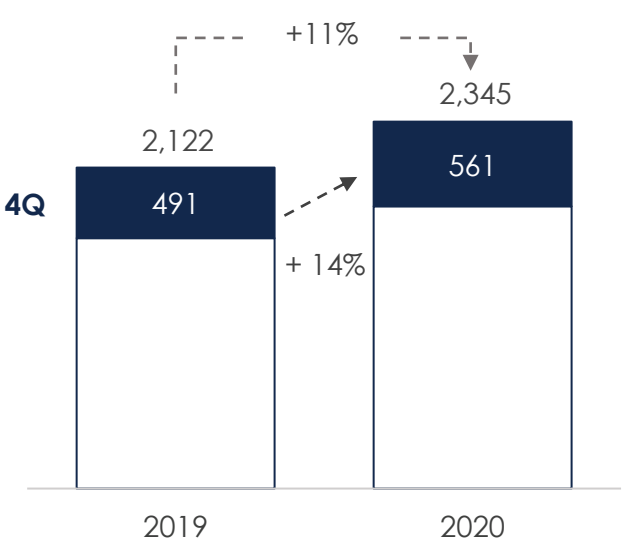
- Personnel (-R\$181.1 million in 2020), due to gains in operational research, adoption of digital solutions and MP 936 benefits;
- Third-party services (-R\$11.3 million in 2020) and Utilities (-R\$14.7 million in 2020) costs, due to reduced security, cleaning and maintenance costs in view of the cancellation of on-campus classes onsite in 2020.

COST OF SERVICES AND GROSS PROFIT(2/2)

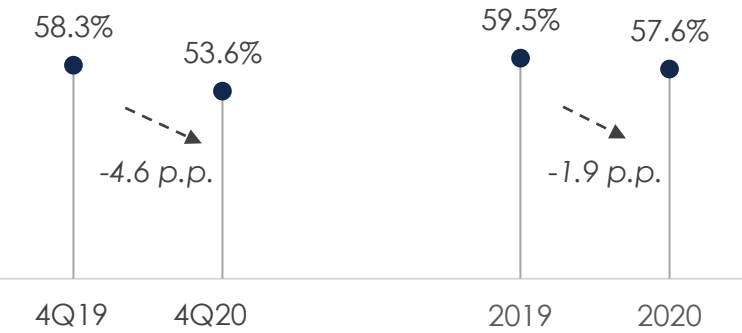
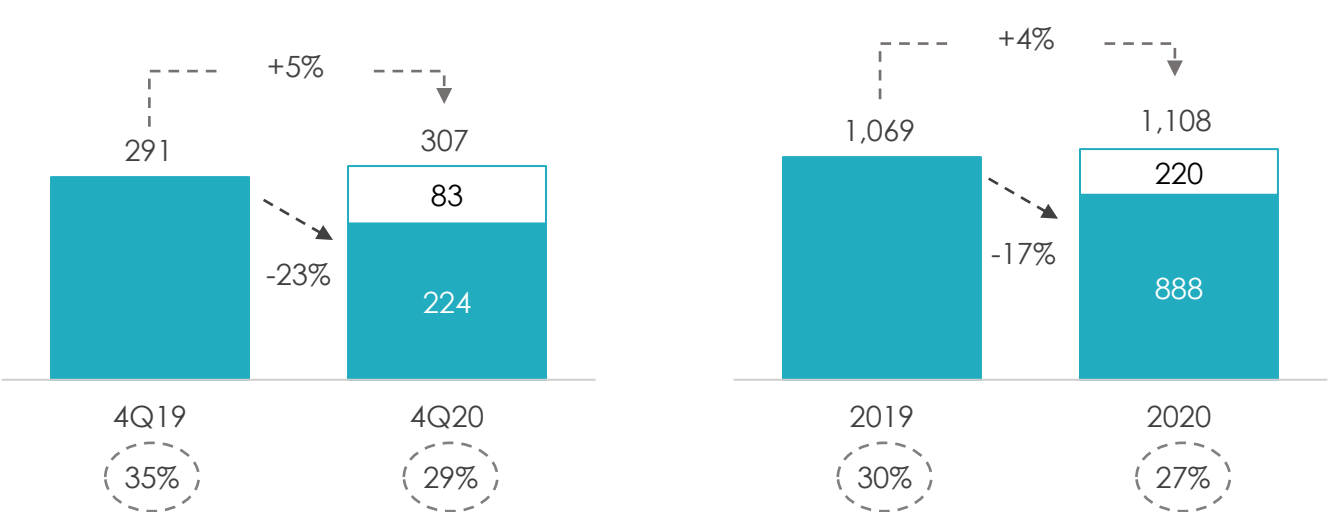
Adjusted cost of services⁽¹⁾
(R\$ million)



Adjusted Gross Profit and Gross Margin⁽¹⁾
(R\$ million; %)



Personnel Costs
(R\$ million)



(1) Adjusted by non-recurring items, explained in detail on slide "Non-recurring Effects"
(2) Considers Adtalem's results as from May/20 and Athenas' results as from Aug/20.

SELLING EXPENSES (1/2)

(R\$ million)	4Q19	4Q20	Δ%	Pro forma (ex-acquisitions)		2019	2020	Δ%	Pro forma (ex-acquisitions)	
				4Q20	Δ%				2020	Δ%
Selling Expenses	(134.9)	(221.5)	64.3%	(194.1)	43.9%	(571.6)	(859.8)	50.4%	(786.8)	37.6%
Bad Debt	(82.4)	(156.0)	89.2%	(142.1)	72.3%	(308.1)	(535.3)	73.7%	(500.8)	62.5%
Advertising	(52.3)	(65.8)	25.6%	(52.0)	-0.7%	(263.1)	(325.0)	23.5%	(285.9)	8.7%
Other	(0.1)	0.3	n.a.	(0.0)	-67.5%	(0.4)	0.5	n.a.	(0.1)	-73.9%
Non-recurring selling expenses ⁽¹⁾	-	-	-	-	-	-	99.6	-	97.3	-
Adjusted selling expenses⁽¹⁾	-	-	-	-	-	(571.6)	(760.2)	33.0%	(689.6)	20.6%

Selling expenses were up by 64.3% in 4Q20 and by 50.4% in 2020, impacted by the increase in Bad Debt and greater advertising efforts to attract new students.

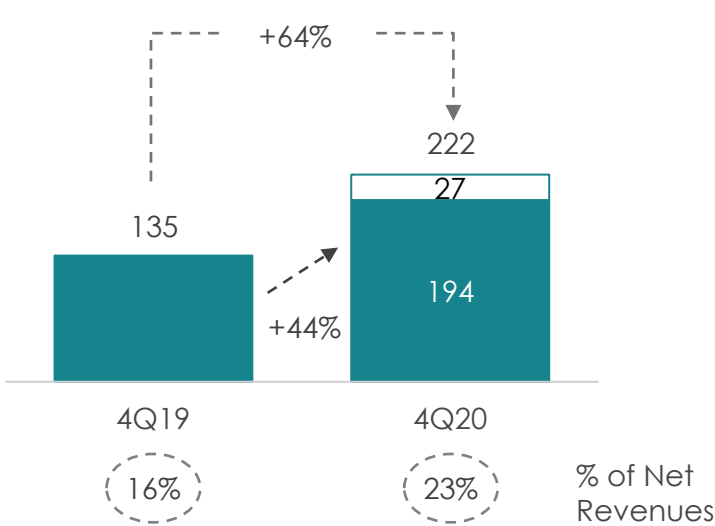
Bad Debt expenses increased by 89.2% in 4Q20 and by 73.7% YoY in 2020, due to the following factors:

- Change in student base mix (22% YoY decrease in FIES student base) when compared to the previous year, which means, a larger volume of out-of-pocket students, which also includes Bad Debt from drop-out of PAR and DIS students;
- The economic crisis due to the Covid-19 pandemic, which impacted current collection, as well as the level of negotiation of overdue monthly tuition fees with less expenses with discounts granted (financial result);

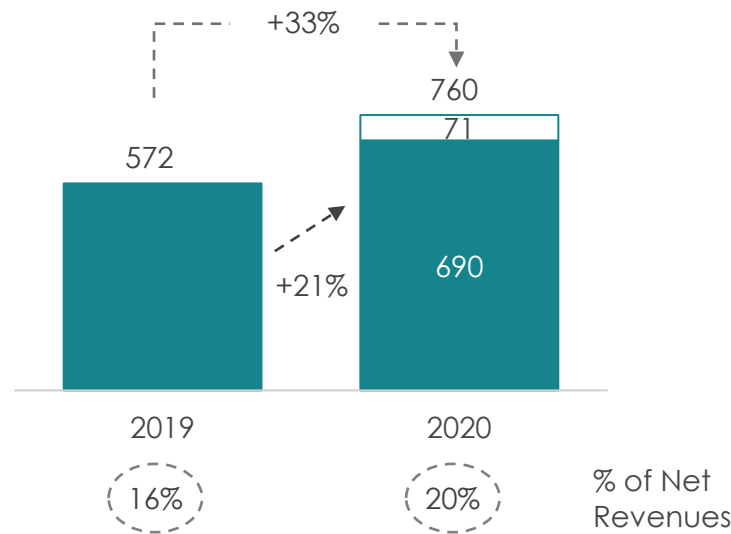
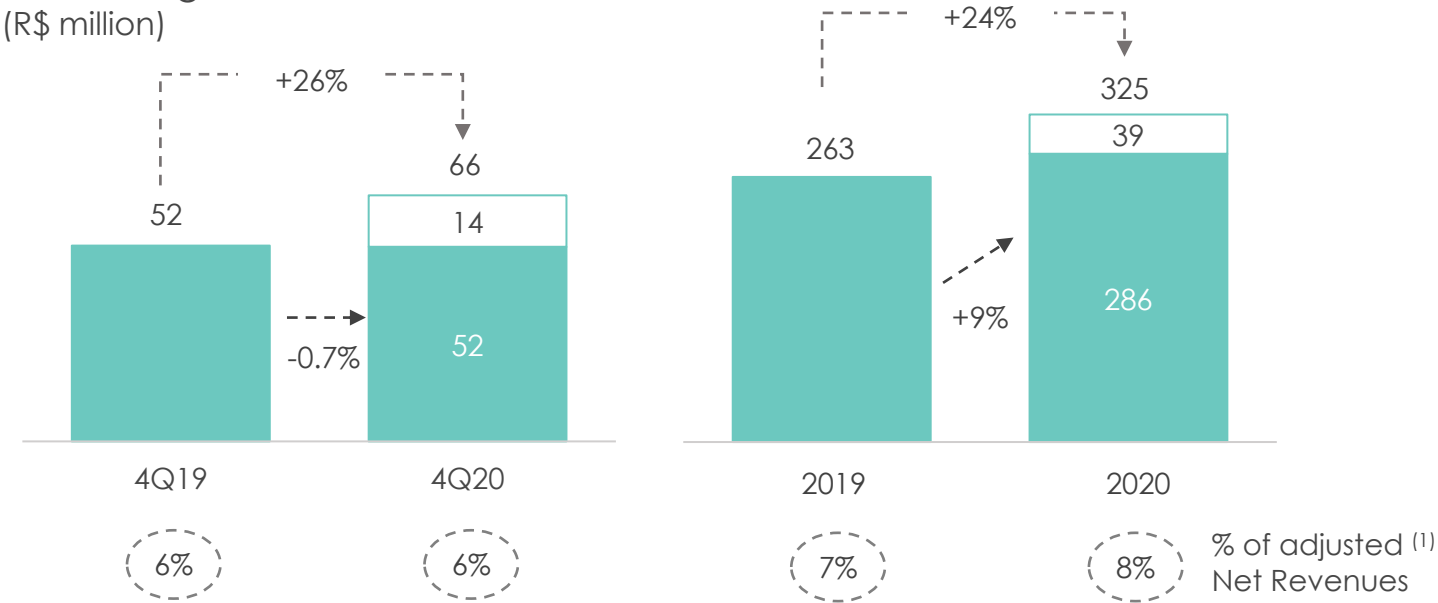
Bad Debt plus discounts granted increased by 54% in 2020, totaling R\$646.8 million, accounting for 17% of net revenue in 2020, up by 5.0 p.p. vs. 2019. Excluding non-recurring impacts and acquisitions, the increase would have been 21% vs 2019, accounting for 15% of adjusted net revenue (+3.4 p.p. vs 2019).

Advertising expenses grew 25.6% in 4Q20 and 23.5% in 2020, due to enhanced intake efforts. Despite this increase, advertising expenses remained stable as a percentage of adjusted net revenue in 2020.

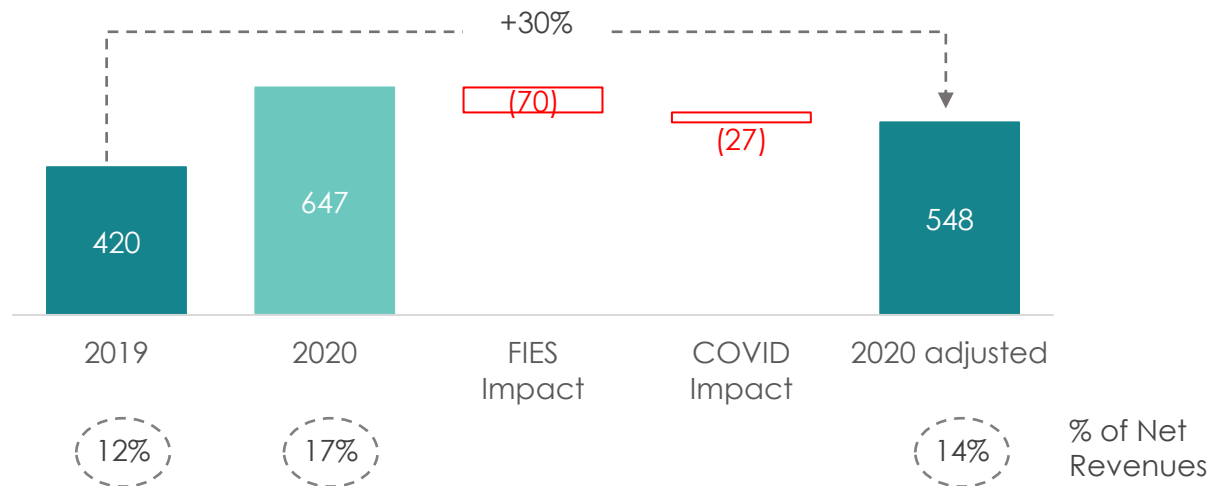
Adjusted Selling Expenses⁽¹⁾
(R\$ million)



Advertising
(R\$ million)



Bad Debt + discounts
(R\$ million)



(1) Adjusted by non-recurring items, explained in detail on slide "Non-recurring Effects"
(2) Considers Adtalem's results as from May/20 and Athenas' results as from Aug/20.

GENERAL AND ADMINISTRATIVE EXPENSES (1/2)

(R\$ million)	4Q19	4Q20	Δ%	Pro forma (ex-acquisitions)		2019	2020	Δ%	Pro forma (ex-acquisitions)	
				4Q20	Δ%				2020	Δ%
G&A Expenses	(161.2)	(289.9)	79.8%	(249.5)	54.8%	(587.1)	(895.0)	52.5%	(815.6)	38.9%
Personnel	(48.3)	(74.9)	55.2%	(52.5)	8.8%	(177.4)	(255.9)	44.2%	(211.1)	19.0%
Third-party services	(41.7)	(50.0)	20.0%	(44.8)	7.4%	(104.1)	(145.1)	39.5%	(134.0)	28.8%
Provision for contingencies	(12.9)	(52.8)	310.0%	(53.8)	317.9%	(66.3)	(165.7)	149.9%	(168.4)	153.8%
Maintenance and repairs	(14.9)	(33.3)	123.6%	(26.6)	78.2%	(48.5)	(71.2)	46.8%	(57.9)	19.3%
Other	(17.5)	(24.2)	38.3%	(18.4)	5.5%	(92.7)	(91.5)	-1.4%	(81.9)	-11.7%
Depreciation and amortization	(25.9)	(54.6)	110.5%	(53.4)	105.7%	(98.0)	(165.6)	69.0%	(162.3)	65.5%
Amortization of Trade Fund	(1.1)	(18.0)	1491.7%	(16.7)	1382.0%	(4.9)	(45.9)	839.3%	(42.5)	770.3%
Systems, Applications and Software	(1.5)	(8.9)	509.4%	(1.1)	-27.7%	(6.1)	(22.5)	265.8%	(4.0)	-34.8%
Other D&A expenses	(10.2)	(13.5)	31.3%	(13.5)	31.3%	(43.0)	(49.4)	15.0%	(49.4)	15.0%
Other revenue/ expenses	4.2	2.5	-40.8%	0.5	-88.3%	14.4	2.4	-83.4%	(0.1)	n.a.
Non-recurring G&A Expenses ⁽¹⁾	15.0	43.6	-	40.4	-	21.3	119.2	-	119.6	-
Adjusted G&A Expenses	(146.2)	(246.3)	68.5%	(209.1)	43.1%	(565.8)	(775.9)	37.1%	(696.0)	23.0%

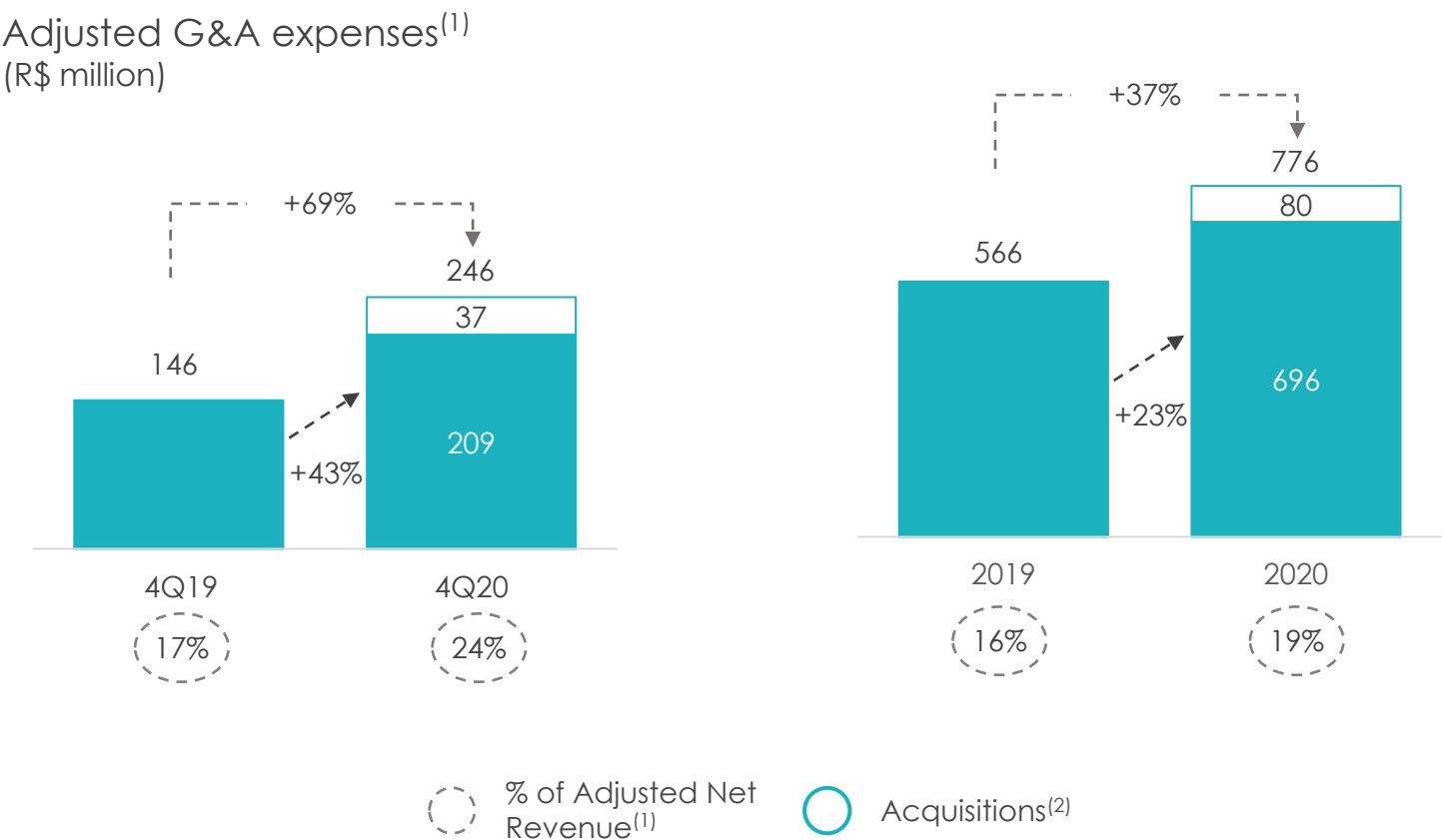
General and administrative expenses were up by 79.8% in 4Q20 and by 52.5% in 2020, due to the following factors:

- Expenses related to the COVID-19 crisis contingency plan;
- R\$99.4 million increase in 2020 with provision for contingency, with R\$74.6 million as non-recurring expenses with the conclusion of the process of revision of the legal proceedings base;
- R\$78.5 million increase in 2020 with personnel expenses from recent acquisitions. Excluding this effect, personnel expenses would have increased 19% YoY (+R\$33.7 million) due to the new grants and maturation of LTI programs.



(1) Adjusted by non-recurring items, explained in detail on slide "Non-recurring Effects"

- Increase in third-party services (R\$41.1 million in 2020), including expenses with consulting company related to integration and M&A process;
- Increased maintenance and repair expenses (R\$22.7 million in 2020) related to our units' maintenance, with new contracts for new medicine units and software updates.



(1) Adjusted by non-recurring items, explained in detail on slide "Non-recurring Effects"
(2) Considers Adtalem's results as from May/20 and Athenas' results as from Aug/20.

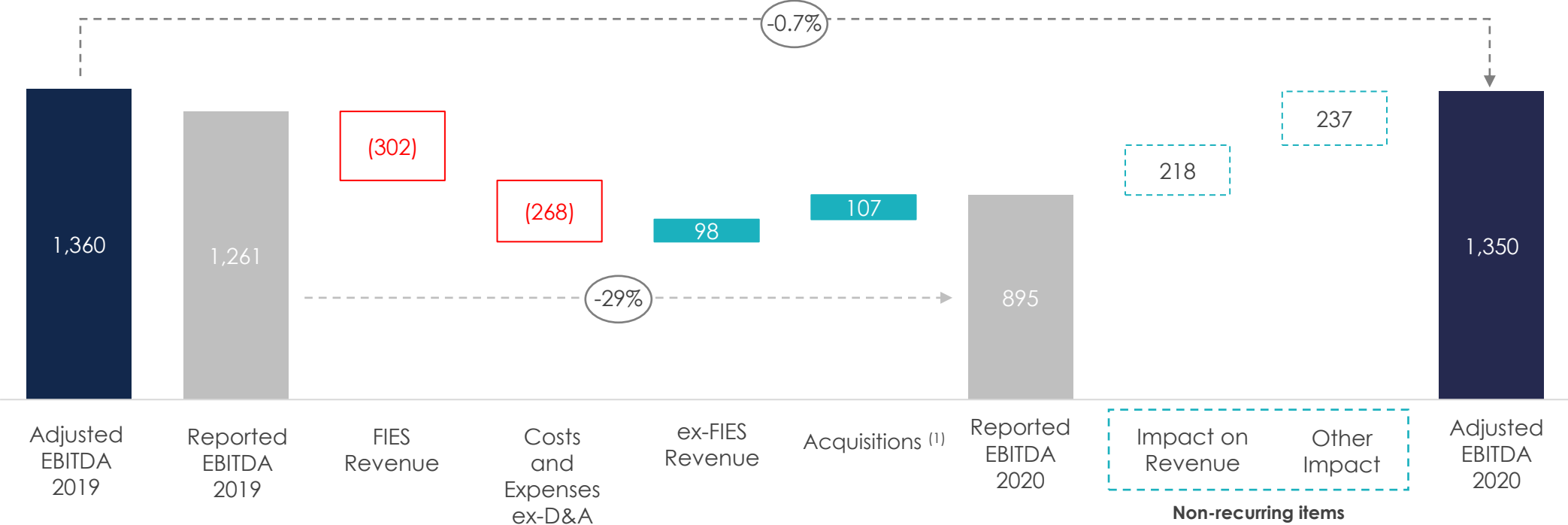
EBITDA AND MARGIN (1/2)

(R\$ million)	4Q19	4Q20	Δ%	Pro forma (ex-acquisitions)		2019	2020	Δ%	Pro forma (ex-acquisitions)	
				4Q20	Δ%				2020	Δ%
Net Revenue	842.0	963.0	14.4%	772.8	-8.2%	3,565.0	3,853.7	8.1%	3,360.3	-5.7%
Costs and Expenses	(685.2)	(1,026.8)	49.8%	(834.6)	21.8%	(2,665.0)	(3,497.4)	31.2%	(3,022.7)	13.4%
(+) Depreciation and amortization	75.4	178.0	136.0%	141.4	87.6%	360.9	538.9	49.3%	450.5	24.8%
EBITDA	232.2	114.2	-50.8%	79.7	-65.7%	1,261.0	895.3	-29.0%	788.1	-37.5%
EBITDA Margin (%)	27.6%	11.9%	-15.7 p.p.	10.3%	-17.3 p.p.	35.4%	23.2%	-12.1 p.p.	23.5%	-11.9 p.p.
Non-recurring items	56.9	159.8	180.8%	138.3	142.9%	98.7	454.6	360.5%	420.4	325.8%
Restructuring and MP 936	41.9	22.4	-46.5%	13.6	-67.5%	61.7	8.6	-86.1%	(0.5)	n.a.
Consulting Services & Others	15.0	53.7	257.0%	53.7	256.9%	37.1	228.0	515.2%	230.2	520.9%
Discounts from laws and court decisions on revenue	-	83.8	n.a.	71.0	n.a.	-	218.0	n.a.	190.7	n.a.
Adjusted EBITDA	289.1	274.1	-5.2%	218.0	-24.6%	1,359.7	1,349.9	-0.7%	1,208.5	-11.1%
Adjusted EBITDA Margin(%)	34.3%	26.2%	-8.2 p.p.	25.8%	-8.5 p.p.	38.1%	33.2%	-5.0 p.p.	34.0%	-4.1 p.p.

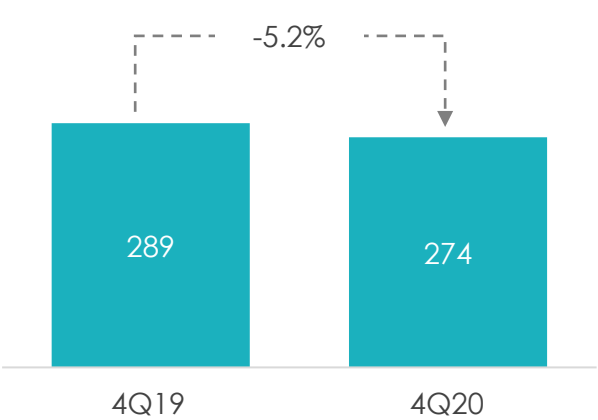
The Company's **EBITDA** decreased by 50.8% in 4Q20 and by 29.0% in 2020, negatively impacted by the following factors: (i) R\$302.3 million loss in FIES revenue (ex-acquisitions) due to the drop in student base (-22% YoY); (ii) R\$215.2 million increase in 2020 in selling expenses (ex-acquisitions), mainly due to bad debt and the economic crisis due to the COVID-19 pandemic and (iii) R\$164.3 million increase in 2020 in G&A expenses (ex-D&A and acquisitions), in the personnel, provision for contingencies and third-party services lines;

Despite the impacts mentioned above, result was positively impacted by: (i) R\$125.8 million decrease in cost of services (ex-D&A and acquisitions); (ii) R\$97.5 million increase in total net revenue (ex-FIES and acquisitions); and (iii) R\$107.2 million contribution from acquisitions' EBITDA.

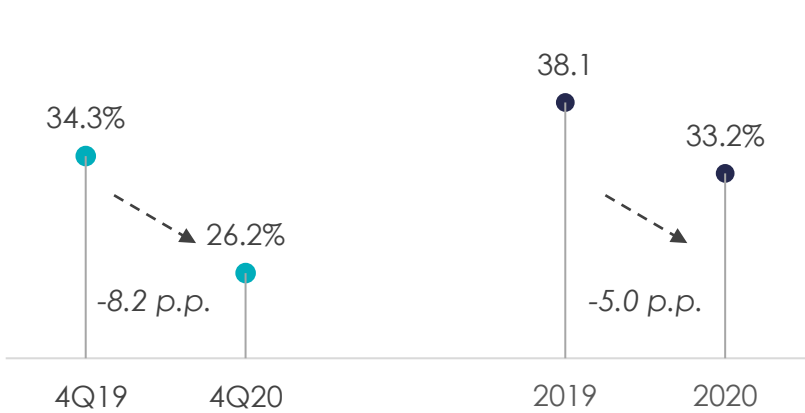
Adjusted EBITDA⁽²⁾
(R\$ million)



Adjusted EBITDA⁽²⁾
(R\$ million)



Adjusted EBITDA margin⁽²⁾
(%)



(1) Acquisitions include Adtalem as from May/20 and Athenas as from Aug/20.
(2) Adjusted by non-recurring items in costs and expenses and non-recurring impacts on revenue explained in details on slide "Non-recurring effects".

FINANCIAL RESULT and NET INCOME (1/2)

(R\$ million)	4Q19	4Q20	Δ%	Pro-forma (ex-acquisitions)		2019	2020	Δ%	Pro-forma (ex-acquisitions)	
				4Q20	Δ%				2020	Δ%
EBITDA	232.2	114.2	-50.8%	79.7	-65.7%	1,261.0	895.3	-29.0%	788.1	-37.5%
Financial Result	(96.2)	(106.5)	10.7%	(93.5)	-2.8%	(242.1)	(351.4)	45.2%	(330.3)	36.5%
Financial Revenue	20.3	(70.2)	n.a.	(75.2)	n.a.	99.1	246.0	148.1%	227.5	129.4%
Fines and interest charged	5.5	8.0	45.5%	4.1	-25.9%	30.3	42.1	38.7%	31.8	5.0%
Investments	9.1	(9.7)	n.a.	(11.3)	n.a.	46.7	19.0	-59.4%	13.6	-70.8%
Active Exchange Variation - SWAP	-	(80.4)	n.a.	(80.4)	n.a.	-	154.1	n.a.	154.1	n.a.
Inflation adjustments	5.2	8.5	64.9%	9.5	84.3%	20.5	11.3	-44.6%	12.2	-40.4%
Others	0.6	3.4	486.2%	2.9	401.4%	1.6	19.5	1102.0%	15.7	867.5%
Financial Expenses	(116.5)	(36.2)	-68.9%	(18.3)	-84.3%	(341.2)	(597.4)	75.1%	(557.8)	63.5%
Interest and financial charges	(14.6)	(32.6)	123.8%	(28.0)	92.1%	(80.0)	(123.5)	54.5%	(111.7)	39.7%
Financial discounts	(45.4)	(16.9)	-62.7%	(12.5)	-72.5%	(111.8)	(111.5)	-0.3%	(105.0)	-6.1%
Bank expenses	(6.2)	(2.5)	-59.8%	(2.1)	-66.1%	(33.8)	(11.8)	-65.2%	(10.8)	-68.0%
Interest and exchange Variation -SWAP	-	81.6	n.a.	81.6	n.a.	-	(184.2)	n.a.	(184.2)	n.a.
Interest on leasing	(49.7)	(29.0)	-41.6%	(21.7)	-56.4%	(93.4)	(113.9)	21.9%	(94.8)	1.4%
Others	(0.6)	(36.7)	6494.0%	(35.6)	6290.2%	(22.2)	(52.6)	136.6%	(51.3)	130.8%
(+) Depreciation and amortization	(75.4)	(178.0)	136.0%	(141.4)	87.6%	(360.9)	(538.9)	49.3%	(450.5)	24.8%
Profit before taxes	60.6	(170.2)	n.a.	(155.3)	n.a.	657.5	5.0	-99.2%	6.2	-99.1%
Income tax	(1.6)	50.3	n.a.	37.6	n.a.	(7.2)	69.2	n.a.	54.7	n.a.
Social Contribution	(1.0)	17.2	n.a.	12.8	n.a.	(4.6)	24.0	n.a.	18.7	n.a.
Net Income	58.1	(102.6)	n.a.	(104.9)	n.a.	645.7	98.2	-84.8%	79.6	-87.7%
Net Margin	6.9%	n.a.	n.a.	n.a.	n.a.	18.1%	2.5%	-15.6 p.p.	2.4%	-15.7 p.p.
Adjusted Net Income⁽¹⁾	114.0	75.6	-33.7%	52.1	-54.3%	743.2	567.0	-23.7%	515.6	-30.6%
Adjusted net margin	13.5%	7.2%	-6.3 p.p.	6.2%	-7.4 p.p.	20.8%	13.9%	-6.9 p.p.	14.5%	-6.3 p.p.

(1) Adjusted by the impact of non-recurring items on EBITDA, plus R\$21.0 million in financial result related to comfort letter and adjusting tax and social contribution.

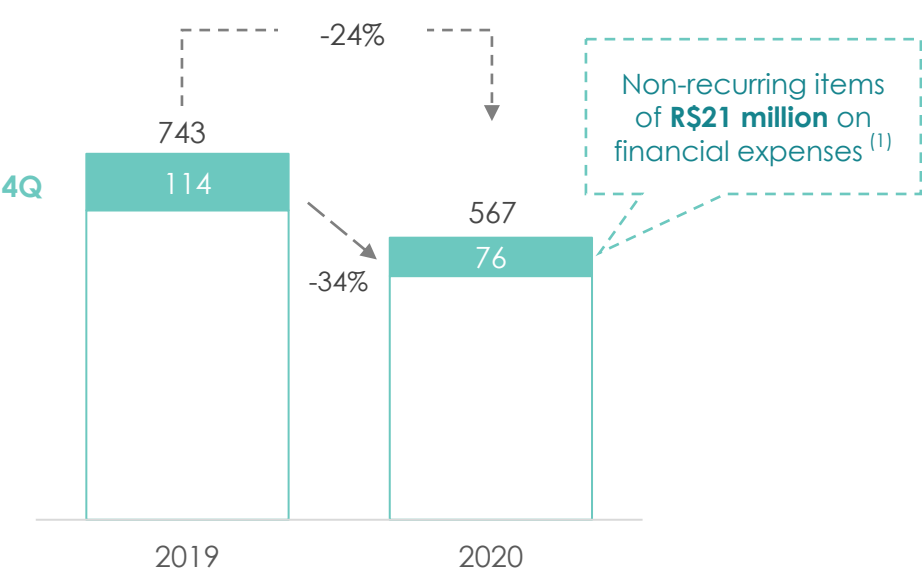


The Company's **financial result** was at a worse level both in 4Q20 (+10.7% YoY) and 2020 (+44.9% YoY), due to an increase in interests and fees of loans raised in the year, and the effect of property leasing (IFRS 16), which increased due to recent acquisitions.

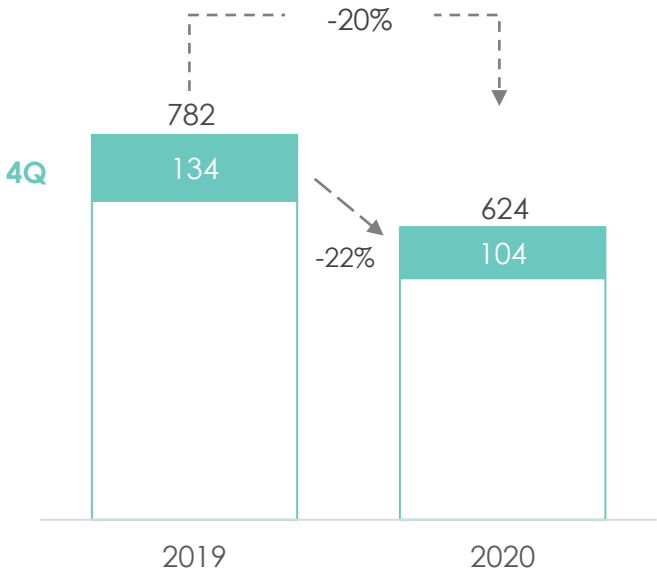
Furthermore, the change in the level of financial expenses in 2020 is due to the loans issued to finance acquisitions and to strengthen the Company's solid cash position in times of uncertainties related to the COVID-19 pandemic.

Net income was impacted by EBITDA's performance, increase in depreciation and amortization due to the acquisitions and IFRS-16 effect (-R\$51 million in 2020). Excluding the impact of non-recurring items on EBITDA, on financial result (R\$21.0 million in 4Q20), related to comfort letter (intention to acquire Laureate) and adjusting tax and social contribution, **adjusted net income** would have reached R\$76 million in 4Q20 (-47.7% YoY) and R\$567 million in 2020 (-24% vs. 2019).

Adjusted Net Income⁽¹⁾
(R\$ million; 2020 vs. 2019)



Adjusted Net Income ex-IFRS 16⁽¹⁾
(R\$ million; 2020 vs. 2019)



(1) Adjusted by the impact of non-recurring items on EBITDA, plus R\$21.0 million in financial result related to comfort letter and adjusting tax and social contribution.

ACCOUNTS RECEIVABLE

(R\$ million)	4Q19	4Q20	Δ%	Pro forma (ex-acquisitions)	
				4Q20	Δ%
Monthly tuition fees	1,069.0	1,464.2	37.0%	1,259.9	17.9%
FIES	295.6	161.3	-45.4%	122.0	-58.7%
Other	162.7	216.3	33.0%	159.1	-2.2%
Gross Accounts Receivable	1,527.2	1,841.8	20.6%	1,541.0	0.9%
Bad Debt	(471.2)	(694.6)	47.4%	(615.1)	30.5%
Amounts to be identified	(7.4)	(23.4)	216.8%	(14.1)	90.5%
Adjustments to present value (APV) ⁽¹⁾	(27.4)	(19.5)	-28.8%	(19.5)	-28.8%
Net Accounts Receivable	1,021.2	1,104.3	8.1%	892.3	-12.6%

In 4Q20, **gross receivables** were up by R\$314.6 million, mainly impacted by acquisitions and the increase in DIS student base. Excluding the acquisitions effect, gross receivables increase by R\$13.8 million.

Net receivables were up by R\$83.1 million in 4Q20, due to the increase in provisioning after the drop-out routine. Excluding the acquisitions effect, net receivables would have decreased R\$128.9 million.

AVERAGE TERM OF RECEIVABLES YDUQS 4Q20

(R\$ million)	4Q19	4Q20	Δ%	Pro forma (ex-acquisitions)	
				4Q20	Δ%
Net accounts receivables	1,021.2	1,104.3	8.1%	892.3	-12.6%
Net Revenue (LTM)	3,565.0	4,134.9	16.0%	3,360.3	-5.7%
Average Term of Receivables (ATR) (days)	103	96	-6.8%	96	-6.8%
FIES accounts receivable	295.6	161.3	-45.4%	122.0	-58.7%
FIES Revenue (LTM)	733.2	566.7	-22.7%	411.2	-43.9%
FGEDUC Deductions (LTM)	(57.4)	(53.6)	-6.6%	(36.1)	-37.1%
Taxes (LTM)	(27.2)	(22.4)	-17.6%	(14.8)	-45.5%
FIES Net Revenue (LTM)	648.6	490.6	-24.4%	360.2	-44.5%
FIES ATR (days)	164	118	-28.0%	122	-25.6%
Ex-FIES accounts receivable	725.6	943.0	30.0%	770.3	6.2%
Ex-FIES net revenue (LTM)	2,916.4	3,644.3	25.0%	3,000.1	2.9%
Ex-FIES ATR (days)	90	93	3.3%	92	2.2%

Consolidated ATR totaled 96 days, a decrease of 7 days over the same period of the previous year (4Q19). A great result for a pandemic year.

FIES ATR totaled 118 days, a 46-day decrease (28.0% drop) over the same period of the previous year (4Q19).

Ex-FIES ATR totaled 93 days, an increase of 3 days (up by 3.3%) over the same period of the previous year (4Q19).



(1) Price adjustment of installments based on IPCA and brought to present value on NTN-B-2024.

Aging of Total Gross Accounts Receivable⁽¹⁾

Vertical Analysis

(R\$ million)	4Q19	4Q20	Δ%	4Q19 (%)	4Q20 (%)
FIES	295.6	161.3	-45.4%	19%	9%
Not yet due	628.6	759.0	20.7%	42%	41%
Overdue up to 30 days	134.4	201.0	49.6%	9%	11%
Overdue from 31 to 60 days	80.1	122.7	53.2%	5%	7%
Overdue from 61 to 90 days	65.2	94.0	44.1%	4%	5%
Overdue from 91 to 179 days	111.9	127.7	14.2%	7%	7%
Overdue more than 180 days	211.5	376.2	77.8%	14%	20%
Gross accounts receivables	1,527.2	1,841.8	20.6%	100%	100%

Aging of Agreements Receivable⁽²⁾

Vertical Analysis

(R\$ million)	4Q19	4Q20	Δ%	4Q19 (%)	4Q20 (%)
Not yet due	24.5	42.7	74.5%	34%	34%
Overdue up to 30 days	5.6	11.4	104.6%	8%	8%
Overdue from 31 to 60 days	5.0	8.5	68.9%	7%	7%
Overdue from 61 to 90 days	5.2	8.2	58.8%	7%	7%
Overdue from 91 to 179 days	11.1	12.7	14.2%	16%	10%
Overdue more than 180 days	20.2	42.4	110.0%	28%	34%
Agreements receivable	71.6	125.9	75.9%	100%	100%

FIES: Changes in Accounts Receivable

(R\$ million)	4Q19	4Q20	Δ%
Opening balance	218.0	147.1	-32.5%
FIES revenue	173.8	104.8	-39.7%
Transfer	(220.8)	(93.6)	-57.6%
FIES Provision	(11.7)	(8.8)	-24.4%
Acquired	-	11.1	n.a.
Closing balance	159.3	160.5	0.8%

FIES: Changes in Accounts Receivable

(R\$ million)	4Q19	4Q20	Δ%
Opening balance	1.6	17.0	927.6%
Transfer	220.8	93.6	-57.6%
Payment of Taxes	(24.5)	(20.5)	-16.2%
Buyback in auction	(61.6)	(81.8)	32.8%
Acquired	-	(7.4)	n.a.
Closing balance	136.3	0.8	-99.4%

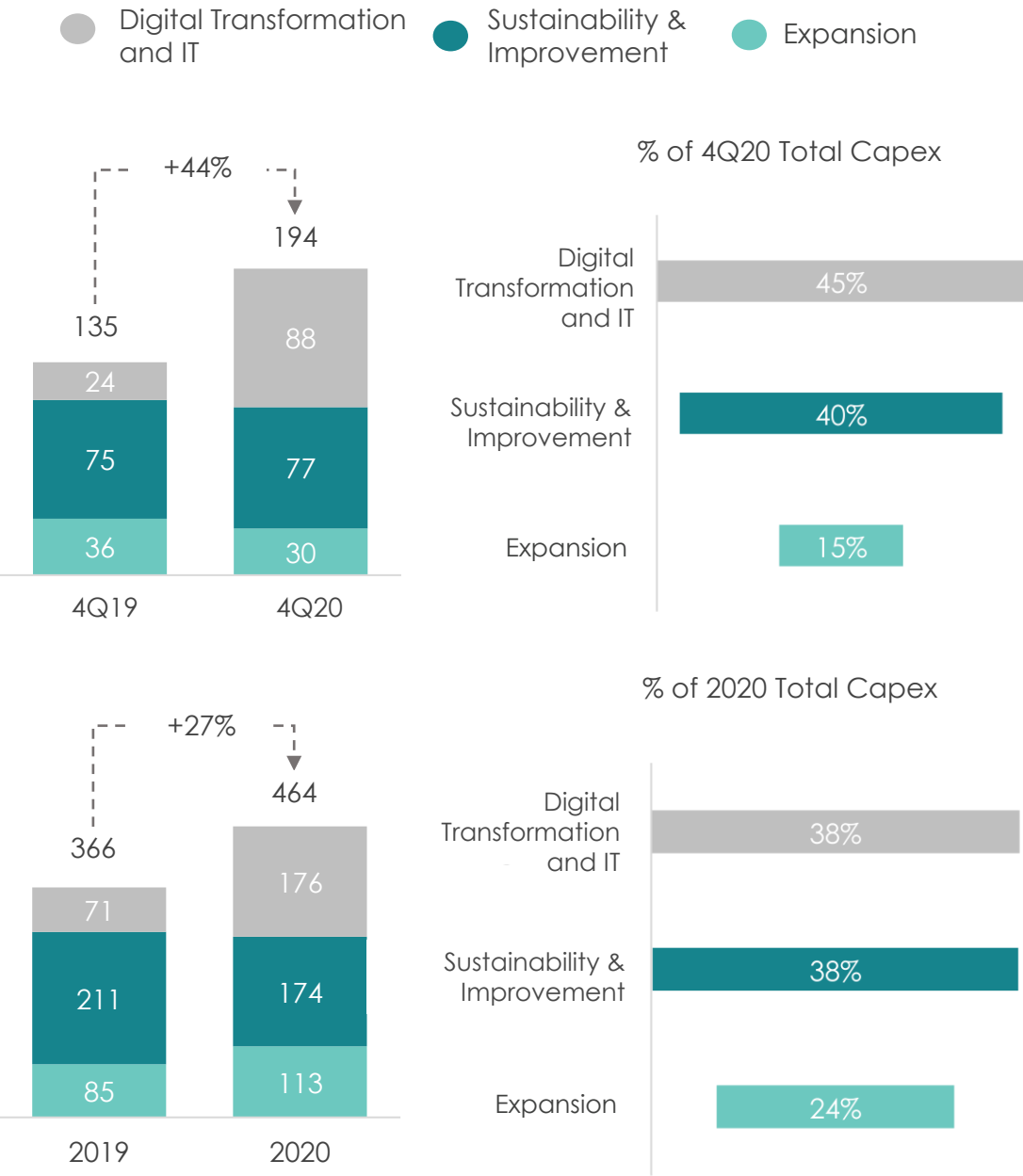
(R\$ million)	4Q19	4Q20	Δ%	2019	2020	Δ%
Total Capex	135	194	44%	366	464	27%
Digital Transformation and IT	24	88	267%	71	176	148%
Sustainability & Improvement	75	77	2%	211	174	-17%
Expansion	36	30	-17%	85	113	34%
Total Capex Pro forma (ex-acquisition ⁽¹⁾)	135	165	22%	366	413	13%

% of Net Revenue

Total Capex	16%	20%	4.2 p.p.	10%	12%	1.8 p.p.
Digital Transformation and IT	3%	9%	6.3 p.p.	2%	5%	2.6 p.p.
Sustainability & Improvement	9%	8%	-0.9 p.p.	6%	5%	-1.4 p.p.
Expansion	4%	3%	-1.2 p.p.	2%	3%	0.6 p.p.

- **Total CAPEX** came to R\$464 million in 2020 and R\$194 million in 4Q20, up by 27% YoY and 44% YoY, respectively, mainly boosted by a significant increase in **investments in digital transformation and information technology**, following the Company's efforts to focus in offering even more up-to-date education services. These investments accounted for 38% of total capex in 2020, closing the year at R\$176 million and 4Q20 at R\$88 million.
- In 2020, investments in sustainability and improvements declined compared to the previous year (-17% YoY). **Investments related to expansion**, on the other hand, were up by 34% YoY, and are related to course maturity projects and new units, mainly medicine units (*Mais Médicos*). Expansion investments in the medicine segment totaled R\$45 million in 2020, representing approximately 10% of the year's total capex.

CAPEX
(R\$ million)



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

CASH POSITION

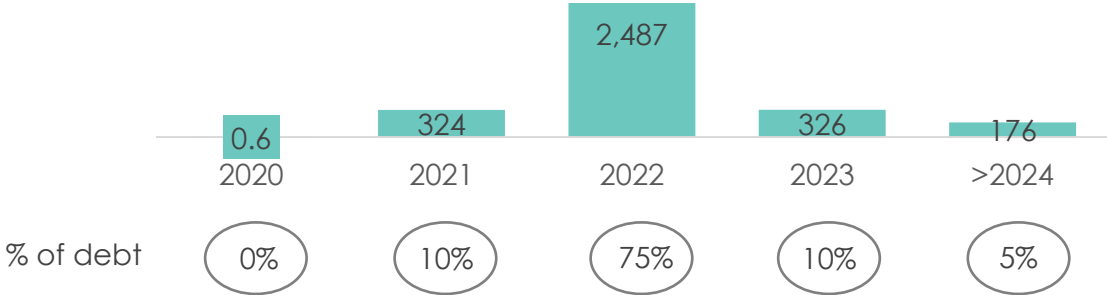
(R\$ million)	4Q19	4Q20	Δ%
(-) Cash and cash equivalents [a]	(609.1)	(1,633.3)	168.1%
Gross Debt [b]	1,715.3	4,841.4	182.2%
Bank loans	615.1	3,342.2	443.3%
Leasing	1036.5	1,351.3	30.4%
Commitments payable (M&A)	63.7	147.9	132.2%
Net Debt [b+a]	1,106.2	3,208.1	190.0%
Net debt (Ex-IFRS 16)/ adjusted EBITDA (LTM) ⁽¹⁾	0.1x	1.4x	-

- The Company's **cash and cash equivalents** totaled R\$ 1,633.3 million in 4Q20, up by 168.1% YoY (4Q19). This increase is due to loans issued to finance recent acquisitions and also to strengthen the Company's solid cash position.
- **Gross debt (excluding leasing)** ended the quarter at R\$3,490.0 million.
- In 4Q20, excluding leasing from gross debt, **net debt/adjusted EBITDA** was at 1.4x.

DEBT

Debt Type (R\$ million)	Issue Date	Due Date	Cost	Balance payable (Principal + interest)	% of total
Debenture V (1 st series)	Feb-19	Feb-22	CDI + 0.59%	252.3	8%
Debenture V (2 nd series)	Feb-19	Feb-24	CDI + 0.79%	353.5	11%
Loans Citi	Feb-20	Feb-21	CDI + 0.60%	173.8	5%
Loans Citi	Feb-20	Feb-22	CDI + 0.70%	653.1	20%
Loans Santander	Mar-20	Mar-22	CDI + 1.09%	504.7	15%
Itaú Promissory Note (1 st series)	Mar-20	Mar-22	CDI + 2.50%	362.9	11%
FINEP	Feb-15	Jan-25	TJLP + 0.50%	2.5	0%
Loans Citi	Apr-20	Apr-22	CDI + 2.75%	75.8	2%
Loans Bradesco	Sep-20	Sep-22	CDI + 2.70%	364.3	11%
Loans Santander	Apr-20	Apr-21	CDI + 3.69%	101.1	3%
Loans Banco ABC	Apr-20	Apr-21	CDI + 3.85%	50.5	2%
Loans Banco Safra	Jun-20	Jun-22	CDI + 2.80%	200.3	6%
Loans Itaú	Sep-20	Apr-23	CDI + 2.70%	152.3	5%
Loans BB	Dec/-20	Feb-22	CDI + 1.85%	100.1	3%
Bank Loans	-	-	CDI +1.62%	3,347.2	100%

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



(1) Excluding IFRS 16 leasing amounts from gross debt; EBITDA adjusted for non-recurring items, accumulated in the last 12 months

Debt

Debenture issuance in the amount of R\$1.85 billion

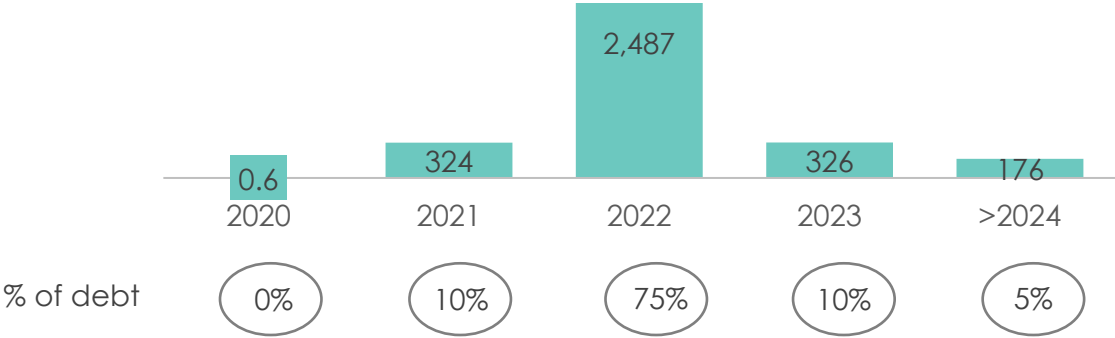
- In February 2021, the Company's Board of Directors approved the **6th issue of simple debentures, in a single series, in the total amount of R\$1.85 billion**, maturing 5 years after the issuance date.
- This funding is targeted at **lengthening the company's debt**, as shown in the charts below, strengthen the cash position and also **improve covenants**.

Medicine

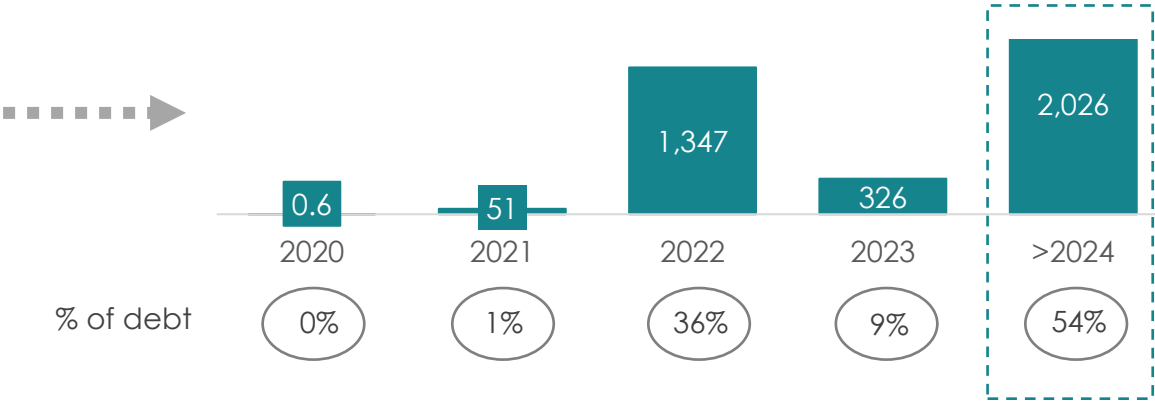
150 seats authorized

- In March 2021, **MEC granted the authorization for 150 new seats in the medicine undergraduate course** at Faculdade de Medicina de Açaílândia (MA), at Centro Universitário Estádio do Ceará - Quixadá Campus (CE) and Faculdade de Medicina Estácio de Castanhal (PA).
- The course was granted authorization for 50 annual seats at each institution⁽¹⁾, and can also be granted other seats, as described in the *Mais Médicos* Program ordinance.

Debt amortization schedule (before the issuance)
(R\$ million; principal)



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



(1) For further information, see Medicine undergraduate student base in the appendix.

APPENDIX

YDUQS



DETAILED MEDICAL SCHOOL SEAT OFFERING

4Q20							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	1,571	240	1,728
Città	RJ	Organic	2014.1	Matured	170	925	170	1,224
Juazeiro do Norte	CE	Organic	2000.1	Matured	100	685	100	720
Ribeirão Preto	SP	Organic	2015.1	Maturing	76	527	76	547
Teresina (Facid)	PI	Organic	2005.1	Matured	110	649	110	792
Alagoinhas	BA	MM I	2017.2	Maturing	65	206	165	1,188
Jaraguá do Sul	SC	MM I	2018.1	Maturing	50	137	150	1,080
Juazeiro	BA	MM I	2018.1	Maturing	155	380	155	1,116
Angra dos Reis	RJ	MM I	2018.1	Maturing	89	198	155	1,116
Canindé	CE	MM II	2020.2	Maturing	50	50	150	1,080
Cáceres	MT	Organic	2020.2	Maturing	50	50	50	360
Castanhal	PA	MM II	2021.1	Maturing	50	-	150	1,080
Quixadá	CE	MM II	2021.1	Maturing	50	-	150	1,080
Açailândia	MA	MM II	2021.1	Maturing	50	-	150	1,080
Total authorized ⁽²⁾					1,305	5,378	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	5,378	2,271	16,351
Athenas ⁽³⁾					-	-	200	-

In 2020, there was 244 additional seats (+27% YoY) in total compared to the previous year: 110 seats from Adtalem (Teresina), 50 seats from Grupo Athenas (Cáceres) and 84 have been authorized by the Mais Médicos program (+34 in Angra dos Reis and +50 in Canindé). All with **100% seats filled**.

Total undergraduate medicine student base in 4Q20 came to **5,378 students**, a 34% growth versus the same period the previous year.

For 2021, we expect more 250 authorized seats in new units, of which 150 have already gotten authorization in March/21, with 50 seats being in each of the following units: Açailândia, Quixadá, and Castanhal.

Besides these 250 seats, there is still the possibility of up to +200 seats considering seat increase in Alagoinhas and Jaraguá do Sul.

In the following years, we will have the opportunity to increase seats up to +100 seats/campus at the other Mais Médicos campuses (Canindé, Castanhal, Quixadá, Açailândia, Iguatu, Ji-Paraná).

The not yet qualified seats from acquisition of Athenas Group are under court and administrative discussions, and total +200 seats.



(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	Flex undergraduate	Other Courses	Lifelong
		100% online undergraduate	Digital
		Flex undergraduate	Digital
	Graduate	Semi on-campus undergraduate	On-Campus
		Graduate	Lifelong



NEW BREAKDOWN

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

(1) includes medicine masters and doctorate degrees and Ibmecc

INCOME STATEMENT BY BUSINESS UNIT: PREVIOUS BREAKDOWN

In IFRS-16	On-Campus			Distance Learning			Corporate			Consolidated		
R\$ million	2019	2020	Δ%	2019	2020	Δ%	2019	2020	Δ%	2019	2020	Δ%
Gross Operating Revenue	4,953.2	5,710.2	15.3%	1,231.7	1,993.3	61.8%	-	-	-	6,185.0	7,703.5	24.6%
Deductions from Gross Revenue	(2,082.8)	(2,860.4)	37.3%	(537.1)	(989.3)	84.2%	-	-	-	(2,619.9)	(3,849.7)	46.9%
Net Operating Revenue	2,870.4	2,849.7	-0.7%	694.6	1,004.0	44.5%	-	-	-	3,565.0	3,853.7	8.1%
Cost of Services	(1,429.2)	(1,563.8)	9.4%	(91.5)	(181.1)	98.0%	-	-	-	(1,520.7)	(1,744.9)	14.7%
Personnel	(1,021.8)	(1,046.8)	2.4%	(47.2)	(61.3)	29.8%	-	-	-	(1,069.0)	(1,108.1)	3.7%
Rent, municipal property tax and other	(39.3)	(61.9)	57.5%	0.0	(0.3)	-3989.3%	-	-	-	(39.3)	(62.3)	58.4%
Third-party services and other	(105.9)	(89.8)	-15.2%	(43.6)	(111.4)	155.7%	-	-	-	(149.5)	(201.2)	34.7%
Depreciation and amortization	(262.2)	(365.2)	39.3%	(0.7)	(8.1)	1029.8%	-	-	-	(262.9)	(373.3)	42.0%
Gross profit	1,441.2	1,285.9	-10.8%	603.2	822.9	36.4%	-	-	-	2,044.3	2,108.8	3.2%
Gross Margin	50.2%	45.1%	-5.1 p.p.	86.8%	82.0%	-4.9 p.p.	-	-	-	57.3%	54.7%	-2.6 p.p.
Selling, G&A and Other Expenses	(424.8)	(753.7)	77.4%	(87.8)	(163.3)	86.1%	(631.7)	(835.4)	32.2%	(1,144.3)	(1,752.4)	53.1%
Personnel	(12.1)	(38.1)	215.4%	(14.8)	(22.3)	51.0%	(150.6)	(195.5)	29.8%	(177.4)	(255.9)	44.2%
Advertising	0.0	0.0	n.a.	0.0	0.0	n.a.	(263.1)	(325.0)	23.5%	(263.1)	(325.0)	23.5%
Bad Debt	(250.1)	(421.2)	68.4%	(58.0)	(114.1)	96.6%	0.0	0.0	n.a.	(308.1)	(535.3)	73.7%
Other Expenses	(149.4)	(255.3)	71.0%	(12.9)	(23.5)	82.3%	(135.4)	(191.8)	41.7%	(297.6)	(470.7)	58.1%
Depreciation and amortization	(13.3)	(39.1)	194.2%	(2.1)	(3.4)	65.0%	(82.7)	(123.1)	48.9%	(98.0)	(165.6)	69.0%
Operating Profit	1,016.3	532.2	-47.6%	515.4	659.6	28.0%	(631.7)	(835.4)	32.2%	900.0	356.4	-60.4%
Operating Margin (%)	35.4%	18.7%	-16.7 p.p.	74.2%	65.7%	-8.5 p.p.	n.a.	n.a.	n.a.	25.2%	9.2%	-16.0 p.p.
Reported EBITDA	1,291.8	936.5	-27.5%	518.2	671.1	29.5%	(549.0)	(712.3)	29.7%	1,261.0	895.3	-29.0%
EBITDA Margin (%)	45.0%	32.9%	-12.1 p.p.	74.6%	66.8%	-7.8 p.p.	n.a.	n.a.	n.a.	35.4%	23.2%	-12.1 p.p.

ADJUSTED⁽¹⁾ INCOME STATEMENT BY BUSINESS UNIT: NEW BREAKDOWN

In IFRS-16	On-Campus	Digital Learning	Premium	Consolidated
R\$ million	2020	2020	2020	2020
Gross Operating Revenue	5,043.1	1,923.2	737.2	7,703.5
Deductions from gross revenue	(2,579.8)	(939.5)	(112.5)	(3,631.8)
Net Operating Revenue	2,463.3	983.7	624.7	4,071.7
(-) Cost of Services	982.4	202.3	207.0	1,391.8
Gross Profit	1,480.8	781.4	417.7	2,679.9
Gross Margin	60%	79%	67%	66%
(-) Selling, G&A and Other Expenses	882.8	340.0	107.3	1,330.1
EBITDA	598.0	441.4	310.4	1,349.9
EBITDA Margin (%)	24%	45%	50%	33%

BALANCE SHEET

R\$ million	4Q19	3Q20	4Q20
Current Assets	1,475.7	2,994.1	2,736.4
Cash and cash equivalents	12.3	25.2	28.4
Marketable Securities	596.9	1,895.4	1,604.9
Accounts receivable	759.6	873.3	890.2
Inventory		1.2	1.3
Advancements to employees/third parties	6.8	5.9	22.2
Prepaid expenses	7.0	12.9	8.2
Taxes and contributions	80.1	114.6	137.6
Swap differential receivable		51.0	33.3
Other	13.1	14.5	10.4
Non-Current Assets	4,036.8	6,416.9	6,528.9
Long-term assets	693.8	985.4	890.9
LT swap differential receivable		183.4	120.8
LT accounts receivable	261.6	281.9	214.2
LT prepaid expenses	4.8	4.2	4.1
LT Judicial deposits	76.1	91.6	102.7
LT taxes and contributions	176.4	113.5	107.7
LT deferred taxes	163.0	296.0	326.8
Other LT items	11.9	14.8	14.8
Permanent assets	3,343.0	5,431.4	5,637.9
Investments	0.3	0.3	0.3
Property and equipment	1,732.2	2,370.0	2,451.0
Intangible assets	1,610.4	3,061.1	3,186.5
Total Assets	5,512.5	9,411.0	9,265.3

R\$ million	4Q19	3Q20	4Q20
Current Liabilities	674.9	1,466.2	1,292.8
Loans and financing	13.6	341.9	356.0
Leasing	156.5	207.5	199.5
Suppliers	126.7	220.3	251.2
Swap payable		52.5	34.3
Salaries and payroll charges	136.4	317.3	202.2
Tax liabilities	36.0	98.5	106.7
Prepaid monthly tuition fees	18.4	24.4	44.2
Advancement of current agreement	3.3	3.4	5.0
Taxes paid in installments	3.7	3.5	3.5
Acquisition price payable	19.1	31.7	57.9
Dividends payable	153.5	153.5	23.4
Other liabilities	7.6	11.9	8.8
Long-term liabilities	1,735.3	4,623.6	4,767.5
LT Loans and financing	601.5	2,885.5	2,986.1
Contingencies	118.4	210.4	246.8
LT leasing	880.0	1,145.4	1,151.8
LT SWAP differential payable		195.9	127.3
Agreement advances	28.0	25.5	41.1
LT taxes paid in installments	11.0	13.5	9.2
Provision for asset demobilization	27.5	31.1	89.6
Deferred taxes	2.9	4.3	4.1
LT acquisition price payable	44.5	90.7	89.9
Other LT items	21.3	21.4	21.4
Shareholders' Equity	3,102.4	3,321.2	3,205.0
Capital stock	1,139.9	1,139.9	1,139.9
Share issuance costs	(26.9)	(26.9)	(26.9)
Capital reserves	674.0	679.7	687.5
Earnings reserves	863.2	1,509.3	1,367.6
Proposed additional dividends	-	-	118.4
Income for the period	646.1	200.8	98.2
Treasury Shares	(194.0)	(181.7)	(179.8)
Total Liabilities and Shareholders' Equity	5,512.5	9,411.0	9,265.3



CASH FLOW STATEMENT

(R\$ million)	4Q19	4Q20	Δ%	2019	2020	Δ%
Profit before taxes	60.6	(170.2)	n.a.	657.9	5.0	-99.2%
Adjustments to reconcile profit	226.3	457.5	102.2%	881.3	1,525.5	73.1%
Result after reconciliation to net cash generated	286.9	287.3	0.1%	1,539.2	1,530.5	-0.6%
Changes in assets and liabilities	(225.4)	(180.8)	-19.8%	(726.5)	(393.2)	-45.9%
Operating Cash Flow before Capex	61.5	106.5	73.1%	812.7	1,137.2	39.9%
Acquisition of property and equipment	(70.3)	(89.3)	27.0%	(201.6)	(203.7)	1.1%
Acquisition of intangible assets	(64.5)	(104.8)	62.5%	(164.9)	(259.9)	57.6%
Cash flow from investment activities	(67.8)	(48.5)	-28.4%	(98.9)	(1,885.1)	1806.8%
Operating Cash Flow after Capex	(141.1)	(136.2)	-3.5%	347.4	(1,211.6)	n.a.
Cash flow from financing activities	(115.6)	(151.1)	30.7%	(556.3)	2235.7	n.a.
Free Cash Flow	(256.6)	(287.3)	11.9%	(208.9)	1024.2	n.a.
Cash at the beginning of the year	865.8	1,920.6	121.8%	818.0	609.1	-25.5%
Increase (decrease) in cash and cash equivalents	(256.6)	(287.3)	11.9%	(208.9)	1024.2	n.a.
Cash at the end of the year	609.1	1,633.3	168.1%	609.1	1,633.3	168.1%
Reported EBITDA	232.2	114.2	-50.8%	1,261.0	895.3	-29.0%
Operating Cash Flow before capex/EBITDA	26.5%	93.2%	66.7 p.p.	64.4%	127.0%	62.6 p.p.
Delay on FIES receivable	136.0	-	n.a.	136.0	(136.0)	n.a.
Operating Cash Flow before adjusted capex/EBITDA	85.1%	93.2%	8.2 p.p.	75.2%	111.8%	36.6 p.p.





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