



AFYA ANNOUNCES ENTERING INTO OF PURCHASE AGREEMENT FOR THE ACQUISITION OF UNIGRANRIO

MAY, 2021

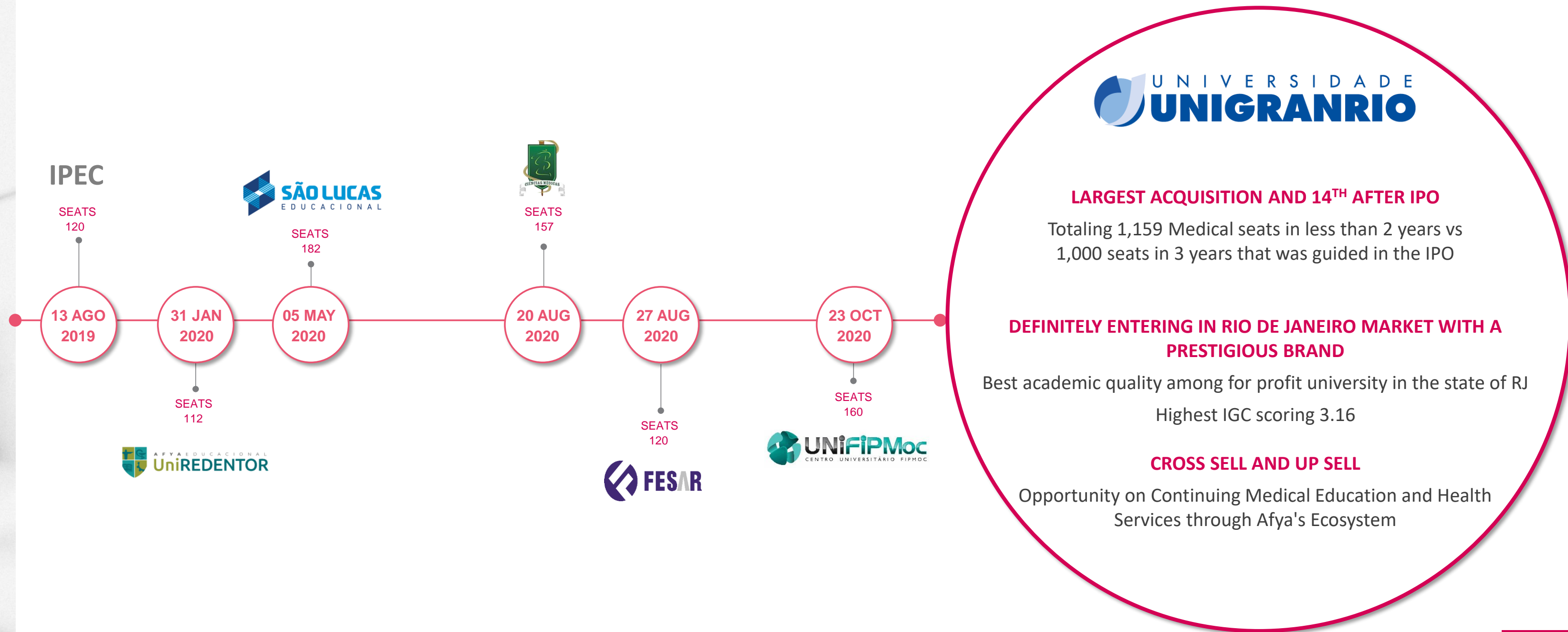
Safe Harbor

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which statements involve substantial risks and uncertainties. All statements other than statements of historical fact, could be deemed forward looking, including risks and uncertainties related to statements about our competition; our ability to attract, upsell and retain students; our ability to increase tuition prices; our ability to anticipate and meet the evolving needs of student and teachers; our ability to source and successfully integrate acquisitions; general market, political, economic, and business conditions; and our financial targets such as revenue, share count and IFRS and non-IFRS financial measures including gross margin, operating margin, net income (loss) per diluted share, and free cash flow. Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as statements about the potential impacts of the COVID-19 pandemic on our business operations, financial results and financial position and on the Brazilian economy.

The Company undertakes no obligation to update any forward-looking statements made in this press release to reflect events or circumstances after the date of this press release or to reflect new information or the occurrence of unanticipated events, except as required by law. The achievement or success of the matters covered by such forward-looking statements involves known and unknown risks, uncertainties and assumptions. If any such risks or uncertainties materialize or if any of the assumptions prove incorrect, our results could differ materially from the results expressed or implied by the forward-looking statements we make. Readers should not rely upon forward-looking statements as predictions of future events. Forward-looking statements represent management's beliefs and assumptions only as of the date such statements are made. Further information on these and other factors that could affect the Company's financial results is included in filings made with the United States Securities and Exchange Commission (SEC) from time to time, including the section titled "Risk Factors" in the most recent Rule 434(b) prospectus. These documents are available on the SEC Filings section of the investor relations section of our website at: <https://ir.afya.com.br/>.

Executing Afya's Strategy and Over Delivering Medical Seats Guidance

Acquisition adds to strategy of consistent growth in Medical Education and Health Digital Services with EBITDA Margin Expansion



UNIGRANRIO | Overview

1.

RELEVANT ADDITION TO OUR PORTFOLIO

308 medical seats: +14% growth on authorized seats UPSIDE

1,777 medical students in December 2020 and a potential of 2,218 medical students at full maturity in 2023

- In December 2020, UNIGRANRIO had 10,186 on site undergrad students ex-Medicine of which **5,746 are health students**, additionally Unigranrio has 7,001 DL/hybrid and 860 graduate students.

2.

STRATEGICALLY LOCATED

2 medical campuses in Rio de Janeiro State

3.

REINFORCING AFYA'S STRATEGY

2020 Net Revenue of R\$ 263.1 million¹, of which **48.5% comes from the Medicine course and 70.9% at maturity in 2023**

- Health courses ex Medicine represents 19.0% of 2020's Net Revenue and 14.4% at maturity

4.

BOOST FOR HYBRID EDUCATION

High quality DL operation, scoring a CI of 5 (maximum quality evaluation)

- **79 DL centers** with the license to open +250 centers per year.



Rio de Janeiro
(RJ)

1) Includes Companhia Nilza, PDC and Fatenp



UNIGRANRIO | Overview

2 medical campuses in Rio de Janeiro state, one in the capital and the other in Duque de Caxias with a best in class structure to offer high-quality education



Barra da Tijuca /RJ - Duque de Caxias/RJ



Transaction Rationale

RELEVANT ACQUISITION IN AFYA'S STRATEGY

Expansion in Rio de Janeiro state with the **most prestigious brand in terms of quality**¹.

Highest IGC¹ in the state grade 3.16 versus 2.66 average in the state.

860 health graduate students that will be integrated in Continuing Education

ACQUISITION MULTIPLE

Expected EV/EBITDA of 4.1x at maturity and post synergies

Additional 82 medical seats could be added under pending authorization from MEC

HIGH POTENTIAL OF VALUE GENERATION TO SHAREHOLDERS

Estimated Net Revenue 2023 of R\$343.2 million post maturation of current seats and assuming 100% occupancy

Significant synergies and opportunity to further expand Afya's Digital Services

1) Highest IGC of all for profit private universities in Rio de Janeiro State. IGC (Índice Geral de Cursos - General Courses Index): general concept for the institution

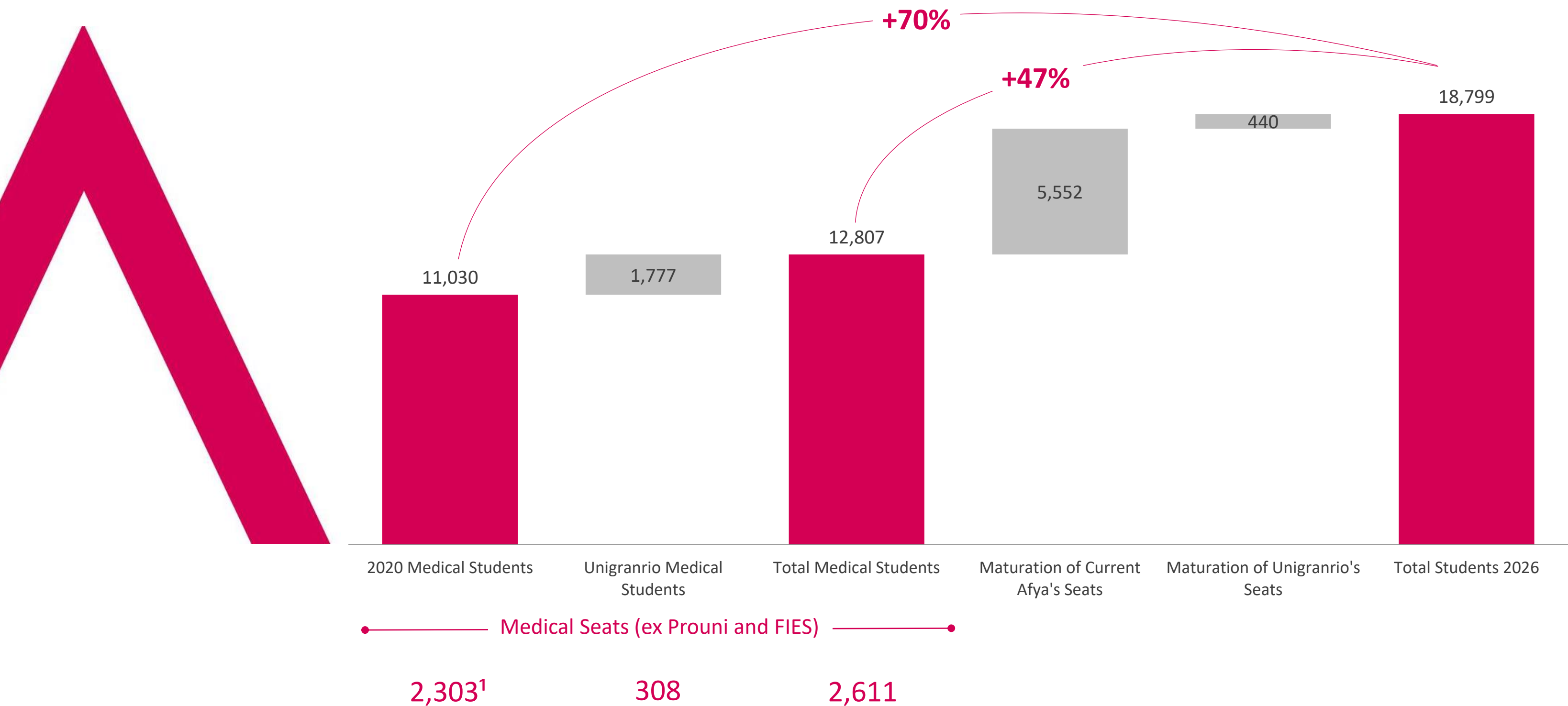


Transaction Synergies

1. **Maturation: Current maturation stage of 81%**
2. **Cross Sell Digital Services and Continuing Education over Unigranrio Health Ecosystem**
3. **Integration into Afya's shared services center and implementation into it's career plan**
4. **Implementation of Afya's integrated curriculum**
5. **UNIGRANRIO distance learning expertise will help to improve margins of Afya's ex-Health undergraduate courses**



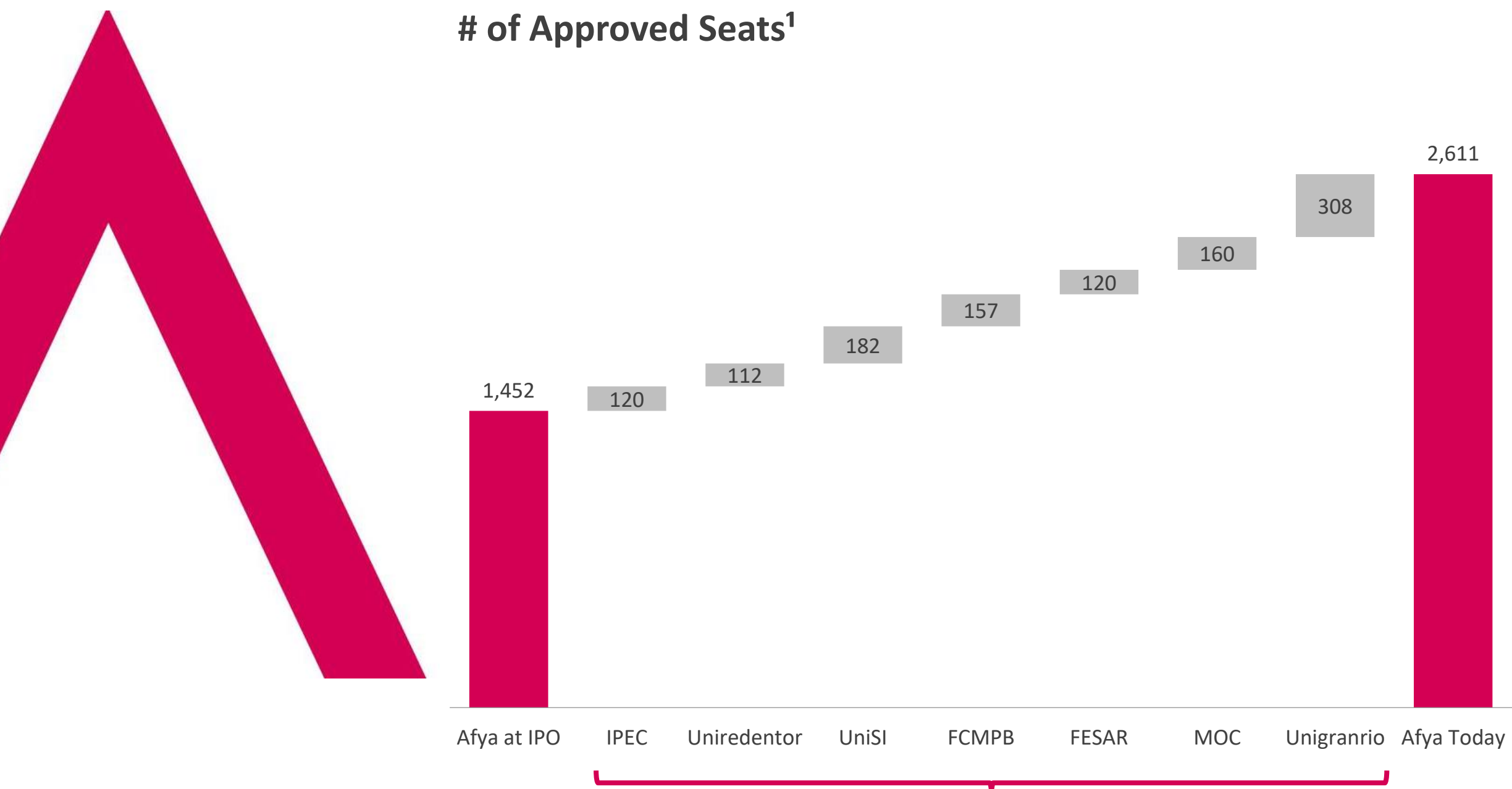
Expanding Afya's Maturation Profile




1) includes the acquisition of UNIFIPMoc.



Afya Post Transaction



Reinforced Leadership

	Approved Seats ¹
	2.6k
Player 2	1.8k
Player 3	1.2k
Player 4	496
Other	21.9k

116% out of the 1,000 seats guided

1. Approved seats does not include additional seats granted by Prouni, FIES and legal requests with MEC



Unigranrio Transaction Details

TERMS

Afya Limited through its subsidiary “Afya Participações S.A.” acquired **100% OF THE TOTAL SHARE CAPITAL OF COMPANHIA NILZA CORDEIRO HERDY DE EDUCAÇÃO E CULTURA**

VALUE

The aggregate purchase price (enterprise value) is R\$700.0 million, including the assumption of estimated Net Debt of R\$72.4 million which will be adjusted at the closing date. The equity value will be paid: 60% in cash on the transaction closing date and 40% in four equal annual instalments, adjusted by the CDI rate.

There are 82 additional seats still pending approval. If approved by the Ministry of Education, will result in a potential additional payment structured as follow (I) if the approval is granted in the first year after acquisition, R\$ 1.1 million per seat (II) if the approval is granted in the second year after acquisition, R\$ 1.0 million per seat. (III) if the approval is granted between the third and fourth year after acquisition, R\$ 0.9 million per seat.

CONDITIONS

THE TRANSACTION IS SUBJECT TO CUSTOMARY CONDICIONS PRECEDENT AND ANTITRUST REGULATORY APPROVALS. Estimated close date: September 2021.





THANK YOU

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