

**Belo Horizonte, August 20, 2020, Cognia Educação S.A. (B3: COGN3; OTCQX: COGNY)** – “Cognia” or “Company” releases on the date hereof the earnings for the second quarter of 2020 (2Q20). The Company’s financial information is presented based on the consolidated figures, in Brazilian Reais, in accordance with the Brazilian Corporate Law and the accounting practices adopted in Brazil (BRGAAP), in compliance with the International Financial Reporting Standards (IFRS), except as provided otherwise.

## HIGHLIGHTS – MANAGERIAL ANALYSIS

Values in R\$ ('000)	2Q20	2Q19	Chg.%	1Q20	Chg.%	1H20	1H19	Chg.%
Net Revenue	1,372,520	1,744,355	-21.3%	1,627,468	-15.7%	2,999,988	3,581,461	-16.2%
Recurring EBITDA	120,623	619,280	-80.5%	440,254	-72.6%	560,877	1,388,485	-59.6%
Recurring EBITDA Margin	8.8%	35.5%	-26.7 p.p.	27.1%	-18.3 p.p.	18.7%	38.8%	-20.1 p.p.
EBITDA <sup>1</sup>	(139,485)	624,787	-122.3%	504,807	-127.6%	365,322	1,375,576	-73.4%
EBITDA Margin	-10.2%	35.8%	-46.0 p.p.	31.0%	-41.2 p.p.	12.2%	38.4%	-26.2 p.p.
Adjusted Net Income <sup>2</sup>	(139,987)	266,695	-152.5%	46,809	-399.1%	(93,178)	585,388	-115.9%
Adjusted Net Margin	-10.2%	15.3%	-25.5 p.p.	2.9%	-13.1 p.p.	-3.1%	16.3%	-19.5 p.p.
Operating Cash Generation (OCG) after Capex <sup>3</sup>	145,158	88,087	64.8%	(146,670)	-199.0%	(1,512)	(186,886)	-99.2%
OCG after Capex <sup>1</sup> / EBITDA (unadjusted)	-104.1%	14.1%	-118.2 p.p.	-29.1%	-75.0 p.p.	-0.4%	-13.6%	13.2 p.p.

<sup>1</sup> EBITDA includes interest and penalties on tuition and excludes the impacts of inventory surplus; <sup>2</sup> Net income adjusted by amortization of intangible assets and inventory surplus.

<sup>3</sup> Includes organic Capex and M&A and Expansion investments.

- Net revenues reduced 21% year-on-year, reflecting revenue pressures in postsecondary education, higher dropout rates for early childhood and early elementary school students, and the seasonality of PNLD (National Textbook Program) revenues.
- Negative EBITDA of R\$ 139 million, impacted by: (i) loss on the sale of the escrow account linked to the acquisition of Somos; and (ii) higher provision for doubtful accounts (PDA) for out-of-pocket postsecondary education and in the installment products (PEP/PMT). Recurring EBITDA was R\$ 121 million, down by 81% year-on-year, due to the reduction in revenues and the higher level of PDA.
- Adjusted net losses of R\$ 140 million before the impact of the sale of the escrow account, due to the drop in EBITDA and the events mentioned above.
- Positive cash generation of R\$ 145 million, due to the stabilization of the average receivables term, the reduction in capex and the receipt of the last installment of 2020 PNLD.

## HIGHLIGHTS - PRO FORMA ANALYSIS

In order to allow a better comparison of the performance of 2Q20 with previous quarters, we have eliminated the following events in the proforma analysis: (i) Exclusion of R\$ 75 million in revenue from the late reenrollment curve, which was included in the proforma analysis in 1Q20; (ii) Exclusion of extraordinary expenses from Vasta in 2Q20 (inventory adjustment and incidence of INSS related to previous years), as well as the exclusion of fiscal credits and the reversal of provisioning for variable remuneration in 2Q19; (iii) Reclassification of 2019 editorial capex as cost of products sold; (iv) Exclusion of R\$328 million in incremental PDA, due to the increase in defaults due to the Covid-19 pandemic and PDA complement; and (v) Exclusion of the receipt of R\$ 88 million relating to 2020 PNLD 2020 sales, which would normally be received in 2019.

Values in R\$ ('000)	2Q20 Pro Forma	2Q19 Pro Forma	Chg.%	1Q20 Pro Forma	Chg.%	1H20 Pro Forma	1H19 Pro Forma	Chg.%
Net Revenue	1,297,520	1,744,355	-25.6%	1,617,738	-19.8%	2,915,258	3,581,461	-18.6%
Recurring EBITDA	383,896	594,951	-35.5%	509,201	-24.6%	893,096	1,325,071	-32.6%
Recurring EBITDA Margin	29.6%	34.1%	-4.5 p.p.	31.5%	-1.9 p.p.	30.6%	37.0%	-6.4 p.p.
EBITDA <sup>1</sup>	127,072	600,458	-78.8%	573,754	-77.9%	700,826	1,312,162	-46.6%
EBITDA Margin	9.8%	34.4%	-24.6 p.p.	35.5%	-25.7 p.p.	24.0%	36.6%	-12.6 p.p.
Adjusted Net Income <sup>2</sup>	126,570	259,971	-51.3%	126,476	0.1%	253,046	564,493	-55.2%
Adjusted Net Margin	9.8%	14.9%	-5.1 p.p.	7.8%	1.9 p.p.	8.7%	15.8%	-7.1 p.p.
Operating Cash Generation (OCG) after Capex <sup>3</sup>	56,956	88,087	-35.3%	(292,717)	-119.5%	(235,761)	(186,886)	26.2%
OCG after Capex <sup>1</sup> / EBITDA (unadjusted)	44.8%	14.7%	30.2 p.p.	-51.0%	95.8 p.p.	-33.6%	-14.2%	-19.4 p.p.

<sup>1</sup> EBITDA includes default interest and penalties on tuition and excludes the impacts of inventory surplus; <sup>2</sup> Net income adjusted by amortization of intangible assets and inventory surplus.






<sup>3</sup> Includes organic Capex and M&A and Expansion investments.

## MESSAGE FROM MANAGEMENT

### FACING THE STORM

During the first half of 2020, we made progress in implementing our response plan to Covid-19 and implemented actions to (i) preserve the health of our employees and students during the most acute phase of the pandemic, and (ii) guarantee the continuity of our services through the successful migration of our face-to-face services to digital platforms. In particular, we highlight the increased engagement of on-campus postsecondary education students when compared to previous semesters, and the expressive reach of the Plurall platform, which registered record accesses on the internet, currently allowing 1 out of 4 students in the Brazilian private K-12 education network to continue with their studies from home. As announced to the market, during the quarter we took emergency actions to preserve our results, such as the temporary suspension of employment contracts and the temporary reduction of working hours, as allowed by provisional decree 936; a significant reduction in the variable remuneration of employees; and the renegotiation of several contracts with suppliers. Despite such measures, we had earnings much below our initial expectations, due to the strength of the pandemic's impact (in a year that would already be challenging). We also started to adopt more restrictive reenrollment measures, preventing old debts from being renewed. In the short term, this measure leads to an increase in dropouts and therefore generates an increase in PDA, since the items are not renewed, and after 360 days they are written-off to loss (although we continue with collection efforts), but we understand that the remaining base is healthier and allows for more sustainable results in the long term, and for this reason, we made that decision. We note, however, that we had positive cash generation in the quarter, keeping a solid cash position and elongated debt profile, which will support us in coming quarters to face this highly challenging business environment while advancing in the digitalization of postsecondary education.

Analyzing the recurring performance of Cognia in the first semester of 2020, in the proforma view, we notice that Kroton posted a significant drop in revenue and EBITDA, particularly concentrated in the segment of on-site undergraduate. The other 3 companies of the group (Vasta, Saber and Platos), however, delivered growth in EBITDA, even considering the impacts of the pandemic.

Company	1S20 - Annual Change (%)			Comments
	Net Revenue	EBITDA	EBITDA Mg.	
Kroton	-25%	-43%		Last year with high impact from the graduation of FIES students Enrollment and reenrollment of students highly impacted by COVID-19 Substantial reinforcement of the PDA due to COVID-19
Platos	12%	23%		Growth in Revenue, EBITDA and EBITDA Margin, even given the pandemic
Saber	-2%	35%		Stable revenue, but with expressive EBITDA and EBITDA Margin growth, even given the pandemic
Vasta	9%	10%		Revenue and EBITDA growth, even given the pandemic
<b>Cogna</b>	<b>-19%</b>	<b>-33%</b>		<b>Impacts in Cognia derive from undergraduate studies, especially on-campus education</b>

### DIGITAL TRANSFORMATION OF POSTSECONDARY EDUCATION

The Company's digital transformation process, which started in 2017, has already completed two important cycles: (i) the cultural change in the Company's management, and (ii) the digitization of K-12 education, which resulted in the IPO of Vasta. The third stage to be implemented is the digitization of postsecondary education. We clearly notice a migration in

demand of new students from on-campus education to digital education, and this trend was strongly accelerated by the pandemic. We understand that the behavior changes from the quarantine will not be circumstantial, but structural. We overcome the cultural barrier of the digitalization of education, and students began to see the value, quality and benefits of the lower cost and flexibility that digital education can provide. That perception leads us to start a new, relevant journey of transformation within the Company, evaluating new potential segments in postsecondary education, respecting contexts with different opportunities, and which demand different focus and actions.

- 1) Postsecondary Education Digital Platform: contemplates all offers of digital (distance learning) courses for end consumers, with or without an on-site component, using third-party centers or Kroton's own units, in addition to content and technology solutions for other postsecondary education institutions. This platform already provides for high operating margins, strong cash generation, low use of fixed assets and a perspective of high growth due to Brazil's new moment in digital education. The focus here is growth.
- 2) Kroton On-campus: Kroton's on-campus operations will undergo a broad restructuring process to adapt to the new market reality. The scope of such restructuring provides for a reduction in the size of the operation, a reduction in the number of units, rearranging of the portfolio focusing on premium courses, and rebranding in some locations, focusing on premium products. Our expectation is to have a company with increased margins and cash generation. Additional details about the project will be provided in a timely fashion.

The adjustment in postsecondary education is a result of the change in context caused by the pandemic. Before the pandemic, the greenfields were on a positive growth trend, moving from cash consumption to neutral, with the prospect of positive generation in 2021. Small on-campus units suffered from the reduction of FIES students, but the trend from 2021 onwards was also positive. The pandemic completely changed such dynamics. Students that used to be resistant to digital education now prefer an equivalent hybrid course, as they realized that this course could deliver quality at a lower cost. We are taking advantage of this moment to make the biggest and most impacting change in the postsecondary education segment ever conducted by the Company, preparing it for these new times.

The eventual segregation of postsecondary education operations between "Digital Platform" and "Kroton On-Campus" at this time will allow for a greater focus on the objectives of these two business units which are completely different: in the Digital Platform, growing is the name of the game; in Kroton On-Campus, the moment requires a resizing with turnaround. But some basic premises must be preserved: a) there will be no loss of synergies; b) we will maintain the capacity to operate under the omnichannel concept, in which the client experience is not impacted, regardless of the channel through which he is served. All Kroton campuses will continue to operate as centers for the Digital Platform.

## THE END OF PEP

The Private Special Installment Plan (PEP) was created in 2015, aiming at offering students the option to pay in installments considering the prospect of a lower offer of public student financing (FIES). PEP was, therefore, critical for a transition from a market with a high share of public funding and high demand for on-campus courses to current days. With the evolving market dynamics and commercial processes, PEP has become less relevant, and in this second half of 2020, the expectation is that it will meet only 6% of on-campus enrollments. When it was created, PEP was virtually the only way to offer on-campus education without significant price reductions. Nowadays, virtually the entire portfolio is also offered through digital education, and it makes more sense to migrate the demand to these courses. For students, lower monthly fees which fit their budgets without the need for paying in installments. For the postsecondary education institution, despite the lower ticket, this movement leads to higher margins, greater cash conversion and a significant reduction in accounts receivable. In view of this scenario, management decided to end the PEP offer in the enrollment processes as of 2021. Students currently benefiting from the program will continue to be offered the product until graduation.

## VASTA, THE DIGITAL TRANSFORMATION OF THE BRAZILIAN SCHOOL

At the beginning of August, we successfully concluded Vasta's IPO on Nasdaq, the largest IPO ever made by a Brazilian education company, raising approximately R\$ 2 billion (US\$ 405 million), and assigning the Company market value of R\$ 8.4 billion. The offer was well received in the market, with requests from more than 280 investors, which generated total demand of more than 15 times the number of shares offered, even with the price per share at US\$19, higher than the initial range from US\$15.50 to US\$17.50. Vasta is a unique combination of high growth with recurring revenue, high operating margins and cash generation. We believe that the post-pandemic world will result in the need to create hybrid schools, and Vasta is very well positioned to support the transition of Brazilian schools to this new world. The IPO provides resources and autonomy for Vasta to further improve its service platform and consolidate the content market for K-12 schools.

## BUSINESS UNITS' RESULTS

### KROTON | OPERATIONAL PERFORMANCE

#### Student Base

Student Base	2Q20	2Q19	% Chg.	1Q20	% Chg.
<b>On-Campus</b>					
<b>Units</b>	<b>176</b>	<b>155</b>	<b>13.5%</b>	<b>176</b>	<b>0.0%</b>
<b>Students</b>	<b>292,152</b>	<b>353,434</b>	<b>-17.3%</b>	<b>317,800</b>	<b>-8.1%</b>
Out-of-Pocket	189,475	195,155	-2.9%	211,092	-10.2%
Prouni	31,042	38,518	-19.4%	32,167	-3.5%
FIES	27,485	64,531	-57.4%	27,288	0.7%
PEP	44,150	55,230	-20.1%	47,253	-6.6%
<b>Digital</b>					
<b>Units</b>	<b>1,536</b>	<b>1,258</b>	<b>22.1%</b>	<b>1,528</b>	<b>0.5%</b>
<b>Students</b>	<b>552,029</b>	<b>492,128</b>	<b>12.2%</b>	<b>603,578</b>	<b>-8.5%</b>
Out-of-Pocket	521,497	460,027	13.4%	572,178	-8.9%
Prouni	30,532	32,101	-4.9%	31,400	-2.8%
<b>Total</b>					
<b>Students</b>	<b>844,181</b>	<b>845,562</b>	<b>-0.2%</b>	<b>921,378</b>	<b>-8.4%</b>

The undergraduate student base remained stable in 2Q20, with the resumption of growth in digital education (+12%) being offset by a lower number of students in on-campus education (-17%).

#### On-Campus Education – Student Base Evolution

Student Base	2Q20	2Q19	% Chg.
<b>Initial Base</b>	<b>317,800</b>	<b>379,188</b>	<b>-16.2%</b>
<b>Graduations</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Dropouts</b>	<b>(25,648)</b>	<b>(25,754)</b>	<b>-0.4%</b>
Dropout Rate	8.1%	6.8%	1.3
<b>Enrollments</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Final Base</b>	<b>292,152</b>	<b>353,434</b>	<b>-17.3%</b>

In on-campus education, the 17% drop in student base results, to a large extent, from the movement in the student base that occurred in 1Q20: decrease in enrollment (influenced by the temporary closure of units and withdrawal of end-of-cycle campaigns) combined with increased dropout at the turn of the semester. In 2Q20, the dropout rate increased by 1.3 percentage points, basically due to the effects of the temporary closure of the units. We understand that the rapid migration of on-campus activities to our digital platforms was critical to avoid further deterioration in this index.

#### Digital Education – Student Base Evolution

Student Base	2Q20	2Q19	% Chg.
<b>Initial Base</b>	<b>603,578</b>	<b>536,890</b>	<b>12.4%</b>
<b>Graduations</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Dropouts</b>	<b>(51,549)</b>	<b>(44,162)</b>	<b>16.7%</b>
Dropout Rate	8.5%	8.2%	0.3
<b>Enrollments</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Final Base</b>	<b>552,029</b>	<b>492,728</b>	<b>12.0%</b>

The digital education student base maintained a 12% growth in 2Q20, consolidating the change in Kroton's growth level in this segment, and should continue on an upward trend in the coming years. In particular, we highlight the rise of only 0.3 percentage points in the dropout rate, a very satisfactory result considering (i) the adverse effects of the pandemic on students' ability to pay, and (ii) the growing participation of the 100% online model in the student base.

## Net Revenues

Net revenues fell 21% in 2Q20, due to a reduced student base and the average ticket for on-campus education, partially offset by the growth in the digital education student base. In own units, the decreasing representativeness of FIES becomes clear, whose revenue fell by 48%, as well as a lower contribution from PMT revenues as a result of a significant drop in enrollments as of the temporary closure of units in the second half of March. Digital education in own units recorded a 74% increase in revenues, showing the importance of the capillarity of our campus channel as a product distribution force and a greater tendency of freshmen enrolling in digital courses.

<i>Kroton - Values in R\$ ('000)</i>	2Q20	2Q19	% Chg.	1Q20	% Chg.	1H20	1H19	% Chg.
<b>Net Revenue</b>	<b>1,051,861</b>	<b>1,334,075</b>	<b>-21.2%</b>	<b>882,696</b>	<b>19.2%</b>	<b>1,934,557</b>	<b>2,579,519</b>	<b>-25.0%</b>
<b>Net Revenue - Undergraduation - Own units</b>	<b>832,019</b>	<b>1,114,067</b>	<b>-25.3%</b>	<b>671,982</b>	<b>23.8%</b>	<b>1,504,000</b>	<b>2,115,352</b>	<b>-28.9%</b>
Net Revenue - Out-of-pocket	461,578	608,896	-24.2%	330,659	39.6%	792,237	1,030,286	-23.1%
Net Revenue - FIES (financed part net of APV)	145,917	278,166	-47.5%	61,887	135.8%	207,803	546,103	-61.9%
Net Revenue - PEP (installment part net of APV)	136,254	145,161	-6.1%	113,944	19.6%	250,198	277,108	-9.7%
Net Revenue - PMT (installment part net of APV)	19,444	42,043	-53.8%	102,793	-81.1%	122,236	182,152	-32.9%
Net Revenue - Digital Out-of-pocket	68,826	39,672	73.5%	62,659	9.8%	131,486	79,415	65.6%
Net Revenue - Digital PMT (installment part net of APV)	-	129	-100.0%	40	-100.0%	40	288	-86.3%
<b>Net Revenue - Undergraduation - Third-party units</b>	<b>209,615</b>	<b>208,149</b>	<b>0.7%</b>	<b>198,063</b>	<b>5.8%</b>	<b>407,679</b>	<b>438,863</b>	<b>-7.1%</b>
Net Revenue - Digital Out-of-pocket	209,615	204,313	2.6%	193,973	8.1%	403,589	434,495	-7.1%
Net Revenue - Digital PMT (installment part net of APV)	-	3,836	-1.0 p.p.	4,090	-1.0 p.p.	4,090	4,368	-0.1 p.p.
<b>Net Revenue - Others</b>	<b>10,227</b>	<b>11,858</b>	<b>-13.8%</b>	<b>12,651</b>	<b>-19.2%</b>	<b>22,878</b>	<b>25,303</b>	<b>-9.6%</b>

## Average Ticket

Revenue & Average Ticket	2Q20			2Q19			Change		
Product	On-Campus	Digital	Total	On-Campus	Digital	Total	On-Campus	Digital	Total
Net Revenue	742,864	408,886	1,151,750	1,069,789	392,452	1,462,241	-30.6%	4.2%	-21.2%
Out-of-Pocket	369,666	408,886	778,552	429,788	392,452	822,240	-14.0%	4.2%	-5.3%
FIES	170,156	-	170,156	394,938	-	394,938	-56.9%	-	-56.9%
PEP	203,042	-	203,042	245,063	-	245,063	-17.1%	-	-17.1%
Average Ticket	925	327	561	1,041	308	635	-11.2%	6.2%	-11.7%
Out-of-Pocket	651	327	428	706	308	436	-7.8%	6.2%	-1.9%
FIES	1,714	-	1,714	1,639	-	1,639	4.6%	-	4.6%
PEP	1,492	-	1,492	1,385	-	1,385	7.7%	-	7.7%

The average ticket for on-campus postsecondary education fell 11.2%, impacted by reduced participation of FIES students in the total base and by the 7.8% reduction in out-of-pocket average ticket, due to more discounts to students who pay on due dates and compulsory discounts in some places (in compliance with lawsuits). Regarding digital education, growth was 6.2% in 2Q20, leading to a stable ticket in the semester.

Revenue & Average Ticket	1H20			1H19			Change		
Product	On-Campus	Digital	Total	On-Campus	Digital	Total	On-Campus	Digital	Total
Net Revenue	1,347,104	787,769	2,134,873	2,040,686	782,278	2,822,964	-34.0%	0.7%	-24.4%
Out-of-Pocket	762,404	787,769	1,550,173	884,388	782,278	1,666,666	-13.8%	0.7%	-7.0%
FIES	241,037	-	241,037	697,460	-	697,460	-65.4%	-	-65.4%
PEP	343,663	-	343,663	458,838	-	458,838	-25.1%	-	-25.1%
Average Ticket	887	294	508	1,028	297	611	-13.6%	-1.1%	-16.9%
Out-of-Pocket	671	294	406	738	297	435	-9.0%	-1.1%	-6.7%
FIES	1,652	-	1,652	1,557	-	1,557	6.1%	-	6.1%
PEP	1,454	-	1,454	1,358	-	1,358	7.1%	-	7.1%

## KROTON | FINANCIAL PERFORMANCE

<i>Kroton - Values in R\$ ('000)</i>	2Q20	2Q19	Chg.%	1Q20	Chg.%	1H20	1H19	Chg.%
<b>Gross Revenue</b>	<b>1,424,279</b>	<b>1,699,105</b>	<b>-16.2%</b>	<b>1,241,596</b>	<b>14.7%</b>	<b>2,665,876</b>	<b>3,323,519</b>	<b>-19.8%</b>
Gross Revenue Deductions	(372,419)	(365,031)	2.0%	(358,900)	3.8%	(731,319)	(744,000)	-1.7%
Tax	(36,500)	(40,009)	-8.8%	(33,812)	7.9%	(70,312)	(77,163)	-8.9%
ProUni	(230,465)	(255,165)	-9.7%	(226,640)	1.7%	(457,105)	(508,702)	-10.1%
Returns	-	-	n.a.	(10)	-100.0%	(10)	-	n.a.
Total Discounts	(105,454)	(69,857)	51.0%	(98,438)	7.1%	(203,893)	(158,135)	28.9%
FGEDUC	(9,251)	(18,299)	-49.4%	(3,470)	166.6%	(12,721)	(32,612)	-61.0%
FIES - Administrative Fee	(3,288)	(6,448)	-49.0%	(1,233)	166.6%	(4,521)	(11,728)	-61.5%
Other	(92,916)	(45,110)	106.0%	(93,735)	-0.9%	(186,651)	(113,796)	64.0%
<b>Net Revenue</b>	<b>1,051,861</b>	<b>1,334,075</b>	<b>-21.2%</b>	<b>882,696</b>	<b>19.2%</b>	<b>1,934,557</b>	<b>2,579,519</b>	<b>-25.0%</b>
<b>Total of Costs</b>	<b>(205,878)</b>	<b>(276,102)</b>	<b>-25.4%</b>	<b>(197,381)</b>	<b>4.3%</b>	<b>(403,260)</b>	<b>(484,402)</b>	<b>-16.8%</b>
Cost of Goods	(6,769)	(1,536)	340.8%	(2,888)	134.4%	(9,657)	(3,278)	194.6%
Cost of Services	(199,110)	(274,566)	-27.5%	(194,493)	2.4%	(393,603)	(481,124)	-18.2%
Faculty, Other Personnel and Third-Party Services	(187,885)	(242,677)	-22.6%	(171,073)	9.8%	(358,958)	(435,841)	-17.6%
Rent	1,304	(8,306)	-115.7%	(4,481)	-129.1%	(3,176)	(8,306)	-61.8%
Materials	(1,960)	(6,045)	-67.6%	(3,273)	-40.1%	(5,233)	(9,761)	-46.4%
Maintenance	(1,277)	(3,241)	-60.6%	(5,043)	-74.7%	(6,319)	(5,839)	8.2%
Other	(9,292)	(14,299)	-35.0%	(10,624)	-12.5%	(19,916)	(21,377)	-6.8%
<b>Gross Income</b>	<b>845,982</b>	<b>1,057,973</b>	<b>-20.0%</b>	<b>685,315</b>	<b>23.4%</b>	<b>1,531,297</b>	<b>2,095,117</b>	<b>-26.9%</b>
Gross Margin	80.4%	79.3%	1.1 p.p.	77.6%	2.8 p.p.	79.2%	81.2%	-2.1 p.p.
<b>Total Operating Expenses</b>	<b>(154,758)</b>	<b>(201,243)</b>	<b>-23.1%</b>	<b>(157,682)</b>	<b>-1.9%</b>	<b>(312,441)</b>	<b>(368,404)</b>	<b>-15.2%</b>
Personnel Expenses	(76,793)	(91,364)	-15.9%	(72,828)	5.4%	(149,622)	(173,424)	-13.7%
General and Administrative Expenses	(77,965)	(109,879)	-29.0%	(84,854)	-8.1%	(162,819)	(194,980)	-16.5%
<b>Provision for Doubtful Account - PDA</b>	<b>(487,812)</b>	<b>(175,606)</b>	<b>177.8%</b>	<b>(205,391)</b>	<b>137.5%</b>	<b>(693,202)</b>	<b>(377,779)</b>	<b>83.5%</b>
(+) Interest and Penalties on Tuition	7,966	27,633	-71.2%	53,613	-85.1%	61,578	92,923	-33.7%
(+) Equity	-	(0)	-100.0%	-	n.a.	-	(0)	-100.0%
<b>Selling and Marketing Expenses</b>	<b>(80,911)</b>	<b>(94,971)</b>	<b>-14.8%</b>	<b>(143,472)</b>	<b>-43.6%</b>	<b>(224,383)</b>	<b>(214,092)</b>	<b>4.8%</b>
<b>Operating Result</b>	<b>130,466</b>	<b>613,786</b>	<b>-78.7%</b>	<b>232,383</b>	<b>-43.9%</b>	<b>362,849</b>	<b>1,227,764</b>	<b>-70.4%</b>
Operating Margin	12.4%	46.0%	-33.6 p.p.	26.3%	-13.9 p.p.	18.8%	47.6%	-28.8 p.p.
<b>Corporate Expenses</b>	<b>(33,950)</b>	<b>(73,999)</b>	<b>-54.1%</b>	<b>(54,130)</b>	<b>-37.3%</b>	<b>(88,080)</b>	<b>(141,348)</b>	<b>-37.7%</b>
<b>Recurring EBITDA</b>	<b>96,516</b>	<b>539,787</b>	<b>-82.1%</b>	<b>178,253</b>	<b>-45.9%</b>	<b>274,769</b>	<b>1,086,416</b>	<b>-74.7%</b>
Recurring EBITDA Margin	9.2%	40.5%	-31.3 p.p.	20.2%	-11.0 p.p.	14.2%	42.1%	-27.9 p.p.
(+) Opening Balance: Reversals of Contingencies	-	-	n.a.	-	n.a.	-	-	n.a.
(-) Non-Recurring Items	(46,385)	(56,628)	-18.1%	(25,236)	83.8%	(71,621)	(98,872)	-27.6%
<b>EBITDA</b>	<b>50,131</b>	<b>483,159</b>	<b>-89.6%</b>	<b>153,016</b>	<b>-67.2%</b>	<b>203,148</b>	<b>987,544</b>	<b>-79.4%</b>
EBITDA Margin	4.8%	36.2%	-31.5 p.p.	17.3%	-12.6 p.p.	10.5%	38.3%	-27.8 p.p.

Despite the fall in revenues, the gross margin grew 1.1 p.p. reflecting the greater use of digital content in the on-campus education grid, combined with the postponement of certain face-to-face activities. It is important to note that in 1H20, no adjustments were made to the Company's faculty cost structure to face the loss of revenues resulting from lower on-campus enrollments. Operating and corporate expenses also recorded a significant reduction due to emergency actions to deal with the pandemic, as well as savings in marketing expenses. However, the need to increase PDA for out-of-pocket students and PEP/PMT - an effect that will be explained in detail below - significantly affected the quarter's operational result.

The table below shows Kroton's results less deferred revenues of R\$ 75 million delayed from 1Q20 and the complements in out-of-pocket and PEP/PMT PDA due to the pandemic (R\$ 93 million and R\$ 229 million, respectively). In this scenario, recurring EBITDA was 36% lower, generating a margin of 35.2%. In the semester, recurring EBITDA was R\$ 622 million, with an annual reduction of 43%, generating a margin of 32.2%.



## Proforma Analysis

<i>Kroton - Proforma Values in R\$ ('000)</i>	2Q20 Pro Forma	2Q19	Chg.%	1Q20 Pro Forma	Chg.%	1H20 Pro Forma	1H19	Chg.%
<b>Gross Revenue</b>	<b>1,349,279</b>	<b>1,699,105</b>	<b>-20.6%</b>	<b>1,316,596</b>	<b>2.5%</b>	<b>2,665,876</b>	<b>3,323,519</b>	<b>-19.8%</b>
Gross Revenue Deductions	(372,419)	(365,031)	2.0%	(358,900)	3.8%	(731,319)	(744,000)	-1.7%
Tax	(36,500)	(40,009)	-8.8%	(33,812)	7.9%	(70,312)	(77,163)	-8.9%
ProUni	(230,465)	(255,165)	-9.7%	(226,640)	1.7%	(457,105)	(508,702)	-10.1%
Returns	-	-	n.a.	(10)	-100.0%	(10)	-	n.a.
Total Discounts	(105,454)	(69,857)	51.0%	(98,438)	7.1%	(203,893)	(158,135)	28.9%
FGEDUC	(9,251)	(18,299)	-49.4%	(3,470)	166.6%	(12,721)	(32,612)	-61.0%
FIES - Administrative Fee	(3,288)	(6,448)	-49.0%	(1,233)	166.6%	(4,521)	(11,728)	-61.5%
Other	(92,916)	(45,110)	106.0%	(93,735)	-0.9%	(186,651)	(113,796)	64.0%
<b>Net Revenue</b>	<b>976,861</b>	<b>1,334,075</b>	<b>-26.8%</b>	<b>957,696</b>	<b>2.0%</b>	<b>1,934,557</b>	<b>2,579,519</b>	<b>-25.0%</b>
<b>Total of Costs</b>	<b>(205,878)</b>	<b>(276,102)</b>	<b>-25.4%</b>	<b>(197,381)</b>	<b>4.3%</b>	<b>(403,260)</b>	<b>(484,402)</b>	<b>-16.8%</b>
Cost of Goods	(6,769)	(1,536)	340.8%	(2,888)	134.4%	(9,657)	(3,278)	194.6%
Cost of Services	(199,110)	(274,566)	-27.5%	(194,493)	2.4%	(393,603)	(481,124)	-18.2%
Faculty, Other Personnel and Third-Party Services	(187,885)	(242,677)	-22.6%	(171,073)	9.8%	(358,958)	(435,841)	-17.6%
Rent	1,304	(8,306)	-115.7%	(4,481)	-129.1%	(3,176)	(8,306)	-61.8%
Materials	(1,960)	(6,045)	-67.6%	(3,273)	-40.1%	(5,233)	(9,761)	-46.4%
Maintenance	(1,277)	(3,241)	-60.6%	(5,043)	-74.7%	(6,319)	(5,839)	8.2%
Other	(9,292)	(14,299)	-35.0%	(10,624)	-12.5%	(19,916)	(21,377)	-6.8%
<b>Gross Income</b>	<b>770,982</b>	<b>1,057,973</b>	<b>-27.1%</b>	<b>760,315</b>	<b>1.4%</b>	<b>1,531,297</b>	<b>2,095,117</b>	<b>-26.9%</b>
Gross Margin	78.9%	79.3%	-0.4 p.p.	79.4%	1.3 p.p.	79.2%	81.2%	-2.1 p.p.
<b>Total Operating Expenses</b>	<b>(154,758)</b>	<b>(201,243)</b>	<b>-23.1%</b>	<b>(157,682)</b>	<b>-1.9%</b>	<b>(312,441)</b>	<b>(368,404)</b>	<b>-15.2%</b>
Personnel Expenses	(76,793)	(91,364)	-15.9%	(72,828)	5.4%	(149,622)	(173,424)	-13.7%
General and Administrative Expenses	(77,965)	(109,879)	-29.0%	(84,854)	-8.1%	(162,819)	(194,980)	-16.5%
<b>Provision for Doubtful Account - PDA</b>	<b>(165,707)</b>	<b>(175,606)</b>	<b>-5.6%</b>	<b>(179,913)</b>	<b>-7.9%</b>	<b>(345,620)</b>	<b>(377,779)</b>	<b>-8.5%</b>
(+) Interest and Penalties on Tuition	7,966	27,633	-71.2%	53,613	-85.1%	61,578	92,923	-33.7%
(+) Equity	-	(0)	n.a.	-	n.a.	-	(0)	n.a.
<b>Selling and Marketing Expenses</b>	<b>(80,911)</b>	<b>(94,971)</b>	<b>-14.8%</b>	<b>(143,472)</b>	<b>-43.6%</b>	<b>(224,383)</b>	<b>(214,092)</b>	<b>4.8%</b>
<b>Operating Result</b>	<b>377,571</b>	<b>613,786</b>	<b>-38.5%</b>	<b>332,860</b>	<b>13.4%</b>	<b>710,431</b>	<b>1,227,764</b>	<b>-42.1%</b>
Operating Margin	38.7%	46.0%	-7.4 p.p.	34.8%	12.3 p.p.	36.7%	47.6%	-10.9 p.p.
<b>Corporate Expenses</b>	<b>(33,950)</b>	<b>(73,999)</b>	<b>-54.1%</b>	<b>(54,130)</b>	<b>-37.3%</b>	<b>(88,080)</b>	<b>(141,348)</b>	<b>-37.7%</b>
<b>Recurring EBITDA</b>	<b>343,621</b>	<b>539,787</b>	<b>-36.3%</b>	<b>278,730</b>	<b>23.3%</b>	<b>622,351</b>	<b>1,086,416</b>	<b>-42.7%</b>
Recurring EBITDA Margin	35.2%	40.5%	-5.3 p.p.	29.1%	15.0 p.p.	32.2%	42.1%	-9.9 p.p.
(+) Opening Balance: Reversals of Contingencies	-	-	n.a.	-	n.a.	-	-	n.a.
(-) Non-Recurring Items	(46,385)	(56,628)	-18.1%	(25,236)	83.8%	(71,621)	(98,872)	-27.6%
<b>EBITDA</b>	<b>297,236</b>	<b>483,159</b>	<b>-38.5%</b>	<b>253,494</b>	<b>17.3%</b>	<b>550,730</b>	<b>987,544</b>	<b>-44.2%</b>
EBITDA Margin	30.4%	36.2%	-5.8 p.p.	26.5%	13.1 p.p.	28.5%	38.3%	-9.8 p.p.

## PDA and Accounts Receivable

<i>Kroton - Values in R\$ ('000)</i>	2Q20	2Q19	Chg.%	1Q20	Chg.%
Provision for Doubtful Account - PDA	(487,812)	(175,606)	177.8%	(205,391)	137.5%
PDA / Postsecondary Net Revenues <sup>1</sup>	-46.4%	-13.2%	-33.2 p.p.	-23.3%	-23.1 p.p.
PDA Out-of-pocket	(180,373)	(77,518)	132.7%	(94,363)	91.1%
PDA Out-of-pocket / Postsecondary Net Revenues Out-of-pocket <sup>1</sup>	-24.4%	-9.1%	-15.3 p.p.	-16.1%	-8.3 p.p.
PDA FIES - Financed Part	(1,348)	(2,503)	-46.2%	(557)	142.0%
PDA FIES / Postsecondary Net Revenues FIES <sup>1</sup>	-0.9%	-0.9%	-0.0 p.p.	-0.9%	-0.0 p.p.
PDA PEP - Installment Part	(229,135)	(72,580)	215.7%	(56,972)	302.2%
PDA PEP / Postsecondary Net Revenues PEP <sup>1</sup>	-168.2%	-50.0%	-118.2 p.p.	-50.0%	-118.2 p.p.
PDA PMT - Installment Part	(76,956)	(23,004)	234.5%	(53,499)	43.8%
PDA PMT / Postsecondary Net Revenues PMT <sup>1</sup>	-395.8%	-50.0%	-345.8 p.p.	-50.0%	-345.8 p.p.

During the quarter, we observed a slight improvement in on-time payments, which enabled cash generation in the quarter. However, late payments worsened significantly, which led to the need for a disproportionate increase in the out-of-pocket students' PDA to cover the aging of the receivables (the older the overdue tuition, the greater the need for loss coverage). As a percentage of net revenue, the PDA of out-of-pocket students increased from 16.1% in 1Q20 to 24.4% in 2Q20. The increase was also significant year-to-year; however, it is important to note that the reduction of more than 20% in net revenue also influenced the increase in this indicator. As shown in the table below, the coverage ratio of accounts receivable for out-of-pocket students increased to 32.2%, as compared to 31.6% in 1Q20 and 17.1% in 2Q19.

The worse performance in late payments for out-of-pocket students and the increase in dropout rates, coupled with the prospect of a more gradual and delayed macroeconomic recovery in the post-pandemic scenario, led us to review the assumptions of our coverage model for PEP and PMT, anticipating higher participation of revenue from dropout students in the base, as well as a relevant deterioration in recovery from students who have dropped out.

<i>PEP Loss Expectation</i>	2Q20	2Q19	Difference	Coverage Balance	Difference
<b>Total Expected Effective Loss</b>	<b>58.0%</b>	<b>49.3%</b>	<b>8.7p.p.</b>	<b>58.0%</b>	<b>0.0p.p.</b>
Contribution loss from graduated student	10.2%	10.6%	-0.4p.p.		
Graduated student revenue (% of wallet)	43.6%	45.3%	-1.8p.p.		
Effective loss from graduated student	23.5%	23.5%	0.0p.p.		
Contribution loss from dropped-out student	47.8%	38.7%	9.1p.p.		
Dropped-out student revenue (% of wallet)	56.4%	54.7%	1.8p.p.		
Effective loss from dropped-out student	84.7%	70.7%	14.0p.p.		

Consequently, we increased the PDA for these products to 58% of the balance of accounts receivable or of the totality of net revenue (after the adjustment in present value) in all periods, which generated an accounting impact of around R\$229 million.

<i>Coverage Ratio</i>	2Q20	2Q19	Chg.%	1Q20	Chg.%
Kroton	50.3%	37.2%	13.1 p.p	45.4%	4.9 p.p
Private Installment Plan (PEP/PMT)	58.0%	48.3%	9.7 p.p	50.1%	7.9 p.p
Kroton ex-Private Installment Plan	35.1%	20.1%	15.0 p.p	36.0%	-0.9 p.p.
Out-of-Pocket	32.2%	17.1%	15.1 p.p	31.6%	0.6 p.p
FIES (Public Financing)	49.8%	28.5%	21.3 p.p	64.0%	-14.2 p.p.

\* Disregards Credit Card balance

<i>Net Accounts Receivable - Values in R\$ (000)</i>	2Q20	2Q19	Chg.%	1Q20	Chg.%
Kroton	2,412,097	2,700,812	-10.7%	2,547,621	-5.3%
Private Installment Plan (PEP/PMT)	1,351,885	1,345,784	0.5%	1,562,039	-13.5%
Kroton ex-Private Installment Plan	1,060,212	1,355,028	-21.8%	985,582	7.6%
Out-of-Pocket	926,122	1,036,340	-10.6%	911,557	1.6%
FIES (Public Financing)	134,090	318,687	-57.9%	74,025	81.1%

\* Disregards Credit Card balance

Due to an increased PDA coverage, the volume of net accounts receivable fell by 5.3% quarter-to-quarter.

<i>Average Accounts Receivable Term (days)</i>	2Q20	2Q19	Chg.%	1Q20	Chg.%
Kroton	212	194	18	209	3
Private Installment Plan (PEP/PMT)	677	592	85	744	-67
Kroton ex-Private Installment Plan	113	116	-3	98	15
Out-of-Pocket	121	127	-6	115	6
FIES (Public Financing)	76	91	-15	35	41

The average receivables term (ART) increased 18 days as compared to 2Q19, due to the maturation of private installment products and reduced net revenues, partially offset by a drop of six days in average term for out-of-pocket students, and of 15 days in the average term of FIES students. Regarding 1Q20, there was an increase of only three days, with the fall in average term of installment products being partially offset by an increase in average term for out-of-pocket students (+6 days, worsened by the pandemic scenario) and for FIES students (+41 days, due to the program's payment schedule).

## PLATOS | OPERATIONAL PERFORMANCE

### Student Base

Student Base	2Q20	2Q19	% Chg.	1Q20	% Chg.
On-Campus Graduate	7,259	7,990	-9.1%	8,483	-14.4%
Digital Graduate	36,269	34,418	5.4%	36,293	-0.1%
<b>Total Graduate</b>	<b>43,528</b>	<b>42,408</b>	<b>2.6%</b>	<b>44,776</b>	<b>-2.8%</b>

The student base remained stable in 2Q20, but with different behaviors between the on-campus product (down 9%) and the digital product (up 5%), reinforcing the perception that the digitalization movement is taking place throughout postsecondary education, both in undergraduate and graduate programs.

### On-Campus Graduate Programs – Student Base Evolution

Student Base	2Q20	2Q19	% Chg.	1Q20	1Q19
Initial Base	8,483	9,537	-11.1%	8,066	7,210
Enrollments	392	725	-45.9%	1,917	3,600
Graduations	(1,433)	(1,984)	-27.8%	(1,214)	(968)
Dropouts	(183)	(288)	-36.5%	(286)	(305)
<b>Final Base</b>	<b>7,259</b>	<b>7,990</b>	<b>-9.1%</b>	<b>8,483</b>	<b>9,537</b>

### Digital Graduate Programs - Student Base Evolution

Student Base	2Q20	2Q19	% Chg.	1Q20	1Q19
Initial Base	36,293	35,326	2.7%	33,147	33,655
Enrollments	10,920	8,892	22.8%	15,703	13,659
Graduations	(9,885)	(8,827)	12.0%	(11,646)	(11,128)
Dropouts	(1,059)	(973)	8.8%	(911)	(860)
<b>Final Base</b>	<b>36,269</b>	<b>34,418</b>	<b>5.4%</b>	<b>36,293</b>	<b>35,326</b>

The drop in the on-campus graduate student base reflects the 46% fall in enrollments, due to the temporary closure of units and the Company's decision to focus on digital products, partially offset by lower graduation and dropout rates. The 23% growth in student enrollment in digital graduate programs shows acceleration in relation to the 15% growth recorded in 1Q20, even given the pandemic, and reflects the marketing and commercial teams' efforts, more effective commercial campaigns, different digital marketing strategies that boosted our e-commerce and the evolution of the platform of affiliates (Master Indicates).

### Average Ticket<sup>(1)</sup>

Revenues & Average Ticket	2Q20	2Q19	Chg.%
<b>Net Revenues</b>	<b>36,491</b>	<b>34,728</b>	<b>5.1%</b>
On-Campus Graduate	7,589	7,021	8.1%
Digital Graduate	28,902	27,707	4.3%
<b>Average Ticket</b>	<b>276</b>	<b>265</b>	<b>3.9%</b>
On-Campus Graduate	321	267	20.3%
Digital Graduate	266	265	0.3%

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

In 2Q20, the average ticket for the digital product remained stable at 0.3%. On a consolidated basis, it increased 3.9%, supported by the increase of 20.3% in on-campus average ticket, in turn reflecting the lower discounts granted in the period.

## PLATOS | FINANCIAL PERFORMANCE

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

Platos - Values in R\$ ('000)	2Q20	2Q19	Chg.%	1Q20	Chg.%	1H20	1H19	Chg.%
<b>Gross Revenue</b>	<b>23,630</b>	<b>23,988</b>	<b>-1.5%</b>	<b>23,331</b>	<b>1.3%</b>	<b>46,962</b>	<b>44,066</b>	<b>6.6%</b>
Gross Revenue Deductions	(1,509)	(3,606)	-58.1%	(1,663)	-9.3%	(3,172)	(4,999)	-36.5%
Tax	(1,093)	(1,490)	-26.7%	(1,663)	-34.3%	(2,756)	(2,884)	-4.4%
Returns	-	-	n.a.	-	n.a.	-	-	n.a.
Total Discounts	(416)	(2,115)	-80.3%	(0)	n.a.	(416)	(2,115)	-80.3%
<b>Net Revenue</b>	<b>22,121</b>	<b>20,383</b>	<b>8.5%</b>	<b>21,668</b>	<b>2.1%</b>	<b>43,789</b>	<b>39,067</b>	<b>12.1%</b>
<b>Total of Costs</b>	<b>(1,476)</b>	<b>(1,625)</b>	<b>-9.2%</b>	<b>(1,833)</b>	<b>-19.5%</b>	<b>(3,309)</b>	<b>(3,110)</b>	<b>6.4%</b>
Cost of Goods	(2)	0	-561.8%	5	-143.6%	3	-	n.a.
Cost of Services	(1,474)	(1,626)	-9.4%	(1,838)	-19.8%	(3,312)	(3,110)	6.5%
Faculty, Other Personnel and Third-Party Services	(1,359)	(1,600)	-15.0%	(1,752)	-22.4%	(3,111)	(3,021)	3.0%
Rent	-	12	-100.0%	-	n.a.	-	-	n.a.
Materials	-	-	n.a.	-	n.a.	-	-	n.a.
Maintenance	(39)	(38)	3.5%	(161)	-75.7%	(200)	(89)	125.1%
Other	(75)	-	n.a.	75	n.a.	-	-	n.a.
<b>Gross Income</b>	<b>20,645</b>	<b>18,757</b>	<b>10.1%</b>	<b>19,835</b>	<b>4.1%</b>	<b>40,480</b>	<b>35,957</b>	<b>12.6%</b>
Gross Margin	93.3%	92.0%	1.3 p.p.	91.5%	1.8 p.p.	92.4%	92.0%	0.4 p.p.
<b>Total Operating Expenses</b>	<b>(2,582)</b>	<b>(4,528)</b>	<b>-43.0%</b>	<b>(3,102)</b>	<b>-16.8%</b>	<b>(5,684)</b>	<b>(7,868)</b>	<b>-27.8%</b>
Personnel Expenses	(2,430)	(3,489)	-30.3%	(2,611)	-6.9%	(5,041)	(6,587)	-23.5%
General and Administrative Expenses	(151)	(1,040)	-85.4%	(492)	-69.2%	(643)	(1,281)	-49.8%
<b>Provision for Doubtful Account - PDA</b>	<b>(3,476)</b>	<b>(2,668)</b>	<b>30.3%</b>	<b>(1,416)</b>	<b>145.6%</b>	<b>(4,892)</b>	<b>(4,325)</b>	<b>13.1%</b>
(+) Interest and Penalties on Tuition	2	150	-98.4%	35	-93.0%	37	462	-92.0%
(+) Equity	-	(0)	-100.0%	-	n.a.	-	(0)	-100.0%
<b>Selling and Marketing Expenses</b>	<b>(6,339)</b>	<b>(2,684)</b>	<b>136.2%</b>	<b>(3,251)</b>	<b>94.9%</b>	<b>(9,590)</b>	<b>(7,009)</b>	<b>36.8%</b>
<b>Operating Result</b>	<b>8,251</b>	<b>9,027</b>	<b>-8.6%</b>	<b>12,101</b>	<b>-31.8%</b>	<b>20,351</b>	<b>17,217</b>	<b>18.2%</b>
Operating Margin	37.3%	44.3%	-7.0 p.p.	55.8%	-18.5 p.p.	46.5%	44.1%	2.4 p.p.
<b>Corporate Expenses</b>	<b>742</b>	<b>227</b>	<b>227.6%</b>	<b>(799)</b>	<b>-192.9%</b>	<b>(57)</b>	<b>(689)</b>	<b>-91.8%</b>
<b>Recurring EBITDA</b>	<b>8,993</b>	<b>9,253</b>	<b>-2.8%</b>	<b>11,302</b>	<b>-20.4%</b>	<b>20,295</b>	<b>16,528</b>	<b>22.8%</b>
Recurring EBITDA Margin	40.7%	45.4%	-4.7 p.p.	52.2%	-11.5 p.p.	46.3%	42.3%	4.0 p.p.
(+) Opening Balance: Reversals of Contingencies	-	-	n.a.	-	n.a.	-	-	n.a.
(-) Non-Recurring Items	30	(9)	-452.8%	(35)	-186.8%	(5)	(343)	-98.7%
<b>EBITDA</b>	<b>9,023</b>	<b>9,245</b>	<b>-2.4%</b>	<b>11,267</b>	<b>-19.9%</b>	<b>20,290</b>	<b>16,185</b>	<b>25.4%</b>
EBITDA Margin	40.8%	45.4%	-4.6 p.p.	52.0%	-11.2 p.p.	46.3%	41.4%	4.9 p.p.

The Platos performance in 2Q20 was negatively impacted by the seasonality of expenses, particularly in marketing (as commented in 1Q20) and PDA. Thus, a semiannual analysis more accurately captures the improvement in operational performance: in the first half, net revenues grew 12%, with a 23% growth in recurring EBITDA, to a margin of 46.3% (up 4 percentage points), due to greater dilution of fixed expenses and a favorable effect of emergency actions.

### PDA and Accounts Receivable

Values in R\$ ('000)	2Q20	2Q19	Chg.%	1Q20	Chg.%
Gross Accounts Receivable	82,819	66,076	25.3%	76,394	8.4%
PDA Balance	(22,952)	(11,766)	95.1%	(18,429)	24.5%
Coverage Ratio	27.7%	17.8%	55.6%	24.1%	14.9%
Net Accounts Receivable	59,867	54,311	10.2%	57,965	3.3%
Average Accounts Receivable Term (days)	188	195	-7 days	186	2 days

\* Disregards Credit Card balance

PDA and coverage index increased in 2Q20, as a function of students' lower ability to pay due to the effects of the pandemic. The increased coverage ratio, however, maintained the level of accounts receivable practically stable as compared to the previous quarter, as well as the average receivables term.

## SABER | OPERATIONAL PERFORMANCE

### Student Base

<b>Student Base</b>	<b>2Q20</b>	<b>2Q19</b>	<b>% Chg.</b>	<b>1Q20</b>	<b>% Chg.</b>
Own Schools/Managed through Contracts	52	54	-3.7%	52	0.0%
Red Balloon Own Schools/Franchises	122	125	-2.4%	122	0.0%
Students enrolled in Own Schools/Managed through Contracts	31,480	35,796	-12.1%	32,775	-4.0%
Students enrolled in Red Balloon Own Schools/Franchises	22,442	25,592	-12.3%	26,196	-14.3%

The student base decreased 12% in 1Q20, due to the termination of two management contracts and higher student dropout, in particular early childhood education and the early years of elementary school. This last effect is demonstrated by the 4% reduction as compared to the immediately previous quarter. The Red Balloon student base fell at the same rate, also affected by the effects of the pandemic.

### Net Revenues

<b>Saber - Values in R\$ ('000)</b>	<b>2Q20</b>	<b>2Q19</b>	<b>Chg.%</b>	<b>1Q20</b>	<b>Chg.%</b>	<b>1H20</b>	<b>1H19</b>	<b>Chg.%</b>
<b>Net Revenue</b>	<b>161,309</b>	<b>182,999</b>	<b>-11.9%</b>	<b>210,538</b>	<b>-23.4%</b>	<b>371,848</b>	<b>379,023</b>	<b>-1.9%</b>
Net Revenue - Own Units	151,562	171,612	-11.7%	185,883	-18.5%	337,445	337,984	-0.2%
Net Revenue - Red Balloon	9,747	11,386	-14.4%	24,656	-60.5%	34,403	41,039	-16.2%

Revenues from the operation of schools fell by 12%, due to the cancellation of management contracts, and the reversal of revenues related to the anticipation of orders for teaching material in one of the schools of the network - which, as announced in 1Q20, generated a higher impact in that quarter. As anticipated in 1Q20, the need for social isolation had a negative impact on after-school activities' revenues (-35%), which at Saber are still predominantly face-to-face (for example, sports), naturally more affected by the quarantine. For the following years, we will be accelerating the implementation of complementary digital services, especially those offered by Vasta. In Red Balloon, we observed a smaller drop (-14%), mitigated by the successful launch of the new digital platform.

### Average Ticket

<b>Average Ticket (R\$)</b>	<b>2Q20</b>	<b>2Q19</b>	<b>% Chg.</b>	<b>1Q20</b>	<b>% Chg.</b>
Total Own Schools/Managed through Contracts	1,605	1,598	0.5%	1,890	-15.1%
Red Balloon	145	148	-2.4%	314	-53.9%

Due to the aforementioned effects, the average ticket for own operations was practically stable. The average ticket for the semester, however, grew 12%, reflecting the successful commercial discount reduction strategy. As of 3Q20, the average ticket may be impacted by compulsory discounts established by lawsuits in some cities where we operate.

## SABER | FINANCIAL PERFORMANCE

Saber - Values in R\$ ('000)	2Q20	2Q19	Chg.%	1Q20	Chg.%	1H20	1H19	Chg.%
<b>Gross Revenue</b>	<b>197,874</b>	<b>222,008</b>	<b>-10.9%</b>	<b>250,753</b>	<b>-21.1%</b>	<b>448,627</b>	<b>463,447</b>	<b>-3.2%</b>
Gross Revenue Deductions	(36,565)	(39,010)	-6.3%	(40,215)	-9.1%	(76,779)	(84,424)	-9.1%
Tax	(12,377)	(16,506)	-25.0%	(15,508)	-20.2%	(27,885)	(31,370)	-11.1%
Returns	(748)	(375)	99.5%	(617)	21.2%	(1,365)	(1,750)	-22.0%
Total Discounts	(23,439)	(22,128)	5.9%	(24,090)	-2.7%	(47,529)	(51,305)	-7.4%
<b>Net Revenue</b>	<b>161,309</b>	<b>182,999</b>	<b>-11.9%</b>	<b>210,538</b>	<b>-23.4%</b>	<b>371,848</b>	<b>379,023</b>	<b>-1.9%</b>
<b>Total of Costs</b>	<b>(77,811)</b>	<b>(94,846)</b>	<b>-18.0%</b>	<b>(80,558)</b>	<b>-3.4%</b>	<b>(158,369)</b>	<b>(182,669)</b>	<b>-13.3%</b>
Cost of Goods	(5,014)	(9,152)	-45.2%	(9,618)	-47.9%	(14,633)	(16,818)	-13.0%
Cost of Services	(72,797)	(85,694)	-15.1%	(70,939)	2.6%	(143,736)	(165,851)	-13.3%
Faculty, Other Personnel and Third-Party Services	(67,589)	(76,530)	-11.7%	(61,652)	9.6%	(129,241)	(143,360)	-9.8%
Rent	(184)	(392)	-53.0%	(766)	-75.9%	(950)	(2,843)	-66.6%
Materials	(923)	(307)	200.5%	(1,102)	-16.3%	(2,024)	(2,823)	-28.3%
Maintenance	(3,436)	(6,446)	-46.7%	(5,698)	-39.7%	(9,134)	(13,417)	-31.9%
Other	(665)	(2,020)	-67.1%	(1,722)	-61.4%	(2,387)	(3,409)	-30.0%
<b>Gross Income</b>	<b>83,498</b>	<b>88,153</b>	<b>-5.3%</b>	<b>129,981</b>	<b>-35.8%</b>	<b>213,479</b>	<b>196,354</b>	<b>8.7%</b>
Gross Margin	51.8%	48.2%	3.6 p.p.	61.7%	-10.0 p.p.	57.4%	51.8%	5.6 p.p.
<b>Total Operating Expenses</b>	<b>(30,838)</b>	<b>(40,977)</b>	<b>-24.7%</b>	<b>(39,228)</b>	<b>-21.4%</b>	<b>(70,066)</b>	<b>(77,208)</b>	<b>-9.3%</b>
Personnel Expenses	(29,752)	(28,893)	3.0%	(28,958)	2.7%	(58,709)	(60,204)	-2.5%
General and Administrative Expenses	(1,086)	(12,084)	-91.0%	(10,270)	-89.4%	(11,357)	(17,005)	-33.2%
<b>Provision for Doubtful Account - PDA</b>	<b>(1,561)</b>	<b>(2,201)</b>	<b>-29.1%</b>	<b>(1,791)</b>	<b>-12.9%</b>	<b>(3,352)</b>	<b>(3,791)</b>	<b>-11.6%</b>
(+) Interest and Penalties on Tuition	154	253	-39.0%	221	-30.3%	375	460	-18.5%
(+) Equity	-	(0)	-100.0%	-	n.a.	-	(0)	n.a.
<b>Selling and Marketing Expenses</b>	<b>(2,576)</b>	<b>(4,134)</b>	<b>-37.7%</b>	<b>(2,376)</b>	<b>8.4%</b>	<b>(4,952)</b>	<b>(6,868)</b>	<b>-27.9%</b>
<b>Operating Result</b>	<b>48,677</b>	<b>41,094</b>	<b>18.5%</b>	<b>86,806</b>	<b>-43.9%</b>	<b>135,484</b>	<b>108,947</b>	<b>24.4%</b>
Operating Margin	30.2%	22.5%	7.7 p.p.	41.2%	-11.1 p.p.	36.4%	28.7%	7.7 p.p.
<b>Corporate Expenses</b>	<b>(5,798)</b>	<b>(9,132)</b>	<b>-36.5%</b>	<b>(6,887)</b>	<b>-15.8%</b>	<b>(12,685)</b>	<b>(17,758)</b>	<b>-28.6%</b>
<b>Recurring EBITDA</b>	<b>42,880</b>	<b>31,962</b>	<b>34.2%</b>	<b>79,919</b>	<b>-46.3%</b>	<b>122,799</b>	<b>91,189</b>	<b>34.7%</b>
Recurring EBITDA Margin	26.6%	17.5%	9.1 p.p.	38.0%	-11.4 p.p.	33.0%	24.1%	9.0 p.p.
(+) Opening Balance: Reversals of Contingencies	-	-	n.a.	-	n.a.	-	-	n.a.
(-) Non-Recurring Items	(5,413)	(7,015)	-22.8%	(3,990)	35.7%	(9,403)	(13,444)	-30.1%
<b>EBITDA</b>	<b>37,467</b>	<b>24,946</b>	<b>50.2%</b>	<b>75,929</b>	<b>-50.7%</b>	<b>113,396</b>	<b>77,746</b>	<b>45.9%</b>
EBITDA Margin	23.2%	13.6%	9.6 p.p.	36.1%	-12.8 p.p.	30.5%	20.5%	10.0 p.p.

Even in a quarter with reduced revenues, Saber continued to record significant improvements in profitability, with growth of 3.6 percentage points in gross margin, and 9.1 percentage points in the recurring EBITDA margin. In this aspect, the highlights are greater efficiency in faculty costs and the emergency actions taken by the Company to deal with the effects of the pandemic.

### PDA and Accounts Receivable

Values in R\$ ('000)	2Q20	2Q19 <sup>1</sup>	Chg.%	1Q20	Chg.%
Gross Accounts Receivable	72,428	58,059	24.7%	65,609	10.4%
PDA Balance	(14,657)	(9,859)	48.7%	(16,004)	-8.4%
Coverage Ratio	20.2%	17.0%	19.2%	24.4%	-17.0%
Net Accounts Receivable	57,771	48,200	19.9%	49,605	16.5%
Average Accounts Receivable Term (days)	29	24	5 days	24	5 days

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

PDA and accounts receivable from Saber remained at extremely healthy levels in 2Q20, favored by greater efficiency in collection systems, despite a marginal increase in defaults. We expect this increase in defaults to be partially reversed during the reenrollment process for the school year 2021.

## VASTA | OPERATIONAL PERFORMANCE

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

### Student Base – Subscription Models

Student Base	2Q20	2Q19	% Chg.	1Q20	% Chg.
Partner Schools (Core Content)	4,167	3,400	22.6%	4,110	1.4%
Partner Schools (Complementary Content)	636	417	52.5%	655	-2.9%
Students Partner Schools (Core Content)	1,311,147	1,185,799	10.6%	1,394,061	-5.9%
Students Partner Schools (Complementary Content)	213,058	133,583	59.5%	218,055	-2.3%

As compared to 2Q19, Vasta added 767 schools to its portfolio of core content customers, an increase of 23%, supported both by traditional teaching systems and PAR - textbook-based learning system. The volume of students from partner schools followed the same trend and grew 11%, also with an increase in both lines. Regarding complementary content, 219 new schools became customers, growth of 53%, or 59%, if we consider the number of students, which confirms the high potential of this segment. Here, it is worth stressing that, in the 2020 commercial activity, Vasta had only two complementary activity solutions on its platform, as compared to a total of five that are currently available, which tends to further accelerate the performance of this segment in the coming years. It is also worth noting that there is a natural seasonality in the business as compared to the previous quarter, mainly due to the number of students, with adjustments in orders and returns made by partner schools. Such returns were within the average for the past years, even in a period of crisis (which reinforces the resilience of our business).

### Net Revenues

Vasta - Values in R\$ ('000)	2Q20	2Q19	Chg.%	1Q20	Chg.%	1H20	1H19	Chg.%
<b>Net Revenue</b>	<b>110,191</b>	<b>144,694</b>	<b>-23.8%</b>	<b>402,460</b>	<b>-72.6%</b>	<b>512,651</b>	<b>469,146</b>	<b>9.3%</b>
Net Revenue from subscription model	98,942	111,753	-11.5%	271,234	-63.5%	370,175	318,984	16.0%
Net Revenue from core business	97,777	112,010	-12.7%	239,120	-59.1%	336,897	296,665	13.6%
Net Revenue from complementary solutions	1,165	(257)	-553.1%	32,113	-96.4%	33,278	22,319	49.1%
Net Revenue - Others	11,249	32,941	-65.8%	131,227	-91.4%	142,476	150,162	-5.1%

Net revenues from subscription products, which encompasses all educational solutions with recurring revenue (basically learning systems), represented 90% of the Company's total revenues, a significant increase as compared to the percentages recorded in the other quarters. This effect reflects the characteristics of the business since in periods of economic instability such as now, subscription revenues tend to show a more stable behavior than other businesses, whose revenues suffered in 2Q20 with the temporary closure of face-to-face activities in schools and bookstores. Subscription revenues fell 11.5% due to different seasonality in revenue recognition, combined with the lower volume of orders received from our partner schools (due to higher student dropouts), which generated a lower revenue than expected given the annual contract value (ACV) signed for 2020. However, in the first half, however, subscription revenues grew 16%.



## VASTA | FINANCIAL PERFORMANCE

Vasta - Values in R\$ ('000)	2Q20	2Q19	Chg.%	1Q20	Chg.%	1H20	1H19	Chg.%
<b>Gross Revenue</b>	<b>128,481</b>	<b>197,188</b>	<b>-34.8%</b>	<b>428,067</b>	<b>-70.0%</b>	<b>556,548</b>	<b>555,863</b>	<b>0.1%</b>
Gross Revenue Deductions	(18,289)	(52,494)	-65.2%	(25,607)	-28.6%	(43,897)	(86,717)	-49.4%
Tax	(741)	(2,106)	-64.8%	(2,917)	-74.6%	(3,658)	(4,129)	-11.4%
Returns	(15,344)	(40,141)	-61.8%	(22,692)	-32.4%	(38,036)	(55,096)	-31.0%
Total Discounts	(2,204)	(10,247)	-78.5%	2	n.a.	(2,202)	(27,492)	-92.0%
<b>Net Revenue</b>	<b>110,191</b>	<b>144,694</b>	<b>-23.8%</b>	<b>402,460</b>	<b>-72.6%</b>	<b>512,651</b>	<b>469,146</b>	<b>9.3%</b>
<b>Total of Costs</b>	<b>(45,976)</b>	<b>(66,050)</b>	<b>-30.4%</b>	<b>(162,792)</b>	<b>-71.8%</b>	<b>(208,768)</b>	<b>(174,329)</b>	<b>19.8%</b>
Cost of Goods	(25,369)	(48,925)	-48.1%	(141,690)	-82.1%	(167,059)	(139,821)	19.5%
Cost of Services	(20,607)	(17,125)	20.3%	(21,102)	-2.3%	(41,709)	(34,508)	20.9%
Faculty, Other Personnel and Third-Party Services	(17,888)	(13,935)	28.4%	(17,119)	4.5%	(35,008)	(29,309)	19.4%
Rent	814	(344)	-336.3%	(1,668)	-148.8%	(855)	(344)	148.3%
Materials	-	(24)	-100.0%	-	n.a.	-	(24)	-100.0%
Maintenance	(3,098)	(2,354)	31.6%	(1,571)	97.2%	(4,670)	(4,506)	3.6%
Other	(434)	(468)	-7.3%	(743)	-41.7%	(1,177)	(324)	262.7%
<b>Gross Income</b>	<b>64,215</b>	<b>78,644</b>	<b>-18.3%</b>	<b>239,668</b>	<b>-73.2%</b>	<b>303,883</b>	<b>294,817</b>	<b>3.1%</b>
Gross Margin	58.3%	54.4%	3.9 p.p.	59.6%	-1.3 p.p.	59.3%	62.8%	-3.6 p.p.
<b>Total Operating Expenses</b>	<b>(35,797)</b>	<b>(5,204)</b>	<b>587.8%</b>	<b>(32,738)</b>	<b>9.3%</b>	<b>(68,535)</b>	<b>(18,744)</b>	<b>265.6%</b>
Personnel Expenses	(11,950)	(270)	4325.6%	(15,690)	-23.8%	(27,640)	(10,993)	151.4%
General and Administrative Expenses	(23,847)	(4,934)	383.3%	(17,048)	39.9%	(40,895)	(7,751)	427.6%
<b>Provision for Doubtful Account - PDA</b>	<b>(7,304)</b>	<b>(2,326)</b>	<b>214.0%</b>	<b>(4,277)</b>	<b>70.8%</b>	<b>(11,581)</b>	<b>(3,325)</b>	<b>248.3%</b>
(+) Interest and Penalties on Tuition	-	220	-100.0%	-	n.a.	-	541	-100.0%
(+) Equity	-	(0)	-100.0%	-	n.a.	-	0	-100.0%
<b>Selling and Marketing Expenses</b>	<b>(41,151)</b>	<b>(23,546)</b>	<b>74.8%</b>	<b>(39,445)</b>	<b>4.3%</b>	<b>(80,597)</b>	<b>(53,768)</b>	<b>49.9%</b>
<b>Operating Result</b>	<b>(20,037)</b>	<b>47,787</b>	<b>-141.9%</b>	<b>163,208</b>	<b>-112.3%</b>	<b>143,171</b>	<b>219,521</b>	<b>-34.8%</b>
Operating Margin	-18.2%	33.0%	-51.2 p.p.	40.6%	-58.7 p.p.	27.9%	46.8%	-18.9 p.p.
<b>Corporate Expenses</b>	<b>(9,917)</b>	<b>(16,635)</b>	<b>-40.4%</b>	<b>(12,294)</b>	<b>-19.3%</b>	<b>(22,212)</b>	<b>(32,148)</b>	<b>-30.9%</b>
<b>Recurring EBITDA</b>	<b>(29,955)</b>	<b>31,152</b>	<b>-196.2%</b>	<b>150,913</b>	<b>-119.8%</b>	<b>120,959</b>	<b>187,373</b>	<b>-35.4%</b>
Recurring EBITDA Margin	-27.2%	21.5%	-48.7 p.p.	37.5%	-64.7 p.p.	23.6%	39.9%	-16.3 p.p.
(+) Opening Balance: Reversals of Contingencies	2,552	-	n.a.	-	n.a.	2,552	-	n.a.
(-) Non-Recurring Items	(5,362)	(3,719)	44.2%	(1,203)	345.8%	(6,565)	(8,831)	-25.7%
<b>EBITDA</b>	<b>(32,765)</b>	<b>27,433</b>	<b>-219.4%</b>	<b>149,711</b>	<b>-121.9%</b>	<b>116,945</b>	<b>178,543</b>	<b>-34.5%</b>
EBITDA Margin	-29.7%	19.0%	-48.7 p.p.	37.2%	-66.9 p.p.	22.8%	38.1%	-15.2 p.p.

Vasta's EBITDA in 2Q20 was negative by R\$ 32.8 million, impacted by lower revenues, in addition to increased marketing expenses and extraordinary expenses, such as (i) higher PDA (to align with the current situation), (ii) the incidence of INSS expenses related to previous years, and (iii) inventory adjustment of R\$ 8 million resulting from our e-commerce business inventory recount. To improve comparability among the periods, we excluded these expenses from the proforma analysis in the table below, as well as classified the editorial expenses in cost of products sold in 2019 (originally classified as editorial capex) and removed (i) PIS/COFINS credits and (ii) reversal of provisioning for variable compensation, which reduced operating expenses.

In the half-year review, Vasta's revenue was 9.3% higher, with subscription revenues increasing 16%, a level that is in line with the 2020 ACV discounted from the R\$ 40 million in revenues that will not be recognized (although due contractually). In the proforma view, recurring EBITDA expanded by 10% compared to the first semester of 2019.



## Proforma Review

Vasta - Values in R\$ ('000)	2Q20 Pro Forma	2Q19 Pro Forma	Chg.%	1Q20	Chg.%	1H20 Pro Forma	1H19 Pro Forma	Chg.%
<b>Gross Revenue</b>	<b>128,481</b>	<b>197,188</b>	<b>-34.8%</b>	<b>428,067</b>	<b>-70.0%</b>	<b>556,548</b>	<b>555,863</b>	<b>0.1%</b>
Gross Revenue Deductions	(18,289)	(52,494)	-65.2%	(25,607)	-28.6%	(43,897)	(86,717)	-49.4%
Tax	(741)	(2,106)	-64.8%	(2,917)	-74.6%	(3,658)	(4,129)	-11.4%
Returns	(15,344)	(40,141)	-61.8%	(22,692)	-32.4%	(38,036)	(55,096)	-31.0%
Total Discounts	(2,204)	(10,247)	-78.5%	2	n.a.	(2,202)	(27,492)	-92.0%
<b>Net Revenue</b>	<b>110,191</b>	<b>144,694</b>	<b>-23.8%</b>	<b>402,460</b>	<b>-72.6%</b>	<b>512,651</b>	<b>469,146</b>	<b>9.3%</b>
<b>Total of Costs</b>	<b>(35,450)</b>	<b>(84,317)</b>	<b>-58.0%</b>	<b>(162,792)</b>	<b>-78.2%</b>	<b>(198,243)</b>	<b>(224,877)</b>	<b>-11.8%</b>
Cost of Goods	(17,069)	(67,192)	-74.6%	(141,690)	-88.0%	(158,759)	(190,370)	-16.6%
Cost of Services	(18,381)	(17,125)	7.3%	(21,102)	-12.9%	(39,483)	(34,508)	14.4%
Faculty, Other Personnel and Third-Party Services	(15,663)	(13,935)	12.4%	(17,119)	-8.5%	(32,782)	(29,309)	11.9%
Rent	814	(344)	-336.3%	(1,668)	-148.8%	(855)	(344)	148.3%
Materials	-	(24)	-100.0%	-	n.a.	-	(24)	-100.0%
Maintenance	(3,098)	(2,354)	31.6%	(1,571)	97.2%	(4,670)	(4,506)	3.6%
Other	(434)	(468)	-7.3%	(743)	-41.7%	(1,177)	(324)	262.7%
<b>Gross Income</b>	<b>74,741</b>	<b>60,377</b>	<b>23.8%</b>	<b>239,668</b>	<b>-68.8%</b>	<b>314,409</b>	<b>244,269</b>	<b>28.7%</b>
Gross Margin	67.8%	41.7%	26.1 p.p.	59.6%	8.3 p.p.	61.3%	52.1%	9.3 p.p.
<b>Total Operating Expenses</b>	<b>(35,088)</b>	<b>(15,821)</b>	<b>121.8%</b>	<b>(32,738)</b>	<b>7.2%</b>	<b>(67,826)</b>	<b>(29,360)</b>	<b>131.0%</b>
Personnel Expenses	(11,241)	(270)	4063.1%	(15,690)	-28.4%	(26,931)	(10,993)	145.0%
General and Administrative Expenses	(23,847)	(15,551)	53.3%	(17,048)	39.9%	(40,895)	(18,367)	122.7%
<b>Provision for Doubtful Account - PDA</b>	<b>(1,662)</b>	<b>(2,326)</b>	<b>-28.5%</b>	<b>(4,277)</b>	<b>-61.1%</b>	<b>(5,939)</b>	<b>(3,325)</b>	<b>78.6%</b>
(+) Interest and Penalties on Tuition	-	220	-100.0%	-	n.a.	-	541	-100.0%
(+) Equity	-	(0)	-100.0%	-	n.a.	-	0	-100.0%
<b>Selling and Marketing Expenses</b>	<b>(40,093)</b>	<b>(23,546)</b>	<b>70.3%</b>	<b>(39,445)</b>	<b>1.6%</b>	<b>(79,538)</b>	<b>(53,768)</b>	<b>47.9%</b>
<b>Operating Result</b>	<b>(2,103)</b>	<b>18,903</b>	<b>-111.1%</b>	<b>163,208</b>	<b>-101.3%</b>	<b>161,105</b>	<b>158,356</b>	<b>1.7%</b>
Operating Margin	-1.9%	13.1%	-15.0 p.p.	40.6%	-42.5 p.p.	31.4%	33.8%	-2.3 p.p.
<b>Corporate Expenses</b>	<b>(9,892)</b>	<b>(16,635)</b>	<b>-40.5%</b>	<b>(12,294)</b>	<b>-19.5%</b>	<b>(22,186)</b>	<b>(32,148)</b>	<b>-31.0%</b>
<b>Recurring EBITDA</b>	<b>(11,994)</b>	<b>2,269</b>	<b>-628.6%</b>	<b>150,913</b>	<b>-107.9%</b>	<b>138,919</b>	<b>126,208</b>	<b>10.1%</b>
Recurring EBITDA Margin	-10.9%	1.6%	-12.5 p.p.	37.5%	-48.4 p.p.	27.1%	26.9%	0.2 p.p.
(+) Opening Balance: Reversals of Contingencies	2,552	-	n.a.	-	n.a.	2,552	-	n.a.
(-) Non-Recurring Items	(2,077)	(3,719)	-44.1%	(1,203)	72.7%	(3,280)	(8,831)	-62.9%
<b>EBITDA</b>	<b>(11,519)</b>	<b>(1,450)</b>	<b>694.4%</b>	<b>149,711</b>	<b>-107.7%</b>	<b>138,191</b>	<b>117,378</b>	<b>17.7%</b>
EBITDA Margin	-10.5%	-1.0%	-9.5 p.p.	37.2%	-47.7 p.p.	27.0%	25.0%	1.9 p.p.

## PDA and Accounts Receivable

Values in R\$ ('000)	2Q20	2Q19 <sup>1</sup>	Chg.%	1Q20	Chg.%
Gross Accounts Receivable	344,260	257,884	33.5%	478,210	-28.0%
PDA Balance	(30,715)	(60,304)	-49.1%	(45,660)	-32.7%
Coverage Ratio	8.9%	23.4%	-61.8%	9.5%	-6.6%
Net Accounts Receivable	313,545	197,581	58.7%	432,549	-27.5%
Average Accounts Receivable Term (days)	119	84	35 days	159	-40 days

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

As a percentage of revenues, the PDA increased in 2Q20 due to additional provisioning made this quarter to cover eventual future losses due to the pandemic. Even so, in the semester analysis, this indicator remained at a relatively low level (2.3%). Net accounts receivable grew by 59%, leading to an increase in average receivables term of 35 days. This longer average receivables term is the result of the impact of the pandemic, mainly on non-subscription products.

## OTHER BUSINESSES | OPERATIONAL PERFORMANCE

### Revenues

Other Revenues - Values in R\$ ('000)	2Q20	2Q19	Chg. %	1Q20	Chg. %	1H20	1H19	Chg. %
<b>Net Revenue</b>	<b>33,696</b>	<b>61,873</b>	<b>-45.5%</b>	<b>131,068</b>	<b>-74.3%</b>	<b>164,764</b>	<b>117,523</b>	<b>40.2%</b>
Net Revenue from PNLD	668	27,151	-97.5%	91,735	-99.3%	92,403	29,809	210.0%
LFG, Unregulated and Preparatory Programs	509	1,164	-56.3%	795	-36.0%	1,303	3,419	-61.9%
Books Sold	13,027	22,716	-42.7%	29,286	-55.5%	42,313	55,924	-24.3%
Net Revenue - Other Services	19,493	10,842	79.8%	9,252	110.7%	28,745	28,370	1.3%

\* Postsecondary Education books sold

In 2Q20, the other business segment was impacted by the almost total lack of PNLD revenues, contrary to what took place in 2Q19. In the other lines, we observed important decreases arising from the effects of the pandemic, partially offset by the billing of a sale of content to city administrations in the line of other services.

## OTHER BUSINESSES | FINANCIAL PERFORMANCE

Other Revenues - Values in R\$ ('000)	2Q20	2Q19	Chg. %	1Q20	Chg. %	1H20	1H19	Chg. %
<b>Gross Revenue</b>	<b>39,252</b>	<b>67,405</b>	<b>-41.8%</b>	<b>134,447</b>	<b>-70.8%</b>	<b>173,699</b>	<b>125,613</b>	<b>38.3%</b>
Gross Revenue Deductions	(5,555)	(5,532)	0.4%	(3,379)	64.4%	(8,935)	(8,090)	10.4%
Tax	(879)	(270)	225.1%	(152)	478.5%	(1,031)	(695)	48.3%
Returns	(4,637)	(5,235)	-11.4%	(3,196)	45.1%	(7,832)	(7,316)	7.1%
Total Discounts	(40)	(26)	53.8%	(32)	27.2%	(72)	(79)	-9.6%
<b>Net Revenue</b>	<b>33,696</b>	<b>61,873</b>	<b>-45.5%</b>	<b>131,068</b>	<b>-74.3%</b>	<b>164,764</b>	<b>117,523</b>	<b>40.2%</b>
<b>Total of Costs</b>	<b>(15,897)</b>	<b>(28,268)</b>	<b>-43.8%</b>	<b>(86,448)</b>	<b>-81.6%</b>	<b>(102,345)</b>	<b>(53,954)</b>	<b>89.7%</b>
Cost of Goods	(15,268)	(26,692)	-42.8%	(82,321)	-81.5%	(97,589)	(49,164)	98.5%
Cost of Services	(629)	(1,575)	-60.0%	(4,127)	-84.7%	(4,756)	(4,790)	-0.7%
Faculty, Other Personnel and Third-Party Services	(322)	(1,599)	-79.9%	(3,658)	-91.2%	(3,979)	(4,126)	-3.6%
Rent	(65)	502	-112.9%	(109)	-40.8%	(174)	502	-134.6%
Materials	-	(72)	-100.0%	(1)	-100.0%	(1)	(624)	-99.9%
Maintenance	(230)	(258)	-10.9%	(321)	-28.4%	(551)	(461)	19.5%
Other	(13)	(149)	-91.0%	(38)	-65.0%	(52)	(81)	-35.8%
<b>Gross Income</b>	<b>17,799</b>	<b>33,606</b>	<b>-47.0%</b>	<b>44,620</b>	<b>-60.1%</b>	<b>62,419</b>	<b>63,569</b>	<b>-1.8%</b>
Gross Margin	52.8%	54.3%	-1.5 p.p.	34.0%	18.8 p.p.	37.9%	54.1%	-16.2 p.p.
<b>Total Operating Expenses</b>	<b>(10,494)</b>	<b>(48)</b>	<b>21577.6%</b>	<b>(1,458)</b>	<b>619.6%</b>	<b>(11,952)</b>	<b>(5,615)</b>	<b>112.9%</b>
Personnel Expenses	(2,519)	422	-697.0%	(2,822)	-10.7%	(5,342)	(2,522)	111.8%
General and Administrative Expenses	(7,975)	(470)	1595.3%	1,364	-684.7%	(6,611)	(3,093)	113.7%
<b>Provision for Doubtful Account - PDA</b>	<b>(389)</b>	<b>(4,474)</b>	<b>-91.3%</b>	<b>(1,065)</b>	<b>-63.5%</b>	<b>(1,454)</b>	<b>(8,535)</b>	<b>-83.0%</b>
(+) Interest and Penalties on Tuition	4	10	-63.5%	6	-36.3%	10	31	-68.8%
(+) Equity	1,376	(1,054)	-230.6%	(478)	-388.2%	899	(477)	-288.5%
<b>Selling and Marketing Expenses</b>	<b>(1,626)</b>	<b>(13,805)</b>	<b>-88.2%</b>	<b>(15,604)</b>	<b>-89.6%</b>	<b>(17,230)</b>	<b>(27,255)</b>	<b>-36.8%</b>
<b>Operating Result</b>	<b>6,671</b>	<b>14,235</b>	<b>-53.1%</b>	<b>26,020</b>	<b>-74.4%</b>	<b>32,691</b>	<b>21,718</b>	<b>50.5%</b>
Operating Margin	19.8%	23.0%	-3.2 p.p.	19.9%	-0.1 p.p.	19.8%	18.5%	1.4 p.p.
<b>Corporate Expenses</b>	<b>(4,483)</b>	<b>(7,614)</b>	<b>-41.1%</b>	<b>(6,140)</b>	<b>-27.0%</b>	<b>(10,623)</b>	<b>(15,243)</b>	<b>-30.3%</b>
<b>Adjusted EBITDA</b>	<b>2,188</b>	<b>6,621</b>	<b>-67.0%</b>	<b>19,880</b>	<b>-89.0%</b>	<b>22,068</b>	<b>6,474</b>	<b>240.9%</b>
Adjusted EBITDA Margin	6.5%	10.7%	-4.2 p.p.	15.2%	-8.7 p.p.	13.4%	5.5%	7.9 p.p.
(+) Opening Balance: Reversals of Contingencies	144,881	74,483	94.5%	96,149	50.7%	241,030	111,877	115.4%
(-) Non-Recurring Items	(350,412)	(1,605)	21733.7%	(1,131)	30869.5%	(351,544)	(3,297)	10563.2%
<b>EBITDA</b>	<b>(203,343)</b>	<b>79,499</b>	<b>-355.8%</b>	<b>114,898</b>	<b>-277.0%</b>	<b>(88,445)</b>	<b>115,054</b>	<b>-176.9%</b>
EBITDA Margin	-603.5%	128.5%	-731.9 p.p.	87.7%	-691.1 p.p.	-53.7%	97.9%	-151.6 p.p.

The different seasonality of PNLD revenues hindered the comparison between 2Q20 and the same quarter last year. According to the proforma analysis shown below, we eliminated PNLD revenues captured in 1Q20 and which should have been recorded in 4Q19.

## Proforma Analysis

Vasta - Values in R\$ ('000)	2Q20	2Q19 Pro Forma	% Chg.	1Q20 Pro Forma	% Chg.	1H20 Pro Forma	1H19 Pro Forma	% Chg.
<b>Gross Revenue</b>	<b>39,252</b>	<b>67,405</b>	<b>-41.8%</b>	<b>49,717</b>	<b>-21.0%</b>	<b>88,969</b>	<b>125,613</b>	<b>-29.2%</b>
Gross Revenue Deductions	(5,555)	(5,532)	0.4%	(3,379)	64.4%	(8,935)	(8,090)	10.4%
Tax	(879)	(270)	225.1%	(152)	478.5%	(1,031)	(695)	48.3%
Returns	(4,637)	(5,235)	-11.4%	(3,196)	45.1%	(7,832)	(7,316)	7.1%
Total Discounts	(40)	(26)	53.8%	(32)	27.2%	(72)	(79)	-9.6%
<b>Net Revenue</b>	<b>33,696</b>	<b>61,873</b>	<b>-45.5%</b>	<b>46,338</b>	<b>-27.3%</b>	<b>80,034</b>	<b>117,523</b>	<b>-31.9%</b>
<b>Total of Costs</b>	<b>(15,897)</b>	<b>(34,330)</b>	<b>-53.7%</b>	<b>(37,642)</b>	<b>-57.8%</b>	<b>(53,539)</b>	<b>(66,819)</b>	<b>-19.9%</b>
Cost of Goods	(15,268)	(32,755)	-53.4%	(33,515)	-54.4%	(48,783)	(62,029)	-21.4%
Cost of Services	(629)	(1,575)	-60.0%	(4,127)	-84.7%	(4,756)	(4,790)	-0.7%
Faculty, Other Personnel and Third-Party Services	(322)	(1,599)	-79.9%	(3,658)	-91.2%	(3,979)	(4,126)	-3.6%
Rent	(65)	502	-112.9%	(109)	-40.8%	(174)	502	-134.6%
Materials	-	(72)	-100.0%	(1)	-100.0%	(1)	(624)	-99.9%
Maintenance	(230)	(258)	-10.9%	(321)	-28.4%	(551)	(461)	19.5%
Other	(13)	(149)	-91.0%	(38)	-65.0%	(52)	(81)	-35.8%
<b>Gross Income</b>	<b>17,799</b>	<b>27,543</b>	<b>-35.4%</b>	<b>8,696</b>	<b>104.7%</b>	<b>26,495</b>	<b>50,703</b>	<b>-47.7%</b>
Gross Margin	52.8%	44.5%	8.3 p.p.	18.8%	34.1 p.p.	33.1%	43.1%	-10.0 p.p.
<b>Total Operating Expenses</b>	<b>(10,494)</b>	<b>(48)</b>	<b>21577.6%</b>	<b>2,935</b>	<b>-457.5%</b>	<b>(7,559)</b>	<b>(5,615)</b>	<b>34.6%</b>
Personnel Expenses	(2,519)	422	-697.0%	1,571	-260.4%	(948)	(2,522)	-62.4%
General and Administrative Expenses	(7,975)	(470)	1595.3%	1,364	-684.7%	(6,611)	(3,093)	113.7%
<b>Provision for Doubtful Account - PDA</b>	<b>(389)</b>	<b>(4,474)</b>	<b>-91.3%</b>	<b>(1,065)</b>	<b>-63.5%</b>	<b>(1,454)</b>	<b>(8,535)</b>	<b>-83.0%</b>
(+) Interest and Penalties on Tuition	4	10	-63.5%	6	-36.3%	10	31	-68.8%
(+) Equity	1,376	(1,054)	-230.6%	(478)	-388.2%	899	(477)	-288.5%
<b>Selling and Marketing Expenses</b>	<b>(1,626)</b>	<b>(13,805)</b>	<b>-88.2%</b>	<b>(15,604)</b>	<b>-89.6%</b>	<b>(17,230)</b>	<b>(27,255)</b>	<b>-36.8%</b>
<b>Operating Result</b>	<b>6,671</b>	<b>8,172</b>	<b>-18.4%</b>	<b>(5,510)</b>	<b>-221.1%</b>	<b>1,161</b>	<b>8,852</b>	<b>-86.9%</b>
Operating Margin	19.8%	13.2%	6.6 p.p.	-11.9%	31.7 p.p.	1.5%	7.5%	-6.1 p.p.
<b>Corporate Expenses</b>	<b>(4,483)</b>	<b>(7,614)</b>	<b>-41.1%</b>	<b>(6,140)</b>	<b>-27.0%</b>	<b>(10,623)</b>	<b>(15,243)</b>	<b>-30.3%</b>
<b>Recurring EBITDA</b>	<b>2,188</b>	<b>558</b>	<b>291.9%</b>	<b>(11,650)</b>	<b>-118.8%</b>	<b>(9,462)</b>	<b>(6,392)</b>	<b>48.0%</b>
Recurring EBITDA Margin	6.5%	0.9%	5.6 p.p.	-25.1%	31.6 p.p.	-11.8%	-5.4%	-6.4 p.p.
(+) Opening Balance: Reversals of Contingencies	144,881	<b>74,483</b>	<b>94.5%</b>	<b>96,149</b>	<b>50.7%</b>	<b>241,030</b>	<b>111,877</b>	<b>115.4%</b>
(-) Non-Recurring Items	(350,412)	(1,605)	<b>21733.7%</b>	(1,131)	<b>30869.5%</b>	(351,544)	(3,297)	10563.2%
<b>EBITDA</b>	<b>(203,343)</b>	<b>73,436</b>	<b>-376.9%</b>	<b>83,367</b>	<b>-343.9%</b>	<b>(119,976)</b>	<b>102,188</b>	<b>-217.4%</b>
EBITDA Margin	-603.5%	118.7%	-722.1 p.p.	179.9%	-783.4 p.p.	-149.9%	87.0%	-236.9 p.p.

## PDA and Accounts Receivable

Values in R\$ ('000)	2Q20	2Q19 <sup>1</sup>	Chg.%	1Q20	Chg.%
Gross Accounts Receivable	50,558	69,991	-27.8%	182,368	-72.3%
PDA Balance	(32,387)	(10,668)	203.6%	(28,411)	14.0%
Coverage Ratio	64.1%	15.2%	320.3%	15.6%	311.2%
Net Accounts Receivable	18,171	59,324	-69.4%	153,957	-88.2%
Average Accounts Receivable Term (days)	12	43	-31 days	95	-83 days

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

Net accounts receivable and average receivables term decreased significantly in 2Q20, due to the receipt of the final installment of PNLD 2020.

## CONSOLIDATED COGNA RESULTS

### 2Q20 RESULTS | BREAKDOWN BY COMPANY

	Kroton	Platos	Saber	Vasta	Others	Cogna's B.U. Elimination	Cogna Consolidated
Values in R\$ ('000)	2Q20	2Q20	2Q20	2Q20	2Q20	2Q20	2Q20
<b>Gross Revenue</b>	<b>1,424,279</b>	<b>23,630</b>	<b>197,874</b>	<b>128,481</b>	<b>39,252</b>	<b>(6,659)</b>	<b>1,806,857</b>
Gross Revenue Deductions	(372,419)	(1,509)	(36,565)	(18,289)	(5,555)	0	(434,337)
Tax	(36,500)	(1,093)	(12,377)	(741)	(879)	0	(51,589)
ProUni	(230,465)	-	-	-	-	-	(230,465)
Returns	-	-	(748)	(15,344)	(4,637)	-	(20,729)
Total Discounts	(105,454)	(416)	(23,439)	(2,204)	(40)	-	(131,554)
<b>Net Revenue</b>	<b>1,051,861</b>	<b>22,121</b>	<b>161,309</b>	<b>110,191</b>	<b>33,696</b>	<b>(6,659)</b>	<b>1,372,520</b>
<b>Costs (COGS)</b>	<b>(205,878)</b>	<b>(1,476)</b>	<b>(77,811)</b>	<b>(45,976)</b>	<b>(15,897)</b>	<b>6,659</b>	<b>(340,379)</b>
Cost of Goods	(6,769)	(2)	(5,014)	(25,369)	(15,268)	6,659	(45,763)
Cost of Services	(199,110)	(1,474)	(72,797)	(20,607)	(629)	-	(294,616)
Faculty, Other Personnel and Third-Party Services	(187,885)	(1,359)	(67,589)	(17,888)	(322)	-	(275,044)
Rent	1,304	-	(184)	814	(65)	-	1,869
Materials	(1,960)	-	(923)	-	-	-	(2,883)
Maintenance	(1,277)	(39)	(3,436)	(3,098)	(230)	-	(8,080)
Other	(9,292)	(75)	(665)	(434)	(13)	-	(10,479)
<b>Gross Income</b>	<b>845,982</b>	<b>20,645</b>	<b>83,498</b>	<b>64,215</b>	<b>17,799</b>	<b>0</b>	<b>1,032,140</b>
<b>Operating Expenses</b>	<b>(154,758)</b>	<b>(2,582)</b>	<b>(30,838)</b>	<b>(35,797)</b>	<b>(10,494)</b>	<b>0.0%</b>	<b>(234,468)</b>
Personnel, General and Administrative Expenses	(154,758)	(2,582)	(30,838)	(35,797)	(10,494)	-	(234,468)
Personnel Expenses	(76,793)	(2,430)	(29,752)	(11,950)	(2,519)	-	(123,445)
General and Administrative Expenses	(77,965)	(151)	(1,086)	(23,847)	(7,975)	-	(111,024)
<b>Provision for Doubtful Accounts - PDA</b>	<b>(487,812)</b>	<b>(3,476)</b>	<b>(1,561)</b>	<b>(7,304)</b>	<b>(389)</b>	<b>1</b>	<b>(500,541)</b>
(+) Interest and Penalties on Tuition	7,966	2	154	-	4	-	8,126
(+) Equity	-	-	-	-	1,376	-	1,376
<b>Sales and Marketing Expenses</b>	<b>(80,911)</b>	<b>(6,339)</b>	<b>(2,576)</b>	<b>(41,151)</b>	<b>(1,626)</b>	<b>-</b>	<b>(132,603)</b>
<b>Operating Result</b>	<b>130,466</b>	<b>8,251</b>	<b>48,677</b>	<b>(20,037)</b>	<b>6,671</b>	<b>1</b>	<b>174,030</b>
<b>Corporate Expenses</b>	<b>(33,950)</b>	<b>742</b>	<b>(5,798)</b>	<b>(9,917)</b>	<b>(4,483)</b>	<b>(0)</b>	<b>(53,406)</b>
(+) Opening Balance: Reversals of Contingencies	-	-	-	2,552	144,881	-	147,433
(-) Nonrecurring Items	(46,385)	30	(5,413)	(5,362)	(350,412)	(0)	(407,542)
<b>EBITDA</b>	<b>50,131</b>	<b>9,023</b>	<b>37,467</b>	<b>(32,765)</b>	<b>(203,343)</b>	<b>1</b>	<b>(139,485)</b>
Depreciation and Amortization							(290,236)
Financial Result							(194,711)
Income and Social Contribution Tax							172,462
Minority Interest							(2,766)
<b>Net Profit</b>							<b>(454,735)</b>
(+) Intangible Amortization (Acquisitions)							82,351
(+) Inventory Surplus Value							4,537
(+) Escrow Sale							227,861
<b>Adjusted Net Profit</b>							<b>(139,987)</b>

## 1H20 RESULTS | BREAKDOWN BY COMPANY

	Kroton	Platos	Saber	Vasta	Others	Cogna Elimination	Cogna Consolidated
Values in R\$ ('000)	1H20	1H20	1H20	1H20	1H20	1H20	1H20
<b>Gross Revenue</b>	<b>2,665,876</b>	<b>46,962</b>	<b>448,627</b>	<b>556,548</b>	<b>173,699</b>	<b>(27,622)</b>	<b>3,864,090</b>
Gross Revenue Deductions	(731,319)	(3,172)	(76,779)	(43,897)	(8,935)	0	(864,102)
Tax	(70,312)	(2,756)	(27,885)	(3,658)	(1,031)	0	(105,641)
ProUni	(457,105)	-	-	-	-	-	(457,105)
Returns	(10)	-	(1,365)	(38,036)	(7,832)	-	(47,244)
Total Discounts	(203,893)	(416)	(47,529)	(2,202)	(72)	-	(254,112)
<b>Net Revenue</b>	<b>1,934,557</b>	<b>43,789</b>	<b>371,848</b>	<b>512,651</b>	<b>164,764</b>	<b>(27,622)</b>	<b>2,999,988</b>
<b>Costs (COGS)</b>	<b>(403,260)</b>	<b>(3,309)</b>	<b>(158,369)</b>	<b>(208,768)</b>	<b>(102,345)</b>	<b>27,610</b>	<b>(848,441)</b>
Cost of Goods	(9,657)	3	(14,633)	(167,059)	(97,589)	27,610	(261,326)
Cost of Services	(393,603)	(3,312)	(143,736)	(41,709)	(4,756)	-	(587,115)
Faculty, Other Personnel and Third-Party Services	(358,958)	(3,111)	(129,241)	(35,008)	(3,979)	-	(530,297)
Rent	(3,176)	-	(950)	(855)	(174)	-	(5,154)
Materials	(5,233)	-	(2,024)	-	(1)	-	(7,258)
Maintenance	(6,319)	(200)	(9,134)	(4,670)	(551)	-	(20,874)
Other	(19,916)	-	(2,387)	(1,177)	(52)	-	(23,531)
<b>Gross Income</b>	<b>1,531,297</b>	<b>40,480</b>	<b>213,479</b>	<b>303,883</b>	<b>62,419</b>	<b>(12)</b>	<b>2,151,547</b>
<b>Operating Expenses</b>	<b>(312,441)</b>	<b>(5,684)</b>	<b>(70,066)</b>	<b>(68,535)</b>	<b>(11,952)</b>	<b>0.0%</b>	<b>(468,678)</b>
Personnel, General and Administrative Expenses	(312,441)	(5,684)	(70,066)	(68,535)	(11,952)	-	(468,678)
Personnel Expenses	(149,622)	(5,041)	(58,709)	(27,640)	(5,342)	-	(246,353)
General and Administrative Expenses	(162,819)	(643)	(11,357)	(40,895)	(6,611)	-	(222,324)
<b>Provision for Doubtful Accounts - PDA</b>	<b>(693,202)</b>	<b>(4,892)</b>	<b>(3,352)</b>	<b>(11,581)</b>	<b>(1,454)</b>	<b>0</b>	<b>(714,481)</b>
(+) Interest and Penalties on Tuition	61,578	37	375	-	10	-	62,000
(+) Equity	-	-	-	-	899	-	899
<b>Sales and Marketing Expenses</b>	<b>(224,383)</b>	<b>(9,590)</b>	<b>(4,952)</b>	<b>(80,597)</b>	<b>(17,230)</b>	<b>-</b>	<b>(336,752)</b>
<b>Operating Result</b>	<b>362,849</b>	<b>20,351</b>	<b>135,484</b>	<b>143,171</b>	<b>32,691</b>	<b>(12)</b>	<b>694,534</b>
<b>Corporate Expenses</b>	<b>(88,080)</b>	<b>(57)</b>	<b>(12,685)</b>	<b>(22,212)</b>	<b>(10,623)</b>	<b>0</b>	<b>(133,657)</b>
(+) Opening Balance: Reversals of Contingencies	-	-	-	2,552	241,030	-	243,582
(-) Nonrecurring Items	(71,621)	(5)	(9,403)	(6,565)	(351,544)	0	(439,138)
<b>EBITDA</b>	<b>203,148</b>	<b>20,290</b>	<b>113,396</b>	<b>116,945</b>	<b>(88,445)</b>	<b>(12)</b>	<b>365,322</b>
Depreciation and Amortization							(579,305)
Financial Result							(421,647)
Income and Social Contribution Tax							145,853
Minority Interest							(4,080)
<b>Net Profit</b>							<b>(493,858)</b>
(+) Intangible Amortization (Acquisitions)							164,982
(+) Inventory Surplus Value							7,837
(+) Escrow Sale							227,861
<b>Adjusted Net Profit</b>							<b>(93,178)</b>

## 2Q20 RESULT | CONSOLIDATED

Consolidated - Values in R\$ ('000)	2Q20	2Q19	Chg.%	1Q20	Chg.%	1H20	1H19	Chg.%
<b>Gross Revenue</b>	<b>1,806,857</b>	<b>2,210,027</b>	<b>-18.2%</b>	<b>2,057,233</b>	<b>-12.2%</b>	<b>3,864,090</b>	<b>4,509,691</b>	<b>-14.3%</b>
Gross Revenue Deductions	(434,337)	(465,672)	-6.7%	(429,765)	1.1%	(864,102)	(928,230)	-6.9%
Tax	(51,589)	(60,382)	-14.6%	(54,052)	-4.6%	(105,641)	(116,240)	-9.1%
ProUni	(230,465)	(255,165)	-9.7%	(226,640)	1.7%	(457,105)	(508,702)	-10.1%
Returns	(20,729)	(45,752)	-54.7%	(26,515)	-21.8%	(47,244)	(64,162)	-26.4%
Total Discounts	(131,554)	(104,373)	26.0%	(122,558)	7.3%	(254,112)	(239,126)	6.3%
<b>Net Revenue</b>	<b>1,372,520</b>	<b>1,744,355</b>	<b>-21.3%</b>	<b>1,627,468</b>	<b>-15.7%</b>	<b>2,999,988</b>	<b>3,581,461</b>	<b>-16.2%</b>
<b>Total of Costs</b>	<b>(340,379)</b>	<b>(467,223)</b>	<b>-27.1%</b>	<b>(508,062)</b>	<b>-33.0%</b>	<b>(848,441)</b>	<b>(895,647)</b>	<b>-5.3%</b>
Cost of Goods	(45,763)	(86,636)	-47.2%	(215,563)	-78.8%	(261,326)	(206,264)	26.7%
Cost of Services	(294,616)	(380,587)	-22.6%	(292,499)	0.7%	(587,115)	(689,383)	-14.8%
Faculty, Other Personnel and Third-Party Services	(275,044)	(336,340)	-18.2%	(255,254)	7.8%	(530,297)	(615,657)	-13.9%
Rent	1,869	(8,528)	-121.9%	(7,024)	-126.6%	(5,154)	(10,991)	-53.1%
Materials	(2,883)	(6,448)	-55.3%	(4,375)	-34.1%	(7,258)	(13,232)	-45.1%
Maintenance	(8,080)	(12,336)	-34.5%	(12,794)	-36.8%	(20,874)	(24,311)	-14.1%
Other	(10,479)	(16,935)	-38.1%	(13,052)	-19.7%	(23,531)	(25,191)	-6.6%
<b>Gross Income</b>	<b>1,032,140</b>	<b>1,277,133</b>	<b>-19.2%</b>	<b>1,119,406</b>	<b>-7.8%</b>	<b>2,151,547</b>	<b>2,685,814</b>	<b>-19.9%</b>
Gross Margin	75.2%	73.2%	2.0 p.p.	68.8%	6.4 p.p.	71.7%	75.0%	-3.3 p.p.
<b>Total Operating Expenses</b>	<b>(234,468)</b>	<b>(252,001)</b>	<b>-7.0%</b>	<b>(234,209)</b>	<b>0.1%</b>	<b>(468,678)</b>	<b>(477,839)</b>	<b>-1.9%</b>
Personnel, General and Administrative Expenses	(234,468)	(252,001)	-7.0%	(234,209)	0.1%	(468,678)	(477,839)	-1.9%
Personnel Expenses	(123,445)	(123,594)	-0.1%	(122,909)	0.4%	(246,353)	(253,729)	-2.9%
General and Administrative Expenses	(111,024)	(128,407)	-13.5%	(111,300)	-0.2%	(222,324)	(224,109)	-0.8%
<b>Provision for Doubtful Account - PDA</b>	<b>(500,541)</b>	<b>(187,276)</b>	<b>167.3%</b>	<b>(213,940)</b>	<b>134.0%</b>	<b>(714,481)</b>	<b>(397,755)</b>	<b>79.6%</b>
(+) Interest and Penalties on Tuition	8,126	28,265	-71.3%	53,874	-84.9%	62,000	94,416	-34.3%
Equity	1,376	(1,054)	-230.6%	(478)	-388.2%	899	(477)	-288.5%
Selling and Marketing Expenses	(132,603)	(139,140)	-4.7%	(204,149)	-35.0%	(336,752)	(308,992)	9.0%
<b>Operating Result</b>	<b>174,030</b>	<b>725,928</b>	<b>-76.0%</b>	<b>520,505</b>	<b>-66.6%</b>	<b>694,534</b>	<b>1,595,167</b>	<b>-56.5%</b>
Operating Margin	12.7%	41.6%	-28.9 p.p.	32.0%	-19.3 p.p.	23.2%	44.5%	-21.4 p.p.
Corporate Expenses	(53,406)	(106,648)	-49.9%	(80,250)	-33.5%	(133,657)	(206,682)	-35.3%
<b>Recurring EBITDA</b>	<b>120,623</b>	<b>619,280</b>	<b>-80.5%</b>	<b>440,254</b>	<b>-72.6%</b>	<b>560,877</b>	<b>1,388,485</b>	<b>-59.6%</b>
Recurring EBITDA Margin	8.8%	35.5%	-26.7 p.p.	27.1%	-18.3 p.p.	18.7%	38.8%	-20.1 p.p.
(+) Opening Balance: Reversals of Contingencies	147,433	74,483	97.9%	96,149	53.3%	243,582	111,877	117.7%
(-) Non-Recurring Items	(407,542)	(68,976)	490.8%	(31,596)	1189.9%	(439,138)	(124,786)	251.9%
<b>EBITDA</b>	<b>(139,485)</b>	<b>624,787</b>	<b>-122.3%</b>	<b>504,807</b>	<b>-127.6%</b>	<b>365,322</b>	<b>1,375,576</b>	<b>-73.4%</b>
EBITDA Margin	-10.2%	35.8%	-46.0 p.p.	31.0%	-41.2 p.p.	12.2%	38.4%	-26.2 p.p.
Depreciation and Amortization	(290,236)	(345,856)	-16.1%	(289,070)	0.4%	(579,305)	(637,144)	-9.1%
Financial Result	(194,711)	(219,500)	-11.3%	(226,936)	-14.2%	(421,647)	(422,493)	-0.2%
Income Tax / Social Contribution	(14,884)	8,493	-275.2%	(45,007)	-66.9%	(59,892)	(44,746)	33.8%
Deferred Income Tax / Social Contribution	187,347	72,404	158.8%	18,398	918.3%	205,744	119,307	72.4%
Minority Interest	(2,766)	(748)	269.8%	(1,314)	110.5%	(4,080)	(519)	686.6%
<b>Net Income</b>	<b>(454,735)</b>	<b>139,581</b>	<b>-425.8%</b>	<b>(39,122)</b>	<b>1062.4%</b>	<b>(493,858)</b>	<b>389,981</b>	<b>-226.6%</b>
Net Margin	-33.1%	8.0%	-41.1 p.p.	-2.4%	-30.7 p.p.	-16.5%	10.9%	-27.4 p.p.
(+) Intangible Amortization (Acquisitions)	82,351	125,790	-34.5%	82,631	-0.3%	164,982	190,610	-13.4%
(+) Inventory Surplus Value	4,537	1,324	242.6%	3,300	37.5%	7,837	4,797	63.4%
(+) Escrow Sale	227,861	-	n.a.	-	n.a.	227,861	-	n.a.
<b>Adjusted Net Income</b>	<b>(139,987)</b>	<b>266,695</b>	<b>-152.5%</b>	<b>46,809</b>	<b>-399.1%</b>	<b>(93,178)</b>	<b>585,388</b>	<b>-115.9%</b>
Adjusted Net Margin	-10.2%	15.3%	-25.5 p.p.	2.9%	-13.1 p.p.	-3.1%	16.3%	-19.5 p.p.

The consolidated operating performance was impacted by the decrease in revenues and operating result for Kroton, Vasta and Other Businesses, partially offset by the evolutions of Saber and Platos.

## 2Q20 PROFORMA RESULT | CONSOLIDATED

In the table below, we present Cogná's results in a proforma basis, excluding events that impacted the comparison between quarters. In order to allow for a more accurate review, the following adjustments were made: (i) Exclusion of R\$ 75 million in revenue from the late reenrollment curve, which was included in the 1Q20 proforma analysis; (ii) Exclusion of extraordinary expenses in Vasta in 2Q20 (inventory adjustment and the incidence of INSS related to previous years), as well as the exclusion of fiscal credits and the reversal of provisioning for variable remuneration in 2Q19; (iii) Reclassification of 2019 editorial capex as cost of products sold; (iv) Exclusion of R\$328 million in incremental PDA, resulting from the higher delinquency due to the Covid-19 pandemic and PDA complement in PEP/PMT; and (v) Exclusion of the receipt of R\$ 88 million relating to 2020 PNLD sales (which would normally be received in 2019).

Consolidated - Values in R\$ ('000)	2Q20 Pro Forma	2Q19 Pro Forma	Chg.%	2Q19 Pro Forma	Chg.%	1H20 Pro Forma	1H19 Pro Forma	Chg.%
<b>Gross Revenue</b>	<b>1,731,857</b>	<b>2,210,027</b>	<b>-21.6%</b>	<b>2,047,503</b>	<b>-15.4%</b>	<b>3,779,360</b>	<b>4,509,691</b>	<b>-16.2%</b>
Gross Revenue Deductions	(434,337)	(465,672)	-6.7%	(429,765)	1.1%	(864,102)	(928,230)	-6.9%
Tax	(51,589)	(60,382)	-14.6%	(54,052)	-4.6%	(105,641)	(116,240)	-9.1%
ProUni	(230,465)	(255,165)	-9.7%	(226,640)	1.7%	(457,105)	(508,702)	-10.1%
Returns	(20,729)	(45,752)	-54.7%	(26,515)	-21.8%	(47,244)	(64,162)	-26.4%
Total Discounts	(131,554)	(104,373)	26.0%	(122,558)	7.3%	(254,112)	(239,126)	6.3%
<b>Net Revenue</b>	<b>1,297,520</b>	<b>1,744,355</b>	<b>-25.6%</b>	<b>1,617,738</b>	<b>-19.8%</b>	<b>2,915,258</b>	<b>3,581,461</b>	<b>-18.6%</b>
<b>Total of Costs</b>	<b>(329,854)</b>	<b>(491,552)</b>	<b>-32.9%</b>	<b>(459,256)</b>	<b>-28.2%</b>	<b>(789,109)</b>	<b>(959,061)</b>	<b>-17.7%</b>
Cost of Goods	(37,463)	(110,965)	-66.2%	(166,757)	-77.5%	(204,220)	(269,678)	-24.3%
Cost of Services	(292,391)	(380,587)	-23.2%	(292,499)	0.0%	(584,890)	(689,383)	-15.2%
Faculty, Other Personnel and Third-Party Services	(272,818)	(336,340)	-18.9%	(255,254)	6.9%	(528,072)	(615,657)	-14.2%
Rent	1,869	(8,528)	-121.9%	(7,024)	-126.6%	(5,154)	(10,991)	-53.1%
Materials	(2,883)	(6,448)	-55.3%	(4,375)	-34.1%	(7,258)	(13,232)	-45.1%
Maintenance	(8,080)	(12,336)	-34.5%	(12,794)	-36.8%	(20,874)	(24,311)	-14.1%
Other	(10,479)	(16,935)	-38.1%	(13,052)	-19.7%	(23,531)	(25,191)	-6.6%
<b>Gross Income</b>	<b>967,666</b>	<b>1,252,803</b>	<b>-22.8%</b>	<b>1,158,482</b>	<b>-16.5%</b>	<b>2,126,148</b>	<b>2,622,400</b>	<b>-18.9%</b>
Gross Margin	74.6%	71.8%	2.8 p.p.	71.6%	5.8 p.p.	72.9%	73.2%	0.3 p.p.
<b>Total Operating Expenses</b>	<b>(234,468)</b>	<b>(252,001)</b>	<b>-7.0%</b>	<b>(229,816)</b>	<b>2.0%</b>	<b>(464,284)</b>	<b>(477,839)</b>	<b>-2.8%</b>
Personnel, General and Administrative Expenses	(234,468)	(252,001)	-7.0%	(229,816)	2.0%	(464,284)	(477,839)	-2.8%
Personnel Expenses	(123,445)	(123,594)	-0.1%	(118,515)	4.2%	(241,960)	(253,729)	-4.6%
General and Administrative Expenses	(111,024)	(128,407)	-13.5%	(111,300)	-0.2%	(222,324)	(224,109)	-0.8%
<b>Provision for Doubtful Account - PDA</b>	<b>(172,794)</b>	<b>(187,276)</b>	<b>-7.7%</b>	<b>(188,463)</b>	<b>-8.3%</b>	<b>(361,257)</b>	<b>(397,755)</b>	<b>-9.2%</b>
(+) Interest and Penalties on Tuition	8,126	28,265	-71.3%	53,874	-84.9%	62,000	94,416	-34.3%
Equity	1,376	(1,054)	-230.6%	(478)	-388.2%	899	(477)	-288.5%
Selling and Marketing Expenses	(132,603)	(139,140)	-4.7%	(204,149)	-35.0%	(336,752)	(308,992)	9.0%
<b>Operating Result</b>	<b>437,302</b>	<b>701,598</b>	<b>-37.7%</b>	<b>589,451</b>	<b>-25.8%</b>	<b>1,026,753</b>	<b>1,531,753</b>	<b>-33.0%</b>
Operating Margin	33.7%	40.2%	-6.5 p.p.	36.4%	-2.7 p.p.	35.2%	42.8%	-7.5 p.p.
Corporate Expenses	(53,406)	(106,648)	-49.9%	(80,250)	-33.5%	(133,657)	(206,682)	-35.3%
<b>Recurring EBITDA</b>	<b>383,896</b>	<b>594,951</b>	<b>-35.5%</b>	<b>509,201</b>	<b>-24.6%</b>	<b>893,096</b>	<b>1,325,071</b>	<b>-32.6%</b>
Recurring EBITDA Margin	29.6%	34.1%	-4.5 p.p.	31.5%	-1.9 p.p.	30.6%	37.0%	-6.4 p.p.
(+) Opening Balance: Reversals of Contingencies	147,433	74,483	97.9%	96,149	53.3%	243,582	111,877	117.7%
(-) Non-Recurring Items	(404,257)	(68,976)	486.1%	(31,596)	1179.5%	(435,853)	(124,786)	249.3%
<b>EBITDA</b>	<b>127,072</b>	<b>600,458</b>	<b>-78.8%</b>	<b>573,754</b>	<b>-77.9%</b>	<b>700,826</b>	<b>1,312,162</b>	<b>-46.6%</b>
EBITDA Margin	9.8%	34.4%	-24.6 p.p.	35.5%	-25.7 p.p.	24.0%	36.6%	-12.6 p.p.
Depreciation and Amortization	(290,236)	(328,251)	-11.6%	(289,070)	0.4%	(579,305)	(594,625)	-2.6%
Financial Result	(194,711)	(219,500)	-11.3%	(226,936)	-14.2%	(421,647)	(422,493)	-0.2%
Income Tax / Social Contribution	(14,884)	8,493	-275.2%	(34,287)	-56.6%	(49,171)	(44,746)	9.9%
Deferred Income Tax / Social Contribution	187,347	72,404	158.8%	18,398	918.3%	205,744	119,307	72.4%
Income Tax / Social Cont.	-	-	n.a.	-	0.0%	-	-	0.0%
Minority Interest	(2,766)	(748)	269.8%	(1,314)	110.5%	(4,080)	(519)	686.6%
<b>Net Income</b>	<b>(188,178)</b>	<b>132,856</b>	<b>-241.6%</b>	<b>40,545</b>	<b>-564.1%</b>	<b>(147,633)</b>	<b>369,086</b>	<b>-140.0%</b>
Net Margin	-14.5%	7.6%	-22.5 p.p.	2.5%	-17.0 p.p.	-5.1%	10.3%	-15.4 p.p.
(+) Intangible Amortization (Acquisitions)	82,351	125,790	-34.5%	82,631	-0.3%	164,982	190,610	-13.4%
(+) Inventory Surplus Value	4,537	1,324	242.6%	3,300	37.5%	7,837	4,797	63.4%
(+) Escrow Sale	227,861	-	n.a.	-	n.a.	227,861	-	n.a.
<b>Adjusted Net Income</b>	<b>126,570</b>	<b>259,971</b>	<b>-51.3%</b>	<b>126,476</b>	<b>0.1%</b>	<b>253,046</b>	<b>564,493</b>	<b>-55.2%</b>
Adjusted Net Margin	9.8%	14.9%	-5.1 p.p.	7.8%	1.9 p.p.	8.7%	15.8%	-7.1 p.p.



## Corporate Expenses

<b>Consolidated - Values in R\$ ('000)</b>	<b>2Q20</b>	<b>2Q19</b>	<b>Chg.%</b>	<b>1Q20</b>	<b>Chg.%</b>
Corporate Expenses	(53,406)	(106,648)	-49.9%	(80,250)	-33.5%
Personnel Expenses	(20,750)	(55,837)	-62.8%	(39,660)	-47.7%
General and Administrative Expenses	(32,657)	(50,811)	-35.7%	(40,590)	-19.5%

<b>% of Net Revenue</b>	<b>2Q20</b>	<b>2Q19</b>	<b>Chg.%</b>	<b>1Q20</b>	<b>Chg.%</b>
Corporate Expenses	-3.9%	-6.1%	2.2 p.p.	-4.9%	1.0 p.p.
Personnel Expenses	-1.5%	-3.2%	1.8 p.p.	-2.4%	0.9 p.p.
General and Administrative Expenses	-2.4%	-2.9%	0.5 p.p.	-2.5%	0.1 p.p.

In 2Q20, we delivered a significant 50% fall in the Company's corporate expenses, as a result of emergency actions to cope with the effects of the pandemic, in particular (i) the adoption of temporary measures of reduction in working hours and suspension of employment contracts, as allowed by MP936, and (ii) reduced provision for variable remuneration of employees in 2020.

## Non-Recurring Items

<b>Values in R\$ ('000)</b>	<b>2Q20</b>	<b>2Q19</b>	<b>Chg.%</b>	<b>1Q20</b>	<b>Chg.%</b>
Severance	(16,946)	(26,920)	-37.1%	(14,676)	15.5%
M&A and expansion	(17,028)	(42,056)	-59.5%	(16,920)	0.6%
Escrow Sale	(345,243)	-	n.a.	-	n.a.
Sale of Fixed Assets	(28,325)	-	n.a.	-	n.a.
<b>Total Non-recurring</b>	<b>(407,542)</b>	<b>(68,976)</b>	<b>490.8%</b>	<b>(31,596)</b>	<b>1189.9%</b>

Non-recurring items increased significantly in 2Q20 due to the write-off of R\$ 345 million relating to the sale of the escrow account to the sellers of Somos.

## Financial Results

<b>Consolidated - Values in R\$ ('000)</b>	<b>2Q20</b>	<b>2Q19</b>	<b>Chg.%</b>	<b>1Q20</b>	<b>Chg.%</b>
(+) Financial Revenues	34,635	42,369	-18.3%	35,413	-2.2%
Interest on Financial Investment	22,878	18,997	20.4%	17,375	31.7%
Others	11,757	23,372	-49.7%	18,039	-34.8%
(-) Financial Expenses	(229,346)	(261,869)	-12.4%	(262,350)	-12.6%
Banks Expenses	(4,975)	(5,033)	-1.2%	(4,613)	7.9%
Interest on Leasing	(104,783)	(75,388)	39.0%	(103,501)	1.2%
Interest on Loans	(82,933)	(153,634)	-46.0%	(106,096)	-21.8%
Interest and Tax on Late Payment	(2,653)	(9,762)	-72.8%	(5,774)	-54.1%
Interest on Loans for Acquisitions	(1,501)	(4,629)	-67.6%	(10,940)	-86.3%
Restatement of Contingencies	(12,570)	-	n.a.	(20,287)	-38.0%
Others	(19,931)	(13,423)	48.5%	(11,140)	78.9%
<b>Financial Result <sup>1</sup></b>	<b>(194,711)</b>	<b>(219,500)</b>	<b>-11.3%</b>	<b>(226,936)</b>	<b>-14.2%</b>

<sup>1</sup> Does not consider interest and penalties on tuition.

In 2Q20, the net financial result was negative by R\$ 195 million, an improvement of 11% as compared to 2Q19, and 14% as compared to 1Q20, reflecting reduced interest expenses (arising from a lower basic interest rate), the interest income on the follow-on funds raised in February, and reduced expenses with the adjustment of contingencies.



## Net Profit

Consolidated - Values in R\$ ('000)	2Q20	2Q19	Chg.%	1Q20	Chg.%
<b>Operating Result</b>	<b>174,030</b>	<b>725,928</b>	<b>-76.0%</b>	<b>520,505</b>	<b>-66.6%</b>
(+) Corporate Expenses	(53,406)	(106,648)	-49.9%	(80,250)	-33.5%
(+) Opening Balance: Reversals of Contingencies	147,433	74,483	97.9%	96,149	53.3%
(+) Non-recurring Items	(407,542)	(68,976)	490.8%	(31,596)	1189.9%
(+) Depreciation and Amortization ex-Intangible	(290,236)	(345,856)	-16.1%	(289,070)	0.4%
(+) Financial Result <sup>1</sup>	(194,711)	(219,500)	-11.3%	(226,936)	-14.2%
(+) Income Tax / Social Contribution	(14,884)	8,493	-275.2%	(45,007)	-66.9%
(+) Deferred Income Tax / Social Contribution	187,347	72,404	158.8%	18,398	918.3%
(+) Participation of Minority Interest	(2,766)	(748)	269.8%	(1,314)	110.5%
(+) Intangible Amortization (Acquisitions)	82,351	125,790	-34.5%	82,631	-0.3%
(+) Inventory Surplus Value	4,537	1,324	242.6%	3,300	37.5%
(+) Escrow Sale	227,861	-	n.a.	-	n.a.
<b>Adjusted Net Income</b>	<b>(139,987)</b>	<b>266,695</b>	<b>-152.5%</b>	<b>46,809</b>	<b>-399.1%</b>
Adjusted Net Margin	-10.2%	15.3%	-25.5 p.p.	2.9%	-13.1 p.p.
(-) Intangible Amortization (Acquisitions)	(82,351)	(125,790)	-34.5%	(82,631)	-0.3%
(-) Inventory Surplus Value	(4,537)	(1,324)	242.6%	(3,300)	37.5%
(+) Escrow Sale	(227,861)	-	n.a.	-	n.a.
<b>Net Income</b>	<b>(454,735)</b>	<b>139,581</b>	<b>-425.8%</b>	<b>(39,122)</b>	<b>1,062.4%</b>
Net Margin	-33.1%	8.0%	-41.1 p.p.	-2.4%	-30.7 p.p.

<sup>1</sup> Does not consider interest and penalties on tuition.

The drop in adjusted net income and adjusted net margin in 2Q20 reflects the reduction in operating result, partially offset by the reduction in net financial expenses and the greater volume of contingency reversals in the period. Regarding the latter, we noted that there was an anticipation in reversals in 1H20 and that for 2020 our expectation is for an annual aggregate volume even lower than that achieved in 2019. Disregarding adjustments related to the amortization of intangible assets and inventory surplus, Cognia recorded net losses of R\$ 454 million in 2Q20.

## Capex and Expansion Investments

Values in R\$ (million)	2Q20	% AV	2Q19	% AV	2Q20 / 2Q19
Information technology and library equipment	0.8	1%	6.5	4%	-87.7%
Content and systems development and software licenses	61.3	69%	93.3	54%	-34.3%
Laboratory and related equipment	1.3	1%	5.9	3%	-78.0%
Expansions	7.4	8%	14.9	9%	-50.3%
<b>Capex</b>	<b>70.8</b>	<b>79%</b>	<b>120.6</b>	<b>70%</b>	<b>-41.3%</b>
% Net Revenue	5.2%	-	6.9%	-	-1.8 p.p.
investment in expansion	18.6	21%	52.8	30%	-64.8%
<b>Capex and Investment in Expansion</b>	<b>89.4</b>	<b>100%</b>	<b>173.4</b>	<b>100%</b>	<b>-48.4%</b>
% Net Revenue	6.5%	-	9.9%	-	-3.4 p.p.

Total investments reached 6.5% of the net revenues for the period, a reduction of 3.4 p.p. year-over-year, as the Company concluded its project of opening new units. In this sense, expansion investments recorded R\$ 18.6 million in 2Q20, equal to 1.4% of net revenues, and 65% less than the amount invested in 2Q19. Most of the capex was used to develop content, systems and software licenses, which accounted for 69% of the total investments. These investments reflect the expansion and maturation of the portfolio in Postsecondary Education over recent years, mainly in the areas of Engineering and Healthcare, and in the new Premium distance learning programs, in addition to the renewal of content in the K-12 Education segment and initiatives relating to digital transformation, which are especially vital considering the current scenario and the importance of digital teaching platforms.

## Net Debt

<b>Consolidated - Values in R\$ ('000)</b>	<b>2Q20</b>	<b>2Q19</b>	<b>Chg.%</b>	<b>1Q20</b>	<b>Chg.%</b>
Cash and Cash Equivalents	3,727,323	1,016,752	266.6%	2,925,691	27.4%
Cash	13,838	2,386	480.0%	11,064	25.1%
Securities	3,713,485	1,014,366	266.1%	2,914,627	27.4%
Loans and Financing	8,537,406	8,423,155	1.4%	7,977,840	7.0%
Short-term Debt	1,329,672	509,819	160.8%	1,269,711	4.7%
Long-term Debt	7,207,734	7,913,336	-8.9%	6,708,129	7.4%
<b>Net Cash (Debt) <sup>1</sup></b>	<b>(4,810,083)</b>	<b>(7,406,403)</b>	<b>-35.1%</b>	<b>(5,052,149)</b>	<b>-4.8%</b>
Other Short and Long Term Debt <sup>2</sup>	292,765	360,661	-18.8%	315,999	-7.4%
<b>(1) Net Cash (Debt)</b>	<b>(5,102,848)</b>	<b>(7,767,064)</b>	<b>-34.3%</b>	<b>(5,368,148)</b>	<b>-4.9%</b>
<b>Short Term Accounts Receivable <sup>3</sup></b>	<b>137,074</b>	<b>136,896</b>	<b>0.1%</b>	<b>142,099</b>	<b>-3.5%</b>
Uniasselvi Disposal	124,077	122,443	1.3%	124,850	-0.6%
FAIR and FAC/FAMAT Disposal	12,997	14,453	-10.1%	17,249	-24.6%
<b>Long-Term Accounts Receivable <sup>3</sup></b>	<b>254,165</b>	<b>376,579</b>	<b>-32.5%</b>	<b>256,740</b>	<b>-1.0%</b>
Uniasselvi Disposal	234,258	342,192	-31.5%	233,533	0.3%
FAIR and FAC/FAMAT Disposal	19,908	34,387	-42.1%	23,208	-14.2%
<b>(2) Other Accounts Receivable <sup>3</sup></b>	<b>391,239</b>	<b>513,475</b>	<b>-23.8%</b>	<b>398,839</b>	<b>-1.9%</b>
<b>(1)+(2) Pro Forma Net Cash (Debt)</b>	<b>(4,711,609)</b>	<b>(7,253,589)</b>	<b>-35.0%</b>	<b>(4,969,309)</b>	<b>-5.2%</b>

<sup>1</sup> Availability considering only bank obligations.

<sup>2</sup> Considers all short- and long-term obligations relating to the payment of tax installments and acquisitions, including the amount to be paid in six years relating to the acquisition of Uniasselvi, in addition to the debentures raised by both Companies (Kroton and Somos).

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

At the end of the quarter, cash and financial investments amounted to R\$ 3.7 billion, a level 27% higher than the end of the immediately previous quarter, as a result of the issuance of debentures in the amount of R\$ 500 million carried out in May, and receipt of approximately R\$ 236 million from a total of R\$320 million related to the sale of the escrow account (as per the material fact dated June 11, 2020). The latter led to a 5% fall in net debt, to R\$ 4.8 billion in 2Q20 (or R\$ 5.1 billion, including other obligations relating to the payment of acquisitions and payments in installments of taxes), representing just under 3.0x the net debt of the last 12 months. It is important to highlight the elongated profile of our indebtedness: short-term debt maturities represent only 15% of the total, with the next significant payment of principal in August 2021.

## Cash Generation

Consolidated - Values in R\$ ('000)	2Q20	2Q19	Chg. %	1Q20	Chg. %	1H20	1H19	Chg. %
<b>Net Income before Income Interest</b>	<b>(624,432)</b>	<b>58,941</b>	<b>-1159.4%</b>	<b>(11,198)</b>	<b>5476.3%</b>	<b>(635,630)</b>	<b>315,426</b>	<b>-301.5%</b>
(+) Net Income adjustments before Income Interest	1,234,574	782,017	57.9%	713,418	73.1%	1,947,992	1,341,182	45.2%
Depreciation and Amortization	290,236	382,068	-24.0%	289,070	0.4%	579,306	637,153	-9.1%
Provision for Doubtful Accounts (PDA)	500,541	186,883	167.8%	213,940	134.0%	714,481	397,755	79.6%
Others	443,797	213,066	108.3%	210,408	110.9%	654,205	306,274	113.6%
(+) Income Tax and Social Contribution	(17,791)	(44,506)	-60.0%	(314)	5565.9%	(18,105)	(47,280)	-61.7%
(+) Changes in Working Capital	(357,772)	(534,913)	-33.1%	(729,428)	-51.0%	(1,087,200)	(1,470,951)	-26.1%
(Increase) Reduction in Accounts Receivable ex-FIES	(25,433)	(371,362)	-93.2%	(222,950)	-88.6%	(248,383)	(761,879)	-67.4%
(Increase) Reduction in Accounts Receivable FIES	(44,232)	95,303	-146.4%	41,174	-207.4%	(3,058)	(56,488)	-94.6%
Others	(288,107)	(258,855)	11.3%	(547,652)	-47.4%	(835,759)	(652,583)	28.1%
<b>Operating Cash Generation before Capex</b>	<b>234,579</b>	<b>261,539</b>	<b>-10.3%</b>	<b>(27,522)</b>	<b>-952.3%</b>	<b>207,057</b>	<b>138,378</b>	<b>49.6%</b>
Capex	(70,813)	(120,632)	-41.3%	(91,990)	-23.0%	(162,802)	(227,269)	-28.4%
(+) Investments in Expansion	(18,608)	(52,820)	-64.8%	(27,158)	-31.5%	(45,767)	(97,994)	-53.3%
<b>Operating Cash Generation after total Capex</b>	<b>145,158</b>	<b>88,087</b>	<b>64.8%</b>	<b>(146,670)</b>	<b>-199.0%</b>	<b>(1,512)</b>	<b>(186,886)</b>	<b>-99.2%</b>
(+) M&A Activities	178,995	(1,741,676)	-110.3%	(51,773)	-445.7%	127,222	(1,803,047)	-107.1%
(+) Cash Flow from Financing Activities	478,703	657,821	-27.2%	2,282,106	-79.0%	2,760,809	405,600	580.7%
<b>Free Cash Flow</b>	<b>802,856</b>	<b>(995,768)</b>	<b>-180.6%</b>	<b>2,083,663</b>	<b>-61.5%</b>	<b>2,886,519</b>	<b>(1,584,333)</b>	<b>-282.2%</b>

Operating cash generation before capex was positive by R\$ 235 million in 2Q20, slightly lower than 2Q19, despite all the pressures verified in the Company's results. The consumption of working capital was 33% lower, with the variation of ex-FIES receivables tending towards neutrality, as compared to a consumption of R\$ 371 million in 2Q19. Additionally, in 2Q20, R\$ 88 million was received in connection with the 2020 PNLD.

Consolidated - Values in R\$ ('000)	2Q20	2Q19	Chg. %	1H20	1H19	Chg. %
<b>Operating Cash Generation (OCG) before Capex</b>	<b>234,579</b>	<b>261,539</b>	<b>-10.3%</b>	<b>207,057</b>	<b>138,378</b>	<b>49.6%</b>
OCG / EBITDA	-168.2%	41.9%	-210.0 p.p.	56.7%	10.1%	46.6 p.p.
<b>Operating Cash Generation after total Capex</b>	<b>145,158</b>	<b>88,087</b>	<b>64.8%</b>	<b>(1,512)</b>	<b>(186,886)</b>	<b>-99.2%</b>
OCG / EBITDA	-104.1%	14.1%	-118.2 p.p.	-0.4%	-13.6%	13.2 p.p.
<b>Free Cash Flow</b>	<b>802,856</b>	<b>(995,768)</b>	<b>-180.6%</b>	<b>2,886,519</b>	<b>(1,584,333)</b>	<b>-282.2%</b>

Due to a 48% reduction of combined capex and expansion investments, the generation of operational cash after capex grew 65%, to R\$ 145 million. By eliminating the receipt of R\$ 88 million from the 2020 PNLD, the generation of operational cash after capex was R\$ 57 million, despite the significant fall in EBITDA. In the aggregate first half, by eliminating 2020 PNLD receipts, consumption was R\$ 236 million, R\$49 million higher than the amount consumed in 1H19, however substantially lower than the EBITDA decline in absolute terms. The Company's free cash flow was positive by R\$ 803 million, reflecting the issuance of debentures and the sale of the escrow account, as mentioned in the net debt section.

## CAPITAL MARKET AND SUBSEQUENT EVENTS

### SHAREHOLDING

Cogna's capital stock consists of 1,876,606,210 common shares, distributed as follows:

<b>Cogna Ownership Structure*</b>	<b>Quantity</b>	<b>%</b>
Treasury	7,670,234	0.41%
Free Float	1,868,935,976	99.59%
<b>Total</b>	<b>1,876,606,210</b>	<b>100.00%</b>

\* Status on August 13, 2020.

### STOCK PERFORMANCE

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

In 2Q20, the Company's shares were traded on 100% of the trading sessions, amounting to a traded volume of R\$ 19.4 billion in 3,413,811 trades, resulting in an average daily traded volume of R\$ 318.1 million. Currently, Cognia's shares are monitored by 13 different local and international research brokers. On June 30, 2020, Cognia's market value was R\$ 12.4 billion.

In the second quarter of 2020, Cognia's shares grew 65.3%, while the Ibovespa appreciated 30.2%. In the same period, IGC, ITAG and ICON rose 32.7%, 31.6% and 39.4%, respectively.

<b>Highlights- COGN3</b>	<b>2Q20</b>	<b>1H20</b>
Average Daily Trade Volume (average)	R\$ 318.1 million	R\$ 262.3 million
Maximum (R\$ per share)	R\$ 7.01	R\$ 12.79
Minimum (R\$ per share)	R\$ 3.66	R\$ 3.66
Average (R\$ per share)	R\$ 5.35	R\$ 7.62
Closing Quote	R\$ 6.61	R\$ 6.61
Variation in the period (%)	65.3%	-42.2%

### RATINGS

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

### DIVIDENDS

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

## ABOUT COGNA EDUCAÇÃO

Cogna Educação is one of the world's largest private educational organizations. Operating for over 70 years, the Company is present in all Brazilian states and in several educational segments, with a complete platform of services and content offered in different business models. At the end of 2Q20, Cognia had 844,000 on-campus and digital undergraduate students in the Kroton vertical, and 44,000 graduate students in the Platos vertical, served by 176 own Postsecondary Education units and 1,536 accredited Digital Education centers. Regarding K-12 Education, the Saber vertical had 31,000 students distributed in 52 own schools/managed through contracts, and 22,000 students distributed in 122 Red Balloon units, while the Vasta vertical ended the quarter with 1.5 million students served by approximately 4,200 associated schools using core and complementary content solutions.

## APPENDIX 1 – CORPORATE BALANCE SHEET

<b>Assets</b>	<b>2Q20</b>	<b>% AV</b>	<b>1Q20</b>	<b>% AV</b>
<b>Current Assets</b>	<b>7,231,375</b>	<b>20.0%</b>	<b>6,448,989</b>	<b>17.8%</b>
Cash and cash equivalents	13,838	0.0%	11,064	0.0%
Financial Investments	2,504,137	6.9%	1,675,770	4.6%
Securities	1,194,179	3.3%	1,222,464	3.4%
Accounts Receivable	2,270,512	6.3%	2,380,605	6.6%
Inventories	428,257	1.2%	403,610	1.1%
Prepayments	81,477	0.2%	73,290	0.2%
Recoverable Taxes	331,799	0.9%	340,255	0.9%
Deferred Taxes	137,074	0.4%	142,099	0.4%
Other Accounts Receivable	270,102	0.7%	199,832	0.6%
<b>Non current Assets</b>	<b>28,855,192</b>	<b>80.0%</b>	<b>29,834,332</b>	<b>82.2%</b>
Securities	15,169	0.0%	16,393	0.0%
Accounts Receivables	638,582	1.8%	940,257	2.6%
Accounts receivable on sale of subsidiaries	254,165	0.7%	256,740	0.7%
Deferred Taxes	968,235	2.7%	768,590	2.1%
Judicial Deposits	80,697	0.2%	93,093	0.3%
Taxes to Recover	127,469	0.4%	130,443	0.4%
Guarantee for social security, labor and civil provisions	409,395	1.1%	1,105,104	3.0%
Other	92,053	0.3%	90,394	0.2%
Investments	9,112	0.0%	8,216	0.0%
Fixed Assets	5,869,398	16.3%	5,952,913	16.4%
Intangible	20,390,917	56.5%	20,472,189	56.4%
<b>Total Assets</b>	<b>36,086,567</b>	<b>100.0%</b>	<b>36,283,321</b>	<b>100.0%</b>
<b>Liabilities and Equity</b>				
<b>Current Liabilities</b>	<b>3,209,563</b>	<b>8.9%</b>	<b>3,280,075</b>	<b>9.0%</b>
Suppliers	278,891	0.8%	396,496	1.1%
Suppliers drawn risk	308,403	0.9%	329,643	0.9%
Loans and Financing	245	0.0%	48	0.0%
Debenture	1,329,427	3.7%	1,269,663	3.5%
Lease	159,991	0.4%	158,461	0.4%
Social security and labor liabilities	496,853	1.4%	455,483	1.3%
Income Tax and Social Contribution	97,317	0.3%	90,510	0.2%
Taxes and Contribution	100,902	0.3%	95,143	0.3%
Advances from Clients	256,258	0.7%	297,281	0.8%
Tax and Contribution Payment Installments	14,129	0.0%	14,298	0.0%
Accounts Payable - Acquisitions	115,511	0.3%	117,231	0.3%
Dividends Payable	64	0.0%	64	0.0%
Other	51,572	0.1%	55,754	0.2%
<b>Non current Liabilities</b>	<b>15,024,064</b>	<b>41.6%</b>	<b>14,704,412</b>	<b>40.5%</b>
Loans and Financing	901	0.0%	998	0.0%
Debenture	7,206,833	20.0%	6,707,131	18.5%
Lease	4,013,071	11.1%	4,006,468	11.0%
Provision for Tax, Labor and Civil Lawsuit Losses	403,831	1.1%	421,408	1.2%
Liabilities assumed in the business combination	2,396,562	6.6%	2,546,241	7.0%
Tax and Contribution Payment Installments	12,560	0.0%	15,240	0.0%
Accounts Payable - Acquisitions	150,565	0.4%	169,230	0.5%
Deferred Taxes	766,315	2.1%	760,406	2.1%
Others	73,426	0.2%	77,290	0.2%
<b>Consolidated Equity</b>	<b>17,852,940</b>	<b>49.5%</b>	<b>18,298,834</b>	<b>50.4%</b>
<b>Total Liabilities and Equity</b>	<b>36,086,567</b>	<b>100.0%</b>	<b>36,283,321</b>	<b>100.0%</b>

## APPENDIX 2 –QUARTERLY INCOME STATEMENT RECONCILIATION

	2Q20 Results (Book)	Interest and Penalties on Tuition	Depreciation	Non-accounting adjustments	Reclassification between Costs and expenses	Opening baçance Reversals	B.U. Elimination	2Q20 Results (Release)
				Intangible Amortization (Acquisitions)	Non-recurring Items/ Capital Gain			
								(In thousand reais, except otherwise indicated)
<b>Gross Revenue</b>	<b>1,808,410</b>	-	-	-	-	(1,552)	-	<b>1,806,857</b>
Kroton	1,424,280	-	-	-	-	-	-	1,424,280
Platos	25,182	-	-	-	-	(1,552)	-	23,630
Saber	197,874	-	-	-	-	-	-	197,874
Vasta	128,481	-	-	-	-	-	-	128,481
Others	32,593	-	-	-	-	-	6,659	39,252
Elimination BU's / Cogna	(0)	-	-	-	-	-	(6,659)	(6,659)
<b>Deductions from Gross Revenue</b>	<b>(435,890)</b>	-	-	-	-	1,552	-	<b>(434,337)</b>
Kroton	(372,419)	-	-	-	-	-	-	(372,419)
Platos	(3,061)	-	-	-	-	1,552	-	(1,509)
Saber	(36,564)	-	-	-	-	-	-	(36,564)
Vasta	(18,290)	-	-	-	-	-	-	(18,290)
Others	(5,556)	-	-	-	-	-	-	(5,556)
Elimination BU's / Cogna	-	-	-	-	-	-	-	-
<b>Net Revenue</b>	<b>1,372,520</b>	-	-	-	-	(0)	0	<b>1,372,520</b>
Kroton	1,051,861	-	-	-	-	(0)	-	1,051,861
Platos	22,121	-	-	-	-	-	-	22,121
Saber	161,310	-	-	-	-	-	-	161,310
Vasta	110,191	-	-	-	-	-	-	110,191
Others	27,037	-	-	-	-	-	6,659	33,696
Elimination BU's / Cogna	-	-	-	-	-	-	(6,659)	(6,659)
<b>Costs of Goods/Services</b>	<b>(488,377)</b>	-	148,097	-	553	(652)	-	<b>(340,379)</b>
Cost of Goods Sold	(25,330)	-	4,537	-	-	(24,970)	-	(45,763)
Cost of Services Rendered	(463,047)	-	143,560	-	553	24,318	-	(294,616)
<b>Gross Income</b>	<b>884,143</b>	-	148,097	-	553	(652)	0	<b>1,032,140</b>
<b>Operating Expenses</b>	<b>(1,321,987)</b>	-	59,788	82,351	406,989	649	(147,433)	<b>(919,643)</b>
Selling Expenses	(132,692)	-	-	-	37	51	-	(132,604)
Provision for Doubtful Accounts	(500,541)	-	-	-	-	-	-	(500,541)
Personnel Expenses	-	-	-	-	-	(123,445)	-	(123,445)
General and Administrative Expenses	(341,743)	-	59,788	82,351	61,450	174,564	(147,433)	(111,024)
Other Operating Income (Expenses)	(348,388)	-	-	-	345,502	2,886	-	-
Corporate Expenses	-	-	-	-	-	(53,406)	-	(53,406)
Equity	1,377	-	-	-	-	(0)	-	1,377
<b>Income before Financial Result</b>	<b>(437,844)</b>	-	207,885	82,351	407,542	(3)	(147,433)	<b>112,497</b>
Interest and Penalties on Tuition	-	8,126	-	-	-	-	-	8,126
(+) Opening Balance Reversal of Contingencies	-	-	-	-	-	-	147,433	147,433
(-) Nonrecurring Items	-	-	-	-	(407,542)	-	-	(407,542)
<b>EBITDA</b>	<b>(437,844)</b>	<b>8,126</b>	<b>207,885</b>	<b>82,351</b>	<b>(0)</b>	<b>(3)</b>	<b>0</b>	<b>(139,485)</b>
Depreciation and Amortization	-	-	(207,885)	(82,351)	-	-	-	(290,236)
<b>Financial Result</b>	<b>(186,588)</b>	<b>(8,124)</b>	-	-	-	0	-	<b>(194,711)</b>
Financial Expenses	(229,348)	-	-	-	-	2	-	(229,345)
Financial Revenues	42,760	(8,124)	-	-	-	(2)	-	34,634
<b>Income from Operations</b>	<b>(624,432)</b>	<b>2</b>	<b>0</b>	<b>-</b>	<b>(0)</b>	<b>(3)</b>	<b>0</b>	<b>(624,432)</b>
<b>Income and Social Contribution Tax</b>	<b>172,461</b>	-	-	-	-	1	-	<b>172,462</b>
Current	(14,885)	-	-	-	-	1	-	(14,884)
Deferred	187,346	-	-	-	-	1	-	187,347
Participation of Minority Shareholders	(2,767)	-	-	-	-	1	-	(2,766)
<b>Net Income Attributed to Controlling Shareholders</b>	<b>(454,738)</b>	<b>2</b>	<b>0</b>	<b>-</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>(454,735)</b>

## APPENDIX 3 – SIX-MONTH INCOME STATEMENT RECONCILIATION

	1H20 Results (Book)	Interest and Penalties on Tuition	Depreciation	Non-accounting adjustments				Opening balance Reversals	B.U. Elimination	1H20 Results (Release)
				Intangible Amortization (Acquisitions)	Non-recurring Items/ Capital Gain	Reclassification between Costs and expenses				
Gross Revenue	3,864,090	-	-	-	-	-	-	-	-	3,864,090
Kroton	2,665,876	-	-	-	-	-	-	-	-	2,665,876
Platos	46,962	-	-	-	-	-	-	-	-	46,962
Saber	448,627	-	-	-	-	-	-	-	-	448,627
Vasta	556,548	-	-	-	-	-	-	-	-	556,548
Others	146,077	-	-	-	-	-	-	-	27,622	173,699
Elimination BU's / Cogna	-	-	-	-	-	-	-	-	(27,622)	(27,622)
Deductions from Gross Revenue	(864,102)	-	-	-	-	-	-	-	-	(864,102)
Kroton	(731,319)	-	-	-	-	-	-	-	-	(731,319)
Platos	(3,173)	-	-	-	-	-	-	-	-	(3,173)
Saber	(76,779)	-	-	-	-	-	-	-	-	(76,779)
Vasta	(43,897)	-	-	-	-	-	-	-	-	(43,897)
Others	(8,934)	-	-	-	-	-	-	-	-	(8,934)
Elimination BU's / Cogna	-	-	-	-	-	-	-	-	-	-
Net Revenue	2,999,988	-	-	-	-	-	-	-	-	2,999,988
Kroton	1,934,557	-	-	-	-	-	-	-	-	1,934,557
Platos	43,789	-	-	-	-	-	-	-	-	43,789
Saber	371,848	-	-	-	-	-	-	-	-	371,848
Vasta	512,651	-	-	-	-	-	-	-	-	512,651
Others	137,143	-	-	-	-	-	-	-	27,622	164,765
Elimination BU's / Cogna	-	-	-	-	-	-	-	-	(27,622)	(27,622)
Costs of Goods/Services	(1,141,617)	-	293,178	-	2,063	(2,065)	-	-	-	(848,441)
Cost of Goods Sold	(196,166)	-	7,837	-	-	(72,997)	-	-	-	(261,326)
Cost of Services Rendered	(945,451)	-	285,341	-	2,063	70,932	-	-	-	(587,115)
Gross Income	1,858,371	-	293,178	-	2,063	(2,065)	-	-	-	2,151,547
Operating Expenses	(2,134,353)	-	121,145	164,982	437,075	2,064	(243,582)	-	-	(1,652,669)
Selling Expenses	(336,753)	-	-	-	143	(142)	-	-	-	(336,752)
Provision for Doubtful Accounts	(714,481)	-	-	-	-	-	-	-	-	(714,481)
Personnel Expenses	-	-	-	-	-	(246,353)	-	-	-	(246,353)
General and Administrative Expenses	(734,568)	-	121,145	164,982	91,236	378,462	(243,582)	-	-	(222,324)
Other Operating Income (Expenses)	(349,450)	-	-	-	345,696	3,754	-	-	-	-
Corporate Expenses	-	-	-	-	-	(133,657)	-	-	-	(133,657)
Equity	899	-	-	-	-	(0)	-	-	-	899
Income before Financial Result	(275,982)	-	414,323	164,982	439,138	(1)	(243,582)	-	-	498,878
Interest and Penalties on Tuition	-	62,000	-	-	-	-	-	-	-	62,000
(+) Opening Balance Reversal of Contingencies	-	-	-	-	-	-	243,582	-	-	243,582
(-) Nonrecurring Items	-	-	-	-	(439,138)	-	-	-	-	(439,138)
EBITDA	(275,982)	62,000	414,323	164,982	-	(1)	-	-	-	365,322
Depreciation and Amortization	-	-	(414,323)	(164,982)	-	-	-	-	-	(579,305)
Financial Result	(359,648)	(62,000)	-	-	-	0	-	-	-	(421,647)
Financial Expenses	(491,695)	-	-	-	-	0	-	-	-	(491,695)
Financial Revenues	132,047	(62,000)	-	-	-	-	-	-	-	70,047
Income from Operations	(635,630)	-	-	-	-	(1)	-	-	-	(635,631)
Income and Social Contribution Tax	145,852	-	-	-	-	1	-	-	-	145,853
Current	(59,892)	-	-	-	-	0	-	-	-	(59,892)
Deferred	205,744	-	-	-	-	0	-	-	-	205,744
Participation of Minority Shareholders	(4,080)	-	-	-	-	-	-	-	-	(4,080)
Net Income Attributed to Controlling Shareholders	(493,858)	-	-	-	-	0	-	-	-	(493,858)



## APPENDIX 4 – QUARTERLY MANAGERIAL INCOME STATEMENT BY BUSINESS SEGMENT

	Postsecondary		Primary and Secondary Education		Cogna Consolidated	
	2Q20	% AV	2Q20	% AV	2Q20	% AV
<b>Values in R\$ ('000)</b>						
<b>Gross Revenue</b>	<b>1,463,676</b>	<b>134.5%</b>	<b>343,181</b>	<b>120.6%</b>	<b>1,806,857</b>	<b>131.6%</b>
Gross Revenue Deductions	(375,814)	-34.5%	(58,523)	-20.6%	(434,337)	-31.6%
Tax	(38,563)	-3.5%	(13,026)	-4.6%	(51,589)	-3.8%
ProUni	(230,465)	-21.2%	-	0.0%	(230,465)	-16.8%
Returns	(873)	-0.1%	(19,856)	-7.0%	(20,729)	-1.5%
Total Discounts	(105,913)	-9.7%	(25,642)	-9.0%	(131,554)	-9.6%
<b>Net Revenue</b>	<b>1,087,862</b>	<b>100.0%</b>	<b>284,657</b>	<b>100.0%</b>	<b>1,372,520</b>	<b>100.0%</b>
<b>Costs (COGS)</b>	<b>(216,410)</b>	<b>-19.9%</b>	<b>(123,969)</b>	<b>-43.6%</b>	<b>(340,379)</b>	<b>-24.8%</b>
Cost of Goods	(15,476)	-1.4%	(30,287)	-10.6%	(45,763)	-3.3%
Cost of Services	(200,934)	-18.5%	(93,682)	-32.9%	(294,616)	-21.5%
Faculty, Other Personnel and Third-Party Services	(189,370)	-17.4%	(85,673)	-30.1%	(275,044)	-20.0%
Rent	1,296	0.1%	573	0.2%	1,869	0.1%
Materials	(1,960)	-0.2%	(923)	-0.3%	(2,883)	-0.2%
Maintenance	(1,525)	-0.1%	(6,555)	-2.3%	(8,080)	-0.6%
Other	(9,375)	-0.9%	(1,104)	-0.4%	(10,479)	-0.8%
<b>Gross Income</b>	<b>871,452</b>	<b>80.1%</b>	<b>160,688</b>	<b>56.4%</b>	<b>1,032,140</b>	<b>75.2%</b>
<b>Operating Expenses</b>	<b>(159,899)</b>	<b>-14.7%</b>	<b>(74,570)</b>	<b>-26.2%</b>	<b>(234,468)</b>	<b>-17.1%</b>
Personnel, General and Administrative Expenses	(159,899)	-14.7%	(74,570)	-26.2%	(234,468)	-17.1%
Personnel Expenses	(80,990)	-7.4%	(42,454)	-14.9%	(123,445)	-9.0%
General and Administrative Expenses	(78,908)	-7.3%	(32,115)	-11.3%	(111,024)	-8.1%
<b>Provision for Doubtful Accounts - PDA</b>	<b>(491,465)</b>	<b>-45.2%</b>	<b>(9,076)</b>	<b>-3.2%</b>	<b>(500,541)</b>	<b>-36.5%</b>
(+) Interest and Penalties on Tuition	7,972	0.7%	154	0.1%	8,126	0.6%
(+) Equity	1,376	0.1%	-	0.0%	1,376	0.1%
<b>Sales and Marketing Expenses</b>	<b>(91,278)</b>	<b>-8.4%</b>	<b>(41,326)</b>	<b>-14.5%</b>	<b>(132,603)</b>	<b>-9.7%</b>
<b>Operating Result</b>	<b>138,159</b>	<b>12.7%</b>	<b>35,871</b>	<b>12.6%</b>	<b>174,030</b>	<b>12.7%</b>
<b>Corporate Expenses</b>	<b>(33,809)</b>	<b>-3.1%</b>	<b>(19,597)</b>	<b>-6.9%</b>	<b>(53,406)</b>	<b>-3.9%</b>
(+) Opening Balance: Reversals of Contingencies	-	0.0%	147,433	51.8%	147,433	10.7%
(-) Nonrecurring Items	(47,306)	-4.3%	(360,236)	-126.6%	(407,542)	-29.7%
<b>EBITDA</b>	<b>57,044</b>	<b>5.2%</b>	<b>(196,529)</b>	<b>-69.0%</b>	<b>(139,485)</b>	<b>-10.2%</b>
Depreciation and Amortization					(290,236)	-21.1%
Financial Result					(194,711)	-14.2%
Income and Social Contribution Tax					172,462	12.6%
Minority Interest					(2,766)	-0.2%
<b>Net Profit</b>					<b>(454,735)</b>	<b>-33.1%</b>
(+) Intangible Amortization (Acquisitions)					82,351	6.0%
(+) Inventory Surplus Value					4,537	0.3%
(+) Escrow Sale					227,861	16.6%
<b>Adjusted Net Profit</b>					<b>(139,987)</b>	<b>-10.2%</b>

## APPENDIX 5 – SIX-MONTH MANAGERIAL INCOME STATEMENT BY BUSINESS SEGMENT

	Postsecondary		Primary and Secondary Education		Cogna Consolidated	
	1H20	% AV	1H20	% AV	1H20	% AV
<b>Values in R\$ ('000)</b>						
<b>Gross Revenue</b>	<b>2,762,653</b>	<b>136.5%</b>	<b>1,101,437</b>	<b>112.8%</b>	<b>3,864,090</b>	<b>128.8%</b>
Gross Revenue Deductions	(739,254)	-36.5%	(124,848)	-12.8%	(864,102)	-28.8%
Tax	(74,179)	-3.7%	(31,462)	-3.2%	(105,641)	-3.5%
ProUni	(457,105)	-22.6%	-	0.0%	(457,105)	-15.2%
Returns	(3,588)	-0.2%	(43,656)	-4.5%	(47,244)	-1.6%
Total Discounts	(204,383)	-10.1%	(49,729)	-5.1%	(254,112)	-8.5%
<b>Net Revenue</b>	<b>2,023,398</b>	<b>100.0%</b>	<b>976,589</b>	<b>100.0%</b>	<b>2,999,988</b>	<b>100.0%</b>
<b>Costs (COGS)</b>	<b>(436,442)</b>	<b>-21.6%</b>	<b>(411,999)</b>	<b>-42.2%</b>	<b>(848,441)</b>	<b>-28.3%</b>
Cost of Goods	(37,092)	-1.8%	(224,233)	-23.0%	(261,326)	-8.7%
Cost of Services	(399,349)	-19.7%	(187,766)	-19.2%	(587,115)	-19.6%
Faculty, Other Personnel and Third-Party Services	(363,936)	-18.0%	(166,361)	-17.0%	(530,297)	-17.7%
Rent	(3,197)	-0.2%	(1,958)	-0.2%	(5,154)	-0.2%
Materials	(5,234)	-0.3%	(2,024)	-0.2%	(7,258)	-0.2%
Maintenance	(7,021)	-0.3%	(13,853)	-1.4%	(20,874)	-0.7%
Other	(19,961)	-1.0%	(3,570)	-0.4%	(23,531)	-0.8%
<b>Gross Income</b>	<b>1,586,957</b>	<b>78.4%</b>	<b>564,590</b>	<b>57.8%</b>	<b>2,151,547</b>	<b>71.7%</b>
<b>Operating Expenses</b>	<b>(321,833)</b>	<b>-15.9%</b>	<b>(146,845)</b>	<b>-15.0%</b>	<b>(468,678)</b>	<b>-15.6%</b>
Personnel, General and Administrative Expenses	(321,833)	-15.9%	(146,845)	-15.0%	(468,678)	-15.6%
Personnel Expenses	(158,266)	-7.8%	(88,087)	-9.0%	(246,353)	-8.2%
General and Administrative Expenses	(163,567)	-8.1%	(58,758)	-6.0%	(222,324)	-7.4%
<b>Provision for Doubtful Accounts - PDA</b>	<b>(699,218)</b>	<b>-34.6%</b>	<b>(15,263)</b>	<b>-1.6%</b>	<b>(714,481)</b>	<b>-23.8%</b>
(+) Interest and Penalties on Tuition	61,625	3.0%	375	0.0%	62,000	2.1%
(+) Equity	899	0.0%	-	0.0%	899	0.0%
<b>Sales and Marketing Expenses</b>	<b>(242,705)</b>	<b>-12.0%</b>	<b>(94,048)</b>	<b>-9.6%</b>	<b>(336,752)</b>	<b>-11.2%</b>
<b>Operating Result</b>	<b>385,725</b>	<b>19.1%</b>	<b>308,809</b>	<b>31.6%</b>	<b>694,534</b>	<b>23.2%</b>
<b>Corporate Expenses</b>	<b>(90,294)</b>	<b>-4.5%</b>	<b>(43,363)</b>	<b>-4.4%</b>	<b>(133,657)</b>	<b>-4.5%</b>
(+) Opening Balance: Reversals of Contingencies	-	0.0%	243,582	24.9%	243,582	8.1%
(-) Nonrecurring Items	(72,946)	-3.6%	(366,191)	-37.5%	(439,138)	-14.6%
<b>EBITDA</b>	<b>222,485</b>	<b>11.0%</b>	<b>142,837</b>	<b>14.6%</b>	<b>365,322</b>	<b>12.2%</b>
Depreciation and Amortization					(579,305)	-19.3%
Financial Result					(421,647)	-14.1%
Income and Social Contribution Tax					145,853	4.9%
Minority Interest					(4,080)	-0.1%
<b>Net Profit</b>					<b>(493,858)</b>	<b>-16.5%</b>
(+) Intangible Amortization (Acquisitions)					164,982	5.5%
(+) Inventory Surplus Value					7,837	0.3%
(+) Escrow Sale					227,861	7.6%
<b>Adjusted Net Profit</b>					<b>(93,178)</b>	<b>-3.1%</b>

## APPENDIX 6 –QUARTERLY CORPORATE INCOME STATEMENT

	2Q20	% Net Rev.	2Q19	% Net Rev.	2Q20 / 2Q19	1Q20	% Net Rev.	2Q20 / 1Q20
(In thousand reais, except otherwise indicated)								
<b>Gross Revenue</b>	<b>1,808,410</b>	<b>131.8%</b>	<b>2,209,477</b>	<b>126.8%</b>	<b>-18.2%</b>	<b>2,055,680</b>	<b>126.3%</b>	<b>-12.0%</b>
Kroton	1,424,280	103.8%	1,711,421	98.2%	-16.8%	1,241,596	76.3%	14.7%
Platos	25,182	1.8%	8,122	0.5%	210.0%	21,780	1.3%	15.6%
Saber	197,874	14.4%	222,056	12.7%	-10.9%	250,753	15.4%	-21.1%
Vasta	128,481	9.4%	196,276	11.3%	-34.5%	428,067	26.3%	-70.0%
Others	32,593	2.4%	71,602	4.1%	-54.5%	113,484	7.0%	-71.3%
<b>Deductions from Gross Revenue</b>	<b>(435,890)</b>	<b>-31.8%</b>	<b>(467,122)</b>	<b>-26.8%</b>	<b>-6.7%</b>	<b>(428,212)</b>	<b>-26.3%</b>	<b>1.8%</b>
Kroton	(372,419)	-27.1%	(369,503)	-21.2%	0.8%	(358,900)	-22.1%	3.8%
Platos	(3,061)	-0.2%	(157)	-0.0%	1,849.7%	(112)	-0.0%	2,633.0%
Saber	(36,564)	-2.7%	(39,009)	-2.2%	-6.3%	(40,215)	-2.5%	-9.1%
Vasta	(18,290)	-1.3%	(52,493)	-3.0%	-65.2%	(25,607)	-1.6%	-28.6%
Others	(5,556)	-0.4%	(5,960)	-0.3%	-6.8%	(3,378)	-0.2%	64.5%
<b>Net Revenue</b>	<b>1,372,520</b>	<b>100.0%</b>	<b>1,742,355</b>	<b>100.0%</b>	<b>-21.2%</b>	<b>1,627,468</b>	<b>100.0%</b>	<b>-15.7%</b>
Kroton	1,051,861	76.6%	1,341,918	77.0%	-21.6%	882,696	54.2%	19.2%
Platos	22,121	1.6%	7,965	0.5%	177.7%	21,668	1.3%	2.1%
Saber	161,310	11.8%	183,047	10.5%	-11.9%	210,538	12.9%	-23.4%
Vasta	110,191	8.0%	143,783	8.3%	-23.4%	402,460	24.7%	-72.6%
Others	27,037	2.0%	65,642	3.8%	-58.8%	110,106	6.8%	-75.4%
<b>Costs of Goods/Services</b>	<b>(488,377)</b>	<b>-35.6%</b>	<b>(638,378)</b>	<b>-36.6%</b>	<b>-23.5%</b>	<b>(653,240)</b>	<b>-40.1%</b>	<b>-25.2%</b>
Cost of Goods Sold	(25,330)	-1.8%	(86,226)	-4.9%	-70.6%	(170,836)	-10.5%	-85.2%
Cost of Services Rendered	(463,047)	-33.7%	(552,152)	-31.7%	-16.1%	(482,404)	-29.6%	-4.0%
<b>Gross Income</b>	<b>884,143</b>	<b>64.4%</b>	<b>1,103,977</b>	<b>63.4%</b>	<b>-19.9%</b>	<b>974,228</b>	<b>59.9%</b>	<b>-9.2%</b>
<b>Operating Expenses</b>	<b>(1,321,987)</b>	<b>-96.3%</b>	<b>(853,482)</b>	<b>-49.0%</b>	<b>54.9%</b>	<b>(812,366)</b>	<b>-49.9%</b>	<b>62.7%</b>
Selling Expenses	(633,233)	-46.1%	(357,827)	-20.5%	77.0%	(418,001)	-25.7%	51.5%
General and Administrative Expenses	(341,743)	-24.9%	(475,585)	-27.3%	-28.1%	(392,825)	-24.1%	-13.0%
Other Operating Income (Expenses)	(348,388)	-25.4%	(18,899)	-1.1%	1,743.4%	(1,062)	-0.1%	32,704.9%
Equity in the results of investees	1,377	0.1%	(1,171)	-0.1%	-217.6%	(478)	-0.0%	-388.1%
<b>Income before Financial Result</b>	<b>(437,844)</b>	<b>-31.9%</b>	<b>250,495</b>	<b>14.4%</b>	<b>-274.8%</b>	<b>161,862</b>	<b>9.9%</b>	<b>-370.5%</b>
<b>Financial Result</b>	<b>(186,588)</b>	<b>-13.6%</b>	<b>(191,555)</b>	<b>-11.0%</b>	<b>-2.6%</b>	<b>(173,060)</b>	<b>-10.6%</b>	<b>7.8%</b>
Financial Expenses	(229,348)	-16.7%	(262,414)	-15.1%	-12.6%	(262,347)	-16.1%	-12.6%
Financial Revenues	42,760	3.1%	70,859	4.1%	-39.7%	89,287	5.5%	-52.1%
<b>Income from Operations</b>	<b>(624,432)</b>	<b>-45.5%</b>	<b>58,940</b>	<b>3.4%</b>	<b>-1,159.4%</b>	<b>(11,198)</b>	<b>-0.7%</b>	<b>5,476.3%</b>
Income and Social Contribution Tax	172,461	12.6%	80,898	4.6%	113.2%	(26,609)	-1.6%	-748.1%
Current	(14,885)	-1.1%	4,851	0.3%	-406.8%	(45,007)	-2.8%	-66.9%
Deferred	187,346	13.6%	76,047	4.4%	146.4%	18,398	1.1%	918.3%
<b>Net Income</b>	<b>(451,971)</b>	<b>-32.9%</b>	<b>139,838</b>	<b>8.0%</b>	<b>-423.2%</b>	<b>(37,807)</b>	<b>-2.3%</b>	<b>1,095.5%</b>
<b>Net Income Attributed to Controlling Shareholders</b>	<b>(454,738)</b>	<b>-33.1%</b>	<b>144,933</b>	<b>8.3%</b>	<b>-413.8%</b>	<b>(39,120)</b>	<b>-2.4%</b>	<b>1,062.4%</b>
<b>Net Income Attributed to Non-Controlling Shareholders</b>	<b>2,767</b>	<b>0.2%</b>	<b>(5,095)</b>	<b>-0.3%</b>	<b>-154.3%</b>	<b>1,313</b>	<b>0.1%</b>	<b>110.7%</b>

## APPENDIX 7 –SIX-MONTH CORPORATE INCOME STATEMENT

	1H20	% Net Rev.	1H19	% Net Rev.	1H20 / 1H19
	(In thousand reais, except otherwise indicated)				
<b>Gross Revenue</b>	<b>3,864,090</b>	<b>128.8%</b>	<b>4,509,692</b>	<b>125.9%</b>	<b>-14.3%</b>
Kroton	2,665,876	88.9%	3,323,519	92.8%	-19.8%
Platos	46,962	1.6%	44,066	1.2%	6.6%
Saber	448,627	15.0%	463,447	12.9%	-3.2%
Vasta	556,548	18.6%	555,863	15.5%	0.1%
Others	146,077	4.9%	122,797	3.4%	19.0%
<b>Deductions from Gross Revenue</b>	<b>(864,102)</b>	<b>-28.8%</b>	<b>(928,230)</b>	<b>-25.9%</b>	<b>-6.9%</b>
Kroton	(731,319)	-24.4%	(744,000)	-20.8%	-1.7%
Platos	(3,173)	-0.1%	(4,999)	-0.1%	-36.5%
Saber	(76,779)	-2.6%	(84,424)	-2.4%	-9.1%
Vasta	(43,897)	-1.5%	(86,716)	-2.4%	-49.4%
Others	(8,934)	-0.3%	(8,091)	-0.2%	10.4%
<b>Net Revenue</b>	<b>2,999,988</b>	<b>100.0%</b>	<b>3,581,462</b>	<b>100.0%</b>	<b>-16.2%</b>
Kroton	1,934,557	64.5%	2,579,519	72.0%	-25.0%
Platos	43,789	1.5%	39,067	1.1%	12.1%
Saber	371,848	12.4%	379,023	10.6%	-1.9%
Vasta	512,651	17.1%	469,147	13.1%	9.3%
Others	137,143	4.6%	114,706	3.2%	19.6%
<b>Costs of Goods/Services</b>	<b>(1,141,617)</b>	<b>-38.1%</b>	<b>(1,320,617)</b>	<b>-36.9%</b>	<b>-13.6%</b>
Cost of Goods Sold	(196,166)	-6.5%	(206,784)	-5.8%	-5.1%
Cost of Services Rendered	(945,451)	-31.5%	(1,113,833)	-31.1%	-15.1%
<b>Gross Income</b>	<b>1,858,371</b>	<b>61.9%</b>	<b>2,260,845</b>	<b>63.1%</b>	<b>-17.8%</b>
<b>Operating Expenses</b>	<b>(2,134,353)</b>	<b>-71.1%</b>	<b>(1,616,721)</b>	<b>-45.1%</b>	<b>32.0%</b>
Selling Expenses	(1,051,234)	-35.0%	(708,864)	-19.8%	48.3%
General and Administrative Expenses	(734,568)	-24.5%	(890,826)	-24.9%	-17.5%
Other Operating Income (Expenses)	(349,450)	-11.6%	(16,437)	-0.5%	2,026.0%
Equity in the results of investees	899	0.0%	(594)	-0.0%	-251.3%
<b>Income before Financial Result</b>	<b>(275,982)</b>	<b>-9.2%</b>	<b>644,124</b>	<b>18.0%</b>	<b>-142.8%</b>
<b>Financial Result</b>	<b>(359,648)</b>	<b>-12.0%</b>	<b>(328,698)</b>	<b>-9.2%</b>	<b>9.4%</b>
Financial Expenses	(491,695)	-16.4%	(507,769)	-14.2%	-3.2%
Financial Revenues	132,047	4.4%	179,071	5.0%	-26.3%
<b>Income from Operations</b>	<b>(635,630)</b>	<b>-21.2%</b>	<b>315,426</b>	<b>8.8%</b>	<b>-301.5%</b>
Income and Social Contribution Tax	145,852	4.9%	74,561	2.1%	95.6%
Current	(59,892)	-2.0%	(48,389)	-1.4%	23.8%
Deferred	205,744	6.9%	122,950	3.4%	67.3%
<b>Net Income</b>	<b>(489,778)</b>	<b>-16.3%</b>	<b>389,987</b>	<b>10.9%</b>	<b>-225.6%</b>
<b>Net Income Attributed to Controlling Shareholders</b>	<b>(493,858)</b>	<b>-16.5%</b>	<b>383,174</b>	<b>10.7%</b>	<b>-228.9%</b>
<b>Net Income Attributed to Non-Controlling Shareholders</b>	<b>4,080</b>	<b>0.1%</b>	<b>6,813</b>	<b>0.2%</b>	<b>-40.1%</b>

## APPENDIX 8 – VASTA QUARTERLY INCOME STATEMENT RECONCILIATION

	2Q20 Results (Book)	Allocations from the previous quarter	Differences in allocation among P&L lines	Amortization of Inventory Surplus Value	Opening Balance Reversals	2Q20 Results (Release)
Gross Revenue	138,204	(9,723)	-	-	-	128,481
Deductions from Gross Revenue	(17,971)	(318)	-	-	-	(18,289)
Net Revenue	120,233	(10,042)	-	-	-	110,191
Costs of Goods/Services	(48,422)	(9,356)	7,265	4,537	-	(45,976)
Gross Income	71,811	(19,397)	7,265	4,537	-	64,216
Operating Expenses	(82,682)	(7,034)	(1,903)	-	(2,552)	(94,170)
Selling Expenses	-	-	(41,151)	-	-	(41,151)
Provision for Doubtful Accounts	(1,265)	(6,040)	-	-	-	(7,304)
Personnel Expenses	-	-	(11,950)	-	-	(11,950)
General and Administrative Expenses	(82,593)	(994)	62,292	-	(2,552)	(23,847)
Other Operating Income (Expenses)	1,175	-	(1,175)	-	-	-
Corporate Expenses	-	-	(9,917)	-	-	(9,917)
Income before Financial Result	(10,871)	(26,431)	5,362	4,537	(2,552)	(29,955)
Interest and Penalties on Tuition	0	-	-	-	-	0
(+) Opening Balance Reversal of Contingencies	-	-	-	-	2,552	2,552
(-) Nonrecurring items	-	-	(5,362)	-	-	(5,362)
EBITDA	(10,871)	(26,431)	-	4,537	-	(32,765)
Depreciation and Amortization	(43,468)	-	-	(4,537)	-	(48,005)
Financial Result	(28,295)	-	-	-	-	(28,295)
Financial Expenses	(31,861)	-	-	-	-	(31,861)
Financial Revenues	3,567	-	-	-	-	3,567
Income from Operations	(82,634)	(26,431)	-	-	-	(109,065)
Income and Social Contribution Tax	27,696	-	-	-	-	27,696
Current	33,225	-	-	-	-	33,225
Deferred	(5,528)	-	-	-	-	(5,528)
Participation of Minority Shareholders	-	-	-	-	-	-
Net Income Attributed to Controlling Shareholders	(54,938)	(26,431)	-	-	-	(81,369)

## APPENDIX 9 – VASTA SIX-MONTH INCOME STATEMENT RECONCILIATION

	1H20 Results (Book)	Depreciation	Non-accounting adjustments			Opening balance Reversals	1H20 Results (Release)
			Intangible Amortization (Acquisitions)	Non-recurring Items/ Capital Gain	Reclassification between Costs and expenses		
			(In thousand reais, except otherwise indicated)				
Gross Revenue	556,548	-	-	-	-	-	556,548
Deductions from Gross Revenue	(43,896)	-	-	-	-	-	(43,896)
Net Revenue	512,651	-	-	-	-	-	512,651
Costs of Goods/Services	(215,755)	6,917	-	-	70	-	(208,768)
Gross Income	296,896	6,917	-	-	70	-	303,883
Operating Expenses	(186,867)	-	-	6,565	(71)	(2,552)	(182,925)
Selling Expenses	(80,596)	-	-	-	(1)	-	(80,597)
Provision for Doubtful Accounts	(11,583)	-	-	-	2	-	(11,581)
Personnel Expenses	-	-	-	-	(27,640)	-	(27,640)
General and Administrative Expenses	(96,676)	-	-	6,565	51,767	(2,552)	(40,895)
Other Operating Income (Expenses)	1,987	-	-	-	(1,987)	-	-
Corporate Expenses	-	-	-	-	(22,212)	-	(22,212)
Equity	-	-	-	-	-	-	-
Income before Financial Result	110,029	6,917	-	6,565	(1)	(2,552)	120,958
Interest and Penalties on Tuition	0	-	-	-	-	-	0
(+) Opening Balance Reversal of Contingencies	-	-	-	-	-	2,552	2,552
(-) Nonrecurring itens	-	-	-	(6,565)	-	-	(6,565)
EBITDA	110,029	6,917	-	-	(1)	-	116,945
Depreciation and Amortization	(85,618)	(6,917)	-	-	-	-	(92,535)
Financial Result	(67,908)	-	-	-	-	-	(67,908)
Financial Expenses	(76,545)	-	-	-	-	-	(76,545)
Financial Revenues	8,637	-	-	-	-	-	8,637
Income from Operations	(43,497)	-	-	-	(1)	-	(43,498)
Income and Social Contribution Tax	16,204	-	-	-	-	-	16,204
Current	27,261	-	-	-	-	-	27,261
Deferred	(11,057)	-	-	-	-	-	(11,057)
Participation of Minority Shareholders	-	-	-	-	-	-	-
Net Income Attributed to Controlling Shareholders	(27,293)	-	-	-	(1)	-	(27,294)

## APPENDIX 10 - CASH FLOW STATEMENT

R\$ 000

	2Q20	2Q19	1Q20
<b>Net Income before Income Taxes</b>	<b>(624,432)</b>	<b>58,941</b>	<b>(11,198)</b>
Net Income (Loss) Adjustments before Income Taxes			
Depreciation and Amortization	290,236	361,516	289,070
Editorial Costs	11,029	20,552	31,278
Provision for Doubtful Accounts	500,541	186,883	213,940
Accounts Receivable - adjusted to present value	(20,998)	-	(4,930)
Provision for Tax, Labor and Civil Losses	(104,427)	(30,795)	(75,871)
Reversal of provision for Escrow account	345,244	-	-
Provision (Reversal) for Inventories Losses	(3,499)	11,436	18,578
Financial Charges	99,787	153,349	122,868
Income from Securities	-	(9,837)	-
Grant of Stock Options	6,439	(5,023)	7,561
Finance lease	105,445	75,388	102,839
Income from sale or disposal of assets and other investments	3,400	17,377	8,563
Result of Equity Restatement	1,377	1,171	(478)
<b>Changes in Working Capital</b>	<b>(357,772)</b>	<b>(534,913)</b>	<b>(729,428)</b>
(Increase) Reduction in Accounts Receivable (ex-FIES)	(25,433)	(371,362)	(222,950)
(Increase) Reduction in Accounts Receivable FIES	(44,232)	95,303	41,174
(Increase) Reduction in Inventories	(31,216)	(79,187)	(39,806)
(Increase) Reduction in Advances	(8,131)	(6,488)	4,489
(Increase) Reduction in Recoverable Taxes	29,221	(5,175)	6,954
(Increase) Decrease in Escrow Deposits	12,452	(6,268)	2,578
Increase (Decrease) in Other Assets	35,772	42,570	(91,767)
Increase (Reduction) in Suppliers	(144,393)	(132,995)	(154,259)
Finance Lease Payment Rentals	(34,440)	(100,401)	(37,960)
Leasing interest paid	(99,548)	-	(102,949)
Increase (Decrease) in Payroll and Related Taxes	41,370	31,847	(8,354)
Increase (Decrease) in Fiscal Obligations	(7,853)	84,000	(18,470)
Increase (Decrease) in Advances to Clients	(41,345)	(34,361)	(21,395)
(Decrease) in Taxes Installments	(2,849)	(2,057)	(2,695)
(Decrease) in Provision for Tax, Labor and Civil Losses	(42,536)	(49,457)	(53,691)
Increase (Decrease) in Other Liabilities	5,389	(883)	(30,327)
<b>Income Tax and Social Contribution</b>	<b>(17,791)</b>	<b>(44,506)</b>	<b>(314)</b>
<b>Capex</b>	<b>(70,813)</b>	<b>(120,632)</b>	<b>(91,990)</b>
Additions to Fixed Assets	(9,432)	(64,730)	(27,632)
Additions to Intangible Assets	(61,380)	(55,902)	(64,357)
<b>Cash Flow from Operating Activities after Capex - Recurring</b>	<b>163,766</b>	<b>140,907</b>	<b>(119,512)</b>
<b>Capex - Special Projects</b>	<b>(18,608)</b>	<b>(52,820)</b>	<b>(27,158)</b>
Brownfields	(18,608)	(52,820)	(27,158)
<b>Cash Flow from Operating Activities after total Capex</b>	<b>145,158</b>	<b>88,087</b>	<b>(146,670)</b>
<b>(+) M&amp;A Activities</b>	<b>178,995</b>	<b>(1,741,676)</b>	<b>(51,773)</b>
Investment acquisitions	-	(1,741,676)	-
Accounts Receivable from former owners	235,735	-	-
Payment for acquisition of companies	(29,494)	-	(51,915)
M&A Costs and Expenses	(27,246)	-	142
<b>(+) Cash Flow from Financing Activities</b>	<b>478,703</b>	<b>657,821</b>	<b>2,282,106</b>
Sale (Acquisition) of Treasury Shares	3,471	10,358	8,660
Capital Increase, Net of Issuance Costs	(3,831)	-	2,485,151
Debt emission	496,638	797,786	-
Debentures, Loans and Financing Payments	100	-	-
Payments of Borrowings and Financing	(3)	(26,646)	(642)
Interest Paid on Borrowings and Debentures	(20,102)	(1,693)	(213,177)
Redemption (Investment) of Securities	2,430	11,552	2,114
Payment of Dividends	-	(133,535)	-
<b>(=) Cash Flow from Non-Operating Activities</b>	<b>657,698</b>	<b>(1,083,855)</b>	<b>2,230,333</b>
<b>Total Cash Generation</b>	<b>802,856</b>	<b>(995,768)</b>	<b>2,083,663</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>			
Cash and Cash Equivalents at the Start of the Period	2,909,298	1,995,316	825,635
Cash and Cash Equivalents at the End of the Period	3,712,154	999,548	2,909,298
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>802,856</b>	<b>(995,768)</b>	<b>2,083,663</b>

## APPENDIX 11 – QUARTERLY CASH FLOW RECONCILIATION

R\$ 000	Cash Flow (Book) 2Q20	Leasing	Interest	Cash	M&A	Others	Cash Flow (Release) 2Q20
<b>Net Income before income taxes</b>	<b>(624,432)</b>						<b>(624,432)</b>
Adjustments to net income	1,211,696			22,878			1,234,574
Change in operating assets and liabilities	(250,093)	(133,988)			27,494	(1,185)	(357,772)
Income taxes paid	(17,791)						(17,791)
Leasing interest paid	(99,548)	99,548					-
Interest paid on borrowings and debentures	(20,102)		20,102				-
<b>Cash flow from operating activities</b>	<b>199,730</b>	<b>(34,440)</b>	<b>20,102</b>	<b>22,878</b>	<b>27,494</b>	<b>(1,185)</b>	<b>234,579</b>
Redemption (Investment) of securities	52,387			(52,387)			-
Additions to fixed assets	(17,900)					27,235	9,382
Additions to Intangible assets	(71,500)					(8,696)	(80,196)
Cash from acquired companies	248				(248)		-
Payment for acquisition of companies	(29,494)						(29,494)
Accounts receivable from former owners	235,735						235,735
M&A costs and expenses	-				(27,246)		(27,246)
Special projects capex	-					(18,608)	(18,608)
<b>Cash flow from investing activities</b>	<b>169,476</b>	<b>-</b>	<b>-</b>	<b>(52,387)</b>	<b>(27,494)</b>	<b>(69)</b>	<b>89,573</b>
Capital increase, net of issuance costs	(3,831)						(3,831)
Treasury shares	3,471						3,471
Debentures	496,638						496,638
Borrowings and financing	100						100
Leasing principal payment	(34,440)	34,440					-
Payments of borrowings and financing	(3)						(3)
Redemption (Investment) of securities	-			2,431			2,431
Interest paid on borrowings and debentures	-		(20,102)				(20,102)
<b>Cash flow from financing activities</b>	<b>461,935</b>	<b>34,440</b>	<b>(20,102)</b>	<b>2,431</b>	<b>-</b>	<b>-</b>	<b>478,704</b>
<b>Change in cash position</b>	<b>831,141</b>	<b>-</b>	<b>-</b>	<b>(27,078)</b>	<b>-</b>	<b>(1,254)</b>	<b>802,856</b>
<b>Operating Cash Flow (OCF)</b>							<b>234,579</b>
Capex							(70,814)
Investments in expansion							(18,608)
<b>OCF post Capex</b>							<b>145,157</b>



## APPENDIX 12 – SIX-MONTH CASH FLOW RECONCILIATION

R\$ 000	Cash Flow (Book) 1S20	Leasing	Interest	Cash	M&A	Others	Cash Flow (Release) 1S20
<b>Net Income before income taxes</b>	<b>(635,630)</b>						<b>(635,630)</b>
Adjustments to net income	1,907,739			40,253			1,947,992
Change in operating assets and liabilities	(839,797)	(274,897)			27,494		(1,087,200)
Income taxes paid	(18,105)						(18,105)
Leasing interest paid	(202,497)	202,497					-
Interest paid on borrowings and debentures	(233,279)		233,279				-
<b>Cash flow from operating activities</b>	<b>(21,569)</b>	<b>(72,400)</b>	<b>233,279</b>	<b>40,253</b>	<b>27,494</b>	<b>-</b>	<b>207,057</b>
Redemption (Investment) of securities	(695,499)			695,499			-
Additions to fixed assets	(64,300)					27,235	(37,065)
Additions to Intangible assets	(144,200)					18,462	(125,738)
Cash from acquired companies	390				(390)		
Payment for acquisition of companies	(81,409)						(81,409)
Accounts receivable from former owners	235,735						235,735
M&A costs and expenses					(27,104)		(27,104)
Special projects capex	-					(45,767)	(45,767)
<b>Cash flow from investing activities</b>	<b>(749,283)</b>	<b>-</b>	<b>-</b>	<b>695,499</b>	<b>(27,494)</b>	<b>(69)</b>	<b>(81,347)</b>
Capital increase, net of issuance costs	2,481,320						2,481,320
Treasury shares	12,131						12,131
Debentures	496,638						496,638
Borrowings and financing	100						100
Leasing principal payment	(72,400)	72,400					-
Payments of borrowings and financing	(645)						(645)
Redemption (Investment) of securities	-			4,544			4,544
Interest paid on borrowings and debentures			(233,279)				(233,279)
<b>Cash flow from financing activities</b>	<b>2,917,144</b>	<b>72,400</b>	<b>(233,279)</b>	<b>4,544</b>	<b>-</b>	<b>-</b>	<b>2,760,809</b>
<b>Change in cash position</b>	<b>2,146,292</b>	<b>-</b>	<b>-</b>	<b>740,296</b>	<b>-</b>	<b>(69)</b>	<b>2,886,519</b>
<b>Operating Cash Flow (OCF)</b>							<b>207,057</b>
Capex							(162,802)
Investments in expansion							(45,767)
<b>OCF post Capex</b>							<b>(1,512)</b>