

EARNINGS RELEASE

4Q21 & 2021



March 15th, 2022

YDUQ
B3 LISTED NM



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YDUQ3 | YDUQY
B3 ADR

Rio de Janeiro, March 15th, 2022 - **YDUQS Participações S.A.**, one of the largest private organizations in Brazil's higher education private sector, presents its **results for the fourth quarter of 2021 and the year 2021.**

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).

The consolidated results account for Adtalem Brasil Holding Ltda. as from May 2020, Grupo Athenas Educacional as from August 2020 and Qconcursos as from July 2021, except when specified.

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

March 16th, 2021, | 10:00 a.m. (EST)

[Click here for the Webinar](#)

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

We overcame major challenges in 2021. We had another pandemic year, with results in line with those of the period before Covid-19 and without the adjustments to non-recurring effects that we had to record in the 2020 balance sheet. The business organization efforts promoted between 2017 and 2019, has allowed us to go through the pandemic with solidity and dedicate a lot of energy to creating a new reality for our students, faculty, employees and shareholders.

The Yduqs group recorded R\$1.3 billion revenue in Digital Learning in 2021 and build the foundation to reach that same level - organically and quickly - in premium operations. This figure is remarkable because it was FIES' revenue at its peak. We have created two business lines of this magnitude, with low investments and high growth rates, making the company lighter and independent from changes in public policies.

This is what has sustained us during this difficult year, in which we lost on-campus student base due to weak intake cycles. Looking forward, the intensity that is already evident in the 22.1 intake cycle coupled with these two young and thriving businesses, makes very confident about what is to come.

Besides having passed the stress test of the pandemic in the strategic solidity point of view, in 2021 Yduqs has transformed itself in terms of innovation and technology. Agile and digital thinking moved out of our backoffice and into frontline teaching. We have expanded the Aura model to 60% of the student base, launched Brazil's largest integrated digital platform, and revamped student experience – with record satisfaction level (NPS) across all business units. A new system for digital assessments is also in operation, which allows customizing and enriching teaching through the use of artificial intelligence.

Progress is constant on all business fronts. Idomed has been continually awarded authorizations for expansion of seats and new units, and the recognition for its academic quality only increases. Ibmecc, which is opening two new campuses, is well positioned among Brazil's excellence institutions, far from price wars. Digital Learning, which has 80% of its more than 2,000 centers maturing, still has many cities to explore, offering the best product in the market, which is widely approved by students. In 2021, we reached the historical renewal record for Digital Learning: 80%. In the On-campus segment, after having stabilized the pressure on tuition in 20/21, we are going to resume our strong intake cycles. We expect an increase between 30% and 50% in 2022's first intake cycle compared to 21.1.

We have just completed two comprehensive diagnostics on the environmental and diversity & inclusion fronts. The results have shown a company that is environmentally responsible and has a level of diversity that draws attention. Just to illustrate, 33% of our senior management are women while 31% are Black. In 2021, we had our first class of Black trainees. Based on these studies and on our 50-year tradition in social projects, we have reorganized objectives, goals, and an action plan for the ESG agenda, which we will soon present to you all.

With this agile and responsible mindset, enforcing the economic and financial soundness of our business, and with a lot of technology, we will continue to create ways to include and increase our teaching quality, thus the value of our business.

We would like to thank all of you who have always shared this purpose with us and who continue to support us.

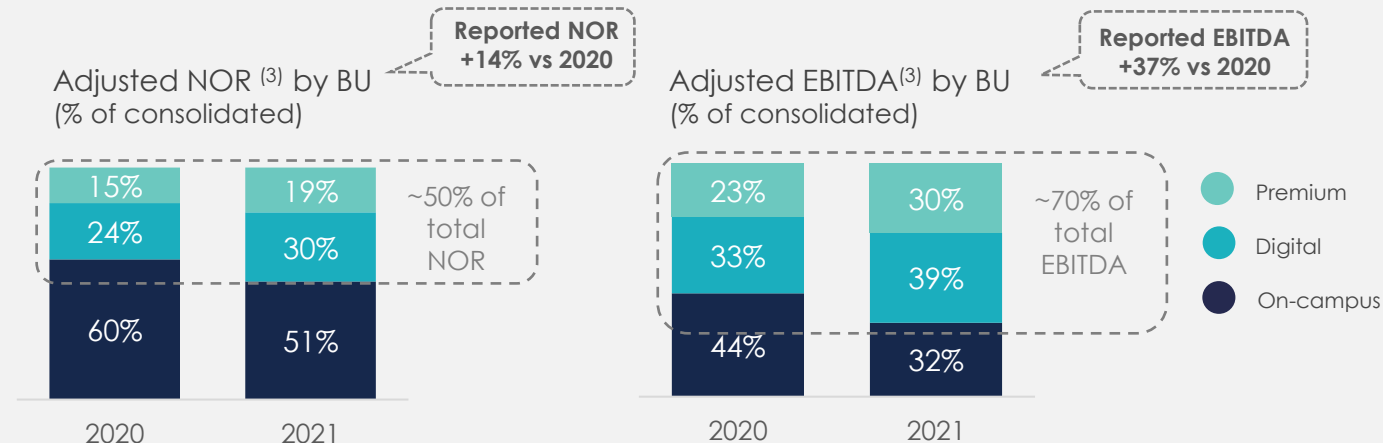
Eduardo Parente
CEO



Improved performance of all business units...

... with emphasis on Premium and Digital gaining more representativeness in YDUQS consolidated

	Average Ticket 4Q21 Reported	Renewal Rate 2H21 ⁽¹⁾	NPS ⁽²⁾ vs 2020
Premium	+27% yoy Medicine	96%	+34 p.p. Medicine
Digital	+1.5% yoy	80%	+19 p.p.
On-campus	+9% yoy ex-semi	84%	+18 p.p.

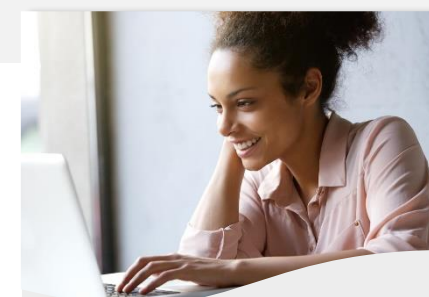


Non-recurring adjustments on EBITDA were correct in 2020, maintaining low debt and capital discipline

91% Cash conversion
1.8 Bi Cash
1.8x Net Debt/EBITDA

EBITDA Composition	4Q20	4Q21	Δ%	2020	2021	Δ%
Adjusted EBITDA	274	264	-4%	1,350	1,337	-1%
Non-recurring items	-159	-62	-61%	-454	-111	-76%
Reported EBITDA	114	202	+77%	895	1,226	+37%

Significant reduction of non-recurring items



Digital Transformation

keeps moving forward:
Evaluation system: JUCA

A leap in YDUQS's evaluation model

aiming for an increasingly individualized learning program



7.1-7.5k students

Medicine undergraduate base expected at the end of 2022

+200 authorized medicine seats

in February and March, 2022

(1) Digital's Renewal rate Only considers students that enrolled in January and July.

(2) On-campus and Digital: Estacio's NPS | Medicine: IDOMED's NPS.

(3) Net revenue adjusted by the effects of laws and court decisions and Athenas Legacy in 4Q21 (more details in the earnings release) | EBITDA adjusted by non-recurring effects

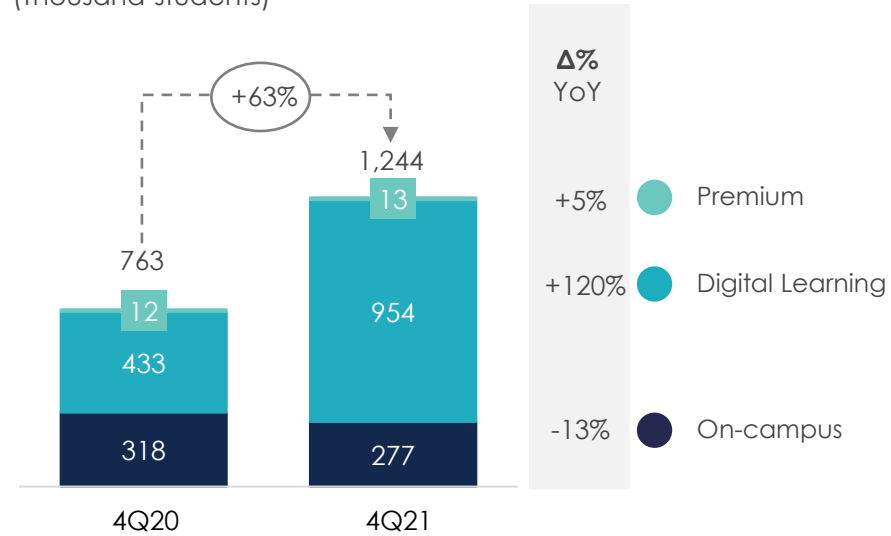
OPERATIONAL DATA

YDUQS



Total (thousand students)	4Q20	4Q21	Δ %
Total Base	762.6	1,243.9	63.1%
On-campus	318.1	277.4	-12.8%
Digital Learning	432.7	953.9	120.5%
Undergraduate	333.6	432.8	29.7%
Lifelong	99.0	521.1	426.1%
QConcursos	-	447.0	n.a.
Premium	11.9	12.5	5.5%
Medicine	5.7	6.8	18.9%
IBMEC	6.2	5.8	-6.9%
Total Base(ex-FIES)	729.2	1,224.2	67.9%
FIES	33.4	19.7	-41.1%
DIS	341.1	364.3	6.8%
On-campus	123.9	101.8	-17.8%
100% online	174.0	226.2	30.0%
Flex	43.2	36.3	-15.9%
PAR	7.8	4.3	-44.5%
Campi (ex-shared) ⁽¹⁾	111	105	-5.4%
On-campus	101	92	-8.9%
Premium	16	19	18.8%
Shared with on-campus	6	6	0.0%
Centers	1,510	2,030	34.4%

Total student base
(Thousand students)



New student base breakdown

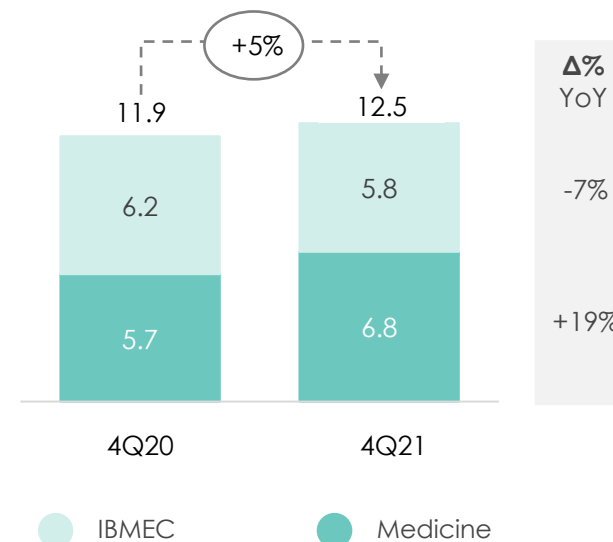
- **On-Campus:** On-Campus and Semi on-campus undergraduate student base, Masters and Doctorate Degrees (excluding premium).
- **Digital Learning:** Digital Learning undergraduate + Lifelong student base (including Qconcursos from Jul/21).
- **Premium:** Medicine + IBMEC student base.

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

Premium (Thousand students)	4Q20	4Q21	Δ %
Premium Total	11.9	12.5	5.5%
Medicine	5.7	6.8	18.9%
Undergraduate	5.4	6.5	20.2%
FIES	1.2	1.1	-9.8%
Graduate	0.3	0.3	-2.8%
IBMEC	6.2	5.8	-6.9%
Undergraduate	4.8	4.8	0.9%
FIES	0.4	0.3	-35.3%
Graduate	1.4	0.9	-33.7%
Premium Total (ex-FIES)	10.3	11.2	8.9%

Campi⁽¹⁾	16	19	18.8%
Thousand students/Campi	0.7	0.7	-11.7%

Detailed Premium Base
(Thousand students)



In 4Q21, the **Premium** segment totaled 12.5 thousand students, up by 5.5% vs. 4Q20, stemming from the strong 20.2% growth in the **medical undergraduate** student base and the stability of **IBMEC undergraduate** student base, which ended the quarter with 4.8 thousand students (+0.9% vs. 4Q20).

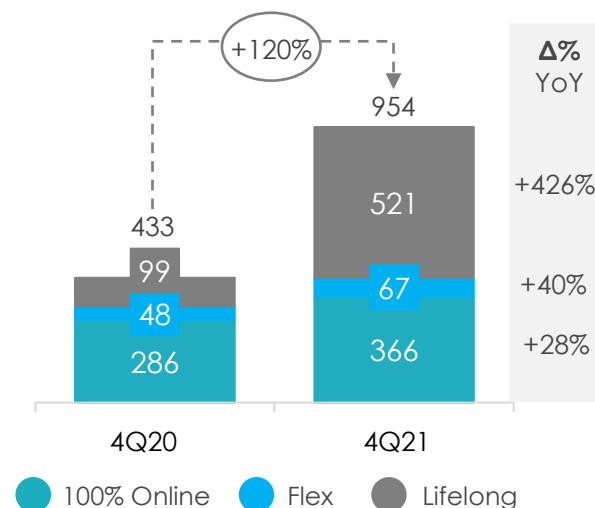
The **medical undergraduate** student base totaled 6.5 thousand students in 2021 and we **expect** to end 2022 with a **student base in the range of 7.1-7.5 thousand students**. In 2021, **150 annual medical school seats were authorized** in 3 new campuses (50 seats in each one), in the cities of Açailândia (MA), Quixadá (CE) and Castanhal (PA). In addition, in February and March 2022, 200 new seats were approved. Besides that, there are potentially up to 786 expansion seats which could be approved to reach full potential.

The result of the company's investments in improving student experience, and thus creating higher satisfaction and retention levels, can be confirmed by the significant climb in **medicine's NPS** (+34 p.p.) when compared to 2020; as well as the greater renewal rate in the segment, which ended at 96% (in line with 4Q20).

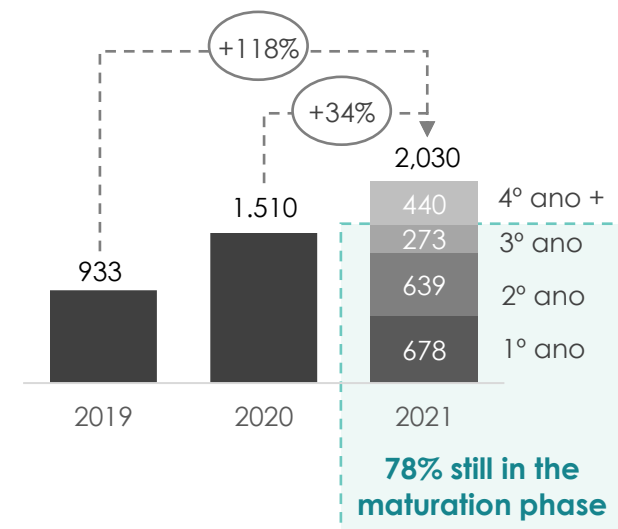
(1) Number of campi includes units shared with other on-campus courses (4Q20: 6 units | 4Q21: 6 units) .

Digital Learning (Thousand students)	4Q20	4Q21	Δ %
Digital Learning Total	432.7	953.9	120.5%
Undergraduate	333.6	432.8	29.7%
100% online	285.8	365.9	28.0%
Flex	47.9	66.9	39.8%
Lifelong	99.0	521.1	426.1%
Qconcurcos	-	447.0	n.a.
Digital Learning (ex-Qconcurcos)	432.7	506.9	17.2%

Detailed Digital Learning base
(Thousand students)



Number of Centers
(# centers)



Digital Learning, which includes Lifelong Learning, reached 953.9 thousand students by the end of 4Q21, recording robust growth of 120.5% YoY, boosted by the acquisition of Qconcurcos in July 2021. Excluding Qconcurcos' acquisition, Digital Learning student base increased by 17% vs. 4Q20.

The **undergraduate student base** was up by 29.7% due to the strong expansion pace of DL centers, which grew 34% compared to 2020. The maturation of centers has also played an important part in this result, considering that 78% of them are still maturing, meaning that they have not yet reached 4 years of operation. We are present in over 1,300 Brazilian cities and our current focus is to expand our presence in cities with population of over 30 thousand people and reach 2,500 centers by the end of 2022.

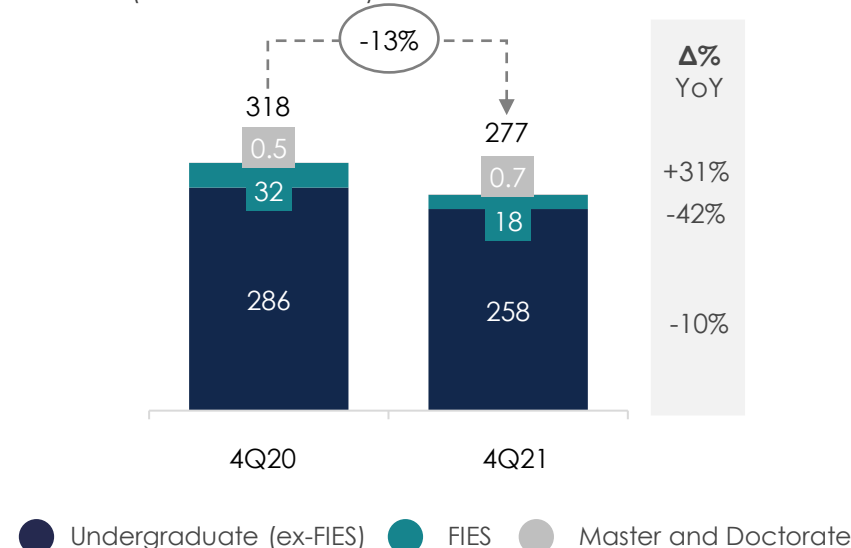
Investments in technology and improvement of digital platforms have resulted in **higher satisfaction and retention levels** and led to an increase in NPS (+19 p.p.) when compared to 2020 and the greater renewal rate in the segment, which reached 80%⁽¹⁾ (up by 3% vs. 4Q20).

(1) Digital's Renewal rate only considers students that enrolled in January and July.

On-campus (Thousand students)	4Q20	4Q21	Δ %
On-campus Total	318.1	277.4	-12.8%
Undergraduate (ex-FIES)	285.8	258.4	-9.6%
Undergraduate	317.5	276.7	-12.9%
On-campus	300.5	255.7	-14.9%
FIES	31.8	18.3	-42.4%
Semi on-campus	17.1	21.1	23.4%
Masters and Doctorate	0.5	0.7	30.8%
On-campus Total (ex-FIES)	286.3	259.1	-9.5%

Campi	101	92	-8.9%
Thousand students/Campi	3.1	3.2	0.1%

Detailed on-campus base
(Thousand students)



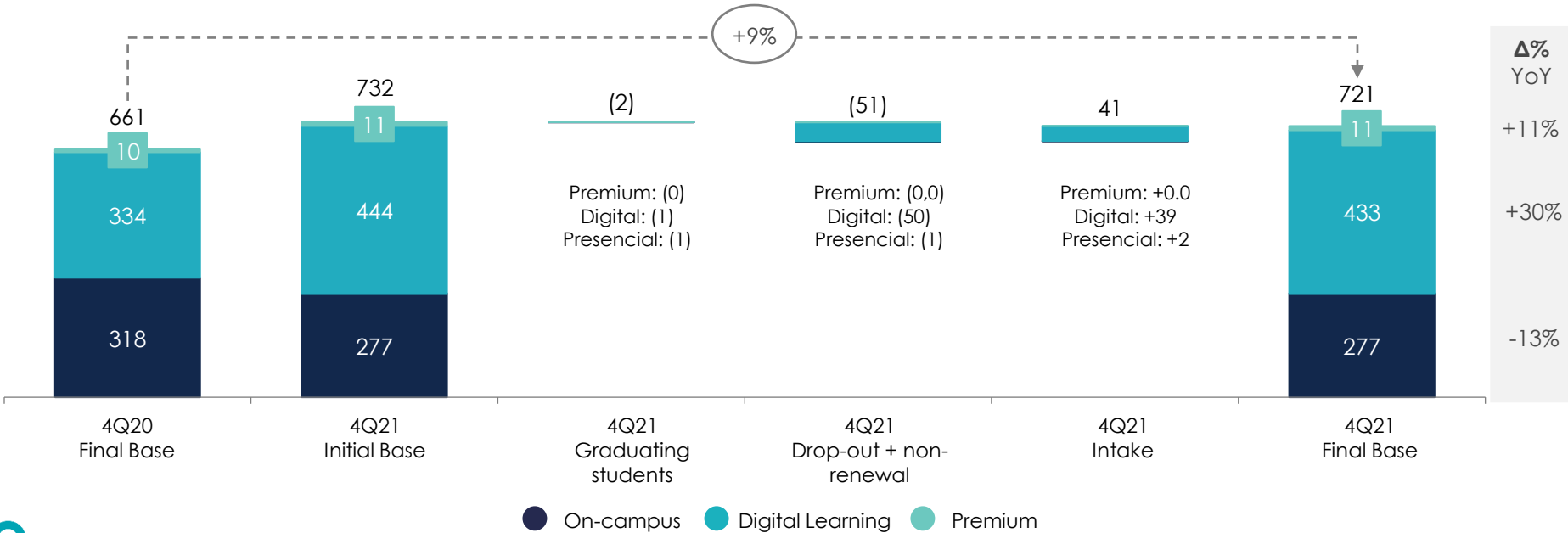
The **On-campus undergraduate** student base ended 4Q21 down by 12.8%, due to the pandemic, which has impacted intake especially in the first semester of 2021, and the drop in FIES student base (-42.4% vs. 4Q20). The segment begins to show signs of recovery, with an increase in intake in 2S21 (+12% vs. 2S20) and in enrollment intention for 2022. The **Semi On-Campus** student base, product launched in the beginning of 2021, has been gaining relevance, influenced by the increase of this new product's intake.

By the end of 2021, we had more than 60% of our on-campus students impacted by our **teaching model AURA**, which means 40% of online classes, allowing students to access the course content for the digital segment, developed by Enseñame, resulting in greater student satisfaction level, thus leading to an improvement to **NPS for On-Campus segment**, which was up by +18 p.p. vs. 2020. The segment's renewal rate stood at 84% (in line with 4Q20).

By the end of 2021, more than half of our students had returned to the campuses and, in the first semester of 2022, 100% of our students will then be back to the campuses.

CHANGES IN THE UNDERGRADUATE BASE 4Q21

(thousand students)	Initial base 4Q21	Graduating students 4Q21	Drop-out + non- renewal 4Q21	Intake 4Q21	4Q21 Final Base
Undergraduate	732.3	(1.5)	(51.0)	41.1	720.9
Premium	11.3	(0.0)	(0.0)	0.0	11.3
Medicine	6.4	(0.0)	(0.0)	0.0	6.5
IBMEC	4.9	(0.0)	(0.0)	0.0	4.8
Digital Learning	444.3	(0.9)	(49.8)	39.2	432.8
100% Online	380.5	(0.7)	(48.7)	34.7	365.9
Flex	63.8	(0.2)	(1.1)	4.5	66.9
On-campus	276.6	(0.6)	(1.1)	1.8	276.7
On-campus	255.3	(0.6)	(0.3)	1.3	255.7
Semi on-campus	21.4	-	(0.8)	0.5	21.0



AVERAGE TICKET ⁽¹⁾

PREMIUM

	Undergraduate Medicine			Undergraduate IBMEC		
	4Q20	4Q21	Δ %	4Q20	4Q21	Δ %
Adjusted Average Ticket ⁽²⁾	8,382.8	8,752.7	4.4%	2,694.1	2,689.8	-0.2%
Average Ticket (R\$/month)	6,578.1	8,344.0	26.8%	2,702.7	2,688.9	-0.5%

DIGITAL LEARNING

	Total Undergraduate			100% Online			Flex		
	4Q20	4Q21	Δ %	4Q20	4Q21	Δ %	4Q20	4Q21	Δ %
Adjusted Average Ticket ⁽²⁾	201.6	201.5	-0.1%	181.5	178.7	-1.6%	322.0	326.5	1.4%
Average Ticket (R\$/month)	198.5	201.4	1.5%	181.4	178.6	-1.6%	300.4	326.3	8.6%

ON-CAMPUS

	Total Undergraduate			On-campus Undergraduate			On-campus Undergraduate (ex-FIES)			Semi on-campus Undergraduate		
	4Q20	4Q21	Δ %	4Q20	4Q21	Δ %	4Q20	4Q21	Δ %	4Q20	4Q21	Δ %
Adjusted Average Ticket ⁽²⁾	641.3	644.8	0.5%	655.1	667.4	1.9%	609.2	639.0	4.9%	397.8	369.5	-7.1%
Average Ticket (R\$/month)	588.3	629.5	7.0%	599.1	651.2	8.7%	554.5	621.8	12.1%	397.8	365.3	-8.2%

In the Premium segment, the **adjusted Medicine undergraduate average ticket** was up by 4.4% YoY in 4Q21, ending the year at R\$8,753/month. **Adjusted IBMEC average ticket** was in line with 4Q20 figures, ending 2021 at R\$2,690/month, influenced by the incorporation of Damasio's law students in the year (lower ticket). Without this effect, average ticket would have increased by almost 1% YoY.

In Digital Learning, **adjusted undergraduate average ticket** was stable, ending the year at R\$201/month. We recorded a slight decrease of 1.6% on average ticket for 100% online courses and 1.4% increase in flex courses, as expected.

The **total On-Campus adjusted undergraduate average ticket** was slightly up by 0.5% YoY, amounting to R\$645/month in 4Q21, while reported average ticket was up by 7.0% YoY, mainly due to the lower impact of laws and court decisions, tuition adjustments for upperclassmen as well as the change in student base mix. On-campus adjusted undergraduate average ticket was up by 1.9% YoY (R\$667/month). Excluding the FIES effect, on-campus adjusted undergraduate average ticket was up by 4.9% YoY, totaling R\$639/month. Semi On-campus average ticket was R\$369/month, down by 7.1% vs. 4Q20, mainly due to the change in student mix in 2S21 from the increase in intake (lower ticket) and maintenance of renewal levels.

(1) Average ticket = Net revenue for the period x 1.000 /3/ weighted student base considering acquisitions.

(2) Excluding the impact of discounts from laws and court decisions.

FINANCIAL DATA

YDUQS



INCOME STATEMENT

(R\$ million)	4Q20	4Q21	Δ%	2020	2021	Δ%	Ex-acquisitions ⁽¹⁾		
							2020	2021	Δ%
Gross Revenue	2,047.3	2,241.5	9.5%	7,703.5	8,881.4	15.3%	6,854.6	7,578.7	10.6%
Monthly tuition fees	2,030.8	2,205.6	8.6%	7,650.1	8,778.9	14.8%	6,825.4	7,548.2	10.6%
Others	16.5	35.8	117.1%	53.4	102.5	92.0%	29.2	30.5	4.3%
Deductions from gross revenue	(1,084.2)	(1,191.1)	9.9%	(3,849.7)	(4,490.1)	16.6%	(3,494.3)	(3,987.7)	14.1%
Net Revenue	963.0	1,050.3	9.1%	3,853.7	4,391.4	14.0%	3,360.3	3,591.1	6.9%
Cost of Services	(517.8)	(542.9)	4.8%	(1,744.9)	(2,002.3)	14.7%	(1,409.9)	(1,564.9)	11.0%
Gross Profit	445.2	507.4	14.0%	2,108.8	2,389.1	13.3%	1,950.4	2,026.2	3.9%
Gross margin (%)	46.2%	48.3%	2.1 p.p.	54.7%	54.4%	-0.3 p.p.	58.0%	56.4%	-1.6 p.p.
Selling Expenses	(221.5)	(220.3)	-0.6%	(859.8)	(895.0)	4.1%	(786.8)	(779.2)	-1.0%
G&A Expenses	(289.9)	(268.4)	-7.4%	(895.0)	(973.2)	8.7%	(815.5)	(819.0)	0.4%
Other operating revenue/ expenses	2.5	9.3	276.7%	2.4	25.7	971.9%	(0.1)	21.4	n.a.
(+) Depreciation and amortization	178.0	174.3	-2.1%	538.9	679.0	26.0%	440.2	548.8	24.7%
EBITDA	114.2	202.3	77.1%	895.3	1,225.6	36.9%	788.2	998.3	26.7%
EBITDA margin (%)	11.9%	19.3%	7.4 p.p.	23.2%	27.9%	4.7 p.p.	23.5%	27.8%	4.3 p.p.
Financial result	(106.5)	(150.2)	41.1%	(351.4)	(436.0)	24.1%	(330.3)	(408.1)	23.6%
Depreciation and amortization	(178.0)	(174.3)	-2.1%	(538.9)	(679.0)	26.0%	(440.2)	(548.8)	24.7%
Income tax	50.3	34.8	-30.7%	69.2	35.6	-48.5%	61.3	25.0	-59.2%
Social contribution	17.2	13.0	-24.8%	24.0	11.9	-50.3%	21.1	8.8	-58.5%
Net Income	(102.6)	(74.3)	-27.6%	98.2	158.2	61.1%	100.1	75.1	-25.0%
Net margin (%)	n.a.	n.a.	n.a.	2.5%	3.6%	1.1 p.p.	3.0%	2.1%	-0.9 p.p.
Adjusted Net Revenue ⁽²⁾	1,046.3	1,070.9	2.4%	4,071.7	4,426.7	8.7%	3,551.0	3,625.6	2.1%
Adjusted EBITDA ⁽²⁾	273.5	263.9	-3.5%	1,349.9	1,336.6	-1.0%	1,219.5	1,091.3	-10.5%
Adjusted EBITDA margin (%)	26.1%	24.6%	-1.5 p.p.	33.2%	30.2%	-3.0 p.p.	34.3%	30.1%	-4.2 p.p.
Adjusted Net Income ⁽²⁾	93.1	2.2	-97.6%	612.3	356.6	-41.8%	575.5	267.7	-53.5%
Adjusted Net margin (%)	8.9%	0.2%	-8.7 p.p.	15.0%	8.1%	-7.0 p.p.	16.2%	7.4%	-8.8 p.p.

(1) Refers to the acquisitions of Adtalem (as from May/20), Athenas (as from Aug/20) and Qconcurso (as from July/21).

(2) Net Revenue adjusted by laws and court decisions and effect of the Athenas Legacy in 4Q21, for more details [click here](#). | Adjusted EBITDA for non-recurring items, detailed in the EBITDA section.

OPERATING REVENUE (1/2)

(R\$ million)	4Q20	4Q21	Δ%	2020	2021	Δ%	Ex-acquisitions ⁽¹⁾		
							2020	2021	Δ%
Gross Revenue	2,047.3	2,241.5	9.5%	7,703.5	8,881.4	15.3%	6,854.6	7,578.7	10.6%
Monthly tuition fees	2,030.8	2,205.6	8.6%	7,650.1	8,778.9	14.8%	6,825.4	7,548.2	10.6%
Other	16.5	35.8	117.1%	53.4	102.5	92.0%	29.2	30.5	4.3%
Deductions from Gross Revenue	(1,084.2)	(1,191.1)	9.9%	(3,849.7)	(4,490.1)	16.6%	(3,494.3)	(3,987.7)	14.1%
Discounts and scholarships	(1,051.7)	(1,152.9)	9.6%	(3,703.9)	(4,320.4)	16.6%	(3,376.0)	(3,859.3)	14.3%
Taxes	(38.3)	(40.2)	4.9%	(153.5)	(161.5)	5.2%	(126.2)	(121.9)	-3.4%
AVP and other deductions	5.8	2.0	-65.4%	7.7	(8.2)	n.a.	7.9	(6.4)	-181.4%
Net Revenue	963.0	1,050.3	9.1%	3,853.7	4,391.4	14.0%	3,360.3	3,591.1	6.9%
Premium	152.3	209.9	37.8%	559.3	830.3	48.4%	407.3	569.4	39.8%
Digital Learning	247.9	315.1	27.1%	972.0	1,315.3	35.3%	894.6	1,165.3	30.3%
On-campus	562.7	534.7	-5.0%	2,322.3	2,255.2	-2.9%	2,058.0	1,856.7	-9.8%
Adjusted Net Revenue ⁽²⁾	1,046.3	1,070.9	2.4%	4,071.7	4,426.7	8.7%	3,551.0	3,625.6	2.1%
Premium	181.3	217.5	20.0%	630.0	857.6	36.1%	460.8	595.9	29.3%
Digital Learning	251.7	315.3	25.2%	981.5	1,315.6	34.0%	905.1	1,165.5	28.8%
On-campus	613.2	538.1	-12.2%	2,458.8	2,253.7	-8.3%	2,184.7	1,864.0	-14.7%
Net Revenue FIES	117.7	92.2	-21.7%	440.8	333.3	-24.4%	353.0	255.1	-27.7%

The Company's **net revenue** recorded strong **growth both in 4Q21 (+9.1% YoY) and 2021 (+14.0% YoY)**, and the Premium and Digital segments were the main drivers. Together, they **already represent 49% of the Company's total net revenue** (+9 p.p. vs. 2020).

The significant increases in the **Premium +39.8%** (+R\$162.1 million vs. 2020 ex-acquisitions) and **Digital Learning +30.3%** (+R\$270.7 million vs. 2020 ex-acquisitions) contributed towards this result. Furthermore, **Acquisitions** brought a R\$800.3 million net revenue in 2021, more than offsetting the 9.8% drop (-R\$201.3 million vs. 2020 ex-acquisitions) in the **On-campus** segment, still impacted by the effects of the pandemic and loss in FIES.

Over the past two years, the Company's net revenue has been impacted by the effects of **laws and court decisions**, which determined that higher education institutions should grant discounts to students. This impact **totaled R\$11.2 million in 4Q21 and R\$35.3 million in 2021 (-83.8% vs. 2020)**, representing less than 1% of the Company's total net revenue, and it should not be significant for 2022. Moreover, after the integration of grupo Athenas' systems by the end of 2021, the Company noticed the need to reverse R\$12.4 million in revenue, accounted for throughout the year, in the total amount of R\$9.4 million related to 9M21. Excluding the effect of laws and court decision and the Athenas legacy impact, **adjusted net revenue was up by 2.4% in 4Q21 and by 8.7% in 2021.**

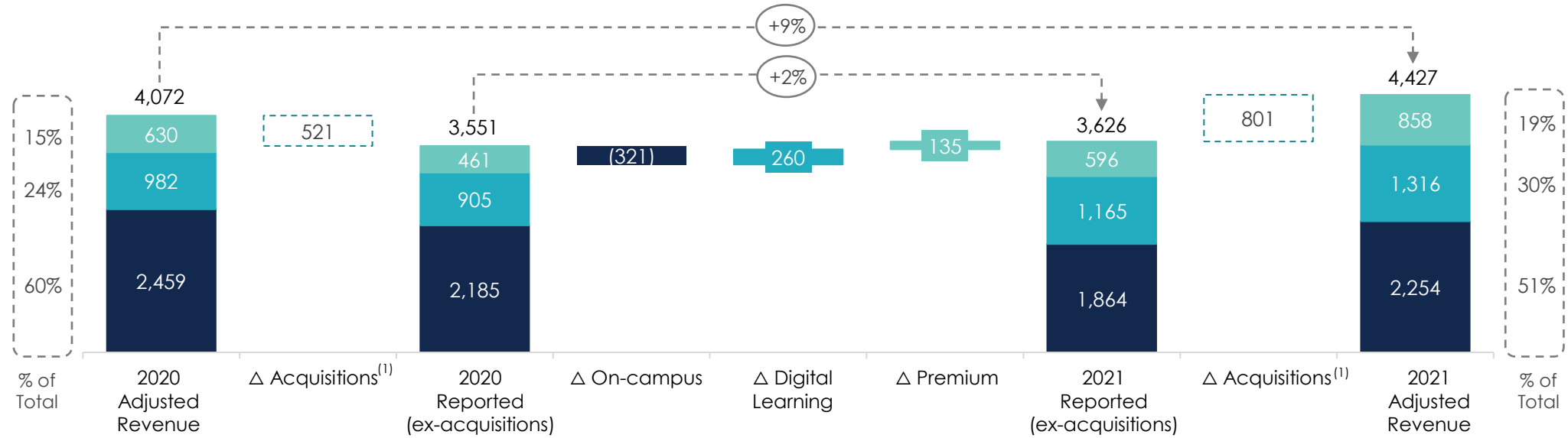
(1) Refers to the acquisitions of Adtalem (as from May/20), Athenas (as from Aug/20) and Qconcursos (as from July/21).

(2) Adjusted by law and court decisions (individual law suits), mainly from medical school students and effect of the Athenas Legacy in 4Q21 in the amount of R\$9.4 million, for more details [click here](#).

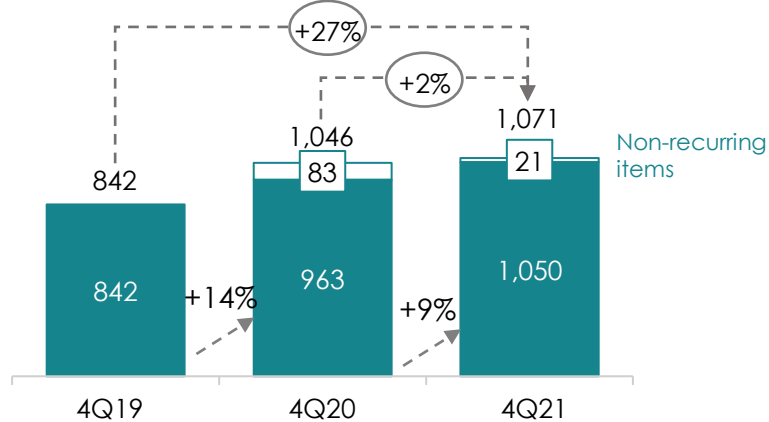
OPERATING REVENUE (2/2)

Contribution to total adjusted net revenue⁽²⁾
(R\$ million; 2021 vs. 2020)

● On-campus ● Digital Learning ● Premium



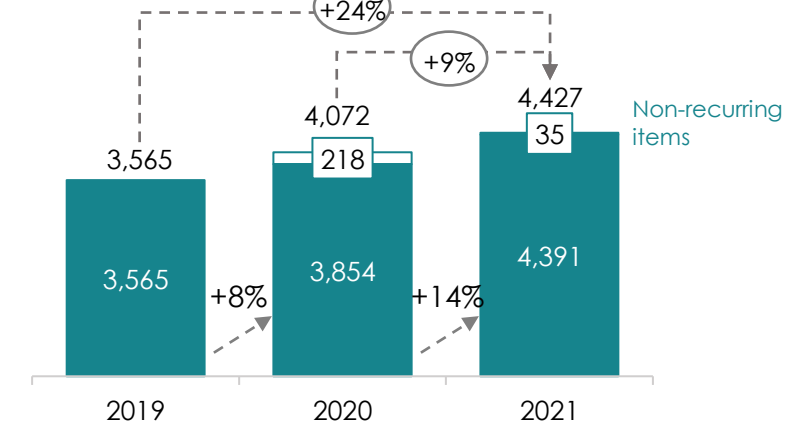
Adjusted Net Revenue⁽²⁾
(R\$ million)



Reduction on the impact of non-recurring effects

218 million in 2020	➡ -84%	35 Million in 2021
83 Million in 4Q20	➡ -75%	21 Million in 4Q21

Adjusted Net Revenue⁽²⁾
(R\$ million)



(1) Refers to the acquisitions of Adtalem (as from May/20), Athenas (as from Aug/20) and Qconcurso (as from July/21).
(2) Net revenue adjusted by the effects of laws and court decisions and Athenas Legacy in 4Q21, for more details [click here](#).

COST OF SERVICES AND GROSS PROFIT (1/3)

(R\$ million)	4Q20	4Q21	Δ%	Ex-acquisitions ⁽¹⁾					
				2020	2021	Δ%	2020	2021	Δ%
Cost of Services	(517.8)	(542.9)	4.8%	(1,744.9)	(2,002.3)	14.7%	(1,409.9)	(1,564.9)	11.0%
Personnel	(307.1)	(333.4)	8.5%	(1,108.1)	(1,201.9)	8.5%	(888.0)	(920.5)	3.7%
Rent. Municipal Property Tax and Others	(25.8)	(16.7)	-35.1%	(62.3)	(55.2)	-11.3%	(57.6)	(45.9)	-20.3%
Rent	(71.9)	(84.4)	17.4%	(238.3)	(334.2)	40.2%	(234.2)	(248.9)	6.3%
Leasing - right of use of properties (IFRS-16)	58.9	82.2	39.6%	222.0	334.9	50.9%	219.1	253.1	15.5%
Other	(12.8)	(14.5)	13.6%	(46.0)	(56.0)	21.9%	(42.5)	(50.1)	17.9%
Transfer of Centers	(36.9)	(51.0)	38.2%	(110.5)	(178.8)	61.9%	(107.9)	(174.7)	61.9%
Third-party services	(14.2)	(16.2)	14.1%	(46.9)	(58.2)	24.2%	(43.7)	(51.4)	17.6%
Utilities	(8.7)	(12.3)	41.1%	(31.5)	(38.9)	23.6%	(26.9)	(29.0)	8.0%
Other costs	(1.7)	(4.7)	171.7%	(12.4)	(15.1)	22.3%	(7.9)	(11.8)	49.1%
Depreciation and amortization	(123.3)	(108.6)	-12.0%	(373.3)	(454.0)	21.6%	(277.9)	(331.6)	19.3%
Leasing - right of use of properties	(56.2)	(63.0)	12.1%	(208.3)	(254.4)	22.1%	(172.1)	(193.6)	12.5%
Systems. Apps and Software	(8.9)	(5.3)	-40.9%	(22.5)	(18.6)	-17.3%	(4.0)	(7.2)	80.3%
Improvement to third-party assets	(15.3)	(17.1)	11.6%	(45.6)	(86.2)	88.8%	(38.7)	(65.3)	68.8%
IT equipment	(4.0)	(3.7)	-8.1%	(12.7)	(15.9)	25.6%	(9.7)	(10.2)	5.5%
Machinery and equipment	(3.2)	(3.0)	-4.9%	(10.2)	(11.5)	13.5%	(5.9)	(6.7)	11.9%
Other D&A costs	(35.8)	(16.6)	-53.7%	(74.1)	(67.4)	-9.0%	(47.5)	(48.7)	2.5%
Gross profit	445.2	507.4	14.0%	2,108.8	2,389.1	13.3%	1,950.4	2,026.2	3.9%
Gross margin (%)	46.2%	48.3%	2.1 p.p.	54.7%	54.4%	-0.3 p.p.	58.0%	56.4%	-1.6 p.p.
Adjusted Cost of Services ⁽²⁾	(485.3)	(517.4)	6.6%	(1,727.0)	(1,956.5)	13.3%	(1,397.0)	(1,531.6)	9.6%
Adjusted Cost of Personnel ⁽²⁾	(286.1)	(307.8)	7.6%	(1,087.0)	(1,156.1)	6.4%	(881.9)	(887.2)	0.6%

(1) Refers to the acquisitions of Adtale (as from May/20), Athenas (as from Aug/20) and Qconcurso (as from July/21).

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

In 4Q21 and 2021, **cost of services** was up by 4.8% and 14.7% YoY respectively, mainly as a result of an increase in personnel costs and transfer to partner centers. Below are the main variations in 4Q21 and 2021 figures:

- Personnel costs: R\$26.2 million increase in 4Q21, chiefly due to the non-recurring effect related to operational research, which totaled R\$ 25.5 million in 4Q21. In 2021, personnel costs were up by R\$93.8 million, stemming from operational research, the increment from acquisitions and the higher amount of vacation pay compared to 2020 (+R\$14.4 million) due to Executive Order (MP) 936⁽¹⁾, which authorized the temporary termination of labor contracts during business holidays. Excluding the non-recurring effect of the operational research, personnel costs were up by 7.6% YoY in 4Q21 and by 6.4% YoY in 2021, below LTM accumulated inflation (IPCA⁽²⁾ 10.06%).
- Transfer to centers costs: grew by R\$14.1 million in 4Q21 and by R\$68.4 million in 2021, due to the strong Digital Learning expansion via partner centers (+520 centers vs. 4Q20), which represented a 49% increase in the student base of partner centers.
- Rent costs: increase in rent expenses of R\$12.5 million in 4Q21 and R\$95.9 million in 2021, related to new contracts plus the annual contract adjustments. The effect from IFRS 16 represented an increase of R\$23.3 million in 4Q21 and R\$112.9 million in 2021, due to the standardization of leasing policy for acquired companies.
- Third-party services (security and cleaning), utility and other costs: were up by R\$8.6 million in 4Q21 and by R\$21.5 million in 2021, due to the gradual resumption of on-campus classes and to the increment from acquisitions.
- Depreciation and amortization: R\$80.7 million increase in 2021 as a result of the acquisitions, improvements to third-party assets related to returned properties and those yet to be returned, in addition to the IFRS 16 effect. In the quarter, D&A costs were down by R\$14.8 million.

Cost of services were impacted by non-recurring effects related to the operational research, amounting to R\$25.5 million in 4Q21 and R\$45.8 million in 2021. Excluding such effects, **adjusted cost of services** increased by 6.6% in 4Q21 and 13.3% in 2021.

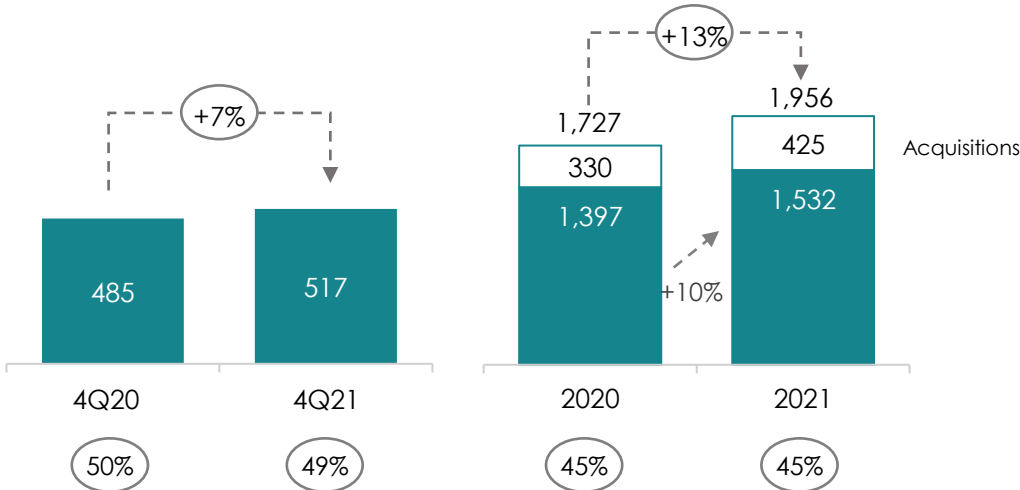
In 4Q21, the Company's **gross profit** came to R\$507.4 million (+14.0% YoY) and gross margin stood at 48.3% (+2.1 p.p. YoY). In the full year, gross profit was R\$2,389.1 million (+13.3% YoY) with a 54.4% gross margin, in line with 2020 figures.

(1) Flexibility of labor laws enacted in April/20.

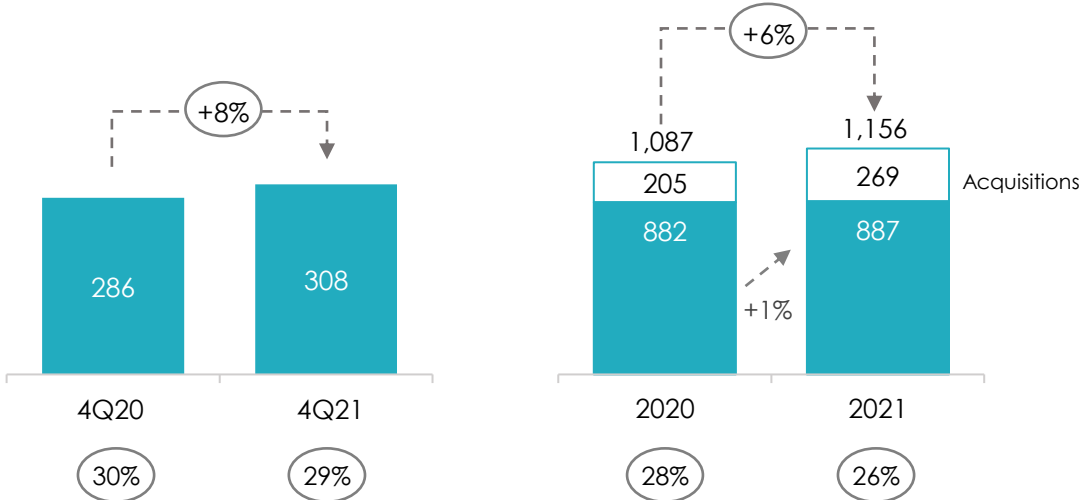
(2) Source: The Brazilian Institute of Geography and Statistics (IBGE)

COST OF SERVICES AND GROSS PROFIT (3/3)

Adjusted cost of services⁽¹⁾
(R\$ million)



Adjusted Cost of Personnel⁽¹⁾
(R\$ million)



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

SELLING EXPENSES (1/2)

(R\$ million)	4Q20	4Q21	Δ%	2020	2021	Δ%	Ex-acquisitions ⁽¹⁾		
							2020	2021	Δ%
Selling Expenses	(221.5)	(220.3)	-0.6%	(859.8)	(895.0)	4.1%	(786.8)	(779.2)	-1.0%
Bad Debt	(156.0)	(169.9)	8.9%	(535.3)	(513.9)	-4.0%	(500.8)	(448.9)	-10.4%
Out-of-pocket	(122.8)	(149.4)	21.7%	(375.1)	(350.5)	-6.6%	(340.6)	(290.2)	-14.8%
PAR ⁽²⁾	(13.2)	(4.6)	-64.9%	(57.5)	(24.0)	-58.3%	(57.5)	(24.0)	-58.3%
DIS ⁽²⁾	(20.0)	(15.8)	-20.8%	(102.7)	(139.4)	35.8%	(102.7)	(134.7)	31.2%
Advertising and M&S	(65.8)	(50.3)	-23.5%	(325.0)	(380.8)	17.2%	(285.9)	(330.1)	15.4%
Advertising	(45.1)	(27.4)	-39.2%	(254.5)	(282.9)	11.1%	(215.5)	(241.3)	12.0%
Sales & Marketing (M&S)	(20.7)	(22.9)	10.5%	(70.5)	(97.9)	38.9%	(70.5)	(88.8)	25.9%
Others	0.3	(0.1)	n.a.	0.5	(0.3)	n.a.	(0.1)	(0.2)	69.5%
Adjusted selling expenses ⁽³⁾	-	-	-	(760.1)	(895.0)	17.7%	(689.9)	(779.2)	12.9%
Bad Debt + Discounts	(172.9)	(191.5)	10.8%	(646.8)	(615.4)	-4.9%	(605.8)	(537.6)	-11.3%
% of net revenue	18.0%	18.2%	0.3 p.p.	16.8%	14.0%	-2.8 p.p.	18.0%	15.0%	-3.1 p.p.
Adjusted Bad Debt ⁽³⁾ + Discounts	-	-	-	(547.1)	(615.4)	12.5%	(508.5)	(537.6)	5.7%
% of net revenue	-	-	-	14.2%	14.0%	-0.2 p.p.	15.1%	15.0%	-0.2 p.p.

Selling expenses posted a slight 0.6% reduction in 4Q21 and were up by 4.1% in 2021. Excluding the non-recurring effect recorded in 2020, **adjusted selling expenses** increased by 17.7% vs. 2020. Below are the main variations in 4Q21 and 2021 figures:

- **Bad debt expenses** increased by R\$13.9 million in 4Q21, chiefly due to the period's seasonal effect (enrollments on hold routine); higher intake cycle for Digital Learning vs. 4Q20, effect from the non-renewal of students who enrolled in 2Q21; and the change in student base mix (reduction in the FIES student base). In the full year, these expenses were down by 4.0% vs. 2020. Excluding the R\$99.2 million non-recurring effect in 2020, Bad Debt expenses were up by 18% (+R\$78.3 million vs. 2020), mainly related to student base growth in Digital Learning and the change in student base mix.
- In 4Q21, **Advertising and Sales & Marketing (M&S) expenses** dropped by R\$15.5 million while in the full year these expenses were up by R\$55.7 million, due to increased intake efforts, higher call center and sales commission expenses, in addition to the increase from acquisitions. However, it is important to emphasize that as a percentage of net revenue, there was a 2.0 p.p. YoY reduction in 4Q21 and in the full year, this percentage was in line with 2020 figures.

Bad Debt + discounts were stable as a percentage of net revenue in 4Q21 and in 2021 (excluding the 2020 non-recurring effect).

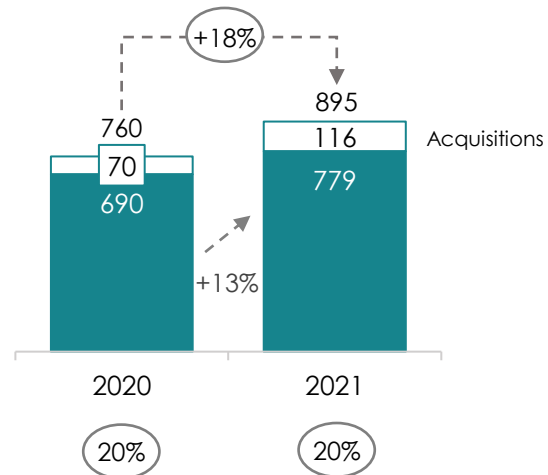
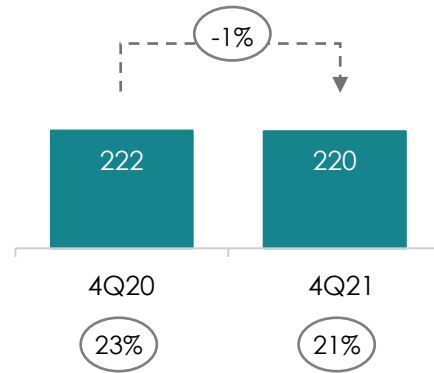
(1) Refers to the acquisitions of Adtalem (as from May/20), Athenas (as from Aug/20) and Qconcuras (as from July/21).

(2) Considers Bad Debt Drop-out.

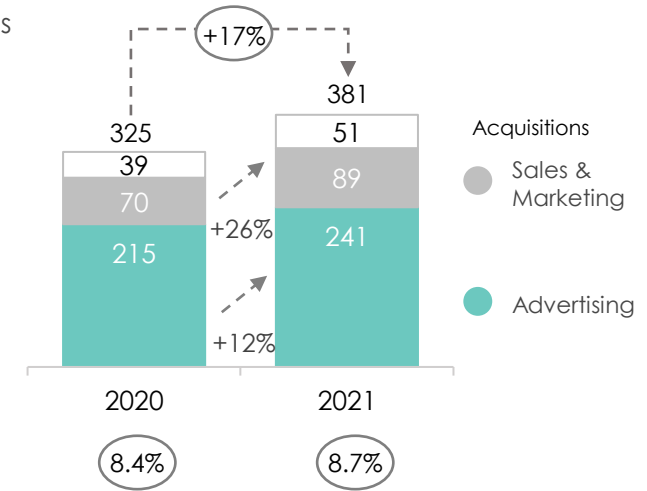
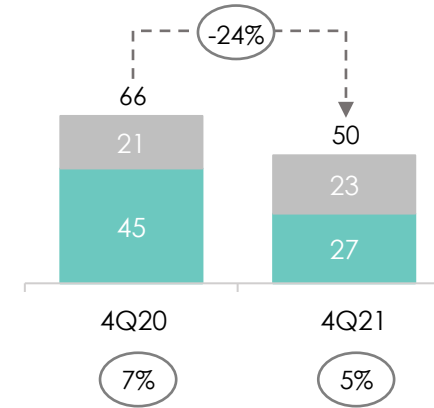
(3) Adjusted by non-recurring items, explained in detail on the EBITDA section.

SELLING EXPENSES (2/2)

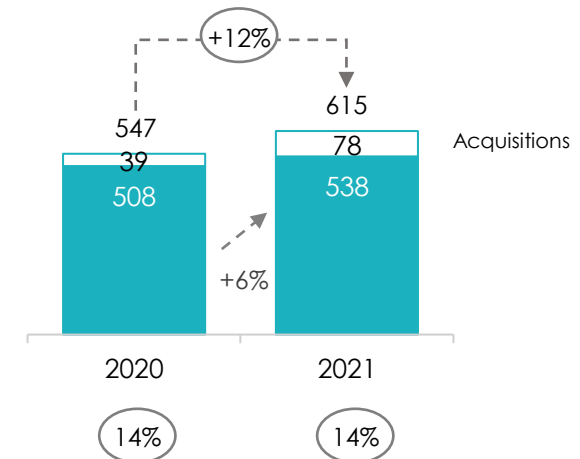
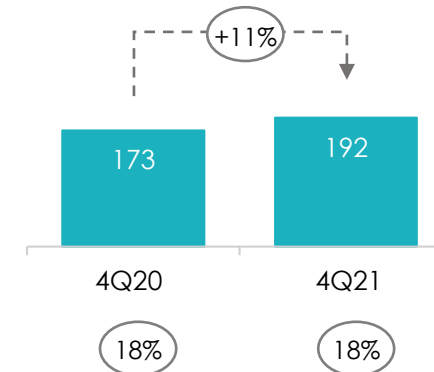
Adjusted selling expenses ⁽¹⁾
(R\$ million)



Advertising and Sales & Marketing expenses
(R\$ million)



Adjusted Bad Debt⁽¹⁾ + Discounts
(R\$ million)



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

GENERAL, ADMINISTRATIVE AND OTHER EXPENSES (1/2)

(R\$ million)	4Q20	4Q21	Δ%	2020	2021	Δ%	Ex-acquisitions ⁽¹⁾		
							2020	2021	Δ%
G&A Expenses	(289.9)	(268.4)	-7.4%	(895.0)	(973.2)	8.7%	(815.5)	(819.0)	0.4%
Personnel	(74.9)	(90.4)	20.7%	(255.9)	(350.9)	37.2%	(211.1)	(241.0)	14.1%
Third-party services	(50.0)	(40.6)	-18.9%	(145.1)	(139.5)	-3.9%	(134.0)	(120.1)	-10.4%
Provision for contingencies	(52.8)	(8.2)	-84.5%	(165.7)	(59.9)	-63.9%	(168.4)	(75.7)	-55.1%
Maintenance and repairs	(33.3)	(24.9)	-25.3%	(71.2)	(85.4)	19.8%	(57.9)	(69.0)	19.3%
Other	(24.2)	(38.6)	59.7%	(91.5)	(112.5)	23.0%	(81.9)	(95.9)	17.2%
Depreciation and amortization	(54.6)	(65.7)	20.3%	(165.6)	(225.0)	35.9%	(162.3)	(217.2)	33.9%
Amortization of Trade Fund	(18.0)	(14.2)	-21.0%	(45.9)	(63.7)	38.9%	(42.5)	(55.9)	31.5%
Systems, Applications and Software	(23.2)	(36.2)	56.1%	(70.4)	(105.0)	49.2%	(70.4)	(105.0)	49.2%
Other D&A expenses	(13.5)	(15.3)	13.9%	(49.4)	(56.4)	14.1%	(49.4)	(56.4)	14.1%
Other revenue/ expenses	2.5	9.3	276.7%	2.4	25.7	971.9%	(0.1)	21.4	n.a.
Adjusted G&A Expenses ⁽²⁾	(246.3)	(252.9)	2.7%	(776.2)	(943.4)	21.5%	(695.6)	(793.7)	14.1%

General and administrative expenses fell by 7.4% YoY in 4Q21 and up by 8.7% YoY in 2021, below LTM accumulated inflation (IPCA⁽³⁾ 10.06%). Below are the main variations in 4Q21 and 2021 figures:

- Personnel expenses grew by R\$15.5 million YoY in 4Q21 and R\$95.1 million in 2021, increment resulting from acquisitions, the headcount increase from the Company's new corporate structure and higher vacation pay compared to 2020 (+R\$4.8 million) due to Executive Order (MP) 936⁽⁴⁾, with the temporary termination of labor agreements during business holidays.
- In 4Q21, expenses with third-party services declined by R\$9.5 million and by R\$5.6 million in 2021, due to lower expenses with attorneys' consulting companies' fees.
- Excluding the non-recurring effect of the lawsuit records revision and the increase in contingencies in the amount of R\$19.7 million in 4Q20 and R\$74.6 million in 2020, expenses with provision for contingencies were down by R\$24.9 million and R\$31.2 million in 4Q21 and 2021, respectively. These drops arise from the Company's strategy to negotiate settlements in strategic proceedings (civil and labor lawsuits), which created a provision reversion.
- In 4Q21, maintenance and repairs expenses were down by R\$8.5 million due to reduced expenses with software maintenance. In the full year, said expenses were up by R\$14.1 million, stemming from software, furniture and equipment maintenance at the units.

(1) Refers to the acquisitions of Adtalem (as from May/20), Athenas (as from Aug/20) and Qconcursos (as from July/21).

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

(3) Source: The Brazilian Institute of Geography and Statistics (IBGE)

(4) Flexibility of labor laws enacted in April/20.

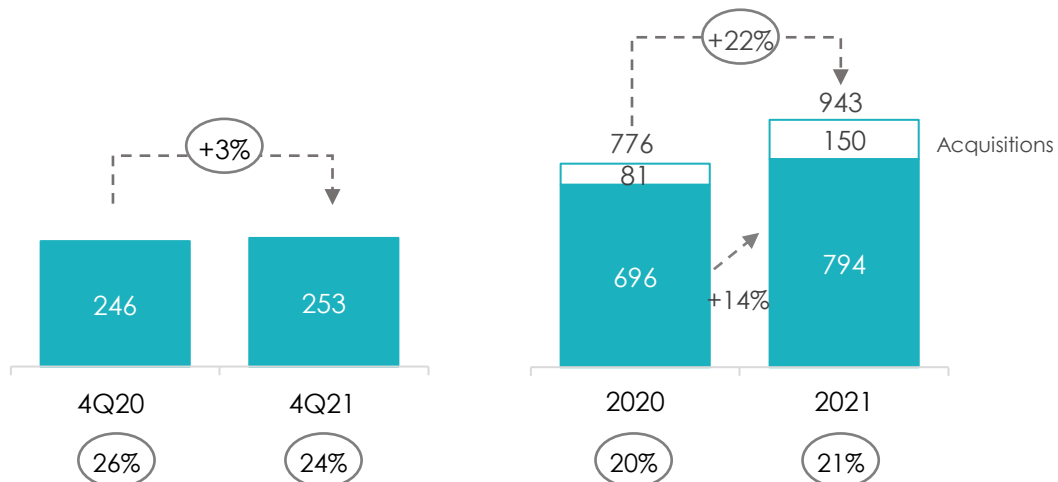
GENERAL, ADMINISTRATIVE AND OTHER EXPENSES (2/2)

- In 4Q21, other expenses increased by R\$14.4 million, mainly due to the contract fine for returning properties (R\$9.2 million) and higher expenses with education agreements related to the medicine programs. In 2021, other expenses were up by R\$21.0 million as a result of higher travel and accommodation expenses, education agreements and other expenses.
- Depreciation and amortization expenses were up by R\$11.1 million in 4Q21 and by R\$59.4 million in 2021 arising from the amortization of goodwill from acquisitions, the amortization of systems, applications and software due to investments in digital transformation and technology.

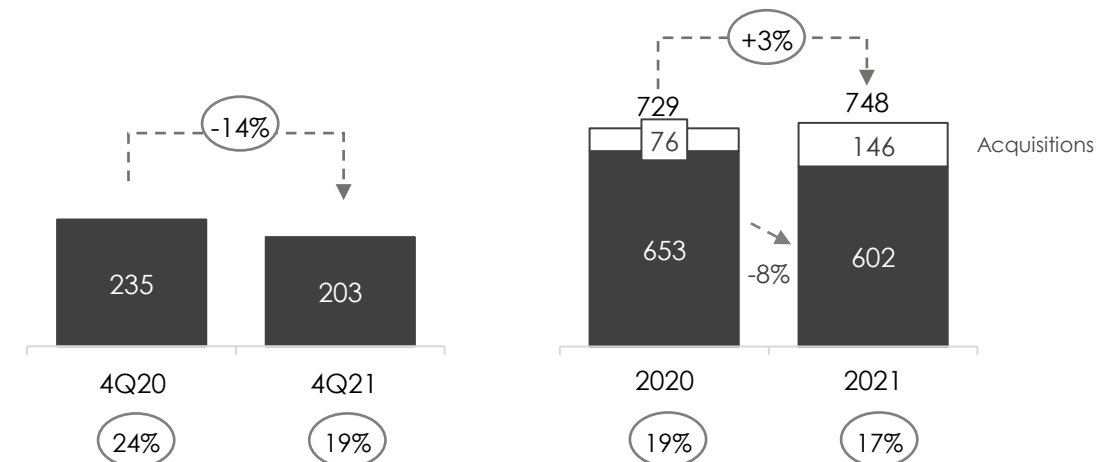
General and administrative expenses were impacted by non-recurring effects amounting to R\$15.5 million in 4Q21 and R\$29.8 million in 2021 related to the integration of acquisitions, contract fine for returning properties and other expenses. Excluding non-recurring effects, **adjusted general and administrative expenses** were up by 2.7% YoY and 21.7% YoY in 4Q21 and 2021, respectively.

Other operational revenue (expenses) grew by R\$6.8 million in 4Q21 and by R\$23.3 million in 2021, mainly due to the increase in revenue from rental of spaces at the units, in addition to gains from the sale of property and equipment from recent acquisitions.

Adjusted G&A expenses ⁽¹⁾
(R\$ million)



G&A expenses(ex-D&A)
(R\$ million)



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

EBITDA AND MARGIN (1/2)

(R\$ million)	4Q20	4Q21	Δ%	2020	2021	Δ%	Ex-acquisitions ⁽¹⁾		
							2020	2021	Δ%
Net Revenue	963.0	1,050.3	9.1%	3,853.7	4,391.4	14.0%	3,360.3	3,591.1	6.9%
Costs and Expenses	(1,026.8)	(1,022.3)	-0.4%	(3,497.4)	(3,844.8)	9.9%	(3,012.3)	(3,141.6)	4.3%
(+) Depreciation and amortization	178.0	174.3	-2.1%	538.9	679.0	26.0%	440.2	548.8	24.7%
EBITDA	114.2	202.3	77.1%	895.3	1,225.6	36.9%	788.2	998.3	26.7%
EBITDA margin (%)	11.9%	19.3%	7.4 p.p.	23.2%	27.9%	4.7 p.p.	23.5%	27.8%	4.3 p.p.
Non-recurring items	159.3	61.6	-61.3%	454.5	111.0	-75.6%	420.3	93.0	-77.9%
Restructuring	21.0	25.5	21.6%	21.1	45.8	116.8%	6.1	33.2	446.9%
M&A, Integration and others	35.3	15.5	-56.1%	41.1	29.8	-27.3%	52.0	25.3	-51.4%
Review of legal proceedings base	19.7	-	n.a.	74.6	-	n.a.	74.6	-	n.a.
Bad Debt	-	-	n.a.	99.7	-	n.a.	96.9	-	n.a.
Non-recurring items from net revenue	83.3	11.2	-86.6%	218.0	35.3	-83.8%	190.7	34.5	-81.9%
Impact Revenue (Legacy Athenas)	-	9.4	n.a.	-	-	n.a.	-	-	n.a.
Adjusted EBITDA	273.5	263.9	-3.5%	1,349.8	1,336.6	-1.0%	1,208.5	1,091.3	-9.7%
Adjusted EBITDA margin(%)	26.1%	24.6%	-1.5 p.p.	33.2%	30.2%	-3.0 p.p.	34.0%	30.1%	-3.9 p.p.
Adjusted EBITDA ex-IFRS 16	213.4	180.2	-15.5%	1,075.5	995.9	-7.4%	984.6	832.4	-15.5%
Adjusted EBITDA margin(%)	20.4%	16.8%	-3.6 p.p.	26.4%	22.5%	-3.9 p.p.	27.7%	23.0%	-4.8 p.p.
EBITDA ex-IFRS 16	54.1	118.6	119.2%	621.0	885.0	42.5%	564.3	739.5	31.0%
EBITDA margin(%)	5.6%	11.3%	5.7 p.p.	16.1%	20.2%	4.0 p.p.	16.8%	20.6%	3.8 p.p.

The Company's **EBITDA** grew by 77.1% in 4Q21 and 36.9% in 2021, having as main growth drivers the Premium and Digital segments. Together, they **already represent ~70% of the Company's total EBITDA** in 2021. Below are the main variations in 4Q21 and 2021 figures:

- Increase of **R\$87.3 million in 4Q21 and R\$537.6 million in 2021** in net revenue, boosted by the Premium and Digital segments plus the acquisitions effect in 2021 results vs. 2020.
- **Negative costs and expenses effect (-R\$207.6 million)** due to the following items explained in detail in the previous sections: (i) higher vacation pay, (ii) increase in transfer to partner centers arising from the growth in Digital Learning; (iii) operational research and (iv) increment from acquisitions.

(1) Refers to the acquisitions of Adtale (as from May/20), Athenas (as from Aug/20) and Qconcur (as from July/21).

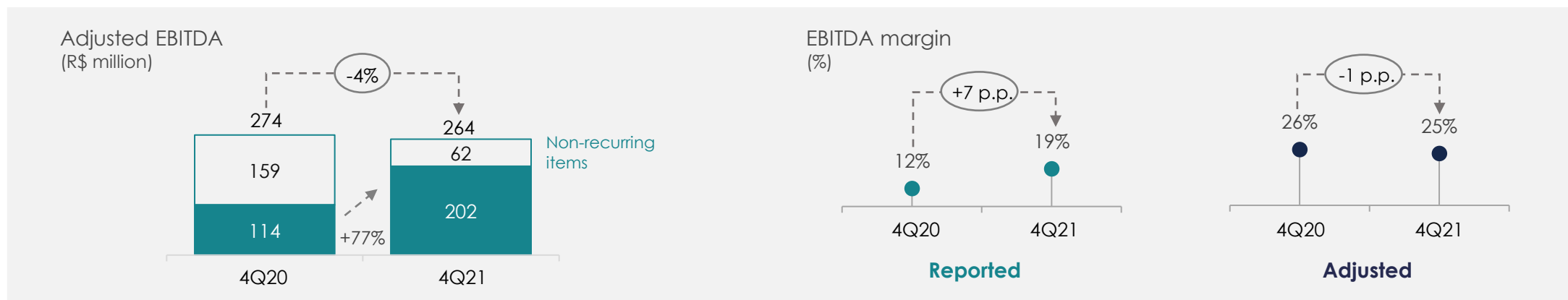
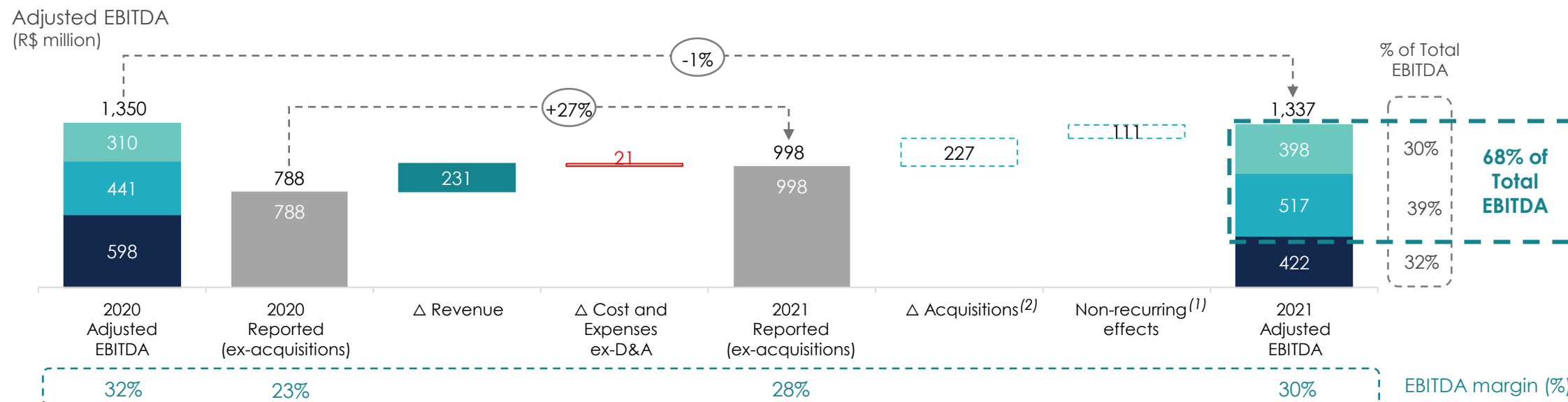
EBITDA AND MARGIN (2/2)

● On-campus ● Digital Learning ● Premium

YDUQS

4Q21

EBITDA was impacted by non-recurring effects with impacts on revenue (laws and court decisions plus Athenas' legacy in 4Q21), integration expenses, organizational restructuring, contract fine in the return of properties and other, amounting to R\$61.6 million in 4Q21 (-61.3% YoY) and R\$111.0 million in 2021 (-75.6% YoY). Excluding these effects, the Company's **adjusted EBITDA** came to R\$263.9 million (-3.5% YoY) in 4Q21 with a 24.6% margin (-1.5 p.p. YoY) and R\$1,336.6 million (-1.0% YoY) in 2021 with margin of 30.2% (-3.0 p.p. YoY).



(1) Non-recurring effects with laws and court decisions, restructurings, M&A and others

(2) Refers to the acquisitions of Adtalem (as from May/20), Athenas (as from Aug/20) and Qconcursos (as from July/21).

FINANCIAL RESULT AND NET INCOME (1/3)

(R\$ million)	4Q20	4Q21	Δ%	2020	2021	Δ%	Ex-acquisitions ⁽¹⁾		
							2020	2021	Δ%
EBITDA	114.2	202.3	77.1%	895.3	1,225.6	36.9%	788.2	998.3	26.7%
Financial Result	(106.5)	(150.2)	41.1%	(351.4)	(436.0)	24.1%	(330.3)	(408.1)	23.6%
Financial Revenue	10.1	26.5	160.8%	91.6	136.1	48.5%	73.4	99.4	35.5%
Fines and interest charged	8.0	7.4	-7.2%	42.3	40.4	-4.4%	31.8	35.5	11.6%
Investments	(9.7)	19.2	-298.3%	19.0	63.3	233.5%	13.6	35.2	158.1%
Inflation adjustments	8.5	(1.6)	-118.9%	11.3	26.4	133.4%	12.2	23.5	92.2%
Others	3.4	1.4	-56.9%	19.0	5.9	-69.0%	15.7	5.3	-66.5%
Financial Expenses	(117.8)	(162.6)	38.0%	(413.2)	(543.2)	31.4%	(373.6)	(478.7)	28.1%
Interest and financial charges	(32.6)	(86.7)	165.7%	(123.5)	(238.4)	93.0%	(111.7)	(228.7)	104.7%
Financial discounts	(16.9)	(21.7)	28.1%	(111.5)	(101.5)	-9.0%	(105.0)	(88.6)	-15.6%
Bank expenses	(2.5)	(2.7)	6.2%	(11.8)	(10.1)	-14.5%	(10.8)	(8.5)	-21.3%
Interest on leasing	(29.0)	(30.5)	5.2%	(113.9)	(124.1)	9.0%	(94.8)	(97.8)	3.2%
Others	(36.7)	(21.0)	-42.9%	(52.6)	(69.1)	31.4%	(51.3)	(55.1)	7.4%
Swap Net Effect	1.2	(14.1)	n.a.	(30.1)	(28.9)	-4.0%	(30.1)	(28.9)	-4.0%
(+) Depreciation and amortization	(178.0)	(174.3)	-2.1%	(538.9)	(679.0)	26.0%	(440.2)	(548.8)	24.7%
Profit before taxes	(170.2)	(122.2)	-28.2%	5.0	110.6	2128.4%	17.7	41.3	133.4%
Income tax	50.3	34.8	-30.7%	69.2	35.6	-48.5%	61.3	25.0	-59.2%
Social Contribution	17.2	13.0	-24.8%	24.0	11.9	-50.3%	21.1	8.8	-58.5%
Net Income	(102.6)	(74.3)	-27.6%	98.2	158.2	61.1%	100.1	75.1	-25.0%
Net margin (%)	n.a.	n.a.	n.a.	2.5%	3.6%	1.1 p.p.	3.0%	2.1%	-0.9 p.p.
Net Income ex-IFRS 16	(76.8)	(63.6)	-17.2%	149.2	199.9	34.0%	146.2	111.4	-23.8%
Net margin (%)	n.a.	n.a.	n.a.	3.9%	4.6%	0.7 p.p.	4.4%	3.1%	-1.2 p.p.
Adjusted Net Income ⁽²⁾	93.1	2.2	-97.6%	612.3	356.6	-41.8%	575.5	267.7	-53.5%
Adjusted net margin (%)	8.9%	0.2%	-8.7 p.p.	15.0%	8.1%	-7.0 p.p.	16.2%	7.4%	-8.8 p.p.
Adjusted Net Income ⁽²⁾ ex-IFRS 16	98.0	13.0	-86.7%	642.4	399.1	-37.9%	602.4	263.3	-56.3%
Adjusted net margin (%)	9.4%	1.2%	-8.2 p.p.	15.8%	9.0%	-6.8 p.p.	17.0%	7.3%	-9.7 p.p.

(1) Refers to the acquisitions of Adtale (as from May/20), Athenas (as from Aug/20) and Qconcurso (as from July/21).

(2) Adjusted by non-cash items detailed in the next slide.

The Company's **financial result** was worse by 41.1% YoY in 4Q21 and by 24.1% YoY in 2021. Below are the main variations in 4Q21 and 2021 figures:

- Monetary adjustment (PAR and DIS adjustment): reversion of R\$10.1 million in 4Q21, due to reduced accounts receivable and a subsequent smaller adjustment. In the year, there was a R\$15.1 million increase due to higher inflation rate (IPCA) and the increase of DIS intake.
- Earnings from financial investments grew R\$28.9 million in 4Q21 and R\$44.3 million in 2021, stemming from higher interest rates.
- Interest and financial charges were up by R\$54.1 million YoY in 4Q21 and R\$114.9 million YoY in 2021, arising from the increase in debt and higher interest rates.
- Expenses with financial discounts were up by R\$4.8 million YoY in 4Q21. In 2021, they were down by R\$10 million, despite the pandemic scenario.
- Increase in IFRS 16 interest in the amount of R\$1.5 million in 4Q21 and R\$10.2 million in the full year, related to the incorporation of acquisitions.
- In 2021, other financial expenses climbed by R\$16.5 million mainly from the financial update of contingencies, which increased due to higher interest rates and inflation.

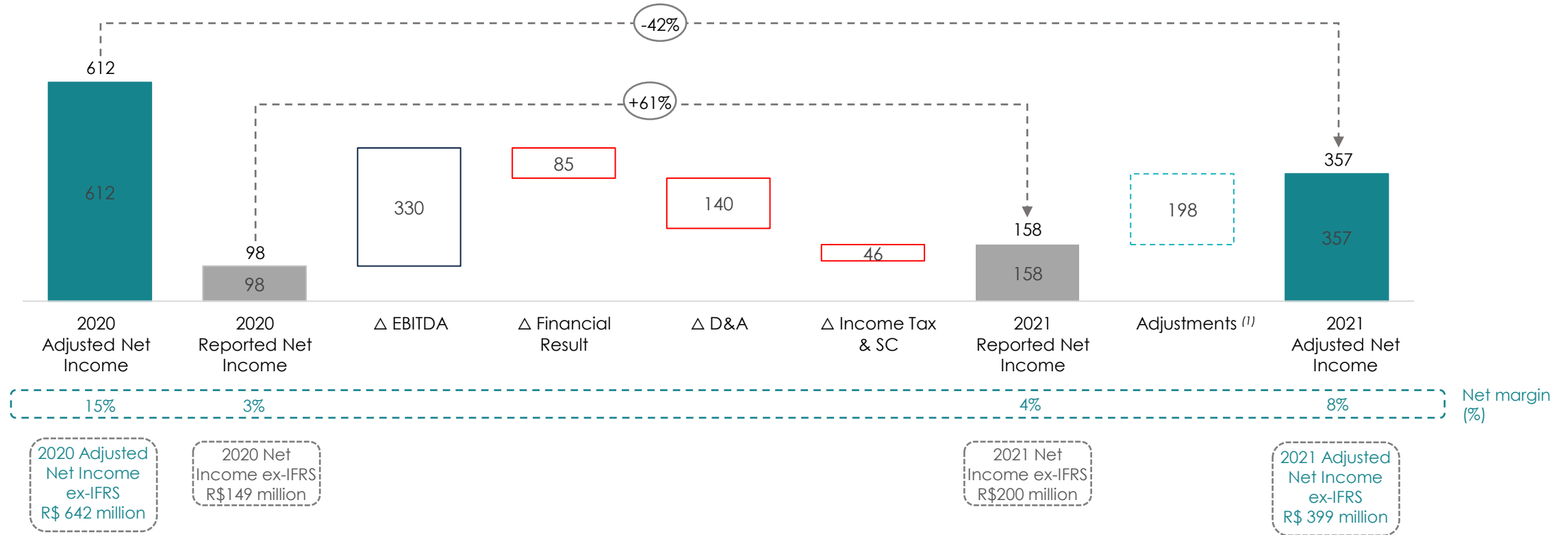
In 4Q21, the Company recorded a R\$74.3 million loss, an improvement compared to 4Q20 (-R\$102.6 million). In the year, **net income** reached R\$158.2 million (+61.1% YoY) and **net margin** stood at 3.6% (+1.1 p.p. YoY). Below we present the main reasons for this result.

- R\$330.3 million increase in EBITDA, boosted by Premium and Digital business units
- R\$84.5 million worsening in financial result, as explained above.
- R\$140.1 million increase in depreciation and amortization, mainly due to the incorporation of acquisitions, improvements to third-party properties, amortization of goodwill from acquisitions, IFRS 16 effects and investments in systems, applications and software.
- -R\$19.8 million impact in 4Q21 and -R\$45.7 million in 2021 from income tax and social contribution, arising from non-recurring adjustments to the 2020 tax rate (adjustment of fiscal years prior to IFRS 16) and the 2021 result was impacted by deferred tax asset on tax loss, which represented in both cases a credit in the result.

Net income was also impacted by non-recurring and non-cash effects in the amount of R\$76.6 million in 4Q21 and R\$198.2 million in 2021; (i) R\$61.6 million in EBITDA in 4Q21 and R\$111.0 million in 2021; (ii) R\$14.2 million in 4Q21 and R\$63.7 million in 2021, related to goodwill from acquisitions plus R\$20.6 million to improvements to third-party assets related to returned properties or those yet to be returned recorded in 3Q21; and (iii) R\$0.8 million in 4Q21 and R\$2.9 million in 2021 in income tax and social contribution. Excluding such effects, **adjusted Net Income** came to R\$2.2 million in 4Q21 (-97.6% YoY) and R\$356.6 million in 2021 (-41.8% YoY).

FINANCIAL RESULT AND NET INCOME (3/3)

Adjusted Net Income
(R\$ million; 2021 vs. 2020)



R\$ 37.6 million

Dividend Payment of 2021



Proposition of minimum payout of 25%: Faced with the current macroeconomic scenario and with the goal of maintaining a solid balance sheet that allows us to seize future opportunities (possible acquisitions and/or share buyback), management recommends minimum dividend payment.

(1) Non-recurring effects on EBITDA in the total amount of R\$111 million, of which R\$84 million are related to the amortization of goodwill from acquisitions and improvements to third-party assets related to properties returned or yet to be returned and R\$3 million to income tax and social contribution.

(R\$ million)	4Q20	3Q21	4Q21
Monthly tuition fees received	1,464.2	1,470.6	1,446.0
Out-of-Pocket	998.5	775.9	882.9
Exchange Deals	13.6	19.7	23.8
PAR	160.3	172.7	114.5
DIS	266.8	470.9	391.3
CREDATHENAS	25.0	31.4	33.6
FIES	161.3	133.3	108.4
Other	216.3	299.2	275.2
Credit Cards to be received	90.4	148.4	131.0
Agreements	125.9	150.8	144.2
Gross Accounts Receivable	1,841.8	1,903.1	1,829.6

Bad Debt	(694.6)	(578.2)	(559.2)
Out-of-Pocket ⁽¹⁾	(565.4)	(410.3)	(427.5)
PAR (50%)	(79.6)	(80.9)	(51.7) (a)
DIS (15%)	(34.3)	(68.5)	(56.3) (b)
CREDATHENAS (50%)	(15.4)	(18.5)	(23.7)
Amounts to be identified	(23.4)	(15.6)	(9.2)
Adjustment to present value (APV) ⁽²⁾	(19.5)	(31.8)	(29.8)
APV PAR	(12.8)	(10.6)	(10.8) (c)
APV DIS	(6.7)	(18.3)	(15.8) (d)
APV CREDATHENAS	-	(3.0)	(3.2)
Net Accounts Receivable	1,104.3	1,277.5	1,231.4

In 4Q21, the Company's **gross accounts receivable** were slightly down by 0.7% compared to 4Q20, mainly due to the 11.6% reduction in out-of-the-pocket students, due to the write-off of accounts receivable of over 360 days (100% provisioned) and a lower delinquency level in the renewable base compared to the same period in the previous year.

Net accounts receivable were up by 11.5% vs. 4Q20, mainly due to the increase in DIS and CredAthenas.

PAR and DIS Reconciliation

(R\$ million)	PAR		DIS	
	4Q20	4Q21	4Q20	4Q21
Gross revenue paid in cash	12.7	9.2	1.4	3.0
Gross revenue paid in installments	11.1	6.4	12.8	22.5
Taxes – revenue deductions	(0.8)	(0.6)	(0.4)	(0.9)
Adjustment to Present Value (APV) ⁽²⁾	2.5	(0.2) Δ(c)	3.6	2.5 Δ(d)
Bad Debt – long term (50%)	13.4	29.2 Δ(a)	14.2	12.2 Δ(b)
Bad Debt non-renegotiated dropouts	(26.6)	(33.8)	(34.2)	(28.0)
Bad Debt of Net Revenue (%)	1.4%	0.4%	2.1%	1.5%

(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.

AVERAGE TERM OF RECEIVABLES

(R\$ million)	4Q20	3Q21	4Q21	Δ% vs. 4Q20	Δ% vs. 3Q21
Net accounts receivables	1,104.3	1,277.5	1,231.4	11.5%	-3.6%
Net Revenue (12M)	4,134.9	4,391.4	4,440.0	7.4%	1.1%
Average Term of Receivables (ATR) (days)	96	105	100	4.2%	-4.8%
FIES accounts receivable	161.3	133.3	108.4	-32.8%	-18.7%
FIES Revenue (12M)	566.7	430.4	367.7	-35.1%	-14.6%
FGEDUC Deductions (12M)	(53.6)	(39.2)	(34.0)	-36.6%	-13.3%
Taxes (12M)	(22.4)	(16.0)	(13.3)	-40.5%	-16.8%
FIES Net Revenue (12M)	490.6	375.1	320.4	-34.7%	-14.6%
FIES ATR (days)	118	128	122	3.4%	-4.7%
Ex-FIES accounts receivable	943.0	1,144.2	1,123.0	19.1%	-1.9%
Ex-FIES net revenue (12M)	3,644.3	4,016.3	4,119.6	13.0%	2.6%
Ex-FIES ATR (days)	93	103	98	5.4%	-4.9%

In 4Q21, **consolidated average term of receivables (ATR)** was up 4.2% (+4 days YoY) compared to 4Q20, mainly due to:

- **FIES average term of receivables**, which was up by 3.4% (+4 days YoY), mostly due to the period of renewals curve, which resulted in a delay in the receipt of transfers. Compared to 3Q21, it reduced by 6 days.
- **Ex-FIES ATR**, which was up by 5.4% (+5 days YoY), due to the seasonality effect of intake, which is mostly via DIS creating higher accounts receivable (+19.1% vs. 4Q20).

Aging of Total Gross Accounts Receivable⁽¹⁾

(R\$ million)	4Q20	4Q21	Δ%	Vertical Analysis	
				4Q20 (%)	4Q21 (%)
FIES	161.3	108.4	-32.8%	9%	6%
Not yet due	759.0	754.6	-0.6%	41%	41%
Overdue up to 30 days	201.0	210.5	4.7%	11%	12%
Overdue from 31 to 60 days	122.7	117.0	-4.6%	7%	6%
Overdue from 61 to 90 days	94.0	106.9	13.7%	5%	6%
Overdue from 91 to 179 days	127.7	181.1	41.8%	7%	10%
Overdue more than 180 days	376.2	351.1	-6.7%	20%	19%
Gross accounts receivables	1,841.8	1,829.6	-0.7%	100%	100%

Aging of Agreements Receivable⁽²⁾

(R\$ million)	4Q20	4Q21	Δ%	Vertical Analysis	
				4Q20 (%)	4Q21 (%)
Not yet due	42.7	53.9	26.4%	34%	37%
Overdue up to 30 days	11.4	12.6	10.8%	9%	9%
Overdue from 31 to 60 days	8.5	13.0	53.2%	7%	9%
Overdue from 61 to 90 days	8.2	12.8	56.8%	7%	9%
Overdue from 91 to 179 days	12.7	21.4	67.8%	10%	15%
Overdue more than 180 days	42.4	30.5	-28.2%	34%	21%
Agreements receivable	125.9	144.2	14.5%	100%	100%

FIES: Changes in Accounts Receivable

(R\$ million)	4Q20	4Q21	Δ%
Opening balance	147.1	126.3	-14.1%
FIES revenue	104.8	53.6	-48.8%
Transfer	(93.6)	(60.6)	-35.2%
FIES Provision	(8.8)	(5.3)	-39.4%
Acquired	11.1	(6.8)	-161.7%
White-off by loss	-	-	n.a.
Closing balance	160.5	107.1	-33.3%

FIES: Changes in Accounts Receivable

(R\$ million)	4Q20	4Q21	Δ%
Opening balance	17.0	7.0	-58.8%
Transfer	93.6	60.6	-35.2%
Payment of Taxes	(20.5)	(6.6)	-68.0%
Buyback in auction	(81.8)	(57.1)	-30.3%
Acquired	(7.4)	(2.7)	-63.7%
Closing balance	0.8	1.3	67.2%

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

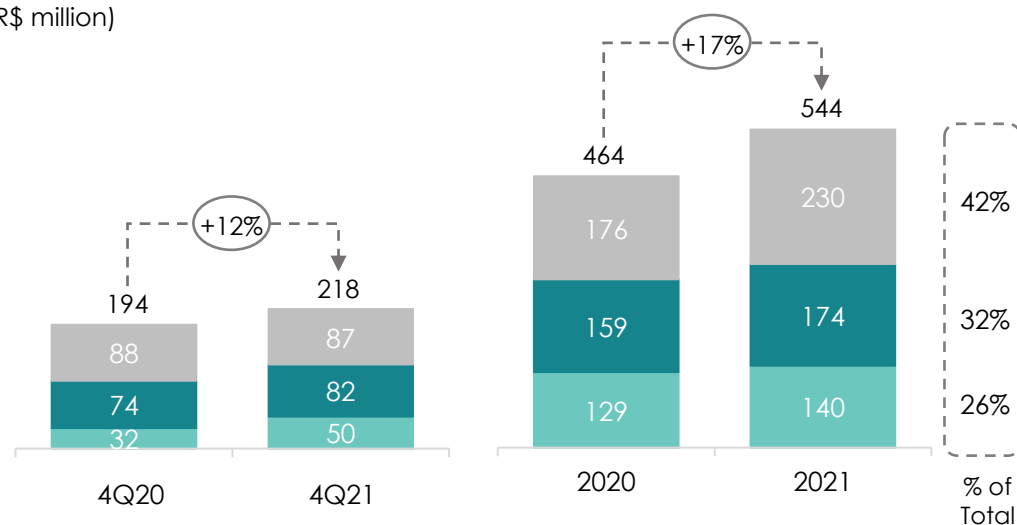
(2) Excludes credit card agreements.

(R\$ million)	4Q20	4Q21	Δ%	2020	2021	Δ%
Total Capex	194.2	218.4	12.5%	463.6	543.8	17.3%
Digital Transformation and IT	87.7	86.6	-1.3%	175.8	229.8	30.7%
Sustainability & Improvement	74.4	81.8	9.9%	158.8	173.7	9.4%
Expansion	32.0	50.0	56.3%	129.1	140.3	8.7%

% of Net Revenue

Total Capex	20.2%	20.8%	0.6 p.p.	12.0%	12.4%	0.4 p.p.
Digital Transformation and IT	9.1%	8.2%	-0.9 p.p.	4.6%	5.2%	0.7 p.p.
Sustainability & Improvement	7.7%	7.8%	0.1 p.p.	4.1%	4.0%	-0.2 p.p.
Expansion	3.3%	4.8%	1.4 p.p.	3.3%	3.2%	-0.2 p.p.

CAPEX (R\$ million)



The Company's **total Capex** amounted to R\$218.4 million in 4Q21 (+12.5% YoY) and R\$543.8 million in 2021 (+17.3% YoY), with a 30.7% YoY increase in investments in **digital transformation and information technology**, which already accounted for 42% of total Capex in 2021, continuing with the company's efforts to offer increasingly modern and innovative education services.

Sustainability & Improvement investments, which include maintenance and improvements to the units' physical infrastructure, projects targeted at boosting student satisfaction, legal and compliance-related projects, asset sale, among others, were up 9.9% YoY in 4Q21 and by 9.4% YoY in 2021 (32% of total Capex in 2021).

Investments in **expansion** were up by 56.3% YoY in 4Q21, mainly due to the new Maracanã unit (R\$15.9 million), projects for new courses plus the maturation of existing ones (+R\$8.1 million), expansion and maturation of medical programs (+R\$7.7 million) and others. In the year, this increase was 8.7% vs. 2020, related to the courses' maturation, the new Maracanã unit as well as the expansion of existing units and others. Investments in expansion ended the year accounting for 26% of total Capex.

Increasing investments in digital transformation and IT are improving student experience and, consequently, NPS for all segments: Medicine (+34 p.p. vs. 2020), Digital Learning (+19 p.p. vs. 2020) and On-Campus (+18 p.p. vs. 2020), as well as retention rates and education quality.

CASH POSITION

(R\$ million)	4Q20	4Q21	Δ%
(-) Cash and cash equivalents [a]	(1,633.2)	(1,814.2)	11.1%
Gross Debt [b]	4,841.2	5,649.5	16.7%
Bank loans	3,342.1	4,058.4	21.4%
Leasing	1,351.3	1,444.9	6.9%
Commitments payable (M&A)	147.8	146.2	-1.1%
Net Debt [b+a]	3,208.0	3,835.3	19.6%
Net debt (Ex-IFRS 16)/ adjusted EBITDA (LTM)⁽¹⁾	1.4x	1.8x	

The Company's **cash and cash equivalents** ended 4Q21 at R\$1,814.2 million. **Gross debt (excluding leasing)** ended the quarter at R\$4,204.6 million (+20.5% YoY).

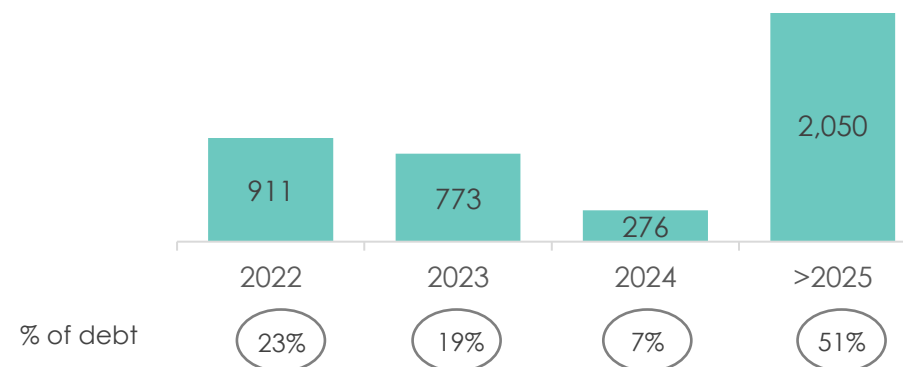
Excluding leasing from gross debt, the **net debt/LTM EBITDA adjusted** by non-recurring items ratio stood at **1.8x**, maintaining a healthy leverage and capital discipline.

In the end of 2021, the Company had its 7th debenture issuing in the amount of R\$300 million and contracted a new loan with Citibank (Law no.4131) in the amount of R\$447.6 million, as part of the strategy to pay part of its current debt (R\$398 million), maintaining a strong cash position and seizing interest rate curve opportunities to extend debt with a spread lower than the average cost of current debt.

DEBT

Debt Type (R\$ million)	Issue Date	Due Date	Cost	Balance payable (principal + interest)	% of total
Debenture V (1 st series)	feb-19	feb-22	CDI + 0.59%	256.8	6%
Debenture V (2 nd series)	feb-19	feb-24	CDI + 0.79%	359.9	9%
Loans Citi	nov-21	nov-23	CDI + 1.30%	451.7	11%
FINEP	feb-15	jan-25	TJLP + 0.50%	1.9	0%
Loans Bradesco	sep-20	sep-22	CDI + 2.70%	369.5	9%
Loans Banco Safra	jun-20	jun-22	CDI + 2.80%	201.2	5%
Loans Itaú	sep-20	apr-23	CDI + 2.70%	153.7	4%
Loans BB	dec-20	feb-22	CDI + 1.85%	100.7	2%
Debenture VI	feb-21	feb-26	CDI + 2.50%	1,874.2	46%
Debentures VII	nov-21	nov-26	CDI + 1.65%	302.7	7%
Bank Loans	-	-	CDI+2,17%	4,072.2	100%

Debt amortization schedule
(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.



Hardwork's Acquisition

- In March 2022, we completed the **acquisition of Hardwork**, which is an **edtech operating in the continued medical education sector**, preparing its students for **medical residence exams focused on R1 and Revalida**. This acquisition strengthens YDUQS' presence in the edtech market, especially in regards to the health and medical specialization fields.
- The transaction refers to the **acquisition of 51% share of Hardwork** for the amount of R\$52 million, including Hardwork's primary capitalization and the secondary acquisition of shares held by current shareholders in the amount of R\$42 million, in addition to an earn-out of up to R\$10 million related to the achievement of certain operational metrics.



Authorization of 200 new Medical School seats

On February 25th, 2022, the **Ministry of Education (MEC)** authorized **additional 100 seats in the undergraduate medical program in the Jaraguá do Sul unit**. On March 4th, 2022, ordinances were issued **authorizing the undergraduate medical program in the Ji-Paraná and Iguatu units**. The program was authorized to offer 50 annual seats at each unit⁽¹⁾, and new seats can be approved, as described in the Mais Médicos Program's Notice. Expected intake is ~50% of these 200 new seats in 2022.1.



Debt funding

In January 2022, a new loan with **Citibank, under Law 4.131/1962**, was approved in the total amount of USD 44 million, converted to **R\$233 million**. In March 2022, it was approved the roll-over of the debt with **Safra in the amount of R\$200 million** for the term of 27 months. These transactions aim to amortize and extend the company's debt, reaching **CDI+1.56% average total cost of debt**.

(1) For further information, see Medicine undergraduate student base in the appendix.

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APPENDIX

7.1-7.5K

Medicine undergraduate student base expected by the end of 2022

200 medicine authorized seats in Feb/Mar 2022, with up to +786 expansion seats to reach full potential

Units	State	Authorized Seats (Including the 200 seats approved)	2021	Maturation ⁽¹⁾	Full Potential ⁽²⁾	
			Student Base (thousand)	Student Base (thousand)	Authorized Seats	Student Base (thousand)
Presidente Vargas	RJ	240	1.65	1.7	240	1.7
Città	RJ	170	1.07	1.2	170	1.2
Juazeiro do Norte	CE	100	0.71	0.7	100	0.7
Ribeirão Preto	SP	76	0.54	0.5	76	0.5
Teresina	PI	110	0.71	0.8	110	0.8
Juazeiro	BA	155	0.57	1.1	155	1.1
Alagoinhas	BA	65	0.30	0.5	165	1.2
Jaraguá do Sul	SC	150	0.20	1.1	150	1.1
Angra dos Reis	RJ	89	0.35	0.6	155	1.1
Canindé	CE	50	0.10	0.4	120	0.9
Cáceres	MT	50	0.10	0.4	100	0.7
Castanhal	PA	50	0.05	0.4	150	1.1
Quixadá	CE	50	0.05	0.4	150	1.1
Açailândia	MA	50	0.05	0.4	150	1.1
Iguatu	CE	50	-	0.4	150	1.1
Ji-Paraná	RO	50	-	0.4	150	1.1
Total authorized seats		1,505	6.43	10.8	2,291	16.5
Athenas		-	-	-	200	-

+100 new seats approved in Feb/2022

50 new seats approved in Mar/22

50 new seats approved in Mar/22

69% of units still maturing



Total student base with potential **organic growth of ~70%** (+ 4.4 thousand students)



(1) Student base at maturity includes ProUni (+10%) and FIES (+10%).

(2) Assuming seat expansion to maximum capacity (+100 seats/year) 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	2020	2021	Δ%	2020	2021	Δ%	2020	2021	Δ%	2020	2021	Δ%
Gross Revenue	7,703.5	8,881.4	15.3%	737.0	1,003.9	36.2%	1,923.0	2,716.6	41.3%	5,043.4	5,161.0	2.3%
Monthly tuition fees	7,703.5	8,881.4	15.3%	737.0	1,003.9	36.2%	1,923.0	2,716.6	41.3%	5,043.4	5,161.0	2.3%
Deductions from Gross Revenue	(3,849.7)	(4,490.1)	16.6%	(177.1)	(174.1)	-1.7%	(950.3)	(1,401.1)	47.4%	(2,722.4)	(2,914.8)	7.1%
Net Operating Revenue	3,853.7	4,391.4	14.0%	559.9	829.8	48.2%	972.8	1,315.5	35.2%	2,321.1	2,246.1	-3.2%
Cost of Services	(1,744.1)	(2,002.3)	14.8%	(244.1)	(370.2)	51.7%	(211.0)	(286.0)	35.5%	(1,289.0)	(1,346.1)	4.4%
Personnel	(1,108.1)	(1,202.0)	8.5%	(190.7)	(283.2)	48.5%	(84.9)	(89.6)	5.5%	(832.5)	(829.2)	-0.4%
Rent, municipal property tax and other	(62.3)	(55.2)	-11.3%	(6.0)	(9.8)	61.2%	(1.1)	0.5	-144.5%	(55.2)	(46.0)	-16.7%
Third-party services and other	(201.2)	(291.1)	44.6%	(7.8)	(11.9)	52.1%	(112.4)	(180.0)	60.2%	(81.0)	(99.2)	22.3%
Depreciation and amortization	(372.5)	(454.0)	21.9%	(39.5)	(65.4)	65.5%	(12.6)	(16.8)	33.2%	(320.4)	(371.8)	16.0%
Gross Profit	2,109.6	2,389.1	13.2%	315.8	459.5	45.5%	761.8	1,029.5	35.1%	1,032.0	900.1	-12.8%
Gross margin (%)	54.7%	54.4%	-0.3 p.p.	56.4%	55.4%	-1.0 p.p.	78.3%	78.3%	0.0 p.p.	44.5%	40.1%	-4.4 p.p.
Selling, G&A and Other Expenses	(1,753.3)	(1,842.5)	5.1%	(150.8)	(195.8)	29.9%	(406.6)	(610.1)	50.0%	(1,195.9)	(1,036.7)	-13.3%
Personnel	(255.9)	(350.9)	37.2%	(33.6)	(52.9)	57.3%	(82.0)	(136.4)	66.3%	(140.2)	(161.6)	15.3%
Advertising	(325.0)	(380.8)	17.2%	(21.8)	(25.9)	18.5%	(85.7)	(128.2)	49.6%	(217.5)	(226.7)	4.2%
Bad Debt	(535.3)	(513.9)	-4.0%	(21.4)	(25.0)	17.0%	(109.1)	(194.0)	77.8%	(404.8)	(294.9)	-27.2%
Other Expenses	(473.1)	(397.5)	-16.0%	(54.4)	(61.1)	12.3%	(78.8)	(79.0)	0.3%	(339.9)	(257.4)	-24.3%
Other Revenue	2.4	25.7	971.9%	0.6	3.2	399.7%	(0.6)	5.2	-924.3%	2.4	17.2	626.6%
Depreciation and amortization	(166.4)	(225.0)	35.2%	(20.2)	(34.2)	69.1%	(50.3)	(77.6)	54.2%	(95.9)	(113.3)	18.1%
(+) Depreciation and amortization	538.9	679.0	26.0%	59.7	99.6	66.7%	62.9	94.4	49.9%	416.3	485.1	16.5%
EBITDA	895.3	1,225.6	36.9%	224.8	363.3	61.6%	418.1	513.8	22.9%	252.4	348.5	38.0%
EBITDA margin (%)	23.2%	27.9%	4.7 p.p.	40.1%	43.8%	3.6 p.p.	43.0%	39.1%	-3.9 p.p.	10.9%	15.5%	4.6 p.p.
Adjusted Net Revenue ⁽¹⁾	4,071.7	4,426.7	8.7%	624.7	857.4	37.2%	983.7	1,315.6	33.7%	2,463.3	2,253.7	-8.5%
Adjusted EBITDA ⁽¹⁾	1,349.9	1,336.6	-1.0%	310.4	398.2	28.3%	441.4	516.8	17.1%	598.1	421.5	-29.5%
Adjusted EBITDA margin (%)	33.2%	30.2%	-3.0 p.p.	49.7%	46.4%	-3.2 p.p.	44.9%	39.3%	-5.6 p.p.	24.3%	18.7%	-5.6 p.p.

(1) Revenue: adjusted by laws and court decisions (individual actions) | EBITDA: Adjusted by non-recurring items, explained in detail on the EBITDA section.

INCOME STATEMENT BY BUSINESS UNIT: PREVIOUS BREAKDOWN

In IFRS-16

	On-campus			Digital Learning			Corporate			Consolidated		
R\$ million	2020	2021	Δ%	2020	2021	Δ%	2020	2021	Δ%	2020	2021	Δ%
Gross Operating Revenue	5,710.2	6,027.6	5.6%	1,993.3	2,853.9	43.2%	-	-	-	7,703.5	8,881.4	15.3%
Deductions from Gross Revenue	(2,860.4)	(3,001.5)	4.9%	(989.3)	(1,488.5)	50.5%	-	-	-	(3,849.7)	(4,490.1)	16.6%
Net Operating Revenue	2,849.7	3,026.0	6.2%	1,004.0	1,365.4	36.0%	-	-	-	3,853.7	4,391.4	14.0%
Cost of Services	(1,563.8)	(1,740.0)	11.3%	(181.1)	(261.2)	44.2%	-	-	-	(1,744.9)	(2,001.1)	14.7%
Personnel	(1,046.8)	(1,132.5)	8.2%	(61.3)	(69.4)	13.3%	-	-	-	(1,108.1)	(1,202.0)	8.5%
Rent, municipal property tax and other	(61.9)	(55.5)	-10.4%	(0.3)	0.2	n.a.	-	-	-	(62.3)	(55.2)	-11.3%
Third-party services and other	(89.8)	(111.4)	24.1%	(111.4)	(178.5)	60.2%	-	-	-	(201.2)	(289.9)	44.1%
Depreciation and amortization	(365.2)	(440.5)	20.6%	(8.1)	(13.4)	66.6%	-	-	-	(373.3)	(454.0)	21.6%
Gross profit	1,285.9	1,286.1	0.0%	822.9	1,104.2	34.2%	-	-	-	2,108.8	2,390.3	13.3%
Gross margin (%)	45.1%	42.5%	-2.6 p.p.	82.0%	80.9%	-1.1 p.p.	-	-	-	54.7%	54.4%	-0.3 p.p.
Selling, G&A and Other Expenses	(753.7)	(595.9)	-20.9%	(163.3)	(268.3)	64.3%	(835.4)	(979.4)	17.2%	(1,752.4)	(1,843.7)	5.2%
Personnel	(38.1)	(42.6)	11.9%	(22.3)	(52.8)	136.6%	(195.5)	(255.5)	30.7%	(255.9)	(350.9)	37.2%
Advertising	-	-	n.a.	-	-	n.a.	(325.0)	(382.4)	17.7%	(325.0)	(382.4)	17.7%
Bad Debt	(421.2)	(329.9)	-21.7%	(114.1)	(184.1)	61.3%	-	-	n.a.	(535.3)	(513.9)	-4.0%
Other Expenses	(255.3)	(182.7)	-28.5%	(23.5)	(18.3)	-22.0%	(191.8)	(170.4)	-11.2%	(470.7)	(371.4)	-21.1%
Depreciation and amortization	(39.1)	(40.7)	4.2%	(3.4)	(13.2)	285.2%	(123.1)	(171.1)	39.0%	(165.6)	(225.0)	35.9%
Operating Profit	532.2	690.2	29.7%	659.6	835.8	26.7%	(835.4)	(979.4)	17.2%	356.4	546.6	53.4%
Operating margin (%)	18.7%	22.8%	4.1 p.p.	65.7%	61.2%	-4.5 p.p.	n.a.	n.a.	n.a.	9.2%	12.4%	3.2 p.p.
Reported EBITDA	936.5	1,171.4	25.1%	671.1	862.5	28.5%	(712.3)	(808.3)	13.5%	895.3	1,225.6	36.9%
EBITDA margin (%)	32.9%	38.7%	5.8 p.p.	66.8%	63.2%	-3.7 p.p.	n.a.	n.a.	n.a.	23.2%	27.9%	4.7 p.p.

CASH FLOW STATEMENT

(R\$ million)	4Q20	4Q21	Δ%	2020	2021	Δ%
Profit before taxes	(170.2)	(122.2)	-28.2%	5.0	110.6	2,127.7%
Adjustments to reconcile profit	457.5	480.4	5.0%	1,525.5	1,645.0	7.8%
Result after reconciliation to net cash generated	287.3	358.3	24.7%	1,530.5	1,755.6	14.7%
Changes in assets and liabilities	(180.8)	(332.9)	84.2%	(393.2)	(1,048.1)	166.5%
Operating Cash Flow before Capex	106.5	25.4	-76.2%	1,137.2	707.5	-37.8%
Acquisition of property and equipment	(89.3)	(97.3)	9.0%	(203.7)	(218.2)	7.1%
Acquisition of intangible assets	(104.8)	(120.8)	15.2%	(259.9)	(325.4)	25.2%
Cash flow from investment activities	(218.4)	(98.0)	-55.2%	(2,224.5)	(398.9)	-82.1%
Operating Cash Flow after Capex	(306.1)	(290.7)	-5.0%	(1,550.9)	(235.0)	-84.8%
Cash flow from financing activities	(151.1)	138.8	n.a.	2,235.7	215.2	-90.4%
Free Cash Flow	(457.2)	(152.0)	-66.8%	684.8	(19.9)	n.a.
Cash at the beginning of the year	1,382.6	1,057.4	-23.5%	240.5	925.3	284.7%
Increase (decrease) in cash and cash equivalents	(457.2)	(152.0)	-66.8%	684.8	(19.9)	n.a.
Cash at the end of the year	925.3	905.5	-2.1%	925.3	905.5	-2.1%
Cash Flow Reconciliation						
Operating Cash Flow	106.5	25.4	-76.2%	1,137.2	707.5	-37.8%
Income tax and social contribution paid	9.1	13.0	42.4%	48.5	46.9	-3.4%
Interest paid on loan	14.0	63.5	354.1%	81.4	209.6	157.4%
Increase in judicial deposits	12.3	(11.2)	n.a.	5.0	(2.1)	n.a.
Contractual Termination ⁽¹⁾	-	-	n.a.	0.0	45.0	n.a.
Delay in the transfer of FIES ⁽²⁾	-	-	n.a.	(136.0)	-	n.a.
Payment postponement ⁽³⁾	41.8	18.1	-56.7%	-	-	n.a.
Non-recurring and other effects ⁽⁴⁾	124.7	72.5	-41.9%	246.5	204.1	-17.2%
Cash flow after reconciliation	308.5	181.2	-41.3%	1,382.7	1,211.0	-12.4%
FCO/Adjusted EBITDA	113%	69%	-44 p.p.	102%	91%	-12 p.p.

Operating Cash Flow before capex (OCF) came to R\$25.4 million in 4Q21 (-76.2% vs. 4Q20) and R\$707.5 million in 2021 (-37.8% vs. 2020) mainly impacted by greater payment of interests on debts, as well as higher vacation pay compared to 2020 due to the application of Executive Order (MP) 936 (flexibility of labor laws enacted in April/20) and a non-recurring lower average payment term (PMP, in Portuguese) due to contract terminations and fines in the period.

In addition to the effects mentioned above, the full year was also impacted by the delay of FIES receivables, referring to Dec/19 with cash effect in January 2020.

Reconciled OCF in 4Q21 amounted to R\$181.2 million (-41.3% vs. 4Q20), with a 69% cash conversion rate. In the year, OCF was down by 12.4% vs. 2020 totaling R\$1,211.0 million, with a **cash conversion rate of 91%**.

(1) In 2021, R\$45 million refers to the timely payment of termination of the rental agreement, an amount provisioned in the past.

(2) In 2020, R\$136 million refers to the FIES transfer referring to Dec/19.

(3) Payment postponement.

(4) Related to the non-recurring effects of EBITDA (excluding non-cash effects in 2020), interest payments, contractual fines and others.

BALANCE SHEET

R\$ million	4Q20	3Q21	4Q21
Current Assets	2,736.4	3,010.9	2,973.6
Cash and cash equivalents	925.3	1,057.4	905.5
Marketable Securities	707.9	840.5	908.8
Accounts receivable	890.2	939.9	957.7
Inventory	1.2	2.3	2.4
Advancements to employees/third parties	22.2	9.7	11.0
Prepaid expenses	8.2	15.0	10.1
Taxes and contributions	137.6	101.9	163.7
Swap differential receivable	33.3	32.0	-
Other	10.5	12.1	14.4
Non-Current Assets	6,524.7	6,916.9	6,924.2
Long-term assets	886.8	944.1	880.4
LT swap differential receivable	120.8	-	-
LT accounts receivable	214.2	337.6	273.6
LT prepaid expenses	4.1	7.9	8.0
LT Judicial deposits	102.7	111.8	100.6
LT taxes and contributions	107.7	126.1	129.1
LT deferred taxes	322.6	348.3	356.1
Other LT items	14.7	12.4	12.9
Permanent assets	5,637.9	5,972.8	6,043.9
Investments	0.3	0.3	0.3
Property and equipment	2,451.1	2,517.8	2,535.0
Intangible assets	3,186.5	3,454.7	3,508.6
Total Assets	9,261.1	9,927.8	9,897.8

R\$ million	4Q20	3Q21	4Q21
Current Liabilities	1,292.7	2,497.6	1,865.9
Loans and financing	356.0	1,336.1	969.0
Leasing	199.5	206.8	221.6
Suppliers	251.2	248.0	183.5
Swap payable	34.3	30.8	3.8
Salaries and payroll charges	202.2	317.2	206.1
Tax liabilities	106.7	82.5	105.6
Prepaid monthly tuition fees	44.2	64.0	76.4
Advancement of current agreement	5.0	5.0	5.0
Taxes paid in installments	3.5	3.7	4.4
Acquisition price payable	57.9	59.8	49.1
Dividends payable	23.4	141.7	37.6
Other liabilities	8.8	1.9	3.8
Long-term liabilities	4,763.4	4,083.7	4,790.3
LT Loans and financing	2,986.1	2,341.9	3,089.4
Contingencies	246.8	230.8	221.5
LT leasing	1,151.8	1,253.8	1,223.3
LT SWAP differential payable	127.3	-	-
Agreement advances	41.1	37.4	36.1
LT taxes paid in installments	9.1	7.0	10.1
Provision for asset demobilization	89.9	78.5	91.0
LT acquisition price payable	89.9	112.7	97.1
Other LT items	21.4	21.6	21.7
Shareholders' Equity	3,205.0	3,346.5	3,241.6
Capital stock	1,139.9	1,139.9	1,139.9
Share issuance costs	(26.8)	(26.9)	(26.9)
Capital reserves	687.5	700.8	702.7
Earnings reserves	1,465.8	1,465.8	1,586.4
Income for the period	-	232.5	-
Additional dividends proposed	118.4	-	-
Treasury Shares	(179.8)	(165.6)	(160.5)
Total Liabilities and Shareholders' Equity	9,261.1	9,927.8	9,897.8

Information disclosed

(R\$ million)	Adjusted Net Revenue					Adjusted EBITDA				
	1Q21	2Q21	3Q21	4Q21	2021	1Q21	2Q21	3Q21	4Q21	2021
Total	1,091	1,168	1,107	1,071	4,436	326	360	396	264	1,346
Premium	210	214	216	218	858	112	89	103	95	399
Digital Learning	290	356	354	315	1,316	115	138	166	101	521
On-campus	590	598	536	538	2,263	99	132	127	67	426

Adjusted Revenue and EBITDA for the effect of the Legacy Athenas ⁽¹⁾

(R\$ million)	Adjusted Net Revenue					Adjusted EBITDA				
	1Q21	2Q21	3Q21	4Q21	2021	1Q21	2Q21	3Q21	4Q21	2021
Total	1,089	1,162	1,105	1,071	4,427	324	354	395	264	1,337
Premium	210	214	216	218	857	111	89	103	95	398
Digital Learning	290	356	354	315	1,316	112	138	166	101	517
On-campus	588	593	535	538	2,254	101	127	126	67	422

(1) Referring to the reversal of R\$12.4 million of net revenue, recorded throughout the year, with a total of R\$9.4 million for the first 9M21.

FROM x TO - Breakdown by business unit

PREVIOUS BREAKDOWN					NEW BREAKDOWN			
On-campus	Undergraduate	Medicine	Premium	➡	Premium	Medicine	Undergraduate	
		IBMEC	Premium			Graduate		
		Other Courses	On-Campus			Undergraduate		
	Graduate	Medicine ⁽¹⁾	Premium			IBMEC	Graduate	
		IBMEC ⁽¹⁾	Premium			On-campus	Undergraduate	
		Masters/ Doctorate (ex-premium)	On-Campus			Masters/ Doctorate		
Digital Learning	100% online undergraduate	100% online undergraduate	Digital	Digital Learning	100% online	Undergraduate		
	Flex undergraduate	Flex undergraduate	Digital		Flex	Undergraduate		
		Semi on-campus undergraduate	On-Campus		Lifelong	On-campus	Graduate	
	Graduate	Graduate	Lifelong			Digital Learning	Graduate	

New student base breakdown

- **On-campus:** On-Campus and Semi on-campus undergraduate student base, Masters and Doctorate Degrees (excluding premium).
- **Digital Learning:** Digital Learning undergraduate + Lifelong student base.
- **Premium:** Medicine + Ibmec student base.

The breakdown of the student base in the previous format is available on the spreadsheet, which is in the Results Center section of the Company’s IR website. To access it, [click here](#).

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