

Earnings Release 2Q21



Contents

- 1. Highlights 2
- 2. Revenues..... 2
- 3. Costs and Expenses 2
- 4. EBIT and EBITDA..... 2
- 5. Net financial result 2
- 6. Net Income..... 2
- 7. Debt and leverage 2
- 8. Cash Flow 2
- 9. Appendix..... 2



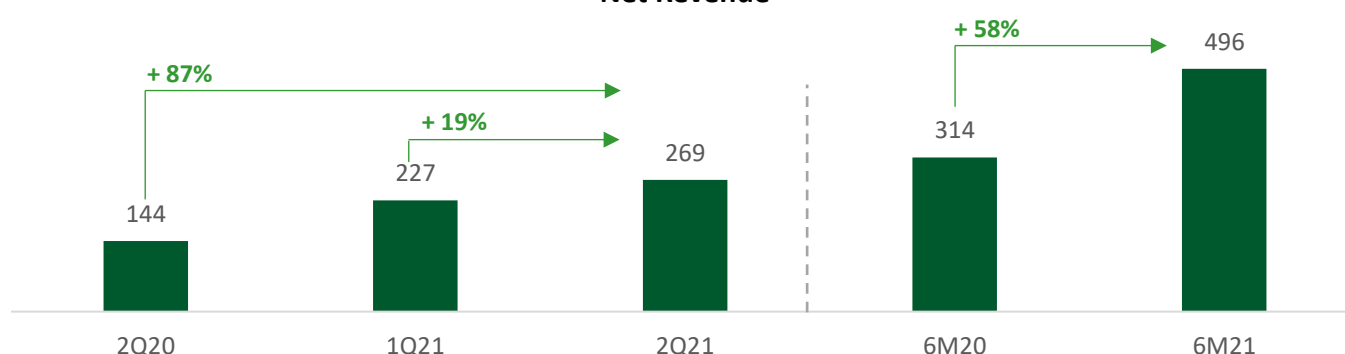
Highlights

Operational and financial

The 2nd quarter of 2021 was marked by quarterly record results.

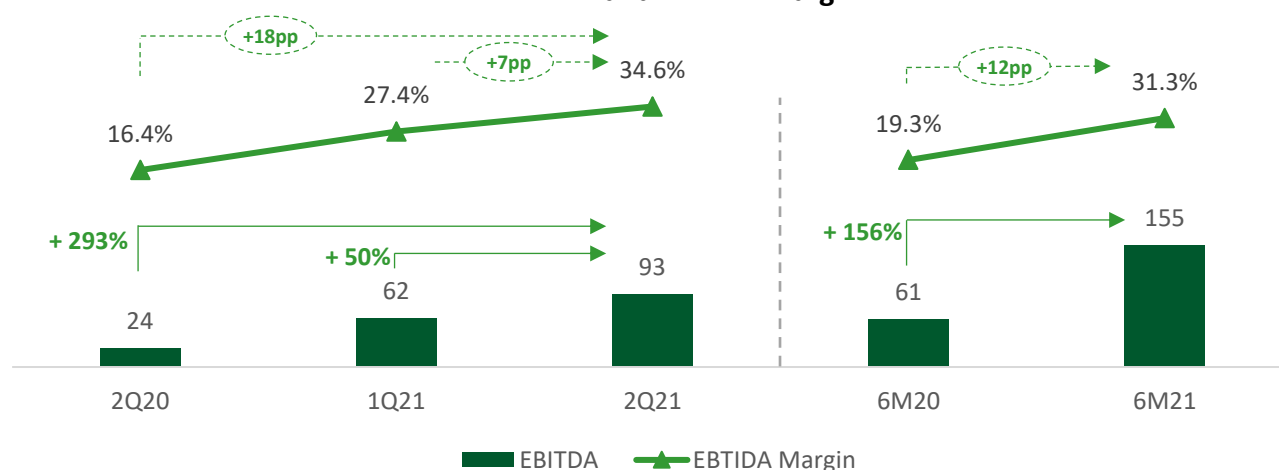
Net revenue reached BRL 269 million in 2Q21, an 87% increase compared to the same period of the previous year and 19% increase compared to 1Q21. In the first half of the year, net revenue totaled BRL 496 million, 58% higher than 6M20.

Net Revenue

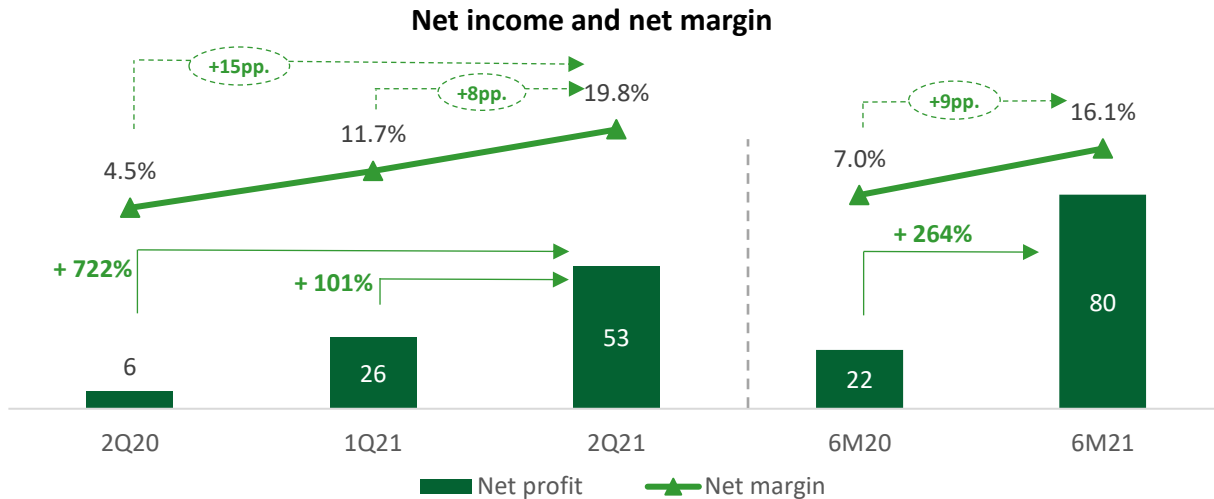


EBITDA totaled BRL 93 million, representing an increase of 293% compared to 2Q20 and 50% compared to 1Q21. The EBITDA margin reached 34.6%, an increase of 7 pp compared to 1Q21, and 18 pp compared to 2Q20. The accumulated EBITDA for this semester reached BRL 155 million, an increase of 156% compared to the same period of the previous year, with the consolidated margin reaching 31.3%, 12 pp above 6M20.

EBITDA and EBITDA Margin



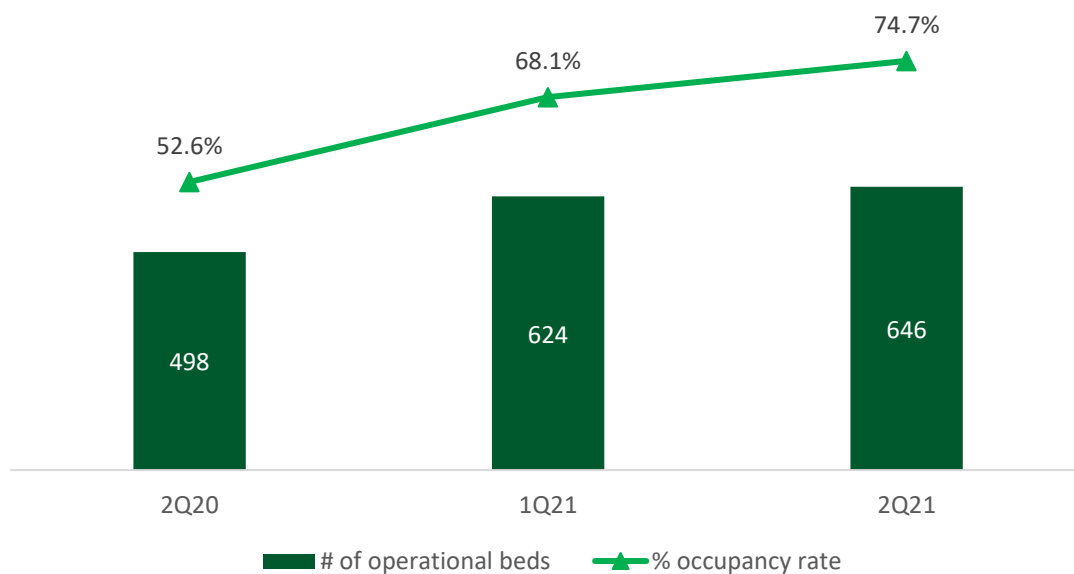
Net Income reached BRL 53 million in 2Q21, an increase of 722% compared to 2Q20 and 101% versus the previous quarter. The net margin reached 19.8%, a 15 pp increase in the annual comparison and 8 pp compared to 1Q21. 6M21 accumulated BRL 80 million of net income, an increase of 264% compared to 6M20, and reached 16.1% of net margin in the year, 9 pp above the previous year.



In the first quarter, the Company continued working to adapt its infrastructure and available resources to enable providing quality care both for patients with COVID-19 and for those with other pathologies. Due to strong demand, Mater Dei operated with an average of 646 operational beds this quarter with 74.7% occupancy rate, representing a 22.1 pp growth compared to the same period in the previous year, and 6.6pp compared to the previous quarter.

This occupancy rate is calculated according to ANAHP's (National Association of Private Hospitals) methodology, considering only as occupied beds the ones used by overnight patients.

Evolution of the average operational beds and occupancy rate



Porto Dias Group

In July, Mater Dei signed contract for the purchase of 70% of the Porto Dias Group, the largest private hospital network in the North of Brazil and a reference in care quality in Pará, with 592 operational beds planned for 2022 and accredited by JCI, QMentum and ONA III.

The Porto Dias Group was established and managed with operational excellence by the Porto Dias Family for almost 30 years, with high levels of management skills and extensive expertise in the healthcare sector, managing to develop a highly profitable recognized healthcare operation.

Hospital Porto Dias



Porto Quality



Awards and Recognition

On this August 11th, Mater Dei was awarded 1st place as Top of Mind in Minas Gerais, reinforcing its leadership and quality recognition in the Hospital segment, by Mercado Comum, for the 5th time. Top of Mind recognizes the successful brands that are most remembered in Minas Gerais, with exclusively technical criteria for opinion surveys.

Mater Dei was also awarded with the 2021 Great Place to Work Ranking in Minas Gerais. The certification is provided by the global consulting firm, GPTW, which certifies and recognizes the best companies to work for in more than 109 countries around the world.

Opportunities

Sul América Direto and accreditations

Mater Dei was the hospital provider chosen by Sul América for the Sul América Direto expansion in the Metropolitan Region of Minas Gerais. In this model, Rede Mater Dei is the almost exclusive medical care provider, offering around 95% of the services and procedures covered by the insurance plan, from low to high complexity. This business model brings competitiveness to the product, increasing the Company's addressable market.

One of this product's differentials lies in its advanced development technology. The Data Analytics team made a highly in-depth study using Artificial Intelligence and Big Data to understand the behavior of data set, such as the history of health services used, the behavior pattern among medical teams, populational health distribution, among others.

In this model, all beneficiaries will be proactively monitored to ensure they will have the best assistance quality, care integration, quick access to treatments, seeking to optimize the medical loss ratio (MLR). Simultaneously, the portfolio's MLR will be monitored in real time and in a predictively manner. This monitoring process will guide governance actions to enable the best cost-effectiveness for the operator, patients, suppliers, and Mater Dei.

In addition to the development of Sul América Direto, in the first half of the year, several new operators were accredited, expanding the number of beneficiaries with access to Mater Dei units by more than 100,000 lives.

Radiotherapy

Mater Dei invested around BRL 10 million in the Elekta Versa HD linear accelerator, the first model at the RMBH, to expand its oncology services. The equipment will provide patients the most modern radiotherapy techniques and can be used for treating all types of cancers. The technique used provides a treatment that guarantees greater comfort, quality, and safety to the patient.



COVID-19

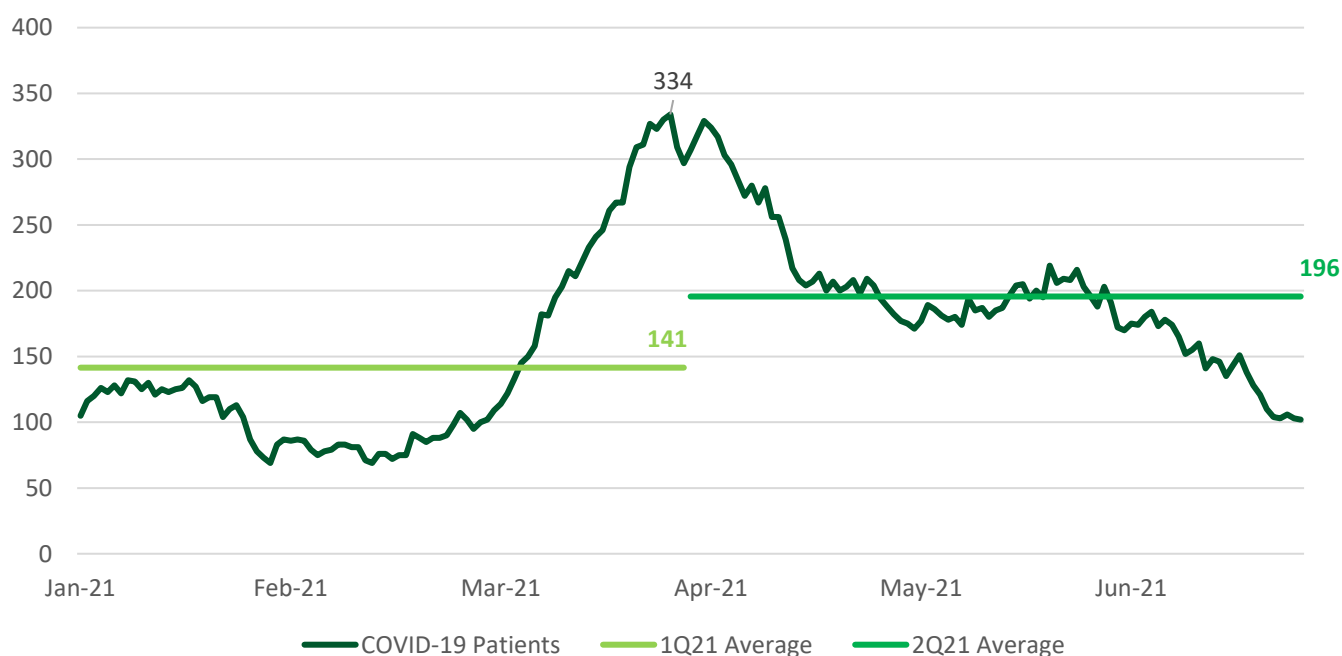
Since the beginning of the COVID-19 pandemic, Mater Dei created the Crisis Management Committee, with the objective of always being ready to meet the needs of patients and the community, guaranteeing the safety of professionals and the organization's sustainability.

The Crisis Management Committee is a multidisciplinary team that monitors scenarios and trends at all levels (worldwide, national, and local) and uses artificial intelligence tools to develop predictive management for beds and resources, allowing the Company to implement measures preventively and always keep "doors open" regardless of the severity of the demand.

1Q21 was marked by a quick increase in March in the number of COVID-19 patients in the Company, more than tripling in one month – in January and February the Company had admitted an average of about 100 patients but reached more than 300 at the end of the first quarter.

On the other hand, there was a significant reduction in the first half of April, but it was kept at a high level until the end of May. However, as the Company had opened several beds, it was possible to meet the demand for COVID-19 and elective patients. In June, the number of COVID-19 patients started to decrease reaching around 100 patients by the end of 2Q21.

Evolution of COVID-19 patients (confirmed and suspected)



Mater Dei Salvador

The Mater Dei Salvador-BA unit, composed by the Hospital and Medical Center, is still on schedule, with inauguration expected for the 1st half of 2022.



Revenues

Gross Revenue

Gross revenue is mainly composed of health services, such as hospitalizations, surgeries, medical appointments, exams, among others, whether through healthcare operators and out-of-pocket patients.

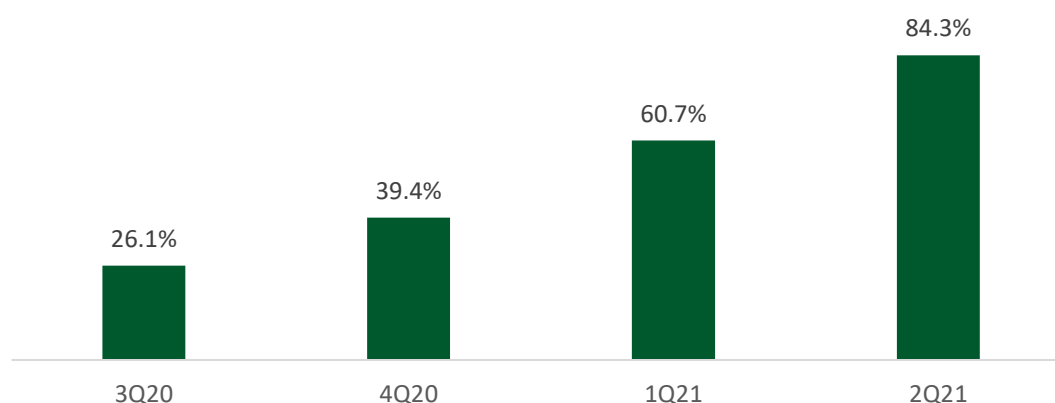
In 2Q21, gross revenue reached the historical record of BRL 288.5 million, representing an increase of 85.1% compared to 2Q20, a period with relevant impacts from the pandemic, and 18.1% above 1Q21. For the six months ended on June 30th, gross revenue reached BRL 532.8 million, representing a 57.4% increase from the same period in 2020.

(BRL million)	2Q21	2Q20	Δ 2Q21	1Q21	Δ 2Q21	6M21	6M20	Δ 6M21
Healthcare operators	263.2	143.9	82.9%	222.2	18.5%	485.4	312.2	55.5%
Out-of-pocket patients	21.1	7.6	176.8%	17.7	19.1%	38.9	16.9	130.2%
Other revenues	4.1	4.3	(4.8%)	4.4	(6.5%)	8.5	9.4	(9.0%)
Gross revenue	288.5	155.9	85.1%	244.3	18.1%	532.8	338.4	57.4%

The net medical disallowances, a result from the review of invoices along with the healthcare operators, are already deducted from the healthcare operators' item, and totaled BRL 11.3 million in 2Q21, representing 4.1% of the total healthcare operators' revenue, a reduction of 0.2 pp when compared to 1Q21 and an increase of 0.8pp compared to 2Q20, due to a lower patient inflow in the hospitals.

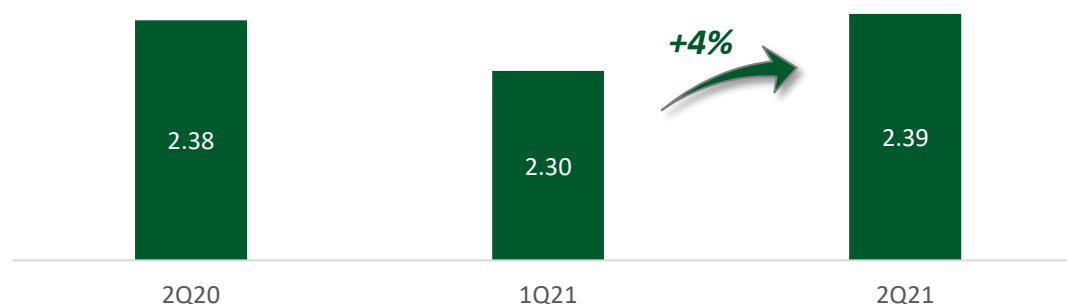
The volume of patients-day admitted at Rede Mater Dei has been growing quickly since the worst period of the pandemic, 2Q20. Since then, volume has grown 84.3%, 23.6 pp more than the growth in 1Q21 compared to 2Q20.

Variation in the number of patients-day vs. 2Q20



The average ticket (gross revenue divided by used beds - operating beds multiplied by the occupancy rate) increased 4% in 2Q21 compared to 1Q21. In the annual comparison, the average ticket remained stable due to the lower occupancy rates caused by the pandemic in 2020.

Average ticket - BRL Mm (Gross revenue per bed used)



Net Revenue

Net revenue reached a new record of BRL 268.9 million in 2Q21, increasing 86.8% year-over-year and 18.6% compared to 1Q21. In the accumulated period, Net Revenue reached BRL 495.7 million, an increase of 57.8% year-over-year.

(BRL million)	2Q21	2Q20	Δ 2Q21	1Q21	Δ 2Q21	6M21	6M20	Δ 6M21
Gross Revenue	288.5	155.9	85.1%	244.3	18.1%	532.8	338.4	57.4%
Taxes and Deductions	(19.5)	(11.9)	64.4%	(17.5)	11.4%	(37.1)	(24.2)	53.3%
Net Revenue	268.9	144.0	86.8%	226.8	18.6%	495.7	314.2	57.8%

Taxes on gross hospital revenue are composed of: (i) ISSQN (Service Tax), which has a variable rate according with the city where the service is provided, with a 3.00% rate for Belo Horizonte and 3.80% for Betim (adjusted in April 2021); (ii) PIS (Social Integration Program), with a 0.65% rate; and (iii) COFINS (Contribution to Social Security Financing), with a 3.00% rate

Costs and Expenses

Costs of services provided

The costs of services provided mainly include medical supplies and drugs, personnel, physicians, depreciation and amortization, and maintenance and conservation.

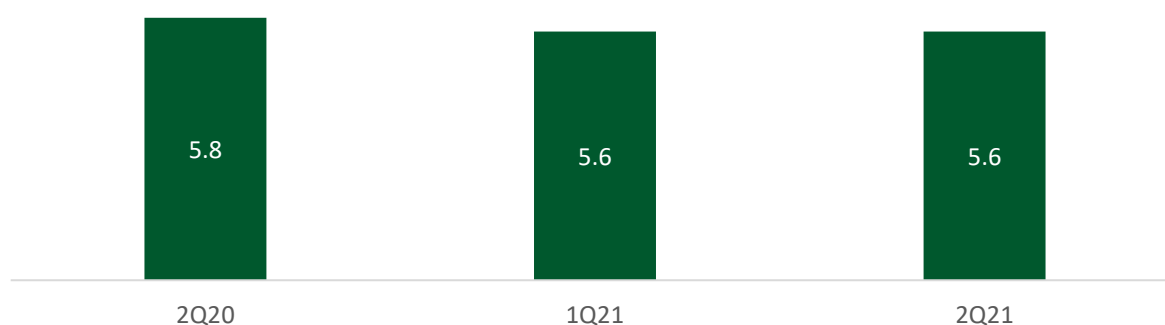
In 2Q21, year-over-year, costs were diluted by 16.7 pp, representing 55.8% of the net revenue, due to the 43.7% increase in cost, which was less than the 86.8% increase in net revenue. Compared to 1Q21, costs were diluted by 5.0 pp due to the higher increase in net revenue (18.6%) than the cost (8.8%). In 6M21, costs represented 58.1% of revenue, a dilution of 10.2 pp compared to the previous year.

The main items responsible for the dilution of costs in this quarter were medical supplies and drugs, physicians and maintenance and conservation.

(BRL million)	2Q21	2Q20	Δ 2Q21	1Q21	Δ 2Q21	6M21	6M20	Δ 6M21
Medical Supplies and Drugs	(71.0)	(41.5)	71.0%	(65.9)	7.7%	(136.9)	(87.5)	56.5%
Personnel	(39.2)	(27.6)	41.7%	(33.6)	16.4%	(72.8)	(53.3)	36.7%
Medical services	(9.8)	(8.2)	19.9%	(9.5)	3.4%	(19.3)	(17.2)	11.7%
Maintenance and conservation	(8.4)	(7.8)	8.0%	(8.5)	(1.0%)	(16.9)	(16.1)	4.6%
Depreciation and amortization	(7.3)	(7.8)	(5.9%)	(7.1)	3.7%	(14.4)	(14.9)	(3.7%)
Other costs	(14.3)	(11.5)	24.4%	(13.4)	7.3%	(27.7)	(25.5)	8.4%
Costs of services provided	(150.0)	(104.4)	43.7%	(137.9)	8.8%	(287.9)	(214.5)	34.2%
% of net revenue	55.8%	72.5%	(16.7 pp)	60.8%	(5.0 pp)	58.1%	68.3%	(10.2 pp)

In 2Q21, the Company managed to maintain stable the (i) number of employees per operating bed compared to 1Q21 and (ii) the relevance of the personnel costs in relation to net revenue. When compared to 2Q20, there was a reduction of 0.2 employees per operating bed and a dilution in the personnel item in relation to net revenue.

Employees per operating bed



Operating income and expenses

General and administrative expenses are mainly composed of personnel expenses, depreciation and amortization and other expenses related to back-office activities.

General and administrative expenses were diluted by 5.7 pp year-over-year and 1.5 pp in the quarterly comparison due to a lower growth rate in this item than in the net revenue.

Despite the dilution of personnel expenses, the company continues to structure its administrative key areas for a publicly traded company and to enable addressing its organic and inorganic growth strategy.

Net operating expenses reached 13.1% of the net revenue, diluted by 4.8 pp compared to 2Q20 and 2.6 pp compared to 1Q21.

<i>(BRL million)</i>	2Q21	2Q20	Δ 2Q21	1Q21	Δ 2Q21	6M21	6M20	Δ 6M21
Personnel	(23.3)	(17.9)	30.6%	(20.8)	12.4%	(44.1)	(36.0)	22.4%
Depreciation and amortization	(1.8)	(1.9)	(3.4%)	(1.8)	3.7%	(3.6)	(3.7)	(3.7%)
Other expenses	(1.4)	(2.7)	(48.3%)	(3.2)	(57.0%)	(4.6)	(5.2)	(11.2%)
General and Adm. Expenses	(26.6)	(22.5)	18.3%	(25.8)	3.0%	(52.3)	(45.0)	16.3%
<i>% of net revenue</i>	<i>9,9%</i>	<i>15,6%</i>	<i>(5,7p.p.)</i>	<i>11.4%</i>	<i>(1.5 pp)</i>	<i>10,6%</i>	<i>14.3%</i>	<i>(3.7 pp)</i>
Other Operational Rev. and Exp.	(8.6)	(3.3)	156.7%	(9.8)	(12.4%)	(18.4)	(13.1)	40.2%
Net operating expenses	(35.2)	(25.8)	36.2%	(35.6)	(1.2%)	(70.8)	(58.1)	21.7%
<i>% of net revenue</i>	<i>13.1%</i>	<i>17.9%</i>	<i>(4.9 pp)</i>	<i>15.7%</i>	<i>(2.6 pp)</i>	<i>14.3%</i>	<i>18.5%</i>	<i>(4.2 pp)</i>

EBIT and EBITDA

Rede Mater Dei's EBIT and EBITDA broke records and the profitability returned to historical levels due to an increase in the operational occupancy rate combined with the returning of elective procedures.

In 2Q21, the Company's EBIT reached BRL 83.8 million, an increase of 508.0% compared to 2Q20 and 57.3% compared to 1Q21. In the first semester of the year, the growth was 229.9% and totaled BRL 137.1 million.

EBITDA returned to the historic level of 34.6% and reached a record of BRL 92.9 million. This represented an increase of 292.9% compared to 2Q20 and 49.7% compared to 1Q21. In 6M21, EBITDA totaled BRL 155.0 million with a margin of 31.3%, an increase of 155.8% and 12.0 pp compared to the same period in the previous year.

(BRL million)	2Q21	2Q20	Δ 2Q21	1Q21	Δ 2Q21	6M21	6M20	Δ 6M21
Net revenue	268.9	144.0	86.8%	226.8	18.6%	495.7	314.2	57.8%
Costs of services provided	(150.0)	(104.4)	43.7%	(137.9)	8.8%	(287.9)	(214.5)	34.2%
Net operating expenses	(35.2)	(25.8)	36.2%	(35.6)	(1.2%)	(70.8)	(58.1)	21.7%
EBIT	83.8	13.8	508.0%	53.3	57.3%	137.1	41.5	229.9%
<i>% of net revenue</i>	<i>31.2%</i>	<i>9.6%</i>	<i>21.6p.p.</i>	<i>23.5%</i>	<i>7.7p.p.</i>	<i>27.6%</i>	<i>13.2%</i>	<i>14.4 pp</i>
Depreciation and amortization	9.1	9.9	(7.4%)	8.8	3.7%	18.0	19.1	(5.8%)
EBITDA	92.9	23.7	292.9%	62.1	49.7%	155.0	60.6	155.8%
<i>% of net revenue</i>	<i>34.6%</i>	<i>16.4%</i>	<i>18.1 pp</i>	<i>27.4%</i>	<i>7.2 pp</i>	<i>31.3%</i>	<i>19.3%</i>	<i>12.0 pp</i>
Stock Options	2.8	-	-	-	-	2.8	-	-
Adjusted EBITDA	95.7	23.7	304.7%	62.1	54.2%	157.8	60.6	160.4%
<i>% of net revenue</i>	<i>35.6%</i>	<i>16.4%</i>	<i>19.2 pp</i>	<i>27.4%</i>	<i>8.2 pp</i>	<i>31.8%</i>	<i>19.3%</i>	<i>12.5 pp</i>

The stock options program was approved by the Shareholder's Meeting for the Company's strategic executives with a dilution of up to 3.0% of the Company. The first program was carried out with half of the approved dilution, 1.5%, with a vesting period in the 3rd, 4th and 5th year (one third per period), with the exercise until the end of the 7th year. The fair value of the Options was measured according to the Hull-White Binomial model, using market estimates. The estimated expense per quarter for the stock options is around BRL 3 million. For purposes of comparison with 2020 figures, stock option values will be considered as non-recurring in 2021, and from 2022 onwards, they will be considered as recurring.

Net financial result

The net financial result reached BRL 3.6 million negative against BRL 4.0 million negative in 2Q20, a reduction of 10.3%, and a decrease of 74.0% compared to 1Q21 (BRL 13.7 million negative).

The financial income totaled BRL 13.8 million, an increase of 793.8% compared to the same period of the previous year (BRL 1.5 million) and 202.0% compared to 1Q21. This growth was due to higher yields from financial investments due to the increase in the cash position resulted from the IPO carried out in April/21, which added approximately BRL 1.14 billion to the Company's cash position.

Financial expenses reached BRL 17.4 million, a 4.8% reduction compared to 1Q21, and an increase of 215.2% compared to 2Q20, mainly due to the increase in lease interest, which rose BRL 9.8 million in light of the beginning of the lease term, after the spin-off of the properties at the end of 2020.

(BRL million)	2Q21	2Q20	Δ 2Q21	1Q21	Δ 2Q21	6M21	6M20	Δ 6M21
Financial Revenue	13.8	1.5	793.8%	4.6	202.0%	18.4	5.8	220.0%
Interest on loans and financing	(5.3)	(4.2)	24.7%	(5.0)	5.4%	(10.3)	(7.2)	42.2%
Lease interest	(9.8)	-		(9.8)	(0.2%)	(19.6)	(0.1)	16,095.0%
Others	(2.3)	(1.3)	81.3%	(3.4)	(32.8%)	(5.8)	(7.1)	(18.4%)
Financial Expense	(17.4)	(5.5)	215.2%	(18.3)	(4.8%)	(35.7)	(14.4)	147.1%
Net Financial Result	(3.6)	(4.0)	(10.3%)	(13.7)	(74.0%)	(17.3)	(8.7)	98.8%

Net Income

Net Income reached a record BRL 53.2 million in 2Q21, an increase of 721.9% compared to the same period of the previous year (BRL 6.5 million) and 101.2% compared to 1Q21 (BRL 26.5 million). The net margin reached 19.8% this quarter, representing a growth of 15.3 p.p. year-over-year and 8.1 pp in the quarterly comparison.

This semester, net income totaled BRL 79.7 million, an increase of 264.3% year-over-year and reached 16.1%.

<i>(BRL million)</i>	2Q21	2Q20	Δ 2Q21	1Q21	Δ 2Q21	6M21	6M20	Δ 6M21
EBIT	83.8	13.8	508.0%	53.3	57.3%	137.1	41.5	229.9%
Net financial result	(3.6)	(4.0)	(10.3%)	(13.7)	(74.0%)	(17.3)	(8.7)	98.8%
EBT	80.2	9.8	717.7%	39.6	102.7%	119.8	32.9	264.5%
Income tax and Social Contribution	(27.0)	(3.3)	709.5%	(13.1)	105.7%	(40.1)	(11.0)	264.9%
Net Income	53.2	6.5	721.9%	26.5	101.2%	79.7	21.9	264.3%
<i>% of net revenue</i>	<i>19.8%</i>	<i>4.5%</i>	<i>15.3 pp</i>	<i>11.7%</i>	<i>8.1 pp</i>	<i>16.1%</i>	<i>7.0%</i>	<i>9.1 pp</i>

Debt and leverage

The Company has been maintaining low debt levels, with net debt and net debt divided by EBITDA indexes above 0

Due to the amount of approximately BRL 1.14 billion raised in the Initial Public Offering (IPO), cash and cash equivalents reached BRL 1.4 billion in 2Q21, an increase of 344.9% year-over-year and 507.3% compared to 1Q21. This resulted in a significant reduction in leverage, with the indicator (net debt / EBITDA) reaching 4.4x.

Long-term debt increased from 1Q21 to 2Q21 as the debt with Banco do Nordeste (BNB) for the construction of the Salvador unit took place by reimbursement, according to the investments made.

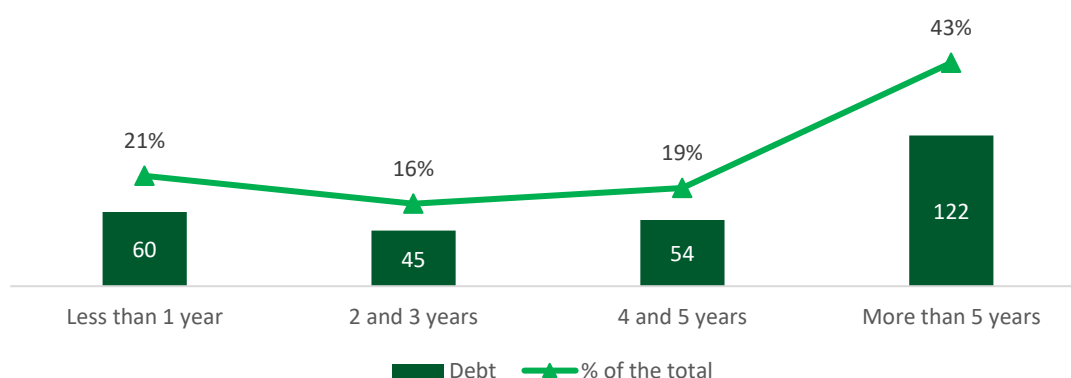
Additionally, the Company will spend BRL 800 million to complete the Porto Dias Group purchase transaction upon completion of the preceding conditions.

(BRL million)	2Q21	2Q20	Δ 2Q21	1Q21	Δ 2Q21
Short-term debt	(60.2)	(41.1)	46.3%	(64.9)	(7.2%)
Long-term debt	(220.5)	(179.8)	22.6%	(165.5)	33.2%
Total debt	(280.7)	(221.0)	27.0%	(230.4)	21.9%
Cash and equivalents ¹	1,384.5	311.2	344.9%	228.0	507.3%
Net Debt	1,103.8	90.2	1,123.2%	(2.4)	(46,438.9%)
<i>Net debt/EBITDA (LTM)</i>	<i>4.4x</i>	<i>0.4x</i>	<i>4.0 pp</i>	<i>(0.0x)</i>	<i>4.4 pp</i>

¹ Cash and cash equivalents and financial investments

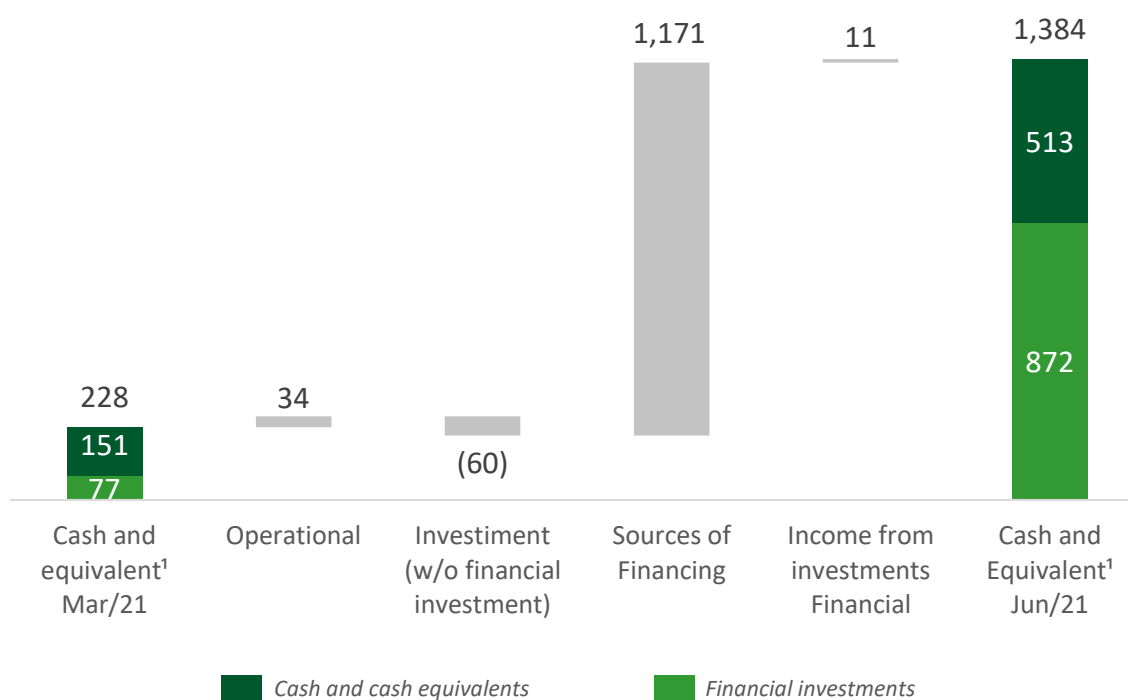
The weighted average amortization term at Mater Dei is 5.1 years, with 43% of the total amortization expected for over 5 years.

Amortization schedule (BRL Mn)



Cash Flow

The Company's cash, cash equivalents and financial investments ended the second quarter at BRL 1.4 billion, 507.3% higher than the end of last quarter. This variation included (i) BRL 34 million added from cash generated in operating activities; (ii) a reduction of BRL 60 million with cash used in investing activities, (iii) an increase of BRL 1,2 billion added due to the capital increase resulted from the IPO and others financing operations and (iv) increase of BRL 11 million in income from investments, net of redemptions.



¹ Cash and cash equivalents and financial investments

Appendix

P&L

<i>(BRL thousand)</i>	2Q21	2Q20	1Q21	6M21	6M20
Gross revenue	288,477	155,864	244,307	532,784	338,419
Healthcare Operator	263,231	143,911	222,167	485,398	312,181
Out-of-pocket patients	21,135	7,636	17,741	38,876	16,886
Other revenue	4,111	4,317	4,399	8,510	9,352
Taxes and Deductions	(19,547)	(11,888)	(17,547)	(37,094)	(24,202)
Net revenue	268,930	143,976	226,760	495,690	314,217
Costs of services provided	(149,991)	(104,386)	(137,895)	(287,886)	(214,545)
Medical Supplies and drugs	(71,005)	(41,531)	(65,905)	(136,910)	(87,467)
Personnel	(39,174)	(27,649)	(33,644)	(72,818)	(53,274)
Medical services	(9,787)	(8,161)	(9,468)	(19,255)	(17,242)
Maintenance and conservation	(8,382)	(7,758)	(8,470)	(16,852)	(16,105)
Depreciation and amortization	(7,316)	(7,774)	(7,054)	(14,370)	(14,920)
Other costs	(14,327)	(11,513)	(13,354)	(27,681)	(25,537)
Gross profit	118,939	39,590	88,865	207,804	99,672
General and administrative expenses	(26,562)	(22,462)	(25,780)	(52,342)	(44,992)
Personnel	(23,339)	(17,872)	(20,773)	(44,112)	(36,041)
Depreciation and amortization	(1,828)	(1,892)	(1,764)	(3,592)	(3,730)
Other expenses	(1,395)	(2,698)	(3,243)	(4,638)	(5,221)
Other operating income (expenses)	(8,597)	(3,349)	(9,815)	(18,412)	(13,137)
Profit before financial income and expenses	83,780	13,779	53,270	137,050	41,543
Financial revenue	13,827	1,547	4,578	18,405	5,751
Financial expenses	(17,385)	(5,515)	(18,271)	(35,656)	(14,427)
Net financial result	(3,558)	(3,968)	(13,693)	(17,251)	(8,676)
Income before income tax and social contribution	80,222	9,811	39,577	119,799	32,867
Income Tax and Social Contribution	(26,998)	(3,335)	(13,123)	(40,121)	(10,994)
Net income for the period	53,224	6,476	26,454	79,678	21,873

<i>(BRL thousand)</i>	2Q21	2Q20	1Q21	6M21	6M20
EBIT	83,780	13,779	53,270	137,050	41,543
Depreciation and amortization	9,144	9,873	8,818	17,962	19,064
EBITDA	92,924	23,652	62,088	155,012	60,607
Stock Options	2,796	-	-	2,796	-
Adjusted EBITDA	95,720	23,652	62,088	157,808	60,607

Balance Sheet

(BRL thousand)	06/30/2021	03/31/2021
Asset		
Current		
Cash and Cash Equivalents	871,556	76,680
Financial Investments	512,942	151,288
Accounts receivable	309,511	267,797
Inventories	34,282	27,857
Derivatives	1,225	3,923
Construction Reimbursement	32,500	22,386
Other current assets	9,742	9,357
Total current assets	1,771,758	559,288
Non-current		
Construction Reimbursement	40,317	-
Construction assets to be deployed	42,048	51,887
Judicial deposits	29,348	28,350
Deferred taxes	63,791	55,350
Investments	35	35
Investment properties	-	-
Right of use	392,320	396,376
Fixed Assets	104,520	101,059
Intangible assets	5,174	2,989
Total non-current assets	677,553	636,046
Total assets	2,449,311	1,195,334
Liabilities		
Current		
Suppliers	59,773	66,754
Loans and financing	60,208	64,863
Leasing	43,842	42,140
Salaries & social security contribution	26,786	20,433
Taxes and contributions payable	48,674	22,593
Installment payment of taxes	7,277	7,592
Dividends payable	3,297	24,315
Other current liabilities	543	418
Total current liabilities	250,400	249,108
Non-current		
Loans and financing	220,497	165,487
Leasing	357,585	360,640
Installment payment of taxes	14,963	16,293
Provision for contingencies	116,854	114,848
Other non-current liabilities	3,669	1,443
Total non-current liabilities	713,568	658,711
Shareholders' equity		
Capital	1,273,645	131,837
Capital reserves	2,796	-
(-) Treasury shares	-	-
Equity valuation adjustment	-	-
Profit reserves	208,902	155,678
Total Shareholders' equity	1,485,343	287,515
Total liabilities	2,449,311	1,195,334

Cash Flow

<i>(BRL thousand)</i>	2Q21	2Q20
Cash flow from operating activities		
Net profit for the period	53,224	6,476
Adjustments to reconcile net income to cash from operations		
Depreciation and amortization	9,144	9,873
Write-off of fixed and intangible assets	30	206
Establishment (reversal) of allowance for doubtful accounts	5,355	4,750
Establishment (reversal) of provision for disallowances	9,728	3,963
Establishment (reversal) of provision for contingencies	5,932	(1,064)
Share-Based Payment provision	2,796	-
Derivative gains	1,358	(939)
Income from financial investments	(10,920)	838
Net financial expenses	14,544	5,755
(+) Provision for income tax and social contribution - current & deferred	(31,059)	(16,764)
	60,132	13,094
Variations in Operating Assets and Liabilities		
Accounts Receivable	(56,797)	(9,800)
Inventories	(6,425)	(2,726)
Other assets	(385)	3,186
Judicial deposits	(998)	(458)
Suppliers	(6,067)	(5,577)
Salaries and social security contributions	6,353	6,452
Taxes and contributions payable	56,698	26,971
Tax installments	(1,909)	-
Other liabilities	1,437	632
	(8,093)	18,680
Income tax and social contributions paid	(11,925)	(6,182)
Interest paid	(5,919)	(571)
Net cash generated by operating activities	34,195	25,021
Cash Flow of Investment activities		
Acquisition of fixed assets	(7,851)	(9,689)
Acquisition of intangible assets	(2,913)	(1)
Developments with construction to be deployed	(48,799)	-
Financial investments made, net redemptions	(350,734)	(24,150)
Net cash used in investment activities	(410,297)	(33,840)
Cash flow from financing activities		
Loans and financing	64,000	-
Payments of loans and financing	(13,777)	(703)
Lease payments	(1,375)	(673)
Derivative settlement	1,340	258
Capital increase	1,141,808	-
Dividends paid	(21,018)	-
Net cash generated (used) in financing activities	1,170,978	(1,118)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	794,876	(9,937)
Cash and cash equivalents at the beginning of the period	76,680	151,052
Cash and cash equivalents at the end of the period	871,556	141,115
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	794,876	(9,937)

Glossary and other information

Glossary

- **ANAHP:** National Association of Private Hospitals
- **CAGR:** Compound Annual Growth Rate
- **LTM:** Last Twelve Months
- **Net debt:** Short and long-term debt, net of cash, cash equivalents and financial investments. The term "net debt" is measured by the Company and may not be comparable with a similar term adopted by other companies
- **IFRS 16:** As of January 1, 2019, all companies had to adapt to the new IFRS 16 rules. With this new standard, lessees now must recognize the asset of the rights over leased assets and the liability of future payments for medium or long-term leasing contracts, including operational ones. The biggest impact we had was from the property lease agreements for our operating and administrative units
- **EBITDA:** EBITDA is the net earnings for the period, plus income taxes, financial result, depreciation, and amortization
- **EBITDA Margin:** Dividing EBITDA by Net Revenue
- **EBIT:** EBIT is the net result for the period, plus income taxes and financial expenses net of financial revenues
- **EBIT Margin:** Dividing EBIT by Net Revenue
- **Occupancy rate:** the number of beds occupied by patients per day added up over a given period, divided by the number of beds that were operational each day added up during the same period

Relationship with independent auditors

Pursuant to CVM Instruction 381/2003, our policy for hiring independent auditors considers the best governance principles, ensuring the auditor's independence, according to the internationally accepted criteria.

About Mater Dei Hospital

The Mater Dei Health Network is an ecosystem that is integrated for the provision of hospital and oncology services, it is a national reference in the health sector and the largest hospital network in Minas Gerais considering the number of private beds, with 18.0% of the total number of private beds in the metropolitan area of Belo Horizonte, and all of the hospitals have JCI accreditation (*Joint Commission International* – one of the most respected accreditations in the hospital sector worldwide).

For additional Investor Relations information, please access the website: <https://ri.materdei.com.br>, or send an e-mail to: ri@materdei.com.br

This material contains summarized information which is not intended to be complete and should not be considered by shareholders or potential investors as an investment recommendation. Information about the Mater Dei Hospital, its activities, economic and financial situation, and the risks inherent to its activities, as well as its financial statements, can be accessed on the Mater Dei website (<https://ri.materdei.com.br>).

