

Results for the First Quarter of 2020

Recife, May 15, 2020 – Ser Educacional S.A. (B3 SEER3), announces its results for the first quarter of 2020 (1Q20). The information is presented in accordance with international financial reporting standards (IFRS) and consolidated in Reais (R\$). Comparisons refer to the first quarter of 2019 unless otherwise indicated. The 1Q20 results include UNINORTE's results, consolidated as of November 1, 2019. The summary of UNINORTE and distance learning results is available in the "Adjusted EBITDA by Segment" section of this document.

- The **total student base** reached 185.2 thousand students in the quarter, up by 14.4% over 1Q19, due to the increased student-base in the on-campus undergraduate and graduate courses, mainly due to UNINORTE's acquisition and the organic growth of the distance learning student base, partially offset by the economic effects resulting from the initiatives to stop the COVID-19 pandemic, which reduced the pace of new enrollments and re-enrollment of students as of March 16, 2020.
- For the same reasons, **net revenue increased by 1.4%** in the quarter and totaled R\$308.5 million.
- In 1Q20, **Adjusted EBITDA reached R\$77.6 million**, down by 20.0% over 1Q19, when it reached R\$97.1 million. Adjusted EBITDA margin decreased by 6.8 p.p., reaching 25.2%, compared to 31.9% in 1Q19, mainly due to the drop in student re-enrollment activities and in the enrollment of new students due to the COVID-19 impacts.
- **Adjusted EBITDA of Distance Learning (DL) reached R\$8.1 million and an adjusted EBITDA margin of 33.2% in 1Q20**, up by 17.1 p.p. over 1Q19. The higher EBITDA margins and solid operating cash flow are relevant characteristics of this segment in which Ser Educacional is showing its most solid growth rates.
- **Adjusted net income per share** decreased by 53.9% in 1Q19 vs. 1Q20.

Financial Highlights	1Q20	1Q19	% Chg. 1Q20 x 1Q19
(R\$ '000)			
Net Revenue	308,526	304,164	1.4%
Adjusted Cash Gross Profit	194,722	191,627	1.6%
Adjusted Cash Gross Margin	63.1%	63.0%	0.1 p.p.
Adjusted EBITDA	77,627	97,067	-20.0%
Adjusted EBITDA Margin	25.2%	31.9%	-6.8 p.p.
Adjusted Net Income	29,446	63,926	-53.9%
Adjusted Net Margin	9.5%	21.0%	-11.5 p.p.
Adjusted Net Income per Share	0.23	0.50	-53.9%



1Q20 Conference Call May 15, 2020

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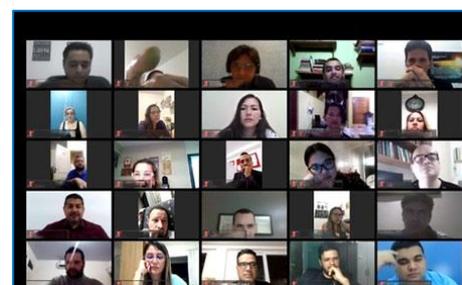
- The Board of Directors approved at a meeting held on March 26, 2020, **the distribution of dividends totaling R\$6.1 million, representing R\$0.047102544 per share**, to be paid up to June 30, 2020, based on the shareholding position of April 30, 2020.
- As of March 16, 2020, **the Company suspended face-to-face meetings** at its units as part of initiatives to mitigate the spread of COVID-19. The on-campus classes are being taught through the remote school system via Sala Ser Digital ([click here to watch the video](#)), which allows students to access the classes via computer, tablet, or cell phone. Depending on the profile of the courses, the classes may also be replaced by increasing the distance learning workload, extending the workload at the return, or anticipating school vacations.
- During the quarantine, due to efforts to stop the spread of COVID-19, **several social and educational activities were carried out by the teaching institutions of Ser Educacional group**, focused on producing hand sanitizers in their laboratories, carrying out food donation campaigns for underprivileged communities, as well as sponsoring cultural events with the same purpose, generating and making available free content from its distance learning platform and creating free webinars on and building the awareness of the population on COVID-19's developments, as well as for specific matters on the areas of knowledge offered by the group's institutions.
- **In March 2020, Ser Educacional received the IT Executive of the Year award in the Education category by IT Mídia.** Joaldo Diniz, Executive Officer of Innovation and Services, was awarded for presenting the case "SER Digital - Revolutionizing the Student's Experience in Education" to on-campus and distance learning students, recognizing the extensive digital transformation work carried out by the Company, which started in the first half of 2018, called "Ser Digital Project". The project's main pillars included the development of innovative tools to improve the student's experience by fully integrating the on-campus and distance learning, as well as speeding back-office processes through robotization and revisions of operational models.
- On April 29, 2020, **three working capital lines were contracted, totaling R\$300.0 million, with the purpose of preventing the financial impacts of COVID-19.** The lines were obtained from Itaú Unibanco (R\$200 million for two years at a rate of CDI+3.4% p.a.), and Santander Brasil (R\$100.0 million for two years at CDI+3.1% p.a.).

Message from the Management

2020 started as a promising year for Ser Educacional's business plan in an environment of positive forecasts on the Brazilian economy's recovery, especially related to a decrease in unemployment rates, increased confidence of businesspeople and consumers, and the improved income available for the Brazilian middle class.

This scenario changed with the unexpected economic impact with the initiatives carried out by the Federal, State and Municipal governments and the Company itself, to mitigate the spread of COVID-19, by adopting social isolation practices, such as the suspending on-campus classes, closing commerce, services, travel, tourism, and even industrial activities. The measures started to be adopted as of mid-March 2020 to avoid an overload on the health system and thereby preserve lives.

Although they have been the best way found by society to reduce the pandemic's impacts on the population, so far, there is no clear prognosis about the relaxation of social isolation measures, or even when they will end. In this sense, there is still no clear perception of its adverse effects on the Brazilian economy and its impact on the Company's results.



Students from on-campus courses kept their routines and direct contact with teachers through Sala Ser Digital Classroom.



In this scenario, Ser Educacional started an action plan, focused on some primary purposes, highlighting the focus on keeping the classes routine for its students as much as possible, while supporting and providing social isolation measures for its students, employees and other stakeholders. The Company quickly transferred it on-campus classes to the remote teaching system, via Ser Digital Classroom, making it possible for on-campus students to keep their classroom routine during the pandemic while preserving social isolation. The solution allowed attendance rates above 80% in both online classes and midterm tests, what is relatively in line with the historical data of the Company. In addition, in a short period, Ser Educacional managed to place around 90% of its administrative team in a remote work system and carried out intense public awareness campaigns about the extent of the pandemic's risks, the reasons behind social isolation, tips on hygiene, among others.

The Company understands that, in a moment of crisis, business and community leaders need to come together and provide support to societies in which they operate. With this in mind, several social and educational activities were carried out by the Company's teaching institutions, focused on producing hand sanitizers in their laboratories, carrying out food donation campaigns for underprivileged communities, developing apps to encourage and support the provision of online services to the population by health professionals in the fight against COVID-19, as well as sponsoring cultural events with the same purpose, generating and making available free content from its distance learning platform and creating free lives and webinars to build the awareness of the population on COVID-19's developments, and for specific matters on the areas of knowledge offered by the group's institutions.

In this action plan, there are also activities to mitigate the financial impacts of the crisis, focusing on short, medium and long-term goals. In the short-term, besides the academic and social isolation measures abovementioned, the Company started a process to reevaluate activities, cutting non-essential expenses for the toughest period impacted by social isolation measures, which will have an effect as of 2Q20, such as reducing marketing activities, opening vacation programs to employees with their main activities carried out in on-campus activities and mapping and renegotiating non-essential agreements for activities under progress.

Among the medium and long-term activities, we highlight the fundraising of a total of R\$300.0 million in working capital to ensure that Ser Educacional's activities will be maintained while the pandemic impacts operations, keeping the company's activities and also actively supporting society. A further-detailed mapping was also carried out to reorganize the Company's activities after the social isolation measures, planning the model to resume the on-campus activities and preparing new types of courses to be offered to the market.

The Company believes that in challenging periods, successful companies show the strength of their organizational culture to overcome obstacles and resume growth in the future. With this in mind, Management is grateful for the efforts and support of its employees, teachers, and students in this period of such significant challenges for Brazilian society.



Students from UNINORTE healthcare courses producing hand sanitizers for free distribution in Manaus (AM)



App that helps health professionals provide online services for the population in the fight against COVID-19, offered free of charge to Brazilian states



Campaigns to donate food-staples baskets through its educational institutions



OPERATING PERFORMANCE

Enrollments 2020.1

1Q20 Student Enrollment			
In thousands	1Q20	1Q19	% Chg
Undergraduate Enrollments	58.4	51.8	12.7%
Distance Learning	16.5	14.8	11.5%
On-campus	41.9	37.0	13.2%
Ex-UNINORTE On-campus Enrollments	36.2	37.0	-2.2%

In an environment with the resumption of economic activity in its operating markets and strong competition among teaching institutions, the 2020.1 enrollment of students was within the Company's expectations up to March 16, 2020, due to the need to reduce social activities given the COVID-19 pandemic, which led to a decreased economic activity in operating cities and decreased the enrollment pace at the last fortnight of March.

On-campus Undergraduate Segment Students Enrollment

In the on-campus undergraduate segment, the Company closed 1Q20 with 41.9 thousand students enrolled, up by 13.2% when compared to 37.0 thousand students enrolled in 1Q19, mainly due to UNINORTE's acquisition. Excluding UNINORTE, enrollment fell by 2.2%, mainly due to the beginning of social isolation measures as of March 16, 2020, given the attempts to mitigate COVID-19's spread to the population.

At the end of 1Q20, around 2.3 thousand students enrolled had student loans, with 100 financed through PraValer, 900 through Educared, and 1.2 thousand students through FIES. In 1Q19, of the 1.7 thousand students that had student loans, 500 students financed through FIES, 100 financed PraValer, and 1,000 through Educared. As a result, the enrollment of students with student loans increased from 4.5% in 1Q19 to 5.4% in 1Q20.

At the end of 1Q20, 1.4 thousand new FIES agreements were finalized out of the 4.3 thousand vacancies allocated to the Company by the Federal Government in 2020.1, with 1.2 thousand freshmen and 0.2 thousand seniors.

Distance Learning Undergraduate Segment Students Enrollment

The enrollment in the distance learning undergraduate segment in 1Q20 increased by 11.5%, reaching 16.5 thousand new students enrolled, compared to 14.8 thousand students enrolled in 1Q19, reinforcing the Company's strategy that prioritizes partner hubs with the best performance, within the established goals, which is reflecting in the segment's enrollment performance. The enrollment of students in this segment was also affected by the social isolation measures mentioned above.



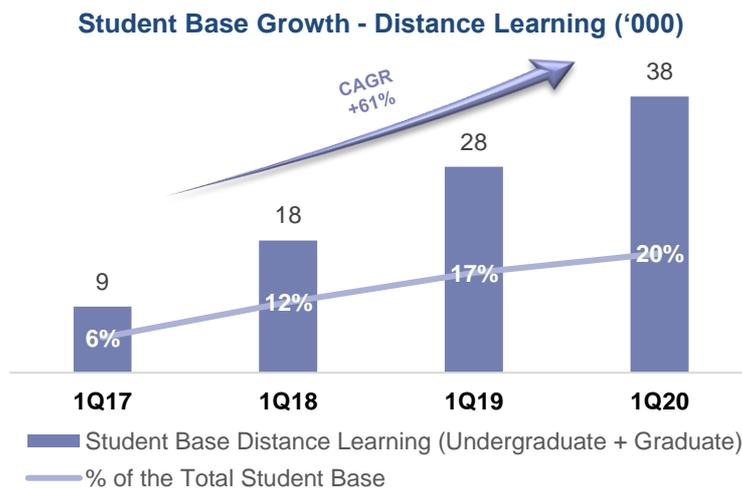
Student Base Growth

Number of Students	Undergraduate		Graduate		Vocational		Total
	On Campus	Distance Learning	On Campus	Distance Learning	On Campus	Distance Learning	Total
1Q20							
Dec19 Base	145,496	23,470	6,594	8,017	1,169	65	184,811
Enrollments	41,893	16,465	731	1,404	63	8	60,564
Leavers	(14,992)	(505)	(1,481)	(135)	(59)	-	(17,172)
Dropouts	(31,726)	(11,151)	(93)	(1)	(25)	-	(42,996)
Mar20 Base	140,671	28,279	5,751	9,285	1,148	73	185,207
% Mar20 Base / Dec19 Base	-3.3%	20.5%	-12.8%	15.8%	-1.8%	12.3%	0.2%
% Mar20 Base / Mar19 Base	10.0%	25.4%	19.8%	70.3%	-4.7%	-6.4%	14.4%
Mar20 Base (Ex-UNINORTE)	122,359	26,165	4,890	9,198	1,148	73	163,833
% Mar20 Base / Mar19 Base	-4.3%	16.0%	1.9%	68.7%	-4.7%	-6.4%	1.2%

As a result of the issues addressed above, the on-campus undergraduate base totaled 140.7 thousand students, up by 10.0% when compared to 127.8 thousand students in 1Q19. Ex-UNINORTE, on-campus undergraduate student base fell by 4.3% in 1Q19 vs. 1Q20.

The distance learning student base (which represents the sum of the undergraduate and graduate distance learning student base) increased by 34.2%, from 28.0 thousand students in 1Q19 to 37.6 thousand students in 1Q20. Excluding UNINORTE's students, the distance learning student base increased by 26.3%.

With the performance in the undergraduate (on-campus and distance learning) enrollment, as mentioned above, the total student base increased by 14.4% over March 31, 2019.



Dropout Rate

Given the uncertainties due to the COVID-19 pandemic's impact, the dropout rate increased by 2.4 p.p., reaching 18.4% in 1Q20, against 16.0% in 1Q19.



Average Net Ticket

Average Ticket (R\$)	1Q20	1Q19	% Chg- 1Q20 x 1Q19
On Campus Undergraduate	651.21	729.02	-10.7%
Distance Learning (Undergraduate + graduate)	213.38	209.57	1.8%
Total Net Average Ticket	549.14	623.93	-12.0%

The average on-campus ticket in 1Q20 totaled R\$651.21, down by 10.7% year-on-year, due to the consolidation of the UNINORTE's results, which has a lower average ticket than the Company. The ex-UNINORTE average ticket totaled R\$671.80 in the on-campus undergraduate segment, down by 7.8% over 1Q19.

This decrease in the average ticket is directly linked to COVID-19's impact on re-enrollments, as can be seen by the increased dropout rate, which went from 16.0% to 18.4% in this quarter, what impacts average tickets once these students start the semester with the full monthly tuition, as compared to new students, that are mostly enrolled paying out of pockets and are usually brought in through promotional monthly tuition that seasonally reduce the average ticket in quarters seasonally stronger in new enrollments (1Q and 3Q). In addition, it should be noted that about 2.5 thousand FIES students have not re-enrolled, as FNDE extended this process, also due to COVID-19's impacts.

In the distance learning segment, the average ticket grew by 1.8% over 1Q19 due to the increased share of enrollments in the semi-presential undergraduate segment.

Student Loan

STUDENT LOANS	Dec/13	Dec/14	Dec/15	Dec/16	Dec/17	Dec/18	1Q19	Dec/19	1Q20
On Campus Undergraduate Students	70,255	101,195	123,988	131,092	133,945	127,837	127,829	145,496	140,671
FIES Students	31,432	48,048	56,089	58,840	55,565	40,427	31,243	34,156	23,419
% of FIES Students	44.7%	47.5%	45.2%	44.9%	41.5%	31.6%	24.4%	23.5%	16.6%
EDUCRED Students			754	1,922	2,390	3,952	4,007	4,464	3,189
% of EDUCRED Students			0.6%	1.5%	1.8%	3.1%	3.1%	3.1%	2.3%
PRAVALER Students			954	1,794	2,873	3,265	2,643	2,168	1,657
% of PRAVALER Students			0.8%	1.4%	2.1%	2.6%	2.1%	1.5%	1.2%
Total Students Loans			57,797	62,556	60,828	47,644	37,893	40,788	28,265
% of Total Students Loans			46.6%	47.7%	45.4%	37.3%	29.6%	28.0%	20.1%

On March 31, 2020, FIES students accounted for 16.6% of the on-campus undergraduate base, down by 7.8 p.p. compared to the 24.4% recorded at the end of 1Q19. In the ex-UNINORTE analysis, the decrease in the on-campus FIES graduate student base totaled 7.0 p.p., representing 17.5% 1Q20 vs. 1Q19. This decrease is due to the Federal Government's decision to reduce the number of vacancies in the FIES program as of 2015, with a further decrease as of 2018, as well as due to the postponed re-enrollment of around 2,500 FIES students due to the postponement by FNDE of the deadline to conclude the process.

Organic Growth

In 1Q20, 13 new courses were authorized, totaling 1,904, while the number of vacancies in some courses also increased. As a result, in March 2020, the Company had around 1,2 million vacancies per year, with 0.7 million in the Distance Learning segment. Ser Educacional continues to develop its organic growth strategy based on the accreditation of new units and distance learning centers, as well as the authorization of new courses.



FINANCIAL PERFORMANCE

Service Revenue

Gross Revenue - Accounting (R\$ '000)	1Q20	1Q19	% Chg. 1Q20 x 1Q19
Gross Operating Revenue	601,697	496,858	21.1%
Undergraduate Monthly Tuition	540,850	454,810	18.9%
Graduate Monthly Tuition	9,258	7,584	22.1%
Vocational Courses Monthly Tuition	504	503	0.1%
Distance Learning Monthly Tuition	47,477	29,869	59.0%
Others	3,608	4,092	-11.8%
Deductions from Gross Revenue	(293,171)	(192,694)	52.1%
Discounts and Scholarships	(223,774)	(131,608)	70.0%
PROUNI	(55,194)	(44,538)	23.9%
FGEDUC And FIES charges	(3,818)	(6,624)	-42.4%
Taxes	(10,385)	(9,924)	4.6%
% Discounts and Scholarships/ Net Oper. Rev.	37.2%	26.5%	10.7 p.p.
Net Operating Revenue	308,526	304,164	1.4%
Undergraduate Monthly Tuition	274,821	276,744	-0.7%
Graduate Monthly Tuition	5,734	5,368	6.8%
Vocational Courses Revenues	464	471	-1.6%
Distance Learning Revenues	24,093	17,660	36.4%
Others	3,415	3,922	-12.9%

Gross revenue in 1Q20 totaled R\$601.7 million, up by 21.1% year-on-year. This increase is due to the consolidation of UNINORTE's revenues, as well as the 6% price transfer in 1Q20 vs. 1Q19 and the increased volume of students enrolled in the distance learning segment.

In 1Q20, net revenue totaled R\$308.5 million, up by 1.4% over 1Q19, mainly due to the consolidation of UNINORTE's revenues, as mentioned in previous sections, and the growth of the distance learning student base (undergraduate + graduate) by 34.2%.

Cost of Services

Breakdown of Cost of Services Rendered¹ Accounting (R\$ '000)	1Q20	1Q19	% Chg. 1Q20 x 1Q19
Cash Cost of Services Rendered	(114,724)	(115,426)	-0.6%
Payroll and Charges	(96,401)	(89,139)	8.1%
Rent	(2,115)	(9,968)	-78.8%
Concessionaires (Electricity, Water and Telephone)	(10,096)	(9,109)	10.8%
Third-Party Services and Others	(6,112)	(7,210)	-15.2%

¹ Excluding depreciation and amortization.

The cash cost of services (excluding depreciation and amortization) totaled R\$114.7 million in 1Q20, down by 0.6% over 1Q19, due to the reasons below:

a) Personnel costs and charges in 1Q20 increased by 8.1% over 1Q19, mainly due to the consolidation of UNINORTE's costs, totaling R\$11.0 million. Excluding UNINORTE's personnel costs, "personnel costs and charges"



decreased by 4.2%, ending 1Q20 at R\$85.4 million, also proving the optimization, especially in the on-campus higher education segment. In this scenario, the Company had non-recurring costs related to the adjustment of its personnel structure by R\$0.9 million in the quarter, which can be further analyzed in the management table presented below.

b) Costs with rents fell by 78.8% in 1Q20 vs. 1Q19, due to the decrease in properties and other assets remeasured as leases throughout 2019 due to the implementation of IFRS 16.

c) “Concessionaires (electricity, water, and telephone)” increased by 10.8%, closing 1Q20 at R\$10.1 million, against R\$9.1 million in 1Q19, due to UNINORTE’s acquisition. Excluding this effect, this line would have decreased by 6.8%.

d) Third-party services and others reached R\$6.1 million in 1Q20, compared to R\$7.2 million in 1Q19, down by 15.2%, due to the decreased volume of practical classes in the quarter, due to COVID-19’s impacts, and the non-occurrence of implementation costs in the distance learning segment during this quarter. The decrease in third-party services and others reached 18.1%, excluding UNINORTE’s costs.

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

Breakdown of Cost of Services Rendered¹ Adjusted (R\$ '000)	1Q20	1Q19	% Chg. 1Q20 x 1Q19
Cash Cost of Services Rendered	(113,804)	(112,537)	1.1%
Payroll and Charges	(95,481)	(86,250)	10.7%
Rent	(2,115)	(9,968)	-78.8%
Concessionaires (Electricity, Water and Telephone)	(10,096)	(9,109)	10.8%
Third-Party Services and Others	(6,112)	(7,210)	-15.2%

¹ Excluding depreciation and amortization.

Gross Profit

Gross Profit - Accounting (R\$ '000)	1Q20	1Q19	% Chg. 1Q20 x 1Q19
Net Operating Revenue	308,526	304,164	1.4%
Cost of Services Rendered	(154,976)	(138,061)	12.3%
Gross Profit	153,550	166,103	-7.6%
Gross Margin	49.8%	54.6%	-4.8 p.p.
(-) Depreciation	40,252	22,635	77.8%
Cash Gross Profit	193,802	188,738	2.7%
Cash Gross Margin	62.8%	62.1%	0.8 p.p.

Gross cash profit grew by 2.7%, from R\$188.7 million in 1Q19 to R\$193.8 million in 1Q20. The gross cash margin totaled 62.8% in 1Q20, up by 0.8 p.p. over the margin in 1Q19, when it reached 62.1% due to the increased net revenue in 1Q19 vs. 1Q20.

Depreciation increased by 77.8%, from R\$22.6 million in 1Q19 to R\$40.3 million in 1Q20, due to the inclusion of the depreciation of UNINORTE’s properties, and the right to use and amortization of intangible assets in UNINORTE’s anticipated rental agreement.



The table below presents the gross cash profit adjusted by the main effects of non-recurring costs:

Gross Profit - Adjusted (R\$ '000)	1Q20	1Q19	% Chg. 1Q20 x 1Q19
Net Operating Revenue	308,526	304,164	1.4%
Cost of Services Rendered	(154,056)	(135,172)	14.0%
Adjusted Gross Profit	154,470	168,992	-8.6%
Adjusted Gross Margin	50.1%	55.6%	-5.5 p.p.
(-) Depreciation	40,252	22,635	77.8%
Adjusted Cash Gross Profit	194,722	191,627	1.6%
Adjusted Cash Gross Margin	63.1%	63.0%	0.1 p.p.

IFRS-16 Depreciation and Amortization Cost

IFRS-16 Depreciation and Amortization (R\$ '000)	1Q20	1Q19	% Chg. 1Q20 x 1Q19
Depreciation and Amortization	(40,252)	(22,635)	77.8%
IFRS-16 Depreciation and Amortization	(13,270)	(7,319)	81.3%
Ex-IFRS-16 Depreciation and Amortization	(26,982)	(15,316)	76.2%

Operating Expenses (SG&A)

Operating Expenses - Accounting (R\$ '000)	1Q20	1Q19	% Chg. 1Q20 x 1Q19
General and Administrative Expenses	(111,522)	(89,123)	25.1%
Payroll and Charges	(40,625)	(34,899)	16.4%
Third-Party Services	(14,932)	(12,785)	16.8%
Advertising	(25,355)	(19,727)	28.5%
Materials	(2,953)	(3,377)	-12.6%
PDA	(13,741)	(6,528)	110.5%
Others	(10,271)	(7,954)	29.1%
Depreciation and Amortization	(3,645)	(3,853)	-5.4%
Operating Income	40,222	75,478	-46.7%
General and Administrative Expenses (Ex-Depreciation and Amortization)	(107,877)	(85,270)	26.5%

General and administrative expenses increased by 25.1%, from R\$89.1 million in 1Q19 to R\$111.5 million in 1Q20, mainly due to:

- a) Personnel expenses and social charges increased by 16.4% compared to 1Q19 or an increase of 10.1% when excluding UNINORTE) and by 8.6% when excluding the impact of this acquisition as well as a non-recurring effect of R\$1.8 million, related to indemnity fines due to the administrative structure adjustment to accommodate the Company's current student base and UNINORTE's integration. This increase is mainly due to the yearly union agreement. In the quarter, this impact was particularly higher due to the retroactive payment due to the longer negotiation period of the union agreement that would have occurred in 4Q19.



b) Expenses with services reached R\$14.9 million in 1Q20, up by 16.8% over 1Q19, when it reached R\$12.8 million (R\$12.7 million ex-UNINORTE), mainly due to Ser Digital project, which has the long-term strategic goal of preparing the Company's digital transformation to improve the student experience in all stages of the learning process and contact with the Company's educational institutions. Therefore, in the first quarter, the Company posted around R\$0.4 million as non-recurring expenses related to these activities, in addition to R\$3.6 million non-recurring expenses related to M&A expenses.

c) Advertising expenses increased by 28.5% over 1Q19, from R\$19.7 million in 1Q19 to R\$25.4 million in 1Q20, representing 8.2% of the net revenue (24.8% increase ex-UNINORTE), due to the increased effort to attract new students, which in turn was less effective than expected due to the COVID-19's impact in student enrollment.

d) The provision for doubtful accounts increased by 110.5%, compared to 1Q19, from R\$6.5 million in 1Q19 to R\$13.7 million in 1Q20. This increase is due to the fact that, in 1Q19, there was a change in the criteria to estimate the provision for doubtful accounts and the recognition of effective losses that generated a net effect reducing the provision for doubtful accounts in 1Q19 by R\$7.8 million. Excluding this effect, the provision for doubtful accounts was relatively stable in the comparison between the two quarters.

e) Other expenses increased by 29.1% and went from R\$8.0 million in 1Q19 to R\$10.3 million in 1Q20, mainly due to a non-recurring effect of R\$6.1 million related to disputes related to the property tax (IPTU) of units. In the quarter, there was also a non-recurring effect of R\$0.2 million related to a social security tax infringement notice.

The table below shows the general and administrative expenses in the management's view, adjusted for non-recurring effects.

Operating Expenses - Adjusted (R\$ '000)	1Q20	1Q19	% Chg. 1Q20 x 1Q19
General and Administrative Expenses	(99,577)	(83,789)	18.8%
Payroll and Charges	(38,863)	(33,776)	15.1%
Third-Party Services	(10,883)	(8,574)	26.9%
Advertising	(25,355)	(19,727)	28.5%
Materials	(2,953)	(3,377)	-12.6%
PDA	(13,741)	(6,528)	110.5%
Others	(4,137)	(7,954)	-48.0%
Depreciation and Amortization	(3,645)	(3,853)	-5.4%
Adjusted Operating Income	53,263	83,701	-36.4%
General and Administrative Expenses (Ex-Depreciation and Amortization)	(95,932)	(79,936)	20.0%



EBITDA and Adjusted EBITDA

EBITDA (R\$ '000)	1Q20	1Q19	% Chg. 1Q20 x 1Q19
Net Income¹	16,766	56,092	-70.1%
(+) Net financial expense ²	21,787	16,601	31.2%
(+) Income and social contribution taxes	1,669	2,785	-40.1%
(+) Depreciation and amortization	43,897	26,488	65.7%
EBITDA¹	84,119	101,966	-17.5%
EBITDA Margin	27.3%	33.5%	-6.3 p.p.
(+) Revenue from Interest on Agreements and Others ²	8,003	5,101	56.9%
(+) Non-recurring costs and expenses ³	13,041	8,223	58.6%
(-) Minimum rent paid ⁴	(27,537)	(18,223)	51.1%
Adjusted EBITDA⁵	77,627	97,067	-20.0%
Adjusted EBITDA Margin	25.2%	31.9%	-6.8 p.p.

1. EBITDA is not an official accounting measurement.

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

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

4. Minimum rent refers to rental agreements recorded as financial leasing, according to IFRS 16. The expenses from these leases 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 1Q20 totaled R\$77.6 million, down by 20.0% over 1Q19 when it reached R\$97.1 million. The adjusted EBITDA margin ended the first quarter of 2020 at 25.2%, against 31.9% in 1Q19, down by 6.8 p.p. The drop in EBITDA was mainly due to the social isolation measures resulting from COVID-19, which in turn reduced economic activity in the cities where the Company operates, which led to a reduction in the pace of new enrollments, especially student re-enrollments in the quarter.

The following is a statement of non-recurring items:

SUMMARY OF NON-RECURRING ITEMS (R\$ '000)	1Q20	1Q19	% Chg. 1Q20 x 1Q19
Non-Recurring Costs and Expenses Impacting Adjusted EBITDA	13,041	8,223	58.6%
Payroll	2,682	4,012	-33.1%
Cost	920	2,889	-68.1%
Expense	1,762	1,123	56.9%
Third-Party Services	4,049	4,211	-3.9%
Expense	4,049	4,211	-3.9%
Other Expenses / Other Net Operating Expenses	6,310	-	N.M.
Tax Expenses	6,134	-	N.M.
Other Operating Expenses/Revenue	176	-	N.M.
Non-Recurring Costs and Expenses that do not Impact Adjusted EBITDA	(361)	(389)	-7.1%
Income tax and social contribution - Complementary Tax on Adjusted Net Income	(361)	(389)	-7.1%
Total Non Recurring Costs and Expenses	12,680	7,834	61.9%

*use of the same income tax (IR - *Imposto de Renda*) calculation base on non-recurring results to better reflect adjusted net income.



Adjusted EBITDA by segment

Result excluding new units and Distance Learning (R\$ ('000))	1Q20				
	On Campus	New units (1)*	Distance Learning*	UNINORTE	Consolidated
Net Revenue	246,402	9,599	24,335	28,190	308,526
Adjusted Cash Gross Profit	153,702	6,718	19,619	14,682	194,722
<i>Adjusted Cash Gross Margin</i>	<i>62.4%</i>	<i>70.0%</i>	<i>80.6%</i>	<i>52.1%</i>	<i>63.1%</i>
Adjusted EBITDA	65,563	(78)	8,080	4,062	77,627
<i>Adjusted EBITDA Margin</i>	<i>26.6%</i>	<i>-0.8%</i>	<i>33.2%</i>	<i>14.4%</i>	<i>25.2%</i>

(1) Expansion units: Garanhuns, Mossoró, Juazeiro do Norte, Maracanaú, Porto Velho, Arapiraca, Marabá, Boa Vista, Rio Branco, Sobral, Belo Horizonte and Brasília.

* Result allocations are not audited.

The table above presents the results excluding on-campus units operating for two years or less and Distance Learning activities, which have been expanding its base of Distance Learning centers and launched their brands in this segment.

In 1Q19, distance learning started to generate positive adjusted EBITDA and, keeping the focus on expansion, which generated the growth of student base in this segment, and cost control, which is scalable by the number of students, in 1Q20, adjusted EBITDA totaled R\$8.1 million, up by 182.0% compared to 1Q19, with an EBITDA margin of 33.2% in the quarter, the best result in this business segment since starting the activities.

On the other hand, the new units generated a negative adjusted EBITDA of R\$0.1 million, within the expected limits for the start of operations.

These two activities have an impact of 1.4 p.p. on the Company's consolidated adjusted EBITDA margin in 1Q20 and, excluding these organic growth initiatives, went from 25.2% to 26.6%, evidencing the Company's focus on keeping the operational efficiency of its mature units, partially offset by the UNINORTE lower adjusted EBITDA margin, which was recently consolidated the results.

Financial Result

Financial Result - Accounting (R\$ '000)	1Q20	1Q19	% Chg. 1Q20 x 1Q19
(+) Financial Revenue	10,265	17,928	-42.7%
Interest on Agreements and Others	8,003	5,101	56.9%
Returns on Financial Investments	2,397	13,472	-82.2%
Others	(135)	(645)	-79.1%
(-) Financial Expenses	(32,052)	(34,529)	-7.2%
Interest Expenses	(3,177)	(5,304)	-40.1%
Interest on Leasing	(17,882)	(13,507)	32.4%
Discounts Granted	(9,030)	(12,567)	-28.1%
Monetary Variation Expenses	(1,578)	(1,891)	-16.6%
Others	(385)	(1,260)	-69.4%
Financial Result	(21,787)	(16,601)	31.2%

Financial revenues decreased by 42.7% when compared to 1Q19, from R\$17.9 million in 1Q19 to R\$10.3 million in 1Q20, due to the following:

a) Increase of 56.9% in "Interest on Agreements and Others", which went from R\$5.1 million in 1Q19 to R\$8.0 million in 1Q20, due to the increase in recognition of interest on monthly tuition fees.



b) Income from financial investments decreased by 82.2%, from R\$13.5 million in 1Q19 to R\$2.4 million in 1Q20, due to the decrease in the average interest rate and in the Company's cash position, given the extraordinary distribution of R\$250.0 million in dividends, payment of the 1st series of the 2nd issue of debentures, in the amount of R\$114.5 million and the acquisition of UNINORTE (R\$185.0 million) in November 2019.

Financial expenses reached R\$32.1 million in 1Q20, down by 7.2% over 1Q19's financial expenses, which totaled R\$34.5 million. Comparing the periods, this change was mainly due to:

a) Expenses with Interest fell by 40.1%, from R\$5.3 million in 1Q19 to R\$3.2 million in 1Q20, due to the decrease indebtedness and interest rates.

b) Interest on Leases increased from R\$13.5 million in 1Q19 to R\$17.9 million in 1Q20, up by 32.4%, due to the inclusion of UNINORTE's lease agreements. The change in this line in 1Q19 vs. 1Q20, without UNINORTE's figures, would reach an increase of 22.6%.

c) Discounts Granted fell by 28.1%, reaching R\$9.0 million in 1Q20, compared to R\$12.6 million in 1Q19, due to the lower volume of discounts in agreements for the recovery of student tuition credits, especially with overdue for over 180 days.

d) Cash Variation Expenses totaled R\$1.6 million in 1Q20, against R\$1.9 million in 1Q19, due to the decreased balance of acquisition commitments payable.

Due to the reasons explained above, the net financial result reported an expense of R\$21.8 million in 1Q20, compared to an expense of R\$16.6 million in 1Q19, up by 31.2%.

The table below shows the financial revenue in the management's view, adjusted for non-recurring effects of other financial revenues.

Financial Result - Adjusted (R\$ '000)	1Q20	1Q19	% Chg. 1Q20 x 1Q19
(+) Financial Revenue	10,265	17,928	-42.7%
Interest on Agreements and Others	8,003	5,101	56.9%
Returns on Financial Investments	2,397	13,472	-82.2%
Others	(135)	(645)	-79.1%
(-) Financial Expenses	(32,052)	(34,529)	-7.2%
Interest Expenses	(3,177)	(5,304)	-40.1%
Interest on Leasing	(17,882)	(13,507)	32.4%
Discounts Granted	(9,030)	(12,567)	-28.1%
Monetary Variation Expenses	(1,578)	(1,891)	-16.6%
Others	(385)	(1,260)	-69.4%
Financial Result	(21,787)	(16,601)	31.2%

Net Income

Net Income - Accounting (R\$ 000)	1Q20	1Q19	% Chg. 1Q20 x 1Q19
Operating Income	40,222	75,478	-46.7%
(+) Financial Result	(21,787)	(16,601)	31.2%
(+) Income and Soc. Contrib. Taxes	(1,352)	(2,785)	-51.5%
(+) Deferred Income and Soc. Contrib. Taxes	(317)	-	0.0%
Net Income (Loss)	16,766	56,092	-70.1%
Net Margin	5.4%	18.4%	-13.0 p.p.



Operating income reached R\$40.2 million in 1Q20, down by 46.7% over 1Q19 when it reached R\$75.5 million. In 1Q20, net income (accounting) totaled R\$16.8 million, compared to R\$56.1 million in 1Q19.

Income tax and social contribution decreased and totaled R\$1.4 million in 1Q20, due to the lower net income in 1Q20.

The table below shows the net income in the management's view, adjusted for non-recurring effects. Adjusted net income fell by 53.9%, from R\$63.9 million in 1Q19 to R\$29.4 million in 1Q20. It should be noted that the Company continues to calculate its dividend payments in accordance with the results presented in IFRS.

The decrease in net income was mainly due to the COVID-19 pandemic's impact, which, due to social isolation measures, reduced economic activities in the cities where the Company operates, which led to a reduced pace in new enrollments and, especially, in student re-enrollments in the quarter.

Net Income - Adjusted (R\$ '000)	1Q20	1Q19	% Chg. 1Q20 x 1Q19
Operating Income	53,263	83,701	-36.4%
(+) Financial Result	(21,787)	(16,601)	31.2%
(+) Income and Soc. Contrib. Taxes	(1,713)	(3,174)	-46.0%
(+) Deferred Income and Soc. Contrib. Taxes	(317)	-	0.0%
Adjusted Net Income (Loss)	29,446	63,926	-53.9%
Adjusted Net Margin	9.5%	21.0%	-11.5 p.p.

Accounts Receivable and Average Collection Period

Accounts Receivable and Average Receivable Days (R\$ '000)	1Q19	4Q19	1Q20
Gross Accounts Receivable	371,324	447,038	476,635
Monthly tuition fees	127,588	194,723	193,222
FIES	107,426	100,509	119,358
Negotiated agreements receivable	71,437	64,877	70,188
Education credits receivable	38,428	58,096	72,096
Credit Card and Others	26,445	28,833	21,771
PDA balance	(81,347)	(113,149)	(106,564)
Net Accounts Receivable	289,977	333,889	370,071
Net Revenue (Last 12 Months - FIES+Ex-FIES+Pronatec)	1,249,401	1,275,986	1,280,348
Net Receivable Days (FIES+Ex-FIES+Pronatec)	84	94	104
Net Revenue FIES (Last 12 Months)	413,854	337,887	312,347
Net Receivable Days (FIES)	78	86	114
Net Receivable Days (Monthly tuition fees + Negotiated agreements receivable + Education credits receivable)	75	86	93

The average period of net collection increased from 84 to 104 days due to the following:

- Increase in the PMR for monthly tuitions, agreements receivable and educational credits, from 75 to 93 days in the average collection period of monthly tuitions from students, agreements and educational credits receivable are mainly due to the revision of the provisional estimate made during 1Q19 and the longer collection period due to the current economic situation. It is the Company's understanding that the current collection period best reflects the cycle of the effective collection in student's contracts, which are renewed every six months.



- b) The increase in the PMR FIES from 78 to 114 days was due to the increased payment cycle by FNDE started in 2019.

Aging of Monthly tuition fees (R\$ '000)	1Q19	% Chg.	4Q19	% Chg.	1Q20	% Chg.
Overdue by up to 30 day	48,287	37.8%	35,949	18.5%	51,336	26.6%
Overdue from 31 to 60 days	16,164	12.7%	29,565	15.2%	24,671	12.8%
Overdue from 61 to 90 days	880	0.7%	27,358	14.0%	6,029	3.1%
Overdue from 91 to 180 days	29,763	23.3%	41,018	21.1%	47,899	24.8%
Overdue from 181 to 360 days	32,494	25.5%	60,833	31.2%	63,287	32.8%
TOTAL	127,588	100.0%	194,723	100.0%	193,222	100.0%
% of Gross Accounts Receivable	34.4%		43.6%		40.5%	

Aging of Negotiated Agreements (R\$ '000)	1Q19	% Chg.	4Q19	% Chg.	1Q20	% Chg.
Not yet due	32,349	45.3%	18,236	28.1%	29,797	42.5%
Overdue by up to 30 day	7,275	10.2%	7,827	12.1%	6,931	9.9%
Overdue from 31 to 60 days	4,655	6.5%	7,260	11.2%	4,414	6.3%
Overdue from 61 to 90 days	2,849	4.0%	6,770	10.4%	3,440	4.9%
Overdue from 91 to 180 days	9,569	13.4%	10,060	15.5%	11,614	16.5%
Overdue from 181 to 360 days	14,740	20.6%	14,724	22.7%	13,992	19.9%
TOTAL	71,437	100.0%	64,877	100.0%	70,188	100.0%
% of Gross Accounts Receivable	19.2%		14.5%		15.7%	

The total increase in monthly tuitions and receivable as a percentage of gross accounts receivable was due to an upturn in net revenue from monthly tuitions, agreements, and Educred, as the FIES student base fell from 24.4% in 1Q19 to 16.6% in 1Q20, already considering UNINORTE's students. Ex-UNINORTE, FIES students represent 17.5% of the on-campus undergraduate base. The table below shows the evolution of our provisioning for bad debt comparing December 31, 2019 versus March 31, 2020:

Constitution of Provision for Doubtful Accounts in the Income Statement (R\$ '000)	12/31/2019	Gross Increase in Provision for Doubtful Accounts	Write-off	03/31/2020
Total	113,149	13,741	(20,326)	106,564

Investments (CAPEX)

CAPEX (R\$ ('000))	3M20	% of Total	3M19	% of Total
CAPEX Total	13,730	100.0%	15,655	100.0%
Property acquisition / Construction / Maintenance of campuses	4,127	30.1%	4,800	30.7%
Equipment / Library / IT	6,298	45.9%	8,263	52.8%
Licenses and Partnerships	1,115	8.1%	1,075	6.9%
Intangibles and Others	2,190	16.0%	1,517	9.7%
Acquisitions Debt Payment	68,960		40,013	
Total CAPEX + Acquisitions Payables	82,690		55,668	

In the 3M20 period, the Company invested R\$4.1 million to expand and renovate campuses in the cities of Recife, Caruaru, Santarém and Belém. Acquisitions of equipment, library, and IT consumed R\$6.3 million, mostly allocated to the purchase of IT and lab equipment and books and journals for the libraries of the operational units.

A total of R\$69.0 million in debt payments related to previous acquisitions (commitments to pay) recorded under cash flow as investment activities were allocated to the payment of UNG's acquisition, to the remaining installment related to UNAMA'S acquisition.



Indebtedness

Indebtedness (R\$ '000)	03/31/2020	12/31/2019	% Chg. Mar20 x Dec19
Total Cash	238,358	358,198	-33.5%
Judicial deposits	(45,995)	(42,665)	7.8%
FG-FIES Guarantee Fund	(10,073)	(9,070)	11.1%
Cash, Cash equivalents and Securities	182,290	306,463	-40.5%
Cash and cash equivalents	170,934	215,173	-20.6%
Securities	11,356	91,290	-87.6%
Gross debt	(166,725)	(276,715)	-39.7%
Loans and financing	(139,570)	(182,178)	-23.4%
Short term	(74,914)	(92,137)	-18.7%
Long term	(64,656)	(90,041)	-28.2%
Aquisitions Payables*	(27,155)	(94,537)	-71.3%
Net Cash	15,565	29,748	-47.7%
Net Cash / Adjusted EBITDA (LTM)	0.05	0.09	

* Acquisitions payables refer to acquisition scheduled payments

Cash and cash equivalents totaled R\$182.3 million, down by 40.5% over December 2019. This change is due to commitments to be paid for UNG's acquisition and the remaining balance of UNAMA's acquisition, totaling R\$69.0 million in the quarter, in addition to (i) payment of dividends in 2Q19, totaling R\$286.7 million, with R\$250.0 million extraordinary, as well as R\$32.8 million paid in 4Q19, referring to 30% of the net income reported in the first half of 2019, following the new Dividend Policy reviewed by the Board of Directors in 2019; (ii) payment of R\$114.5 million regarding the 1st series and the 2nd issue of debentures in September 2019; and (iii) payment of UNINORTE's acquisition totaling R\$185 million.

The Company's gross debt basically reflects commitments related to the acquisitions and the issue of two long-term debts with the following characteristics: (i) financing with IFC for the term of 7 years, totaling R\$120.0 million with a rate of 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, whose balance on March 31, 2020, is R\$55.5 million, and (ii) the Company's 2nd issue of simple, unsecured debentures not convertible into shares, in 2 series, with 100,000 Debentures in the First Series and 100,000 Debentures in the Second Series, with a unit par value of R\$1,000.00 as of the date of issue, totaling R\$200,000,000.00. The Debentures of the First Series 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 Debentures of the Second Series 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, maturing on September 15, 2021, whose balance on March 31, 2020, is of R\$74.5 million.

On March 31, 2020, Grupo Ser Educativo's gross debt totaled R\$166.7 million, down by 39.7% compared to the R\$276.7 million on December 31, 2019, mainly due to the settlement of commitments to pay and debentures in the period. In 1Q20, the Company's net cash amounted to R\$15.6 million against net cash of R\$29.7 million in 4Q19.

Debt Amortization Schedule (R\$ '000)	Loans and Financing	A.V. (%)	Aquisitions Payables	A.V. (%)	Debentures	A.V. (%)	Total	A.V. (%)
Short Term	25,161	38.7%	27,155	100.0%	49,753	66.7%	102,069	61.2%
Total Long Term	39,862	61.3%	-	0.0%	24,794	33.3%	64,656	38.8%
1-2 years	23,530	36.2%	-	0.0%	24,794	33.3%	48,324	29.0%
2-3 years	12,753	19.6%	-	0.0%	-	0.0%	12,753	7.6%
3-4 years	1,952	3.0%	-	0.0%	-	0.0%	1,952	1.2%
4-5 years	1,627	2.5%	-	0.0%	-	0.0%	1,627	1.0%
After five years	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total Loans, Financing and Acquisitions payables	65,023	100.0%	27,155	100.0%	74,547	100.0%	166,725	100.0%



Regarding the debt payment schedule, 61.2% 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)	1Q20	1Q19	% Chg. 1Q20 x 1Q19
Cash flow from operating activities			
Net cash from operating activities	32,869	32,466	1.2%
(-) Cash flow allocated to investing activities	(82,690)	(55,668)	48.5%
(+) / (-) Securities	79,934	246,707	-67.6%
(+) / (-) Cash flow allocated to financing activities	(34,797)	(5,371)	547.9%
(-) Interest on loans	(37,385)	(13,507)	176.8%
(-) Income and social contribution taxes paid	(2,170)	(2,369)	-8.4%
Increase in cash and cash equivalents	(44,239)	202,258	-121.9%
Net increase in cash and cash equivalents			
Beginning of period	215,173	314,731	-31.6%
End of period	170,934	516,989	-66.9%
Increase in cash and cash equivalents	(44,239)	202,258	-121.9%
Cash and Securities changes	(124,173)	(44,449)	179.4%
Beginning of period	306,463	920,898	-66.7%
End of period	182,290	876,449	-79.2%

Operating cash generation increased from R\$32.5 million in 1Q19 to R\$32.9 million in 1Q20, up by 1.2% in the quarter, mainly due to the increased operating cash flow from regular students, partially offset by the longer payment cycle of FIES adopted by the government as of 2019, proving that the Company managed to present a solid operating cash generation despite suffering from COVID-19's impact in the quarter.

ABOUT GRUPO SER EDUCACIONAL

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 distance learning courses in 26 states and the Federal District, with a consolidated base of approximately 185,000 students. The Company operates under the following brands UNINASSAU, UNINASSAU – Centro Universitário Maurício de Nassau, UNINABUCO – Centro Universitário Joaquim Nabuco, Faculdades UNINABUCO, Joaquim Nabuco and Maurício de Nassau Vocational Schools, UNIVERITAS/UNG, UNAMA – Universidade da Amazônia and Faculdade da Amazônia, UNIVERITAS – Centro Universitário Universus Veritas and Faculdades UNIVERITAS and UNINORTE - Centro Universitário do Norte, through which it offers more than 1,904 courses.

This earnings release may include 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 the 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.



EXHIBITS – Income Statement

Income Statement - Accounting R\$ ('000)	1Q20	1Q19	% Chg. 1Q20 x 1Q19
Gross Operating Revenue	601,697	496,858	21.1%
Undergraduate Monthly Tuition	540,850	454,810	18.9%
Graduate Monthly Tuition	9,258	7,584	22.1%
Vocational Courses Monthly Tuition	504	503	0.1%
Distance Learning Monthly Tuition	47,477	29,869	59.0%
Others	3,608	4,092	-11.8%
Deductions from Gross Revenue	(293,171)	(192,694)	52.1%
Discounts and Scholarships	(223,774)	(131,608)	70.0%
PROUNI	(55,194)	(44,538)	23.9%
FGEDUC And FIES charges	(3,818)	(6,624)	-42.4%
Taxes	(10,385)	(9,924)	4.6%
Net Operating Revenue	308,526	304,164	1.4%
Cash Cost of Services Rendered	(154,976)	(138,061)	12.3%
Payroll and Charges	(96,401)	(89,139)	8.1%
Rent	(2,115)	(9,968)	-78.8%
Concessionaires (Electricity, Water and Telephone)	(10,096)	(9,109)	10.8%
Third-Party Services	(6,112)	(7,210)	-15.2%
Depreciation and Amortization	(40,252)	(22,635)	77.8%
Managerial Gross Profit	153,550	166,103	-7.6%
<i>Gross Margin</i>	<i>49.8%</i>	<i>54.6%</i>	<i>-4.8 p.p.</i>
Operating Expenses/Revenue	(113,328)	(90,625)	25.1%
General and Administrative Expenses	(111,522)	(89,123)	25.1%
Payroll and Charges	(40,625)	(34,899)	16.4%
Third-Party Services	(14,932)	(12,785)	16.8%
Advertising	(25,355)	(19,727)	28.5%
Materials	(2,953)	(3,377)	-12.6%
PDA	(13,741)	(6,528)	110.5%
Others	(10,271)	(7,954)	29.1%
Depreciation and Amortization	(3,645)	(3,853)	-5.4%
Other Operating Expenses/Revenue	(1,806)	(1,502)	20.2%
Managerial Operating Income	40,222	75,478	-46.7%
<i>Operating Margin</i>	<i>13.0%</i>	<i>24.8%</i>	<i>-11.8 p.p.</i>
(+) Adjusted Depreciation and Amortization	43,897	26,488	65.7%
EBITDA	84,119	101,966	-17.5%
<i>EBITDA Margin</i>	<i>27.3%</i>	<i>33.5%</i>	<i>-6.3 p.p.</i>
(+) Non-recurring costs and expenses	13,041	8,223	58.6%
(+) Interest on tuition and agreements	8,003	5,101	56.9%
(-) Minimum rent paid	(27,537)	(18,223)	51.1%
Adjusted EBITDA	77,627	97,067	-20.0%
<i>Adjusted EBITDA Margin</i>	<i>25.2%</i>	<i>31.9%</i>	<i>-6.8 p.p.</i>
(-) Adjusted Depreciation and Amortization	(43,897)	(26,488)	65.7%
Adjusted EBIT	33,730	70,579	-52.2%
<i>Adjusted EBIT Margin</i>	<i>10.9%</i>	<i>23.2%</i>	<i>-12.3 p.p.</i>
Financial Result	(21,787)	(16,601)	31.2%
(+) Financial Revenue	10,265	17,928	-42.7%
Interest on Agreements and Others	8,003	5,101	56.9%
Returns on Financial Investments	2,397	13,472	-82.2%
Others	(135)	(645)	-79.1%
(-) Financial Expenses	(32,052)	(34,529)	-7.2%
Interest Expenses	(3,177)	(5,304)	-40.1%
Interest on Leasing	(17,882)	(13,507)	32.4%
Discounts Granted	(9,030)	(12,567)	-28.1%
Monetary Variation Expenses	(1,578)	(1,891)	-16.6%
Others	(385)	(1,260)	-69.4%
Income Before Income Taxes	18,435	58,877	-68.7%
Income and Social Contribution Taxes	(1,669)	(2,785)	-40.1%
Current	(17,041)	(23,630)	-27.9%
Tax Incentive - Prouni	15,689	20,845	-24.7%
Deferred	(317)	-	-100.0%
Consolidated Net Income/Loss	16,766	56,092	-70.1%
<i>Net Margin</i>	<i>5.4%</i>	<i>18.4%</i>	<i>-13.0 p.p.</i>



Income Statement – Managerial result

Income Statement - Adjusted RS ('000)	1Q20	1Q19	% Chg. 1Q20 x 1Q19
Gross Operating Revenue	601,697	496,858	21.1%
Undergraduate Monthly Tuition	540,850	454,810	18.9%
Graduate Monthly Tuition	9,258	7,584	22.1%
Vocational Courses Monthly Tuition	504	503	0.2%
Distance Learning Monthly Tuition	47,477	29,869	59.0%
Others	3,608	4,092	-11.8%
Deductions from Gross Revenue	(293,171)	(192,694)	52.1%
Discounts and Scholarships	(223,774)	(131,608)	70.0%
PROUNI	(55,194)	(44,538)	23.9%
FGEDUC And FIES charges	(3,818)	(6,624)	-42.4%
Taxes	(10,385)	(9,924)	4.6%
Net Operating Revenue	308,526	304,164	1.4%
Cash Cost of Services Rendered	(154,056)	(135,172)	14.0%
Payroll and Charges	(95,481)	(86,250)	10.7%
Rent	(2,115)	(9,968)	-78.8%
Concessionaires (Electricity, Water and Telephone)	(10,096)	(9,109)	10.8%
Third-Party Services	(6,112)	(7,210)	-15.2%
Depreciation and Amortization	(40,252)	(22,635)	77.8%
Managerial Gross Profit	154,470	168,992	-8.6%
<i>Managerial Gross Margin</i>	<i>50.1%</i>	<i>55.6%</i>	<i>-5.5 p.p.</i>
Operating Expenses/Revenue	(101,207)	(85,291)	18.7%
General and Administrative Expenses	(99,577)	(83,789)	18.8%
Payroll and Charges	(38,863)	(33,776)	15.1%
Third-Party Services	(10,883)	(8,574)	26.9%
Advertising	(25,355)	(19,727)	28.5%
Materials	(2,953)	(3,377)	-12.6%
PDA	(13,741)	(6,528)	110.5%
Others	(4,137)	(7,954)	-48.0%
Depreciation and Amortization	(3,645)	(3,853)	-5.4%
Other Operating Expenses/Revenue	(1,630)	(1,502)	8.5%
Managerial Operating Income	53,263	83,701	-36.4%
<i>Managerial Operating Margin</i>	<i>17.3%</i>	<i>27.5%</i>	<i>-10.3 p.p.</i>
(+) Depreciation and Amortization	43,897	26,488	65.7%
(+) Interest on tuition and agreements	8,003	5,101	56.9%
(-) Minimum rent paid	(27,537)	(18,223)	51.1%
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<i>Adjusted EBITDA Margin</i>	<i>25.2%</i>	<i>31.9%</i>	<i>-6.8 p.p.</i>
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(+) Financial Revenue	10,265	17,928	-42.7%
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Interest on Leasing	(17,882)	(13,507)	32.4%
Discounts Granted	(9,030)	(12,567)	-28.1%
Monetary Variation Expenses	(1,578)	(1,891)	-16.6%
Others	(385)	(1,260)	-69.4%
Income Before Income Taxes	31,476	67,100	-53.1%
Income and Social Contribution Taxes	(2,030)	(3,174)	-36.0%
Current	(17,402)	(24,019)	-27.5%
Tax Incentive - Prouni	15,689	20,845	-24.7%
Deferred	(317)	-	-100.0%
Adjusted Consolidated Net Income/Loss	29,446	63,926	-53.9%
<i>Adjusted Net Margin</i>	<i>9.5%</i>	<i>21.0%</i>	<i>-11.5 p.p.</i>



Balance Sheet

Balance Sheet - ASSETS (R\$ '000)	03/31/2020	12/31/2019	% Chg. Mar20 x Dec19
Total Assets	2,482,046	2,559,156	-3.0%
Current Assets	562,590	644,545	-12.7%
Cash and cash equivalents	170,934	215,173	-20.6%
Securities	11,356	91,290	-87.6%
Accounts receivable	320,409	286,967	11.7%
Taxes recoverable	14,816	13,917	6.5%
Related parties	1,952	1,952	0.0%
Other assets	43,123	35,246	22.3%
Non-Current Assets	1,919,456	1,914,611	0.3%
Long-Term Assets	233,813	227,438	2.8%
Accounts receivable	49,662	46,922	5.8%
Related parties	7,484	7,972	-6.1%
Other assets	53,575	50,562	6.0%
Indemnifications	112,015	112,015	0.0%
FG-FIES Guarantee Fund	10,073	9,070	11.1%
Other Accounts receivable	1,004	897	11.9%
Intangible assets	556,720	560,646	-0.7%
Right-of-Use Assets	624,980	616,110	1.4%
Property, plant and equipment	503,943	510,417	-1.3%
Balance Sheet - LIABILITIES (R\$ '000)	03/31/2020	12/31/2019	% Chg. Mar20 x Dec19
Total Liabilities	1,156,792	1,250,668	-7.5%
Current Liabilities	327,898	406,439	-19.3%
Suppliers	32,173	32,501	-1.0%
Accounts payable	27,155	94,537	-71.3%
Loans and financing	25,161	24,377	3.2%
Debentures	49,753	67,760	-26.6%
Payroll and charges	89,758	82,000	9.5%
Taxes payable	20,158	23,688	-14.9%
Leasing	47,298	43,931	7.7%
Dividends payable	6,063	6,063	0.0%
Other liabilities	30,379	31,582	-3.8%
Non-Current Liabilities	828,894	844,229	-1.8%
Loans and financing	39,862	40,351	-1.2%
Debentures	24,794	49,690	-50.1%
Leasing	637,018	623,946	2.1%
Taxes payable	4,758	7,127	-33.2%
Provision for contingencies	121,783	122,111	-0.3%
Other liabilities	679	1,004	-32.4%
Consolidated Shareholders' Equity	1,325,254	1,308,488	1.3%
Capital Realized	987,549	987,549	0.0%
Income Reserve	321,777	320,939	0.3%
Retained income	15,928	-	N.M.
Total Liabilities and Shareholders' Equity	2,482,046	2,559,156	-3.0%



Cash Flow

Cash Flow Statement (R\$ '000)	03/31/2020	03/31/2019	% Chg. Mar20 x Mar19
Consolidated Net Income for the Period before Income Taxes	18,435	58,877	-68.7%
Depreciation and amortization	43,897	26,488	65.7%
Provisions	(328)	381	-186.1%
Adjustment present value of accounts receivable	376	1,294	-70.9%
Provision for doubtful accounts	13,741	6,528	110.5%
Sale of Non-Current Assets	(2,544)	95	-2777.9%
Interest and exchange variation, net	21,986	21,311	3.2%
Adjusted Net Income	95,563	114,974	-16.9%
Changes in Assets and Liabilities	(62,694)	(82,508)	-24.0%
Accounts receivable	(50,299)	(83,372)	-39.7%
Taxes recoverable	(899)	(891)	0.9%
Other assets	(12,000)	(2,314)	418.6%
Suppliers	(328)	(2,393)	-86.3%
Payroll and charges	7,758	3,618	114.4%
Taxes payable	(5,899)	(222)	2557.2%
Income and social contribution taxes payable	501	(416)	-220.4%
Other liabilities	(1,528)	3,482	-143.9%
Cash generated from operations	32,869	32,466	1.2%
Other	(39,555)	(15,876)	149.1%
Interest on loans and debentures	(19,503)	-	N.M.
Interest on leases	(17,882)	(13,507)	32.4%
Income and social contribution taxes paid	(2,170)	(2,369)	-8.4%
Net Cash from Operating Activities	(6,686)	16,590	-140.3%
Net Cash from Investing Activities	(2,756)	191,039	-101.4%
Securities	79,934	246,707	-67.6%
Additions to property, plant and equipment	(10,425)	(13,658)	-23.7%
Additions to intangible assets	(3,305)	(1,997)	65.5%
Acquisition of subsidiaries Payments	(68,960)	(40,013)	72.3%
Net Cash from Financing Activities	(34,797)	(5,371)	547.9%
Amortization of Debentures	(25,000)	-	N.M.
Amortization of loans and financing	(631)	(654)	-3.5%
Amortization of leasing	(9,654)	(4,717)	104.7%
Related parties	488	-	N.M.
Increase (Reduction) in Cash and Cash Equivalents	(44,239)	202,258	-121.9%
Cash and Cash Equivalents at Beginning of Period	215,173	314,731	-31.6%
Cash and Cash Equivalents at End of Period	170,934	516,989	-66.9%
Cash changes and Securities	(124,173)	(44,449)	179.4%