

Third Quarter 2020 Results

Recife, November 13, 2020 - Ser Educacional S.A (B3 SEER3), announces its results for the third quarter of 2020 (3Q20). The information is presented in accordance with international financial reporting standards (IFRS) and consolidated in Brazilian reais (R\$). Comparisons refer to the third quarter of 2019, unless otherwise indicated. The 3Q20 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.

- Among other impacts, the **COVID-19 pandemic has affected the school calendar of the educational institutions controlled by the Company in 2020.2**, by modifying the process of student intake and re-enrollment, which usually should have its highest intake and re-enrollment volume by September, although this period was extended to the end of October this year. For a better demonstration of this effect, the intake and student base results are presented in the section "Operational Performance".
- The **intake of undergraduate and postgraduate students in on-campus and distance learning** totaled 41,100 students, up 12.0% when compared to 3Q19, with a highlight to the growth of 52.0% in the distance learning segment. Until October, the intake reached 49,200 students, up by 26.5% driven by the distance learning and presenting a growth of 75.7% over the same period of the previous year.
- **Total student base** reached 181,900 students in 3Q20, up by 12.4% over 3Q19, as a result of increased student base in on-campus undergraduate courses, mainly due to the organic growth of the **distance learning student base, which exceeds 50,000 students in the quarter** and due to the UNINORTE's acquisition. Considering the comparison between October 2020 and 2019, the total student base grew by 17.2%.
- **Net income** registered a 6,7% reduction on the quarter and reached R\$269,5 million, impacted by COVID-19 effects which have increased the dropouts rates during the year and postponed the intake and re-enrollment process in October, which indicates that a portion of the quarter's monthly fees recognition was moved to the 4Q20.
- In 3Q20, **Adjusted EBITDA reached R\$54.8 million**, down by 19.8% compared to the R\$68.3 million recorded in 3Q19. Adjusted EBITDA margin decreased by 3.3 p.p., reaching 20.3%, compared to 23.6% in 3Q19, due to the factors above mentioned.
- **Adjusted EBITDA from the Distance Learning segment reached R\$7.7 million and adjusted EBITDA margin of 28.1% in 3Q20**, up by 8.9 p.p. over 3Q19.
- **Net operating cash generation in the quarter reached R\$58.2 million**, or 106% of the quarter's adjusted EBITDA, which demonstrates that the company is reporting a strong conversion of adjusted EBITDA into cash.
- The Company ended the quarter with **net cash position totaling R\$95.7 million, an increase of 221.7% compared to December 2019**, demonstrating the Company's financial strength.



3Q20 Conference Call November 13, 2020

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Financial Highlights	3Q20	3Q19	% Chg. 3Q20 x 3Q19	9M20	9M19	% Chg. 9M20 x 9M19
(R\$ '000)						
Net Revenue	269,454	288,910	-6.7%	921,000	925,679	-0.5%
Adjusted Cash Gross Profit	183,250	188,113	-2.6%	623,972	597,371	4.5%
Adjusted Cash Gross Margin	68.0%	65.1%	2.9 p.p.	67.7%	64.5%	3.2 p.p.
Adjusted EBITDA	54,816	68,309	-19.8%	241,094	253,775	-5.0%
Adjusted EBITDA Margin	20.3%	23.6%	-3.3 p.p.	26.2%	27.4%	-1.2 p.p.
Adjusted Net Income	(1,301)	36,185	N.M.	86,868	154,309	-43.7%
Adjusted Net Margin	-0.5%	12.5%	N.M.	9.4%	16.7%	-7.2 p.p.
Adjusted Net Income per Share	(0.01)	0.28	N.M.	0.67	1.20	-43.7%



- On August 6, the Company announced **the acquisition of Faculdade de Ciências Biomédicas de Cacoal (FACIMED)**, of Cacoal, state of Rondônia. By June 2020, the institution registered 2,700 undergraduate students, including 445 medical students. The Institution is recognized in the region for its courses in the health field and offers 90 annual student vacancies in its medicine course, or 75 annual vacancies excluding the ones reserved for PROUNI and FIES students, in addition to other courses in the medical field such as Veterinary, Nursing, Psychology, Dentistry and Pharmacy. The institution became University Center during the second semester of 2020. The transaction has a nominal value of R\$150.0 million to be paid R\$100.0 million in cash, plus 4 successive annual installments, in the amount of R\$12.5 million each, with the first installment due on January 31, 2022 and the remaining on the same date of the following 3 years, adjusted by the variation of the IPCA from the closing date until the effective payment date of each installment. The operation was approved by CADE on November 9, 2020 and the closing was held on November 10, 2020.
- On September 18, the Company announced the **acquisition of Faculdade de Juazeiro do Norte (FJN)**, located at Juazeiro do Norte (CE). In 2019, net revenue amounted to approximately R\$20 million and adjusted EBITDA to R\$4.3 million, and had a total of 2,100 undergraduate students in December 2019, distributed in Architecture and Urbanism, Accounting, Law, Nursing, Pharmacy, Gastronomy, Veterinary Medicine, Nutrition, Occupational Safety and Information Systems courses and became University Center during the second semester of 2020. CENESUP will pay R\$24.0 million for the Transaction, of which R\$12.0 million in two installments, one maturing on the closing date and another within 30 days thereafter, and the remaining R\$12.0 million will be paid in 5 annual and successive installments maturing in the first 5 years as of the closing date, adjusted by the IPCA inflation index. The closing of this transaction was held on November 3, 2020.
- Between **September 13 and October 30, 2020, the Company announced that has entered into an agreement with Laureate International Inc**, for a potential business combination of its Brazilian operations with those of Ser Educacional. The operation provided a "Go Shop" clause that allowed Laureate to enter into a more convenient transaction with a third party for a period of 30 days. By the end of this period, a third-party proposal was presented, which ended up being questioned in court for several reasons. On October 30, 2020, the Company signed an extrajudicial agreement with Laureate Education Inc, terminating the judicial and arbitration proceedings, **expressly recognizing the payment of R\$180.0 million in benefit of Ser Educacional**. Simultaneously, an agreement was signed with Ânima Holdings S.A. which granted the Company a call option over certain assets from Laureate Brasil (UNIFG, FPB, UniRitter, FADERGS and IBMR) to be purchased by Ânima, valid for a 60 days period, renewable for another 15 days. The agreement also provided for the exchange of the penalty for two of the educational institutions, UNIFG and FPB, however, the Company has decided to receive the fine and maintain the option to acquire these 5 institutions. In addition to the call option, the Company granted a put option to Ânima regarding the same 5 institutions, valid for the same period of time as the call option.
- On November 12, 2020, the Board of Directors approved the **distribution of interim dividends** to shareholders, of 30% of the net income calculated for the first half of 2020, representing the total amount of R\$ 20.4 million, corresponding to R\$ 0.158268032 per share. All shareholders holding shares issued by the Company on November 17, 2020 will be entitled to dividends, with shares being traded ex-rights as of November 18, 2020, inclusive. The above dividends will be paid on December 11, 2020.

Message from the Management

Ser Educacional ended the 9M20 that brought significant challenges to its administrative team, teaching staff and students, due to the social and economic environment generated by the impacts of the COVID-19 pandemic. This scenario required the Company to seek solutions that prioritize its stakeholders' safety, focusing on the objective of contributing significantly to society in the direct and indirect fight against the crisis effects, while pursuing solutions that could generate value for its shareholders.

During this period, the maintenance of the theoretical lessons of the on-campus segment, through Sala Ser Digital was significant to allow the students to complete the semester's theoretical workload, enabling the maintenance of the day-



to-day contact between students and teachers in a safe environment. Practical classes, on the other hand, have been rescheduled and are taking place simultaneously with the state governments' authorization to reopen the campuses for face-to-face activities, starting in July. There were also support activities for the communities involved in the day-to-day activities of the units, which included over 300 different actions, providing a strong support to the communities in which the Company is involved.

Regarding generating value to shareholders, the year has been quite significant in the acquisition activities, such as the acquisitions of FACIMED (Cacoal, RO) and FJN (Juazeiro do Norte, CE), which are relevant educational institutions for Ser Educacional's strategy, since they are strong and recognized brands in their regions and were both accredited as University Centers during 2020.2, strengthening the company's presence in the North and Northeast regions, which are its strategic priority. These acquisitions will bring a strong student base in regulated courses, especially the 75 vacancies in the Medicine course held by FACIMED.

Additionally to these two acquisitions, the Company also benefited from the competitive process for Laureate's assets in Brazil, which generated an extraordinary amount of R\$180.0 million in favor of Ser Educacional to be recognized in 4Q20. This amount refers to the penalty of the Go Shop clause, exercised by Laureate, for having accepted a competing proposal higher than the one previously agreed with Ser Educacional, (as described in the Highlights section above). In addition to the settlement to Ser Educacional, currently, the Company has a call option for the acquisition of some educational institutions of Laureate Brazil to be purchased by Ânima, such option being exercisable within 75 days as of October 29, 2020.

Another highlight of the period was the launch of the Digital Courses line, which had its first intake in this 3Q20 and are part of the Company's Distance Learning courses line. Innovative for the Brazilian graduate market, the dynamic offer modality is in line with the main trends in the education market, such as an fast-learning system focused on the most relevant topics for students and which exclude the need for vacation periods or re-enrollment. All stages of the course, from selling, enrolling and graduating students are 100% online. The Digital Courses were launched in beta environment in June and in July had its official beginning through the launch of the brands UNINABUCO Digital, specialized in technical courses, of the digital graduation of UNINASSAU. During the semester, GoKursos, the beta marketplace for non-regulated courses, was also launched.

From November 2020, all the Company's brands will offer the Digital Courses, setting up a revenue generation line for the Company with an asset light business model, which expects high operating cash generation and adjusted EBITDA cash conversion. The Digital Courses segment also marks the Company's entry into the lifelong learning concept, which represents a change in the behavior pattern of students, who are gradually seeking knowledge throughout their careers, either because this period has been extended, given the increase in life expectancy in the population, and also due to the growing need for learning as new techniques and technologies emerge.

At the operational level, the Company has been successfully adapting to the impacts of COVID-19 with a very intense effort to adjust its operations to the change in its student base, especially in the on-campus segment, which included activities aimed at reducing the operational and financial impacts on the Company, such as enhancing the dialogue with students, better understanding their needs and increasing the number of negotiations, which enabled the Company to show strong operational cash generation in the period. Moreover, several activities were implemented aiming at the operational recovery of the Company, such as the reduction of real estate in the cities of Recife, Salvador, Manaus and Maceió during the quarter, thereby reducing the total rental area and increasing the utilization of classrooms and infrastructure. The company has also managed to expand its base of Distance Learning partner centers, benefiting from the positive aspect of this teaching modality, and in 2021 intends to resume the opening of its Campus 2.0 model units, since it believes it has a successful operational model with strong demand in selected markets.

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, based on a consistent strategy focused on higher education, capable of creating new sources of revenue through the combination of organic growth activities and acquisitions. Management is grateful for the efforts and support of its employees, teachers, and students in this period of such significant challenges for Brazilian society.



OPERATIONAL PERFORMANCE

As a consequence of the impacts of the COVID-19 pandemic, the 2020.2 intake process, usually starting in mid-June, started only in mid-July, since the resumption of classes was also delayed for a few weeks and is expected to close only in December. In this scenario, the intake of this period, which would normally already account for a significant reduction in volume from the end of September, also extended during October, generating a transfer of revenue recognition and student base from the third to the fourth quarter.

Student Enrollment						
In thousands	3Q20	3Q19	% Chg	Acumulated Jul-Oct/20	Acumulated Jul-Oct/19	% Chg
Undergraduate Enrollments	37.4	33.7	10.9%	44.7	35.7	25.1%
Distance Learning	19.1	12.9	48.1%	24.1	14.2	69.9%
Digital Courses*	2.7	-	N.M.	3.5	-	N.M.
On-campus	18.3	20.8	-12.2%	20.6	21.5	-4.4%
On-campus (Ex-Acquisitions)	16.8	20.8	-19.3%	18.9	21.5	-12.3%
Graduate Enrollments	3.7	2.9	25.1%	4.5	3.1	42.9%
Distance Learning	3.5	2.0	77.4%	4.3	2.0	117.8%
Digital Courses*	3.4	-	N.M.	4.2	-	N.M.
On-campus	0.2	1.0	-80.2%	0.2	1.2	-82.3%
TOTAL	41.1	36.7	12.0%	49.2	38.9	26.5%

* Distance Learning - Digital Courses: a new range of digital undergraduate and graduate courses launched in June 2020, which includes innovative courses in graduate education, 100% digital sales, fast-learning opportunities (no need for re-enrollment or vacation period), with the option of starting classes at the time of registration.

On-campus undergraduate student intake

In 3Q20, the intake of undergraduate students of on-campus segment decreased 12.2% compared to 3Q19 (19.3% excluding the acquisition of UNINORTE). When compared to the accumulated period between July and October of these same periods, the decrease in intake is 4.4% (12.3% excluding UNINORTE).

At the end of 3Q20, of the total number of new students enrolled, approximately 1,200 students adhered to student loan programs, 0,6 thousand through Educred and 0,6 thousand through FIES. In 3Q19, of the 2,200 students enrolled through loan programs, 0,1 thousand students enrolled through PraValer, 0,5 thousand students enrolled through Educred and 1,600 through FIES. As a result, the percentage of students enrolled through loan program moved up from 10.8% in 3Q19 to 6.5% in 3Q20.

At the end of 3Q20, 0,8 thousand new FIES contracts were finalized was 1,700 (0,6 thousands freshmen and 0,2 thousands upperclassmen) of a total of the 2,200 vacancies allocated to the Company by the Federal Government in 2020.2.

Distance Learning undergraduate student intake

In the Distance Learning segment, new enrollments grew by 48%, as a result of the following factors (i) an increase in commercial campaigns, aiming at benefiting from the positive moment of this modality of courses during the pandemic, (ii) the successful launch of the Digital Courses, which accounted for 26.9% of the intake of students of the Distance Learning modality, and (iii) the repositioning of prices of the 100% traditional online Distance Learning courses in certain locations, in order to address the market changes. When we compared Distance Learning intake between the months of July and October during the same periods, the growth was 75.7% totaling 28,400 thousand students, of which 26.9% came from the Digital Courses.



Student Base Growth

Number of Students	Undergraduate		Graduate		Vocational		Total
	On Campus	Distance Learning	On Campus	Distance Learning	On Campus	Distance Learning	Total
3Q20							
Jun20 Base	138,712	28,343	5,016	10,145	1,291	29	183,536
Enrollments	18,269	19,113	193	3,493	224	-	41,292
Leavers	(6,471)	(501)	(568)	(101)	(152)	-	(7,793)
Dropouts	(25,557)	(8,784)	(76)	(624)	(69)	(1)	(35,111)
Sep20 Base	124,953	38,171	4,565	12,913	1,294	28	181,924
% Sep20 Base / Jun20 Base	-9.9%	34.7%	-9.0%	27.3%	0.2%	-3.4%	-0.9%
% Sep20 Base / Sep19 Base	0.9%	62.4%	-15.3%	63.6%	9.8%	-58.2%	12.4%
Sep20 Base (Ex-UNINORTE)	111,656	36,415	4,162	12,774	1,294	28	166,329
% Sep20 Base / Sep19 Base	-9.8%	54.9%	-22.8%	61.8%	9.8%	-58.2%	2.8%

As a result of all the above, the on-campus undergraduate base totaled 125,000 students, a slight 0.9% increase over the 123,800 students base reported in 3Q19. Excluding UNINORTE, on-campus undergraduate student base fell by 9.8% in 3Q20 vs. 3Q19.

The distance learning student base (which represents the sum of distance learning, undergraduate and graduate students) increased 62.7%, from 31,400 students in 3Q19 to 51,100 students in 3Q20. Excluding UNINORTE, distance learning student base increased by 56.7%.

Number of Students	Undergraduate		Graduate		Vocational		Total
	On Campus	Distance Learning	On Campus	Distance Learning	On Campus	Distance Learning	Total
Oct20 Base	129,024	41,896	4,423	13,559	1,295	28	190,225
Oct19 Base	124,834	23,215	5,208	7,858	1,137	67	162,319
% Oct20 Base / Oct19 Base	3.4%	80.5%	-15.1%	72.6%	13.9%	-58.2%	17.2%

* Managerial data (unaudited)

As mentioned at the beginning of the "Operational Performance" section, the 2020.2 student intake began later than normal, due to the impacts of the pandemic. To better illustrate this effect, the Company makes available in the table above, the student base comparing October 2020, compared to October 2019. As shown, the volume of students enrolled during October was significant, both because of the increase in the volume of students' intake and the volume of reassigned students, mainly due to the later beginning of the school term. We highlight the EAD student base that already in September 2020 had overcome the fifty thousand students' figure, but already in October it overcame 55,000 thousand students, from those, 8,000 students belong to the new Digital Courses portfolio.

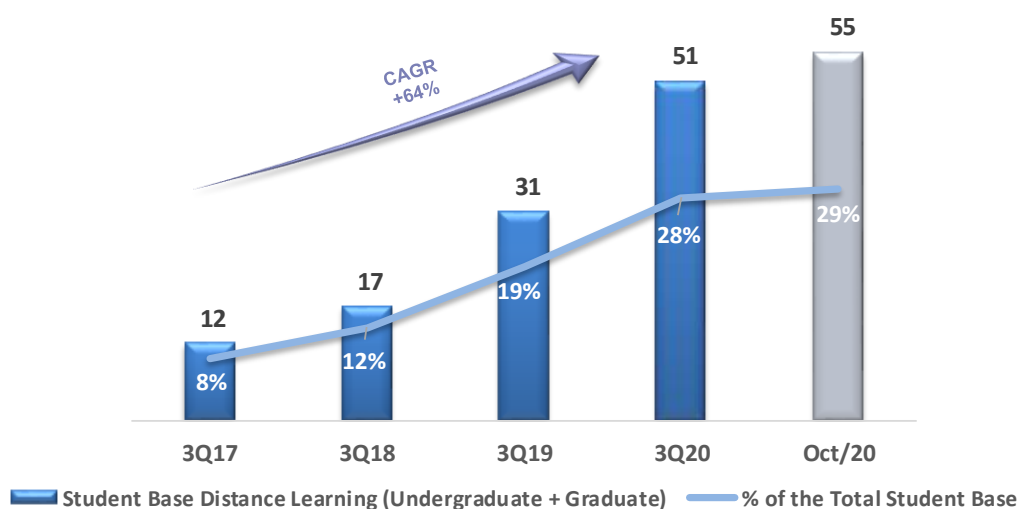
The table below shows the evolution of the student base of Digital Courses that are part of the portfolio of distance learning courses.

Digital Courses	Number of Students ('000)			
	3Q20	% of Total DL Student Base	Oct/20	% of Total DL Student Base
Undergraduate	2.6	5.0%	3.3	5.9%
Graduate	3.9	7.6%	4.7	8.4%
Total	6.5	12.7%	8.0	14.4%
Total DL Student Base	51.1	100.0%	55.5	100.0%

* The digital student base is part of the total undergraduate and graduate DL student base.



Student Base Growth - Distance Learning ('000)



Dropout Rate

Given the uncertainties caused by the impact of the COVID-19 pandemic, dropout rate increased by 2.0 p.p., reaching 17.0% in 3Q20, against 15.0% in 3Q19, already a very significant reduction from the 20.7% dropout rate reported in 2020.1. As of October/20, the dropout rate recorded 15.3%, what demonstrates that this indicator already returned to pre COVID-19 levels in this 2020.2.

Average Net Ticket

Average Ticket (R\$)	3Q20	3Q19	% Chg. 3Q20 x 3Q19
On Campus Undergraduate	628.67	720.43	-12.7%
Distance Learning (Undergraduate + graduate)	177.61	225.82	-21.3%
Total Net Average Ticket	490.38	594.87	-17.6%

The average on-campus ticket in 3Q20 was R\$628.67, down by 12.7% year-on-year, due to the consolidation of UNINORTE's results, which has an average ticket lower than the Company's average. Excluding UNINORTE, the average ticket totaled R\$644.38 in the on-campus undergraduate segment, 10.7% down compared to 3Q19.

The reduction in the average ticket is linked to factors: (i) impact of the effects of COVID-19 that delayed the re-enrollment process, especially in on campus courses, which can be demonstrated by the increase in the dropout rate that moved 15.0% from 3Q19 to 17.0% in 3Q20; (ii) increased impact of seasonality between odd and even quarters, due to the increase in out of pockets students (the FIES student base dropped 23.5% in 3Q19 compared to 16.5% in 3Q20), which due to the competitive environment, is made by offering special discounts for the first months of the courses and therefore will recover some of this impact already in 4Q20 (as it occurred when comparing 1Q20 and 2Q20), since these discounts do not remain in the following semesters; (iii) increase in the Distance Learning student base, in this case due to the launch of the Digital Courses and the increase in the volume of student intake of the conventional Distance Learning 100% online courses, (iv) repositioning of prices in some squares, in order to follow the market changes; and (v) addition of UNINORTE, consolidated in November 2019, which has an average ticket lower than the Company average, as previously mentioned.



Student Financing

STUDENT LOANS	Dec/13	Dec/14	Dec/15	Dec/16	Dec/17	Dec/18	3Q19	Dec/19	3Q20
On Campus Undergraduate Students	70,255	101,195	123,988	131,092	133,945	127,837	123,800	145,496	124,953
FIES Students	31,432	48,048	56,089	58,840	55,565	40,427	29,100	34,156	20,656
% of FIES Students	44.7%	47.5%	45.2%	44.9%	41.5%	31.6%	23.5%	23.5%	16.5%
EDUCRED Students			754	1,922	2,390	3,952	3,350	4,464	3,084
% of EDUCRED Students			0.6%	1.5%	1.8%	3.1%	2.7%	3.1%	2.5%
PRAVALER Students			954	1,794	2,873	3,265	2,273	2,168	1,200
% of PRAVALER Students			0.8%	1.4%	2.1%	2.6%	1.8%	1.5%	1.0%
Total Students Loans			57,797	62,556	60,828	47,644	34,723	40,788	24,940
% of Total Students Loans			46.6%	47.7%	45.4%	37.3%	28.0%	28.0%	20.0%

On September 30, 2020, FIES students accounted for 16.5% of the undergraduate base, a 7.0 p.p. reduction from the percentage recorded at the close of 3Q19, when FIES students represented 23.5% of the undergraduate student base. Excluding UNINORTE, the on-campus FIES undergraduate student base was down by 6.5 p.p., representing 17.0% in 3Q20 vs. 3Q19. This decline was caused by the federal government's decision to reduce the number of vacancies in the FIES program as of 2015, which had the number of new vacancies offered even more decrease as of 2018.

Organic Growth

In 3Q20, 154 new courses were authorized, totaling 2,091 courses, while the number of vacancies in some courses also increased. As a result, in September 2020, the Company had approximately 1,797,000 vacancies per year, 1,348,200 of which 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)	3Q20	3Q19	% Chg. 3Q20 x 3Q19	9M20	9M19	% Chg. 9M20 x 9M19
Gross Operating Revenue	568,993	498,412	14.2%	1,792,492	1,557,287	15.1%
Undergraduate Monthly Tuition	503,634	449,986	11.9%	1,607,758	1,423,821	12.9%
Graduate Monthly Tuition	6,766	7,074	-4.4%	24,741	21,659	14.2%
Vocational Courses Monthly Tuition	383	466	-18.0%	1,311	1,450	-9.5%
Distance Learning Monthly Tuition	56,161	36,537	53.7%	152,100	99,260	53.2%
Others	2,049	4,349	-52.9%	6,582	11,097	-40.7%
Deductions from Gross Revenue	(299,539)	(209,502)	43.0%	(871,492)	(631,608)	38.0%
Discounts and Scholarships	(224,686)	(143,492)	56.6%	(650,169)	(430,869)	50.9%
PROUNI	(62,939)	(50,298)	25.1%	(178,847)	(149,606)	19.5%
FGEDUC And FIES charges	(2,563)	(5,805)	-55.8%	(10,810)	(20,358)	-46.9%
Taxes	(9,351)	(9,907)	-5.6%	(31,666)	(30,775)	2.9%
% Discounts and Scholarships/ Net Oper. Rev.	39.5%	28.8%	10.7 p.p.	36.3%	27.7%	8.6 p.p.
Net Operating Revenue	269,454	288,910	-6.7%	921,000	925,679	-0.5%
Undergraduate Monthly Tuition	235,664	259,701	-9.3%	820,960	842,690	-2.6%
Graduate Monthly Tuition	4,375	4,894	-10.6%	16,211	15,197	6.7%
Vocational Courses Revenues	362	427	-15.1%	1,205	1,346	-10.5%
Distance Learning Revenues	27,235	19,805	37.5%	76,519	56,386	35.7%
Others	1,817	4,084	-55.5%	6,105	10,060	-39.3%



In 3Q20, gross revenue totaled R\$569.0 million, up by 14.2% over 3Q19. This increase is due to the consolidation of UNINORTE's revenues, as well as the transfers of prices of 6% in the comparison between the two periods and the increased volume of students enrolled in the Distance Learning segment, partially offset by increased dropout rates during the year and the impact of the change in the school term that extended student intake and re-enrollment to the month of October.

In 3Q20, net revenue totaled R\$269.5 million, down by 6.7% over 3Q19, the variation in results is due to COVID-19's impacts on the Company's results, which resulted in increased dropout rates during the year, higher tuition discounts, as well as a delay in the school term and consequently in funding and re-registering which was extended to the month of October 2020, that will move part of the revenue recognition from 3Q20 to 4Q20.

Cost of Services Rendered

Breakdown of Cost of Services Rendered¹ Accounting (R\$ '000)	3Q20	3Q19	% Chg. 3Q20 x 3Q19	9M20	9M19	% Chg. 9M20 x 9M19
Cash Cost of Services Rendered	(94,647)	(104,150)	-9.1%	(306,850)	(335,706)	-8.6%
Payroll and Charges	(88,758)	(84,027)	5.6%	(277,997)	(267,341)	4.0%
Rent	3,202	(4,474)	N.M.	7,573	(12,125)	N.M.
Concessionaires (Electricity, Water and Telephone)	(6,303)	(8,490)	-25.8%	(21,566)	(28,582)	-24.5%
Third-Party Services and Others	(2,788)	(7,159)	-61.1%	(14,860)	(27,658)	-46.3%

¹ Excluding depreciation and amortization.

The cash cost of services (excluding depreciation and amortization) totaled R\$94.6 million in 3Q20, down by 9.1% over 3Q19, due to the following reasons:

- Personnel costs and charges in 3Q20 increased by 5.6% over 3Q19. Excluding UNINORTE, personnel costs and charges decreased by 12.8%, ending 3Q20 at R\$73.2 million, still due to the structure optimization, especially in the on-campus graduate education segment. In this scenario, the Company incurred non-recurring costs related to the adjustment in the amount of R\$8.4 million in the quarter, which can be further analyzed in the table presented below.
- Rental costs were impacted by the lease renegotiations carried out during the quarter due to the effects of COVID-19. Since these rental discounts are not included in IFRS 16, the amounts are recorded in the rental costs line, resulting in a positive balance in the quarter.
- The "Concessionaires" line fell by 25.8%, closing 3Q20 at R\$6.3 million vs. R\$8.5 million in 3Q19, due to measures to contain the spread of COVID-19. Excluding UNINORTE, this line would have decreased by 34.1%.
- Third-party services and others reached R\$2.8 million in 3Q20, compared to R\$7.2 million in 3Q19, down by 61.1%, in the comparison between periods, as a consequence of the impact of COVID-19 and reduction of digital content licenses started to be developed internally by the Company. Excluding UNINORTE, the third-party services and others line fell by 65.7%.

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

Breakdown of Cost of Services Rendered¹ Adjusted (R\$ '000)	3Q20	3Q19	% Chg. 3Q20 x 3Q19	9M20	9M19	% Chg. 9M20 x 9M19
Cash Cost of Services Rendered	(86,204)	(100,797)	-14.5%	(297,028)	(328,308)	-9.5%
Payroll and Charges	(80,315)	(80,674)	-0.4%	(268,175)	(259,943)	3.2%
Rent	3,202	(4,474)	N.M.	7,573	(12,125)	N.M.
Concessionaires (Electricity, Water and Telephone)	(6,303)	(8,490)	-25.8%	(21,566)	(28,582)	-24.5%
Third-Party Services and Others	(2,788)	(7,159)	-61.1%	(14,860)	(27,658)	-46.3%

¹ Excluding depreciation and amortization.



Gross Profit

Gross Profit - Accounting (R\$ '000)	3Q20	3Q19	% Chg. 3Q20 x 3Q19	9M20	9M19	% Chg. 9M20 x 9M19
Net Operating Revenue	269,454	288,910	-6.7%	921,000	925,679	-0.5%
Cost of Services Rendered	(134,955)	(131,174)	2.9%	(428,237)	(415,922)	3.0%
Gross Profit	134,499	157,736	-14.7%	492,763	509,757	-3.3%
Gross Margin	49.9%	54.6%	-4.7 p.p.	53.5%	55.1%	-1.6 p.p.
(-) Depreciation	40,308	27,024	49.2%	121,387	80,216	51.3%
Cash Gross Profit	174,807	184,760	-5.4%	614,150	589,973	4.1%
Cash Gross Margin	64.9%	64.0%	0.9 p.p.	66.7%	63.7%	2.9 p.p.

Cash gross profit decreased by 5.4%, from R\$184.8 million in 3Q19 to R\$174.8 million in 3Q20. The cash gross margin stood at 64.9% in 3Q20, up by 0.9 p.p. over 3Q19, when it reached 64.0%, due to the measures to combat COVID-19 implemented by the Company, as mentioned in the Cost of Services Rendered, in the comparison between 3Q20 and 3Q19, as well as the impact of cost reduction measures that will have its effects lasting for the long term.

Depreciation increased by 49.2%, from R\$27.0 million in 3Q19 to R\$40.3 million in 3Q20, due to the inclusion of depreciation of fixed assets and the right to use and amortization of intangible assets in UNINORTE's anticipated rental agreement.

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

Gross Profit - Adjusted (R\$ '000)	3Q20	3Q19	% Chg. 3Q20 x 3Q19	9M20	9M19	% Chg. 9M20 x 9M19
Net Operating Revenue	269,454	288,910	-6.7%	921,000	925,679	-0.5%
Cost of Services Rendered	(126,512)	(127,821)	-1.0%	(418,415)	(408,524)	2.4%
Adjusted Gross Profit	142,942	161,089	-11.3%	502,585	517,155	-2.8%
Adjusted Gross Margin	53.0%	55.8%	-2.7 p.p.	54.6%	55.9%	-1.3 p.p.
(-) Depreciation	40,308	27,024	49.2%	121,387	80,216	51.3%
Adjusted Cash Gross Profit	183,250	188,113	-2.6%	623,972	597,371	4.5%
Adjusted Cash Gross Margin	68.0%	65.1%	2.9 p.p.	67.7%	64.5%	3.2 p.p.

Operating Expenses (Selling, General and Administrative)

Operating Expenses - Accounting (R\$ '000)	3Q20	3Q19	% Chg. 3Q20 x 3Q19	9M20	9M19	% Chg. 9M20 x 9M19
General and Administrative Expenses	(111,531)	(104,705)	6.5%	(339,997)	(307,765)	10.5%
Payroll and Charges	(38,472)	(37,408)	2.8%	(112,443)	(107,880)	4.2%
Third-Party Services	(8,544)	(13,122)	-34.9%	(32,628)	(42,558)	-23.3%
Advertising	(23,919)	(20,134)	18.8%	(65,247)	(62,334)	4.7%
Materials	(1,644)	(3,440)	-52.2%	(5,347)	(10,373)	-48.5%
PDA	(28,925)	(17,923)	61.4%	(90,141)	(46,762)	92.8%
Others	(6,562)	(9,451)	-30.6%	(23,535)	(27,037)	-13.0%
Depreciation and Amortization	(3,465)	(3,227)	7.4%	(10,656)	(10,821)	-1.5%
Operating Income	9,729	47,251	-79.4%	139,277	211,699	-34.2%
General and Administrative Expenses (Ex-Depreciation and Amortization)	(108,066)	(101,478)	6.5%	(329,341)	(296,944)	10.9%



General and administrative expenses increased by 6.5%, from R\$104.7 million in 3Q19 to R\$111.5 million in 3Q20, mainly due to:

- a) Personnel expenses and charges, which increased by 2.8% compared to 3Q19, or by 5.1% when excluding UNINORTE. Excluding UNINORTE personnel expenses and charges and the non-recurring effect of R\$2.8 million related to indemnity fines, resulting from the adjustment of the administrative structure to support the current student base of the Company and the operational integration of UNINORTE, the variation was 12.6%, 3Q20 x 3Q19.
- b) Third-party services, which reached R\$8.5 million in 3Q20 (R\$7.8 million when excluding UNINORTE), down by 34.9% compared to the R\$13.1 million registered in 3Q19, mainly due to the reduction in the pace of contracting services and of regulatory activities in the period as a result of the impacts of COVID-19. Therefore, in 3Q20, nonrecurring expenses mainly related to M&A activities totaled approximately R\$2.9 million.
- c) Advertising expenses presented a growth of 18.8% compared to the 3Q19, going from R\$20,1 million in the 3Q19 to R\$23.9 million in the 3Q20, which corresponds to 8.9% of the net income (growth of 12.4% ex-UNINORTE), due to the company's commercial activities resumption from July 2020, effect that should be diluted over the rest of the year, since during the pandemic period the marketing activities, in special, on offline media had been significantly reduced.
- d) The provision for doubtful accounts and effective losses line, which increased by 61.4%, from R\$17.9 million in 3Q19 to R\$28.9 million in 3Q20, mainly due to the impacts of COVID-19, which led to an atypical increase in the dropout rate for the year. The higher dropout rate results generates greater collection challenges and, consequently in a lower volume of renegotiated and overdue tuition fees in the previous semester. The calculation of the provision for doubtful accounts is based on the historical loss due to aging of accounts receivable and, since there was an increase in aging accounts receivable, due to student delays due to the country's economic situation, it consequently increased the need for provisioning.

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

Operating Expenses - Adjusted (R\$ '000)	3Q20	3Q19	% Chg. 3Q20 x 3Q19	9M20	9M19	% Chg. 9M20 x 9M19
General and Administrative Expenses	(105,476)	(99,598)	5.9%	(318,739)	(290,182)	9.8%
Payroll and Charges	(35,668)	(36,764)	-3.0%	(106,991)	(105,657)	1.3%
Third-Party Services	(5,657)	(8,659)	-34.7%	(24,550)	(27,198)	-9.7%
Advertising	(23,919)	(20,134)	18.8%	(65,247)	(62,334)	4.7%
Materials	(1,644)	(3,440)	-52.2%	(5,347)	(10,373)	-48.5%
PDA	(28,925)	(17,923)	61.4%	(90,141)	(46,762)	92.8%
Others	(6,198)	(9,451)	-34.4%	(15,808)	(27,037)	-41.5%
Depreciation and Amortization	(3,465)	(3,227)	7.4%	(10,656)	(10,821)	-1.5%
Adjusted Operating Income	36,406	58,947	-38.2%	182,641	226,249	-19.3%
General and Administrative Expenses (Ex-Depreciation and Amortization)	(102,011)	(96,371)	5.9%	(308,083)	(279,361)	10.3%

Other Operating Expenses Net

In 3Q20, mainly due to the impacts of COVID-19 that reduced the Company's activities in the quarter. In 3Q20, there was also a non-recurring effect of R\$12.2 million referring mainly to the write off of right of use, fixed assets and leases related to the return of real estate in the cities of Recife and Salvador.



EBITDA and Adjusted EBITDA

EBITDA (R\$ '000)	3Q20	3Q19	% Chg. 3Q20 x 3Q19	9M20	9M19	% Chg. 9M20 x 9M19
Net Income¹	(27,978)	23,837	-217.4%	43,504	138,935	-68.7%
(+) Net financial expense ²	32,768	21,750	50.7%	83,309	66,529	25.2%
(+) Income and social contribution taxes	4,939	1,664	196.8%	12,464	6,235	99.9%
(+) Depreciation and amortization	43,773	30,251	44.7%	132,043	91,037	45.0%
EBITDA¹	53,502	77,502	-31.0%	271,320	302,736	-10.4%
EBITDA Margin	19.9%	26.8%	-7.0 p.p.	29.5%	32.7%	-3.2 p.p.
(+) Revenue from Interest on Agreements and Others ²	3,891	4,265	-8.8%	13,828	11,201	23.5%
(+) Non-recurring costs and expenses ³	26,677	11,696	128.1%	43,364	14,550	198.0%
(-) Minimum rent paid ⁴	(29,254)	(25,155)	16.3%	(87,418)	(74,712)	17.0%
Adjusted EBITDA⁵	54,816	68,309	-19.8%	241,094	253,775	-5.0%
Adjusted EBITDA Margin	20.3%	23.6%	-3.3 p.p.	26.2%	27.4%	-1.2 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 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 costs and expenses from 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 totaled to R\$54.8 million in 3Q20, down by 19.8% compared to the R68.3 million posted in 3Q19. The adjusted EBITDA margin ended 3Q20 at 20.3%, versus 23.6% in 3Q19, an decrease of 3.3 p.p. The reduction in Adjusted EBITDA occurred mainly because of the effects of COVID-19 on the year's results, especially in this quarter due to lower revenue recognition due to the postponement of the school term which will only end in December and which consequently postponed part of the new enrollments and re-enrollments of students from September to October, as detailed in the section "Operational Performance".

The statement of non-recurring items is shown below:

SUMMARY OF NON-RECURRING ITEMS (R\$ '000)	3Q20	3Q19	% Chg. 3Q20 x 3Q19	9M20	9M19	% Chg. 9M20 x 9M19
Non-Recurring Costs and Expenses Impacting Adjusted EBITDA	26,677	11,696	128.1%	43,364	14,550	198.0%
Payroll	11,247	3,997	181.4%	15,274	9,620	58.8%
Cost	8,443	3,353	151.8%	9,822	7,398	32.8%
Expense	2,804	644	335.3%	5,452	2,223	145.3%
Third-Party Services	2,887	4,463	-35.3%	8,078	15,360	-47.4%
Expense	2,887	4,463	-35.3%	8,078	15,360	-47.4%
Other Expenses / Other Net Operating Expenses	12,543	3,235	287.7%	20,012	(10,431)	N.M.
Sale of property, plant and equipment	15,927	-	N.M.	15,927	(6,773)	N.M.
Reversal of lease agreements / Right-of-Use Assets	(3,537)	(691)	412.1%	(3,537)	(7,584)	-53.4%
Write-off of Improvements	-	4,050	-100.0%	-	4,050	-100.0%
Tax Expenses	364	-	N.M.	7,727	-	N.M.
Others	(211)	(124)	69.9%	(106)	(124)	-14.8%
Non-Recurring Costs and Expenses that do not Impact Adjusted EBITDA	-	652	-100.0%	-	824	-100.0%
Monetary variation gains	-	1,514	-100.0%	-	1,514	-100.0%
Income tax and social contribution - Complementary Tax on Adjusted Net Income	-	(862)	-100.0%	-	(690)	-100.0%
Total Non Recurring Costs and Expenses	26,677	12,348	116.0%	43,364	15,374	182.1%

*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))	3Q20					9M20				
	On Campus	New units (1)*	Distance Learning*	UNINORTE	Consolidated	On Campus	New units (1)*	Distance Learning*	UNINORTE	Consolidated
Net Revenue	213,625	9,016	27,344	19,470	269,454	735,420	29,767	76,983	78,830	921,000
Adjusted Cash Gross Profit	141,559	5,412	23,570	12,710	183,250	493,543	19,403	61,024	50,002	623,972
Adjusted Cash Gross Margin	66.3%	60.0%	86.2%	65.3%	68.0%	67.1%	65.2%	79.3%	63.4%	67.7%
Adjusted EBITDA	42,651	1,141	7,676	3,350	54,816	193,002	4,248	23,205	20,640	241,094
Adjusted EBITDA Margin	20.0%	12.7%	28.1%	17.2%	20.3%	26.2%	14.3%	30.1%	26.2%	26.2%

(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.

** Considers only the result of the on campus.

The table above presents the results separating on-campus units operating for two years or less and long-distance activities, which have been recording an increasing number of distance learning centers and the launch of brands in this segment and UNINORTE.

As of 1Q19, the Distance Learning segment started to generate positive Adjusted EBITDA and, with the maintenance of the focus on expansion, which led to the growth of the student base in this segment, and cost control, which is scalable by the number of students, in 3Q20, adjusted EBITDA totaled R\$7.7 million, up by 99.3% compared to 3Q19, with an EBITDA margin of 28.1% in the quarter.

New units generated a positive adjusted EBITDA of R\$1.1 million, as a result of the reduction in costs and expenses due to the actions to combat COVID-19 implemented by the Company, however, their results are still below of the legacy units as they are still in a ramp up process.

Financial Result

Financial Result - Accounting (R\$ '000)	3Q20	3Q19	% Chg. 3Q20 x 3Q19	9M20	9M19	% Chg. 9M20 x 9M19
(+) Financial Revenue	7,675	13,241	-42.0%	23,339	43,794	-46.7%
Interest on Agreements and Others	3,891	4,265	-8.8%	13,828	11,201	23.5%
Returns on Financial Investments	3,642	9,539	-61.8%	9,243	34,188	-73.0%
Others	142	(563)	N.M.	268	(1,595)	N.M.
(-) Financial Expenses	(40,443)	(34,991)	15.6%	(106,648)	(110,323)	-3.3%
Interest Expenses	(8,254)	(5,320)	55.2%	(17,260)	(15,904)	8.5%
Interest on Leasing	(17,596)	(16,223)	8.5%	(53,357)	(51,306)	4.0%
Discounts Granted	(13,898)	(9,585)	45.0%	(30,342)	(30,773)	-1.4%
Monetary Variation Expenses	(6)	(3,289)	-99.8%	(1,584)	(6,891)	-77.0%
Others	(689)	(574)	20.0%	(4,105)	(5,449)	-24.7%
Financial Result	(32,768)	(21,750)	50.7%	(83,309)	(66,529)	25.2%

Financial revenues decreased by 42.0%, from R\$13.2 million in 3Q19 to R\$7.7 million in 3Q20, due to the following:

- Interest on Agreements and Others was R\$3.9 million in 3Q20, 8.8% lower compared to 3Q19, when it reached R\$4.3 million, due to the more challenging negotiations with students on the period to collect past due tuitions.
- Investment income, which decreased 61.8%, from R\$9.5 million in 3Q19 to R\$3.6 million in 3Q20, due to the reduction in the average interest rate and the variation in cash availability between the periods.

Financial expenses reached R\$40.4 million in 3Q20, up by 15.6% over 3Q19's financial expenses, which totaled R\$35.0 million. Mainly due to:



- a) Interest Expenses, which increased 55.2%, from R\$5.3 million in 3Q19 to R\$8.3 million in 3Q20, due to the contracting of R\$500.0 million in working capital with Itaú-Unibanco, Santander Brasil and Caixa Econômica Federal, partially offset by the drop in the average Brazilian Interbank Rate (CDI).
- b) Interest on Leasing, which increased 8.5%, from R\$16.2 million in 3Q19 to R\$17.6 million in 3Q20, due to the inclusion of UNINORTE in the Company's consolidated results.
- c) Discounts Granted increase by 45.0%, from R\$9.6 million in 3Q19 to R\$13.9 million in 3Q20, due to the due to the higher volume of discounts on agreements to recover past due tuitions, due to the higher number of outstanding amounts negotiated, as part of the Company's efforts to recover its outstanding accounts receivable from evaded students.
- d) Cash Variation (Expenses), totaled R\$3.3 million in 3Q19, however, in 3Q20, there was no record in this line due to the settlement of all balances of commitments payable between 1Q20 and 2Q20.

As a result of the factors mentioned above, net financial expense was R\$32.8 million in 3Q20 compared to an expense of R\$21.8 million in 3Q19, an increase of 50.7%.

The table below shows managerial financial revenue, adjusted for non-recurring effects of other financial revenues:

Financial Result - Adjusted (R\$ '000)	3Q20	3Q19	% Chg. 3Q20 x 3Q19	9M20	9M19	% Chg. 9M20 x 9M19
(+) Financial Revenue	7,675	13,241	-42.0%	23,339	43,794	-46.7%
Interest on Agreements and Others	3,891	4,265	-8.8%	13,828	11,201	23.5%
Returns on Financial Investments	3,642	9,539	-61.8%	9,243	34,188	-73.0%
Others	142	(563)	N.M.	268	(1,595)	N.M.
(-) Financial Expenses	(40,443)	(33,477)	20.8%	(106,648)	(108,809)	-2.0%
Interest Expenses	(8,254)	(5,320)	55.2%	(17,260)	(15,904)	8.5%
Interest on Leasing	(17,596)	(16,223)	8.5%	(53,357)	(51,306)	4.0%
Discounts Granted	(13,898)	(9,585)	45.0%	(30,342)	(30,773)	-1.4%
Monetary Variation Expenses	(6)	(1,775)	-99.7%	(1,584)	(5,377)	-70.5%
Others	(689)	(574)	20.0%	(4,105)	(5,449)	-24.7%
Financial Result	(32,768)	(20,236)	61.9%	(83,309)	(65,015)	28.1%

Net Income

Net Income - Accounting (R\$ 000)	3Q20	3Q19	% Chg. 3Q20 x 3Q19	9M20	9M19	% Chg. 9M20 x 9M19
Operating Income	9,729	47,251	-79.4%	139,277	211,699	-34.2%
(+) Financial Result	(32,768)	(21,750)	50.7%	(83,309)	(66,529)	25.2%
(+) Income and Soc. Contrib. Taxes	(4,905)	(1,664)	194.8%	(9,814)	(6,235)	57.4%
(+) Deferred Income and Soc. Contrib. Taxes	(34)	-	N.M.	(2,650)	-	N.M.
Net Income (Loss)	(27,978)	23,837	N.M.	43,504	138,935	-68.7%
Net Margin	-10.4%	8.3%	N.M.	4.7%	15.0%	-10.3 p.p.

Operating income reached R\$9.7 million in 3Q20, a decrease of 79.4% compared to the R\$47.3 million registered in 3Q19. In 3Q20, net income (loss) totaled R\$28.0 million, compared to a net income of R\$23.8 million in 3Q19.

Income tax and social contribution totaled R\$4.9 million in 3Q20, an increase of 194.8% compared to 3Q19, due to the increase of provisions, reduction in the tax loss of its subsidiaries and higher revenue from non-incentive activities.

The decrease in net income was mainly due to the decrease in adjusted EBITDA as well as the impact of IFRS-16 on depreciation and amortization, higher net financial expenses and income and social contribution taxes.



The table below shows managerial net income, adjusted for non-recurring effects. In 3Q20, the company recorded an adjusted net income (loss) of R\$1.3 million, compared an adjusted net income of R\$36.1 million registered in 3Q19.

Net Income - Adjusted (R\$ '000)	3Q20	3Q19	% Chg. 3Q20 x 3Q19	9M20	9M19	% Chg. 9M20 x 9M19
Adjusted Operating Income	36,406	58,947	-38.2%	182,641	226,249	-19.3%
(+) Financial Result	(32,768)	(20,236)	61.9%	(83,309)	(65,015)	28.1%
(+) Income and Soc. Contrib. Taxes	(4,905)	(2,526)	94.2%	(9,814)	(6,925)	41.7%
(+) Deferred Income and Soc. Contrib. Taxes	(34)	-	N.M.	(2,650)	-	N.M.
Adjusted Net Income (Loss)	(1,301)	36,185	N.M.	86,868	154,309	-43.7%
Adjusted Net Margin	-0.5%	12.5%	N.M.	9.4%	16.7%	-7.2 p.p.

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

Net Income Adjusted (Ex-IFRS 16) (R\$ ('000))	3Q20	3Q19	% Chg. 3Q20 x 3Q19	9M20	9M19	% Chg. 9M20 x 9M19
Adjusted Net Income (Loss)	(1,301)	36,185	N.M.	86,868	154,309	-43.7%
Adjusted Net Margin	-0.5%	12.5%	N.M.	9.4%	16.7%	-7.2 p.p.
Rent (IFRS 16)	(21,426)	(17,536)	22.2%	(63,937)	(50,673)	26.2%
Depreciation and Amortization (IFRS 16)	17,631	10,842	62.6%	52,714	34,419	53.2%
Interest on Leasing (IFRS 16)	11,501	12,445	-7.6%	34,919	28,970	20.5%
Income and Social Contribution Taxes (IFRS 16)	(826)	(286)	188.7%	(560)	(547)	2.4%
Adjusted Net Income (Loss) - (Ex-IFRS 16)	5,579	41,650	-86.6%	110,004	166,479	-33.9%
Adjusted Net Margin (Ex-IFRS 16)	2.1%	14.4%	-12.3 p.p.	11.9%	18.0%	-6.0 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 the impacts of IFRS-16 totaled R\$5.6 million in the quarter, a decrease of 86.6% compared to 3Q19.

Accounts Receivable and Average Collection Period

Accounts Receivable and Average Receivable Days (R\$ '000)	3Q19	4Q19	1Q20	2Q20	3Q20
Gross Accounts Receivable	400,885	447,038	476,635	541,547	517,591
Monthly tuition fees	140,539	194,723	193,222	239,892	204,799
FIES	108,304	100,509	119,358	138,618	122,144
Negotiated agreements receivable	72,882	64,877	70,188	63,634	78,031
Education credits receivable	47,769	58,096	72,096	80,863	85,083
Credit Card and Others	31,391	28,833	21,771	18,540	27,534
PDA balance	(85,810)	(113,149)	(106,564)	(106,489)	(118,083)
Net Accounts Receivable	315,075	333,889	370,071	435,058	399,508
Net Revenue (Last 12 Months - FIES+Ex-FIES+Pronatec)	1,245,746	1,275,986	1,280,348	1,290,763	1,271,307
Net Receivable Days (FIES+Ex-FIES+Pronatec)	91	94	104	121	113
Net Revenue FIES (Last 12 Months)	362,302	343,820	322,225	297,419	276,454
Net Receivable Days (FIES)	89	85	111	143	125
Net Receivable Days (Monthly tuition fees + Negotiated agreements receivable + Education credits receivable)	79	87	94	108	100

The average net collection period increased from 91 to 113 days due to the following:

a) Increase in the average collection period of monthly tuition fees, agreements receivable and educational credits, from 79 to 100 days is mainly due to the revision of the provisional estimate made in 1Q19 and the longer collection period as a result of the current economic situation. The Company believes that the current average collection period



better reflects the cycle of the effective collection in students' contracts, which are renewed every six months, considering the deterioration of the economic scenario due to the Covid-19 pandemic.

b) The increase in the FIES's average collection period from 89 to 125 days was due to the increase in the payment cycle by FNDE started in 2019.

Aging of Monthly tuition fees (R\$ '000)	3Q19	% Chg.	4Q19	% Chg.	3Q20	% Chg.
Overdue by up to 30 day	37,753	26.9%	35,949	18.5%	37,811	18.5%
Overdue from 31 to 60 days	17,732	12.6%	29,565	15.2%	14,147	6.9%
Overdue from 61 to 90 days	2,348	1.7%	27,358	14.0%	14,116	6.9%
Overdue from 91 to 180 days	42,809	30.5%	41,018	21.1%	74,474	36.4%
Overdue from 181 to 360 days	39,897	28.4%	60,833	31.2%	64,251	31.4%
TOTAL	140,539	100.0%	194,723	100.0%	204,799	100.0%
% of Gross Accounts Receivable	35.1%		43.6%		39.6%	

Aging of Negotiated Agreements (R\$ '000)	3Q19	% Chg.	4Q19	% Chg.	3Q20	% Chg.
Not yet due	34,410	47.2%	18,236	28.1%	39,722	50.9%
Overdue by up to 30 day	8,192	11.2%	7,827	12.1%	8,043	10.3%
Overdue from 31 to 60 days	3,359	4.6%	7,260	11.2%	2,942	3.8%
Overdue from 61 to 90 days	2,443	3.4%	6,770	10.4%	2,346	3.0%
Overdue from 91 to 180 days	10,464	14.4%	10,060	15.5%	9,803	12.6%
Overdue from 181 to 360 days	14,014	19.2%	14,724	22.7%	15,175	19.4%
TOTAL	72,882	100.0%	64,877	100.0%	78,031	100.0%
% of Gross Accounts Receivable	18.2%		14.5%		15.1%	

The table below shows the evolution of our PDA from December 31, 2019 to September 30, 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	09/30/2020
Total	113,149	90,141	(85,207)	118,083

Investment (CAPEX)

CAPEX (R\$ ('000))	9M20	% of Total	9M19	% of Total
CAPEX Total	39,480	100.0%	48,623	100.0%
Property acquisition / Construction / Maintenance of campuses	6,797	17.2%	11,281	23.2%
Equipment / Library / IT	12,427	31.5%	24,847	51.1%
Licenses and Partnerships	5,192	13.2%	7,529	15.5%
Intangibles and Others	15,064	38.2%	4,966	10.2%
Acquisitions Debt Payment	90,995		41,382	
Total CAPEX + Acquisitions Payables	130,475		90,005	

In 9M20, the Company invested a total of R\$39.5 million, however, investments in renovations of campuses, equipment, laboratories and libraries were significantly reduced due to the impacts of COVID-19. On the other hand, there was an increase in investments in intangibles, due to the development of digital didactic material for the courses offered by the Company.



Debt

Indebtedness (R\$ '000)	09/30/2020	12/31/2019	% Chg. Sep20 x Dec19
Total Cash	769,801	358,198	114.9%
Judicial deposits	(50,832)	(42,665)	19.1%
FG-FIES Guarantee Fund	(14,303)	(9,070)	57.7%
Cash, Cash equivalents and Securities	704,666	306,463	129.9%
Cash and cash equivalents	704,012	215,173	227.2%
Securities	654	91,290	-99.3%
Gross debt	(608,965)	(276,715)	120.1%
Loans and financing	(608,965)	(182,178)	234.3%
Short term	(81,200)	(92,137)	-11.9%
Long term	(527,765)	(90,041)	486.1%
Aquisitions Payables*	-	(94,537)	-100.0%
Net Cash	95,701	29,748	221.7%
Net Cash / Adjusted EBITDA (LTM)	0.30	0.09	

* Acquisitions payables refer to acquisition scheduled payments

Cash and cash equivalents totaled R\$704.7 million, an increase of 129.9% compared to December 2019. This variation is mainly due to cash preservation measures taken during the pandemic including, among others, the contracting of R\$500 million in medium-term working capital in order to provide the Company with greater cash protection in case of further deterioration in the scenario, as well as to support possible acquisitions, offset by commitments to be paid for UNG's acquisition, UNINORTE's acquisition and the remaining balance of UNAMA's acquisition, totaling R\$91.0 million in the quarter.

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, totaling 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, whose balance on September 30, 2020 was R\$44.1 million,
- (ii) Contracting of working capital, as mentioned above, consisting of R\$200.0 million with Caixa Econômica Federal, at CDI+0.19% p.m., for a term 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+3.4% p.a. and R\$100.0 million with Santander Brasil, at CDI+3.1% p.a., both maturing in 2 years; 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, maturing on September 15, 2021, whose balance on September 30, 2020 is of R\$49.7 million.

On September 30, 2020, Grupo Ser Educacional's gross debt totaled R\$609.0 million, an increase of 120.1% compared to the R\$276.7 million on December 31, 2019, mainly due to the contracting of working capital, as mentioned above. In 3Q20, the Company's net cash amounted to R\$95.7 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	31,542	5.6%	-	0.0%	49,658	100.0%	81,200	13.3%
Total Long Term	527,765	94.4%	-	0.0%	-	0.0%	527,765	86.7%
1-2 years	423,265	75.7%	-	0.0%	-	0.0%	423,265	69.5%
2-3 years	101,851	18.2%	-	0.0%	-	0.0%	101,851	16.7%
3-4 years	1,998	0.4%	-	0.0%	-	0.0%	1,998	0.3%
4-5 years	651	0.1%	-	0.0%	-	0.0%	651	0.1%
After five years	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total Loans, Financing and Acquisitions payables	559,307	100.0%	-	0.0%	49,658	100.0%	608,965	100.0%

Regarding the debt payment schedule, 13.3% 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)	3Q20	3Q19	% Chg. 3Q20 x 3Q19	9M20	9M19	% Chg. 9M20 x 9M19
Cash flow from operating activities						
Net cash from operating activities	58,172	118,596	-50.9%	130,878	137,808	-5.0%
(-) Cash flow allocated to investing activities	(16,820)	(20,077)	-16.2%	(130,475)	(90,005)	45.0%
(+) / (-) Securities	(30)	14,229	-100.2%	90,636	377,411	-76.0%
(+) / (-) Cash flow allocated to financing activities	(36,847)	(149,723)	-75.4%	397,800	(463,095)	N.M.
Increase in cash and cash equivalents	4,475	(36,975)	N.M.	488,839	(37,881)	N.M.
Net increase in cash and cash equivalents						
Beginning of period	699,537	313,825	122.9%	215,173	314,731	-31.6%
End of period	704,012	276,850	154.3%	704,012	276,850	154.3%
Increase in cash and cash equivalents	4,475	(36,975)	N.M.	488,839	(37,881)	N.M.
Cash and Securities changes	4,505	(51,204)	N.M.	398,203	(415,292)	N.M.
Beginning of period	700,161	556,810	25.7%	306,463	920,898	-66.7%
End of period	704,666	505,606	39.4%	704,666	505,606	39.4%

Net operating cash generation moved from R\$ 118.6 million in 3Q19 to R\$ 58.2 million in 3Q20, mainly due to the increase in operating cash flow from regular students, reduction in operating costs and postponement of payments in the quarter. When comparing with 3Q19, operating cash generation fell due to the concentration of FIES payments in 3Q19, which did not occur in 3Q20. The generation of operating cash above the adjusted EBITDA in the quarter demonstrates that the Company managed to present a solid generation of operating cash, despite suffering from the impacts generated by COVID-19 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 181.9 mil students. The Company operates under the following brands: UNINASSAU – Centro Universitário Maurício de Nassau, UNINABUCO - Centro Universitário Joaquim Nabuco, Faculdades UNINABUCO, Escola Técnica Joaquim Nabuco, Escola Técnica Maurício de Nassau, UNIVERITAS/UNG, UNAMA – Universidade da Amazônia and Faculdade da Amazônia, UNIVERITAS – Centro Universitário Universus Veritas, Faculdades UNIVERITAS and UNINORTE - Centro Universitário do Norte, through which it offers 2,091 courses.

This notice 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.



ATTACHMENTS - Income Statement

Income Statement - Accounting R\$ ('000)	3Q20	3Q19	% Chg. 3Q20 x 3Q19	9M20	9M19	% Chg. 9M20 x 9M19
Gross Operating Revenue	568,993	498,412	14.2%	1,792,492	1,557,287	15.1%
Undergraduate Monthly Tuition	503,634	449,986	11.9%	1,607,758	1,423,821	12.9%
Graduate Monthly Tuition	6,766	7,074	-4.4%	24,741	21,659	14.2%
Vocational Courses Monthly Tuition	383	466	-18.0%	1,311	1,450	-9.5%
Distance Learning Monthly Tuition	56,161	36,537	53.7%	152,100	99,260	53.2%
Others	2,049	4,349	-52.9%	6,582	11,097	-40.7%
Deductions from Gross Revenue	(299,539)	(209,502)	43.0%	(871,492)	(631,608)	38.0%
Discounts and Scholarships	(224,686)	(143,492)	56.6%	(650,169)	(430,869)	50.9%
PROUNI	(62,939)	(50,298)	25.1%	(178,847)	(149,606)	19.5%
FGEDUC And FIES charges	(2,563)	(5,805)	-55.8%	(10,810)	(20,358)	-46.9%
Taxes	(9,351)	(9,907)	-5.6%	(31,666)	(30,775)	2.9%
Net Operating Revenue	269,454	288,910	-6.7%	921,000	925,679	-0.5%
Cash Cost of Services Rendered	(134,955)	(131,174)	2.9%	(428,237)	(415,922)	3.0%
Payroll and Charges	(88,758)	(84,027)	5.6%	(277,997)	(267,341)	4.0%
Rent	3,202	(4,474)	N.M.	7,573	(12,125)	N.M.
Concessionaires (Electricity, Water and Telephone)	(6,303)	(8,490)	-25.8%	(21,566)	(28,582)	-24.5%
Third-Party Services	(2,788)	(7,159)	-61.1%	(14,860)	(27,658)	-46.3%
Depreciation and Amortization	(40,308)	(27,024)	49.2%	(121,387)	(80,216)	51.3%
Managerial Gross Profit	134,499	157,736	-14.7%	492,763	509,757	-3.3%
<i>Gross Margin</i>	<i>49.9%</i>	<i>54.6%</i>	<i>-4.7 p.p.</i>	<i>53.5%</i>	<i>55.1%</i>	<i>-1.6 p.p.</i>
Operating Expenses/Revenue	(124,770)	(110,485)	12.9%	(353,486)	(298,058)	18.6%
General and Administrative Expenses	(111,531)	(104,705)	6.5%	(339,997)	(307,765)	10.5%
Payroll and Charges	(38,472)	(37,408)	2.8%	(112,443)	(107,880)	4.2%
Third-Party Services	(8,544)	(13,122)	-34.9%	(32,628)	(42,558)	-23.3%
Advertising	(23,919)	(20,134)	18.8%	(65,247)	(62,334)	4.7%
Materials	(1,644)	(3,440)	-52.2%	(5,347)	(10,373)	-48.5%
PDA	(28,925)	(17,923)	61.4%	(90,141)	(46,762)	92.8%
Others	(6,562)	(9,451)	-30.6%	(23,535)	(27,037)	-13.0%
Depreciation and Amortization	(3,465)	(3,227)	7.4%	(10,656)	(10,821)	-1.5%
Other Operating Expenses/Revenue	(13,239)	(5,780)	129.0%	(13,489)	9,707	N.M.
Managerial Operating Income	9,729	47,251	-79.4%	139,277	211,699	-34.2%
<i>Operating Margin</i>	<i>3.6%</i>	<i>16.4%</i>	<i>-12.7 p.p.</i>	<i>15.1%</i>	<i>22.9%</i>	<i>-7.7 p.p.</i>
(+) Adjusted Depreciation and Amortization	43,773	30,251	44.7%	132,043	91,037	45.0%
EBITDA	53,502	77,502	-31.0%	271,320	302,736	-10.4%
<i>EBITDA Margin</i>	<i>19.9%</i>	<i>26.8%</i>	<i>-7.0 p.p.</i>	<i>29.5%</i>	<i>32.7%</i>	<i>-3.2 p.p.</i>
(+) Non-recurring costs and expenses	26,677	11,696	128.1%	43,364	14,550	198.0%
(+) Interest on tuition and agreements	3,891	4,265	-8.8%	13,828	11,201	23.5%
(-) Minimum rent paid	(29,254)	(25,155)	16.3%	(87,418)	(74,712)	17.0%
Adjusted EBITDA	54,817	68,309	-19.8%	241,094	253,775	-5.0%
<i>Adjusted EBITDA Margin</i>	<i>20.3%</i>	<i>23.6%</i>	<i>-3.3 p.p.</i>	<i>26.2%</i>	<i>27.4%</i>	<i>-1.2 p.p.</i>
(-) Adjusted Depreciation and Amortization	(43,773)	(30,251)	44.7%	(132,043)	(91,037)	45.0%
Adjusted EBIT	11,044	38,058	-71.0%	109,051	162,738	-33.0%
<i>Adjusted EBIT Margin</i>	<i>4.1%</i>	<i>13.2%</i>	<i>-9.1 p.p.</i>	<i>11.8%</i>	<i>17.6%</i>	<i>-5.7 p.p.</i>
Financial Result	(32,768)	(21,750)	50.7%	(83,309)	(66,529)	25.2%
(+) Financial Revenue	7,675	13,241	-42.0%	23,339	43,794	-46.7%
Interest on Agreements and Others	3,891	4,265	-8.8%	13,828	11,201	23.5%
Returns on Financial Investments	3,642	9,539	-61.8%	9,243	34,188	-73.0%
Others	142	(563)	N.M.	268	(1,595)	N.M.
(-) Financial Expenses	(40,443)	(34,991)	15.6%	(106,648)	(110,323)	-3.3%
Interest Expenses	(8,254)	(5,320)	55.2%	(17,260)	(15,904)	8.5%
Interest on Leasing	(17,596)	(16,223)	8.5%	(53,357)	(51,306)	4.0%
Discounts Granted	(13,898)	(9,585)	45.0%	(30,342)	(30,773)	-1.4%
Monetary Variation Expenses	(6)	(3,289)	-99.8%	(1,584)	(6,891)	-77.0%
Others	(689)	(574)	20.0%	(4,105)	(5,449)	-24.7%
Income Before Income Taxes	(23,039)	25,501	-190.3%	55,968	145,170	-61.4%
Income and Social Contribution Taxes	(4,939)	(1,664)	196.8%	(12,464)	(6,235)	99.9%
Current	(12,199)	(15,625)	-21.9%	(53,874)	(60,534)	-11.0%
Tax Incentive - Pronoi	7,294	13,961	-47.8%	44,060	54,299	-18.9%
Deferred	(34)	-	N.M.	(2,650)	-	N.M.
Consolidated Net Income/Loss	(27,978)	23,837	N.M.	43,504	138,935	-68.7%
<i>Net Margin</i>	<i>-10.4%</i>	<i>8.3%</i>	<i>N.M.</i>	<i>4.7%</i>	<i>15.0%</i>	<i>-10.3 p.p.</i>



Income Statement – Managerial

Income Statement - Adjusted R\$ ('000)	3Q20	3Q19	% Chg. 3Q20 x 3Q19	9M20	9M19	% Chg. 9M20 x 9M19
Gross Operating Revenue	568,993	500,902	13.6%	1,792,492	1,557,287	15.1%
Undergraduate Monthly Tuition	503,634	452,476	11.3%	1,607,758	1,423,821	12.9%
Graduate Monthly Tuition	6,766	7,074	-4.4%	24,741	21,659	14.2%
Vocational Courses Monthly Tuition	383	466	-18.0%	1,311	1,450	-9.5%
Distance Learning Monthly Tuition	56,161	36,537	53.7%	152,100	99,260	53.2%
Others	2,049	4,349	-52.9%	6,582	11,097	-40.7%
Deductions from Gross Revenue	(299,539)	(211,992)	41.3%	(871,492)	(631,608)	38.0%
Discounts and Scholarships	(224,686)	(145,982)	53.9%	(650,169)	(430,869)	50.9%
PROUNI	(62,939)	(50,298)	25.1%	(178,847)	(149,606)	19.5%
FGEDUC And FIES charges	(2,563)	(5,805)	-55.8%	(10,810)	(20,358)	-46.9%
Taxes	(9,351)	(9,907)	-5.6%	(31,666)	(30,775)	2.9%
Net Operating Revenue	269,454	288,910	-6.7%	921,000	925,679	-0.5%
Cash Cost of Services Rendered	(126,512)	(127,821)	-1.0%	(418,415)	(408,524)	2.4%
Payroll and Charges	(80,315)	(80,674)	-0.4%	(268,175)	(259,943)	3.2%
Rent	3,202	(4,474)	N.M.	7,573	(12,125)	N.M.
Concessionaires (Electricity, Water and Telephone)	(6,303)	(8,490)	-25.8%	(21,566)	(28,582)	-24.5%
Third-Party Services	(2,788)	(7,159)	-61.1%	(14,860)	(27,658)	-46.3%
Depreciation and Amortization	(40,308)	(27,024)	49.2%	(121,387)	(80,216)	51.3%
Managerial Gross Profit	142,942	161,089	-11.3%	502,585	517,155	-2.8%
<i>Managerial Gross Margin</i>	<i>53.0%</i>	<i>55.8%</i>	<i>-2.7 p.p.</i>	<i>54.6%</i>	<i>55.9%</i>	<i>-1.3 p.p.</i>
Operating Expenses/Revenue	(106,536)	(102,142)	4.3%	(319,944)	(290,906)	10.0%
General and Administrative Expenses	(105,476)	(99,598)	5.9%	(318,739)	(290,182)	9.8%
Payroll and Charges	(35,668)	(36,764)	-3.0%	(106,991)	(105,657)	1.3%
Third-Party Services	(5,657)	(8,659)	-34.7%	(24,550)	(27,198)	-9.7%
Advertising	(23,919)	(20,134)	18.8%	(65,247)	(62,334)	4.7%
Materials	(1,644)	(3,440)	-52.2%	(5,347)	(10,373)	-48.5%
PDA	(28,925)	(17,923)	61.4%	(90,141)	(46,762)	92.8%
Others	(6,198)	(9,451)	-34.4%	(15,808)	(27,037)	-41.5%
Depreciation and Amortization	(3,465)	(3,227)	7.4%	(10,656)	(10,821)	-1.5%
Other Operating Expenses/Revenue	(1,060)	(2,545)	-58.3%	(1,205)	(724)	66.4%
Managerial Operating Income	36,406	58,947	-38.2%	182,641	226,249	-19.3%
<i>Managerial Operating Margin</i>	<i>13.5%</i>	<i>20.4%</i>	<i>-6.9 p.p.</i>	<i>19.8%</i>	<i>24.4%</i>	<i>-4.6 p.p.</i>
(+) Depreciation and Amortization	43,773	30,251	44.7%	132,043	91,037	45.0%
(+) Interest on tuition and agreements	3,891	4,265	-8.8%	13,828	11,201	23.5%
(-) Minimum rent paid	(29,254)	(25,155)	16.3%	(87,418)	(74,712)	17.0%
Adjusted EBITDA	54,817	68,309	-19.8%	241,094	253,775	-5.0%
<i>Adjusted EBITDA Margin</i>	<i>20.3%</i>	<i>23.6%</i>	<i>-3.3 p.p.</i>	<i>26.2%</i>	<i>27.4%</i>	<i>-1.2 p.p.</i>
(-) Depreciation and Amortization	(43,773)	(30,251)	44.7%	(132,043)	(91,037)	45.0%
Adjusted EBIT	11,044	38,058	-71.0%	109,051	162,738	-33.0%
<i>Adjusted EBIT Margin</i>	<i>4.1%</i>	<i>13.2%</i>	<i>-9.1 p.p.</i>	<i>11.8%</i>	<i>17.6%</i>	<i>-5.7 p.p.</i>
Financial Result	(32,768)	(20,236)	61.9%	(83,309)	(65,015)	28.1%
(+) Financial Revenue	7,675	13,241	-42.0%	23,339	43,794	-46.7%
Interest on Agreements and Others	3,891	4,265	-8.8%	13,828	11,201	23.5%
Returns on Financial Investments	3,642	9,539	-61.8%	9,243	34,188	-73.0%
Others	142	(563)	N.M.	268	(1,595)	N.M.
(-) Financial Expenses	(40,443)	(33,477)	20.8%	(106,648)	(108,809)	-2.0%
Interest Expenses	(8,254)	(5,320)	55.2%	(17,260)	(15,904)	8.5%
Interest on Leasing	(17,596)	(16,223)	8.5%	(53,357)	(51,306)	4.0%
Discounts Granted	(13,898)	(9,585)	45.0%	(30,342)	(30,773)	-1.4%
Monetary Variation Expenses	(6)	(1,775)	-99.7%	(1,584)	(5,377)	-70.5%
Others	(689)	(574)	20.0%	(4,105)	(5,449)	-24.7%
Income Before Income Taxes	3,638	38,711	-90.6%	99,332	161,234	-38.4%
Income and Social Contribution Taxes	(4,939)	(2,526)	95.5%	(12,464)	(6,925)	80.0%
Current	(12,199)	(16,487)	-26.0%	(53,874)	(61,224)	-12.0%
Tax Incentive - Proni	7,294	13,961	-47.8%	44,060	54,299	-18.9%
Deferred	(34)	-	N.M.	(2,650)	-	N.M.
Adjusted Consolidated Net Income/Loss	(1,301)	36,185	N.M.	86,868	154,309	-43.7%
<i>Adjusted Net Margin</i>	<i>-0.5%</i>	<i>12.5%</i>	<i>N.M.</i>	<i>9.4%</i>	<i>16.7%</i>	<i>-7.2 p.p.</i>



Balance Sheet

Balance Sheet - ASSETS (R\$ '000)	09/30/2020	12/31/2019	% Chg. Sep20 x Dec19
Total Assets	2,929,329	2,559,156	14.5%
Current Assets	1,082,120	644,545	67.9%
Cash and cash equivalents	704,012	215,173	227.2%
Securities	654	91,290	-99.3%
Accounts receivable	338,421	286,967	17.9%
Taxes recoverable	13,974	13,917	0.4%
Related parties	1,952	1,952	0.0%
Other assets	23,107	35,246	-34.4%
Non-Current Assets	1,847,209	1,914,611	-3.5%
Long-Term Assets	256,914	227,438	13.0%
Accounts receivable	61,087	46,922	30.2%
Related parties	6,508	7,972	-18.4%
Other assets	56,082	42,665	31.4%
Indemnifications	112,015	112,015	0.0%
FG-FIES Guarantee Fund	14,303	9,070	57.7%
Other Accounts receivable	6,919	8,794	-21.3%
Intangible assets	554,771	560,646	-1.0%
Right-of-Use Assets	572,323	616,110	-7.1%
Property, plant and equipment	463,201	510,417	-9.3%
Balance Sheet - LIABILITIES (R\$ '000)	09/30/2020	12/31/2019	% Chg. Sep20 x Dec19
Total Liabilities	1,597,709	1,250,668	27.7%
Current Liabilities	345,859	406,439	-14.9%
Suppliers	31,171	32,501	-4.1%
Accounts payable	-	94,537	-100.0%
Loans and financing	31,542	24,377	29.4%
Debentures	49,658	67,760	-26.7%
Payroll and charges	116,927	82,000	42.6%
Taxes payable	18,640	23,688	-21.3%
Leasing	47,377	43,931	7.8%
Dividends payable	20,372	6,063	236.0%
Other liabilities	30,172	31,582	-4.5%
Non-Current Liabilities	1,251,850	844,229	48.3%
Loans and financing	527,765	40,351	1207.9%
Debentures	-	49,690	-100.0%
Leasing	597,198	623,946	-4.3%
Taxes payable	5,668	7,127	-20.5%
Provision for contingencies	121,207	122,111	-0.7%
Other liabilities	12	1,004	-98.8%
Consolidated Shareholders' Equity	1,331,620	1,308,488	1.8%
Capital Realized	987,549	987,549	0.0%
Income Reserve	323,114	320,939	0.7%
Retained income	20,957	-	N.M.
Total Liabilities and Shareholders' Equity	2,929,329	2,559,156	14.5%



Cash Flow

Cash Flow Statement (R\$ '000)	09/30/2020	09/30/2019	% Chg- Sep20 x Sep19
Consolidated Net Income for the Period before IncomeTaxes	55,968	145,170	-61.4%
Depreciation and amortization	132,043	91,037	45.0%
Provisions	(904)	(89)	915.7%
Adjustment present value of accounts receivable	5,374	2,490	115.8%
Provision for doubtful accounts	90,141	46,762	92.8%
Sale of Non-Current Assets	9,949	17,715	-43.8%
Interest and exchange variation, net	70,940	76,228	-6.9%
Adjusted Net Income	363,511	379,313	-4.2%
Changes in Assets and Liabilities	(145,989)	(164,845)	-11.4%
Accounts receivable	(161,134)	(149,900)	7.5%
Taxes recoverable	(5,307)	(2,733)	94.2%
Related parties	-	(10,413)	-100.0%
Other assets	614	(15,630)	N.M.
Suppliers	(1,330)	(2,895)	-54.1%
Payroll and charges	34,927	17,116	104.1%
Taxes payable	(6,507)	(4,703)	38.4%
Income and social contribution taxes payable	(4,850)	1,538	N.M.
Other liabilities	(2,402)	2,775	N.M.
Cash generated from operations	217,522	214,468	1.4%
Other	(86,644)	(76,660)	13.0%
Interest on loans and debentures	(25,673)	(17,581)	46.0%
Interest on leases	(53,357)	(51,306)	4.0%
Income and social contribution taxes paid	(7,614)	(7,773)	-2.0%
Net Cash from Operating Activities	130,878	137,808	-5.0%
Net Cash from Investing Activities	(39,839)	287,406	N.M.
Securities	90,636	377,411	-76.0%
Additions to property, plant and equipment	(19,224)	(36,721)	-47.6%
Additions to intangible assets	(20,256)	(11,902)	70.2%
Acquisition of subsidiaries Payments	(90,995)	(41,382)	119.9%
Net Cash from Financing Activities	397,800	(463,095)	N.M.
Amortization of Debentures	(50,000)	(100,000)	-50.0%
Loans and financing	499,299	-	N.M.
Amortization of loans and financing	(12,840)	(12,863)	-0.2%
Amortization of leasing	(34,060)	(30,749)	10.8%
Related parties	1,464	-	N.M.
Dividends	(6,063)	(319,483)	-98.1%
Increase (Reduction) in Cash and Cash Equivalents	488,839	(37,881)	N.M.
Cash and Cash Equivalents at Beginning of Period	215,173	314,731	-31.6%
Cash and Cash Equivalents at End of Period	704,012	276,850	154.3%
Cash changes and Securities	398,203	(415,292)	N.M.