

Belo Horizonte, March 31, 2021, Cognia Educação S.A. (B3: COGN3; OTCQX: COGNY) – “Cogna” or “Company” announces today the results for the fourth quarter of 2020 (4Q20). The Company’s financial information is presented on a consolidated basis and in Brazilian real, in accordance with Brazilian Corporate Law and Generally Accepted Accounting Principles in Brazil (BRGAAP), and already conforms to International Financial Reporting Standards (IFRS), except where stated otherwise.

FINANCIAL HIGHLIGHTS

Values in R\$ ('000)	4Q20	4Q19	Chg.%	3Q20	Chg.%	2020	2019	Chg.%
Net Revenue	1,643,048	1,929,710	-14.9%	1,256,140	30.8%	5,899,176	7,027,194	-16.1%
Recurring EBITDA	(100,493)	504,052	-119.9%	229,268	-143.8%	689,652	2,355,487	-70.7%
Recurring EBITDA Margin	-6.1%	26.1%	-32.2 p.p.	18.3%	-24.4 p.p.	11.7%	33.5%	-21.8 p.p.
Adjusted Net Income ²	(589,232)	51,620	-1241.5%	(162,884)	261.7%	(907,464)	771,966	-217.6%
Adjusted Net Margin	-35.9%	2.7%	-38.5 p.p.	-13.0%	-22.9 p.p.	-15.4%	11.0%	-26.4 p.p.
Operating Cash Generation (OCG) after Capex ³	58,377	307,216	-81.0%	183,407	-68.2%	240,271	206,039	16.6%
OCG after Capex ¹ / Recurring EBITDA	-58.1%	60.9%	-119.0 p.p.	80.0%	-138.1 p.p.	34.8%	8.7%	26.1 p.p.

¹ EBITDA considers interest and late-payment fees and excludes impacts from inventory surplus value; ² Net income adjusted by amortization of intangible assets, inventory surplus value, recognition of asset impairment losses and write-off of deferred assets; ³ Includes organic capex and investments with M&A and Expansion.

- Net revenue** in the quarter fell 15% on 4Q19, reflecting the pressures on postsecondary education revenue and lower sales volume to the National Textbook Program (PNLD), partially offset by continued growth at Vasta (+14%) and Platos (+10%).
- Recurring EBITDA** was negative in R\$ 100 million, owing to the incremental provisioning for doubtful accounts (PDA) in the amount of R\$ 415 million recognized in the 4Q20. Excluding this complement, the 4Q20 recurring EBITDA was R\$ 315 million, margin of 19.1% and R\$ 1.1 billion in 2020.
- Adjusted net loss** of R\$ 589 million, reflecting the lower operating result, the PDA complement, and the increase in non-recurring items, which suffered one-off pressures from the restructuring of Kroton. Excluding these two last items, the net result would have been positive in R\$ 144 million (and positive in R\$ 55 million in 2020).
- Positive operating cash generation (OCG) after capex** of R\$ 240 million in 2020, 17% higher than in 2019, slightly above the R\$ 230 million guidance, and representing 35% of recurring EBITDA.
- Net debt/Adjusted EBITDA in the last 12 months reached 3.23x**, for the second alternate time above the 3x limit established by the debentures rules, due to the (non-cash) incremental PDA recognized in the quarter. Although it does not configure a breach in the debentures’ covenants, we will begin negotiations with debtholders to renegotiate certain criteria related to the covenants. Excluding the extraordinary PDA adjustments of 2020, this indicator was 1.89x.

OPERATING HIGHLIGHTS

- Kroton.** Restructuring of the Campus operation concluded and capture of efficiencies already taking place in 1Q21, as announced in Cognia Day (see impacts on the message from management). Investments of R\$ 268 million bring an annual benefit of R\$ 155 million (base 2021), justifying the project with a 16-month payback, NPV of R\$ 507 million and IRR of 86%. In-depth restructuring of accounts receivable causes the rate of coverage for accounts receivable for the paying students to rise to 57% and the average payment term for the paying students to fall to 74 days, among the best figures in the industry.
- Vasta.** The annual contract value (ACV) for commercial year 2021 was R\$853 million, 23% higher than the subscription revenue recognized in 2020 (4Q19 to 3Q20) and was obtained exclusively organically. Traditional learning systems (+26%) and complementary solutions (+69%) were the highlights.

EARNINGS CONFERENCE CALL

Date: March 31 – 11 a.m. (Brasília) | 10 a.m. (New York) | Dial-in: +1 412 717-9627, +1 844 204-8942 | Code: Cognia

The Company's operating and financial information for 2020, except when otherwise indicated, are presented based on consolidated figures, including continued and discontinued operations, in reais, in accordance with Brazilian corporate law and practices adopted in Brazil, already in compliance with international accounting standards (IFRS), whose comparisons are based on the same period in 2019.

It is worth noting that the Standardized Financial Statements (DFP) comply with the CPC 31 / IFRS 5 standards, thus the continued and discontinued operations were presented separately, with more details of the financial information of the discontinued operations in note 4.

The Company's assets and liabilities related to our subsidiary "SOE", related to the Saber Schools business are presented in the annual financial statements of December 31, 2020 as assets and liabilities held for sale, and their respective results as discontinued operations as of the date the signing of the contract with Eleva, as described in Note 37, when the transaction reached the highly probable criterion that requires the presentation of discontinued operations in accordance with CPC 31 / IFRS 5.

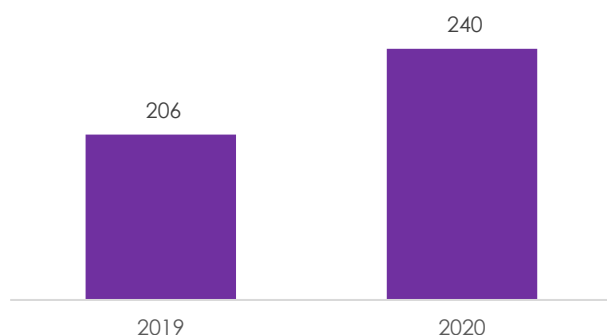
The Company continues to present its financial results with 100% of the assets, liabilities, and financial results of the Saber segment.

MESSAGE FROM MANAGEMENT

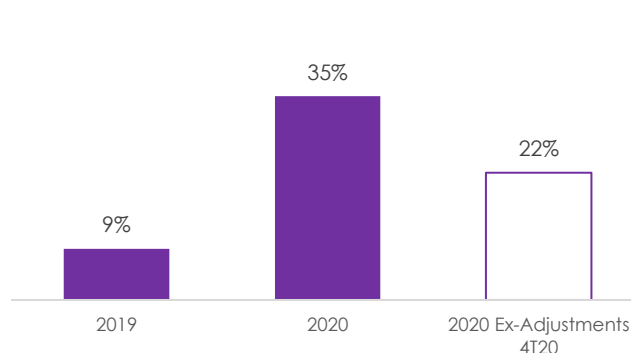
2020: A DIFFICULT YEAR, BUT WE PREPARED THE COMPANY FOR ITS NEXT VALUE CREATION CYCLE

The year 2020 was one of the most difficult in the recent history of Cognia, with declines in revenue and, especially, in EBITDA, due to both operational factors and adjustments to accounts receivable in postsecondary education. The combination of the sharp drop in FIES revenue, the economic slowdown and the Covid-19 pandemic significantly affected the Company's results. We had the option to try and mitigate this impact in 2020 or to be aggressive and make the changes needed to put the Company on a new path of value creation in 2021. We opted for the latter. We completely redesigned our undergraduate operations, adjusting the physical and administrative infrastructure to the new context and making all necessary adjustments to accounts receivable that, as we will detail further, required a new complement in the provision for doubtful accounts (PDA) in the 4Q20. Still, we delivered operating cash flow after capex (GCO) of R\$ 240 million in 2020, 17% above the previous year, even with the EBITDA drop. The cash conversion increased to 35%, or 22%, excluding the PDA adjustments of the 4Q20.

OCG post Capex (R\$ million)⁽¹⁾



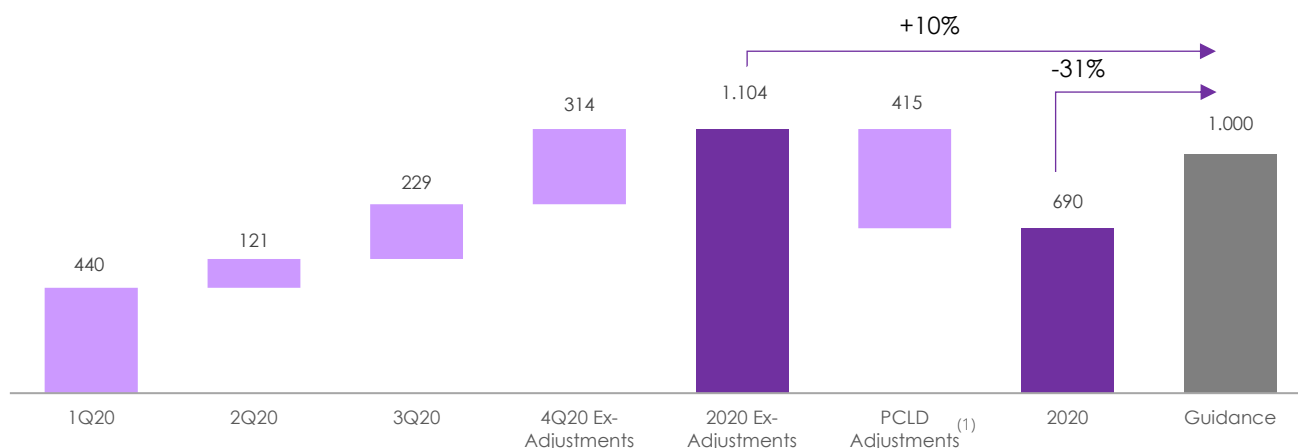
OCG Conversion⁽²⁾



(1) Operating Cash Flow Generation after Capex and Investments in Expansion. (2) Operating Cash Flow Generation after Capex and Investments in Expansion divided by the Recurring EBITDA.

The adjustment in the accounts receivable, as will be detailed below, generated the need to supplement the PDA by R\$ 415 million in 4Q20, bringing the recurring EBITDA to R\$ 690 million. Excluding this PDA adjustment, which has a non-cash effect, the guidance would have been exceeded by 10%.

Cogna – Recurring EBITDA 2020 (R\$ million)



(1) 4Q20 PDA complement (R\$ 415 million). 2Q20 EBITDA (R\$ 121 million) already included the R\$ 229 million of PDA extraordinary adjustment and is unchanged in this figure to make the 2020 EBITDA comparable with the guidance. In 2020, the extraordinary adjustments associated with PDA complement totaled R\$ 644 million (R\$ 229 million + R\$ 415 million)

Also due to this complement to the PDA, the net debt/adjusted EBITDA ratio in the last 12 months reached 3.23x. The deed of our debentures foresees a breach of covenants when this indicator exceeds the limit of 3.0x for 3 alternating quarters or 2 consecutive quarters. Although the 4Q20 figures do not represent a break in the covenants, we will start negotiations with the debenture holders to renegotiate certain criteria related to the covenants. It is important to highlight that the exceeding of the 3.0x limit did not occur due to a drop in the Company's operating cash generation, but exclusively due to PDA increments with no cash effect that were carried out during the year 2020. Excluding these effects, the Company would not have exceeded and does not expect to exceed the limit established with the debenture holders. Finally, we highlight that Cognia maintains a solid liquidity position, with a cash position of R\$ 4.6 billion at the end of December 2020.

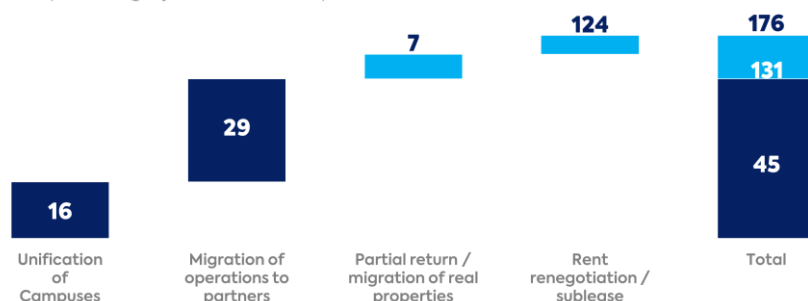
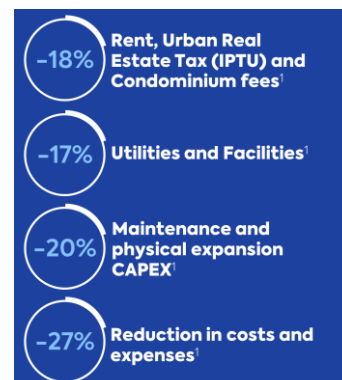
To conclude, we ended 2020 with a lighter operation and balance sheet, and **we reaffirm that in 2021, despite the drop in revenue, both Kroton and Cognia will show EBITDA growth, resuming, already this year, their trajectory of generating value.**

LARGEST RESTRUCTURING IN KROTON'S HISTORY

As announced on Cognia Day, we ended 4Q20 with the largest restructuring in Kroton's history, which enabled us to enter 2021 with our physical structure optimized to the new reality of growing digitalization in postsecondary education. By unifying units and transferring units to partners, we reduced our footprint to 45 units. We also carried out 81 property optimizations to reduce our physical space. **As a result, we reduced significantly our occupancy cost (rent, utilities, facilities) as well as the administrative expenses of units, which captured total recurring annual savings of R\$155 million** without reducing the offering of postsecondary education programs in any of our markets. In addition to reducing our occupancy cost, we implemented other actions that makes us comfortable that Kroton will deliver EBITDA growth in 2021 even with a fall in revenue.

Kroton – Portfolio Reshuffling and Expected Savings
45 Units handled

Units per category of real estate optimization initiative


Service maintenance at 100% of the municipalities


¹ Percentage calculated based on the costs of 2020, adjusted in accordance with the adjustments set forth in agreements for 2021, less the temporary reductions due to the COVID-19 pandemic

As with any project of this kind, we incurred non-recurring expenses, such as financial penalties with terminations, labor claims and accounting write-offs. Of the total R\$ 512 million related to the project, R\$ 268 million, or 52% of the total, has cash effects, divided into operating results and capex, while R\$245 million (48%) refers to accounting write-offs and are non-cash. Furthermore, under the competence regime, R\$ 340 million (66% of the total) was recognized in 4Q20, between income and cash flow (capex), and R\$173 million (34%) will be recognized in 1Q21. In cash terms, the distribution of expenses will be more concentrated in 2021: R\$62 million was disbursed in 4Q20 and R\$201 million will be disbursed in 2021. Given the scale of the restructuring, the amount of expenses was significant, but as the following analysis shows, we project a high potential return.

Kroton – Restructuring Expenses (R\$ million)

Restructuring Expenses (R\$ million)	Impacts in Results			Impacts in Cash		
	4T20	2021E	Total	4T20	2021E	Total
Fees			100			100
Termination Fees			39			39
Investment Recomposition			61			61
Others			15			15
Cash Opex	131	85	217	62	155	217
Write-offs (Non-cash Opex)	187	58	245	-	-	-
Total Opex	319	143	461	62	155	217
Capex	21	30	51	-	51	51
Total	340	173	512	62	206	268
%	66,3%	33,7%	100,0%	23,2%	76,8%	100,0%

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

Finally, due to Kroton's restructuring project and the transaction with Eleva, we recognized in 4Q20 the recognition of impairment of assets at Kroton and Saber, totaling R\$ 3.3 billion. This entry is purely for accounting purposes and does not affect the Company's cash.

ACCOUNTS RECEIVABLE: ENTERING 2021 WITH A LIGHTER BALANCE SHEET

As a final step in the restructuring process of our accounts receivable, we decided to implement a new provisioning model for paying students at Kroton, more assertive and more conservative, which was developed with the support of one of the largest and most respected international strategic consultants. Its main attribute is the provision based on the student's risk, measured in different attributes, and no longer just in the age of the title. This gives the model an accuracy of 88%, 15 percentage points higher than the previous model. One of the most relevant changes is that in the new model, the oldest overdue title is the one that determines the percentage of allowance for losses over the total student receivable, which increases the need for provisioning and makes it more robust. Similarly, students with renegotiated debt are allocated to a specific cluster, with greater provisioning, even though the renegotiation installments are not in arrears. Additionally, due to the pandemic, we adopted a more conservative criterion in relation to the recovery of accounts receivable already written off (past due more than 360 days). These combined effects led to the need for an additional R\$ 185 million to the paying students PDA in 4Q20. As with other adjustments made during 2020, this is a one-off entry, with a non-cash effect.

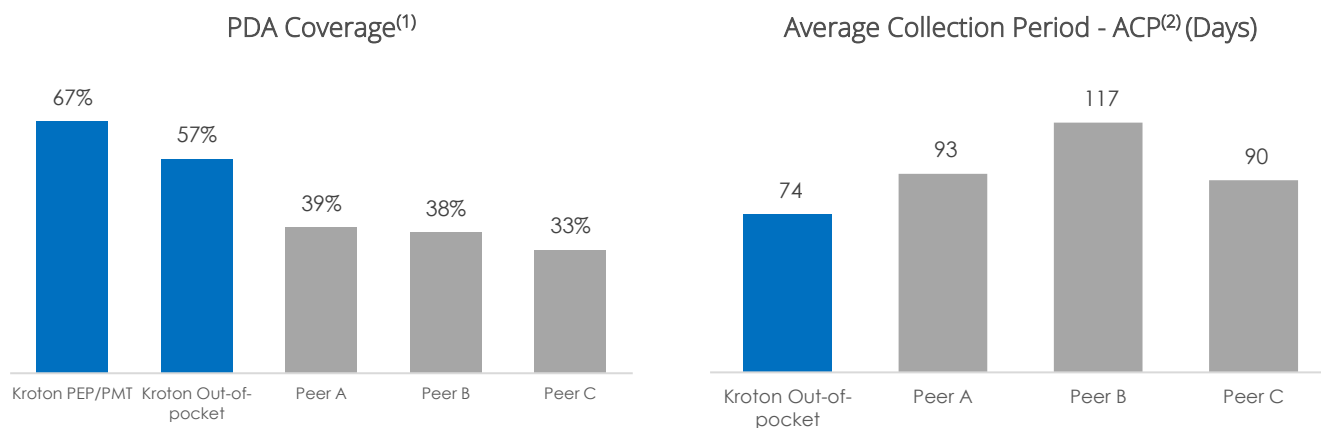
Kroton – Summary of 4Q20 Adjustments to Accounts Receivable

Section	Description	4Q20 Impact (R\$ million)	Coverage ⁽¹⁾	ACP (Days)
Pagante	Implementation of a new provisioning model, based on student attributes	185	57%	4120
	Greater conservatism in the recovery estimate of credits written off more than 360 days ago			
PMT	Update in the provisions assumptions, with coverage increase	152	78%	401
PEP	New update in the provisions assumptions, with coverage increase	77	63%	664
Total		415		

(1) PCLD balance divided by the gross accounts receivable net of present value adjustment.

In parallel, this quarter we revised the model for the provision of late-enrollment installment program (PMT), our installment product for freshmen who enroll after the beginning of the semester. Consequently, we made a complement in the amount of R\$ 152 million in this 4Q20, which leaves the PMT accounts receivable with a coverage rate of 78%. The PDA for special private installments (PEP), which had already undergone a review of assumptions in 2Q20, was increased from 58% to 63%. Despite not being the accounting practice adopted, for illustrative purposes, it is worth mentioning that the PDA balance of our installments products would be sufficient to provision 100% of accounts receivable overdue and still provision a considerable part of accounts receivable to be due.

As a result, in 4Q20 we ended an adjustment cycle that involved all blocks of accounts receivable from the Company, including paying students, PEP students and PMT students in the undergraduate program, in addition to postgraduate and basic education. The figures below indicate that the provisioning of accounts receivable from Kroton reached one of the most secure levels in the industry in terms of coverage and average collection period.



(1) Saldo de PCLD dividido pelo Saldo de Contas a Receber Bruto após ajuste a valor presente. (2) Saldo de Contas a Receber dividido pela Receita Líquida dos últimos 12 meses, multiplicado por 360.

The adjustments were relevant and were completed in 2020. We have no element today that indicates the additional need for extraordinary adjustment in any block of accounts receivable from the Company, except for natural performance variations of the adopted models. A new cycle begins in 2021. We are sure that the robustness of the movements carried out brings back the necessary comfort and demonstrates the seriousness with which the Company treated the provisioning and risk management of its accounts receivable.

VASTA: +23% in ACV 2021; LEARNING SYSTEMS AND COMPLEMENTARY SOLUTIONS, THE HIGHLIGHTS

Vasta ended the 2021 sales cycle with annual contract value (ACV) of R\$853 million, 23% higher than the subscription revenue recognized in commercial year 2020. This amount of ACV is higher than the R\$835 million announced in the mid-November preview. This important mark was due to the successful combination of the maturation of the go-to-market process, the high quality of the lines that compose our multi-brand strategy and the strength of the digital platform, Plurall, which has been proving a key and transformative pillar for enabling schools to maintain their educational activities during the pandemic – so much so that Vasta registered in this cycle one of its highest contract renewal rates ever.

The composition of the increase in ACV demonstrates the solidity of Vasta's growth strategy, with the main drivers the closing of new contracts with schools (11%), bringing nearly 190 thousand new students to the platform, and the cross-selling of complementary products. Plurall proved not only an essential product for renewing existing contracts, but also a strong competitive advantage in attracting new clients. As for complementary solutions, we believe that we are only at the beginning of a long growth journey, given the low penetration in our student base and the convenience that this type of service represents to families and to aligning our interests with those of our partner schools. Our solutions are completely digital, financially accessible and aligned with the current demand for this type of service in the Brazilian market.

Vasta – ACV 2021 (R\$ million)


(1) Difference between ACV 2020 and the subscription revenue recognized in 2020, which is used as the comparison base for the calculation.

Among the product segments that make up the Vasta portfolio, traditional learning systems advanced 26% (over the subscription revenue for the commercial year 2020) and gained even more representativeness in the total ACV (75% of the total in 2021). The PAR learning system was stable, a performance below that presented in recent years, due to the challenging scenario for the sale of textbooks due to the greater reuse of books by families, due to the context of the pandemic. Finally, the complementary solutions segment stands out, which had a 69% higher performance when compared to the previous cycle, reinforcing the trend of increasing the penetration of these solutions.

Vasta – ACV 2021 Growth per Segment

<i>Values in R\$ 000</i>	ACV 2021	2020 Subscription Revenue ¹	% Y/Y
Traditional Learning Systems	640.272	508.750	25,9%
Complementary Solutions	71.520	42.264	69,2%
PAR Learning System	141.694	140.910	0,6%
Total	853.485	691.924	23,3%

(1) Revenue collected during 2020 commercial year (4Q19-3Q20).

The second wave of the pandemic is also impacting the enrollment process of children in partner schools. Families postponed enrollment in relation to previous years while others transferred their children to public school (according to the 2020 school census, 2.5% of students in the private market migrated to public schools, and the trend for 2021 is that this percentage keeps growing). This situation tends to have a greater effect than that seen in 2020 (especially in PAR), when the pandemic arrived with the enrollment process closed and the children were already in the classroom. Despite the potential impact in 2021, we understand that this is a temporary movement and that in the following years students who have migrated to public schools must return to private schools, as seen in other past crises.

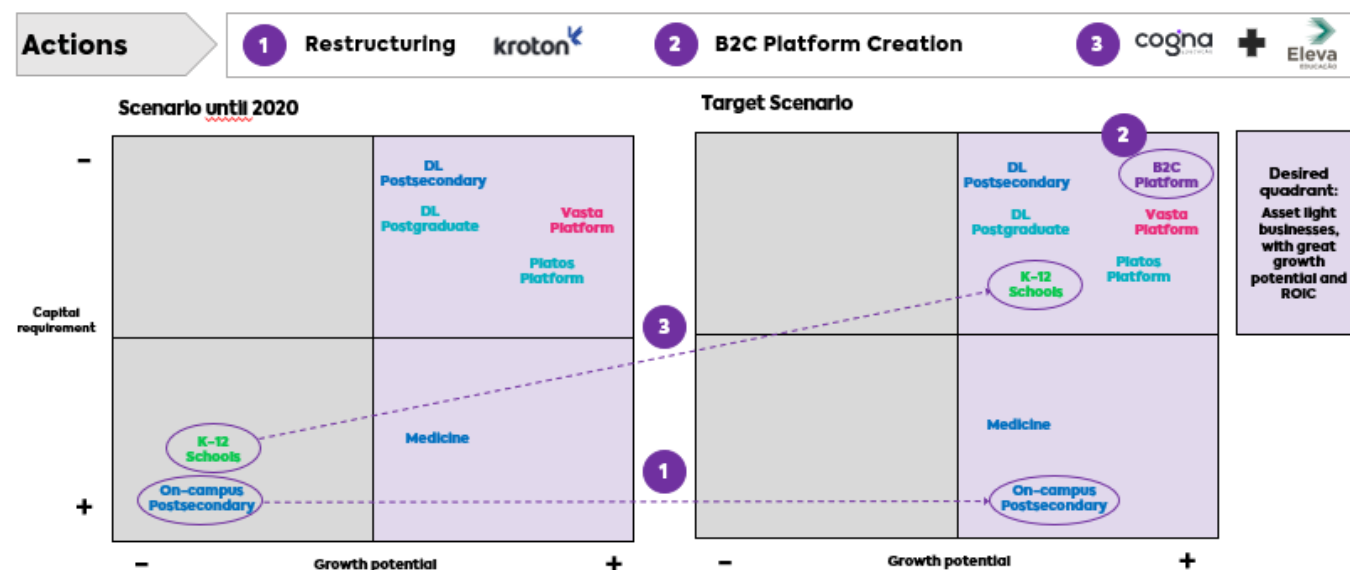
COGNA + ELEVA, A HIGHLY VALUE ACCRETIVE TRANSACTION ALIGNED WITH OUR STRATEGY

On February 22, we announced two transactions with Eleva: the acquisition by Vasta of the Eleva Learning Platform and the sale of the Saber schools. This transaction is completely aligned with Cognia's strategy described above. On the one hand, Vasta reinforces its platform of learning systems with a premium solution that complements the positioning of its current brands (both geographically and in product segment) and, thanks to the long-term agreement entered into by the parties, Vasta gains a large pool of schools with zero churn (all Saber schools and 90% of current Eleva schools), not to mention that it will benefit from the growth of the Eleva group, which will buy from Vasta the core

learning systems of practically all the schools acquired or implemented organically. On the other hand, the divestment of the Saber schools could give Cognia a non-controlling interest in Eleva, enabling it to benefit from the growth and consolidation of the K-12 education market without having to invest capital.

A CLEAR STRATEGY AND CONCRETE ACTIONS TO ACHIEVE IT

Cogna has defined a clear strategy: *“consistent improvement in profitability by prioritizing an asset-light business model to leverage growth potential and increase ROIC.”* The Company's latest movements demonstrate its firm commitment to this strategy. The first movement that clearly symbolizes the commitment to this strategy was the implementation and growth of Vasta, with efforts focusing on a platform business that has been delivering significant growth, especially in terms of subscription revenue. The construction of the B2C Platform, which was announced in late 2020 and should begin in 2021, is based on the same rationale. More recently, the strategy was confirmed by two other important movements: i) the turnaround at Kroton, which underwent a restructuring both operationally and in its accounts receivable; and ii) the transaction with Eleva, announced on February 22. These developments are concrete examples of the construction of this new, lighter Company focused on assets with greater potential for delivering growth and higher returns on invested capital.



RESULTS BY BUSINESS UNIT

KROTON | OPERATING PERFORMANCE

Student Base

Student Base	4Q20	4Q19	% Y/Y	3Q20	% Q/Q
On-campus					
Units	176	176	0.0%	176	0.0%
Students	229,440	321,371	-28.6%	244,791	-6.3%
Out-of-pocket	147,258	195,663	-24.7%	160,189	-8.1%
Prouni	30,309	34,160	-11.3%	31,423	-3.5%
FIES	19,880	42,819	-53.6%	19,865	0.1%
PEP	31,993	48,729	-34.3%	33,314	-4.0%
Digital					
Units	1,544	1,410	9.5%	1,553	-0.6%
Students	540,626	459,025	17.8%	572,894	-5.6%
Out-of-pocket	511,776	427,567	19.7%	543,371	-5.8%
Prouni	28,850	31,458	-8.3%	29,523	-2.3%
Total					
Students	770,066	780,396	-1.3%	817,685	-5.8%

The undergraduate student base remained virtually stable compared to 4Q19. The contraction in the on-campus education base was offset by the expansion of the digital education base, demonstrating the trend towards hybridization in postsecondary education. Compared to 3Q20, the decline in the student base reflected the seasonal increase in dropouts that is typical of even-numbered quarters. Despite the challenging context, Kroton managed to contain the dropout rate in both on-campus and digital education, with both reporting minimal increases on the prior-year period. We understand that this is the result of the Company's more conservative approach in recruiting new student as well as its efforts to improve service quality for students. In 2021, the number of units decreased to 131 due to the restructuring process, and, during the transference of students among our units we observed extremely low dropout rates.

On-Campus Education – Change in Base

Student Base	4Q20	4Q19	% Y/Y
Initial Base	244,791	341,951	-28.4%
Graduations	-	-	0.0%
Dropouts	(15,351)	(20,580)	-25.4%
Dropout Rate	6.3%	6.0%	0.3
Re-enrollments	229,440	321,371	-28.6%
Intake	-	-	0.0%
Final Base	229,440	321,371	-28.6%

Digital Education – Change in Base

Student Base	4Q20	4Q19	% Y/Y
Initial Base	572,894	483,125	18.6%
Graduations	-	-	0.0%
Dropouts	(32,268)	(24,100)	33.9%
Dropout Rate	5.6%	5.0%	0.6
Re-enrollments	540,626	459,025	17.8%
Intake	-	-	0.0%
Final Base	540,626	459,025	17.8%

Average Ticket

The average ticket corresponds to net revenue in the period divided by the number of students in each category (out-of-pocket, FIES and PEP) at the end of the period. Information on the calculation of average ticket by billing is available on our website (interactive spreadsheets), but no longer will be presented as from 1Q21. In even-numbered quarters, we also provide a half-yearly analysis, which more accurately reflects the trend in average ticket.

Revenue & Average Ticket	4Q20			4Q19			Variações		
Product	On-Campus	Digital	Total	On-Campus	Digital	Total	On-Campus	Digital	Total
Net Revenue (EX-AVP and Transfer and Judicial Discounts and Renegotiation)	658,724	414,144	1,072,867	872,334	352,331	1,224,665	-24.5%	17.5%	-12.4%
Out-of-Pocket	327,622	414,144	741,766	377,481	352,331	729,812	-13.2%	17.5%	1.6%
FIES	163,402	-	163,402	285,833	-	285,833	-42.8%	-	-42.8%
PEP	167,700	-	167,700	209,020	-	209,020	-19.8%	-	-19.8%
Average Ticket	1,103	270	503	1,012	275	571	8.9%	-1.8%	-11.9%
Out-of-Pocket	742	270	375	643	275	390	15.3%	-1.8%	-3.9%
FIES	2,740	-	2,740	2,225	-	2,225	23.1%	-	23.1%
PEP	1,747	-	1,747	1,430	-	1,430	22.2%	-	22.2%

(1) Excluding adjustments to present value, transfers to partners and compulsory and renegotiation discounts.

Given the increase in renegotiation and compulsory discounts in certain markets (to comply with lawsuits), the above analysis excludes such effects. The average ticket in on-campus education increased 9%, influenced by increases in the various student categories – especially the 15% increase in the average ticket of out-of-pocket students, with this effect partially offset by the lower share of FIES and PEP students. Meanwhile, the average ticket in digital education declined 2%. The annual variation was influenced this quarter by the higher volume of re-enrollments in this quarter in relation to history - which is why we recommend analyzing the ticket on a half-yearly basis as shown below.

In the half-yearly analysis, which we believe is more appropriate for capturing trends, the average ticket of on-campus, out-of-pocket students increased 14%, which demonstrates the Company's initiative to not engage in aggressive commercial campaigns of student intake and to foster the increase in richer courses. The consolidated average ticket expanded 6%, being partly offset by the change in mix. The digital student ticket decreased 11% due to the higher share of 100% online programs, which have lower tuitions.

Revenue & Average Ticket	2H20			2H19			Variações		
Product	On-Campus	Digital	Total	On-Campus	Digital	Total	On-Campus	Digital	Total
Net Revenue (EX-AVP and Transfer and Judicial Discounts and Renegotiation)	1,256,119	776,814	2,032,933	1,716,077	732,756	2,448,833	-26.8%	6.0%	-17.0%
Out-of-Pocket	680,807	776,814	1,457,621	797,121	732,756	1,529,877	-14.6%	6.0%	-4.7%
FIES	265,243	-	265,243	524,350	-	524,350	-49.4%	-	-49.4%
PEP	310,069	-	310,069	394,605	-	394,605	-21.4%	-	-21.4%
Average Ticket	1,051	253	477	996	286	571	5.6%	-11.4%	-16.5%
Out-of-Pocket	771	253	369	679	286	409	13.5%	-11.4%	-9.9%
FIES	2,224	-	2,224	2,041	-	2,041	9.0%	-	9.0%
PEP	1,615	-	1,615	1,350	-	1,350	19.7%	-	19.7%

Net Revenue

Net revenue fell 14% in 4Q20, due to the reduction in the on-campus student base and the higher discounts granted, as mentioned above, with these effects partially offset by the expansion of the digital student base. At own units, clear trends were the declining importance of FIES, whose revenue fell 58% in 4Q20 and 59% in 2020, as well as the lower share of PMT revenue (-34%), with these effects partially offset by the growth of 29% in net revenue from digital products.

<i>Kroton - Values in R\$ ('000)</i>	4Q20	4Q19	% AH	3Q20	% AH	2020	2019	% AH
Net Revenue	939,412	1,087,246	-13.6%	762,162	23.3%	3,636,130	4,779,920	-23.9%
Net Revenue - Undergraduation - Own units	740,070	904,426	-18.2%	623,162	18.8%	2,867,233	3,905,149	-26.6%
Net Revenue - Out-of-pocket	391,310	437,089	-10.5%	297,295	31.6%	1,480,842	1,938,461	-23.6%
Net Revenue - FIES (financed part net of APV)	95,731	229,088	-58.2%	96,467	-0.8%	400,002	975,663	-59.0%
Net Revenue - PEP (installment part net of APV)	147,373	141,769	4.0%	106,857	37.9%	504,428	516,932	-2.4%
Net Revenue - PMT (installment part net of APV)	19,321	29,381	-34.2%	23,084	-16.3%	164,642	286,244	-42.5%
Net Revenue - Digital Out-of-pocket	86,320	67,094	28.7%	99,450	-13.2%	317,256	187,555	69.2%
Net Revenue - Digital PMT (installment part net of APV)	15	5	186.7%	8	81.8%	63	294	-78.4%
Net Revenue - Undergraduation - Third-party units	192,337	171,939	11.9%	130,580	47.3%	730,595	829,427	-11.9%
Net Revenue - Digital Out-of-pocket	190,943	171,780	11.2%	129,167	47.8%	723,698	824,900	-12.3%
Net Revenue - Digital PMT (installment part net of APV)	1,394	159	779.4%	1,413	-1.3%	6,897	4,526	52.4%
Net Revenue - Others	7,005	10,881	-35.6%	8,420	-16.8%	38,303	45,345	-15.5%

KROTON | FINANCIAL PERFORMANCE

<i>Kroton - Values in R\$ ('000)</i>	4Q20	4Q19	Chg.%	3Q20	Chg.%	2020	2019	Chg.%
Gross Revenue	1,308,467	1,438,645	-9.0%	1,144,575	14.3%	5,118,918	6,203,756	-17.5%
Gross Revenue Deductions	(369,055)	(351,399)	5.0%	(382,413)	-3.5%	(1,482,787)	(1,423,835)	4.1%
Tax	(28,942)	(30,319)	-4.5%	(25,355)	14.1%	(124,608)	(140,463)	-11.3%
ProUni	(222,114)	(232,854)	-4.6%	(220,627)	0.7%	(899,847)	(983,006)	-8.5%
Returns	-	-	n.a.	-	n.a.	(10)	-	n.a.
Total Discounts	(117,999)	(88,226)	33.7%	(136,431)	-13.5%	(458,323)	(300,366)	52.6%
FGEDUC	(6,298)	(13,869)	-54.6%	(5,236)	20.3%	(24,256)	(57,905)	-58.1%
FIES - Administrative Fee	(2,228)	(4,916)	-54.7%	(1,859)	19.8%	(8,608)	(20,701)	-58.4%
Other	(109,473)	(69,441)	57.6%	(129,335)	-15.4%	(425,459)	(221,760)	91.9%
Net Revenue	939,412	1,087,246	-13.6%	762,162	23.3%	3,636,130	4,779,920	-23.9%
Total of Costs	(199,021)	(253,387)	-21.5%	(179,992)	10.6%	(782,272)	(992,681)	-21.2%
Cost of Goods	(1,796)	(1,206)	48.9%	(712)	152.4%	(12,165)	(5,545)	119.4%
Cost of Services	(197,224)	(252,181)	-21.8%	(179,280)	10.0%	(770,107)	(987,136)	-22.0%
Faculty, Other Personnel and Third-Party Services	(164,225)	(227,896)	-27.9%	(156,472)	5.0%	(679,655)	(888,583)	-23.5%
Rent	(1,832)	(189)	866.8%	(1,090)	68.0%	(6,099)	(15,727)	-61.2%
Materials	(6,370)	(5,824)	9.4%	(6,413)	-0.7%	(18,016)	(22,850)	-21.2%
Maintenance	(4,758)	(3,673)	29.5%	(1,679)	183.4%	(12,756)	(12,801)	-0.3%
Other	(20,040)	(14,599)	37.3%	(13,625)	47.1%	(53,581)	(47,175)	13.6%
Gross Income	740,391	833,859	-11.2%	582,170	27.2%	2,853,858	3,787,239	-24.6%
Gross Margin	78.8%	76.7%	2.1 p.p.	76.4%	2.4 p.p.	78.5%	79.2%	-0.7 p.p.
Total Operating Expenses	(241,864)	(125,309)	93.0%	(126,400)	91.3%	(680,704)	(653,204)	4.2%
Personnel Expenses	(70,557)	(74,527)	-5.3%	(67,575)	4.4%	(287,753)	(332,532)	-13.5%
General and Administrative Expenses	(171,307)	(50,783)	237.3%	(58,825)	191.2%	(392,951)	(320,672)	22.5%
Provision for Doubtful Account - PDA	(674,175)	(334,408)	101.6%	(204,494)	229.7%	(1,571,872)	(868,533)	81.0%
(+) Interest and Penalties on Tuition	36,544	39,776	-8.1%	30,912	18.2%	129,035	205,245	-37.1%
(+) Equity	-	-	n.a.	-	n.a.	-	-	n.a.
Selling and Marketing Expenses	(110,299)	(70,648)	56.1%	(106,552)	3.5%	(441,234)	(397,236)	11.1%
Operating Result	(249,403)	343,269	-172.7%	175,637	-242.0%	289,083	2,073,511	-86.1%
Operating Margin	-26.5%	31.6%	-58.1 p.p.	23.0%	-49.6 p.p.	8.0%	43.4%	-35.4 p.p.
Corporate Expenses	(45,091)	(67,348)	-33.0%	(45,226)	-0.3%	(178,397)	(273,597)	-34.8%
Recurring EBITDA	(294,494)	275,921	-206.7%	130,411	-325.8%	110,686	1,799,915	-93.9%
Recurring EBITDA Margin	-31.3%	25.4%	-56.7 p.p.	17.1%	-48.5 p.p.	3.0%	37.7%	-34.6 p.p.
(+) Opening Balance: Reversals of Contingencies	-	-	n.a.	-	n.a.	-	-	n.a.
(-) Non-Recurring Items	(343,446)	(90,458)	279.7%	(49,645)	591.8%	(464,712)	(214,265)	116.9%
(-) Impairment	(1,593,000)	-	n.a.	-	n.a.	(1,593,000)	-	n.a.
EBITDA	(2,230,940)	185,463	-1302.9%	80,766	-2862.2%	(1,947,026)	1,585,650	-222.8%
EBITDA Margin	-237.5%	17.1%	-254.5 p.p.	10.6%	-248.1 p.p.	-53.5%	33.2%	-86.7 p.p.

Efficiency gains in the academic model and the higher share of digital education once again helped to attenuate the decline in net revenue, supporting gross margin expansion of 2.1 p.p. Another positive highlight was the 33% reduction in corporate expenses, reflecting management's efforts to reduce expenses in view of the situation. However, 4Q20 concentrated some offenders that led to negative recurring EBITDA: (i) marketing expenses increased 56%, a fact influenced by the low basis of comparison and expenses that had previously been contracted; for 2021, expenses in this line will be lower, due to the focus on online media; (ii) general and administrative expenses were impacted by an update in the amount of provisions for contingencies (a one-off effect in the amount of R\$ 71 million), whereas this line was favored in 4Q19 by a greater recognition of contingency reversals; and (iii) the complement of PDA in the amount of R\$ 415 million, as anticipated in the message from management. **Excluding PDA complement, recurring EBITDA would be R\$ 120 million, with a margin of 12.8%.** Among the non-recurring items, we highlight the recognition of impairment of assets of R\$ 1.6 billion and the expenses related to the restructuring project (R\$ 319 million).

In 2020, excluding the PDA complements registered in 2Q20 (R\$ 229 million, referring to PEP/PMT) and in 4Q20 (as commented above), recurring EBITDA was R\$ 754 million, a 20.7% margin.

PDA and Accounts Receivable

Kroton - Values in R\$ ('000)	4Q20	4Q19	Chg.%	3Q20	Chg.%
Provision for Doubtful Account - PDA	(674,175)	(334,408)	101.6%	(204,494)	229.7%
PDA / Postsecondary Net Revenues ¹	-71.8%	-30.8%	-41.0 p.p.	-26.8%	-44.9 p.p.
PDA Out-of-pocket	(345,303)	(246,689)	40.0%	(127,435)	171.0%
PDA Out-of-pocket / Postsecondary Net Revenues Out-of-pocket ¹	-51.6%	-36.5%	-15.2 p.p.	-24.2%	-27.4 p.p.
PDA FIES - Financed Part	(862)	(2,062)	-58.2%	(868)	-0.8%
PDA FIES / Postsecondary Net Revenues FIES ¹	-0.9%	-0.9%	-0.0 p.p.	-0.9%	-0.0 p.p.
PDA PEP - Installment Part	(162,726)	(70,884)	129.6%	(61,977)	162.6%
PDA PEP / Postsecondary Net Revenues PEP ¹	-110.4%	-50.0%	-60.4 p.p.	-58.0%	-52.4 p.p.
PDA PMT - Installment Part	(165,285)	(14,773)	1018.9%	(14,213)	1062.9%
PDA PMT / Postsecondary Net Revenues PMT ¹	-797.3%	-50.0%	-747.3 p.p.	-58.0%	-739.3 p.p.

As previously mentioned, the PDA reflects the impacts of complements made in 4Q20. With the conclusion of the adjustment cycle in accounts receivable, we anticipate a gradual reduction in the PDA of the paying student, since the coverage of this portfolio reached 57% (+29 p.p. compared to 4Q19). The PDA of PEP and PMT reached 63% and 78%, respectively. These levels represent the Company's best expectation for losses related to these products. Although these percentages may vary from one quarter to another, we do not have elements that indicate for the next quarters the need for a provision significantly higher than the level currently provided. As a result of the higher level of coverage and the reduction in revenue, Kroton's net accounts receivable fell 34%, highlighting the 44% drop in paying students.

Coverage Ratio	4Q20	4Q19	Chg.%	3Q20	Chg.%
Kroton	64.6%	42.7%	21.9 p.p.	54.5%	10.1 p.p.
Private Installment Plan (PEP/PMT)	67.2%	48.1%	19.1 p.p.	59.8%	7.4 p.p.
PEP	63.3%	48.9%	14.4 p.p.	60.0%	3.4 p.p.
PMT	78.3%	46.0%	32.3 p.p.	59.3%	19.0 p.p.
Kroton ex-Private Installment Plan	58.3%	32.4%	25.9 p.p.	43.4%	14.9 p.p.
Out-of-Pocket	57.2%	28.5%	28.7 p.p.	41.9%	15.3 p.p.
FIES (Public Financing)	65.3%	53.3%	12.0 p.p.	50.9%	14.4 p.p.

Net Accounts Receivable - Values in R\$ ('000)	4Q20	4Q19	Chg.%	3Q20	Chg.%
Kroton	1,716,195	2,605,731	-34.1%	2,189,743	-21.6%
Private Installment Plan (PEP/PMT)	1,121,723	1,551,098	-27.7%	1,311,252	-14.5%
PEP	930,408	1,113,055	-16.4%	951,380	-2.2%
PMT	191,315	438,043	-56.3%	359,872	-46.8%
Kroton ex-Private Installment Plan	594,472	1,054,633	-43.6%	878,491	-32.3%
Out-of-Pocket	522,815	939,753	-44.4%	749,438	-30.2%
FIES (Public Financing)	71,657	114,880	-37.6%	129,053	-44.5%

* Excludes credit card balance.

The average collection period (ACP) of paying students reached 74 days, one of the lowest in the industry, after the 40 days reduction versus the 4Q19 and of 32 days versus the 3Q20. This effect, combined with adjustment for PMT and the higher receipt of FIES payments in the quarter, supported a 26-day and a 39-day reduction in consolidated ACP in the annual and quarterly comparisons, respectively.

Average Accounts Receivable Term (days)	4Q20	4Q19	Chg.%	3Q20	Chg.%
Kroton	171	197	- 26	210	- 39
Private Installment Plan (PEP/PMT)	599	691	- 92	697	- 98
PEP	664	775	- 111	687	- 23
PMT	401	543	- 142	725	- 324
Kroton ex-Private Installment Plan	73	96	- 23	103	- 30
Out-of-Pocket	74	114	- 40	106	- 32
FIES (Public Financing)	64	42	22	87	- 23

PLATOS | OPERATING PERFORMANCE

In 2020 we decided to discontinue the on-site graduate offer (with a few exceptions) and focus on the development of digital graduate courses. For this reason, we recommend that the analyzes consider the evolution of the digital business for a correct performance evaluation.

Student Base

Student Base	4Q20	4Q19	% Y/Y	3Q20	% Q/Q
On-Campus Graduate	3,782	8,066	-53.1%	5,245	-27.9%
Digital Graduate	44,317	33,147	33.7%	40,758	8.7%
Total Graduate	48,099	41,213	16.7%	46,003	4.6%

As of the beginning of 2Q20, we decided to focus efforts on attracting digital graduate students and interrupting the opening of new classes for face-to-face graduate students. This decision was based on a trend towards the digitalization of the graduate market prior to the pandemic, which was accelerated by it. The student base expanded 17% in 3Q20, once again due to the strong growth in digital graduate programs (+34%), while the on-campus base contracted, reflecting the decision by Platos to no longer offer this product in new enrollment processes. As shown in the table of changes in student base, new enrollments of digital products grew 46% in the quarter, reflecting the efforts by the sales and marketing teams to sell this product, the more effective commercial campaigns and the various digital marketing practices that leveraged our e-commerce.

On-Campus Graduate Education - Change in Base

Student Base	4Q20	4Q19	% Y/Y
Initial Base	5,245	8,703	-39.7%
Enrollments	97	564	-82.8%
Graduations	(1,484)	(916)	62.0%
Dropouts	(76)	(285)	-73.3%
Final Base	3,782	8,066	-53.1%

Digital Graduate Education - Change in Base

Student Base	4Q20	4Q19	% Y/Y
Initial Base	40,758	31,886	27.8%
Enrollments	20,127	13,765	46.2%
Graduations	(15,821)	(12,022)	31.6%
Dropouts	(747)	(482)	55.0%
Final Base	44,317	33,147	33.7%

Net Revenue and Average Ticket

Platos - Values in R\$ ('000)	4Q20	4Q19	Chg.%	3Q20	Chg.%	2020	2019	Chg.%
Net Revenue	24,076	21,800	10.4%	23,401	2.9%	91,266	81,682	11.7%
On-Campus Graduate	1,159	2,772	-58.2%	2,061	-43.8%	9,274	11,611	-20.1%
Digital Graduate	22,192	17,718	25.2%	20,732	7.0%	79,739	66,926	19.1%
Net Revenue - Other Services	725	1,310	-44.6%	608	19.3%	2,252	3,144	-28.4%

Net revenue increased 10% supported by the larger student base, with this effect partially offset by the pressures on average ticket (impacted in the quarter by the Black Friday campaigns) and the higher penetration of digital programs in the base.

Average Ticket (R\$)	4Q20	4Q19	% Y/Y	3Q20	% Q/Q
On-Campus Graduate	217	307	-29.2%	282	-22.9%
Digital Graduate	230	247	-6.9%	275	-16.1%
Total	229	259	-11.7%	276	-16.9%

Average ticket considers the total net revenue of graduate products, before transfers to partners, plus the revenues recognized at Platos and Kroton, divided by the average student base in the period.

PLATOS | FINANCIAL PERFORMANCE

To prepare the results of Platos, we adopted a revenue and cost sharing criteria under which the results of the graduate operation are shared equally between Platos and Kroton. In the financial statements presented in this document, the results of Platos are shown net of transfers to Kroton, except for the analyses of average ticket and accounts receivable.

Platos - Values in R\$ ('000)	4Q20	4Q19	Chg.%	3Q20	Chg.%	2020	2019	Chg.%
Gross Revenue	25,011	23,515	6.4%	25,210	-0.8%	97,182	90,647	7.2%
Gross Revenue Deductions	(935)	(1,715)	-45.5%	(1,808)	-48.3%	(5,916)	(8,965)	-34.0%
Tax	(903)	(1,715)	-47.3%	(1,200)	-24.7%	(4,859)	(5,917)	-17.9%
Returns	-	-	n.a.	-	n.a.	-	-	n.a.
Total Discounts	(32)	0	n.a.	(608)	-94.8%	(1,056)	(3,048)	-65.3%
Net Revenue	24,076	21,800	10.4%	23,401	2.9%	91,266	81,682	11.7%
Total of Costs	(1,154)	(1,948)	-40.8%	(1,482)	-22.1%	(5,944)	(7,146)	-16.8%
Cost of Goods	0	(9)	-100.5%	0	n.a.	3	0	n.a.
Cost of Services	(1,154)	(1,939)	-40.5%	(1,482)	-22.1%	(5,947)	(7,146)	-16.8%
Faculty, Other Personnel and Third-Party Services	(1,133)	(1,854)	-38.9%	(1,449)	-21.8%	(5,694)	(6,834)	-16.7%
Rent	-	(15)	-100.0%	-	n.a.	-	(1)	-100.0%
Materials	-	-	n.a.	-	n.a.	-	-	n.a.
Maintenance	(21)	(70)	-70.2%	(33)	-36.1%	(254)	(311)	-18.4%
Other	-	-	n.a.	-	n.a.	-	-	n.a.
Gross Income	22,922	19,852	15.5%	21,920	4.6%	85,322	74,536	14.5%
Gross Margin	95.2%	91.1%	4.1 p.p.	93.7%	1.5 p.p.	93.5%	91.3%	2.2 p.p.
Total Operating Expenses	(5,354)	(1,383)	287.3%	(3,118)	71.7%	(14,156)	(12,782)	10.7%
Personnel Expenses	(4,386)	(2,825)	55.2%	(2,811)	56.0%	(12,238)	(12,186)	0.4%
General and Administrative Expenses	(968)	1,443	-167.1%	(307)	215.0%	(1,918)	(596)	221.7%
Provision for Doubtful Account - PDA	(12,107)	(1,633)	641.2%	(2,045)	491.9%	(19,044)	(8,359)	127.8%
(+) Interest and Penalties on Tuition	917	63	1348.5%	(8)	-11176.4%	945	625	51.2%
(+) Equity	-	-	n.a.	-	n.a.	-	(0)	-100.0%
Selling and Marketing Expenses	(6,237)	(5,986)	4.2%	(6,288)	-0.8%	(22,115)	(16,535)	33.7%
Operating Result	141	10,913	-98.7%	10,460	-98.6%	30,953	37,485	-17.4%
Operating Margin	0.6%	50.1%	-49.5 p.p.	44.7%	-44.1 p.p.	33.9%	45.9%	-12.0 p.p.
Corporate Expenses	(770)	(736)	4.6%	(2,210)	-65.2%	(3,037)	(2,094)	45.0%
Recurring EBITDA	(628)	10,178	-106.2%	8,250	-107.6%	27,916	35,390	-21.1%
Recurring EBITDA Margin	-2.6%	46.7%	-49.3 p.p.	35.3%	-37.9 p.p.	30.6%	43.3%	-12.7 p.p.
(+) Opening Balance: Reversals of Contingencies	-	-	n.a.	-	n.a.	-	-	n.a.
(-) Non-Recurring Items	(801)	(952)	-15.9%	(605)	32.3%	(1,410)	(2,081)	-32.2%
(-) Impairment	-	-	n.a.	-	n.a.	-	-	n.a.
EBITDA	(1,429)	9,226	-115.5%	7,645	-118.7%	26,505	33,309	-20.4%
EBITDA Margin	-5.9%	42.3%	-48.3 p.p.	32.7%	-38.6 p.p.	29.0%	40.8%	-11.7 p.p.

Platos registered another quarter of double-digit net revenue growth, which, combined with the higher share of digital education in the program mix, supported gross margin expansion of 4.1 p.p. The increase in marketing expenses in 4Q20, as in 3Q20, reflects the more competitive environment, but is justified by the growth in net revenue (note that, as from 3Q20, we reclassified marketing expenses for 2019 between Platos and Kroton). The main adverse effect on results for the quarter, however, was the additional provisioning for PDA in periods prior to 4Q20 to achieve an adequate level of provisioning for graduate products. As was the case at Kroton, the adjustment to accounts receivable at Platos was concluded in 4Q20, with the business starting 2021 with an adequate level of provisioning.

Pro Forma Analysis

For comparison purposes, the following table presents a pro forma analysis that reclassifies the results for 2019 and 2020 as if the level of PDA had been applied historically to the results of Platos. On this basis, recurring EBITDA grew by 4% in 2020.

<i>Platos - Values in R\$ ('000)</i>	12M20 Pro Forma	12M20 Pro Forma	Chg.%
Net Revenue	91,266	81,682	11.7%
Provision for Doubtful Account - PDA	(14,613)	(12,790)	14.2%
Recurring EBITDA	32,347	30,959	4.5%
Recurring EBITDA Margin	35.4%	37.9%	-2.5 p.p.

PDA and Accounts Receivable⁽¹⁾

<i>Platos - Values in R\$ ('000)</i>	4Q20	4Q19	Chg.%	3Q20	Chg.%
Gross Accounts Receivable	78,287	71,795	9.0%	87,445	-10.5%
PDA Balance	(24,511)	(16,990)	44.3%	(26,117)	-6.2%
Coverage Ratio	31.3%	23.7%	32.3%	29.9%	4.8%
Net Accounts Receivable	53,776	54,805	-1.9%	61,328	-12.3%
Average Accounts Receivable Term (days)	164	181	-17 dias	188	-24 dias

(1) Excludes credit card balances.

Due to the increase in PDA mentioned above, ACP reached 164 days, down 24 days from 3Q20.

SABER | OPERATING PERFORMANCE

Student Base

Student Base	4Q20	4Q19	% Y/Y	3Q20	% Q/Q
Own Schools/Management Contracts	52	54	-3.7%	52	0.0%
Red Balloon Units/Franchises	121	125	-3.2%	121	0.0%
Students enrolled in Own Units/Management Contracts	31,120	35,470	-12.3%	31,098	0.1%
Students enrolled in Red Balloon Units/Franchises	21,418	25,576	-16.3%	21,060	1.7%

The student base remained stable in 4Q20 compared to 3Q20. In relation to 4Q19, the contraction in the base is explained by the termination of two management agreements and the higher dropout rate, which was concentrated in pre-school education and in the early years of primary education.

Net Revenue

Saber - Values in R\$ ('000)	4Q20	4Q19	Chg.%	3Q20	Chg.%	2020	2019	Chg.%
Net Revenue	157,083	174,520	-10.0%	154,140	1.9%	683,070	737,257	-7.3%
Net Revenue - Own Units	148,823	162,999	-8.7%	143,778	3.5%	630,046	673,002	-6.4%
Net Revenue - Red Balloon	8,260	11,521	-28.3%	10,362	-20.3%	53,024	64,255	-17.5%

Revenue from the schools operation decreased 9% due to the smaller student base and the compulsory discounts ordered by lawsuits in certain markets, as mentioned in prior quarters. Meanwhile, revenue from extracurricular activities and Red Balloon declined due to the physical distancing measures imposed by the pandemic.

Average Ticket

Average Ticket (R\$)	4Q20	4Q19	% Y/Y	3Q20	% Q/Q
Own Schools/Management Contracts	1,576	1,532	2.9%	1,541	2.3%
Red Balloon	129	150	-14.3%	164	-21.6%

The average ticket of schools increased 3% in 4Q20 compared to 4Q19, with a positive effect from tuition increases, which was partially offset by the compulsory discounts mentioned above.

SABER | FINANCIAL PERFORMANCE

Saber - Values in R\$ ('000)	4Q20	4Q19	Chg. %	3Q20	Chg. %	2020	2019	Chg. %
Gross Revenue	211,282	218,168	-3.2%	213,075	-0.8%	872,985	907,949	-3.9%
Gross Revenue Deductions	(54,199)	(43,648)	24.2%	(58,936)	-8.0%	(189,914)	(170,691)	11.3%
Tax	(12,529)	(14,842)	-15.6%	(11,901)	5.3%	(52,315)	(61,283)	-14.6%
Returns	-	(982)	-100.0%	(1)	-100.0%	(1,366)	(3,302)	-58.6%
Total Discounts	(41,670)	(27,824)	49.8%	(47,034)	-11.4%	(136,233)	(106,106)	28.4%
Net Revenue	157,083	174,520	-10.0%	154,140	1.9%	683,070	737,257	-7.3%
Total of Costs	(88,461)	(85,529)	3.4%	(73,372)	20.6%	(320,202)	(355,445)	-9.9%
Cost of Goods	(8,803)	(6,467)	36.1%	(1,388)	534.3%	(24,824)	(26,264)	-5.5%
Cost of Services	(79,658)	(79,062)	0.8%	(71,985)	10.7%	(295,379)	(329,181)	-10.3%
Faculty, Other Personnel and Third-Party Services	(63,209)	(68,817)	-8.1%	(66,322)	-4.7%	(258,772)	(288,371)	-10.3%
Rent	(2,055)	(1,535)	33.9%	(1,032)	99.2%	(4,037)	(4,378)	-7.8%
Materials	(27)	(814)	-96.7%	(459)	-94.1%	(2,511)	(5,134)	-51.1%
Maintenance	(10,911)	(5,991)	82.1%	(3,224)	238.5%	(23,269)	(24,459)	-4.9%
Other	(3,456)	(1,905)	81.4%	(947)	264.8%	(6,790)	(6,838)	-0.7%
Gross Income	68,622	88,991	-22.9%	80,767	-15.0%	362,868	381,813	-5.0%
Gross Margin	43.7%	51.0%	-7.3 p.p.	52.4%	-8.7 p.p.	53.1%	51.8%	1.3 p.p.
Total Operating Expenses	(39,625)	(43,343)	-8.6%	(32,754)	21.0%	(142,445)	(150,693)	-5.5%
Personnel Expenses	(29,796)	(35,485)	-16.0%	(28,007)	6.4%	(116,513)	(122,632)	-5.0%
General and Administrative Expenses	(9,828)	(7,858)	25.1%	(4,746)	107.1%	(25,931)	(28,061)	-7.6%
Provision for Doubtful Account - PDA	(2,680)	(1,394)	92.2%	(6,406)	-58.2%	(12,438)	(8,443)	47.3%
(+) Interest and Penalties on Tuition	185	214	-13.6%	129	43.8%	688	182	279.0%
(+) Equity	-	-	n.a.	-	n.a.	-	0	-100.0%
Selling and Marketing Expenses	(14,115)	(6,960)	102.8%	(1,368)	932.1%	(20,435)	(17,669)	15.7%
Operating Result	12,387	37,508	-67.0%	40,368	-69.3%	188,239	205,188	-8.3%
Operating Margin	7.9%	21.5%	-13.6 p.p.	26.2%	-18.3 p.p.	27.6%	27.8%	-0.3 p.p.
Corporate Expenses	(4,851)	(7,561)	-35.8%	(10,201)	-52.4%	(27,737)	(37,770)	-26.6%
Recurring EBITDA	7,536	29,946	-74.8%	30,167	-75.0%	160,502	167,418	-4.1%
Recurring EBITDA Margin	4.8%	17.2%	-12.4 p.p.	19.6%	-14.8 p.p.	23.5%	22.7%	0.8 p.p.
(+) Opening Balance: Reversals of Contingencies	-	-	n.a.	-	n.a.	-	-	n.a.
(-) Non-Recurring Items	(16,544)	(19,557)	-15.4%	(7,710)	114.6%	(33,657)	(38,046)	-11.5%
(-) Impairment	(1,701,974)	-	n.a.	(373,764)	355.4%	(2,075,739)	-	n.a.
EBITDA	(1,710,983)	10,390	-16568.3%	(351,307)	387.0%	(1,948,894)	129,373	-1606.4%
EBITDA Margin	-1089.2%	6.0%	-1095.2 p.p.	-227.9%	-861.3 p.p.	-285.3%	17.5%	-302.9 p.p.

Unlike in previous quarters, in 4Q20, the impact from lower revenue on the operating result could not be attenuated, leading Saber's recurring EBITDA to decline year over year. The main negative factors were higher maintenance costs (that ended up concentrated in the quarter due to social isolation requirements in previous quarters) and higher selling and marketing expenses, owing to the late commencement of the 2021 reenrollment season, combined with the natural seasonality of such expenses. In 2020, Saber's recurring EBITDA was R\$161 million, down a slight 4% from 2019, but with recurring margin expanding 0.8 p.p., demonstrating the efforts to capture operating efficiency gains. Among the non-recurring items, we highlight the impairment of R\$ 1.7 billion, occurred in light of the sale of the division's schools to Eleva. In 2020, excluding the reversal of legal contingencies that benefitted the 3Q19 result by R\$10.7 million, Saber's recurring EBITDA grew 2%, with margin expansion of 2.1 p.p.

PDA and Accounts Receivable⁽¹⁾

Saber - Values in R\$ ('000)	4Q20	4Q19	Chg. %	3Q20	Chg. %
Gross Accounts Receivable	70,921	40,823	73.7%	79,807	-11.1%
PDA Balance	(18,301)	(10,293)	77.8%	(19,116)	-4.3%
Coverage Ratio	25.8%	25.2%	2.3%	24.0%	7.7%
Net Accounts Receivable	52,619	30,530	72.4%	60,691	-13.3%
Average Accounts Receivable Term (days)	28	15	13 dias	31	-3 dias

(1) Excludes credit card balances.

In 4Q20, the coverage rate and ACP remained virtually stable in relation to 3Q20. With the advance of the re-enrollment process for the 2021 academic year, we observed a decline in delinquency accompanied by the renegotiation of past-due receivables.

VASTA | OPERATING PERFORMANCE

Vasta's sales cycle begins in the fourth quarter, when the first deliveries of content to students at the partner schools are made for the next year, and ends in the third quarter of the following year. For this reason, the most important variations in this business are perceived in the third to the fourth quarter. In addition, the business cycle is highly seasonal, with content delivery concentrated in the fourth quarter and the first quarter (of the following year), with these periods marked by higher recognition of revenue and costs. Accordingly, figures for the second and third quarters typically are less representative.

Student Base – Subscription Models

Student Base	2021	2020	2019	% Chg. 2021	% Chg. 2020
Partner Schools - Core Content	4,623	4,167	3,400	3,400	36.0%
Partner Schools - Complementary Content	1,114	636	417	417	167.1%
Students in Partner Schools - Core Content	1,500,208	1,311,147	1,185,799	1,185,799	26.5%
Students in Partner Schools - Complementary Content	348,560	213,058	133,583	133,583	160.9%

When compared to the 2020 commercial cycle, the year 2021 shows strong growth both in the main product and in relation to complementary solutions. Despite all the difficulties related to the pandemic, Vasta managed to add 456 new schools to its platform, which represents an annual increase of 11% and reinforces all the competitive differentials presented throughout the year. The number of students from partner schools grew even more (+14%) and surpassed the mark of 1.5 million students using our education systems. Regarding complementary solutions, 478 new schools became our customers, which represents an annual growth of 75%, or 64% if we consider the number of students, which confirms the high potential of this segment.

Net Revenue

Vasta - Values in R\$ ('000)	4Q20	4Q19	Chg.%	3Q20	Chg.%	2020	2019	Chg.%
Net Revenue	343,516	302,238	13.7%	141,415	142.9%	997,582	909,277	9.7%
Net Revenue from subscription model	283,805	205,348	38.2%	105,849	168.1%	759,829	639,643	18.8%
Net Revenue from core business	255,721	197,123	29.7%	105,481	142.4%	698,100	608,949	14.6%
Net Revenue from complementary solutions	28,083	8,225	241.4%	368	7532.2%	61,729	30,694	101.1%
Net Revenue - Others	59,711	96,890	-38.4%	35,566	67.9%	237,753	269,633	-11.8%

Net revenue from subscription products, which encompasses all educational solutions with recurring revenue (basically the learning systems and complementary solutions), accounted for 83% of the total revenue of the business in 4Q20 and responded for **34% of annual contract value (ACV) for 2021**. This strong result is due to the excellent performance achieved in the 2021 sales cycle (which began in October 2020 and ends in September 2021), with Vasta registering contracts that represent growth of 23% on the subscription revenue of the 2020 commercial cycle.

Lastly, note that, although total net revenue grew 14% in this quarter, revenue from the non-subscription business decreased 38% in 4Q20 compared to 4Q19. This behavior reflects the lower purchases of textbooks by schools and bookstores due to uncertainties related to the pandemic and the start of the 2021 academic year, which should persist during the entire back-to-school period, therefore affecting 1Q21 as well.

With this growth trend in subscription revenues more than offsetting the drop in non-subscription revenues, Vasta is consolidating itself as an eminently subscription business.

VASTA | FINANCIAL PERFORMANCE

Vasta - Values in R\$ ('000)	4Q20	4Q19	Chg.%	3Q20	Chg.%	2020	2019	Chg.%
Gross Revenue	390,109	330,449	18.1%	208,945	86.7%	1,155,602	1,054,871	9.5%
Gross Revenue Deductions	(46,594)	(28,212)	65.2%	(67,530)	-31.0%	(158,021)	(145,594)	8.5%
Tax	(1,514)	(2,857)	-47.0%	(1,260)	20.2%	(6,431)	(9,295)	-30.8%
Returns	(43,561)	(24,510)	77.7%	(61,150)	-28.8%	(142,747)	(96,962)	47.2%
Total Discounts	(1,520)	(845)	79.8%	(5,120)	-70.3%	(8,842)	(39,337)	-77.5%
Net Revenue	343,516	302,238	13.7%	141,415	142.9%	997,582	909,277	9.7%
Total of Costs	(115,969)	(127,900)	-9.3%	(62,194)	86.5%	(386,931)	(366,948)	5.4%
Cost of Goods	(90,515)	(107,504)	-15.8%	(46,740)	93.7%	(304,314)	(294,530)	3.3%
Cost of Services	(25,454)	(20,395)	24.8%	(15,454)	64.7%	(82,617)	(72,418)	14.1%
Faculty, Other Personnel and Third-Party Services	(20,556)	(13,509)	52.2%	(14,956)	37.4%	(70,520)	(56,492)	24.8%
Rent	(36)	(1,588)	-97.7%	(223)	-83.7%	(1,114)	(1,999)	-44.3%
Materials	(0)	-	n.a.	-	n.a.	(0)	(25)	-100.0%
Maintenance	(4,094)	(4,249)	-3.6%	883	-563.8%	(7,881)	(10,639)	-25.9%
Other	(768)	(1,050)	-26.8%	(1,158)	-33.7%	(3,102)	(3,263)	-4.9%
Gross Income	227,546	174,338	30.5%	79,221	187.2%	610,651	542,329	12.6%
Gross Margin	66.2%	57.7%	8.6 p.p.	56.0%	10.2 p.p.	61.2%	59.6%	1.6 p.p.
Total Operating Expenses	(21,149)	(23,693)	-10.7%	(28,484)	-25.7%	(118,168)	(52,805)	123.8%
Personnel Expenses	(16,645)	(16,817)	-1.0%	(14,086)	18.2%	(58,371)	(31,098)	87.7%
General and Administrative Expenses	(4,504)	(6,876)	-34.5%	(14,398)	-68.7%	(59,797)	(21,707)	175.5%
Provision for Doubtful Account - PDA	(12,311)	(4,356)	182.6%	(1,120)	998.8%	(25,013)	(12,008)	108.3%
(+) Interest and Penalties on Tuition	-	(34)	-100.0%	-	n.a.	-	1,295	-100.0%
(+) Equity	-	-	n.a.	-	n.a.	-	0	-100.0%
Selling and Marketing Expenses	(48,064)	(47,613)	0.9%	(35,840)	34.1%	(164,501)	(132,723)	23.9%
Operating Result	146,022	98,641	48.0%	13,776	959.9%	302,969	346,089	-12.5%
Operating Margin	42.5%	32.6%	9.9 p.p.	9.7%	32.8 p.p.	30.4%	38.1%	-7.7 p.p.
Corporate Expenses	(10,614)	(15,487)	-31.5%	(3,176)	234.2%	(36,002)	(67,217)	-46.4%
Recurring EBITDA	135,408	83,155	62.8%	10,600	1177.4%	266,967	278,872	-4.3%
Recurring EBITDA Margin	39.4%	27.5%	11.9 p.p.	7.5%	31.9 p.p.	26.8%	30.7%	-3.9 p.p.
(+) Opening Balance: Reversals of Contingencies	5,880	-	n.a.	611	863.1%	9,043	-	n.a.
(-) Non-Recurring Items	(69,050)	(11,507)	500.1%	(7,875)	776.9%	(83,490)	(24,207)	244.9%
(-) Impairment	-	-	n.a.	-	n.a.	-	-	n.a.
EBITDA	72,239	71,648	0.8%	3,336	2065.4%	192,520	254,665	-24.4%
EBITDA Margin	21.0%	23.7%	-2.7 p.p.	2.4%	18.7 p.p.	19.3%	28.0%	-8.7 p.p.

Vasta's recurring EBITDA grew 63% year over year, explained by the 14% growth in net revenue and the decline in operating and corporate expenses, with these effects partially offset by the higher PDA. Note that, in 4Q19, all publishing costs of 2019 were recognized (due to the change in allocation of these costs, which until then were capitalized), which facilitated the comparison base. Normalizing for this effect, cost of goods sold would have been R\$70 million and recurring EBITDA in 4Q19 would still have grown by 18% year over year.

In 2020, recurring EBITDA decreased slightly; however, after excluding (ii) non-recurring expenses in 2Q20 and (iii) the adjustment to tax credits that favored the results for 2019, Vasta's recurring EBITDA was R\$291 million (up 25% from the previous year), with margin of 29.2% (expansion of 3.6 p.p.), as shown in the following pro forma analysis.

Pro Forma Analysis

<i>Vasta - Values in R\$ ('000)</i>	4Q20 Pro Forma	4Q19 Pro Forma	Chg.%	3Q20	Chg.%	12M20 Pro Forma	12M19 Pro Forma	Chg.%
Gross Revenue	390,109	330,449	18.1%	208,945	86.7%	1,155,602	1,054,871	9.5%
Gross Revenue Deductions	(46,594)	(28,212)	65.2%	(67,530)	-31.0%	(158,021)	(145,594)	8.5%
Tax	(1,514)	(2,857)	-47.0%	(1,260)	20.2%	(6,431)	(9,295)	-30.8%
Returns	(43,561)	(24,510)	77.7%	(61,150)	-28.8%	(142,747)	(96,962)	47.2%
Total Discounts	(1,520)	(845)	79.8%	(5,120)	-70.3%	(8,842)	(39,337)	-77.5%
Net Revenue	343,516	302,238	13.7%	141,415	142.9%	997,582	909,277	9.7%
Total of Costs	(115,969)	(99,113)	17.0%	(62,194)	86.5%	(376,406)	(402,755)	-6.5%
Cost of Goods	(90,515)	(78,718)	15.0%	(46,740)	93.7%	(296,014)	(330,337)	-10.4%
Cost of Services	(25,454)	(20,395)	24.8%	(15,454)	64.7%	(80,392)	(72,418)	11.0%
Faculty, Other Personnel and Third-Party Services	(20,556)	(13,509)	52.2%	(14,956)	37.4%	(68,294)	(56,492)	20.9%
Rent	(36)	(1,588)	-97.7%	(223)	-83.7%	(1,114)	(1,999)	-44.3%
Materials	(0)	-	n.a.	-	n.a.	(0)	(25)	-100.0%
Maintenance	(4,094)	(4,249)	-3.6%	883	-563.8%	(7,881)	(10,639)	-25.9%
Other	(768)	(1,050)	-26.8%	(1,158)	-33.7%	(3,102)	(3,263)	-4.9%
Gross Income	227,546	203,124	12.0%	79,221	187.2%	621,176	506,522	22.6%
Gross Margin	66.2%	67.2%	-1.0 p.p.	56.0%	10.2 p.p.	62.3%	55.7%	6.6 p.p.
Total Operating Expenses	(21,149)	(23,693)	-10.7%	(28,484)	-25.7%	(117,459)	(63,421)	85.2%
Personnel Expenses	(16,645)	(16,817)	-1.0%	(14,086)	18.2%	(57,662)	(31,098)	85.4%
General and Administrative Expenses	(4,504)	(6,876)	-34.5%	(14,398)	-68.7%	(59,797)	(32,323)	85.0%
Provision for Doubtful Account - PDA	(6,394)	(4,356)	46.8%	(1,120)	470.7%	(13,454)	(12,008)	12.0%
(+) Interest and Penalties on Tuition	-	(34)	-100.0%	-	n.a.	-	1,295	-100.0%
(+) Equity	-	-	n.a.	-	n.a.	-	0	-100.0%
Selling and Marketing Expenses	(48,064)	(47,613)	0.9%	(35,840)	34.1%	(163,442)	(132,723)	23.1%
Operating Result	151,939	127,428	19.2%	13,776	1002.9%	326,821	299,665	9.1%
Operating Margin	44.2%	42.2%	2.1 p.p.	9.7%	34.5 p.p.	32.8%	33.0%	-0.2 p.p.
Corporate Expenses	(10,614)	(15,487)	-31.5%	(3,176)	234.2%	(35,976)	(67,217)	-46.5%
Recurring EBITDA	141,325	111,941	26.2%	10,600	1233.2%	290,845	232,447	25.1%
Recurring EBITDA Margin	41.1%	37.0%	4.1 p.p.	7.5%	33.6 p.p.	29.2%	25.6%	3.6 p.p.
(+) Opening Balance: Reversals of Contingencies	5,880	-	n.a.	611	863.1%	9,043	-	n.a.
(-) Non-Recurring Items	(69,050)	(11,507)	500.1%	(7,875)	776.9%	(80,205)	(24,207)	231.3%
(-) Impairment	-	-	n.a.	-	n.a.	-	-	n.a.
EBITDA	78,156	100,434	-22.2%	3,336	2242.8%	219,683	208,241	5.5%
EBITDA Margin	22.8%	33.2%	-10.5 p.p.	2.4%	20.4 p.p.	22.0%	22.9%	-0.9 p.p.

PDA and Accounts Receivable⁽¹⁾

<i>Vasta - Values in R\$ ('000)</i>	4Q20	4Q19	Chg.%	3Q20	Chg.%
Gross Accounts Receivable	516,979	494,853	4.5%	267,784	93.1%
PDA Balance	(32,055)	(45,931)	-30.2%	(26,929)	19.0%
Coverage Ratio	6.2%	9.3%	-33.2%	10.1%	-38.3%
Net Accounts Receivable	484,923	448,922	8.0%	240,855	101.3%
Average Accounts Receivable Term (days)	175	180	-5 dias	91	84 dias

(1) Excludes credit card balance.

As a ratio of net revenue, PDA increased in 4Q20 and remained above historical levels (3.6%) due to the more conservative approach for provisioning adopted given the pandemic's effects on the financial health of schools and the higher commercial activity observed in the period. Meanwhile, net accounts receivable increased 8% year over year supported by strong revenue growth. The relatively high ACP in the fourth quarter is characteristic of the seasonality of the business, given the concentration of revenue in the fourth and first quarters.

OTHER BUSINESSES | OPERATING PERFORMANCE

Revenue

Other Revenues - Values in R\$ ('000)	4Q20	4Q19	Chg.%	3Q20	Chg.%	2020	2019	Chg.%
Net Revenue	202,966	345,901	-41.3%	180,340	12.5%	548,070	526,004	4.2%
Net Revenue from PNLD	177,132	322,348	-45.0%	158,232	11.9%	427,767	372,178	14.9%
LFG, Unregulated and Preparatory Programs	702	922	-23.9%	330	112.9%	2,335	5,464	-57.3%
Books Sold - Postsecondary	17,294	14,732	17.4%	16,153	7.1%	75,759	105,967	-28.5%
Net Revenue - Other Services	7,839	7,899	-0.8%	5,625	39.3%	42,209	42,395	-0.4%

In 4Q20, other businesses segment reported sales of R\$177 million, representing sales to the National Textbook Program (PNLD). As announced to the market on October 28, the Company's sales came to R\$365 million in the 2021 cycle, which included only the replacement of books acquired in previous programs, explaining the lower recognition of sales to the program in the year-over-year comparison.

OTHER BUSINESSES | FINANCIAL PERFORMANCE

Other Revenues - Values in R\$ ('000)	4Q20	4Q19	Chg.%	3Q20	Chg.%	2020	2019	Chg.%
Gross Revenue	218,825	348,506	-37.2%	187,728	16.6%	580,251	541,509	7.2%
Gross Revenue Deductions	(15,859)	(2,605)	508.8%	(7,388)	114.7%	(32,181)	(15,505)	107.6%
Tax	(545)	(206)	164.5%	(400)	36.1%	(1,975)	(1,158)	70.6%
Returns	(14,890)	(2,360)	531.0%	(5,348)	178.4%	(28,070)	(14,198)	97.7%
Total Discounts	(424)	(39)	985.5%	(1,640)	-74.1%	(2,136)	(149)	1337.9%
Net Revenue	202,966	345,901	-41.3%	180,340	12.5%	548,070	526,004	4.2%
Total of Costs	(116,819)	(222,351)	-47.5%	(101,760)	14.8%	(320,924)	(329,415)	-2.6%
Cost of Goods	(115,057)	(215,601)	-46.6%	(99,668)	15.4%	(312,314)	(313,630)	-0.4%
Cost of Services	(1,762)	(6,750)	-73.9%	(2,091)	-15.7%	(8,609)	(15,786)	-45.5%
Faculty, Other Personnel and Third-Party Services	(1,330)	(4,273)	-68.9%	(1,349)	-1.4%	(6,659)	(11,668)	-42.9%
Rent	14	(2,015)	-100.7%	(15)	-193.7%	(174)	(1,627)	-89.3%
Materials	-	207	-100.0%	(328)	-100.0%	(328)	(657)	-50.0%
Maintenance	(434)	(609)	-28.6%	(365)	18.9%	(1,351)	(1,610)	-16.1%
Other	(11)	(60)	-81.4%	(34)	-67.2%	(97)	(224)	-56.7%
Gross Income	86,147	123,550	-30.3%	78,580	9.6%	227,146	196,589	15.5%
Gross Margin	42.4%	35.7%	6.7 p.p.	43.6%	-1.1 p.p.	41.4%	37.4%	4.1 p.p.
Total Operating Expenses	(23,280)	1,283	-1914.1%	(5,259)	342.7%	(40,491)	(20,429)	98.2%
Personnel Expenses	(1,369)	(2,577)	-46.9%	(2,525)	-45.8%	(9,235)	(8,568)	7.8%
General and Administrative Expenses	(21,911)	3,861	-667.6%	(2,734)	701.4%	(31,256)	(11,861)	163.5%
Provision for Doubtful Account - PDA	(1,682)	(448)	275.9%	(6,005)	-72.0%	(9,141)	(13,550)	-32.5%
(+) Interest and Penalties on Tuition	6	7	-23.6%	5	22.1%	20	39	-48.8%
(+) Equity	1,885	(136)	-1483.8%	2,881	-34.6%	5,665	(157)	-3712.9%
Selling and Marketing Expenses	(8,450)	(11,965)	-29.4%	(13,764)	-38.6%	(39,444)	(57,391)	-31.3%
Operating Result	54,625	112,292	-51.4%	56,437	-3.2%	143,754	105,101	36.8%
Operating Margin	26.9%	32.5%	-5.6 p.p.	31.3%	-4.4 p.p.	26.2%	20.0%	6.2 p.p.
Corporate Expenses	(2,940)	(7,681)	-61.7%	(6,598)	-55.4%	(20,161)	(31,210)	-35.4%
Adjusted EBITDA	51,685	104,610	-50.6%	49,839	3.7%	123,593	73,891	67.3%
Adjusted EBITDA Margin	25.5%	30.2%	-4.8 p.p.	27.6%	-2.2 p.p.	22.6%	14.0%	8.5 p.p.
(+) Opening Balance: Reversals of Contingencies	63,140	156,619	-59.7%	59,755	5.7%	363,925	353,433	3.0%
(-) Non-Recurring Items	(10,808)	(3,233)	234.3%	(2,659)	306.5%	(365,010)	(8,233)	4333.8%
(-) Impairment	-	-	n.a.	(457,424)	-100.0%	(457,424)	-	n.a.
EBITDA	104,017	257,996	-59.7%	(350,489)	-129.7%	(334,916)	419,092	-179.9%
EBITDA Margin	51.2%	74.6%	-23.3 p.p.	-194.3%	245.6 p.p.	-61.1%	79.7%	-140.8 p.p.

The results of the other businesses division, although robust, were down in relation to 4Q19 due to the lower recognition of sales to the PNLD, as explained above, higher costs with inventory write-off and contingency provisions in the non-PNLD businesses.

PDA and Accounts Receivable⁽¹⁾

Outros - Values in R\$ (000)	4Q20	4Q19	Chg.%	3Q20	Chg.%
Gross Accounts Receivable	63,826	210,189	-69.6%	129,298	-50.6%
PDA Balance	(26,376)	(29,729)	-11.3%	(27,592)	-4.4%
Coverage Ratio	41.3%	14.1%	192.2%	21.3%	93.6%
Net Accounts Receivable	37,450	180,460	-79.2%	101,705	-63.2%
Average Accounts Receivable Term (days)	27	122	-95 dias	55	-28 dias

(1) Excludes credit card balances.

Net accounts receivable declined significantly compared to 3Q20, reflecting the receipt of the sales to the PNLD in 3Q20. Meanwhile, the higher coverage rate reflects the higher PDA in the other businesses of the division.

COGNA CONSOLIDATED RESULTS

4Q20 RESULTS | BY COMPANY

	Kroton	Platos	Saber	Vasta	Others	Cogna's B.U. Elimination	Cogna Consolidated
Values in R\$ ('000)	4Q20	4Q20	4Q20	4Q20	4Q20	4Q20	4Q20
Gross Revenue	1,308,467	25,011	211,282	390,109	218,825	(24,004)	2,129,690
Gross Revenue Deductions	(369,055)	(935)	(54,199)	(46,594)	(15,859)	-	(486,642)
Tax	(28,942)	(903)	(12,529)	(1,514)	(545)	-	(44,432)
ProUni	(222,114)	-	-	-	-	-	(222,114)
Returns	-	-	-	(43,561)	(14,890)	-	(58,451)
Total Discounts	(117,999)	(32)	(41,670)	(1,520)	(424)	-	(161,645)
Net Revenue	939,412	24,076	157,083	343,516	202,966	(24,004)	1,643,048
Costs (COGS)	(199,021)	(1,154)	(88,461)	(115,969)	(116,819)	24,004	(497,420)
Cost of Goods	(1,796)	0	(8,803)	(90,515)	(115,057)	24,004	(192,167)
Cost of Services	(197,224)	(1,154)	(79,658)	(25,454)	(1,762)	-	(305,253)
Faculty, Other Personnel and Third-Party Services	(164,225)	(1,133)	(63,209)	(20,556)	(1,330)	-	(250,453)
Rent	(1,832)	-	(2,055)	(36)	14	-	(3,909)
Materials	(6,370)	-	(27)	(0)	-	-	(6,396)
Maintenance	(4,758)	(21)	(10,911)	(4,094)	(434)	-	(20,219)
Other	(20,040)	-	(3,456)	(768)	(11)	-	(24,275)
Gross Income	740,391	22,922	68,622	227,546	86,147	-	1,145,628
Operating Expenses	(241,864)	(5,354)	(39,625)	(21,149)	(23,280)	0.0%	(331,272)
Personnel, General and Administrative Expenses	(241,864)	(5,354)	(39,625)	(21,149)	(23,280)	-	(331,272)
Personnel Expenses	(70,557)	(4,386)	(29,796)	(16,645)	(1,369)	-	(122,753)
General and Administrative Expenses	(171,307)	(968)	(9,828)	(4,504)	(21,911)	-	(208,519)
Provision for Doubtful Accounts - PDA	(674,175)	(12,107)	(2,680)	(12,311)	(1,682)	0	(702,955)
(+) Interest and Penalties on Tuition	36,544	917	185	-	6	-	37,652
(+) Equity	-	-	-	-	1,885	-	1,885
Sales and Marketing Expenses	(110,299)	(6,237)	(14,115)	(48,064)	(8,450)	-	(187,165)
Operating Result	(249,403)	141	12,387	146,022	54,625	0	(36,228)
Corporate Expenses	(45,091)	(770)	(4,851)	(10,614)	(2,940)	0	(64,266)
Recurring EBITDA	(294,494)	(628)	7,536	135,408	51,685	0	(100,493)
(+) Opening Balance: Reversals of Contingencies	-	-	-	5,880	63,140	-	69,020
(-) Nonrecurring Items	(343,446)	(801)	(16,544)	(69,050)	(10,808)	(0)	(440,648)
(-) Impairment	(1,593,000)	-	(1,701,974)	-	-	-	(3,294,974)
EBITDA	(2,230,940)	(1,429)	(1,710,983)	72,239	104,017	0	(3,767,096)
Depreciation and Amortization							(288,404)
Financial Result							(203,740)
Income and Social Contribution Tax							242,039
Minority Interest							(2,739)
Net Profit							(4,019,940)
(+) Intangible Amortization (Acquisitions)							82,231
(+) Inventory surplus value							53
(+) Low Escrow							-
(+) Impairment on goodwill							3,294,974
(+) Write-off of deferred income tax							53,450
Adjusted Net Profit							(589,232)

2020 RESULTS | BY COMPANY

	Kroton	Platos	Saber	Vasta	Others	Cogna Elimination	Cogna Consolidated
Values in R\$ ('000)	2020	2020	2020	2020	2020	2020	2020
Gross Revenue	5,118,918	97,182	872,985	1,155,602	580,251	(56,943)	7,767,995
Gross Revenue Deductions	(1,482,787)	(5,916)	(189,914)	(158,021)	(32,181)	0	(1,868,819)
Tax	(124,608)	(4,859)	(52,315)	(6,431)	(1,975)	0	(190,189)
ProUni	(899,847)	-	-	-	-	-	(899,847)
Returns	(10)	-	(1,366)	(142,747)	(28,070)	-	(172,193)
Total Discounts	(458,323)	(1,056)	(136,233)	(8,842)	(2,136)	-	(606,590)
Net Revenue	3,636,130	91,266	683,070	997,582	548,070	(56,943)	5,899,176
Costs (COGS)	(782,272)	(5,944)	(320,202)	(386,931)	(320,924)	56,931	(1,759,343)
Cost of Goods	(12,165)	3	(24,824)	(304,314)	(312,314)	56,931	(596,683)
Cost of Services	(770,107)	(5,947)	(295,379)	(82,617)	(8,609)	-	(1,162,660)
Faculty, Other Personnel and Third-Party Services	(679,655)	(5,694)	(258,772)	(70,520)	(6,659)	-	(1,021,300)
Rent	(6,099)	-	(4,037)	(1,114)	(174)	-	(11,423)
Materials	(18,016)	-	(2,511)	(0)	(328)	-	(20,855)
Maintenance	(12,756)	(254)	(23,269)	(7,881)	(1,351)	-	(45,511)
Other	(53,581)	-	(6,790)	(3,102)	(97)	-	(63,571)
Gross Income	2,853,858	85,322	362,868	610,651	227,146	(12)	4,139,833
Operating Expenses	(680,704)	(14,156)	(142,445)	(118,168)	(40,491)	0.0%	(995,964)
Personnel, General and Administrative Expenses	(680,704)	(14,156)	(142,445)	(118,168)	(40,491)	-	(995,964)
Personnel Expenses	(287,753)	(12,238)	(116,513)	(58,371)	(9,235)	-	(484,110)
General and Administrative Expenses	(392,951)	(1,918)	(25,931)	(59,797)	(31,256)	-	(511,854)
Provision for Doubtful Accounts - PDA	(1,571,872)	(19,044)	(12,438)	(25,013)	(9,141)	0	(1,637,507)
(+) Interest and Penalties on Tuition	129,035	945	688	-	20	-	130,688
(+) Equity	-	-	-	-	5,665	-	5,665
Sales and Marketing Expenses	(441,234)	(22,115)	(20,435)	(164,501)	(39,444)	-	(687,729)
Operating Result	289,083	30,953	188,239	302,969	143,754	(12)	954,986
Corporate Expenses	(178,397)	(3,037)	(27,737)	(36,002)	(20,161)	0	(265,334)
Recurring EBITDA Margin	110,686	27,916	160,502	266,967	123,593	(12)	689,652
(+) Opening Balance: Reversals of Contingencies	-	-	-	9,043	363,925	-	372,968
(-) Nonrecurring Items	(464,712)	(1,410)	(33,657)	(83,490)	(365,010)	0	(948,279)
(-) Impairment	(1,593,000)	-	(2,075,739)	-	(457,424)	-	(4,126,163)
EBITDA	(1,947,026)	26,505	(1,948,894)	192,520	(334,916)	(12)	(4,011,822)
Depreciation and Amortization							(1,153,002)
Financial Result							(804,326)
Income and Social Contribution Tax							163,354
Minority Interest							(37)
Net Profit							(5,805,834)
(+) Intangible Amortization (Acquisitions)							329,445
(+) inventory surplus value							7,995
(+) Low Escrow							227,861
(+) Impairment on goodwill							4,126,163
(+) Write-off of deferred income tax							206,907
Adjusted Net Profit							(907,464)

4Q20 RESULTS | CONSOLIDATED

Consolidated - Values in R\$ ('000)	4Q20	4Q19	Chg.%	3Q20	Chg.%	2020	2020	Chg.%
Gross Revenue	2,129,690	2,357,288	-9.7%	1,774,215	20.0%	7,767,995	8,791,784	-11.6%
Gross Revenue Deductions	(486,642)	(427,578)	13.8%	(518,075)	-6.1%	(1,868,819)	(1,764,590)	5.9%
Tax	(44,432)	(49,939)	-11.0%	(40,115)	10.8%	(190,189)	(218,116)	-12.8%
ProUni	(222,114)	(232,854)	-4.6%	(220,627)	0.7%	(899,847)	(983,006)	-8.5%
Returns	(58,451)	(27,851)	109.9%	(66,499)	-12.1%	(172,193)	(114,462)	50.4%
Total Discounts	(161,645)	(116,934)	38.2%	(190,833)	-15.3%	(606,590)	(449,005)	35.1%
Net Revenue	1,643,048	1,929,710	-14.9%	1,256,140	30.8%	5,899,176	7,027,194	-16.1%
Total of Costs	(497,420)	(688,871)	-27.8%	(413,482)	20.3%	(1,759,343)	(2,044,689)	-14.0%
Cost of Goods	(192,167)	(328,545)	-41.5%	(143,190)	34.2%	(596,683)	(633,023)	-5.7%
Cost of Services	(305,253)	(360,327)	-15.3%	(270,291)	12.9%	(1,162,660)	(1,411,666)	-17.6%
Faculty, Other Personnel and Third-Party Services	(250,453)	(316,348)	-20.8%	(240,549)	4.1%	(1,021,300)	(1,251,948)	-18.4%
Rent	(3,909)	(5,343)	-26.8%	(2,360)	65.7%	(11,423)	(23,732)	-51.9%
Materials	(6,396)	(6,431)	-0.5%	(7,200)	-11.2%	(20,855)	(28,666)	-27.2%
Maintenance	(20,219)	(14,592)	38.6%	(4,418)	357.6%	(45,511)	(49,818)	-8.6%
Other	(24,275)	(17,614)	37.8%	(15,765)	54.0%	(63,571)	(57,501)	10.6%
Gross Income	1,145,628	1,240,838	-7.7%	842,658	36.0%	4,139,833	4,982,505	-16.9%
Gross Margin	69.7%	64.3%	5.4 p.p.	67.1%	2.6 p.p.	70.2%	70.9%	-0.7 p.p.
Total Operating Expenses	(331,272)	(192,445)	72.1%	(196,014)	69.0%	(995,964)	(889,912)	11.9%
Personnel, General and Administrative Expenses	(331,272)	(192,445)	72.1%	(196,014)	69.0%	(995,964)	(889,912)	11.9%
Personnel Expenses	(122,753)	(132,231)	-7.2%	(115,004)	6.7%	(484,110)	(507,015)	-4.5%
General and Administrative Expenses	(208,519)	(60,213)	246.3%	(81,010)	157.4%	(511,854)	(382,897)	33.7%
Provision for Doubtful Account - PDA	(702,955)	(342,239)	105.4%	(220,071)	219.4%	(1,637,507)	(910,893)	79.8%
(+) Interest and Penalties on Tuition	37,652	40,020	-5.9%	31,037	21.3%	130,688	207,386	-37.0%
Equity	1,885	(136)	-1483.8%	2,881	-34.6%	5,665	(157)	-3712.9%
Selling and Marketing Expenses	(187,165)	(143,173)	30.7%	(163,812)	14.3%	(687,729)	(621,555)	10.6%
Operating Result	(36,228)	602,865	-106.0%	296,679	-112.2%	954,986	2,767,375	-65.5%
Operating Margin	-2.2%	31.2%	-33.4 p.p.	23.6%	-25.8 p.p.	16.2%	39.4%	-23.2 p.p.
Corporate Expenses	(64,266)	(98,813)	-35.0%	(67,412)	-4.7%	(265,334)	(411,888)	-35.6%
Recurring EBITDA	(100,493)	504,052	-119.9%	229,268	-143.8%	689,652	2,355,487	-70.7%
Recurring EBITDA Margin	-6.1%	26.1%	-32.2 p.p.	18.3%	-24.4 p.p.	11.7%	33.5%	-21.8 p.p.
(+) Opening Balance: Reversals of Contingencies	69,020	156,619	-55.9%	60,366	14.3%	372,968	353,433	5.5%
(-) Non-Recurring Items	(440,648)	(125,707)	250.5%	(68,493)	543.3%	(948,279)	(286,831)	230.6%
(-) Impairment	(3,294,974)	-	n.a.	(831,188)	296.4%	(4,126,163)	-	n.a.
EBITDA	(3,767,096)	534,964	-804.2%	(610,048)	517.5%	(4,011,822)	2,422,088	-265.6%
EBITDA Margin	-229.3%	27.7%	-257.0 p.p.	-48.6%	-180.7 p.p.	-68.0%	34.5%	-102.5 p.p.
Depreciation and Amortization	(288,404)	(231,654)	24.5%	(285,293)	1.1%	(1,153,002)	(1,197,730)	-3.7%
Financial Result	(203,740)	(372,016)	-45.2%	(178,939)	13.9%	(804,326)	(1,040,572)	-22.7%
Income Tax / Social Contribution	22,274	(25,899)	-186.0%	(11,099)	-300.7%	(48,717)	(90,504)	-46.2%
Deferred Income Tax / Social Contribution	219,765	(73,516)	-398.9%	(213,439)	-203.0%	212,070	149,306	42.0%
Minority Interest	(2,739)	(195)	1304.6%	6,782	-140.4%	(37)	(924)	-96.0%
Net Income	(4,019,940)	(168,316)	2288.3%	(1,292,036)	211.1%	(5,805,834)	241,665	-2502.4%
Net Margin	-244.7%	-8.7%	-235.9 p.p.	-102.9%	-141.8 p.p.	-98.4%	3.4%	-101.9 p.p.
(+) Intangible Amortization (Acquisitions)	82,231	67,685	21.5%	82,231	0.0%	329,445	359,782	-8.4%
(+) Inventory surplus value	53	17,762	-99.7%	106	-50.2%	7,995	36,029	-77.8%
(+) Low Escrow	-	-	n.a.	-	n.a.	227,861	-	n.a.
(+) Impairment on goodwill	3,294,974	-	n.a.	831,188	296.4%	4,126,163	-	n.a.
(+) Write-off of deferred income tax	53,450	-	n.a.	215,627	-75.2%	206,907	-	n.a.
(+) Write-off of tax loss	-	134,489	-100.0%	-	n.a.	-	134,489	-100.0%
Adjusted Net Income	(589,232)	51,620	-1241.5%	(162,884)	261.7%	(907,464)	771,966	-217.6%
Adjusted Net Margin	-35.9%	2.7%	-38.5 p.p.	-13.0%	-22.9 p.p.	-15.4%	11.0%	-26.4 p.p.

Corporate Expenses

Consolidated - Values in R\$ ('000)	4Q20	4Q19	Chg.%	3Q20	Chg.%
Corporate Expenses	(64,266)	(98,813)	-35.0%	(67,412)	-4.7%
Personnel Expenses	(17,082)	(43,807)	-61.0%	(33,022)	-48.3%
General and Administrative Expenses	(47,183)	(55,006)	-14.2%	(34,390)	37.2%

% of Net Revenue	4Q20	4Q19	Chg.%	3Q20	Chg.%
Corporate Expenses	-3.9%	-5.1%	1.2 p.p.	-5.4%	1.5 p.p.
Personnel Expenses	-1.0%	-2.3%	1.3 p.p.	-2.6%	1.6 p.p.
General and Administrative Expenses	-2.9%	-2.9%	0.0 p.p.	-2.7%	-0.1 p.p.

In 4Q20, the reduction in corporate expenses reached 35%, explained by the efforts to cut costs, which are recurring and should support higher profitability, and by the reduction in the provision for employee variable compensation in 2020. Despite the end of the benefits granted under Provisional Measure 936/2020, corporate expenses declined 5% from 3Q20.

Nonrecurring Items

Values in R\$ ('000)	4Q20	4Q19	Chg.%	3Q20	Chg.%
Severance	(14,270)	(56,418)	-74.7%	(42,053)	-66.1%
M&A and expansion	(92,175)	(69,289)	33.0%	(21,866)	321.6%
Low Escrow	(1,658)	-	n.a.	(297)	458.1%
Low immobilized	(7,040)	-	n.a.	(4,277)	64.6%
Impairment of goodwill	(3,294,974)	-	n.a.	(831,188)	296.4%
Campus of the future	(318,622)	-	n.a.	0	n.a.
Capital Gain - Selling Leads	(6,883)	-	n.a.	-	n.a.
Total Nonrecurring	(3,735,623)	(125,707)	2871.7%	(899,682)	315.2%

Nonrecurring items in 4Q20 increased due to the expenses with Kroton's restructuring and the impairment by Kroton and Saber. Among expenses with Kroton's restructuring, only R\$131 million (or 42%) represented expenses with cash effects.

Financial Result

Consolidated - Values in R\$ ('000)	4Q20	4Q19	Chg.%	3Q20	Chg.%
(+) Financial Revenues	45,566	40,842	11.6%	38,751	17.6%
Interest on Financial Investment	24,189	14,732	64.2%	20,862	15.9%
Others	21,376	26,111	-18.1%	17,889	19.5%
(-) Financial Expenses	(249,306)	(412,858)	-39.6%	(217,690)	14.5%
Banks Expenses	(4,072)	(4,110)	-0.9%	(4,242)	-4.0%
Interest on leasing	(106,040)	(168,400)	-37.0%	(105,858)	0.2%
Interest on Loans	(67,181)	(126,215)	-46.8%	(71,365)	-5.9%
Interest and Tax on Late Payment	(5,653)	(10,188)	-44.5%	(3,296)	71.5%
Interest on Loans for Acquisitions	(5,835)	(10,246)	-43.1%	(3,025)	92.9%
Restatement of Contingencies	(30,759)	(89,018)	-65.4%	(13,189)	133.2%
Others	(29,765)	(4,681)	535.9%	(16,715)	78.1%
Financial Result¹	(203,741)	(372,016)	-45.2%	(178,939)	13.9%

¹ Excludes interest and fines on late monthly tuition payments.

The net financial result was an expense of R\$ 204 million in 4Q20, up 14% from 3Q20, due to the higher expenses with the update of contingencies, which more than offset the lower expenses with interest on loans. Compared to 4Q19, net financial expense decreased 45%, explained by the higher interest income on financial investments, due to the capitalization transactions (Cogna's follow-on offering in February and Vasta's IPO in July), and by the lower expenses with interest on leases and the update of contingencies.

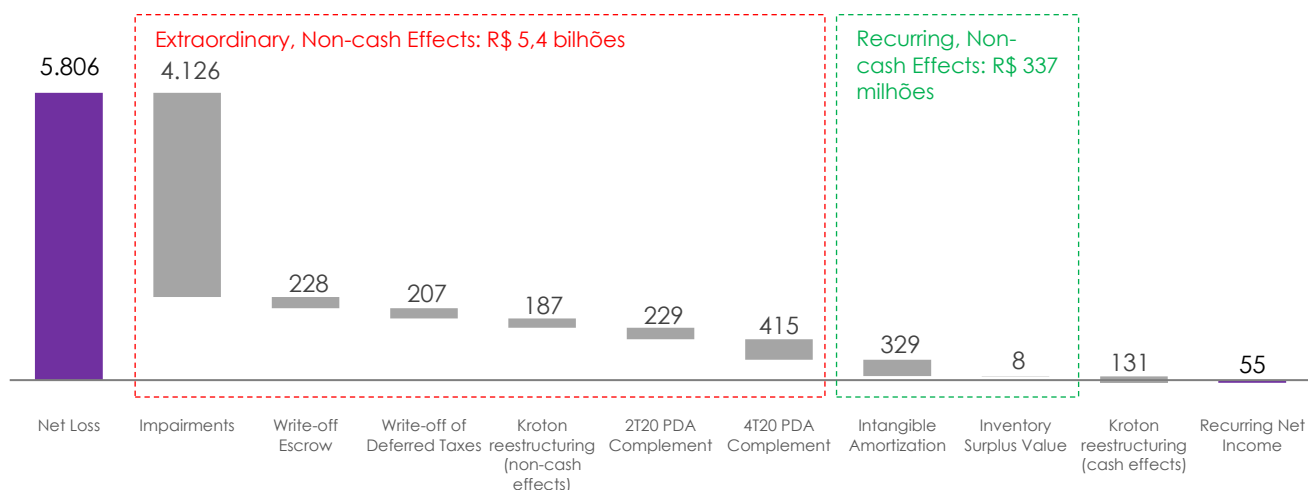
Net Income

Consolidated - Values in R\$ ('000)	4Q20	4Q19	Chg.%	3Q20	Chg.%
Operating Result	(36,228)	602,865	-106.0%	296,679	-112.2%
(+) Corporate Expenses	(64,266)	(98,813)	-35.0%	(67,412)	-4.7%
(+) Opening Balance: Reversals of Contingencies	69,020	156,619	-55.9%	60,366	14.3%
(+) Nonrecurring Items	(440,648)	(125,707)	250.5%	(68,493)	543.3%
(+) Impairment on goodwill	(3,294,974)	-	n.a.	(831,188)	296.4%
(+) Depreciation and Amortization ex-Intangible	(288,404)	(231,654)	24.5%	(285,293)	1.1%
(+) Financial Result ¹	(203,740)	(372,016)	-45.2%	(178,939)	13.9%
(+) Income Tax / Social Contribution	22,274	(25,899)	-186.0%	(11,099)	-300.7%
(+) Deferred Income Tax / Social Contribution	219,765	(73,516)	-398.9%	(213,439)	-203.0%
(+) Participation of Minority	(2,739)	(195)	1304.6%	6,782	-140.4%
(+) Intangible Amortization (Acquisitions)	82,231	67,685	21.5%	82,231	0.0%
(+) Inventory surplus value	53	17,762	-99.7%	106	-50.2%
(+) Low Escrow	-	-	n.a.	-	n.a.
(+) Impairment on goodwill	3,294,974	-	n.a.	831,188	296.4%
(+) Write-off of deferred income tax	53,450	-	n.a.	215,627	-75.2%
(+) Write-off of tax loss	-	134,489	-100.0%	-	n.a.
Adjusted Net Income	(589,232)	51,620	-1,241.5%	(162,884)	261.7%
Adjusted Net Margin	-35.9%	2.7%	-38.5 p.p.	-13.0%	-22.9 p.p.
(-) Intangible Amortization (Acquisitions)	(82,231)	(67,685)	21.5%	(82,231)	0.0%
(-) Inventory surplus value	(53)	(17,762)	-99.7%	(106)	-50.2%
(-) Low Escrow	-	-	n.a.	-	n.a.
(-) Impairment on goodwill	(3,294,974)	-	n.a.	(831,188)	n.a.
(-) Write-off of deferred income tax	(53,450)	-	n.a.	(215,627)	n.a.
(-) Write-off of tax loss	-	(134,489)	-100.0%	-	n.a.
Net Income	(4,019,940)	(168,316)	2,288.3%	(1,292,036)	211.1%
Net Margin	-244.7%	-8.7%	-235.9 p.p.	-102.9%	-141.8 p.p.

¹ Excludes interest and fines on late monthly tuition payments.

In 4Q20, Cogna's net income was severely impacted by the recognition of impairment losses, a non-cash effect that totaled R \$ 3.3 billion. Excluding the amortization of intangible assets and inventory gains (both also non-cash effects), we reached an adjusted net loss of R\$ 589 million. If excluded Kroton's PDA complement and restructuring expenses, Cogna's net result would have been positive in R\$ 144 million.

Likewise, it is evident that the net loss of R\$ 5.8 billion in 2020 was equally impacted by the same factors listed above, with R\$ 5.4 billion in extraordinary events with no cash effect, as can be seen in the figure below. Thus, when disregarding these events, the adjusted net result would have been positive by R\$ 55 million.



Capex and Investments in Expansion

Values in R\$ (million)	4Q20	% AV	4Q19	% AV	% AH
Information technology and library equipment	2.3	2%	7.8	4%	-70.5%
Content and systems development and software licenses	51.7	36%	71.6	39%	-27.8%
Laboratory and related equipment	2.5	2%	9.9	5%	-74.7%
Expansions	23.9	17%	32.5	18%	-26.5%
Capex	80.4	56%	121.8	67%	-34.0%
% Net Revenue	4.9%	-	6.3%	-	-1.4 p.p.
investment in expansion	62.3	44%	60.2	33%	3.5%
Capex and Investment in Expansion	142.7	100%	182.0	100%	-21.6%
% Net Revenue	8.7%	-	9.4%	-	-0.7 p.p.

Total investments decreased 22% on the prior-year period, reflecting the rationalization of expenses in the current scenario and the conclusion of the project to open new units. A highlight of this item was the expenses related to Kroton's restructuring project. A large portion of capex was allocated to content and system development and to software licensing, which accounted for 64% of the total. These investments reflect the expansion and maturation of the postsecondary education portfolio over recent years, especially in the fields of Engineering and Healthcare, and the new premium distance learning programs, as well as the updating of content in the primary and secondary education segment and the digital transformation initiatives, which proved particularly essential in the current scenario and the growing importance of digital education platforms.

Net Debt

Consolidated - Values in R\$ ('000)	4Q20	4Q19	Chg.%	3Q20	Chg.%
Cash and Cash Equivalents	4,567,320	843,073	441.7%	5,256,909	-13.1%
Cash	24,162	63	38252.4%	28,874	-16.3%
Securities	4,543,158	843,010	438.9%	5,228,035	-13.1%
Loans and Financing	7,221,311	8,084,565	-10.7%	8,169,682	-11.6%
Short-term Debt	2,049,137	579,529	253.6%	2,409,888	-15.0%
Long-term Debt	5,172,174	7,505,036	-31.1%	5,759,794	-10.2%
Net Cash (Debt) ¹	(2,653,991)	(7,241,492)	-63.4%	(2,912,773)	-8.9%
Other Short and Long Term Debt ²	273,319	315,466	-13.4%	276,590	-1.2%
(1) Net Cash (Debt)	(2,927,310)	(7,556,958)	-61.3%	(3,189,363)	-8.2%
Short Term Accounts Receivable ³	-	138,262	-100.0%	138,405	-100.0%
Uniasselvi Disposal	-	122,865	-100.0%	125,147	-100.0%
FAIR and FAC/FAMAT Disposal	-	15,397	-100.0%	13,258	-100.0%
Long-Term Accounts Receivable ³	64,469	251,431	-74.4%	259,114	-75.1%
Uniasselvi Disposal	59,451	227,308	-73.8%	238,686	-75.1%
FAIR and FAC/FAMAT Disposal	5,018	24,124	-79.2%	20,428	-75.4%
(2) Other Accounts Receivable ³	64,469	389,694	-83.5%	397,519	-83.8%
(1)+(2) Pro Forma Net Cash (Debt)	(2,862,841)	(7,167,264)	-60.1%	(2,791,844)	2.5%

¹ Net cash (debt) considering only bank obligations.

² Considering all short- and long-term obligations related to taxes paid in installments and acquisitions, including the amount to be paid within 6 years related to the Uniasselvi acquisition, in addition to debentures issued by the Company.

³ Considers the short-term receivables related to the Uniasselvi, FAIR and FAC/FAMAT divestment and long-term receivables related to the other installments of Uniasselvi, FAIR and FAC/FAMAT to be earned from 2020 to 2022 adjusted to present value (excluding the earn-out amounts).

At the end of 4Q20, total cash and financial investments stood at R\$4.6 billion, down 13% from 3Q20. In the quarter, we carried out transactions to partially amortize debentures (in view of the Vasta IPO, as provided for in the debenture regulations), which resulted in an equivalent reduction in our cash and loan positions. Net debt, which ended the quarter at R\$2.9 billion, down 9% from 3Q20, benefited from the prepayment of receivables related to the sale of Uniasselvi. The Company's debt profile remains long, with short-term maturities representing only 28% of the total.

In 4Q20, the ratio of net debt to adjusted EBITDA in the last 12 months stood at 3.23x, above the limit of 3x stipulated in the covenants of our debentures for the second alternat time. Although this does not characterize a breach of covenants, we will start negotiations with the debtholders to renegotiate certain criteria related to the covenants. It is important to note that the exceeding of the 3.0x limit did not occur due to a drop in the Company's operating cash generation, but exclusively due to the recognition of extraordinary PDA complements that were carried out during the year 2020. Under the debentures regulations, net debt considers the sum of loans and financing and accounts payable due to acquisitions, less cash and banks. Adjusted EBITDA, meanwhile, considers, in addition to EBITDA, non-recurring items and the sum of the balance of provisions and non-cash reversals of contingencies. For 4Q20, the calculation is shown below:

Values in R\$ ('000)	4T20
EBITDA	(4,011,822)
Non-recurring Items	5,065,228
Provisions for/Reversals of Contingencies	(150,408)
Adjusted EBITDA	902,997
Debentures	7,221,311
Commitments Payable	249,991
Cash and Cash Equivalents	(4,552,294)
Net Debt	2,919,008
Net Debt/Adjusted EBITDA	3.23

Excluding the extraordinary PDA complements carried out in 2020 (R\$ 229 million in 2Q20 and R\$ 415 million in 4Q20), the net debt/adjusted EBITDA ratio is 1.89x.

Cash Flow

Consolidated - Values in R\$ ('000)	4Q20	4Q19	Chg.%	3Q20	Chg.%	2020	2019	Chg.%
Net Income before Income Interest	(4,259,241)	(68,706)	6099.2%	(1,074,280)	296.5%	(5,969,151)	183,786	-3347.9%
(+) Net Income adjustments before Income Interest	4,739,053	905,042	423.6%	1,488,554	218.4%	8,175,599	2,970,223	175.3%
Depreciation and Amortization	288,403	231,674	24.5%	285,293	1.1%	1,153,002	1,143,283	0.9%
Provision for Doubtful Accounts (PDA)	702,955	342,239	105.4%	220,071	219.4%	1,637,507	910,893	79.8%
Others	3,747,695	331,129	1031.8%	983,190	281.2%	5,385,090	916,047	487.9%
(+) Income Tax and Social Contribution	6,331	(18,206)	-134.8%	(21,029)	-130.1%	(32,803)	(76,646)	-57.2%
(+) Changes in Working Capital	(285,090)	(329,002)	-13.3%	(116,812)	144.1%	(1,489,094)	(2,193,770)	-32.1%
(Increase) Reduction in Accounts Receivable ex-FIES	(352,918)	(575,776)	-38.7%	(3,986)	8754.3%	(605,286)	(1,576,687)	-61.6%
(Increase) Reduction in Accounts Receivable FIES	56,535	102,240	-44.7%	(13,887)	-507.1%	39,589	142,780	-72.3%
Others	11,293	144,534	-92.2%	(98,939)	-111.4%	(923,397)	(759,864)	21.5%
Operating Cash Generation before Capex	201,053	489,128	-58.9%	276,433	-27.3%	684,551	883,593	-22.5%
Capex	(80,350)	(121,761)	-34.0%	(68,232)	17.8%	(311,387)	(482,406)	-35.5%
(+) Investments in Expansion	(62,326)	(60,151)	3.6%	(24,794)	151.4%	(132,893)	(195,148)	-31.9%
Operating Cash Generation after total Capex	58,377	307,216	-81.0%	183,407	-68.2%	240,271	206,039	16.6%
(+) M&A Activities	262,294	132,216	98.4%	102,693	155.4%	492,209	(1,773,934)	-127.7%
(+) Cash Flow from Financing Activities	(1,010,352)	(33,948)	2876.2%	1,243,721	-181.2%	2,994,179	(190,350)	-1673.0%
Free Cash Flow	(689,681)	405,484	-270.1%	1,529,821	-145.1%	3,726,659	(1,758,246)	-312.0%

Operating cash generation before capex was positive R\$201 million, down on the prior-year period, due to the lower recognition of PNLD revenue and the lower operating result. However, once again we registered a reduction in working capital consumption, especially in accounts receivable ex-FIES. The Company's free cash flow in the quarter was negative R\$690 million, reflecting the partial amortization of debentures and the restructuring expenses at Kroton.

Consolidated - Values in R\$ ('000)

	4Q20	4Q19	Chg.%	2020	2019	Chg.%
Operating Cash Generation (OCG) before Capex	201,053	489,128	-58.9%	684,551	883,593	-22.5%
OCG / EBITDA	-200.1%	97.0%	-297.1 p.p.	99.3%	37.5%	61.7 p.p.
Operating Cash Generation after total Capex	58,377	307,216	-81.0%	240,271	206,039	16.6%
OCG / EBITDA	-58.1%	60.9%	-119.0 p.p.	34.8%	8.7%	26.1 p.p.
Free Cash Flow	(689,681)	405,484	-270.1%	3,726,659	(1,758,246)	-312.0%

In 2020, operating cash generation after capex was R\$240 million, slightly above the guidance of R\$230 million and representing the conversion of 35% of recurring EBITDA. Despite the relevant decline in EBITDA, operating cash generation after capex grew 17%.

CAPITAL MARKETS AND SUBSEQUENT EVENTS

OWNERSHIP STRUCTURE

Cogna's capital is composed of 1,876,606,210 common shares and is distributed as follows:

Cogna Ownership Structure*	Quantity	%
Treasury	7,638,405	0.41%
Free Float	1,868,967,805	99.59%
Total	1,876,606,210	100.00%

* Position as of 10/31/2020.

STOCK PERFORMANCE

Cogna's stock (COGN3) is a component of various indices, including the Bovespa Index (Ibovespa), Special Corporate Governance Stock Index (IGC), Special Tag-Along Stock Index (ITAG), Consumption Sector Index (ICON) and MSCI Brazil.

In 4Q20, the stock was traded in 100% of trading sessions, registering financial trading volume of R\$21.4 billion and 3,407,885 trades in the period, which represents average daily trading volume of R\$57 million. Cogna's stock is currently covered by research analysts at 16 different local and international institutions. On December 31, 2020, Cogna's market capitalization was R\$8.7 billion.

In 4Q20, Kroton's stock price fell 16.1%, while the Bovespa Index (Ibovespa) gained 6.8% in the same period. In the same period, the ITAG rose 23.4%, while the IGC and ICON gained 21.9% and 9.7%, respectively.

Highlights- COGN3	4Q20	2020
Average Daily Trade Volume (average)	R\$ 350.8 million	R\$ 396.0 million
Maximum (R\$ per share)	R\$ 5.52	R\$ 12.79
Minimum (R\$ per share)	R\$ 4.20	R\$ 3.66
Average (R\$ per share)	R\$ 4.90	R\$ 6.80
Closing Quote	R\$ 4.63	R\$ 4.63
Variation in the period (%)	-16.1%	-62.0%

CREDIT RATINGS

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

DIVIDENDS

Due to the net loss reported in the period and to the circumstances imposed by Covid-19, no dividends will be distributed in the quarter.

ABOUT COGNA EDUCAÇÃO

Cogna Educação is one of the largest private educational organizations in the world. Operating for over 70 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 4Q20, Cogna had 770,000 On-Campus and Digital Undergraduate students in the Kroton vertical and 48,000 Graduate students in the Platos vertical, served through 176 own Postsecondary Education units and 1,544 accredited Digital Education centers. In K-12 Education, the Saber vertical ended the quarter with 31,000 students at 52 own/contract schools and 21,000 students at 121 Red Balloon units, while the Vasta vertical had 1.5 million students served through approximately 4,200 associated schools using solutions in core and extracurricular content.

APPENDIX 1 – CORPORATE BALANCE SHEET

Assets	4Q20	% AV	3Q20	% AV	4Q19	% AV
Current Assets	6,869,479	22.3%	8,176,265	22.4%	4,478,450	13.1%
Cash and cash equivalents	19,438	0.1%	28,870	0.1%	63	0.0%
Financial Investments	2,185,908	7.1%	2,633,619	7.2%	371,620	1.1%
Securities	1,976,436	6.4%	2,169,817	6.0%	453,952	1.3%
Accounts Receivable	1,876,801	6.1%	2,010,121	5.5%	2,586,529	7.6%
Inventories	366,405	1.2%	380,829	1.0%	407,120	1.2%
Prepayments	63,313	0.2%	84,501	0.2%	77,078	0.2%
Recoverable Taxes	275,445	0.9%	264,209	0.7%	346,162	1.0%
Deferred Taxes	593	0.0%	138,405	0.4%	139,162	0.4%
Other Accounts Receivable	105,140	0.3%	465,895	1.3%	96,764	0.3%
Non current Assets	21,511,768	69.9%	26,148,565	71.8%	29,639,996	86.9%
Asset held for sale	2,402,541	7.8%	2,114,550	5.8%	0	0.0%
Securities	15,026	0.0%	14,934	0.0%	17,438	0.1%
Accounts Receivables	443,286	1.4%	638,494	1.8%	754,687	2.2%
Accounts receivable on sale of subsidiaries	71,329	0.2%	259,114	0.7%	250,531	0.7%
Deferred Taxes	838,338	2.7%	670,457	1.8%	776,733	2.3%
Judicial Deposits	74,055	0.2%	74,179	0.2%	95,671	0.3%
Taxes to Recover	137,126	0.4%	137,126	0.4%	130,428	0.4%
Guarantee for social security, labor and civil provisions	166,872	0.5%	174,460	0.5%	1,130,019	3.3%
Other	92,041	0.3%	89,529	0.2%	97,107	0.3%
Related Parties	309,767	1.0%	-	0.0%	0	0.0%
Investments	1,453	0.0%	9,837	0.0%	8,213	0.0%
Fixed Assets	4,344,174	14.1%	5,251,844	14.4%	5,855,264	17.2%
Intangible	15,018,301	48.8%	18,828,591	51.7%	20,522,225	60.1%
Total Assets	30,783,788	100.0%	36,439,380	100.0%	34,118,446	100.0%
Liabilities and Equity						
Current Liabilities	3,772,010	12.3%	4,066,722	11.2%	2,750,625	8.1%
Suppliers	533,590	1.7%	335,965	0.9%	537,430	1.6%
Suppliers drawn risk	284,808	0.9%	316,242	0.9%	341,656	1.0%
Loans and Financing	229	0.0%	187	0.0%	531	0.0%
Debenture	2,048,808	6.7%	2,409,601	6.6%	578,998	1.7%
Lease	120,082	0.4%	133,021	0.4%	147,773	0.4%
Social security and labor liabilities	313,917	1.0%	444,060	1.2%	463,527	1.4%
Income Tax and Social Contribution	39,276	0.1%	48,250	0.1%	60,608	0.2%
Taxes and Contribution	103,445	0.3%	89,939	0.2%	101,792	0.3%
Advances from Clients	195,198	0.6%	173,937	0.5%	318,409	0.9%
Tax and Contribution Payment Installments	12,086	0.0%	11,796	0.0%	14,384	0.0%
Accounts Payable - Acquisitions	100,728	0.3%	103,660	0.3%	117,976	0.3%
Dividends Payable	64	0.0%	64	0.0%	42	0.0%
Other	19,779	0.1%	(0)	-0.0%	67,499	0.2%
Liability Held for Sale	1,489,908	4.8%	1,378,041	3.8%	0	0.0%
Non current Liabilities	11,236,706	36.5%	12,738,929	35.0%	15,532,552	45.5%
Loans and Financing	817	0.0%	859	0.0%	161	0.0%
Debenture	5,171,357	16.8%	5,758,935	15.8%	7,504,875	22.0%
Lease	2,912,368	9.5%	3,597,701	9.9%	3,873,701	11.4%
Provision for Tax, Labor and Civil Lawsuit Losses	428,614	1.4%	90,087	0.2%	471,924	1.4%
Liabilities assumed in the business combination	2,012,606	6.5%	2,333,525	6.4%	2,631,543	7.7%
Tax and Contribution Payment Installments	7,804	0.0%	11,967	0.0%	17,846	0.1%
Accounts Payable - Acquisitions	125,548	0.4%	123,347	0.3%	165,260	0.5%
Deferred Taxes	495,936	1.6%	742,210	2.0%	786,947	2.3%
Others	81,656	0.3%	80,298	0.2%	80,295	0.2%
Consolidated Equity	14,285,163	46.4%	18,255,688	50.1%	15,835,269	46.4%
Total Liabilities and Equity	30,783,788	100.0%	36,439,380	100.0%	34,118,446	100.0%

APPENDIX 2 – QUARTERLY CORPORATE INCOME STATEMENT

	4Q20	% Net Rev.	4Q19	% Net Rev.	4Q20 / 4Q19	3Q20	% Net Rev.	4Q20 / 3Q20
	(In thousand reais, except otherwise indicated)							
Gross Revenue	1,928,082	129.0%	2,148,341	121.5%	-10.3%	1,572,372	141.4%	22.6%
Kroton	1,308,467	87.6%	1,438,645	81.4%	-9.0%	1,144,575	102.9%	14.3%
Platos	25,011	1.7%	23,516	1.3%	6.4%	25,209	2.3%	-0.8%
Saber	9,674	0.6%	9,220	0.5%	4.9%	28,953	2.6%	-66.6%
Vasta	390,109	26.1%	330,450	18.7%	18.1%	208,945	18.8%	86.7%
Outros	194,821	13.0%	346,511	19.6%	-43.8%	164,690	14.8%	18.3%
Deductions from Gross Revenue	(433,624)	-29.0%	(380,204)	-21.5%	14.1%	(460,030)	-41.4%	-5.7%
Kroton	(369,056)	-24.7%	(351,400)	-19.9%	5.0%	(382,413)	-34.4%	-3.5%
Platos	(935)	-0.1%	(1,715)	-0.1%	-45.5%	(1,808)	-0.2%	-48.3%
Saber	(1,182)	-0.1%	3,728	0.2%	-131.7%	(891)	-0.1%	32.7%
Vasta	(46,593)	-3.1%	(28,212)	-1.6%	65.2%	(67,530)	-6.1%	-31.0%
Outros	(15,858)	-1.1%	(2,604)	-0.1%	508.9%	(7,388)	-0.7%	114.6%
Net Revenue	1,494,458	100.0%	1,768,137	100.0%	-15.5%	1,112,342	100.0%	34.4%
Kroton	939,411	62.9%	1,087,245	61.5%	-13.6%	762,162	68.5%	23.3%
Platos	24,076	1.6%	21,800	1.2%	10.4%	23,401	2.1%	2.9%
Saber	8,492	0.6%	12,948	0.7%	-34.4%	28,062	2.5%	-69.7%
Vasta	343,516	23.0%	302,238	17.1%	13.7%	141,415	12.7%	142.9%
Outros	178,963	12.0%	343,906	19.5%	-48.0%	157,302	14.1%	13.8%
Costs of Goods/Services	(531,327)	-35.6%	(663,422)	-37.5%	-19.9%	(438,031)	-39.4%	21.3%
Cost of Goods Sold	(140,512)	-9.4%	(291,249)	-16.5%	-51.8%	(114,252)	-10.3%	23.0%
Cost of Services Rendered	(390,815)	-26.2%	(372,173)	-21.0%	5.0%	(323,779)	-29.1%	20.7%
Gross Income	963,131	64.4%	1,104,715	62.5%	-12.8%	674,311	60.6%	42.8%
Operating Expenses	(3,297,963)	-220.7%	(807,271)	-45.7%	308.5%	(1,217,587)	-109.5%	170.9%
Selling Expenses	(871,439)	-58.3%	(474,467)	-26.8%	83.7%	(376,954)	-33.9%	131.2%
General and Administrative Expenses	(635,984)	-42.6%	(504,886)	-28.6%	26.0%	(383,369)	-34.5%	65.9%
Loss on impairment of assets	(1,593,000)	0.0%	-	0.0%	0.0%	(457,424)	-41.1%	248.3%
Other Operating Income (Expenses)	(199,427)	-13.3%	172,218	9.7%	-215.8%	(2,719)	-0.2%	7,234.6%
Equity in the results of investees	1,886	0.1%	(136)	-0.0%	-1,486.8%	2,880	0.3%	-34.5%
Income before Financial Result and Taxes	(2,334,832)	-156.2%	297,444	16.8%	-885.0%	(543,276)	-48.8%	329.8%
Financial Result	(136,893)	-9.2%	(306,493)	-17.3%	-55.3%	(143,755)	-12.9%	-4.8%
Financial Expenses	(218,232)	-14.6%	(367,132)	-20.8%	-40.6%	(212,055)	-19.1%	2.9%
Financial Revenues	81,339	5.4%	60,639	3.4%	34.1%	68,300	6.1%	19.1%
Income from Operations	(2,471,725)	-165.4%	(9,048)	-0.5%	27,216.6%	(687,031)	-61.8%	259.8%
Income and Social Contribution Tax	273,814	18.3%	(96,523)	-5.5%	-383.7%	(225,327)	-20.3%	-221.5%
Current	21,734	1.5%	(30,982)	-1.8%	-170.2%	(11,305)	-1.0%	-292.2%
Deferred	252,080	16.9%	(65,541)	-3.7%	-484.6%	(214,021)	-19.2%	-217.8%
Net Income before Discontinued Operations	(2,197,911)	-147.1%	(105,571)	-6.0%	1,981.9%	(912,357)	-82.0%	140.9%
Discontinued Operations	(1,819,291)	-121.7%	(62,818)	-3.6%	2,796.1%	(386,461)	-34.7%	370.8%
Net Income	(4,017,202)	-268.8%	(168,389)	-9.5%	2,285.7%	(1,298,818)	-116.8%	209.3%
Net Income Attributed to Controlling Shareholders	(4,019,941)	-269.0%	(168,583)	-9.5%	2,284.5%	(1,292,036)	-116.2%	211.1%
Net Income Attributed to Non-Controlling Shareholders	2,739	0.2%	194	0.0%	1,311.9%	(6,782)	-0.6%	-140.4%

APPENDIX 3 – YEARLY INCOME STATEMENT

	12M20	% Net Rev.	12M19	% Net Rev.	12M20 / 12M19
	(In thousand reais, except otherwise indicated)				
Gross Revenue	6,951,050	131.9%	7,938,547	124.9%	-12.4%
Kroton	5,118,918	97.1%	6,203,756	97.6%	-17.5%
Platos	97,182	1.8%	90,647	1.4%	7.2%
Saber	56,040	1.1%	54,711	0.9%	2.4%
Vasta	1,155,602	21.9%	1,054,871	16.6%	9.5%
Outros	523,308	9.9%	534,562	8.4%	-2.1%
Deductions from Gross Revenue	(1,681,906)	-31.9%	(1,583,361)	-24.9%	6.2%
Kroton	(1,482,788)	-28.1%	(1,423,836)	-22.4%	4.1%
Platos	(5,916)	-0.1%	(8,965)	-0.1%	-34.0%
Saber	(3,002)	-0.1%	10,538	0.2%	-128.5%
Vasta	(158,020)	-3.0%	(145,594)	-2.3%	8.5%
Outros	(32,180)	-0.6%	(15,504)	-0.2%	107.6%
Net Revenue	5,269,144	100.0%	6,355,187	100.0%	-17.1%
Kroton	3,636,130	69.0%	4,779,920	75.2%	-23.9%
Platos	91,266	1.7%	81,682	1.3%	11.7%
Saber	53,038	1.0%	65,250	1.0%	-18.7%
Vasta	997,582	18.9%	909,277	14.3%	9.7%
Outros	491,128	9.3%	519,058	8.2%	-5.4%
Costs of Goods/Services	(1,946,924)	-36.9%	(2,441,136)	-38.4%	-20.2%
Cost of Goods Sold	(450,930)	-8.6%	(515,201)	-8.1%	-12.5%
Cost of Services Rendered	(1,495,994)	-28.4%	(1,925,935)	-30.3%	-22.3%
Gross Income	3,322,221	63.1%	3,914,051	61.6%	-15.1%
Operating Expenses	(6,559,128)	-124.5%	(3,043,241)	-47.9%	115.5%
Selling Expenses	(2,293,415)	-43.5%	(1,514,991)	-23.8%	51.4%
General and Administrative Expenses	(1,644,018)	-31.2%	(1,565,964)	-24.6%	5.0%
Loss on impairment of assets	(2,050,424)	-38.9%	-	0.0%	0.0%
Other Operating Income (Expenses)	(576,937)	-10.9%	37,871	0.6%	-1,623.4%
Equity in the results of investees	5,665	0.1%	(157)	-0.0%	-3,708.3%
Income before Financial Result and Taxes	(3,236,908)	-61.4%	870,809	13.7%	-471.7%
Financial Result	(598,694)	-11.4%	(762,305)	-12.0%	-21.5%
Financial Expenses	(878,512)	-16.7%	(1,097,439)	-17.3%	-19.9%
Financial Revenues	279,818	5.3%	335,134	5.3%	-16.5%
Income from Operations	(3,835,601)	-72.8%	108,504	1.7%	-3,635.0%
Income and Social Contribution Tax	209,218	4.0%	64,245	1.0%	225.7%
Current	(36,728)	-0.7%	(93,036)	-1.5%	-60.5%
Deferred	245,946	4.7%	157,281	2.5%	56.4%
Net Income before Discontinued Operations	(3,626,383)	-68.8%	172,750	2.7%	-2,199.2%
Discontinued Operations	(2,179,415)	-41.4%	69,838	1.1%	-3,220.7%
Net Income	(5,805,798)	-110.2%	242,588	3.8%	-2,493.3%
Net Income Attributed to Controlling Shareholders	(5,805,835)	-110.2%	235,244	3.7%	-2,568.0%
Net Income Attributed to Non-Controlling Shareholders	37	0.0%	7,344	0.1%	-99.5%

APPENDIX 4 – QUARTERLY INCOME STATEMENT RECONCILIATION

					Non-accounting adjustments					
	4Q20 Results (Book)	Discontinued Operations (SOE) 4Q20	Interest and Penalties on Tuition	Depreciation/ Amortization	Intangible Amortization (Acquisitions)	Non-recurring Items/ Capital Gain	Reclassification between Costs and expenses	Opening Balance Reversals	B.U. Elimination	4Q20 Results (Release)

APPENDIX 5 – YEARLY INCOME STATEMENT RECONCILIATION

	12M20 Results (Book)	Discontinued Operations (SOE)	Interest and Penalties on Tuition	Depreciation/ Amortization	Intangible Amortization (Acquisitions)	Non-recurring Items/ Capital Gain	Reclassification between Costs and expenses	Opening Balance Reversals	B.U. Elimination	12M20 Results (Release)
(In thousand reais, except otherwise indicated)										
Gross Revenue	6,951,050	816,943	-	-	-	-	-	-	1	7,767,995
Kroton	5,118,918	-	-	-	-	-	-	-	[0]	5,118,918
Platões	97,162	-	-	-	-	-	-	-	-	97,162
Saber	56,040	816,943	-	-	-	-	-	-	1	872,985
Vasta	1,155,402	-	-	-	-	-	-	-	0	1,155,402
Others	523,308	-	-	-	-	-	-	-	56,943	580,251
Elimination BU's / Cogna	-	-	-	-	-	-	-	-	(56,943)	(56,943)
Deductions from Gross Revenue	(1,681,906)	(186,911)	-	-	-	-	-	-	(1)	(1,868,819)
Kroton	(1,482,788)	-	-	-	-	-	-	-	1	(1,482,787)
Platões	(5,916)	-	-	-	-	-	-	-	0	(5,916)
Saber	(3,002)	(186,911)	-	-	-	-	-	-	(1)	(189,914)
Vasta	(158,021)	-	-	-	-	-	-	-	[0]	(158,021)
Others	(32,180)	-	-	-	-	-	-	-	(1)	(32,181)
Elimination BU's / Cogna	-	-	-	-	-	-	-	-	0	0
Net Revenue	5,269,144	630,032	-	-	-	-	-	-	(0)	5,899,174
Kroton	3,636,130	-	-	-	-	-	-	-	-	3,636,130
Platões	91,266	-	-	-	-	-	-	-	-	91,266
Saber	53,038	630,032	-	-	-	-	-	-	-	683,070
Vasta	997,582	-	-	-	-	-	-	-	-	997,582
Others	491,128	-	-	-	-	-	-	-	56,943	548,071
Elimination BU's / Cogna	-	-	-	-	-	-	-	-	(56,943)	(56,943)
Costs of Goods/Services	(1,946,924)	(351,009)	-	580,705	-	5,063	(47,179)	-	-	(1,759,343)
Cost of Goods Sold	(450,930)	-	-	7,995	-	-	(153,749)	-	-	(596,683)
Cost of Services Rendered	(1,495,994)	(351,009)	-	572,710	-	5,063	106,570	-	-	(1,162,660)
Gross Income	3,322,221	279,023	-	580,705	-	5,063	(47,179)	-	(0)	4,139,833
Operating Expenses	(6,559,128)	(2,337,628)	-	242,853	329,445	943,216	4,173,342	(372,968)	(0)	(3,580,870)
Selling Expenses	(667,497)	(20,229)	-	-	-	816	(819)	-	-	(687,729)
Provision for Doubtful Accounts	(1,625,918)	(11,593)	-	-	-	-	4	-	-	(1,637,507)
Personnel Expenses	-	-	-	-	-	-	(484,110)	-	-	(484,110)
General and Administrative Expenses	(1,644,018)	(230,067)	-	242,853	329,445	236,390	926,512	(372,968)	-	(511,854)
Other Operating Income (Expenses)	(576,937)	-	-	-	-	706,010	(129,073)	-	-	-
Corporate Expenses	-	-	-	-	-	-	(265,334)	-	-	(265,334)
Loss on impairment of assets	(2,050,424)	(2,075,739)	-	-	-	-	4,126,163	-	-	[0]
Equity	5,665	-	-	-	-	-	-	-	[0]	5,665
Income before Financial Result	(3,236,908)	(2,058,605)	-	823,558	329,445	948,279	4,126,163	(372,968)	(1)	558,963
Interest and Penalties on Tuition	-	-	130,688	-	-	-	-	-	-	130,688
(+) Opening Balance Reversal of Contingencies	-	-	-	-	-	-	-	372,968	-	372,968
(-) Nonrecurring Items	-	-	-	-	-	(948,279)	-	-	-	(948,279)
(-) Impairment	-	-	-	-	-	-	(4,126,163)	-	-	(4,126,163)
EBITDA	(3,236,908)	(2,058,605)	130,688	823,558	329,445	-	0	-	(1)	(4,011,822)
Depreciation and Amortization	-	-	-	(823,558)	(329,445)	-	-	-	-	(1,153,002)
Financial Result	(598,694)	(74,944)	(130,688)	-	-	-	-	-	(0)	(804,326)
Financial Expenses	(878,512)	(80,179)	-	-	-	-	-	-	[0]	(958,691)
Financial Revenues	279,818	5,235	(130,688)	-	-	-	-	-	-	154,365
Income from Operations	(3,835,601)	(2,133,549)	-	-	-	-	0	-	(1)	(5,969,151)
Income and Social Contribution Tax	209,218	(45,865)	-	-	-	-	1	-	-	163,353
Current	(36,728)	(11,989)	-	-	-	-	-	-	-	(48,717)
Deferred	245,946	(33,876)	-	-	-	-	1	-	-	212,070
Participation of Minority Shareholders	(37)	-	-	-	-	-	1	-	-	(36)
Net Income attributable to Controlling Shareholders of Continued Operations	(3,626,420)	(2,179,414)	-	-	-	-	2	-	(1)	(5,805,834)
Result of discontinued operations	(2,179,415)	2,179,415	-	-	-	-	-	-	-	-
Net Income Attributed to Controlling Shareholders	(5,805,835)	0	-	-	-	-	2	-	(1)	(5,805,834)

APPENDIX 6 – QUARTERLY MANAGERIAL INCOME STATEMENT BY BUSINESS SEGMENT

Values in R\$ ('000)	Postsecondary		Primary and Secondary Education		Cogna Consolidated	
	4Q20	% AV	4Q20	% AV	4Q20	% AV
Gross Revenue	1,355,945	138.1%	773,745	117.0%	2,129,690	129.6%
Gross Revenue Deductions	(374,422)	-38.1%	(112,220)	-17.0%	(486,642)	-29.6%
Tax	(30,284)	-3.1%	(14,148)	-2.1%	(44,432)	-2.7%
ProUni	(222,114)	-22.6%	-	0.0%	(222,114)	-13.5%
Returns	(3,570)	-0.4%	(54,881)	-8.3%	(58,451)	-3.6%
Total Discounts	(118,453)	-12.1%	(43,191)	-6.5%	(161,645)	-9.8%
Net Revenue	981,523	100.0%	661,525	100.0%	1,643,048	100.0%
Costs (COGS)	(215,119)	-21.9%	(282,301)	-42.7%	(497,420)	-30.3%
Cost of Goods	(17,311)	-1.8%	(174,856)	-26.4%	(192,167)	-11.7%
Cost of Services	(197,809)	-20.2%	(107,444)	-16.2%	(305,253)	-18.6%
Faculty, Other Personnel and Third-Party Services	(164,413)	-16.8%	(86,041)	-13.0%	(250,453)	-15.2%
Rent	(1,832)	-0.2%	(2,077)	-0.3%	(3,909)	-0.2%
Materials	(6,370)	-0.6%	(27)	0.0%	(6,396)	-0.4%
Maintenance	(5,152)	-0.5%	(15,066)	-2.3%	(20,219)	-1.2%
Other	(20,043)	-2.0%	(4,233)	-0.6%	(24,275)	-1.5%
Gross Income	766,403	78.1%	379,225	57.3%	1,145,628	69.7%
Operating Expenses	(261,990)	-26.7%	(69,282)	-10.5%	(331,272)	-20.2%
Personnel, General and Administrative Expenses	(261,990)	-26.7%	(69,282)	-10.5%	(331,272)	-20.2%
Personnel Expenses	(74,859)	-7.6%	(47,894)	-7.2%	(122,753)	-7.5%
General and Administrative Expenses	(187,131)	-19.1%	(21,388)	-3.2%	(208,519)	-12.7%
Provision for Doubtful Accounts - PDA	(687,974)	-70.1%	(14,981)	-2.3%	(702,955)	-42.8%
(+) Interest and Penalties on Tuition	37,467	3.8%	185	0.0%	37,652	2.3%
(+) Equity	1,329	0.1%	556	0.1%	1,885	0.1%
Sales and Marketing Expenses	(120,072)	-12.2%	(67,093)	-10.1%	(187,165)	-11.4%
Operating Result	(264,837)	-27.0%	228,610	34.6%	(36,228)	-2.2%
Corporate Expenses	(46,910)	-4.8%	(17,355)	-2.6%	(64,266)	-3.9%
Recurring EBITDA	(311,748)	-31.8%	211,255	31.9%	(100,493)	-6.1%
(+) Opening Balance: Reversals of Contingencies	-	0.0%	69,020	10.4%	69,020	4.2%
(-) Nonrecurring Items	(352,319)	-35.9%	(88,329)	-13.4%	(440,648)	-26.8%
(-) Impairment	(1,593,000)	-162.3%	(1,701,974)	-257.3%	(3,294,974)	-200.5%
EBITDA	(2,257,067)	-230.0%	(1,510,029)	-228.3%	(3,767,096)	-229.3%
Depreciation and Amortization					(288,404)	-17.6%
Financial Result					(203,740)	-12.4%
Income and Social Contribution Tax					242,039	14.7%
Minority Interest					(2,739)	-0.2%
Net Profit					(4,019,940)	-244.7%
(+) Intangible Amortization (Acquisitions)					82,231	5.0%
(+) inventory surplus value					53	0.0%
(+) Low Escrow					-	0.0%
(+) Impairment on goodwill					3,294,974	200.5%
(+) Write-off of deferred income tax					53,450	3.3%
Adjusted Net Profit					(589,232)	-35.9%

APPENDIX 7 – YEARLY MANAGERIAL INCOME STATEMENT BY BUSINESS SEGMENT

Values in R\$ ('000)	Postsecondary		Primary and Secondary Education		Cogna Consolidated	
	2020	% AV	2020	% AV	2020	% AV
Gross Revenue	5,307,665	139.4%	2,460,330	117.6%	7,767,995	131.7%
Gross Revenue Deductions	(1,500,672)	-39.4%	(368,147)	-17.6%	(1,868,819)	-31.7%
Tax	(131,411)	-3.5%	(58,778)	-2.8%	(190,189)	-3.2%
ProUni	(899,847)	-23.6%	-	0.0%	(899,847)	-15.3%
Returns	(8,774)	-0.2%	(163,419)	-7.8%	(172,193)	-2.9%
Total Discounts	(460,640)	-12.1%	(145,950)	-7.0%	(606,590)	-10.3%
Net Revenue	3,806,993	100.0%	2,092,183	100.0%	5,899,176	100.0%
Costs (COGS)	(847,390)	-22.3%	(911,953)	-43.6%	(1,759,343)	-29.8%
Cost of Goods	(68,222)	-1.8%	(528,461)	-25.3%	(596,683)	-10.1%
Cost of Services	(779,168)	-20.5%	(383,492)	-18.3%	(1,162,660)	-19.7%
Faculty, Other Personnel and Third-Party Services	(686,951)	-18.0%	(334,349)	-16.0%	(1,021,300)	-17.3%
Rent	(6,099)	-0.2%	(5,325)	-0.3%	(11,423)	-0.2%
Materials	(18,335)	-0.5%	(2,520)	-0.1%	(20,855)	-0.4%
Maintenance	(14,150)	-0.4%	(31,361)	-1.5%	(45,511)	-0.8%
Other	(53,633)	-1.4%	(9,938)	-0.5%	(63,571)	-1.1%
Gross Income	2,959,603	77.7%	1,180,230	56.4%	4,139,833	70.2%
Operating Expenses	(717,035)	-18.8%	(278,929)	-13.3%	(995,964)	-16.9%
Personnel, General and Administrative Expenses	(717,035)	-18.8%	(278,929)	-13.3%	(995,964)	-16.9%
Personnel Expenses	(305,595)	-8.0%	(178,515)	-8.5%	(484,110)	-8.2%
General and Administrative Expenses	(411,440)	-10.8%	(100,414)	-4.8%	(511,854)	-8.7%
Provision for Doubtful Accounts - PDA	(1,599,808)	-42.0%	(37,699)	-1.8%	(1,637,507)	-27.8%
(+) Interest and Penalties on Tuition	130,000	3.4%	688	0.0%	130,688	2.2%
(+) Equity	3,917	0.1%	1,747	0.1%	5,665	0.1%
Sales and Marketing Expenses	(479,256)	-12.6%	(208,474)	-10.0%	(687,729)	-11.7%
Operating Result	297,421	7.8%	657,565	31.4%	954,986	16.2%
Corporate Expenses	(186,108)	-4.9%	(79,226)	-3.8%	(265,334)	-4.5%
Recurring EBITDA	111,313	2.9%	578,338	27.6%	689,652	11.7%
(+) Opening Balance: Reversals of Contingencies	-	0.0%	372,968	17.8%	372,968	6.3%
(-) Nonrecurring Items	(476,098)	-12.5%	(472,181)	-22.6%	(948,279)	-16.1%
(-) Impairment	(2,050,424)	-53.9%	(2,075,739)	-99.2%	(4,126,163)	-69.9%
EBITDA	(2,415,209)	-63.4%	(1,596,613)	-76.3%	(4,011,822)	-68.0%
Depreciation and Amortization					(1,153,002)	-19.5%
Financial Result					(804,326)	-13.6%
Income and Social Contribution Tax					163,354	2.8%
Minority Interest					(37)	0.0%
Net Profit					(5,805,834)	-98.4%
(+) Intangible Amortization (Acquisitions)					329,445	5.6%
(+) inventory surplus value					7,995	0.1%
(+) Low Escrow					227,861	3.9%
(+) Impairment on goodwill					4,126,163	69.9%
(+) Write-off of deferred income tax					206,907	3.5%
Adjusted Net Profit					(907,464)	-15.4%

APPENDIX 8 – VASTA QUARTERLY INCOME STATEMENT RECONCILIATION

	Non-accounting adjustments				
	4Q20 Results (Book)	Differences in allocation among P&L lines	Amortization of Inventory Surplus Value	Opening Balance Reversals	4Q20 Results (Release)
Gross Revenue	390,109	-	-	-	390,109
Deductions from Gross Revenue	(46,593)	-	-	-	(46,593)
Net Revenue	343,516	-	-	-	343,516
Costs of Goods/Services	(116,022)	-	53	-	(115,969)
Gross Income	227,494	-	53	-	227,546
Operating Expenses	(155,308)	69,050	-	(5,880)	(92,138)
Selling Expenses	(48,732)	669	-	-	(48,064)
Provision for Doubtful Accounts	(12,311)	-	-	-	(12,311)
Personnel Expenses	-	(16,645)	-	-	(16,645)
General and Administrative Expenses	(95,612)	96,987	-	(5,880)	(4,504)
Other Operating Income (Expenses)	1,347	(1,347)	-	-	-
Corporate Expenses	-	(10,614)	-	-	(10,614)
Income before Financial Result	72,186	69,050	53	(5,880)	135,409
Interest and Penalties on Tuition	0	-	-	-	0
(+) Opening Balance Reversal of Contingencies	-	-	-	5,880	5,880
(-) Nonrecurring itens	-	(69,050)	-	-	(69,050)
EBITDA	72,186	-	53	-	72,239
Depreciation and Amortization	(44,988)	-	(53)	-	(45,041)
Financial Result	(11,605)	-	-	-	(11,605)
Financial Expenses	(18,010)	-	-	-	(18,010)
Financial Revenues	6,405	-	-	-	6,405
Income from Operations	15,593	-	-	-	15,593
Income and Social Contribution Tax	(26,590)	-	-	-	(26,590)
Current	(43,508)	-	-	-	(43,508)
Deferred	16,918	-	-	-	16,918
Participation of Minority Shareholders	-	-	-	-	-
Net Income Attributed to Controlling Shareholders	(10,998)	-	-	-	(10,998)

APPENDIX 9 – VASTA YEARLY INCOME STATEMENT RECONCILIATION

	12M20 Results (Book)	Previous Quarter Allocations	Non-accounting adjustments Differences in allocation among P&L lines	Amortization of Inventory Surplus Value	Opening Balance Reversals	12M20 Results (Release)
Gross Revenue	1,155,602	-	-	-	-	1,155,602
Deductions from Gross Revenue	(158,020)	-	-	-	-	(158,020)
Net Revenue	997,582	-	-	-	-	997,582
Costs of Goods/Services	(377,988)	(16,004)	-	7,061	-	(386,931)
Gross Income	619,594	(16,004)	-	7,061	-	610,651
Operating Expenses	(418,133)	-	83,492	-	(9,042)	(343,683)
Selling Expenses	(165,169)	-	669	-	-	(164,501)
Provision for Doubtful Accounts	(25,015)	-	2	-	-	(25,013)
Personnel Expenses	-	-	(58,371)	-	-	(58,371)
General and Administrative Expenses	(232,232)	-	181,477	-	(9,042)	(59,797)
Other Operating Income (Expenses)	4,283	-	(4,283)	-	-	-
Corporate Expenses	-	-	(36,002)	-	-	(36,002)
Income before Financial Result	201,460	(16,004)	83,492	7,061	(9,042)	266,968
Interest and Penalties on Tuition	-	-	-	-	-	-
(+) Opening Balance Reversal of Contingencies	-	-	-	-	9,042	9,042
(-) Nonrecurring items	-	-	(83,490)	-	-	(83,490)
EBITDA	201,460	(16,004)	2	7,061	-	192,520
Depreciation and Amortization	(174,089)	-	(2)	(7,061)	-	(181,152)
Financial Result	(98,425)	-	-	-	-	(98,425)
Financial Expenses	(119,409)	-	-	-	-	(119,409)
Financial Revenues	20,984	-	-	-	-	20,984
Income from Operations	(71,053)	(16,004)	-	-	-	(87,056)
Income and Social Contribution Tax	8,207	5,441	-	-	-	13,648
Current	7,874	-	-	-	-	7,874
Deferred	333	5,441	-	-	-	5,774
Participation of Minority Shareholders	-	-	-	-	-	-
Net Income Attributed to Controlling Shareholders	(62,846)	(10,562)	-	-	-	(73,409)

APPENDIX 10 – CASH FLOW STATEMENT

R\$ 000	4Q20	4Q19	3Q20
Net Income before Income Taxes	(4,259,241)	(68,706)	(1,074,280)
Net Income (Loss) Adjustments before Income Taxes			
Depreciation and Amortization	288,403	231,674	285,293
Editorial Costs	18,021	109,990	(5,932)
Provision for Doubtful Accounts	702,955	342,239	220,071
Accounts Receivable - adjusted to present value	(62,937)	-	(2,588)
Provision for Tax, Labor and Civil Losses	75,037	(118,464)	(45,154)
Provision (Reversal) for Inventories Losses	(2,877)	(16,731)	19,862
Financial Charges	88,777	220,110	81,298
Income from Securities	-	(15,293)	-
Grant of Stock Options	45,568	(2,425)	2,815
Finance lease	106,042	168,400	105,857
Income from sale or disposal of assets and other investments	183,203	(14,322)	(7,036)
Loss on impairment of assets	3,294,975	-	831,188
Result of Equity Restatement	1,886	(136)	2,880
Changes in Working Capital	(285,090)	(329,002)	(116,812)
(Increase) Reduction in Accounts Receivable (ex-FIES)	(352,918)	(575,776)	(3,986)
(Increase) Reduction in Accounts Receivable FIES	56,535	102,240	(13,887)
(Increase) Reduction in Inventories	(7,618)	(31,765)	6,204
(Increase) Reduction in Advances	20,605	(31,738)	(9,438)
(Increase) Reduction in Recoverable Taxes	(34,307)	(44,926)	59,189
(Increase) Decrease in Escrow Deposits	(16,265)	(15,952)	4,997
Increase (Decrease) in Other Assets	17,492	8,442	28,236
Increase (Reduction) in Suppliers	226,906	285,927	70,208
Payment of lease	(34,667)	(35,786)	(37,138)
Leasing interest paid	(103,659)	(98,998)	(95,452)
Increase (Decrease) in Payroll and Related Taxes	(99,332)	(88,478)	12,643
Increase (Decrease) in Fiscal Obligations	26,422	36,772	(54,686)
Increase (Decrease) in Advances to Clients	64,651	132,659	(42,069)
(Decrease) in Taxes Installments	(2,825)	(2,562)	(536)
(Decrease) in Provision for Tax, Labor and Civil Losses	(75,804)	(42,371)	(44,104)
Increase (Decrease) in Other Liabilities	29,694	73,310	3,007
Income Tax and Social Contribution	6,331	(18,206)	(21,029)
Capex	(80,350)	(121,761)	(68,232)
Additions to Fixed Assets	(28,542)	(78,698)	(8,553)
Additions to Intangible Assets	(51,808)	(43,063)	(59,679)
Cash Flow from Operating Activities after Capex - Recurring	120,703	367,367	208,201
Capex - Special Projects	(62,326)	(60,151)	(24,794)
Brownfields	(62,326)	(60,151)	(24,794)
Cash Flow from Operating Activities after total Capex	58,377	307,216	183,407
(+) M&A Activities	262,294	132,216	102,693
Investment acquisitions	-	(0)	-
Accounts Receivable from former owners	-	-	85,771
Accounts Receivable from Sale of subsidiaries	345,440	133,834	-
Payment for acquisition of companies	(12,764)	(3,491)	(18,664)
M&A Costs and Expenses	(70,382)	1,873	35,586
	-	-	-
(+) Cash Flow from Financing Activities	(1,010,352)	(33,948)	1,243,721
Sale (Acquisition) of Treasury Shares	2,128	3,984	1,305
Capital Increase, Net of Issuance Costs	-	-	-
Receipt in the offering of shares of the subsidiary	-	-	1,681,342
Debtenture emission	-	-	(107)
Payments of Borrowings and Financing	(960,810)	(21,385)	(300,000)
Interest Paid on Borrowings and Debentures	(52,128)	(22,822)	(138,982)
Redemption (Investment) of Securities	458	14,022	163
Payment of Dividends	-	(7,747)	-
(=) Cash Flow from Non-Operating Activities	(748,058)	98,268	1,346,414
Total Cash Generation	(689,681)	405,484	1,529,821
Net Increase (Decrease) in Cash and Cash Equivalents			
Cash and Cash Equivalents at the Start of the Period	5,241,975	420,151	3,712,154
Cash and Cash Equivalents at the End of the Period	4,552,294	825,635	5,241,975
Net Increase (Decrease) in Cash and Cash Equivalents	(689,681)	405,484	1,529,821

APPENDIX 11 – RECONCILED QUARTERLY CASH FLOW

R\$ 000	Cash Flow (Book) 4Q20	Leasing	Interest	Cash	M&A	Others	Cash Flow (Release) 4Q20
Net Income before income taxes	(4,259,241)	-	-	-	-	-	(4,259,241)
Adjustments to net income	4,714,865	-	-	24,189	-	(1)	4,739,053
Change in operating assets and liabilities	(217,342)	(138,326)	-	-	-	70,586	(285,082)
Income taxes paid	6,331	-	-	-	-	-	6,331
Leasing interest paid	(103,659)	103,659	-	-	-	-	-
Interest paid on borrowings and debentures	(52,128)	-	52,128	-	-	-	-
Cash flow from operating activities	88,826	(34,667)	52,128	24,189	-	70,585	201,061
Redemption (Investment) of securities	412,614	-	-	(412,614)	-	-	-
Additions to fixed assets	(65,700)	-	-	-	-	37,201	(28,546)
Additions to Intangible assets	(77,000)	-	-	-	-	25,192	(51,808)
Cash from acquired companies	224	-	-	-	(224)	-	-
Payment for acquisition of companies	(12,764)	-	-	-	-	-	(12,764)
Accounts receivable from former owners	-	-	-	-	-	-	-
Recebimento pela venda de controladas	345,440	-	-	-	-	-	345,440
M&A costs and expenses	-	-	-	-	224	(70,606)	(70,382)
Special projects capex	-	-	-	-	-	(62,331)	(62,331)
Cash flow from investing activities	602,814	-	-	(412,614)	-	(70,544)	119,609
Capital increase, net of issuance costs	-	-	-	-	-	-	-
Treasury shares	2,128	-	-	-	-	-	2,128
Receipt in the offering of shares	-	-	-	-	-	-	-
Debentures	-	-	-	-	-	-	-
Borrowings and financing	-	-	-	-	-	-	-
Leasing principal payment	(34,667)	34,667	-	-	-	-	-
Payments of borrowings and financing	(960,810)	-	-	-	-	-	(960,810)
Redemption (Investment) of securities	-	-	-	461	-	-	461
Interest paid on borrowings and debentures	-	-	(52,128)	-	-	-	(52,128)
Cash flow from financing activities	(993,349)	34,667	(52,128)	461	-	-	(1,010,349)
Change in cash position	(301,709)	-	-	(387,964)	-	41	(689,679)

APPENDIX 12 – RECONCILED YEARLY CASH FLOW

R\$ 000	Cash Flow (Book) 12M20	Leasing	Interest	Cash	M&A	Others	Cash Flow (Release) 12M20
Net Income before income taxes	(5,969,151)	-	-	-	-	-	(5,969,151)
Adjustments to net income	8,090,298	-	-	85,304	-	(3)	8,175,599
Change in operating assets and liabilities	(1,006,004)	(545,813)	-	-	-	62,723	(1,489,094)
Income taxes paid	(32,803)	-	-	-	-	-	(32,803)
Leasing interest paid	(401,608)	401,608	-	-	-	-	-
Interest paid on borrowings and debentures	(424,389)	-	424,389	-	-	-	-
Cash flow from operating activities	256,343	(144,205)	424,389	85,304	-	62,720	684,551
Redemption (Investment) of securities	(1,644,560)	-	-	1,644,560	-	-	-
Additions to fixed assets	(152,400)	-	-	-	-	78,284	(74,163)
Additions to Intangible assets	(291,900)	-	-	-	-	54,676	(237,224)
Cash from acquired companies	843	-	-	-	(843)	-	-
Payment for acquisition of companies	(112,837)	-	-	-	-	-	(112,837)
Accounts receivable from former owners	321,506	-	-	-	-	-	321,506
Recebimento pela venda de controladas	-	-	-	-	-	-	-
M&A costs and expenses	-	-	-	-	843	(62,743)	(61,900)
Special projects capex	-	-	-	-	-	(132,893)	(132,893)
Cash flow from investing activities	(1,533,908)	-	-	1,644,560	-	(62,676)	47,929
Capital increase, net of issuance costs	2,481,320	-	-	-	-	-	2,481,320
Treasury shares	15,564	-	-	-	-	-	15,564
Receipt in the offering of shares	1,681,342	-	-	-	-	-	1,681,342
Debentures	496,531	-	-	-	-	-	496,531
Borrowings and financing	100	-	-	-	-	-	100
Leasing principal payment	(144,205)	144,205	-	-	-	-	-
Payments of borrowings and financing	(1,261,455)	-	-	-	-	-	(1,261,455)
Redemption (Investment) of securities	-	-	-	5,166	-	-	5,166
Interest paid on borrowings and debentures	-	-	(424,389)	-	-	-	(424,389)
Cash flow from financing activities	3,269,197	144,205	(424,389)	5,166	-	-	2,994,179
Change in cash position	1,991,632	-	-	1,735,030	-	44	3,726,659