# Cogna Educação S.A. and

**Interim financial information for the period ended March 31, 2022**

KPDS 1034697

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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, 2022, which comprise the balance sheet on March 31, 2022 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.

**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 matters**

**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, 2022, 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.

São Paulo, May 12, 2022

KPMG Auditores Independentes Ltda.
CRC 2SP014428/O-6

*(Original report in Portuguese signed by)*
Flavio Gozzoli Gonçalves
Accountant CRC 1SP290557/O-2

In thousands of reais

| | | Parent company | | Consolidated | |
|---|---|---|---|---|---|
| **ASSETS** | **Note** | **03/31/2022** | **12/31/2021** | **03/31/2022** | **12/31/2021** |
| **Current assets** | | | | | |
| Cash and cash equivalents | 5 | 595,366 | 369,527 | 1,514,831 | 1,601,468 |
| Marketable Securities | 6 | 1,049,979 | 116,530 | 2,322,982 | 2,425,201 |
| Trade receivable | 7 | - | - | 2,054,470 | 2,025,689 |
| Inventories | 8 | - | - | 362,252 | 366,280 |
| Advances | | 1,735 | 1,217 | 131,623 | 124,467 |
| Taxes Recoverable | 9 | - | - | 73,542 | 79,815 |
| Income tax and social contribution recoverable | 10 | 17,846 | 19,557 | 165,580 | 134,043 |
| Trade receivable from sale of subsidiaries | 11 | - | - | 200,686 | 76,292 |
| Other receivables | 12 | 98 | 365 | 108,271 | 134,687 |
| Debentures receivable from related parties | 28 | 294,565 | 278,609 | - | - |
| Related parties – other | 28 | 2,325,250 | 2,986,929 | - | - |
| **Total current assets** | | **4,284,839** | **3,772,734** | **6,934,237** | **6,967,942** |
| | | | | | |
| **Non-current assets** | | | | | |
| **Long-term assets** | | | | | |
| Marketable Securities | 6 | - | - | 9,867 | 14,237 |
| Trade receivable | 7 | - | - | 210,719 | 251,587 |
| Taxes recoverable | 9 | 58,553 | 38,105 | 230,397 | 207,884 |
| Trade receivable from sale of subsidiaries | 11 | - | - | 25,221 | 133,138 |
| Other receivables | 12 | - | - | 60,572 | 43,671 |
| Guarantee to tax, labor and civil losses | 24,2 | 33,378 | 33,380 | 150,800 | 154,805 |
| Judicial deposits | 24,1 | 828 | 418 | 57,253 | 57,013 |
| Deferred income tax and social contribution | 25,2 | - | - | 950,958 | 904,160 |
| Debentures receivable from related parties | 28 | 1,001,103 | 851,103 | - | - |
| | | | | | |
| Investments | 13 | 13,577,597 | 14,441,961 | 1,331 | 1,211 |
| Property, plant and equipment | 14 | - | - | 4,292,851 | 4,201,251 |
| Intangible assets | 15 | 15,602 | 15,677 | 15,534,871 | 15,575,954 |
| **Total non-current assets** | | **14,687,061** | **15,380,644** | **21,524,840** | **21,544,911** |
| | | | | | |
| **Total assets** | | **18,971,900** | **19,153,378** | **28,459,077** | **28,512,853** |

See the accompanying notes to the interim financial information.

In thousands of reais

| | | Parent company | | Consolidated | |
|---|---|---|---|---|---|
| **LIABILITIES** | **Note** | **03/31/2022** | **12/31/2021** | **03/31/2022** | **12/31/2021** |
| **Current liabilities** | | | | | |
| Bons and financing | 16 | - | - | 234 | 237 |
| Debentures | 17 | 2,027,366 | 2,092,743 | 2,058,085 | 2,120,340 |
| Lease liabilities | 18 | - | - | 162,369 | 137,922 |
| Suppliers | | 1,310 | 2,649 | 585,305 | 654,064 |
| Suppliers (reverse factoring) | 19 | - | - | 302,710 | 310,157 |
| Salaries and social contributions | 20 | - | - | 426,420 | 387,082 |
| Income tax and social contribution payable | | 240 | - | 31,163 | 28,488 |
| Taxes payable | 21 | 9,572 | 6,198 | 144,483 | 107,335 |
| Advances from clients | | - | - | 177,567 | 176,130 |
| Accounts payable for business combination | 22 | - | - | 158,712 | 117,554 |
| Other accounts payable | | 42 | 44 | 48,502 | 48,690 |
| Other liabilities - related parties | 28 | 153,240 | 148,728 | - | - |
| | | **2,191,770** | **2,250,362** | **4,095,550** | **4,087,999** |
| **Non-current liabilities** | | | | | |
| Bonds and financing | 16 | - | - | 610 | 651 |
| Debentures | 17 | 3,440,702 | 3,532,647 | 4,653,833 | 4,745,154 |
| Lease liabilities | 18 | - | - | 2,972,338 | 2,889,449 |
| Accounts payable for business combination | 22 | - | - | 137,831 | 144,990 |
| Provision for tax, labor and civil losses | 23,1 | 34,892 | 35,023 | 573,924 | 568,130 |
| Liabilities assumed in the business combination | 23,5 | - | - | 1,436,597 | 1,510,445 |
| Deferred income tax and social contribution | 25,2 | 590,421 | 608,756 | 703,875 | 669,258 |
| Other accounts payable | | - | - | 120,888 | 126,113 |
| | | **4,066,015** | **4,176,426** | **10,599,896** | **10,654,190** |
| **Total liabilities** | | **6,257,785** | **6,426,788** | **14,695,446** | **14,742,189** |
| **Shareholders' equity** | | | | | |
| Share Capital | 26 | 7,667,615 | 7,667,615 | 7,667,615 | 7,667,615 |
| Capital reserves | 26 | 5,124,482 | 5,116,787 | 5,124,482 | 5,116,787 |
| Treasury shares | 26 | (64,875) | (57,812) | (64,875) | (57,812) |
| Accumulated loss | | (13,107) | - | (13,107) | - |
| | | **12,714,115** | **12,726,590** | **12,714,115** | **12,726,590** |
| Interest of non-controlling shareholders | 26 | - | - | 1,049,516 | 1,044,074 |
| **Total shareholders' equity** | | **12,714,115** | **12,726,590** | **13,763,631** | **13,770,664** |
| **Total liabilities and shareholders' equity** | | **18,971,900** | **19,153,378** | **28,459,077** | **28,512,853** |

See the accompanying notes to the interim financial information.

In thousands of reais

| | Note | Parent company 03/31/2022 | Parent company 03/31/2021 | Consolidated 03/31/2022 | Consolidated 03/31/2021 |
|---|---|---|---|---|---|
| **Net revenue from sales and services** | **29** | **-** | **-** | **1,176,648** | **1,105,481** |
| Cost of sales and services | | | | | |
| Cost of services rendered | | - | - | (337,229) | (327,448) |
| Cost of goods sold | | - | - | (94,309) | (73,888) |
| | | **-** | **-** | **(431,538)** | **(401,336)** |
| **Gross profit** | | **-** | **-** | **745,110** | **704,145** |
| Operating income (expenses) | | | | | |
| From sales | 30 | - | - | (123,488) | (139,076) |
| General and administrative expenses | 30 | (62) | 101 | (362,377) | (327,582) |
| Provision for expected loss | 30 | - | - | (101,368) | (162,451) |
| Other operating income | 30 | - | - | 2,096 | - |
| Other operating expenses | 30 | - | - | (772) | (27,006) |
| Equity in net income of subsidiaries | 13 | (7,417) | (68,630) | 574 | 210 |
| **Operating income (loss) before financial income and taxes** | | **(7,479)** | **(68,529)** | **159,775** | **48,240** |
| Financial income (loss) | | | | | |
| Financial income | 31 | 134,964 | 61,993 | 150,565 | 61,473 |
| Financial costs | 31 | (158,927) | (59,053) | (341,686) | (172,084) |
| | | **(23,963)** | **2,940** | **(191,121)** | **(110,611)** |
| **Operating loss before taxes** | | **(31,442)** | **(65,589)** | **(31,346)** | **(62,371)** |
| Income tax and social contribution | | | | | |
| Current | 25,1 | - | (642) | 10,976 | (18,928) |
| Deferred | 25,1 | 18,335 | 6,112 | 11,781 | 20,982 |
| | | **18,335** | **5,470** | **22,757** | **2,054** |
| **Loss from continued operations** | | **(13,107)** | **(60,119)** | **(8,589)** | **(60,317)** |
| Income (loss) from discontinued operations | | - | (30,856) | - | (30,856) |
| **Loss for the year** | | **(13,107)** | **(90,975)** | **(8,589)** | **(91,173)** |
| **Allocated to:** | | | | | |
| Controlling shareholders | | (13,107) | (90,975) | (13,107) | (90,975) |
| Non-controlling shareholders | | - | - | 4,518 | (198) |
| Basic loss per common share - R$ - continued operations | 32 | - | (0.05) | (0.00) | (0.03) |
| Diluted losses per common share - R$ - continued operations | 32 | - | (0.05) | (0.00) | (0.03) |
| Basic loss per common share - R$ - Consolidated | 32 | - | - | (0.00) | (0.05) |
| Diluted loss per common share - R$ - Consolidated | 32 | - | - | (0.00) | (0.05) |

See the accompanying notes to the interim financial information.

In thousands of reais

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | **03/31/2022** | **03/31/2021** | **03/31/2022** | **03/31/2021** |
| **Loss for the period** | **(13,107)** | **(90,975)** | **(8,589)** | **(91,173)** |
| Other comprehensive income | - | - | - | - |
| **Comprehensive income (loss) for the period** | **(13,107)** | **(90,975)** | **(8,589)** | **(91,173)** |
| **Allocated to:** | | | | |
| Controlling shareholders | (13,107) | (90,975) | (13,107) | (90,975) |
| Non-controlling shareholders | - | - | 4,518 | (198) |

See the accompanying notes to the interim financial information.

In thousands of reais

| | Capital | Capital reserves | Treasury shares | Retained earnings (losses) | Parent company Total shareholders' equity | Non-controlling interest | Consolidated Total shareholders' equity |
|---|---|---|---|---|---|---|---|
| **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) | (198) | (91,173) |
| Total comprehensive income for the period | - | - | - | (90,975) | (90,975) | (198) | (91,173) |
| Contribution from shareholders and distribution to shareholders | | | | | | | |
| Recognized options granted | - | 9,001 | 443 | - | 9,444 | - | 9,444 |
| Minority interest | - | - | - | - | - | 465 | 465 |
| Total contributions and distributions to shareholders | - | 9,001 | 443 | - | 9,444 | 465 | 9,909 |
| **Balances at March 31, 2021** | **7,667,615** | **5,649,564** | **(98,652)** | **(90,975)** | **13,127,552** | **1,076,348** | **14,203,900** |
| **Balances at December 31, 2021** | **7,667,615** | **5,116,787** | **(57,812)** | **-** | **12,726,590** | **1,044,074** | **13,770,664** |
| Comprehensive income for the period | | | | | | | |
| Loss for the period | - | - | - | (13,107) | (13,107) | 4,518 | (8,589) |
| Total comprehensive income for the period | - | - | - | (13,107) | (13,107) | 4,518 | (8,589) |
| Contribution from shareholders and distribution to shareholders | | | | | | | |
| Disposal of treasury shares (Note 26) | - | - | (7,063) | - | (7,063) | - | (7,063) |
| Recognized options granted (Note 26) | - | 7,695 | - | - | 7,695 | - | 7,695 |
| Minority interest | - | - | - | - | - | 924 | 924 |
| Total contributions and distributions to shareholders | - | 7,695 | (7,063) | - | 632 | 924 | 1,556 |
| **Balances at March 31, 2022** | **7,667,615** | **5,124,482** | **(64,875)** | **(13,107)** | **12,714,115** | **1,049,516** | **13,763,631** |

See the accompanying notes to the interim financial information.

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS - INDIRECT METHOD
Three-month period ended March 31, 2022 and 2021
In thousands of reais

| | | Parent company | | Consolidated | |
|---|---|---|---|---|---|
| | **Note** | **03/31/2022** | **03/31/2021** | **03/31/2022** | **03/31/2021** |
| **Cash flow from operating activities** | | | | | |
| Loss before income tax and social contribution | | (31,442) | (65,589) | (31,346) | (62,371) |
| **Adjustments for reconciliation with income (loss):** | | | | | |
| Depreciation and amortization | 30 | 74 | 109 | 113,245 | 118,651 |
| Depreciation IFRS-16 | 30 | - | - | 53,353 | 49,688 |
| Amortization of surplus of allocated goodwill | 30 | - | 17,976 | 68,400 | 66,888 |
| Amortization of inventory surplus | | - | - | 1,053 | 448 |
| Editorial costs | 30 | - | - | 15,644 | 23,651 |
| Provision for expected loss | 7 | - | - | 101,368 | 162,452 |
| Adjustment to present value – Accounts receivable | 7 | - | - | (3,904) | (13,061) |
| Inflation adjustment on assignment of amounts to subsidiaries | 28 | (91,170) | (49,197) | - | - |
| Reversal to tax, labor and civil losses | 23,6 | (103) | (190) | (23,941) | (81,929) |
| Provision for inventory losses | 8 | - | - | 1,031 | 6,206 |
| Inflation adjustment of accounts receivable from sale of subsidiaries | 31 | - | - | (13,299) | (1,853) |
| Average interest rate | | 153,867 | 57,418 | 317,256 | 161,928 |
| Granting of stock options | | 1,159 | 414 | 7,695 | 9,444 |
| Income (loss) from sale or write-off of assets and other investments | | - | - | (6,274) | 16,407 |
| Income from interest earning bank deposits and securities | 31 | (4,683) | (1,543) | (83,006) | (19,323) |
| Equity in net income of subsidiaries | 13 | 7,417 | 50,654 | (574) | 210 |
| Income (loss) from discontinued operations | | - | (30,856) | - | (30,856) |
| | | **35,119** | **(20,804)** | **516,701** | **406,580** |
| **Changes in operating assets and liabilities:** | | | | | |
| Trade receivable | | - | - | (85,181) | (5,094) |
| Inventories | | - | - | (13,700) | (55,980) |
| Advances | | (518) | (14) | (7,156) | 21,135 |
| Taxes recoverable | | (18,737) | (965) | (28,458) | 29,240 |
| Judicial deposits | | (410) | 227 | (451) | 12,675 |
| Related party transactions | | (17,900) | 28,268 | - | 21,379 |
| Other credits | | 268 | 347 | 6,337 | 4,189 |
| Suppliers | | (1,339) | 74 | (69,157) | (23,729) |
| Suppliers – reverse factoring | | - | - | (7,447) | 2,366 |
| Salaries and social contributions | | - | - | 39,276 | (5,057) |
| Taxes payable | | 3,614 | (283) | 13,116 | (37,016) |
| Advances from clients | | - | - | 1,437 | (15,323) |
| Taxes and contributions in installments | | - | - | (92) | (305) |
| Payment of tax, labor and civil contingencies | | (26) | - | (33,613) | (30,807) |
| Other accounts payable | | (2) | 1 | (5,715) | (3,603) |
| **Cash flows (invested in) generated by operations** | | **69** | **6,851** | **325,897** | **320,650** |
| Income tax and social contribution | | - | (1,028) | (19,314) | (9,566) |
| Lease liabilities interest paid | 18 | - | - | (74,215) | (71,839) |
| Interest from bounds and debentures paid | 16\|17 | (211,187) | (83,100) | (246,043) | (86,043) |
| **Net cash (applied in) from operating activities** | | **(211,119)** | **(77,277)** | **(13,675)** | **153,202** |
| **Cash flow from investment activities** | | | | | |
| (Investment) redemption of marketable securities | | (928,766) | (32,991) | 189,595 | 2,256 |
| Additions to property, plant and equipment | | - | - | (47,331) | (41,500) |
| Additions to intangible assets and goodwill | | - | - | (57,851) | (56,100) |
| Acquired cash in business combination | | - | - | 379 | 1,591 |
| Payments for acquisition of subsidiaries, net of acquired cash | | - | - | (8,854) | (38,124) |
| Capital increase in subsidiaries | | 868,560 | - | - | - |
| Receipt of amounts assigned in cash to subsidiaries | 28 | 754,228 | 385,905 | - | - |
| Receipt of private debentures | 28 | - | 28,446 | - | - |
| Private acquisition of debentures | 28 | (150,000) | - | - | - |
| **Net cash from (applied in)investment activities** | | **544,022** | **381,360** | **75,938** | **(131,877)** |
| **Cash flow from financing activities** | | | | | |
| Disposals (acquisitions) of treasury shares | 26 | (7,063) | - | (7,063) | - |
| Non-controlling interest | | - | - | 924 | 465 |
| Renegotiation costs of debentures | 17 | (100,001) | - | (100,001) | - |
| Lease liabilities payment | 18 | - | - | (30,397) | (28,675) |
| Payment of bounds, financing and debentures | 16\|17 | - | (694,078) | (42) | (694,134) |
| Installments paid in companies' acquisitions | 22 | - | - | (12,321) | (19,089) |
| **Net cash from (applied in) in financing activities** | | **(107,064)** | **(694,078)** | **(148,900)** | **(741,433)** |
| **Net (decrease) increase in cash and cash equivalents** | | **225,839** | **(389,995)** | **(86,637)** | **(720,108)** |
| Cash and cash equivalents at the beginning of the period | 5 | 369,527 | 410,818 | 1,601,468 | 2,205,346 |
| Cash and cash equivalents at the end of the period | 5 | 595,366 | 20,823 | 1,514,831 | 1,485,238 |
| **Net increase (decrease) in cash and cash equivalents** | | **225,839** | **(389,995)** | **(86,637)** | **(720,108)** |

See the accompanying notes to the interim financial information.

In thousands of reais

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | **03/31/2022** | **03/31/2021** | **03/31/2022** | **03/31/2021** |
| Revenue from sales and services | - | - | 1,176,648 | 1,262,588 |
| Other revenues | - | - | 590 | 1,856 |
| Provision for expected loss | - | - | (101,368) | (164,363) |
| | **-** | **-** | **1,075,870** | **1,100,081** |
| **Inputs acquired from third parties** | | | | |
| Cost of products sold and services rendered | - | - | (94,309) | (85,864) |
| Materials, energy, outsourced services and other | 12 | 216 | (61,401) | (57,434) |
| Asset impairment loss | - | - | - | (24,839) |
| **Gross added value** | **12** | **216** | **920,160** | **931,944** |
| **Retentions** | | | | |
| Depreciation and amortization | (74) | (109) | (166,597) | (190,590) |
| Amortization of surplus of allocated goodwill | - | - | (68,400) | (72,183) |
| Amortization of inventory surplus | - | - | - | (448) |
| **Net added value** | **(62)** | **107** | **685,163** | **668,723** |
| **Added value received as transfer** | | | | |
| Equity in net income of subsidiaries | (7,417) | (99,486) | 574 | 210 |
| Financial revenues | 134,964 | 61,993 | 150,565 | 63,274 |
| **Total added value payable** | **127,485** | **(37,386)** | **836,302** | **732,207** |
| **Distribution of added value** | | | | |
| **Personnel:** | | | | |
| Direct remuneration | - | - | 247,038 | 286,984 |
| Benefits | - | - | 28,755 | 30,890 |
| Social charges | - | - | 84,126 | 104,945 |
| **Taxes, duties and contributions:** | | | | |
| Federal | (18,335) | (5,469) | (13,935) | 16,116 |
| State | - | 5 | 88 | 112 |
| Municipal | - | - | 887 | 554 |
| **Third-party capital remuneration:** | | | | |
| Financial expenses | 158,927 | 59,053 | 341,686 | 199,687 |
| Rentals | - | - | 128,083 | 158,955 |
| Copyright | - | - | 28,163 | 25,137 |
| **Remuneration of own capital:** | | | | |
| Loss for the year | (13,107) | (90,975) | (8,589) | (91,173) |
| **Distributed added value** | **127,485** | **(37,386)** | **836,302** | **732,207** |

## 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; offering, 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 58 companies, including the Parent Company, and is made up of 16 sponsors of a higher education institution, 124 units of Higher Education, present in 22 states and 128 Brazilian cities, in addition to 2,661 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, 120 Red Balloon units, and 5,274 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, the subsidiary Vasta has been publicly traded on the North American stock exchange NASDAQ, operating under code VSTA.

The Company’s interim financial information was approved for issuance by the Board of Directors on May 12, 2022.

## 2. Significant accounting policies

The Company presents the interim financial information in accordance with CPC 21 (R1) Interim Statement, issued by the Accounting Pronouncement 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, 2021, except:

(i) Change in the presentation of operating segments, as presented in Note 2.1.

## 2.1. Change in the presentation of operating segments

The information by operating segment is presented in a manner consistent with the internal report submitted to the Executive Board, which is the main operational decision maker, in addition to being responsible for allocating resources, evaluating performance and making strategic decisions in the Company.

Until December 31, 2021, the Company analyzed its business in 5 operating segments, i.e. (i) Kroton, (ii) Platos, (iii) Vasta, (iv) Saber, and (v) Others. As of January 1, 2022, and aiming at optimizing its disclosures, the Company's management decided to consolidate some business units and present their information in only 3 segments, which consider: a) unification of Kroton and Platos, and b) consolidation of the Others business unit within Saber. Considering these changes, the Company's segmentation structure is divided as follows:

**(i)** **Kroton:** B2C (Business to Consumer) Vertical of Higher Education that operates in the in-person and distance (EAD) learning modalities and the B2C (Business to Business to Consumer) vertical of Higher Education which offers Continuing Education products and services, both in person and Distance Learning are considered. Operating results are regularly analyzed by the main manager of this segment, considering all the registered businesses, even for in-person and distance learning modalities. Although the revenue from these two modalities have different origins, the costs are fully shared, considering that even for in-person courses there are already more than 30% of subjects being taken by the student in the distance modality, in addition, the in-person units are used as distance hubs and share managers and administrative teams;

**(ii)** **Vasta:** Composed of the vertical that serves the B2B (Business to Business) market of Basic Education, comprising the services platform for schools, which offers a range of educational products and solutions, including digital services that support the school management process. Revenue has a subscription model concept with long-term agreements.

**(iii)** **Saber:** Composed of Educational Solutions for Technical and Higher Education ("SETS") products, preparatory studies for exams and OAB (Brazilian Bar Association) and language teaching offered during the undergraduate course, in addition to the operation that provides services to Public Basic Education B2Gov (Business to Government), and participating in the Brazilian Book and Teaching Material Program (PNLD). Additionally, it includes the services provided by the Group's language schools ("Red Balloon").

In thousands of reais, unless otherwise indicated

# 3. Business combination

## 3.1. Acquisitions made in 2022

The Company, through its indirect subsidiary Somos Sistemas de Ensino S.A. (Phidellis acquisition) acquired 100% of the equity interest in companies Phidelis Tecnologia Desenvolvimento de Sistemas Ltda. and MVP Consultoria e Sistemas Ltda., (“Phidellis”), on January 17, 2022. Phidelis is an academic management platform that offers software development and licensing in addition to messaging, student retention, enrollment, and delinquency management. The amount paid as a result of these acquisitions was R$ 37,697, of which (i) R$ 8,854 paid in cash at the time of acquisition, (ii) two installments of R$ 4,102, to be paid in 2023 and 2024, which will be corrected by 100% of the IPCA and, (iii) two installments of up to R$ 10,319, to be paid in 2025 and 2026, respectively, related to the variable installment (“earn-out”).

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

| | | | Consolidated |
|---|---|---|---|
| | **MVP** | **Phidellis** | **Total combinations** |
| **Current assets** | | | |
| Cash and cash equivalents | 217 | 162 | 379 |
| Accounts receivable | 131 | 65 | 196 |
| Recoverable taxes | 5 | 1 | 6 |
| **Total current assets** | **353** | **228** | **581** |
| **Non-current assets** | | | |
| Property, plant and equipment | 72 | - | 72 |
| Intangible assets | 2,635 | 510 | 3,145 |
| Software license | 2,635 | 510 | 3,145 |
| **Total non-current assets** | **2,707** | **510** | **3,217** |
| **Total assets** | **3,060** | **738** | **3,798** |
| **Current liabilities** | | | |
| Labor obligations | 4 | 58 | 62 |
| Taxes payable | 10 | - | 10 |
| Other accounts payable | 92 | - | 92 |
| **Total current liabilities** | **106** | **58** | **164** |
| **Total liabilities** | **106** | **58** | **164** |
| Shareholders’ equity | 2,954 | 680 | 3,634 |
| Acquisition price | 31,751 | 5,946 | 37,697 |
| **Goodwill** | **28,797** | **5,266** | **34,063** |

### 3.2. Acquisitions made in 2021

During 2021, the Company, through its indirect subsidiary Somos Sistemas de Ensino S.A., acquired all the quotas representing 100% of the capital of the companies: (i) Sociedade Educacional da Lagoa Ltda. (“SEL”), on March 2, 2021, for the total amount of R$ 65,000, of which R$ 38,124 is paid in cash, and the remaining balance in 4 equal installments, corrected by the positive change of 100% of the CDI, (ii) Nota 1000 Serviços Educacionais S.A. (“Redação Nota 1000”), on May 24, 2021, for the total amount of R$ 11,387, of which R$ 4,093 was paid in cash and the remainder in installments with final maturity in 2026, adjusted by the positive change of 100% of the CDI, (iii) EMME - Produções de Materiais em Multimídia (“EMME”), on August 1, 2021, for the total amount of R$ 15,316, of which R$ 3,063 were paid in cash, and the remaining balance of R$ 12,253 will be paid in installments with final maturity in 2026, and adjusted by the positive change of the IPCA, and (iv) Editora De Gouges S.A. (“Eleva”), in October 2021. The total amount of the transaction was R$ 611,554, of which R$ 160,000 was paid in cash at the time of closing of the transaction, and the remainder will be paid in three equal and annual installments of R$ 150,518, each installment being adjusted by the positive variation of 100% of the CDI.

More information about the book balances impacted by these acquisitions is included in the Individual and Consolidated Financial Statements for the year ended December 31, 2021.

## 4. Financial risk management

### 4.1. 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, 2022:

| | Hierarchy | Parent company | | Consolidated | |
|---|---|---|---|---|---|
| | | 03/31/2022 | 12/31/2021 | 03/31/2022 | 12/31/2021 |
| **Assets – Amortized cost** | | | | | |
| Cash and cash equivalents | | 595,366 | 369,527 | 1,514,831 | 1,601,468 |
| Accounts receivable | | - | - | 2,265,189 | 2,277,276 |
| Accounts receivable from sale of subsidiaries | | - | - | 225,907 | 209,430 |
| Other receivables | | 98 | 365 | 168,843 | 178,358 |
| Debentures receivable from related parties | | 1,295,668 | 1,129,712 | - | - |
| Related parties – other | | 2,325,250 | 2,986,929 | - | - |
| | | **4,216,382** | **4,486,533** | **4,174,770** | **4,266,532** |
| **Assets - Fair value through profit or loss** | | | | | |
| Securities | 1 | 1,049,979 | 116,530 | 2,332,849 | 2,439,438 |
| | | **1,049,979** | **116,530** | **2,332,849** | **2,439,438** |
| **Liabilities – Amortized cost** | | | | | |
| Loans | | - | - | 844 | 888 |
| Debentures | | 5,468,068 | 5,625,390 | 6,711,918 | 6,865,494 |
| Suppliers | | 1,310 | 2,649 | 585,305 | 654,064 |
| Suppliers (debtor risk) | | - | - | 302,710 | 310,157 |
| Accounts payable - acquisitions | | - | - | 296,543 | 262,544 |
| Other accounts payable | | 42 | 44 | 169,390 | 174,803 |
| Related parties – other | | 153,240 | 148,728 | - | - |
| | | **5,622,660** | **5,776,811** | **8,066,710** | **8,267,950** |

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

## 4.2. 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 and its subsidiaries did not perform any transaction with derivatives in the period ended March 31, 2022.

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 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 |
|---|---|---|---|
| | 03/31/2022 | 12/31/2021 | Interest rate |
| Loans | 844 | 888 | 9.41% p.a. |
| Debentures | 6,580,875 | 6,735,331 | 100% of CDI + interest from 0.65% to 2.95% p.a. |
| Debentures - 1st issue SABER 3rd series | 131,044 | 130,163 | IPCA + 6.72% p.a. |
| Accounts payable for acquisitions | 147,526 | 118,335 | CDI |
| Accounts payable for acquisitions | 149,017 | 144,209 | IPCA |
| **Total** | **7,009,306** | **7,128,926** | |

### 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 (related to PEP and PMT) activities to students (mainly in relation to accounts receivable), including deposits in banks, securities, financial institutions and other financial instruments. The Company maintains appropriate provisions in the balance sheet to cover these risks:

Accounts 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 accounts 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.

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 accounts receivable from students benefited by PEP are adjusted to present value. Furthermore, as of the 2021 cycle, the Company decided to no longer offer the PEP product to new entrants.

As of the second semester of 2016, the Company offered students a Late Enrollment Installment (PMT) product - with the main purpose of attracting freshmen with late enrollment. This concept was applied to students who had not yet completed their enrollment, as they entered after the beginning of classes, but with sufficient time to complete the minimum workload for the semester. Initially, the plan offered the student the condition of paying these initial semester installments in the months following graduation. In the second half of 2021, the Company changed the offer of this product, considering that in new student enrollments the postponed tuition fees will be diluted throughout the course and no longer paid only after graduation.

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, monthly fee students, FIES student and PEP students).

Accounts 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 (for example, schools and book distributors) and legal entity, in addition to the aging of the maturity of the securities and the segregation between segments of services provided and products sold.

Accounts 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 accounts 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.

In thousands of reais, unless otherwise indicated

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 | |
|---|---|---|
| | **03/31/2022** | **12/31/2021** |
| **Trade accounts receivable (Note 7)** | | |
| Kroton | 5,003,938 | 5,092,686 |
| Vasta | 583,329 | 551,000 |
| Saber | 108,809 | 97,652 |
| Credit card | 121,118 | 54,358 |
| **Gross accounts receivable** | **5,817,194** | **5,795,696** |

Financial instruments and cash deposits

The Company and its subsidiaries restrict its exposure to credit risks associated with financial instruments and deposits with banks and interest earning bank deposits by investing in top-tier financial institutions and in accordance with previously established limits in Company's policy.

| | Consolidated | |
|---|---|---|
| **Cash and cash equivalents (Note 5)** | **03/31/2022** | **12/31/2021** |
| AAA (i) | 1,373,031 | 1,492,256 |
| AA (ii) | 141,798 | 109,124 |
| Not applicable | 2 | 88 |
| | **1,514,831** | **1,601,468** |
| **Securities (Note 6)** | | |
| AAA (i) | 824,295 | 641,662 |
| AA (ii) | 1,508,554 | 1,797,776 |
| | **2,332,849** | **2,439,438** |

(i) 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$ 2,066,400, of which R$ 1,259,327 were allocated in cash and cash equivalents and R$ 807,073 allocated to securities.

(ii) 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.

In thousands of reais, unless otherwise indicated

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 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, drawee risk, and accounts payable for acquisitions. The main purpose of such financial liabilities is obtaining funds for the Group's operations. 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, 2022** | | | | |
| Suppliers | 585,305 | - | - | 585,305 |
| Suppliers - Debtor risk | 302,710 | - | - | 302,710 |
| Loans | 234 | 167 | 443 | 844 |
| Debentures | 2,058,085 | 2,385,315 | 2,268,518 | 6,711,918 |
| Accounts payable for acquisitions | 158,712 | 69,944 | 67,887 | 296,543 |
| | **3,105,046** | **2,455,426** | **2,336,848** | **7,897,320** |

**Financial liabilities by maturity range - Projected (i)**

| | | | | **Consolidated** |
|---|---|---|---|---|
| | **≤ 1 year** | **1–2 years** | **>2 years** | **Total** |
| **March 31, 2022** | | | | |
| Suppliers | 585,305 | - | - | 585,305 |
| Suppliers - Debtor risk | 319,505 | - | - | 319,505 |
| Loans | 249 | 178 | 472 | 899 |
| Debentures | 2,190,786 | 2,539,115 | 2,414,788 | 7,144,689 |
| Accounts payable for acquisitions | 168,946 | 74,454 | 72,265 | 315,665 |
| | **3,264,791** | **2,613,747** | **2,487,525** | **8,366,063** |

(i) It considers the most likely base scenario over a 12-month horizon. Projected rates: CDI – 6.45% and IPCA – 11.30% p.a.

In thousands of reais, unless otherwise indicated

## 4.3. Capital management

The main purpose of the Company's capital management is 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, 2022 and December 31, 2021, 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.

Therefore, we present below the financial leverage ratios:

| | | Consolidated |
|---|---|---|
| | **03/31/2022** | **12/31/2021** |
| Loans, debentures and accounts payable for acquisitions | (7,009,305) | (7,128,926) |
| Cash and cash equivalents and securities | 3,847,680 | 4,040,906 |
| **Net debt** | **(3,161,625)** | **(3,088,020)** |
| Shareholders' equity | 12,714,115 | 12,726,590 |
| **Leverage ratio** | **24.87%** | **24.26%** |

## 4.4. Sensitivity analysis

The following is 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 – 6.45% and IPCA – 11.30% p.a. Additionally, we show scenarios with 25% and 50% deterioration in the risk variable considered, respectively.

| | | | | | Consolidated |
|---|---|---|---|---|---|
| **March 31, 2022** | **Exposure** | **Risk** | **Probable scenario** | **Possible scenario -25%** | **Remote scenario -50%** |
| Interest earning bank deposits and securities | 3,847,680 | CDI increase | 248,091 | 310,113 | 372,136 |
| Loans, Debentures, and Accounts payable linked to the CDI | (6,728,401) | CDI increase | (433,834) | (542,292) | (650,751) |
| Loans, Debentures, and Accounts payable linked to the IPCA | (280,905) | High IPCA | (31,740) | (39,675) | (47,610) |
| | **(3,161,626)** | | **(217,483)** | **(271,854)** | **(326,225)** |

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.

In thousands of reais, unless otherwise indicated

## 5. Cash and cash equivalents

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 03/31/2022 | 12/31/2021 | 03/31/2022 | 12/31/2021 |
| **Cash** | | | | |
| Current account | 309 | 113 | 13,188 | 30,724 |
| | **309** | **113** | **13,188** | **30,724** |
| **Interest earning bank deposits** | | | | |
| OPCM - Repurchase and resale agreement (i) | 491,938 | 268,428 | 613,955 | 542,778 |
| CDB - Bank Deposit Certificate | 103,119 | 100,986 | 887,688 | 1,027,966 |
| | **595,057** | **369,414** | **1,501,643** | **1,570,744** |
| **Total** | **595,366** | **369,527** | **1,514,831** | **1,601,468** |

(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.

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 of 104.93% of CDI (102.86% of the CDI on December 31, 2021).

## 6. Marketable Securities

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 03/31/2022 | 12/31/2021 | 03/31/2022 | 12/31/2021 |
| LTN - National treasury bills | - | - | 9,686 | 14,055 |
| LF - Financial bills | - | - | 53,045 | 54,246 |
| LFT - Financial Treasury Bill | 1,049,979 | 116,530 | 2,151,967 | 1,974,836 |
| NTN - National Treasury Note | - | - | 118,151 | 396,301 |
| **Total** | **1,049,979** | **116,530** | **2,332,849** | **2,439,438** |
| Current | 1,049,979 | 116,530 | 2,322,982 | 2,425,201 |
| Non-current | - | - | 9,867 | 14,237 |
| | **1,049,979** | **116,530** | **2,332,849** | **2,439,438** |

Securities have average gross profitability of 104.93% of CDI (102.86% of the CDI on December 31, 2021).

In thousands of reais, unless otherwise indicated

## 7. Trade receivable

### a) Breakdown

| | | | | 03/31/2022 |
|---|---|---|---|---|
| | **Accounts receivable** | **Expected loss** | **Adjustment to present value** | **Accounts receivable, net** |
| Credit card (i) | 121,118 | - | - | 121,118 |
| Kroton | 5,003,938 | (3,377,525) | (91,598) | 1,534,815 |
| Private Installment Payment (PEP/PMT) | 3,822,995 | (2,619,805) | (91,510) | 1,111,680 |
| PEP | 2,841,340 | (1,829,086) | (73,683) | 938,571 |
| PMT | 981,655 | (790,719) | (17,827) | 173,109 |
| Kroton without private installment payment | 1,180,943 | (757,720) | (88) | 423,135 |
| *Pagante* | 957,976 | (620,991) | (88) | 336,897 |
| FIES | 222,967 | (136,729) | - | 86,238 |
| Vasta | 583,329 | (52,383) | - | 530,946 |
| Saber (ii) | 108,809 | (30,499) | - | 78,310 |
| **Total** | **5,817,194** | **(3,460,407)** | **(91,598)** | **2,265,189** |
| **Total without private installment payment and credit card** | 1,873,081 | (840,602) | (88) | 1,032,391 |
| Current assets | | | | 2,054,470 |
| Non-current assets | | | | 210,719 |
| | | | | **2,265,189** |

(i) Receivables arising from installment sales by credit card, arising from payments for services provided by the Company.

(ii) It comprises accounts receivable from services rendered by the Group's language schools, in addition to Educational Solutions for Technical and Higher Education ("SETS") products, and the Brazilian Book and Teaching Material Program (PNLD).

| | | | | 12/31/2021 |
|---|---|---|---|---|
| | **Accounts receivable** | **Expected loss** | **Adjustment to present value** | **Accounts receivable, net** |
| Credit card (i) | 54,358 | - | - | 54,358 |
| Kroton | 5,092,685 | (3,354,881) | (87,694) | 1,650,110 |
| Private Installment Payment (PEP/PMT) | 3,787,296 | (2,579,292) | (87,558) | 1,120,446 |
| PEP | 2,824,671 | (1,809,106) | (72,028) | 943,537 |
| PMT | 962,625 | (770,186) | (15,530) | 176,909 |
| Kroton without private installment payment | 1,305,389 | (775,589) | (136) | 529,664 |
| *Pagante* | 1,071,303 | (639,149) | (136) | 432,018 |
| FIES | 234,086 | (136,440) | - | 97,646 |
| Vasta | 551,000 | (46,500) | - | 504,500 |
| Saber (ii) | 97,652 | (29,344) | - | 68,308 |
| **Total** | **5,795,695** | **(3,430,725)** | **(87,694)** | **2,277,276** |
| **Total without private installment payment and credit card** | 1,954,042 | (851,433) | (136) | 1,102,473 |

In thousands of reais, unless otherwise indicated

| | |
|---|---|
| Current assets | 2,025,689 |
| Non-current assets | 251,587 |
| | **2,277,276** |

(i) Receivables arising from installment sales by credit card, arising from payments for services provided by the Company.

(ii) It comprises accounts receivable from services rendered by the Group's language schools, in addition to Educational Solutions for Technical and Higher Education ("SETS") products, and the Brazilian Book and Teaching Material Program (PNLD).

## b) Analysis of trade receivable maturities (aging list)

| | | **Consolidated** |
|---|---|---|
| | **03/31/2022 (i)** | **12/31/2021 (i)** |
| **Amounts falling due** | **2,599,816** | **2,446,454** |
| **Overdue (in days):** | | |
| up to 30 | 202,627 | 199,745 |
| 31–60 | 123,807 | 103,887 |
| 61–90 | 72,630 | 169,704 |
| 91–180 | 318,445 | 424,139 |
| 181–365 | 581,338 | 687,133 |
| >365 | 1,918,530 | 1,764,633 |
| **Total overdue** | **3,217,377** | **3,349,241** |
| Provision for expected loss | (3,460,407) | (3,430,725) |
| Adjustment to present value | (91,598) | (87,694) |
| | **2,265,189** | **2,277,276** |

(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 bracket (drag effect).

## Kroton – paying students

| | | | | **Consolidated** |
|---|---|---|---|---|
| | **03/31/2022** | **%** | **12/31/2021** | **%** |
| **Amounts falling due** | **102,368** | **11%** | **73,362** | **7%** |
| **Overdue (days):** | | | | |
| up to 30 | 74,597 | 8% | 47,000 | 4% |
| 31–60 | 64,040 | 7% | 54,356 | 5% |
| 61–90 | 17,204 | 2% | 87,788 | 8% |
| 91–180 | 116,675 | 12% | 249,686 | 23% |
| 181–360 | 301,732 | 31% | 303,065 | 28% |
| >365 (i) | 281,272 | 29% | 255,911 | 24% |
| **Total overdue** | **855,520** | **89%** | **997,806** | **93%** |
| **Gross Accounts Receivable - Paying Student (-) AVP** | **957,888** | **100%** | **1,071,168** | **100%** |
| **(-) Balance of allowance for doubtful accounts** | **620,991** | | **639,149** | |
| **Net Accounts Receivable - Paying Student** | **336,897** | | **432,018** | |
| ***Gross AFDA/AR Percentage*** | ***64.8%*** | | ***59.7%*** | |

(i) It considers the student's accounts receivable with the longest delay (delinquency effect by the student's SSN). In other words, the sum of trade notes maturing in up to 365 days, but due to the fact of having any student trade note with a higher maturity date which has already been written-off as loss, now has an allowance for doubtful accounts fully provisioned.

In thousands of reais, unless otherwise indicated

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

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, Platos and Saber segments 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 historical information of default for each product. We present below the assumptions applied to each segment:

**Kroton**: Payer The calculation methodology considers the probability of loss from the student's standpoint, considering all accounts receivable on their oldest due date, and which are provisioned according to the risk profile, defined by default history, academic and financial data, such as total debt, history of renegotiation, among others. The Company considers the cash inflow expected for its agreements on renegotiated securities. Private Installment Payment: 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.

**Vasta**: The Company calculates the probability of loss on a monthly basis by analyzing the amounts of receivables recorded each month, and the respective openings by range of late payment, calculating the recovery performance. In this methodology, a percentage of probability of loss is assigned to each range of late payment, considering current and historical information on delinquency, which is updated monthly. It is worth emphasizing that the provision for losses is established since billing based on the performances presented by the business lines and respective expected collections up to 540 days from the maturity. Additionally, the calculation excludes (i) sales to companies of Cogna group (intercompany sales), which do not present a relevant risk of loss.

**Saber**: The Company calculates the probability of loss on a monthly basis by analyzing the monthly rollovers of receivables, overdue and falling due accounts receivable and the respective breakdowns by range of late payment, calculating the recovery performance. In this methodology, a percentage of probability of loss is assigned to each range of late payment. The Company considers the cash inflow expected for its agreements on renegotiated securities with a maturity greater than 360 days.

### Changes in expected losses

The changes in provisions for expected losses in the period ended March 31, 2022, are shown below:

| | Consolidated |
|---|---|
| **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)** |
| | |
| **Balance at December 31, 2021** | **(3,430,725)** |
| Write-off against accounts receivable | 71,686 |
| Formation | (101,368) |
| **Balance at March 31, 2022** | **(3,460,407)** |

In thousands of reais, unless otherwise indicated

When the delay reaches a maturity bracket 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 accounts 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 would pay about half of the tuition of the course after graduation, with the expectation of closing the payments in double the duration of the course. As of the 2021 cycle, the Company decided to no longer offer the PEP product to new entrants.

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, initially, the student would pay only one monthly fee and the payment of the others would be postponed after graduation. In the second half of 2021, the Company changed the offer of this product where, for new entrants, the postponed tuition fees will be diluted throughout the course and no longer paid only after graduation.

**Breakdown of balance**

| | | | 03/31/2022 | | | 12/31/2021 |
|---|---|---|---|---|---|---|
| | **PEP** | **PMT** | **Consolidated** | **PEP** | **PMT** | **Consolidated** |
| **Gross trade receivable** | **2,841,340** | **981,655** | **3,822,995** | **2,824,671** | **962,625** | **3,787,296** |
| (-) Adjustment to present value | (73,683) | (17,827) | (91,510) | (72,027) | (15,530) | (87,557) |
| **Gross trade receivable after adjustment to present value** | **2,767,657** | **963,828** | **3,731,485** | **2,752,644** | **947,095** | **3,699,739** |
| (-) Balance of Allowance for Doubtful Accounts (i) | (1,829,086) | (790,719) | (2,619,805) | (1,809,106) | (770,186) | (2,579,292) |
| **Accounts receivable, net** | **938,571** | **173,109** | **1,111,680** | **943,538** | **176,909** | **1,120,447** |
| Gross AFDA/AR percentage after APV | -66.1% | -82.0% | -70.2% | -65.7% | -81.3% | -69.7% |
| **Amounts falling due** | 1,213,371 | 438,859 | 1,652,230 | 1,207,728 | 409,970 | 1,617,698 |
| **Amounts overdue** | 1,627,969 | 542,796 | 2,170,765 | 1,616,943 | 552,655 | 2,169,598 |
| **Gross accounts receivable PEP / PMT** | **2,841,340** | **981,655** | **3,822,995** | **2,824,671** | **962,625** | **3,787,296** |

(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 58.9% of the balance due for active and graduated students. Similarly, for the PEP product, the representativeness of the balance in relation to accounts receivable falling due is 17.6% and 100% for the amounts of dropped and overdue students.

In thousands of reais, unless otherwise indicated

**PEP Trade Receivable Profile**

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

| | 03/31/2022 | | | 12/31/2021 | | |
|---|---|---|---|---|---|---|
| | Total balance | Falling due and overdue up to 360 days (ii) | Overdue >360 days | Total balance | Falling due and overdue ıp to 360 days | Overdue >360 days |
| **Gross Accounts Receivable before write-offs (i)** | **3,445,145** | **1,806,731** | **1,638,414** | **3,357,277** | **1,867,288** | **1,489,989** |
| Active students | 925,822 | 925,822 | - | 1,111,158 | 1,111,158 | - |
| Graduated students | 768,807 | 626,726 | 142,081 | 520,341 | 385,770 | 134,571 |
| Dropped students | 1,750,516 | 254,183 | 1,496,333 | 1,725,778 | 370,360 | 1,355,418 |

(i) The amount shown in these lines refers to the recognized total of accounts 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$ 603,805 on March 31, 2022 (R$ 532,606 on December 31, 2021), 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.

**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 31, 2022, the expected effective loss with deterioration for PEP and PMT products was 60.3% and 65.9%, respectively (60% and 63.2%, respectively, as of December 31, 2021).

## 8. Inventories

| | Consolidated | |
|---|---|---|
| | **03/31/2022** | **12/31/2021** |
| Finished goods | 201,547 | 228,324 |
| Work in process | 121,302 | 126,664 |
| Raw materials | 39,403 | 11,288 |
| Imports in transit | - | 4 |
| | **362,252** | **366,280** |

In thousands of reais, unless otherwise indicated

Changes in the provision for inventory losses are as follows:

| | Consolidated |
|---|---|
| Balance at December 31, 2020 | (113,538) |
| Additions of the period | (6,206) |
| Reversal in the period | 22,911 |
| **Balance at March 31, 2021** | **(96,833)** |
| **Balance at December 31, 2021** | (97,388) |
| Additions of the period | (1,031) |
| Inventory losses | 1,511 |
| **Balance at March 31, 2022** | **(96,908)** |

## 9. Taxes Recoverable

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | **03/31/2022** | **12/31/2021** | **03/31/2022** | **12/31/2021** |
| PIS, COFINS and ISS recoverable (i) | - | - | 178,942 | 188,002 |
| Other taxes recoverable | 58,553 | 38,105 | 124,997 | 99,697 |
| | **58,553** | **38,105** | **303,939** | **287,699** |
| Current | - | - | 73,542 | 79,815 |
| Non-current | 58,553 | 38,105 | 230,397 | 207,884 |
| | **58,553** | **38,105** | **303,939** | **287,699** |

(i) 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.

## 10. Income tax and social contribution recoverable

The Company has recoverable income tax and social contribution amounts related to prepayments, in addition to withholding taxes on interest earning bank deposits, and invoices from suppliers, which may be used to offset any federal tax administered by the Brazilian Federal Revenue Service.

As of March 31, 2022, the amounts related to recoverable income tax and social contribution was R$ 17,846 in the parent company (R$ 19,557 as of December 31, 2021), and R$ 165,580 in the consolidated (R$ 134,043 as of December 31, 2021).

In thousands of reais, unless otherwise indicated

## 11. Trade receivable from sale of subsidiaries

| | | Consolidated |
|---|---|---|
| | 03/31/2022 | 12/31/2021 |
| UNIASSELVI | 69,431 | 67,386 |
| FAC | 3,886 | 3,756 |
| FAIR | 2,177 | 2,103 |
| COLÉGIO ALPHAVILLE | 8,185 | 7,869 |
| SOMOS OPERAÇÕES | 134,205 | 120,507 |
| JAFAR | 8,023 | 7,809 |
| | **225,907** | **209,430** |
| | | |
| Current | 200,686 | 76,292 |
| Non-current | 25,221 | 133,138 |
| | **225,907** | **209,430** |

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

| | | | | | **Consolidated** |
|---|---|---|---|---|---|
| | | **03/31/2022** | | **12/31/2021** | |
| | **Maturity** | **Total** | **%** | **Total** | **%** |
| **Total current assets** | **up to 1 year** | **200,686** | **88.8** | **76,292** | **36.4** |
| | From 1 to 2 years | 2,794 | 1.2 | 695 | 0.3 |
| | From two to three years | 4,058 | 1.8 | 4,058 | 1.9 |
| | Three to four years | 4,059 | 1.8 | 4,059 | 1.9 |
| | Four years on | 14,310 | 6.3 | 124,326 | 59.4 |
| **Total non-current assets** | | **25,221** | **11.2** | **133,138** | **63.6** |
| **Total** | | **225,907** | **100.0** | **209,430** | **100.0** |

In thousands of reais, unless otherwise indicated

## 12. Other receivables

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 03/31/2022 | 12/31/2021 | 03/31/2022 | 12/31/2021 |
| Prepaid expenses (i) | 98 | 365 | 30,194 | 30,795 |
| Credit with former acquiree's owners (ii) | - | - | 94,487 | 91,725 |
| National Social Security Institute (INSS) Terminations (iii) | - | - | 30,859 | 30,859 |
| Sale of properties (iv) | - | - | 7,203 | 10,301 |
| Other | - | - | 6,100 | 14,678 |
| **Total** | **98** | **365** | **168,843** | **178,358** |
| Current | 98 | 365 | 108,271 | 134,687 |
| Non-current | - | - | 60,572 | 43,671 |
| | **98** | **365** | **168,843** | **178,358** |

(i) Comprised of: R$ 9,535 related to the software license, R$ 8,199 related to IPTU, R$ 5,252 due to revenue deferral in the leaseback capital gain, R$ 4,048 related to insurance expenses of Vasta segment and R$ 3,160 for minor diversified credits.

(ii) It is mainly broken down by: R$ 73,940 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$ 16,523 relating to the acknowledgment of indebtedness of the Soce linhares unit that subsidiary EDE is entitled to receive, and R$ 4,024 relating to minor diversified credits.

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

(iv) Comprised of: R$ 4,737 referring to the balance receivable from the sale of a CEAMA property in São Luiz do Maranhão and R$ 2,466 from pulverized smaller values.

## 13. Investments

### (a) Breakdown of investments in direct subsidiaries

| | Parent company | |
|---|---|---|
| | 03/31/2022 | 12/31/2021 |
| Editora e Distribuidora Educacional S.A. ("EDE") | 2,746,593 | 2,717,065 |
| Anhanguera Educacional Participações S.A. ("AESAPAR") | 1,204,979 | 1,293,440 |
| Vasta Platform Limited. ("VASTA") | 3,641,732 | 3,621,136 |
| Saber Serviços Educacionais Ltda. ("SABER") | 357,722 | 1,165,773 |
| **Subtotal** | **7,951,026** | **8,797,414** |
| Goodwill, including allocated | 5,626,571 | 5,644,547 |
| **Total** | **13,577,597** | **14,441,961** |

In thousands of reais, unless otherwise indicated

## (b) Information on indirect subsidiaries

| | | | | | | 03/31/2022 |
|---|---|---|---|---|---|---|
| | Interest in the shareholders' equity | Number of shares | Total assets | Total liabilities | Shareholders' equity | Income (loss) for the year |
| EDE | 99.99% | 2,849,615,508 | 5,322,661 | 2,576,068 | 2,746,593 | 23,866 |
| AESAPAR | 85.56% | 687,212,691 | 5,758,953 | 4,350,610 | 1,408,343 | (104,152) |
| VASTA | 77.62% | 83,011,584 | 4,717,130 | 25,385 | 4,691,745 | 20,191 |
| SABER | 62.04% | 487,374,172 | 1,466,783 | 890,183 | 576,600 | 96,928 |
| | | | **17,265,527** | **7,842,246** | **9,423,281** | **36,833** |

| | | | | | | 12/31/2021 |
|---|---|---|---|---|---|---|
| | Interest in the shareholders' equity | Number of shares | Total assets | Total liabilities | Shareholders’ equity | Income (loss) for the year |
| EDE | 99.99% | 2,849,615,508 | 6,262,373 | 3,545,307 | 2,717,066 | (42,434) |
| AESAPAR | 85.56% | 687,212,691 | 5,685,365 | 4,173,631 | 1,511,734 | (336,260) |
| VASTA | 77.62% | 83,011,584 | 4,689,869 | 24,660 | 4,665,209 | (118,754) |
| SABER | 62.04% | 5,125,569,249 | 2,779,828 | 900,761 | 1,879,067 | 168,782 |
| | | | **19,417,435** | **8,644,359** | **10,773,076** | **(328,666)** |

## (c) Changes in investments in direct subsidiaries

| | | | | | | Parent company |
|---|---|---|---|---|---|---|
| **Investment** | **EDE** | **AESAPAR** | **Vasta** | **Saber** | **Goodwill** | **Total** |
| Balance at December 31, 2021 | 2,717,065 | 1,293,440 | 3,621,136 | 1,165,773 | 5,644,547 | 14,441,961 |
| **Changes** | | | | | | |
| Amortization of allocated goodwill | - | - | - | - | (17,976) | (17,976) |
| Equity in net income of subsidiaries | 23,866 | (89,113) | 15,672 | 60,134 | - | 10,559 |
| Capital decrease | - | - | - | (868,560) | - | (868,560) |
| RSU reflexes | 5,662 | 652 | 4,924 | 375 | - | 11,613 |
| **Balance at March 31, 2022** | **2,746,593** | **1,204,979** | **3,641,732** | **357,722** | **5,626,571** | **13,577,597** |

In thousands of reais, unless otherwise indicated

## (d) Information on indirect subsidiaries

| | | | | | | 03/31/2022 |
|---|---|---|---|---|---|---|
| | Interest in the shareholders' equity | Number of quotas | Total assets | Total liabilities | Shareholders' equity | Income (loss) for the year |
| Clínica Médica Anhanguera Ltda. | 99.99% | 1,631,700 | 1,316 | 4,468 | (3,152) | (246) |
| Instituto Excelência Ltda. | 99.99% | 17,935,579 | 3,353 | 117 | 3,236 | 53 |
| Edufor serviços educacionais Ltda. – ME | 99.99% | 8,535,300 | 951 | 883 | 68 | (142) |
| Sociedade Piauiense de Ensino Superior Ltda. | 99.99% | 26,941,750 | 11,459 | 13,988 | (2,529) | (978) |
| Fateci Cursos Técnicos S/S | 99.99% | 5,927,000 | 870 | 46 | 824 | (41) |
| Clauder Ciarlini Filho S/S. | 99.99% | 5,636,000 | 13,090 | 13,859 | (769) | 410 |
| Sociedade Educacional da Paraíba Ltda. | 99.99% | 27,637,000 | 729 | 487 | 242 | 19 |
| Bacabal Mearim Sistemas de Ensino Ltda. | 99.99% | 1,570,000 | 30,523 | 16,812 | 13,711 | 900 |
| Centro de Ensino Superior de Marabá Ltda. | 99.99% | 12,729,511 | 40,217 | 25,824 | 14,393 | 732 |
| Centro de Ensino Superior de Parauapebas Ltda. | 99.99% | 4,675,159 | 30,074 | 11,572 | 18,502 | 1,245 |
| Centro de Ensino Superior de Paragominas Ltda. | 99.99% | 974,207 | 11,464 | 6,790 | 4,674 | (24) |
| Orme Serviços Educacionais | 99.99% | 207,349,196 | 94,436 | 54,884 | 39,552 | (2,005) |
| Projecta Educacional | 99.99% | 10,234,275 | 6,741 | 1,253 | 5,488 | 64 |
| Pitágoras Sistema de Ensino Sociedade | 99.99% | 528,389,700 | 1,694,725 | 1,252,661 | 442,064 | 2,840 |
| União de Ensino Unopar | 99.99% | 145,039,401 | 182,091 | 62,650 | 119,441 | 612 |
| Unic Educacional | 99.99% | 210,684,858 | 367,988 | 120,687 | 247,301 | (1,775) |
| Iuni Educacional - Unime Salvador | 99.99% | 15,916,973 | 137,012 | 130,860 | 6,152 | (2,162) |
| Platos Soluções Educacionais S.A. | 99.99% | 28,587,162 | 20,232 | 10,390 | 9,842 | (2,841) |
| SGE Comércio de Material Didático Ltda. | 99.99% | 102,264 | 21,788 | 9,640 | 12,148 | (21) |
| SB Sistemas de Ensino Ltda. | 99.99% | 120,421,129 | 206 | 120 | 86 | (28) |
| Somos Idiomas S.A. | 99.99% | 867,583,077 | 375,984 | 324,902 | 51,082 | 10,025 |
| Editora Ática S.A. | 99.99% | 175,673,857 | 783,726 | 582,560 | 201,166 | (7,753) |
| Editora Scipione S.A. | 99.99% | 404,685,330 | 160,934 | 51,690 | 109,244 | 2,030 |
| Somos Educação S.A. | 99.99% | 22,816,962 | 352,217 | 52,361 | 299,856 | (5,405) |
| Nice Participações S.A. | 99.99% | 15,257,885 | 464 | 1,198 | (734) | (448) |
| Maxiprint Editora Ltda. | 99.99% | 7,445,415 | 18,982 | 16,283 | 2,699 | (861) |
| Educação Inovação e Tecnologia S.A. | 99.99% | 111,122,080 | 11,496 | 4,455 | 7,041 | (2,951) |
| Somos Educação Investimentos S.A. | 99.99% | 65,138,000 | 65,577 | 22,432 | 43,145 | (3,259) |
| Stoodi Ensino e Treinamento à Distância Ltda. | 99.99% | 8,200 | 45,359 | 9,691 | 35,668 | (2,598) |
| Eligis Tecnologia e Inovação Ltda. | 99.99% | 311,868 | 5 | 30 | (25) | (3) |
| Editora Joaquim Ltda. | 99.99% | 347,000 | 945 | 60 | 885 | 6 |
| Editora Pigmento Ltda. | 99.99% | 592,834 | 879 | 35 | 844 | 9 |
| Editora Todas as Letras Ltda. | 99.99% | 373,042,882 | 2,742 | 257 | 2,485 | 10 |
| Saraiva Educação S.A. | 99.99% | 1,000 | 318,663 | 144,929 | 173,734 | 12,730 |
| Colégio Anglo São Paulo | 99.99% | 103,768,018 | - | 1 | (1) | - |
| Livro Fácil | 99.99% | 500 | 132,985 | 72,291 | 60,694 | (1,592) |
| Saraiva Soluções Educacionais S.A | 99.99% | 93,700 | 1,547 | 152 | 1,395 | (0) |
| Eduquer Serviços Educacionais Ltda. | 99.99% | 24,640,673 | 283 | 41 | 242 | 1 |
| Pluri - A&R Comércio e Serviços de Informática Ltda. | 99.99% | 7,991,650 | 39,658 | 22,350 | 17,308 | 9,824 |
| Mind Makers Editora Educacional Ltda. | 99.99% | 2,318,365 | 38,015 | 14,828 | 23,187 | 8,107 |
| Merrit Informaçao Educacional Ltda. | 99.99% | 10,000 | 183 | (50) | 233 | (267) |
| Somos Sistemas de Ensino S.A. | 99.99% | 5,441,121,711 | 7,293,078 | 2,583,412 | 4,709,666 | 22,199 |
| Nota 1000 Serviços Educacionais Ltda | 99.99% | 1,460,000 | 261 | 215 | 46 | (16) |
| Sociedade Educacional da Lagoa Ltda. | 99.99% | 6,080,000 | 8,805 | 302 | 8,503 | 1,805 |
| Emme Produções de Materiais em Multimidia Ltda Epp. | 99.99% | 1,401,149 | 1,954 | 694 | 1,260 | (910) |
| Editora de Gouges S.A. | 99.99% | 25,654,856 | 63,194 | 25,836 | 37,358 | 5,409 |
| MVP consultoria e sistemas ltda. | 99.99% | 204,000 | 935 | 292 | 643 | 324 |
| Phidelis tecnologia desenvolvimento de sistemas ltda. | 99.99% | 92,000 | 267 | 84 | 183 | 15 |

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) | Total |
|---|---|---|---|---|---|---|---|---|
| **Balances at December 31, 2020** | **72,382** | **337,386** | **89,601** | **1,066,723** | **35,228** | **118,553** | **2,624,301** | **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** | **71,640** | **332,421** | **87,466** | **1,016,286** | **46,926** | **118,553** | **2,657,068** | **4,330,360** |
| | | | | | | | | |
| **Balances at December 31, 2021** | **65,592** | **303,138** | **70,938** | **1,020,211** | **58,741** | **112,640** | **2,569,991** | **4,201,251** |
| Additions | 33,171 | 2,134 | - | 282 | 11,886 | - | 190,057 | 237,530 |
| Addition due to acquisition | 54 | 12 | - | - | 7 | - | - | 73 |
| Write-offs | (1) | (6) | - | - | (379) | - | (47,992) | (48,378) |
| Depreciations | (9,403) | (10,371) | (5,072) | (19,426) | - | - | (53,353) | (97,625) |
| Transfers | 749 | (593) | 9 | 19,212 | (19,377) | - | - | - |
| **Balances at March 31, 2021** | **90,162** | **294,314** | **65,875** | **1,020,279** | **50,878** | **112,640** | **2,658,703** | **4,292,851** |
| Annual average depreciation rate | 29% | 9% | 12% | 5% | 0% | 0% | 5% | |
| | | | | | | | | |
| **Balances at March 31, 2021** | | | | | | | | |
| Cost | 239,637 | 592,619 | 182,693 | 1,468,719 | 50,878 | 112,640 | 3,546,081 | 6,193,267 |
| Accumulated depreciation | (149,475) | (298,305) | (116,818) | (448,440) | - | - | (887,378) | (1,900,416) |

In thousands of reais, unless otherwise indicated

## 15. Intangible assets

| | | | | | | Consolidated |
|---|---|---|---|---|---|---|
| | Software | Content production | Operating License | Goodwill and intangible assets allocated | Other intangible assets | Total |
| **Balances at December 31, 2020** | **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, 2021** | **620,284** | **144,123** | **13,014** | **19,591,870** | **102,898** | **20,472,189** |
| **Balances at December 31, 2021** | **620,820** | **75,593** | **5,866** | **14,784,686** | **88,989** | **15,575,954** |
| Additions (i) | 46,805 | 11,318 | 90 | - | 52 | 58,265 |
| Addition by means of business combination (ii) | 3,145 | - | - | 35,037 | - | 38,182 |
| Write-offs | (142) | - | - | - | (15) | (157) |
| Amortizations | (48,738) | (15,940) | (1,008) | (68,400) | (3,287) | (137,373) |
| Transfers | (21,421) | 20,888 | 533 | - | - | - |
| **Balances at March 31, 2022** | **600,469** | **91,859** | **5,481** | **14,751,323** | **85,739** | **15,534,871** |
| Annual average rate of amortization | 20% | 38% | 33% | 6% | 12% | |
| **Balances at March 31, 2022** | | | | | | |
| Cost | 1,307,364 | 331,310 | 16,282 | 14,923,180 | 118,220 | 16,696,356 |
| Accumulated amortization | (706,895) | (239,451) | (10,801) | (171,857) | (32,481) | (1,161,485) |

(i) The amounts of software additions for the period are mainly related to projects to optimize the control systems of Cogna and its subsidiaries.

(ii) The additions that took place in 2022 are related to the acquisition of Phidellis and MVP, which are presented in greater detail in Note 3. Additionally, it considers the review of the balances of the acquisition of company EMME, which took place in 2021, in the amount of R$ 974.

In thousands of reais, unless otherwise indicated

## a) Goodwill generated on the acquisition of subsidiaries and intangible assets 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 with a defined and indefinite useful life after analyzing the acquired assets.

| | Consolidated | |
|---|---|---|
| | **03/31/2022** | **12/31/2021** |
| Goodwill (i) | 12,999,440 | 12,972,816 |
| Brand (ii) | 1,923,571 | 1,940,981 |
| Pole operation license and partner network (iii) | 677,492 | 679,717 |
| Client portfolio (iv) | 1,200,456 | 1,239,657 |
| Non-competition agreement (iv) | 788 | 1,939 |
| | **16,801,747** | **16,835,110** |
| Asset impairment loss (vi) | (2,050,424) | (2,050,424) |
| | **14,751,323** | **14,784,686** |

(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.

(ii) Intangible assets 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 with an estimated useful life between 3 and 14 years.

(v) Intangible assets incorporated due to the business combination with Meritt, SEL and Redação Nota Mil. They have an estimated useful life of 10 years.

(vi) Related to the recognition of impairment loss of assets occurred during 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 presented in the Individual and Consolidated Financial Statements for the year ended December 31, 2021, which should be read in conjunction with this Interim Information.

Thus, as of December 31, 2021, 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, a need to recognize the loss was not detected.

In thousands of reais, unless otherwise indicated

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 allocated per cash-generating unit level:

| | Consolidated | |
|---|---|---|
| | 03/31/2022 | 12/31/2021 |
| Kroton | 8,778,520 | 8,799,179 |
| Platos | 74 | 74 |
| Saber (i) | 170,639 | 172,141 |
| Vasta | 5,419,607 | 5,423,482 |
| Other | 382,483 | 389,810 |
| | **14,751,323** | **14,784,686** |

(i) Related to the language teaching operation provided by the Group's language schools ("Red Balloon").

## 16. Bons and financing

### (a) Breakdown

| | | | Consolidated | |
|---|---|---|---|---|
| | **Issue** | **Maturity** | **03/31/2022** | **12/31/2021** |
| Mind Makers Loans | 12/10/2018 | 05/07/2025 | 844 | 888 |
| **Total** | | | **844** | **888** |
| Current liabilities | | | 234 | 237 |
| Non-current liabilities | | | 610 | 651 |
| | | | **844** | **888** |

### (b) Changes

| | Consolidated | |
|---|---|---|
| | **03/31/2022** | **03/31/2021** |
| Opening balance | 888 | 1,046 |
| Interest appropriation | 12 | 82 |
| Interest payment | (14) | - |
| Payment of principal | (42) | (56) |
| **Closing balance** | **844** | **1,072** |

In thousands of reais, unless otherwise indicated

### (c) Amortization schedule

| | | | | | Consolidated |
|---|---|---|---|---|---|
| | | | 03/31/2022 | | 12/31/2021 |
| | Maturity | Total | % | Total | % |
| | up to 1 year | 234 | 27.7 | 237 | 26.7 |
| **Current** | | **234** | **27.7** | **237** | **26.7** |
| | 1–2 years | 167 | 19.8 | 167 | 18.8 |
| | 2–3 years | 166 | 19.7 | 166 | 18.7 |
| | 3–4 years | 166 | 19.7 | 166 | 18.7 |
| | 4–5 years | 111 | 13.2 | 152 | 17.1 |
| **Non-current** | | **610** | **72.3** | **651** | **73.3** |
| | | **844** | **100.0** | **888** | **100.0** |

In thousands of reais, unless otherwise indicated

# 17. Debentures

## (a) Breakdown

| | | | | Parent company | | Consolidated | |
|---|---|---|---|---|---|---|---|
| | **Remuneration** | **Issue** | **Maturity** | **03/31/2022** | **12/31/2021** | **03/31/2022** | **12/31/2021** |
| EDE SARAIVA 4th issue of single series debentures | CDI + 2.75% p.a. | 08/27/2018 | 08/15/2026 | - | - | 221,347 | 225,632 |
| COGNA 1st issue of single series debentures | CDI + 0.65% p.a. | 04/15/2019 | 04/15/2024 | 203,861 | 210,010 | 203,861 | 210,010 |
| COGNA 2nd issue of 2nd series debentures | CDI + 1.00% p.a. | 08/15/2018 | 08/15/2023 | 3,717,524 | 3,770,126 | 3,717,524 | 3,770,126 |
| COGNA 2nd issue of 3rd series debentures | IPCA + 6.7234% p.a. | 08/15/2018 | 08/15/2025 | 131,044 | 130,163 | 131,044 | 130,163 |
| COGNA 3rd issue of 2nd series debentures | CDI + 1.70% p.a. | 08/15/2018 | 08/15/2022 | 87,517 | 88,710 | 87,517 | 88,710 |
| COGNA 6th issue of single series debentures | CDI + 2.95% p.a. | 05/20/2020 | 05/20/2023 | 519,076 | 502,364 | 519,076 | 502,364 |
| COGNA 7th issue of 1st and 2nd series debentures | CDI + 2.60% p.a. and CDI + 2.95% p.a. | 08/20/2021 | 08/20/2024 and 08/20/2026 | 809,046 | 924,017 | 809,046 | 924,017 |
| AESAPAR 1st issue | CDI + 2.95% p.a. | 11/25/2021 | 11/25/2026 | - | - | 515,953 | 499,715 |
| VASTA 1st issue of single series debentures | CDI + 2.30% p.a. | 08/10/2021 | 08/05/2023 | - | - | 506,550 | 514,757 |
| **Total** | | | | **5,468,068** | **5,625,390** | **6,711,918** | **6,865,494** |
| Current liabilities | | | | 2,027,366 | 2,092,743 | 2,058,085 | 2,120,340 |
| Non-current liabilities | | | | 3,440,702 | 3,532,647 | 4,653,833 | 4,745,154 |
| | | | | **5,468,068** | **5,625,390** | **6,711,918** | **6,865,494** |

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 | Issue | Series | Quant. | Unit value | Issue amount | Payment of principal | Interest payment |
| COGNA | 1st | Single | 80,000 | 10 | 800,000 | Upon maturity | Semi-annual (Apr & Oct) |
| COGNA | 2nd | 1st | 112,966 | 10 | 1,129,660 | Annual | Semi-annual (Feb & Aug) |
| COGNA | 2nd | 2nd | 426,434 | 10 | 4,264,340 | Annual | Semi-annual (Feb & Aug) |
| COGNA | 2nd | 3rd | 10,600 | 10 | 106,000 | Annual | Semi-annual (Feb & Aug) |
| COGNA | 3rd | 1st\|2nd | 800,000 | 1 | 800,000 | Annual | Semi-annual (Feb & Aug) |
| COGNA | 6th | Single | 500,000 | 1 | 500,000 | Upon maturity | Semi-annual (May & Nov) |
| COGNA | 7th | 1st\|2nd | 900,000 | 1 | 900,000 | Upon maturity | Semi-annual (Feb & Aug) |
| EDE | 4th | Single | 2,200 | 100 | 220,000 | Upon maturity | Semi-annual (Feb & Aug) |
| AESAPAR | 6th | Single | 500,000 | 1 | 500,000 | Annual | Semi-annual (May & Nov) |
| VASTA | 1st | Single | 500,000 | 1 | 500,000 | Upon maturity | Semi-annual (Feb & Aug) |

## (b) Changes

| | | Parent company | | Consolidated |
|---|---|---|---|---|
| | 03/31/2022 | 03/31/2021 | 03/31/2022 | 03/31/2021 |
| Opening balance | 5,625,390 | 6,998,677 | 6,865,494 | 7,220,165 |
| Repurchase of debentures (i) | (100,001) | - | (100,001) | - |
| Accrued interest (ii) | 147,855 | 54,975 | 185,819 | 56,469 |
| Appropriation of costs | 6,011 | 2,443 | 6,635 | 2,545 |
| Interest payment | (211,187) | (83,100) | (246,029) | (86,043) |
| Payment of principal | - | (694,078) | - | (694,078) |
| **Closing balance** | **5,468,068** | **6,278,917** | **6,711,918** | **6,499,058** |

(i) During the first quarter of 2022, the Company, following its financial planning, and in accordance with its cash management, carried out the repurchase of the debentures of the 7th issue – 1st series -, in the total amount of R$ 100,001, with remuneration of CDI + 1.95% p.a.

(ii) It considers the financial gain resulting from the repurchase of debentures issued by the Company, in the amount of R$ 5,160, recorded in the financial revenues item in the income (loss).

**(c) Committed performance ratios**

"Cogna", "EDE" and "AESAPAR" issues (quarterly calculations)

The debentures issued by parent company Cogna and subsidiaries EDE and AESAPAR 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, which did not occur as of March 31, 2022.

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 (last twelve months concept), less income tax and social contribution, depreciation and amortization, the financial income (loss) and the result of non-recurring items, plus operating financial revenue.

The financial ratio for the calculation of the division of net debt by adjusted EBITDA reached 2.15, within the conditions established in the aforementioned financial contractual clauses.

Regarding debenture deeds referred to as non-financial, the Company informs that all of them were met on March 31, 2022.

"Vasta" Issue (annual calculation)

The debentures issued by the indirect subsidiary Somos Sistemas require the maintenance of financial ratios ("covenants"), which are calculated on an yearly basis, based on the consolidated financial statements of the subsidiary. The calculation period comprises the 12 months immediately prior to the end of each year 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:

(i) 4.25 times in the 1st year;
(ii) 4.00 times in the 2nd year;
(iii) 3.75 times in the 3rd year, and;
(iv) 3.50 times in the 4th year.

This ratio cannot be breached for two consecutive periods or for three alternate periods during the term of the Issue.

Considering the information presented above, together with that presented in the Individual and Consolidated Financial Statements for the year ended December 31, 2021, the financial index related to the calculation of the quotient of the division of net debt by adjusted EBITDA reached the result of 4.47, being the first year to have exceeded the index, but still in compliance with the aforementioned financial contractual clauses.

In thousands of reais, unless otherwise indicated

### (d) Amortization schedule

| | | 03/31/2022 | | | |
|---|---|---|---|---|---|
| | | Parent company | | Consolidated | |
| | Maturity | Total | % | Total | % |
| | up to 1 year | 2,027,366 | 37.1 | 2,058,085 | 30.7 |
| **Current liabilities** | | **2,027,366** | **37.1** | **2,058,085** | **30.7** |
| | 1–2 years | 2,332,810 | 42.7 | 2,385,315 | 35.5 |
| | 2–3 years | 744,924 | 13.6 | 1,297,919 | 19.3 |
| | 3–4 years | 217,330 | 4.0 | 520,853 | 7.8 |
| | 4–5 years | 145,638 | 2.7 | 449,746 | 6.7 |
| **Non-current liabilities** | | **3,440,702** | **62.9** | **4,653,833** | **69.3** |
| | | **5,468,068** | **100.0** | **6,711,918** | **100.0** |

| | | 12/31/2021 | | | |
|---|---|---|---|---|---|
| | | Parent company | | Consolidated | |
| | Maturity | Total | % | Total | % |
| | up to 1 year | 2,092,743 | 37.2 | 2,120,340 | 30.9 |
| **Current liabilities** | | **2,092,743** | **37.2** | **2,120,340** | **30.9** |
| | 1–2 years | 2,328,287 | 41.4 | 2,380,688 | 34.7 |
| | 2–3 years | 843,514 | 15.0 | 1,396,358 | 20.3 |
| | 3–4 years | 215,331 | 3.8 | 518,854 | 7.6 |
| | 4–5 years | 145,515 | 2.6 | 449,254 | 6.5 |
| **Non-current liabilities** | | **3,532,647** | **62.8** | **4,745,154** | **69.1** |
| | | **5,625,390** | **100.0** | **6,865,494** | **100.0** |

In thousands of reais, unless otherwise indicated

## 18. Lease liabilities

### (a) Changes

| | Consolidated |
|---|---|
| **Balances at December 31, 2020** | **3,032,450** |
| Additions | 19,336 |
| Restatements | 95,729 |
| Cancellations | (20,003) |
| Write-off of Campus do Futuro (i) | (30,377) |
| Interest payment | (71,839) |
| Adjustment to present value (ii) | 76,128 |
| Payment of principal | (28,675) |
| Discounts obtained - COVID-19 | (5,316) |
| **Balances at March 31, 2021** | **3,067,433** |
| | |
| **Balances at December 31, 2021** | **3,027,370** |
| Additions | 6,719 |
| Restatements | 183,338 |
| Cancellations | (54,622) |
| Interest payment | (74,215) |
| Adjustment to present value (ii) | 76,544 |
| Payment of principal | (30,397) |
| Discounts obtained | (30) |
| **Balances at March 31, 2022** | **3,134,707** |
| | |
| Current | 162,369 |
| Non-current | 2,972,338 |
| | **3,134,707** |

(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 right-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.

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.

In accordance with the debenture deeds, 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 year ended March 31, 2022 are as follows:

| | | Consolidated |
|---|---|---|
| | 03/31/2022 | 03/31/2021 |
| Fixed Payments | 104,612 | 120,596 |
| Variable Payments | 7,796 | 7,650 |
| Payments related to short-term and low-value contracts and other | 3,467 | 26,392 |
| **Total Paid** | **115,875** | **154,638** |

### (c) Future commitments

The lease balances payable related to “future commitments” for the year ended March 31, 2022, are shown below:

| | | | Consolidated |
|---|---|---|---|
| | IFRS 16 | (-) AVP | 03/31/2022 |
| Up to one year | 453,010 | (308,792) | 144,218 |
| From 1 to 5 years | 2,295,034 | (893,708) | 1,401,326 |
| >5 years | 3,736,995 | (2,147,832) | 1,589,163 |
| | **6,485,039** | **(3,350,332)** | **3,134,707** |

### (d) Impacts on Company’s income (loss)

| | | Consolidated |
|---|---|---|
| | 03/31/2022 | 03/31/2021 |
| **Statement of income for the year** | | |
| Depreciation and amortization | (53,353) | (49,917) |
| Financial expenses | (76,544) | (76,308) |
| Financial revenues | 80 | 510 |
| Other gains and losses | 734 | 12,239 |
| | **(129,083)** | **(113,476)** |
| Deferred income tax and social contribution | 5,271 | 5,793 |
| | **(123,812)** | **(107,683)** |
| Lease amounts paid in the year | 104,612 | 102,334 |
| **Impact on income (loss)** | **(19,199)** | **(5,349)** |

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-of-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 | 2,658,703 | 3,075,108 | 416,405 | 15.66% |
| Lease liabilities | 3,134,707 | 3,487,713 | 353,006 | 11.26% |
| Net financial expense | 76,544 | 66,217 | (10,327) | -13.49% |
| Depreciation expense | 53,353 | 58,208 | 4,855 | 9.10% |
| Accounts receivable from sublease | 1,683 | 541 | (1,142) | -67.84% |

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

| | 03/31/2022 | |
|---|---|---|
| | Consolidated | |
| **Cash Flows** | **Nominal** | **Adjusted to present value** |
| Consideration payable | 6,485,039 | 3,134,707 |
| Potential PIS/COFINS (3.65%) | (226,945) | (107,470) |
| | **6,258,094** | **3,027,237** |

## 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, 2022, the balance of drawee-risk suppliers was R$ 302,710 (R$ 310,157 on December 31, 2021), and the discount rates on assignment transactions carried out by our suppliers with financial institutions had a weighted average of 1.15% per month (on December 31, 2021, the weighted average was 1.06% 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 | |
|---|---|---|
| | 03/31/2022 | 12/31/2021 |
| Salaries payable | 53,950 | 69,481 |
| INSS payable | 34,743 | 37,803 |
| FGTS payable | 6,857 | 9,840 |
| IRRF payable | 48,030 | 41,118 |
| Provision for vacation pay and 13th salary | 70,718 | 50,286 |
| Provision charges | 22,467 | 15,656 |
| Provision for profit sharing | 138,677 | 117,467 |
| Other | 50,978 | 45,431 |
| | **426,420** | **387,082** |

## 21. Taxes payable

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 03/31/2022 | 12/31/2021 | 03/31/2022 | 12/31/2021 |
| ISS | - | - | 58,564 | 57,457 |
| PIS | 1,669 | 1,184 | 1,080 | 558 |
| COFINS | 4,625 | 1,709 | 11,577 | 8,892 |
| IRRF | 3,161 | 3,188 | 55,453 | 26,445 |
| CSLL | 117 | 117 | 223 | 272 |
| Other | - | - | 17,586 | 13,711 |
| | **9,572** | **6,198** | **144,483** | **107,335** |

## 22. Accounts payable for business combination

| | Consolidated | |
|---|---|---|
| | 03/31/2022 | 12/31/2021 |
| Colégio Leonardo da Vinci | 43,839 | 42,801 |
| Uniabc | 34,488 | 33,714 |
| Editora Gouges | 48,114 | 37,674 |
| Colégio Lato Sensu | 32,804 | 31,697 |
| SEL | 27,588 | 26,935 |
| Metropolitana | 17,421 | 23,408 |
| Livraria Livro Fácil | 9,686 | 14,055 |
| EMME | 14,096 | 12,780 |
| Phidelis | 29,215 | - |
| Other | 39,292 | 39,480 |
| **Total** | **296,543** | **262,544** |
| | | |
| Current | 158,712 | 117,554 |
| Non-current | 137,831 | 144,990 |
| | **296,543** | **262,544** |

In thousands of reais, unless otherwise indicated

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

| | Consolidated | |
|---|---|---|
| | 03/31/2022 | 03/31/2021 |
| Opening balance | 262,544 | 226,278 |
| Addition (i) | 38,654 | 65,089 |
| Interest adjustment | 16,479 | 2,466 |
| Write-offs/Offsets | (738) | (2,537) |
| Adjustment to present value (ii) | 779 | 1,046 |
| At sight payments | (8,854) | (38,124) |
| Installment payments | (12,321) | (19,089) |
| **Closing balance** | **296,543** | **235,129** |

(i) The additions that took place in 2022 are related to the acquisition of Phidellis and MVP, which are presented in greater detail in Note 3. Additionally, it considers the review of the balances of the acquisition of company EMME, which took place in 2021, in the amount of R$ 974.

(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 | | | |
|---|---|---|---|---|---|
| | | 03/31/2022 | | 12/31/2021 | |
| | **Maturity** | **Total** | **%** | **Total** | **%** |
| | up to 1 year | 158,712 | 53.5 | 117,554 | 44.8 |
| **Total current liabilities** | | **158,712** | **53.5** | **117,554** | **44.8** |
| | 1–2 years | 69,944 | 23.6 | 79,317 | 30.2 |
| | 2–3 years | 17,654 | 6.0 | 21,461 | 8.2 |
| | 3–4 years | 13,365 | 4.5 | 12,861 | 4.9 |
| | >4 years | 36,868 | 12.4 | 31,351 | 11.9 |
| **Total non-current liabilities** | | **137,831** | **46.5** | **144,990** | **55.2** |
| **Total** | | **296,543** | **100.0** | **262,544** | **100.0** |

## 23. Provision for tax, labor, and civil 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, 2022:

| | | | | Consolidated |
|---|---|---|---|---|
| | **Tax** | **Civil** | **Labor** | **Total** |
| Balance at December 31, 2021 | 412,552 | 39,024 | 116,554 | 568,130 |
| Additions | 34 | 15,643 | 21,612 | 37,289 |
| Inflation adjustment | 3,386 | 3,132 | 7,404 | 13,922 |
| Reversals | - | (5,642) | (11,552) | (17,194) |
| **Total impact on income (loss)** | **3,420** | **13,133** | **17,464** | **34,017** |
| Payments | - | (14,377) | (19,236) | (33,613) |
| **Total payments** | **-** | **(14,377)** | **(19,236)** | **(33,613)** |
| Addition, former sponsor | - | 9 | 93 | 103 |
| Inflation adjustment - Former maintainer | 2,193 | 247 | 46 | 2,485 |
| Reversal, former sponsor | - | (165) | (1,368) | (1,533) |
| **Total, former sponsor (with guarantee)** | **2,193** | **91** | **(1,229)** | **1,055** |
| Inflation adjustment - IFRIC 23 | 785 | - | - | 785 |
| Addition IFRIC 23 | 179 | - | - | 179 |
| | **964** | **-** | **-** | **964** |
| Taxes with payment requirement suspended | 3,371 | - | - | 3,371 |
| **Balance at March 31, 2022** | **422,500** | **37,871** | **113,553** | **573,924** |

## 23.2. Main lawsuits by type

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:

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 Somos Sistema de Ensino, claiming the integration of the amounts paid as Copyright into the salaries, an indemnity resulting from stability and pain and suffering, in the amount of R$ 8,197;

- 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$ 3,361;

- The Company is also a party to 730 labor lawsuits with an average amount of R$ 140 totaling R$ 101,996. Of this total, 164 lawsuits, totaling approximately R$ 8,307, 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 claims, mainly related to the payment of severance pay, overtime, salary differences, among other labor costs.

**Tax lawsuits**

- Assessment notice received by the company in 2021, drawn up by the Brazilian Federal Revenue Service against the subsidiary Somos Sistema de Ensino, with the purpose of collecting the goodwill for the period from 2015 to 2017, in the amount of R$ 166,712.

- Tax foreclosures 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 (and then incorporated to it), in the amount of R$ 96,224. In the case of loss, the Company has a contractual guarantee;

- Tax foreclosure filed by the Municipality of Ipatinga/MG against subsidiary Pitágoras charging the ISSQN from 2010 to 2014, in the amount of R$ 6,360. The Company filed a Stay of Tax Execution, which is awaiting the lower court decision;

- The Company is also a party to 30 tax lawsuits of minor relevance when considered individually and totaling R$ 52,535, in addition to the amount of R$ 100,705 related to the contingency provisioned according to IFRIC 23.

**Civil lawsuits**

- Indemnity action where the plaintiff claims the recognition of pain and suffering against Academia Paulista Anchieta, a company acquired by Anhanguera in September 2011, under the full responsibility of the former Sponsors, in the amount of R$ 8,000;

- The Company is also a party to 1,540 civil lawsuits with individual amounts lower than the item above, with an average amount of R$ 19, which total R$ 29,870. The demands mostly involve consumer orders.

In thousands of reais, unless otherwise indicated

## 23.3. Main additions and reversals

We present below the main processes that generated effects on the Company's income (loss) in the period ended March 31, 2022:

- Of civil nature, in the subsidiary Pitágoras – Sistema de Educação Superior, there has been an addition of R$ 436 referring to the conviction related to the payment of pain and suffering. There have been other additions in the other companies of the group, with an average value of R$ 6, totaling R$ 15,207;
- Of a labor nature, in subsidiary Anhanguera Educacional, there was the addition of R$ 3,255 referring conviction involving a request for salary differences and its consequences. There have been other additions in the other companies of the group, with an average value of R$ 63, totaling R$ 18,357;
- Of labor nature, in the subsidiary Anhanguera Educacional, there has been a reversal of R$ 4,749 due to the progress and restatement of labor calculation. Additionally, there were other sundry reversals in other Group's companies, with an average amount of R$ 34, which totaled R$ 6,803;

## 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** |
|---|---|---|---|---|
| | **03/31/2022** | **12/31/2021** | **Quantity on 03/31/2022** | **Quantity on 12/31/2021** |
| Tax | 907,704 | 926,892 | 386 | 375 |
| Civil | 457,621 | 469,045 | 13,847 | 14,487 |
| Labor | 189,172 | 183,286 | 1,032 | 1,011 |
| **Total** | **1,554,497** | **1,579,223** | **15,265** | **15,873** |

As of March 31, 2022, the Company and its parent companies had 15,265 legal/administrative claims classified by Management as possible loss risk based on the opinion of their legal advisors, with 208 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 Federal 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$ 150,806. Tax lawsuits filed by the Federal Government for the purpose of collecting outstanding debt arising from social security contributions, 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$ 134,396;

- Tax Assessment Notice issued by the Brazilian Federal 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 Sharing Plan. Considering the principal and ancillary amounts (fine and interest on late payment), the assessment totals R$ 78,767;

- 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$ 72,291, of which R$ 46,000 are related to the non-deductibility of the expense and R$ 26,291 are related to the isolated fine for the monthly recalculation of the IRPJ with the taxation of the Profit Sharing Program (PLR);

- An Annulment lawsuit was filed against the Municipality of Porto Alegre regarding the former subsidiary Sociedade Educacional Leonardo da Vinci Ltda, seeking the cancellation of the Tax Assessment Notice issued by the municipality in the amount of R$ 32,661, to collect debts allegedly calculated in the period from January 2012 to June 2017 related to ISS. The Company's responsibility for the total tax assessment notice is approximately R$ 20,084.

- Tax foreclosure filed by the Municipality of Jacareí for the purpose of receiving the ISSQN for 2018 against subsidiary Anhanguera in the amount of R$ 22,130;

- A Tax enforcement received by the Company in 2021, 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, in the amount of R$ 21,477, and the Company has a sufficient contractual guarantee.

**(ii) Civil:**

- Lawsuit filed against subsidiary Anhanguera Educacional, seeking the collection of rents coupled with the obligation to do and not to do, prohibiting the return of the Properties, having as object the Rental Agreement for Commercial Purposes entered into between the parties in 2011. The plaintiff is also claiming the condemnation for loss of profits and losses and damages, as well as indemnity for pain and suffering in the amount of R$ 39,678;

- Foreclosure Lawsuit referring to rental credit that was offset by subsidiary Anhanguera Educacional under the purchase and sale agreement of the former sponsor's corporate quotas in the amount of R$ 10,223;

- Account rendering lawsuit in which the Plaintiff claims to 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 requesting indemnity, salary differences, overtime, and other general labor funds in the amount of R$ 7,677; and

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

In thousands of reais, unless otherwise indicated

## 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.

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

| | | | | Consolidated |
|---|---|---|---|---|
| | Tax | Civil | Labor | Total |
| **Balance at December 31, 2021** | **1,126,708** | **37,813** | **345,923** | **1,510,445** |
| Inflation adjustment | 11,024 | 469 | 4,789 | 16,282 |
| Reversals | (20,623) | (2,246) | (24,538) | (47,407) |
| **Total impact on income (loss)** | **(9,599)** | **(1,777)** | **(19,749)** | **(31,125)** |
| Reversal of proceedings related to IR and CS | (29,348) | - | - | (29,348) |
| Reversal of inflation adjustment | (8,104) | - | - | (8,104) |
| **Total impact on income (loss)** | **(37,452)** | **-** | **-** | **(37,452)** |
| Reversals, former Sponsor | (2,635) | (1,048) | (1,587) | (5,270) |
| **Total, former Sponsor** | **(2,635)** | **(1,048)** | **(1,587)** | **(5,270)** |
| **Balance at March 31, 2022** | **1,077,022** | **34,988** | **324,587** | **1,436,597** |

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$ 330,202;

- 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$ 130,082. 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;

- 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$ 89,867, is pending;

- 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$ 158,208 and other tax procedures, including all acquirees that may be questioned by the tax authorities, totaling R$ 368,627.

**(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$ 90,936, and other various non-conformities of a labor nature that total R$ 233,650.

**(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 distribution agreements, totaling R$ 7,759 and other miscellaneous civil non-conformities totaling R$ 27,230.

In thousands of reais, unless otherwise indicated

## 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 year ended March 31, 2022:

| | | Impact on income (loss) | | | | Impact on the DFC |
|---|---|---|---|---|---|---|
| | | Addition (reversal) of provision | Reversal of lawsuits related to Goodwill | Provision for interest | Total | Payments (Operating activity) |
| **Provision for losses on tax, labor and civil lawsuits** | Addition | 37,289 | - | - | 37,289 | - |
| | Enforceability suspended | 3,371 | - | - | 3,371 | - |
| | Restatement | - | - | 13,922 | 13,922 | - |
| | Update of IFRIC 23 | - | 179 | 785 | 964 | - |
| | Reversal | (17,194) | - | - | (17,194) | - |
| | Payments | - | - | - | - | (33,613) |
| | **Effect in income (loss)** | **23,466** | **179** | **14,707** | **38,352** | **(33,613)** |
| **Liabilities assumed in the business combination** | Restatement | - | (8,104) | 16,282 | 8,178 | - |
| | Reversal | (47,407) | - | - | (47,407) | - |
| | IR/CS reversal | - | (29,348) | - | (29,348) | - |
| | **Effect in income (loss)** | **(47,407)** | **(37,452)** | **16,282** | **(68,577)** | **-** |
| | **Total effect** | **(23,941)** | **(37,274)** | **30,989** | **(30,225)** | **(33,613)** |

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

## 24.1. Judicial deposits

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 03/31/2022 | 12/31/2021 | 03/31/2022 | 12/31/2021 |
| Tax | - | - | 36,965 | 36,444 |
| Civil | - | - | 446 | 428 |
| Labor | 828 | 418 | 19,842 | 20,141 |
| **Total** | **828** | **418** | **57,253** | **57,013** |

In thousands of reais, unless otherwise indicated

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

| | | | | Consolidated |
|---|---|---|---|---|
| | Tax | Civil | Labor | Total |
| **Balance at December 31, 2021** | **119,059** | **21,043** | **14,703** | **154,805** |
| Addition | - | 9 | 93 | 102 |
| Inflation adjustment | 2,193 | 247 | 46 | 2,485 |
| Reversals | (2,425) | (1,213) | (2,956) | (6,593) |
| **Total, former Sponsor** | **(232)** | **(957)** | **(2,816)** | **(4,005)** |
| **Balance at December 31, 2022** | **118,827** | **20,086** | **11,887** | **150,800** |

(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.

## 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 | |
|---|---|---|---|---|
| | 03/31/2022 | 03/31/2021 | 03/31/2022 | 03/31/2021 |
| Loss before income and social contribution taxes for the year | (31,442) | (65,589) | (31,346) | (62,371) |
| IR and CS combined nominal rate - % | 34% | 34% | 34% | 34% |
| **IRPJ and CSLL at nominal rates** | **10,690** | **22,300** | **10,658** | **21,206** |
| Equity in net income of subsidiaries | (2,522) | (23,334) | 195 | 71 |
| Tax incentives in subsidiaries subject to the ProUni benefit | - | - | 4,508 | 1,382 |
| Additions (exclusions) without recording deferred amounts | 6,155 | 6,219 | 26,672 | (7,406) |
| Deferred IRPJ and CSLL not recorded on the loss for the year of subsidiaries | (8,212) | 277 | (55,408) | (11,853) |
| Contingencies related to IRPJ and CSLL | - | - | 29,348 | - |
| IRPJ and CSLL for other transactions | 12,223 | 8 | 6,784 | (1,346) |
| **Total income tax and social contribution** | **18,335** | **5,470** | **22,757** | **2,054** |
| Current corporate income tax and social contribution in income (loss) | - | (642) | 10,976 | (18,928) |
| Deferred income tax and social contribution in income (loss) | 18,335 | 6,112 | 11,781 | 20,982 |
| | **18,335** | **5,470** | **22,757** | **2,054** |

In thousands of reais, unless otherwise indicated

## 25.2. Deferred income tax and social contribution

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

| | Parent company | | |
|---|---|---|---|
| | 12/31/2021 | Income (loss) | 03/31/2022 |
| **In liabilities** | | | |
| Goodwill on business combination | (608,756) | 18,335 | (590,421) |
| Non-current liabilities, net | **(608,756)** | **18,335** | **(590,421)** |

| | Consolidated | | | |
|---|---|---|---|---|
| | 12/31/2020 | Other adjustments | Effects in income (loss) | 12/31/2021 |
| **Income tax / Social contribution:** | | | | |
| Tax losses / negative basis of social contribution on net income | 598,943 | - | 20,848 | 619,791 |
| **Temporary Differences in Taxable Income** | | | | |
| Provision for expected loss | 930,048 | - | 9,678 | 939,726 |
| Adjustment to present value | 5,568 | - | 756 | 6,324 |
| Provision for contingencies | (45,140) | - | (4,072) | (49,212) |
| Loan depreciation and cost | (40,670) | - | 482 | (40,188) |
| Nondeductible provisions | 58,285 | - | (16,396) | 41,889 |
| Profit sharing | - | - | 2,935 | 2,935 |
| Stock option plan | 41,442 | - | 1,475 | 42,917 |
| Right-of-use lease | 164,509 | - | 5,271 | 169,780 |
| Capital gain | 8,875 | - | - | 8,875 |
| Goodwill on business combination | (1,486,958) | - | (8,710) | (1,495,668) |
| Other adjustments | - | 400 | (486) | (86) |
| **Non-current assets (liabilities), net** | **234,902** | **400** | **11,781** | **247,083** |
| Non-current assets | 904,160 | | | 950,958 |
| ( – ) Non-current liabilities | (669,258) | | | (703,875) |
| **Total** | **234,902** | | | **247,083** |

Deferred income tax and social contribution liabilities are derived from intangible assets 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.

## 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 year ended March 31, 2022, including PIS and COFINS, is R$ 30,746 (R$ 27,822 on March 31, 2021).

In thousands of reais, unless otherwise indicated

# 26. Shareholders' equity

## 26.1. Share Capital

On March 31, 2022 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. We present its respective distribution:

| | 03/31/2022 | | 12/31/2021 | |
|---|---|---|---|---|
| | **Amount** | **Quantity** | **Amount** | **Quantity** |
| Total shares - ex-treasury | 7,602,740 | 1,870,435,202 | 7,609,803 | 1,873,745,608 |
| Total treasury shares | 64,875 | 6,171,008 | 57,812 | 2,860,602 |
| **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:

| | 03/31/2022 | | 12/31/2021 | |
|---|---|---|---|---|
| | **Amount** | **Quantity** | **Amount** | **Quantity** |
| Opening balance | 57,812 | 2,860,602 | 99,095 | 7,638,405 |
| Repurchase of treasury shares (i) | 7,268 | 3,396,400 | - | - |
| Disposal of shares | (205) | (85,994) | (41,283) | (4,777,803) |
| **Closing balance** | **64,875** | **6,171,008** | **57,812** | **2,860,602** |

(i) According to the Material Fact disclosed to the market on February 10, 2022, the Board of Directors approved the creation of the share repurchase program for the shares issued by the Company, which will be held in treasury for subsequent disposal or cancellation. Its purpose is to generate value and maximize returns for shareholders, in addition to honoring the Company's commitments in share-based remuneration programs, among others. The deadline for these acquisitions is February 10, 2023, and the Company may acquire, in the context of the repurchase program, up to 102,880,658 shares.

## 26.2. Capital reserve and granted options

The Company grants share-based remuneration 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 are presented 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%.

Considering the losses incurred in 2021 and 2020, the Company partially used the balances of this caption, in the total amount of R$489,125 as of December 31, 2021 (R$1,363,845 as of December 31, 2020).

Given these changes, the balance of all capital reserve accounts for the year ended March 31, 2022, is R$ 5,124,482 (R$ 5,116,787 as of December 31, 2021).

### 26.3. Interest of non-controlling shareholders

As mentioned in Note 26.2, because of the IPO of the direct subsidiary Vasta Platform Ltda. ("Vasta") in July 2020, the Company reduced its interest in the shareholders' equity from 100% to 77.62%, and the remaining interest is held by minority shareholders. As of March 31, 2022, the amount held by minority shareholders totaled R$ 1,049,516 (R$ 1,044,074 as of December 31, 2021).

## 27. Share-based remuneration plans

### 27.1. Restricted stock option plans - RSU

At the Extraordinary General Meeting held on September 3, 2018, the Company's shareholders approved the creation of a Restricted Stock Option 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 can 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 were held in treasury also on this date.

The settlement of the contracts is subject to the continuation of the employment and/or manager relationship for a predetermined grace period in the granting contracts.

In thousands of reais, unless otherwise indicated

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.

The table below shows the changes made in the year ended March 31, 2022:

| | Number of shares | | |
|---|---|---|---|
| **PLANS** | **12/31/2021** | **Restricted shares settled** | **03/31/2022** |
| KROT_2015 Plan - Migrated | 18,874 | - | 18,874 |
| KROT_2018 Plan - New | 1,448,112 | (250,000) | 1,198,112 |
| **TOTAL** | **1,466,986** | **(250,000)** | **1,216,986** |

The Company recognized the expenses related to the Restricted Stock Plan grants in the amount of R$ 134 in the period ended March 31, 2022 (R$ 5,786 as of March 31, 2021) against capital reserves in shareholders' equity. In addition, the amount of R$ 1 in the period ended March 31, 2022 (R$ 567 as of March 31, 2021) 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.

## 27.2. Performance Shares Plan - PSU

On April 28, 2021, the Extraordinary General Meeting approved the creation of the Stock Option Plan ("Performance Shares Plan"), and the consequent granting of authorization to the Board of Directors and the People and Governance Committee of the Company for them to adopt all the necessary measures for its implementation and execution.

Options, including those arising from migration, may be granted up to a maximum limit of 2% of the Company's total capital stock on the date of approval of this Plan. If any Option is terminated or canceled and was not fully exercised, Shares linked to such Options will again be available for future granting of Options.

The purpose of the Plan is to allow Grantees to receive Options that will give them the right, subject to certain performance conditions, to acquire and subscribe Shares with a view to: (a) stimulate the expansion, success, and achievement of the Company's social objectives and results, aligning the financial benefit to be obtained by the Grantee regarding the Annual Targets as applicable; (b) align the interests of the Grantees to the Company's shareholders; (c) enable the Company to maintain the beneficiaries of the Plan linked to it or to the Subsidiaries, Grantees; and (d) encourage the creation of long-term value to the Company.

In thousands of reais, unless otherwise indicated

The managers and employees of the Company or its Subsidiaries who are considered key executives may be elected as grantees, being subject to the approval by the Committee.

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 Strike Price of the Options granted will be R$ 0.01 per Share. All the Options Granted in each contract are segregated in a period of four (4) years, being granted 25% per annum of the total Options, with a grace period of twelve (12) months in relation to each grant.

The Company may issue new Shares within the authorized capital limit or sell treasury shares to fulfill the exercise of the options granted.

The table below shows the changes made in the year ended March 31, 2022:

| | Quantity of options | | | | |
|---|---|---|---|---|---|
| **Grants** | **12/31/2021** | **Options granted** | **Options Settled** | **Options cancelled** | **03/31/2022** |
| Contracts migrated from RSU to PSU (i) | 1,554,019 | - | - | - | 1,554,019 |
| New PSU Grants | 21,700,536 | 350,000 | - | (599,595) | 21,450,941 |
| **TOTAL** | **23,254,555** | **350,000** | **-** | **(599,595)** | **23,004,960** |

(i) The contracts in force on 04/30/2021 of the Cogna 2018 Restricted Shares Plan (RSU) of beneficiaries allocated in the business areas named Cogna, Platos or Kroton will be partially migrated to the new Performance Shares Plan (PSU). The number of shares canceled in RSU and granted in PSU was calculated based on the remaining vesting period of each contract on the migration date of 05/01/2021.

The Company recognized expenses related to the granting of the Performance Share Plan in the amount of R$ 28,590 in the period ended March 31, 2022, as a contra entry to capital reserves under shareholders' equity. Furthermore, the amount of R$ 1,891 in the period ended March 31, 2022 was recognized as personnel expenses with charges.

## 27.3. Stock option plans - SOP

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:

| **Program** | **Grant date** | **Strike price** | **Grace period** | **Active options granted** |
|---|---|---|---|---|
| Plano2013 | 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 |
| Plano2013 | 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 |
| Plano2015 | 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.

In thousands of reais, unless otherwise indicated

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** | **12/31/2021** | **Options granted** | **Exercised options** | **Canceled/Abandoned Options** | **03/31/2022** | **Average price for the year** |
| 2013 Plan | 31,967 | - | - | - | 31,967 | R$9.65 |
| 2013 Plan | 4,050,000 | - | - | - | 4,050,000 | R$7.20 |
| 2015 Plan | 8,095,000 | - | - | - | 8,095,000 | R$8.85 |
| **TOTAL** | **12,176,967** | **-** | **-** | **-** | **12,176,967** | |

## 27.4. 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 grants before 2015, in accordance with the rules established in the CPC 10 pronouncement, which were calculated using the Black & Scholes model.

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

| | **Plans** | | |
|---|---|---|---|
| | **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, 2022 and 2021, all stock option plans had already been recognized.

## 27.5. 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.

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.

In thousands of reais, unless otherwise indicated

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 or upon the issuance of new shares.

The table below shows the changes made in the year ended March 31, 2022:

| | Number of restricted shares | | | | |
|---|---|---|---|---|---|
| **PLANS** | **12/31/2021** | **Restricted shares granted** | **Restricted Shares Settled** | **Restricted shares canceled** | **03/31/2022** |
| Vasta Plan | 1,080,672 | 26,000 | - | (50,161) | 1,056,511 |
| **TOTAL** | **1,080,672** | **26,000** | **-** | **(50,161)** | **1,056,511** |

The Company recognized the amount of R$ 28,372 related to expenses with grants under the Vasta's Restricted Stock Plan (R$ 5,271 as of March 31, 2021). In addition, the amount of R$ 1,942 was recognized as personnel expenses with charges and the updating of the accumulated balances of charges by the closing price of Vasta's share, with a balancing entry in 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, 2022, are summarized below. For greater understanding, it is necessary to read this note together with the information presented in the Individual and Consolidated Financial Statements of the Company for the year ended December 31, 2021:

Debentures receivable from related parties

| | | Parent company |
|---|---|---|
| | **03/31/2022** | **12/31/2021** |
| Debentures receivable Somos Sistemas (i) | 310,124 | 315,584 |
| Debentures receivable EDE (ii) | 835,544 | 814,128 |
| Debentures receivable Somos Idiomas (iii) | 150,000 | - |
| | **1,295,668** | **1,129,712** |
| | | |
| Current assets | 294,565 | 278,609 |
| Non-current assets | 1,001,103 | 851,103 |
| | **1,295,668** | **1,129,712** |

(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, remuneration, forms of maturity, and other terms and conditions correspond to that described in each deed issued by Saber.

In thousands of reais, unless otherwise indicated

(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.

(iii) On March 25, 2022, Cogna remitted funds to the subsidiary Somos Idiomas through the 1st issue of simple debentures, in the amount of R$ 150,000, considering a CDI rate + 3.57%, and with final maturity on March 25, 2024.

Related parties – other (Assets):

| | Parent company | |
|---|---|---|
| | **03/31/2022** | **12/31/2021** |
| Apportionment of corporate expenses (i) | 5,786 | 8,330 |
| Indemnity Agreement Saber (ii) | 174,766 | 170,842 |
| Amounts assigned to subsidiaries - loan (iii) | 2,141,961 | 2,805,020 |
| Other | 2,737 | 2,737 |
| | **2,325,250** | **2,986,929** |

(i) Refers to balances receivable from the apportionment of corporate expenses, charged via debit note.

(ii) Refers to amounts receivable derived from the indemnity agreements between Cogna and Saber, in the amount of R$ 174,766 (R$ 170,842 as of December 31, 2021), which is linked to indemnity balances payable to the direct subsidiary Vasta.

(iii) 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. For this purpose, loan agreements maturing in July 2022 were entered into considering the remuneration of CDI+3.57% p.a. 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** | **12/31/2021** | **Interest** | **Settlement** | **03/31/2022** |
| Pses | 487,226 | 16,139 | - | 503,365 |
| Unime Salvador | 66,667 | 2,208 | - | 68,875 |
| EDE | 856,672 | 26,635 | (754,228) | 129,079 |
| Aesapar | 1,394,454 | 46,188 | - | 1,440,642 |
| | **2,805,019** | **91,170** | **(754,228)** | **2,141,961** |

Related parties – other (Liabilities):

(i) There were accounts payable resulting from indemnity contracts with Somos Sistemas in the amount of R$ 153,240 (R$ 148,728 as of December 31, 2021).

In thousands of reais, unless otherwise indicated

### 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.

| | 03/31/2022 | 03/31/2021 |
|---|---|---|
| Salaries | 4,340 | 3,894 |
| Benefits | 128 | 108 |
| Charges | 1,612 | 779 |
| Variable remuneration | 3,470 | 1,670 |
| Stock option plan and restricted shares | 3,186 | 3,028 |
| | **12,736** | **9,479** |

## 29. Net revenue from sales and services

| | | | | 03/31/2022 |
|---|---|---|---|---|
| | Kroton | Vasta | Saber | Consolidated |
| Gross revenue | 1,037,490 | 433,821 | 99,759 | 1,571,070 |
| Deductions from gross revenue | | | | |
| Taxes | (23,943) | (2,935) | (1,944) | (28,822) |
| ProUni | (168,639) | - | - | (168,639) |
| Discounts and returns | (143,112) | (50,305) | (3,544) | (196,961) |
| **Net revenue** | **701,796** | **380,581** | **94,271** | **1,176,648** |

| | | | | 03/31/2021 |
|---|---|---|---|---|
| | Kroton | Vasta | Saber | Consolidated |
| Gross revenue | 1,047,486 | 316,213 | 92,110 | 1,455,809 |
| Deductions from gross revenue | | | | |
| Taxes | (25,277) | (1,596) | (1,423) | (28,296) |
| ProUni | (175,564) | - | - | (175,564) |
| Discounts and returns | (108,673) | (33,785) | (4,010) | (146,468) |
| Net revenue | **737,972** | **280,832** | **86,677** | **1,105,481** |

In thousands of reais, unless otherwise indicated

## 30. Costs and expenses by nature

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | **03/31/2022** | **03/31/2021** | **03/31/2022** | **03/31/2021** |
| Salaries and social security charges | - | - | (359,920) | (341,733) |
| Provision for expected loss | - | - | (101,368) | (162,452) |
| Depreciation and amortization | (74) | (109) | (113,245) | (118,651) |
| Advertising and publicity | - | - | (65,259) | (90,363) |
| Cost of products sold | - | - | (77,612) | (49,789) |
| Utilities, cleaning and security | (638) | (351) | (58,862) | (69,961) |
| Amortization of surplus of allocated goodwill | - | - | (68,400) | (66,888) |
| Consulting and advisory | (58) | (445) | (41,776) | (44,608) |
| Depreciation - IFRS 16 | - | - | (53,353) | (49,688) |
| Other revenues (expenses), net | 646 | 822 | (22,142) | (43,636) |
| Editorial costs | - | - | (15,644) | (23,651) |
| Copyright | - | - | (28,163) | (25,063) |
| Rent and condominium | - | - | (16,859) | (37,266) |
| Fees and contributions | - | (5) | (9,796) | (11,286) |
| Traveling | - | - | (7,401) | (3,262) |
| Third party services | (40) | - | (535) | (635) |
| Amortization of inventory surplus | - | - | (1,053) | (448) |
| Contingencies | 103 | 189 | 23,941 | 81,929 |
| | **(62)** | **101** | **(1,017,447)** | **(1,057,451)** |
| | | | | |
| Cost of sales and services | - | - | (431,538) | (401,336) |
| Sales expenses | - | - | (123,488) | (139,076) |
| Administrative and general expenses | (62) | 101 | (362,377) | (327,582) |
| Provision for expected loss | - | - | (101,368) | (162,451) |
| Other operating revenues | - | - | 2,096 | - |
| Other operating expenses | - | - | (772) | (27,006) |
| | **(62)** | **101** | **(1,017,447)** | **(1,057,451)** |

In thousands of reais, unless otherwise indicated

## 31. Financial income (loss)

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | 03/31/2022 | 03/31/2021 | 03/31/2022 | 03/31/2021 |
| **Financial revenues** | | | | |
| Interest on monthly payments | - | - | 33,806 | 38,803 |
| Yield on interest earning bank deposits | 4,683 | 1,543 | 83,006 | 19,323 |
| Interest on sale of subsidiaries | | - | 13,299 | 1,853 |
| Interest assets | - | - | 5,598 | 730 |
| Interest on loan agreement receivable of subsidiaries (i) | 91,169 | 48,842 | - | - |
| Other financial revenues (ii) | 39,112 | 11,608 | 14,856 | 764 |
| | **134,964** | **61,993** | **150,565** | **61,473** |
| **Financial expenses** | | | | |
| Lease interest | - | - | (76,544) | (76,128) |
| Interest and costs of debentures | (153,867) | (57,418) | (192,466) | (59,096) |
| Restatement of contingencies | (3,761) | (742) | (30,990) | (23,192) |
| Other financial expenses | (495) | (887) | (17,169) | (5,042) |
| Updating for acquisition of subsidiaries | - | - | (17,258) | (3,512) |
| Bank and collection fees | (780) | (6) | (5,863) | (5,707) |
| Commercial and tax interest and late-payment interest | (24) | - | (1,396) | 593 |
| | **(158,927)** | **(59,053)** | **(341,686)** | **(172,084)** |
| **Financial income (loss)** | **(23,963)** | **2,940** | **(191,121)** | **(110,611)** |

(i) Related to interest on loan operations carried out by Cogna to its subsidiaries, further described in note 28.

(ii) Substantially composed of interest on internal debentures carried out with the subsidiaries EDE, Somos Sistemas and Red Balloon. More information is included 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 year.

| | Continued operations | | Consolidated | |
|---|---|---|---|---|
| | 03/31/2022 | 03/31/2021 | 03/31/2022 | 03/31/2021 |
| Loss attributable to Company's shareholders | (8,590) | (60,317) | (8,590) | (91,173) |
| Weighted average number of outstanding common shares | 1,870,662 | 1,849,494 | 1,870,662 | 1,849,494 |
| **Basic losses per common share** | **(0.00)** | **(0.03)** | **(0.00)** | **(0.05)** |

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:

| | Continued operations | | Consolidated | |
|---|---|---|---|---|
| | 03/31/2022 | 03/31/2021 | 03/31/2022 | 03/31/2021 |
| Loss attributable to Company's shareholders | (8,590) | (60,317) | (8,590) | (91,173) |
| Weighted average number of outstanding common shares | 1,870,662 | 1,849,494 | 1,870,662 | 1,849,494 |
| Potential increase in common shares | 12,177 | 26,213 | 12,177 | 26,213 |
| **Diluted loss per common share** | **(0.00)** | **(0.03)** | **(0.00)** | **(0.05)** |

## 33. Segment information

As presented in note 2.2, the Company, during the first quarter of 2022, changed the management of its activities (previously indicated in 5 main segments) to 3 (three) main operating business segments aiming at a better presentation and differentiation of its products offered.

As detailed in CPC 22/IFRS 8 – Segment information, which defines in item 30 that the entity must disclose, in the year in which the change occurred, the segment information for the current period both on the old basis and on the new basis segmentation, we present below the results of these segmentations for the period ended March 31, 2022 and 2021, already considering the respective change, and in addition, we present the explanatory table previously disclosed:

New presentation format:

| | | | | | 03/31/2022 |
|---|---|---|---|---|---|
| | Kroton | Vasta | Saber | Elimination | Total |
| Net revenue | 701,796 | 380,581 | 100,616 | (6,345) | 1,176,648 |
| Cost of sales and services rendered | (209,121) | (149,710) | (79,051) | 6,345 | (431,538) |
| | **492,747** | **230,760** | **21,603** | **-** | **745,110** |
| Operating expenses: | | | | | |
| Sales expenses | (62,351) | (47,933) | (13,204) | - | (123,488) |
| Administrative and general expenses | (265,095) | (104,708) | 7,425 | - | (362,378) |
| Provision for expected loss | (91,239) | (9,196) | (933) | - | (101,368) |
| Other expenses, net | - | - | 1,898 | - | 1,898 |
| **Income before financial income (loss)** | **74,086** | **68,923** | **16,765** | **-** | **159,774** |
| Assets | 18,361,684 | 7,408,792 | 2,688,601 | - | 28,459,077 |
| Current and non-current liabilities | 9,865,693 | 2,719,266 | 2,110,487 | - | 14,695,446 |

In thousands of reais, unless otherwise indicated

| | | | | | 03/31/2021 |
|---|---|---|---|---|---|
| | **Kroton** | **Vasta** | **Saber** | **Elimination** | **Total** |
| Net revenue | 737,972 | 280,832 | 102,104 | (15,427) | 1,105,481 |
| Cost of sales and services rendered | (201,283) | (132,456) | (83,024) | 15,427 | (401,336) |
| | **536,689** | **148,376** | **19,080** | **-** | **704,145** |
| Operating expenses: | | | | | |
| Sales expenses | (79,977) | (49,400) | (9,699) | - | (139,076) |
| Administrative and general expenses | (307,413) | (89,044) | 68,875 | - | (327,582) |
| Provision for expected loss | (158,894) | (2,609) | (948) | - | (162,451) |
| Other expenses, net | (23,549) | - | (3,247) | - | (26,796) |
| **Operating income (loss) and before financial income (loss)** | **(33,144)** | **7,323** | **74,061** | **-** | **48,240** |
| Assets | 17,878,174 | 6,955,494 | 2,585,198 | - | 27,418,866 |
| Current and non-current liabilities | 10,266,053 | 2,159,529 | 1,702,016 | - | 14,127,598 |

## Previous disclosure (comparative balances):

| | | | | | | | 03/31/2021 |
|---|---|---|---|---|---|---|---|
| | **New Kroton segment** | | **New Saber segment** | | | | |
| | **Kroton** | **Platos** | **Saber** | **Other** | **Vasta** | **Elimination** | **Total** |
| Net revenue | 713,300 | 24,672 | 21,472 | 80,632 | 280,832 | (15,427) | 1,105,481 |
| Cost of sales and services rendered | (199,297) | (1,986) | (8,072) | (74,952) | (132,456) | 15,427 | (401,336) |
| | **514,003** | **22,686** | **13,400** | **5,680** | **148,376** | **-** | **704,145** |
| **Operating expenses:** | | | | | | | |
| Sales expenses | (75,549) | (4,428) | (21) | (9,678) | (49,400) | - | (139,076) |
| Administrative and general expenses | (301,053) | (6,360) | (12,996) | 81,871 | (89,044) | - | (327,582) |
| Provision for expected loss | (154,120) | (4,774) | (150) | (798) | (2,609) | - | (162,451) |
| Other expenses, net | (23,549) | - | (3,457) | 210 | - | - | (26,796) |
| **Operating income (loss) and before financial income (loss)** | **(40,268)** | **7,124** | **(3,224)** | **77,285** | **7,323** | **-** | **48,240** |
| Assets | 17,721,532 | 156,642 | 618,811 | 1,966,387 | 6,955,494 | - | 27,418,866 |
| Current and non-current liabilities | 10,257,981 | 8,072 | 1,123,352 | 578,664 | 2,159,529 | - | 14,127,598 |

In thousands of reais, unless otherwise indicated

## 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 are as follows:

| | | **Consolidated** |
|---|---|---|
| **Adjustments for:** | **03/31/2022** | **03/31/2021** |
| Property, plant and equipment | | |
| Addition of financial leases (IFRS 16/CPC 06) | 190,057 | 115,064 |
| Write-off of financial leases (IFRS 16/CPC 06) | (47,992) | (32,609) |
| | **142,065** | **82,455** |
| Accounts payable for acquisitions | | |
| Former sponsor guarantees | 4,216 | 4,357 |
| | **4,216** | **4,357** |
| | **146,281** | **86,812** |

* * * * *

Belo Horizonte, May 12, 2022, Cogna Educação S.A. (B3: COGN3) – "Cogna" or "Company" today announces the results for the first quarter of 2022 (1T22). The Company's financial information is presented based on the consolidated figures, in reais, according to Brazilian Corporate Law and accounting practices adopted in Brazil (BRGAAP), already in accordance with international accounting standards (IFRS), except when otherwise indicated.

# *CONFERENCE CALL*

Date: May 13th| 11 a.m. Brasília, 10 a.m. New York | Dial-in: 55 11 3181-8565, 55 11 4210-1803 | code: Cogna

# *MESSAGE FROM MANAGEMENT*

THE TRAJECTORY OF VALUE CREATION: GROWTH OF REVENUE

A year ago, in the release of the 1Q21 we introduced the beginning of a new path to foster value to Cogna. Back then we stated to the Market that at each quarter our results would show that the Company would recover its profitability and its path to foster value. After Kroton's restructuring process in 2020 and despite the challenges faced in the basic education operation (Vasta), which was impacted by the Coronavirus second wave, we delivered strong results in 2021, showing a growth of approximately 100% of Recurring EBITDA and more than double operating cash flow generation.

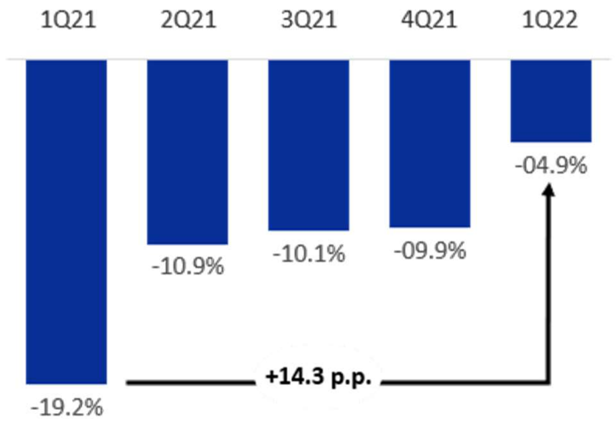
The good results presented in the course of 2021 proved that the Company has been successful in the *turnaround* and has adjusted to the challenges of the world after COVID-19, focusing on blended learning, with a lighter and more agile structure. We had found our way back to profitability. We were missing only the second stage of the process to foster value, the way back to increase revenue. 1Q22 marks the beginning of that second stage, where we will search for profitability alongside growth, even if we are faced with a series of challenges in the Brazilian economic scenario.

We are confident that we have made the right choices in the past, with long-term vision. In the first quarter of 2022 we released a result showing that the actions we took led to recurring efficiencies in the operation, increasing the profitability of our main operations (Kroton and Vasta) and starting to increase Cogna's revenue.

## KROTON

### GETTING CLOSER TO THE TURNING POINT OF REVENUE

Kroton's 1Q22 results show that despite decreased revenue, which was expected, the pressing increase in costs derived from growing inflation, and the return to on-campus in the own business units, the higher education operation continues to improve its operating margins and to deliver a strong cash flow generation.




Revenue decrease continues to dwindle at each quarter: in 1Q21 it was -19.2%, in 4Q21 it was -9.9%, at the end of the year it was -12.2% and it reached -4.9% in Q1 2022. These data show that Kroton's revenue is moving forward towards a turning point anticipated for 2023. The following is what makes us more confident that this turning point is coming: i) 22.1 students' intake period with growth of +21.9% in the number of students and +6.3% in revenue and ii) decreased senior students dropout rates. These results reinforce that we are doing a consistent job which will lead us to growth.

The Enrollment cycle confirms the demand for hybrid courses and the consistency in the its operation cycle after cycle:
Over the course of the last two years, we noticed that Kroton's revenue decreased, mostly as a result of a change in our student base, which shifted from on-campus to hybrid – a more flexible style, aligned with the demands of our current students, with lower average ticket, but better profitability and operating leverage.

Kroton was a pioneer company in distance learning education. Strengthening the strategy to take distance learning on a national basis through partner hubs has proved fruitful over the course of the past years. Proof of that is that we have observed that the enrollment in blended learning and fully digital learning has grown for the past four consecutive enrollment cycles. Therefore, just as in the previous cycles, we try to have consistent growth in revenues in the enrollment cycle, that is, to increase the number of students enrolled while not reducing average tickets.

Successful Enrollment and Renewal cycles take Kroton back to the level of 1 million students:
The achievement of continual evolution in enrollment as well as the good results in renewal of enrollments in the cycle, driven by the improvement in the pandemic context, investments in the student's journey and the largest expansion of DL centers in Brazil, led Kroton to once again hit the milestone of one million students enrolled in the first quarter of 2022. The company takes great pride in this achievement, which strengthens the commitment to provide the best educational experience to students, transforming knowledge and opportunities into success to all stakeholders.

Increase in profitability despite revenue and cost pressure:
Kroton's aforementioned change of footprint, the reduction in the number of owned units from 176 to 124, and the increase in partner schools from 1,544 to 2,517 in the past 12 months, have led the brand to expand in areas never explored before and have brought a perennial efficiency in costs and expenses. Despite IPCA of 11.3% in the last 12-month, we observed a new level for personnel cost account, with the maturation of 40% of distance learning in on-campus courses, in addition to a more efficient investment in digital marketing, consolidating Kroton as one of the lowest

CACs in the sector. We continue to persevere in the search for operational improvements, among them, our accounts receivable management, despite the deterioration in the macroeconomic scenario, continued showing improvements due to the constant reduction in bad debts, which positively impacts Kroton's timely payments and PDA, which reached the lowest percentage of PDA/revenue (13%).

Last year we released the information that Kroton`s operating results would lead the company's operation to be profitable again. Today we come to the 5th quarter in a row with recurring EBITDA margin growth. The result of change in the sales mix previously mentioned and the actions which led to operating improvements have impacted the margin of the quarter in a positive way, expanding by 420bps, coming to 33.9%, And a recurring EBITDA of R$ 238 million in the quarter.

### Kroton Med matches expectations for the quarter and reinforces the business unit's thesis:

Finally, regarding our commitment made on Cogna Day 2021, we would like to bring more openness about one of our main growth drivers: medical education. During our Investor Day, we presented guidance information for 2022 net sales in the amount of R$482 million and a recurring EBITDA of R$224 million (~75% of EBITDA related to medicine undergraduate courses), with 636 vacancies for the course in medicine at the end of 2022.

In the last months, the perspectives for KrotonMed have been positive, as in December 2021 it approved the course in medicine to become operational at the Faculdade de Ciências da Saúde Pitágoras de Codó (MA) and in February 2022, it approved the course to start at Faculdade Pitágoras de Bacabal (MA). Consequently, we reach a total amount of 556 vacancies (87.4% of what had been estimated for the year), distributed in 6 units throughout Brazil. We expect to meet the goal set on Cogna Day of 636 vacancies by December.


## VASTA

### Company meets it´s R$ 370 million *Guidance* of Revenues for the quarter

During the disclosure of the earnings for Q4 2021 the company provided *guidance* information on the net operating revenue for the first quarter of 2022, an estimate of R$370 million. At the end of 1Q22 our earnings amounted to R$381 million, consequently the company *guidance* information had been met, mainly due to the performance of subscription revenue which amounted R$14 million higher than planned. Higher than expected underwriting revenue performance reinforces confidence in the conversion of the 2022 Annual Contract Value (ACV) into revenue and highlights the return of students to schools.

### Total of 68% of the 2022 ACV recognized in the first half of the 2022 cycle

Net revenue from subscription products amounted to R$334 million in 1Q22, 36.9% higher than in 1Q21, in line with the Company's strategy to prioritize the subscription model, which proves to be more resilient when compared to non-subscription. In the first semester of the 2022 cycle (4Q21 – Q32022), subscription revenue amounted to R$681 million, which represents an increase of 29.1% as compared to the previous cycle, totaling a recognition of 68.1% of the 2022 ACV (of R$ 1 billion). For 2Q22, we expect ACV recognition to range between 16% and 18%, reiterating our belief that in 2022 we will be able to collect 100% of the ACV.

### 2022 is also the year for VASTA to recover its profitability

Despite the adverse effects of Covid-19, which severely affected the 2021 cycle leading to results below the estimate, Vasta showed initiative dealing with that situation then, to write a different story in 2022. Combined with the efforts to build a robust commercial cycle in 2022, which resulted in a significant growth of 35% of ACV compared to subscription revenue recorded in 2021, Vasta readjusted the structure of costs and expenses, mostly relating to personnel, in order to leverage the efficiency gains already expected with the projected revenue growth. These combined effects doubled the Recurring EBITDA, with gains of 12.4 p.p. in margin in the quarter.

### Vasta maintains leadership in approvals at the best Brazilian Universities

According to the results released at the beginning of 2022, the Vasta brands maintain the number of approvals in the exams of the best universities in Brazil (according to the Higher Education ranking). Highlight for the performance of our premium brands in Medicine courses, the most competitive career in the country. The flagship brand (Anglo) has expanded its lead in medical admissions at the University of São Paulo (USP), with a 64% increase compared to 2021. Performance at the best universities in Brazil is among the top attributes considered by schools while choosing their partners.

### Vasta issues its first sustainability report:

Reinforcing its commitment to the highest ESG standards, Vasta published on April 28 its first sustainability report. The report follows the guidelines of the Global Reporting Initiative (GRI),and incorporates indicators of the Sustainability Accounting Standards Board (SASB) and recommendations set on the Stakeholder Capitalism Metrics of the World Economic Forum (WEF).

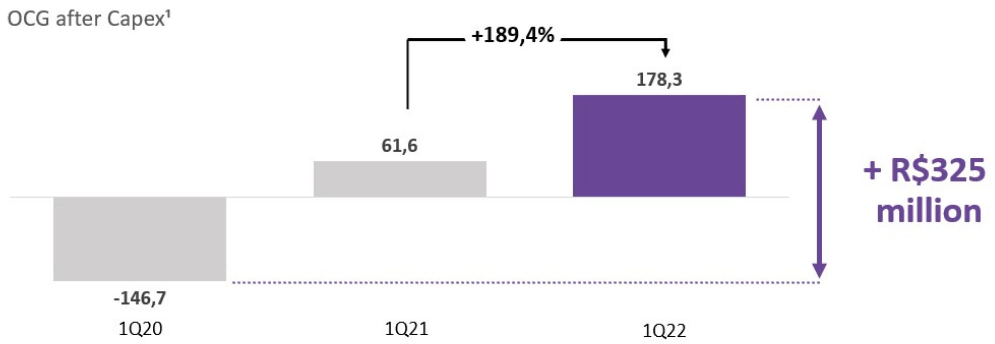
## COGNA

### Cogna reaffirms profitability and bounces back to revenue growth:

After experiencing two long years of turnaround in its main operations: Kroton in 2020 and Vasta in 2021, the first quarter of 2022 sets the beginning of a new path for Cogna, which recovers profitability to pre pandemic levels and recovers income growth in 2022. Efforts are focused on optimizing operations, having a clear sense of enhancing revenue growth. We started 2022 reaching margins 30% higher, both at Vasta (35%) as well as at Kroton (34%). In addition to increased profitability in the main Cogna operations, we present optimistic results relating to two of the main growth drivers for the future, aligned with Vasta guidances for revenue and with KrotonMed guidances for revenue and recurring EBITDA.

### Solid operating cash flow confirms the quality of execution:

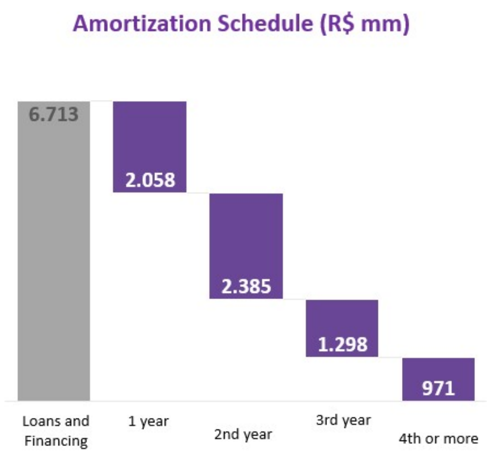
The company focus on improving profitability becomes evident by looking at soaring margins and growing recurring EBITDA for the period. We repeat that growing recurring EBITDA is important, but it must be followed by strong cash-flow generation. Therefore, one of the most important statements in this release is that cash-flow generation increased more than R$116,7 million as compared to the same period in 2021, which in turn had already grown by R$208 million as compared to 2020.



[1] GCO after CAPEX excluding credit card prepayments that occured in 1Q21

Beyond expressive, OGC grows consistently, being 1Q22 the ninth consecutive quarter with positive results
This is the ninth consecutive quarter of positive OGC, the accumulated result of this growth trajectory exceeds the mark of R$ 1.0 billion and supports important initiatives of profiteering and reduction of financial expenses.

Repurchase of Shares is feasible due to consistent OCG and justified by the trust that the price is less than the fair value
Due to the increased cash flow generation and belief that the value of Cogna's shares are below fair value, we have launched a plan to repurchase shares in the total amount of R$250 milion, during the first quarter, complying with the internal policy determining that repurchase can take place on Tuesdays and Thursdays.
Efficient cash management uses part of the sources to reduce gross debt, repurchasing 347 million bellow face value
Concerning cash management, we stress that Cogna keeps a solid liquidity position, with R$ 3,8 billion cash at the end of 1Q22. However, due to increasing interest rates in the last months, it is Company policy to decrease gross debt during the year 2022, which the Company plans to do by: (i) repurchasing debts which are trading below par value and (ii) using cash to redeem short-term debts. Cogna has been successful doing the first part of the plan, buying back R$100 million in the quarter and more R$ 247 million between the end of march and may 12th, reducing gross debt and generating a gain of approximately R$13,0 million in financial expenses.




Leverage follows a healthy level, despite repurchase of shares and debts.
The results presented in the last quarters, combined with the aforementioned evolution of OCG have been essential to keep our leverage rate at 2.15x, which does not pose risks to the financial *covenants*. We stress that the Company expects to keep that rate below 2.5x throughout 2022, despite fully executing the stock buyback.

In addition to the resumption of the core business, we continue to create optionality for the long term
When we glance at the long-term, we understand that the educational services sector continues to evolve towards a more digital learning environment and in order to benefit from the trend, embracing the digital transformation movement, and following the strategy to invest in "*asset light*" businesses, Cogna took an important step regarding its

B2C Platform and launched Voomp, a brand which will consolidate the five *businesses* in the platform: an educational *marketplace* (1), an info product creators (2) and affiliated (3) platform, a *fintech* (4) vertical of employability and income (5). As mentioned on Cogna Day, the Voomp *marketplace* is a portal to sell learning content and it has been placed in MVP at the end of the 1Q22, providing clients with an assortment 1P and 3P of the best deals and convenience in a sole place. Furthermore, we will launch the MVP of Voomp Bank, our fintech, that will bring digital account and financial solutions to those participating in the Voomp & Cogna ecosystem.

# *OPERATING PERFORMANCE*

## KROTON

### Student's base

The base of undergraduate and graduate students grew 11.9% in the 1Q22 cycle (11.4% and 20.3%, respectively) and makes Kroton surpass the milestone of 1,000,000 active undergraduate students. Growth is the result of improved capture and evasion.

### Intake

The number of students in 1S22 was 21.9% higher than the 1S21 funding volume, even with a 22% reduction in marketing and sales expenses, achieving a 34.2% CAC reduction that attestt Kroton's ability to deliver consistent efficiency gains. The two segments, HOA (High On-Campus Attendance) and LOA (Low On-Campus Attendance) had an increase in uptake; HOA with +13.5% and LOA +26.0%. In addition to the sales and marketing effectiveness, the positive result was also motivated by the realization of the largest expansion of DL Hubs in Brazil, with a 67% increase in the number of partner Hubs throughout 2021 (+1,000). We expect that there will be continuity in the growth of funding to the extent that: (i) the newly opened Hubs mature their operations, vacancies and regional influence and; (ii) new poles are opened throughout 2022. The volume of revenue increased 6.3%, supported by growth of 22.1% in LOA and 0.1% in HOA. The maturation of the DL Hubs also supports greater growth in revenue volume in LOA since there is a progressive reduction of the reducing line of transfers.

### Retention

The 1S22 showed a reduction of 0.9 p.p. in the percentage of evasion. Favorable variation was motivated by a significant improvement of 3.3 p.p. in the high on-campus attendance (HOA) segments. The reduction of the dropout of the HOA segment is justified by: (i) investments that seek to improve the academic and administrative journey of students; (ii) reduction of delinquency and; (iii) reduction of movement restrictions imposed by Covid-19. Dropout rates should benefit from the maintenance of this normality of circulation scenario and should contribute to the continuous resumption of the number of students.

# SABER

*After the sale of the operations of the Saber schools to the Eleva group, a transaction aligned with the company's strategy of prioritizing asset light assets in 1Q22, the PNLD & B2G, Sets and Voomp solutions ("other businesses" as categorized above) become the result of Saber.*

<u>Student's base</u>

The Red Balloon  student base grew 18% year-on-year, mainly due to increased funding, reduced social isolation restrictions and reopening of the economy.

# 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, Vasta's performance analyses, whenever possible, will be carried out considering the accumulated Business Cycle, in this case comprised of 4Q21, 1Q22, 2Q22 and 3Q22 (Cycle 2022), compared with the accumulated of 4Q20, 1Q21, 2Q21 and 3Q21 (Cycle 2022)*

<u>Student Base - Subscription Models</u>

The 2022 cycle, compared to previous cycles, grew in both main and complementary solutions. In core content, Vasta added 843 new schools to its platform compared to the 2021 cycle, surpassing the mark of 1.5 million students using the education system. Complementary solutions added 187 new schools, an increase of 30.0% of students compared to the cycle of the immediately preceding year.

# *FINANCIAL PERFORMANCE*

## Net Revenue

In 1Q22, consolidated net revenue reached R$ 1,176.7 million, a  6.4% decrease compared to the same quarter of 2021, reflecting Vasta's positive result, which exceeds 1Q21 net revenue by R$ 99.6 million due to the company's excellent business cycle in 2021 and the financial resumption of K-12 private schools.

## Costs

The costs of products and services reached R$ 431.5 million in 1Q22, which is equivalent to 36.7% of net revenue for the period, with a growth of 7.5% compared to 1Q22 due to the 27.6% increase in Costs of Products Sold.

## Gross Profit

Gross profit in 1Q22 reached R$ 745.1 million, with a gross margin of 63.3%, and a 5.8% increase compared to 1Q21, due to the impacts described above.

## Operating Expenses

### Sales Expenses

Sales expenses includes expenses related to the sales, advertising and marketing team, copyright, and Provision for Doubtful Settlement Credit (PDA). In 1Q22, these expenses reached 10.5% of net revenue, a reduction of 2.1 p.p. compared to 1Q22.

### General and Administrative Expenses

General and administrative expenses include expenses with administrative personnel, consultancies, travel and third-party services, among others. In 1Q22, these expenses totaled 30.8% of net revenue, an increase of 1.2 p.p.

### Other Operating Income (Expenses)

Other operating revenues totaled Negative R$ 0.2 million in 1Q22, compared to Negative R$ 26.8 million in 1Q21.

## Financial Results

In 1Q22, the financial result was negative at R$ 191 million, a 72.8% increase over 1Q21, with financial expenses growing 98.6%, reaching R$ 342 million and financial revenues growing 114.9% in the year-to-year, reaching R$ 151 million.

## Net Income (Loss)

In 1Q22, the loss totaled R$ 31 million, as a result of the effects already mentioned above.

## Capex and Expanding Investments

Cogna invested R$ 105.2 million in 1T22, distributed as follows:

- Computer equipment and library: R$ 1.7 million (-76.1%)
- Content Development, softwares system and licences: R$ 42.7 million (20.1%);L
- Laboratory and similar equipments: R$ 2.0 million (-3.2%);
- Expansion: R$ 5.2 million (-25.4%);
- Expanding investments: R$ 53.6 million (16.5%).

Growth of 7.8% in CAPEX mainly due to the increase in investment in expansion, in line with the company's strategy, by the purchase of Chromebook for the Learning Book, Vasta's innovative solution for the evolution of the learning and teaching process. The Learning Book aims to connect, through the Plurall Platform (the most used tool by schools in Brazil) and a Chromebook to serve them, students and teachers in an appropriate and safe way. Despite the increase observed in the quarter, when compared to the percentage on net revenue, it remains stable compared to the same period of the previous year.

## Net Indebtedness

At the end of the quarter, the total between cash and financial investments totaled R$ 3.8 billion, a level 4.8% lower than the end of 2021. We present a slight reduction in cash compared to 4Q21, mainly reflecting the payment of interest on debentures in the amount of R$245 million, and the repurchase of debentures in the secondary market mentioned above, reducing the Company's gross debt.

As a result of the payment of interest and repurchase of debentures, the Company ended 1Q22 with a gross debt of R$ 7.0 billion, with an average term of 25 months and 71.9% of the total in maturities exceeding 1 year, in addition to an average cost of CDI + 1.78% in line with that of the end of 1Q21.

### Cash Generation

Operating cash generation before capex was positive at R$ 283 million, again favored by the higher revenue in Kroton (despite the reduction of revenues), to a better delinquency behavior. This result, added to the reduction in CAPEX, led to an operating cash generation after CAPEX (GCO) of R$178.3 million in the first quarter of the year. Excluding the anticipation of credit card receivables made in the first quarter of 2021, the GCO of 1Q22 had growth of R$116.7 million when compared to the same period in 2021, which in turn had already increased by R$208 million.

# *CAPITAL MARKET AND SUBSEQUENT EVENTS*

## PERFORMANCE OF THE SHARES

Cogna's shares (COGN3) are part of several indexes, including the Ibovespa, the Special Corporate Governance Index (IGC), the Special Tag Along Stock Index (ITAG), the Consumption Index (ICON) and MSCI Brazil.

In Q1 2022, the Company's shares were traded in 100% of the trading sessions, totaling a trading volume of [R$5.04 billion], resulting in an average daily traded volume of R$81.3 million. Currently, Cogna's shares are tracked by 16 different local and international brokerage (research) firms. On March 31, 2022, Cogna's market value was R$5.3 billion.

In the first quarter of 2022, Cogna's shares had an increase of 15.0%, while Ibovespa had a rise of 14.5%. In the same period, the ITAG showed an increase of 15.8%, whereas the IGC fell 8.65% and the ICON rose 8.66%.

## RATINGS

Cogna is currently rated brAA+ 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 loss 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 Education is one of the largest private educational organizations in the world. Operating for over 55 years, the Company has a nationwide presence in all Brazilian states in a wide array of educational segments and a complete platform of services and content delivered under different business models. At the end of the Q1 2022, Cogna had [1,028 thousand] on-campus and digital undergraduate students enrolled at Kroton business unit and [60.1 thousand] graduate students enrolled at the Platos business unit, served through [124] its own Higher Education institutions and [2,517] accredited hubs of Digital Education. Concerning K-12 education, at the end of the quarter Vasta had [1.5 million] students served by approximately [5.4] thousand associated schools using the core and supplementary 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 period ended March 31, 2022 and 2021.

EBITDA represents the Company's operating cash generation, corresponding to the fact that the Company generates resources only in its operating activities, without considering 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.

| | 03/31/2022 | 03/31/2021 |
|---|---|---|
| **Net income** | **(8,589)** | **(91,173)** |
| Income and social contribution tax – note 25.1 | 22,757 | 2,054 |
| Financial result – note 31 | (191,119) | (110,611) |
| Depreciation – note 30 | (234,997) | (235,675) |
| | | |
| **(-) Discontinued operations** | **-** | **(60,135)** |
| Income and social contribution tax – note 3 | - | (6,539) |
| Financial result – note 3 | - | (25,926) |
| Depreciation – note 3 | - | (27,671) |
| **Accounting EBITDA** | **394,770** | **313,194** |
| | | |
| (+) Interest and penalties on tuition – note 31 | 33,806 | 38,803 |
| | | |
| **(+) Discontinued operations** | **-** | **(124)** |
| (+) Interest and penalties on tuition – note 3 | - | (124) |
| **Management EBITDA** | **428,576** | **351,874** |
| | | |
| (-) Nonrecurring items (i) | (20,364) | (130,037) |
| Contingencies Reversals – note 30 | 47,312 | 116,097 |
| **Adjusted EBITDA** | **401,628** | **365,814** |

(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:

| | 03/31/2022 | 03/31/2021 |
|---|---|---|
| Impairment (i) | - | 24,839 |
| Turnaround Kroton (ii) | 5,955 | 82,427 |
| Termination | 7,035 | 13,144 |
| M&A and Expansion | 7,373 | 11,386 |
| Assets write-off | - | (1,759) |
| **Total Nonrecurring items** | **20,364** | **130,037** |

(i) Refers to the recognition of impairment of assets linked to the operation of the Group's schools involved in transactions with Eleva. Based on the results of SOE, the Company understood the need to recognize an additional loss to the fair value of the transaction.

(ii) Kroton completed the feasibility study of its units and initiated the calculation project ("Turnaround Kroton"), which resulted in the recognition of expenses 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.

## 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, 2022.

**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 12, 2022.