Cogna Educação S.A. and its subsidiaries

Interim financial information for the period ended

March 31, 2021

KPDS 843461

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Review report of quarterly information – ITR

To the Shareholders, Board members and Managers of
Cogna Educação S.A.
Belo Horizonte - MG

Introduction

We have reviewed the interim, individual and consolidated financial information of Cogna Educação S.A. ("Company"), contained in the Quarterly Information - ITR Form for the quarter ended March 31, 2021, which comprise the balance sheet on March 31, 2021 and related statements of income, of comprehensive income, of changes in shareholders' equity and of cash flows for the quarter then ended, including explanatory notes.

Company's Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with CPC 21(R1) and International Standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of this information in a manner consistent with the standards issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of the review

We conducted our review in accordance with the Brazilian and international review standards for interim information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists in asking questions, chiefly to the persons in charge of financial and accounting affairs, and in applying analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG Auditores Independentes, a Brazilian entity and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Conclusion on the individual and consolidated interim information
Based on our review, we are not aware of any facts that would lead us to believe that the individual and consolidated interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, applicable to the preparation of Quarterly Information - ITR, and presented in a manner consistent with the standards issued by the Securities Commission.

Other issues

Statements of added value
The aforementioned quarterly information includes the individual and consolidated statements of added value for the three-month period ended March 31, 2021, prepared under responsibility of Company's Management, and presented as supplementary information for IAS 34 purposes. These statements have been subject to review procedures performed in conjunction with the review of the quarterly information, in order to determine whether they are reconciled with the interim financial information and book records, as applicable, and whether their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 – Statement of Added Value. Based on our review, we are not aware of any facts that may lead us to believe that these statements of added value have not been prepared, in all material respects, in accordance with the criteria set forth in this Standard and consistently with respect to the individual and consolidated interim financial information taken as a whole.

Financial statements for prior years examined and interim financial information for prior periods reviewed by another independent auditor
The corresponding amounts referring to the parent company and consolidated balance sheets at December 31, 2020 were previously audited by other independent auditors, who issued an unmodified report thereon dated March 31, 2021, whereas the parent company and consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the quarter ended March 31, 2020 were previously reviewed by other independent auditors, who issued an unmodified report thereon dated May 21, 2020. The corresponding amounts referring to the parent company and consolidated Statements of Added Value, for the quarter ended March 31, 2020, have been submitted to the same review procedures by the aforementioned independent auditors, and, based on their review, nothing came to their attention that caused them to believe that these statements had not been properly prepared, in all material respects, in relation to the parent company and consolidated interim financial information taken as a whole.

São Paulo, May 14, 2021

KPMG Auditores Independentes
CRC 2SP014428/O-6
(Original report in Portuguese signed by)

Flavio Gozzoli Gonçalves
Accountant CRC 1SP290557/O-2

KPMG Auditores Independentes, a Brazilian entity and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

In thousands of reais

			Parent company		Consolidated
ASSETS	**Note**	**03/31/2021**	**12/31/2020**	**03/31/2021**	**12/31/2020**
Current assets					
Cash and cash equivalents	6	20,823	410,818	1,485,238	2,205,346
Marketable Securities	7	35,257	723	1,994,992	1,976,436
Trade receivable	8	-	-	1,729,599	1,876,801
Inventories	9	-	-	392,080	366,405
Advances		135	121	42,177	63,313
Taxes Recoverable	10	35,949	33,956	255,451	275,445
Trade receivable from sale of subsidiaries	11	-	-	631	593
Other receivables	12	180	501	113,868	105,140
Related parties – other receivables	28	552,957	597,284	-	-
Total current assets		**645,301**	**1,043,403**	**6,014,035**	**6,869,478**
Assets held for sale	3	912,633	912,633	2,383,041	2,402,541
Non-current assets					
Long-term assets					
Marketable Securities	7	-	-	13,537	15,026
Trade receivable	8	-	-	446,191	443,286
Taxes Recoverable	10	-	-	137,445	137,126
Trade receivable from sale of subsidiaries	11	-	-	72,953	71,329
Other receivables	12	-	-	79,318	92,043
Guarantee to tax, labor and civil losses	24,2	33,730	33,740	162,516	166,872
Judicial deposits	24,1	367	594	61,380	74,055
Deferred income tax and social contribution	25	-	-	814,722	838,338
Related parties – other receivables	28	4,687,335	5,034,263	288,388	309,767
Investments	13	13,849,303	13,908,903	1,263	1,453
Property, plant and equipment	14	-	-	4,330,360	4,344,174
Intangible assets and goodwil	15	86,097	86,232	14,996,759	15,018,301
Total non-current assets		**18,656,832**	**19,063,732**	**21,404,831**	**21,511,770**
Total assets		**20,214,766**	**21,019,768**	**29,801,907**	**30,783,788**

See the accompanying notes to the individual and consolidated financial statements.

In thousands of reais

			Parent company		Consolidated
LIABILITEIS	**Note**	**03/31/2021**	**12/31/2020**	**03/31/2021**	**12/31/2020**
Current liabilities					
Bonds and financing	16	-	-	296	229
Debentures	17	6,278,917	1,827,320	6,499,058	2,048,808
Lease liabilities	18	-	-	124,177	120,082
Suppliers		310	236	505,673	533,590
Suppliers (reverse factoring)	19	-	-	287,174	284,808
Salaries and social contributions	20	-	-	308,861	313,917
Income tax and social contribution payable		-	-	23,958	39,276
Taxes payable	21	1,913	1,554	99,721	103,445
Advances from clients		-	-	179,875	195,198
Taxes and contributions in installments		-	-	11,781	12,086
Accounts payable for business combination	22	-	-	93,565	100,728
Dividends payable		42	42	783	64
Other accounts payable		12	11	22,196	19,779
Other liabilities - related parties	28	155,901	153,735	-	-
		6,437,095	**1,982,898**	**8,157,118**	**3,772,010**
Liabilities held for sale	3	-	-	1,470,408	1,489,908
Non-current liabilities					
Bonds and financing	16	-	-	776	817
Debentures	17	-	5,171,357	-	5,171,357
Lease liabilities	18	-	-	2,943,256	2,912,368
Accounts payable for business combination	22	-	-	141,564	125,548
Provision for tax, civil and labor losses	23,1	35,252	35,451	425,556	428,614
Liabilities assumed in the business combination	23,5	-	-	1,922,717	2,012,606
Taxes and contributions in installments		-	-	7,805	7,804
Deferred income tax and social contribution	25	614,867	620,979	451,336	495,936
Other accounts payable		-	-	77,471	81,656
		650,119	**5,827,787**	**5,970,480**	**11,236,706**
Total liabilities		**7,087,214**	**7,810,685**	**15,598,006**	**16,498,624**
Shareholders' equity					
Share Capital	26,1	7,667,615	7,667,615	7,667,615	7,667,615
Capital reserves	26,2	5,649,564	5,640,563	5,649,564	5,640,563
Treasury shares		(98,652)	(99,095)	(98,652)	(99,095)
Accumulated loss		(90,975)	-	(90,975)	-
		13,127,552	**13,209,083**	**13,127,552**	**13,209,083**
Interest of non-controlling shareholders		-	-	1,076,349	1,076,081
Total shareholders' equity		**13,127,552**	**13,209,083**	**14,203,901**	**14,285,164**
Total liabilities and shareholders' equity		**20,214,766**	**21,019,768**	**29,801,907**	**30,783,788**

See the accompanying notes to the individual and consolidated financial statements.

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES
STATEMENT OF INCOME
Three-month period ended March 31, 2021 and 2020
In thousands of reais

		Parent company		Consolidated	
	Note	03/31/2021	03/31/2020 restated - Note 3	03/31/2021	03/31/2020 restated - Note 3
Net revenue from sales and services	**29**	**-**	**-**	**1,105,481**	**1,440,578**
Cost of sales and services					
Cost of services	30	-	-	(327,448)	(397,727)
Cost of goodss sold	30	-	-	(73,888)	(163,669)
		-	**-**	**(401,336)**	**(561,396)**
Gross profit		**-**	**-**	**704,145**	**879,182**
Operating income (expenses)					
From sales	30	-	-	(139,076)	(201,565)
General and administrative expenses	30	101	(17,975)	(327,582)	(343,177)
Provision for expected loss	30	-	-	(162,451)	(212,334)
Other operating expenses	30	-	-	(27,006)	(965)
Equity in net income of subsidiaries	13	(68,630)	23,727	210	(5,575)
(Loss) Profit before finance result and taxes		**(68,529)**	**5,752**	**48,241**	**115,565**
Finance result					
Finance income	31	61,993	40,433	61,473	88,179
Finance costs	31	(59,053)	(103,900)	(172,084)	(241,845)
		2,940	**(63,467)**	**(110,611)**	**(153,666)**
(Loss) before income tax and social contribution		**(65,589)**	**(57,715)**	**(62,370)**	**(38,101)**
Income tax and social contribution					
Current	25	(642)	-	(18,928)	(30,866)
Deferred	25	6,112	6,112	20,982	18,676
		5,470	**6,112**	**2,054**	**(12,190)**
(Loss) from continued operations		**(60,119)**	**(51,603)**	**(60,316)**	**(50,290)**
Income (loss) from discontinued operations	3	(30,856)	12,483	(30,856)	12,483
(Loss) for the period		**(90,975)**	**(39,120)**	**(91,172)**	**(37,807)**
Allocated to:					
Controlling shareholders		(90,975)	(39,120)	(90,975)	(39,120)
Non-controlling shareholders		-	-	(197)	1,313
Basic loss per share - Common shares - R$	32	(0.05)	(0.02)	-	-
Diluted earnings per share - Preferred shares - R$	32	(0.05)	(0.02)	-	-

See the accompanying notes to the individual and consolidated financial statements.

In thousands of reais

	Parent company		Consolidated	
	03/31/2021	03/31/2020 restated - Note 3	03/31/2021	03/31/2020 restated - Note 3
Loss for the period	**(90,975)**	**(39,120)**	**(91,172)**	**(37,807)**
Other comprehensive income	-	-	-	-
Comprehensive income (loss) for the period	**(90,975)**	**(39,120)**	**(91,172)**	**(37,807)**
Allocated to:				
Controlling shareholders	(90,975)	(39,120)	(90,975)	(39,120)
Non-controlling shareholders	-	-	(197)	1,313

See the accompanying notes to the individual and consolidated financial statements.

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY
Three-month period ended March 31, 2021 and 2020
In thousands of reais

						Parent company		Consolidated
	Capital	Capital reserves	Treasury shares	Profit reserves	Accumulated loss	Total shareholders' equity	Non-controlling interest	Total shareholders' equity
Balances at December 31, 2019	**5,111,677**	**6,400,167**	**(121,428)**	**4,441,990**	**-**	**15,832,406**	**2,863**	**15,835,269**
Comprehensive income for the period								
Loss for the period	-	-	-	-	(39,120)	(39,120)	1,313	(37,807)
Total comprehensive income for the period	-	-	-	-	(39,120)	(39,120)	1,313	(37,807)
Contribution from shareholders and distribution to shareholders								
Capital increase	2,555,938	-	-	-	-	2,555,938	-	2,555,938
Issue cost of shares	-	(70,787)	-	-	-	(70,787)		(70,787)
Recognized options granted	-	7,561	-	-	-	7,561	-	7,561
Disposal of treasury shares	-	(11,415)	20,075	-	-	8,660	-	8,660
Total contributions from shareholders and distribution to shareholders	2,555,938	(74,641)	20,075	-	-	2,501,372	-	2,501,372
Balances at March 31, 2020	**7,667,615**	**6,325,526**	**(101,353)**	**4,441,990**	**(39,120)**	**18,294,658**	**4,176**	**18,298,834**
Balances at December 31, 2020	**7,667,615**	**5,640,563**	**(99,095)**	**-**	**-**	**13,209,083**	**1,076,081**	**14,285,164**
Comprehensive income for the period								
Loss for the period	-	-	-	-	(90,975)	(90,975)	(197)	(91,172)
Total comprehensive income for the period	-	-	-	-	(90,975)	(90,975)	(197)	(91,172)
Contribution from shareholders and distribution to shareholders								
Recognized options granted	-	9,001	443	-	-	9,445	-	9,444
Minority interest	-	-	-	-	-	-	465	465
Total contributions from shareholders and distribution to shareholders	-	9,001	443	-	-	9,445	465	9,909
Balances at March 31, 2021	**7,667,615**	**5,649,564**	**(98,652)**	**-**	**(90,975)**	**13,127,552**	**1,076,349**	**14,203,901**

See the accompanying notes to the individual and consolidated financial statements.

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS - INDIRECT METHOD
Three-month period ended March 31, 2021 and 2020
In thousands of reais

		Parent company		Consolidated	
	Note	03/31/2021	03/31/2020	03/31/2021	03/31/2020
Cash flow from operating activities					
(Loss) before income tax and social contribution		(65,589)	(57,715)	(62,370)	(38,101)
Adjustments for:					
Depreciation and amortization	30	109	18,095	118,651	135,946
Depreciation right of use assets	30	-	-	49,688	67,243
Amortization of surplus of allocated goodwill	30	17,976	-	66,888	82,581
Amortization of inventory surplus		-	-	448	3,300
Editorial costs	30	-	-	23,651	31,278
Impairment losses on trade receivables	8	-	-	162,452	213,940
Adjustment to present value – Trade receivable	8	-	-	(13,061)	(4,930)
Inflation adjustment on assignment of amounts to subsidiaries	28	(49,197)	-	-	-
Reversal to tax, labor and civil losses	23	(190)	(205)	(81,929)	(75,871)
Provision for inventory losses	9	-	-	6,206	18,578
Inflation adjustment of Trade receivable from sale of subsidiaries		-	-	(1,853)	(9,146)
Inflation adjustment of escrow account	24,2	-	-	-	(5,309)
Average interest rate		57,418	103,291	161,928	240,162
Granting of stock options		414	342	9,444	7,561
Income from sale or write-off of assets and other investments		-	-	16,407	8,563
Income from interest earning bank deposits and Marketable securities	31	(1,543)	(10,741)	(19,323)	(17,375)
Equity in net income of subsidiaries	13	50,654	(36,210)	210	(478)
(Loss) income from discontinued operations		(30,856)	12,484	(30,856)	12,484
		(20,805)	**29,340**	**406,581**	**670,426**
Changes in					
Trade receivable		-	-	(5,094)	(181,776)
Inventories		-	-	(55,980)	(39,806)
Advances		(14)	(76)	21,135	4,489
Taxes recoverable		(965)	(5,323)	29,240	21,373
Judicial deposits		227	(281)	12,675	2,578
Related party transactions		28,268	(39,930)	21,379	-
(Increase) decrease in other receivables		347	65	4,189	(91,767)
Suppliers		74	(370)	(23,729)	(142,246)
Suppliers - reverse factoring		-	-	2,366	(12,013)
Salaries and social contributions		-	-	(5,057)	(8,354)
Taxes payable		(283)	1,714	(37,016)	(18,470)
Advances from clients		-	(13)	(15,323)	(21,395)
Taxes and contributions in installments		-	-	(305)	(2,695)
Payment of tax, labor and civil contingencies		-	(4)	(30,807)	(53,691)
Other accounts payable		2	(318)	(3,604)	(31,512)
Cash from (applied in) in operating activities		**6,851**	**(15,195)**	**320,650**	**95,141**
Income tax and social contribution		(1,028)	-	(9,566)	(314)
Lease liabilities interest paid	18	-	-	(71,839)	(102,949)
Interest from bounds and debentures paid	16 | 17	(83,100)	(206,658)	(86,043)	(213,177)
Net cash (applied in) from operating activities		**(77,277)**	**(221,853)**	**153,202**	**(221,299)**
Cash flows from investing activities					
(Investment) redemption of Marketable securities		(32,991)	(819,917)	2,256	(747,886)
Additions in property, plant and equipment		-	-	(41,500)	(46,400)
Additions to intangible assets and goodwill		-	-	(56,100)	(72,700)
Acquired cash in business combination		-	-	1,591	142
Payments for acquisition of subsidiaries		-	-	(38,124)	(51,915)
Receipt of amounts assigned in cash to Subsidiaries	28	385,905	-	-	-
Receipt of private debentures		28,446	-	-	-
Net cash from (applied in) investing activities		**381,360**	**(819,917)**	**(131,877)**	**(918,759)**
Cash flows from financing activities					
Capital increase		-	2,485,151	-	2,485,151
Disposal of treasury shares		-	8,660	-	8,660
Non-controlling interest		-	-	465	-
Lease liabilities payment		-	-	(28,675)	(37,960)
Payment of bounds, financing and debentures	16 | 17	(694,078)	-	(694,134)	(642)
Installments paid on the acquisition of companies		-	-	(19,089)	-
Net cash (applied in) from financing activities		**(694,078)**	**2,493,812**	**(741,433)**	**2,455,209**
Net (decrease) increase in cash and cash equivalents		**(389,995)**	**1,452,041**	**(720,108)**	**1,315,151**
Cash and cash equivalents at the beginning of period	6	410,818	95	2,205,346	371,683
Cash and cash equivalents from continued operations at the of period	6	20,823	1,452,136	1,485,238	1,686,834
Net (decrease) increase in cash and cash equivalents		**(389,995)**	**1,452,041**	**(720,108)**	**1,315,151**

See the accompanying notes to the individual and consolidated financial statements.

In thousands of reais

	Parent company		Consolidated	
	03/31/2021	03/31/2020	03/31/2021	03/31/2020
Revenue from sales and services	-	-	1,262,588	1,627,468
Other revenues	-	-	1,856	1,499
Provision for expected loss	-	-	(164,363)	(213,940)
	-	**-**	**1,100,081**	**1,415,027**
Inputs acquired from third parties				
Cost of products sold and services rendered	-	-	(85,864)	(167,536)
Materials, energy, outsourced services and other	216	135	(57,433)	(101,284)
Asset impairment loss	-	-	(24,839)	-
Gross added value	**216**	**135**	**931,945**	**1,146,207**
Retentions				
Depreciation and amortization	(109)	(18,095)	(190,590)	(203,190)
Amortization of surplus of allocated goodwill	-	-	(72,183)	(82,580)
Amortization of inventory surplus	-	-	(448)	(3,300)
Net added value	**107**	**(17,960)**	**668,724**	**857,137**
Added value received as transfer				
Equity in net income of subsidiaries	(99,486)	36,210	210	(478)
Financial revenues	61,993	40,433	63,274	89,287
Total added value payable	**(37,386)**	**58,683**	**732,208**	**945,946**
Distribution of added value				
Personnel:				
Direct remuneration	-	11	286,984	335,785
Benefits	-	-	30,890	27,885
Social charges	-	-	104,945	129,366
Taxes, duties and contributions:				
Federal	(5,469)	(6,111)	87,047	36,424
State	5	3	112	239
Municipal	-	-	554	823
Third-party capital remuneration:				
Financial expenses	59,053	103,900	199,687	262,347
Rentals	-	-	158,955	158,013
Copyright	-	-	25,137	32,871
Remuneration of own capital:				
Retained losses for the period	(90,975)	(39,120)	(91,172)	(37,807)
Distributed added value	**(37,386)**	**58,683**	**732,208**	**945,946**

See the accompanying notes to the individual and consolidated financial statements.

1. Operations

Cogna Educação S.A., hereinafter referred to as “Company”, “Parent Company” or “Cogna”, headquartered at Rua Santa Madalena Sofia, 25, in the city of Belo Horizonte/MG, and its subsidiaries (jointly, the “Group”) are mainly engaged in providing in-class and distance-learning higher education and graduate program courses; editing, marketing and distribution of teaching books, educational materials and workbooks, especially with educational, literary and informative content and education systems; offer, by means of their schools, basic education, pre-university preparatory courses, language courses for children and adolescents; educational solutions for technical and higher education, among other complementary activities, such as education technology development for services to complement management and training; the administration of kindergarten, elementary and high school activities; advising and/or enabling the possibility of direct and indirect financing of students in relation to their respective school modalities and the development of software for adaptive teaching and optimization of academic management.

The Group has 78 companies, including the Parent Company, and is made up of 15 sponsors of a higher education institution, 161 units of Higher Education, present in 22 states and 130 Brazilian cities, in addition to 1,922 Distance Learning Graduation Centers accredited by the Ministry of Education (MEC), located in all Brazilian states and the Federal District. The Company also has, in Basic Education, 52 own schools, 117 Red Balloon units, and 4,167 associated schools throughout the Brazilian territory.

Cogna carries out its activities through its direct subsidiaries: Editora e Distribuidora Educacional S.A. (“EDE”), Anhanguera Educacional Participações S.A. (“AESAPAR”), *Vasta Platform Limited* (“Vasta”) and Saber Serviços Educacionais Ltda. (“Saber).

The Company is listed on B3 - Brasil, Bolsa, Balcão, in the special segment referred to as Novo Mercado, under code COGN3 through which it trades its common shares. In addition, since July 31, 2020, subsidiary Vasta has been publicly traded on the North American stock exchange NASDAQ, operating under code VSTA.

As disclosed in the Separate and Consolidated Financial Statements for the year ended December 31, 2020, Cogna signed, through its subsidiary Somos Sistemas, a Share Purchase Agreement and other covenants (“CCV”) with company Eleva Educação S.A. (“Eleva”), by which it agreed to purchase all the rights and assets related to the basic education systems sold by the Eleva group (“System Transaction”).

In addition to this transaction, Saber, with Cogna’s consent, signed a share purchase agreement and other covenants jointly with Eleva, in which it agreed to sell all shares issued by Somos Operações Escolares (“SOE”) to Eleva (“School Transaction”). SOE currently maintains the entire operation of the Cogna Group’s own schools.

It is extremely worth mentioning that the completion of these transactions is subject to certain suspensive conditions, including prior approval by the Administrative Council for Economic Defense (CADE). More information is included in note 3.

The Company’s interim financial information was approved for issuance by the Board of Directors on May 14, 2021.

1.1. Context about COVID-19

In the first quarter of 2021, in accordance with the information already stated in the Separate and Consolidated Financial Statements for the year ended December 31, 2020, the Company maintained its security and risk prevention measures, which were recommended by health authorities and by the Group's internal crisis committee, created in 2020, for the purpose of preserving the integrity of students and employees, in addition to the continuity of the services provided. Even after the closure of the in-person units, the Company immediately proceeded with the provision of educational services through its virtual platforms, obtaining excellent levels of adhesion and engagement from the students. As a result, there was no interruption in the provision of services hired by students so far.

Despite having reflected the known impacts of the pandemic on the income and profitability during the last year, the Company believes that there is uncertainty on possible future impacts that may still impact the business, among which we can mention the time taken to maintain the social distance measures and the extent to which these decisions can impact employment and demand, possible impacts on our students' ability to pay, as well as the magnitude and impact of any government measures to stimulate the economy.

The Company will continue to be attentive to possible new guidelines and developments on this matter, always keeping its shareholders updated on the possible impacts of COVID-19 on the Group's businesses. In this constantly evolving scenario, the monitoring of changes in macroeconomic and business variables will be continuous, as well as the preparation of specific analyses in its operations, to obtain the best estimate of possible impacts in real-time, thereby allowing its mitigation through reaction and contingency plans.

As presented in greater detail in note 17 and 35.1, on March 31, 2020, the Company exceeded the financial ratio related to financial indicators (covenants), for the third time alternately, resulting in the non-automatic early maturity of its debts. Because of this new overcoming, the Company, through the fiduciary agent, convened a specific General Meeting of Debenture Holders to deliberate on the eventual non-decree of early maturity, and additionally the renegotiation of the covenants. The debenture holders accepted, by the majority of the quorum present, the review of items linked to the Adjusted Ebitda, including in this premise specific items that affected the Company's results during the last year, mainly related to the impacts of the Coronavirus ("COVID-19"). Based on this review, the new financial ratio related to the calculation of financial covenants reached a result within the conditions established for the financial contractual clauses.

2. Significant accounting policies

The Company presents the separate and consolidated interim financial information in accordance with CPC 21 (R1) Interim Statement, issued by the Accounting Pronouncements Committee (CPC) and IAS 34 - Interim Financial Report, issued by the International Accounting Standards Board (IASB), as well as the standards established by the Brazilian Securities and Exchange Commission (CVM).

Based on Management's assessment of the relevant impacts of the information to be disclosed, the notes described below are not being presented:

- Description of significant accounting policies:
- Estimates and accounting judgments;
- Insurance coverage.

The notes are presented in an appropriate manner for the perfect understanding of this interim financial information if read in conjunction with those disclosed in the financial statements of December 31, 2020.

3. Assets and liabilities held for sale and discontinued operations

In the context of CPC 31 - Non-Current Assets Held for Sale and Discontinued Operation, and as presented in notes 1.2, 2.9, and 36.1 of the Separate and Consolidated Financial Statements for the year ended December 31, 2020, Cogna entered into, through its subsidiary Saber, and jointly with company Eleva Educação S.A. ("Eleva"), a share purchase agreement, under which it agreed to sell all shares issued by Somos Operações Escolares ("SOE"), currently responsible for the entire operation of the Cogna Group's own schools ("Saber Escolas"). More information on the main contractual clauses is included in the Company's Annual Statements for the last year.

Based on the information stated above, the Company reclassified the balances in the SOE's Balance Sheet to the "assets held for sale" and "liabilities held for sale" item, as set forth in CPC 31. In addition, regarding the impacts on the income, the Company reclassified the balances belonging to the school business to the "result of discontinued operations" item, including the comparative result for the same period of 2020, which is restated, pursuant to that standard.

In thousands of reais, unless otherwise indicated

Therefore, we present below the effects arising from the restatements and disclosures of the classification of assets and liabilities of subsidiary Somos Operações Escolares as a discontinued operation, as provided for in technical pronouncement CPC 31/IFRS 5, for the period ended March 31, 2021:

Balance sheet

	SOE 03/31/2021		SOE 03/31/2021
Assets		**Liabilities**	
Cash and cash equivalents (i)	164,411	Loans and financing	100
Marketable Securities (i)	204,092	Right-of-use lease	36,512
Trade receivable	42,499	Suppliers	41,271
Inventories	34,347	Labor obligations	59,643
Advances	4,802	Income tax and social contribution payable	4,382
Taxes recoverable	31,864	Taxes payable	7,559
Other receivables	-	Advances from clients	80,400
Related parties – other receivables	11,787	Taxes and contributions in installments	1,015
		Accounts payable for acquisitions	12,133
		Other accounts payable	34,359
		Related parties – other liabilities	21,434
Total current assets	**493,802**	**Total current liabilities**	**298,808**
Taxes recoverable	337	Right-of-use lease	492,120
Other receivables	663	Accounts payable for acquisitions	10,568
Guarantee to tax, labor and civil losses	212,366	Provision for tax, civil and labor losses	8,234
Judicial deposits	1,242	Liabilities assumed in the business combination	249,261
Related parties – other receivables	3,143	Deferred income tax and social contribution	120,511
		Taxes and contributions in installments	1,942
		Other accounts payable	7,081
Property, plant and equipment	624,855	Related parties – other liabilities	281,884
Intangible assets and goodwill	1,046,632	**Total non-current liabilities**	**1,171,601**
Total non-current assets	**1,889,238**		
		Total liabilities	**1,470,409**
		Shareholders' equity	912,632
Total assets	**2,383,041**	**Total liabilities and shareholders' equity**	**2,383,041**

(i) The balances of cash and cash equivalents and Marketable securities are part of the Cogna Group on the date of the Financial Statements, and in compliance with the contractual provisions in the negotiation with Eleva, and until the transaction closing date ("closing"), the balance of related parties may be used in the Company's operating activities, as well as in the payment of recorded liabilities.

In thousands of reais, unless otherwise indicated

Statement of income for the quarter

		SOE
	03/31/2021	**03/31/2020**
Net revenue from sales and services	156,904	186,890
Cost of sales and services	(82,702)	(91,844)
Gross income	**74,202**	**95,046**
Operating revenues (expenses)		
From sales	(2,929)	(2,496)
General and administrative expenses	(46,494)	(49,648)
Provision for expected loss	(1,912)	(1,606)
Asset impairment loss	(24,839)	-
Other operating income (expenses), net	3,457	(97)
Equity in net income of subsidiaries	-	5,097
Operating income before financial income and taxes	**1,485**	**46,297**
Finance result		
Finance income	1,801	1,108
Finance costs	(27,603)	(20,502)
	(25,802)	**(19,394)**
Operating income (loss) before taxes	**(24,317)**	**26,903**
Income tax and social contribution		
Current	(6,605)	(14,141)
Deferred	66	(278)
	(6,539)	**(14,419)**
Net income (loss) from discontinued operations	**(30,856)**	**12,483**

Statement of Cash Flows (i)

		SOE
	03/31/2021	**03/31/2020**
Cash flow from operating activities		
Adjustments for reconciliation with income (loss):		
Discontinued operations to income (loss)	72,973	32,431
Change in operating assets and liabilities:		
Discontinued operations for operating activities	(51,242)	(37,269)
Net cash generated (invested) by operating activities	**21,731**	**(4,838)**
Cash flow from investment activities		
Discontinued operations for investments	(5,972)	(7,133)
Net cash (invested in) generated by investment activities	**(5,972)**	**(7,133)**
Cash flow from financing activities		
Discontinued operations for financing activities	(9,318)	(7,331)
Net cash invested in (generated by) financing activities	**(9,318)**	**(7,331)**
Net increase (decrease) in cash and cash equivalents	**6,442**	**(19,302)**

In thousands of reais, unless otherwise indicated

Statement of added value (i)

		SOE
	03/31/2021	**03/31/2020**
Revenue from sales and services	156,904	175,153
Provision for expected loss	(1,912)	(1,421)
	154,992	**173,732**
Inputs acquired from third parties		
Cost of products sold and services rendered	(12,418)	(6,799)
Materials, energy, outsourced services and other	15,966	6,888
Asset impairment loss	(24,839)	-
Gross added value	**133,700**	**173,820**
Retentions		
Depreciation and amortization	(22,259)	(18,812)
Amortization of surplus of allocated goodwill	(5,437)	(11,971)
Net added value	**106,004**	**143,037**
Added value received as transfer		
Equity in net income of subsidiaries	-	5,097
Financial revenues	1,801	1,268
Total added value payable	**107,805**	**149,402**
Distribution of added value		
Personnel:		
Direct remuneration	52,759	56,761
Benefits	4,770	2,076
Social charges	23,556	21,289
Taxes, duties and contributions:		
Federal	7,549	15,545
State	2	4
Municipal	-	35
Third-party capital remuneration:		
Financial expenses	27,603	20,502
Rentals	22,346	20,549
Copyright	75	156
Remuneration of own capital:		
Retained earnings for the period	(30,856)	12,483
Distributed added value	**107,805**	**149,402**

(i) The balances presented here are considered in full to the changes that occurred in the value-added statement.

In thousands of reais, unless otherwise indicated

Below are the main changes resulting from discontinued operations, which are applicable to the Company's income, according to their nature:

Net revenue

	Discontinued operations	
	03/31/2021	03/31/2020
Gross revenue	196,810	226,641
Deductions from gross revenue		
Taxes	(11,369)	(14,465)
Discounts and returns	(28,537)	(25,287)
Net revenue	**156,904**	**186,890**

Costs and expenses by nature

		SOE
	03/31/2021	03/31/2020
Depreciation and amortization	(9,779)	(8,835)
Amortization of surplus of allocated goodwill	(5,437)	(11,966)
Depreciation - IFRS 16	(12,480)	(10,248)
Contingencies	12,083	11,905
Other operating costs and expenses	(139,805)	(126,547)
	(155,419)	**(145,690)**
Cost of sales and services	(82,702)	(91,844)
Sales expenses	(2,929)	(2,496)
Administrative and general expenses	(46,494)	(49,648)
Provision for expected loss	(1,912)	(1,606)
Asset impairment loss	(24,839)	-
Other operating revenues (expenses), net	3,457	(97)
	(155,419)	**(145,690)**

Financial income (loss)

		SOE
	03/31/2021	03/31/2020
Total financial revenues	1,801	1,108
Total financial expenses	(27,603)	(20,502)
Financial income (loss)	**(25,802)**	**(19,394)**

In thousands of reais, unless otherwise indicated

4. Business combinations

4.1. Acquisitions realized in 2021

On March 2, 2021, the Company, through its indirect subsidiary Somos Sistemas de Ensino S.A., acquired all the shares representing 100% of the capital of Sociedade Educacional da Lagoa Ltda. (“SEL”), for the total amount of R$ 65,000. SEL provides technical and pedagogical services for educational platforms, including technological maintenance of such platforms, development, and improvement of content and technical training. Founded in 1997, SEL currently serves, directly or indirectly, 441 schools, 272 thousand elementary school students, and approximately 503 thousand high school and continuing education students. The main purpose of this transaction is to take another important step in offering a fully digital service to elementary school students, further strengthening the commercial relationship with relevant clients.

We present below a summary of the main groups of balance sheet accounts on the date of this acquisition:

	SEL
Current assets	
Marketable Securities	1,461
Other receivables	180
Total current assets	**1,641**
Non-current assets	
Property, plant and equipment	611
Intangible assets	1,810
Total non-current assets	**2,422**
Total assets	**4,062**
Current liabilities	
Labor obligations	1
Taxes payable	17
Taxes and contributions in installments	33
Total current liabilities	**51**
Total liabilities	**51**
Shareholders’ equity	4,012
Total liabilities and shareholders’ equity	**4,062**
Net liabilities	(4,012)
Acquisition price	65,000
Excess of acquisition price over fair value	**60,988**
Allocation of goodwill:	
Goodwill	39,099
Software license	3,107
Client portfolio	18,782
	60,988

4.2. Acquisitions realized in 2020

On January 7, 2020, subsidiary Somos Sistemas acquired all the shares representing 100% of the capital of Sociedade A & R Comércio e Serviços de Informática Ltda. (“Pluri”), and the effects and results of its acquisition are represented in the Company’s financial statements as of 2020. Additionally, Somos Sistemas acquired, on February 13, 2020, all the shares representing 100% of the capital of Sociedade Mind Makers Editora Educacional Ltda. (“Mind Makers”). The main purpose of these acquisitions is to follow the expansion plan in the Company’s basic education B2B sector.

Also during 2020, on March 9, and through a share purchase agreement and other covenants, subsidiary EDE acquired all the shares representing 100% of the capital of company Eduquer Serviços Educacionais Ltda. (“Eduquer”). The purpose of this acquisition is to increase the Group’s capacity to serve its most diverse education centers and sponsors.

On November 20, 2020, the Company acquired, through its subsidiary Somos Sistemas, all the shares representing 100% of the capital of company Meritt Informação Educacional Ltda – ME (“Meritt”), a company engaged in the development, marketing, and operation of systems, learning platforms and related activities, including the Internet.

More information about the book balances impacted by these acquisitions is included in the Separate and Consolidated Financial Statements for the year ended December 31, 2020.

5. Financial risk management

5.1. Sundry considerations and policies

Risk management and financial instrument management are carried out through policies, strategy definitions, and implementation of control systems, which are defined by the Company’s Board of Directors. The adherence of treasury positions to financial instruments is presented and evaluated monthly by the Company’s Treasury Committee and subsequently submitted to the Audit and Executive Committees and the Board of Directors.

In thousands of reais, unless otherwise indicated

The market value of the Company's financial assets and liabilities were calculated based on available market information and appropriate valuation methodologies for each scenario. However, considerable judgment was required in the interpretation of the market data to estimate the most adequate realization value. Consequently, the estimates presented here do not necessarily indicate the values that could be realized in the current exchange market. Using different market information and/or evaluation methodologies may have a material effect on market value amount. We present below the fair values of the Company's financial instruments as of March 31, 2021:

	Fair value hierarchy		Parent company		Consolidated
		03/31/2020	12/31/2020	03/31/2021	12/31/2020
Assets – Amortized cost					
Cash and cash equivalents	-	20,823	410,818	1,485,238	2,205,346
Accounts receivable	-	-	-	2,175,790	2,320,087
Trade receivable from sale of subsidiaries	-	-	-	73,584	71,922
Other receivables	-	180	501	193,185	197,183
Related parties – other receivables	-	5,240,292	5,631,547	288,388	309,767
		5,261,295	**6,042,866**	**4,216,185**	**5,104,305**
Assets - Fair value through profit or loss					
Marketable Securities	1	35,257	723	2,008,529	1,991,462
		35,257	**723**	**2,008,529**	**1,991,462**
Liabilities – Amortized cost					
Loans and financing	-	-	-	1,072	1,046
Debentures	-	6,278,917	6,998,677	6,499,058	7,220,165
Suppliers	-	310	236	505,673	533,590
Suppliers (reverse factoring)	-	-	-	287,174	284,808
Accounts payable - acquisitions	-	-	-	235,129	226,276
Other accounts payable	-	12	11	99,667	101,435
Other liabilities - related parties	-	155,901	153,735	-	-
		6,435,140	**7,152,659**	**7,627,773**	**8,367,320**

The Company's financial assets and liabilities are recorded in the balance sheet accounts at amounts compatible with those practiced in the market.

5.2. Financial risk factors

The Company's activities are exposed to market, credit and liquidity financial risks.
The Company's Management and the Board of Directors oversee the management of these risks in line with the goals in capital management:

a) Policy for use of derivative financial instruments

The Company did not carry out any derivative transactions during the first quarter of 2021.

In thousands of reais, unless otherwise indicated

b) Market risk - cash flow risk associated with interest rates

This risk arises from the possibility that the Group may incur losses due to fluctuations in interest rates that increase financial expenses related to loans, financing, and debentures raised in the market and accounts payable to third parties for installment acquisitions. The Company continuously monitors market interest rates, to manage the cash balance and financial liabilities related to these rates.

The contracted interest rates are shown below:

			Consolidated
	03/31/2021	**12/31/2020**	**Interest rate**
Loans and financing	1,072	1,046	9.41% p.a.
Debentures	6,380,146	7,102,219	100%CDI+interest 0.65–2.95% p.a.
Debentures - 1st issue SABER 3rd series	118,912	117,946	IPCA+6.72% p.a.
Accounts payable for acquisitions	118,697	107,681	CDI
Accounts payable for acquisitions	116,432	118,595	IPCA
Total	**6,735,259**	**7,447,487**	

c) Credit risk

It is the risk of a business counterpart not complying with obligations provided in a financial instrument or contract with client, resulting in financial loss. The Company is exposed to credit risk during their operating and financing activities (mainly in relation to trade receivable), including deposits in banks, financial institutions and other financial instruments. The Company maintains appropriate provisions in the balance sheet to cover these risks:

Trade receivable - Higher Education (Kroton and Platos)

The Group's sales policy follows the risk inherent to its segment and is limited by the rules of the Federal Government (Law 9870/99, which provides for the total amount of school fees). The legislation allows student enrollment not to be renewed in case of default for the following semester, causing them to negotiate their debts with the institution. The diversification of its portfolio of receivables, and the monitoring of terms are procedures adopted to minimize potential defaults in trade receivable.

In the Kroton segment, for students contemplated by the Student Financing Fund (FIES), the Company has a substantial part of the credits guaranteed by FGEDUC. For the portion of the credit not guaranteed by the program, the Company estimates the potential for default and sets up the respective provision.

As of 2015, the Company offered students a Private Student Installment (PEP) product for the main purpose of offering a payment alternative to students who did not obtain FIES. The product aims to finance part of the course, from 70% to 50% of the monthly fee, updated with the Brazilian Extended Consumer Price Index (IPCA), to be paid within the same term of the chosen course, after its completion.

In thousands of reais, unless otherwise indicated

As of 2018, for new entrants (except at Faculdade Anhanguera), the Company changed the maturity of the financed installments, establishing that the payment term of the installment portion of the first semester in which the student opted for this product would be transferred to the subsequent semester. Thus, in the second semester, students would pay the installments financed in the first semester and new revenues with maturities in the following semesters, recognized as private installment revenues. The long-term trade receivable from students benefited by PEP are adjusted to present value. In addition, the Company decided that it will not offer this product after the 2021 cycle.

Trade accounts receivable in this group are mainly comprised of individual clients, linked to the provision of undergraduate services and debt negotiations. The risk of this group is managed according to the aging of the debt securities of each student, as well as the segregation of students by type of product and profile, (for example, FIES student and PEP students).

Trade receivable - Basic education (Vasta)

Trade accounts receivable in this group consist of book distributors, schools, franchisees, and individuals linked to the sale of books and education systems for the provision of basic education services. The risk of this group is managed according to the periodic credit analysis of each corporate client, in addition to the aging of the maturity of the securities and the segregation between segments of services provided and products sold.

Trade receivable - Basic education (Saber)

Similar to higher education, the pricing and enrollment policy is governed by specific regulations and allows for non-renewal at the end of the school term in case of default. Basically, the amount of trade receivable is made up of individuals (parents of students). The risk of this group is managed according to the aging of the maturity of the securities.

The credit quality of financial assets can be evaluated by reference to external credit ratings (if any) or according to historical information about counterparty default indexes:

	Consolidated	
	03/31/2021	**12/31/2020**
Trade accounts receivable (Note 8)		
Kroton	4,914,551	4,927,933
Platos	80,156	78,287
Saber	11,245	12,034
Vasta	516,988	516,979
Other	65,422	63,826
Credit card	9,446	16,658
Gross trade receivable	**5,597,808**	**5,615,717**

Financial instruments and cash deposits

The Company restricts its exposure to credit risks associated with financial instruments and deposits with banks and financial investments by investing in top-tier financial institutions and in accordance with previously established limits in Company’s policy.

In thousands of reais, unless otherwise indicated

		Consolidated
Cash and cash equivalents (Note 6) (i)	**03/31/2021**	**12/31/2020**
AAA (ii)	1,212,239	1,888,676
AA (iii)	272,971	315,349
Not applicable	28	1,321
	1,485,238	**2,205,346**
Marketable Securities (note 7)(i)		
AAA (ii)	1,016,516	662,207
AA (iii)	992,012	1,329,255
	2,008,528	**1,991,462**

(i) In view of the negotiations involving the operation of schools, and as instructed in CPC 31, the Company reclassified the amount of R$ 164,411 of cash and cash equivalents, and the amount of R$ 204,092 of Marketable securities to the “Assets held for sale” item, as further described in note 3. These amounts are held by the Company for its entire use and movement and are only reclassified for correct presentation, in accordance with accounting standards, in the notes to the financial statements.

(ii) Since Santander Brasil is not evaluated by Fitch, the rating of the Standard & Poor’s agency was used to classify the investments issued by the financial institution in the amount of R$ 1,873,203, of which R$ 1,058,309 were allocated in cash and cash equivalents and R$ 814,894 allocated to Marketable securities.

(iii) Investments in National Treasury securities are classified by the Brazil rating considering the global scale, which is BB-, and in rating correspondence on a global and local scale, this classification is allocated in AA.

d) Liquidity risk

It consists of the eventuality of the Company not having sufficient financial resources to honor their commitments on account of the different settlement terms of their rights and obligations.

The cash flow of the Company and its subsidiaries is carried out centrally by the Group’s finance department, which monitors the forecasts of the entities’ liquidity requirements to ensure that they have sufficient cash to meet their operational needs. The Group also constantly monitors the cash balance and the level of indebtedness of the companies and implements measures so that the companies receive eventual capital contributions and/or access the capital market when necessary, and so that they remain within the existing credit limits. This forecast takes into consideration the debt financing plans, compliance with clauses, attainment of the internal goals of liquidity indicators of the balance sheet and, if applicable, regulatory requirements.

The cash surplus held by the entities, in addition to the balance required for the management of working capital, is also centrally managed by the Group. The treasury department invests the cash surplus in time deposits, short-term deposits, and Marketable securities, choosing instruments with appropriate maturities or sufficient liquidity, to maintain the Company with an appropriate volume of resources to maintain its operations.

The Company’s main financial liabilities refer to debentures, trade accounts payable, and accounts payable for acquisitions. The main purpose of such financial liabilities is obtaining funds for the Group's operations.

In thousands of reais, unless otherwise indicated

On the base date of March 31, 2021, and as further described in note 17, the Company exceeded the financial ratio related to financial indicators (covenants), for the third time in an alternate manner, resulting in the non-automatic early maturity of its debts. As guided by CPC 26 R1 (item 74) when the entity does not comply with a covenants of a long-term loan contract (indebtedness index or interest coverage, for instance) at the end of the period or before, at the end of the reporting date, liabilities becoming due and payable at the creditor's order, liabilities are classified as current, even if the creditor has agreed, after balance sheet date and prior to the date of authorization for the issuance of financial statements, not to require the accelerated payment due to the breach of the covenants. Liabilities must be classified as current liabilities because, at balance sheet date, the entity does not have the unconditional right to defer its dissolution for at least 12 months after that date. Accordingly, the Company proceeded with the reclassification of its liability balances, previously expected to be paid in more than 12 months, to current liabilities.

Because of this new overcoming, the Company, through the fiduciary agent, convened a specific General Meeting of Debenture Holders to deliberate on the eventual non-decree of early maturity, and additionally the renegotiation of the covenants. The debenture holders approved, by the majority of the quorum present, the review of items linked to the Adjusted Ebitda, including in this premise specific items that affected the Company's results during the last year, mainly due to the Coronavirus ("COVID-19") pandemic. Based on this review, the new financial ratio related to the calculation of financial covenants reached a result within the conditions established for the aforementioned financial contractual clauses. More information is included in note 35.1.

The following table shows the Company's financial liabilities, by maturity, corresponding to the remaining period of the security or liability.

Financial liabilities by maturity bracket

				Consolidated
	< 1 year	**1–2 years**	**>2 years**	**Total**
March 31, 2021				
Suppliers	505,673	-	-	505,673
Suppliers - Reverse factoring	293,988	-	-	293,988
Loans and financing	296	167	609	1,072
Debentures	6,499,058	-	-	6,499,058
Accounts payable for acquisitions	93,565	83,524	58,040	235,129
	7,392,579	**83,691**	**58,649**	**7,534,919**

In thousands of reais, unless otherwise indicated

Financial liabilities by maturity range - Projected [i]

				Consolidated
	< 1 year	**1–2 years**	**>2 years**	**Total**
March 31, 2021				
Suppliers	505,673	-	-	505,673
Suppliers - Reverse factoring	293,988	-	-	293,988
Loans and financing	302	171	623	1,096
Debentures	6,643,500	-	-	6,643,500
Accounts payable for acquisitions	95,644	85,380	59,330	240,354
	7,539,106	**85,551**	**59,953**	**7,684,610**

(i) It considers the most likely base scenario over a 12-month horizon. Projected rates: CDI – 2.22% and IPCA – 6.10% p.a.

5.3. Capital management

The main purposes of the Company's capital management are to safeguard its ability to continue operating, to offer good returns to shareholders and reliability to other interested parties, in addition to maintaining an ideal capital structure with a focus on reducing financial costs, maximizing shareholder's return.

In order to keep or adjust the capital structure, the Company may review the dividend payment and capital return to shareholders' policy or even issue or repurchase shares.

On March 31, 2021 and December 31, 2020, the Company has a capital structure designed to make the growth strategy feasible, whether organically or through acquisitions. Investment decisions consider the expected return potential.

The financial leverage ratios are shown below:

		Consolidated
	03/31/2021	**12/31/2020**
Loans and financing, debentures and accounts payable for acquisitions	(6,735,259)	(7,447,487)
Cash and cash equivalents and Marketable securities	3,493,767	4,196,807
Net debt	**(3,241,492)**	**(3,250,680)**
Shareholders' equity	13,127,552	13,209,083
Leverage ratio	**24.69%**	**24.61%**

The balances presented above do not consider the effect of assets and liabilities held for sale, as presented in note 3.

In thousands of reais, unless otherwise indicated

5.4. Sensitivity analysis

The following is a table showing the sensitivity analysis of financial instruments, which shows the risks that could generate material losses to the Company, according to the assessment made by Management, considering, for a period as the most probable base scenario in a 12-month horizon, the projected rates: CDI – 2.22% and IPCA – 6.10% p.a. Additionally, we show scenarios with 25% and 50% deterioration in the risk variable considered, respectively.

					Consolidated
March 31, 2021	Exposure	Risk	Probable scenario	Possible scenario -25%	Remote scenario -50%
Interest earning bank deposits and Marketable securities	3,493,767	CDI incr.	77,649	97,061	116,473
Loans and financing, Debentures, and Accounts payable linked to the CDI	(6,498,843)	CDI incr.	(144,437)	(180,546)	(216,655)
Loans and financing, Debentures, and Accounts payable linked to the IPCA	(236,416)	High IPCA	(14,420)	(18,025)	(21,630)
	(3,241,492)		**(81,208)**	**(101,510)**	**(121,812)**

Source: IPCA of the Focus report of the Central Bank of Brazil - BACEN, and CDI according to reference rates B3 S.A., both available on the websites of the respective institutions.

6. Cash and cash equivalents

	Parent company		Consolidated	
	03/31/2021	12/31/2020	03/31/2021	12/31/2020
Cash				
Current account	31	103	12,947	19,438
	31	**103**	**12,947**	**19,438**
Interest earning bank deposits				
OPCM - Committed Operation(i)	20,792	21,969	282,074	537,327
CDB - Bank Deposit Certificate	-	388,746	1,190,217	1,648,581
	20,792	**410,715**	**1,472,291**	**2,185,908**
Total continued operations	**20,823**	**410,818**	**1,485,238**	**2,205,346**
Assets held for sale (CPC 31)				
Cash				
Current account	-	-	2,316	4,724
	-	**-**	**2,316**	**4,724**
Interest earning bank deposits				
NTN - National Treasury Note (i)	-	-	65,299	56,815
CDB - Bank Deposit Certificate	-	-	96,796	96,430
	-	**-**	**162,095**	**153,245**
Total discontinued operations	**-**	**-**	**164,411**	**157,969**
Total Cash and Investments available(ii)	**20,823**	**410,818**	**1,649,649**	**2,363,315**

(i) Overnight National Treasury notes and repo operations are daily Interest earning bank deposits with private banks backed by public securities without risk of loss of profitability when redeemed and with immediate liquidity.

In thousands of reais, unless otherwise indicated

(ii) It comprises the total cash and Interest earning bank deposits held by the Company through its indirect subsidiary SOE, in the amount of R$ 164,411, which are being reclassified to the "Assets held for sale" item, due to the negotiation between Saber and Eleva for the sale of the operation of schools, and in compliance with the provisions of CPC 31. For the correct calculation of the net debt applicable to the analysis of financial covenants, it is necessary to consider the total amount of cash and available investments presented above, which are held by the Company.

The Company has short-term Interest earning bank deposits with high liquidity and an insignificant risk of change in value, mainly linked to the CDI or SELIC rate, a significant part of which is made from exclusive fixed-income investment funds, under the administration and management of large financial institutions.
The purpose of these funds is to remunerate the Group's cash and cash equivalents without incurring medium and high-risk instruments or securities. Interest earning bank deposits have average gross profitability in the period ended March 31, 2021, of 95.38% of the CDI (96.76% of the CDI on December 31, 2020).

7. Marketable Securities

	Parent company		Consolidated	
	03/31/2021	**12/31/2020**	**03/31/2021**	**12/31/2020**
LTN - National treasury bills	-	-	13,530	15,027
LF - Financial bills	-	-	202,646	170,703
LFT - Financial Treasury Bill	35,257	723	1,792,353	1,805,732
	35,257	**723**	**2,008,528**	**1,991,462**
Current	35,257	723	1,994,992	1,976,436
Non-current	-	-	13,537	15,026
	35,257	**723**	**2,008,529**	**1,991,462**
Assets held for sale (CPC 31)				
LF - Financial bills	-	-	3,290	6,202
LFT - Financial Treasury Bill	-	-	200,802	206,341
Total discontinued operations	**-**	**-**	**204,092**	**212,543**
Total Marketablesecurities available (i)	**35,257**	**723**	**2,212,621**	**2,204,005**

(i) It comprises the total Marketable securities held by the Company through its indirect subsidiary SOE, in the amount of R$ 204,092, which are being reclassified to the "Assets held for sale" item, due to the negotiation between Saber and Eleva for the sale of the operation of schools, and in compliance with the provisions of CPC 31. For the correct calculation of the net debt applicable to the analysis of financial covenants, it is necessary to consider the total amount of securities available presented above, which are held by the Company.

Marketable Securities have average gross profitability in the period ended March 31, 2021 of 95.38% of the CDI (96.76% of the CDI on December 31, 2020).

In thousands of reais, unless otherwise indicated

8. Trade receivable

a) Breakdown

				03/31/2021
	Accounts receivable	**Expected loss**	**AVP (Adjustment at present value)**	**Accounts receivable, net**
Credit card (i)	9,446	-	-	9,446
Kroton	4,914,502	(3,248,283)	(94,236)	1,571,983
Private Installment Payment (PEP/PMT)	3,567,998	(2,391,574)	(93,794)	1,082,630
PEP	2,640,611	(1,663,661)	(72,184)	904,766
PMT	927,387	(727,913)	(21,610)	177,864
Kroton without private installment payment	1,346,504	(856,709)	(442)	489,353
Pagante	1,178,310	(721,443)	(442)	456,425
FIES (Public Installment Payment)	168,194	(135,266)	-	32,928
Platos	80,156	(20,826)	-	59,330
Saber (i)	11,245	(1,116)	-	10,129
Vasta	516,988	(30,986)	-	486,002
Other	65,470	(26,570)	-	38,900
Total	**5,597,807**	**(3,327,781)**	**(94,236)**	**2,175,790**
Total without private installment payment and credit card	2,020,363	(936,207)	(442)	1,083,714
Current assets				1,729,599
Non-current assets				446,191
				2,175,790

(i) The amounts presented here are net of the balances reclassified to the “assets held for sale” account, because of the negotiation involving the indirect subsidiary Somos Operações Escolares, through Saber, and the company Eleva Educação. Further details on the compositions are described in note 3.

				12/31/2020
	Accounts receivable	**Expected loss**	**AVP (Adjustment at present value)**	**Accounts receivable, net**
Credit card (i)	16,658	-	-	16,658
Kroton	4,927,933	(3,130,563)	(81,175)	1,716,195
Private Installment Payment (PEP/PMT)	3,500,804	(2,298,390)	(80,690)	1,121,724
PEP	2,599,592	(1,607,124)	(62,059)	930,409
PMT	901,212	(691,266)	(18,631)	191,315
Kroton without private installment payment	1,427,129	(832,173)	(485)	594,471
Pagante	1,220,714	(697,415)	(485)	522,814
FIES (Public Installment Payment)	206,415	(134,758)	-	71,657
Platos	78,287	(24,511)	-	53,776
Saber (i)	12,034	(950)	-	11,084
Vasta	516,979	(32,055)	-	484,923
Other	63,826	(26,376)	-	37,450
Total	**5,615,717**	**(3,214,455)**	**(81,175)**	**2,320,087**
Total without private installment payment and credit card	2,098,255	(916,065)	(485)	1,181,705
Current assets				1,876,801
Non-current assets				443,286
				2,320,087

(i) The amounts presented here are already net of the balances reclassified to the “assets held for sale” account, because of the negotiation involving the indirect subsidiary Somos Operações Escolares, through Saber, and the company Eleva Educação.

In thousands of reais, unless otherwise indicated

b) Analysis of trade receivable maturities (aging list)

	Consolidated	
	03/31/2021 (i)	12/31/2020 (i)
Amounts falling due	**2,488,431**	**2,567,655**
Overdue (in days):		
Up to 30	231,352	164,061
31–60	175,883	156,253
61–90	228,486	201,032
91–180	331,804	531,323
181–365	723,886	751,593
>365	1,417,965	1,243,799
Total overdue	**3,109,375**	**3,048,061**
Provision for expected loss	(3,327,781)	(3,214,455)
Adjustment to present value	(94,236)	(81,175)
	2,175,790	**2,320,087**

(i) The aging list was calculated considering the maturity of each security, except for the Kroton Pagante product, where the securities were grouped considering the student's oldest maturity range (drag effect).

Kroton - paying students

	Consolidated			
	03/31/2021	%	12/31/2020	%
Amounts falling due	**80,570**	**7%**	**92,973**	**8%**
Overdue (days):				
Up to 30	129,024	11%	59,011	5%
31–60	116,916	10%	54,225	4%
61–90	33,755	3%	131,193	11%
91–180	176,387	15%	320,989	26%
181–365	357,882	30%	359,170	29%
>365	283,335	24%	202,668	17%
Total overdue	**1,097,297**	**93%**	**1,127,256**	**92%**
Gross trade receivable - Paying Student	**1,177,868**	**100%**	**1,220,229**	**100%**
(-) Balance of allowance for doubtful accounts (PCLD)	**721,443**		**697,415**	
Net trade receivable - Paying Student	**456,425**		**522,814**	
Gross AFDA/AR Percentage	***61.2%***		***57.2%***	

(i) It considers securities overdue up to 365 days, or falling due, for students who have already had security recognized as "effective loss", based on the student's view.

c) Allowance for Doubtful Accounts (AFDA) and write-offs

Monthly fee

The Company sets up the allowance for expected loss monthly by analyzing the amounts of receivables recorded each month (in the period of 12 months for the Kroton segment and 18 months for the Vasta segment) and the respective openings by delay ranges, calculating their recovery performance. In this methodology, for each delay range, a percentage of probability of estimated loss is assigned considering current and prospective information on the historical series of defaults for each product. Specifically for the Kroton segment, the calculation methodology was changed during the last quarter of 2020, to consider the probability of loss in the student's view, which considers all trade receivable at their greatest delay, and provisions them for according to the risk profile, defined by default history, education information and financial data. The Company considers the cash inflow expected for its agreements on renegotiated securities with a maturity greater than 360 days.

In thousands of reais, unless otherwise indicated

Changes in expected losses

The changes in provisions for expected losses in the period ended March 31, 2021, are shown below:

	Consolidated
Balance at December 31, 2019	**(2,047,365)**
Additions due to business combination	(734)
Write-off against accounts receivable	32,610
Formation	(213,940)
Balance at March 31, 2020	**(2,229,429)**
Balance at December 31, 2020	**(3,214,455)**
Write-off against accounts receivable	49,126
Formation	(162,452)
Balance at March 31, 2021	**(3,327,781)**

When the delay reaches a maturity range greater than 365 days (for the Kroton segment), and 540 days (for the Vasta segment), the security is written off. Even for the written-off securities, the collection efforts continue and the respective receipts and renegotiations are recognized directly in the income when realized.

d) Private Installment Payment (PEP/PMT)

The balance of trade receivable from the Private Installment Payment (PEP/PMT) consists of the receivables from the installment products offered in Kroton's in-class education, which is segregated into two main products:

i) Private Student Installment Payment (PEP). This product aims to provide access to education for students who, despite depending on student funding, do not have access to it. In this modality, the student pays about half of the tuition of the course after graduation, with the expectation of closing the payments in double the duration of the course. The offer is limited with a significant restriction in the granting of discounts, preserving the profitability of the business.

ii) Late Enrollment Installment Payment (PMT). This product is offered only in the semester of student enrollment and aims to facilitate payment for students who enroll in the middle of the semester cycle. Instead of charging the monthly fees accumulated from the first month of the semester to the month of the student's entry, they pay only one monthly fee and the payment of the others is postponed after graduation.

In thousands of reais, unless otherwise indicated

Breakdown of balance

	03/31/2021			12/31/2020		
	PEP	**PMT**	**Consolidated**	**PEP**	**PMT**	**Consolidated**
Gross accounts receivable	**2,640,611**	**927,387**	**3,567,998**	**2,599,592**	**901,212**	**3,500,804**
(-) Adjustment to present value	(72,184)	(21,610)	(93,794)	(62,059)	(18,631)	(80,690)
Gross trade receivable after adjustment to present value (AVP)	2,568,427	905,777	3,474,204	2,537,533	882,581	3,420,114
(-) Balance of Allowance for Doubtful Accounts (i)	(1,663,661)	(727,913)	(2,391,574)	(1,607,124)	(691,266)	(2,298,390)
Accounts receivable, net	**904,766**	**177,864**	**1,082,630**	**930,409**	**191,315**	**1,121,724**
Gross AFDA/AR percentage after APV	-64.8%	-80.4%	-68.8%	-63.3%	-78.3%	-67.2%
Amounts falling due	1,276,050	503,317	1,779,367	1,348,558	486,372	1,834,930
Amounts overdue	1,364,561	424,070	1,788,631	1,251,034	414,840	1,665,874
Gross trade receivable PEP / PMT	**2,640,611**	**927,387**	**3,567,998**	**2,599,592**	**901,212**	**3,500,804**

(i) For the PMT product, the amount of the provision made is equivalent to 100% of the balance of overdue securities of the dropped students, and the remaining balance of the provision for loss is equivalent to 63% of the balance due for active and graduated students. Similarly, for the PEP product, the representativeness of the balance in relation to trade receivable falling due is 25% and 100% for the amounts of dropped and overdue students.

PEP trade receivable Profile

Students who make up the PEP trade receivable can be classified into three main categories: active, graduated and dropped, as shown below:

	03/31/2021			12/31/2020		
	Total balance	**Falling due and overdue up to 360 days (ii)**	**Overdue >360 days**	**Total balance**	**Falling due and overdue up to 360 days**	**Overdue >360 days**
Gross trade receivable before write-offs (i)	**2,984,996**	**1,880,702**	**1,104,294**	**2,913,632**	**1,941,327**	**972,305**
Active students	1,120,918	1,120,918	-	1,197,811	1,197,811	-
Graduated students	349,351	299,100	50,251	205,699	168,460	37,239
Dropped students	1,514,727	460,684	1,054,043	1,510,122	575,056	935,066

(i) The amount shown in these lines refers to the recognized total of trade receivable during the entire period in which we offer the PEP product to our students. The balances disregard the receipts and write-offs that occurred in various periods, in the amount of R$ 344,385 on March 31, 2021 (R$ 314,040 on December 31, 2020), to show the amounts generated in each category of students, relevant information for the calculation of expected future loss.

(ii) Gross write-off amounts for recovery and receipt.

In thousands of reais, unless otherwise indicated

Expected PEP and PMT Recovery

The expected loss for the PEP and PMT amounts receivable is calculated mainly based on the average between i) expected dropout rate and its default rate and ii) expected graduated and dropped students rate, and their default rate. The projection of future losses calculated by the Company represents, on the measurement date, the management's best estimate of future default, considering historical receipt data for the dropped and graduated PEP and PMT classes, adjusted by the current market conditions, economics, and percentage of estimated future recovery. As of March 30, 2021 and December 31, 2020, the expected effective loss with deterioration for PEP and PMT products was 59.0% and 64.6%, respectively.

9. Inventories

	Consolidated	
	03/31/2021	**12/31/2020**
Finished goods	360,688	356,969
Work in process	106,921	93,762
Raw materials	18,031	25,497
Imports in transit	2,937	2,931
Goodwill	336	784
Provision for loss on inventories	(96,833)	(113,538)
	392,080	**366,405**

Changes in the provision for inventory losses are as follows:

	Consolidated
Balance at December 31, 2019	(122,464)
Additions of the period	(18,578)
Inventory losses	332
Balance at March 31, 2020	**(140,710)**
Balance at December 31, 2020	(113,538)
Additions of the period	(6,206)
Reversal in the period (i)	22,911
Balance at March 31, 2021	**(96,833)**

(i) It mainly refers to the write-off due to the destruction of obsolete books during the first quarter of 2021.

In thousands of reais, unless otherwise indicated

10. Taxes recoverable

	Parent company		Consolidated	
	03/31/2021	12/31/2020	03/31/2021	12/31/2020
Recoverable IRPJ and CSLL (i)	35,949	33,956	162,286	187,830
Social Integration Program (PIS), Contribution to Social Security Financing (COFINS) and Service Tax (ISS) recoverable (ii)	-	-	182,557	179,396
INSS recoverable	-	-	12,524	12,400
Other taxes recoverable	-	-	35,529	32,945
	35,949	**33,956**	**392,896**	**412,571**
Current	35,949	33,956	255,451	275,445
Non-current	-	-	137,445	137,126
	35,949	**33,956**	**392,896**	**412,571**

(i) It refers to amounts recoverable from Withholding Income Tax (IRRF) withheld from investments and invoices, Corporate Income Tax (IRPJ), Social Contribution on Net Income (CSLL), which can be used to offset any federal tax managed by the Brazilian Federal Revenue Service.

(ii) It refers to PIS and COFINS credits calculated and maintained in the book sale operation and which can be offset against other federal taxes, in addition to withholding taxes due to the issuance of invoices for the provision of services.

11. Trade receivable from sale of subsidiaries

		Consolidated
	03/31/2021	12/31/2020
UNIASSELVI	60,878	59,451
FAC	3,344	3,218
FAIR	1,871	1,800
JAFAR	7,491	7,453
	73,584	**71,922**
Current	631	593
Non-current	72,953	71,329
	73,584	**71,922**

The amounts are updated mainly by the variation of the CDI and IPCA in accordance with the respective contracts. Below is the schedule of trade receivable on the sale of subsidiaries:

					Consolidated
		03/31/2021		12/31/2020	
	Maturity	**Total**	**%**	**Total**	**%**
Total current assets	**up to 1 year**	**631**	**0.9**	**593**	**0.8**
	1–2 years	66,663	90.5	65,039	90.4
	2–3 years	570	0.8	570	0.8
	3–4 years	570	0.8	570	0.8
	>4 years	5,150	7.0	5,150	7.2
Total non-current assets		**72,953**	**99.1**	**71,329**	**99.2**
Total		**73,584**	**100.0**	**71,922**	**100.0**

In thousands of reais, unless otherwise indicated

12. Other receivables

		Parent company		**Consolidated**
	03/31/2021	**12/31/2020**	**03/31/2021**	**12/31/2020**
Prepaid expenses (i)	100	431	38,961	28,942
Credit with former acquiree's owners (ii)	79	68	84,527	83,144
National Social Security Institute (INSS) Terminations (iii)	-	-	30,859	30,859
Sale of properties (iv)	-	-	14,015	13,034
Other	1	2	48,342	41,204
Total	**180**	**501**	**216,705**	**197,183**
Current	180	501	121,795	105,140
Non-current	-	-	94,910	92,043
	180	**501**	**216,705**	**197,183**

(i) Comprised of: R$ 9,907 related to Municipal Property Tax (IPTU) expenses, R$ 8,794 related to IT expense allocation, R$ 8,204 related to the software license, R$ 5,931 due to revenue deferral in the leaseback capital gain, R$ 3,853 related to insurance contracts, R$ 2,181 related to marketing, and R$ 91 for minor diversified credits.

(ii) It is mainly composed of: R$ 62,302 related to contractual reimbursement rights of the former owners of company Academia Paulista Anchieta Ltda. (APA) to subsidiary Anhanguera Educacional S.A., resulting from the balance of ISS to be paid in installments through the incentive installment payment program (PPI) of the City Council of São Paulo, R$ 12,144 relating to the acknowledgment of indebtedness of the Soce linhares unit that subsidiary EDE is entitled to receive, R$ 2,200 in labor claims in the Platos and Other segments, R$ 1,183 receivable from the former owners of subsidiary Unime LF, relating to the installment payment of Tax Recovery Program (Refis) taxes, and R$ 6,698 relating to minor diversified credits.

(iii) It is composed mainly of recoverable INSS from positive judicial decisions on severance pay.

(iv) Comprised of: R$ 4,325 relating to the sale of the property in São Luiz do Maranhão (CEAMA), R$ 3,519 relating to the sale of the Rio Bravo property, and R$ 5,335 relating to minor diversified amounts.

13. Investments

(a) Breakdown of investments in direct subsidiaries

		Parent company
	03/31/2021	**12/31/2020**
Editora e Distribuidora Educacional S.A. ("EDE")	2,376,978	2,394,328
Anhanguera Educacional Participações S.A. ("AESAPAR")	1,519,517	1,579,118
Vasta Platform Limited.	3,714,173	3,714,364
Saber Serviços Educacionais Ltda.	540,161	504,643
Subtotal	**8,150,829**	**8,192,453**
Goodwill, including allocated from Anhanguera	5,698,474	5,716,450
Total	**13,849,303**	**13,908,903**

In thousands of reais, unless otherwise indicated

(b) Information on indirect subsidiaries

						03/31/2021
	Interest in the shareholders' equity	Number of shares	Total assets	Total liabilities	Shareholders' equity	Loss for the quarter
EDE	100.00%	2,849,615,508	5,865,717	3,154,073	2,711,644	(33,685)
AESAPAR	85.56%	687,212,691	5,223,692	3,447,731	1,775,961	(69,938)
VASTA	77.62%	83,011,584	4,808,762	23,689	4,785,073	(5,554)
SABER	62.04%	5,125,569,249	2,238,637	486,340	1,752,297	26,468
			18,136,808	**7,111,833**	**11,024,975**	**(82,709)**

						12/31/2020
	Interest in the shareholders' equity	Number of shares	Total assets	Total liabilities	Shareholders' equity	Loss for the period
EDE	100.00%	2,849,615,508	6,140,918	3,746,590	2,394,328	(1,665,406)
AESAPAR	85.56%	687,212,691	5,415,642	3,570,018	1,845,624	(684,067)
VASTA	77.62%	83,011,584	4,808,695	23,377	4,785,318	(57,963)
SABER	62.04%	5,125,569,249	1,291,903	478,485	813,418	(2,876,586)
			17,657,158	**7,818,470**	**9,838,688**	**(5,284,022)**

(c) Changes in investments in direct subsidiaries

						Parent company
Investment	**EDE**	**AESAPAR**	**Saber**	**Vasta**	**Goodwill and surplus**	**Total**
Balance at December 31, 2020	2,394,328	1,579,118	504,643	3,714,364	5,716,450	13,908,903
Changes						
Amortization of allocated goodwill	-	-	-	-	(17,976)	(17,976)
Equity in net income of subsidiaries	(22,017)	(59,839)	35,484	(4,282)	-	(50,654)
RSU reflexes	4,667	238	34	4,091	-	9,030
Balance at March 31, 2021	**2,376,978**	**1,519,517**	**540,161**	**3,714,173**	**5,698,474**	**13,849,303**

In thousands of reais, unless otherwise indicated

(d) Information on indirect subsidiaries

						03/31/2021
	Interest in the shareholders' equity	Number of quotas	Total assets	Total liabilities	Shareholders' equity	Income / loss for the quarter
Clínica Médica Anhanguera Ltda.	99.99%	911,700	960	3,880	(2,920)	(68)
Instituto Excelência Ltda.	99.99%	17,935,579	3,232	96	3,135	(32)
Edufor serviços educacionais Ltda. – ME	99.99%	7,235,300	1,958	1,077	882	668
Sociedade Piauiense de Ensino Superior Ltda.	99.99%	24,591,750	20,197	22,452	(2,256)	(1,552)
Fateci Cursos Técnicos S/S	99.99%	5,927,000	1,267	580	687	49
Clauder Ciarlini Filho S/S.	99.99%	5,636,000	19,081	21,821	(2,740)	625
Sociedade Educacional da Paraíba Ltda.	99.99%	27,637,000	697	157	539	(385)
Bacabal Mearim Sistemas de Ensino Ltda.	99.99%	1,570,000	31,761	20,138	11,623	422
Centro de Ensino Superior de Marabá Ltda.	99.99%	12,729,511	39,210	25,220	13,990	473
Centro de Ensino Superior de Parauapebas Ltda.	99.99%	4,675,159	22,903	9,346	13,557	900
Centro de Ensino Superior de Paragominas Ltda.	99.99%	974,207	8,833	4,460	4,372	183
Orme Serviços Educacionais	99.99%	207,349,196	89,825	41,270	48,554	(6,034)
Projecta Educacional	99.99%	10,234,275	5,645	346	5,299	14
Pitágoras Sistema de Ensino Sociedade	99.99%	384,011,229	1,645,110	1,362,469	282,641	(11,675)
União de Ensino Unopar	99.99%	144,452,901	404,548	288,248	116,300	(3,242)
Unic Educacional	99.99%	210,684,858	643,446	393,171	250,276	(1,800)
Iuni Educacional - Unime Salvador	99.99%	15,916,973	126,510	114,835	11,675	(421)
Platos Soluções Educacionais S.A.	99.99%	15,631,872	14,981	3,812	11,169	(2,901)
SGE Comércio de Material Didático Ltda.	99.99%	24,640,673	13,730	1,982	11,749	1,211
SB Sistemas de Ensino Ltda.	99.99%	102,264	901	856	45	538
Somos Idiomas S.A.	99.99%	120,421,129	234,181	183,799	50,382	7,671
Editora Ática S.A.	99.99%	1,167,583,077	667,292	185,933	481,359	(3,464)
Editora Scipione S.A.	99.99%	245,673,857	415,501	248,428	167,073	3,904
Somos Educação S.A.	99.99%	524,685,330	465,723	32,622	433,101	(2,576)
Nice Participações S.A.	99.99%	22,816,962	(456)	396	(851)	(4)
Sistema PH de Ensino Ltda.	99.99%	74,352,441	167,978	109,689	58,289	(843)
Maxiprint Editora Ltda.	99.99%	7,517,885	12,287	12,522	(235)	1,831
Colégio Motivo Ltda.	99.99%	113,664,242	270,943	256,114	14,829	(2,225)
Acel – Administração de Cursos Educacionais Ltda.	99.99%	110,231,414	483,579	452,878	30,702	1,538
ECSA – Escola a Chave do Saber Ltda.	99.99%	6,725,000	16,293	11,634	4,659	(233)
Sociedade Educacional Doze de Outubro Ltda.	99.99%	33,459,535	28,710	15,400	13,311	(406)
Escola Mater Christi Ltda.	99.99%	15,043,700	22,465	14,305	8,160	(656)
Colégio Jaó Ltda.	99.99%	6,991,851	75,914	69,915	5,999	434
Educação Inovação e Tecnologia S.A. (AppProva)	99.99%	7,445,415	17,053	3,010	14,043	(2,380)
Somos Educação Investimentos S.A.	99.99%	106,322,080	72,909	22,449	50,460	(2,360)
Papelaria Brasiliana Ltda.	99.99%	1,141,000	2,392	57	2,335	280
Stoodi Ensino e Treinamento à Distância Ltda.	99.99%	48,488,000	46,772	9,926	36,846	(1,841)
Eligis Tecnologia e Inovação Ltda.	99.99%	8,200	13	30	(17)	(3)
Editora Joaquim Ltda.	99.99%	311,868	1,332	497	835	415
Editora Pigmento Ltda.	99.99%	347,000	1,094	298	796	259
Editora Todas as Letras Ltda.	99.99%	392,834	3,910	1,747	2,162	1,497
Saraiva Educação S.A.	99.99%	570,430,891	459,241	99,564	359,677	8,007
Sociedade Educacional de Rondonópolis Ltda.	99.99%	4,400,000	11,643	10,173	1,470	(131)
Sociedade Rondonopolitana de Educação Ltda.	99.99%	2,090,000	3,559	1,101	2,458	(98)
Sociedade Educacional Neodna Cuiabá Ltda.	99.99%	4,276,344	5,847	4,270	1,577	(63)
CEI - Centro de Educação Integrada Ltda.	51.00%	2,082,592	82,100	71,077	11,022	1,553
Salmo Noventa Centro Educacional EIRELI	51.00%	2,165,000	996	322	674	(17)
Escola Infantil Primeiros Passos eireli	51.00%	710,000	944	610	334	446
Escola Santo Inacio Ltda.	99.99%	629,000	20,897	20,428	469	290
Escola Riacho Doce Ltda.	99.99%	2,516,900	7,641	5,165	2,476	(19)
Curso e Colégio Coqueiro Ltda.	99.99%	3,036,450	5,888	4,056	1,832	(75)
Colégio Ambiental Ltda.	99.99%	3,373,013	8,008	3,986	4,022	331
Colégio Visão Ltda.	99.99%	1,780,382	3,274	1,917	1,357	98
Colégio Cidade Ltda. (Campinas)	99.99%	1,269,714	2,497	1,376	1,121	(1)
Colégio do Salvador Ltda.	99.99%	-	(0)	(0)	0	(274)
Sociedade Educacional Aphaville S.A.	51.00%	500	18,543	18,443	100	564
Nucleo Brasileiro De Estudos Avançados Ltda.	99.99%	5,048,980	6,326	3,277	3,049	258
Colegio Manaura Latu Sensu Ltda.	99.99%	12,251,283	149,888	171,578	(21,690)	7,292
Colégio LS Cidade Nova Ltda.	99.99%	3,350,889	2,643	1,285	1,359	(143)
Colégio Manauara Cidade Nova Ltda.	99.99%	1,951,001	10,036	11,685	(1,650)	59
Somos Operações Escolares S.A.	99.99%	1,119,584,175	1,028,633	86,416	942,217	(7,192)
Colégio Anglo São Paulo	99.99%	1,000	1	-	1	-
Livro Fácil	99.99%	103,768,018	171,260	92,401	78,859	955
Saraiva Soluções Educacionais S.A.	99.99%	500	3,534	2,209	1,325	1,324
Eduquer Serviços Educacionais Ltda.	99.99%	93,700	259	12	247	(0)
Pluri - A&R Comércio e Serviços de Informática Ltda.	99.99%	7,991,650	37,005	25,762	11,243	4,714
Mind Makers Editora Educacional Ltda.	99.99%	2,318,365	13,173	5,041	8,132	4,271
Merrit Informaçao Educacional Ltda.	99.99%	10,000	687	207	480	(252)
Somos Sistemas de Ensino S.A.	99.99%	5,464,689,407	6,909,813	2,113,499	4,796,315	(2,753)
Sociedade Educacional da Lagoa Ltda.	99.99%	6,080,000	4,432,236	139,059	4,293,177	282

In thousands of reais, unless otherwise indicated

14. Property, plant and equipment

Consolidated

	IT equipment	Furniture, equipment and fixtures	Library	Buildings and improvements	Property, plant and equipment in progress	Land	Right-of-use (IFRS-16) (i)	Total
Balances at December 31, 2019	**112,751**	**444,791**	**127,988**	**1,414,184**	**56,151**	**118,553**	**3,580,846**	**5,855,264**
Additions	7,856	10,600	4,747	1,585	21,707	-	266,916	313,411
Additions due to business combination	59	153	-	-	-	-	-	212
Write-offs	-	-	-	(8,563)	-	-	(78,814)	(87,377)
Depreciations	(11,535)	(16,252)	(6,853)	(26,717)	-	-	(67,240)	(128,597)
Balances at March 31, 2020	**109,131**	**439,292**	**125,882**	**1,380,489**	**77,858**	**118,553**	**3,701,708**	**5,952,913**
Balances at December 31, 2020	**72,381**	**337,387**	**89,601**	**1,066,722**	**35,228**	**118,553**	**2,624,302**	**4,344,174**
Additions	7,940	12,818	4,917	173	11,791	-	115,064	152,703
Additions due to business combination	107	504	-	-	-	-	-	611
Write-offs	(214)	(4,973)	(1,273)	(32,724)	(93)	-	(32,609)	(71,886)
Depreciations	(8,575)	(13,314)	(5,779)	(17,886)	-	-	(49,688)	(95,242)
Balances at March 31, 2021	**71,639**	**332,422**	**87,466**	**1,016,285**	**46,926**	**118,553**	**2,657,069**	**4,330,360**
Annual average depreciation rate	22%	9%	13%	6%	0%	0%	7%	
Balances at March 31, 2021:								
Cost	338,408	749,297	308,382	1,409,793	46,926	118,553	3,636,202	6,607,561
Accumulated depreciation	(266,769)	(416,875)	(220,916)	(393,508)	-	-	(979,133)	(2,277,201)

(i) Balances related to the Group's lease operations, which are significantly concentrated in the leasing of properties for its operating units and administrative buildings, whose payments are monthly. In general, the main contracts have an average lease period of around 20 to 25 years, which can be extended through renewal options existing in the contract and the tenant Law (Law 8245, of October 18, 1991). The Group assesses at the beginning of each lease whether it is reasonably certain that these extension options will be exercised, and reevaluates that conclusion if a significant event or a change in circumstances within its control occurs.

In thousands of reais, unless otherwise indicated

15. Intangible assets and goodwill

						Consolidated
	Software	Content production	Operating License	Goodwill and intangible assets allocated	Other intangible assets	Total
Balances at December 31, 2019	**607,563**	**156,182**	**13,283**	**19,641,309**	**103,888**	**20,522,225**
Additions	53,925	15,630	1,501	33,142	2,762	106,960
Additions due to business combination	-	177	-	-	-	177
Amortizations	(41,204)	(27,866)	(1,770)	(82,581)	(3,752)	(157,173)
Balances at March 31, 2020	**620,284**	**144,123**	**13,014**	**19,591,870**	**102,898**	**20,472,189**
Balances at December 31, 2020	**614,832**	**119,144**	**7,863**	**14,175,640**	**100,822**	**15,018,301**
Additions (i)	39,767	14,441	1,558	61,077	7	116,850
Additions due to business combination	1,810	-	-	-	-	1,810
Write-offs	(68)	(1)	(148)	-	-	(217)
Amortization (i)	(47,148)	(21,966)	(1,463)	(66,888)	(2,520)	(139,985)
Balances at March 31, 2021	**609,193**	**111,618**	**7,810**	**14,169,829**	**98,309**	**14,996,759**
Annual average rate of amortization	20%	41%	33%	6%	22%	
Balances at March 31, 2021:						
Cost	1,303,231	690,080	19,996	14,334,184	207,200	16,554,691
Accumulated amortization	(694,038)	(578,462)	(12,186)	(164,355)	(108,891)	(1,557,932)

(i) The balance related to the addition of goodwill refers mainly to the acquisition of company Sociedade Educacional da Lagoa, which occurred during 2021, and is further described in note 4.

a) Goodwill generated on the acquisition of subsidiaries and intangible assets and goodwill allocated in a business combination

In the Consolidated Financial Statements, the goodwill arising from the difference between the amount paid for the acquisition of investments in subsidiaries and the fair value of the assets and liabilities is classified as intangible assets. Part of the amount paid for the acquisition of the subsidiaries was allocated to identifiable intangible assets and goodwill with a defined and indefinite useful life after analyzing the acquired assets.

		Consolidated
	03/31/2021	**12/31/2020**
"Goodwill" (i)	12,363,893	12,321,977
Brand (ii)	2,044,346	2,071,358
Pole operation license and partner network (iii)	686,392	688,618
Client portfolio (iv)	1,120,756	1,142,583
Non-competition agreeement (iv)	1,380	1,528
Software license	3,485	-
	16,220,253	**16,226,064**
Asset impairment loss (v)	(2,050,424)	(2,050,424)
	14,169,829	**14,175,640**

(i) It refers to the goodwill generated in the acquisitions of subsidiaries, classified as from expected future profitability. It has no defined useful life and is subject to annual impairment tests. The amount presented here is already net of losses on the recoverable value of the assets.

In thousands of reais, unless otherwise indicated

(ii) Intangible assets and goodwill with an estimated useful life between 19 and 30 years.

(iii) It refers to licenses for operating in-class and distance learning and the distance-learning pole partner network. It has no defined useful life and is subject to annual impairment tests.

(iv) Intangible assets and goodwillwith an estimated useful life between 3 and 14 years.

(v) It relates to the recognition of impairment losses on assets of continuing and discontinued operations, which occurred substantially in 2020.

b) Impairment tests for goodwill per modality

The Company assesses at least annually the recoverability of its assets, or when there is an indication of any impairment. The information on the main assumptions used to calculate the Group's impairment is further described in the Separate and Consolidated Financial Statements for the year ended December 31, 2020, which should be read in conjunction with the information presented here.

During the year ended December 31, 2020, the Company assessed events that occurred in its cash-generating units that could affect its expectation of recovery of non-financial assets, and, after this assessment, an impact was mainly verified:

(i) In the "Saber" segment, because of the negotiations for the sale of the school operation, represented by company Somos Operações Escolares, which started during the fourth quarter of 2020. The Company proceeded with the change in the measurement of its assets at fair value through the expected net cash in the sale transaction of the schools, expected to be completed during 2021, thus impacting its due recovery. The remaining balances for this segment are those related to language schools ("Red Balloon").

In addition, some indicators used in the test model are based on macroeconomic indicators that can already be obtained and recalculated, such as projections for growth in the country and changes in the rates that are the basis for the WACC. The Company believes that this procedure meets the normative requirement to perform an impairment test at least once a year or at any time when a clear indication of impairment is noticed. The following shows the allocation of goodwill and intangible assets and goodwillallocated per cash-generating unit level:

	Consolidated (i)	
	03/31/2021	**12/31/2020**
Kroton	8,862,154	8,883,600
Platos	74	74
Saber	26,720	28,299
Vasta	4,844,390	4,811,613
Other	436,490	452,053
	14,169,829	**14,175,640**

In thousands of reais, unless otherwise indicated

16. Bonds and financing

(a) Breakdown

			Consolidated	
	Issuance	Maturity	03/31/2021	12/31/2020
Working capital	04/19/2012	04/19/2021	49	48
Mind Makers Loans	12/10/2018	05/07/2025	1,023	998
Total			**1,072**	**1,046**
Current liabilities			296	229
Non-current liabilities			776	817
			1,072	**1,046**

(b) Changes

	Consolidated	
	03/31/2021	12/31/2020
Opening balance	1,046	692
Additions due to business combination	-	998
Addition – Principal	-	100
Interest appropriation	82	72
Liabilities held for sale	-	(100)
Interest payment	-	(71)
Payment of principal	(56)	(645)
Closing balance	**1,072**	**1,046**

(c) Amortization schedule

					Consolidated
		03/31/2021		12/31/2020	
	Maturity	Total	%	Total	%
	up to 1 year	296	27.6	229	21.9
Current liabilities		**296**	**27.6**	**229**	**21.9**
	1–2 years	167	15.6	167	16.0
	2–3 years	166	15.5	166	15.9
	3–4 years	166	15.5	166	15.9
	4–5 years	166	15.5	166	15.9
	>5 years	111	10.4	152	14.5
Non-current liabilities		**776**	**72.4**	**817**	**78.1**
		1,072	**100.0**	**1,046**	**100.0**

In thousands of reais, unless otherwise indicated

17. Debentures

(a) Breakdown

				Parent company		Consolidated	
	Remuneration	Issuance	Maturity	03/31/2021	12/31/2020	03/31/2021	12/31/2020
EDE SARAIVA 4th issue of single series debentures	CDI + 0.80% p.a.	08/27/2018	08/15/2021	-	-	220,141	221,488
COGNA 1st issue of single series debentures	CDI + 0.65% p.a.	04/15/2019	04/15/2024	807,978	802,710	807,978	802,710
COGNA 2nd issue of 1st series debentures	CDI + 0.75% p.a.	08/15/2018	08/15/2021	979,756	985,611	979,756	985,611
COGNA 2nd issue of 2nd series debentures	CDI + 1.00% p.a.	08/15/2018	08/15/2023	3,692,306	3,717,447	3,692,306	3,717,447
COGNA 2nd issue of 3rd series debentures	IPCA + 6.7234% p.a.	08/15/2018	08/15/2025	118,912	117,946	118,912	117,946
COGNA 3rd and 4th issue of 1st, 2nd series and single series debentures	CDI + 0.90% p.a. and CDI + 1.70% p.a. + 1.15% p.a.	08/15/2018	08/15/2022	173,808	875,090	173,808	875,090
COGNA 6th issue of single series debentures	CDI + 2.95% p.a.	05/20/2020	05/20/2023	506,157	499,873	506,157	499,873
Total				**6,278,917**	**6,998,677**	**6,499,058**	**7,220,165**
Current liabilities				6,278,917	1,827,320	6,499,058	2,048,808
Non-current liabilities				-	5,171,357	-	5,171,357
				6,278,917	**6,998,677**	**6,499,058**	**7,220,165**
After renegotiation of the debentures (note 35.1)							
Current liabilities (i)				1,106,039	1,827,320	1,326,180	2,048,808
Non-current liabilities (i)				5,172,878	5,171,357	5,172,878	5,171,357
				6,278,917	**6,998,677**	**6,499,058**	**7,220,165**

(i) Because of the events presented in item “c” of this note, the balances for the period ended March 31, 2021, are being presented considering their respective maturities in the debenture deeds, for the purposes of demonstration and comparison to the year ended on December 31, 2020.

In thousands of reais, unless otherwise indicated

The debentures, issued in book-entry form, without the issue of certificates and without the possibility of converting shares, have the following characteristics:

							Consolidated
Company	**Issuance**	**Series**	**Quant.**	**Unit value**	**Issuance amount**	**Payment of principal**	**Interest payment**
COGNA	1st	Sole	80,000	10	800,000	Upon maturity	Half-yearly (Apr & Oct)
COGNA	2nd	1st	112,966	10	1,129,660	Annual	Half-yearly (Feb & Aug)
COGNA	2nd	2nd	426,434	10	4,264,340	Annual	Half-yearly (Feb & Aug)
COGNA	2nd	3rd	10,600	10	106,000	Annual	Half-yearly (Feb & Aug)
COGNA	3rd	1st | 2 nd	800,000	1	800,000	Annual	Half-yearly (Feb & Aug)
COGNA	4th	Sole	800,000	1	800,000	Upon maturity	Half-yearly (Mar & Sep)
COGNA	6th	Sole	500,000	1	500,000	Upon maturity	Half-yearly (May & Nov)
EDE	1st	Sole	2,200	100	220,000	Upon maturity	Half-yearly (Feb & Aug)

(b) Changes

		Parent company		Consolidated
	03/31/2021	**03/31/2020**	**03/31/2021**	**03/31/2020**
Opening balance	6,998,677	7,859,984	7,220,165	8,083,873
Accrued interest	54,975	100,765	56,469	103,460
Appropriation of costs	2,443	2,527	2,545	2,628
Interest payment	(83,100)	(206,658)	(86,043)	(213,167)
Payment of principal	(694,078)	-	(694,078)	-
Closing balance	**6,278,917**	**7,756,618**	**6,499,058**	**7,976,794**

(c) Committed performance ratios

“Cogna” and “EDE” emissions (quarterly calculations)

The debentures issued by parent company Cogna and subsidiary EDE require the maintenance of financial ratios (“covenants”), which are calculated quarterly, based on the interim information and the consolidated statements of the Company. The calculation period comprises, where it is necessary for the calculation and as determined in the deed, the 12 months immediately prior to the end of each quarter and the calculation is the quotient of the division of the net debt by the adjusted EBITDA, and the resulting amount should not be greater than 3.00. This index cannot be exceeded in 2 consecutive quarters or in 3 alternating quarters within the term of the contract.

The concept of adjusted EBITDA means, based on the Company’s quarterly information (ITR) or consolidated financial statements, as the case may be, the result obtained in the twelve (12) months prior to the calculation date, less income tax and social contribution, depreciation and amortization, the financial income and the result of non-recurring items, plus operating financial revenue.
The calculation of financial covenants considers the results of continuing and discontinued operations, and it is necessary to consider the effects presented in note 3, together with the tables presented in the respective notes.

In thousands of reais, unless otherwise indicated

On the base date of March 31, 2021, the financial ratio related to the calculation of the ratio of the division of the net debt by the adjusted EBITDA reached the result of 3.50, which resulted in exceeding this ratio for the third time alternately, causing non-automatic early maturity of its debts. Because of this new overcoming, the Company, through the fiduciary agent, convened a specific General Meeting of Debenture Holders to deliberate on the eventual non-decree of early maturity, and additionally the renegotiation of the covenants. The debenture holders accepted, for the majority of the quorum present, the consideration, for the purposes of calculating the adjusted EBITDA for the last 12 months, of R$ 644,000 arising from the allowance for doubtful accounts (AFDA) that were recorded by the Company throughout 2020 (R$ 229,000 in the second quarter of 2020 and R$ 415,000 in the fourth quarter of 2020), which will be considered as an extraordinary adjustment and, therefore, not included in the calculation of the Financial Ratio during the period from the 4th quarter of 2020 to the 3rd quarter of 2021. Based on this review, the new financial ratio related to the calculation of financial covenants reached a result of 1.97 within the conditions established for the aforementioned financial contractual clauses.

It is worth emphasizing that as guided by CPC 26 R1 (item 74) when the entity does not comply with a covenants of a long-term loan contract (indebtedness index or interest coverage, for instance) at the end of the period or before, at the end of the reporting date, liabilities becoming due and payable at the creditor's order, liabilities are classified as current, even if the creditor has agreed, after balance sheet date and prior to the date of authorization for the issuance of financial statements, not to require the accelerated payment due to the breach of the covenants. Liabilities must be classified as current liabilities because, at balance sheet date, the entity does not have the unconditional right to defer its dissolution for at least 12 months after that date. Accordingly, the Company proceeded with the reclassification of its liability balances, previously expected to be paid in more than 12 months, to current liabilities. In note 17 (a), because of the revisions in the calculation assumptions that were approved at the General Meeting of Debenture Holders, the Company presented the balances in their respective renegotiated payments, including those that will be made after 12 months.

Regarding other obligations, referred to as non-financial, the Company informs that all of them were met on March 31, 2021.

(d) Amortization schedule

					03/31/2021
		Parent company		Consolidated	
	Maturity	**Total**	**%**	**Total**	**%**
	up to 1 year	6,278,917	100.0	6,499,058	100.0
Current liabilities		**6,278,917**	**100.0**	**6,499,058**	**100.0**
Non-current liabilities		**-**	**0.0**	**-**	**0.0**
		6,278,917	**100.0**	**6,499,058**	**100.0**

In thousands of reais, unless otherwise indicated

					03/31/2021 (i) (after renegotiation)
			Parent company		Consolidated
	Maturity	**Total**	**%**	**Total**	**%**
	up to 1 year	1,106,039	17.6	1,326,180	20.4
Current liabilities		**1,106,039**	**17.6**	**1,326,180**	**20.4**
	1–2 years	1,925,056	30.7	1,925,056	29.6
	2–3 years	2,341,962	37.3	2,341,962	36.0
	3–4 years	835,255	13.3	835,255	12.9
	4–5 years	70,605	1.1	70,605	1.1
Non-current liabilities		**5,172,878**	**82.4**	**5,172,878**	**79.6**
		6,278,917	**100.0**	**6,499,058**	**100.0**

(i) Because of the events presented in item “c” of this note, the balances for the period ended March 31, 2021, are being presented considering their respective maturities in the debenture deeds, for the purposes of demonstration and comparison to the year ended on December 31, 2020.

					12/31/2020
			Parent company		Consolidated
	Maturity	**Total**	**%**	**Total**	**%**
	up to 1 year	1,827,320	26.1	2,048,808	28.4
Current liabilities		**1,827,320**	**26.1**	**2,048,808**	**28.4**
	1–2 years	1,924,991	27.5	1,924,991	26.7
	2–3 years	2,340,641	33.4	2,340,641	32.4
	3–4 years	834,740	11.9	834,740	11.6
	4–5 years	70,985	1.0	70,985	1.0
	>5 years	-	0.0	-	0.0
Non-current liabilities		**5,171,357**	**73.9**	**5,171,357**	**71.6**
		6,998,677	**100.0**	**7,220,165**	**100.0**

In thousands of reais, unless otherwise indicated

18. Lease liabilities

(a) Changes

	Consolidated
Balances at December 31, 2019	**4,021,474**
Additions	115,194
Restatements	151,722
Cancellations	(85,391)
Interest payment	(102,949)
Adjustment to present value	102,839
Payment of principal	(37,960)
Balances at March 31, 2020	**4,164,929**
Balances at December 31, 2020	**3,032,450**
Additions	19,336
Restatements	95,729
Cancellations	(20,003)
Turnaround Kroton write-off (i)	(30,377)
Interest payment	(71,839)
Adjustment to present value (ii)	76,128
Payment of principal	(28,675)
Obtained discounts - COVID-19 (iii)	(5,316)
Balances at March 31, 2021	**3,067,433**
Current	124,177
Non-current	2,943,256
	3,067,433

(i) Related to the impacts resulting from the feasibility study and restructuring of the Kroton business units ("Turnaround Kroton"), which resulted in the renegotiation or termination of the contract in the leased properties.

(ii) The adjustment to present value related to rights-of-use lease agreements is calculated individually per contract and applied to the useful life of the contract, considering its maturity. The fee is calculated at our cost of capital less the impact estimated by the guarantee on the fee.

(iii) The Company carried out the renegotiation of its lease contracts due to the Coronavirus ("COVID-19") pandemic. The total impact recorded because of the discounts obtained during the first quarter of 2021 was R$ 5,316.

In addition to the amounts presented above, some of the real estate leases in which the Company and its subsidiaries are lessees contain variable terms of payment that are linked to the performance of the use of the underlying asset, and therefore are not included in the measurement of the book balances.

The Group's lease operations have no impact on the calculation of the financial ratios (covenants) of the debentures.

In thousands of reais, unless otherwise indicated

(b) Items not applicable to the scope of CPC 06 (R2)/IFRS 16

As provided for in CPC 06 (R2)/IFRS 16, short-term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), will continue to recognize their lease expenses on a straight-line basis in the income statements for the period and thus not be included in the lease liability. These effects for the period ended March 31, 2021, are as follows:

	Consolidated
	03/31/2021
Fixed Payments	120,596
Variable Payments	7,650
Payments related to short-term and low-value contracts	26,392
Total Paid	**154,638**

(c) Future commitments

The lease balances payable related to "future commitments" for the period ended March 31, 2021, are shown below:

			Consolidated
Years:	**IFRS 16**	**(-)AVP**	**03/31/2021**
up to 1	424,126	(299,948)	124,178
1–5	2,034,191	(879,000)	1,155,191
>5	3,863,072	(2,075,008)	1,788,064
	6,321,389	**(3,253,956)**	**3,067,433**

(d) Impacts on Company's income (loss)

		Consolidated
	03/31/2021	**03/31/2020**
Statement of income for the period		
Depreciation and amortization	(49,688)	(67,243)
Financial expenses	(76,128)	(103,501)
Financial revenues	510	662
Other gains and losses (i)	8,445	6,002
	(116,862)	**(164,080)**
Deferred income tax and social contribution	5,793	(7,901)
	(111,069)	**(171,981)**
Lease amounts paid in the period	120,596	140,909
Impact on the income as a result of the new policy	**9,528**	**(31,072)**

(i) It substantially consists of the discounts obtained in the renegotiation of contracts due to the COVID-19 pandemic.

In thousands of reais, unless otherwise indicated

(e) Official Letter /CVM/SNC/SEP 02/2019

In compliance with Circular Letter/CVM/SNC/SEP/ 02/2019, the Company presents the comparative balances of the lease liability, the right to use, the financial expense and the depreciation expense, considering the effect of the projected future inflation in the lease contract flows, discounted at the nominal rate:

				Consolidated
Description	**Recorded balances - IFRS 16 / CPC 06 (R2) (*)**	**Flow with inflation projection**	**Change in R$**	**% change**
Net right-of-use	2,657,069	3,156,584	499,515	18.80%
Lease liability	3,067,433	3,535,596	468,164	15.26%
Net financial expense	75,618	65,044	(10,575)	-13.98%
Depreciation expense	49,688	58,030	8,342	16.79%
Trade receivable from sublease	21,709	24,090	2,381	10.97%

(*) It considers the balance of continuing operations recorded in the financial information as of March 31, 2021.

The table below shows the potential right of recoverbale PIS/COFINS embedded in the lease consideration, according to the periods set for payment:

		03/31/2021
		Consolidated
Cash Flows	**Nominal**	**Adjusted to present value**
Consideration payable	6,321,389	3,067,433
Potential PIS/COFINS (3.65%)	207,620	98,873
	6,529,009	**3,166,306**

19. Suppliers (reverse factoring)

Some domestic suppliers have the option to assign the Company's receivables, without recourse to financial institutions. Through these operations, suppliers can anticipate their receipts with reduced financial costs, since the financial institutions consider the credit risk of the Company.

As of March 31, 2021, the balance of drawee-risk suppliers was R$ 287,174 (R$ 284,808 on December 31, 2020), and the discount rates on assignment transactions carried out by our suppliers with financial institutions had a weighted average of 0.52% per month (on December 31, 2020, the weighted average was 0.48% per month) and maximum payment term of 360 days. The balance is initially recognized net of the adjustment to present value, which is subsequently recognized as a financial expense.

In thousands of reais, unless otherwise indicated

20. Salaries and social contribution

	Consolidated	
	03/31/2021	12/31/2020
Salaries payable	78,738	67,240
INSS payable	45,515	51,688
FGTS payable	5,897	10,110
IRRF payable	15,575	28,966
Provision for vacation pay	85,043	74,989
Provision charges	27,507	24,152
Provision for profit sharing	19,573	27,090
Other	31,013	29,682
	308,861	**313,917**

21. Taxes payable

	Parent company		Consolidated	
	03/31/2021	12/31/2020	03/31/2021	12/31/2020
ISS	-	-	60,087	64,267
PIS	807	399	501	716
COFINS	988	697	18,574	11,528
IRRF	118	116	13,757	13,982
CSLL	-	-	328	411
Other	-	342	6,474	12,541
	1,913	**1,554**	**99,721**	**103,445**

22. Accounts payable for business combination

	Consolidated	
	03/31/2021	12/31/2020
Colégio Lato Sensu	44,819	43,144
Colégio Leonardo da Vinci	51,496	51,249
Uniabc	31,217	30,463
Metropolitana	20,901	26,038
Livraria Livro Fácil	13,530	15,907
Mind Makers	14,450	14,262
Pluri	3,129	12,817
SEL (i)	26,927	-
ICF	9,529	9,186
Fateci	6,710	8,486
Febac	4,975	4,794
Meritt	4,330	4,330
Other	3,116	5,600
Total	**235,129**	**226,276**
Current	93,565	100,728
Non-current	141,564	125,548
	235,129	**226,276**

(i) It relates to the balances payable for the acquisition of Sociedade Educacional da Lagoa "SEL", during 2021, as further described in note 4.

In thousands of reais, unless otherwise indicated

The changes in the accounts payable in acquisitions item are shown below:

	Consolidated	
	03/31/2021	**03/31/2020**
Opening balance	226,278	283,236
Addition (i)	65,089	44,200
Interest restatement (i)	2,466	9,780
Write-offs and offsets	(2,537)	-
Adjustment to present value	1,046	1,160
Payments	(57,213)	(51,915)
Closing balance	**235,129**	**286,461**

(i) It relates to the acquisition of Sociedade Educacional da Lagoa "SEL", as described in note 4.

(ii) The amounts are updated mainly by the variation of the CDI and IPCA in accordance with the respective contracts.

Below is the amortization schedule for accounts payable for acquisitions:

		Consolidated			
		03/31/2021		12/31/2020	
	Maturity	**Total**	**%**	**Total**	**%**
	up to 1 year	93,565	39.8	100,728	44.5
Total current liabilities		**93,565**	**39.8**	**100,728**	**44.5**
	1–2 years	83,524	35.5	56,720	25.1
	2–3 years	53,917	22.9	58,476	25.8
	3–4 years	4,123	1.8	5,561	2.5
	>4 years	-	0.0	4,791	2.1
Total non-current liabilities		**141,564**	**60.2**	**125,548**	**55.5**
Total		**235,129**	**100.0**	**226,276**	**100.0**

23. Provision for tax, civil and labor losses and liabilities assumed in the business combination

The Company's management, based on the opinion of its legal advisors, classifies the possibility of losing in the legal and administrative lawsuits in which it acts as a party (defendant).

In thousands of reais, unless otherwise indicated

23.1. Lawsuits with expectation of probable loss and changes

The table below shows the changes in contingencies for the period ended March 31, 2021:

				Consolidated
	Tax	**Civil**	**Labor**	**Total**
Balance at December 31, 2020	226,569	30,611	171,435	428,615
Additions	24	22,423	11,286	33,733
Inflation adjustment	50	524	5,521	6,095
Reversals	(12)	(3,433)	(9,853)	(13,298)
Total impact on income (loss)	**62**	**19,514**	**6,954**	**26,530**
Payments	(6)	(15,075)	(15,726)	(30,807)
Total payments	**(6)**	**(15,075)**	**(15,726)**	**(30,807)**
Addition, former sponsor	-	51	464	515
Inflation adjustment - Former maintainer	442	123	207	772
Reversal, former sponsor	(7)	(40)	(2,876)	(2,923)
Total, former sponsor (with guarantee)	**435**	**134**	**(2,205)**	**(1,636)**
Inflation adjustment - IFRIC 23	139	-	-	139
Addition IFRIC 23	953	-	-	953
	1,092	**-**	**-**	**1,092**
Taxes with payment requirement suspended	1,762	-	-	1,762
Balance at March 31, 2021	**229,914**	**35,184**	**160,458**	**425,556**

23.2. Main lawsuits per nature

Below are the main lawsuits per nature classified as probable loss and which make up the outstanding balance on the date of the financial statements. Part of these contingencies are the responsibility of the former sponsors/owners:

Labor lawsuits

- Labor claim filed against subsidiary Anhanguera claiming recognition of employment relationship of a professor in a preparatory course for public competitions, claiming the payment of labor amounts in general, in the amount of R$ 13,803;

- Collective lawsuit filed by the Workers Union of ABC of the Greater São Paulo against subsidiary Anhanguera, concerning several claims related to compliance with the provisions of the Collective Bargaining Agreement (CCT) of the professors' category, in the amount of R$ 7,005;

- Labor claim filed against Somos Sistema de Ensino, claiming the payment of the integration of the amounts paid as Copyright into the salaries, an indemnity resulting from stability and moral damage, in the amount of R$ 4,920; and

- The Company is also a party to 940 labor lawsuits with an average amount of R$ 143 totaling R$ 134,730. Of this total, 255 lawsuits, totaling approximately R$ 15,656, refer to lawsuits from outsourced workers hired by labor outsourcing companies, where the Company's responsibility is only secondary. Labor lawsuits, in general, have a variety of labor claims, mainly related to the payment of severance pay, overtime, reduction of teaching hours, among other labor costs.

Tax lawsuits

- Tax enforcements filed by the Municipality of São Paulo charging the ISSQN for the period from 2007 to 2011, which is the full responsibility of the former sponsors of Academia Paulista Anchieta, a company acquired by Anhanguera in September 2011, in the amount of R$ 90,734. In the case of loss, the Company has a contractual guarantee;

- Tax enforcement filed by the Municipality of Ipatinga/MG against subsidiary Pitágoras charging the ISSQN from 2010 to 2014, in the amount of R$ 5,986. The Company filed a Stay of Execution in December 2020, which is awaiting a lower court decision;

- The Company is also a party to 27 tax lawsuits, of minor relevance when considered individually and totaling R$ 42,443, in addition to the amount of R$ 88,989 related to the contingency provisioned according to IFRIC 23 during the last fiscal year.

Civil lawsuits

- A civil lawsuit filed by the Federal Public Ministry in 2009 against subsidiary Anhanguera to investigate alleged irregularities related to consumer law and the way it advertises its courses to students, amounting to R$ 9,694; and

- The Company is also a party to 1,561 civil lawsuits with individual amounts lower than the item above, with an average amount of R$ 16, which total R$ 25,490. The demands mostly involve consumer orders.

23.3. Main additions and reversals

The additions and reversals that occurred in the first quarter of 2021 refer to transactions that generated an effect on the Company's income according to the nature and procedural progress of the demand, with the following main impacts:

- Of a civil nature, in subsidiary Maxiprint, there was an addition of R$ 500 referring to a claim related to the payment of copyrights and additionally, there were other additions with an average amount of R$ 6, totaling R$ 21,923

- Of a labor nature, in subsidiary Anhanguera, there was the addition of R$ 1,527 referring to a court settlement involving a request for recognition of the employment relationship and its consequences. Additionally, there were other additions with an average amount of R$ 26, totaling R$ 9,759;

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- Of a labor nature, subsidiary Anhanguera reversed R$ 1,086 due to a settlement between the parties. Additionally, there were other varied reversals, with an average amount of R$ 40, which totaled R$ 8,767;

23.4. Lawsuits with expectation of possible losses

The table below considers all possible contingencies of the Company, including the amounts of new contingencies of this classification that were generated in the period after the business combination:

				Consolidated
	03/31/2021	12/31/2020	Quantity 03/31/2021	Quantity 12/31/2020
Tax	828,144	794,871	339	337
Civil	449,347	458,887	17,704	16,746
Labor	164,339	147,251	1,043	1,042
Total	**1,441,830**	**1,401,009**	**19,086**	**18,125**

As of March 31, 2021, the Company and its parent companies had 19,086 legal/administrative claims classified by Management as possible loss risk based on the opinion of their legal advisors, with 121 lawsuits of partial and/or full liability of former sponsors/sellers of companies acquired by the Company, of which we mention the main ones:

(i) Tax:

- Tax Assessment Notice issued by the Brazilian Internal Revenue Service against the Company after an inspection procedure regarding the non-payment of taxes related to the granting of stock options in stock award plans, in the period from January 2014 to October 2017, in the amount of R$ 143,524. The responsibility for this contingency rests with the Company;

- Tax lawsuits filed by the Federal Government for the purpose of collecting outstanding debt arising from social security contributions recorded as outstanding debt, referring to the period in which subsidiary UNIC IUNI Educacional S/A (currently merged into subsidiary Editora e Distribuidora Educacional S/A) belonged to the former sponsor and had tax immunity when it was a philanthropic and non-profit entity. Tax lawsuits related to this object total R$ 130,560. The responsibility for this contingency rests with the Company;

- Tax Assessment Notice issued by the Brazilian Internal Revenue Service against subsidiary Editora e Distribuidora Educacional S/A (EDE) for the purpose of collecting social security contributions on the portion paid by the Company to eligible employees in the calendar year 2013 to 2016 as Profit and Results Sharing Plan. Considering the principal and ancillary amounts (fine and interest on late payment), the assessment totals R$ 74,000. The responsibility for this contingency rests with the Company;

- Tax assessment notice issued by the Brazilian Federal Revenue Service against Editora e Distribuidora Educacional, successor due to the merger of UNIC IUNI Educacional, related to the non-deductibility of the expense in the Corporate Income Tax of the Profit Sharing in the period from 2015 to 2017. The tax assessment notice was issued in the amount of R$ 68,717, of which R$ 46,000 are related to the non-deductibility of the expense and R$ 22,717 are related to the isolated fine for the monthly recalculation of the IRPJ with the taxation of the Profit-Sharing Program (PLR). The responsibility for this contingency rests with the Company.

- Tax Assessment Notice issued by the Municipality of Porto Alegre for the purpose of receiving the ISSQN, from January 2012 to June 2017 against former subsidiary Sociedade Educacional Leonardo da Vinci Ltda, in the amount of R$ 30,293. The Company's responsibility for the total tax assessment notice is approximately R$ 20,084.

- A Tax enforcement filed by the Municipality of Jacareí for the purpose of receiving the ISSQN for 2018 against subsidiary Anhanguera in the amount of R$ 20,630. The responsibility for this contingency rests with the Company.

- A Tax enforcement filed by the Federal Government to collect Corporate Income Tax, Social Contribution on Net Income for the period of 2011. The former sponsors are fully responsible for the lawsuit, with 100% in the amount of R$ 20,261, and the Company has a sufficient contractual guarantee.

(ii) Civil:

- Writ of Execution referring to rental credit that was offset by subsidiary Anhanguera Educacional under the purchase and sale agreement of the former sponsor's corporate shares. The Company is responsible for this lawsuit, in the amount of R$ 10,223.

- Account rendering lawsuit in which the Plaintiff claims to be a partner in a special partnership of a company that would also be a partner and creditor of Sociedade Educacional Noiva do Mar Ltda, acquired and merged into subsidiary Anhanguera. The former sponsors are fully responsible for the lawsuit in the amount of R$ 7,257.

(iii) Labor:

- Labor claim involving a request for recognition of employment relationship of a professor in a preparatory course for a competition requiring payment of labor costs in general. The Company is responsible for this lawsuit in the amount of R$ 7,000; and

- Labor claim involving a request for recognition of employment relationship of a professor and course coordinator, requiring payment of labor costs in general. The Company is responsible for this lawsuit, in the amount of R$ 5,113.

23.5. Provision for liabilities assumed in business combinations

In the context of CPC 15 - Business Combination - the Company, based on the reports of its legal and financial advisors, recognized in its liabilities potential non-conformities in relation to past practices of subsidiaries acquired by the Company relating to the compliance with labor, civil and tax laws and related to the period that belonged to the sellers of the acquirees.

The Company recognized, in accounting terms, the potential obligation resulting from past events whose fair value can be reasonably measured, even if it depends on the occurrence of future events to materialize in contingencies.

In thousands of reais, unless otherwise indicated

The balance of liabilities assumed in the business combination with acquired companies are as follows:

				Consolidated
	Tax	Civil	Labor	Total
Balance at December 31, 2020	**1,340,814**	**102,403**	**569,389**	**2,012,606**
Inflation adjustment	5,074	1,783	10,101	16,958
Reversals	(57,718)	(6,943)	(39,465)	(104,126)
Total impact on income (loss)	**(52,644)**	**(5,160)**	**(29,364)**	**(87,168)**
Reversals, former sponsors	(1,116)	(303)	(1,302)	(2,721)
Total, former sponsor	**(1,116)**	**(303)**	**(1,302)**	**(2,721)**
Balance at March 31, 2021	**1,287,054**	**96,940**	**538,723**	**1,922,717**
SOMOS	1,249,087	83,135	523,412	1,855,634
ICF	5,176	4,597	9,072	18,845
FATECI / CLAUDER	7,057	9,142	1,971	18,170
CEMAR/CEPAR/CESUPAR	16,905	-	1,075	17,980
FEBAC	8,829	66	3,193	12,088
Balance at March 31, 2021	**1,287,054**	**96,940**	**538,723**	**1,922,717**

The main legal/administrative lawsuits of the Company, classified by management as possible based on the opinion of its legal advisors, are as follows:

(i) Tax:

- Tax Assessment Notice for collection of IRPJ and CSLL, plus a 75% qualified fine resulting from the disallowance of amortized goodwill and non-deductible expenses, in addition to an isolated fine (for the supposedly under-payment of estimates), in relation to the calendar years from 2011 to 2014. The Tax Assessment Notice was filed against Somos Sistemas de Ensino S.A., and companies Somos Educação S.A. and Ativic S.A. (linked to the Abril Group) were held jointly and severally liable, under article 124, item I, of the Brazilian Tax Code, in the amount of R$ 324,874. The Company is responsible for this lawsuit;

- Tax Assessment Notice issued by the Brazilian Internal Revenue Service on the non-payment of Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL), as well as the application of a qualified fine on assessment of 75% and the application of an isolated fine on the monthly IRPJ/CSLL estimates, in relation to the calendar years from 2013 to 2015. The tax assessment notice was filed against company Central de Produções GWUP S.A. (not controlled by the Company) and with Somos (a subsidiary of the assessed company, at the time of the taxable event) held as jointly and severally liable. The IRPJ and CSLL requirement resulted from the disallowance of financial expenses, considered non-deductible by the inspection authorities, and from the disallowance of goodwill amortization. Because of the adjustments made by the Inspection authorities, an isolated fine was also required due to the alleged non-payment of monthly IRPJ and CSLL estimates, in the amount of R$ 126,094. This lawsuit is the responsibility of third parties and the company acts as a joint and several debtor. The Company believes that the third debtor of the tax debt has sufficient financial capacity to settle the tax debt in due course, if due;

In thousands of reais, unless otherwise indicated

- Tax Assessment Notice aiming at the collection of alleged debts related to the IRPJ and related taxes - PIS, COFINS, CSLL, and Isolated Fine, referring to the years 2000, 2001, and 2002. The Tax assessment notice involves 7 assessment items and, currently, only the item related to goodwill, in the amount of R$ 80,152, is pending. The Company is responsible for this lawsuit;

- Based on the history and risk analysis of assessments due to the use of goodwill in acquisitions made by Somos, with the consequent constitution of a tax credit by the tax authorities, we considered a potential obligation resulting from past events of R$ 364,088 and other tax procedures, including all acquirees that may be questioned by the tax authorities, totaling R$ 391,846.

(ii) Labor:

- Based on the history and risk analysis of past labor claims and, as a result of non-conformities in relation to past practices, a potential obligation was considered regarding repeated payments to service providers through Self-Employment Income Receipts (RPA) and legal entity invoices, in the amount of R$ 109,088, and other various non-conformities of a labor nature that total R$ 429,635.

(iii) Civil:

- Based on the history and risk analysis, the Company recognized a potential obligation arising from past events originated in contractual fines for the early termination of agreements, especially real estate lease agreements, totaling R$ 25,997 and other miscellaneous civil non-conformities totaling R$ 70,943.

23.6. Reconciliation of effects on income and applicable to cash flow

Below are the main impacts applicable to the Company's cash flow, resulting from the effects on the income for the period ended March 31, 2021:

		Addition (reversal) of provision	Provision for interest	Total	Payments (Operating activity)
Provision for losses on tax, labor and civil lawsuits	Additions	35,495	-	35,495	-
	Restatement	-	6,095	6,095	-
	Update of IFRIC 23	-	139	139	-
	Reversal	(13,299)	-	(13,299)	-
	Payments	-	-	-	(30,807)
	Effect in income (loss)	**22,197**	**6,234**	**28,431**	**(30,807)**
Liabilities assumed in the business combination	Restatement	-	16,958	16,958	-
	Reversal	(104,127)	-	(104,127)	-
	Effect in income (loss)	**(104,127)**	**16,958**	**(87,169)**	**-**
	Total effect	**(81,929)**	**23,192**	**(58,737)**	**(30,807)**

In thousands of reais, unless otherwise indicated

24. Judicial deposits and guarantees for provision for tax, civil labor losses

24.1. Judicial deposits

		Parent company		Consolidated
	03/31/2021	**12/31/2020**	**03/31/2021**	**12/31/2020**
Tax	-	-	34,605	39,084
Civil	7	2	2,069	1,208
Labor	360	592	24,706	33,763
Total	**367**	**594**	**61,380**	**74,055**

24.2. Guarantees of provision for tax, civil and labor losses (i)

				Consolidated
	Tax	**Civil**	**Labor**	**Total**
Balance at December 31, 2020	**51,812**	**104,394**	**10,667**	**166,873**
Addition	-	51	464	515
Inflation adjustment	442	123	207	772
Reversals	(1,124)	(342)	(4,178)	(5,644)
Total, former sponsor	**(682)**	**(168)**	**(3,507)**	**(4,357)**
Balance at March 31, 2021	**51,130**	**104,226**	**7,160**	**162,516**

(i) The guarantees provided because of the acquisitions, against the contingencies mentioned in note 23.2, are contractually provided for and comprise: a) retention of rents of properties leased by the Company's subsidiaries; b) retention of part of the purchase price; and c) mortgage on the property belonging to the sellers. Amounts recorded for the contingency provision and their balancing entry in the guarantee of the sellers representing the amounts determined so far, based on the information available from the due diligence carried out by the Company's external advisors, which may be reviewed within one year from the acquisition, as provided for in CPC 15 - Business Combination.

In thousands of reais, unless otherwise indicated

25. Income tax and social contribution - current and deferred

25.1. Income tax and social contribution on income

Income tax and social contribution recognized in the period differ from the theoretical value that would be obtained using the nominal tax rates defined by law, applicable to the profit of consolidated entities. Therefore, we present below the reconciliation of these main amounts of additions and/or exclusions performed in tax bases, as follows:

	Parent company		Consolidated	
	03/31/2021	**03/31/2020**	**03/31/2021**	**03/31/2020**
Income (loss) before income tax and social contribution for the period	(96,445)	(57,715)	(62,370)	(38,100)
Combined nominal rate for income tax and social contribution - %	34%	34%	34%	34%
IRPJ and CSLL at nominal rates	**32,791**	**19,623**	**21,206**	**12,954**
Equity in net income of subsidiaries	(33,825)	8,067	71	(1,896)
Tax incentives in subsidiaries subject to the ProUni benefit	-	-	1,382	3,292
Net additions (exclusions) without constituting deferred amounts	6,219	(863)	(7,406)	1,570
Deferred IRPJ and CSLL not recorded on the loss for the period of subsidiaries	277	(20,715)	(11,853)	(26,087)
IRPJ and CSLL for other transactions	7	-	(1,347)	(2,022)
Total income tax and social contribution	**5,469**	**6,112**	**2,054**	**(12,189)**
Current corporate income tax and social contribution in income (loss)	(643)	-	(12,378)	(30,866)
Deferred income tax and social contribution in income (loss)	6,112	6,112	14,432	18,676
	5,469	**6,112**	**2,054**	**(12,190)**

25.2. Deferred income tax and social contribution

Changes in income tax and social contribution assets and liabilities are as follows:

			Parent company
	12/31/2020	**Effects in income (loss)**	**03/31/2021**
In the liabilities			
Goodwill on business combination	(620,979)	6,112	(614,867)
Non-current liabilities, net	**(620,979)**	**6,112**	**(614,867)**

In thousands of reais, unless otherwise indicated

			Consolidated
	12/31/2020	Effects in income (loss)	03/31/2021
Income tax / Social contribution:			
Tax losses / negative basis of social contribution on net income	455,305	28,291	483,596
Temporary Differences in Taxable Income			
Provision for expected loss	843,006	36,970	879,976
Adjustment to present value	7,491	3,946	11,437
Provision for contingencies	36,118	(32,083)	4,035
Loan depreciation and cost	(40,059)	7,762	(32,297)
Nondeductible provisions	54,592	(8,168)	46,424
Profit sharing	2,544	4,731	7,275
Stock option plan	20,852	1,545	22,397
Right-of-use lease	133,730	5,793	139,523
Capital gain	8,875	-	8,875
Goodwill on business combination	(1,180,051)	(27,805)	(1,207,856)
Non-current assets (liabilities), net	**342,403**	**20,982**	**363,386**
Non-current assets	838,338		814,722
(–) Non-current liabilities	(495,936)		(451,336)
Total	**342,403**		**363,386**

Deferred income tax and social contribution liabilities are derived from intangible assets and goodwill arising from acquisitions and deferred income tax and social contribution liabilities are derived from tax losses and balances from additions to previous and current Taxable Income.

Expected realization of deferred income tax and social contribution is detailed are as follows:

		Consolidated
Realization bracket	**Total**	**%**
up to 1 year	407,361	50.0%
	407,361	**50.0%**
1–2 years	48,883	6.0%
2–3 years	65,178	8.0%
>3 years	293,300	36.0%
	407,361	**50.0%**
	814,722	**100%**

25.3. Tax incentives

ProUni establishes through Law 11096, of January 13, 2005, an exemption from certain federal taxes to higher education institutions that grant full and partial scholarships to low-income students enrolled in traditional and technological undergraduate courses. The higher education entities controlled by the Company are included in that program.

The amount of tax benefits due to ProUni calculated in the period ended March 31, 2021, including PIS and COFINS, is R$ 27,822 (R$ 36,159 on March 31, 2020).

In thousands of reais, unless otherwise indicated

26. Shareholders' equity

26.1. Capital

On March 31, 2021 and December 31, 2020, the subscribed and paid-up capital of the Company totaled R$ 7,667,615, corresponding to 1,876,606,210 nominative common shares.

Follow on

On January 31, 2020, according to the Material Fact communicated to the Market, the Company carried out a public offering for the distribution of primary shares, initially in the amount of 172,117,040 new common shares issued, aiming at: (i) acquisitions of companies that operate in higher education, and (ii) optimization of the Company's capital structure.

On February 11, 2020, on the date of the transaction, the Company issued a new Material Fact informing the Market and shareholders that, according to the Board of Directors' meeting, the price per share of R$ 11.00 was approved, with the effective capital increase, within the authorized limit, in the total amount of R$ 2,555,938, equivalent to the issue of 232,258,004 new shares of the Company (including additional shares), as well as their approval, within the scope of the public offering of primary distribution of book-entry, registered common shares with no par value.

Distribution costs

As presented in the Material Fact on February 11, 2020, the costs of distribution of primary shares, such as commissions, in addition to expenses with independent auditors, lawyers, consultants, fees, translations, and advertising related to the Offer, will be paid by the Company. The sum of all these costs totaled R$ 74,618 and was allocated to the capital reserves item, as provided for in CPC 08 (R1).

Share position and capital value

Accordingly, the Company's capital for the period ended March 31, 2021 and December 31, 2020, is as follows:

		03/31/2021		12/31/2020
	Amount	**Quantity**	**Amount**	**Quantity**
Total shares - ex-treasury	7,568,963	1,869,090,906	7,568,520	1,868,967,805
Total treasury shares	98,652	7,515,304	99,095	7,638,405
Total shares	**7,667,615**	**1,876,606,210**	**7,667,615**	**1,876,606,210**

In addition, we present below the changes in treasury shares:

		03/31/2021		12/31/2020
	Amount	**Quantity**	**Amount**	**Quantity**
Opening balance	99,095	7,638,405	121,427	9,113,832
Repurchase of treasury shares	-	-	-	-
Disposal of shares	(443)	(123,101)	(22,332)	(1,475,427)
Closing balance	**98,652**	**7,515,304**	**99,095**	**7,638,405**

26.2. Capital reserve and granted options

The Company grants share-based compensation plans to the Group's executives and employees and considered the recognition of the amounts calculated as of the date that they started to dedicate themselves to the Group's operations in accordance with CPC 10/IFRS 2 - Share-Based Payment, further details in note 27.

Equity instruments from business combination

On July 3, 2014, due to the merger of shares in the acquisition of subsidiary Anhanguera, 135,362,103 book-entry, registered common shares with no par value of the Company were issued. On the same date, the Company made a capital increase based on the book value of R$ 2,327,299, referring to Anhanguera's shareholders' equity on December 31, 2013. The difference between the total amount of the acquisition and the amount attributed to the capital of R$ 5,981,227 was recorded as a capital reserve (equity instruments arising from the business combination).

Equity gain on issuance of subsidiary's shares

On July 30, 2020, subsidiary Vasta Platform Ltda. ("Vasta") under the terms of the U.S. Securities Act of 1933 ("Offer"), carried out the initial public offering of the business fixed at the price of US$ 19.00 per class A share issued, totaling US$ 352,934,438.00, through the issuance of 18,275,492 new class "A" shares. In addition, the Offer coordinators were granted a 30-day call option of up to 2,786,323 class A shares at the Offer price, less the subscription discount. Considering the full exercise by the coordinators of the Offer of the option to acquire all the additional class A shares, the gross proceeds of the Offer would be US$ 405,874,485.00. Vasta's class A shares began to be traded on NASDAQ on July 31, 2020, and were settled on August 4, 2020, with the total amount received in cash by Vasta in this transaction as R$ 1,681,342, already net of issuance costs. Because of the subscription and full payment of new shares at the time of the offering, the Company recorded an equity adjustment of R$ 740,317 reflecting the equity appreciation that occurred at Vasta, reducing Cogna's interest in Vasta from 100% to 77.62%.

Given these changes, the balance of all capital reserve accounts for the period ended March 31, 2021, is R$ 5,649,564 (R$ 5,640,563 as of December 31, 2020).

27. Stock option program

27.1. Restricted stock option plans

At the Extraordinary General Meeting held on September 3, 2018, the Company's shareholders approved the creation of a Restricted Stock Award Plan as a way of encouraging the increase in performance and permanence in the Company of the Company's administrators and/or employees or other companies under its direct or indirect control.

Rights may be granted to receive a maximum number of restricted shares that does not exceed 19,416,233 (nineteen million, four hundred and sixteen thousand, two hundred and thirty-three) shares, corresponding to 1.18% of the Company's total capital on the date of approval of the Plan, excluding shares that are held in treasury also on this date.

In thousands of reais, unless otherwise indicated

The Company's obligation to transfer the restricted shares within the scope of the Plan, within 10 (ten) days from the end of the grace period, is subject to the continuation of the employment and/or administrator relationship.

The fair value of the restricted shares granted is measured at the market price of the Company's shares on the grant date and the restricted shares will be granted on a non-interest-bearing basis to the participants, through the transfer of shares held in treasury.

Also in 2018, the Company decided to establish a Restricted Stock Award Plan, where Restricted Shares could be granted to executives to promote the migration of stock options granted under the 2015 Plan, upon express acceptance by the respective beneficiaries and their waiver of stock options not yet exercised. The following terms and conditions have been fixed: a) beneficiaries whose contract had a grace period for the last lot ending in 2020, 2021, or 2022 would be eligible for migration; b) the grace periods of the original contracts would be maintained and the original gains expected by the beneficiaries would be preserved in the calculation of the exchange ratio. The fair value of equity instruments was recalculated on the date of the modification separately for each of the lots of each grant.

Below is a representation of the transactions carried out in the period ended March 31, 2021:

	Number of restricted shares				
PLANS	**12/31/2020**	**Restricted shares granted**	**Restricted Shares Settled**	**Restricted Shares Canceled**	**03/31/2021**
2015 Plan - Migrated	279,798	-	(163,169)	(9,634)	106,995
2018 - New	9,840,926	-		(391,000)	9,449,926
TOTAL	**10,120,724**	**-**	**(163,169)**	**(400,634)**	**9,556,921**

The Company recognized the expenses related to the Restricted Stock Plan grants in the amount of R$ 5,786 in the period ended March 31, 2021 (R$ 6,912 in the period ended March 31, 2020) as a balancing entry in capital reserves in shareholders' equity. In addition, the amount of R$ 567 (R$ 7,763 as of March 31, 2020) was recognized as personnel expenses with charges and the updating of the accumulated balances of charges by the closing price of Cogna's share, with a balancing entry in the provision for charges in Liabilities.

In thousands of reais, unless otherwise indicated

27.2. Stock option plan

The stock option plans issued by the Company were closed for new grants. The grace periods for plans that have grants not yet been exercised have all been completed and have the following characteristics:

Plan program	Grant date	Strike price	Grace period	Active options granted
2013 Plan	06/18/2013–07/03/2014	R$ 9.94–11.20	3 lots with a term of 36 months, 48 months and 60 months	31,967
2013 Plan	11/26/2013–06/02/2015	R$ 5.67–13.01	4 lots with a term of 6 months, 18 months, 30 months and 42 months	4,050,000
2015 Plan	10/05/2015–02/01/2016	R$ 8.42–9.65	4 lots with a term of 6 months, 18 months, 30 months and 42 months	8,095,000
				12,176,967

The exercise price will be paid by the beneficiaries to the Company in cash, at the time of acquisition or subscription, or in the manner determined by the Board of Directors for each contract.

The variations in the number of outstanding stock options and their corresponding weighted average prices, considering the split retrospectively, are shown below:

	Number of stock options					
PLANS	**12/31/2020**	**Options granted**	**Exercised options**	**Canceled/Abandoned Options**	**03/31/2021**	**Average price for the year**
2010 Plan	85,655	-	-	(85,655)	-	R$6.20
2013 Plan	233,891	-	-	(201,924)	31,967	R$9.65
2009 Plan	586,667	-	-	(586,667)	-	R$2.93
2013 Plan	6,890,000	-	-	(2,840,000)	4,050,000	R$7.20
2015 Plan	18,416,500	-	-	(10,321,500)	8,095,000	R$8.85
TOTAL	**26,212,713**	**-**	**-**	**(14,035,746)**	**12,176,967**	

27.3. Calculation of fair value and expense in profit or loss

The fair value of the stock options granted is recognized as an expense. The balancing entry is recorded as a credit under the capital reserves item, in shareholders' equity.

As of 2015, the Company started to use the Binominal model to calculate the fair value of the options of each grant.

The Company did not modify the previous grants, in accordance with the rules established in the CPC 10 pronouncement, which continue to be calculated using the Black & Scholes model.

In thousands of reais, unless otherwise indicated

The assumptions used to calculate the fair value of the grants of each of the current stock option plans are presented below:

	Programs		
	Kroton		AEDU
	2013 Plan	2015 Plan	2013 Plan
Share price	R$ 9.48–15.84	R$ 8.81–10.55	R$ 3.73
Risk-free rate	7.0–12.6%	15.3–16.5%	12.60%
Annual volatility expectation	24.7–37.3%	38.4–40.4%	31.10%
Volatility Calculation Model	Standard deviation or EWMA	EWMA or Garch	Standard deviation
Expected dividends	2.1–3.5%	3.50%	2.60%
Program duration in years	5–8	5–8	5
Fair value of option on grant date (R$/share)	R$ 2.44–5.64	R$ 3.27–5.38	R$ 5.55

As of March 31, 2021, R$ 0 of expense at the fair value of options was recognized (as of March 31, 2020, R$ 11 was recognized).

27.4. Restricted stock option plans - VASTA

On July 31, 2020, Cogna Educação S.A., the sole shareholder of Vasta Platform Limited at the time, approved the creation of the Restricted Stock Plan of its subsidiary Vasta to increase the involvement of eligible beneficiaries in the creation of value and profitability of the subsidiary, as well as encouraging them to make significant contributions to the long-term performance and growth of Vasta Platform Limited.

Considering this plan, rights were granted to employees and executives to receive Vasta Platform's Class A shares limited to 3% of the total shares of Vasta, which correspond to 2,490,348 shares.

Vasta has granted restricted stock award contracts to the beneficiary allocated in up to five different annual tranches, the acquisition of which will be subject to the continued employment of the beneficiary in the Company or to an applicable member of the Company's Group. Each tranche will be settled according to the vesting schedule defined by the Board of Directors in the contracts awarded.

The fair value of the restricted shares granted is measured at the market price of subsidiary Vasta's shares on the grant date and the restricted shares will be granted on a non-interest-bearing basis to the participants, through the transfer of shares held in treasury.

Below is a representation of the transactions carried out in the period ended March 31, 2021:

	Number of restricted shares				
PLANS	**12/31/2020**	**Restricted shares granted**	**Restricted Shares Settled**	**Restricted Shares Canceled**	**03/31/2021**
Vasta Plan	-	1,344,008	(411,404)	-	932,604
TOTAL	**-**	**1,344,008**	**(411,404)**	**-**	**932,604**

The Company recognized the amount of R$ 5,271 related to expenses with grants under the Vasta's Restricted Stock Plan. In addition, charges in the amount of R$ 656 were recognized as personnel expenses, against the provision for charges in liabilities.

28. Related parties

28.1. Related party transactions

The main transactions contracted by the Company and its subsidiaries with related parties in the quarter ended March 31, 2021, are summarized below. For greater understanding, it is necessary to read this note together with the information presented in the separate and consolidated Annual Financial Statements of the Company for the year ended December 31, 2020:

Related parties Assets:

(i) Cogna is a creditor (debenture holder) of securities whose obligation is currently held by Somos Sistemas resulting from a spin-off with Saber, held on December 31, 2019. The amounts, maturity, payment dates, compensation, forms of maturity, and other terms and conditions correspond to that described in each deed issued by Saber. The updated amount on March 31, 2021, is R$ 655,049, under the responsibility of Somos Sistemas.

(ii) In April 2019, Cogna transferred the amounts that were raised through its first issuance of debentures, which took place on April 15, 2019, to subsidiary EDE. A counterparty to this transaction, EDE issued private debentures to Cogna, whose amounts and other obligations correspond to that described in the public issue made by the Parent Company. The updated amount of these obligations as of March 31, 2021, is R$ 809,420.

(iii) There were other transactions among the subsidiaries, substantially related to amounts receivable derived from the apportionment of corporate expenses, via debit note, in the amount of R$ 5,247.

(iv) There were trade receivable derived from indemnity contracts between Cogna and Vasta, in the amount of R$ 158,097. These operations are included in the context of the IPO carried out by Vasta in July 2020.

In thousands of reais, unless otherwise indicated

(v) In order to better allocate capital among the Group's subsidiaries, the Company made cash transfers to its subsidiaries against capital increases or loan agreements, depending on an analysis by each company. To this end, loan agreements were entered into at market rates, which resulted in an amount receivable on March 31, 2021, of R$ 3,612,452 in the parent company. Tax on Financial Transactions (IOF) is not levied on these operations, because of Decree 10504/2020, approved by the Government, which defined a zero rate for the tax on credit operations. The balances receivable per subsidiary are shown below:

				Parent company
Subsidiary	**12/31/2020**	**Interest**	**Settlement**	**03/31/2021**
Union	209,670	2,809	-	212,479
Pses	914,738	12,130	(25,933)	900,935
Unime Salvador	61,668	826	-	62,494
Unic Educacional	298,061	3,993	-	302,054
EDE	1,027,795	13,719	(232,897)	808,617
Aesapar	1,416,344	15,720	(106,191)	1,325,873
Somos Sistemas	20,884	-	(20,884)	-
	3,949,159	**49,197**	**(385,905)**	**3,612,452**

(vi) Cogna has amounts receivable from its indirect subsidiary Somos Operações ("SOE"), involved in the negotiation process for the operation of the Group's schools, which took place between Saber and Editora Eleva (further described in note 3). The amounts refer mainly to balances payable that SOE's subsidiaries hold with the other entities of the Group, in the total net amount of R$ 288,388, with effect on Cogna's consolidated. The Company believes that the best presentation of this balance is in the "related parties" item, and the realization of these amounts will occur in subsequent periods with the use of the cash that SOE holds on March 31, 2021, in compliance with the other contractual clauses of the Contract with Eleva.

Related parties Liabilities:

(i) There were accounts payable resulting from indemnity contracts with Somos Sistemas in the amount of R$ 154,456, and other obligations payable in the amount of R$ 1,445.

28.2. Remuneration of key management personnel

Key management personnel includes the members of the Board of Directors and Tax Council, president, the vice-presidents and statutory directors.

	03/31/2021	**03/31/2020**
Salaries	3,894	3,205
Benefits	108	85
Charges	779	1,294
Stock option plan and restricted shares	3,028	3,324
	7,809	**7,908**

In thousands of reais, unless otherwise indicated

29. Net revenue from sales and services

	Kroton	Platos	Saber	Vasta	Other	03/31/2021 Consolidated
Gross revenue	1,021,398	26,111	23,659	316,213	68,431	1,455,812
Deductions from gross revenue						
Taxes	(24,403)	(874)	(909)	(1,596)	(514)	(28,296)
ProUni	(175,564)	-	-	-	-	(175,564)
Discounts and returns	(108,131)	(565)	(1,278)	(33,785)	(2,712)	(146,471)
Net revenue	**713,300**	**24,672**	**21,472**	**280,832**	**65,205**	**1,105,481**

	Kroton	Platos	Saber	Vasta	Other	03/31/2020 restated - Note 3 Consolidated
Gross revenue	1,241,596	21,780	24,112	428,067	113,484	1,829,039
Deductions from gross revenue						
Taxes	(33,812)	(112)	(1,043)	(2,917)	(152)	(38,036)
ProUni	(226,640)	-	-	-	-	(226,640)
Discounts and returns	(98,448)	-	580	(22,690)	(3,226)	(123,784)
Net revenue	**882,696**	**21,668**	**23,648**	**402,460**	**110,106**	**1,440,578**

30. Costs and expenses by nature

	Parent company		Consolidated	
	03/31/2021	**03/31/2020**	**03/31/2021**	**03/31/2020 restated, note 3**
Salaries and social security charges	-	(11)	(341,733)	(405,365)
Allowance for doubtful accounts	-	-	(162,452)	(212,334)
Depreciation and amortization	(109)	(18,095)	(118,651)	(127,112)
Advertising and publicity	-	-	(90,363)	(145,164)
Cost of products sold	-	-	(49,788)	(129,091)
Amortization of surplus of allocated goodwill	-	-	(66,888)	(70,614)
Utilities, cleaning and security	(351)	(119)	(69,961)	(84,666)
Depreciation - IFRS 16	-	-	(49,688)	(56,995)
Advisory and consultancy	(445)	(249)	(44,608)	(39,731)
Other revenues (expenses), net	822	303	(43,636)	(7,949)
Copyright	-	-	(25,063)	(32,715)
Rent and condominium	-	-	(37,266)	(15,101)
Editorial costs	-	-	(23,651)	(31,278)
Fees and contributions	(5)	(3)	(11,286)	(9,780)
Traveling	-	(1)	(3,262)	(9,812)
Amortization of inventory surplus	-	-	(448)	(3,300)
Third party services	-	(5)	(635)	3,250
Contingencies	189	205	81,929	63,966
	101	**(17,975)**	**(1,057,450)**	**(1,319,438)**
Cost of sales and services	-	-	(401,335)	(561,396)
Sales expenses	-	-	(139,076)	(201,565)
Administrative and general expenses	101	(17,975)	(327,584)	(343,177)
Provision for expected loss	-	-	(162,451)	(212,334)
Other operating revenues (expenses), net	-	-	(27,006)	(965)
	101	**(17,975)**	**(1,057,450)**	**(1,319,438)**

In thousands of reais, unless otherwise indicated

31. Finance result

	Parent company		Consolidated	
	03/31/2021	**03/31/2020**	**03/31/2021**	**03/31/2020** restated, note 3
Finance income				
Interest on monthly payments	-	-	38,803	53,674
Income from interest earning bank deposits and securities	1,543	10,741	19,323	16,703
Discounts obtained	-	-	27	234
Sublease interest	-	-	510	662
Interest assets	-	-	2,583	8,906
Other financial revenues (i)	60,450	29,692	227	8,000
	61,993	**40,433**	**61,473**	**88,179**
Finance costs				
Lease interest	-	-	(76,128)	(92,240)
Interest and costs of debentures	(57,418)	(103,291)	(59,096)	(105,643)
Restatement of contingencies	(742)	-	(23,192)	(18,615)
Other financial expenses	(870)	(604)	(4,133)	(5,002)
Update of liabilities for acquisition of subsidiaries	-	-	(3,512)	(10,940)
Bank and collection fees	(6)	(5)	(5,707)	(4,151)
Liability adjustment and interest	(17)	-	(316)	(5,254)
	(59,053)	**(103,900)**	**(172,084)**	**(241,845)**
Finance income (costs)	**2,940**	**(63,467)**	**(110,611)**	**(153,666)**

(i) It is composed mainly of interest on loan operations carried out by Cogna to its subsidiaries, as well as interest on internal debentures; all of which are further described in note 28.

32. Loss per share

32.1. Basic

The basic loss per share is calculated by dividing the result attributable to the holders of common shares of the Company by the weighted average number of common shares held by shareholders (excluding those held in treasury) during the period.

	03/31/2021	**03/31/2020**
Loss attributable to Company's shareholders	(90,975)	(39,120)
Weighted average number of outstanding common shares	1,869,029	1,791,255
Basic losses per common share	**(0.05)**	**(0.02)**

In thousands of reais, unless otherwise indicated

32.2. Diluted

For dilution purposes, the Company has a stock option plan granted to the beneficiaries, whereby the issuance of shares is allowed at the time of the option period. The calculation of the dilution is as follows:

	03/31/2021	03/31/2021
Loss attributable to Company's shareholders	(90,975)	(39,120)
Weighted average number of outstanding common shares	1,869,029	1,791,255
Potential increase in common shares	12,177	27,420
Diluted loss per common share	**(0.05)**	**(0.02)**

33. Segment information

The company manages its activities in five main operating business segments, to differentiate its offered products. As of March 31, 2021, because of the treatment given to the result of discontinued operations, related to the school operation, the balances for the comparison of 2020 are being restated, as presented in note 3. We present below the results of these segmentations for the periods ended March 31, 2021 and 2020, together with their equity positions:

							03/31/2021
	Kroton	**Platos (i)**	**Saber (i)**	**Vasta**	**Other**	**Elimination**	**Total**
Net revenue	713,300	24,672	21,472	280,832	80,632	(15,427)	1,105,481
Cost of sales services and goods sold	(199,297)	(1,986)	(8,072)	(132,456)	(74,952)	15,427	(401,336)
	514,003	**22,686**	**13,400**	**148,376**	**5,680**	**-**	**704,145**
Operating expenses:							
Sales expenses	(75,549)	(4,428)	(21)	(49,400)	(9,678)	-	(139,076)
Administrative and general expenses	(301,053)	(6,360)	(12,996)	(89,044)	81,871	-	(327,582)
Provision for expected loss	(154,120)	(4,774)	(150)	(2,609)	(798)	-	(162,451)
Other expenses, net	(23,548)	-	(3,457)	-	210	-	(26,795)
(Loss) income before finance result	**(40,268)**	**7,124**	**(3,224)**	**7,323**	**77,285**	**-**	**48,241**
Assets (i)	17,721,532	156,642	618,811	6,955,494	1,966,387	-	27,418,866
Liabilities current and non-current (i)	10,257,981	8,072	1,123,352	2,159,529	578,664	-	14,127,598

(i) The totals of assets and liabilities presented do not consider the amounts allocated to the items of assets and liabilities held for sale.

(ii) The Platos and Saber segments represent less than 10% of the Group's total net revenue, however, the Company believes that this segregation is consistent with the internal report provided to the Executive Board, which is the main operating decision-maker.

In thousands of reais, unless otherwise indicated

							03/31/2020 (restated - Note 3).
	Kroton	**Platos**	**Saber**	**Vasta**	**Other**	**Elimination**	**Total**
Net revenue	882,696	21,668	23,648	402,460	131,069	(20,963)	1,440,578
Cost of sales and services	(293,388)	(3,612)	(5,857)	(187,298)	(92,191)	20,950	(561,396)
	589,308	**18,056**	**17,791**	**215,162**	**38,878**	**(13)**	**879,182**
Operating expenses:							
Sales expenses	(143,384)	(3,251)	120	(39,445)	(15,604)	(1)	(201,565)
Administrative and general expenses	(321,970)	(4,611)	(11,195)	(82,633)	83,423	(6,191)	(343,177)
Provision for expected loss	(205,391)	(1,416)	(185)	(4,277)	(1,065)	-	(212,334)
Other expenses, net	(1,540)	-	(5,000)	-	-	-	(6,540)
(Loss) income before finance result	**(82,977)**	**8,778**	**1,530**	**88,807**	**105,632**	**(6,205)**	**115,565**
Assets	18,402,821	160,917	691,883	7,051,559	2,074,068	-	28,381,248
Liabilities current and non-current	10,839,425	8,457	1,510,477	2,254,753	395,604	-	15,008,716

34. Cash flow supplementary information

Statements of cash flows, by the indirect method, are prepared and presented in accordance with the accounting pronouncement CPC 03 (R2) / IAS 7 – Statement of Cash Flows. During the first quarter of the year, the Group carried out additions and cancellations of contracts in rights-of-use leases, in addition to changes in guarantees linked to operations with former sponsors; all of which have no cash effect. The aforementioned impacts:

		03/31/2021
Adjustments for:	**Parent company**	**Consolidated**
Property, plant and equipment		
Addition of financial leases (IFRS 16/CPC 06)	-	115,064
Write-off of financial leases (IFRS 16/CPC 06)	-	(32,609)
	-	**82,455**
Liabilities assumed in the business combination		
Former sponsor guarantees	9	4,357
	9	**4,357**
	9	**86,812**

In thousands of reais, unless otherwise indicated

35. Subsequent events

35.1. Renegotiation of financial covenants

According to the Material Fact released to the market on May 6, 2021, the Company successfully concluded the negotiation with the debenture holders on the debentures of which it is the issuer. As a result, the General Meetings of the Debenture Holders approved the prior waiver of the right to declare early maturity due to the Company's failure to comply with the financial ratio (financial covenants), in the calculations made based on the financial information referring to the 4th (fourth) quarter of 2020 and eventual non-compliance in the 1st (first), 2nd (second) and 3rd (third) quarters of 2021. According to the contract, for the purposes of calculating the adjusted EBITDA for the last 12 months, of R$ 644,000 arising from the allowance for doubtful accounts (AFDA) that were recorded by the Company throughout 2020 (R$ 229,000 in the second quarter of 2020 and R$ 415,000 in the fourth quarter of 2020) will be considered as an extraordinary adjustment and, therefore, are not included in the calculation of the Financial Ratio during the period from the 4th quarter of 2020 to the 3rd quarter of 2021.

Based on this review, the new financial ratio related to the calculation of financial covenants reached a result of 1.97 within the conditions established for the aforementioned financial contractual clauses. Additionally, we simulated the net working capital below, demonstrating what the balances would be like if the above conditions had already been approved before March 31, 2021:

	Consolidated (prior to approvals)		**Consolidated (after approvals)**	
ASSETS	**03/31/2021**	**12/31/2020**	**03/31/2021**	**12/31/2020**
Current assets	6,014,035	6,869,478	6,014,035	6,869,478
Other assets	23,787,872	23,914,310	23,787,872	23,914,310
Total assets	**29,801,907**	**30,783,788**	**29,801,907**	**30,783,788**
LIABILITEIS				
Current liabilities	8,157,118	3,772,010	2,984,240	3,772,010
Other liabilities	21,644,789	27,011,778	26,817,667	27,011,778
Total liabilities	**29,801,907**	**30,783,788**	**29,801,907**	**30,783,788**
Net working capital	**(2,143,083)**	**3,097,468**	**3,029,795**	**3,097,468**

35.2. Transaction with Editora Eleva

Also in accordance with the Material Fact published on May 6, 2021, and in an update to the market and its shareholders, the Company informs that the holders of the debentures issued under Cogna's responsibility gave prior consent for the sale, by Saber Serviços Educacionais S.A. ("Saber"), to Eleva Educação S.A., of a set of establishments and physical facilities for the provision of basic education services, including the sale of all the shares issued by SOE Operações Escolares S.A., a member of the Cogna group that maintains, directly or indirectly, the operation of the own schools currently owned by Cogna. The information presented in this Material Fact is in line with the information presented in the Material Fact released to the market by Cogna and Saber on February 22, 2021.

Cogna and its subsidiaries involved will continue to keep their shareholders and the market in general duly informed about possible developments of this operation.

35.3. Approval of the stock option plan (“Performance Share”)

In a Material Fact release to the market on April 28, 2021, the Company approved the Stock Option Plan (“Performance Share Plan”), as provided for in item “f” of article 12 of the Company’s Bylaws, and in paragraph 3 of article 168 of the Brazilian Business Corporation Act.

The Performance Share Plan aims to: (i) stimulate the expansion, success, and achievement of the Company’s social objectives and results, aligning the financial benefit to be obtained by the beneficiary of the Plan with the Company’s goals; (ii) align the interests of the beneficiaries of the Plan with the shareholders; (iii) enable the Company to maintain the beneficiaries of the Plan linked to it or to the Subsidiaries in the long term; and (iv) encourage the creation of long-term value.

The Plan will cover a maximum of 2% (two percent) of dilution of the Company’s current capital, even if there is a maximum achievement of the annual goals defined by the management for the beneficiaries and will be managed by the Group’s People and Governance Committee, which will act by a delegation from the Board of Directors. The Plan allows its beneficiaries, the managers or employees of the Company or its subsidiaries, who are considered key executives, to receive options to purchase shares of Cogna, due to the degree of achievement of annual goals previously stipulated (the beneficiary may receive less or more shares than the amount initially granted to it, depending on the degree of achievement of the lowest or highest annual targets), under the terms of the Performance Shares Plan. There may also be goals that are distinct from the financial goals as defined by the People and Governance Committee for certain beneficiaries.

All the shares will be delivered to the beneficiaries in 04 years (4 successive periods of 12 months, with 25% of the total in each annual tranche) and, as a general rule, they will be subject to *a* 12-month lock-up after the effective exercise by the beneficiary. With this mechanism, the Company believes that it maintains the Plan’s adequate attractiveness for executives and encourages their permanence in the Group. According to the options granted to them under the Performance Share Plan, the achievement of the predetermined annual goals, and the continued link with the Company or its subsidiaries, the beneficiaries will have the right to acquire and subscribe to book-entry, registered common shares with no par value issued by Cogna.

* * * * *

Belo Horizonte, May 14, 2021, Cogna Educação S.A. (B3: COGN3; OTCQX: COGNY) – "Cogna" or the "Company" discloses today its results for the first quarter of 2021 (1Q21). The Company's financial information is presented on a consolidated figures basis, in Reais, in accordance with the Brazilian Corporate Law and accounting practices adopted in Brazil (BRGAAP), already in accordance with the financial report standards (IFRS), except when otherwise indicated form.

MESSAGE FROM THE MANAGEMENT

STARTING 2021 IN A NEW TRAJECTORY OF VALUE GENERATION

After a challenging 2020 that led us to make difficult decisions, we started 2021 on a new path of value creation. The results of 1Q21 - even when compared to the pre-pandemic base of 1Q20 - and the latest events, as listed below, are evidence that Cogna has a lighter structure and is prepared to face the new reality of hybridization in higher education.

- Kroton's restructuring process showed its first results, with 9.3 p.p. of recurring EBITDA margin expansion,
- Adjustment in receivables in 2020 decreased the need for provisioning, and Kroton's out-of-pocket students' average collection period (ACP) ended the quarter in 67 days, 7 less than in 4Q20, consolidating itself as one of the shortest 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 16% in the Hybrid segment (Semi-on-site and DL Premium) and 41% in the Digital segment (100% Digital)
- Corporate expenses had a reduction of 35%, showing that the efficiency gains obtained in 2020 are permanent;
- Post Capex operating cash generation (OCG) was positive at 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$ 3.8 billion), with a net debt of R$ 2.9 billion and an average duration of 25 months.

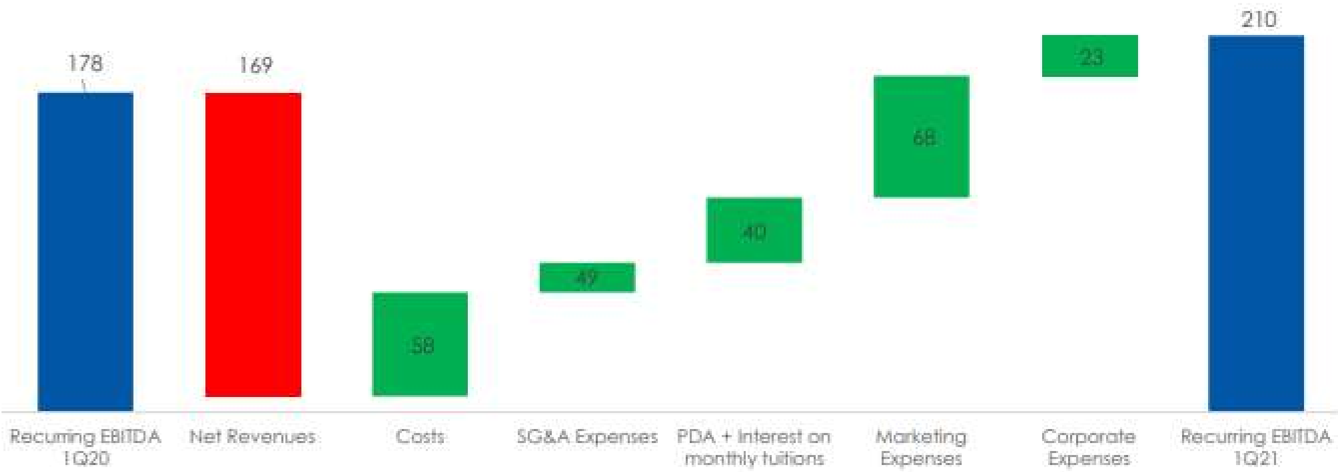
Cogna - Pos-Capex Operating Cash Generation (GCO), R$ million

Nevertheless, the difficulties related to the pandemic still persist, and this has overshadowed part of our efforts. The uptake of on-campus education continued to be under considerable pressure, negatively impacting Kroton's revenue, which showed that the decision to promote the extensive restructuring of Kroton in person was correct. Basic education, in turn, recorded the greatest impacts of the pandemic so far, since the upsurge in the pandemic occurred acutely in the beginning of 2021, precisely during the peak of the enrollment period for the school year. As a result, the Saber schools and Vasta's partner schools registered a reduction in the number of students, which brought to a decrease in Saber' revenue and lower conversion of agreements (LCA) into revenue in 2021. However, if even in a challenging scenario Cogna managed to register significant results, there is a clear potential for a materialization of the profitability growth as soon as we there is a weakening of the effects caused by the pandemic.

KROTON: LEAVING 2020 BEHIND

Kroton's operating results for this first quarter make it clear that we have put the operation back on a path of increasing profitability. The restructuring promoted in the second half of 2020 brought a series of operational gains that, combined with the health of our accounts receivable (which generated less need for provisioning for doubtful accounts (PDA), led to an increase of 9.3 percentage points in the recurring EBITDA margin, despite the 19% reduction in net revenue. Among the operating gains, we highlight the drop in occupancy costs, not only in the line of general and administrative expenses (which dropped 14%), but also rent expenses (recorded below EBITDA), which fell by 20%. In parallel, the changes in the academic model announced on Cogna Day, associated with the increase in the digital student base, brought a reduction of 29% in the unit teaching cost, while the focus of marketing activities via digital channels resulted in significant savings of expenses of this nature. **Including rental expenses, recurring EBITDA exIFRS-16 would have grown 91%.**

Kroton - Change in Recurrent EBITDA 1Q21 (R$ million)



In 1Q21, Kroton incurred R$ 82 million in non-recurring expenses related to the restructuring. Of these, R$ 35 million refer to the write-off of fixed assets, therefore, they had no cash effect. There are approximately R$ 60 million in nonrecurring expenses to be recognized in 2021, of which approximately R$ 22 million have no cash effect.

Kroton - Restructuring Expenses (R$ million)

	P&L Impacts				Cash Impacts			
Restructuring Expenses (R$ Million)	4Q20	1Q21	2Q-4Q21E	Total	4Q20	1Q21	2Q-4Q21E	Total
Total Opex with cash effect	131	47	38	217	62	21	134	217
Write-offs	187	35	22	245	-	-	-	-
Total Opex	319	82	60	461	62	21	134	217
Capex	21	10	20	51	-	9	42	51
Total	340	92	80	512	62	30	176	268

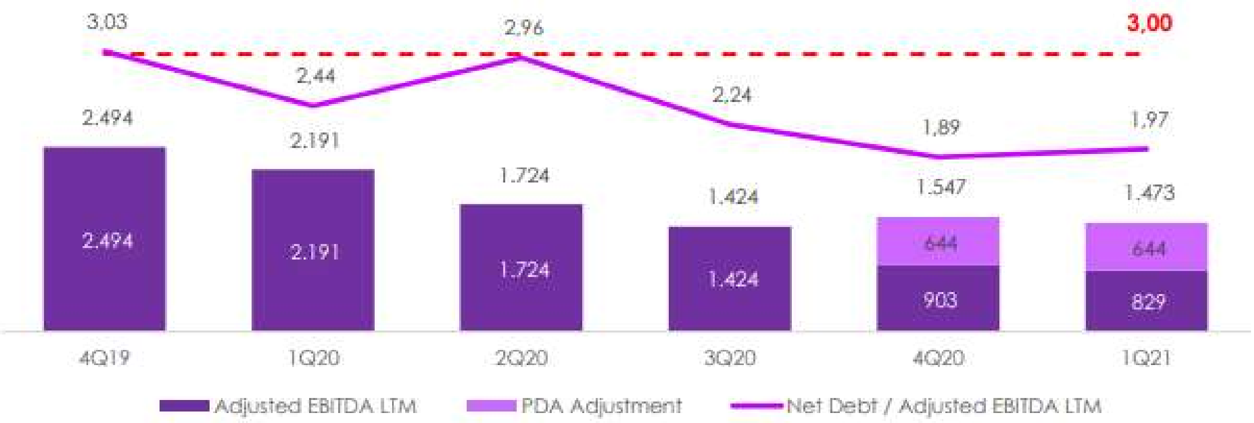
Executive Summary	Total
Investments (R$ million)	268
Payback (months)	16
Net Present Value (NPV, R$ million)	507
Internal Rate of Return (IRR)	86%

Note: Capex includes improvements in the remaining units for student migration

LEVERAGE UNDER CONTROL AND CLOSE TO AN INFLECTION POINT

On May 5th, we successfully concluded the negotiation of a waiver for the covenants of our debentures. According to the agreement, in the calculation of adjusted EBITDA for the last 12 months, from 4Q20 to 3Q21, it will be considered as an extraordinary adjustment of the R$ 644 million complement of allowance for loan losses that were made throughout 2020 (R$ 229 million in 2Q20 and R$ 415 million in 4Q20), as it became clear to our debenture holders that these launches represented non-cash events and that they do not affect the Company's cash generation capacity. Thus, the net debt / adjusted EBITDA ratio in 4Q20 is now 1.89x, and in 1Q21, 1.97x, both below the 3x limit. Considering the new level of our accounts receivable reached in 4Q20, and the trajectory of recovery of Kroton's operating results, we are comfortable reaching a turning point in our leverage during the year 2021, from which the trajectory will be declining. In addition, the transaction with Eleva was also approved by the debenture holders, a fundamental step in our strategy.

Cogna - Net Debt / Adjusted EBITDA LTM

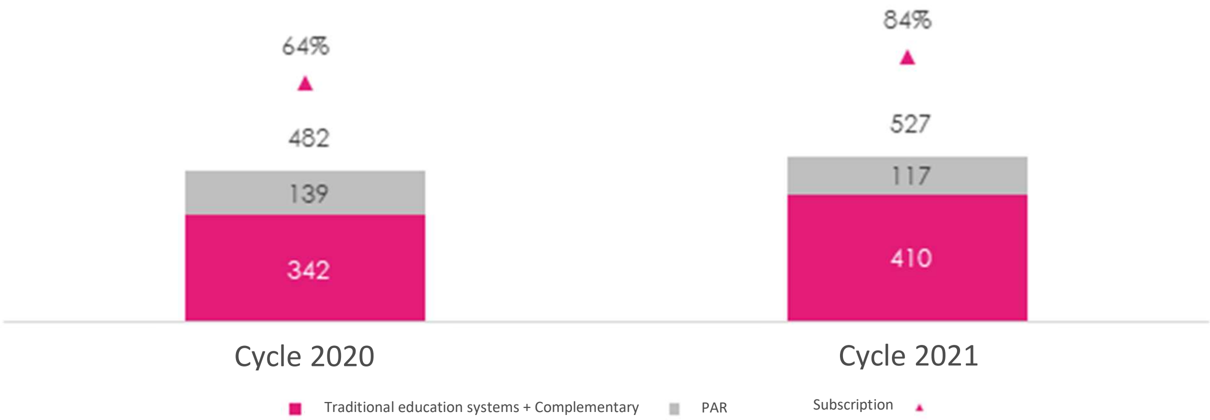


(1) LTM adjusted EBITDA (last twelve months) according to the debentures regulation, considering the extraordinary adjustments related to allowance for loan losses that totaled R$ 644 million (R$ 229 million in 2Q20 and R$ 415 million in 4Q20).

VASTA: WALKING FIRM IN THE SUBSCRIPTION BUSINESS; QUALITY CERTIFIED BY HIGH PERFORMANCE IN ENEM AND
IN NATIONAL ENTRANCE EXAMS

Despite the drop in revenue in the quarter, **the sum of revenues from traditional education systems and complementary solutions grew 20% in the 2021** business cycle (sum of 4Q20 and 1Q21), in line with the 23% annual contract value (LCA) growth announced last quarter. The small difference (break) is due to the lower volume of enrollment slotted by partner schools (versus the expectation at the time of hiring our services), due to the resurgence of the pandemic, acutely, at the beginning of the year, when the most intense period of enrollment occurs. According to market research, the number of students enrolled in private schools may have fallen by up to 30% since the beginning of the pandemic. In particular, our textbook-based education system (PAR) was most intensely affected, with a 16% drop in the 2021 business cycle. **Even so, the sum of all subscription revenues grew 16% in the cycle, representing 84% of the total.**

Vasta – Revenue by Segment, Commercial Cycle 2021



In addition to the lower volume of students in the partner schools, there is an important reflection in the PAR of the reuse of textbooks, a phenomenon that is common in times of macroeconomic turbulence, and evidenced by the even greater fall registered by our non-subscription business, in which the sale of textbooks is preponderant. We understand that both effects are temporary, due to the context of the pandemic, whose impact on the basic education sector was much more significant in 2021 than in 2020 (when the performance of our ACV was only 3.5% below). Therefore, the revenue potential indicated by our ACV, although reduced in 2021, is intact for the following years as soon as the situation normalizes, considering that the average duration of our contracts is over 3.5 years.

Vasta students stand out in the main national entrance exams. Anglo, our reference education system, had the highest approval in the entrance exams of the two best universities in the country - University of São Paulo (USP) and University of Campinas (Unicamp), according to the Times Higher Education ranking. In Medicina USP, one of the most competitive careers, Anglo was the highest approver, with 61 proven students, an average of 1 student for every 4 approved. These results are unmistakable proof of the quality of our services and serve to further leverage our commercial activities.

Partnership with leading school in ENEM. We announced a partnership with Fibonacci College, the best school in the interior of the country in terms of scoring in the National High School Exam (ENEM), present for 9 consecutive years among the top-10 nationals in this ranking. The partnership involves the development of a new brand of education system, which will be used by the students of the college itself and later marketed on our platform. With this partnership, Vasta now has as a provider of educational solutions for 2 schools that are among the top-10 of ENEM, the main vehicle for access to federal universities in the country.

OPERATING PERFORMANCE

KROTON

Student Base

Following the trend of previous quarters, the digital student base continued to expand, in line with the growing hybridization of higher education. In 1Q21, the digital base grew 14% year-on-year as a result of a 17% growth in first-half funding, as shown in the table below. The highest percentage of freshmen on the base temporarily pressed the dropout rate, which rose 5.9 p.p. against 1Q20.

The base of students on-site contracted 29%, due to the decrease in on-site captures observed since 2H20 (due to social isolation measures). Despite the reduction in the number of units performed at the turn of the semester, we observed that the dropout rate was practically stable.

Enrollments

Student enrollment in the first semester of 2020 (1H20) grew by 3% in volume. Below, we present the results of enrollments by the regulatory division (on-site and distance learning) and by product division (on-site, hybrid and digital).

In 1H21, the enrollment of undergraduate teaching students registered a reduction of 44% in the annual comparison, strongly influenced by the social isolation measures caused by the pandemic and by the delay in the disclosure of ENEM results. Additionally, as of this semester, we ended the offer of our special private installments (PEP). It is also worth noting that the reduction in the number of units was not a major factor in reducing enrollments in the semester, since we maintained the offer in 100% of the municipalities previously served; on the other hand, the more selective offer of on-campus courses, in line with the Company's strategy of ennobling the mix and maximizing the units' contribution margin, has been a factor in reducing the volume of offers. Enrollment revenue was similar to the volume of freshmen, indicating stability in the average freshman ticket.

The enrollment of distance learning students grew 19%, driven by an important growth in the 100% Digital product, which delivered a 44% volume growth and 41% revenue growth, with a practically stable ticket. The hybrid segment had stability in volume and a 16% growth in revenue, driven by an important growth in DL premium. This result is due to the trend of hybridization in higher education, the expansion of the offer of premium distance learning in partner hubs, the increase in the number of new hubs and the acceptance and success of our digital product. In 1Q21, we reached the mark of 1,544 hubs (including own and third-party units) and this number is expected to grow until the end of 2021.

PLATOS

Student Base

The base of digital graduate students grew 32% in 1Q21, driven by the success in the intake performed in the last twelve months, reflecting the focus of the commercial and marketing team in the commercialization of this product, more effective commercial campaigns, and the various digital marketing practices that leveraged our e-commerce. In 1Q21, the uptake increased 10% in the annual comparison, combined with the reduction in the evasion rate.

SABER

Student Base

The student base fell by 10% in the annual comparison, due to the closure of 2 units of contracts and the restrictions brought by the pandemic, which increased sharply precisely during the most intense period of enrollment for the school year. Similarly, the volume of students in Red Balloon dropped 19%.

VASTA

Vasta's business cycle begins in the fourth quarter, a period in which the first deliveries of content are made to students from partner schools for the following year, and ends in the third quarter of the following year. For this reason, the most important changes in the business are perceived from the third to the fourth quarter. Additionally, the business cycle has very marked seasonality: as content deliveries are concentrated in the fourth quarter and first quarter (of the following *year), in these quarters there is greater recognition of revenue and costs. In this sense, the numbers of the second and third quarters usually have less relevance.*

Student Base - Subscription Models

When compared to the 2020 business cycle, 2021 shows strong growth both in the main product and in relation to complementary solutions. Even with all the pandemic-related difficulties, Vasta was able to add 456 new schools to its platform, representing an annual increase of 11% and reinforces all competitive differentials presented throughout the year. The number of students from partner schools increased even more (+14%) and exceeded the mark of 1.5 million students using our education systems. In relation to complementary solutions, 478 new schools have become our clients, representing an annual growth of 75%, or 64% if the number of students is considered, which confirms the high potential of this segment.

FINANCIAL PERFORMANCE

Net Revenue

In 1Q21, consolidated net revenue reached R$ 1,105.5 million, down 27.0% compared to the same quarter of 2020, reflecting revenue pressures in higher education and basic education, in addition to the lower sales volume to the National Textbook Program (PNLD) due to seasonality, partially offset by continued growth in Platos.

Costs

The costs of products and services reached R$ 401.3 million in 1Q21, which is equivalent to 36.3% of net revenue for the period down 28.5% compared to 1Q20. The highlight was the decrease of 54.9% in Costs of sales, which was equivalent to 6.7% of net revenue for 1Q21. Costs of Services decreased by 17.7%, to a total of 29.6% of the net revenue for the period.

Gross Profit

Gross profit in 1Q21 reached R$ 704.2 million, with a gross margin of 63.7%, a reduction of 19.9% compared to 1Q20, due to the impacts described above.

Operating Expenses

Sales Expenses

Sales expenses include expenses related to the sales, advertising and marketing team, copyright, and Provision for Doubtful Accounts (PDA). In 1Q21, these expenses reached R$12.6% of net revenue, a reduction of 1.4 p.p. compared to 1Q20.

General and Administrative Expenses

General and administrative expenses include expenses with administrative personnel, consultancies, travel and third-party services, among others. In 1Q21, these expenses totaled 29.6% of net revenue, an increase of 5.8 p.p.

Other Operating Income (Expenses)

Other operating expenses totaled R$ 27.0 million in 1Q21, compared to other operating expenses of R$ 965 million in 1Q20.

Financial Results

In 1Q21, the financial result was negative at R$ 110.6 million, an improvement of 28.0% compared to 1Q20, with financial expenses reducing by 28.8%, reaching R$ 172.1 million and financial revenues falling 30.3% year-over-year, reaching R$ 61.5 million.

Net Income (Loss)

In 1Q21, net loss totaled R$ 91.2 million, as a result of the effects already mentioned above.

Capex and Expanding Investments

Cogna invested R$ 97.6 million in 1Q21, distributed as follows:

- Computer equipment and library: R$ 7.0 million (-21%);
- Content development, software systems development and licenses: R$ 35.6 million (-43%);
- Laboratory equipment and similar: R$ 2.1 million (-45%);
- Expansions: R$ 6.9 million (-54%);
- Investments in expansion: R$ 27.2 million (69%).

Total investments reached 8.8% of net revenue for the period, an increase of 1.5 p.p. compared to the previous year, reflecting greater austerity of the Company to face the new level of revenue. It is worth noting, however, that there have been some postponements of spending that may increase this line in the coming quarters. The expanding investment represented 47% of the total, due to expenses incurred as a result of Kroton's restructuring process, momentarily surpassing the line of content development, systems and software licenses (which accounted for 36% of the total).

Net Debt

At the end of the quarter, the total between cash and financial investments totaled R$ 3.8 billion, a level 15% lower than the end of the immediately preceding quarter, due to a partial amortization of debentures (according to the original schedule). For the same reason, gross debt fell 10%, and this remains with a very elongated profile, with an average term of 25 months and 80% of the total in maturities of more than 1 year. At this point, it is important to note that the above table represents a management view of what the composition of indebtedness would be after the conclusion of the negotiations of the covenants of the debentures, which differs from the corporate view (in which, due to the provision of the anticipated maturity clause of the debentures, all maturities are anticipated for the short term). Net indebtedness at the end of the quarter was stable at R$ 2.9 billion.

Cash Generation

Operating cash generation before capex was positive at R$ 267 million, against a consumption of R$ 27 million in 1Q20, favored by the higher revenue sums at Kroton (despite the drop in revenues), to better behavior of some working capital lines, in addition to the anticipation of credit card receivables already commented. This result, added to the reduction in capex, led to a pos capex operating cash generation (GCO) of R$ 170 million in 1Q20, representing a conversion of 46% of recurrent EBITDA. Free cash flow was negative by R$ 701 million in the quarter, reflecting the partial amortization of debentures.

CAPITAL MARKETS AND SUBSEQUENT EVENTS

PERFORMANCE OF SHARES

Cogna's (COGN3) shares are part of several indexes, with emphasis on the Ibovespa, the Differentiated Corporate Governance Index (IGC), the Differentiated Tag Along Stock Index (ITAG), the Consumer Index (ICON) and MSCI Brazil.

In 4Q20, the Company's shares were traded in 100% of the trading sessions, totaling a traded volume of R$ 15.4 billion in 2,657,107 trades, resulting in an average daily traded volume of R$ 256.7 million. Currently, Cogna's shares are accompanied by 16 different local and international brokers (research). As of March 31, 2021, Cogna's market value was R$ 7.5 billion.

In the first quarter of 2021, Cogna's shares fell 15.3%, while the Ibovespa fell 2.0%. In the same period, ITAG fell 0.5%, while the IGC fell 0.2% and ICON and rose 4.5%.

RATINGS

Cogna is currently rated triple A (brAAA) by Standard & Poor's and AA+(bra) by Fitch Rating.

SHAREHOLDING COMPOSITION

Cogna's share capital consists of 1,876,606,210 common shares.

DIVIDENDS

Due to the net loss incurred in the period and the circumstances imposed by Covid-19, the distribution of dividends will not be made in this quarter.

ABOUT COGNA EDUCATION

Cogna Educação is one of the largest private educational organizations in the world. In operation for more than 55 years, the Company is present in all states of Brazil and in the most different segments of education, with a complete platform of services and content offered in different business models. At the end of 4Q20, Cogna had 914,000 Students of Face-to-Face and Digital Undergraduate students in the Kroton vertical and 50,000 graduate students in the Platos vertical, served through 124 own units of Higher Education and 1,544 accredited poles of Digital Education. In Basic Education, vertical Saber had 29,000 students distributed in 50 own schools/contracts and 21,000 students distributed in 117 Red Balloon units, while vertical Vasta ended the quarter with 1.5 million students attended by approximately 4,600 associated schools using core and complementary content solutions.

1. DISCLOSURE OF EBITDA

According to CVM Instruction 527/12, the Company adhered to the disclosure of the non-accounting information as additional aggregate information in its quarterly information, presenting the EBITDA – Earnings Before Interest, Taxes on Income including Social Contribution on Profit (Loss) Net, Depreciation and Amortization, for exercise ended December 31, 2020 and 2019.

EBITDA represents the Company's operating cash generation, corresponding to the fact that the Company generates resources only in its operating activities, without taking into account the financial and tax effects. It should be noted that this does not represent cash flow for the period presented, and should not be considered obligatorily as a basis for dividend distribution, alternative to net income, or still as an indicator of liquidity.

	Three months ended march, 31		Last twelve months ended march,31
	2021	**2020**	**2021**
Net income	**(91,172)**	**(37,807)**	**(5,859,163)**
Income and social contribution tax – note 25	2,054	(12,190)	237,881
Financial result – note 31	(110,611)	(153,666)	(536,245)
Depreciation – note 30	(235,675)	(258,021)	(956,411)
(-) Discontinued operations	**(60,038)**	**(64,862)**	**(324,042)**
Income and social contribution tax – note 3	(6,539)	(14,419)	(52,404)
Financial result – note 3	(25,802)	(19,394)	(100,746)
Depreciation – note 3	(27,697)	(31,049)	(170,892)
Accounting EBITDA	**313,098**	**450,932**	**(4,280,346)**
(+) Interest and penalties on tuition – note 31	38,803	53,674	114,929
(+) Discontinued operations	**124**	**200**	**688**
(+) Interest and penalties on tuition – note 3	124	200	688
Management EBITDA	**352,025**	**504,806**	**(4,164,729)**
(-) Nonrecurring items (i)	(130,002)	(31,596)	(5,807,590)
Contingencies Provisions/Reversals – note 30	81,929	63,966	104,640
(-) Discontinued operations	**12,242**	**11,781**	**63,888**
Contingencies Provisions/Reversals – note 3	12,242	11,781	63,888
Adjusted EBITDA	**387,855**	**460,655**	**1,474,333**

(i) Pursuant to article 4 of CVM Instruction 527/12, the Company may disclose adjusted EBITDA excluding items contribute to gross cash generation potential. We show in the table below the total value of non-recurring items:

	Three months ended march, 31		Last twelve months ended march,31
	2021	**2020**	**2021**
Impairment (i)	(24,839)	-	(4,151,002)
Escrow account (ii)	-	-	(347,198)
Turnaround Kroton (iii)	(82,427)	-	(401,049)
Termination	(13,144)	(14,676)	(86,413)
M&A and Expansion	(11,350)	(9,557)	(133,205)
Assets write-off	1,759	(7,362)	(37,884)
Capital Gain – Sale of the subsidiary	-	-	(6,883)
Adjustment of the complementarie impairment losses on trade receivables (iv)	-	-	(643,956)
Total Nonrecurring items	**(130,002)**	**(31,596)**	**(5,807,590)**

(i) The Company revised its expectation of realizing the long-term model of its assets, and proceeded with the recognition of impairment in the total amount of R$ 4,126,163, and the businesses affected by this loss were: (i) Kroton, in the amount of R$ 1,593,000, (ii) Saber in the amount of R$ 2,075,739 (allocated to the “result of discontinued operations” item), and (iii) Others, in the amount of R$ 457,424.

(ii) The Company and certain investment funds managed by Tarpon Gestora de Recursos SA, sellers of Somos' control, signed on June 10, 2020 an addendum to the Agreement for the Purchase and Sale of Equity Interests and Other Covenants, through which they renegotiated the indemnification obligations of the Sellers to Saber, a subsidiary of the Company. Pursuant to the Amendment, the winning sellers shall be responsible for indemnifying Saber or Somos for contingencies, lawsuits or claims filed by third parties against Somos and its subsidiaries and for mandatory breaches of obligations other than those still remaining in CCV Somos , as added.

(iii) Kroton completed the feasibility study of its units and initiated the calculation project (“Turnaround Kroton”), which resulted in the recognition of expenses in the amount of R$318,622 linked mainly to negative impacts resulting from contractual fines for cancellation contracts, cancellations of improvements acquired in third-party properties, and write-offs of lease contracts that meet the criteria of IFRS 16.

(iv) The Company, through the fiduciary agent, proceeded with the call of a specific AGD for deliberation on the eventual non-declaration of early maturity, and additionally the renegotiation of the covenant clauses. The debenture holders approved, by the majority of the quorum present, the revision of items linked to the Adjusted Ebitda, including in this premise specific items that affected the Company's results during the last year, mainly as a result of the Coronavirus pandemic (“Covid-19”).

Opinions and representations/Officers' representation on the accounting information

Pursuant to CVM Instruction 480, dated December 7, 2009, Cogna's Officers state that they have reviewed, discussed, and agreed with the intermediary financial information for the period ended March 31, 2021.

Opinions and representations / Officers' statement on the independent auditor's review report

Pursuant to CVM Instruction 480, dated December 7, 2009, Cogna's Officers state that they reviewed, discussed, and agreed with the content of the independent auditor's review report of KPMG Auditores Independentes, issued in May 14, 2021.