

Ser Educacional's net income rises 79.3% and digital learning student base grows 123.1% in 1Q21

Recife, May 14, 2021 - Ser Educacional S.A. (B3 SEER3), announces the results for the first quarter of 2021 (1Q21). The information is presented in IFRS, consolidated in Brazilian reais (R\$) and comparisons refer to the first quarter of 2020, unless otherwise specified. 1Q21 results include the consolidation of UNIFACIMED and UNIJUAZEIRO, for which the acquisition transactions were concluded in November 2020, and two months of UNESC results, which had the acquisition transaction concluded on February 1, 2021. The summary of results of these acquisitions, as well as the results of Distance Learning, which is now called "Digital Learning" or "Digital", are available under "Adjusted EBITDA by Segment" section of this document.

- In 1Q21, the **total student intake amounted to 82.0 thousand students, 35.6% growth** compared to 1Q20, with a **highlight to the 169.4%** growth in digital learning segment.
- The **total student base reached 218.1 thousand in 1Q21, with 17.8%** growth when compared to 1Q20, mainly due to the organic growth of the **digital learning student base, which ended the quarter with 83.8 thousand, representing 123.1% increase in the period** and the acquisitions of UNIFACIMED, UNIJUAZEIRO and UNESC.
- **Net revenue in 1Q21 amounted to R\$306.7 million, in line when compared to 1Q20**, further impacted by the effects of COVID-19 and the higher volume of students enrolled in the quarter who seasonally pay tuition with commercial discounts that will be diluted during the course.
- In 1Q21, **Adjusted EBITDA reached R\$67.9 million**, 12.6% lower versus 1Q20, when it reached R\$77.6 million. Adjusted EBITDA margin decreased 3.0 p.p., reaching 22.1%, versus 25.2% in 1Q20, mainly due to the new negotiation practices with students, leading to an increase in discounts granted in the re-enrollment while reducing discounts granted recorded as financial expenses.
- **Digital learning Adjusted EBITDA reached 14.3% of the Company's consolidated Adjusted EBITDA and amounted to R\$9.7 million in the quarter.** Margin reached 24.0% in 1Q21.
- **Operating net cash generation amounted to R\$38.5 million in 1Q21, reversing the negative generation of R\$6.7 million in 1Q20**, evidencing that, even in a period still quite impacted by the pandemic, the Company remains as one of the most profitable companies and with robust financial health in the sector.
- **Net income for the quarter amounted to R\$30.1 million, a 79.3% increase** when compared to the net income of R\$16.8 million recorded in 1Q20, while **adjusted net income totaled R\$36.2 million in the quarter, a 23.0% increase when comparing the two periods.**

Financial Highlights	1Q21	1Q20	% Chg. 1Q21 x 1Q20
(R\$ '000)			
Net Revenue	306,724	308,526	-0.6%
Adjusted Cash Gross Profit	204,348	194,722	4.9%
Adjusted Cash Gross Margin	66.6%	63.1%	3.5 p.p.
Adjusted EBITDA	67,863	77,627	-12.6%
Adjusted EBITDA Margin	22.1%	25.2%	-3.0 p.p.
Net Income	30,068	16,766	79.3%
Net Margin	9.8%	5.4%	4.4 p.p.
Adjusted Net Income	36,221	29,446	23.0%
Adjusted Net Margin	11.8%	9.5%	2.3 p.p.



1Q21 Conference Calls May 14, 2021

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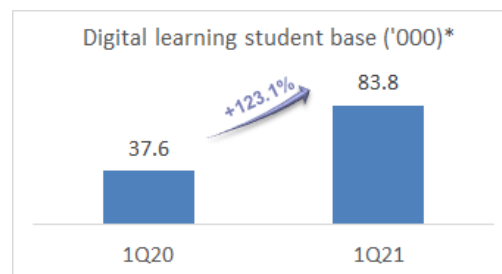


- At a meeting held on December 28, 2020, the Board of Directors approved **the payment of interest on equity**, based on the net equity assessed as of September 30, 2020, through the submissions made by the Company's Executive Board, duly assessed by the Finance Committee, in the gross amount of R\$15.5 million, corresponding to the gross amount of R\$0.120145585 per common share of the Company, subject to withholding income tax at the rate of 15%. Interest on equity was paid on January 20, 2021 and was approved by the Company's Annual Shareholders' Meeting, which decided on the approval of the accounts for the fiscal year ended on December 31, 2020, held on April 30, 2021.
- In January 2021, Ser Educacional launched **Ubíqua, its new hybrid curricula, based on active teaching methodologies** (teaching by skills) and digital content base that use cutting-edge technology, in addition to making it easy to create new courses. Ubíqua is synonymous with ubiquitous education and the development of this educational concept reflects the Company's investment in the union between high technology and academic concepts recognized by the market. The new curricula received an acceptance score of 9.5 (from zero to 10) among its students and coupled with the launch of new models for the distribution of courses last year, it collaborated with the growth of the Company's student base and in the rationalization of the academic costs.
- In January 2021, the Company announced the issuance of a **new share repurchase program**, under which it may acquire up to 4,939,840 common, registered, book-entry shares with no par value, issued by the Company, corresponding to up to 3.8376% of the total shares issued by the Company and up to 9.09% of the Outstanding Shares.
- On April 5, 2021, the Company announced the closing of the **acquisition of Centro Universitário São Francisco de Barreiras (UNIFASB)**, announced on December 2020. Located in the city of Barreiras (BA), the Institution had 1,600 students enrolled, which 332 students in the authorized medical course to be offered with 80 authorized annual medical seats or 96 annual seats, when considering seats available via PROUNI and FIES. The transaction also involves 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 an independent member, 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 of April 30, 2021; thus, shares were traded "ex-dividends" as of May 3, 2021. Such dividends refer to the remaining balance to be paid, according to the minimum distribution policy of 30% of the Company's net income.



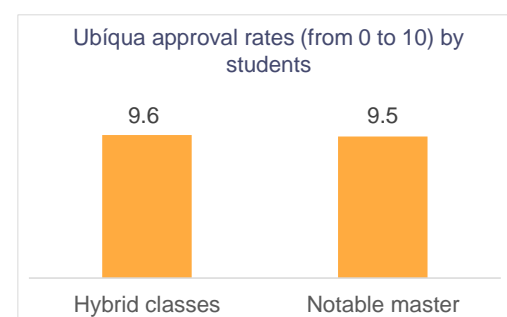
Message from Management

The results recorded in this first quarter of 2021 have proved that the process of transforming Ser Educacional into a complete platform for university and professional courses, is taking place at a fast pace and sustaining its **history of generating academic value to students, feeling of belonging by employees and solid return to shareholders, with high cash generation, adequate financial position with recurring distribution of dividends.**



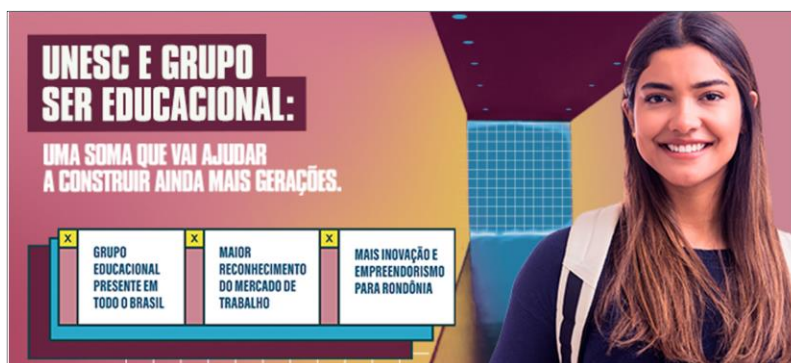
The quarter saw an organic growth of the student base of 17.8% and 79.3% of net income for the period, with a highlight for the **123.1% increase in digital education student base, a segment that now represents 38.4% of the Company's student base and 14.3% of consolidated adjusted EBITDA** and reflect tangible results of the digital transformation started by the Company in 2018.

In addition to the growth in the student base, the digital transformation journey aimed to improve the student experience and bring differentiated courses both from the point of view of academic quality, but also innovations that meet the needs of the labor market and the educational aspirations of students. These ideas were materialized with the introduction of the new curricular matrix, Ubíqua, which obtained high approval rates from the academic community and enabled to make its first fully hybrid student intake, based on active teaching methodologies, with cutting edge technology and content built in a flexible way to provide the creation of new courses and new distribution formats and to optimize the academic costs. Highlight for the high acceptance of students and teachers in their first months of adoption, who are confident that the creation of this concept of ubiquitous education will still bring positive and sustainable returns along its maturation process.



The enrollment of students in the hybrid education segment (on-site) in the quarter was impacted by the worsening of the pandemic, demanding municipalities to decree new restrictions as a way to increase social isolation in the communities where we operate and due to the delay in PROUNI and FIES calendar due to the postponement of the ENEM tests. On the other hand, as of April with the opening of the government program seats, the student intake was resumed and it is possible that if no new restrictive measures are adopted due to the pandemic during the second half, the recovery of the student base in this segment will be resumed.

Other relevant highlight of the quarter **was the consolidation of UNESC in the Company's results, and now, of the 4 acquisitions announced in 2020, only the integration of UNIFASB remains, which will be completed in April.** As a result, the Company will have a more relevant exposure in the medical course segment, having increased the number of seats by 77% of which approximately 70% of the sets available are filled.

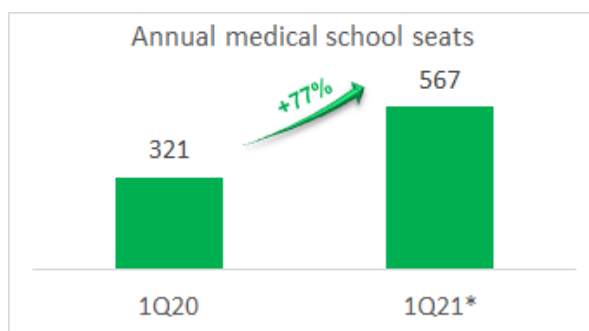


It was, therefore, a quarter in which the Company was once again able to overcome the hurdles of the current scenario, resuming a consistent and healthy growth of its results, reaping the rewards of the investments and strategic repositioning it has carried out in recent years.



Ser Educacional is experiencing a new growth phase in which it aims to explore three pillars that, in due time, will transform it into a complete company in the offer of university and vocational courses focused on 3 segments (i) hybrid education, (ii) digital teaching and (iii) medicine courses, creating a highly flexible and agile ecosystem for creating and launching new courses, value-added services for students and with diversified and innovative distribution channels.

The Management remains aware of the opportunities and challenges present in the market and would like to thank its students, teachers, employees and investors for their dedication and trust.



* Considers annual medical vacancies including additional vacancies through the PROUNI and FIES programs and UNIFASB vacancies to be consolidated from April/21.

OPERATIONAL PERFORMANCE

Still under the impacts of COVID-19 pandemic, 2021.1 intake process was impacted by the delay in ENEM calendar, as well as the resumption of economic restrictions in most of the Company's cities. As a result, the offer of hybrid education was negatively impacted by the pandemic, with most challenging period in March, but showing a more significant resumption in April, as shown in the table below:

Student Enrollment						
In thousands	1Q21	1Q20	% Chg	Acumulated Jan-Apr/21	Acumulated Jan-Apr/20	% Chg
Undergraduate Enrollments	77.5	58.4	32.8%	94.8	62.0	52.9%
Digital	43.7	16.5	165.3%	56.1	18.1	209.5%
Hybrid (On-campus)	33.8	41.9	-19.3%	38.7	43.9	-11.8%
Hybrid (On-campus) - Ex-Acquisitions	32.8	41.9	-21.8%	37.4	43.9	-14.7%
Graduate Enrollments	4.5	2.1	110.5%	5.6	2.3	146.2%
Digital	4.5	1.4	217.5%	5.5	1.4	288.9%
On-campus	0.0	0.7	-94.9%	0.1	0.9	-85.3%
TOTAL	82.0	60.5	35.6%	100.4	64.3	56.2%

Hybrid (on-campus) undergraduate student intake - 2021.1

Intake in hybrid (on-campus) undergraduate students recorded a 19.3% drop when comparing 1Q21 and 1Q20, still due to the impacts of COVID-19, which, as mentioned above, showed a resumption in April and closed with a drop of 11.8% compared to the same period in 2020.

At the end of 1Q21, 1.1 thousand new FIES agreements were executed, from the 3.1 thousand seats allocated to the Company by the Federal Government, in 2021.1, with 0.8 thousand freshmen and 0.2 thousand upperclassmen.

Digital learning undergraduate student intake - 2021.1

In the Digital Learning segment, new enrollments grew by 165.3% because 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% digital learning courses in certain locations, in order to address the market changes.



Graduate student intake - 2021.1

In the graduation segment, the highlight was the digital learning, which ended 1Q21 with a 217.5% growth and reached an intake of 4.5 thousand students versus 1.4 thousand in 1Q20. With the improved performance in this segment, the final base of digital graduate students in 1Q21 was 16.5 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
1Q21							
Dec20 Base	131,613	38,997	4,487	14,836	1,276	28	191,237
Enrollments	33,827	43,680	37	4,458	312	2	82,316
UnG Acquisition	3,143	-	-	-	-	-	3,143
Leavers	(12,692)	(729)	(1,435)	(1,512)	(28)	(1)	(16,397)
Dropouts	(26,152)	(14,686)	(25)	(1,233)	(92)	(2)	(42,190)
Mar21 Base	129,739	67,262	3,064	16,549	1,468	27	218,109
% Mar21 Base / Dec20 Base	-1.4%	72.5%	-31.7%	11.5%	15.0%	-3.6%	14.1%
% Mar21 Base / Mar20 Base	-7.8%	137.9%	-46.7%	78.2%	27.9%	-63.0%	17.8%
Mar21 Base (Ex-Acquisitions)	122,253	66,860	3,062	16,533	1,468	27	210,203
% Mar21 Base / Mar20 Base	-13.1%	136.4%	-46.8%	78.1%	27.9%	-63.0%	13.5%

As a result of the items discussed above, the hybrid (on-campus) undergraduate student base totaled 129.7 thousand students, representing a 7.8% reduction as compared to the reported base of 140.7 thousand students in 1Q20. When analyzing ex-acquisitions, the change in hybrid (on-campus) undergraduate students base 1Q21 x 1Q20, recorded a 13.1% drop and, considering the intake evolution up to April 2021, this drop in the student base represented 4.6% compared to the same period in 2020.

The digital learning student base (which represents the sum of digital learning undergraduate and graduate students) showed 123.1% growth, increasing from 37.6 thousand students in 1Q20 to 83.8 thousand students in 1Q21. Excluding UNIFACIMED, UNIJUAZEIRO and UNESC students, the growth of the digital learning student base was 122.0%.

Number of Students	Undergraduate		Graduate		Vocational		Total
	Hybrid (On Campus)	Digital	On Campus	Digital	On Campus	Digital	Total
Apr21 Base	135,522	77,189	2,842	14,725	1,536	27	231,841
Apr20 Base	142,000	30,877	5,625	9,250	1,184	29	188,965
% Apr21 Base / Apr20 Base	-4.6%	150.0%	-49.5%	59.2%	29.7%	-6.9%	22.7%

Dropout Rate

The dropout rate for hybrid (on-campus) undergraduate decreased by 1.6 pp, to 16.8% in 1Q21, versus 18.4% in 1Q20, showing that this rate was on track to return to a pre-COVID-19 levels.



Average Net Ticket

Average Ticket (R\$)	1Q21	1Q20	% Chg. 1Q21 x 1Q20
Hybrid (On Campus) Undergraduate	664.49	651.21	2.0%
Digital (Undergraduate + graduate)	159.34	213.38	-25.3%
Total Net Average Ticket	463.14	549.14	-15.7%

The average hybrid (on-campus) undergraduate ticket in 1Q21 was R\$664.49, representing a 2.0% 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 their medical vacancies, the average ticket in hybrid (on-campus) undergraduate segment was R\$639.08, 1.9% lower compared to 1Q20, 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 courses 100% online was the main responsible for the increase in the volume of new enrollments and the concentration of enrollments at the end of March that will only have their revenue recognized as of April due to the cut-off date for results accounting purposes.

Student Financing

STUDENT LOANS	Dec/13	Dec/14	Dec/15	Dec/16	Dec/17	Dec/18	Dec/19	1Q20	Dec/20	1Q21
Hybrid (on campus) Undergraduate Students	70,255	101,195	123,988	131,092	133,945	127,837	145,496	140,671	131,613	129,739
FIES Students	31,432	48,048	56,089	58,840	55,565	40,427	34,156	23,419	20,137	14,487
% of FIES Students	44.7%	47.5%	45.2%	44.9%	41.5%	31.6%	23.5%	16.6%	15.3%	11.2%
EDUCRED Students			754	1,922	2,390	3,952	4,464	3,189	3,779	2,168
% of EDUCRED Students			0.6%	1.5%	1.8%	3.1%	3.1%	2.3%	2.9%	1.7%
PRAVALER Students			954	1,794	2,873	3,265	2,168	1,657	1,612	772
% of PRAVALER Students			0.8%	1.4%	2.1%	2.6%	1.5%	1.2%	1.2%	0.6%
Total Students Loans			57,797	62,556	60,828	47,644	40,788	28,265	25,528	17,427
% of Total Students Loans			46.6%	47.7%	45.4%	37.3%	28.0%	20.1%	19.4%	13.4%

As of March 31, 2021, FIES students accounted for 11.2% of the hybrid (on-campus) undergraduate base, a 5.5 p.p. reduction as compared to the end of 1Q20, when FIES students accounted for 16.6% of the undergraduate student base, showing the same variation in this quarter in the ex-acquisitions analysis. 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

Service Revenue

Gross Revenue - Accounting (R\$ '000)	1Q21	1Q20	% Chg. 1Q21 x 1Q20
Gross Operating Revenue	645,761	601,697	7.3%
Undergraduate Monthly Tuition	568,215	540,850	5.1%
Graduate Monthly Tuition	5,722	9,258	-38.2%
Vocational Courses Monthly Tuition	394	504	-21.7%
Digital Learning Monthly Tuition	67,586	47,477	42.4%
Others	3,844	3,608	6.5%
Deductions from Gross Revenue	(339,037)	(293,171)	15.6%
Discounts and Scholarships	(261,581)	(223,774)	16.9%
PROUNI	(66,211)	(55,194)	20.0%
FGEDUC And FIES charges	(1,163)	(3,818)	-69.5%
Taxes	(10,082)	(10,385)	-2.9%
% Discounts and Scholarships/ Net Oper. Rev.	40.5%	37.2%	3.3 p.p.
Net Operating Revenue	306,724	308,526	-0.6%
Undergraduate Monthly Tuition	258,631	274,821	-5.9%
Graduate Monthly Tuition	3,973	5,734	-30.7%
Vocational Courses Revenues	363	464	-21.8%
Digital Learning Revenues	40,075	24,093	66.3%
Others	3,682	3,415	7.8%

In 1Q21, the Company's gross revenue amounted to R\$645.8 million, representing a 7.3% increase when compared to the same period last year. This increase is due to the consolidation of UNIFACIMED, UNIJUAZEIRO and UNESC revenues, as well as the transfers of prices in the comparison between 1Q21 vs. 1Q20, and the increased volume of students enrolled in the digital learning segment, partially offset by increased dropout rates during the year.

In 1Q21, net revenue was R\$306.7 million, in line when compared to 1Q20, virtually flat and because of the impacts of COVID-19 on the Company's results, which increased dropout rates since its beginning, higher tuition discounts, partially offset by acquisitions in the period, and growth in the student base of the digital learning. Excluding acquisitions, net revenue for the quarter was R\$281.8 million.

Costs of Services Provided

Breakdown of Cost of Services Rendered¹ Accounting (R\$ '000)	1Q21	1Q20	% Chg. 1Q21 x 1Q20
Cash Cost of Services Rendered	(104,005)	(114,724)	-9.3%
Payroll and Charges	(88,160)	(96,401)	-8.5%
Rent	169	(2,115)	N.M.
Concessionaires (Electricity, Water and Telephone)	(6,647)	(10,096)	-34.2%
Third-Party Services and Others	(9,367)	(6,112)	53.3%

¹ Excluding depreciation and amortization.

Cash cost of services (excluding depreciation and amortization) totaled R\$104.0 million in 1Q21, down 9.3% as compared to 1Q20, for the reasons listed below:

a) Personnel costs and charges in 1Q21 fell 8.5% when compared to 1Q20. Excluding personnel costs from acquisitions, the personnel and charges line showed a reduction of 19.7%, ending 1Q21 at R\$77.4 million, mainly



due to the optimization of the allocation of teaching hours in the education on-campus undergraduate segment. In this scenario, the Company incurred non-recurring costs of R\$1.6 million in the quarter, which can be better analyzed in the table presented below.

b) Rental costs were impacted by the lease renegotiations carried out during the quarter due to the effects of COVID19. Since these rental discounts have specific accounting treatment and are not included in IFRS 16, the amounts are recorded in the rental costs line, resulting in a positive balance in the quarter.

c) The “Concessionaires” line fell by 34.2%, ending 1Q21 at R\$6.6 million, versus R\$10.1 million in 1Q20, due to measures to combat COVID-19. Excluding acquisitions, this line would have decreased by 37.0%.

d) Third-party and other services reached R\$9.4 million in 1Q21, versus R\$6.1 million in 1Q20, representing a 53.3% increase, due to the increase in the volume of practical classes of the student base of the courses of health, including digital learning and acquisitions, in addition to the greater volume of access to digital platforms. Excluding acquisition costs, the increase in the line of third-party services and others would have been 42.7%.

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

Breakdown of Cost of Services Rendered¹ Adjusted (R\$ '000)	1Q21	1Q20	% Chg. 1Q21 x 1Q20
Cash Cost of Services Rendered	(102,376)	(113,804)	-10.0%
Payroll and Charges	(86,531)	(95,481)	-9.4%
Rent	169	(2,115)	N.M.
Concessionaires (Electricity, Water and Telephone)	(6,647)	(10,096)	-34.2%
Third-Party Services and Others	(9,367)	(6,112)	53.3%

¹ Excluding depreciation and amortization.

Gross Profit

Gross Profit - Accounting (R\$ '000)	1Q21	1Q20	% Chg. 1Q21 x 1Q20
Net Operating Revenue	306,724	308,526	-0.6%
Cost of Services Rendered	(143,355)	(154,976)	-7.5%
Gross Profit	163,369	153,550	6.4%
Gross Margin	53.3%	49.8%	3.5 p.p.
(-) Depreciation	39,350	40,252	-2.2%
Cash Gross Profit	202,719	193,802	4.6%
Cash Gross Margin	66.1%	62.8%	3.3 p.p.

Cash gross profit recorded a 4.6% growth, from R\$193.8 million in 1Q20 to R\$202.7 million in 1Q21. Cash gross margin reached 66.1% in 1Q21, up 3.3 p.p. versus 1Q20, when it reached 62.8%, due to cost optimization measures as a result of changes in teaching hours and return of properties and measures to mitigate the impacts of the pandemic during the year.

Depreciation recorded a 2.2% drop, from R\$40.3 million in 1Q20 to R\$39.4 million in 1Q21, mainly due to the write-off of real estate and improvements carried out in 2020, and the extension of the rental terms for certain properties, partially offset by the inclusion of depreciation in the fixed assets, right to use and amortization of intangible assets of acquisitions. Excluding acquisitions, Depreciation and Amortization line reached R\$38.3 million in 1Q21.



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

Gross Profit - Adjusted (R\$ '000)	1Q21	1Q20	% Chg. 1Q21 x 1Q20
Net Operating Revenue	306,724	308,526	-0.6%
Cost of Services Rendered	(141,726)	(154,056)	-8.0%
Adjusted Gross Profit	164,998	154,470	6.8%
Adjusted Gross Margin	53.8%	50.1%	3.7 p.p.
(-) Depreciation	39,350	40,252	-2.2%
Adjusted Cash Gross Profit	204,348	194,722	4.9%
Adjusted Cash Gross Margin	66.6%	63.1%	3.5 p.p.

Operating Expenses (Selling, General and Administrative);

Operating Expenses - Accounting (R\$ '000)	1Q21	1Q20	% Chg. 1Q21 x 1Q20
General and Administrative Expenses	(119,166)	(111,522)	6.9%
Payroll and Charges	(39,450)	(40,625)	-2.9%
Third-Party Services	(14,209)	(14,932)	-4.8%
Advertising	(35,096)	(25,355)	38.4%
Materials	(1,938)	(2,953)	-34.4%
PDA	(17,306)	(13,741)	25.9%
Others	(7,883)	(10,271)	-23.2%
Depreciation and Amortization	(3,284)	(3,645)	-9.9%
Operating Income	40,293	40,222	0.2%
General and Administrative Expenses (Ex-Depreciation and Amortization)	(115,882)	(107,877)	7.4%

General and administrative expenses increased by 6.9%, from R\$111.5 million in 1Q20, to R\$119.2 million in 1Q21, mainly due to:

- a) Personnel expenses and social charges showed a 2.9% decline when compared to 1Q20, and a 5.1% reduction, excluding acquisitions. Excluding personnel expenses of acquired institutions and the non-recurring effect of R\$2.3 million related to indemnity fines, resulting from the adjustment of the administrative structure to accommodate the Company's current student base, the reduction would have been 6.6%, 1Q21 vs. 1Q20.
- b) In 1Q21, expenses with services provided reached R\$14.2 million (R\$13.7 million, excluding acquired companies' expenses), representing a 4.8% decrease as compared to 1Q20, at R\$14.9 million, with non-recurring expenses in the amount of approximately R\$1.9 million.
- c) Advertising expenses were 38.4% higher versus 1Q20, increasing from R\$25.4 million in 1Q20 to R\$35.1 million in 1Q21, corresponding to 11.4% of net revenue (36.3% growth, when analyzing ex-acquisitions), due to the extension of the student intake period that extended until April, as a result of the impacts of COVID-19, in addition to the higher investment in activities for digital learning intake.
- d) The PDA and Effective Losses line increased from R\$13.7 million in 1Q20 to R\$17.3 million in 1Q21, representing a 25.9% increase compared to 1Q20, because of COVID-19, causing a sequential increase in negotiation rates and higher need for negotiating tuitions outstanding with students.



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

Operating Expenses - Adjusted (R\$ '000)	1Q21	1Q20	% Chg. 1Q21 x 1Q20
General and Administrative Expenses	(115,013)	(99,577)	15.5%
Payroll and Charges	(37,190)	(38,863)	-4.3%
Third-Party Services	(12,316)	(10,883)	13.2%
Advertising	(35,096)	(25,355)	38.4%
Materials	(1,938)	(2,953)	-34.4%
PDA	(17,306)	(13,741)	25.9%
Others	(7,883)	(4,137)	90.6%
Depreciation and Amortization	(3,284)	(3,645)	-9.9%
Adjusted Operating Income	46,845	53,263	-12.0%
General and Administrative Expenses (Ex-Depreciation and Amortization)	(111,729)	(95,932)	16.5%

Other operating revenues (expenses), net

In 1Q21, the line of other net operating revenues (expenses) recorded an expense of R\$3.9 million compared to an expense from R\$1.8 million in 1Q20, due to the write-off of fixed assets and the right to use of two properties returned, whose operations were discontinued, and the higher volume of costs on legal proceedings.

EBITDA and Adjusted EBITDA

EBITDA (R\$ '000)	1Q21	1Q20	% Chg. 1Q21 x 1Q20
Net Income¹	30,068	16,766	79.3%
(+) Net financial expense ²	15,274	21,787	-29.9%
(+) Income and social contribution taxes	(5,049)	1,669	N.M.
(+) Depreciation and amortization	42,634	43,897	-2.9%
EBITDA¹	82,927	84,119	-1.4%
EBITDA Margin	27.0%	27.3%	-0.2 p.p.
(+) Revenue from Interest on Agreements and Others ²	7,512	8,003	-6.1%
(+) Non-recurring costs and expenses ³	6,552	13,041	-49.8%
(-) Minimum rent paid ⁴	(29,128)	(27,537)	5.8%
Adjusted EBITDA⁵	67,863	77,627	-12.6%
Adjusted EBITDA Margin	22.1%	25.2%	-3.0 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 1Q21 period amounted to R\$67.9 million, showing a reduction of 12.6% as compared to 1Q20, when it reached R\$77.6 million. Adjusted EBITDA margin ended first quarter of 2021 at 22.1%, versus 25.2% in 1Q20, down 3.0 p.p. The reduction in adjusted EBITDA was mainly because of COVID-19 on the results for the year.



The following is a statement of non-recurring items:

SUMMARY OF NON-RECURRING ITEMS (R\$ '000)	1Q21	1Q20	% Chg. 1Q21 x 1Q20
Non-Recurring Costs and Expenses Impacting Adjusted EBITDA	6,552	13,041	-49.8%
Payroll	3,889	2,682	45.0%
Cost	1,629	920	77.1%
Expense	2,260	1,762	28.3%
Third-Party Services	1,893	4,049	-53.3%
Other Expenses / Other Net Operating Expenses	770	6,310	-87.8%
Non-Recurring Costs and Expenses that do not Impact Adjusted EBITDA	(399)	(361)	10.6%
Complementary Income tax and social contribution on Adjusted Net Income*	(399)	(361)	10.6%
Total Non Recurring Costs and Expenses	6,153	12,680	-51.5%

* 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))	1Q21			
	Hybrid teaching (On Campus)	Digital Learning*	Acquisitions**	Consolidated
Net Revenue	241,608	40,289	24,826	306,724
Adjusted Cash Gross Profit	161,349	30,610	12,389	204,348
<i>Adjusted Cash Gross Margin</i>	66.8%	76.0%	49.9%	66.6%
Adjusted EBITDA	51,378	9,671	6,814	67,863
<i>Adjusted EBITDA Margin</i>	21.3%	24.0%	27.4%	22.1%

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

* Results allocations are unaudited.

** including only results of the on-campus undergraduate segment.

The table above segregates the results of new hybrid (on-campus) units, from digital learning activities, which are experiencing an expansion phase in the number of digital learning centers and the launch of brands in this segment and the acquisitions of UNIFACIMED, UNIJUAZEIRO and UNESC.



Financial Result

Financial Result - Accounting (R\$ '000)	1Q21	1Q20	% Chg. 1Q21 x 1Q20
(+) Financial Revenue	10,657	10,265	3.8%
Interest on Agreements and Others	7,512	8,003	-6.1%
Returns on Financial Investments	2,989	2,397	24.7%
Others	156	(135)	N.M.
(-) Financial Expenses	(25,931)	(32,052)	-19.1%
Interest Expenses	(6,823)	(3,177)	114.8%
Interest on Leasing	(16,903)	(17,882)	-5.5%
Discounts Granted	(1,417)	(9,030)	-84.3%
Monetary Variation Expenses	-	(1,578)	-100.0%
Others	(788)	(385)	104.7%
Financial Result	(15,274)	(21,787)	-29.9%

Financial revenues recorded a 3.8% increase when compared to 1Q20, from R\$10.3 million in 1Q20 to R\$10,7 million in 1Q21, due to the following factors:

a) Interest on Agreements and Others stood at R\$7.5 million in 1Q21, representing a 6.1% reduction compared to 1Q20, when it reached R\$8.0 million, due to the increased volume of collection of amounts overdue in negotiations with students in the period.

b) Income from short-term investments increased from R\$2.4 million in 1Q20 to R\$3.0 million in 1Q21, representing a 24.7% increase, as a result of higher balance of cash and cash equivalents between the two periods, resulting from the contracting of medium-term working capital loans in 2Q20 to strengthen the Company's cash position and minimize the financial impacts of combating Covid-19.

Financial expenses amounted to R\$25.9 million in 1Q21, 19.1% lower than 1Q20, at R\$32.1 million. When comparing the two periods, this change was mainly due to:

a) Interest Expenses increased 114.8%, from R\$6.8 million in 1Q20 to R\$3.2 million in 1Q21, as result of the contracting of R\$500.0 million in working capital from Itaú-Unibanco, Santander Brasil and Caixa Econômica Federal banks, partially offset by the drop in the average interest rate (CDI).

b) Interest on leases decreased from R\$17.9 million in 1Q20 to R\$16.9 million in 1Q21, representing a 5.5% reduction when comparing 1Q21 vs. 1Q20, 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 recorded 84.3% decrease, reaching R\$1.4 million in 1Q21, compared to R\$9.0 million in 1Q20, due to the lower volume of discounts in agreements for recovery of credits from old tuition fees and the increase in the volume of agreements for payment in installments, due to the impacts of COVID-19 in the results, these are recorded as a deduction from revenue.

As a result of the factors explained above, the net financial result was an expense of R\$15.3 million in 1Q21, compared to an expense of R\$21.8 million in 1Q20, which represents a reduction of 29.9%.



The table below presents the managerial financial result, adjusted for non-recurring effects of other financial revenues:

Financial Result - Adjusted (R\$ '000)	1Q21	1Q20	% Chg. 1Q21 x 1Q20
(+) Financial Revenue	10,657	10,265	3.8%
Interest on Agreements and Others	7,512	8,003	-6.1%
Returns on Financial Investments	2,989	2,397	24.7%
Others	156	(135)	N.M.
(-) Financial Expenses	(25,931)	(32,052)	-19.1%
Interest Expenses	(6,823)	(3,177)	114.8%
Interest on Leasing	(16,903)	(17,882)	-5.5%
Discounts Granted	(1,417)	(9,030)	-84.3%
Monetary Variation Expenses	-	(1,578)	-100.0%
Others	(788)	(385)	104.7%
Financial Result	(15,274)	(21,787)	-29.9%

Net income

Net Income - Accounting (R\$ 000)	1Q21	1Q20	% Chg. 1Q21 x 1Q20
Operating Income	40,293	40,222	0.2%
(+) Financial Result	(15,274)	(21,787)	-29.9%
(+) Income and Soc. Contrib. Taxes	(1,525)	(1,352)	12.8%
(+) Deferred Income and Soc. Contrib. Taxes	6,574	(317)	N.M.
Net Income	30,068	16,766	79.3%
Net Margin	9.8%	5.4%	4.4 p.p.

Operating profit amounted to R\$40.3 million in 1Q21, in line with 1Q20, when it reached R\$40.2 million, since the revenue base has stabilized and the reduction in personnel and rental costs (rents and concessionaires) which was offset by the increase in expenses, mainly marketing and PDA.

Income tax and social contribution recorded a positive balance of R\$5.0 million in 1Q21, versus R\$1.7 million in 1Q20, as a result of the increase in the effective rate and the basis of temporary differences, mainly the provision for doubtful accounts and tax losses.

The table below presents managerial net income, adjusted for non-recurring effects. The company recorded adjusted net income of R\$36.2 million in 1Q21, versus adjusted net income of R\$29.4 million in 1Q20.

Net Income - Adjusted (R\$ 000)	1Q21	1Q20	% Chg. 1Q21 x 1Q20
Adjusted Operating Income	46,845	53,263	-12.0%
(+) Financial Result	(15,274)	(21,787)	-29.9%
(+) Income and Soc. Contrib. Taxes	(1,924)	(1,713)	12.3%
(+) Deferred Income and Soc. Contrib. Taxes	6,574	(317)	N.M.
Adjusted Net Income	36,221	29,446	23.0%
Adjusted Net Margin	11.8%	9.5%	2.3 p.p.



Reconciliation of adjusted net income excluding IFRS-16 effects

Net Income Adjusted (Ex-IFRS 16) (R\$ '000))	1Q21	1Q20	% Chg. 1Q21 x 1Q20
Adjusted Net Income (Loss)	36,221	29,446	23.0%
Adjusted Net Margin	11.8%	9.5%	2.3 p.p.
Rent (IFRS 16)	(21,571)	(19,650)	9.8%
Depreciation and Amortization (IFRS 16)	17,984	17,177	4.7%
Interest on Leasing (IFRS 16)	11,086	11,686	-5.1%
Income and Social Contribution Taxes (IFRS 16)	(457)	(255)	79.1%
Adjusted Net Income (Loss) - (Ex-IFRS 16)	43,263	38,401	12.7%
Adjusted Net Margin (Ex-IFRS 16)	14.1%	12.4%	1.7 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\$43.3 million in the quarter, representing a 12.7% increase compared to 1Q20.

Accounts Receivable and Net Receivable Days

As of 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:

Accounts Receivable and Average Receivable Days (R\$ '000)	1Q20 Proforma	4Q20	1Q21
Gross Accounts Receivable	584,775	689,265	689,154
Monthly tuition fees	269,136	352,708	366,420
FIES	119,358	115,762	79,231
Negotiated agreements receivable	94,088	98,532	106,940
Education credits receivable	78,875	102,730	108,531
Credit Card and Others	23,318	19,533	28,032
PDA balance	(214,704)	(259,272)	(259,030)
Net Accounts Receivable	370,071	429,993	430,124
Net Revenue (Last 12 Months - FIES+Ex-FIES+Pronatec)	1,280,348	1,250,463	1,248,661
Net Receivable Days (FIES+Ex-FIES+Pronatec)	104	124	124
Net Revenue FIES (Last 12 Months)	322,225	252,660	234,454
Net Receivable Days (FIES)	111	124	75
Net Receivable Days (Monthly tuition fees + Negotiated agreements receivable + Education credits receivable)	93	117	125



The average net collection period increased from 104 to 124 days due to the following factors:

- a) The increase in the NRD for monthly tuition fees, agreements receivable and educational credits, from 93 to 125 days, is mainly due to the higher volume of agreements with students facing financial difficulties during the pandemic period and had their payment terms extended through this past due tuition negotiation method, 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.
- b) The reduction in FIES NRD from 111 to 75 days was due to the payment of amounts in arrears by FNDE of the 2H20 values during the quarter and the reclassification of the monthly fees of the FIES students who were unable to add after the deadlines defined by the Ministry of Education (MEC) ended.
- c) 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 1Q20 and comparing with the same effect arising from the acquisitions of UNIJUAZEIRO, UNIFACIMED and UNESC, NRD FIES + Ex FIES and NRD FIES decreased between 8 and 10 days respectively, in the two periods analyzed.

Accounts Receivable and Average Receivable Days (R\$ '000)	Proforma with acquisitions	
	1Q20	1Q21
Net Accounts Receivable	370,071	430,124
Net Revenue with acquisitions (Last 12 Months - FIES+Ex-FIES+Pronatec)	1,384,943	1,343,383
Net Receivable Days (FIES+Ex-FIES+Pronatec)	96	115
Net Receivable Days (Monthly tuition fees + Negotiated agreements receivable + Education credits receivable)	84	115

Aging of Monthly tuition fees (R\$ '000)	1Q20 Proforma	% Chg.	4Q20	% Chg.	1Q21	% Chg.
Overdue by up to 30 day	51,336	19.1%	43,090	12.2%	59,700	16.3%
Overdue from 31 to 60 days	24,671	9.2%	34,349	9.7%	24,675	6.7%
Overdue from 61 to 90 days	6,029	2.2%	28,710	8.1%	7,619	2.1%
Overdue from 91 to 180 days	47,899	17.8%	49,038	13.9%	71,493	19.5%
Overdue from 181 to 360 days	63,287	23.5%	92,179	26.1%	95,112	26.0%
Overdue from 361 to 540 days	41,475	15.4%	53,996	15.3%	56,968	15.5%
Overdue from 541 to 720 days	34,439	12.8%	51,346	14.6%	50,853	13.9%
TOTAL	269,136	100.0%	352,708	100.0%	366,420	100.0%
% of Gross Accounts Receivable	67.1%		78.9%		53.2%	



Aging of Negotiated Agreements (R\$ '000)	1Q20 Proforma	% Chg.	4Q20	% Chg.	1Q21	% Chg.
Not yet due	29,797	31.7%	24,614	25.0%	38,331	35.8%
Overdue by up to 30 day	6,931	7.4%	8,110	8.2%	7,530	7.0%
Overdue from 31 to 60 days	4,414	4.7%	8,066	8.2%	4,592	4.3%
Overdue from 61 to 90 days	3,440	3.7%	7,284	7.4%	3,825	3.6%
Overdue from 91 to 180 days	11,614	12.3%	10,614	10.8%	13,253	12.4%
Overdue from 181 to 360 days	13,992	14.9%	15,506	15.7%	14,743	13.8%
Overdue from 361 to 540 days	12,112	12.9%	12,612	12.8%	13,275	12.4%
Overdue from 541 to 720 days	11,788	12.5%	11,726	11.9%	11,391	10.7%
TOTAL	94,088	100.0%	98,532	100.0%	106,940	100.0%
% of Gross Accounts Receivable	23.5%		22.0%		15.5%	

The table below shows the evolution of our PDA from December 31, 2020 to March 31, 2021:

Constitution of Provision for Doubtful Accounts in the Income Statement (R\$ '000)	12/31/2020	Adjustment by change of estimate	Provision for Doubtful Accounts from business combination	Gross Increase in Provision for Doubtful Accounts	Write-off	03/31/2021
Total	259,272	0	7,006	17,306	(24,554)	259,030

Investment (CAPEX)

CAPEX (R\$ ('000))	3M21	% of Total	3M20	% of Total
CAPEX Total	10,230	100.0%	13,730	100.0%
Property acquisition / Construction / Maintenance of campuses	2,928	28.6%	4,127	30.1%
Equipment / Library / IT	3,304	32.3%	6,298	45.9%
Licenses and Partnerships	2,898	28.3%	1,115	8.1%
Intangibles and Others	1,100	10.8%	2,190	16.0%
Acquisitions Debt Payment	70,000		68,960	
Total CAPEX + Acquisitions Payables	80,230		82,690	

In 3M21, the Company invested R\$10.2 million, however, investments in refurbishments of campuses, equipment, laboratories and libraries were significantly reduced due to the impacts of COVID-19. On the other hand, investments in intangibles were increased, mainly due to the development of the digital content of the subjects offered in the Company's courses.



Indebtedness

Indebtedness (R\$ '000)	03/31/2021	12/31/2020	% Chg. Mar21 x Dec20
Total Cash	666,766	753,520	-11.5%
Judicial deposits	(55,515)	(53,780)	3.2%
FG-FIES Guarantee Fund	(22,265)	(18,631)	19.5%
Cash, Cash equivalents and Securities	588,986	681,109	-13.5%
Cash and cash equivalents	551,991	679,933	-18.8%
Securities	36,995	1,176	3045.8%
Gross debt	(706,396)	(653,058)	8.2%
Loans and financing	(569,204)	(591,058)	-3.7%
Short term	(192,359)	(163,790)	17.4%
Long term	(376,845)	(427,268)	-11.8%
Aquisitions Payables*	(137,192)	(62,000)	121.3%
Net Cash (Debt)	(117,410)	28,051	N.M.
Net Cash (Debt) / Adjusted EBITDA (LTM)	(0.38)	0.09	

* Acquisitions payables refer to acquisition scheduled payments

The Company's cash and cash equivalents amounted to R\$589.0 million, a 13.5% decline as compared to December 2020. This variation is due to the lower volume of revenues and receipts as a result of the intake and re-enrollment process, which has part of the receipt linked to FIES students that are only received in 2Q21 and the payment for the acquisition of UNESC, which had the transaction concluded on February 2021.

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 March 31, 2021 was R\$32.9 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 2nd 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\$24.8 million on March 31, 2021.
- (iv) Increase in commitments payable due to the acquisition of UNESC, which had installments of the amounts of the acquisitions funded by the selling shareholders, generating a balance payable of R\$75.1 million, including the payment conditioned by the approval of the medical vacancies in Vilhena.

On March 31, 2021, Ser Educacional group indebtedness amounted to R\$706.4 million, a 8.2% increase when compared to the R\$653.1 million recorded on December 31, 2020, mainly due to higher cash flow consumption that occurs seasonally in the first quarter and the acquisition of UNESC, as mentioned above.



In 1Q21, the Company had a net debt of R\$117.4 million versus a net cash of R\$28.1 million in 1Q20.

Debt Amortization Schedule (R\$ '000)	Loans and Financing	A.V. (%)	Aquisitions Payables	A.V. (%)	Debentures	A.V. (%)	Total	A.V. (%)
Short Term	167,520	30.8%	27,400	20.0%	24,839	100.0%	219,759	31.1%
Total Long Term	376,845	69.2%	109,792	80.0%	-	0.0%	486,637	68.9%
1-2 years	191,052	35.1%	27,400	20.0%	-	0.0%	218,452	30.9%
2-3 years	105,595	19.4%	27,400	20.0%	-	0.0%	132,995	18.8%
3-4 years	80,198	14.7%	52,592	38.3%	-	0.0%	132,790	18.8%
After four years	-	0.0%	2,400	1.7%	-	0.0%	2,400	0.3%
Total Loans, Financing and Acquisitions payables	544,365	100.0%	137,192	100.0%	24,839	100.0%	706,396	100.0%

Regarding the debt payment schedule, 31.1% 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)	1Q21	1Q20	% Chg. 1Q21 x 1Q20
Cash flow from operating activities			
Net cash from operating activities	38,542	(6,686)	N.M.
(-) Cash flow allocated to investing activities	(79,750)	(82,690)	-3.6%
(+) / (-) Securities	(35,819)	79,934	-144.8%
(+) / (-) Cash flow allocated to financing activities	(50,915)	(34,797)	46.3%
(-) Interest on loans	(19,729)	(37,385)	-47.2%
(-) Income and social contribution taxes paid	(32,683)	(2,170)	1406.1%
Decrease in cash and cash equivalents	(127,942)	(44,239)	189.2%
Net increase in cash and cash equivalents			
Beginning of period	679,933	215,173	216.0%
End of period	551,991	170,934	222.9%
Decrease in cash and cash equivalents	(127,942)	(44,239)	189.2%
Cash and Securities changes	(92,123)	(124,173)	-25.8%
Beginning of period	681,109	306,463	122.2%
End of period	588,986	182,290	223.1%

Net operating cash generation increased from a negative balance of R\$6.7 million in 1Q20 to a positive balance of R\$38.5 million in 1Q21, mainly because of the improvement of economic activities with impact on unemployment and students' income, providing an improvement in timely payments as well as the payment of tuition in arrears by the federal government for FIES students. This effect was partially offset by the cash outflow resulting from the payment of income tax and social contribution related to the Go Shop Termination Payment of R\$28.4 million. Excluding this effect, operating cash generation would be R\$66.9 million 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 digital learning courses in 26 states and the Federal District, with a consolidated base of approximately 218,100 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 Universus Veritas, Faculdades UNIVERITAS, UNINORTE – Centro Universitário do Norte, Centro Universitário de Ciências Biomédicas de Cacoal – UNIFACIMED, UNIJUAZEIRO - 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)	1Q21	1Q20	% Chg. 1Q21 x 1Q20
Gross Operating Revenue	645,761	601,697	7.3%
Undergraduate Monthly Tuition	568,215	540,850	5.1%
Graduate Monthly Tuition	5,722	9,258	-38.2%
Vocational Courses Monthly Tuition	394	504	-21.7%
Digital Learning Monthly Tuition	67,586	47,477	42.4%
Others	3,844	3,608	6.5%
Deductions from Gross Revenue	(339,037)	(293,171)	15.6%
Discounts and Scholarships	(261,581)	(223,774)	16.9%
PROUNI	(66,211)	(55,194)	20.0%
FGEDUC And FIES charges	(1,163)	(3,818)	-69.5%
Taxes	(10,082)	(10,385)	-2.9%
Net Operating Revenue	306,724	308,526	-0.6%
Cash Cost of Services Rendered	(143,355)	(154,976)	-7.5%
Payroll and Charges	(88,160)	(96,401)	-8.5%
Rent	169	(2,115)	N.M.
Concessionaires (Electricity, Water and Telephone)	(6,647)	(10,096)	-34.2%
Third-Party Services	(9,367)	(6,112)	53.3%
Depreciation and Amortization	(39,350)	(40,252)	-2.2%
Managerial Gross Profit	163,369	153,550	6.4%
<i>Gross Margin</i>	<i>53.3%</i>	<i>49.8%</i>	<i>3.5 p.p.</i>
Operating Expenses/Revenue	(123,076)	(113,328)	8.6%
General and Administrative Expenses	(119,166)	(111,522)	6.9%
Payroll and Charges	(39,450)	(40,625)	-2.9%
Third-Party Services	(14,209)	(14,932)	-4.8%
Advertising	(35,096)	(25,355)	38.4%
Materials	(1,938)	(2,953)	-34.4%
PDA	(17,306)	(13,741)	25.9%
Others	(7,883)	(10,271)	-23.2%
Depreciation and Amortization	(3,284)	(3,645)	-9.9%
Other Operating Expenses/Revenue	(3,910)	(1,806)	116.5%
Managerial Operating Income	40,293	40,222	0.2%
<i>Operating Margin</i>	<i>13.1%</i>	<i>13.0%</i>	<i>0.1 p.p.</i>
(+) Adjusted Depreciation and Amortization	42,634	43,897	-2.9%
EBITDA	82,927	84,119	-1.4%
<i>EBITDA Margin</i>	<i>27.0%</i>	<i>27.3%</i>	<i>-0.2 p.p.</i>
(+) Non-recurring costs and expenses	6,552	13,041	-49.8%
(+) Interest on tuition and agreements	7,512	8,003	-6.1%
(-) Minimum rent paid	(29,128)	(27,537)	5.8%
Adjusted EBITDA	67,865	77,626	-12.6%
<i>Adjusted EBITDA Margin</i>	<i>22.1%</i>	<i>25.2%</i>	<i>-3.0 p.p.</i>
(-) Adjusted Depreciation and Amortization	(42,634)	(43,897)	-2.9%
Adjusted EBIT	25,231	33,729	-25.2%
<i>Adjusted EBIT Margin</i>	<i>8.2%</i>	<i>10.9%</i>	<i>-2.7 p.p.</i>
Financial Result	(15,274)	(21,787)	-29.9%
(+) Financial Revenue	10,656	10,265	3.8%
Interest on Agreements and Others	7,512	8,003	-6.1%
Returns on Financial Investments	2,989	2,397	24.7%
Others	155	(135)	N.M.
(-) Financial Expenses	(25,930)	(32,052)	-19.1%
Interest Expenses	(6,823)	(3,177)	114.8%
Interest on Leasing	(16,903)	(17,882)	-5.5%
Discounts Granted	(1,417)	(9,030)	-84.3%
Monetary Variation Expenses	-	(1,578)	-100.0%
Others	(787)	(385)	104.5%
Income Before Income Taxes	25,019	18,435	35.7%
Income and Social Contribution Taxes	5,049	(1,669)	N.M.
Current	(1,525)	(1,352)	12.8%
Deferred	6,574	(317)	N.M.
Consolidated Net Income	30,068	16,766	79.3%
<i>Net Margin</i>	<i>9.8%</i>	<i>5.4%</i>	<i>4.4 p.p.</i>



Income Statement - Managerial

Income Statement - Adjusted RS ('000)	1Q21	1Q20	% Chg. 1Q21 x 1Q20
Gross Operating Revenue	645,761	601,697	7.3%
Undergraduate Monthly Tuition	568,215	540,850	5.1%
Graduate Monthly Tuition	5,722	9,258	-38.2%
Vocational Courses Monthly Tuition	394	504	-21.7%
Digital Learning Monthly Tuition	67,586	47,477	42.4%
Others	3,844	3,608	6.5%
Deductions from Gross Revenue	(339,037)	(293,171)	15.6%
Discounts and Scholarships	(261,581)	(223,774)	16.9%
PROUNI	(66,211)	(55,194)	20.0%
FGEDUC And FIES charges	(1,163)	(3,818)	-69.5%
Taxes	(10,082)	(10,385)	-2.9%
Net Operating Revenue	306,724	308,526	-0.6%
Cash Cost of Services Rendered	(141,726)	(154,056)	-8.0%
Payroll and Charges	(86,531)	(95,481)	-9.4%
Rent	169	(2,115)	N.M.
Concessionaires (Electricity, Water and Telephone)	(6,647)	(10,096)	-34.2%
Third-Party Services	(9,367)	(6,112)	53.3%
Depreciation and Amortization	(39,350)	(40,252)	-2.2%
Managerial Gross Profit	164,998	154,470	6.8%
<i>Managerial Gross Margin</i>	<i>53.8%</i>	<i>50.1%</i>	<i>3.7 p.p.</i>
Operating Expenses/Revenue	(118,154)	(101,207)	16.7%
General and Administrative Expenses	(115,013)	(99,577)	15.5%
Payroll and Charges	(37,190)	(38,863)	-4.3%
Third-Party Services	(12,316)	(10,883)	13.2%
Advertising	(35,096)	(25,355)	38.4%
Materials	(1,938)	(2,953)	-34.4%
PDA	(17,306)	(13,741)	25.9%
Others	(7,883)	(4,137)	90.6%
Depreciation and Amortization	(3,284)	(3,645)	-9.9%
Other Operating Expenses/Revenue	(3,140)	(1,630)	92.6%
Managerial Operating Income	46,845	53,263	-12.0%
<i>Managerial Operating Margin</i>	<i>15.3%</i>	<i>17.3%</i>	<i>-2.0 p.p.</i>
(+) Depreciation and Amortization	42,634	43,897	-2.9%
(+) Interest on tuition and agreements	7,512	8,003	-6.1%
(-) Minimum rent paid	(29,128)	(27,537)	5.8%
Adjusted EBITDA	67,865	77,626	-12.6%
<i>Adjusted EBITDA Margin</i>	<i>22.1%</i>	<i>25.2%</i>	<i>-3.0 p.p.</i>
(-) Depreciation and Amortization	(42,634)	(43,897)	-2.9%
Adjusted EBIT	25,231	33,729	-25.2%
<i>Adjusted EBIT Margin</i>	<i>8.2%</i>	<i>10.9%</i>	<i>-2.7 p.p.</i>
Financial Result	(15,274)	(21,787)	-29.9%
(+) Financial Revenue	10,656	10,265	3.8%
Interest on Agreements and Others	7,512	8,003	-6.1%
Returns on Financial Investments	2,989	2,397	24.7%
Others	155	(135)	N.M.
(-) Financial Expenses	(25,930)	(32,052)	-19.1%
Interest Expenses	(6,823)	(3,177)	114.8%
Interest on Leasing	(16,903)	(17,882)	-5.5%
Discounts Granted	(1,417)	(9,030)	-84.3%
Monetary Variation Expenses	-	(1,578)	-100.0%
Others	(787)	(385)	104.4%
Income Before Income Taxes	31,571	31,476	0.3%
Income and Social Contribution Taxes	4,650	(2,030)	N.M.
Current	(1,924)	(1,713)	12.3%
Deferred	6,574	(317)	N.M.
Adjusted Consolidated Net Income	36,221	29,446	23.0%
<i>Adjusted Net Margin</i>	<i>11.8%</i>	<i>9.5%</i>	<i>2.3 p.p.</i>



Balance Sheet

Balance Sheet - ASSETS (R\$ '000)	03/31/2021	12/31/2020	% Chg. Mar21 x Dec20
Total Assets	3,151,606	3,091,485	1.9%
Current Assets	989,329	1,082,299	-8.6%
Cash and cash equivalents	551,991	679,933	-18.8%
Securities	36,995	1,176	3045.8%
Accounts receivable	360,519	363,718	-0.9%
Taxes recoverable	16,343	12,556	30.2%
Related parties	1,952	1,952	0.0%
Other assets	21,529	22,964	-6.2%
Non-Current Assets	2,162,277	2,009,186	7.6%
Long-Term Assets	283,869	268,625	5.7%
Accounts receivable	69,605	66,275	5.0%
Related parties	5,532	6,020	-8.1%
Other assets	59,977	58,636	2.3%
Indemnifications	112,015	112,015	0.0%
FG-FIES Guarantee Fund	22,265	18,631	19.5%
Other Accounts receivable	14,475	7,048	105.4%
Intangible assets	850,575	716,735	18.7%
Right-of-Use Assets	581,088	570,737	1.8%
Property, plant and equipment	446,745	453,089	-1.4%
Balance Sheet - LIABILITIES (R\$ '000)	03/31/2021	12/31/2020	% Chg. Mar21 x Dec20
Total Liabilities	1,695,051	1,664,998	1.8%
Current Liabilities	463,769	449,744	3.1%
Suppliers	36,416	38,170	-4.6%
Accounts payable	27,400	2,400	1041.7%
Loans and financing	167,520	113,624	47.4%
Debentures	24,839	50,166	-50.5%
Payroll and charges	91,139	92,945	-1.9%
Taxes payable	15,655	49,013	-68.1%
Leasing	52,397	49,320	6.2%
Dividends payable	11,197	24,718	-54.7%
Other liabilities	37,206	29,388	26.6%
Non-Current Liabilities	1,231,282	1,215,254	1.3%
Loans and financing	376,845	427,268	-11.8%
Leasing	617,130	601,707	2.6%
Accounts payable	109,792	59,600	84.2%
Taxes payable	4,853	5,261	-7.8%
Provision for contingencies	122,650	121,406	1.0%
Other liabilities	12	12	0.0%
Consolidated Shareholders' Equity	1,456,555	1,426,487	2.1%
Capital Realized	987,549	987,549	0.0%
Income Reserve	440,441	438,938	0.3%
Retained income	28,565	-	N.M.
Total Liabilities and Shareholders' Equity	3,151,606	3,091,485	1.9%



Cash flow

Cash Flow Statement (R\$ '000)	03/31/2021	03/31/2020	% Chg. Mar21 x Mar20
Consolidated Net Income for the Period before Income Taxes	25,019	18,435	35.7%
Depreciation and amortization	42,634	43,897	-2.9%
Provisions	1,244	(328)	N.M.
Adjustment present value of accounts receivable	524	376	39.4%
Provision for doubtful accounts	17,306	13,741	25.9%
Sale of Non-Current Assets	2,571	(2,544)	N.M.
Interest and exchange variation, net	23,472	21,986	6.8%
Adjusted Net Income	112,770	95,563	18.0%
Changes in Assets and Liabilities	(21,816)	(62,694)	-65.2%
Accounts receivable	(13,566)	(50,299)	-73.0%
Taxes recoverable	(3,388)	(899)	276.9%
Other assets	(4,694)	(12,000)	-60.9%
Suppliers	(1,754)	(328)	434.8%
Payroll and charges	(3,221)	7,758	N.M.
Taxes payable	(2,640)	(5,398)	-51.1%
Other liabilities	7,447	(1,528)	N.M.
Cash generated from operations	90,954	32,869	176.7%
Other	(52,412)	(39,555)	32.5%
Interest on loans and debentures	(2,826)	(19,503)	-85.5%
Interest on leases	(16,903)	(17,882)	-5.5%
Income and social contribution taxes paid	(32,683)	(2,170)	1406.1%
Net Cash from Operating Activities	38,542	(6,686)	-676.5%
Net Cash from Investing Activities	(115,569)	(2,756)	4093.4%
Securities	(35,819)	79,934	-144.8%
Additions to property, plant and equipment	(6,238)	(10,425)	-40.2%
Additions to intangible assets	(3,992)	(3,305)	20.8%
Net cash from business combination	480	-	0.0%
Acquisition of subsidiaries Payments	(70,000)	(68,960)	1.5%
Net Cash from Financing Activities	(50,915)	(34,797)	46.3%
Amortization of Debentures	(25,000)	(25,000)	0.0%
Amortization of loans and financing	(657)	(631)	4.1%
Amortization of leasing	(12,226)	(9,654)	26.6%
Related parties	488	488	0.0%
Dividends	(13,520)	-	0.0%
Decrease in Cash and Cash Equivalents	(127,942)	(44,239)	189.2%
Cash and Cash Equivalents at Beginning of Period	679,933	215,173	216.0%
Cash and Cash Equivalents at End of Period	551,991	170,934	222.9%
Cash changes and Securities	(92,123)	(124,173)	-25.8%