

Earnings Release 1Q22





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HIGHLIGHTS

Belo Horizonte, May 11th, 2022 – **Rede Mater Dei de Saúde** (B3: MATD3) announces its results for the first quarter of 2022 (1Q22).

Rede Mater Dei de Saúde is an integrated platform that provides hospital and cancer services, being a national reference in health and the largest private hospital network in Minas Gerais. The Company has more than 2,500 beds of capacity in all its unit located in the metropolitan region of Belo Horizonte (“MRBH”), Belém, Uberlândia, Goiânia, Feira de Santana and the newly opened the unit of Salvador.

Rede Mater Dei has a clinical expertise that is recognized by patients, medical community, healthcare operators, suppliers, and relevant sectors of the Brazilian Society, and focuses on innovation and medical pioneering.

The consolidated financial statements for this quarter incorporated the results of Hospital Santa Genoveva complex and Hospital Premium. In this quarter, Mater Dei incorporated adjustments to the EBITDA and Net Income, due to some non-recurring advisory expenses to conclude the acquisitions and Salvador’s pre-operating expenses. It also kept the stock option expenses highlighted, which are being adjusted to allow a better year-on-year comparison.

Announced acquisitions in 1Q22

On November 21st, 2021, it was announced the acquisition of Hospital Santa Genoveva and CDI in Uberlândia. Santa Genoveva is a highly complex general hospital with installed capacity of 204 beds, and is integrated with CDI, a reference in diagnostic imaging in the region. The acquisition was concluded in the first quarter in accordance with the Notice to the Market published by the Company.

On January 11th, 2022, it was announced the acquisition of Hospital Premium in Goiânia, marking the Company’s entrance in the Midwest region. Premium has 156 beds of installed capacity, with a brownfield expansion possibility next to it. The acquisition was concluded in March 2022 and its result was consolidated in the quarter.

On February 08th, 2022, it was announced the acquisition of Hospital EMEC, in Feira de Santana, Bahia, which strengthen Mater Dei’s operation in the region. The hospital was the first private hospital in the city, and it has 150 operational beds. The acquisition was concluded in April 2022.

On March 02nd, 2022, it was announced the acquisition of Hospital Santa Clara, in Uberlândia. The closing of the operation is subject to certain precedent conditions, among them the CADE approval.



Mater Dei Salvador

The inauguration of the Mater Dei Salvador-BA unit, the first greenfield expansion of the Company outside Minas Gerais, took place on May 01st, 2022.

Hospital Mater Dei Salvador has a modern and complete infrastructure to promote integral care assistance to all patients. It is located in a privileged region of the city, with 61 thousand m² arranged over 24 floors and a helipad, with capacity for 369 beds, which 40 are adult ICU and 40 pediatric/neonatal ICU.

The unit has 21 operating rooms, including one robot operating room and one hybrid room, adult's and pediatrics' emergency room, oncology, diagnostic medicine, all with state-of-the-art equipment.

At this first stage, the hospital started operating with a team of more than 600 employees, complete clinical staff with more than 40 specialties and approximately 400 thousand accredited lives.

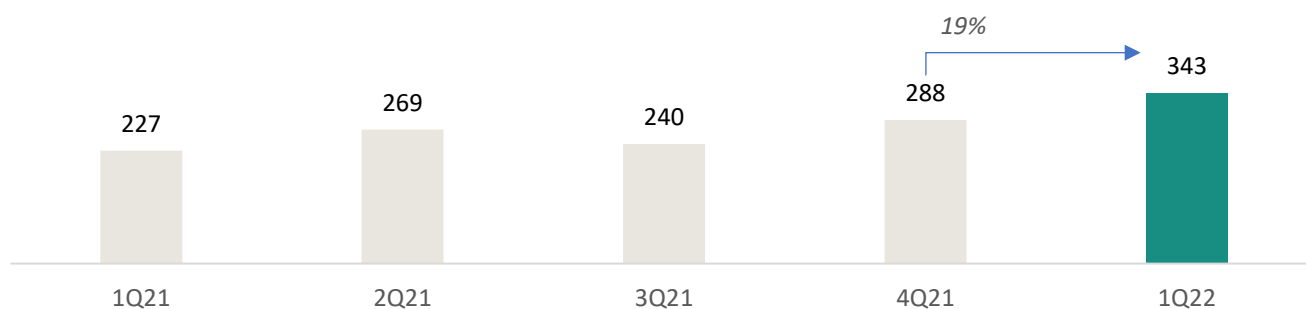
Next to the hospital, the Mater Dei Salvador Medical Center, will be inaugurated in the second half of this year and will have 73 ambulatory rooms and will consolidate the complex as an Integrated Health Center.



Operational and financial

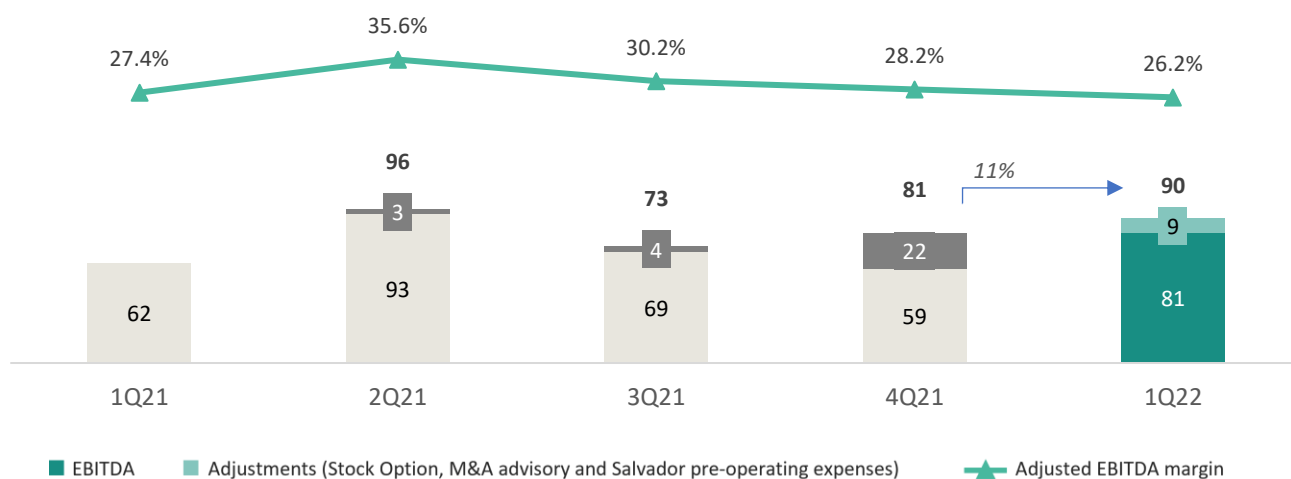
In 1Q22, the Net Revenue totaled BRL 343 million, 51% higher than the same period of the previous year and 19% compared to 4Q21.

Net Revenue (BRL Mm)



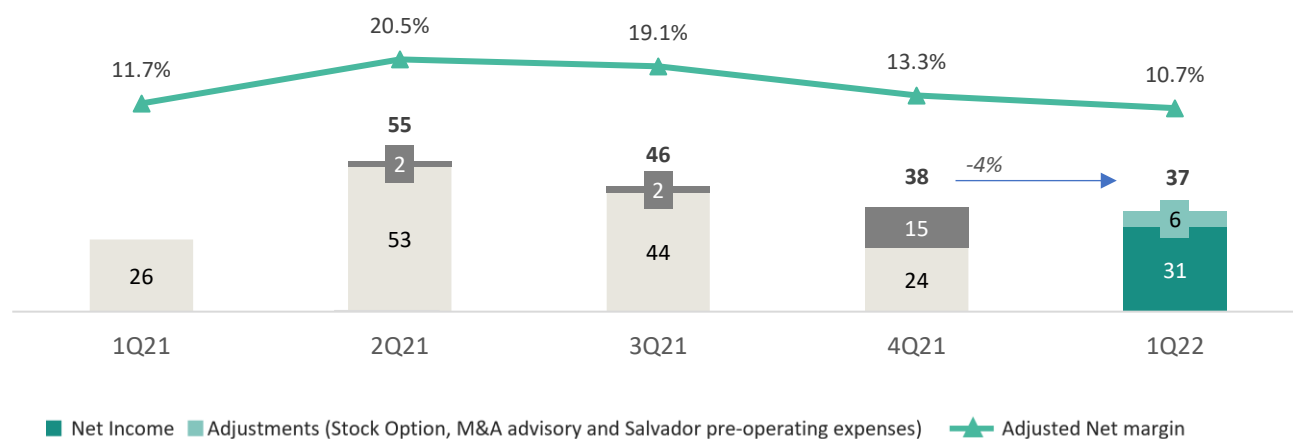
For the quarter, adjusted EBITDA totaled BRL 90 million, representing an increase of 45% and 11%, compared to 1Q21 and 4Q21, respectively. The adjusted margin reached 26.2% in the quarter, a decrease of 1.1pp compared to 1Q21 and of 1.9pp compared to 4Q21.

Adjusted EBITDA and EBITDA margin (BRL Mm and % of net revenue)



In 1Q22, the adjusted net income reached BRL 37 million, a decrease of 39% compared to 1Q21 and of 4% versus the previous quarter. The adjusted net margin reached 10.7%, in the period, 0.9pp lower in the annual comparison and 2.5pp compared to 4Q21.

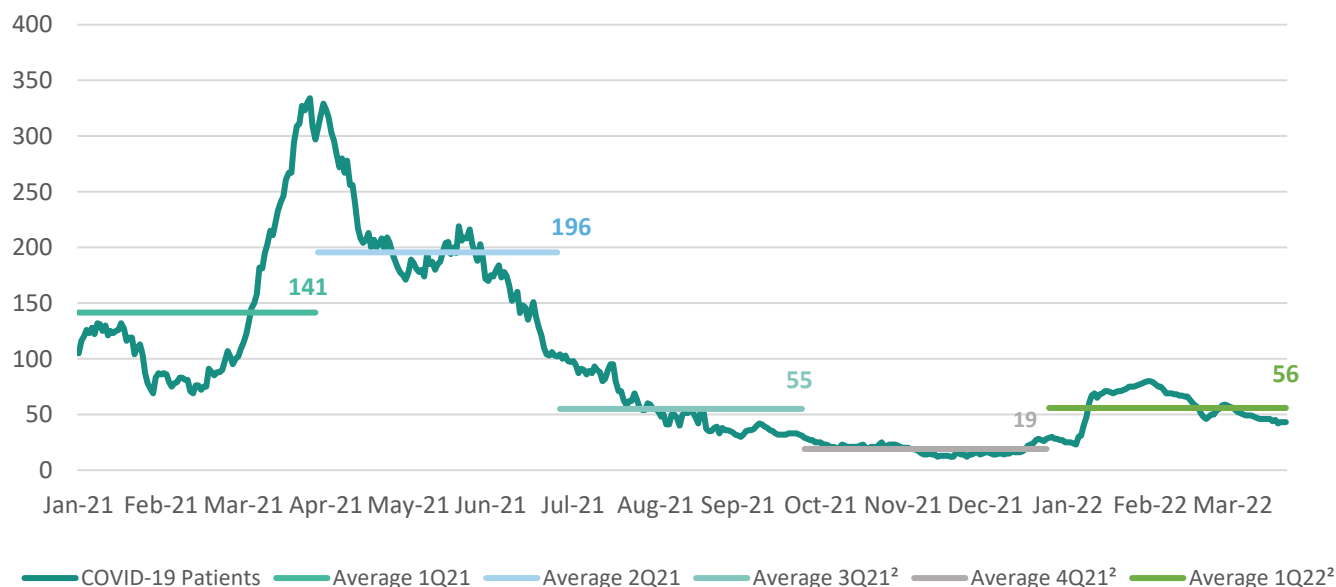
Adjusted Net Income and Net Margin (BRL Mm and % of net revenue)



Regarding COVID-19 assistance, it was seen an increase in the number of COVID-19 patients admitted to Mater Dei in the end of 2021 and January 2022, result from the fast spread of the Omicron strain in combination with suspected H3N2 infected patients. This dynamic led to a higher flow of patients in the emergency room, but due to vaccination and other factors, these variants evolved, in general, to less severe conditions, and for this reason the conversion rate to hospitalization was lower than observed in the second quarter of 2021.

Consequently, Mater Dei had in the first quarter of 2022 an increase in the number of COVID-19 hospitalizations versus 4Q22, reaching an average of 56 patients for the units in the metro region of Belo Horizonte. This same dynamic happened for the acquired units by the Company.

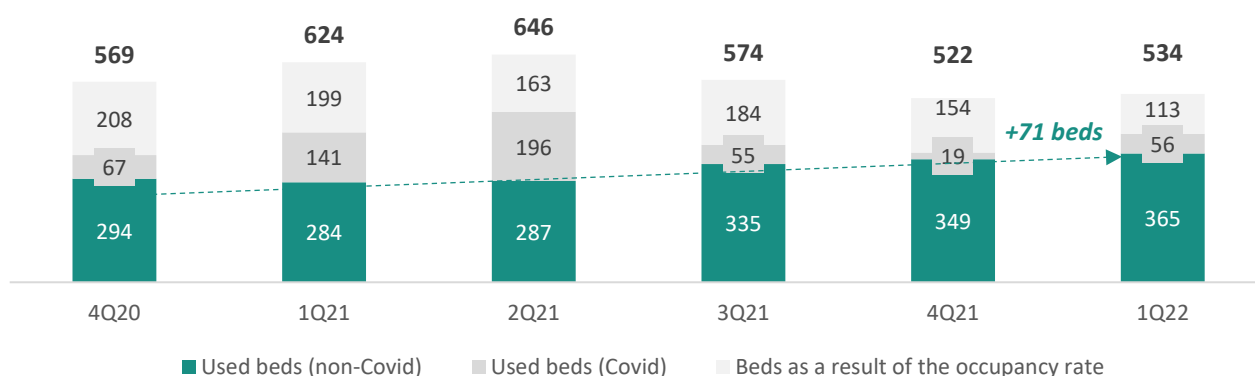
Evolution of COVID-19 patients (controlling)¹



1. Considers only the BH units (Santo Agostinho and Contorno) and the Betim-Contagem unit; 2. Values from September onwards were measured on a weekly basis

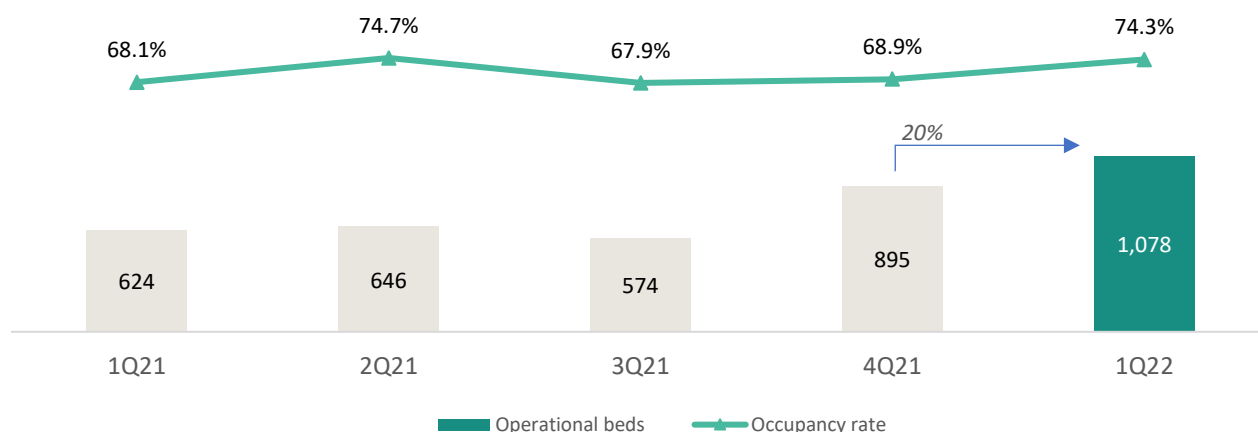
Considering the MRBH hospitals, Mater Dei had increased the number of operational beds in 1Q22, with an average of 534. Even with the increase in the number of COVID-19 patients hospitalized in Mater Dei during 1Q22, the Company had consistently increased the number of used beds (non-COVID) since the end of 2020, ending the quarter in the highest level of productivity, due to the recovery of elective patients, overcoming the seasonality of the period. It shows the Company's capacity and resilience to continue providing service to the population, regardless of the pandemic, as well as the work that has been done to increase the flow of patients in a permanent and timeless way in Mater Dei units.

Operational beds segmentation (controlling)



In the first quarter of 2022, considering the acquisitions of the period for all the three months of the quarter, the number of operational beds reached 1,078, 454 beds higher when compared to 1Q21 and 183 to 4Q21, with 74.3% of occupancy rate.

Quartely evolution of the average operational beds and occupancy rate



To calculate the average ticket, considering the used beds for the acquisitions from each closing date, the average of operational beds in 1Q22 was of 967, with 75.0% of occupancy rate.

Opportunities

1) Porto Dias maternity

The Hospital Porto Dias maternity was inaugurated in May of this year, initially with 18 rooms, being 3 LDR. In the model that was built, it is possible to expand according to demand and change the profile of other rooms into maternity.

This step represents the first synergic joint expansion after the acquisition of Hospital Porto Dias, in view of the Company's vocation in this specialty.



In the first half of the year, Bradesco Saúde accredited the Hospital Porto Dias, enabling higher flow to the hospital, strengthening the ramp-up of Porto Quality and reinforcing the historical partnership with the operator in Minas Gerais



2) New accreditation



During the first months of 2022, IPSEMG (Instituto de Previdência dos Servidores do Estado de Minas Gerais) was accredited in 2 units: (i) Mater Dei Betim-Contagem and (ii) Hospital Santa Genoveva in Uberlândia. The operator has approximately 820 thousand beneficiaries in Minas Gerais, being approximately 160 thousand in the MRBH and approximately 20 thousand in Uberlândia region. The experience in operating IASEP in the Porto Dias unit helped to shape the operation to take into consideration the specifics of this health plan model.

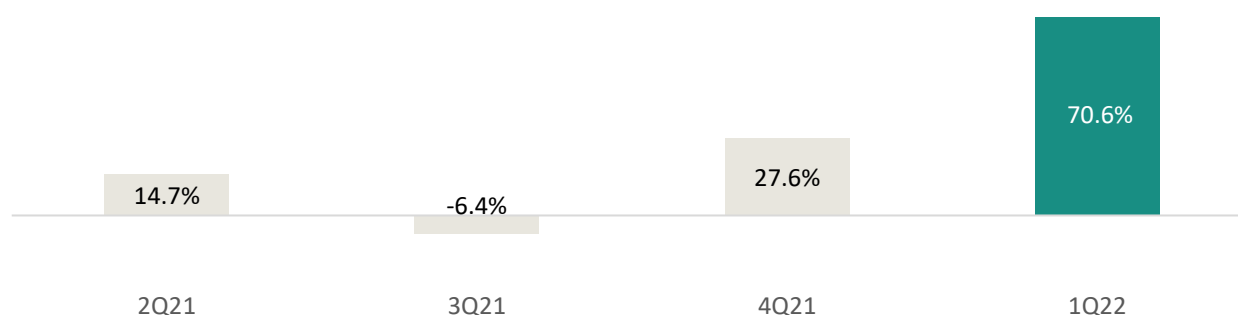
REVENUES

Gross and Net Revenue

Gross revenue is consisted mainly of health services, such as admissions, surgeries, oncology, medical appointments, laboratory tests, among others, either through healthcare operators and self-management or out-of-pocket patients.

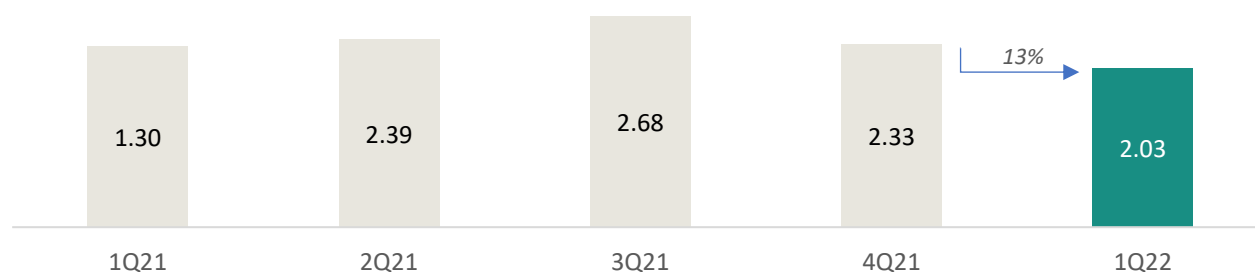
In the first quarter, the volume of patients-day hospitalized in the consolidated at Rede Mater Dei, grew 70.6% compared to 1Q21.

% change in number of patients-day versus 1Q22



The average ticket decreases due to the consolidation of the acquisitions, which have lower tickets per bed due to: (i) the mix of services and revenue, (ii) level of complexity and (iii) accreditation portfolio. The reasons presented are opportunities for the Company to work on growth strategies over time with our expertise and market knowledge. In the consolidated, the average ticket decreased 12% in 1Q22 year-on-year and 13% when compared to 4Q21, reaching R\$ 2.0 million per bed used.

Average Ticket (BRL Mm)
Gross revenue per used bed - consolidated



Considering the admissions times the average ticket, the consolidated gross revenue totaled BRL 367.9 million, a growth of 50.6% compared to 1Q21, and of 19.0% compared to 4Q21. In the quarter, the net revenue totaled BRL 342.7 million, an increase of 51.1% year-on-year and 18.9% from 4Q21.

<i>Consolidated (BRL million)</i>	1Q22	1Q21*	Δ 1Q22	4Q21	Δ 1Q22
Healthcare operators	343.0	222.2	54.4%	286.6	19.7%
Out-of-pocket patients	19.2	17.7	8.3%	17.5	9.9%
Other revenues	5.7	4.4	28.5%	5.0	12.4%
Gross revenue	367.9	244.3	50.6%	309.1	19.0%
Taxes and Deductions	(25.1)	(17.5)	43.2%	(20.8)	20.5%
Net Revenue	342.7	226.8	51.1%	288.2	18.9%

*The Company did not present consolidated

The net medical disallowances, a result from the review of invoices along with the healthcare operators, totaled BRL 20.6 million in the quarter, representing 5.7% of the total healthcare operators, an increase of 1.3pp compared year-on-year.

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 1T22, in the annual comparison, cost's relevance increased 4.2pp, representing 65.0% of net revenue. In comparison to 4Q21 costs increased 4.1pp, which is mainly explained by the relevance of personnel and medical services in relation to net revenue. Excluding the costs related to the Salvador unit, the relevance of the net revenue reached 64.4%.

The personnel and materials and medicines items are priority tasks of the integration teams, already underway, which seek to maximize cross-synergy captures.

The provision of medical services increased 200.0% compared to 1Q21 and 38.0% compared to 4Q21 due to the difference in the partnership model, which in the cases of Porto Dias, Santa Genoveva and Premium great part of the physician's income goes through the results, differently from what it is practiced by the Company in MRBH.

Consolidated (BRL million)	1Q22	1Q21*	Δ 1Q22	4Q21	Δ 1Q22
Medical Supplies and Drugs	(89.4)	(65.9)	35.6%	(73.2)	22.1%
% of net revenue	26.1%	29.1%	(3.0pp)	25.4%	0.7pp
Personnel	(63.2)	(33.6)	87.8%	(45.4)	39.2%
% of net revenue	18.4%	14.8%	3.6pp	15.8%	2.7pp
Medical services	(28.4)	(9.5)	200.0%	(20.6)	38.0%
% of net revenue	8.3%	4.2%	4.1pp	7.1%	1.1pp
Maintenance and conservation	(10.4)	(8.5)	23.0%	(11.5)	-9.7%
% of net revenue	3.0%	3.7%	(0.7pp)	4.0%	(1.0pp)
Depreciation and amortization	(12.7)	(7.1)	80.0%	(10.7)	18.1%
% of net revenue	3.7%	3.1%	0.6pp	3.7%	0.0pp
Other costs	(18.9)	(13.4)	41.2%	(14.2)	32.7%
% of net revenue	5.5%	5.9%	(0.4pp)	4.9%	0.6pp
Costs of services provided	(222.9)	(137.9)	61.7%	(175.7)	26.9%
% of net revenue	65.0%	60.8%	4.2pp	61.0%	4.1pp

*The Company did not present consolidated

General expenses, administrative and others

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

Adjusted net operating expenses, excluding the M&A's advisory fees, Salvador and Stock Options, reduced 1.7pp compared to 1Q21 and 2.1pp versus 4Q21, leading to an expense's dilution, reflecting the beginning of synergies incorporation with the Company growth.

<i>Consolidated (BRL million)</i>	1Q22	1Q21*	Δ 1Q22	4Q21	Δ 1Q22
Personnel	(30.1)	(20.8)	44.7%	(28.5)	5.7%
<i>% of net revenue</i>	8.8%	9.2%	(0.4pp)	9.9%	(1.1pp)
Depreciation and amortization	(3.5)	(1.8)	97.2%	(2.9)	18.6%
<i>% of net revenue</i>	1.0%	0.8%	0.2pp	1.0%	0.0
Other expenses	(18.7)	(3.2)	476.5%	(25.4)	-26.5%
<i>% of net revenue</i>	5.5%	1.4%	4.0pp	8.8%	(3.4pp)
General and Adm. Expenses	(52.2)	(25.8)	102.6%	(56.8)	(8.1%)
<i>% of net revenue</i>	15.2%	11.4%	3.9pp	19.7%	(4.5pp)
Other Operational Rev. and Exp.	(2.7)	(9.8)	(72.7%)	(10.4)	(74.3%)
<i>% of net revenue</i>	0.8%	4.3%	(3.5pp)	3.6%	(2.8pp)
Net operating expenses	(54.9)	(35.6)	54.3%	(67.2)	(18.3%)
<i>% of net revenue</i>	16.0%	15.7%	0.3pp	23.3%	(7.3pp)
Stock Options	2.9	-	-	3.0	(2.2%)
M&A advisory	2.2	-	-	16.8	(86.7%)
Salvador's pre-operating	1.7	-	-	1.1	51.8%
Adjusted net operating expenses	(48.1)	(35.6)	35.2%	(46.4)	3.7%
<i>% of net revenue</i>	14.0%	15.7%	(1.7pp)	16.1%	(2.1pp)

*The Company did not present consolidated

EBIT and EBITDA

In 1Q22, the Company's EBIT totaled BRL 64.9 million, an increase of 21.8% compared to 1Q21 and of 43.2% compared to 4Q21.

In this quarter, adjusted EBITDA by non-recurring expenses with M&A, pre-operational of Salvador and stock options reached BRL 89.9 million, with an adjusted margin of 26.2%. This represents an increase of 44.8% compared to 1Q21 and of 10.7% compared to 4Q21.

<i>Consolidated (BRL million)</i>	1Q22	1Q21*	Δ 1Q22	4Q21	Δ 1Q22
Net revenue	342.7	226.8	51.1%	288.2	18.9%
Costs of services provided	(222.9)	(137.9)	61.7%	(175.7)	26.9%
Net operating expenses	(54.9)	(35.6)	54.3%	(67.2)	-18.3%
EBIT	64.9	53.3	21.8%	45.3	43.2%
<i>% of net revenue</i>	<i>18.9%</i>	<i>23.5%</i>	<i>(4.6pp)</i>	<i>15.7%</i>	<i>3.2</i>
Depreciation and amortization	16.2	8.8	83.4%	13.6	19.1%
EBITDA	81.1	62.1	30.6%	58.9	37.6%
<i>% of net revenue</i>	<i>23.7%</i>	<i>27.4%</i>	<i>(3.7pp)</i>	<i>20.4%</i>	<i>3.2</i>
Stock Options	2.9	-	-	3.0	(2.2%)
M&A advisory	2.2	-	-	16.8	(86.7%)
Salvador's pre-operating	3.8	-	-	2.6	44.6%
Adjusted EBITDA	89.9	62.1	44.8%	81.2	10.7%
<i>% of net revenue</i>	<i>26.2%</i>	<i>27.4%</i>	<i>(1.1pp)</i>	<i>28.2%</i>	<i>(1.9pp)</i>

*The Company did not present consolidated

NET FINANCIAL RESULT

Financial income totaled BRL 30.5 million, an increase of 565.7% compared to the same period of the previous year and 13.1% compared to 4Q21. This growth was due to cash position and yields, following higher interest rate (SELIC).

Financial expenses reached BRL 49.8 million, an increase of 172.6% compared to 1Q21 and 34.0% against 4Q21. This increase was mainly due to higher debt (1st debentures' issuance and BNB debt) that impact the interest on loans and financing item. The difference in the lease interest item is due to the lease interest referring to the rental of the Porto Dias Group's in its integrity.

As a result, from the above, the net financial result reached a negative BRL 19.3 million against a negative BRL 13.7 million in 1Q21 and a negative BRL 10.2 million in 4Q21.

<i>Consolidated (BRL million)</i>	1Q22	1Q21*	Δ 1Q22	4Q21	Δ 1Q22
Financial Revenue	30.5	4.6	565.7%	26.9	13.1%
Financial Expense	(49.8)	(18.3)	172.6%	(37.2)	34.0%
<i>Interest on loans and financing</i>	(32.8)	(5.0)	555.2%	(21.5)	52.9%
<i>Lease interest</i>	(15.1)	(9.8)	54.4%	(13.0)	16.4%
<i>Others</i>	(1.8)	(3.4)	(47.0%)	(2.7)	(32.1%)
Net Financial Result	(19.3)	(13.7)	41.2%	(10.2)	88.9%

*The Company did not present consolidated

NET INCOME

In this quarter, adjusted net income totaled BRL 36.8 million, an increase of 39.2% compared to the same period of the previous year and of 3.8% compared to the 4Q21. The adjusted net margin reached 10.7% this quarter, representing a decrease of 0.9pp in the annual comparison and of 2.5pp in the quarterly comparison. Of the BRL 14.6 million recorded in the Income tax and Social Contribution item in 1Q22, BRL 18.7 million refer to the provision for deferred income tax liabilities in the Controlling Company. Since it is a provision, there is no cash impact, and disregarding this effect the net margin for the quarter was 16.2%.

<i>Consolidated (BRL million)</i>	1Q22	1Q21*	Δ 1Q22	4Q21	Δ 1Q22
EBIT	64.9	53.3	21.8%	45.3	43.2%
Net financial result	(19.3)	(13.7)	41.2%	(10.2)	88.9%
EBT	45.6	39.6	15.1%	35.1	29.9%
Income tax and Social Contribution	(14.6)	(13.1)	11.2%	(11.5)	26.5%
Net Income	31.0	26.5	17.0%	23.5	31.6%
<i>% of net revenue</i>	<i>9.0%</i>	<i>11.7%</i>	<i>(2.6pp)</i>	<i>8.2%</i>	<i>0.9pp</i>
Stock Options	1.9	-	-	1.9	(2.2%)
M&A advisory	1.5	-	-	11.1	(86.7%)
Salvador's pre-operating	2.5	-	-	1.7	44.6%
Adjusted Net Income	36.8	26.5	39.2%	38.3	(3.8%)
<i>% of net revenue</i>	<i>10.7%</i>	<i>11.7%</i>	<i>(0.9pp)</i>	<i>13.3%</i>	<i>(2.5pp)</i>

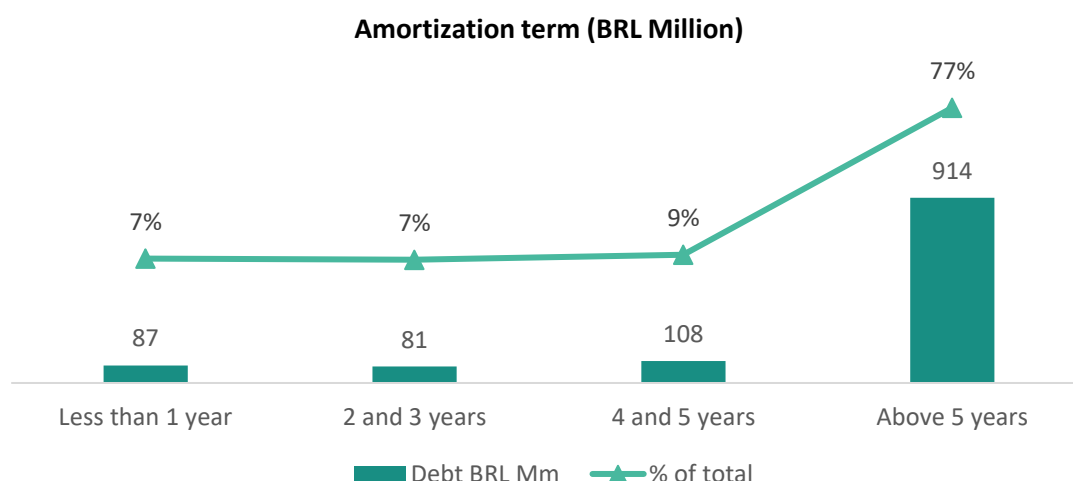
DEBT AND LEVERAGE

In the quarter, the Company (i) disbursed BRL 237 million for the acquisition of Santa Genoveva Complex; and (ii) BRL 91 million, regarding the first installment, for the acquisition of the Premium Hospital.

Cash, cash equivalents and the financial investments reached BRL 858.8 million in 1Q22, an increase of 276.7% year-on-year and a decrease of 32.8% compared to 4Q21. In this quarter the leverage (net debt / EBITDA LTM) reached 1.1x.

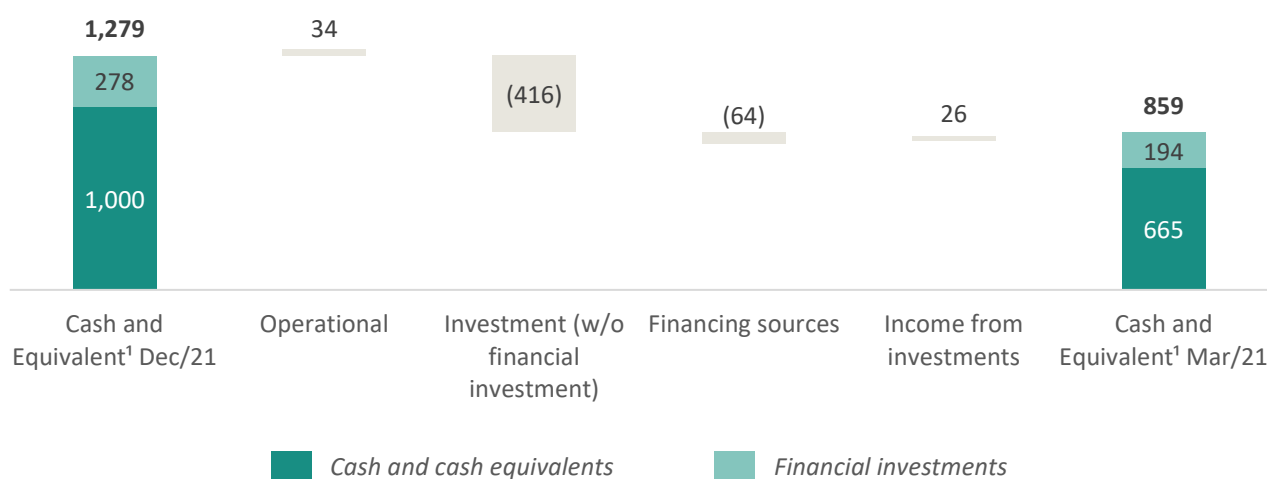
Consolidated (BRL million)	1Q22	1Q21	Δ 1Q22	4Q21	Δ 1Q22
Short-term debt	86.7	64.9	33.7%	64.0	35.4%
Long-term debt	1,102.4	165.5	566.2%	1,047.3	5.3%
Total debt	1,189.1	230.4	416.2%	1,111.3	7.0%
Cash and equivalents and financial investments	858.8	228.0	276.7%	1,278.6	(32.8%)
Net Debt	330.3	2.4	13,768.1%	(167.3)	(297.5%)
<i>Net debt/EBITDA (LTM)</i>	<i>1.1x</i>	<i>0.0x</i>	<i>1.1x</i>	<i>-0.5x</i>	<i>1.6</i>

Mater Dei's weighted average amortization term is 6.4 years, with 77% of the total amortization above 5 years.



CASH FLOW

For the Company's cash, cash equivalents and financial investments ended 1Q22 at BRL 859 million, a decrease of 33% when compared to the cash at the end of the previous year. This change was composed by (i) BRL 34 million added due to cash generated from operating activities; (ii) disbursement of BRL 416 million used in investment activities, result, mainly, from the payment of acquisitions in the period; (iii) disbursement of BRL 64 million from cash in financing activities for the payment of loans and financing; (iv) BRL 26 million from financial income, net of redemptions.



¹ Controlling cash and cash equivalents and financial investments

APPENDIX

P&L

<i>Consolidated (BRL thousand)</i>	1Q22	1Q21	4Q21
Gross revenue	367,856	244,307	309,069
Healthcare Operator	342,991	222,167	286,560
Out-of-pocket patients	19,211	17,741	17,477
Other revenue	5,654	4,399	5,032
Taxes and Deductions	(25,129)	(17,547)	(20,848)
Net revenue	342,727	226,760	288,221
Costs of services provided	(222,931)	(137,895)	(175,682)
Medical Supplies and drugs	(89,377)	(65,905)	(73,195)
Personnel	(63,168)	(33,644)	(45,396)
Medical services	(28,406)	(9,468)	(20,590)
Maintenance and conservation	(10,422)	(8,470)	(11,540)
Depreciation and amortization	(12,699)	(7,054)	(10,748)
Other costs	(18,859)	(13,354)	(14,213)
Gross profit	119,796	88,865	112,539
General and administrative expenses	(52,234)	(25,780)	(56,809)
Personnel	(30,061)	(20,773)	(28,453)
Depreciation and amortization	(3,477)	(1,764)	(2,932)
Other expenses	(18,696)	(3,243)	(25,424)
Equity pickup	61	-	83
Other operating income (expenses)	(2,736)	(9,815)	(10,504)
Earnings before financial income and expenses	64,887	53,270	45,309
Financial revenue	30,477	4,578	26,944
Financial expenses	(49,809)	(18,271)	(37,178)
Net financial result	(19,332)	(13,693)	(10,234)
Earnings before income tax and social contribution	45,555	39,577	35,075
Income Tax and Social Contribution	(14,594)	(13,123)	(11,541)
Net income	30,961	26,454	23,534
Stock Options	1,905	-	1,947
M&A advisory	1,469	-	11,080
Salvador's pre-operating	2,478	-	1,713
Adjusted net income	36,813	26,454	38,274
Net income attributed to controlling partners	26,585	26,454	21,607
Net income attributed to noncontrolling partners	4,376	-	1,927

<i>Consolidated (BRL thousand)</i>	1Q22	1Q21	4Q21
EBIT	64,887	53,270	45,309
Depreciation and amortization	16,176	8,818	13,587
EBITDA	81,063	62,088	58,896
Stock Options	2,886	-	2,950
M&A advisory	2,226	-	16,788
Salvador's pre-operating	3,755	-	2,596
Adjusted EBITDA	89,930	62,088	81,230

Balance Sheet

Consolidated (BRL thousand)	03/31/2022	12/31/2021
Asset		
Current		
Cash and Cash Equivalents	665,115	1,000,200
Financial Investments	193,682	278,367
Accounts receivable	451,062	391,222
Inventories	43,334	35,339
Derivatives	258	979
Construction Reimbursement	32,500	32,500
Construction assets to be deployed	15,827	-
Other current assets	21,981	11,104
Total current assets	1,423,759	1,749,711
Non-current		
Construction Reimbursement	240,822	134,900
Construction assets to be deployed	-	76,980
Judicial deposits	40,930	36,649
Deferred taxes	85,318	76,171
Investments	40,950	40,144
Right of use	584,361	548,519
Fixed Assets	424,369	249,977
Intangible assets	1,645,423	1,177,727
Total non-current assets	3,062,173	2,341,067
Total assets	4,485,932	4,090,778
Liabilities		
Current		
Suppliers	112,772	89,206
Loans and financing	86,698	64,047
Leasing	67,503	64,100
Salaries & social security contribution	51,283	37,204
Taxes and contributions payable	14,064	8,820
Installment payment of taxes	5,740	5,680
Accounts payable of company acquisition	39,109	13,860
Dividends payable	55,077	55,266
Other current liabilities	15,530	8,300
Total current liabilities	447,776	346,483
Non-current		
Loans and financing	1,102,437	1,047,261
Leasing	552,211	515,208
Redemption liability	287,647	279,962
Installment payment of taxes	12,888	12,884
Accounts payable of company acquisition	158,416	2,000
Provision for contingencies	200,863	192,471
Other non-current liabilities	12,526	11,344
Total non-current liabilities	2,326,988	2,061,130
Shareholders' equity		
Capital	1,301,019	1,301,019
Capital reserves	381,830	378,944
Other comprehensive income	(291,524)	(279,962)
Income reserves	239,725	239,725
Accumulated profits	26,585	-
Total equity attributable to the Company's shareholder	1,657,635	1,639,726
Share of noncontrolling shareholders	53,533	43,439
Total Shareholders' equity	1,711,168	1,683,165
Total liabilities and equity	4,485,932	4,090,778

Cash Flow

<i>Consolidated (BRL thousand)</i>	3M22	3M21
<u>Cash flow from operating activities</u>		
Net profit for the period	30,961	26,454
Adjustments to reconcile net income to cash from operations		
Depreciation and amortization	16,176	8,818
Write-off of fixed and intangible assets	208	731
Establishment (reversal) of allowance for doubtful accounts	1,666	8,219
Establishment (reversal) of provision for disallowances	12,693	4,770
Establishment (reversal) of provision for contingencies	3,946	(19)
Share-Based Payment provision	2,886	-
Equity pickup gains	(61)	-
Derivative gains	310	(1,043)
Income from financial investments	(25,672)	(2,202)
Net financial expenses	48,379	17,813
Provision for income tax and social contribution - current & deferred	6,387	13,123
	97,879	76,664
Variations in Operating Assets and Liabilities		
Accounts Receivable	(44,018)	(26,296)
Inventories	(4,912)	(7,748)
Other assets	(7,317)	(3,880)
Judicial deposits	(3,916)	(699)
Suppliers	6,098	8,812
Salaries and social security contributions	7,815	4,466
Taxes and contributions payable	10,426	1,359
Tax installments	(1,967)	(1,887)
Other liabilities	(1,621)	(54)
	(39,412)	(25,927)
Income tax and social contributions paid	(7,082)	(35,070)
Interest paid	(17,418)	(3,307)
Net cash generated by operating activities	33,967	12,360
<u>Cash Flow of Investment activities</u>		
Acquisition of fixed assets	(91,569)	(10,359)
Acquisition of intangible assets	(4,585)	(645)
Developments with construction to be deployed	(52,893)	(27,386)
Controlled consolidation of initial cash	2,916	-
Investment acquisition	(269,653)	-
Financial investments made, net redemptions	110,357	517
Net cash used in investment activities	(305,427)	(37,873)
<u>Cash flow from financing activities</u>		
Loans and financing	43,000	-
Payments of loans and financing	(101,080)	(14,661)
Lease payments	(5,956)	(2,293)
Derivative settlement	411	1,705
Dividends paid	-	(3,765)
Net cash generated (used) in financing activities	(63,625)	(19,014)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(335,085)	(44,527)
Cash and cash equivalents at the beginning of the period	1,000,200	121,207
Cash and cash equivalents at the end of the period	665,115	76,680
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(335,085)	(44,527)

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 indebtedness, net of cash, cash equivalents and short-term investments. The term “net debt” is a Company parameter 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 rules of IFRS 16. 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 the real estate rental contracts of our operational and administrative units
- **EBITDA:** Earnings before Interest, Taxes, Depreciation and Amortization
- **EBITDA Margin:** EBITDA divided by net revenue
- **EBIT:** Earnings before Interest and Taxes
- **EBIT Margin:** EBIT divided by net revenue
- **SELIC:** is the Brazilian economy's basic interest rate.
- **Occupancy rate:** 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

In accordance with CVM Instruction 381/2003, we inform that our policy for hiring independent auditors considers the best governance principles, which reserve the auditor's independence, in accordance with internationally accepted criteria.

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