



Earnings 2Q21

Conference Call:
July 30th | 11 am (10 am ET)

Brasil: +55 11 2188-0155

Exterior: +1 646-843-6054

Replay: +55 11 2188-0400

Code: Fleury

Webcast: www.fleury.com.br/ir

On June 30, 2021:

Total shares

317,366,103

Market price

R\$ 8.2 Bn | US\$ 1.6 Bn

Share Price

R\$ 25.92 /US\$ 5.18

Fleury ON

B3: FLRY3

FLRY
B3 LISTED NM



IBOVESPA B3

IBRX100 B3

ISEB3

Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA



Investor Relations

www.fleury.com.br/ir | ri@grupofleury.com.br | +55 11 5014-7413

São Paulo, July 29th, 2021 – Grupo Fleury announces today its second quarter 2021 (2Q21) results. All figures are compared to the same period of the previous year, unless otherwise stated, and are rounded to the nearest thousand. However, there may be differences when compared to the financial statements due to decimal digits.

Highlights

- Gross Revenue reached a new historical record in the quarter, totaling R\$ 1.005 billion, growth of 104.2% compared to 2Q20 and 4.2% compared to 1Q21.
 - Client's home service registered a strong growth for the fifth consecutive quarter, with gains of 40.4% in the quarter, representing 8.1% of Gross Revenue, the highest historical level.
 - Resumption of imaging tests, which recorded an increase of 179.5% compared to 2Q20 and 9.7% compared to 1Q21.
 - 545 thousand tests were performed for Covid-19¹ in the quarter, being 306 thousand RT-PCR and 239 thousand serologies. Gross revenue from Covid-19 tests represented 8.3% of total revenue in the quarter, the lowest level recorded since the beginning of the pandemic.
- Strengthening of the Ecosystem strategy, with revenue growth from services beyond diagnostics, representing 4.1% of Gross Revenue.
 - Saúde iD: Continuous growth in the number of lives and expansion of Telemedicine services, with more than 228 thousand medical consultations performed in 2Q21, totaling more than 570 thousand medical consultations performed since the beginning of the offer of this service.
 - New initiatives: Consolidation of the acquisitions of Centro de Infusões Pacaembu and Clínica de Olhos Moacir Cunha, in addition to the closing of the acquisition of Clínica Vita of orthopedics.
- Recurring EBITDA of R\$ 249.1 million (+1170%), with a recurring margin of 26.7% in 2Q21. In the year, R\$ 534.7 million (+148%) with a recurring margin of 29.3%.
- Recurring Net Income of R\$ 86.6 million (+218%) with a recurring net margin of 9.3% in 2Q21. In the year, R\$ 205.2 million (+1507%) with a recurring net margin of 11.2%.
- Operating Cash Generation of R\$ 286.5 million (+316.1%) in 2Q21, and in the year R\$ 485.7 million (+143.2%).
- Return on Invested Capital (ROIC²) without goodwill, considering the effects of IFRS-16 of 58.7% in the quarter.
- The NPS³ of the Group reached 76.1% and 84.4% in client's home service in 2Q21, as a result of the continuous efforts to improve the level of services in our PSCs.
- In July/21 was announced the distribution of interest on capital in the amount of R\$ 42.3 million, equivalent to R\$ 0.13 per share.

¹ Tests performed between 04/01/2021 and 06/30/2021, including RT-PCR and Serology | ² As of 1Q21, we present the ROIC with the effects of IFRS-16 | ³ Net Promoter Score

Main Financial Indicators

Financial Indicators (R\$ MM)	2Q21	2Q20	Variation	6M 2021	6M 2020	Variation
Gross Revenue	1,005.1	492.2	104.2%	1,969.4	1,262.8	56.0%
Net Revenue	932.1	454.9	104.9%	1,825.9	1,168.9	56.2%
Gross Profit	258.2	2.6	9911.2%	545.5	190.2	186.9%
EBITDA	219.7	19.6	1020.6%	505.3	215.6	134.4%
Net Income	65.5	(73.3)	189.4%	184.1	(14.6)	1362.5%
Cancellations (% Gross Revenue)	-1.0%	-1.4%	35 bps	-1.0%	-1.3%	22 bps
Gross Margin %	27.7%	0.6%	2714 bps	29.9%	16.3%	1361 bps
EBITDA Margin %	23.6%	4.3%	1927 bps	27.7%	18.4%	923 bps
Effective Tax Rate	-29.3%	-28.6%	-67 bps	-29.3%	-36.1%	680 bps
Net Income Margin %	7.0%	-16.1%	2314 bps	10.1%	-1.2%	1133.0 bps
Recurring EBITDA	249.1	19.6	1170.5%	534.7	215.6	148.0%
Recurring Net Income	86.6	(73.3)	218.2%	205.2	(14.6)	1507.1%
Recurring EBITDA Margin %	26.7%	4.3%	2242 bps	29.3%	18.4%	1084 bps
Recurring Net Income Margin %	9.3%	-16.1%	2541 bps	11.2%	-1.2%	1249 bps
Operating Cash Flow	286.5	68.9	316.1%	485.7	199.7	143.2%
CAPEX	85.9	40.2	113.7%	137.2	80.9	69.6%
ROIC (LTM)	18.7%	7.6%	1111.0 bps	18.7%	7.6%	1111.0 bps
ROIC without goodwill (LTM)	58.7%	25.6%	3312 bps	58.7%	25.6%	3312 bps



Management Comments

An ecosystem of integrated, preventive and hybrid healthcare

In the recent months we have repeated that we have entered a new cycle of growth, which reflects our strategic positioning of being an integrated, preventive and hybrid healthcare ecosystem, combining physical and digital offerings. The second quarter of 2021 is the proof that this is not just a speech. Grupo Fleury reached a new historical record of revenue in the period, reaching 1.005 billion reais, an increase of more than 104% compared to the same period of last year. The figure is already beginning to reflect the expansion to new links in the chain, which in 2Q21 accounted for 4.1% of the Group's revenues and included, for example, revenues from the acquisitions of Clínica de Olhos Moacir Cunha and the Centro de Infusões Pacaembu (CIP). Although we experienced a second wave of the pandemic in the country, the share of Covid-19 tests in the Company's total revenue reached the lowest rate since last year: 8.3%. At the same time, we continued with an increasingly strong recovery in the volume of routine tests, with revenue from client's home service increasing its share, reaching 8.1% of the group's total revenue.

Strengthening our platform strategy, the number of lives coming from Saúde iD remains growing. Since the service was inaugurated, at the beginning of the Covid-19 pandemic, nearly 600 thousand medical teleconsultations have been performed, which positions the healthtech Saúde iD as one of the leaders of this service in the country.

In addition, the marketplace began to offer surgeries – an addressable market of 1.9 billion reais. With this, the Group materializes its “asset-light” platform model: even without investing in hospitals, it can offer beds in partners institutions.

These movements make the Company the best example of integrated healthcare, in fact capable of accompanying the patient throughout their journey of care, acting in prevention, primary care, diagnostics, secondary and tertiary care, offering all necessary services and increasing the life time value. With telemedicine services, check-up, clinical consultations, diagnostic tests, treatments in various medical specialties (ophthalmology, orthopedics and infusions of immunobiological drugs, for example), and now surgeries, the Group becomes a concrete, powerful and highly scalable – something that the entire healthcare market needs, but in practice the patient was not able to find it yet.

As in a puzzle, first we had the “loose” pieces. Now that they start to fit together, the value created for clients, physicians, partner hospitals, HMOs, shareholders and the entire healthcare system is evident. Over the years, we have built a relationship of trust with our clients and physicians, with strong and recognized brands, and now we associate digital and physical services, offering healthcare in a hybrid way. This powerful combination has the firm purpose of promoting better healthcare, in a preventive way, and of being with the patient when they need specific care, following their needs in an integrated way. Grupo Fleury is, increasingly, a complete healthcare company, multichannel and that every quarter opens new avenues of growth.

Saúde iD, 25 million potential customers

When it was created, in September 2020, Saúde iD had a base of 7 million potential customers, coming from HMOs and companies that contracted the services and benefited from the marketplace. Of the total of 1.1 million lives served in the quarter, 14.5% came from Saúde iD, an increase of 27.9% over the previous quarter. If we analyze only teleconsultations (all performed by physicians and other healthcare professionals and not by chatbots), the growth was 21.9% compared to 1Q21, totaling 228,5 thousand consultations. This B2B2C strategy was the embryo of a more ambitious initiative, which is now beginning to be implemented: the sale of services directly to the consumer. The

renewed management of Saúde iD, which has professionals with extensive platform knowledge and a focus on the user experience, has given us the ability to rapidly expand our product portfolio and potential partnerships.

Saúde iD was created to reinvent access to healthcare in Brazil. This year, we started to offer subscription services involving telemedicine care, physical consultations and a test packages, directly to the consumer. More recently, we implemented an all-inclusive surgery service accessible to people who do not have health insurance. The list of initial surgeries includes procedures of low surgical complexity, high cost predictability and a care cycle shorter than 30 days. The remuneration model is by outcome, this means that all costs are included. With this business model, we created an offer of beds without directly having the hospital assets. More than that, we are offering patients the possibility of undergoing the surgical procedure without having to wait months or even years, with a potential market of 1.9 billion reais.

An example of the scalability potential of Saúde iD is the recent announced partnership with Smiles, the company that manages Gol's frequent flyer program. As of the last quarter of 2021, Smiles' 18 million clients will be able to start exchanging their miles for services from our marketplace, such as telemedicine consultations and diagnostic tests. As a result, the potential Saúde iD customer base more than triples, reaching 25 million lives. As new products are incorporated into the platform, they will also be available to these clients.

Growth in diagnostics and new healthcare links

As a 95-year-old company recognized for quality and excellence in diagnostics, we have many opportunities for growth in new places where we do not operate yet. Therefore, in this quarter, we acquired two traditional diagnostics brands in Espírito Santo: Bioclínico and Pretti labs. The initiative, in addition to marking Grupo Fleury's entry into the Espírito Santo market, reinforces our national capillarity and further complements our offer in the Southeast region of the country.

However, with the changes in the way healthcare is currently consumed, it would be anachronistic to base our service capacity solely on the organic and inorganic expansion of our PSCs. Today, expansion is no longer exclusively per square meter, but also for new digital and remote services. Saúde iD is one of the examples of this transformation. Another is the growth of our brands client's home services, which in 2Q21 represented 8.1% year, with growth of 40.4% if compared to the same period of the last year. An even more impressive fact is that today the revenue generated by client's home service corresponds to the average revenue of 25 PSCs of the Group. A differential of Grupo Fleury is the medical knowledge, which allows us to remain at the forefront in medicine, we continue to be a reference in innovation in healthcare. In 2021 alone, more than 192 new products and changes in methodology were implemented, with an emphasis on genomics tests, which have been growing by 100.8% in 2Q21.

As a Company that fully operates in healthcare, ranging from prevention to treatment, we have increasingly strengthened the integrated offer in various medical specialties. Revenue from new links, which go beyond diagnostics, increased 443% in the quarter compared to the previous year, and already represents 4.1% of the group's total revenue. In ophthalmology, Clínica de Olhos Moacir Cunha performs consultations, diagnostic tests, clinical treatments, surgeries and other procedures in a single location, and the addressable market for this specialty can reach R\$ 2 billion per year. Likewise, we have just closed the acquisition of 66.7% of Clínica Vita, a premium asset that marks our complete entry into the orthopedics market, complementing the services of the advanced diagnostic center for locomotor apparatus and the Day Clinic for orthopedic procedures. To give an idea of the positive network effect that the inclusion of new links can bring to Grupo Fleury, the alone addressable market for orthopedics is estimated at around R\$ 10 billion per year. Likewise, we have enhanced the immunobiological drug infusion service with the recent acquisition of the Centro de Infusões Pacaembu (CIP). The addressable market for infusions of immunobiological drugs moves around R\$ 7 billion per year. The conclusion is only one: Saúde iD potential growth of these new links is exponential.

But it is worth reinforcing our unique position in the healthcare market: in addition to growth, we are building an integrated system that looks at the patient's needs and uses data to recommend what it really needs. More than that, our goal is to take care of people's health, so that they have a better life quality.

ESG even in issuance of debentures

One of the biggest challenges for companies with ESG ambition is to integrate environmental, social and governance actions into their business strategy. At Grupo Fleury, this has been a concern for at least 20 years. And although there is still a lot to be done, we believe that we took a very important step in July, when we completed our first debenture issue linked to ESG targets.

In addition to raising 1 billion reais, a volume that will help us to drive growth, we were pioneers in this type of debt issuance in the healthcare sector – and the first Company in Brazil to establish social indicators among the commitments made in an SLB (Sustainability Linked Bonds). If the targets are not met, the Company will pay a premium to investors.

The most innovative objective is related to the democratization of healthcare, where we will impact 1 million clients from the C, D and E classes on the Saúde iD platform by 2026. This ambition is intrinsically linked both to the expansion of the business itself and to our purpose to bring quality healthcare to an increasing number of Brazilians from all social classes. It is worth remembering that today only 25% of the Brazilian population has access to private healthcare insurance. The second goal has an environmental nature: to reduce the generation of biological waste by 14% by 2023, and by 20.5% by 2025 (always compared to 2019).

In parallel, we expanded the scope of initiatives aimed at reducing the impacts generated by the Covid-19 pandemic. We joined the Unidos pela Vacina movement, which brings together entities, companies, and non-governmental organizations with the purpose of making the vaccination of all Brazilians viable by September of this year, and we have the role of contributing with technical-scientific knowledge and dissemination of content and trainings.

In addition, we are part of the Corona no Paredão, Fome Não campaign, organized by the NGO Gerando Falcões, which aims to collect and distribute food baskets to families in favelas throughout Brazil. In practice, for every 1 real collected through Fleury's page in the campaign, the company donates another 1 real. The goal is to reach a total amount of 1 million reais.

Regarding governance, Fernando Leão will close his cycle as Chief Financial and Investor Relations Officer after having made a relevant contribution to the Company. Fernando Leão played a decisive role in strengthening the financial area, as well as in projects that leveraged the Company's growth, especially on the organic expansion fronts and through acquisitions. In this sense, he structured relevant fundraising that made these strategic expansion movements feasible. We thank Fernando Leão for his leadership and strong contribution since joining Grupo Fleury.

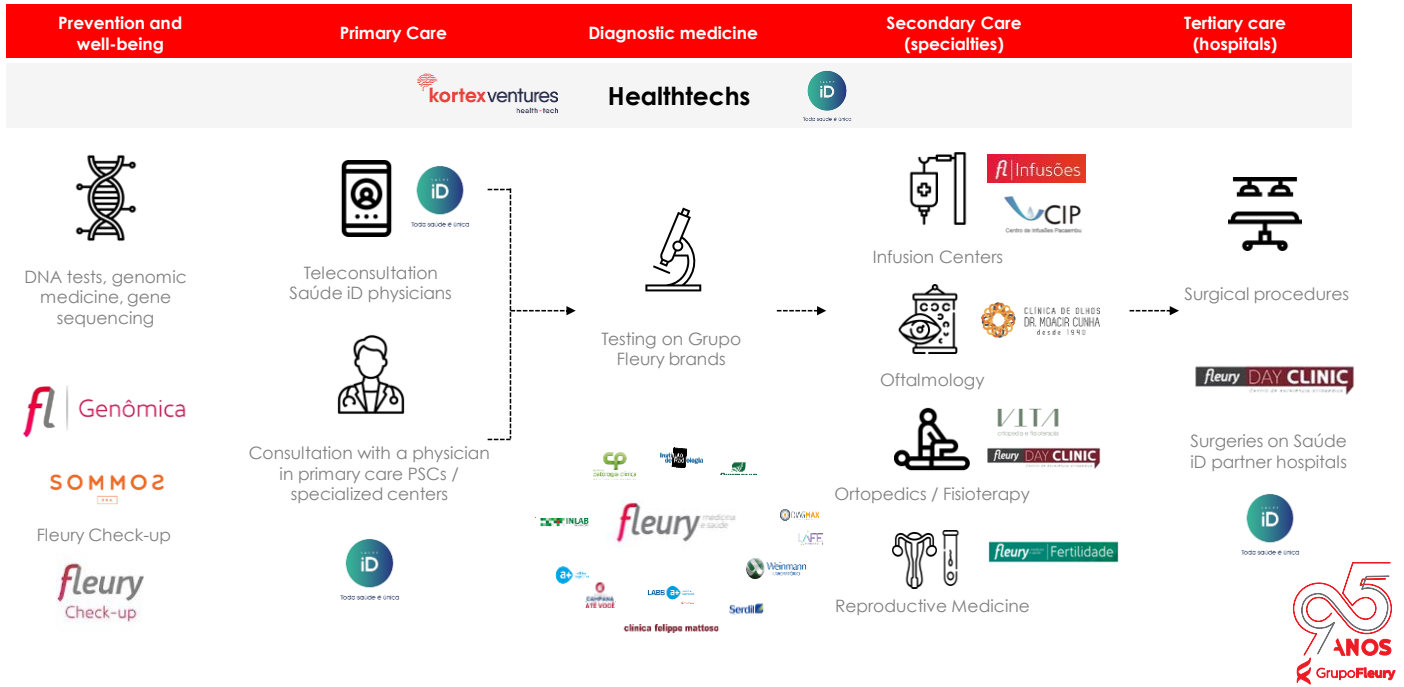
As part of a new cycle, José Antonio de Almeida Filippo will join Grupo Fleury as Chief Financial and Investor Relations Officer as of August 1st. With solid experience in Brazilian companies with global businesses, José Antonio Filippo had been acting as CFO at Natura & Co since 2018, having previously held positions as chief financial officer at Embraer, GPA, CPFL, among other prominent companies in their segments. In all these activities, he conducted highly relevant financial and capital market operations. José Antonio Filippo will make a significant contribution to Grupo Fleury's growth strategy, strengthening our integrated, preventive and hybrid ecosystem.

Trust, the foundation of everything

In late June, Grupo Fleury faced a cyber incident that caused instability in its systems. For a few days, we had to operate under a contingency regime. We only managed to get through this phase thanks to the dedication and engagement of our more than 12,000 employees and 3,000 physicians. To this tireless team, which at all times prioritized the care of our patients, we thank you very much. We also need to thank our clients, hospitals and HMOs, who supported us and understood that companies and governments around the world are now victims of this type of attack.

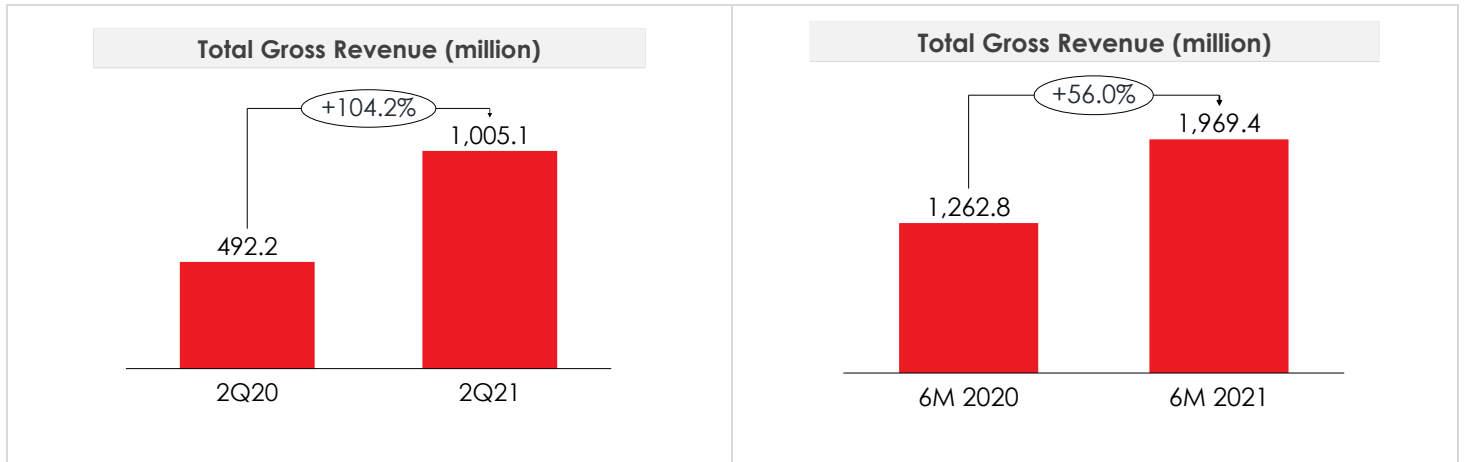
The trusting relationships we've built over decades with all of our stakeholders were tested in this episode. For our pride and happiness, they remain firm and are the basis for the Group to continue follow its objective of bringing quality healthcare, through different channels, to an increasing number of Brazilians.

Integrated, preventive and hybrid healthcare ecosystem (physical and digital)



Consolidated Gross Revenue

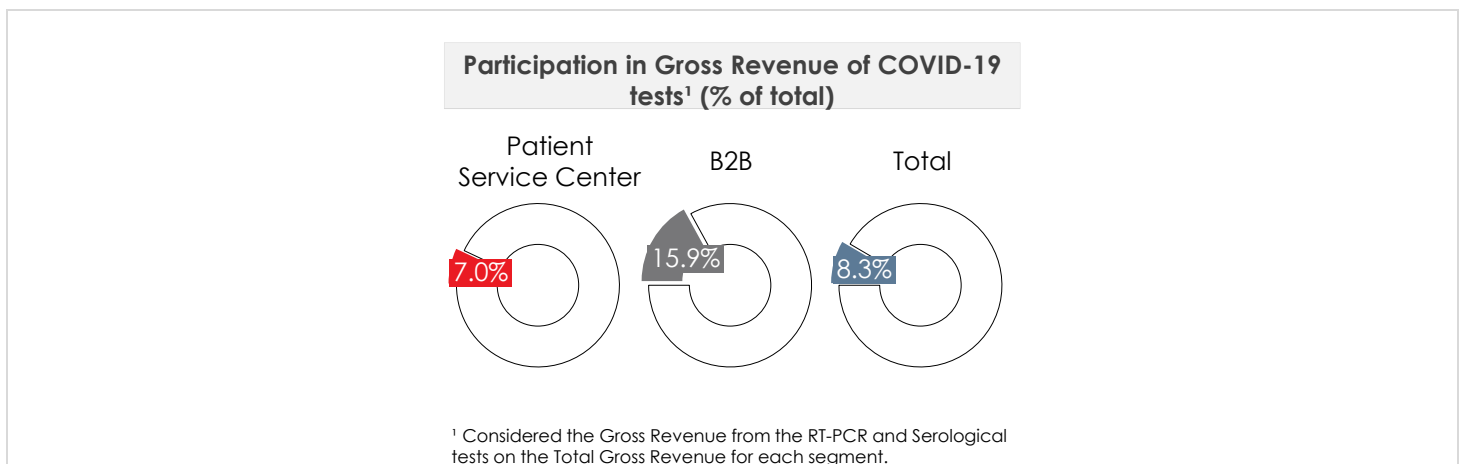
In 2Q21, total Gross Revenue reached a new historical record of R\$1.0 billion in the quarter, with growth of 104.2% compared to 2Q20 and 4.2% compared to 1Q21. In 6M21, Gross Revenue from PSCs totaled R\$ 2.0 billion, a 56.0% growth compared to the previous year.



Gross Revenue - COVID-19 Impacts

Throughout 2Q21, the volumes of elective tests at the PSCs continued to show strong expansion, contributing to the 104.2% growth recorded in the period. The same movement can be seen in B2B, which grew by 49.8%, reflecting another quarter of strong volume in the elective procedures, in addition to the continued contribution of tests for Covid-19 in Hospitals and in the Reference Laboratory segment. It is worth remembering that in 2Q20, restrictions were imposed due to the Covid-19 pandemic, with a relevant reduction in elective medical consultations, especially in the initial stage of the pandemic.

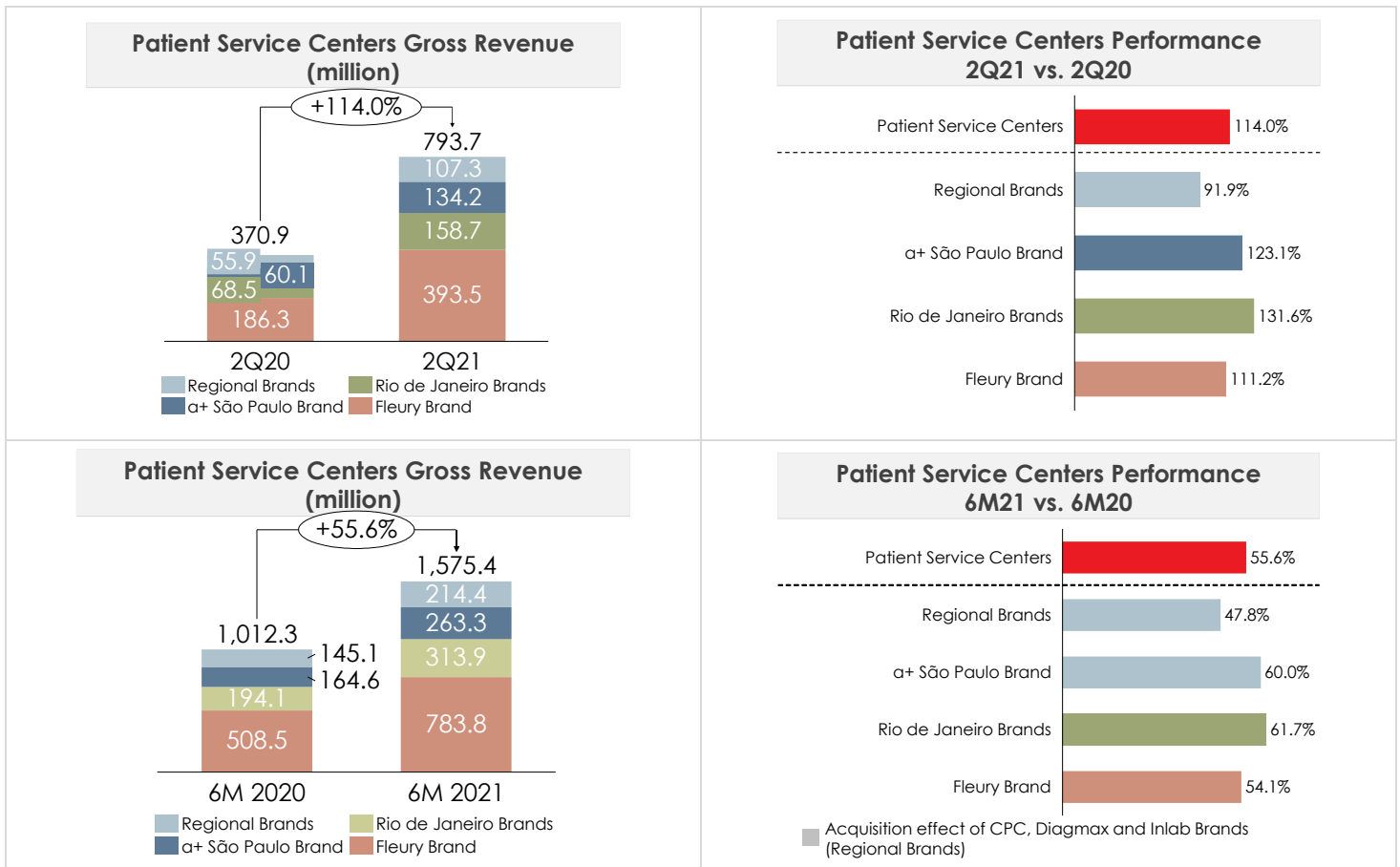
In line with the trend observed as of 4Q20, the contribution of Covid-19 tests to Gross Revenue registered a new reduction compared to the previous quarter, representing 8.3% of total Gross Revenue, against 9.7% in 1Q21 and 11.1% in 4Q20, the lowest level recorded since the beginning of the pandemic. In the PSCs, the share of Covid-19 tests was 7.0% in 2Q21, and in B2B, 15.9%.



Patient Service Centers

Gross Revenue | Patient Service Centers

Gross Revenue from PSCs reached R\$ 793.7 million in the quarter, an increase of 114.0% compared to 2Q20 and 1.5% compared to 1Q21. Once again, all of the Company's brands presented relevant growth, reflecting the continuous recovery in demand. We highlight the strong expansion of client's home service in the period, with growth of 40.4% compared to 2Q20, as a result of the Company's efforts to expand the service to all brands and increase logistic routes.



*Revenue from previous periods adjusted, considering only diagnostic medicine revenues.

Volumes and Gross Revenue per Test | Patient Service Centers

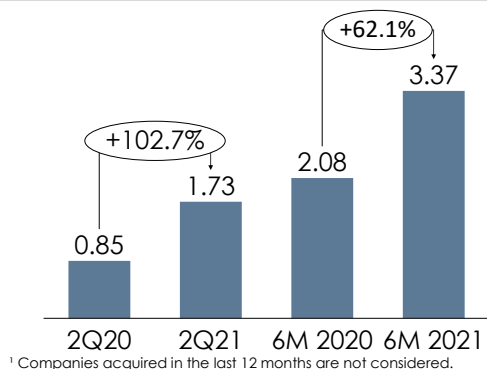
In 2Q21, the number of Organic Services reached 1.7 million, an increase of 102.7% compared to the previous year. The increase reflects again the strong volume of elective tests in the PSCs, as well as the contribution of Covid-19 tests in the period. As mentioned, the relevant growth reflects the effects caused by social distancing from the second half of March 2020, which significantly impacted our operations in April and May of the same year.

The volume of Organic Tests reached 15.0 million and registered a growth of 121.5%. The increase reflects the strong demand registered during the quarter, as well as the relevant participation of RT-PCR and Serology tests for Covid-19.

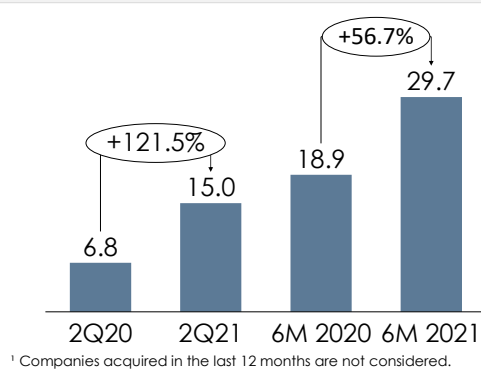
In 2Q21, the number of Tests by Organic Service grew by 9.3% compared to 2Q20, still reflecting the resumption of elective tests and also the lower participation of tests for Covid-19, RT-PCR and Serology, which many times are not accompanied by other tests in the service record.

In 2Q21, Gross Revenue per Test decreased 3.4%, reaching R\$ 52.9 compared to R\$ 54.7 in the same period of the previous year.

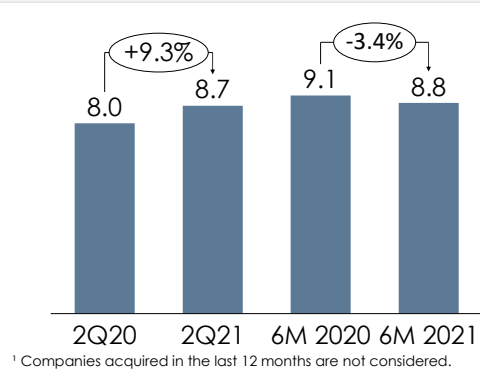
Organic Services¹ (million)



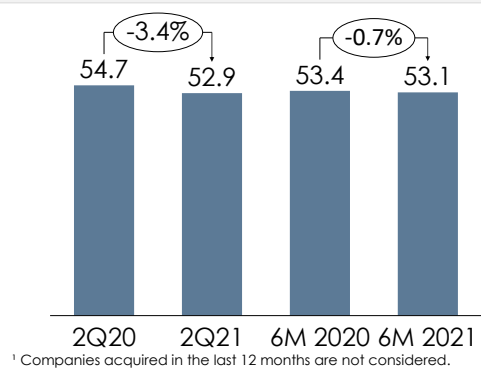
Organic Tests¹ (million)



Organic Tests per Service¹

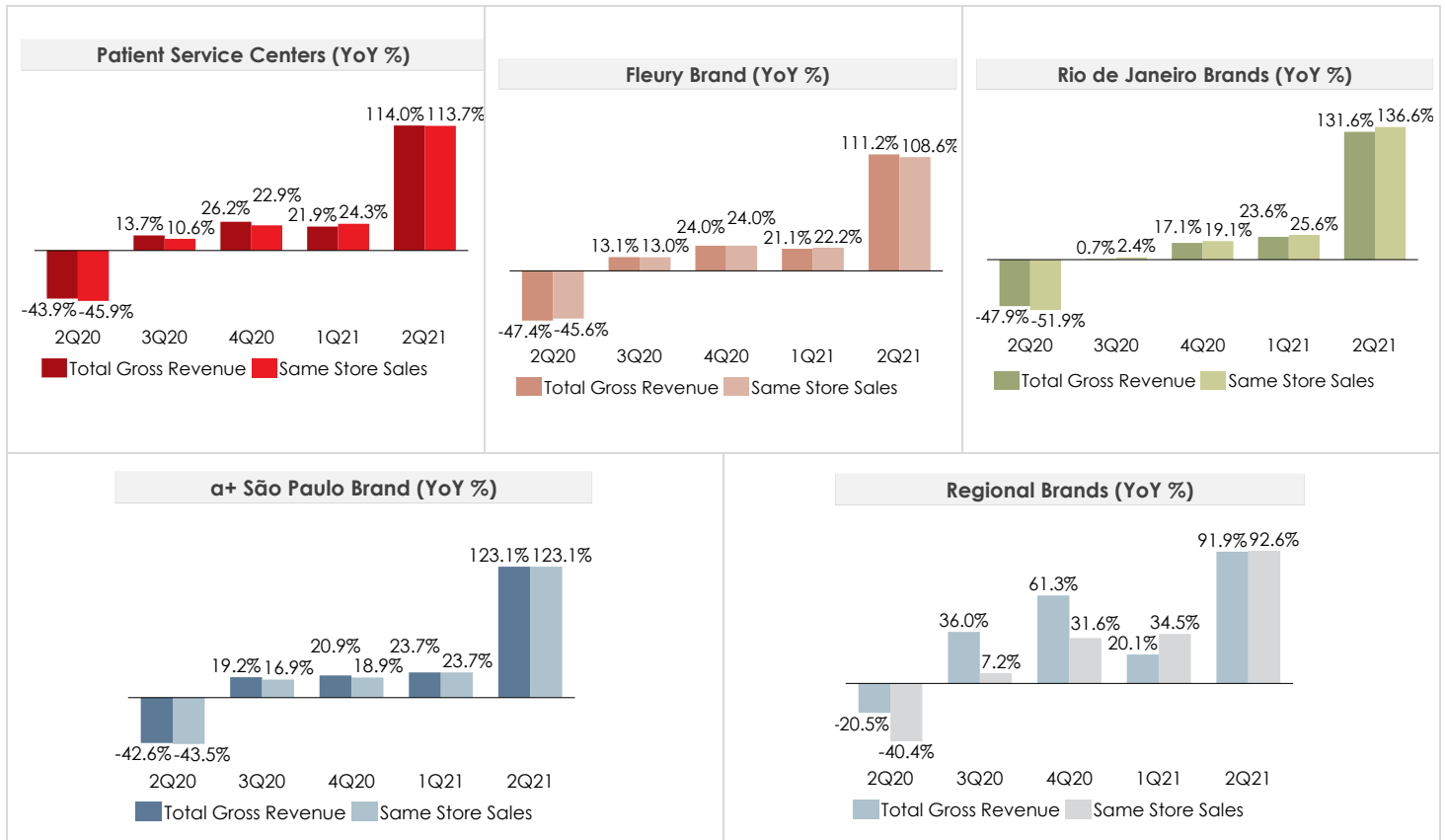


Gross Revenue per Organic Test¹ (R\$)



Gross Revenue and Same Store Sales | Patient Service Centers

In 2Q21, Gross Revenue from PSCs increased by 114.0%. Same Store Sales (SSS) grew by 113.7%. In the quarter, all brands showed relevant growth, both in Gross Revenue and in SSS. We continue with our strategy of expanding the offer of client's home service in the main brands, through the expansion of routes and inclusion of new services. For the fifth consecutive quarter, Gross Revenue from client's home service showed strong growth, representing 8.1% of consolidated revenue in 2Q21 and an increase of 40.4%.



B2B: Hospital Operations and Lab-to-lab

Volume and Gross Revenue | B2B

In 2Q21, B2B Operations grew by 49.8%, as a result of the 56.6% increase in the volume of Tests, partially impacted by the 4.3% reduction in Gross Revenue per Tests. In 6M21, growth was 42.9%, reflecting the 35.7% increase in the volume of tests and the 5.4% increase in Gross Revenue per Test.

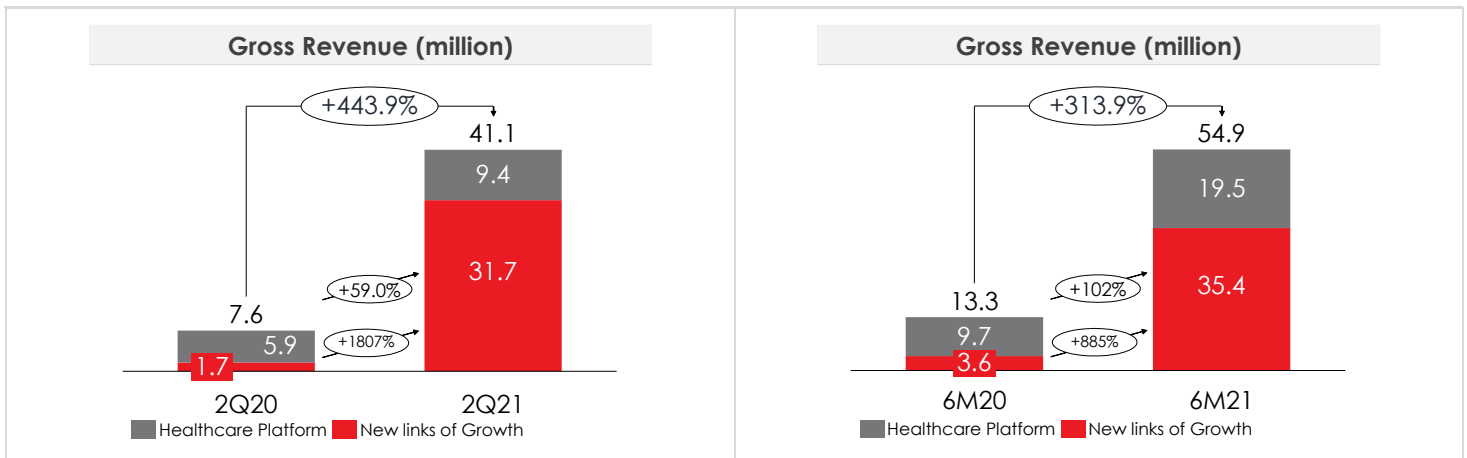
In the quarter, Operations in Hospitals showed an increase of 57.3% in Gross Revenue (+57.3% SSS), due to the strong demand for elective procedures in the period, which led to a 56.9% growth in the volume of Tests, and also in the reflection of gross revenue per test, which remained relatively stable in the period. In 6M21, operations in hospitals grew by 45.2%.

B2B Indicators	2Q21	2Q20	Variation	6M 2021	6M 2020	Variation
Gross Revenue (R\$ Million)						
B2B	170.4	113.7	49.8%	339.1	237.3	42.9%
Hospital Operations	155.5	98.9	57.3%	306.4	211.0	45.2%
Lab-to-Lab	14.9	14.8	0.1%	32.7	26.2	24.5%
Same Store Sales (R\$ Million)						
Hospital Operations	151.5	96.4	57.3%	NA	NA	NA
Tests (Million)						
B2B	9.4	6.0	56.6%	18.6	13.7	35.7%
Hospital Operations	9.0	5.8	56.9%	17.9	13.2	35.7%
Lab-to-Lab	0.3	0.2	48.5%	0.7	0.5	35.6%
Average Ticket per Test (R\$)						
B2B	18.2	19.0	-4.3%	18.2	17.3	5.4%
Hospital Operations	17.2	17.2	0.2%	17.1	16.0	7.1%
Lab-to-Lab	44.1	65.4	-32.6%	46.3	50.5	-8.3%

Healthcare Ecosystem – Saúde iD and New Businesses

Our healthcare ecosystem is strengthened, with the acceleration of the growth of Saúde iD and also of new business lines, through the services of Infusion Therapy, Day Clinic in Orthopedics, and also by the Fleury Reproductive Medicine Center, the Company's Greenfield project that was launched in March 2021. In this quarter, we started to consolidate the acquisitions of the Centro de Infusões Pacaembu and Clínica de Olhos Moacir Cunha, with 2 months of Gross Revenue of each of the Companies. Additionally, in the quarter, we completed the acquisition of 66.7% of Clínica Vita, which will open a new avenue of growth in the orthopedics specialty.

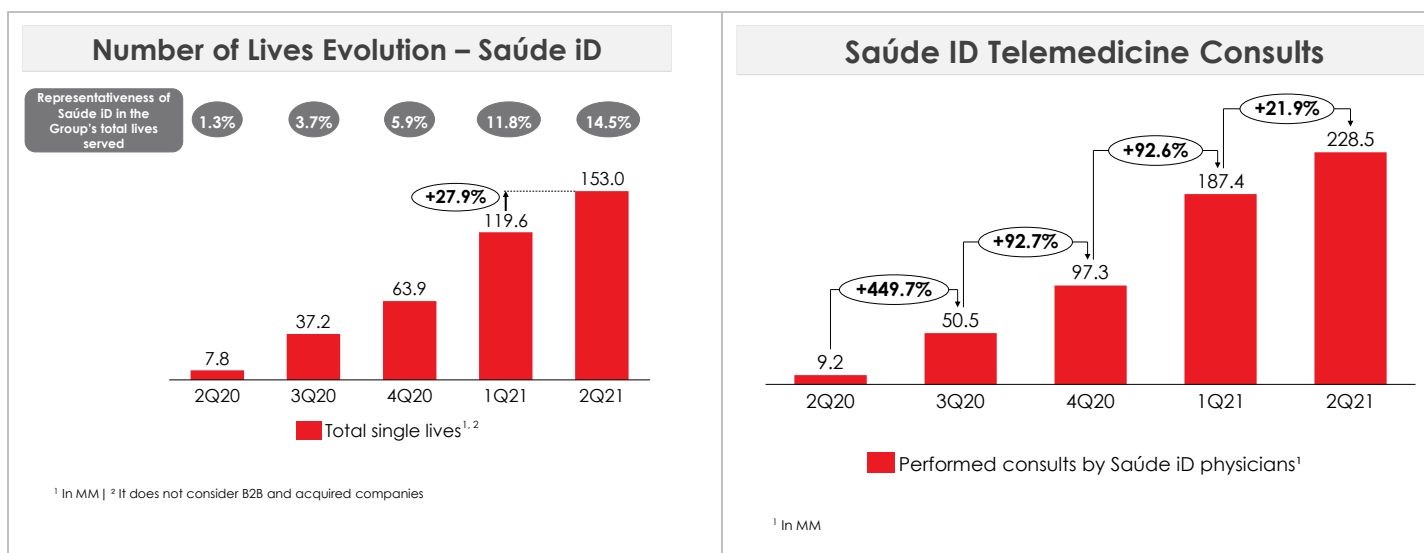
It is estimated that the addressable market for services in Orthopedics, Infusions, Ophthalmology, Fertility and other specialties can reach more than 40 billion reais in revenues per year in Brazil. Our results in these initiatives show not only the potential of the new links, but also the Group's appetite to advance in these specialties. In 2Q21, the total Gross Revenue from these new growth links reached R\$ 41.1 million, which already represents a percentage of 4.1% of the Company's Gross Revenue, with a recorded growth of 443.9% in the quarter. In 6M21, Gross Revenue totaled R\$ 54.9 million, a growth of 313.9% compared to the same period of the previous year.



Saúde ID

Saúde iD, our healthcare platform launched in September last year, enters a new level of evolution. It has continuously expanded the number of lives served by the Group, reaching the mark of more than 570 thousand telemedicine consultations performed since its launch. With a new management composition, Saúde iD now has professionals with extensive digital experience, focused on improving the user experience.

In 2Q21, of the total 1.1 million lives served, 14.5% came from Saúde iD, an increase of 27.9% compared to 1Q21. The volume of consultations performed continued to show significant growth, totaling 228.5 thousand medical consultations performed in the period, an increase of 21.9% compared to 1Q21. The boosted revenue grew 30.5% in the quarter, totaling R\$ 9.6 million compared to 1Q21. In addition to the B2B2C market, Saúde iD is now reaching the B2C public, with products in a subscription model that combines telemedicine consultations, face-to-face consultations and diagnostic tests. Additionally, it now offers surgery packages for those who do not have healthcare insurance, in an innovative model to address a potential market of R\$ 1.9 billion.



New Businesses

In line with the Company's strategy of providing increasingly complete and integrated solutions for managing people's health and well-being, we remain focused on expanding our service portfolio.

The new businesses include all initiatives that go beyond diagnostics, including the Day Clinic in Orthopedics, infusion therapy services in our brands, Centro de Medicina Reprodutiva Fleury, and also recent acquisitions, Clínica de Olhos Moacir Cunha and Centro de Infusões Pacaembu, which began to be consolidated in this quarter, in addition to Clínica Vita, whose acquisition was completed in this period.

The growth in the quarter reflects the acceleration of these new initiatives, with emphasis on the Day Clinic and Infusions, which grew by 197.3% and 123.5%, respectively. Fleury Fertilidade, inaugurated in March, has been showing positive evolution, with the closing of partnerships to accelerate this new service.

Precision and Personalized Medicine: Genomics

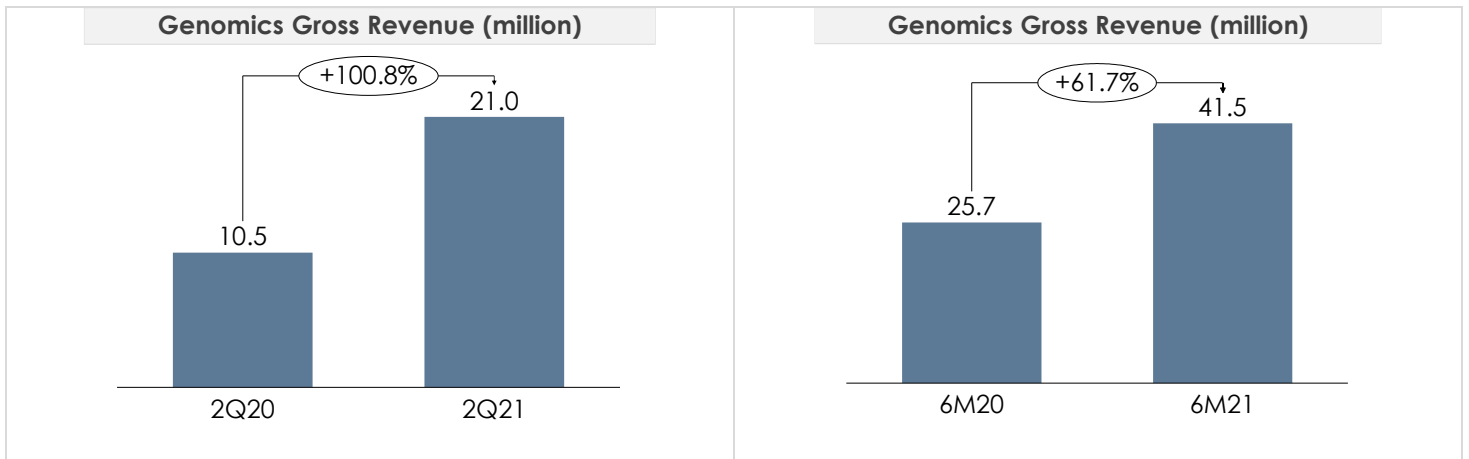
In Precision Medicine, Gross Revenue grew 100.8% in the quarter, which is the highest level of growth in history. Growth was again positively impacted by the NGS (Next Generation Sequencing) platform, which grew 137% in the period, with emphasis on Oncogenetics, Neurogenetics and Rare Diseases. The "Fleury Genomics" website grew by 70%, maintaining its presence predominantly in regions where the Company does not have physical PSCs. In initiatives related to pharmaceutical projects, patient support programs included 4 new contracts with national potential.

We continue to make financial contributions to leverage the entire personalized medicine ecosystem, providing increased robustness, capacity, portfolio and flexibility in collection methods in Genomics; We are investing in the rapid and solid implementation of digital pathology, a working model with cutting-edge technology for faster and more collaborative diagnostics for our physicians, and which makes room for the use of what is to come in Artificial Intelligence.

SOMMOS DNA continues its portfolio expansion journey with the launch of Sommos Equilíbrio, a genetic test aimed at skin care, sports performance, drug response (pharmacogenetics) and food metabolism (nutrigenetics). There was also the formalization of strategic partnerships with a network of gyms, a sports advisor and a publisher of natural health content.

We also expanded the offering of genetic counseling through telemedicine and with medical professionals in different states, we brought our clinical staff even closer to demanding physicians from different regions.

Finally, we recorded relevant growth in the Exoma test in the period, leveraged by the introduction of the test on the ANS rol (list of procedures with mandatory coverage by private healthcare insurance), as well as price adjustment, which made the test competitive with the competition, with even greater potential for growth. This is due to the investments made in carrying out this test through the acquisition of equipment that allowed for scalability and negotiations with suppliers. Expressive growth has also been taking place in hereditary cancer, somatic and genetic panels, which is also a reflection of the investments made in our platforms and the entire medical relationship leveraged by our participation in scientific events and the medical consultations carried out by our clinical staff.



Cost of Services

In 2Q21, the Cost of Services Provided increased by 49,0%. Below, the analysis of the main cost lines in 2Q21 compared to 2Q20.

Personnel and Medical Services (+62.1%): The line mainly comprises costs related to Personnel and Benefits with a fixed nature. The other costs are related to Medical Services, which have a variable nature. The growth is due to the increase in the number of hires to meet the greater demand at the PSCs and the improvement in the service level, higher costs with medical compensation due to the increase in the volume of exams, in addition to the strong expansion of client's home service. It is important to highlight the lower personnel costs in 2Q20 as a result of the Company's adherence to Provisional Measure 936 with reduction in salaries and working hours for the Company's employees.

In 2Q21, Personnel and Medical Services costs represented 33.9% of Net Revenues, with a relevant reduction of 895 bps related to 2Q20 (which was impacted by the pandemic) and a reduction of 90 bps compared to 2Q19, a better comparison basis.

General Services and Utilities (+39.0%): The increase in the quarter is due to higher maintenance costs for real estate and equipment and rentals, mainly due to the lower comparison base in 2Q20 due to the renegotiation of contracts and discounts that occurred in the period.

Direct Material and Test Intermediation (+61.9%): The growth of this line reflects the increase in the cost of materials for exams and personal protective equipment (PPE's) for service at the PSCs, due to the resumption of the volume of elective exams compared to 2Q20, in addition to the higher costs related to pharmacological products coming from infusion therapy services.

Depreciation and Amortization (+8.5%): Depreciation with the real estate right of use (effect of IFRS16), medical equipment and improvements in real estate are the most representative of this line. Additionally, the increase also reflects the higher depreciation of software licenses in the period.

General Expenses (+191.4%): Reached R\$ 1.8 million.

Cost of Services breakdown	2Q21		2Q20		Variation	
	R\$ MM	% Net Revenue	R\$ MM	% Net Revenue	▲ %	▲ bps
Personnel and medical services	(316.3)	-33.9%	(195.1)	-42.9%	62.1%	895.3 bps
General services and utilities	(139.2)	-14.9%	(100.1)	-22.0%	39.0%	707.3 bps
Materials and Test Intermediation	(141.5)	-15.2%	(87.4)	-19.2%	61.9%	403.0 bps
Depreciation and Amortization	(75.0)	-8.0%	(69.1)	-15.2%	8.5%	714.1 bps
General Expenses	(1.8)	-0.2%	(0.6)	-0.1%	191.4%	-5.8 bps
Cost of Services	-673.8	-72.3%	-452.4	-99.4%	49.0%	2714.0 bps

Cost of Services breakdown	6M 2021		6M 2020		Variation	
	R\$ MM	% Net Revenue	R\$ MM	% Net Revenue	▲ %	▲ bps
Personnel and medical services	(599.5)	-32.8%	(455.2)	-38.9%	31.7%	610.9 bps
General services and utilities	(267.0)	-14.6%	(212.3)	-18.2%	25.8%	354.2 bps
Materials and Exam Intermediation	(264.1)	-14.5%	(168.6)	-14.4%	56.6%	-3.6 bps
Depreciation and Amortization	(146.8)	-8.0%	(140.8)	-12.0%	4.3%	400.3 bps
General Expenses	(3.0)	-0.2%	(1.8)	-0.2%	67.4%	-1.1 bps
Cost of Services	-1,280.4	-70.1%	-978.7	-83.7%	30.8%	1360.7 bps

Operating Expenses and Equity in Subsidiaries

In 2Q21, Operating Expenses increased by +88.4%. Excluding non-recurring effects in the quarter, registered growth was 45.6%. Below, the analysis of the main expense lines in 2Q21 compared to 2Q20.

General and Administrative Expenses (+120.7%): The main effects reflect the increase in Personnel and Benefits expenses, in addition to expenses related to the expansion of the organizational structure of our Healthcare Platform Saúde iD. Additionally, in the quarter there were non-recurring expenses with consulting services carried out due to the cyber incident, companies acquisitions, as well as expenses with the Company's organizational restructuring - excluding these non-recurring effects, the increase in General and Administrative expenses would have been 64.8%. It is also important to highlight the lower comparison base in 2Q20, due to the reduction in working hours and salaries in the period due to the Provisional Measure 936.

Depreciation and Amortization (+1.9%): Equivalent to 1.7% of Net Revenue, a decrease of 173 bps.

Other Operating Income/(Expenses) (-127.8%): totaled R\$ 0,1 million.

Reversion / Provision for Contingencies (-4200.1%): refers to the reversal of tax contingency due to the payment of fiscal debts in the quarter.

Operating Expenses breakdown and Equity in Subsidiaries	2Q21		2Q20		Variation	
	R\$ MM	% Net Revenue	R\$ MM	% Net Revenue	▲ %	▲ bps
G&A	(115.9)	-12.4%	(52.5)	-11.5%	120.7%	-89 bps
Depreciation and Amortization	(15.9)	-1.7%	(15.6)	-3.4%	1.9%	173 bps
Other Operating Income (Expenses)	(0.1)	0.0%	0.5	0.1%	-127.8%	-13 bps
Reversal (Provision) for Contingency	2.6	0.3%	(0.1)	0.0%	-4200.1%	29 bps
Equity in Subsidiaries	(0.0)	0.0%	(1.0)	-0.2%	-99.8%	23 bps
Operating Expenses and Equity in Sub.	-129.4	-13.9%	-68.7	-15.1%	88.4%	122 bps
Non-recurring	29.4	3.2%	0.0	0.0%	0.0%	315 bps
Recurring Operating Expenses and Equity in Sub.	-100.0	-10.7%	-68.7	-15.1%	45.6%	437 bps

Operating Expenses breakdown and Equity in Subsidiaries	6M 2021		6M 2020		Variation	
	R\$ MM	% Net Revenue	R\$ MM	% Net Revenue	▲ %	▲ bps
G&A	(191.6)	-10.5%	(117.3)	-10.0%	63.4%	-46 bps
Depreciation and Amortization	(30.9)	-1.7%	(31.2)	-2.7%	-0.9%	97 bps
Other Operating (Income) Expenses	2.3	0.1%	1.3	0.1%	86.6%	2 bps
Provision (Reversal) for Contingency	2.2	0.1%	0.6	0.1%	259.2%	7 bps
Equity in Subsidiaries	(0.2)	0.0%	(1.0)	-0.1%	-79.7%	7 bps
Operating Expenses and Equity in Sub.	-218.2	-11.9%	-147.6	-12.6%	47.8%	68 bps
Non-recurring	29.4	1.6%	0.0	0.0%	0.0%	161 bps
Recurring Operating Expenses and Equity in Sub.	-188.8	-10.3%	-147.6	-12.6%	27.9%	229 bps

Income Statement

Net Revenue increased by 104.9%, as a result of the 104.2% growth in Gross Revenue and the reduction in Disallowances and Reductions, which reached 1.0% in relation to Gross Revenue, with a decrease of 35 bps in comparison with the 2Q20 and remained stable related to 1Q21. In 6M21, Net Revenue totaled R\$ 1.8 billion, an increase of 56.2%.

Gross Profit reached R\$ 258,2 million, presenting a relevant increase in the quarter due to the strong growth in Gross Revenue. In 6M21, Gross Profit reached R\$545.5 million, an increase of 186.9%.

EBITDA totaled R\$ 219.7 million, an increase of 1170% compared to 2Q20, and an EBITDA margin of 23.6%. Excluding the non-recurring effects related to the cyber incident and organizational restructuring, recurring EBITDA totaled R\$ 249.1 million in 2Q21, with recurring margin of 26.7%. In the first half of 2021, EBITDA reached R\$ 505.3 million, an increase of 134.4% compared to the same period of the last year. Excluding the non-recurring effects mentioned above, recurring EBITDA totaled R\$ 534.7 in 6M21, with a recurring margin of 29.3%.

Net Income totaled R\$ 65.5 million, compared to a loss of R\$ 73.3 million in 2Q20. In 6M21, Net Income was R\$ 184.1 million, compared to an accumulated loss of R\$ 14.6 million in 6M20. Excluding the non-recurring effects mentioned above, recurring Net Income totaled R\$ 86.6 million and R\$205.2 million in 2Q21 and 6M21, respectively.

Income Statement (R\$ million)	2Q21	2Q20	Variation	6M 2021	6M 2020	Variation
Gross Revenue	1,005.1	492.2	104.2%	1,969.4	1,262.8	56.0%
Taxes on Gross Revenue	(62.6)	(30.4)	-105.8%	(123.1)	(78.1)	-57.7%
Cancellations	(10.4)	(6.8)	-53.1%	(20.4)	(15.9)	-28.8%
Cancellations (% Gross Revenue)	-1.0%	-1.4%	35.0 bps	-1.0%	-1.3%	22.0 bps
Net Revenue	932.1	454.9	104.9%	1,825.9	1,168.9	56.2%
Cost of Rendered Services	(673.8)	(452.4)	-49.0%	(1,280.4)	(978.7)	-30.8%
Gross Profit	258.2	2.6	9911.2%	545.5	190.2	186.9%
Gross Margin	27.7%	0.6%	2714.0 bps	29.9%	16.3%	1361.0 bps
Operating Expenses and Equity in Subsidiaries	(129.4)	(68.7)	-88.4%	(218.2)	(147.6)	-47.8%
Financial Results	(36.2)	(36.6)	1.1%	(66.9)	(65.4)	-2.3%
Earnings Before Tax (EBIT)	92.6	(102.7)	190.2%	260.4	(22.8)	1240.7%
Income Tax and Social Contribution	(27.1)	29.4	-192.3%	(76.3)	8.2	-1025.8%
Effective Tax Rate	-29.3%	-28.6%	-67.0 bps	-29.3%	-36.1%	680.0 bps
Net income before minorities share	65.5	(73.3)	189.3%	184.1	(14.6)	1362.2%
Minorities share	0.04	0.00	0.0%	0.04	0.00	0.0%
Net Income	65.5	(73.3)	189.4%	184.1	(14.6)	1362.5%
Net Margin	7.0%	-16.1%	2314.0 bps	10.1%	-1.2%	1133.0 bps
EBITDA	219.7	19.6	1020.6%	505.3	215.6	134.4%
EBITDA Margin	23.6%	4.3%	1927.0 bps	27.7%	18.4%	923.0 bps
EBITDA Recorrente	249.1	19.6	1170.5%	534.7	215.6	148.0%
Margem EBITDA Recorrente	26.7%	4.3%	2242.0 bps	29.3%	18.4%	1084.0 bps
Recurring Net Income	86.6	(73.3)	218.2%	205.2	(14.6)	1507.1%
Recurring Net Margin	9.3%	-16.1%	2541.0 bps	11.2%	-1.2%	1249.0 bps

Indebtedness

Gross debt presented a reduction of 10.6 in the quarter compared to 2Q20, net result of the amortization of the principal of the 4th issuance of debentures, in the amount of R\$ 250 million, carried out in April. The net debt grows 29.1% in relation to 2Q20, and related to EBITDA LTM corresponded 1.0x, with a reduction of 0.4x in relation to 2Q20.

In July, the Company carried out its 6th issuance of debentures, being the first issuance of Debentures by a Company in the Healthcare sector in Brazil with targets linked to ESG (Environmental, Social and Governance) performance. The total amount was R\$ 1.0 billion, divided into three series, being the First Series of R\$ 250 million, the Second of R\$ 375 million and the Third of R\$ 375 million, maturing on July 8, 2025; July 8, 2026 and July 8, 2028, respectively.

Composition of Net Debt (R\$ MM)	2Q21	2Q20	Variation
Gross Debt (Debentures and Borrowings and Acquisitions)	1,839.9	2,057.7	-10.6%
Cash, Cash Equivalents and Marketable Securities	672.1	1,152.8	-41.7%
Net Debt	1,167.8	904.9	29.1%
Net Debt / EBITDA LTM	1.0x	1.4x	-0.4x
EBITDA LTM / Financial Result LTM	8.1x	4.4x	3.7x

Investments

In the quarter, investments increased by 113.7%, reaching R\$ 85.9 million. In 6M21, investments totaled R\$ 137.2 million, an increase of 69.6% compared to the same period of the previous year.

Investments in the line of New PSCs, Expansion of Supply in Existing PSCs and Technical Areas presented an increase of 102.8%, reflecting the investments made in expanding the offer in existing PSCs, integration costs of the acquired companies and also in the Fleury Reproductive Medicine Center.

In the renewal of diagnostic and maintenance equipment, the increase of 120.6 compared to the same quarter of the previous year is explained by the resumption of maintenance and equipment changes carried out during 2Q21.

Investments in IT/Digital grew by 114%, with a relevant emphasis on investments focused on the continuous expansion of the Company's healthcare platform and digitalization strategy.

CAPEX (R\$ million)	2Q21	2Q20	Variation	6M 2021	6M 2020	Variation
New PSC's, Offer Expansion in Existing Units and Technical Areas	18.6	9.2	102.8%	35.4	18.1	95.2%
Diagnostic Equipment Renewal and Maintenance	30.2	13.7	120.6%	35.1	29.2	20.2%
IT/Digital	37.2	17.4	114.0%	66.7	33.6	98.8%
Total Capex	85.9	40.2	113.7%	137.2	80.9	69.6%

Cash Flow

In 2Q21, Operating Cash Flow recorded R\$ 286.5 million, an increase of 316.1%. Once again the increase reflects the strong EBITDA growth in the quarter, compared to 2Q20, offset by the higher income tax and social contribution effect in the period.

In Working Capital, the variation in Accounts Receivable had the most relevant impact, with the variation going from R\$ 37.2 million in 2Q20 to R\$ 80.2 million in 1Q21. The impact is due to the decrease in revenue in 2Q20, which reflected in the reduction in accounts receivable compared to 2Q20, and also in the balance of the Suppliers account, reflecting the reduction in volumes due to the pandemic.

In the quarter, the Average Receipt Term was 64 days, a reduction of 15 days related to 2Q20. The Company's Free Cash Flow grew by 611.2% and totaled R\$ 199.0million, and the CAPEX level increased by 113.7% compared to 2Q20.

Cash Flow (R\$ MM)	2Q21	2Q20	▲ %	6M 2021	6M 2020	▲ %
EBITDA	219.7	19.6	1020.6%	505.3	215.6	134.4%
Provisions (reversions)	19.2	7.3	164.1%	43.6	17.9	143.0%
Income Tax Paid	(35.6)	(1.4)	-2530.9%	(57.9)	(29.1)	-98.7%
Others Operating Results	3.0	6.2	-50.8%	10.0	13.9	-28.5%
Working Capital Variation:	80.2	37.2	115.8%	(15.2)	(18.6)	18.1%
Trade Accounts Receivables	8.8	114.8	-92.3%	(19.1)	138.1	-113.8%
Suppliers	41.2	(16.0)	357.9%	3.7	(33.0)	111.3%
Salaries / Charges	36.4	20.1	81.1%	17.2	(11.6)	248.4%
Others Assets and Liabilities	(6.3)	(81.8)	92.3%	(17.1)	(112.0)	84.8%
(=) Operating Cash Flow	286.5	68.9	316.1%	485.7	199.7	143.2%
Capital Expenditures	(85.9)	(40.2)	-113.7%	(137.2)	(80.9)	-69.6%
Others Investing Activities	(1.6)	(0.7)	-141.7%	(3.5)	(0.5)	-581.1%
(=) Free Cash Flow to Firm (FCFF)	199.0	28.0	611.2%	345.0	118.3	191.7%
Interest Paid / Received	(22.3)	(33.1)	32.7%	(24.9)	(38.7)	35.7%
Change in Debt	(266.8)	386.6	-169.0%	(274.8)	368.6	-174.6%
Leasing	(43.7)	(35.6)	22.9%	(87.7)	(77.6)	-13.0%
(=) Free Cash Flow to Equity (FCFE)	(133.8)	345.9	-138.7%	(42.5)	370.5	-111.5%
Dividends and Interest on Capital	(156.3)	0.0	0.0%	(231.4)	(31.2)	-642.1%
Payment of Acquisitions	(136.2)	5.0	-2823.2%	(143.4)	(43.5)	-229.7%
Capital Increase (Stock Options)	(0.4)	0.0	0.0%	(0.4)	0.9	-140.4%
(=) Cash Flow	(426.6)	350.9	-221.6%	(417.6)	296.7	-240.8%

¹ It does not consider the variation in Marketable securities

Cash Flow Indicators	2Q21	2Q20	▲	6M 2021	6M 2020	▲
Average Collection Period	64	79	-15 days	66	61	4 days
Average Payment Period	57	60	-3 days	61	55	6 days
Cash Flow Conversion to EBITDA	130.4%	351.1%	-22077.0 bps	96.1%	92.6%	348.0 bps

Organic Expansion Plan and Acquisitions

In October 2016, the Company announced the guidelines for opening 73 to 90 new PSCs by 2021, which comprise the organic expansion plan. In March, a new Fleury Brand PSC was opened, located in Vila Mariana, São Paulo. This PSC also includes the Fleury Brand Reproductive Medicine Center. So far, 55 PSCs have been opened, corresponding to 74% of the bottom point of the projection.

In addition to the 55 PSCs inaugurated in the organic expansion plan, the Company also made six acquisitions of diagnostic brands in recent years, adding another 72 new PSCs to the brand portfolio, 36 PSCs in regions where it already had operations and 36 PSCs in new regions. It is also worth noting the growth in client's home service, which at the end of 2Q21 represented 8.1% of the group's gross revenue, equivalent to the average revenue of 25 PSCs.

Patient Service Centers launched within the Organic Expansion Plan					
	Fleury Brand	Complexity	Patient Service Area (sqm)	State	Date
1	Fleury Santo André	Medium	587	São Paulo	feb/18
2	Fleury Carlos Weber	Medium	681	São Paulo	oct/17
3	Fleury Alameda Jaú	Fast site	380	São Paulo	set/17
4	Fleury Morumbi	Large	1.988	São Paulo	jul/17
5	Fleury Anália Franco	Large	1.214	São Paulo	jun/17
6	Fleury Heitor Penteado	Fast site	183	São Paulo	jun/17
7	Fleury São Caetano do Sul	Fast site	411	São Paulo	may/17
8	Fleury Cerro Corá	Fast site	233	São Paulo	apr/17
9	Fleury Ipiranga	Fast site	206	São Paulo	mar/17
10	Fleury Brasil	Fast site	235	São Paulo	jan/17
11	Fleury Moema	Fast site	126	São Paulo	dec/16
	Fleury Vila Mariana	Large	1.500	São Paulo	mar/21
	Regional South	Complexity	Patient Service Area (sqm)	State	Date
1	a+ João Bettge	Small	128	Paraná	dec/17
2	a+ Água Verde	Small	171	Paraná	may/17
3	Weinmann General Vitorino	Small	113	Rio Grande do Sul	may/17
4	a+ Ecoville	Small	47	Paraná	feb/17
5	a+ Champagnat	Small	81	Paraná	feb/17
6	a+ Centro	Small	29	Paraná	feb/17
7	a+ Batel	Small	134	Paraná	dec/16
8	a+ Nossa Saúde	Small	79	Paraná	oct/16
	a+ São Paulo	Complexity	Patient Service Area (sqm)	State	Date
1	a+ Canário	Grande	680	São Paulo	out/19
2	a+ Chácara Flora	Fast site	299	São Paulo	dec/18
3	a+ Verbo Divino	Fast site	196	São Paulo	dec/18
4	a+ Berrini	Fast site	199	São Paulo	dec/18
5	a+ São Bernardo do Campo	Fast site	517	São Paulo	sep/18
6	a+ Granja Viana	Fast site	231	São Paulo	aug/18
7	a+ Tatuapé	Large	1.483	São Paulo	aug/18
8	a+ Vila Andrade	Fast site	234	São Paulo	jul/18
9	a+ Brasil	Fast site	348	São Paulo	jul/18
10	a+ Alphaville Rio Negro	Fast site	230	São Paulo	jul/18
11	a+ Ipiranga	Medium	359	São Paulo	jun/18
12	a+ Funchal	Fast site	239	São Paulo	may/18
13	a+ Guarulhos	Large	832	São Paulo	apr/18
14	a+ Pedroso de Morais	Medium	421	São Paulo	dec/17
15	a+ Leôncio Magalhães	Medium	544	São Paulo	nov/17
16	a+ Queiroz Filho	Medium	673	São Paulo	oct/17
17	a+ Santo André	Medium	437	São Paulo	jul/17
18	a+ Augusto Tolle	Fast site	392	São Paulo	jul/17
19	a+ Itaim Bibi	Fast site	207	São Paulo	may/17

Patient Service Centers Launched within the Organic Expansion Plan					
Fleury Brand		Complexity	Patient Service Area (sqm)	State	Date
1	Fleury Santo André	Medium	587	São Paulo	feb/18
2	Fleury Carlos Weber	Medium	681	São Paulo	oct/17
3	Fleury Alameda Jaú	Fast site	380	São Paulo	set/17
4	Fleury Morumbi	Large	1.988	São Paulo	jul/17
5	Fleury Anália Franco	Large	1.214	São Paulo	jun/17
6	Fleury Heitor Penteado	Fast site	183	São Paulo	jun/17
7	Fleury São Caetano do Sul	Fast site	411	São Paulo	may/17
8	Fleury Cerro Corá	Fast site	233	São Paulo	apr/17
9	Fleury Ipiranga	Fast site	206	São Paulo	mar/17
10	Fleury Brasil	Fast site	235	São Paulo	jan/17
11	Fleury Moema	Fast site	126	São Paulo	dec/16
	Fleury Vila Mariana	Large	1.500	São Paulo	mar/21
Regional South		Complexity	Patient Service Area (sqm)	State	Date
1	a+ João Bettega	Small	128	Paraná	dec/17
2	a+ Água Verde	Small	171	Paraná	may/17
3	Weinmann General Vitorino	Small	113	Rio Grande do Sul	may/17
4	a+ Ecoville	Small	47	Paraná	feb/17
5	a+ Champagnat	Small	81	Paraná	feb/17
6	a+ Centro	Small	29	Paraná	feb/17
7	a+ Batel	Small	134	Paraná	dec/16
8	a+ Nossa Saúde	Small	79	Paraná	oct/16
a+ São Paulo		Complexity	Patient Service Area (sqm)	State	Date
1	a+ Canário	Grande	680	São Paulo	out/19
2	a+ Chácara Flora	Fast site	299	São Paulo	dec/18
3	a+ Verbo Divino	Fast site	196	São Paulo	dec/18
4	a+ Berrini	Fast site	199	São Paulo	dec/18
5	a+ São Bernardo do Campo	Fast site	517	São Paulo	sep/18
6	a+ Granja Viana	Fast site	231	São Paulo	aug/18
7	a+ Tatuapé	Large	1.483	São Paulo	aug/18
8	a+ Vila Andrade	Fast site	234	São Paulo	jul/18
9	a+ Brasil	Fast site	348	São Paulo	jul/18
10	a+ Alphaville Rio Negro	Fast site	230	São Paulo	jul/18
11	a+ Ipiranga	Medium	359	São Paulo	jun/18
12	a+ Funchal	Fast site	239	São Paulo	may/18
13	a+ Guarulhos	Large	832	São Paulo	apr/18
14	a+ Pedroso de Morais	Medium	421	São Paulo	dec/17
15	a+ Leôncio Magalhães	Medium	544	São Paulo	nov/17
16	a+ Queiroz Filho	Medium	673	São Paulo	oct/17
17	a+ Santo André	Medium	437	São Paulo	jul/17
18	a+ Augusto Tolle	Fast site	392	São Paulo	jul/17
19	a+ Itaim Bibi	Fast site	207	São Paulo	may/17

Regional RJ		Complexity	Patient Service Area (sqm)	State	Date
1	Felippe Mattoso Mena Barreto	Fast site	276	Rio de Janeiro	dec/18
2	Felippe Mattoso Av. das Américas	Large	1009	Rio de Janeiro	nov/18
3	Labs a+ Carioca	Fast site	559	Rio de Janeiro	nov/18
4	Labs a+ Posto 6	Medium	318	Rio de Janeiro	nov/18
5	Labs a+ Freguesia	Medium	363	Rio de Janeiro	nov/18
6	Labs a+ Flamengo	Medium	478	Rio de Janeiro	nov/18
7	Felippe Mattoso Ipanema	Fast site	239	Rio de Janeiro	dec/17
8	Labs a+ Catete	Fast site	145	Rio de Janeiro	dec/17
9	Labs a+ Shopping Santa Cruz	Fast site	131	Rio de Janeiro	dec/17
10	Labs a+ Mariz e Barros	Fast site	134	Rio de Janeiro	dec/17
11	Labs a+ Uruguai	Fast site	129	Rio de Janeiro	nov/17
12	Labs a+ Santa Rosa	Fast site	148	Rio de Janeiro	oct/17
13	Labs a+ Campo Grande	Fast site	281	Rio de Janeiro	sep/17
Regional Brasília		Complexity	Patient Service Area (sqm)	State	Date
1	a+ Asa Sul	Fast site	58	Brasília	aug/17
2	a+ Sudoeste	Fast site	119	Brasília	aug/17
Regional Pernambuco		Complexity	Patient Service Area (sqm)	State	Date
1	a+ Casa Forte	Small	151	Pernambuco	may/18
Total 55 PSCs			21,585 sqm		

PSCs inaugurated by brand

Acquired Patient Service Centers (Part 1)

Company	PSC	Complexity	PSCs area (sqm)	State
1	Serdil	NA	1.213	Rio Grande do Sul
2	IRN	Matriz	1.697	Rio Grande do Norte
3	IRN	Parnamirim	453	Rio Grande do Norte
4	IRN	Lagoa Nova	1.193	Rio Grande do Norte
5	LAFE	Alcantara	217	Rio de Janeiro
6	LAFE	Armando Lombardi	256	Rio de Janeiro
7	LAFE	Bairro de Fatima	287	Rio de Janeiro
8	LAFE	Barra II	107	Rio de Janeiro
9	LAFE	Barra III	151	Rio de Janeiro
10	LAFE	Belford Roxo	202	Rio de Janeiro
11	LAFE	Botafogo I	442	Rio de Janeiro
12	LAFE	Copacabana I	207	Rio de Janeiro
13	LAFE	Copacabana II	212	Rio de Janeiro
14	LAFE	Del Castilho	303	Rio de Janeiro
15	LAFE	Duque de Caxias I	176	Rio de Janeiro
16	LAFE	Duque de Caxias II	257	Rio de Janeiro
17	LAFE	Gavea	132	Rio de Janeiro
18	LAFE	Guadalupe	120	Rio de Janeiro
19	LAFE	Icarai	522	Rio de Janeiro
20	LAFE	Ilha do Governador I	156	Rio de Janeiro
21	LAFE	Ipanema I	251	Rio de Janeiro
22	LAFE	Laranjeiras II	84	Rio de Janeiro
23	LAFE	Nilopolis	170	Rio de Janeiro
24	LAFE	Nova Iguacu I	242	Rio de Janeiro
25	LAFE	Nova Iguacu II	88	Rio de Janeiro
26	LAFE	Nova Iguacu III	200	Rio de Janeiro
27	LAFE	Ouvidor	308	Rio de Janeiro
28	LAFE	Sao Cristovão	620	Rio de Janeiro
29	LAFE	Tijuca	318	Rio de Janeiro
30	LAFE	Vila da Penha II	175	Rio de Janeiro

Acquired Patient Service Centers (Part 2)					
31	CPC	Matriz	NA	838	Rio Grande do Norte
32	CPC	Mirassol	NA	94	Rio Grande do Norte
33	CPC	Alexandrino	NA	106	Rio Grande do Norte
34	CPC	Clinorte	NA	43	Rio Grande do Norte
35	CPC	Cidade Verde	NA	132	Rio Grande do Norte
36	CPC	Lima e Silva	NA	124	Rio Grande do Norte
37	CPC	Parnamirim	NA	77	Rio Grande do Norte
38	Diagmax	Cedire	NA	317	Pernambuco
39	Diagmax	Derby I	NA	414	Pernambuco
40	Diagmax	Derby li	NA	626	Pernambuco
41	Diagmax	Shopping Recife	NA	565	Pernambuco
42	Diagmax	Shopping Rio Mar	NA	697	Pernambuco
43	Diagmax	Shopping Tacaruma	NA	379	Pernambuco
44	Inlab	Anil	NA	70	Maranhão
45	Inlab	Araçagy	NA	122	Maranhão
46	Inlab	Bequimão	NA	93	Maranhão
47	Inlab	Centro	NA	75	Maranhão
48	Inlab	Cidade Operáeia	NA	67	Maranhão
49	Inlab	Cohab	NA	70	Maranhão
50	Inlab	Cohafuma	NA	88	Maranhão
51	Inlab	Cohajap	NA	72	Maranhão
52	Inlab	Cohama	NA	79	Maranhão
53	Inlab	Cohatrac	NA	64	Maranhão
54	Inlab	Holandeses	NA	324	Maranhão
55	Inlab	João Paulo	NA	153	Maranhão
56	Inlab	Lagoa	NA	82	Maranhão
57	Inlab	Maiobao	NA	76	Maranhão
58	Inlab	São Marcos	NA	24	Maranhão
59	Inlab	Shopping da Ilha	NA	57	Maranhão
60	Inlab	Turu	NA	47	Maranhão
61	Inlab	Olho D'Água	NA	84	Maranhão
62	Inlab	Vinhais	NA	73	Maranhão
63	Inlab	Matriz	NA	298	Maranhão
64	Inlab	Ponta do Farol	NA	65	Maranhão
65	Inlab	São Cristovão	NA	82	Maranhão
66	Inlab	Cassi	NA	15	Maranhão
67	Inlab	I-Medical	NA	9	Maranhão
68	Inlab	São Francisco	NA	22	Maranhão
Total 68 PSCs through acquisition				17,382 sqm	

Performance indicators

Performance Indicators

Operational Indicators	Description	Unit	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
Income Statement											
Gross Revenue	Gross Revenue	R\$ MM	787.6	818.0	778.6	770.6	492.2	943.8	1,000.5	964.3	1,005.1
Net Revenue	Gross Revenue - Tax (ISS and PIS/COFINS) - Cancellations	R\$ MM	728.7	755.7	720.1	713.9	454.9	874.6	928.2	893.8	932.1
COGS	Personnel and Medical Services + Materials and Outsourcing + General Services, Rent and Utilities + General Expenses + Depreciation and Amortization	R\$ MM	(509.9)	(524.3)	(506.7)	(526.3)	(452.4)	(561.4)	(621.8)	(606.5)	(673.8)
SG&A	Does not include Other Operating Expenses / Revenues, Contingency Provisions and Equity in Subsidiaries	R\$ MM	(83.9)	(79.1)	(85.6)	(80.3)	(68.1)	(74.9)	(97.7)	(90.7)	(131.8)
EBIT	Earnings Before Interest and Taxes	R\$ MM	127.7	151.9	129.4	108.7	(65.1)	236.1	199.3	198.7	128.9
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization	R\$ MM	211.9	238.7	195.1	195.9	19.6	323.8	298.1	285.5	219.7
Net Finance Income	Interest Revenue - Interest Expenses	R\$ MM	(28.2)	(27.4)	(53.8)	(28.8)	(36.6)	(33.3)	(39.2)	(30.7)	(36.2)
Net Income	Net Income	R\$ MM	72.6	91.1	56.1	58.7	(73.3)	132.1	139.5	118.6	65.5
Net Cash Income	Net Income - Deferred income tax	R\$ MM	59.1	102.2	61.3	65.6	(89.8)	144.9	130.3	101.8	48.4
Result Indicators											
Cancellation Index	Cancellations / Gross Revenue	%	-1.3%	-1.4%	-1.3%	-1.2%	-1.4%	-1.1%	-1.0%	-1.0%	-1.0%
Gross Margin	Gross Profit / Net Revenue	%	30.0%	30.6%	29.6%	26.3%	0.6%	35.8%	33.0%	32.1%	27.7%
EBIT Margin	Earnings Before Interest and Tax / Net Revenue	%	17.5%	20.1%	18.0%	15.2%	-14.3%	27.0%	21.5%	22.2%	13.8%
EBITDA Margin	Earnings Before Interest, Tax, Depreciation and Amortization / Net Revenue	%	29.1%	31.6%	27.1%	27.4%	4.3%	37.0%	32.1%	31.9%	23.6%
Effective Tax Rate	Current Tax / Earnings Before Tax	%	-27.0%	-27.0%	-25.5%	-26.5%	-28.6%	-35.0%	-13.1%	-29.3%	-29.3%
Net Margin	Net Profit / Net Revenue	%	10.0%	12.1%	7.8%	8.2%	-16.1%	15.1%	15.0%	13.3%	7.0%
Net Cash Income Margin	(Net Income - Deferred income tax) / Net Revenue	%	8.1%	13.5%	8.5%	9.2%	-19.7%	16.6%	14.0%	11.4%	5.2%
Financial Debt											
Cash & Equivalents	Cash, Equivalents and Marketable Securities	R\$ MM	300.4	463.6	857.8	803.6	1,152.8	1,209.2	1,111.4	1,097.4	672.1
Gross Debt	Short and Long Term Debts (Borrowings and Debentures)	R\$ MM	1,150.4	1,155.0	1,639.2	1,692.2	2,057.7	2,035.2	2,012.6	1,999.5	1,839.9
Net Debt	Gross Debt - Cash and Cash equivalents	R\$ MM	850.1	691.4	781.4	888.6	904.9	826.0	901.2	902.1	1,167.8
Net Debt / EBITDA LTM	(Gross Debt - Cash and Cash equivalents) / EBITDA LTM	Multiple	1.1x	0.8x	0.9x	1.1x	1.4x	1.1x	1.1x	1.0x	1.0x
Profitability and Return											
ROIC without Goodwill (LTM)	NOPAT LTM (tax= 34%) / Capital Employed (Shareholders Equity + Net Debt - Goodwill)	%	36.0%	38.3%	38.7%	45.7%	25.6%	33.5%	36.0%	47.2%	58.7%
ROIC (LTM)	NOPAT LTM (tax= 34%) / Capital Employed (Shareholders Equity + Net Debt)	%	13.6%	14.1%	14.1%	14.6%	7.6%	10.2%	12.2%	14.7%	18.7%

FLEURY S.A. CONSOLIDATED BALANCE SHEET

Balance Sheet as of June 30th (In R\$ thousand)

	Consolidated	
	6/30/2021	12/31/2020
Assets		
Current		
Cash and cash equivalents	35,433	28,184
Marketable securities	570,835	1,013,621
Accounts receivable	710,160	704,468
Inventories	71,514	63,093
Taxes recoverable	20,009	22,325
IRPJ e CSLL recoverable	29,709	33,245
Other assets	31,888	15,263
Total current	1,469,548	1,880,199
Non-current		
Marketable securities	65,807	69,615
Other assets	23,171	33,086
Deferred income tax and social contribution	21,385	12,232
Judicial deposits	23,711	24,988
Total non-current	3,850,088	3,643,611
Total assets	5,319,636	5,523,810
Liabilities and equity		
Current		
Financing	580,136	68,928
Debtures	153,946	403,322
Financial lease	107,539	105,039
Trade accounts payable	271,937	250,459
Payroll and related taxes payable	179,050	138,774
Taxes and contributions payable	32,075	37,417
IRPJ e CSLL payable	52,080	212
Accounts payable - company acquisition	96,445	25,790
Dividends payable	791	74,504
Other accounts payable	7,019	5,326
Total current	1,481,018	1,109,771
Non-current		
Financing	7,370	531,949
Debtures	899,575	899,522
Financial lease	637,703	680,790
Deferred income tax and social contribution, net	380,507	405,217
Tax installments	34,240	42,082
Provision for tax, labor and civil risks	14,274	14,910
Accounts payable - company acquisition	102,405	83,092
Other accounts payable	4,206	5,627
Total non-current	2,080,280	2,663,189
Total liabilities and equity	5,319,636	5,523,810
Equity		
Share capital	1,432,202	1,432,202
Capital reserve - options granted recognized	36,923	35,954
Legal reserve	115,725	115,725
Retained earnings	2,674	-
Additional dividends proposed	184,145	169,643
(-) Treasury Shares	(24,836)	(2,674)
Investment reserve	10,174	-
Non-controlling interest	1,331	-
Total equity	1,758,338	1,750,850

FLEURY S.A. CONSOLIDATED INCOME STATEMENT

Income Statement of the period of three months as of June 30th (In R\$ thousand, except Earnings per share)

	Consolidated		Consolidated	
	2Q21	2Q20	2021	2020
Revenue from services rendered	932,066	454,944	1,825,874	1,168,878
Cost of services rendered	(673,822)	(452,364)	(1,280,372)	(978,711)
Gross Profit	258,244	2,580	545,502	190,167
Operating income (expenses)				
General and administrative	(131,802)	(68,137)	(222,464)	(148,421)
Other operating income (expenses), net	(147)	529	2,333	1,250
Provision for tax, labor and civil risks	2,557	(62)	2,176	606
Equity in the earnings (losses) of subsidiaries	(2)	(1,028)	(201)	(989)
Operating profit before financial result	128,850	(66,118)	327,346	42,613
Financial income	6,797	8,778	13,496	18,656
Financial expenses	(43,009)	(45,378)	(80,437)	(84,096)
Financial result	(36,212)	(36,600)	(66,941)	(65,440)
Earnings before income tax and social contribution	92,638	(102,718)	260,405	(22,827)
Income tax and social contribution:				
Current	(44,239)	12,926	(110,161)	(1,317)
Deferred	17,096	16,486	33,862	9,558
Profit for the period	65,495	(73,306)	184,106	(14,586)
Attributable to the partners:				
Controlling shareholders	65,534	(73,306)	184,145	(14,586)
Non-controlling shareholders	(39)	-	(39)	-
	65,495	(73,306)	184,106	(14,586)
Earnings per share attributable to owners of the Company				
Basic earnings per share (weighted average)	0.21	(0.23)	0.58	(0.05)
Diluted earnings per share (weighted average)	0.21	(0.23)	0.58	(0.05)

FLEURY S.A. CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Statements of Changes in Equity as of June 30th (In R\$ thousand)

	Share Capital		Capital Reserve		Investment reserve	Profit for the period	Additional dividends proposed	Actions in Treasury	Shareholders' equity - Parent company	Non-controlling interest	Consolidated shareholders' equity
	Share Capital	Share issue expenses	Options granted recognized	Legal Reserve							
Balances on December 31, 2019	1,449,051	(22,784)	32,066	102,877	-	197,766	-	-	1,756,976	-	1,756,976
Capital increase	885	-	-	-	-	-	-	-	885	-	885
Stock option plan	-	-	1,944	-	-	-	-	-	1,944	-	1,944
Profit for the period	-	-	-	-	-	(197,766)	(14,586)	-	(14,586)	-	(14,586)
Dividends	-	-	-	-	-	-	-	-	(197,766)	-	(197,766)
Balances on June 30, 2020	1,449,936	(22,784)	34,010	102,877	-	-	(14,586)	-	1,549,453	-	1,549,453
Balances on December 31, 2020	1,454,986	(22,784)	35,954	115,725	-	166,969	-	-	1,750,850	-	1,750,850
Stock option plan	-	-	969	-	-	-	-	-	969	-	969
Non-controlling interest	-	-	-	-	-	-	-	-	-	1,370	1,370
Profit for the period	-	-	-	-	-	(156,795)	184,145	-	184,145	(39)	184,106
Dividends	-	-	-	-	-	-	-	(24,836)	(156,795)	-	(156,795)
Profit Reserve/(Treasury Shares)	-	-	-	-	-	2,674	-	-	(22,162)	-	(22,162)
Profit reserve	-	-	-	-	10,174	(10,174)	-	-	-	-	-
Balances on March 31, 2021	1,454,986	(22,784)	36,923	115,725	10,174	2,674	184,145	(24,836)	1,757,007	1,331	1,758,338

FLEURY S.A. CONSOLIDATED STATEMENTS OF CASH FLOW

Statements of Cash Flow of the period of June 30th (In R\$ thousand)

	Consolidated	
	2021	2020
Profit for the period	184,106	(14,586)
Items not affecting cash:		
Income tax and social contribution	76,299	(8,241)
Financial and expenses income	75,306	76,202
Depreciation and amortization	177,721	171,954
Equity in the earnings (losses) of subsidiaries	201	989
Stock option plan	4,939	1,944
Constitution of provision for tax, labor and civil risks	(2,176)	(606)
Estimated losses with doubtful accounts and disallowances	20,414	16,629
Profit sharing	20,423	(26)
Other	1,829	76
Cash flows from operating activities before changes in assets and liabilities	559,062	244,335
(Increase) decrease in accounts receivable	(19,096)	138,089
(Increase) decrease in inventories	809	(51,996)
(Increase) decrease in taxes recoverable	6,127	(24,395)
(Increase) decrease in judicial deposits	1,277	(1,825)
(Increase) decrease in other assets	(6,511)	(23,563)
Increase (decrease) in trade accounts payable	3,725	(33,014)
Increase (decrease) in labor liabilities	17,226	(11,608)
Increase (decrease) in tax liabilities	(6,715)	(6,332)
Increase (decrease) in taxes paid in installments	(1,852)	(3,289)
(Increase) decrease in other liabilities	(10,201)	(450)
Total variation in assets and liabilities	(15,211)	(18,383)
Income tax and social contribution paid	(57,924)	(29,144)
Net cash from operating activities	485,927	196,808
Acquisition of property and equipment and intangible assets	(137,225)	(80,917)
Marketable securities and interest earned	449,699	(284,324)
Payments excepted cash	(140,571)	(42,113)
Purchase of treasury shares	(24,836)	-
Acquisition of	(2,867)	-
Paid-up capital in subsidiary	(357)	-
Yield from interest earning bank deposits (classified as cash)	152	84
Net cash used in investing activities	143,995	(407,270)
Borrowings and debentures	-	550,000
Settlement (principal) of financing and debentures	(275,407)	(181,328)
Interest paid in financing and debentures	(25,087)	(38,801)
Financial expenses paid	(3,623)	(2,643)
Derivative financial instruments	109	2,002
Lease payment	(87,902)	(77,619)
Capital integralization	-	885
Dividends and / or interest on shareholders' equity	(231,357)	(31,177)
Risk Withdrawn Operation	594	(225)
Net cash used in financing activities	(622,673)	221,094
(Decrease) increase in cash and cash equivalents	7,249	10,632
Cash and cash equivalents		
At the beginning of the period	28,184	8,966
At the end of the period	35,433	19,598
Variation in cash and cash equivalents	7,249	10,632

FLEURY S.A. CONSOLIDATED STATEMENTS OF VALUE ADDED

Statements of Value Added of the period of June 30th (In R\$ thousand)

	Consolidated	
	06/30/21	6/30/20
Revenues	1,952,840	1,251,807
Goods and products sold and services rendered	1,968,110	1,262,354
Estimated losses with doubtful accounts and disallowances	(20,414)	(16,629)
Other revenue	5,144	6,082
Inputs purchased from third parties	(796,766)	(549,400)
Cost of goods and products sold and services rendered	(726,381)	(507,375)
Materials, electricity, outsourced services and others	(70,296)	(41,009)
Loss/recovery of asset values	(89)	(1,016)
Gross value added	1,156,074	702,407
Depreciation and amortization	(177,721)	(171,953)
Net value added	978,353	530,454
Value added received through transfer	13,828	18,402
Equity in the earnings (losses) of subsidiaries	(201)	(989)
Financial income	14,029	19,391
	-	-
Total value added	992,181	548,856
Distribution of value added	(992,181)	(548,856)
Personnel and charges	(433,079)	(323,348)
Direct remuneration	(301,078)	(213,203)
Benefits	(108,305)	(91,238)
Charges	(23,696)	(18,907)
Taxes, fees and contributions	(272,989)	(135,916)
Federal	(212,089)	(95,504)
Municipalities	(60,900)	(40,412)
Interest, rental and other operating expenses	(102,007)	(104,178)
Rental	(14,611)	(10,603)
Interest	(80,437)	(84,096)
Other operating expenses	(6,959)	(9,479)
Retained earnings	(184,106)	14,586
Retained (earnings) loss for the period	(184,145)	14,586
Non-controlling interest in retained (earnings) losses.	39	-