

EARNINGS RELEASE

2Q22

NEW HOSPITAL – BRASÍLIA ASA SUL
Inaugured in April 2022



NEW EMERGENCY UNIT – RIO DE JANEIRO CENTRO
Inaugured in July 2022

Earnings Call Presentation

August 12, 2022 (Friday)

Portuguese (with simultaneous translation into English)

10 am (EDT – NY) | 11 am (BRT)

ri.hapvida.com.br/en

Message from Management

The second quarter of 2022 was marked by the improvement of all our operational and financial indicators. With the reduction in the incidence and severity of cases resulting from the Covid-19 omicron variant, we began to see a return to normality in our operations, notably in hospital admissions. On the other hand, the scenario for the world worsened, with lower growth and high inflation forecasts for the global economy, whose effects overshadowed those of the pandemic, from which countries had been recovering. Fortunately, the Brazilian supplementary health sector continues to stand out, with consistent growth. The number of beneficiaries within the private health sector hit around 50 million people in the country, a demonstration of the sector's resilience, especially of operators inserted in a business model like ours, which has already proved to be a winner. This, together with the improvement in the competitive environment and the strength of the Hapvida and NotreDame Intermédica (NDI) brands, united since February, led us to present strong organic client growth, adding in a single quarter 139 thousand health beneficiaries and 250 thousand clients in dental plans. Our consolidated net revenues in 2Q22 reached R\$6.1 billion.

Our main operating indicator, the consolidated cash MCR (medical care ratio), was 72.3% in the quarter, a significant reduction when compared to the same period last year and also to the first quarter of this year, even though second quarters typically carries higher MCRs, impacted by the seasonal viral periods. The consolidated cash MCR, when excluding Covid-19-related costs, the medical expenses of the newly acquired companies still operating at higher levels and the impact of the negative price readjustments of the individual plans, would have been 68.4% in 2Q22, close to the combined history of the two companies for similar periods. We remained efficient in managing selling expenses with a 7.5% ratio and administrative expenses at a 9.6% ratio in the quarter. As a result, our adjusted EBITDA reached R\$582.3 million, an increase of 86.6% compared to the same period last year and 40.7% versus 1Q22.

Despite the operationally challenging scenario presented throughout the quarter, the Company continued executing its medium and long-term agenda, working on the integrations of the recently acquired companies and on the continuous expansion and improvement of our own network to allow the verticalization of our operations. In 2Q22 alone, we opened 2 hospitals, 2 autonomous emergency rooms, 4 clinical centers, 3 Notrelife 50+ units and 1 clinical analysis unit. Together, Hapvida and NDI currently have an unrivaled healthcare structure with a proprietary network comprised of 756 care units spread across the country.

We also advanced rapidly in the integration agenda associated with the business combination between Hapvida and NDI. We have completed six months since the conclusion of the business combination, with several accomplishments in this period and with hundreds of initiatives and action plans already mapped for the dissemination of best practices and for capturing the synergies. Some examples of initiatives that are already underway include:

REVENUE INITIATIVES:

- **National Solution:** The sales process was implemented for brokers with quotes starting from 3,000 lives, with a technical solution that allows for a nationwide quotation system. This new process contributed to the increase of 40 thousand lives by the end of 2Q22 and another 24 thousand lives to be implemented in the coming months. Brokers also started to use a single portal for quotations.
- **Individual/Family Plans:** we started selling products aimed at individuals (individual and family plans) in different age groups, in regions where these plans were not sold by NDI, with a performance of 23 thousand lives in the quarter.
- **Dental:** For dental products, the teams are working on optimizing the provider network. We are also already capturing opportunities for cross selling dental plans using the database of the individual plans, with an existing call center structure.

Message from Management

COSTS AND EXPENSES IMPROVEMENT INITIATIVES:

- **Supplies and Accreditation:** The Procurement area has evaluated and carried out renegotiations of supply contracts and continues to negotiate to seek the best commercial conditions with our supplier partners. This process is also being carried out by the accreditation teams, where they seek the best conditions in the accredited network.
- **Network Sharing:** The 87 hospitals that make up the Hapvida/NDI network are already prepared to provide urgent and emergency care to the nearly 9 million beneficiaries of the combined health portfolio.
- **Counterparts:** We made progress in the process of internalizing contracts currently with third-party healthcare operators counterparts, which aims to transfer those lives to Hapvida/NDI.
- **Diagnostics:** Synergies of raw materials/reagents were initiated along with negotiations with third-party support laboratories.
- **Integration:** Vice-presidencies are now under a single management, enabling speedy decision-making, consolidation of the unification strategy and the constant search for best practices.

We believe that we are on the right path, executing our business model to fulfill our commitments for both 2022 and, especially, the long term. Confident in the prospects for our business, we appreciate the contribution of our employees, doctors, medical professionals, dentists, brokers, suppliers and the trust of the Board of Directors, shareholders and, above all, our customers.

Jorge Pinheiro
Co-CEO

Irlau Machado
Co-CEO

Summary

1. INTEGRATION AND REPORTING CRITERIA

With the completion of the business combination with Notre Dame Intermédica Participações S.A. (NDI) on February 11, 2022, NDI was consolidated in the month of February and became part of the consolidated interim financial statements of Hapvida Participações e Investimentos S.A. in that same month.

Therefore, Hapvida's consolidated interim financial statements ended June 30, 2022, include the three months of NDI's operations in that quarter. The comparative period considers only the accounting data disclosed at the time.

Aiming at the best disclosure practices, we will present in this release some segregated operating and financial data. Thus, the results will be presented as: Hapvida (Hapvida ex-NDI), NDI and Consolidated.

2. HIGHLIGHTS

	Hapvida			NDI	Consolidated		
FINANCIAL HIGHLIGHTS (R\$ million)	2Q22	2Q21	Var. %	2Q22	2Q22	2Q21	Var. %
Net Revenues	2,560.3	2,402.4	6.6%	3,523.4	6,083.6	2,402.4	153.2%
Medical Costs – Cash	1,677.0	1,599.5	4.8%	2,723.8	4,400.7	1,599.5	175.1%
Total Medical Costs	1,759.1	1,698.8	3.6%	2,822.7	4,581.8	1,698.8	169.7%
Commercial Expenses	202.5	193.5	4.6%	252.1	454.5	193.5	134.9%
Administrative Expenses ¹	279.9	236.9	18.2%	304.3	584.3	236.9	146.7%
EBITDA	359.7	291.7	23.3%	77.9	437.5	291.7	50.0%
Adjusted EBITDA ²	371.5	312.0	19.1%	210.9	582.3	312.0	86.6%
Net Income					(312.3)	104.6	-398.6%
Adjusted Net Income ³					241.0	273.4	-11.9%
	Hapvida			NDI	Consolidated		
CONSOLIDATED RATIOS (% ROL)	2Q22	2Q21	Var. %	2Q22	2Q22	2Q21	Var. %
Cash MCR (Ex-IBNR; Ex-SUS; Ex-D&A)	65.5%	66.6%	-1.1 p.p.	77.3%	72.3%	66.6%	5.8 p.p.
Total MCR	68.7%	70.7%	-2.0 p.p.	80.1%	75.3%	70.7%	4.6 p.p.
Commercial Expenses	7.9%	8.1%	-0.2 p.p.	7.2%	7.5%	8.1%	-0.6 p.p.
Administrative Expenses ¹	10.9%	9.9%	1.0 p.p.	8.6%	9.6%	9.9%	-0.3 p.p.
EBITDA Margin	14.0%	12.1%	1.9 p.p.	2.2%	7.2%	12.1%	-5.0 p.p.
Adjusted EBITDA Margin ²	14.5%	13.0%	1.5 p.p.	6.0%	9.6%	13.0%	-3.4 p.p.
Net Income Margin					-5.1%	4.4%	-9.5 p.p.
Adjusted Net Income Margin ³					4.0%	11.4%	-7.4 p.p.
	Hapvida			NDI	Consolidated		
OPERATING HIGHLIGHTS	2Q22	2Q21	Var. %	2Q22	2Q22	2Q21	Var. %
Members Health and Dental (EOP, thousands)	7,589	7,197	5.4%	8,072	15,661	7,197	117.6%
Members Health	4,257	4,084	4.2%	4,656	8,913	4,084	118.2%
Members Dental	3,332	3,113	7.0%	3,416	6,748	3,113	116.8%
Members Health and Dental (Average, thousands)	7,513	6,927	8.5%	7,954	15,467	6,927	123.3%
Members Health	4,242	3,849	10.2%	4,601	8,843	3,849	129.7%
Members Dental	3,271	3,078	6.3%	3,354	6,624	3,078	115.2%
Proprietary service network	489	465	5.2%	267	756	465	62.6%
Hospitals	50	47	6.4%	37	87	47	85.1%
Emergency Units	48	47	2.1%	28	76	47	61.7%
Clinics	208	199	4.5%	115	323	199	62.3%
Diagnostics	183	172	6.4%	87	270	172	57.0%

The SOP amounts are accounted for and recorded at Hapvida Participações. For managerial presentation purposes, the amounts are prorated proportionally to Hapvida and NDI.

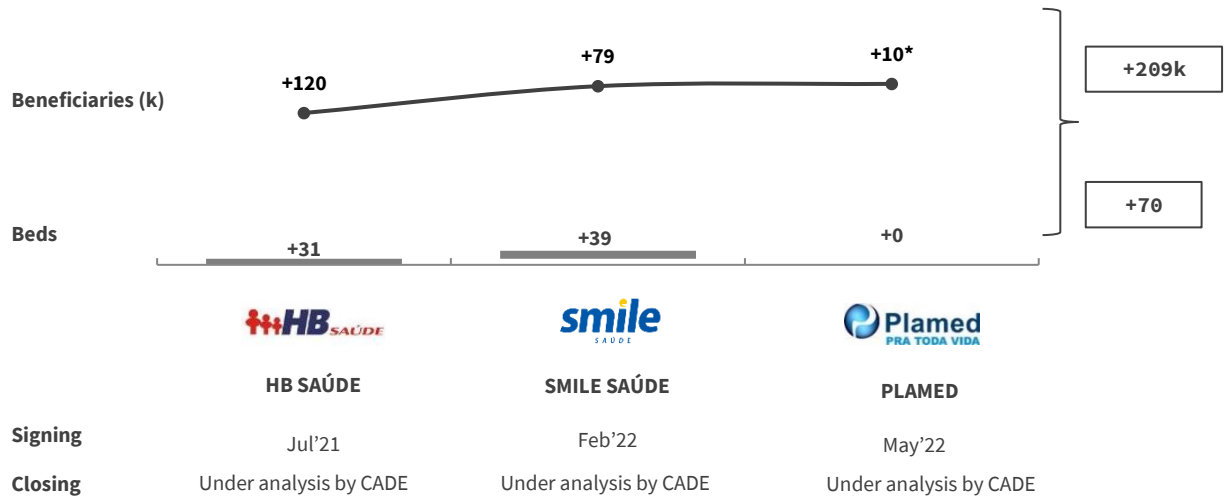
¹ Excluding depreciation and amortization, Long-Term Incentive Expenses and Share-Based Compensation (SOP);

² Excluding Long-Term Incentive and SOP expenses; and

³ Excluding the effects of ILP and SOP and amortization of Brands, Patents and Customer Portfolio.

Acquisitions and Integrations

3.1 ACQUISITIONS



* Estimate of portfolio maintenance after application of structural remedy, according to precedents at CADE.

3.2 INTEGRATIONS

During the second quarter of 2022, we maintained our focus on verticalizing the beneficiaries of the Centro Clínico Gaúcho (CCG), significantly increasing the clinical and surgical patient indicators within our own network, as well as preparing for the internalization of cardiovascular surgeries in the coming quarters.

The consolidation of the new clinical regulation and governance routine brought a ~20% reduction in patient-days compared to 1Q22 and ~45% compared to the 2021 average.

As a result, it was possible to maintain the resizing actions of the accredited network, especially in the segment of high-cost imaging exams, adjusting the capacity of the own network for a greater internalization of magnetic resonance and tomography exams, as well as the adequacy of the operational capacity in units of outpatient care from its own network.

The governance strategies of the outpatient network led to a 33% increase in medical productivity compared to 1Q22 and an expansion of the specialties available to beneficiaries.

We also started a new telemedicine operation, using the most modern structure on the market, expanding the offer of new specialties and bringing more accessibility and ease to our beneficiaries.

In July, HSCOR's vocation was consolidated in the Rio de Janeiro network, becoming the reference for hospitalization and cardiovascular reassessments for beneficiaries of the NDI branch in RJ and clients of the Baixada Fluminense. This movement also contributed to the increase in verticalization in the quarter.

With HSCOR in the region, the accredited and proprietary networks were redefined, referring to the adult urgency/emergency line, in addition to the unit's vocation for cardiovascular, including medical clinic and orthopedics.

Sustainability

4. EVOLUTION OF ESG INITIATIVES

The second quarter was marked by major initiatives on the ESG agenda:

ENVIRONMENTAL

We created the Statutory ESG Committee with the Internal Regulation (Charter) available on the IR website, in addition to the Sustainability Policy.

We published the 2021 Sustainability Report of the Hapvida vertical, which, for the first time, went through third-party verification process, bringing even more transparency.

In June, the month of the environment was celebrated with several lectures covering topics such as waste, renewable energy, healthy hospitals, environmental conservation, sustainable garden and a competition for sustainable ideas.

SOCIAL

We started training on Prevention of Harassment and Discrimination on our development platform, and we launched an interactive game about cultural diversity.

In June, we celebrated the month of diversity with several lectures on diversity and inclusion, in addition to the publication of the booklet "Homophobic expressions to exclude from your vocabulary". We also launched the Manager's Manual at *Academia Evoluir*, an interactive material that reflects on the role of leaders and trains them in the processes of the human resources area.

In order to give greater visibility to publications developed by our health professionals, the R&D and Education area implemented an institutional repository for storing scientific publications, strengthening and encouraging the scientific production of our professionals.

Also noteworthy is the Clinical Research team, which was honored and recognized for excellence in referring oncology patients to the company's clinical studies.

GOVERNANCE

The Privacy and Data Protection area has advanced in synergy initiatives, including the adoption of a unified privacy management system (OneTrust), already implemented by both verticals.

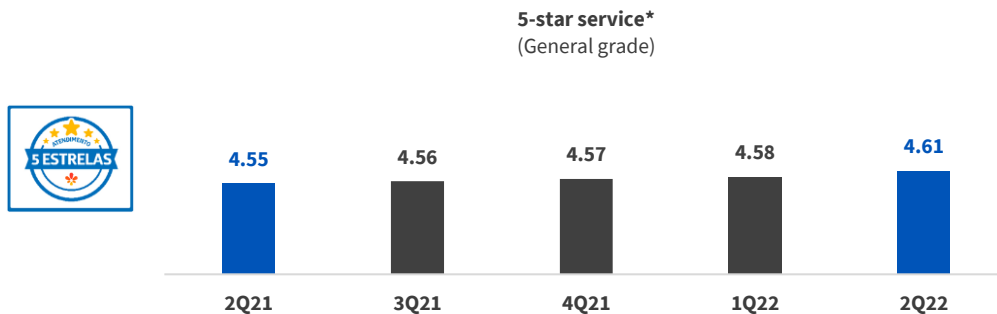
The topic of Privacy and Data Protection was included as a mandatory part of all employees onboarding, being included in seminars and training given in the business areas. Additionally, the Information Security and Data Protection Week was instituted.

Quality of Care

5. QUALITY OF CARE

5-STAR SERVICE

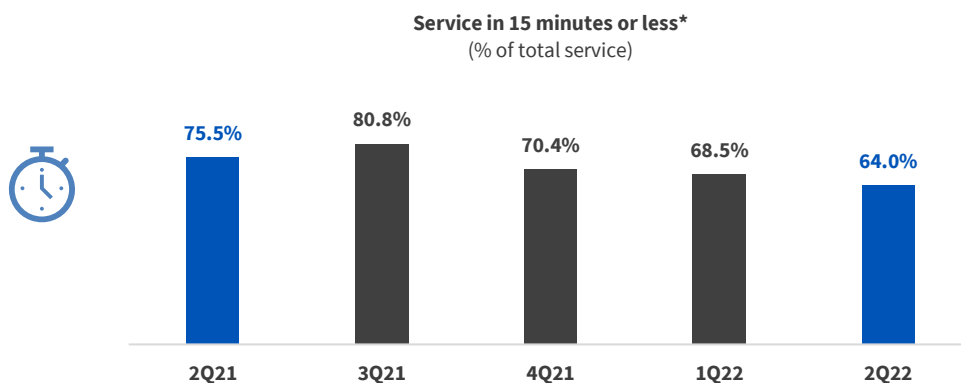
The 5-star service, implemented in 2019, is an instant satisfaction survey with ratings between 1 and 5 stars carried out by our customers after each eligible service. This program is a valuable tool for the entire Company, because with it we can see opportunities for improvement and recognize the best performance in serving our customers. Our hospitals, clinics, diagnostic units, emergency services, laboratory collection points, dentistry services, preventive medicine units, telemedicine and the wellness and well-being promotion programs (such as Nascer Bem, Viver Bem and Family Doctor) programs are evaluated. Throughout the program's existence, we have received more than 10 million evaluations. In the second quarter of 2022 alone, more than 1.1 million evaluations were received. The overall average for the month of June 2022, based on 405,000 evaluations, was 4.61, the highest rating in the Company's history.



*5 Star Service indicator refers to the operations of Hapvida and its acquired companies América, RN Saúde, São Francisco Group, São José Group and Medical.

WAITING TIME FOR URGENT/EMERGENCY CARE

Hapvida has a tech platform with a system that allows us to monitor all our units in real time 24x7. This system, along with video cameras present in all units, allows the Company's Observation and Control Center to monitor the service and waiting times in all walk-in emergency centers. If the waiting time exceeds 15 minutes, the system signals the Control Center to take immediate actions to speed up the operation. In 2Q22, 64.0% of the 2.0 million urgent and emergency service carried out in our hospitals and walk-in emergency units occurred within 15 minutes. The decrease in the percentage of services in 2Q22 was due to the virus and arbovirus outbreak that is seasonal for this time of year, but which after two years of pandemic was stronger and increased the number of urgency/emergency care.



* Until 2Q21, the indicator referred to the companies Hapvida and América. As of 3Q21, were also included: RN Saúde, São Francisco Group, São José Group and Medical.

CERTIFICATIONS

The Company is enrolled in several certification programs, being:

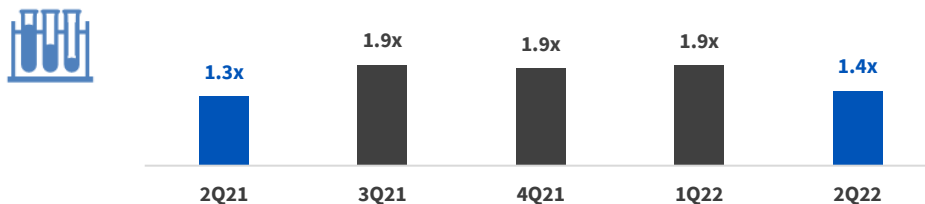
- ONA: 17 hospitals, 11 clinical centers and the Ghelfond imaging center
- Qualitotal: 11 hospitals and 1 clinical analysis technical center
- Qmentum: 1 hospital and 1 center for preventive medicine
- Joint Commission: 1 hospital

More recently, the Operational Technical Center of Notrelabs became part of the "SIEMENS HEALTHINEERS Global Reference Site", being a reference for Siemens' global customers. This partnership was possible due to the use of medical equipment in our own units with competence and good results, reinforcing our commitment to technical and assistance quality and the continuous investment in technology in our own network.

VIVER BEM

Viver Bem is a wellness program for Hapvida's beneficiaries that aims to reduce diabetes complications. We use our own algorithm to identify patients with alterations in the blood tests that indicate that they have or may have type 2 diabetes mellitus. The contact with the patient is carried out by a trained professional from our exclusive call center for the wellness programs. Available in Fortaleza, Recife, Salvador, Goiânia, Manaus and Ribeirão Preto, it comprises doctors, nursing technicians and nutritionists specialized in the treatment of people with diabetes and aims to encourage a change in the people's lifestyle. The success of the program is measured by the improvement in glycated hemoglobin of the group of patients followed when compared to the control group (patients not followed up). At the end of the 2nd quarter of 2022, around 20,000 beneficiaries were part of the program.

Improvement of glycated hemoglobin - higher than control group

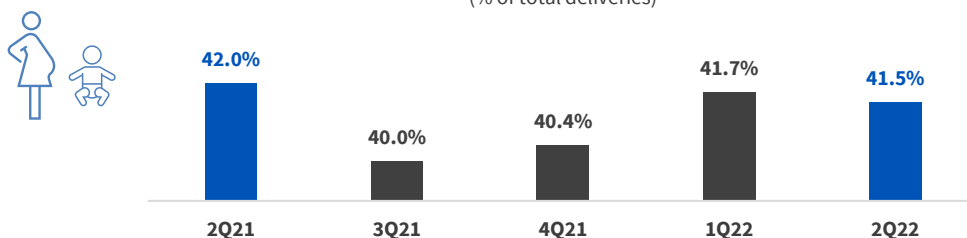


* Viver Bem indicator refers to the operations of Hapvida and its acquired companies América, RN Saúde, São Francisco, São José and Medical in the cities of Fortaleza, Salvador, Recife and Goiânia.

NAScer BEM

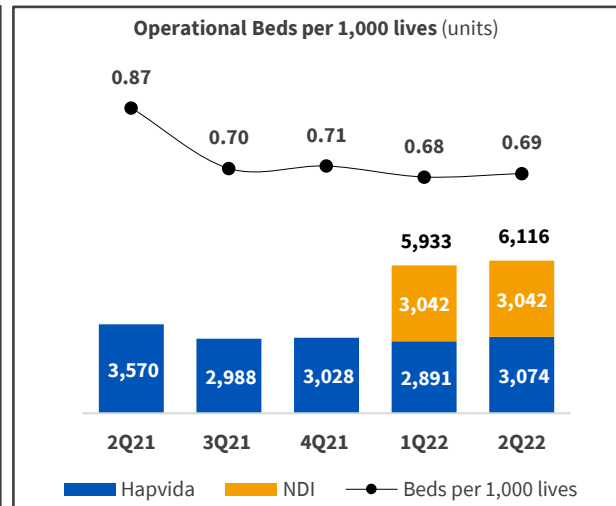
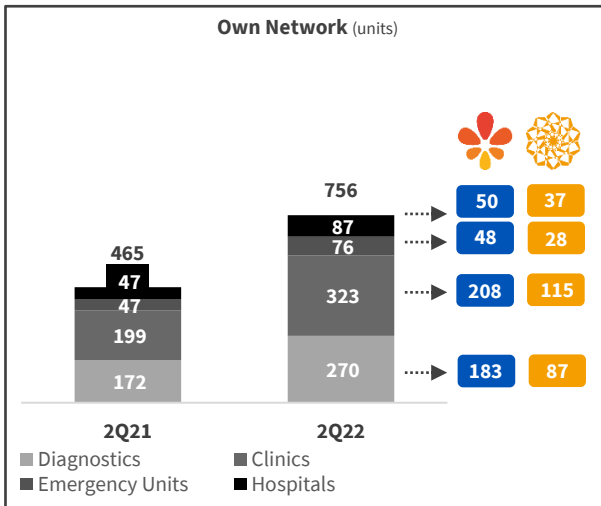
Nascer Bem is a pioneering program in the private health system that promotes the monitoring of pregnant women throughout their pregnancies, through multidisciplinary teams, all the support, security and guidance necessary for this very special moment for the whole family. Currently, the program monitors more than 17 thousand pregnant women and performs an average of 1,700 normal labor births per month in the capitals: Recife, Fortaleza, Belém, Salvador, Manaus e Goiânia of which 41,5% were natural birth (2Q22).

Evolution of Normal Birth* (% of total deliveries)



* Nascer Bem indicator refers to the operations of Hapvida and its acquired companies América, RN Saúde, São Francisco Group, São José Group and Medical in the cities specified above.

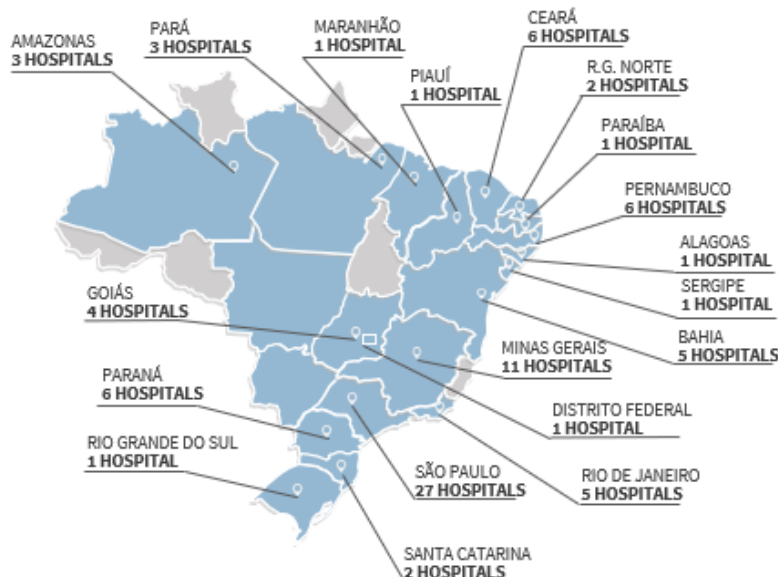
6. PROPRIETARY CARE NETWORK



During the quarter, we opened 12 new units:

- 2 hospitals: Mandacaru (PE) and Brasiense (DF)
- 2 Emergency Rooms - Autonomous Aid PA Salvalus (SP) and PA Cidade Nova (RJ)
- 4 Clinical Centers (3 clinical centers in DF and 1 in PB)
- 3 Notrelife 50+ units (SP)
- 1 Clinical Analysis Unit (DF).

Ending the period with 87 hospitals, 76 emergency care units, 323 clinics and 270 diagnostic imaging and laboratory collection units, thus totaling 756 own service points, accessible to our beneficiaries, in all five regions of the country.



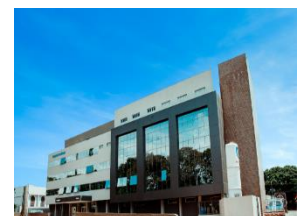
Advanced Unit - Cidade Nova



Mandacaru Hospital



Advanced Unit - Salvalus Hospital



Brasiense Hospital

Financial Results

7. BENEFICIARIES

7.1 Health

The number of beneficiaries of **Hapvida's** health plans at the end of the quarter grew **4.2%** compared to the same period last year and **0.9%** compared to **1Q22**.

Main movements **in relation to 2Q21**:

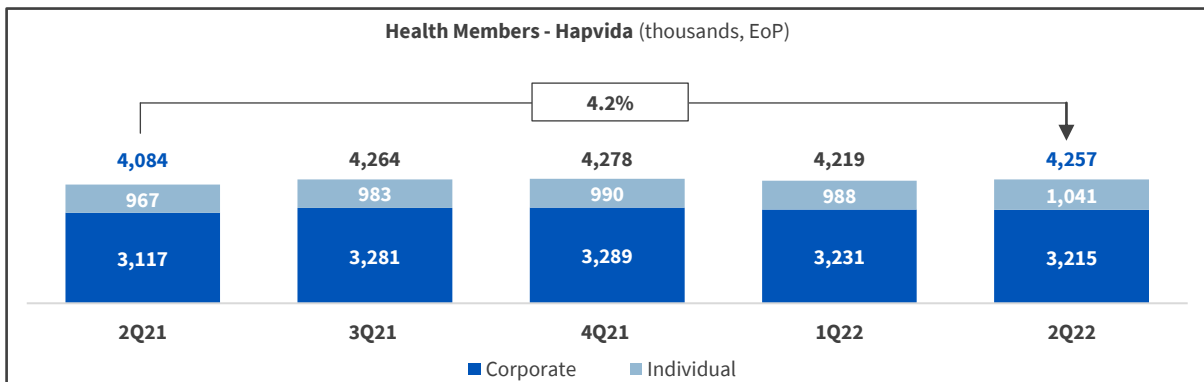
+173 thousand lives distributed as follows:

- (i) +53 thousand lives in individual plans; and
- (ii) +120 thousand lives in group plans.

Main movements **in relation to 1Q22**:

+38 thousand lives distributed as follows:

- (i) +53 thousand lives in individual plans; and
- (ii) -15 thousand lives in group plans.

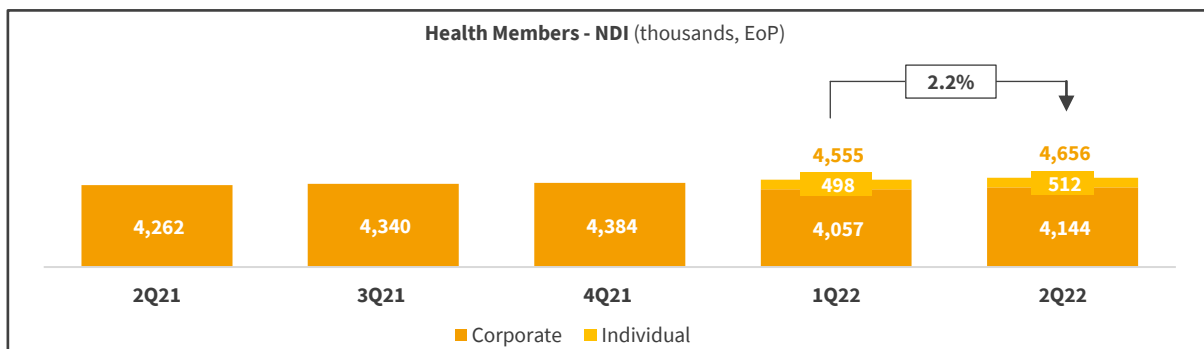


The number of **NDI's** health plan beneficiaries at the end of the quarter grew by **2.2%** compared to **1Q22**.

Main movements **in relation to 1Q22**:

+101k lives distributed as follows:

- (i) +14k lives in individual plans; and
- (ii) +87k lives in group plans.



7. BENEFICIARIES (continued)

7.1 Health - Consolidated

The number of beneficiaries of health plans consolidated at the end of the quarter grew **118.2%** compared to 2Q21, influenced by:

By acquisitions (M&A), **in relation to 2Q21:**

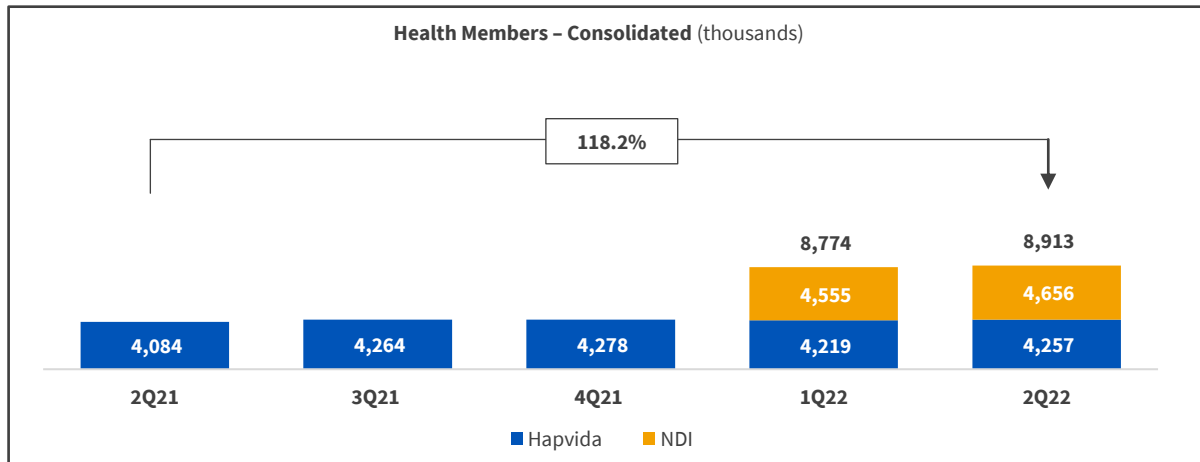
(i) **+4,656k** lives of NDI (+512k in individual plans and +4,144k in group plans)

Main movements **in relation to 1Q22:**

+139 thousand lives distributed as follows:

(i) +67 thousand lives in individual plans; and

(ii) +72 thousand lives in group plans.



As for the growth of lives in 2Q22, organic additions totaled 529 thousand lives, cancellations totaled 379 thousand lives and turnover was negative in 11 thousand beneficiaries, representing organic growth of 139 thousand lives. Three acquisitions already announced, HB Saúde, Smile Saúde and Plamed, which are still awaiting the fulfillment of conditions precedent, totaling 209 thousand lives.

Hapvida:

(i) +255k lives of gross sales;

(ii) -228k lives cancelled (145k corporate, 23k SME, 10k affinity and 50k individual), and

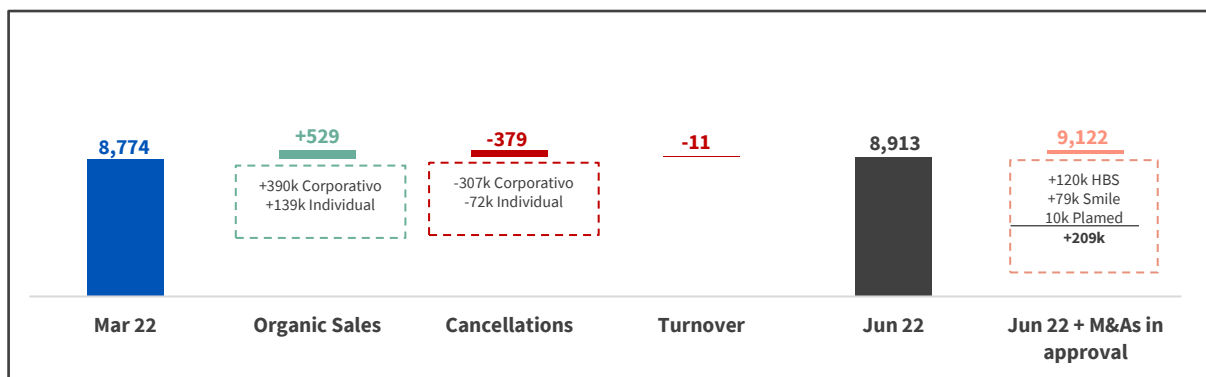
(iii) +11,2k lives of positive turnover.

NDI:

(i) +274k lives of gross sales;

(ii) -151k lives cancelled (40,4k corporate, 62,0k SME, 26,1k affinity and 22,5k individuals), and

(iii) -22,5k lives of negative turnover.



In 1Q22, the total turnover was negative in 55 thousand lives and not by 157 thousand lives as presented.

7. BENEFICIARIES (continued)

7.2 Dental – Hapvida, NDI and Consolidated

The number of beneficiaries of **Hapvida's** dental plans grew by **7.0%** in the quarter when compared to **2Q21**.

Main movements **in relation to 2Q21**:

+219 thousand lives distributed as follows:

- (i) +227 thousand lives in individual plans; and
- (ii) -8 thousand lives in group plans.

Main movements **in relation to 1Q22**:

+127 thousand lives distributed as follows:

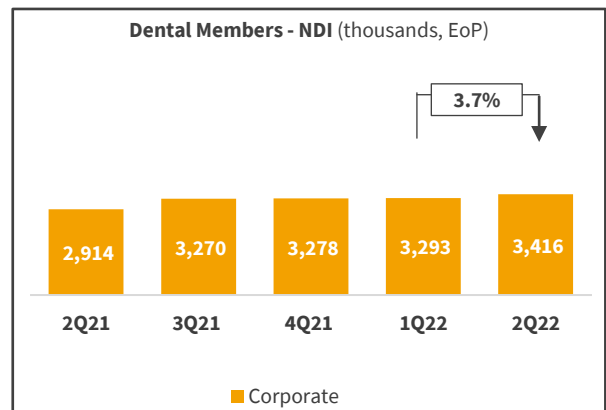
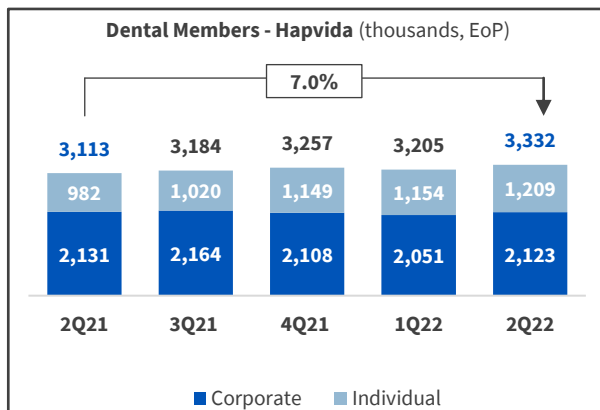
- (i) +55 thousand lives in individual plans; and
- (ii) +72 thousand lives thousand in group plans.

The number of beneficiaries of **NDI's** dental plans grew by **3.7%** in the quarter compared to **1Q22**.

Main movements **in relation to 1Q22**:

+123k lives in groups distributed as follows:

- (i) +229,5k lives of gross sales;
- (ii) -96,6k lives cancelled;
- (iii) -9,9k lives of negative turnover.



Consolidated

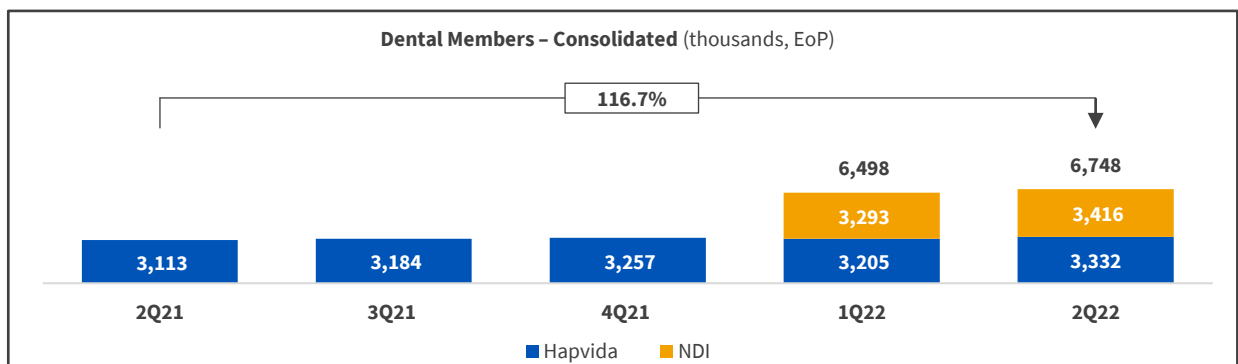
The number of beneficiaries of dental plans grew by **116.7%** in the quarter compared to **2Q21**.

By mergers/acquisitions (M&A):

- (i) **+3,416** thousand lives from NDI.

Main movements:

- (i) **+219** thousand beneficiaries (+226 thousand in individual plans and -7 thousand in group plans).

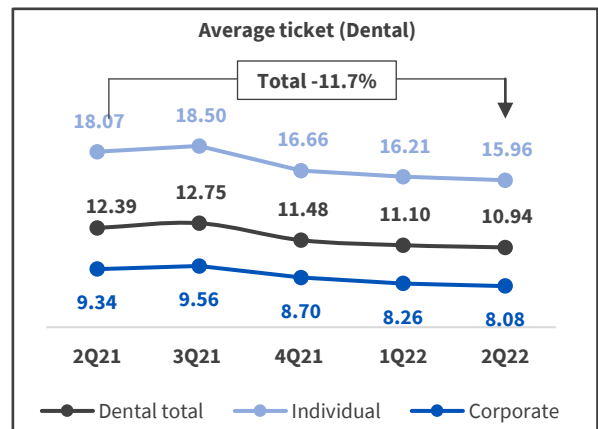
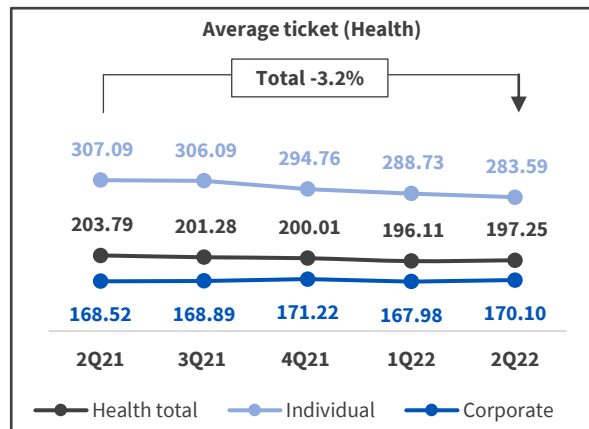


8. AVERAGE TICKET

8.1 – Average Ticket - Hapvida

Hapvida's consolidated average ticket in healthcare showed a drop of 3.2% in comparison with 2Q21. The individual ticket was impacted by the negative adjustment of 8.19% for individual plans announced by ANS in 2021, effective from May 2021 through April 2022. In addition to this, there was an 8 p.p. increase in individual plans with copayments between 2Q21 and 2Q22. The average corporate ticket grew only 0.9% in comparison with 2Q21, with growth impacted by the 4.8% decrease (2Q22 vs 2Q21) in the Promed group tickets due to the repricing movement in accordance with contract anniversaries as well as the beginning of sales of the Company's own network products in the region. Additionally, tickets were impacted by post-paid plans (lives and revenues that in the comparative periods were not considered for calculating the average ticket) that present lower tickets, reducing the quarter's average ticket by R\$2.77. Excluding both effects, the average ticket would have increased 4.2% (from R\$169.47, already excluding the Promed effect in 2Q21, to R\$176.54 in 2Q22). There was also a 6 p.p. increase in the volume of beneficiaries in group plans with copayments in the period between 2Q21 and 2Q22. Furthermore, we continue to identify a change in the profile of our corporate portfolio with a reduction in the participation of SME plans, from 13.6% in 2Q21 to 12.0% in 2Q22 (Hapvida vertical).

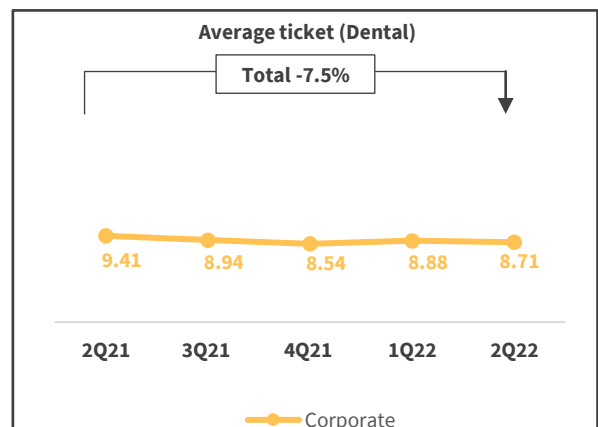
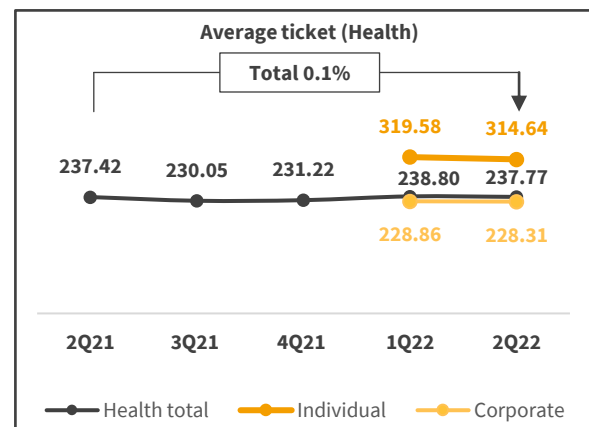
The average ticket in the dental segment fell by -11.7% in comparison with the same period of the previous year due to an increase in the sale of the "Urgent Dental" product.



As of 4Q21, due to a review of concepts carried out internally, Hapvida started to consider lives with double coverage in the average dental ticket. If we had applied this same methodology for 2Q21, the average total dental ticket would have decreased by 6.8%.

8.2 – Average ticket - NDI

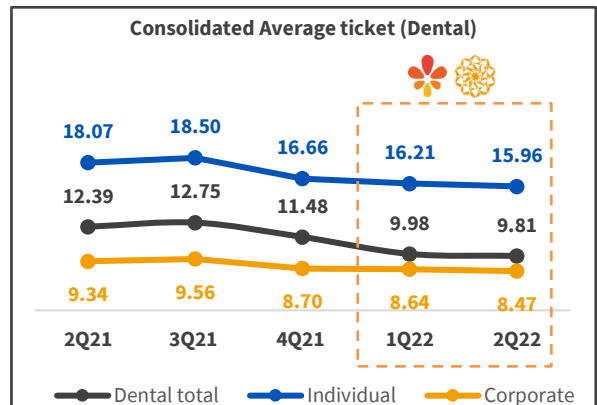
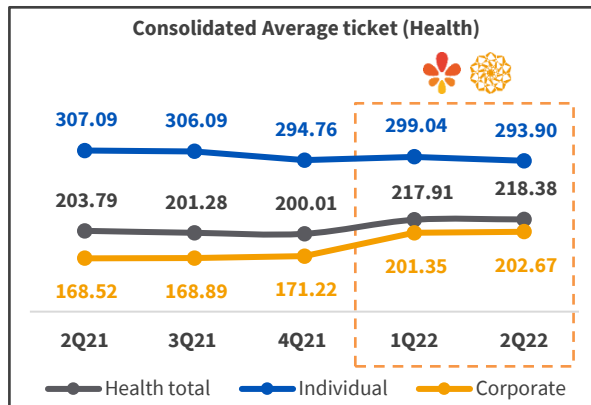
NDI's consolidated average ticket in health increased 0.1%, reflecting (i) -0.5% resulting from the negative 8.19% readjustment of the individual plans announced by ANS in 2021, effective from May 2021 through April 2022; (ii) the organic average price increase of 1.8%, impacted by the product mix with more basic products; and (ii) the impact of the normally lower average ticket from acquisitions made in the last twelve months. The average monthly ticket for dental plans decreased 7.5%, reflecting the cross-selling strategy with health plans.



*The average NDI tickets between 1Q21 and 4Q21 were recalculated to reflect the result of dividing gross revenue by the number of lives, the same methodology as Hapvida.

8. AVERAGE TICKET (continued)

8.3 – Average ticket - Consolidated



9. NET REVENUES

Net revenues in 2Q22 grew by 153.2% when compared to 2Q21, impacted by the consolidation of NDI revenues. Individually, revenues grew despite the impact of the negative readjustment of individual plans, estimated at R\$52.1 million for Hapvida and R\$27.0 million for NDI. Main highlights:

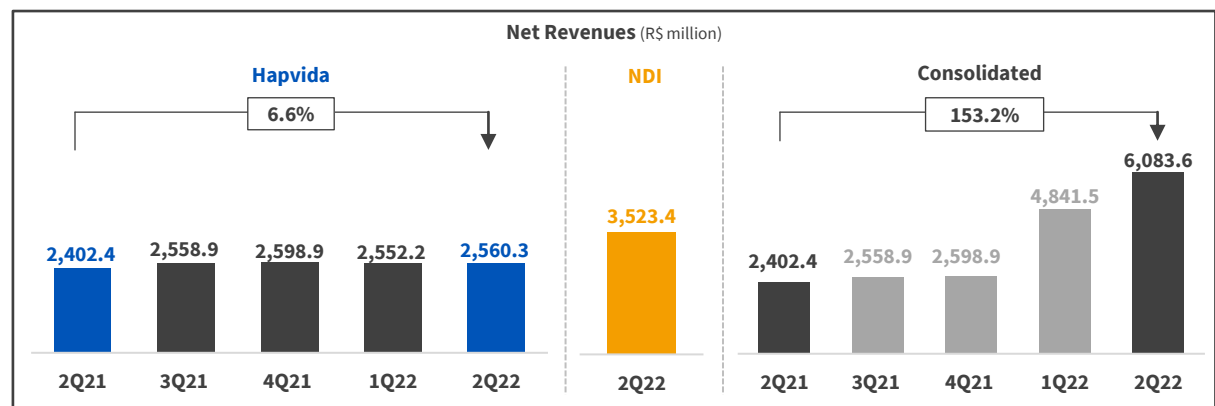
Consolidated:

(i) R\$3.5 billion in revenues from the business combination with NDI;

Hapvida:

- (ii) increase of 173 thousand lives in health plans and 218 thousand lives in dental plans when comparing 2Q22 versus 2Q21; and 38 thousand lives in health plans and 126 thousand lives in dental plans, when comparing 2Q22 versus 1Q22;
- (iii) revenues from the acquired company Premium Saúde in the amount of R\$58.9 million; and
- (iv) growth of 6.1% (2Q22 versus 2Q21) in other revenues from the companies Resgate and Maida; Health, our healthtech.

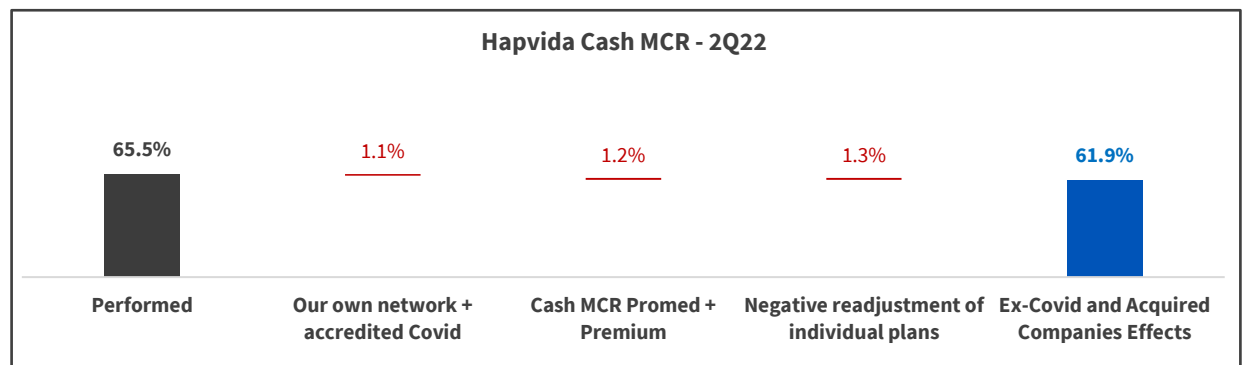
Breakdown of Gross Revenues (R\$ million)	Hapvida			NDI	Consolidated		
	2Q22	2Q21	2Q22 x 2Q21		2Q22	2Q21	2Q22 x 2Q21
Health plans	2,505.0	2,330.9	7.5%	3,281.4	5,786.4	2,330.9	148.2%
Dental plans	107.3	111.6	-3.8%	87.6	194.9	111.6	74.7%
Hospital services	20.6	37.8	-45.5%	292.6	313.3	37.8	728.6%
Others	58.1	54.8	6.1%	-	58.1	54.8	6.1%
Deductions	(130.8)	(132.6)	-1.4%	(138.3)	(269.1)	(132.6)	102.9%
Total Net Revenues	2,560.3	2,402.4	6.6%	3,523.4	6,083.6	2,402.4	153.2%



10. MEDICAL CARE RATIO (MCR) AND MEDICAL COSTS

10.1 Medical Costs and MCR - Hapvida

Composition of Total Medical Costs and MCR					
(R\$ million)	2Q22	2Q21	2Q22 x 2Q21	1Q22	2Q22 x 1Q22
Medical costs – cash	(1,677.0)	(1,599.5)	4.8%	(1,709.3)	-1.9%
Depreciation and Amortization (with IFRS 16)	(52.7)	(38.7)	36.2%	(53.4)	-1.3%
IBNR provision	14.6	(14.5)	-	(15.4)	-
SUS reimbursement provision	(44.0)	(46.1)	-4.4%	(43.1)	0.1%
Medical Costs - Total	(1,759.1)	(1,698.8)	3.6%	(1,821.2)	-3.4%
Cash MCR (ex-IBNR provision; ex-SUS; ex-D&A)	65.5%	66.6%	-1.1 p.p.	67.0%	-1.5 p.p.
Total MCR	68.7%	70.7%	-2.0 p.p.	71.4%	-2.7 p.p.



The cash medical care ratio (which excludes D&A, IBNR and ReSUS provisions) was 65.5% in 2Q22, a reduction of 1.1 p.p. in relation to 2Q21 (66.6%) and a reduction of 1.5 p.p. when compared to 1Q22. The main impacts on the medical care ratio were:

Positive:

- (i) decrease in Covid-19 hospitalizations volume and severity as the comparative period was impacted by the 2nd wave of the pandemic (delta variant), the period of greatest impact on the Company's operations (-96.1% decrease in hospitalizations 2Q22 vs 2Q21);
- (ii) less expenses with personnel, materials and medicines, location and operation, third-party services in the own network and the costs with the accredited network with Covid-19: R\$28.1 million in 2Q22 compared to R\$153.5 million in 2Q21;
- (iii) lower MCR level of the acquired companies (Promed) that make up Hapvida's consolidated number in 2Q22 but were not fully present in the comparative period. The MCR of the newly acquired companies is on a downward trajectory due to the integration initiatives and standardization of procedures, respecting the seasonality between the quarters. Premium and Promed companies, jointly, presented a reduction of 0.6 p.p. of impact in the MCR when compared to 1Q22;
- (iv) an increase in the use of the own network of 1.3 p.p. in the volume of emergency care consultations, 1.4 p.p. in the volume of hospitalizations and 3.5 p.p. in the volume of exams performed in 2Q22 when compared to the same period last year, and
- (v) the verticalization indicators for the countryside of the state of São Paulo (which started to be calculated as of October/21, date of the incorporation of the São Francisco Group healthcare operators) have also been showing sequential improvement (i.e., 0.13 p.p. and 3.14 p.p. increase in the volume of internalized consultations when compared to 1Q22 and 4Q21, respectively).

Negative:

- (i) increase in the volume of emergency care and elective consultations by 23.7% when comparing 2Q22 to 2Q21 (however, a 2.8% reduction from 1Q22);
- (ii) impact of 1.3 p.p. in the MCR due to the loss of R\$52.1 million in revenues resulting from the negative readjustment of the individual plans of -8.19%, determined by ANS;
- (iii) collective bargaining agreement and hiring new employees, including expenses with personnel from the new units (R\$13.7 million in 2Q22); and
- (iv) increase in materials and medications, location and operation, third-party services and payroll of the new units in operation (R\$6.1 million in 2Q22).

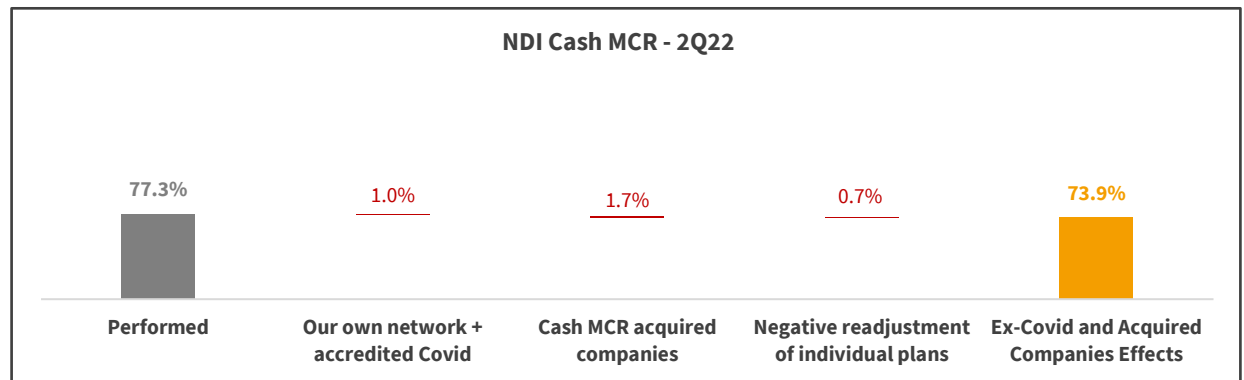
The total MCR was 68.7% in 2Q22, a decrease of 2.0 p.p. versus the comparative period due to a net reversal of IBNR of R\$14.6 million in the period, a variation of R\$29.2 million when compared to 2Q21. The net reversal of IBNR in 2Q22 occurred because of the reduction of the delay between the date of the procedure and the filing of the charge for the companies already incorporated.

*The vertical integration indicators only consider the companies Hapvida, Grupo America and RN Saúde.

10. MEDICAL CARE RATIO (MCR) AND MEDICAL COSTS (continued)

10.2 Medical Costs and MCR - NDI

Composition of Total Medical Costs and MCR (R\$ million)			
	2Q22	1Q22	2Q22 x 1Q22
Cash Medical Care	(2,723.8)	(1,822.6)	49.4%
Depreciation and Amortization (with IFRS 16)	(66.6)	(40.7)	63.4%
IBNR provision	(8.3)	0.0	-
SUS reimbursement provision	(24.0)	(36.4)	-34.1%
Medical Costs - Total	(2,822.7)	(1,899.6)	48.6%
Cash MCR (ex-IBNR provision; ex-SUS; ex-D&A)	77.3%	79.6%	-2.3 p.p.
Total MCR	80.1%	83.0%	-2.9 p.p.



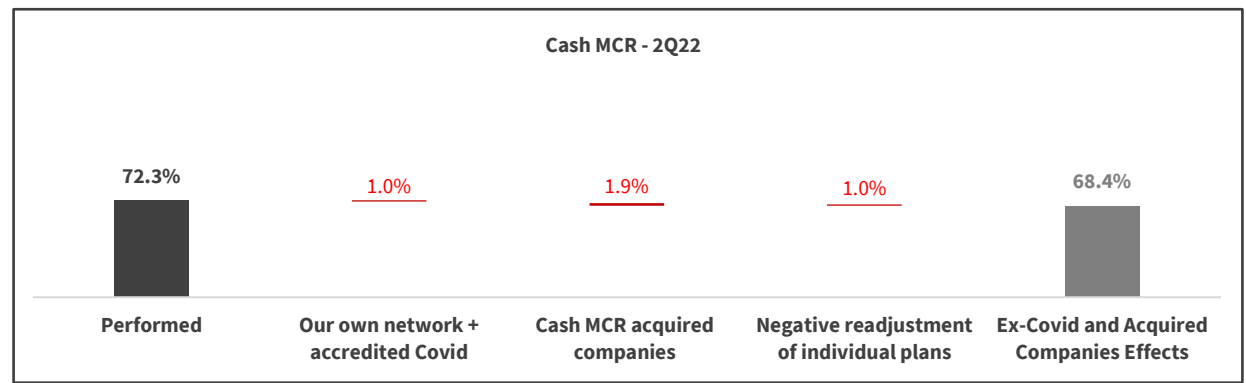
In 2Q22, the cash MCR (which excludes D&A, IBNR transactions and ReSUS provision) for NDI was 77.3%, a significant improvement of 2.3 p.p. in comparison with 1Q22. In comparison with 2Q21, the MCR was impacted by:

- (i) higher volume of emergency care, exams and hospitalizations in the own and accredited networks with an impact of R\$34.7 million in 2Q22;
- (ii) higher cash MCR levels of the acquired companies that make up NDI's consolidated numbers in 2Q22. During the pandemic several operations were acquired (CCG, Serpram, Medisanitas and new operational units) and are currently undergoing integration, processes that have been delayed due to the increased demand for COVID-19 patients in 2021. As these are smaller operations and of limited scale, it is noted that the cash MCR is above the consolidated NDI, impacting 1.7 p.p.;
- (iii) impact of 0.7 p.p. on the MCR due to the loss of R\$27.0 million in revenues resulting from the negative price readjustment of the individual plans of -8.19% determined by ANS; and
- (iv) the impact on recurring operations of medical and general inflation and collective bargaining agreement with personnel, materials and medicines, location and operation, third-party services in own network and costs with the accredited network.

10. MEDICAL CARE RATIO (MCR) AND MEDICAL COSTS (continued)

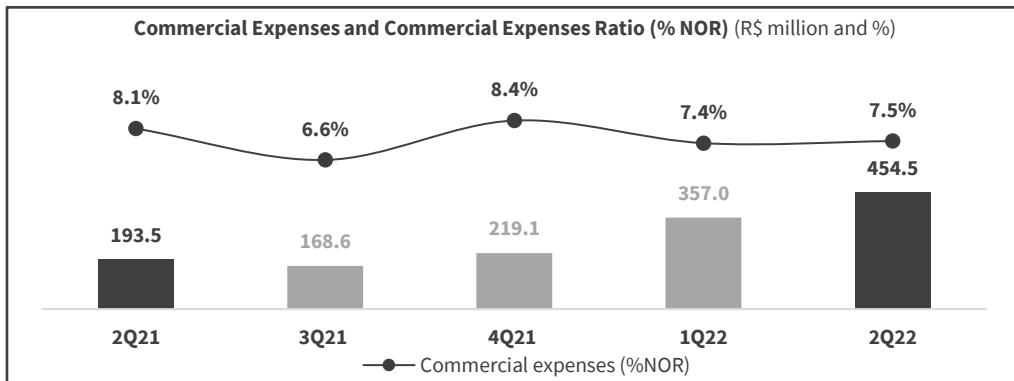
10.2 Medical Costs and MCR - Consolidated

Composition of Total Medical Costs and MCR					
(R\$ million)	2Q22	2Q21	2Q22 x 2Q21	1Q22	2Q22 x 1Q22
Cash Medical Care	(4,400.7)	(1,599.5)	175.1%	(3,531.9)	24.6%
Depreciation and Amortization (with IFRS 16)	(119.3)	(38.7)	208.1%	(94.2)	26.7%
IBNR provision	6.3	(14.5)	-	(15.3)	-
SUS reimbursement provision	(68.1)	(46.1)	47.8%	(79.4)	-15.4%
Medical Costs - Total	(4,581.8)	(1,698.8)	169.7%	(3,720.8)	23.1%
Cash MCR (ex-IBNR provision; ex-SUS; ex-D&A)	72.3%	66.6%	5.8 p.p.	72.9%	-0.6 p.p.
Total MCR	75.3%	70.7%	4.6 p.p.	76.9%	-1.6 p.p.



The consolidated MCR was 72.3% in 2Q22, a 5.8 p.p. increase from the same quarter of 2021 and a 0.6 p.p. decrease from the previous quarter, which included only the months of February and March for NDI. The main impacts have already been mentioned in the previous pages.

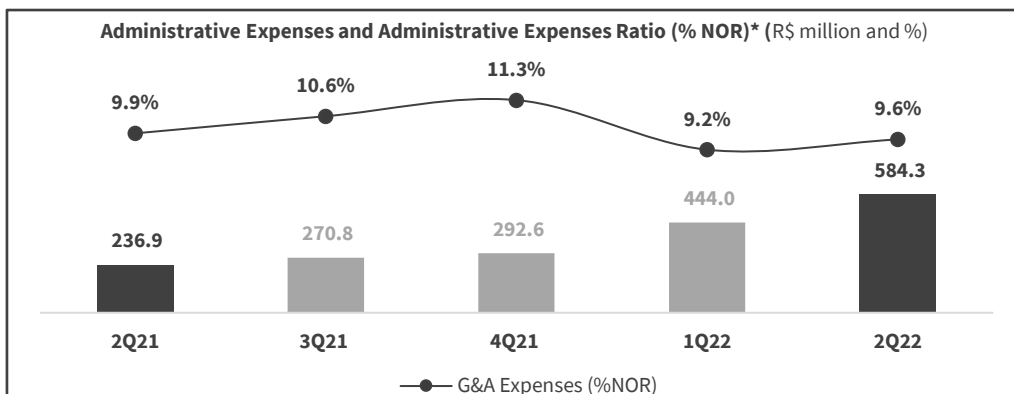
11. COMMERCIAL EXPENSES



The commercial expenses ratio was 7.5% in 2Q22, a reduction of 0.6 p.p. compared to the same period last year. The 2Q22 was influenced positively, mainly:

- (i) by the entry of R\$252.1 million of selling expenses from the business combination with NDI. The consolidated selling expenses ratio was positively impacted by 0.4 p.p. with the entry of NDI, which operates at lower levels for this type of expense; and
- (ii) by a lower Hapvida's selling expense ratio in 2Q22 by 1.2 p.p., due to a lower provision for credit losses by 0.6 p.p.

12. ADMINISTRATIVE EXPENSES



*Current and past figures presented without depreciation, amortization, LTIP and SOP.

The administrative expenses ratio was 9.6% in 2Q22, a reduction of 0.3 p.p. compared to the same period last year and a reduction of 0.4 p.p. from the previous quarter. The index was impacted:

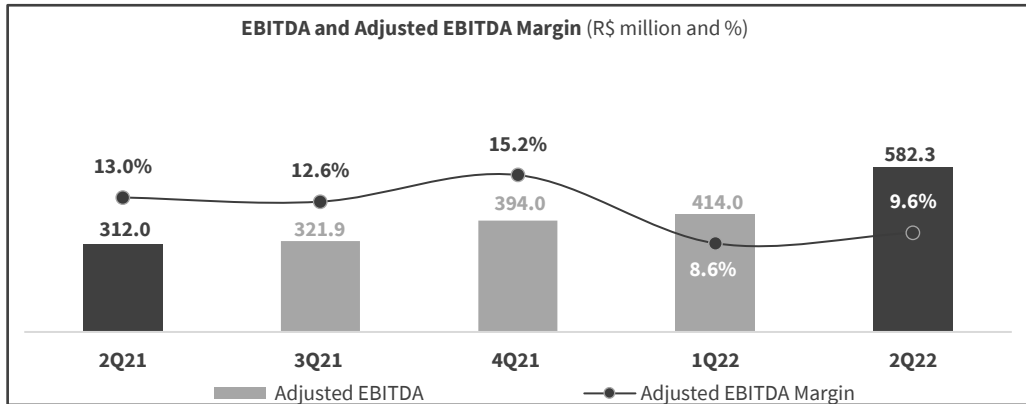
Positively:

- (i) by the entry of R\$304.3 million of administrative expenses from NDI. The consolidated administrative expenses ratio was reduced by 1.3 p.p. with the entry of NDI;

Negatively:

- (i) by the increase in salaries, hiring of new employees and labor indemnities (R\$18.6 million in 2Q22); and
- (ii) by provisions for tax, civil and labor risks due to a reversal related to labor contingencies occurred in 2Q21 in the amount of R\$23.4 million.

13. ADJUSTED EBITDA



As of 2Q21, EBITDA was adjusted by the Stock Grant, which had a provisioned value of R\$14.1 million in 2Q22. As of 1Q22, we also started measuring and accounting for the stock-based compensation plan (SOP), which was approved at the Extraordinary Shareholders' Meeting of March 29, 2021 and the Extraordinary Shareholders' Meeting of April 30, 2021, and became effective after the closing, with an impact of R\$130.7 million in 2Q22.

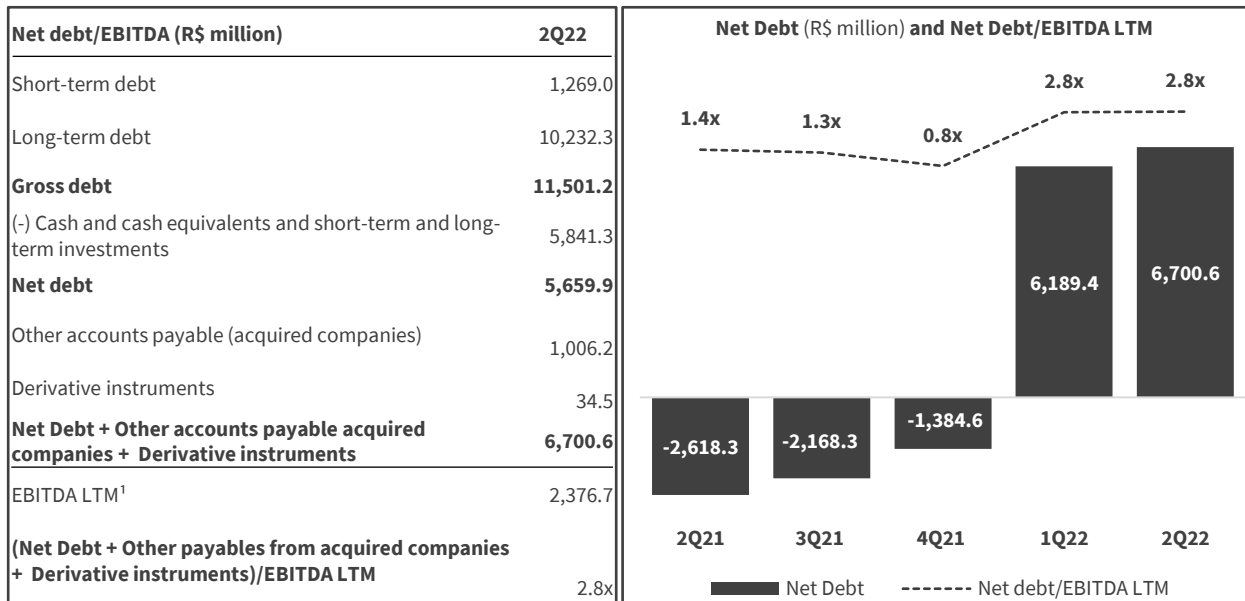
As a result, Adjusted EBITDA in 2Q22 was R\$582.3 million, an 86.6% increase over 2Q21. The Adjusted EBITDA margin in 2Q22 was 9.6%, a reduction of 3.4 p.p. on the same comparison, explained mainly by the impacts of the negative readjustment of individual plans, the higher claims rate of the recently acquired operators and the consolidation of NDI.

Excluding the Covid-19-related costs of R\$62.9 million in 2Q22, the adjusted EBITDA Margin would have been 11.6% in 2Q22, still negatively impacted by recent acquisitions.

Adjusted EBITDA Reconciliation (R\$ million)	2Q22	2Q21	Var. % 2Q22 / 2Q21	1Q22	Var. % 2Q22 / 1Q22
Net Income (loss)	(312.3)	104.6	-	(182.0)	71.6%
(+) Financial result	259.3	4.6	5586.8%	171.5	51.2%
(+) Income tax and social contribution	(78.7)	(25.1)	213.1%	(22.2)	254.7%
(+) Depreciation and Amortization	569.2	207.7	174.1%	317.1	79.5%
EBITDA	437.5	291.7	50.0%	284.4	53.9%
(+) Long term Incentive Plan (LTIP) and SOP	144.8	20.3	713.3%	129.6	11.7%
EBITDA Ex-LTIP/SOP or Adjusted EBITDA	582.3	312.0	86.6%	414.0	40.7%

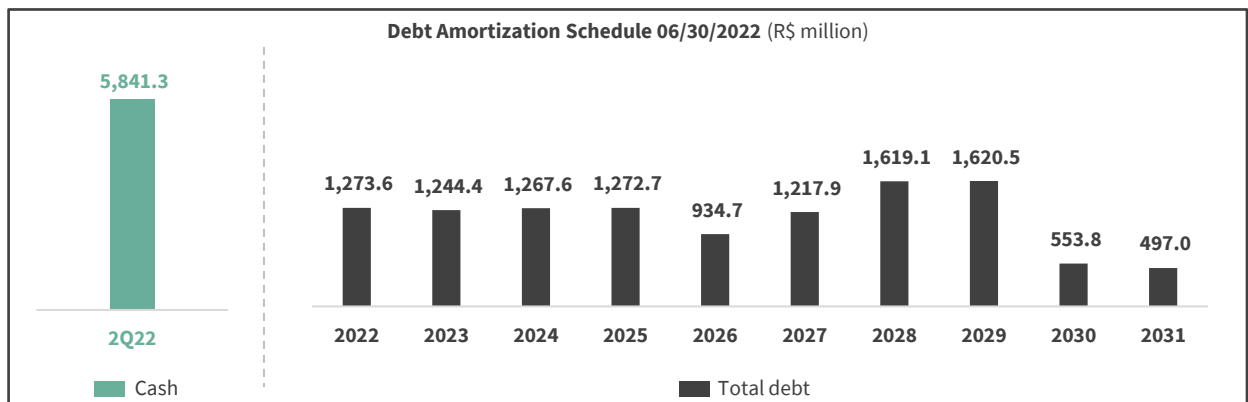
14. DEBT

At the end of 2Q22, the Company had a balance of loans, financing and debentures of R\$11.5 billion, including the balance of other payables of acquired companies, indemnification assets and the balances of derivative financial instruments, the gross debt totaled R\$12.5 billion. The net financial debt/EBITDA ratio in 2Q22 was 2.8x. The increase in this indicator in relation to previous quarters refers to: (i) the payment of the cash portion to NDI shareholders in the amount of R\$3.2 billion; (ii) extraordinary dividend from NDI in the amount of R\$1.0 billion; (iii) debt from the opening balance sheet of NDI; and (iii) EBITDA LTM still impacted by the impacts of the negative readjustment of individual plans, by the higher medical care costs of recently acquired companies and by the consolidation of NDI.



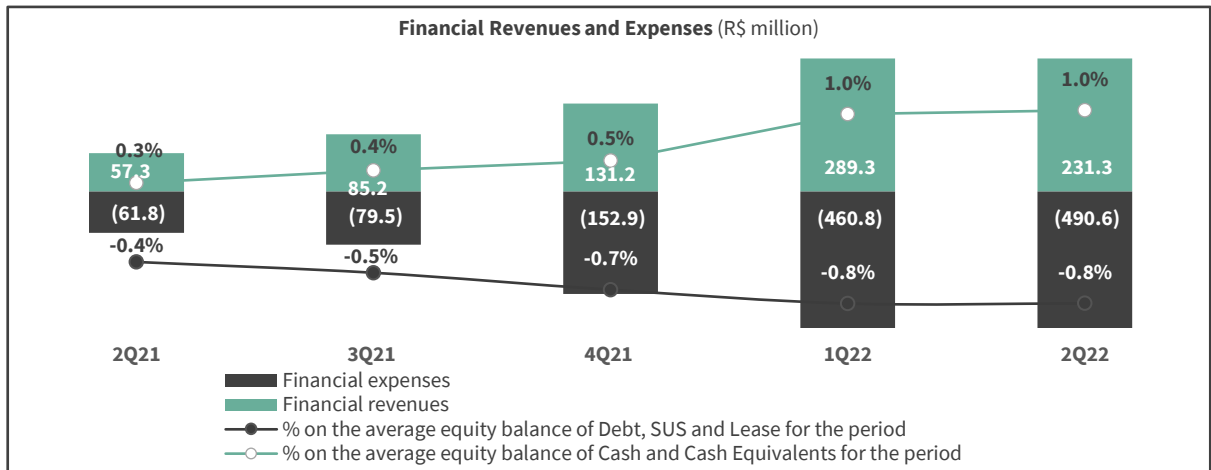
¹ Adjusted EBITDA by provisions for impairment of accounts receivable, expenses with Long-Term Incentives and SOP and it considers the Adjusted EBITDA LTM of NDI.

Below, we present a schedule of the loans, financing and debentures existing at the end of the quarter.



At the end of 2Q22, we held our 3rd debenture issue in the amount of R\$2.0 billion at a cost of CDI+1.60%. This was a capital markets operation that took advantage of the synergy of obtaining an investment grade rating from the rating agency. A large portion of the proceeds was used for prepaying more expensive debt (CDI+2.32%), reducing the average cost and extending the duration of our debt from 3.1 to 3.9 years.

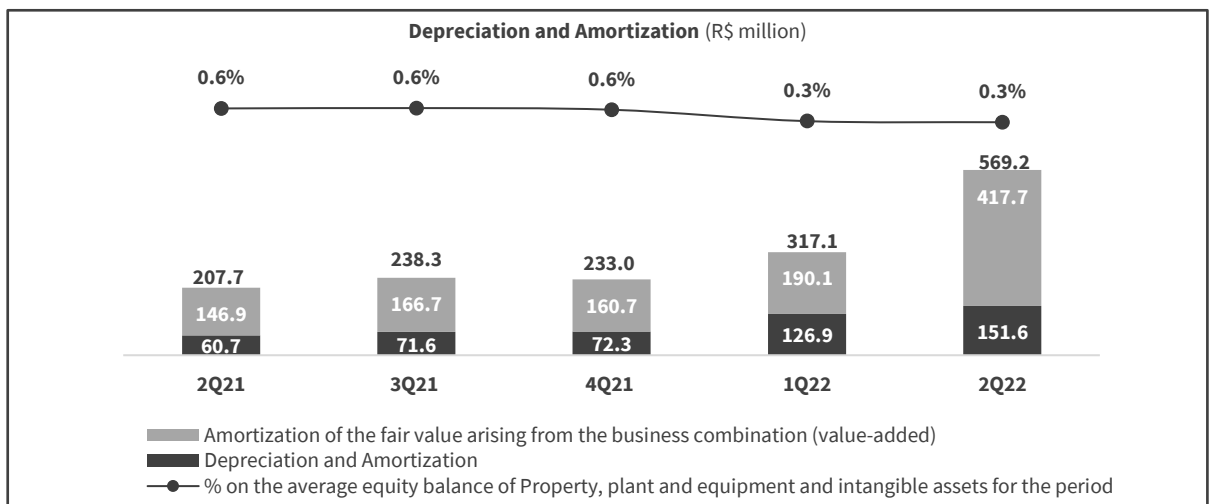
15. FINANCIAL RESULTS



The net financial result in 2Q22 totaled a net expense of R\$259.3 million compared to a net expense of R\$4.6 million in 2Q21. The period was impacted:

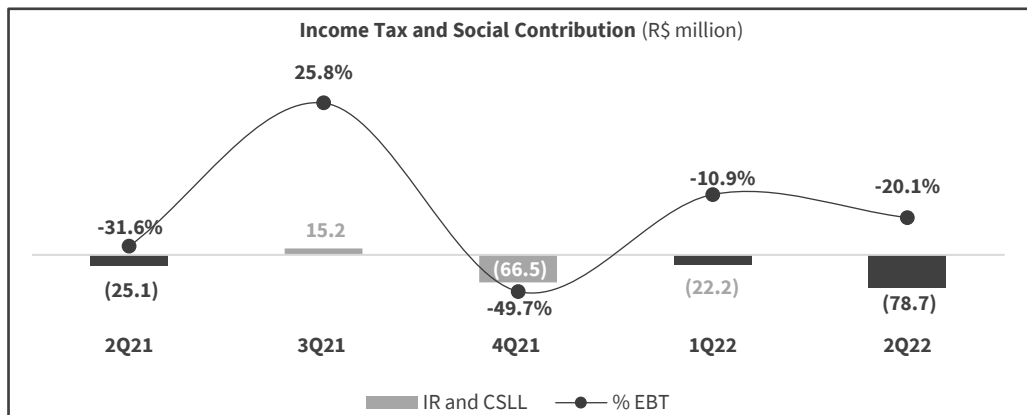
- (i) positively, with an increase of R\$127.8 million in income from financial investments due to their higher balance of assets (average balance increased from R\$2.0 billion in 2Q21 to R\$2.5 billion in 2Q22) on account of the funds from the follow on, the 2nd issue of debentures and the CRI issue (which totaled R\$5.5 billion in funding between April and December 2021) in addition to the balance of Cash and cash equivalents and Financial investments from the opening balance on January 31, 2022 with the closing of the business combination with NDI. There was also a higher yield on this balance due to the increase in the average DI rate (3.24% in 2Q21 to 12.4% in 2Q22). Additionally, monetary restatement revenues were recorded on the equity balance of judicial deposits and indemnity credits in the amount of R\$40.8 million, a practice that did not exist in the comparative period; and
- (ii) negatively, with an increase of R\$356.3 million in interest on loans, financing and debentures due to the higher balance sheet arising from the 2nd issue of debentures and CRI issue that did not exist in the comparative period in addition to other loans and financing arising from the opening balance sheet on January 31, 2022 with the closing of the business combination with NDI. And, additionally by the increase of the average DI rate. And, also, increase of other financial expenses such as monetary restatement and lease interest (IFRS16) arising from a higher balance sheet balance with the addition of NDI's liabilities.

16. DEPRECIATION AND AMORTIZATION



Depreciation and amortization expenses totaled R\$569.2 million in 2Q22, equivalent to 0.3% of the corresponding average balance of assets. The main variation in this account refers to the amortization of the customer portfolio and trademarks and patents from the business combination with NDI, which started to be amortized as of this quarter, with an impact of R\$205.4 million in 2Q22.

17. INCOME TAX AND SOCIAL CONTRIBUTION



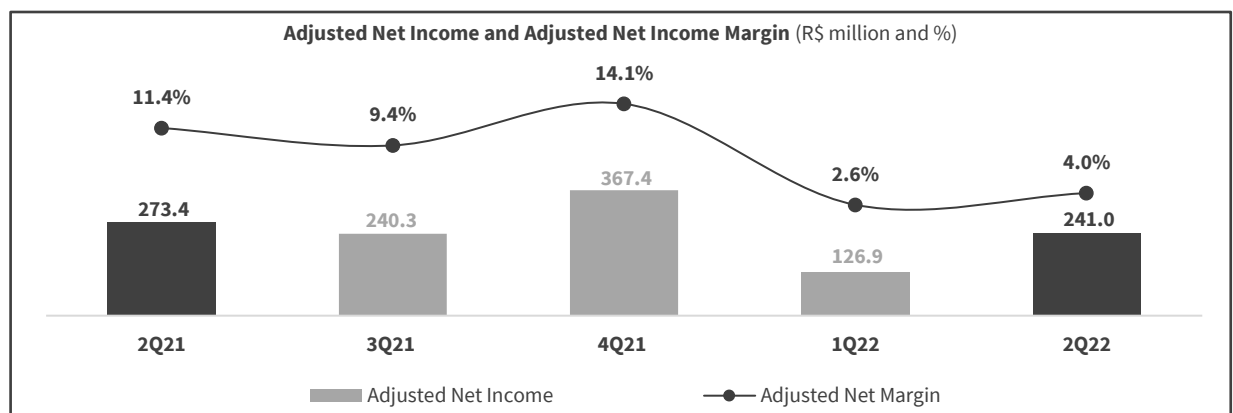
The effective tax rate was negative 20.1% in 2Q22, mainly due to:

- (i) to the tax loss over which no deferred tax asset has been constituted, mainly from operations arising from NDI in the amount of R\$49.3 million;
- (ii) the deductible basis of fair value amortization arising from the business combination (value added) of R\$150.1 million in 2Q22 versus deductibility of only R\$6.0 million in 2Q21.

18. ADJUSTED NET INCOME

Adjusted Net Income totaled R\$241.0 million in 2Q22 with a net margin of 4.0%. The adjustments considered to calculate the Adjusted Net Income were:

- (i) amortization of Brands, Patents and Customer Portfolio (R\$408.5 million in 2Q22 and R\$148.5 million in 2Q21); and
- (ii) Long-Term Incentive and SOP in 2Q22 in the amount of R\$144.8 million and R\$20.3 million in 2Q21.



19. CASH GENERATION AND CAPEX

Free cash flow ex-acquisitions was positive by R\$401.4 million in 2Q22, mainly impacted by:

(i) by the increase in EBITDA compared to 2Q21, mainly explained by the recovery of revenue, improvement in claims and control of selling and administrative expenses;

(ii) by the slightly positive variation in working capital in contrast to a consumption of working capital in 2Q21 of R\$420.6 million, which is explained by the variation in working capital at Promed, which had R\$669.2 million in liabilities in its opening balance and which, after our assumption, was reduced to R\$248.6 million; and

(iii) for the lower payment of current income tax and social contribution due to the deductibility of the goodwill and the amortization of the fair value arising from the business combination (value added) in the tax calculation.

Additionally, there was cash consumption in the quarter amounting to R\$242.9 million in 2Q22 due mainly to the payment of the cash portion of the business combination of Hapvida and GNDI that had not been settled by March 29, 2022.

R\$ million	2Q22	2Q21	2Q22 x 2Q21
Adjusted EBITDA	582.3	312.0	86.6%
(+/-) Change in working capital ¹	7.9	(403.7)	-
(-) Income Tax and Social Contribution	(21.1)	(129.8)	-83.7%
(-) Cash CAPEX	(167.7)	(115.5)	45.2%
Free cash flow (ex-acquisitions)	401.4	(337.0)	-
(-) Companies acquisitions	(242.9)	(155.6)	56.1%
Free cash flow	158.5	(492.6)	-

¹ Includes variations: (i) current assets: accounts receivable, inventories, other credits and advances to suppliers and (ii) current liabilities: suppliers, technical provisions for health care operations net of PPCNG, debts of health care operations net of prepayments, other payables and social obligations.

Appendices - Consolidated

20. INCOME STATEMENT

R\$ mm	2Q22	2Q21	Var. % 2Q22/2Q21	1Q22	Var. % 2Q22/1Q22
Revenues from gross payments	5,981.3	2,442.5	144.9%	4,791.8	24.8%
Revenue from other activities	371.4	92.6	301.0%	286.6	29.6%
Deductions	(269.1)	(132.6)	102.9%	(236.9)	13.6%
Net revenues	6,083.6	2,402.4	153.2%	4,841.5	25.7%
Medical cost and others	(4,400.7)	(1,599.4)	175.1%	(3,531.9)	24.6%
Depreciation and amortization	(119.3)	(38.7)	208.1%	(94.2)	26.7%
Change in IBNR	6.3	(14.6)	-	(15.3)	-
Change in SUS reimbursement provision	(68.1)	(46.1)	47.8%	(79.4)	(14.3%)
Total cost	(4,581.8)	(1,698.8)	169.7%	(3,720.8)	23.1%
Gross profit	1,501.8	703.7	113.4%	1,120.7	34.0%
<i>Gross margin</i>	<i>24.7%</i>	<i>29.3%</i>	<i>-4.6 p.p.</i>	<i>23.1%</i>	<i>1.5 p.p.</i>
Selling expenses	(454.5)	(193.5)	134.9%	(357.0)	27.3%
Advertise expenses	(20.8)	(14.5)	44.0%	(15.7)	32.5%
Comission expenses	(296.3)	(98.5)	200.8%	(249.3)	18.9%
Provision for credit losses	(107.2)	(72.9)	47.0%	(65.6)	63.4%
Personnel	(24.6)	-	-	(22.5)	9.3%
Other sales expenses	(5.6)	(7.6)	(25.9%)	(3.9)	43.5%
Administrative expenses	(1,192.8)	(438.1)	172.2%	(811.0)	47.1%
Personnel	(414.6)	(148.1)	180.0%	(325.1)	27.5%
Third party services	(179.5)	(68.0)	164.0%	(130.1)	38.0%
Location and operation	(82.4)	(49.7)	65.7%	(51.0)	61.6%
Depreciation and amortization	(449.9)	(169.0)	166.3%	(222.9)	101.9%
Taxes	(27.3)	(5.8)	373.7%	(28.0)	(2.4%)
Provisions for civil, labor and tax risks	(31.3)	12.3	-	(46.2)	(32.4%)
Miscellaneous expenses	(7.8)	(9.9)	(21.6%)	(7.8)	(0.2%)
Other expenses/operational revenues	13.8	12.0	14.6%	14.6	(5.6%)
Total expenses	(1,633.5)	(619.6)	163.6%	(1,153.4)	41.6%
Operational income	(131.7)	84.0	-	(32.7)	302.9%
<i>Operational margin</i>	<i>-2.2%</i>	<i>3.5%</i>	<i>-5.7 p.p.</i>	<i>-0.7%</i>	<i>-1.5 p.p.</i>
Financial revenues	231.2	60.6	281.5%	289.3	-20.1%
Financial expenses	(490.6)	(65.2)	652.7%	(460.8)	6.5%
Financial result	(259.3)	(4.6)	5586.8%	(171.5)	51.2%
EBIT	(391.0)	79.5	-	(204.2)	91.5%
IR and CSLL current	(8.7)	(99.1)	(91.2%)	(40.2)	(78.4%)
IR and CSLL deferred	87.4	124.3	(29.7%)	62.3	40.2%
IR and CSLL	78.7	25.1	213.1%	22.2	254.7%
Net income (loss)	(312.3)	104.6	-	(182.0)	71.6%
<i>Net margin</i>	<i>-5.1%</i>	<i>4.4%</i>	<i>-9.5 p.p.</i>	<i>-3.8%</i>	<i>-1.4 p.p.</i>

R\$ mm	2Q22	2Q21	Var. % 2Q22/2Q21	1Q22	Var. % 2Q22/1Q22
EBIT	(131.7)	84.0	-	(32.7)	302.9%
Depreciation	146.9	45.7	221.7%	116.6	26.0%
Amortization	422.3	162.0	160.7%	200.5	110.6%
EBITDA	437.5	291.7	50.0%	284.4	53.8%
<i>EBITDA margin</i>	<i>7.2%</i>	<i>12.1%</i>	<i>-5.0 p.p.</i>	<i>5.9%</i>	<i>1.3 p.p.</i>

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Appendices - Consolidated

21. BALANCE SHEET

R\$ mm	2Q22	4Q21	Var. R\$	Var. %
Assets	71,950.6	21,034.4	50,916.2	242.1%
Current assets	7,167.6	3,318.2	3,849.4	116.0%
Cash and cash equivalents	593.4	347.3	246.1	70.9%
Short-term investments	3,528.0	1,720.0	1,808.0	105.1%
Trade receivables	1,311.4	474.3	837.1	176.5%
Inventory	328.7	156.9	171.8	109.4%
Recoverable tax	552.4	237.9	314.5	132.2%
Derivative financial instruments	-	7.8	(7.8)	-
Other assets	345.4	152.6	192.9	126.4%
Deferred commission	508.2	221.5	286.7	129.4%
Non-current assets	64,783.1	17,716.2	47,066.9	265.7%
Long-term investments	1,719.9	5,465.1	(3,745.2)	(68.5%)
Deferred taxes	1,784.1	1,034.4	749.7	72.5%
Judicial deposits	1,665.5	417.5	1,248.0	298.9%
Deferred commission	421.4	172.0	249.4	145.0%
Related party receivable	3.5	3.5	-	0.0%
Other credits with related parties	0.3	-	0.3	-
Other assets	134.8	56.1	78.7	140.2%
Investments	8.1	-	8.1	-
Property, plant and equipment	6,771.5	3,010.9	3,760.6	124.9%
Intangible assets	52,273.9	7,556.5	44,717.4	591.8%
Liabilities and shareholders' equity	71,950.6	21,034.4	50,916.2	242.1%
Current liabilities	6,745.8	3,184.5	3,561.3	111.8%
Lending and Financing	1,269.0	713.3	555.7	77.9%
Trade payables	414.7	173.4	241.2	139.1%
Technical provisions for health care operations	3,380.6	1,549.1	1,831.6	118.2%
Health care payables	13.7	11.8	1.9	15.7%
Payroll obligations	656.9	270.6	386.3	142.8%
Taxes and contributions payable	399.5	207.3	192.2	92.7%
Income and social contribution taxes	75.7	58.6	17.1	29.1%
Dividends and interest on shareholders' equity payable	16.0	31.9	(15.8)	(49.7%)
Leases payable	117.7	57.0	60.7	106.4%
Derivative financial instruments	12.1	-	12.1	-
Related party payables	4.0	13.2	(9.2)	(69.7%)
Other accounts payable	385.9	98.2	287.7	292.9%
Non-current liabilities	16,296.7	7,276.9	9,019.7	123.9%
Lending and Financing	10,232.3	4,882.7	5,349.6	109.6%
Taxes and contributions payable	174.2	123.2	51.0	41.4%
Technical reserves for health care operations	801.8	25.9	775.9	2994.6%
Leases payable	1,860.8	1,076.6	784.2	72.8%
Deferred income tax and social contribution	643.7	166.1	477.7	287.7%
Provision for tax, civil and labor risks	1,270.0	428.8	841.2	196.2%
Derivative financial instruments	22.7	18.3	4.4	24.2%
Other accounts payable	1,291.2	555.4	735.7	132.5%
Shareholders' equity	48,908.2	10,573.0	38,335.2	362.6%
Capital	37,821.8	8,124.2	29,697.6	365.5%
Treasury shares	(329.1)	(299.8)	(29.3)	9.8%
Legal reserve	201.5	201.5	-	0.0%
Capital reserve	9,641.9	429.5	9,212.3	2144.7%
Profit reserves	2,116.8	2,116.8	0.1	0.0%
Other comprehensive income	(52.7)	-	(52.7)	-
Accumulated losses for the period	(494.7)	-	(494.7)	-
Equity attributable to controlling shareholders	48,905.4	10,572.1	38,333.3	362.6%
Non-controlling interest	2.7	0.9	1.9	221.2%

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22. CASH FLOW STATEMENT

R\$ mm	2Q22	2Q21	1H22	1H21
Net income	(312.3)	104.6	(494.3)	256.4
Adjustments to reconcile net income with cash	500.8	250.6	1,715.0	587.4
Depreciation and amortization	524.6	189.4	805.2	384.8
Depreciation of usage rights	44.6	18.3	81.1	39.0
Technical provisions for health care operations	(540.0)	14.5	9.0	2.4
Provision for losses on receivables	107.2	72.9	172.8	113.6
Write-off of property, plant and equipment	3.8	(1.9)	6.3	2.4
Write-off of intangible assets	0.6	0.6	0.8	0.9
Provision for tax, civil and labor risks	45.3	(30.0)	108.5	(25.5)
Income from financial investments	(153.6)	(47.6)	(368.9)	(69.3)
Earning on derivative financial instruments	(5.1)	2.9	1.4	1.1
Interest and monetary restatement of leases	37.9	21.3	81.1	43.2
Interest and financial charges on loans and financing	382.3	18.3	651.6	29.4
Exchange rate	(10.6)	(3.4)	(5.0)	1.2
Long-term incentive plan	144.8	20.3	274.4	20.3
Others	(2.4)	-	(2.4)	-
Tax income and social contribution	8.7	99.1	48.9	217.1
Deferred taxes	(87.4)	(124.3)	(149.7)	(173.3)
(Increase) decrease in asset accounts	(436.7)	(207.0)	(572.3)	(463.3)
Accounts receivable	(291.3)	(64.2)	(429.5)	(159.2)
Inventory	(28.7)	(5.3)	(1.8)	(39.2)
Taxes recoverable	(62.6)	(8.4)	(149.8)	(18.5)
Judicial deposits	(64.2)	(59.6)	(99.7)	(124.7)
Other assets	53.2	(36.6)	156.5	(52.8)
Deferred Sales Expense	(43.1)	(21.7)	(48.1)	(47.9)
Increase (decrease) in liability accounts:	492.9	(410.8)	(177.5)	(401.6)
Technical provisions for health care operations	505.1	10.9	118.9	104.7
Debts of health care operations	(1.2)	2.0	1.9	7.9
Social obligations	56.6	32.4	144.0	67.7
Suppliers	40.6	(48.6)	(34.1)	13.3
Taxes and contributions payable	(43.8)	(3.4)	(55.7)	(40.8)
Other accounts payable	(8.0)	(274.3)	(237.7)	(322.7)
Income tax and social contribution paid	(21.1)	(129.8)	(54.4)	(231.6)
Provision for tax, civil and labor risks	(35.2)	(11.2)	(60.3)	(21.1)
Net cash provided by operating activities	244.6	(262.7)	470.9	(21.1)
Cash flow from investing activities	(887.0)	(1,345.4)	1,005.5	(1,474.7)
Payments to related parties	0.1	(112.2)	(9.2)	(112.2)
Acquisition of property, plant and equipment	(129.6)	(103.9)	(247.5)	(213.3)
Acquisition of intangibles	(38.1)	(11.6)	(74.7)	(36.7)
Acquisition/sale of investments	(242.9)	(155.6)	(3,379.3)	(155.6)
Business combination price adjustment	-	-	-	-
Balances attributed to the acquisition of investees	1.1	2.9	203.1	2.9
Financial investments	(477.6)	(965.0)	4,513.1	(959.8)
Cash flow from financing activities	218.6	1,658.9	(1,230.3)	1,579.2
Issuance of Debentures	2,000.0	-	2,000.0	-
Receipt of derivative financial instruments	(2.7)	3.4	(30.1)	9.6
Expenses with share issuance	-	(53.1)	-	(53.1)
Payment / Acquisition of loans and financing	(1,222.3)	(92.4)	(1,348.5)	(110.5)
Payment of interest on loans, financing and debentures	(447.5)	(3.8)	(633.0)	(34.5)
Transaction costs related to funding	(9.8)	-	(9.8)	-
Payment/ Acquisition of subsidiaries	(23.6)	-	(24.2)	-
Payment of dividends and interest on own capital	-	(186.1)	(1,017.1)	(186.1)
Principal payments - Leases	(75.6)	(34.2)	(138.4)	(71.2)
Capital contribution	-	2,025.0	-	2,025.0
Stock buybacks/ Repurchase of own shares	-	-	(29.3)	-
Change in cash and cash equivalents	(423.8)	50.8	246.1	83.4
Cash and cash equivalents at the beginning of the period	1,016.8	175.8	1,364.1	319.0
Cash and cash equivalents at the end of the period	593.4	226.6	1,610.2	402.4

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