



Cruzeiro do Sul
Educatonal

3Q21 & 9M21 RESULTS

CSED

B3 LISTED NM

DISCLAIMER

This presentation may contain forward-looking statements. These forecasts only reflect expectations of the Company's managers regarding future economic conditions, as well as the Company's performance, financial performance and results, among others. The terms "anticipates", "believes", "expects", "predicts", "intends", "plans", "projects", "objective", "should", and similar terms, which, of course, involve risks and uncertainties that may or may not be expected by the Company and therefore are not guarantees of future results of the Company and therefore the future results of the Company's operations may differ from current expectations and the reader should not rely exclusively in the information contained herein. The Company does not undertake to update the presentations and forecasts in the light of new information or its future developments. The values reported for 2021 onwards are estimates or targets. The financial and operational information set out in this presentation is rounded off. The total amount is presented in the tables and graphs could therefore differ from the direct numerical aggregation of the preceding numbers. Non-financial information contained herein, as well as other operational information, were not audited by independent auditors. No investment decision should be based on validity, accuracy or completeness of the information or opinions contained in this presentation.

3Q21 & 9M21 Conference Call

November 17th, 2021

14hs (Brasilia) / 13hs (New York) / 18hs (London)

+1 412 717-9627 | +1 844 204-8942

[Click here](#) to access the webcast in portuguese

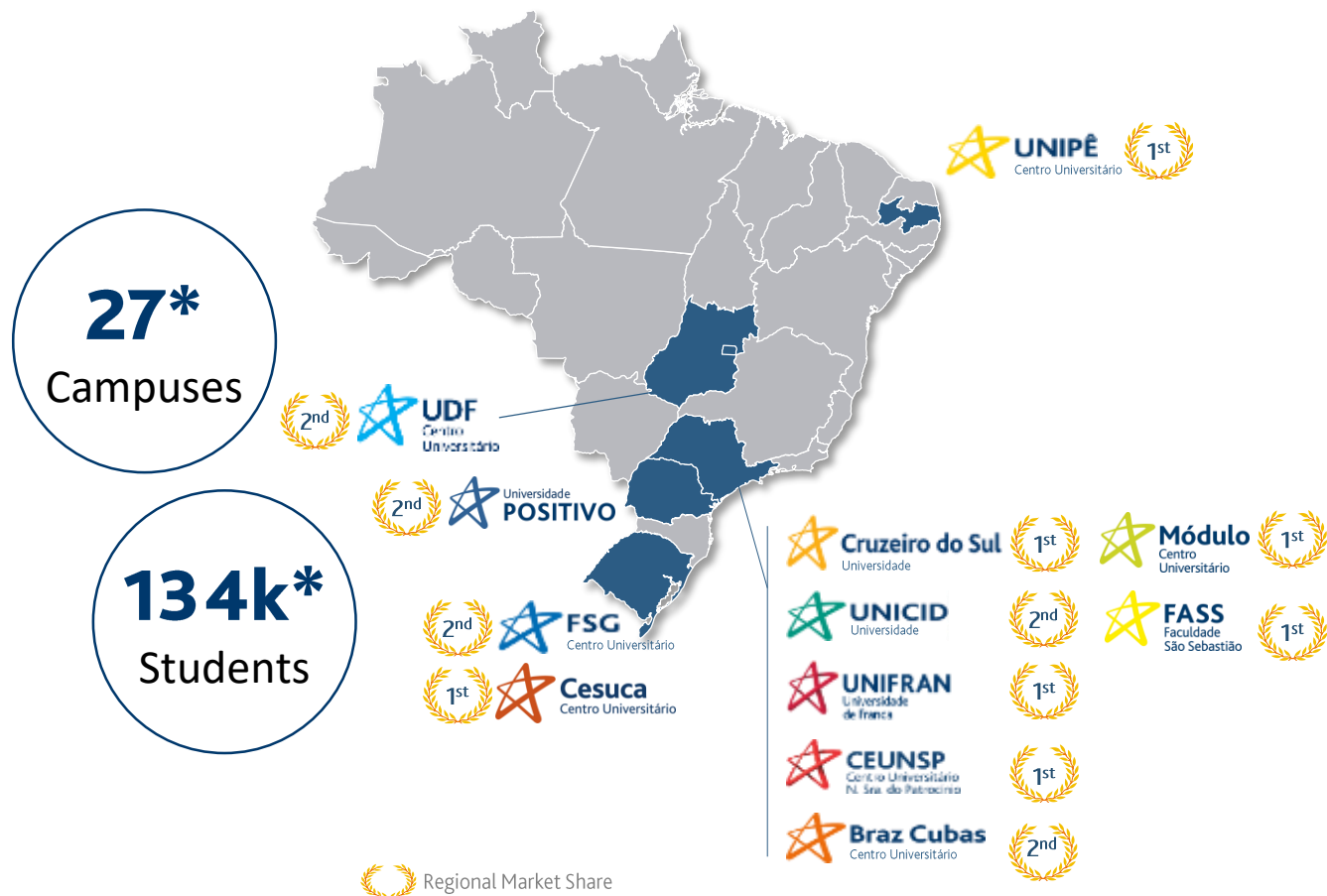
[Click here](#) to access the webcast in English
(Simultaneous Translation)

Investor Relations

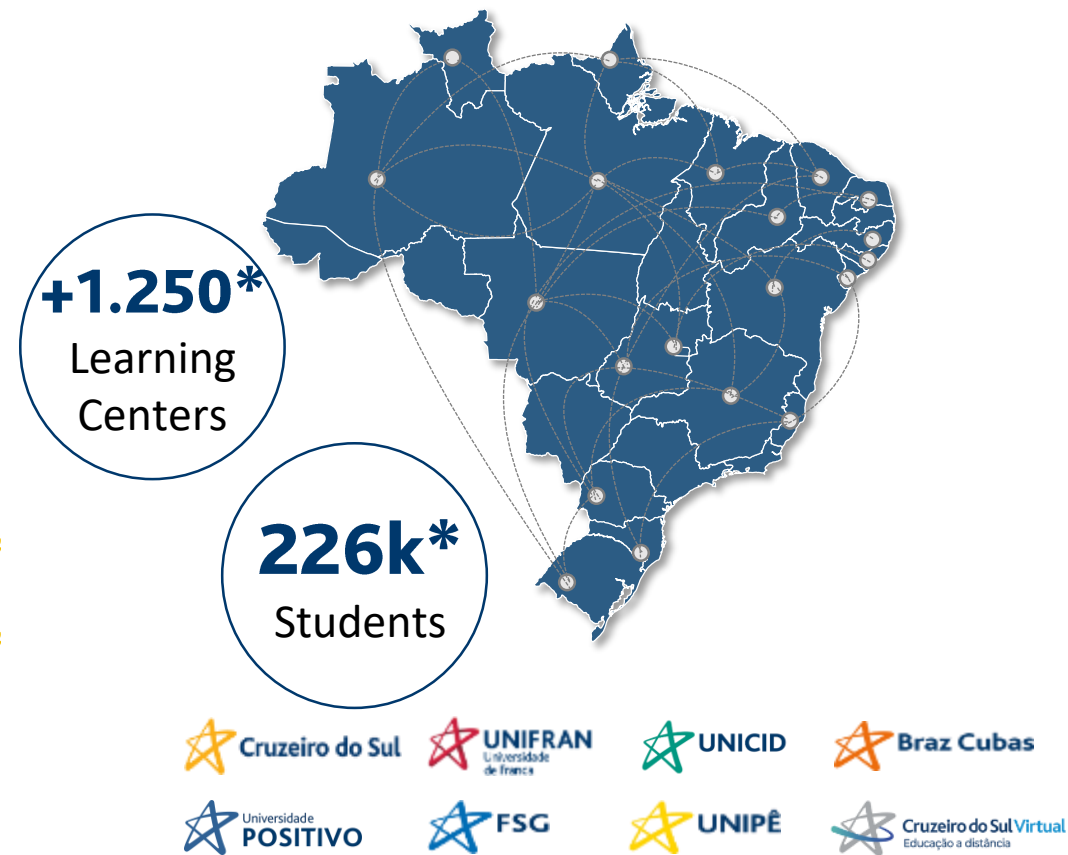
dri@cruzeirodosul.edu.br

Cruzeiro do Sul Educacional is one of the largest quality-focused education group in Brazil with more than 360k * students in 27 campuses and more than 1,250 learning centers.

On Campus



Distance Learning



Focus on quality is one of the key strategic pillars and translates into leadership positions when compared to the listed players*

Best weighted avg IGC¹ among the listed players*



Higher number of courses with a 4-5 grade in CPC² vs. listed *



Above-average performance in the indicators that set the CPC

IDD - Performance Variation Index



Enade



Professors with PHD



Recent Achievements

Best two courses in Brazil in the Preliminary Course Concept - CPC (Public + Private Institutions)

- UniFran Med School
- Cesuca Production Engineering

ENADE 2019: Highest Grade (5)

- UniFran Med School (1st among privates in SP state)
- Universidade Positivo Med School (1st in Curitiba and 2nd in Paraná state among public and private)

Three institutions (FSG, Unipê and Braz Cubas) moved to 4-5 grade at IGC 2019

- 77% of our active institutions have a 4-5 grade (vs. 57% previously)

Professors with Masters



Professor's Work Regime



Pedagogical Structure



Infrastructure



*Listes players: YDUQS, Ser, Cogna, Afya, Anima +Laureate and Vitru. ¹(IGC – Índice Geral de Cursos) weighted by enrollments²(CPC – Conceito Preliminar de Curso 2019)

Highlights

- ★ **2021.2 on-campus intake cycle ended September 30th with an expansion of 23% vs. 2H21 cycle, showing the resilience of our brands and a potential recovery in on-campus segment; In DL, up to Nov/12 the indication was a growth of 14% in the 2H21 cycle (which ends on Nov/16), after intense price competition at the beginning and which cooled down in the second half of the cycle**
- ★ **Student base at the end of 3Q21 reached 360.000 students, an increase of 5.6% vs. 2020, with on-campus slightly lower and distance learning expanding by 10.8%with**
- ★ **Evolution of 6.1p.p. in on-campus re-enrollment vs. the high of the pandemic, converging to historic numbers and showing a more resilient student base**
- ★ **Opening of 56 new Distance Learning centers through partners with a business bias that contribute to end-to-end management**
- ★ **Premium courses (synchronicity/on-campus) already represent 13% of the DL student base, an evolution of 2.8 p.p. Y/Y**
- ★ **Beginning of the intake process for 2,000 distance nursing seats under Centro Universitário Braz Cubas, our first seats in the modality representing another important step in portfolio diversification**
- ★ **Revenue of R\$437 million (+1.2% YoY) due to DL acceleration and the recovery of on-campus base, despite being impacted by the mandatory discount injunction at Unipê. Excluding this effect, revenue would have expanded by 2.6%**
- ★ **Adjusted EBITDA of R\$131 million with a margin of 30.1% vs. R\$158 million in 3Q20 (36.5% margin), impacted by salary readjustments, technology services and higher marketing investments**
- ★ **Adjusted Net Earnings of R\$30 million vs. R\$68 million in 3Q20**
- ★ **Consistent managerial operating cash flow generation that reached R\$96 million in the period (~77% of EBITDA)**

Message from the Management

The third quarter of 2021 was an exceptionally important quarter in the 55-year history of Cruzeiro do Sul Educacional, marking the transition of the ownership families to act more focused on the strategic sphere, both in thematic committees and in the board of directors, preserving the values that guarantee our record of excellence in education. This step represents the shareholders' desire to focus on governance, but also to prepare Cruzeiro do Sul Educacional's next steps. We continue to pay attention to the well-being of our employees and students, adapting our operation to the health protocols in force on a weekly basis. Our campuses have already started to receive the first students, especially those courses that require laboratory practices, and this is an important milestone in the resumption of on-campus activities aiming at 100% for the 2022 school year.

The 2H21 on-site intake process, which ended on September 30th, brought components that show that we may expect a positive scenario in 2022. In the on-campus side, we grew the intake process by 23.4% vs. 2020 showing the resilience of our brands and a potential recovery in the segment. It is important to highlight our commercial strategy of focusing on out-of-the-pocket paying students without impacting enrollment growth. Re-enrollments improved by 6.1 p.p. vs. the high of the pandemic, converging on historic numbers, showing a more resilient student base.

In DL, up to Nov/12 the indication was a growth of 14% in the 2H21 cycle (which ends on Nov/16), after intense price competition at the beginning and which cooled down in the second half of the cycle. We continue to focus on a differentiated courses portfolio and modalities, which contribute to the attractiveness of the business, both for our students and for our DL center partners. Premium courses (synchronicity/on-site) already represent 12.9% of the student base, an evolution of 2.8 p.p. Y/Y. The differentiated portfolio, together with the maintenance of our commercial practice of avoiding large discounts, resulted in the segment's average ticket being close to R\$206. Additionally, this quarter, we added 56 new centers to the system with attractive locations and partners that contribute to end-use management. In addition, this quarter, we added 56 new DL centers to the system, seeking partners with a business bias and that contribute to end-of-end management. At the end of the quarter, we started the selection process for the 2,000 distance nursing seats under Centro Universitário Braz Cubas, our first seats in the distance modality, representing another important step in the diversification of our portfolio.

On the academic side, Unifran was once again ranked in the Times Higher Education (THE), with the 1st place among Brazilian for-profit universities, 64th position among Brazilian Institutions and 155th in Latin America. In addition, 27 of our researchers were among the 10,000 most influential in Latin America/BRICS by AD Scientific Index 2021 and researchers from Unicid and Unifran have registered a patent for inputs generated in sewage treatment to be used in agriculture, contributing to the country's sustainability and reinforcing our position of academic quality.

With regard to the 3Q21, we ended with a student base 5.6% higher than last year (3Q20), with on-campus slightly below of 2020, still impacted by the pandemic and distance learning expanding by 10.8%. The distance learning acceleration mitigated the pressure in the on-campus student base and made consolidated revenue 1.2% higher than in 3Q20, reaching R\$437 million. Adjusted EBITDA reached R\$131 million, with a 30.1% margin, vs. R\$158 million in 3Q20 (36.5% margin), impacted by salary readjustments, higher marketing expenses and with technology services. In Adjusted Net Earnings, we reached R\$30 million, against R\$68 million recorded in the same period of the previous year. Managerial operating cash flow generation reached R\$96 million, 77% of EBITDA.

The Management Team

Highlights 3Q21

R\$ million	3Q21	3Q20	%
Students - YE '000	360,0	340,9	5,6%
On Campus - YE '000	133,9	136,8	(2,1%)
DL - YE '000	226,1	204,1	10,8%
Revenues	436,9	431,9	1,2%
Gross Margin	50,5%	54,6%	-414bps
Adj. EBITDA	131,5	157,7	(16,6%)
EBITDA Margin	30,1%	36,5%	-641bps
Adj. Net Earnings¹	30,0	67,7	(55,7%)
Manag. Oper. Cash Flow ²	95,7	72,4	32,1%
MOCF/EBITDA	76,9%	65,3%	+1.160bps

Highlights 9M21

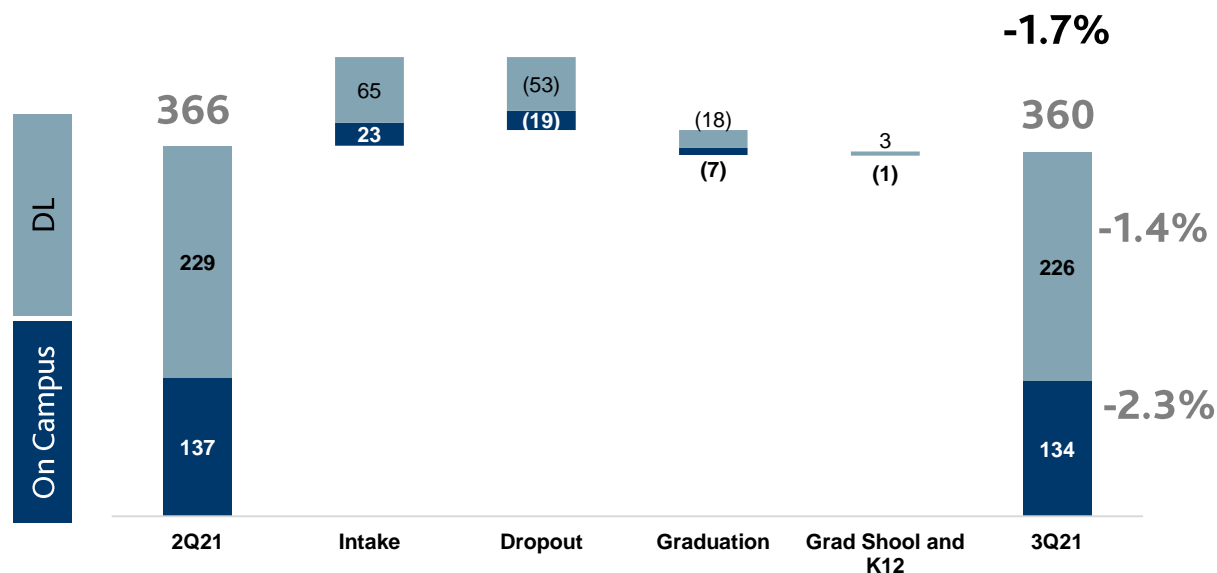
R\$ million	9M21	9M20	%
Students - YE '000	360,0	340,9	5,6%
On Campus - YE '000	133,9	136,8	(2,1%)
DL - YE '000	226,1	204,1	10,8%
Revenues	1.336,3	1.331,4	0,4%
Gross Margin	48,8%	45,7%	+303bps
Adj. EBITDA	389,6	342,0	13,9%
EBITDA Margin	29,2%	25,7%	+347bps
Adj. Net Earnings¹	106,1	83,1	27,6%
Manag. Oper. Cash Flow ²	263,7	202,3	30,3%
MOCF/EBITDA	71,5%	90,8%	-1.926bps

Note: Adjusted EBITDA and Net Profit are managerial figures

¹ Non audited Adjusted Net Earnings: Net Earnings – Intangible Amortization - Non recurring expenses

² Managerial non audited

Operating Figures – Students Base ('000)*



☆ On-campus student base decreased by 2.3% in 3Q21 vs. 2Q21 while in 2020 the reduction Q/Q was 7.3% vs. 2019.

☆ Compared to the same period in 2020, despite a 23.4% increase in the intake process, the student base decreased by 2.1%, still impacted by the adverse scenario of the pandemic in the last 18 months.

On-Campus	3Q21	3Q20	YoY
BoP	137	148	(7,1%)
Intake	23	19	23,4%
Dropout	(19)	(19)	1,1%
Graduation	(7)	(8)	(15,3%)
Gra School and K12	(1)	(3)	(80,2%)
EoP	134	137	(2,1%)

☆ In DL, we decreased the base by 1.4% vs. 2Q21, due to the increased competition and the maintenance of our commercial practice of avoiding large discounts. It should be noted that, in DL, we carried out 8 processes throughout the year vs. 2 in on-campus.

☆ Compared to 3Q20, the student base expanded by 10.8%, benefiting from the higher number of DL centers (+56;+4.7%), despite the increase in the graduates and dropouts students.

DL	3Q21	3Q20	YoY
BoP	229	196	17,0%
Intake	65	63	2,2%
Dropout	(53)	(40)	31,7%
Graduation	(18)	(15)	21,2%
Gra School and K12	3	0	-
EoP	226	204	10,8%

*Managerial numbers

Dropout includes: Freshmen and senior dropout plus non re-enrollment; Student Base includes ~4k K12 students on Sep/21

Operating Figures – Undergrad Average Ticket* - 3Q21 & 9M21

R\$ million	3Q21	3Q20	%
Adjusted On campus avg Ticket¹	917	950	(3,5%)
Distance Learning avg Ticket	206	218	(5,5%)

- ★ In 3Q21, the adjusted average ticket (excluding Unipê injunction with mandatory discount and adjustments at UP) for on-campus graduation decreased by 3.5% impacted by a larger number of freshmen (lower ticket) at the students base. Including the impact by the injunction, the average ticket would have decreased by 7.8%.
- ★ In DL, the average undergraduate ticket was 5.5% lower despite the competitive environment.

R\$ million	9M21	9M20	%
Adjusted On campus avg Ticket¹	906	906	0,0%
Distance Learning avg Ticket	212	223	(4,9%)

- ★ In the 9-month period, the adjusted average ticket (excluding Unipê injunction with mandatory discount and adjustments in UP) for on-campus undergrad was in line with the same period in 2020, reflecting the incorporation of acquired companies, such as Universidade Positivo, which has a premium positioning in the region where it acts, at the end of 1Q21. Including the impacts of the injunction at Unipê, the average ticket in the 9-month period would have been R\$881, a reduction of 3.4% vs. the 9M20.
- ★ In DL, there was a drop of 4.9% despite the competitive environment.

*Average Ticket = Ex-Prouni revenue divided by the number of invoices issued in the period.

¹ Excluding Unipê injunction that came into effect in September 2020 and considers adjustments at Universidade Positivo reflecting the practices of Cruzeiro do Sul Educacional.

Financial Results – Net Revenue* - 3Q21 & 9M21

R\$ million	3Q21	3Q20	%
On Campus	326,2	340,0	(4,0%)
Distance Learning	123,7	105,0	17,8%
Revenue net of scholarships, cancellations and discounts	450,0	445,0	1,1%
Other Revenues	2,4	1,3	87,0%
Taxes	(15,4)	(14,4)	7,1%
Net Revenue	436,9	431,9	1,2%

R\$ million	9M21	9M20	%
On Campus	995,2	1.048,8	(5,1%)
Distance Learning	378,3	318,6	18,7%
Revenue net of scholarships, cancellations and discounts	1.373,5	1.367,4	0,4%
Other Revenues	9,3	8,7	6,1%
Taxes	(46,5)	(44,7)	3,9%
Net Revenue	1.336,3	1.331,4	0,4%

- ★ Consolidated net revenue in the 3Q21 reached R\$436.9 million, 1.2% higher than in 3Q20. Excluding the negative impact of the mandatory discount injunction at Unipê of R\$8.5 million (1.9% of revenue) in 3Q21, vs. R\$2.1 million in 3Q20, revenue would expand by 2.6%, benefiting from the growth in the distance learning business, which mitigated the drop in on-campus (impacted by the pandemic).
- ★ Net revenue from scholarships, cancellations and discounts in the on-campus decreased by 4.0%, reaching R\$326.2 million, impacted by the injunction at Unipê (R\$8.5 million in 3Q21 vs. R\$2.1 million in 3Q20) and by the lower student base (-2.1%). Excluding the effects of the injunction, the drop in revenue would have been 2.1%.
- ★ Net revenue from scholarships, cancellations and discounts in DL expanded by 17.8%, reflecting the larger student base (+10.8%) and the higher number of DL centers (+56;+4.7%).
- ★ Consolidated net revenue in 9M21 reached R\$1.3 billion, in line with the revenue of R\$1.3 billion in 9M20. Excluding the negative impact of the mandatory discount injunction at Unipê of R\$27 million (2.0% of revenue) in 9M21, vs. R\$2.1 million in 9M20, revenue would expand by 2.2%, benefiting from the growth in the distance learning business, which mitigated the drop in on-campus (impacted by the pandemic).
- ★ Net revenue from scholarships, cancellations and discounts in the on-campus decreased by 5.1%, reaching R\$995.2 million, impacted by the injunction at Unipê (R\$27 million in 9M21 vs. R\$2.1 million in 9M20) and by the lower student base (-2.1%). Excluding the effects of the injunction, the drop in revenue would have been 2.7%.
- ★ Net revenue from scholarships, cancellations and discounts in DL expanded by 18.7%, reflecting the larger student base (+10.8%) and the higher number of DL centers (+56;+4.7%).

*Unaudited Segment Revenue net of scholarships, cancellations and discounts, while consolidated net revenue adds other revenues and is net of taxes

Financial Results – Gross Profit – 3Q21 & 9M21

R\$ million	3Q21	3Q20	%
Labor	(90,4)	(97,3)	(7,1%)
Right of Use Amortization	(27,0)	(20,9)	29,4%
Partners' DL Centers	(30,0)	(27,3)	9,8%
Other Costs	(69,0)	(50,5)	36,6%
Gross Profit	220,6	236,0	(6,5%)
Gross Margin	50,5%	54,6%	-414bps
Non Recurring	2,2	14,0	(84,5%)
Adjusted Gross Profit	222,8	250,0	(10,9%)
Adj. Gross Margin	51,0%	57,9%	-689bps

R\$ million	9M21	9M20	%
Labor	(308,0)	(389,5)	(20,9%)
Right of Use Amortization	(75,2)	(58,7)	28,3%
Partners' DL Centers	(86,8)	(83,0)	4,7%
Other Costs	(214,6)	(191,5)	12,1%
Gross Profit	651,6	608,9	7,0%
Gross Margin	48,8%	45,7%	+303bps
Non Recurring	6,8	47,1	(85,5%)
Adjusted Gross Profit	658,5	655,9	0,4%
Adj. Gross Margin	49,3%	49,3%	+1bps

- ★ Gross profit in the quarter reached R\$220.6 million, 6.5% lower than in 3Q20, with a margin of 50.5% (-4.1 p.p. y/y). The increase in costs in 3Q21 was mainly by the following factors: (i) Increase in the right of use amortization, impacted by the IGPM inflation index that impact on rents; (ii) salaries readjustments (ex-SP), (iii) technology services and (iv) more investments in the 2021.2 intake cycle.
 - ★ The 3Q20 was impacted by non-recurring costs of R\$14 million remaining from the Zero Based Budget carried out at FSG, Positivo and Cesuca.
 - ★ Excluding the impact of non-recurring costs, gross profit in 3Q21 would have fallen by 10.9% and the margin would have been 51.0% (-6.9 p.p.).
-
- ★ Gross profit in 9M21 reached R\$651.6 million, 7.0% higher than the same period in 2020, with a margin of 48.8% (+3.0 p.p. y/y). Non-recurring costs in 9M21 totaled R\$6.8 million.
 - ★ The beginning of the pandemic in March 2020, added the incorporation of Braz Cubas and Universidade Positivo, and zero base budget that we carried out in the period, directly impacted 9M20 with non-recurring costs of R\$47 million.
 - ★ Excluding the impact of non-recurring costs, gross profit in 9M21 would have expanded by 0.4% and the margin would be in line with 49.3% in 9M20. The advance of digital in on-campus was mitigated by late intake process in 1H21, higher costs in the intake process, both in 2021.1 and 2021.2 cycles, salary allowance of ~R\$8 million and the increase in the right of use amortization.

Financial Results – Adjusted EBITDA – 3Q21 & 9M21

R\$ million	3Q21	3Q20	%
Gross Profit	220,6	236,0	(6,5%)
<i>Gross Margin</i>	50,5%	54,6%	<i>-414bps</i>
SG&A	(101,1)	(111,1)	(9,0%)
PDA	(23,5)	(35,7)	(34,4%)
D&A	(24,0)	(29,4)	(18,5%)
Other Revenues	1,5	1,0	45,8%
EBIT	73,6	60,7	21,2%
D&A	51,0	50,3	1,3%
EBITDA	124,5	111,0	12,2%
<i>EBITDA Margin</i>	28,5%	25,7%	<i>+280bps</i>
Non Recurring ¹	7,0	46,7	(85,1%)
Adjusted EBITDA	131,5	157,7	(16,6%)
<i>Adj. EBITDA Margin</i>	30,1%	36,5%	<i>-641bps</i>

R\$ million	9M21	9M20	%
Gross Profit	651,6	608,9	7,0%
<i>Gross Margin</i>	48,8%	45,7%	<i>+303bps</i>
SG&A	(291,5)	(335,8)	(13,2%)
PDA	(73,8)	(117,2)	(37,1%)
D&A	(68,7)	(78,5)	(12,5%)
Other Revenues	7,0	8,3	(15,1%)
EBIT	224,7	85,7	162,1%
D&A	143,9	137,1	4,9%
EBITDA	368,6	222,9	65,4%
<i>EBITDA Margin</i>	27,6%	16,7%	<i>+1.085bps</i>
Non Recurring ¹	21,0	119,1	(82,4%)
Adjusted EBITDA	389,6	342,0	13,9%
<i>Adj. EBITDA Margin</i>	29,2%	25,7%	<i>+347bps</i>

★ Adjusted EBITDA in the quarter reached R\$131.5 million, 16.6% lower vs. 3Q20 with a margin of 30.1% (-6.4 p.p. y/y). The decrease in adjusted EBITDA in 3Q21 was basically explained by the reduction in the Company's gross profit. Additionally, in expenses, we observe a lower PDA in the period (5.4% in 3Q21 vs. 8.3% in 3Q20) which were partially mitigated by the absence of provision reversal in 3Q21 (expense of R\$1.9 million in 3Q21 vs. revenue of R\$5.9 million in 3Q20).

★ Adjusted EBITDA in 9M21 reached R\$389.6 million, 13.9% higher than in 9M20, with a margin of 29.2% (+3.5 p.p. y/y). It should be highlighted that part of this advance is explained by: i) positive evolution in PDA of 3.3p.p. (5.5% of revenue) and ii) scale gains in the integration of acquired companies, keeping the focus in quality, which mitigated the impacts of: a) higher funding expenses, b) mandatory discount injunction at Unipê (~R\$27 million, and c) ~R\$12 million in salary allowance (~R\$8 million in costs and ~R\$4 million in expenses)

¹Non Recurring, details p. 20: In 2021 – (i) Expenses incurred in the opening of units and expansion of DL centers; and (ii) Terminations / In 2020: (i) Termination costs due to the impact of COVID-19; (ii), Expenses incurred in the opening of units and expansion of DL centers; and (iii) The costs incurred in M&As)

Financial Results – Net Earnings – 3Q21 & 9M21

R\$ million	3Q21	3Q20	%
EBITDA	124,5	111,0	12,2%
D&A	(51,0)	(50,3)	1,3%
Financial Result	(66,0)	(60,8)	8,6%
Taxes	6,0	3,8	58,0%
Net Earnings	13,5	3,7	-
Intangible Amortization	9,5	17,3	(45,1%)
Non Recurring Expenses	7,0	46,7	(85,1%)
Adj. Net Earnings	30,0	67,7	(55,7%)

★ Adjusted net earnings for the quarter reached R\$30.0 million vs. R\$67.7 in 3Q20, reflecting the impacts on operating performance and higher financial expenses resulting from higher interest expenses on lease liabilities.

R\$ million	9M21	9M20	%
EBITDA	368,6	222,9	65,4%
D&A	(143,9)	(137,1)	4,9%
Financial Result	(174,2)	(170,6)	2,1%
Taxes	7,3	6,5	12,4%
Net Earnings	57,9	(78,4)	-
Intangible Amortization	27,2	42,4	(35,8%)
Non Recurring Expenses	21,0	119,1	(82,4%)
Adj. Net Earnings	106,1	83,1	27,6%

★ Adjusted net earnings in 9M21 reached R\$106.1 million, 27.6% higher than the R\$83.1 million in 9M20, reflecting the impacts on operating performance. The largest cash available as a result of the IPO mitigated the impacts.

*Adjusted Net Profit is unaudited

Intangible Amortization includes: Capital gains (Brands, Customer Portfolio, DL Centers, Customer Relationship and Non-competition Clauses)

Financial Results – Accounts Receivable – 3Q21

R\$ million	3Q21	3Q20	%	1H21	%
Tuition	516,3	438,1	17,9%	529,6	2,6%
Student Financing Agreements	62,2	68,2	(8,8%)	73,1	17,5%
Other Receivables	42,5	37,4	13,4%	36,8	(13,4%)
Gross Receivables	665,9	584,7	13,9%	676,3	1,6%
AVP	(3,5)	(2,6)	33,0%	(2,5)	(29,3%)
PDA	(478,8)	(398,7)	20,1%	(462,1)	(3,5%)
Net Receivables	183,6	183,4	0,1%	211,8	15,3%
Days of Receivables	38	38	-0 dias	42	5 days

★ The average collection period was in line with Sep/20, ending the quarter and ended on 09/30/21 in 38 days and with an improvement of ~5 days compared to the semester ended on June 30th,2021 (period related to the end of the academic semester).

★ The company continues with its strategy of maintaining a low penetration of students in Student Financing Programs¹(5.4% of the on-site basis on 09/30/21) and limiting agreements.

*DoR: Accounts Receivables/Quarter Revenues*90 ; DoR: Accounts Receivables/Semester Revenues*180

¹ FIES, Credsul and Pravalor

Financial Results – Capex* - 3Q21 & 9M21

R\$ million	3Q21	3Q20	%
Maintenance	(22,4)	(11,3)	97,2%
Expansion	(2,2)	(0,0)	-
Capex	(24,6)	(11,4)	115,9%

R\$ million	9M21	9M20	%
Maintenance	(59,4)	(25,8)	129,9%
Expansion	(10,4)	(6,5)	59,1%
Acquisitions	-	(330,3)	(100,0%)
Capex	(69,8)	(362,7)	(80,8%)

☆ Investments in 3Q21 were approximately R\$24.6 million, an increase of R\$13.2 million vs. 3Q20 motivated by the resumption of projects in maintenance that had been halted at the beginning of 2020 due to the pandemic. The investment in expansion reflects the Campina de Grande/PB and DL Hub Centers.

☆ Investments in 9M21 were approximately R\$ 69.8 million, a significant reduction, impacted by the pandemic and due to the acquisitions of Braz Cubas and Positivo last year.

☆ Additionally, it should be highlighted that investments with expansion in 9M21 include Villa Lobos-SP/SP, Campina Grande/PB, Guarulhos/SP and DL Hub centers, while investments in 9M20 come from the opening of the Santo Amaro campus – SP/SP.

*Managerial Information

Financial Results – Managerial Operating Cash Flow

R\$ million	3Q21	3Q20	%
EBITDA	124,5	111,0	12,2%
Rents	(43,0)	(33,6)	27,9%
Working Capital ¹	39,9	7,2	457,2%
Taxes	(1,1)	(0,7)	55,0%
CAPEX	(24,6)	(11,4)	115,9%
Manag. Oper. Cash Flow²	95,7	72,4	32,1%
MOCF/EBITDA	76,9%	65,3%	+1.160bps
Non Recurring	7,0	46,7	(85,1%)
Adj. Manag. Oper. Cash Flow ²	102,7	119,1	(13,8%)

R\$ million	9M21	9M20	%
EBITDA	368,6	222,9	65,4%
Rents	(127,1)	(92,4)	37,6%
Working Capital ¹	94,9	107,8	(12,0%)
Taxes	(2,9)	(3,6)	(19,4%)
CAPEX	(69,8)	(32,4)	115,6%
Manag. Oper. Cash Flow²	263,7	202,3	30,3%
MOCF/EBITDA	71,5%	90,8%	-1.926bps
Non Recurring	21,0	119,1	(82,4%)
Adj. Manag. Oper. Cash Flow ²	284,6	321,4	(11,4%)

★ The managerial operating cash flow generation, including non-recurring expenses of R\$7.0 million in the quarter, reached R\$95,7 million, 32.1% higher than in 3Q20, and reached 76,9% of EBITDA. It should be noted that in 3Q20 there was a postponement of the payment of INSS/FGTS from 2Q20 to 3Q20, doubly impacting the period.

★ Excluding non-recurring impacts, managerial operating cash flow generation would be close to R\$102.7 million vs. R\$119.1 million last year.

★ The managerial operating cash flow generation, including non-recurring expenses of R\$21.0 million in 9M21, reached R\$263.7 million, 30.3% higher than in 9M20 despite the benefits of working capital from last year, and reached 71.5% of EBITDA.

★ Excluding non-recurring impacts, managerial operating cash flow generation would have been R\$284.6 million, 11.4% lower than the same period last year.

¹ Working capital: Current assets (Accounts receivable, Taxes recoverable and Other credits) and Current liabilities (Suppliers, Obligations with related parties, Labor obligations, Tax obligations, Advances from customers, Deferred revenue, Other accounts payable)

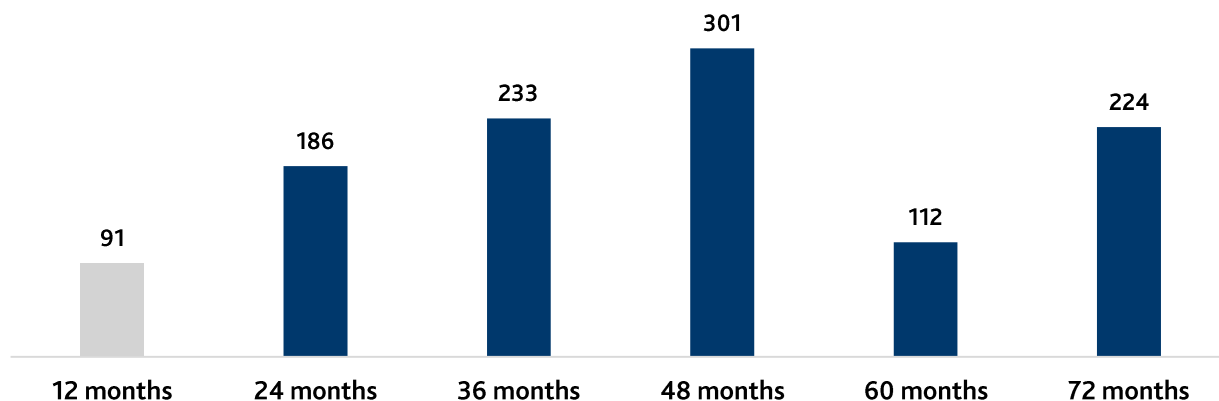
² Managerial information including non-recurring expenses

Financial Results – Net Debt (Cash)

R\$ million	3Q21	3Q20	%	2Q21	%
Cash	(1.110)	(305)	263,7%	(1.149)	(3,4%)
Financial Debt	1.178	1.401	(15,9%)	1.252	(5,9%)
Acquisition	389	386	0,9%	385	1,2%
Net Debt (Cash)	458	1.482	(69,1%)	488	(6,2%)
Net Debt/Adj. EBITDA	0,8x	3,4x	(75,8%)	0,8x	2,1%
Lease	1.191	885	34,6%	1.156	3,1%
Net Debt (Cash) after Lease	1.649	2.368	(30,3%)	1.644	0,3%

★ The Company ended 3Q21 with net debt (ex-lease liability) in the amount of R\$458 million, benefiting from the Initial Public Offering (IPO) in February in the amount of ~R\$1 billion. Compared to 2Q21, net debt decreased by 6.2%

Debentures Amortization Schedule - R\$ million



★ The debt repayment terms are equated, without large disbursements in the next two years.

APPENDIX



Appendix – Student base, DL Centers & Campuses

Students

EoP	Total	On Campus	DL
2Q21	366,3	137,1	229,2
Intake	87,8	23,1	64,7
Dropout	(72,0)	(18,8)	(53,2)
Graduation	(25,0)	(7,0)	(18,0)
Grad School ¹	2,8	(0,5)	3,4
3Q21	360,0	133,9	226,1

Students (000)	3Q21	3Q20	YoY
On-Campus Graduation	122,0	121,6	0,3%
Med School	3,8	3,5	6,8%
Gra School and K12	8,2	11,6	(29,7%)
On-Campus	133,9	136,8	(2,1%)
DL Graduation	200,3	180,3	11,1%
Semi on-campus	26,0	18,3	42,4%
DL Gra School and K12	25,8	23,8	8,4%
DL	226,1	204,1	10,8%
Total	360,0	340,9	5,6%

Infrastructure

EoP	3Q21	3Q20	Δ	%
DL	1.256	1.200	+56	4,7%
Campuses	27	25	+2	8,0%

% of matured DL Centers	3Q21	2Q21	1Q21
Year 1	4,5%	4,2%	7,7%
Year 2	17,2%	22,9%	22,5%
Year 3	27,0%	26,9%	26,1%
Year 4	24,4%	19,2%	25,7%
Matured	26,9%	26,7%	18,1%

Appendix – EBITDA IFRS16, EBITDA Pre- IFRS16 e Non Recurring

Adjusted EBITDA

R\$ million	3Q21	3Q20	%	9M21	9M20	%
Adjusted EBITDA IFRS-16	131,5	157,7	(16,6%)	389,6	342,0	13,9%
Rents	(43,0)	(33,6)	27,9%	(127,1)	(92,4)	37,6%
Adjusted EBITDA Pre IFRS-16	88,5	124,1	(28,7%)	262,5	249,6	5,2%
Adjusted EBITDA Pre IFRS-16 Margin	20,2%	28,7%	-847bps	19,6%	18,7%	+90bps

Non Recurring

R\$ million	3Q21	3Q20	%	9M21	9M20	%
Restructuring	-	17,8	-	-	54,3	-
Openings and Expansions	1,4	0,1	-	5,5	1,5	265,6%
M&A/Projects/Terminations	5,6	28,8	(80,5%)	15,5	63,4	(75,5%)
Non Recurring	7,0	46,7	(85,1%)	21,0	119,1	(82,4%)

Appendix – P&L

R\$ million	3Q21	3Q20	9M21	9M20
On Campus	326,2	340,0	995,2	1.048,8
DL	123,7	105,0	378,3	318,6
Revenue net of scholarships, cancellations and discounts	450,0	445,0	1.373,5	1.367,4
Other Revenues	2,4	1,3	9,3	8,7
Taxes	(15,2)	(14,4)	(46,2)	(44,7)
Net Revenue	436,9	431,9	1.336,3	1.331,4
Labor	(90,4)	(97,3)	(308,0)	(389,5)
Right of Use Amortization	(27,0)	(20,9)	(75,2)	(58,7)
Partners' DL Centers	(30,0)	(27,3)	(86,8)	(83,0)
Other Costs	(69,0)	(50,5)	(214,6)	(191,5)
COGS	(216,3)	(196,0)	(684,7)	(722,6)
Gross Profit	220,6	236,0	651,6	608,9
<i>Gross Margin</i>	50,5%	54,6%	48,8%	45,7%
SG&A	(101,1)	(111,1)	(291,5)	(335,8)
D&A	(24,0)	(29,4)	(68,7)	(78,5)
Provision for Doubtful Accounts	(23,5)	(35,7)	(73,8)	(117,2)
Other Revenues	1,5	1,0	7,0	8,3
EBIT	73,6	60,7	224,7	85,7
D&A	51,0	50,3	143,9	137,1
EBITDA	124,5	111,0	368,6	222,9
<i>EBITDA Margin</i>	28,5%	25,7%	27,6%	16,7%
COGS - Non Recurring	2,2	14,0	6,8	47,1
Expenses - Non Recurring	4,8	32,6	14,2	72,0
Adjusted EBITDA	131,5	157,7	389,6	342,0
<i>Adjusted EBITDA Margin</i>	30,1%	36,5%	29,2%	25,7%
Financial Results	(66,0)	(60,8)	(174,2)	(170,6)
EBT	7,5	(0,1)	50,6	(84,9)
Taxes	6,0	3,8	7,3	6,5
Net Earnings	13,5	3,7	57,9	(78,4)
Intangible Amortization	9,5	17,31	27,2	42,4
Non Recurring Expenses	7,0	46,7	21,0	119,1
Adjusted Net Earnings	30,0	67,7	106,1	83,1

Appendix – Balance Sheet

	Sep.21	Sep.20
Total Assets	4.778.408	3.692.593
Current Assets	1.319.393	502.812
Cash and Equivalents	1.109.992	305.179
Marketable Securities	-	-
Accounts Receivables	158.780	168.858
Taxes and Contributions	12.505	7.704
Advance to Suppliers	-	-
Related Parties	-	-
Other Assets	38.116	21.071
Non-current Assets	3.459.015	3.189.781
Long Term Assets	176.972	148.585
Accounts Receivables	24.842	14.567
Related Parties	-	-
Advance to Investments	-	-
Judicial Deposits	17.109	11.808
Other Assets	36.714	35.953
Deferred Taxes	98.307	86.257
Investments	146	146
Property and Equipment	484.541	470.881
Right of Use	1.090.075	834.644
Intangible	1.707.281	1.735.525
	Sep.21	Sep.20
Total Liabilities	3.330.008	3.284.168
Current Liabilities	570.543	642.450
Financial Debt	24.164	54.828
Bond (Debentures)	90.888	168.708
Suppliers	50.330	47.801
Related Parties	2.519	2.010
Salaries and Payroll Charges	159.376	179.515
Tax Liabilities	40.332	34.847
Dividends	-	54.000
Customer Advance	56.054	30.471
Leasing	77.255	55.720
Acquisitions	62.541	7.187
Deferred Revenues	1.332	722
Others	5.752	6.641
Non-Current Liabilities	2.759.465	2.641.718
Financial Debt	7.522	34.079
Bond (Debentures)	1.055.860	1.143.790
Related Parties	-	-
Salaries and Payroll Charges	22.665	16.389
Tax Liabilities	140.041	157.240
Deferred Taxes	17.368	18.413
Judicial Deposits	59.896	50.316
Leasing	1.114.236	829.714
Acquisitions	326.900	378.761
Deferred Revenues	10.410	11.132
Others	4.567	1.884
Shareholder's Equity	1.448.400	408.425
Capital	1.203.576	193.190
Capital Reserves	161.978	161.978
Earnings Reserves	82.846	53.257
Liabilities + Shareholder's Equity	4.778.408	3.692.593

Appendix – Cash Flow

	3Q21	3Q20
Profit (Loss) before income taxes	7.539	(63)
Depreciation and amortization	23.958	29.414
Right of use amortization	27.000	20.866
Amortization of fund raising costs	259	370
Debt Interests	626	1.271
Acquisitions Interests	4.691	2.143
Bonds (debentures) Interests	19.146	12.349
Lease Interests	28.479	21.747
PV Assets and Liabilities	1.020	42
Judicial Deposits Provision	2.139	723
Provision for Doubtful Accounts	23.459	35.748
PPE and Intangibles	305	-
Asset Sale Deferred Revenues	(181)	(181)
Lease discontinuation	(140)	(59)
Adjustments to Profit (Loss) before taxes to reconcile with the cash flow	138.300	124.370
Accounts receivable	3.681	13.670
Judicial Deposits	(966)	(734)
Taxes Recoverable	(880)	(4.143)
Other Credits	9.764	11.551
Suppliers	(4.968)	(6.373)
Salaries and Payroll Charges	(19.116)	(53.807)
Taxes	(4.420)	(2.443)
Customer Advance	22.479	7.464
Others	3.790	2.802
	148.173	94.475
Taxes	(1.133)	(731)
Net cash from operating activities	147.040	93.744
Cash flow from investments		
Acquisitions	-	(4)
PPE acquisitions	(15.809)	(7.072)
Intangible acquisitions	(8.102)	(4.299)
Net cash from investing activities	(23.911)	(11.375)
Cash flow from financing activities		
Dividends	(24.974)	-
Debt downpayments	(6.518)	(4.499)
New Debt	-	-
Bonds (Debentures) downpayments	(87.023)	(40.863)
	-	-
Lease downpayments	(43.010)	(33.618)
Aumento de capital	-	-
Gastos com emissões de novas ações	-	-
Partes relacionadas	(378)	(2.118)
Net cash from financing activities	(161.903)	(81.098)
Increase (decrease) of cash and equivalents	(38.774)	1.271
At the beginning	1.148.766	303.908
At the end	1.109.992	305.179
Increase (decrease) of cash and equivalents	(38.774)	1.271



Cruzeiro do Sul
Educacional



dri@cruzeirodosul.edu.br