

EARNINGS RELEASE

2Q22 & 1H22

YDUQS



August 15th, 2022

YDUQ
B3 LISTED NM

IBRX100 B3
ITAG B3
IGC B3



YDUQ3 | YDUQY
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Rio de Janeiro, August 15th, 2022 - **YDUQS Participações S.A.**, one of the largest private organizations in Brazil's higher education private sector, presents its **results for the second quarter of 2022 (2Q22)**.

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

August 16th, 2022, | 9:00 a.m. (BRT) Portuguese with simultaneous translation to English

[Click here for the Webinar](#)

Video conference in English August 16th, 2022, | 11:00 a.m. (BRT)

[Click for the Webinar](#)

IR CONTACT

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

We hit the spot by creating a robust, diversified business that is built to last. The premium segment has helped us weather the storm in the market, while digital learning continues to grow both in quality and volume, and the on-campus segment is lean and ready. Yduqs continues on its course, marked increasingly by innovation and technology; growth on the strategic Medicine and DL fronts; and a solid economic-financial base that allows us to explore M&A opportunities. The first semester of 2022 shows that our business fundamentals remain unshakable.

The Premium unit posted robust growth of 24% in revenue and 28% in EBITDA. Idomed and Ibmed have been able to translate, both in terms of intake and tickets, the value we have been adding with the remarkable educational quality of both brands. The outlook is excellent. A good portion of our growth is already contracted due to the way we have structured our Medicine business, and, in all cities, the market already recognizes our superior quality. It is not just a matter of relying on the resilience of a segment that is protected against crises. We are ahead of our peers, strengthening the institutions that will be leaders for decades to come.

In Distance Learning, our student base grew by 15% while revenue was up by 11% versus 1H21, preserving EBITDA margin, an important highlight of the period. Our digital learning is a few years ahead of the competition, which protects its ticket and margin. The strength of Yduqs' portfolio is reinforced every cycle. Together, the digital and Premium business units generated 72% of Yduqs' EBITDA in the semester, versus 66% in the same period last year.

On-campus learning, despite market constraints, has also brought important results and indicators. As we have been emphasizing, the industry's future growth will come with students from income classes C and D, and only Yduqs is ready to capture this value – momentarily suppressed by the economic scenario. The on-campus segment will be better served by those who understand lower income students, and by those who can operate with high quality coupled with low costs. In 1H22, we posted real gains in costs of 11 p.p. over the inflation rate for the period. We rely on the best marketing mechanisms in the market and are continuously optimizing our physical infrastructure. Student satisfaction was at a record high for undergraduate programs and renewal rate remains high. Quality with cost rationalization. As a result, the on-campus student base grew for the second consecutive quarter, reaching 302 thousand students. This business units will be the unit most intensely leveraged by the more vigorous intake cycles to come.

This combination ensures us a great cash generation and conversion capacity, the highest in the market. The 1.9x Net Debt/EBITDA ratio recorded in 2Q22 is fundamental not only for short-term performance in a scenario of high interest rates, but also to give Yduqs strategic freedom when we think about growth through acquisitions. Always through a very disciplined management, we have not stopped investing – because nothing can keep us away from the idea that technology and quality will be the names of the higher education game in the coming years.

Alongside this intense business transformation, we have also position ourselves at the forefront when it comes to ESG. In early June, we publicly presented our agenda for the coming years, with our commitment to 24 goals that we made to our stakeholders and society. They are published on our website, together with the recently released 2021 Sustainability Report.

We have overcome yet another chapter in a long saga of all kinds of restrictions on those who want to in start studying. Everything reinforces the strategic consistency of our business. We have used this period to strengthen the leanest and most prepared Company in the industry: asset-light, independent of public policies, and ahead in terms of technology. We have acquired a unique freedom of strategic performance. Crises come and go, scenarios change – we move on, betting on the strength of a diversified business based on technology, quality, and the success of our students in their lives.

Thank you all for your trust and support.

Eduardo Parente
CEO



HIGHLIGHTS

YDUQS

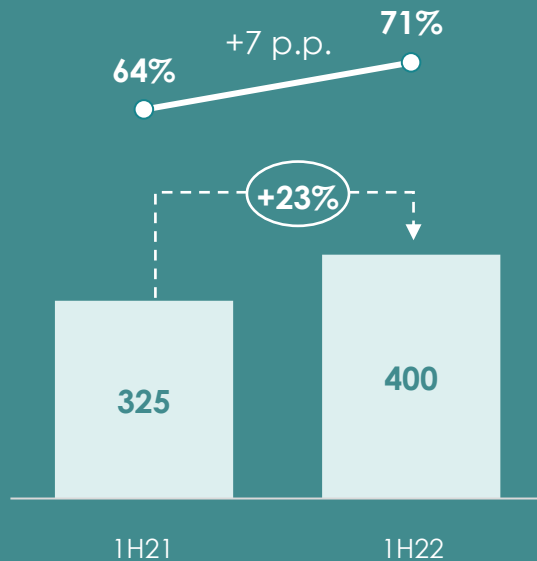
2Q22



Net Revenue +3% | EBITDA +9%
EBITDA margin +2 p.p.

vs. 1H21

OCF and Cash Conversion
(R\$ million, %)



Premium vs. 1H21
Student base +8%
Net Revenue +24%
EBITDA +28%
EBITDA margin +1.3 p.p.



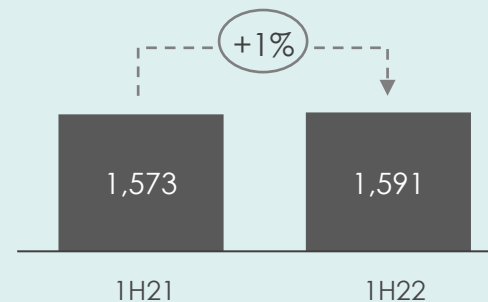
Digital vs. 1H21
Undergraduate Students +15%
Net Revenue +11%
Undergraduate Net Revenue +14%
EBITDA margin stable at 38%



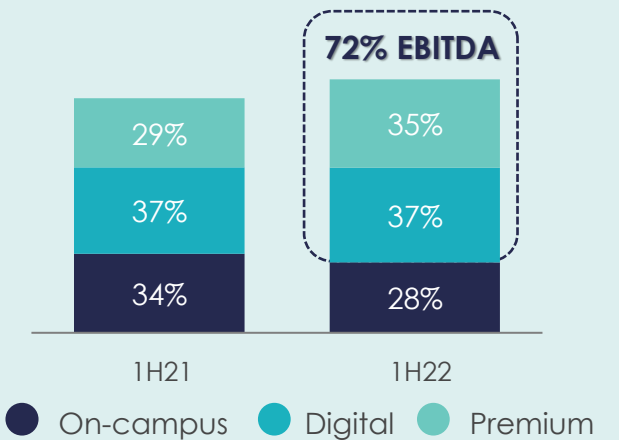
On-campus vs. 1H21
Student base +1%
EBITDA margin stable at 19%

Strict control of costs and expenses

Adjusted Costs and Expenses
(R\$ million; ex-D&A)



Growth levers with greater representativeness Premium + Digital



Note: Net revenue adjusted by the effects of laws and court decisions in 2021. | EBITDA adjusted by non-recurring effects.

OPERATIONAL
DATA

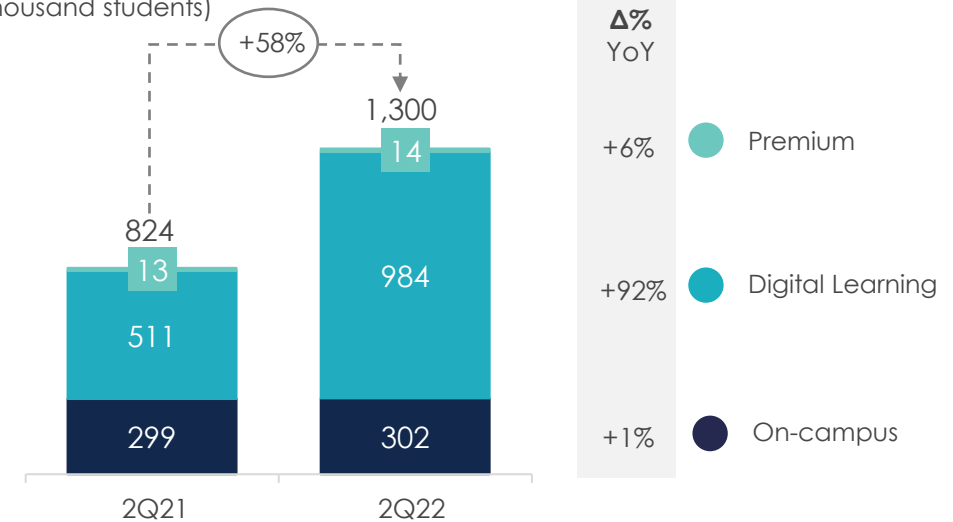
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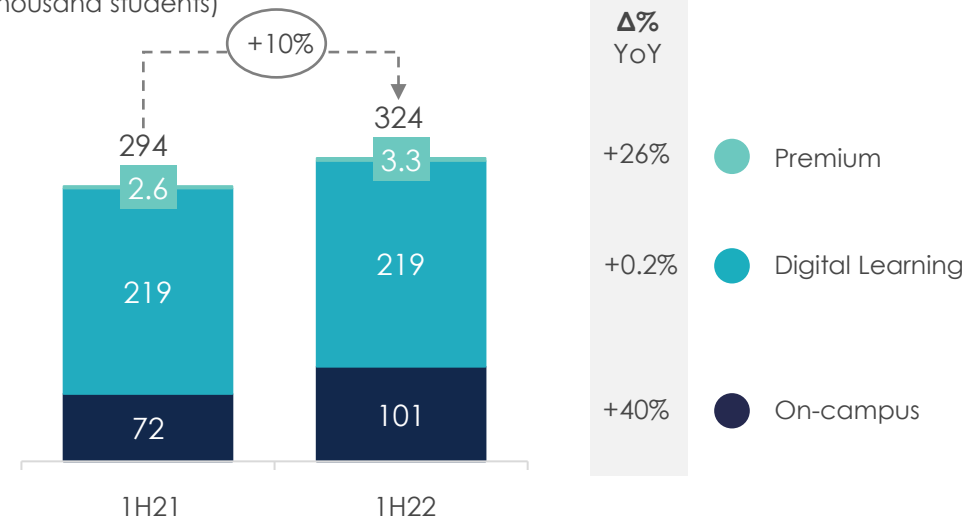
STUDENT BASE: Overview

Total (thousand students)	2Q21	2Q22	Δ %
Total Base	823.8	1,300.3	57.8%
On-campus	299.4	302.1	0.9%
Digital Learning ⁽¹⁾	511.4	984.1	92.4%
Premium	13.0	14.0	7.8%
FIES	24.3	16.6	-31.7%
DIS	396.8	429.9	8.3%
On-campus	125.6	143.8	14.5%
100% online	229.8	239.3	4.1%
Flex	41.4	46.8	13.0%
PAR	5.3	3.5	-34.6%
Campi (ex-shared) ⁽²⁾	110	106	-3.6%
On-campus	97	90	-7.2%
Premium	19	21	10.5%
Shared with on-campus	6	5	-16.7%
DL Centers	1,761	2,213	25.7%

Total student base
(Thousand students)



Undergraduate Intake (semester)
(Thousand students)



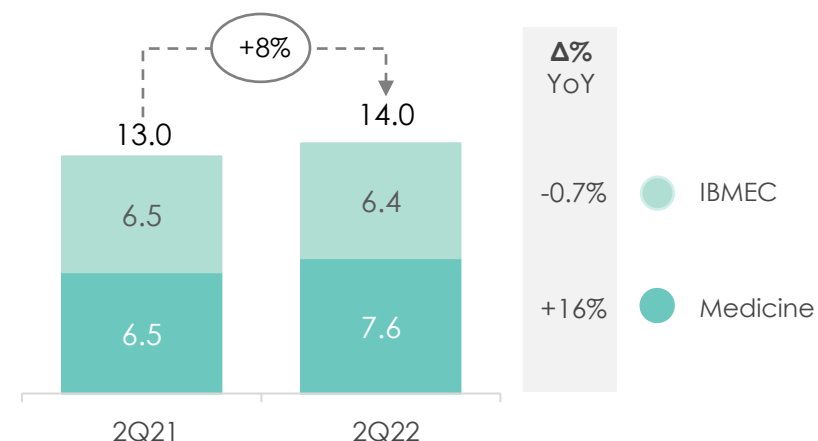
(1) Base Includes Qconcurros, for more details [click here](#).

(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)	2Q21	2Q22	Δ %
Total Premium	13.0	14.0	7.8%
Medicine	6.5	7.6	16.3%
Undergraduate	6.2	7.2	16.5%
FIES	1.2	1.0	-16.9%
Graduate	0.3	0.3	12.0%
IBMEC	6.5	6.4	-0.7%
Undergraduate	5.1	5.1	-0.4%
FIES	0.3	0.2	-32.5%
Graduate	1.3	1.3	-1.8%

Average Ticket ⁽¹⁾ (R\$/month)	2Q21	2Q22	Δ %
Medicine Undergraduate	8,824.7	9,350.0	6.0%
IBMEC Undergraduate	2,700.9	3,010.6	11.5%

Premium student base
(Thousand students)



The **Premium** segment has been posting robust results and ended 2Q22 with 14 thousand students, a 7.8% increase vs. 2Q21. The **medicine undergraduate** segment was **up by 16.3%** YoY, driven by the increase in intake for the semester (+14% vs. 1H21), mainly due to the maturation and the intake of ~50% of the 228 authorized seats in March 2022. **IBMEC's student base** remained stable in the period.

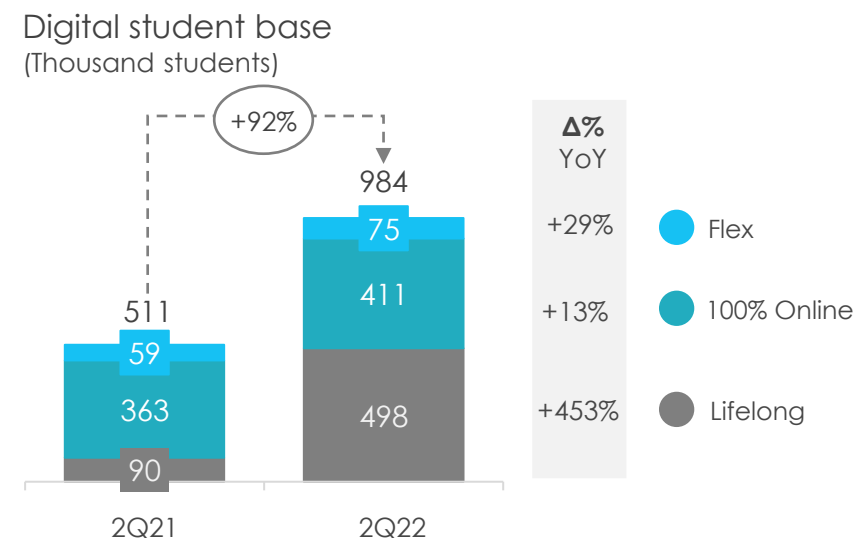
In 2Q22, **Medicine undergraduate average ticket totaled** R\$9,350/month, up by 6.0% YoY. In the semester, average ticket was up by +7.6% vs. 1H21 (R\$9,479/month).

IBMEC undergraduate average ticket totaled R\$3,011/month, up by 11.5% vs. 2Q21, mainly boosted by stronger intake in São Paulo, which has a higher ticket. In the semester, average ticket was up by +11.5% vs. 1H21, amounting to R\$2,987/month.

(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)	2Q21	2Q22	Δ %
Total Digital Learning	511.4	984.1	92.4%
Undergraduate	421.3	485.9	15.3%
100% online	362.7	410.5	13.2%
Flex	58.6	75.4	28.7%
Lifelong	90.1	498.2	452.7%
Qconcurcos	-	452.8	n.a.
Digital Learning (ex-Qconcurcos)	511.4	531.3	3.9%

Average Ticket ⁽¹⁾ (R\$/month)	2Q21	2Q22	Δ %
Total Undergraduate	249.5	202.9	-18.7%
100% online Undergraduate	235.6	181.7	-22.9%
Flex Undergraduate	332.5	318.2	-4.3%



The **Digital Learning** segment, which includes Lifelong, reached 984.1 thousand students by the end of 2Q21, recording growth of 92.4% YoY, driven by the acquisition of QConcurcos.

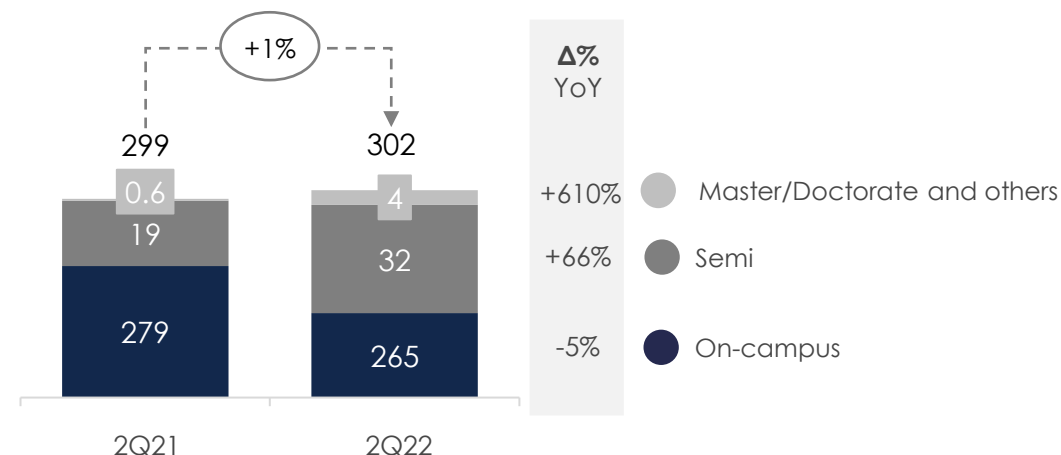
The **Digital Learning undergraduate student base** stood out, **growing 15.3% vs. 2Q21**, mainly due to the expansion of partner centers (+452 centers vs. 2Q21) and, by the end of 2Q22, it accounted for 63% (+6 p.p. YoY) of total undergraduate student base. It is important to mention that most of new partner centers are located in small cities, with up to 25,000 people.

In 2Q22, **digital learning undergraduate average ticket** was R\$203/month, down by 18.7% YoY, stemming from a weaker intake cycle in the quarter (-51% vs. 2Q21) and, consequently, a lower DIS revenue in the period (-56% vs. 2Q21). Excluding the DIS effect, i.e., calculating average ticket using ex-DIS revenue and student base, digital learning undergraduate average ticket would have decreased by 8.5% YoY, due to a lower ticket in the intake cycle for 100% online courses vs. 2Q21 and change in student base mix. In the semester, ex-DIS average ticket dropped by 11.9% vs. 1H21, amounting to R\$168/month.

Student base (thousand students)	2Q21	2Q22	Δ %
Total On-campus	299.4	302.1	0.9%
Undergraduate	298.8	297.7	-0.4%
On-campus	279.3	265.4	-5.0%
FIES	22.8	15.4	-32.5%
Semi on-campus	19.5	32.3	65.9%
Masters/Doctorate and others	0.6	4.4	609.9%

Average Ticket ⁽¹⁾ (R\$/month)	2Q21	2Q22	Δ %
Total Undergraduate	658.1	579.6	-11.9%
On-campus undergraduate	676.0	605.5	-10.4%
Semi On-campus undergraduate	402.0	366.5	-8.8%

On-campus student base
(Thousand students)



In 2Q22, the **On-campus** segment's student base amounted to 302 thousand students, up by 1% YoY, arising from:

The **total undergraduate** student base was stable in the quarter (-0.4% YoY), stemming from the Company's commitment to the recovery of this segment's student base through an increase in intake (+40% vs. 1H21), driven by the Semi on-campus undergraduate base that has been gaining representativeness and ended 2Q22 with 32.3 thousand students (+65.9% YoY), due to the enhanced course portfolio, including programs such as veterinary medicine, among others.

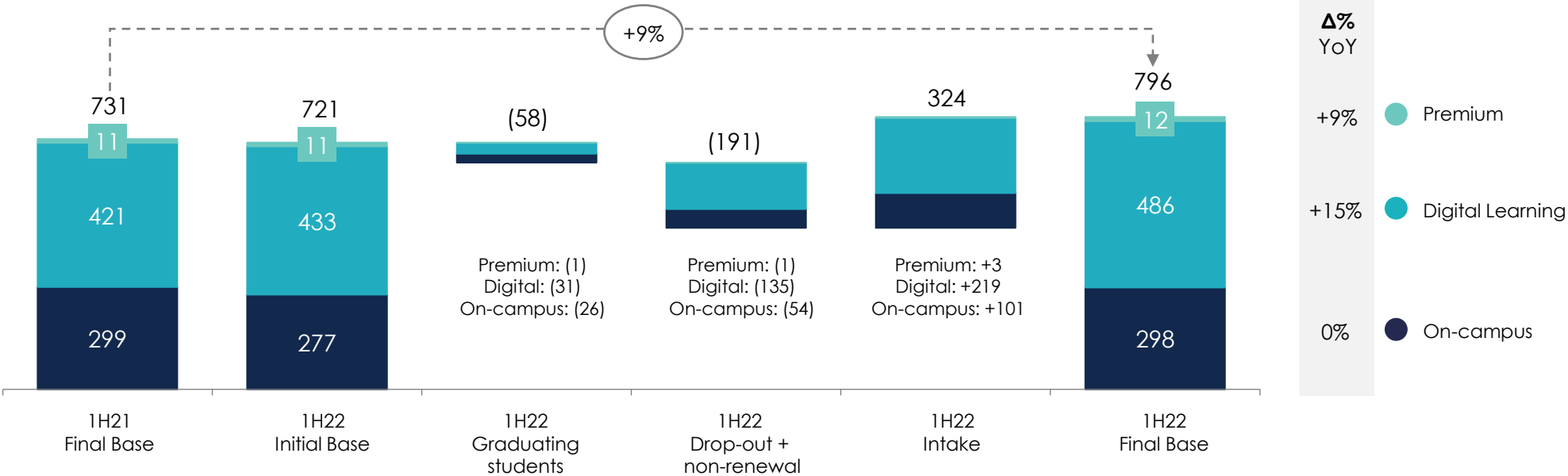
Total On-campus undergraduate average ticket was down by 11.9% vs. 2Q21, amounting to R\$580/month. **On-campus undergraduate average ticket** totaled \$606/month, down by 10.4% YoY and **semi on-campus undergraduate average ticket** was R\$366/month, down by 8.8% YoY, both segments were chiefly impacted by the short-term effect of the "Brilho Duplo" campaign, the lower adhesion to DIS and a higher number of freshmen in the student base compared to 2Q21. In the semester, on-campus and semi on-campus undergraduate average ticket also decreased vis-à-vis 1H21, by 8.2% (R\$628/month) and 3.3% (R\$424/month), respectively.

Excluding the DIS effect, i.e., calculating average ticket using ex-DIS revenue and student base, on-campus undergraduate average ticket would have decreased by 6.7% vs. 2Q21 and by 7.8% vs. 1H21, while semi on-campus undergraduate average ticket would have increased by 5.0% vs. 2Q21 and slightly decreased by 1.5% vs. 1H21.

(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 1H22

(thousand students)	Final base 1H21	Initial base 1H22	Graduating students 1H22	Drop-out + non-renewal 1H22	Intake 1H22	Final base 1H22
Undergraduate	731.4	720.9	(58.3)	(190.6)	324.0	796.0
Premium	11.4	11.3	(1.0)	(1.3)	3.3	12.4
Medicine	6.2	6.5	(0.4)	(0.6)	1.8	7.2
IBMEC	5.1	4.8	(0.6)	(0.6)	1.5	5.1
Digital Learning	421.3	432.8	(31.4)	(134.9)	219.5	485.9
100% Online	362.7	365.9	(26.9)	(110.0)	181.5	410.5
Flex	58.6	66.9	(4.6)	(24.9)	38.0	75.4
On-campus	298.8	276.7	(25.9)	(54.4)	101.2	297.7
On-campus	279.3	255.7	(24.2)	(47.0)	80.9	265.4
Semi on-campus	19.5	21.0	(1.7)	(7.4)	20.3	32.3



FINANCIAL DATA

YDUQS



INCOME STATEMENT

(R\$ million)	2Q21	2Q22	Δ %	1H21	1H22	Δ %
Gross Revenue	2,381.7	2,574.6	8.1%	4,438.7	5,028.9	13.3%
Monthly tuition fees and others	2,381.7	2,574.6	8.1%	4,438.7	5,028.9	13.3%
Deductions from gross revenue	(1,221.1)	(1,439.8)	17.9%	(2,195.7)	(2,701.0)	23.0%
Net Revenue	1,160.6	1,134.9	-2.2%	2,243.0	2,327.8	3.8%
Cost of Services	(501.2)	(531.6)	6.1%	(958.0)	(997.3)	4.1%
Gross Profit	659.4	603.3	-8.5%	1,284.9	1,330.5	3.5%
<i>Gross margin (%)</i>	56.8%	53.2%	-3.7 p.p.	57.3%	57.2%	-0.1 p.p.
Selling Expenses	(231.5)	(244.8)	5.7%	(483.2)	(515.5)	6.7%
G&A Expenses	(236.8)	(241.3)	1.9%	(457.7)	(482.2)	5.4%
Other operating revenue/ expenses	3.2	8.8	174.4%	9.0	12.6	40.3%
(+) Depreciation and amortization	154.6	179.0	15.8%	309.0	355.6	15.1%
EBITDA	348.9	304.9	-12.6%	662.0	701.1	5.9%
<i>EBITDA margin (%)</i>	30.1%	26.9%	-3.2 p.p.	29.5%	30.1%	0.6 p.p.
Financial result	(77.2)	(189.0)	144.7%	(182.7)	(333.3)	82.4%
Depreciation and amortization	(154.6)	(179.0)	15.8%	(309.0)	(355.6)	15.1%
Income tax	(0.3)	(0.1)	-63.6%	(7.6)	0.5	n.a.
Social contribution	(0.3)	(0.1)	-55.8%	(3.0)	(0.0)	-99.2%
Net Income	116.5	(63.3)	n.a.	159.7	12.7	-92.0%
<i>Net margin (%)</i>	10.0%	n.a.	n.a.	7.1%	0.5%	-6.6 p.p.
Adjusted Net Revenue ⁽¹⁾	1,161.9	1,134.9	-2.3%	2,250.7	2,327.8	3.4%
Adjusted EBITDA ⁽¹⁾	353.8	336.9	-4.8%	678.0	737.2	8.7%
<i>Adjusted EBITDA margin (%)</i>	30.5%	29.7%	-0.8 p.p.	30.1%	31.7%	1.5 p.p.
Adjusted Net Income ⁽¹⁾	137.7	(15.6)	n.a.	209.7	80.5	-61.6%
<i>Adjusted Net Income margin (%)</i>	11.9%	n.a.	n.a.	9.3%	3.5%	-5.9 p.p.

(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)	2Q21	2Q22	Δ %	1H21	1H22	Δ %
Gross Revenue	2,381.7	2,574.6	8.1%	4,438.7	5,028.9	13.3%
Monthly tuition fees	2,365.9	2,537.4	7.2%	4,409.2	4,955.4	12.4%
Other	15.8	37.3	135.4%	29.5	73.4	149.1%
Deductions from Gross Revenue	(1,221.1)	(1,439.8)	17.9%	(2,195.7)	(2,701.0)	23.0%
Discounts and scholarships	(1,175.1)	(1,397.4)	18.9%	(2,107.1)	(2,607.8)	23.8%
Taxes	(42.8)	(47.1)	10.2%	(82.3)	(89.2)	8.5%
AVP and other deductions	(3.2)	4.8	n.a.	(6.3)	(4.0)	-37.0%
Net Revenue	1,160.6	1,134.9	-2.2%	2,243.0	2,327.8	3.8%
Premium	209.0	264.1	26.3%	411.1	526.4	28.0%
Digital Learning	355.7	346.9	-2.5%	646.1	717.7	11.1%
On-campus	595.9	523.9	-12.1%	1,185.8	1,083.7	-8.6%
Adjusted Net Revenue ⁽¹⁾	1,161.9	1,134.9	-2.3%	2,250.7	2,327.8	3.4%
Premium	213.5	264.1	23.7%	423.8	526.4	24.2%
Digital Learning	355.7	346.9	-2.5%	646.1	717.7	11.1%
On-campus	592.6	523.9	-11.6%	1,180.8	1,083.7	-8.2%

In 2Q22, the Company's **total net revenue** was slightly down by 2.2% YoY, and up by 3.8% in 1H22 vs. 1H21. The main changes in the period are explained below:

- **Premium segment:** up by R\$55.0 million in 2Q22 and by R\$115.3 million in 1H22, due to the strong growth in the medicine undergraduate student base of more than 16%, stemming from the maturation and the increase in seat offering (+200), in addition to a hike of more than 40% in IBMEC intake in 1H22, driven by growth in the São Paulo unit with the highest ticket, in addition to sales growth of corporate solutions (B2B).
- **Digital Learning segment:** R\$8.8 million decrease vs. 2Q21, arising from a weaker intake cycle in the period (-51% vs. 2Q21). It is important to note that in 2021 the ENEM examination was postponed due to the pandemic and the 2Q21 intake cycle took place in March instead of April, changing the seasonality of 2Q21 intake cycle (+100 thousand students), of which more than 60% joined DIS, resulting in a revenue increase in that period versus 2Q22. In 1H22, net revenue grew by 11.1% YoY (+R\$71.7 million), due to a hike of more than 15% in undergraduate student base, coupled with maturation and increase in the number of centers.

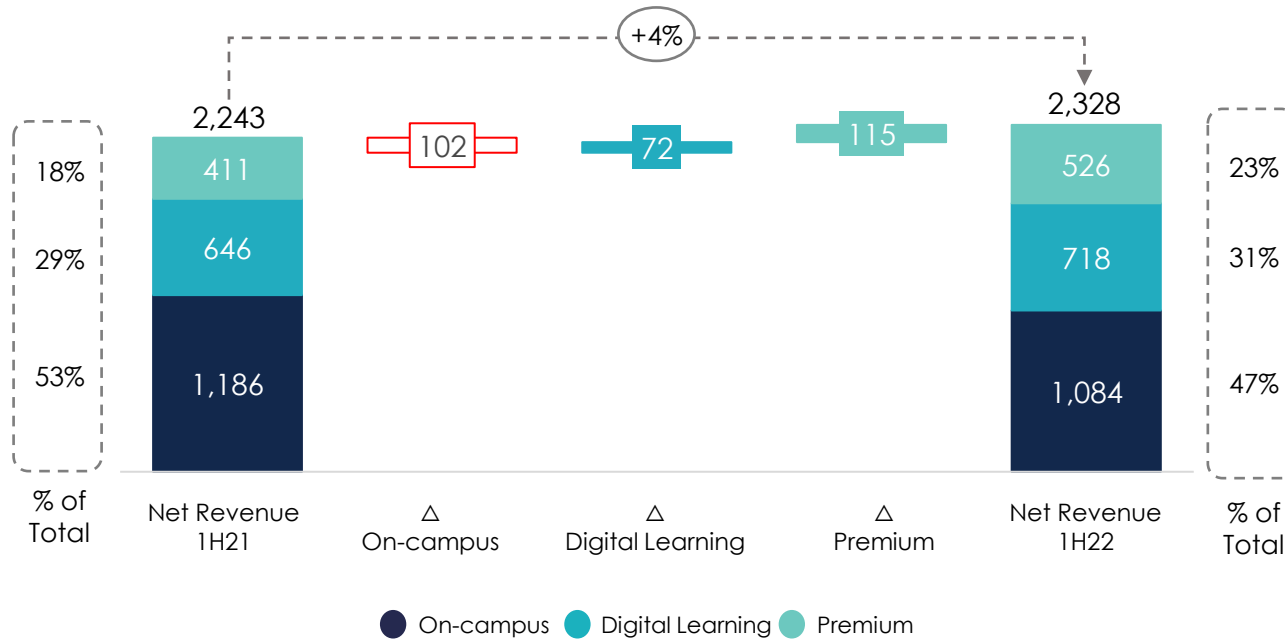
(1) Adjusted by the law and court (individual lawsuits), mainly from medicine school students in 2021.

NET REVENUE (2/2)

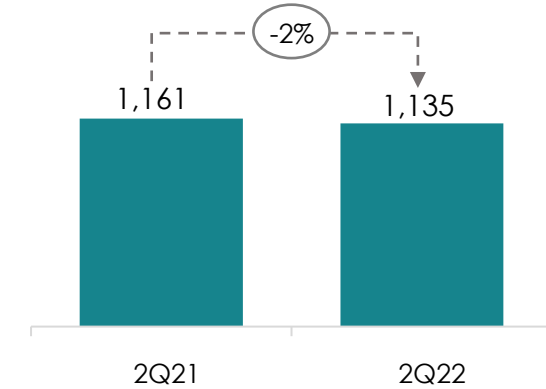
- **On-campus segment:** down by R\$72.0 million vs. 2Q21 and by R\$102.1 million vs. 1H21, stemming from a lower adhesion to DIS during intake vs. 1H21, smaller ticket due to the short-term effect of the “*Brilho Duplo*” campaign, a lower adhesion to DIS and more freshmen in the student base versus 2Q21.

The **Premium and Digital Learning segments** remain the Company's main growth drivers and, **together, they already account for 53% of total net revenue** for the period (+6 p.p. vs. 1H21).

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



Total net revenue
(R\$ million)



COST OF SERVICES AND GROSS PROFIT (1/2)

(R\$ million)	2Q21	2Q22	Δ %	1H21	1H22	Δ %
Cost of Services	(501.2)	(531.6)	6.1%	(958.0)	(997.3)	4.1%
Personnel	(316.1)	(325.2)	2.9%	(593.0)	(592.9)	0.0%
Rent, Municipal Property Tax and Others	(12.8)	(9.1)	-29.2%	(26.0)	(19.7)	-24.2%
Rent	(81.9)	(85.0)	3.7%	(165.4)	(170.0)	2.8%
Leasing - right of use of properties (IFRS-16)	83.1	87.0	4.7%	166.3	171.7	3.2%
Other	(14.0)	(11.1)	-20.7%	(27.0)	(21.4)	-20.7%
Transfer of Centers	(42.3)	(54.7)	29.1%	(79.8)	(100.3)	25.6%
Third-party services	(14.2)	(16.4)	15.1%	(27.0)	(32.7)	21.3%
Utilities	(9.5)	(12.2)	28.5%	(17.6)	(24.1)	37.0%
Other costs	(3.2)	(1.1)	-65.2%	(6.0)	(4.3)	-28.2%
Depreciation and amortization	(103.0)	(112.9)	9.6%	(208.7)	(223.3)	7.0%
Leasing - right of use of properties	(61.2)	(71.5)	16.8%	(124.0)	(133.6)	7.7%
Systems, apps and Software	(3.3)	(1.9)	-41.5%	(7.1)	(3.8)	-46.3%
Improvement to third-party assets	(16.1)	(14.9)	-7.7%	(30.6)	(38.2)	24.8%
IT equipment	(4.3)	(3.2)	-26.4%	(8.3)	(6.3)	-24.3%
Machinery and equipment	(2.7)	(4.2)	58.3%	(5.6)	(7.2)	30.4%
Other D&A costs	(15.4)	(17.2)	11.7%	(33.3)	(34.3)	3.1%
Gross profit	659.4	603.3	-8.5%	1,284.9	1,330.5	3.5%
Gross margin (%)	56.8%	53.2%	-3.7 p.p.	57.3%	57.2%	-0.1 p.p.
Adjusted Cost of Services ⁽¹⁾	(501.1)	(523.5)	4.5%	(956.7)	(988.2)	3.3%
Premium	(100.2)	(112.5)	12.2%	(176.2)	(208.7)	18.4%
Digital Learning	(67.1)	(78.7)	17.2%	(129.1)	(149.3)	15.6%
On-campus	(333.8)	(332.4)	-0.4%	(651.2)	(630.4)	-3.2%
Adjusted Cost of Personnel ⁽¹⁾	(316.0)	(317.1)	0.4%	(591.6)	(583.7)	-1.3%

In 2Q22, **cost of services** was up by 6.1% vs. 2Q21 and by 4.1% vs. 1H21, below LTM accumulated inflation (IPCA⁽²⁾ 12%). The main changes in costs were:

- Personnel costs: up by R\$9.1 million vs. 2Q21. Excluding the non-recurring effect of R\$8.1 million in the quarter, related to the operating research, which improves class distribution by sharing courses and adopting online content in on-campus programs, personnel costs were in line with 2Q21 figures. In 1H22, **adjusted personnel costs** were down by R\$7.8 million vs. 1H21, mainly due to a better performance of the on-campus segment in the period.
- Rent and municipal property taxes: down by R\$3.7 million vs. 2Q21 and by R\$6.3 million vs. 1H21, stemming from the company's efforts towards campus optimization and modernization, which already resulted in a 55,000 sqm reduction vs. 1H21.

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

(2) Source: IBGE (IPCA LTM on July 1st, 2022)

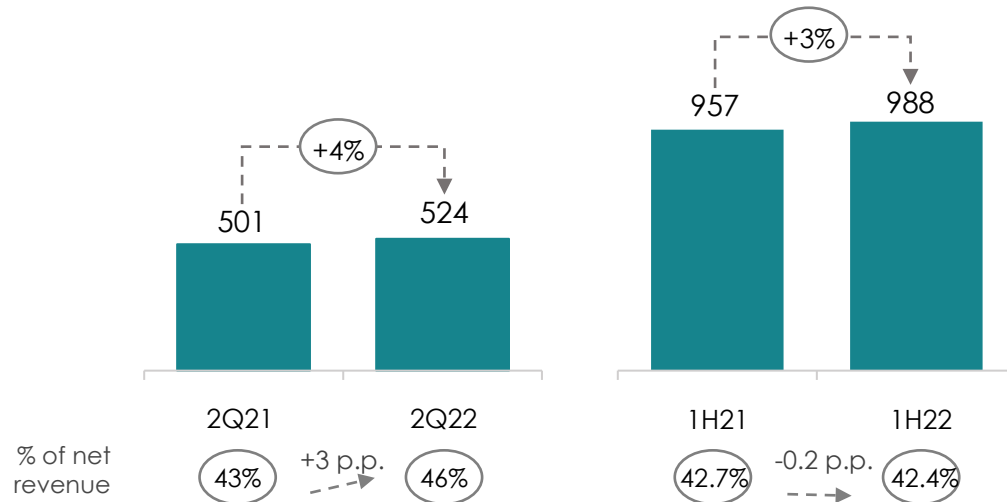
COST OF SERVICES AND GROSS PROFIT (2/2)

- Transfer to centers: up by R\$12.3 million in 2Q22 and R\$20.5 million in 1H22, due to the increase in Digital Learning via partner centers (+452 centers vs. 2Q21) and that accounts for 63% (+6 p.p. vs. 2Q21) of the total digital learning undergraduate student base.
- Third-party services (security and cleaning), utilities and other costs increased by R\$2.8 million in 2Q22 and by R\$10.6 million in 1H22, chiefly arising from the resumption of 100% of on-campus classes in 2022.
- Depreciation and amortization: growth of R\$9.9 million in 2Q22 and R\$14.6 million in 1H22 mainly due to improvements to third-party assets related to the handover of properties vis-à-vis 1H21 and property leases.

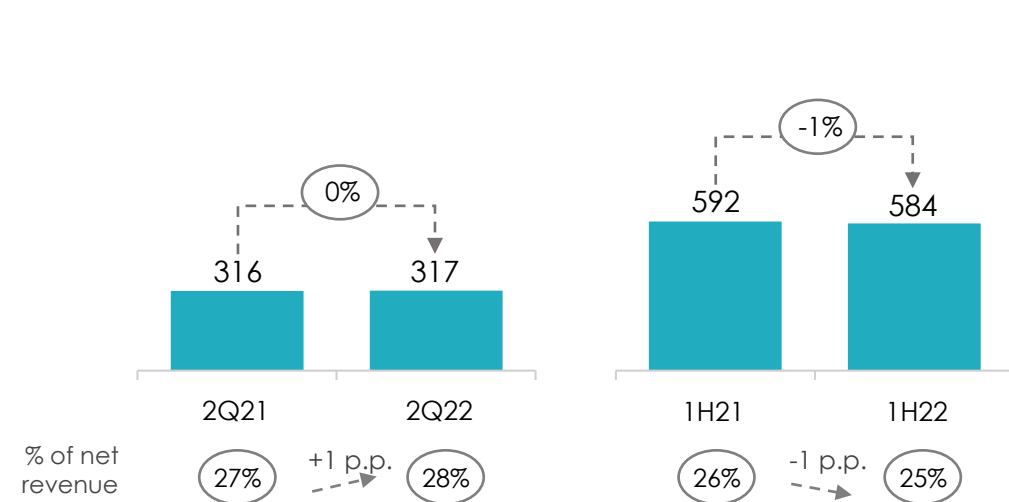
Cost of services were impacted by non-recurring effects related to the operational research amounting to R\$8.1 million in 2Q22 and R\$9.1 million in 1H22. Excluding such effects, adjusted cost of services increased by 4.5% vs. 2Q21 and by 3.3% vs. 1H21, and remained stable as a percentage of total net revenue in the semester.

In 2Q22, **gross profit** was down by 8.5% YoY with gross margin of 53.2% (-3.7 p.p. vs. 2Q21), due to a slight drop in net revenue coupled with cost increase. In 1H22, gross profit was up by 3.5% YoY with gross margin of 57.2%, in line with the previous year's figures.

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)	2Q21	2Q22	Δ %	1H21	1H22	Δ %
Selling Expenses	(231.5)	(244.8)	5.7%	(483.2)	(515.5)	6.7%
Bad Debt	(159.3)	(174.1)	9.2%	(254.8)	(303.0)	18.9%
Out-of-pocket	(106.5)	(131.5)	23.4%	(148.2)	(205.8)	38.8%
PAR ⁽¹⁾	(10.8)	(4.4)	-59.5%	(19.3)	(11.4)	-41.1%
DIS ⁽¹⁾	(42.0)	(38.2)	-8.9%	(87.3)	(85.8)	-1.6%
Sales and Marketing (M&S)	(72.2)	(70.8)	-2.0%	(228.4)	(212.5)	-7.0%
Advertising	(53.8)	(40.1)	-25.5%	(186.0)	(152.0)	-18.3%
Other	(18.4)	(30.7)	66.9%	(42.4)	(60.6)	42.7%
Adjusted Bad Debt ⁽²⁾	(159.3)	(160.3)	0.6%	(254.8)	(289.2)	13.5%
Descontos Concedidos	(22.8)	(18.9)	-17.2%	(51.9)	(50.0)	-3.6%
Adjusted Bad Debt⁽²⁾ + Discounts	(182.1)	(179.2)	-1.6%	(306.6)	(339.2)	10.6%
% of net revenue	15.7%	15.8%	0.1 p.p.	13.7%	14.6%	0.9 p.p.
Bad Debt by BU	(159.3)	(174.1)	9.2%	(254.8)	(303.0)	18.9%
Premium	(7.8)	(14.2)	81.0%	(11.8)	(24.3)	104.8%
Digital Learning	(70.9)	(68.6)	-3.3%	(99.1)	(123.3)	24.3%
On-campus	(80.4)	(91.3)	13.5%	(143.6)	(155.3)	8.1%
Sales and Marketing by BU	(72.2)	(70.8)	-2.0%	(228.4)	(212.5)	-7.0%
Premium	(6.3)	(7.9)	26.3%	(13.3)	(16.2)	21.6%
Digital Learning	(24.7)	(25.0)	1.6%	(73.9)	(78.5)	6.3%
On-campus	(41.3)	(37.8)	-8.4%	(141.3)	(117.8)	-16.6%

Selling expenses were up by 5.7% in 2Q22 and by 6.7% in 1H22, arising from the increase in bad debt expenses, as explained below.

Bad Debt expenses grew by R\$14.7 million vs. 2Q21 and by R\$48.2 million vs. 1H21. Excluding non-recurring effects amounting to R\$13.8 million in 2Q22 (of which R\$7.0 million refer to 1Q22 and R\$6.8 million to 2Q22), mainly related to the delinquency of medical school students who have benefited from laws and court decisions during the pandemic and were entitled to renew their enrollments without renegotiating their debt, **adjusted bad debt expenses** were in line with 2Q21 figures and increased by 13.5% vs. 1H21.

It is important to emphasize that the court decision that allowed delinquent students to renew their enrollment was not extended by the state of Rio de Janeiro and was no longer in effect. The main changes to bad debt expenses are presented below:

- **Premium segment:** increase of R\$6.4 million vs. 2Q21 and R\$12.4 million vs. 1H21, due to the delinquency of medical students who have benefited from laws and court decisions, as explained above.
- **Digital Learning segment:** down by R\$2.4 million vs. 2Q21, due to the seasonal effect from the different intake curve (quarterly intake), with a greater impact in 1Q22. In 1H22, bad debt expenses were up by R\$24.1 million YoY, related to the students who enrolled in 2Q21 putting their enrollments on hold, thus changing bad debt seasonality for 2022.

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

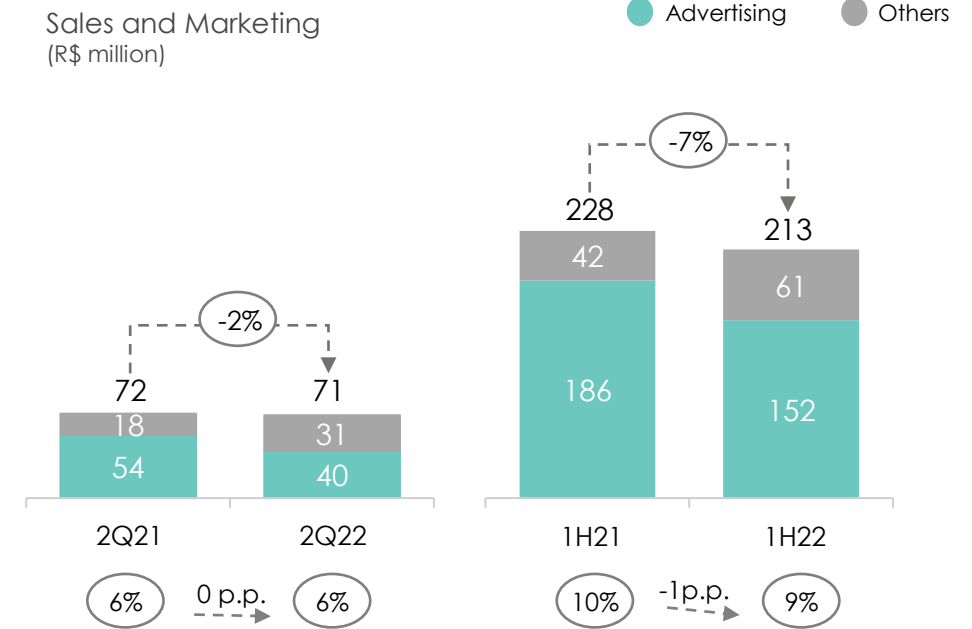
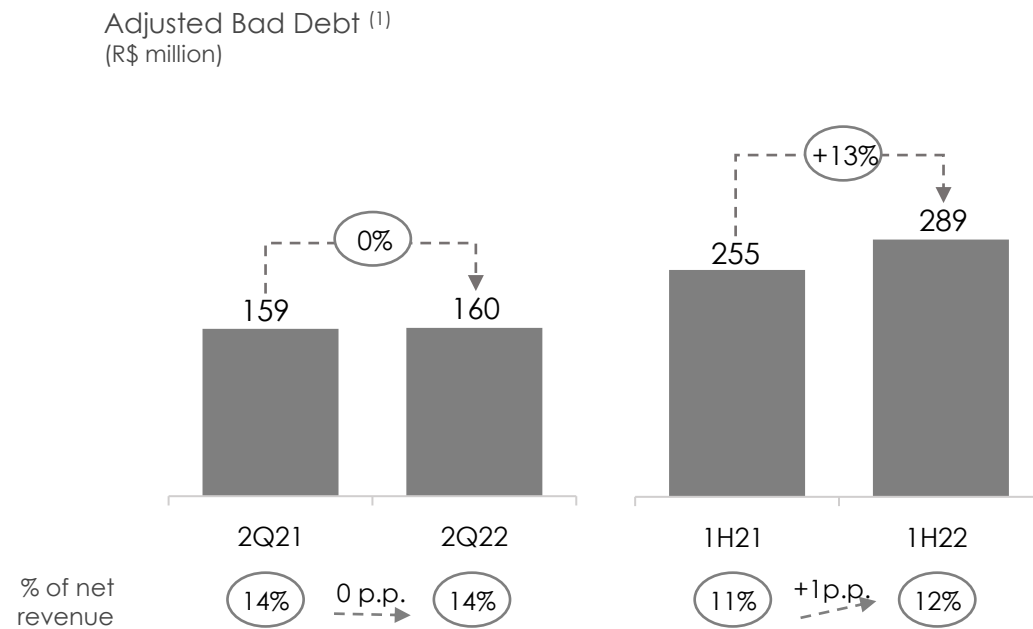
(2) Adjusted by non-recurring items, explained in detail on the EBITDA section.

SELLING EXPENSES (2/2)

- **On-Campus segment:** up by R\$10.9 million vs. 2Q21 and by R\$11.6 million vs. 1H21, due to the end of the renewal period, in which student's status are updated from active to inactive, accelerating the provisioning curve (enrollments on hold routine), in addition to the increase of graduates with debt.

In 2Q22, **adjusted bad debt + discounts** were down by R\$3.0 million YoY, remaining stable as a percentage of total net revenue, while increasing in the semester by R\$32.5 million YoY, totaling 14.6% of total net revenue (+0.9 p.p. YoY).

Sales & Marketing expenses were down by R\$1.4 million vs. 2Q21 and by R\$ 15.9 million vs.1H21, returning to normal levels, as a result of the Company's efforts to control expenses, mainly in the on-campus segment. As a percentage of total net revenue, sales and marketing expenses remained stable at 6% of total net revenue in 2Q22. In the semester, the percentage decreased by 1 p.p., to 9% of total net revenue.



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

GENERAL, ADMINISTRATIVE AND OTHER EXPENSES (1/2)

(R\$ million)	2Q21	2Q22	Δ %	1H21	1H22	Δ %
G&A Expenses	(236.8)	(241.3)	1.9%	(457.7)	(482.2)	5.4%
Personnel	(86.8)	(67.7)	-22.0%	(173.4)	(150.0)	-13.5%
Third-party services	(30.8)	(39.5)	28.2%	(61.6)	(73.2)	18.8%
Provision for contingencies	(23.6)	(12.3)	-47.7%	(39.4)	(23.9)	-39.3%
Maintenance and repairs	(19.8)	(18.0)	-9.1%	(38.7)	(32.8)	-15.2%
Other	(24.3)	(37.7)	55.2%	(44.5)	(70.0)	57.5%
Depreciation and amortization	(51.5)	(66.1)	28.2%	(100.3)	(132.3)	31.9%
Goodwill acquisitions	(15.6)	(15.7)	0.9%	(32.4)	(31.4)	-3.0%
Systems, applications and software	(22.1)	(34.9)	58.0%	(41.8)	(69.9)	67.1%
Other D&A expenses	(13.9)	(15.4)	11.3%	(26.1)	(31.0)	18.9%
Other revenue/ expenses	3.2	8.8	174.4%	9.0	12.6	40.3%
Adjusted G&A Expenses ⁽¹⁾	(233.1)	(231.2)	-0.8%	(450.8)	(469.0)	4.0%
Premium	(34.4)	(52.0)	51.3%	(68.7)	(99.9)	45.4%
Digital Learning	(75.5)	(69.2)	-8.3%	(136.2)	(150.3)	10.4%
On-Campus	(123.5)	(109.8)	-11.1%	(246.1)	(218.5)	-11.2%
Adjusted Personnel ⁽¹⁾	(86.4)	(65.8)	-23.8%	(173.0)	(148.0)	-14.4%
Premium	(12.0)	(14.1)	17.7%	(22.9)	(28.2)	23.0%
Digital Learning	(34.5)	(26.6)	-22.9%	(64.1)	(64.6)	0.7%
On-Campus	(39.9)	(25.1)	-37.1%	(85.5)	(55.6)	-35.0%

In 2Q22, **general and administrative expenses** were up by 1.9% YoY, and in 1H22, they were up by 5.4% YoY, below LTM accumulated inflation (IPCA⁽²⁾ 12%). The main changes in expenses are presented below:

- Personnel expenses: down by R\$19.1 million vs. 2Q21 and by R\$23.4 million vs. 1H21, mainly due to the reduction of provisioning of administrative bonus. Personnel expenses were also impacted by non-recurring effects amounting to R\$1.9 million in 2Q22, related to the restructuring of administrative staff.
- Third-party services, maintenance and repairs: up by R\$6.9 million vs. 2Q21 and by R\$5.7 million vs. 1H21, chiefly related to IT consulting services, law firms' fees and maintenance of the units' equipment.
- Provision for contingencies: down by R\$11.2 million vs. 2Q21 and by R\$15.5 million vs. 1H21, arising from a court decision that determined a restatement index at a percentage lower than what was applied at the time labor contingencies have been provisioned, generating a reversal after restatement.

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

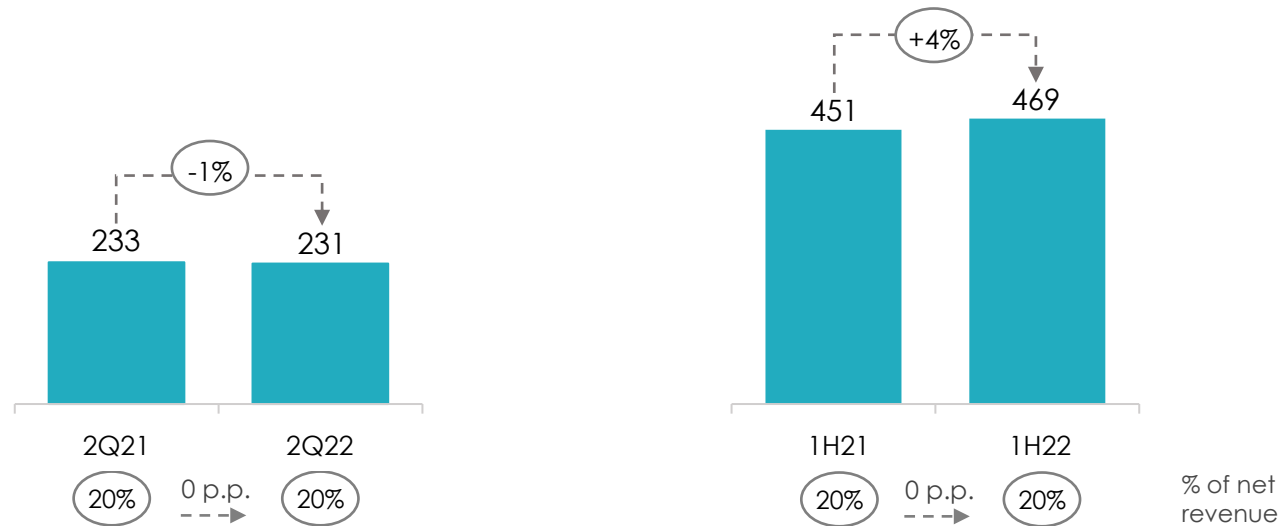
(2) Source: IBGE (IPCA LTM on July 1st, 2022)

GENERAL, ADMINISTRATIVE AND OTHER EXPENSES (2/2)

- Other expenses: increase of R\$13.4 million vs. 2Q21 and R\$25.6 million vs. 1H21, mainly due to: (i) higher expenses with education agreements, especially medical programs (R\$2.7 million vs. 2Q21 and R\$6.0 million vs. 1H21); (ii) contractual fines (R\$4.4 million vs. 2Q21 and R\$5.5 million vs. 1H21), from the handover of properties/ venues of on-campus units and (iii) travel and accommodation expenses (R\$1.3 million vs. 2Q21 and R\$3.8 million vs. 1H21), related to the resumption of in-person activities.
- Depreciation and amortization: up by R\$14.5 million vs. 2Q21 and by R\$32.0 million vs. 1H21, mainly due to the amortization of systems, applications and software due to increasing investments in digital transformation and technology.

General and administrative expenses were impacted by non-recurring effects amounting to R\$10.1 million in 2Q22 and R\$13.2 million in 1H22, related to the restructuring of corporate staff, contract fines for the handover of properties, legal consulting and services related to M&A, and other expenses. Excluding such effects, **adjusted G&A expenses** were stable vs. 2Q21 and increased by 4.0% vs. 1H21, remaining in line as a percentage of total net revenue.

Adjusted General and administrative expenses ⁽¹⁾
(R\$ million)



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

EBITDA AND MARGIN (1/2)

(R\$ million)	2Q21	2Q22	Δ %	1H21	1H22	Δ %
Net Revenue	1,160.6	1,134.9	-2.2%	2,243.0	2,327.8	3.8%
Costs and Expenses	(966.3)	(1,009.0)	4.4%	(1,889.9)	(1,982.4)	4.9%
(+) Depreciation and amortization	154.6	179.0	15.8%	309.0	355.6	15.1%
EBITDA	348.9	304.9	-12.6%	662.0	701.1	5.9%
EBITDA margin (%)	30.1%	26.9%	-3.2 p.p.	29.5%	30.1%	0.6 p.p.
Non-recurring items	4.9	32.0	549.8%	16.0	36.1	125.8%
Operational Research (OR) and restructuring	0.5	10.0	2099.3%	1.8	11.1	523.0%
M&A. Integration and others	3.2	8.2	151.8%	6.5	11.2	72.9%
Non-recurring items from net revenue	7.0	-	n.a.	15.4	-	n.a.
Bad Debt	-	13.8	n.a.	-	13.8	n.a.
Impact Revenue (Legacy Athenas)	(5.8)	-	n.a.	(7.7)	-	n.a.
Adjusted EBITDA⁽¹⁾	353.8	336.9	-4.8%	678.0	737.2	8.7%
Adjusted EBITDA margin(%)	30.5%	29.7%	-0.8 p.p.	30.1%	31.7%	1.5 p.p.
Premium	88.8	124.8	40.5%	199.8	255.1	27.7%
EBITDA margin(%)	41.6%	47.3%	5.7 p.p.	47.1%	48.5%	1.3 p.p.
Digital Learning	137.9	134.4	-2.5%	249.7	274.6	9.9%
EBITDA margin(%)	38.8%	38.8%	0.0 p.p.	38.7%	38.3%	-0.4 p.p.
On-Campus	127.1	77.6	-38.9%	228.5	207.6	-9.1%
EBITDA margin(%)	21.5%	14.8%	-6.6 p.p.	19.3%	19.2%	-0.2 p.p.
Adjusted EBITDA ex-IFRS 16	269.3	249.0	-7.5%	508.9	563.2	10.7%
Adjusted EBITDA margin(%)	23.2%	21.9%	-1.2 p.p.	22.6%	24.2%	1.6 p.p.
EBITDA ex-IFRS 16	264.3	217.0	-17.9%	492.9	527.1	6.9%
EBITDA margin (%)	22.8%	19.1%	-3.7 p.p.	22.0%	22.6%	0.7 p.p.

In the first semester of 2021 vs. 2022, some seasonal effects between the quarters impacted the quarterly analysis of the Company's EBITDA. This effects are: (i) the postponement of 1Q21 intake cycle to 2Q21, due to the delay in the ENEM examination (mainly in the on-campus segment); (ii) quarterly intake cycle for digital learning (+100 thousand students in 2Q21), most of whom are DIS student and whose revenue are recognized in full and (iii) the "Brilho Duplo" campaign in 1H22, with a lower adhesion to DIS, which led to a drop in on-campus and digital learning revenue.

EBITDA was impacted by non-recurring effects in the amount of R\$32.0 million in 2Q22 and R\$36.1 million in 1H22, related to the operational research (OR), restructuring of corporate staff, contractual fines, bad debt, M&A and other expenses, as explained in previous sections. Excluding such effects, the Company's **adjusted EBITDA** was R\$336.9 million in 2Q22 and R\$737.2 million in 1H22, with an **adjusted EBITDA margin of 29.7% and 31.7%**, respectively. The main changes in the semester are explained below.

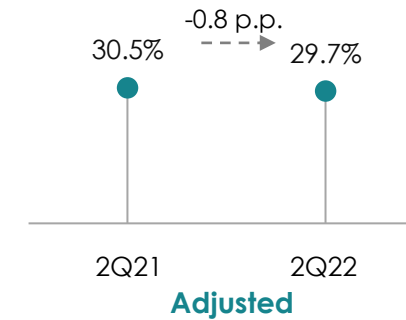
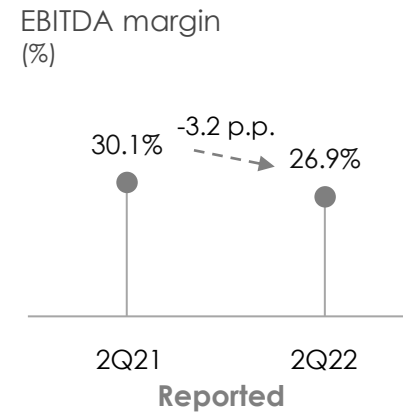
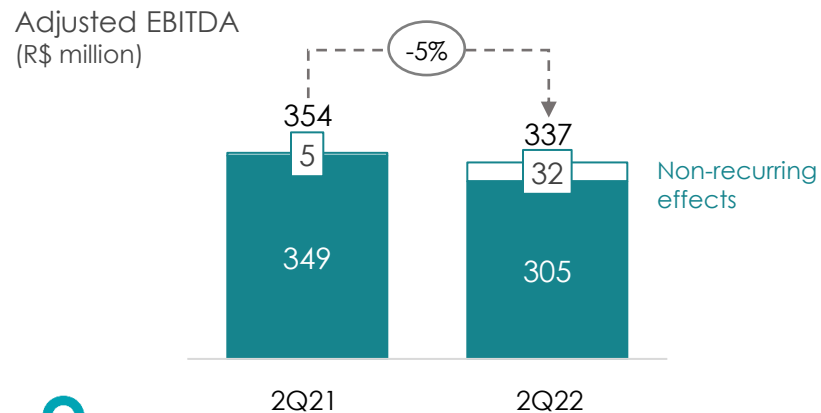
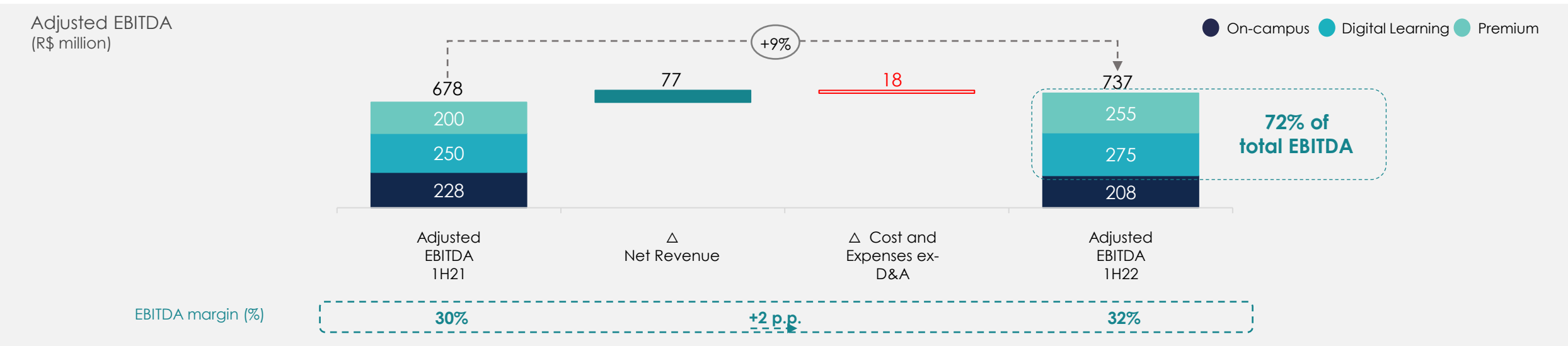
- **R\$77.1 million increase in net revenue**, boosted by the Premium (+R\$102.6 million vs. 1H21) and Digital Learning (+R\$71.6 million vs. 1H21) segments that more than offset the R\$97.1 million drop in the On-campus segment, which was impacted by the lower adhesion to DIS and the "Brilho Duplo" campaign.

(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)

- **Negative costs and expenses effect (ex-D&A) of R\$17.9 million** due to the following items explained in detail in the previous sections: (i) increase in transfer to partner centers; (ii) increase in bad debt expenses due to the enrollments on hold routine (On-campus segment) and the mismatched intake cycle for digital learning and (iii) other cost and expenses related to the resumption of 100% of on-campus and corporate offices activities.

It is important to mention that in the quarter, the Company's adjusted EBITDA was down by 4.8% vs. 2Q21, due to the change in seasonality between the quarters, as explained in the previous slide.



FINANCIAL RESULT AND NET INCOME (1/2)

(R\$ million)	2Q21	2Q22	Δ %	1H21	1H22	Δ %
EBITDA	348.9	304.9	-12.6%	662.0	701.1	5.9%
Financial Result	(77.2)	(189.0)	144.7%	(182.7)	(333.3)	82.4%
Financial Revenue	30.2	42.4	40.3%	58.8	108.9	85.4%
Fines and interest charged	8.2	10.9	33.2%	19.4	25.8	32.5%
Investments	14.6	35.1	140.8%	22.2	72.8	227.3%
Inflation adjustments	6.0	(4.4)	n.a.	14.3	8.5	-40.3%
Others	1.5	0.8	-45.0%	2.8	1.8	-34.1%
Financial Expenses	(116.0)	(204.2)	76.0%	(232.2)	(400.5)	72.5%
Interest and financial charges	(47.9)	(115.4)	140.8%	(81.4)	(226.8)	178.8%
Financial discounts	(22.8)	(18.9)	-17.2%	(51.9)	(50.0)	-3.6%
Bank expenses	(2.5)	(3.1)	23.2%	(4.9)	(6.0)	22.1%
Interest on leasing	(31.0)	(43.4)	39.7%	(63.0)	(75.3)	19.5%
Others	(11.7)	(23.4)	99.8%	(31.0)	(42.3)	36.3%
Swap Net Effect	8.6	(27.2)	n.a.	(9.3)	(41.7)	348.4%
(+) Depreciation and amortization	(154.6)	(179.0)	15.8%	(309.0)	(355.6)	15.1%
Profit before taxes	117.1	(63.1)	-153.9%	170.3	12.2	-92.8%
Income tax	(0.3)	(0.1)	-63.6%	(7.6)	0.5	n.a.
Social Contribution	(0.3)	(0.1)	-55.8%	(3.0)	(0.0)	-99.2%
Net Income	116.5	(63.3)	n.a.	159.7	12.7	-92.0%
Net margin (%)	10.0%	n.a.	n.a.	7.1%	0.5%	-6.6 p.p.
Net Income ex-IFRS 16	125.1	(35.9)	n.a.	179.4	48.9	-72.7%
Net margin (%)	10.8%	n.a.	n.a.	8.0%	2.1%	-5.9 p.p.
Adjusted Net Income ⁽¹⁾	137.7	(15.6)	n.a.	209.7	80.5	-61.6%
Adjusted net margin (%)	11.9%	n.a.	n.a.	9.3%	3.5%	-5.9 p.p.
Adjusted Net Income ⁽¹⁾ ex-IFRS 16	146.2	11.9	-91.9%	229.2	116.8	-49.1%
Adjusted net margin (%)	12.6%	1.0%	-11.5 p.p.	10.2%	5.0%	-5.2 p.p.

The Company's **financial result** was worse by R\$111.7 million vs. 2Q21 and by R\$150.6 million vs. 1H21. Below are the main drivers of this result.

- **Financial Revenue:** up by R\$12.2 million vs. 2Q21 and by R\$50.2 million vs. 1H21, due to: (i) fines and interest rates charged on overdue amounts and earnings from financial investments (R\$23.2 million vs. 2Q21 and R\$56.9 million vs. 1H21) due to the interest rate increase and (ii) reduction in monetary restatement mainly for PAR and DIS (R\$10.4 million vs. 2Q21 and R\$5.8 million vs. 1H21), due to the restatement of a lower accounts receivable for these products.
- **Financial expenses:** up by R\$88.2 million vs. 2Q21 and by R\$168.3 million vs. 1H21, due to: (i) interest and financial charges (R\$67.5 million vs. 2Q21 and R\$145.5 million vs. 1H21), due to the increase in debt and interest rates; (ii) lower volume of financial discounts (R\$3.9 million vs. 2Q21 and R\$1.8 million vs. 1H21), mainly arising from the renewal campaigns; (iii) increase in interests on leases in 2Q22 and 1H22 of R\$12.3 million and (iv) other expenses up by more than R\$11 million in 2Q22 and 1H22, mainly related to the increase in the financial update of contingencies and the financial update of acquisition price payable due to the increase in interest rates.

(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)

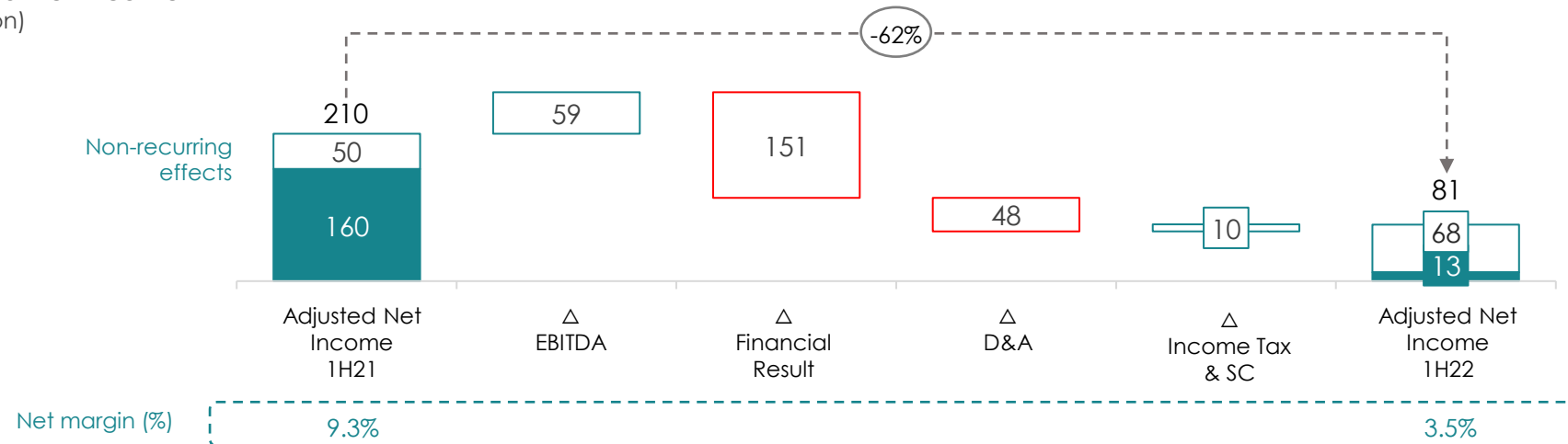
- **Swap net effect:** up by R\$35.7 million vs. 2Q21 and R\$32.4 million vs. 1H21, due to the exchange variation between the fair value of the derivative and the dollar amount contracted in the Swaps of debt instrument 4131 (USD 124 million).

Due to the worsening in financial result, the Company recorded negative net result of R\$63.3 million (-154.4% vs. 2Q21) In the semester, **net income** was down by 92.0% YoY, amounting to R\$12.7 million. The main changes are presented below.

- EBITDA: R\$44.0 million decrease vs. 2Q21 and R\$39.1 million increase vs. 1H21, from the growth in the Premium and Digital Learning segments.
- Financial result worsening of R\$111.7 million vs. 2Q21 and R\$150.6 million vs. 1H21, as explained in the previous slide.
- Increase of R\$24.4 million vs. 2Q21 and of R\$46.6 million in 1H21 in depreciation and amortization, related to improvements to third-party assets, property leases, plus systems, applications and software due to the investments the Company has been making in digital transformation and technology.
- Reduction 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 semester.

The Company's net result was also impacted by non-recurring effects amounting to R\$47.8 million in 2Q22 and R\$67.8 million in 1H22, namely: (i) in EBITDA of R\$32,0 million in 2Q22 and R\$36.1 million in 1H22; (ii) R\$15.7 million in 2Q22 and R\$31.4 million in 1H22 related to goodwill from acquisitions; (iii) R\$0.1 million in 2Q22 and R\$0.2 million in 1H22 in Income Tax and Social Contribution. Excluding these effects, in 2Q22, adjusted net result was negative by R\$15.6 million. In 1H22, **adjusted net income** amounted to R\$80.5 million, down by 61.6% vs. 1H21, with adjusted net margin of 3.5% (-5.9 p.p.).

Adjusted Net Income ⁽¹⁾
(R\$ million)



(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.

(R\$ million)	2Q21	1Q22	2Q22
Monthly tuition fees received	1,592.4	1,550.6	1,515.6
Out-of-Pocket	975.6	837.9	943.2
Exchange Deals	21.8	26.6	34.7
PAR	168.0	119.3	95.8
DIS	398.7	533.0	407.6
CREDATHENAS	28.3	33.8	34.3
FIES	173.5	99.6	129.8
Other	211.7	332.7	321.8
Credit Cards to be received	98.1	162.3	155.7
Agreements	113.6	170.4	166.1
Gross Accounts Receivable	1,977.6	1,982.9	1,967.2
Bad Debt	(653.1)	(631.8)	(628.4)
Out-of-Pocket ⁽¹⁾	(499.1)	(483.7)	(502.6)
PAR (50%)	(78.2)	(55.4)	(43.8)
DIS (15%)	(57.7)	(68.5)	(56.4)
CREDATHENAS (50%)	(18.0)	(24.2)	(25.6)
Amounts to be identified	(39.8)	(7.1)	(4.2)
Adjustment to present value (APV) ⁽²⁾	(27.9)	(38.6)	(33.8)
APV PAR	(11.3)	(8.4)	(7.3)
APV DIS	(13.9)	(26.9)	(22.9)
APV CREDATHENAS	(2.8)	(3.3)	(3.6)
Net Accounts Receivable	1,256.7	1,305.4	1,300.8

In 2Q22, the Company's **gross accounts receivable** were down by R\$10.4 million YoY, due to a better collection from a lower adhesion to DIS during intake.

In 2Q22, **net accounts receivable** were up by R\$44.1 million YoY, mainly arising from the increase in credit card receivables, which do not have bad debt expenses as they have no risk of default.

PAR and DIS Reconciliation

(R\$ million)	PAR		DIS	
	2Q21	2Q22	2Q21	2Q22
Gross revenue paid in cash	11.3	6.5	12.4	5.7
Gross revenue paid in installments	8.8	4.2	119.2	51.9
Taxes – revenue deductions	(0.7)	(0.4)	(4.7)	(2.3)
Adjustment to Present Value (APV) ⁽²⁾	0.2	1.0	(3.5)	4.1
Bad Debt (PAR 50% / DIS 15%) ⁽³⁾	(10.8)	(4.4)	(42.0)	(38.2)
Bad Debt of Net Revenue (%)	0.9%	0.4%	3.6%	3.4%

(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)	2Q21	1Q22	2Q22	Δ% vs. 2Q21	Δ% vs. 1Q22
Net accounts receivables	1,256.7	1,305.4	1,300.8	3.5%	-0.4%
Net Revenue (12M)	4,190.2	4,528.4	4,480.1	6.9%	-1.1%
Average Term of Receivables ATR (days)	108	104	105	-2.8%	1.0%
FIES accounts receivable	173.5	99.6	129.8	-25.2%	30.3%
FIES Revenue (12M)	469.6	332.7	310.2	-33.9%	-6.8%
FGEDUC Deductions (12M)	(42.3)	(29.6)	(27.9)	-34.1%	-5.8%
Taxes (12M)	(17.9)	(11.7)	(11.1)	-37.6%	-4.4%
FIES Net Revenue (12M)	409.4	291.4	271.1	-33.8%	-6.9%
FIES ATR (days)	153	123	172	12.4%	39.8%
Ex-FIES accounts receivable	1,083.3	1,205.8	1,171.0	8.1%	-2.9%
Ex-FIES net revenue (12M)	3,780.8	4,237.0	4,208.9	11.3%	-0.7%
Ex-FIES ATR (days)	103	102	100	-2.9%	-2.0%

In 2Q22, the Company's **consolidated average term of receivables (ATR)** decreased by 3 days vs. 2Q21, mainly due to:

- **FIES ATR**, which was up by 19 days vs. 2Q21 and by 49 days vs. 1Q22, due to the advance payment term of agreements, resulting in the postponement of transfers, and a lower net revenue.
- **Ex-FIES ATR**, which was down by 3 days vs. 2Q21 and by 2 days vs. 1Q22, due to a better collection arising from a lower adhesion to DIS during intake.

Aging of Total Gross Accounts Receivable ⁽¹⁾

Vertical Analysis

(R\$ million)	2Q21	2Q22	Δ%	2Q21 (%)	2Q22 (%)
FIES	173.5	129.8	-25.2%	9%	7%
Not yet due	790.9	808.1	2.2%	40%	41%
Overdue up to 30 days	208.9	223.9	7.2%	11%	11%
Overdue from 31 to 60 days	116.1	118.1	1.7%	6%	6%
Overdue from 61 to 90 days	105.9	100.7	-4.9%	5%	5%
Overdue from 91 to 179 days	134.2	206.1	53.6%	7%	10%
Overdue more than 180 days	448.2	380.5	-15.1%	23%	19%
Gross accounts receivables	1,977.6	1,967.2	-0.5%	100%	100%

Aging of Agreements Receivable ⁽²⁾

Vertical Analysis

(R\$ million)	2Q21	2Q22	Δ%	2Q21 (%)	2Q22 (%)
Not yet due	46.5	64.6	39.0%	41%	39%
Overdue up to 30 days	8.9	13.8	54.6%	8%	8%
Overdue from 31 to 60 days	9.0	13.5	49.5%	8%	8%
Overdue from 61 to 90 days	8.6	12.8	48.9%	8%	8%
Overdue from 91 to 179 days	15.7	23.6	50.2%	14%	14%
Overdue more than 180 days	24.8	37.8	52.2%	22%	23%
Agreements receivable	113.6	166.1	46.3%	100%	100%

FIES: Changes in Accounts Receivable

(R\$ million)	2Q21	2Q22	Δ%
Opening balance	138.7	99.6	-28.2%
FIES revenue	96.3	75.7	-21.4%
Payment of Taxes	(25.1)	(7.8)	-68.9%
Buyback FIES	(36.5)	(37.8)	3.5%
Closing balance	173.5	129.8	-25.2%

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

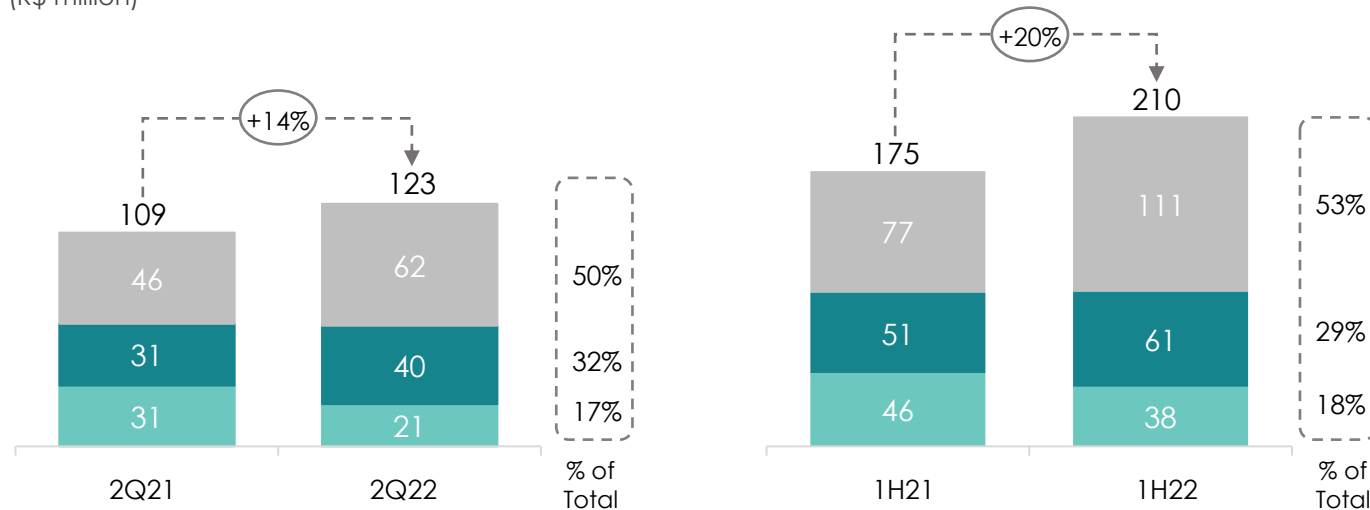
(2) Excludes credit card agreements.

(R\$ million)	2Q21	2Q22	Δ %	1H21	1H22	Δ %
Total Capex	108.6	123.3	13.4%	174.9	209.5	19.8%
Digital Transformation and IT	46.4	62.0	33.8%	77.2	111.1	44.0%
Sustainability & Improvement	31.5	39.8	26.5%	51.2	60.7	18.3%
Expansion	30.8	21.4	-30.5%	46.5	37.7	-18.8%

% of Net Revenue

Total Capex	9.4%	10.9%	1.5 p.p.	7.8%	9.0%	1.2 p.p.
Digital Transformation and IT	4.0%	5.5%	1.5 p.p.	3.4%	4.8%	1.3 p.p.
Sustainability & Improvement	2.7%	3.5%	0.8 p.p.	2.3%	2.6%	0.3 p.p.
Expansion	2.7%	1.9%	-0.8 p.p.	2.1%	1.6%	-0.5 p.p.

CAPEX (R\$ million)



The Company's **total Capex** increased by R\$14.6 million vs. 2Q21 and by R\$34.6 million vs. 1H21. The main changes are presented below.

- Investments in **digital transformation and technology** were up by R\$15.7 million vs. 2Q21 and by R\$34.0 million vs. 1H21, due to the Company's efforts to offer increasingly modern and innovative education services.
- Sustainability & improvement** investments increased by R\$8.3 million vs. 2Q21 and by R\$9.4 million vs. 1H21. This line includes investments in maintenance and improvements to the units' infrastructure, projects targeted at student satisfaction, legal and compliance-related matters, as well as asset sale.
- Investments in **expansion**, which are related to new programs and maturation of existing ones, decreased by R\$9.4 million vs. 2Q21 and by R\$8.7 million vs. 1H21.

CASH POSITION

(R\$ million)	2Q21	2Q22	Δ %
(-) Cash and cash equivalents [a]	(1,967.4)	(1,467.4)	-25.4%
Gross Debt [b]	5,243.6	5,783.1	10.3%
Bank loans ⁽²⁾	3,674.7	3,977.2	8.2%
Leasing	1,426.7	1,659.3	16.3%
Commitments payable (M&A)	142.2	146.6	3.1%
Net Debt [a+b]	3,276.2	4,315.7	31.7%
Net debt (Ex-IFRS 16)/ adjusted EBITDA (LTM)⁽¹⁾	1.3x	1.9x	

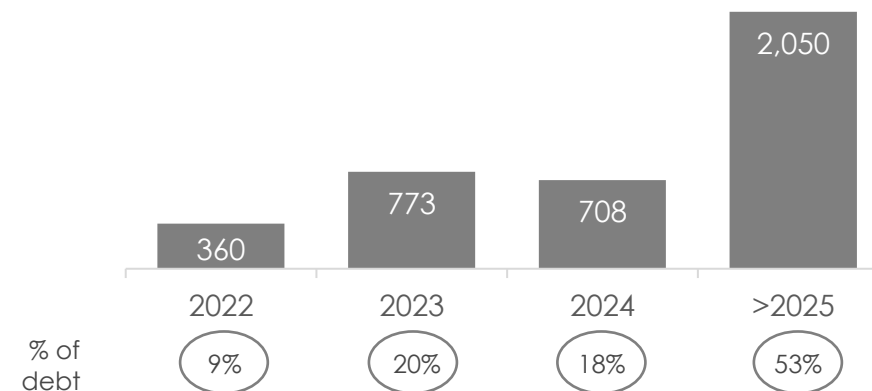
In 2Q22, the Company's **cash and cash equivalents** amounted to R\$1,467.4 million. **Net debt (excluding leasing)** ended the quarter at R\$2,656.4 million.

Excluding leasing from gross debt, the **net debt/(LTM) adjusted EBITDA** for non-recurring items ratio stood at **1.9x**, maintaining a healthy leverage and capital discipline.

DEBT

Debt Type (R\$ million)	Duration (in years)	Cost	Balance payable (principal + interest)	% of total
FINEP	1.4	TJLP + 0.5%	1.6	0%
Credit Notes	1.9	CDI + 2.55%	737.4	19%
4131	1.8	CDI + 1.27%	691.2	17%
5 th Debenture (2 nd series)	3.6	CDI + 0.79%	365.7	9%
6 th Debenture (unique)	3.5	CDI + 2.50%	1,882.2	47%
7 th Debenture (unique)	3.2	CDI + 1.65%	303.6	8%
Bank Loans	-	CDI+2.07%	3,981.7	100%

Debt amortization schedule
(R\$ million; principal amount ⁽³⁾)



(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	2Q22	Full Potential ⁽¹⁾	
			Student Base (thousand)	Authorized Seats	Student Base (thousand)
Presidente Vargas	RJ	240	1.7	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	0.7	110	0.8
Alagoinhas	BA	65	0.4	165	1.2
Jaraguá do Sul	SC	150	0.3	150	1.1
Juazeiro	BA	155	0.7	155	1.1
Angra dos Reis	RJ	89	0.4	155	1.1
Canindé	CE	50	0.1	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	0.03	150	1.1
Ji-Paraná	RO	50	0.04	150	1.1
Unijipa	RO	28	0.03	28	0.2
Total		1,533	7.2	2,299	16.5

(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)	2Q21	2Q22	Δ%	2Q21	2Q22	Δ%	2Q21	2Q22	Δ%	2Q21	2Q22	Δ%
Gross Revenue	2,382	2,575	8%	252	312	24%	712	846	19%	1,418	1,416	0%
Monthly tuition fees	2,382	2,575	8%	252	312	24%	712	846	19%	1,418	1,416	0%
Deductions from Gross Revenue	(1,221)	(1,440)	18%	(43)	(48)	12%	(356)	(500)	40%	(823)	(892)	9%
Net Operating Revenue	1,161	1,135	-2%	209	264	26%	356	347	-2%	596	524	-12%
Cost of Services	(501)	(532)	6%	(100)	(113)	13%	(67)	(81)	21%	(334)	(337)	1%
Personnel	(316)	(325)	3%	(81)	(88)	9%	(22)	(20)	-12%	(213)	(218)	2%
Rent, municipal property tax and other	(13)	(9)	-29%	(2)	(2)	1%	0	(0)	-278%	(11)	(7)	-36%
Third-party services and other	(69)	(84)	22%	(3)	(5)	89%	(43)	(54)	28%	(24)	(25)	4%
Depreciation and amortization	(103)	(113)	10%	(15)	(18)	21%	(2)	(7)	193%	(85)	(87)	2%
Gross Profit	659	603	-9%	109	151	39%	289	266	-8%	262	187	-29%
Gross margin (%)	57%	53%	-4 p.p.	52%	57%	5 p.p.	81%	77%	-5 p.p.	44%	36%	-8 p.p.
Selling, G&A and Other Expenses	(465)	(477)	0	(48)	(72)	51%	(171)	(164)	-4%	(246)	(241)	-2%
Personnel	(87)	(68)	-22%	(12)	(14)	20%	(35)	(28)	-20%	(40)	(26)	-36%
Advertising	(72)	(71)	-2%	(6)	(8)	26%	(25)	(25)	2%	(41)	(38)	-8%
Bad Debt	(159)	(174)	9%	(8)	(14)	81%	(71)	(69)	-3%	(80)	(91)	14%
Other Expenses	(99)	(108)	9%	(15)	(26)	67%	(24)	(23)	-1%	(60)	(59)	-2%
Other Revenue	3	9	174%	1	4	144%	0	1	1767%	2	4	158%
Depreciation and amortization	(52)	(66)	28%	(8)	(13)	74%	(18)	(21)	16%	(26)	(32)	23%
(+) Depreciation and amortization	155	179	16%	23	32	39%	20	28	37%	112	120	7%
EBITDA	349	305	-13%	84	111	32%	137	129	-6%	128	65	-49%
EBITDA margin (%)	30%	27%	-3 p.p.	40%	42%	2 p.p.	39%	37%	-1 p.p.	21%	12%	-9 p.p.
Adjusted Net Revenue ⁽¹⁾	1,162	1,135	-2%	214	264	24%	356	347	-2%	593	524	-12%
Adjusted EBITDA ⁽¹⁾	354	337	-5%	89	125	41%	138	134	-2%	127	78	-39%
Adjusted EBITDA margin (%)	30%	30%	-1 p.p.	42%	47%	6 p.p.	39%	39%	0 p.p.	21%	15%	-7 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 (Semester)

	Consolidated			Premium			Digital Learning			On-campus		
(R\$ million)	1H21	1H22	Δ%	1H21	1H22	Δ%	1H21	1H22	Δ%	1H21	1H22	Δ%
Gross Revenue	4,439	5,029	13%	496	619	25%	1,271	1,660	31%	2,671	2,750	3%
Monthly tuition fees	4,439	5,029	13%	496	619	25%	1,271	1,660	31%	2,671	2,750	3%
Deductions from Gross Revenue	(2,196)	(2,701)	23%	(85)	(92)	8%	(625)	(942)	51%	(1,486)	(1,667)	12%
Net Operating Revenue	2,243	2,328	4%	411	526	28%	646	718	11%	1,186	1,084	-9%
Cost of Services	(958)	(998)	4%	(176)	(209)	19%	(128)	(152)	19%	(654)	(636)	-3%
Personnel	(593)	(593)	0%	(137)	(160)	16%	(41)	(38)	-7%	(415)	(395)	-5%
Rent, municipal property tax and other	(26)	(20)	-24%	(5)	(5)	-2%	1	(0)	-181%	(22)	(15)	-33%
Third-party services and other	(130)	(162)	24%	(6)	(9)	61%	(80)	(101)	26%	(45)	(52)	15%
Depreciation and amortization	(209)	(223)	7%	(28)	(36)	27%	(8)	(13)	66%	(172)	(174)	1%
Gross Profit	1,285	1,330	4%	235	317	35%	518	566	9%	532	448	-16%
Gross margin (%)	57%	57%	0 p.p.	57%	60%	3 p.p.	80%	79%	-1 p.p.	45%	41%	-4 p.p.
Selling, G&A and Other Expenses	(932)	(985)	6%	(95)	(138)	46%	(307)	(353)	15%	(530)	(494)	-7%
Personnel	(173)	(151)	-13%	(25)	(29)	16%	(63)	(66)	4%	(85)	(56)	-34%
Advertising	(228)	(213)	-7%	(13)	(16)	22%	(74)	(79)	6%	(141)	(118)	-17%
Bad Debt	(255)	(303)	19%	(12)	(24)	105%	(99)	(123)	24%	(144)	(155)	8%
Other Expenses	(184)	(199)	8%	(32)	(47)	50%	(40)	(45)	12%	(113)	(107)	-5%
Other Revenue	9	13	40%	2	4	136%	2	2	4%	5	6	26%
Depreciation and amortization	(100)	(132)	32%	(15)	(25)	69%	(33)	(42)	29%	(52)	(64)	23%
(+) Depreciation and amortization	309	356	15%	44	61	41%	41	55	36%	225	239	6%
EBITDA	662	701	6%	184	241	31%	252	269	7%	226	192	-15%
EBITDA margin (%)	30%	30%	1 p.p.	45%	46%	1 p.p.	39%	37%	-2 p.p.	19%	18%	-1 p.p.
Adjusted Net Revenue ⁽¹⁾	2,251	2,328	3%	424	526	24%	646	718	11%	1,181	1,084	-8%
Adjusted EBITDA ⁽¹⁾	678	737	9%	200	255	28%	250	275	10%	228	208	-9%
Adjusted EBITDA margin (%)	30%	32%	2 p.p.	47%	48%	1 p.p.	39%	38%	0 p.p.	19%	19%	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.

CASH FLOW STATEMENT

(R\$ million)	2Q21	2Q22	Δ %	1H21	1H22	Δ %
Adjusted EBITDA ex IFRS 16	269.3	249.0	-7.5%	508.9	563.2	10.7%
Working capital variation	(134.0)	(113.5)	-15.3%	(162.1)	(142.7)	-11.9%
receivables	(131.3)	(1.1)	-99.2%	(172.4)	(82.8)	-52.0%
accounts payable	(22.4)	(87.6)	290.5%	(1.7)	(47.9)	2697.0%
others	19.7	(24.8)	n.a.	12.0	(12.1)	n.a.
Taxes (IT/SC)	(10.7)	(11.4)	6.8%	(22.0)	(20.3)	-7.9%
Operating Cash Flow	124.6	124.1	-0.4%	324.8	400.2	23.2%
Capex	(108.6)	(123.3)	13.5%	(174.9)	(209.6)	19.8%
Acquisition of property and equipment	(43.2)	(39.3)	-9.1%	(64.0)	(55.8)	-12.7%
Acquisition of intangible assets	(65.5)	(84.0)	28.4%	(110.9)	(153.7)	38.6%
(=) Free Cash Flow	16.0	0.8	-95.1%	149.9	190.6	27.1%
Interest ex IFRS 16	(57.4)	(109.2)	90.3%	(117.2)	(215.8)	84.2%
(=) Shareholder cash flow	(41.4)	(108.4)	162.0%	32.8	(25.2)	n.a.
Capitation / debt amortization	(39.0)	0.6	n.a.	321.7	(117.1)	n.a.
M&A	0.0	(19.6)	n.a.	(6.7)	(43.9)	553.3%
Dividends paid	-	-	n.a.	(0.0)	-	n.a.
Others	(2.5)	(113.0)	4486.3%	(13.5)	(160.6)	1085.2%
(=) Net cash generation	(82.9)	(240.4)	190.0%	334.1	(346.9)	-203.8%
Cash at the beginning of the year	2,050.3	1,707.8	-16.7%	1,633.3	1,814.2	11.1%
Cash at the end of the year	1,967.4	1,467.4	-25.4%	1,967.4	1,467.4	-25.4%
Operating Cash Flow/Adjusted EBITDA ex-IFRS 16	46.3%	49.8%	3.6 p.p.	63.8%	71.1%	7.2 p.p.

In 2Q22, the Company's **operating cash flow (OCF)** was in line with 2Q21 figures, mainly stemming from a smaller change to working capital, with a cash conversion rate of 49.8% (+3.6 p.p. vs. 2Q21).

In 1H22, OCF **was up by R\$75.4 million** YoY, mainly due to the increase in ex-IFRS16 EBITDA (+R\$54.3 million vs. 1H21), closing the semester with a **cash conversion rate of 71.1% (+7.2 p.p. vs. 1H21)**.

The Company's **net cash generation** was negative R\$240.4 million in 2Q21 and R\$346.9 million in 1H22. The main changes are presented below.

- Capex: up by R\$14.7 million vs. 2Q21 and R\$34.7 million vs. 1H21, mainly related to investments in digital transformation and IT, which already account for more than 50% of total capex.
- Interest (ex-IFRS 16): up by R\$51.8 million vs. 2Q21 and R\$98.7 million vs. 1H21, due to the increase in debt interest expenses and higher cost.
- Other: up by R\$110.5 million vs. 2Q21 and R\$147.0 million vs. 1H21, related to the share buyback program and non-recurring effects.

COLLECTION / ACCOUNTS RECEIVABLE

(R\$ million)	2Q21	2Q22	Δ %	1H21	1H22	Δ %
Net Revenue	1,160.6	1,134.9	-2.2%	2,243.0	2,327.8	3.8%
(-) Taxes	42.8	47.1	10.2%	82.3	89.2	8.5%
(+) Bad Debt	(159.3)	(174.1)	9.2%	(254.8)	(303.0)	18.9%
(+) Financial discounts/ fines	(14.7)	(8.1)	-45.1%	(32.5)	(24.3)	-25.2%
(+) Inflation adjustments DIS/PAR	4.8	(9.2)	-290.8%	12.3	(0.5)	-104.4%
Total Generation of accounts receivable	1,034.2	990.7	-4.2%	2,050.3	2,089.3	1.9%
Total collection	903.0	985.3	9.1%	1,877.9	2,003.7	6.7%
FIES Net Revenue	96.3	75.6	-21.5%	186.3	134.9	-27.6%
FIES collection	61.0	45.7	-25.1%	174.3	113.9	-34.7%
Net revenue ex-FIES	1,064.3	1,059.3	-0.5%	2,056.7	2,193.0	6.6%
Generation of accounts receivable ex-FIES	937.9	915.1	-2.4%	1,864.0	1,954.4	4.9%
Collection ex-FIES	842.0	939.6	11.6%	1,703.6	1,889.8	10.9%
% Collection/Generation of accounts receivable (ex-FIES)	89.8%	102.7%	12.9 p.p.	91.4%	96.7%	5.3 p.p.

BALANCE SHEET

(R\$ million)	2Q21	1Q22	2Q22
Current Assets	3,075.8	2,872.4	2,740.6
Cash and cash equivalents	1,212.3	625.4	705.4
Securities	755.1	1,082.4	762.0
Accounts receivable	964.8	971.3	1,034.2
Inventory	1.9	2.6	3.3
Advancements to employees/third parties	11.6	8.7	19.1
Prepaid expenses	18.1	27.9	22.9
Taxes and contributions	100.2	138.6	182.3
Swap differential receivable	2.2	-	-
Other	9.8	15.6	11.4
Non-Current Assets	6,565.4	7,183.0	7,141.2
Long-term assets	875.5	975.5	887.1
LT accounts receivable	291.9	334.1	266.5
LT prepaid expenses	4.6	7.4	7.0
LT Judicial deposits	111.7	100.1	84.5
LT taxes and contributions	120.8	155.7	147.7
LT deferred taxes	334.0	365.0	368.5
Other LT items	12.6	13.1	12.9
Permanent assets	5,689.8	6,207.6	6,254.1
Investments	0.3	0.3	0.3
Property and equipment	2,495.6	2,655.0	2,675.0
Intangible assets	3,193.9	3,552.2	3,578.8
Total Assets	9,641.2	10,055.5	9,881.8

(R\$ million)	2Q21	1Q22	2Q22
Current Liabilities	1,977.2	1,560.2	1,672.9
Loans and financing	973.0	592.5	771.4
Leasing	212.5	211.8	235.3
Suppliers	209.9	252.3	203.2
Swap payable	0.7	1.7	6.9
Salaries and payroll charges	290.4	247.3	218.7
Tax liabilities	55.3	72.9	69.7
Prepaid monthly tuition fees	24.2	70.2	61.1
Advancement of current agreement	5.0	5.0	5.0
Taxes paid in installments	3.6	4.4	4.4
Acquisition price payable	55.6	50.0	56.6
Dividends payable	141.7	37.6	37.6
Other liabilities	5.3	14.4	2.9
Long-term liabilities	4,402.1	5,202.9	5,058.6
LT Loans and financing	2,701.0	3,348.2	3,198.8
Contingencies	255.0	224.2	217.2
LT leasing	1,214.2	1,378.5	1,424.1
Agreement advances	38.6	34.9	33.6
LT taxes paid in installments	8.1	9.4	8.8
Provision for asset demobilization	77.0	85.8	85.2
LT acquisition price payable	86.6	99.9	90.0
Other LT items	21.6	21.9	0.9
Shareholders' Equity	3,261.9	3,292.4	3,150.3
Capital stock	1,139.9	1,139.9	1,139.9
Share issuance costs	(26.9)	(26.9)	(26.9)
Capital reserves	689.0	707.9	710.4
Earnings reserves	1,465.8	1,586.4	1,586.4
Income for the period	159.7	76.0	12.4
Treasury Shares	(165.6)	(203.8)	(284.8)
Participation of Non-Controlling Shareholders	-	12.8	12.9
Total Liabilities and Shareholders' Equity	9,641.2	10,055.5	9,881.8

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