

# Ser Educacional reaches 223.8 thousand students and net revenue grows 12.4% in 2Q21



**Recife, August 13, 2021** - Ser Educacional S.A. (B3 SEER3), announces the results for the second quarter of 2021 (2Q21). The information is presented in IFRS, consolidated in Brazilian reais (R\$) and comparisons refer to the second quarter of 2020, unless otherwise specified. 2Q21 results include the consolidation of UNIFACIMED and UNIJUAZEIRO, which had their acquisition transactions completed in November 2020, UNESC, which had its acquisition transaction completed on February 1, 2021, and UNIFASB, which had its acquisition transaction completed on April 5, 2021. The summary of results of these acquisitions, as well as the results of Distance Learning, which is now called "Digital Education" or "Digital", are available under "Adjusted EBITDA by Segment" section of this document.

- In 1H21, the **total of undergraduate enrollments amounted to 103.5 thousand students**, representing a **51.9% growth** compared to 1H20. **The digital education segment** was the highlight of intake in the half-year period, with **180.4% growth**.
- The **total student base reached 223.8 thousand in 1H21, with 21.9% growth** when compared to 1H20, mainly due to the organic growth of the **digital education student base, which ended the half-year period with 85.2 thousand, with 121.4% growth in the period** and the acquisitions of UNIFACIMED, UNIJUAZEIRO, UNESC and UNIFASB.
- **Net revenue in 2Q21 amounted to R\$385.7 million, with 12.4% increase when compared to 2Q20, when it reached R\$343.0 million**, due to the consolidation of revenues from the acquired units, as well as the transfer of prices in the comparison between 2Q21 and 2Q20, and the increase in the volume of students enrolled in digital education.
- **Adjusted EBITDA reached R\$97.2 million**, 10.5% lower versus 2Q20, when it reached R\$108.7 million. This reduction reflects the combined effect of the normalization of the Company's activities in this quarter as compared to 2Q20, when a temporary activity reduction plan was implemented to mitigate the impacts of the social isolation measures implemented in that period. As a result, activities were resumed, increasing costs and expenses, in addition to investments to resume organic growth, with emphasis on the Digital Learning segment, which was partially offset by the increase in net revenue arising from acquisitions, still in the initial stage of gaining synergies.
- With the 121% growth of the student base and the 100.2% increase in net revenue, the **Adjusted EBITDA in digital learning reached 14.9% of the Company's consolidated Adjusted EBITDA and reached R\$14.5 million in the quarter** and the margin reached 28.5%, in 2Q21.
- **Adjusted net income in the quarter reached R\$41.8 million, with 28.3% decrease**, when compared to adjusted net income of R\$58.3 million in 2Q20.

Financial Highlights	2Q21	2Q20	% Chg. 2Q21 x 2Q20	6M21	6M20	% Chg. 6M21 x 6M20
<b>(R\$ '000)</b>						
Net Revenue	385,651	343,020	12.4%	692,375	651,546	6.3%
Adjusted Cash Gross Profit	260,963	246,000	6.1%	465,311	440,722	5.6%
Adjusted Cash Gross Margin	67.7%	71.7%	-4.0 p.p.	67.2%	67.6%	-0.4 p.p.
Adjusted EBITDA	97,197	108,652	-10.5%	165,060	186,278	-11.4%
Adjusted EBITDA Margin	25.2%	31.7%	-6.5 p.p.	23.8%	28.6%	-4.8 p.p.
Adjusted Net Income	41,756	58,261	-28.3%	77,882	87,585	-11.1%
Adjusted Net Margin	10.8%	17.0%	-6.2 p.p.	11.2%	13.4%	-2.2 p.p.

**2Q21 Conference calls  
August 13, 2021  
(Simultaneous translation)**

**Portuguese / English**  
02:00 p.m. (Brasília)  
01:00 p.m. (New York)

Participants' link:  
[www.sereducacional.com/ri](http://www.sereducacional.com/ri)

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- On April 5, 2021, the Company announced the closing of the transaction for the **acquisition of Centro Universitário São Francisco de Barreiras (UNIFASB)**, announced in December 2020. Located in the city of Barreiras (BA), the institution had 1.6 thousand enrolled students, of which 332 were medical students. The institution has authorization to offer up to 80 annual seats in medicine course, or 96 annual seats, when considering the seats available via PROUNI and FIES. The transaction also involved the purchase of UNIFASB's property valued at approximately R\$34.0 million, with this property already included in the total amount to be paid for the transaction totaling R\$210.0 million, of which R\$130.0 million in cash and the balance to be deposited in a linked account and released to the sellers, after deduction of indemnifiable liabilities by the sellers, in 5 consecutive annual installments, in the amount of R\$16.0 million each and without any type of inflation adjustment or interest.
- On April 29, 2021 the **Board of Directors approved the creation of a non-statutory Audit Committee** to be composed by directors Flávio Cesar Maia Luz, Francisco Muniz Barreto and independent director Marcelo Amaral Moraes for a term of 1 year.
- On April 30, 2021, the Company's Annual Shareholders' Meeting approved, among other matters, the re-election of the members of the Board of Directors and Fiscal Council for one more year of term in office and the **payment of dividends in the amount of R\$11.2 million, corresponding to R\$0.08698427 per share, with payment to be made on May 28, 2021**, based on the shareholding position as of April 30, 2021; thus, shares were traded "ex-dividends" as of May 3, 2021. Such dividends refer to the remaining balance of the 2020 fiscal year results to be paid according to the **minimum distribution policy of 30% of the Company's net income**.
- On May 31, 2021, subsidiary 3L Digital announced the **acquisition of FAEL, one of the largest digital higher education institutions in Brazil, with approximately 90 thousand students** in the undergraduate and graduate modalities registered directly or indirectly at its institution. Its operating model is based on the distribution of courses via its more than 600 learning centers and has solid capillarity in municipalities with less than 100,000 inhabitants. In 2020, FAEL had net revenue of R\$155.5 million and EBITDA adjusted for rental expenses, non-recurring effects and SER's accounting practices of R\$20.0 million, showing growth in revenue and adjusted EBITDA compared to 2019 of 12% and 124%, respectively. The transaction price was R\$280.0 million and will be paid in cash at the closing, with an additional payment of R\$17.5 million to be paid as *earn out* conditional upon the achievement of performance targets. The transaction is awaiting CADE approval and the fulfillment of conditions precedent.
- On June 15, 2021 Ser Educacional entered into a **financing with International Finance Corporation (IFC), a member of the World Bank Group, aimed to strengthen Ser Educacional's growth strategy and digital transformation in the amount of R\$200.0 million**, with a term of 7 years, to be paid semiannually in 11 installments as of April 2023. Financing will be granted in Brazilian reais and yielding an average interest rate of CDI+2.55% p.a. in the first tranche of R\$165.0 million and the second tranche of R\$35.0 million, which will be disbursed together and proportionally to the first tranche, with an interest rate defined according to market conditions at the time of disbursement, estimated to occur during second half of 2021.
- **On June 17, 2021, Fitch Ratings affirmed Long-Term National Rating 'AA- (bra)' (AA minus (bra)) for Ser Educacional S.A.** and its second issue of unsecured debentures, in the amount of R\$200 million, with final maturity in September 2021. The corporate rating Outlook was considered "Stable".
- On July 2, 2021, subsidiary Clínica Escola de Saúde Uninassau **acquired the Centro de Desenvolvimento da Medicina Veterinária and the Hospital Veterinário DOK**. Based in Rio de Janeiro (RJ), CDMV is an educational institution specialized in offering postgraduate courses and practical extension courses in the area of Veterinary Medicine and operates in the cities of Rio de Janeiro, Belém, Fortaleza, Ilhéus, São Paulo, Manaus, Recife and Salvador. The institution has graduated more than 6 thousand students in 9 years of operation and currently has 475 enrolled students. The transaction was set in the total amount of R\$12 million, of which R\$8.4 million will be paid in cash and R\$3.6 will be paid in 5 annual equal installments, adjusted by the IPCA (inflation index) variation. With the transaction, Ser Educacional will replicate Hospital Veterinário DOK's model in its 19 veterinary medicine courses already in operation, including the business development in the existing hospitals in Guarulhos and Manaus. As a result, its services and opening hours will be expanded, creating sources of auxiliary revenue

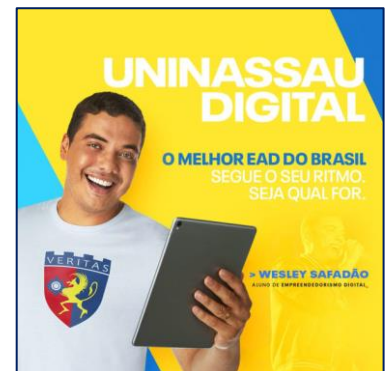


generation, higher local recognition of the brands and expansion of the range of social services in the cities of operation.

## Message from Management

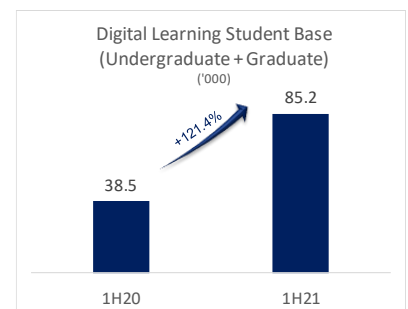
Ser Educacional ended the first half of 2021 under an environment of economic recovery, following the pace of population vaccination and the reopening of activities in each city. In this sense, the post-covid-19 scenario could be of **high transformation for Brazilian higher education**, since this period has provided significant changes in the behavior of students, especially because this audience has longer life and career expectancy, compared to previous decades, and has come to accept technological teaching tools and the concepts of digital teaching naturally, as these have been virtually the only way to remain academically active in this period of social isolation.

This new profile of students, associated with a regulatory environment that evolved with the regulatory framework of Distance Learning 2017 and MEC ordinance of December 2019, which allowed educational institutions to offer on-site courses with up to 40% of their course load by digital means, created a fertile innovation environment in higher education, allowing for the adoption of new technologies, curriculum frameworks, academic models, new modalities of offers and commercial models. Attentive to these movements, **Ser Educacional transformed its business, implementing market innovations with speed and focus on creating a complete ecosystem to offer continued education in Brazil.**



The Digital Learning segment has become an important part of this process. Remodeled as of the second half of 2020, Ser Educacional's distance learning program was transformed into Digital Learning, bringing many new features, such as modern courses that meet the needs of the labor market, introduction of the concept of accelerated graduation and entry without the need for class formation. All this with new, intuitive and interactive content that uses the best pedagogical concepts and quality standards, through recognized brands in the labor market.

The example of the Singular Tech School is remarkable in this regard. It is a technology school created in partnership with the world's largest companies in the field, with a focus on creating technology courses, a market segment showing a great shortage of professionals, even in a country that still experiences high rates of unemployment. These changes were also supported by a commercial strategy that was also remodeled, both from the point of view of repositioning brands, prices and distribution channels. **As a result, Digital Learning has become relevant for Ser Educacional, representing 38.1% of the student base in 2Q21 and 14.9% of adjusted EBITDA.**



To complete the Digital Learning strategy, Ser Educacional announced this quarter the acquisition of FAEL, an educational institution specialized in 100% online courses with 90 thousand students distributed in more than 600 learning centers. This transaction, in addition to being relevant to Ser Educacional's history, will bring the Company to more than 1,000 Digital Education learning centers and will turn it into a nationwide company with solid synergies and strategic fit and is pending approval by CADE so that it can be consolidated in the results.

**With FAEL, Ser Educacional will have a base of over 175 thousand students in Digital Education and exceeding 313 thousand students in higher education<sup>1</sup>**, allowing the Company to have a relevant scale nationwide and to be prepared to grow via partner learning centers, an important channel for offering higher education.



<sup>1</sup> Pro forma considering information from Fael in 4Q20 and Ser Educacional in 2Q21, and the transaction still pending CADE approval.



And innovation in this segment also followed new growth avenues. In the last 12 months, offer modalities were created, such as via e-commerce portals or even the launch of GoKursos, a new online course portal with more than 4 thousand courses and channels that are a trend in the market such as: single purchase model, subscriptions, partner courses in a revenue share system, among other innovations in a modern and intuitive platform.

This transformation was only possible with the introduction of the new teaching framework, Ubíqua. Based on active teaching methodologies, with state-of-the-art technology and content built in a flexible way to provide the creation of new courses and new distribution formats and optimize results, Ubíqua allows Ser Educacional the necessary flexibility to structure courses and distribution formats that enable it to explore new market segments and offering formats.

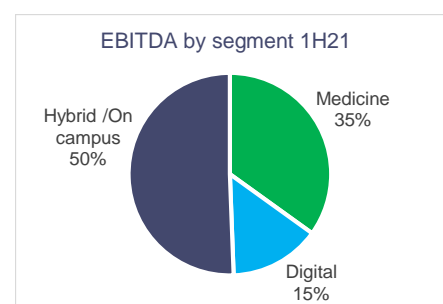


An example of this was the on-campus teaching intake this half-year period, which became known as Hybrid/On-Campus Teaching and was entirely carried out through the Ubíqua platform using the hybrid teaching model and which received high approval rates from teachers and students in its first year of launching, **transforming the Company's on-campus teaching into a hybrid system and preparing it for a new phase of expansion of the student base**, supported by a top-notch curriculum framework, a broad portfolio of courses focused on the health and engineering segments offered on campuses that meet new market trends, well located with strong regional brands recognized by the labor market.

The growth of the continued education ecosystem continued to advance this quarter and has overcome the barriers of traditional education with the acquisition of CDMV and Hospital Veterinário DOK. This is an institution that offers postgraduate courses in Veterinary Medicine and has its own veterinary hospital equipped for highly complex care. Located in Barra da Tijuca, Rio de Janeiro, CDMV/DOK is a reference in the region and its model will be replicated in other 19 units of the Company that offer undergraduate courses in Veterinary Medicine, **expanding the ecosystem into a highly addressable market segment for both higher education in Veterinary Medicine and for Veterinary Hospitals, maximizing the use of educational assets and starting operations in the animal health market.**



In the medical courses segment, the third acquisition of the Company in this segment, UNIFASB, was completed this quarter. With this transaction, **Ser Educacional expanded its annual medical seat base by 73% reaching 473 annual seats** and now has a relevant position in Ser Educacional's results, while strengthening its position within the North and Northeast regions of Brazil, which are experiencing high growth due to the evolution of Brazilian agribusiness.



Ser Educacional enters the second half of 2021 prepared to benefit from the transformation of higher education that begins in this post-pandemic period with its **ecosystem in full expansion, with new avenues of value generation, a large operational scale and an integrated, multi-channel offer**. The Company would like to thank its employees, students, and faculty for all their dedication during these challenging and transformational periods for the industry and for the future of Ser Educacional.



## OPERATIONAL PERFORMANCE

The 2021.1 intake process took place during the COVID-19 pandemic, which impacted the offer of hybrid education in 1Q21, but showed a resumption of pace as of 2Q21, with the release of ENEM's results at the end of March 2021 and with the advance of vaccination.

Student Enrollment			
In thousands	1H21	1H20	% Chg
Undergraduate Enrollments	97.7	64.4	51.8%
Digital	58.1	19.8	193.5%
Hybrid (On-campus)	39.6	44.6	-11.2%
Hybrid (On-campus) - Ex-Acquisitions	38.3	44.6	-14.0%
Graduate Enrollments	5.9	3.8	54.1%
Digital	5.6	2.9	91.1%
On-campus	0.3	0.9	-66.9%
<b>TOTAL</b>	<b>103.5</b>	<b>68.2</b>	<b>51.9%</b>

### *Hybrid (on-campus) undergraduate student intake - 2021.1*

Intake in hybrid (on-campus) undergraduate students recorded 11.2% drop when comparing 1H21 and 1H20, still due to the impacts of COVID-19, which, as mentioned above, showed a resumption starting 2Q21.

At the end of 1H21, 1.4 thousand new FIES agreements were executed, from the 3.1 thousand seats allocated to the Company by the Federal Government, in 2021.1, with 1.1 thousand freshmen and 0.3 thousand upperclassmen.

### *Digital learning undergraduate student intake - 2021.1*

The digital learning undergraduate segment maintained the pace presented in 1Q21 and closed the first half of 2021 as the highlight of the intake, with a 193.5% growth in new enrollment volume, as a result of the following factors (i) increase in commercial campaigns, aiming at benefiting from the positive momentum of this segment during the pandemic, (ii) the successful launch of Digital Courses and (iii) the repositioning of prices of the 100% online traditional courses in certain locations, in order to address the market changes.

### *Graduate student intake - 2021.1*

The total enrollment for graduate programs recorded 54.1% growth, with emphasis on digital graduate programs, which ended 1H21, with an intake of 5.6 thousand students, compared to 2.9 thousand in 1H20, representing 91.1% increase. With the intake performance in this segment, the final base of digital graduate students in 1H21 was 12.6 thousand students. The improved enrollment of digital learning graduate programs was due to the focus on offering these courses especially at partner locations.



## Evolution of the Student Base

Number of Students	Undergraduate		Graduate		Vocational		Total
	Hybrid (On Campus)	Digital	On Campus	Digital	On Campus	Digital	Total
<b>2021.1</b>							
<b>Dec20 Base</b>	<b>131,613</b>	<b>38,997</b>	<b>4,487</b>	<b>14,836</b>	<b>1,276</b>	<b>28</b>	<b>191,237</b>
Enrollments	39,569	58,113	295	5,568	433	2	108,948
UnG Acquisition	4,968	-	-	-	-	-	4,968
Leavers	(14,544)	(907)	(2,329)	(5,490)	(67)	(28)	(23,365)
Dropouts	(26,840)	(23,612)	(82)	(2,311)	(171)	(2)	(53,018)
<b>Jun21 Base</b>	<b>134,766</b>	<b>72,591</b>	<b>2,371</b>	<b>12,603</b>	<b>1,471</b>	<b>-</b>	<b>228,770</b>
% Jun21 Base / Dec20 Base	2.4%	86.1%	-47.2%	-15.1%	15.3%	-100.0%	19.6%
% Jun21 Base / Jun20 Base	-2.8%	156.1%	-52.7%	24.2%	13.9%	-100.0%	24.6%
<b>Jun21 Base (Ex-Acquisitions)</b>	<b>129,798</b>	<b>72,591</b>	<b>2,371</b>	<b>12,603</b>	<b>1,471</b>	<b>-</b>	<b>218,834</b>
% Jun21 Base / Jun20 Base	-6.4%	156.1%	-52.7%	24.2%	13.9%	-100.0%	19.2%

As a result of the items discussed above, the hybrid (on-campus) undergraduate student base totaled 134.8 thousand students in 1H21, representing a 2.8% reduction as compared to the reported base of 138.7 thousand students in 1H20. In the analysis ex-acquisitions, the change in the hybrid (on-campus) student base 1H21 x 1H20 was 6.4% lower.

The digital learning student base (which represents the sum of digital learning undergraduate and graduate students) showed 121.4% growth, increasing from 38.5 thousand students in 1H20 to 85.2 thousand students in 1H21.

## Dropout Rate

Dropout rate for hybrid (on-campus) undergraduate was down 4.1 p.p., to 16.6% in 1H21, versus 20.7% in 1H20, showing that this rate is on track to return to a pre-COVID-19 levels.

## Average Net Ticket

Average Ticket (R\$)	2Q21	2Q20	% Chg. 2Q21 x 2Q20
<b>Hybrid (On Campus) Undergraduate</b>	812.34	746.09	8.9%
<b>Digital (Undergraduate + graduate)</b>	197.36	218.02	-9.5%
<b>Total Net Average Ticket</b>	570.21	621.40	-8.2%

The average hybrid (on-campus) undergraduate ticket in 2Q21 was R\$812.34, representing 8.9% growth when compared to the same period of the previous year. Excluding acquisitions, which have a higher average ticket than the Company's mainly due to its seats in medical courses, the average ticket in hybrid (on-campus) undergraduate segment was R\$760.18, 0.8% lower compared to 2Q20, showing that the cycle of price reductions in student intake is flattening and that the acquisitions made by the Company of institutions offering medical courses have helped to speed up this process.

In the digital learning segment, the reduction in the average ticket refers to two main factors: the change in the courses mix, since the new line of 100% online courses was the main responsible for the increase in the volume of new enrollments.



## Student Financing

STUDENT LOANS	Dec/13	Dec/14	Dec/15	Dec/16	Dec/17	Dec/18	Dec/19	2Q20	Dec/20	1Q21	2Q21
<b>Hybrid (on campus) Undergraduate Students</b>	<b>70,255</b>	<b>101,195</b>	<b>123,988</b>	<b>131,092</b>	<b>133,945</b>	<b>127,837</b>	<b>145,496</b>	<b>138,712</b>	<b>131,613</b>	<b>129,739</b>	<b>134,766</b>
FIES Students	31,432	48,048	56,089	58,840	55,565	40,427	34,156	25,612	20,137	14,487	15,292
% of FIES Students	44.7%	47.5%	45.2%	44.9%	41.5%	31.6%	23.5%	18.5%	15.3%	11.2%	11.3%
EDUCRED Students			754	1,922	2,390	3,952	4,464	4,970	3,779	2,168	3,335
% of EDUCRED Students			0.6%	1.5%	1.8%	3.1%	3.1%	3.6%	2.9%	1.7%	2.5%
PRAVALER Students			954	1,794	2,873	3,265	2,168	1,848	1,612	772	839
% of PRAVALER Students			0.8%	1.4%	2.1%	2.6%	1.5%	1.3%	1.2%	0.6%	0.6%
Total Students Loans			57,797	62,556	60,828	47,644	40,788	32,430	25,528	17,427	19,466
% of Total Students Loans			46.6%	47.7%	45.4%	37.3%	28.0%	23.4%	19.4%	13.4%	14.4%

As of June 30, 2021, FIES students accounted for 11.3% of the hybrid (on-campus) undergraduate base, with 7.1 p.p. reduction as compared to the end of 2Q20, when FIES students accounted for 18.5% of the undergraduate student base, and 7.6 p.p. reduction excluding acquisitions. This decline was caused by the federal government's decision to reduce the number of seats in the FIES program as of 2015, which had the number of new seats offered even more decreased as of 2018.

## FINANCIAL PERFORMANCE

### Costs of Services Provided

Gross Revenue - Accounting (R\$ '000)	2Q21	2Q20	% Chg. 2Q21 x 2Q20	6M21	6M20	% Chg. 6M21 x 6M20
<b>Gross Operating Revenue</b>	<b>734,851</b>	<b>621,802</b>	<b>18.2%</b>	<b>1,380,612</b>	<b>1,223,499</b>	<b>12.8%</b>
Undergraduate Monthly Tuition	649,736	563,274	15.3%	1,217,951	1,104,124	10.3%
Graduate Monthly Tuition	5,732	8,717	-34.2%	11,454	17,975	-36.3%
Vocational Courses Monthly Tuition	383	425	-9.8%	778	929	-16.3%
Digital Learning Monthly Tuition	76,049	48,462	56.9%	143,635	95,939	49.7%
Others	2,951	924	219.4%	6,794	4,532	49.9%
<b>Deductions from Gross Revenue</b>	<b>(349,200)</b>	<b>(278,782)</b>	<b>25.3%</b>	<b>(688,237)</b>	<b>(571,953)</b>	<b>20.3%</b>
Discounts and Scholarships	(263,103)	(201,709)	30.4%	(524,684)	(425,483)	23.3%
PROUNI	(71,010)	(60,714)	17.0%	(137,221)	(115,908)	18.4%
FGEDUC And FIES charges	(2,438)	(4,429)	-45.0%	(3,601)	(8,247)	-56.3%
Taxes	(12,649)	(11,930)	6.0%	(22,731)	(22,315)	1.9%
% Discounts and Scholarships/ Net Oper. Rev.	35.8%	32.4%	3.4 p.p.	38.0%	34.8%	3.2 p.p.
<b>Net Operating Revenue</b>	<b>385,651</b>	<b>343,020</b>	<b>12.4%</b>	<b>692,375</b>	<b>651,546</b>	<b>6.3%</b>
Undergraduate Monthly Tuition	328,427	310,474	5.8%	587,058	585,295	0.3%
Graduate Monthly Tuition	3,623	6,102	-40.6%	7,595	11,836	-35.8%
Vocational Courses Revenues	355	379	-6.5%	717	843	-14.9%
Digital Learning Revenues	50,441	25,192	100.2%	90,516	49,285	83.7%
Others	2,806	872	221.6%	6,488	4,287	51.3%

In 2Q21, the Company's gross revenue amounted to R\$734.9 million, with 18.2% increase when compared to the same period last year. This increase is due to the consolidation of recent acquisition revenues, as well as the transfers of prices when comparing 2Q21 vs. 2Q20, and the increased volume of students enrolled in the digital learning segment, partially offset by increased dropout rates during the year.

In 2Q21, net revenue amounted to R\$385.7 million, versus R\$343.0 million in 2Q20, corresponding to 12.4% increase, due to the acquisitions of UNIFACIMED, UNIJUZEIRO, UNESC and UNIFASB, in addition to the growth of digital education student base. Excluding acquisitions, net revenue for the quarter was R\$342.3 million.



## Costs of Services Provided

Breakdown of Cost of Services Rendered' Accounting (R\$ '000)	2Q21	2Q20	% Chg. 2Q21 x 2Q20	6M21	6M20	% Chg. 6M21 x 6M20
<b>Cash Cost of Services Rendered</b>	<b>(129,828)</b>	<b>(97,479)</b>	<b>33.2%</b>	<b>(233,833)</b>	<b>(212,203)</b>	<b>10.2%</b>
Payroll and Charges	(104,866)	(92,838)	13.0%	(193,026)	(189,239)	2.0%
Rent	(6,225)	6,486	N.M.	(6,056)	4,371	N.M.
Concessionaires (Electricity, Water and Telephone)	(5,668)	(5,167)	9.7%	(12,315)	(15,263)	-19.3%
Third-Party Services and Others	(13,069)	(5,960)	119.3%	(22,436)	(12,072)	85.9%

<sup>1</sup> Excluding depreciation and amortization.

Cash cost of services (excluding depreciation and amortization) amounted to R\$129.8 million in 2Q21 versus R\$97.5 million in 2Q20, representing 33.2% increase as compared to 2Q20, for the reasons listed below:

a) Personnel costs and charges in 2Q21 increased 13.0% when compared to 2Q20. Excluding personnel costs from acquisitions, personnel and charges line declined 4.1%, closing 2Q21 at R\$89.0 million, mainly due to the optimization of the allocation of teaching hours in the hybrid (on-campus) undergraduate segment. In this scenario, the Company incurred non-recurring costs of R\$1.1 million in the quarter, which can be better analyzed in the table presented below.

Rental costs reached R\$6.2 million in 2Q21, versus a positive amount of R\$6.5 million in 2Q20, when rental costs were impacted by the renegotiations of remaining rents carried out in 2020 due to the effects of COVID-19. In 2Q21, rental agreements returned to their normal course, as on-site administrative activities and practical classes were resumed. It is worth noting that rental discounts are subject to specific accounting treatment and are not included in IFRS 16 standards, so that the amounts of reductions are recorded in the rental costs line, resulting in a positive balance in the between 2Q20 and 2Q21. In 2Q21 the Company recorded a non-recurring cost of R\$4 million due to a retroactive increase in the rent of one of its units as a result of a court decision.

b) The "Concessionaires" line was up 9.7%, closing 2Q21 at R\$5.7 million, versus R\$5.2 million in 2Q20, due to the resumption of administrative activities and on-campus practical classes, besides the tariff increase during this period. Excluding acquisitions, the cost with concessionaires was R\$5.3 million, representing an increase of 2.9%.

c) Third-party and other services reached R\$13.1 million in 2Q21, versus R\$6.0 million in 2Q20, with 119.3% increase, due to the higher volume of practical classes for the health course student base, including digital learning and acquisitions, in addition to the increased volume of access to digital platforms. Excluding acquisition costs, the increase in third-party services line and others was 95.9%.

The table below shows managerial operating costs, which are adjusted for non-recurring effects.

Breakdown of Cost of Services Rendered' Adjusted (R\$ '000)	2Q21	2Q20	% Chg. 2Q21 x 2Q20	6M21	6M20	% Chg. 6M21 x 6M20
<b>Cash Cost of Services Rendered</b>	<b>(124,688)</b>	<b>(97,020)</b>	<b>28.5%</b>	<b>(227,064)</b>	<b>(210,824)</b>	<b>7.7%</b>
Payroll and Charges	(103,726)	(92,379)	12.3%	(190,257)	(187,860)	1.3%
Rent	(2,225)	6,486	N.M.	(2,056)	4,371	N.M.
Concessionaires (Electricity, Water and Telephone)	(5,668)	(5,167)	9.7%	(12,315)	(15,263)	-19.3%
Third-Party Services and Others	(13,069)	(5,960)	119.3%	(22,436)	(12,072)	85.9%

<sup>1</sup> Excluding depreciation and amortization.





## Gross Profit

<b>Gross Profit - Accounting (R\$ '000)</b>	<b>2Q21</b>	<b>2Q20</b>	<b>% Chg. 2Q21 x 2Q20</b>	<b>6M21</b>	<b>6M20</b>	<b>% Chg. 6M21 x 6M20</b>
<b>Net Operating Revenue</b>	<b>385,651</b>	<b>343,020</b>	<b>12.4%</b>	<b>692,375</b>	<b>651,546</b>	<b>6.3%</b>
Cost of Services Rendered	(173,078)	(138,306)	25.1%	(316,433)	(293,282)	7.9%
<b>Gross Profit</b>	<b>212,573</b>	<b>204,714</b>	<b>3.8%</b>	<b>375,942</b>	<b>358,264</b>	<b>4.9%</b>
Gross Margin	55.1%	59.7%	-4.6 p.p.	54.3%	55.0%	-0.7 p.p.
(-) Depreciation	43,250	40,827	5.9%	82,600	81,079	1.9%
<b>Cash Gross Profit</b>	<b>255,823</b>	<b>245,541</b>	<b>4.2%</b>	<b>458,542</b>	<b>439,343</b>	<b>4.4%</b>
Cash Gross Margin	66.3%	71.6%	-5.2 p.p.	66.2%	67.4%	-1.2 p.p.

Gross cash profit recorded a 4.2% growth, from R\$245.5 million in 2Q20 to R\$255.8 million in 2Q21. Gross cash margin reached 66.3% in 2Q21, 5.2 p.p. lower than in 2Q20, when it reached 71.6%. The increase in gross profit, although with decrease in margins, reflects the combined effect of the normalization of the Company's activities in this quarter as compared to 2Q20, when a temporary activity reduction plan was implemented as a way to mitigate the impacts of the social isolation measures implemented in that period. As a result, activities were resumed, increasing costs and investments aiming at resuming growth, especially in the Digital Education segment in the quarterly comparison, which was partially offset by the increase in net revenue arising from acquisitions, still in the initial stage of gaining synergies and investments to resume organic growth, with emphasis on the Digital Learning segment. Excluding acquisitions, gross cash profit would have been 4.3% lower and gross cash margin would have reached 67.3%

Depreciation was up 5.9%, increasing from R\$40.8 million in 2Q20 to R\$43.3 million in 2Q21, mainly due to the inclusion of depreciation of property, plant and equipment, right to use and amortization of intangible assets of acquisitions. Depreciation and amortization line, excluding acquisitions reached R\$41.0 million in 2Q21.

The table below shows the gross cash profit adjusted for the main effects of non-recurring costs.

<b>Gross Profit - Adjusted (R\$ '000)</b>	<b>2Q21</b>	<b>2Q20</b>	<b>% Chg. 2Q21 x 2Q20</b>	<b>6M21</b>	<b>6M20</b>	<b>% Chg. 6M21 x 6M20</b>
<b>Net Operating Revenue</b>	<b>385,651</b>	<b>343,020</b>	<b>12.4%</b>	<b>692,375</b>	<b>651,546</b>	<b>6.3%</b>
Cost of Services Rendered	(167,938)	(137,847)	21.8%	(309,664)	(291,903)	6.1%
<b>Adjusted Gross Profit</b>	<b>217,713</b>	<b>205,173</b>	<b>6.1%</b>	<b>382,711</b>	<b>359,643</b>	<b>6.4%</b>
Adjusted Gross Margin	56.5%	59.8%	-3.4 p.p.	55.3%	55.2%	0.1 p.p.
(-) Depreciation	43,250	40,827	5.9%	82,600	81,079	1.9%
<b>Adjusted Cash Gross Profit</b>	<b>260,963</b>	<b>246,000</b>	<b>6.1%</b>	<b>465,311</b>	<b>440,722</b>	<b>5.6%</b>
Adjusted Cash Gross Margin	67.7%	71.7%	-4.0 p.p.	67.2%	67.6%	-0.4 p.p.



## Operating Expenses (Selling, General and Administrative)

Operating Expenses - Accounting (R\$ '000)	2Q21	2Q20	% Chg. 2Q21 x 2Q20	6M21	6M20	% Chg. 6M21 x 6M20
<b>General and Administrative Expenses</b>	<b>(138,179)</b>	<b>(116,944)</b>	<b>18.2%</b>	<b>(257,345)</b>	<b>(228,466)</b>	<b>12.6%</b>
Payroll and Charges	(40,731)	(33,346)	22.1%	(80,181)	(73,971)	8.4%
Third-Party Services	(12,995)	(9,152)	42.0%	(27,204)	(24,084)	13.0%
Advertising	(30,723)	(15,973)	92.3%	(65,819)	(41,328)	59.3%
Materials	(1,678)	(750)	123.7%	(3,616)	(3,703)	-2.3%
PDA	(40,314)	(47,475)	-15.1%	(57,620)	(61,216)	-5.9%
Others	(8,463)	(6,702)	26.3%	(16,346)	(16,973)	-3.7%
Depreciation and Amortization	(3,275)	(3,546)	-7.6%	(6,559)	(7,191)	-8.8%
<b>Operating Income</b>	<b>61,275</b>	<b>89,326</b>	<b>-31.4%</b>	<b>101,568</b>	<b>129,548</b>	<b>-21.6%</b>
<b>General and Administrative Expenses (Ex-Depreciation and Amortization)</b>	<b>(134,904)</b>	<b>(113,398)</b>	<b>19.0%</b>	<b>(250,786)</b>	<b>(221,275)</b>	<b>13.3%</b>

General and administrative expenses increased by 18.2%, from R\$116.9 million in 2Q20, to R\$138.2 million in 2Q21, mainly due to:

- a) Personnel expenses and payroll charges recorded 22.1% growth as compared to 2Q20, from R\$33.3 million in 2Q20 to R\$40.7 million in 2Q21, as a result of (i) normalization of personnel expenses, due to the reduction of activities in 2Q20 as a way to mitigate the impacts of the pandemic, (ii) increase in staff due to recent acquisitions, (iii) attraction of new executives to work especially in the Digital Learning segment and (iv) collective labor agreement. The increase in personnel expenses was 16.1%, excluding acquisitions. Excluding personnel expenses of acquired institutions and the non-recurring effect of R\$2.0 million related to indemnity fines, resulting from the adjustment of the administrative structure to accommodate the Company's current student base, the increase would have been 10.1%, 2Q21 vs. 2Q20.
- b) In 2Q21, expenses with services provided reached R\$13.0 million (R\$12.4 million, excluding acquired companies' expenses), representing 42.0% increase as compared to 2Q20, at R\$9.2 million, due to the normalization of activities when compared to 2Q20, quarter highly impacted due to the period of social isolation implemented during the pandemic, in addition to non-recurring expenses amounting to approximately R\$1.8 million.
- c) Advertising expenses increased 92.3% compared to 2Q20, from R\$16.0 million in 2Q20 to R\$30.7 million in 2Q21, corresponding to 8.0% of net revenue (growth of 88.0%, excluding acquisitions), due to the beginning of the normalization of intake activities versus 2Q20, a period in which there was a substantial reduction in on-campus activities and as a result of accelerated marketing initiatives, especially due to the acceleration of organic growth initiatives in the segment of Digital Learning.
- d) The PDA and Effective Losses line decreased from R\$47.5 million in 2Q20 to R\$40.3 million in 2Q21, representing a 15.1% decrease when compared to 2Q20, due to the improvement in the tuition receipt rate and the lower need for more provisioning.

The table below presents managerial view of general and administrative expenses, adjusted for non-recurring effects.



Operating Expenses - Adjusted (R\$ '000)	2Q21	2Q20	% Chg. 2Q21 x 2Q20	6M21	6M20	% Chg. 6M21 x 6M20
<b>General and Administrative Expenses</b>	<b>(134,337)</b>	<b>(113,686)</b>	<b>18.2%</b>	<b>(249,351)</b>	<b>(213,263)</b>	<b>16.9%</b>
Payroll and Charges	(38,728)	(32,460)	19.3%	(75,918)	(71,323)	6.4%
Third-Party Services	(11,241)	(8,009)	40.4%	(23,557)	(18,892)	24.7%
Advertising	(30,723)	(15,973)	92.3%	(65,819)	(41,328)	59.3%
Materials	(1,678)	(750)	123.7%	(3,616)	(3,703)	-2.3%
PDA	(40,314)	(47,475)	-15.1%	(57,620)	(61,216)	-5.9%
Others	(8,378)	(5,473)	53.1%	(16,261)	(9,610)	69.2%
Depreciation and Amortization	(3,275)	(3,546)	-7.6%	(6,559)	(7,191)	-8.8%
<b>Adjusted Operating Income</b>	<b>78,072</b>	<b>92,972</b>	<b>-16.0%</b>	<b>124,917</b>	<b>146,235</b>	<b>-14.6%</b>
<b>General and Administrative Expenses (Ex-Depreciation and Amortization)</b>	<b>(131,062)</b>	<b>(110,140)</b>	<b>19.0%</b>	<b>(242,792)</b>	<b>(206,072)</b>	<b>17.8%</b>

## Other operating revenues (expenses), net

In 2Q21, the line of other operating revenues (expenses), net, represented an expense of R\$13.0 million versus a revenue of R\$1.6 million in 2Q20, due to R\$7.9 million in write-offs of property, plant and equipment in the amount and of right to use of properties returned, whose operations were discontinued, and termination of atypical lease agreement (built to suit), and R\$5.1 million of provision for contingencies and payment of legal costs.

## EBITDA and Adjusted EBITDA

EBITDA (R\$ '000)	2Q21	2Q20	% Chg. 2Q21 x 2Q20	6M21	6M20	% Chg. 6M21 x 6M20
<b>Net Income<sup>1</sup></b>	<b>25,698</b>	<b>54,716</b>	<b>-53.0%</b>	<b>55,766</b>	<b>71,482</b>	<b>-22.0%</b>
(+) Net financial expense <sup>2</sup>	38,187	28,754	32.8%	53,461	50,541	5.8%
(+) Income and social contribution taxes	(2,610)	5,856	-144.6%	(7,659)	7,525	N.M.
(+) Depreciation and amortization	46,525	44,373	4.8%	89,159	88,270	1.0%
<b>EBITDA<sup>1</sup></b>	<b>107,800</b>	<b>133,699</b>	<b>-19.4%</b>	<b>190,727</b>	<b>217,818</b>	<b>-12.4%</b>
EBITDA Margin	28.0%	39.0%	-11.0 p.p.	27.5%	33.4%	-5.9 p.p.
(+) Revenue from Interest on Agreements and Others <sup>2</sup>	2,146	1,934	11.0%	9,658	9,937	-2.8%
(+) Non-recurring costs and expenses <sup>3</sup>	16,797	3,646	360.7%	23,349	16,687	39.9%
(-) Minimum rent paid <sup>4</sup>	(29,546)	(30,627)	-3.5%	(58,674)	(58,164)	0.9%
<b>Adjusted EBITDA<sup>5</sup></b>	<b>97,197</b>	<b>108,652</b>	<b>-10.5%</b>	<b>165,060</b>	<b>186,278</b>	<b>-11.4%</b>
Adjusted EBITDA Margin	25.2%	31.7%	-6.5 p.p.	23.8%	28.6%	-4.8 p.p.

1. EBITDA is not an accounting measure.

2. Revenue from interest on agreements and others comprises our net financial result arising from revenue from interest and fines on tuitions corresponding to financial charges on renegotiated and overdue tuition fees.

3. Non-recurring costs and expenses are mainly related to expenses related to mergers and acquisitions, severance expenses arising from the workforce optimization process and the Ser Digital project, which would not affect normal cash flow.

4. Minimum rent refers to rental agreements recorded under financial leasing in accordance with IFRS 16. The expenses from such leasing are not recorded under EBITDA, but are part of adjusted EBITDA.

5. Adjusted EBITDA corresponds to EBITDA plus (a) financial revenue from fines and interest on tuition, (b) non-recurring costs and expenses, and (c) minimum rent paid.

Cash generation measured by Adjusted EBITDA for 2Q21 period amounted to R\$97.2 million, 10.5% lower as compared to 2Q20, when it reached R\$108.7 million. Adjusted EBITDA margin closed second quarter of 2021 at 25.2%, versus 31.7% in 2Q20, down 6.5 p.p.

This reduction reflects the combined effect of the normalization of the Company's activities in this quarter as compared to 2Q20, when a temporary activity reduction plan was implemented to mitigate the impacts of the social isolation measures implemented in that period. As a result, activities were resumed, increasing costs and expenses, which was



partially offset by the increase in net revenue arising from acquisitions, still in the initial stage of gaining synergies and investments to resume organic growth, with emphasis on the Digital Learning segment.

The statement of non-recurring items is as follows:

SUMMARY OF NON-RECURRING ITEMS (R\$ '000)	2Q21	2Q20	% Chg. 2Q21 x 2Q20	6M21	6M20	% Chg. 6M21 x 6M20
<b>Non-Recurring Costs and Expenses Impacting Adjusted EBITDA</b>	<b>16,797</b>	<b>3,646</b>	<b>360.7%</b>	<b>23,349</b>	<b>16,687</b>	<b>39.9%</b>
Rent	4,000	-	N.M.	4,000	-	N.M.
Payroll	3,143	1,345	133.7%	7,032	4,027	74.6%
Cost	1,140	459	148.5%	2,769	1,379	100.8%
Expense	2,003	886	126.1%	4,263	2,648	61.0%
Third-Party Services	1,754	1,143	53.5%	3,647	5,192	-29.8%
Other Expenses / Other Net Operating Expenses	7,901	1,159	581.8%	8,671	7,469	16.1%
<b>Non-Recurring Costs and Expenses that do not Impact Adjusted EBITDA</b>	<b>(739)</b>	<b>(101)</b>	<b>631.9%</b>	<b>(1,233)</b>	<b>(585)</b>	<b>111.0%</b>
Complementary Income tax and social contribution on Adjusted Net Income*	(739)	(101)	631.9%	(1,233)	(585)	111.0%
<b>Total Non Recurring Costs and Expenses</b>	<b>16,058</b>	<b>3,545</b>	<b>353.0%</b>	<b>22,116</b>	<b>16,103</b>	<b>37.3%</b>

\* The same Income Tax (IR) calculation base was used on non-recurring results to better reflect adjusted net income.

## Adjusted EBITDA by segment

Result excluding new units and Distance Learning (R\$ ('000))	2Q21				6M21			
	Hybrid teaching (On Campus)	Digital Learning*	Acquisitions**	Consolidated	Hybrid teaching (On Campus)	Digital Learning*	Acquisitions**	Consolidated
Net Revenue	291,666	50,842	43,144	385,651	533,274	91,131	67,970	692,375
Adjusted Cash Gross Profit	199,270	35,146	26,547	260,963	360,619	65,756	38,936	465,311
Adjusted Cash Gross Margin	68.3%	69.1%	61.5%	67.7%	67.6%	72.2%	57.3%	67.2%
Adjusted EBITDA	67,498	14,499	15,200	97,197	118,876	24,170	22,014	165,060
Adjusted EBITDA Margin	23.1%	28.5%	35.2%	25.2%	22.3%	26.5%	32.4%	23.8%

\* Results allocations are unaudited.

\*\* Including only results of the (hybrid) on-campus undergraduate segment.

The table above segregates the results of on-campus units from digital learning activities, which are experiencing an expansion phase in the number of digital learning centers for which the brands were launched in this segment and the acquisitions of UNIFACIMED, UNIJUAZEIRO, UNESC and UNIFASB.

## Financial Result

Financial Result - Accounting (R\$ '000)	2Q21	2Q20	% Chg. 2Q21 x 2Q20	6M21	6M20	% Chg. 6M21 x 6M20
<b>(+) Financial Revenue</b>	<b>5,238</b>	<b>5,399</b>	<b>-3.0%</b>	<b>15,894</b>	<b>15,664</b>	<b>1.5%</b>
Interest on Agreements and Others	2,146	1,934	11.0%	9,658	9,937	-2.8%
Returns on Financial Investments	3,568	3,204	11.4%	6,557	5,601	17.1%
Others	(476)	261	N.M.	(321)	126	N.M.
<b>(-) Financial Expenses</b>	<b>(43,425)</b>	<b>(34,153)</b>	<b>27.1%</b>	<b>(69,355)</b>	<b>(66,205)</b>	<b>4.8%</b>
Interest Expenses	(8,284)	(5,829)	42.1%	(15,107)	(9,006)	67.7%
Interest on Leasing	(16,879)	(17,879)	-5.6%	(33,782)	(35,761)	-5.5%
Discounts Granted	(14,159)	(7,414)	91.0%	(15,576)	(16,444)	-5.3%
Monetary Variation Expenses	(1,196)	-	0.0%	(1,196)	(1,578)	-24.2%
Others	(2,907)	(3,031)	-4.1%	(3,694)	(3,416)	8.1%
<b>Financial Result</b>	<b>(38,187)</b>	<b>(28,754)</b>	<b>32.8%</b>	<b>(53,461)</b>	<b>(50,541)</b>	<b>5.8%</b>



Financial revenues recorded a 3.0% decrease when compared to 2Q20, from R\$5.4 million in 2Q20 to R\$5.2 million in 2Q21, due to the following factors:

- a) Interest on Agreements and Others stood at R\$2.1 million in 2Q21, representing 11.0% increase as compared to 2Q20, when it reached R\$1.9 million, due to the increased student base and net revenues.
- b) Income from short-term investments increased from R\$3.2 million in 2Q20 to R\$3.6 million in 2Q21, representing 11.4% increase, because of the hike in CDI between the periods, despite the decrease in the average cash balance.

Financial expenses amounted to R\$43.4 million in 2Q21, 27.1% higher than 2Q20, at R\$34.2 million. When comparing the two periods, this change was mainly due to:

- a) Interest Expenses increased 42.1%, from R\$5.8 million in 2Q20 to R\$8.3 million in 2Q21, due to the increase in the average interest rate (CDI) on the financial debt, which was increased by the raising of working capital loans totaling R\$500.0 million from the banks Itaú-Unibanco, Santander Brasil and Caixa Econômica Federal throughout of 2Q20.
- b) Interest on Leases decreased from R\$17.9 million in 2Q20 to R\$16.9 million in 2Q21, representing a 5.5% reduction when comparing 2Q21 vs. 2Q20, due to the return of properties during the year, partially offset by the inclusion of UNIFACIMED, UNIJUAZEIRO and UNESC in the Company's consolidated results.
- c) Discounts Granted increased 91.0%, reaching R\$14.2 million in 2Q21, versus R\$7.4 million in 2Q20, due to the higher volume of discounts in agreements for recovery of credits from old tuition fees and the increase in the volume of recent agreements for payment in installments, due to the impacts of COVID-19 in the results, which are recorded as sales deductions.
- d) Inflation adjustment on liabilities reached R\$1.1 million in the quarter due to the beginning of accounting for IPCA or CDI variation on commitments payable from acquisitions.

As a result of the factors explained above, the net financial result was an expense of R\$38.2 million in 2Q21, versus an expense of R\$28.8 million in 2Q20, representing an increase of 32.8%.

The table below presents the financial result on a managerial view, adjusting for non-recurring effects of other financial revenues:

<b>Financial Result - Adjusted (R\$ '000)</b>	<b>2Q21</b>	<b>2Q20</b>	<b>% Chg. 2Q21 x 2Q20</b>	<b>6M21</b>	<b>6M20</b>	<b>% Chg. 6M21 x 6M20</b>
<b>(+) Financial Revenue</b>	<b>5,238</b>	<b>5,399</b>	<b>-3.0%</b>	<b>15,894</b>	<b>15,664</b>	<b>1.5%</b>
Interest on Agreements and Others	2,146	1,934	11.0%	9,658	9,937	-2.8%
Returns on Financial Investments	3,568	3,204	11.4%	6,557	5,601	17.1%
Others	(476)	261	N.M.	(321)	126	N.M.
<b>(-) Financial Expenses</b>	<b>(43,425)</b>	<b>(34,153)</b>	<b>27.1%</b>	<b>(69,355)</b>	<b>(66,205)</b>	<b>4.8%</b>
Interest Expenses	(8,284)	(5,829)	42.1%	(15,107)	(9,006)	67.7%
Interest on Leasing	(16,879)	(17,879)	-5.6%	(33,782)	(35,761)	-5.5%
Discounts Granted	(14,159)	(7,414)	91.0%	(15,576)	(16,444)	-5.3%
Monetary Variation Expenses	(1,196)	-	0.0%	(1,196)	(1,578)	-24.2%
Others	(2,907)	(3,031)	-4.1%	(3,694)	(3,416)	8.1%
<b>Financial Result</b>	<b>(38,187)</b>	<b>(28,754)</b>	<b>32.8%</b>	<b>(53,461)</b>	<b>(50,541)</b>	<b>5.8%</b>



## Net Income

Net Income - Accounting (R\$ 000)	2Q21	2Q20	% Chg. 2Q21 x 2Q20	6M21	6M20	% Chg. 6M21 x 6M20
<b>Operating Income</b>	<b>61,275</b>	<b>89,326</b>	<b>-31.4%</b>	<b>101,568</b>	<b>129,548</b>	<b>-21.6%</b>
(+) Financial Result	(38,187)	(28,754)	32.8%	(53,461)	(50,541)	5.8%
(+) Income and Soc. Contrib. Taxes	(1,016)	(3,557)	-71.4%	(2,541)	(4,909)	-48.2%
(+) Deferred Income and Soc. Contrib. Taxes	3,626	(2,299)	N.M.	10,200	(2,616)	N.M.
<b>Net Income</b>	<b>25,698</b>	<b>54,716</b>	<b>-53.0%</b>	<b>55,766</b>	<b>71,482</b>	<b>-22.0%</b>
Net Margin	6.7%	16.0%	-9.3 p.p.	8.1%	11.0%	-2.9 p.p.

As a result of the effects discussed, operating profit was R\$61.3 million in 2Q21, 31.4% lower than 2Q20, at R\$89.3 million. Income tax and social contribution expenses amounted to R\$1.0 million in 2Q21, versus R\$3.6 million in 2Q20, due to the reduction in operating and taxable profits. These deferred taxes, on the other hand, generated revenue of R\$3.6 million in 2Q21 against an expense of R\$2.3 million due to the increase in the effective rate based on temporary differences, which also increased mainly in the allowance for doubtful accounts and in tax losses.

The table below presents managerial net income, adjusted for non-recurring effects. The company recorded adjusted net income of R\$41.8 million in 2Q21, versus adjusted net income of R\$58.3 million in 2Q20.

Net Income - Adjusted (R\$ 000)	2Q21	2Q20	% Chg. 2Q21 x 2Q20	6M21	6M20	% Chg. 6M21 x 6M20
<b>Adjusted Operating Income</b>	<b>78,072</b>	<b>92,972</b>	<b>-16.0%</b>	<b>124,917</b>	<b>146,235</b>	<b>-14.6%</b>
(+) Financial Result	(38,187)	(28,754)	32.8%	(53,461)	(50,541)	5.8%
(+) Income and Soc. Contrib. Taxes	(1,755)	(3,658)	-52.0%	(3,774)	(5,494)	-31.3%
(+) Deferred Income and Soc. Contrib. Taxes	3,626	(2,299)	-257.7%	10,200	(2,616)	N.M.
<b>Adjusted Net Income</b>	<b>41,756</b>	<b>58,261</b>	<b>-28.3%</b>	<b>77,882</b>	<b>87,585</b>	<b>-11.1%</b>
Adjusted Net Margin	10.8%	17.0%	-6.2 p.p.	11.2%	13.4%	-2.2 p.p.

## Reconciliation of adjusted net income excluding IFRS-16 effects

Net Income Adjusted (Ex-IFRS 16) (R\$ ('000))	2Q21	2Q20	% Chg. 2Q21 x 2Q20	6M21	6M20	% Chg. 6M21 x 6M20
<b>Adjusted Net Income (Loss)</b>	<b>41,756</b>	<b>58,261</b>	<b>-28.3%</b>	<b>77,882</b>	<b>87,585</b>	<b>-11.1%</b>
Adjusted Net Margin	10.8%	17.0%	-6.2 p.p.	11.2%	13.4%	-2.2 p.p.
Rent (IFRS 16)	(21,989)	(22,860)	-3.8%	(43,559)	(42,510)	2.5%
Depreciation and Amortization (IFRS 16)	18,101	17,906	1.1%	36,085	35,082	2.9%
Interest on Leasing (IFRS 16)	11,115	11,732	-5.3%	22,201	23,418	-5.2%
Income and Social Contribution Taxes (IFRS 16)	(577)	(188)	207.1%	(1,034)	(560)	84.7%
<b>Adjusted Net Income (Loss) - (Ex-IFRS 16)</b>	<b>48,406</b>	<b>64,852</b>	<b>-25.4%</b>	<b>91,574</b>	<b>103,015</b>	<b>-11.1%</b>
Adjusted Net Margin (Ex-IFRS 16)	12.6%	18.9%	-6.4 p.p.	13.2%	15.8%	-2.6 p.p.

The table above shows the impact of IFRS 16 on the Company's adjusted net income for the purposes of demonstration and comparability with previous years.

Adjusted net income excluding IFRS 16 impacts amounted to R\$48.4 million in the quarter, representing a 25.4% reduction compared to 2Q20.



## Accounts Receivable and Net Receivable Days

Until September 30, 2020, the Company used to write-off accounts receivables overdue for more than 365 days. After analyzing the recoverability of the portfolio of accounts receivable between 365 days and 720 days, considering expressive volume of recovery found during this interval that has been recurring over the last 3 years, the Company decided to keep its receivables overdue until 720 days in its accounts, thus aligning the policy of write-off of accounts receivable to the methodology applied to the calculation of its bad debt, which considers the history of recoverability of the securities within 720 days of their maturity. The result of this change occurred only in the active balances of accounts receivable, as shown below, with no impact on the result for the period.

For comparability purposes, the table below presents the quarterly data of accounts receivable with pro forma data considering the change in receivable term:

<b>Accounts Receivable and Average Receivable Days (R\$ '000)</b>	<b>2Q20 Proforma</b>	<b>4Q20</b>	<b>1Q21</b>	<b>2Q21</b>
<b>Gross Accounts Receivable</b>	<b>676,331</b>	<b>689,265</b>	<b>689,154</b>	<b>739,693</b>
Monthly tuition fees	338,920	352,708	366,420	402,075
FIES	138,618	115,762	79,231	94,133
Negotiated agreements receivable	88,246	98,532	106,940	103,365
Education credits receivable	90,461	102,730	108,531	118,121
Credit Card and Others	20,086	19,533	28,032	21,999
PDA balance	(241,274)	(259,272)	(259,030)	(266,122)
<b>Net Accounts Receivable</b>	<b>435,057</b>	<b>429,993</b>	<b>430,124</b>	<b>473,571</b>
<b>Net Revenue (Last 12 Months - FIES+Ex-FIES+Pronatec)</b>	<b>1,290,763</b>	<b>1,250,463</b>	<b>1,248,661</b>	<b>1,291,292</b>
Net Receivable Days (FIES+Ex-FIES+Pronatec)	121	124	124	132
<b>Net Revenue FIES (Last 12 Months)</b>	<b>297,419</b>	<b>252,660</b>	<b>234,454</b>	<b>209,623</b>
Net Receivable Days (FIES)	143	124	75	104
Net Receivable Days (Monthly tuition fees + Negotiated agreements receivable + Education credits receivable)	108	117	125	130

Average net receivable days increased from 121 to 132 days due to the following factors:

- The increase in NRD for monthly tuition fees, agreements receivable and educational credits, from 108 to 130 days, is mainly due to the higher volume of agreements made with students who facing financial hardships during the pandemic period and had their payment terms extended through this past due tuition negotiation method and the increase in the volume of receivables from Educred due to the maturation of the student base in this modality, partially offset by the reduction of students enrolled in the program.
- FIES NRD dropped from 143 to 104 days due to the improvement in FNDE payment timeliness, especially in 1Q21, however, no significant payments were made during the second quarter of 2021.
- The table below shows, for management and comparability purposes, the net receivable days considering the net revenue of educational institutions acquired in the last 12 months, which means that by recognizing the revenues of the last 12 months of UNINORTE in 2Q20 and comparing with the same effect arising from the acquisitions of UNIJUZEIRO, UNIFACIMED, UNESC and UNIFASB, FIES NRD + Ex FIES and Monthly tuition fees, Negotiated agreements receivable and Education credits receivable NRD decreased by 15 and 17 days, respectively, in 2Q21, and by 7 and 9 days, respectively, in 2Q20.



Accounts Receivable and Average Receivable Days (R\$ '000)	Proforma with acquisitions	
	2Q20	2Q21
Net Accounts Receivable	435,057	473,571
Net Revenue with acquisitions (Last 12 Months - FIES+Ex-FIES+Pronatec)	1,377,210	1,459,873
Net Receivable Days (FIES+Ex-FIES+Pronatec)	114	117
Net Receivable Days (Monthly tuition fees + Negotiated agreements receivable + Education credits receivable)	99	113

Aging of Monthly tuition fees (R\$ '000)	2Q20 Proforma	% Chg.	4Q20	% Chg.	2Q21	% Chg.
Overdue by up to 30 day	54,543	16.1%	43,090	12.2%	46,708	11.6%
Overdue from 31 to 60 days	38,114	11.2%	34,349	9.7%	37,307	9.3%
Overdue from 61 to 90 days	36,437	10.8%	28,710	8.1%	38,256	9.5%
Overdue from 91 to 180 days	46,592	13.7%	49,038	13.9%	59,644	14.8%
Overdue from 181 to 360 days	64,206	18.9%	92,179	26.1%	90,265	22.4%
Overdue from 361 to 540 days	55,948	16.5%	53,996	15.3%	80,003	19.9%
Overdue from 541 to 720 days	43,080	12.7%	51,346	14.6%	49,892	12.4%
<b>TOTAL</b>	<b>338,920</b>	<b>100.0%</b>	<b>352,708</b>	<b>100.0%</b>	<b>402,075</b>	<b>100.0%</b>
<b>% of Gross Accounts Receivable</b>	50.1%		51.2%		54.4%	

Aging of Negotiated Agreements (R\$ '000)	2Q20 Proforma	% Chg.	4Q20	% Chg.	2Q21	% Chg.
Not yet due	18,041	20.4%	24,614	25.0%	24,499	23.7%
Overdue by up to 30 day	6,641	7.5%	8,110	8.2%	8,942	8.7%
Overdue from 31 to 60 days	6,655	7.5%	8,066	8.2%	8,395	8.1%
Overdue from 61 to 90 days	6,019	6.8%	7,284	7.4%	7,017	6.8%
Overdue from 91 to 180 days	11,212	12.7%	10,614	10.8%	12,560	12.2%
Overdue from 181 to 360 days	15,066	17.1%	15,506	15.7%	17,270	16.7%
Overdue from 361 to 540 days	13,056	14.8%	12,612	12.8%	13,071	12.6%
Overdue from 541 to 720 days	11,556	13.1%	11,726	11.9%	11,611	11.2%
<b>TOTAL</b>	<b>88,246</b>	<b>100.0%</b>	<b>98,532</b>	<b>100.0%</b>	<b>103,365</b>	<b>100.0%</b>
<b>% of Gross Accounts Receivable</b>	13.0%		14.3%		14.0%	

The table below shows the evolution of our ADA from December 31, 2020 to June 30, 2021:

Constitution of Provision for Doubtful Accounts in the Income Statement (R\$ '000)	12/31/2020	Provision for Doubtful Accounts from business combination	Gross Increase in Provision for Doubtful Accounts	Write-off	06/30/2021
Total	259,272	8,148	57,620	(58,918)	266,122





## Investment (CAPEX)

CAPEX (R\$ ('000))	6M21	% of Total	6M20	% of Total
<b>CAPEX Total</b>	<b>28,566</b>	<b>100.0%</b>	<b>24,606</b>	<b>100.0%</b>
Property acquisition / Construction / Maintenance of campuses	9,958	34.9%	4,842	19.7%
Equipment / Library / IT	8,549	29.9%	9,419	38.3%
Licenses and Partnerships	7,841	27.4%	3,850	15.6%
Intangibles and Others	2,218	7.8%	6,495	26.4%
<b>Acquisitions Debt Payment</b>	<b>200,000</b>		<b>89,049</b>	
<b>Total CAPEX + Acquisitions Payables</b>	<b>228,566</b>		<b>113,655</b>	

In 6M21, the Company invested R\$28.6 million, and investments in refurbishments of campuses, equipment, laboratories and libraries amounted to R\$10.0 million, mainly explained by the resumption of activities when compared to 6M20. Investments in licenses and agreements amounted to R\$7.8 million. On the other hand, investments in intangibles and other investments amounted to R\$2.2 million, mainly due to the development of the digital content of the subjects offered in the Company's courses. Acquisitions Debt payments refer to the amounts of the cash parcel of the acquisition of UNESC and UNIFASB.

## Indebtedness

Indebtedness (R\$ '000)	06/30/2021	12/31/2020	% Chg. Jun21 x Dec20
<b>Total Cash</b>	<b>545,795</b>	<b>753,520</b>	<b>-27.6%</b>
Judicial deposits	(49,047)	(53,780)	-8.8%
FG-FIES Guarantee Fund	(24,215)	(18,631)	30.0%
<b>Cash, Cash equivalents and Securities</b>	<b>472,533</b>	<b>681,109</b>	<b>-30.6%</b>
Cash and cash equivalents	457,511	679,933	-32.7%
Securities	15,022	1,176	1177.4%
<b>Gross debt</b>	<b>(777,445)</b>	<b>(653,058)</b>	<b>19.0%</b>
Loans and financing	(562,626)	(591,058)	-4.8%
Short term	(236,207)	(163,790)	44.2%
Long term	(326,419)	(427,268)	-23.6%
Acquisitions Payables*	(214,819)	(62,000)	246.5%
<b>Net Cash (Debt)</b>	<b>(304,912)</b>	<b>28,051</b>	<b>N.M.</b>
Net Cash (Debt) / Adjusted EBITDA (LTM)	(1.03)	0.09	

\* Acquisitions payables refer to acquisition scheduled payments

The Company's cash and cash equivalents amounted to R\$472.5 million, a 30.6% decline as compared to December 2020. This change is due to the lower volume of revenues and receipts due to the enrollment and re-enrollment process, where part of the receipt linked to FIES students are only received in 2Q21, and the payment for UNESC and UNIFASB acquisition, which had their transaction closing in February 2021 and April 2021, respectively.

The Company's gross debt mainly reflects commitments related to acquisitions and the issue of long-term debts as follows:



- (i) Financing with IFC for the term of 7 years, in the amount of R\$120.0 million at CDI+2.05% p.a. up to 2018 and CDI+1.65% as of 2019, to be paid semi-annually as of April 15, 2017, and maturing on April 15, 2022, which balance on June 30, 2021, was R\$21.9 million;
- (ii) Contracting of working capital, as mentioned above, consisting of R\$200.0 million Brazilian reais with Caixa Econômica Federal, at CDI + 0.19% per month, for a period of 36 months, with a 14-month grace period for the principal and payment in 8 quarterly installments, after the grace period, R\$200 million with Itaú Unibanco, at CDI + 2.75% p.a. and R\$100.0 million with Santander Brasil, at CDI + 2.90% p.a. Funds raised with Itaú Unibanco and Santander Brasil had rates and payment terms changed after a debt extension transaction, according to the Notice to the Market disclosed by the Company on December 29, 2020; and
- (iii) the Company's 2<sup>nd</sup> issue of simple, unsecured debentures not convertible into shares, in 2 series, 100,000 of which are First Series Debentures and 100,000 are Second Series Debentures, with a unit par value of R\$1,000.00 as of the date of issue, totaling R\$200,000,000.00. The First Series Debentures earned interest of 100% of the average daily rate of Interbank Deposits, plus a spread of 0.65% per year, based on 252 Business Days, paid on September 15, 2019. The Second Series Debentures will earn interest of 100% of the average daily rate of interbank deposits, plus a spread of 1.35% per year, based on 252 business days, with maturity date on September 15, 2021, with a balance of R\$25.2 million on June 30, 2021.
- (iv) Increase in commitments payable due to acquisitions: (1) of UNESC, which had installment payments of the acquisition amounts financed by the selling shareholders, resulting in a balance payable of R\$75.1 million, including the payment conditioned to the approval of the medical seats in Vilhena; (2) of UNIFASB, which resulted in a balance payable of R\$80.0 million to be deposited in an escrow account and released to the sellers, after the deduction of indemnifiable liabilities by the sellers, in 5 successive annual installments, in the amount of R\$16.0 million each, with the first installment due on January 31, 2022, and the others on the same date of the subsequent 4 years.

As of June 30, 2021, Ser Educacional group indebtedness amounted to R\$777.4 million, a 19.0% growth when compared to the R\$653.1 million recorded on December 31, 2020, mainly because of UNESC and UNIFASB acquisitions, as mentioned above.

In 2Q21, the Company had a net debt of R\$304.9 million versus a net cash of R\$28.1 million in 2Q20.

Debt Amortization Schedule (R\$ '000)	Loans and Financing	A.V. (%)	Aquisitions Payables	A.V. (%)	Debentures	A.V. (%)	Total	A.V. (%)
Short Term	210,986	39.3%	44,596	20.8%	25,221	100.0%	280,803	36.1%
<b>Total Long Term</b>	<b>326,419</b>	<b>60.7%</b>	<b>170,223</b>	<b>79.2%</b>	-	<b>0.0%</b>	<b>496,642</b>	<b>63.9%</b>
1-2 years	180,378	33.6%	40,407	18.8%	-	0.0%	220,785	28.4%
2-3 years	80,616	15.0%	71,464	33.3%	-	0.0%	152,080	19.6%
3-4 years	65,425	12.2%	41,041	19.1%	-	0.0%	106,466	13.7%
4-5 years	-	0.0%	17,311	8.1%	-	0.0%	17,311	2.2%
<b>Total Loans, Financing and Acquisitions payables</b>	<b>537,405</b>	<b>100.0%</b>	<b>214,819</b>	<b>100.0%</b>	<b>25,221</b>	<b>100.0%</b>	<b>777,445</b>	<b>100.0%</b>

Regarding the debt payment schedule, 36.1% corresponds to short-term debt, showing that the Company has adequate debt amortization terms, as well as a comfortable level of financial leverage.



## Cash flow

Cash Flow (R\$ '000)	2Q21	2Q20	% Chg. 2Q21 x 2Q20	6M21	6M20	% Chg. 6M21 x 6M20
<b>Cash flow from operating activities</b>						
Net cash from operating activities	61,281	79,391	-22.8%	99,771	72,432	37.7%
(-) Cash flow allocated to investing activities	(142,857)	(30,965)	361.3%	(222,607)	(113,655)	95.9%
(+)/ (-) Securities	22,049	10,733	105.4%	(13,718)	90,940	N.M.
(+)/ (-) Cash flow allocated to financing activities	(34,953)	469,444	N.M.	(85,868)	434,647	N.M.
(-) Interest on loans	(20,168)	(20,328)	-0.8%	(39,897)	(57,713)	-30.9%
(-) Income and social contribution taxes paid	(1,264)	(1,298)	-2.6%	(33,947)	(3,468)	878.9%
<b>Decrease in cash and cash equivalents</b>	<b>(94,480)</b>	<b>528,603</b>	<b>N.M.</b>	<b>(222,422)</b>	<b>484,364</b>	<b>N.M.</b>
<b>Net increase in cash and cash equivalents</b>						
Beginning of period	551,991	170,934	222.9%	679,933	215,173	216.0%
End of period	457,511	699,537	-34.6%	457,511	699,537	-34.6%
<b>Decrease in cash and cash equivalents</b>	<b>(94,480)</b>	<b>528,603</b>	<b>N.M.</b>	<b>(222,422)</b>	<b>484,364</b>	<b>N.M.</b>
<b>Cash and Securities changes</b>	<b>(116,453)</b>	<b>517,871</b>	<b>N.M.</b>	<b>(208,576)</b>	<b>393,698</b>	<b>N.M.</b>
Beginning of period	588,986	182,290	223.1%	681,109	306,463	122.2%
End of period	472,533	700,161	-32.5%	472,533	700,161	-32.5%

The generation of net operating cash reduced from R\$79.4 million in 2Q20 to R\$61.3 million in 2Q21. This reduction was due to some factors: (i) resumption of the Company's operating activities, (ii) higher volume of non-recurring items (iii) seasonal shift in operating cash flow from 1Q20 to 2Q20 due to the impacts of the pandemic and (iv) low volume of payments from FIES students in the period by the federal government. It is worth noting that cumulative result in the half year, which allows a more appropriate analysis of the operating cash generation, shows a 37.7% increase from R\$72.4 million to R\$99.8 million, indicating the beginning of normalization of the operating cash generation and improvement in the EBITDA-to-cash conversion ratios.

## ABOUT SER EDUCACIONAL GROUP

Founded in 2003 and headquartered in Recife, Grupo Ser Educacional (B3 SEER3) is one of the largest private education groups in Brazil and the leader in the Northeast and North regions in terms of number of students enrolled. It offers undergraduate, graduate, vocational and digital learning courses in 26 states and the Federal District, with a consolidated base of approximately 223,800 students. The Company operates under the following brands: UNINASSAU, UNINASSAU – Centro Universitário Maurício de Nassau, UNINABUCO - Centro Universitário Joaquim Nabuco, Faculdades UNINABUCO, Escolas Técnicas Joaquim Nabuco and Maurício de Nassau, UNIVERITAS/UNG, UNAMA – Universidade da Amazônia and Faculdade da Amazônia e UNIVERITAS – Centro Universitário Universitas Veritas, Faculdades UNIVERITAS, UNINORTE – Centro Universitário do Norte, Centro Universitário de Ciências Biomédicas de Cacoal – UNIFACIMED, UNIJUZEIRO - Centro Universitário de Juazeiro do Norte, Sociedade Educacional de Rondônia – UNESC and Centro Universitário São Francisco de Barreiras – UNIFASB.

*This release may contain forward-looking statements related to business prospects, estimates of operating and financial results and the growth prospects of Grupo Ser Educacional. These are merely projections, and as such, are solely based on the expectations of Management of Grupo Ser Educacional. Such forward-looking statements are substantially dependent on external factors, in addition to the risks presented in the disclosure documents filed by Grupo Ser Educacional and are therefore subject to change without prior notice.*



## ANNEXES - Income Statement

Income Statement - Accounting R\$ ('000)	2Q21	2Q20	% Chg. 2Q21 x 2Q20	6M21	6M20	% Chg. 6M21 x 6M20
<b>Gross Operating Revenue</b>	<b>734,851</b>	<b>621,802</b>	<b>18.2%</b>	<b>1,380,612</b>	<b>1,223,499</b>	<b>12.8%</b>
Undergraduate Monthly Tuition	649,736	563,274	15.3%	1,217,951	1,104,124	10.3%
Graduate Monthly Tuition	5,732	8,717	-34.2%	11,454	17,975	-36.3%
Vocational Courses Monthly Tuition	383	425	-9.8%	778	929	-16.3%
Digital Learning Monthly Tuition	76,049	48,462	56.9%	143,635	95,939	49.7%
Others	2,951	924	219.4%	6,794	4,532	49.9%
<b>Deductions from Gross Revenue</b>	<b>(349,200)</b>	<b>(278,782)</b>	<b>25.3%</b>	<b>(688,237)</b>	<b>(571,953)</b>	<b>20.3%</b>
Discounts and Scholarships	(263,103)	(201,709)	30.4%	(524,684)	(425,483)	23.3%
PROUNI	(71,010)	(60,714)	17.0%	(137,221)	(115,908)	18.4%
FGEDUC And FIES charges	(2,438)	(4,429)	-45.0%	(3,601)	(8,247)	-56.3%
Taxes	(12,649)	(11,930)	6.0%	(22,731)	(22,315)	1.9%
<b>Net Operating Revenue</b>	<b>385,651</b>	<b>343,020</b>	<b>12.4%</b>	<b>692,375</b>	<b>651,546</b>	<b>6.3%</b>
<b>Cash Cost of Services Rendered</b>	<b>(173,078)</b>	<b>(138,306)</b>	<b>25.1%</b>	<b>(316,433)</b>	<b>(293,282)</b>	<b>7.9%</b>
Payroll and Charges	(104,866)	(92,838)	13.0%	(193,026)	(189,239)	2.0%
Rent	(6,225)	6,486	N.M.	(6,056)	4,371	N.M.
Concessionaires (Electricity, Water and Telephone)	(5,668)	(5,167)	9.7%	(12,315)	(15,263)	-19.3%
Third-Party Services	(13,069)	(5,960)	119.3%	(22,436)	(12,072)	85.9%
Depreciation and Amortization	(43,250)	(40,827)	5.9%	(82,600)	(81,079)	1.9%
<b>Managerial Gross Profit</b>	<b>212,573</b>	<b>204,714</b>	<b>3.8%</b>	<b>375,942</b>	<b>358,264</b>	<b>4.9%</b>
<i>Gross Margin</i>	<i>55.1%</i>	<i>59.7%</i>	<i>-4.6 p.p.</i>	<i>54.3%</i>	<i>55.0%</i>	<i>-0.7 p.p.</i>
<b>Operating Expenses/Revenue</b>	<b>(151,298)</b>	<b>(115,388)</b>	<b>31.1%</b>	<b>(274,374)</b>	<b>(228,716)</b>	<b>20.0%</b>
General and Administrative Expenses	(138,179)	(116,944)	18.2%	(257,345)	(228,466)	12.6%
Payroll and Charges	(40,731)	(33,346)	22.1%	(80,181)	(73,971)	8.4%
Third-Party Services	(12,995)	(9,152)	42.0%	(27,204)	(24,084)	13.0%
Advertising	(30,723)	(15,973)	92.3%	(65,819)	(41,328)	59.3%
Materials	(1,678)	(750)	123.7%	(3,616)	(3,703)	-2.3%
PDA	(40,314)	(47,475)	-15.1%	(57,620)	(61,216)	-5.9%
Others	(8,463)	(6,702)	26.3%	(16,346)	(16,973)	-3.7%
Depreciation and Amortization	(3,275)	(3,546)	-7.6%	(6,559)	(7,191)	-8.8%
Other Operating Expenses/Revenue	(13,013)	1,556	-936.3%	(16,923)	(250)	6,669.2%
Profit sharing of subsidiaries	(106)	-	-100.0%	(106)	-	-0,100.0%
<b>Managerial Operating Income</b>	<b>61,275</b>	<b>89,326</b>	<b>-31.4%</b>	<b>101,568</b>	<b>129,548</b>	<b>-21.6%</b>
<i>Operating Margin</i>	<i>15.9%</i>	<i>26.0%</i>	<i>-10.2 p.p.</i>	<i>14.7%</i>	<i>19.9%</i>	<i>-5.2 p.p.</i>
(+) Adjusted Depreciation and Amortization	46,525	44,373	4.8%	89,159	88,270	1.0%
<b>EBITDA</b>	<b>107,800</b>	<b>133,699</b>	<b>-19.4%</b>	<b>190,727</b>	<b>217,818</b>	<b>-12.4%</b>
<i>EBITDA Margin</i>	<i>28.0%</i>	<i>39.0%</i>	<i>-11.0 p.p.</i>	<i>27.5%</i>	<i>33.4%</i>	<i>-5.9 p.p.</i>
(+) Non-recurring costs and expenses	16,797	3,646	360.7%	23,349	16,687	39.9%
(+) Interest on tuition and agreements	2,146	1,934	11.0%	9,658	9,937	-2.8%
(-) Minimum rent paid	(29,546)	(30,627)	-3.5%	(58,674)	(58,164)	0.9%
<b>Adjusted EBITDA</b>	<b>97,197</b>	<b>108,652</b>	<b>-10.5%</b>	<b>165,060</b>	<b>186,278</b>	<b>-11.4%</b>
<i>Adjusted EBITDA Margin</i>	<i>25.2%</i>	<i>31.7%</i>	<i>-6.5 p.p.</i>	<i>23.8%</i>	<i>28.6%</i>	<i>-4.8 p.p.</i>
(-) Adjusted Depreciation and Amortization	(46,525)	(44,373)	4.8%	(89,159)	(88,270)	1.0%
<b>Adjusted EBIT</b>	<b>50,672</b>	<b>64,279</b>	<b>-21.2%</b>	<b>75,901</b>	<b>98,008</b>	<b>-22.6%</b>
<i>Adjusted EBIT Margin</i>	<i>13.1%</i>	<i>18.7%</i>	<i>-5.6 p.p.</i>	<i>11.0%</i>	<i>15.0%</i>	<i>-4.1 p.p.</i>
<b>Financial Result</b>	<b>(38,187)</b>	<b>(28,754)</b>	<b>32.8%</b>	<b>(53,461)</b>	<b>(50,541)</b>	<b>5.8%</b>
(+) Financial Revenue	5,238	5,399	-3.0%	15,894	15,664	1.5%
Interest on Agreements and Others	2,146	1,934	11.0%	9,658	9,937	-2.8%
Returns on Financial Investments	3,568	3,204	11.4%	6,557	5,601	17.1%
Others	(476)	261	N.M.	(321)	126	N.M.
(-) Financial Expenses	(43,425)	(34,153)	27.1%	(69,355)	(66,205)	4.8%
Interest Expenses	(8,284)	(5,829)	42.1%	(15,107)	(9,006)	67.7%
Interest on Leasing	(16,879)	(17,879)	-5.6%	(33,782)	(35,761)	-5.5%
Discounts Granted	(14,159)	(7,414)	91.0%	(15,576)	(16,444)	-5.3%
Monetary Variation Expenses	(1,196)	-	-100.0%	(1,196)	(1,578)	-24.2%
Others	(2,907)	(3,031)	-4.1%	(3,694)	(3,416)	8.1%
<b>Income Before Income Taxes</b>	<b>23,088</b>	<b>60,572</b>	<b>-61.9%</b>	<b>48,107</b>	<b>79,007</b>	<b>-39.1%</b>
Income and Social Contribution Taxes	2,610	(5,856)	N.M.	7,659	(7,525)	-201.8%
Current	(1,016)	(3,557)	-71.4%	(2,541)	(4,909)	-48.2%
Deferred	3,626	(2,299)	N.M.	10,200	(2,616)	N.M.
<b>Consolidated Net Income</b>	<b>25,698</b>	<b>54,716</b>	<b>-53.0%</b>	<b>55,766</b>	<b>71,482</b>	<b>-22.0%</b>
<i>Net Margin</i>	<i>6.7%</i>	<i>16.0%</i>	<i>-9.3 p.p.</i>	<i>8.1%</i>	<i>11.0%</i>	<i>-2.9 p.p.</i>



## Income Statement - Managerial

Income Statement - Adjusted R\$ ('000)	2Q21	2Q20	% Chg. 2Q21 x 2Q20	6M21	6M20	% Chg. 6M21 x 6M20
<b>Gross Operating Revenue</b>	<b>734,851</b>	<b>621,802</b>	<b>18.2%</b>	<b>1,380,612</b>	<b>1,223,499</b>	<b>12.8%</b>
Undergraduate Monthly Tuition	649,736	563,274	15.3%	1,217,951	1,104,124	10.3%
Graduate Monthly Tuition	5,732	8,717	-34.2%	11,454	17,975	-36.3%
Vocational Courses Monthly Tuition	383	425	-9.8%	778	929	-16.3%
Digital Learning Monthly Tuition	76,049	48,462	56.9%	143,635	95,939	49.7%
Others	2,951	924	219.4%	6,794	4,532	49.9%
<b>Deductions from Gross Revenue</b>	<b>(349,200)</b>	<b>(278,782)</b>	<b>25.3%</b>	<b>(688,237)</b>	<b>(571,953)</b>	<b>20.3%</b>
Discounts and Scholarships	(263,103)	(201,709)	30.4%	(524,684)	(425,483)	23.3%
PROUNI	(71,010)	(60,714)	17.0%	(137,221)	(115,908)	18.4%
FGEDUC And FIES charges	(2,438)	(4,429)	-45.0%	(3,601)	(8,247)	-56.3%
Taxes	(12,649)	(11,930)	6.0%	(22,731)	(22,315)	1.9%
<b>Net Operating Revenue</b>	<b>385,651</b>	<b>343,020</b>	<b>12.4%</b>	<b>692,375</b>	<b>651,546</b>	<b>6.3%</b>
<b>Cash Cost of Services Rendered</b>	<b>(167,938)</b>	<b>(137,847)</b>	<b>21.8%</b>	<b>(309,664)</b>	<b>(291,903)</b>	<b>6.1%</b>
Payroll and Charges	(103,726)	(92,379)	12.3%	(190,257)	(187,860)	1.3%
Rent	(2,225)	6,486	N.M.	(2,056)	4,371	N.M.
Concessionaires (Electricity, Water and Telephone)	(5,668)	(5,167)	9.7%	(12,315)	(15,263)	-19.3%
Third-Party Services	(13,069)	(5,960)	119.3%	(22,436)	(12,072)	85.9%
Depreciation and Amortization	(43,250)	(40,827)	5.9%	(82,600)	(81,079)	1.9%
<b>Managerial Gross Profit</b>	<b>217,713</b>	<b>205,173</b>	<b>6.1%</b>	<b>382,711</b>	<b>359,643</b>	<b>6.4%</b>
<i>Managerial Gross Margin</i>	<i>56.5%</i>	<i>59.8%</i>	<i>-3.4 p.p.</i>	<i>55.3%</i>	<i>55.2%</i>	<i>0.1 p.p.</i>
<b>Operating Expenses/Revenue</b>	<b>(139,640)</b>	<b>(112,201)</b>	<b>24.5%</b>	<b>(257,794)</b>	<b>(213,408)</b>	<b>20.8%</b>
General and Administrative Expenses	(134,337)	(113,686)	18.2%	(249,351)	(213,263)	16.9%
Payroll and Charges	(38,728)	(32,460)	19.3%	(75,918)	(71,323)	6.4%
Third-Party Services	(11,241)	(8,009)	40.4%	(23,557)	(18,892)	24.7%
Advertising	(30,723)	(15,973)	92.3%	(65,819)	(41,328)	59.3%
Materials	(1,678)	(750)	123.7%	(3,616)	(3,703)	-2.3%
PDA	(40,314)	(47,475)	-15.1%	(57,620)	(61,216)	-5.9%
Others	(8,378)	(5,473)	53.1%	(16,261)	(9,610)	69.2%
Depreciation and Amortization	(3,275)	(3,546)	-7.6%	(6,559)	(7,191)	-8.8%
Other Operating Expenses/Revenue	(5,197)	1,486	-449.8%	(8,337)	(144)	5669.9%
Profit sharing of subsidiaries	(106)	-	-100.0%	(106)	-	-100.0%
<b>Managerial Operating Income</b>	<b>78,072</b>	<b>92,972</b>	<b>-16.0%</b>	<b>124,917</b>	<b>146,235</b>	<b>-14.6%</b>
<i>Managerial Operating Margin</i>	<i>20.2%</i>	<i>27.1%</i>	<i>-6.9 p.p.</i>	<i>18.0%</i>	<i>22.4%</i>	<i>-4.4 p.p.</i>
(+) Depreciation and Amortization	46,525	44,373	4.8%	89,159	88,270	1.0%
(+) Interest on tuition and agreements	2,146	1,934	11.0%	9,658	9,937	-2.8%
(-) Minimum rent paid	(29,546)	(30,627)	-3.5%	(58,674)	(58,164)	0.9%
<b>Adjusted EBITDA</b>	<b>97,197</b>	<b>108,652</b>	<b>-10.5%</b>	<b>165,060</b>	<b>186,278</b>	<b>-11.4%</b>
<i>Adjusted EBITDA Margin</i>	<i>25.2%</i>	<i>31.7%</i>	<i>-6.5 p.p.</i>	<i>23.8%</i>	<i>28.6%</i>	<i>-4.8 p.p.</i>
(-) Depreciation and Amortization	(46,525)	(44,373)	4.8%	(89,159)	(88,270)	1.0%
<b>Adjusted EBIT</b>	<b>50,672</b>	<b>64,279</b>	<b>-21.2%</b>	<b>75,901</b>	<b>98,008</b>	<b>-22.6%</b>
<i>Adjusted EBIT Margin</i>	<i>13.1%</i>	<i>18.7%</i>	<i>-5.6 p.p.</i>	<i>11.0%</i>	<i>15.0%</i>	<i>-4.1 p.p.</i>
<b>Financial Result</b>	<b>(38,187)</b>	<b>(28,754)</b>	<b>32.8%</b>	<b>(53,461)</b>	<b>(50,541)</b>	<b>5.8%</b>
(+) Financial Revenue	5,238	5,399	-3.0%	15,894	15,664	1.5%
Interest on Agreements and Others	2,146	1,934	11.0%	9,658	9,937	-2.8%
Returns on Financial Investments	3,568	3,204	11.4%	6,557	5,601	17.1%
Others	(476)	261	N.M.	(321)	126	N.M.
(-) Financial Expenses	(43,425)	(34,153)	27.1%	(69,355)	(66,205)	4.8%
Interest Expenses	(8,284)	(5,829)	42.1%	(15,107)	(9,006)	67.7%
Interest on Leasing	(16,879)	(17,879)	-5.6%	(33,782)	(35,761)	-5.5%
Discounts Granted	(14,159)	(7,414)	91.0%	(15,576)	(16,444)	-5.3%
Monetary Variation Expenses	(1,196)	-	-100.0%	(1,196)	(1,578)	-24.2%
Others	(2,907)	(3,031)	-4.1%	(3,694)	(3,416)	8.1%
<b>Income Before Income Taxes</b>	<b>39,885</b>	<b>64,218</b>	<b>-37.9%</b>	<b>71,456</b>	<b>95,694</b>	<b>-25.3%</b>
Income and Social Contribution Taxes	1,871	(5,957)	N.M.	6,426	(8,110)	-179.2%
Current	(1,755)	(3,658)	-52.0%	(3,774)	(5,494)	-31.3%
Deferred	3,626	(2,299)	N.M.	10,200	(2,616)	N.M.
<b>Adjusted Consolidated Net Income</b>	<b>41,756</b>	<b>58,261</b>	<b>-28.3%</b>	<b>77,882</b>	<b>87,585</b>	<b>-11.1%</b>
<i>Adjusted Net Margin</i>	<i>10.8%</i>	<i>17.0%</i>	<i>-6.2 p.p.</i>	<i>11.2%</i>	<i>13.4%</i>	<i>-2.2 p.p.</i>



## Balance Sheet

<b>Balance Sheet - ASSETS (R\$ '000)</b>	<b>06/30/2021</b>	<b>12/31/2020</b>	<b>% Chg. Jun21 x Dec20</b>
<b>Total Assets</b>	<b>3,257,810</b>	<b>3,091,485</b>	<b>5.4%</b>
<b>Current Assets</b>	<b>910,943</b>	<b>1,082,299</b>	<b>-15.8%</b>
Cash and cash equivalents	457,511	679,933	-32.7%
Securities	15,022	1,176	1177.4%
Accounts receivable	399,079	363,718	9.7%
Taxes recoverable	17,135	12,556	36.5%
Related parties	1,952	1,952	0.0%
Other assets	20,244	22,964	-11.8%
<b>Non-Current Assets</b>	<b>2,346,867</b>	<b>2,009,186</b>	<b>16.8%</b>
<b>Long-Term Assets</b>	<b>288,029</b>	<b>268,625</b>	<b>7.2%</b>
Accounts receivable	74,492	66,275	12.4%
Related parties	5,044	6,020	-16.2%
Other assets	53,116	58,636	-9.4%
Indemnifications	112,015	112,015	0.0%
FG-FIES Guarantee Fund	24,215	18,631	30.0%
Other Accounts receivable	17,838	7,048	153.1%
Investments	1,309	-	N.M.
Intangible assets	1,000,854	716,735	39.6%
Right-of-Use Assets	568,273	570,737	-0.4%
Property, plant and equipment	489,711	453,089	8.1%
<b>Balance Sheet - LIABILITIES (R\$ '000)</b>	<b>06/30/2021</b>	<b>12/31/2020</b>	<b>% Chg. Jun21 x Dec20</b>
<b>Total Liabilities</b>	<b>1,791,450</b>	<b>1,664,998</b>	<b>7.6%</b>
<b>Current Liabilities</b>	<b>557,994</b>	<b>449,744</b>	<b>24.1%</b>
Suppliers	42,907	38,170	12.4%
Accounts payable	44,596	2,400	1758.2%
Loans and financing	210,986	113,624	85.7%
Debentures	25,221	50,166	-49.7%
Payroll and charges	114,260	92,945	22.9%
Taxes payable	14,386	49,013	-70.6%
Leasing	57,165	49,320	15.9%
Dividends payable	15,893	24,718	-35.7%
Other liabilities	32,580	29,388	10.9%
<b>Non-Current Liabilities</b>	<b>1,233,456</b>	<b>1,215,254</b>	<b>1.5%</b>
Loans and financing	326,419	427,268	-23.6%
Leasing	607,650	601,707	1.0%
Accounts payable	170,223	59,600	185.6%
Taxes payable	4,848	5,261	-7.9%
Provision for contingencies	124,304	121,406	2.4%
Other liabilities	12	12	0.0%
<b>Consolidated Shareholders' Equity</b>	<b>1,466,360</b>	<b>1,426,487</b>	<b>2.8%</b>
Capital Realized	987,549	987,549	0.0%
Income Reserve	441,726	438,938	0.6%
Retained income	37,085	-	N.M.
<b>Total Liabilities and Shareholders' Equity</b>	<b>3,257,810</b>	<b>3,091,485</b>	<b>5.4%</b>



Cash flow

Cash Flow Statement (R\$ '000)	06/30/2021	06/30/2020	% Chg- Jun21 x Jun20
<b>Consolidated Net Income for the Period before IncomeTaxes</b>	<b>48,107</b>	<b>79,007</b>	<b>-39.1%</b>
Depreciation and amortization	89,159	88,270	1.0%
Provisions	2,898	(930)	N.M.
Equity in results of subsidiaries	106	-	0.0%
Adjustment present value of accounts receivable	2,313	4,170	-44.5%
Adjustment present value of accounts receivable	793	-	0.0%
Provision for doubtful accounts	57,620	61,216	-5.9%
Sale of Non-Current Assets	2,670	(2,551)	-204.7%
Income from financial investments	(128)	(274)	-53.3%
Interest and exchange variation, net	49,836	45,653	9.2%
<b>Adjusted Net Income</b>	<b>253,374</b>	<b>274,561</b>	<b>-7.7%</b>
<b>Changes in Assets and Liabilities</b>	<b>(79,759)</b>	<b>(140,948)</b>	<b>-43.4%</b>
Accounts receivable	(97,582)	(166,555)	-41.4%
Taxes recoverable	(3,787)	(6,192)	-38.8%
Other assets	1,819	(8,031)	-122.6%
Suppliers	4,627	7,338	-36.9%
Payroll and charges	17,870	42,781	-58.2%
Taxes payable	(4,121)	(7,639)	-46.1%
Other liabilities	1,415	(2,650)	N.M.
<b>Cash generated from operations</b>	<b>173,615</b>	<b>133,613</b>	<b>29.9%</b>
<b>Other</b>	<b>(73,844)</b>	<b>(61,181)</b>	<b>20.7%</b>
Interest on loans and debentures	(6,115)	(21,952)	-72.1%
Interest on leases	(33,782)	(35,761)	-5.5%
Income and social contribution taxes paid	(33,947)	(3,468)	878.9%
<b>Net Cash from Operating Activities</b>	<b>99,771</b>	<b>72,432</b>	<b>37.7%</b>
<b>Net Cash from Investing Activities</b>	<b>(236,325)</b>	<b>(22,715)</b>	<b>940.4%</b>
Securities investments	(150,081)	(116,241)	29.1%
Redemption of securities	136,363	207,181	-34.2%
Additions to property, plant and equipment	(18,772)	(14,261)	31.6%
Additions to intangible assets	(9,794)	(10,345)	-5.3%
Net cash from business combination	5,959	-	0.0%
Acquisition of subsidiaries Payments	(200,000)	(89,049)	124.6%
<b>Net Cash from Financing Activities</b>	<b>(85,868)</b>	<b>434,647</b>	<b>-119.8%</b>
Amortization of Debentures	(25,000)	(25,000)	0.0%
Loans and financing	-	499,299	N.M.
Amortization of loans and financing	(12,235)	(12,162)	0.6%
Amortization of leasing	(24,892)	(22,403)	11.1%
Related parties	976	976	0.0%
Dividends	(24,717)	(6,063)	307.7%
<b>Decrease in Cash and Cash Equivalents</b>	<b>(222,422)</b>	<b>484,364</b>	<b>-145.9%</b>
Cash and Cash Equivalents at Beginning of Period	679,933	215,173	216.0%
Cash and Cash Equivalents at End of Period	457,511	699,537	-34.6%
<b>Cash changes and Securities</b>	<b>(208,576)</b>	<b>393,698</b>	<b>-153.0%</b>