2Q21 Results

August 2021

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Strategy Adopted in Recent Quarters Brings Solid results

- **Kroton's DL student base continues to grow**
- Despite the drop in volume, **average on-campus ticket presented an 11% increase**
- **The semester´s Timely Payments improved 4 p.p. in DL and 7 p.p. in On-campus**
- The change in student mix, with greater amount of DL, combined with the improvement in timely payments resulted in a **28.6 p.p. increase in Recurring EBITDA margin, which totaled 37.8% in 2Q21**
- **Partnership between Ampli and TIM** to offer undergraduate, graduate and technical courses with high potential for value generation

- Vasta grew in terms of contracts **(partner schools)** and revenue in all segments, **with emphasis on subscription products**
- **Acquisitions, partnerships and internal** developments reinforced Plurall's portfolio
- New go-to-market focused on subscription contracts

- **Operational Cash Generation after capex (OCG) of R$ 197 million** in the first semester, compared to a R$2 million consumption in 1H20
- **Recurring EBITDA margin** of 25.3% in 2Q21
- **Solid cash position** (R$ 3.7 billion)
- **Leverage remains under control,** with net debt/adjusted EBITDA ratio of 2.13x
- **Extension of the company's short-term liabilities** (R$1.4 billion) expected to be concluded in August
- **Successful Go-live of the new SAP Cloud ERP**, integrating and optimizing the processes of Cogna, Kroton and Platos

Kroton

August 2021

Highlights

Successful turnaround in Campus results in higher performance

- **Optimization of the portfolio of courses** per unit allowed Digital student's growth both in # of students and revenue, **softening the impact of student base's drop** and On-campus revenue during the pandemic
- **Reduction in the number of units** generated reduction of payroll, rents and infrastructure expenses
- **Improvement in the credit profile** of out-of-pocket students increased timely payment and **reduction of PDA**
- **Marketing Strategy focused on digital actions**, significantly reducing investments, without losing commercial traction
- The **Recurring EBITDA margin** increased 28.6 p.p., reaching **37.8%**

Units

- **Growth of more than 40% of the DL** third-party units during the first half of 2021, reaching 2,168 units

Ampli + TIM

- *Mobile first* education platform
- More than 50 million potential customers
- 250 undergraduate and post courses + 400 free courses

Kroton Transformation Program (PTK)

- ambitious technological transformation program, significantly improving the students' experience

2H21

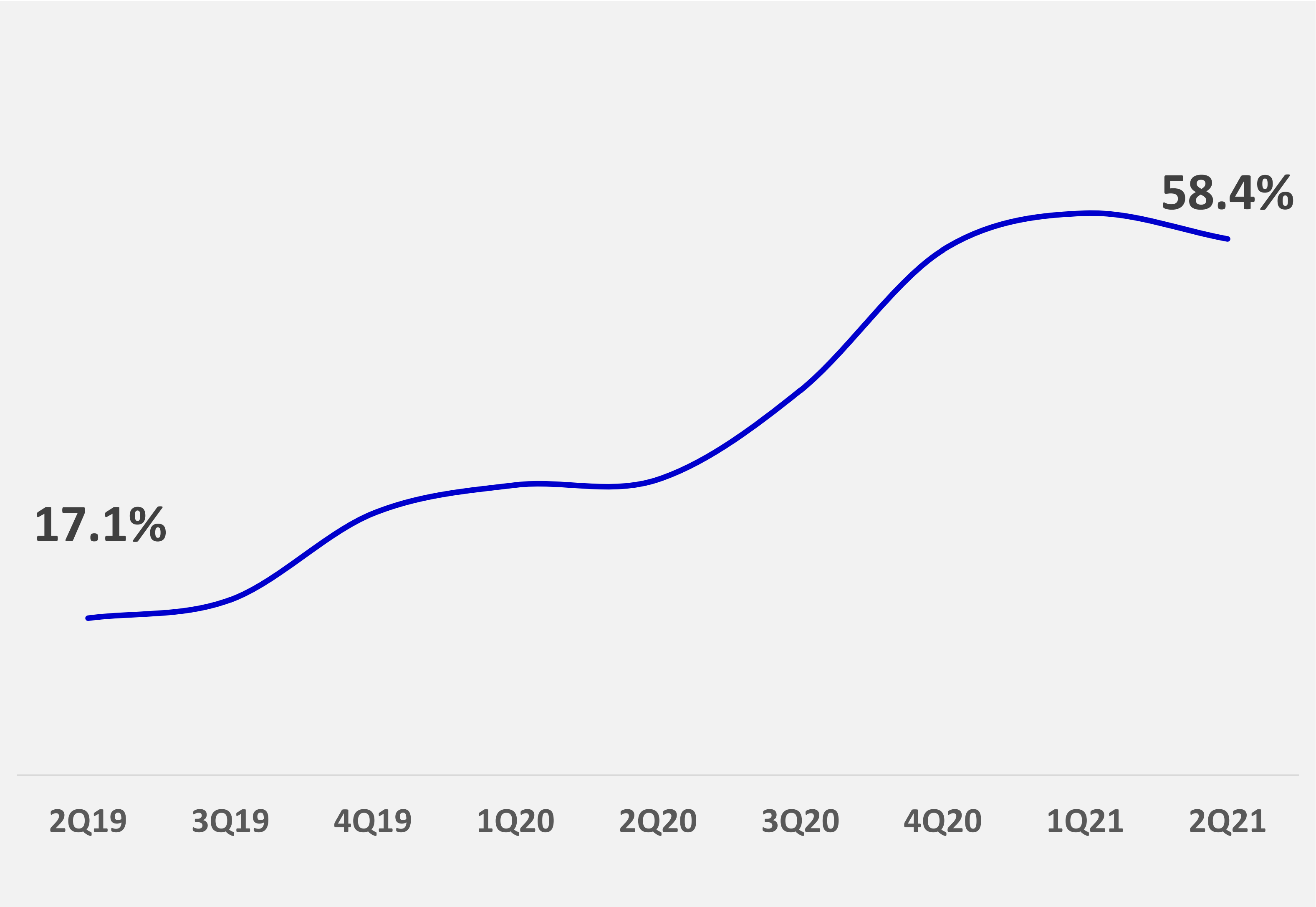
- With 50% of the business cycle completed, very positive prospects both in On-Campus and DL
- Return to On-Campus activities in almost all units
- Challenges to be observed regarding the change of mix, that generates pressure in revenue, and the resumption of On-Campus activities that impacts costs

Digitization as a structural business model puts the Company back on the path of growth with greater rationality in capital allocation and profitability recovery

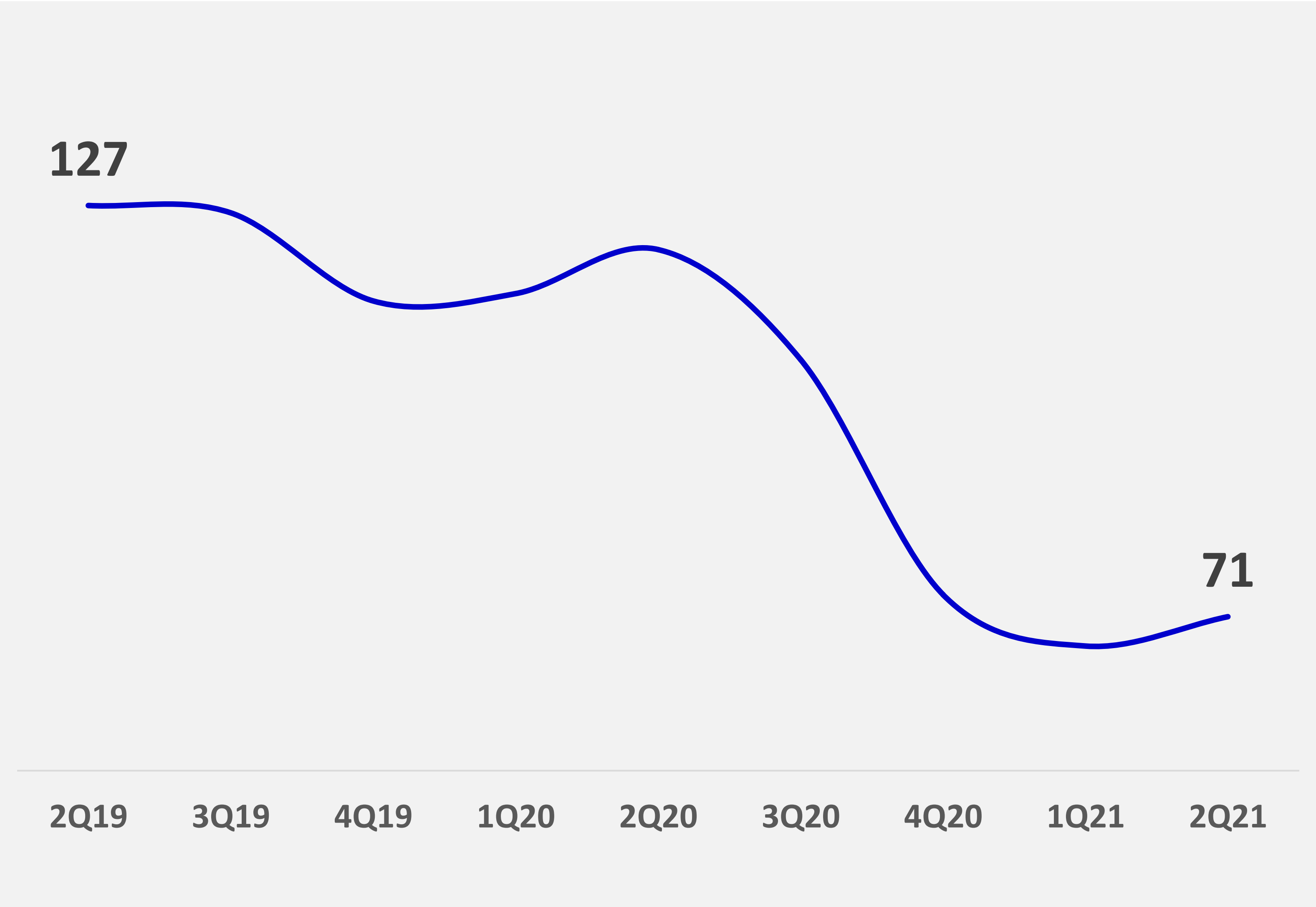
Accounts Receivable and Timely Payments

- **The Accounts Receivable Coverage Index** was stable vs. 1Q21 and remains the **highest in the industry**
- **Average Collection Period (ACP) for out-of-pocket students** reached 71 days, marginal increase vs. 1Q21 due to seasonality. A 50-day fall vs. 2Q20.
- The quality of students and the increase in billing efficiency in the quarter generated an **improvement of 7.4 p.p. in the timely payment of On-campus and 3.5 p.p. in the DL**, resulting in a **reduction of R$ 90 million in the PDA**. .
- The **out-of-pocket student's PDA on net revenue** reached **11.9%**, a reduction of 12.4 p.p. vs. 2Q20, due to improved timely payments.

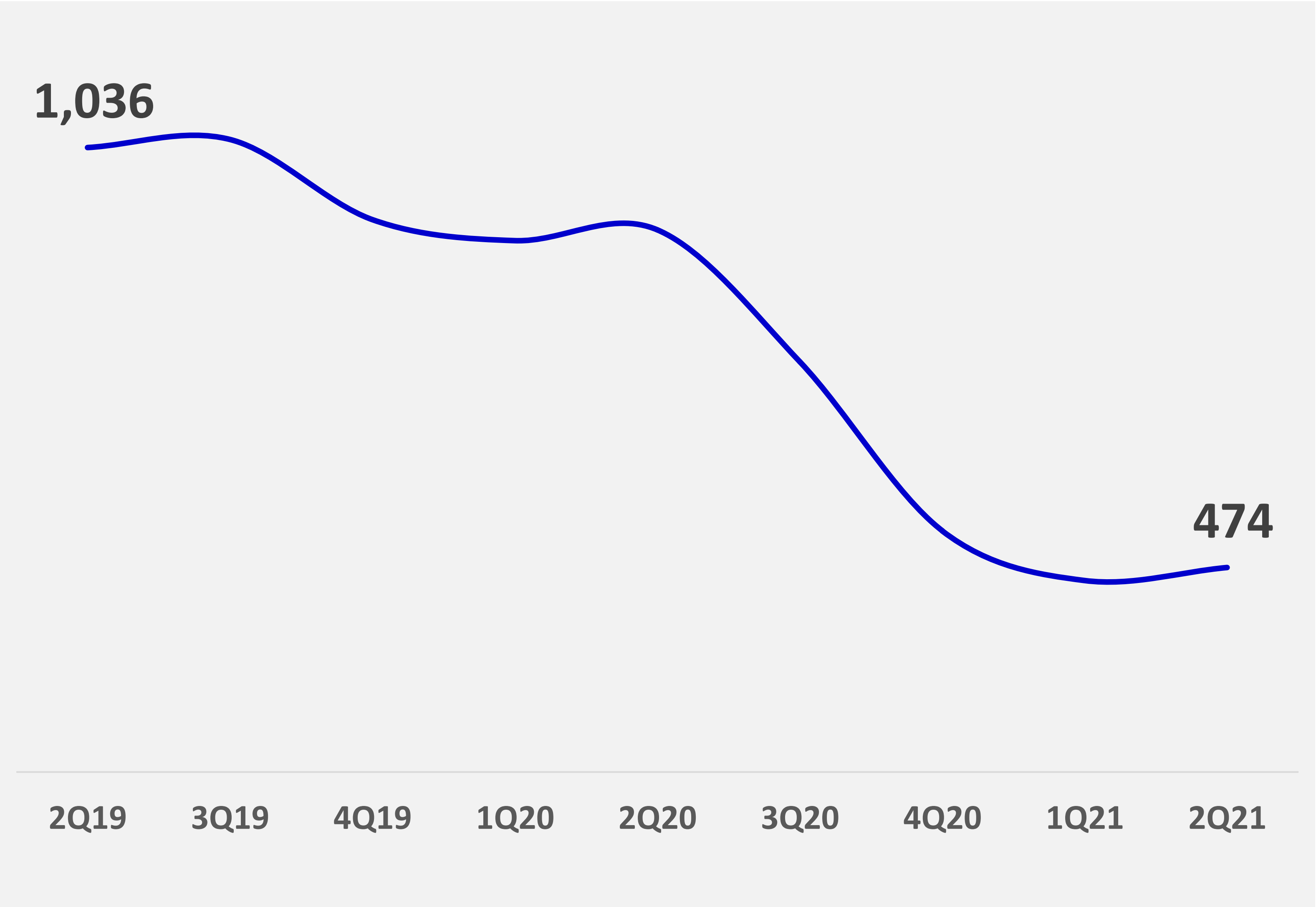
Coverage Ratio[1,2]



Average Collection Periodo[1,3] (ACP)



Accounts Receivable[1] (R$ million)



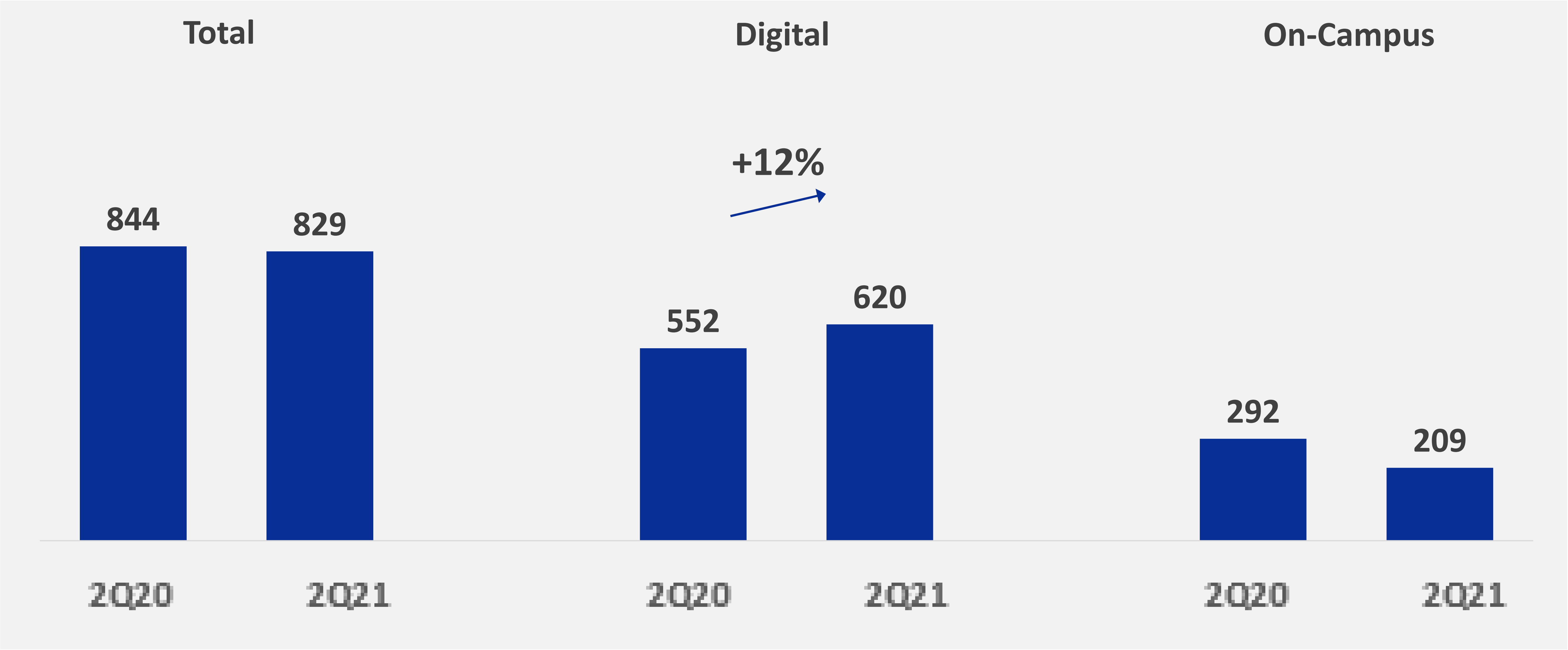
[1] Paying students only. 2 PCLD Balance/Accounts Receivable Gross. 3 Balance of Net Accounts receivable on Net Income for the last 12 months

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

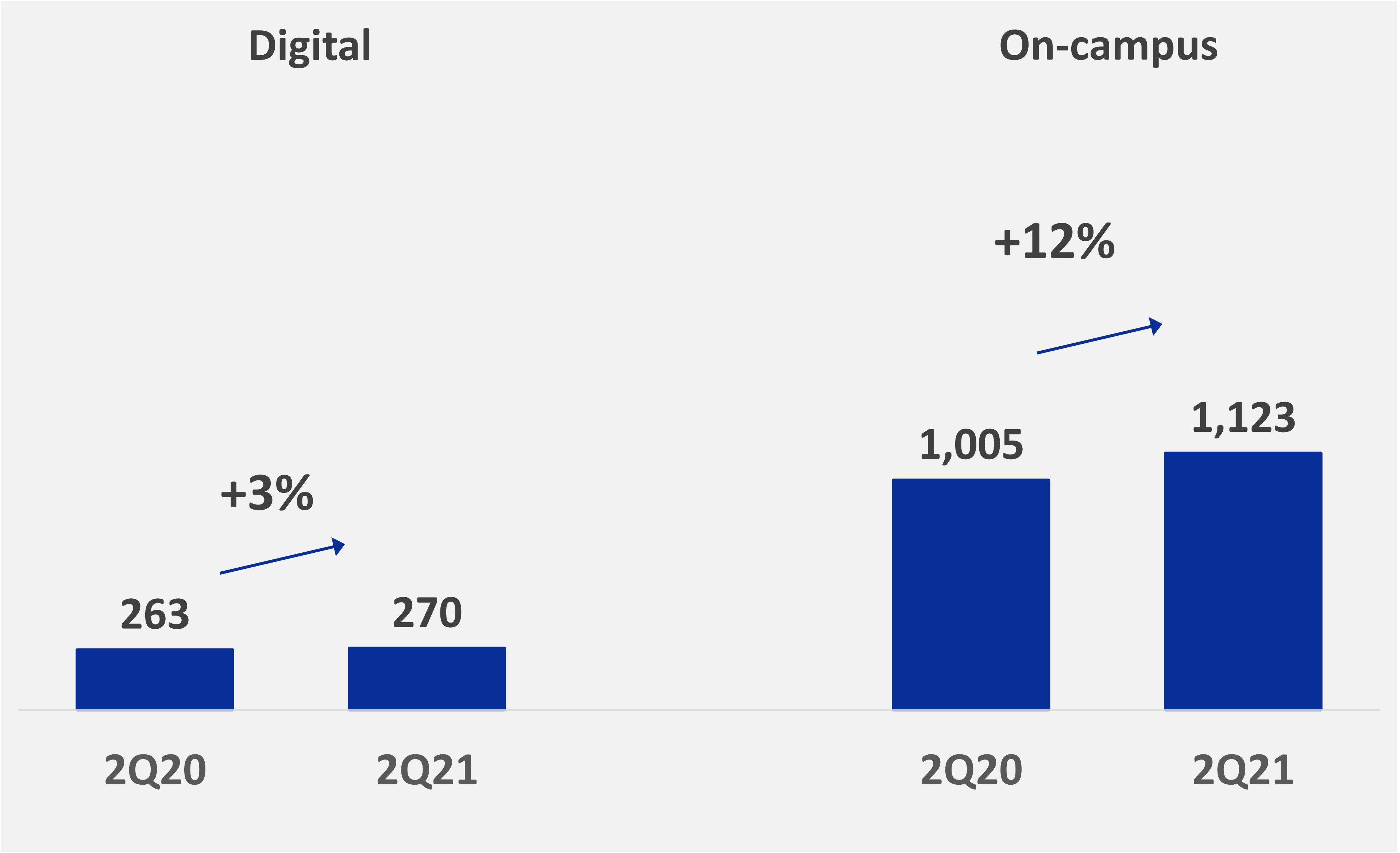
Student Base

- **Continuous growth in student base in Digital Education,** which ended the quarter with a 75% share of the total student base.
- Reducing exposure to installment products. We have not offered PEP since the end of cycle 20.2.
- On-campus **focusing on courses with higher added value** generates an increase of 12% in the average ticket.

Student Base (x 1,000)



Average Ticket[1] (R$)



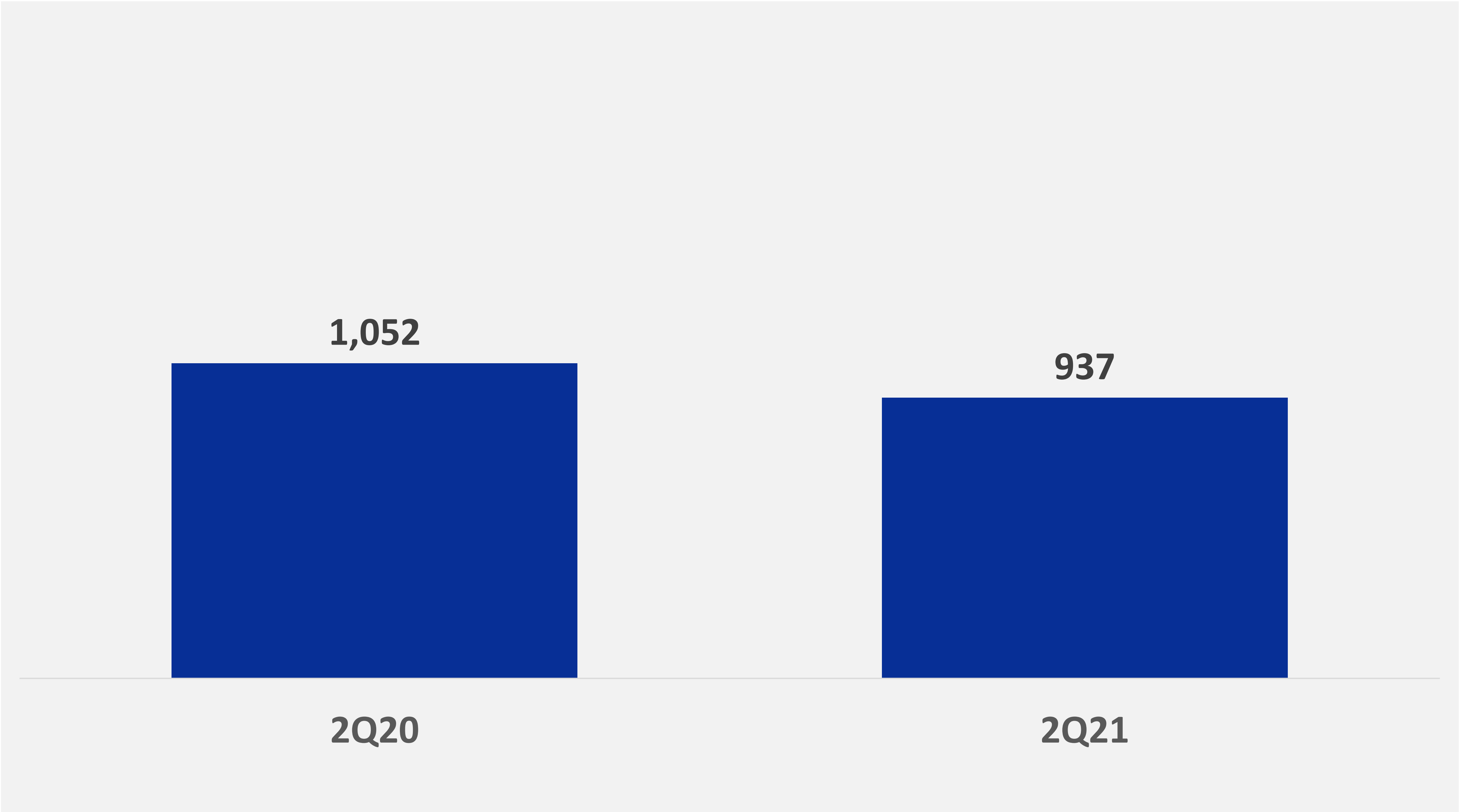
[1] 1H21 Average Ticket: On-Campus R$1,027, increase of 11,3% over 1H20. Digital R$238, decrese of 6% over 1H20.

Kroton continues to grow in the digital/hybrid segments.
On–campus with average ticket increase

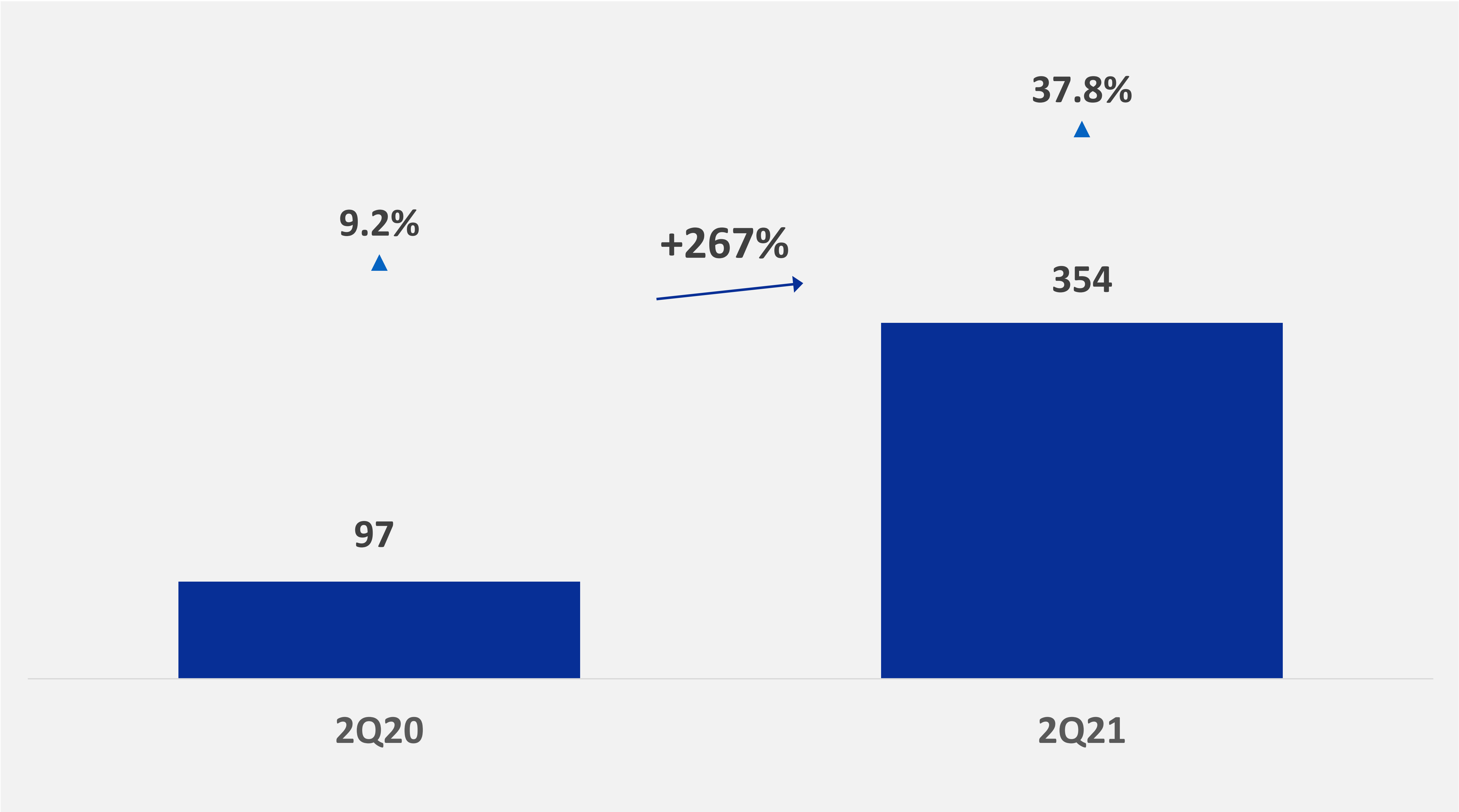
Operating Results

- Reduction of net revenue due to i) the effects of the pandemic on On-campus education and (ii) the reduction of FIES base and iii) discontinuity of PEP, partially offset by **the increase in the digital student base**.
- **Recurring EBITDA increased R$ 257 million,** due to the capture of the benefits generated by i) the restructuring of the operation; ii) the improvement in timely payments with consequent reduction of PDA and iii) the review of the marketing strategy

Net Revenue (R$ million)



Recurring EBITDA (R$ million) and EBITDA Margin



Kroton back to the path of growing profitability, focused on Digital and with a light balance sheet

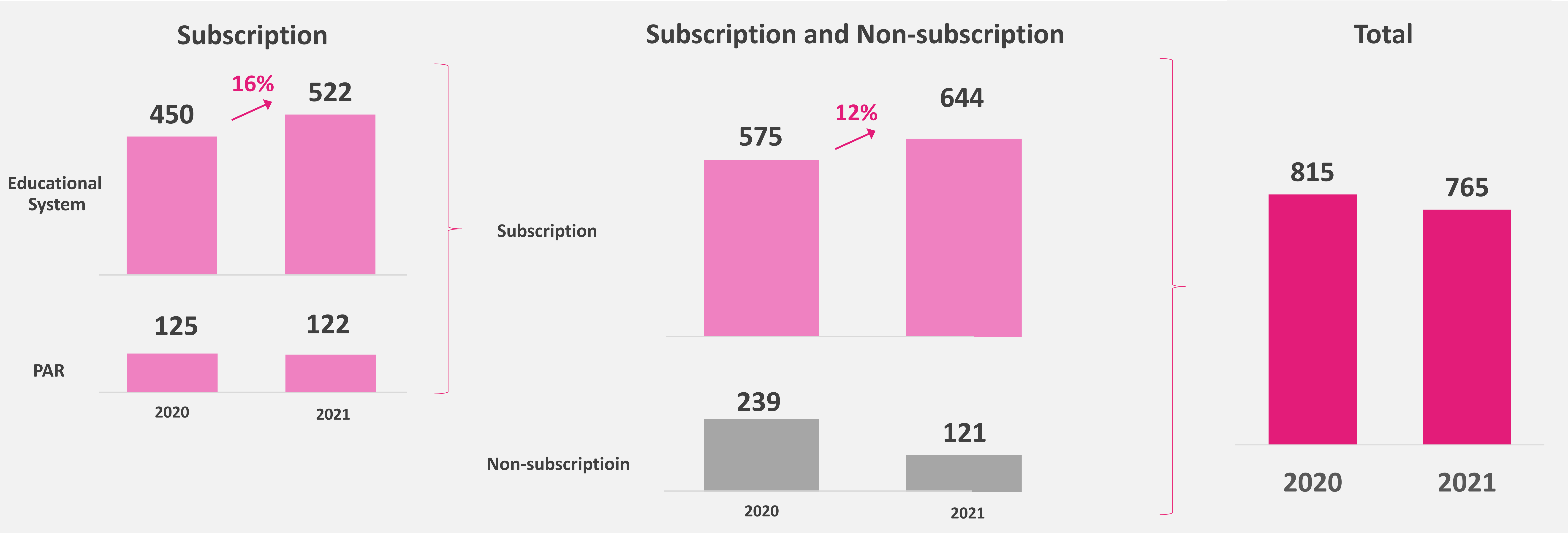
Vasta

August 2021

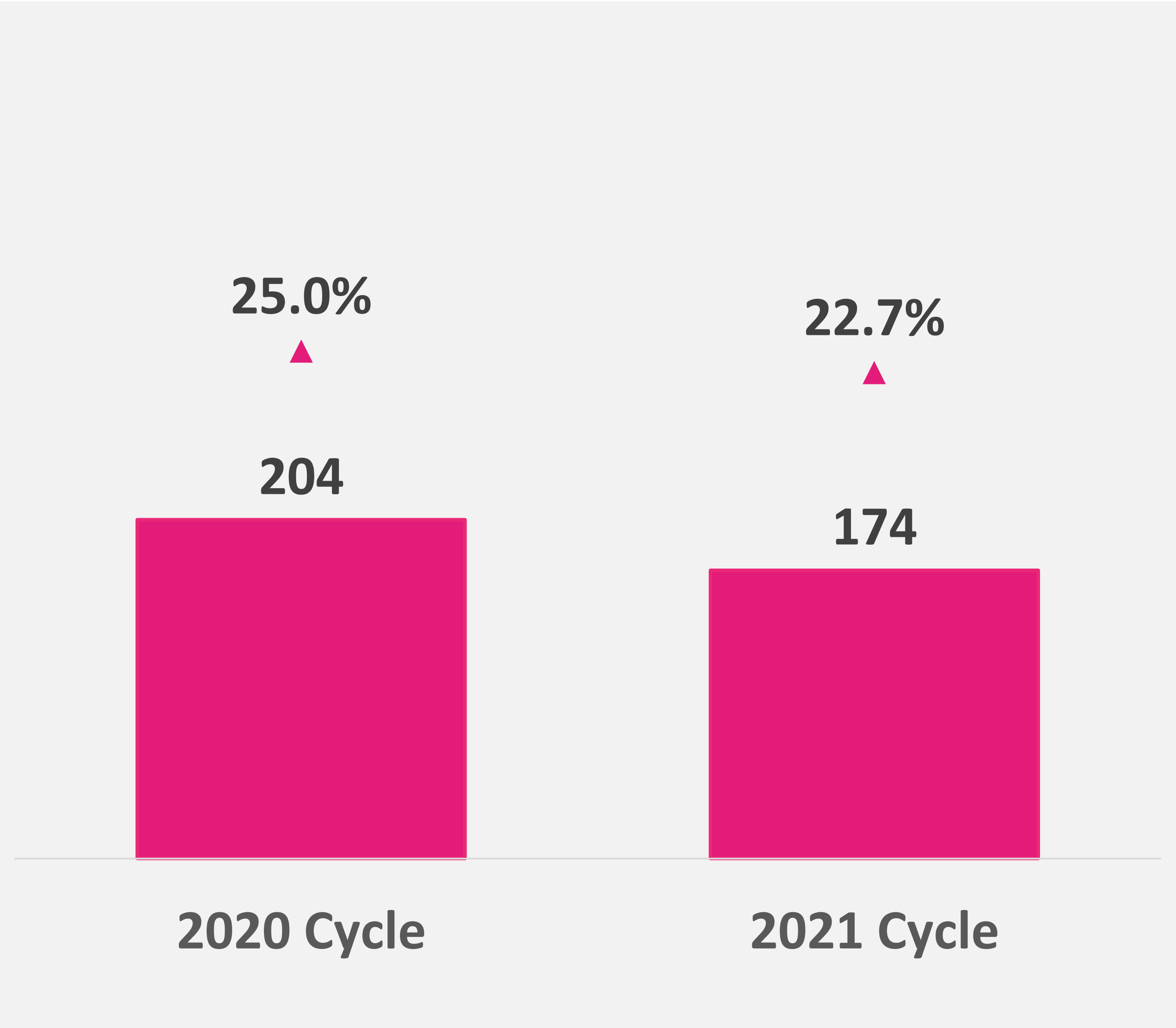
Operating Results

- **Subscription revenue (including PAR) increased 12%** in the 2021 commercial cycle (4Q20 - 2Q21), with highlights on ex-PAR subscription (traditional education systems and complementary solutions), which increased 16%.
- PAR and non-subscription business more impacted by the reuse of textbooks, leading to a reduction in total revenue.

Net Revenue (R$ million) – Commercial Cycle 4Q-2Q



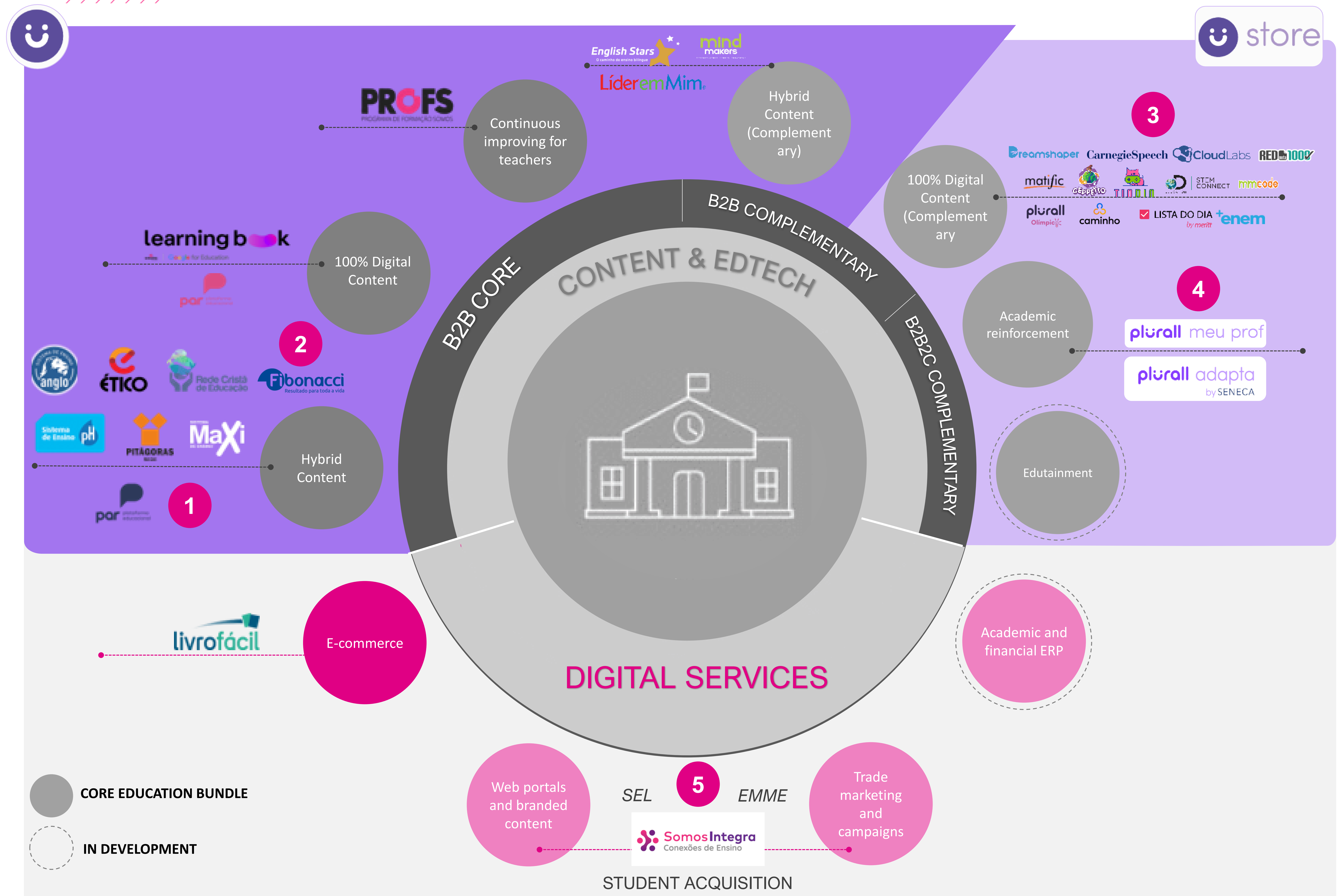
Adjusted EBITDA (R$ million) and EBITDA Margin



Despite the drop in revenue, the subscription business continues to grow and its share of total revenue (~84%)

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

2022 Sales Cycle: What's new



1. **B2B Core:** Focus on the migration of PAR clients to Learning Systems or PAR Digital

2. **B2B Core:** Launch of Fibonacci Learning System, in partnership with Colegio Fibonacci (ENEM top-10)

3. **B2B2C Complementary:** Launch of Plurall Store, a marketplace with edtechs from all over the world

4. **B2B2C Complementary:** Launch of Plurall Meu Prof and Plurall Adapta, afterclass solutions

5. **Digital Services:** Launch of Somos Integra, our student acquisition solutions, and other digital services offered in conjunction with SEL and EMME

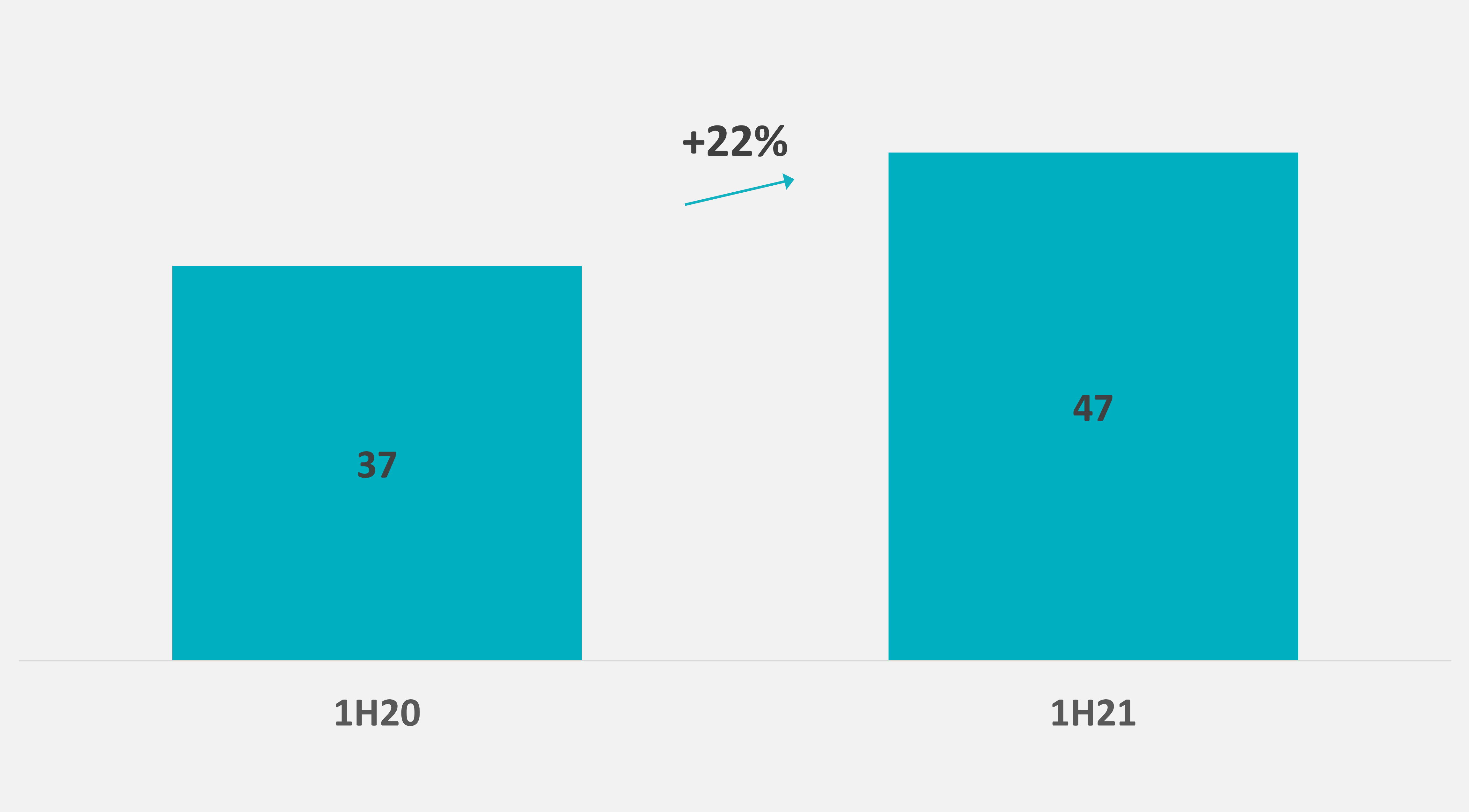
Platos

August 2021

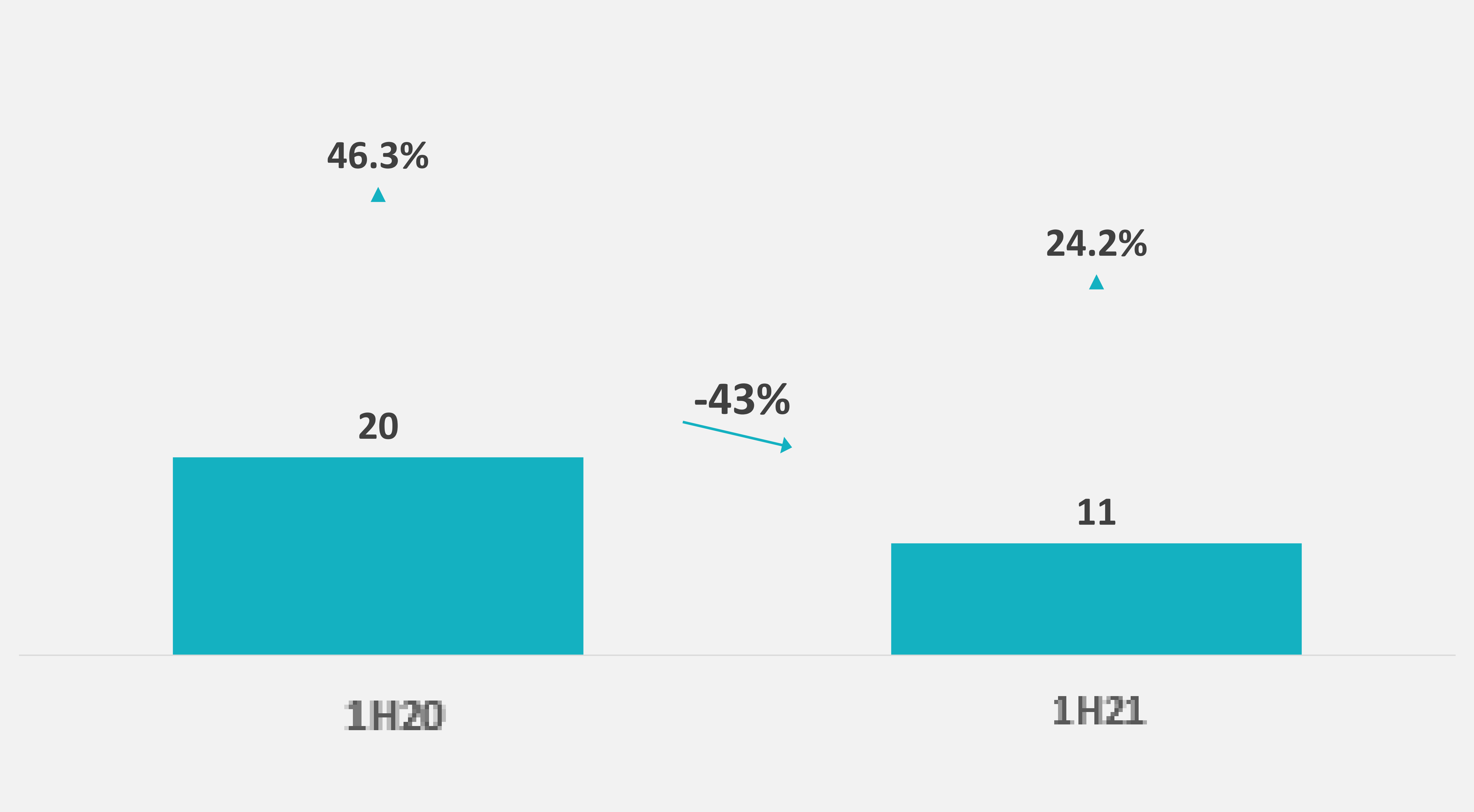
Operating Results

- Focus on digital graduate program, with an **18% growth and intake and 22% in net revenue**
- Recurring EBITDA margin remains healthy, despite the more conservative level of provisioning (affecting the PDA), and implementation of the OPM business for external customers in 1Q21

Net Revenue (R$ million)



Recurring EBITDA (R$ million) and EBITDA Margin



Platos continues to grow on a healthy pathway. It is worth to mention that 2H21 intake cycle began strong

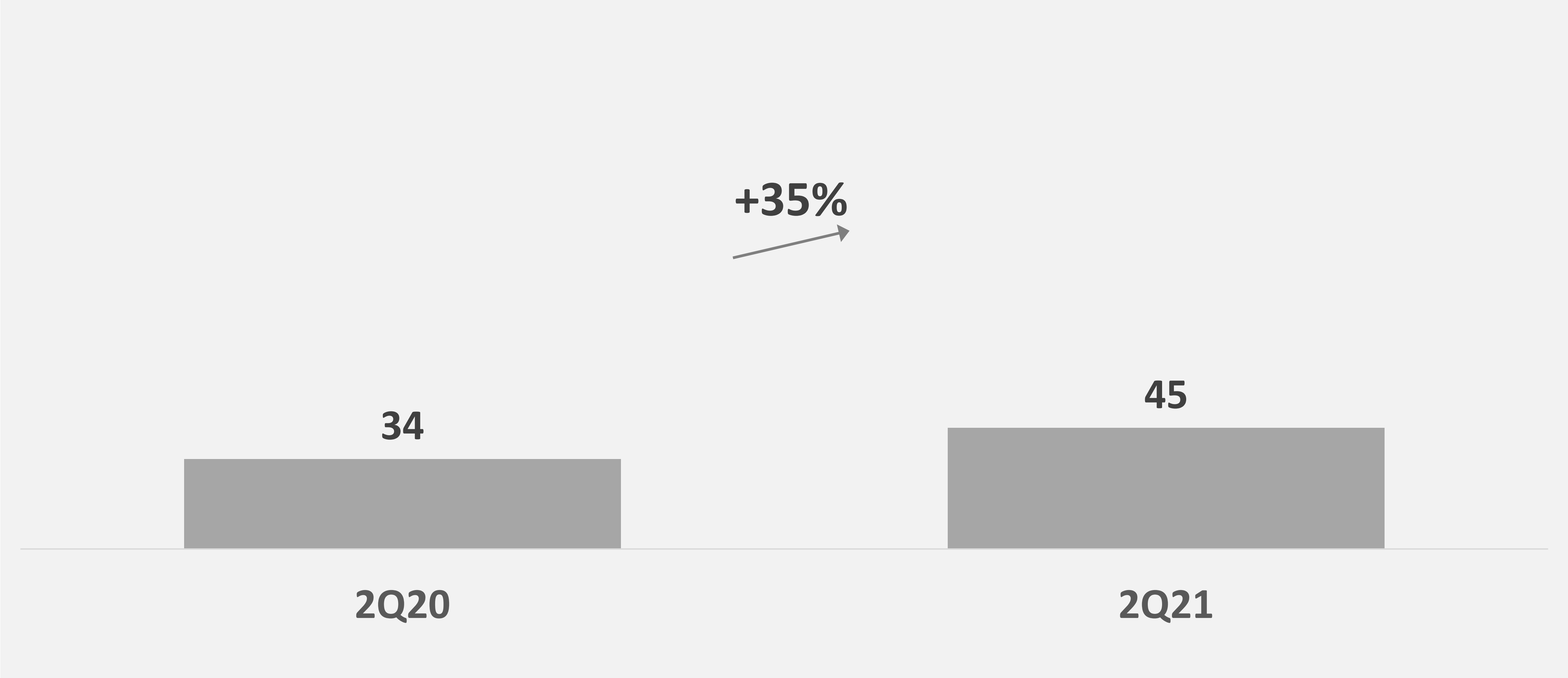
Other Business

Agosto 2021

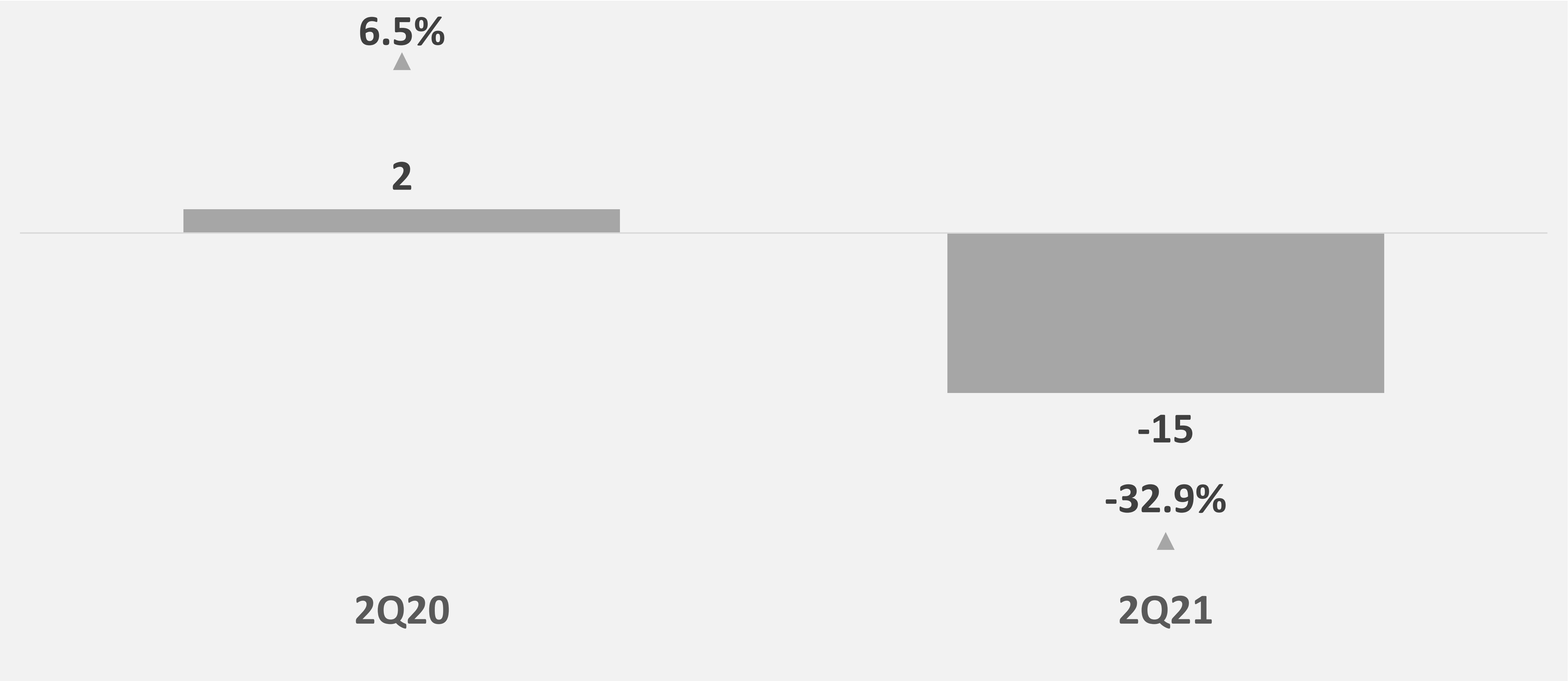
Operating Results

- **Net revenue increased 35%** in 2Q21 led by sales from National Textbook Program (PNLD) and sale of books to the private market
- 2Q21 profitability was impacted mainly by costs related to the promotional material of high school books in 2Q21 for PNLD

Net Revenue (R$ million)



Recurring EBITDA (R$ million) and EBITDA Margin



In 2021, PNLD revenue will be concentrated in the second semester (re-purchase of basic education I and II and purchase of basic education and high school)

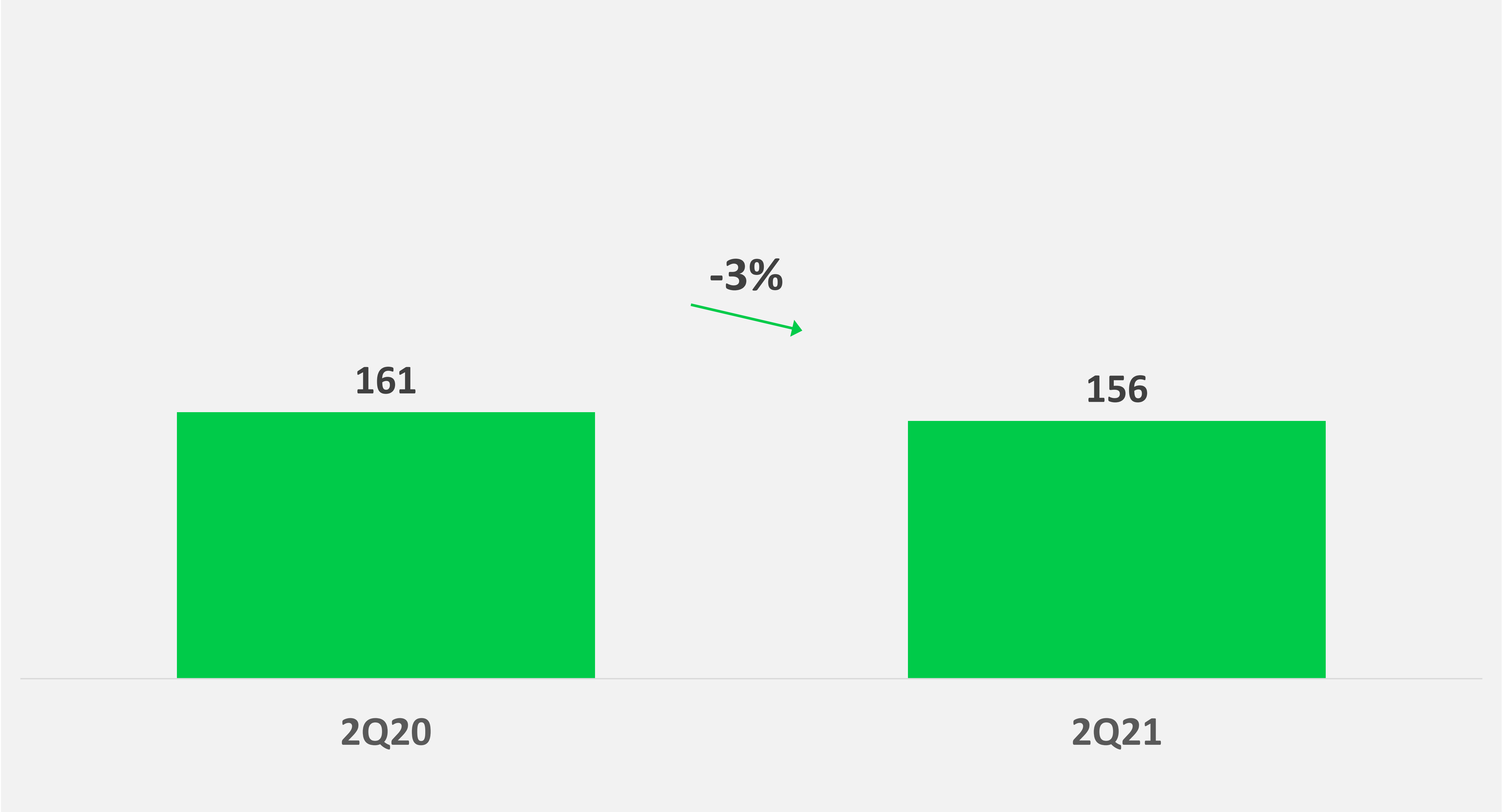
Saber

August 2021

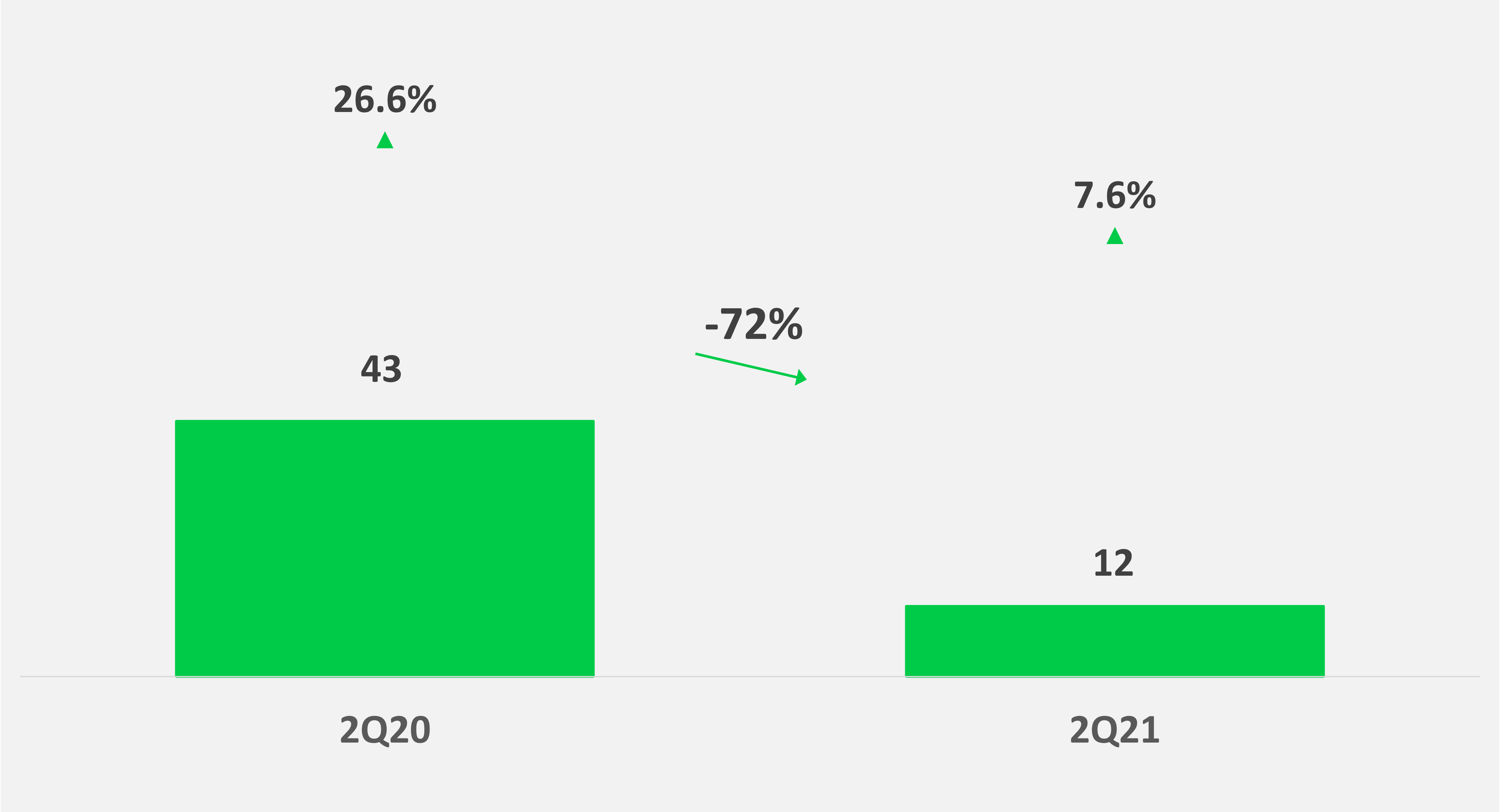
Operating Results

- Pandemic effect continues to hit Saber, which registered decrease in student base combined with reduction in daytime activities were the main offenders in the quarter
- Compression in the Recurring EBITDA margin due to (i) the constitution of provision for obsolescence of schools' inventory; (ii) higher expenses with the end of MP 936; and (iii) higher costs with the partial resumption of On-campus classes.

Net Revenue (R$ million)



Recurring EBITDA (R$ million) and EBITDA Margin



The effect of the pandemic on basic education was predominant in the reduction of operating results.

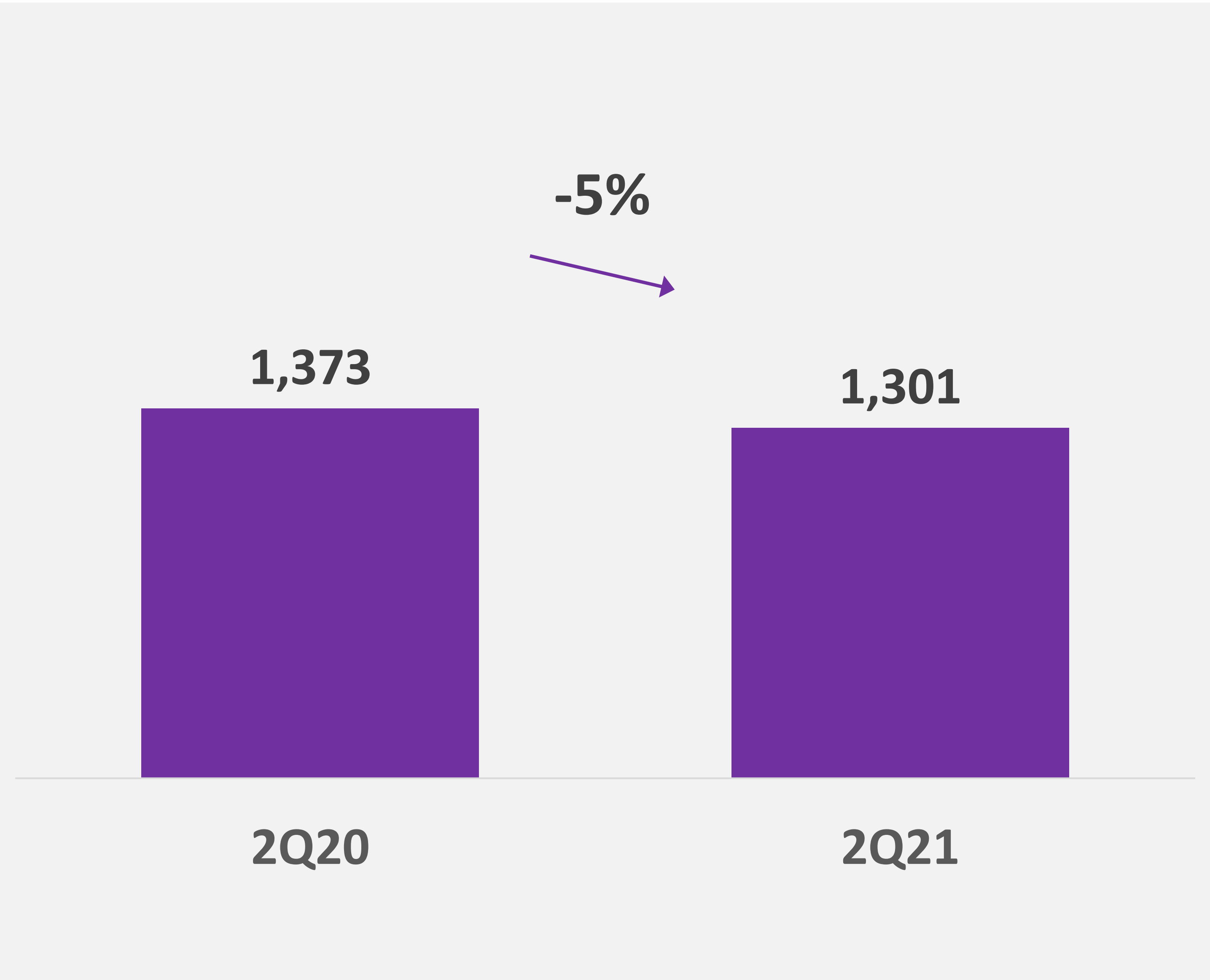
Cogna

August 2021

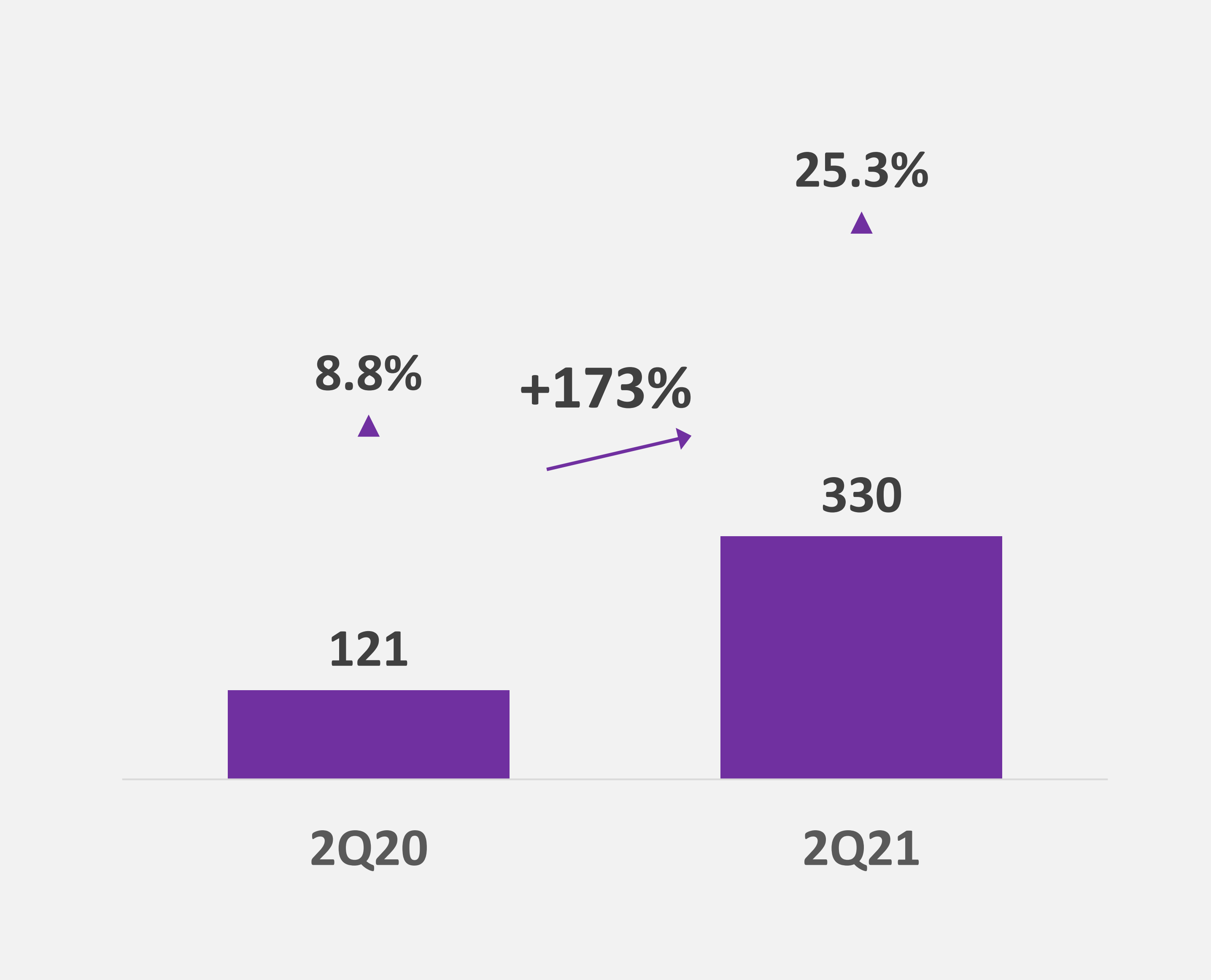
Operating Results

- Net revenue impacted by the mix change and consequent reduction in On-campus higher education revenue, partially offset by **revenue growth in the digital segment at Kroton, as well as revenue growth in Vasta**
- **Improvement in Kroton's timely payments** with greater participation of students in the digital segment in the base resulted in an expansion of 16.5 p.p. in the recurring EBITDA margin
- Net Result had an increase of R$120 million, totaling negative R$20 million in 2Q21.

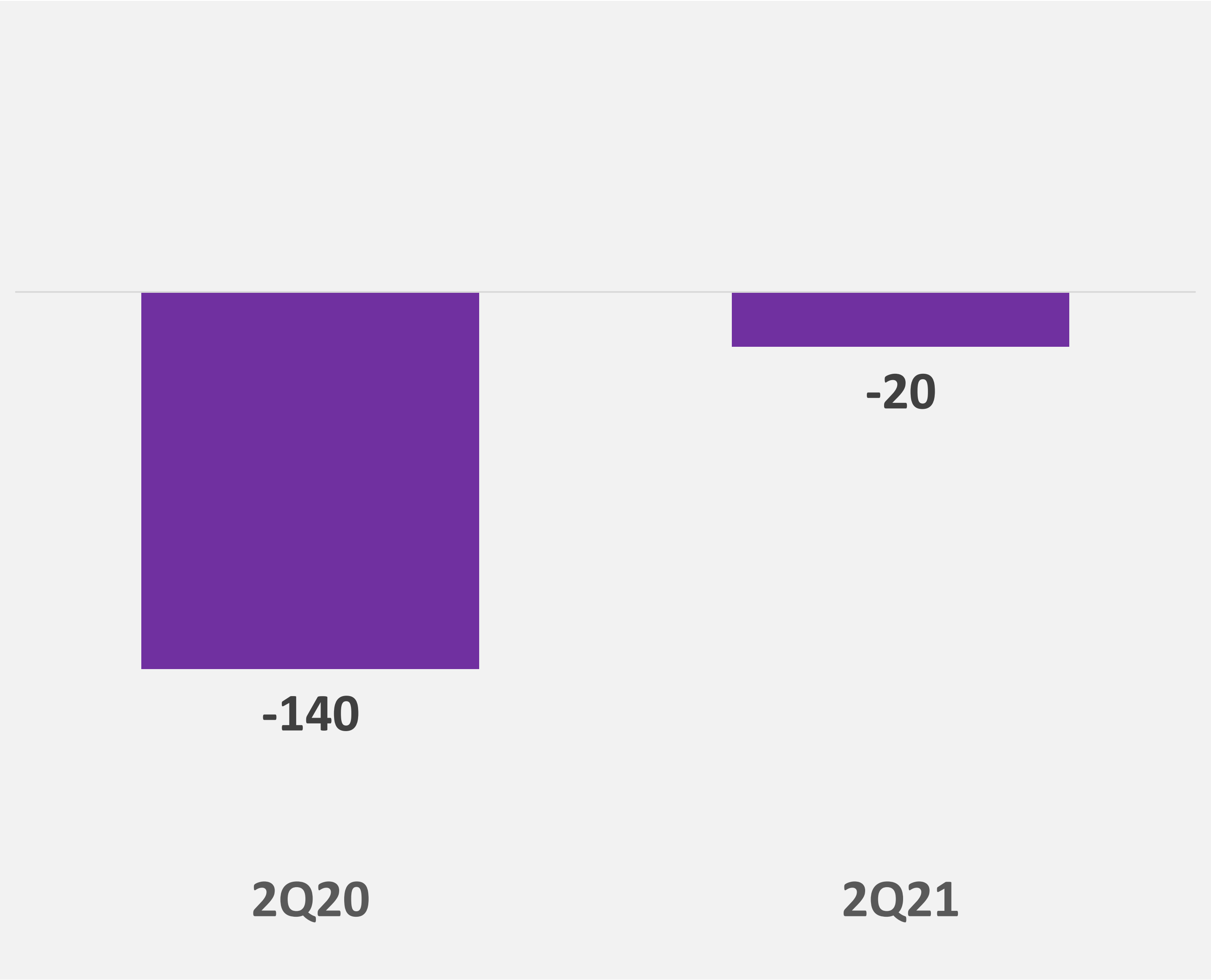
Net Revenue (R$ million)



Recurring EBITDA (R$ million) and EBITDA Margin



Adjusted Net Income (R$ million)

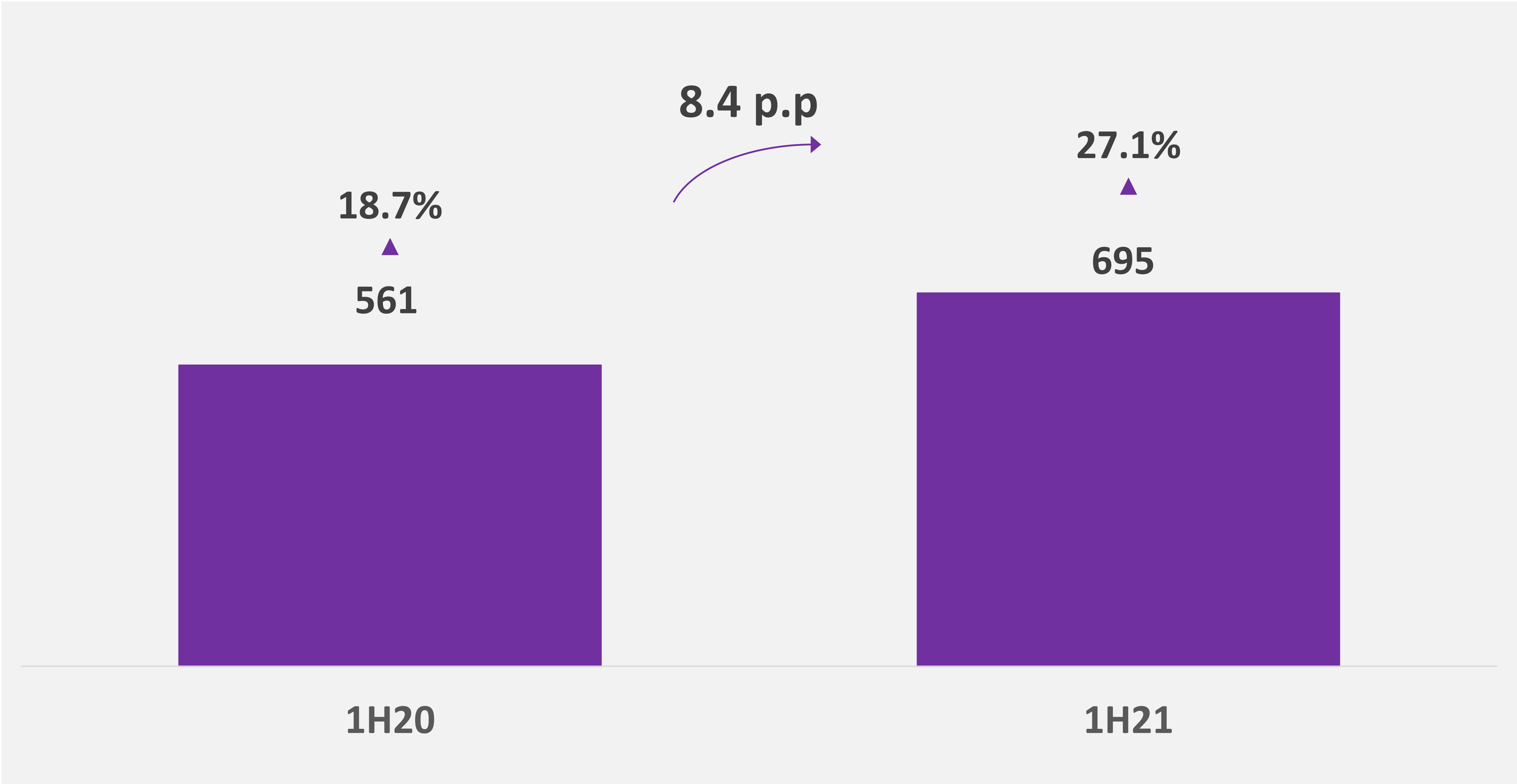


Operating results show that Kroton's restructuring is sustainable and will continue to generate value

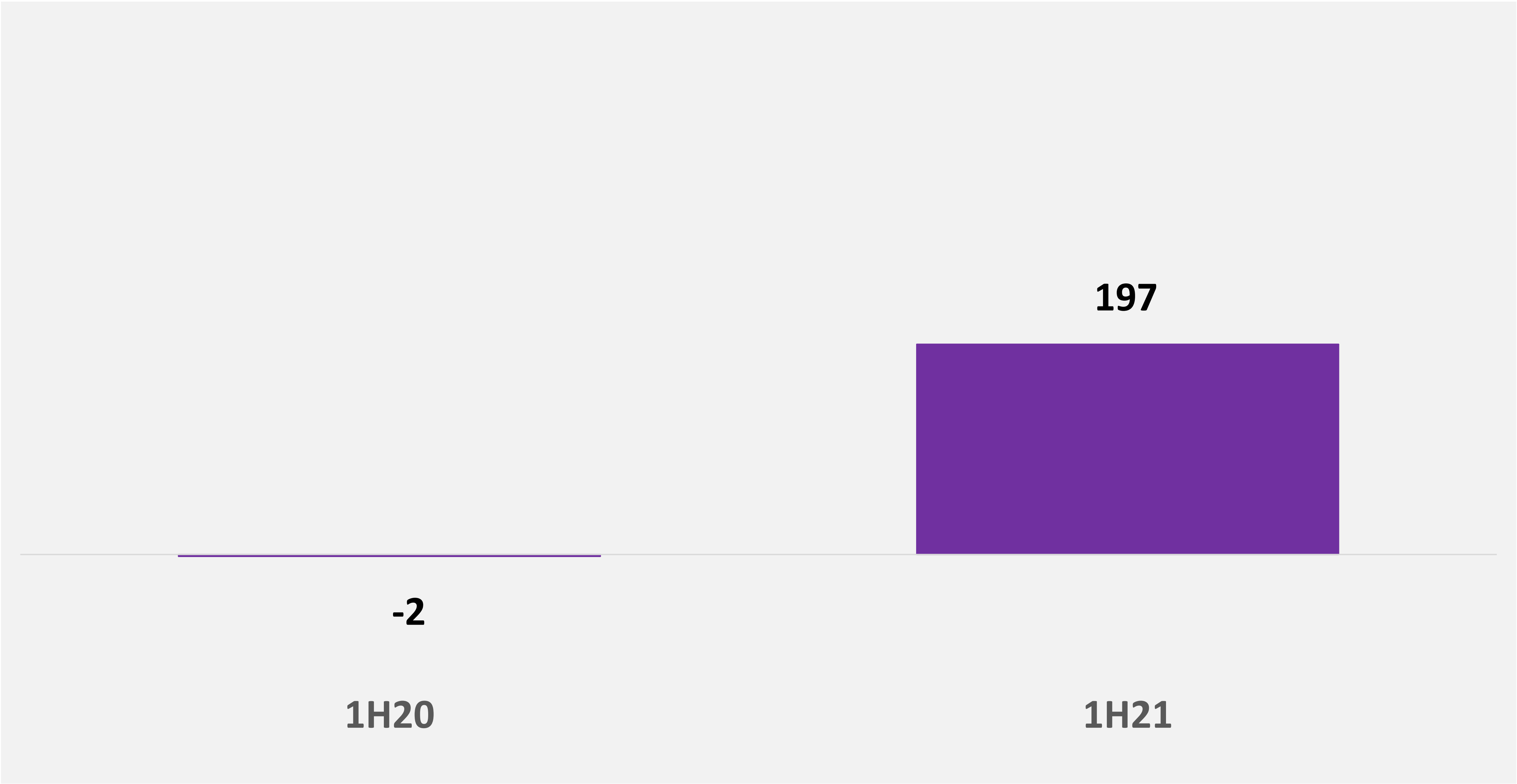
Positive Operating Cash Generation in 1H21

- Due to timing mismatches between 1Q21 and 2Q21, the most appropriate analysis to understand the company's operating cash generation (OGC) is the semester analysis
- We went **from a cash consumption of R$ 2 million to a positive generation of R$ 197 million in the semester** due to i) the positive impacts on operating results; ii) lower working capital consumption and iii) lower capex

Recurring EBITDA (R$ million) and EBITDA Margin



OGC after capex[1] (R$ million)



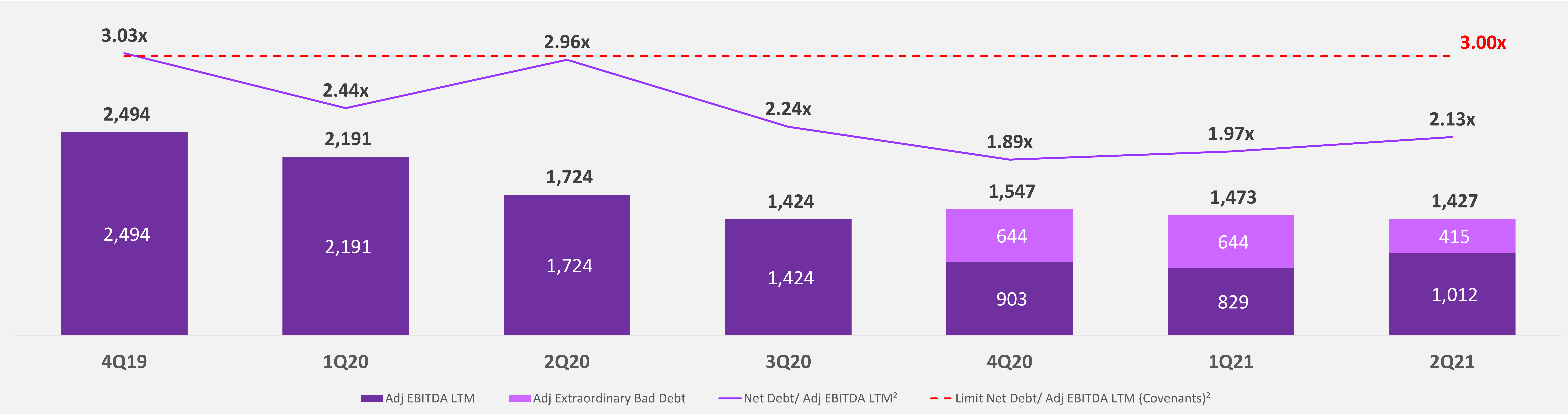
Company improved its cash conversion, converting 28% of Recurring EBITDA into cash in the first half of 2021

[1] Operational Cash Generation after Capex and Investments in Expansion (OCG)

Leverage under control and close to an inflection point

- Leverage remains under control, reaching the adjusted net debt/EBITDA ratio of 2.13x, below the limit set by covenants of 3.0x.
- We are finalizing the process of extending the company's short-term liabilities (R$1.25 billion) with a forecast for Aug/21, in addition to having completed throughout the month a funding of R$500 million in Vasta and the exchange of a R$220 million debt. The three operations aim to increase the duration of debts from 19 months to 26 months.

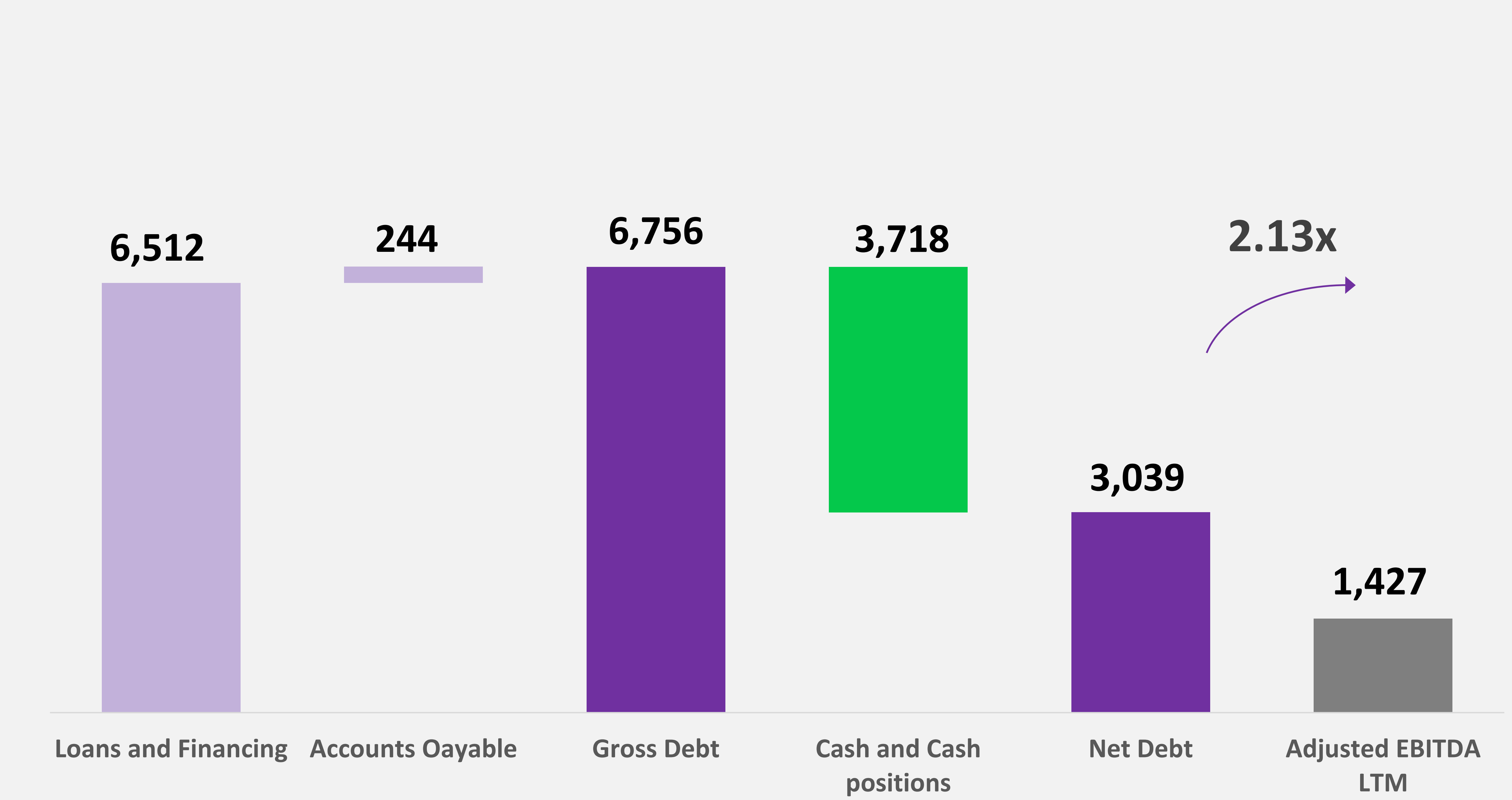
Net Debt / Adjusted EBITDA LTM



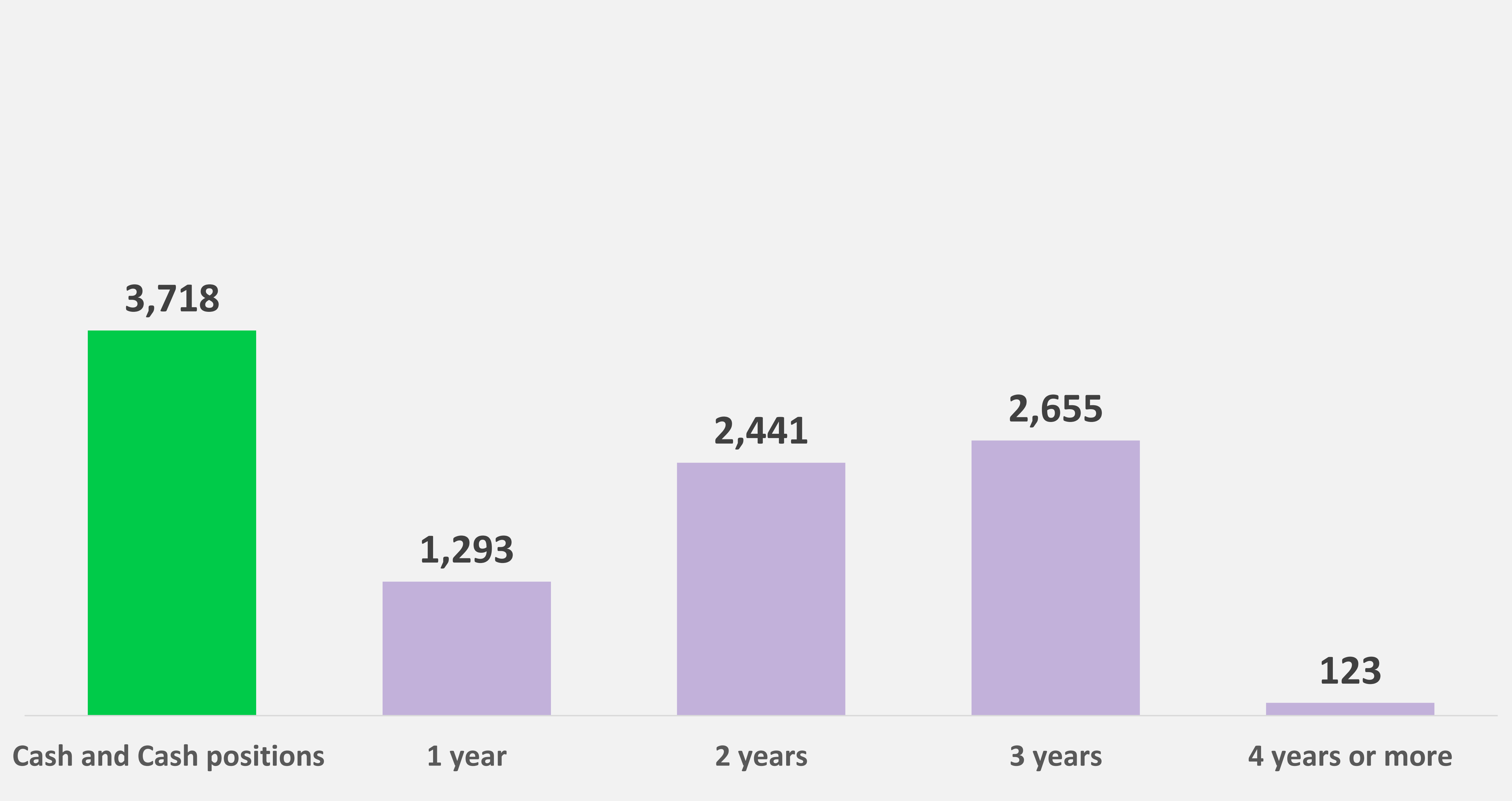
Indebtedness

- **Solid cash position** of R$ 3.7 billion
- Net debt of R$ 3.0 billion
- **Net debt / adjusted EBITDA of 2.13X,** according to the new criteria of adjusted EBITDA, excluding the extraordinary PDA add-ons carried out in 2020

Net Debt and Adjusted EBITDA[1] (R$ million)



Debt Amortization Schedule[2] (R$ million)



Leverage under control, and heading for an inflection point

Solid cash position and preserved operating cash generation potential

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

In summary:

Net Revenue:	**- 5%**	⬇ On-campus Graduation ⬆ Digital Graduation ⬆ Vasta		
Recurring EBITDA :	**+ 173%** From: R$ 121 million To: R$ 320 million	+ Digital Undergrad Students	→	Increased profitability
		+ Timely Payments	→	Lower PDA
		+ Turnaround Campus	→	Lowe cost/expense
		+ Digital Marketing	→	Lower expenditure
OCG Post-Capex (semiannual)	From: - R$ 2 million To: + R$ 197 million	✓ Positive Impacts on Operating Results ✓ Lower Working Capital Consumption and Higher Receipt ✓ Lower Capex		

Perspectives

kroton

- **Kroton will continue to grow strongly in digital**, resuming the trajectory of increasing profitability and with a light balance sheet. Mix still pressures revenue in the second half of 2021, with actions that mitigate the impact of this reduction in margin
- With 50% completion, the 2nd semester business cycle perspective **shows significant growth** in the upfront, **both On-campus** and **DL**
- **Kroton Transformation Program (PTK)** will replace the entire set of systemic applications that support Kroton's activities, putting Kroton's student experience to another level

VASTA EDUCAÇÃO

- Commercial cycle with 50% completion gives indications of **significant organic growth for ACV 2022**
- **Integration with Eleva complements organic growth** by enhancing Vasta's growth
- 3 recent acquisitions, 2 relevant partnerships and internally developed services reinforce the Plurall Platform and the offer of complementary services, and this **strategy should be continued: to place new services on the platform, via acquisition, partnership or development**
- **New go-to-market focused on subscription contracts** makes the company more resilient

cogna EDUCAÇÃO

- **Expectation of completion of the sale of Saber** to Eleva by the end of 2021
- **B2C Education Platform in structuring process,** with contracted team and in operation with **go-to-market expectation in the first half of 2022**

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