

Belo Horizonte, November 13, 2020, Cognia Educação S.A. (B3: COGN3; OTCQX: COGNY) – “Cognia” or “Company” releases on the date hereof the earnings for the third quarter of 2020 (3Q20). The Company’s financial information is presented based on the consolidated figures, in Brazilian Reais, in accordance with the Brazilian Corporate Law and the accounting practices adopted in Brazil (BRGAAP), in compliance with the International Financial Reporting Standards (IFRS), except as provided otherwise.

FINANCIAL HIGHLIGHTS

Values in R\$ ('000)	3Q20	3Q19	Chg.%	2Q20	Chg.%	9M20	9M19	Chg.%
Net Revenue	1,256,140	1,516,023	-17.1%	1,372,520	-8.5%	4,256,128	5,097,485	-16.5%
Recurring EBITDA	229,268	462,950	-50.5%	120,623	90.1%	790,145	1,851,435	-57.3%
Recurring EBITDA Margin	18.3%	30.5%	-12.3 p.p.	8.8%	9.5 p.p.	18.6%	36.3%	-17.8 p.p.
EBITDA ¹	(610,048)	511,548	-219.3%	(139,485)	337.4%	(244,726)	1,887,124	-113.0%
EBITDA Margin	-48.6%	33.7%	-82.3 p.p.	-10.2%	-38.4 p.p.	-5.7%	37.0%	-42.8 p.p.
Adjusted Net Income ²	(162,884)	134,959	-220.7%	(139,987)	16.4%	(256,062)	720,346	-135.5%
Adjusted Net Margin	-13.0%	8.9%	-21.9 p.p.	-10.2%	-2.8 p.p.	-6.0%	14.1%	-20.1 p.p.
Operating Cash Generation (OCG) after Capex ³	183,407	85,709	114.0%	145,158	26.3%	181,895	(101,177)	-279.8%
OCG after Capex ¹ / Recurring EBITDA	80.0%	18.5%	61.5 p.p.	120.3%	-40.3 p.p.	23.0%	-5.5%	28.5 p.p.

¹ EBITDA includes interest and penalties on tuition and excludes the impacts of inventory surplus; ² Net income adjusted by amortization of intangible assets and inventory surplus, impairment losses and deferred tax losses.

³ Includes organic Capex and M&A and Expansion investments.

- Net revenue reduced 17% yoy, reflecting revenue pressures in higher education, partially offset by initial sales to the 2021 cycle of the National Textbook Program (PNLD).
- Recurring EBITDA fell by 51% due to the drop in revenue and the increase in the volume of provisioning in higher education (derived from the effects of the pandemic).
- Adjusted net loss of R\$ 163 million, reflecting the drop in operating income and greater financial leverage. Net loss of R\$ 1.2 billion, due to the recognition of impairment losses in Saber and in the division of other businesses, in addition to the deferred income tax write-off (all these are non-cash effect).
- Positive operating cash generation (OCG) post capex of R\$ 183 million, representing a conversion of 80% of recurring EBITDA, due to the better collection in higher education and the reduction in capex and investments in expansion. In 9M20, OCG post capex was positive by R\$ 182 million, compared to consumption of R\$ 101 million in 9M19.

OPERATIONAL HIGHLIGHTS

- Kroton. The intake of undergraduate students reduced by only 2% compared to the second half of 2019, with the strong growth in the intake of digital education being offset by the sharp drop in demand for on-campus education and the more sustainable commercial practices adopted by the Company (as a consequence of the focus on ticket and exclusion of the 100% temporary installment offer (PMT)).
- Vasta. Subscription revenue in the sales cycle ended in September grew 18%, to R\$ 692 million, just 3% lower than the annual contract value (ACV) announced at the beginning of the year. Vasta has closed, to date, contracts for the academic year 2021 that total R\$ 835 million, an increase of 21% compared to the amount of subscription revenue recognized in 2020 (4Q19 to 3Q20).
- Other businesses. Start of sales recognition for the 2021 PNLD cycle, whose contract totals 44.1 million books (all for replacement of previous programs), a financial amount equivalent to R\$ 365 million.

CONFERENCE CALL

Date: November 13th – 1 pm (Brazilian Time) | 11:00 a.m. (New York)





Phone number: (11) 3181-8565 | (11) 4210-1803 | Password: Cognia

MESSAGE FROM MANAGEMENT

FOCUS ON WORK

After the initial reaction to the impact caused by Covid-19, management continued to focus on the continuity of delivery of our business plans - and on the design of new strategies that can restore an adequate level of profitability to the Company. Management devoted much of its efforts to Kroton's on-campus restructuring project, still the group's largest business division in terms of revenue. The project is not yet completed, but it has advanced significantly during the quarter, and a significant part of the restructuring will be completed before the end of the year. As we announced in the results conference call for the past quarter, we will announce more details about the project on Cogna Day, to be held on December 14, 2020. However, we are convinced that the new Kroton will be able to resume its growth trajectory, with greater profitability and, above all, greater cash generation.

Analyzing Cogna's recurring performance in the nine months of 2020, we noticed that Kroton delivered a significant drop in revenue and EBITDA, especially concentrated in the on-campus undergraduate segment. The other 3 companies in the group (Vasta, Saber and Platos), however, achieved EBITDA growth, even considering the impacts of the pandemic. As of this quarter, we will no longer present the pro forma views of our results, since the pandemic situation is likely to continue for longer, as the PNLD seasonality may fluctuate steadily due to the new sales cycle established by the FNDE. The exception will be only Vasta's results, due to the launch of editorial costs in the operating result since 4Q19 and the effects resulting from the company's preparation for its IPO, which occurred in July 2020.

Company	9M20 - Annual Change (%)			Comments
	Net Revenue	EBITDA	EBITDA Mg.	
Kroton	-27%	-73%		Last year with high impact from the graduation of FIES students Enrollment and reenrollment of students highly impacted by COVID-19 Substantial reinforcement of the PDA due to COVID-19
Platos	12%	13%		Growth in Revenue, EBITDA and EBITDA Margin as a result of the focus on the graduate business and the digital products
Saber	-7%	11%		Revenue decreasing due to the pandemic, but with significant growth in EBITDA and EBITDA margin, as a result of the integration process and capture of operational efficiencies
Vasta ¹	8%	18%		Revenue and EBITDA growth, reflecting the high growth potential and business recurrence
Cogna	-17%	-57%		Impacts in Cogna derive from undergraduate segment, especially on-campus education

(1) (1) Proforma view, as detailed in the Vasta section.

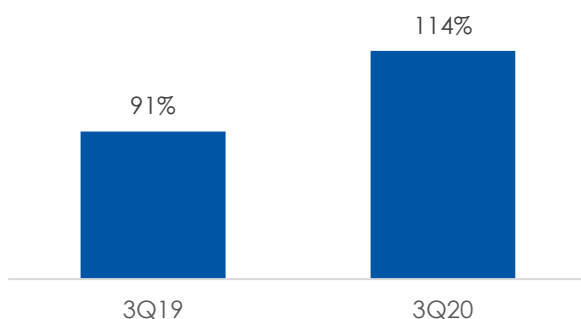
2H20 INTAKE, HYBRIDIZATION OF HIGHER EDUCATION AND DIGITAL TRANSFORMATION

The pandemic definitely left its mark on the intake of this second semester. Despite the extremely challenging scenario, we registered a drop of only 2% in the volume of freshmen in the annual comparison, but with diametrically opposite performances between the on-campus and distance learning (digital) segments. In our opinion, the acceleration in the growth of the volume of intake in our digital education, verified both in hybrid courses and in remote courses, is not only due to the (temporary) restrictions of coexistence imposed by social distance; we believe there is a greater acceptance of freshmen to the digital product, whose value proposition in terms of quality, convenience and cost becomes increasingly clear. We understand that this change will be transformational for higher education in Brazil and it is this vision that guides the process of digital transformation at Kroton. It is important to note, however, that the speed of growth of digital education is not equivalent across different areas of knowledge. In some of them, although with less relative participation, on-campus will continue to be a relevant modality, and for these cases we believe that on-campus courses will still be sustainable.

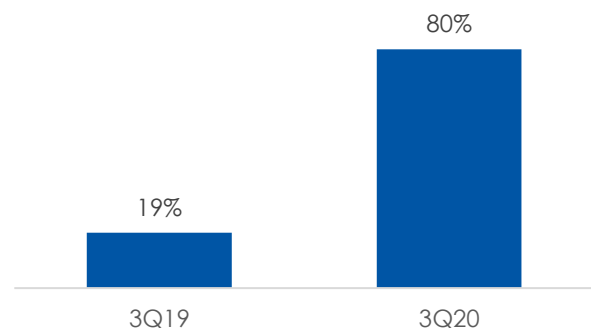
MAKING DIFFICULT DECISIONS FOR A MORE SUSTAINABLE FUTURE

Amid the strong impact on Kroton's results, we understand that there is a tendency for improvement in several aspects of the operation. Even with the revenue drop of 27% in net revenue in 9M20, Kroton ex-FIES revenue grew 4% in the same period, contributing to the consolidated cash generation of R\$ 183 million in 3Q20, a substantial increase compared to last year. The coverage of receivables from out-of-pocket students increased from 19% in 3Q19 to 41% in 3Q20. These two combined effects resulted in a significant drop in the average term, which dropped from 126 days in 3Q19 to 106 days in 3Q20. Looking ahead, we believe that the change in some policies will greatly contribute to an even higher quality of our future results. The average ticket for the enrollment of the out-of-pocket student, which had been prioritized over the volume of freshmen in recent enrollments, was 6% higher in the enrollment of this second semester, even in a more aggressive competition scenario. As in the previous semester, we did not offer end-of-cycle offers (which used to bring freshmen, but low contribution of income and cash generation), and we also suspended the offer of temporary installment payments (PMT) in the first monthly installments. Finally, we maintained the rigidity in the renegotiation of veterans in default and high-risk profile, even though this has resulted in an increase in dropout from on-campus business. The higher education business has a long cycle, and the result of our actions is not always visible in the short term. Our commitment, however, is long-term, which is why we are convinced that we are on the right path towards a more sustainable future.

Kroton – Accounts Receivable⁽¹⁾ over Net Revenue



Cogna – OCG after capex⁽²⁾ conversion

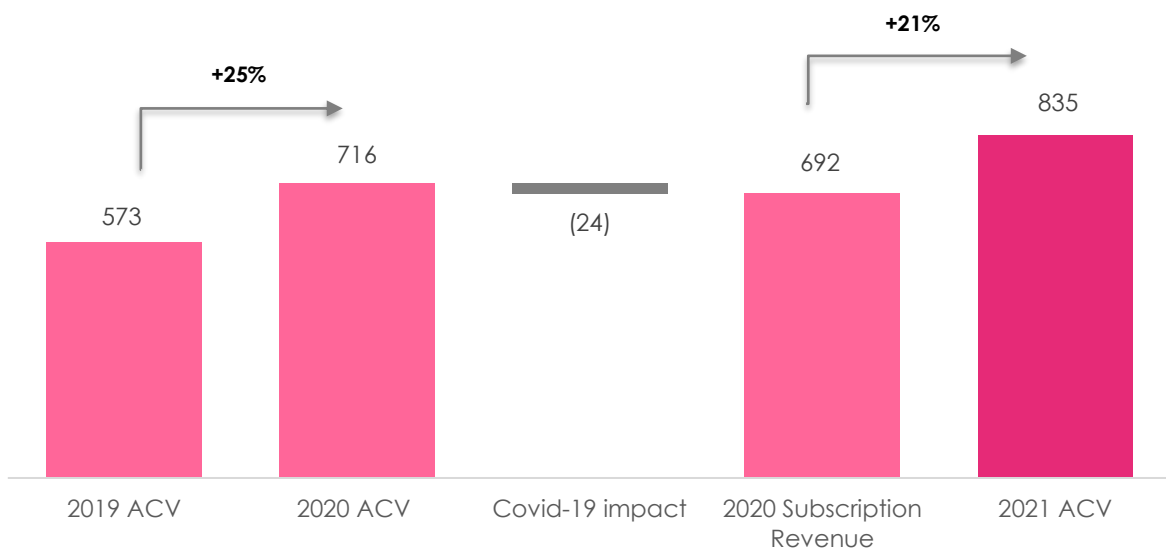


(1) Before transfer to partners. (2) Includes investments in expansion.

VASTA: STRONG GROWTH OF ACV FOR 2021

With the end of the 2020 commercial sales cycle, Vasta was able to prove its resilience by recognizing a subscription revenue of R\$ 691 million, just 3% lower than what had been estimated at the beginning of the year through the annual contract value (ACV), that is, before all the effects that the pandemic has brought to the educational sector. This was only possible thanks to the success demonstrated by its digital platform, Plurall, which has proved to be an essential and transformative foundation for schools to maintain their academic activities, bringing engagement and satisfaction to all stakeholders involved: students, teachers, coordinators academics, school owners and family members. As a result, Vasta observed one of the highest contract renewal rates ever recorded in its history. As noted in the commercial campaign throughout the year, the solution also represented a competitive advantage capable of attracting new schools even in a challenging business environment. Finally, we highlight the contribution of complementary solutions, which generate great cross-sell potential within the Vasta platform. Fully digital solutions, affordable and aligned with the existing demand for this type of service in the Brazilian market. To date, Vasta has closed a total of R\$ 835 million in contracts for the academic year 2021 (ACV 2021), which represents an increase of 21% compared to the subscription revenue registered in the 2020 sales cycle and 17% over the ACV 2020. It is important to mention that the process only ends in early January, which may further increase the value of ACV 2021.

Vasta - Preview of ACV 2021 (R\$ million)



¹ Until November 12th.

BUSINESS UNITS' RESULTS

KROTON | OPERATIONAL PERFORMANCE

Student Base

Student Base	3Q20	3Q19	Chg.%	2Q20	Chg.%
On-Campus					
Units	176	147	19.7%	176	0.0%
Students	244,791	347,101	-29.5%	292,152	-16.2%
Out-of-pocket	160,189	212,916	-24.8%	189,475	-15.5%
Prouni	31,423	35,302	-11.0%	31,042	1.2%
FIES	19,865	48,450	-59.0%	27,485	-27.7%
PEP	33,314	50,433	-33.9%	44,150	-24.5%
Digital					
Units	1,553	1,410	10.1%	1,536	1.1%
Students	572,894	483,125	18.6%	552,029	3.8%
Pagantes	543,371	451,247	20.4%	521,497	4.2%
Prouni	29,523	31,878	-7.4%	30,532	-3.3%
Total					
Students	817,685	830,226	-1.5%	844,181	-3.1%

The undergraduate student base remained practically stable in 3Q20. The drop in the on-campus education base was offset by the expansion of the digital education base, evidencing the tendency towards higher education hybridization, which is even clearer when analyzing the semester's enrollment numbers.

Intake and Re-enrollment

In 3Q20, Kroton attracted 178,981 new students, a decrease of 2% in relation to the same quarter of the previous year. While the intake of on-campus education fell by 61%, aggravated by the significant reduction in the offerings of FIES and PEP (the latter represented less than 6% of the students captured), the intake of digital education grew by 32%, or 37 thousand new students in absolute terms. Due to the hybridization phenomenon, we believe that the analysis by level of on-campus content offers a more accurate picture of our intake process, and therefore we will prioritize this analysis in the coming quarters. Together, the intake of on-campus and Digital Premium courses (our hybrid solution) dropped 38%, or 30% if excluding FIES and PEP from on-campus, while the intake of digital education ex-Digital Premium advanced 25%, a level still quite high.

Intake	3Q20	3Q19	% Chg.
High Presentiality ¹	48,280	77,814	-38.0%
On-site	25,853	66,205	-61.0%
Digital Premium	22,427	11,609	93.2%
Low Presentiality ²	130,701	104,439	25.1%
Total	178,981	182,253	-1.8%

(1) On-campus programs and Digital Premium programs. (2) Digital programs 100% online and semi-presential.

Regarding on-campus intake, we observed an extremely challenging scenario since the beginning of the process, which resulted in a significant decrease in the size of the "funnel" of potential students. It is worth noting, however, that the sharp drop was also influenced by a small reduction in the number of offers (already in the context of a greater focus on premium courses) and discipline in the pricing of offers, something that we have been practicing for some semesters, despite the increasing aggressiveness observed in the market. As in the first semester, we do not practice end-of-cycle offers, and, in this semester, we suspended the offering of the integral version of our installment program (PMT). Thus, the average freshman's out-of-pocket ticket increased by 6% in the annual comparison, which we consider a very healthy result. Finally, as announced in 2Q20, PEP represented only 6% of on-campus intake.

The dropout rate rose 5.8 percentage points, reflecting the deterioration in the students' ability to pay, given the maintenance of the Company's more conservative stance in the renewal of students in default and high risk profile. Consequently, the on-campus student base dropped 29%. Despite the drop, we expect to benefit from a healthier student base in the coming semesters, not only in terms of retention, but also in terms of payment.

On-Campus Education – Student Base Evolution

Student Base	3Q20	3Q19	Chg.%
Initial Base	292,152	353,434	-17.3%
Graduations	(20,033)	(27,896)	-28.2%
Dropouts	(53,181)	(44,642)	19.1%
Dropout rate	19.5%	13.7%	5.8
Re-enrollments	218,938	276,546	-20.8%
Intake	25,853	66,205	-61.0%
Out-of-pocket	22,356	52,773	-57.6%
Prouni	1,761	2,180	-19.2%
FIES	265	2,054	-87.1%
PEP	1,471	9,198	-84.0%
Final Base	244,791	347,101	-29.5%

Confirming what was observed in the first semester, the digital student base returned to its growth trajectory. The strong expansion in the volume of new freshmen was influenced by the hybrid solution (Digital Premium) and the 100% online courses (with lower ticket, therefore more accessible to low-income students). The dropout rate contracted again, which we believe to be an excellent result, especially considering the country's macroeconomic situation.

Digital Education – Student Base Evolution

Student Base	3Q20	3Q19	Chg.%
Initial Base	552,029	492,528	12.1%
Graduations	(51,488)	(52,157)	-1.3%
Dropouts	(80,775)	(73,294)	10.2%
Dropout rate	16.1%	16.6%	(0.5)
Re-enrollments	419,766	374,477	12.1%
Intake	153,128	116,048	32.0%
Out-of-pocket	151,528	113,792	33.2%
Prouni	1,600	2,256	-29.1%
Final Base	572,894	483,125	18.6%

Average Ticket

As of 3Q20, we will inform the average ticket as the division between the quarter's net revenue and the number of students in each category (out-of-pocket, including Prouni, FIES and PEP) at the end of the period. Until 4Q20, we will make available the information regarding the calculation of the average ticket based on bills on our website (interactive spreadsheets).

Revenue & Average ticket	3Q20			3Q19			Change		
	Product	On-site	Digital	Total	On-site	Digital	Total	On-site	Digital
Net Revenue ⁽¹⁾	597,395	362,670	960,065	855,570	368,621	1,224,191	-30%	-2%	-22%
Out-of-pocket	353,185	362,670	715,855	431,474	368,621	800,095	-18%	-2%	-11%
FIES	101,840	-	101,840	238,514	-	238,514	-57%	-	-57%
PEP	142,369	-	142,369	185,582	-	185,582	-23%	-	-23%
Average Ticket (ex-Prouni)	932	211	407	915	254	514	2%	-17%	-21%
Out-of-pocket	734	211	325	675	254	383	9%	-17%	-15%
FIES	1,697	-	1,697	1,645	-	1,645	3%	-	3%
PEP	1,424	-	1,424	1,229	-	1,229	16%	-	16%

(1) Excluding adjustment to present value, pass-through to partners, and mandatory and renegotiation discounts

The average ticket for on-campus higher education increased by 2%, influenced by growth in the different categories of students - especially the 9% in the out-of-pocket ticket -, partially offset by the reduction in the participation of FIES and PEP students. Due to the higher incidence of renegotiation discounts and compulsory discounts in some places (in compliance with lawsuits), we present the above analysis free of these effects. Regarding digital education, there was a decrease of 17%, due to the increase in the participation of 100% online courses in the course mix.

Net Revenues

Net revenue decreased 32% in 3Q20, due to the reduction in the on-campus student base and the higher incidence of discounts, as mentioned before. In our own units, the drop in relevance of FIES is evident, whose revenue fell by 52%, as well as the lower contribution of PMT revenue (-69%), partially offset by the increase in digital product. The drop in third-party units reflects the greater participation of 100% online courses in the mix, and the still low participation of Digital Premium, which requires more investments by partners.

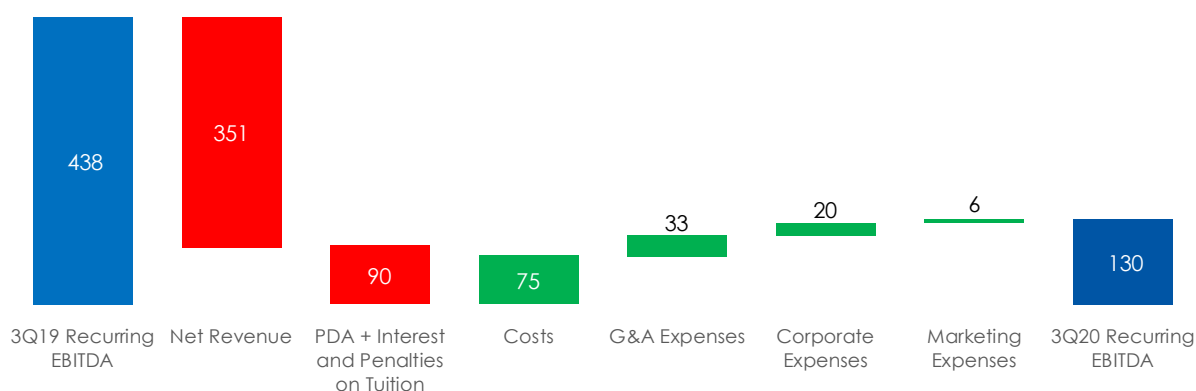
Kroton - Values in R\$ ('000)	3Q20	3Q19	% AH	2Q20	% AH	9M20	9M19	% AH
Net Revenue	762,162	1,113,156	-31.5%	1,051,861	-27.5%	2,696,719	3,692,675	-27.0%
Net Revenue - Undergraduation - Own units	623,162	885,371	-29.6%	832,019	-25.1%	2,127,163	3,000,723	-29.1%
Net Revenue - Out-of-pocket	297,295	471,087	-36.9%	461,578	-35.6%	1,089,532	1,501,372	-27.4%
Net Revenue - FIES (financed part net of APV)	96,467	200,473	-51.9%	145,917	-33.9%	304,271	746,576	-59.2%
Net Revenue - PEP (installment part net of APV)	106,857	98,055	9.0%	136,254	-21.6%	357,055	375,163	-4.8%
Net Revenue - PMT (installment part net of APV)	23,084	74,710	-69.1%	19,444	18.7%	145,320	256,863	-43.4%
Net Revenue - Digital Out-of-pocket	99,450	41,045	142.3%	68,826	44.5%	230,936	120,461	91.7%
Net Revenue - Digital PMT (installment part net of APV)	8	-	n.a.	-	n.a.	48	288	-83.3%
Net Revenue - Undergraduation - Third-party units	130,580	218,625	-40.3%	209,615	-37.7%	538,258	657,488	-18.1%
Net Revenue - Digital Out-of-pocket	129,167	218,625	-40.9%	209,615	-38.4%	532,755	653,120	-18.4%
Net Revenue - Digital PMT (installment part net of APV)	1,413	-	n.a.	-	n.a.	5,503	4,368	26.0%
Net Revenue - Othres	8,420	9,161	-8.1%	10,227	-17.7%	31,298	34,464	-9.2%

KROTON | FINANCIAL PERFORMANCE

Kroton - Values in R\$ ('000)	3Q20	3Q19	Chg.%	2Q20	Chg.%	9M20	9M19	Chg.%
Gross Revenue	1,144,575	1,441,592	-20.6%	1,424,279	-19.6%	3,810,451	4,765,111	-20.0%
Gross Revenue Deductions	(382,413)	(328,436)	16.4%	(372,419)	2.7%	(1,113,732)	(1,072,436)	3.9%
Tax	(25,355)	(32,981)	-23.1%	(36,500)	-30.5%	(95,666)	(110,144)	-13.1%
ProUni	(220,627)	(241,450)	-8.6%	(230,465)	-4.3%	(677,732)	(750,152)	-9.7%
Returns	-	-	n.a.	-	n.a.	(10)	-	n.a.
Total Discounts	(136,431)	(54,005)	152.6%	(105,454)	29.4%	(340,324)	(212,140)	60.4%
FGEDUC	(5,236)	(11,425)	-54.2%	(9,251)	-43.4%	(17,957)	(44,036)	-59.2%
FIES - Administrative Fee	(1,859)	(4,057)	-54.2%	(3,288)	-43.4%	(6,380)	(15,785)	-59.6%
Other	(129,335)	(38,523)	235.7%	(92,916)	39.2%	(315,986)	(152,318)	107.5%
Net Revenue	762,162	1,113,156	-31.5%	1,051,861	-27.5%	2,696,719	3,692,675	-27.0%
Total of Costs	(179,992)	(254,892)	-29.4%	(205,878)	-12.6%	(583,251)	(739,294)	-21.1%
Cost of Goods	(712)	(1,060)	-32.9%	(6,769)	-89.5%	(10,369)	(4,339)	139.0%
Cost of Services	(179,280)	(253,832)	-29.4%	(199,110)	-10.0%	(572,883)	(734,955)	-22.1%
Faculty, Other Personnel and Third-Party Services	(156,472)	(224,846)	-30.4%	(187,885)	-16.7%	(515,430)	(660,687)	-22.0%
Rent	(1,090)	(7,232)	-84.9%	1,304	-183.6%	(4,267)	(15,537)	-72.5%
Materials	(6,413)	(7,266)	-11.7%	(1,960)	227.1%	(11,646)	(17,027)	-31.6%
Maintenance	(1,679)	(3,289)	-49.0%	(1,277)	31.5%	(7,998)	(9,128)	-12.4%
Other	(13,625)	(11,199)	21.7%	(9,292)	46.6%	(33,541)	(32,576)	3.0%
Gross Income	582,170	858,264	-32.2%	845,982	-31.2%	2,113,467	2,953,381	-28.4%
Gross Margin	76.4%	77.1%	-0.7 p.p.	80.4%	-4.0 p.p.	78.4%	80.0%	-1.6 p.p.
Total Operating Expenses	(126,400)	(159,490)	-20.7%	(154,758)	-18.3%	(438,840)	(527,894)	-16.9%
Personnel Expenses	(67,575)	(84,581)	-20.1%	(76,793)	-12.0%	(217,197)	(258,005)	-15.8%
General and Administrative Expenses	(58,825)	(74,910)	-21.5%	(77,965)	-24.5%	(221,644)	(269,889)	-17.9%
Provision for Doubtful Account - PDA	(204,494)	(156,346)	30.8%	(487,812)	-58.1%	(897,696)	(534,125)	68.1%
(+) Interest and Penalties on Tuition	30,912	72,547	-57.4%	7,966	288.1%	92,490	165,469	-44.1%
(+) Equity	-	(0)	-100.0%	-	n.a.	-	(0)	-100.0%
Selling and Marketing Expenses	(106,552)	(112,496)	-5.3%	(80,911)	31.7%	(330,935)	(326,588)	1.3%
Operating Result	175,637	502,479	-65.0%	130,466	34.6%	538,486	1,730,243	-68.9%
Operating Margin	23.0%	45.1%	-22.1 p.p.	12.4%	10.6 p.p.	20.0%	46.9%	-26.9 p.p.
Corporate Expenses	(45,226)	(64,900)	-30.3%	(33,950)	33.2%	(133,306)	(206,248)	-35.4%
Recurring EBITDA	130,411	437,579	-70.2%	96,516	35.1%	405,180	1,523,995	-73.4%
Recurring EBITDA Margin	17.1%	39.3%	-22.2 p.p.	9.2%	7.9 p.p.	15.0%	41.3%	-26.2 p.p.
(+) Opening Balance: Reversals of Contingencies	-	-	n.a.	-	n.a.	-	-	n.a.
(-) Non-Recurring Items	(49,645)	(24,936)	99.1%	(46,385)	7.0%	(121,266)	(123,808)	-2.1%
EBITDA	80,766	412,643	-80.4%	50,131	61.1%	283,914	1,400,187	-79.7%
EBITDA Margin	10.6%	37.1%	-26.5 p.p.	4.8%	5.8 p.p.	10.5%	37.9%	-27.4 p.p.

The efficiency gains in the academic model and the greater participation of digital education allowed the gross margin to remain practically stable (drop of only 0.7 pp, to 76.4%, a level still quite healthy), even with the drop in net revenues. In operational expenses, there is a significant reduction in the lines of personnel and corporate expenses - reflecting the company's efforts to contain expenses, in addition to the effect of the reduction in working hours provided by provisional measure 936 - as well as in the general and administrative expenses line, here reflecting the savings from the temporary closure of units, among others. However, these savings were more than offset by the greater need for provisioning and the retraction in the interest rate and arrears on monthly fees, which led to the contraction of the margin observed in the period, as shown in the graph below:

Recurring EBITDA Analysis 3Q20 x 3Q19 (R\$ million)



PDA and Accounts Receivable

Kroton - Values in R\$ ('000)	3Q20	3Q19	Chg.%	2Q20	Chg.%
Provision for Doubtful Account - PDA	(204,494)	(156,346)	30.8%	(487,811)	-58.1%
<i>PDA / Postsecondary Net Revenues¹</i>	-26.8%	-14.0%	-12.8 p.p.	-46.4%	19.5 p.p.
PDA Out-of-pocket	(127,435)	(68,369)	86.4%	(180,372)	-29.3%
<i>PDA Out-of-pocket / Postsecondary Net Revenues Out-of-pocket¹</i>	-24.2%	-9.4%	-14.9 p.p.	-24.4%	0.1 p.p.
PDA FIES - Financed Part	(868)	(1,804)	-51.9%	(1,348)	-35.6%
<i>PDA FIES / Postsecondary Net Revenues FIES¹</i>	-0.9%	-0.9%	0.0 p.p.	-0.9%	0.0 p.p.
PDA PEP - Installment Part	(61,977)	(49,028)	26.4%	(229,135)	-73.0%
<i>PDA PEP / Postsecondary Net Revenues PEP¹</i>	-58.0%	-50.0%	-8.0 p.p.	-168.2%	110.2 p.p.
PDA PMT - Installment Part	(14,213)	(37,145)	-61.7%	(76,956)	-81.5%
<i>PDA PMT / Postsecondary Net Revenues PMT¹</i>	-58.0%	-49.7%	-8.3 p.p.	-395.8%	337.8 p.p.

During 3Q20, current payments continued to improve, which enabled the generation of operating cash in the quarter. However, the deterioration in late payments, added to the Company's more reactive stance in closing contracts for students with a history of default and low probability of receipt, required the maintenance of a high level of provisioning (compared to previous years) to face the aging of the receivables portfolio (the older the overdue security, the greater the need for coverage for losses). As a percentage of net revenue, the PDA of the out-of-pocket student was 24.2%, in line with the 24.4% reported in 2Q20, while installment products (PEP / PMT) remained at 58%, as revised by assumptions announced in 2Q20.

Coverage Ratio	3Q20	3Q19	Chg.%	2Q20	Chg.%
Kroton	54.5%	38.7%	15.8 p.p.	50.3%	4.2 p.p.
Private Installment Plan (PEP/PMT)	59.8%	47.9%	11.9 p.p.	58.0%	1.8 p.p.
Kroton ex-Private Installment Plan	43.4%	22.9%	20.5 p.p.	35.1%	8.3 p.p.
Out-of-Pocket	41.9%	19.1%	22.8 p.p.	32.2%	9.7 p.p.
FIES (Public Financing)	50.9%	36.9%	14.0 p.p.	49.8%	1.1 p.p.

Due to the higher provisioning, the out-of-pocket student coverage rate increased 9.7 percentage points compared to 2Q20, reaching 41.9%. Due to the increase in provisioning, the improvement in on time payment and the reduction in net revenue, the volume of accounts receivable by the out-of-pocket student decreased 19% compared to 2Q20.

Net Accounts Receivable - Values in R\$ ('000)	3Q20	3Q19	Chg.%	2Q20	Chg.%
Kroton	2,189,743	2,732,208	-19.9%	2,412,889	-9.2%
Private Installment Plan (PEP/PMT)	1,311,252	1,464,339	-10.5%	1,351,885	-3.0%
Kroton ex-Private Installment Plan	878,491	1,267,870	-30.7%	1,061,003	-17.2%
Out-of-Pocket	749,438	1,047,091	-28.4%	926,914	-19.1%
FIES (Public Financing)	129,053	220,779	-41.5%	134,090	-3.8%

The Average Receivables Term (ART) of the out-of-pocket student reduced 15 days compared to 2Q20 and 20 days compared to 3Q19, to 106 days. Due to the maturation of installment products and the reduction of FIES 'share of net revenue, Kroton's consolidated ART increased 11 days in the annual comparison and, even with these effects, presented a decrease of 2 days in the quarterly comparison.

Average Accounts Receivable Term (days)	3Q20	3Q19	Chg.%	2Q20	Chg.%
Kroton	210	199	11	212	- 2
Private Installment Plan (PEP/PMT)	697	653	44	677	20
Kroton ex-Private Installment Plan	103	111	- 8	113	- 10
Out-of-Pocket	106	126	- 20	121	- 15
FIES (Public Financing)	87	70	17	76	11

PLATOS | OPERATIONAL PERFORMANCE

Student Base

Student Base	3Q20	3Q19	% Chg.	2Q20	% Chg.
On-Campus Graduate	5,245	8,703	-39.7%	7,259	-27.7%
Digital Graduate	40,758	31,886	27.8%	36,269	12.4%
Total Graduate	46,003	40,589	13.3%	43,528	5.7%

The student base grew 13% in 3Q20, due to the 28% growth in digital graduate courses, which reinforces the perception that the digitalization movement is taking place throughout higher education, both in undergraduate and graduate courses.

On-Campus Graduate Programs – Student Base Evolution

Student Base	3Q20	3Q19	% Chg.	2Q20	% Chg.
Initial Base	7,259	7,990	-9.1%	8,483	-14.4%
Enrollments	79	2,973	-97.3%	392	-79.8%
Graduations	(1,964)	(1,992)	-1.4%	(1,433)	37.1%
Dropouts	(129)	(268)	-51.9%	(183)	-29.5%
Final Base	5,245	8,703	-39.7%	7,259	-27.7%

Digital Graduate Programs - Student Base Evolution

Student Base	3Q20	3Q19	% Chg.	2Q20	% Chg.
Initial Base	36,269	34,418	5.4%	36,293	-0.1%
Enrollments	16,470	10,580	55.7%	10,920	50.8%
Graduations	(10,917)	(12,570)	-13.2%	(9,885)	10.4%
Dropouts	(1,064)	(542)	96.3%	(1,059)	0.5%
Final Base	40,758	31,886	27.8%	36,269	12.4%

The 56% growth in digital graduate enrollment - which more than offset the loss in on-campus graduate intake - reflects the commercial and marketing team's focus on the commercialization of this product, more effective commercial campaigns, and the various digital marketing practices that leveraged our e-commerce.

Average Ticket⁽¹⁾

Average Ticket (R\$)	3Q20	3Q19	% Chg.	2Q20	% Chg.
On-Campus Graduate	281	276	1.7%	321	-12.7%
Digital Graduate	278	277	0.3%	266	4.7%
Total	278	277	0.5%	276	0.9%

(1) For the average ticket, the total net revenues of the Lato Senu product is considered, adding the revenues recognized in Platos and Kroton, divided by the period's average student base.

In 3Q20, while the average ticket for on-campus products increased by 1.7%, the average ticket for the digital product remained practically stable.

PLATOS | FINANCIAL PERFORMANCE

Currently, Platos has Kroton as the sole customer. Therefore, in order to prepare its results, the revenue share and costs criterion is used, such that the result of the lato sensu graduate operation is shared equally between both companies. Therefore, most of the revenue from lato sensu graduate courses are allocated to Platos and the rest to Kroton. In the income statements presented in this document, Platos' results are shown net of the transfer to Kroton, except for ticket and Accounts Receivable analyses.

Platos - Values in R\$ ('000)	3Q20	3Q19	Chg.%	2Q20	Chg.%	9M20	9M19	Chg.%
Gross Revenue	25,210	23,065	9.3%	23,630	6.7%	72,171	67,131	7.5%
Gross Revenue Deductions	(1,808)	(2,251)	-19.7%	(1,509)	19.8%	(4,981)	(7,250)	-31.3%
Tax	(1,200)	(1,318)	-9.0%	(1,093)	9.8%	(3,956)	(4,202)	-5.9%
Returns	-	-	n.a.	-	n.a.	-	-	n.a.
Total Discounts	(608)	(932)	-34.8%	(416)	46.1%	(1,025)	(3,048)	-66.4%
Net Revenue	23,401	20,815	12.4%	22,121	5.8%	67,191	59,882	12.2%
Total of Costs	(1,482)	(2,088)	-29.0%	(1,476)	0.4%	(4,791)	(5,198)	-7.8%
Cost of Goods	0	9	-99.3%	(2)	-102.8%	3	9	-69.0%
Cost of Services	(1,482)	(2,098)	-29.4%	(1,474)	0.6%	(4,794)	(5,208)	-8.0%
Faculty, Other Personnel and Third-Party Services	(1,449)	(1,959)	-26.0%	(1,359)	6.6%	(4,561)	(4,980)	-8.4%
Rent	-	13	-100.0%	-	n.a.	-	13	-100.0%
Materials	-	-	n.a.	-	n.a.	-	-	n.a.
Maintenance	(33)	(152)	-78.5%	(39)	-16.6%	(233)	(241)	-3.3%
Other	-	-	n.a.	(75)	-100.0%	-	-	n.a.
Gross Income	21,920	18,727	17.1%	20,645	6.2%	62,400	54,684	14.1%
Gross Margin	93.7%	90.0%	3.7 p.p.	93.3%	0.3 p.p.	92.9%	91.3%	1.6 p.p.
Total Operating Expenses	(3,118)	(3,531)	-11.7%	(2,582)	20.8%	(8,802)	(11,399)	-22.8%
Personnel Expenses	(2,811)	(2,774)	1.3%	(2,430)	15.7%	(7,852)	(9,360)	-16.1%
General and Administrative Expenses	(307)	(758)	-59.5%	(151)	103.0%	(950)	(2,039)	-53.4%
Provision for Doubtful Account - PDA	(2,045)	(2,401)	-14.8%	(3,476)	-41.2%	(6,937)	(6,726)	3.1%
(+) Interest and Penalties on Tuition	(8)	100	-108.2%	2	-442.4%	29	562	-94.9%
(+) Equity	-	0	-100.0%	-	n.a.	-	(0)	-100.0%
Selling and Marketing Expenses	(6,288)	(3,540)	77.6%	(6,339)	-0.8%	(15,878)	(10,549)	50.5%
Operating Result	10,460	9,355	11.8%	8,251	26.8%	30,811	26,572	16.0%
Operating Margin	44.7%	44.9%	-0.2 p.p.	37.3%	7.4 p.p.	45.9%	44.4%	1.5 p.p.
Corporate Expenses	(2,210)	(670)	230.0%	742	-397.9%	(2,267)	(1,359)	66.9%
Recurring EBITDA	8,250	8,685	-5.0%	8,993	-8.3%	28,544	25,213	13.2%
Recurring EBITDA Margin	35.3%	41.7%	-6.5 p.p.	40.7%	-5.4 p.p.	42.5%	42.1%	0.4 p.p.
(+) Opening Balance: Reversals of Contingencies	-	-	n.a.	-	n.a.	-	-	n.a.
(-) Non-Recurring Items	(605)	(787)	-23.1%	30	-2094.7%	(610)	(1,129)	-46.0%
EBITDA	7,645	7,898	-3.2%	9,023	-15.3%	27,934	24,084	16.0%
EBITDA Margin	32.7%	37.9%	-5.3 p.p.	40.8%	-8.1 p.p.	41.6%	40.2%	1.4 p.p.

Platos recorded another quarter of double-digit growth in net revenue, which, combined with the greater participation of digital education in the mix of courses, led to an expansion of 3.7 pp in the gross margin. The increase in marketing expenses was the main offender to recurring EBITDA in the quarter, reflecting a more competitive scenario, but justified by the boost in the growth of net revenue. It should also be noted that there was a reclassification of marketing expenses in 2019 (previously allocated in Kroton), which changed the basis for comparison. In addition, 3Q20 was burdened by the readjustment of corporate expenses related to 1H20 (also previously allocated in Kroton). Thus, we believe that the vision accumulated in the year better reflects Platos' operating performance, with growth of 12% and 13% in net revenue and recurring EBITDA, respectively.

PDA and Accounts Receivable

Values in R\$ ('000)	3Q20	3Q19	Chg.%	2Q20	Chg.%
Gross Accounts Receivable	87,445	71,481	22.3%	82,819	5.6%
PDA Balance	(26,117)	(13,935)	87.4%	(22,952)	13.8%
Coverage Ratio	29.9%	19.5%	53.2%	27.7%	7.8%
Net Accounts Receivable	61,328	57,546	6.6%	59,867	2.4%
Average Accounts Receivable Term (days)	188	198	-10 days	188	0 days

* Disregards Credit Card balance

PDA and coverage index registered higher levels in the annual comparison, due to the pandemic, but with stability in relation to 2Q20. The higher coverage ratio kept net accounts receivable practically stable in the annual comparison, with a 10-day drop in ART; in the quarterly comparison, the ART remained constant at 188 days.

SABER | OPERATIONAL PERFORMANCE

Student Base

Student Base	3Q20	3Q19	% Chg.	2Q20	% Chg.
Own Schools/Management Contracts	52	54	-3.7%	52	0.0%
Red Balloon Units/Franchises	121	125	-3.2%	122	-0.8%
Students enrolled in Own Units/Management Contracts	31,098	35,638	-12.7%	31,480	-1.2%
Students enrolled in Red Balloon Units/Franchises	21,060	26,083	-19.3%	22,442	-6.2%

The student base decreased by 13%, due to the termination of two management contracts and the higher dropout rate, concentrated in early childhood education and in the early years of elementary school. In relation to 2Q20, however, the student base remained practically stable, stopping the dropout rate that resulted from the effects of the pandemic. The Red Balloon student base, on the other hand, decreased 19% and 6% in the annual and quarterly view, respectively, also because of the pandemic.

Net Revenues

Saber - Values in R\$ ('000)	3Q20	3Q19	Chg.%	2Q20	Chg.%	9M20	9M19	Chg.%
Net Revenue	154,140	183,715	-16.1%	161,309	-4.4%	525,988	562,738	-6.5%
Net Revenue from subscription model	143,778	172,020	-16.4%	151,562	-5.1%	481,223	510,004	-5.6%
Net Revenue - Red Balloon	10,362	11,695	-11.4%	9,747	6.3%	44,764	52,734	-15.1%

Revenue from the operation of schools fell by 16%, due to the drop in the student base, the recognition of R\$ 8 million in punctuality discounts (recorded as financial expenses in 1H20) and compulsory discounts established by lawsuits in some cities, as mentioned in 2Q20. The revenue from complementary activities and from Red Balloon, in turn, registered a reduction due to the conditions of social isolation imposed by the pandemic.

Average Ticket

Average Ticket (R\$)	3Q20	3Q19	% Chg.	2Q20	% Chg.
Total Own Schools/Management Contracts	1,541	1,609	-4.2%	1,605	-4.0%
Red Balloon	164	149	9.7%	145	13.3%

The average ticket for schools dropped 4% in comparison with the same quarter of the previous year. Excluding the effects mentioned in the previous section, the average ticket would have expanded by 2%, reflecting the successful commercial discount reduction strategy, partially offset by higher discounts due to the pandemic.

SABER | FINANCIAL PERFORMANCE

Saber - Values in R\$ ('000)	3Q20	3Q19	Chg.%	2Q20	Chg.%	9M20	9M19	Chg.%
Gross Revenue	213,075	226,334	-5.9%	197,874	7.7%	661,703	689,781	-4.1%
Gross Revenue Deductions	(58,936)	(42,619)	38.3%	(36,565)	61.2%	(135,715)	(127,044)	6.8%
Tax	(11,901)	(15,071)	-21.0%	(12,377)	-3.8%	(39,786)	(46,441)	-14.3%
Returns	(1)	(571)	-99.8%	(748)	-99.9%	(1,366)	(2,321)	-41.1%
Total Discounts	(47,034)	(26,978)	74.3%	(23,439)	100.7%	(94,563)	(78,282)	20.8%
Net Revenue	154,140	183,715	-16.1%	161,309	-4.4%	525,988	562,738	-6.5%
Total of Costs	(73,372)	(87,247)	-15.9%	(77,811)	-5.7%	(231,741)	(269,916)	-14.1%
Cost of Goods	(1,388)	(2,979)	-53.4%	(5,014)	-72.3%	(16,021)	(19,797)	-19.1%
Cost of Services	(71,985)	(84,267)	-14.6%	(72,797)	-1.1%	(215,721)	(250,119)	-13.8%
Faculty, Other Personnel and Third-Party Services	(66,322)	(76,195)	-13.0%	(67,589)	-1.9%	(195,563)	(219,555)	-10.9%
Rent	(1,032)	-	n.a.	(184)	460.2%	(1,982)	(2,843)	-30.3%
Materials	(459)	(1,498)	-69.3%	(923)	-50.2%	(2,484)	(4,320)	-42.5%
Maintenance	(3,224)	(5,051)	-36.2%	(3,436)	-6.2%	(12,358)	(18,467)	-33.1%
Other	(947)	(1,524)	-37.9%	(665)	42.5%	(3,334)	(4,933)	-32.4%
Gross Income	80,767	96,468	-16.3%	83,498	-3.3%	294,246	292,822	0.5%
Gross Margin	52.4%	52.5%	-0.1 p.p.	51.8%	0.6 p.p.	55.9%	52.0%	3.9 p.p.
Total Operating Expenses	(32,754)	(30,142)	8.7%	(30,838)	6.2%	(102,820)	(107,350)	-4.2%
Personnel Expenses	(28,007)	(26,944)	3.9%	(29,752)	-5.9%	(86,717)	(87,147)	-0.5%
General and Administrative Expenses	(4,746)	(3,199)	48.4%	(1,086)	336.9%	(16,103)	(20,203)	-20.3%
Provision for Doubtful Account - PDA	(6,406)	(3,258)	96.7%	(1,561)	310.5%	(9,758)	(7,048)	38.4%
(+) Interest and Penalties on Tuition	129	(492)	-126.1%	154	-16.4%	503	(33)	-1643.8%
(+) Equity	-	0	-100.0%	-	n.a.	-	0	-100.0%
Selling and Marketing Expenses	(1,368)	(3,842)	-64.4%	(2,576)	-46.9%	(6,320)	(10,710)	-41.0%
Operating Result	40,368	58,734	-31.3%	48,677	-17.1%	175,852	167,680	4.9%
Operating Margin	26.2%	32.0%	-5.8 p.p.	30.2%	-4.0 p.p.	33.4%	29.8%	3.6 p.p.
Corporate Expenses	(10,201)	(12,451)	-18.1%	(5,798)	76.0%	(22,886)	(30,209)	-24.2%
Recurring EBITDA	30,167	46,283	-34.8%	42,880	-29.6%	152,966	137,472	11.3%
Recurring EBITDA Margin	19.6%	25.2%	-5.6 p.p.	26.6%	-7.0 p.p.	29.1%	24.4%	4.7 p.p.
(+) Opening Balance: Reversals of Contingencies	-	-	n.a.	-	n.a.	-	-	n.a.
(-) Non-Recurring Items	(381,474)	(5,045)	7461.2%	(5,413)	6947.4%	(390,877)	(18,489)	2014.1%
EBITDA	(351,307)	41,238	-951.9%	37,467	-1037.6%	(237,911)	118,983	-300.0%
EBITDA Margin	-227.9%	22.4%	-250.4 p.p.	23.2%	-251.1 p.p.	-45.2%	21.1%	-66.4 p.p.

Despite the drop in revenue, the gross margin remained stable, thanks to the efficiencies related to teaching costs and other operating costs. The lower dilution of operating expenses and the greater need for provisioning, added to a credit for legal contingencies recorded in 3Q19, led to a contraction in the EBITDA margin, with a consequent reduction in this indicator in absolute terms. Excluding the effect of discounts mentioned in the net revenue section, and the credit mentioned above, recurring EBITDA would have expanded by 11% (+6.2 p.p. at the margin). Year-to-date, Saber recorded an 11% increase in recurring EBITDA, with an expansion of 4.7 p.p. on the margin. Among the non-recurring items, the recognition of impairment of assets (impairment) in the amount of R\$ 374 million, with no cash effect, stands out.

PDA and Accounts Receivable⁽¹⁾

Values in R\$ ('000)	3Q20	3Q19	Chg.%	2Q20	Chg.%
Gross Accounts Receivable	79,807	71,616	11.4%	72,428	10.2%
PDA Balance	(19,116)	(9,985)	91.5%	(14,657)	30.4%
Coverage Ratio	24.0%	13.9%	71.8%	20.2%	18.4%
Net Accounts Receivable	60,691	61,631	-1.5%	57,771	5.1%
Average Accounts Receivable Term (days)	31	30	1 days	29	2 days

* Disregards Credit Card balance ¹For comparison, 2Q19 data on business arising from the acquisition of Somos are shown under the same criterion adopted as of 3Q19, that is, considering the write-off of slips outstanding for over 360 days with the respective write-off in the PDA balance

The higher provisioning in 3Q20 was due to the increase in defaults observed during the pandemic. With the re-enrollment process for the academic year 2021, we have already observed a decrease in defaults, with the renegotiation of outstanding bonds. Therefore, we expect less provisioning in the coming quarters. It is worth mentioning that, despite the greater delinquency observed, the ART of this division remained at a very healthy level, with an increase of only 2 days in comparison with the immediately previous quarter.

VASTA | OPERATIONAL PERFORMANCE

Vasta's commercial cycle begins in the fourth quarter, during which the first content deliveries are made to students from partner schools for the following year, and ends in the third quarter of the following year. For this reason, the most important variations in the business are perceived from the third to the fourth quarters. In addition, the business cycle is significantly subject to seasonality: as content deliveries occur mostly in the fourth quarter and the first quarter (of the following year), in these quarters, there is greater recognition of revenues and costs. In this sense, the figures for the second and third quarters are usually less significant.

Student Base – Subscription Models

Student Base	3Q20	3Q19	% AH	2Q20	% AH
Partner Schools (Core Content)	4,167	3,400	22.6%	4,167	0.0%
Partner Schools (Complementary Content)	636	417	52.5%	636	0.0%
Students (Core Content)	1,311,147	1,185,799	10.6%	1,311,147	0.0%
Students (Complementary Content)	213,058	133,583	59.5%	213,058	0.0%

During the school year, schools only adjust their requests according to the actual number of students until the second quarter and, therefore, there is no change in relation to operational performance in the second half of the year. This situation could have been different this year due to the impact of the pandemic on the sector as a whole, but the effort to offer an efficient and engaging digital platform, coupled with the Company's ability to support all the activities of the school year remotely, ended for strengthening the resilience of the business and further strengthening the relationship with partner schools.

Net Revenues

Vasta - Values in R\$ ('000)	3Q20	3Q19	Chg.%	2Q20	Chg.%	9M20	9M19	Chg.%
Net Revenue	141,415	137,893	2.6%	110,191	28.3%	654,066	607,039	7.7%
Net Revenue from subscription model	105,849	115,311	-8.2%	98,942	7.0%	476,025	434,295	9.6%
Net Revenue from core business	105,481	115,161	-8.4%	97,777	7.9%	442,379	411,826	7.4%
Net Revenue from complementary solutions	368	150	144.6%	1,165	-68.4%	33,646	22,469	49.7%
Net Revenue - Others	35,566	22,581	57.5%	11,249	216.2%	178,041	172,743	3.1%

Net revenue from subscription products, which encompasses all educational solutions with recurring revenue (basically learning systems), represented 75% of the company's total revenue in this quarter and was 8% lower than in the same period last year. It is important to remember that the relatively low growth in total net revenue is a consequence of the seasonality of the business, which reserves a greater recognition of revenue at the beginning of the sales cycle. For this reason, when analyzing the accumulated performance for the year, subscription revenue was 10% higher. In the analysis of the Annual Contract Value (ACV) of Vasta's subscription services and products for the complete 2020 sales cycle (from October 2019 to September 2020), the accumulated growth was 18%, a performance that reinforces not only the resilience of the business, especially when considering all the economic instability faced throughout the year, but also the commercial strength of Vasta's service platform. Another point that is important to highlight is the behavior of revenue from other businesses, which grew by 58% in the annual comparison, and a substantial growth when compared to the previous quarter, which reinforces the resumption of commercial activity after the initial impact with the closing face-to-face activities of schools and bookstores.

VASTA | FINANCIAL PERFORMANCE

Vasta - Values in R\$ ('000)	3Q20	3Q19	Chg.%	2Q20	Chg.%	9M20	9M19	Chg.%
Gross Revenue	208,945	168,559	24.0%	128,481	62.6%	765,493	724,421	5.7%
Gross Revenue Deductions	(67,530)	(30,666)	120.2%	(18,289)	269.2%	(111,427)	(117,382)	-5.1%
Tax	(1,260)	(2,309)	-45.5%	(741)	70.0%	(4,918)	(6,438)	-23.6%
Returns	(61,150)	(17,356)	252.3%	(15,344)	298.5%	(99,186)	(72,452)	36.9%
Total Discounts	(5,120)	(11,000)	-53.5%	(2,204)	132.3%	(7,322)	(38,492)	-81.0%
Net Revenue	141,415	137,893	2.6%	110,191	28.3%	654,066	607,039	7.7%
Total of Costs	(62,194)	(64,719)	-3.9%	(45,976)	35.3%	(270,962)	(239,048)	13.4%
Cost of Goods	(46,740)	(47,204)	-1.0%	(25,369)	84.2%	(213,799)	(187,025)	14.3%
Cost of Services	(15,454)	(17,515)	-11.8%	(20,607)	-25.0%	(57,163)	(52,022)	9.9%
Faculty, Other Personnel and Third-Party Services	(14,956)	(13,675)	9.4%	(17,888)	-16.4%	(49,964)	(42,983)	16.2%
Rent	(223)	(66)	236.4%	814	-127.4%	(1,077)	(410)	162.5%
Materials	-	(1)	-100.0%	-	n.a.	-	(25)	-100.0%
Maintenance	883	(1,884)	-146.9%	(3,098)	-128.5%	(3,787)	(6,390)	-40.7%
Other	(1,158)	(1,889)	-38.7%	(434)	167.1%	(2,335)	(2,214)	5.5%
Gross Income	79,221	73,174	8.3%	64,215	23.4%	383,104	367,991	4.1%
Gross Margin	56.0%	53.1%	3.0 p.p.	58.3%	-2.3 p.p.	58.6%	60.6%	-2.0 p.p.
Total Operating Expenses	(28,484)	(10,368)	174.7%	(35,797)	-20.4%	(97,019)	(29,111)	233.3%
Personnel Expenses	(14,086)	(3,288)	328.5%	(11,950)	17.9%	(41,726)	(14,281)	192.2%
General and Administrative Expenses	(14,398)	(7,080)	103.4%	(23,847)	-39.6%	(55,293)	(14,831)	272.8%
Provision for Doubtful Account - PDA	(1,120)	(4,327)	-74.1%	(7,304)	-84.7%	(12,702)	(7,652)	66.0%
(+) Interest and Penalties on Tuition	-	789	-100.0%	-	n.a.	-	1,330	-100.0%
(+) Equity	-	0	-100.0%	-	n.a.	-	0	-100.0%
Selling and Marketing Expenses	(35,840)	(31,341)	14.4%	(41,151)	-12.9%	(116,437)	(85,110)	36.8%
Operating Result	13,776	27,927	-50.7%	(20,037)	-168.8%	156,947	247,448	-36.6%
Operating Margin	9.7%	20.3%	-10.5 p.p.	-18.2%	27.9 p.p.	24.0%	40.8%	-16.8 p.p.
Corporate Expenses	(3,176)	(19,583)	-83.8%	(9,917)	-68.0%	(25,388)	(51,731)	-50.9%
Recurring EBITDA	10,600	8,344	27.0%	(29,955)	-135.4%	131,559	195,717	-32.8%
Recurring EBITDA Margin	7.5%	6.1%	1.4 p.p.	-27.2%	34.7 p.p.	20.1%	32.2%	-12.1 p.p.
(+) Opening Balance: Reversals of Contingencies	611	-	n.a.	2,552	-76.1%	3,162	-	n.a.
(-) Non-Recurring Items	(7,875)	(3,869)	103.5%	(5,362)	46.9%	(14,440)	(12,700)	13.7%
EBITDA	3,336	4,475	-25.4%	(32,765)	-110.2%	120,281	183,017	-34.3%
EBITDA Margin	2.4%	3.2%	-0.9 p.p.	-29.7%	32.1 p.p.	18.4%	30.1%	-11.8 p.p.

Vasta's recurring EBITDA was 27% higher, due to lower expenses, in addition to the lower level of PDA, which was partially offset by the increase in marketing expenses. Regarding gross margin, it is worth noting that until 3Q19, editorial expenses were capitalized; on a comparable basis, the gross margin expanded 8.4 p.p., as shown in the next table. Year-to-date, considering (i) the reclassification of editorial expenses in 2019; (ii) the adjustment of extraordinary expenses in 2Q20 and (iii) the adjustment of tax credits that favored 1H19 results, Vasta's recurring EBITDA was R\$ 150 million (18% above the previous year), with a margin of 22.9% (expansion of 1.9 p.p.).

Proforma Review

Vasta - Values in R\$ ('000)	3Q20	3Q19 Pro Forma	Chg.%	2Q20 Pro Forma	Chg.%	9M20 Pro Forma	9M19 Pro Forma	Chg.%
Gross Revenue	208,945	168,559	24.0%	128,481	62.6%	765,493	724,421	5.7%
Gross Revenue Deductions	(67,530)	(30,666)	120.2%	(18,289)	269.2%	(111,427)	(117,382)	-5.1%
Tax	(1,260)	(2,309)	-45.5%	(741)	70.0%	(4,918)	(6,438)	-23.6%
Returns	(61,150)	(17,356)	252.3%	(15,344)	298.5%	(99,186)	(72,452)	36.9%
Total Discounts	(5,120)	(11,000)	-53.5%	(2,204)	132.3%	(7,322)	(38,492)	-81.0%
Net Revenue	141,415	137,893	2.6%	110,191	28.3%	654,066	607,039	7.7%
Total of Costs	(62,194)	(72,233)	-13.9%	(35,450)	75.4%	(260,436)	(297,110)	-12.3%
Cost of Goods	(46,740)	(54,718)	-14.6%	(17,069)	173.8%	(205,499)	(245,088)	-16.2%
Cost of Services	(15,454)	(17,515)	-11.8%	(18,381)	-15.9%	(54,937)	(52,022)	5.6%
Faculty, Other Personnel and Third-Party Services	(14,956)	(13,675)	9.4%	(15,663)	-4.5%	(47,738)	(42,983)	11.1%
Rent	(223)	(66)	236.4%	814	-127.4%	(1,077)	(410)	162.5%
Materials	-	(1)	-100.0%	-	n.a.	-	(25)	-100.0%
Maintenance	883	(1,884)	-146.9%	(3,098)	-128.5%	(3,787)	(6,390)	-40.7%
Other	(1,158)	(1,889)	-38.7%	(434)	167.1%	(2,335)	(2,214)	5.5%
Gross Income	79,221	65,660	20.7%	74,741	6.0%	393,630	309,929	27.0%
Gross Margin	56.0%	47.6%	8.4 p.p.	67.8%	-11.8 p.p.	60.2%	51.1%	9.1 p.p.
Total Operating Expenses	(28,484)	(10,368)	174.7%	(35,088)	-18.8%	(96,310)	(39,728)	142.4%
Personnel Expenses	(14,086)	(3,288)	328.5%	(11,241)	25.3%	(41,017)	(14,281)	187.2%
General and Administrative Expenses	(14,398)	(7,080)	103.4%	(23,847)	-39.6%	(55,293)	(25,447)	117.3%
Provision for Doubtful Account - PDA	(1,120)	(4,327)	-74.1%	(1,662)	-32.6%	(7,060)	(7,652)	-7.7%
(+) Interest and Penalties on Tuition	-	789	-100.0%	-	n.a.	-	1,330	-100.0%
(+) Equity	-	0	-100.0%	-	n.a.	-	0	-100.0%
Selling and Marketing Expenses	(35,840)	(31,341)	14.4%	(40,093)	-10.6%	(115,379)	(85,110)	35.6%
Operating Result	13,776	20,413	-32.5%	(2,103)	-755.2%	174,882	178,769	-2.2%
Operating Margin	9.7%	14.8%	-5.1 p.p.	-1.9%	11.6 p.p.	26.7%	29.4%	-2.7 p.p.
Corporate Expenses	(3,176)	(19,583)	-83.8%	(9,892)	-67.9%	(25,362)	(51,731)	-51.0%
Recurring EBITDA	10,600	830	1177.6%	(11,994)	-188.4%	149,520	127,038	17.7%
Recurring EBITDA Margin	7.5%	0.6%	6.9 p.p.	-10.9%	18.4 p.p.	22.9%	20.9%	1.9 p.p.
(+) Opening Balance: Reversals of Contingencies	611	-	n.a.	2,552	-76.1%	3,162	-	n.a.
(-) Non-Recurring Items	(7,875)	(3,869)	103.5%	(2,077)	279.1%	(11,155)	(12,700)	-12.2%
EBITDA	3,336	(3,039)	-209.8%	(11,519)	-129.0%	141,527	114,338	23.8%
EBITDA Margin	2.4%	-2.2%	4.6 p.p.	-10.5%	12.8 p.p.	21.6%	18.8%	2.8 p.p.

PDA and Accounts Receivable⁽¹⁾

Values in R\$ ('000)	3Q20	3Q19	Chg.%	2Q20	Chg.%
Gross Accounts Receivable	267,784	185,414	44.4%	344,260	-22.2%
PDA Balance	(26,929)	(43,756)	-38.5%	(30,715)	-12.3%
Coverage Ratio	10.1%	23.6%	-57.4%	8.9%	12.7%
Net Accounts Receivable	240,855	141,657	70.0%	313,545	-23.2%
Average Accounts Receivable Term (days)	91	58	33 days	119	-28 days

* Disregards Credit Card balance ¹For comparison, 2Q19 data on business arising from the acquisition of Somos are shown under the same criterion adopted as of 3Q19, that is, considering the write-off of slips outstanding for over 360 days with the respective write-off in the PDA balance

As a percentage of revenue, PDA decreased in 3Q20 and remained at a very low level (0.8%) and closer to historical levels for the segment, since the previous quarters were impacted by changes in the provisioning criteria made in 3Q19 to adjust for historical loss and for the additional provisioning made in 2Q20 to cover possible future losses due to the pandemic. Net accounts receivable grew by 70%, leading to an increase in the 33-day ART. This longer average term is the result of a higher revenue and the impact of the pandemic, mainly on non-subscription products and the longer payment period granted to partner schools.

OTHER BUSINESSES | OPERATIONAL PERFORMANCE

Revenues

Other Revenues - Values in R\$ ('000)	3Q20	3Q19	Chg.%	2Q20	Chg.%	9M20	9M19	Chg.%
Net Revenue	180,340	62,580	188.2%	33,696	435.2%	345,104	180,103	91.6%
Net Revenue from PNLD	158,232	20,021	690.3%	668	23577.8%	250,635	49,829	403.0%
LFG, Unregulated and Preparatory Programs	330	1,122	-70.6%	509	-35.2%	1,633	4,541	-64.0%
Books Sold - Postsecondary	16,153	35,311	-54.3%	13,027	24.0%	58,465	91,235	-35.9%
Net Revenue - Other Services	5,625	6,126	-8.2%	19,493	-71.1%	34,370	34,497	-0.4%

In 3Q20, the other business segment benefited from the recognition of R\$ 158 million related to sales of PNLD. As announced to the market on October 28, the Company had sales of R\$ 365 million in the 2021 cycle, which included only the replacement of books purchased in previous programs. The rest of these sales are expected to be recognized in the coming quarters.

OTHER BUSINESSES | FINANCIAL PERFORMANCE

Other Revenues - Values in R\$ ('000)	3Q20	3Q19	Chg.%	2Q20	Chg.%	9M20	9M19	Chg.%
Gross Revenue	187,728	67,390	178.6%	39,252	378.3%	361,426	193,003	87.3%
Gross Revenue Deductions	(7,388)	(4,809)	53.6%	(5,555)	33.0%	(16,323)	(12,900)	26.5%
Tax	(400)	(257)	55.4%	(879)	-54.5%	(1,431)	(952)	50.3%
Returns	(5,348)	(4,522)	18.3%	(4,637)	15.3%	(13,180)	(11,838)	11.3%
Total Discounts	(1,640)	(30)	5316.8%	(40)	3991.4%	(1,712)	(109)	1463.6%
Net Revenue	180,340	62,580	188.2%	33,696	435.2%	345,104	180,103	91.6%
Total of Costs	(101,760)	(53,110)	91.6%	(15,897)	540.1%	(204,105)	(107,064)	90.6%
Cost of Goods	(99,668)	(48,865)	104.0%	(15,268)	552.8%	(197,258)	(98,029)	101.2%
Cost of Services	(2,091)	(4,245)	-50.7%	(629)	232.2%	(6,847)	(9,035)	-24.2%
Faculty, Other Personnel and Third-Party Services	(1,349)	(3,269)	-58.7%	(322)	319.5%	(5,329)	(7,395)	-27.9%
Rent	(15)	(114)	-86.9%	(65)	-76.9%	(188)	388	-148.5%
Materials	(328)	(239)	37.0%	-	n.a.	(328)	(863)	-62.0%
Maintenance	(365)	(540)	-32.3%	(230)	58.9%	(916)	(1,001)	-8.5%
Other	(34)	(84)	-59.2%	(13)	154.0%	(86)	(164)	-47.7%
Gross Income	78,580	9,470	729.8%	17,799	341.5%	140,999	73,039	93.0%
Gross Margin	43.6%	15.1%	28.4 p.p.	52.8%	-9.2 p.p.	40.9%	40.6%	0.3 p.p.
Total Operating Expenses	(5,259)	(16,097)	-67.3%	(10,494)	-49.9%	(17,211)	(21,712)	-20.7%
Personnel Expenses	(2,525)	(3,469)	-27.2%	(2,519)	0.2%	(7,866)	(5,990)	31.3%
General and Administrative Expenses	(2,734)	(12,628)	-78.3%	(7,975)	-65.7%	(9,345)	(15,722)	-40.6%
Provision for Doubtful Account - PDA	(6,005)	(4,567)	31.5%	(389)	1445.4%	(7,459)	(13,102)	-43.1%
(+) Interest and Penalties on Tuition	5	0	1280.7%	4	21.1%	14	32	-54.6%
(+) Equity	2,881	456	531.3%	1,376	109.3%	3,780	(21)	-18478.4%
Selling and Marketing Expenses	(13,764)	(18,170)	-24.2%	(1,626)	746.5%	(30,994)	(45,426)	-31.8%
Operating Result	56,437	(28,908)	-295.2%	6,671	746.0%	89,129	(7,190)	-1339.6%
Operating Margin	31.3%	-46.2%	77.5 p.p.	19.8%	11.5 p.p.	25.8%	-4.0%	29.8 p.p.
Corporate Expenses	(6,598)	(8,285)	-20.4%	(4,483)	47.2%	(17,221)	(23,529)	-26.8%
Adjusted EBITDA	49,839	(37,193)	-234.0%	2,188	2177.7%	71,907	(30,719)	-334.1%
Adjusted EBITDA Margin	27.6%	-59.4%	87.1 p.p.	6.5%	21.1 p.p.	20.8%	-17.1%	37.9 p.p.
(+) Opening Balance: Reversals of Contingencies	59,755	84,937	-29.6%	144,881	-58.8%	300,786	196,814	52.8%
(-) Non-Recurring Items	(460,083)	(1,702)	26924.3%	(350,412)	31.3%	(811,626)	(4,999)	16134.9%
EBITDA	(350,489)	46,041	-861.2%	(203,343)	72.4%	(438,934)	161,095	-372.5%
EBITDA Margin	-194.3%	73.6%	-267.9 p.p.	-603.5%	409.1 p.p.	-127.2%	89.4%	-216.6 p.p.

The division's results were notably favored by the recognition of PNLD sales in 3Q20. Due to the different seasonality of this revenue, the comparison with previous quarters is not representative. Among the non-recurring items, the highlight is the recognition of loss in the recoverable value of assets (impairment) at SETS / LFG, in the amount of R\$ 457 million, with no cash effect.

PDA and Accounts Receivable⁽¹⁾

Values in R\$ (000)	3Q20	3Q19	Chg.%	2Q20	Chg.%
Gross Accounts Receivable	129,298	100,051	29.2%	50,558	155.7%
PDA Balance	(27,592)	(27,906)	-1.1%	(32,387)	-14.8%
Coverage Ratio	21.3%	27.9%	-23.5%	64.1%	-66.7%
Net Accounts Receivable	101,705	72,146	41.0%	18,171	459.7%
Average Accounts Receivable Term (days)	55	66	-11 days	12	43 days

* Disregards Credit Card balance

Net accounts receivable increased both in the annual and quarterly comparison, due to the higher PNLD sales volume verified in 3Q20.

CONSOLIDATED COGNA RESULTS

3Q20 RESULTS | BREAKDOWN BY COMPANY

	Kroton	Platos	Saber	Vasta	Others	Cogna's B.U. Elimination	Cogna Consolidated
Values in R\$ ('000)	3Q20	3Q20	3Q20	3Q20	3Q20	3Q20	3Q20
Gross Revenue	1.144.575	25.210	213.075	208.945	187.728	(5.318)	1.774.215
Gross Revenue Deductions	(382.413)	(1.808)	(58.936)	(67.530)	(7.388)	-	(518.075)
Tax	(25.355)	(1.200)	(11.901)	(1.260)	(400)	-	(40.115)
ProUni	(220.627)	-	-	-	-	-	(220.627)
Returns	-	-	(1)	(61.150)	(5.348)	-	(66.499)
Total Discounts	(136.431)	(608)	(47.034)	(5.120)	(1.640)	-	(190.833)
Net Revenue	762.162	23.401	154.140	141.415	180.340	(5.318)	1.256.140
Costs (COGS)	(179.992)	(1.482)	(73.372)	(62.194)	(101.760)	5.318	(413.482)
Cost of Goods	(712)	0	(1.388)	(46.740)	(99.668)	5.318	(143.190)
Cost of Services	(179.280)	(1.482)	(71.985)	(15.454)	(2.091)	-	(270.291)
Faculty, Other Personnel and Third-Party Services	(156.472)	(1.449)	(66.322)	(14.956)	(1.349)	-	(240.549)
Rent	(1.090)	-	(1.032)	(223)	(15)	-	(2.360)
Materials	(6.413)	-	(459)	-	(328)	-	(7.200)
Maintenance	(1.679)	(33)	(3.224)	883	(365)	-	(4.418)
Other	(13.625)	-	(947)	(1.158)	(34)	-	(15.765)
Gross Income	582.170	21.920	80.767	79.221	78.580	-	842.658
Operating Expenses	(126.400)	(3.118)	(32.754)	(28.484)	(5.259)	0,0%	(196.014)
Personnel, General and Administrative Expenses	(126.400)	(3.118)	(32.754)	(28.484)	(5.259)	-	(196.014)
Personnel Expenses	(67.575)	(2.811)	(28.007)	(14.086)	(2.525)	-	(115.004)
General and Administrative Expenses	(58.825)	(307)	(4.746)	(14.398)	(2.734)	-	(81.010)
Provision for Doubtful Accounts - PDA	(204.494)	(2.045)	(6.406)	(1.120)	(6.005)	-	(220.071)
(+) Interest and Penalties on Tuition	30.912	(8)	129	-	5	-	31.037
(+) Equity	-	-	-	-	2.881	-	2.881
Sales and Marketing Expenses	(106.552)	(6.288)	(1.368)	(35.840)	(13.764)	-	(163.812)
Operating Result	175.637	10.460	40.368	13.776	56.437	-	296.679
Corporate Expenses	(45.226)	(2.210)	(10.201)	(3.176)	(6.598)	(0)	(67.412)
Recurring EBITDA	130.411	8.250	30.167	10.600	49.839	(0)	229.268
(+) Opening Balance: Reversals of Contingencies	-	-	-	611	59.755	-	60.366
(-) Nonrecurring Items	(49.645)	(605)	(381.474)	(7.875)	(460.083)	0	(899.682)
EBITDA	80.766	7.645	(351.307)	3.336	(350.489)	0	(610.048)
Depreciation and Amortization							(285.293)
Financial Result							(178.939)
Income and Social Contribution Tax							(224.538)
Minority Interest							6.782
Net Profit							(1.292.036)
(+) Intangible Amortization (Acquisitions)							82.231
(+) Inventory surplus value							106
(+) Low Escrow							-
(+) Impairment on goodwill							831.188
(+) Write-off of deferred income tax							215.627
Adjusted Net Profit							(162.884)

9M20 RESULTS | BREAKDOWN BY COMPANY

	Kroton	Platos	Saber	Vasta	Others	Cogna Elimination	Cogna Consolidated
Values in R\$ ('000)	9M20	9M20	9M20	9M20	9M20	9M20	9M20
Gross Revenue	3.810.451	72.171	661.703	765.493	361.426	(32.939)	5.638.305
Gross Revenue Deductions	(1.113.732)	(4.981)	(135.715)	(111.427)	(16.323)	0	(1.382.177)
Tax	(95.666)	(3.956)	(39.786)	(4.918)	(1.431)	0	(145.757)
ProUni	(677.732)	-	-	-	-	-	(677.732)
Returns	(10)	-	(1.366)	(99.186)	(13.180)	-	(113.743)
Total Discounts	(340.324)	(1.025)	(94.563)	(7.322)	(1.712)	-	(444.945)
Net Revenue	2.696.719	67.191	525.988	654.066	345.104	(32.939)	4.256.128
Costs (COGS)	(583.251)	(4.791)	(231.741)	(270.962)	(204.105)	32.927	(1.261.923)
Cost of Goods	(10.369)	3	(16.021)	(213.799)	(197.258)	32.927	(404.516)
Cost of Services	(572.883)	(4.794)	(215.721)	(57.163)	(6.847)	-	(857.407)
Faculty, Other Personnel and Third-Party Services	(515.430)	(4.561)	(195.563)	(49.964)	(5.329)	-	(770.846)
Rent	(4.267)	-	(1.982)	(1.077)	(188)	-	(7.514)
Materials	(11.646)	-	(2.484)	-	(328)	-	(14.458)
Maintenance	(7.998)	(233)	(12.358)	(3.787)	(916)	-	(25.292)
Other	(33.541)	-	(3.334)	(2.335)	(86)	-	(39.296)
Gross Income	2.113.467	62.400	294.246	383.104	140.999	(12)	2.994.205
Operating Expenses	(438.840)	(8.802)	(102.820)	(97.019)	(17.211)	0,0%	(664.692)
Personnel, General and Administrative Expenses	(438.840)	(8.802)	(102.820)	(97.019)	(17.211)	-	(664.692)
Personnel Expenses	(217.197)	(7.852)	(86.717)	(41.726)	(7.866)	-	(361.357)
General and Administrative Expenses	(221.644)	(950)	(16.103)	(55.293)	(9.345)	-	(303.335)
Provision for Doubtful Accounts - PDA	(897.696)	(6.937)	(9.758)	(12.702)	(7.459)	0	(934.552)
(+) Interest and Penalties on Tuition	92.490	29	503	-	14	-	93.037
(+) Equity	-	-	-	-	3.780	-	3.780
Sales and Marketing Expenses	(330.935)	(15.878)	(6.320)	(116.437)	(30.994)	-	(500.564)
Operating Result	538.486	30.811	175.852	156.947	89.129	(12)	991.213
Corporate Expenses	(133.306)	(2.267)	(22.886)	(25.388)	(17.221)	0	(201.068)
Recurring EBITDA	405.180	28.544	152.966	131.559	71.907	(12)	790.145
(+) Opening Balance: Reversals of Contingencies	-	-	-	3.162	300.786	-	303.948
(-) Nonrecurring Items	(121.266)	(610)	(390.877)	(14.440)	(811.626)	0	(1.338.819)
EBITDA	283.914	27.934	(237.911)	120.281	(438.934)	(12)	(244.726)
Depreciation and Amortization							(864.599)
Financial Result							(600.586)
Income and Social Contribution Tax							(78.685)
Minority Interest							2.702
Net Profit							(1.785.894)
(+) Intangible Amortization (Acquisitions)							247.213
(+) inventory surplus value							7.943
(+) Low Escrow							227.861
(+) Impairment on goodwill							831.188
(+) Write-off of deferred income tax							215.627
Adjusted Net Profit							(256.062)

3Q20 RESULTS | CONSOLIDATED

Consolidated - Values in R\$ ('000)	3Q20	3Q19	Chg.%	2Q20	Chg.%	9M20	9M20	Chg.%
Gross Revenue	1,774,215	1,924,805	-7.8%	1,806,857	-1.8%	5,638,305	6,434,496	-12.4%
Gross Revenue Deductions	(518,075)	(408,781)	26.7%	(434,337)	19.3%	(1,382,177)	(1,337,011)	3.4%
Tax	(40,115)	(51,937)	-22.8%	(51,589)	-22.2%	(145,757)	(168,177)	-13.3%
ProUni	(220,627)	(241,450)	-8.6%	(230,465)	-4.3%	(677,732)	(750,152)	-9.7%
Returns	(66,499)	(22,449)	196.2%	(20,729)	220.8%	(113,743)	(86,611)	31.3%
Total Discounts	(190,833)	(92,945)	105.3%	(131,554)	45.1%	(444,945)	(332,071)	34.0%
Net Revenue	1,256,140	1,516,023	-17.1%	1,372,520	-8.5%	4,256,128	5,097,485	-16.5%
Total of Costs	(413,482)	(460,170)	-10.1%	(340,379)	21.5%	(1,261,923)	(1,355,817)	-6.9%
Cost of Goods	(143,190)	(98,214)	45.8%	(45,763)	212.9%	(404,516)	(304,478)	32.9%
Cost of Services	(270,291)	(361,956)	-25.3%	(294,616)	-8.3%	(857,407)	(1,051,339)	-18.4%
Faculty, Other Personnel and Third-Party Services	(240,549)	(319,943)	-24.8%	(275,044)	-12.5%	(770,846)	(935,601)	-17.6%
Rent	(2,360)	(7,398)	-68.1%	1,869	-226.2%	(7,514)	(18,390)	-59.1%
Materials	(7,200)	(9,003)	-20.0%	(2,883)	149.7%	(14,458)	(22,235)	-35.0%
Maintenance	(4,418)	(10,915)	-59.5%	(8,080)	-45.3%	(25,292)	(35,227)	-28.2%
Other	(15,765)	(14,697)	7.3%	(10,479)	50.4%	(39,296)	(39,888)	-1.5%
Gross Income	842,658	1,055,853	-20.2%	1,032,140	-18.4%	2,994,205	3,741,667	-20.0%
Gross Margin	67.1%	69.6%	-2.6 p.p.	75.2%	-8.1 p.p.	70.4%	73.4%	-3.1 p.p.
Total Operating Expenses	(196,014)	(219,629)	-10.8%	(234,468)	-16.4%	(664,692)	(697,468)	-4.7%
Personnel, General and Administrative Expenses	(196,014)	(219,629)	-10.8%	(234,468)	-16.4%	(664,692)	(697,468)	-4.7%
Personnel Expenses	(115,004)	(121,054)	-5.0%	(123,445)	-6.8%	(361,357)	(374,784)	-3.6%
General and Administrative Expenses	(81,010)	(98,575)	-17.8%	(111,024)	-27.0%	(303,335)	(322,684)	-6.0%
Provision for Doubtful Account - PDA	(220,071)	(170,899)	28.8%	(500,541)	-56.0%	(934,552)	(568,654)	64.3%
(+) Interest and Penalties on Tuition	31,037	72,951	-57.5%	8,126	282.0%	93,037	167,367	-44.4%
Equity	2,881	456	531.3%	1,376	109.3%	3,780	(21)	-18478.2%
Selling and Marketing Expenses	(163,812)	(169,389)	-3.3%	(132,603)	23.5%	(500,564)	(478,382)	4.6%
Operating Result	296,679	569,344	-47.9%	174,030	70.5%	991,213	2,164,510	-54.2%
Operating Margin	23.6%	37.6%	-13.9 p.p.	12.7%	10.9 p.p.	23.3%	42.5%	-19.2 p.p.
Corporate Expenses	(67,412)	(106,393)	-36.6%	(53,406)	26.2%	(201,068)	(313,075)	-35.8%
Recurring EBITDA	289,634	547,887	-47.1%	268,056	8.0%	1,094,093	2,048,249	-46.6%
Recurring EBITDA margin	23.1%	36.1%	-13.1 p.p.	19.5%	3.5 p.p.	25.7%	40.2%	-14.5 p.p.
(+) Opening Balance: Reversals of Contingencies	60,366	84,937	-28.9%	147,433	-59.1%	303,948	196,814	54.4%
(-) Non-Recurring Items	(899,682)	(36,339)	2375.8%	(407,542)	120.8%	(1,338,819)	(161,125)	730.9%
EBITDA	(610,048)	511,548	-219.3%	(139,485)	337.4%	(244,726)	1,887,124	-113.0%
EBITDA Margin	-48.6%	33.7%	-82.3 p.p.	-10.2%	-38.4 p.p.	-5.7%	37.0%	-42.8 p.p.
Depreciation and Amortization	(285,293)	(328,931)	-13.3%	(290,236)	-1.7%	(864,599)	(966,076)	-10.5%
Financial Result	(178,939)	(246,063)	-27.3%	(194,711)	-8.1%	(600,586)	(668,556)	-10.2%
Income Tax / Social Contribution	(11,099)	(16,215)	-31.6%	(14,884)	-25.4%	(70,991)	(64,604)	9.9%
Deferred Income Tax / Social Contribution	(213,439)	99,872	-313.7%	187,347	-213.9%	(7,695)	222,822	-103.5%
Minority Interest	6,782	(210)	-3328.9%	(2,766)	-345.2%	2,702	(729)	-470.9%
Net Income	(1,292,036)	20,001	-6559.8%	(454,735)	184.1%	(1,785,894)	409,982	-535.6%
Net Margin	-102.9%	1.3%	-104.2 p.p.	-33.1%	-69.7 p.p.	-42.0%	8.0%	-50.0 p.p.
(+) Intangible Amortization (Acquisitions)	82,231	101,488	-19.0%	82,351	-0.1%	247,213	292,097	-15.4%
(+) inventory surplus value	106	13,470	-99.2%	4,537	-97.7%	7,943	18,267	-56.5%
(+) Low Escrow	-	-	n.a.	227,861	-100.0%	227,861	-	n.a.
(+) Impairment on goodwill	831,188	-	n.a.	-	n.a.	831,188	-	n.a.
(+) Write-off of deferred income tax	215,627	-	n.a.	-	n.a.	215,627	-	n.a.
Adjusted Net Income	(162,884)	134,959	-220.7%	(139,987)	16.4%	(256,062)	720,346	-135.5%
Adjusted Net Margin	-13.0%	8.9%	-21.9 p.p.	-10.2%	-2.8 p.p.	-6.0%	14.1%	-20.1 p.p.

Corporate Expenses

Consolidated - Values in R\$ ('000)	3Q20	3Q19	Chg.%	2Q20	Chg.%
Corporate Expenses	(67,412)	(106,393)	-36.6%	(53,406)	26.2%
Personnel Expenses	(33,022)	(59,625)	-44.6%	(20,750)	59.1%
General and Administrative Expenses	(34,390)	(46,768)	-26.5%	(32,657)	5.3%

% of Net Revenue	3Q20	3Q19	Chg.%	2Q20	Chg.%
Corporate Expenses	-5.4%	-7.0%	1.7 p.p.	-3.9%	-1.5 p.p.
Personnel Expenses	-2.6%	-3.9%	1.4 p.p.	-1.5%	-1.1 p.p.
General and Administrative Expenses	-2.7%	-3.1%	0.3 p.p.	-2.4%	-0.4 p.p.

In 3Q20, we delivered a significant drop of 37% in the Company's corporate expenses, as a result of emergency actions to cope with the effects of the pandemic, in particular (i) the adoption of temporary measures of reduction in working hours and suspension of employment contracts, as allowed by MP936, and (ii) reduced provision for variable remuneration of employees in 2020.

Non-Recurring Items

Values in R\$ ('000)	3Q20	3Q19	Chg.%	2Q20	Chg.%
Severance	(42,053)	(14,297)	194.1%	(16,946)	148.2%
M&A and expansion	(21,866)	(22,042)	-0.8%	(17,028)	28.4%
Escrow Sale	(297)	-	n.a.	(345,243)	-99.9%
Sale of Fixed Assets	(4,277)	-	n.a.	(28,325)	-84.9%
Impairment of goodwill	(831,188)	-	n.a.	0	n.a.
Total Nonrecurring	(899,682)	(36,339)	2375.8%	(407,542)	120.8%
Capital Gain - Selling Leads	-	-	n.a.	-	n.a.
Total Nonrecurring	(899,682)	(36,339)	2375.8%	(407,542)	120.8%

Non-recurring items increased in 3Q20 due to a higher number of severances and the recognition of impairment losses recorded at Saber and SETS / LFG (Other Businesses division).

Financial Results

Consolidated - Values in R\$ ('000)	3Q20	3Q19	Chg.%	2Q20	Chg.%
(+) Financial Revenues	38.751	13.845	179,9%	34.635	11,9%
Interest on Financial Investment	20.862	9.181	127,2%	22.878	-8,8%
Others	17.889	4.664	283,6%	11.757	52,2%
(-) Financial Expenses	(217.690)	(259.908)	-16,2%	(229.346)	-5,1%
Banks Expenses	(4.242)	(5.604)	-24,3%	(4.975)	-14,7%
Interest on Leasing	(105.858)	(75.847)	39,6%	(104.783)	1,0%
Interest on Loans	(71.365)	(140.007)	-49,0%	(82.933)	-13,9%
Interest and Tax on Late Payment	(3.296)	(2.450)	34,5%	(2.653)	24,2%
Interest on Loans for Acquisitions	(3.025)	(820)	268,9%	(1.501)	101,5%
Restatement of Contingencies	(13.189)	(19.536)	-32,5%	(12.570)	4,9%
Others	(16.715)	(15.644)	6,8%	(19.931)	-16,1%
Financial Result ¹	(178.939)	(246.063)	-27,3%	(194.711)	-8,1%

¹ Does not consider interest and penalties on tuition.

In 3Q20, the net financial result was negative by R\$ 179 million, an improvement of 8% compared to 2Q20, basically reflecting reduced interest - interest expenses (arising from a lower basic interest rate). In the annual comparison, added to this effect the higher interest income on financial investments, due to the capitalization operations (Cogna's follow-on in February and the Vasta's IPO in July), partially offset by higher lease interest.

Net Profit

<i>Consolidated - Values in R\$ ('000)</i>	3Q20	3Q19	Chg.%	2Q20	Chg.%
Operating Result	296,679	569,344	-47.9%	174,030	70.5%
(+) Corporate Expenses	(67,412)	(106,393)	-36.6%	(53,406)	26.2%
(+) Opening Balance: Reversals of Contingencies	60,366	84,937	-28.9%	147,433	-59.1%
(+) Nonrecurring Items	(899,682)	(36,339)	2375.8%	(407,542)	120.8%
(+) Depreciation and Amortization ex-Intangible	(285,293)	(328,931)	-13.3%	(290,236)	-1.7%
(+) Financial Result ¹	(178,939)	(246,063)	-27.3%	(194,711)	-8.1%
(+) Income Tax / Social Contribution	(11,099)	(16,215)	-31.6%	(14,884)	-25.4%
(+) Deferred Income Tax / Social Contribution	(213,439)	99,872	-313.7%	187,347	-213.9%
(+) Participation of Minority	6,782	(210)	-3328.9%	(2,766)	-345.2%
(+) Intangible Amortization (Acquisitions)	82,231	101,488	-19.0%	82,351	-0.1%
(+) Inventory surplus value	106	13,470	-99.2%	4,537	-97.7%
(+) Low Escrow	-	-	n.a.	227,861	-100.0%
(+) Impairment on goodwill	831,188	-	n.a.	-	n.a.
(+) Write-off of deferred income tax	215,627	-	n.a.	-	n.a.
Adjusted Net Income	(162,884)	134,959	-220.7%	(139,987)	16.4%
<i>Adjusted Net Margin</i>	-13.0%	8.9%	-21.9 p.p.	-10.2%	-2.8 p.p.
(-) Intangible Amortization (Acquisitions)	(82,231)	(101,488)	-19.0%	(82,351)	-0.1%
(-) Inventory surplus value	(106)	(13,470)	-99.2%	(4,537)	-97.7%
(-) Escrow Sale	-	-	n.a.	(227,861)	n.a.
(-) Impairment on goodwill	(831,188)	-	n.a.	-	n.a.
(-) Write-off of deferred income tax	(215,627)	-	n.a.	-	n.a.
Net Income	(1,292,036)	20,001	-6,559.8%	(454,735)	184.1%
<i>Net Margin</i>	-102.9%	1.3%	-104.2 p.p.	-33.1%	-69.7 p.p.

¹ Does not consider interest and penalties on tuition.

In 3Q20, Cognia recorded an adjusted net loss of R\$ 163 million, due to the drop in operating income, combined with financial expenses. In addition to the drop in operating income, net loss in 3Q20 was affected by the recognition of impairment losses of assets (impairment) mentioned above and by a write-off of deferred income tax in the amount of R\$ 216 million; both entries are purely accounting and do not impact the Company's cash generation.

Capex and Expansion Investments

<i>Values in R\$ (million)</i>	3Q20	% AV	3Q19	% AV	% AH
Information technology and library equipment	2.0	2%	7.8	5%	-74.4%
Content and systems development and software licenses	59.6	64%	92.4	54%	-35.5%
Laboratory and related equipment	0.8	1%	5.7	3%	-86.0%
Expansions	5.8	6%	27.5	16%	-78.9%
Capex	68.2	73%	133.4	78%	-48.9%
% Net Revenue	5.4%	-	8.8%	-	-3.4 p.p.
investment in expansion	24.8	27%	37.0	22%	-33.0%
Capex and Investment in Expansion	93.0	100%	170.4	100%	-45.4%
% Net Revenue	7.4%	-	11.2%	-	-3.8 p.p.

Total investments reached 7.4% of the net revenues for the period, a reduction of 3.8 p.p. year-over-year, mainly due to the recognition of editorial investment in costs (as of 4Q19) and the conclusion of the project of opening new units, in addition to an effort to rationalize investments due to the pandemic. Most of the capex was used to develop content, systems and software licenses, which accounted for 64% of the total investments. These investments reflect the expansion and maturation of the portfolio in Postsecondary Education over recent years, mainly in the areas of Engineering and Healthcare, and in the new Premium distance learning programs, in addition to the renewal of content in the K-12 Education segment and initiatives relating to digital transformation, which are especially vital considering the current scenario and the importance of digital teaching platforms.

Net Debt

<i>Consolidated - Values in R\$ ('000)</i>	3Q20	3Q19	Chg.%	2Q20	Chg.%
Cash and Cash Equivalents	5,256,909	436,260	1105.0%	3,727,323	41.0%
Cash	28,874	550	5150.7%	13,838	108.7%
Securities	5,228,035	435,710	1099.9%	3,713,485	40.8%
Loans and Financing	8,169,682	8,011,026	2.0%	8,537,406	-4.3%
Short-term Debt	2,409,888	393,305	512.7%	1,329,672	81.2%
Long-term Debt	5,759,794	7,617,721	-24.4%	7,207,734	-20.1%
Net Cash (Debt) ¹	(2,912,773)	(7,574,766)	-61.5%	(4,810,083)	-39.4%
Other Short and Long Term Debt ²	276,590	317,926	-13.0%	292,765	-5.5%
(1) Net Cash (Debt)	(3,189,363)	(7,892,692)	-59.6%	(5,102,848)	-37.5%
Short Term Accounts Receivable ³	138,405	137,567	0.6%	137,074	1.0%
Uniasselvi Disposal	125,147	122,822	1.9%	124,077	0.9%
FAIR and FAC/FAMAT Disposal	13,258	14,745	-10.1%	12,997	2.0%
Long-Term Accounts Receivable ³	259,114	381,130	-32.0%	254,165	1.9%
Uniasselvi Disposal	238,686	346,336	-31.1%	234,258	1.9%
FAIR and FAC/FAMAT Disposal	20,428	34,795	-41.3%	19,908	2.6%
(2) Other Accounts Receivable ³	397,519	518,697	-23.4%	391,239	1.6%
(1)+(2) Pro Forma Net Cash (Debt)	(2,791,844)	(7,373,995)	-62.1%	(4,711,609)	-40.7%

¹ Availability considering only bank obligations.

² Considers all short- and long-term obligations relating to the payment of tax installments and acquisitions, including the amount to be paid in six years relating to the acquisition of Uniasselvi, in addition to the debentures raised by the Company.

³ Considers short-term receipts relating to the payment of a portion of the disposals of Uniasselvi, FAIR and FAC/FAMAT, and long-term receipts relating to the other installments of Uniasselvi, FAIR and FAC/FAMAT to be received between 2020 and 2022, adjusted by NAV (excluding the earn-out amounts).

At the end of the quarter, cash and financial investments amounted to R\$ 5.3 billion, a level 41% higher than the end of the immediately previous quarter, mainly due to Vasta's IPO and the receipt of approximately R\$ 84 million from a total of R\$ 320 million related to the sale of the escrow account (as per the material fact dated June 11, 2020). Therefore, net debt fell 38% compared to 2Q20, to R\$ 3.2 billion, representing 2.2x the net debt of the last 12 months. It is important to highlight the elongated profile of our indebtedness: short-term debt maturities represent only 29% of the total, with the next significant payment of principal in March 2021.

Cash Generation

Consolidated - Values in R\$ ('000)	3Q20	3Q19	Chg.%	2Q20	Chg.%	9M20	9M19	Chg.%
Net Income before Income Interest	(1,074,280)	(62,934)	1607.0%	(624,432)	72.0%	(1,709,910)	252,492	-777.2%
(+) Net Income adjustments before Income Interest	1,488,554	723,999	105.6%	1,234,574	20.6%	3,436,546	2,065,181	66.4%
Depreciation and Amortization	285,293	328,912	-13.3%	290,236	-1.7%	864,599	966,065	-10.5%
Provision for Doubtful Accounts (PDA)	220,071	170,899	28.8%	500,541	-56.0%	934,552	568,654	64.3%
Others	983,190	224,188	338.6%	443,797	121.5%	1,637,395	530,462	208.7%
(+) Income Tax and Social Contribution	(21,029)	(11,160)	88.4%	(17,791)	18.2%	(39,134)	(58,440)	-33.0%
(+) Changes in Working Capital	(116,812)	(393,818)	-70.3%	(357,772)	-67.4%	(1,204,012)	(1,864,768)	-35.4%
(Increase) Reduction in Accounts Receivable ex-FIES	(3,986)	(239,031)	-98.3%	(25,433)	-84.3%	(252,368)	(1,000,910)	-74.8%
(Increase) Reduction in Accounts Receivable FIES	(13,887)	97,028	-114.3%	(44,232)	-68.6%	(16,946)	40,540	-141.8%
Others	(98,939)	(251,815)	-60.7%	(288,107)	-65.7%	(934,698)	(904,398)	3.4%
Operating Cash Generation before Capex	276,433	256,087	7.9%	234,579	17.8%	483,490	394,465	22.6%
Capex	(68,232)	(133,376)	-48.8%	(70,813)	-3.6%	(231,034)	(360,646)	-35.9%
(+) Investments in Expansion	(24,794)	(37,002)	-33.0%	(18,608)	33.2%	(70,561)	(134,996)	-47.7%
Operating Cash Generation after total Capex	183,407	85,709	114.0%	145,158	26.3%	181,895	(101,177)	-279.8%
(+) M&A Activities	102,693	(103,103)	-199.6%	178,995	-42.6%	229,915	(1,906,150)	-112.1%
(+) Cash Flow from Financing Activities	1,243,721	(562,002)	-321.3%	478,703	159.8%	4,004,530	(156,402)	-2660.4%
Free Cash Flow	1,529,821	(579,397)	-364.0%	802,856	90.5%	4,416,340	(2,163,730)	-304.1%

Operating cash generation before capex was positive by R\$ 276 million in 3Q20, 8% above the annual comparison, despite all the pressures verified in the Company's results. The consumption of working capital was substantially lower, with the variation of ex-FIES receivables once again tending towards neutrality, as compared to a consumption of R\$ 239 million in 3Q19. Due to the 45% reduction of combined capex and investments in expansion, the generation of operational cash after capex grew 114%, to R\$ 183 million, representing a conversion of 80% over recurring EBITDA.

Consolidated - Values in R\$ ('000)	3Q20	3Q19	Chg.%	9M20	9M19	Chg.%
Operating Cash Generation (OCG) before Capex	276,433	256,087	7.9%	483,490	394,465	22.6%
OCG / EBITDA	120.6%	55.3%	65.3 p.p.	61.2%	21.3%	39.9 p.p.
Operating Cash Generation after total Capex	183,407	85,709	114.0%	181,895	(101,177)	-279.8%
OCG / EBITDA	80.0%	18.5%	61.5 p.p.	23.0%	-5.5%	28.5 p.p.
Free Cash Flow	1,529,821	(579,397)	-364.0%	4,416,340	(2,163,730)	-304.1%

Year-to-date, Cognia generated R\$ 182 million in cash, compared to a consumption of R\$ 101 million in the previous year. The Company's free cash flow was positive by R\$ 1.5 billion in the quarter, due to the inflow of funds related to Vasta's IPO.

CAPITAL MARKET AND SUBSEQUENT EVENTS

SHAREHOLDING

Cogna's capital stock consists of 1,876,606,210 common shares, 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%

* Status on October 30, 2020.

STOCK PERFORMANCE

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

In 3Q20, the Company's shares were traded on 100% of the trading sessions, amounting to a traded volume of R\$ 38.2 billion in 3,695,351 trades, resulting in an average daily traded volume of R\$ 587.9 million. Currently, Cognia's shares are monitored by 13 different local and international research brokers. On September 30, 2020, Cognia's market value was R\$ 9.7 billion.

In the third quarter of 2020, Cognia's shares fell 21.6%, while the Ibovespa fell 0.5%. In the same period, ITAG fell by 0.2%, while IGC and ICON rose 0.8% and 1.8%, respectively.

Highlights- COGN3	3Q20	9M20
Average Daily Trade Volume (average)	R\$ 587.9 million	R\$ 374.9 million
Maximum (R\$ per share)	R\$ 9.60	R\$ 12.79
Minimum (R\$ per share)	R\$ 5.18	R\$ 3.66
Average (R\$ per share)	R\$ 7.04	R\$ 7.42
Closing Quote	R\$ 5.18	R\$ 5.18
Variation in the period (%)	-21.6%	-54.7%

RATINGS

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

DIVIDENDS

Due to the net loss verified in the period and the circumstances imposed by the Covid-19 pandemic, dividends will not be distributed in this quarter.

ABOUT COGNA EDUCAÇÃO

Cogna Educação is one of the world's largest private educational organizations. Operating for over 70 years, the Company is present in all Brazilian states and in several educational segments, with a complete platform of services and content offered in different business models. At the end of 3Q20, Cogna had 818,000 on-campus and digital undergraduate students in the Kroton vertical, and 46,000 graduate students in the Platos vertical, served by 176 own Postsecondary Education units and 1,536 accredited Digital Education centers. Regarding K-12 Education, the Saber vertical had 31,000 students distributed in 52 own schools/managed through contracts, and 21,000 students distributed in 121 Red Balloon units, while the Vasta vertical ended the quarter with 1.5 million students served by approximately 4,200 associated schools using core and complementary content solutions.

APPENDIX 1 – CORPORATE BALANCE SHEET

R\$ ('000)				
Assets	3Q20	% AV	2Q20	% AV
Current Assets	8,369,935	23.2%	7,231,375	20.0%
Cash and cash equivalents	28,874	0.1%	13,838	0.0%
Financial Investments	2,636,150	7.3%	2,504,137	6.9%
Securities	2,576,951	7.1%	1,194,179	3.3%
Accounts Receivable	2,071,096	5.7%	2,270,512	6.3%
Inventories	408,017	1.1%	428,257	1.2%
Prepayments	90,915	0.3%	81,477	0.2%
Recoverable Taxes	283,645	0.8%	331,799	0.9%
Deferred Taxes	138,405	0.4%	137,074	0.4%
Other Accounts Receivable	135,882	0.4%	270,102	0.7%
Non current Assets	27,710,912	76.8%	28,855,192	80.0%
Securities	14,934	0.0%	15,169	0.0%
Accounts Receivables	638,494	1.8%	638,582	1.8%
Accounts receivable on sale of subsidiaries	259,114	0.7%	254,165	0.7%
Deferred Taxes	762,423	2.1%	968,235	2.7%
Judicial Deposits	75,814	0.2%	80,697	0.2%
Taxes to Recover	137,463	0.4%	127,469	0.4%
Guarantee for social security, labor and civil provisions	401,327	1.1%	409,395	1.1%
Other	90,334	0.3%	92,053	0.3%
Investments	9,837	0.0%	9,112	0.0%
Fixed Assets	5,847,077	16.2%	5,869,398	16.3%
Intangible	19,474,095	54.0%	20,390,917	56.5%
Total Assets	36,080,847	100.0%	36,086,567	100.0%
Liabilities and Equity				
Current Liabilities	4,316,979	12.0%	3,209,563	8.9%
Suppliers	347,142	1.0%	278,891	0.8%
Suppliers drawn risk	316,242	0.9%	308,403	0.9%
Loans and Financing	287	0.0%	245	0.0%
Debenture	2,409,601	6.7%	1,329,427	3.7%
Lease	166,214	0.5%	159,991	0.4%
Social security and labor liabilities	524,282	1.5%	496,853	1.4%
Income Tax and Social Contribution	52,468	0.1%	97,317	0.3%
Taxes and Contribution	100,902	0.3%	100,902	0.3%
Advances from Clients	214,189	0.6%	256,258	0.7%
Tax and Contribution Payment Installments	13,593	0.0%	14,129	0.0%
Accounts Payable - Acquisitions	116,366	0.3%	115,511	0.3%
Dividends Payable	64	0.0%	64	0.0%
Other	55,629	0.2%	51,572	0.1%
Non current Liabilities	13,508,180	37.4%	15,024,064	41.6%
Loans and Financing	859	0.0%	901	0.0%
Debenture	5,758,935	16.0%	7,206,833	20.0%
Lease	4,057,214	11.2%	4,013,071	11.1%
Provision for Tax, Labor and Civil Lawsuit Losses	384,679	1.1%	403,831	1.1%
Liabilities assumed in the business combination	2,333,525	6.5%	2,396,562	6.6%
Tax and Contribution Payment Installments	12,560	0.0%	12,560	0.0%
Accounts Payable - Acquisitions	134,071	0.4%	150,565	0.4%
Deferred Taxes	742,496	2.1%	766,315	2.1%
Others	83,841	0.2%	73,426	0.2%
Consolidated Equity	18,255,688	50.6%	17,852,940	49.5%
Total Liabilities and Equity	36,080,847	100.0%	36,086,567	100.0%

APPENDIX 2 – QUARTERLY INCOME STATEMENT RECONCILIATION

	3Q20 Results (Book)	Interest and Penalties on Tuition	Depreciation/ Amortization	Non-accounting adjustments			Opening baçance Reversals	B.U. Elimination	3Q20 Results (Release)
				Intangible Amortization (Acquisitions)	Non-recurring Items/ Capital Gain	Reclassification between Costs and expenses			
(In thousand reais, except otherwise indicated)									
Gross Revenue	1,774,215	-	-	-	-	-	-	-	1,774,215
Kroton	1,144,575	-	-	-	-	-	-	-	1,144,575
Platos	25,209	-	-	-	-	-	-	0	25,209
Saber	213,076	-	-	-	-	-	-	(0)	213,076
Vasta	208,945	-	-	-	-	-	-	-	208,945
Others	182,410	-	-	-	-	-	-	5,318	187,728
Elimination BU's / Cogna	-	-	-	-	-	-	-	(5,318)	(5,318)
Deductions from Gross Revenue	(518,075)	-	-	-	-	-	-	(0)	(518,075)
Kroton	(382,413)	-	-	-	-	-	-	-	(382,413)
Platos	(1,808)	-	-	-	-	-	-	0	(1,808)
Saber	(58,936)	-	-	-	-	-	-	-	(58,936)
Vasta	(67,530)	-	-	-	-	-	-	-	(67,530)
Others	(7,388)	-	-	-	-	-	-	(0)	(7,388)
Elimination BU's / Cogna	-	-	-	-	-	-	-	-	-
Net Revenue	1,256,140	-	-	-	-	-	-	0	1,256,140
Kroton	762,162	-	-	-	-	-	-	(0)	762,162
Platos	23,401	-	-	-	-	-	-	0	23,401
Saber	154,140	-	-	-	-	-	-	-	154,140
Vasta	141,415	-	-	-	-	-	-	-	141,415
Others	175,022	-	-	-	-	-	-	5,318	180,340
Elimination BU's / Cogna	-	-	-	-	-	-	-	(5,318)	(5,318)
Costs of Goods/Services	(555,104)	-	141,620	-	214	(212)	-	-	(413,482)
Cost of Goods Sold	(114,252)	-	106	-	-	(29,044)	-	-	(143,190)
Cost of Services Rendered	(440,852)	-	141,514	-	214	28,833	-	-	(270,291)
Gross Income	701,036	-	141,620	-	214	(212)	-	0	842,658
Operating Expenses	(1,627,414)	-	61,443	82,231	899,467	211	(60,366)	-	(644,428)
Selling Expenses	(163,805)	-	-	-	102	(109)	-	-	(163,812)
Provision for Doubtful Accounts	(220,076)	-	-	-	-	5	-	-	(220,071)
Personnel Expenses	-	-	-	-	-	(115,004)	-	-	(115,004)
General and Administrative Expenses	(428,427)	-	61,443	82,231	67,880	196,229	(60,366)	-	(81,010)
Other Operating Income (Expenses)	13,202	-	-	-	297	(13,499)	-	-	-
Corporate Expenses	-	-	-	-	-	(67,412)	-	-	(67,412)
Loss on impairment of assets	(831,188)	-	-	-	831,188	-	-	-	0
Equity	2,880	-	-	-	-	0	-	-	2,881
Income before Financial Result	(926,378)	-	203,062	82,231	899,682	(1)	(60,366)	0	198,231
Interest and Penalties on Tuition	-	31,037	-	-	-	-	-	-	31,037
(*) Opening Balance Reversal of Contingencies	-	-	-	-	-	-	60,366	-	60,366
(-) Nonrecurring items	-	-	-	-	(899,682)	-	-	-	(899,682)
EBITDA	(926,378)	31,037	203,062	82,231	-	(1)	-	0	(610,048)
Depreciation and Amortization	-	-	(203,062)	(82,231)	-	-	-	-	(285,293)
Financial Result	(147,902)	(31,037)	-	-	-	0	-	-	(178,939)
Financial Expenses	(217,690)	-	-	-	-	(0)	-	-	(217,690)
Financial Revenues	69,788	(31,037)	-	-	-	0	-	-	38,751
Income from Operations	(1,074,280)	(0)	-	-	-	(1)	-	0	(1,074,280)
Income and Social Contribution Tax	(224,538)	-	-	-	-	(0)	-	-	(224,538)
Current	(11,099)	-	-	-	-	(0)	-	-	(11,099)
Deferred	(213,439)	-	-	-	-	-	-	-	(213,439)
Participation of Minority Shareholders	6,782	-	-	-	-	0	-	-	6,782
Net Income Attributed to Controlling Shareholders	(1,292,036)	(0)	-	-	-	(0)	-	0	(1,292,036)

APPENDIX 3 – NINE-MONTH INCOME STATEMENT RECONCILIATION

	9M20 Results (Book)	Interest and Penalties on Tuition	Depreciation/ Amortization	Non-accounting adjustments			Opening balance Reversals	B.U. Elimination	9M20 Results (Release)
				Intangible Amortization (Acquisitions)	Non-recurring Items/ Capital Gain	Reclassification between Costs and expenses			
Gross Revenue	5,638,305	-	-	-	-	-	-	5,638,305	
Kroton	3,810,451	-	-	-	-	-	-	3,810,451	
Platos	72,171	-	-	-	-	-	-	72,171	
Saber	661,703	-	-	-	-	-	-	661,703	
Vasta	765,493	-	-	-	-	-	-	765,493	
Others	328,487	-	-	-	-	-	-	361,426	
Elimination BU's / Cogna	-	-	-	-	-	-	(32,939)	(32,939)	
Deductions from Gross Revenue	(1,382,177)	-	-	-	-	-	(0)	(1,382,177)	
Kroton	(1,113,732)	-	-	-	-	-	-	(1,113,732)	
Platos	(4,981)	-	-	-	-	-	0	(4,981)	
Saber	(135,715)	-	-	-	-	-	-	(135,715)	
Vasta	(111,427)	-	-	-	-	-	-	(111,427)	
Others	(16,322)	-	-	-	-	-	(0)	(16,322)	
Elimination BU's / Cogna	-	-	-	-	-	-	-	-	
Net Revenue	4,256,128	-	-	-	-	-	0	4,256,128	
Kroton	2,696,719	-	-	-	-	-	(0)	2,696,719	
Platos	67,190	-	-	-	-	-	0	67,190	
Saber	525,988	-	-	-	-	-	-	525,988	
Vasta	654,066	-	-	-	-	-	-	654,066	
Others	312,165	-	-	-	-	-	32,939	345,104	
Elimination BU's / Cogna	-	-	-	-	-	-	(32,939)	(32,939)	
Costs of Goods/Services	(1,696,721)	-	434,797	-	2,277	(2,277)	-	(1,261,923)	
Cost of Goods Sold	(310,418)	-	7,943	-	-	(102,041)	-	(404,516)	
Cost of Services Rendered	(1,386,303)	-	426,855	-	2,277	99,764	-	(857,407)	
Gross Income	2,559,407	-	434,797	-	2,277	(2,277)	0	2,994,205	
Operating Expenses	(3,761,767)	-	182,588	247,213	1,336,542	2,275	(303,948)	(2,297,097)	
Selling Expenses	(500,558)	-	-	-	245	(251)	-	(500,564)	
Provision for Doubtful Accounts	(934,557)	-	-	-	-	5	-	(934,552)	
Personnel Expenses	-	-	-	-	-	(361,357)	-	(361,357)	
General and Administrative Expenses	(1,162,995)	-	182,588	247,213	159,115	574,692	(303,948)	(303,335)	
Other Operating Income (Expenses)	(336,248)	-	-	-	345,993	(9,745)	-	-	
Corporate Expenses	-	-	-	-	-	(201,068)	-	(201,068)	
Loss on impairment of assets	(831,188)	-	-	-	831,188	-	-	0	
Equity	3,779	-	-	-	-	-	-	3,779	
Income before Financial Result	(1,202,360)	-	617,385	247,213	1,338,819	(2)	(303,948)	697,109	
Interest and Penalties on Tuition	-	93,037	-	-	-	-	-	93,037	
(+) Opening Balance Reversal of Contingencies	-	-	-	-	-	-	303,948	303,948	
(-) Nonrecurring Items	-	-	-	-	(1,338,819)	-	-	(1,338,819)	
EBITDA	(1,202,360)	93,037	617,385	247,213	-	(2)	(0)	(244,726)	
Depreciation and Amortization	-	-	(617,385)	(247,213)	-	-	-	(864,599)	
Financial Result	(507,550)	(93,037)	-	-	-	0	-	(600,586)	
Financial Expenses	(709,385)	-	-	-	-	-	-	(709,385)	
Financial Revenues	201,835	(93,037)	-	-	-	0	-	108,799	
Income from Operations	(1,709,910)	(0)	-	-	-	(1)	(0)	(1,709,911)	
Income and Social Contribution Tax	(78,686)	-	-	-	-	0	-	(78,686)	
Current	(70,991)	-	-	-	-	0	-	(70,991)	
Deferred	(7,695)	-	-	-	-	-	-	(7,695)	
Participation of Minority Shareholders	2,702	-	-	-	-	0	-	2,702	
Net Income Attributed to Controlling Shareholders	(1,785,894)	(0)	-	-	-	(0)	(0)	(1,785,894)	

APPENDIX 4 – QUARTERLY MANAGERIAL INCOME STATEMENT BY BUSINESS SEGMENT

Values in R\$ ('000)	Postsecondary		Primary and Secondary Education		Cogna Consolidated	
	3Q20	% AV	3Q20	% AV	3Q20	% AV
Gross Revenue	1.189.067	148,2%	585.148	128,9%	1.774.215	141,2%
Gross Revenue Deductions	(386.996)	-48,2%	(131.079)	-28,9%	(518.075)	-41,2%
Tax	(26.948)	-3,4%	(13.167)	-2,9%	(40.115)	-3,2%
ProUni	(220.627)	-27,5%	-	0,0%	(220.627)	-17,6%
Returns	(1.617)	-0,2%	(64.882)	-14,3%	(66.499)	-5,3%
Total Discounts	(137.804)	-17,2%	(53.030)	-11,7%	(190.833)	-15,2%
Net Revenue	802.071	100,0%	454.069	100,0%	1.256.140	100,0%
Costs (COGS)	(195.829)	-24,4%	(217.653)	-47,9%	(413.482)	-32,9%
Cost of Goods	(13.819)	-1,7%	(129.372)	-28,5%	(143.190)	-11,4%
Cost of Services	(182.010)	-22,7%	(88.281)	-19,4%	(270.291)	-21,5%
Faculty, Other Personnel and Third-Party Services	(158.602)	-19,8%	(81.947)	-18,0%	(240.549)	-19,1%
Rent	(1.070)	-0,1%	(1.290)	-0,3%	(2.360)	-0,2%
Materials	(6.732)	-0,8%	(468)	-0,1%	(7.200)	-0,6%
Maintenance	(1.977)	-0,2%	(2.441)	-0,5%	(4.418)	-0,4%
Other	(13.629)	-1,7%	(2.135)	-0,5%	(15.765)	-1,3%
Gross Income	606.243	75,6%	236.416	52,1%	842.658	67,1%
Operating Expenses	(133.212)	-16,6%	(62.802)	-13,8%	(196.014)	-15,6%
Personnel, General and Administrative Expenses	(133.212)	-16,6%	(62.802)	-13,8%	(196.014)	-15,6%
Personnel Expenses	(72.470)	-9,0%	(42.534)	-9,4%	(115.004)	-9,2%
General and Administrative Expenses	(60.742)	-7,6%	(20.268)	-4,5%	(81.010)	-6,4%
Provision for Doubtful Accounts - PDA	(212.616)	-26,5%	(7.455)	-1,6%	(220.071)	-17,5%
(+) Interest and Penalties on Tuition	30.908	3,9%	129	0,0%	31.037	2,5%
(+) Equity	1.690	0,2%	1.191	0,3%	2.881	0,2%
Sales and Marketing Expenses	(116.479)	-14,5%	(47.333)	-10,4%	(163.812)	-13,0%
Operating Result	176.534	22,0%	120.146	26,5%	296.679	23,6%
Corporate Expenses	(48.903)	-6,1%	(18.508)	-4,1%	(67.412)	-5,4%
Recurring EBITDA	127.630	15,9%	101.638	22,4%	229.268	18,3%
(+) Opening Balance: Reversals of Contingencies	-	0,0%	60.366	13,3%	60.366	4,8%
(-) Nonrecurring Items	(508.256)	-63,4%	(391.425)	-86,2%	(899.682)	-71,6%
EBITDA	(380.626)	-47,5%	(229.422)	-50,5%	(610.048)	-48,6%
Depreciation and Amortization					(285.293)	-22,7%
Financial Result					(178.939)	-14,2%
Income and Social Contribution Tax					(224.538)	-17,9%
Minority Interest					6.782	0,5%
Net Profit					(1.292.036)	-102,9%
(+) Intangible Amortization (Acquisitions)					82.231	6,5%
(+) Inventory surplus value					106	0,0%
(+) Low Escrow					-	0,0%
(+) Impairment on goodwill					831.188	66,2%
(+) Write-off of deferred income tax					215.627	17,2%
Adjusted Net Profit					(162.884)	-13,0%

APPENDIX 5 – NINE-MONTH MANAGERIAL INCOME STATEMENT BY BUSINESS SEGMENT

Values in R\$ ('000)	Postsecondary		Primary and Secondary Education		Cogna Consolidated	
	9M20	% AV	9M20	% AV	9M20	% AV
Gross Revenue	3.951.720	139,9%	1.686.585	117,9%	5.638.305	132,5%
Gross Revenue Deductions	(1.126.250)	-39,9%	(255.927)	-17,9%	(1.382.177)	-32,5%
Tax	(101.127)	-3,6%	(44.629)	-3,1%	(145.757)	-3,4%
ProUni	(677.732)	-24,0%	-	0,0%	(677.732)	-15,9%
Returns	(5.204)	-0,2%	(108.538)	-7,6%	(113.743)	-2,7%
Total Discounts	(342.186)	-12,1%	(102.759)	-7,2%	(444.945)	-10,5%
Net Revenue	2.825.470	100,0%	1.430.658	100,0%	4.256.128	100,0%
Costs (COGS)	(632.270)	-22,4%	(629.652)	-44,0%	(1.261.923)	-29,6%
Cost of Goods	(50.911)	-1,8%	(353.605)	-24,7%	(404.516)	-9,5%
Cost of Services	(581.359)	-20,6%	(276.048)	-19,3%	(857.407)	-20,1%
Faculty, Other Personnel and Third-Party Services	(522.538)	-18,5%	(248.308)	-17,4%	(770.846)	-18,1%
Rent	(4.267)	-0,2%	(3.247)	-0,2%	(7.514)	-0,2%
Materials	(11.965)	-0,4%	(2.493)	-0,2%	(14.458)	-0,3%
Maintenance	(8.998)	-0,3%	(16.294)	-1,1%	(25.292)	-0,6%
Other	(33.590)	-1,2%	(5.706)	-0,4%	(39.296)	-0,9%
Gross Income	2.193.199	77,6%	801.006	56,0%	2.994.205	70,4%
Operating Expenses	(455.045)	-16,1%	(209.646)	-14,7%	(664.692)	-15,6%
Personnel, General and Administrative Expenses	(455.045)	-16,1%	(209.646)	-14,7%	(664.692)	-15,6%
Personnel Expenses	(230.736)	-8,2%	(130.621)	-9,1%	(361.357)	-8,5%
General and Administrative Expenses	(224.309)	-7,9%	(79.026)	-5,5%	(303.335)	-7,1%
Provision for Doubtful Accounts - PDA	(911.834)	-32,3%	(22.718)	-1,6%	(934.552)	-22,0%
(+) Interest and Penalties on Tuition	92.533	3,3%	503	0,0%	93.037	2,2%
(+) Equity	2.588	0,1%	1.191	0,1%	3.780	0,1%
Sales and Marketing Expenses	(359.183)	-12,7%	(141.380)	-9,9%	(500.564)	-11,8%
Operating Result	562.258	19,9%	428.955	30,0%	991.213	23,3%
Corporate Expenses	(139.197)	-4,9%	(61.871)	-4,3%	(201.068)	-4,7%
Recurring EBITDA	423.061	15,0%	367.084	25,7%	790.145	18,6%
(+) Opening Balance: Reversals of Contingencies	-	0,0%	303.948	21,2%	303.948	7,1%
(-) Nonrecurring Items	(581.203)	-20,6%	(757.616)	-53,0%	(1.338.819)	-31,5%
EBITDA	(158.142)	-5,6%	(86.585)	-6,1%	(244.726)	-5,7%
Depreciation and Amortization					(864.599)	-20,3%
Financial Result					(600.586)	-14,1%
Income and Social Contribution Tax					(78.685)	-1,8%
Minority Interest					2.702	0,1%
Net Profit					(1.785.894)	-42,0%
(+) Intangible Amortization (Acquisitions)					247.213	5,8%
(+) Inventory surplus value					7.943	0,2%
(+) Low Escrow					227.861	5,4%
(+) Impairment on goodwill					831.188	19,5%
(+) Write-off of deferred income tax					215.627	5,1%
Adjusted Net Profit					(256.062)	-6,0%

APPENDIX 6 – QUARTERLY CORPORATE INCOME STATEMENT

	3Q20	% Net Rev.	3Q19	% Net Rev.	3Q20 / 3Q19	1Q20	% Net Rev.	3Q20 / 2Q20
	(In thousand reais, except otherwise indicated)							
Gross Revenue	1,774,215	141.2%	1,924,537	127.0%	-7.8%	1,808,410	131.8%	-1.9%
Kroton	1,144,575	91.1%	1,441,592	95.1%	-20.6%	1,424,280	103.8%	-19.6%
Platos	25,209	2.0%	23,065	1.5%	9.3%	25,182	1.8%	0.1%
Saber	213,076	17.0%	226,334	14.9%	-5.9%	197,874	14.4%	7.7%
Vasta	208,945	16.6%	168,558	11.1%	24.0%	128,481	9.4%	62.6%
Others	182,410	14.5%	64,987	4.3%	180.7%	32,593	2.4%	459.7%
Deductions from Gross Revenue	(518,075)	-41.2%	(408,781)	-27.0%	26.7%	(435,890)	-31.8%	18.9%
Kroton	(382,413)	-30.4%	(328,436)	-21.7%	16.4%	(372,419)	-27.1%	2.7%
Platos	(1,808)	-0.1%	(2,251)	-0.1%	-19.7%	(3,061)	-0.2%	-40.9%
Saber	(58,936)	-4.7%	(42,620)	-2.8%	38.3%	(36,564)	-2.7%	61.2%
Vasta	(67,530)	-5.4%	(30,666)	-2.0%	120.2%	(18,290)	-1.3%	269.2%
Others	(7,388)	-0.6%	(4,809)	-0.3%	53.6%	(5,556)	-0.4%	33.0%
Net Revenue	1,256,140	100.0%	1,515,756	100.0%	-17.1%	1,372,520	100.0%	-8.5%
Kroton	762,162	60.7%	1,113,156	73.4%	-31.5%	1,051,861	76.6%	-27.5%
Platos	23,401	1.9%	20,815	1.4%	12.4%	22,121	1.6%	5.8%
Saber	154,140	12.3%	183,715	12.1%	-16.1%	161,310	11.8%	-4.4%
Vasta	141,415	11.3%	137,892	9.1%	2.6%	110,191	8.0%	28.3%
Others	175,022	13.9%	60,178	4.0%	190.8%	27,037	2.0%	547.3%
Costs of Goods/Services	(555,104)	-44.2%	(676,587)	-44.6%	-18.0%	(488,377)	-35.6%	13.7%
Cost of Goods Sold	(114,252)	-9.1%	(17,168)	-1.1%	565.5%	(25,330)	-1.8%	351.1%
Cost of Services Rendered	(440,852)	-35.1%	(659,419)	-43.5%	-33.1%	(463,047)	-33.7%	-4.8%
Gross Income	701,036	55.8%	839,168	55.4%	-16.5%	884,143	64.4%	-20.7%
Operating Expenses	(1,627,414)	-129.6%	(729,562)	-48.1%	123.1%	(1,321,987)	-96.3%	23.1%
Selling Expenses	(383,881)	-30.6%	(341,670)	-22.5%	12.4%	(633,233)	-46.1%	-39.4%
General and Administrative Expenses	(428,427)	-34.1%	(403,145)	-26.6%	6.3%	(341,743)	-24.9%	25.4%
Loss on impairment of assets	(831,188)	0.0%	-	0.0%	0.0%	-	0.0%	0.0%
Other Operating Income (Expenses)	13,202	1.1%	14,681	1.0%	-10.1%	(348,388)	-25.4%	-103.8%
Equity in the results of investees	2,880	0.2%	573	0.0%	402.6%	1,377	0.1%	109.2%
Income before Financial Result	(926,378)	-73.7%	109,607	7.2%	-945.2%	(437,844)	-31.9%	111.6%
Financial Result	(147,902)	-11.8%	(172,541)	-11.4%	-14.3%	(186,588)	-13.6%	-20.7%
Financial Expenses	(217,690)	-17.3%	(269,806)	-17.8%	-19.3%	(229,348)	-16.7%	-5.1%
Financial Revenues	69,788	5.6%	97,265	6.4%	-28.2%	42,760	3.1%	63.2%
Income from Operations	(1,074,280)	-85.5%	(62,934)	-4.2%	1,607.0%	(624,432)	-45.5%	72.0%
Income and Social Contribution Tax	(224,538)	-17.9%	83,657	5.5%	-368.4%	172,461	12.6%	-230.2%
Current	(11,099)	-0.9%	(16,215)	-1.1%	-31.6%	(14,885)	-1.1%	-25.4%
Deferred	(213,439)	-17.0%	99,872	6.6%	-313.7%	187,346	13.6%	-213.9%
Net Income	(1,298,818)	-103.4%	20,723	1.4%	-6,367.6%	(451,971)	-32.9%	187.4%
Net Income Attributed to Controlling Shareholders	(1,292,036)	-102.9%	20,386	1.3%	-6,437.9%	(454,738)	-33.1%	184.1%
Net Income Attributed to Non-Controlling Shareholders	(6,782)	-0.5%	337	0.0%	-2,112.5%	2,767	0.2%	-345.1%

APPENDIX 7 – NINE-MONTH CORPORATE INCOME STATEMENT

	9M20	% Net Rev.	9M19	% Net Rev.	9M20 / 9M19
	(In thousand reais, except otherwise indicated)				
Gross Revenue	5,638,305	132.5%	6,434,229	126.2%	-12.4%
Kroton	3,810,451	89.5%	4,765,111	93.5%	-20.0%
Platos	72,171	1.7%	67,131	1.3%	7.5%
Saber	661,703	15.5%	689,781	13.5%	-4.1%
Vasta	765,493	18.0%	724,421	14.2%	5.7%
Others	328,487	7.7%	187,784	3.7%	74.9%
Deductions from Gross Revenue	(1,382,177)	-32.5%	(1,337,011)	-26.2%	3.4%
Kroton	(1,113,732)	-26.2%	(1,072,436)	-21.0%	3.9%
Platos	(4,981)	-0.1%	(7,250)	-0.1%	-31.3%
Saber	(135,715)	-3.2%	(127,044)	-2.5%	6.8%
Vasta	(111,427)	-2.6%	(117,382)	-2.3%	-5.1%
Others	(16,322)	-0.4%	(12,900)	-0.3%	26.5%
Net Revenue	4,256,128	100.0%	5,097,218	100.0%	-16.5%
Kroton	2,696,719	63.4%	3,692,675	72.4%	-27.0%
Platos	67,190	1.6%	59,882	1.2%	12.2%
Saber	525,988	12.4%	562,738	11.0%	-6.5%
Vasta	654,066	15.4%	607,039	11.9%	7.7%
Others	312,165	7.3%	174,884	3.4%	78.5%
Costs of Goods/Services	(1,696,721)	-39.9%	(1,997,204)	-39.2%	-15.0%
Cost of Goods Sold	(310,418)	-7.3%	(223,952)	-4.4%	38.6%
Cost of Services Rendered	(1,386,303)	-32.6%	(1,773,252)	-34.8%	-21.8%
Gross Income	2,559,407	60.1%	3,100,013	60.8%	-17.4%
Operating Expenses	(3,761,767)	-88.4%	(2,346,283)	-46.0%	60.3%
Selling Expenses	(1,435,115)	-33.7%	(1,050,534)	-20.6%	36.6%
General and Administrative Expenses	(1,162,995)	-27.3%	(1,293,971)	-25.4%	-10.1%
Loss on impairment of assets	(831,188)	-19.5%	-	0.0%	-
Other Operating Income (Expenses)	(336,248)	-7.9%	(1,756)	-0.0%	19,048.5%
Equity in the results of investees	3,779	0.1%	(21)	-0.0%	-18,095.2%
Income before Financial Result	(1,202,360)	-28.3%	753,731	14.8%	-259.5%
Financial Result	(507,550)	-11.9%	(501,239)	-9.8%	1.3%
Financial Expenses	(709,385)	-16.7%	(777,575)	-15.3%	-8.8%
Financial Revenues	201,835	4.7%	276,336	5.4%	-27.0%
Income from Operations	(1,709,910)	-40.2%	252,492	5.0%	-777.2%
Income and Social Contribution Tax	(78,686)	-1.8%	158,218	3.1%	-149.7%
Current	(70,991)	-1.7%	(64,604)	-1.3%	9.9%
Deferred	(7,695)	-0.2%	222,822	4.4%	-103.5%
Net Income	(1,788,596)	-42.0%	410,710	8.1%	-535.5%
Net Income Attributed to Controlling Shareholders	(1,785,894)	-42.0%	403,560	7.9%	-542.5%
Net Income Attributed to Non-Controlling Shareholders	(2,702)	-0.1%	7,150	0.1%	-137.8%

APPENDIX 8 – VASTA QUARTERLY INCOME STATEMENT RECONCILIATION

	3Q20 Results (Book)	Differences in allocation among P&L lines	Amortization of Inventory Surplus Value	Opening Balance Reversals	3Q20 Results (Release)
Gross Revenue	208.945	-	-	-	208.945
Deductions from Gross Revenue	(67.530)	-	-	-	(67.530)
Net Revenue	141.415	-	-	-	141.415
Costs of Goods/Services	(62.230)	-	36	-	(62.194)
Gross Income	79.185	-	36	-	79.221
Operating Expenses	(75.955)	7.945	-	(611)	(68.621)
Selling Expenses	(35.841)	-	-	-	(35.841)
Provision for Doubtful Accounts	(1.121)	-	-	-	(1.121)
Personnel Expenses	-	(14.086)	-	-	(14.086)
General and Administrative Expenses	(39.942)	26.155	-	(611)	(14.398)
Other Operating Income (Expenses)	948	(948)	-	-	-
Corporate Expenses	-	(3.176)	-	-	(3.176)
Income before Financial Result	3.230	7.945	36	(611)	10.600
Interest and Penalties on Tuition	0	-	-	-	0
(+) Opening Balance Reversal of Contingencies	-	-	-	611	611
(-) Nonrecurring itens	-	(7.875)	-	-	(7.875)
EBITDA	3.230	70	36	-	3.336
Depreciation and Amortization	(43.517)	(70)	(36)	-	(43.623)
Financial Result	(18.912)	-	-	-	(18.912)
Financial Expenses	(24.854)	-	-	-	(24.854)
Financial Revenues	5.942	-	-	-	5.942
Income from Operations	(59.199)	-	-	-	(59.199)
Income and Social Contribution Tax	18.593	-	-	-	18.593
Current	24.122	-	-	-	24.122
Deferred	(5.528)	-	-	-	(5.528)
Participation of Minority Shareholders	-	-	-	-	-
Net Income Attributed to Controlling Shareholders	(40.606)	-	-	-	(40.606)

APPENDIX 9 – VASTA NINE-MONTH INCOME STATEMENT RECONCILIATION

	9M20 Results (Book)	Differences in allocation among P&L lines	Amortization of Inventory Surplus Value	Opening Balance Reversals	9M20 Results (Release)
Gross Revenue	765.493	-	-	-	765.493
Deductions from Gross Revenue	(111.427)	-	-	-	(111.427)
Net Revenue	654.066	-	-	-	654.066
Costs of Goods/Services	(277.985)	-	7.023	-	(270.962)
Gross Income	376.081	-	7.023	-	383.104
Operating Expenses	(262.823)	14.440	-	(3.162)	(251.546)
Selling Expenses	(116.437)	-	-	-	(116.437)
Provision for Doubtful Accounts	(12.704)	2	-	-	(12.702)
Personnel Expenses	-	(41.726)	-	-	(41.726)
General and Administrative Expenses	(136.618)	84.487	-	(3.162)	(55.293)
Other Operating Income (Expenses)	2.936	(2.936)	-	-	(0)
Corporate Expenses	-	(25.388)	-	-	(25.388)
Income before Financial Result	113.258	14.440	7.023	(3.162)	131.559
Interest and Penalties on Tuition	0	-	-	-	0
(+) Opening Balance Reversal of Contingencies	-	-	-	3.162	3.162
(-) Nonrecurring itens	-	(14.440)	-	-	(14.440)
EBITDA	113.258	-	7.023	-	120.281
Depreciation and Amortization	(129.134)	-	(7.023)	-	(136.157)
Financial Result	(86.820)	-	-	-	(86.820)
Financial Expenses	(101.399)	-	-	-	(101.399)
Financial Revenues	14.579	-	-	-	14.579
Income from Operations	(102.696)	-	-	-	(102.696)
Income and Social Contribution Tax	34.797	-	-	-	34.797
Current	51.382	-	-	-	51.382
Deferred	(16.585)	-	-	-	(16.585)
Participation of Minority Shareholders	-	-	-	-	-
Net Income Attributed to Controlling Shareholders	(67.899)	-	-	-	(67.899)

APPENDIX 10 - CASH FLOW STATEMENT

R\$ 000	3Q20	3Q19	2Q20
Net Income before Income Taxes	(1,074,280)	(62,934)	(624,432)
Net Income (Loss) Adjustments before Income Taxes			
Depreciation and Amortization	285,293	316,975	290,236
Editorial Costs	(5,932)	11,937	11,029
Provision for Doubtful Accounts	220,071	170,899	500,541
Accounts Receivable - adjusted to present value	(2,588)	-	(20,998)
Provision for Tax, Labor and Civil Losses	(45,154)	(35,935)	(104,427)
Reversal of provision for Escrow account	-	-	345,244
Provision (Reversal) for Inventories Losses	19,862	(38,440)	(3,499)
Financial Charges	81,298	170,399	99,787
Income from Securities	-	(14,804)	-
Grant of Stock Options	2,815	25,478	6,439
Finance lease	105,857	75,847	105,445
Income from sale or disposal of assets and other investments	(7,036)	42,258	3,400
Loss on impairment of assets	831,188	-	-
Result of Equity Restatement	2,880	(615)	1,377
Changes in Working Capital	(116,812)	(393,818)	(357,772)
(Increase) Reduction in Accounts Receivable (ex-FIES)	(3,986)	(239,031)	(25,433)
(Increase) Reduction in Accounts Receivable FIES	(13,887)	97,028	(44,232)
(Increase) Reduction in Inventories	6,204	978	(31,216)
(Increase) Reduction in Advances	(9,438)	38,305	(8,131)
(Increase) Reduction in Recoverable Taxes	59,189	(12,019)	29,221
(Increase) Decrease in Escrow Deposits	4,997	23,230	12,452
Increase (Decrease) in Other Assets	28,236	40,229	35,772
Increase (Reduction) in Suppliers	70,208	(70,726)	(144,393)
Payment of lease	(37,138)	(40,654)	(34,440)
Leasing interest paid	(95,452)	(112,465)	(99,548)
Increase (Decrease) in Payroll and Related Taxes	12,643	52,394	41,370
Increase (Decrease) in Fiscal Obligations	(54,686)	2,458	(7,853)
Increase (Decrease) in Advances to Clients	(42,069)	(77,045)	(41,345)
(Decrease) in Taxes Installments	(536)	(3,093)	(2,849)
(Decrease) in Provision for Tax, Labor and Civil Losses	(44,104)	(47,176)	(42,536)
Increase (Decrease) in Other Liabilities	3,007	(46,231)	5,389
Income Tax and Social Contribution	(21,029)	(11,160)	(17,791)
Capex	(68,232)	(133,376)	(70,813)
Additions to Fixed Assets	(8,553)	(125,393)	(9,432)
Additions to Intangible Assets	(59,679)	(7,984)	(61,380)
Cash Flow from Operating Activities after Capex - Recurring	208,201	122,710	163,766
	-	-	-
Capex - Special Projects	(24,794)	(37,002)	(18,608)
Brownfields	(24,794)	(37,002)	(18,608)
Cash Flow from Operating Activities after total Capex	183,407	85,709	145,158
(+) M&A Activities	102,693	(103,103)	178,995
Investment acquisitions	-	(139,810)	-
Accounts Receivable from former owners	85,771	(1,806)	235,735
Payment for acquisition of companies	(18,664)	-	(29,494)
M&A Costs and Expenses	35,586	60,368	(27,246)
Proceeds from sale of investments	-	(21,855)	-
	-	-	-
(+) Cash Flow from Financing Activities	1,243,721	(562,002)	478,703
Sale (Acquisition) of Treasury Shares	1,305	25,189	3,471
Capital Increase, Net of Issuance Costs	-	-	(3,831)
Receipt in the offering of shares of the subsidiary	1,681,342	-	-
Noncontrolling interests	-	-	-
Debenture emission	(107)	(125)	496,638
Debentures, Loans and Financing Payments	-	-	100
Payments of Borrowings and Financing	(300,000)	(283,475)	(3)
Interest Paid on Borrowings and Debentures	(138,982)	(264,357)	(20,102)
Redemption (Investment) of Securities	163	15,841	2,430
Payment of Dividends	-	(55,075)	-
(=) Cash Flow from Non-Operating Activities	1,346,414	(665,105)	657,698
Total Cash Generation	1,529,821	(579,397)	802,856
Net Increase (Decrease) in Cash and Cash Equivalents			
Cash and Cash Equivalents at the Start of the Period	3,712,154	999,548	2,909,298
Cash and Cash Equivalents at the End of the Period	5,241,975	420,151	3,712,154
Net Increase (Decrease) in Cash and Cash Equivalents	1,529,821	(579,397)	802,856

APPENDIX 11 – QUARTERLY CASH FLOW RECONCILIATION

<i>R\$ thousands</i>	Cash Flow (Book) 3Q20	Leasing	Interes	Cash	M&A	Others	Cash Flow (Release) 3Q20
Net Income before income taxes	(1,085,478)						(1,085,478)
Adjustments to net income	2,163,737			38,237		(2)	2,201,972
Change in WC	(538,569)	(273,499)			(27,494)	(6,678)	(846,240)
income taxes paid	(21,343)						(21,343)
Leasing interest paid	(198,401)	198,401					-
Interest paid on borrowings and debetures	(352,159)		352,159				-
Free cash flow operating activities	(32,213)	(75,098)	352,159	38,237	(27,494)	(6,680)	248,911
Redemption of securities	(2,109,561)			2,109,561			-
Addition to fixed assets	(68,800)					13,847	(55,000)
Addition to intangible assets	(143,400)					38,180	(105,220)
Cash from acquires companies	371				(371)		-
Payment for acquisitions	(70,579)						(70,579)
Accounts receivable from former owners	85,771						85,771
M&A costs and expenses	-				27,865	7,863	35,728
Capex - special projects	-					(51,953)	(51,953)
Cash flow from investing activities	(2,306,198)	-	-	2,109,561	27,494	7,937	(161,253)
Capital increase	2,485,151						2,485,151
Treasure shares	9,965						9,965
Receipt in the offering of subsidiary shares	1,681,342						1,681,342
Debentures	(107)						(107)
Borrowings and financing	-						-
Leasing principal payment	(75,098)	75,098					-
Payments of borrowings and financing	(300,642)						(300,642)
Redemption of securities	-			2,276	-	-	2,276
interest paid	-		(352,159)				(352,159)
Cash flow from financing activities	3,800,611	75,098	(352,159)	2,276	-	-	3,525,826
Change in cash position	1,462,200	-	-	2,150,074	-	1,257	3,613,484

APPENDIX 12 – NINE-MONTH CASH FLOW RECONCILIATION

R\$ thousands	Cash Flow (Book) 9M20	Leasing	Interes	Cash	M&A	Others	Cash Flow (Release) 9M20
Net Income before income taxes	(1,709,910)						(1,709,910)
Adjustments to net income	3,375,433			61,115		(2)	3,436,546
Change in WC	(788,662)	(407,487)				(7,863)	(1,204,012)
income taxes paid	(39,134)						(39,134)
Leasing interest paid	(297,949)	297,949					-
Interest paid on borrowings and debetures	(372,261)		372,261				-
Free cash flow operating activities	167,517	(109,538)	372,261	61,115	-	(7,865)	483,490
Redemption of securities	(2,057,174)			2,057,174			-
Addition to fixed assets	(86,700)					41,082	(45,618)
Addition to intangible assets	(214,900)					29,484	(185,416)
Cash from acquires companies	619				(619)		-
Payment for acquisitions	(100,073)						(100,073)
Accounts receivable from former owners	321,506						321,506
M&A costs and expenses	-				619	7,863	8,482
Capex - special projects	-					(70,561)	(70,561)
Cash flow from investing activities	(2,136,722)	-	-	2,057,174	-	7,868	(71,680)
Capital increase	2,481,320						2,481,320
Treasure shares	13,436						13,436
Receipt in the offering of subsidiary shares	1,681,342						1,681,342
Debentures	496,531						496,531
Borrowings and financing	100						100
Leasing principal payment	(109,538)	109,538					-
Payments of borrowings and financing	(300,645)						(300,645)
Redemption of securities	-			4,707			4,707
interest paid	-		(372,261)				(372,261)
Cash flow from financing activities	4,262,546	109,538	(372,261)	4,707	-	-	4,004,530
Change in cash position	2,293,341	-	-	2,122,996	-	3	4,416,340
Operating cash flow (OCF)							483,490
Capex							(231,034)
Investments in expansion							(70,561)
OCF after capex							181,895