



SER EDUCACIONAL S.A.

Publicly Held Company

Corporate Taxpayer's ID (CNPJ/ME):

04.986.320/0001-13

MATERIAL FACT

Ser Educacional S.A. ("**SER**") (B3 SEER3), pursuant to the terms of Law No. 6,404/1976 ("**Corporations Law**"), of CVM Ruling No. 358/2002 ("**CVM Ruling 358**") and in addition to the material fact disclosed on July 19, 2020, hereby informs its shareholders and the market in general that it has advanced in the negotiations regarding a potential transaction involving the assets of Laureate Group in Brazil and reached an agreement with Laureate Education, Inc. ("**Laureate**" and, in jointly with SER, the "**Companies**") with respect to a possible combination of SER and Laureate's business in Brazil, pursuant to the terms described below (the "**Transaction**").

1. Transaction between SER and Laureate

On September 11, 2020, SER, its controlling shareholder Mr. José Janguê Bezerra Diniz ("**Janguê Diniz**"), Laureate and Laureate's Brazilian subsidiary Rede Internacional de Universidades Laureate Ltda. ("**Rede**") entered into a certain binding Transaction Agreement establishing the terms and conditions of the Transaction ("**Agreement**"), which closing is subject to the satisfaction of conditions precedent, including the approval of the Transaction by the competent antitrust authorities.

The Transaction consists of the acquisition of one hundred percent (100%) of the Rede's corporate capital by SER, by means of the purchase and sale of a certain percentage of Rede's quotas in consideration for a cash payment ("**Cash Component**") followed by the merger of Rede (or a potential holding company to be incorporated and that will hold Rede's quotas – "**NewCo**") by SER, with the issuance of new issued shares of SER ("**Stock Component**"). As a result of the Transaction, SER will hold one hundred percent 100% of Rede's quotas.

Under the terms of the Agreement, the Cash Component was fixed in one billion and seven hundred million Brazilian Reais (R\$ 1,700,000,000) and the Stock Component was fixed so that, on the closing of the Transaction Laureate will receive forty four percent (44%) of SER's common stock shares.

The shares issued by SER and received by Laureate within the context of the Transaction will be subject to certain limitations on their voting rights so that except for certain limited situations, Laureate will not be able to vote with shares of SER representing more than seven and a half percent (7.5%) of SER's total corporate capital.

As a result of the Transaction, Janguê Diniz will hold approximately thirty two point one percent (32.1%) of SER's corporate capital, continuing therefore to exercise his voting rights as SER's controlling shareholder.

Based on unaudited, managerial information and after making certain adjustments so as to reflect the results of Laureate's operations in Brazil ("**Laureate's Assets**") in accordance with the accounting practices adopted by SER, considering the last 12 months as of March 31, 2020, the Laureate Assets generated net revenue of R\$ 2,200,000,000 and adjusted EBITDA (including adjustments between IFRS and USGAAP and excluding intercompany flows and non-recurring effects) of R\$ 413,000,000, having on that date a net debt, excluding debt with the parent company of R\$ 623,300,000 and approximately 267,000 enrolled students.

On September 10, 2020, the board of directors of the Companies approved the execution of the Agreement and the board of directors of SER approved a form of the Merger Protocol that, subject to the satisfaction (or waiver, as the case may be) of the conditions precedent described in item "f" below, will be executed by the management of SER and of Rede (or NewCo, as the case may be) and submitted to the shareholders at the SER General Shareholders' Meeting and at the Rede's (or NewCo's, as the case may be) Quotaholders' Meetings, both to be held on the closing date of the Transaction ("**Closing Date**").

The Agreement also provides that Laureate will have a go-shop right that may be exercised until October 13, 2020 at 12:01am (New York time), if Laureate's board of directors approves the execution of a superior transaction with a third party ("**Go-Shop**"). In this scenario, SER may match the proposal presented by a third party, and if it fails to do so, Laureate may consummate a superior transaction with such third party, in which case Laureate will be required to pay a termination fee to SER amounting to one hundred and eighty million Brazilian Reais (R\$ 180,000,000)

2. Main Terms of the Transaction

(a) Identification of the Companies and Description of their Activities.

SER and Rede operate in the private education sector in Brazil, focusing on higher education. SER and Rede (as a subsidiary of SER) will continue to be engaged in such activities after the Transaction.

(b) Description and Purpose of the Transaction.

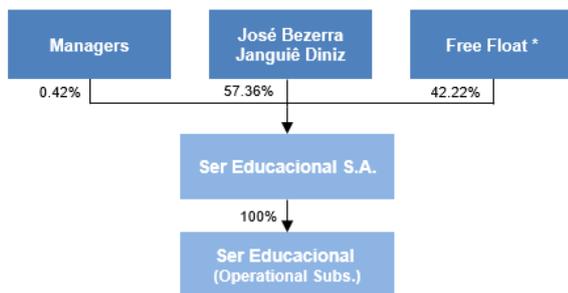
The intended Transaction is an acquisition of Laureate's Assets by SER, causing Rede to become a subsidiary of SER. In consideration for quotas representing one hundred percent (100%) of Rede's corporate capital, Laureate (or any of its affiliates) will receive the Cash Component and the Stock Component.

As part of the Transaction, Rede (or NewCo, as the case may be) will be merged into SER pursuant to articles 223, 224, 225 and 227 of the Corporations Law, articles 1,116, 1,117 and 1,118 of the Brazilian Civil Code and other applicable laws and regulations.

After confirmation that Laureate will effectively sell Laureate's Assets to SER, SER will create a Level III American Depositary Receipt program ("**ADR Program**"), to be established with a reputable national bank regarding the issuance of American Depositary Shares ("**ADS**") which shall be approved for listing in an US stock exchange.

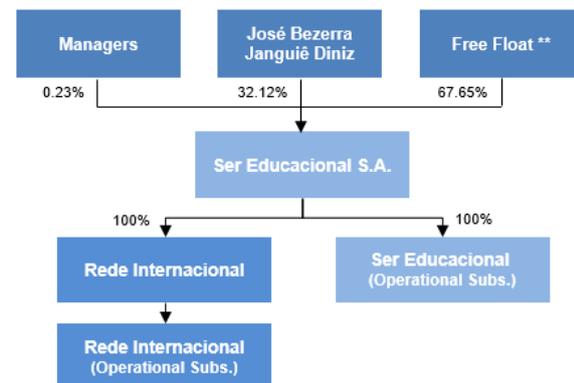
(c) Current and Proposed Structure.

Current Structure



* Including Oceana Investimentos AVCM Ltda.

Proposed Structure



** Including Laureate and Oceana Investimentos AVCM Ltda.

(d) Purchase Price; Exchange Ratio.

In consideration for the acquisition of one hundred percent (100%) of Rede's corporate capital, Laureate (or its respective affiliate thereof) will receive: (i) the Cash Component; and (ii) the Stock Component ("**Purchase Price**").

The Purchase Price was negotiated between the managements of SER and Laureate, which are independent parties, based on the financial situation of each entity and their expected future profitability.

In addition, each of the managements of SER and Laureate hired financial advisory from internationally renowned investment banks, as provided in item 4 below, to assist the Companies

and their respective board of directors in the negotiations and decision-making process with respect to the Transaction.

(e) Main Benefits and Risks of the Transaction.

The Transaction has a strong strategic rationale, since, once implemented, will consolidate SER's position among the largest private higher education groups in Brazil, with around four hundred and fifty two thousand (452,000) students, as well as taking advantage of significant synergies. The consummation of the Transaction will strengthen SER's ability to make new investments and increase the presence of its educational services in Brazil, generating value to its shareholders and stakeholders in general.

The Companies do not foresee significant risks arising from the consummation of the Transaction, and its success will depend mainly on the ability of SER's management to take advantage of growth and cost-saving opportunities resulting from the Transaction. If SER fails to seize on these opportunities successfully, the benefits expected from the Transaction may not be fully reached or may take longer than expected to be achieved. There are natural risks involved in the Transaction, including price variation of SER shares, which is inherent to capital markets and will be equally borne by all of SER shareholders.

(f) Go-Shop, Shareholders' Approval, Submission of the Transaction to the Antitrust Authorities and other Suspensive Conditions.

After the Go-Shop the completion of the Transaction will still be subject to the (i) approval of the merger of Rede (or NewCo, as the case may be) by SER's shareholders at the General Shareholders' Meeting; (ii) approval of the Brazilian antitrust authority (*Conselho Administrativo de Defesa Econômica – CADE*), (iii) successful implementation of the ADR Program by SER; and (iv) satisfaction of certain other condition precedents that are customary for transactions of this type, and which are described in the Agreement. The Transaction does not require approval by Laureate's shareholders.

Once certain of the conditions precedent listed in the Agreement have been satisfied (or waived, as the case may be), the management of SER shall call SER General Shareholders' to be held on the Closing Date.

(g) SER's Corporate Governance after the Merger.

In addition to the creation of the ADR Program mentioned above the Agreement provides that a General Shareholders' Meeting of SER shall be held on the Closing Date, aiming to improve its corporate governance structure, with the following highlights:

- (i) creation of a statutory audit committee and a non-statutory integration committee;

- (ii) appointment of five (5) directors chosen by Janguê Diniz, two (2) directors chosen by Laureate and two (2) independent members, amounting nine (9) members of SER's board of directors;
- (iii) prior approval of certain transactions between related parties; among others.

Following the consummation of the Transaction, for as long as Laureate (and/or any of its subsidiaries) hold, directly or indirectly, ADSs or shares issued by SER, Laureate shall not vote with any ADSs or shares issued by SER that exceeds seven and a half percent (7.5%) of the total and voting shares, except as provided for in the Agreement.

- (h) Withdrawal Rights.

Pursuant to article 137 of the Corporation Law, the Transaction shall not trigger withdrawal rights for the shareholders of SER.

3. Other Relevant Information

- (i) Appraisal Report and *Pro Forma* Financial Statements.

Pursuant to article 226 of the Corporation Law, the Companies will hire an appraiser to prepare the appraisal report of Rede (or NewCo) for purposes of the Merger ("**Appraisal Report**"). In addition, SER will prepare its *pro forma* financial information reflecting the effects of the merger as if it had already been consummated, which will be accompanied of a reasonable assurance opinion provided by such auditor ("**SER Pro Forma Financial Information**"). The Appraisal Report and SER *Pro Forma* Financial Information will constitute exhibits to the Protocol and Justification, to be executed among SER and Rede (or NewCo) following the satisfaction of certain conditions precedent listed in the Agreement.

4. General Provisions

Until the Closing Date, SER and Laureate shall remain completely separate and independent. Therefore, students, suppliers, employees and other stakeholders should not expect any change in the composition of the management, business relations and the offering of services during this period.

After the closing of the Transaction, Laureate may sell its corporate stake in SER through public or private transactions, subject to certain weekly volume limitations in case of sales on the stock exchange, and observing the right of first refusal of the controlling shareholder Janguê Diniz in case of certain sale of shares above the percentage set forth in the Agreement.

SER has been exclusively advised by Bank of America Merrill Lynch on financial aspects and by Milbank LLP and Pinheiro Neto Advogados on legal aspects, while Laureate has been exclusively advised by Goldman Sachs on financial aspects and by Veirano Advogados, Demarest

Advogados, Campos Mello Advogados, Simpson Thacher & Bartlett LLP and Jones Day on legal aspects.

Additional disclosures to the market about the Agreement and the Transaction will be made in due course under the terms of the current legislation.

SER will keep its shareholders and the market informed of any subsequent facts related to this matter, in accordance with the applicable law and CVM rulings.

September 13, 2020

Rodrigo de Macedo Alves
Investor Relations Officer
SER EDUCACIONAL S.A.

No Offer or Solicitation

This communication is for informational purposes only and is neither an offer to sell nor a solicitation of an offer to subscribe for or buy shares. No offer of securities will be made in the United States except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended, or pursuant to an exemption therefrom.

Forward-Looking Statements

This communication may contain forward-looking statements based on current assumptions and forecasts made by SER's management. These statements are statements that are not historical facts, and are based on SER's management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company or the proposed transaction, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors, as well as the ability to successfully complete the proposed transaction and realize the anticipated benefits of the proposed transaction, delays in obtaining any approvals required for the proposed transaction, or an inability to obtain them on the terms proposed or on the anticipated schedule, or the failure of any of the conditions to the proposed transaction to be satisfied. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations. SER assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.