

Afya

INSTITUTIONAL PRESENTATION

EXPERIENCE
THE BEST IN MEDICINE
2024



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/>.

WHAT WE DO



Afya

OUR MISSION

Is to provide an **ecosystem** that integrates **education** and **digital** solutions for the entire **medical journey**, enhancing the development, updating, assertiveness, and productivity of **health professionals**.

OUR VISION

Is to **transform** health together with those who have medicine as a **vocation**.

About Afya:



OPERATIONAL OVERVIEW



RESTRUCTURING OF OUR BUSINESS UNITS



UNDERGRAD PROGRAMS

- Medical School
- Health Science
- Other Undergraduate



CONTINUING EDUCATION

- Medical graduate programs



DIGITAL

- Content & Technology for Medical Education
- Clinical Decision Software
- Electronic Medical Record, Telemedicine and Electronic Prescription
- Physician - Patient Relationship



RESTRUCTURING OF OUR BUSINESS UNITS



UNDERGRAD PROGRAMS

- Medical School
- Health Science
- Other Undergraduate

Afya FACULDADE DE CIÊNCIAS MÉDICAS

UNIVERSIDADE **UNIGRANRIO** | Afya

UNIMA | Afya

SÃO LUCAS | Afya

UniREDENTOR | Afya

UNIFIPMoc | Afya

FESAR | Afya

ITPAC | Afya

FACIMPA | Afya



CONTINUING EDUCATION

- Residency Journey
- Graduate Journey
- Other Courses & B2B Offerings

Afya EDUCAÇÃO MÉDICA

Afya PAPERS

MEDICAL HARBOUR | Afya

MEDCEL | Afya

ALÉM DA MEDICINA | Afya



MEDICAL PRACTICE SOLUTIONS

- Clinical Decision
- Clinical Management
- Physician - Patient Relationship

Afya WHITEBOOK

Shosp | Afya

Afya iCLINIC

RX PRO | Afya

cliquefarma | Afya

glic | Afya

SOLUTIONS FOR EVERY STEP

IN THE PHYSICIAN'S JOURNEY



R\$22.1BN
TAM
MEDICAL
EDUCATION

UNDERGRADUATE PROGRAMS



MEDICAL SCHOOL

CONTINUING EDUCATION



RESIDENCY &
GRADUATE JOURNEY



OTHER COURSES &
B2B OFFERINGS

EDUCATION SUPPORT

MEDICAL PRACTICE SOLUTIONS

R\$28.4BN
TAM
MEDICAL
PRACTICE
SOLUTIONS

CLINICAL DECISION

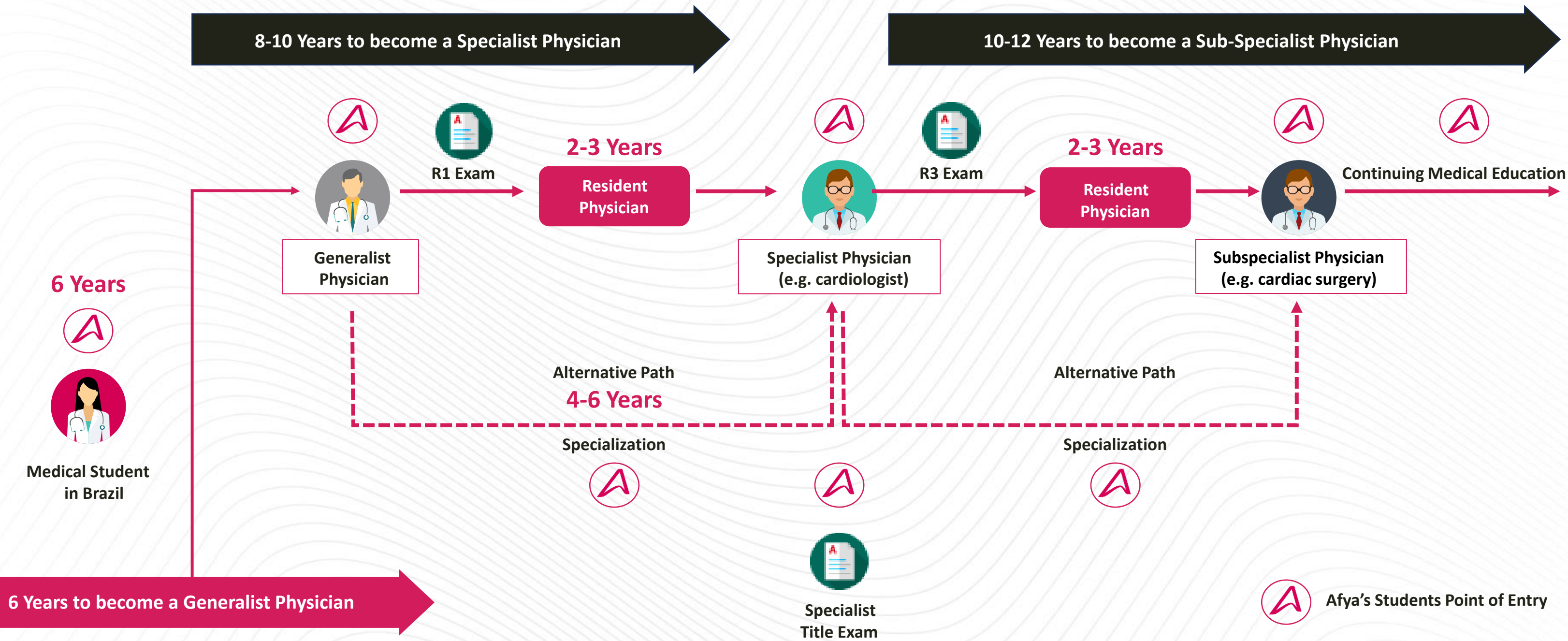
CLINICAL MANAGEMENT

PHYSICIAN-PATIENT RELATIONSHIP



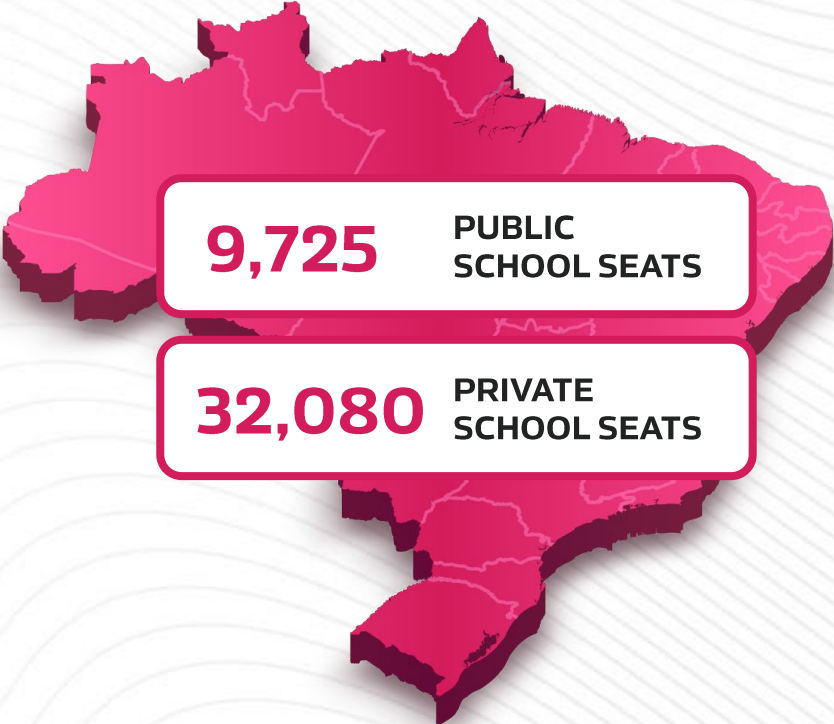
MEDICAL CAREER IN BRAZIL

MULTIPLE POINTS OF ENTRY INTO AFYA'S PLATFORM



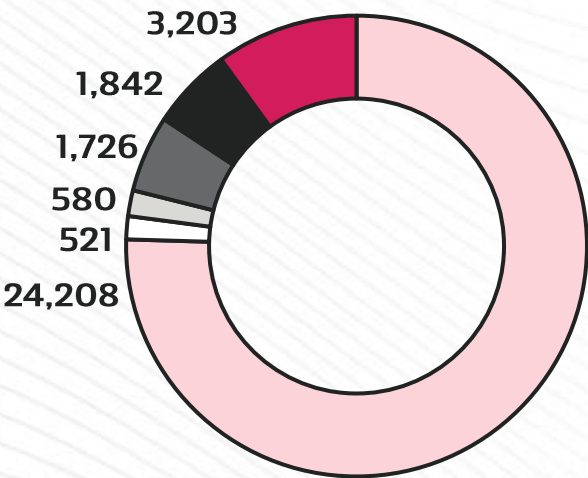
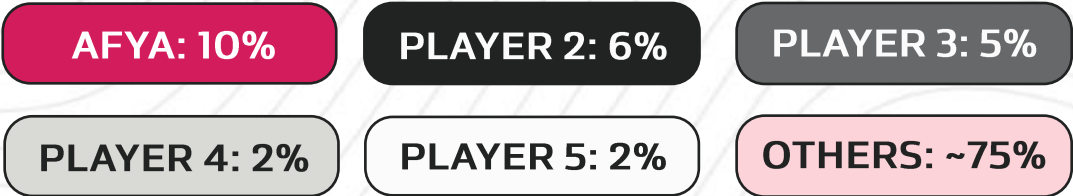
UNDERGRAD OVERVIEW

APPROVED SEATS IN BRAZIL



SEATS PER MEDICAL SCHOOL PLAYER

MARKETSHARE OF PRIVATE SCHOOLS SEATS:



22,609 MEDICAL STUDENTS IN AFYA'S ECOSYSTEM

WHAT AFYA HAS



33 CAMPUSES SPREAD AROUND BRAZIL



30 CAMPUSES WITH MEDICAL COURSES



~10% MARKETSHARE OF PRIVATE SCHOOL SEATS



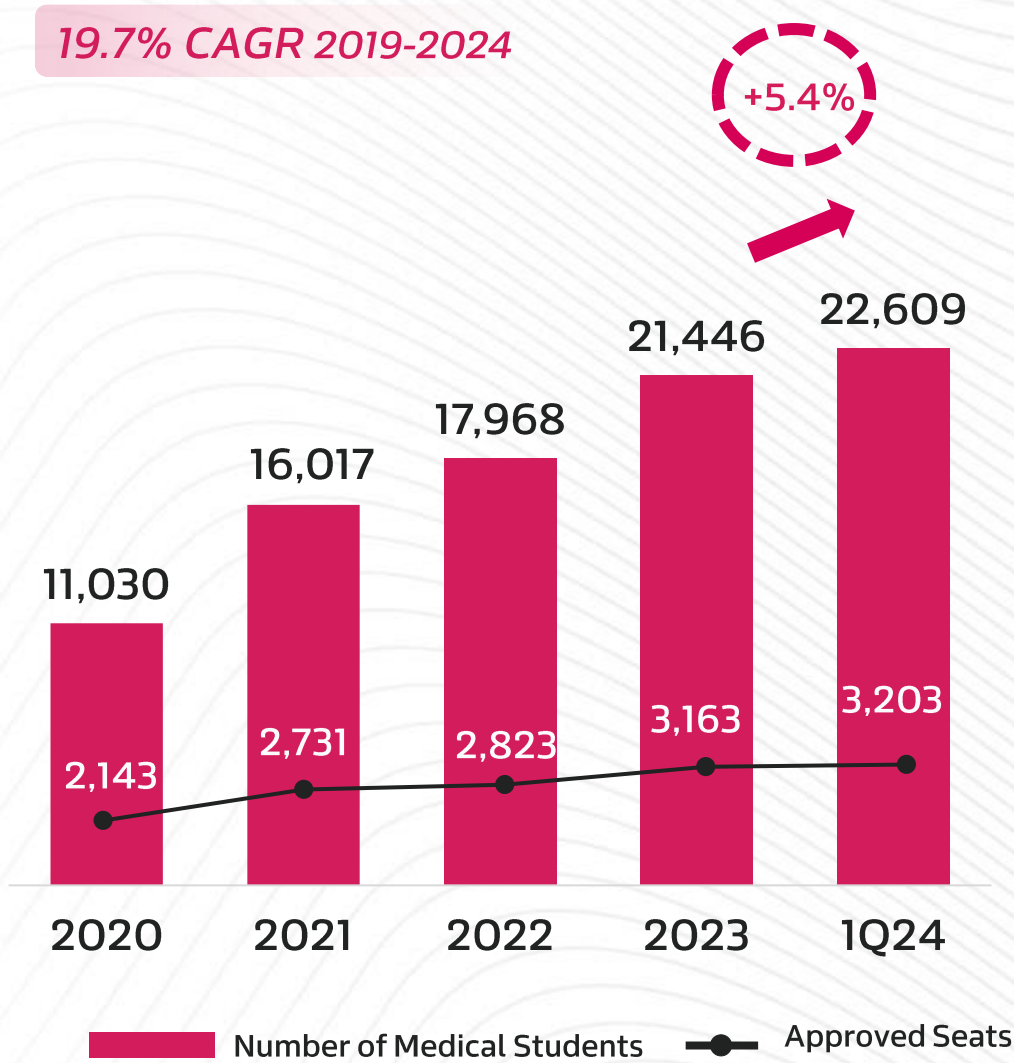
3,203 APPROVED SEATS

Sources: Brazilian “Demografia Médica” 2023 / Investor Relations Website from Players 2-5

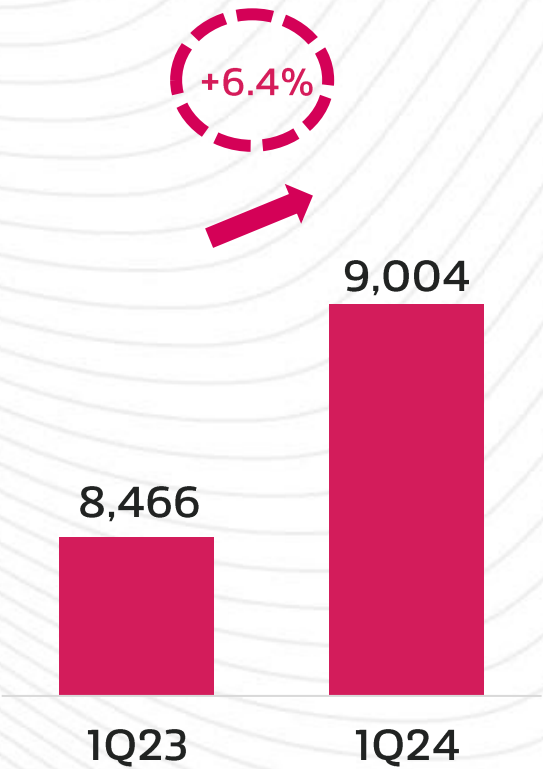
OPERATIONAL METRICS

MEDICAL SCHOOL & UNDERGRADUATE

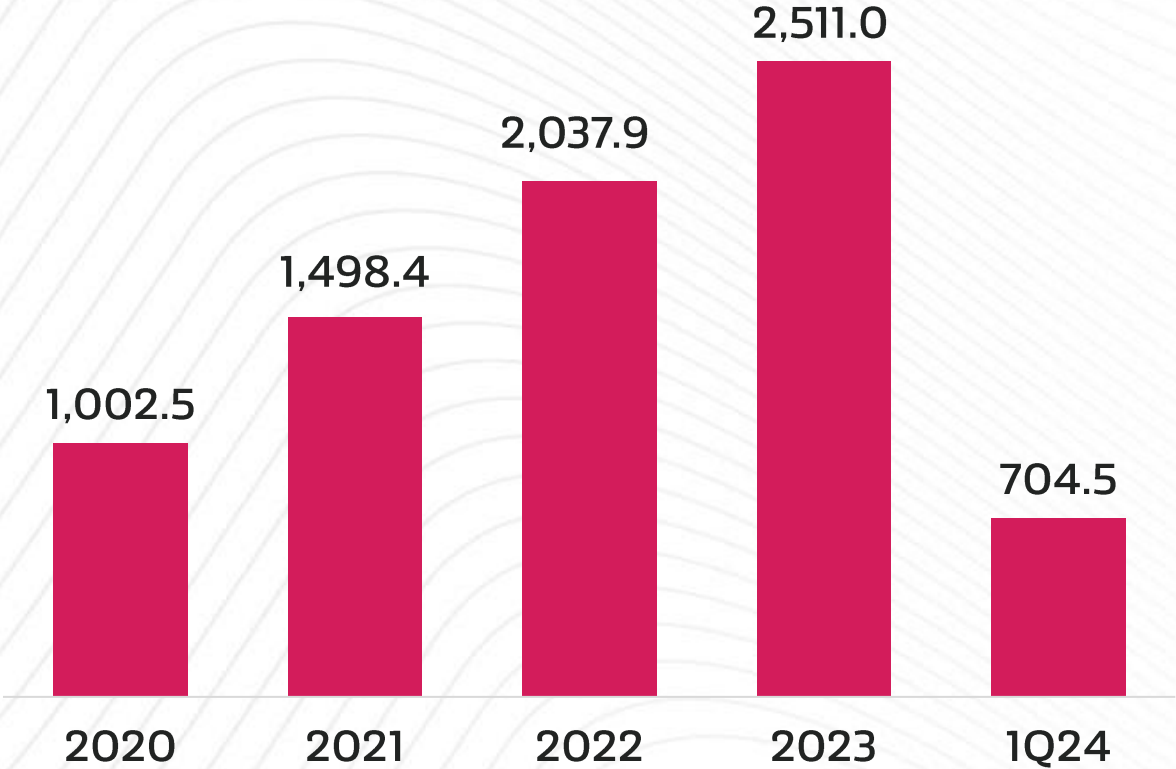
NUMBER OF SEATS
AND MEDICAL STUDENTS



MEDICAL SCHOOL
NET AVERAGE TICKET – (R\$/MONTH)



UNDERGRADUATE
NET REVENUE– (R\$ MM)



CONTINUING EDUCATION OVERVIEW

MEDCEL | Afya

Afya PAPERS

Afya EDUCAÇÃO MÉDICA


MEDICAL HARBOUR | Afya

ALÉM DA MEDICINA | Afya



16 CAMPUSES SPREAD AROUND BRAZIL

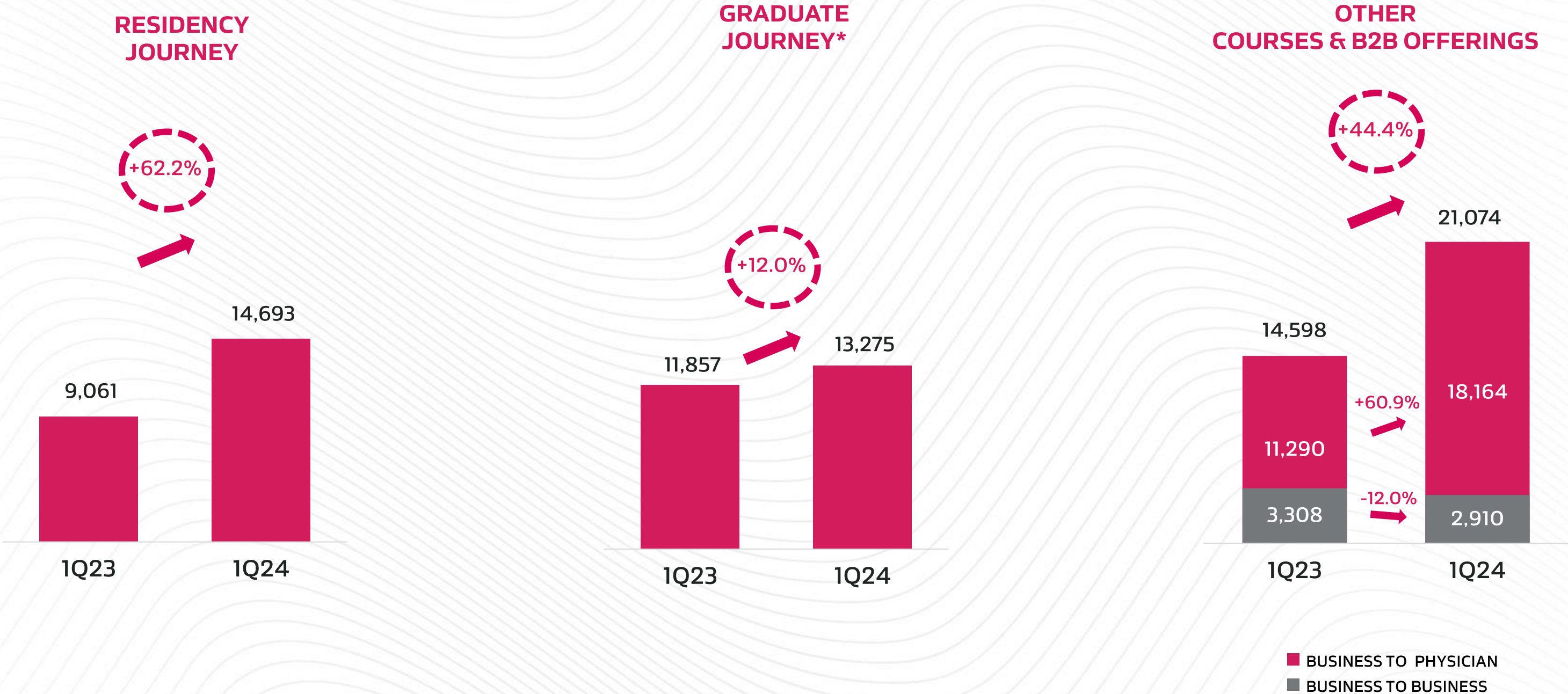




49, 042 ENROLLED STUDENTS IN AFYA'S ECOSYSTEM

OPERATIONAL METRICS

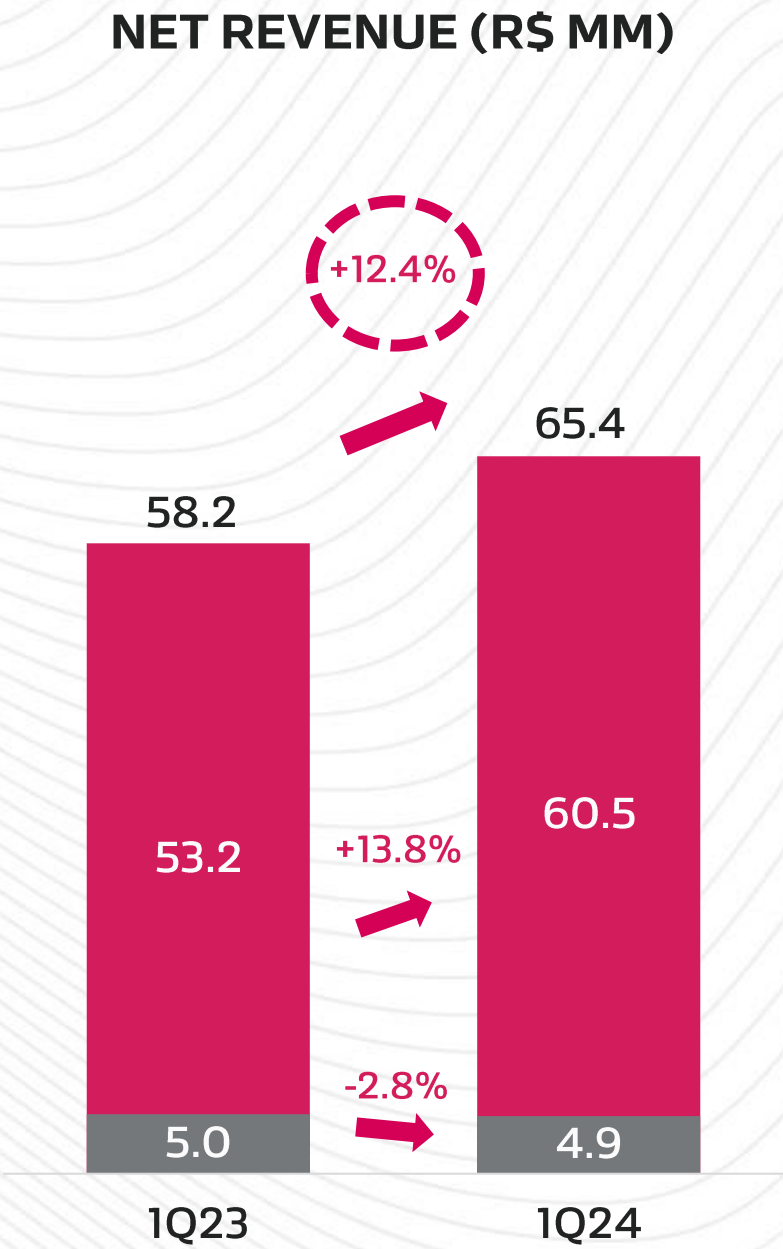
CONTINUING EDUCATION – STUDENT BASE



*Medical graduate programs represents approximately 40% of graduate journey students

OPERATIONAL METRICS

CONTINUING EDUCATION – REVENUES



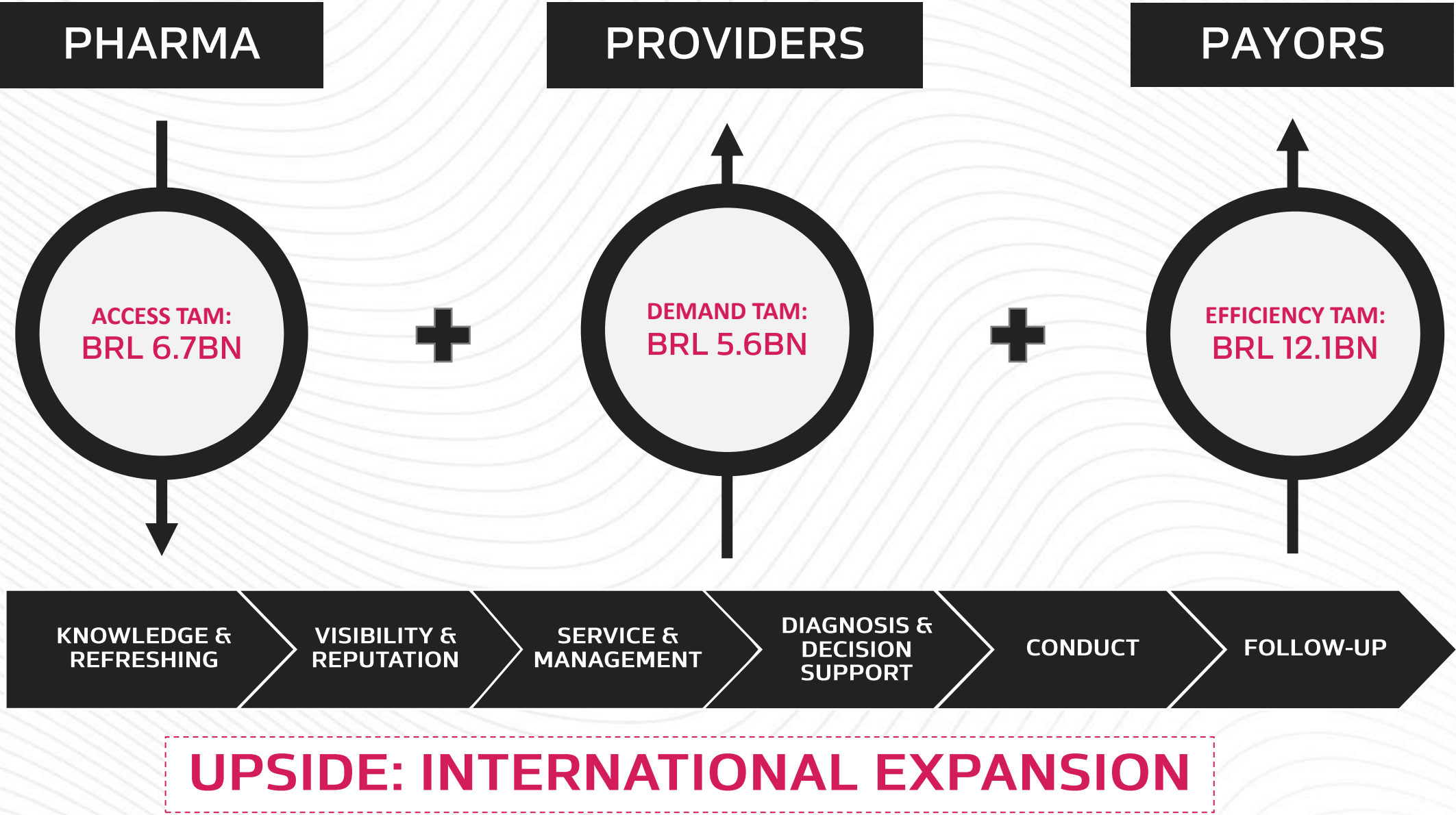
MEDICAL PRACTICE SOLUTIONS OVERVIEW

GROWTH INITIATIVES AND B2B RAMP-UP

HEALTHCARE
MARKET

VALUE
CREATION

PHYSICIANS
DAY TO DAY

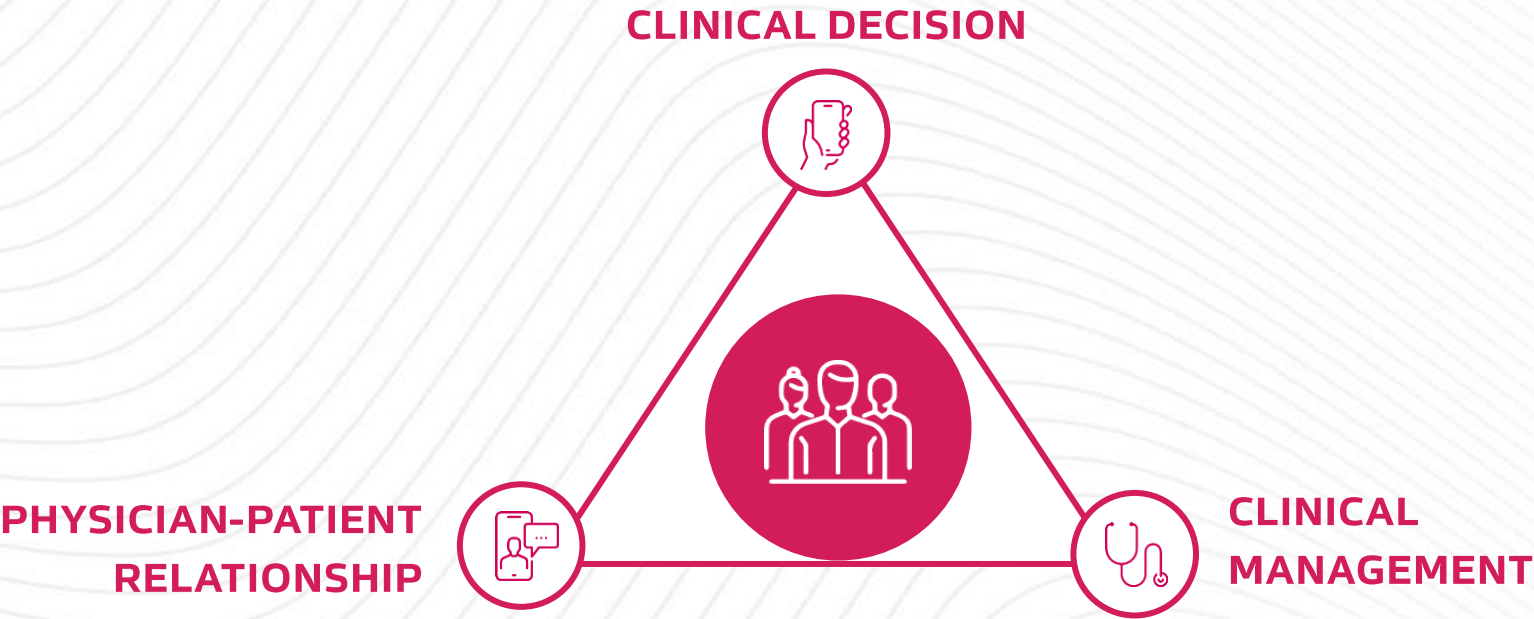


MEDICAL PRACTICE SOLUTIONS OVERVIEW



262,717 TOTAL MONTHLY
ACTIVE USERS (MAU)*

MONETIZATION: B2B Health Industry E-Detailing / Recruitment / ADS-MEDIA / Content Distribution / Efficiency / Demand
TAM B2B: R\$24.4 BN
MONETIZATION: B2P Fee Per Content and Subscription SaaS Free
TAM B2P: R\$4.0 BN

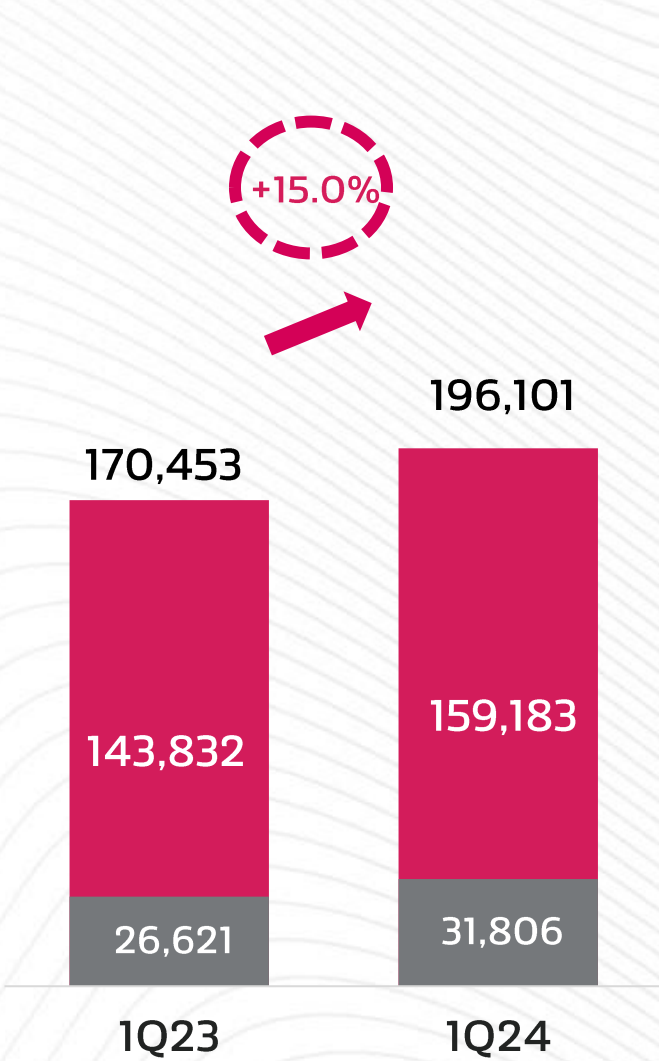


*'Content & Technology for Medical Education' is now being reported in Continuing Education table

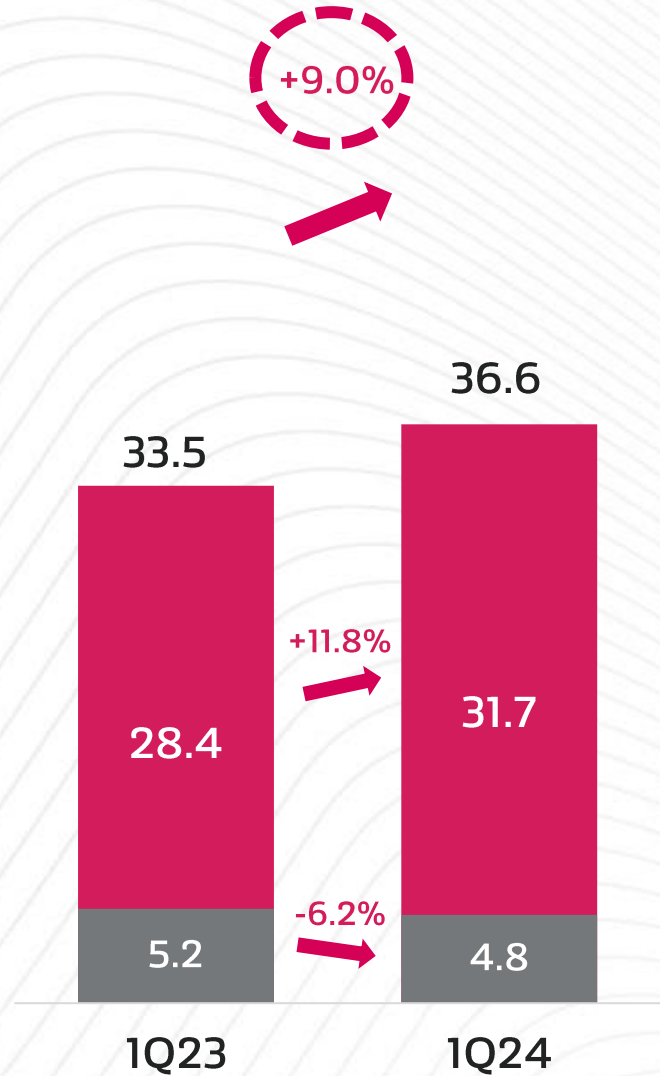
OPERATIONAL METRICS

MEDICAL PRACTICE SOLUTIONS

TOTAL ACTIVE PAYERS
END OF PERIOD



NET REVENUE – (R\$ MM)



AFYA'S ECOSYSTEM

INTEGRATED FOR EVERY STEP OF PHYSICIANS STAGE

MEDICAL PRACTICE SOLUTIONS

334,368

PHYSICIANS AND
MEDICAL STUDENTS

41%

OF BRAZILIAN PHYSICIANS AND MEDICAL
STUDENTS IN AFYA'S ECOSYSTEM

UNDERGRADUATE PROGRAMS



262,717

CONTINUING EDUCATION



*Accordingly to Demografia Médica 2023 and Censo da Educação Superior 2022.
Please note that there may be overlap in student numbers within the data.

FINANCIAL METRICS

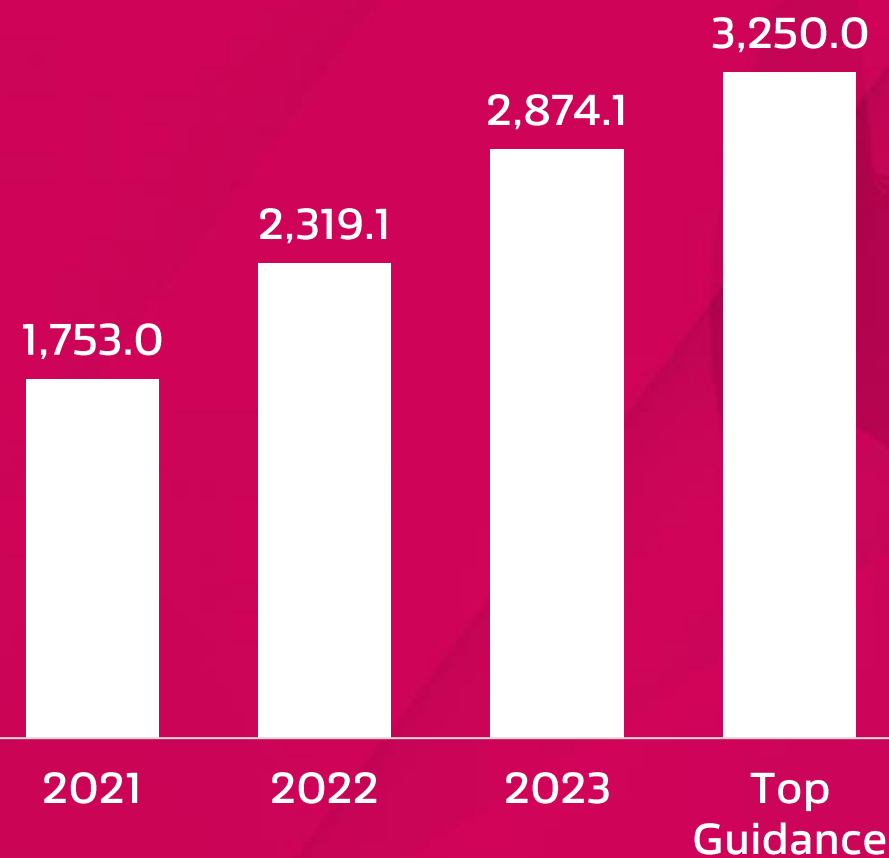


2024 GUIDANCE ON TRACK

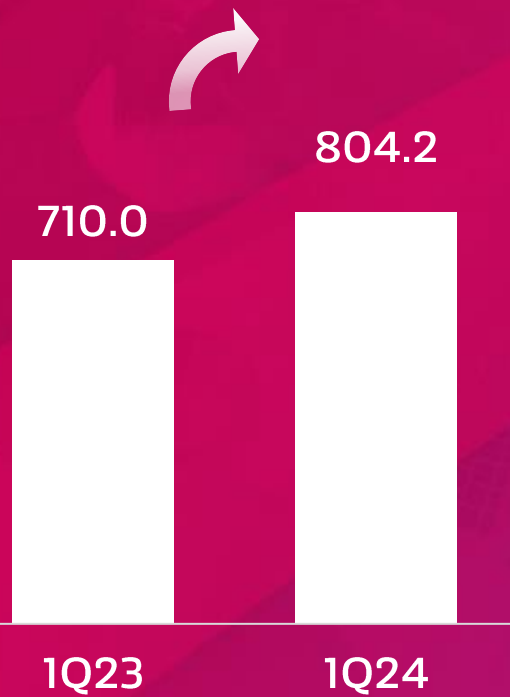
ANOTHER ROUND OF STRONG GROWTH

ADJUSTED NET REVENUE – (R\$ MM)

17.6% CAGR 2021-2024 TOP GUIDANCE

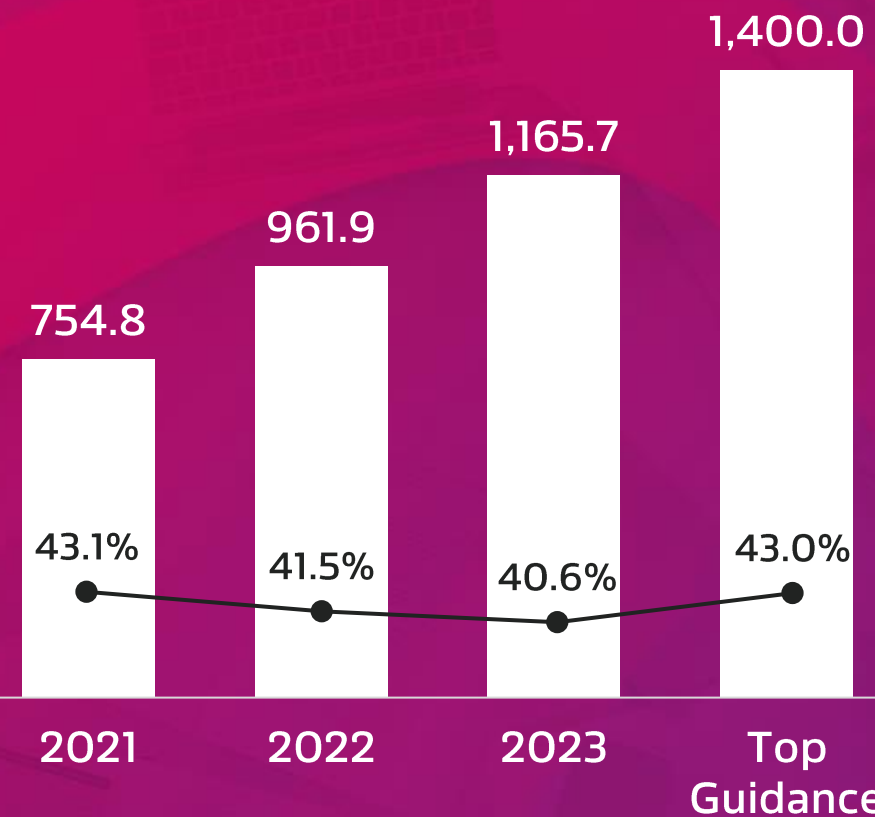


+13.3%

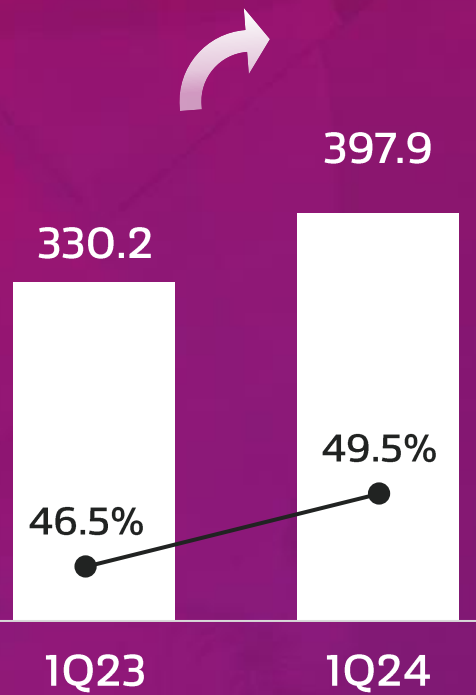


ADJUSTED EBITDA & ADJUSTED EBITDA MARGIN – (R\$ MM & %)

22.9% CAGR 2021-2024 TOP GUIDANCE



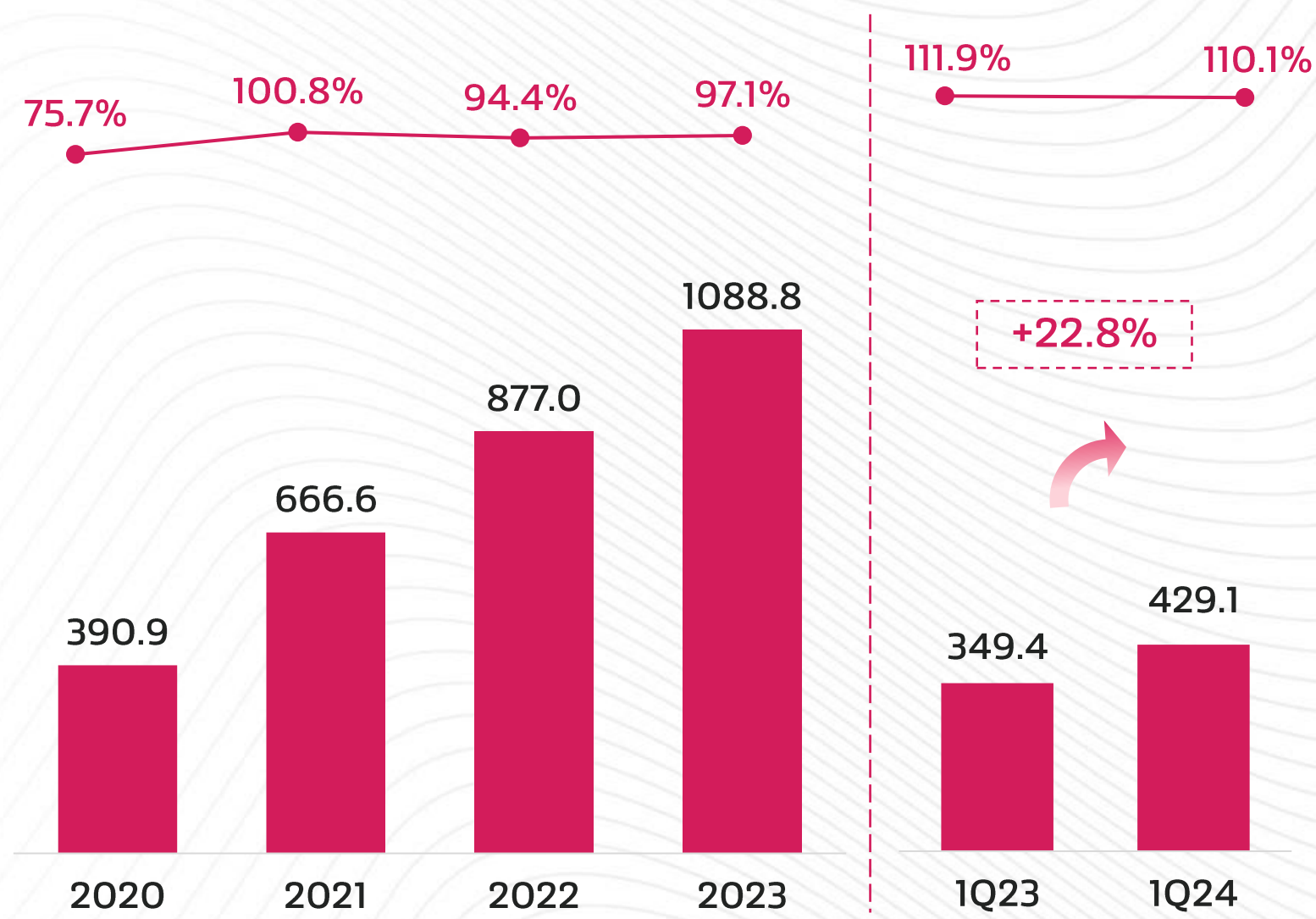
+20.5%



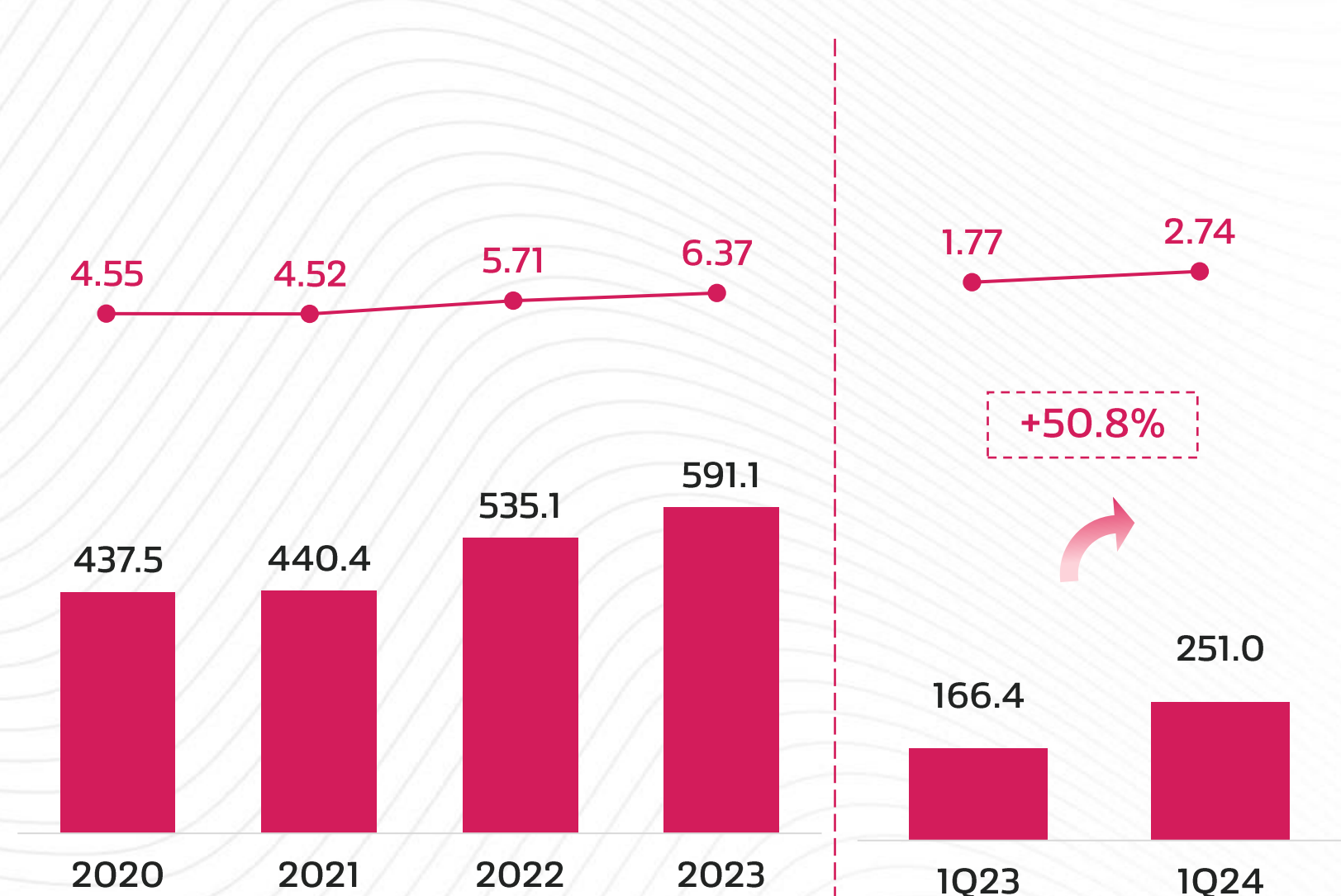
FINANCIAL METRICS

PERFORMANCE EVOLUTION

CASH FLOW FROM OPERATING ACTIVITIES
& CASH CONVERSION – (R\$ MM AND %)



ADJUSTED NET INCOME &
ADJUSTED EPS – (R\$ MM AND R\$)



■ Cash Flow from Operating Activities ● Cash Conversion ■ Adjusted Net Income ● Adjusted EPS

GROSS DEBT – 2023

SOLID CAPITAL STRUCTURE WITH A CONSERVATIVE LEVERAGING POSITION AND A LOW COST OF DEBT

	Cost of Debt							
	Gross Debt (R\$MM)		Duration (Years)		Per year		%CDI ²	
	2023	2022	2023	2022	2023	2022	2023	2022
Loans and financing: Softbank	826	824	2.4	3.4	6.5%	6.5%	50%	53%
Loans and financing: Debentures	529	500	3.6	4.6	15.0%	15.7%	114%	114%
Loans and financing: Others	445	621	1.3	2.1	15.0%	14.1%	114%	113%
Accounts payable to selling shareholders	567	529	0.8	1.2	13.1%	11.6%	100%	94%
Total ¹ Average	2,368	2,474	2.1	2.9	11.8%	10.2%	89%	83%

¹Total amount refers only to the "Gross Debt" columns

²Based on the annualized Interbank Certificates of Deposit ("CDI") rate for the period as a reference: 2023 full year: ~11.65% p.y. and for 2022 full year: ~12.39% p.y.

GROSS DEBT – 2024

SOLID CAPITAL STRUCTURE WITH A CONSERVATIVE LEVERAGING POSITION AND A LOW COST OF DEBT

	For the three months ended March 31							
	Gross Debt (R\$MM)		Duration (Years)		Cost of Debt			
					Per year		%CDI ²	
	2024	2023	2024	2023	2024	2023	2024	2023
Loans and financing: Softbank	826	825	2.1	3.1	6.5%	6.5%	57%	48%
Loans and financing: Debentures	510	519	3.3	4.4	12.7%	15.7%	117%	114%
Loans and financing: Others	446	580	1.3	1.9	12.7%	15.7%	116%	114%
Accounts payable to selling shareholders	405	828	0.9	1.2	10.8%	13.3%	100%	97%
Total ¹ Average	2,189	2,751	2.1	2.6	9.8%	12.1%	91%	89%

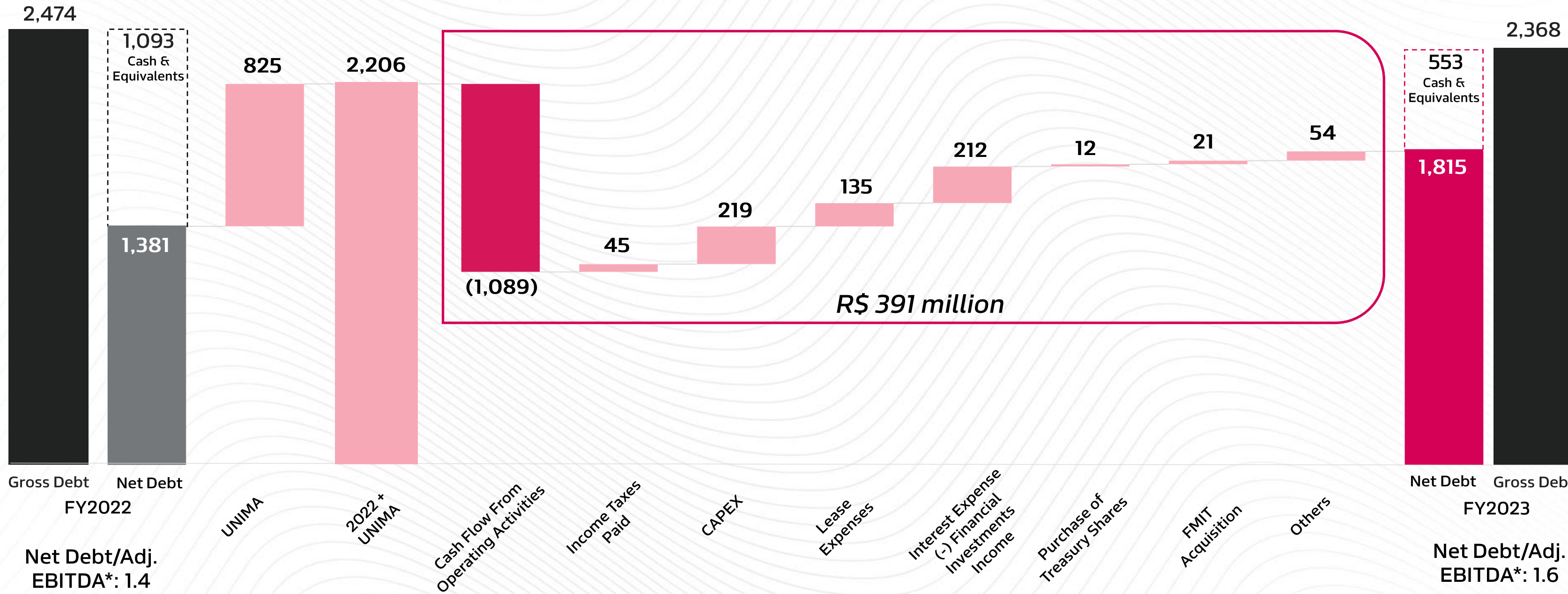
¹Total amount refers only to the "Gross Debt" columns

²Based on the annualized Interbank Certificates of Deposit ("CDI") rate for the period as a reference: 1Q24: ~10.65% p.y. and for 1Q23: ~13.65% p.y.

CASH AND NET DEBT - 2023

IMPRESSIVE CASH GENERATION

NET DEBT RECONCILIATION - (R\$ MM)

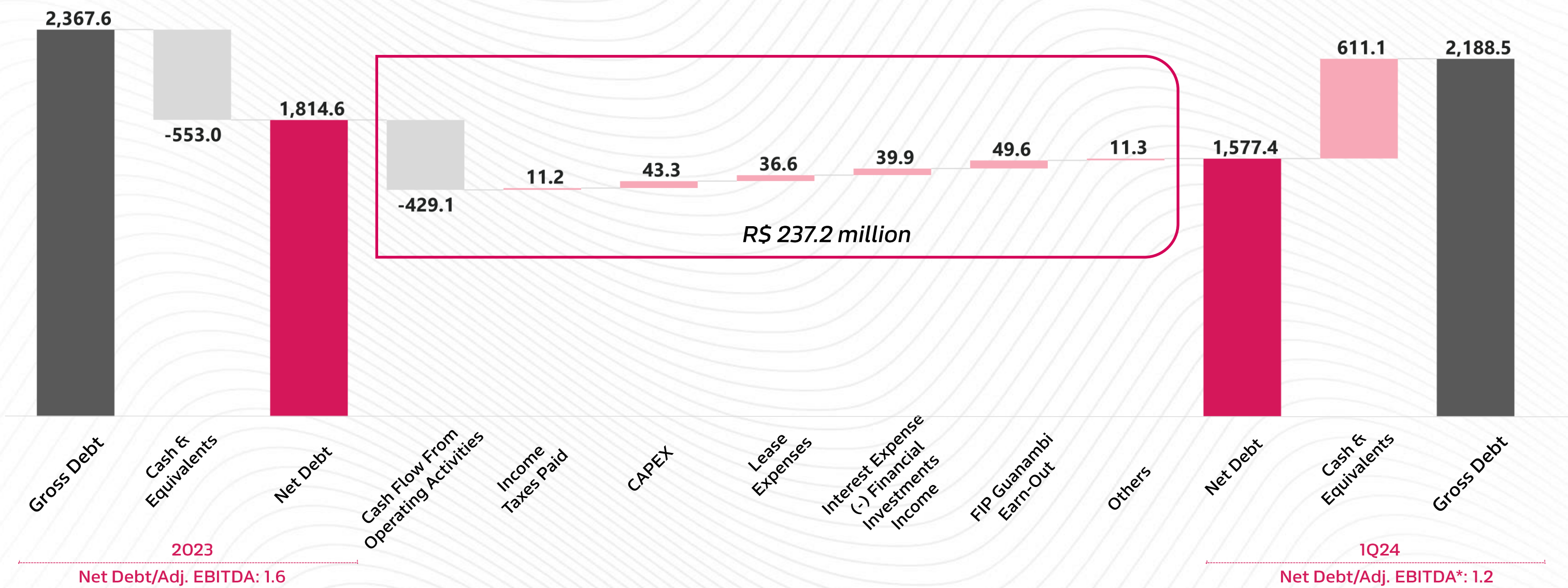


*Net Debt / Adjusted EBITDA is calculated by Net Debt (excluding the effect of IFRS16) divided by Adjusted EBITDA (considering the mid guidance).

CASH AND NET DEBT - 2024

IMPRESSIVE CASH GENERATION

NET DEBT RECONCILIATION - (R\$ MM)

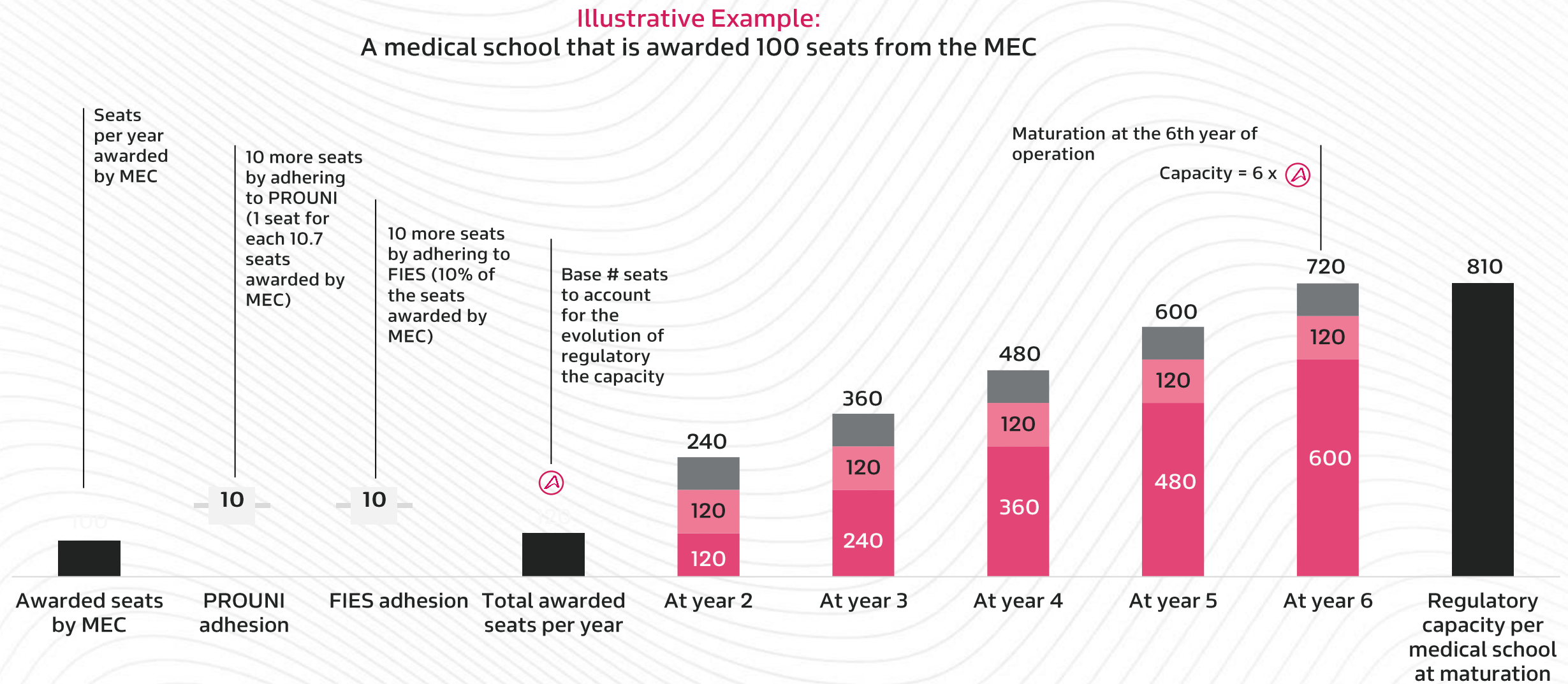


*Net Debt / Adjusted EBITDA is calculated by Net Debt (excluding the effect of IFRS16) divided by Adjusted EBITDA (considering the mid guidance).

APPENDIX

UNDERGRAD – REGULATORY CAPACITY

$$\text{Medical School Regulatory Capacity} = \left(\text{Medical School Seats Awarded by MEC} + \text{Additional Seats Associated with PROUNI}^1 + \text{Additional Seats Associated with FIES}^2 \right) \times \text{\# of years of operations}$$



Source: Company, Ministry of Education (MEC)

(1) Tax incentive program to post-secondary institutions that grant scholarships to low-income students; (2) MEC program to finance students that cannot bear the total costs of their education.

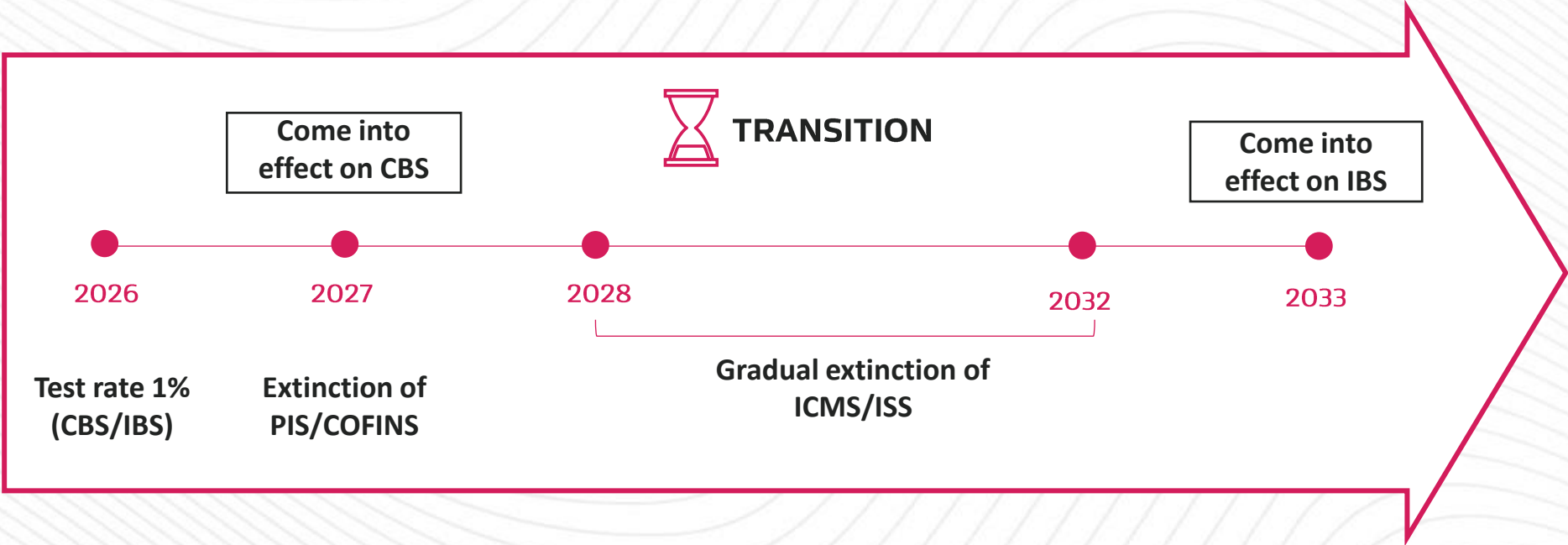
TAX REFORM IN BRAZIL

IMPACTS ON AFYA

CURRENT TAXATION SYSTEM



AFTER REFORM



The new system will encompass the following rates:



RATES

- A standard one (To be defined)
- A rate reduced by 60% for some segments (which include Education)
- A zero rate (specific segments).



TAX BENEFITS

No tax benefits.

Exceptions are: Prouni, Manaus free trade zone (ZFM), simplified taxation system (SIMPLES) for small companies, Basic food, and People involved in agricultural activities

TAX REFORM IN BRAZIL

COMPARISON

CURRENT TAXATION SYSTEM		
SEGMENTS	INDIRECT TAXES	MUNICIPAL TAXES
Undergrad	Exempt from Taxation (PROUNI)	2% to 5%
Continuing Education	3,65% (no credit)	
Digital	3,65% no credit or 9,25% with credit or Exempt from taxation (books)	

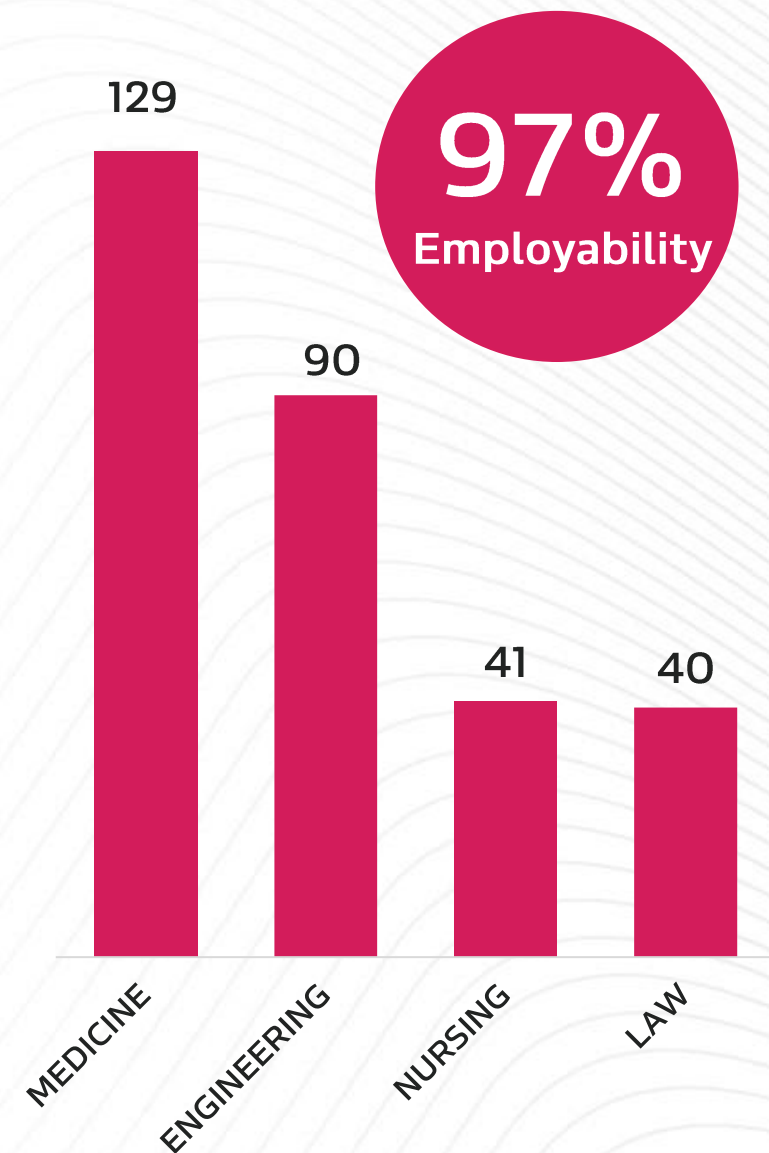


AFTER REFORM		
SEGMENTS	CBS	IBS
Undergrad	Exempt from Taxation (PROUNI)	Rate reduced by 60%
Continuing Education	Rate reduced by 60%	
Digital	Standart rate or Rate reduced by 60% Exempt from taxation (books)	

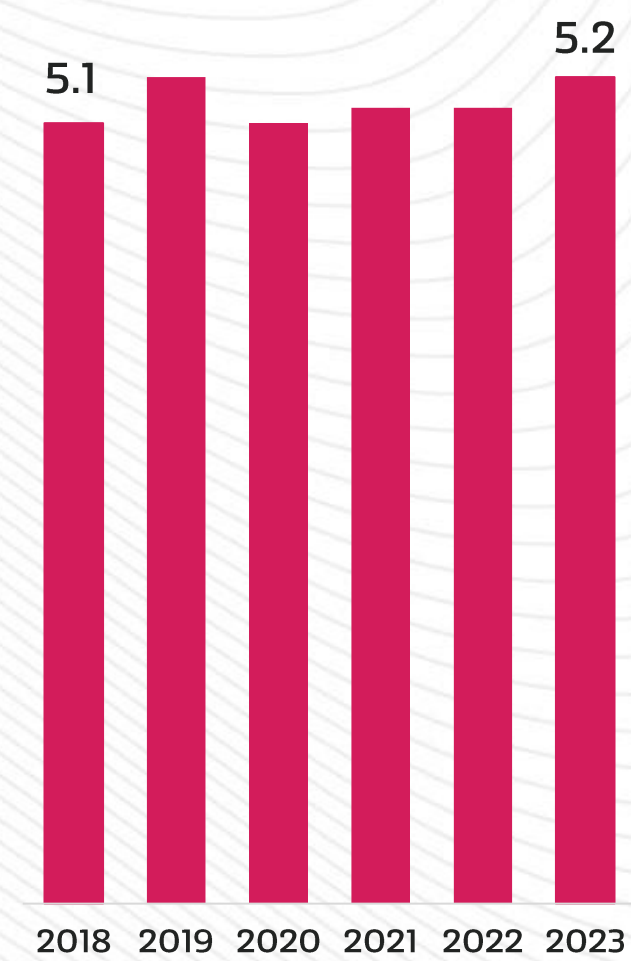
BUSINESS STRATEGY GROWTH DRIVERS

OPPORTUNITIES IN ALL SEGMENTS

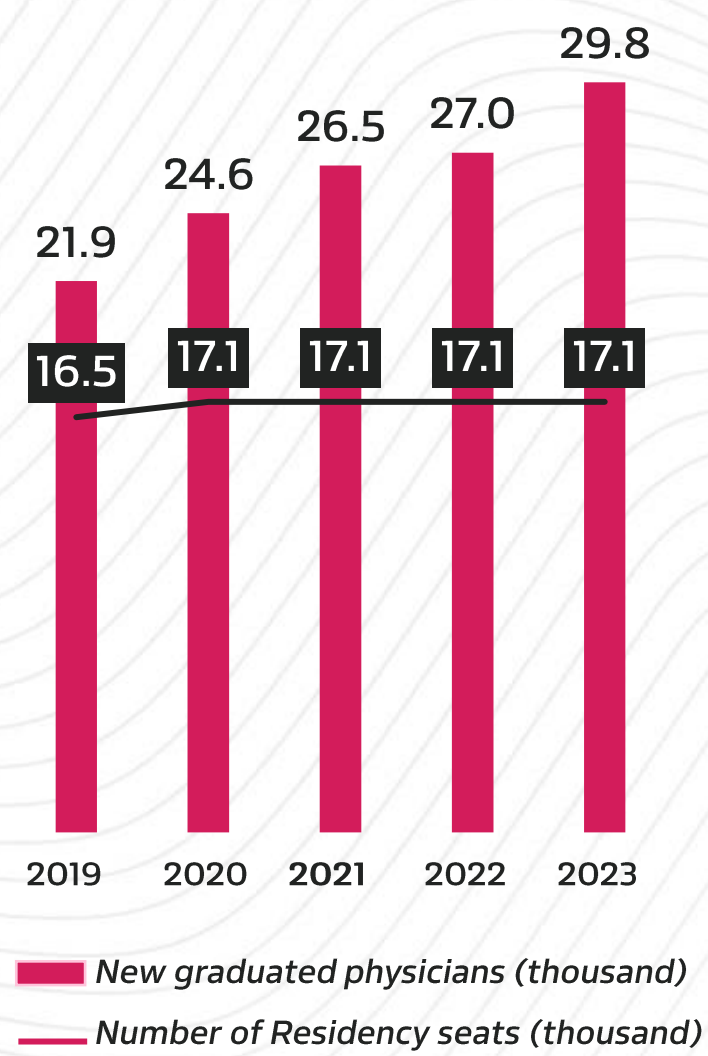
ATTRACTIVE DYNAMICS FOR THE MEDICAL CAREER



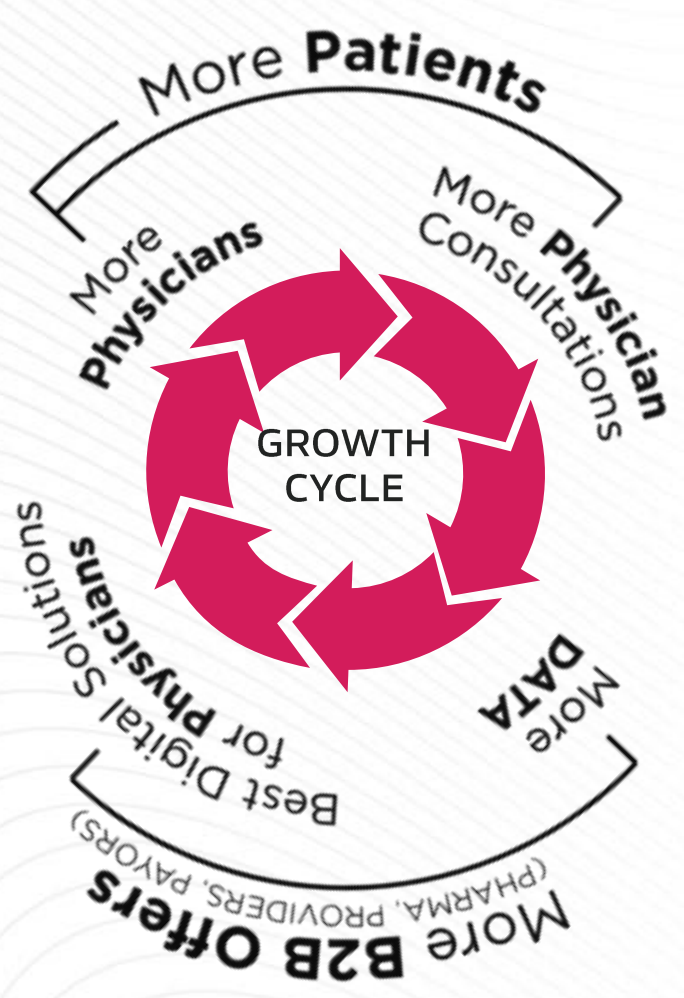
MEDICAL SCHOOL APPLICANTS PER SEAT



HIGH AND RESILIENT DEMAND FOR CME

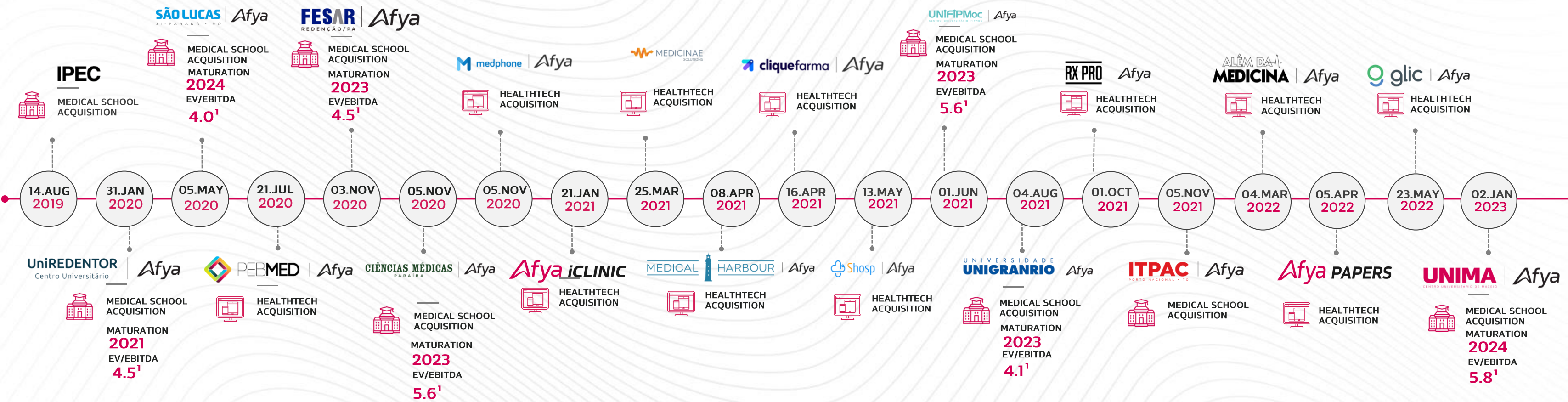


DIGITAL HEALTH SERVICES FLYING WHEEL



Sources: IPEA and CAGED / eSocial / Empregador Web; Third-party analysis, 2019.

TIMELINE



¹ EV/EBITDA post synergies and at full maturity.

UNIDOMPEDRO AND FACULDADE DOM LUIZ

PURCHASE AGREEMENT

RELEVANT ADDITION TO OUR PORTFOLIO¹: 300 operating medical seats*

STRATEGICALLY LOCATED: The medical campus is located in Salvador, the capital city of Bahia and the fifth-largest city in Brazil in population size. Unidompedro will be Afya's 4th medical school in Bahia and will serve as an academic hub for all other medical campuses in the State

REINFORCING AFYA'S STRATEGY: High concentration on medicine: 2024 forecasted Net Revenue of R\$ 110.5 million, of which around 88% is expected to come from Medicine. Estimated Net Revenue 2027 of R\$ 267 million post maturation and synergies

HIGH QUALITY STANDARDS High quality Medicine operation, scoring a CI (Institutional Concept) and CC (Course Concept) of 4 (ranging from 1 to 5 – concepts 1 and 2 are considered unsatisfactory; 4 and 5 signify excellence)

PURCHASE PRICE: R\$ 660 MILLION

EV/EBITDA:EXPECTED: 4.2x AT MATURITY (2027)

MORE
INFORMATION
AVAILABLE AT:



¹ It is subject to approval from CADE (Conselho Administrativo de Defesa Econômica) and it's expected on July 1st.

* Currently, Unidompedro has 300 seats authorized, of which 125 are final and 175 are subject to a final conclusion of the aforementioned court proceedings.

UNAUDITED RECONCILIATION BETWEEN NET INCOME AND ADJUSTED NET INCOME

(in thousands of R\$)	For the three months period ended March 31,		
	2024	2023	% Chg
Net income	208,299	117,772	76.9%
Amortization of customer relationships and trademark ¹	25,856	24,203	6.8%
Share-based compensation	8,630	6,495	32.9%
Non-recurring expenses:	8,181	17,907	-54.3%
- Integration of new companies ²	5,870	5,900	-0.5%
- M&A advisory and due diligence ³	248	11,039	-97.8%
- Expansion projects ⁴	605	151	300.7%
- Restructuring expenses ⁵	1,458	1,395	4.5%
- Mandatory Discounts in Tuition Fees ⁶	- -	578	n.a.
Adjusted Net Income	250,966	166,377	50.8%
Basic earnings per share - in R\$ ⁷	2.26	1.24	83.0%
Adjusted earnings per share - in R\$ ⁸	2.74	1.77	54.4%

UNAUDITED RECONCILIATION BETWEEN NET INCOME AND ADJUSTED EBITDA

(in thousands of R\$)

	For the three months period ended March 31,		
	2024	2023	% Chg
Net income	208,299	117,772	76.9%
Net financial result	74,366	96,552	-23.0%
Income taxes expense	10,865	19,060	-43.0%
Depreciation and amortization	79,269	65,971	20.2%
Interest received ¹	12,415	10,299	20.5%
Income share associate	-4,172	-3,845	8.5%
Share-based compensation	8,630	6,495	32.9%
Non-recurring expenses:	8,181	17,907	-54.3%
- Integration of new companies ²	5,870	5,900	-0.5%
- M&A advisory and due diligence ³	248	11,039	-97.8%
- Expansion projects ⁴	605	151	300.7%
- Restructuring expenses ⁵	1,458	1,395	4.5%
- Mandatory Discounts in Tuition Fees ⁶	0	-578	n.a.
Adjusted EBITDA	397,853	330,211	20.5%
Adjusted EBITDA Margin	49.5%	46.5%	300 bps

ESG HIGHLIGHTS OF THE QUARTER

ENVIRONMENTAL

**1,794
MWh**

TOTAL RENEWABLE
ENERGY GENERATED BY
OWN PHOTOVOLTAIC
PLANTS

16

EDUCATIONAL
INSTITUTIONS WITH
INSTALLED
PHOTOVOLTAIC PLANTS

27%

% OF RENEWABLE ENERGY
CONSUMED FROM OWN
GENERATION

SOCIAL

9,914

EMPLOYEES IN
OUR COMPANY

58%

FEMALE EMPLOYEES

46.2%

OF LEADERSHIP
POSITIONS ARE
HELD BY WOMEN.

GOVERNANCE

30%

OF BOARD OF
DIRECTORS ARE
WOMEN

40%

OF MEMBERS OF
THE BOARD ARE
INDEPENDENT

ECOSYSTEM

147,757

FREE CLINICAL
CONSULTATIONS TO
THE COMMUNITIES

+20K

PHYSICIANS
GRADUATED

FOR MORE INFORMATION KEY NUMBERS AND FIGURES

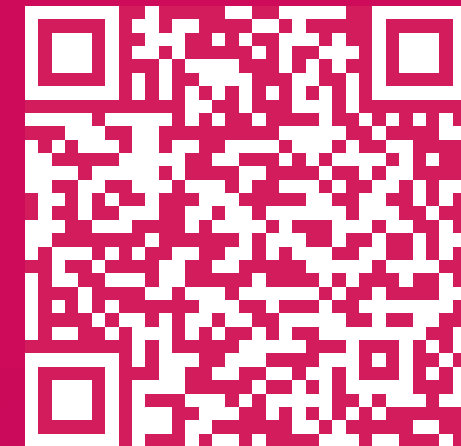
QUARTERLY EARNINGS



AFYA'S HISTORY



SUSTAINABILITY



SEC FILINGS



CORPORATE STRUCTURE



STOCK INFO



THANK YOU

Afya