

**Unaudited separate and consolidated
interim financial information**

*(Convenience Translation into English from the Original Previously
Issued in Portuguese)*

Athena Saúde Brasil S.A.

June 30, 2021

With Independent Auditor's Review Report

Athena Saúde Brasil S.A.

Unaudited separate and consolidated interim financial information

June 30, 2021

Contents

Independent auditor's report on the review of the separate and consolidated interim financial information	1
Unaudited separate and consolidated interim financial information	
Statements of financial position.....	3
Statements of profit or loss	5
Statements of comprehensive income	6
Statements of changes in equity	7
Statements of cash flows - indirect method	8
Statements of value added	9
Notes to the unaudited separate and consolidated interim financial information.....	10



Setor Hoteleiro Sul - Quadra 06
Conjunto A - Bloco A
1º andar - sala 105
70316-000 - Brasília - DF - Brasil

Tel: +55 61 2104-0100
ey.com.br

Independent auditor’s review report on quarterly information

To the Shareholders, Board of Directors and Officers of
Athena Saúde Brasil S.A.
São Paulo - SP

Introduction

We have reviewed the separate and consolidated interim financial information of Athena Saúde Brasil S.A. (“Company”), contained in the Quarterly Information Form (ITR) for the quarter ended on June 30, 2021, which comprises the statement of financial position as at June 30, 2021 and the related statements of profit or loss and of comprehensive income for the three- and six-month periods then ended, of changes in equity and of cash flows for the six-month period then ended, including the notes to the financial statements.

Management is responsible for the preparation of the separate and consolidated interim financial information in accordance with NBC TG 21 and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of this financial information in accordance with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Conclusion on the separate and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying separate and consolidated interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters

Statements of value added

The quarterly information referred to above includes the separate and consolidated statements of value added (SVA) for the six-month period ended on June 30, 2021, prepared under the responsibility of the Company's management and presented as supplementary information for the purposes of IAS 34. These statements were subject to review procedures performed together with the review of the quarterly information, in order to determine whether they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria provided for in NBC TG 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall separate and consolidated interim financial information.

Brasília - DF, September 8, 2021.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6


Wagner dos Santos Junior
Accountant CRC-1SP216386/O-T

Athena Saúde Brasil S.A.

Statements of financial position

As at June 30, 2021 (unaudited) and December 31, 2020

(Amounts in thousands of Brazilian reais)

	Note	Separate		Consolidated	
		06/30/2021	12/31/2020	06/30/2021	12/31/2020
Assets					
Current assets					
Cash and cash equivalents	4	46,066	405,077	233,245	529,124
Restricted financial investments	5	-	-	157,019	129,329
Trade receivables	6	-	-	228,331	179,319
Inventories	7	-	-	47,140	40,864
Taxes recoverable	8	2,114	406	34,394	21,119
Advances to suppliers		-	-	18,775	19,718
Prepaid expenses	11	-	12,382	15,523	14,617
Other assets	10	36	-	5,722	6,730
Total current assets		48,216	417,865	740,149	940,820
Non-current assets					
Restricted financial investments	5	-	-	46,470	69,509
Advances to suppliers		-	-	1,583	-
Contingency reimbursement – indemnification assets	9	15,027	11,582	196,825	157,747
Prepaid expenses	11	-	-	19,055	-
Related parties	22	21,205	41,256	56,887	44,924
Deferred tax assets	30	15,702	8,745	132,051	99,164
Taxes recoverable	8	-	-	1,310	2,104
Judicial deposits	25	-	-	64,651	59,484
Other assets	10	-	-	70,809	4,105
Investments	12	1,711,897	1,254,282	-	-
Plant, property and equipment	13	-	-	501,023	445,878
Intangible assets	15	-	-	1,183,110	1,063,269
Total non-current assets		1,763,831	1,315,865	2,273,774	1,946,184
Total assets		1,812,047	1,733,730	3,013,923	2,887,004

The accompanying notes are an integral part of the unaudited separate and consolidated interim financial information.

	Note	Separate		Consolidated	
		06/30/2021	12/31/2020	06/30/2021	12/31/2020
Liabilities and equity					
Current liabilities					
Trade payables		1,528	1,105	69,082	69,335
Lease liabilities	14	-	-	16,945	16,199
Technical reserves (ANS)	16	-	-	233,449	175,542
Loans and financing	17	-	-	25,008	2,312
Advances from customers		-	-	6,098	2,501
Dividends and interest on shareholders' equity	23	-	-	2,330	2,330
Payroll and related taxes	18	17,409	3,399	100,536	90,951
Taxes payable	19	624	95	99,731	104,468
Payables for acquisition of companies	21	-	-	97,159	68,360
Taxes in installments	20	-	-	8,057	5,227
Related parties	22	2,718	2,717	-	-
Other liabilities		-	3,495	8,591	12,572
Total current liabilities		22,279	10,811	666,986	549,797
Non-current liabilities					
Loans and financing	17	-	-	127,200	149,794
Lease liabilities	14	-	-	173,225	143,121
Technical reserves (ANS)	16	-	-	13,708	-
Deferred tax liabilities	30	-	-	16,600	22,660
Taxes in installments	20	-	-	52,212	46,409
Payables for acquisition of companies	21	-	-	54,705	114,842
Provision for legal proceedings	25	7,663	5,855	120,094	89,253
Taxes payable	19	-	-	3,110	3,294
Other liabilities		-	37	1,930	290
Total non-current liabilities		7,663	5,892	562,784	569,663
Total liabilities		29,942	16,703	1,229,770	1,119,460
Equity					
Capital stock	26.1	1,550,959	1,496,028	1,550,959	1,496,028
Capital transactions	26.3	262,606	246,668	262,606	246,668
Share-based payments	32	28,723	22,323	28,723	22,323
Accumulated losses		(60,183)	(47,992)	(60,183)	(47,992)
Total equity attributable to equity holders of the parent		1,782,105	1,717,027	1,782,105	1,717,027
Non-controlling interests		-	-	2,048	50,517
Total equity		1,782,105	1,717,027	1,784,153	1,767,544
Total liabilities and equity		1,812,047	1,733,730	3,013,923	2,887,004

The accompanying notes are an integral part of the unaudited separate and consolidated interim financial information.

Athena Saúde Brasil S.A.

Statements of profit or loss

For the six months ended at June 30, 2021 and 2020

(Amounts in thousands of Brazilian Reais, except earnings per share expressed in reais)

	Note	Separate				Consolidated			
		Accumulated 06/30/2021 unaudited	Quarter 06/30/2021 unaudited	Accumulated 06/30/2020 unaudited	Quarter 06/30/2020 unaudited	Accumulated 06/30/2021 unaudited	Quarter 06/30/2021 unaudited	Accumulated 06/30/2020 unaudited	Quarter 06/30/2020 unaudited
Net revenue	27	-	-	-	-	1,075,034	583,987	639,738	307,076
Cost of services	28	-	-	-	-	(735,474)	(421,666)	(378,685)	(164,035)
Gross profit		-	-	-	-	339,560	162,321	261,053	143,041
Operating income (expenses)		-	-	-	-	-	-	-	-
Selling expenses	28	-	-	-	-	(34,089)	(14,503)	(24,929)	(12,369)
General and administrative expenses	28	(21,085)	(15,950)	-	-	(302,934)	(169,277)	(192,620)	(95,345)
Share of profit (loss) of subsidiaries		19,157	(11,649)	-	-	-	-	-	-
Other operating income (expenses), net	28	(19,621)	(19,621)	-	-	(1,952)	(18,132)	27,094	4,010
Total		(21,549)	(47,220)	-	-	(338,975)	(201,912)	(190,455)	(103,704)
Profit (loss) before finance income (costs)		(21,549)	(47,220)	-	-	585	(39,591)	70,598	39,337
Finance income (costs)									
Finance income	29	2,418	679	-	-	24,621	16,787	10,076	2,071
Finance costs	29	(16)	(11)	-	-	(36,219)	(19,571)	(26,765)	(8,906)
Total		2,402	668	-	-	(11,598)	(2,784)	(16,689)	(6,835)
(Loss) profit before income taxes		(19,147)	(46,552)	-	-	(11,013)	(42,375)	53,909	32,502
Income taxes									
Current	30	-	467	-	-	(29,184)	(11,366)	(38,661)	(24,678)
Deferred	30	6,957	5,342	-	-	29,124	13,275	9,879	10,395
Total		6,957	5,809	-	-	(60)	1,909	(28,782)	(14,283)
(Loss) profit for the period		(12,190)	(40,743)	-	-	(11,073)	(40,466)	25,127	18,219
(Loss) profit attributable to controlling interests						(12,190)	(40,744)	22,364	17,488
Profit attributable to non-controlling interests						1,117	278	2,763	731
Basic (loss) earnings per share	26.2	(0.0295)	(0.0986)	-	-	(0.0268)	(0.0979)	0.0615	0.0446
Diluted (loss) earnings per share	26.2	(0.0284)	(0.0950)	-	-	(0.0258)	(0.0944)	0.0608	0.0441

The accompanying notes are an integral part of the unaudited separate and consolidated interim financial information.

Athena Saúde Brasil S.A.

Statements of comprehensive income
For the six months ended on June 30, 2021 and 2020
(Amounts in thousands of Brazilian reais)

	Separate				Consolidated			
	Accumulated 06/30/2021	Quarter 06/30/2021	Accumulated 06/30/2020	Quarter 06/30/2020	Accumulated 06/30/2021	Quarter 06/30/2021	Accumulated 06/30/2020	Quarter 06/30/2020
(Loss) profit for the period	unaudited (12,190)	unaudited (40,743)	unaudited -	unaudited -	unaudited (11,073)	unaudited (40,465)	unaudited 25,127	unaudited 18,219
Total comprehensive income for the period	(12,190)	(40,743)	-	-	(11,073)	(40,465)	25,127	18,219
Attributable to								
Controlling interests	(12,190)	(40,743)	-	-	(12,190)	(40,743)	22,364	17,488
Non-controlling interests	-	-	-	-	1,117	278	2,763	731

The accompanying notes are an integral part of the unaudited separate and consolidated interim financial information.

Athena Saúde Brasil S.A.

Statements of changes in equity
For the six months ended on June 30, 2021 and 2020
(Amounts in thousands of Brazilian reais)

Note	Capital stock			Capital transactions	Share-based payments	Retained earnings (accumulated losses)	Total equity attributable to equity holders of the parent	Non-controlling interests	Total equity
	Issued capital	Unpaid capital	Paid-up						
Balances as at December 31, 2019 - Athena Healthcare				26,898	-	(15,828)	583,862	89,745	673,607
Capital contribution	29,176	(2,120)	31,296	-	-	-	31,296	-	31,296
Effects of transactions between shareholders	-	-	-	40,723	-	-	40,723	(72,302)	(31,579)
Share-based payments	-	-	-	-	7,740	-	7,740	-	7,740
Profit for the period	-	-	-	-	-	22,364	22,364	2,763	25,127
Balances as at June 30, 2020 - Athena Healthcare (unaudited)	604,088	-	604,088	67,621	7,740	6,536	685,985	20,206	706,191
Balances as at December 31, 2020 - Athena Saúde Brasil	1,496,028	-	1,496,028	246,668	22,323	(47,992)	1,717,027	50,517	1,767,544
Capital contribution	54,931	-	54,931	-	-	-	54,931	-	54,931
Effects of transactions between shareholders	-	-	-	15,938	-	-	15,938	(49,586)	(33,648)
Share-based payments	-	-	-	-	6,400	-	6,400	-	6,400
(Loss) profit for the period	-	-	-	-	-	(12,191)	(12,191)	1,117	(11,074)
Balances as at June 30, 2021 - Athena Saúde Brasil (unaudited)	1,550,959	-	1,550,959	262,606	28,723	(60,183)	1,782,105	2,048	1,784,153

The accompanying notes are an integral part of the unaudited separate and consolidated interim financial information.

Athena Saúde Brasil S.A.

Statements of cash flows - indirect method
For the six months ended on June 30, 2021 and 2020
(Amounts in thousands of Brazilian reais)

	Separate		Consolidated	
	Accumulated 06/30/2021 (unaudited)	Accumulated 06/30/2020 (unaudited)	Accumulated 06/30/2021 (unaudited)	Accumulated 06/30/2020 (unaudited)
Operating activities				
(Loss) profit for the period before income taxes	(19,147)	-	(11,013)	53,909
Adjustments for:				
Share of profit (loss) of subsidiaries	(19,157)	-	-	-
Allowance for expected credit losses	-	-	39,840	10,154
Provision (reversal) for civil, tax and labor contingencies	(474)	-	1,293	(11,992)
Establishment (reversal) of incurred but not reported reserve	-	-	5,809	8,099
Disposal of property, plant and equipment and intangible assets	-	-	24,729	3,737
Depreciation and amortization	-	-	38,940	25,092
Interest and monetary adjustment, net	-	-	25,766	9,995
Share-based payments	20,410	-	20,410	9,626
Appropriation of prepaid expenses	12,382	-	(19,961)	-
(Increase)/decrease in assets				
Trade receivables	-	-	(108,458)	1,703
Inventories	-	-	(6,276)	(9,953)
Taxes recoverable	(1,708)	-	(10,733)	(4,776)
Advances to suppliers	-	-	(640)	5,694
Prepaid expenses	-	-	324	-
Other assets	(38)	-	(56,804)	(7,300)
Judicial deposits	-	-	(4,481)	(13,577)
Contingency reimbursement guarantee – indemnification assets	(948)	-	(9,632)	(14,617)
Increase/(decrease) in liabilities				
Trade payables	423	-	(3,595)	(22,951)
Technical reserves (ANS)	-	-	21,028	6,962
Advances from customers	-	-	3,597	2,094
Payroll and related taxes	-	-	(8,287)	22,008
Taxes payable	529	-	(6,019)	11,161
Other liabilities	(3,575)	-	(8,055)	2,267
Taxes in installments paid	-	-	-	-
Interest paid on loans and financing and taxes in installments	-	-	(8,217)	(2,779)
Income tax and social contribution paid	-	-	(24,500)	(32,454)
Net cash from (used in) operating activities	(11,303)	-	(104,935)	52,102
Investing activities				
Capital contribution in subsidiary	(366,721)	-	-	-
Acquisition of subsidiary, net of cash received	(1,039)	-	(59,560)	-
Payables for acquisition of investment	-	-	(56,918)	(8,326)
Restricted financial investments	-	-	52,584	(31,991)
Purchase of property and equipment and intangible assets	-	-	(71,977)	(26,043)
Related-party transactions	20,052	-	(11,963)	-
Net cash used in investing activities	(347,708)	-	(147,834)	(66,360)
Financing activities				
Capital contribution	-	-	-	31,297
Proceeds from loans and financing and leases	-	-	441	172,126
Repayment of financing	-	-	(13,713)	(144,201)
Payments of lease liabilities	-	-	(29,838)	(10,340)
Acquisition of non-controlling interest	-	-	-	(17,740)
Dividends paid from subsidiaries	-	-	-	358
Net cash (used in) from financing activities	-	-	(43,110)	31,500
Net increase (decrease) in cash and cash equivalents	(359,011)	-	(295,879)	17,242
Cash and cash equivalents at the beginning of the period	405,077	-	529,124	109,054
Cash and cash equivalents at the end of the period	46,066	-	233,245	126,296

The accompanying notes are an integral part of the unaudited separate and consolidated interim financial information.

Athena Saúde Brasil S.A.

Statements of value added

For the six months ended on June 30, 2021 and 2020
(Amounts in thousands of Brazilian reais)

	Separate		Consolidated	
	Accumulated 06/30/2021 (unaudited)	Accumulated 06/30/2020 (unaudited)	Accumulated 06/30/2021 (unaudited)	Accumulated 06/30/2020 (unaudited)
Revenue	-	-	1,046,755	636,752
Gross services revenue	-	-	1,071,715	643,359
Other revenues	-	-	3,319	3,744
Allowance for expected credit losses	-	-	(28,279)	(10,351)
Inputs acquired from third parties	(20,081)	-	(758,576)	(358,815)
Cost of services	-	-	(501,343)	(244,263)
Materials, electric power, outsourced services and other	(522)	-	(244,619)	(121,505)
Impairment/recovery of assets	-	-	1,170	-
Others	(19,559)	-	(13,784)	6,953
Gross value added	(20,081)	-	288,179	277,937
Depreciation and amortization	(83)	-	(38,940)	(25,093)
Net value added produced by the Company	(20,164)	-	249,239	252,844
Value added received in transfer	21,574	-	7,625	907
Share of profit (loss) of subsidiaries	19,157	-	-	-
Finance income	2,417	-	24,621	10,076
Others	-	-	(16,996)	(9,169)
Total value added to be distributed	1,410	-	256,864	253,751
Distribution of valued added				
Personnel and charges:	20,410	-	210,837	176,087
Salaries and wages	20,410	-	161,926	128,692
Benefits	-	-	38,399	36,919
FGTS (Severance Pay Fund)	-	-	10,512	10,476
Taxes and contributions	(6,825)	-	32,533	28,853
Federal	(6,826)	-	31,630	28,745
State	1	-	92	8
Municipal	-	-	811	100
Debt remuneration	15	-	24,567	23,684
Interest	15	-	19,214	16,776
Rentals	-	-	5,353	6,908
Shareholders' equity compensation	(12,190)	-	(11,073)	25,127
Profit attributable to controlling interests	(12,190)	-	(12,190)	22,364
Non-controlling interests in retained earnings	-	-	1,117	2,763
Value added distributed	1,410	-	256,864	253,751

The accompanying notes are an integral part of the unaudited separate and consolidated interim financial information.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information

June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

1. Corporate information

Athena Saúde Brasil S.A. (“Athena Brasil”, “Company” or “Separate” and “Group” or “Athena Group” when together with its subsidiaries) is a closely-held company headquartered at Avenida Dra. Ruth Cardoso, nº 8501, 4th floor, room F – CEP 05.425-070, in the city of São Paulo. The Company was established on September 24, 2018 under the name of CMN Solutions A153 Participações S.A., its name was changed to Athena Sudeste Holding S.A. on July 28, 2019 and to the current name Athena Saúde Brasil S.A. on September 30, 2020. On May 11, 2021, the Company has obtained the registration of the issuer of securities in accordance with Brazilian Securities Commission (“CVM”) in category “A”, as Instruction Number 480, of December 7, 2009. The Company is controlled by Brazilian Private Equity V - Fundo de Investimento em Participações Multiestratégia (“Fundo V”) - CNPJ (Corporate Taxpayer ID) No. 20.930.479/0001-72.

The Company is principally engaged in holding equity interests in other companies as partner or shareholder in Brazil, and the Group has healthcare operators and hospitals.

1.1. Athena Saúde Brasil S.A. - description of the corporate restructuring in the Company

On September 30, 2020, the Company became the Group's parent and Athena Healthcare Holding S.A. became its direct subsidiary. These modifications are part of the corporate restructuring process carried out by the Group, which resulted in the change of the then parent Athena Healthcare Holding S.A. to Athena Saúde Brasil S.A. This corporate process was approved at the Extraordinary General Meeting by means of a capital increase of R\$613,207 in the Company through the issue of 667,341,487 new common shares, which were subscribed as follows: (i) 602,044,096 common shares subscribed by Brazilian Private Equity V - FIP for R\$602,045; (ii) 63,322,628 common shares subscribed by Hiran Alencar Moura Castilho for R\$9,187; and (iii) 1,974,763 common shares subscribed by Cafpar Consultoria e Participações EIRELI for R\$1,975. The new common shares were paid-up by assigning all Athena Healthcare shares held by each of the subscribing shareholders.

On the same date, Fundo V made a capital increase in the Company by subscribing new shares, which were paid-up by assigning 90.21% of the shares held by Fundo V in Athena Healthcare Holding S.A. (“Athena Healthcare”) and through a capital increase in local currency. At December 31, 2020, as a result of new acquisitions and the entry of non-controlling shareholders, Fundo V now holds 90.82% of the Company's shares.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

1. Corporate information--Continued

1.1. Athena Saúde Brasil S.A. - description of the corporate restructuring in the Company - -Continued

This corporate process was approved at the Extraordinary General Meeting by means of a capital increase of R\$880,700 in the Company through the issue of 936,715,593 common shares, of which (i) 880,988,820 were subscribed by Brazilian Private Equity V - FIP for R\$828,305, (ii) 54,041,450 were subscribed by Hiran Alencar Moura Castilho for R\$50,810, and (iii) 1,685,323 were subscribed by Cafpar Consultoria e Participações EIRELI for R\$1,585. All shares were paid-up in local currency, with cash contribution to the Company.

On December 30, 2020, the Extraordinary General Meeting approved a capital increase of R\$2,120 in the Company through the issue of 28,912,538 common shares, which were subscribed as follows: (i) 8,069,440 were subscribed by the new shareholder Nelson Solano Vale, paid-up by assigning 3.67% of the shares of Hospital do Coração de Natal Ltda.; (ii) 20,843,098 were subscribed by the new shareholder Elie Georges Hachem, paid-up by assigning 43.71% of the shares of Unihosp Serviços de Saúde S.A.

To reflect the effects of this restructuring, the Company's management chose the "Predecessor basis of accounting" method in the presentation of its comparative consolidated financial information, as explained in detail in Note 2.2.

1.2. Corporate changes occurred for the six-month period ended on June 30, 2021

Changes in non-controlling shareholders at Athena Saúde Nordeste Holding S.A.

At the Extraordinary General Meeting held on March 31, 2021, a capital increase in the Company (Athena Saúde Brasil SA) of R\$1,938,386.00 (one million, nine hundred and thirty-eight thousand, three hundred and eighty-six reais) was approved, through the issue of 10,683,750 (ten million, six hundred and eighty-three thousand, seven hundred and fifty) new common shares, nominative, with no par value, of its own issue.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued

June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

1. Corporate information--Continued

1.2. Corporate changes occurred for the six-month period ended on June 30, 2021-- Continued

Changes in non-controlling shareholders at Athena Saúde Nordeste Holding S.A. -- Continued

On March 31, 2021, the new shares issued by the Company were fully subscribed by Marcos Dias Leão ("Marcos" or "Non-controlling Shareholder of Athena Nordeste"), in the total amount of R\$1,938,386.00 (one million, nine hundred and thirty-eight thousand, three hundred and eighty-six reais), and were totally paid through the exchange of 25,681,088 (twenty-five million, six hundred and eighty-one thousand and eighty-eight) common shares, nominative and with no par value, fully paid, owned by Marcos, representing of 13.90% (thirteen point ninety percent) of the capital stock of Athena Saúde Nordeste Holding SA. ("Athena Nordeste"), an indirect subsidiary of the Company, which resulted in a capital transaction between shareholders of R\$23,360, which resulted in a capital transaction between shareholders in the amount of R\$25,299.

Due to the roll-up of the non-controlling shareholder of Athena Nordeste, the Company is the owner of all shares of the capital stock from Athena Nordeste.

Increased participation of the subsidiary Athena Healthcare S.A.

On March 15, 2021, at the Extraordinary General Meeting (AGE) held, the following matters were undertaken: (i) adjustment of the number of common shares issued in the name of non-controlling shareholder Marcos Dias Leão, from 24,750,000 to 25,681,088 and (ii) redemption of all preferred shares, issued by Athena Nordeste SA, and held by shareholder Marcos Leão, in the amount of R\$5,297.

As a result of the AGE resolutions above, Athena Nordeste S.A now holds only common shares, on the other hand Athena Healthcare S.A. holds 86.10% interest in the capital stock of Athena Nordeste. This event resulted in a capital transaction between shareholders in the amount of R\$2,725.

Changes in non-controlling shareholders at Athena Saúde Espírito Santo Holding S.A.

At the Extraordinary General Meeting held on April 16, 2021, an increase in the Company's capital (Athena Saúde Brasil S.A.) of R\$51,754,373.31 (fifty-one million, seven hundred and fifty-four thousand, three hundred and seventy-three reais and thirty-one cents) was approved through the issue of 29,353,457 (twenty-nine million, three hundred and fifty-three thousand, four hundred and fifty-seven) new common shares, nominative, with no nominal amount, issued by the Company, at the price of issue of R\$1.76314 per share, as determined in an appraisal report.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued

June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

1. Corporate information--Continued

1.2. Corporate changes occurred for the six-month period ended on June 30, 2021-- Continued

Changes in non-controlling shareholders at Athena Saúde Espírito Santo Holding S.A-- Continued

The new shares issued by the Company were fully subscribed by 184 non-controlling shareholders of Athena Saúde Espírito Santo Holding S.A., in the total amount of R\$51,754,373.31 (fifty-one million, seven hundred and fifty-four thousand, three hundred and seventy-three reais and thirty-one cents), and were totally paid through the granting of 41,933,510 (forty-one million, nine hundred and thirty-three thousand, five hundred and ten) common shares, nominative, fully paid, representing 15.5781% of the capital of Athena Saúde Espírito Santo Holding S.A., an indirect subsidiary of the Company.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

1. Corporate information--Continued

1.3. Athena Saúde Brasil S.A. and subsidiaries

At June 30, 2021, the Company has the following subsidiaries:

Group companies	Direct Parent	Place of Operation	06/30/2021		12/31/2020	
			Direct	Indirect	Direct	Indirect
Holdings						
Athena Healthcare Holding S.A. ("Athena Healthcare")	Athena Brasil	São Paulo	100.00%	-	100.00%	-
ASG Holding S.A. ("ASG")	Athena Healthcare	São Paulo	-	100.00%	-	100.00%
Athena Nordeste Holding S.A. ("Athena Nordeste")	Athena Healthcare	São Paulo	13.90%	86.10%	-	84.11%
Athena Saúde Espírito Santo Holding S.A. ("ASES") (d)	Athena Healthcare	São Paulo	15.58%	84.42%	-	91.67%
Multivida Participações S.A. ("Multivida")	Med Imagem	Maringá	-	100.00%	-	100.00%
Hospitals						
Hospital Med Imagem S.A. ("Med Imagem")	Humana	Teresina	-	100.00%	-	100.00%
Hospital São Pedro Ltda. ("São Pedro")	Medplan	Teresina	-	100.00%	-	100.00%
Hospital Santa Maria Ltda. ("Santa Maria")	Medplan	Teresina	-	100.00%	-	100.00%
Hospital Vitória de Timon Ltda. ("Timón") (a)	Athena Healthcare	Timón	-	-	-	100.00%
Vitória Apart Hospital S.A. ("VAH") (e)	ASES	Serra	-	99.68%	-	99.68%
Hospital Bom Samaritano de Maringá ("HBSM")	Multivida	Maringá	-	100.00%	-	100.00%
Hospital do Coração de Natal Ltda. ("HCN")	Athena Nordeste	Natal	3.67%	93.64%	3.67%	93.64%
Centro Médico Maranhense S.A. ("CMM")	Humana	São Luiz	-	100.00%	-	100.00%
Healthcare Plans						
Santa Rita Saúde S.A. ("SRS")	Multivida	Maringá	-	100.00%	-	100.00%
Medplan Assistência Médica Ltda ("Medplan")	Athena Healthcare	Teresina	-	100.00%	-	100.00%
Humana Assistência Médica Ltda. ("Humana")	Athena Healthcare	Teresina	-	100.00%	-	100.00%
SAMP - Espírito Santo Assistência Médica Ltda. ("SAMP")	ASES	Vitória	-	84.42%	-	91.67%
Unihosp Serviços de Saúde S.A. ("Unihosp") (b)	Humana	São Luiz	3.16%	96.84%	4.48%	95.52%
Hospitals with Healthcare Plans						
Pro Salute - Serviços Para a Saúde Ltda ("Fatima Saúde") (c)	SRS	Caxias do Sul	0.82%	98.79%	-	-
Hospital Marechal de Cândido Rondon S/A ("Grupo HMR")	SRS	M. C.Rondon	-	100%	-	-
Specialized Clinics and Services						
Clínica Imagem Plena Ltda.	Santa Maria	Teresina	-	100.00%	-	100.00%
Serviços e Assistência Médica Especializada Ltda. ("SAMÉS")	ASES	Vitória	-	82.42%	-	91.67%
Serviços de Hemodinâmica do Vitória Apart Hospital Ltda. ("Hemodinâmica")	VAH	Serra	-	82.40%	-	91.38%
Clínica Luiza Coelho Ltda ("Clínica Luiza")	Humana	São Luiz	-	100.00%	-	100.00%
Maxlab Medicina Diagnóstica Ltda - ("Maxlab")	Humana	São Luiz	-	100.00%	-	100.00%
Instituto de Radiologia de São Luís Ltda - ("Instituto de Radiologia")	Humana	São Luiz	-	100.00%	-	100.00%
Clínica de Atendimento de Prevenção à Saúde Ltda- ("Clínica de Prevenção")	Humana	São Luiz	-	100.00%	-	100.00%
Clínica Perinatal Vitória Ltda - ("Utin")	VAH	Serra	-	91%	-	91.38%

(a) According to the corporate act dated January 31, 2021, Hospital Vitória Timon was merged by Hospital Santa Maria.

(b) On February 24, 2021, Humana made a capital increase at Unihosp causing the dilution of Athena Saúde Brasil's participation, reducing it to 3.16% (direct interest) and to 95.52% (indirect interest).

(c) On April 1 and May 25, 2021, Santa Rita Saúde made capital contributions in Fátima, resulting in the reduction of the investment of Athena Saúde Brasil to 0.82% (direct interest) and to 98.79%.

(d) On April 16, 2021, after the roll up of the non-controlling shareholders of Athena Saúde Espírito Santo Holding S.A., Athena Saúde Brasil started to hold 15.5781% (direct interest) and 84.4219% (indirect interest).

(e) On April 12 and 13, 2021, SAMP acquired 2,000 shares of non-controlling shareholders of VAH, giving rise to an increase in the indirect interest in VAH of 0.034%.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

1. Corporate information--Continued

1.4. Significant events occurred during the period

1.4.1. Impacts of the COVID-19 pandemic at Group's business

During the three-months ended on June 30, 2021, Brazil as well as other countries, have been impacted by the pandemic originated by SARS-COV-2 (COVID-19), and as a consequence of that, government measures of social isolation continued being applied at the states where the Company has operations with different intensity levels.

To face this scenario, the Company has applied its planning started in 2020, with several actions to mitigate the risks associated with this pandemic. Among the preventive measures, the Company has established a multidisciplinary committee with the objective of monitoring its main operational indicators, forecasting different scenarios based on the National and Global context and acting to mitigate or address risk identified, as per item a) of this note.

The pandemic's second wave in Brazil had a significant growth in the number of cases and deaths during the first six-month period of 2021. Instead what was identified at the height of the pandemic in 2020, the second wave did not bring a reduction in health care and elective procedures carried out by the Company, since the restrictive measures did not include outpatient health care.

a) *Operational measures*

Several operational measures had already been adopted by the Company in 2020 and continued being implemented in addition to the new measures, such as:

- (i) Purchase/rental of equipment (respirators, ICU beds, among others) and import of medication in order to increase its capacity to meet peak demand;
- (ii) Creation of a permanent committee to support employees aiming at safety and psychological support.
- (iii) Launch of company-operated Telemedicine with scheduling of consultations with specialist doctors and the Virtual Emergency Service with general practitioners available 24 hours a day, furthermore, elective virtual assistance was created aiming to expand the scope of telemedicine assistance;

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued

June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

1. Corporate information--Continued

1.4. Significant events occurred during the period--Continued

1.4.1. Impacts of the COVID-19 pandemic at Group's business--Continued

a) *Operational measures--Continued*

- (iv) Creation of daily monitoring panels with information on the cases attended and admitted to the hospitals, the health status of employees and the situation of critical resources for operation, in addition to panels with the monitoring of confirmed cases in Brazil;
- (v) Revision of job schedules and implementation of rotation in the operational areas, adoption of home office for the administrative area (policy still in effect for part of the employees). We also negotiated vacations of employees from these areas.

b) *Financial impacts*

In order to protect liquidity during the crisis caused by the Covid-19 pandemic, the Company maintained control and monitoring of the financial risk indicators, with the following results:

- (i) Revenue: Hospital's revenue was negatively impacted by the reduction in health care and elective procedures, despite a smaller reduction than at the height of the pandemic in 2020. Several actions were taken in order to mitigate this impact, such as the expansion of intensive care units.
- (ii) It was not necessary to recognize impairment of other financial instruments, in addition to the receivables mentioned in the previous item. The investment policy of the Company and its subsidiaries concentrates investments in fixed income securities and products;
- (iii) There were no breaches of financial and operating covenants of the debt instruments, thus there were no early maturities of financing contracted;
- (iv) The Company also did not identify any indications of impairment of its property, plant and equipment and intangible assets.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

1. Corporate information--Continued

1.4. Significant events occurred during the period--Continued

1.4.1. Impacts of the COVID-19 pandemic at Group's business--Continued

b) *Financial impacts*--Continued

- (v) The Company and its subsidiaries maintain control over the expiry dates of medicines and hospital supplies. With the reduction in medical services, especially surgeries, there was a decrease in the use of medicines, but which not impact the expiration of the lots. With the gradual resumption of medical services, our inventory levels returns to normal levels and we have not identified any potential losses referring to these medicines.

Management also assesses that the cash and cash equivalents and marketable securities position at June 30, 2021, of R\$46,066 (Separate) and R\$233,245 (consolidated) excluding restricted financial investments, is sufficient to meet the financial commitments already assumed as well as the additional needs that may arise as a result of the pandemic's second wave.

c) *Going-concern risk*

The extent to which COVID-19 affects the business, financial situation, results of operations and prospects of the Company and its subsidiaries will depend on future developments, which are uncertain and cannot be accurately foreseen at the moment.

The effectiveness of governmental actions, the evolution of the disease curve, the dissemination of new coronavirus strains, the advance of vaccination, new treatment protocols, among other variables, make it impossible to accurately quantify the future impacts on the Company's business. However, our projections of operating revenues and cash flows present full conditions of continuity of operations.

The Company and its subsidiaries continuously monitor the evolution of the pandemic and assess the possible impacts on their business, implementing measures that may mitigate risks.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

1. Corporate information--Continued

1.5. Corporate acquisitions in progress

Potential acquisition of São Bernardo

On February 7, 2019, a Share Purchase and Sale Agreement and Other Covenants (“Agreement”) was entered into by the Athena Group subsidiary Athena Saúde Espírito Santo and the current shareholders of the “São Bernardo Group”, establishing the terms and other conditions for the acquisition of the shares held by the seller that are equivalent to 97.54% of the Group’s indirect interest. This contract was subsequently amended on February 1, 2021, assigning the rights and obligations of the Contract to Serviços e Assessoria Médica Especializada Ltda. (“SAMES”), company controlled by Athena Saúde Espírito Santo, which became the new acquirer. The new structure replaces the previously negotiated guarantee, so that there will be a withholding of the purchase price on the payment date. On May 28, 2021, a third amendment was entered into, incorporating an additional advance payment.

São Bernardo Group is understood as the group of the following companies, Consenting Intervening Parties: São Bernardo Apart Hospital S.A., Casa de Saúde São Bernardo S.A., Centro Médico de Especialidades, Ativa Serviços Empresariais Ltda., Call Express Central de Atendimento Ltda. and São Bernardo Emergência Ltda. (“São Bernardo Group”). The transaction includes the payment of a fixed installment, to be paid in cash in local currency on the closing date less the retained portion to guarantee contingencies, and a variable installment (“Earn Out”), due to a liquidity event and based on the value of Athena Saúde at that time.

The equity interest of each company being acquired was established as follows:

<u>Entity</u>	<u>Interest Potential Acquiree</u>
São Bernardo Apart Hospital S.A.	91.07%
Casa de Saúde São Bernardo S.A.	78.37%
Centro Médico de Especialidades	100.00%
Ativa Serviços Empresariais Ltda.	100.00%
Call Express Central de Atendimento Ltda.	100.00%
São Bernardo Emergência Ltda.	100.00%

The São Bernardo Group is vertical, with operations in the state of Espírito Santo and has a highly complex hospital, which includes 77 hospital beds, 10 of which are in the ICU, 9 are medical centers, two of which are emergency care units and a portfolio of approximately 83.9 thousand beneficiaries, 89% of whom are collective and 11% individual.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

1. Corporate information--Continued

1.5. Corporate acquisitions in progress--Continued

Potential acquisition of São Bernardo--Continued

In June 2020, the transaction was approved by the CADE court, pursuant to a Concentration Control Agreement, which required, prior to the closing of the transaction, divestment of a portion of the life portfolio in ES. On August 18, 2021, in a court session at CADE, the performance of the Concentration Control Agreement was approved and, therefore, the acquisition of the São Bernardo Group was authorized, which will occur on August 31, 2021.

The Athena Group intends to complete the acquisition of the São Bernardo Group for its consolidation as a private regional leader in healthcare plans in Espírito Santo. Once the transaction is closed, SAMES, a subsidiary of the Athena Group, will be the parent of the São Bernardo Group.

Potential Acquisition of Promédica Group

On December 29, 2020, a 'share purchase and sale agreement and other covenants' was signed, through a subsidiary of the Company, for the acquisition of a 100% interest in Promédica Group ("Promédica").

Promédica is a vertical group based in Salvador with a strong presence in the metropolitan region of the capital. It has 219 hospital beds in 2 hospitals, 1 day hospital, 5 Medical Centers and 4 more laboratory units for clinical analysis and a portfolio of about 86 thousand beneficiaries. It has strategic importance for the entry of Athena in the State of Bahia.

The payment of the transaction will be made in cash on the closing date, less the retention for any contingencies. The consummation of the transaction is subject to approval by CADE and ANS.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued

June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

2. Basis of preparation and presentation and significant accounting policies

2.1. Statement of compliance

The Company's separate and consolidated interim financial information for the six-month period ended on June 30, 2021 was prepared in accordance with technical pronouncement CPC 21 (R1) (Interim Financial Reporting) and in accordance with the international standard IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (IASB), and presented in a manner consistent with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the interim financial information and comparative with previous year or period.

When preparing this interim financial information, the Company used the following disclosure criteria: (i) regulatory requirements; (ii) relevance and specificity of information about the Company's operations to users; and (iii) informational needs of users of interim accounting information. Thus, Management confirms that all relevant information specific to the interim financial information, and only that, is being evidenced and corresponds to that used by it in the management of the Company and its subsidiaries.

The main accounting policies applied in the preparation of this separate and consolidated interim financial information are disclosed in Note 2 of the Company's separate and consolidated financial statements for the year ended December 31, 2020 issued on March 10, 2021, and, therefore, these statements should be read in conjunction with the Group's annual separate and consolidated financial statements. These accounting policies have been consistently applied in the years and periods presented.

The unaudited separate and consolidated interim financial information as of June 30, 2021 and for the six-month period ended on June 30, 2021, was approved for issue by the Company's Board of Directors on September 08, 2021.

2.2. Basis of presentation of the Company's financial information ("Predecessor basis of accounting")

As presented in the Company's annual financial statements for the year ended December 31, 2020, the consolidated financial information of the Company presented in this interim financial information and that is prior to the corporate restructuring, was prepared in accordance with the accounting practice of precedent cost. Therefore, the comparative consolidated historical information presented herein, for the statements of profit or loss, comprehensive income, changes in equity, cash flows and value added for the comparative period ended on June 30, 2020, refer to the information consolidated of Athena Healthcare S.A.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued

June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

2. Basis of preparation and presentation and significant accounting policies-- Continued

2.3. Basis of measurement

The separate and consolidated interim financial information has been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value, and under the going concern assumption.

2.4. Statement of relevance

All relevant information in the financial information, and only this information, is being disclosed and corresponds to the information used by Management in managing the Group's activities, as per Technical Guidance OCPC 07 - Presentation and Disclosures in General Purpose Financial Statements.

2.5. Statement of continuity

Management assessed the Group and its subsidiary's ability to continue as a going concern and is convinced that they have the resources to allow the continuity of its business in the future. Additionally, Management is not aware of any material uncertainty that could cast significant doubts as to its ability to continue as a going concern. Accordingly, this separate and consolidated interim financial information has been prepared on the going concern assumption.

2.6. Functional currency, presentation currency and transactions in foreign currency

The Company's functional currency is the Brazilian Real (R\$), which is the currency also used for presentation of the separate and consolidated interim financial information. Transactions in foreign currencies are translated into the Company's functional currency using the exchange rate in effect at the dates of each transaction. Monetary assets and liabilities in foreign currencies are translated at the exchange rate in effect at the end of the reporting date. Foreign exchange gains and losses resulting from the settlement of assets or liabilities denominated in foreign currency are recognized in the statement of profit or loss on an accrual basis.

2.7. Use of accounting estimates and judgments

In the application of the accounting policies of the Company and its subsidiaries, Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued

June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

2. Basis of preparation and presentation and significant accounting policies-- Continued

2.7. Use of accounting estimates and judgments--Continued

The estimates and underlying assumptions are revised on an ongoing basis and are based on historical experience and other factors deemed relevant. Actual results may differ from those estimates. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There were no significant changes in the estimates and assumptions used in the preparation of the financial information for the six-month period ended on June 30, 2021, as well as in the calculation methods used, in relation to those presented in Note 2 of the Group's financial statements referring to the year ended December 31, 2020. Except for the change in the estimate related to the recognition of deferred selling expenses within Prepaid expenses for the estimated average period the beneficiaries remain in the customer list, as described in Note 11, determined considering the period between the date the plans are contracted and the date of their cancellation.

3. Group evolution and business combinations

3.1. Main corporate changes occurred in the period and new investments

3.1.1. Acquisition of Hospital Marechal Cândido Rondon (HMR Group or Sempre Vida)

On July 31, 2020, a Share Purchase and Sale Agreement and Other Covenants ("Agreement") was signed for acquisition, through Santa Rita Saúde S.A., a subsidiary of the Company, of 80.9% of the capital of Hospital Marechal Cândido Rondon S/A. ("HMR Group" or "Sempre Vida"). On the date of completion of the transaction, however, the remaining shareholder of HMR Group with the Company decided to enter into the purchase and sale of 100% of HMR Group's capital stock. The transaction did not require CADE approval, but was approved by ANS on March 10, 2021, and completed on April 1, 2021.

The HMR Group is vertical, located in the city of Marechal Cândido Rondon, in the state of Paraná, and has 59 hospital beds, five medical care centers, an emergency care unit and a portfolio of

approximately 36,500 beneficiaries of health plans, being strategically important for the Company's expansion in the state of Paraná.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

3. Group evolution and business combinations--Continued

3.1. Main corporate changes occurred in the period and new investments--Continued

3.1.1. Acquisition of Hospital Marechal Cândido Rondon (HMR Group), --Continued

The consideration transferred for the acquisition of 100% of the shares (6,014 shares) of Hospital Marechal Cândido Rondon S/A. ("HMR Group") totaled R\$45,149, R\$32,749 was paid in cash and in local currency, R\$9,700 regarding covenants (acquisition of HMR Group's property) and R\$2,700 as a retained portion.

The recognition of the acquired net assets of Hospital Marechal Cândido Rondon S/A. ("HMR Group") at June 30, 2021 was made based on a preliminary assessment of fair value, since the valuation of the identified assets and liabilities assumed in the business combination still demands the conclusion of the analysis of the acquiree's contingent liabilities. See the allocation of the price paid in Note 3.3.

3.1.2. Acquisition of Fatima Saúde

On December 23, 2020, through a subsidiary of the Company, a Share Purchase and Sale Agreement and Other Covenants ("Agreement") was signed, with the signing of amendments on March 11, 2021, March 23, 2021 and 1 April 2021, for the acquisition of 95% of the quotas representing the capital stock of Pro Salute - Serviços Para a Saúde Ltda. ("Fátima Saúde") and forecast of future acquisition of the remaining shares. The transaction was approved by CADE on March 26, 2021 and by ANS on March 23, 2021, and the acquisition of 95% of the shares was concluded on April 1, 2021.

Fátima Saúde is headquartered in Caxias do Sul, in the state of Rio Grande do Sul, has an integrated medical center and has a portfolio of approximately 45 thousand beneficiaries of health plans and approximately 1.0 thousand beneficiaries of dental plans. It is of strategic importance for contributing to the expansion process in the southern region of Brazil and marks the Company's entry into the state.

The transaction involved the separate Athena Saúde Brasil S.A. and subsidiary Santa Rita Saúde, where the following interests were acquired by each of the companies involved:

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

3. Group evolution and business combinations--Continued

3.1. Main corporate changes occurred in the period and new investments--Continued

3.1.2. Acquisition of Fatima Saúde--Continued

Acquirer	Interest acquired	Number of shares acquired	Total consideration transferred (R\$ 000)	Format
Athena Saúde Brasil S.A.	10.83%	271	R\$8,424	Company's common shares (1)
Santa Rita Saúde S.A.	89.17%	2,229	R\$69,381	Payment in cash of R\$50,007 and retained portion of R\$17,938
Total	100.00%	2,500	R\$77,805	

(1) Fair value corresponding to exchange of 5,071,497 common shares delivered as part of the consideration transferred of Athena Saúde Brasil S.A., measured at the fair value of the acquirer's shares. Of this amount, 3,973 shares corresponding to R\$6,600 were submitted to a secured fiduciary sale to Athena Saúde Brasil S.A.

The recognition of the acquired net assets of Fátima Saúde in the interim financial information at June 30, 2021 was made based on a preliminary assessment of fair value, since the valuation of the identified assets and liabilities assumed in the business combination still demands the conclusion of the analysis of the acquiree's contingent liabilities. See the allocation of the price paid in Note 3.3.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

3. Group evolution and business combinations--Continued

3.2. Net assets acquired in business combination

As at April 1, 2021	FATIMA SAÚDE	SEMPRE VIDA	Total
<u>Assets</u>			
Cash and cash equivalents	25	10,543	10,568
Financial investments	2,159	3	2,162
Restricted financial investments	23,115	6,430	29,545
Trade receivables	1,196	6,889	8,085
Prepaid expenses	277	46	323
Taxes recoverable	353	1,394	1,747
Deferred tax assets	6,886	4,396	11,282
Other assets	161	3,916	4,077
Securities receivable		1,021	1,021
Securities issued to cover court-ordered debts		2,830	2,830
Judicial deposits	668	18	686
Property, plant and equipment	6,533	6,259	12,792
Property, plant and equipment - right-to-use asset - IFRS 16	2,192	2,979	5,171
Intangible assets	2,353	724	3,077
Trademarks			-
Customer list	7,878	21,533	29,411
Contingency reimbursement guarantee – indemnification			
assets	32,616	685	33,301
Other non-current assets	254	709	963
			-
<u>Liabilities and equity</u>			
Trade payables	441	2,901	3,342
Technical reserves	28,141	16,637	44,778
Loans and financing	886	12,141	13,027
Dividends and interest on capital payable			-
Payroll and related taxes	1,205	2,657	3,862
Taxes payable	1,477	2,458	3,935
Lease liabilities	2,672	3,426	6,098
Other liabilities	4,877	826	5,703
Taxes in installments	1,434	6,211	7,645
Provision for legal risks	32,617	685	33,302
Fair value of net assets acquired	12,916	22,433	35,349
Equity interest acquired	100%	100%	
Fair value of net assets acquired	12,916	22,433	35,349

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

3. Group evolution and business combinations--Continued

3.3. Allocation of the price paid

Below is the statement of goodwill calculation for business combinations occurred in the period:

As at April 1, 2021	FATIMA SAÚDE	SEMPRE VIDA	Total
Cash amount	50,007	32,749	82,756
Installment amount	19,374	2,700	22,074
Price adjustment (a)	(1,436)	-	(1,436)
Other covenants		9,700	9,700
Share exchange amount	8,424	-	8,424
Total consideration transferred	76,369	45,149	121,518
Equity interest acquired	100%	100%	
Fair value of net assets acquired	12,916	22,433	35,349
Goodwill for expected future profitability	63,453	22,716	86,169

(a) The price adjustment resulted from changes in the working capital, net indebtedness and regulatory capital of Fátima Saúde, according to a notification dated May 15, 2021.

4. Cash and cash equivalents

	Separate		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Cash and banks	-	86	9,053	13,786
Bank Deposit Certificates (CDBs) and other investments	36	-	96,286	60,428
Investment funds	46,030	404,991	127,906	454,910
	46,066	405,077	233,245	529,124

Financial investments include mainly repo operations, CDBs and fixed income investment funds. Repo operations, carried out through the purchase of securities with a repurchase commitment by a financial institution for a pre-established price and term and exempt from IOF (tax on financial transactions), are used for short-term cash management.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

4. Cash and cash equivalents--Continued

Financial investments are highly liquid, readily convertible into a known amount of cash and subject to an insignificant risk of changes in value. The portfolio of financial investments in repo operations and CDBs has an average yield between 94% and 100.5% of the variation of the Interbank Deposit Certificate (CDI). The yield of financial investments in investment funds follows the quota value of such funds, according to the variation in fixed income assets that make up each of the funds, with an average yield between 97% and 124% of the CDI.

5. Restricted financial investments

	Consolidated	
	06/30/2021	12/31/2020
Restricted financial investments – linked to loans and financing (i)	46,470	69,509
Supplementary Health Fund - ANS GMI (ii)	30,921	30,553
Supplementary Health Fund - ANS SAMP (ii)	61,361	60,680
Supplementary Health Fund - ANS Multivida - SRS (ii)	17,024	16,876
Supplementary Health Fund - Unihosp (ii)	25,648	21,220
Supplementary Health Fund - Fátima (ii)	15,584	-
Supplementary Health Fund - HMCR - Sempre Vida (ii)	6,481	-
Total	203,489	198,838
Current	157,019	129,329
Non-current	46,470	69,509
Total	203,489	198,838

(i) Assignment of credit rights on financial investments pledged as collateral of financing, and the Company's subsidiaries must maintain a minimum amount with the assigning institutions. See Note 17 for further details.

(ii) The financial investments related to the supplementary health fund belong to the subsidiaries Humana, Medplan, SAMP, Santa Rita Saúde, Unihosp, Fátima and Sempre Vida, and back up the related technical reserves mentioned in Note 16. These resources are free to operate.

Restricted financial investments include CDBs and fixed income investment funds. The portfolio of restricted financial investments has an average yield between 91% and 145% of the CDI.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

6. Trade receivables

The balance of trade receivables includes commercial operations with healthcare operators, health and dental care plan members and private customers of the Company's subsidiaries, net of the respective allowance for expected credit losses and disallowances. The breakdown of trade receivables is as follows:

	Consolidated	
	06/30/2021	12/31/2020
Billed receivables	246,741	197,993
Unbilled customers (i)	72,691	53,508
Credit card	4,167	2,770
(-) Allowance for expected credit losses	(95,268)	(74,952)
Total	228,331	179,319

(i) Considers revenue from procedures performed and services rendered to beneficiaries who are still in the process of billing and / or pending to be sent to associated Medical Insurances.

The aging list of billed receivables is as follows:

	Consolidated	
	06/30/2021	12/31/2020
Unbilled	72,691	53,508
Current	93,242	64,378
Past due:		
Up to 90 days	61,889	48,849
91 to 180 days	17,667	12,649
181 to 360 days	12,501	13,838
More than 360 days	65,609	61,049
Subtotal	323,599	254,271
(-) Allowance for expected credit losses	(95,268)	(74,952)
Total	228,331	179,319

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

6. Trade receivables--Continued

Movement in the allowance for expected credit losses and disallowances

The movement for the six-month period ended on June 30, 2021 and 2020:

	Consolidated	
	06/30/2021	06/30/2020
	(Accumulated)	(Accumulated)
At the beginning of the period	(74,952)	(61,018)
Write-off due to actual loss	19,524	22,531
Reversal (increase) of the allowance for expected credit losses	(28,279)	(11,474)
Reversal (increase) of the disallowance provision	(11,561)	(10,709)
At the end of the period	(95,268)	(60,670)

7. Inventories

	Consolidated	
	06/30/2021	12/31/2020
Medicines	23,807	12,206
Hospital supplies	19,398	23,953
Laboratory supplies	22	1,617
Hygiene and cleaning supplies	159	911
Storeroom supplies	1,247	897
Other supplies	2,507	1,280
Total	47,140	40,864

8. Taxes recoverable

	Separate		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
PIS and COFINS recoverable	-	-	5,993	2,495
Income taxes	2,106	406	24,225	14,955
INSS (social security contribution) recoverable	-	-	1,644	1,425
ISS (service tax) recoverable	-	-	164	634
Other taxes	8	-	3,678	3,714
Total	2,114	406	35,704	23,223
Current	2,114	406	34,394	21,119
Non-current	-	-	1,310	2,104
Total	2,114	406	35,704	23,223

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

9. Contingency reimbursement – indemnification assets

	Separate		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Contingency reimbursement guarantee – VAH	-	-	29,050	29,832
Contingency reimbursement guarantee – GMI	-	-	8,799	8,221
Contingency reimbursement guarantee – SAMP	-	-	11,516	14,400
Contingency reimbursement guarantee - Multivida	-	-	9,745	8,837
Collateral deposit for the acquisition of non-controlling interests - GMI	-	-	60,646	56,470
Contingency reimbursement guarantee - Unihosp	11,106	11,251	30,456	27,287
Contingency reimbursement guarantee – CMM	-	-	3,334	3,680
Contingency reimbursement guarantee – HCN	390	331	9,978	9,020
Contingency reimbursement guarantee - Pro Salute	3,531	-	32,616	-
Contingency reimbursement guarantee – Sempre Vida	-	-	685	-
Total	15,027	11,582	196,825	157,747

The balance of the contingency reimbursement guarantee - indemnification assets in the consolidated is originated from the composition above. The Company's legal risks and its subsidiaries in business combinations are covered by liability clauses established in the investment agreement among their shareholders, by pledge of shares and/or reimbursement of contingencies paid or assumed by the Company and its subsidiaries relating to facts occurred and/or existing before the subsidiaries acquisition dates.

The amount of the collateral deposit for the acquisition of non-controlling interests - GMI, refers to the portion deposited in a special account, according to contractual clauses, for the acquisition of the second part of control of the GMI Group's companies from the former controlling interests and are recognized in Athena Healthcare.

9.1. Movement in contingency reimbursement guarantee – indemnification assets

	Separate	Consolidated
At December 31, 2019	-	127,764
Monetary adjustment (Addition)	-	15,985
Monetary adjustment (Write-off)	-	(4,116)
At June 30, 2020	-	139,633
At December 31, 2020	11,582	157,747
Additions from business combinations	3,533	33,301
Positive variation	949	22,103
Negative variation	(1,037)	(16,326)
At June 30, 2021	15,027	196,825

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

10. Other assets

	Separate		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Capital shares in cooperatives	-	-	1,786	1,200
Other credits	36	-	8,936	2,752
Prepaid expenses	-	-	-	1,954
Advances to employees	-	-	2,734	3,127
Advances of personnel benefits	-	-	701	384
Advances for business acquisition (i)	-	-	62,350	-
Other advances	-	-	24	1,418
Total	36	-	76,531	10,835
Current	36	-	5,722	6,730
Non-current	-	-	70,809	4,105
Total	36	-	76,531	10,835

- (i) During the six months ended on June 30, 2021, the Company made an advance payment in the amount of R\$62,350 to be discounted of the acquisition price of São Bernardo Group. The precedent conditions for closing the transaction are being completed, as disclosed in Note 35.

11. Prepaid expenses

	Separate		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Deferred commissions (i)	-	-	30,474	-
Transaction costs (ii)	-	12,382	-	14,617
Other prepaid expenses (iii)	-	-	4,104	-
Total	-	12,382	34,578	14,617
Current	-	12,382	15,523	14,617
Non-current	-	-	19,055	-
Total	-	12,382	34,578	14,617

- (i) The selling expenses recorded on sales of healthcare and dentalcare plan contracts are deferred according to the estimated useful life calculated based on the average period the beneficiaries remain in the customer list. At December 31, 2020, the Company recognized such expenses in the statement of profit or loss for the period, adopting the practical expedient provided for in CPC 47, since the best information available on that date indicated an amortization period equal to or less than one year.
- (ii) Expenses incurred and related to the attempt to perform a public offering of primary and secondary distribution of the Company's common shares, which were originally recorded in this line item, as provided for by CPC 08 R1. The balance that at December 31, 2020 was R\$14,617, as well as the expenditures incurred in 2021 totaling R\$13,395 are being fully written-off in the statement of profit or loss for the second quarter of 2021, in line item Other operating expenses, net, amounting to R\$28,012, because the operation was not completed, in conformity with the same aforementioned accounting provision, according to Note 35.
- (iii) Expenses with early payment, which can be used in periods subsequent to the issue of these interim statements, which will be recognized as expenses for the period in which they are effectively incurred, such as insurance policies and contracts for continuous service.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

12. Investments

The Company has the following investment balance:

	Direct interest	Separate	
		06/30/2021	12/31/2020
Athena Healthcare Holding S.A.	100%	1,495,433	1,114,700
Hospital do Coração de Natal Ltda.	3.67%	43,097	41,516
Unihosp Serviços de Saúde S.A.	3.16%	98,392	98,066
Athena Saúde Nordeste Holding S.A.	13.90%	27,491	-
Athena Espírito Santo	15.58%	39,225	-
Pro Salute Servicos Para A Saude Ltda	0.82%	8,259	-
Total		1,711,897	1,254,282

Breakdown of investment balance:

	12/31/2020	Additions	Price adjustment	Capital contribution	Equity	Changes in interests in subsidiaries	06/30/2021	Breakdown	
								Capital	Goodwill on acquisition
Athena Healthcare Holding S.A.	1,114,700	-	-	366,722	18,351	(4,340)	1,495,433	1,495,433	-
Hospital do Coração de Natal Ltda.	41,516	-	1,039	-	634	(92)	43,097	2,210	40,887
Unihosp Serviços de Saúde S.A.	98,066	-	-	-	254	72	98,392	7,673	90,719
Athena Saúde Nordeste Holding S.A. (Note 1.2)	-	25,299	-	-	1,335	857	27,491	27,491	-
Athena Espírito Santo	-	40,650	-	-	(1,434)	9	39,225	39,225	-
Pro Salute Servicos Para A Saude Ltda	-	8,206	-	-	17	36	8,259	1,234	7,026
Total	1,254,282	74,155	1,039	366,722	19,157	(3,458)	1,711,897	1,573,266	138,632

On June 30, 2021, the Company had equity interests in direct and indirect subsidiaries (“holdings” and in “operation”) listed in Note 1.1.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued

June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

12. Investments--Continued

Financial information on subsidiaries on June 30, 2021

The summarized consolidated financial information related to the subsidiaries in which the Company has equity interest is as follows:

On 06/30/2021	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Net revenue	Cost of services	Operating income (expenses)	Share of profit (loss) of subsidiaries	Finance income (costs)	Income taxes	Net income (loss)
Direct subsidiaries												
ATHENA HEALTHCARE HOLDING S.A.	49,528	1,560,053	96,128	18,022	1,495,433	-	-	(5,380)	24,092	(610)	252	18,353
HOSPITAL DO CORAÇÃO DE NATAL LTDA	74,694	47,246	27,595	44,392	49,952	104,180	(69,447)	(6,622)	-	(2,177)	(8,655)	17,278
UNIHOSSERVICOS DE SAUDE S.A.	75,016	25,779	37,821	21,420	41,554	93,595	(69,851)	(15,165)	-	1,152	(3,312)	6,418
Indirect subsidiaries												
ASG HOLDING S.A.	334	58,492	4,209	-	54,617	-	-	(4,981)	-	11,669	(1,580)	5,108
ATHENA SAUDE ESPIRITO SANTO HOLDING S.A.	12	384,037	51,788	8,450	323,810	-	-	(567)	(3,744)	(6,125)	688	(9,748)
ATHENA SAUDE NORDESTE HOLDING S.A.	1	205,747	6,042	1,693	198,012	-	-	(1,466)	14,913	(216)	415	13,646
CENTRO MEDICO MARANHENSE S.A.	18,153	20,359	24,098	1,557	12,857	27,990	(19,643)	(8,452)	-	(263)	(363)	(730)
CLÍNICA DE ATENDIMENTO DE PREVENÇÃO A SAUDE LTDA	486	1,450	650	1,105	180	4,113	(2,204)	(1,194)	-	(63)	(219)	434
CLÍNICA IMAGEM PLENA LTDA	1,318	7,651	1,248	1,653	6,067	3,719	(2,644)	(1,135)	-	(112)	16	(154)
CLÍNICA LUIZA COELHO LTDA	1,636	1,527	3,280	363	(481)	3,553	(1,942)	(1,086)	-	(203)	(223)	100
CLÍNICA PERINATAL VITORIA LTDA	3,092	1,154	544	179	3,522	8,712	(5,472)	(1,399)	-	(44)	-	1,796
HOSPITAL BOM SAMARITANO DE MARINGA S/A	25,063	81,927	39,226	41,844	25,919	60,212	(43,047)	(18,245)	-	(1,980)	1,040	(2,020)
HOSPITAL MED IMAGEM S.A.	74,694	47,246	27,595	44,392	49,952	104,180	(69,448)	(6,621)	-	(2,177)	(8,655)	17,278
HOSPITAL SANTA MARIA LTDA.	52,638	574,463	54,514	129,952	442,635	89,839	(70,021)	(34,102)	18,341	(4,655)	6,272	5,674
HOSPITAL SÃO PEDRO LTDA.	29,560	68,545	29,347	45,979	22,778	41,916	(28,717)	(8,412)	(154)	(1,537)	(1,013)	2,083
HUMANA ASSISTÊNCIA MÉDICA LTDA.	4,798	19,530	3,231	3,791	17,306	9,970	(8,119)	(1,629)	-	(248)	(246)	(272)
INSTITUTO DE RADIOLOGIA SAO LUIS LTDA.	87,975	857,669	131,100	40,999	773,545	214,265	(178,508)	(43,780)	11,664	(4,845)	4,778	3,573
MAXLAB MEDICINA DIAGNOSTICA LTDA.	3,857	9,499	4,117	745	8,493	6,467	(2,990)	(2,637)	-	194	(65)	968
MEDPLAN ASSISTENCIA MEDICA LTDA.	1,377	1,736	967	435	1,711	1,615	(1,094)	(531)	-	(20)	17	(12)
MULTIVIDA PARTICIPACOES S.A.	76,248	96,156	42,689	5,584	124,132	108,309	(68,568)	(26,459)	826	(850)	(4,337)	8,921
ONCO LIFE CLINICAS LTDA.	8,630	242,566	19,624	505	231,067	2,914	(2,914)	(33)	18,374	-	-	18,341
SAMP ESPIRITO SANTO ASSISTENCIA MEDICA S.A.	1,238	447	498	767	419	2,111	(1,951)	(268)	-	(2)	-	(110)
SANTA RITA SAUDE S.A.	124,412	155,300	90,288	8,491	180,932	261,721	(212,863)	(60,248)	2,076	98	4,187	(5,030)
SERVICO DE HEMODINAMICA DO VITORIA APART HOSPITAL LTDA.	75,039	211,669	30,367	54,973	201,369	96,455	(54,774)	(20,552)	7,063	(620)	(7,176)	20,394
SERVICOS E ACESSORIA MEDICA ESPECIALIZADA LTDA	473	4	2,280	411	(2,213)	242	(162)	(204)	-	(47)	-	(169)
VITORIA APART HOSPITAL	6,508	79,694	8,299	10,046	67,856	17,771	(12,890)	(1,479)	-	(1,053)	(1,062)	1,286
HOSPITAL MARECHAL CÂNDIDO RONDON S.A.	30,631	26,313	18,312	19,289	19,343	24,826	(11,088)	(7,158)	-	(698)	(774)	5,108
PRO SALUTE - SERVIÇOS PARA A SAÚDE LTDA	57,000	16,706	29,991	9,591	34,125	38,928	(31,558)	(5,358)	-	559	(592)	1,979

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

13. Plant, property and equipment

The breakdown of property, plant and equipment is as follows:

	Consolidated			
	Cost	Accumulated depreciation	Net 06/30/2021	Net 12/31/2020
Land	31,002	-	31,002	32,105
Computers and peripherals	25,130	(11,174)	13,956	9,638
Leasehold improvements	29,382	(8,502)	20,880	15,086
Buildings	114,531	(12,193)	102,338	102,211
Facilities	1,529	(369)	1,160	1,232
Machinery and equipment	141,124	(58,074)	83,050	82,319
Furniture and fixtures	31,474	(8,725)	22,749	20,453
Vehicles	2,645	(1,148)	1,497	925
Right-of-use assets - properties (Note 12)	213,732	(34,600)	179,132	149,855
Other property, plant and equipment	45,654	(395)	45,259	32,054
Total	636,203	(135,180)	501,023	445,878

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued

June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

13. Plant, property and equipment--Continued

Movement in the six-month periods ended on June 30, 2021 and 2020 of the Company's consolidated balances was as follows:

	Annual depreciation rate	Consolidated					At June 30, 2021	
		At December 31, 2020	Additions from business combination	Additions	Write-offs	Depreciation		Transfers
Land		32,105	160	5	(1,268)	-	(714)	30,288
Computers and peripherals	28%	9,638	1,287	4,767	(314)	(1,422)	752	14,708
Leasehold improvements	14%	15,086	4,145	3,696	(575)	(1,472)	3,280	24,160
Buildings	3%	102,211	-	1,404	-	(1,277)	(13,714)	88,624
Facilities	9%	1,232	-	28	(24)	(76)	13	1,173
Machinery and equipment	18%	82,319	3,803	6,959	(697)	(9,334)	10,646	93,696
Furniture and fixtures	17%	20,453	2,536	1,488	(9)	(1,719)	8,940	31,689
Vehicles	20%	925	354	407	14	(203)	(365)	1,132
Right-of-use assets		149,855	5,171	44,501	(8,771)	(11,624)	-	179,132
Other property, plant and equipment	5%	32,054	507	12,450	(169)	417	(8,838)	36,421
		445,878	17,963	75,705	(11,813)	(26,710)	-	501,023

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued

June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

13. Plant, property and equipment--Continued

	Annual depreciation rate	Consolidated					At June 30, 2020	
		At December 31, 2019	Additions from business combination	Additions	Write-offs	Depreciation		Transfers
Land		30,105	-	-	-	-	-	30,105
Computers and peripherals	28%	5,578	-	1,247	(26)	(840)	(8)	5,951
Leasehold improvements	14%	9,910	-	2,453	(87)	(1,096)	-	11,180
Buildings	3%	80,887	-	(1)	(884)	(1,499)	-	78,503
Facilities	9%	843	-	-	(17)	22	(20)	828
Machinery and equipment	18%	56,412	-	7,388	(181)	(3,954)	9	59,674
Furniture and fixtures	17%	8,549	-	946	(189)	(704)	50	8,652
Vehicles	20%	4,723	-	-	(3)	(35)	(16)	4,669
Right-of-use assets		92,702	-	7,715	(1,481)	(6,242)	-	92,693
Other property, plant and equipment	5%	15,045	-	4,232	(671)	(171)	(15)	18,420
		304,754	-	23,980	(3,539)	(14,519)	-	310,675

Property, plant and equipment are subject to periodic analysis, at least annually, on the impairment test. For the period ended on June 30, 2021, there were no new indicators of impairment on property, plant and equipment.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued

June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

14. Right-of-use assets and lease liabilities

The Group has leases with the nature of lease of properties, equipment and services provision using the usual market clauses for cancellation and/or extension of contracts.

The nominal incremental financing rate (discount) used to calculate the present value of the contracts was based on quotations made with financial institutions for the acquisition of assets under conditions similar to the lease agreements.

The incremental funding rate, applicable to the leased asset portfolio. Through this methodology, the Company obtained an average rate of 10% p.a. for properties and 11.7% p.a. for equipment used as follows:

Movement for the six months ended on June 30:

	Consolidated	
	06/30/2021	12/31/2020
Right-of-use assets (recognized in property, plant and equipment)		
Balance at the beginning of the period/year	149,855	92,702
Additions from business combination	5,171	37,800
New contracts and remeasurement of existing contracts	44,501	33,731
Depreciation	(11,624)	(13,195)
Write-off	(8,771)	(1,183)
Balance at the end of the period/year	<u>179,132</u>	<u>149,855</u>
	06/30/2021	12/31/2020
Lease liabilities		
Balance at the beginning of the period	159,320	96,066
Additions from business combinations	6,098	40,471
New contracts and remeasurement of existing contracts	44,501	33,731
Payment of lease liabilities	(29,837)	(21,009)
Interest on lease liabilities	10,088	10,061
Balance at the end of the period/year	<u>190,170</u>	<u>159,320</u>
Current	16,945	16,199
Non-current	173,225	143,121
	Consolidated	
	01/01/2021 to	01/01/2020 to
	06/30/2021	06/30/2020
	(6 months)	(6 months)
Lease depreciation expense	(11,624)	(6,241)
Interest expenses on lease liabilities	(10,088)	(4,487)
Lease effect	<u>(21,712)</u>	<u>(10,728)</u>

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

14. Right-of-use assets and lease liabilities--Continued

The Company does not have the potential right of PIS / Pasep and Cofins recoverable embedded in the lease consideration since our healthcare plan and hospital operations are included in the cumulative regime.

In accordance with CPC 06 (R2), in measuring and remeasuring its lease liabilities and right-of-use assets, the Company used the discounted cash flow method without considering the future projected inflation in the flows to be discounted, according to the prohibition imposed by CPC 06 (R2). This prohibition can generate significant distortions in the information to be provided, given the current reality of long-term interest rates in the Brazilian economic environment. The Company assessed these effects, concluding that they are immaterial to its interim financial information.

The cash flows of the lease agreements are, for the most part, monetarily adjusted on annual basis by the IPCA. The maturity analysis of the agreements is presented below:

	Consolidated (nominal)
2021	18,390
2022	34,802
2023	32,162
2024	29,288
2025	25,633
2026 to 2038	188,642
Undiscounted amounts	328,917
Embedded interest	(138,748)
Lease liabilities	190,169

Consolidated Payment flow	2021	2022	2023	2024	2025	2026 to 2038
Disbursement flow without PV adjustment	18,390	34,802	32,162	29,288	25,633	188,642
Scenario with inflation (*)	19,638	36,128	33,208	30,166	26,402	194,302

(*) Rates obtained through the projections disclosed by the Central Bank of Brazil's Focus Bulletin.

In addition, users of this interim financial information may, at their discretion, use other items provided in this note, such as the maturity schedule of liabilities and interest rates used in the calculation, to make projections of future payment flows indexed by the inflation indices observed in the market.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

15. Intangible assets

	Cost	Accumulated amortization	Net 06/30/2021	Net 12/31/2020
Goodwill for expected future profitability	830,701	-	830,701	745,951
Trademarks without finite useful life	10,249	-	10,249	10,249
Trademarks with finite useful life	21,680	(1,746)	19,934	20,322
Customer list	331,853	(54,237)	277,616	251,459
Software and other	51,825	(7,215)	44,610	35,288
Total	1,246,308	(63,198)	1,183,110	1,063,269

Movement in the period of six months ended on June 30, 2021 and 2020 of the Company's consolidated balances was as follows:

	Average annual amortization rate	Consolidated					At June 30, 2021	
		At December 31, 2020	Additions from business combination	Additions	Write-offs	Amortization		Transfers
Goodwill for expected future profitability (i)		745,951	86,169	7,506	(7,130)	-	(1,795)	830,701
Trademarks without finite useful life		10,249	-	-	-	-	-	10,249
Trademarks with finite useful life	4%	20,322	-	-	-	(388)	-	19,934
Customer list	20%	251,459	29,411	6,077	(1,435)	(9,691)	1,795	277,616
Software and other	12%	35,288	3,077	12,747	(4,351)	(2,151)	-	44,610
		1,063,269	118,657	26,330	(12,916)	(12,230)	-	1,183,110

	Average annual amortization rate	Consolidated					At June 30, 2020	
		At December 31, 2019	Additions from business combination	Additions	Write-offs	Amortization		Transfers
Goodwill for expected future profitability		49,791	-	-	-	-	-	49,791
Trademarks without finite useful life		168,761	-	885	-	-	-	169,647
Trademarks with finite useful life	4%	21,066	-	4	(198)	(255)	-	20,617
Customer list	20%	260,693	-	-	-	(8,974)	-	251,719
Software and other	12%	14,732	-	8,626	-	(1,345)	-	22,013
		515,043	-	9,516	(198)	(10,574)	-	513,787

(i) In the second quarter of 2021, there was a change in the acquisition price in HCN of R\$ 7,506, in CMM of (R\$ 6,215), and in Utin of (R\$ 915).

15.1. Impairment testing

Goodwill is annually submitted to impairment test or, when there are indications that it may show impairment. On December 31, 2020, the recoverable amount was higher than the book values, indicating that there are no indications of impairment loss. For the six-month period ended on June 30, 2021, no indications were identified.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

16. Technical reserves (ANS)

	Consolidated	
	06/30/2021	12/31/2020
Unearned Premium Reserve (UPR)	(i) 46,426	38,863
Incurred but not reported reserve (IBNR)	(ii) 70,046	43,535
Incurred but not reported reserve (IBNR SUS)	(iii) 13,452	13,680
Unsettled claims reserve (UCR)	(iv) 83,211	52,623
Unsettled Claims Reserve – Brazil’s Unified Healthcare System (SUS)	(v) 34,022	26,841
Total	247,157	175,542
Current assets	233,449	175,542
Non-current assets	13,708	-
Total	247,157	175,542

- (i) UPR is established according to revenue recognition using the accrual basis and the pro rata die method. The amounts recorded in this provision are exempted from the requirement of guarantee assets.
- (ii) Provision for payment of events that may have already occurred and have not been notified, recognized based on regulatory methodology.
- (iii) Provision for payment of events and claims originating in the SUS, which have occurred and have not been notified, recognized based on regulatory methodology.
- (iv) Reserve recognized for claims that have already been incurred, recorded, but not yet paid. The recording must be performed at the time of submitting the charges to the healthcare plan operators, and upon identifying occurrence of medical expenses through the corresponding service provider’s communication, regardless of existence of any mechanism, process or system of intermediation of the transmission, whether directly or indirectly through third parties, or the preliminary analysis of medical expenses. The recognized provision is fully supported by guarantee assets recorded in the group of financial investments that guarantee technical reserves.
- (v) On June 3, 1998, the Federal Government enacted Law 9656, which provides, in its article 32, the reimbursement to SUS of the expenses incurred on the service of healthcare plan users when using the public network.

The movement in technical reserves was as follows:

	UPR	IBNR	UCR	UCR SUS	TOTAL
At December 31, 2019	19,685	40,506	36,922	11,157	108,270
Movement in reserve	6,500	11,739	(11,997)	8,819	15,061
At June 30, 2020	26,185	52,245	24,925	19,976	123,331
At December 31, 2020	38,863	57,215	52,623	26,841	175,542
Additions from business combination	322	20,474	19,256	4,726	44,778
Movement in reserve	7,241	5,809	11,332	2,455	26,837
At June 30, 2021	46,426	83,498	83,211	34,022	247,157

16.1. Liability Adequacy Test (“LAT”)

CPC 11/IFRS 4 requires that insurance companies and equivalent companies that issue contracts classified as insurance contracts analyze the liabilities recorded at each reporting date through a liability adequacy test.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued

June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

16. Technical reserves (ANS)--Continued

16.1. Liability Adequacy Test ("LAT")--Continued

The purpose of LAT is to evaluate the result of the Operator's active beneficiary portfolios, making the projection of future cash flows, using the information on consideration, assistance cost, commission, administrative expenses, related taxes and verifying the adequacy of the liability.

This test should be performed using realistic actuarial assumptions for the future cash flows of all contracts classified as insurance contracts.

Current estimates of cash flows consider all risks assumed until the base date of the testing.

If any insufficiency is identified, the Company recognizes the loss in profit or loss.

The last liability adequacy test was carried out on December 31, 2020, the adequacy of the provisions already constituted, provision for events occurred and not reported - INBR and provision for unearned premiums or consideration - UPR, after revision, was attesting that the amounts constituted on December 31, 2020 are adequate to the commitments assumed. In relation to the provision of events / claims to be settled - UCR, as determined by the current regulation, it must be constituted by the full amount, charged by the provider, in the month of notification of the occurrence of the assistance expense, gross of any reinsurance operation and the standard methodology does not exist an estimate in its calculation, therefore, there is no need for an actuarial review of the provisioned amount, and the accounting procedure required by ANS is allocation in UCR of the entire volume of events notified and not yet paid.

The LAT actuarial study of December 31, 2020 of the total portfolio of health plan beneficiaries of pre-established price modality of the operators found a surplus, not generating the need for additional technical provision to the existing ones, Provision for Events Occurred and Not Reported - INBR, Provision for Unearned Payments - UPR and Provision for Events / Claims to Settle - UCR.

However, considering the segregation of this portfolio by type of contracting, individual / family, collective by adhesion, corporate collective and assumed co-responsibility, a deficit was identified in the difference in the current estimate of cash flows in the portfolio of beneficiaries of price modality health plans pre-established contract of individual / family of the operator Samp in the amount of R\$24,238.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued

June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

16. Technical reserves (ANS)--Continued

16.1 Liability Adequacy Test ("LAT")--Continued

Analysis of the reserves recognized

Pursuant to best practices, shortfalls in recognized reserves should be allocated to the corresponding reserve. Thus, to assess whether the reserves already recognized are adequate for the commitments assumed, corresponding reserves were reconstructed for purposes of crosschecking them with the amounts recognized.

IBNR was calculated using the twelve-month historical database, considering as factor the amount of expenses notified after the month of occurrence, which we consider adequate to the operating reality of the operators. The Incurred but Not Reported Reserve at SUS (IBNR SUS) is calculated based on the estimate of the number of events / claims that have already occurred in the SUS and that have not been reported. The calculated amount is informed monthly on the institutional website of ANS, its form of accounting is supported by Normative Resolution 442/18 in force.

UPCR was calculated using the operators' database, considering the portion of the consideration issued for the risk to take place after December 31, 2020.

The UCR, as determined by the current regulation, must be recognized at the full amount, charged by the provider, in the healthcare expense notification month gross of any reinsurance operation and the standard methodology does not have an estimate in its calculation.

Finally, it was concluded that the reserves recognized are adequate for the commitments assumed and there is no need to review the amounts accrued.

The test performed did not identify any reserve shortfall at the end of the reporting period, so there was no need to recognize any supplementary reserves. For the six months ended on June 30, 2021, no indications were observed that the liability adequacy tests performed for the period as of December 31, 2020, suffered changes in the sufficiency results.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued

June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

17. Loans and financing

The loans and financing were obtained basically for purchase of property, plant and equipment and for working capital and are comprised as follows:

Contract / Modality	Debt cost (% p.a.)	Maturity	Consolidated	
			06/30/2021	12/31/2020
Bank Credit Note - Banco Santander	CDI + 1.6%	2025	150,354	150,024
Lease - Investments	12.0% to 15.4%	2021 - 2026	1,582	1,081
Financing agreement - General Electric Healthcare Financial Services	FX + Libor + 6.0% to 6.2%	2020 - 2021	212	482
Working capital - Banco do Brasil	3.8%	2023	-	77
Others			60	442
Total			152,208	152,106
Current			25,008	2,312
Non-current			127,200	149,794
Total			152,208	152,106

Movement in financing is as follows:

Closing balance at December 31, 2019	140,999
Additions	171,883
Interest incurred	4,987
Repayments	(142,483)
Interest paid	(1,698)
Closing balance at June 30, 2020	173,688
Closing balance at December 31, 2020	152,106
Additions from business combination	13,027
Additions	441
Interest incurred	3,609
Repayments	(13,713)
Interest paid	(3,262)
Closing balance at June 30, 2021	152,208

The maturities of the non-current portions are as follows:

Year of maturity	
2022	23,135
2023	46,202
2024	46,202
2025 onwards	11,661
Total	127,200

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

17. Loans and financing--Continued

17.1. Guarantees and covenants

<u>Subsidiary</u>	<u>Amounts kept as guarantee</u>	<u>Type of guarantee</u>
Medplan Assistência Médica Ltda.	27,964	Investment fund quotas
Humana Assistência Médica Ltda.	13,164	Investment fund quotas
Santa Rita Saúde S.A.	5,342	CDB
Total	46,470	

The Company also undertakes, on a consolidated basis, to maintain a level of net debt, measured annually through the ratio between net debt and EBITDA, less than or equal to 2.0x. At June 30, 2021, the Company is compliant with the covenants.

In addition, the contracts have restrictive clauses and obligations related to the hypothesis of early maturity of debts, such as payment of pecuniary and non-pecuniary obligations, protest of notes, and transfer of shareholding control. For the six-months ended on June 30, 2021, the Company and its subsidiaries were compliant with all contractual clauses and obligations.

18. Payroll and related taxes

	<u>Separate</u>		<u>Consolidated</u>	
	<u>06/30/2021</u>	<u>12/31/2020</u>	<u>06/30/2021</u>	<u>12/31/2020</u>
Salaries and bonuses payable	-	-	17,475	15,948
INSS and FGTS (Severance Pay Fund) payable	-	-	15,458	17,193
Accrued vacation and related taxes	-	-	32,790	26,968
Provision on 13 and charges	-	-	9,993	-
Provision for bonus	-	-	513	18,719
Provision for share-based payment	17,409	3,399	17,409	3,399
Other labor obligations	-	-	6,898	8,724
Total	17,409	3,399	100,536	90,951

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

19. Taxes payable

	Separate		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
PIS and COFINS (taxes on revenue)	156	89	19,711	17,966
ISS (Service Tax)	-	1	53,045	43,456
IRPJ (Corporate Income Tax) and CSLL (Social Contribution on Profit)	89	5	18,403	40,149
Tax withholdings - Law 10,833/2003	108	-	2,239	1,738
IRRF (Withholding Income Tax)	271	-	6,217	2,884
INSS (Social Security Contribution)	-	-	1,818	424
IOF (Tax on Financial Transactions)	-	-	596	595
Other taxes payable	-	-	812	550
Total	624	95	102,841	107,762
Current	624	95	99,731	104,468
Non-current	-	-	3,110	3,294
Total	624	95	102,841	107,762

20. Taxes in installments

In the period from 2011 to 2013, as permitted by Laws 11,941 and 12,966, and in 2017, by Law 13,496/17, the Company's investees adhered to installment payment of tax debts. The Company adhered to installment payment of PIS, COFINS, IPI and INSS tax debts.

The consolidated outstanding balance is as follows:

	Consolidated	
	06/30/2021	12/31/2020
Federal Revenue of Brazil - SRF	32,290	29,813
Office of Attorney-General of the National Treasury - PGFN	18,938	16,486
National Social Security Institute - INSS	7,379	5,330
Municipal Tax in Installments - ISS	1,662	7
Total	60,269	51,636
Current	8,057	5,227
Non-current	52,212	46,409

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

20. Taxes in installments--Continued

The movement in taxes in installments in the six-month period of June 30, 2021 and 2020 is as follows:

Closing balance at December 31, 2019	54,495
Additions	<u>242</u>
Interest incurred	522
Repayment of principal	(1,718)
Interest paid	<u>(438)</u>
Closing balance at June 30, 2020	<u>53,103</u>
Closing balance at December 31, 2020	51,636
Additions from business combination	<u>7,645</u>
Additions	6,589
Interest incurred	3,175
Repayment of principal	(3,821)
Interest paid	<u>(4,955)</u>
Closing balance at June 30, 2021	<u><u>60,269</u></u>

The maturities of the non-current portions are as follows:

<u>Year of maturity</u>	<u>06/30/2021</u>
2022	3,903
2023	7,192
2024	6,629
2025	5,818
2026 onwards	<u>28,670</u>
Total	<u><u>52,212</u></u>

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

21. Payables for acquisition of companies

	Consolidated	
	06/30/2021	12/31/2020
Acquisition of non-controlling interests - GMI - deposited amount	60,646	56,470
Acquisition of HCN	5,957	51,807
Acquisition of CMM Group	22,472	28,328
Acquisition of SAMP	14,136	16,783
Acquisition of Unihosp Group	16,125	16,000
Acquisition of GMI	8,409	8,372
Acquisition of UTIN	1,421	3,000
Acquisition of SAMES	1,960	2,242
Acquisition of Plena	100	200
Acquisition of Fátima Saúde	17,938	-
Acquisition of Sempre Vida	2,700	-
	151,864	183,202
Current liabilities	97,159	68,360
Non-current liabilities	54,705	114,842

The movement in payables for acquisition of companies is as follows:

At December 31, 2019	122,573
Additions from acquisition of non-controlling interests	776
Adjustment to reversed present value of the installment paid	(8,236)
Payments made	7,233
At June 30, 2020	122,346
At December 31, 2020	183,202
Acquisition price adjustment (a)	(7,127)
Additions from business combination	20,638
Payments made	(56,918)
Monetary adjustment	12,069
At June 30, 2021	151,864

(a) Amount referring to the price adjustment discounted in the retained portion referring to Utin (R\$915) and CMM (R\$6,215)

22. Related parties

Company	Note	Separate					
		06/30/2021					
		Transactions					
		Profit or loss		Assets		Liabilities	
		Expenses and costs	Revenue and apportionments	Loan	Trade receivables	Loan	Trade payables
<u>Balances or transactions - Athena Brasil</u>							
Athena Healthcare Holding S.A.	(f)	-	-	21,205	-	-	2,718
Total Athena Saúde Brasil S.A.		-	-	21,205	-	-	2,718

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

22. Related parties--Continued

Company	Note	Consolidated					
		06/30/2021					
		Profit or loss		Assets		Liabilities	
		Expenses and costs	Revenue and apportionments	Loan	Trade receivables	Loan	Trade payables
Balances or transactions - ASG Holding S.A.							
Hiran Alencar Moura Castilho	(d)	-	11,366	-	56,887	-	-
Total ASG Holding S.A.		-	11,366	-	56,887	-	-
Balances or transactions - Humana							
Protepi Produtos Tecnologicos do Piauí Ltda	(c)	-	13	-	-	-	-
Biomax Comercio Importacao e Representacoes De Produtos Medico Hospitalares Ltda	(c)	2,344	50	-	-	-	283
Lab Med Laboratorio De Analises Clinicas Ltda	(c)	85	16	-	1	-	5
Clínica Santa Fé Ltda	(c)	2,117	-	-	-	-	168
Idris Lopes Saldanha	(c)	44	-	-	1	-	-
Total Humana		4,590	79	-	2	-	456
Balances or transactions - MEDPLAN							
Biomax Comercio Importacao e Representacoes De Produtos Medico Hospitalares Ltda	(c)	1,575	-	-	-	-	228
Clínica Santa Fe Ltda	(c)	1	-	-	-	-	-
Total MEDPLAN		1,576	-	-	-	-	228
Balances or transactions - Med Imagem							
A & R & C Servicos Medicos Sc Ltda	(c)	56	-	-	-	-	-
Biomax Comercio Importacao e Representacoes De Produtos Medico Hospitalares Ltda	(c)	1,420	-	-	-	-	274
Lab Med Laboratorio De Analises Clinicas Ltda	(c)	45	-	-	-	-	-
P Gírio Matos Eireli	(c)	-	-	-	-	-	-
Total Med Imagem		1,521	-	-	-	-	274
Balances or transactions - Santa Maria							
Biomax Comercio Importacao e Representacoes De Produtos Medico Hospitalares Ltda	(c)	2,719	-	-	-	-	895
Total Santa Maria		2,719	-	-	-	-	895
Balances or transactions - São Pedro							
Biomax Comercio Importacao e Representacoes De Produtos Medico Hospitalares Ltda	(c)	12	-	-	-	-	10
Total São Pedro		12	-	-	-	-	10
Balances or transactions - Imagem Plena							
P Gírio Matos Eireli	(c)	140	-	-	-	-	-
Total Imagem Plena		140	-	-	-	-	-
Balances or transactions - Vitoria Apart. Hospital							
César Ronaldo Vieira Gomes Filho - ME (g)		1	8	-	-	-	-
Cirurgia Geral do VAH SC Ltda (g)		65	2	-	5	-	5
Mm Emergências Ltda. Epp (g)		1,727	-	-	-	-	-
RTJ Medicos Associados Ltda ME (g)		33	-	-	7	-	7
Non-controlling shareholder of ASES (g)		6,913	2,232	-	241	-	251
Total Vitoria Apart Hospital		8,739	2,242	-	253	-	263
Balances or transactions - SAMP							
Non-controlling shareholder of ASES	(g)	57	-	-	-	-	56
Total SAMP		57	-	-	-	-	56
Balances or transactions - Multivida							
Multivida Farmacias Ltda (e)	(c)	-	-	-	-	-	18
MM Participações S/A (c)	(c)	-	6	-	1	-	-
Life Guard Participações Ltda (c)	(c)	323	-	-	-	-	-
Mega Consultoria Eireli (c)	(c)	466	-	-	-	-	-
Total Multivida		789	6	-	1	-	18

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

22. Related parties--Continued

		Consolidated				
		06/30/2021				
		Transactions				
		Profit or loss		Assets		Liabilities
Company	Note	Expenses and costs	Revenues and apportionments	Loan	Trade receivables	Trade payables
Balances or transactions - Santa Rita Saúde						
Multivida Farmacias Ltda (e)	(c)	41	6	-	188	75
MM Participações S/A (c)	(c)	-	8	-	5	-
Pontocom News Comunicação E Produções Ltda (c)	(c)	-	-	-	155	-
Medeiros & Gurgel SS (c)	(c)	70	4	-	-	11
Clinica Medica Dr. Johnni Oswaldo Zamponi (c)	(c)	160	-	-	-	25
RF Servicos Medicos S (c)	(c)	54	-	-	-	1
Total Santa Rita Saude		325	18	-	348	112
Balances or transactions - Hospital Bom Samaritano						
MM Participações S/A (c)	(c)	2,255	-	-	5	-
Multivida Farmacias Ltda (e)	(c)	-	1	-	188	13
Clinica Medica Dr. Johnni Oswaldo Zamponi (c)	(c)	41	-	-	-	-
Medeiros & Gurgel SS (c)	(c)	32	-	-	-	-
RF Servicos Medicos S (c)	(c)	16	-	-	-	-
Total Hospital Bom Samaritano		2,344	1	-	193	13
Balances or transactions - Hospital do Coração de Natal Ltda.						
HC Invest	(c)	413	-	-	-	-
HC Cardio	(c)	-	45	-	-	-
Oncoclínicas São Marcos	(c)	562	-	-	-	-
Prolife Serviços Médicos	(c)	1	-	-	-	-
Solservice Soluções em Saúde S S Ltda.	(c)	9	-	-	-	-
Total Hospital do Coração de Natal Ltda		985	45	-	-	-
		Consolidated				
		06/30/2020		12/30/2020		
		Transactions				
		Profit or loss		Assets		Liabilities
Company	Note	Expenses and costs	Revenue and apportionments	Loan	Trade receivables	Trade payables
Balances or transactions - Athena Healthcare Holding S.A.						
SALUS	(c)	-	-	-	-	7
Total Athena Healthcare Holding S.A.		-	-	-	-	7
Balances or transactions - ASG Holding S.A.						
Hiran Alencar Moura Castilho	(d)	-	-	44,646	-	-
Athena Healthcare Holding S.A.	(d)	-	-	-	-	1,106
Others	(c)	-	-	278	-	-
Total ASG Holding S.A.		-	-	44,924	-	1,106
Balances or transactions - Humana Assistência Médica Ltda.						
Protepi Produtos Tecnologicos do Piaui Ltda	(c)	-	-	-	3	-
Biomax Comercio Importacao e Representacoes De Produtos Medico Hospitalares Ltda	(c)	-	30	-	27	183
Lab Med Laboratorio De Analises Clinicas Ltda	(c)	-	14	-	22	-
Idris Lopes Saldanha	(c)	60	-	-	-	-
Total Humana Assistência Médica Ltda.		60	44	-	52	183
Balances or transactions - MEDPLAN Assistência Médica Ltda.						
Biomax Comercio Importacao e Representacoes De Produtos Medico Hospitalares Ltda	(c)	-	-	-	-	144
Total MEDPLAN Assistência Médica Ltda.		-	-	-	-	144
Balances or transactions - Hospital Med Imagem S.A.						
A & R & C Servicos Medicos Sc Ltda	(c)	-	-	-	-	9
Biomax Comercio Importacao e Representacoes De Produtos Medico Hospitalares Ltda	(c)	2,465	855	-	2,799	901
Lab Med Laboratorio De Analises Clinicas Ltda	(c)	-	-	-	-	9
P GiRio Matos Eireli	(c)	-	-	-	-	1
Others	(c)	227	-	-	-	-
Total Hospital Med Imagem S.A.		2,692	855	-	2,799	920

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued

June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

22. Related parties--Continued

Company	Note	Consolidated					
		06/30/2020		12/30/2020			
		Profit or loss		Assets		Liabilities	
		Expenses and costs	Revenue and apportionments	Loan	Trade receivables	Trade payables	
Balances or transactions - Hospital Santa Maria Ltda.							
Biomax Comercio Importacao e Representacoes De Produtos Medico Hospitalares Ltda	(c)	2,180	373	-	41	-	1,763
Others		7	-	-	-	-	-
Total Hospital Santa Maria Ltda.		2,187	373	-	41	-	1,763
Balances or transactions - Hospital São Pedro Ltda.							
Biomax Comercio Importacao e Representacoes De Produtos Medico Hospitalares Ltda	(c)	74	28	-	-	-	4
A & R & C Servicos Medicos Sc Ltda	(c)	5	-	-	-	-	-
Total Hospital São Pedro Ltda.		79	28	-	-	-	4
Balances or transactions - Clinica Imagem Plena Ltda.							
P Girio Matos Eireli	(c)	64	-	-	-	-	18
Total Clinica Imagem Plena Ltda.		64	-	-	-	-	18
Balances or transactions - Vitoria Apart Hospital Hospital S.A..							
Cirurgia Geral do VAH SC Ltda	(g)	26	1	-	-	-	-
Clinica Cavalieri SS Ltda	(g)	1	-	-	-	-	-
Mm Emergências Ltda. Epp	(g)	436	-	-	-	-	-
RTJ Medicos Associados Ltda ME	(g)	65	-	-	-	-	-
Non-controlling shareholder of ASES	(g)	2,918	608	-	2,478	-	6
Others		15	108	-	2	-	-
Total Vitória Apart Hospital Hospital S.A.		3,461	717	-	2,480	-	6
Balances or transactions - SAMP Espirito Santo Assistência Médica Ltda.							
Non-controlling shareholder of ASES	(g)	-	-	-	2,234	-	434
Total SAMP Espirito Santo Assistência Médica Ltda.		-	-	-	2,234	-	434
Balances or transactions - Multivida Participações S/A							
MM Participações S/A	(c)	-	-	-	1	-	-
Life Guard Participações Ltda	(c)	-	-	-	-	-	31
Mega Consultoria Eireli	(c)	240	-	-	-	-	-
Rms Treinamento Profissional Eireli - Me	(c)	144	-	-	-	-	-
Clinica Medica Dr Johnni Oswaldo Zamponi	(c)	175	-	-	-	-	-
E. Ribeiro Junior Assessoria E Consultoria	(c)	180	-	-	-	-	-
Caípar Consultoria & Participações Eireli EPP	(c)	794	-	-	-	-	-
Others	(c)	88	-	-	-	-	-
Total Multivida Participações S/A		1,621	-	-	1	-	31
Balances or transactions - Santa Rita Saúde S/A							
MM Participações S/A	(c)	-	-	-	5	-	6
Pontocom News Comunicação E Produções Ltda	(c)	-	-	-	155	-	-
Medeiros & Gurgel SS	(c)	-	-	-	-	-	10
Clinica Medica Dr. Johnni Oswaldo Zamponi	(c)	-	-	-	-	-	16
RF Servicos Medicos S	(c)	-	-	-	-	-	36
Others		182	-	-	-	-	-
Total Santa Rita Saúde S/A		182	-	-	160	-	68
Balances or transactions - Hospital Bom Samaritano de Mainga S/A							
Genesis Serviços Administrativos Ltda	(c)	-	-	-	-	-	1
MM Participações S/A	(c)	932	-	-	309	-	-
Medeiros & Gurgel SS	(c)	56	-	-	-	-	-
Others		77	-	-	-	-	-
Total Hospital Bom Samaritano de Mainga S/A		1,065	-	-	309	-	1
Balances or transactions - Centro Médico Maranhense S.A.							
Luiz Henrique Camarão Bacelar	(c)	-	-	-	-	-	97
MedCare Medicina e Diagnósticos	(c)	-	-	-	-	-	56
E B J Radiologia Eireli	(c)	-	-	-	-	-	-
Total Centro Médico Maranhense S.A.		-	-	-	-	-	153
Balances or transactions - Instituto de Radiologia São Luis Ltda							
MedCare Medicina e Diagnósticos	(c)	-	-	-	-	-	24
E.B.J Radiologia	(c)	-	-	-	-	-	7
Total Instituto de Radiologia de São Luís Ltda		-	-	-	-	-	31

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

22. Related parties--Continued

Company	Note	Consolidated				
		06/30/2020		12/30/2020		
		Profit or loss		Assets		Liabilities
		Expenses and costs	Revenue and apportionments	Loan	Trade receivables	Loan
Balances or transactions - Hospital do Coração de Natal Ltda.						
HC Invest	(c)	-	-	-	-	-
HC Cardíaco	(c)	-	-	-	-	18
Oncoclínicas São Marcos	(c)	-	-	-	-	1
Prolife Serviços Médicos	(c)	-	-	-	-	1
Total Hospital do Coração de Natal Ltda.		-	-	-	-	20
Balances or transactions - Clínica de Atendimento de Prevenção à Saúde Ltda.						
Laboratório Cedro Ltda	(e)	-	-	-	-	12
Total Clínica de Atendimento de Prevenção à Saúde Ltda.		-	-	-	-	12
Balances or transactions - Onco Life Clínicas Ltda.						
Laboratório Cedro Ltda	(e)	-	-	-	-	12
Total Oncolife Clínicas Ltda.		-	-	-	-	12
Balances or transactions - Unihosp Serviços de Saúde Ltda.						
Blue Serviços de Assessoria	(a)	-	-	-	300	-
CENTROLAB - Centro Laboratorial de Análises Clínicas	(a)/(c)	-	-	-	16	-
Total Unihosp Serviços de Saúde Ltda.		-	-	-	316	-

Notes:

The balances of transactions between related parties that affect the statement of financial information are classified according to their nature among the trade receivables or related parties in assets and related parties or trade payables in liabilities.

Below are the existing conditions for transactions between related parties presented above:

- Service provision contracts between companies of the Athena Group (in these cases, these are operator accreditation contracts and provision of medical services between the Group's hospitals and operators and are in accordance with commercial and market conditions including similar contracts entered into with third parties).
- Expenses apportioning contracts between companies of the Athena Group (cost sharing contracts that have specific criteria and objectives, as an example we mention the apportionment of the legal department by legal entity (CNPJ numbers), the HR department priced by head account, and the financial by billing, and etc.).
- Service provision agreements with companies of directors, shareholders and / or their family members and companies related to the controlling shareholder manager (Brazilian Private Equity V - Fundo de Investimento em Participações Multiestratégia), which are related to medical services, consultancies and other services related to operation and back-office support.
- The balances refer to loan agreements between companies in the same group or with Officers/shareholders/directors. These contracts are indexed to an annual interest rate of 6% and monetary adjustment based on the IGPM / FGV index. In addition, the contract provides for a fine in case of delay or impediment to payment, including any partial amortizations, with interest of 1% p.m. on the past due amount, monetary adjustment calculated based on the positive variation of INPC and a 10% penalty on the past due amount. The maturities of these contracts are up to 2024.
- Contracts for the acquisition of equipment, medical supplies, orthotics, prostheses and special materials, between companies of the same group or with officers/shareholders/directors.
- Current account contracts between group companies, whose maturity is for an indefinite period and settlement is carried out at the end of each year.
- Service provision contracts with companies whose partners are non-controlling interests of the subsidiary Athena Saúde Espírito Santo, whose purpose is to regulate the partnership between the parties, whereby VAH will allow hired companies to provide care to patients seeking care related to specific medical activities at the hospital, such contracts are remunerated by service type in a predetermined table and values practiced under market conditions upon payment based on price list.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

23. Dividends and interest on shareholders' equity

	Consolidated	
	06/30/2021	12/31/2020
Proposed dividends	2,330	2,330
Total	<u>2,330</u>	<u>2,330</u>

24. Compensation of key management personnel

The Annual General Meeting held on April 15, 2021 approved the global compensation of key management personnel for the year 2021. Compensation comprises fixed and variable amounts and totaled R\$11,941 in the six-month period ended on June 30, 2021 (R\$7,288 in the six-month period ended on June 30, 2020).

25. Provision for legal proceedings and contingent liabilities

	Separate		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Civil	2,086	3,099	53,135	49,283
Tax	5,573	2,741	41,152	14,147
Labor	4	15	25,807	25,823
Total provisions	<u>7,663</u>	<u>5,855</u>	<u>120,094</u>	<u>89,253</u>
Judicial deposits (i)	-	-	64,651	59,484

(i) Refers to judicial deposits, shown in assets, which are correlated to provisions for civil, labor and tax risks.

25.1. Movements in provisions

	Separate	Consolidated
At December 31, 2019	-	58,715
Additions	-	6,363
Write-offs	-	(18,354)
At June 30, 2020	-	<u>46,724</u>
At December 31, 2020	5,855	89,253
Additions from business combination	3,318	33,302
Additions	2	11,761
Write-offs	(1,512)	(14,222)
At June 30, 2021	<u>7,663</u>	<u>120,094</u>

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

25. Provision for legal proceedings and contingent liabilities--Continued

The main lawsuits involving the Company and its subsidiaries refer to the following:

25.2. Civil risks

Referring to provisions recognized by indirect subsidiaries, based on the individual analysis of the lawsuits, as well as the updated analysis of the case laws, mainly involving risks related to indemnity for pain and suffering and damages. Based on the analysis made by the legal advisors of the Company and the understanding of its Management, who considered certain aspects as involving probable likelihood of loss, a provision of R\$53,135 was recognized in the interim financial information at June 30, 2021 (R\$49,283 in December 31, 2020). The amount of lawsuits in which the subsidiaries are defendants related to civil risks and classified as possible likelihood of loss by

the Group's legal advisors, totalizes R\$2,696 (R\$6,439 in December 31, 2020).

25.3. Labor risks

Referring to labor and/or social security provisions recognized by the subsidiaries, based on the individual analysis of the lawsuits, as well as on the updated analysis of case laws, mainly involving disputes about salary and severance pay differences. Based on the analysis made by the legal advisors of the Company and the understanding of its Management, who considered certain aspects as involving probable likelihood of loss, a provision R\$25,807 was recognized in the interim financial information at June 30, 2021 (R\$25,823 at December 31, 2020).

The Company's subsidiaries also have passive lawsuits related to claims for employment, arising from labor relations in the contracting of outsourced medical services, and which were classified by the legal advisors as possible losses in the amount of R\$10,567 (R\$5,696 in December 31, 2020).

The Company and its subsidiaries understand that the practice of hiring medical companies is lawful and in accordance with ruling legislation, and there is case law supporting the hiring of legal entities in this modality.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

25. Provision for legal proceedings and contingent liabilities--Continued

25.4. Tax risks

Referring to the provisions recognized by the indirect subsidiaries, based on the individual analysis of the lawsuits, as well as on the updated analysis of case laws, mainly involving risks from lawsuits related to debts to the Federal Government and ISS debts to the municipal government. Based on the analysis made by the legal advisors of the Company and the understanding of its Management, who considered certain aspects as involving probable likelihood of loss, a provision of R\$41,152 was recognized in the interim financial information at June 30, 2021 (R\$14,147 in December 31, 2020).

The amount of tax claims related to tax collection claims, similar to those described above, and which were classified by the legal advisors as possible losses amounts to R\$112,450 (R\$34,909 on December 31, 2020).

The considerable increase was mainly due to the restatement of the amount of a specific proceeding of VAH, which involves administrative and judicial disputes against the Municipality of Serra ("Municipal Government"), in the State of Espírito Santo. The disputes relate to the ISS and the possibility of reduction of the rate from 5% to 2%, as well as the reduction of the calculation basis. The amount was restated according to the verification of debts with the Municipal Government of Serra and due to the progress of the proceeding with the unfavorable decision recently obtained (in the Appeal phase).

26. Equity

At June 30, 2021, the issued capital consists of shares, with no par value, distributed among partners as follows:

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

26. Equity--Continued

26.1. Capital stock

Shareholders	06/30/2021		12/31/2020	
	Number of common shares paid-up	%	Amount paid-up	Amount paid-up
Brazilian Private Equity V – FIP	370,758,260	88.38%	1,430,352	1,430,352
Hiran Alencar Moura Castilho	29,341,020	6.99%	59,997	59,997
Cafpar Consultoria e Participações EIRELI	915,022	0.22%	3,559	3,559
Nelson Solano Vale	2,017,360	0.48%	733	733
Elie Borges Hachen	5,210,775	1.24%	1,387	1,387
Marcos Leão	2,670,938	0.64%	1,938	-
Rodrigo Otávio Manfro Ramos	633,938	0.15%	619	-
Fábio Alfredo Ramos Sehbe	317,108	0.08%	310	-
Carolina Ramos Sehbe	316,830	0.08%	309	-
Other non-controlling shareholders	7,338,454	1.75%	51,755	-
Total	419,519,705	100%	1,550,959	1,496,028

Company's reversal stock split

On April 16, 2021, the reversal stock split of all common shares representing the capital stock, at the rate of 4:1, was approved at the Company's Extraordinary General Meeting. The value of the Company's capital was maintained and the number of shares in which the capital is divided was reduced from 1,678,078,822 to 419,519,705 common shares.

At the Extraordinary General Meeting held on January 8, 2020, the Company's capital increase of R\$15,000 was approved, increasing to R\$589,911, divided into 589,911,008 (five hundred and eighty-nine million, nine hundred and eleven thousand and eight) common shares, nominative and without par value.

On March 31, 2020, the non-controlling shareholders of the subsidiary Athena Saúde, shareholders of 9.9039% of the capital stock or 64,478,590 shares issued by the company, subscribed and paid in capital in Athena Healthcare, transferring the ownership of the shares to the company held by these shareholders for company's ownership.

As a result of this capital subscription, new common shares of Athena Healthcare were issued in favor of these shareholders, Athena Healthcare becoming the full owner of the shares of Athena Saúde.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

26. Equity--Continued

26.1. Capital stock--Continued

Company's reversal stock split--Continued

The issuance of new shares, by Athena Healthcare, followed the price per share criterion adjusted between the parties and totaled R\$14,177, corresponding to 64,846,573 shares.

At the Extraordinary General Meeting held on February 27, 2019, the increase of R\$121,600 was approved, of which R\$119,479 was paid in 2019 and R\$2,121 on June 26, 2020, by Brazilian Private Equity V - FIP.

On March 31, 2021, a capital increase of the Company of R\$1,938 was approved through the issue of 10,683,750 (ten million, six hundred eighty-three thousand, seven hundred and fifty) new nominative common shares, with no par value, of its own issue related to the process of acquisition of non-controlling interest in Athena Saúde Nordeste Holding SA. See further details in Note 1.2.

On April 1, 2021, an increase of R\$1,239 in the Company's capital was approved through the issue of 5,071,497 (five million, seventy-one thousand, four hundred and ninety-seven) new common shares, nominative, with no par value, of its own issue related to the acquisition of the minority interest in Pro Salute - Serviços para a Saúde Ltda.

On April 16, 2021, an increase of R\$51,754 in the Company's capital was approved through the issue of 29,353,457 (twenty-nine million, three hundred and fifty-three thousand, four hundred and fifty-seven) new common shares, nominative and with no par value, of its own issue related to the process of acquisition of minority interest in Athena Saúde Espírito Santo S.A. See further details in Note 1.2.

26.2. Earnings (loss) per share

For the calculation of basic and diluted earnings (loss) per share, the Company used the Predecessor basis of accounting for the period ended on June 30, 2021, considering the number of shares outstanding at June 30, 2021 at the end of the restructuring, totaling R\$1,550,959 divided into 419,519,705 shares (four hundred and nineteen million, five hundred and nineteen thousand, seven hundred and five shares).

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

26. Equity--Continued

26.2. Earnings (loss) per share--Continued

	Consolidated			
	01/01/2021 to 06/30/2021 (6 months)		01/01/2020 to 06/30/2020 (6 months)	
	Basic	Diluted	Basic	Diluted
Profit (loss) attributable to the Company's shareholders	(11,073)	(11,073)	25,127	25,127
Weighted average number of shares issued (in thousands)	413,319	413,319	408,243	408,243
Dilutive instruments - weighted average number of shares (in thousands)		15,562	-	5,018
Basic and diluted earnings (loss) per share - R\$	(0.02679)	(0.02582)	0.06155	0.06080

26.3. Capital transactions

On January 17, 2020, the Company acquired from the founding shareholders of the GMI group, the remaining interest held by them in Athena Saúde S.A., corresponding to 0.959% of the total common shares of the company, and that with the dilution of the other shareholders, started to control 90.096% of Athena's shares. As a result of this event, a gain was recognized corresponding to the difference in the value of the capital contribution made by the new shareholders of Athena Healthcare in relation to the value attributed to the shares issued by the company, in the amount of R\$51,744, generating a loss for the non-controlling interests.

On March 31, 2020, the non-controlling shareholders of the subsidiary Athena Saúde, shareholders of 9.9039% of the capital stock or 64,478,590 shares issued by the company, subscribed and paid in capital in Athena Healthcare, transferring the ownership of the shares to the company held by these shareholders for company's ownership. As a result of this event, a loss of R\$11,456 was recognized in a capital transaction, which refers to the impact on the parent company of corporate transactions between related parties arising from the acquisition of non-controlling stakes from the founding shareholders of GMI, who held a position in Athena Saúde For non-controlling interests, less the consideration transferred in the transaction in the amount of R\$17,740, a loss of R\$6,284 was generated. The amount corresponding to R\$439 refers to other transactions between partners that took place during the first six-month period of 2020.

On March 31, 2020, the non-controlling shareholders of the subsidiary Athena Saúde Holding S.A., holder of 9.9039% of the capital stock of that company, subscribed and paid in capital in Athena Healthcare Holding S.A., transferring the ownership of the shares held by these shareholders. As a result of this event, a loss of R\$14,177 was recognized for non-controlling interests (Note 26.1). The amount of R\$97 thousand refers to other non-controlling interest transactions.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued

June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

26. Equity--Continued

26.3. Capital transactions--Continued

On March 31, 2021, a capital transaction of R\$26,086 was recognized as a result of the roll up with a non-controlling shareholder of Athena Nordeste, as explained in Note 1.2.

On April 1, 2021, the acquisition of the company Pro Salute - Serviços Para a Saúde Ltda. ("Fátima Saúde"), to which the Company transferred 5,071,487 capital shares in return for the receipt of 270,676 shares corresponding to 10.83% of the capital of Fátima Saúde, generated a capital transaction in the company of R\$7,185 as explained in Note 3.1.2.

On April 16, 2021, the non-controlling shareholders of the subsidiary Athena Saúde Espírito Santo Holding S.A., shareholders of 15.5781% of the capital stock of that company, subscribed and paid in capital in the Company, transferring the ownership of the shares held by these shareholders to the company's ownership. As a result of this event, a loss of R\$17,362 was recognized in the capital transaction. The amount of R\$29 in capital transactions refers to other movements between shareholders.

For non-controlling interests, a loss of R\$23,289 was recognized as a result of the transaction with the non-controlling shareholders of Athena Saúde Espírito Santo Holding S.A., a loss in the same proportion of R\$ 26,086 was also recognized due to the transaction with non-controlling shareholders of Athena Nordeste. The amount of R\$211 in non-controlling interests is due to other transactions between shareholders.

26.4. Dividends distribution

Pursuant to the Company's Bylaws, holders of shares of any kind are entitled, in each fiscal year, to a minimum dividend of 20% of the net income, calculated under the terms of the corporate law. The portion of the dividend related to the mandatory minimum dividend, which is characterized as a present obligation, is recognized in the Company's current liabilities, when distributed.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

27. Net revenue

	Consolidated			
	Accumulated	Quarter	Accumulated	Quarter
	06/30/2021	06/30/2021	06/30/2020	06/30/2020
Effective considerations of healthcare plan operations	873,779	483,322	555,350	276,586
Provision of medical and hospital services	289,541	154,863	128,511	54,837
Other services	3,320	1,713	3,744	1,934
(-) Disallowance on medical-hospital services	(11,561)	(8,990)	(10,708)	(9,795)
Revenue from services rendered	1,155,079	630,908	676,897	323,562
(-) Taxes on revenue and other deductions ^(a)	(80,045)	(46,921)	(37,159)	(16,486)
Total	1,075,034	583,987	639,738	307,076

(a) Taxes are PIS at the percentage of 0.65%, COFINS at percentages ranging from 3% to 4%, and ISS at percentages ranging from 2% to 3%.

28. Operating costs and expenses

As required by technical pronouncement CPC 26 (R1) - Presentation of the Financial Statements (IAS 1), costs and expenses by nature are as follows:

	Separate			
	Accumulated	Quarter	Accumulated	Quarter
	06/30/2021	06/30/2021	06/30/2020	06/30/2020
Known or reported events	-	-	-	-
Employee salaries and benefits	-	-	-	-
Supplies and medicines	-	-	-	-
Medical fees	-	-	-	-
Utilities	-	-	-	-
Provisions and allowance for expected credit losses	-	-	-	-
Provision for legal proceedings	1,418	1,418	-	-
Travel and lodging expenses	-	-	-	-
Rental and common area maintenance fees	-	-	-	-
Depreciation and amortization	(83)	(83)	-	-
Consultancy and assistance	(522)	(259)	-	-
Maintenance	-	-	-	-
Fees and taxes	(2)	81	-	-
Variation in the incurred but not reported reserve	-	-	-	-
Other income and expenses	(240)	(173)	-	-
IPO transaction cost (b)	(20,867)	(20,867)	-	-
Share-based payment expense	(20,410)	(15,688)	-	-
Total	(40,706)	(35,571)	-	-
Classified as:				
Cost of services	-	-	-	-
Selling expenses	-	-	-	-
General and administrative expenses	(21,085)	(15,950)	-	-
Other operating income, net	(19,621)	(19,621)	-	-
Total	(40,706)	(35,571)	-	-

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

28. Operating costs and expenses--Continued

	Consolidated			
	Accumulated 06/30/2021	Quarter 06/30/2021	Accumulated 06/30/2020	Quarter 06/30/2020
Known or reported events	(390,755)	(246,958)	(203,221)	(89,579)
Employee salaries and benefits	(218,941)	(95,833)	(174,167)	(86,407)
Supplies and medicines	(105,916)	(50,662)	(53,020)	(24,666)
Medical fees	(87,262)	(45,076)	(43,503)	(19,357)
Utilities	(18,535)	(9,703)	(12,453)	(6,122)
Provisions and allowance for expected credit losses	(28,279)	(21,436)	(11,474)	(8,661)
Provision for legal proceedings	2,461	3,721	11,991	2,268
Travel and lodging expenses	(2,833)	(1,204)	(194)	822
Rental and common area maintenance fees	(5,353)	(2,390)	(1,091)	298
Depreciation and amortization	(38,940)	(21,292)	(25,093)	(13,078)
Consultancy and assistance	(104,229)	(70,176)	(43,020)	(25,014)
Maintenance	(15,939)	(9,868)	(10,574)	(5,531)
Fees and taxes	(4,660)	(2,433)	(1,775)	(666)
Variation in the incurred but not reported reserve	(5,809)	689	(11,739)	(2,693)
Other income and expenses (a)	(1,036)	(7,255)	19,819	16,448
IPO transaction cost (b)	(28,013)	(28,014)	-	-
Share-based payment expense	(20,410)	(15,688)	(9,626)	(5,801)
Total	(1,074,449)	(623,578)	(569,140)	(267,739)
Classified as:				
Cost of services	(735,474)	(421,666)	(378,685)	(164,035)
Selling expenses	(34,089)	(14,503)	(24,929)	(12,369)
General and administrative expenses	(302,934)	(169,277)	(192,620)	(95,345)
Other operating income, net	(1,952)	(18,132)	27,094	4,010
Total	(1,074,449)	(623,578)	(569,140)	(267,739)

(a) In Athena Healthcare S.A., in the first six-month period of 2021, it includes expenses for shared services transferred by the holding companies through debit notes of approximately R\$15,803.

(b) Expenses incurred and related to the attempted public offering of primary and secondary distribution of common shares of the Company, as mentioned in Note 35.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

29. Finance income (costs), net

	Separate			
	Accumulated	Quarter	Accumulated	Quarter
	06/30/2021	06/30/2021	06/30/2020	06/30/2020
Finance income:				
Interest income	-	(1,739)	-	-
Income from financial investments	2,418	2,418	-	-
Total	2,418	679	-	-
Finance costs:				
Other interest and monetary adjustment	(16)	(11)	-	-
Total	(16)	(11)	-	-
Finance income (costs), net	2,402	668	-	-
	Consolidated			
	Accumulated	Quarter	Accumulated	Quarter
	06/30/2021	06/30/2021	06/30/2020	06/30/2020
Finance income:				
Supplier discounts	616	(2,328)	702	(148)
Interest income	1,024	397	19	6
Foreign exchange variation	335	335	-	-
Income from financial investments	9,221	5,765	2,369	1,080
Monetary adjustment	12,429	12,385	393	(87)
Revenue from past-due collection	705	90	1,036	161
Share value fluctuation	-	-	619	40
Other finance income	291	143	1,514	1,019
Derivative income	-	-	3,424	-
Total	24,621	16,787	10,076	2,071
Finance costs:				
Interest on financing	(3,609)	(2,318)	(4,987)	541
Interest on lease	(10,088)	(5,799)	(4,487)	(2,226)
Interest on taxes in installments	(3,175)	(2,471)	(522)	(380)
Foreign exchange variation	(6)	(6)	(4,162)	(4,162)
Other interest and monetary adjustment	(2,341)	1,731	(6,432)	96
Discounts granted	(6,483)	(3,342)	(2,330)	(1,441)
Bank fines and fees	(2,909)	(2,854)	(975)	319
Other finance costs	(7,608)	(4,512)	(2,870)	(1,653)
Total	(36,219)	(19,571)	(26,765)	(8,906)
Finance income (costs)	(11,598)	(2,784)	(16,689)	(6,835)

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued

June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

30. Income taxes

The breakdown of income tax and social contribution expenses for the six-months ended at June 30, 2021 and 2020 is detailed below:

	Separate				Consolidated			
	06/30/2021 Accumulated	06/30/2021 Quarter	06/30/2021 Accumulated	06/30/2021 Quarter	06/30/2021 Accumulated	06/30/2021 Quarter	06/30/2021 Accumulated	06/30/2021 Quarter
Deferred taxes								
Income tax	5,148	3,543	-	-	21,552	9,192	7,279	7,635
Social contribution	1,809	1,799	-	-	7,572	4,083	2,600	2,760
	6,957	5,342	-	-	29,124	13,275	9,879	10,395
Current taxes								
Income tax	-	341	-	-	(21,596)	(8,835)	(28,404)	(18,138)
Social contribution	-	126	-	-	(7,588)	(2,531)	(10,257)	(6,540)
	-	467	-	-	(29,184)	(11,366)	(38,661)	(24,678)
Income tax and social contribution expense	6,957	5,809	-	-	(60)	1,909	(28,782)	(14,283)

The reconciliation of income tax and social contribution and the amount determined at the statutory rate are presented below:

	Separate				Consolidated			
	Accumulated 06/30/2021	Quarter 06/30/2021	Accumulated 06/30/2020	Quarter 06/30/2020	Accumulated 06/30/2021	Quarter 06/30/2021	Accumulated 06/30/2020	Quarter 06/30/2020
Profit (loss) before income tax and social contribution	(19,147)	(46,552)	-	-	(11,014)	(42,375)	53,909	32,502
Income tax and social contribution expense at the statutory rate of 34%	6,510	15,898	-	-	3,745	14,408	(18,329)	(11,051)
Adjustments to reflect the effective rate								
Share of profit (loss) of subsidiaries	6,514	(3,960)	-	-	-	-	-	-
Non-taxable income (non-deductible expenses)	-	(458)	-	-	15,239	7,083	(5,899)	815
Deduction of Workers' Meal Program (PAT) benefits	-	-	-	-	65	-	-	-
Offset of tax losses	-	-	-	-	896	991	(2,176)	(2,655)
Effect of deferred taxes on unrecognized temporary differences and tax losses (a)	(6,067)	(6,137)	-	-	(17,234)	(17,234)	(465)	(465)
Others	-	466	-	-	(2,771)	(3,339)	(1,913)	(927)
Tax expense in the statement of profit or loss	6,957	5,809	-	-	(60)	1,909	(28,782)	(14,283)

(a) Amount corresponds to the calculation of tax losses for the year in the Holdings, for which deferred taxes were not recognized.

30.1. Deferred taxes

The offset of accumulated tax losses is limited to 30% of the taxable profit generated in each fiscal year and tax losses can be carried forward indefinitely.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

30. Income taxes--Continued

30.1. Deferred taxes--Continued

The Company's expectation is that the deferred tax credits on tax losses will be realized as follows:

2021	2022	2023	2024	2025	2026 - 2030	TOTAL
2,749	4,370	2,724	12,271	11,888	18,691	52,693

For other temporary differences, Management estimates the realization between 1 and 5 years.

Unrecognized deferred tax on tax losses:

Company	Opening balance	Movement in 2021	Closing balance	Deferred 2021
ASG HOLDING	19,146	-	19,146	6,510
ATHENA BRASIL	7,236	16,710	23,946	8,142
ATHENA ESPÍRITO SANTO	4,789	4,040	8,829	3,002
ATHENA HEALTHCARE	61,794	18,837	80,631	27,414
ATHENA NORDESTE	7,871	460	8,331	2,833
SERVIÇOS DE HEMODINÂMICA DO VITÓRIA APARTA LTDA	4,575	140	4,715	1,603
TOTAL DEFERRED	105,411	40,187	145,598	49,504

30.2. Consolidated deferred taxes

The offset of accumulated tax losses is limited to 30% of the taxable profit generated in each fiscal year and tax losses can be carried forward indefinitely.

The Company's expectation is that the deferred tax credits on tax losses will be realized in 1 or 5 years. For other temporary differences, Management estimates the realization between 1 and 5 years.

The movement in the effects of deferred tax assets and liabilities, for the six-month period ended on June 30, 2021 and 2020, calculated according to the statutory rate of 34% is as follows:

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

30. Income taxes--Continued

30.2. Consolidated deferred taxes--Continued

2021	12/31/2020	Additions from business combinations	Additions (write- offs) that affected profit or loss	Additions (write-offs) that affected equity	06/30/2021
Tax losses	27,960	9,794	15,737	(798)	52,693
Allowance for expected credit losses	21,149	516	10,523	-	32,188
Provision for legal proceedings	13,188	656	6,461	(659)	19,646
Amortization of surplus value on business combinations	11,754	-	3,677	-	15,431
Effects on lease	5,897	315	861	-	7,073
Incurred but not reported reserve (SUS)	3,781	-	(878)	-	2,903
Adjustment of amortization and tax depreciation rate	595	-	220	-	815
Share-based payments	8,745	-	6,939	-	15,684
Others	6,093	-	4,814	-	10,907
Subtotal	99,162	11,281	48,354	(1,457)	157,340
Balance offset (a)	-	-	-	-	(25,289)
Total deferred tax assets	99,162	-	-	-	132,051
Deemed cost of property, plant and equipment	(16,624)	-	24	-	(16,600)
Commissions	-	-	(10,214)	-	(10,214)
Others	(6,036)	-	(9,039)	-	(15,075)
Subtotal	(22,660)	-	(19,229)	-	(41,889)
Balance offset (a)	-	-	-	-	25,289
Total deferred tax liabilities	(22,660)	-	-	-	(16,600)

(a) Balance offset carried out according to the requirements of CPC 32 - Income Taxes. At December 31, 2020, there were no changes that met the offset requirements.

2020	12/31/2019	Additions from business combinations	Additions (write-offs) that affected profit or loss	Additions (write-offs) that affected equity	06/30/2020
Assets					
Tax losses	3,796	-	3,419	-	7,215
Allowance for expected credit losses	15,387	-	(320)	600	15,667
Provision for legal proceedings	5,156	-	(2,348)	-	2,808
Amortization of surplus value on business combinations	6,499	-	3,374	-	9,873
Effects on lease	731	-	312	-	1,043
Incurred but not reported reserve (SUS)	3,798	-	206	-	4,004
Share-based payments	-	-	3,273	-	3,273
Others	1,233	-	1,963	1,312	4,508
Total deferred tax assets	36,600	-	9,879	1,912	48,391
Liabilities					
Deemed cost of property, plant and equipment	(16,658)	-	-	23	(16,635)
Others	-	-	-	(637)	(637)
Total deferred tax liabilities	(16,658)	-	-	(614)	(17,272)

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

31. Financial instruments and risk management

31.1. General considerations

In the normal course of its operations, the Company and its subsidiaries are exposed to market risks – interest rate, exchange rate, credit risk and liquidity risk. The Executive Board determines the strategies to be adopted in each circumstance and coordinates the access to domestic and foreign financial markets, and monitors and manages the financial risks related to the Group's operations through internal risk reports that analyze the exposures by degree and relevance of the risks. These risks include market risk (including currency risk, interest rate risk and other price risks), credit risk and liquidity risk. The Executive Board reports periodically to the Board of Directors to discuss risks and exposures.

31.2. Capital risk management

The Group manages its capital to ensure that the Company and its subsidiaries can continue as a going concern, while maximizing the return to all stakeholders or parties involved in its operations through optimization of the debt and equity balance. The Group's general strategy has not changed. The Group's capital structure is comprised by net debt deducted by cash and bank balances and by the Group's equity (which includes issued capital, reserves, retained earnings and non-controlling interests).

Management periodically reviews its capital structure. As part of this review, Management considers the cost of capital, the liquidity of assets, the risks associated to each class of capital, and the Group's net debt. At June 30, 2021, the Company had a deficit of cash and cash equivalents over the total debt in the amount of R\$ 42,839 (surplus of R\$289,804 in December 31, 2020), as shown below:

Reconciliation of cash and cash equivalents and debts, net	Consolidated	
	06/30/2021	12/31/2020
Cash and cash equivalents	233,245	529,124
Restricted financial investments	157,019	198,838
Collateral deposit for the acquisition of non-controlling interests - GMI	60,646	56,470
Loans and financing	(152,208)	(152,106)
Leases	(190,170)	(159,320)
Payables for acquisition of companies	(151,371)	(183,202)
Total cash and cash equivalents and debt, net	(42,839)	289,804

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued

June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

31. Financial instruments and risk management--Continued

31.3. Credit risk management

Credit risk refers to the risk of a counterparty not fulfilling its contractual obligations, which would result in financial losses to the Company and/or its subsidiaries. The Company and its subsidiaries adopted a policy of only negotiating with counterparties that have creditworthiness and obtain sufficient guarantees, when appropriate, only as a means of mitigating the risk of financial loss due to default.

Through internal controls, the Company and its subsidiaries conduct an ongoing monitoring of the level of their trade receivables, which limits the risk of default. Management records expected credit losses that are considered probable.

The maximum exposure to credit risk of the Company and its subsidiaries is represented by the carrying amounts of consolidated trade receivables of R\$232,561 (R\$179,319 at December 31, 2020).

The Company and its subsidiaries do not hold any credit guarantee to cover credit risks associated to their financial assets. In order to minimize the credit risk related to cash and cash equivalents, the Company and its subsidiaries concentrate most of their cash equivalents transactions in large financial institutions.

31.4. Liquidity risk management

The Group's Management has responsibility for the management of the liquidity risk and has prepared an appropriate liquidity risk management model to manage funding requirements as well as liquidity in the short, medium and long terms.

The Company manages liquidity risks by maintaining adequate reserves, bank credit facilities and other financing credit facilities, as deemed appropriate, through ongoing monitoring of forecast and actual cash flows, as well as through the combination of maturity profiles of financial assets and liabilities.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

31. Financial instruments and risk management--Continued

31.4. Liquidity risk management--Continued

The following is the position of financial liabilities by maturity:

06/30/2021	Separate					
	Carrying amount	Contractual cash flow	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years
Non-derivative financial liabilities:						
Trade payables	1,528	1,528	1,528	-	-	-
Related parties	2,718	2,718	2,718	-	-	-

06/30/2021	Consolidated						
	Carrying amount	Contractual cash flow	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	Over 5 years
Non-derivative financial liabilities:							
Loans and financing	152,208	178,967	4,288	28,876	56,555	89,249	-
Taxes in installments	60,269	60,269	4,056	3,998	11,527	17,997	22,690
Trade payables	69,082	69,082	69,082	-	-	-	-
Leases	190,170	328,917	18,390	34,802	32,162	54,920	188,642
Dividends payable	2,330	2,330	-	2,330	-	-	-
Payables for acquisition of companies	151,371	151,371	73,689	12,428	28,661	36,593	-

12/31/2020	Separate					
	Carrying amount	Contractual cash flow	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years
Non-derivative financial liabilities:						
Trade payables	1,105	1,105	1,105	-	-	-
Related parties	2,717	6,820	6,820	-	-	-

12/31/2020	Consolidated						
	Carrying amount	Contractual cash flow	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	Over 5 years
Non-derivative financial liabilities:							
Loans and financing	152,106	172,503	3,553	3,285	53,008	112,657	-
Taxes in installments	51,636	51,636	2,614	2,614	11,144	9,557	25,707
Trade payables	69,335	69,335	69,335	-	-	-	-
Leases	159,320	364,614	21,197	20,001	38,187	94,015	191,214
Dividends payable	2,330	2,330	-	2,330	-	-	-
Payables for acquisition of companies	183,202	198,748	55,670	80,026	26,345	36,707	-

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

31. Financial instruments and risk management--Continued

31.4. Liquidity risk management--Continued

Insurance risk

The Company's business model is based on the collection of tuition fees or annuities from customers and is exposed to insurance risk arising from fluctuation in healthcare plan costs.

In the development and structuring of healthcare and dentalcare plans, the following are considered: cost of customer services, model of service that the beneficiary will receive, model of enrollment with the dentalcare and healthcare plans, model of use of own or contracted network and fees paid to professionals of the accredited network.

Additionally, the Company also analyzes the risk of variation in healthcare plan costs and the direct impact on contracts with customers.

In managing these risks, the Company monitors claims due to the use, and any deficiencies are negotiated directly with their customers so that the contract may be balanced in relation to their profitability.

31.5. Categories of financial instruments

	Separate		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
	Amortized cost	Amortized cost	Amortized cost	Amortized cost
Financial assets				
Current:				
Restricted financial investments	-	405,077	203,490	-
Trade receivables	-	-	228,331	179,319
Non-current:				
Restricted financial investments	-	-	46,470	69,509
Related parties	21,205	41,256	56,887	44,924
Financial liabilities				
Current:				
Trade payables	1,528	1,105	69,082	69,335
Leases	-	-	16,945	16,199
Loans and financing	-	-	25,008	2,312
Dividends payable	-	-	2,330	2,330
Payables for acquisition of companies	-	-	97,159	68,360
Taxes in installments	-	-	8,057	5,227
Related parties	2,717	2,717	-	-
Non-current:				
Leases	-	-	173,225	143,121
Loans and financing	-	-	127,200	-
Taxes in installments	-	-	52,212	46,409
Payables for acquisition of companies	-	-	54,212	114,842

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

31. Financial instruments and risk management--Continued

31.5. Categories of financial instruments--Continued

	Separate		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
	Fair value	Fair value	Fair value	Fair value
<u>Financial assets</u>				
Current:				
Restricted financial investments	-	-	157,019	129,329
Non-current:				
Restricted financial investments	-	-	33,135	45,087

Financial assets and liabilities accounted for at amortized cost approximate their respective fair values, as they are adjusted by provisions, present values and / or updated by market floating rates.

31.6. Fair value hierarchy

Fair value is the amount by which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The concept of fair value deals with numerous variations on metrics used in order to measure an amount at a reliable value.

The Company uses, where applicable, the technical pronouncement CPC 40/IFRS 7 Financial instruments: Disclosure for financial instruments measured in the statement of financial information at their fair values, which requires disclosure of the fair value measurements at the levels of the following fair value measurement hierarchy:

- Level 1. Active Market: Price - if the prices quoted are readily and regularly made available and if these prices represent market transactions that occur regularly between independent parties, on an arm's length basis.
- Level 2. Without Active Market: Valuation Technique - must be determined using valuation/pricing methodology. The purpose of the valuation technique is to establish what would be the transaction price at the measurement date on an arm's length basis motivated by business considerations.
- Level 3. Without Active Market: Inputs for the asset or liability that are not based on observable market data.

The Group maintains only the balance of R\$190,154 at June 30, 2021 (R\$174,416 in 2020) classified as a financial instrument measured at fair value and the classification of the hierarchy of this instrument is level 2.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

31. Financial instruments and risk management--Continued

31.6. Fair value hierarchy--Continued

In the period of six-months ended on June 30, 2021, the Group did not make transfers between hierarchical levels.

31.7. Interest rate risk management

The Company and its subsidiaries are exposed to interest rate risk, since they have financing with both fixed and variable interest rates. This risk is managed by the Company through the maintenance of an appropriate mix of financing at fixed and variable interest rates. In addition, due to the Company's financial health, it has no history of obtaining financing other than through business combinations (which are not renewed after settlement of the balances).

This risk derives from the impact of fluctuations in interest rates, not only on finance costs associated with financing, but also on finance income, arising from its financial investments. This risk arises from the possibility of significant fluctuations in the CDI.

The Group's financial index for its operations is the CDI variation. At June 30, 2021, gross debt indexed to the CDI amounted to R\$150,354 (R\$150,024 in December 31, 2020). The Group considers the risk of variations in the CDI rate as a relevant market risk factor.

At June 30, 2021, the CDI was of 4.15%, according to B3. In order to carry out the sensitivity analysis below, we considered a valuation in the order of 25% and 50% at accumulated CDI and, thus, the effects in profit or loss could be observed as follows:

Operation	Tax basis	Scenario I -	Scenario II -
		25% valuation	50% valuation
Financial investments indexed to the CDI	427,682	4,437	8,875
Financing indexed to the CDI	(150,354)	(1,560)	(3,120)
Interest income on net cash indexed to CDI		2,877	5,755
	Current scenario	Scenario I	Scenario II
CDI annual rate in 2021	4.15%	5.19%	6.23%
Variation that would impact the balance in both scenarios		-1.04%	-2.08%

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

32. Share-based payments

The share-based payment plan was originally granted considering the shares of Athena Healthcare Holding S.A., on January 31, 2020. However, as part of the Group's corporate restructuring (Note 1), on September 30, 2020, the Company approved the migration of the Plan with the same terms and characteristics approved in the EGM originating from the respective grant. Such modification did not have impacts for the participants of the respective plan.

On October 1, 2020, a new grant was made by the Company, upon approval at a meeting held by the Company's Board of Directors, and on June 17, 2021, the Board of Directors approved a new grant.

The plan provides stock options for the professionals selected by the Board of Directors, among the Company and its subsidiaries' Officers, Executives and Employees.

The plan was divided into two programs with 3 lots each:

- Lot 1 (grace period of 2, 3 and 4 years in relation to the grant date);
- Lot 2 (grace period of 3, 4 and 5 years in relation to the grant date);
- Lot 3 (grace period of 4, 5 and 6 years in relation to the grant date).

The grace conditions linked to the company's performance were the same for both programs:

- Market performance: Minimum share appreciation, reaching at least 3x the exercise strike price (R\$3.07 as the minimum share price for the exercise);
- "Non-market" performance: the right to options is only vested if / when there is an IPO.

For all lots, the options expire 1 year after the end of the grace period and there is a 6-month lockup to exercise the options of the first third of the shares granted.

If the IPO is made before the grace period, there may be an advance of the grace period of 1/3 of the options. The Board of Directors may define, in each Option Agreement, other hypotheses for anticipating the grace period.

For the exercise of the options granted, the participants must pay an exercise price per option, which will correspond to the issue or acquisition price of the share. The exercise price will be fixed by the Board of Directors.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued

June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

32. Share-based payments--Continued

The Board of Directors may choose to settle the exercised options in cash, upon payment of the positive delta between the exercise price and (i) the Company's share price on the IPO, if the options

are exercised in the context of the IPO; (ii) the share price at B3 S.A. – Brasil, Bolsa, Balcão on the exercise day, if the liquidity event is an IPO and the options will be exercised after the IPO; or (ii) if the liquidity event is not an IPO, the purchase price per share paid by the third party in the liquidity event; in any case, the Company will discount and retain any applicable taxes.

The Company uses the binomial calculation model to define the fair value of the shares in its plan. The relevant assumptions applied in the model are as follows:

Assumption	Index
Expected volatility	45.69% p.a. calculated based on the historical average of the shares of other companies in the same sector.
Forecast inflation	1.85% estimated based on the NTN-B Principal. The treasury bond maturing in 2024 was used as an average reference, considering the maturity alternatives of the available securities and the average term of the options.
Risk-free interest rate	Average rate of 5.846% future DI estimated based on the option's maturity date

Movement in the period

On April 16, 2021, at the Extraordinary General Meeting of the Company, the reversal stock split of all common shares representing the capital stock was approved, at the ratio of 4:1, the value of the Company's capital being maintained. The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, stock options during the period, considering the reversal stock split:

	Number	WAEP (R\$)
Outstanding at December 31, 2019	-	-
Total granted during the period	26,073,139	1.02
Outstanding at June 30, 2020	<u>26,073,139</u>	<u>1.02</u>
Outstanding at December 31, 2020	63,832,523	0.98
Outstanding on April 16, 2021 – date of the reversal stock split	15,958,131	3.92
Total granted during the period	91,076	3.81
Canceled during the period	487,289	3.94
Exercisable at June 30, 2021	<u>15,561,918</u>	<u>3.92</u>

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

32. Share-based payments--Continued

Movement in the period--Continued

The weighted average remaining contractual life for the stock options outstanding for lots 1, 2 and 3 at June 30, 2021 was 30 months, 42 months and 55 months, respectively. There are no exercisable options at the end of the period.

Expected option life is based on historical data and does not necessarily indicate a pattern of exercise that will occur. The expected volatility reflects the assumption that the historical volatility indicates future tendencies which may not correspond to the actual scenario.

On April 16, 2021, at the Extraordinary General Meeting of the Company, the reversal stock split of all common shares representing the capital stock was approved, at the ratio of 4:1, the value of the Company's capital being maintained.

The effects related to share-based payment plans were reflected as shown in the table below:

		Consolidated	
	Note	06/30/2021	06/30/2020
Assets			
Deferred tax assets		15,684	3,273
Liabilities			
Payroll and related taxes		17,409	1,885
Equity			
Share-based payments		28,723	7,740
Profit or loss			
Share-based payments expense	28	(20,410)	(9,626)

33. Insurance coverage

The Company's insurance policies are contracted at the level of an economic group so that both the Company and its subsidiaries have coverage for claims under the terms of the respective policies. Insurance is contracted based on the nature of the operation.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

33. Insurance coverage--Continued

As shown below, at June 30, 2021, the Company had comprehensive insurance policies to cover fires, lightning, explosions and implosions related to the declared risks of its units in operation, high-cost equipment and vehicles, as well as life insurance for employees and civil liability for the Group's management, officers and directors.

Items	Type of coverage	Indemnity limits
Buildings, facilities, machinery, furniture, fittings, and inventories	Comprehensive, Fire, Lightning. Explosion of any kind and falling aircrafts, electrical damage, equipment leased and assigned to third parties, defect and break of mobile and fixed equipment, fall of glass, fixed expenses, losses/rent payments, qualified theft/robbery of goods, windstorm, impact of vehicles up to smoke, collapse, electronic equipment, among other.	R\$161,778
D&O	Civil liability of officers administrators and directors: coverage includes pain and suffering, personal property and guarantees, emergency costs, among other.	R\$100,000
Vehicle fleet	Comprehensive, property damage, bodily injury and mobile goods	Adjustable
Employees	Group employees' life insurance	R\$ 156,640

34. Non-cash transactions

The transactions listed below did not affect cash in the period ended June 30, 2021 and 2020:

	Separate		Consolidated	
	06/30/2021	03/31/2020	06/30/2021	03/31/2020
Initial adoption of IFRS 16 and subsequent additions	-	-	44,501	689
Tax installment payments	-	-	6,589	-
Capital increase by shares exchange from shareholders	54,931	-	54,931	-
Gain/loss due to dilution of equity interest and other effects of transactions between shareholders	15,938	-	33,648	3,993
Contingent write-off from contingency reimbursement – indemnification assets	1,037	-	3,854	3,539
HCN/CNM/UTIN acquisition price adjustment - goodwill and payables for acquisition of companies	-	-	376	-

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued

June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

34. Non-cash transactions--Continued

The effects related to share-based payment plans were reflected in the income statement under operating expenses, in the amount of R\$20,410 (Note 28), with the corresponding entry "Capital reserve", in the amount of R\$28,723 and "Social obligations and Labor", in the amount of R\$14,010, on June 30, 2021.

35. Subsequent events

First issue of debentures

On August 12, 2021, Athena Brasil carried out its first issue of simple non-convertible debentures, for public distribution with restricted placement efforts under the terms of CVM Instruction 476, totaling R\$1 billion. Debentures are remunerated at CDI + 2.31% p.a., with final maturity in 5 (five) years from the date of issue, with amortization in 3 (three) annual and consecutive installments from the third year, and are guaranteed by certain of the Company's subsidiaries. The net proceeds will be used to finance the mergers and acquisitions plan of Athena Brasil, with M&A transactions aimed at reinforcing the Company's strategic positioning, strengthening its presence in the markets in which it already operates, as well as expanding its presence in the national territory. The release of funds, with the payment of the debentures, occurred on August 20, 2021.

Acquisition of Hospital das Clínicas de Alagoinhas

On June 11, 2021, the Company's subsidiary, Unihosp Serviços de Saúde S.A. (CNPJ No. 04.083.773/0001-30) ("Uniosp"), signed a contract for the purchase and sale of shares and other covenants ("Contract") for the acquisition of 100% of Hospital das Clínicas de Alagoinhas S.A. (CNPJ No. 13.518.634/0001-82) ("Hospital Alagoinhas" and "Transaction", respectively). The current shareholder of Hospital Alagoinhas will receive shares of the Company in exchange for 6.25% of its shares of Hospital Alagoinhas. The operation was completed on July 30, 2021.

Hospital Alagoinhas is a high complexity general hospital, founded in 1970, which currently has 95 beds, of which 17 are in the ICU, in addition to 4 operating rooms and 31 offices. The Hospital is located in the city of Alagoinhas, in the state of Bahia, with an area of influence covering a population of approximately 1.1 million inhabitants.

The payment of the transaction was made in cash on the closing date, in the amount of R\$109,500, and R\$20,000 will be retained for any contingencies. The current shareholder of Hospital Alagoinhas will receive shares of the Company.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued
June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

35. Subsequent events--Continued

Potential acquisition of Hospital São Marcos

On August 6, 2021, Hospital Bom Samaritano de Maringá S.A. (CNPJ No. 23.876.304/0001-12) ("HBSM") signed a contract for the purchase and sale of shares and other covenants ("Contract") with HSM Hospital e Maternidade Ltda., establishing the acquisition, by HBSM of 100% of the capital quotas of HSM Hospital e Maternidade Ltda. (CNPJ No. 00.855.774/0001-02) ("Transaction" and "Hospital São Marcos", respectively).

The completion of the Transaction is subject to the usual market conditions for this type of operation.

Upon completion of the Transaction, under the terms of the Contract, HBSM will acquire the total ownership interest of the current quotaholders of Hospital São Marcos, which will become a one-member limited liability company controlled by HBSM.

Hospital São Marcos is a medium complexity general hospital, founded in 1962 with 103 beds, of which 22 are in the ICU, in addition to 8 operating rooms and 10 offices, located in the City of Maringá, State of Paraná.

The acquisition price of all quotas of Hospital São Marcos ("Enterprise Value") will be R\$71.5 million, to be paid by HBSM to the current quotaholders of Hospital São Marcos, as follows: (i) R\$53 million (assuming net cash of R\$1.5 million on the closing date) in cash, on the closing date discounting the amount retained for any contingencies; (ii) R\$20 million through the submission of shares issued by the Company.

CADE approval for the acquisition of GSB

On August 18, 2021, in a court session at CADE, the performance of the Concentration Control Agreement was approved and, therefore, the acquisition of the São Bernardo Group was authorized, as mentioned in Note 1.5. On August 31, 2021, the purchase and sale transaction was completed.

Athena Saúde Brasil S.A.

Notes to the unaudited separate and consolidated interim financial information--Continued

June 30, 2021

(Amounts in thousands of Brazilian reais, unless otherwise stated)

35. Subsequent events--Continued

Cancellation of the request for the registration of public offering

On August 4, 2021, the Company announced that it requested to CVM, pursuant to CVM Instruction 400, the cancellation of the request for registration of the public offer of primary and secondary distribution of common, nominative, book-entry shares with no par value issued by the Company ("Offer"), due to the deterioration of the conditions in the Brazilian and international markets that directly affected the terms and conditions of the intended Offer. However, the cancellation of the request for registration of the Offer in question did not affect the Company's registration as issuer in category A approved by CVM on May 11, 2021. All Requests for Reservation have been canceled and the member institutions have informed their investors of the cancellation of the Offer. If payments had already been made by such investors, the deposited amounts were returned without any remuneration, interest or monetary restatement, without reimbursement of costs incurred, deducting any taxes or fees that may have been incurred.

* * *