



EDUCATION  
TECHNOLOGY  
HEALTHCARE

AFYA LIMITED ANNOUNCES ENTERING INTO A SHARE  
PURCHASE AGREEMENT FOR THE ACQUISITION OF  
**UNIT ALAGOAS AND FITS JABOATÃO DOS GUARARAPES**

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October 2022

# SAFE HARBOR

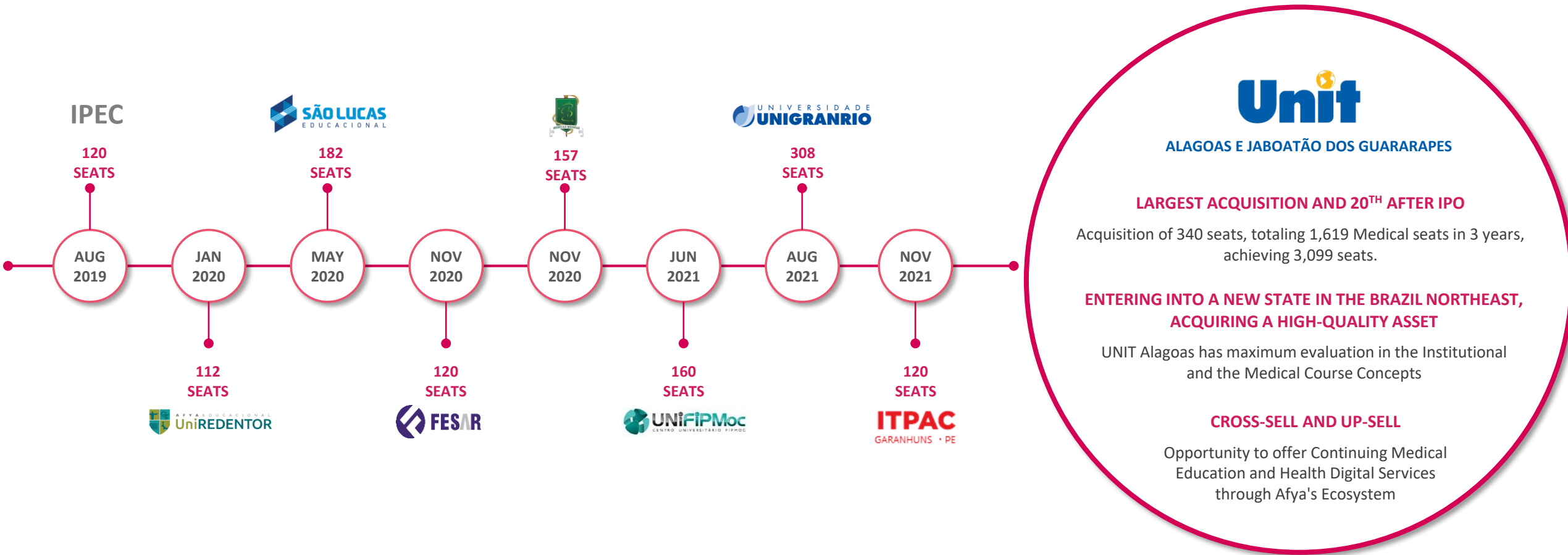
This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which statements involve substantial risks and uncertainties. All statements other than statements of historical fact could be deemed forward-looking, including risks and 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

## ACQUIRING 340 SEATS. DELIVERING INORGANIC GROWTH



# OVERVIEW

## 1. RELEVANT ADDITION TO OUR PORTFOLIO

- 340 medical seats | Upside: 84 medical seats

+1.8 thousand medical students in 2022 and a potential of +2.4 thousand medical students at full maturity in 2024

In 2022, UNIT Alagoas had +4.5 thousand on-site undergrad students ex-Medicine.

## 2. STRENGTHS OUR POSITION IN THE NORTHEAST REGION WITH THE ACQUISITION OF HIGH-QUALITY ASSETS

**Two medical campuses** located in the metropolitan region of the states of **Pernambuco and Alagoas** (Alagoas' has the highest Education Institution and Medical program quality evaluation by MEC: CC and CI are **grade 5**)

## 3. REINFORCING AFYA'S STRATEGY

2022 estimated Net Revenue is R\$189.5 million, with **79.9% coming from the Medicine course and 86.6% at maturity in 2024**. FITS Jaboatão is a pure medicine institution.

# OVERVIEW



**(A) UNIT Alagoas**



**(B) FITS Jaboatão**



# TRANSACTION RATIONALE

## RELEVANT ACQUISITION IN AFYA'S STRATEGY

Expansion in Northeast  
with **high quality<sup>1</sup>**  
**assets**

## ACQUISITION MULTIPLE

**5.8x EV/EBITDA**  
at maturation post-  
synergies (2024)

**Additional 84 medical  
seats** could be added.

## HIGH POTENTIAL OF VALUE GENERATION TO SHAREHOLDERS

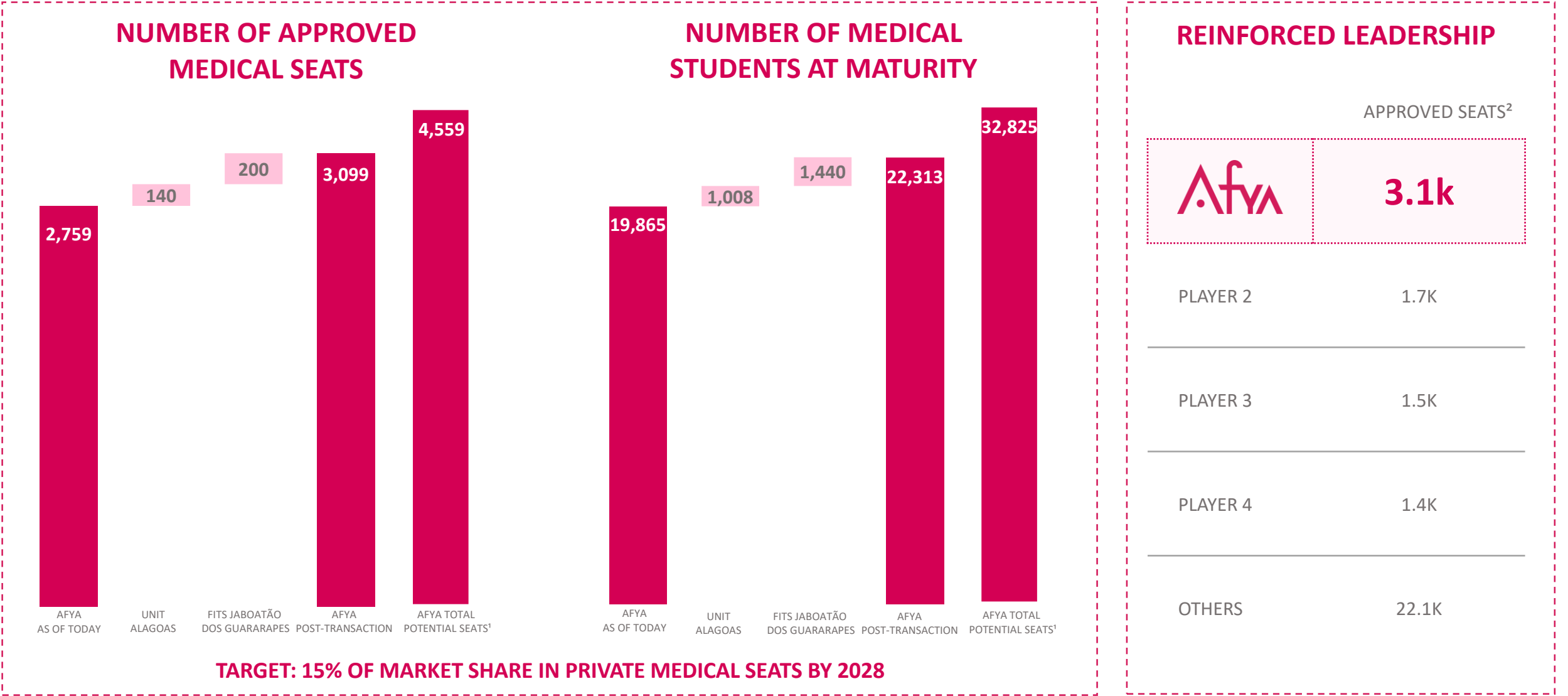
**Estimated Net Revenue 2024 of  
R\$260.5 million** post-maturation  
of current seats and assuming  
100% occupancy

**Significant synergies** and  
opportunity to further expand  
Continuing Medical Education and  
Afya's Digital Services

1) Alagoas' asset with Higher Education Institution and Medical program evaluated with maximum quality by MEC: CC and CI are grade 5

# AFYA POST-TRANSACTION

## CONSOLIDATED POSITION AS THE ABSOLUTE LEADER IN THE SEGMENT



Notes: (1) Considering current 2,759 approved seats and additional organic (~600) and inorganic (~1,200) seats; (2) Third-party analysis. Approved seats does not include additional seats granted by Prouni, FIES, and legal requests with MEC



# TRANSACTION HIGHLIGHTS

## KEY FIGURES

TRANSACTION PERIMETER	ACQUISITION OF <b>100% OF THE SHARES</b> OF SOCIEDADE EDUCACIONAL E CULTURAL SERGIPE DELREY LTDA., THAT ENCOMPASSES THE OPERATIONS OF UNIT ALAGOAS AND FITS JABOATÃO DOS GUARARAPES. THE TRANSACTION DOES NOT ENCLOSE THE “UNIT” AND “FITS” BRANDS, WHICH WILL BE LICENSED FOR AFYA DURING THE FIRST YEAR OF OPERATION
PURCHASE PRICE (ENTERPRISE VALUE) <sup>1</sup>	<b>R\$825</b> MILLION
PAYMENT STRUCTURE	<b>R\$575 MILLION ON CLOSING + 3 ANNUAL INSTALLMENTS ADJUSTED BY SELIC</b> (R\$150M/R\$50M/R\$50M)
EARN-OUT (ADDITIONAL SEATS IN UNIT AL) <sup>2</sup>	<b>R\$1.25M/SEAT</b> , LIMITED TO 84 SEATS
LEVERAGE FORECAST SCENARIO	CURRENT LEVERAGE RATIO: <b>1.7x NET DEBT/EBITDA</b> LEVERAGE RATIO AFTER THE TRANSACTION: <b>2.3x NET DEBT/EBITDA<sup>3</sup></b>
CONDITIONS PRECEDENT	CLOSING EXPECTED IN <b>JANUARY, 2023</b> AND SUBJECT TO CUSTOMARY CONDITIONS, INCLUDING <b>ANTI-TRUST APPROVAL</b>
STRATEGIC EDUCATIONAL PARTNERSHIP	AFYA’S SELECTED <b>DIGITAL SOLUTIONS</b> WILL BE PROVIDED <b>FREE OF CHARGE</b> FOR MEDICAL STUDENTS OF UNIT SERGIPE AND FITS GOIANA, CAMPUSES NOT INCLUDED IN THE BUSINESS COMBINATION

Notes: (1) Price adjusted by customary net debt; (2) Adjusted by IPCA from the Closing Date until the date of effective payment; (3) Considering Afya’s 2022 EBITDA Mid-Guidance and not considering UNIT’s EBITDA





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