2019 Results
Earnings Call Presentation

March 27, 2020

EDUCATION
TECHNOLOGY
HEALTHCARE

Safe Harbor

This announcement, prepared by Afya Limited (the “Company”), contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1993, as amended, and Section 21E of the Securities Exchange of 1934, as amended. Statements contained herein that are not clearly historical in nature, including statements about the Company’s strategies, business plans, and guidance (if any), are forward-looking, and the words “anticipate,” “assume,” “believe,” “continues,” “expect,” “estimate,” “intend,” ”strategy,” “project” and similar expressions and future or conditional verbs such as “will,” “would,” “should,” “could,” “might,” “can,” “may,” or similar expressions are generally intended to identify forward-looking statements. The Company may also make forward-looking statements in its periodic reports filed with the U.S. Securities and Exchange Commission (the “SEC”), in press releases and other written materials and in oral statements made by its officers and directors. These forward-looking statements speak only as of the date they are made and are based on the Company’s current plans and expectations and are subject to a number of known and unknown uncertainties and risks, many of which are beyond the Company’s control. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: (1) our ability to implement our business strategy; (2) changes in government regulations applicable to the education industry in Brazil, both in the traditional and distance learning segments; (3) government interventions in education industry programs, both in the traditional and distance learning segments, that affect the economic or tax regime, the collection of tuition fees or the regulatory framework applicable to educational institutions; (4) changes in the financial condition of the students enrolling in our institutions in general and in the competitive conditions in the education industry, both in the traditional and distance learning segments, or changes in the financial condition of our institutions; (5) our ability to adapt to technological changes in the educational sector, including in relation to distance learning programs; (6) the availability of government authorizations on terms and conditions and within periods acceptable to us; (7) our ability to continue attracting and retaining new students; (8) our ability to maintain the academic quality of our programs; (9) our ability to compete and conduct our business in the future; (10) the success of operating initiatives, including advertising and promotional efforts and new product, service and concept development by us and our competitors; (11) changes in consumer demands and preferences and technological advances, and our ability to innovate to respond to such changes; (12) the availability of qualified personnel and the ability to retain such personnel; (13) our capitalization and level of indebtedness; (14) the interests of our controlling shareholders; (15) a decline in the number of students enrolled in our programs or the amount of tuition we can charge; (16) changes in labor, distribution and other operating costs; (17) our compliance with, and changes to, government laws, regulations and tax matters that currently apply to us; (18) the effect on our business of general economic, financial, political, demographic and business conditions in Brazil, as well as any other countries we may serve in the future and their impact on our business, including those effects derived from COVID-19; (19) fluctuations in interest, inflation and exchange rates in Brazil and any other countries we may serve in the future, among others. Further information regarding these and other risks is included in the Company’s filings with the SEC. As a consequence, current plans, anticipated actions and future financial position and results of operations may differ significantly from those expressed in any forward-looking statements in this announcement. You are cautioned not to unduly rely on such forward-looking statements when evaluating the information presented as there is no guarantee that expected events, trends or results will actually occur. We undertake no obligation to update any forward-looking statements, whether as a result of new information or future events or for any other reason. This announcement may also contain estimates and other information concerning our industry that are based on industry publications, surveys and forecasts. This information involves a number of assumptions and limitations, and we have not independently verified the accuracy or completeness of the information.

2019 Results
General Overview

Virgilio Gibbon - CEO

EDUCATION
TECHNOLOGY
HEALTHCARE

2019 Highlights

2019: strong topline growth & profitability

+125%
Net Revenue growth (YoY)

Pro forma FY19 at R$830 mn;
2H19 above guidance mid-point

+145%
Adjusted EBITDA growth (YoY)

Pro Forma FY19 at R$322 mn
Strong organic growth and synergies

+320 bps
Adjusted EBITDA margin expansion (YoY)

Pro forma FY19 at 38.8%;
2H19 above guidance mid-point

97%
Operating Cash Conversion Ratio

+137%
Adjusted Net Income

3 acquisitions since IPO
414 additional seats[2]

~40% of our three-year goal to acquire 1,000 medical seats in less than one year

[1] Out of the 11 companies acquired over the last two years, 6 have already been fully integrated, other3 will be integrated by the end of 1H20, while Uniredentor and UniSL are expected be integrated during 2H20;
2 Includes the acquisition of Uniredentor and IPEC in 2019 and the recent agreement we closed in February to acquire UniSL;
3 Adjusted EBITDA comparable to 2019 guidance; guidance excludes any acquisition consumnated in the 2H2019 (IPEC results).

2018 - 2020 Timeline

EDUCATION
TECHNOLOGY
HEALTHCARE

Attractive M&A portfolio and successful integration leading to increasing market share and profitability

Net Revenue: R$ 216 mn (31/12/2017) → CAGR: + 86% → R$ 751 mn (31/12/2019)

	Medical Seats	
Apr 18	549	**M&A:** IESVAP and UNIPTAN (˜129 seats)
May 18	636	**M&A:** FMIT/CCSI (˜87 seats)
Nov 18	807	**M&A:** UNINOVAFAPI/ IESP (˜171 seats)
Dec 18	1.267	**M&A:** FADEP (˜110 seats) + 7 Mais Medicos Campuses Awarded
Mar 19	1.267	**AFYA launch:** NRE Educacional and Medcel merger
Apr 19	1,452	**M&A:** FASA (˜185 seats)
May 19	1,452	**M&A:** IPEMED (Specialization Program)
Jul 19	1,452	**IPO:** US$248.1 million
Aug 19	1,572	**M&A:** IPEC (˜120 seats)
Nov 19	1,684	**M&A:** UniRedentor (˜112 seats, potential 44 additional seats)
Feb 20	1,866	**M&A:** UniSL (˜182 seats, potential 100 additional seats)
		Follow-on: US$86.6 million

2021
Target: acquire 1,000 seats post-IPO (40% already delivered)

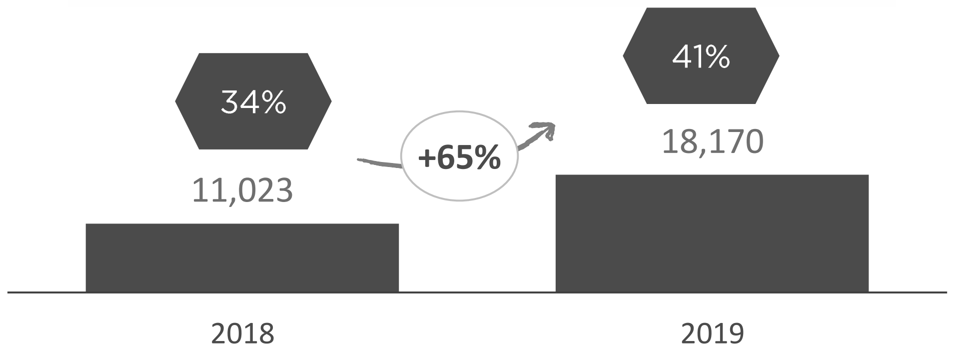
Synergies from 2018 acquisitions

Afya's recent acquisitions have seen topline growth coupled with margin expansion

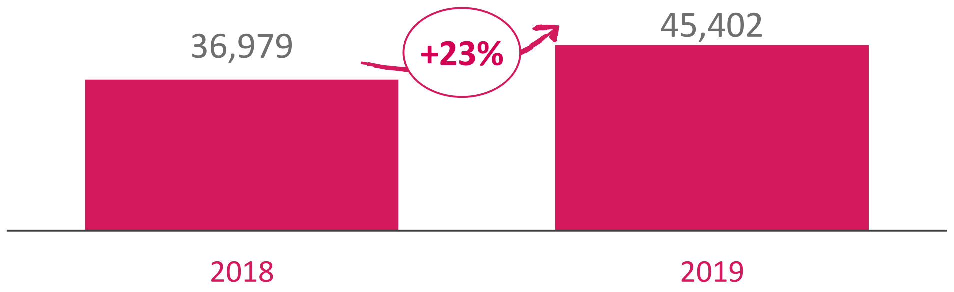
Net Revenue (R$mm)

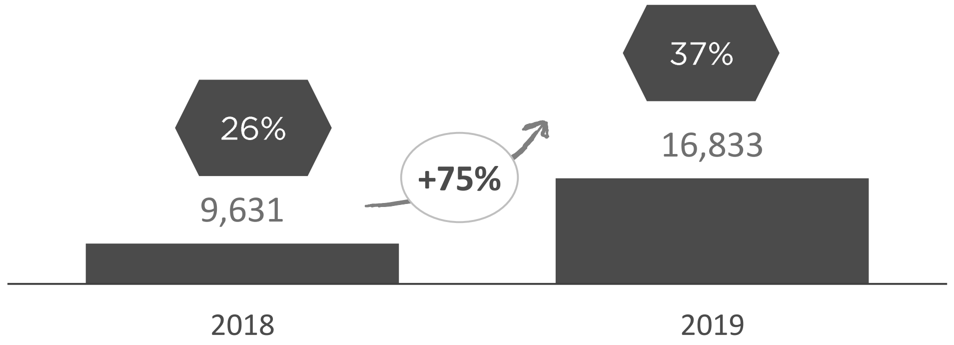
EBITDA and Margin (R$mm, %)

Acquisition in June 2018

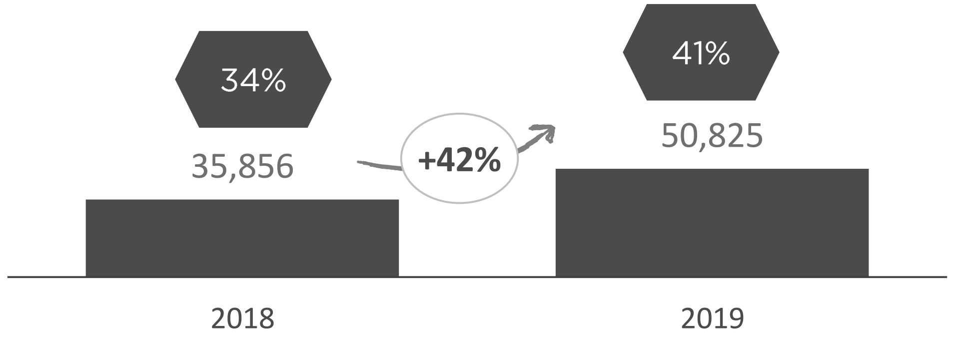


Acquisition in December 2018





Acquisition in November 2018



[(1)] Company unaudited adjusted internal fillings.

Afya's Short to Medium Term Perspectives

High growth visibility and strong M&A pipeline

2020 +

- Student base growth of 11% CAGR 2019-26e. 100% capacity utilization expected to continue moving forward.
- Four Mais Médicos campuses are expected to open in 2020[1], and 3 more campuses expected for 2021.
- Tutoring /Mentoring Platform and the 2nd season of our Medical Residency web series to drive engagement and enhance the learning experience of our undergraduate, test prep and graduate students.
- Large pipeline of medical seats, with more than 500 seat in MoU stage.
- Integration of 2019 acquisitions to be concluded by mid-2020; additional synergies and fixed cost dilution

[1] *Mais Médicos opening dates can have some delay due to COVID 19.*

COVID-19

Mindful of our students, teachers and employees.

Overview

- Afya is following the local authorities' guidance and proactively interrupted all on-campuses activities as of March 17.
- All non-practical education activities will continue in our online platform to minimize the impact on the academic calendar while authorities require interruption of all on campuses activities.
- If the interruption of activities lasts longer (more than one month), Afya may anticipate the mid-year vacation to avoid any critical change to our academic schedule.
- Most of the admissions cycle for 1H20 have been successfully concluded; Our education services delivery, and consequently our 1H20 results, may remain on schedule depending on further impacts of COVID-19;
- Afya has released temporary access to its digital platform – MedCel – free of charge for other medical education institutions over the next two months, extendable for the duration of the pandemic.
- Administrative employees are working from home until required by authorities; Afya is also ensuring that all employees receive appropriate medical attention, as needed;

2019 Results
Financial Overview

Luciano Toledo de Campos - CFO

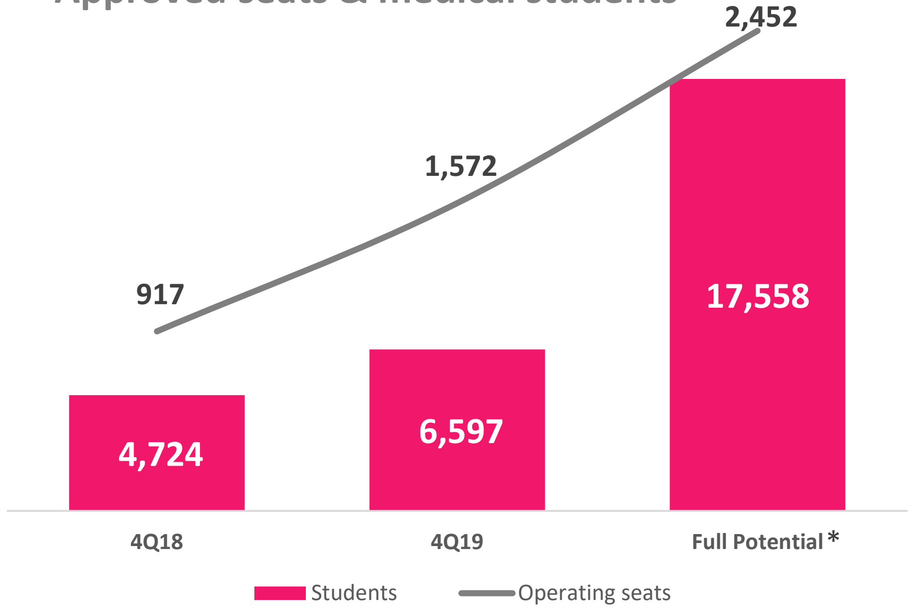
Afya
EDUCATION
TECHNOLOGY
HEALTHCARE

Operational Metrics

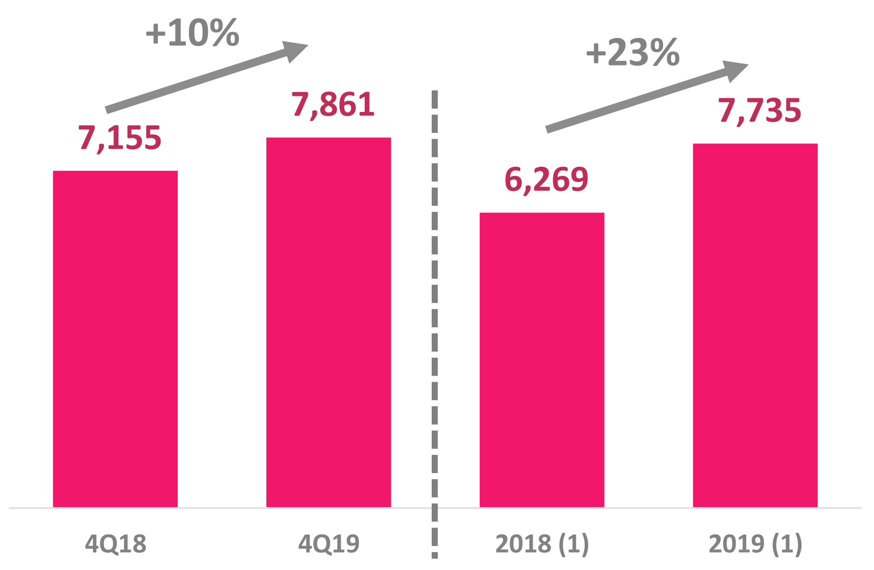
Both business units presenting strong and solid contributions

UNDERGRADUATE EDUCATIONAL SERVICES (BU1)

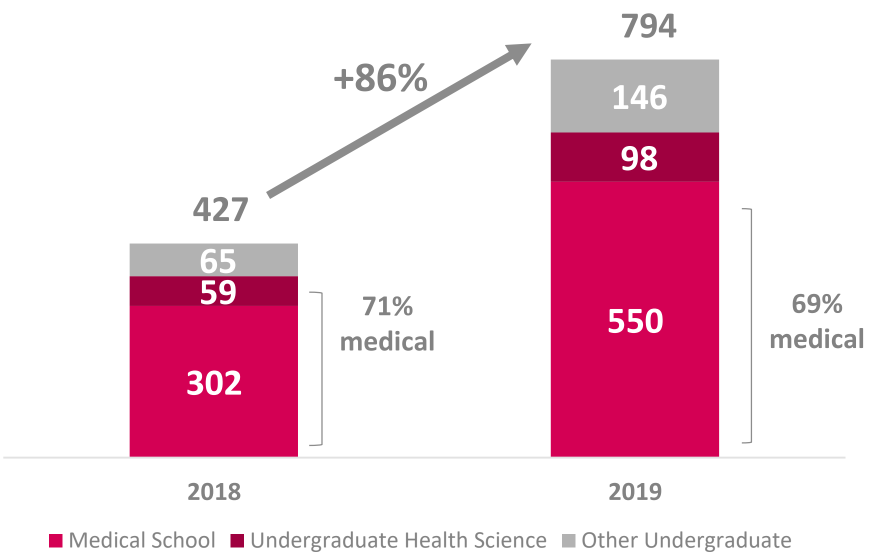
Approved seats & medical students



Medical School average ticket (R$/month)

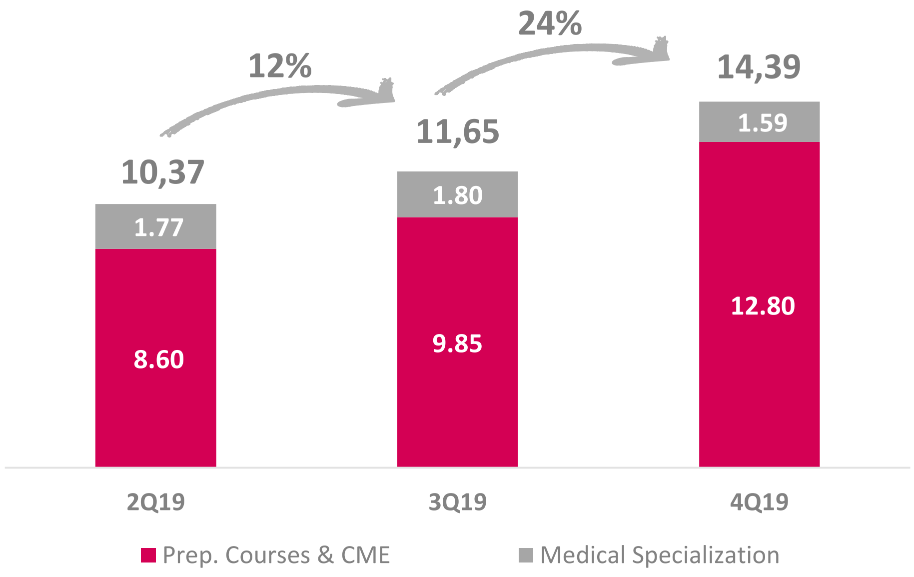


Combined tuition fees (R$ mn)



PREP. COURSES & CME AND MEDICAL SPECIALIZATION (BU2)

Active paying students ('000 students)



Notes

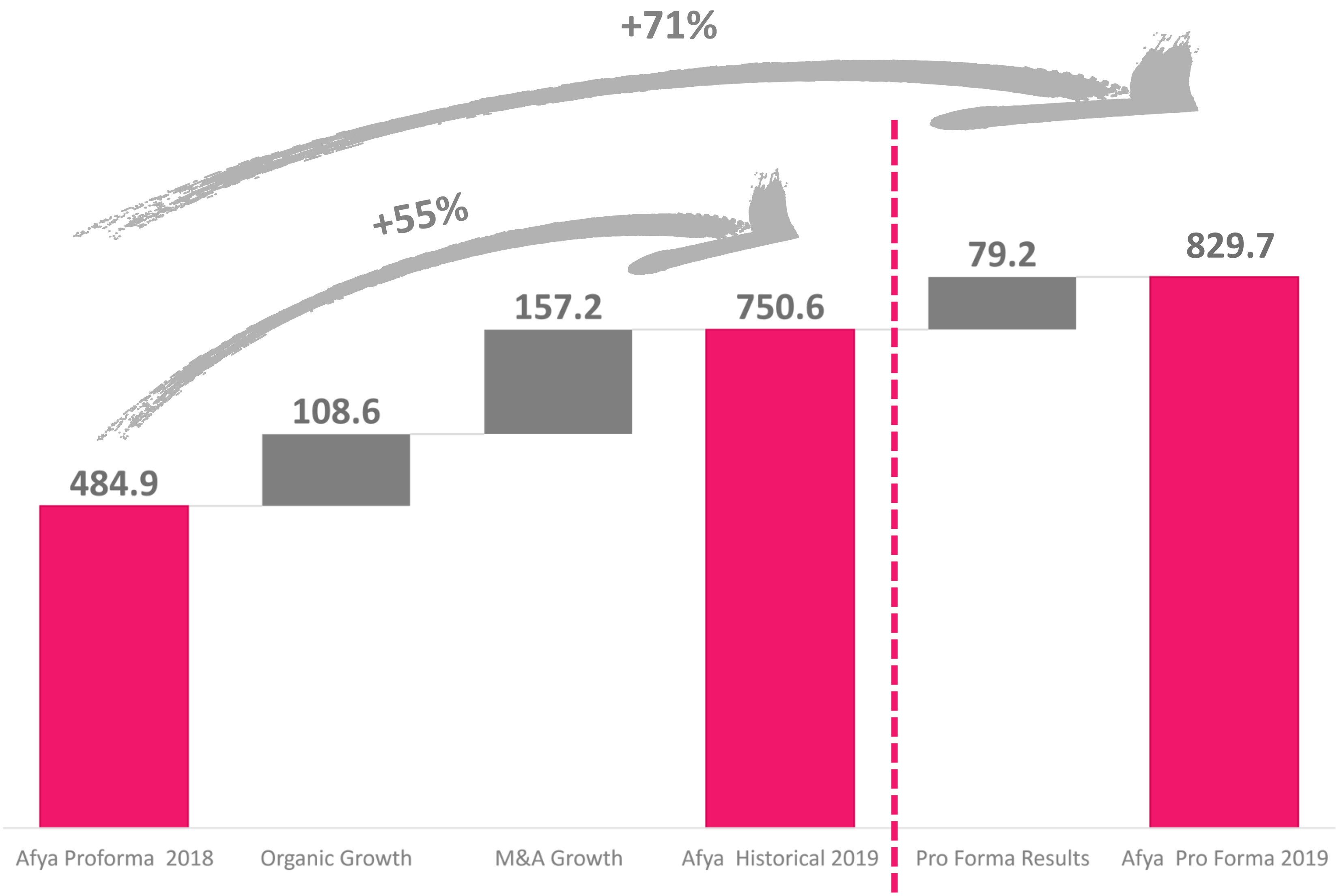
- UniSL acquisition in 1Q20 contributed additional 182 medical school seats to Afya, with a potential of 100 additional seats still pending approval by MEC (still pending on anti-trust approval);
- UniRedentor closing acquisition in 1Q20 brought additional 112 seats and complimentary portfolio of specialization courses in medical and other healthcare areas;
- Medical school average ticket still increasing above inflation, and this trend is expected to continue in the medium term;
- Active paying students in BU2 increasing YoY.

*(1) Full year average ticket calculated dividing the number of students in December 2018 and 2019 by the Pro Forma combined tuition fees divided by twelve, due to the acquisition of IESP and FADEP that were consummated on November 27, 2018 and December 5, 2018, respectively, and the acquisition of FASA that were consummated on April 3, 2019. * Full Potential considerers that Afya will acquire all the 1,000 seats guided in IPO.*

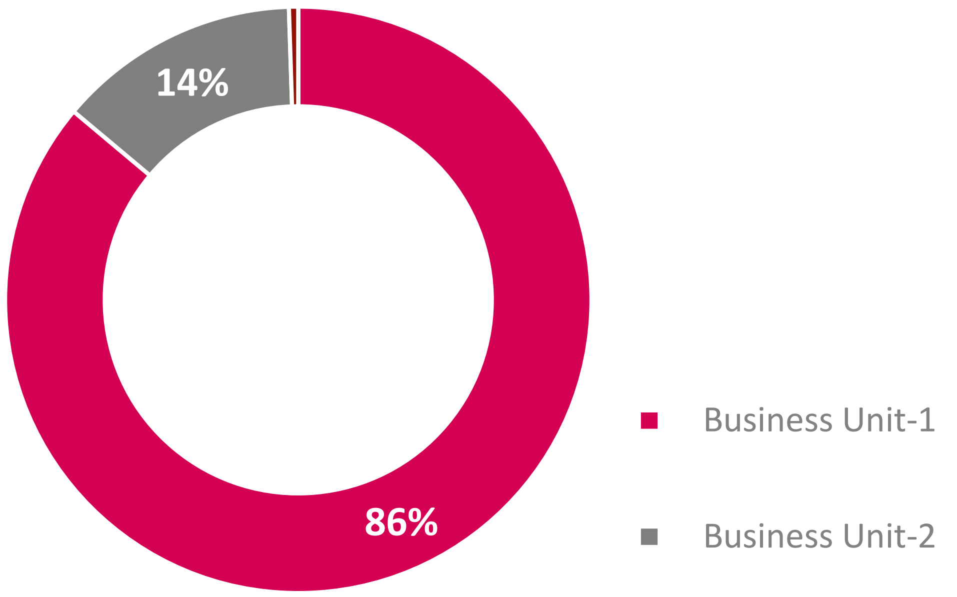
Net Revenue

Robust topline growth from both organic and M&A

2019 Net Revenue (R$ mn)



2019 Net Revenue Breakdown

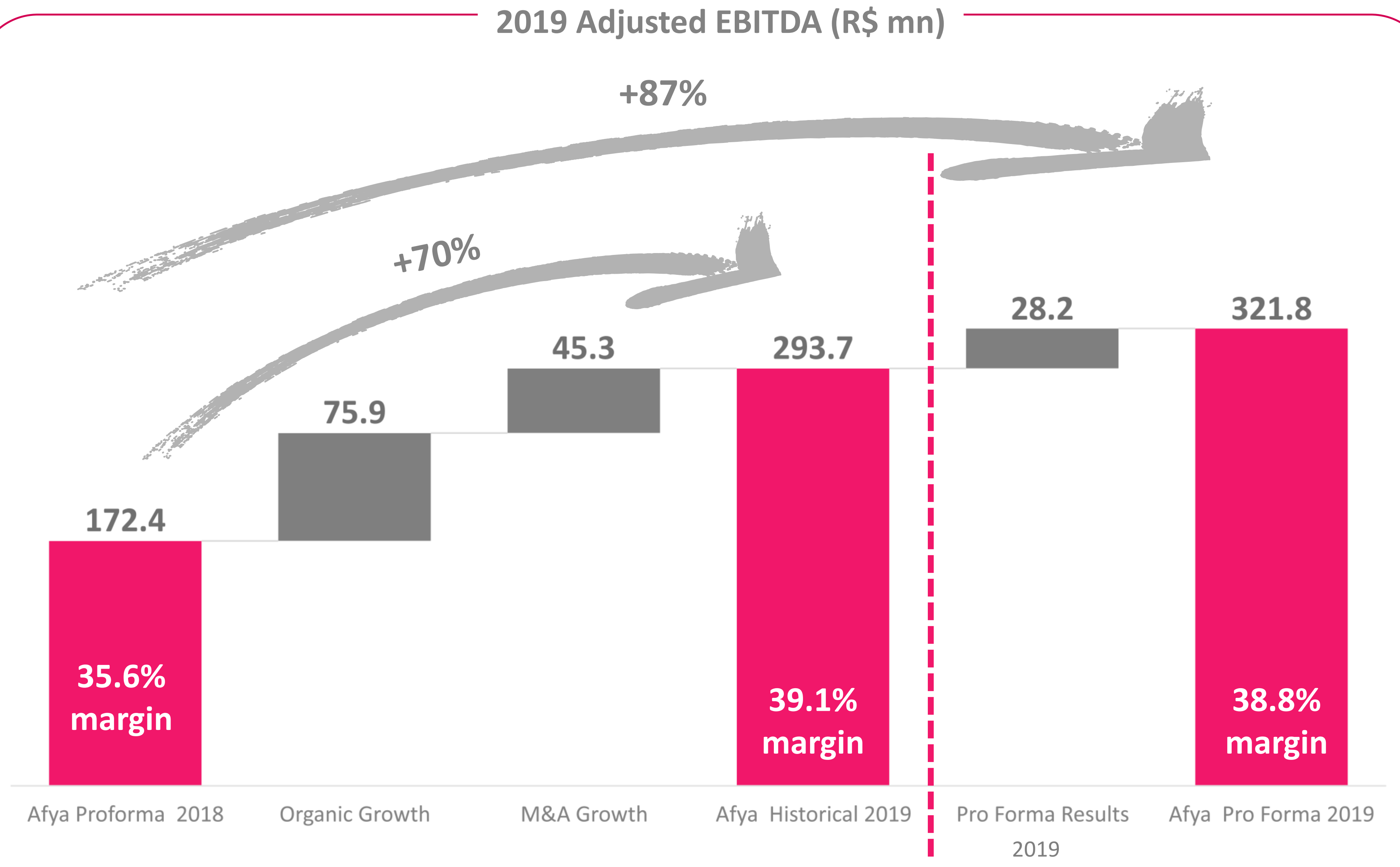


- M&A: Medcel, FASA, IPEMED and IPEC;
- Organic growth:
  - maturation of medical school seats
  - average ticket increase

Note: Afya Pro Forma 2019 information includes pro forma results of Medcel, IPEMED and FASA, as if the acquisition had been consummated on January 1, 2019.
Afya Proforma 2018 includes all the acquisition made in 2018 as if they were consummated in January 1st 2018.

Adjusted EBITDA

Synergies contributing to operational leverage

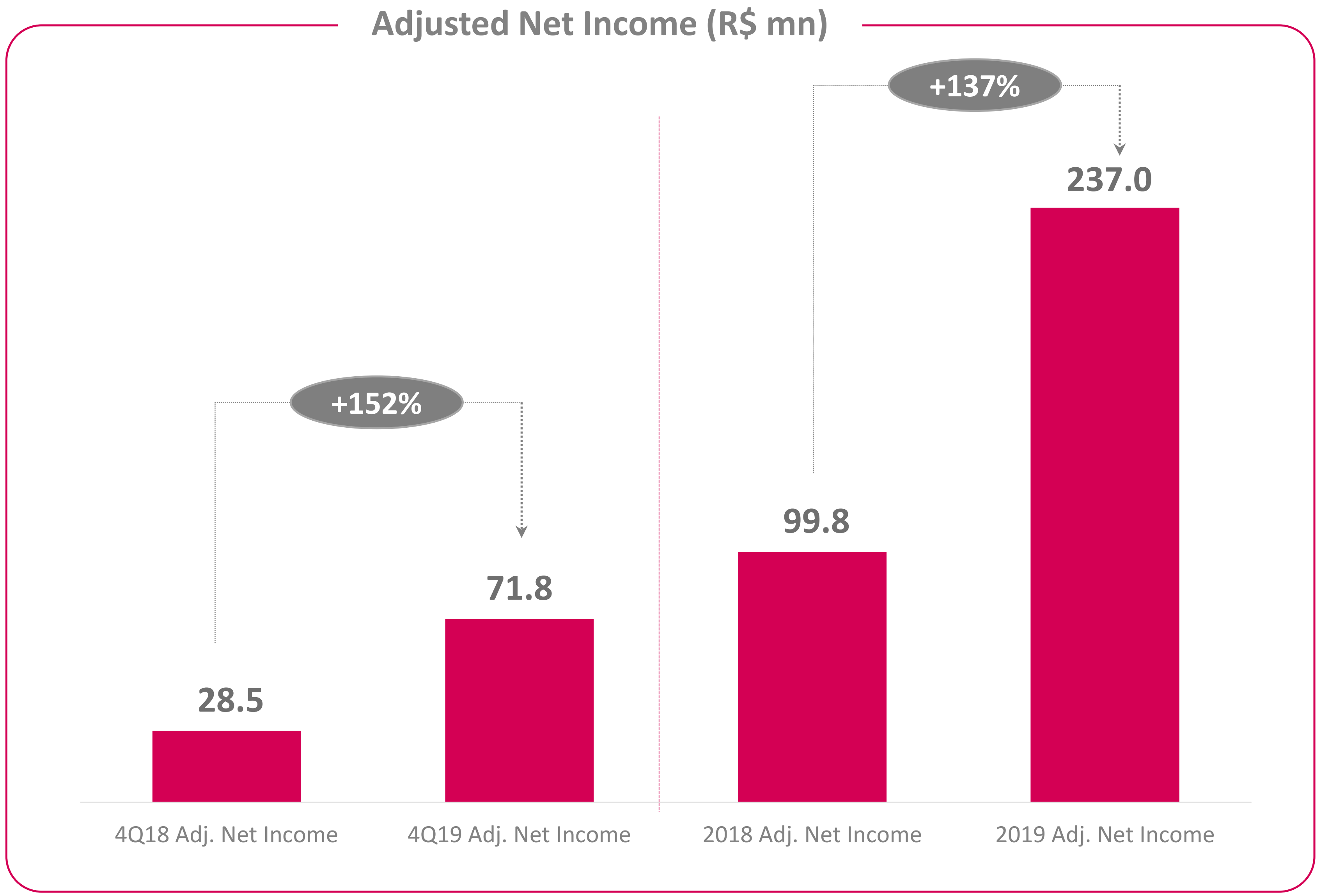


- Organic growth and our ability to successfully integrate recent acquisitions led to synergies and cost efficiencies that contributed to margin gain;
- Out of the **11** companies acquired over the last two years, **6** have already been fully integrated, other **3** will be integrated by the end of 1H20, while Unirendentor and UniSL should be integrated along 2H20.
- Strong value creation after integrating our acquistions and extracting synergies.

Note: Afya Pro Forma 2019 information includes pro forma results of Medcel, IPEMED and FASA, as if the acquisition had been consummated on January 1, 2019.
Afya Proforma 2018 includes all the acquisition made in 2018 as they were consumed in January 1st 2018.

Adjusted Net Income

Benefiting from synergies and operational leverage

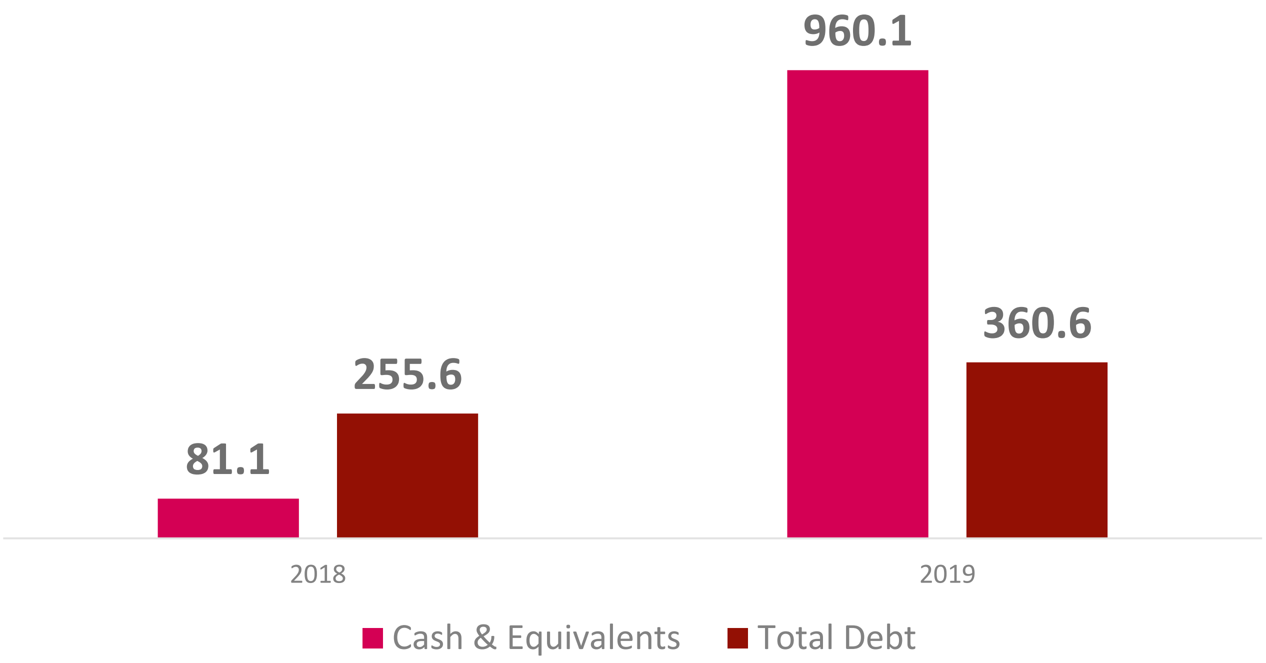


- 2019 Adjusted Net Income of R$237.0 million compared to R$99.8 million in 2018;
- As the Adjusted EBITDA, the Adjusted Net Income benefited from organic growth and M&A integration that captured significant synergies;

Cash Flow

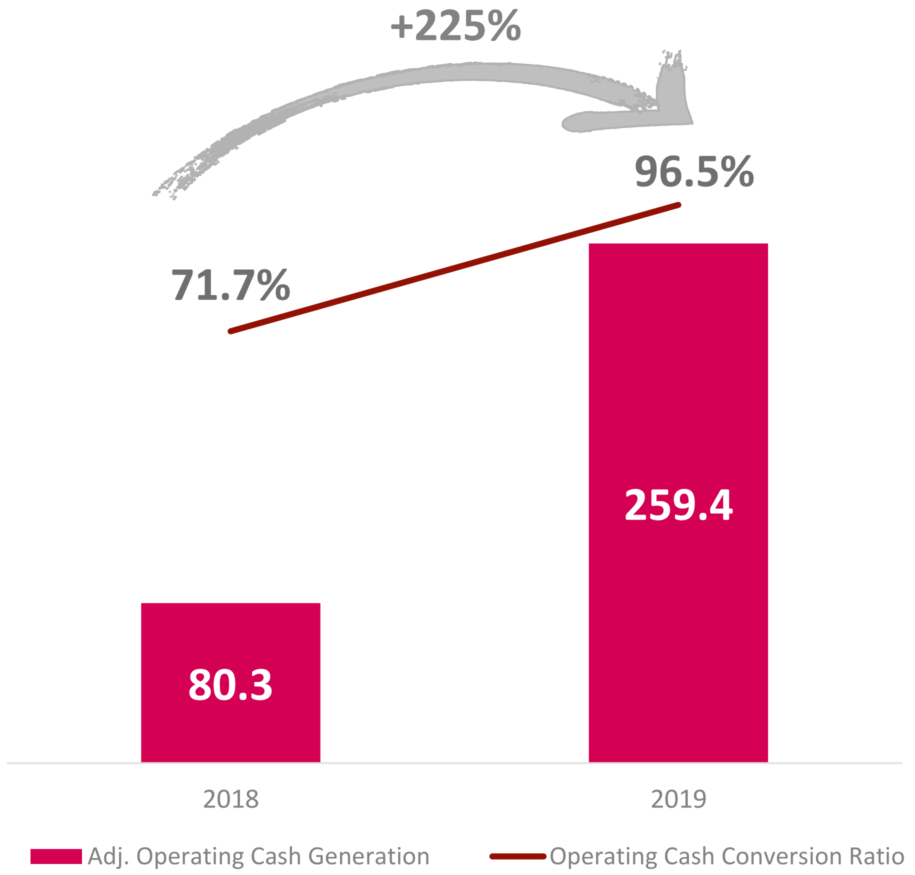
Robust Operating Cash Generation

Cash & Debt[1] (R$ mn)



- Cash and Equivalents of R$960.1 million at the end of 2019, a sizeable position to continue supporting M&A strategy;

Adjusted Operating Cash Generation (R$ mn)

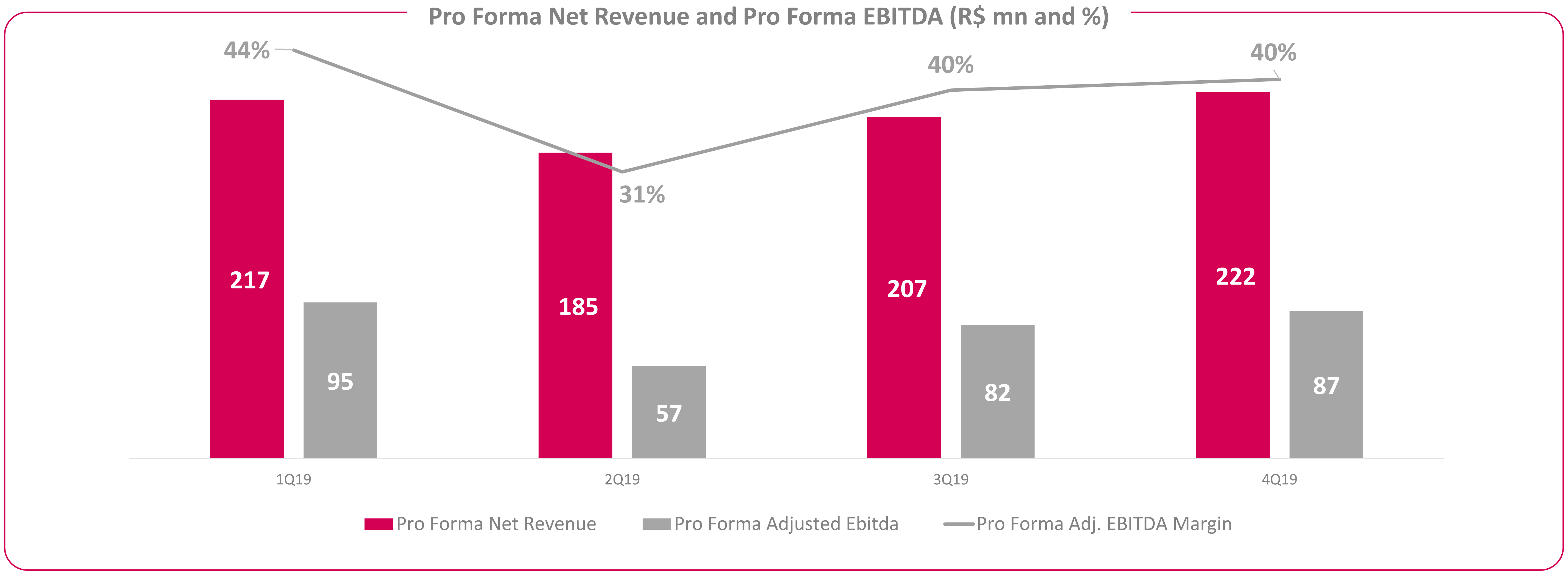


- Higher cash flow generation in 2019 due to a higher base of students and synergies from M&A contributing to operational leverage.

[1] *Total Debt does not includes derivatives and lease liabilities.*

Business Seasonality

First and last quarters are the strongest (ex IFRS16)



Business Unit 1

- BU1's net revenue do not have significant fluctuations during the year;
- Maturation process makes 2H stronger than 1H for each year.

Business Unit 2

- BU2's net revenue are concentrated in the first and last quarter of the year when printed books and e-books are delivered to students.

- *Pro Forma information is based on the historical consolidated financial statements of Afya Brazil, and give effect of the acquisitions of Medcel, IPEMED and FASA by Afya Brazil as if they had occurred on January 1, 2019.*
- *The results from 1Q2019, 2Q2019 and 3Q2019 were adjusted according to the PDA Timing Effect we disclosed in 4Q19 Earnings Release, the effect was R$1,075 million in 1Q2019, R$0,850 million in 2Q2019 and R$ 1,185 million in 3Q2019.*

2019 Guidance

Net Revenue [1]	415.0	418.8	422.5	426.3	430.0
	Lower Limit		Mid - Point		Upper Limit
Adjusted Ebitda Margin [1 2]	38.0%	38.5%	39.0%	39.5%	40.0%
	Lower Limit		Mid - Point		Upper Limit

- Our net revenue guidance range was R$415-430 million and we reached R$424 million, which is above the middle of the range.
- Our adjusted EBITDA margin guidance range was 38-40% and we reached 39.5%, which is above the middle of the guidance range.

(1) Excludes acquisitions concluded during 2H2019 – IPEC results (See full reconciliation of net revenues comparable with the guidance at page 14.
(2) Excludes the impact of the adoption of IFRS 16 and includes other adjustments. (See full reconciliation of Adjusted EBITDA margin comparable with the guidance at page 14).

2020 Guidance

Continued growth in Net Revenue and EBITDA

Net Revenue (R$ mn)

Net Revenues is expected to be between R$475 – R$510 million

- Includes UniRendentor starting February 1st, 2020
- Excludes UniSL results (gross revenue in 2019 totaled R$ 227.5 million)

Adjusted EBITDA Margin (%)

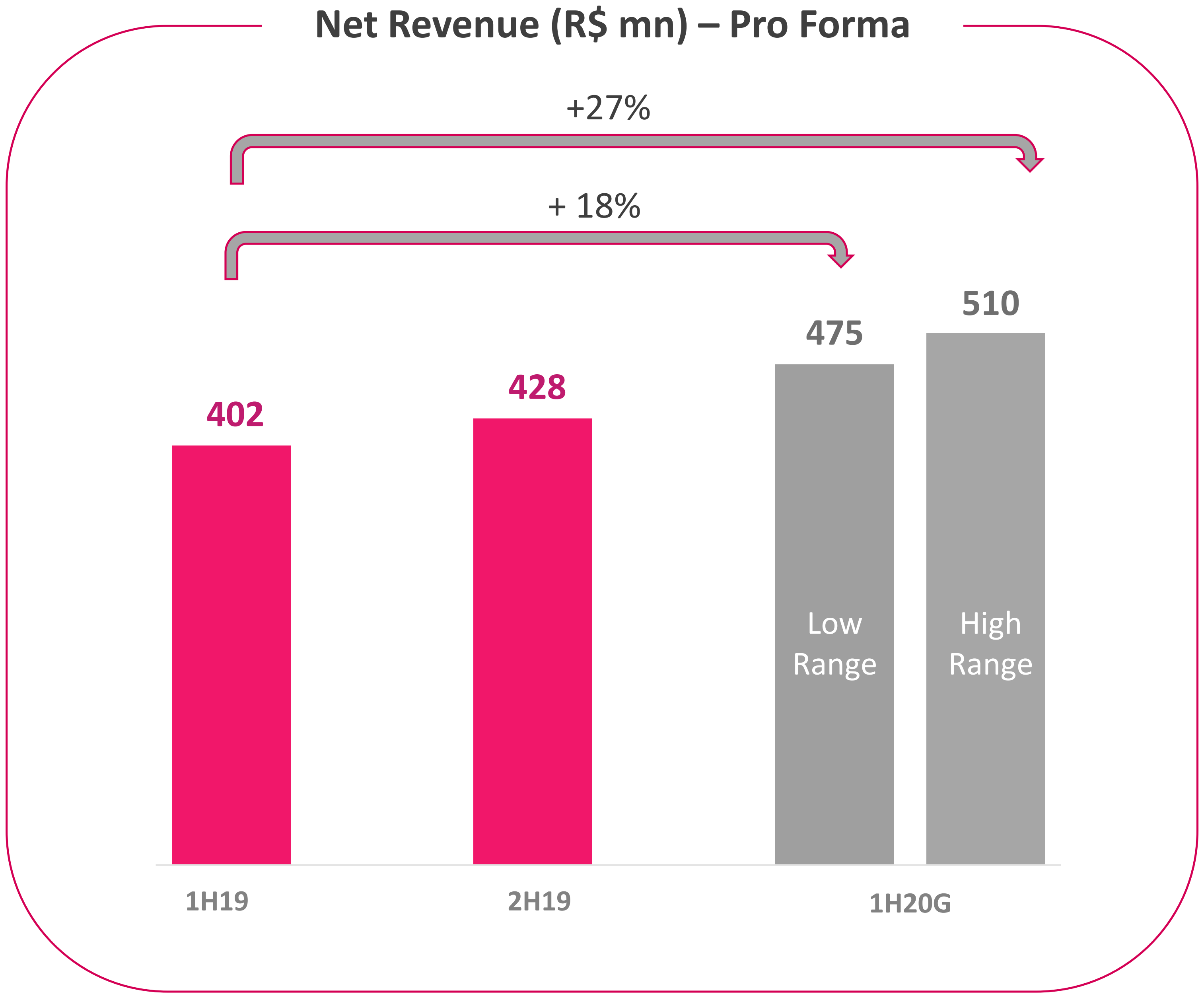
Adjusted EBITDA margin is expected to be between 45.0 - 46.5%

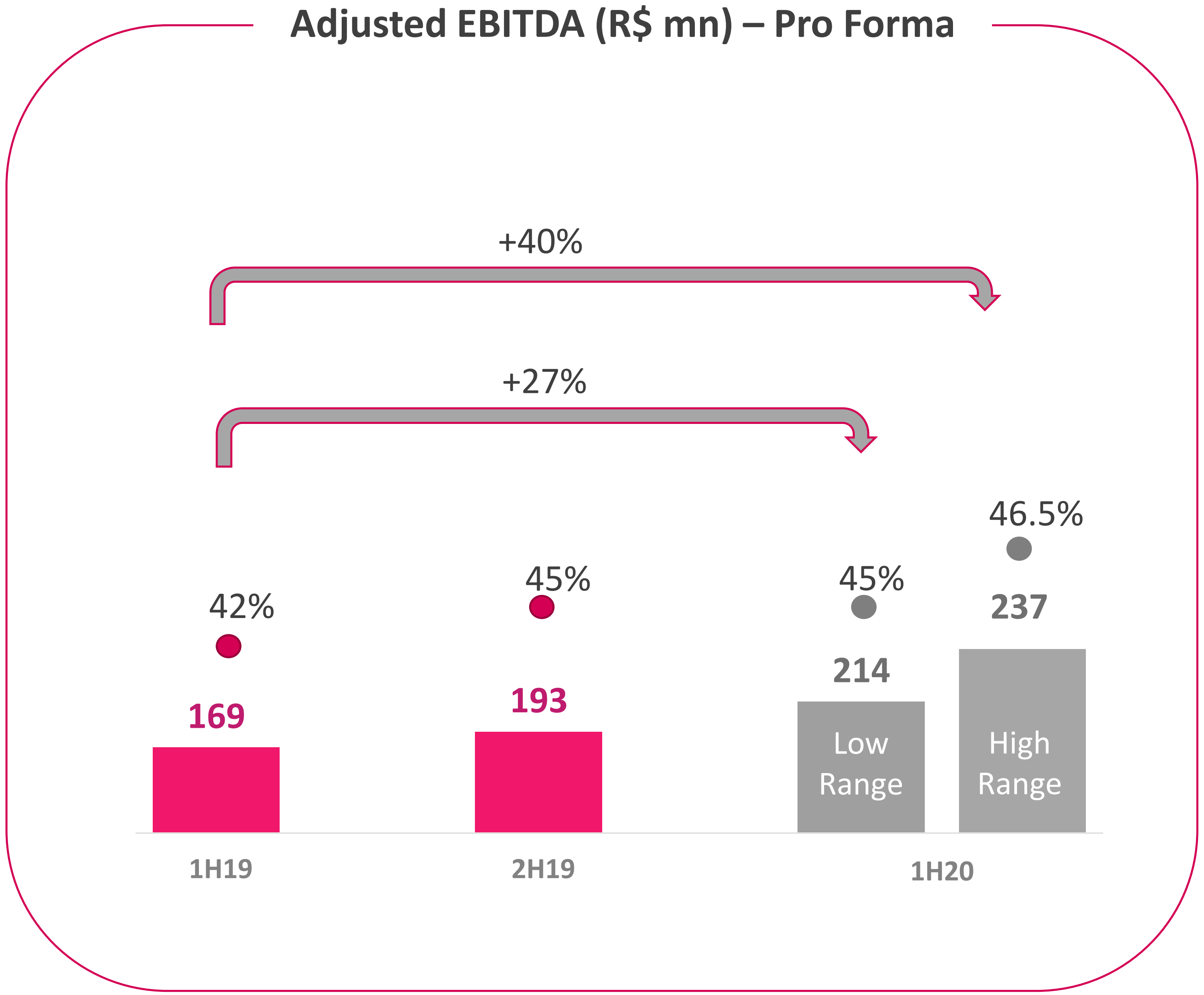
- Includes UniRendentor starting February 1st, 2020
- Excludes UniSL and any other acquisition that may be concluded after the issuance of the guidance
- Includes the impact of the adoption of IFRS 16

Information herein presented is based on Management's assumptions and therefore contain risks, uncertainties and may not occur. Investor should not rely on forward-looking statements as prediction of future events.

2020 Guidance - including the impact of the adoption of IFRS 16

Continued growth in Net Revenue and EBITDA





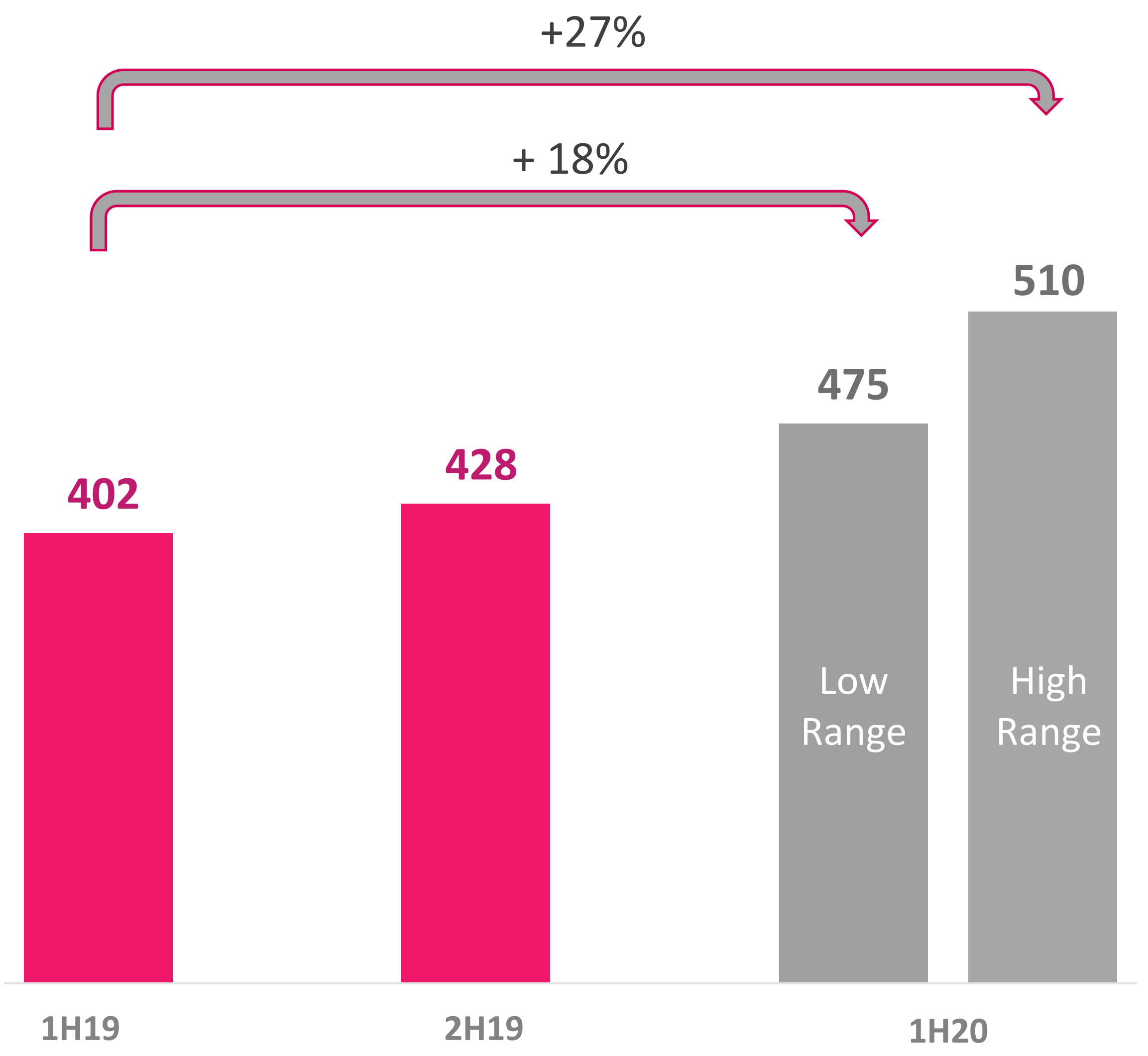
- Organic growth and acquisitions contributing to expected Net Revenue growth.
- M&A synergies contributing to margin gain.

Information herein presented is based on Management's assumptions and therefore contain risks, uncertainties and may not occur. Investor should not rely on forward-looking statements as prediction of future events.

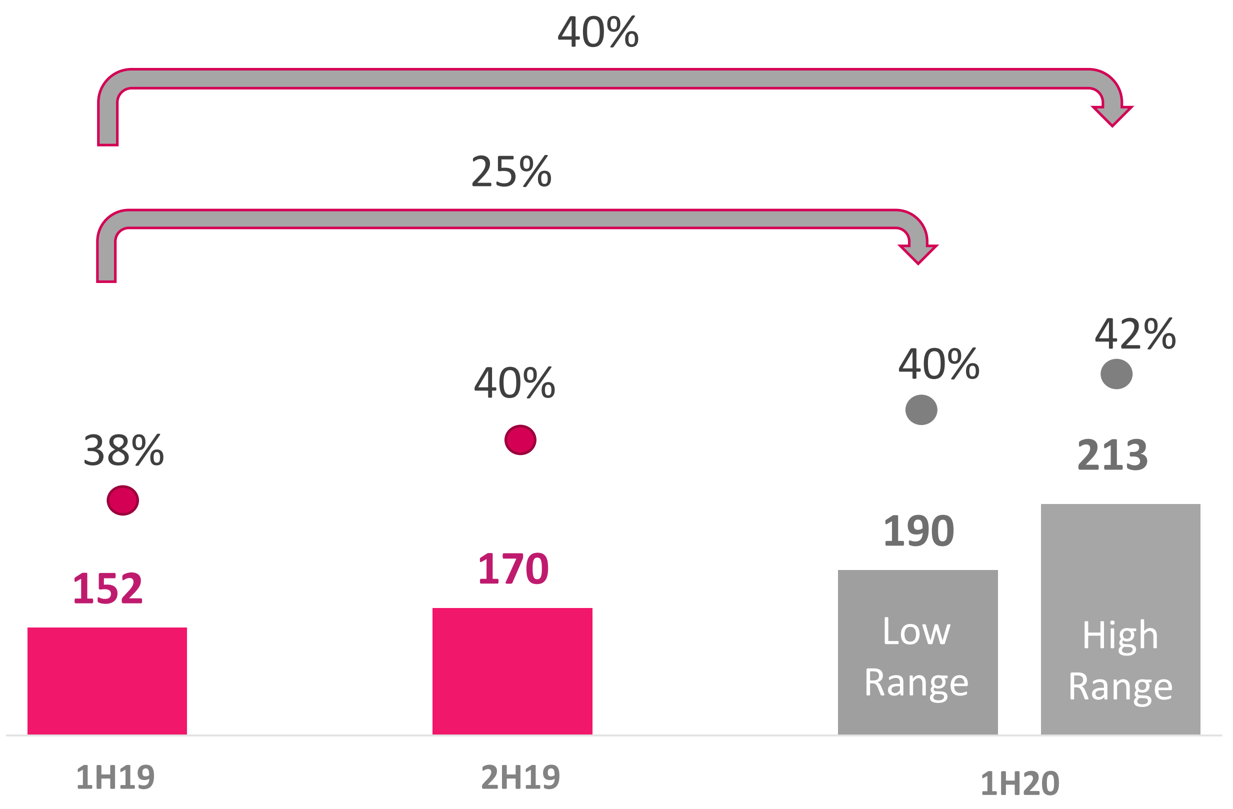
2020 Guidance - excluding the impact of the adoption of IFRS 16

Continued growth in Net Revenue and EBITDA

Net Revenue (R$ mn) – Pro Forma



Adjusted EBITDA (R$ mn) – Pro Forma



- Organic growth and acquisitions contributing to expected Net Revenue growth.
- M&A synergies contributing to margin gain.

Information herein presented is based on Management's assumptions and therefore contain risks, uncertainties and may not occur. Investor should not rely on forward-looking statements as prediction of future events.

Q&A

Appendix

Reconciliation between Net Income and Adjusted EBITDA

R$ thousand

	Fourth Quarter			Full Year		
	2019	2018	% Chg	2019	2018	% Chg
Net income	52,976	26,338	101.1%	172,762	94,734	82.4%
Net financial result	3,602	2,356	52.9%	20,676	-2,274	-1009.2%
Income taxes expense	4,473	850	426.2%	14,175	3,988	255.4%
Depreciation and amortization	22,449	4,901	358.0%	73,152	9,078	705.8%
Interest received (1)	1,952	925	111.0%	9,680	4,364	121.8%
Payment of lease liabilities (2)	-11,968	0	-	-39,779	0	-
Share-based compensation	8,250	625	1220.0%	18,114	2,161	738.2%
Non-recurring expenses:	**5,680**	**2,520**	**125.3%**	**24,877**	**7,825**	**217.9%**
- PDA Timing Adjustment (3)	-3,109	0		0	0	
- Integration of new companies (4)	1,814	2,776	-34.7%	6,301	3,411	84.7%
- M&A advisory and due diligence (5)	1,226	209	486.6%	2,752	366	652.0%
- Expansion projects (6)	2,162	41	5142.2%	3,685	392	840.1%
- Restructuring expenses (7)	3,587	-506	-809.1%	12,139	3,656	232.0%
Adjusted EBITDA	**87,414**	**38,515**	**127.0%**	**293,657**	**119,876**	**145.0%**
Adjusted EBITDA Margin	*39.6%*	*41.7%*	+380 b.p	*39.1%*	*52.6%*	+260 p.p
Pro Forma Adjusted EBITDA (8)	**87,414**	**-**	**-**	**321,843**	**-**	**-**
Pro Forma Adjusted EBITDA Margin (8)	39.6%	-	-	38.8%	-	-
Pro Forma Adjusted EBITDA Excluding IPEC	**85,534**	**-**	**-**	**319,720**		
Pro Forma Adjusted EBITDA Margin Excluding IPEC	39.2%	-	-	38.6%		

(1) Represents the interest received on late payments of monthly tuition fees. (2) Consists of payment of lease liabilities recorded under IFRS 16 as from January 1, 2019. (3) Consists of provision for doubtful account (PDA) improvements, net of taxes, recognized in 4Q19 according to IFRS 9, but that relate to other quarters of 2019. The R$3.1mn adjustment is divided in R$1.2 relative to 3Q19 and R$1.9 relative to 1H19. There is no adjustment for the full year of 2019 since the quarterly adjustments net one another. (4) Consists of expenses related to the integration of newly acquired companies. (5) Consists of expenses related to professional and consultant fees in connection with due diligence services for our M&A transactions. (6) Consists of expenses related to professional and consultant fees in connection with the opening of new campuses. (7) Consists of expenses related to the employee redundancies in connection with the organizational restructuring of our acquired companies. (8) See Pro Forma Adjusted EBITDA Reconciliation to Proforma Net Income.

Reconciliation between Net Income and Adjusted Net Income

R$ thousand

(in thousand of R$)

	Fourth Quarter			Full Year		
	2019	2018	% Chg	2019	2018	% Chg
Net income	52,976	26,338	101.1%	172,762	94,734	82.4%
Amortization of customer relationships and trademark (1)	11,303	1,578	616.3%	36,077	2,945	1125.0%
Depreciation of right-of-use of assets (2)	5,209	0	0.0%	18,330	0	0.0%
Interest expense of lease liabilities (3)	8,132	0	0.0%	31,469	0	0.0%
Payment of lease liabilities (4)	-11,968	0	0.0%	-39,779	0	0.0%
Share-based compensation	8,250	625	1220.0%	18,114	2,161	738.2%
PDA timing adjustments net of taxes (5)	-2,052	0	0.0%	0	0	0.0%
Adjusted Net Income	**71,850**	**28,541**	**151.7%**	**236,973**	**99,840**	**137.4%**

(1) Consists of amortization of customer relationships and trademark recorded under business combinations. (2) Consists of depreciation of right-of-use of assets recorded under IFRS 16 as from January 1, 2019. (3) Consists of interest expenses of lease liabilities recorded under IFRS 16 as from January 1, 2019. (4) Consists of payment of lease liabilities recorded under IFRS 16 as from January 1, 2019. (5) Consists of provision for doubtful account (PDA) improvements, net of taxes, recognized in 4Q19 according to IFRS 9, but that relate to other quarters of 2019. The R$3.1mn adjustment is divided in R$1.2 relative to 3Q19 and R$1.9 relative to 1H19. There is no adjustment for the full year of 2019 since the quarterly adjustments net one another.

Reconciliation between Net Income and Pro Forma Adjusted EBITDA

R$ thousand

(in thousand of R$)	Full Year 2019	First quarter 2019			Full Year 2019
	Afya Brazil Historical (1)	Medcel (2)	Pro Forma Adjustments	FASA + IPEMED EBITDA Pre Acq.	Afya Brazil Pro Forma
Net income	172,762	20,044	-5,315	-	187,491
Net financial result	20,676	65	0	-	20,741
Income taxes expense	14,175	1,409	0	-	15,584
Depreciation and amortization	73,152	1,726	5,315	-	80,193
Interest received (3)	9,680	0	0	-	9,680
Payment of lease liabilities (4)	-39,779	-228	0	-	-40,007
Share-based compensation	18,114	70	0	-	18,184
Non-recurring expenses:	**24,877**	**0**	**0**	**-**	**24,877**
Integration of new companies (5)	6,301	0	0	-	6,301
M&A advisory and due diligence (6)	2,752	0	0	-	2,752
Expansion projects (7)	3,685	0	0	-	3,685
Restructuring expenses (8)	12,139	0	0	-	12,139
Adjusted EBITDA	293,657	23,086	0	5,100	
Pro Forma Adjusted EBITDA					**321,843**

(1) Represents the historical consolidated statement of income of Afya Brazil for the six months ended June 30, 2019. (2) Represents the historical consolidated statement of income of Medcel for the period from January 1, 2019 to March 28, 2019. (3) Represents the interest received on late payments of monthly tuition fees. (4) Consists of payment of lease liabilities recorded under IFRS 16 as from January 1, 2019. (5) Consists of expenses related to the integration of newly acquired companies. (6) Consists of expenses related to professional and consultant fees in connection with due diligence services for our M&A transactions. (7) Consists of expenses related to professional and consultant fees in connection with the opening of new campuses. (8) Consists of expenses related to the employee redundancies in connection with the organizational restructuring of our acquired companies.

Afya

EDUCATION
TECHNOLOGY
HEALTHCARE

Contact: ir@afya.com.br