

YDUQS Participações S.A.

**Quarterly Information – ITR
March 31, 2020, and
Independent Auditors' Report**

Independent auditor's review report on interim financial information

The Shareholders and Board of Directors
YDUQS Participações S.A.
Rio de Janeiro - RJ

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of YDUQS Participações S.A. ("Company" or "YDUQS") for the quarter ended March 31, 2020, comprising the statement of financial position as of March 31, 2020 and the related statements of profit or loss and of comprehensive income for the three month periods then ended, and of changes in equity and of cash flows for the three month period then ended, including the explanatory notes.

Management is responsible for preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 – Interim Financial Reporting, and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above are not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information Form (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters

Statements of value added

The abovementioned quarterly information include the individual and consolidated statement of value added (SVA) for the three month period ended March 31, 2020, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

Rio de Janeiro, May 07, 2020.

ERNST & YOUNG
Auditores Independentes S.S.
CRC - 2SP015199/O-6

Fernando A. S. Magalhães
Accountant CRC – 1SP133169/O-0

YDUQS Participações S.A.

Statements of financial position

In thousands of Reais, except when otherwise indicated

	Parent Company		Consolidated			Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019		March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Assets					Liabilities and shareholders' equity				
Current					Current				
Cash and cash equivalents (Note 3)	174	74	10,392	12,251	Trade payables	1,019	1,643	170,063	126,651
Securities (note 3)	1,866,959	208,478	2,535,168	596,861	Loans and financing (Note 11)	216,321	13,586	216,321	13,586
Derivative Financial Instruments – Swap (Note 19)	32,821		32,821		Leases (Note 12)			146,260	156,468
Accounts receivable (Note 4)			641,709	759,622	Salaries and welfare charges (Note 13)	520	651	176,851	136,432
Related parties (Note 5)	615	22			Tax obligations (Note 14)	326	138	62,033	36,038
Prepaid expenses (Note 6)	162	283	16,424	7,034	Prepaid monthly tuition fees			15,735	18,397
Dividends receivable	263,909	263,909			Tax installment payment (Note 15)			3,598	3,729
Taxes and contributions recoverable (Note 7)	1,242	3,840	68,871	80,050	Related parties (Note 5)	51	51		
Other			26,620	19,866	Dividends payable	153,463	153,463	153,463	153,463
					Acquisition price payable (Note 16)			21,659	19,142
					Other	3,930	4,182	11,693	10,964
	<u>2,165,882</u>	<u>476,606</u>	<u>3,332,005</u>	<u>1,475,684</u>		<u>375,630</u>	<u>173,714</u>	<u>977,676</u>	<u>674,870</u>
Non-current					Non-current				
Long-term assets					Long-term liabilities				
Derivative Financial Instruments – Swap (Note 19)	121,885		212,885		Loans and financing (Note 11)	2,227,047	601,549	2,227,047	601,549
Accounts receivable (Note 4)			329,293	261,600	Leases (Note 12)			905,016	880,049
Prepaid expenses (Note 6)			4,677	4,758	Contingencies (Note 17)	310	306	119,136	118,416
Judicial deposits (Note 17)	222	216	76,495	76,090	Tax installment payment (Note 15)			10,603	11,019
Deferred taxes (Note 28)	329	308	190,313	163,025	Deferred taxes (Note 28)			2,282	2,889
Taxes and contributions recoverable (Note 7)	39,203	36,552	183,080	176,425	Provision for assets retirement			27,757	27,470
Other			11,792	11,934	Acquisition price payable (Note 16)			42,331	44,541
					Other	27,218	28,051	48,531	49,337
	<u>161,639</u>	<u>37,076</u>	<u>917,535</u>	<u>693,832</u>		<u>2,254,575</u>	<u>629,906</u>	<u>3,382,703</u>	<u>1,735,270</u>
Investments					Shareholders' equity (Note 18)				
In subsidiaries (Note 8)	2,797,963	2,612,140			Share Capital	1,139,887	1,139,887	1,139,887	1,139,887
Other			338	338	Expenditure with shares issuance	(26,852)	(26,852)	(26,852)	(26,852)
Intangible assets (Note 9)	780,128	780,139	1,621,152	1,610,416	Capital reserves	678,352	674,021	678,352	674,021
Property, plant and equipment (Note 10)	10	11	1,764,766	1,732,222	Profits reserve	1,509,327	1,509,327	1,509,327	1,509,327
					Treasury shares	(193,185)	(194,031)	(193,185)	(194,031)
	<u>3,578,101</u>	<u>3,392,290</u>	<u>3,386,256</u>	<u>3,342,976</u>	Income for the period	167,888		167,888	
	<u>3,739,740</u>	<u>3,429,366</u>	<u>4,303,791</u>	<u>4,036,808</u>		<u>3,275,417</u>	<u>3,102,352</u>	<u>3,275,417</u>	<u>3,102,352</u>
Total assets	<u>5,905,622</u>	<u>3,905,972</u>	<u>7,635,796</u>	<u>5,512,492</u>	Total liabilities and shareholders' equity	<u>5,905,622</u>	<u>3,905,972</u>	<u>7,635,796</u>	<u>5,512,492</u>

The Management notes are an integral part of the financial statements.

YDUQS Participações S.A.

Statements of income

Three-month periods ended March 31

In thousands of Reais, except when otherwise indicated

	Parent Company		Consolidated	
	2020	2019	2020	2019
Continued operations				
Net revenue from activities (Note 22)			923,269	932,626
Costs of the services provided (Note 23)			(348,910)	(360,069)
Gross income			574,359	572,557
Operating revenues (expenses)				
Selling expenses (Note 24)			(179,549)	(156,329)
General and administrative expenses (Note 24)	(3,333)	(4,894)	(154,275)	(128,989)
Equity accounting income (Note 8)	181,160	256,129		
Other operating revenues/expenses (Note 25)	755		4,044	3,762
Operating income	<u>178,582</u>	<u>251,235</u>	<u>244,579</u>	<u>291,001</u>
Financial revenues (Note 26)	161,711	3,936	180,209	28,464
Financial expenses (Note 26)	(172,427)	(14,375)	(250,598)	(72,719)
Net financial income	<u>(10,716)</u>	<u>(10,439)</u>	<u>(70,389)</u>	<u>(44,255)</u>
Income before income tax and social contribution	167,866	240,796	174,190	246,746
Current and deferred income tax (Note 28)	16	1	(4,496)	(3,994)
Current and deferred social contribution (Note 28)	6		(1,806)	(1,955)
Net income for the period attributable to shareholders	<u>167,888</u>	<u>240,797</u>	<u>167,888</u>	<u>240,797</u>
Net earnings per lot of 1000 shares - basic (Note 21)	<u>0.55833</u>	<u>0.80222</u>	<u>0.55833</u>	<u>0.80222</u>
Net earnings per lot of 1000 shares - diluted (Note 21)	<u>0.55833</u>	<u>0.80222</u>	<u>0.55833</u>	<u>0.80222</u>

The Management notes are an integral part of the financial statements.

YDUQS Participações S.A.**Statements of comprehensive income**
Three-month periods ended March 31
In thousands of Reals, except when otherwise indicated

	<u>Parent Company</u>		<u>Consolidated</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Net income for the period	167,888	240,797	167,888	240,797
Other comprehensive income				
Total comprehensive income for the period, net of taxes	<u>167,888</u>	<u>240,797</u>	<u>167,888</u>	<u>240,797</u>
Attributable to:				
Controlling shareholders				
Non-controlling shareholders	<u>167,888</u>	<u>240,797</u>	<u>167,888</u>	<u>240,797</u>

The Management notes are an integral part of the financial statements.

YDUQS Participações S.A.

Statements of changes in shareholders' equity In thousands of Reais, except when otherwise indicated

	Capital reserves					Retained earnings					
	Share capital	Expenditure with shares issuance	Long-term incentives	Negative Goodwill on shares sale	Goodwill on shares subscription	Granted options	Legal	Retained earnings	Treasury shares	Accumulated earnings	Total
As of January 1, 2019	1,139,887	(26,852)	304	(7,983)	595,464	80,585	146,673	869,972	(206,641)		2,591,409
Granted options (Note 20)			(304)			(1,291)					(1,595)
Restricted Shares Granting Plan (Note 20)						3,778					3,778
Negative goodwill on treasury shares sale (Note 18 d.3)				(527)					527		
Payment of Stock options (Note 20)									1,504		1,504
Net income for the period										240,797	240,797
As of March 31, 2019	1,139,887	(26,852)		(8,510)	595,464	83,072	146,673	869,972	(204,610)	240,797	2,835,893
Granted options (Note 20))						330					330
Restricted Shares Granting Plan (Note 20)						11,825					11,825
Negative goodwill on treasury shares sale (Note 18 d.3)				(2,328)					2,328		
Payment of Restricted Shares Granting Plan (Note 20)						(5,832)			4,024		(1,808)
Payment of Stock options (Note 20)									4,227		4,227
Net income for the period										405,343	405,343
Constitution of reserves							32,307	460,375		(492,682)	
Minimum mandatory dividends (R\$ 0.51 per share)										(153,458)	(153,458)
As of December 31, 2019	1,139,887	(26,852)		(10,838)	595,464	89,395	178,980	1,330,347	(194,031)		3,102,352
Granted Options (Note 20)						(432)					(432)
Restricted Shares Granting Plan (Note 20)						4,932					4,932
Negative goodwill on treasury shares sale (Note 18 d.3)				(169)					169		
Payment of Stock options (Note 20)									677		677
Net income for the period										167,888	167,888
As of March 31, 2020	1,139,887	(26,852)		(11,007)	595,464	93,895	178,980	1,330,347	(193,185)	167,888	3,275,417

The Management notes are an integral part of the financial statements.

YDUQS Participações S.A.
Statements of cash flows
Three-month periods ended March 31

In thousands of Reais, except when otherwise indicated

	Parent Company		Consolidated	
	2020	2019	2020	2019
Cash flow from operating activities				
Income before income tax and social contribution	167,866	240,796	174,190	246,746
Adjustments to reconcile the income to cash and cash equivalents generated:				
Depreciation and amortization	12	15	93,150	93,632
Amortization of loan funding costs	113	215	113	215
Provision for doubtful accounts			71,842	62,986
Provision for loss - Other accounts receivable			304	(468)
Granted options - Stock options provision	58		3,390	2,487
Provision for contingencies	4	5	23,198	29,287
Interest on loans and financing	13,408	13,143	39,607	28,048
Adjustment of assets retirement obligation			287	319
Adjustment of commitments payable			683	(23)
Gain/Loss in the write-off of property, plant and equipment and intangible assets			(202)	1,318
Equity accounting income (loss)	(181,160)	(256,129)		
Adjustments to present value - accounts receivable			6,764	7,796
Adjustment of tax credits	(229)	(405)	(1,475)	(995)
Other	2,262		2,374	(336)
	2,334	(2,360)	414,225	471,012
Variation in assets and liabilities:				
(Increase) in accounts receivable			(28,386)	(283,788)
(Increase) Decrease in prepaid expenses	121		(9,309)	(8,487)
(Increase) Decrease in taxes and contributions recoverable	176	511	5,999	(943)
(Increase) in judicial deposits	(6)		(405)	(1,440)
(Increase) Decrease in other assets	(593)	(25)	(6,985)	3,245
Increase (Decrease) in trade payables	(624)	650	43,412	18,873
Increase (Decrease) in salaries and welfare charges	(51)		41,529	54,109
Increase (Decrease) in tax obligations	188	91	(3,213)	(1,513)
Increase (Decrease) in monthly tuition fees received in advance			(2,662)	3,636
(Decrease) in a tax installment payment			(589)	(816)
(Decrease) in civil/labor convictions		1	(22,478)	(16,944)
Increase (Decrease) in other liabilities	(253)	(460)	755	(255)
	1,292	(1,592)	431,893	236,689
Interest paid on loans	(17,489)	(7,606)	(17,489)	(7,555)
IRPJ (Income Tax) and CSLL (Social Contribution on Net Income) Paid			(4,988)	(28,415)
Net cash provided by (used in) operating activities.	(16,197)	(9,198)	409,416	200,719
Cash flow from investment activities:				
Acquisition of property, plant and equipment			(46,258)	(28,840)
Acquisition of intangible assets			(35,960)	(21,407)
Premium and goodwill from investment in subsidiaries			70	
Advance for future capital increase	(300)	(200)		
Acquisition price payable			(376)	(16,459)
Net cash provided by (used in) investment activities	(300)	(200)	(82,524)	(66,706)
Cash flow from financing activities:				
Use of treasury shares derived from the exercise of stock options	676	1,504	676	1,504
Dividends paid		(4)		(4)
Debenture issuance amount		600,000		600,000
Amount received from loans and financing	1,674,549		1,674,549	
Loan funding costs		(1,338)		(1,338)
Amortization of loans and financing	(147)	(600,147)	(65,669)	(666,439)
Net cash used in financing activities	1,675,078	15	1,609,556	(66,277)
Increase in cash and cash equivalents	1,658,581	(9,383)	1,936,448	67,736
Cash and cash equivalents at the beginning of the period	208,552	239,818	609,112	818,046
Cash and cash equivalents at the end of the period	1,867,133	230,435	2,545,560	885,782
Variation in cash and cash equivalents balance	1,658,581	(9,383)	1,936,448	67,736

The Management notes are an integral part of the financial statements.

YDUQS Participações S.A.

Statements of value-added

Three-month periods ended March 31

In thousands of Reais, except when otherwise indicated

	Parent Company		Consolidated	
	2020	2019	2020	2019
Revenues				
Educational services			957,309	968,806
Other revenues			1,811	1,175
Provision for doubtful accounts			(71,842)	(62,986)
			<u>887,278</u>	<u>906,995</u>
Inputs acquired from third parties				
Materials, electric power and third-party services	(2,009)	(3,707)	(207,199)	(165,774)
Contingencies			(22,393)	(21,279)
	<u>(2,009)</u>	<u>(3,707)</u>	<u>(229,592)</u>	<u>(187,053)</u>
Gross value added	(2,009)	(3,707)	657,686	719,942
Depreciation and amortization	(12)	(15)	(93,150)	(93,632)
Net value added produced	<u>(2,021)</u>	<u>(3,722)</u>	<u>564,536</u>	<u>626,310</u>
Value-added received in transfer				
Income from equity accounting	181,160	256,129		
Financial revenue	162,003	3,936	181,386	28,464
Other	719	(720)	4,334	2,934
	<u>343,882</u>	<u>259,345</u>	<u>185,720</u>	<u>31,398</u>
Total value added to be distributed	<u>341,861</u>	<u>255,623</u>	<u>750,256</u>	<u>657,708</u>
Distribution of value-added				
Work compensation				
Direct compensation	1,092	967	200,265	213,976
Benefits			12,247	11,300
FGTS (Government Severance Indemnity Fund for Employees)			14,762	15,643
	<u>1,092</u>	<u>967</u>	<u>227,274</u>	<u>240,919</u>
Taxes, fees and contributions				
Federal	566	387	58,072	61,514
State			4	
Municipal			38,003	38,858
	<u>566</u>	<u>387</u>	<u>96,079</u>	<u>100,372</u>
Remuneration of third-party capital				
Interest	172,315	13,472	250,485	70,674
Rents			8,530	4,946
	<u>172,315</u>	<u>13,472</u>	<u>259,015</u>	<u>75,620</u>
Remuneration on equity				
Dividends				
Retained earnings	167,888	240,797	167,888	240,797
	<u>167,888</u>	<u>240,797</u>	<u>167,888</u>	<u>240,797</u>
Distributed value-added	<u>341,861</u>	<u>255,623</u>	<u>750,256</u>	<u>657,708</u>

The Management notes are an integral part of the financial statements.

**Management notes to the interim financial information
as of March 31, 2020**

In thousands of Reals, except when otherwise indicated

1 General information

1.1 Operating context

YDUQS Participações S.A. ("Company" or "Group") and its subsidiaries (jointly, the "Group") are mainly involved in the development and/or management of activities and/or institutions in the fields of higher education, professional education and/or other fields related to education, in the management of their own assets and businesses, and the holding of interests, as partner or shareholder, in other partnerships and companies in Brazil.

The Company is a corporation headquartered at Avenida Venezuela, 43, in the City and State of Rio de Janeiro, incorporated by way of a private share subscription on March 31, 2007, and currently listed on *Novo Mercado* (New Market).

The Group comprehends twenty-three companies, including YDUQS Participações, twenty of which are sponsors of college institutions, incorporated as limited liability companies, including a University, thirteen University Centers and fifty-two colleges, accredited and distributed across twenty-three Brazilian states and the Federal District.

At a meeting held on July 11, 2019, the Board of Directors of YDUQS Participações S.A. resolved on the creation of a new brand for the Company, named **YDUQS**.

Changing the holding company's brand enables it to better use existing resources businesses, and to build different positions through new brands and creating new business units.

On October 21, 2019, the Company disclosed a material fact informing that Sociedade de Ensino Superior Estácio de Sá LTDA ("SESES") executed on October 18, 2019, a purchase private instrument to acquire all the shares of Adtalem Brasil Holding S.A.. ("Adtalem" and "Transaction," respectively), for the amount of R\$ 1.8 billion (Enterprise Value) ("EV"), plus the net pro forma cash position of Adtalem of R\$ 389 million, as of March 31, 2020. On April 13, 2020, the Brazilian Antitrust Authority (CADE) issued a certificate confirming that the decision that it examined and approved, with no restrictions, for the acquisition of Adtalem Brasil Holding ("Transaction") became final and unappealable. On April 24, 2020, the Company settled the transaction for the total amount of R\$ 2.2 billion.

On November 14, 2019, the Company acquired the entire capital of Sociedade de Ensino Superior Toledo Ltda. ("UniToledo"), by way of its direct subsidiary Sociedade de Ensino Superior Estácio de Sá Ltda. ("SESES"), for the amount of R\$ 112,646.

The Special General Meeting held on April 24, 2020, approved the change of the Company's corporate name to "YDUQS Participações S.A.," with the consequent amendment of Article 1, "head provision," of the Bylaws. 1.º, "caput," do Articles of Incorporation. The Estácio trademark will continue to be used in the current transactions in the higher education segment. The shares issued by the Company will then be traded in B3 under a new trading code ("YDUQ3") instead of "ESTC3" and a new trading session name ("YDUQS PART"). Additionally, the ADRs traded in the North American market will be then traded under code "YDUQY" instead of "ECPCY."

The Company's Board of Directors approved the disclosure of this interim financial information at a meeting held on May 7, 2020.

1.2 Basis for preparation

The individual and consolidated quarterly Information have been prepared in accordance with accounting practices adopted in Brazil, including the pronouncements issued by the Accounting Pronouncements Committee (CPC) and International Financial Reporting Standards (IFRS) issued by the Accounting Standards Board (IASB), and evidence all material information of the financial statements (parent company and consolidated), and that alone, which is consistent with that used by Management.

**Management notes to the interim financial information
as of March 31, 2020**

In thousands of Reals, except when otherwise indicated

1.3 Accounting policies

In the quarterly information, the accounting policies are being presented in a manner consistent with the accounting practices adopted in the individual and consolidated financial statements of the fiscal year ended December 31, 2019. Thus, this quarterly information should be read together with the information disclosed in the financial statements for the year ended December 31, 2019.

1.4 Changes in accounting policies and disclosures
New standards effective from 2020

There are no other IFRS standards or IFRIC interpretations still to come into force that could have a significant impact on the Group's financial statements.

2 Notes that were not presented

The quarterly information is being presented in accordance with CPC 21 (R1), IAS 34 and the rules issued by the CVM. Based on this faculty and management's assessment of the relevant impacts of the information to be disclosed, the notes described below are not being presented. The others are being presented in order to enable a perfect understanding of this quarterly information if read together with the notes disclosed in the financial statements as of December 31, 2019.

Notes that were not presented:

- Summary of principal accounting policies.
- Critical accounting estimates and judgments.
- Assumptions for calculating the fair value of the share option plan and impairment of non-financial assets already disclosed in the notes to the financial statements as of December 31, 2019.
- Insurance coverage.
- Other information.

3 Cash and cash equivalents and securities

	Parent Company		Consolidated	
	March 31,	December 31,	March 31,	December 31,
	2020	2019	2020	2019
Cash and banks	174	74	10,392	12,251
Cash and cash equivalents	174	74	10,392	12,251
Federal Government Bonds (Exclusive funds)	837,036	128,912	1,300,709	366,116
Financial Bills (Exclusive funds)	305,421	62,953	474,607	178,787
CDB (Bank Deposit Certificate)	715,678	14,400	744,769	43,303
CDB (Exclusive funds)	8,795	2,176	13,667	6,179
Government Bonds (Exclusive funds)	29	37	1,416	2,476
Securities	1,866,959	208,478	2,535,168	596,861

The Company has an investment policy that stipulates that investments must be concentrated in low-risk securities and investment at prime financial institutions. As of March 31, 2020, the operations were remunerated based on percentages of the variation of the Interbank Deposit Certificate (CDI), with the exception of government bonds, which are indexed to the Selic rate and fixed rates.

As of March 31, 2020, and December 31, 2019, all of the Company's securities were classified as "fair value through profit or loss."

YDUQS Participações S.A.

Management notes to the interim financial information as of March 31, 2020

In thousands of Reals, except when otherwise indicated

Investments in exclusive funds are backed by financial allocations in funds quotas, CDBs, LFs (Financial Bills), government bonds, repurchase agreements with prime banks and issuers. The average yield of the investment funds as of March 31, 2020, was 75.94% of the CDI rate, with an average yield in 2020 of 87.25% of the CDI rate (average annual yield on December 31, 2019, was 98.55% of the CDI rate).

Bank Deposit Certificates - CDBs yield the CDI rate, averaging 101.60% as of March 31, 2020 (98.95% as of December 31, 2019).

The Company does not have derecognized financial assets. The information on the Company's exposure to liquidity and market risks is included in Note 19.

4 Accounts receivable

	Consolidated	
	March 31, 2020	December 31, 2019
Monthly tuition fees received from students	1,142,522	1,057,226
FIES (a)	178,637	295,598
Partnership agreements and exchange deals	12,273	11,730
Credit cards receivable (b)	106,478	91,130
Receivable agreements	80,600	71,554
	<u>1,520,510</u>	<u>1,527,238</u>
Provision for doubtful accounts (PCLD)	(505,974)	(471,190)
Unidentified amounts	(9,328)	(7,384)
(-) Adjustment to present value (c)	<u>(34,206)</u>	<u>(27,442)</u>
	<u>971,002</u>	<u>1,021,222</u>
Current assets	641,709	759,622
Non-current assets	<u>329,293</u>	<u>261,600</u>
	<u>971,002</u>	<u>1,021,222</u>

The balance of long-term amounts as of March 31, 2020, is related to PAR (YDUQS Installment Payment Program) and DIS (Dilution of monthly tuition fees). The aging breakdown is as follows:

	Consolidated	
	March 31, 2020	December 31, 2019
2021	121,765	145,489
2022	157,717	129,720
2023 to 2024	212,023	128,304
(-) Adjustment to present value (c)	(34,206)	(27,442)
(-) Provision for doubtful accounts	<u>(128,006)</u>	<u>(114,471)</u>
Non-current assets	<u>329,293</u>	<u>261,600</u>

PAR is a type of installment payment that YDUQS offers to its students by which students can finance up to 70% of their monthly tuition fees, with payments commencing one month after they complete the course. This financing is adjusted by the IPCA index.

DIS is a type of installment payment by which the student pays R\$ 49.00 for the first monthly tuition fees, and the difference between the amount paid and the full monthly tuition fee (not considering any scholarship and/or benefits) is diluted over the number of monthly tuition payments corresponding to the estimated full term of the minimum regular program, monthly adjusted by the IPCA index.

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- (a) Accounts receivable from the FIES (Student Financing Fund) are represented by educational loans raised by students with CEF (Caixa Econômica Federal) and FNDE (National Education Development Fund), whereby the financed funds are transferred monthly by CEF, and Banco do Brasil to the specific bank account. Such amount has been used to pay the social security contributions and federal taxes and converted into cash by means of auctions of National Treasury bonds.
- (i) For FIES students with a guarantor, it was set up provision for 2.25% of the income with characteristics, considering the assumptions of 15% of credit risk exposure over an estimated default rate of 15%.
- (ii) For the uncovered FGEDUC risk, contracted as from April 2012, a provision was made for 10% of the credits under the responsibility of the sponsors (where the Guarantor Fund is responsible for the remaining 90%), assuming 15% exposure to this credit risk for an estimated default rate of 15%, i.e., 0.225%.
- (iii) For the uncovered FGEDUC risk, contracted as, from March 2012, a provision was made for 20% of the credits under the responsibility of the sponsors (where the Guarantor Fund is responsible for the remaining 80%), assuming 15% exposure to this credit risk for an estimated default rate of 15%, i.e., 0.45%.
- (b) A substantial part of credit card receivables consists of late monthly tuition fees and agreements.
- (c) As of March 31, 2020, the adjustment to present value amounts to R\$ 34,206 (R\$ 21,488 related to PAR and R\$ 12,718 to DIS), and as of December 31, 2019, R\$ 27,442 (R\$ 20,814 related to PAR and R\$ 6,628 related to DIS).

The breakdown of receivables by age is presented below:

	Consolidated			
	March 31,		December	
	2020	%	31, 2019	%
FIES	178,637	12	295,598	19
To become overdue	757,493	50	628,569	42
Overdue up to 30 days	113,479	7	134,384	9
Overdue for 31 to 60 days	51,739	3	80,080	5
Overdue for 61 to 90 days	25,682	2	65,201	4
Overdue for 91 to 179 days	169,125	11	111,876	7
Overdue for more than 180 days	224,355	15	211,530	14
	<u>1,520,510</u>	<u>100</u>	<u>1,527,238</u>	<u>100</u>

The breakdown of receivables by age is presented below:

	Consolidated			
	March 31,		December	
	2020	%	31, 2019	%
To become overdue	37,033	45	24,450	34
Overdue up to 30 days	6,054	8	5,570	8
Overdue for 31 to 60 days	3,804	6	5,018	8
Overdue for 61 to 90 days	2,926	4	5,159	7
Overdue for 91 to 179 days	9,921	12	11,148	15
Overdue for more than 180 days	20,862	25	20,209	28
	<u>80,600</u>	<u>100</u>	<u>71,554</u>	<u>100</u>

The activity of Provision for doubtful accounts (PCLD), in the consolidated, is as follows:

Balance as of December 31, 2018	402,646
Constitution	62,986
Write-off of bills/checks overdue for more than 360 days	<u>(25,870)</u>
Balance as of March 31, 2019	439,762
Constitution	258,422
Write-off of bills/checks overdue for more than 360 days	<u>(226,994)</u>

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Balance as of December 31, 2019	471,190
Constitution	71,842
Write-off of bills/checks overdue for more than 360 days	(37,058)
Balance as of March 31, 2020	505,974

For the periods ended March 31, 2020, and 2019, expenses for the provision for doubtful accounts, recognized in the statement of income as selling expenses (Note 24), were as follows:

	Consolidated	
	2020	2019
Net effect of PCLD in the income	71,842	62,986
	71,842	62,986

5 Related parties

The main balances as of March 31, 2020, and December 31, 2019, as well as the transactions that influenced the income for the period, related to related-party transactions, derive from transactions between the Company and its subsidiaries. Related-party transactions that do not incur interest and/or monetary adjustment.

The balance of the subsidiaries' accounts receivable relates to the sharing of corporate expenses and are presented below:

	Parent Company	
	March 31, 2020	December 31, 2019
Current assets		
Current account		
Seses	403	9
Irep	94	3
Atual	6	
Seama	7	
São Luís	9	
FACITEC	8	
Estácio Ribeirão Preto	41	1
UNICEL	7	
IESAN	6	
CEUT	9	
FNC	6	
FCAT	6	
Estácio Editora	6	6
Other	7	3
Subsidiaries	615	22

	Parent Company	
	March 31, 2020	December 31, 2019
Current liabilities		
Current account		
Seses	51	51
Subsidiaries	51	51

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6 Prepaid expenses

	Consolidated	
	March 31, 2020	December 31, 2019
Insurance	3,170	3,144
IPTU (Urban Real Estate Property Tax)	11,485	
Teaching material	113	190
Advance of vacations and charges	2,257	4,008
Registration fee - MEC	1,690	1,755
Technical-pedagogical cooperation - Santa Casa	1,796	1,901
Other prepaid expenses	590	794
	<u>21,101</u>	<u>11,792</u>
Current assets	16,424	7,034
Non-current assets	<u>4,677</u>	<u>4,758</u>
	<u>21,101</u>	<u>11,792</u>

In the period ended March 31, 2020, the amount of R\$ 162 relates to the parent company's elementary insurance policies (R\$ 283 as of December 31, 2019).

7 Taxes and contributions recoverable

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
IRRF (Withholding Income Tax)	253	2,685	4,006	13,155
IRPJ/CSLL Prepayments			725	6,261
IRPJ/CSLL to be offset (i)	40,192	37,707	159,324	151,152
PIS (Employees' Profit Participation Program)			2,273	2,231
COFINS (Social Security Financing Contribution)			8,153	8,018
ISS (Service Tax)			60,596	59,334
INSS (National Institute of Social Security)			16,317	15,767
OTHER			557	557
	<u>40,445</u>	<u>40,392</u>	<u>251,951</u>	<u>256,475</u>
Current assets	1,242	3,840	68,871	80,050
Non-current assets	<u>39,203</u>	<u>36,552</u>	<u>183,080</u>	<u>176,425</u>
	<u>40,445</u>	<u>40,392</u>	<u>251,951</u>	<u>256,475</u>

(i) This amount refers to the excess of IRPJ/CSLL prepayments made in previous years, which is applied to offset government taxes. It is adjusted monthly by the Selic rate.

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8 Investment in subsidiaries

(a) Parent Company YDUQS Participações S.A.

	March 31, 2020		December 31, 2019	
	Investment	Investment Loss	Investment	Investment Loss
Sociedade de Ensino Superior Estácio de Sá Ltda. ("SESES")	1,506,973		1,394,421	
Sociedade de Ensino Superior, Médio e Fundamental Ltda. ("IREP")	1,165,964		1,119,135	
Nova Academia do Concurso - Cursos Preparatórios Ltda. ("NACP")	3,488		3,424	
Estácio Editora e Distribuidora Ltda. ("Editora")		(30)		(30)
Sociedade de Ensino Superior Estacio Ribeirão Preto Ltda. ("Estácio Ribeirão Preto")	121,538		95,160	
	<u>2,797,963</u>	<u>(30)</u>	<u>2,612,140</u>	<u>(30)</u>

The subsidiaries' information is presented below:

							March 31, 2020		
	Equity Interest	Number of shares	Total assets	Total liabilities	Shareholder s' Equity	Goodwi ll	Income tax on goodwill from the downstream merger	Total	Net income (loss) for the period
SESES	100%	610,677	2,592,802	1,085,829	1,506,973			1,506,973	108,413
IREP	100%	526,272	1,650,232	546,710	1,103,522	62,442		1,165,964	46,606
NACP	100%	16,614	4,286	798	3,488			3,488	(236)
Editora (i)	100%	251	32	67	(35)	5		(30)	
Estácio Ribeirão Preto	100%	23,837	260,143	136,375	123,768		(2,230)	121,538	26,377
			<u>4,507,495</u>	<u>1,769,779</u>	<u>2,737,716</u>	<u>62,447</u>	<u>(2,230)</u>	<u>2,797,933</u>	<u>181,160</u>

							December 31, 2019		
	Equity Interest	Number of shares	Total assets	Total liabilities	Shareholder s' Equity	Goodwi ll	Income tax on goodwill from the downstream merger	Total	Net income (loss) for the year
SESES	100%	610,677	2,376,452	982,031	1,394,421			1,394,421	445,149
IREP	100%	526,272	1,577,310	520,617	1,056,693	62,442		1,119,135	168,616
NACP	100%	16,614	4,284	860	3,424			3,424	(801)
Editora (i)	100%	251	32	67	(35)	5		(30)	
Estácio Ribeirão Preto	100%	23,837	225,094	127,704	97,390		(2,230)	95,160	84,536
			<u>4,183,172</u>	<u>1,631,279</u>	<u>2,551,893</u>	<u>62,447</u>	<u>(2,230)</u>	<u>2,612,110</u>	<u>697,500</u>

(i) Provision for unsecured liabilities recorded under "Other" in current liabilities of the parent company

The table below presents the overall activity in the investments in subsidiaries in the period ended March 31, 2020, and in the fiscal year ended December 31, 2019:

Investments in subsidiaries as of December 31, 2018	2,151,500
Equity accounting income (loss)	697,500
Advance for future capital increase	14,777
Dividends in 2019	(263,909)
Granted options	(1,265)
Restricted shares plan	13,537
Investments in subsidiaries as of December 31, 2019	<u>2,612,140</u>
Equity accounting income (loss)	181,160
Advance for future capital increase	300
Granted options	(432)
Restricted shares plan	4,795
Investments in subsidiaries as of March 31, 2020	<u>2,797,963</u>

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The accounting information of the subsidiaries used to apply the equity accounting method was related to the base date of March 31, 2020.

We present below the information on direct subsidiaries' investments:

(b) Parent Company Sociedade de Ensino Superior Estacio de Sá Ltda. ("SESES")

	March 31, 2020	December 31, 2019
Sociedade De Ensino Superior Toledo Ltda. ("UNITOLEDO")	100,540	96,236
	<u>100,540</u>	<u>96,236</u>

We present below the information on SESES' subsidiaries:

March 31, 2020							
	Equity Interest	Number of shares	Total assets	Total liabilities	Shareholders' Equity	Goodwill	Net income (loss) for the period
UNITOLEDO	100%	2,110	43,193	37,364	5,829	94,711	3,818
			<u>43,193</u>	<u>37,364</u>	<u>5,829</u>	<u>94,711</u>	<u>3,818</u>
December 31, 2019							
	Equity Interest	Number of shares	Total assets	Total liabilities	Shareholders' Equity	Goodwill	Net income (loss) for the year
UNITOLEDO	100%	2,110	39,577	37,916	1,661	94,575	860
			<u>39,577</u>	<u>37,916</u>	<u>1,661</u>	<u>94,575</u>	<u>860</u>

The table below represents the overall activities in the investments of the direct subsidiary SESES in its subsidiaries in the period ended March 31, 2020, and the fiscal year ended December 31, 2019.

Equity accounting income (loss)	860
Advance for future capital increase	1,000
Acquisition of subsidiary	(199)
Goodwill on the acquisition	<u>94,575</u>
Investments in subsidiaries as of December 31, 2019	<u>96,236</u>
Equity accounting income (loss)	3,818
Advance for future capital increase	350
Goodwill on the acquisition	<u>136</u>
Investments in subsidiaries as of March 31, 2020	<u>100,540</u>

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(c) Subsidiary Sociedade de Ensino Superior, Médio e Fundamental Ltda. ("IREP")

	March 31, 2020	December 31, 2019
Sociedade Educacional Atual da Amazônia ("ATUAL")	613,519	586,235
ANEC - Sociedade Natalense de Educação e Cultura ("FAL")	8,449	8,921
Sociedade Universitária de Excelência Educacional do Rio Grande do Norte ("FATERN")	28,117	28,646
	<u>650,085</u>	<u>623,802</u>

We present below the information on IREP's subsidiaries:

March 31, 2020								
	Equity Interest	Number of shares	Total assets	Total liabilities	Shareholders' Equity	Goodwill	Total	Net income (loss) for the period
ATUAL	100%	43,096	716,463	118,447	598,016	15,503	613,519	26,788
FAL	100%	20,031	11,339	10,966	373	8,076	8,449	(722)
FATERN	100%	9,160	17,278	4,140	13,138	14,979	28,117	(528)
			745,080	133,553	611,527	38,558	650,085	25,538
December 31, 2019								
	Equity Interest	Number of shares	Total assets	Total liabilities	Shareholders' Equity	Goodwill	Total	Net income (loss) for the year
ATUAL	100%	41,927	690,098	119,366	570,732	15,503	586,235	71,588
FAL	100%	20,031	11,621	10,776	845	8,076	8,921	(2,937)
FATERN	100%	9,160	17,980	4,313	13,667	14,979	28,646	(101)
			719,699	134,455	585,244	38,558	623,802	68,550

The table below represents the overall activities in the investments of the direct subsidiary IREP in its subsidiaries in the period ended March 31, 2020, and the fiscal year ended December 31, 2019:

Investments in subsidiaries as of December 31, 2018	579,520
Equity accounting income (loss)	68,550
Advance for future capital increase	28,962
Dividends 2019	(53,498)
Granted options	268
Investments in subsidiaries as of December 31, 2019	<u>623,802</u>
Equity accounting income (loss)	25,538
Advance for future capital increase	650
Granted options	95
Investments in subsidiaries as of March 31, 2020	<u>650,085</u>

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(d) Subsidiary Sociedade Atual da Amazônia ("ATUAL")

	March 31, 2020	December 31, 2019
Sociedade Educacional da Amazônia ("SEAMA")	53,394	49,706
Idez Empreendimentos Educacionais Sociedade Simples Ltda. ("IDEZ")	2,543	2,785
Sociedade Educacional do Rio Grande do Sul S/S Ltda. ("FARGS")	19,637	18,612
Uniuol Gestão de Empreendimentos Educacionais e Participações S.A. ("UNIUL")	1,514	1,406
Unisãoluis Educacional S.A. ("SÃO LUIS")	90,850	86,470
Instituto de Ensino Superior Social e Tecnológico Ltda. ("FACITEC")	50,737	48,836
Associação de Ensino de Santa Catarina ("ASSESC")	6,386	6,340
Centro de Assistência ao Desenvolvimento de formação Profissional Unicef Ltda. ("Estácio Amazonas")	54,446	50,724
Instituto de Estudos Superiores da Amazônia ("IESAM")	100,198	94,848
Centro de Ensino Unificado de Teresina ("CEUT")	53,236	48,486
Faculdade Nossa Cidade ("FNC")	94,421	94,155
Faculdades Integradas de Castanhal Ltda. ("FCAT")	39,703	37,526
Sociedade Empresarial de Estudos Superiores e Tecnológicos Sant'Ana Ltda. ("FUFS")	13,472	13,899
	<u>580,537</u>	<u>553,793</u>

We present below the information on ATUAL's subsidiaries:

March 31, 2020								
	Equity Interest	Number of shares	Total assets	Total liabilities	Shareholder s' Equity	Goodwil l	Goodwill	Net income (loss) for the period
SEAMA	100%	8,606	65,079	29,720	35,359	18,035		3,688
IDEZ	100%	8,147	4,813	4,317	496	2,047		(443)
FARGS	100%	9,778	20,031	8,449	11,582	8,055		1,024
UNIUL	100%	10,028	1,352	794	558	956		(91)
SÃO LUIS	100%	3,795	103,883	40,401	63,482	27,368		4,380
FACITEC	100%	6,051	89,398	65,315	24,083	26,654		1,900
ASSESC	100%	2,416	12,323	10,660	1,663	4,723		46
Estácio Amazonas	100%	14,980	61,299	33,067	28,232	26,214		3,674
IESAM	100%	48,796	84,511	23,060	61,451	26,797	11,950	5,405
CEUT	100%	16,938	50,232	24,564	25,668	27,568		4,703
FNC	100%	22,328	52,685	31,781	20,904	72,046	1,471	757
FCAT	100%	12,191	49,016	30,101	18,915	20,121	667	2,428
FUFS	100%	13,593	12,997	5,898	7,099	6,255	118	(387)
			<u>607,619</u>	<u>308,127</u>	<u>299,492</u>	<u>266,839</u>	<u>14,206</u>	<u>27,084</u>
December 31, 2019								
	Equity Interest	Number of shares	Total assets	Total liabilities	Shareholder s' Equity	Goodwil l	Goodwill	Net income (loss) for the year
SEAMA	100%	8,606	60,796	29,125	31,671	18,035		18,652
IDEZ	100%	8,147	4,151	3,413	738	2,047		(1,663)
FARGS	100%	9,778	18,084	7,527	10,557	8,055		1,713
UNIUL	100%	10,028	1,223	773	450	956		(897)
SÃO LUIS	100%	3,795	100,513	41,411	59,102	27,368		21,282
FACITEC	100%	6,051	85,039	62,857	22,182	26,654		4,834
ASSESC	100%	2,416	11,755	10,138	1,617	4,723		(1,209)
Estácio Amazonas	100%	14,980	55,960	31,450	24,510	26,214		3,362
IESAM	100%	48,796	76,775	20,729	56,046	26,797	12,005	16,153
CEUT	100%	16,938	46,338	25,420	20,918	27,568		6,541
FNC	100%	22,328	51,551	31,404	20,147	72,046	1,962	2,561
FCAT	100%	12,191	46,182	29,694	16,488	20,121	917	4,649
FUFS	100%	13,593	12,756	5,269	7,487	6,255	157	(2,248)
			<u>571,123</u>	<u>299,210</u>	<u>271,913</u>	<u>266,839</u>	<u>15,041</u>	<u>73,730</u>

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The table below represents the overall activities in the investments of the direct subsidiary ATUAL in its subsidiaries in the period ended March 31, 2020, and the fiscal year ended December 31, 2019:

Investments in subsidiaries as of December 31, 2018	535,725
Equity accounting income (loss)	73,730
Advance for future capital increase	2,450
Amortization of goodwill	(4,882)
Dividends 2019	(53,498)
Granted options	<u>268</u>
Investments in subsidiaries as of December 31, 2019	<u>553,793</u>
Equity accounting income (loss)	27,084
Advance for future capital increase	400
Amortization of goodwill	(835)
Granted options	<u>95</u>
Investments in subsidiaries as of March 31, 2020	<u>580,537</u>

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9 Intangible Assets**(a) Intangible Assets - Parent Company**

	December 31,		March 31,
	2019		2020
	Cost	Additions	Cost
Cost			
Goodwill on investments' acquisitions (i)	780,065		780,065
Software use rights	99		99
Integration Project	212		212
Goodwill	79,704		79,704
	860,080		860,080
	Amortization rates	Amortization	Additions
Amortization			Amortization
Software use rights	20% p.a.	(99)	(99)
Integration Project	20% p.a.	(138)	(11)
Goodwill	20 to 33% p.a.	(79,704)	(79,704)
		(79,941)	(11)
			(79,952)
Net residual balance		780,139	(11)
			780,128
	December 31,		March 31,
	2018		2019
	Cost	Additions	Cost
Cost			
Goodwill on investments' acquisitions (i)	780,065		780,065
Software use rights	99		99
Integration Project	212		212
Goodwill	79,704		79,704
	860,080		860,080
	Amortization rates	Amortization	Additions
Amortization			Amortization
Software use rights	20% p.a.	(91)	(3)
Integration Project	20% p.a.	(97)	(11)
Goodwill	20 to 33% p.a.	(79,703)	(79,703)
		(79,891)	(14)
			(79,905)
Net residual balance		780,189	(14)
			780,175

(i) Goodwill is an integral part of the investments line due to the merger of Estácio Ribeirão Preto Holding.

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(b) Intangibles assets - Consolidated

		December 31, 2019				March 31, 2020
		Cost	Additions	Transf.	Reclass.	Cost
Cost						
Goodwill on Investments' acquisitions		1,276,056	136			1,276,192
Software use rights		441,660	21,753	3,836	(65)	467,184
EAD and Integration		18,360				18,360
Learning Center		102,810	5,690			108,500
IT Architecture		21,664				21,664
Online class material		8,043				8,043
Knowledge Factory - EAD		44,372	2,349			46,721
Questions database		13,122	362			13,484
Goodwill		201,185	(206)			200,979
Other		70,291	5,805	(3,836)		72,260
		<u>2,197,563</u>	<u>35,889</u>	<u></u>	<u>(65)</u>	<u>2,233,387</u>
Amortization						
	<u>Amortization rates</u>	<u>Amortization</u>	<u>Additions</u>	<u>Transf.</u>	<u>Transf.</u>	<u>Amortization</u>
Goodwill on Investments' acquisitions	Undefined	(6,924)				(6,924)
Software use rights	20% p.a.	(293,265)	(15,592)	33	1	(308,823)
EAD and Integration	20% p.a.	(17,904)	(76)			(17,980)
Learning Center	10% p.a.	(43,147)	(3,245)			(46,392)
IT Architecture	17 to 20% p.a.	(16,220)	(961)			(17,181)
Online class material	20% p.a.	(7,457)	(83)			(7,540)
Knowledge Factory - EAD	10% p.a.	(13,578)	(1,259)			(14,837)
Questions database	20% p.a.	(8,002)	(654)			(8,656)
Goodwill	20 to 50% p.a.	(158,462)	(1,931)			(160,393)
Other	20% p.a.	(22,188)	(1,288)	(33)		(23,509)
		<u>(587,147)</u>	<u>(25,089)</u>	<u></u>	<u>1</u>	<u>(612,235)</u>
Net residual balance		<u>1,610,416</u>	<u>10,800</u>	<u></u>	<u>(64)</u>	<u>1,621,152</u>

**Management notes to the interim financial information
as of March 31, 2020**

In thousands of Reals, except when otherwise indicated

	December 31, 2018			March 31, 2019		
	Cost	Additions	Write- offs	Transf.	Cost	
Cost						
Goodwill on Investments' acquisitions	1,181,481				1,181,481	
Software use rights	334,996	14,121	(1)	(742)	348,374	
EAD and Integration	18,298	39		52	18,389	
Learning Center	86,910	3,259			90,169	
IT Architecture	21,664				21,664	
Online class material	8,043				8,043	
Knowledge Factory - EAD	39,304	1,364			40,668	
Questions database	11,636	276			11,912	
Goodwill	173,503				173,503	
Other	34,231	2,348		629	37,208	
	1,910,066	21,407	(1)	(61)	1,931,411	
	Amortization rates	Amortizatio n	Additions	Write- offs	Transf.	Amortizatio n
Amortization						
Goodwill on Investments' acquisitions	Undefined	(6,924)				(6,924)
Software use rights	20% p.a.	(236,368)	(12,490)	1		(248,857)
EAD and Integration	20% p.a.	(17,216)	(200)		61	(17,355)
Learning Center	10% p.a.	(31,018)	(3,032)			(34,050)
IT Architecture	17 to 20% p.a.	(12,375)	(962)			(13,337)
Online class material	20% p.a.	(7,007)	(114)			(7,121)
Knowledge Factory - EAD	10% p.a.	(8,784)	(1,138)			(9,922)
Questions database	20% p.a.	(5,624)	(579)			(6,203)
Goodwill	20 to 50% p.a.	(153,580)	(1,343)			(154,923)
Other	20% p.a.	(17,350)	(1,161)			(18,511)
		(496,246)	(21,019)	1	61	(517,203)
Net residual balance		1,413,820	388			1,414,208

**Management notes to the interim financial information
as of March 31, 2020**

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As of March 31, 2020, and December 31, 2019, net goodwill on acquisitions of investments was represented as follows:

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Goodwill on acquisitions of investments net of accumulated amortization				
IREP			89,090	89,090
UNITOLEDO			94,711	94,575
ATUAL			15,503	15,503
Seama			18,035	18,035
Idez			2,047	2,047
Uniuol			956	956
Fargs			8,055	8,055
São Luis			27,369	27,369
Facitec			26,654	26,654
Assesc			4,723	4,723
Iesam			26,797	26,797
Estácio Amazonas			26,214	26,214
Ceut			27,568	27,568
FNC			72,046	72,046
FCAT			20,120	20,120
FUFS			6,255	6,255
FAL			8,076	8,076
FATERN			14,979	14,979
Estácio Editora			5	5
Estácio Ribeirão Preto	9,371	9,371	9,371	9,371
Estácio Ribeirão Preto Holding	770,694	770,694	770,694	770,694
	<u>780,065</u>	<u>780,065</u>	<u>1,269,268</u>	<u>1,269,132</u>

The Company carries out annual impairment tests, the last being for the year ended December 31, 2019, related to goodwill on investment acquisitions and mergers, based on expected future profitability for projected future earnings over the next ten years using a nominal perpetuity growth rate of 5.0% p.a. and a single nominal discount rate of 13.7% to discount estimated future cash flows.

**Management notes to the interim financial information
as of March 31, 2020**

In thousands of Reals, except when otherwise indicated

10 Property, Plant and Equipment**Property, plant and equipment - Consolidated**

		December 31, 2019					March 31, 2020
		Cost	Addition	Write-offs	Transf.	Reclassif.	Cost
Cost							
Land		19,787					19,787
Buildings		241,413	2,696		4,079		248,188
Buildings in third-party		1,134,379	58,700	(7,897)			1,185,182
Improvement works in third parties' real estate properties		364,147	2,850		14,666		381,663
Furniture and fixtures		140,155	2,129	(1,279)		6	141,011
Computers and peripherals		182,156	2,802	(158)		36	184,836
Machinery and equipment		138,724	3,080	(42,384)			99,420
Physical activity/hospital equipment		87,887	5,217	(13)		17	93,108
Library		171,481	83	(386)			171,178
Facilities		64,946	2,053			6	67,005
Tablets		9,309		(4,531)			4,778
Constructions in progress		41,790	25,285		(18,745)		48,330
Assets retirement		27,471					27,471
Other		18,342	270	(7)			18,605
		2,641,987	105,165	(56,655)		65	2,690,562
	Depreciation rates	Depreciation	Addition	Write-offs	Transf.	Reclassif.	Depreciation
Depreciation							
Buildings	1.67% p.a.	(67,310)	(1,080)				(68,390)
Buildings in third-party	21.60% p.a.	(163,985)	(44,252)	2,296			(205,941)
Improvement works in third parties' real estate properties		(191,733)	(8,875)				(200,608)
Furniture and fixtures	11.11% p.a.						
Furniture and fixtures	8.33% p.a.	(71,906)	(2,914)	1,237			(73,583)
Computers and peripherals	25% p.a.	(145,829)	(3,522)	155	(624)	(1)	(149,821)
Machinery and equipment	8.33% p.a.	(94,621)	(1,645)	43,416	624		(52,226)
Physical activity/hospital equipment	6.67% p.a.	(28,005)	(1,385)	7			(29,383)
Library	5% p.a.	(84,379)	(1,799)	386			(85,792)
Facilities	8.33% p.a.	(25,970)	(1,134)				(27,104)
Tablets	20% p.a.	(8,901)	(408)	4,531			(4,778)
Assets retirement		(18,267)	(517)				(18,784)
Other	14.44% p.a.	(8,859)	(530)	3			(9,386)
		(909,765)	(68,061)	52,031		(1)	(925,796)
Net residual balance		1,732,222	37,104	(4,624)		64	1,764,766

In the period ended March 31, 2020, the amount of R\$ 10 relates to computers and peripherals of the parent company (R\$ 11 in the fiscal year ended December 31, 2019).

YDUQS Participações S.A.
**Management notes to the interim financial information
as of March 31, 2020**

In thousands of Reals, except when otherwise indicated

	December 31, 2018				March 31, 2019	
	Cost	Additions	Write-offs	Transf.	Cost	
Cost						
Land	19,295				19,295	
Buildings	228,384	1,268,944		1,494	1,498,822	
Improvement works in third parties' real estate properties	295,799	7,087		6,046	308,932	
Furniture and fixtures	109,851	2,050	(296)	15	111,620	
Computers and peripherals	163,139	3,384	(798)	81	165,806	
Machinery and equipment	132,029	4,259	(134)	197	136,351	
Physical activity/hospital equipment	61,854	5,172	(235)	(37)	66,754	
Library	167,613	377		(47)	167,943	
Facilities	53,920	629		105	54,654	
Tablets	32,442				32,442	
Constructions in progress	14,385	5,467		(7,846)	12,006	
Assets retirement	26,951				26,951	
Other	16,595	239	(422)	(7)	16,405	
	1,322,257	1,297,608	(1,885)	1	2,617,981	
	Depreciation rates	Depreciation	Additions	Write-offs	Transf.	Depreciation
Depreciation						
Buildings	21.79% p.a.	(63,174)	(47,158)			(110,332)
Improvement works in third parties' real estate properties	11.11% p.a.	(158,360)	(7,910)		203	(166,067)
Furniture and fixtures	8.33% p.a.	(58,893)	(2,581)	170	(19)	(61,323)
Computers and peripherals	25% p.a.	(133,827)	(4,591)	323	(28)	(138,123)
Machinery and equipment	8.33% p.a.	(75,059)	(4,308)	38	(133)	(79,462)
		(22,664)	(978)	21	1	(23,620)
Physical activity/hospital equipment	6.67% p.a.					
Library	5% p.a.	(75,523)	(1,849)		3	(77,369)
Facilities	8.33% p.a.	(21,854)	(957)		(29)	(22,840)
Tablets	20% p.a.	(28,510)	(1,092)			(29,602)
Assets retirement		(16,479)	(696)			(17,175)
Other	14.44% p.a.	(6,809)	(493)	15	1	(7,286)
		(661,152)	(72,613)	567	(1)	(733,199)
Net residual balance		661,105	1,224,995	(1,318)		1,884,782

YDUQS Participações S.A.**Management notes to the interim financial information
as of March 31, 2020**

In thousands of Reals, except when otherwise indicated

Some assets acquired through financing or leasing (Note 11) were given as guarantee in respect to the related agreements. The Company and its subsidiaries did not grant other guarantees for assets owned by them in any transaction carried out.

Machinery and equipment, peripherals, furniture and fixtures and property rental include the following amounts where the Group is a lessee under a finance lease:

		December 31, 2019			March 31, 2020	
		Cost	Additions	Write-offs	Cost	
Cost						
Financial leases capitalized		<u>1,227,630</u>	<u>58,906</u>	<u>(51,396)</u>	<u>1,235,140</u>	
		<u>1,227,630</u>	<u>58,906</u>	<u>(51,396)</u>	<u>1,235,140</u>	
	Depreciation rate	Depreciation	Additions	Write-offs	Depreciation	
Depreciation						
Financial leases capitalized	21.60% p.a.	<u>(243,938)</u>	<u>(45,844)</u>	<u>46,833</u>	<u>(242,949)</u>	
		<u>(243,938)</u>	<u>(45,844)</u>	<u>46,833</u>	<u>(242,949)</u>	
Net accounting balance		<u>983,692</u>	<u>13,062</u>	<u>(4,563)</u>	<u>992,191</u>	

The Group leases a number of rights-of-use assets, such as machinery and equipment, peripherals, furniture and fixtures and properties rental, under non-cancelable lease agreements. The lease terms are according to the contract term. The assets title does not belong to the Group. All the Group's leases are recognized by the operation's net present value.

**Management notes to the interim financial information
as of March 31, 2020**

In thousands of Reals, except when otherwise indicated

11 Loans and financing

Type	Financial charges	Parent Company		Consolidated	
		March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
In local currency					
Fifth debenture issuance (1st Series)	CDI+0.585% p.a.	251,303	255,491	251,303	255,491
Fifth debenture issuance (2nd Series)	CDI+0.785% p.a.	351,904	357,958	351,904	357,958
Debentures funding costs		(1,282)	(1,394)	(1,282)	(1,394)
Santander loan	CDI +1.10% p.a.	501,871		501,871	
FINEP loan	6% p.a.	2,929	3,080	2,929	3,080
Itaú promissory notes	CDI+2.5% p.a.	350,168		350,168	
Others		3,094		3,094	
In foreign currency					
Citibank loan	Libor+0.62+0.64 + 0.69993% p.a.	983,381		983,381	
		<u>2,443,368</u>	<u>615,135</u>	<u>2,443,368</u>	<u>615,135</u>
Current liabilities		216,321	13,586	216,321	13,586
Non-current liabilities		<u>2,227,047</u>	<u>601,549</u>	<u>2,227,047</u>	<u>601,549</u>
		2,443,368	615,135	2,443,368	615,135

The amounts recorded as non-current liabilities as of March 31, 2020, and December 31, 2019 present the following maturity schedule:

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
2021	901,369	137	901,369	137
2022	1,149,702	250,338	1,149,702	250,338
2023	175,396	175,378	175,396	175,378
2024	580	175,553	580	175,553
As from 2025		143		143
Non-current liabilities	<u>2,227,047</u>	<u>601,549</u>	<u>2,227,047</u>	<u>601,549</u>

The Company and its subsidiaries do not grant any of their assets as collateral to their loans.

The amounts of the Group loans are mainly in Reals, of which only three are in USD (US dollars).

In January 2019, the Company settled in advance the loan agreements entered into with Banco da Amazônia "BASA" in the amounts of R\$ 3,072, R\$ 2,418 and R\$ 1,743, financed since the start of the agreement in 2009, 2010 and 2016, respectively. The amount settled in advance in January 2019 was R\$ 7,233.

In February 2019, the Company concluded its fifth debenture issuance in the total amount of R\$ 600,000 maturing on February 15, 2024, in two series. The 1st series yielded 100% of the CDI rate + 0.585% p.a. for the principal of R\$ 250,000 maturing on February 15, 2022. The 2nd series yielded 100% + 0.785% p.a., with the first principal amortization occurring on February 15, 2023, in the amount of R\$ 175,000 and the second principal amortization on February 15, 2024, in the amount of R\$ 175,000.

In February 2019, the Company settled fully and in advance the 2nd issuance of promissory notes made in December 2018 in the amount of R\$ 607,544.

In June 2019, the Company settled fully the fourth issuance of debentures made in December 2016 in the amount of R\$ 100,000. The enforced amount settled in June 2019 was R\$ 51,928.

**Management notes to the interim financial information
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In October 2019, the Company settled fully the 2nd issuance of debentures made in October 2014 in the amount of R\$ 300,000. The enforced amount settled in October 2019 was R\$ 62,208.

In February 2020, the Company concluded the contracting of the 1st loan of a line 4131 with Citibank in the amount of US\$ 125,000 (converted to R\$ 541,675 in an equivalent quotation on that date) with single amortization of the principal on February 17, 2022, at the cost of Libor + 0.69993% p.a.

In February 2020, the Company concluded the contracting of the 2nd loan of a line 4131 with Citibank in the amount of US\$ 40,000 (converted to R\$ 173,336 in an equivalent quotation on that date) with single amortization of the principal on February 18, 2021, at the cost of Libor + 0.62% p.a.

In February 2020, the Company concluded the contracting of the 3rd loan of a line 4131 with Citibank in the amount of US\$ 25,000 (converted to R\$ 109,537 in an equivalent quotation on that date) with single amortization of the principal on February 25, 2022, at the cost of Libor + 0.64% p.a.

In March 2020, the Company concluded the contracting of a CCB with Santander in the amount of R\$ 500,000, with a single amortization of the principal on March 4, 2022, at the cost of 100% of CDI + 1.095% p.a.

In March 2020, the Company concluded the third issuance of promissory notes in the amount of R\$ 350,000, with a single amortization of the principal on March 17, 2022, at the cost of 100% of CDI + 2.50% p.a.

The agreements held with several creditors include covenants that require the maintenance of certain financial indexes with previously established parameters. As of March 31, 2020, and December 31, 2019, the subsidiaries and the parent company reached all indexes required in the agreements.

12 Leases

The lease liability arises from the recognition of future payments and the right to use the leased asset for practically all lease agreements, including the operational ones, and certain short-term or small amounts agreements may be out of scope.

Lease agreements are secured by the underlying assets.

	March 31,	Consolidated December 31,
	2020	2019
Leases payable	1,597,683	1,526,620
Lease interest	(546,407)	(490,103)
	<u>1,051,276</u>	<u>1,036,517</u>
Current liabilities	146,260	156,468
Non-current liabilities	<u>905,016</u>	<u>880,049</u>
	<u>1,051,276</u>	<u>1,036,517</u>

The increase in lease liabilities arises from the Company's net debt addition. Depreciation and interest are recognized in the statement of income as a replacement of operational lease expenses ("rent").

**Management notes to the interim financial information
as of March 31, 2020**

In thousands of Reals, except when otherwise indicated

The activity of the assets and liabilities of the leases for the period is as follows:

Right of use assets

			<u>Consolidated</u>
	<u>Third Parties' Buildings</u>	<u>Others</u>	<u>Total</u>
Right of use assets as of December 31, 2019	970,394	13,298	983,692
Addition	58,700	206	58,906
Write-off	(5,602)	1,039	(4,563)
Depreciation	(44,252)	(1,593)	(45,844)
Right of use assets as of March 31, 2020	979,240	12,950	992,191

Lease liabilities

			<u>Consolidated</u>
	<u>Third Parties' Buildings</u>	<u>Others</u>	<u>Total</u>
Right of use liabilities as of December 31, 2019	1,021,766	14,751	1,036,517
Addition	58,700	206	58,906
Write-off	(5,864)	1,039	(4,826)
Incurred interests	25,860	341	26,201
Payment of the principal amount	(63,644)	(1,878)	(65,522)
Right of use liabilities as of March 31, 2020	1,036,818	14,459	1,051,276
Current	140,878	5,382	146,260
Non-current	895,940	9,077	905,016

**Management notes to the interim financial information
as of March 31, 2020**

In thousands of Reals, except when otherwise indicated

Right of use assets

			Consolidated
	Third Parties' Buildings	Others	Total
Right of use assets as of December 31, 2018		34,172	34,172
Addition	1,268,768		1,268,768
Write-off			
Depreciation	(46,149)	(6,144)	(52,293)
Right of use assets as of March 31, 2019	1,222,619	28,028	1,250,647

Lease liabilities

			Consolidated
	Third Parties' Buildings	Others	Total
Right of use liabilities as of December 31, 2018		33,048	33,048
Addition	1,268,768		1,268,768
Write-off			
Incurred interests	14,820	51	14,871
Payment of the principal amount	(55,042)	(6,361)	(61,403)
Right of use liabilities as of March 31, 2019	1,228,546	26,739	1,255,285
Current	161,792	14,869	146,260
Non-current	1,066,754	11,870	905,016

13 Salaries and welfare charges

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Salaries, indemnity amounts and welfare charges payable	520	651	111,899	103,480
Provision for vacation			47,856	32,952
Provision of 13th ^o Salary			17,096	
	520	651	176,851	136,432

**Management notes to the interim financial information
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In thousands of Reais, except when otherwise indicated

14 Tax obligations

	Parent Company		Consolidated	
	March 31,	December	March 31,	December
	2020	31, 2019	2020	31, 2019
ISS payable	11	3	20,579	17,317
IRRF payable	89	84	7,293	12,973
PIS and COFINS payable	226	51	4,258	3,723
	<u>326</u>	<u>138</u>	<u>32,130</u>	<u>34,013</u>
IRPJ payable			21,979	1,615
CSLL payable			7,924	410
			<u>29,903</u>	<u>2,025</u>
	<u>326</u>	<u>138</u>	<u>62,033</u>	<u>36,038</u>

15 Tax installment payment

	Consolidated	
	March 31,	December 31,
	2020	2019
IRPJ	1,869	1,992
CSLL	24	27
FGTS (Government Severance Indemnity Fund for Employees)	1,195	1,195
ISS (Service Tax)	1	59
PIS (Employees' Profit Participation Program)	66	85
COFINS (Social Security Financing Contribution)	622	623
INSS (National Institute of Social Security)	10,205	10,546
OTHERS	219	221
	<u>14,201</u>	<u>14,748</u>
Current liabilities	3,598	3,729
Non-current liabilities	10,603	11,019
	<u>14,201</u>	<u>14,748</u>

The balance of tax installment payment is monthly adjusted by the Selic rate.

These tax installment payments are related to taxes with Municipal Governments, the Federal Revenue Office and the Social Security, and their long-term maturities are presented below:

	Consolidated	
	March 31,	December
	2020	31, 2019
2021		1,949
2022	3,944	2,538
2023	2,563	2,538
2024	2,117	2,082
2025	881	868
2026 to 2029	1,098	1,044
	<u>10,603</u>	<u>11,019</u>

**Management notes to the interim financial information
as of March 31, 2020**

In thousands of Reals, except when otherwise indicated

16 Acquisition price payable

	Consolidated	
	March 31, 2020	December 31, 2019
SÃO LUIS	9,781	9,683
CEUT (i)	3,035	3,375
FUFS	2,303	2,279
UNITOLEDO	48,201	47,693
	<u>63,320</u>	<u>63,030</u>
Acquisition of real estate properties (ii)	670	653
	<u>63,990</u>	<u>63,683</u>
Current liabilities	21,659	19,142
Non-current liabilities	42,331	44,541
	<u>63,990</u>	<u>63,683</u>

(i) In January/2020, it was settled in advance the part due to the former partner Mr. Honório Bona.

(ii) Balance related to the commitment entered into between IREP and União Norte Brasileira de Educação e Cultura - UNBEC concerning various real estate properties located in the City of Fortaleza, State of Ceará.

It basically refers to the amount payable to former owners, related to the acquisition of related companies and real estate properties, being adjusted monthly by one of the following indexes: SELIC, IPCA (General Market Price Index), IGP-M or the variation of CDI, depending on the agreement.

The amounts recorded as non-current liabilities as of March 31, 2020, and December 31, 2019 present the following maturity schedule:

	Consolidated	
	March 31, 2020	December 31, 2019
2021	27,574	29,939
2022	14,757	14,602
	<u>42,331</u>	<u>44,541</u>

17 Contingencies

The Company's subsidiaries are party to various civil, labor and tax proceedings at different court levels. Management, based on the opinion of its external legal counsel, made a provision for amounts considered sufficient to cover potential losses from pending litigation.

As of March 31, 2020, and December 31, 2019, the provision for contingencies was comprised as follows:

	Consolidated			
	March 31, 2020		December 31, 2019	
	Contingencies	Judicial deposits	Contingencies	Judicial deposits
Civil	27,526	18,773	24,073	17,904
Labor	88,040	42,216	90,960	42,330
Tax	3,570	15,506	3,383	15,856
	<u>119,136</u>	<u>76,495</u>	<u>118,416</u>	<u>76,090</u>

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In the period ended March 31, 2020, the amount of R\$ 310 relates to the parent company's contingency, of which R\$ 108 relates to the civil and R\$ 202 to tax contingencies (R\$ 306 in the fiscal year ended December 31, 2019, of which R\$ 107 related to civil and R\$ 199 to tax contingencies) and as of March 31, 2020, the amount of R\$ 222 refers to the parent company's judicial deposits (R\$ 216 in the fiscal year ended December 31, 2019).

The activity in the provision for contingencies is shown below:

	<u>Civil</u>	<u>Labor</u>	<u>Tax</u>	<u>Total</u>
Balances as of December 31, 2018	20,019	98,453	8,445	126,917
Additions	44,389	42,788	5,518	92,695
Reversals	(9,919)	(11,223)	(5,229)	(26,371)
Write-offs for payments	(35,133)	(44,972)	(4,804)	(84,909)
Monetary adjustment	4,717	5,914	(547)	10,084
Balances as of December 31, 2019	24,073	90,960	3,383	118,416
Additions	11,697	16,985	529	29,211
Reversals	(2,522)	(3,852)	(444)	(6,818)
Write-offs for payments	(5,741)	(16,675)	(62)	(22,478)
Monetary adjustment	19	622	164	805
Balances as of March 31, 2020	<u>27,526</u>	<u>88,040</u>	<u>3,570</u>	<u>119,136</u>

In the periods ended March 31, 2020, and 2019, expenses with the provision for contingencies, recognized in the statement of income were as follows:

	<u>2020</u>	<u>2019</u>
Composition of the income		
Additions	29,211	44,093
Reversals	(6,818)	(22,814)
Monetary adjustment	805	8,008
Provision for contingencies	<u>23,198</u>	<u>29,287</u>
General and administrative expenses (Note 24)	(22,393)	(21,279)
Financial income (Note 26)	(805)	(8,008)
	<u>(23,198)</u>	<u>(29,287)</u>

(a) Civil

Most proceedings involve mainly claims for indemnity for moral and property damages arising from incorrect collections and the late issue of diplomas, among other matters of operational and/or educational nature, as well as a number of claims entailing real estate law.

The provisions recognized for civil lawsuits are due to the following matters:

<u>Matter</u>	<u>Amounts</u>
Undue collection	7,204
Real estate	5,984
Issue of certificates of completion/diplomas and graduation	2,684
Accreditation and cancellation of the course/enrollment	3,906
FIES	1,503
PROUNI	550
Success fees	2,644
Other (i)	3,051
	<u>27,526</u>

- (i) These relate to proceedings involving other operating and/or academic issues, public-interest civil actions and other compensation claims.

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(b) Labor

The main labor claims are seeking overtime, unused vacations, recognition of employment relationship, salary parity and salary differences arising from the decrease in the working hours of certain teachers.

The provisions recognized for labor lawsuits are due to the following matters:

Matter	Amounts
Salary and severance differences + decrease in working hours + FGTS + notice period	35,083
Overtime + elimination of breaks during and between shifts	7,396
Pain and suffering/property damage / moral harassment	1,854
Employer's social security payment	7,747
Fees	3,269
Deviation from the agreed position and salary parity	9,704
Fines (Article 467 CLT, article 477 CLT and CCT/ACT)	5,063
Allowances (health hazards/night shift pay/improvement/length of service/risk premium)	1,133
Vacations	867
Success fees	2,990
Income tax/interest and monetary restatement	10,421
Other (i)	2,513
	<u>88,040</u>

(i) Claims in addition to those listed above (resulting from them) and union fees.

(c) Tax

The tax proceedings mainly relate to tax immunity, escalation of social security contributions arising from the Law No. 11.096/05 and exclusion of scholarships from the ISS calculation basis and fines for alleged non-compliance with ancillary obligations (special regimes of accounting bookkeeping).

The provisions recognized for tax claims are due to the following matters:

Matter	Amounts
Sewage charges/fees	16
Miscellaneous fines	15
Success fees	3,539
	<u>3,570</u>

(d) Possible losses, not provisioned in the statement of financial position

The Company has tax, civil and labor cases involving risks of loss classified by management as possible, based on the opinion of its legal advisers. These proceedings do not have to be provisioned for under the accounting practices currently in force.

	Consolidated	
	March 31, 2020	December 31, 2019
Civil	272,006	265,875
Labor	410,247	378,533
Tax	501,748	516,177
	<u>1,184,001</u>	<u>1,160,585</u>

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The main proceedings classified as possible loss can be grouped as follows:

Civil	Amounts
Undue collection	96,765
Real estate	76,327
Issue of certificates of completion/diplomas and graduation	21,162
Accreditation and cancellation of the course	2,661
Registration	8,766
FIES	26,512
PROUNI	2,294
Other (i)	37,519
	<u>272,006</u>

- (i) These relate to proceedings involving other operating and/or academic issues, public-interest civil actions, Procon and other compensation claims.

Labor	Amounts
Salary and severance differences + decrease in working hours + FGTS + notice period + compensation	147,767
Overtime + elimination of breaks during and between shifts	78,968
Pain and suffering/property damage / moral harassment	21,075
Employer's social security payment	14,314
Fees	29,375
Deviation from the agreed position and salary parity	11,157
Fines (Article 467 CLT, article 477 CLT and CCT/ACT)	12,275
Allowances (health hazards/night shift pay/improvement/length of service/risk premium)	16,479
Vacations	8,343
Reintegration	58,316
Other (i)	12,178
	<u>410,247</u>

- (i) Claims in addition to those listed above (resulting from them) and union fees.

Tax	Amounts
Social security contribution / FGTS	290,051
ISS (Service Tax)	188,011
PIS / COFINS	10
IRPJ / CSLL / IRRF	17,780
IPTU / FORO / IPVA (Tax on Vehicles)	1,127
Miscellaneous fines	3,499
Other	1,270
	<u>501,748</u>

Among the main proceedings that were not provisioned in the financial information, we can highlight those involving amounts above R\$ 10,000:

Social security contributions:

- (i) Due to the different interpretation of the initial date for staggering rates set out in Article 13 of Law No. 11.096/05 ("PROUNI Act"), Tax Enforcements were issued by the National Treasury against SESES to recover debts related to the alleged differences in payments of social security contributions. We submitted the respective motion against these enforcements, in which SESES filed a petition stating the favorable decision had been made final and unappealable in the case records of ordinary proceeding No. 0017945-16.2009.4.02.5101. On August 13, 2019, the Ministry of Finance informed the court that the debts under collection would be rectified to reflect the reasoning forming the final and unappealable decision in favor of YDUQS. In October 2019, an official DEMAC notice was attached stating that it had made the rectifications to the DEBCADs, after determining the effects resulting from the final and unappealable decision, by way of the dossier opened at the Federal Revenue Office (RFB). YDUQS filed a statement requesting the release of the proportional amounts deposited at the escrow account. We are awaiting a position in response to our

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statement. The rectification made by the Federal Revenue Office led to the total amount involved changing to R\$ 83,424.

- (ii) Tax assessment notices against SESES for alleged non-performance of the principal tax liability for the period from February 2007 to December 2007. The Company appealed requesting the cancellation of the tax assessment notice claiming that they were clearly groundless. The appeal was partially accepted and considered the percentage of the employers' contributions at the rate of 20% as from the month in which the Company changed from a non-profit entity to a company. On January 16, 2018, the Company filed an annulment action to contest the remaining debt. The interim relief claimed was awarded. On February 20, 2018, the Ministry of Finance distributed a Tax Enforcement proceeding to demand the debt, and the annulment action was dismissed without prejudice as a result of having its grounds due to the filing of the Tax Enforcement. On May 2, 2018, SESES filed a Motion against the Tax Enforcement, the Ministry of Finance filed its contestation, and SESES submitted its rebuttal. The lower-court decision is pending judgment. The total amount involved is R\$ 22,373.
- (iii) The Federal Tax Authorities filed tax assessment notices against SESES for alleged social security contribution debts for the period January 2006 to January 2007 and failure to comply with auxiliary obligations. The tax assessment notices mainly challenge the fulfillment of legal requirements to classify SESES as social assistance beneficent entity and its corresponding right to exemption from social security contributions, a condition that it held until February 9, 2007. In August 2012, SESES was notified of the trial court's decision that partially granted the appeal to our respective challenges, to recognize the preemption and exclude the period from 01/2006 to 07/2006 from the entries, with the remainder being maintained inspection arguments. A Voluntary Appeal was filed on September 27, 2012. On September 20, 2016, the tax assessment notices were distributed. On March 4, 2020, the notices were re-distributed for the Rapporteur Carlos Alberto do Amaral Azeredo. At the moment, it is awaiting the inclusion of the appeal on the agenda for judgment. The total amount involved is R\$ 132,841.
- (iv) The Federal Revenue Office issued a decision not approving the compensation made by SESES and IREP of social security contributions made in GFIP in the periods from October 2013 to December 2015. The offset credits were calculated on undue payments of social security contributions (lapsed) in Labor Claims, in addition to payments unduly made on amounts that do not have a compensation nature (1/3 of vacation, notice period and justified absences). In both cases, unfavorable decisions were rendered at the 1st administrative level, with the respective Voluntary Appeals being presented and currently awaiting the inclusion of both appeals on the agenda for judgment in the CARF. The total amount involved is R\$ 42,120.

ISS - Tax on services:

- (i) The Tax Enforcement issued by the Municipality of Niterói, in connection with the tax assessment notice issued on September 29, 2009, is demanding Services Tax (ISS) from SESES for the period January 2004 to January 2007, considering the suspension of tax immunity by the municipal administration as a result of the alleged non-compliance with requirements for qualifying for the benefits provided by article 14 of the Brazilian Tax Code (CTN), i.e., because it allegedly failed to submit to the tax authorities relevant tax/accounting records in accordance with the existing legislation. Motions were filed against the enforcement on September 16, 2013. Expert analyses were carried out, with a report favorable to the company. However, the municipality of Niterói contested the expert report, contending it should be rejected as it had not been notified of the scheduled date and location. The request was accepted, and the second expert analysis conducted on 11/26/2019 concluded once again that YDUQS's accounting records for the disputed period were in full compliance with legal requirements. YDUQS filed a new statement regarding the new expert analysis. Judgment by the lower court is pending. The total amount involved is R\$ 66,100.
- (ii) On August 14, 2018, a Tax Enforcement was brought against Sociedade Tecnopolitana da Bahia Ltda. (STB), merged into IREP in June 2010, for non-payment of Services Tax (ISS) in the period 2007 to February 2011. The assessment arose from due diligence in connection with the procedures for cancellation of the registration of the activities previously performed at STB's headquarters and branch facilities. Motion against the Tax Enforcement was filed on October 3, 2018. Judgment by the lower court is pending. The total amount involved is R\$ 20,580.

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- (iii) The Municipality of Salvador filed a Tax Enforcement claiming alleged ISS tax liabilities for the period 07/2012 to 11/2013, due to discrepancies regarding the fixing of the tax calculation base (deductibility of study grants from the ISS calculation base). A Motion against the Tax Enforcement was filed requesting an expert accounting analysis. The expert analysis is pending, now the accounting expert and respective technical assistants have been appointed. The total amount involved is R\$ 11,879.

18 Shareholders' Equity
(a) Share Capital

The share capital may be increased by the Board of Directors, irrespective of the statutory reform, up to the limit of one billion (1,000,000,000) shares. As of March 31, 2020, the share capital is represented by 309,088,851 common shares.

The shareholding structure of the Company on March 31, 2020, and December 31, 2019, is presented below:

Shareholders	Common shares			
	March 31,		December 31,	
	2020	%	2020	%
Managers and directors	449,791	0.2	485,994	0.2
Treasury	8,391,432	2.7	8,428,182	2.7
Other (i)	300,247,628	97.1	300,174,675	97.1
	<u>309,088,851</u>	<u>100</u>	<u>309,088,851</u>	<u>100</u>

(i) Free float

(b) Activity of capital shares

There were no changes in the shares during the period that ended on March 31, 2020.

(c) Treasury shares

On May 16, 2018, the Board of Directors approved an extension to the 5th buyback program from 12 to 18 months, expiring on December 21, 2018. By the end of the program, a total of ten million five hundred and fifteen thousand seven hundred (10,515,700) common shares had been bought back, equal to 66.16% of the total shares targeted by the program.

	Quantity	Average Cost	Balance
Treasury shares as of December 31, 2019	8,428,182	23.02	194,031
SOP payment using treasury shares (Note 18 d.3)	(36,750)	23.02	(846)
Treasury shares as of March 31, 2020	<u>8,391,432</u>	<u>23.02</u>	<u>193,185</u>

(d) Capital reserves
(d.1) Goodwill on share subscription

The goodwill reserve refers to the difference between the subscription price that the shareholders pay for the shares and their par value. Since this is a capital reserve, it can only be used to increase capital, offset losses, redeem, reimburse or purchase shares or pay cumulative dividends on preferred shares.

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The share subscription goodwill in the financial statements as of March 31, 2020, and December 31, 2019, is as follows:

	Parent Company	
	March 31, 2020	December 31, 2019
Taxes reserve	3	3
Non-distributable profits (i)	96,477	96,477
Special goodwill reserve under the merger	85	85
Goodwill on shares subscription	498,899	498,899
	<u>595,464</u>	<u>595,464</u>

(i) Profits earned prior to the Company's conversion into a business company

The goodwill on the share issuance is comprised as follows:

	March 31, 2020
Subscription of 17,853,127 shares	(23,305)
Amount paid for the 17,853,127 shares	<u>522,204</u>
Goodwill on share issuance	<u>498,899</u>

(d.2) Granting options

The Company recorded the capital reserve for stock options granted, as mentioned in Note 20. As required by the technical pronouncement, the fair value of the options was determined on the grant date and is being recognized over the vesting period up to this individual and consolidated reporting date.

(d.3) Goodwill and negative goodwill on the sale of treasury shares

The goodwill and negative goodwill on the sale of treasury shares refers to the difference between the acquisition price that the Company paid for the shares and the sale amount when using the shares to pay for the options granted.

The negative goodwill on the sale of treasury shares is represented as follows as of March 31, 2020, and December 31, 2019:

	Quantity of shares	Sale	Amount paid	Negative goodwill
Negative goodwill as of December 31, 2019	2,603,184	43,709	32,871	10,838
SOP payment in 2020	<u>36,750</u>	<u>846</u>	<u>677</u>	<u>169</u>
Negative goodwill as of December 31, 2019, as of March 31, 2020	<u>2,639,934</u>	<u>44,555</u>	<u>33,548</u>	<u>11,007</u>

(e) Profits reserves

As of December 31, 2019, from the income accumulated by the Company, the amount of R\$ 460,375 was allocated to the Profit Retention Reserve, referring to potential acquisitions, expansion and improvements in infrastructure, technology and organic expansion, as provided for in the Company's bylaws. This profit retention proposal shall be approved on the General Meeting to be held on April 24, 2020.

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19 Financial instruments and sensitivity analysis of financial assets and liabilities

The Company's assets and liabilities financial instruments as of March 31, 2020, and December 31, 2019, are recorded in equity accounts in amounts compatible with those practiced in the market.

Information regarding criteria, assumptions and limits used to calculate the market values did not change in relation to the financial statements as of December 31, 2019.

Derivative financial instruments

Although the derivative transaction is intended to protect the Company from fluctuations arising from its exposure to foreign exchange risk, it was decided not to adopt the hedge accounting methodology. Thus, the Swap transaction on March 31, 2020 presented a positive fair value in the amount of R\$ 154,706 compared to the statement of income.

We present below the information related to the derivatives financial instruments held by the Company as of March 31, 2020, recorded at fair value with effect on income:

SWAP Agreements	Principal Contracted (US\$)	Principal Contracted	YDUQS Receives	YDUQS Pays	Initial Date	Maturity Date	Market Value (R\$ M)		
							Assets	Liabilities	Gross income
Citibank	40,000,000	173,336,000	Libor + 0.62% p.a.	CDI + 0.60%	02/18/20	02/18/21	207,031	174,210	32,821
Citibank	125,000,000	541,675,000	Libor + 0.6993% p.a.	CDI + 0.70%	02/18/20	02/18/22	647,042	544,467	102,575
Citibank	25,000,000	109,537,500	Libor + 0.64% p.a.	CDI + 0.70%	02/27/20	02/25/22	129,308	109,998	19,310
Total							983,381	828,675	154,706

19.1 Fair value hierarchy

The table below presents the financial instruments recorded at fair value using the measurement method:

	Consolidated	
	March 31, 2020	December 31, 2019
Level 2 financial assets at the fair value through statement of income financial investments	2,535,168	596,861
	<u>2,535,168</u>	<u>596,861</u>

The measurement of financial instruments is grouped at levels from 1 to 3, based on the level of quotation of their fair value:

Level 1 - prices quoted in active markets for identical assets and liabilities;

Level 2 - other techniques for which all input with a significant effect on the fair value is observable, either directly or indirectly; and

Level 3 – techniques using input with a significant effect on the fair value that is not based on observable market input.

During the period ended March 31, 2020, there were no transfers arising from fair value measurements between levels 1 and 2, not inside or outside level 3.

19.2 Financial risk factors

All Group's operations are performed with banks having recognized liquidity, which mitigates their risks. Management records a provision for doubtful accounts in an amount considered sufficient to cover possible risks of realization of accounts receivable; therefore, the risk of incurring losses resulting from the difficulty of receiving billed amounts is measured and recorded in the accounts. The main market risk factors affecting the Group are the following:

(a) Credit risk

This risk related to difficulties in collecting amounts for services provided.

The Group is also subject to credit risk on its financial investments.

The credit risk related to the provision of services is minimized by strict control of the student base and by the active management of default levels and the pulverization of balances. In addition, the Company requires the settlement or negotiation of the amounts overdue upon return of the students for classes in the next semester.

With respect to the credit risk associated with financial institutions, the Company and its subsidiaries operate according to the investment policy approved by the Board of Directors. The balances of cash and cash equivalents, securities and judicial deposits are held at financial institutions with A to AAA credit rating assigned by the credit rating agencies Standard & Poor's, Fitch and Moody's. In the event of two or more ratings, the rating of the majority shall prevail. In the event of different ratings, the Company adopts a higher rating as a basis.

(b) Interest rate risk

The Group is exposed to fluctuations in the Interbank Deposit Certificate (CDI) rate, which is used to adjust its financial investments and debts. In addition, any increase in interest rates could increase the cost of students' loans, including loans under the terms of the FIES program, and decrease the demand for the courses.

(c) Exchange rate risk

The Group's income is susceptible to variations due to exchange rate volatility since its assets and liabilities are linked to a currency other than its functional currency. However, as the Company has a Swap agreement for lines 4131, exposure to foreign exchange risk does not exist.

(d) Liquidity risk

Liquidity risk is the risk that the Group may not have sufficient cash resources available to meet its commitments due to the different terms of settlement of its rights and obligations.

The control of the Group's liquidity and cash flow is monitored daily by the Group's Management areas, in order to ensure that the operational cash generation and the previous fundraising, when necessary, are sufficient to maintain its commitments' schedule, not posing liquidity risks for the Group.

The table below analyzes the Group's financial liabilities by maturity ranges, corresponding to the remaining period of the reporting date of the statement of financial position until the contractual maturity date. The amounts presented in the table are the contracted cash flows not discounted.

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	Consolidated			
	Less than one year	Between one and two years	Between two and five years	Over five years
As of March 31, 2020				
Trade payables	170,063			
Loans	216,321	1,990,856	374,876	
Financial lease obligations	146,260	247,205	229,302	611,721
Acquisition price payable	21,659	29,014	16,407	
As of December 31, 2019				
Trade payables	126,651			
Loans	13,586	30,893	644,181	51
Financial lease obligations	156,468	293,331	223,903	526,527
Acquisition price payable	19,142	31,639	16,394	

(e) Sensitivity analysis

The CVM Resolution No. 550 of October 17, 2008 sets forth that publicly-held companies must disclose, in a specific note, qualitative and quantitative information on all their financial instruments, recognized or not as assets or liabilities in the statement of financial position.

The Group's financial instruments consist of cash and cash equivalents, accounts receivable and payable, judicial deposits and loans and financing, and are recorded at cost adjusted by revenues or charges incurred, which was close to market value as of March 31, 2020, and December 31, 2019.

The main risks underlying the Group's operations are linked to changes in the CDI (Interbank Certificates of Deposit) rate.

CVM Instruction No. 475 of December 17, 2008, provides that specific information on financial instruments must be shown in a specific note and that a table must be included with details of a sensitivity analysis.

Loans in Brazilian reais consist of transactions for which the carrying amount is close to the fair value of these financial instruments.

Investments linked to the CDI rate are recorded at fair value, according to the quotations disclosed by the respective financial institutions. Most of the other investments refer to bank deposit certificates and repurchase agreements and, therefore, the value recorded for these securities does not differ from market value.

With the purpose to verify the sensitivity of the index for the financial investments to which the Company was exposed on the base date of March 31, 2020, three different scenarios were defined. Based on the CDI rate officially published by CETIP on March 31, 2020 (3.65% p.a.), this rate was used as the probable scenario for the year. After that, rate variations of 25% and 50% were calculated for scenarios II and III, respectively.

For each scenario, "gross financial revenues and financial costs" were calculated, disregarding the levy of taxes on the investments' yields. The base date used for the portfolio was March 31, 2020, projected for one year and verifying the sensitivity of the CDI rate for each scenario.

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Operations	Risk	Scenario for CDI rise		
		Probable Scenario (I)	Scenario (II)	Scenario (III)
Financial investments R\$ 2,535,168	CDI	3.65% 92,534	4.56% 115,667	5.48% 138,800
Debentures V - 1st T R\$ 251,303	CDI+0.59%	4.26% (10,696)	5.17% (13,003)	6.09% (15,309)
Debentures V - 2nd T R\$ 351,904	CDI+0.79%	4.46% (15,708)	5.38% (18,944)	6.30% (22,180)
Citibank (125MM US\$) R\$ 647,042	CDI + 0.70%	4.38% (28,340)	5.29% (34,229)	6.21% (40,181)
Citibank (40MM US\$) R\$ 207,031	CDI + 0.60%	4.27% (8,840)	5.19% (10,745)	6.11% (12,650)
Citibank (25MM US\$) R\$ 129,308	CDI + 0.70%	4.38% (5,664)	5.29% (6,840)	6.21% (8,030)
3rd Promissory Note – Itaú R\$ 350,168	CDI + 2.50%	6.24% (21,855)	7.18% (25,130)	8.11% (28,405)
CCB – Santander R\$ 501,871	CDI + 1.10%	4.78% (24,014)	5.71% (28,644)	6.63% (33,274)
Net position		<u>(22,583)</u>	<u>(21,868)</u>	<u>(21,229)</u>
Operations	Risk	Scenario fall of CDI		
		Probable Scenario (I)	Scenario (II)	Scenario (III)
Financial investments R\$ 2,535,168	CDI	3.65% 92,534	2.74% 69,400	1.83% 46,267
Debentures V - 1st T R\$ 251,303	CDI+0.585%	4.26% (10,696)	3.34% (8,390)	2.42% (6,083)
Debentures V - 2nd T R\$ 351,904	CDI+0.79%	4.46% (15,708)	3.54% (12,471)	2.62% (9,235)
Citibank (125MM US\$) R\$ 647,042	CDI + 0.70%	4.38% (28,340)	3.46% (22,388)	2.54% (16,435)
Citibank (40MM US\$) R\$ 207,031	CDI + 0.60%	4.27% (8,840)	3.35% (6,936)	2.44% (5,052)
Citibank (25MM US\$) R\$ 129,308	CDI + 0.70%	4.38% (5,664)	3.46% (4,474)	2.54% (3,284)
3rd Promissory Note – Itaú R\$ 350,168	CDI + 2.50%	6.24% (21,855)	5.31% (18,580)	4.37% (15,305)
CCB – Santander R\$ 501,871	CDI + 1.10%	4.78% (24,014)	3.86% (19,385)	2.94% (14,755)
Net position		<u>(22,583)</u>	<u>(23,224)</u>	<u>(23,882)</u>

We present below the Company's variations in assets and liabilities linked at the exchange rate.

The sensitivity analysis related to foreign exchange risk refers to the position on March 31, 2020, and seeks to simulate how an exchange rate stress could affect the Company.

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In addition, three scenarios were outlined, I, II and III, which represent, respectively, the probable scenario and the possible deterioration scenarios of 25% and 50% in the risk variable. To carry out the analysis, the Company uses as a premise of the probable scenario the exchange rate at the end of 2020 disclosed in the last Focus Report - BACEN prior to the close of the period. Based on the probable exchange rate, scenarios of deterioration of 25% and 50% of the risk variable are generated.

The table below represents the sensitivity analysis involving the net effect resulting from these shocks in the exchange rate. We have decided to keep the Swap long leg separate from the short leg in order to make the effect of the derivative more evident.

		Scenario for dollar rise		
Operations	Risk	Scenario (I)	Scenario (II)	Scenario (III)
Swap - Long Leg 983,381	Exchange rate	4.50 857,699	5.63 1,072,124	6.75 1,286,548
Debt in US\$ 190,000	Exchange rate	4.50 722,765	5.63 903,457	6.75 1,084,148
Net position		134,934	168,667	202,400

(f) Capital Management

The Company's debt in relation to Shareholders' Equity for the period ended March 31, 2020, and for the year ended December 31, 2019, is presented below:

	Consolidated	
	March 31, 2020	December 31, 2019
Loans and financing (Note 11)	2,443,368	615,135
(-) Cash and cash equivalents (Note 3)	(10,392)	(12,251)
(-) Financial Instruments – SWAP (Note 19)	(154,706)	
Net debt	2,278,270	602,884
Shareholders' equity	3,275,417	3,102,352
Net debt on equity	0.70	0.19

(g) Offsetting of financial instruments

There are no significant assets or liabilities subject to contractual offsetting as of March 31, 2020, and December 31, 2019.

20 Managers' compensation
(a) Compensation

In the periods ended March 31, 2020, and 2019, the total compensation (salaries and profit-sharing) of the Company's directors, officers and main executives was R\$ 3,645 and R\$ 4,234, respectively. These compensations are within limits approved at the corresponding shareholders' meetings.

The Company and its subsidiaries do not grant post-employment benefits, termination benefits or other long-term benefits to Management and their employees, except for the shares option plan described in Note 20 (b).

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(b) Shares option plan

The history and the details of the shares option plans did not change in relation to the information presented in the financial statements as of December 31, 2019.

As of March 31, 2020, the number of options granted, which were exercised accumulated from all programs, was 13,229,276 shares (R\$ 113,413), of which 11,218,904 shares from closed programs and 2,010,372 shares from active programs. The total number of shares granted, less the forfeited shares, is 16,909,402 shares (R\$ 157,027), of which 12,042,223 shares of closed programs and 4,867,179 shares of active programs.

Granted options programs with a balance of shares to be exercised:

Programs	Granted	Forfeited Options	Abandoned Options	Exercised	Balance of shares
6P	5,090,000	2,247,000	1,892,504	833,767	116,729
7P	889,000	379,200	331,174	97,526	81,100
8P	983,000	463,400	50,127	437,913	31,560
10P	1,105,779	554,000	42,000	394,000	115,779
11P	991,010	548,010	20,255	247,166	175,579
Overall Total	9,058,789	4,191,610	2,336,060	2,010,372	520,747

The total of granted shares that were exercised in the last quarters is as follows:

	Shares exercised
December 31, 2018	12,842,762
March 31, 2019	12,901,362
June 30, 2019	13,181,276
September 30, 2019	13,203,276
December 31, 2019	13,208,276
March 31, 2020	13,229,276

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The assumptions used to calculate each granting, based on the Binominal model, are as follows:

Program	End of Grace Period	Maturity Date	Granted Options	Price of Base Asset	Annual Volatility Expectation	Distribution of Dividends	Risk-free Interest Rate	Option Estimated Life (years)	Fair value	Quantity Forfeited
11th Program Apr17	04/23/2018	04/23/2028	188,000	R\$ 14.18	46.66%	0.00%	8.94%	0	6.14	13,500
11th Program Apr17	04/23/2019	04/23/2028	188,000	R\$ 14.18	46.66%	0.00%	8.94%	0	6.84	86,000
11th Program Apr17	04/23/2020	04/23/2028	188,000	R\$ 14.18	46.66%	0.00%	8.94%	0	7.41	132,500
11th Program Apr17	04/23/2021	04/23/2028	188,000	R\$ 14.18	46.66%	0.00%	8.94%	0	7.86	132,500
11th Program Apr17	04/23/2022	04/23/2028	188,000	R\$ 14.18	46.66%	0.00%	8.94%	0	8.26	132,500
11th Program Apr17 Cons.	04/23/2018	04/23/2028	25,505	R\$ 14.18	46.66%	0.00%	8.94%	0	6.14	25,505
11th Program Apr17 Cons.	04/23/2019	04/23/2028	25,505	R\$ 14.18	46.66%	0.00%	8.94%	0	6.84	25,505
10th Program Jul16	04/15/2017	07/19/2026	208.000	R\$ 15.12	59.18%	0.00%	12.50%	0	6.89	2,000
10th Program Jul16	04/15/2018	07/19/2026	208.000	R\$ 15.12	59.18%	0.00%	12.50%	0	7.89	33,000
10th Program Jul16	04/15/2019	07/19/2026	208.000	R\$ 15.12	59.18%	0.00%	12.50%	0	8.61	153,000
10th Program Jul16	04/15/2020	07/19/2026	208.000	R\$ 15.12	59.18%	0.00%	12.50%	0	9.18	183,000
10th Program Jul16	04/15/2021	07/19/2026	208.000	R\$ 15.12	59.18%	0.00%	12.50%	0	9.64	183,000
10th Program Jul16 Cons.	04/15/2017	07/19/2026	32,890	R\$ 15.12	59.18%	0.00%	12.50%	0	6.89	0
10th Program Jul16 Cons.	04/15/2018	07/19/2026	32,889	R\$ 15.12	59.18%	0.00%	12.50%	0	7.89	0
9th Program Apr16	04/15/2017	04/15/2027	80,000	R\$ 11.87	54.57%	0.00%	12,93%	0	6.02	20,000
9th Program Apr16	04/15/2018	04/15/2027	80,000	R\$ 11.87	54.57%	0.00%	12,93%	0	6.66	20,000
9th Program Apr16	04/15/2019	04/15/2027	80,000	R\$ 11.87	54.57%	0.00%	12,93%	0	7.14	80,000
9th Program Apr16	04/15/2020	04/15/2027	80,000	R\$ 11.87	54.57%	0.00%	12,93%	0	7,52	80,000
9th Program Apr16	04/15/2021	04/15/2027	80,000	R\$ 11.87	54.57%	0.00%	12,93%	0	7.83	80,000
9th Program Apr16 Cons.	04/15/2017	05/01/2019	450,000	R\$ 11.87	54.57%	0.00%	12,93%	0	3.17	100,000
9th Program Apr16 Cons.	04/15/2018	05/01/2020	450,000	R\$ 11.87	54.57%	0.00%	12,93%	0	4.43	100,000
8P Program	04/15/2016	04/15/2026	196,600	R\$ 13.15	28.80%	0.00%	11.99%	0	5.45	2,000
8P Program	04/15/2017	04/15/2027	196,600	R\$ 13.15	28.80%	0.00%	11.99%	0	6.42	56,800
8P Program	04/15/2018	04/15/2028	196,600	R\$ 13.15	28.80%	0.00%	11.99%	0	7.2	81,200
8P Program	04/15/2019	04/15/2029	196,600	R\$ 13.15	28.80%	0.00%	11.99%	0	7.88	150,200
8P Program	04/15/2020	04/15/2030	196,600	R\$ 13.15	28.80%	0.00%	11.99%	0	8.47	173,200
Program 7P Oct14	04/15/2015	04/15/2025	177,800	R\$ 26.83	28.80%	0.00%	11.99%	0	8.58	16,000
Program 7P Oct14	04/15/2016	04/15/2026	177,800	R\$ 26.83	28.80%	0.00%	11.99%	0	9.71	37,000
Program 7P Oct14	04/15/2017	04/15/2027	177,800	R\$ 26.83	28.80%	0.00%	11.99%	0	10.64	86,000
Program 7P Oct14	04/15/2018	04/15/2028	177,800	R\$ 26.83	28.80%	0.00%	11.99%	0	11.47	104,400
Program 7P Oct14	04/15/2019	04/15/2029	177,800	R\$ 26.83	28.80%	0.00%	11.99%	0	12.24	135,800
Program 6P Aug14	04/15/2015	04/15/2025	60,000	R\$ 29.16	26.68%	0.00%	11.99%	0	14.48	0

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Program 6P Aug14	04/15/2016	04/15/2026	60,000	R\$ 29.16	26.68%	0.00%	11.99%	0	15.1	28,000
Program 6P Aug14	04/15/2017	04/15/2027	60,000	R\$ 29.16	26.68%	0.00%	11.99%	0	15.74	28,000
Program 6P Aug14	04/15/2018	04/15/2028	60,000	R\$ 29.16	26.68%	0.00%	11.99%	0	16.38	28,000
Program 6P Aug14	04/15/2019	04/15/2029	60,000	R\$ 29.16	26.68%	0.00%	11.99%	0	16.98	44,000
Program 6P Aug14 Cons.	04/15/2015	08/01/2024	50,000	R\$ 29.16	28.80%	0.00%	11.99%	0	14.43	0
Program 6P Aug14 Cons.	04/15/2016	08/01/2024	50,000	R\$ 29.16	28.80%	0.00%	11.99%	0	15.02	0
Program 6P Jul14	04/15/2015	04/15/2025	608,000	R\$ 29.94	26.43%	0.00%	11.99%	0	15.13	0
Program 6P Jul14	04/15/2016	04/15/2026	608,000	R\$ 29.94	26.43%	0.00%	11.99%	0	15.76	80,000
Program 6P Jul14	04/15/2017	04/15/2027	608,000	R\$ 29.94	26.43%	0.00%	11.99%	0	16.41	602,000
Program 6P Jul14	04/15/2018	04/15/2028	608,000	R\$ 29.94	26.43%	0.00%	11.99%	0	17.05	608,000
Program 6P Jul14	04/15/2019	04/15/2029	608,000	R\$ 29.94	26.43%	0.00%	11.99%	0	17.65	608,000
Program 6P Jul14 Cons.	04/15/2015	07/04/2024	162,500	R\$ 29.94	28.80%	0.00%	11.99%	0	15.09	0
Program 6P Jul14 Cons.	04/15/2016	07/04/2024	162,500	R\$ 29.94	28.80%	0.00%	11.99%	0	15.69	0
Program 6P Oct13	04/15/2014	04/15/2024	265,000	R\$ 16.82	28.80%	0.00%	11.99%	0	5.05	5,000
Program 6P Oct13	04/15/2015	04/15/2025	265,000	R\$ 16.82	28.80%	0.00%	11.99%	0	5.79	5,000
Program 6P Oct13	04/15/2016	04/15/2026	265,000	R\$ 16.82	28.80%	0.00%	11.99%	0	6.4	19,000
Program 6P Oct13	04/15/2017	04/15/2027	265,000	R\$ 16.82	28.80%	0.00%	11.99%	0	6.94	88,000
Program 6P Oct13	04/15/2018	04/15/2028	265,000	R\$ 16.82	28.80%	0.00%	11.99%	0	7.43	104,000
Program 5P 3	04/15/2014	04/15/2024	144,000	R\$ 16.16	39.85%	0.00%	11.02%	0	6.37	0
Program 5P 3	04/15/2015	04/15/2025	144,000	R\$ 16.16	39.85%	0.00%	11.02%	0	7.02	21,000
Program 5P 3	04/15/2016	04/15/2026	144,000	R\$ 16.16	39.85%	0.00%	11.02%	0	7.6	102,000
Program 5P 3	04/15/2017	04/15/2027	144,000	R\$ 16.16	39.85%	0.00%	11.02%	0	8.11	102,000
Program 5P 3	04/15/2018	04/15/2028	144,000	R\$ 16.16	39.85%	0.00%	11.02%	0	8.58	123,000
Program 4P Jan/13	04/15/2014	04/15/2024	160,200	R\$ 14.40	33.47%	0.00%	3.90%	0	8.23	7,200
Program 4P Jan/13	04/15/2015	04/15/2025	160,200	R\$ 14.40	33.47%	0.00%	3.90%	0	8.35	7,200
Program 4P Jan/13	04/15/2016	04/15/2026	160,200	R\$ 14.40	33.47%	0.00%	3.90%	0	8.48	7,200
Program 4P Jan/13	04/15/2017	04/15/2027	160,200	R\$ 14.40	33.47%	0.00%	3.90%	0	8.62	88,200
Program 4P Jan/13	04/15/2018	04/15/2028	160,200	R\$ 14.40	33.47%	0.00%	3.90%	0	8.75	94,200

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The Company recognizes the share options granted on a quarterly basis, as a capital reserve with a corresponding counter entry in the statement of income, as general and administrative expenses, in the line item personal and welfare charges. In the period ended March 31, 2020, a reversal of R\$ 432 was recognized (reversal of R\$ 961 in the fiscal year ended December 31, 2019). As of March 31, 2020, the provision amounted to R\$ 74,534 (R\$ 74,966 as of December 31, 2019).

The variations in the number of outstanding share options and their corresponding weighted average prices for the year are presented below:

Executive Board

	March 31, 2020		December 31, 2019	
	Average price for the share exercise	Options - millions	Average price for the share exercise	Options - millions
January 1,	13.88	149,000	13.81	300,000
Exercised	17.82	21,000	14.35	83,000
Abandoned	0.00	0.00	0.00	0.00
Forfeited	14.59	64,000	14.35	68,000
	14.50	64,000	13.88	149,000

Board of directors

	March 31, 2020		December 31, 2019	
	Average price for the share exercise	Options - millions	Average price for the share exercise	Options - millions
January 1,	10.13	65,779	10.13	65,779
Exercised	0.00	0.00	0.00	0.00
	10.13	65,779	10.13	65,779

(c) Performance Share Program

On October 18, 2018, the special general meeting approved the Company's new Restricted Share Option Program.

The purpose of the Plan is to allow the grant of Restricted Shares to Beneficiaries selected by the Board of Directors, subject to certain conditions, with the objective of: (a) encouraging the expansion, success and achievement of the corporate purpose of the Company and the companies under its control; (b) encouraging better management of the Company and the companies under its control, awarding participants the possibility of being Company's shareholders, thereby encouraging them to optimize all aspects that could value the company in the long term; (c) aligning the interests of the beneficiaries with the shareholders' interests, and (d) encouraging the retaining of managers and employees at the Company or in the companies under its control.

The managers and employees of the Company or of the company under its control may be elected as plan beneficiaries, as defined by the Board of Directors.

The total number of restricted shares that may be granted under the Plan may not exceed, together with the options and/or shares granted under other compensation plans based on the Company's shares (which will be considered in the calculation of the total limit established herein), the total limit of 3% of the Company's capital on the date of approval of each Program.

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The reference price of each restricted share used to define the number of restricted shares granted to each beneficiary will correspond to the weighted average quote of the Company's shares on B3 S.A. during the thirty (30) trading sessions prior to the date of each Program.

Each Program created by the Board of Directors will have a term of five (5) years, and the restricted shares granted will be divided into five (5) equal annual lots, with the vesting period occurring annually.

Exceptionally, with respect to the 1st Program, approved by the Board of Directors in 2018, the vesting period for the first 20% of restricted shares granted ended on April 15, 2019, with the delivery of the respective restricted shares to the beneficiaries within 30 days of the end of the vesting period, so that the vesting period for each of the other lots of 20% will end on April 15 each year, with the delivery of the respective restricted shares within a maximum of 30 days.

For the Restricted Shares Granting Plan, the provision for the program in the fiscal year ended March 31, 2020, is R\$ 4,932 (R\$ 15,603 as of December 31, 2019). The accumulated provision as of March 31, 2020, is R\$ 19,361 (R\$ 14,429 as of December 31, 2019). In the 2nd quarter, we reversed R\$ 1,808 of the provision for the payment of labor charges for tranche 1 of the shares vested on April 15, 2019.

As of March 31, 2020, the number of shares granted and delivered was 242,613 shares, and the total shares granted amounted to 3,804,500 shares.

Programs	Granted	Additional shares dividends	Delivered shares	Unvested	Canceled	Forfeited
1P	1,395,500	65,399	205,588	641,480	46,831	567,000
1P - Cons.	120,000	6,942		126,942		
1P - Esp.	300,000	17,355	37,025	275,041	5,289	
2P	879,000			830,000		49,000
2P - Esp.	100,000			100,000		
3P	630,000			550,000		80,000
3P - Esp.	200,000			200,000		
4P	100,000			100,000		
5P	80,000			80,000		
Overall Total	3,804,500	89,696	242,613	2,903,463	52,120	696,000

21 Earnings per share

The table below presents information on the earnings and shares used to calculate basic and diluted earnings per share.

Earnings per share - basic and diluted

	2020	2019
Numerator		
Net income for the period	167,888	240,797
Denominator (in thousands of shares)		
Weighted average of the number of outstanding shares	300,697	300,163
Net earnings per lot of 1000 shares - basic and diluted	0.55833	0.80222

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22 Net revenue from services provided

	Consolidated	
	2020	2019
Gross revenues -in-class	1,288,523	1,245,908
Gross revenue - distance learning	405,722	282,937
	<u>1,694,245</u>	<u>1,528,845</u>
Deduction from gross revenue	(770,976)	(596,219)
Grants - scholarships	(710,846)	(532,170)
Refund of monthly tuition fees and charges	(6,155)	(4,489)
Discounts granted	(2,030)	(40)
Taxes	(35,851)	(37,468)
Adjustment to present value - PAR	(674)	(1,297)
Adjustment to present value - DIS	(6,090)	(6,499)
FGEDUC	(7,197)	(10,471)
Other	(2,133)	(3,785)
	<u>923,269</u>	<u>932,626</u>

23 Costs of services provided

	Consolidated	
	2020	2019
Personnel and welfare charges	(229,781)	(249,233)
Electricity, water, gas and telephony	(8,389)	(8,625)
Rental, condominium fees and IPTU (i)	(11,039)	(9,197)
Postage and Mailbags	(424)	(417)
Depreciation and amortization	(66,428)	(70,658)
Teaching material	(608)	(1,199)
Third-party services - security and cleaning	(14,249)	(13,556)
Other	(17,992)	(7,184)
	<u>(348,910)</u>	<u>(360,069)</u>

24 Selling, general and administrative expenses

	Parent Company		Consolidated	
	2020	2019	2020	2019
Selling expenses				
Provision for doubtful accounts (Note 4)			(71,842)	(62,986)
Advertising			(88,063)	(78,899)
Sales and marketing			(19,617)	(14,331)
Other			(27)	(113)
			<u>(179,549)</u>	<u>(156,329)</u>
General and administrative expenses				
Personnel and welfare charges	(1,299)	(1,160)	(44,358)	(41,769)
Third-party services	(679)	(1,572)	(32,947)	(19,125)
Consumables			(382)	(545)
Maintenance and repairs	(30)	(27)	(9,839)	(8,276)
Depreciation and amortization	(12)	(15)	(26,722)	(22,974)
Educational agreements			(4,608)	(4,665)
Travel and accommodation	(10)	(14)	(2,353)	(1,074)
Institutional events			(55)	(166)
Provision for contingencies (Note 17)			(22,393)	(21,279)
Photocopies and bookbinding			(730)	(892)
Insurance	(1,190)	(1,994)	(2,044)	(2,315)
Cleaning material			(422)	(668)
Transportation	(1)		(1,078)	(1,075)
Vehicle rental			(835)	(266)
Other	(112)	(112)	(5,509)	(3,900)
	<u>(3,333)</u>	<u>(4,894)</u>	<u>(154,275)</u>	<u>(128,989)</u>

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25 Other operating revenues/expenses

	Parent Company		Consolidated	
	2020	2019	2020	2019
Revenues with agreements	755		755	
Lease revenues			2,540	2,551
Business intermediation revenues			848	737
Capital gain (loss) with property, plant and equipment			208	(126)
Provision for losses other revenue			(304)	
Other operating revenues (expenses)			(3)	600
	<u>755</u>		<u>4,044</u>	<u>3,762</u>

26 Financial income

	Parent Company		Consolidated	
	2020	2019	2020	2019
Financial revenues				
Late payment fines and interest			9,971	10,027
Revenues from financial investments	5,744	3,531	10,146	12,828
Derivative fair value (SWAP) (i)	154,706		154,706	
Tax credits adjustment	229	405	1,475	995
PAR adjustment			1,427	2,018
DIS adjustment			744	2,077
Other	1,032		1,740	519
	<u>161,711</u>	<u>3,936</u>	<u>180,209</u>	<u>28,464</u>
Financial expenses				
Bank expenses	(55)	(265)	(3,539)	(10,160)
Interest and financial charges	(13,408)	(13,143)	(20,374)	(23,571)
Adjustment of provision for contingencies (Note 17)	(4)	(5)	(805)	(8,008)
Financial discounts (ii)			(39,227)	(12,162)
Negative exchange variation			(1,032)	(413)
Interest and exchange variation on loans in foreign currency (i)	(158,832)		(158,832)	
Expenses with loans	(113)	(722)	(113)	(722)
Lease interest - Right of use			(25,989)	(14,820)
Other	(15)	(240)	(687)	(2,863)
	<u>(172,427)</u>	<u>(14,375)</u>	<u>(250,598)</u>	<u>(72,719)</u>

(i) Refers to the loans obtained in foreign currency and the derivatives agreed upon to protect the Company from exchange exposure.

(ii) Related to discounts granted upon renegotiation of overdue monthly tuition fees.

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27 Income by business segment

	In-class courses		EAD (Distance Learning)		YDUQS	
	2020	2019	2020	2019	2020	2019
Gross operating revenue	1,288,523	1,245,908	405,722	282,937	1,694,245	1,528,845
(-) Gross revenue deductions	(584,874)	(485,995)	(186,102)	(110,224)	(770,976)	(596,219)
Net operating revenue	<u>703,649</u>	<u>759,913</u>	<u>219,620</u>	<u>172,713</u>	<u>923,269</u>	<u>932,626</u>
Costs of services provided	(321,769)	(340,467)	(27,141)	(19,602)	(348,910)	(360,069)
Personnel	(218,878)	(237,531)	(10,903)	(11,702)	(229,781)	(249,233)
Rental, condominium fees and IPTU (i)	(11,039)	(9,919)		722	(11,039)	(9,197)
Teaching material	(958)	(1,557)	(74)	(59)	(1,032)	(1,616)
Third parties' services and other	(24,592)	(21,764)	(16,038)	(7,601)	(40,630)	(29,365)
Depreciation	(66,302)	(69,696)	(126)	(962)	(66,428)	(70,658)
Gross income	<u>381,880</u>	<u>419,446</u>	<u>192,479</u>	<u>153,111</u>	<u>574,359</u>	<u>572,557</u>

28 Income tax and social contribution

The reconciliation of taxes assessed according to nominal tax rates and the amount of tax recorded for the periods ended March 31, 2020, and 2019 are presented below:

	Parent Company		Consolidated	
	2020	2019	2020	2019
Income before income tax and social contribution	167,866	240,796	174,190	246,746
Nominal rate combined from income tax and social contribution - %	34	34	34	34
Income tax and social contribution at legislation rates	(57,074)	(81,870)	(59,225)	(83,894)
Equity accounting income (loss)	61,595	87,084		
Non-deductible expenses (i)			(195)	(693)
Tax-loss - not constituted	(4,499)	(5,213)	(5,091)	(5,603)
Other			1,919	654
	<u>22</u>	<u>1</u>	<u>(62,592)</u>	<u>(89,536)</u>
Tax benefits				
Tax incentive - Prouni			56,090	82,188
Tax Incentive - Lei Rouanet			200	1,399
Current income tax and social contribution in the income for the period	<u>22</u>	<u>1</u>	<u>(6,302)</u>	<u>(5,949)</u>

(i) Basically, consist of expenses for sponsorships, donations and gift

	Parent Company		Consolidated	
	2020	2019	2020	2019
Current income tax and social contribution			(34,127)	(43,569)
Deferred income tax and social contribution	<u>22</u>	<u>1</u>	<u>27,825</u>	<u>37,620</u>
	<u>22</u>	<u>1</u>	<u>(6,302)</u>	<u>(5,949)</u>

As of March 31, 2020, the Company recorded deferred tax credit from the temporary differences in the amount of R\$ 188,031 (R\$ 160,136 as of December 31, 2019). The breakdown of the tax effect on the temporary additions that gave rise to such credit is as follows:

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	Parent Company		Consolidated	
	March 31,	December 31,	March 31,	December 31,
	2020	2019	2020	2019
Adjustment to present value			11,949	9,626
Provision for contingencies	105	104	40,506	40,261
Provision for doubtful accounts (PCLD)			60,186	46,995
Monthly tuition fees to be billed/cancelled			26,253	20,390
Provision for retirement			6,503	6,231
Goodwill			(13,798)	(14,526)
Provision for Fies Risk			7,257	7,248
Recognized granted options	211	191	37,420	36,268
Leases			17,270	13,499
Goodwill incorporated			(11,290)	(11,290)
Depreciation	13	13	4,881	4,540
Tax-loss			894	894
	<u>329</u>	<u>308</u>	<u>188,031</u>	<u>160,136</u>
Assets	329	308	190,313	163,025
Liabilities			(2,282)	(2,889)
	<u>329</u>	<u>308</u>	<u>188,031</u>	<u>160,136</u>

The realization of the deferred tax effect on temporary differences recorded on December 31, 2019, is linked to the realization of the provision, which gave rise to this credit. Consequently, it is not currently possible to present expected annual realization, since the Company's management is not yet able to forecast the timing of the realization of the provision for contingencies and the provision for retirement.

As of March 31, 2020, the subsidiary IREP accounted for a deferred income tax and social contribution liabilities amounting to R\$ 9,060 due to the tax amortization of goodwill generated upon acquisition of the companies merged into it.

As of March 31, 2020, the Company recorded tax credits arising from income tax loss and social contribution negative base amounting to R\$ 145,487 (R\$ 140,988 on December 31, 2019) that were not yet accounted for, because it is not possible to state at this time that their realization is considered probable.

29 Commitments

The table below presents the required and non-cancelable annual minimum future payments related to the contractual obligations undertaken by the Company as of March 31, 2020, and December 31, 2019.

	Consolidated		
	Less than one year	Between one and five years	More than five years
Commitments as of March 31, 2020			
Campus leases / rental agreement	280,626	1,116,331	760,636
Commitments as of December 31, 2019			
Campus leases / rental agreement	208,371	708,406	408,864

**Management notes to the interim financial information
as of March 31, 2020**

In thousands of Reals, except when otherwise indicated

30 Subsequent events

As of March 11, 2020, the World Health Organization (WHO) announced the COVID-19 outbreak pandemics. During March 2020, government authorities in various jurisdictions imposed blockages or other restrictions to contain the virus and several companies suspended or reduced operations. The final impact on the global economy and financial markets is still uncertain, but it is expected to be significant.

The Company has implemented measures to keep our provision of services as well as all the support necessary to carry on business. The measures implemented include the use of information technology resources to offer live classes, using systemic platforms for online communication and collaboration, maintaining the quality levels hired by in-class students; the regular maintenance of distance-learning classes; and the continuity of our business processes, even at a distance, which are operating with reduced loss of efficiency, allowing us to bear the responsibilities relevant to the business, with low impact on the operation

Up to this moment, we have not had any significant impacts that reflect on the business continuity or changes in accounting estimates.

The following were the main issues noted by the Company:

Operation – a possible slowdown in prospecting after the beginning of the pandemic (Covid-19);

Collection – no significant impacts on the receivables were found nor, in consequence, on the measurement of the provision of credits for doubtful debts based on the expected loss;

Impairment – the cash generation projected matrices had not shown circumstance changes to the date that indicates a trigger of impairment of assets.

On April 3, 2020, we executed the 2nd Series of the 3rd Issue of Promissory Notes executed on March 27, 2020, with the Banco Itaú in the total amount of R\$ 150 million. The interest rate of the Transaction corresponds to one hundred percent (100%) of the accrued variation of the daily average rates of the DI – Interbank Deposits of one day plus a spread of two and fifty-hundredths percent per year (2.50%) with a maturity date in 1 year.”

On April 3, 2020, we executed the Bank Credit Note between the Company and Banco Citibank in the total amount of R\$ 75 million. The interest rate of the Transaction corresponds to one hundred percent (100%) of the accrued variation of the daily average rates of the DI – Interbank Deposits of one day plus a spread of two and seventy-five hundredths percent per year (2.75%) with a maturity date in 2 years.”

On April 9, 2020, we executed the 4th Issue of Promissory Notes of single Series with Banco Bradesco in the total amount of R\$ 350 million. The interest rate of the Transaction corresponds to one hundred percent (100%) of the accrued variation of the daily average rates of the DI – Interbank Deposits of one day plus a spread of two and seventy-hundredths percent per year (2.70%) with a maturity date in 1 year.”

On April 20, 2020, we executed the Bank Credit Note between the Company and Banco Santander in the total amount of R\$ 100 million. The interest rate of the Transaction corresponds to one hundred percent (100%) of the accrued variation of the daily average rates of the DI – Interbank Deposits of one day plus a spread of three and sixty-nine hundredths percent per year (3.69%) with a maturity date in 1 year.”

On April 30, 2020, we executed the Bank Credit Note between the Company and Banco ABC in the total amount of R\$ 50 million. The interest rate of the Transaction corresponds to one hundred percent (100%) of the accrued variation of the daily average rates of the DI – Interbank Deposits of one day plus a spread of three and eighty-five hundredths percent per year (3.85%) with a maturity date in 1 year.”

* * *



YDUQS



EARNINGS RELEASE

1Q20

May 7th, 2020

YDUQ3 | YDUQY B3 ADR

Rio de Janeiro, May 7th, 2020 - **YDUQS Participações S.A.**, one of the largest organizations in Brazil's higher education private sector, **presents its results for the first quarter of 2020 (1Q20).**

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

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

EARNINGS CONFERENCE CALL

May 8th, 2020 | 09:00 a.m. (EST)

+55 (11) 3137-8056

[Click here to access the WebCast](#)

IR CONTACT

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



We closed the quarter with the exciting news that our first semester intake cycle remained strong and that we were able to deliver on our expectations despite the impact of COVID-19 at the end of the process.

COVID-19

Since day one, our priority has been to guarantee the health and safety of everyone and maintain the academic activity reducing the impact to our students as much as possible.

With almost 100% of our employees on home-office, we were able to quickly and in a structured manner resume the on-campus operation through live broadcasted classes via digital platforms, thus keeping the routine unchanged for our professors body and students without any disruptive changes in the academy calendar for our more than 300 thousand on-campus students. With more than 15 thousand classes taking place each week, we quickly reached ~80% attendance (considering real time and remote access), with a high level of satisfaction, also above 80%. All of these indicators fill us with pride as they are the result of a strong and dedicated team, capable of achieving great things.

For the society, we extend the care and dedication we have with our students. Among several actions that were taken, I would like to highlight one that made us very proud, the project called Resolve SIM. In partnership with Eleva Educação group, in develop a platform to help public school students to continue studying and prepare for ENEM and other entrance exams. The initiative already impacted up to 100 thousand people. We also need to highlight and congratulate the countless social initiatives at our units spread all over the country, where students, teachers and employees come together to help local communities.

Quarterly results

Among the highlights of the first quarter I would call attention to four points: (i) expansion of our student base, reaching 633 thousand students despite another sharp reduction in FIES; (ii) the 8% YoY increase in net revenues excluding the effect of FIES; (iii) the impact of COVID-19 on EBITDA with consequent reduction of 9% YoY; and (iv) our high liquidity profile and strong cash position.

In the on-campus segment, excluding FIES students our base grew 9% when compared to the same period last year. Exposure to FIES, however, continues to decrease and now accounts for only 9% of our on-campus base (vs 25% in 1Q18). The ex-FIES average ticket ended the quarter at R\$739 per month, 2,5% below 1Q19.

In digital learning, we continue to see expansion on all fronts. On the operational side, student base reached 314 thousand with a solid 31% YoY growth and record intake in the 2020.1 cycle. In the same direction, revenues grew 27% YoY, indicating we are on the right path.

In medicine, we witness the same dynamics as digital learning. Student base continues to expand as new units come on stream and we are granted authorization to expand seats on our Mais Médicos units. As a result, revenues grew 30% when compared to same quarter last year. In all, we have a very favorable scenario for this segment and we expect to reach the mark of 10,000 students by 2024 distributed on our 15 units after the incorporation of 3 Adtalem medical schools.

This quarter, we were able to maintain revenues stability when compared to 1Q19 despite the sharp reduction of FIES program. Once more, digital learning and medicine played an important role and already accounts for 36% of our total revenue.

Costs and expenses showed the effects of the COVID-19 contingency plan while provisions for bad debt were also impacted by the crisis and higher intakes. We also saw the increase of advertising expenditures that allowed us to post record additions of new students. The 6% YoY increase in costs and expenses caused adjusted EBITDA to retract, reaching R\$351 million (-9% YoY). Despite the reduction of EBITDA, we firmly believe business fundamentals remain solid, with student base expansion, stable dropout rates, solid cash position and strong cash generation.

Adtalem

We now begin a new and important chapter of our history. Starting from April, we will have the strength of scale, quality and brand of Adtalem Brasil group. We are adding more than 100 thousand students to our portfolio, distributed in three national institutions: Ibmecc, Wyden and Damásio. Integration in progressing in an agile and efficient way. We will have an excellent administrative and teacher's body helping us on this important phase of our businesses integration. In 2019, Adtalem recorded R\$853 million in revenues and R\$255 million in EBITDA.

In the acquisition announcement, we disclosed cost and expenses synergies would amount approximately R\$80 million. At this phase of the integration process, we identified reasons to believe that synergies could be well above the previous estimates, particularly considering contributions on the revenues side with the integration of courses portfolio, development of premium digital learning, cross-selling opportunities (specially for Law and Medicine) and quality enhancement.

Conclusion

In summary, we ended the quarter with excellent results for intake, reaching almost 250 thousand new students and saw revenues stability despite the impact of COVID-19 on our EBITDA and bad debt expenses. Nevertheless we are confident that business fundamentals remain solid and evolving.

Despite high level of uncertainties and the still unknown effects of COVID-19 pandemic, our solid cash position give us the security to face challenges of the present and confidence to pursuit our long term plan. Even after the acquisition of Adtalem, our cash position remain strong at R\$1.5 billion – with net debt/EBITDA ratio of approximately 1.1x, placing us in a privileged position for consolidation opportunities.

Last but not least, we believe business should continue to grow with the help of our main leverages (DL, medicine and M&A). These fronts will emerge even stronger after the crisis.

Thank you for trust and support.

Eduardo Parente
CEO



STUDENTS

VIRTUAL CLASSES:

- **On-Campus:** The school year for 310,000 on-campus students continued through real-time lessons with the same teachers for the same classes since March 23.
15,000 classes per week
80% of student approval
- **Distance Learning:** Classes continue as normal, with no impact and with a high level of student engagement with the activities.
- **Medicine:** High level of engagement of medicine students with theoretical lessons in the virtual environment, with the use of high technology tools.
>95% of students engaged

STRATEGIC PARTNERSHIPS: In order to provide internet and benefits to Estácio students in the purchase of IT equipment.

ESTÁCIO COM VOCÊ: Up to 20,000 full scholarships or scholarships under especial payment conditions granted to students under vulnerability conditions and experiencing financial distress in the state of Rio de Janeiro.

COMMUNITY

RESOLVE SIM: a digital platform in partnership with Eleva Educação to help prepare high school students in the public segment for the ENEM and university entrance examinations.

RESOLVESIM
+ 100,000 accesses

FORMOU ESPERANÇA: initiative to receive donations in partnership with the Government of the state of Rio de Janeiro.

#ForYou ESPERANÇA

SUPPORT TO THE COMMUNITY: several initiatives at our units throughout the country to receive donations to be sent to people in need and safety equipment for local hospitals.

ONLINE COURSES: several short-term courses, made available for free during the quarantine to over 60,000 users.

YDUQS

FINANCIAL: Solid cash position and reduced debt even after Adtalem's Acquisition.

Cash Position | **R\$ 1.5 Billion**

HIGH LIQUIDITY: +100 initiatives to improve working capital profile and to mitigate the expected increase in delinquency.

EDUCATION INSURANCE: Estácio's students are insured to cover up to 6 months of tuition in case of unemployment.
100% of the base insured since 2015

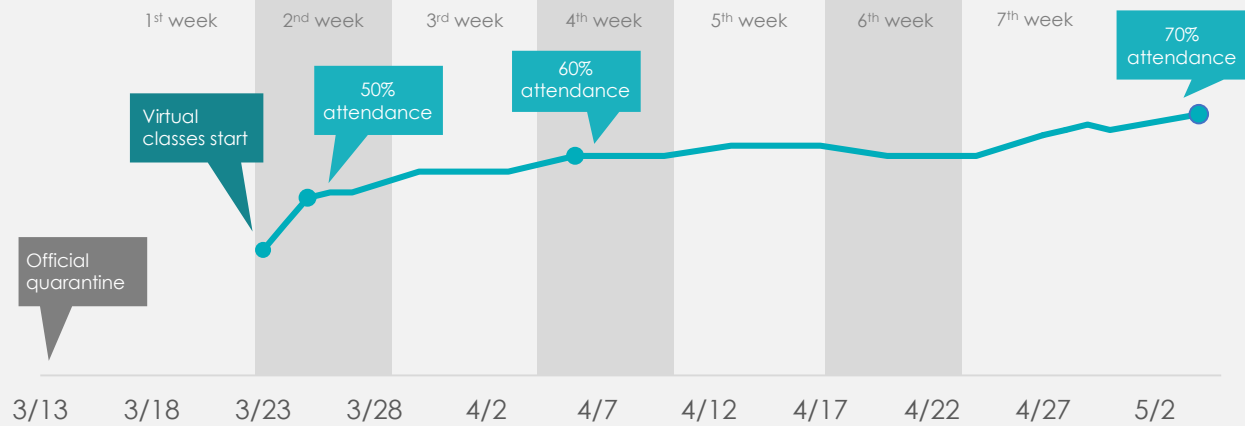
RETENTION: The entire sales team supporting the teams focused on retention initiatives.

SAFETY: 99% of employees working from home.

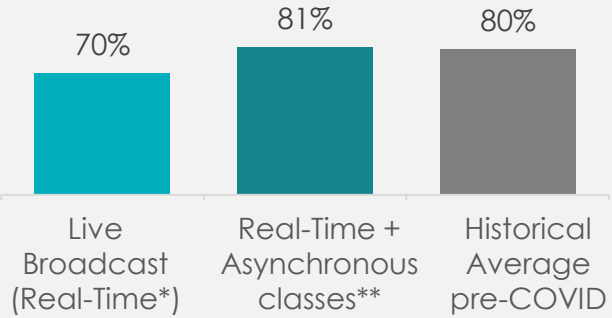


STUDENTS

Evolution of attendance in Real-Time classes* (%)



Student engagement in a superior level than the historical average



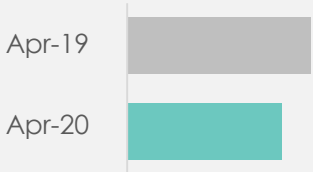
During the COVID-19 pandemic we sought to provide our students with an **agile response** and the best **quality** possible in times of social distancing, searching to keep our commitment to our students, whose **satisfaction level is over 80%**.

During such period, students have greatly **engaged** with the virtual lessons system with a gradual increase in **student attendance** since the beginning of this scenario and reaching **81% in the past week**, surpassing the historical average attendance prior to the pandemic.

Even in this challenging period, we were able to maintain **dropout rate under control**: 3.9% of dropout up rate up to April 2020 (vs. 3.6% in the same period of the previous year)

COMPANY

Low Impact on Revenue (% YoY)



Even though we expect low impact in revenue, as control measures adopted in the period, we have decided to **postpone some cash disbursements** such as the Bonus/Employee Profit Sharing, payment of dividends, capex, in addition to possible renegotiation of some contracts.

Regarding our employees, despite the challenges, we took some measures always focused on the **commitment to maintaining the job positions**:

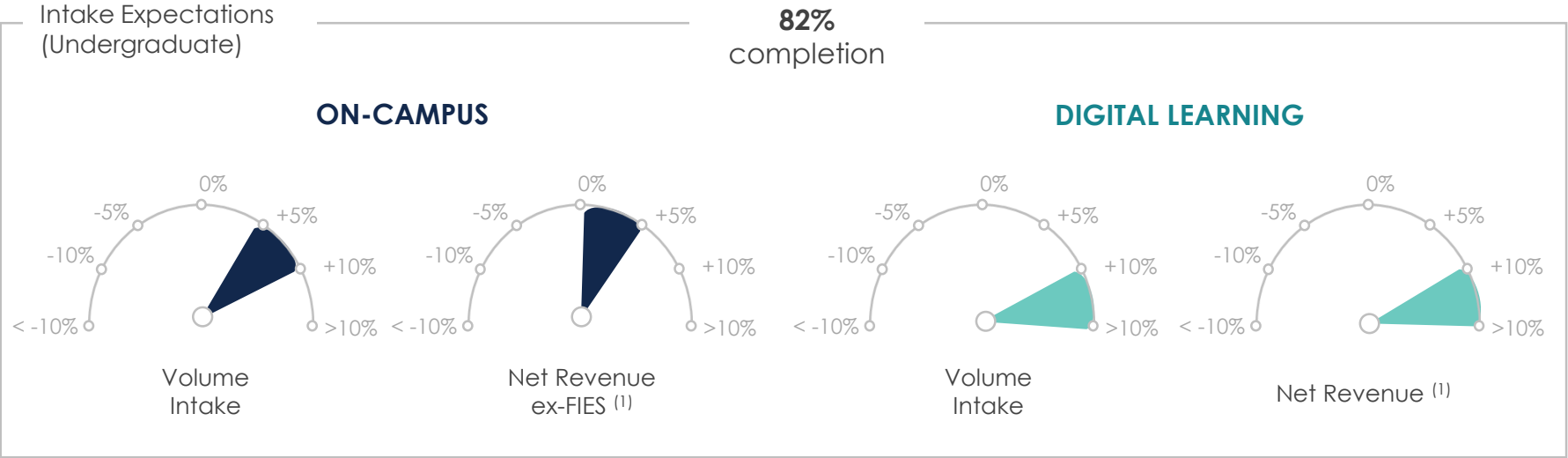
- 99% of the employees are **working from home**
- **25% reduction in work hours** and employment contract suspension with no wage impact for employees (according to Executive Order 936¹)



* Real Time classes: Classes which are broadcasted live, in real-time, with the same classes and time schedule as prior to the quarantine.

** Asynchronous classes: Access to previously recorded classes.

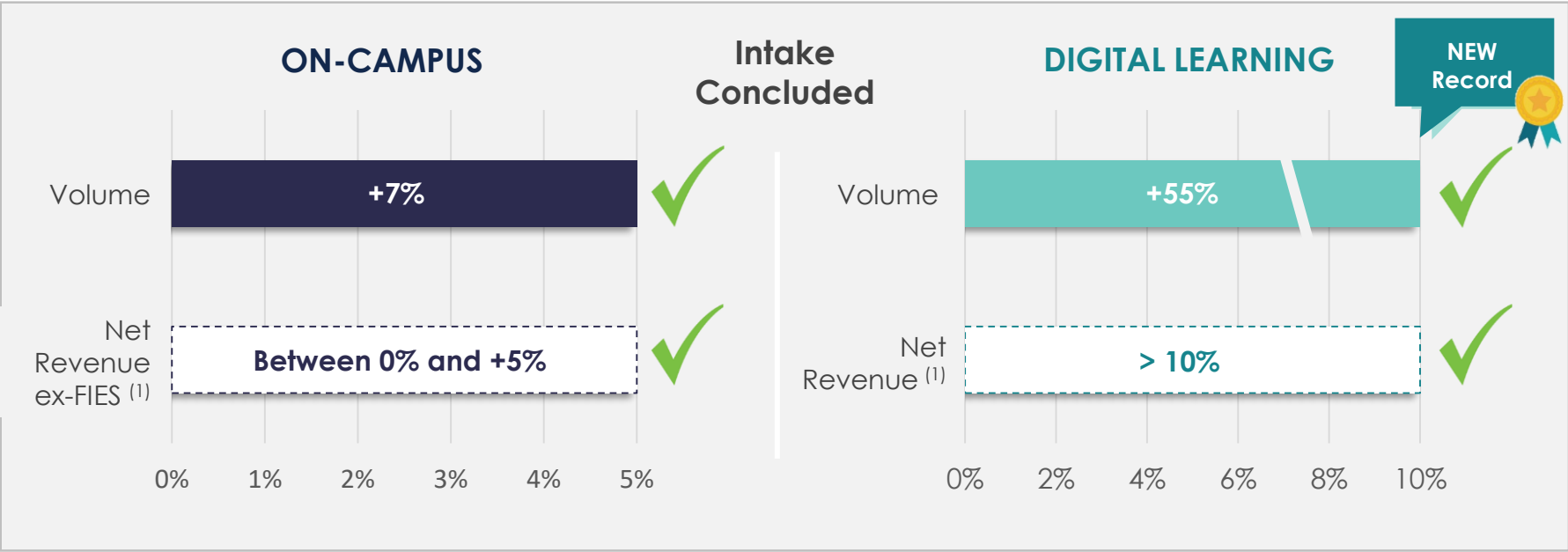
(1) Executive order that allows a temporary flexibilization of labor laws, enacted on April 1st, 2020



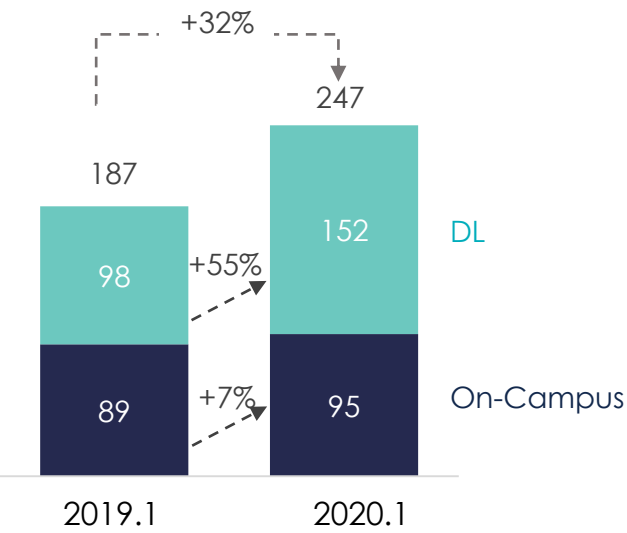
Despite the impacts caused by the Coronavirus, especially in the on-campus segment, the company showed a growth superior to 30% YoY in total intake in the first semester of 2020.

In 2020.1, the performance of the distance learning segment can be highlighted, as its intake totaled 152,000 students in this period, reaching a new record.

Regarding the revenue in the semester, the Company maintains its expectations from the 4Q19 release.



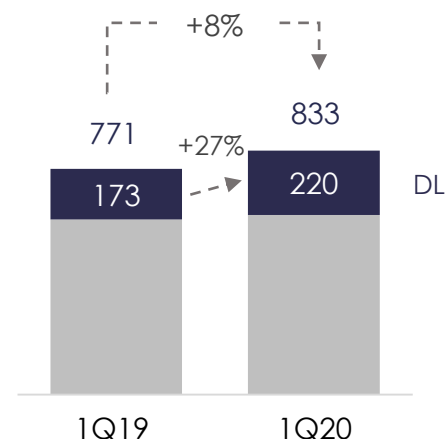
Undergraduate Intake 2020.1
(Thousand students)



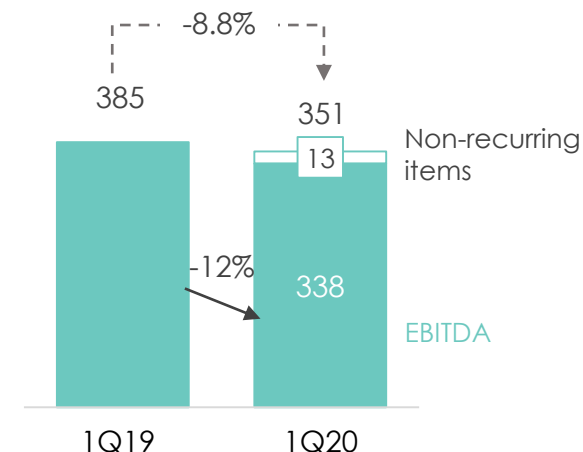
QUARTER HIGHLIGHTS

(R\$ MM)	1Q19	1Q20	Δ%
Net Revenues	932.6	923.3	-1.0%
Gross Profit	572.6	574.4	0.3%
Gross Margin	61.4%	62.2%	0.8 p.p.
EBITDA	384.6	337.7	-12.2%
EBITDA Margin	41.2%	36.6%	-4.7 p.p.
Net Income	240.8	167.9	-30.3%
Net Margin(%)	25.8%	18.2%	-7.6 p.p.
Adjusted EBITDA⁽¹⁾	384.6	350.8	-8.8%
Adjusted EBITDA Margin ⁽¹⁾	41.2%	38.0%	-3.2 p.p.
Adjusted Net Income⁽¹⁾	240.8	180.9	-24.9%
Adjusted Net Margin ⁽¹⁾	25.8%	19.6%	-6.2 p.p.

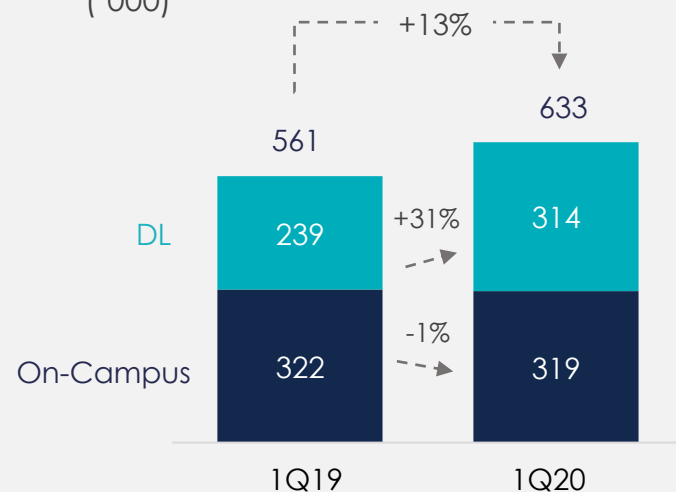
Net Revenue ex-FIES
(R\$ million)



Adjusted EBITDA⁽¹⁾
(R\$ million)



Total Student Base by Segment
(‘000)



+13% YoY
Total Student Base
633 thousand

+9% YoY
On-Campus
Undergraduate
Base (ex-FIES)
266 thousand

+31% YoY
Total DL Base
314 thousand

+32% YoY
Total Intake
2020.1
247 thousand

Strong **CASH** generation
and high liquidity

81%
of cash
conversion ⁽²⁾

R\$1.5 bln
Cash and cash equivalents
after Adtalem

1.1x
Net debt/EBITDA 12M
after Adtalem ⁽³⁾



(1) Non recurring expenses adjustments detailed in EBITDA section.

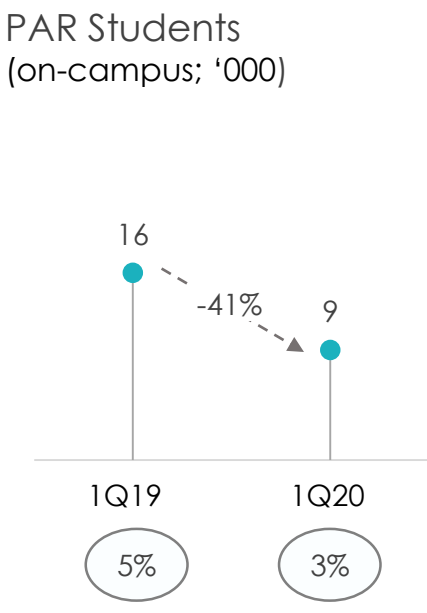
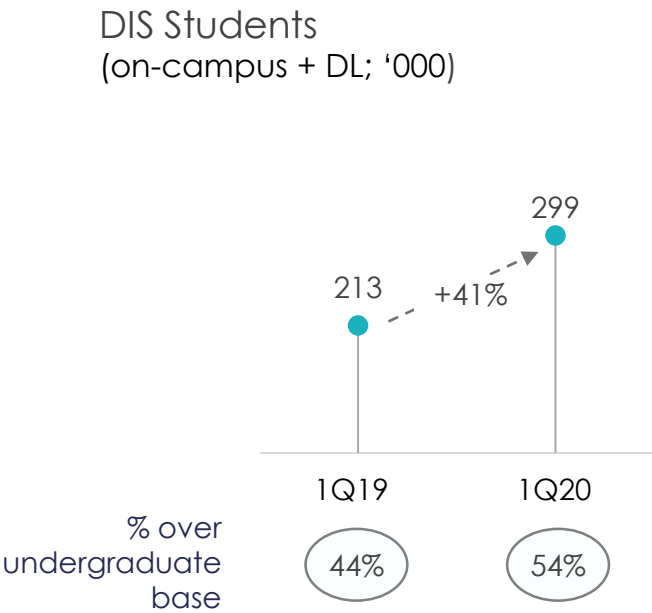
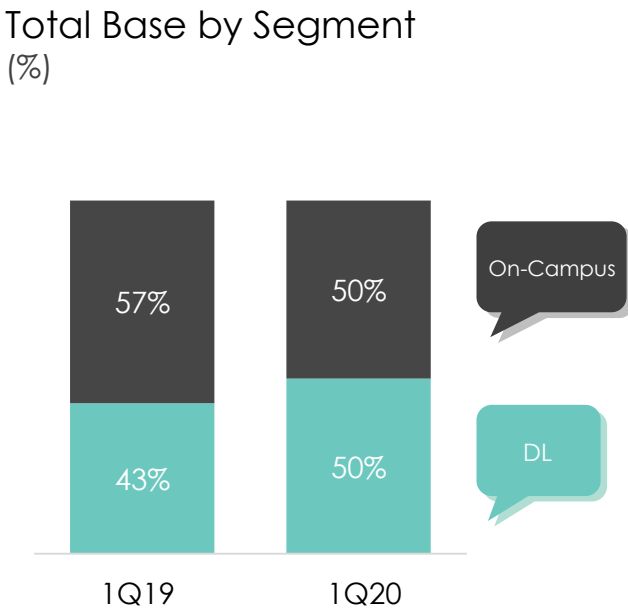
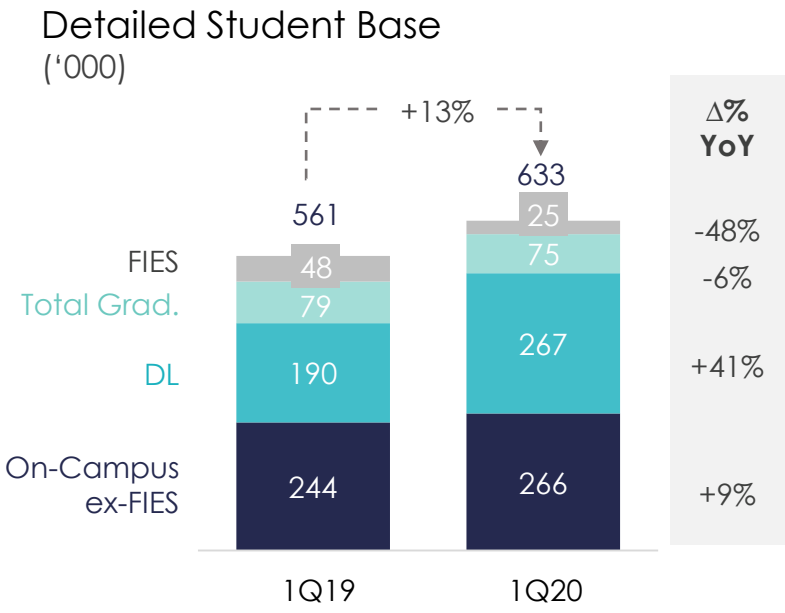
(2) Cash conversion in 121% reported and 81% when adjusted by -R\$136 million due to the delay of FIES transfer in December, 2019 (received in January, 2020). Cash Conversion = Operating Free Cash Flow before Capex divided by reported EBITDA.

(3) Net debt excludes leasing (IFRS-16)

STUDENT BASE: OVERVIEW

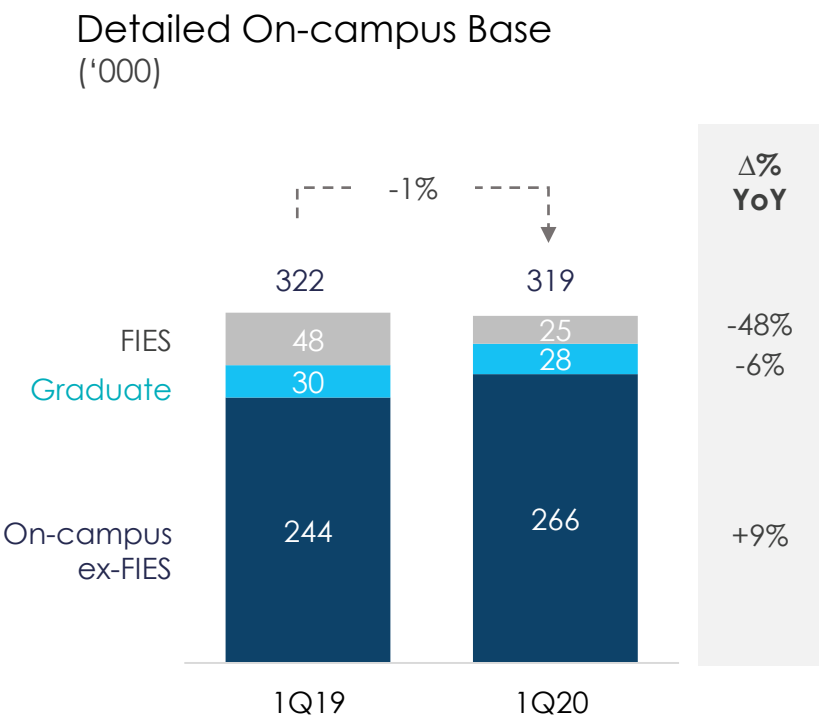
('000)	1Q19	1Q20	Δ%
Base total	561.2	632.5	12.7%
Undergraduate	482.0	557.9	15.8%
On-campus	292.4	290.9	-0.5%
Unitoledo	-	4.5	N.A.
Distance Learning	189.6	267.0	40.8%
Graduate	79.2	74.6	-5.9%
On-campus	29.7	28.0	-5.8%
Unitoledo	-	0.6	N.A.
Distance Learning	49.6	46.6	-5.9%
Total Base ex-FIES	512.7	607.2	18.4%

Payment Method (Undergraduate)			
DIS (On-Campus + DL)	212.6	299.3	40.8%
% of undergraduate base	44.1%	53.6%	+9.5 p.p.
PAR	15.6	9.2	-41.2%
FIES	48.5	25.4	-47.6%



('000)	1Q19	1Q20	Δ%
Total On-campus	322.0	318.9	-1.0%
Undergraduate ex-FIES	243.9	265.5	8.9%
Undergraduate	292.4	290.9	-0.5%
Out-of-pocket	228.2	256.3	12.3%
Unitoledo	-	4.5	N.A.
DIS	105.6	130.9	24.0%
FIES	48.5	25.4	-47.6%
PAR	15.6	9.2	-41.2%
Graduate	29.7	28.0	-5.8%
Own	15.9	14.9	-6.2%
Unitoledo	-	0.6	N.A.
Partnerships	13.7	13.0	-5.3%

% of on-campus base			
FIES / on-campus undergraduate	17%	9%	-7.9 p.p.
PAR / on-campus undergraduate	5%	3%	-2.2 p.p.
DIS / on-campus undergraduate	36%	45%	8.9 p.p.
Number of Units	93	93	n.a.



On-Campus: the segment ended 1Q20 with 319 thousand students, a slight 1.0% decrease YoY, due to the reduction in the FIES student base, largely offset by the increase in out-of-the-pocket students, that ended the quarter with a 12.3% increase YoY.

FIES Impact: Excluding FIES students, on-campus undergraduate base increased by 8.9% in 1Q20. The share of FIES students decreased to 9% of on-campus undergraduate base in the quarter (vs. 17% in 1Q19).

Financing: DIS student base in 1Q20 increased 24.0% YoY, accounting for 45% of on-campus undergraduate students and illustrating the success of the intake campaign. PAR students accounted for 3% of on-campus undergraduate base due to the Company's conservative approach to the program and the current discount policy.

('000)	1Q19	1Q20	Δ%
Total Distance-Learning	239.2	313.7	31.2%
Undergraduate	189.6	267.0	40.8%
100% online	156.2	214.4	37.3%
Flex	33.4	52.6	57.7%
Graduate	49.6	46.6	-5.9%
Own	17.5	18.2	4.5%
Partnerships	32.1	28.4	-11.6%
DIS (DL Undergraduate)	107.0	168.4	57.4%
100% online	84.9	134.8	58.8%
Flex	22.1	33.6	52.0%

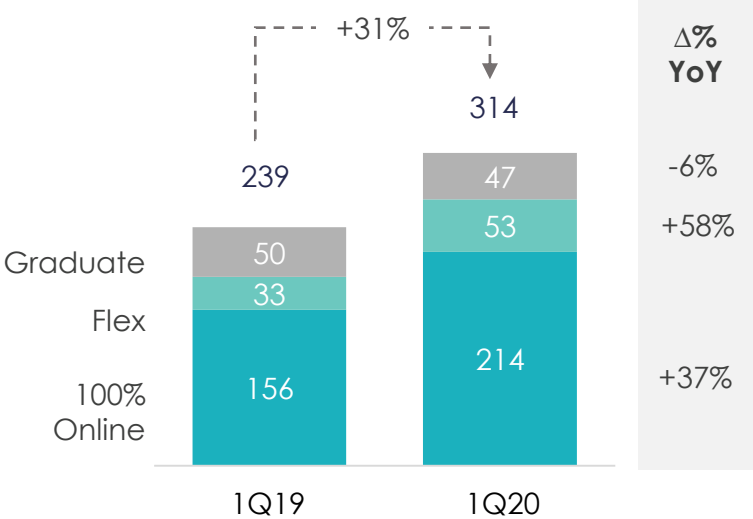
% of undergraduate base

DIS / DL undergraduate	56.4%	63.0%	6.6 p.p.
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Operational Data

Number of DL Centers	635	1,015	59.8%
Covered Cities	478	726	51.9%

Detailed Distance Learning Base
('000)



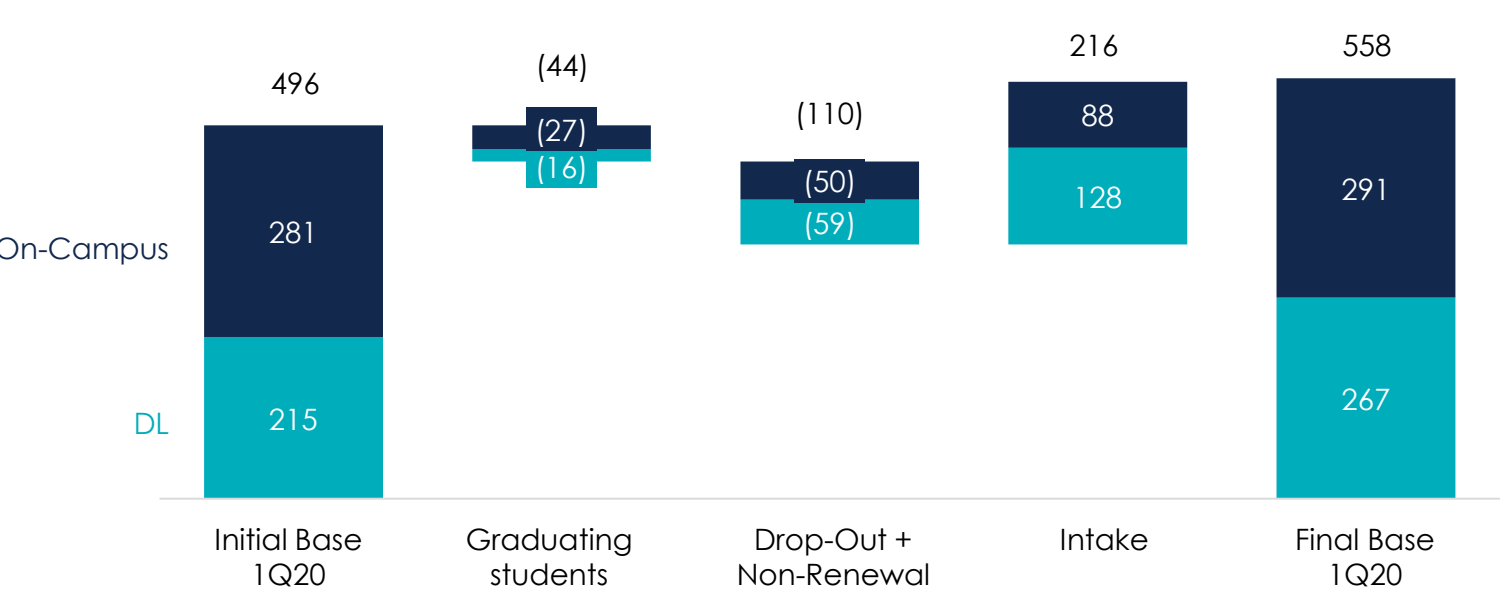
Distance Learning: Distance Learning segment remains at strong expansion pace with over 300 thousand enrolled students in 1Q20, recording growth of 31.2% YoY. In 1Q20, the Company started the distance learning segment at UniToledo.

100% Online: Totaled 214.4 thousand students in 1Q20 with a growth of 37.3% YoY.

Flex: In 2S19, the Company began to offer part of its Flex Courses portfolio in partner centers, contributing to boost growth in student base, and ended 1Q20 with 52.6 thousand students (+57.7% YoY).

Financing: In 1Q20, DIS Distance Learning student base came to 168.4 thousand students, accounting for 63% of Distance Learning undergraduate segment.

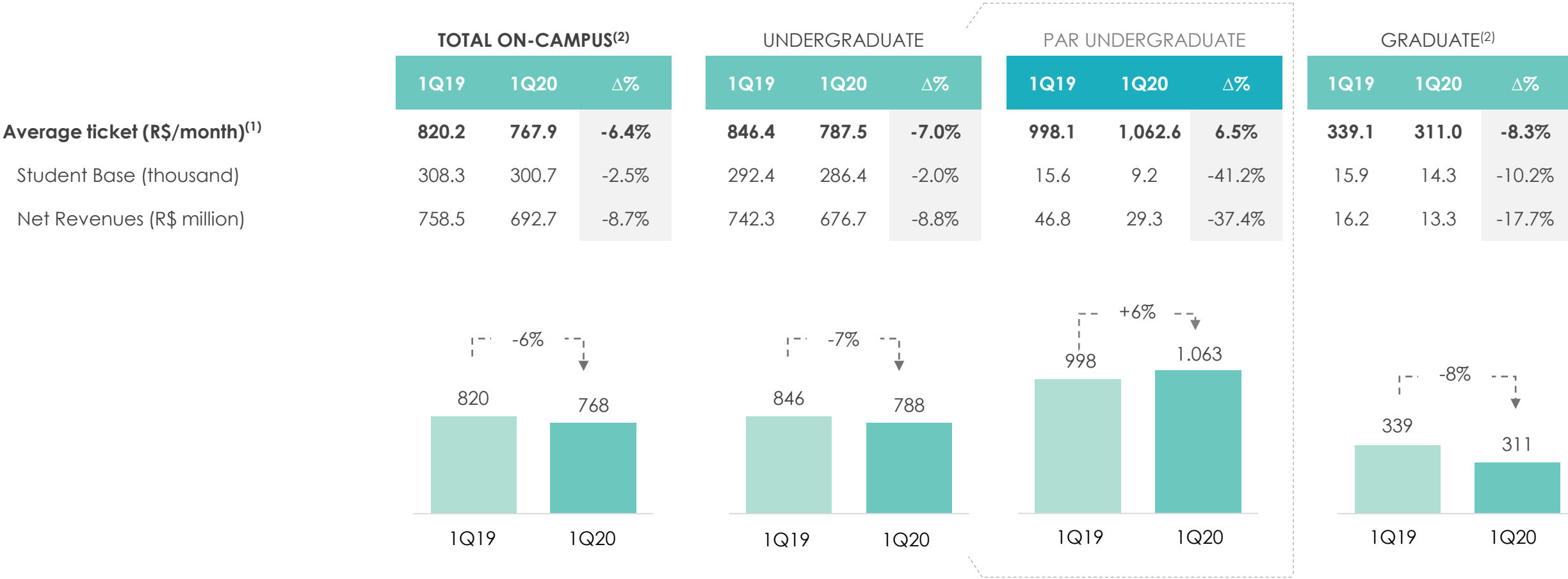
('000)	1Q19	Initial Base 1Q20	Graduating students	Drop-out + Non-renewal	Intake	1Q20
Undergraduate	482.0	495.5	(43.8)	(109.8)	216.1	557.9
On-Campus	292.4	280.9	(27.3)	(50.4)	87.8	290.9
Out-of-pocket	228.2	226.9	(10.9)	(46.2)	86.5	256.3
FIES	48.5	41.5	(16.4)	(0.1)	0.5	25.4
PAR	15.6	12.5	-	(4.1)	0.8	9.2
DL	189.6	214.6	(16.5)	(59.4)	128.3	267.0
100% Online	156.2	179.3	(14.6)	(47.7)	97.6	214.4
Flex	33.4	35.4	(1.8)	(11.6)	30.7	52.6



Retention Rate⁽¹⁾

Undergraduate	1Q19	1Q20	Δ%
On-Campus	85.8%	85.0%	-0.8 p.p.
DL	82.8%	81.8%	-1.0 p.p.

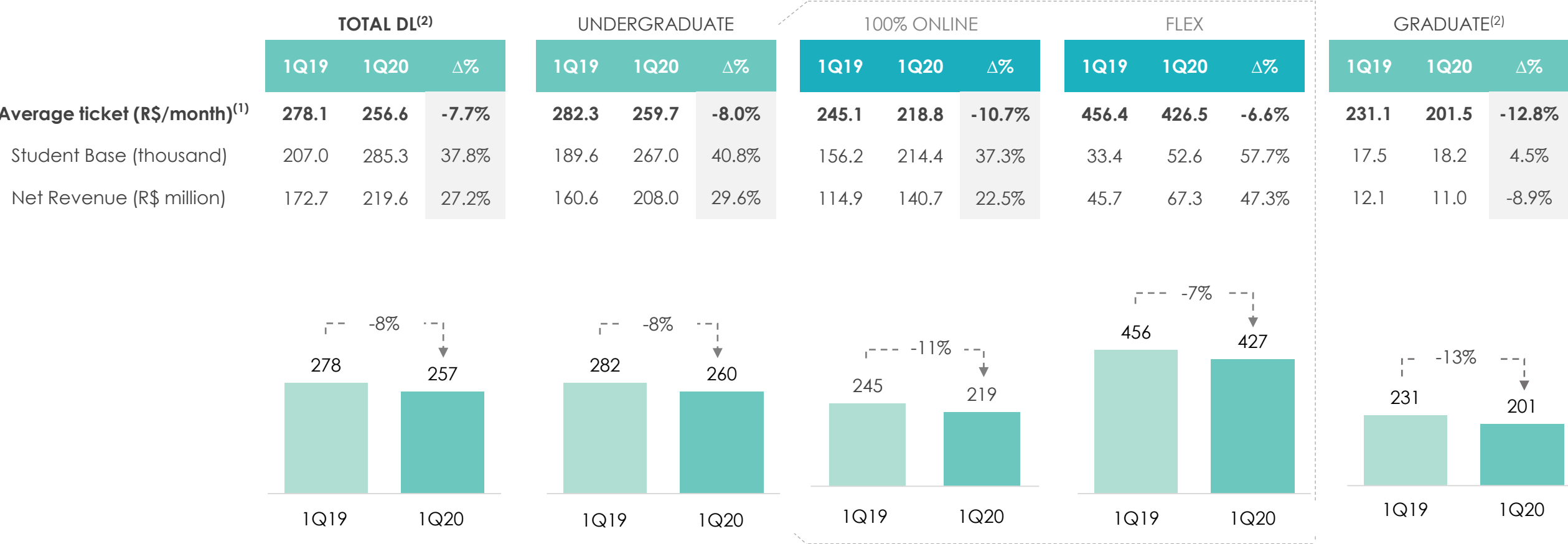
In 1Q20, **retention rate** for **on-campus segment** was 85.0%, while for the **Distance Learning** segment it was 81.8%, down by 0.8 p.p. and by 1.0 p.p. YoY respectively.



Total On-campus: average ticket totaled R\$767.9 in the quarter, a 6.4% decrease YoY. This decrease remains impacted by the higher discounts following an increase in intake initiatives on specific areas.

Undergraduate: In 1Q20, average ticket totaled R\$787.5, down 7% over 1Q19. Excluding FIES, on-campus undergraduate average ticket would have totaled R\$739.1 in the quarter (-2.5% YoY).

Graduate: average ticket totaled R\$311.0 in the period, down by 8.3% YoY.



Distance Learning Undergraduate: Undergraduate average ticket totaled R\$259.7 in the quarter, a decrease of 8.0% versus 1Q19, mainly as a result of the 100% online ticket, partially offset by the lower decrease in Flex ticket.

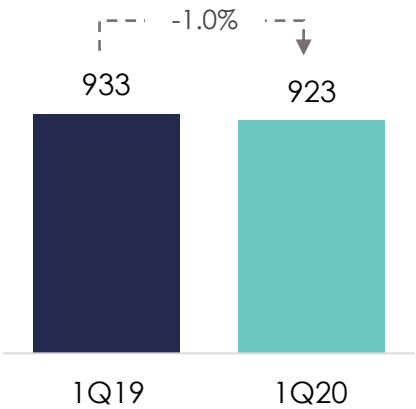
100% Online: Ended the quarter with an average ticket of R\$218.8, down by 10.7% YoY due to greater discounts in certain areas.

Flex: Average ticket was down by 6.6% in the quarter compared to 1Q19. The offer of these courses in partner centers remains a driver for such performance due to the nature of courses available at partner centers compared to those offered at own centers.

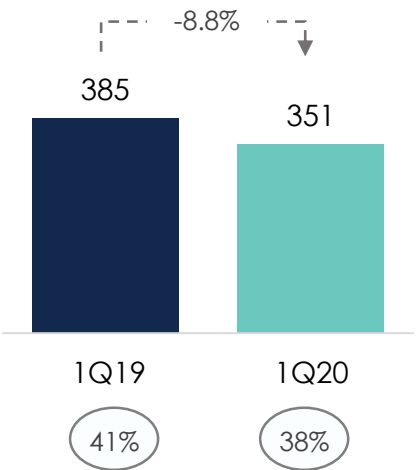
INCOME STATEMENT

(R\$ million)	1Q19	1Q20	Δ%
Gross Revenue	1,528.8	1,694.2	10.8%
Monthly tuition fees	1,517.8	1,686.5	11.1%
Others	11.1	7.7	-30.1%
Deductions from gross revenue	(596.2)	(771.0)	29.3%
Net Revenue	932.6	923.3	-1.0%
Cost of Services	(360.1)	(348.9)	-3.1%
Gross Profit	572.6	574.4	0.3%
Gross Margin	61.4%	62.2%	0.8 p.p.
Selling Expenses	(156.3)	(179.6)	14.9%
G&A Expenses	(129.0)	(154.3)	19.6%
Other Revenue/Expenses	3.8	4.0	7.5%
(+) Depreciation and amortization	93.6	93.2	-0.5%
EBITDA	384.6	337.7	-12.2%
EBITDA Margin (%)	41.2%	36.6%	-4.7 p.p.
Financial Result	(44.3)	(70.4)	59.1%
Depreciation and amortization	(93.6)	(93.2)	-0.5%
Income Tax	(4.0)	(4.5)	12.6%
Social Contribution	(2.0)	(1.8)	-7.6%
Net Income	240.8	167.9	-30.3%
Net Margin	25.8%	18.2%	-7.6 p.p.
Adjusted EBITDA⁽¹⁾	384.6	350.8	-8.8%
Adjusted EBITDA Margin ⁽¹⁾	41.2%	38.0%	-3.2 p.p.
Adjusted Net Income⁽¹⁾	240.8	180.9	-24.9%
Adjusted Net Margin ⁽¹⁾	25.8%	19.6%	-6.2 p.p.

Net Revenue
(R\$ million)



Adjusted EBITDA ⁽¹⁾
(R\$ million)



Adjusted EBITDA
margin (%)

(1) Non recurring expenses adjustments detailed in EBITDA section.

(R\$ million)	1Q19	1Q20	Δ%
Gross Operating Revenue	1,528.8	1,694.2	10.8%
Monthly Tuition Fees	1,517.8	1,686.5	11.1%
Others	11.1	7.7	-30.1%
Gross Revenue Deductions	(596.2)	(771.0)	29.3%
Discounts and scholarships	(551.0)	(728.4)	32.2%
Taxes	(37.5)	(35.9)	-4.3%
AVP and other deductions	(7.8)	(6.8)	-13.2%
Net Revenues	932.6	923.3	-1.0%
On-Campus	759.9	703.6	-7.4%
DL	172.7	219.6	27.2%
Net Revenues (ex-FIES)	771.4	833.4	8.0%
On-Campus (ex-FIES)	598.7	613.8	2.5%

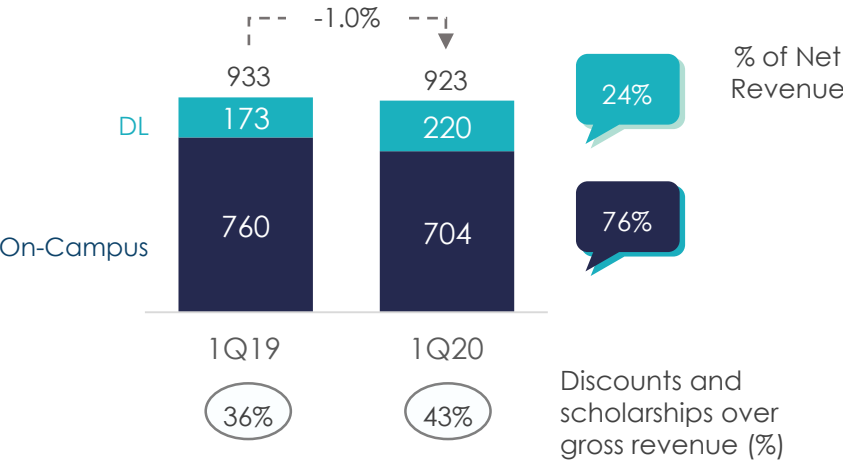
In 1Q20, the negative performance on **net revenue** is mainly due to the reduction of the FIES student base and the intensification of selling strategies in some areas in order to compensate for the loss of FIES students. In addition, the on-campus segment was impacted by the intake slowdown after the quarantine (COVID-19) period began.

Excluding the FIES effect, net revenue would have reached R\$833.4 million, an 8.0% YoY increase, due to the following factors:

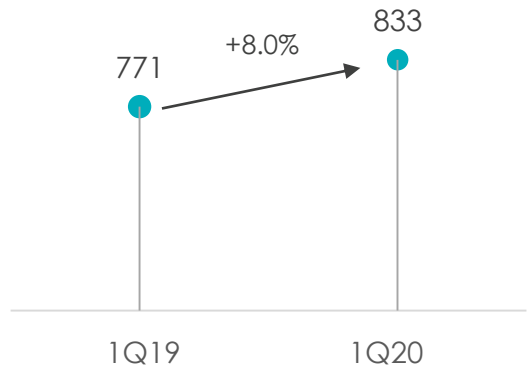
- Maintenance of the accelerated growth pace in the Digital Learning segment (+27% YoY) and in medicine courses (+30.1% YoY), which together now represent 36% of total revenue;
- Resilience of the on-campus segment, excluding FIES and medicine courses, totaling R\$505.8 million (-1.9% YoY).

In 1Q20, there was a significant reduction on **net revenue exposure to FIES**, decreasing to only 10% of total revenue (vs 17% in 1Q19).

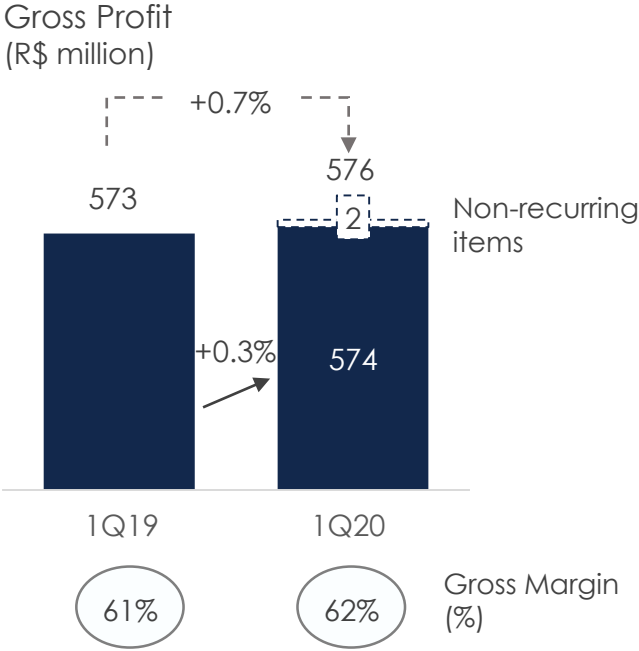
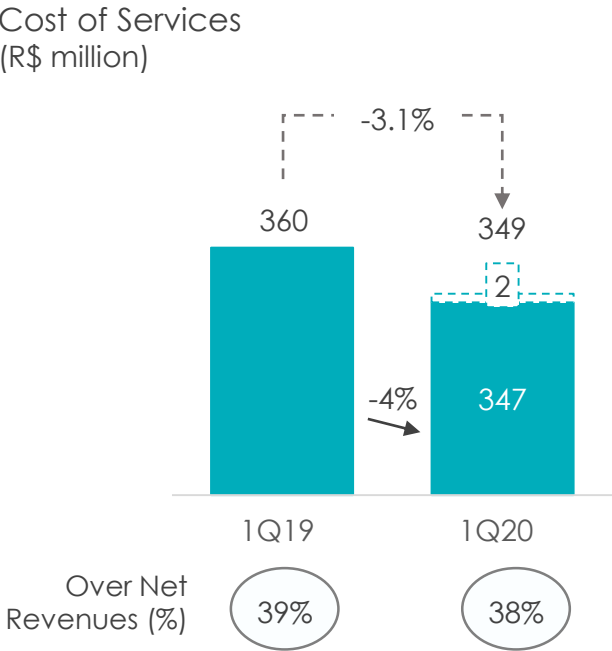
Net Revenue by segment
(R\$ million)



Total Net Revenue ex-FIES
(R\$ million)



(R\$ million)	1Q19	1Q20	Δ%
Cost of Services	(360.1)	(348.9)	-3.1%
Personnel	(249.2)	(229.8)	-7.8%
Rent, taxes & other	(9.2)	(11.0)	20.0%
Transfer of Centers & other	(8.8)	(19.0)	116.2%
Third-party services	(13.6)	(14.2)	5.1%
Utilities ⁽¹⁾	(8.6)	(8.4)	-2.7%
D&A	(70.7)	(66.4)	-6.0%
Gross Profit	572.6	574.4	0.3%
Gross Margin	61.4%	62.2%	0.8 p.p.
Costs over Net Revenues			
Cost of Services(%)	38.6%	37.8%	-0.8 p.p.
Personnel (%)	26.7%	24.9%	-1.8 p.p.



Cost of services decreased by 3.1% in the quarter, year-on-year. Costs with revenue sharing with DL centers doubled in the quarter, due to an increased number of partner centers as a result of the accelerated growth of Distance Learning. On the other hand, this growth was more than offset by a reduction in personnel costs, which have been gaining efficiency, from several operational researches such as faculty restructuring and improvement in student-per-class distribution.

In 1Q20, non-recurring costs with organizational restructuring totaled R\$2.1 million. Excluding such effect, **adjusted cost of services** would have come to R\$346.8 million, a 3.7% drop compared to the previous quarter.

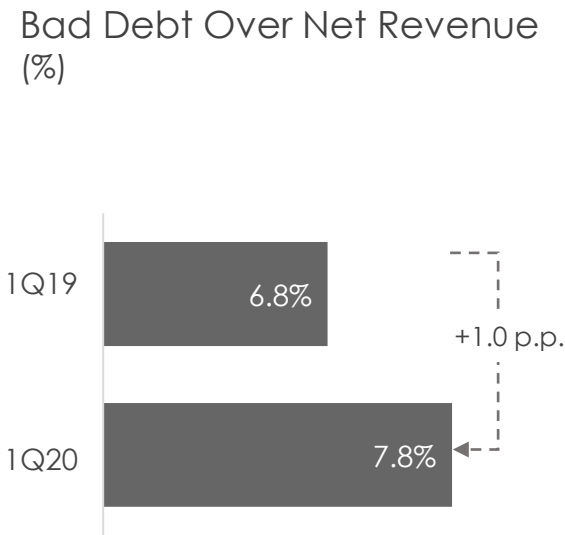
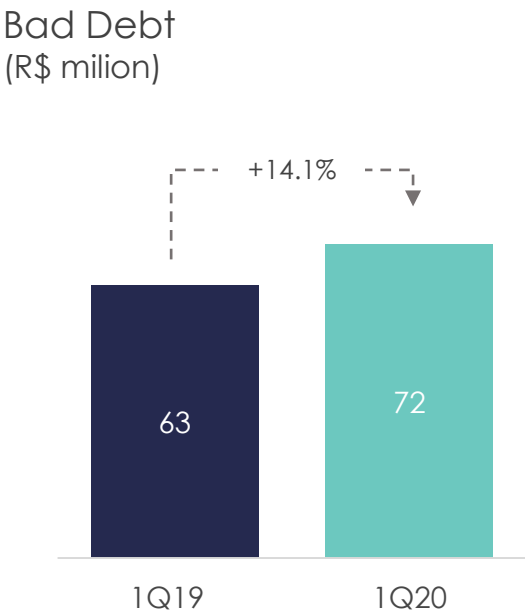
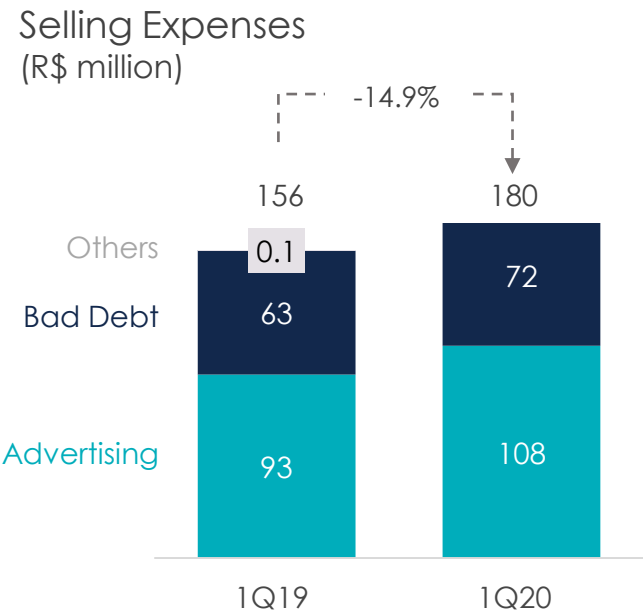
Gross profit remained stable, up 0.3% vs. 1Q19 and gross margin stood at 62.2% (+0.8 p.p. vs. 1Q19).

(R\$ million)	1Q19	1Q20	Δ%
Selling Expenses	(156.3)	(179.5)	14.9%
Bad Debt	(63.0)	(71.8)	14.1%
Out-of-pocket	(34.9)	(59.5)	70.6%
PAR – long term (50%)	(11.9)	(1.9)	-84.4%
DIS – long term (15%)	(16.2)	(10.5)	-35.6%
Advertising	(93.2)	(107.7)	15.5%
Others	(0.1)	(0.0)	-76.8%
Expenses over Net Revenue			
Selling Expenses (%)	16.8%	19.4%	2.7 p.p.
Bad Debt (%)	6.8%	7.8%	1.0 p.p.
Advertising (%)	10.0%	11.7%	1.7 p.p.

In 1Q20, **selling expenses** were up by 14.9% YoY, impacted by an increase in expenses with provisions for doubtful accounts (bad debt) and greater efforts on advertising in order to attract new students.

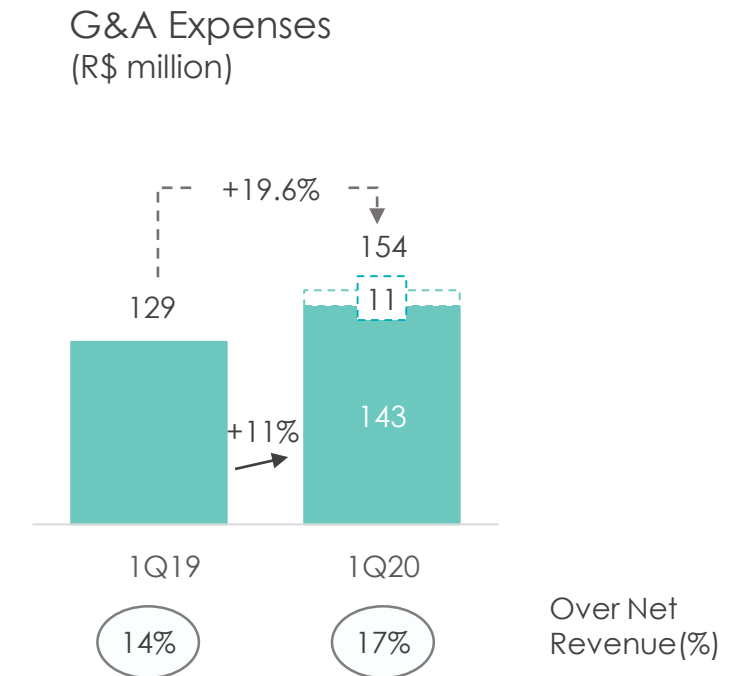
Bad debt expenses follow a trend to be in high levels due to the change in student base mix when compared to the previous year – greater volume of out-of-pocket students and lower amount of FIES students (with lower delinquency). In addition, the result was impacted by COVID-19, especially in out-of-pocket base, which also concentrates bad debt from PAR and DIS dropouts.

The Company ended 1Q20 with a **7.8% of bad debt as a percentage of total net revenue** (+1.0 p.p. vs. 1Q19).



GENERAL AND ADMINISTRATIVE EXPENSES

(R\$ million)	1Q19	1Q20	Δ%
G&A Expenses	(129.0)	(154.3)	19.6%
Personnel	(41.8)	(44.4)	6.2%
Third-party services	(19.1)	(32.9)	72.3%
Provision/contingencies	(21.3)	(22.4)	5.2%
Maintenance & repairs	(8.3)	(9.8)	18.9%
Other	(15.6)	(18.0)	15.7%
D&A	(23.0)	(26.7)	16.3%
Other revenue/expenses	3.8	4.0	7.5%
Expenses over Net Revenue			
G&A Expenses(%)	13.8%	16.7%	2.9 p.p.

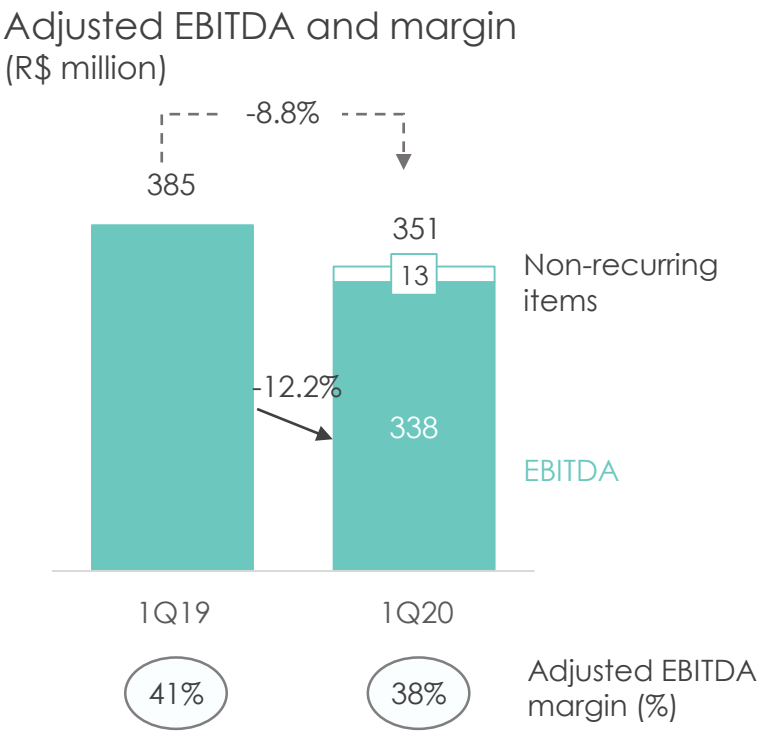


In 1Q20, **general and administrative expenses** were up by 19.6% YoY, mainly as a result of the following:

- New expenses related to the contingency plan for the COVID-19 crisis;
- Increase in third-party service expenses, including consulting services, related to the integration process of recent acquisitions;
- Increased expenses with maintenance and repairs, related to the maintenance of our units and software update.

Non-recurring expenses came to R\$10.9 million in the quarter and are mainly related to personnel restructuring and consulting services related to M&A and integration processes. Excluding these non-recurring amounts, **adjusted general and administrative expenses** would total R\$143 million (+11% vs. 1Q19).

(R\$ million)	1Q19	1Q20	Δ%
Net Revenue	932.6	923.3	-1.0%
Costs and Expenses	(641.6)	(678.7)	5.8%
(+) Depreciation and amortization	93.6	93.2	-0.5%
EBITDA	384.6	337.7	-12.2%
<i>EBITDA Margin (%)</i>	<i>41.2%</i>	<i>36.6%</i>	<i>-24.7 p.p.</i>
Non recurring items	-	13.1	N.A
Organizational restructuring	-	3.8	N.A
Consulting	-	8.9	N.A
Other	-	0.4	N.A
Adjusted EBITDA	384.6	350.8	-8.8%
<i>Adjusted EBITDA margin (%)</i>	<i>41.2%</i>	<i>38.0%</i>	<i>-3.2 p.p.</i>



In 1Q20, the Company's **EBITDA** totaled R\$337.7 million, 12.2% down on 1Q19 figures.

Excluding non-recurring items, **adjusted EBITDA** would have reached R\$350.8 million in the quarter, a decrease of 8.8% versus 1Q19 and **adjusted EBITDA margin** of 38.0% (-3.2 p.p. YoY).

The decrease in FIES revenue remain as one of the main pressures on EBITDA. Furthermore, the increase in costs and expenses, in great part as a result of contingency measures related to COVID-19, the increase in delinquency and greater advertising expenses in line with greater intake efforts, negatively impacted EBITDA’s performance in the first quarter of 2020.

FINANCIAL RESULT AND NET INCOME

(R\$ million)	1Q19	1Q20	Δ%
Financial Result	(44.3)	(70.4)	59.1%
Financial Revenue	28.5	180.2	533.1%
Fines and interest charged	10.0	10.0	-0.6%
Investment revenue	12.8	10.1	-20.9%
Inflation adjustment & Others	5.6	160.1	2753.8%
Financial Expenses	(72.7)	(250.6)	244.6%
Interest and financial charges	(23.6)	(20.4)	-13.6%
Financial discounts	(12.2)	(39.2)	222.5%
Bank expenses	(10.2)	(3.5)	-65.2%
Adj. contingencies & other	(26.8)	(187.5)	598.8%

(R\$ million)	1Q19	1Q20	Δ%
EBITDA	384.6	337.7	-12.2%
Financial Result	(44.3)	(70.4)	59.1%
(+) Depreciation and amortization	(93.6)	(93.2)	-0.5%
Profit before tax	246.7	174.2	-29.4%
Income tax	(4.0)	(4.5)	12.6%
Social contribution	(2.0)	(1.8)	-7.6%
Net Income	240.8	167.9	-30.3%
Net Margin (%)	25.8%	18.2%	-7.6 p.p.
Adjusted Net Income⁽¹⁾	240.8	180.9	-24.9%
Adjusted Net Income Margin ⁽¹⁾	25.8%	19.6%	-6.2 p.p.

In 1Q20, **financial result** was at a worse level when compared to the same period last year due to an increase in expenses with financial discounts, chiefly related to more aggressive debt renegotiation campaign, and impacted by payment of fees to loans raised in the period.

The significant change in the level of financial revenues and expenses is due to the loans issued to finance Adtalem's acquisition and to strengthen the Company's solid cash position in times of great uncertainties related to the new Coronavirus crisis.

Net income totaled R\$167.9 million in 1Q20, a 30.3% YoY decrease, with a net margin of 18.2%, 7.6 p.p. lower than in the previous year. The drop in net income is due to the reduction in EBITDA and increase in financial discounts.

Excluding non-recurring items in EBITDA, net Income would have reached R\$180.9 million in the quarter, a decrease of 24.9% vs. 1Q19.



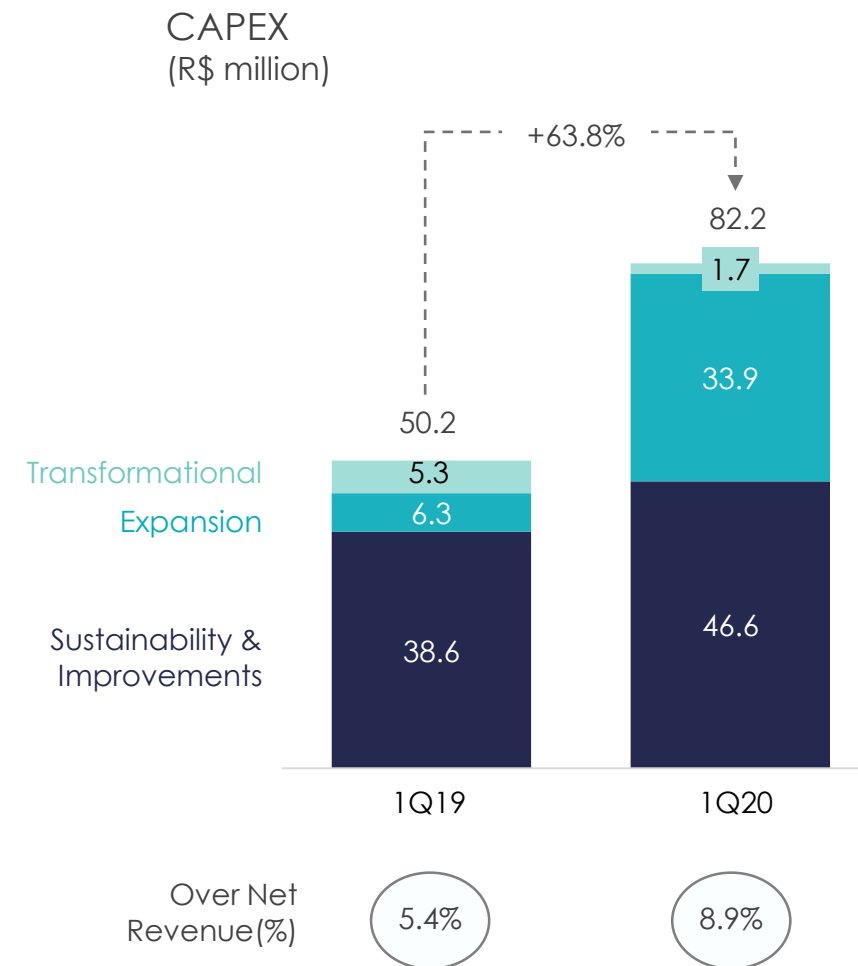
(1) Non recurring expenses adjustments detailed in EBITDA section.

(R\$ million)	1Q19	1Q20	Δ%
Total Capex	50.2	82.2	63.8%
Sustainability & Improvements	38.6	46.6	20.8%
Expansion	6.3	33.9	438.1%
Transformational	5.3	1.7	-67.9%
Capex over Net Revenue			
Total Capex (%)	5.4%	8.9%	3.5 p.p.
Sustainability & Improvements (%)	4.1%	5.1%	0.9 p.p.

In 1Q20, total **CAPEX** was R\$82.2 million, an increase of 63.8% versus 1Q19, mainly due to investments in the expansion of our business. Such investments represented over 40% of total CAPEX and are related to the construction of three medicine units, including the newest and most modern campus in Barra da Tijuca, valued at approximately R\$30 million.

CAPEX related to sustainability and improvement totaled R\$46.6 million, up by 20.8% YoY, impacted by the anticipation of investments in software and licenses.

It is important to note that, despite its solid cash position, the Company considers to, and is prepared to, postpone a substantial part of investments budgeted for 2020 in case the COVID-19 crisis continues or worsens far beyond management's expectations.



(R\$ million)	1Q19	4Q19	1Q20
Monthly tuition fees received	1,007.7	1,069.0	1,154.8
Out-of-Pocket	531.5	593.8	579.0
Exchange Deals	24.3	11.7	12.3
PAR	198.3	206.7	211.2
DIS	253.6	256.7	352.4
FIES	227.6	295.6	178.6
Other	188.8	162.7	187.1
Gross Accounts Receivable	1,424.1	1,527.2	1,520.5

Bad Debt	(439.8)	(471.2)	(506.0)
Out-of-Pocket ⁽¹⁾	(323.8)	(340.7)	(363.2)
PAR – long term (50%)	(80.2)	(92.9)	(94.8) (a)
DIS – long term (15%)	(35.8)	(37.5)	(48.0) (b)
Amounts to be identified	(7.7)	(7.4)	(9.3)
Adjustment to presente value (APV)⁽²⁾	(52.5)	(27.4)	(34.2)
APV PAR	(37.9)	(20.8)	(21.5) (c)
APV DIS	(14.6)	(6.6)	(12.7) (d)
Net Accounts Receivable	924.0	1,021.2	971.0

In 1Q20, **gross receivables** totaled R\$1,520.5 million, up by 6.8% versus 1Q19, mainly as a result of new DIS students.

Net receivables came to R\$971.0 million, up by 5.1% over 1Q19, as a result of the increase in gross receivables, partially offset by higher bad debt related to dropout and the non-renegotiation of students with financing (PAR and DIS).

PAR and DIS Reconciliation

(R\$ million)	PAR		DIS	
	1Q19	1Q20	1Q19	1Q20
Gross revenue paid in cash	27.2	16.2	9.1	13.0
Gross revenue paid in installments	23.3	15.1	136.1	178.4
Taxes – revenue deductions	(2.4)	(1.3)	(5.8)	(6.7)
Adjustment to Present Value (APV) ⁽²⁾	(1.3)	(0.7) Δ(c)	(6.5)	(6.1) Δ(d)
Bad Debt – long term (50%)	(11.9)	(1.9) Δ(a)	(16.2)	(10.4) Δ(b)
Bad Debt non-renegotiated dropouts	(8.6)	(9.9)	(9.9)	(18.9)
Bad Debt of Net Revenue (%)	1.3%	0.2%	1.7%	1.1%



(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)	1Q19	1Q20	Δ%
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Consolidated Average Term of Receivables

Net Accounts Receivable	924.0	971.0	5.1%
Net Revenue (LTM)	3,616.3	3,555.7	-1.7%
Average Receivables Days	92	98	6.5%

FIES Average Term of Receivables

FIES Accounts Receivable	227.6	178.6	-21.5%
FIES Revenue (LTM)	945.7	653.8	-30.9%
FGEDUC deductions (LTM)	(74.6)	(52.5)	-29.7%
Taxes (LTM)	(39.0)	(24.1)	-38.2%
FIES Net Revenue (LTM)	832.1	577.2	-30.6%
FIES Average Receivables Days	98	111	13.3%

Non-FIES Average Term of Receivables

Net Accounts Receivable (ex-APV)	924.0	971.0	5.1%
Accounts Receivable Non-FIES	696.5	792.4	13.8%
Net Revenue Non-FIES (LTM)	2,784.2	2,978.4	7.0%
Non-FIES Average Receivables Days	90	96	6.7%

Consolidated ATR reached 98 days, up by 6.5% over 1Q19, following the increase in net receivables.

FIES ATR totaled 111 days, a 13.3% increase or 13 days over the same period of the previous year.

Ex-FIES ATR in 1Q20 totaled 96 days, up by 6.7% over 1Q19.

Aging of Total Gross Accounts Receivable⁽¹⁾

Vertical Analysis

(R\$ million)	1Q19	1Q20	Δ%	1Q19 (%)	1Q20 (%)
FIES	227.6	178.6	-21.5%	16%	12%
Not yet due	699.6	757.5	8.3%	49%	50%
Overdue up to 30 days	98.5	113.5	15.2%	7%	7%
Overdue from 31 to 60 days	43.9	51.7	17.9%	3%	3%
Overdue from 61 to 90 days	8.8	25.7	190.6%	1%	2%
Overdue from 91 to 179 days	171.2	169.1	-1.2%	12%	11%
Overdue more than180 days	174.5	224.4	28.6%	12%	15%
Gross Accounts Receivable	1,424.1	1,520.5	6.8%	100%	100%

Aging of Agreements Receivable⁽²⁾

Vertical Analysis

(R\$ million)	1Q19	1Q20	Δ%	1Q19 (%)	1Q20 (%)
Not yet due	46.1	37.0	-19.7%	56%	46%
Overdue up to 30 days	3.9	6.1	55.9%	5%	8%
Overdue from 31 to 60 days	4.1	3.8	-7.7%	5%	5%
Overdue from 61 to 90 days	2.8	2.9	3.0%	3%	4%
Overdue from 91 to 179 days	8.5	9.9	16.3%	10%	12%
Overdue more than180 days	17.1	20.9	22.2%	21%	26%
Agreements Receivable	82.6	80.6	-2.4%	100%	100%

FIES: Changes of Accounts Receivable

(R\$ million)	1Q19	1Q20	Δ%
Opening balance	153.8	159.3	3.6%
FIES Revenue	182.4	102.9	-43.5%
Transfer	(95.6)	(74.4)	-22.2%
Provision for FIES	(14.3)	(9.3)	-34.9%
Closing balance	226.2	178.5	-21.1%

FIES: Changes of Accounts Receivable

(R\$ million)	1Q19	1Q20	Δ%
Opening balance	0.0	136.4	N.A.
Transfer	95.6	74.4	-22.2%
Payment of taxes	(42.9)	(1.9)	-95.6%
Buyback in auctions	(51.4)	(208.7)	305.8%
Closing balance	1.3	0.2	-88.0%

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

(2) Excludes credit card agreements

CASH POSITION

(R\$ million)	1Q19	1Q20	Δ%
(-) Cash and cash equivalents [a]	(885.8)	(2,545.6)	187.4%
Gross debt [b]	2,080.3	3,415.0	64.2%
Loans	810.4	2,285.6	182.0%
Leasing	1,228.5	1,051.3	-14.4%
Commitments payable (M&A)	31.9	64.0	100.9%
Taxes paid in installments	9.5	14.2	48.8%
Net Debt [b+a]	1,194.5	869.5	-27.2%
Net Debt/EBITDA (12M)⁽¹⁾	-0.0x	-0.1x	N.A.

Cash & cash equivalents totaled R\$2,545.6 million in 1Q20, up by 187.4% YoY, due to new loans issued to finance Adtalem's acquisition and to strengthen the Company solid cash position ahead of uncertainties brought by the new Coronavirus crisis.

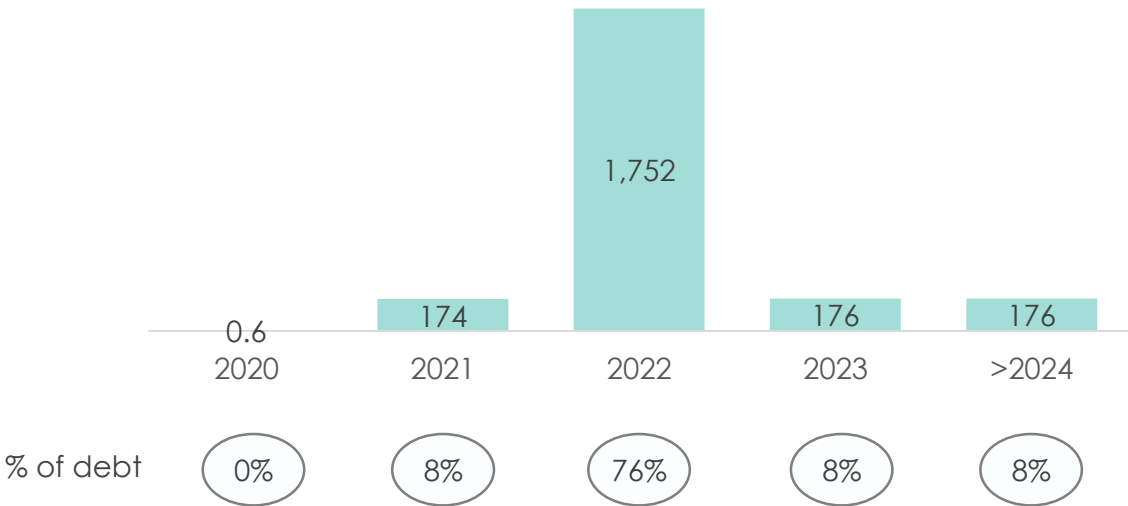
Gross debt (excluding leasing) ended the quarter at R\$2,363.7 million.

In 1Q20, excluding the leasing from gross debt, the **net debt/EBITDA** ratio stood at -0.1x.

DEBT

Debt Type (R\$ million)	Date of Issue	Due Date	Cost	Balance to pay (principal + interest)	% of total
Bond V (1ª series)	feb-19	feb-22	CDI + 0.59%	251.3	11.0%
Bond V (2ª series)	feb-19	feb-24	CDI + 0.79%	351.9	15.4%
Loans Citi (1ª series)	feb-20	feb-21	CDI + 0.60%	174.2	7.6%
Loans Citi (2ª series)	feb-20	feb-22	CDI + 0.70%	654.5	28.6%
Loans Santander	mar-20	mar-22	CDI + 1.09%	501.9	21.9%
Itaú Promissory Note (1ª series)	mar-20	mar-22	CDI + 2.50%	350.2	15.3%
FINEP	feb-15	jan-25	TJLP + 0.5%	2.9	0.1%
Loans	-	-	CDI + 1.06%	2,286.9	100.0%

Timeline of debt amortization
(R\$ million; principal)



(1) Excluding from gross debt leasing amounts referring to IFRS-16; Reported EBITDA (12M).




New Debt issued in April 2020

Debt Type (in R\$ million)	Issue date	Due Date	Cost	Amount	% of total
Itaú Promissory Note (2ª series)	apr-20	mar-21	CDI + 2.50%	150	21%
Loans Citi	apr-20	apr-22	CDI + 2.75%	75	10%
Bradesco Promissory Note	apr-20	apr-21	CDI + 2.70%	350	48%
Loans Santander	apr-20	apr-21	CDI + 3.69%	100	14%
Loans Banco ABC	apr-20	apr-21	CDI + 3.85%	50	7%
New loans – April/20				725	100%
Debt after new loans (April)			CDI + 1.50%	3,011.9	

- In April 2020, the Company's Board of Directors approved the fourth issue of promissory notes, in a single series, in the total amount of R\$350 million, in addition to other Bank Credit Notes, totaling R\$725 million, to be included in the Company's loans with banks.
- Adding the debt issued in April 2020 to the 1Q20 loan position, the Company's gross debt will reach R\$3.01 billion in bank loans at an average cost of debt of CDI +1.50%.

Adtalem Acquisition





- On April 24, 2020, the acquisition of Adtalem Brazil was completed, after CADE (the Brazilian Antitrust Authority) granted the final approval on April 13, 2020.
- The cash disbursement for the acquisition payment was R\$2,206 million. Considering the locked box mechanism between the parties, Adtalem will be incorporated with a net proforma cash position of R\$389 million (on March 31st, 2020), resulting in an Enterprise Value of R\$1,817 million.
- Adtalem Brasil's portfolio comprise the following brands, totaling 102,000 students:

			
Sludent Base ('000)	13 thousand	54 thousand	35 thousand
Undergraduate (%)	60%	92%	2%
Graduate (%)	40%	8%	34%
Other courses (%)	-	-	64%

Financial performance (Adtalem management, in IFRS-16)	(R\$ million)	2019
	Net revenues	853.1
	EBITDA	254.9
	EBITDA margin	29.9%
	Net income	139.9

1Q20							FULL POTENTIAL ⁽¹⁾ 2024e	
Unit	State	Type	Operation Start	Status	Authorized/ Qualified seats p/y ⁽²⁾	Student Base ⁽³⁾	Authorized seats p/y ⁽²⁾	Student Base ⁽³⁾
Presidente Vargas	RJ	Organic	1998.2	Matured	240	1,605	240	1,728
João Uchôa/Città	RJ	Organic	2014.1	Matured	170	847	170	1,224
Juazeiro do Norte	CE	Organic	2000.1	Matured	100	698	100	720
Ribeirão Preto	SP	Organic	2015.1	In maturity	76	491	76	547
Alagoinhas	BA	MM I	2017.2	In maturity	65	149	165	928
Angra dos Reis	RJ	MM I	2018.1	In maturity	55	200	155	936
Jaraguá do Sul	SC	MM I	2018.1	In maturity	50	126	150	819
Juazeiro	BA	MM I	2018.1	In maturity	155	323	155	1,067
Canindé	CE	MM II	2020.2	Implementation phase (qualified)	50	-	150	650
Castanhal	PA	MM II	2020.2		50	-	150	650
Quixadá	CE	MM II	2020.2		50	-	150	650
Iguatu	CE	MM II	2020.2		50	-	150	650
Total					1,111	4,439	1,811	10,569

In 1Q120, the Mais Médicos II units in the cities of Canindé and Castanhal were completed, both with entrance examinations taken in the quarter. The start of classes in those units, however, was postponed due to the quarantine determined as a result of the Coronavirus pandemics. When the **incorporation of Adtalem is completed, 210 medicine seats/year will be added to YDUQS portfolio.** Out of this total, 100 seats will be under the Mais Médicos II program, which is expected to open by the second half of 2020.

(1) Assuming expansion of maximum capacity of granted seats for each one of the Mais Médicos units.

(2) Authorized seats do not include ProUni (+10%) and FIES (+10%) students.

(3) As for Student base, it considers ProUni, FIES and scholarships for Mais Médicos units.

BALANCE SHEET

R\$ million	1Q19	4Q19	1Q20
Current Assets	1,749.5	1,475.7	3,332.0
Cash and cash equivalents	8.7	12.3	10.4
Marketable securities	877.1	596.9	2,535.2
Accounts receivable	713.0	759.6	641.7
Advances to employees/third-parties	6.1	6.8	12.1
Prepaid expenses	14.7	7.0	16.4
Taxes and contributions	119.9	80.1	68.9
Swap differential receivable	-	-	32.8
Others	10.0	13.1	14.5
Non-Current Assets	3,903.3	4,036.8	4,303.8
Long-Term Assets	604.0	693.8	917.5
Swap differential receivable long term	-	-	121.9
Accounts receivable	211.1	261.6	329.3
Prepaid expenses	5.4	4.8	4.7
Judicial deposits	83.1	76.1	76.5
Taxes and contributions	120.1	176.4	183.1
Deferred taxes and others	184.3	175.0	202.1
Permanent Assets	3,299.2	3,343.0	3,386.3
Investments	0.2	0.3	0.3
Property and equipment	1,884.8	1,732.2	1,764.8
Intangible assets	1,414.2	1,610.4	1,621.2
Total Assets	5,652.7	5,512.5	7,635.8

R\$ million	1Q19	4Q19	1Q20
Current Liabilities	923.3	674.9	977.7
Loans and financing	196.5	13.6	216.3
Leasing	161.8	156.5	146.3
Suppliers	124.7	126.7	170.1
Salaries and payroll charges	187.8	136.4	176.9
Tax liabilities	49.2	36.0	62.0
Prepaid monthly tuition fees	20.8	18.4	15.7
Advance of the current agreement	-	3.3	3.3
Taxes paid in installments	3.3	3.7	3.6
Acquisition price to be paid	16.5	19.1	21.7
Dividends Payable	153.2	153.5	153.5
Others	9.5	7.6	8.4
Long-Term Liabilities	1,893.6	1,735.3	3,382.7
Loans and Financing	613.8	601.5	2,227.0
Contingencies	139.3	118.4	119.1
Leasing	1,066.8	880.0	905.0
Advance of agreement	-	28.0	27.2
Taxes paid in installments	6.2	11.0	10.6
Provision for asset demobilization	27.3	27.5	27.8
Deferred taxes	3.8	2.9	2.3
Acquisition price to be paid	15.3	44.5	42.3
Others	21.1	21.3	21.3
Shareholders' Equity	2,835.9	3,102.4	3,275.4
Capital	1,139.9	1,139.9	1,139.9
Share issue costs	(26.9)	(26.9)	(26.9)
Capital reserves	670.0	674.0	678.4
Earnings reserves	1,016.6	863.2	1,509.3
Period result	240.8	646.1	167.9
Treasury shares	(204.6)	(194.0)	(193.2)
Total Liabilities and Shareholders' Equity	5,652.7	5,512.5	7,635.8



INCOME STATEMENT BY BUSINESS UNIT: QUARTER

In IFRS-16	On-Campus			Distance Learning			Corporate			Consolidated		
R\$ Milhões	1Q19	1Q20	Δ%	1Q19	1Q20	Δ%	1Q19	1Q20	Δ%	1Q19	1Q20	Δ%
Gross Revenues	1,245.9	1,288.5	3.4%	282.9	405.7	43.4%	-	-	-	1,528.8	1,694.2	10.8%
Deductions from Gross Revenue	(486.0)	(584.9)	20.3%	(110.2)	(186.1)	68.8%	-	-	-	(596.2)	(771.0)	29.3%
Net Revenues	759.9	703.6	-7.4%	172.7	219.6	27.2%	-	-	-	932.6	923.3	-1.0%
Cost of Services	(340.5)	(321.8)	-5.5%	(19.6)	(27.1)	38.5%	-	-	-	(360.1)	(348.9)	-3.1%
Personnel	(237.5)	(218.9)	-7.9%	(11.7)	(10.9)	-6.8%	-	-	-	(249.2)	(229.8)	-7.8%
Rents, municipal property tax & other	(9.9)	(11.0)	11.3%	0.7	0.0	N.A	-	-	-	(9.2)	(11.0)	20.0%
Third-party services and Others	(23.3)	(25.5)	9.6%	(7.7)	(16.1)	110.3%	-	-	-	(31.0)	(41.7)	34.5%
Depreciation and amortization	(69.7)	(66.3)	-4.9%	(1.0)	(0.1)	-86.9%	-	-	-	(70.7)	(66.4)	-6.0%
Gross Profit	419.4	381.9	-9.0%	153.1	192.5	25.7%	-	-	-	572.6	574.4	0.3%
Gross Margin	55.2%	54.3%	-0.9 p.p.	88.7%	87.6%	-1.0 p.p.	-	-	-	61.4%	62.2%	0.8 p.p.
Selling and G&A Expenses	(91.4)	(106.4)	16.4%	(18.2)	(17.4)	-4.8%	(172.0)	(206.0)	19.8%	(281.6)	(329.8)	17.1%
Personnel	(3.2)	(4.9)	50.2%	(4.4)	(4.0)	-7.8%	(34.1)	(35.4)	3.8%	(41.8)	(44.4)	6.2%
Advertising	0.0	0.0	N.A	0.0	0.0	N.A	(93.2)	(107.7)	15.5%	(93.2)	(107.7)	15.5%
Bad Debt	(51.9)	(60.5)	16.8%	(11.1)	(11.3)	1.4%	0.0	0.0	N.A	(63.0)	(71.8)	14.1%
Other expenses	(33.6)	(38.1)	13.3%	(2.2)	(1.4)	-37.3%	(24.7)	(39.7)	60.4%	(60.6)	(79.2)	30.7%
Depreciation and amortization	(2.6)	(2.8)	6.9%	(0.5)	(0.6)	28.3%	(19.8)	(23.2)	17.1%	(23.0)	(26.7)	16.3%
Operating Profit	328.1	275.5	-16.0%	134.9	175.1	29.8%	(172.0)	(206.0)	19.8%	291.0	244.6	-16.0%
Operating Margin(%)	43.2%	39.2%	-4.0 p.p.	78.1%	79.7%	1.6 p.p.	-	-	-	31.2%	26.5%	-4.7 p.p.
Reported EBITDA	400.4	344.7	-13.9%	136.3	175.9	29.0%	(152.1)	(182.8)	20.2%	384.6	337.7	-12.2%
EBITDA margin (%)	52.7%	49.0%	-3.7 p.p.	78.9%	80.1%	1.1 p.p.	-	-	-	41.2%	36.6%	-4.7 p.p.



CASH FLOW STATEMENT

(R\$ million)	1Q19	1Q20	Δ%
Profit before taxes	246.7	174.2	-29.4%
Adjustments to reconcile profit	224.6	240.0	6.9%
Result after reconciliation to net cash generated	471.3	414.2	-12.1%
Changes in assets and liabilities	(270.6)	(4.8)	-98.2%
Operating Cash Flow before Capex	200.7	409.4	104.0%
Acquisition of property and equipment	(28.8)	(46.3)	60.4%
Acquisition of intangible assets	(21.4)	(36.0)	68.0%
Cash flow from investment activities	(16.5)	(0.3)	-98.1%
Operating Cash Flow after Capex	134.0	326.9	143.9%
Cash flow from financing activities	(66.3)	1,609.6	N.A
Free Cash Flow	67.7	1,936.4	2,758.8%
Cash at the beginning of the year	818.0	609.1	-25.5%
Increase (decrease) in cash and cash equivalents	67.7	1.936.4	2758.8%
Cash at the end of the year	885.8	2,545.6	187.4%
Reported EBITDA	384.6	337.7	-12.2%
Operating Cash Flow before Capex/EBITDA	52.2%	121.2%	69.0 p.p.
Reported Operating Cash Flow before Capex/EBITDA	200.7	409.5	104.0%
Delay on FIES receivable		(136.0)	N.A
Adjusted Operating Cash Flow before Capex /EBITDA	200.7	273.5	36.3%
Adjusted Operating Cash Flow before Capex /EBITDA	52.2%	81.0%	28.8 p.p.

	Unit	1Q19	2Q19	3Q19	4Q19	1Q20	Δ% YoY
Student Base ⁽¹⁾	'000	561.2	576.4	575.4	570.3	632.5	12.7%
On-campus	'000	322.0	328.1	308.4	309.5	318.9	-1.0%
Undergraduate	'000	292.4	298.0	277.9	280.9	290.9	-0.5%
Graduate	'000	29.7	30.1	30.5	28.6	28.0	-5.8%
Distance Learning	'000	239.2	248.4	267.0	260.8	313.7	31.2%
Undergraduate	'000	189.6	197.0	217.4	214.6	267.0	40.8%
Graduate	'000	49.6	51.3	49.6	46.2	46.6	-5.9%
Average Ticket ⁽²⁾	R\$						
On-campus	R\$	820.2	823.7	741.3	761.7	767.9	-6.4%
Undergraduate	R\$	846.4	852.7	765.6	787.3	787.5	-7.0%
Distance Learning	R\$	278.1	273.0	248.0	241.8	256.6	-7.7%
100% online	R\$	245.1	252.1	217.4	218.6	218.8	-10.7%
Flex	R\$	456.4	416.1	422.4	373.3	426.5	-6.6%
Retention Rate ⁽²⁾	%						
On-campus Undergraduate	%	85.8%	86.0%	85.9%	85.6%	85.0%	-0.8 p.p.
Distance-Learning Undergraduate	%	82.8%	81.5%	80.9%	79.3%	81.8%	-1.0 p.p.
Others							
Employees (Cost)	Unit	13.390	13.324	13.513	12.286	12.864	-3.9%
Number of DL Centers	Unit	635	674	747	933	1.015	59.8%
Covered Cities (DL)	cities	478	497	542	676	726	51.9%

(1) The student base includes Unitoledo students.
(2) The retention rate and average ticket calculations don't include Unitoledo's student base.





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