

Ser Educacional grows 20.3% in revenue and adjusted EBITDA reaches R\$ 68.0 million in 3Q21

Recife, November 12, 2021 - Ser Educacional S.A. (B3 SEER3), announces the results for the third quarter of 2021 (3Q21). The information is presented in IFRS, consolidated in Brazilian reais (R\$) and comparisons refer to the third quarter of 2020, unless otherwise specified. 3Q21 results include the consolidation of UNIFACIMED and UNIJUAZEIRO, which had their acquisition transactions completed in November 2020, UNESC, which had its acquisition transaction completed on February 1, 2021, UNIFASB, which had its acquisition transaction completed on April 5, 2021 and CDMV – Centro de Desenvolvimento da Medicina Veterinária and Hospital Veterinário DOK, which acquisition transaction was completed on August 4, 2021. The summary of results of these acquisitions, as well as the results of Distance Learning, which is now called "Digital Education" or "Digital", are available under "Adjusted EBITDA by Segment" section of this document.

- In 3Q21, the **total intake in higher education enrollments amounted to 53.1 thousand students**, representing a 29.4% growth compared to 3Q20. Hybrid undergraduate (on-campus) student intake amounted to 24.1 thousand students (+31.9%) and digital reached 25.2 thousand (+32.1%).
- **Total student base reached 240.0 thousand in 3Q21, with 31.9% growth** when compared to 3Q20, mainly due to the organic growth of the **digital education student base, which reached 103.5 thousand students, with 102.7% growth in the period**, improvement in re-enrollment rates and the acquisitions of UNIFACIMED, UNIJUAZEIRO, UNESC, UNIFASB and CDMV.
- **Net revenue in 3Q21 amounted to R\$ 324.1 million, with 20.3% growth when compared to 3Q20, when it reached R\$ 269.5 million**, due to the organic growth of the student base, with a highlight for digital learning and consolidation of recent acquisitions.
- **Adjusted EBITDA reached R\$ 68.0 million**, 24.0% higher than R\$ 54.8 million recorded in 3Q20, mainly due to the growth in the student base resulting from increased intake and reduced dropout and maintenance of the average ticket, both in hybrid and digital education.
- **Net operating cash generation (OCG) reached R\$ 82.3 million**, 41.5% growth versus 3Q20, mainly reflecting the improvement in dropout rates and improvement in general market conditions, reflecting the progress in COVID-19 vaccination among students. Post CAPEX cash conversion into EBITDA went from 79% to 87% when comparing the same periods.
- **Accounts receivable showed a 9.9% drop compared to 2Q21**, reflecting the successful negotiation process with students throughout the pandemic period that sought to keep students enrolled during this period while reaching agreements that enabled the Company to sustain high indicators of receipt of renegotiated tuition fees.
- **Adjusted net income in the quarter reached R\$ 7.5 million, reversing the R\$ 1.3 million adjusted net loss recorded in 3Q20.**

Financial Highlights	3Q21	3Q20	% Chg. 3Q21 x 3Q20	9M21	9M20	% Chg. 9M21 x 9M20
(R\$ '000)						
Net Revenue	324,083	269,454	20.3%	1,016,458	921,000	10.4%
Adjusted Cash Gross Profit	215,120	183,250	17.4%	680,431	623,972	9.0%
<i>Adjusted Cash Gross Margin</i>	<i>66.4%</i>	<i>68.0%</i>	<i>-1.6 p.p.</i>	<i>66.9%</i>	<i>67.7%</i>	<i>-0.8 p.p.</i>
Adjusted EBITDA	67,956	54,816	24.0%	233,016	241,094	-3.4%
<i>Adjusted EBITDA Margin</i>	<i>21.0%</i>	<i>20.3%</i>	<i>0.6 p.p.</i>	<i>22.9%</i>	<i>26.2%</i>	<i>-3.3 p.p.</i>
Adjusted Net Income	7,455	(1,301)	N.M.	82,604	86,868	-4.9%
<i>Adjusted Net Margin</i>	<i>2.3%</i>	<i>-0.5%</i>	<i>N.M.</i>	<i>8.1%</i>	<i>9.4%</i>	<i>-1.3 p.p.</i>



**3Q21 Conference calls
November 12, 2021
(Simultaneous translation)**

Portuguese / English
10:00 a.m. (Brasília)
08:00 a.m. (New York)

Participants' link:
www.sereducacional.com/ri

Contacts:

Jânio Diniz (CEO)
João Aguiar (CFO)
Rodrigo Alves (IRO)
Geraldo Soares (IRM)

Phone: +55 (11) 97093-2225
Email ri@sereducacional.com

Website:
www.sereducacional.com/ri

Twitter: [@ser_educacional](https://twitter.com/ser_educacional)

YouTube: [Grupo Ser Educacional](https://www.youtube.com/GrupoSerEducacional)

Press Contact
Sílvia Fragoso
Phone: +55 (81) 98228-2086
Email:
silvia.fragoso@sereducacional.com



- On July 2, 2021, subsidiary Clínica Escola de Saúde Uninassau **acquired the Centro de Desenvolvimento da Medicina Veterinária and the Hospital Veterinário DOK**. Based in Rio de Janeiro (RJ), CDMV is an educational institution specialized in offering postgraduate courses and practical extension courses in the area of Veterinary Medicine and operates in the cities of Rio de Janeiro, Belém, Fortaleza, Ilhéus, São Paulo, Manaus, Recife and Salvador. The institution has graduated more than 6,000 students in 9 years of operation and currently has 475 enrolled students. The transaction was set in the total amount of R\$ 12 million, of which R\$ 8.4 million was be paid in cash and R\$ 3.6 will be paid in 5 annual equal installments, adjusted by the IPCA variation. With the transaction, Ser Educacional will replicate Hospital Veterinário DOK's model in its 19 veterinary medicine courses already in operation, including the business development in the existing hospitals in Guarulhos and Manaus. As a result, its services and opening hours will be expanded, creating sources of auxiliary revenue generation, higher local recognition of the brands and expansion of the range of social services in the cities of operation.
- On September 17, 2021, subsidiary 3L Tecnologias Educacionais e Soluções Digitais S.A. ("3L Digital") **completed the acquisition of Prova Fácil**, a leading EdTech in management of tests in Latin America, with over 100 million evaluations performed in the last five years. Its proprietary platform automates and modernizes any assessment process, turning assessments into intelligent databases that enable analysis and improvement of the performance and learning experience of its students and employees, and features B2B, B2C and B2B2C solutions enabling a clearer knowledge management of any educational institution or company, simplifying the management in all stages of the assessment process, from its creation, correction and results, through four main offers (i) selection process (ii) regular assessments (iii) simulated tests and (iv) survey. Prova Fácil earns an annual net revenue of around R\$ 7.5 million and the transaction was executed at the equity value of R\$ 23.8 million, cash in of R\$2.9 million and earnout at R\$ 3.3 million to be paid to founding shareholders in 3 equal installments, depending on the achievement of previously agreed results.

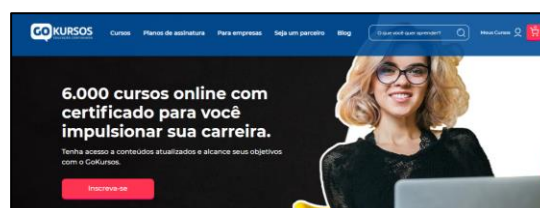
Message from Management

Third quarter 2021 results mark the beginning of an important cycle of growth resumption for Ser Educacional, combining improved operational and financial performance. These results were strengthened by a solid season of student intake and undergraduate enrollments, both in the hybrid and digital education segments, outperforming even 2019 (pre-pandemic period), and were also boosted by the recent acquisitions of UNIFACIMED, UNESC and UNIFASB, which were fully consolidated in the results for the first time.

As a result, **the Company recorded 20% growth in its net revenue and 24% in its adjusted EBITDA, with a material 41% improvement in operating cash generation**, compared to 3Q20, supporting investments to generate organic growth, leading to a 26.2% increase in the student base, excluding acquisitions (31.9% including acquisitions).

These results show that the **Ser is being able to combine growth with profitability**, a strategic pillar in its organizational culture, while gradually **implements its strategy to build an ecosystem for continued education** which will enable the Company to continually build new competitive advantages, based on a distinctive proposal of experience and value to students.

The focus is now on **expanding the base of digital courses**, investing in the **new GoKursos marketplace**, which had its business model defined after a period of tests and market research to be launched in the market this quarter, seeking to offer its own and third-party courses. In addition, investments were made to generate **student base growth** through marketing initiatives, creation and expansion of new commercial channels, campus renovations, expansion of the base of digital learning centers and the introduction this year of the **new teaching methodology, Ubíqua**, which has shown positive market acceptance and has contributed to a distinguished experience for students from all lines of education.



6,000 online courses including certificate to impulse your career. Access updated content and meet your goals with GoKursos

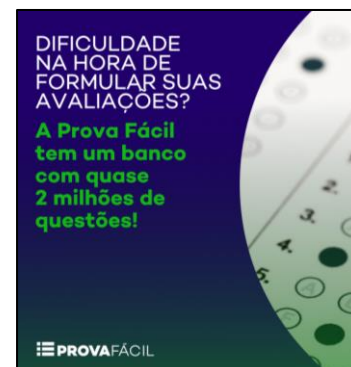


Other important aspect is that the acquisition pipeline continues to evolve, with the conclusion of two acquisitions: CDMV/DOK, which will enable the implementation of a differentiated strategy in veterinary medicine vertical and Prova Fácil, which will allow Ser Educacional to enter the promising and growing market for test management.

Ser Educacional is therefore rapidly benefiting from changes in the **higher education market that will be increasingly digitalized, multidisciplinary, continued and omnichannel**, achieving the resumption of growth in revenue and profitability base, while investing in new revenue generation levers, with a more scalable and diversified business model within the higher education market.

The Company is accelerating its strategic plan to achieve an attractive, profitable, and more flexible business model for its shareholders, which will allow it to quickly adapt to market trends with a modern portfolio of courses, as well as a complete platform, asset light distribution system with nationwide capillarity.

Management thanks its students, teachers, employees, shareholders and service providers for their trust and partnership during the year and believes that the evolution of its business plan will continue to bring positive results for the entire Brazilian society, contributing to its mission to produce, disseminate and socialize knowledge in the various fields of knowledge, forming entrepreneurial and innovative professionals and human beings, prepared for the present and future global labor world.



Having a hard time creating your tests? Prova Fácil have a question bank of almost 2 million questions!

OPERATIONAL PERFORMANCE

Student Enrollment of Continued Education			
In thousands	3Q21	3Q20	% Chg
Undergraduate Enrollments	49.3	37.4	32.0%
Digital	25.2	19.1	32.1%
Hybrid (On-campus)	24.1	18.3	31.9%
Hybrid (On-campus) - Ex-Acquisitions	22.8	16.8	35.4%
Graduate Enrollments	3.8	3.7	2.7%
Digital	3.6	3.5	2.3%
On-campus	0.2	0.2	8.3%
TOTAL	53.1	41.1	29.4%

Hybrid (on-campus) undergraduate student intake - 3Q21

The hybrid (on-campus) undergraduate intake grew 31.9% when comparing 3Q21 and 3Q20, as a result of the following factors: (i) the Company's new academic methodology launched in 2021 and which has better pedagogical practices, with flexibility in combining content, active methodologies, teaching by competence and market differentials that make learning much more fluid and attractive to students, (ii) advances in vaccination against COVID-19, which enabled the resumption of gradual on-campus activities by state governments, (iii) introduction of new distribution formats and commercial channels, adding more dynamism and speed to sales and (iv) normalization of the enrollment schedule for PROUNI and FIES students.



Digital learning undergraduate student intake - 3Q21

Digital learning undergraduate segment showed a 32.1% growth in intake in 3Q21, mainly as a result of the maturation of the new digital undergraduate and graduate education offer model introduced in 3Q20, which included the creation of a broader and more modern course portfolio, courses with market differentials such as: new, intuitive, and interactive content, unique payment plans, the possibility of accelerated graduation, among other technological and academic features. In addition, since the same period last year, the Company had reshaped its commercial area for digital courses, increased its marketing investments, and expanded its of partner learning centers, which has accelerated the growth of the student base in this segment.

Graduate student intake - 3Q21

The total enrollment for digital graduate programs recorded 2.3% growth in 3Q21, with an intake of 3.6 thousand students, versus 3.5 thousand in 3Q20. With the intake performance in this segment, the final base of digital graduate students in 3Q21 showed a 16.3% increase when compared to 3Q20, reaching 15.0 thousand students. The improved enrollment of digital learning graduate programs was due to the focus on offering these courses especially at partner learning centers.

Dropout Rate

The dropout rate for on-campus undergraduate was down 4.4 p.p., to 12.5% in 3Q21, versus 17.0% in 3Q20, showing that this rate has returned to pre-COVID-19 levels.

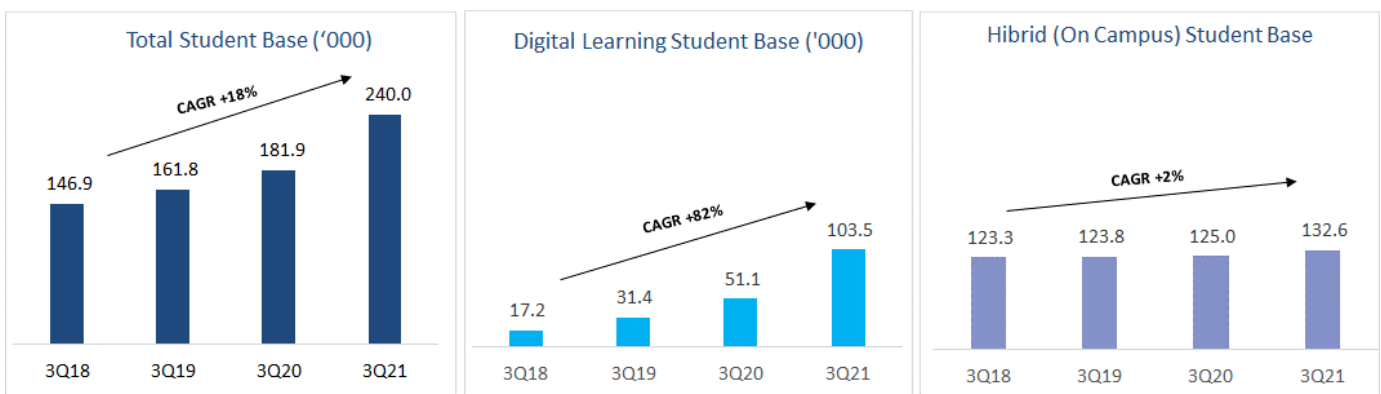
In digital undergraduate, dropout rate reached a record level, standing at 8.9%, versus 18.7% in 3Q20.

The dropout rates improvement is a result of the cooling of the effects of the pandemic and its impacts on the students' daily lives, as well as the result of activities implemented by the Company such as the creation of the experience tutors, implementation of the tuition payment plan via credit card and new features to control online attendance of students and re-enrollment, among others.



Evolution of the Student Base

As a result of the items discussed above, the hybrid (on-campus) undergraduate student base amounted to 132.6 thousand students, representing a 6.1% growth as compared to the reported base of 125.0 thousand students in 3Q20.



In the ex-acquisitions analysis, the 3Q21 x 3Q20 change in the hybrid (on-campus) undergraduate student base, showed 1.4% drop, an important result, as it virtually reverses the most significant drop in the student base, which



occurred during the first half of the year, due to the impacts of the second wave of COVID-19 pandemic. The student base in the digital segment (undergraduate + graduate) reached 103.5 thousand students in 3Q21, versus 51.1 thousand students in 3Q20, corresponding to 102.7% growth.

Number of Students	Undergraduate		Graduate		Vocational		Total
	Hybrid (On Campus)	Digital	On Campus	Digital	On Campus	Digital	Total
3Q21							
Jun21 Base	134,766	72,591	2,371	12,603	1,471	-	223,802
Enrollments	24,102	25,241	209	3,575	409	3	53,539
Acquisition	-	-	-	-	-	-	-
Leavers	(7,287)	(697)	(507)	(586)	(21)	-	(9,098)
Dropouts	(19,003)	(8,598)	(27)	(580)	(67)	-	(28,275)
Sep21 Base	132,578	88,537	2,046	15,012	1,792	3	239,968
% Sep21 Base / Jun21 Base	-1.6%	22.0%	-13.7%	19.1%	21.8%	0.0%	7.2%
% Sep21 Base / Sep20 Base	6.1%	131.9%	-55.2%	16.3%	38.5%	-89.3%	31.9%
Sep21 Base (Ex-Acquisitions)	123,154	87,788	1,863	14,952	1,792	3	229,552
% Sep21 Base / Sep20 Base	-1.4%	130.0%	-59.2%	15.8%	38.5%	-89.3%	26.2%

Average Net Ticket

Average Ticket (R\$)	3Q21	3Q20	% Chg. 3Q21 x 3Q20
Hybrid (On Campus) Undergraduate	649.64	628.67	3.3%
Digital (Undergraduate + graduate)	178.48	177.61	0.5%
Total Net Average Ticket	440.02	490.38	-10.3%

The average hybrid (on-campus) undergraduate ticket in 3Q21 was R\$ 649.64, representing 3.3% growth when compared to the same period of the previous year. Excluding acquisitions, which have a higher average ticket than the Company's mainly due to its seats in medical courses, the average ticket in hybrid (on-campus) undergraduate segment was R\$ 625.56, 2.9% lower compared to 3Q20, 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 maintenance of the average ticket refers to the change in the course mix, since the new line of 100% online courses was the main responsible for the increase in the volume of new enrollments.

Student Financing

STUDENT LOANS	Dec/13	Dec/14	Dec/15	Dec/16	Dec/17	Dec/18	Dec/19	3Q20	Dec/20	1Q21	2Q21	3Q21
Hybrid (on campus) Undergraduate Students	70,255	101,195	123,988	131,092	133,945	127,837	145,496	124,953	131,613	129,739	134,766	132,578
FIES Students	31,432	48,048	56,089	58,840	55,565	40,427	34,156	20,656	20,137	14,487	15,292	15,410
% of FIES Students	44.7%	47.5%	45.2%	44.9%	41.5%	31.6%	23.5%	16.5%	15.3%	11.2%	11.3%	11.6%
EDUCRED Students			754	1,922	2,390	3,952	4,464	3,084	3,779	2,168	3,335	2,368
% of EDUCRED Students			0.6%	1.5%	1.8%	3.1%	3.1%	2.5%	2.9%	1.7%	2.5%	1.8%
PRAVALER Students			954	1,794	2,873	3,265	2,168	1,200	1,612	772	839	641
% of PRAVALER Students			0.8%	1.4%	2.1%	2.6%	1.5%	1.0%	1.2%	0.6%	0.6%	0.5%
Total Students Loans			57,797	62,556	60,828	47,644	40,788	24,940	25,528	17,427	19,466	18,419
% of Total Students Loans			46.6%	47.7%	45.4%	37.3%	28.0%	20.0%	19.4%	13.4%	14.4%	13.9%

As of September 30, 2021, FIES students accounted for 11.6% of the hybrid (on-campus) undergraduate base, with 4.9 p.p. reduction as compared to the end of 3Q20, when FIES students accounted for 16.5% of the undergraduate



student base, and 5.4 p.p. reduction excluding acquisitions. This decline was caused by the federal government's decision to reduce the number of seats in the FIES program as of 2015, which had the number of new seats offered even more decreased as of 2018.

FINANCIAL PERFORMANCE

Service Revenue

Gross Revenue - Accounting (R\$ '000)	3Q21	3Q20	% Chg. 3Q21 x 3Q20	9M21	9M20	% Chg. 9M21 x 9M20
Gross Operating Revenue	695,578	568,993	22.2%	2,076,190	1,792,492	15.8%
Undergraduate Monthly Tuition	602,739	503,634	19.7%	1,820,690	1,607,758	13.2%
Graduate Monthly Tuition	4,775	6,766	-29.4%	16,229	24,741	-34.4%
Vocational Courses Monthly Tuition	378	383	-1.2%	1,156	1,311	-11.9%
Digital Learning Monthly Tuition	80,025	56,161	42.5%	223,660	152,100	47.0%
Others	7,661	2,049	273.8%	14,455	6,582	119.6%
Deductions from Gross Revenue	(371,495)	(299,539)	24.0%	(1,059,732)	(871,492)	21.6%
Discounts and Scholarships	(289,887)	(224,686)	29.0%	(814,571)	(650,169)	25.3%
PROUNI	(68,006)	(62,939)	8.1%	(205,227)	(178,847)	14.8%
FGEDUC And FIES charges	(1,928)	(2,563)	-24.8%	(5,529)	(10,810)	-48.9%
Taxes	(11,674)	(9,351)	24.8%	(34,405)	(31,666)	8.6%
% Discounts and Scholarships/ Net Oper. Rev.	41.7%	39.5%	2.2 p.p.	39.2%	36.3%	3.0 p.p.
Net Operating Revenue	324,083	269,454	20.3%	1,016,458	921,000	10.4%
Undergraduate Monthly Tuition	258,385	235,664	9.6%	845,443	820,960	3.0%
Graduate Monthly Tuition	2,628	4,375	-39.9%	10,224	16,211	-36.9%
Vocational Courses Revenues	313	362	-13.7%	1,030	1,205	-14.5%
Digital Learning Revenues	55,444	27,235	103.6%	145,961	76,519	90.7%
Others	7,313	1,817	302.4%	13,800	6,105	126.1%

In 3Q21, the Company's gross revenue amounted to R\$ 695.6 million, with 22.2% increase when compared to the same period last year. This increase is due to the consolidation of recent acquisition revenues, as well as the transfers of prices when comparing 3Q21 vs. 3Q20, and the increased volume of students enrolled both in the digital and hybrid education segment, combined with improved dropout rates due to the softening of the effects of the pandemic, as discussed in Dropout Rate section.

In 3Q21, net revenue amounted to R\$ 324.1 million, versus R\$ 269.5 million in 3Q20, corresponding to 20.3% increase, due to the acquisitions of UNIFACIMED, UNIJUAZEIRO, UNESC, UNIFASB and CDMV, in addition to the growth of the student base in digital and hybrid education. Excluding acquisitions, net revenue for the quarter was R\$ 285.7 million, a 5.4% growth year-over-year, demonstrating that the Company resumed organic net revenue growth, highlight to the 103.6% digital learning revenue hike.

Costs of Services Provided

Breakdown of Cost of Services Rendered ¹ Accounting (R\$ '000)	3Q21	3Q20	% Chg. 3Q21 x 3Q20	9M21	9M20	% Chg. 9M21 x 9M20
Cash Cost of Services Rendered	(111,550)	(94,647)	17.9%	(345,383)	(306,850)	12.6%
Payroll and Charges	(90,505)	(88,758)	2.0%	(283,531)	(277,997)	2.0%
Rent	(4,011)	3,202	N.M.	(10,067)	7,573	N.M.
Concessionaires (Electricity, Water and Telephone)	(6,131)	(6,303)	-2.7%	(18,446)	(21,566)	-14.5%
Third-Party Services and Others	(10,903)	(2,788)	291.1%	(33,339)	(14,860)	124.4%

¹ Excluding depreciation and amortization.



Cash cost of services (excluding depreciation and amortization) amounted to R\$ 111.6 million in 3Q21 versus R\$ 94.6 million in 3Q20, representing 17.9% increase as compared to 3Q20, due to the reasons listed below:

a) Personnel costs and charges in 3Q21 increased 2.0% when compared to 3Q20. Excluding personnel costs from acquisitions, the line of personnel and charges declined 12.8% closing 3Q21 at R\$ R\$ 77.4 million, mainly due to the optimization of the allocation of teaching hours in the hybrid (on-campus) undergraduate segment. In this scenario, the Company incurred non-recurring costs of R\$ 1.5 million in the quarter, which can be better analyzed in the table presented below.

b) Rental costs reached R\$ 4.0 million in 3Q21, versus a positive amount of R\$ 3.2 million in 3Q20, when rental costs were impacted by the renegotiations of remaining rents carried out in 2020 due to the effects of COVID-19. In 3Q21, rental agreements returned to their normal course, as on-campus administrative activities and practical classes were resumed. It is worth noting that rental discounts are subject to specific accounting treatment and are not included in IFRS 16 standards; accordingly, the amounts of reductions were recorded in the rental costs line, resulting in a positive balance in 3Q20. In 3Q21, the Company recorded R\$ 1.1 million in non-recurring rent related to a retroactive increase in one of its units, because of a court decision.

c) The “Concessionaires” line was down 2.7%, closing 3Q21 at R\$ 6.1 million, versus R\$ 6.3 million in 3Q20, due to efforts to optimize the Companies energy consumption, partially offset the gradual resumption of administrative activities, practical and theoretical classes, besides an increase in tariffs as well as the integration of new institutions.

d) Third-party and other services reached R\$ 10.9 million in 3Q21, versus R\$ 2.8 million in 3Q20, with 291.1% increase, due to the higher volume of practical classes for the health course student base, including digital learning and acquisitions, in addition to the increased volume of access to digital platforms. Excluding acquisition costs, the increase in the line of third-party services and others would have been 254.5%.

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

Breakdown of Cost of Services Rendered¹ Adjusted (R\$ '000)	3Q21	3Q20	% Chg. 3Q21 x 3Q20	9M21	9M20	% Chg. 9M21 x 9M20
Cash Cost of Services Rendered	(108,963)	(86,204)	26.4%	(336,027)	(297,028)	13.1%
Payroll and Charges	(89,017)	(80,315)	10.8%	(279,274)	(268,175)	4.1%
Rent	(2,912)	3,202	N.M.	(4,968)	7,573	N.M.
Concessionaires (Electricity, Water and Telephone)	(6,131)	(6,303)	-2.7%	(18,446)	(21,566)	-14.5%
Third-Party Services and Others	(10,903)	(2,788)	291.1%	(33,339)	(14,860)	124.4%

Gross Profit

Gross Profit - Accounting (R\$ '000)	3Q21	3Q20	% Chg. 3Q21 x 3Q20	9M21	9M20	% Chg. 9M21 x 9M20
Net Operating Revenue	324,083	269,454	20.3%	1,016,458	921,000	10.4%
Cost of Services Rendered	(154,838)	(134,955)	14.7%	(471,271)	(428,237)	10.0%
Gross Profit	169,245	134,499	25.8%	545,187	492,763	10.6%
Gross Margin	52.2%	49.9%	2.3 p.p.	53.6%	53.5%	0.1 p.p.
(-) Depreciation	43,288	40,308	7.4%	125,888	121,387	3.7%
Cash Gross Profit	212,533	174,807	21.6%	671,075	614,150	9.3%
Cash Gross Margin	65.6%	64.9%	0.7 p.p.	66.0%	66.7%	-0.7 p.p.



Gross cash profit recorded a 21.6% growth, from R\$ 174.8 million in 3Q20 to R\$ 212.5 million in 3Q21. Gross cash margin reached 65.6% in 3Q21, 0.7 p.p. higher than in 3Q20, when it reached 64.9%. The increase in gross profit reflects the effect of the normalization of the Company's activities as from 2Q21, since in 3Q20 the temporary activity reduction plan was running to mitigate the impacts of the social isolation measures implemented in that period. As a result, activities were resumed, increasing costs and investments for the resumption of organic growth, with emphasis on the Digital Learning segment in the quarterly comparison, which was offset by the increase in net revenue arising from acquisitions, still in the initial stage of gaining synergies. Excluding acquisitions, gross cash profit would have been 7.2% higher and gross cash margin would have reached 65.9%.

Depreciation was up 7.4%, increasing from R\$ 40.3 million in 3Q20 to R\$ 43.3 million in 3Q21, mainly due to the inclusion of depreciation of property, plant, and equipment, right to use and amortization of intangible assets of acquisitions. Depreciation and amortization line, ex-acquisitions reached R\$ 40.6 million in 3Q21.

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

Gross Profit - Adjusted (R\$ '000)	3Q21	3Q20	% Chg. 3Q21 x 3Q20	9M21	9M20	% Chg. 9M21 x 9M20
Net Operating Revenue	324,083	269,454	20.3%	1,016,458	921,000	10.4%
Cost of Services Rendered	(152,251)	(126,512)	20.3%	(461,915)	(418,415)	10.4%
Adjusted Gross Profit	171,832	142,942	20.2%	554,543	502,585	10.3%
Adjusted Gross Margin	53.0%	53.0%	0.0 p.p.	54.6%	54.6%	0.0 p.p.
(-) Depreciation	43,288	40,308	7.4%	125,888	121,387	3.7%
Adjusted Cash Gross Profit	215,120	183,250	17.4%	680,431	623,972	9.0%
Adjusted Cash Gross Margin	66.4%	68.0%	-1.6 p.p.	66.9%	67.7%	-0.8 p.p.

Operating Expenses (Selling, General and Administrative)

Operating Expenses - Accounting (R\$ '000)	3Q21	3Q20	% Chg. 3Q21 x 3Q20	9M21	9M20	% Chg. 9M21 x 9M20
General and Administrative Expenses	(129,373)	(111,531)	16.0%	(386,718)	(339,997)	13.7%
Payroll and Charges	(43,484)	(38,472)	13.0%	(123,665)	(112,443)	10.0%
Third-Party Services	(16,585)	(8,544)	94.1%	(43,789)	(32,628)	34.2%
Advertising	(29,153)	(23,919)	21.9%	(94,972)	(65,247)	45.6%
Materials	(2,609)	(1,644)	58.7%	(6,225)	(5,347)	16.4%
PDA	(22,195)	(28,925)	-23.3%	(79,815)	(90,141)	-11.5%
Others	(11,771)	(6,562)	79.4%	(28,117)	(23,535)	19.5%
Depreciation and Amortization	(3,576)	(3,465)	3.2%	(10,135)	(10,656)	-4.9%
Operating Income	32,172	9,729	230.7%	133,740	139,277	-4.0%
General and Administrative Expenses (Ex-Depreciation and Amortization)	(125,797)	(108,066)	16.4%	(376,583)	(329,341)	14.3%

General and administrative expenses increased 16.0%, from R\$ 111.5 million in 3Q20, to R\$ 129.4 million in 3Q21, mainly due to:



a) Personnel expenses and payroll charges recorded 13.0% increase as compared to 3Q20, from R\$ 38.5 million in 3Q20 to R\$ 43.5 million in 3Q21, due to the consolidation of acquisitions and a non-recurring effect of R\$ 2.5 million related to indemnity fines, resulting from the adjustment of the administrative structure to accommodate the Company's current student base. Ex-acquisitions this line would post a reduction of 3.4%, when comparing 3Q21 vs. 3Q20.

b) In 3Q21, expenses with services provided reached R\$ 16.6 million (R\$ 15.4 million, excluding acquired companies' expenses), representing 94.1% increase as compared to 3Q20, at R\$ 8.5 million, due to the normalization of activities when compared to 3Q20, a quarter highly impacted due to the period of social isolation implemented during the pandemic, service contracting for boosting digital brands and new activities of continued education ecosystem, in addition to non-recurring expenses related to M&A activities and implementation of new services amounting to approximately R\$ 3.9 million.

c) Advertising expenses increased 21.9% compared to 3Q20, from R\$ 23.9 million in 3Q20 to R\$ 29.2 million in 3Q21, corresponding to 9.0% of net revenue (17.9% growth, ex-acquisitions), due to the beginning of the normalization of intake activities versus 3Q20, a period in which there was a substantial reduction in on-campus activities and as a result of accelerated marketing initiatives, especially due to the acceleration of organic growth initiatives in the Digital and Hybrid Education segments.

d) PDA and Effective Losses line decreased from R\$ 28.9 million in 3Q20 to R\$ 22.2 million in 3Q21, representing a 23.3% decrease when compared to 3Q20, due to the improvement in undergraduate enrollments and tuition receipt rates and the lower need for more provisioning.

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

Operating Expenses - Adjusted (R\$ '000)	3Q21	3Q20	% Chg. 3Q21 x 3Q20	9M21	9M20	% Chg. 9M21 x 9M20
General and Administrative Expenses	(121,559)	(105,476)	15.2%	(370,910)	(318,739)	16.4%
Payroll and Charges	(40,969)	(35,668)	14.9%	(116,887)	(106,991)	9.2%
Third-Party Services	(12,651)	(5,657)	123.6%	(36,209)	(24,550)	47.5%
Advertising	(29,153)	(23,919)	21.9%	(94,972)	(65,247)	45.6%
Materials	(2,609)	(1,644)	58.7%	(6,225)	(5,347)	16.4%
PDA	(22,195)	(28,925)	-23.3%	(79,815)	(90,141)	-11.5%
Others	(10,406)	(6,198)	67.9%	(26,667)	(15,808)	68.7%
Depreciation and Amortization	(3,576)	(3,465)	3.2%	(10,135)	(10,656)	-4.9%
Adjusted Operating Income	47,081	36,406	29.3%	171,998	182,641	-5.8%
General and Administrative Expenses (Ex-Depreciation and Amortization)	(117,983)	(102,011)	15.7%	(360,775)	(308,083)	17.1%

Other net operating revenues (expenses)

In 3Q21, the net other operating income (expenses) line represented an expense of R\$7.6 million against an expense of R\$13.2 million in 3Q20, which was affected by the write-off of fixed assets and the right of use of returned properties from discontinued operations, in addition to the increase in contingencies in 3Q21, due to increased activity in ongoing lawsuits observed as of 2Q21, resulting in a non-recurring impact of R\$5.9 million.



EBITDA and Adjusted EBITDA

EBITDA (R\$ '000)	3Q21	3Q20	% Chg. 3Q21 x 3Q20	9M21	9M20	% Chg. 9M21 x 9M20
Net Income¹	(6,777)	(27,978)	-75.8%	48,989	43,504	12.6%
(+) Net financial expense ²	37,373	32,768	14.1%	90,834	83,309	9.0%
(+) Income and social contribution taxes	1,576	4,939	-68.1%	(6,083)	12,464	N.M.
(+) Depreciation and amortization	46,864	43,773	7.1%	136,023	132,043	3.0%
EBITDA¹	79,036	53,502	47.7%	269,763	271,320	-0.6%
EBITDA Margin	24.4%	19.9%	4.5 p.p.	26.5%	29.5%	-2.9 p.p.
(+) Revenue from Interest on Agreements and Others ²	3,875	3,891	-0.4%	13,533	13,828	-2.1%
(+) Non-recurring costs and expenses ³	14,909	26,677	-44.1%	38,258	43,364	-11.8%
(-) Minimum rent paid ⁴	(29,864)	(29,254)	2.1%	(88,538)	(87,418)	1.3%
Adjusted EBITDA⁵	67,956	54,816	24.0%	233,016	241,094	-3.4%
Adjusted EBITDA Margin	21.0%	20.3%	0.6 p.p.	22.9%	26.2%	-3.3 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 3Q21 period amounted to R\$ 68.0 million, with 24.0% growth as compared to 3Q20, when it reached R\$ 54.8 million. Adjusted EBITDA margin ended the third quarter of 2021 at 21.0%, with 0.6 p.p. growth as compared to 3Q20, when it reached 20.3%.

This increase reflects the combined effect of the normalization of the Company's activities, arising from the advance in vaccination which, together with commercial efforts that led to a resumption of growth in enrollment, increase in the student base and reduction in dropout rates compared to 3Q20. In addition, acquisitions were incorporated, still in the initial phase of gaining synergies, which was partially offset by the costs and expenses of the resumption of activities.

The statement of non-recurring items is as follows:

SUMMARY OF NON-RECURRING ITEMS (R\$ '000)	3Q21	3Q20	% Chg. 3Q21 x 3Q20	9M21	9M20	% Chg. 9M21 x 9M20
Non-Recurring Costs and Expenses Impacting Adjusted EBITDA	14,909	26,677	-44.1%	38,258	43,364	-11.8%
Rent	1,099	-	N.M.	5,099	-	N.M.
Payroll	4,003	11,247	-64.4%	11,035	15,274	-27.8%
Cost	1,488	8,443	-82.4%	4,257	9,822	-56.7%
Expense	2,515	2,804	-10.3%	6,778	5,452	24.3%
Third-Party Services	3,934	2,887	36.3%	7,580	8,078	-6.2%
Other Expenses / Other Net Operating Expenses	5,874	12,543	-53.2%	14,544	20,012	-27.3%
Non-Recurring Costs and Expenses that do not Impact Adjusted EBITDA	(677)	-	N.M.	(4,644)	-	N.M.
Complementary Income tax and social contribution on Adjusted Net Income*	(677)	-	N.M.	(4,644)	-	N.M.
Total Non Recurring Costs and Expenses	14,232	26,677	-46.6%	33,615	43,364	-22.5%

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



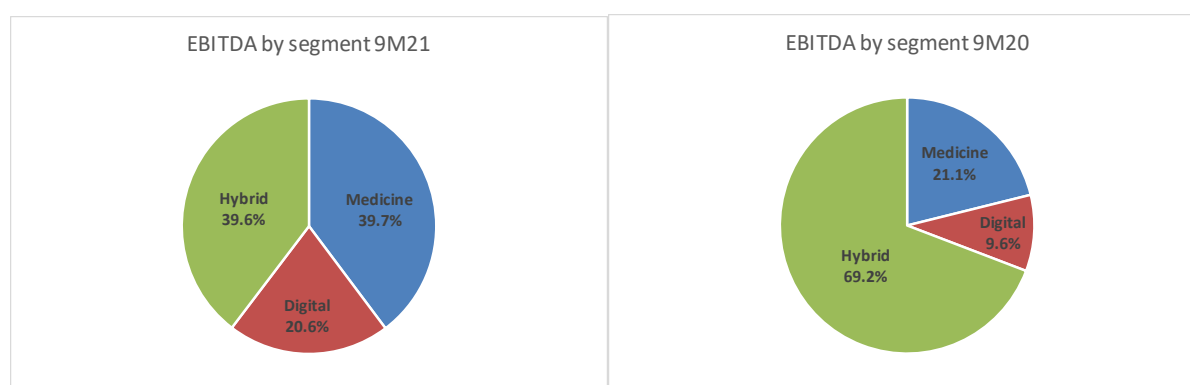
Adjusted EBITDA by segment

Result excluding new units and Distance Learning (R\$ ('000))	3Q21				9M21			
	On Campus	Digital Learning*	Acquisitions**	Consolidated	On Campus	Digital Learning*	Acquisitions**	Consolidated
Net Revenue	233,145	54,705	36,234	324,083	766,419	145,835	104,204	1,016,458
Adjusted Cash Gross Profit	153,462	43,211	18,448	215,120	514,081	108,967	57,383	680,431
<i>Adjusted Cash Gross Margin</i>	65.8%	79.0%	50.9%	66.4%	67.1%	74.7%	55.1%	66.9%
Adjusted EBITDA	34,011	23,921	10,024	67,956	152,887	48,091	32,038	233,016
<i>Adjusted EBITDA Margin</i>	14.6%	43.7%	27.7%	21.0%	19.9%	33.0%	30.7%	22.9%

* Results allocations are unaudited.

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

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



Financial Result

Financial Result - Accounting (R\$ '000)	3Q21	3Q20	% Chg. 3Q21 x 3Q20	9M21	9M20	% Chg. 9M21 x 9M20
(+) Financial Revenue	9,795	7,675	27.6%	25,689	23,339	10.1%
Interest on Agreements and Others	3,875	3,891	-0.4%	13,533	13,828	-2.1%
Returns on Financial Investments	5,489	3,642	50.7%	12,046	9,243	30.3%
Others	431	142	203.5%	110	268	-59.0%
(-) Financial Expenses	(47,168)	(40,443)	16.6%	(116,523)	(106,648)	9.3%
Interest Expenses	(10,353)	(8,254)	25.4%	(25,460)	(17,260)	47.5%
Interest on Leasing	(16,835)	(17,596)	-4.3%	(50,617)	(53,357)	-5.1%
Discounts Granted	(17,793)	(13,898)	28.0%	(33,369)	(30,342)	10.0%
Monetary Variation Expenses	(686)	(6)	11333.3%	(1,882)	(1,584)	18.8%
Others	(1,501)	(689)	117.9%	(5,195)	(4,105)	26.6%
Financial Result	(37,373)	(32,768)	14.1%	(90,834)	(83,309)	9.0%

Financial revenues recorded a 27.6% increase when compared to 3Q20, from R\$ 7.7 million in 3Q20 to R\$ 9.8 million in 3Q21, due to the following factors:

a) Interest on Agreements and Others stood at R\$ 3.9 million in 3Q21, in line with 3Q20, also at R\$ 3.9 million, due to the increased student base and net revenue.



b) Income from short-term investments increased from R\$ 3.6 million in 3Q20 to R\$ 5.5 million in 3Q21, representing 50.7% increase, as a result of the hike in CDI between the periods, despite the variation in the average cash balance.

Financial expenses amounted to R\$ 47.2 million in 3Q21, 16.6% higher than 3Q20, at R\$ 40.4 million. When comparing the two periods, this change was mainly due to:

a) Interest Expenses increased 25.4%, from R\$ 8.3 million in 3Q20 to R\$ 10.4 million in 3Q21, as result of hike in the average interest rate (CDI) on the financial debt, which was increased by the contracting of R\$ 500.0 million in working capital loans acquired from financial institutions during 2Q20.

b) Interest on Leases decreased from R\$ 17.6 million in 3Q20 to R\$ 16.8 million in 3Q21, representing a 4.3% reduction when comparing 3Q21 vs. 3Q20, due to the return of properties during the year, partially offset by the inclusion of UNIFACIMED, UNIJUAZEIRO and UNESC in the Company's consolidated results.

c) Discounts Granted increased 28.0%, reaching R\$ 17.8 million in 3Q21, versus R\$ 13.9 million in 3Q20, due to the higher volume of discounts in agreements for recovery of credits from old tuition fees. The increase in the volume of agreements for payment in installments of recent monthly fees, due to the impacts of COVID-19 on results were recorded as a sales deduction.

d) Inflation adjustment on liabilities reached R\$ 0.7 million in the quarter due to the beginning of accounting for IPCA or CDI variation on commitments payable from acquisitions.

As a result of the factors explained above, the net financial result was an expense of R\$ 37.4 million in 3Q21, versus an expense of R\$ 32.8 million in 3Q20, representing 14.1% increase.

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

Financial Result - Adjusted (R\$ '000)	3Q21	3Q20	% Chg. 3Q21 x 3Q20	9M21	9M20	% Chg. 9M21 x 9M20
(+) Financial Revenue	9,795	7,675	27.6%	25,689	23,339	10.1%
Interest on Agreements and Others	3,875	3,891	-0.4%	13,533	13,828	-2.1%
Returns on Financial Investments	5,489	3,642	50.7%	12,046	9,243	30.3%
Others	431	142	203.5%	110	268	-59.0%
(-) Financial Expenses	(47,168)	(40,443)	16.6%	(116,523)	(106,648)	9.3%
Interest Expenses	(10,353)	(8,254)	25.4%	(25,460)	(17,260)	47.5%
Interest on Leasing	(16,835)	(17,596)	-4.3%	(50,617)	(53,357)	-5.1%
Discounts Granted	(17,793)	(13,898)	28.0%	(33,369)	(30,342)	10.0%
Monetary Variation Expenses	(686)	(6)	11333.3%	(1,882)	(1,584)	18.8%
Others	(1,501)	(689)	117.9%	(5,195)	(4,105)	26.6%
Financial Result	(37,373)	(32,768)	14.1%	(90,834)	(83,309)	9.0%

Net Income

Net Income - Accounting (R\$ 000)	3Q21	3Q20	% Chg. 3Q21 x 3Q20	9M21	9M20	% Chg. 9M21 x 9M20
Operating Income	32,172	9,729	230.7%	133,740	139,277	-4.0%
(+) Financial Result	(37,373)	(32,768)	14.1%	(90,834)	(83,309)	9.0%
(+) Income and Soc. Contrib. Taxes	(3,010)	(4,905)	-38.6%	(5,551)	(9,814)	-43.4%
(+) Deferred Income and Soc. Contrib. Taxes	1,434	(34)	N.M.	11,634	(2,650)	N.M.
Net Income	(6,777)	(27,978)	-75.8%	48,989	43,504	12.6%
Net Margin	-2.1%	-10.4%	8.3 p.p.	4.8%	4.7%	0.1 p.p.



As a result of the effects discussed, operating income was R\$32.2 million in 3Q21, 230.7% higher than in 3Q20, when it reached R\$9.7 million. Income tax and social contribution expenses for the year totaled R\$3.0 million in 3Q21, against R\$4.9 million recorded in 3Q20, due to the reduction in operating and taxable income.

Deferred taxes increased by R\$1.4 million in 3Q21, due to the increase in the bases that constitute temporary differences, as the main items of these differences are the allowance 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\$ 7.5 million in 3Q21, versus adjusted net income of R\$ 1.3 million in 3Q20.

Net Income - Adjusted (R\$ 000)	3Q21	3Q20	% Chg. 3Q21 x 3Q20	9M21	9M20	% Chg. 9M21 x 9M20
Adjusted Operating Income	47,081	36,406	29.3%	171,998	182,641	-5.8%
(+) Financial Result	(37,373)	(32,768)	14.1%	(90,834)	(83,309)	9.0%
(+) Income and Soc. Contrib. Taxes	(3,687)	(4,905)	-24.8%	(10,195)	(9,814)	3.9%
(+) Deferred Income and Soc. Contrib. Taxes	1,434	(34)	N.M.	11,634	(2,650)	N.M.
Adjusted Net Income	7,455	(1,301)	N.M.	82,604	86,868	-4.9%
Adjusted Net Margin	2.3%	-0.5%	N.M.	8.1%	9.4%	-1.3 p.p.

Reconciliation of adjusted net income excluding IFRS-16 effects

Net Income Adjusted (Ex-IFRS 16) (R\$ ('000))	3Q21	3Q20	% Chg. 3Q21 x 3Q20	9M21	9M20	% Chg. 9M21 x 9M20
Adjusted Net Income (Loss)	7,455	(1,301)	N.M.	82,604	86,868	-4.9%
Adjusted Net Margin	2.3%	-0.5%	N.M.	8.1%	9.4%	-1.3 p.p.
Rent (IFRS 16)	(22,307)	(21,426)	4.1%	(65,866)	(63,937)	3.0%
Depreciation and Amortization (IFRS 16)	18,364	17,631	4.2%	54,449	52,714	3.3%
Interest on Leasing (IFRS 16)	11,126	11,501	-3.3%	33,327	34,919	-4.6%
Income and Social Contribution Taxes (IFRS 16)	(331)	(826)	-59.9%	(1,365)	(560)	143.7%
Adjusted Net Income (Loss) - (Ex-IFRS 16)	14,308	5,579	156.5%	103,149	110,004	-6.2%
Adjusted Net Margin (Ex-IFRS 16)	4.4%	2.1%	2.3 p.p.	10.1%	11.9%	-1.8 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\$ 14.3 million in the quarter, representing 156.5% growth compared to 3Q20.

Accounts Receivable and Net Receivable Days

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

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



Accounts Receivable and Average Receivable Days (R\$ '000)	3Q20 Proforma	4Q20	1Q21	2Q21	3Q21
Gross Accounts Receivable	646,883	689,265	689,154	739,693	697,072
Monthly tuition fees	298,139	352,708	366,420	402,075	349,443
FIES	122,144	115,762	79,231	94,133	79,020
Negotiated agreements receivable	101,189	98,532	106,940	103,365	113,701
Education credits receivable	96,333	102,730	108,531	118,121	122,870
Credit Card and Others	29,078	19,533	28,032	21,999	32,038
PDA balance	(247,375)	(259,272)	(259,030)	(266,122)	(270,429)
Net Accounts Receivable	399,508	429,993	430,124	473,571	426,643
Net Revenue (Last 12 Months - FIES+Ex-FIES+Pronatec)	1,271,307	1,250,463	1,248,661	1,291,292	1,345,921
Net Receivable Days (FIES+Ex-FIES+Pronatec)	113	124	124	132	114
Net Revenue FIES (Last 12 Months)	276,454	252,660	234,454	209,623	192,273
Net Receivable Days (FIES)	125	124	75	104	78
Net Receivable Days (Monthly tuition fees + Negotiated agreements receivable + Education credits receivable)	99	117	125	130	110

Average net receivable days increased from 113 to 114 days due to the following factors:

- The increase in NRD for monthly tuition fees, agreements receivable and educational credits, from 99 to 110 days, is mainly due to the higher volume of agreements made with students who were facing financial hardships during the pandemic period and had their payment terms extended through this past due tuition negotiation method and the increase in the volume of receivables from Educred due to the maturation of the student base in this modality, partially offset by the reduction of students enrolled in the program. On the other hand, in the comparison between 2Q21 and 3Q21, there is already a reduction in the average term, reflecting the improvement in re-enrollment rates and the positive effect of the campaigns to recover overdue tuition fees.
- FIES NRD dropped from 125 to 78 days due to the improvement in FNDE payment timeliness, especially in 1Q21.
- 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 3Q20 and comparing with the same effect arising from the acquisitions of UNIJUAZEIRO, UNIFACIMED, UNESC, UNIFASB and CDMV, FIES NRD + Ex FIES and FIES NRD on tuition fees, agreements receivable and education credits decreased 3 days in 3Q21, and 1 day in 3Q20.

Accounts Receivable and Average Receivable Days (R\$ '000)	Proforma with acquisitions		
	3Q20	2Q21	3Q21
Net Accounts Receivable	399,508	473,571	426,643
Net Revenue with acquisitions (Last 12 Months - FIES+Ex-FIES+Pronatec)	1,280,431	1,459,873	1,385,233
Net Receivable Days (FIES+Ex-FIES+Pronatec)	112	117	111
Net Receivable Days (Monthly tuition fees + Negotiated agreements receivable + Education credits receivable)	98	113	107



Aging of Monthly tuition fees (R\$ '000)	3Q20 Proforma	% Chg.	4Q20	% Chg.	3Q21	% Chg.
Overdue by up to 30 day	37,811	12.7%	43,090	12.2%	42,098	12.0%
Overdue from 31 to 60 days	14,147	4.7%	34,349	9.7%	17,793	5.1%
Overdue from 61 to 90 days	14,116	4.7%	28,710	8.1%	6,474	1.9%
Overdue from 91 to 180 days	74,474	25.0%	49,038	13.9%	61,733	17.7%
Overdue from 181 to 360 days	64,251	21.6%	92,179	26.1%	88,654	25.4%
Overdue from 361 to 540 days	53,608	18.0%	53,996	15.3%	81,591	23.3%
Overdue from 541 to 720 days	39,732	13.3%	51,346	14.6%	51,100	14.6%
TOTAL	298,139	100.0%	352,708	100.0%	349,443	100.0%
% of Gross Accounts Receivable	46.1%		51.2%		50.1%	

Aging of Negotiated Agreements (R\$ '000)	3Q20 Proforma	% Chg.	4Q20	% Chg.	3Q21	% Chg.
Not yet due	39,722	39.3%	24,614	25.0%	43,728	38.5%
Overdue by up to 30 day	8,043	7.9%	8,110	8.2%	8,125	7.1%
Overdue from 31 to 60 days	2,942	2.9%	8,066	8.2%	4,035	3.5%
Overdue from 61 to 90 days	2,346	2.3%	7,284	7.4%	3,785	3.3%
Overdue from 91 to 180 days	9,803	9.7%	10,614	10.8%	11,834	10.4%
Overdue from 181 to 360 days	15,175	15.0%	15,506	15.7%	17,769	15.6%
Overdue from 361 to 540 days	12,043	11.9%	12,612	12.8%	12,386	10.9%
Overdue from 541 to 720 days	11,115	11.0%	11,726	11.9%	12,039	10.6%
TOTAL	101,189	100.0%	98,532	100.0%	113,701	100.0%
% of Gross Accounts Receivable	15.6%		14.3%		16.3%	

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

Constitution of Provision for Doubtful Accounts in the Income Statement (R\$ '000)	12/31/2020	Provision for Doubtful Accounts from business combination	Gross Increase in Provision for Doubtful Accounts	Write-off	09/30/2021
Total	259,272	8,148	79,815	(76,806)	270,429

Investment (CAPEX)

CAPEX (R\$ ('000))	9M21	% of Total	9M20	% of Total
CAPEX Total	51,618	100.0%	39,480	100.0%
Property acquisition / Construction / Maintenance of campuses	15,787	30.6%	6,797	17.2%
Equipment / Library / IT	20,826	40.3%	12,427	31.5%
Licenses and Partnerships	12,712	24.6%	5,192	13.2%
Intangibles and Others	2,293	4.4%	15,064	38.2%
Acquisitions Debt Payment	235,024		90,995	
Total CAPEX + Acquisitions Payables	286,642		130,475	



In 9M21, the Company invested R\$ 51.6 million, and investments in refurbishments of campuses, equipment, laboratories and libraries amounted to R\$ 36.6 million, mainly explained by the resumption of activities when compared to 9M20. Investments in licenses and agreements amounted to R\$ 12.7 million. On the other hand, investments in intangibles and other investments amounted to R\$ 2.3 million, mainly due to the development of the digital content of the subjects offered in the Company's courses. Payments of Debt on Acquisitions refer to the amounts of the cash portion of UNESC and UNIFASB acquisition.

Indebtedness

Indebtedness (R\$ '000)	09/30/2021	12/31/2020	% Chg. Sep21 x Dec20
Total Cash	488,375	753,520	-35.2%
Judicial deposits	(49,079)	(53,780)	-8.7%
FG-FIES Guarantee Fund	(31,930)	(18,631)	71.4%
Cash, Cash equivalents and Securities	407,366	681,109	-40.2%
Cash and cash equivalents	390,368	679,933	-42.6%
Securities	16,998	1,176	1345.4%
Gross debt	(711,155)	(653,058)	8.9%
Loans and financing	(487,548)	(591,058)	-17.5%
Short term	(212,222)	(163,790)	29.6%
Long term	(275,326)	(427,268)	-35.6%
Aquisitions Payables*	(223,607)	(62,000)	260.7%
Net Cash (Debt)	(303,789)	28,051	N.M.
Net Cash (Debt) / Adjusted EBITDA (LTM)	(0.98)	0.09	

* Acquisitions payables refer to acquisition scheduled payments

The Company's cash and cash equivalents amounted to R\$ 488.4 million, a 35.2% decline as compared to December 2020. This change is due to the lower volume of revenues and receipts due to the intake and undergraduate enrollment process, where part of the receipt is linked to FIES students and is only received in 3Q21, and the payment for UNESC, UNIFASB, CDMV/hospital DOK and Prova Fácil acquisitions, which had its closing in February 2021, April 2021, August 2021 and September 2021, respectively.

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

- (i) Financing with IFC for the term of 7 years, in the amount of R\$ 120.0 million at CDI+2.05% p.a. up to 2018 and CDI+1.65% as of 2019, to be paid semi-annually as of April 15, 2017, and maturing on April 15, 2022, which balance on September 30, 2021, was R\$ 20.8 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, which balance as of September 30, 2021 was R\$ 458.9 million.



- (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 yielded interest of 100% of the average daily rate of interbank deposits, plus a spread of 1.35% per year, based on 252 Business Days and were effectively settled on the maturity date, on September 15, 2021.
- (iv) Increase in commitments payable due to acquisitions: (1) of UNESC, which had installment payments of the acquisition amounts financed by the selling shareholders, resulting in a balance payable of R\$ 75.1 million, including the payment conditioned to the approval of the medical seats in Vilhena; (2) of UNIFASB, which resulted in a balance payable of R\$ 80.0 million to be deposited in an escrow account and released to the sellers, after the deduction of indemnifiable liabilities by the sellers, in 5 successive annual installments, in the amount of R\$ 16.0 million each, with the first installment due on January 31, 2022, and the others on the same date of the subsequent 4 years; and (3) of CDVM and Hospital Veterinário DOK, whereby, according to the transaction structure, the amount of R\$ 3.6 million will be paid in 5 equal and successive installments of the same amount, the first maturing in the first anniversary date counted as from the closing date and the remaining in the same date of the subsequent 4 years, adjusted by IPCA variation between the closing date up to the date of each payment.

As of September 30, 2021, Ser Educacional group gross indebtedness amounted to R\$ 711.2 million, a 8.9% growth when compared to R\$ 653.1 million recorded on December 31, 2020, mainly as a result of UNESC, UNIFASB and CDMV/DOK acquisitions, as mentioned above.

In 3Q21, the Company had a net debt of R\$ 303.8 million versus a net cash of R\$ 28.1 million in 4Q20.

Debt Amortization Schedule (R\$ '000)	Loans and Financing	A.V. (%)	Aquisitions Payables	A.V. (%)	Debentures	A.V. (%)	Total	A.V. (%)
Short Term	212,222	43.5%	46,608	20.8%	-	0.0%	258,830	36.4%
Total Long Term	275,326	56.5%	176,999	79.2%	-	0.0%	452,325	63.6%
1-2 years	156,211	32.0%	46,448	20.8%	-	0.0%	202,659	28.5%
2-3 years	80,257	16.5%	69,491	31.1%	-	0.0%	149,748	21.1%
3-4 years	38,858	8.0%	43,030	19.2%	-	0.0%	81,888	11.5%
4-5 years	-	0.0%	18,030	8.1%	-	0.0%	18,030	2.5%
Total Loans, Financing and Acquisitions payables	487,548	100.0%	223,607	100.0%	-	0.0%	711,155	100.0%

Regarding the debt payment schedule, 36.4% 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)	3Q21	3Q20	% Chg. 3Q21 x 3Q20	9M21	9M20	% Chg. 9M21 x 9M20
Cash flow from operating activities						
Net cash from operating activities	82,318	58,169	41.5%	182,089	130,601	39.4%
(-) Cash flow allocated to investing activities	(56,179)	(16,820)	234.0%	(278,786)	(130,475)	113.7%
(+)/(-) Securities	(1,790)	(27)	6529.6%	(15,508)	90,913	N.M.
(+)/(-) Cash flow allocated to financing activities	(91,492)	(36,847)	148.3%	(177,360)	397,800	N.M.
(-) Interest on loans	(24,833)	(21,317)	16.5%	(64,730)	(79,030)	-18.1%
(-) Income and social contribution taxes paid	(479)	(4,146)	-88.4%	(34,426)	(7,614)	352.1%
Decrease in cash and cash equivalents	(67,143)	4,475	N.M.	(289,565)	488,839	N.M.
Net increase in cash and cash equivalents						
Beginning of period	457,511	699,537	-34.6%	679,933	215,173	216.0%
End of period	390,368	704,012	-44.6%	390,368	704,012	-44.6%
Decrease in cash and cash equivalents	(67,143)	4,475	N.M.	(289,565)	488,839	N.M.
Cash and Securities changes	(65,167)	4,505	N.M.	(273,743)	398,203	N.M.
Beginning of period	472,533	700,161	-32.5%	681,109	306,463	122.2%
End of period	407,366	704,666	-42.2%	407,366	704,666	-42.2%

The generation of net operating cash increased from R\$ 58.2 million in 3Q20 to R\$ 82.3 million in 3Q21. This increase was due to a number of factors, improvement in undergraduate enrollment and payment indicators, campaigns to recover overdue tuition fees and improved punctuality of payment by FNDE for students enrolled in FIES.

ABOUT SER EDUCACIONAL GROUP

Founded in 2003 and headquartered in Recife, Grupo Ser Educacional (B3 SEER3) is one of the largest private education groups in Brazil and leader in the Northeast and North regions in terms of number of students enrolled. The Company offers undergraduate, graduate, vocational and distance-learning courses in 26 states and the Federal District, with a consolidated base of around 240,000 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 e Maurício de Nassau, UNIVERITAS/UNG, UNAMA – Universidade da Amazônia e Faculdade da Amazônia, UNIVERITAS – Centro Universitário Universitas Veritas, Faculdades UNIVERITAS, UNINORTE – Centro Universitário do Norte, Centro Universitário de Ciências Biomédicas de Cacoal – UNIFACIMED, UNIJUZEIRO – Centro Universitário de Juazeiro do Norte, Sociedade Educacional de Rondônia – UNESC, Centro Universitário São Francisco de Barreiras – UNIFASB, CDMV - Centro de Desenvolvimento da Medicina Veterinária and Hospital Veterinário DOK.

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 the Management of Grupo Ser Educacional. Such forward-looking statements are substantially dependent on external factors, in addition to the risks presented in the disclosure documents filed by Grupo Ser Educacional and are therefore subject to change without prior notice.



ANNEXES - Income Statement

Income Statement - Accounting R\$ ('000)	3Q21	3Q20	% Chg. 3Q21 x 3Q20	9M21	9M20	% Chg. 9M21 x 9M20
Gross Operating Revenue	695,578	568,993	22.2%	2,076,190	1,792,492	15.8%
Undergraduate Monthly Tuition	602,739	503,634	19.7%	1,820,690	1,607,758	13.2%
Graduate Monthly Tuition	4,775	6,766	-29.4%	16,229	24,741	-34.4%
Vocational Courses Monthly Tuition	378	383	-1.2%	1,156	1,311	-11.9%
Digital Learning Monthly Tuition	80,025	56,161	42.5%	223,660	152,100	47.0%
Others	7,661	2,049	273.8%	14,455	6,582	119.6%
Deductions from Gross Revenue	(371,495)	(299,539)	24.0%	(1,059,732)	(871,492)	21.6%
Discounts and Scholarships	(289,887)	(224,686)	29.0%	(814,571)	(650,169)	25.3%
PROUNI	(68,006)	(62,939)	8.1%	(205,227)	(178,847)	14.8%
FGEDUC And FIES charges	(1,928)	(2,563)	-24.8%	(5,529)	(10,810)	-48.9%
Taxes	(11,674)	(9,351)	24.8%	(34,405)	(31,666)	8.6%
Net Operating Revenue	324,083	269,454	20.3%	1,016,458	921,000	10.4%
Cash Cost of Services Rendered	(154,838)	(134,955)	14.7%	(471,271)	(428,237)	10.0%
Payroll and Charges	(90,505)	(88,758)	2.0%	(283,531)	(277,997)	2.0%
Rent	(4,011)	3,202	N.M.	(10,067)	7,573	N.M.
Concessionaires (Electricity, Water and Telephone)	(6,131)	(6,303)	-2.7%	(18,446)	(21,566)	-14.5%
Third-Party Services	(10,903)	(2,788)	291.1%	(33,339)	(14,860)	124.4%
Depreciation and Amortization	(43,288)	(40,308)	7.4%	(125,888)	(121,387)	3.7%
Managerial Gross Profit	169,245	134,499	25.8%	545,187	492,763	10.6%
<i>Gross Margin</i>	<i>52.2%</i>	<i>49.9%</i>	<i>2.3 p.p.</i>	<i>53.6%</i>	<i>53.5%</i>	<i>0.1 p.p.</i>
Operating Expenses/Revenue	(137,073)	(124,770)	9.9%	(411,447)	(353,486)	16.4%
General and Administrative Expenses	(129,373)	(111,531)	16.0%	(386,718)	(339,997)	13.7%
Payroll and Charges	(43,484)	(38,472)	13.0%	(123,665)	(112,443)	10.0%
Third-Party Services	(16,585)	(8,544)	94.1%	(43,789)	(32,628)	34.2%
Advertising	(29,153)	(23,919)	21.9%	(94,972)	(65,247)	45.6%
Materials	(2,609)	(1,644)	58.7%	(6,225)	(5,347)	16.4%
PDA	(22,195)	(28,925)	-23.3%	(79,815)	(90,141)	-11.5%
Others	(11,771)	(6,562)	79.4%	(28,117)	(23,535)	19.5%
Depreciation and Amortization	(3,576)	(3,465)	3.2%	(10,135)	(10,656)	-4.9%
Other Operating Expenses/Revenue	(7,575)	(13,239)	-42.8%	(24,498)	(13,489)	0,081.6%
Profit sharing of subsidiaries	(125)	-	-100.0%	(231)	-	-0,100.0%
Managerial Operating Income	32,172	9,729	230.7%	133,740	139,277	-4.0%
<i>Operating Margin</i>	<i>9.9%</i>	<i>3.6%</i>	<i>6.3 p.p.</i>	<i>13.2%</i>	<i>15.1%</i>	<i>-2.0 p.p.</i>
(+) Adjusted Depreciation and Amortization	46,864	43,773	7.1%	136,023	132,043	3.0%
EBITDA	79,036	53,502	47.7%	269,763	271,320	-0.6%
<i>EBITDA Margin</i>	<i>24.4%</i>	<i>19.9%</i>	<i>4.5 p.p.</i>	<i>26.5%</i>	<i>29.5%</i>	<i>-2.9 p.p.</i>
(+) Non-recurring costs and expenses	14,909	26,677	-44.1%	38,258	43,364	-11.8%
(+) Interest on tuition and agreements	3,875	3,891	-0.4%	13,533	13,828	-2.1%
(-) Minimum rent paid	(29,864)	(29,254)	2.1%	(88,538)	(87,418)	1.3%
Adjusted EBITDA	67,956	54,816	24.0%	233,016	241,094	-3.4%
<i>Adjusted EBITDA Margin</i>	<i>21.0%</i>	<i>20.3%</i>	<i>0.6 p.p.</i>	<i>22.9%</i>	<i>26.2%</i>	<i>-3.3 p.p.</i>
(-) Adjusted Depreciation and Amortization	(46,864)	(43,773)	7.1%	(136,023)	(132,043)	3.0%
Adjusted EBIT	21,092	11,043	91.0%	96,993	109,051	-11.1%
<i>Adjusted EBIT Margin</i>	<i>6.5%</i>	<i>4.1%</i>	<i>2.4 p.p.</i>	<i>9.5%</i>	<i>11.8%</i>	<i>-2.3 p.p.</i>
Financial Result	(37,373)	(32,768)	14.1%	(90,834)	(83,309)	9.0%
(+) Financial Revenue	9,795	7,675	27.6%	25,689	23,339	10.1%
Interest on Agreements and Others	3,875	3,891	-0.4%	13,533	13,828	-2.1%
Returns on Financial Investments	5,489	3,642	50.7%	12,046	9,243	30.3%
Others	431	142	N.M.	110	268	N.M.
(-) Financial Expenses	(47,168)	(40,443)	16.6%	(116,523)	(106,648)	9.3%
Interest Expenses	(10,353)	(8,254)	25.4%	(25,460)	(17,260)	47.5%
Interest on Leasing	(16,835)	(17,596)	-4.3%	(50,617)	(53,357)	-5.1%
Discounts Granted	(17,793)	(13,898)	28.0%	(33,369)	(30,342)	10.0%
Monetary Variation Expenses	(686)	(6)	11333.3%	(1,882)	(1,584)	18.8%
Others	(1,501)	(689)	117.9%	(5,195)	(4,105)	26.6%
Income Before Income Taxes	(5,201)	(23,039)	-77.4%	42,906	55,968	-23.3%
Income and Social Contribution Taxes	(1,576)	(4,939)	N.M.	6,083	(12,464)	-148.8%
Current	(3,010)	(4,905)	-38.6%	(5,551)	(9,814)	-43.4%
Deferred	1,434	(34)	N.M.	11,634	(2,650)	N.M.
Consolidated Net Income	(6,777)	(27,978)	-75.8%	48,989	43,504	12.6%
<i>Net Margin</i>	<i>-2.1%</i>	<i>-10.4%</i>	<i>8.3 p.p.</i>	<i>4.8%</i>	<i>4.7%</i>	<i>0.1 p.p.</i>



Income Statement - Managerial

Income Statement - Adjusted R\$ ('000)	3Q21	3Q20	% Chg. 3Q21 x 3Q20	9M21	9M20	% Chg. 9M21 x 9M20
Gross Operating Revenue	695,578	568,993	22.2%	2,076,190	1,792,492	15.8%
Undergraduate Monthly Tuition	602,739	503,634	19.7%	1,820,690	1,607,758	13.2%
Graduate Monthly Tuition	4,775	6,766	-29.4%	16,229	24,741	-34.4%
Vocational Courses Monthly Tuition	378	383	-1.2%	1,156	1,311	-11.9%
Digital Learning Monthly Tuition	80,025	56,161	42.5%	223,660	152,100	47.0%
Others	7,661	2,049	273.8%	14,455	6,582	119.6%
Deductions from Gross Revenue	(371,495)	(299,539)	24.0%	(1,059,732)	(871,492)	21.6%
Discounts and Scholarships	(289,887)	(224,686)	29.0%	(814,571)	(650,169)	25.3%
PROUNI	(68,006)	(62,939)	8.1%	(205,227)	(178,847)	14.8%
FGEDUC And FIES charges	(1,928)	(2,563)	-24.8%	(5,529)	(10,810)	-48.9%
Taxes	(11,674)	(9,351)	24.8%	(34,405)	(31,666)	8.6%
Net Operating Revenue	324,083	269,454	20.3%	1,016,458	921,000	10.4%
Cash Cost of Services Rendered	(152,251)	(126,512)	20.3%	(461,915)	(418,415)	10.4%
Payroll and Charges	(89,017)	(80,315)	10.8%	(279,274)	(268,175)	4.1%
Rent	(2,912)	3,202	N.M.	(4,968)	7,573	N.M.
Concessionaires (Electricity, Water and Telephone)	(6,131)	(6,303)	-2.7%	(18,446)	(21,566)	-14.5%
Third-Party Services	(10,903)	(2,788)	291.1%	(33,339)	(14,860)	124.4%
Depreciation and Amortization	(43,288)	(40,308)	7.4%	(125,888)	(121,387)	3.7%
Managerial Gross Profit	171,832	142,942	20.2%	554,543	502,585	10.3%
<i>Managerial Gross Margin</i>	<i>53.0%</i>	<i>53.0%</i>	<i>0.0 p.p.</i>	<i>54.6%</i>	<i>54.6%</i>	<i>0.0 p.p.</i>
Operating Expenses/Revenue	(124,751)	(106,536)	17.1%	(382,545)	(319,944)	19.6%
General and Administrative Expenses	(121,559)	(105,476)	15.2%	(370,910)	(318,739)	16.4%
Payroll and Charges	(40,969)	(35,668)	14.9%	(116,887)	(106,991)	9.2%
Third-Party Services	(12,651)	(5,657)	123.6%	(36,209)	(24,550)	47.5%
Advertising	(29,153)	(23,919)	21.9%	(94,972)	(65,247)	45.6%
Materials	(2,609)	(1,644)	58.7%	(6,225)	(5,347)	16.4%
PDA	(22,195)	(28,925)	-23.3%	(79,815)	(90,141)	-11.5%
Others	(10,406)	(6,198)	67.9%	(26,667)	(15,808)	68.7%
Depreciation and Amortization	(3,576)	(3,465)	3.2%	(10,135)	(10,656)	-4.9%
Other Operating Expenses/Revenue	(3,066)	(1,060)	189.3%	(11,404)	(1,205)	846.7%
Profit sharing of subsidiaries	(125)	-	-100.0%	(231)	-	-100.0%
Managerial Operating Income	47,081	36,406	29.3%	171,998	182,641	-5.8%
<i>Managerial Operating Margin</i>	<i>14.5%</i>	<i>13.5%</i>	<i>1.0 p.p.</i>	<i>16.9%</i>	<i>19.8%</i>	<i>-2.9 p.p.</i>
(+) Depreciation and Amortization	46,864	43,773	7.1%	136,023	132,043	3.0%
(+) Interest on tuition and agreements	3,875	3,891	-0.4%	13,533	13,828	-2.1%
(-) Minimum rent paid	(29,864)	(29,254)	2.1%	(88,538)	(87,418)	1.3%
Adjusted EBITDA	67,956	54,816	24.0%	233,016	241,094	-3.4%
<i>Adjusted EBITDA Margin</i>	<i>21.0%</i>	<i>20.3%</i>	<i>0.6 p.p.</i>	<i>22.9%</i>	<i>26.2%</i>	<i>-3.3 p.p.</i>
(-) Depreciation and Amortization	(46,864)	(43,773)	7.1%	(136,023)	(132,043)	3.0%
Adjusted EBIT	21,092	11,043	91.0%	96,993	109,051	-11.1%
<i>Adjusted EBIT Margin</i>	<i>6.5%</i>	<i>4.1%</i>	<i>2.4 p.p.</i>	<i>9.5%</i>	<i>11.8%</i>	<i>-2.3 p.p.</i>
Financial Result	(37,373)	(32,768)	14.1%	(90,834)	(83,309)	9.0%
(+) Financial Revenue	9,795	7,675	27.6%	25,689	23,339	10.1%
Interest on Agreements and Others	3,875	3,891	-0.4%	13,533	13,828	-2.1%
Returns on Financial Investments	5,489	3,642	50.7%	12,046	9,243	30.3%
Others	431	142	N.M.	110	268	N.M.
(-) Financial Expenses	(47,168)	(40,443)	16.6%	(116,523)	(106,648)	9.3%
Interest Expenses	(10,353)	(8,254)	25.4%	(25,460)	(17,260)	47.5%
Interest on Leasing	(16,835)	(17,596)	-4.3%	(50,617)	(53,357)	-5.1%
Discounts Granted	(17,793)	(13,898)	28.0%	(33,369)	(30,342)	10.0%
Monetary Variation Expenses	(686)	(6)	11333.3%	(1,882)	(1,584)	18.8%
Others	(1,501)	(689)	117.9%	(5,195)	(4,105)	26.6%
Income Before Income Taxes	9,708	3,638	166.9%	81,164	99,332	-18.3%
Income and Social Contribution Taxes	(2,253)	(4,939)	N.M.	1,439	(12,464)	-111.5%
Current	(3,687)	(4,905)	-24.8%	(10,195)	(9,814)	3.9%
Deferred	1,434	(34)	N.M.	11,634	(2,650)	N.M.
Adjusted Consolidated Net Income	7,455	(1,301)	-673.0%	82,604	86,868	-4.9%
<i>Adjusted Net Margin</i>	<i>2.3%</i>	<i>-0.5%</i>	<i>2.8 p.p.</i>	<i>8.1%</i>	<i>9.4%</i>	<i>-1.3 p.p.</i>



Balance Sheet

Balance Sheet - ASSETS (R\$ '000)	09/30/2021	12/31/2020	% Chg. Sep21 x Dec20
Total Assets	3,174,687	3,091,485	2.7%
Current Assets	800,559	1,082,299	-26.0%
Cash and cash equivalents	390,368	679,933	-42.6%
Securities	16,998	1,176	1345.4%
Accounts receivable	350,007	363,718	-3.8%
Taxes recoverable	18,797	12,556	49.7%
Related parties	1,952	1,952	0.0%
Other assets	22,437	22,964	-2.3%
Non-Current Assets	2,374,128	2,009,186	18.2%
Long-Term Assets	294,561	268,625	9.7%
Accounts receivable	76,636	66,275	15.6%
Related parties	4,556	6,020	-24.3%
Other assets	52,754	58,636	-10.0%
Indemnifications	108,766	112,015	-2.9%
FG-FIES Guarantee Fund	31,930	18,631	71.4%
Other Accounts receivable	19,919	7,048	182.6%
Investments	1,548	-	N.M.
Intangible assets	1,035,414	716,735	44.5%
Right-of-Use Assets	547,233	570,737	-4.1%
Property, plant and equipment	495,372	453,089	9.3%
Balance Sheet - LIABILITIES (R\$ '000)	09/30/2021	12/31/2020	% Chg. Sep21 x Dec20
Total Liabilities	1,715,104	1,664,998	3.0%
Current Liabilities	547,398	449,744	21.7%
Suppliers	31,957	38,170	-16.3%
Accounts payable	46,608	2,400	1842.0%
Loans and financing	212,222	113,624	86.8%
Debentures	-	50,166	-100.0%
Payroll and charges	120,088	92,945	29.2%
Taxes payable	18,303	49,013	-62.7%
Leasing	63,492	49,320	28.7%
Dividends payable	15,893	24,718	-35.7%
Other liabilities	38,835	29,388	32.1%
Non-Current Liabilities	1,167,706	1,215,254	-3.9%
Loans and financing	275,326	427,268	-35.6%
Leasing	588,294	601,707	-2.2%
Accounts payable	176,999	59,600	197.0%
Taxes payable	5,216	5,261	-0.9%
Provision for contingencies	121,859	121,406	0.4%
Other liabilities	12	12	0.0%
Consolidated Shareholders' Equity	1,459,583	1,426,487	2.3%
Capital Realized	987,549	987,549	0.0%
Income Reserve	441,387	438,938	0.6%
Retained income	30,647	-	N.M.
Total Liabilities and Shareholders' Equity	3,174,687	3,091,485	2.7%



Cash flow

Cash Flow Statement (R\$ '000)	09/30/2021	09/30/2020	% Chg. Sep21 x Sep20
Consolidated Net Income for the Period before IncomeTaxes	42,906	55,968	-23.3%
Depreciation and amortization	136,023	132,043	3.0%
Provisions	3,702	(904)	N.M.
Equity in results of subsidiaries	231	-	N.M.
Adjustment present value of accounts receivable	1,936	5,374	-64.0%
Adjustment present value of Payables	1,720	-	0.0%
Provision for doubtful accounts	79,815	90,141	-11.5%
Sale of Non-Current Assets	2,678	9,949	-73.1%
Income from financial investments	(314)	(277)	13.4%
Interest and exchange variation, net	77,793	70,940	9.7%
Adjusted Net Income	346,490	363,234	-4.6%
Changes in Assets and Liabilities	(65,245)	(145,989)	-55.3%
Accounts receivable	(72,009)	(161,134)	-55.3%
Taxes recoverable	(4,467)	(5,307)	-15.8%
Other assets	(8,415)	614	-1470.5%
Suppliers	(6,737)	(1,330)	406.5%
Payroll and charges	22,965	34,927	-34.2%
Taxes payable	(4,243)	(11,357)	-62.6%
Other liabilities	7,661	(2,402)	N.M.
Cash generated from operations	281,245	217,245	29.5%
Other	(99,156)	(86,644)	14.4%
Interest on loans and debentures	(14,113)	(25,673)	-45.0%
Interest on leases	(50,617)	(53,357)	-5.1%
Income and social contribution taxes paid	(34,426)	(7,614)	352.1%
Net Cash from Operating Activities	182,089	130,601	39.4%
Net Cash from Investing Activities	(294,294)	(39,562)	643.9%
Securities investments	(200,167)	(15,506)	1190.9%
Redemption of securities	184,659	106,419	73.5%
Additions to property, plant and equipment	(36,953)	(19,224)	92.2%
Additions to intangible assets	(14,665)	(20,256)	-27.6%
Net cash from business combination	7,856	-	0.0%
Acquisition of subsidiaries Payments	(235,024)	(90,995)	158.3%
Net Cash from Financing Activities	(177,360)	397,800	-144.6%
Amortization of Debentures	(50,000)	(50,000)	0.0%
Loans and financing	-	499,299	N.M.
Amortization of loans and financing	(66,186)	(12,840)	415.5%
Amortization of leasing	(37,921)	(34,060)	11.3%
Related parties	1,464	1,464	0.0%
Dividends	(24,717)	(6,063)	307.7%
Decrease in Cash and Cash Equivalents	(289,565)	488,839	-159.2%
Cash and Cash Equivalents at Beginning of Period	679,933	215,173	216.0%
Cash and Cash Equivalents at End of Period	390,368	704,012	-44.6%
Cash changes and Securities	(273,743)	398,203	-168.7%