

1Q21 Results

May 2021






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Starting 2021 on a new value generation pathway

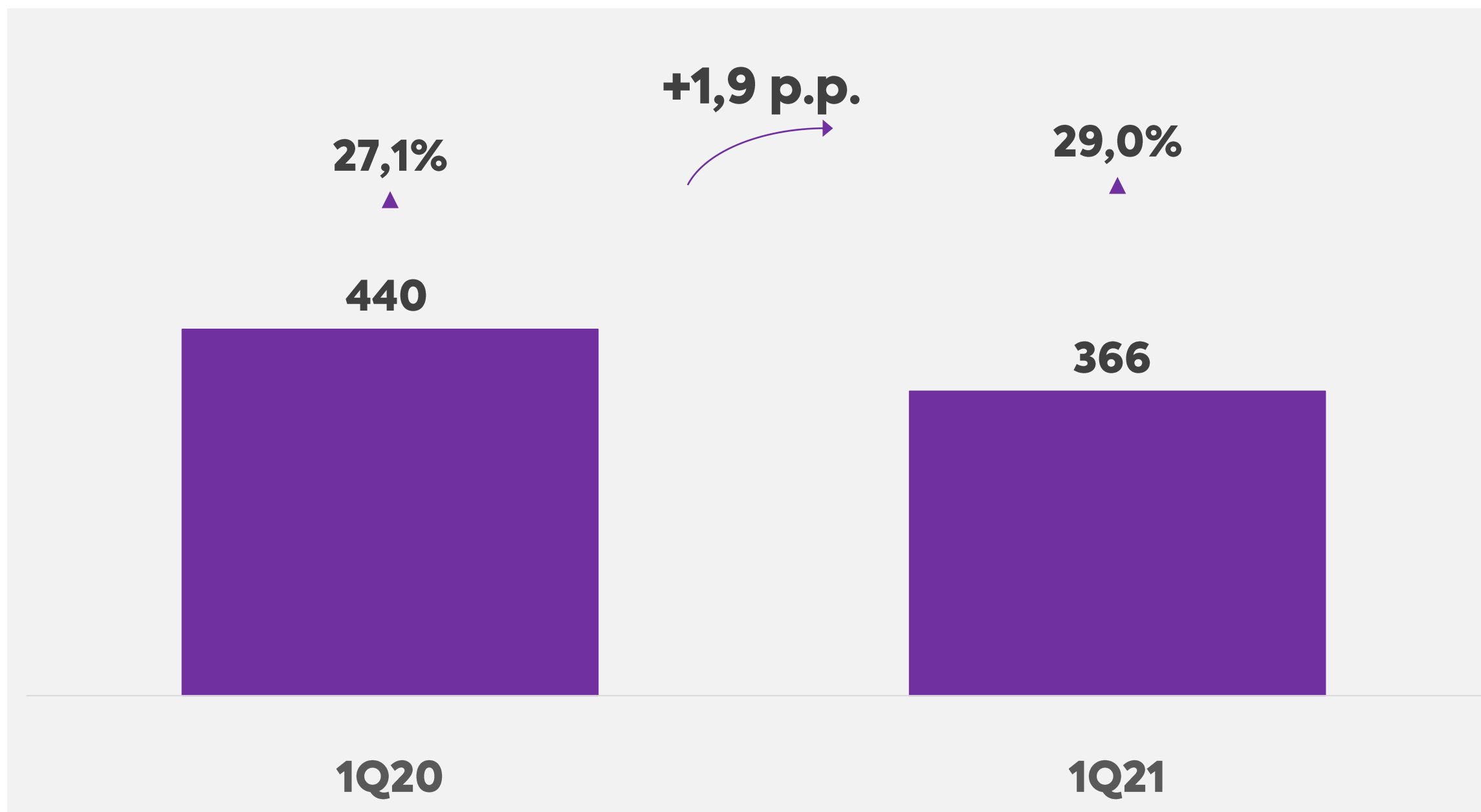
- **Kroton's restructuring process showed its first results, with 9.3 p.p. of expansion in recurring EBITDA margin,** even with a drop in revenue
- **The average collection period (ACP) for out-of-pocket students at Kroton ended the quarter in 67 days, 7 days less than in 4Q20, consolidating itself as one of the lowest in the industry.** The reduction reflects the reduction in defaults and demonstrates that the improvement in the provisioning of accounts receivable made in 2020 is adequate to the Company's collection level
- **Kroton's more digital segments grew volume and revenue from enrollments at robust rates,** with revenue growing 15% in the Hybrid segment (Semi-presential and EAD Premium) and 43% in the Digital segment (100% on-line)
- **Post-Capex Operating Cash flow Generation (OCG) was positive by R\$ 170 million,** or R\$ 62 million if adjusted by the anticipation of credit card receivables, compared to a consumption of R\$ 147 million in 1Q20
- **The renegotiation process of the debentures' covenants was successfully concluded,** and the Company continues to have a solid cash position (R\$ 3.9 billion), with a net debt of R\$ 2.9 billion and an average duration of 25 months.

Increase profitability consistently, prioritizing asset light business segments and models, with greater growth potential and greater ROIC

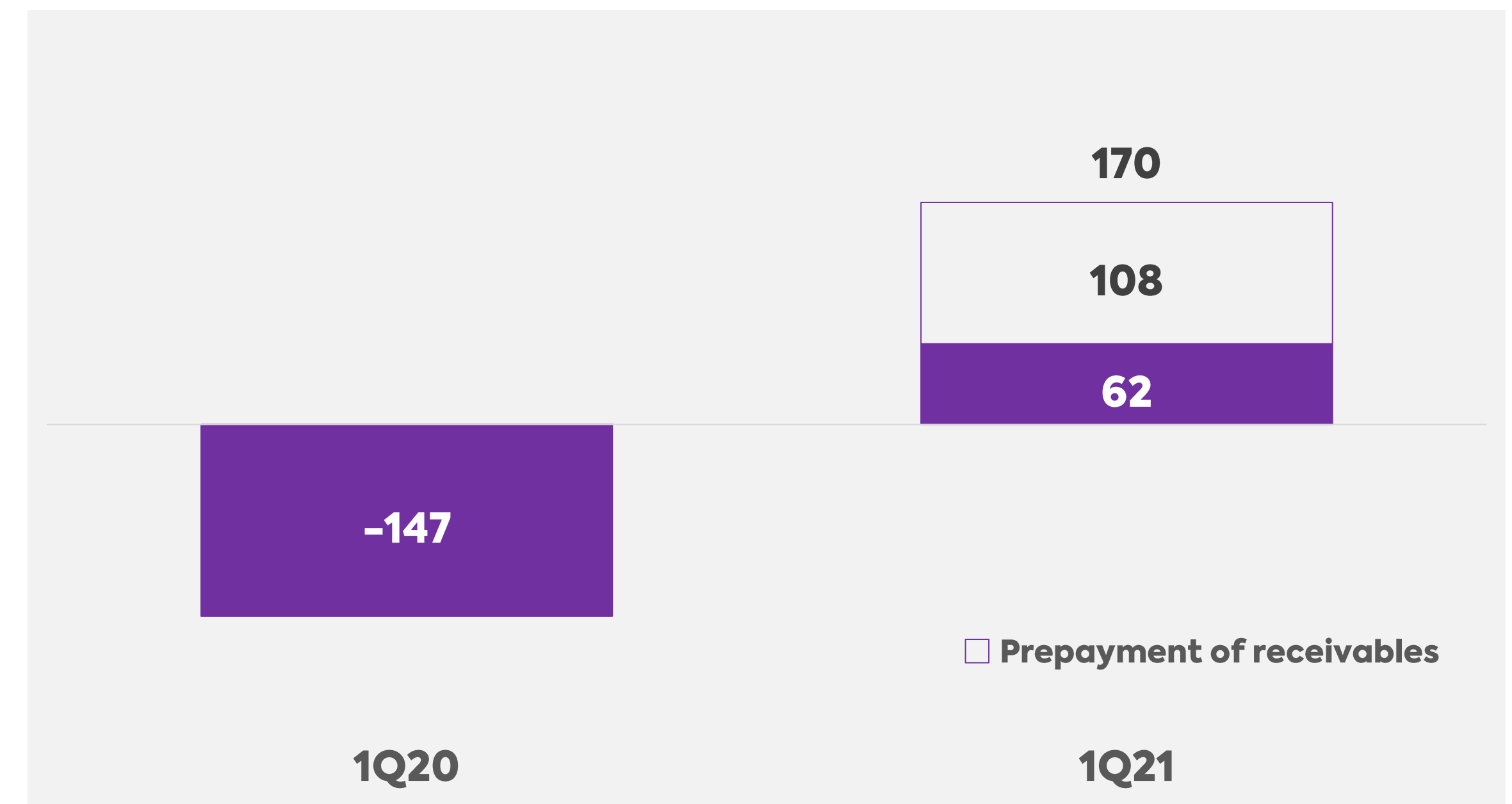
Positive Operating Cash Flow Generation in 1Q21

- **Post-Capex operating cash flow generation (OCG) was positive in R\$ 170 million**, despite the drop in EBITDA. If adjusted for the prepayment of credit card receivables, OCG would have been R\$ 62 million, still substantially higher than the consumption of R\$ 147 million recorded in 1Q20

Recurring EBITDA (R\$ million) and EBITDA Margin



Post-Capex OCG (R\$ million)

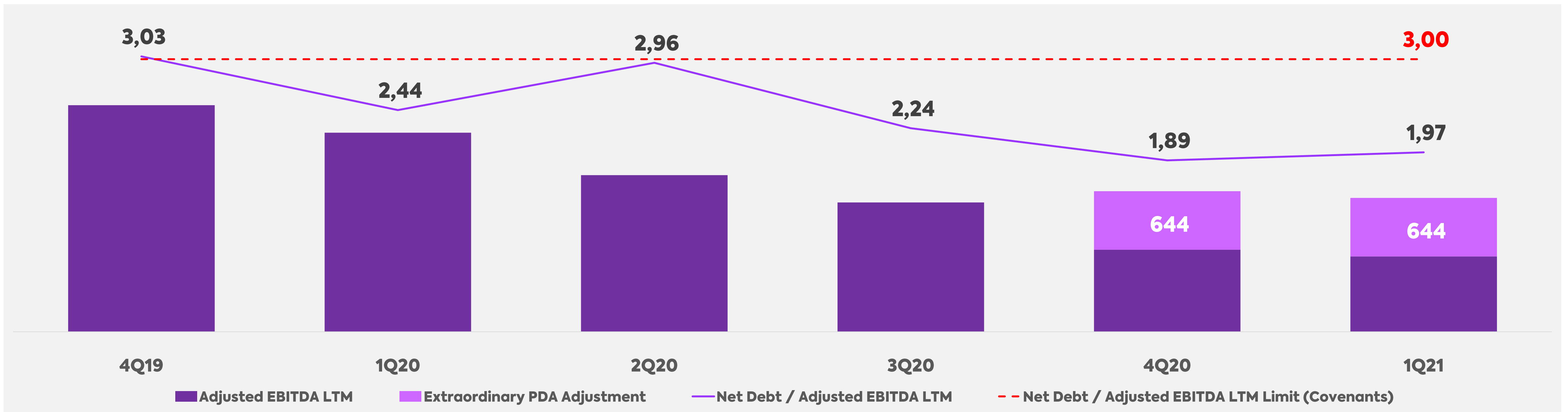


OCG continues to grow despite the drop in EBITDA; in the coming quarters, will be favored by the recovery of operating results

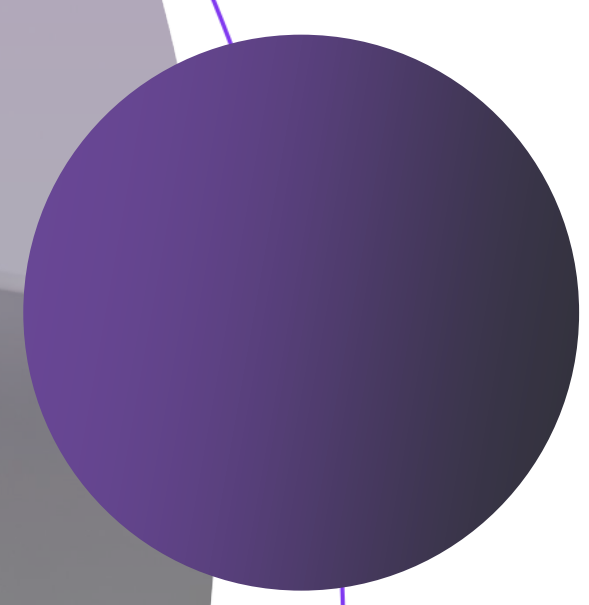
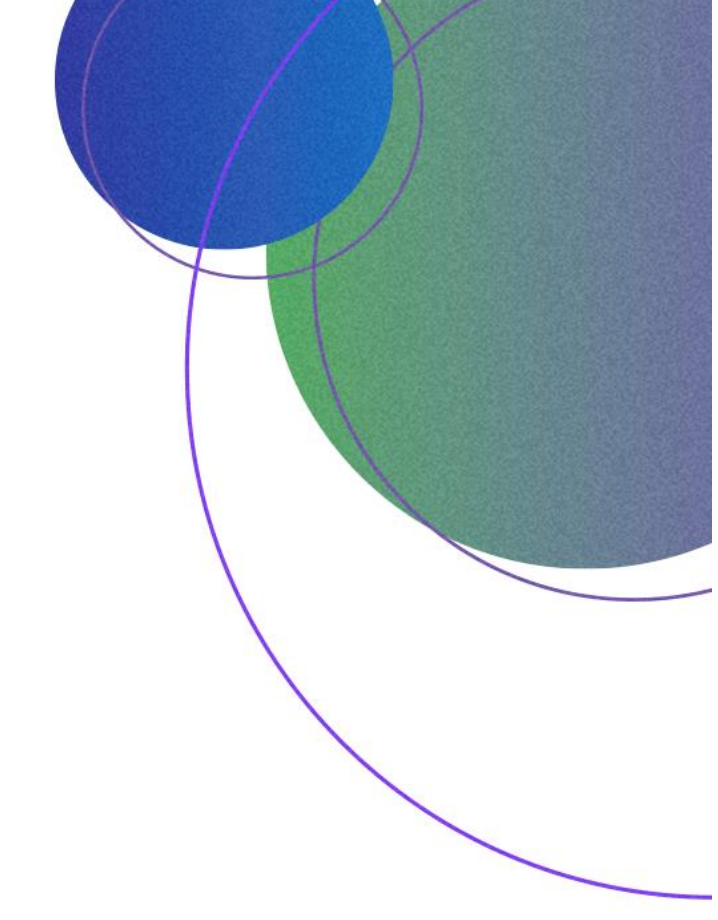
Leverage under control and close to an inflection point

- **Renegotiation of the debentures' covenants was successfully concluded.** On May 5, Cogna obtained a waiver that includes in the calculation of adjusted EBITDA for the last 12 months, the extraordinary adjustment of the R\$ 644 million complement of provision for doubtful accounts that were made throughout 2020 (R\$ 229 million in 2Q20 and R\$ 415 million in 4Q20), in the period from 4Q20 to 3Q21.
- As a result, **the Net Debt/Adjusted EBITDA ratio was 1.97x in 1Q21** (1.89x in 4Q20) both below the 3x limit

Net Debt / Adjusted EBITDA LTM



Comfort to reach an inflection point in our leverage during the year 2021, from which the trajectory will be declining



Kroton

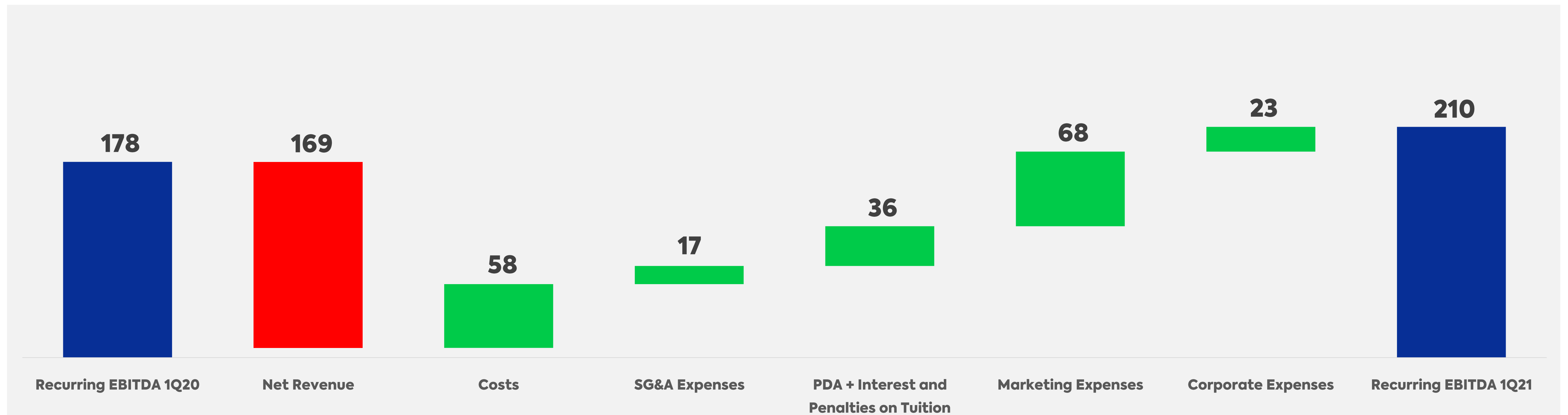
May 2021



Kroton's Restructuring - Leaving 2020 behind

- 1Q21 results make it clear that **we have put Kroton back on a path of profitability and reduction in defaults**
- Even with a drop in revenue, **recurring EBITDA grew 18% in 1Q21, with an expansion of 9.3 p.p. at the margin**

Kroton - Variation in Recurring EBITDA, 1Q20 (R\$ million)



Kroton on the way to deliver EBITDA growth in 2021, even with the challenges still imposed by the pandemic

¹ Percentage calculated from the 2020 costs corrected by the adjustments foreseen in contracts for 2021 and discounting the temporary reductions due to the pandemic of COVID-19

Kroton's Restructuring - Accountability

- Non-recurring expenses of R\$ 82 million incurred in 1Q21, of which R\$ 35 million in write-offs with no cash effect
- **Volume of restructuring expenses remains in line** with what was announced in 4Q20

Restructuring Expenses (R\$ Million)	P&L Impacts				Cash Impacts				Executive Summary	Total
	4Q20	1Q21	2Q-4Q21E	Total	4Q20	1Q21	2Q-4Q21E	Total		
Total Opex with cash effect	131	47	38	217	62	21	134	217	Investments (R\$ million)	268
Write-offs	187	35	22	245	-	-	-	-		
Total Opex	319	82	60	461	62	21	134	217	Payback (months)	16
Capex	21	10	20	51	-	9	42	51	Net Present Value (NPV, R\$ million)	507
Total	340	92	80	512	62	30	176	268	Internal Rate of Return (IRR)	86%

1Q21: R\$ 82 million in results (non-recurring items), of which R\$ 35 million with a non-cash effect

R\$ 60 million to be recognized as non-recurring items in 2021, of which R\$ 22 million with a non-cash effect

R\$ 9 million in capex in 1Q21

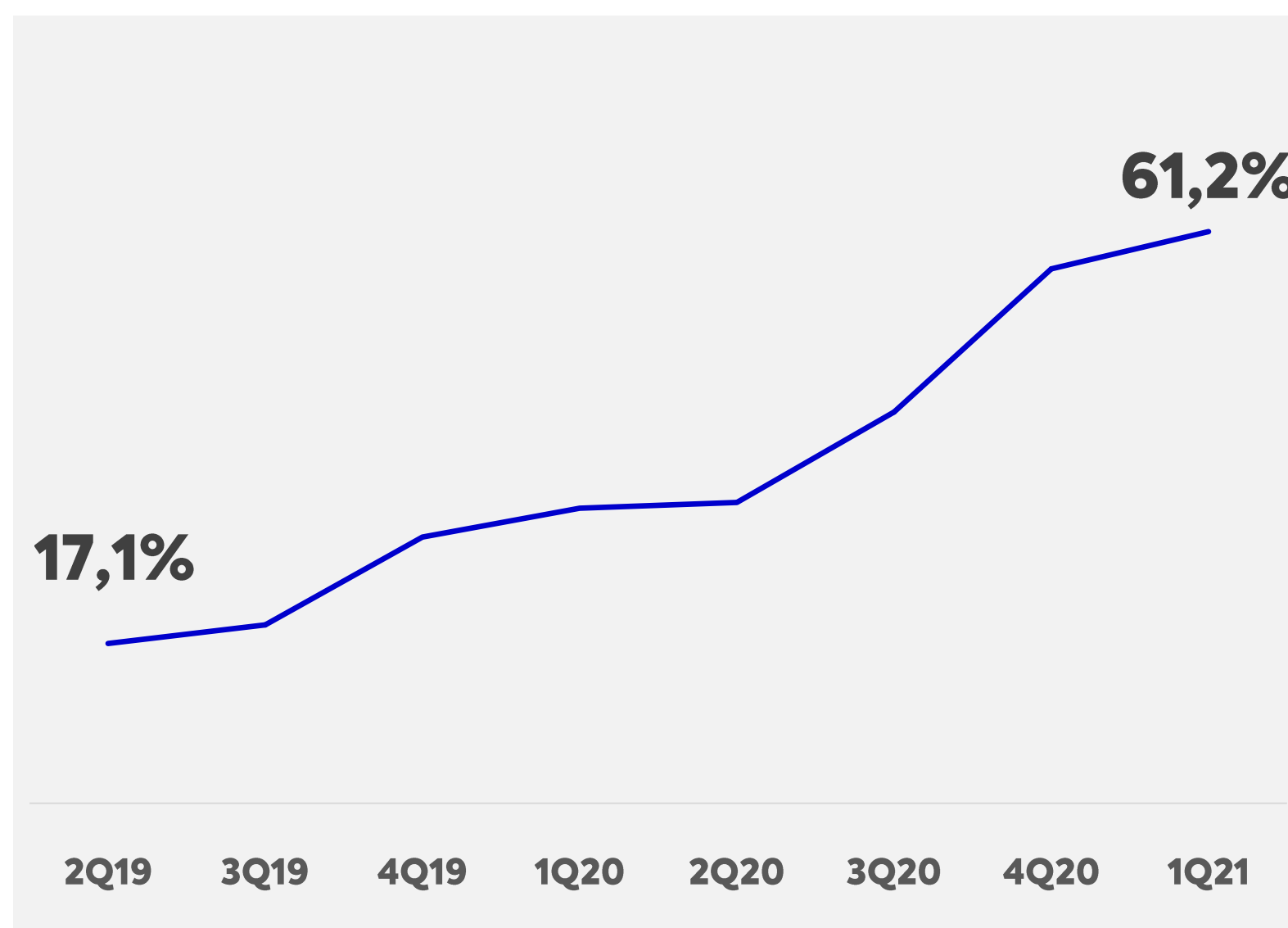
Kroton's 1Q21 operating results are clear evidence of the project's value creation potential

¹ Capex includes improvements in the remaining units for student migration

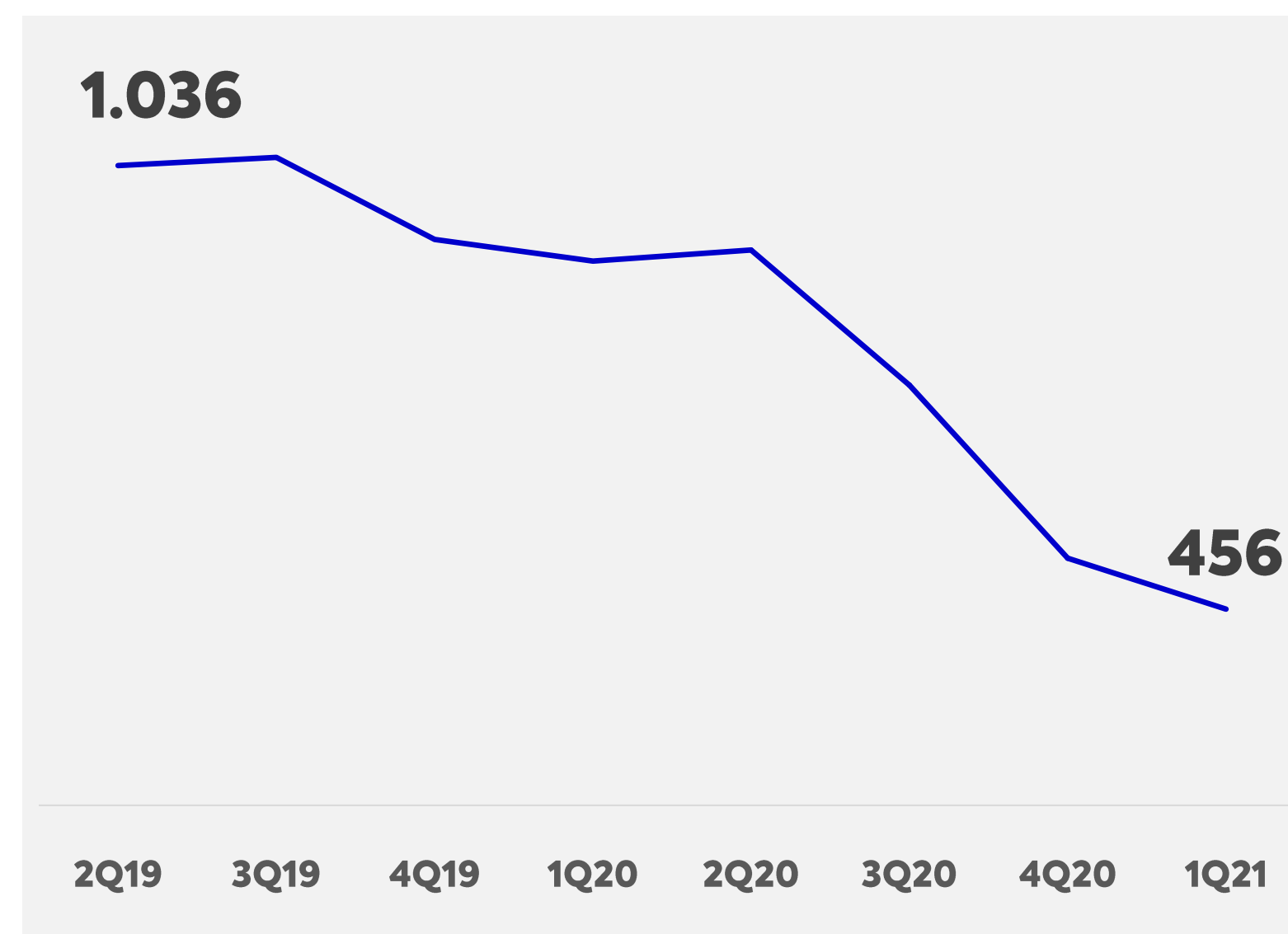
Kroton – Accounts receivable

- **Average Collection Period (ACP) for out-of-pocket students of 67 days in 1Q21, 7 days less than in 4Q20, consolidating itself as one of the smallest in the industry**
- The reduction reflects the reduction in defaults and demonstrates that **the improvement in the provisioning of accounts receivable made in 2020 is adequate to the level of collection of the Company**
- PDA of out-of-pocket students over net revenue of 13.1%, a reduction of 2.9 p.p. vs. 1Q20

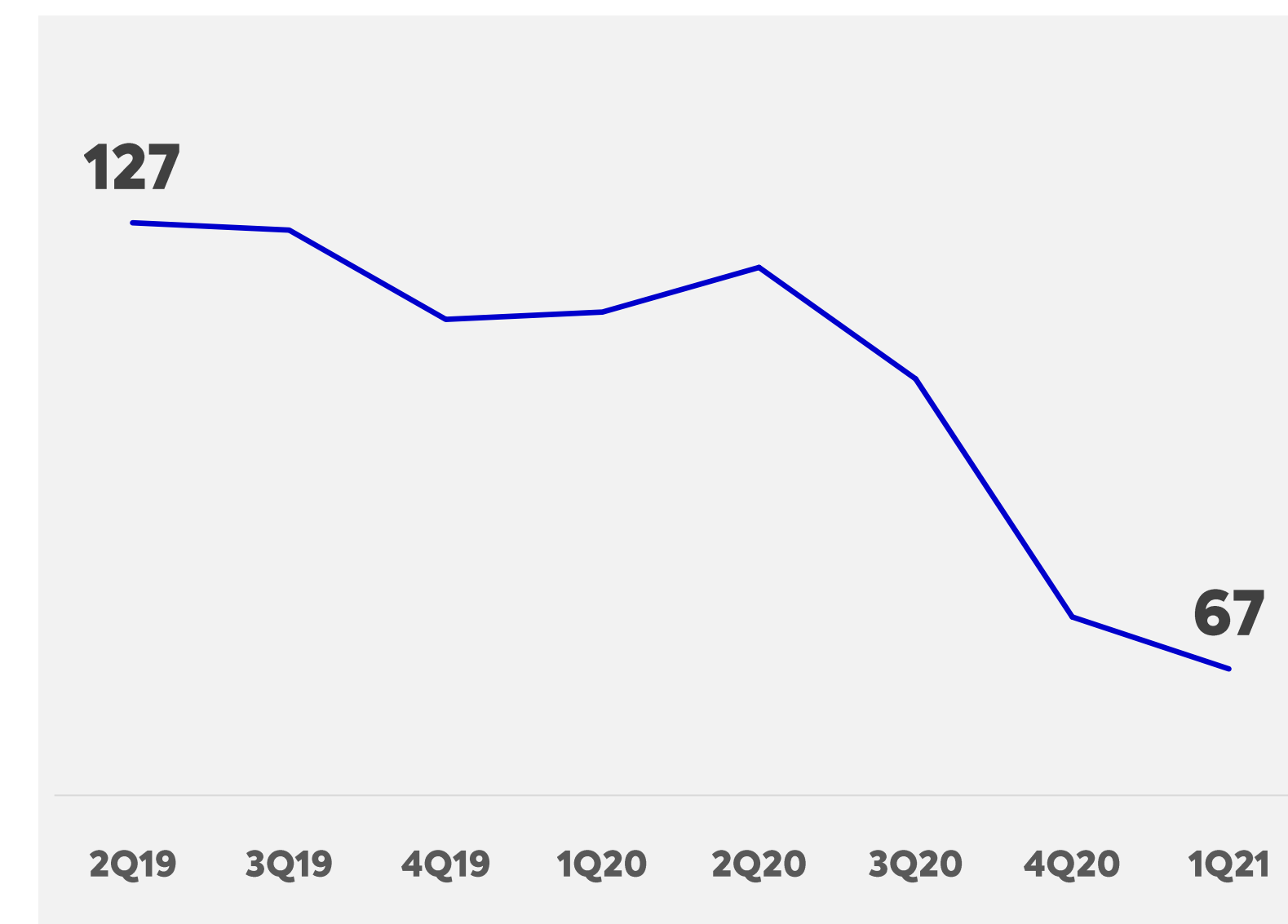
Coverage Ratio^{1,2}



Accounts receivable¹ (R\$ million)



Average Collection Period^{1,3} (ACP)



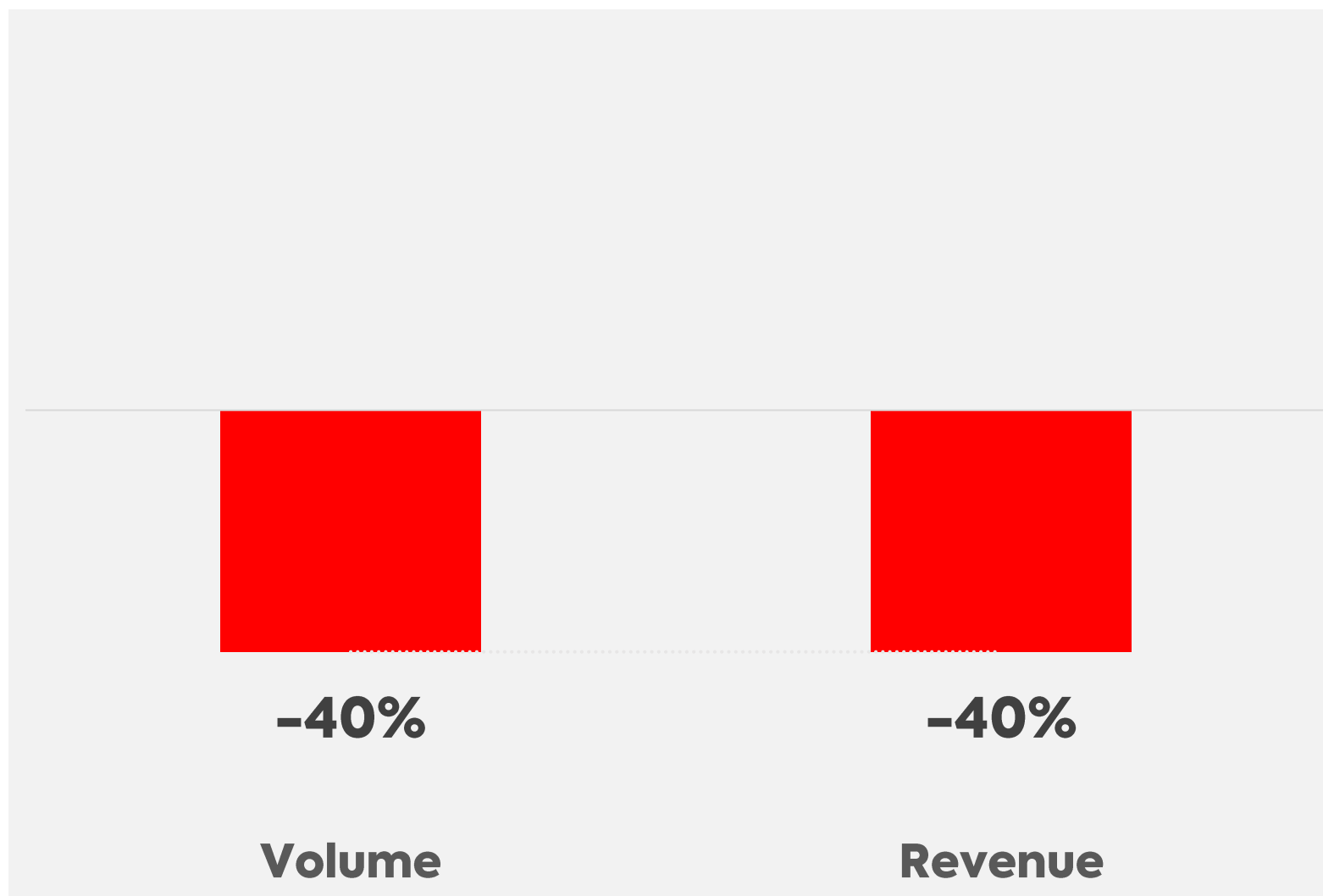
The behavior of PDA and Accounts Receivable from Kroton demonstrates that the provisioning criteria is adequate to the Company's collection level

¹ Out-of-pocket students only. ² Balance of PDA/Gross Accounts Receivable. ³ Net balance of Accounts Receivable over Net Revenue for the last 12 months

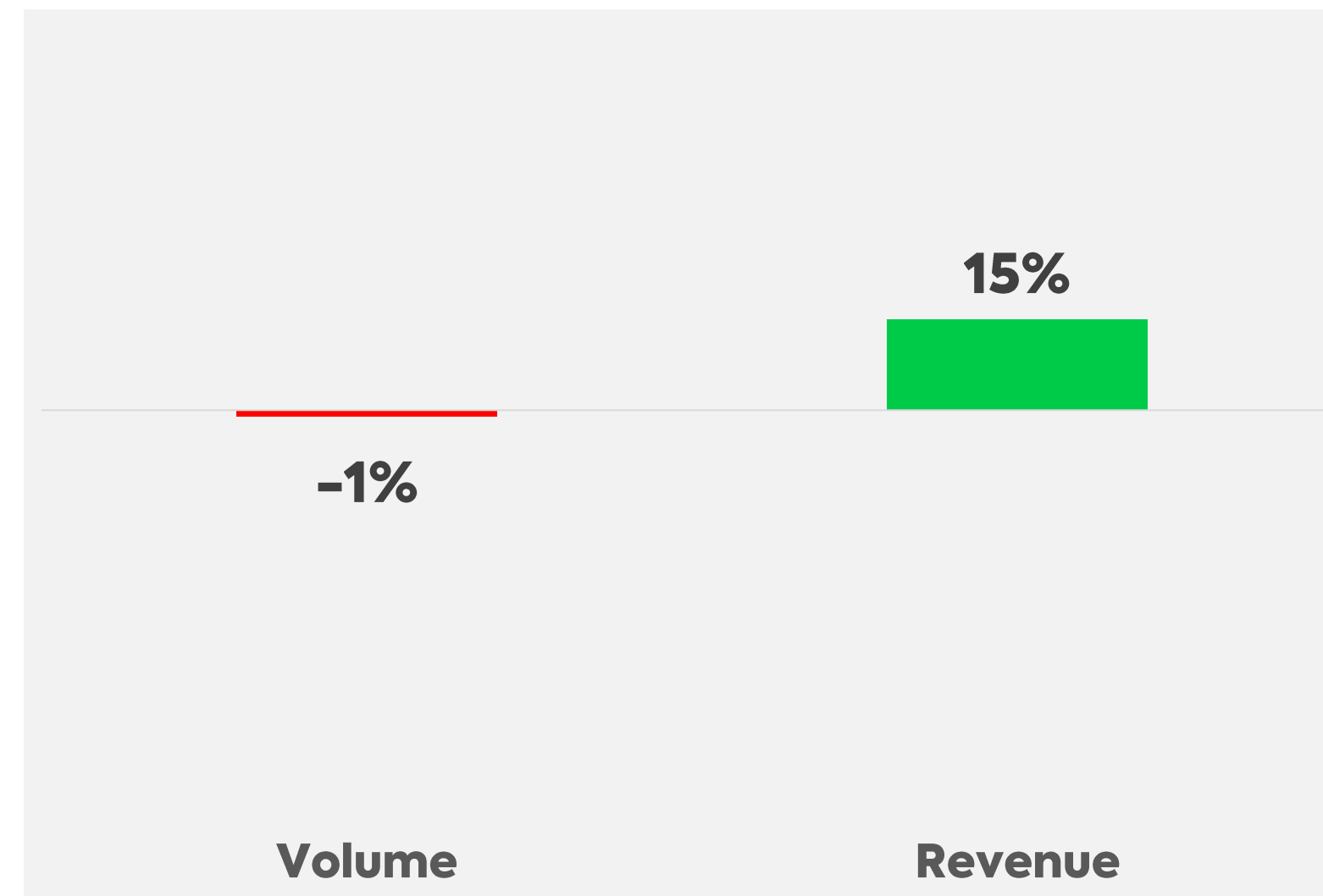
Enrollments 2021.1

- Total enrollment¹ in the first semester 2021.1 **grew by 5% in student volume**
- Highlight for the **Digital segment (100% Digital), which grew 42% in volume and 43% in revenue**
- Hybrid segment (Semi-presential and EAD Premium) grew 15% in revenue, driven mainly by **Premium DL, whose revenue grew 65%**
- On-campus enrollments once again affected by the pandemic effect, but with a stable ticket

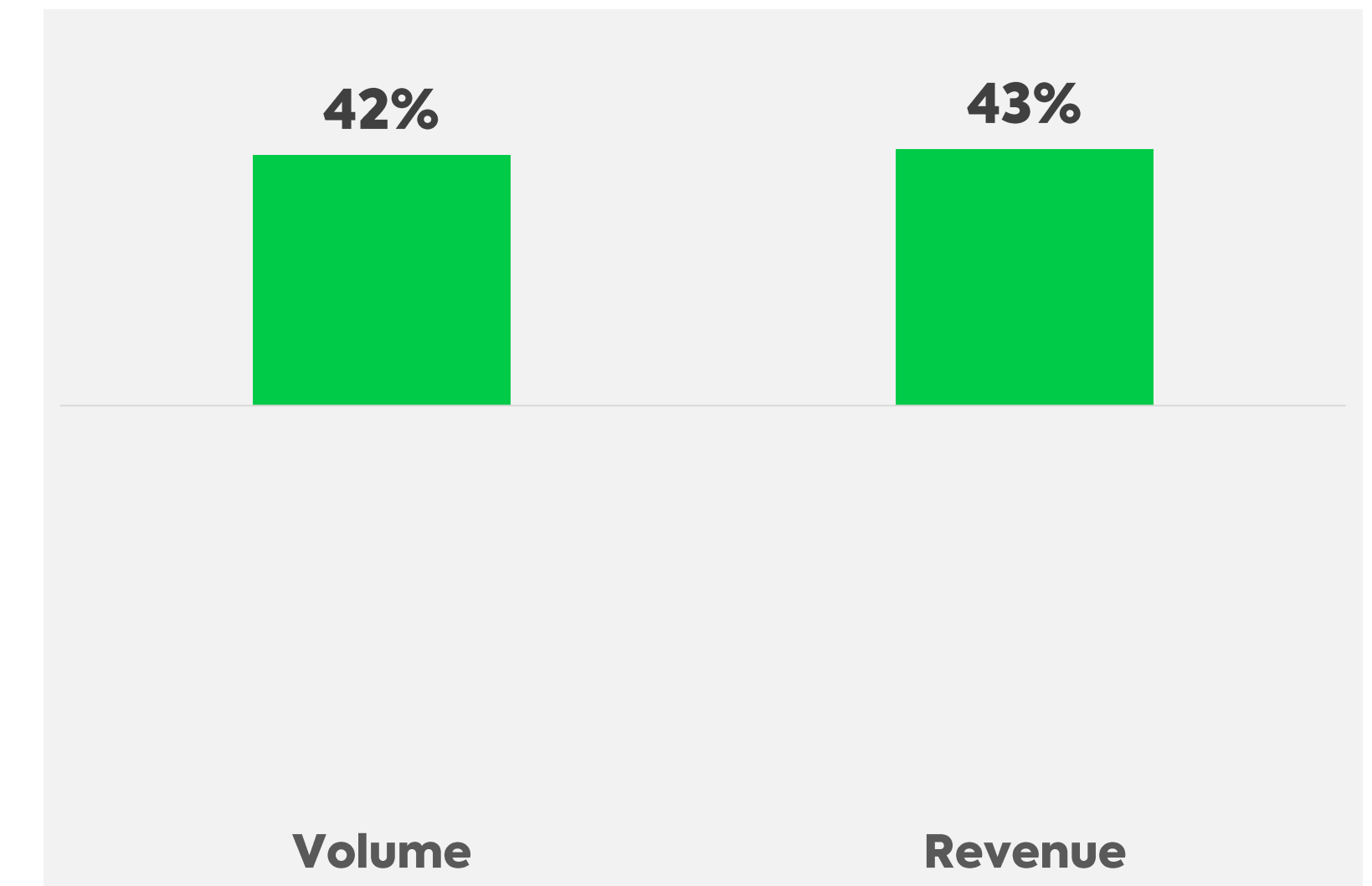
On-campus



Hybrid¹



Digital²



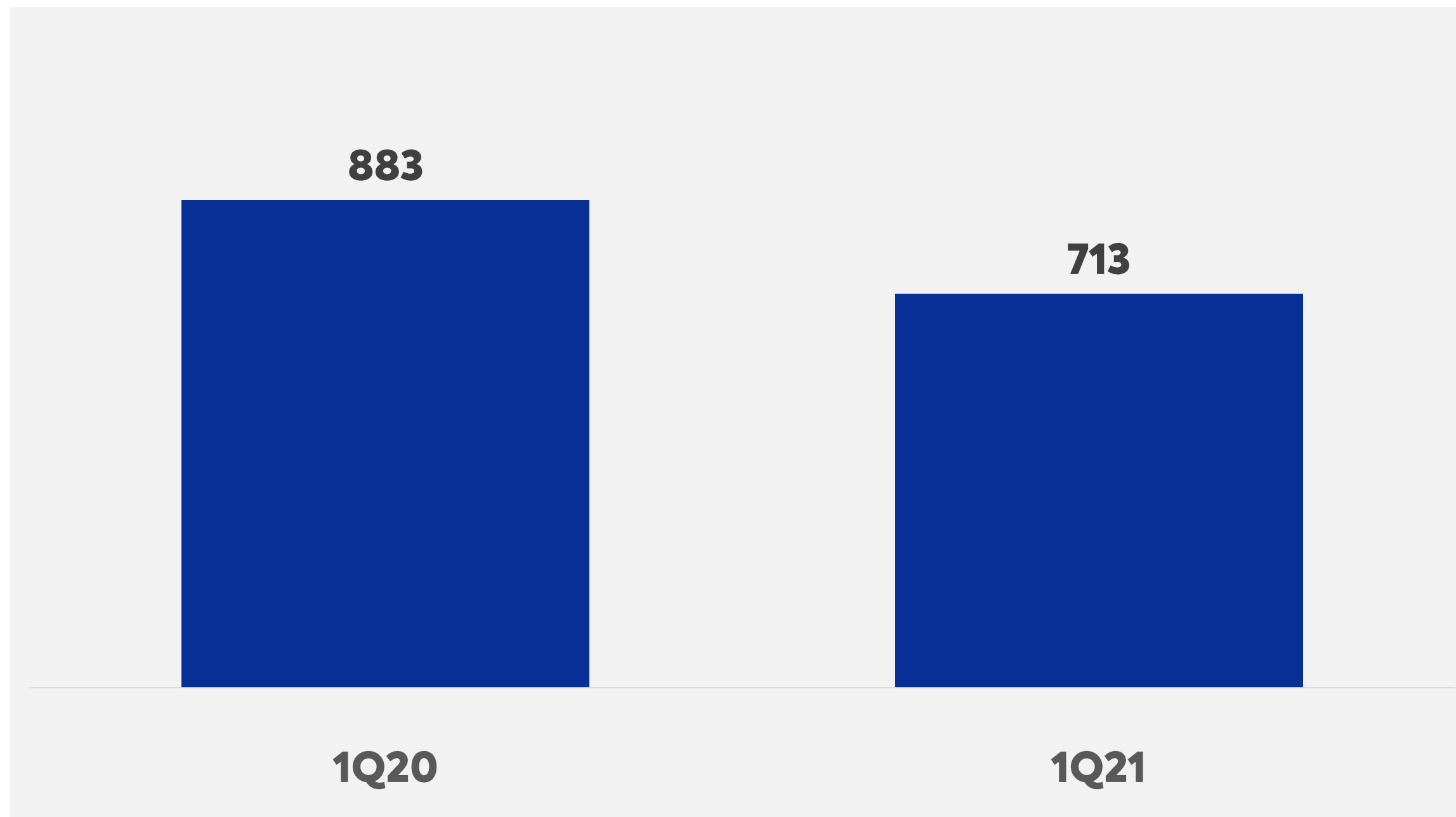
Kroton grows strong in the digital and hybrid segments, in line with the growing hybridization of higher education

¹EAD Semi-presential and EAD Premium. ² EAD 100% Digital

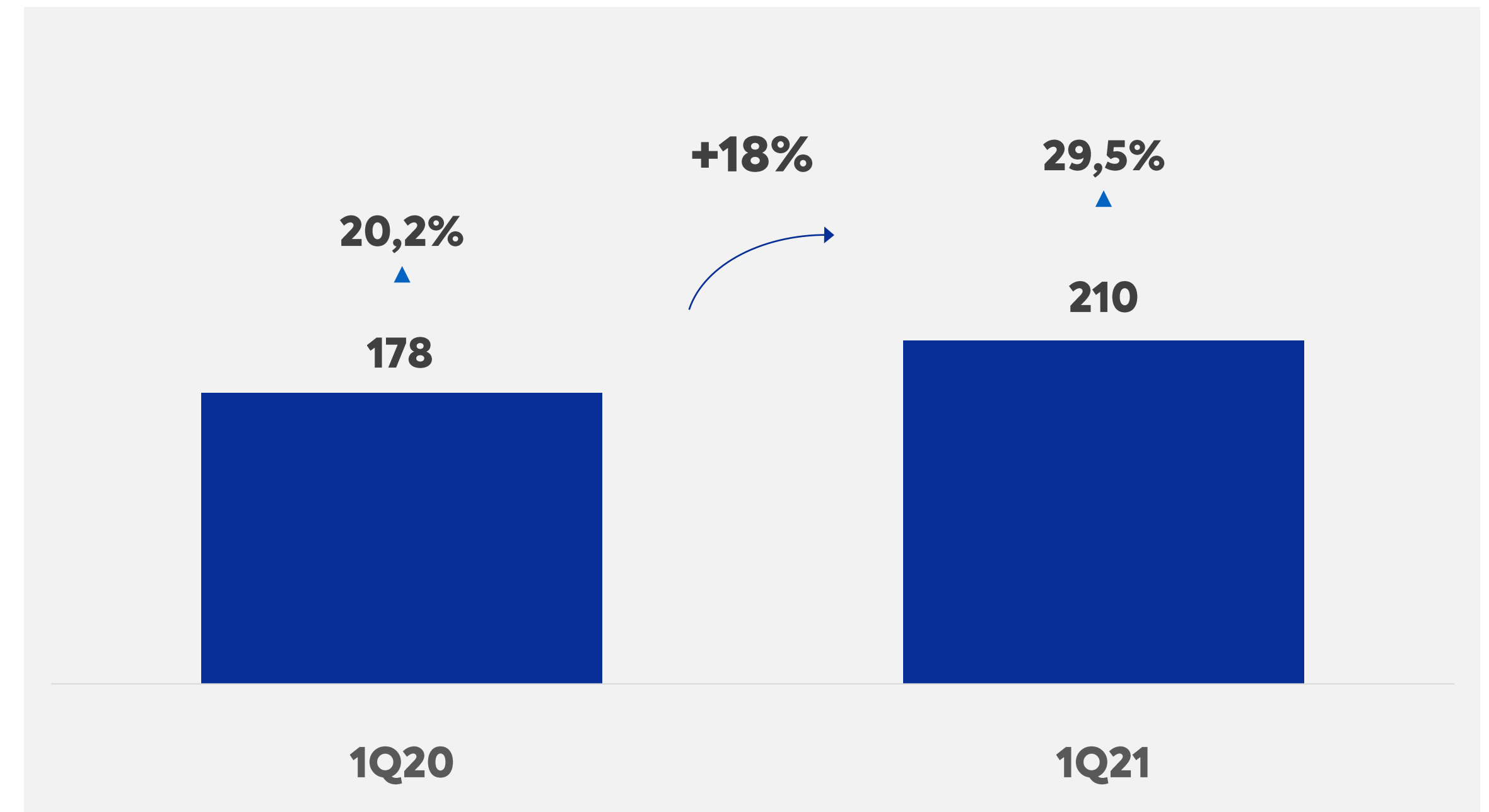
Kroton – Operating Results

- Revenue decline due to the effects of the pandemic on-campus education and a reduction in the FIES base
- **18% growth in recurring EBITDA**, due to lower occupancy expenses (arising from restructuring), cost savings with the new academic model, and lower expenses with PDA and marketing. Rental expenses (below EBITDA) declined 20%, causing **recurring EBITDA ex-IFRS-16 to grow 91%**

Net Revenue (R\$ million)



Recurring EBITDA (R\$ million) and EBITDA Margin



Kroton growing strong in digital, back to the path of growing profitability and with a light balance sheet



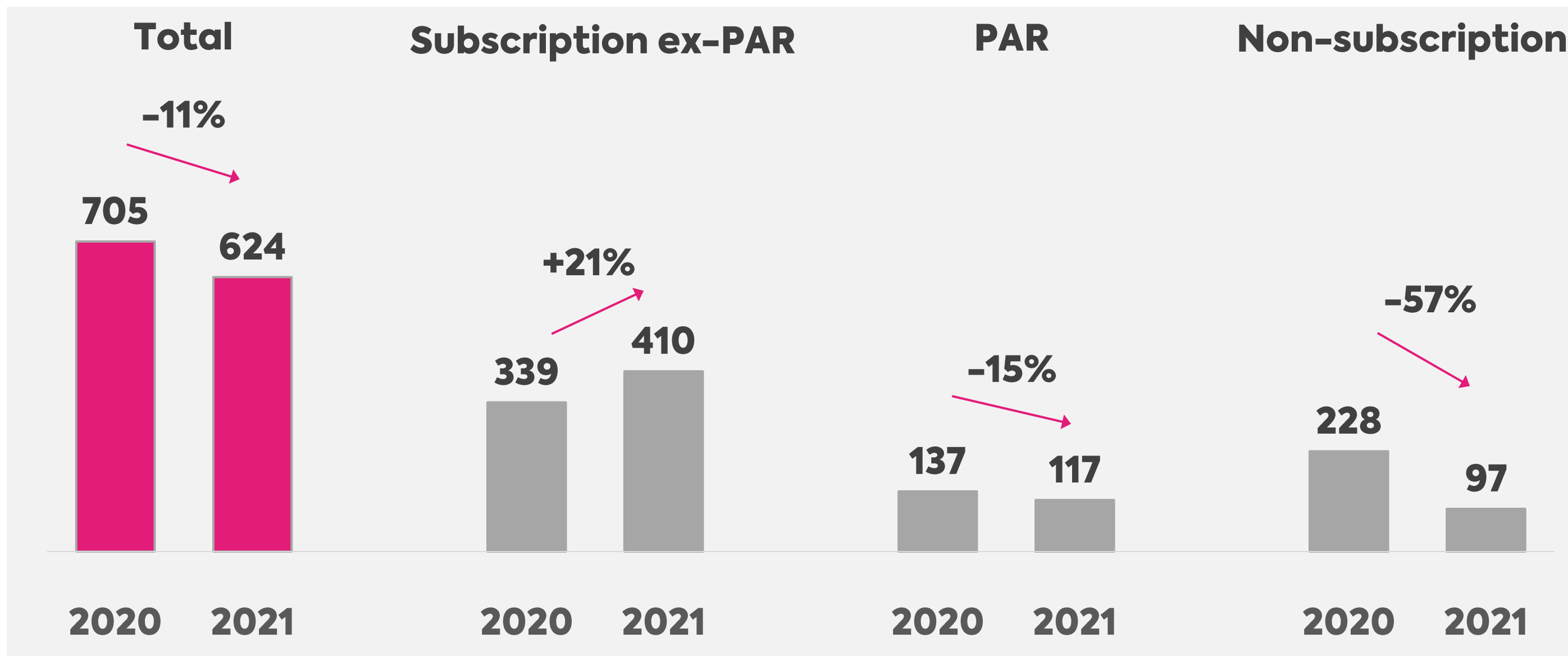
Vasta

May 2021

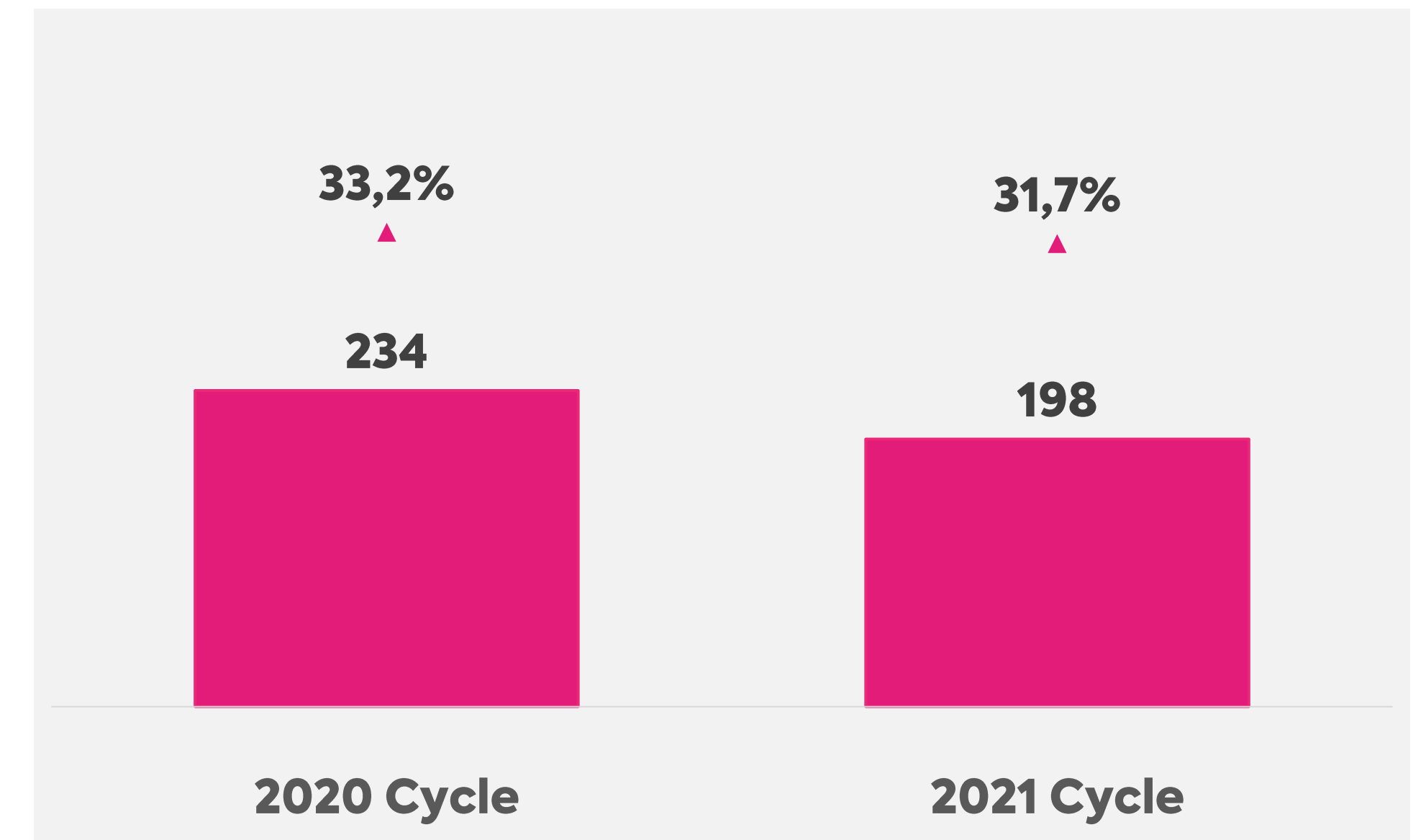
Vasta – Operating Results

- **Subscription revenue grew 11% in the commercial year of 2021** (4Q20 + 1Q21), with emphasis on ex-PAR subscription (traditional education systems and complementary solutions), which grew 21%
- PAR and non-subscription business most impacted by the reuse of textbooks, leading to a reduction in total revenue

Net Revenue (R\$ million) - Commercial Cycle 4Q + 1Q



Adjusted EBITDA (R\$ million) and EBITDA Margin



Despite the drop in revenue, the subscription business continues to grow and its share of total revenue (> 85%)

¹ Note: Numbers as presented in Vasta's earnings release materials



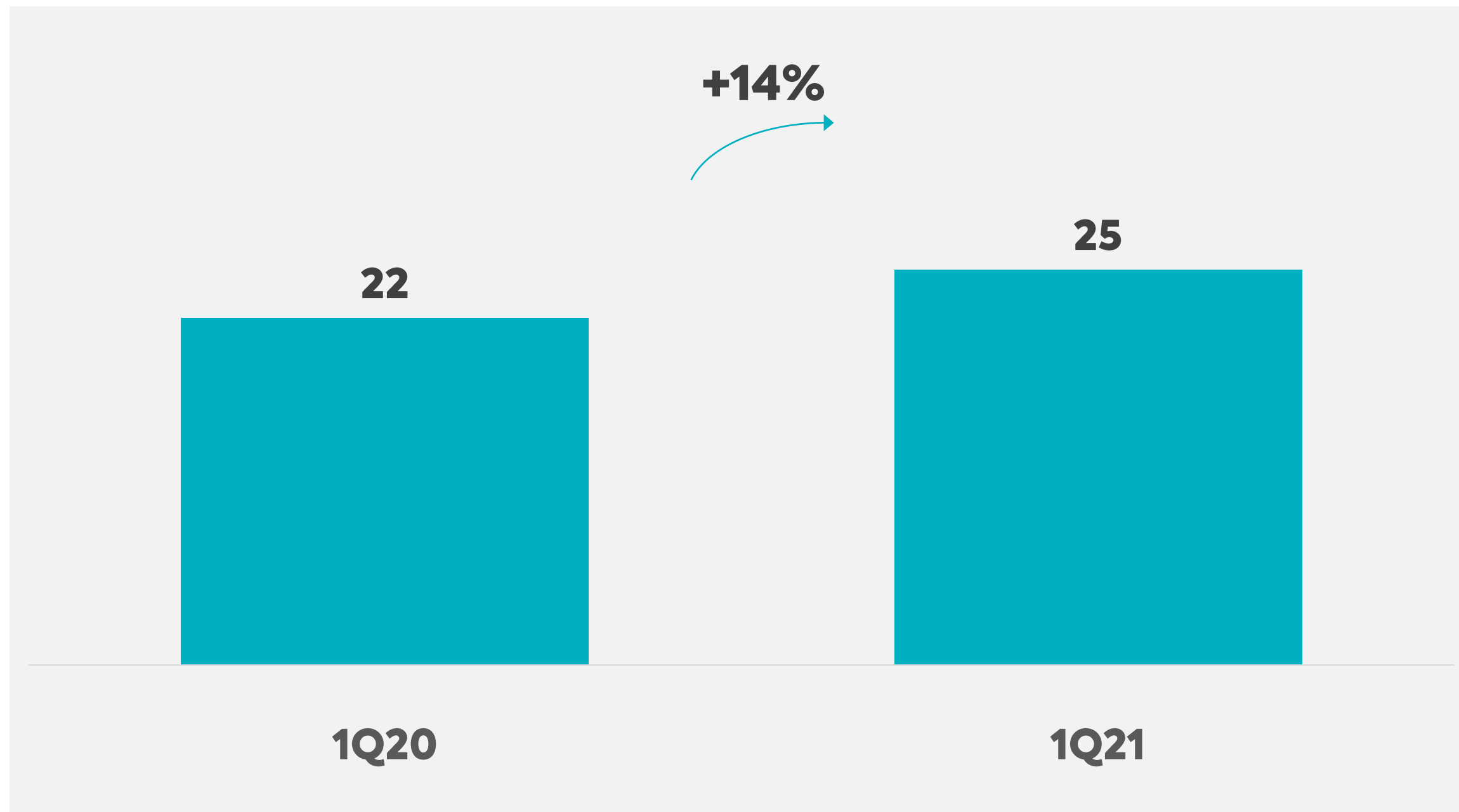
Platos

May 2021

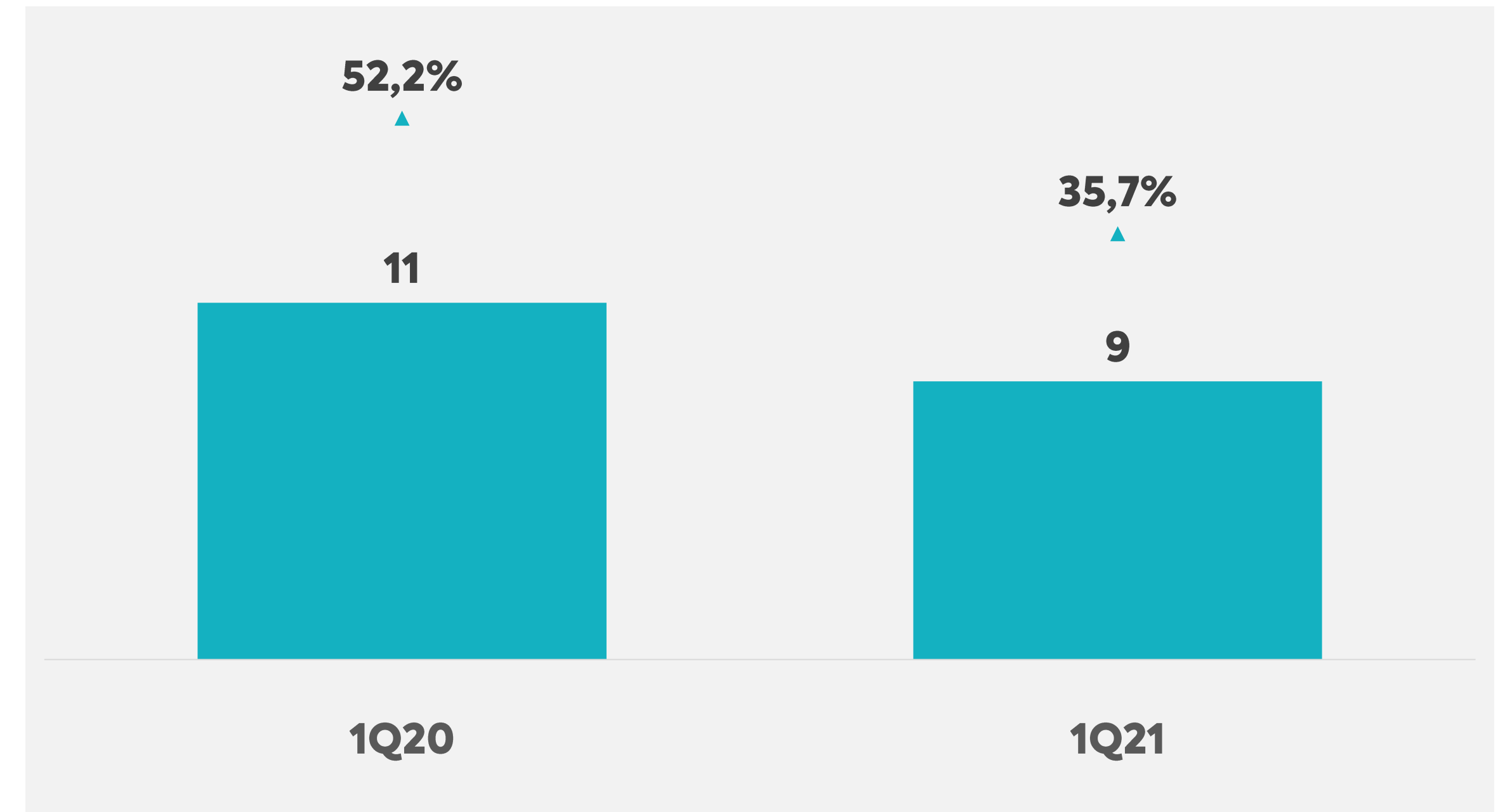
Platos – Operating Results

- **Net revenue from digital graduate courses grew 28% in the period, and 14% in the consolidated**, reflecting the strategy of focusing on the digital product
- **Recurring EBITDA margin remains at a high level**, despite the more conservative level of provisioning (affecting the PDA), and the greater investment in marketing and structure associated with the provision of services to external customers (OPM)

Net Revenue (R\$ million)



Recurring EBITDA (R\$ million) and EBITDA Margin



Platos continues to grow on a healthy pathway and with high profitability, despite the effects of the pandemic



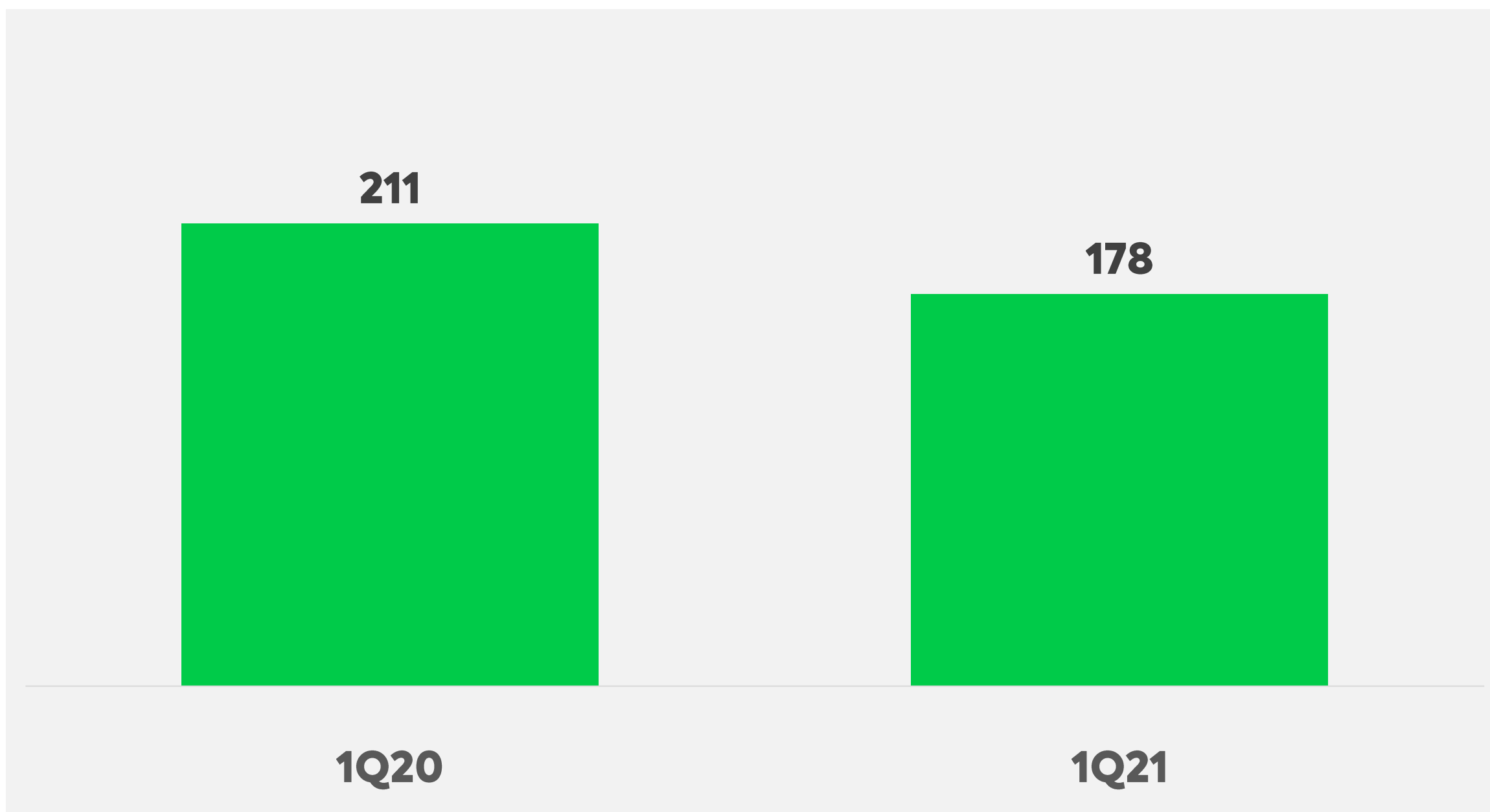
Saber

May 2021

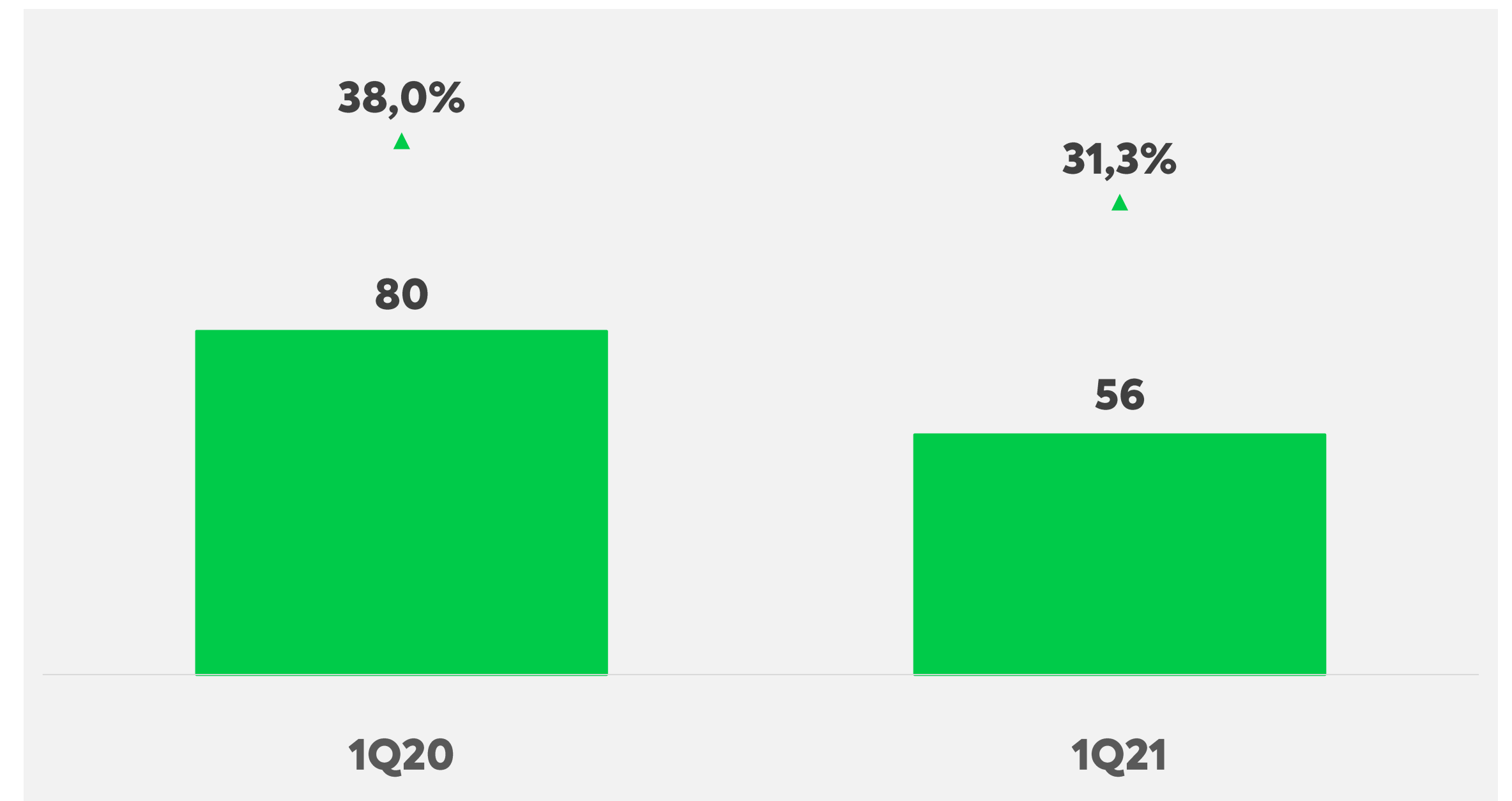
Saber | Operating Results

- Pandemic effect continues to be preponderant in Saber revenue: drop in student base combined with reduction in daytime activities were the main offenders in the quarter
- Compression in recurring EBITDA margin due to reduced revenue

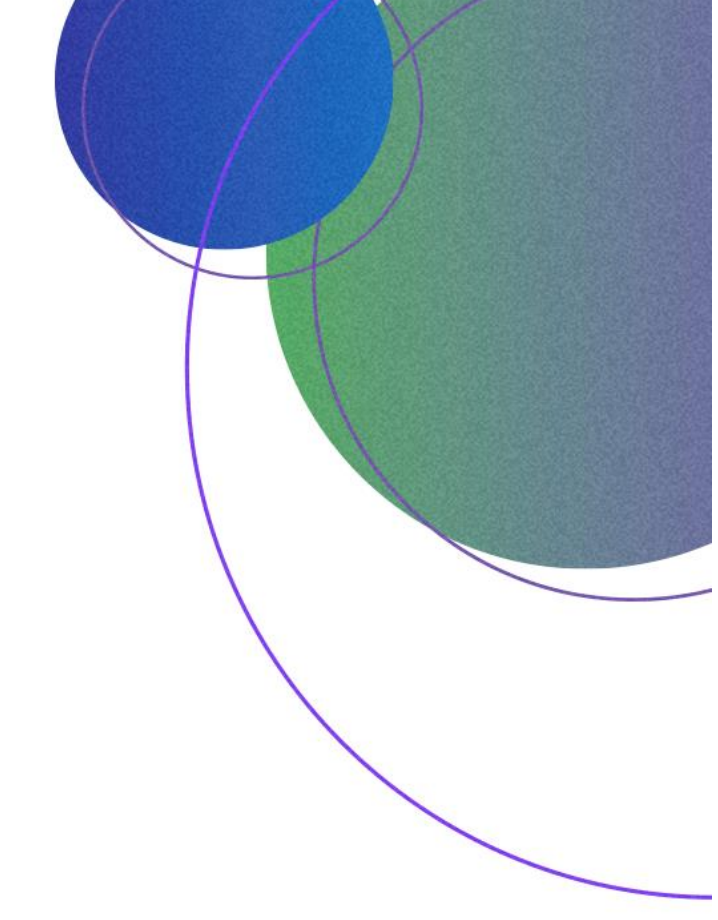
Net Revenue (R\$ million)



Recurring EBITDA (R\$ million) and EBITDA Margin



The effect of the pandemic on basic education was predominant in the reduction of operating results, overshadowing efficiency gains



Other Business

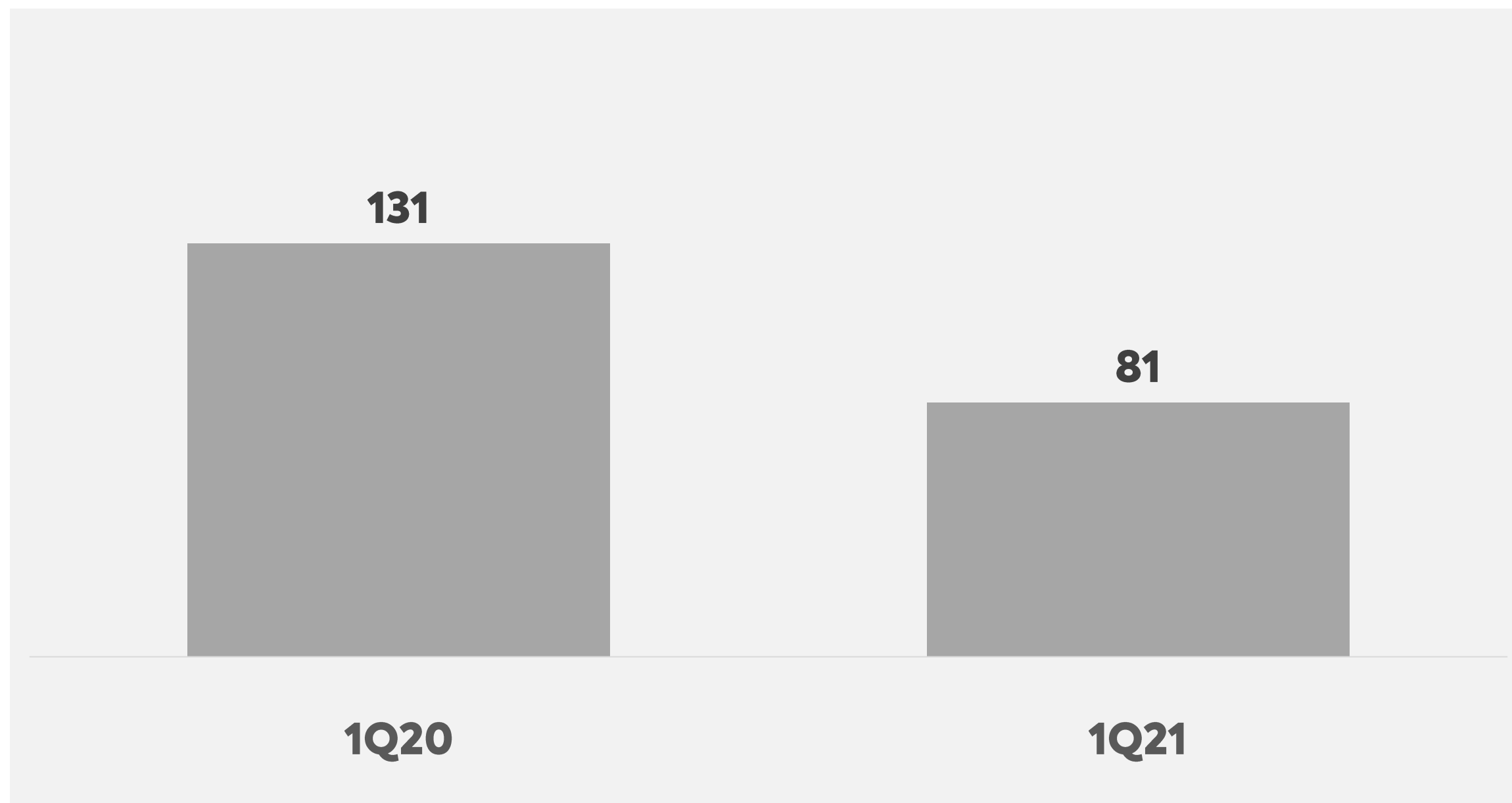
May 2021



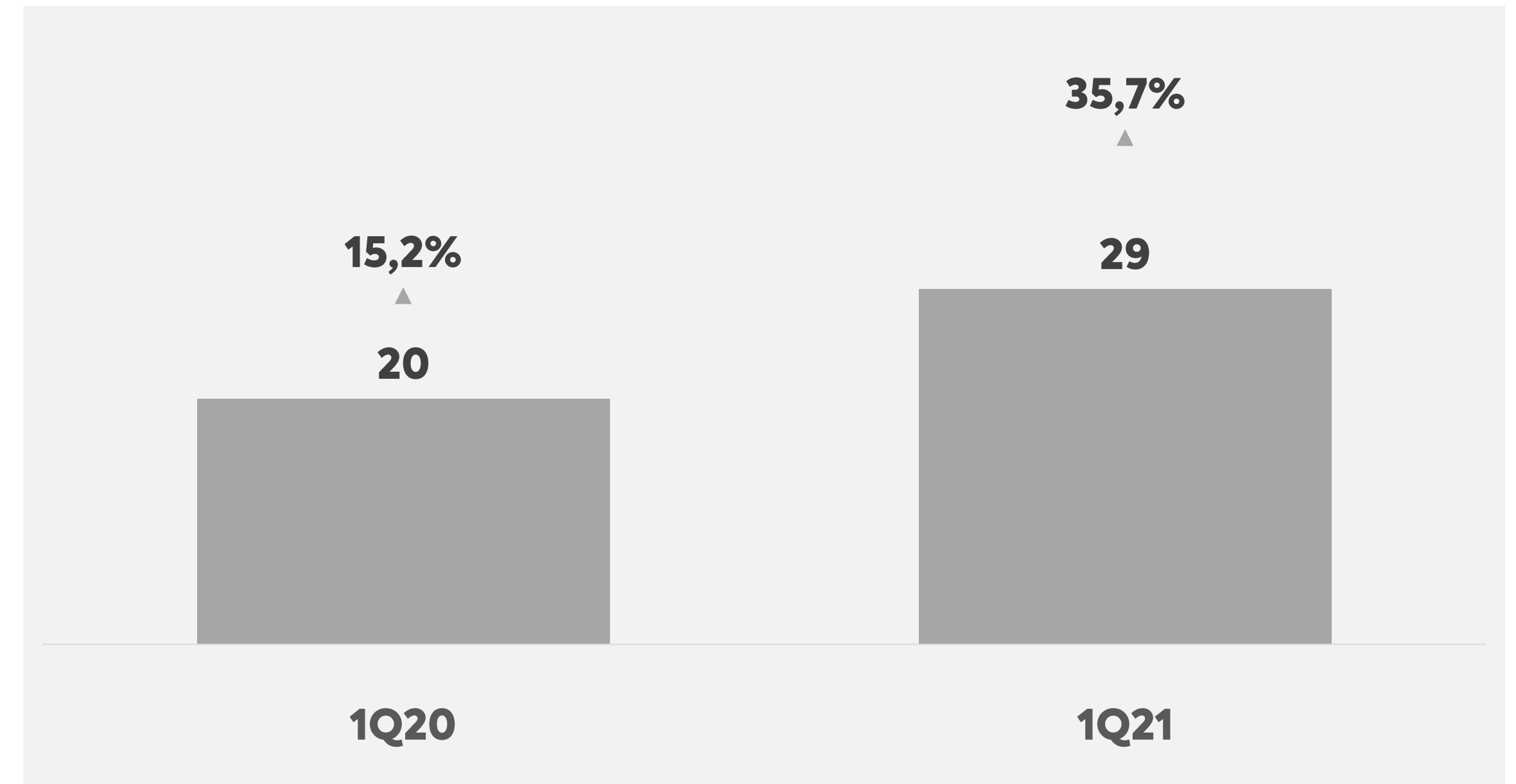
Other Business – Operating Results

- Net revenue impacted in 1Q21 by the seasonality of the National Textbook Program (PNLD). Other lines contributed positively to the composition of revenue
- Profitability was favored by the lower cost associated with the sale of collections for replacement with use in the 2021 cycle

Net Revenue (R\$ million)



Recurring EBITDA (R\$ million) and EBITDA Margin



We obtained share gain in the repurchase of the PNLD 2021 Elementary Education collections. The new choice for high school, which comprises a large volume, was postponed to 2021-22



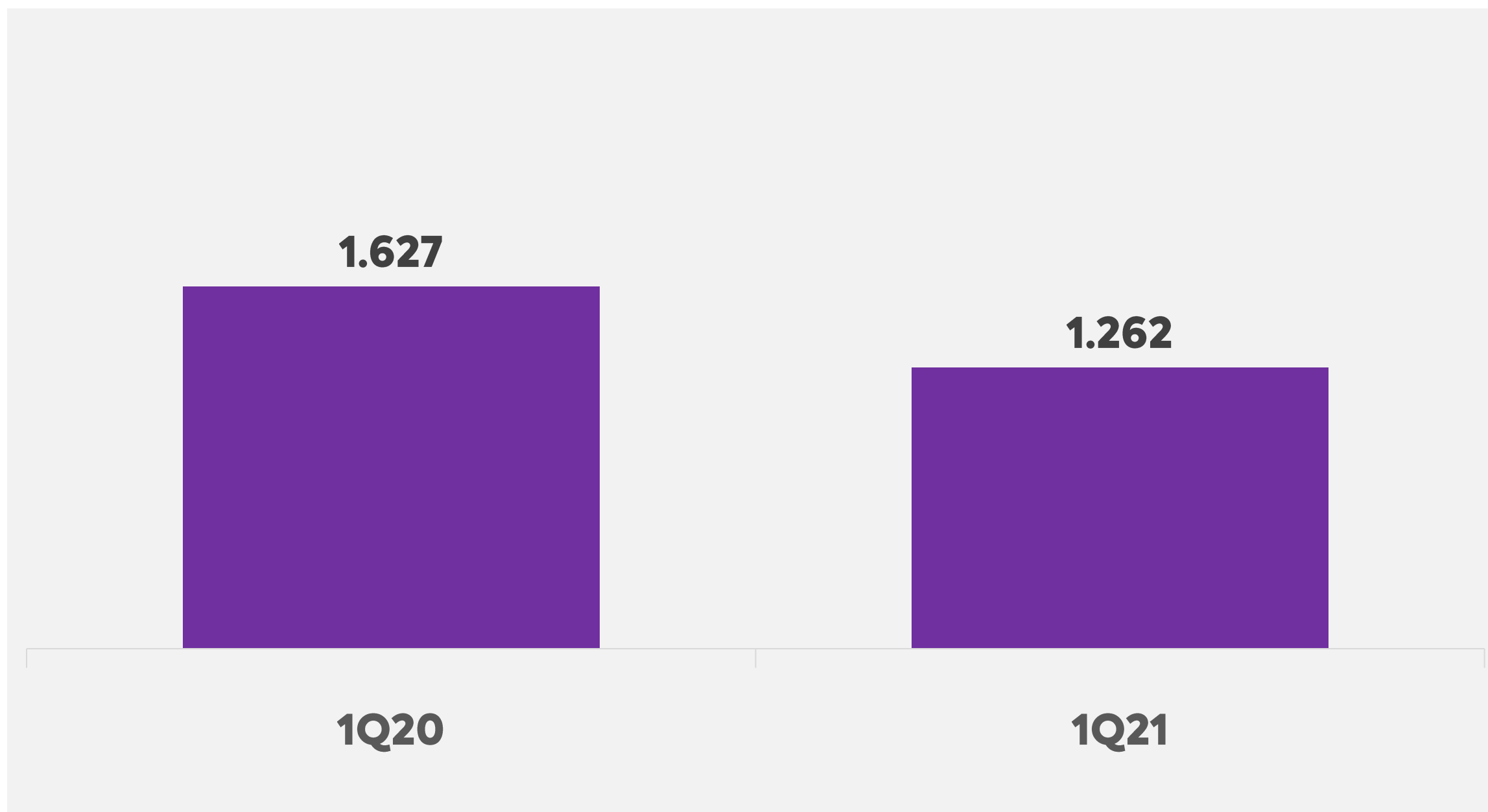
Cogna

May 2021

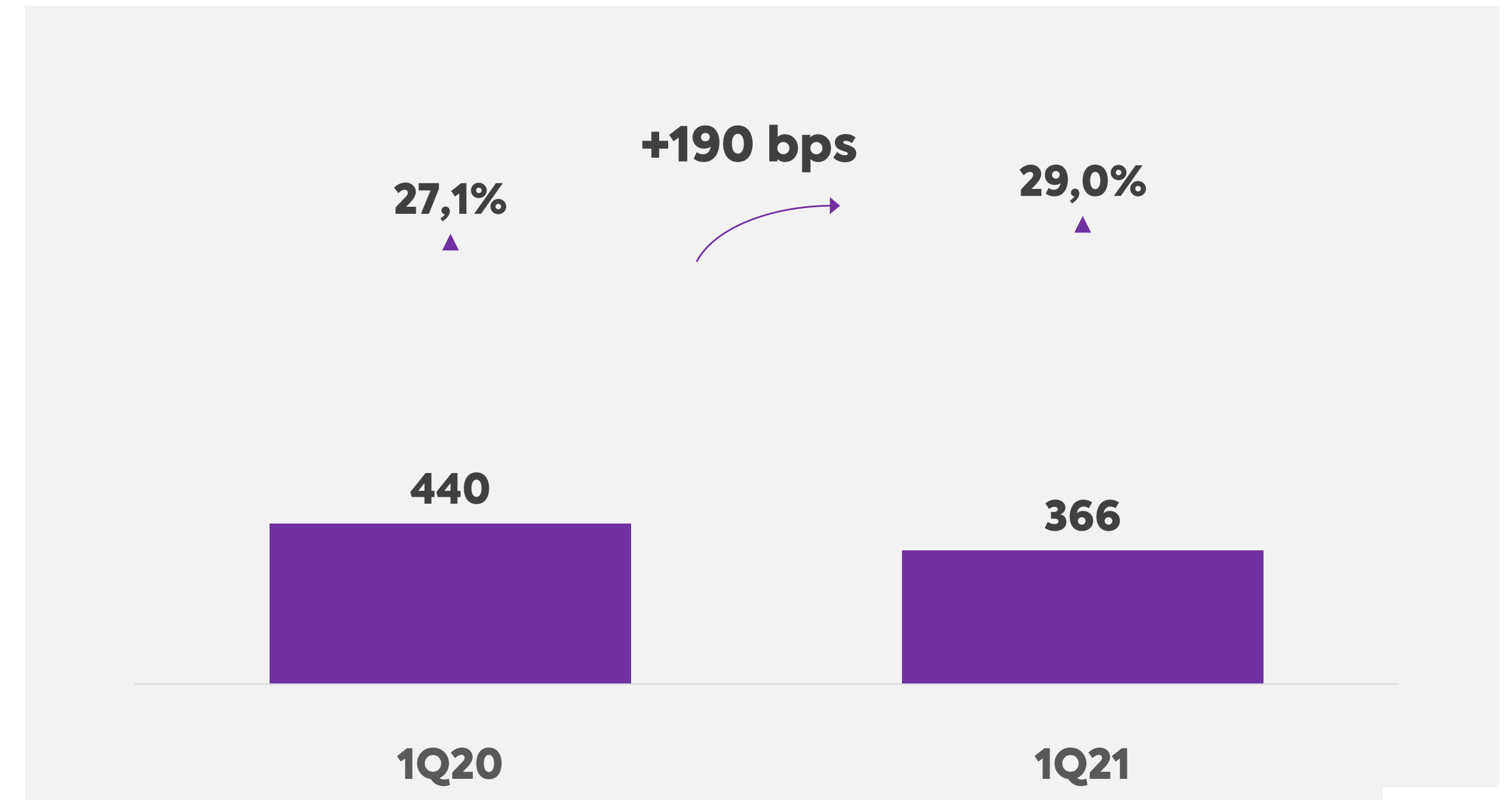
Cogna – Operating Results

- Net revenue impacted by the drop in revenue from higher education and basic education due to the pandemic, by the seasonality in the PNLD revenue, partially offset by the growth of Platos
- Kroton's restructuring and better profitability in other businesses drove **expansion of 190 bps in the recurring EBITDA margin**

Net Revenue (R\$ million)



Recurring EBITDA (R\$ million) and EBITDA Margin



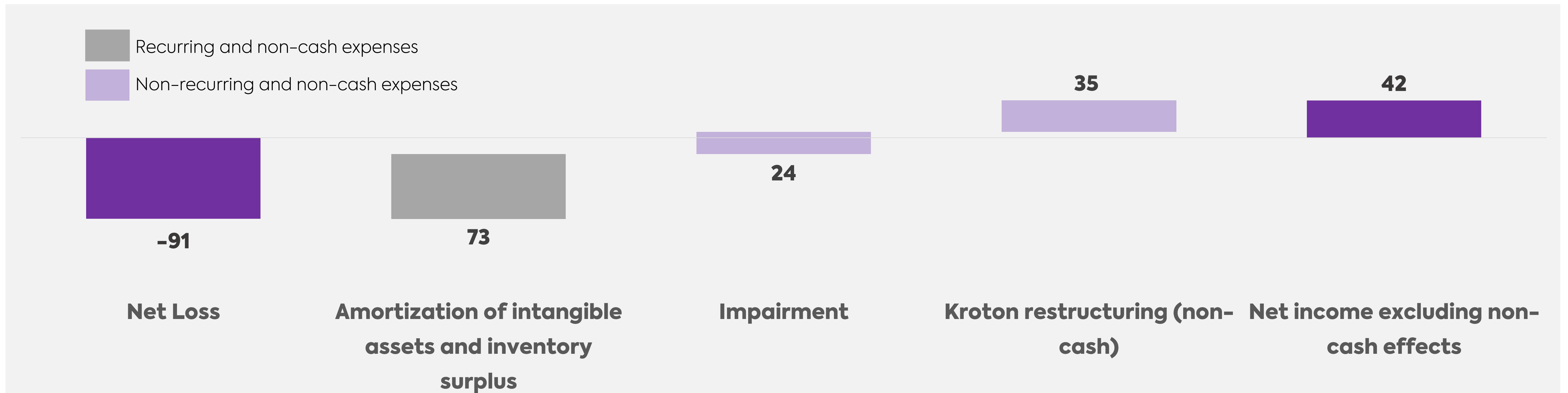
Operating results on a growth trajectory from 2Q21



Cogna – Net Income

- Net income excluding non-cash effects, **net income would have been R\$ 42 million**, a reduction of 11% in the annual basis

Adjusted Net Income (R\$ million)

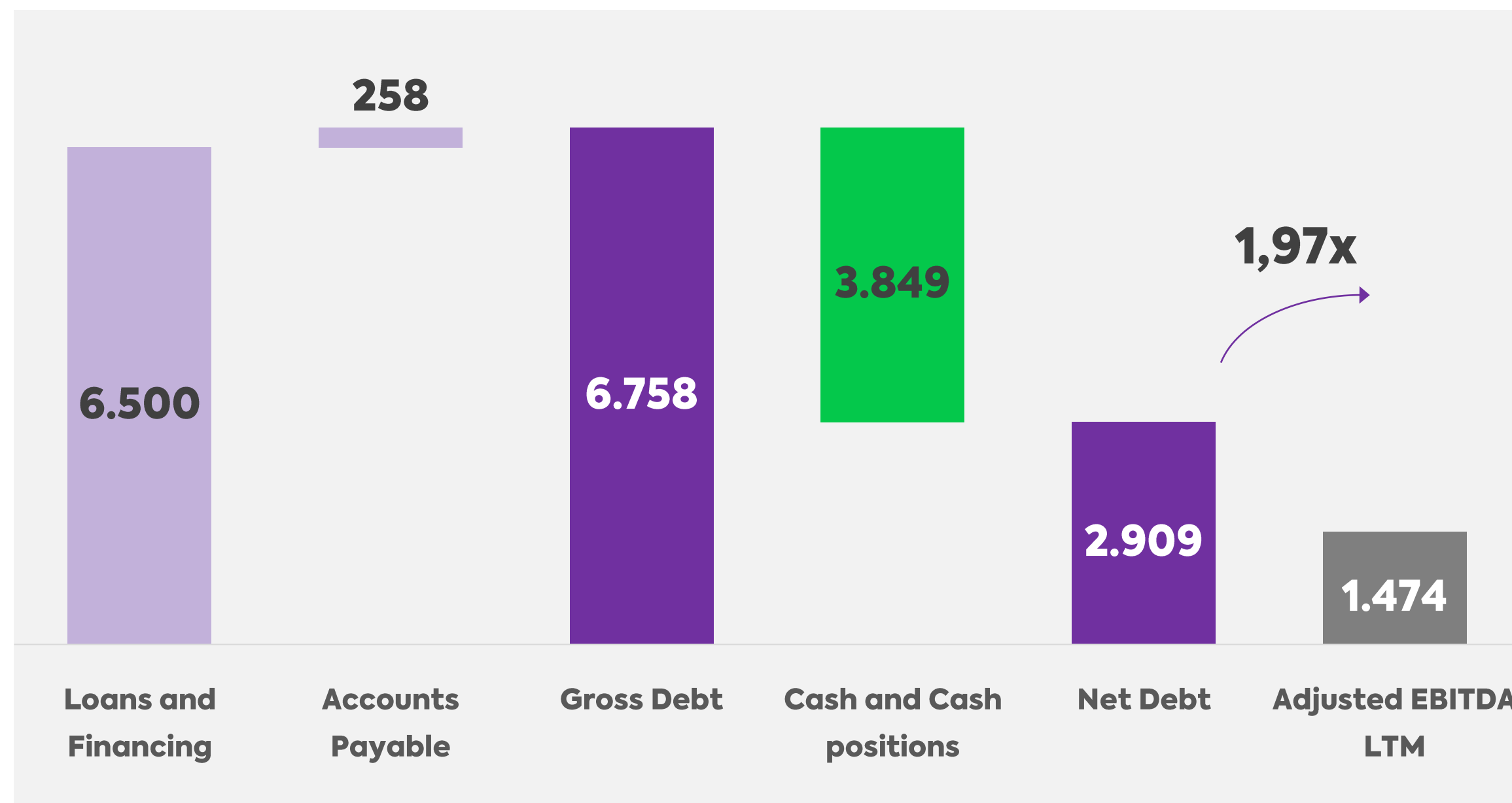


Net Income of R\$ 42 million in 1Q21 excluding non-cash effects

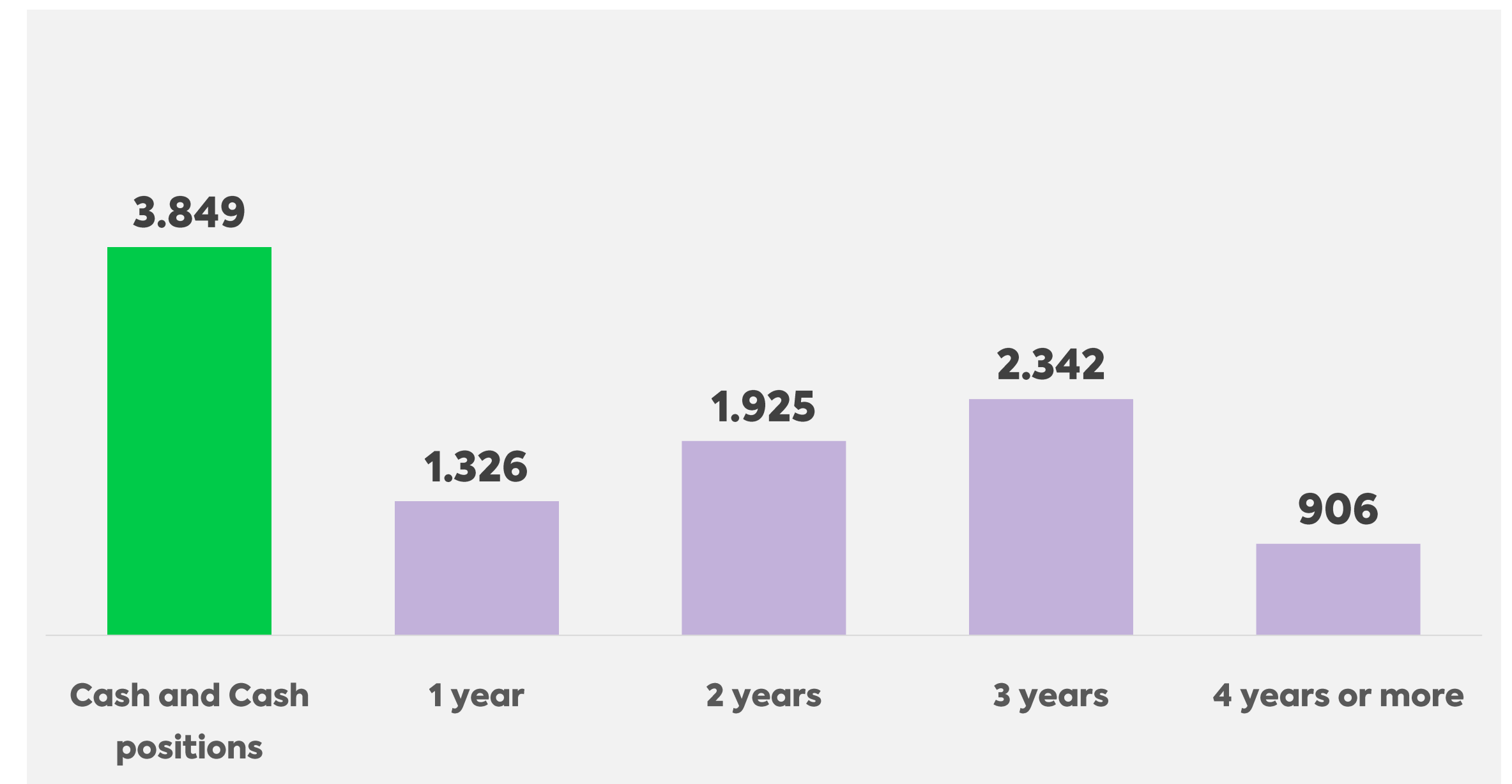
Cogna | Indebtedness

- **Solid cash position of R\$ 3.9 billion** and extended debt profile
- Net debt of R\$ 2.9 billion at the end of December
- **Net debt / adjusted EBITDA of 1.97x**, according to the new criterion of adjusted EBITDA, which excludes the extraordinary allowances for allowances made in 2020 (R\$ 644 million) from 4Q20 to 3Q21

Net Debt and Adjusted EBITDA¹ (R\$ million)



Debt Amortization Schedule² (R\$ million)



Leverage under control, and heading for an inflection point
Solid cash position and preserved operating cash generation potential

¹ EBITDA adjusted according to the debentures regulation. ² Debentures amortization schedule.



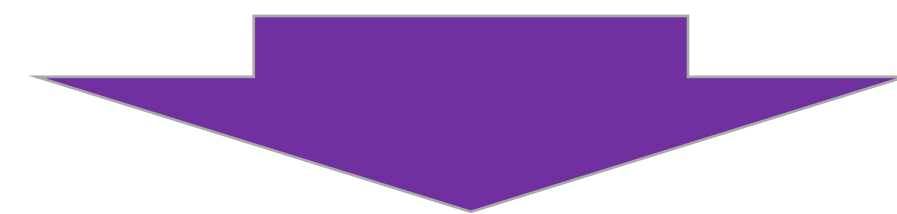
Cogna's Perspectives

Kroton growing strong in digital, back to the path of growing profitability and with a light balance sheet

Organic growth of the subscription business preserved, despite the effects of the pandemic on the volume of students enrolled in partner schools and the sale of textbooks. Planning for the integration of the Eleva Learning System has already started, with all functional fronts in progress

Effects of the pandemic impacted the enrollment process and hid efficiency gains. Transaction with Eleva will allow Cogna to explore the growth of this business without capital allocation

Organic growth with high profitability in 2021, service to external customers (OPM) in operation



Increase profitability consistently, prioritizing asset light business segments and models, with greater growth potential and greater ROIC

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