Cogna Educação S.A. and Subsidiaries

Individual and consolidated financial statements for the year ended December 31, 2021

KPDS 1037162

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MANAGEMENT REPORT 2021

To the Shareholders,

In compliance with legal provisions, the Management of Cogna Educação S.A. – "Cogna" or "Company" – is pleased to present the Management Report and the Financial Statements of the Company for the fiscal year ended December 31, 2021, compared to 2020. The consolidated financial statements were prepared and are being presented as the accounting practices adopted in Brazil, including the pronouncements issued by Accounting Pronouncement Committee (CPC). Additionally, they were also prepared and are being presented according to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

ABOUT COGNA EDUCAÇÃO

Cogna Educação is one of the largest private educational organizations in the world. In operation for over 70 years, the Company is present in all the states of Brazil and in the most different segments of education, with a complete platform of services and content offered in different business models. At the end of 4Q21, Cogna had 804 thousand In-Person and Digital Undergraduate students in Kroton vertical and 57 thousand Graduate Course students in Platos vertical, served through 124 own Higher Education units and 2,517 accredited Digital Learning hubs. In Basic Education, Vasta closed the quarter with 1.5 million students served by approximately 5.5 thousand associated schools using core and complementary content solutions.

NOTE

The Company's operating and financial information for 2021, unless otherwise indicated, is presented based on consolidated figures, including continued and discontinued operations, in reais, in accordance with the Brazilian corporate law and practices adopted in Brazil, already in compliance with the international accounting standards (IFRS), whose comparisons are based on the same period in 2020.

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

The Company presents its financial results considering the results of the segment own Saber Schools as a discontinued operation, considering that on October 29, 2021, the sale of the Schools to Eleva was completed, as disclosed in 2020.

MESSAGE FROM THE BOARD

FINANCIAL HIGHLIGHTS

- **Operating cash generation (GCO) in the quarter grows 78.3%. In the year, GCO more than doubled**, reaching R$ 494 million, 105.6% above the previous year.
- **Recurring EBITDA of R$424 million with a margin of 27.3% in the quarter** brings Cogna to a new level of profitability. **In the year**, the Ebitda margin went from 11.7% in 2020 to 25.6% in 2021, **a strong growth of 14 percentage points**.

- **Net revenue of R$1.6 billion in the quarter**, a 5.6% decrease compared to the same period of the previous year due to the conclusion of the sale of Saber's schools on October 29, 2021, and the change in the mix, with a greater share of hybrid/digital learning in higher education, in line with the strategy of exploring digital learning as one of the paths for growth. Cogna's revenue reduction was partially offset by the strong performance of Vasta (+16%) and other business operations (+25%).
- **Strong reduction in Adjusted Loss from R$589 million in 4Q20 to R$75 million in 4Q21, reflecting the improvement in operating results**. The year 2020 was subject to the effects of the allowance for doubtful accounts and the higher volume of non-recurring items (specifically pressured by the restructuring at Kroton). Even excluding these effects, we are R$99 million better in relation to 4Q20.
- **Net debt/recurring EBITDA for the last 12 months remains stable at 2.16x**, keeping leverage at a very healthy level and in line with 3Q21, which was the last quarter of the waiver in the calculation of covenants.

COGNA

A natural, articulated and planned transition process

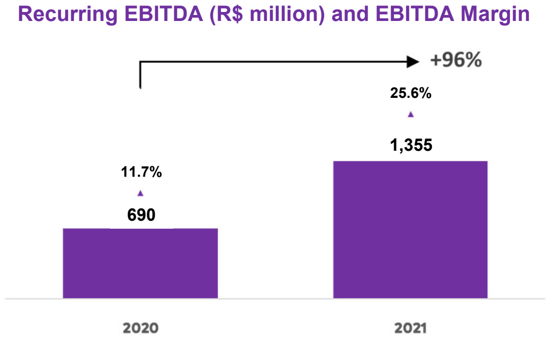
After a long period of preparation, Cogna announced changes in its management. As of March 28, the executive Rodrigo Galindo will leave the role of CEO of Cogna Educação to become the Chairman of the Board of Directors, aimed at focusing on strategic issues related to the continuity of the company's digital transformation. The intention to focus on strategic topics dates back to 2018, but in 2020 the discussions were suspended due to the pandemic. However, the positive results of 2021, with high profitability, strong cash generation and good prospects for future years allowed to implement the planned plan. Roberto Valério takes office as CEO of Cogna. Valério joined the group in 2014 and has been leading, very successfully, the transformation of Kroton in recent years – especially the turnaround process implemented between 2020 and 2021, which brought the company back to high levels of profitability.

The company and its top executives buying shares is an indicative of confidence in the future

Reinforcing the company's and executives' confidence in future results, on February 10, 2022 we announced the approval of **Cogna's stock repurchase program, in the total amount of R$ 250 million, in addition to an individual investment plan in Cogna's shares** by three of Cogna's top executives: Rodrigo Galindo, Roberto Valério and Frederico Villa. It is important to emphasize that the executives' investment plan is a personal decision, carried out with their own resources, without any type of support, aid or benefit granted by the company. It refers to a purchase of shares in the market, following the rules of CVM Resolution 44/21 and Cogna's Share Trading Policy.

Cogna reaches another level of profitability (25.6% of Recurring Ebitda margin). Recovery strategy adopted brought concrete results

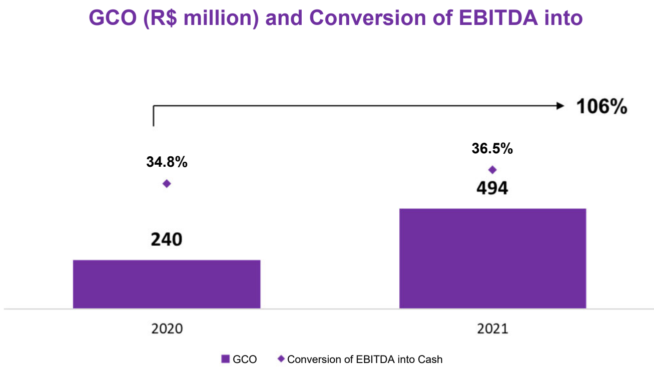
In line with the message from the Board of Directors for the 4th quarter of 2020, after the impacts of the pandemic, we chose to make the necessary changes in 2020 to put the company in a new path of generation of value in 2021. Today we are capturing the good results from this choice, **presenting a recurring EBITDA of R$1,355 million, an increase of 96% compared to the previous year with a margin of 25.6% (14 p.p. above 2020)**.



Even excluding the adjustments of allowance for doubtful accounts made in 4Q20, the Ebitda in 4Q21 grows 23%, representing a growth of 690 basis points in the recurring Ebitda margin.

Focus on cash generation

Ebitda growth is important, but Ebitda without cash generation is not enough, therefore, one of the most relevant messages of this disclosure of results is that **cash generation in 2021 more than doubled**. The company generated R$494 million of cash after all investments, 106% above the previous year with a conversion of EBITDA into cash of 36.5%.



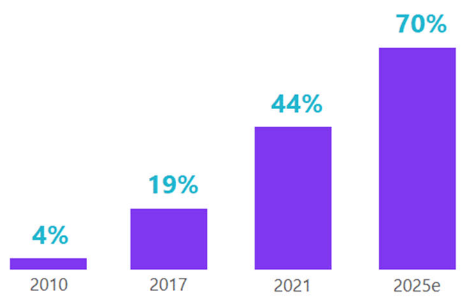
Solid Balance and Adequate Leverage

With the results presented and the strong cash generation mentioned, the net debt/recurring EBITDA ratio for the last 12 months closed the year 2021 with a leverage of 2.16x. Additionally, we highlight that Cogna maintains a solid liquidity position, with R$ 4.0 billion of cash at the end of December 2021, with the ability to amortize short-term debts without new funding.

Sale of Saber reinforcing asset light strategy
To generate future value, Cogna consistently follows its strategy: "increase profitability, prioritizing asset light business models, with greater growth potential and higher ROIC". We concluded the sale of Saber schools to Eleva in October, a transaction that included the purchase of Eleva education system by the subsidiary Vasta, in line with the company's strategy.

Cogna Levers of Growth
As we presented at Cogna Day 2021, we focused on asset light businesses, which have growth potential and generate more return on invested capital, and we are implementing this strategy through the following levers of growth: **hybrid and digital learning, medical education and platform business**. It is important to note that this movement has been carried out within the company over the last few years, especially after the digital transformation started in 2017. In 2022, more than half of the company's revenue will relate to Hybrid and Digital Learning, Medical Education and Platform Business, which are expected to **represent 70% of Cogna's NOR in 2025.**

Hybrid and Digital Learning, Medical Education and Platform Business are expected to represent 70% of Cogna's NOR in 2025



Kroton

THE SUCCESS OF THE BIGGEST RESTRUCTURING IN KROTON'S HISTORY

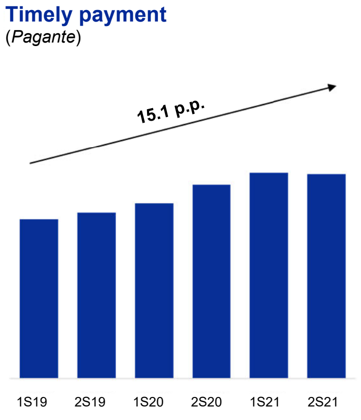
Optimization of costs and expenses
The completion of Kroton's turnaround operation, which started in 2020, brought relevant and lasting gains to the company. With the complete overhaul of our campuses, adjusting the physical infrastructure and expanding our partner hubs, we have improved in the main lines of costs and expenses: **Personnel** with the transition of a significant part of the portfolio from in-person to distance learning at our own units, new academic model and with the maturation of 40% of distance learning in in-person courses, we reduced this expense by 15% in the year; **Rent** with the turnaround of the campus channel, migrating part of the operation to partners and optimizing the physical space, in addition to rent renegotiations; and **Marketing**, which was the line of expenses that had the greatest evolution, with a reduction of 23% in 2021. The migration from offline to online media, combined with the increased sophistication of digital marketing strategies, allowed for both a reduction in expenses and a growth in the volume of funding, which allows Kroton to have **the lowest Client Acquisition Cost (CAC) in the sector**.

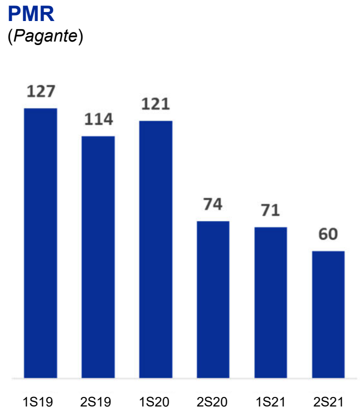
Effective management of Accounts Receivable and improved timely payment support the strategy to focus on cash generation

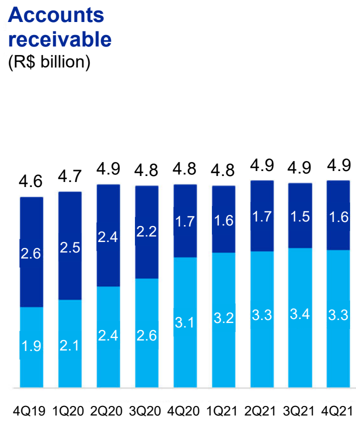
In addition to the aforementioned operational turnaround, 2020 also marked a major restructuring of the company's accounts receivable, but we had to maintain the discipline to keep accounts receivable healthy. The 2021 indicators of the AR Coverage Ratio, Average Payment Term and Net Accounts Receivable make it clear that the company maintained the discipline in the management of its accounts receivable.

Several actions were implemented to increase timely payment, such as the following examples: i) focus on the analysis of student engagement, early identifying disengaged students (no show), excluding them from revenue, avoiding the generation of low quality AR; ii) actions to increase collection efficiency, with new processes and systems; iii) discontinuation of the special private installment program (PEP); iv) revision of the model of the late enrollment program (PMT), which started to offer a payment in installments to students over the academic period and no longer at the end of the course, increasing timely payment.

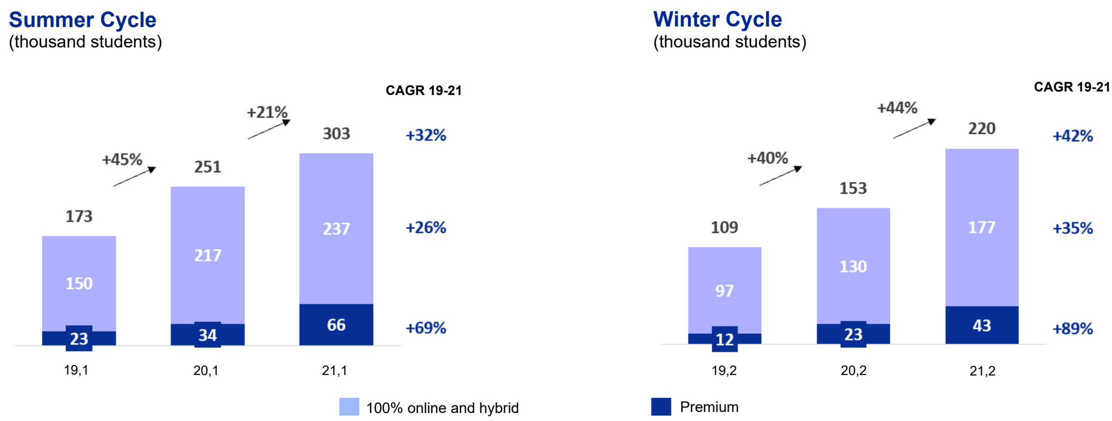
The measures implemented were essential to present the result we have today: even with the deterioration of the country's macroeconomic scenario over the last few years, we managed to present an increase in the timely payment rate (15 p.p. since 2019), a significant reduction in the average payment term for paying students from 127 days to 60 days and, consequently, a significant increase in the company's cash generation.







Digital/Hybrid Learning as a strong lever of growth
In line with Cogna's strategy and following one of the growth paths mentioned above, distance learning continues to show significant growth due to the acceleration of Higher Education digitalization, expansion of the network of hubs and new courses. This growth has been consistently occurring in recent funding cycles, **with a CAGR of 32% since 2019, both for the summer and winter cycles.**



In addition to the already known products, last year we launched Ampli, and the commercial partnership with TIM has already shown the first positive results, with average **monthly growth of 20% in the student base**, considering the second half of 2021.

To sustain the aforementioned growth of distance learning, we focused heavily on expanding partner hubs, **reaching 2,517 hubs and exceeding, in 2021, the expansion goal for 2022** (2,300 hubs). Currently, our partner network has a large number of experienced economic groups, **79% of the hubs belong to economic groups with more than one unit, which shows the strength and sustainability of the business model**.

Despite the great expansion presented in digital learning, it is important to mention that the Campus continues to play a very important role in our business, as it is the channel through which all the Company's Higher Education products transit: In-person, 100% digital distance learning, Premium, Hybrid and Graduate Course.

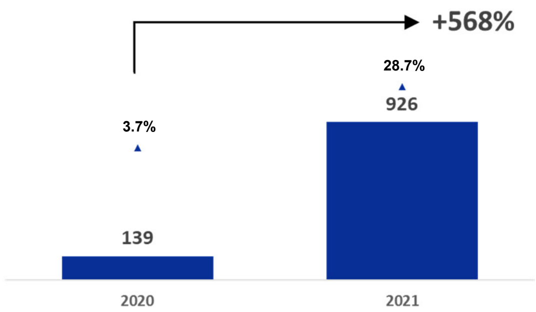
Opportunity in medical education and the like: KrotonMed
Another relevant growth path for Kroton is medical education, which was presented in more detail at the last Investor Day. As of the 1st quarter of 2022, we will present operational and financial indicators related to KrotonMed. We currently have 7 premium Higher Education Institutions (HEIs) that offer in-person courses in medicine and we are concluding a corporate carve-out of this operation, as we understand that the profile of the student, with average monthly fee for the medical course around R$9.7k/month, demands a differentiated positioning and treatment. We estimate that this new company will have, in 2022, a net revenue of R$482 million, a recurring EBITDA of R$224 million (~75% of the EBITDA related to medical undergraduate courses) and a margin of 46.5% in the first year of operation. In operational terms, KrotonMed estimates that it will offer 636 places in medical courses in 2022 and it sees a potential to increase to 876 places, totaling 5,250 students, a growth of +75% in relation to the number estimated for 2022.

Additionally and in line with our organic growth strategy for KrotonMed, in December 2021, the Secretariat for Regulation and Supervision of Higher Education (MEC) authorized the commencement of activities for the medical course at Faculdade de Ciências da Saúde Pitágoras de Codó (MA) and, in February 2022, we received the authorization for Faculdade Pitágoras de Bacabal (MA). These authorizations are in line with the projection of results for 2022 for medical education.

Kroton reaches new level of profitability

Finally, with all the actions mentioned above, we strongly believe that we have put **Kroton back on the path to profitability** and the proof of this is that we presented an **EBITDA margin expansion of 25 percentage points, closing the year with a margin of 29%**. Additionally, **we delivered a Recurring EBITDA of R$926 million in 2021, 568% above** the previous year even with the reduction in Net Revenue. Even excluding the extraordinary effects of allowance for doubtful accounts in 4Q20 (R$ 415 million), Recurring EBITDA grew more than 65%. Kroton has repositioned itself in terms of profitability and will maintain its positive performance in 2022.

Recurring EBITDA (R$ million) and EBITDA Margin

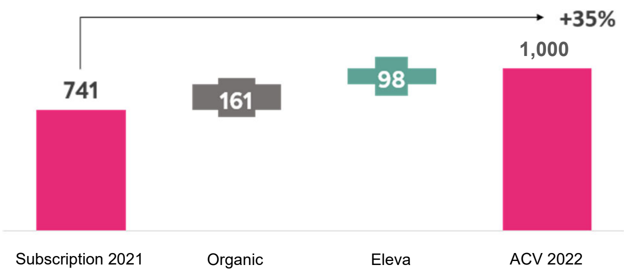


<u>Vasta</u>

ACV 2022 reaches 1 billion, growth of 35%

The 2022 business cycle (4Q21-3Q22) marks the beginning of a new chapter in Vasta's history. After a year affected by the pandemic in 2021, we concluded the 2022 business cycle with an Annual Contract Value (ACV) of R$ 1.0 billion, which represents a 35% growth in relation to the subscription revenue recognized in 2021. Considering the organic result (excluding the ACV related to the acquisition of Eleva Teaching Platform), the ACV 2022 represents an organic growth of 22% in relation to the subscription revenue of 2021.

ACV 2022 (R$ million)



Complementary solutions once again presented the highest growth rate among business segments (47% in relation to the subscription revenue for 2021), showing that Vasta has successfully captured the strong cross-selling potential offered by its large client base in the core business. For 2022, the go-to-market focused on converting PAR clients to Traditional Learning Systems or Digital Platforms, both with a subscription model that proved to be much more resilient. Consequently, the PAR's ACV reduced 29% in relation to the subscription revenue for 2021. In general, traditional education systems (including the recently launched Digital Books Platform and excluding Eleva) organically grew 31% over the subscription revenue for 2021. In summary, we have a higher and better quality ACV.

Amounts in R$ million	ACV 2022	2021 [1] Subscription Revenue Cycle	% p.a.
Traditional Education Systems	720	551	31%
Supplementary solutions	92	63	47%
PAR	90	127	-29%
Organic ACV	**902**	**741**	**22%**
Eleva Platform	98	-	-
Total ACV	**1,000**	**741**	**35%**

(1) Subscription revenue collected between 4Q20 and 3Q21.

Net revenue grows 16% in 4Q21 and guidance for 1Q22 indicates growth of 32%
Net revenue for 4Q21 already shows significant growth of 16%, driven by a 22% growth in subscription revenue.

Considering that the current quarter is almost concluded, the company presents today a net revenue guidance for 1Q22 of R$ 370 million. **In 1Q22, Vasta is expected to have a net revenue growth of 32%** compared to the same period in 2021. This growth derives from both subscription products (31% growth) and non-subscription products (33% growth).

This significant revenue growth is the result of a combination of factors: i) maturity in the go-to-market process, ii) quality and diversification of Vasta's multi-brand portfolio, iii) strength of the company's digital platform, Plurall, which remains the undisputed leader in terms of traffic in Brazil and digital transformation support for K-12 schools and iv) quality of products and services, represented by students' highest pass rate in the main Brazilian exams.

The strong revenue growth forecast for 1Q22 repositions Vasta as a high-growth company and takes the company to another level of profitability and cash generation in the 2022 business cycle.

Acquisition and integration of Eleva Platform

At the end of October, Vasta concluded the acquisition of Eleva teaching platform, the 6th largest education system in Brazil and one of the most renowned. With Eleva transaction, we completed 5 acquisitions in the period of 1 year, in line with the IPO plan.

In addition to the acquisition, Vasta and Eleva group (schools) signed a commercial agreement, valid for 10 years, for the supply of teaching material by Vasta to Eleva group schools.

In November, we started the integration of Eleva platform and the main milestones were: the definition of a new organizational structure, the integration of the commercial, editorial and digital team, and the boarding of Eleva students onto Plurall platform. Once the commercial team has been integrated, Eleva platform will be part of the go-to-market for the new sales cycle about to start (formation of ACV 2023) and Vasta will be able to explore the full commercial potential offered by Eleva platform.

Brand strength generating partnerships and new products

The strength of Vasta's brands and the relevance of Plurall platform, which reaches more than one million students daily, has generated important partnerships and new products for the business. Throughout 2021, it attracted important partners, such as:

- Colégio Fibonacci, which for years is among the 10 schools with the best performance in ENEM, which led to the launching of Fibonacci Teaching System. This new product strengthens Vasta's presence in the premium market in Minas Gerais, the second largest in the K-12 segment;
- Instituto Presbiteriano Mackenzie, which signed with Vasta a distribution agreement for Mackenzie Teaching System. This product represents a new growth path for Vasta in the segment of religious schools;
- EdTechs from around the world offering complementary educational solutions through Plurall Store.

Additionally, we have strengthened our current partnership with Macmillan, one of the largest and most respected English-language publishers in the world. The English product (English Stars) was reformulated, offering, as of the 2022 sales cycle, many more possibilities for partner schools in terms of workload and curriculum.

Plurall Meu Prof and Plurall Adapta: starting the journey in B2B2C

In this fourth quarter, Vasta recorded the first sales of Plurall MeuProf (private lessons) and Plurall Adapta (adaptive education), its first products transacted directly with students from partner schools (hence the term Business to Business to Consumer, B2B2C). Developed in-house, these platforms are available to the entire Plurall community and are starting to gain awareness among students. With the addition of this relevant market, Vasta considerably increases the size of its total addressable market (TAM).

<u>Macroeconomic environment</u>

The year 2021 was challenging from the economic point of view, with the evolution of the biggest pandemic in recent history and the worsening of the scenario for the global GDP, in addition, the level of inflation, measured by the Broad Brazilian Consumer Price Index (IPCA), was outside the target established by the Federal Government, totaling 10.06% in 2021. There were also a series of increases in the basic interest rate in 2021, from 2.00% at the beginning of the year and closing the year at 9.25%.

On the positive side, the GDP closed 2021 at 4.6%, reversing the previous year's drop of 3.9%, with GDP per capita rising 3.9%. Finally, there was also an improvement in the Brazilian labor market, despite unemployment rate still at high levels, reaching 11.2% at the end of the year.

Historically, considering the relevance that Kroton, a higher education B2C vertical, has for Cogna, the profile of students served and the high level of unemployment, there is also a significant impact on the Company's operations, with a reduction in in-person learning of 18.7% in number of students. On the other hand, Distance Learning showed a significant growth of 14.2%, consolidating the growth of the student base of 4.4% in this business line.

Vasta segment, which is Cogna's B2B vertical, whose revenue derives mostly from the sale of Teaching Systems and books to schools, had the greatest impact of the pandemic in 2021, due to the migration from private schools to public schools in that year, because of the economic crisis and unemployment.

Operating performance

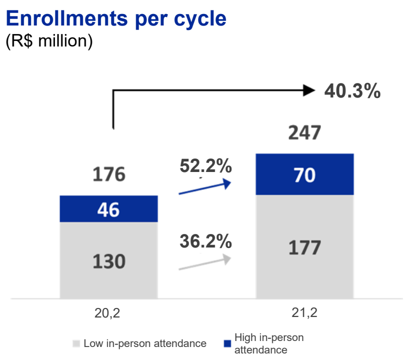
Kroton

In the Higher Education segment, the Company closed the year 2021 with 860,544 enrolled students, of which 804,144 attended in-person and distance-learning Undergraduate courses and 56,400 attended in-person and distance-learning Graduate courses. This number represents a growth of 5.2% in the annual comparison. The undergraduate students base increased by 4.4% compared to 4Q20. The reduction in the in-person learning base was offset by the expansion of the digital learning base, evidencing the focus on the digitalization of higher education.

Specifically in Digital Learning, we maintained the pace of expansion of Distance Learning Hubs observed during the year, reaching 2,517 units. Such growth is in line with the company's strategy and brings positive prospects for student enrollment in the coming cycles and growth of the total student base in the coming years. Most of these new hubs are Light Hubs, a category of hubs with less physical space, less need for investment by the partner (therefore, requiring fewer students to be viable) and which have a relevant commercial function in cities or regions that were not previously covered.

Finally, our student base in undergraduate digital learning corresponds to 76.8% of our total student base, against 70.2% in 2020. This evolution is the result of the **hybridization/digitalization of higher education**, a movement that was accelerated by the pandemic, but that has already been an important focus since the beginning of the digital transformation that Kroton started in 2017.

Despite being considered distance learning courses from a regulatory point of view, the Premium distance learning (hybrid) courses have a high load of in-person activities, including laboratory activities, therefore, we present below the evolution of the attraction of students to courses with a high rate of in-person attendance, including in-person courses and Premium distance learning:



It is therefore evident that we already have resumption in the growth of courses with greater in-person attendance in the attraction of new students.

Regarding In-Person Learning, the in-person student base decreased 18.7% compared to 4Q20, but the dropout rate remained at the same level as the previous year, showing a sign of stabilization of the student base from now on. In line with the strategy presented in the past, we continued with the migration of courses with lower LTV to the digital regime, prioritizing courses with higher LTV in the in-person learning.

Vasta

According to a Material Fact disclosed at the beginning of the year, the Company announced a 35% growth in its subscription revenue or ACV (Annual Contract Value) for 2022. This important milestone is the result of a successful combination between the maturity of the go-to-market process, the quality of the seals that comprise our multi-brand strategy and the strength of its digital platform, Plurall, which has proven to be essential and transformative for schools to maintain their academic activities during the pandemic, enabling Vasta to record in this cycle one of the highest rates of agreement renewal ever recorded in its history, including a high organic result and the acquisition of Eleva.

Considering all these initiatives, the growth outlook for Somos services in the coming years is very positive. In addition to the growth of the current services, the company has been able to successfully implement new services on the Platform, such as one related to interactive games to support teaching of mathematics and another aimed at computational thinking and creative entrepreneurship to better prepare young people for the professions of the future. These are examples of after-hour services that, when incorporated into the Platform, are immediately available in more than 5,350 associated schools, considerably increasing the potential for cross-selling. If the current portfolio of solutions already allows for a considerable expansion of penetration in Brazilian private schools, the increase in the number of services has everything to boost future results even more.

Financial performance

Unless otherwise indicated, the financial data used to prepare the following analyzes reflect Cogna's consolidated results for 2021, when compared to the corporate results for 2020.

- Gross and Net Revenues – Cogna's gross revenue for fiscal year 2021 was R$6,328.3 million, a drop of 9% in the annual comparison due to the decrease in revenue in Kroton vertical, linked to the reduction in the Higher Education student base, in addition to the reduction in Vasta, partially offset by the good performance in Vertical Others (PNLD and Public) in the period. Net revenue for 2020 totaled R$4,778.0 million, a drop of 9.3% compared to 2021, following the trend shown in gross revenue.

- Costs of Products Sold and Services Rendered – the Company's costs totaled R$ 1,903.7 million, equivalent to 39.8% of net revenue, an increase of 2.89 p.p. compared to 2020 and related to the decline in consolidated revenue, in line with the 2.2% increase in the absolute values of the accounts comprising the caption. The costs of services rendered represented 29.5% of net revenue against 28.4% recorded in 2020.

- Gross Profit and Gross Margin – the gross profit for 2021 reached R$2,874.3 million, with a gross margin of 60.2%, a decrease of 13.5% and an increase of 2.89 p.p., respectively, compared to 2020.

- Operating Expenses – operating expenses reached R$2,795.9 million in 2021, representing 58.5% of net revenue for the period against 124.5% of net revenue in 2020. Operating expenses are broken down into three broad lines:

- General and administrative expenses are derived from the business segments and mainly include expenses with administrative personnel, consulting, travel and third-party services. These expenses amounted to R$1,662.1 million in 2021, or 34.8% of net revenue, an increase of 3.6 p.p. compared to 2020.

- Sales expenses: are expenses with commercial, advertising and marketing team. In 2021, this group of expenses totaled R$570.7 million, 11.9% of net revenue, a reduction of 0.5 p.p. in the annual comparison.

- Allowance for doubtful accounts (PCLD): in 2021, this group totaled R$ 537.6 million, 11.3% of net revenue, a reduction of 19.8 p.p. compared to 2020, mainly due to the various extraordinary launchings made in 2020.

- Asset impairment losses totaled R$2,050.4 million in 2020 and zero in 2021.

- Other Operating Revenues/Expenses/Equity Pick-Up: the result of these lines was negative R$27.1 million in 2021, or 0.6% of net revenue for the period, against negative R$576.9 million in 2020.

- EBITDA – in 2021, the Company's EBITDA (after deducting non-recurring expenses) was R$1,354.7 million, 96.4% higher than in 2020 and representing 25.6% of the net revenue for the period, due to the aforementioned factors, mainly the improvement in the results achieved in Higher Education. The Company's EBITDA was R$1,282.3 million.

- Indebtedness – Cogna closed the year 2020 with a net debt of R$3,100.4 million, an increase of 5.9% over the previous year, maintaining healthy and conservative levels of cash and 11.5% lower than the previous year.

- Financial Result – the financial result was negative R$583.8 million against negative R$598.7 million recorded in 2020, at the same level as the previous year, even considering the increase in interest rates during the year and the small cash reduction. Nevertheless, the current level presented is in line with the higher level of indebtedness expected by the Company after the acquisition of Somos and will have a direct impact on the company's Net Income over the next few years.

- Income Tax and Social Contribution – Income Tax and Social Contribution totaled positive R$43.8 million, 0.9% of net revenue, a reduction of 3.0 p.p. in the annual comparison.

- Net Income – the net loss for 2021 totaled negative R$ 513.0 million, with a margin of -10.7%, compared to a net loss of negative R$ 5,805.8 million and a net margin of -110.2% in 2020, reflecting the improvement in the results of the operating segments and the extraordinary recognition of impairment losses on the goodwill of business units, as well as the higher levels of provisions that the Company recognized throughout 2020.

- Investments – Cogna's total Capex was R$396.1 million, representing 8.3% of net revenue for the period, 0.1 p.p. lower compared to 2020. Most of Capex was allocated to projects for the development of content, systems and software licenses, in line with the expansion and maturation of the portfolio of Higher Education in recent years, mainly with the maturation of courses in the areas of Engineering and Health and the new Premium Distance Learning courses, in addition to all the renewal of content for Basic Education. Accordingly, it is important to mention that after the incorporation of Somos, the Company started to make editorial investments for the production of teaching materials already incorporated into Capex. Another important expenditure was directed to the expansion project, with works and improvements in the existing units aimed to better prepare them for the 2021 academic year to meet the students' expectations, in addition to adapting them for the maturation of the portfolio of courses that have been implemented in recent years.

We present below the table for reconciliation of Ebitda to Adjusted Ebitda:

	Consolidated	
	12/31/2021	**12/31/2020**
Loss for the year	**(512,985)**	**(5,805,800)**
Income tax and social contribution - Note 27.1	43,845	209,218
Financial income (loss) - Note 34	(583,772)	(598,694)
Depreciation – Note 33	(953,161)	(1,009,806)
(-) Discontinued operations	**(160,968)**	**(264,004)**
Income tax and social contribution - Note 4	(5,484)	(45,865)
Financial income (loss) - Note 4	(63,564)	(74,944)
Depreciation – Note 4	(91,920)	(143,195)
Accounting EBITDA	**1,141,071**	**(4,142,514)**
(+) Interest and arrears on monthly payments - note 34	140,686	130,000
(+) Discontinued operations	**585**	**692**
(+) Interest and arrears on monthly payments	585	692
Management EBITDA	**1,282,341**	**(4,011,822)**
(-) Non-recurring items (i)	(298,708)	(5,074,442)
Reversal of contingencies - BA	226,393	372,968
Recurring EBITDA	**1,354,656**	**689,652**

Corporate Governance, Investors Relations and Awards

The Company's shares - "COGN3" - are listed on B3's Novo Mercado, a segment with the best Corporate Governance practices, thus reiterating its commitment to the financial community and to all the shareholders.

Regarding the Board of Directors, the Company continues to have a high level of experience in the educational market, which is an outstanding feature of the company. Currently, the Board of Directors has 6 members, 3 of which are independent in accordance with the applicable legislation, increasing corporate governance standards in line with the best market practices.

Additionally, the Advisory Committees established in 2019 remained active, as follows: “Audit and Risk”, “People and ESG”, “Finance and M&A”, and “Strategy and Innovation”. The main role of the committees is to provide the Board of Directors with the elements and information necessary for the decision-making process and to support the Executive Board in the policies approved by the Board of Directors.

Cogna also has a Fiscal Council with 4 members responsible for, among other duties, inspecting Management's activities, reviewing the Company's financial statements and reporting its conclusions to the shareholders. Finally, Cogna also has a Control, Audit and Compliance Department whose main purposes are (a) to map and manage the risks to which the Company is exposed, (b) to carry out independent audits in the business areas, (c) to apply all compliance practices through policies, rules and procedures, (d) to manage and investigate reports made by through the whistleblower channel and (e) to monitor strategic risks related to Information Security with the Internal Audit area and the Security Committee of Information and Risks. These instruments establish the basic operation guidelines expressed by Top Management in compliance with the integrity standards and values.

Always ensuring transparency and diligence in communicating with the financial community and disclosing Cogna's results and strategy, the Investors Relations (IR) area attended more than 30 events with analysts and investors in 2021, including conferences and virtual non-deal roadshows in Brazil and abroad, in addition to presentations for analysts and investors and our own events, such as our Investor Day. Additionally, hundreds of meetings and conference calls have been held.

In recognition of this work, the Company was again awarded by ItFórum - The 100+ Innovative Companies in the Use of IT - Education Category (Somos Educação) - 1st place in Education, Valor Inovação Award - Cogna - 2nd place in the Services sector, Open Corps Award - TOP 5 Education Service - Cogna - 1st place in Education, TOP 20 Award – Exame's Biggest and Best - Cogna - 1st place in Education, Score 9 - Companies that stood out in ESG within their sectors - Estadão Empresas Mais - 2nd place in Education, Top Brands Award Londrina Unopar - 1st place - Distance Learning, Top of Mind 1st place | Private University, Pitágoras Divinópolis Institutional Investor Award – Latin America Executive Team 2021, Winners Index Award 2021 Overall - 3rd place, Best CEO – Rodrigo Calvo Galindo, 3rd place nominated by Sell Side and Buy Side and General analysts, Best Investors Relations Program | 3rd place, nominated by Sell Side and Buy Side and General analysts, Best Investors Relations professional – Bruno Giardino, 2nd place nominated by the Sell Side (3rd) and Buy Side (2nd) and General (2nd) analysts, Best Relations team with Investors | 2nd place named by Sell Side (3rd) Buy Side (2nd) and General (2nd) analysts, Best General Investor Day - 3rd place Best ESG/SRI Metrics – General, and 3rd place in Crisis Management against COVID-19 Overall.

Capital market

SHAREHOLDING STRUCTURE

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

Shareholding structure - Cogna*	Quantity	%
Treasury	2,860,602	0.15%
Free Float	1,873,745,608	99.85%
Total	**1,876,606,210**	**100.00%**

* Position on 12/30/2021.

PERFORMANCE OF SHARES

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

In 4Q21, the Company's shares were traded on 100% of the trading sessions, with a trading volume of R$6.2 billion and an average daily trading volume of R$38 million. Currently, Cogna shares are monitored by 15 different local and international (research) brokerage firms. As of December 30, 2021, Cogna's market value was R$ 4.6 billion.

Throughout 4Q21, Cogna's shares had a 16.0% devaluation, while the Ibovespa dropped 7.2%. In the same period, the ITAG depreciated 12.2%. The IGC, on the other hand, depreciated 13.0% while the ICON dropped 20.4%.

Highlights - COGN3	**4Q21**
Average Daily Trading Volume	R$38,379,362.30
Maximum (R$ per share)	R$ 3.15
Minimum (R$ per share)	R$ 2.35
Average (R$ per share)	R$ 2.65
Closing price	R$ 2.46
Changes for the period (%)	-16.0%

Shareholders' remuneration

Cogna's Bylaws provide for the distribution of mandatory dividends of 25% of net income, adjusted by deductions and additions provided for in art. 202, II and III of the Brazilian Corporation Law. Due to the net loss in the period and the circumstances imposed by Covid-19, dividends were not distributed in 2021.

ESG | ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The year 2021 consolidated initiatives related to environmental, social and governance aspects at Cogna which do not only point to the path we expect to take in the coming years, but also show the results of the investments made and the consolidation of our ESG strategy and the influence of this agenda on Company.

The maturity of our practices in line with the ESG strategy culminated in the launching of "Cogna Commitments for a Better World", a public manifesto resulting from our reflection on the challenges and opportunities in which the Company should continue to advance, such as diversity and urgent global demands in which we believe we have the potential to contribute, such as social inequality, which is so present in Brazil, and the advance of climate changes. Thus, we defined 14 goals, with targets to be achieved between 2022 and 2025, in three pillars: Balance between People and Nature; Education, Diversity and Human Rights; and Governance and Integrity.

The construction involved the mapping of all the Company's actions and a diagnosis of the company's maturity in a participatory process. The goals and targets were approved by the Board of Directors. In addition to public commitments, there are internal targets for us to advance in other aspects in the coming years. We also built ten new policies over the year, reviewed 15 and carried out more than 20 benchmarks for priority topics.

Another advance that influenced this agenda was the formal linking of the ESG agenda within the scope of the Board of Directors, through the creation of the People and ESG Committee. This strengthened the sustainability strategy in all business units and should gain even more momentum with the implementation of ESG criteria in the remuneration of leadership, another of the challenges provided for in Cogna's Commitments for a Better World.

Check out below the main highlights of 2021:

- ✓ Higher transparency with a website dedicated to the Company's ESG journey – https://www.esgcogna.com.br/;
- ✓ Quarterly reporting of key ESG-related indicators, including quarterly releases to the market;
- ✓ Disclosure of Cogna's Commitments for a Better World – learn more at: https://www.esgcogna.com.br/compromissos/compromisso-cogna-por-um-mundo-melhor/
- ✓ Social actions, such as: community projects, programs and services affected more than 3 million people and, for every R$ 1 invested, R$ 8 was generated in benefits to the society – following the SROI (Social Return on Investment) methodology;
- ✓ Obtaining of the Women on Board (WOB) seal, an independent initiative supported by UN Women, due to the current female representation in the Board of Directors;
- ✓ In addition to our presence in the Global Compact Network Brazil, of which we have been signatories since 2010, in 2021 we formalized our adherence to the Women's Empowerment Principles (WEPs), the Forum of LGBTI+ Business and Rights and the Ethos Institute, which will allow us to share experiences and participate in important discussions of the ESG agenda;
- ✓ Creation of affinity groups in gender, ethnicity, PwDs and LGBTQIA+;

In addition to the progress monitored in the following fronts:

- Sustainalytics: Cogna is evaluated as a low-risk company, among the top 2% in consumer services; best in the Americas and 6th global position;
- MSCI: BBB rating - among the top 10% in Diversified Consumer Services;
- S&P CSA (Corporate Sustainability Assessment): above the industry average in the assessment, ranking 4th globally and 1st in comparison with Brazilian peers;
- Exame's Biggest and Best: 1st place in the Education sector, Cogna received score 9 (out of 10), within the group of companies that stood out in ESG in their sectors;
- Estadão Empresas Mais: 2nd place in the general ranking of Education, with highlight to the 1st place in the sector in the thematic rankings of Innovation, Sustainability and Corporate Governance

Independent audit

In fulfillment of CVM Instruction 381/03, we inform that KPMG Auditores Independentes Ltda. was engaged to provide the following services in 2021: audit of financial statements in accordance with accounting practices adopted in Brazil and International Financial Reporting ("IFRS") standards; and review of quarterly interim financial information in accordance with the Brazilian and international review standards for interim information (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively).

The engagement of independent auditors is based on the principles that safeguard the auditor's independence, which consist of the following: (a) the auditor should not audit his own work; (b) cannot exercise management functions; and (c) shall not provide any services that may be deemed prohibited by current regulations. Additionally, Management obtains, from the independent auditors, a statement that the special services provided do not affect their professional independence.

Arbitration clause

Cogna adopts arbitration to resolve corporate conflicts, through the Market Arbitration Chamber, pursuant to art. 44 of the Company's Bylaws.

Declaration of the Executive Board

Cogna's Executive Board declares that, pursuant to CVM Instruction 480, dated December 7, 2009, it has reviewed, discussed and agreed (i) with the content and opinions expressed in the report of KPMG Auditores Independentes Ltda., issued on March 24, 2022; and (ii) with the accounting financial statements for the fiscal year ended December 31, 2021.

Acknowledgment

Cogna's Management appreciates all the trust and support of all its Higher Education and Basic Education students, teaching institutions and partner schools, government agencies, suppliers, investors and employees, who daily help us to embark on a new era, with growth opportunities while maintaining the purpose of transforming people's lives through quality education.

For details of the analysis of our 2021 result, please visit our website:
ri.cogna.com.br
THE MANAGEMENT

KPMG Auditores Independentes Ltda.
Rua Arquiteto Olavo Redig de Campos, 105, 6º andar - Torre A
04711-904 - São Paulo/SP - Brasil
Caixa Postal 79518 - CEP 04707-970 - São Paulo/SP - Brasil
Telefone +55 (11) 3940-1500
kpmg.com.br

Independent auditors' report on the individual and consolidated financial statements

To
Board of Directors and Shareholders of
Cogna Educação S.A.
São Paulo – SP

Opinion

We have examined the individual and consolidated financial statements of Cogna Educação S.A. ("Company"), identified as Parent Company and Consolidated, respectively, comprising the balance sheet as of December 31, 2021 and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, as well as the corresponding notes, comprising the significant accounting policies and other clarifying information.

In our opinion, the aforementioned financial statements present fairly, in all material respects, the individual and consolidated financial position of Cogna Educação S.A. as of December 31, 2021, the individual and consolidated performance of its operations and its individual and consolidated cash flows for the year then ended, in conformity with accounting practices adopted in Brazil and International Financial Reporting Standards - IFRS issued by the International Accounting Standards Board (IASB).

Basis for opinion

Our audit was conducted in accordance with Brazilian and international standards on auditing. Our responsibilities, in conformity with these standards, are described in the following section denominated "Auditor's responsibilities for the audit of the individual and consolidated financial statements". We are independent in relation to the Company and its subsidiaries, in accordance with the relevant ethical principles provided for in the Accountant's Code of Professional Ethics and in professional standards issued by the Federal Accounting Council, and we comply with other ethical responsibilities according to these standards. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

The main audit matters are those who, in our professional judgment, were the most significant in our audit of current year. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and, therefore, we do not express a separate opinion on these matters.

Impairment of cash generating units that contain goodwill for expected future profitability

See Notes 2.10 and 17 to the individual and consolidated financial statements.

Key audit matter	How our audit addressed this matter
As of December 31, 2021, the Company presents, in its consolidated financial statements, significant amounts of goodwill based on expected future profitability arising from business combinations, which must be tested at least annually to identify the need to recognize impairment, according to the applicable accounting standard. The determination of the value in use of the cash-generating units (CGU) is based on estimated future cash flows, discounted at present value, which involve significant assumptions, such as: (i) EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) margin; (ii) growth rate in perpetuity; and (iii) discount rate. Due to the uncertainties and judgments related to the main assumptions used to estimate the future cash flows of the cash-generating units, which, if changed, could result in amounts substantially different from those used in the preparation of the consolidated financial statements, as well as their related disclosures, we considered this matter to be significant in our audit.	Our audit procedures included, but were not limited to: – Analysis, with the assistance of our corporate finance experts, of the main assumptions used by the Company to project future cash flows, comparing them with available market information, historical performance and previous forecasts. – Recalculation, with the assistance of our corporate finance experts, of the present value of the cash flows projected by the Company for each cash-generating unit; – Comparison of value in use with the value of goodwill based on expected future profitability of each cash-generating unit; and – Evaluation whether the disclosures in the consolidated financial statements include all relevant information. During our audit, we identified differences arising from the application of the accounting policy adopted by the Company related to the measurement of the recoverable value of cash generating units, which were not corrected, due to the Company's disagreement with them, but which were considered immaterial as they do not impact the recovery of goodwill based on expected future profitability of the cash-generating units. Based on evidence obtained through above-summarized procedures, we considered the recoverable value of cash generating units containing goodwill by future yield estimate as acceptable, as well as related disclosures, in the context of the consolidated financial statements taken as a whole.

Measurement of the provision for expected credit losses on accounts receivable from Kroton segment	
See Notes 2.5 and 9 to the individual and consolidated financial statements.	
Key audit matter	**How our audit addressed this matter**
As of December 31, 2021, the Company presents, in its consolidated financial statements, significant balances of accounts receivable generated by the sale of Kroton segment. The measurement of the provision for expected credit losses on accounts receivable from this segment (higher education) that comes from students with and without private installment payments, requires a significant judgment by the Company in determining the main assumptions, which include: (i) determination of the student's risk profile; (ii) default rates for dropouts and graduates; (iii) expected dropout of active students; and (iv) expected cash inflows for agreements with renegotiated securities. Due to the complexity and level of judgment used in determining the main assumptions for measuring the provision for expected credit losses on accounts receivable from Kroton segment, as well as the impact that any changes in these assumptions could have on the Company's consolidated financial statements, we considered this matter to be significant in our audit.	Our audit procedures included, but were not limited to: – Reconciliation of the databases of the main assumptions with the accounting balances and ancillary financial reports; – Documentary tests, on a sample basis, on the data supporting the main assumptions used to measure the provision for expected losses; – Recalculation of the models implemented by the Company to measure the provision for expected credit losses for students with and without private installment payments and comparison with the amounts recognized in the financial statements; and – Evaluation whether the disclosures in the individual and consolidated financial statements include relevant information. During our audit, we identified adjustments that, although immaterial, affected the measurement of the provision for expected credit losses for students without private installment payments, which were recorded and disclosed by the Company. We also identified adjustments that, although immaterial, would affect the measurement of the provision for expected credit losses for students with private installment payments, which were not recorded and disclosed by the Company as they were considered immaterial. Based on the evidences obtained through the procedures summarized above, we consider it acceptable to measure the provision for expected credit losses on accounts receivable from Kroton segment, as well as the related disclosures, in the context of the audit of the consolidated financial statements, taken as a whole.

Other matters

Statements of added value

Individual and consolidated statements of added value (DVA) for the year ended December 31, 2021, prepared under responsibility of Company's Management, and presented as supplementary information for IFRS purposes, were submitted to audit procedures carried out together with the audit of Company’s financial statements. To form our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in CPC 09 Technical Pronouncement - Statement of Added Value. In our opinion, these statements of added value were prepared, in all material respects, in accordance with the criteria defined in this Technical Pronouncement and are consistent in relation to the individual and consolidated financial statements taken as a whole.

Audit of financial statements for the prior year

Individual and consolidated balance sheets as of December 31, 2020 and individual and consolidated statements of income, comprehensive income, changes in shareholders' equity, cash flows and respective notes for the year then ended, presented as corresponding values in individual and consolidated financial statements for the current year, were previously examined by other independent auditors, who issued an audit report dated March 31, 2021, with no changes. The corresponding amounts related to the individual and consolidated statements of added value for the year ended December 31, 2020 were subject to the same audit procedures by those independent auditors and, based on their examination, they issued report without modification.

Other information accompanying individual and consolidated financial statements and the auditors' report

The Company's management is responsible for other information comprising Management Report.

Our opinion on the individual and consolidated financial statements does not include the Management Report and we do not express any form of audit conclusion on such report.

Regarding the audit of individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is, in a material way, inconsistent with the financial statements or with our knowledge gained in the audit or otherwise appears to be materially misstated. If, based on the works performed, we conclude that there is a material misstatement in the Management Report, we are required to disclose this fact. We do not have anything to report on this respect.

Responsibilities of management and governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with Accounting Practices Adopted in Brazil and with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In the preparation of individual and consolidated financial statements, Management is responsible for assessing the ability of the Company to continue as a going concern, disclosing, where applicable, the matters relating to its going concern and the use of this basis of accounting in preparing the financial statements, unless Management intends to wind-up the Company and its subsidiaries or cease its operations, or has no realistic alternative to avoid the closure of operations.

Those charged with governance of the Company and its subsidiaries are the people responsible for overseeing the process of preparation of the financial statements.

Auditors' Responsibilities for the Audit of the Individual and Consolidated Financial Statements

Our purposes are to obtain reasonable assurance that the individual and consolidated financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error, and to issue audit report containing our opinion. Reasonable assurance means a high level of security, but not a guarantee that an audit conducted in accordance with Brazilian and international auditing standards always detects any existing material misstatements. Misstatements may be due to fraud or error and are considered material when, individually or taken as a whole, can influence, within a reasonable perspective, the economic decisions of users taken based on these financial statements.

As part of the audit conducted in accordance with Brazilian and international auditing standards, we exercise professional judgment and maintain our professional skepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may lead the Company and its subsidiaries to no longer remain as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identified during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, March 24, 2022

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

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

In thousands of reais

		Parent company		Consolidated	
ASSETS	**Note**	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**
Current assets					
Cash and cash equivalents	7	369,527	410,818	1,601,468	2,205,346
Marketable Securities	8	116,530	723	2,425,201	1,976,436
Trade receivable	9	-	-	2,025,689	1,876,801
Inventories	10	-	-	366,280	366,405
Advances		1,217	121	124,467	63,311
Taxes Recoverable	11	-	-	79,815	87,615
Income tax and social contribution recoverable	12	19,557	33,956	134,043	187,830
Trade receivable from sale of subsidiaries	13	-	-	76,292	593
Other receivables	14	365	501	134,687	105,140
Debentures receivable from related parties	30	278,609	418,059	-	-
Related parties – other receivables	30	2,986,929	179,225	-	-
Total current assets		**3,772,734**	**1,043,403**	**6,967,942**	**6,869,477**
Assets held for sale	4	-	912,633	-	2,402,541
Non-current assets					
Long-term assets					
Marketable Securities	8	-	-	14,237	15,026
Trade receivable	9	-	-	251,587	443,286
Taxes recoverable	11	38,105	-	207,884	137,126
Trade receivable from sale of subsidiaries	13	-	-	133,138	71,329
Other receivables	14	-	-	43,671	92,043
Guarantee to tax, labor and civil losses	26,2	33,380	33,740	154,805	166,872
Judicial deposits	26,1	418	594	57,013	74,055
Deferred income tax and social contribution	27,2	-	-	904,160	838,338
Debentures receivable from related parties	30	851,103	1,105,988	-	-
Related parties – other receivables	30	-	3,928,275	-	309,767
Investments	15	14,441,961	13,908,904	1,211	1,453
Property, plant and equipment	16	-	-	4,201,251	4,344,174
Intangible assets and goodwill	17	15,677	86,231	15,575,954	15,018,301
Total non-current assets		**15,380,644**	**19,063,732**	**21,544,911**	**21,511,770**
Total assets		**19,153,378**	**21,019,768**	**28,512,853**	**30,783,788**

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

In thousands of reais

		Parent company		Consolidated	
LIABILITEIS	**Note**	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**
Current liabilities					
Bons and financing	18	-	-	237	229
Debentures	19	2,092,743	1,827,320	2,120,340	2,048,808
Lease liabilities	20	-	-	137,922	120,082
Suppliers		2,649	236	654,064	533,590
Suppliers (reverse factoring)	21	-	-	310,157	284,808
Salaries and social contributions	22	-	-	387,082	313,917
Income tax and social contribution payable		-	-	28,488	39,276
Taxes payable	23	6,198	1,554	107,335	103,445
Advances from clients		-	-	176,130	195,198
Taxes and contributions in installments		-	-	7,846	12,086
Accounts payable for business combination	24	-	-	117,554	100,728
Other accounts payable		44	54	40,844	19,844
Other liabilities - related parties	30	148,728	153,735	-	-
		2,250,362	**1,982,899**	**4,087,999**	**3,772,011**
Liabilities held for sale	4	-	-	-	1,489,908
Non-current liabilities					
Bonds and financing	18	-	-	651	817
Debentures	19	3,532,647	5,171,357	4,745,154	5,171,357
Lease liabilities	20	-	-	2,889,449	2,912,368
Accounts payable for business combination	24	-	-	144,990	125,548
Provision for tax, civil and labor losses	25,1	35,023	35,451	568,130	428,614
Liabilities assumed in the business combination	25,5	-	-	1,510,445	2,012,606
Taxes and contributions in installments		-	-	4,567	7,804
Deferred income tax and social contribution	27,2	608,756	620,979	669,258	495,936
Other accounts payable		-	-	121,546	81,656
		4,176,426	**5,827,787**	**10,654,190**	**11,236,706**
Total liabilities		**6,426,788**	**7,810,686**	**14,742,189**	**16,498,625**
Shareholders' equity					
Share Capital	28	7,667,615	7,667,615	7,667,615	7,667,615
Capital reserves		5,116,787	5,640,562	5,116,787	5,640,562
Treasury shares		(57,812)	(99,095)	(57,812)	(99,095)
		12,726,590	**13,209,082**	**12,726,590**	**13,209,082**
Interest of non-controlling shareholders		-	-	1,044,074	1,076,081
Total shareholders' equity		**12,726,590**	**13,209,082**	**13,770,664**	**14,285,163**
Total liabilities and shareholders' equity		**19,153,378**	**21,019,768**	**28,512,853**	**30,783,788**

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

In thousands of reais

		Parent company		Consolidated	
	Note	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**
Net revenue from sales and services	**32**	**-**	**-**	**4,778,057**	**5,269,144**
Cost of sales and services					
Cost of services	33	-	-	(1,408,676)	(1,495,994)
Cost of goods sold	33	-	-	(495,034)	(450,930)
		-	**-**	**(1,903,710)**	**(1,946,924)**
Gross profit		**-**	**-**	**2,874,347**	**3,322,220**
Operating income (expenses)					
From sales	33	-	-	(570,753)	(655,904)
General and administrative expenses	33	(407)	(73,952)	(1,662,087)	(1,644,018)
Provision for expected loss	33	-	-	(537,596)	(1,637,511)
Asset impairment loss	33	-	-	-	(2,050,424)
Other operating income	33	-	-	6,028	32,409
Other operating expenses	33	-	-	(33,092)	(609,346)
Equity in net income of subsidiaries	15	(389,506)	(3,475,594)	1,557	5,665
Operating income (loss) before financial income and taxes		**(389,913)**	**(3,549,546)**	**78,404**	**(3,236,909)**
Financial income (loss)					
Financial income	34	323,541	221,783	309,826	279,818
Financial costs	34	(383,514)	(323,104)	(893,598)	(878,512)
		(59,973)	**(101,321)**	**(583,772)**	**(598,694)**
Operating loss before taxes		**(449,886)**	**(3,650,867)**	**(505,368)**	**(3,835,603)**
Income tax and social contribution					
Current	27,1	-	-	(2,392)	(36,728)
Deferred	27,1	12,223	24,447	46,237	245,946
		12,223	**24,447**	**43,845**	**209,218**
Loss from continued operations		**(437,663)**	**(3,626,420)**	**(461,523)**	**(3,626,385)**
Income (loss) from discontinued operations	4	(51,462)	(2,179,415)	(51,462)	(2,179,415)
Loss for the year		**(489,125)**	**(5,805,835)**	**(512,985)**	**(5,805,800)**
Allocated to:					
Controlling shareholders		(489,125)	(5,805,835)	(489,125)	(5,805,835)
Non-controlling shareholders		-	-	(23,860)	35
Basic losses per common share - R$ - continued operations	35	-	-	(0.25)	(1.96)
Diluted losses per common share - R$ - continued operations	35	-	-	(0.25)	(1.93)
Basic loss per common share - R$ - Consolidated	35	-	-	(0.27)	(3.14)
Diluted loss per common share - R$ - Consolidated	35	-	-	(0.27)	(3.10)

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

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
Year ended December 31, 2021 and 2020
In thousands of reais

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Loss for the year	**(489,125)**	**(5,805,835)**	**(512,985)**	**(5,805,800)**
Other comprehensive income	-	-	-	-
Comprehensive income for the year	**(489,125)**	**(5,805,835)**	**(512,985)**	**(5,805,800)**
Allocated to:				
Controlling shareholders	(489,125)	(5,805,835)	(489,125)	(5,805,835)
Non-controlling shareholders	-	-	(23,860)	35

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

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
Year ended December 31, 2021 and 2020
In thousands of reais

						Parent company		Consolidated
				Accumulated loss				
	Share Capital	**Capital reserves**	**Treasury shares**	**Profit reserves**	**Retained earnings (losses)**	**Total shareholders' equity**	**Interest of non-controlling shareholders**	**Total shareholders' equity**
Balances at December 31, 2019	**5,111,677**	**6,400,167**	**(121,428)**	**4,441,990**	**-**	**15,832,406**	**2,863**	**15,835,269**
Comprehensive income for the period								
Loss for the period	-	-	-	-	(5,805,835)	(5,805,835)	37	(5,805,798)
Total comprehensive income for the period	-	-	-	-	(5,805,835)	(5,805,835)	37	(5,805,798)
Contribution from shareholders and distribution to shareholders								
Capital increase	2,555,938	-	-	-	-	2,555,938	-	2,555,938
Issue cost of shares	-	(74,618)	-	-	-	(74,618)	-	(74,618)
Issue cost of shares - IPO Vasta	-	(109,677)	-	-	-	(109,677)	(39,094)	(148,771)
Equity gain on issue of shares	-	740,317	-	-	-	740,317	-	740,317
Recognized options granted	-	54,988	-	-	-	54,988	7,395	62,383
Disposal of treasury shares	-	(6,770)	22,333	-	-	15,563	-	15,563
Minority interest	-	-	-	-	-	-	1,104,880	1,104,880
Allocation of income (loss) for the year								
Reserve for investments		(1,363,845)		(4,441,990)	5,805,835	-	-	-
Total contributions from shareholders and distribution to shareholders	2,555,938	(759,605)	22,333	(4,441,990)	5,805,835	3,182,511	1,073,181	4,255,692
Balances at December 31, 2020	**7,667,615**	**5,640,562**	**(99,095)**	**-**	**-**	**13,209,082**	**1,076,081**	**14,285,163**
Comprehensive income for the period								
Loss for the period	-	-	-	-	(489,125)	(489,125)	(23,860)	(512,985)
Total comprehensive income for the period	-	-	-	-	(489,125)	(489,125)	(23,860)	(512,985)
Contribution from shareholders and distribution to shareholders								
Recognized options granted	-	11,698	-	-	-	11,698	-	11,698
Disposal of treasury shares (Note 28)	-	(46,348)	41,283	-	-	(5,065)	-	(5,065)
Minority interest	-	-	-	-	-	-	(8,147)	(8,147)
Allocation of income (loss) for the period								
Capital reserve		(489,125)		-	489,125	-	-	-
Total contributions from shareholders and distribution to shareholders	-	(523,775)	41,283	-	489,125	6,633	(8,147)	(1,514)
Balances at December 31, 2021	**7,667,615**	**5,116,787**	**(57,812)**	**-**	**-**	**12,726,590**	**1,044,074**	**13,770,664**

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

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

	Note	Parent company		Consolidated	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020
Cash flow from operating activities					
Loss before income tax and social contribution		(449,886)	(5,830,282)	(505,368)	(5,969,151)
Adjustments for:					
Depreciation and amortization	33	339	483	488,986	541,671
Depreciation IFRS-16	33	-	-	188,641	273,909
Amortization of surplus of allocated goodwill	33	-	71,903	275,534	329,426
Amortization of inventory surplus		-	-	1,486	7,995
Editorial costs	33	-	-	117,487	54,396
Provision for expected loss	9	-	-	537,596	1,637,511
Adjustment to present value – Accounts receivable	9	-	-	(6,519)	(91,453)
Inflation adjustment on assignment of amounts to subsidiaries	30	(230,770)	(110,509)	-	-
Reversal to tax, labor and civil losses	25,6	(34)	(463)	(242,343)	(150,415)
Write-off of the performance of the escrow guarantee of former owners		-	-	-	345,244
Provision for inventory losses	10	-	-	18,284	32,064
Inflation adjustment of accounts receivable from sale of subsidiaries		-	-	(2,032)	(20,216)
Inflation adjustment of escrow account	26,2	-	-	-	(10,126)
Average interest rate		370,728	316,645	831,128	843,255
Granting of stock options		1,420	641	11,698	62,383
Income (loss) from sale or write-off of assets and other investments		-	-	31	188,130
Asset impairment loss		-	-	-	4,126,163
Income from interest earning bank deposits and securities	34	(2,226)	(39,562)	(126,329)	(85,304)
Equity in net income of subsidiaries	15	389,506	5,655,009	(1,557)	5,665
		79,077	**63,865**	**1,586,723**	**2,121,147**
Changes in:					
Trade receivable		-	-	(467,488)	(565,697)
Inventories		-	-	(135,407)	(72,436)
Advances		(1,096)	(121)	(61,156)	7,525
Taxes recoverable		(22,678)	(22,169)	37,323	61,057
Judicial deposits		176	(232)	17,042	3,762
Related party transactions		(28,576)	(17,139)	-	-
Other credits		18,889	(11,138)	(6,372)	(10,267)
Suppliers		2,413	(211)	115,548	33,510
Suppliers – reverse factoring		-	-	25,349	(56,848)
Salaries and social contributions		-	-	69,579	(89,173)
Taxes payable		4,644	768	88,964	(54,587)
Advances from clients		-	(13)	(20,744)	(40,158)
Taxes and contributions in installments		-	-	(7,502)	(8,905)
Payment of tax, labor and civil contingencies		(34)	(26)	(153,222)	(216,135)
Other accounts payable		338	11,815	(4,170)	2,348
Cash from operations		**53,153**	**25,399**	**1,084,467**	**1,115,143**
Income tax and social contribution		(1,028)	-	(44,534)	(32,803)
Lease liabilities interest paid	20	-	-	(292,347)	(401,608)
Interest from bounds and debentures paid	18|19	(236,573)	(413,673)	(243,985)	(424,389)
Net cash (applied in) from operating activities		**(184,448)**	**(388,274)**	**503,601**	**256,343**
Cash flow from investment activities					
(Investment) redemption of marketable securities		(113,581)	42,942	(321,647)	(1,644,560)
Additions to property, plant and equipment		-	-	(133,277)	(152,400)
Additions to intangible assets and goodwill		-	-	(248,440)	(291,900)
Payments for acquisition of subsidiaries, net of acquired cash		-	-	(183,099)	(111,994)
Capital increase Subsidiaries		-	(398,997)	-	-
Receipt of escrow guarantee from former owners		-	-	-	321,506
Receipt for sale of subsidiaries	4	-	-	183,094	345,440
Assignment of amounts in cash to subsidiaries		-	(3,964,000)	-	-
Receipt of amounts assigned in cash to Subsidiaries	30	1,374,910	125,350	309,767	-
Dividends received from subsidiaries		-	2,414,520	-	-
Receipt of private debentures	30	394,336	846,577	-	-
Net cash from (applied in) investment activities		**1,655,665**	**(933,608)**	**(393,602)**	**(1,533,908)**
Cash flow from financing activities					
Capital increase		-	2,481,320	-	2,481,320
Disposals (acquisitions) of treasury shares		(5,065)	15,564	(5,065)	15,564
Receipt of the subsidiary's offering		-	-	-	1,681,342
Non-controlling interest		-	-	(8,147)	-
Renegotiation costs of debentures	19	(51,479)		(62,633)	
Issuance of debentures	19	900,000	496,531	1,900,000	496,531
Loans and financing		-	-	-	100
Lease liabilities payment	20	-	-	(121,565)	(144,205)
Payment of bounds, financing and debentures	18,19	(2,355,964)	(1,260,810)	(2,356,130)	(1,261,455)
Installments paid in companies' acquisitions		-	-	(60,337)	-
Net cash from (applied in) in financing activities		**(1,512,508)**	**1,732,605**	**(713,877)**	**3,269,197**
Net (decrease) increase in cash and cash equivalents		**(41,291)**	**410,723**	**(603,878)**	**1,991,632**
Cash and cash equivalents at the beginning of the period	7	410,818	95	2,205,346	371,683
Cash and cash equivalents from continued operations at the end of the period	7	369,527	410,818	1,601,468	2,205,346
Cash and cash equivalents from discontinued operations at the end of the year		-	-	-	157,969
Net (decrease) increase in cash and cash equivalents		**(41,291)**	**410,723**	**(603,878)**	**1,991,632**

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

COGNA EDUCAÇÃO S.A. AND SUBSIDIARIES
STATEMENT OF ADDED-VALUE
Year ended December 31, 2021 and 2020
In thousands of reais

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Revenue from sales and services	-	-	5,282,731	5,899,183
Other revenues	-	-	729,671	32,406
Provision for expected loss	-	-	(545,742)	(1,637,511)
	-	**-**	**5,466,660**	**4,294,078**
Inputs acquired from third parties				
Cost of products sold and services rendered	-	-	(493,547)	(442,937)
Materials, energy, outsourced services and other	(51,509)	2,782	(1,243,810)	(1,092,409)
Asset impairment loss	-	-	-	(4,126,163)
Gross added value	**(51,509)**	**2,782**	**3,729,303**	**(1,367,431)**
Retentions				
Depreciation and amortization	(339)	(483)	(751,555)	(815,580)
Amortization of surplus of allocated goodwill	-	(71,903)	(293,526)	(329,426)
Amortization of inventory surplus	-	-	(1,486)	(7,995)
Net added value	**(51,848)**	**(69,604)**	**2,682,735**	**(2,520,432)**
Added value received as transfer				
Equity in net income of subsidiaries	(389,506)	(5,655,009)	1,557	5,665
Financial revenues	323,541	221,783	321,273	285,053
Total added value payable	**(117,813)**	**(5,502,830)**	**3,005,565**	**(2,229,714)**
Distribution of added value				
Personnel:				
Direct remuneration	-	4,036	1,314,943	1,394,579
Benefits	-	-	128,903	134,850
Social charges	-	-	416,116	493,250
Taxes, duties and contributions:				
Federal	(12,220)	(24,447)	14,796	(119,679)
State	17	312	2,113	10,022
Municipal	1	-	1,720	3,929
Third-party capital remuneration:				
Financial expenses	383,514	323,104	968,609	958,691
Rentals	-	-	565,610	590,487
Copyright	-	-	105,740	109,957
Remuneration of own capital:				
Loss for the year	(489,125)	(5,805,835)	(512,985)	(5,805,800)
Distributed added value	**(117,813)**	**(5,502,830)**	**3,005,565**	**(2,229,714)**

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

1. Operations

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

The Group has 58 companies, including the Parent Company, and is made up of 16 sponsors of a higher education institution, 156 units of Higher Education, present in 22 states and 130 Brazilian cities, in addition to 2,810 Distance Learning Graduation Centers accredited by the Ministry of Education (MEC), located in all Brazilian states and the Federal District. The Company also has, in Basic Education, 115 Red Balloon units, and 4,508 associated schools throughout the Brazilian territory.

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

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

As disclosed in the Individual and Consolidated Financial Statements for the year ended December 31, 2020, Cogna, through its subsidiary Somos Sistemas, entered into an Agreement for Purchase and Sale of Shares and other covenants (“CCV”) with the company Eleva Educação S.A. (“Eleva”), whereby it agreed to purchase all the rights and assets related to the basic education teaching systems traded by Eleva Group (“Systems Transaction”), together with a commercial partnership valid for 10 (ten) years, for the supply of teaching material by Somos Sistemas to Eleva, considering a commercial discount in the amount of R$ 15,000 per year, in addition to the formation of a commercial partnership between Saber, Somos Sistemas and Eleva for the development of new educational tools and for expanding the distribution of Eleva schools in Brazil. In addition to this transaction, Saber, wholly-controlled subsidiary, with Cogna’s consent, signed a share purchase agreement and other covenants jointly with Eleva, in which it agreed to sell all shares issued by Somos Operações Escolares (“SOE”) to Eleva (“School Transaction”).

The Company, on October 29, 2021, and through its subsidiaries Somos Sistemas and Saber, completed System Transaction and School Transaction, jointly with Editora Eleva. Regarding Systems Transaction, the base price of the education system in 2021 was R$ 611,554. Regarding Schools Transaction, an estimated minimum sale price of R$717,177 was determined, based on SOE's results throughout the year 2021. The schools sale price can be positively affected by the 2022 results to be determined in 2023, and the amount recorded in the Financial Statements is already the minimum contractually provided for. The effects arising from this recognition, as well as the respective flows of payments and receipts, are presented in further detail in note 4.

The individual and consolidated financial statements were approved to be issued by the Board of Directors' Meeting on March 24, 2022.

1.1. Context about the impacts of Covid-19 on the Company's business

Continuing with the disclosures made in the last year, the Company maintained its safety and risk prevention measures, following the recommendations of the health authorities and the Group's internal crisis committee. Even before the closure of its in-person units, the Company maintained the provision of educational services through its virtual platforms, obtaining excellent levels of adhesion and engagement from the students. Therefore, there was no interruption in the provision of services contracted by the students.

After considering the advances made in the vaccination process as of the second semester of 2021, and the flexibilization of social distancing and safety measures, the Company partially reopened some of its on-site units, following all sanitary and safety protocols for its teachers and students, exclusively for practical classes and/or internships (theoretical classes still follow the digital model).

The Company will continue to be attentive to new guidelines from the health authorities and will also monitor the developments in the vaccination processes, always keeping its shareholders updated on possible new impacts of COVID-19 on the Group’s businesses. Considering a scenario of economic recovery and the return to the full operating capacity of its businesses, the Group continues monitoring changes in the macroeconomic variables of the businesses, as well as preparing specific analyzes in its operations, aiming to obtain the best estimate of possible impacts in real time, thus allowing their mitigation through reaction and contingency plans.

2. Significant accounting policies

The significant accounting practices applied in the preparation of these individual and consolidated financial statements are presented and summarized as follows or in the notes of the respective caption and were consistently applied in the years presented.

2.1. Preparation basis

The Company's individual and consolidated financial statements were prepared according to the accounting practices adopted in Brazil, including the pronouncements issued by Accounting Pronouncement Committee (CPC) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and evidence all information of financial statements, and only them, which are consistent with those used by Management in its administration.

The financial statements were prepared considering the historical cost as value basis, which, in case of certain financial assets, other financial assets and liabilities is adjusted to reflect the measurement at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires Company's management to exercise its judgment in the process of applying the Group's accounting policies. Those areas requiring the highest level of judgment and having the highest complexity, and the areas where assumptions and estimates are significant for the financial statements are disclosed in Note 3.

2.2 Consolidation

The Company consolidates all entities in which they retain control, i.e., is exposed to or is entitled to variable returns from its involvement in an investee and has the capacity to direct activities related of the investee. The subsidiaries included in the consolidation are described in the Note below.

a) Subsidiaries

Subsidiaries are all entities in which the Group retains control, i.e., is exposed to or is entitled to variable returns from its involvement in an investee and has the capacity to direct activities related of the investee. The subsidiaries are fully consolidated as of the date control is transferred to the Group. Consolidation is interrupted beginning as of the date in which the Group no longer holds control.

Investments in subsidiaries are determined under the equity method, whose investment is initially recognized at acquisition cost and subsequently adjusted by changes in the investees' net assets. Investments in jointly-controlled operations (when applicable) are recognized proportionately in relation to the interest in the joint operation.

Identifiable assets acquired and liabilities assumed for the acquisition of subsidiaries in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes the interest of the non-parent company in that acquiree both by is fair value as well as by its proportional part in the non-controlling interest in the fair value of the net assets of that acquired. Measurement of the non-parent company interest is determined in each acquisition made. Costs related to acquisition are accounted for in income for the year, as incurred

In thousands of reais, unless otherwise indicated

Transactions, balances and unrealized gains from transactions among the Group's companies are eliminated. Unrealized losses are also eliminated, unless the transaction shall provide impairment evidence of the asset transferred. The accounting policies of new subsidiaries are changed when required in order to assure the consistency with the policies adopted by the Group.

Below is a list of the companies controlled by the Company for the years ended December 31, 2021 and 2020:

	Interest %	
Consolidated companies	12/31/2021	12/31/2020
Direct subsidiary:		
AESAPAR - Anhanguera Educacional Participações S.A.	85.56	85.56
Indirect subsidiaries AESAPAR:		
AESAPRO - Clínica Médica Anhanguera Ltda.	99.99	99.99
Juspodivm - Instituto Excelência Ltda.	99.99	99.99
Edufor - Edufor serviços educacionais Ltda. – ME	99.99	99.99
ICF - Sociedade Piauiense de ensino superior Ltda.	99.99	99.99
Fateci Cursos Técnicos S/S.	99.99	99.99
Clauder Ciarlini Filho S/S.	99.99	99.99
Sociedade Educacional da Paraíba Ltda.	99.99	99.99
Bacabal Mearim Sistemas de Ensino Ltda.	99.99	99.99
Platos Soluções Educacionais S.A	31.93	35.36
Saraiva Educação S.A.	0.46	0.00
Direct subsidiary:		
EDE - Editora e Distribuidora Educacional	99.99	99.99
Indirect subsidiaries EDE:		
Orme - Orme Serviços Educacionais	99.99	99.99
Projecta - Projecta Educacional	99.99	99.99
Cepar - Centro De Ensino Superior De Parauapebas Ltda	99.99	99.99
Cemar - Centro De Ensino Superior De Maraba Ltda	99.99	99.99
Cesupar - Centro De Ensino Superior De Paragominas Ltda	99.99	99.99
União - União de Ensino Unopar	99.99	99.99
Unic Educacional	99.99	99.99
PSES - Pitágoras Sistema de Ensino Sociedade	99.99	99.99
Platos Soluções Educacionais S.A	68.07	64.64
Eduquer Serviços Educacionais Ltda.	99.99	99.99
AESAPAR - Anhanguera Educacional Participações S.A.	14.44	14.44
Saber - Saber Serviços Educacionais S.A.	37.96	37.96
Indirect subsidiary Unic Educacional:		
Unime Salvador - Iuni Educacional	99.99	99.99
Direct subsidiary:		
Saber - Saber Serviços Educacionais S.A.	62.04	62.04
Indirect subsidiaries Saber:		
Somos Idiomas S.A.	99.99	99.99
Editora Scipione S.A.	84.17	84.17
Editora Ática S.A.	70.28	70.28
Somos Educação S.A.	99.99	99.99
Saraiva Educação S.A.	81.48	81.85
Saraiva Soluções Educacionais S.A.	70.28	70.28
SGE Comércio de Material Didático Ltda.	0.09	0.09
Somos Operações Escolares (i)	0.00	99.99
Indirect subsidiaries Editora Atica:		
SB Sistemas	99.70	99.70
SGE Comércio de Material Didático Ltda.	99.91	99.99
Indirect subsidiaries Saraiva Educação:		
Editora Pigmento Ltda.	99.99	99.99
Editora Joaquim Ltda.	99.99	99.99
Editora Todas as Letras Ltda.	99.99	99.99
Saraiva Gestão de Marcas Ltda.	50.00	50.00

In thousands of reais, unless otherwise indicated

	Interest %	
Consolidated companies	12/31/2021	12/31/2020
Indirect subsidiaries Somos Operações Escolares (i):		
Colégio Ambiental Ltda.	0.00	99.99
Colégio Visão Ltda.	0.00	99.99
Sociedade Educacional NEODNA Cuiabá Ltda.	0.00	99.99
Colégio do Salvador Ltda.	0.00	99.99
Colégio Motivo Ltda. (“Grupo Motivo”)	0.00	99.99
Cursos e Colégios Coqueiros Ltda.	0.00	99.99
Colégio Integrado Jaó Ltda.	0.00	99.99
Escola Santo Inácio Ltda.	0.00	99.99
Sistema P.H. de Ensino Ltda.	0.00	99.99
Escola Riacho Doce Ltda.	0.00	99.99
Sociedade Educacional Doze de Outubro Ltda. ("Anglo 21")	0.00	99.99
ECSA - Escola a Chave do Saber S/S Ltda.	0.00	99.99
Colégio Cidade Ltda.	0.00	99.99
Sociedade Educacional Paraná Ltda. ("Maxi Cuiabá")	0.00	99.99
Sociedade Educacional de Rondonópolis Ltda.	0.00	99.99
Sociedade Rondopolitana de Educação Ltda.	0.00	99.99
ACEL - Administração de Cursos Educacionais Ltda. ("Sigma")	0.00	99.99
CEI - Centro de Educação Integrada Ltda.	0.00	51.00
Indirect subsidiaries CEI:		
Escola Infantil Primeiros Passos EIRELI	0.00	99.99
SL Noventa Centro Educacional EIRELI	0.00	99.99
Colégio Manauara Latu Sensu Ltda.	0.00	99.99
Leal e Sanches Ltda.	0.00	99.99
Núcleo Brasileiro De Estudos Avançados Ltda.	0.00	99.99
Sanches Serviços De Educação Ltda.	0.00	99.99
Sociedade Educacional Alphaville S.A.	0.00	51.00
Indirect subsidiaries ACEL:		
Papelaria Brasiliana S.A.	0.00	99.99
Escola Mater Christi Ltda.	0.00	99.99
Indirect subsidiaries Somos Educação:		
Saraiva Soluções Educacionais S.A.	29.72	29.72
Editora Ática S.A.	29.72	29.72
Maxiprint Editora Ltda.	99.99	99.99
Stood Sistemas e Treinamento à Distância Ltda.	99.99	99.99
Somos Educação Investimentos S.A.	99.99	99.99
Editora Scipione S.A.	15.83	15.83
Saraiva Educação S.A.	18.07	18.15
Indirect subsidiaries Stood Sistemas:		
Eligis Tecnologia E Inovação Ltda	99.99	99.99
Indirect subsidiaries Somos Educação Investimentos:		
Educação Inovação e Tecnologia S.A ("AppProva")	99.99	99.99
Nice Participações S.A.	99.99	99.99
Direct subsidiary:		
SB Sistemas de Ensino	0.30	0.30
Direct subsidiary:		
Vasta Platform	77.62	77.62
Indirect subsidiaries Vasta Platform:		
Somos Sistemas de Ensino S.A.	99.99	99.99
Indirect subsidiaries Somos Sistemas:		
Livraria Livro Fácil Ltda.	99.99	99.99
Colégio Anglo São Paulo Ltda	99.99	99.99
A & R Comercio e Serviços de Informática Ltda.(“Pluri”)	99.99	99.99
Mind Makers Editora Educacional	99.99	99.99
Meritt Informação Educacional Ltda. – ME	99.99	99.99
Sociedade Educacional da Lagoa ("SEL") (ii)	99.99	0.00
Nota 1000 Serviços Educacionais Ltda. (“Redação Nota 1000”) (ii)	99.99	0.00
Emme - Produções de Materiais em Multimídia Ltda. (ii)	99.99	0.00

In thousands of reais, unless otherwise indicated

	Interest %	
Consolidated companies	12/31/2021	12/31/2020
Editora Gouges S.A. (ii)	99.99	0.00

(i) Companies controlled by Somos Operações Escolares ("SOE"), and which were involved in the "Schools Transaction" together with Eleva, as presented in further detail in notes 1 and 4.

(ii) During 2021, the Company acquired the total ownership interest in the companies SEL, Redação Nota 1000, EMME and Editora de Gouges, through its indirect subsidiary Somos Sistemas. Further details on these acquisitions are mentioned in note 5.

b) Interest of non-controlling shareholders

The Group regards transactions with non-parent company interests as transactions with the owners of Group's assets. For purchases of non-controlling ownership shareholders, the difference between any considerations paid and the acquired portion of the book value of the subsidiary is recorded in shareholders' equity. Gains or losses on disposals for non-controlling interest are also directly recorded in net assets "Equity valuation adjustments".

c) Business combinations

In accordance with the provisions of CPC 15 - Business combinations, the acquisitions are recorded under the acquisition method when the set of activities of an entity meets the definition of a business and the control is transferred to the Company. The consideration transferred is usually measured at fair value, as well as the identifiable net assets acquired. Any contingent consideration payable is measured at fair value on the acquisition date and remeasured at each reporting date, and subsequent changes at fair value are recorded in the result for the year. Any goodwill arising in the transaction is tested annually for impairment. The business combinations carried out during the year are described in further detail in note 5.

d) Operating segment

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

Since 2020, and in accordance with the Group's new business vision, the Executive Board considers the business from the standpoint of services provided to clients, with 5 (five) main operating segments, namely:

(i) **Kroton:** B2C (Business to Consumer) Vertical of Higher Education that operates in the in-person and distance (EAD) learning modalities. Operating results are regularly analyzed by the main manager of this segment, considering all the registered businesses, even for in-person and distance learning modalities. Although the revenue from these two modalities have different origins, the costs are partially shared, considering that even for in-person courses there are already more than 40% of subjects being taken by the student in the distance modality, in addition, the in-person units are used as distance hubs and share managers and administrative teams;

(ii) **Platos:** The B2B2C (Business to Business to Consumer) vertical of Higher Education currently offers Continuing Education products and services, both in person and at distance. The purpose of this segment is to become a complete platform of content and solutions for any Higher Education institution in the country, offering graduate services to its students.

(iii) **Saber:** Vertical B2C (Business to Consumer) of Basic Education comprises all 54 own schools or under management agreements, operating in 11 states. By connecting this group of schools, it is possible to enhance each one of them, preserving their teaching method. In December 2020, due to the processes of negotiation of the Schools Transaction with Editora Eleva, and in compliance with CPC 31, the accounting balances were reclassified to the line "result of discontinued operations" in the Statement of Income for the Year. Therefore, the balance mentioned in note 36 refers to the language courses transaction (“Red Balloon”).

(iv) **Vasta:** Vertical that serves the B2B (Business to Business) market of Basic Education, comprising the services platform for schools, which offers a range of educational products and solutions, including digital services that support the school management process. Revenue has a subscription model concept with long-term agreements. Vasta's main brands are Somos Educação, Anglo, PH, Saraiva, etc.

(v) **Other:** Currently composed of Educational Solutions for Technical and Higher Education (“SETS”) products, preparatory studies for exams and OAB (Brazilian Bar Association) and language teaching offered during the undergraduate course, in addition to the operation that provides services to Public Basic Education B2Gov (Business to Government), and participating in the Brazilian Book and Teaching Material Program (PNLD).

e) Cash generating units – (“CGU”)

For impairment purposes, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash Generating Units - CGUs). For testing purposes, goodwill is allocated to Cash Generating Units or to groups of Cash Generating Units that should benefit from the business combination from which the goodwill was generated, namely: (i) Kroton; (ii) Platos; (iii) Saber; (iv) Vast, segregated into Content and Digital, and; (v) Others, segregated into SETS and PNLD. For more information on impairment analyses, see note 17.

2.3 Functional and presentation currency

The items included in the financial statements of each of the Group's companies are measured using the main currency of the economic environment where it operates (the "functional currency"). The individual and consolidated financial statements are being presented in Brazilian reais, functional currency of the Company and also, the presentation currency of the Group. All balances have been rounded to the nearest value, except otherwise indicated.

2.4 Statement of comprehensive income

Other comprehensive income includes revenue and expense items (including reclassification adjustments, when applicable) that, in accordance with the procedures, are not recognized in the statement of income as required or permitted under the Pronouncements, Interpretations and Guidance issued by CPC, when applicable. In the years ended December 31, 2021 and 2020, the Group did not present items other than the results for the years presented in the individual and consolidated statements of income.

2.5 Cash and cash equivalents

Cash and cash equivalents include cash, available bank deposits and other short-term, highly liquid investments that are readily convertible into known amounts of cash subject to an insignificant risk of changes in value.

2.6 Financial assets and liabilities

All financial assets and liabilities are initially recognized when the Company becomes a party to the instrument's contractual provisions.

Financial assets

Upon initial recognition, a financial asset is classified as measured: at amortized cost, at fair value through profit or loss or at fair value through other comprehensive income. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for the management financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. They comprise cash and cash equivalents, and marketable securities, trade accounts receivable and accounts receivable from the sale of subsidiaries.

A financial asset is measured at amortized cost if it meets both conditions below and is not designated as measured at fair value through profit or loss:

- It is held within a business model whose purpose is to maintain financial assets to receive contractual cash flows, and;

- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income if it meets both conditions below and is not designated as measured at fair value through profit or loss:

- It is maintained within a business model whose purpose is achieved by both the receipt of contractual cash flows and the sale of financial assets, and;

- Its contractual terms generate, on specific dates, cash flows which are only payments of principal and interest on outstanding principal value.

All financial assets not classified as measured at amortized cost or at fair value through other comprehensive income, as described above, are classified at fair value through profit or loss.

Company’s investments are initially recognized at fair value plus transaction cost for all financial assets not classified at fair value through profit or loss. Financial assets classified at fair value through profit or loss are initially recognized at fair value, and transaction costs are charged to income (loss). Financial assets are written off when rights to receive cash flows have been expired or transferred; in the latter case, as long as the Group has transferred virtually all ownership risks and benefits. Financial assets measured at fair value through profit or loss are subsequently recorded at fair value.

Gains or losses resulting from fluctuations in their fair value of financial assets measured at fair value through profit or loss are presented in statement of income in “Financial revenues” for the period in which they occur.

Considering their respective nature, as of December 31, 2021, the Company's financial assets are classified as measured at amortized cost, except for marketable securities, which are measured at fair value through the result.

Financial liabilities

Are measured at amortized cost using the effective interest rate method. They comprise loans and debentures, in addition to balances payable to suppliers and risk of anticipation of receivables.

The Group fails to recognize a financial liability when its contractual obligations are discharged or canceled or expire. The Group also derecognizes a financial liability when terms are modified, and the cash flows of the modified liability are substantially different if a new financial liability based on the terms changed is recognized at fair value.

Financial assets and liabilities are offset and their net amounts in the balance sheet only when there is a legal right to offset the amounts recognized and there is an intent to settle them on net bases, or realize the asset and settle the liability simultaneously.

Impairment of financial assets

The Group assesses, on a prospective basis, the expected credit losses associated with debt securities recorded at amortization cost and at fair value through the result. Applied methodology depends on whether significant increase in credit risk occurred or not.

For trade accounts receivable, the Group recognizes expected losses from the initial recognition of receivables and according to the maturity ranges of the securities and rollover between these ranges, as described in note 9 (c).

2.7 Trade receivable

Correspond to trade receivable for the sale of goods or provision of services by the Group.

Revenue is recognized when the control of a good or service is transferred to a client for an amount equal to the estimated transaction price.

Trade receivable are initially recognized at fair value and, subsequently, measured at amortized cost using the effective interest rate method less provision for impairment. The provision for losses is established since billing based on the performances presented by the different business lines and respective expected collections up to 365 days from the maturity. Specifically for Vasta business unit, the period of 540 days from the maturity is considered.

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

Additionally, the calculation of the provision for expected losses considers an expectation of recovery of the renegotiated securities, based on the historical average of the cash event of the renegotiation with the student.

For PEP – Special Private Installment Payment – the Company recognizes provision for expected losses on receivables, using the percentage of 60% of the respective net revenue, which reflects management's best estimate of future default. This percentage mainly takes into account: a) the future expected loss for students with installment payments, which is higher than the average of paying students; and b) the percentage of historical dropout of students. This percentage is revalued based on outstanding securities on the accounts receivable base date, as mentioned in note 9. Additionally, the Company no longer offers this product to new students since 2021.

For PMT – Installment Payment of Late Enrollment, the Company follows a process similar to the one mentioned above in relation to PEP, however, the provision for expected losses on receivables is recognized considering the percentage of 63.2% of the respective net revenue.

2.8 Inventories

Inventories are stated at cost or net realizable value, whichever is lower. The inventory valuation method is the average cost method. The cost of finished products and work in progress comprises editorial costs (such as design, direct labor, other direct costs and production overheads), raw materials, direct labor, other direct costs and the respective direct production expenses.

The Company makes a provision for losses for slow moving finished products and raw materials and they are periodically assessed and evaluated as to the realization expectation of these inventories. Management periodically assesses the need to send such products for destruction.

2.9 Assets and liabilities held for sale and discontinued operations

Non-current assets held for sale are classified as “held for sale” if it is highly probable that they will be primarily recovered through sales instead of the continuous use. Assets held for sale are generally stated at the lowest value between their book value and the fair value less selling expenses Impairment losses determined in the initial classification as held for sale and gains and losses from subsequent measurements, are recognized in income (loss). Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any investment measured under the equity method is no longer subject to the application of the method.

A discontinued operation is a component of one of the Entity’s business that includes transactions and cash flows that can be clearly distinguished from the rest of the Entity and that:

(i) Represents a separate major line of business or geographical area of operations;

(ii) Is part of an individual coordinated plan to sell an important separate business line or geographical operation area; or

(iii) It is a subsidiary acquired only for the purpose of resale.

The classification as a discontinued operation is made upon its disposal or when the operation fails to meet the criteria for being held for sale if this occurs before. When an operation is classified as a discontinued operation, the comparative statements of operations and the statement of comprehensive income are reissued as if the operation had been discontinued since the beginning of the comparative period.

In thousands of reais, unless otherwise indicated

In the year ended December 31, 2020 and in the interim quarters of 2021 prior to the closing of the transaction with Eleva, the Company reclassified the assets and liabilities involved in the process of sale of the schools of Cogna Group to Eleva, and in compliance with the provisions of CPC 31, to the line “assets held for sale” and “liabilities assumed for sale”.

Also in accordance with the aforementioned CPC 31, the impacts on the result for the year linked to the “schools” business were also reclassified to a specific line in the Statement of Income for the year, named “result of discontinued operations”. More information is included in note 4.

2.10 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes acquisition, formation or construction cost. Historical cost also includes financing costs related to the acquisition of qualified assets.

Subsequently incurred costs are added to the asset's book value or are recognized as a separate asset, as applicable, only when it is likely that associated future economic benefits will flow and that the item's cost can be reliably measured. The book value of replaced items and parts is written off. All other maintenance and repair costs are recorded as a contra entry to income (loss) for the year, when incurred.

Lands are not depreciated. Depreciation of other assets is calculated using the straight-line method, with the costs of other assets being allocated to their residual values over the estimated useful life, as follows:

	Useful life (years)	
	2021	2020
IT equipment	5	5
Furniture, equipment and fixtures	10	10
Library	10	10
Buildings and improvements[1]	25	16

(i) The buildings and improvements have a defined useful life in accordance with the maturity of the lease agreement.

Residual values and the useful lives of material assets are reviewed and adjusted, if adequate, at the end of each year.

The Company reviewed the useful life of its assets and concluded that the depreciation rates used are consistent with its operations as of December 31, 2021 and 2020.

The asset's book value will be immediately written off to its recoverable value if the asset's book value is greater than its estimated recoverable amount. Gains and losses from divestitures are determined by the comparison of results with the book value and are recognized under “Other operating expenses (revenues)” in the statement of income.

2.11 Intangible assets and goodwill

Intangible assets are stated at acquisition costs, less accumulated amortization and impairment losses, and are comprised of rights and concessions that mainly include software, related to computer program licenses, trademarks, operating licenses, in addition to the goodwill based on expected future profitability (goodwill), resulting from a business combination, as well as relationships with clients, whether contractual or not. Additionally, there is an annual review of the useful life of intangible assets. Subsequent expenses are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures, including expenditures on internally-generated goodwill and trademarks and patents, are recognized in profit or loss as incurred.

Below is a more detailed description of each of them:

a) Goodwill

Goodwill is represented by the difference between the amount transferred and the fair value of identifiable net assets, and liabilities assumed in a business combination.

b) Software and content production

Licenses acquired for computer programs are capitalized based at the costs incurred to acquire the software and prepare them for use. These costs are amortized over the estimated useful life of the respective software, around 5 years.

The directly attributable costs, which are capitalized as part of the software/project product, include costs on employees allocated to the software/project development and an adequate portion of the direct expenses.

Development costs that do not meet the capitalization criteria are recognized as expenses as incurred. Development costs previously expensed are not recognized as asset in a subsequent period.

Software/project development costs recognized as assets are amortized under the straight-line method over their useful lives.

c) Trademarks

Separately acquired trademarks and licenses are initially stated at historical cost. Trademarks and licenses acquired within a business combination are recognized at fair value on the acquisition date. Subsequently, trademarks and licenses with defined useful life are recorded at the cost less accumulated amortization. Amortization is calculated under the straight-line method to allocate cost of trademarks and licenses over their estimated useful life from 19 to 30 years.

Pole operation license and partner network

The hub is a local operational unit that can be either its own or belong to third parties (partners) and is responsible for providing the structure to the student in audiovisual, library and computer resources, so as to support the distance learning. Amortization is calculated under the straight-line method over the estimated period of use of the license, in up to 25 years.

e) Contractual relationships with clients ("client portfolio")

Client portfolios acquired in a business combination are recognized at fair value on the acquisition date. Contractual relationships with customers have a defined useful life and are recorded at cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected useful life of the client relationship, up to 12 years.

f) Non-contractual relationships with clients ("non-compete agreement")

The non-contractual relationship with clients or student portfolio represents a key intangible asset that is separable from and has a different value than the tangible assets acquired and goodwill. Non-contractual relationships with clients have a defined useful life of 3 to 14 years and are stated at cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected useful life of the client relationship.

2.12 Impairment of non-financial assets

Assets with an indefinite useful life, such as goodwill, are not subject to amortization and are tested every year to identify any possible need of impairment. Goodwill impairment reviews are conducted annually or more often if events or changes in the circumstances indicate possible impairment.

Assets subject to amortization are reviewed to confirm their impairment whenever events or changes in circumstances indicate that the book value may not be recoverable. An impairment loss is recognized when the book value of the asset exceeds its recoverable value which reflects the higher value between the fair value of the asset minus the costs of disposal and its value in use.

For purposes of impairment evaluation, these assets are grouped into the smallest cash-generating unit for which there are separately identifiable cash flows. For testing purposes, goodwill is allocated to Cash Generating Units or to groups of Cash Generating Units that should benefit from the business combination from which the goodwill was generated, namely: (i) Kroton, (ii) Platos, (iii) Saber, (iv) Vasta, including Content and Digital, and (v) Others, including SETS and PNLD.

Non-financial assets, except goodwill, that suffered impairment are then reviewed for an analysis of a possible reversal of impairment on the balance sheet date. Further information about the impairment test of goodwill intangible assets is described in note 17(b).

2.13 Suppliers (including risk of anticipation of receivables)

Trade accounts payable are obligations due for assets or services acquired from suppliers in the normal course of businesses. They are initially recognized at fair value and, subsequently, measured at amortized cost using the effective interest rate method.

Some domestic suppliers have the option to assign the Company's receivables, without recourse to financial institutions. Through these operations, suppliers can anticipate their receipts with reduced financial costs since the financial institutions consider the credit risk of the Company. The Company classifies these operations in a specific caption “Suppliers – risk of anticipation of receivables”. In the cash flow statements, these amounts are allocated as operating activity, since such transaction has a similar nature as accounts payable to suppliers.

2.14 Bonds and debentures

They are initially recognized at fair value, net of costs incurred in the transaction and are subsequently stated at amortized cost. Any difference between the amounts raised (net of transaction costs) and the redemption amount is recognized in the income statement during the period while the loans are in progress, under the effective interest rate method.

They are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet dates.

2.15 Lease Liabilities

Since January 1, 2019, the Company has adopted CPC 06 (R2) / IFRS 16 – Leasing Operations and began to recognize liabilities for future payments and the right to use leased assets for almost all commercial lease agreements, including operating leases. Agreements valid for less than 12 months, or of low value, do not fit into this context.

The recognition of right-of-use assets and lease liabilities in the balance sheet is initially carried out considering the measurement at present value of future minimum lease payments. Additionally, in the Company's Cash Flow Statement, the total amount of cash paid in these operations is separated between principal (presented under financing activities) and interest (presented under operating activities).

2.16 Provision to tax, civil and labor losses

Allowances for losses on labor, tax and civil lawsuits and administrative proceedings are recognized when: (i) the Group has a legal present or not formalized obligation resulting from past events; (ii) it is likely that an outflow of funds will be required to settle the obligation; and (iii) the amount can be estimated on reliable basis.

The provisions are measured at the present value of the expenditures that shall be necessary to settle the obligation, using a pre-tax rate which reflects the current market evaluations as to the value of the cash over time and the specific risks of the liability. The increase in the obligation over time is recognized as a financial expense.

2.17 Liabilities assumed in the business combination

Under CPC 15 - Business combination - the Company, based on the reports of its legal and financial advisors, recognizes provisions for the liabilities assumed in the business combination. They are recognized when the Company finds potential non-compliances in relation to past practices of the subsidiaries acquired by the Company regarding compliance with labor, civil and tax legislation, and related to the period when they belonged to the former owners of the acquired companies.

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

2.18 Deferred income tax and social contribution

The taxable income for the year comprises the Corporate Income Tax - IRPJ and the Social Contribution on Net Income - current and deferred CSLL, calculated on income before taxes and recognized in the Statement of Income.

The IRPJ and CSLL are calculated at the rates of 25% and 9% respectively, adjusted to taxable income by the additions and exclusions provided for in the legislation. Deferred income tax and social contribution are calculated on tax losses, social contribution tax loss carryforwards and other temporary differences in the balances of assets and liabilities for tax purposes and in the financial statements. Deferred income tax and social contribution assets and liabilities are fully recorded in the financial statements, except, in the case of assets, when it is not probable that future taxable profits will be realized, in this scenario, there is a limit to the amount of the deferred asset to be recognized. The current tax rates are 25% for income tax and 9% for social contribution.

Deferred income tax and social contribution assets and liabilities are offset when there is an exercisable legal right to offset current tax assets against current tax liabilities and when deferred income and social contribution tax assets and liabilities are related to the income tax and social contribution is levied by the same tax authority and on the taxable entity or different taxable entity when there is an intent of settling the balances on a net basis.

The higher education institutions controlled by the Company are included in the *Universidade para Todos* Program - ProUni, which establishes, through Law 11096, of January 13, 2005, exemption from certain federal taxes (PIS, COFINS, IRPJ and CSLL) to higher education institutions that grant full and partial scholarships to low-income students enrolled in traditional undergraduate courses and technological graduation courses. The regulation is valid until 2024, renewable for another 10 years.

As permitted by the tax legislation, certain subsidiaries whose annual revenue for the previous year was less than R$78,000 opted for the presumed profit regime. For these companies, the calculation basis of income tax is calculated at the rate of 8% and that of social contribution at the rate of 12% on gross revenues (32% when the revenue arises from service provision and 100% from financial revenues), to which the regular income tax and social contribution rates are applied.

As described in the accounting interpretation ICPC22 / IFRIC 23, liabilities related to uncertain tax positions are recognized only when Management determines, based on the opinion of its internal and external legal advisors, that the tax authority is unlikely to accept the tax treatment adopted by the Company.

2.19 Losses per basic and diluted share

Basic losses per share are calculated by dividing profit attributable to Company's shareholders by the weighted average number of common shares issued during the year, less the common shares purchased by the Company and held as treasury shares.

Diluted losses per share are calculated by adjusting to weighted average quantity of outstanding common shares, assuming conversion of all common shares that would possibly provoke dilution. The Company has stock options with potential dilutive effects.

2.20 Employee benefits

2.20.01 Short-term benefits

Obligations for short-term employee benefits are recognized as personnel expenses as the related service is rendered. The liability is recognized at the amount expected to be paid, if the Company has a legal or constructive obligation to pay this amount as a result of prior service rendered by the employee, and the obligation can be reliably estimated.

The Company also provides its commercial team with commissions based on existing sales and revenue targets, which are periodically reviewed. These amounts are provisioned under "labor liabilities" on a monthly basis according to the achievement of such targets, with payments being made at certain periods of the year.

2.20.02 Share-based payments

a) Stock option program

The Group offers the stock option plan to strategic board members and employees. The fair value of stock options granted is recognized as an expense over the period in which the stock option vests, which represents the period that specific vesting conditions must be met. The contra-entry is recorded as a credit in capital reserves - granting of stock options in the shareholders' equity. On the balance sheet dates, the Company revises its estimate of the number of options that will vest based on the established conditions. The impact of the review of the initial estimates, if any, is recognized in the Statement of Income, prospectively.

b) Restricted stock option plans

At the Extraordinary General Meeting held on September 3, 2018, the Company's shareholders approved the creation of a Restricted Stock Award Plan as a way of encouraging the increase in performance and permanence of the Company's administrators and/or employees or other companies under its direct or indirect control. The fair value of the restricted shares granted is measured at the market price of the Company's shares on the grant date and the restricted shares will be granted on a non-interest-bearing basis to the participants, through the transfer of shares held in treasury.

On July 31, 2020, Cogna Educação S.A., a shareholder of Vasta Platform Limited, approved the creation of the Restricted Share Plan of its subsidiary Vasta aiming to increase the involvement of eligible beneficiaries in the creation of value and profitability of the subsidiary, as well as encourage them to make significant contributions to the performance and growth of Vasta Platform Limited in the long term, and the fair value of the restricted shares granted is measured at the market price of the shares of the subsidiary Vasta on the grant date and the restricted shares will be granted free of charge to the participants, through the transfer of treasury shares.

c) Performance Shares Plan

On April 28, 2021, the Company's shareholders approved the creation of the Stock Option Plan ("Share Performance Plan"), which aims to allow the grantees to receive options that will entitle them to, subject to certain performance conditions, acquire and subscribe for Shares with a view to: (a) stimulate the expansion, success, and achievement of the Company's social objectives and results, aligning the financial benefit to be obtained by the Grantee regarding the Annual Targets as applicable; (b) align the interests of the Grantees to the Company's shareholders; (c) enable the Company to maintain the beneficiaries of the Plan linked to it or to the Subsidiaries, Grantees; and (d) encourage the creation of long-term value to the Company.

Options can be granted, including those arising from migration, up to a maximum limit of 2% of the Company's total capital on the date of approval of the Plan. The managers and employees of the Company or its Subsidiaries who are considered key executives may be elected as grantees, being subject to the approval by the Committee.

2.21 Share Capital

Company's common shares are classified in the shareholders' equity. Incremental costs directly attributable to issue of new shares or option are shown in shareholders' equity as a deduction of the amount obtained, net of taxes.

When any Company's subsidiary buys shares of the Company (treasury shares), the amount paid, including any additional directly attributable costs (net of income tax), is deducted from the capital attributable to the Company's shareholders until the shares are cancelled or reissued. When those shares are subsequently reissued, any amount received, net of any additional directly attributable transaction costs, and of respective effects of IRPJ and CSLL, is included in the capital attributable to the Company's shareholders.

2.22 Treasury shares

Own equity instruments that are repurchased (treasury shares) and recognized at acquisition cost and deducted from shareholders' equity. No gain or loss is recognized in the income statement on the purchase, sale, issuance or cancellation of the Company's equity instruments.

2.23 Dividends and interest on own capital

Proposal for payment of dividends and interest on own capital made by the Company's management that is within the portion equivalent to minimum mandatory dividend is recorded in current liabilities in the "Dividends and interest on own capital" group" as it is considered as a legal obligation provided for in the Company's Bylaws. However, the portion of dividends in excess of the minimum mandatory dividend, declared by Management after the accounting period to which the financial statements refer, but before the date of authorization for disclosure of the financial statements, will be recorded upon actual payment. Any dividend distributed that is higher than the minimum mandatory dividend is in the line of "additional proposed dividends" in shareholders' equity.

2.24 Revenue from sale of products and services

Revenue comprises the fair value of the consideration received or receivable for the sale of products and services in the Group's normal course of activities. Revenue is presented net of taxes, returns, rebates and discounts and adjusted to present value, and after elimination of sales between Group companies.

CPC 47/IFRS 15 establishes a five-step model applicable to revenue earned from a client contract, regardless of the type of revenue transaction or industry: (i) When the parties to the contract approve the contract and are committed to fulfilling their respective obligations; (ii) When the Entity can identify the rights of each party related to the goods or services transferred; (iii) When the entity can identify the payment terms for the goods or services to be transferred; (iv) When the agreement has commercial substance, and; (v) When it is probable that the Entity will receive the consideration to which it will be entitled in exchange for the goods or services which will be transferred to the client.

Below we present the policies adopted for revenues from sales of products (books, publications, content of subscriptions), and also from sales of services (in-person higher education courses, distance higher education, and basic education):

a) Sale of products

Revenue from the sale of products is recognized when (or as) it satisfies the performance obligation by transferring the promised good to the client, and its recognition may be at a specific time or over the agreement period. The Company adopts the policy of recognizing revenue on the date the product is delivered to the purchaser.

Advance receipts from the sale of teaching collections are recorded under "Advances from clients" and recognized upon delivery of the material.

b) Sale of services

The Company's revenue consists mainly of the provision of higher education (undergraduate) courses and is recognized based on the services performed until the balance sheet date. The following conditions are observed when revenue from student agreements is recognized, according to the form of payment for the service: (i) the existence of a valid and signed agreement; (ii) the value of the services is easily identifiable and, (iii) it is probable that the entity will receive consideration for the services provided.

The monthly fees of the courses and respective discounts vary according to the course, unit or academic term. Six monthly fees are charged each semester, the first being usually considered as enrollment fee. The students' bond always takes place in semesters and the renewal by the students depend on the fulfillment of academic and contractual obligations, at the end of the academic semester.

FIES (Student Financing Program) students, whose agreements are financed under this government program, need to carry out the validation and amendment of the agreement with the FNDE (National Fund for the Development of Education). The Company carries out additional validation and verification procedures, including, without limitation, the monitoring of the status of the students' agreement amendment process in the SisFies (FIES Computerized System), to ensure the receipt of the installments on normal and recurring basis. Additionally, the student signs an agreement for provision of educational services with the Educational Institution (university or college) and, in case of default, the institution can directly charge the student.

For the monthly fees of distance education courses – EAD, a percentage between 20% and 36% is transferred to the partner hub that gives the in-person classes, which varies according to the size of the classes and has specific rules that may change according to each hub. The agreement between the subsidiaries and the hub is a joint operation and establishes the rights of the parties to the respective revenues and the obligations for the respective expenses, thus, revenue is recognized only on the portion referring to the interest of the Company and its subsidiaries. Upon receipt of the student's monthly fee, accounts payable are created for the partner hubs.

Revenue from services and basic education consists of language courses and preparatory courses. They are recognized over their duration.

The hub is a local operational unit that can be either its own or belong to third parties (partners) and is responsible for providing the structure to the student in audiovisual, library and computer resources, so as to support the distance learning.

c) Revenue from royalties

Revenue from royalties is recognized on accrual basis in conformity with the essence of applicable agreements.

In the Group, this revenue refers mainly to the franchise contracts maintained by the subsidiary Red Balloon with its franchise network.

2.25 Financial revenues and expenses

The financial revenues and expenses of the Company mainly comprise the following:

- Interest revenue on students' monthly fees;
- Interest expense from loans and debentures;
- Gains/losses, net of financial assets measured at fair value through profit or loss.
- Expenses of inflation adjustment for contingencies and liabilities assumed in the business combination;

Revenues are recognized as the Company becomes party to the contractual provisions of the instrument. Additionally, they are recognized under the effective interest method.

2.26 Measurement of fair value

Fair value is the price that would be received upon the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date, on the primary market or, in the absence thereof, on the most advantageous market to which the Company has access on such date. The fair value of a liability reflects its risk of non-performance, which includes, among others, the credit risk of the business itself.

If there is no price quoted on an active market, the Company uses valuation techniques that maximize the use of relevant observable data and minimize the use of non-observable data. The valuation technique chosen incorporates all the factors that market participants would consider when setting the price for a transaction. If an asset or liability measured at fair value has a purchase and sale price, the Group measures the assets based on purchase prices and the liabilities based on sale prices. A market is considered as active if the transactions for the asset or liability take place with sufficient frequency and volume to provide information on prices on an ongoing basis.

The best evidence of the fair value of a financial instrument upon initial recognition is usually the transaction price – i.e., the fair value of the consideration given or received. If the Business determines that the fair value at initial recognition differs from the transaction price and the fair value is not evidenced by a price quoted in an active market for an identical asset or liability or by a valuation technique for any unobservable value. As the data are considered insignificant in relation to the measurement, the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. This difference is subsequently recognized in the statement of comprehensive result on an appropriate basis over the useful life of the instrument, or until its assessment is fully supported by observable market data or the transaction is closed, whichever occurs first.

To provide an indication of the reliability of the data used in measuring the fair value, the Company classified its financial instruments in accordance with judgments and estimates of observable data, as far as possible. The fair value hierarchy is based on the degree to which the observable fair value is used in valuation techniques as follows:

- Level 1: Fair value measurements are those derived from prices quoted (unadjusted) in active markets for identical assets or liabilities;

- Level 2: Fair value measurements are those derived from inputs other than the quoted prices included in Level 1 that are observable for the asset or liability, directly or indirectly; and

- Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.27 New standards, amendments and interpretations issued but not yet applicable

The following rules will come into force in a period subsequent to the issuance of the Financial Statements:

2.27.01 CPC 50/ IFRS 17 – Insurance Contracts

This pronouncement will replace the current CPC 11 / IFRS 4, after the review of the international standard by the IASB. The purpose of CPC 50 – Insurance agreements is to ensure that an entity provides relevant information that faithfully represents the essence of these agreements, through a consistent accounting model.

This pronouncement is applicable to annual reporting periods beginning on or after January 1, 2023.

2.27.02 Amendments to CPC 32 / IAS 12 – Deferred tax related to assets and liabilities

The amendments introduce another exception to the initial recognition exemption. According to the amendments, an entity does not apply the initial recognition exemption to transactions that result in equal taxable and deductible temporary differences. Depending on the applicable tax legislation, taxable and deductible temporary differences may arise on the initial recognition of an asset and liability in a transaction that is not a business combination and does not affect the accounting profit or the taxable income. For example, this may arise upon the recognition of a lease liability and the corresponding right-of-use asset by applying CPC 06 (R2) / IFRS 16 - Leases on the date of beginning of a lease.

In line with the amendments to CPC 32/IAS 12, an entity is required to recognize the respective deferred assets and liabilities, and the recognition of deferred tax assets is subject to the recoverability criteria of CPC 32/IAS 12.

This pronouncement is applicable to annual reporting periods beginning on or after January 1, 2023.

3. Estimates and critical accounting judgments

In the preparation of the financial statements, the Company adopts accounting estimates and judgments, which are continuously evaluated and based on historical experience and on other factors, including forward-looking statements considered reasonable and relevant under the circumstances. Based on these assumptions, the Group makes estimates regarding forward-looking statements that may differ from the respective actual results. The estimates and assumptions which present a significant risk, likelihood of causing an important adjustment to the book value of assets and liabilities for the coming year are shown below.

3.1. Judgments

a) Determining the lease period

The Company's subsidiaries have lease agreements whereby they act as lessees of the properties that are used for in-person classes (related to Higher Education operations). In Basic Education, the Company's subsidiaries have lease agreements to act as lessees in the warehouses where the products are located, in addition to lease agreements for computing equipment used in teaching systems and in educational solutions (“chromebooks”). When determining the lease term, Management considers all the facts and circumstances that create an economic incentive to exercise an extension option. Extension options (or periods after the termination options) are only included in the lease term when it is reasonably certain that the option will be exercised (or that the agreement will not be terminated). For the leases of buildings, warehouses, equipment or even computers used in educational solutions, the following factors are usually the most relevant:

d) If there are significant penalties for termination (or non-extension), the Company is reasonably certain to extend (or not terminate) the lease.

e) If there are lease improvements with significant residual balances, the Company is reasonably certain to extend (or not terminate) the lease.

f) In addition, the Company considers other factors, including historical practices related to the use of specific categories of assets (own or leased), as well as the historical duration of the leases and the costs required to replace the leased asset.

3.2. Estimates

a) Assessment of the existence of impairment losses on goodwill

Annually, the Group tests possible losses (“impairment”) on goodwill, in accordance with the accounting policy mentioned in note 2.12 and 17(b). Recoverable amounts of CGUs were determined based on the value in use calculations, which were, in turn, based on estimates.

The Company reviewed its assumptions of the long-term model used in the calculation of the impairment test for the year 2021. The new criteria adopted were analyzed and approved by Management, as well as the rates used. The calculations and the impairment test were prepared by management, in accordance with the accounting standards.

b) Deferred income tax and social contribution

The liability method (according to the concept described in IAS 12 - “Liability Method”) of accounting for deferred income tax and social contribution is used for temporary differences between the book value of assets and liabilities and their respective tax values. The amount of deferred income tax and social contribution assets is reviewed at each balance sheet date and reduced to the amount that is no longer realizable through future taxable income. Deferred tax assets and liabilities are calculated using the tax rates applicable to taxable income in the years in which these temporary differences are expected to be realized. Future taxable income may be higher or lower than the estimates considered to determine deferred tax assets. Further details are presented in Note 27.

c) Provision to tax, labor and civil losses

The Group is a party to several legal and administrative proceedings and recognizes a provision for all legal proceedings for which the probability of loss is considered probable. The assessment of the probability of loss includes the assessment of available evidence, including the opinion of the internal and external legal advisors of the Group and its subsidiaries. Additionally, the Group also recognizes provision for lawsuits with risk of possible loss arising from business combinations, as described in Notes 2.17 and 25.5. Management believes that this provision is sufficient and it is properly presented in the financial statements.

d) Provision for expected loss in accounts receivable

As described in note 2.7, the Company analyzes the accounts receivable from monthly fees and other operations, considering the risks involved, and recognizes provision to cover potential losses on their realization, as mentioned in note 9 (c).

e) Determination of the adjustment to present value of certain assets and liabilities

For certain assets and liabilities that are part of the Company's operations, Management evaluates and recognizes the effects of adjustment to present value, considering the time value of money and the uncertainties associated with them.

f) Inventories - Provision for obsolescence of inventory

The Group adopts the aging of production by type of product and label as a criterion for provisioning for inventory obsolescence, as it understands that this criterion is more consistent with its business model. Under this concept, a provision for inventory loss due to obsolescence is recognized the older the production date is in relation to the base date. The Company considers the editorial renewal calendar of its products to determine the number of periods in which the products may suffer obsolescence, which usually occurs between the third and fifth year. The accounting balances recorded due to this policy are presented in further detail in note 10.

g) Revenue recognition

To determine when the five criteria for revenue recognition described in note 2.24 are met, Management exercises its judgment mainly for securities referring to students with financing such as PEP and FIES.

Additionally, for the monthly fees of distance education courses – EAD, the Company recognizes revenue only on the portion related to its share.

h) Allocation of acquisition price - Business combination and accounting treatment of commitments assumed for acquisition of remaining interest from non-controlling shareholders

During the process of allocation of the acquisition price in a business combination, Management uses assumptions (growth rate, projections, discount rate, useful life, among others) which involve a significant level of estimates and judgments.

4. Assets and liabilities held for sale and discontinued operations

In the context of CPC 31 - Non-Current Assets Held for Sale and Discontinued Operation, Cogna entered into, through its subsidiary Saber, and jointly with company Eleva Educação S.A. (“Eleva”), a share purchase agreement, under which it agreed to sell all shares issued by Somos Operações Escolares (“SOE”), currently responsible for the entire operation of the Cogna Group's own schools (“Saber Escolas”).

Additionally and as mentioned in note 1 to this Financial Statement, on October 29, 2021, the Company, through its subsidiaries Somos Sistemas and Saber, closed the Systems Transaction and Schools Transaction, together with Eleva.

Considering Systems Transaction, the base price of the education system considered in 2021 was R$611,554, of which (i) R$160,000 was paid on the date of disclosure of the Material Fact, and the other installments will be paid in three equal and annual installments of R$ 150,518, the first maturing on October 29, 2024, and each installment restated by the positive variation of 100% of the CDI.

For the Schools Transaction, an estimated sale price was determined in the amount of R$912,633 as of December 31, 2020, considering the Company's best estimate to that date. During the first and second quarters of 2021, and based on the estimated SOE results, the Company determined the need to recognize an additional loss to the fair value of the transaction, in the amount of R$200,121. Therefore, and considering the SOE results for the year 2021, the estimated sale price of the schools transaction was R$717,177. This amount may be positively affected by the 2022 results to be determined in 2023, and the amount recorded in the Financial Statements is already the minimum contractually provided and expected by the Company based on its best estimate to date. Of this amount, (i) R$183,094 was received on the date of disclosure of the Material Fact, (ii) R$440,000 will be paid in installments over 5 years, and (iii) the remainder will be fully received in cash by Saber until June 2022 (previously, this amount could be received in cash or through the payment of debentures convertible into shares. The Company decided to receive cash in a shorter term than the previously agreed-upon maturity). The outstanding installments will be restated by the positive variation of 100% of the CDI.

In thousands of reais, unless otherwise indicated

It is important to point out that the payments to be made to Editora Eleva through Systems Transaction are entirely contingent upon the receipt of installments under the Schools Transaction.

Therefore, we have the following flow of payments and receipts:

RECEIVABLE FOR THE SALE OF SCHOOLS

	Date	Amount
Total price:	10/29/2021	717,177
At sight:	10/29/2021	183,094
1st installment	10/29/2022	10,000
2nd installment	10/29/2023	10,000
3rd installment (i)	10/29/2024	145,000
4th installment (i)	10/29/2025	145,000
5th installment (i)	10/29/2026	130,000
Additional installment:	06/15/2022	94,083

PAYABLE FOR THE PURCHASE OF SISTEMA ELEVA

	Date	Amount
Total price:	10/29/2021	611,554
At sight:	10/29/2021	160,000
3rd installment	10/29/2024	150,518
4th installment	10/29/2025	150,518
5th installment	10/29/2026	150,518

(i) As previously mentioned, the Transactions carried out with Editora Eleva ("Schools Transaction" and "Systems Transaction") are guaranteed between the parties, and the Company offset the amounts related to the last 3 installments receivable under the Schools Transaction, and which were deducted from the balances payable to Editora Eleva under the Systems Transaction in the amount of R$ 420,000. Therefore, the amounts presented under the captions "accounts receivable from the sale of subsidiaries", in assets, and "accounts payable – acquisitions", in liabilities, are already net of this respective offset.

Considering the context of the aforementioned transaction, during 2020, the Company reclassified the balances of the school operation in the Balance Sheet to the caption "assets held for sale", and "liabilities held for sale", as set forth in CPC 31. In the year ended December 31, 2021, considering the impacts of the write-off of these operations, there are no equity balances to be highlighted in these items.

With respect to changes in the Company's results arising from the Group's schools operation, they are being reclassified to a specific line in the Statement of Income, "discontinued operations". Below we present the main impacts on the 10-month period of 2021 (prior to the closing of the transaction):

In thousands of reais, unless otherwise indicated

Statement of income for the year

	10/31/2021
Net revenue from sales and services	503,898
Cost of sales and services	(282,830)
Gross income	**221,068**
Operating revenues (expenses)	
From sales	(8,560)
General and administrative expenses	(226,835)
Provision for expected loss	(8,009)
Impairment loss (i)	(200,121)
Other operating revenues and expenses, net (ii)	240,043
Operating loss before financial income and taxes	**17,586**
Financial income (loss)	
Financial revenues	12,006
Financial expenses	(75,570)
	(63,564)
Operating loss before taxes	**(45,978)**
Income tax and social contribution	
Current	(8,588)
Deferred	3,104
	(5,484)
Loss from discontinued operations	**(51,462)**

(i) Consists mainly of the result from the sale of the Group's school operation.

(ii) Related to changes in the fair value of the asset that was held for sale between 2020 and October 31, 2021, as described above.

We present below the main notes of discontinued operations to the Company's results, according to their respective nature:

Net revenue

	10/31/2021
Gross revenue	647,130
Deductions from gross revenue	
Taxes	(37,594)
Discounts and returns	(105,638)
Net revenue	**503,898**

In thousands of reais, unless otherwise indicated

Costs and expenses by nature

	10/31/2021
Salaries and social security charges	(288,740)
Asset impairment loss	(200,121)
Depreciation and amortization	(32,116)
Revenue from sale of subsidiaries	726,916
Cost in sale of subsidiaries	(517,991)
Amortization of surplus of allocated goodwill	(17,992)
Depreciation - IFRS 16	(41,812)
Other operating costs and expenses	(114,456)
	(486,312)

Cost of sales and services	(282,830)
Sales expenses	(8,560)
Provision for expected loss	(8,009)
Administrative and general expenses	(226,835)
Asset impairment loss	(200,121)
Other operating revenues (expenses), net	240,043
	(486,312)

5. Business combination

5.1. Acquisitions made in 2021

On March 2, 2021, the Company, through its indirect subsidiary Somos Sistemas de Ensino S.A., acquired all the quotas representing 100% of the capital of Sociedade Educacional da Lagoa Ltda. (“SEL”), for the total amount of R$ 65,000, and R$ 38,124 paid in cash and a remaining balance of four equal installments, restated at the positive change of 100% of CDI. SEL provides technical and pedagogical services for educational platforms, including technological maintenance of such platforms, development, and improvement of content and technical training. Founded in 1997, SEL currently serves, directly or indirectly, 441 schools, 272 thousand elementary school students, and approximately 503 thousand high school and continuing education students. The main purpose of this transaction is to take another important step in offering a fully digital service to elementary school students, strengthening the commercial relationship with relevant clients.

On May 24, 2021, the Company, through its indirect subsidiary Somos Sistemas de Ensino S.A., acquired all the quotas representing 100% of the capital of Nota 1000 Serviços Educacionais S.A. (“Redação Nota 1000”), for the total amount of R$ 11,387 and R$ 4,093 paid in cash and the remaining amount in installments with final maturity in 2026, adjusted at the positive change of 100% of CDI. Additionally, the Company recognized a contingent consideration of R$2,650, subject to certain post-closing price adjustments. Redação Nota 1000 is the largest and best platform for practice and correction of essays in Brazil and the first tool to offer online correction of essays in three modalities: (i) made exclusively by essay experts (manually); (ii) automated by the company’s software, with final review by an expert (semi-automated); or (iii) exclusively automated by the Company’s software. Founded in 2014, Redação Nota 1000 served over 270 schools and 700,000 students, with more than 1.3 million essays revised.

In thousands of reais, unless otherwise indicated

On August 1, 2021, the Company, through its indirect subsidiary Somos Sistemas de Ensino S.A., acquired 100% of the equity interest in the company EMME - Produções de Materiais em Multimídia (“EMME”), for the total amount of R$ 15,316, of which R$ 3,063 was paid in cash, and the remaining balance of R$ 12,253 will be paid in installments with final maturity in 2026, restated at the positive change of IPCA. EMME provides marketing solutions for schools, through a bank of actions, events, campaigns and educational marketing strategies or with the creation of customized products for schools. Before the acquisition, EMME was already a strategic partner of Vasta (direct parent company of Somos Sistemas), by offering a basic package to partner schools. Founded in 2005, EMME has served over 1,500 schools.

Also during 2021, and as mentioned in note 4, the subsidiary Somos Sistemas acquired the company Editora De Gouges S.A. (“Eleva”), in October 2021. The total amount of the transaction was R$ 611,554, of which R$ 160,000 was paid in cash at the time of closing of the transaction, and the remainder will be paid in three equal and annual installments of R$ 150,518, each installment being adjusted by the positive variation of 100% of the CDI.

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

					Consolidated
	SEL	**Redação Nota 1000**	**EMME**	**ELEVA**	**Total combinations**
Current assets					
Cash and cash equivalents	1,461	525	637	16,439	19,062
Accounts receivable	180	1,327	1,082	18,189	20,778
Inventory	-	-	-	4,535	4,534
Recoverable taxes	-	-	-	1,960	1,960
Other receivables	-	-	23	82	105
Total current assets	**1,641**	**1,852**	**1,742**	**41,206**	**46,439**
Non-current assets					
Property, plant and equipment	611	-	129	1,310	2,050
Intangible assets					
Software license	3,106	5,692	4,048	-	14,493
Non-Compete	-	1,099	-	-	2,197
Client portfolio (i)	18,782	-	-	312,427	331,209
Total non-current assets	**22,499**	**6,791**	**4,177**	**313,737**	**349,949**
Total assets	**24,141**	**8,643**	**5,919**	**354,942**	**396,388**
Current liabilities					
Suppliers	-	180	12	1,107	1,299
Labor obligations	1	115	599	2,871	3,586
Taxes payable	50	216	103	5,232	5,601
Advances from clients	-	1,673	3	-	1,676
Taxes and contributions in installments	-	-	-	25	25
Total current liabilities	**51**	**2,184**	**717**	**9,235**	**12,187**
Deferred income tax and social contribution	7,440	-	-	-	7,440
Contingencies	-	-	-	1,231	1,231
Other accounts payable	-	-	-	62,234	62,234
Total non-current liabilities	**7,440**	**-**	**-**	**63,465**	**70,905**
Total liabilities	**7,491**	**2,184**	**717**	**72,699**	**83,091**
Net assets acquired	**16,649**	**6,459**	**1,154**	**282,243**	**306,505**
Acquisition price	**65,000**	**11,387**	**15,316**	**611,554**	**703,257**

In thousands of reais, unless otherwise indicated

					Consolidated
	SEL	Redação Nota 1000	EMME	ELEVA	Total combinations
Goodwill	**48,351**	**4,928**	**14,162**	**329,311**	**396,752**

(i) Client portfolio – Multi-period excess earnings method: the method considers the present value of the expected net cash flows from relationships with customers, excluding any cash flow related to contributory assets.

5.2. Acquisitions realized in 2020

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

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

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

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

6. Financial risk management

6.1. Sundry considerations and policies

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

In thousands of reais, unless otherwise indicated

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

	Hierarchy	Parent company		Consolidated	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020
Assets – Amortized cost					
Cash and cash equivalents		369,527	410,818	1,601,468	2,205,346
Accounts receivable		-	-	2,277,276	2,320,087
Accounts receivable from sale of subsidiaries		-	-	209,430	71,922
Other receivables		365	501	178,358	197,183
Debentures receivable from related parties		1,129,712	1,524,047	-	-
Related parties – other		2,986,929	4,107,500	-	309,767
		4,486,533	**6,042,866**	**4,266,532**	**5,104,305**
Assets - Fair value through profit or loss					
Securities	1	116,530	723	2,439,438	1,991,462
		116,530	**723**	**2,439,438**	**1,991,462**
Liabilities – Amortized cost					
Loans		-	-	888	1,046
Debentures		5,625,390	6,998,677	6,865,494	7,220,165
Suppliers		2,649	236	654,064	533,590
Suppliers (debtor risk)		-	-	310,157	284,808
Accounts payable - acquisitions		-	-	262,544	226,276
Other accounts payable		44	54	162,390	101,500
Related parties – other		148,728	153,735	-	-
		5,776,811	**7,152,702**	**8,255,537**	**8,367,385**

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

6.2. Financial risk factors

The Company’s activities are exposed to market, credit and liquidity financial risks.

The Company’s Management and the Board of Directors oversee the management of these risks in line with the goals in capital management:

a) Policy for use of derivative financial instruments

The Company and its subsidiaries did not carry out any transaction with derivatives during 2021.

In thousands of reais, unless otherwise indicated

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

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

The contracted interest rates are shown below:

			Consolidated
	12/31/2021	**12/31/2020**	**Interest rate (% p.a.)**
Loans	888	1,046	9.41
Debentures	6,735,331	7,102,219	100% CDI + interest from 0.65 to 2.95
Debentures - 1st issue SABER 3rd series	130,163	117,946	IPCA + 6.72
Accounts payable for acquisitions	118,335	107,681	CDI
Accounts payable for acquisitions	144,209	118,595	IPCA
Total	**7,128,926**	**7,447,487**	

c) Credit risk

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

Accounts receivable - Higher Education (Kroton and Platos)

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

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

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

As of 2018, for new entrants (except at Faculdade Anhanguera), the Company changed the maturity of the financed installments, establishing that the payment term of the installment portion of the first semester in which the student opted for this product would be transferred to the subsequent semester. Thus, in the second semester, students would pay the installments financed in the first semester and new revenues with maturities in the following semesters, recognized as private installment revenues. The long-term accounts receivable from students benefited by PEP are adjusted to present value. Furthermore, as of the 2021 cycle, the Company decided to no longer offer the PEP product to new entrants.

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

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

Accounts receivable – Basic education (Vasta)

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

Accounts receivable – Basic education (Saber)

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

In thousands of reais, unless otherwise indicated

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

	Consolidated	
	12/31/2021	12/31/2020
Trade accounts receivable (Note 9)		
Kroton	5,022,338	4,927,933
Platos	70,348	78,287
Saber	8,933	12,034
Vasta	551,000	516,979
Other	88,719	63,826
Credit card	54,358	16,658
Gross accounts receivable	**5,795,696**	**5,615,717**

Financial instruments and cash deposits

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

	Consolidated	
Cash and cash equivalents (Note 7)	12/31/2021	12/31/2020
AAA (i)	1,492,256	1,888,676
AA (ii)	109,124	315,349
Not applicable	88	1,321
	1,601,468	**2,205,346**
Securities (Note 8)		
AAA (i)	641,662	662,207
AA (ii)	1,797,776	1,329,255
	2,439,438	**1,991,462**

(i) Since Santander Brasil is not evaluated by Fitch, the rating of the Standard & Poor's agency was used to classify the investments issued by the financial institution in the amount of R$ 1,798,332, of which R$ 1206372 were allocated in cash and cash equivalents and R$ 591,960 allocated to securities.

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

d) Liquidity risk

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

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

In thousands of reais, unless otherwise indicated

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

The Company's main financial liabilities refer to debentures, trade accounts payable, and accounts payable for acquisitions. The main purpose of such financial liabilities is obtaining funds for the Group's operations. The following table shows the Company's financial liabilities, by maturity, corresponding to the remaining period of the security or liability.

Financial liabilities by maturity bracket

				Consolidated
	≤ 1 year	1–2 years	>2 years	Total
December 31, 2021				
Suppliers	654,064	-	-	654,064
Suppliers - Debtor risk	310,157	-	-	310,157
Loans	237	167	484	888
Debentures	2,120,340	2,380,687	2,364,467	6,865,494
Accounts payable for acquisitions	117,554	79,317	65,673	262,544
	3,202,352	**2,460,171**	**2,430,624**	**8,093,147**

Financial liabilities by maturity range - Projected [(i)]

				Consolidated
	≤ 1 year	1–2 years	>2 years	Total
December 31, 2021				
Suppliers	654,064	-	-	654,064
Suppliers - Debtor risk	325,396	-	-	325,396
Loans	247	174	505	926
Debentures	2,214,135	2,485,999	2,469,062	7,169,196
Accounts payable for acquisitions	122,754	82,825	68,578	274,157
	3,316,596	**2,568,998**	**2,538,145**	**8,423,739**

(i) It considers the most likely base scenario over a 12-month horizon. Projected rates: CDI – 4.42% and IPCA – 10.06% p.a.

6.3. Capital management

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

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

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

In thousands of reais, unless otherwise indicated

The financial leverage ratios are shown below:

	Consolidated	
	12/31/2021	12/31/2020
Loans, debentures and accounts payable for acquisitions	(7,128,926)	(7,447,487)
Cash and cash equivalents and securities	4,040,906	4,196,808
Net debt	**(3,088,020)**	**(3,250,679)**
Shareholders' equity	12,726,590	13,209,082
Leverage ratio	**24.26%**	**24.61%**

6.4. Sensitivity analysis

The following is a table showing the sensitivity analysis of financial instruments, which shows the risks that could generate material losses to the Company, according to the assessment made by Management, considering, for a period as the most probable base scenario in a 12-month horizon, the projected rates: CDI – 4.42% and IPCA – 10.06% p.a. Additionally, we show scenarios with 25% and 50% deterioration in the risk variable considered, respectively.

					Consolidated
December 31, 2021	**Exposure**	**Risk**	**Probable scenario**	**Possible scenario -25%**	**Remote scenario -50%**
Interest earning bank deposits and securities	4,040,906	CDI increase	178,754	223,442	268,130
Loans, Debentures, and Accounts payable linked to the CDI	(6,853,666)	CDI increase	(303,179)	(378,973)	(454,768)
Loans, Debentures, and Accounts payable linked to the IPCA	(275,260)	High IPCA	(27,694)	(34,618)	(41,541)
	(3,088,020)		**(152,119)**	**(190,149)**	**(228,179)**

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

7. Cash and cash equivalents

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Cash				
Current account	113	103	30,724	19,438
	113	**103**	**30,724**	**19,438**
Interest earning bank deposits				
OPCM - Repurchase and resale agreement (i)	268,428	21,969	542,778	537,327
CDB - Bank Deposit Certificate	100,986	388,746	1,027,966	1,648,581
	369,414	**410,715**	**1,570,744**	**2,185,908**
Total	**369,527**	**410,818**	**1,601,468**	**2,205,346**

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

In thousands of reais, unless otherwise indicated

The Company has short-term Interest earning bank deposits with high liquidity and an insignificant risk of change in value, mainly linked to the CDI or SELIC rate, a significant part of which is made from exclusive fixed-income investment funds, under the administration and management of large financial institutions. The purpose of these funds is to remunerate the Group's cash and cash equivalents without incurring medium and high-risk instruments or securities. Interest earning bank deposits have average gross profitability in the year ended December 31, 2021, of 102.86% of the CDI (96.76% of the CDI on December 31, 2020).

8. Marketable Securities

	Parent company		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
LTN - National treasury bills	-	-	14,055	15,027
LF - Financial bills	-	-	54,246	170,703
LFT - Financial Treasury Bill	116,530	723	1,974,836	1,805,732
NTN - National Treasury Note	-	-	396,301	-
Total	**116,530**	**723**	**2,439,438**	**1,991,462**
Current	116,530	723	2,425,201	1,976,436
Non-current	-	-	14,237	15,026
	116,530	**723**	**2,439,438**	**1,991,462**

Securities have average gross profitability in the year ended December 31, 2021 of 102.86% of the CDI (96.76% of the CDI on December 31, 2020).

9. Trade receivable

a) Breakdown

				12/31/2021
	Trade receivable	**Expected loss**	**Adjustment to present value**	**Trade receivable, net**
Credit card (i)	54,357	-	-	54,357
Kroton	5,022,338	(3,315,716)	(87,694)	1,618,928
Private Installment Payment (PEP/PMT)	3,787,296	(2,579,292)	(87,558)	1,120,446
PEP	2,824,671	(1,809,106)	(72,028)	943,537
PMT	962,625	(770,186)	(15,530)	176,909
Kroton without private installment payment	1,235,042	(736,424)	(136)	498,482
Pagante	1,000,956	(599,984)	(136)	400,836
FIES (Public Installment Payment)	234,086	(136,440)	-	97,646
Platos	70,348	(39,165)	-	31,183
Saber (ii)	8,933	(1,432)	-	7,501
Vasta	551,000	(46,500)	-	504,500
Other	88,719	(27,912)	-	60,807
Total	**5,795,695**	**(3,430,725)**	**(87,694)**	**2,277,276**
Total without private installment payment and credit card	1,954,042	(851,433)	(136)	1,102,473
Current assets				2,025,689
Non-current assets				251,587
				2,277,276

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

(ii) Related to accounts receivable from services provided by the Group's language schools.

In thousands of reais, unless otherwise indicated

				12/31/2020
	Trade receivable	Expected loss	Adjustment to present value	Trade receivable, net
Credit card (i)	16,658	-	-	16,658
Kroton	4,927,933	(3,130,563)	(81,175)	1,716,195
Private Installment Payment (PEP/PMT)	3,500,804	(2,298,390)	(80,690)	1,121,724
PEP	2,599,592	(1,607,124)	(62,059)	930,409
PMT	901,212	(691,266)	(18,631)	191,315
Kroton without private installment payment	1,427,129	(832,173)	(485)	594,471
Pagante	1,220,714	(697,415)	(485)	522,814
FIES (Public Installment Payment)	206,415	(134,758)	-	71,657
Platos	78,287	(24,511)	-	53,776
Saber (i)	12,034	(950)	-	11,084
Vasta	516,979	(32,055)	-	484,924
Other	63,826	(26,376)	-	37,450
Total	**5,615,717**	**(3,214,455)**	**(81,175)**	**2,320,087**
Total without private installment payment and credit card	2,098,255	(916,065)	(485)	1,181,705
Current assets				1,876,801
Non-current assets				443,286
				2,320,087

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

b) Analysis of trade receivable maturities (aging list)

		Consolidated
	12/31/2021 (i)	12/31/2020 (i)
Amounts falling due	**2,446,454**	**2,567,656**
Overdue (in days):		
up to 30	199,745	164,061
31–60	103,887	156,253
61–90	169,704	201,032
91–180	424,139	531,323
181–365	687,133	751,593
>365	1,764,633	1,243,799
Total overdue	**3,349,241**	**3,048,061**
Provision for expected loss	(3,430,725)	(3,214,455)
Adjustment to present value	(87,694)	(81,175)
	2,277,276	**2,320,087**

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

In thousands of reais, unless otherwise indicated

Kroton – *Paying students*

				Consolidated
	12/31/2021	%	12/31/2020	%
Amounts falling due	**50,134**	**5%**	**92,973**	**8%**
Overdue (days):				
up to 30	41,641	4%	59,011	5%
31–60	51,283	5%	54,225	4%
61–90	84,857	8%	131,193	11%
91–180	241,684	24%	320,989	26%
181–365	290,563	29%	359,170	29%
>365	240,658	24%	202,668	17%
Total overdue	**950,686**	**95%**	**1,127,256**	**92%**
Gross Trade Receivable – Paying students (-) AVP	**1,000,820**	**100%**	**1,220,229**	**100%**
(-) Balance of allowance for doubtful accounts	**599,984**		**697,415**	
Net Trade Receivable – *Paying student*	**400,836**		**522,814**	
Gross AFDA/AR Percentage	***59.9%***		***57.2%***	

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

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

The Company sets up the allowance for expected loss monthly by analyzing the amounts of receivables recorded each month (in the period of 12 months for the Kroton, Platos and Saber segments and 18 months for the Vasta segment) and the respective openings by delay ranges, calculating their recovery performance. In this methodology, for each delay range, a percentage of probability of estimated loss is assigned considering current and historical information of default for each product. We present below the assumptions applied to each segment:

Kroton: Payer The calculation methodology considers the probability of loss from the student's standpoint, considering all accounts receivable on their oldest due date, and which are provisioned according to the risk profile, defined by default history, academic and financial data, such as total debt, history of renegotiation, among others. The Company considers the cash inflow expected for its agreements on renegotiated securities. Private Installment Payment: The expected loss for the PEP and PMT amounts receivable is calculated mainly based on the average between i) expected dropout rate and its default rate and ii) expected graduated and dropped students rate, and their default rate.

Platos: The probability of loss is calculated based on the analysis of monthly rollovers of receivables, overdue and falling due accounts receivable and the respective breakdowns by delay, calculating the recovery performance. In this methodology, a percentage of probability of loss is assigned to each range of late payment, as detailed above, which is updated monthly. The Company considers the cash inflow expected for its agreements on renegotiated securities with a maturity greater than 360 days.

Vasta: The Company calculates the probability of loss on a monthly basis by analyzing the amounts of receivables recorded each month, and the respective openings by range of late payment, calculating the recovery performance. In this methodology, a percentage of probability of loss is assigned to each range of late payment, considering current and historical information on delinquency, which is updated monthly. It is worth noting that the Company considers the expected cash inflow for its agreements on renegotiated bonds with maturity above 540 days. Additionally, the calculation excludes (i) sales to companies of Cogna group (intercompany sales), which do not present a relevant risk of loss.

In thousands of reais, unless otherwise indicated

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

Changes in expected losses

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

	Consolidated
Balance at December 31, 2019	**(2,047,365)**
Additions due to business combination	(734)
Write-off against accounts receivable	453,805
Assets held for sale	17,350
Formation	(1,637,511)
Balance at December 31, 2020	**(3,214,455)**
Write-off against accounts receivable	321,326
Formation	(537,596)
Balance at December 31, 2021	**(3,430,725)**

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

d) Private Installment Payment (PEP/PMT)

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

i) Private Student Installment Payment (PEP). This product aims to provide access to education for students who, despite depending on student funding, do not have access to it. In this modality, the student would pay about half of the tuition of the course after graduation, with the expectation of closing the payments in double the duration of the course. As of the 2021 cycle, the Company decided to no longer offer the PEP product to new entrants.

ii) Late Enrollment Installment Payment (PMT). This product is offered only in the semester of student enrollment and aims to facilitate payment for students who enroll in the middle of the semester cycle. Instead of charging the monthly fees accumulated from the first month of the semester to the month of the student's entry, initially, the student would pay only one monthly fee and the payment of the others would be postponed after graduation. In the second half of 2021, the Company changed the offer of this product where, for new entrants, the postponed tuition fees will be diluted throughout the course and no longer paid only after graduation.

In thousands of reais, unless otherwise indicated

Breakdown of balance

	12/31/2021			12/31/2020		
	PEP	PMT	Consolidated	PEP	PMT	Consolidated
Gross trade receivable	**2,824,671**	**962,625**	**3,787,296**	**2,599,592**	**901,212**	**3,500,804**
(-) Adjustment to present value	(72,027)	(15,530)	(87,557)	(62,059)	(18,631)	(80,690)
Gross trade receivable after adjustment to present value	**2,752,644**	**947,095**	**3,699,739**	**2,537,533**	**882,581**	**3,420,114**
(-) Balance of Allowance for Doubtful Accounts (i)	(1,809,106)	(770,186)	(2,579,292)	(1,607,124)	(691,266)	(2,298,390)
Trade receivable, net	**943,538**	**176,909**	**1,120,447**	**930,409**	**191,315**	**1,121,724**
Gross AFDA/AR percentage after APV	-65.7%	-81.3%	-69.7%	-63.3%	-78.3%	-67.2%
Amounts falling due	1,207,728	409,970	1,617,698	1,348,558	486,372	1,834,930
Amounts overdue	1,616,943	552,655	2,169,598	1,251,034	414,840	1,665,874
Gross trade receivable PEP / PMT	**2,824,671**	**962,625**	**3,787,296**	**2,599,592**	**901,212**	**3,500,804**

(i) For the PMT product, the amount of the provision made is equivalent to 100% of the balance of overdue securities of the dropped students, and the remaining balance of the provision for loss is equivalent to 55.1% of the balance due for active and graduated students. Similarly, for the PEP product, the representativeness of the balance in relation to accounts receivable falling due is 16.9% and 100% for the amounts of dropped and overdue students.

PEP Trade Receivable Profile

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

	12/31/2021			12/31/2020		
	Total balance	Falling due and overdue >360 days (ii)	Overdue >360 days	Total balance	Falling due and overdue up to 360 days	Overdue >360 days
Gross Accounts Receivable before write-offs (i)	**3,357,277**	**1,867,288**	**1,489,989**	**2,913,632**	**1,941,327**	**972,305**
Active students	1,111,158	1,111,158	-	1,197,811	1,197,811	-
Graduated students	520,341	385,770	134,571	205,699	168,460	37,239
Dropped students	1,725,778	370,360	1,355,418	1,510,122	575,056	935,066

(i) The amount shown in these lines refers to the recognized total of accounts receivable during the entire period in which we offer the PEP product to our students. The balances disregard the receipts and write-offs that occurred in various periods, in the amount of R$ 532,606 on December 31, 2021 (R$ 314,040 on December 31, 2020), to show the amounts generated in each category of students, relevant information for the calculation of expected future loss.

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

In thousands of reais, unless otherwise indicated

Expected PEP and PMT Recovery

The expected loss for the PEP and PMT amounts receivable is calculated mainly based on the average between i) expected dropout rate and its default rate and ii) expected graduated and dropped students rate, and their default rate. The projection of future losses calculated by the Company represents, on the measurement date, the management's best estimate of future default, considering historical receipt data for the dropped and graduated PEP and PMT classes, adjusted by the current market conditions, economics, and percentage of estimated future recovery. As of December 31, 2021, the expected effective loss with deterioration for PEP and PMT products was 60% and 63.2%, respectively (59% and 64.6%, respectively, as of December 31, 2020).

10. Inventories

	Consolidated	
	12/31/2021	12/31/2020
Finished goods	228,324	244,215
Work in process	126,664	93,762
Raw materials	11,288	25,497
Imports in transit	4	2,931
	366,280	**366,405**

Changes in the provision for inventory losses are as follows:

	Consolidated
Balance at December 31, 2019	(122,464)
Addition from acquired	(375)
Addition in the year	(32,064)
Assets held for sale	1,159
Inventory losses	49,211
Write-off to inventory	(9,005)
Balance at December 31, 2020	**(113,538)**
Addition in the year	(18,284)
Inventory losses (i)	34,434
Balance at December 31, 2021	**(97,388)**

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

11. Taxes Recoverable

	Consolidated	
	12/31/2021	12/31/2020
PIS, COFINS and ISS recoverable (i)	188,002	179,396
INSS recoverable	-	12,400
Other taxes recoverable	99,697	32,945
	287,699	**224,741**
Current	79,815	87,615
Non-current	207,884	137,126
	287,699	**224,741**

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

In thousands of reais, unless otherwise indicated

12. Income tax and social contribution recoverable

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

As of December 31, 2021, the amounts related to income tax and social contribution recoverable was R$19,557 in the parent company (R$33,956 as of December 31, 2020), and R$134,043 in the consolidated (R$187,830 as of December 31, 2020).

13. Trade receivable from sale of subsidiaries

		Consolidated
	12/31/2021	12/31/2020
UNIASSELVI	67,386	59,451
FAC	3,756	3,218
FAIR	2,103	1,800
COLÉGIO ALPHAVILLE	7,869	-
SOMOS OPERAÇÕES (i)	120,507	-
JAFAR	7,809	7,453
	209,430	**71,922**
Current	76,292	593
Non-current	133,138	71,329
	209,430	**71,922**

(i) The balance receivable from the sale of schools operation, involved in transactions with Eleva. The amounts presented herein are already net of the respective balance payable for the acquisition of Sistema Eleva de Ensino, in the amount of R$420,000, as presented in further detail in note 4.

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

					Consolidated
			12/31/2021		12/31/2020
		Total	**%**	**Total**	**%**
Total current assets	**Falling due in up to one year**	**76,292**	**36.4**	**593**	**0.8**
	From 1 to 2 years	695	0.3	65,039	90.4
	From two to three years	4,058	1.9	570	0.8
	Three to four years	4,059	1.9	570	0.8
	Four years on	124,326	59.4	5,150	7.2
Total non-current assets		**133,138**	**63.6**	**71,329**	**99.2**
Total		**209,430**	**100.0**	**71,922**	**100.0**

In thousands of reais, unless otherwise indicated

14. Other receivables

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Prepaid expenses (i)	359	431	30,795	28,942
Credit with former acquiree's owners (ii)	-	68	91,725	83,355
National Social Security Institute (INSS) Terminations (iii)	-	-	30,859	30,859
Sale of properties (iv)	-	-	10,301	13,034
Other	6	2	14,678	40,993
Total	**365**	**501**	**178,358**	**197,183**
Current	365	501	134,687	105,140
Non-current	-	-	43,671	92,043
	365	**501**	**178,358**	**197,183**

(i) Comprised of: R$ 7,084 related to insurance expenses of Vasta segment, R$ 11,487 related to the software license, R$ 5,419 due to revenue deferral in the leaseback capital gain, R$ 6,805 for minor diversified credits.

(ii) It is mainly broken down by: R$ 72,589 related to contractual reimbursement rights of the former owners of company Academia Paulista Anchieta Ltda. (APA) to subsidiary Anhanguera Educacional S.A., resulting from the balance of ISS to be paid in installments through the incentive installment payment program (PPI) of the City Council of São Paulo, R$ 16,520 relating to the acknowledgment of indebtedness of the Soce linhares unit that subsidiary EDE is entitled to receive, and R$ 2,616 relating to minor diversified credits.

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

(iv) Comprised of: R$ 4,644 referring to the balance receivable from the sale of a CEAMA property in São Luiz do Maranhão, R$ 3,534 related to the sale of a property located in the city of Santo André, and R$ 2,123 from pulverized smaller values.

15. Investments

(a) Breakdown of investments in direct subsidiaries

	Parent company	
	12/31/2021	12/31/2020
Editora e Distribuidora Educacional S.A. ("EDE")	2,717,065	2,394,328
Anhanguera Educacional Participações S.A. ("AESAPAR")	1,293,440	1,579,118
Vasta Platform Limited. ("VASTA")	3,621,136	3,714,364
Saber Serviços Educacionais Ltda. ("SABER")	1,165,773	504,644
Subtotal	**8,797,414**	**8,192,454**
Goodwill, including allocated	5,644,547	5,716,450
Total	**14,441,961**	**13,908,904**

In thousands of reais, unless otherwise indicated

(b) Information on indirect subsidiaries

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

						12/31/2020
	Interest in the shareholders' equity	Number of shares	Total assets	Total liabilities	Shareholders' equity	Income (loss) for the year
EDE	99.99%	2,849,615,508	6,140,918	3,746,590	2,394,328	(1,665,406)
AESAPAR	85.56%	687,212,691	5,415,642	3,570,018	1,845,624	(684,067)
VASTA	77.62%	83,011,584	4,808,695	23,377	4,785,318	(57,963)
SABER	62.04%	5,125,569,249	1,291,903	478,485	813,418	(2,876,586)
			17,657,158	**7,818,470**	**9,838,688**	**(5,284,022)**

(c) Changes in investments in direct subsidiaries

						Parent company
Investment	**EDE**	**AESAPAR**	**Saber**	**Vasta**	**Goodwill**	**Total**
Balance at December 31, 2020	2,394,328	1,579,118	504,644	3,714,364	5,716,450	13,908,904
Changes						
Amortization of allocated goodwill	-	-	-	-	(71,903)	(71,903)
Equity in net income of subsidiaries	(42,434)	(287,704)	104,712	(92,177)	-	(317,603)
Assets held for sale	346,435	-	566,198	-	-	912,633
RSU reflexes	18,903	1,936	(9,509)	(1,052)	-	10,278
Other results	(167)	90	(272)	1	-	(348)
Balance at December 31, 2021	**2,717,065**	**1,293,440**	**1,165,773**	**3,621,136**	**5,644,547**	**14,441,961**

In thousands of reais, unless otherwise indicated

(d) Information on indirect subsidiaries

						12/31/2021
	Interest in the shareholders' equity	Number of quotas	Total assets	Total liabilities	Shareholders' equity	Income (loss) for the year
Clínica Médica Anhanguera Ltda.	99.99%	1,131,700	1,374	4,781	(3,407)	(775)
Instituto Excelência Ltda.	99.99%	17,935,579	3,284	101	3,183	16
Edufor Serviços Educacionais Ltda. – ME	99.99%	8,535,300	970	760	210	(1,303)
Sociedade Piauiense de Ensino Superior Ltda.	99.99%	26,941,750	13,125	14,676	(1,551)	(3,198)
Fateci Cursos Técnicos S/S	99.99%	5,927,000	924	59	865	227
Clauder Ciarlini Filho S/S.	99.99%	5,636,000	12,133	13,312	(1,179)	2,185
Sociedade Educacional da Paraíba Ltda..	99.99%	27,637,000	709	485	224	(701)
Bacabal Mearim Sistemas de Ensino Ltda..	99.99%	1,570,000	30,770	17,959	12,811	2,186
Centro de Ensino Superior de Marabá Ltda.	99.99%	12,729,511	36,615	22,954	13,661	513
Centro de Ensino Superior de Parauapebas Ltda.	99.99%	4,675,159	27,062	9,805	17,257	5,211
Centro de Ensino Superior de Paragominas Ltda.	99.99%	974,207	10,006	5,308	4,698	709
Orme Serviços Educacionais	99.99%	207,349,196	91,101	49,544	41,557	(13,031)
Projecta Educacional	99.99%	10,234,275	6,643	1,219	5,424	139
Pitágoras Sistema de Ensino Sociedade	99.99%	384,011,229	1,227,784	928,415	299,369	11,700
União de Ensino Unopar	99.99%	145,039,401	187,367	68,537	118,830	(1,299)
Unic Educacional	99.99%	210,684,858	365,707	116,636	249,071	(2,995)
Iuni Educacional - Unime Salvador	99.99%	15,916,973	130,895	122,582	8,313	(3,782)
Platos Soluções Educacionais S.A.	99.99%	24,487,162	21,196	12,679	8,517	(14,576)
SGE Comércio de Material Didático Ltda..	99.99%	102,264	24,787	12,618	12,169	1,632
SB Sistemas de Ensino Ltda..	99.99%	120,421,129	472	359	113	606
Somos Idiomas S.A.	99.99%	1,167,583,077	377,390	336,359	41,031	(1,681)
Editora Ática S.A.	99.99%	245,673,857	1,082,658	577,942	504,716	43,561
Editora Scipione S.A.	99.99%	528,685,330	456,364	283,030	173,334	21,995
Somos Educação S.A.	99.99%	22,816,962	472,456	40,339	432,117	(6,255)
Nice Participações S.A.	99.99%	14,157,885	460	746	(286)	561
Maxiprint Editora Ltda.	99.99%	7,445,415	21,209	18,749	2,460	(1,098)
Educação Inovação e Tecnologia S.A. (AppProva)	99.99%	108,622,080	11,535	4,543	6,992	(12,050)
Somos Educação Investimentos S.A.	99.99%	56,588,000	67,150	23,245	43,905	(11,235)
Stoodi Ensino e Treinamento à Distância Ltda..	99.99%	8,200	37,262	7,546	29,716	(17,071)
Eligis Tecnologia e Inovação Ltda..	99.99%	311,868	7	30	(23)	(8)
Editora Joaquim Ltda.	99.99%	347,000	1,104	225	879	458
Editora Pigmento Ltda.	99.99%	592,834	962	127	835	297
Editora Todas as Letras Ltda.	99.99%	573,042,882	3,390	915	2,475	1,609
Saraiva Educação S.A.	99.99%	1,000	523,325	162,370	360,955	32,204
Colégio Anglo São Paulo	99.99%	103,768,018	0	1	(1)	-
Livro Fácil	99.99%	500	124,228	61,942	62,286	(15,618)
Saraiva Soluções Educacionais S.A.	99.99%	93,700	2,147	751	1,396	1,395
Eduquer Serviços Educacionais Ltda.	99.99%	24,640,673	282	41	241	(6)
Pluri - A&R Comércio e Serviços de Informática Ltda.	99.99%	7,991,650	22,130	14,645	7,485	993
Mind Makers Editora Educacional Ltda.	99.99%	2,318,365	24,566	9,488	15,078	11,017
Merrit Informaçao Educacional Ltda.	99.99%	10,000	79	80	(1)	(1,323)
Somos Sistemas de Ensino S.A.	99.99%	5,441,121,711	7,258,248	2,574,907	4,683,341	(109,326)
Nota 1000 Serviços Educacionais Ltda.	99.99%	1,330,000	1,495	1,562	(67)	65
Sociedade Educacional da Lagoa Ltda.	99.99%	6,080,000	6,885	187	6,698	4,497
Emme Produções de Materiais em Multimidia Ltda. Epp.	99.99%	421,149	2,095	905	1,190	(364)
Editora de Gouges S.A.	99.99%	25,654,856	50,703	18,785	31,918	2,991

In thousands of reais, unless otherwise indicated

16. Property, plant and equipment

Consolidated

	IT equipment	Furniture, equipment and fixtures	Library	Buildings and improvements	Property, plant and equipment in progress	Land	Right-of-use (IFRS-16)	Total
Balances at December 31, 2019	**112,751**	**444,791**	**127,988**	**1,414,184**	**56,151**	**118,553**	**3,580,846**	**5,855,264**
Additions	16,115	24,810	6,189	3,036	101,719	-	516,845	668,714
Additions due to business combination	59	153	-	-	-	-	-	212
Write-offs	(10,024)	(53,004)	(16,609)	(225,920)	(12,721)	-	(754,022)	(1,072,300)
Depreciations	(43,596)	(63,635)	(27,915)	(107,706)	-	-	(273,909)	(516,761)
Assets held for sale	(2,923)	(15,729)	(52)	(115,718)	(11,074)	-	(445,459)	(590,955)
Transfers	-	-	-	98,847	(98,847)	-	-	-
Balances at December 31, 2020	**72,382**	**337,386**	**89,601**	**1,066,723**	**35,228**	**118,553**	**2,624,301**	**4,344,174**
Additions	26,855	16,938	5,564	611	81,563	-	208,476	340,007
Additions due to business combination	1,184	721	-	135	-	-	-	2,040
Write-offs	(561)	(5,346)	(1,510)	(32,741)	(664)	-	(74,145)	(114,967)
Depreciations	(34,268)	(52,474)	(22,717)	(71,903)	-	-	(188,641)	(370,003)
Transfers	-	5,913	-	57,386	(57,386)	(5,913)	-	-
Balances at December 31, 2021	**65,592**	**303,138**	**70,938**	**1,020,211**	**58,741**	**112,640**	**2,569,991**	**4,201,251**
Annual average depreciation rate	21%	10%	12%	4%	0%	0%	5%	
Balances at December 31, 2021								
Cost	205,665	587,638	182,684	1,452,592	58,741	112,640	3,482,330	6,082,290
Accumulated depreciation	(140,073)	(284,500)	(111,746)	(432,381)	-	-	(912,339)	(1,881,039)

In thousands of reais, unless otherwise indicated

17. Intangible assets and goodwill

Consolidated

	Software	Content production	Operating License	Goodwill and intangible assets allocated (ii)	Other intangible assets	Total
Balances at December 31, 2019	**607,564**	**156,182**	**13,283**	**19,641,308**	**103,888**	**20,522,225**
Additions	208,159	71,999	4,473	43,624	7,788	336,043
Additions due to business combination	-	177	-	-	-	177
Write-offs	(2,422)	(219)	(2,319)	(158)	-	(5,118)
Asset impairment loss	-	-	-	(4,126,163)	-	(4,126,163)
Assets held for sale	(25,196)	(1,877)	-	(1,053,545)	-	(1,080,618)
Amortizations	(173,273)	(107,119)	(7,574)	(329,426)	(10,853)	(628,245)
Balances at December 31, 2020	**614,832**	**119,143**	**7,863**	**14,175,640**	**100,823**	**15,018,301**
Additions (i)	210,419	43,384	3,998	736,676	7	994,484
Assets held for sale	-	-	-	147,904	-	147,904
Write-offs	(123)	(9)	(1,102)	-	(343)	(1,577)
Amortizations	(204,308)	(86,925)	(4,893)	(275,534)	(11,498)	(583,158)
Balances at December 31, 2021	**620,820**	**75,593**	**5,866**	**14,784,686**	**88,989**	**15,575,954**
Annual average rate of amortization	20%	42%	33%	6%	12%	
December 31, 2021						
Cost	1,278,977	299,104	15,660	14,956,543	118,183	16,668,467
Accumulated amortization	(658,157)	(223,511)	(9,794)	(171,857)	(29,194)	(1,092,513)

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

(ii) The additions in 2021 are substantially related to the acquisition of the companies Editora de Gouges S.A (“Eleva”), Sociedade Educacional da Lagoa (“SEL”), Redação Nota Mil (“Nota Mil”) and EMME Produções de Materiais em Multimídia (“EMME”), which all occurred during 2021, and presented with further details in Note 5.

In thousands of reais, unless otherwise indicated

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

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

		Consolidated
	12/31/2021	**12/31/2020**
Goodwill (i)	12,972,816	12,321,977
Brand (ii)	1,940,981	2,071,358
Pole operation license and partner network (iii)	679,717	688,618
Client portfolio (iv)	1,239,657	1,142,583
Non-competition agreement (iv)	1,939	1,528
	16,835,110	**16,226,064**
Asset impairment loss (vi)	(2,050,424)	(2,050,424)
	14,784,686	**14,175,640**

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

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

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

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

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

(vi) Related to the recognition of impairment loss of assets occurred during 2020.

b) Impairment tests for goodwill per modality

The Company assesses at least annually the recoverability of its assets, or when there is an indication of any impairment.

For the year ended December 31, 2021, the Company assessed events that occurred in its cash-generating units that could affect its expectation of recovery of non-financial assets, and, after this assessment, a need to recognize the loss was not detected.

The following growth assumptions were used in the calculations:

In thousands of reais, unless otherwise indicated

Assumption	Kroton	Platos	Vasta	Other
number of students - base, attraction and dropout	1. Perpetuity growth rate of 5.83% (previously 5.48%) and applied discount rate (WACC) of 12.30% (previously 10.56%).	1. Perpetuity growth rate of 5.83% (previously 7.10%) and applied discount rate (WACC) of 10.98% (previously 10.22%).	1. Perpetuity growth rate at 5.83% (previously 7.10%) and applied discount rate (WACC) at 10.81% (previously 10.22%).	1. Perpetuity growth rate at 5.83% (previously 5.48%) and applied discount rate (WACC) at 10.98% (previously 10.22%).
	2. Growth in the average ticket of new in-person students in line with inflation expectations as of 2025 and half inflation in distance learning. The average ticket of veterans shows a growth above inflation, 5% according to the adjustment already practiced.	2. Net Revenue grows at a CAGR of 19% from 2022 to 2029, mainly due to the constant funding increase in the distance learning modality with Kroton clients.	2. Net Revenue grows at a CAGR of 14% from 2022 to 2029, with growth based on teaching systems, complementary solutions and digital service.	
	3. Growth in distance learning with a CAGR of 10% between 2022 and 2025 and in In-person with a CAGR of 2% between 2022 and 2025.	3. Adjusted EBITDA with CAGR from 2022 to 2029 of 25%, with efficiency gain due to the scalability of the business.	3. Adjusted EBITDA with CAGR from 2022 to 2029 of 21% and increase in EBITDA margin.	

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

In thousands of reais, unless otherwise indicated

	Consolidated	
	12/31/2021	12/31/2020
Kroton	8,799,179	8,883,600
Platos	74	74
Saber (i)	172,141	28,299
Vasta (ii)	5,423,482	4,811,613
Other	389,810	452,054
	14,784,686	**14,175,640**

(i) The remaining balance in this segment refers to language schools (“Red Balloon”).
(ii) Includes acquisitions made during 2021, substantially Editora Eleva. Further details are presented in Note 5.

18. Bonds and financing

(a) Breakdown

			Consolidated	
	Issue	**Maturity**	**12/31/2021**	**12/31/2020**
Working capital	04/19/2012	04/19/2021	-	48
Mind Makers Loans	12/10/2018	05/07/2025	888	998
Total			**888**	**1,046**
Current liabilities			237	229
Non-current liabilities			651	817
			888	**1,046**

(b) Changes

	Consolidated	
	12/31/2021	**12/31/2020**
Opening balance	1,046	692
Additions due to business combination	-	998
Addition - Principal	-	100
Write-off	(50)	-
Interest appropriation	120	72
Liabilities held for sale	-	(100)
Interest payment	(62)	(71)
Payment of principal	(166)	(645)
Closing balance	**888**	**1,046**

(c) Amortization schedule

		Consolidated			
		12/31/2021		12/31/2020	
	Maturity (years)	**Total**	**%**	**Total**	**%**
	up to 1	237	26.7	229	21.9
Current		**237**	**26.7**	**229**	**21.9**
	1–2	167	18.8	168	16.0
	2–3	166	18.7	166	15.9
	3–4	166	18.7	166	15.9
	4–5	152	17.1	166	15.9
	>5	-	-	151	14.4
Non-current		**651**	**73.3**	**817**	**78.1**
		888	**100.0**	**1,046**	**100.0**

The loans presented above have no impact on the calculation of the financial ratios (covenants) of the debentures.

In thousands of reais, unless otherwise indicated

19. Debentures

(a) Breakdown

					Parent company		Consolidated
	Remuneration (% p.a.)	**Issue**	**Maturity**	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**
EDE SARAIVA 4th issue of single series debentures	CDI + 2.75	08/27/2018	08/15/2026	-	-	225,632	221,489
COGNA 1st issue of single series debentures	CDI + 0.65	04/15/2019	04/15/2024	210,010	802,709	210,010	802,709
COGNA 2nd issue of 1st series debentures	CDI + 0.75	08/15/2018	08/15/2021	-	985,611	-	985,611
COGNA 2nd issue of 2nd series debentures	CDI + 1.00	08/15/2018	08/15/2023	3,770,126	3,717,447	3,770,126	3,717,447
COGNA 2nd issue of 3rd series debentures	IPCA + 6.7234	08/15/2018	08/15/2025	130,163	117,946	130,163	117,946
COGNA 3rd issue of 1st, 2nd series and single series debentures	CDI + 0.90 and CDI + 1.70 + 1.15	08/15/2018	08/15/2022	88,710	875,090	88,710	875,090
COGNA 6th issue of single series debentures	CDI + 2.95	05/20/2020	05/20/2023	502,364	499,874	502,364	499,873
COGNA 7th issue of 1st and 2nd series debentures	CDI + 2.60 and CDI + 2.95	08/20/2021	08/20/2024 and 08/20/2026	924,017	-	924,017	-
AESAPAR 1st issue	CDI + 2.95	11/25/2021	11/25/2026	-	-	499,715	-
VASTA 1st issue of single series debentures	CDI + 2.30	08/10/2021	08/05/2023	-	-	514,757	-
Total				**5,625,390**	**6,998,677**	**6,865,494**	**7,220,165**
Current liabilities				2,092,743	1,827,320	2,120,340	2,048,808
Non-current liabilities				3,532,647	5,171,357	4,745,154	5,171,357
				5,625,390	**6,998,677**	**6,865,494**	**7,220,165**

In thousands of reais, unless otherwise indicated

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

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

(b) Changes

		Parent company		Consolidated
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Opening balance	6,998,677	7,859,984	7,220,165	8,083,873
Addition - Principal (i)	900,000	500,000	1,900,000	500,000
Addition - Issue costs	(51,479)	(3,469)	(62,633)	(3,469)
Accrued interest	344,812	306,239	380,531	314,079
Appropriation of costs	25,917	10,406	27,318	10,810
Interest payment	(236,573)	(413,673)	(243,923)	(424,318)
Payment of principal	(2,355,964)	(1,260,810)	(2,355,964)	(1,260,810)
Closing balance	**5,625,390**	**6,998,677**	**6,865,494**	**7,220,165**

(i) On November 19, 2021, the Company, through its subsidiary Anhanguera Educacional Participações S.A. (“Aesapar”), issued debentures not convertible into shares, with additional personal guarantee, in a single series, in the total amount of R$500,000. On July 30, 2021, the Company's Board of Directors approved the 1st issue of simple debentures, non-convertible into shares, in a single series of the indirect subsidiary Somos Sistemas de Ensino S.A., in the amount of R$500,000. Additionally, on July 12, 2021, the Company's Board of Directors approved the 7th (seventh) issue of Cogna's simple debentures, in up to 2 (two) series, in the total amount of up to R$900,000.

(c) Committed performance ratios

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

The debentures issued by parent company Cogna and subsidiaries EDE and AESAPAR require the maintenance of financial ratios ("covenants"), which are calculated quarterly, based on the interim information and the consolidated statements of the Company. The calculation period comprises, where it is necessary for the calculation and as determined in the deed, the 12 months immediately prior to the end of each quarter and the calculation is the quotient of the division of the net debt by the adjusted EBITDA, and the resulting amount should not be greater than 3.00. This index cannot be exceeded in 2 consecutive quarters or in 3 alternating quarters within the term of the contract, which did not occur as of December 31, 2021.

The concept of adjusted EBITDA means, based on the Company's quarterly information (ITR) or consolidated financial statements, as the case may be, the result obtained in the twelve (12) months prior to the calculation date (last twelve months concept), less income tax and social contribution, depreciation and amortization, the financial income (loss) and the result of non-recurring items, plus operating financial revenue. The calculation of financial covenants considers the results of continuing and discontinued operations, and it is necessary to consider the effects presented in note 4, together with the tables presented in the respective notes.

As of May 6, 2021, as the announcement made to the market, the Company's debentureholders accepted, for the majority of the quorum present, the consideration, for the purposes of calculating the adjusted EBITDA for the last 12 months, of R$ 644,000 arising from the allowance for doubtful accounts (AFDA) that were recorded by the Company throughout 2020 (R$ 229,000 in the second quarter of 2020 and R$ 415,000 in the 4th quarter of 2020), which will be considered as an extraordinary adjustment and, therefore, not included in the calculation of the Financial Ratio during the period from the 4th quarter of 2020 to the 3rd quarter of 2021.

The financial ratio for the calculation of the division of net debt by adjusted EBITDA reached 2.16, within the conditions established in the aforementioned financial contractual clauses.

Regarding debenture deeds referred to as non-financial, the Company informs that all of them were met on December 31, 2021.

"Vasta" Issue (annual calculation)

The debentures issued by the indirect subsidiary Somos Sistemas require the maintenance of financial ratios ("covenants"), which are calculated on an yearly basis, based on the consolidated financial statements of the subsidiary. The calculation period comprises the 12 months immediately prior to the end of each year and the calculation is the quotient of the division of the net debt by the adjusted EBITDA, and the resulting amount should not be greater than:

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

In thousands of reais, unless otherwise indicated

This ratio cannot be breached for two consecutive periods or for three alternate periods during the term of the Issue. For the year ended December 31, 2021, the financial index related to the calculation of the quotient of the division of net debt by adjusted EBITDA reached the result of 4.47, being the first year to have exceeded the index, but still in compliance with the aforementioned financial contractual clauses.

(d) Amortization schedule

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

					12/31/2020
			Parent company		Consolidated
	Maturity (days):	**Total**	**%**	**Total**	**%**
	up to 1	1,827,320	26.2	2,048,808	28.4
Current liabilities		**1,827,320**	**26.2**	**2,048,808**	**28.4**
	1–2	1,924,991	27.5	1,924,991	26.7
	2–3	2,340,641	33.4	2,340,641	32.4
	3–4	834,740	11.9	834,740	11.6
	4–5	70,985	1.0	70,985	1.0
Non-current liabilities		**5,171,357**	**73.8**	**5,171,357**	**71.6**
		6,998,677	**100.0**	**7,220,165**	**100.0**

In thousands of reais, unless otherwise indicated

20. Lease liabilities

(a) Changes

	Consolidated
Balances at December 31, 2019	**4,021,474**
Additions	223,017
Restatements	310,590
Cancellations	(188,190)
Turnaround Kroton write-off (i)	(683,627)
Interest payment	(401,608)
Adjustment to present value (ii)	420,183
Payment of principal	(144,205)
Liabilities held for sale	(490,951)
Discounts obtained - COVID-19 (iii)	(34,233)
Balances at December 31, 2020	**3,032,450**
Additions	111,126
Restatements	97,350
Cancellations	(55,251)
Turnaround Kroton write-off (i)	(49,157)
Interest payment	(292,347)
Adjustment to present value (ii)	316,870
Payment of principal	(121,565)
Discounts obtained - COVID-19 (iii)	(12,105)
Balances at December 31, 2021	**3,027,371**
Current	137,922
Non-current	2,889,449
	3,027,371

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

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

(iii) The Company carried out the renegotiation of its lease contracts due to the Coronavirus ("COVID-19") pandemic. The total impact recorded due to the discounts obtained during 2021 was R$12,105 (R$34,233 as of December 31, 2020).

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

In accordance with the debenture deeds, the Group's lease operations have no impact on the calculation of the financial ratios (covenants) of the debentures.

In thousands of reais, unless otherwise indicated

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

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

		Consolidated
	12/31/2021	**12/31/2020**
Fixed Payments	413,912	545,813
Variable Payments	9,647	2,030
Payments related to short-term and low-value contracts and other	60,171	31,665
Total Paid	**483,730**	**579,508**

(c) Future commitments

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

			Consolidated
Years:	**IFRS 16**	**(-) Adjustment to present value**	**12/31/2021**
up to 1 year	434,780	(296,858)	137,922
1–5	2,129,030	(830,151)	1,298,879
>5	3,731,067	(2,140,497)	1,590,570
	6,294,877	**(3,267,506)**	**3,027,371**

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

		Consolidated
	12/31/2021	**12/31/2020**
Statement of income for the year		
Depreciation and amortization	(188,641)	(273,909)
Financial expenses	(316,870)	(420,183)
Financial revenues	139	2,849
Other gains and losses (i)	6,467	44,609
Campus do Futuro	-	97,841
	(498,905)	**(548,793)**
Deferred income tax and social contribution	30,779	25,664
	(468,126)	**(523,129)**
Lease amounts paid in the year	413,912	545,813
Impact on income (loss)	**(54,214)**	**22,684**

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

In thousands of reais, unless otherwise indicated

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

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

	Consolidated			
Description	**Recorded balances - IFRS 16 / CPC 06 (R2) (i)**	**Flow with inflation projection**	**Change in R$**	**% change**
Net right-of-use	2,569,991	3,075,840	505,849	19.68%
Lease liabilities	3,027,371	3,488,475	461,104	15.23%
Net financial expense	316,870	265,041	(51,829)	-16.36%
Depreciation expense	188,641	233,078	44,437	23.56%
Accounts receivable from sublease	2,084	2,166	82	3.93%

(i) Considering the balance of continued operations accounted for in the financial statements as of December 31, 2021.

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

	12/31/2021	
	Consolidated	
Cash Flows	**Nominal**	**Adjusted to present value**
Consideration payable	6,294,877	3,027,371
Potential PIS/COFINS (3.65%)	(224,190)	(107,357)
	6,070,687	**2,920,014**

21. Suppliers – (reverse factoring)

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

As of December 31, 2021, the balance of reverse factoring suppliers was R$ 310,157 (R$ 284,808 on December 31, 2020), and the discount rates on assignment transactions carried out by our suppliers with financial institutions had a weighted average of 1.06% per month (on December 31, 2020, the weighted average was 0.48% per month) and maximum payment term of 360 days. The balance is initially recognized net of the adjustment to present value, which is subsequently recognized as a financial expense.

In thousands of reais, unless otherwise indicated

22. Salaries and social contribution

	Consolidated	
	12/31/2021	**12/31/2020**
Salaries payable	69,481	67,240
INSS payable	37,803	51,688
FGTS payable	9,840	10,110
IRRF payable	41,118	28,966
Provision for vacation pay	50,286	74,989
Provision charges	15,656	24,152
Provision for profit sharing	117,467	27,090
Other (i)	45,431	29,682
	387,082	**313,917**

(i) Comprised mainly of commissions to employees. The increase observed in the year is directly related to the improvement in revenues in the last quarter of 2021.

23. Taxes payable

	Parent company		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
ISS	-	-	57,457	64,267
PIS	1,184	399	558	716
COFINS	1,709	697	8,892	11,528
IRRF	3,188	116	26,445	13,982
CSLL	117	-	272	411
Other	-	342	13,711	12,541
	6,198	**1,554**	**107,335**	**103,445**

24. Accounts payable for business combination

	Consolidated	
	12/31/2021	**12/31/2020**
Colégio Leonardo da Vinci	42,801	51,249
Uniabc	33,714	30,463
Editora Gouges (i)	37,674	-
Colégio Lato Sensu	31,697	43,144
SEL	26,935	-
Metropolitana	23,408	26,038
Livraria Livro Fácil	14,055	15,907
EMME	12,780	-
Other	39,480	59,475
Total	**262,544**	**226,276**
Current	117,554	100,728
Non-current	144,990	125,548
	262,544	**226,276**

(i) Refers to the balance payable to Eleva in transactions involving the purchase of the Education System, already discounted from the amounts receivable from the sale of schools, as mentioned in note 13. The amount presented herein refers to the net amount payable in the last three installments, which exceeds the balance receivable.

In thousands of reais, unless otherwise indicated

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

		Consolidated
	12/31/2021	**12/31/2020**
Opening balance	226,276	283,236
Addition (i)	707,623	59,302
Interest adjustment	16,998	16,352
Offset of accounts - Eleva Transactions (ii)	(420,000)	-
Write-offs	(8,938)	(1,011)
Adjustment to present value (iii)	3,093	4,949
Liabilities held for sale	-	(23,715)
At sight payments	(202,171)	(112,837)
Installment payments	(60,337)	-
Closing balance	**262,544**	**226,276**

(i) Refers to the acquisition of the companies Sociedade Educacional da Lagoa "SEL", Redação Nota Mil and Editora Gouges "Eleva", as mentioned in note 5. Furthermore, it considers the review of the acquisition price of Meritt and Mind Makers, which took place during 2020, and still within the one-year period provided for by the accounting standard.

(ii) Refers to the matching of accounts carried out between the balances: (i) receivable from the transaction between the subsidiary Saber and Eleva, related to the sale of Cogna Group's school operation and, (ii) payable for the transaction between the subsidiary Somos Sistemas and Eleva, related to the purchase of Sistema de Ensino Eleva. The installments to be paid that are lower than the balance receivable are being offset against their respective receipts, since the operations are guaranteed between the parties.

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

Below is the amortization schedule for accounts payable for acquisitions:

					Consolidated
			12/31/2021		**12/31/2020**
	Maturity (years)	**Total**	**%**	**Total**	**%**
	up to 1	117,554	44.8	100,728	44.5
Total current liabilities		**117,554**	**44.8**	**100,728**	**44.5**
	1–2	79,317	30.2	56,720	25.1
	2–3	21,461	8.2	58,476	25.8
	3–4	12,861	4.9	5,561	2.5
	4–5	31,351	11.9	4,791	2.1
Total non-current liabilities		**144,990**	**55.2**	**125,548**	**55.5**
Total		**262,544**	**100.0**	**226,276**	**100.0**

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

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

In thousands of reais, unless otherwise indicated

25.1. Lawsuits with expectation of probable loss and changes

The table below shows the changes in contingencies for the year ended December 31, 2021:

				Consolidated
	Tax	**Civil**	**Labor**	**Total**
Balance at December 31, 2020	226,569	30,611	171,434	428,614
Additions due to business combination	-	1,231	-	1,231
Additions	147,120	100,638	68,844	316,602
Inflation adjustment	17,674	11,647	16,358	45,679
Reversals	(3,718)	(35,802)	(56,384)	(95,904)
Total impact on income (loss)	**161,076**	**76,483**	**28,818**	**266,377**
Payments	(955)	(78,244)	(74,023)	(153,222)
Total payments	**(955)**	**(78,244)**	**(74,023)**	**(153,222)**
Addition, former sponsor	8,267	9,625	2,531	20,423
Inflation adjustment - Former maintainer	3,889	654	1,005	5,548
Reversal, former sponsor	(8,086)	(1,336)	(13,211)	(22,633)
Total, former sponsor (with guarantee)	**4,070**	**8,943**	**(9,675)**	**3,338**
Inflation adjustment - IFRIC 23	8,243	-	-	8,243
Addition IFRIC 23	3,602	-	-	3,602
	11,845	**-**	**-**	**11,845**
Taxes with payment requirement suspended	9,947	-	-	9,947
Balance at December 31, 2021	**412,552**	**39,024**	**116,554**	**568,130**

25.2. Main lawsuits by type

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

Labor lawsuits

- Labor claim filed against Somos Sistema de Ensino, claiming the integration of the amounts paid as Copyright into the salaries, an indemnity resulting from stability and pain and suffering, in the amount of R$ 7,968;

- Collective lawsuit filed by the Workers Union of ABC of the Greater São Paulo against subsidiary Anhanguera, concerning several claims related to compliance with the provisions of the Collective Bargaining Agreement (CCT) of the professors' category, in the amount of R$ 7,494;

- The Company is also a party to 766 labor lawsuits with an average amount of R$ 132 totaling R$ 101,092. Of this total, 179 lawsuits, totaling approximately R$ 8,968, refer to lawsuits from outsourced workers hired by labor outsourcing companies, where the Company's responsibility is only secondary. Labor lawsuits, in general, have a variety of claims, mainly related to the payment of severance pay, overtime, reduction of teaching hours, among other labor costs.

Tax lawsuits

- Assessment notice received by the company in 2021, drawn up by the Brazilian Federal Revenue Service against the subsidiary Somos Sistema de Ensino, with the purpose of collecting the goodwill for the period from 2015 to 2017, in the amount of R$163,491. The Company is responsible for this proceeding;

- Tax foreclosures filed by the Municipality of São Paulo charging the ISSQN for the period from 2007 to 2011, which is the full responsibility of the former sponsors of Academia Paulista Anchieta, a company acquired by Anhanguera in September 2011 (and then incorporated to it), in the amount of R$ 94,112. In the case of loss, the Company has a contractual guarantee;

- Tax foreclosure filed by the Municipality of Ipatinga/MG against subsidiary Pitágoras charging the ISSQN from 2010 to 2014, in the amount of R$ 6,216. The Company filed a Stay of Tax Execution, which is awaiting the lower court decision;

- The Company is also a party to 35 tax lawsuits of minor relevance when considered individually and totaling R$ 48,992, in addition to the amount of R$ 99,741 related to the contingency provisioned according to IFRIC 23.

Civil lawsuits

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

- The Company is also a party to 1,494 civil lawsuits with individual amounts lower than the item above, with an average amount of R$ 21, which total R$ 31,025. The demands mostly involve consumer orders.

25.3. Main additions and reversals

The additions and reversals that occurred in 2021 had an effect on the Company's results. Below we present the main proceedings:

- Of civil nature, in the subsidiary Maxiprint Editora, there has been an addition of R$ 4,558 referring to the conviction related to the payment of copyrights. There have been other additions in the other companies of the group, with an average value of R$8, totaling R$96,080;

- Of a labor nature, in subsidiary Anhanguera Educacional, there was the addition of R$ 3,624 referring to a court settlement involving a request for salary differences and its consequences. There have been other additions in the other companies of the group, with an average value of R$ 57, totaling R$ 65,220;

In thousands of reais, unless otherwise indicated

- Of tax nature, in the subsidiary Somos Sistemas de Ensino, there has been an addition of R$ 146,114 related to the tax assessment notice with the purpose of collecting the goodwill for the period from 2015 to 2017. There have been other additions in the other companies of the group, with an average value of R$ 55, totaling R$ 1,006;

- Of a civil nature, there was a reversal of R$ 8,408 in the subsidiary Anhanguera Educacional due to a favorable decision for the Company, excluded fine for alleged non-compliance with the injunction in the proceeding. There were other sundry reversals in other Group's companies, with an average value of R$ 6, totaling R$ 27,394;

- Of labor nature, in the subsidiary Anhanguera Educacional, there has been a reversal of R$ 5,981 due to the agreement signed between the parties. Additionally, there were other sundry reversals in other Group's companies, with an average amount of R$ 56, which totaled R$ 50,403;

25.4. Lawsuits with expectation of possible losses

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

				Consolidated
	12/31/2021	**12/31/2020**	**Quantity 12/31/2021**	**Quantity 12/31/2020**
Tax	926,892	794,871	375	337
Civil	469,045	458,887	14,487	16,746
Labor	183,286	147,251	1,011	1,042
Total	**1,579,223**	**1,401,009**	**15,873**	**18,125**

As of December 31, 2021, the Company and its parent companies had 15,873 legal/administrative claims classified by Management as possible loss risk based on the opinion of their legal advisors, with 204 lawsuits of partial and/or full liability of former sponsors/sellers of companies acquired by the Company, of which we mention the main ones:

(i) Tax:

- Tax Assessment Notice issued by the Brazilian Federal Revenue Service against the Company after an inspection procedure regarding the non-payment of taxes related to the granting of stock options in stock award plans, in the period from January 2014 to October 2017, in the amount of R$ 148,197. The responsibility for this contingency rests with the Company;

- Tax lawsuits filed by the Federal Government for the purpose of collecting outstanding debt arising from social security contributions recorded as outstanding debt, referring to the period in which subsidiary UNIC IUNI Educacional S/A (currently merged into subsidiary Editora e Distribuidora Educacional S/A) belonged to the former sponsor and had tax immunity when it was a philanthropic and non-profit entity. Tax lawsuits related to this object total R$ 134,396. The responsibility for this contingency rests with the Company;

- Tax Assessment Notice issued by the Brazilian Federal Revenue Service against subsidiary Editora e Distribuidora Educacional S/A (EDE) for the purpose of collecting social security contributions on the portion paid by the Company to eligible employees in the calendar year 2013 to 2016 as Profit Sharing Plan. Considering the principal and ancillary amounts (fine and interest on late payment), the assessment totals R$ 77,857. The responsibility for this contingency rests with the Company;

- Tax assessment notice issued by the Brazilian Federal Revenue Service against Editora e Distribuidora Educacional, successor due to the merger of UNIC IUNI Educacional, related to the non-deductibility of the expense in the Corporate Income Tax of the Profit Sharing in the period from 2015 to 2017. The tax assessment notice was issued in the amount of R$ 70,908, of which R$ 46,000 are related to the non-deductibility of the expense and R$ 24,908 are related to the isolated fine for the monthly recalculation of the IRPJ with the taxation of the Profit Sharing Program (PLR). The responsibility for this contingency rests with the Company.

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

- Tax foreclosure filed by the Municipality of Jacareí for the purpose of receiving the ISSQN for 2018 against subsidiary Anhanguera in the amount of R$ 21,822. The responsibility for this contingency rests with the Company.

- A Tax enforcement received by the Company in 2021, filed by the Federal Government to collect Corporate Income Tax, Social Contribution on Net Income for the period of 2011. The former sponsors are fully responsible for the lawsuit, in the amount of R$ 21,175, and the Company has a sufficient contractual guarantee.

(ii) Civil:

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

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

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

(iii) Labor:

In thousands of reais, unless otherwise indicated

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

- Class action brought by the Teachers Union of Rio Grande do Sul against the subsidiary Anhanguera, claiming overtime, participation in events, severance pay with respective labor charges, (FGTS, INSS, vacation, 13th, etc.) and assistance fees in the amount of R$ 4,404. The Company is responsible for this proceeding.

25.5. Provision for liabilities assumed in business combinations

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

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

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

				Consolidated
	Tax	**Civil**	**Labor**	**Total**
Balance at December 31, 2020	**1,340,814**	**102,403**	**569,389**	**2,012,606**
Inflation adjustment	16,678	1,412	14,184	32,274
Reversals	(175,435)	(64,037)	(233,516)	(472,988)
Total impact on income (loss)	**(158,757)**	**(62,625)**	**(219,332)**	**(440,714)**
Reversal of proceedings related to IR and CS	(34,941)	-	-	(34,941)
Reversal of inflation adjustment	(11,101)	-	-	(11,101)
Total impact on income (loss)	**(46,042)**	**-**	**-**	**(46,042)**
Reversals, former Sponsor	(9,306)	(1,965)	(4,134)	(15,405)
Total, former Sponsor	**(9,306)**	**(1,965)**	**(4,134)**	**(15,405)**
Balance at December 31, 2021	**1,126,709**	**37,813**	**345,923**	**1,510,445**

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

(i) Tax:

- Tax Assessment Notice for collection of IRPJ and CSLL, plus a 75% qualified fine resulting from the disallowance of amortized goodwill and non-deductible expenses, in addition to an isolated fine (for the supposedly under-payment of estimates), in relation to the calendar years from 2011 to 2014. The Tax Assessment Notice was filed against Somos Sistemas de Ensino S.A., and companies Somos Educação S.A. and Ativic S.A. (linked to the Abril Group) were held jointly and severally liable, under article 124, item I, of the Brazilian Tax Code, in the amount of R$ 324,982. The Company is responsible for this lawsuit;

- Tax Assessment Notice issued by the Brazilian Internal Revenue Service on the non-payment of Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL), as well as the application of a qualified fine on assessment of 75% and the application of an isolated fine on the monthly IRPJ/CSLL estimates, in relation to the calendar years from 2013 to 2015. The tax assessment notice was filed against company Central de Produções GWUP S.A. (not controlled by the Company) and with Somos (a subsidiary of the assessed company, at the time of the taxable event) held as jointly and severally liable. The IRPJ and CSLL requirement resulted from the disallowance of financial expenses, considered non-deductible by the inspection authorities, and from the disallowance of goodwill amortization. Because of the adjustments made by the Inspection authorities, an isolated fine was also required due to the alleged non-payment of monthly IRPJ and CSLL estimates, in the amount of R$ 127,730. This lawsuit is the responsibility of third parties and the Company acts as a joint and several debtor. The Company believes that the third debtor of the tax debt has sufficient financial capacity to settle the tax debt in due course, if due;

- Tax Assessment Notice aiming at the collection of alleged debts related to the IRPJ and related taxes - PIS, COFINS, CSLL, and Isolated Fine, referring to the years 2000, 2001, and 2002. The Tax assessment notice involves 7 assessment items and, currently, only the item related to goodwill, in the amount of R$ 89,141, is pending. The Company is responsible for this lawsuit;

- Based on the history and risk analysis of assessments due to the use of goodwill in acquisitions made by Somos, with the consequent constitution of a tax credit by the tax authorities, we considered a potential obligation resulting from past events of R$ 218,172 and other tax procedures, including all acquirees that may be questioned by the tax authorities, totaling R$ 366,682.

(ii) Labor:

- Based on the history and risk analysis of past labor claims and, as a result of non-conformities in relation to past practices, a potential obligation was considered regarding repeated payments to service providers through Self-Employment Income Receipts (RPA) and legal entity invoices, in the amount of R$ 98,022, and other various non-conformities of a labor nature that total R$ 247,902.

(iii) Civil:

- Based on the history and risk analysis, the Company recognized a potential obligation arising from past events originated in contractual fines for the early termination of agreements, especially distribution agreements, totaling R$ 8,758 and other miscellaneous civil non-conformities totaling R$ 29,055.

In thousands of reais, unless otherwise indicated

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

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

		Impact on income (loss)				Impact on the DFC
		Addition (reversal) of provision	Reversal of lawsuits related to Goodwill	Provision for interest	Total	Payments (Operating activity)
Provision for losses on tax, labor and civil lawsuits	Addition	316,602	-	-	316,602	-
	Addition IFRIC 23	9,947	-	-	9,947	-
	Restatement	-	-	45,679	45,679	-
	Update of IFRIC 23	-	3,602	8,243	11,845	-
	Reversal	(95,904)	-	-	(95,904)	-
	Payments	-	-	-	-	(153,222)
	Effect in income (loss)	**230,645**	**3,602**	**53,923**	**288,170**	**(153,222)**
Liabilities assumed in the business combination	Restatement	-	(11,101)	32,274	21,173	-
	Reversal	(472,988)	-	-	(472,988)	-
	IR/CS reversal	-	(34,941)	-	(34,941)	-
	Effect in income (loss)	**(472,988)**	**(46,042)**	**32,274**	**(486,756)**	**-**
	Total effect	**(242,343)**	**(42,440)**	**86,197**	**(198,587)**	**(153,222)**

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

26.1. Judicial deposits

	Parent company		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Tax	-	-	36,444	39,084
Civil	-	2	428	1,207
Labor	418	592	20,141	33,764
Total	**418**	**594**	**57,013**	**74,055**

In thousands of reais, unless otherwise indicated

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

				Consolidated
	Tax	Civil	Labor	Total
Balance at December 31, 2020	**51,812**	**104,394**	**10,666**	**166,872**
Reclassification among types	72,492	(90,337)	17,845	-
Addition	6,581	9,625	4,217	20,423
Inflation adjustment	3,889	654	1,005	5,548
Reversals	(15,715)	(3,293)	(19,030)	(38,038)
Total, former Sponsor	**(5,245)**	**6,986**	**(13,808)**	**(12,067)**
Balance at December 31, 2021	**119,059**	**21,043**	**14,703**	**154,805**

(i) The guarantees provided because of the acquisitions, against the contingencies mentioned in note 25.2, are contractually provided for and comprise: a) retention of rents of properties leased by the Company's subsidiaries; b) retention of part of the purchase price; and c) mortgage on the property belonging to the sellers. Amounts recorded for the contingency provision and their balancing entry in the guarantee of the sellers representing the amounts determined so far, based on the information available from the due diligence carried out by the Company's external advisors, which may be reviewed within one year from the acquisition, as provided for in CPC 15 - Business Combination.

27. Income tax and social contribution - current and deferred

27.1. Income tax and social contribution on income

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

		Parent company		Consolidated
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Loss before income and social contribution taxes for the year	(449,886)	(3,650,867)	(505,368)	(3,835,603)
IR and CS combined nominal rate - %	34%	34%	34%	34%
IRPJ and CSLL at nominal rates	**152,961**	**1,241,295**	**171,825**	**1,304,105**
Equity in net income of subsidiaries	(132,432)	(1,181,702)	529	1,926
Tax incentive in subsidiaries - ProUni benefit	-	-	3,764	7,319
Additions (exclusions) without recording deferred amounts	44,698	(1,356)	673,614	(118,444)
Deferred IRPJ and CSLL on impairment	-	-	-	(697,144)
Deferred IRPJ and CSLL not recorded on the loss for the year of subsidiaries	(53,004)	(33,790)	(755,929)	(53,150)
Contingencies related to IRPJ and CSLL	-	-	(34,941)	-
Write-off of income tax/social contribution from previous years	-	-	(12,266)	(195,509)
Write-off of IR/CS on temporary differences from prior years	-	-	-	(40,996)
IRPJ and CSLL for other transactions	-	-	(2,751)	1,111
Total income tax and social contribution	**12,223**	**24,447**	**43,845**	**209,218**
Current corporate income tax and social contribution in income (loss)	-	-	(2,392)	(36,728)
Deferred income tax and social contribution in income (loss)	12,223	24,447	46,237	245,946
	12,223	**24,447**	**43,845**	**209,218**

In thousands of reais, unless otherwise indicated

27.2. Deferred income tax and social contribution

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

			Parent company
	12/31/2020	Effects in income (loss)	12/31/2021
In liabilities			
Goodwill on business combination	(620,979)	12,223	(608,756)
Non-current liabilities, net	**(620,979)**	**12,223**	**(608,756)**

				Consolidated
	12/31/2020	Other adjustments	Effects in income (loss)	12/31/2021
Income tax / Social contribution:				
Tax losses / negative basis of social contribution on net income	455,304	-	143,639	598,943
Temporary Differences in Taxable Income				
Provision for expected loss	843,005	-	87,043	930,048
Adjustment to present value	7,491	-	(1,923)	5,568
Provision for contingencies	36,118	-	(81,258)	(45,140)
Loan depreciation and cost	(40,059)	-	(611)	(40,670)
Nondeductible provisions	54,591	-	3,694	58,285
Stock option plan	23,396	-	18,046	41,442
Right-of-use lease	133,730	-	30,779	164,509
Capital gain	8,875	-	-	8,875
Goodwill on business combination	(1,180,049)	(153,737)	(153,172)	(1,486,958)
Non-current assets (liabilities), net	**342,402**	**(153,737)**	**46,237**	**234,902**
Non-current assets	838,338			904,160
(–) Non-current liabilities	(495,936)			(669,258)
Total	**342,402**			**234,902**

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

27.3. Tax incentives

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

The amount of tax benefits due to ProUni calculated in the year ended December 31, 2021, including PIS and COFINS, is R$ 122,821 (R$ 140,034 on December 31, 2020).

In thousands of reais, unless otherwise indicated

28. Shareholders' equity

28.1. Share Capital

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

Follow on

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

On February 11, 2020, on the date of the transaction, the Company issued a new Material Fact informing the Market and shareholders that, according to the Board of Directors' meeting, the price per share of R$ 11.00 was approved, with the effective capital increase, within the authorized limit, in the total amount of R$ 2,555,938, equivalent to the issue of 232,358,004 new shares of the Company, as well as their approval, within the scope of the public offering of primary distribution of book-entry, registered common shares with no par value.

Distribution costs

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

Share position and capital value

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

		12/31/2021		12/31/2020
	Amount	**Quantity**	**Amount**	**Quantity**
Total shares - ex-treasury	7,609,803	1,873,745,608	7,568,520	1,868,967,805
Total treasury shares	57,812	2,860,602	99,095	7,638,405
Total shares	**7,667,615**	**1,876,606,210**	**7,667,615**	**1,876,606,210**

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

		12/31/2021		12/31/2020
	Amount	**Quantity**	**Amount**	**Quantity**
Opening balance	99,095	7,638,405	121,427	9,113,832
Disposal of shares	(41,283)	(4,777,803)	(22,332)	(1,475,427)
Closing balance	**57,812**	**2,860,602**	**99,095**	**7,638,405**

28.2. Capital reserve and granted options

The Company grants share-based compensation plans to the Group's executives and employees and considered the recognition of the amounts calculated as of the date that they started to dedicate themselves to the Group's operations in accordance with CPC 10/IFRS 2 - Share-Based Payment. Further details are presented in Note 29.

Equity instruments from business combination

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

Equity gain on issuance of subsidiary's shares

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

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

Given these changes, the balance of all capital reserve accounts for the year ended December 31, 2021, is R$ 5,116,787 (R$ 5,640,562 as of December 31, 2020).

28.3. Interest of non-controlling shareholders

As mentioned in note 28.2, because of the IPO of the direct subsidiary Vasta Platform Ltda. ("Vasta") in July 2020, the Company reduced its interest in the shareholders' equity from 100% to 77.62%, and the remaining interest is held by minority shareholders. As of December 31, 2021, the amount held by minority shareholders totaled R$1,044,074.

In thousands of reais, unless otherwise indicated

29. Share-based remuneration plans

29.1. Restricted stock option plans - RSU

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

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

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

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

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

The table below shows the changes made in the year ended December 31, 2021:

	Number of restricted shares				
PLANS	**12/31/2020**	**Restricted shares settled**	**Restricted shares canceled**	**Restricted shares migrated (i)**	**12/31/2021**
KROT_2015 Plan - Migrated	279,798	(163,169)	(95,861)	(1,894)	18,874
KROT_2018 Plan - New	9,840,926	(6,190,318)	(583,223)	(1,619,273)	1,448,112
TOTAL	**10,120,724**	**(6,353,487)**	**(679,084)**	**(1,621,167)**	**1,466,986**

(i) The contracts in force on 04/30/2021 of the Cogna 2018 Restricted Shares Plan (RSU) of beneficiaries allocated in the business areas named Cogna, Platos or Kroton will be partially migrated to the new Performance Shares Plan (PSU). The number of shares canceled in RSU and granted in PSU was calculated based on the remaining vesting period of each contract on the migration date of 05/01/2021. Shares not canceled and, therefore, not migrated to PSU will be settled on the expiration date of their original grace period under the RSU Plan.

The Company recognized expenses related to the granting of the Restricted Share Plan in the amount of R$8,909 in the year ended December 31, 2021 (R$26,031 in the year ended December 31, 2021.) against capital reserves in shareholders' equity. In addition, the amount of (R$ 898) in the year ended December 31, 2021 (R$ (4,251) as of December 31, 2020) was recognized as personnel expenses with charges and the updating of the accumulated balances of charges by the closing price of Cogna's share, with a balancing entry in the provision for charges in Liabilities.

29.2. Performance Shares Plan - PSU

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

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

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

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

The fair value of the restricted shares granted is measured at the market price of the Company's shares on the grant date and the Strike Price of the Options granted will be R$ 0.01 per Share. All the Options Granted in each contract are segregated in a period of four (4) years, being granted 25% per annum of the total Options, with a grace period of twelve (12) months in relation to each grant.

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

In thousands of reais, unless otherwise indicated

The table below shows the changes made in the year ended December 31, 2021:

Grants	Quantity of options				
	12/31/2020	Options granted	Options Settled	Options cancelled	12/31/2021
Contracts migrated from RSU to PSU (i)	-	1,621,167	-	(67,148)	**1,554,019**
New PSU Grants	-	23,072,846	-	(1,372,310)	**21,700,536**
TOTAL	**-**	**24,694,013**	**-**	**(1,439,458)**	**23,254,555**

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

The Company recognized expenses related to the granting of the Performance Share Plan in the amount of R$ 21,986 in the year ended December 31, 2021, as a contra entry to capital reserves under shareholders' equity. Additionally, the amount of R$150 was recognized as personnel expenses with charges in the year ended December 31, 2021.

29.3. Stock option plans - SOP

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

Program	Grant date	Strike price (R$)	Grace period	Active options granted
Plano2013	06/18/2013–07/03/2014	9,94–11,20	3 lots, term (months): 36, 48, 60	31,967
Plano2013	11/26/2013–06/02/2015	5,67–13,01	4 lots, term (months): 6, 18, 30, 42	4,050,000
Plano2015	10/05/2015–02/01/2016	8,42–9,65	4 lots, term (months): 6, 18, 30, 42	8,095,000
				12,176,967

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

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

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

In thousands of reais, unless otherwise indicated

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

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

As of 2015, the Company started to use the Binominal model to calculate the fair value of the options of each grant. The Company did not modify the grants before 2015, in accordance with the rules established in the CPC 10 pronouncement, which were calculated using the Black & Scholes model.

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

	Plans		
	Kroton		AEDU
	2013 Plan	2015 Plan	2013 Plan
Share price (R$)	9,48–15,84	8,81–10,55	3.73
Risk-free rate (%)	7,0–12,6	15,3–16,5	12.60
Expected annual volatility (%)	24,7–37,3	38,4–40,4	31.10
Volatility Calculation Model	Standard deviation or EWMA	EWMA or Garch	Standard deviation
Expected dividends (%)	2,1–3,5	3.50	2.60
Duration of the program (years)	5–8	5–8	5
Fair value of option on grant date (R$/share)	2,44–5,64	3,27–5,38	5.55

As of December 31, 2021, all stock option plans had already been recognized. (As of December 31, 2020, R$ 4,035 of expense at the fair value of options was recognized).

29.5. Restricted stock option plans - VASTA

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

Rights were granted to employees and executives to receive Vasta Platform’s Class A shares limited to 3% of the total shares of Vasta, which correspond to 2,490,348 shares.

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

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

In thousands of reais, unless otherwise indicated

The table below shows the changes made in the year ended December 31, 2021:

	Number of restricted shares				
PLANS	**12/31/2020**	**Restricted shares granted**	**Restricted Shares Settled**	**Restricted shares canceled**	**12/31/2021**
Vasta Plan	932,604	450,123	(99,625)	(202,430)	1,080,672
TOTAL	**932,604**	**450,123**	**(99,625)**	**(202,430)**	**1,080,672**

The Company recognized the amount of R$ 23,971 related to expenses with grants under the Vasta's Restricted Stock Plan. In addition, the amount of R$ 810 was recognized as personnel expenses with charges and the updating of the accumulated balances of charges by the closing price of Vasta's share, with a balancing entry in the provision for charges in Liabilities.

30. Related parties

30.1. Related party transactions

The main transactions contracted by the Company and its subsidiaries with related parties for the year ended December 31, 2021 are presented below:

Debentures receivable from related parties

		Parent company
	12/31/2021	**12/31/2020**
Debentures receivable Somos Sistemas (i)	315,584	719,779
Debentures receivable EDE (ii)	814,128	804,268
	1,129,712	**1,524,047**
Current assets	278,609	418,059
Non-current assets	851,103	1,105,988
	1,129,712	**1,524,047**

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

(ii) In April 2019, Cogna transferred the amounts that were raised through its first issuance of debentures, which took place on April 15, 2019, to subsidiary EDE. A counterparty to this transaction, EDE issued private debentures to Cogna, whose amounts and other obligations correspond to that described in the public issue made by the Parent Company.

In thousands of reais, unless otherwise indicated

Related parties – other (Assets):

	Parent company	
	12/31/2021	**12/31/2020**
Apportionment of corporate expenses (i)	8,330	4,066
Indemnity Agreement Saber (ii)	170,842	154,275
Amounts assigned to subsidiaries - loan (iii)	2,805,020	3,949,159
Other	2,737	-
	2,986,929	**4,107,500**
Current assets	2,986,929	179,225
Non-current assets	-	3,928,275
	2,986,929	**4,107,500**

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

(ii) Refers to amounts receivable derived from the indemnity agreements between Cogna and Saber, in the amount of R$170,842 (R$154,275 as of December 31, 2020), which is linked to indemnity balances payable to the direct subsidiary Vasta.

(iii) In order to better allocate capital among the Group's subsidiaries, the Company made cash transfers to its subsidiaries against capital increases or loan agreements, depending on an analysis by each company. For this purpose, loan agreements maturing in July 2022 were entered into considering the remuneration of CDI+3.57% p.a. Tax on Financial Transactions (IOF) is not levied on these operations, because of Decree 10504/2020, approved by the Government, which defined a zero rate for the tax on credit operations. The balances receivable per subsidiary are shown below:

				Parent company
Subsidiary	**12/31/2020**	**Interest**	**Amortization**	**12/31/2021**
Union	209,670	6,327	(215,997)	-
Pses	914,738	48,772	(476,284)	487,226
Unime Salvador	61,668	4,999	-	66,667
Unic Educacional	298,061	8,994	(307,055)	-
EDE	1,027,795	61,774	(232,897)	856,672
Aesapar	1,416,343	99,904	(121,792)	1,394,455
Somos Sistemas	20,884	-	(20,884)	-
	3,949,159	**230,770**	**(1,374,909)**	**2,805,020**

Related parties – other (Liabilities):

(i) There were accounts payable resulting from indemnity contracts with Somos Sistemas in the amount of R$ 148,728 (R$ 153,714 as of December 31, 2020) and other obligations payable in the amount of R$ 0 (R$ 21 as of December 31, 2020).

Other operations:

(i) During 2021, a Donation Agreement with Charge was signed between Cogna Educação S.A. and Fundação Pitágoras, seeking to comply with the social and institutional purposes of the Foundation. The former Chairman of the Board of Directors and the Members of the Company's Board of Directors are part of the Foundation's Board of Trustees. The total amount paid was R$1,147, paid on 4 different dates during 2021.

(ii) On January 4, 2020, Anhanguera Educacional Participações S/A and Fundação Manoel de Barros entered into an Agreement for Technical, Scientific and Cultural Cooperation with a Donation with Charge, for a period of 2 years, seeking to comply with the social and institutional purposes of the Foundation. The Members of the Board of Trustees, Board of Directors and Fiscal Council of Fundação Manoel de Barros are Executives of the Company. There was a disbursement of R$150 related to this agreement in 2021.

(iii) Lease agreements were signed for non-residential properties intended for university operations of the subsidiary EDE, leased from Vertia Empreendimentos Imobiliários Ltda., a company controlled by a shareholder and former member of the Company's Board of Directors and current member of the Company's Founders' Committee. On July 10, 2019, the Company renewed the lease term for an additional period of 10 years, starting on January 1, 2020. The amount paid monthly for these agreements totals R$2,420. The inflation adjustment index used is the IPCA.

(iv) Lease agreements were signed for non-residential properties intended for university operations of UNOPAR's University Campus, in the city of Londrina-PR, leased from Creare Administração de Bens Móveis e Imóveis Ltda., a company controlled by shareholders and former members of the Board of Directors. The agreements are valid for 20 years commencing on January 1, 2012. The amount paid monthly by the subsidiary EDE for these agreements totals R$1,359. The inflation adjustment index used is the IPCA. Only one of the agreements, with a monthly payment of R$49, is effective until 2021.

(v) A lease agreement (and amendments) was signed for a property located in São Luiz-MA, intended for the educational operation of Pitágoras Sistema de Educação Superior Sociedade Ltda., leased from Sistema Pitágoras de Ensino Sociedade Ltda. – a company controlled by members of the Board of Directors, shareholders and members of the Founders' Committee. The agreement is effective until August 2023, with a monthly payment of R$218. The inflation adjustment index used is the IPCA.

(vi) On January 11, 2013, we signed with Instituto Educa Mais Brasil Programas Educacional Ltda. ("Instituto Educar") a service agreement for the implementation and management of the scholarship program for students interested in higher education courses. The controlling shareholder of Instituto Educar has a first-degree family relationship with a member of the founders' committee and a second-degree family relationship with a management member. The agreement maintained with Instituto Educar consists in the provision of services, by Instituto Educar, in the identification, registration, selection and referral to our higher education institutions of candidates for courses offered by the institutions, being guaranteed to candidates approved in the selection process, scholarships in higher education courses. There is no remuneration paid by us for the services provided under this agreement. Instituto Educar is remunerated by the student according to a negotiation between them. The agreement is valid for 2 years, automatically renewable, and may be terminated and/or rescinded by either Party, at any time, at least 30 days in advance.

In thousands of reais, unless otherwise indicated

30.2. Remuneration of key management personnel

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

	12/31/2021	12/31/2020
Salaries	14,967	12,311
Benefits	305	393
Charges	6,702	2,865
Variable compensation	15,924	2,015
Stock option plan and restricted shares	13,418	43,810
	51,316	**61,394**

31. Insurance coverage

The Company has a risk management program aiming to delimit risks, seeking coverage compatible with its size and operation in the market. Coverages were contracted at the amount indicated below, to cover possible claims, considering its activity nature, risks involved in its operations and the opinion of insurance advisors.

On December 31, 2020, the Company and its subsidiaries presented the following main insurance policies contracted from third parties:

	Coverages
Property, plant and equipment	338,000
General Civil Liability and Executives	624,732
Vehicles	12,789
	975,521

32. Net revenue from sales and services

						12/31/2021
	Kroton	Platos	Saber	Vasta	Other	Consolidated
Gross revenue	4,454,885	103,702	53,979	1,110,927	604,797	6,328,290
Deductions from gross revenue						
Taxes	(104,879)	(3,659)	(4,728)	(8,456)	(2,525)	(124,247)
Pro Uni	(719,026)	-	-	-	-	(719,026)
Discounts and returns	(498,422)	(3,315)	(2,771)	(155,052)	(47,400)	(706,960)
Net revenue	**3,132,558**	**96,728**	**46,480**	**947,419**	**554,872**	**4,778,057**

						12/31/2020
	Kroton	Platos	Saber	Vasta	Other	Consolidated
Gross revenue	5,118,918	97,182	56,040	1,155,602	523,308	6,951,050
Deductions from gross revenue						
Taxes	(124,608)	(4,859)	(4,298)	(6,431)	(1,975)	(142,171)
Pro Uni	(899,847)	-	-	-	-	(899,847)
Discounts and returns	(458,333)	(1,057)	1,296	(151,589)	(30,205)	(639,888)
Net revenue	**3,636,130**	**91,266**	**53,038**	**997,582**	**491,128**	**5,269,144**

In thousands of reais, unless otherwise indicated

33. Costs and expenses by nature

	Parent company		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Salaries and social security charges	-	(4,036)	(1,571,221)	(1,647,910)
Allowance for doubtful accounts	-	-	(537,596)	(1,625,918)
Depreciation and amortization	(339)	(483)	(488,987)	(505,035)
Advertising and publicity	(338)	(206)	(349,314)	(492,791)
Cost of products sold	-	-	(56,860)	(66,886)
Cost of sales books	-	-	(125,362)	(138,145)
Cost of paper and printing	-	-	(157,847)	(166,345)
Utilities, cleaning and security	(1,677)	(1,158)	(338,253)	(296,552)
Amortization of surplus of allocated goodwill	-	(71,903)	(275,533)	(267,884)
Advisory and consultancy	(800)	(1,241)	(224,294)	(164,429)
Depreciation - IFRS 16	-	-	(188,641)	(228,892)
Other revenues (expenses), net	2,549	4,930	(119,174)	(321,198)
Editorial costs	-	-	(117,487)	(54,396)
Copyright	-	-	(105,629)	(109,570)
Rent and condominium	-	-	(76,987)	(45,010)
Fees and contributions	(21)	(312)	(52,996)	(51,197)
Traveling	-	(1)	(21,046)	(18,322)
Third party services	-	(5)	(4,659)	(6,156)
Amortization of inventory surplus	-	-	(1,486)	(7,995)
Contingencies	219	463	112,162	98,581
Asset impairment loss (i)	-	-	-	(2,050,424)
Write-off of provision for escrow account (ii)	-	-	-	(345,244)
	(407)	**(73,952)**	**(4,701,210)**	**(8,511,718)**
Cost of sales and services	-	-	(1,903,710)	(1,946,924)
Sales expenses	-	-	(570,753)	(655,904)
Administrative and general expenses	(407)	(73,952)	(1,662,087)	(1,644,018)
Asset impairment loss	-	-	-	(2,050,424)
Provision for expected loss	-	-	(537,596)	(1,637,511)
Other operating revenues	-	-	6,028	32,409
Other operating expenses	-	-	(33,092)	(609,346)
	(407)	**(73,952)**	**(4,701,210)**	**(8,511,718)**

(i) Refers to the changes in the growth estimates in the Company's long-term business projection model and additionally by the measurement of the assets involved in the negotiation of the sale of the schools operation at fair value, thus resulting in the recording of impairment in Kroton units (R$ 1,593,000) and Others/SETS (R$ 457,424).

(ii) Composed of the write-off of the guarantee to an escrow account that occurred in June 2020.

In thousands of reais, unless otherwise indicated

34. Financial result

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Financial income				
Interest on monthly payments	-	-	140,686	130,000
Yield on interest earning bank deposits	2,226	39,562	126,329	80,687
Discounts obtained	-	-	167	1,035
Interest assets	-	-	20,876	27,937
Other financial revenues (i)	321,315	182,221	21,768	40,159
	323,541	**221,783**	**309,826**	**279,818**
Financial costs				
Lease interest	-	-	(316,870)	(373,825)
Interest and costs of debentures	(370,729)	(316,646)	(407,970)	(324,961)
Restatement of contingencies	(6,940)	-	(86,197)	(71,916)
Other financial expenses	(3,750)	(6,421)	(24,692)	(56,915)
Inflation adjustment in acquisitions	-	-	(20,091)	(21,301)
Bank and collection fees	(1,961)	(22)	(21,012)	(16,622)
Interest and late payment interest	(134)	-	(16,766)	(8,541)
Liability adjustment and interest	-	(15)	-	(4,431)
	(383,514)	**(323,104)**	**(893,598)**	**(878,512)**
Financial income (costs)	**(59,973)**	**(101,321)**	**(583,772)**	**(598,694)**

(i) It is composed mainly of interest on loan operations carried out by Cogna to its subsidiaries, as well as interest on internal debentures; all of which are further described in note 30.

35. Loss per share

35.1. Basic

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

	Loss from continued operations		Loss for the year	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Loss attributable to Company's shareholders	(461,523)	(3,626,385)	(512,985)	(5,805,800)
Weighted average number of outstanding common shares	1,870,662	1,849,494	1,870,662	1,849,494
Basic losses per common share	**(0.25)**	**(1.96)**	**(0.27)**	**(3.14)**

In thousands of reais, unless otherwise indicated

35.2. Diluted

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

	Loss from continued operations		Loss for the year	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Loss attributable to Company's shareholders	(461,523)	(3,626,385)	(512,985)	(5,805,800)
Weighted average number of outstanding common shares	1,870,662	1,849,494	1,870,662	1,849,494
Potential increase in common shares	12,177	26,213	12,177	26,213
Diluted loss per common share	**(0.25)**	**(1.93)**	**(0.27)**	**(3.10)**

36. Segment information

The company manages its activities in five main operating business segments, to differentiate its offered products, as presented with further details in Note 2.2 (d) We present below the results of these segmentations for the year ended December 31, 2021 and 2020, together with their equity positions:

							12/31/2021
	Kroton	Platos (i)	Saber (i)	Vasta	Other (ii)	Elimination	Total
Net revenue	3,132,558	96,728	46,480	947,419	583,861	(28,989)	4,778,057
Cost of sales and services rendered	(898,399)	(11,172)	(17,843)	(475,436)	(529,849)	28,989	(1,903,710)
	2,234,159	**85,556**	**28,637**	**471,983**	**54,012**	**-**	**2,874,347**
Operating expenses:							
Sales expenses	(329,293)	(26,288)	(223)	(164,439)	(50,510)	-	(570,753)
Administrative and general expenses	(1,344,943)	(23,758)	(25,040)	(346,118)	77,772	-	(1,662,087)
Provision for expected loss	(466,139)	(34,834)	(415)	(32,726)	(3,482)	-	(537,596)
Other expenses, net	(2,486)	-	-	-	(23,021)	-	(25,507)
Operating income (loss) and before financial income (loss)	**91,298**	**676**	**2,959**	**(71,300)**	**54,771**	**-**	**78,404**
Assets (i)	17,091,245	187,803	549,531	7,358,645	3,325,629	-	28,512,853
Liabilities current and non-current (i)	10,029,123	14,054	172,901	2,684,499	1,841,612	-	14,742,189

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

(ii) Currently composed of Educational Solutions for Technical and Higher Education ("SETS") products, preparatory studies for exams and OAB (Brazilian Bar Association) and language teaching offered during the undergraduate course, in addition to the operation that provides services to Basic Education participating in the Brazilian Book and Teaching Material Program (PNLD).

In thousands of reais, unless otherwise indicated

							12/31/2020
	Kroton	**Platos**	**Saber**	**Vasta**	**Other**	**Elimination**	**Total**
Net revenue	3,636,130	91,266	53,038	997,582	548,071	(56,943)	5,269,144
Cost of sales and services rendered	(1,185,236)	(10,594)	(40,035)	(393,992)	(374,010)	56,943	(1,946,924)
	2,450,894	**80,672**	**13,003**	**603,590**	**174,061**	**-**	**3,322,220**
Operating expenses:							
Sales expenses	(428,793)	(22,115)	(1,051)	(165,171)	(38,774)	-	(655,904)
Administrative and general expenses	(1,115,650)	(18,507)	(32,900)	(406,321)	(70,640)	-	(1,644,018)
Provision for expected loss	(1,584,313)	(19,044)	-	(25,013)	(9,141)	-	(1,637,511)
Asset impairment loss	(1,593,000)	-	-	-	(457,424)	-	(2,050,424)
Other expenses, net	(577,488)	(275)	(7,063)	4,283	9,271	-	(571,272)
Operating income (loss) and before financial income (loss)	**(2,848,350)**	**20,731**	**(28,011)**	**11,368**	**(392,647)**	**-**	**(3,236,909)**
Assets	18,402,821	160,917	691,883	7,051,559	2,074,067	-	28,381,247
Liabilities current and non-current	10,839,425	8,457	1,510,477	2,254,753	395,604	-	15,008,716

37. Cash flow supplementary information

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

		12/31/2021
Adjustments for:	**Parent company**	**Consolidated**
Property, plant and equipment		
Addition of financial leases (IFRS 16/CPC 06)	-	208,476
Write-off of financial leases (IFRS 16/CPC 06)	-	(74,145)
	-	**134,331**
Accounts payable for acquisitions		
Offset of balances in the transactions with Eleva	-	420,000
	-	**420,000**
Liabilities assumed in the business combination		
Former sponsor guarantees	360	12,067
	360	**12,067**
	360	**566,398**

38. Subsequent events

38.1. Share repurchase program

On February 10, 2022, the Company's Board of Directors approved the creation of a new program of repurchase of treasury shares, aimed to: (i) generate value for shareholders through management of the Company's capital structure, (ii) maximize returns to investors, (iii) fulfill the Company's commitments in share-based compensation programs, (iv) use the Company's shares to settle corporate operations, (v) maintenance of the treasury, or (vi) public or private disposal.

The Company may acquire up to 102,880,658 common, registered, book-entry shares, without par value, representing 5.482% of the outstanding shares in the market. The maximum period for carrying out the acquisitions will be 12 months, starting on February 11, 2022 and ending on February 10, 2023.

38.2. Change in the Company's Executive Board and Board of Directors

According to a Material Fact disclosed to the market on February 10, 2022, the Company's Board of Directors approved the election of Mr. Rodrigo Calvo Galindo as Chairman of the Company's Board of Directors, and his subsequent withdrawal from the position of Chief Executive Officer of Cogna Group. On the same date and meeting, it was approved the election of Mr. Roberto Afonso Valério Neto as Chief Executive Officer replacing Mr. Galindo, who remained in office until March 28, 2022.

Mr. Roberto Valério is currently the CEO of Kroton Unit, which encompasses the Higher Education operations of Cogna Group. He joined the Company after the merger with Anhanguera Educacional in July 2014, and has been in this position as CEO since 2019.

Additionally, Mr. Rodrigo Menezes Cavalcanti (Vice-President of Student Experience), Leonardo Gomes de Queiroz (Vice-President of Growth) and Rangel Garcia Barbosa (Vice-President of Products) were elected as Statutory Officers of the Company.

1. DISCLOSURE OF EBITDA

According to CVM Instruction 527/12, the Company adhered to the disclosure of the non-accounting information as additional aggregate information in its quarterly information, presenting the EBITDA – Earnings Before Interest, Taxes on Income including Social Contribution on Profit (Loss) Net, Depreciation and Amortization, for exercise ended December 31, 2021 and 2020.

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

		Consolidated
	12/31/2021	12/31/2020
Net income	**(512,985)**	**(5,805,800)**
Income and social contribution tax – note 27.1	43,845	209,218
Financial result – note 34	(583,772)	(598,694)
Depreciation – note 33	(953,161)	(1,009,806)
(-) Discontinued operations	**(160,968)**	**(264,004)**
Income and social contribution tax – note 4	(5,484)	(45,865)
Financial result – note 4	(63,564)	(74,944)
Depreciation – note 4	(91,920)	(143,195)
Accounting EBITDA	**1,141,071**	**(4,142,514)**
(+) Interest and penalties on tuition – note 34	140,686	130,000
(+) Discontinued operations	**585**	**692**
(+) Interest and penalties on tuition	585	692
Management EBITDA	**1,282,341**	**(4,011,822)**
(-) Nonrecurring items (i)	(298,708)	(5,074,442)
Contingencies Provisions/Reversals – note 33	112,162	98,582
(-) Discontinued operations	**33,376**	**61,044**
Contingencies Provisions/Reversals	33,376	61,044
Adjusted EBITDA	**1,435,510**	**902,994**

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

		Consolidated
	12/31/2020	12/31/2019
Impairment (i)	200,121	4,126,163
Escrow account (ii)	-	347,198
Turnaround Kroton (iii)	161,139	318,622
Termination	58,406	138,522
M&A and Expansion	88,736	90,049
Assets write-off	5,552	47,005
Capital Gain – Sale of subsidiary (iv)	(215,246)	6,883
Total Nonrecurring items	**298,708**	**5,074,442**

(i) Refers to the recognition of impairment of assets linked to the operation of the Group's schools, involved in transactions with Eleva. during the first and second quarters of 2021, and based on the estimated SOE results for the periods, the Company understood the need to recognize an additional loss to the fair value of the transaction, in the amount of R$200,121.

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

(iii) Kroton completed the feasibility study of its units and initiated the calculation project ("Turnaround Kroton"), which resulted in the recognition of expenses in the amount of R$161,139 linked mainly to negative impacts resulting from contractual fines for cancellation contracts, cancellations of improvements acquired in third-party properties, and write-offs of lease contracts that meet the criteria of IFRS 16.

(iv) Considering the closing of the Schools Transaction, described in greater detail in note 4 to the Financial Statements for the year ended December 31, 2021, the Company evaluated an estimated sale price, on December 31, 2021 of R $726,916. In addition to this movement, the recognition of the write-off of investments in the company Somos Operações Escolares, which controls the operation of the Group's schools, was recognized, in the updated amount of R$511,671. Therefore, the capital gain determined in this operation for the year ended December 31, 2021 was R$215,246.

Opinion of the Fiscal Council

The Fiscal Council of Cogna Educação SA ("Company"), in compliance with the laws and statutory documents, examined the Management Report, the Financial Statements related to the fiscal year ended on December 31, 2021, and proposal by the Management the profit destination for the year ended December 31, 2021. Based on the examinations carried out, the inquiries by the Company's Management and the Company's independent auditors and also considering the terms of the Independent Auditors' Report on the Financial Statements, opines that Management Report, the Financial Statements, and proposal by the Management the profit destination for the year ended in 2021 are in a position to be approved by the Company's shareholders at an ordinary general meeting

Belo Horizonte, March 23, 2022.

OPINION OF THE AUDIT AND RISK COMMITTEE

The members of the Audit Committee of Cogna Educação S / A ("Company"), in the exercise of their legal duties and responsibilities, as provided for in the Internal Regulations of the Audit and Risk Committee and based on the work carried out during the year 2021 , proceeded to the examination and analysis of the financial statements, accompanied by the opinion of the independent auditors and the annual report of the Management related to the fiscal year ended on December 31, 2021. Accordingly, and considering the information provided by the Company's Management and by the Company's independent auditors, as well as the proposal for the allocation of the results for the year ended December 31, 2021, the members of the Audit Committee unanimously believe that the financial statements, accompanied by the opinion of the independent auditors and the Management's annual report for the fiscal year ended December 31, 2021, adequately reflect, in all material respects, the equity and financial positions of the Company and its subsidiaries, and recommend approval of the documents by the Company's Board of Directors and their forwarding to the Annual Shareholders' Meeting of the Company, under the terms of the Brazilian Corporation Law.

Belo Horizonte, March 22, 2022.

Opinions and representations/Officers' representation on the accounting information

Pursuant to CVM Instruction 480, dated December 7, 2009, Kroton's Officers state that they have reviewed, discussed, and agreed with the individual and consolidated financial statements for the year ended December 31, 2021.

São Paulo, March 24, 2022.

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

Pursuant to CVM Instruction 480, dated December 7, 2009, Kroton's Officers state that they reviewed, discussed, and agreed with the content of the independent auditor's review report of KPMG Auditores Independentes, issued on this date.

São Paulo, March 24, 2022.