

# EARNINGS RELEASE

## 3Q22 & 9M22

# YDUQS



November 10<sup>th</sup>, 2022

**YDUQ**  
B3 LISTED NM

**IBRX100 B3**  
**ITAG B3**  
**IGC B3**



# YDUQ3 | YDUQY

B3 ADR

Rio de Janeiro, November 10<sup>th</sup>, 2022 - **YDUQS Participações S.A.**, one of the largest private organizations in Brazil's higher education private sector, presents its **results for the third quarter of 2022 (3Q22)**.

The Company's financial information is presented based on the consolidated numbers, in Brazilian Reais, in accordance with the Brazilian Corporation Law and the accounting practices adopted in Brazil (BRGAAP), already in accordance with the International Financial Reporting Standards (IFRS).

This document may have forward looking statements that are subject to risks and uncertainties that lead such expectations to not materialize or substantially differ from expectations. These forecasts express the opinion only for the date they were made, and the Company does not undertake to update them in the light of new information.

## EARNINGS CONFERENCE

November 11<sup>th</sup>, 2022, | 9:00 a.m. (BRT) Portuguese with simultaneous translation to English

[Click here for the Webinar](#)

Video conference in English November 11<sup>th</sup>, 2022, | 11:00 a.m. (BRT)

[Click for the Webinar](#)

## IR CONTACT

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Visit our website: <https://www.yduqs.com.br>

The plan is known: to use digital technology to offer unprecedented education quality for students of all profiles, anywhere in the country and throughout their adult lives. This vision is underpinned by a diversified business that is independent of industry swings and that has Digital Learning, Medicine, and strategic acquisitions as its avenues of growth. Quarter after quarter, the numbers show that Yduqs has already been transformed. Based on a strong on-campus base, which continues to be a source of value, reputation, and innovation, we have built a company that has unparalleled (and valuable, given the crises outlooks that have hit our industry) resilience, with a strong innovation bias, and that has added, in just a few years, two young and large businesses – each one the size of what public funding once represented in the recent past. In this third quarter of 2022, however, I would like to highlight a result whose cycle is longer, but which we cannot lose sight of: our excellent indicators in the 2021 Enade cycle. Within this context, the quality of education serves not only as the achievement of our work's essential purpose. It is also the ultimate proof of the success of our broader strategic plan.

Results released by Inep in October basically include teaching and technology-based degrees. In its core, this cycle can be compared to the 2017 Enade, however, it has a special characteristic: students participating in the exam took 2/3 or all of their degrees during the peak of the pandemic, while in lockdown.

Yduqs' on-campus programs, as a whole, have risen from penultimate place among the country's six large consolidator groups to second place overall, just a few meters behind the first place. Programs with scores 3, 4 or 5, the highest in the methodology, improved their performances by 11%, and the difference to the absolute lead in quality in the sector has been reduced to a mere 4%. It is always worth pointing out the predominant profile of the students we serve they mostly come from public high schools and from families with a total monthly income of up to 4 minimum wages. In Digital Learning, Yduqs also secured second place in the sector ranking, despite being the only company with 100% online programs. How Yduqs dealt with social distancing, taking advantage of the crisis to create a worldwide case study for innovation in education, has been recognized by the pandemic Enade, as well as students and faculty members.

Everything we have built during this period, the result of investments in digital transformation, supports the student and the professor in the classroom as well as Digital Learning's self-directed and asynchronous study, and allows us to stay one step ahead of the competition when it comes to innovative products. The semi on-campus program, which has recently been fully redesigned, is currently the strongest legitimate hybrid offer in the market, and Estácio Ao Vivo, launched as a pilot in the third quarter of 2022, are two perfect examples of such products. We are unlocking markets and expanding access through these initiatives.

Our operating and economic-financial results are coupled with academic ones, reinforcing what we have been presenting in recent quarters. NOR and EBITDA increased - the latter reaching a historical record, at a level higher than R\$400 million in the quarter - while preserving margin. The premium operations business unit continues to grow strongly, and the digital learning's ticket was up by 10% among students who are upperclassmen. Our discipline in maintaining costs (up by only 2% in 3Q22 vs. 3Q21) sustains the maintenance of on-campus margin, which recorded yet another important record, with freshmen renewal rate up by 5 p.p., thanks to several advances on the academic quality front – which continues to grow, in parallel with cost efficiency gains.

We made progress in all fronts of our ESG plan. We had our second class of Black trainees, with almost 6 thousand people enrolled; we were able to hire 50% more Black faculty members than the goal set for the period, and we received an important certification regarding the hiring of people with disabilities. We started the cycle to set the strategic goals for 2023 by meeting the commitment made in the ESG target plan: as of the next year, the entire executive board will have ESG-related goals, with direct impact on their variable compensation. On the environmental front, we completed more than 80% of our scope 3 greenhouse gas inventory, an initiative we pioneered in the Education industry.

We present here the results of a highly resilient business due to its diversification, which is managed with discipline and focus, and based on digital technology as a source of value and differentiation. Today we can already see Yduqs' future: access with quality, products for everyone, sustainability as a work philosophy.

Thank you all for your trust.

**Eduardo Parente**  
CEO

**Highest EBITDA in history: R\$ 408 million**

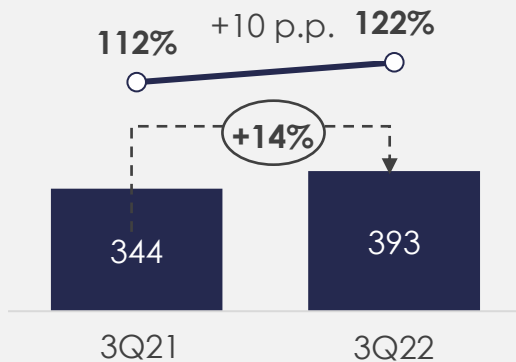
**9M22 FCF post capex of R\$461 million increasing, reinforcing the portfolio strength**



vs 3Q21

**NOR +3% | EBITDA +3%**  
**Costs and Expenses +2%**  
**Stable EBITDA margin**

OCF before capex and  
Cash conversion (R\$ million, %)



**EBITDA  
margin 50%**

Keeps growing strong  
(vs 3Q21)

**NOR +29%**

**EBITDA +36%**

**Student Base +8%**

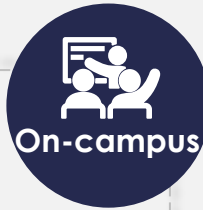
Medicine +12%  
Ibmec +5%



**EBITDA  
margin 41%**

**+10% vs 3Q21**  
**Average Ticket** of  
upperclassmen of +1 year

New periodicity of Bad  
Debt reducing margin  
volatility throughout the  
year



**EBITDA  
margin 25%**

Margin increase in +1 p.p. vs  
3Q21, result of a strong  
work of **control and  
reduction of costs and  
expenses**

Renewal remains stable  
and average ticket of  
upperclassmen of +1 year  
resumes growth



OPERATIONAL  
DATA

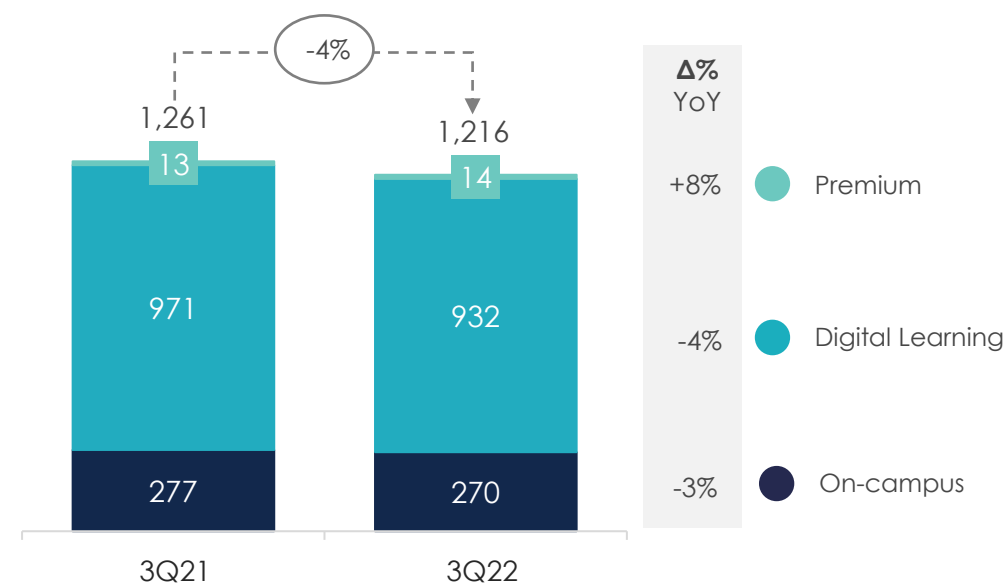
YDUQS



Total (thousand students)	3Q21	3Q22	Δ %
<b>Total Base</b>	<b>1,261.4</b>	<b>1,216.4</b>	<b>-3.6%</b>
On-campus	277.4	270.1	-2.6%
Digital Learning <sup>(1)</sup>	970.9	932.1	-4.0%
Premium	13.1	14.2	8.4%
FIES	17.7	14.0	-21.0%
DIS	377.7	365.5	-3.2%
On-campus	100.8	120.6	19.6%
100% online	239.8	206.1	-14.1%
Flex	37.1	38.8	4.6%
PAR	4.2	2.6	-38.0%
Campi (ex-shared) <sup>(2)</sup>	109	103	-5.5%
On-campus	96	87	-9.4%
Premium	19	21	10.5%
Shared with on-campus	6	5	-16.7%
DL Centers	1,936	2,381	23.0%

<b>Total Intake (thousand students)</b>	<b>169.2</b>	<b>128.9</b>	<b>-23.8%</b>
Premium	1.4	1.7	27.0%
Digital Learning	118.5	87.3	-26.3%
On-campus	49.4	39.9	-19.2%

Total student base  
(Thousand students)



(1) Base Includes Qconcurros, for more details [click here](#).

(2) It considers campi with individual management, that is, if there are 2 campi nearby or with complementary, which have the same management, it is considered Only on campi.

Student base (thousand students)	3Q21	3Q22	Δ %
<b>Total Premium</b>	<b>13.1</b>	<b>14.2</b>	<b>8.4%</b>
<b>Medicine</b>	<b>7.1</b>	<b>7.9</b>	<b>11.7%</b>
Undergraduate	6.4	7.5	17.0%
FIES	1.1	0.9	-14.9%
Graduate	0.6	0.4	-42.7%
<b>IBMEC</b>	<b>6.1</b>	<b>6.3</b>	<b>4.6%</b>
Undergraduate	4.9	4.9	0.6%
FIES	0.2	0.2	-20.1%
Graduate	1.2	1.4	21.5%

Intake (thousand students)	3Q21	3Q22	Δ %
<b>Total Undergraduate</b>	<b>1.4</b>	<b>1.7</b>	<b>27.0%</b>
Medicine	0.8	1.0	19.3%
IBMEC	0.5	0.7	39.4%

Average Ticket <sup>(1)</sup> (R\$/month)	3Q21	3Q22	Δ %
Medicine Undergraduate	8,684.2	9,499.1	9.4%
IBMEC Undergraduate	2,737.5	3,002.8	9.7%

The **Premium** segment has been posting robust results and ended 3Q22 with 14.2 thousand students, an 8.4% increase vs. 3Q21.

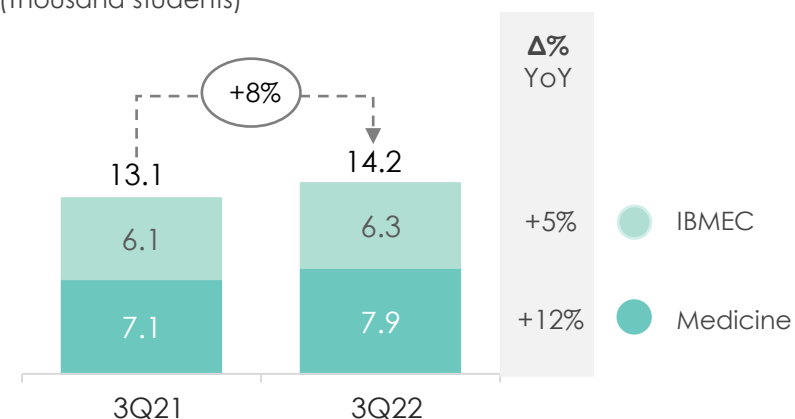
The **Medicine undergraduate** segment recorded a **significant growth of 17.0%** YoY, boosted by the increase in authorized seats (+228) in the first semester of 2022 and the maturation of courses. We expect to end 2022 with a Medical undergraduate student base ranging from 7.4 to 7.5 thousand students.

**IBMEC's student base** was up by 4.6% vs. 3Q21, due to a strong undergraduate intake cycle (+39.4% YoY) and an increase in the graduate student base, which has been posting a better performance since the beginning of the year.

In 3Q22, **Medicine undergraduate average ticket** totaled R\$9,499/month, up by 9.4% vs. 3Q21, due to the increase in the number of freshmen, with tuitions at a higher price, coupled with a significant 9% yoy adjustment in average ticket for upperclassmen for more than 1 year.

**IBMEC undergraduate average ticket** totaled R\$3,003/month, up by 9.7% vs. 3Q21, mainly boosted by stronger intake in São Paulo, which has a higher average ticket, coupled with a 7% yoy adjustment in average ticket of upperclassmen for more than 1 year.

Premium student base  
(Thousand students)



(1) Average ticket = Net revenue for the period x 1,000/3/ student base | Net revenue of medicine adjusted for effects of laws and injunctions in court in 2021.

Student base (thousand students)	3Q21	3Q22	Δ %
<b>Total Digital Learning</b>	<b>970.9</b>	<b>932.1</b>	<b>-4.0%</b>
<b>Undergraduate</b>	<b>444.3</b>	<b>437.9</b>	<b>-1.4%</b>
100% online	380.5	372.1	-2.2%
Flex	63.8	65.8	3.2%
<b>Lifelong</b>	<b>526.6</b>	<b>494.1</b>	<b>-6.2%</b>
Qconcurso	443.0	445.5	0.6%
<b>Digital Learning (ex-Qconcurso)</b>	<b>527.9</b>	<b>486.6</b>	<b>-7.8%</b>

Intake (thousand students)	3Q21	3Q22	Δ %
<b>Total Undergraduate</b>	<b>118.5</b>	<b>87.3</b>	<b>-26.3%</b>
100% online Undergraduate	94.2	75.1	-20.3%
Flex Undergraduate	24.3	12.2	-49.8%

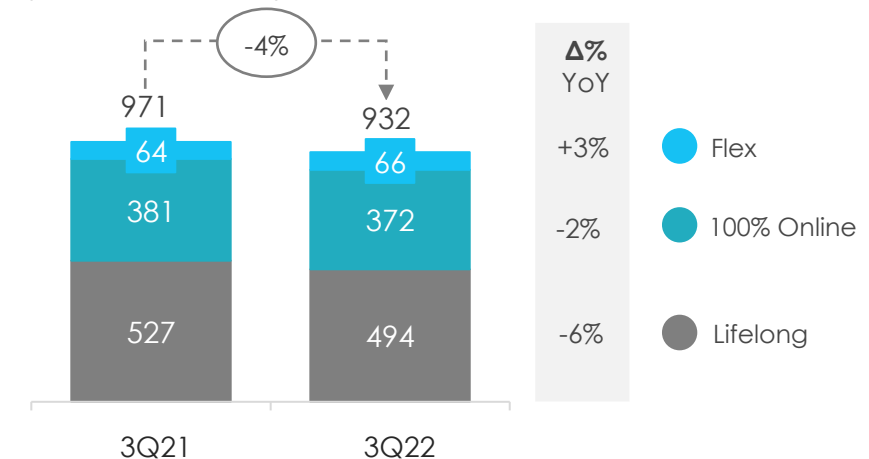
Average Ticket <sup>(1)</sup> (R\$/month)	3Q21	3Q22	Δ %
<b>Total Undergraduate</b>	<b>216.1</b>	<b>225.5</b>	<b>4.3%</b>
100% online Undergraduate	191.5	199.0	3.9%
Flex Undergraduate	363.6	375.4	3.2%

The **Digital Learning** segment, which includes Lifelong, reached 932.1 thousand students by the end of 3Q21, down by -4.0% YoY.

The **Digital Learning undergraduate student base** was slightly down by 1.4% YoY, mainly stemming from a weaker intake (-26.3% vs. 3Q21), due to a challenging macroeconomic scenario, especially in the cities where we concentrate our operations, coupled with a drop in renewal rate and a higher number of graduating students versus 3Q21. This drop in renewal rate can be explained by a larger concentration of freshmen in the student base, who have a higher trend to dropout in the beginning of the course.

On the other hand, the combination of the increase vs 3Q21 of the intake ticket and the ticket of upperclassmen of over one year, led to a **4.3% growth in undergraduate digital learning average ticket vs. 3Q21**, totaling R\$226/month.

Digital student base  
(Thousand students)



(1) Average ticket = Net revenue for the period x 1,000/3/ student base



Student base (thousand students)	3Q21	3Q22	Δ %
<b>Total On-campus</b>	<b>277.4</b>	<b>270.1</b>	<b>-2.6%</b>
<b>Undergraduate</b>	<b>276.6</b>	<b>265.9</b>	<b>-3.9%</b>
On-campus	255.3	234.4	-8.2%
FIES	16.4	12.9	-21.4%
Semi on-campus	21.4	31.4	47.1%
<b>Masters/Doctorate and others</b>	<b>0.7</b>	<b>4.2</b>	<b>468.8%</b>

Intake (thousand students)	3Q21	3Q22	Δ %
<b>Total Undergraduate</b>	<b>49.4</b>	<b>39.9</b>	<b>-19.2%</b>
On-campus	42.1	29.7	-29.5%
Semi on-campus	7.3	10.2	39.8%

Average Ticket <sup>(1)</sup> (R\$/month)	3Q21	3Q22	Δ %
<b>Total Undergraduate</b>	<b>640.7</b>	<b>627.0</b>	<b>-2.1%</b>
On-campus undergraduate	658.9	650.9	-1.2%
Semi On-campus undergraduate	423.7	448.7	5.9%

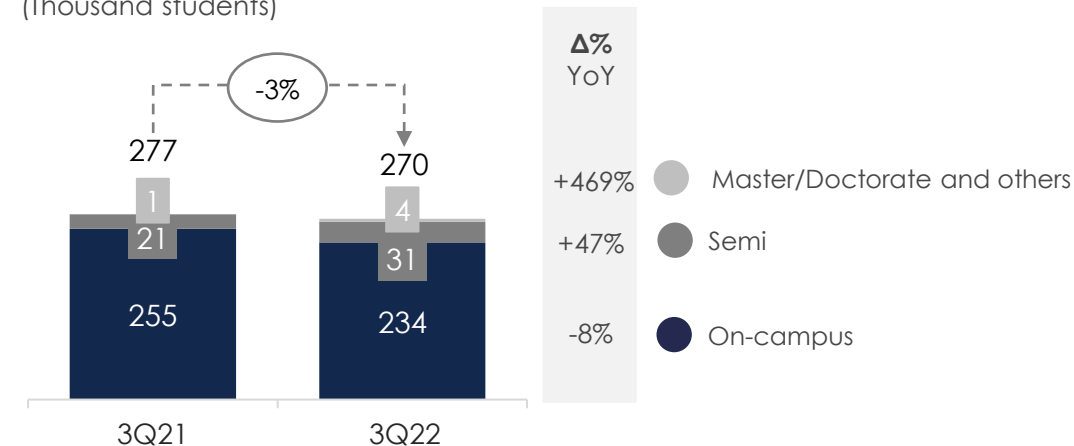
The **On-Campus** segment ended 3Q22 with 270.1 thousand students, slightly down by 2.6% YoY, related to the **total undergraduate** student base, which decreased by 3.9% vs. 3Q21. This reduction stems from a lower intake volume (-19.2% vs 3Q21), which results from a challenging macroeconomic scenario, largely offset by the maintenance of the renewal rate at 83% compared to the same period in the previous year.

On the other hand, the combination of the increase vs 3Q21 of the intake ticket and the ticket of upperclassmen of over one year resulted in a smaller drop in **On-Campus undergraduate average ticket** by -1.2% vs. 3Q21, amounting to R\$651/month, compared to what has been recorded in previous quarters.

The **Semi on-campus** undergraduate segment has been growing, reaching 31.4 thousand students in its base in 3Q22 (+47.1% vs. 3Q21), with a significant increase in intake (+40% vs. 3Q21).

**Semi on-campus undergraduate average ticket** totaled R\$449/month, up by 5.9% vs. 3Q21, mainly boosted by more students looking for courses with higher ticket.

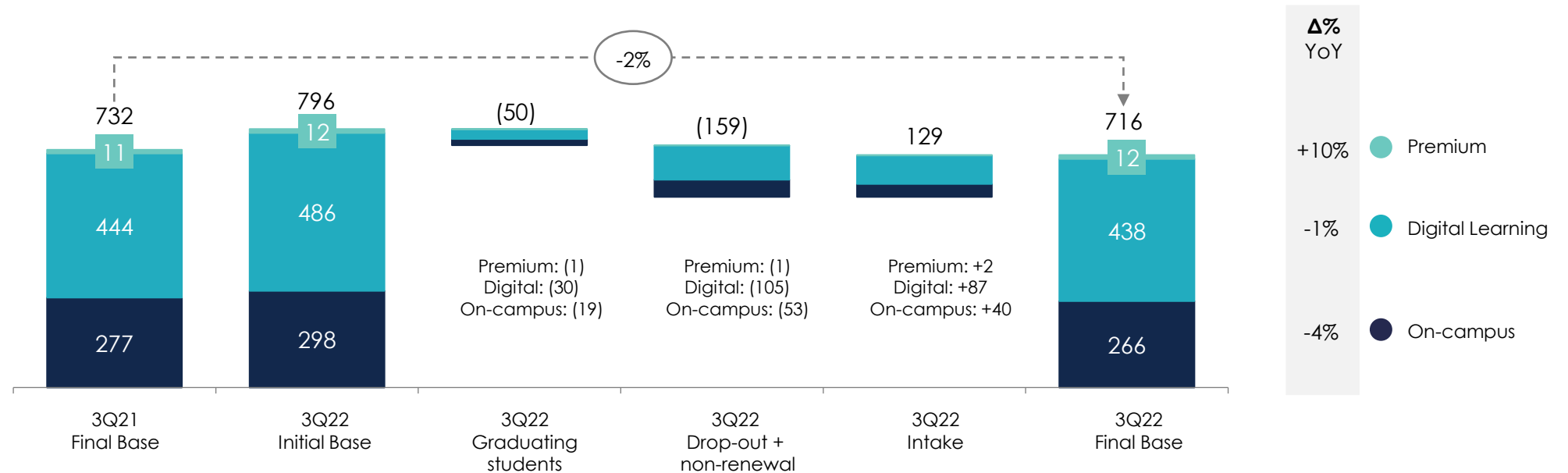
On-campus student base  
(Thousand students)



(1) Average ticket = Net revenue for the period x 1,000/3/ student base | Net revenue adjusted for effects of laws and injunctions in court in 2021.

# CHANGES IN THE UNDERGRADUATE BASE 3Q22

(thousand students)	Final base 3Q21	Initial base 3Q22	Graduating students 3Q22	Drop-out + non-renewal 3Q22	Intake 3Q22	Final base 3Q22
<b>Undergraduate</b>	<b>732.3</b>	<b>796.0</b>	<b>(49.9)</b>	<b>(158.8)</b>	<b>128.9</b>	<b>716.3</b>
<b>Premium</b>	<b>11.3</b>	<b>12.4</b>	<b>(0.7)</b>	<b>(0.9)</b>	<b>1.7</b>	<b>12.5</b>
Medicine	6.4	7.2	(0.3)	(0.4)	1.0	7.5
IBMEC	4.9	5.1	(0.4)	(0.5)	0.7	4.9
<b>Digital Learning</b>	<b>444.3</b>	<b>485.9</b>	<b>(30.0)</b>	<b>(105.2)</b>	<b>87.3</b>	<b>437.9</b>
100% Online	380.5	410.5	(29.3)	(84.1)	75.1	372.1
Flex	63.8	75.4	(0.7)	(21.1)	12.2	65.8
<b>On-campus</b>	<b>276.6</b>	<b>297.7</b>	<b>(19.1)</b>	<b>(52.6)</b>	<b>39.9</b>	<b>265.9</b>
On-campus	255.3	265.4	(17.3)	(43.3)	29.7	234.4
Semi on-campus	21.4	32.3	(1.8)	(9.3)	10.2	31.4



FINANCIAL DATA

YDUQS



# INCOME STATEMENT

(R\$ million)	3Q21	3Q22	Δ %	9M21	9M22	Δ %
<b>Gross Revenue</b>	<b>2,201.3</b>	<b>2,375.9</b>	<b>7.9%</b>	<b>6,640.0</b>	<b>7,404.8</b>	<b>11.5%</b>
Monthly tuition fees and others	2,201.3	2,375.9	7.9%	6,640.0	7,404.8	11.5%
Deductions from gross revenue	(1,103.2)	(1,240.4)	12.4%	(3,299.0)	(3,941.5)	19.5%
<b>Net Revenue</b>	<b>1,098.1</b>	<b>1,135.5</b>	<b>3.4%</b>	<b>3,341.0</b>	<b>3,463.3</b>	<b>3.7%</b>
Cost of Services	(501.3)	(478.5)	-4.5%	(1,459.3)	(1,475.8)	1.1%
<b>Gross Profit</b>	<b>596.8</b>	<b>657.0</b>	<b>10.1%</b>	<b>1,881.7</b>	<b>1,987.5</b>	<b>5.6%</b>
<i>Gross margin (%)</i>	<i>54.3%</i>	<i>57.9%</i>	<i>3.5 p.p.</i>	<i>56.3%</i>	<i>57.4%</i>	<i>1.1 p.p.</i>
Selling Expenses	(191.6)	(190.9)	-0.3%	(674.7)	(706.4)	4.7%
G&A Expenses	(247.1)	(273.0)	10.5%	(704.8)	(755.2)	7.2%
Other operating revenue/ expenses	7.4	4.6	-38.4%	16.4	17.2	4.8%
(+) Depreciation and amortization	195.7	170.7	-12.8%	504.7	526.3	4.3%
<b>EBITDA</b>	<b>361.3</b>	<b>368.2</b>	<b>1.9%</b>	<b>1,023.3</b>	<b>1,069.3</b>	<b>4.5%</b>
<i>EBITDA margin (%)</i>	<i>32.9%</i>	<i>32.4%</i>	<i>-0.5 p.p.</i>	<i>30.6%</i>	<i>30.9%</i>	<i>0.2 p.p.</i>
<b>Financial result</b>	<b>(103.1)</b>	<b>(193.8)</b>	<b>88.0%</b>	<b>(285.8)</b>	<b>(527.1)</b>	<b>84.4%</b>
Depreciation and amortization	(195.7)	(170.7)	-12.8%	(504.7)	(526.3)	4.3%
Income tax	8.4	9.2	9.8%	0.8	9.7	1,150.0%
Social contribution	2.0	3.2	59.7%	(1.0)	3.2	n.a.
<b>Net Income</b>	<b>72.8</b>	<b>16.1</b>	<b>-77.8%</b>	<b>232.5</b>	<b>28.8</b>	<b>-87.6%</b>
<i>Net margin (%)</i>	<i>6.6%</i>	<i>1.4%</i>	<i>-5.2 p.p.</i>	<i>7.0%</i>	<i>0.8%</i>	<i>-6.1 p.p.</i>
<b>Adjusted Net Revenue <sup>(1)</sup></b>	<b>1,105.1</b>	<b>1,135.5</b>	<b>2.7%</b>	<b>3,355.8</b>	<b>3,463.3</b>	<b>3.2%</b>
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>394.7</b>	<b>408.0</b>	<b>3.4%</b>	<b>1,072.7</b>	<b>1,145.2</b>	<b>6.8%</b>
<i>Adjusted EBITDA margin (%)</i>	<i>35.7%</i>	<i>35.9%</i>	<i>0.2 p.p.</i>	<i>32.0%</i>	<i>33.1%</i>	<i>1.1 p.p.</i>
<b>Adjusted Net Income <sup>(1)</sup></b>	<b>144.6</b>	<b>67.2</b>	<b>-53.5%</b>	<b>354.4</b>	<b>147.7</b>	<b>-58.3%</b>
<i>Adjusted Net Income margin (%)</i>	<i>13.1%</i>	<i>5.9%</i>	<i>-7.2 p.p.</i>	<i>10.6%</i>	<i>4.3%</i>	<i>-6.3 p.p.</i>

(1) Net revenue adjusted for effects of laws and injunctions in court in 2021 | Adjusted EBITDA for non-recurring items, detailed in the EBITDA section. 2021 number different from that disclosed due to the revision of non-recurring effects according to slide 40 of Release 4Q21.

# NET REVENUE (1/2)

(R\$ million)	3Q21	3Q22	Δ %	9M21	9M22	Δ %
<b>Gross Revenue</b>	<b>2,201.3</b>	<b>2,375.9</b>	<b>7.9%</b>	<b>6,640.0</b>	<b>7,404.8</b>	<b>11.5%</b>
Monthly tuition fees	2,164.1	2,331.2	7.7%	6,573.3	7,286.7	10.9%
Other	37.2	44.7	20.2%	66.7	118.1	77.2%
<b>Deductions from Gross Revenue</b>	<b>(1,103.2)</b>	<b>(1,240.4)</b>	<b>12.4%</b>	<b>(3,299.0)</b>	<b>(3,941.5)</b>	<b>19.5%</b>
Discounts and scholarships	(1,060.4)	(1,187.5)	12.0%	(3,167.5)	(3,795.3)	19.8%
Taxes	(39.0)	(44.3)	13.5%	(121.3)	(133.5)	10.1%
AVP and other deductions	(3.9)	(8.6)	123.7%	(10.2)	(12.6)	23.8%
<b>Net Revenue</b>	<b>1,098.1</b>	<b>1,135.5</b>	<b>3.4%</b>	<b>3,341.0</b>	<b>3,463.3</b>	<b>3.7%</b>
Premium	209.0	278.5	33.2%	620.2	804.9	29.8%
Digital Learning	354.3	350.2	-1.2%	1,000.3	1,067.9	6.8%
On-campus	534.7	506.8	-5.2%	1,720.5	1,590.5	-7.6%
<b>Adjusted Net Revenue <sup>(1)</sup></b>	<b>1,105.1</b>	<b>1,135.5</b>	<b>2.7%</b>	<b>3,355.8</b>	<b>3,463.3</b>	<b>3.2%</b>
Premium	216.0	278.5	28.9%	639.8	804.9	25.8%
Digital Learning	354.3	350.2	-1.2%	1,000.4	1,067.9	6.7%
On-campus	534.8	506.8	-5.2%	1,715.6	1,590.5	-7.3%

In 3Q22, the Company's **total net revenue** was up by 3.4% vs. 3Q21 and by 3.7% in 9M22 vs. 9M21. The main changes in the period are explained below.

- **Premium Segment:** up by R\$69.4 million vs. 3Q21 and by R\$184.7 million vs. 9M21, due to the following factors: (i) strong growth in the Medicine undergraduate student base (+17% vs. 3Q21), stemming from the maturation of courses and increase in seat offering (+228); (ii) increase in average ticket (+9% vs. 3Q21); (iii) hike in IBMEC intake, boosted by growth in the São Paulo unit, which has a higher ticket; (iv) better performance of IBMEC's graduate programs, compared to the previous year and (v) Hardwork incorporation.
- **Digital Learning Segment:** R\$4.1 million decrease vs. 3Q21, mainly arising from a lower intake volume (-26.3%) compared to the same period in the previous year. In turn, average ticket increased in the quarter (+4% vs. 3Q21), result of the combination of the increase vs 3Q21 of the intake ticket and the ticket of upperclassmen of over one year, partially offsetting the impact of intake in the period. In 9M22, net revenue increased by R\$67.5 million vs. 9M21, stemming from the student base maturation and increase in the number of DL centers.

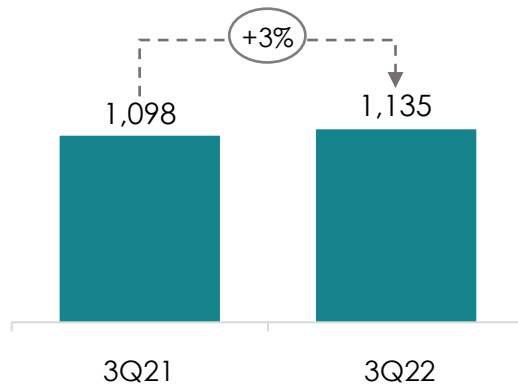
(1) Adjusted by the law and court (individual lawsuits), mainly from medicine school students in 2021.

# NET REVENUE (2/2)

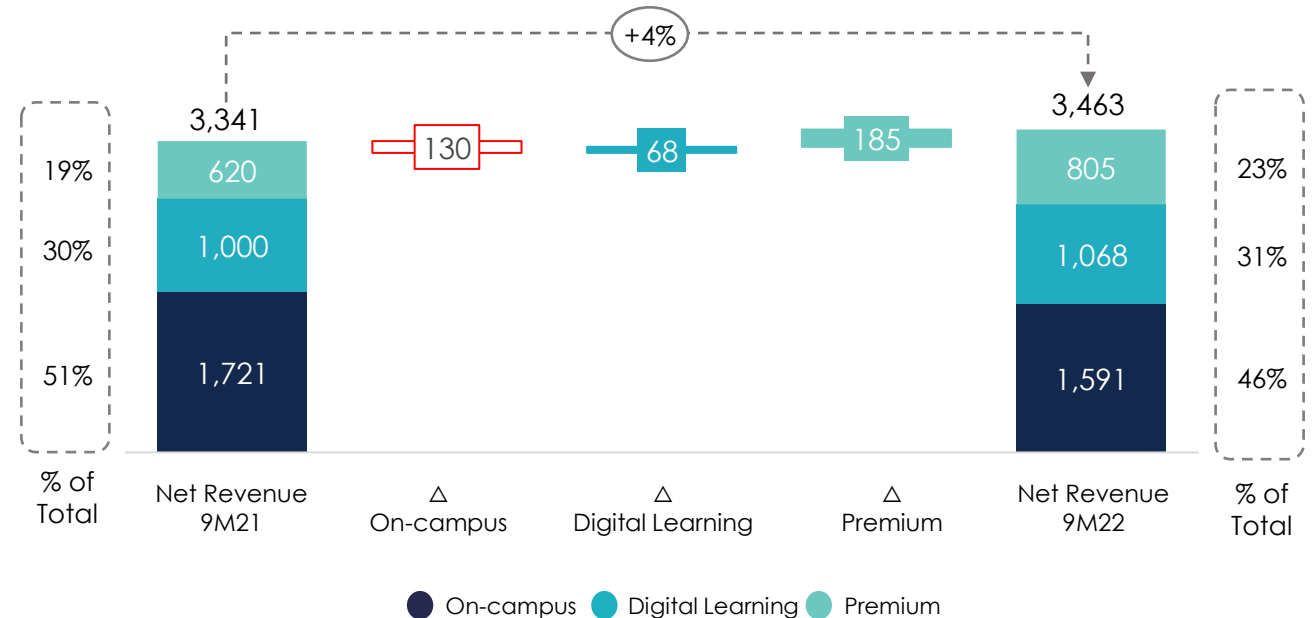
- **On-campus Segment:** R\$27.9 million reduction vs. 3Q21, mainly due to a weaker intake (-19.2% YoY), but largely offset by a good renewal rate performance.

The **Premium and Digital Learning** segments remain the Company's main growth drivers and, together, **they already account for 54% of the Company's total net revenue** for the period (+6 p.p. vs. 9M21).

Total net revenue  
(R\$ million)



Total net revenue by business unit  
(R\$ million)



# COST OF SERVICES AND GROSS PROFIT (1/2)

(R\$ million)	3Q21	3Q22	Δ %	9M21	9M22	Δ %
<b>Cost of Services</b>	<b>(501.3)</b>	<b>(478.5)</b>	<b>-4.5%</b>	<b>(1,459.3)</b>	<b>(1,475.8)</b>	<b>1.1%</b>
Personnel	(275.6)	(290.0)	5.3%	(868.5)	(882.9)	1.7%
Rent, Municipal Property Tax and Others	(12.5)	(1.4)	-89.2%	(38.5)	(21.1)	-45.3%
Rent	(84.4)	(73.4)	-13.0%	(249.8)	(243.5)	-2.5%
Leasing - right of use of properties (IFRS-16)	86.4	83.3	-3.5%	252.7	255.0	0.9%
Other	(14.5)	(11.3)	-22.4%	(41.5)	(32.6)	-21.3%
Transfer to Centers (Revenue share)	(48.0)	(55.7)	16.1%	(127.8)	(155.4)	21.6%
Third-party services	(15.1)	(16.0)	6.2%	(42.0)	(48.7)	15.9%
Utilities	(9.0)	(11.1)	23.1%	(26.6)	(35.2)	32.3%
Other costs	(4.4)	(1.8)	-58.1%	(10.4)	(6.7)	-35.4%
Depreciation and amortization	(136.7)	(102.4)	-25.1%	(345.4)	(325.7)	-5.7%
Leasing - right of use of properties	(67.4)	(62.6)	-7.1%	(191.4)	(196.2)	2.5%
Systems, apps and Software	(6.2)	(2.0)	-67.9%	(13.3)	(5.8)	-56.4%
Improvement to third-party assets	(38.5)	(16.4)	-57.3%	(69.1)	(54.6)	-21.0%
IT equipment	(4.0)	(3.1)	-22.9%	(12.2)	(9.3)	-23.8%
Machinery and equipment	(3.0)	(3.1)	5.4%	(8.5)	(10.4)	21.7%
Other D&A costs	(17.6)	(15.2)	-13.7%	(50.9)	(49.5)	-2.7%
<b>Gross profit</b>	<b>596.8</b>	<b>657.0</b>	<b>10.1%</b>	<b>1,881.7</b>	<b>1,987.5</b>	<b>5.6%</b>
Gross margin (%)	54.3%	57.9%	3.5 p.p.	56.3%	57.4%	1.1 p.p.
<b>Adjusted Cost of Services (ex-D&amp;A) <sup>(1)</sup></b>	<b>(345.7)</b>	<b>(351.3)</b>	<b>1.6%</b>	<b>(1,093.7)</b>	<b>(1,116.1)</b>	<b>2.1%</b>
<b>Adjusted Cost of Personnel <sup>(1)</sup></b>	<b>(256.7)</b>	<b>(265.5)</b>	<b>3.4%</b>	<b>(848.3)</b>	<b>(849.2)</b>	<b>0.1%</b>
Premium	(67.3)	(78.1)	16.0%	(204.8)	(237.1)	15.8%
Digital Learning	(15.3)	(14.2)	-7.2%	(57.6)	(49.6)	-13.8%
On-campus	(174.1)	(173.1)	-0.6%	(585.9)	(562.5)	-4.0%

**Cost of services** was down by 4.5% vs. 3Q21, while in 9M22, it increased by 1.1% YoY, well below LTM accumulated inflation (IPCA<sup>(2)</sup> 7.17%). The main changes in costs in the period were:

- Personnel costs: up by R\$14.5 million vs. 3Q21. Excluding the non-recurring effect of R\$24.8 million in 3Q22, related to the operating research (OR), which improves class distribution by sharing courses and adopting online content in on-campus programs, adjusted personnel costs were up by 3.4% vs. 3Q21, mainly arising from the R\$10.8 million increase in the Premium segment due to the maturation of Medical programs. In 9M22, adjusted personnel costs were in line with 9M21 figures.
- Rent and municipal property taxes: down by R\$11.2 million vs. 3Q21 and by R\$17.4 million vs. 9M21, result explained by the Company recording PIS and COFINS credits this quarter amounting to R\$10.5 million on rent expenses related to 2022, proportionally to revenue taxed by the non-cumulative regime of these taxes.

(1) Adjusted by non-recurring items, explained in detail on the EBITDA section.

(2) Source: IBGE (IPCA LTM on September 30<sup>th</sup>, 2022)

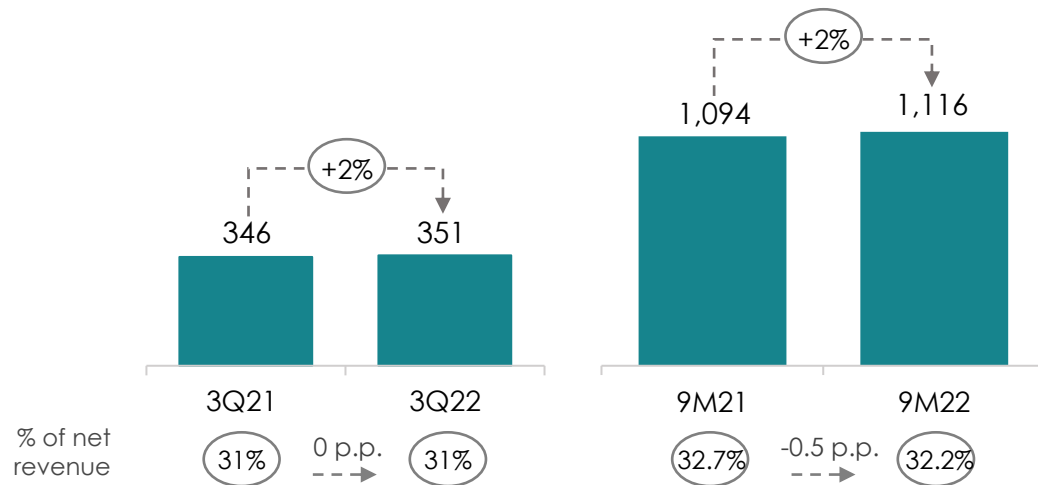
# COST OF SERVICES AND GROSS PROFIT (2/2)

- Transfer to centers (Revenue Share): up by R\$7.7 million vs. 3Q21 and by R\$27.6 million vs. 9M21, due to the increase in Digital Learning via partner centers (+445 centers vs. 3Q21) and that already accounts for almost 64% of the total digital learning undergraduate student base.
- Third-party services (security and cleaning), utilities and other costs were in line with 3Q21 figures. In 9M22, these costs increased by R\$11.6 million YoY, chiefly arising from the resumption of 100% of on-campus classes in 2022.
- Depreciation and amortization: down by R\$34.3 million vs. 3Q21 and by R\$19.7 million vs. 9M21, mainly in the "improvements to third-party assets" line, which increased in 3Q21 due to properties returned and to be returned and accounted for an increase of almost R\$21 million in said quarter.

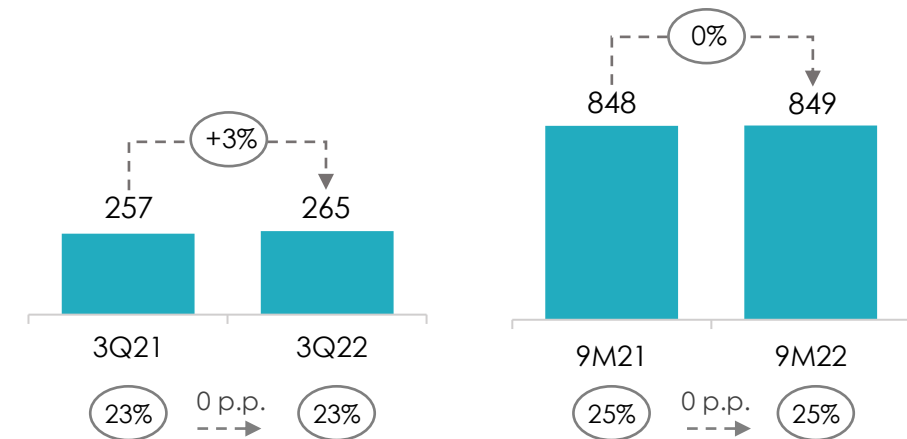
Cost of services (ex-D&A) were impacted by non-recurring effects related to the operational research (OR) amounting to R\$24.8 million in 3Q22 and R\$33.9 million in 9M22. Excluding such effects, **adjusted cost of services (ex-D&A)** increased by 1.6% vs. 3Q21 and by 2.1% vs. 9M21, and remained stable as a percentage of the Company's total net revenue.

In 3Q22, **gross profit** was up by 10.1% YoY with gross margin of 57.9% (+3.5 p.p. vs. 3Q21), due to the strong increase of the Premium segment and the Company's efforts to control costs. In 9M22, gross profit increased by 5.6% YoY with gross margin of 57.4% (+1.1 p.p. vs. 9M21).

Adjusted cost of services (ex-D&A) <sup>(1)</sup>  
(R\$ million)



Adjusted Cost of Personnel <sup>(1)</sup>  
(R\$ million)



(1) Adjusted by non-recurring items, explained in detail on the EBITDA section.



# SELLING EXPENSES (1/2)

(R\$ million)	3Q21	3Q22	Δ %	9M21	9M22	Δ %
<b>Selling Expenses</b>	<b>(191.6)</b>	<b>(190.9)</b>	<b>-0.3%</b>	<b>(674.7)</b>	<b>(706.4)</b>	<b>4.7%</b>
Bad Debt	(89.5)	(99.8)	11.5%	(344.3)	(402.8)	17.0%
Out-of-pocket	(53.2)	(63.6)	19.6%	(201.3)	(269.3)	33.8%
PAR <sup>(1)</sup>	(0.0)	(4.4)	30191.6%	(19.3)	(15.8)	-18.5%
DIS <sup>(1)</sup>	(36.3)	(31.9)	-12.2%	(123.6)	(117.7)	-4.7%
Sales and Marketing (M&S)	(102.1)	(91.1)	-10.7%	(330.5)	(303.6)	-8.1%
Advertising	(69.5)	(61.7)	-11.1%	(255.4)	(213.7)	-16.3%
Other	(32.6)	(29.4)	-9.8%	(75.0)	(89.9)	19.9%
<b>Adjusted Bad Debt <sup>(2)</sup></b>	<b>(89.5)</b>	<b>(99.8)</b>	<b>11.5%</b>	<b>(344.3)</b>	<b>(389.0)</b>	<b>13.0%</b>
<b>Descontos Concedidos</b>	<b>(27.9)</b>	<b>(23.9)</b>	<b>-14.3%</b>	<b>(79.8)</b>	<b>(73.9)</b>	<b>-7.3%</b>
<b>Adjusted Bad Debt<sup>(2)</sup> + Discounts</b>	<b>(117.4)</b>	<b>(123.8)</b>	<b>5.4%</b>	<b>(424.1)</b>	<b>(462.9)</b>	<b>9.2%</b>
% of net revenue	10.7%	10.9%	0.2 p.p.	12.7%	13.4%	0.7 p.p.
<b>Bad Debt by BU</b>	<b>(89.5)</b>	<b>(99.8)</b>	<b>11.5%</b>	<b>(344.3)</b>	<b>(402.8)</b>	<b>17.0%</b>
Premium	(9.1)	(1.3)	-85.7%	(21.0)	(25.6)	22.0%
Digital Learning	(37.4)	(50.6)	35.3%	(136.5)	(173.9)	27.4%
On-campus	(42.9)	(47.9)	11.6%	(186.5)	(203.2)	8.9%
<b>Sales and Marketing by BU</b>	<b>(102.1)</b>	<b>(91.1)</b>	<b>-10.7%</b>	<b>(330.5)</b>	<b>(303.6)</b>	<b>-8.1%</b>
Premium	(6.3)	(8.4)	33.2%	(19.6)	(24.5)	25.3%
Digital Learning	(37.5)	(33.8)	-9.9%	(111.4)	(112.3)	0.8%
On-campus	(58.2)	(48.9)	-16.0%	(199.5)	(166.8)	-16.4%

In 3Q22, **selling expenses** were in line with 3Q21 figures, while in 9M22, they increased by 4.7% vs. 9M21. The main changes are presented below.

**Bad Debt expenses** grew by R\$10.3 million vs. 3Q21 and by R\$58.5 million vs. 9M21. Excluding non-recurring effects amounting to R\$13.8 million in 9M22, chiefly related to the delinquency of medical school students who have benefited from laws and court decisions during the pandemic, **adjusted Bad Debt expenses** increased by 13.0% vs. 9M21.

It is important to emphasize that the court decision that allowed delinquent students to renew their enrollment was no longer in effect and, therefore, in order to renew their enrollments for the second semester of 2022, delinquent students had to renegotiate their debts. The main changes to bad debt expenses broken down by segment are presented below:

- **Premium Segment:** R\$7.8 million decrease vs. 3Q21, due to the reversal of almost R\$6,7 million related to debt renegotiation of delinquent students who benefited from laws and court decisions during the pandemic and needed to renegotiate their debts in order to renew their enrollments for the second semester of 2022. Excluding the reversal effect, Bad Debt for the premium segment would have decreased by R\$1.1 million vs. 3Q21, representing 3% of the segment's net revenue (-1.5 p.p. vs. 3Q21). In 9M22, excluding the reversal effect explained above, Bad Debt expenses would reach 4% (+0.6 p.p. vs. 9M21) of the segment's net revenue.

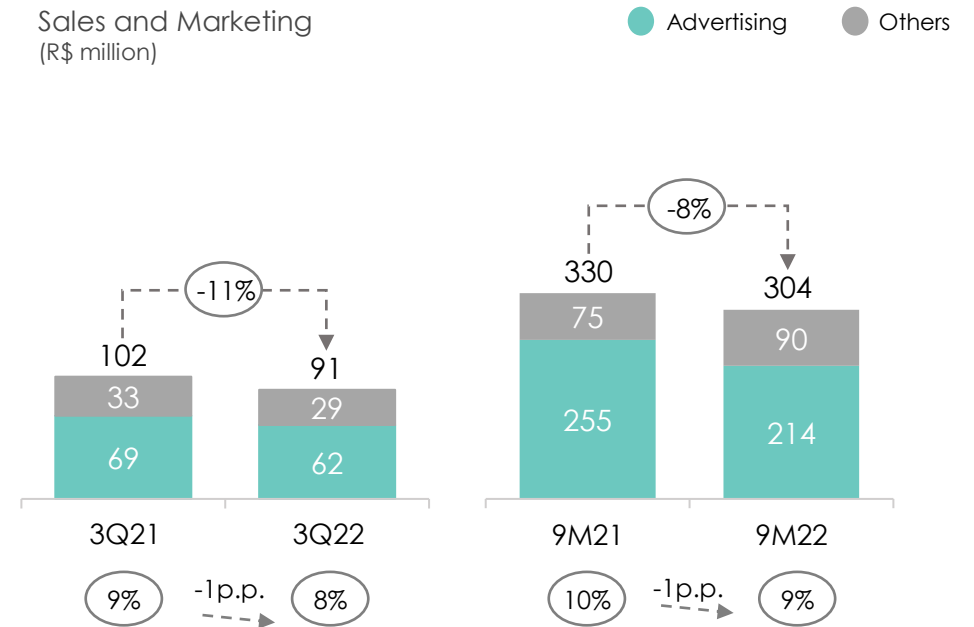
(1) Considers Bad Debt Drop-out and non-renewal.

(2) Adjusted by non-recurring items, explained in detail on the EBITDA section.

# SELLING EXPENSES (2/2)

- **Digital Learning Segment:** up by R\$13.2 million vs. 3Q21 and by R\$37.4 million vs. 9M21, mainly due to the seasonal effect from the different intake curve (quarterly intake), that is, change in the periodicity of intake cycle from half-yearly to quarterly as of 4Q21, thus, the effect of students putting their enrollments on hold, which was previously per semester (even numbered quarters), became every quarter, creating a seasonality change in Bad Debt compared to 2021.
- **On-campus Segment:** R\$5.0 million increase vs. 3Q21, mainly due to the dropout of DIS students in the first semester, impacting Bad Debt for 3Q22. In 9M22, Bad Debt expenses increased by R\$16.6 million YoY, due the drop-outs in the first semester, in addition to the increase of graduates with debt.

**Sales & Marketing expenses** were down by R\$10.9 million vs. 3Q21 and by R\$ 26.8 million vs.9M21, as result of the Company's efforts to control expenses, mainly in the On-Campus segment. As a percentage of total net revenue, these expenses decreased in the quarter and 9M by -1p.p, compared to the same period in the previous year. By year-end, we expect Selling and Marketing expenses to decrease vs. 2021.



(1) Adjusted by non-recurring items, explained in detail on the EBITDA section.

# GENERAL, ADMINISTRATIVE AND OTHER EXPENSES (1/2)

(R\$ million)	3Q21	3Q22	Δ %	9M21	9M22	Δ %
<b>G&amp;A Expenses</b>	<b>(247.1)</b>	<b>(273.0)</b>	<b>10.5%</b>	<b>(704.8)</b>	<b>(755.2)</b>	<b>7.2%</b>
Personnel	(87.1)	(81.9)	-6.0%	(260.5)	(231.9)	-11.0%
Third-party services	(37.3)	(46.1)	23.4%	(98.9)	(119.3)	20.6%
Provision for contingencies	(12.3)	(27.7)	125.1%	(51.7)	(51.6)	-0.1%
Maintenance and repairs	(21.8)	(20.0)	-8.5%	(60.5)	(52.8)	-12.8%
Other	(29.4)	(29.1)	-0.9%	(73.9)	(99.2)	34.2%
Depreciation and amortization	(59.1)	(68.2)	15.5%	(159.3)	(200.5)	25.9%
Goodwill acquisitions	(17.1)	(15.7)	-8.1%	(49.5)	(47.1)	-4.7%
Systems, applications and software	(27.0)	(36.2)	34.3%	(68.8)	(106.1)	54.2%
Other D&A expenses	(15.0)	(16.3)	8.8%	(41.0)	(47.3)	15.2%
<b>Other revenue/ expenses</b>	<b>7.4</b>	<b>4.6</b>	<b>-38.4%</b>	<b>16.4</b>	<b>17.2</b>	<b>4.8%</b>
<b>Adjusted Personnel <sup>(1)</sup></b>	<b>(86.9)</b>	<b>(80.9)</b>	<b>-7.0%</b>	<b>(259.9)</b>	<b>(228.9)</b>	<b>-11.9%</b>
<b>Adjusted G&amp;A and other Expenses <sup>(1)</sup></b>	<b>(173.2)</b>	<b>(185.3)</b>	<b>7.0%</b>	<b>(514.8)</b>	<b>(509.4)</b>	<b>-1.0%</b>
Premium	(26.9)	(43.6)	62.2%	(78.8)	(114.3)	45.1%
Digital Learning	(49.0)	(53.9)	10.0%	(149.6)	(159.5)	6.6%
On-Campus	(97.4)	(87.8)	-9.8%	(286.4)	(235.7)	-17.7%

**General and administrative expenses** were up by 10.5% vs. 3Q21 and by 7.2% vs. 9M21. The main changes in expenses in the period are presented below:

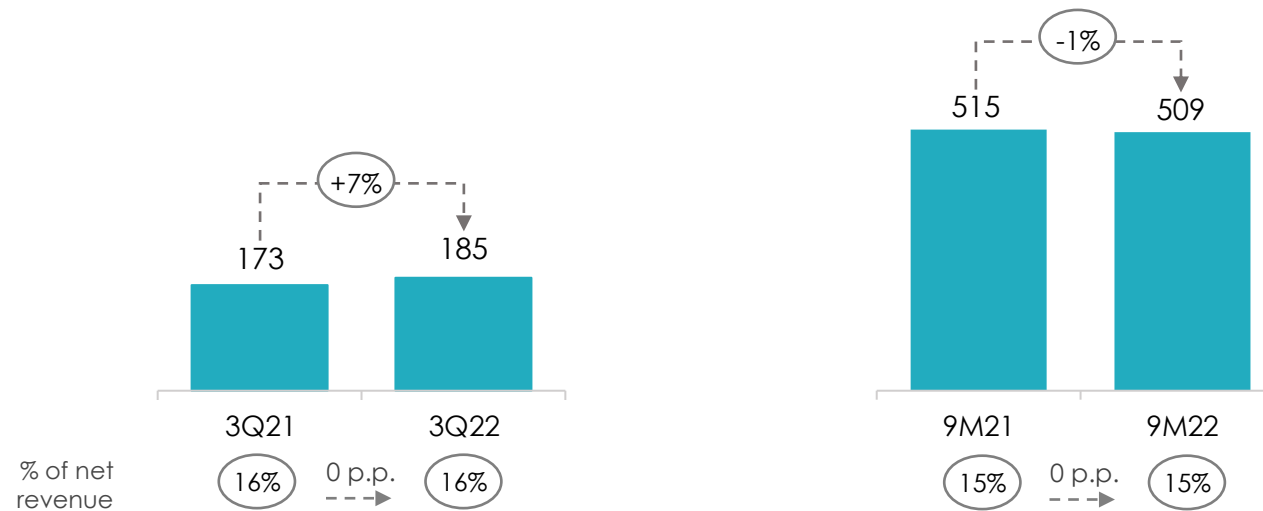
- Personnel expenses: down by R\$5.3 million vs. 3Q21 and by R\$28.6 million vs. 9M21, mainly due to the reduction in provisioning. Personnel expenses were also impacted by non-recurring effects from the restructuring of the administrative staff in the amount of R\$1.0 million in 3Q22 and R\$3.0 million in 9M22. Excluding these non-recurring effects, adjusted personnel expenses were down by 7.0% vs. 3Q21 and 11.9% vs. 9M21.
- Third-party services, maintenance and repairs: growth of R\$6.9 million vs. 3Q21 and R\$12.6 million vs. 9M21, chiefly related to IT and other consulting services, law firms' fees and maintenance of the units' equipment.
- Provision for contingencies: R\$15.4 million increase vs. 3Q21, mainly due to a reversal of provision in 3Q21, related to the company's strategy to negotiate settlements in strategic lawsuits (civil and labor ones). In 9M22, expenses with provision for contingencies were stable versus 9M21.

# GENERAL, ADMINISTRATIVE AND OTHER EXPENSES (2/2)

- Other expenses: remained stable vs. 3Q21. In 9M22 were up by R\$25.3 million vs. 9M21, mainly related to: (i) higher expenses with education agreements (2); (ii) contractual fines, and (iii) travel and accommodation expenses.
- Depreciation and amortization: up by R\$9.2 million vs 3Q21 and by R\$41.2 million vs. 9M21, mainly related to the amortization of systems, applications and software due to investments in digital transformation and technology.

Non-recurring effects impacted general, administrative and other expenses (ex-D&A) amounting to R\$14.9 million in 3Q22 and R\$28.1 million in 9M22, related to the restructuring of the staff, contract fines from the handover of properties, legal consulting and services related to M&A, and other expenses. Excluding such non-recurring effects, **adjusted general, administrative and other expenses (ex-D&A)** would have increased by 7.0% vs. 3Q21 and decreased by 1.0% vs. 9M21, remaining stable as a percentage of net revenue in the quarter and 9M22, compared to the same period in the previous year.

Adjusted G&A and other expenses (ex-D&A) <sup>(1)</sup>  
(R\$ million)



(1) Adjusted by non-recurring items, explained in detail on the EBITDA section.

(2) Partnerships between our educational institutions and institutions capable of receiving our students for their practical classes, internships or residency.

# EBITDA AND MARGIN (1/2)

(R\$ million)	3Q21	3Q22	Δ %	9M21	9M22	Δ %
<b>Net Revenue</b>	<b>1,098.1</b>	<b>1,135.5</b>	<b>3.4%</b>	<b>3,341.0</b>	<b>3,463.3</b>	<b>3.7%</b>
Costs and Expenses	(932.5)	(937.9)	0.6%	(2,822.5)	(2,920.3)	3.5%
(+) Depreciation and amortization	195.7	170.7	-12.8%	504.7	526.3	4.3%
<b>EBITDA</b>	<b>361.3</b>	<b>368.2</b>	<b>1.9%</b>	<b>1,023.3</b>	<b>1,069.3</b>	<b>4.5%</b>
EBITDA margin (%)	32.9%	32.4%	-0.5 p.p.	30.6%	30.9%	0.2 p.p.
<b>Non-recurring items</b>	<b>33.4</b>	<b>39.7</b>	<b>19.1%</b>	<b>49.4</b>	<b>75.9</b>	<b>53.7%</b>
Operational Research (OR) and restructuring	19.1	25.6	33.9%	20.9	36.7	75.6%
M&A. Integration and others	7.2	14.2	96.7%	13.7	25.4	85.4%
Non-recurring items from net revenue	8.8	-	n.a.	24.2	-	n.a.
Bad Debt	-	-	n.a.	-	13.8	n.a.
Impact Revenue (Legacy Athenas)	(1.7)	-	n.a.	(9.4)	-	n.a.
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>394.7</b>	<b>408.0</b>	<b>3.4%</b>	<b>1,072.7</b>	<b>1,145.2</b>	<b>6.8%</b>
Adjusted EBITDA margin(%)	35.7%	35.9%	0.2 p.p.	32.0%	33.1%	1.1 p.p.
<b>Premium</b>	<b>103.1</b>	<b>140.1</b>	<b>35.8%</b>	<b>302.9</b>	<b>395.1</b>	<b>30.4%</b>
EBITDA margin(%)	47.7%	50.3%	2.6 p.p.	47.3%	49.1%	1.7 p.p.
<b>Digital Learning</b>	<b>165.8</b>	<b>142.2</b>	<b>-14.3%</b>	<b>415.5</b>	<b>416.7</b>	<b>0.3%</b>
EBITDA margin(%)	46.8%	40.6%	-6.2 p.p.	41.5%	39.0%	-2.5 p.p.
<b>On-Campus</b>	<b>125.7</b>	<b>125.7</b>	<b>0.0%</b>	<b>354.2</b>	<b>333.3</b>	<b>-5.9%</b>
EBITDA margin(%)	23.5%	24.8%	1.3 p.p.	20.6%	21.0%	0.3 p.p.
<b>Adjusted EBITDA ex-IFRS 16</b>	<b>306.8</b>	<b>323.0</b>	<b>5.3%</b>	<b>815.7</b>	<b>886.2</b>	<b>8.6%</b>
Adjusted EBITDA margin(%)	27.8%	28.4%	0.7 p.p.	24.3%	25.6%	1.3 p.p.
<b>EBITDA ex-IFRS 16</b>	<b>273.4</b>	<b>283.3</b>	<b>3.6%</b>	<b>766.3</b>	<b>810.3</b>	<b>5.7%</b>
EBITDA margin (%)	24.9%	24.9%	0.0 p.p.	22.9%	23.4%	0.5 p.p.

In 3Q22, the Company's **EBITDA** came to R\$368.2 million, up by 1.9% vs. 3Q21, with an EBITDA margin of 32.4% (-0.5 p.p. vs. 3Q21). In 9M22, EBITDA increased by 4.5% vs. 9M21, reaching R\$1,069.3 million and EBITDA margin stood at 30.9% in line with 9M21.

EBITDA was impacted by non-recurring effects in the amount of R\$39.7 million in 3Q22 and R\$75.9 million in 9M22, related to the operational research (OR), restructuring of corporate staff, contractual fines, bad debt in the first half of the year, M&A and other expenses, as explained in previous sections.

Excluding such effects, **adjusted EBITDA** amounted to **R\$408.0 million** in 3Q22, **the highest in the Company's history**, with **net adjusted margin of 35.9%** (stable vs. 3Q21). In 9M22, adjusted EBITDA increased by 6.8% vs. 9M21, amounting to R\$1,145.2 million and adjusted EBITDA margin stood at 33.1% (+1.1 p.p. vs. 9M21). The main changes in the period are explained below.

- **Net revenue:** R\$30.4 million increase vs. 3Q21, due to the Premium segment's strong growth (+R\$62.4 million vs. 3Q21), which more than offset the drop in Digital Learning (-R\$4.1 million vs. 3Q21) and On-Campus segment (-R\$28.0 million vs. 3Q21), mainly impacted by the weaker intake in 3Q22 compared to the same period in the previous year.

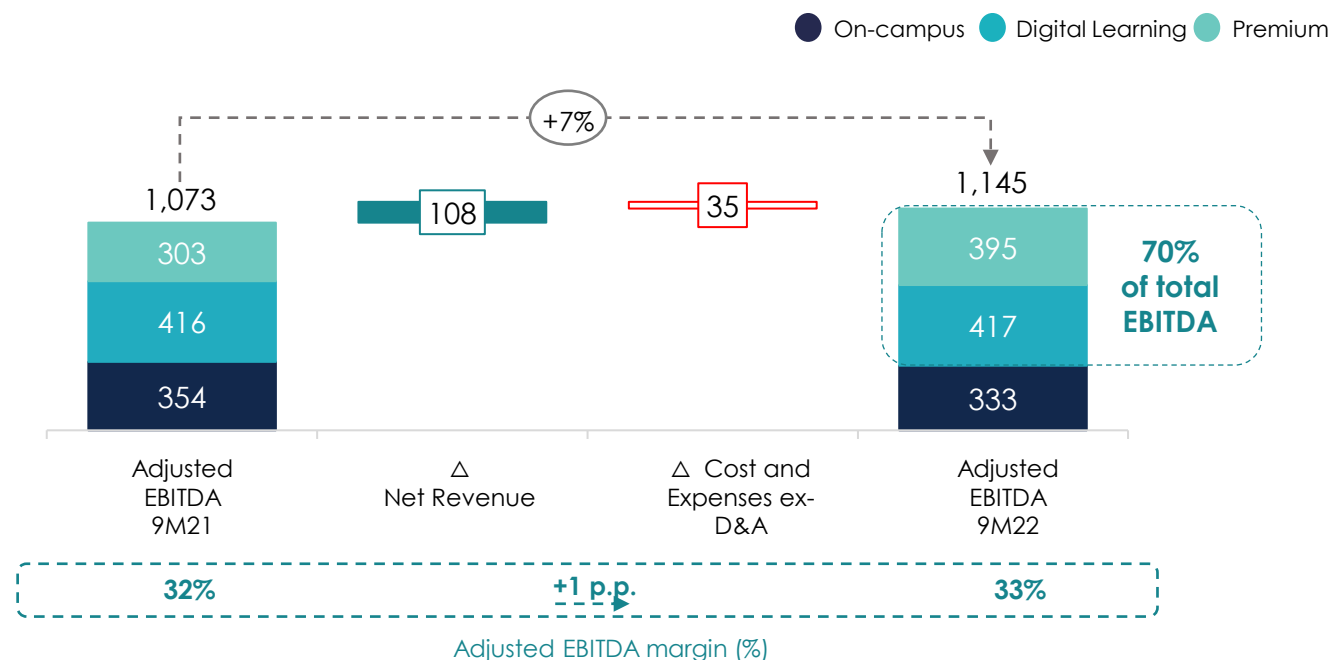
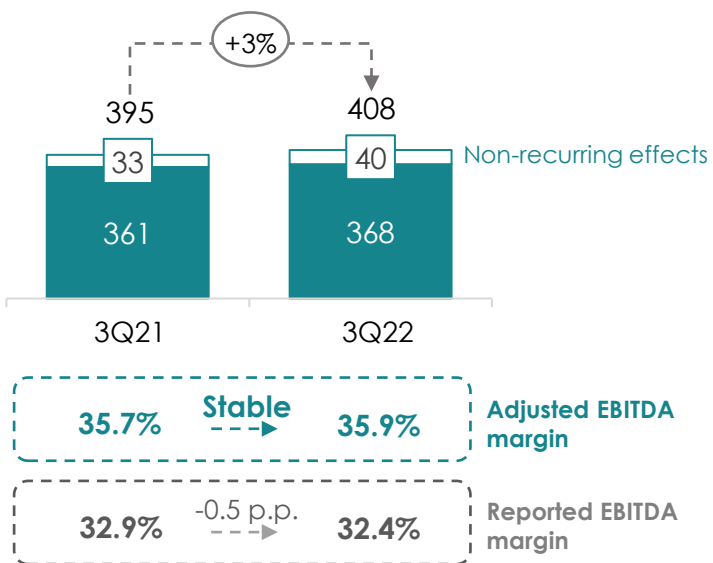
(1) 2021 number different from that disclosed due to the revision of non-recurring effects according to slide 40 of Release 4Q21.

# EBITDA AND MARGIN (2/2)

- In 9M22, net operating revenue increased by R\$107.5 million, due to the growth of the Premium (+R\$165.1 million vs. 9M21) and Digital Learning (R\$67.5 million vs. 9M21) segments, more than offsetting the drop in On-Campus segment (-R\$125.1 million vs. 9M21), mostly impacted by a lower adhesion to DIS in 1H22 and weaker intake in 3Q22.
- Costs and expenses (ex-D&A):** up by R\$17.1 million vs. 3Q21 and R\$35.0 million vs. 9M21, mainly explained by the following factors, as detailed in previous sections,: (i) increase in transfer to partner centers (revenue share); (ii) increase in Bad Debt expenses due to the mismatched intake cycle for Digital Learning and (iii) other costs and expenses related to the resumption of 100% of on-campus and corporate offices activities.

It is important to emphasize that the company has been carrying out a strict control of costs and expenses, especially in the On-Campus segment (-R\$104.2 million vs. 9M21). In 9M22, adjusted costs and expenses (ex-D&A) were up by 1.5% vs. 9M21, well below the LTM accumulated inflation (IPCA<sup>(1)</sup> 7.17%), thus adjusted EBITDA margin was up by 1.1 p.p. vs. 9M21, closing the period at 33.1%. With this result, the **Premium and Digital Learning segments account for 70% of the Company's total EBITDA**.

Adjusted EBITDA  
(R\$ million)



# FINANCIAL RESULT AND NET INCOME (1/2)

(R\$ million)	3Q21	3Q22	Δ %	9M21	9M22	Δ %
<b>EBITDA</b>	<b>361.3</b>	<b>368.2</b>	<b>1.9%</b>	<b>1,023.3</b>	<b>1,069.3</b>	<b>4.5%</b>
<b>Financial Result</b>	<b>(103.1)</b>	<b>(193.8)</b>	<b>88.0%</b>	<b>(285.8)</b>	<b>(527.1)</b>	<b>84.4%</b>
<b>Financial Revenue</b>	<b>50.9</b>	<b>56.2</b>	<b>10.6%</b>	<b>109.6</b>	<b>165.2</b>	<b>50.7%</b>
Fines and interest charged	13.6	19.3	41.6%	33.0	45.0	36.3%
Investments	21.8	42.5	94.8%	44.1	115.3	161.7%
Inflation adjustments	13.7	(6.1)	n.a.	28.1	2.5	-91.2%
Others	1.7	0.6	-66.6%	4.5	2.4	-46.5%
<b>Financial Expenses</b>	<b>(153.6)</b>	<b>(250.0)</b>	<b>62.8%</b>	<b>(393.9)</b>	<b>(689.1)</b>	<b>75.0%</b>
Interest and financial charges	(70.3)	(145.4)	106.7%	(151.7)	(372.2)	145.4%
Interest on loans (Swap)	(5.1)	(24.8)	384.7%	(13.2)	(63.4)	378.7%
Financial discounts	(27.9)	(23.9)	-14.3%	(79.8)	(73.9)	-7.3%
Bank expenses	(2.5)	(3.3)	31.5%	(7.4)	(9.3)	25.2%
Interest on leasing	(30.6)	(34.8)	13.8%	(93.6)	(110.1)	17.7%
Others	(17.1)	(17.9)	4.3%	(48.2)	(60.2)	24.9%
<b>Swap Net Effect</b>	<b>(0.4)</b>	<b>(0.0)</b>	<b>-96.0%</b>	<b>(1.6)</b>	<b>(3.1)</b>	<b>102.7%</b>
(+) Depreciation and amortization	(195.7)	(170.7)	-12.8%	(504.7)	(526.3)	4.3%
<b>Profit before taxes</b>	<b>62.5</b>	<b>3.7</b>	<b>-94.0%</b>	<b>232.8</b>	<b>16.0</b>	<b>-93.1%</b>
Income tax	8.4	9.2	9.8%	0.8	9.7	1150.0%
Social Contribution	2.0	3.2	59.7%	(1.0)	3.2	n.a.
<b>Net Income</b>	<b>72.8</b>	<b>16.1</b>	<b>-77.8%</b>	<b>232.5</b>	<b>28.8</b>	<b>-87.6%</b>
Net margin (%)	6.6%	1.4%	-5.2 p.p.	7.0%	0.8%	-6.1 p.p.
<b>Net Income ex-IFRS 16</b>	<b>84.0</b>	<b>29.8</b>	<b>-64.5%</b>	<b>263.4</b>	<b>78.7</b>	<b>-70.1%</b>
Net margin (%)	7.7%	2.6%	-5.0 p.p.	7.9%	2.3%	-5.6 p.p.
<b>Adjusted Net Income <sup>(1)</sup></b>	<b>144.6</b>	<b>67.2</b>	<b>-53.5%</b>	<b>354.4</b>	<b>147.7</b>	<b>-58.3%</b>
Adjusted net margin (%)	13.1%	5.9%	-7.2 p.p.	10.6%	4.3%	-6.3 p.p.
<b>Adjusted Net Income <sup>(1)</sup> ex-IFRS 16</b>	<b>155.8</b>	<b>80.9</b>	<b>-48.1%</b>	<b>385.0</b>	<b>197.6</b>	<b>-48.7%</b>
Adjusted net margin (%)	14.1%	7.1%	-7.0 p.p.	11.5%	5.7%	-5.8 p.p.

The Company's **financial result** was worse by R\$90.7 million vs. 3Q21 and R\$241.3 million vs. 9M21. Below are the main drivers of this result.

- **Financial Revenue:** up by R\$5.4 million vs. 3Q21 and by R\$55.6 million vs. 9M21, due to: (i) fines and interest rates charged on overdue amounts and earnings from financial investments (R\$26.3 million vs. 3Q21 and R\$83.2 million vs. 9M21), due to the interest rate increase and (ii) reduction in inflation adjustment (R\$19.8 million vs. 3Q21 and R\$25.6 million vs. 9M21) due to a negative inflation adjustment in 3Q22 because of the record deflation in the period (negative IPCA).
- **Financial Expenses:** up by R\$96.5 million vs. 3Q21 and by R\$295.2 million vs. 9M21, mainly due to: (i) interest and financial charges (R\$75.0 million vs. 3Q21 and R\$220.5 million vs. 9M21), due to the increase in debt and interest rates; (ii) increase in interest from swap (R\$19.7 million vs. 3Q21 and R\$50.1 million vs. 9M21), related to the higher amount of 4131 operations compared to the previous year and higher interest rates; (iii) lower volume of financial discounts (R\$4.0 million vs. 3Q21 and R\$5.8 million vs. 9M21), mainly arising from the renewal campaigns; (iv) higher interest on leases (R\$4.2 million vs. 3Q21 and R\$16.5 million vs. 9M21); and (v) other expenses up by R\$12.0 million vs. 9M21, mainly related to the increase of the financial update of contingencies and financial update of the acquisition price payable (Qconcurso and Hardwork), due to the increase in acquisitions and interest rates compared to 2021.

(1) Adjusted for detailed non-recurring effects on the next slide. 2021 number different from that disclosed due to the revision of non-recurring effects according to slide 40 of Release 4Q21.

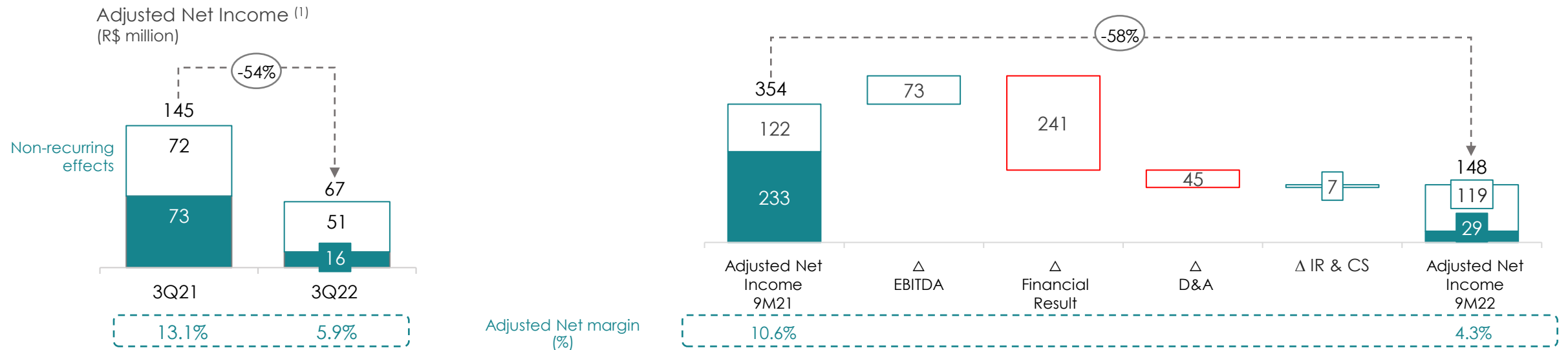


# FINANCIAL RESULT AND NET INCOME (2/2)

In 3Q22, **net income** was R\$16.1 million (-77.8% vs. 3Q21), impacted by the financial result worsening. In 9M22, net income totaled R\$28.8 million (-87.6% vs. 9M21). The main changes are presented below.

- EBITDA increase of R\$6.9 million in 3Q21 and R\$46.0 million vs. 9M21, due to the strong growth of the Premium segment coupled with cost and expense control.
- Financial result worsening of R\$90.7 million vs. 3Q21 and R\$241.3 million vs. 9M21, as explained in the previous slide.
- Depreciation and amortization: down by R\$25.1 million vs. 3Q21, mainly due to the increase in the “improvements to third-party assets” line in 3Q21 related to properties returned and to be returned, which accounted for almost R\$21 million. In 9M22, D&A increased by R\$21.6 million vs. 9M21, related to property leases plus systems, applications and software due to the investments the Company has been making in digital transformation and technology.
- Positive impact in Income Tax and Social Contribution, related to the distribution of earnings as Interest on Equity among the subsidiaries (direct and indirect) during the quarter and 9M.

The Company's net income was also impacted by non-recurring effects amounting to R\$51.1 million in 3Q22 and R\$118.9 million in 9M22, namely (i) EBITDA of R\$39.7 million in 3Q22 and R\$75.9 million in 9M22, as explained in the EBITDA section; (ii) goodwill from acquisitions<sup>(2)</sup> of R\$15.7 million in 3Q22 and R\$47.1 million in 9M22 and (iii) Income Tax and Social Contribution -R\$4.4 million in 3Q22 and -R\$4.1 million in 9M22. Excluding said effects, **adjusted net income** amounted to R\$67.2 million (-53.5% vs. 3Q21) and to R\$147.7 million in 9M22 (-58.3% vs. 9M21).



(1) Adjusted for non-recurring effects detailed in the text above. 2021 number different from that disclosed due to the revision of non-recurring effects according to slide 40 of Release 4Q21.

(2) Goodwill related to the acquisitions of Adtalem and Athenas, acquired in 2020.



(R\$ million)	3Q21	2Q22	3Q22
<b>Monthly tuition fees received</b>	<b>1,450.9</b>	<b>1,480.9</b>	<b>1,390.6</b>
Out-of-Pocket	775.9	943.2	830.6
PAR	172.7	95.8	94.6
DIS	470.9	407.6	432.0
CREDATHENAS	31.4	34.3	33.5
<b>Exchange Deals</b>	<b>19.7</b>	<b>34.7</b>	<b>37.6</b>
<b>FIES</b>	<b>133.3</b>	<b>129.8</b>	<b>121.5</b>
<b>Other</b>	<b>299.2</b>	<b>321.8</b>	<b>387.9</b>
Credit Cards to be received	148.4	155.7	178.0
Agreements	150.8	166.1	209.9
<b>Gross Accounts Receivable</b>	<b>1,903.1</b>	<b>1,967.2</b>	<b>1,937.6</b>
<b>Bad Debt</b>	<b>(578.2)</b>	<b>(628.4)</b>	<b>(630.0)</b>
Out-of-Pocket <sup>(1)</sup>	(410.3)	(502.6)	(504.2)
PAR (50%)	(80.9)	(43.8)	(43.0)
DIS (15%)	(68.5)	(56.4)	(56.8)
CREDATHENAS (50%)	(18.5)	(25.6)	(26.1)
<b>Amounts to be identified</b>	<b>(15.6)</b>	<b>(4.2)</b>	<b>(5.0)</b>
<b>Adjustment to present value (APV) <sup>(2)</sup></b>	<b>(31.8)</b>	<b>(33.8)</b>	<b>(42.4)</b>
APV PAR	(10.6)	(7.3)	(8.4)
APV DIS	(18.3)	(22.9)	(30.0)
APV CREDATHENAS	(3.0)	(3.6)	(4.0)
<b>Net Accounts Receivable</b>	<b>1,277.5</b>	<b>1,300.8</b>	<b>1,260.2</b>

In 3Q22, the company's **gross accounts receivable** were up by R\$34.5 million vs. 3Q21, stemming from the increase in settlements receivable due to a higher volume of negotiations during the renewal period and increase in credit card receivables, mainly due to the enrollment renewal period, in addition to the impact from acquired companies (Qconcursos and Hardwork), whose receivables are mainly via credit card.

**Net accounts receivable** ended 3Q22 down by R\$17.3 million YoY.

## PAR and DIS Reconciliation

(R\$ million)	PAR		DIS	
	3Q21	3Q22	3Q21	3Q22
<b>Gross revenue paid in cash</b>	9.0	4.8	8.8	12.9
<b>Gross revenue paid in installments</b>	7.0	2.8	111.7	108.9
Taxes – revenue deductions	(0.5)	(0.3)	(4.2)	(4.5)
Adjustment to Present Value (APV) <sup>(2)</sup>	0.7	(1.1)	(4.4)	(7.2)
Bad Debt (PAR 50% / DIS 15%) <sup>(3)</sup>	(0.0)	(4.4)	(36.3)	(31.9)
<b>Bad Debt of Net Revenue (%)</b>	<b>0.0%</b>	<b>0.4%</b>	<b>3.3%</b>	<b>2.8%</b>

(1) Includes short-term DIS and PAR installments and student balance dropout and non-renewal DIS/PAR.

(2) Correction of installments based on IPCA and brought to present value on NTN-2024.

(3) Considers Bad Debt Drop-out and non-renewal.

# AVERAGE TERM OF RECEIVABLES

(R\$ million)	3Q21	2Q22	3Q22	Δ% vs. 3Q21	Δ% vs. 2Q22
Net accounts receivables	1,277.5	1,300.8	1,260.2	-1.4%	-3.1%
Net Revenue (12M)	4,391.4	4,480.1	4,531.4	3.2%	1.1%
<b>Average Term of Receivables ATR (days)</b>	<b>105</b>	<b>105</b>	<b>100</b>	<b>-4.8%</b>	<b>-4.8%</b>
FIES accounts receivable	133.3	129.8	121.5	-8.9%	-6.4%
FIES Revenue (12M)	430.4	310.2	286.7	-33.4%	-7.6%
FGEDUC Deductions (12M)	(39.2)	(27.9)	(26.7)	-31.9%	-4.3%
Taxes (12M)	(16.0)	(11.1)	(10.5)	-34.7%	-6.1%
FIES Net Revenue (12M)	375.1	271.1	249.5	-33.5%	-8.0%
<b>FIES ATR (days)</b>	<b>128</b>	<b>172</b>	<b>175</b>	<b>36.7%</b>	<b>1.7%</b>
Ex-FIES accounts receivable	1,144.2	1,171.0	1,138.7	-0.5%	-2.8%
Ex-FIES net revenue (12M)	4,016.3	4,208.9	4,281.9	6.6%	1.7%
<b>Ex-FIES ATR (days)</b>	<b>103</b>	<b>100</b>	<b>96</b>	<b>-6.8%</b>	<b>-4.0%</b>

In 3Q22, the Company's **consolidated average term of receivables (ATR)** decreased by 5 days vs. 3Q21, mainly due to:

- **FIES ATR** was up by 47 days vs. 3Q21 and 3 days vs. 2Q22, due to the lower revenue volume (reduction in financing programs) and linked to the beginning of contract amendments for the second semester of 2022.
- **Ex-FIES ATR** was down by 7 days. vs. 3Q21 and by 4 days vs. 2Q22, which can be mainly explained by a higher efficiency in collection and a reduction in adhesion to DIS.

## Aging of Total Gross Accounts Receivable <sup>(1)</sup>

Vertical Analysis

(R\$ million)	3Q21	3Q22	Δ%	3Q21 (%)	3Q22 (%)
FIES	133.3	121.5	-8.9%	7%	6%
Not yet due	930.7	926.5	-0.4%	49%	48%
Overdue up to 30 days	155.0	149.9	-3.3%	8%	8%
Overdue from 31 to 60 days	64.4	112.9	75.2%	3%	6%
Overdue from 61 to 90 days	25.4	10.2	-59.9%	1%	1%
Overdue from 91 to 179 days	251.5	271.0	7.8%	13%	14%
Overdue more than 180 days	342.8	345.6	0.8%	18%	18%
<b>Gross accounts receivables</b>	<b>1,903.1</b>	<b>1,937.6</b>	<b>1.8%</b>	<b>100%</b>	<b>100%</b>

## Aging of Agreements Receivable <sup>(2)</sup>

Vertical Analysis

(R\$ million)	3Q21	3Q22	Δ%	3Q21 (%)	3Q22 (%)
Not yet due	82.2	112.0	36.2%	55%	53%
Overdue up to 30 days	13.3	18.2	36.9%	9%	9%
Overdue from 31 to 60 days	7.6	11.1	46.0%	5%	5%
Overdue from 61 to 90 days	4.6	6.7	46.5%	3%	3%
Overdue from 91 to 179 days	15.7	22.6	44.1%	10%	11%
Overdue more than 180 days	27.5	39.4	43.3%	18%	19%
<b>Agreements receivable</b>	<b>150.8</b>	<b>209.9</b>	<b>39.2%</b>	<b>100%</b>	<b>100%</b>

## FIES: Changes in Accounts Receivable

(R\$ million)	3Q21	3Q22	Δ%
Opening balance	<b>173.5</b>	<b>129.8</b>	<b>-25.2%</b>
FIES revenue	73.0	50.6	-30.7%
Payment of Taxes	(10.2)	(11.1)	9.7%
Buyback FIES	(102.9)	(47.7)	-53.6%
<b>Closing balance</b>	<b>133.3</b>	<b>121.5</b>	<b>-8.9%</b>

(1) Amounts overdue for more than 360 days are written off from Accounts Receivable up to the limit of the allowance for doubtful accounts.

(2) Excludes credit card agreements.

(R\$ million)	3Q21	3Q22	Δ %	9M21	9M22	Δ %
<b>Total Capex</b>	<b>150.6</b>	<b>123.0</b>	<b>-18.3%</b>	<b>325.5</b>	<b>332.5</b>	<b>2.2%</b>
Digital Transformation and IT	66.0	65.2	-1.2%	143.2	176.3	23.1%
Sustainability & Improvement	40.7	38.7	-4.9%	91.9	99.3	8.0%
Expansion	43.9	19.1	-56.4%	90.3	56.8	-37.1%

## % of Net Revenue

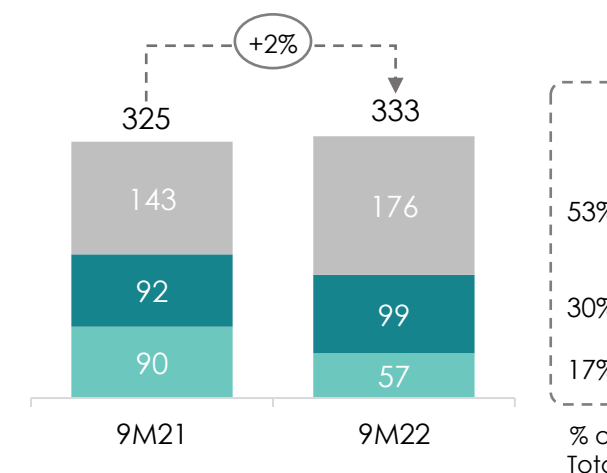
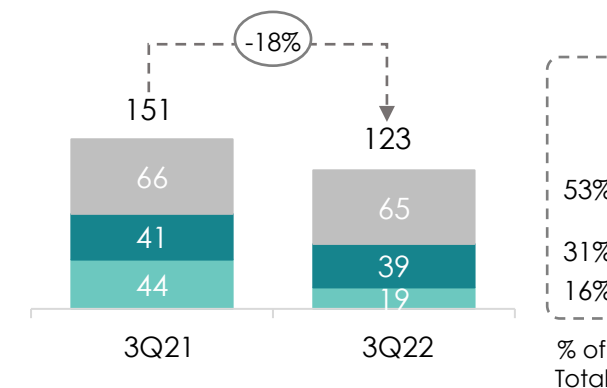
<b>Total Capex</b>	<b>13.7%</b>	<b>10.8%</b>	<b>-2.9 p.p.</b>	<b>9.7%</b>	<b>9.6%</b>	<b>-0.1 p.p.</b>
Digital Transformation and IT	6.0%	5.7%	-0.3 p.p.	4.3%	5.1%	0.8 p.p.
Sustainability & Improvement	3.7%	3.4%	-0.3 p.p.	2.8%	2.9%	0.1 p.p.
Expansion	4.0%	1.7%	-2.3 p.p.	2.7%	1.6%	-1.1 p.p.

The Company's **total capex** was down by R\$27.6 million vs. 3Q21 and up by R\$7.1 million in 9M22 vs. 9M21. The main changes are presented below.

- Investments in **digital transformation and technology** remained stable compared to 3Q21 and increased by R\$33.1 million vs. 9M21, due to the company's efforts to offer increasingly modern and innovative education services.
- Sustainability & Improvement** investments, which are those related to the maintenance and improvement of the units' infrastructure and student satisfaction, were down by R\$2.0 million vs. 3Q21. In 9M22, these investments increased by R\$7.4 million YoY, mainly due to the maturation of medical programs.
- Investments in **expansion**, which those are related to new programs and maturation of existing ones, decreased by R\$24.7 million vs. 3Q21 and by R\$33.5 million vs. 9M21.

It is important to mention that **we expect to end 2022 with total capex of R\$500 million**, which represents a decrease of approximately 8% compared to 2021.

CAPEX  
(R\$ million)



# CASH FLOW STATEMENT

(R\$ million)	3Q21	3Q22	Δ %	9M21	9M22	Δ %
<b>Adjusted EBITDA ex IFRS 16</b>	<b>306.8</b>	<b>323.0</b>	<b>5.3%</b>	<b>815.7</b>	<b>886.2</b>	<b>8.6%</b>
Working capital variation	48.8	71.2	45.9%	(113.2)	(71.5)	-36.9%
receivables	8.2	53.7	552.0%	(164.2)	(29.1)	-82.3%
accounts payable	57.3	4.1	-92.9%	55.6	(43.8)	n.a.
others	(16.7)	13.5	n.a.	(4.7)	1.4	n.a.
Taxes (IT/SC)	(11.9)	(1.1)	-91.1%	(33.9)	(21.3)	-37.1%
<b>Operating Cash Flow</b>	<b>343.8</b>	<b>393.2</b>	<b>14.4%</b>	<b>668.6</b>	<b>793.4</b>	<b>18.7%</b>
Capex	(150.6)	(123.2)	-18.2%	(325.5)	(332.7)	2.2%
Acquisition of property and equipment	(56.9)	(36.1)	-36.5%	(120.9)	(92.0)	-23.9%
Acquisition of intangible assets	(93.7)	(87.0)	-7.1%	(204.6)	(240.8)	17.7%
<b>(=) Free Cash Flow</b>	<b>193.2</b>	<b>270.0</b>	<b>39.8%</b>	<b>343.1</b>	<b>460.7</b>	<b>34.3%</b>
Interest ex IFRS 16	(61.7)	(147.2)	138.7%	(178.9)	(363.1)	103.0%
<b>(=) Shareholder cash flow</b>	<b>131.5</b>	<b>122.8</b>	<b>-6.6%</b>	<b>164.2</b>	<b>97.6</b>	<b>-40.6%</b>
Capitation / debt amortization	(4.4)	137.1	n.a.	317.2	19.9	-93.7%
M&A	(163.1)	(28.0)	n.a.	(169.8)	(71.9)	-57.7%
Dividends paid	-	(0.0)	n.a.	(0.0)	(0.0)	-93.5%
Others	(33.4)	(115.9)	247.2%	(46.9)	(276.5)	489.1%
<b>(=) Net cash generation</b>	<b>(69.5)</b>	<b>116.0</b>	<b>-267.0%</b>	<b>264.7</b>	<b>(230.9)</b>	<b>-187.2%</b>
Cash at the beginning of the year	1,967.4	1,467.4	-25.4%	1,633.3	1,814.2	11.1%
Cash at the end of the year	1,897.9	1,583.5	-16.6%	1,897.9	1,583.5	-16.6%
<b>Operating Cash Flow/Adjusted EBITDA ex-IFRS 16</b>	<b>112.0%</b>	<b>121.7%</b>	<b>9.7 p.p.</b>	<b>82.0%</b>	<b>89.5%</b>	<b>7.6 p.p.</b>

The Company's **operating cash flow (OCF)** was up by R\$49.4 million vs. 3Q21, mainly stemming from the change in working capital coupled with a better collection (ex-FIES), partially due to the renegotiation of Medical students, who benefited from laws and court decisions up to 1H22. Thus, we ended the quarter with a cash conversion rate of 121.7% (+9.7 p.p. vs. 3Q21)

Year-to-date, OCF **increased by R\$124.8 million vs. 9M21**, mainly due to the increase in adjusted EBITDA ex-IFRS 16 (+R\$70.5 million vs. 9M21), ending the period with a cash conversion rate of 89.5% (+7.6 p.p. vs. 9M21).

In 3Q22, the Company's **net cash generation** was positive R\$116.0 million. In 9M22, net cash generation was negative R\$230.9 million. The main changes are presented below.

- Capex: R\$27.4 million reduction vs. 3Q21 and R\$7.3 million increase vs. 9M21, in line with the guidance for 2022, which forecasts a drop of approximately 8% in total capex compared to 2021.
- Interest (ex-IFRS 16): up by R\$85.5 million vs. 3Q21 and by R\$184.2 million vs. 9M21, due to the increase in debt interest expenses.
- Other: up by R\$82.5 million vs. 3Q21 and by R\$229.6 million vs. 9M21, related to buyback program and non-recurring effects in costs and expenses.

# CASH POSITION

(R\$ million)	3Q21	3Q22	Δ %
<b>(-) Cash and cash equivalents [a]</b>	<b>(1,897.9)</b>	<b>(1,583.5)</b>	<b>-16.6%</b>
<b>Gross Debt [b]</b>	<b>5,342.0</b>	<b>5,846.0</b>	<b>9.4%</b>
Bank loans <sup>(2)</sup>	3,708.9	4,122.0	11.1%
Leasing	1,460.7	1,601.5	9.6%
Commitments payable (M&A)	172.5	122.5	-29.0%
<b>Net Debt [a+b]</b>	<b>3,444.1</b>	<b>4,262.4</b>	<b>23.8%</b>
<b>Net debt (Ex-IFRS 16)/ adjusted EBITDA (LTM)<sup>(1)</sup></b>	<b>1.5x</b>	<b>1.9x</b>	

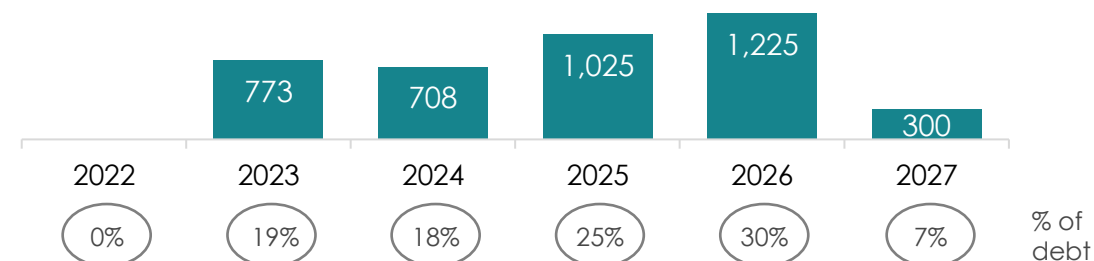
In 3Q22, the Company's **cash and cash equivalents amounted to R\$1,583.5 million**. **Net debt** (excluding leases) ended the period at **R\$2,661.0 million**, with a **net debt/ (LTM) adjusted EBITDA ratio at 1.9x**, maintaining a healthy leverage and capital discipline.

On September 23, the Company completed its **8<sup>th</sup> debenture issue in the amount of R\$500 million**. The new issue allowed the company to settle the Bank Credit Note (BCN) with Bradesco in the amount of R\$360 million (in Sep/22) and prepay the BCN with Itaú amounting to R\$150 million (in Oct/22), with original maturity in April 2023. Thus, the company extended its average debt term to 2.7 years and **reduced average cost of debt** from CDI + 2.07% to **CDI + 1.88%**.

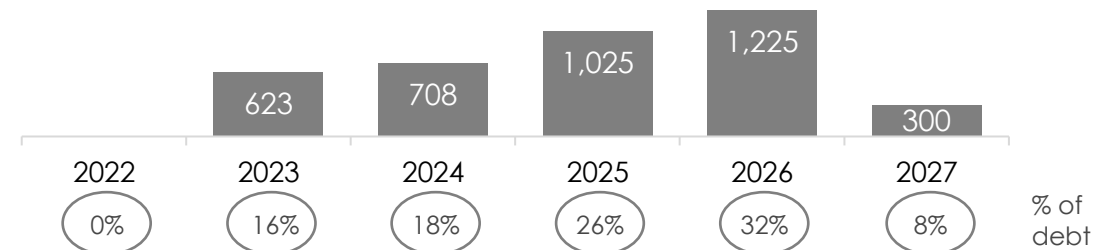
# DEBT

Debt Type (R\$ million)	Average term (in years)	Cost	Balance payable (principal + interest)	% of total
FINEP	1.2	TJLP + 0.5%	1.4	0%
Credit Notes	1.2	CDI + 2.55%	378.0	9%
4131	1.2	CDI + 1.27%	692.2	17%
5 <sup>th</sup> Debenture (2 <sup>nd</sup> series)	0.9	CDI + 0.79%	356.3	9%
6 <sup>th</sup> Debenture (unique)	2.9	CDI + 2.50%	1,883.9	46%
7 <sup>th</sup> Debenture (unique)	2.7	CDI + 1.65%	315.0	8%
8 <sup>th</sup> Debenture (unique)	4.6	CDI + 1.50%	501.4	12%
<b>Bank Loans in 3Q22</b>		<b>CDI + 1.94%</b>	<b>4,128.2</b>	<b>100%</b>

Debt amortization schedule  
(R\$ million; principal amount <sup>(3)</sup>)



Amortization schedule (after prepayment of the BNC of Itaú)  
(R\$ million; principal amount)



(1) Excluding IFRS 16 leasing amounts from gross debt; adjusted EBITDA for non-recurring items, accumulated in the last twelve months.

(2) Total loans include short- and long-term issuance and swap spending.

(3) The difference between the presented in the chart and the ITR is related to the discount rate, swap and interest.

YDUQS



APPENDIX

# MEDICAL SEATS OFFERING BY UNIT (Undergraduate)

Units	State	Authorized Seats	3Q22	Full Potential <sup>(1)</sup>	
			Student Base (thousand)	Authorized Seats	Student Base (thousand)
Presidente Vargas	RJ	240	1.6	240	1.7
Città	RJ	170	1.1	170	1.2
Juazeiro do Norte	CE	100	0.7	100	0.7
Ribeirão Preto	SP	76	0.5	76	0.5
Teresina	PI	110	0.8	110	0.8
Alagoinhas	BA	65	0.4	165	1.2
Jaraguá do Sul	SC	150	0.4	150	1.1
Juazeiro	BA	155	0.8	155	1.1
Angra dos Reis	RJ	89	0.5	155	1.1
Canindé	CE	50	0.2	150	1.1
Cáceres	MT	50	0.2	50	0.4
Castanhal	PA	50	0.1	150	1.1
Quixadá	CE	50	0.1	150	1.1
Açailândia	MA	50	0.1	150	1.1
Iguatu	CE	50	0.05	150	1.1
Ji-Paraná	RO	50	0.05	150	1.1
Unijipa	RO	28	0.03	28	0.2
<b>Total</b>		<b>1,533</b>	<b>7.5</b>	<b>2,299</b>	<b>16.5</b>

(1) Considers the expansion to the maximum capacity of granted seats (+100 seats/years) in all Mais Médicos units. Student base includes ProUni and FIES.



# INCOME STATEMENT BY BUSINESS UNIT: NEW BREAKDOWN

	Consolidated			Premium			Digital Learning			On-campus		
(R\$ million)	3Q21	3Q22	Δ%	3Q21	3Q22	Δ%	3Q21	3Q22	Δ%	3Q21	3Q22	Δ%
<b>Gross Revenue</b>	<b>2,201</b>	<b>2,376</b>	<b>8%</b>	<b>255</b>	<b>327</b>	<b>28%</b>	<b>733</b>	<b>784</b>	<b>7%</b>	<b>1,214</b>	<b>1,265</b>	<b>4%</b>
Monthly tuition fees	2,201	2,376	8%	255	327	28%	733	784	7%	1,214	1,265	4%
Deductions from Gross Revenue	(1,103)	(1,240)	12%	(46)	(48)	5%	(378)	(434)	15%	(679)	(758)	12%
<b>Net Operating Revenue</b>	<b>1,098</b>	<b>1,135</b>	<b>3%</b>	<b>209</b>	<b>278</b>	<b>33%</b>	<b>354</b>	<b>350</b>	<b>-1%</b>	<b>535</b>	<b>507</b>	<b>-5%</b>
<b>Cost of Services</b>	<b>(501)</b>	<b>(479)</b>	<b>-5%</b>	<b>(91)</b>	<b>(105)</b>	<b>15%</b>	<b>(70)</b>	<b>(77)</b>	<b>11%</b>	<b>(340)</b>	<b>(297)</b>	<b>-13%</b>
Personnel	(276)	(290)	5%	(68)	(80)	17%	(16)	(17)	6%	(192)	(193)	1%
Rent, municipal property tax and other	(13)	(1)	-89%	(0)	(2)	1058%	(0)	0	n.a.	(12)	1	n.a.
Third-party services and other	(76)	(85)	11%	(3)	(5)	53%	(49)	(56)	14%	(24)	(24)	0%
Depreciation and amortization	(137)	(102)	-25%	(20)	(17)	-13%	(5)	(5)	5%	(112)	(80)	-29%
<b>Gross Profit</b>	<b>597</b>	<b>657</b>	<b>10%</b>	<b>118</b>	<b>174</b>	<b>48%</b>	<b>285</b>	<b>273</b>	<b>-4%</b>	<b>194</b>	<b>210</b>	<b>8%</b>
Gross margin (%)	54%	58%	4 p.p.	56%	62%	6 p.p.	80%	78%	-2 p.p.	36%	41%	5 p.p.
<b>Selling, G&amp;A and Other Expenses</b>	<b>(431)</b>	<b>(459)</b>	<b>7%</b>	<b>(52)</b>	<b>(70)</b>	<b>36%</b>	<b>(147)</b>	<b>(161)</b>	<b>10%</b>	<b>(232)</b>	<b>(228)</b>	<b>-2%</b>
Personnel	(87)	(82)	-6%	(12)	(18)	56%	(35)	(33)	-8%	(40)	(31)	-23%
Advertising	(102)	(91)	-11%	(6)	(8)	33%	(38)	(34)	-10%	(58)	(49)	-16%
Bad Debt	(89)	(100)	12%	(9)	(1)	-86%	(37)	(51)	35%	(43)	(48)	12%
Other Expenses	(101)	(123)	22%	(17)	(28)	64%	(17)	(24)	44%	(67)	(71)	6%
Other Revenue	7	5	-38%	1	0	-61%	2	(0)	n.a.	4	4	-4%
Depreciation and amortization	(59)	(68)	16%	(9)	(15)	66%	(22)	(20)	-8%	(28)	(33)	19%
<b>(+) Depreciation and amortization</b>	<b>196</b>	<b>171</b>	<b>-13%</b>	<b>29</b>	<b>32</b>	<b>12%</b>	<b>27</b>	<b>25</b>	<b>-6%</b>	<b>140</b>	<b>113</b>	<b>-19%</b>
<b>EBITDA</b>	<b>361</b>	<b>368</b>	<b>2%</b>	<b>95</b>	<b>136</b>	<b>43%</b>	<b>164</b>	<b>137</b>	<b>-17%</b>	<b>102</b>	<b>96</b>	<b>-7%</b>
EBITDA margin (%)	33%	32%	-1 p.p.	45%	49%	3 p.p.	46%	39%	-7 p.p.	19%	19%	0 p.p.
<b>Adjusted Net Revenue <sup>(1)</sup></b>	<b>1,105</b>	<b>1,135</b>	<b>3%</b>	<b>216</b>	<b>278</b>	<b>29%</b>	<b>354</b>	<b>350</b>	<b>-1%</b>	<b>535</b>	<b>507</b>	<b>-5%</b>
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>395</b>	<b>408</b>	<b>3%</b>	<b>103</b>	<b>140</b>	<b>36%</b>	<b>166</b>	<b>142</b>	<b>-14%</b>	<b>126</b>	<b>126</b>	<b>0%</b>
Adjusted EBITDA margin (%)	36%	36%	0 p.p.	48%	50%	3 p.p.	47%	41%	-6 p.p.	24%	25%	1 p.p.

(1) Revenue: adjusted by laws and court decisions (individual actions) in 2021 | EBITDA: Adjusted by non-recurring items, explained in detail on the EBITDA section. 2021 number different from that disclosed due to the revision of non-recurring effects according to slide 40 of Release 4Q21.

# INCOME STATEMENT BY BUSINESS UNIT: NEW BREAKDOWN (YTD)

	Consolidated			Premium			Digital Learning			On-campus		
(R\$ million)	9M21	9M22	Δ%	9M21	9M22	Δ%	9M21	9M22	Δ%	9M21	9M22	Δ%
<b>Gross Revenue</b>	<b>6,640</b>	<b>7,405</b>	<b>12%</b>	<b>751</b>	<b>945</b>	<b>26%</b>	<b>2,004</b>	<b>2,444</b>	<b>22%</b>	<b>3,885</b>	<b>4,016</b>	<b>3%</b>
Monthly tuition fees	6,640	7,405	12%	751	945	26%	2,004	2,444	22%	3,885	4,016	3%
Deductions from Gross Revenue	(3,299)	(3,941)	19%	(131)	(140)	7%	(1,003)	(1,376)	37%	(2,165)	(2,425)	12%
<b>Net Operating Revenue</b>	<b>3,341</b>	<b>3,463</b>	<b>4%</b>	<b>620</b>	<b>805</b>	<b>30%</b>	<b>1,000</b>	<b>1,068</b>	<b>7%</b>	<b>1,721</b>	<b>1,591</b>	<b>-8%</b>
<b>Cost of Services</b>	<b>(1,459)</b>	<b>(1,476)</b>	<b>1%</b>	<b>(267)</b>	<b>(314)</b>	<b>18%</b>	<b>(198)</b>	<b>(229)</b>	<b>16%</b>	<b>(995)</b>	<b>(933)</b>	<b>-6%</b>
Personnel	(869)	(883)	2%	(205)	(240)	17%	(57)	(55)	-3%	(607)	(588)	-3%
Rent, municipal property tax and other	(39)	(21)	-45%	(5)	(7)	45%	1	(0)	n.a.	(34)	(14)	-59%
Third-party services and other	(207)	(246)	19%	(9)	(14)	58%	(129)	(156)	21%	(69)	(76)	10%
Depreciation and amortization	(345)	(326)	-6%	(48)	(53)	11%	(13)	(18)	43%	(285)	(254)	-11%
<b>Gross Profit</b>	<b>1,882</b>	<b>1,987</b>	<b>6%</b>	<b>353</b>	<b>491</b>	<b>39%</b>	<b>803</b>	<b>839</b>	<b>4%</b>	<b>726</b>	<b>658</b>	<b>-9%</b>
Gross margin (%)	56%	57%	1 p.p.	57%	61%	4 p.p.	80%	79%	-2 p.p.	42%	41%	-1 p.p.
<b>Selling, G&amp;A and Other Expenses</b>	<b>(1,363)</b>	<b>(1,444)</b>	<b>6%</b>	<b>(146)</b>	<b>(208)</b>	<b>42%</b>	<b>(454)</b>	<b>(514)</b>	<b>13%</b>	<b>(763)</b>	<b>(722)</b>	<b>-5%</b>
Personnel	(261)	(233)	-11%	(36)	(47)	29%	(99)	(98)	0%	(126)	(87)	-31%
Advertising	(330)	(304)	-8%	(20)	(25)	25%	(111)	(112)	1%	(200)	(167)	-16%
Bad Debt	(344)	(403)	17%	(21)	(26)	22%	(137)	(174)	27%	(187)	(203)	9%
Other Expenses	(285)	(322)	13%	(49)	(75)	55%	(57)	(69)	22%	(180)	(178)	-1%
Other Revenue	16	17	5%	3	4	51%	4	2	-45%	9	11	12%
Depreciation and amortization	(159)	(200)	26%	(24)	(40)	68%	(55)	(63)	14%	(80)	(98)	21%
<b>(+) Depreciation and amortization</b>	<b>505</b>	<b>526</b>	<b>4%</b>	<b>72</b>	<b>93</b>	<b>30%</b>	<b>68</b>	<b>81</b>	<b>19%</b>	<b>365</b>	<b>352</b>	<b>-4%</b>
<b>EBITDA</b>	<b>1,023</b>	<b>1,069</b>	<b>4%</b>	<b>279</b>	<b>376</b>	<b>35%</b>	<b>416</b>	<b>406</b>	<b>-3%</b>	<b>328</b>	<b>287</b>	<b>-12%</b>
EBITDA margin (%)	31%	31%	0 p.p.	45%	47%	2 p.p.	42%	38%	-4 p.p.	19%	18%	-1 p.p.
<b>Adjusted Net Revenue <sup>(1)</sup></b>	<b>3,356</b>	<b>3,463</b>	<b>3%</b>	<b>640</b>	<b>805</b>	<b>26%</b>	<b>1,000</b>	<b>1,068</b>	<b>7%</b>	<b>1,716</b>	<b>1,591</b>	<b>-7%</b>
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>1,073</b>	<b>1,145</b>	<b>7%</b>	<b>303</b>	<b>395</b>	<b>30%</b>	<b>416</b>	<b>417</b>	<b>0%</b>	<b>354</b>	<b>333</b>	<b>-6%</b>
Adjusted EBITDA margin (%)	32%	33%	1 p.p.	47%	49%	2 p.p.	42%	39%	-3 p.p.	21%	21%	0 p.p.

(1) Revenue: adjusted by laws and court decisions (individual actions) in 2021 | EBITDA: Adjusted by non-recurring items, explained in detail on the EBITDA section. 2021 number different from that disclosed due to the revision of non-recurring effects according to slide 40 of Release 4Q21.

(R\$ million)	3Q21	3Q22	Δ %	9M21	9M22	Δ %
<b>Net Revenue</b>	<b>1,098.1</b>	<b>1,135.5</b>	<b>3.4%</b>	<b>3,341.0</b>	<b>3,463.3</b>	<b>3.7%</b>
(-) Taxes	39.0	44.3	13.5%	121.3	133.5	10.1%
(+) Bad Debt	(89.5)	(99.8)	11.5%	(344.3)	(402.8)	17.0%
(+) Financial discounts/ fines	(14.3)	(4.7)	-67.4%	(46.8)	(29.0)	-38.1%
(+) Inflation adjustments DIS/PAR	12.5	(10.4)	n.a.	24.8	(10.9)	n.a.
<b>Total Generation of accounts receivable</b>	<b>1,045.7</b>	<b>1,064.9</b>	<b>1.8%</b>	<b>3,096.0</b>	<b>3,154.2</b>	<b>1.9%</b>
<b>Total collection</b>	<b>1,054.0</b>	<b>1,119.4</b>	<b>6.2%</b>	<b>2,931.9</b>	<b>3,123.0</b>	<b>6.5%</b>
FIES Net Revenue	73.0	50.6	-30.6%	259.3	185.5	-28.4%
<b>FIES collection</b>	<b>113.2</b>	<b>59.7</b>	<b>-47.3%</b>	<b>287.5</b>	<b>173.6</b>	<b>-39.6%</b>
Net revenue ex-FIES	1,025.1	1,084.9	5.8%	3,081.8	3,277.8	6.4%
Generation of accounts receivable ex-FIES	972.8	1,014.3	4.3%	2,836.8	2,968.7	4.6%
<b>Collection ex-FIES</b>	<b>940.8</b>	<b>1,059.7</b>	<b>12.6%</b>	<b>2,644.4</b>	<b>2,949.5</b>	<b>11.5%</b>
<b>% Collection/Generation of accounts receivable (ex-FIES)</b>	<b>96.7%</b>	<b>104.5%</b>	<b>7.8 p.p.</b>	<b>93.2%</b>	<b>99.4%</b>	<b>6.1 p.p.</b>

# BALANCE SHEET

(R\$ million)	3Q21	2Q22	3Q22
<b>Current Assets</b>	<b>3,010.9</b>	<b>2,740.6</b>	<b>2,871.7</b>
Cash and cash equivalents	1,057.4	705.4	894.4
Securities	840.5	762.0	689.2
Accounts receivable	939.9	1,034.2	1,049.1
Inventory	2.3	3.3	3.4
Advancements to employees/third parties	9.7	19.1	12.2
Prepaid expenses	15.0	22.9	18.4
Taxes and contributions	101.9	182.3	196.9
Swap differential receivable	32.0	-	-
Other	12.1	11.4	8.3
<b>Non-Current Assets</b>	<b>6,916.9</b>	<b>7,141.2</b>	<b>7,062.5</b>
Long-term assets	944.1	887.1	853.9
LT accounts receivable	337.6	266.5	211.2
LT prepaid expenses	7.9	7.0	6.7
LT Judicial deposits	111.8	84.5	89.6
LT taxes and contributions	126.1	147.7	147.9
LT deferred taxes	348.3	368.5	385.9
Other LT items	12.4	12.9	12.7
Permanent assets	5,972.8	6,254.1	6,208.6
Investments	0.3	0.3	0.3
Property and equipment	2,517.8	2,675.0	2,602.5
Intangible assets	3,454.7	3,578.8	3,605.8
<b>Total Assets</b>	<b>9,927.8</b>	<b>9,881.8</b>	<b>9,934.2</b>

(R\$ million)	3Q21	2Q22	3Q22
<b>Current Liabilities</b>	<b>2,497.6</b>	<b>1,672.9</b>	<b>1,389.0</b>
Loans and financing	1,336.1	771.4	417.8
Leasing	206.8	235.3	236.2
Suppliers	248.0	203.2	211.7
Swap payable	30.8	6.9	6.9
Salaries and payroll charges	317.2	218.7	239.3
Tax liabilities	82.5	69.7	71.2
Prepaid monthly tuition fees	64.0	61.1	74.2
Advancement of current agreement	5.0	5.0	5.0
Taxes paid in installments	3.7	4.4	4.5
Acquisition price payable	59.8	56.6	79.4
Dividends payable	141.7	37.6	37.6
Other liabilities	1.9	2.9	5.0
<b>Long-term liabilities</b>	<b>4,083.7</b>	<b>5,058.6</b>	<b>5,507.1</b>
LT Loans and financing	2,341.9	3,198.8	3,697.2
Contingencies	230.8	217.2	217.4
LT leasing	1,253.8	1,424.1	1,365.3
Agreement advances	37.4	33.6	32.4
LT taxes paid in installments	7.0	8.8	8.2
Provision for asset demobilization	78.5	85.2	86.7
LT acquisition price payable	112.7	90.0	43.1
Other LT items	21.6	0.9	56.9
<b>Shareholders' Equity</b>	<b>3,346.5</b>	<b>3,150.3</b>	<b>3,038.1</b>
Capital stock	1,139.9	1,139.9	1,139.9
Share issuance costs	(26.9)	(26.9)	(26.9)
Capital reserves	700.8	710.4	714.6
Earnings reserves	1,465.8	1,586.4	1,586.4
Income for the period	232.5	12.4	27.0
Treasury Shares	(165.6)	(284.8)	(361.0)
Equity Valuation Adjustment	-	-	(55.9)
Participation of Non-Controlling Shareholders	-	12.9	(41.9)
<b>Total Liabilities and Shareholders' Equity</b>	<b>9,927.8</b>	<b>9,881.8</b>	<b>9,934.2</b>

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