

Interim Financial Information

Rede D'Or São Luiz S.A.

September 30, 2021
with Independent Auditor's Review Report on Interim Financial
Information

Rede D'Or São Luiz S.A.

Interim financial information

September 30, 2021

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A free translation from Portuguese into English of Independent Auditor's Review Report on Individual and consolidated Interim Financial Information prepared in Brazilian currency in accordance with NBC TG 21 and IAS 34 - Interim Financial Reporting and the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR)

Independent auditor's review report on interim financial information

To the Shareholders, Board of Directors and Officers of
Rede D'Or São Luiz S.A.
Rio de Janeiro - RJ, Brazil

Introduction

We have reviewed the individual and consolidated interim financial information of Rede D'Or São Luiz S.A. (the "Company"), contained in the Quarterly Information Form (ITR) for the quarter ended September 30, 2021, which comprises the statement of financial position as at September 30, 2021 and the statements of profit or loss and of comprehensive income for the three and nine-month periods then ended, and the statements of changes in equity and of cash flows for the nine-month period then ended, including other explanatory information.

Management is responsible for the preparation of the individual 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 the 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 individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the individual and consolidated interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with the 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 individual and consolidated statements of value added (SVA) for the nine-month period ended September 30, 2021, prepared under the responsibility of the Company management and presented as supplementary information under IAS 34. These statements have been subject to review procedures performed in conjunction 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 defined in NBC TG 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, in accordance with the criteria set forth by this Standard and consistently with the individual and consolidated interim financial information taken as a whole.

Rio de Janeiro, November 03, 2021

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



Diogo Afonso da Silva
Accountant CRC-1RJ114783/O-8

A free translation from Portuguese into English of Individual and consolidated Interim Financial Information prepared in Brazilian currency in accordance with NBC TG 21 and IAS 34 - Interim Financial Reporting and the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR)

Rede D'Or São Luiz S.A.

Statements of financial position
September 30, 2021 and December 31, 2020
(In thousands of reais)

	Note	Individual		Consolidated	
		09/30/2021	12/31/2020	09/30/2021	12/31/2020
Assets					
Current assets					
Cash and cash equivalents	4	29,307	22,091	201,754	146,884
Marketable securities	4	11,341,655	12,589,986	12,979,987	15,580,374
Accounts receivable	5	3,460,831	2,804,200	7,113,894	5,163,870
Inventories	6	417,759	351,321	710,378	607,948
Taxes recoverable		261,059	180,066	405,240	297,897
Derivative financial instruments	27	80,352	266,355	98,150	266,355
Transactions with related parties	7	11,097	8,423	-	-
Dividends receivable		102,333	131,229	-	63
Receivables from sale of properties		18,598	18,425	18,598	18,425
Other		323,771	164,205	577,296	350,085
Total current assets		16,046,762	16,536,301	22,105,297	22,431,901
Noncurrent assets					
Transactions with related parties	7	952,178	780,778	48,333	51,987
Deposit for acquisition of property		-	-	97,701	97,644
Judicial deposits	16	219,077	172,578	340,998	276,895
Deferred income and social contribution taxes	19	-	-	721,477	528,901
Derivative financial instruments	27	578,155	455,224	3,831,286	2,743,616
Investments in subsidiaries, associates and joint ventures	8	14,675,601	9,387,329	2,377,989	1,089,231
Property and Equipment (PE)	9	3,387,276	3,167,812	8,568,427	7,368,945
Intangible assets	10	2,689,905	2,618,125	9,767,385	7,809,898
Right-of-use - leases	11	1,633,080	1,664,010	2,948,547	2,998,021
Other		95,733	100,928	247,127	260,005
Total noncurrent assets		24,231,005	18,346,784	28,949,270	23,225,143
Total assets		40,277,767	34,883,085	51,054,567	45,657,044

	Note	Individual		Consolidated	
		09/30/2021	12/31/2020	09/30/2021	12/31/2020
Liabilities and equity					
Current liabilities					
Trade accounts payable		486,054	321,103	1,107,508	846,883
Derivative financial instruments	27	184,609	128,027	316,827	324,510
Loans, financing and debentures	13	1,125,366	387,193	1,458,652	662,956
Salaries, provisions and social charges		496,253	364,450	953,434	671,164
Tax obligations	14	207,493	145,577	564,242	364,994
Accounts payable for acquisitions	15	52,408	27,690	182,842	58,367
Dividends and interest on equity payable	18	85,949	343,870	86,927	346,600
Deferred gain on property sales	12	3,920	3,920	3,920	3,920
Leases	17	265,304	347,037	319,458	415,472
Other		26,895	136,439	74,364	166,184
Total current liabilities		2,934,251	2,205,306	5,068,174	3,861,050
Noncurrent liabilities					
Derivative financial instruments	27	915,504	87,968	915,504	87,968
Loans, financing and debentures	13	19,840,868	16,801,560	25,472,283	23,275,581
Transactions with related parties	7	-	-	2,498	42,794
Tax obligations	14	82,687	70,736	299,509	228,061
Accounts payable for acquisitions	15	31,227	67,406	422,983	456,247
Deferred income and social contribution taxes	19	105,181	72,741	492,801	325,956
Provision for contingencies	16	163,116	140,480	359,709	319,863
Provision for losses on investments	8	183,665	166,294	-	-
Deferred gain on property sales	12	61,978	64,460	61,978	64,460
Leases	17	1,578,094	1,471,673	2,963,884	2,822,337
Other		96,071	121,339	228,227	170,545
Total noncurrent liabilities		23,058,391	19,064,657	31,219,376	27,793,812
Equity					
Capital	18	7,322,485	6,472,948	7,322,485	6,472,948
Capital reserves		5,400,544	4,570,222	5,400,544	4,570,222
Treasury shares		(139,282)	(153,194)	(139,282)	(153,194)
Income reserves		210,957	2,789,480	210,957	2,789,480
Retained earnings		1,168,901	-	1,168,901	-
Future capital contribution		4,224	4,224	4,224	4,224
Other comprehensive income		317,296	(70,558)	317,296	(70,558)
Total equity attributable to the Company's shareholders		14,285,125	13,613,122	14,285,125	13,613,122
Noncontrolling interests		-	-	481,892	389,060
Total equity		14,285,125	13,613,122	14,767,017	14,002,182
Total liabilities and equity		40,277,767	34,883,085	51,054,567	45,657,044

See accompanying notes.

Rede D'Or São Luiz S.A.

Statements of profit or loss
 Nine-month periods ended September 30, 2021 and 2020
 (In thousands of reais, unless otherwise stated)

	Note	Individual				Consolidated			
		07/01/2021 to 09/30/2021	01/01/2021 to 09/30/2021	07/01/2020 to 09/30/2020	01/01/2020 to 09/30/2020	07/01/2021 to 09/30/2021	01/01/2021 to 09/30/2021	07/01/2020 to 09/30/2020	01/01/2020 to 09/30/2020
		Net revenue	20	2,710,239	7,965,627	2,108,138	5,616,690	5,307,919	15,246,330
Costs of services rendered	21	(1,874,725)	(5,488,217)	(1,486,136)	(4,444,371)	(4,057,438)	(11,504,018)	(2,906,255)	(8,317,639)
Gross profit		835,514	2,477,410	622,002	1,172,319	1,250,481	3,742,312	901,544	1,543,505
General and administrative expenses	22	(222,008)	(686,867)	(79,058)	(594,746)	(229,033)	(699,622)	(81,220)	(604,205)
Selling expenses	23	(3,904)	(11,291)	(5,108)	(11,527)	(8,616)	(21,644)	(6,547)	(15,281)
Equity pickup	8	78,136	352,985	136,913	215,503	20,592	19,349	16,353	14,723
Other operating income (expenses), net	24	(54,446)	(164,362)	(52,113)	(119,941)	(97,018)	(296,151)	(59,793)	(108,507)
Income before finance income (costs) and income taxes		633,292	1,967,875	622,636	661,608	936,406	2,744,244	770,337	830,235
Finance income	25	383,005	1,145,355	704,512	1,599,846	1,391,360	4,399,957	2,386,847	6,305,079
Finance costs	25	(657,093)	(1,956,637)	(885,520)	(2,283,785)	(1,844,830)	(5,572,690)	(2,642,723)	(7,114,378)
Income before income taxes		359,204	1,156,593	441,628	(22,331)	482,936	1,571,511	514,461	20,936
Income taxes	19	(8,241)	12,308	(103,726)	172,130	(104,832)	(313,228)	(164,849)	135,565
Net income for the period		350,963	1,168,901	337,902	149,799	378,104	1,258,283	349,612	156,501
Income attributable to controlling interests		350,963	1,168,901	337,902	149,799	350,963	1,168,901	337,902	149,799
Income attributable to noncontrolling interests		-	-	-	-	27,141	89,382	11,710	6,702
Basic earnings per share (in reais)	26	0.1780	0.5929	0.1901	0.0834	0.1780	0.5929	0.1901	0.0834
Diluted earnings per share (in reais)	26	0.1773	0.5912	0.1890	0.0831	0.1773	0.5912	0.1890	0.0831

See accompanying notes.

Rede D'Or São Luiz S.A.

Statements of comprehensive income
 Nine-month periods ended September 30, 2021 and 2020
 (In thousands of reais)

	Individual				Consolidated			
	07/01/2021 to 09/30/2021	01/01/2021 to 09/30/2021	07/01/2020 to 09/30/2020	01/01/2020 to 09/30/2020	07/01/2021 to 09/30/2021	01/01/2021 to 09/30/2021	07/01/2020 to 09/30/2020	01/01/2020 to 09/30/2020
Net income for the period	350,963	1,168,901	337,902	149,799	378,104	1,258,283	349,612	156,501
Other comprehensive income								
Other comprehensive income to be reclassified to P&L for subsequent periods								
Cash flow hedge	193,634	458,493	108,869	31,328	242,817	587,657	138,536	20,451
Tax effects	(65,836)	(155,888)	(37,015)	(10,651)	(82,558)	(199,803)	(47,102)	(6,953)
Other comprehensive income of associates and subsidiaries, by equity pickup	32,461	85,249	19,580	(7,179)	-	-	-	-
Other comprehensive income to be reclassified to P&L for subsequent periods, net of taxes	160,259	387,854	91,434	13,498	160,259	387,854	91,434	13,498
Total comprehensive income	511,222	1,556,755	429,336	163,297	538,363	1,646,137	441,046	169,999
Attributable to:								
Controlling interests	511,222	1,556,755	429,336	163,297	511,222	1,556,755	429,336	163,297
Noncontrolling interests	-	-	-	-	27,141	89,383	11,710	6,702

See accompanying notes.

Rede D'Or São Luiz S.A.

Statements of changes in equity
 Nine-month periods ended September 30, 2021 and 2020
 (In thousands of reais)

Description	Attributable to controlling interests													Noncontrolling interests	Total		
	Capital	Capital reserves				Income reserves					Additional dividends in excess of mandatory minimum dividends	Future capital contribution	Retained earnings			Other comprehensive income	Total equity
	Capital	Share issue costs	Premium reserve (issue of shares)	Premium on capital transactions	Share-based payment reserve	Treasury shares	Legal reserve	Investment Reserve									
Balances at December 31, 2019	867,776	-	335,941	(254,022)	262,440	(474,462)	8,666	2,459,567	-	4,224	-	-	5,210,130	231,870	5,442,000		
Acquisitions of subsidiaries (Note 3)	-	-	-	-	-	-	-	-	-	-	-	-	-	29,007	29,007		
Capital Increase	1,600,000	-	(1,600,000)	-	-	-	-	-	-	-	-	-	-	-	-		
Capital transactions in subsidiaries	-	-	-	(27,326)	-	-	-	-	-	-	-	-	(27,326)	-	(27,326)		
Treasury shares (Note 18)	-	-	-	-	(208,694)	208,694	-	-	-	-	-	-	-	-	-		
(Movimentação RSU (Note 18)	-	-	-	-	(114,511)	-	-	-	-	-	-	-	(114,511)	-	(114,511)		
Share-based payment (Note 18)	-	-	-	-	80,071	-	-	-	-	-	-	-	80,071	-	80,071		
Net Income for the period	-	-	-	-	-	-	-	-	-	-	(149,799)	-	149,799	6,702	156,501		
Dividends and interest on equity (Note 18)	-	-	-	-	-	-	-	(202,067)	-	-	-	-	(202,067)	(1,946)	204,013		
Cash flow hedge (Note 18)	-	-	-	-	-	-	-	-	-	-	-	13,498	13,498	-	13,498		
Balances at September 30, 2020	2,467,776	-	735,941	(281,348)	19,306	(265,768)	8,666	2,257,500	-	4,224	149,799	13,498	5,109,594	265,633	5,375,227		
Balances at December 31, 2020	6,686,596	(213,648)	4,863,877	(293,655)	-	(153,194)	8,666	2,633,122	147,692	4,224	-	(70,558)	13,613,122	389,060	14,002,182		
Capital increase (Note 18)	888,920	-	888,920	-	-	-	-	-	-	-	-	-	1,777,840	3,436	1,781,276		
Share issue costs (Note 18)	-	(39,383)	-	-	-	-	-	-	-	-	-	-	(39,383)	-	(39,383)		
Acquisitions of subsidiaries (Note 3)	-	-	-	-	-	-	-	-	-	-	-	-	-	112,147	112,147		
Capital transactions in subsidiaries	-	-	-	(1,390)	-	-	-	-	-	-	-	-	(1,390)	(36,565)	(37,955)		
Share-based payment (Note 18)	-	-	-	-	89,948	-	-	-	-	-	-	-	89,948	-	89,948		
Changes - RSU	-	-	(57,208)	-	(89,948)	13,912	-	-	-	-	-	-	(133,244)	-	(133,244)		
Income for the period	-	-	-	-	-	-	-	-	-	-	1,168,901	-	1,168,901	89,382	1,258,283		
Dividends and interest on equity (Note 18)	-	-	-	-	-	-	-	(470,831)	-	-	-	-	(470,831)	(75,568)	(546,399)		
Additional dividends in excess of mandatory minimum dividends (Note 18)	-	-	-	-	-	-	-	(1,960,000)	(147,692)	-	-	-	(2,107,692)	-	(2,107,692)		
Cash flow hedge (Note 18)	-	-	-	-	-	-	-	-	-	-	-	387,854	387,854	-	387,854		
Balances at September 30, 2021	7,575,516	(253,031)	5,695,589	(295,045)	-	(139,282)	8,666	202,291	-	4,224	1,168,901	317,296	14,285,125	481,892	14,767,017		

See accompanying notes.

Rede D'Or São Luiz S.A.

Statements of cash flows Nine-month periods ended September 30, 2021 and 2020 (In thousands of reais)

	Individual		Consolidated	
	01/01/2021 to 09/30/2021	01/01/2020 to 09/30/2020	01/01/2021 to 09/30/2021	01/01/2020 to 09/30/2020
Cash flows from operating activities				
Income/(loss) before income and social contribution taxes	1,156,593	(22,331)	1,571,511	20,936
Adjustments to reconcile income before taxes to cash from operating activities				
Depreciation and amortization	522,518	420,333	891,286	634,017
Gain on property sales	(2,940)	(2,940)	(2,940)	(2,940)
Fair value of debt	(1,442,376)	(346,716)	(888,418)	479,978
Remeasurement of fair value of contingent consideration	-	-	-	(76,497)
Interest, monetary variations and foreign exchange differences, net	2,196,517	1,401,484	1,844,357	157,891
Share-based payment	89,948	80,071	89,948	80,071
Provision for contingencies	21,159	-	20,893	-
Equity pickup	(352,985)	(215,503)	(19,349)	(14,723)
Provision for disallowances	382,357	288,760	844,103	594,621
(Increase) decrease in assets and increase (decrease) in liabilities				
Accounts receivable	(1,023,942)	(247,687)	(2,600,422)	(697,487)
Inventories	(61,642)	(164,190)	(79,261)	(199,448)
Taxes recoverable	(80,618)	(118,179)	(95,013)	(115,127)
Judicial deposits	(46,468)	(18,432)	(57,769)	(26,222)
Other assets	46,227	1,831	(205,377)	5,652
Trade accounts payable	161,460	989	195,521	50,519
Salaries and social charges	(253,028)	201,835	(160,222)	306,936
Tax obligations	14,969	180,281	(8,167)	122,377
Transactions with related parties	(300,488)	58,991	(49,412)	336
Provision for contingencies	(2,014)	(2,615)	(3,517)	(2,019)
Other liabilities	(207,150)	101,860	(111,019)	15,150
	818,097	1,597,842	1,176,733	1,334,021
Payment of interest	(918,817)	(616,078)	(1,028,071)	(655,503)
Payment of income and social contribution taxes	(79,843)	(41,185)	(300,974)	(175,533)
Net cash from (used in) operating activities	(180,563)	940,579	(152,312)	502,985
Cash flows from investing activities				
Payment in business acquisition, net of cash acquired	(886,730)	(760,000)	(2,768,164)	(2,147,303)
Cash from merger of subsidiary	332	-	-	-
Divestiture	-	8,917	-	-
Future capital contribution	(3,710,150)	(1,799,200)	(22,000)	(8,374)
Capital reduction	-	37,700	-	-
Acquisition of property and equipment	(483,987)	(362,012)	(1,572,268)	(778,958)
Sale of property and equipment	-	-	23,041	-
Acquisitions of intangible assets	(91,860)	(52,629)	(151,720)	(92,221)
Acquisition of marketable securities	(25,260,598)	(14,710,330)	(32,564,131)	(36,236,512)
Redemption of marketable securities	26,301,413	13,561,302	35,129,908	33,472,544
Dividends and interest on equity received	23,788	-	58,795	9,697
Net cash used in investing activities	(4,107,792)	(4,076,252)	(1,866,539)	(5,781,127)
Cash flows from financing activities				
Capital increase, net	1,738,457	-	1,741,893	-
Acquisition of treasury shares	250,034	-	250,034	-
Acquisition of noncontrolling interests	-	(27,326)	24,270	(27,326)
Payment of dividends and interest on equity	(2,784,800)	-	(2,862,120)	(32,070)
Loans, financing and debentures taken out	5,900,520	4,122,448	6,214,550	6,531,098
Payment of loans, financing and debentures	(926,958)	(1,459,264)	(3,216,180)	(1,543,149)
Settlement of swap	130,409	475,014	(50,136)	355,582
Accounts payable for acquisitions	(12,091)	(2,420)	(28,590)	(31,000)
Net cash from financing activities	4,295,571	3,108,452	2,073,721	5,253,135
Decrease in cash and cash equivalents	7,216	(27,221)	54,870	(25,007)
Cash and cash equivalents at beginning of period	22,091	33,580	146,884	68,684
Cash and cash equivalents at end of period	29,307	6,359	201,754	43,677

See accompanying notes.

Rede D'Or São Luiz S.A.

Statements of value added
 Nine-month periods ended September 30, 2021 and 2020
 (In thousands of reais, unless otherwise stated)

	Individual		Consolidated	
	01/01/2021 to 09/30/2021	01/01/2020 to 09/30/2020	01/01/2021 to 09/30/2021	01/01/2020 to 09/30/2020
Revenue	8,460,508	5,969,815	16,246,902	10,478,663
Sales of goods, products and services	8,839,925	6,255,635	17,088,065	11,093,451
Provision for disallowances	(382,357)	(288,760)	(844,103)	(617,728)
Other income	2,940	2,940	2,940	2,940
Bought-in inputs	(3,207,918)	(2,322,430)	(6,722,655)	(4,290,618)
Costs of services sold	(2,931,284)	(2,129,014)	(6,304,145)	(4,127,989)
Materials, energy, third-party services and other expenses	(255,475)	(193,416)	(397,617)	(162,629)
Loss/recovery of assets	(21,159)	-	(20,893)	-
Gross value added	5,252,590	3,647,385	9,524,247	6,188,045
Depreciation and amortization	(522,518)	(420,333)	(891,286)	(634,017)
Net value added	4,730,072	3,227,052	8,632,961	5,554,028
Value added received in transfer	1,498,340	1,815,349	4,419,306	6,319,802
Equity pickup	352,985	215,503	19,349	14,723
Finance income	1,145,355	1,599,846	4,399,957	6,305,079
Total value added	6,228,412	5,042,401	13,052,267	11,873,830
Distribution of value added	(6,228,412)	(5,042,401)	(13,052,267)	(11,873,830)
Personnel and charges	(2,479,178)	(2,297,215)	(4,575,515)	(3,852,078)
Taxes, charges and contributions	(479,037)	(178,055)	(1,310,860)	(502,121)
Interest, rents and other operating expenses	(2,101,296)	(2,417,332)	(5,907,609)	(7,363,130)
Dividends and interest on equity	(2,578,523)	(202,067)	(2,654,091)	(202,067)
Retained profits	1,409,622	52,268	1,395,808	45,566

See accompanying notes.

Rede D'Or São Luiz S.A.

Notes to interim financial information

September 30, 2021

(In thousands of reais, unless otherwise stated)

1. Operations

Rede D'Or São Luiz S.A. (the "Company" or "Parent Company" and jointly with its subsidiaries "Rede D'Or" or "Group"), headquartered at Rua Francisco Marengo, 1,312, in the city and state of São Paulo, is engaged in the rendering of hospital services, offering assistance and hospitality concepts, creating medical and diagnostic excellence centers and generating medical knowledge and experience that ensure safety to customers, either doctors, patients or healthcare plans.

Rede D'Or operates in the states of Rio de Janeiro, São Paulo, Pernambuco, Maranhão, Bahia, Sergipe, Paraná, Ceará, Minas Gerais, Mato Grosso do Sul, Paraíba and Distrito Federal, with 63 own hospitals and 30 projects under development, in addition to oncology and radiotherapy clinics and laboratories. Currently, the Group has 8,761 hospital beds in total.

In 1998, the first hospital unit, Hospital Barra D'Or, was opened, and in 2000 and 2001, Hospital Copa D'Or and Hospital Quinta D'Or were opened, respectively. Since 2004, strategic partnerships have been made with other hospitals, thus increasing its range of expertise and reaching other areas in Rio de Janeiro. Also through partnerships and acquisitions, Rede D'Or started operations in the state of Pernambuco in 2007; in the states of Maranhão and Bahia in 2018; in the state of Sergipe in 2019; in the states of Paraná and Ceará in 2020; and in the states of Minas Gerais, Mato Gross do Sul and Paraíba in 2021.

As from 2010, through the admission of new shareholders, fundraising in the market and own cash generation, Rede D'Or started a strong expansion process through acquisitions and construction of new units. The main business combinations since 2010 were:

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2021

(In thousands of reais, unless otherwise stated)

1. Operations (Continued)

Hospital	Location	Year of acquisition
Hospital Brasil	Santo André, SP	2010
Hospital Assunção	São Bernardo do Campo, SP	2010
Hospital São Luiz	São Paulo, SP	2010
Hospital Rio de Janeiro	Rio de Janeiro, RJ	2010
Hospital Prontolinda	Rio de Janeiro, RJ	2010
Vivalle Serviços de Saúde	São José dos Campos, SP	2011
Centro Hospitalar São Marcos	Recife, PE	2011
Nossa Senhora de Lourdes	São Paulo, SP	2012
Hospital da Criança	São Paulo, SP	2012
Santa Luzia	Brasília, DF	2012
Hospital do Coração	Brasília, DF	2012
Hospital Norte D'Or	Rio de Janeiro, RJ	2013
Hospital IFOR	São Bernardo do Campo, SP	2013
Hospital Villa-Lobos	São Paulo, SP	2015
Sino Brasileiro Serviços Hospitalares	Osasco, SP	2015
Hospital Maternidade Bartira	Santo André, SP	2015
Hospital Fluminense	Rio de Janeiro, RJ	2015
Hospital Memorial São José	Recife, PE	2016
Hospital Alpha-Med	Carapicuíba, SP	2016
Hospital Ribeirão Pires	Ribeirão Pires, SP	2016
Hospital São Vicente	Rio de Janeiro, RJ	2017
Hospital UDI	São Luís, MA	2018
Laboratório Richet	Rio de Janeiro, RJ	2018
Hospital São Rafael	Salvador, BA	2018
Hospital Samer	Resende, RJ	2018
Hospital de Clínicas Rio Mar	Rio de Janeiro, RJ	2019
Hospital São Lucas	Aracaju, SE	2019
Hospital Aviccena	São Paulo, SP	2019
Hospital Perinatal - CS Laranjeiras e UN Lagoa	Rio de Janeiro, RJ	2020
Hospital Santa Cruz	Curitiba, PR	2020
Hospital Aliança	Salvador, BA	2020
Hospital São Carlos	Fortaleza, CE	2020
Clínica São Lucas	Macaé RJ	2020
Hospital Córdio Pulmonar da Bahia	Salvador BA	2020
Hospital de Clínicas Antônio Afonso	Jacareí, SP	2021
Hospital Central de Guaianases	São Paulo, SP	2021
Hospital América	Mauá, SP	2021
Hospital Balbino	Rio de Janeiro, RJ	2021
Biocor Hospital de Doenças Cardiovasculares	Nova Lima, MG	2021
Serra Mayor Serviços Médicos S.A.	São Paulo, SP	2021
Hospital Santa Emília	Feira de Santana, BA	2021
Proncor Unidade Intensiva Cardiorespiratória	Campo Grande, MS	2021
Hospital Nossa Senhora das Neves	João Pessoa, PB	2021

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2021

(In thousands of reais, unless otherwise stated)

1. Operations (Continued)

In addition, the Group has invested in oncology and radiotherapy clinics and laboratories.

Seasonality

There are no significant seasonal effects on the Company's operations; however, a smaller volume of customers can be observed in December, January and February due to year-end celebrations and vacation period, and a larger volume of customers can be noticed in the winter.

Covid-19 pandemic

On March 11, 2020, the World Health Organization (WHO) declared COVID-19 a pandemic due to the global spread of coronavirus. The outbreak created macroeconomic uncertainties and volatility worldwide. To respond to the pandemic, many state governments in Brazil have implemented policies to prevent or delay the spread of the disease, such as restrictions on crowding, quarantine of people who have been to affected areas, cancellation or postponement of public events, suspension of commercial businesses, closing of establishments open to the public, among other more or less severe measures.

Upon analyzing the behavior of the Company's main operational and financial indicators in the third quarter of 2020, when social distancing measures were fully in force in certain States in Brazil, a decrease in all elective procedures was identified. Due to the postponement of surgeries, there was an increase in the availability of beds and in hospitalization capacity, which were used in part for hospitalizations and other procedures related to the treatment of Covid-19.

In the nine-month period ended September 30, 2021, a strong progressive recovery was observed in all operational indicators, so that the Company presented a better financial performance compared with the same period last year.

In management's opinion, cash and cash equivalents and marketable securities as at September 30, 2021, amounting to R\$13,181,741, are sufficient to meet the financial commitments already assumed as well as any additional needs that could arise due to the pandemic. Furthermore, by applying to the Company's market the demand projections to be met, as disclosed by the Ministry of Health, the Company considers that it is capable of meeting this demand without major operational risks, as it has already done in the course of the pandemic.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2021
(In thousands of reais, unless otherwise stated)

1. Operations (Continued)

Covid-19 pandemic (Continued)

In addition, the Company evaluated, and continues to monitor, all possible impacts of the pandemic on the estimates and losses of fair value and impairment of its assets, as well as the risks related to its investments, credit, interest, foreign exchange, share prices, investment fund shares, and leases, all described in the respective explanatory information. However, the Company does not expect new significant impacts not yet recognized in the quarterly information related to the pandemic.

2. Basis of preparation and presentation and significant accounting policies

The unaudited interim financial information was prepared in accordance with CPC 21 (R1)/IAS 34 - Interim Financial Reporting.

The significant accounting policies adopted by the Group in this unaudited interim financial information are consistent with those adopted in the financial statements for the year ended December 31, 2020, disclosed on February 24, 2021.

Profit or loss for the nine-month period ended September 30, 2021 does not necessarily indicate the profit or loss expected for the entire year ending December 31, 2021. The interim financial information and related explanatory information do not include all the information and disclosures required for the annual financial statements. Therefore, this interim financial information shall be read in conjunction with the audited annual financial statements as of December 31, 2020.

The estimates and critical accounting judgments adopted by the Company in this interim financial information are consistent with those adopted in the financial statements for the year ended December 31, 2020.

Authorization to complete the preparation of this interim financial information was given by the Company management on November 3, 2021.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2021

(In thousands of reais, unless otherwise stated)

2. Basis of preparation and presentation and significant accounting policies (Continued)

The main companies considered in the Financial Statements of Rede D'Or are as follows:

	09/30/2021		12/31/2020	
	Direct	Indirect	Direct	Indirect
Parent Company - Rede D'Or São Luiz S.A. (a)				
Fully consolidated entities				
Hospital Esperança S.A. ("Esperança")	99.99	0.01	99.99	0.01
Diagno São Marcos Ltda.	-	100.00	-	100.00
Hospital Nossa Senhora das Neves (acquired in 2021)	-	51.00	-	-
CLIM Hospital Geral (acquired in 2021)	-	40.80	-	-
Hospital São Rafael S.A.	-	80.00	-	80.00
São Lucas Médico Hospitalar S.A.	-	75.00	-	75.00
Sociedade Anônima Hospital Aliança (c)	-	100.00	-	80.00
Hospital São Carlos S.A.	-	75.00	-	75.00
HCP Patrimonial S.A.	-	100.00	-	100.00
Cárdio Pulmonar da Bahia S.A.	-	100.00	-	100.00
AMIGO - Assist. Médica Integrada de Ginecol. e Obstet. ("Santa Emília")	-	100.00	-	-
Onco D'Or Oncologia S.A.	98.80	-	98.80	-
Onco D'Or PE S.A.	-	67.23	-	67.23
Instituto Oncológico de Pernambuco Ltda. ("IOPE")	-	67.16	-	67.16
Núcleo Especializado em Oncologia e Hemato (NEOH)	-	67.13	-	67.13
Oncobrasília - Inst. Bras. Onco Clínica Ltda.	0.10	98.77	0.10	98.77
Acreditar Oncologia S.A.	-	98.83	-	98.83
Centro de Oncologia Médica Ltda.	-	98.87	-	98.87
Onco D'Or Oncologia BA Ltda.	-	98.86	-	98.86
Onco Star SP Oncologia Ltda.	75.00	-	75.00	-
Jenner S.A.	50.00	41.24	50.00	41.24
Oncologia D'Or S.A.	7.51	83.48	7.51	83.48
Holding Onco Niterói S.A. (formerly GNI27 Empreendimentos Imobiliários Ltda.)	-	53.93	-	53.93
Instituto De Oncologia Niterói (formerly GNI29 Empreendimentos Imobiliários S.A.)	-	53.89	-	53.89
Oncologia Clínica Niterói Ltda. ("OCN")	-	53.89	-	53.89
Centro de Oncologia do RJ Ltda. ("Salus")	-	90.99	-	90.99
RDSL Farmácia Ltda.	-	90.98	-	90.98
Hospital Fluminense S.A.	99.99	0.01	99.99	0.01
Onco D'Or ABC Oncologia S.A. (formerly Cardial Serviços Médicos Ltda)	89.44	-	89.44	-
ONCORAD - Serviços de Radioterapia Ltda.	0.02	99.98	0.02	99.98
Norte D'Or Participações S.A.	99.99	0.01	99.99	0.01
Hospital Norte D'Or de Cascadura S.A. ("Norte D'Or")	-	70.00	-	70.00
Medise Medicina Diagnóstico e Serviços S.A. ("Medise")	87.82	10.18	87.82	10.18
Hospital Santa Helena S.A.	99.99	0.01	99.99	0.01
Hospital Alpha Med Ltda.	-	-	65.99	34.01
Hospital Santa Cruz S.A	65.99	34.01	-	100.00
Sator Empreendimentos e Participações Ltda.	99.99	0.01	99.99	0.01
Hospitais Integrados da Gávea S.A. - Clínica São Vicente	-	100.00	-	100.00
Hospital Jutta Batista	-	100.00	-	100.00
Hospital Glória D'Or	-	100.00	-	100.00
Hospital DF Star	-	100.00	-	100.00
Hospital de Clínicas Rio Mar S.A.	-	95.31	-	95.31
Samer Serviços de Assistência Médica de Resende Ltda.	-	100.00	-	100.00
Clínica São Lucas Ltda.	-	100.00	-	100.00
Biocor Hospital de Doenças Cardiovasculares Ltda. (acquired in 2021)	-	51.00	-	-
Hospital de Clínicas Antônio Afonso Ltda. (acquired in 2021)	-	100.00	-	-
Hospital e Pronto Socorro Comunitário Vila Iolanda Ltda. (Hospital Central de Guaianases - acquired in 2021)	-	100.00	-	-
Balco Participação em Serviços Ltda. (acquired in 2021)	-	100.00	-	-
Hospital Dr. Balbino Ltda. (acquired in 2021)	-	100.00	-	-
Hospital América Ltda. (acquired in 2021)	-	100.00	-	-
Serra Mayor Serviços Médicos S.A. (acquired in 2021)	-	100.00	-	-

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2021

(In thousands of reais, unless otherwise stated)

2. Basis of preparation and presentation and significant accounting policies (Continued)

Companies included in the consolidated financial statements

	09/30/2021		12/31/2020	
	Direct	Indirect	Direct	Indirect
Hospital Aviccena S.A.	99.99	0.01	99.99	0.01
Casa de Saúde Laranjeiras "Perinatal"	99.99	0.01	99.99	0.01
CSEUN - CIA de Serviços Especiais e Unificados "Perinatal"	99.99	0.01	99.99	0.01
Unidade Neonatal da Lagoa "Perinatal"	99.99	0.01	99.99	0.01
Companies accounted for under the equity method in the consolidated financial statements				
JMJB Diagnósticos e Serviços Hospitalares S.A.	50.00	-	50.00	-
J Badim S.A. ("Hospital Badim")	-	50.00	-	50.00
Memorial Star	-	50.00	-	50.00
Qualicorp Consultoria e Corretora de Seguros S.A. (b)	25.85	-	10.00	-

(a) This includes hospitals São Luiz Itaim, São Luiz Morumbi, São Luiz Anália Franco, Copa D'Or, Quinta D'Or, Caxias D'Or, Brasil, Assunção, Prontolinda, Joari, Realcordis, HGB, HCB, Rio de Janeiro, Vivalle, Santa Luzia, Hospital do Coração, Sinisgalli, Nossa Senhora de Lourdes, Hospital da Criança, Sino Brasileiro, Villa Lobos, Hospital e Maternidade Bartira, Ifor, Copa Star, Hospital São Caetano, Hospital Memorial São José Ltda. ("MSJ"), Hospital Ribeirão Pires Ltda. and Maximagem com Diag. por imagem Ltda.

(b) In March 2021, the Company transferred the shares acquired on the stock exchange (B3 S.A.) classified under marketable securities for investments of Qualicorp Consultoria e Corretora de Seguros S.A. ("Qualicorp" or "QUAL3"), a publicly-held company, recording the investment under the equity method. In August 2021, the Company acquired shares of Qualicorp on the stock exchange (B3 S.A.). With these transactions, the Company increased its equity interest in Qualicorp by 3.48%.

(c) On August 19, 2021, the Company completed the acquisition of a 20% equity interest in the capital of Sociedade Anônima Aliança ("Hospital Aliança"), becoming the holder of 100% of Hospital Aliança.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2021
(In thousands of reais, unless otherwise stated)

3. Business combination

	2021							2020					
	N. S. das Neves (a)	Santa Emília (a)	Proncor (a)	Biocor (a)	América (a)	Serra Mayor (a)	Balbino (a)	Cárdio Pulmonar (a)	Clínica São Lucas (a)	Hospital São Carlos (b)	Hospital Aliança (b)/(c)	Hospital Santa Cruz (b)	CS Laranjeiras e UN Lagoa - Perinatal (b)
	08/30/2021	08/10/2021	08/04/2021	06/30/2021	06/02/2021	06/01/2021	05/28/2021	12/18/2020	12/18/2020	08/06/2020	07/01/2020	06/06/2020	01/10/2020
Location	PB	BA	MS	BH	SP	SP	RJ	BA	BA	CE	BA	PR	RJ
Equity interest acquired (%)	51.00	100.00	51.00	51.00	100.00	100.00	100.00	100.00	100.00	75.00	80.00	100.00	100.00
Total consideration	197,004	168,090	113,546	391,714	468,872	88,108	91,061	144,790	144,790	160,917	810,239	361,127	802,129
Payment on acquisition date	197,004	158,090	107,111	391,714	456,050	79,108	84,311	127,029	127,029	148,138	800,000	361,127	762,129
Accounts payable for acquisition (Note 15)	-	10,000	6,435	-	12,822	9,000	6,750	17,761	17,761	12,779	10,239	-	40,000
Assets													
Cash and cash equivalents	80,380	6,654	4,812	10,254	856	2,484	1,748	10,187	2,475	10,550	11,422	9,667	6,107
Trade accounts receivable	88,427	582	1,529	55,250	16,686	8,900	12,333	68,249	4,011	37,028	74,336	19,036	27,054
Inventories	10,904	-	1,045	6,486	-	1,258	3,067	4,506	1,436	4,856	6,685	1,992	5,063
Taxes recoverable	3,489	144	330	4,401	2,016	586	1,019	2,664	222	63	17,051	1,387	8,219
Judicial deposits	197	273	95	1,646	-	2,763	997	681	-	6	22,864	14,971	4,568
Deferred income and social contribution taxes	-	-	-	-	-	-	16,802	23,632	-	4,405	22,790	5,578	9,616
Indemnifiable assets	-	-	-	-	-	-	1,789	2,486	-	257	12,030	18,316	23,865
Investments	-	-	-	-	-	-	-	-	590	6,553	50	1,832	-
Property and Equipment (PE)	72,263	49,782	53,318	57,785	10,326	53,891	13,718	224,096	9,026	15,134	30,324	33,346	132,360
Intangible assets	9,098	23	-	173	91	546	-	932	29	224	1,851	7,745	2,846
Right of use - lease	-	-	-	-	-	-	-	9,107	173	93	158,360	30,568	1,475
Other	16,702	922	8,718	881	12,823	7,110	765	3,136	206	1,955	4,212	89	1,781
	281,460	58,380	69,847	136,876	42,798	77,538	52,238	349,676	18,168	81,124	361,975	144,527	222,954
Liabilities													
Trade accounts payable	(27,473)	(936)	(2,870)	(21,348)	(4,099)	(430)	(3,180)	(21,523)	(2,403)	(9,319)	(19,126)	(14,130)	(7,245)
Loans and financing	(138,460)	(20,883)	(18,464)	-	-	(37,502)	(10,758)	(188,910)	-	-	-	-	(405)
Transactions with related parties	(3,759)	-	(10,197)	-	-	(2,000)	-	-	-	-	(7)	-	-
Salaries, provisions and social charges	(9,326)	(490)	(3,517)	(13,911)	(7,264)	(2,482)	(13,246)	(13,039)	(2,915)	(6,213)	(35,014)	(7,567)	(11,184)
Tax obligations	(11,666)	(259)	(31,116)	(3,079)	(4,928)	(7,007)	(16,090)	(7,574)	(9,886)	(10,503)	(11,024)	(7,704)	(28,571)
Deferred income and social contribution taxes	-	-	-	-	-	-	-	-	-	-	(5,684)	-	-
Provision for contingencies	-	-	(5,303)	-	-	(2,411)	(2,827)	(3,168)	-	(343)	(38,032)	(18,316)	(23,865)
Leases	-	-	-	-	-	-	-	(10,034)	-	(146)	(162,405)	(32,569)	(1,575)
Other	(2,292)	(2,522)	(196)	(2,425)	(10,945)	(28)	(895)	(12,919)	(5,312)	(183)	(4,142)	(2,697)	(3,560)
	(192,976)	(25,090)	(71,663)	(40,763)	(27,236)	(51,860)	(46,996)	(257,167)	(20,516)	(26,707)	(275,434)	(82,983)	(76,405)
Total indemnifiable assets, net	88,484	33,290	(1,816)	96,113	15,562	25,678	5,242	92,509	(2,348)	54,417	86,541	61,544	146,549
Total indemnifiable assets, net, noncontrolling interests	41,672	-	(890)	47,095	-	-	-	-	-	13,604	17,308	-	-
Fair value of prior equity interest	-	-	-	-	-	-	-	131,844	-	-	-	-	-
Goodwill on acquisition (Note 10)	150,192	134,800	114,472	342,696	453,310	62,430	85,819	184,125	58,316	120,104	741,006	299,583	655,580

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2021
(In thousands of reais, unless otherwise stated)

3. Business combination (Continued)

	2021							2020					CS Laranjeiras e UN Lagoa - Perinatal (b)
	N. S. das Neves (a)	Santa Emília (a)	Proncor (a)	Biocor (a)	América (a)	Serra Mayor (a)	Balbino (a)	Cárdio Pulmonar (a)	Clínica São Lucas (a)	Hospital São Carlos (b)	Hospital Aliança (b)/(c)	Hospital Santa Cruz (b)	
Prior equity interest at fair value	-	-	-	-	-	-	-	131,844	-	-	-	-	-
Prior equity interest at carrying amount	-	-	-	-	-	-	-	113,845	-	-	-	-	-
Gain on business combination performed in stages (Note 24)	-	-	-	-	-	-	-	17,999	-	-	-	-	-
Deferred income and social contribution taxes (Note 19)	-	-	-	-	-	-	-	(6,121)	-	-	-	-	-
Net gain on business combination performed in stages	-	-	-	-	-	-	-	11,878	-	-	-	-	-
Contribution for the group of revenues since the acquisition date	19,526	10,389	13,518	63,430	76,388	18,764	35,362	-	15,211	72,742	177,116	116,660	268,363
Contribution for the group with income (loss) before taxes since the acquisition date	(5,743)	1,510	(1,815)	2,075	27,927	(2,549)	(4,674)	-	6,086	10,694	19,523	14,801	(867)
Revenues acquired since the beginning of year	197,594	35,715	56,800	182,576	145,064	38,220	81,095	234,492	55,213	108,689	352,410	128,188	268,363
Income (loss) from acquiree before taxes since the beginning of year	2,851	10,072	(5,359)	4,616	38,919	(5,051)	(6,159)	(23,690)	(255)	13,119	2,239	13,244	(867)

(a) The Company is assessing the assets acquired and liabilities assumed at their fair values and, therefore, the effects shown above are preliminary.

(b) After completion of the analysis of assets and liabilities, an adjustment was made to the fair value of property and equipment, matched against goodwill, for Casa de Saúde Laranjeiras in the amount of R\$25,573; for São Carlos in the amount of R\$4,764; for Aliança in the amount of R\$1,893; and for Santa Cruz in the amount of R\$13,325.

(c) On August 19, 2021, Hospital Esperança acquired an additional 20% equity interest in Hospital Aliança, becoming therefore the holder of 100% of its capital. The total consideration transferred was R\$350,000 fully paid on the transaction closing date. The goodwill generated in this acquisition amounted to R\$322,075.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2021

(In thousands of reais, unless otherwise stated)

3. Business combination (Continued)

In addition to the business combinations presented above, in 2021 the Company acquired 100% of Hospital de Clínicas Antônio Afonso, 100% of Hospital Central de Guaianases and 100% of Orthoservice Ltda., generating goodwill on these acquisitions in the amounts of R\$25,991, R\$103,980 and R\$37,977, respectively. In 2020, the Company also acquired 51% of Reseda Corretora de Seguros Ltda.; 100% of Salute Clínicas Médicas Especializadas Ltda.; 46.12% of Clivale Prosaúde Iguatemi Ltda.; and 10.74% of Lorem Participações S.A., generating goodwill of R\$54,198, R\$14,796, R\$39,549 and R\$9,297, respectively, and sold 100% equity interest held in GNI 22 SP Empreendimentos Imobiliários Ltda. for the amount of R\$8,858, generating goodwill of R\$826 in this transaction.

The outstanding payables are guarantees for certain liabilities assumed by the sellers (e.g. materialization of contingencies), and will be paid within six years after their execution dates, restated based on the Interbank Deposit Certificate (CDI), the Extended Consumer Price Index (IPCA) and the Central Bank benchmark rate (SELIC) included in the balance of "Accounts payable for acquisitions" (Note 15).

Expenses relating to business combinations totaled R\$34,554 and were recognized in the statement of profit or loss for the nine-month period ended September 30, 2021 (R\$21,831 at September 30, 2020).

On September 15, 2021, through its wholly-owned subsidiary Hospitals Integrados da Gávea S.A. - Clínica São Vicente, Advance Planos de Saúde and GNI39 Empreendimentos Imobiliários Ltda., the Company entered into a binding memorandum of understanding to acquire 90.3% of the capital of Hospital Novo Atibaia S.A., from AMHA Saúde S.A. and HNA Empreendimentos e Participações S.A. The completion of this transaction and consequent transfer of control still depends on the approval by the Brazilian Antitrust Agency CADE; therefore, this investment has not yet been consolidated in the Company's financial statements.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2021

(In thousands of reais, unless otherwise stated)

4. Cash and cash equivalents and marketable securities

	Individual		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Cash and cash equivalents				
Cash and banks	29,307	20,359	47,358	59,546
Short-term investments	-	1,732	154,396	87,338
Cash and cash equivalents	29,307	22,091	201,754	146,884
Marketable securities				
Investment funds	523	831	29,690	5,924
Repurchase agreements	30,644	1,506,964	86,922	1,738,261
Time deposit	-	-	479,811	2,276,491
Financial Treasury Bill (LFT)/Financial Bill	71,708	576,478	120,103	679,206
Bank Deposit Certificates (CDBs)	10,943,209	10,123,693	11,812,233	10,498,472
Shares	19,307	382,020	19,307	382,020
Government securities	276,264	-	431,921	-
Marketable securities	11,341,655	12,589,986	12,979,987	15,580,374

All short-term investments are contracted with leading financial institutions, at market prices and conditions.

Short-term investments classified as cash equivalents mature within three months from the investment date, and the amounts classified as marketable securities refer to notes maturing after three months.

Short-term investments classified as marketable securities refer to Bank Deposit Certificates (CDBs), Investment Funds, Financial Treasury Bills and repurchase agreements, which are part of the "FIC Plataforma Star", "FI Plataforma Black", "FI Plataforma D'OR" and "FI Plataforma Sula" portfolios and "Own portfolio". The portfolio average yield, referring to Bank Deposit Certificates (CDBs), Investment Funds, Financial Treasury Bills and repurchase agreements was 102.8% (101.2% at December 31, 2020) of the Interbank Deposit Certificate (CDI) variation.

Investment in Time Deposit refers to the cash position in US dollars of subsidiary Rede D'Or Finance Sarl, located in Luxembourg, with a fixed yield of 0.30% p.a.

Investment in shares refers to shares purchased on the stock exchange (B3 S.A). As described in Note 2 (shareholding structure) item (b), in March 2021 the Company transferred the shares of Qualicorp Consultoria e Corretora de Seguros S.A. ("Qualicorp" or "QUAL3") for investments.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2021
(In thousands of reais, unless otherwise stated)

5. Accounts receivable

Trade accounts receivable comprise receivables from health companies and individuals, as follows:

	Individual		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Accounts receivable from health insurance and health plans	4,062,984	3,520,581	8,630,316	6,585,740
Accounts receivable from individuals	99,641	71,595	151,241	110,732
Allowance for expected credit losses and provision for disallowances	(701,794)	(787,976)	(1,667,663)	(1,532,602)
	3,460,831	2,804,200	7,113,894	5,163,870

Changes in provision for disallowances and allowance for expected credit losses

	Individual		Consolidated	
	09/30/2021	09/30/2020	09/30/2021	09/30/2020
Balance at beginning of period	(787,976)	(624,352)	(1,532,602)	(1,250,513)
Recognition of provision for disallowances	(382,357)	(288,760)	(844,103)	(594,621)
Write-off of uncollectible amounts	469,135	223,269	726,150	409,097
Provision arising from mergers and acquisitions	(596)	-	(17,108)	(23,107)
Balance at end of period	(701,794)	(689,843)	(1,667,663)	(1,459,144)

At September 30, 2021 and December 31, 2020, the aging list of trade accounts receivable is as follows:

	Individual								
	Total	Falling due	Overdue						360 - 720 days
			1 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days	121 - 180 days	181 - 360 days	
09/30/2021	4,162,625	2,839,739	143,089	128,347	119,367	74,654	143,180	345,242	369,007
12/31/2020	3,592,176	2,547,481	120,019	84,839	54,516	58,124	75,379	255,382	396,436

	Consolidated								
	Total	Falling due	Overdue						360 - 720 days
			1 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days	121 - 180 days	181 - 360 days	
09/30/2021	8,781,557	5,403,917	408,005	318,200	289,242	189,109	367,640	846,221	959,223
12/31/2020	6,696,472	3,621,000	285,585	232,292	148,418	163,042	250,726	754,699	1,240,710

The Company's revenues arise from the provision of hospital services, including the use of medicines and hospital materials. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, i.e. upon rendering of medical services at an amount that reflects the consideration that an entity expects to be entitled in exchange for providing services to a customer.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2021

(In thousands of reais, unless otherwise stated)

5. Accounts receivable (Continued)

Changes in provision for disallowances and allowance for expected credit losses (Continued)

The provision for disallowances and allowance for expected credit losses are presented reducing the balance of accounts receivable and are set up at an amount deemed sufficient by management to cover any expected losses on the realization of amounts billed.

The Company's criterion to recognize a provision for disallowances is to annually analyze the receipt performance of notes overdue between 360 and 720 days, a period deemed sufficient for the collection process to be exhausted. The percentage found is applied to the gross revenue recorded and recognized as a provision in current P&L, reflecting management's best expectation based on the analyzed history. The analysis is made individually by cash-generating unit, as well as the percentage recorded as a provision for disallowances in the year.

As a criterion for the recognition of an allowance for expected credit losses, an individual analysis of receivables is performed to identify specific counterparty risks. If necessary, an allowance for expected credit losses is recorded for the full balance of receivables outstanding of these customers.

6. Inventories

	Individual		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Medicines	207,424	81,836	357,338	195,447
Special materials	58,855	48,459	82,626	68,184
Disposable materials	92,636	164,483	132,551	212,615
Bracing and prosthetic	2,555	1,851	14,856	13,808
Materials for use and consumption	13,676	12,580	46,769	52,029
Food stuff	3,223	3,607	4,441	6,780
Dressing room materials	1,185	1,046	5,815	4,019
Surgical sutures	4,821	4,508	7,601	7,263
Other	33,384	32,951	58,381	47,803
	417,759	351,321	710,378	607,948

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2021
(In thousands of reais, unless otherwise stated)

7. Transactions with related parties

Significant related-party transactions

The nature of significant related-party transactions is summarized as follows:

- (i) *Leases* - the Company leases properties owned by the controlling shareholders, namely: properties of the hospitals Copa D'Or and Quinta D'Or and the property of the administrative unit. Leases are at market value and generated an expense in P&L for the period ended September 30, 2021 of R\$20,715 (R\$15,327 at September 30, 2020), referring to interest and amortization of the right of use. Leases are annually restated by reference to the Extended Consumer Price Index (IPCA).
- (ii) *Transfers of funds between companies* - to enhance the operations of certain investees and provide funds for expansion and/or acquisitions, management transfers funds between Group companies. These balances are substantially eliminated in the consolidated financial statements. These balances are not restated, do not have a defined maturity, and their collection is expected for the subsequent fiscal year. The remaining consolidated balances refer to transfer of funds to associates.
- (iii) *Shared services* - these are centralized services rendered by the Parent Company, Rede D'Or, such as legal assistance, marketing, accounting, treasury, accounts payable and accounts receivable, which are shared among the other entities of the Group based on apportionment criteria that take into consideration the contribution of each entity to the consolidated gross revenue.
- (iv) *Debentures* - certain subsidiaries issued nonconvertible debentures, which were acquired by the Company. These debentures are intended to provide funds to the investees for investment in operations and expansion.

In addition to the balances presented below, the Parent Company and subsidiary Rede D'Or Finance carried out two debenture issue and purchase transactions, as follows:

On January 17, 2018, subsidiary Rede D'Or Finance carried out the first issue of senior notes, totaling US\$500,000 thousand, and, at the same time the Parent Company issued debentures (10th issue), which were acquired by subsidiary Rede D'Or Finance (Note 13);

On January 22, 2020, subsidiary Rede D'Or Finance carried out the second issue of senior notes, totaling US\$850,000 thousand. On February 13, 2020, Rede D'Or Finance reopened the second issue of senior notes and issued additional US\$350 thousand notes with the same characteristics as the initial issue. In addition, on April 17, 2020, the Parent Company issued debentures (17th issue - 1st series), which were acquired by subsidiary Rede D'Or Finance.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2021

(In thousands of reais, unless otherwise stated)

7. Transactions with related parties (Continued)

Balances with related parties

Company	Individual								
	09/30/2021				12/31/2020				09/30/2020
	Current assets	Noncurrent assets	Noncurrent liabilities	P&L	Current assets	Noncurrent assets	Noncurrent liabilities	P&L	P&L
Debentures Norte D'Or (a)	10,091	8,000	-	958	7,323	18,000	-	1,263	1,005
Debentures São Lucas (b)	1,006	58,000	-	2,590	1,100	58,000	-	2,113	1,623
Shared services									
Medise Medicina Diagnóstico e Serviços Ltda.	-	965	-	11,770	-	-	-	14,951	8,049
Hospital Esperança S.A.	-	-	-	37,492	-	-	-	42,785	24,355
Hospital São Marcos S.A.	-	-	-	7,059	-	-	-	9,089	4,448
Hospital Norte D'Or de Cascadura S.A.	-	-	-	6,863	-	-	-	11,416	5,986
J. Badim S.A.	-	10,467	-	2,297	-	8,170	-	828	2,255
Oncologia D'Or S.A.	-	-	-	35,399	-	-	-	25,342	17,931
Hospital Fluminense S.A.	-	-	-	11,415	-	-	-	10,760	6,042
Clínica São Vicente	-	-	-	9,480	-	-	-	8,636	5,615
Hospital Santa Helena S.A.	-	-	-	17,684	-	-	-	17,494	11,150
Hospital Alpha-Med LTDA.	-	-	-	2,668	-	-	-	3,278	1,994
Unidade de Radiologia Clínica Ltda	-	2,026	-	-	-	-	-	-	551
Hospital UDI	-	-	-	17,062	-	-	-	19,946	10,605
Onco Star SP	-	20,555	-	12,262	-	-	-	9,268	6,196
DF Star	-	-	-	11,542	-	-	-	7,221	3,784
Samer	-	-	-	5,791	-	-	-	4,999	3,610
São Lucas	-	30,417	-	13,154	-	-	-	17,263	8,989
São Rafael	-	16,546	-	26,395	-	8,937	-	33,414	19,766
Perinatal	-	-	-	11,771	-	-	-	-	-
Outros	-	-	-	20,286	-	-	-	11,686	6,299
Unidade de Radiologia Clínica Ltda	-	13,167	-	-	-	-	-	-	-
Jenner S.A. (c)	-	2,000	-	-	-	2,000	-	-	-
JMJB Diagnósticos e Serviços									
Hospitales S.A. (c)	-	12,019	-	-	-	10,600	-	-	-
Instituto D'Or de Pesquisa e Ensino (c)	-	7,124	-	-	-	9,552	-	-	-
J. Badim S.A. (c)	-	4,933	-	-	-	3,947	-	-	-
JM&AM Empreendimentos Imobiliários S.A. (d)	-	370	-	20,715	-	369	-	25,787	15,327
Onco Star SP (e)	-	691,979	-	-	-	639,797	-	-	-
JTO Holding S.A. (c)	-	20,333	-	-	-	1,709	-	-	-
Other	-	53,277	-	-	-	19,697	-	-	-
	11,097	952,178	-	284,653	8,423	780,778	-	277,539	165,580

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2021

(In thousands of reais, unless otherwise stated)

7. Transactions with related parties (Continued)

Balances with related parties (Continued)

Company	Consolidated								
	09/30/2021				12/31/2020				09/30/2020
	Current assets	Noncurrent assets	Noncurrent liabilities	P&L	Current assets	Noncurrent assets	Noncurrent liabilities	P&L	P&L
Shared services									
J Badim S.A.	-	10,467	-	2,297	-	8,170	-	828	2,255
JMJB Diagnósticos e Serviços Hospitalares S.A.	-	12,019	-	-	-	10,600	-	-	-
Instituto D'Or de Pesquisa e Ensino (c)	-	7,124	-	-	-	8,710	-	-	-
J Badim S.A. (c)	-	5,181	-	-	-	4,088	-	-	-
JM&AM Empreendimentos Imobiliários S.A. (d)	-	370	-	20,756	-	369	-	25,873	15,327
Monte Tabor Centro Ítalo-Brasileiro de Promoção Sanitária (c)	-	-	-	-	-	10,156	-	-	-
Aliança da Bahia Patrimonial (c)	-	-	-	-	-	-	25,627	-	-
Memorial Star (c)	-	-	-	-	-	-	6,004	-	-
Other	-	13,172	2,498	-	-	9,894	11,163	-	-
	-	48,333	2,498	23,053	-	51,987	42,794	26,701	17,582

(a) On March 25, 2019, Norte D'Or conducted the third private issue of nonconvertible, single-series, registered debentures amounting to R\$10,000, maturing on March 25, 2023, which were fully acquired by Rede D'Or. The debentures are remunerated on a *pro rata temporis* basis bearing interest equivalent to 100% of DI (Interbank Deposits) plus 2.25% p.a. Interest is repaid semiannually and the nominal value will be repaid semiannually from the 24th (twenty-fourth) month from the issue date. There are no guarantees for the debentures.

On August 26, 2019, Norte D'Or conducted the fourth private issue of nonconvertible, single-series, registered debentures amounting to R\$15,000, maturing on August 26, 2023, which were acquired by Rede D'Or. The debentures are remunerated on a *pro rata temporis* basis bearing interest equivalent to 100% of DI (Interbank Deposits) plus 2.25% p.a. Interest is repaid semiannually and the nominal value will be repaid semiannually from the 24th (twenty-fourth) month from the issue date. There are no guarantees for the debentures.

(b) On May 28, 2019, Hospital São Lucas privately issued nonconvertible, single-series, registered debentures amounting to R\$38,000, maturing on May 28, 2024, with Rede D'Or as the debenture holder. The debentures are remunerated on a *pro rata temporis* basis bearing interest equivalent to 100% of DI (Interbank Deposits) plus 2.5% p.a. Interest is repaid annually, while the nominal value will be settled in full on the maturity date. There are no guarantees for the debentures.

On December 5, 2020, Hospital São Lucas carried out the 2nd private issue of nonconvertible, single-series, registered debentures amounting to R\$20,000, maturing on December 5, 2022, with Rede D'Or as the debenture holder. The debentures are remunerated on a *pro rata temporis* basis bearing interest equivalent to 100% of DI (Interbank Deposits) plus 3.2% p.a. Interest is repaid quarterly, while the nominal value will be fully settled on the maturity date. There are no guarantees for the debentures.

(c) Transfers of funds for acquisition of companies, properties, expansion of operations, among others. These balances are substantially eliminated in the consolidated financial statements. There is no maturity or monetary restatement on these balances.

(d) Lease of properties owned by the controlling shareholders of Rede D'Or.

(e) Onco Star SP was created in 2017 and, throughout the subsequent years, Rede D'Or provided funds for the acquisition of machinery and equipment, as part of the Company's operational routine.

Key management personnel compensation

The Company considers "Key management personnel" only the members of its Statutory Board and Board of Directors. At September 30, 2021 and 2020, key management personnel compensation is summarized as follows:

	09/30/2021	09/30/2020
Salaries and bonuses	326,409	51,394
Benefits	92	92
Share-based payment	89,948	80,071
	416,449	131,557

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2021
(In thousands of reais, unless otherwise stated)

8. Investments

Breakdown and changes in investments - Individual

Company	12/31/2020	Equity pickup	Dividends	Acquisition of equity interest	Capital increase/Future capital contribution	Transfer	Other	Merger	09/30/2021
Medise Medicina Diagnóstico e Serviços S.A.	221,828	27,085	-	-	618	-	-	-	249,531
Hospital Esperança S.A.	1,299,003	189,688	-	-	1,330,053	10,901	84,764	-	2,914,409
Hospital São Marcos (including goodwill)	115,892	(7,976)	-	-	7,174	(10,901)	(1,995)	-	102,194
PMJ Empreendimentos Imobiliários S.A.	756,958	16,360	(6,500)	-	13,739	-	-	-	780,557
Norte D'Or Participações S.A. (including goodwill)	100,058	14,881	-	-	13,005	-	-	-	127,944
Onco D'Or Oncologia S.A.	494,264	69,250	-	-	682	-	(1,891)	-	562,305
Jenner S.A. (including goodwill)	144,301	22,455	-	-	-	-	(2,582)	-	164,174
JMJB Diagnósticos e Serviços Hospitalares	13,168	(5,302)	-	-	8,500	-	-	-	16,366
Rodin Empreendimentos e Participações S.A.	62,564	(425)	-	-	2,035	-	-	-	64,174
Quinta Empreendimentos Imobiliários Ltda.	54,921	8,718	(16,000)	-	9,500	-	-	-	57,139
Hospital Fluminense S.A. (including goodwill)	170,731	14,440	-	-	72,151	-	-	-	257,322
Cardial Serviços Médicos (including goodwill)	70,549	16,721	(8,778)	-	-	-	-	-	78,492
Hospital Santa Helena S.A. (including goodwill)	460,419	(8,371)	-	-	21,260	-	-	-	473,308
TJK Empreendimentos Hospitalares	18,812	815	(1,760)	-	-	-	-	-	17,867
Villa Lobos Empreendimentos Imobiliários Ltda.	197,318	9,212	(22,500)	-	-	-	-	-	184,030
Santa Luzia II Empreendimentos Imobiliários Ltda.	53,085	(218)	-	-	2,697	-	-	-	55,564
Campinas Empreendimentos Imobiliários Ltda.	52,219	(252)	-	-	40,193	-	-	-	92,160
Sator Empreendimentos e Participações Ltda.	1,031,951	617	-	-	1,619,095	-	(963)	-	2,650,700
Rede D'or Finance	27,367	(134,510)	-	-	-	-	-	-	(107,143)
Rede D'or São Luiz Serviços Médicos S.A.	108,591	16,766	-	-	93,890	-	-	-	219,247
Olimpia Projeto Rua do Rocio 86 SPE S.A.	328,757	101	-	-	80,614	-	-	-	409,472
Proncordis Pronto Atendimento Cardiológico Ltda.	808	(10)	-	-	476	-	(1,174)	-	100
Maximagem - Diagnóstico por Imagem Ltda. (including goodwill)	101,090	2,609	-	-	1,694	-	-	(102,782)	2,611
Prontimagem Serviços Médicos Ltda.	241,131	-	-	-	5,157	(246,288)	-	-	-
Laboratórios Richet	-	2,508	-	-	15,932	246,288	636	-	265,364
California Investimentos Imobiliários Ltda.	59,940	-	-	-	-	-	-	-	59,940
Hospital Avicena S.A.	94,782	14,764	-	-	23,777	-	-	-	133,323
Santa Luzia III	307,566	7,006	(11,600)	-	-	-	-	-	302,972
Qualicorp Consultoria e Corretora de Seguros S.A.	989,758	19,629	(52,115)	886,730	-	382,020	(20)	-	2,226,002
Clínica Médica São Remo	28,062	(4,707)	-	-	13,260	-	(718)	-	35,897
Casa de Saúde Laranjeiras S.A (Perinatal) (including goodwill)	823,397	(1,104)	-	-	52,077	-	-	-	874,370
Hospital Alpha Med Ltda.	293,961	22,989	-	-	30,594	(318,370)	(6,185)	-	22,989
Hospital Santa Cruz	-	3,538	-	-	289	318,370	-	-	322,197
Advance Plano de Saúde S.A.	16,311	1,612	-	-	-	-	-	-	17,923
GSH Corp Participações S.A. (formerly Lorem Participações S.A.)	82,932	23,490	(36,006)	-	-	-	(6,478)	-	63,938
Other	564,835	42,098	(21,900)	-	388,165	1,857	3,108	-	978,163
	9,387,329	384,477	(177,159)	886,730	3,846,627	383,877	66,502	(102,782)	14,675,601

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2021
(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Breakdown and changes in investments - Individual (Continued)

Company	12/31/2020	Equity pickup	Dividends	Acquisition of equity interest	Capital increase/Future capital contribution	Transfer	Other	Merger	09/30/2021
Onco Star	(148,139)	(25,400)	-	-	(9,268)	-	-	-	(182,807)
Centro Hospitalar São Marcos S.A.	(13,530)	(47)	-	-	-	-	-	-	(13,577)
Café Verde	(4,625)	(5,503)	-	-	10,316	-	-	-	188
GNI23 SP Empreend. Imobiliários Ltda	-	(205)	-	-	14,930	(1,857)	-	-	12,868
GNI05 Empreend. Imobiliários Ltda	-	(337)	-	-	-	-	-	-	(337)
	(166,294)	(31,492)	-	-	15,978	(1,857)	-	-	(183,665)
Equity pickup		<u>352,985</u>							

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2021
(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Breakdown and changes in investments - Individual (Continued)

Company	12/31/2019	Equity pickup	Dividends	Acquisition of equity interest	Capital increase/Future capital contribution	Capital reduction	Transfer	Write-off	Other	09/30/2020
Medise Medicina Diagnóstico e Serviços S.A.	219,626	14,801	-	-	-	-	-	-	-	234,427
Hospital Esperança S.A.	328,684	80,266	(37,785)	-	730,422	-	3,830	-	(20,031)	1,085,386
Hospital São Marcos (including goodwill)	108,284	3,643	-	-	1,551	-	(3,830)	-	-	109,648
PMJ Empreendimentos Imobiliários S.A.	676,666	(4,000)	-	-	186,398	-	-	-	-	859,064
Norte D'Or Participações S.A. (including goodwill)	93,371	4,738	-	-	-	-	-	-	-	98,109
Onco D'Or Oncologia S.A.	363,517	66,370	-	-	40,841	-	-	-	-	470,728
Jenner S.A. (including goodwill)	123,275	11,352	-	-	-	-	-	-	-	134,627
JMJB Diagnósticos e Serviços Hospitalares	17,713	(13,060)	-	-	2,000	-	-	-	-	6,653
Rodin Empreendimentos e Participações S.A.	59,063	(14)	-	-	2,893	-	-	-	-	61,942
Quinta Empreendimentos Imobiliários Ltda.	48,906	14,234	(11,000)	-	-	-	-	-	-	52,140
Hospital Fluminense S.A. (including goodwill)	115,909	(5,484)	-	-	45,581	-	-	-	-	156,006
Cardial Serviços Médicos (including goodwill)	64,260	10,587	(10,920)	-	-	-	-	-	-	63,927
Hospital Santa Helena S.A. (including goodwill)	420,403	8,568	-	-	27,372	-	-	-	-	456,343
TJK Empreendimentos Hospitalares	21,557	575	-	-	-	(3,500)	-	-	-	18,632
Villa Lobos Empreendimentos Imobiliários Ltda.	204,447	16,286	-	-	-	(26,000)	-	-	-	194,733
Santa Luzia II Empreendimentos Imobiliários Ltda.	47,172	(265)	-	-	6,331	-	-	-	-	53,238
Campinas Empreendimentos Imobiliários Ltda.	46,222	(164)	-	-	4,959	-	-	-	-	51,017
Sator Empreendimentos e Participações Ltda	748,040	(33,618)	-	-	219,145	-	9,335	-	-	942,902
Rede D'or Finance	5,082	55,963	-	-	-	-	-	-	-	61,045
Rede D'or São Luiz Serviços Médicos S.A.	98,634	1,205	-	-	2,400	-	-	-	-	102,239
GGSH Participações S.A. (including goodwill)	53,592	13,110	(4,138)	-	-	-	-	-	(365)	62,199
Olimpia Projeto Rua do Rocio 86 SPE S.A.	315,724	(51)	-	-	9,747	-	-	-	-	325,420
Proncordis Pronto Atendimento Cardiológico Ltda.	11,337	(14)	-	-	1,260	-	(11,820)	-	-	763
Maximagem - Diagnóstico por Imagem Ltda. (including goodwill)	89,501	6,383	-	-	1,251	-	-	-	-	97,135
Prontimagem Serviços Médicos Ltda.	216,363	(1,642)	-	-	21,924	-	-	-	-	236,645
California Investimentos Imobiliários Ltda.	60,000	-	-	-	-	-	-	-	-	60,000
Hospital Aviccena S.A.	74,900	8,181	-	-	7,900	-	-	-	507	91,488
Santa Luzia III	308,365	(7,201)	-	-	1,446	-	-	-	-	302,610
Qualicorp Consultoria e Corretora de Seguros S.A.	990,701	19,258	-	-	-	-	-	-	-	1,009,959
Clínica Médica São Remo	11,999	(2,791)	-	-	19,294	-	-	-	-	28,502
Hospital Perinatal	-	(3,868)	-	800,000	22,066	-	-	-	-	818,198
Hospital Alpha Med Ltda.	47,899	1,042	-	-	364,257	-	(124,480)	-	-	288,718
Advance Plano de Saúde S.A.	13,697	9,787	-	-	-	-	-	-	-	23,484
Outros	261,171	1,375	(5,123)	-	68,773	(8,200)	126,965	(8,917)	(20,458)	415,586
	<u>6.266,080</u>	<u>275,552</u>	<u>(68,966)</u>	<u>800,000</u>	<u>1,787,811</u>	<u>(37,700)</u>	<u>-</u>	<u>(8,917)</u>	<u>(40,347)</u>	<u>8,973,513</u>
Onco Star	(87,833)	(55,676)	-	-	6,196	-	-	-	-	(137,313)
Centro Hospitalar São Marcos S.A.	(13,256)	(95)	-	-	-	-	-	-	-	(13,351)
Café Verde	(4,245)	(4,278)	-	-	5,193	-	-	-	-	(3,330)
	<u>(105,334)</u>	<u>(60,049)</u>	<u>-</u>	<u>-</u>	<u>11,389</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(153,994)</u>
Equity Pickup		<u>215,503</u>								

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2021
(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Breakdown and changes in investments - Consolidated

Company	12/31/2020	Equity pickup	Dividends	Acquisition of equity interest	Capital increase/Future capital contribution	Transfer	Other	09/30/2021
JMJB Diagnósticos e Serviços Hospitalares S.A.	13,168	(5,302)	-	-	8,500	-	-	16,366
Instituto de Radioterapia do Vale do Paraíba Ltda.	42,233	6,593	(5,000)	-	-	-	(1,265)	42,561
Qualicorp Consultoria e Corretora de Seguros S.A. (a)	989,758	19,629	(52,115)	886,730	-	382,020	(20)	2,226,002
Eldorado do Sul Participações Ltda.	16,459	1,871	-	-	-	-	(121)	18,209
Other	27,613	(3,442)	(1,680)	32,373	13,500	-	6,487	74,851
	<u>1,089,231</u>	<u>19,349</u>	<u>(58,795)</u>	<u>919,103</u>	<u>22,000</u>	<u>382,020</u>	<u>5,081</u>	<u>2,377,989</u>

Company	12/31/2019	Equity pickup	Dividends	Capital increase/Future capital contribution	Other	09/30/2020
JMJB Diagnósticos e Serviços Hospitalares S.A.	17,713	(13,060)	-	2,000	-	6,653
Instituto de Radioterapia do Vale do Paraíba Ltda.	45,044	7,409	(3,259)	-	-	49,194
GGSH Participações S.A.	51,443	13,110	(4,138)	-	(365)	60,050
Qualicorp Consultoria e Corretora de Seguros S.A. (a)	990,701	19,258	-	-	-	1,009,959
Cardio Pulmonar (b)	97,098	(11,661)	-	6,374	-	91,811
Eldorado do Sul Participações Ltda.	14,756	946	-	-	-	15,702
Other	10,123	(1,279)	(2,300)	-	(4,858)	1,686
	<u>1,226,878</u>	<u>14,723</u>	<u>(9,697)</u>	<u>8,374</u>	<u>(5,223)</u>	<u>1,235,055</u>

- (a) As described in Note 2, in March 2021, the Company transferred the shares acquired on the stock exchange (B3 S.A.) classified as marketable securities for investments of Qualicorp Consultoria e Corretora de Seguros S.A. ("Qualicorp" or "QUAL3"), a publicly-held company. The increase in equity interest was motivated by the change in Management's intention to keep the entire investment in Qualicorp on a permanent basis, as well as due to the market opportunity and the Company's favorable cash flow. As a result, the balances that until December 31, 2020 were recorded under marketable securities were transferred to "Permanent investment" account prospectively, in order to reflect the new Management perspective. Based on the shareholders' agreement entered into in November 2019, considering the nominations to the Executive Board and Board of Directors that the Company is entitled to, it was concluded that Rede D'Or has significant influence over Qualicorp; therefore, it records the investment using the equity method. Considering that Qualicorp's information as at September 30, 2021 is not yet available, the Company recognized equity pickup until June 30, 2021.

The amount paid in the acquisition was higher than Qualicorp's equity; the surplus is substantially supported by future profitability. The Company is conducting an analysis of Qualicorp's assets and liabilities for an appropriate allocation of the amount paid and of the future impact on equity pickup.

- (b) On June 3, 2019, by means of the wholly-owned subsidiary Hospital Esperança, Rede D'Or acquired shares of Córdio Pulmonar da Bahia S.A., a limited liability entity that operates a hospital in the city of Salvador, Bahia state. The total consideration transferred was R\$110,000 for 47.66% of shares, without acquisition of control. On December 18, 2020, through the wholly-owned subsidiary Hospital Esperança, the Company acquired the total capital of HCP Participações, which held 52.34% of the shares of Córdio Pulmonar da Bahia S.A., therefore, the Company became the holder of 100% of Córdio Pulmonar shares. From December 2020, Cardio Pulmonar began to be fully consolidated.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2021
(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Summary of information of main subsidiaries

	09/30/2021					09/30/2020		
	% Total	% Voting capital	Assets	Liabilities	Equity	Operating income (expenses)	P&L for the period	P&L for the period
Direct and indirect subsidiaries								
Medise Medicina Diagnóstico e Serviços S.A. ("Medise")	98.00	98.00	365,605	98,948	266,657	46,142	30,225	16,517
Hospital Esperança S.A. ("Esperança")	100.00	100.00	6,495,690	3,392,877	3,102,813	324,676	189,878	34,977
PMJ Empreendimentos Imobiliários S.A.	100.00	100.00	817,154	36,138	781,016	20,067	16,376	(4,000)
Norte D'Or Participações S.A.	100.00	100.00	106,020	6,435	99,585	14,825	14,896	4,738
Onco D'Or Oncologia S.A.	98.87	98.87	439,412	163,000	276,412	79,174	48,685	24,610
Jenner S.A.	91.24	91.24	242,268	2,006	240,262	44,910	39,297	19,865
Rodin Empreendimentos e Participações S.A.	100.00	100.00	64,511	333	64,178	(419)	(425)	(14)
Quinta Empreendimentos Imobiliários Ltda.	100.00	100.00	58,333	1,126	57,207	9,596	8,727	14,234
Hospital Fluminense S.A.	100.00	100.00	402,177	157,922	244,255	28,478	14,455	(5,484)
Cardial Serviços Médicos Ltda.	89.44	89.44	77,528	34,788	42,740	27,825	16,721	10,587
Hospital Santa Helena S.A.	100.00	100.00	650,698	297,968	352,730	51,660	(8,379)	8,568
TJK Empreendimentos Imobiliários Ltda.	100.00	100.00	18,865	977	17,888	929	816	575
Villa Lobos Empreendimentos Imobiliários S.A.	100.00	100.00	185,154	901	184,253	10,555	9,221	16,286
Santa Luzia II Emp. Imobiliários Ltda.	100.00	100.00	55,042	(572)	55,614	(205)	(219)	(265)
Campinas Empreendimentos Imob.	100.00	100.00	98,258	6,048	92,210	(246)	(252)	(164)
Sator Empreendimentos e Participações Ltda.	100.00	100.00	2,883,142	(695,524)	3,578,666	(2,194)	1,490	(33,618)
Rede D'Or Finance	100.00	100.00	8,559,057	8,666,199	(107,142)	(201)	(134,510)	55,963
Rede D'Or São Luiz Serviços Médicos S.A.	100.00	100.00	350,184	130,881	219,303	24,511	16,783	1,205
Olimpia Projeto Rua do Rocio 86 SPE S.A.	100.00	100.00	417,463	7,667	409,796	114	101	(51)
Proncordis Pronto Atendimento Cardiológico Ltda.	100.00	100.00	7,756	695	7,061	(881)	(590)	(830)
Laboratórios Richet	100.00	100.00	124,079	53,402	70,677	2,274	(1,787)	(5,190)
Onco Star SP Oncologia Ltda.	75.00	75.00	776,885	1,026,903	(250,018)	(34,419)	(25,400)	(55,676)
Centro Hospitalar São Marcos S.A.	100.00	100.00	772	9,928	(9,156)	(46)	(47)	(95)
Hospital Aviccena S.A.	100.00	100.00	125,140	51,247	73,893	25,002	14,779	8,181
Santa Luzia III Empreendimentos Imobiliários Ltda.	100.00	100.00	308,805	5,524	303,281	10,348	7,013	(7,201)
IFOR Empreendimentos Imobiliários S.A (Park D'Or)	100.00	100.00	34	14	20	-	-	(1)
Café Verde	100.00	100.00	4,075	4,627	(552)	(5,333)	(5,509)	(5,361)
Hospital São Marcos	100.00	100.00	157,216	66,098	91,118	(5,732)	(7,976)	3,643
Clínica Médica São Remo	100.00	100.00	48,523	14,598	33,925	(4,102)	(4,712)	(2,791)
California Investimentos Imobiliários Ltda.	100.00	100.00	59,999	-	59,999	-	-	-
Casa de Saúde Laranjeiras S.A (Perinatal)	100.00	100.00	258,416	65,187	193,229	(10,059)	(1,105)	(3,868)
Hospital Santa Cruz	100.00	100.00	261,927	139,334	122,593	60,702	36,845	1,045
Advance Plano de Saúde S.A.	100.00	100.00	24,155	6,094	18,061	1,574	1,614	9,787
GSH Corp Participações S.A. (Loreem)	50.00	50.00	133,243	1,860	131,383	55,450	23,490	-

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2021
(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Summary of the associates' and joint ventures' information

	09/30/2021					09/30/2020		
	% Total	% Voting capital	Assets	Liabilities	Equity	Operating income (loss)	P&L for the period	P&L for the period
Companies recognized by the equity method in the consolidated financial information								
JMJB Diagnósticos e Serviços Hospitalares S.A.	50.00	50.00	42,634	11,783	30,851	(10,603)	(5,302)	(13,060)
Instituto de Radioterapia do Vale do Paraíba Ltda.	50.00	50.00	42,372	20,870	21,502	14,721	6,593	7,409
Eldorado do Sul Participações Ltda.	33.33	33.33	30,033	-	30,033	5,614	1,871	946
Qualicorp Consultoria e Corretora de Seguros S.A. (a)/(b)	25.85	25.85	3,262,523	1,573,018	1,689,505	(a)	(a)	(b)

(a) The Company recognized equity pickup until June 30, 2021.

(b) Qualicorp's financial information at September 30, 2021 was not available on the issue date of the financial information at September 30, 2020; therefore, management used publicly information available at that time.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2021
(In thousands of reais, unless otherwise stated)

9. Property and Equipment (PE)

Balance breakdown

Description	Depreciation rate	Individual					
		09/30/2021			12/31/2020		
		Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount
Hospital machinery and equipment	12% to 20%	1,225,986	(857,070)	368,916	1,106,114	(703,486)	402,628
Surgical instruments	20%	78,935	(40,042)	38,893	66,877	(35,778)	31,099
Machinery and equipment	7% to 10%	463,491	(340,232)	123,259	417,781	(294,408)	123,373
Buildings	2.5% to 4%	638,008	(170,801)	467,207	635,284	(149,986)	485,298
Improvements in own buildings	4%	320,776	(114,606)	206,170	308,097	(90,962)	217,135
Leasehold improvements	3% to 4%	1,730,166	(453,069)	1,277,097	1,388,871	(405,335)	983,536
Furniture and fixtures	10%	200,025	(123,301)	76,724	185,866	(107,605)	78,261
Vehicles	20%	4,530	(3,716)	814	4,528	(3,551)	977
Facilities	10%	126,781	(64,747)	62,034	123,376	(57,362)	66,014
Land	-	150,699	-	150,699	146,051	-	146,051
Construction in progress	-	607,532	-	607,532	625,417	-	625,417
Other	5% to 10%	13,778	(5,847)	7,931	13,563	(5,540)	8,023
		5,560,707	(2,173,431)	3,387,276	5,021,825	(1,854,013)	3,167,812

Description	Depreciation rate	Consolidated					
		09/30/2021			12/31/2020		
		Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount
Hospital machinery and equipment	12% to 20%	2,286,691	(1,241,117)	1,045,574	1,936,263	(917,306)	1,018,957
Surgical instruments	20%	174,246	(72,123)	102,123	122,270	(47,468)	74,802
Machinery and equipment	7% to 10%	799,293	(538,400)	260,893	713,350	(441,284)	272,066
Buildings	2.5% to 4%	2,479,755	(353,794)	2,125,961	2,016,417	(271,773)	1,744,644
Improvements in own buildings	4%	541,254	(145,773)	395,481	520,467	(100,638)	419,829
Leasehold improvements	3% to 4%	2,437,043	(630,469)	1,806,574	1,817,157	(555,764)	1,261,393
Furniture and fixtures	10%	358,611	(195,916)	162,695	307,668	(155,290)	152,378
Vehicles	20%	18,602	(17,501)	1,101	18,674	(13,618)	5,056
Facilities	10%	210,263	(112,565)	97,698	198,535	(96,034)	102,501
Land	-	994,873	-	994,873	974,184	-	974,184
Construction in progress	-	1,529,486	-	1,529,486	1,297,177	-	1,297,177
Other	5% to 10%	53,712	(7,744)	45,968	53,266	(7,308)	45,958
		11,883,829	(3,315,402)	8,568,427	9,975,428	(2,606,483)	7,368,945

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
 September 30, 2021
 (Amounts in thousands of reais, unless otherwise stated)

9. Property and equipment (PE) - Continued

Changes - Individual

	12/31/2020	Additions	Transfers	Additions from mergers	09/30/2021
Cost					
Hospital machinery and equipment	1,106,114	93,535	-	26,337	1,225,986
Surgical instruments	66,877	12,058	-	-	78,935
Machinery and equipment	417,781	44,142	-	1,568	463,491
Buildings	635,284	2,724	-	-	638,008
Improvements in own buildings	308,097	2,803	9,870	6	320,776
Leasehold improvements	1,388,871	7,221	331,419	2,655	1,730,166
Furniture and fixtures	185,866	13,363	-	796	200,025
Vehicles	4,528	2	-	-	4,530
Facilities	123,376	3,354	-	51	126,781
Land	146,051	4,648	-	-	150,699
Construction in progress	625,417	323,073	(341,289)	331	607,532
Other	13,563	215	-	-	13,778
	5,021,825	507,138	-	31,744	5,560,707
Depreciation					
Hospital machinery and equipment	(703,486)	(138,803)	-	(14,781)	(857,070)
Surgical instruments	(35,778)	(4,264)	-	-	(40,042)
Machinery and equipment	(294,408)	(44,482)	-	(1,342)	(340,232)
Buildings	(149,986)	(20,815)	-	-	(170,801)
Improvements in own buildings	(90,962)	(23,643)	-	(1)	(114,606)
Leasehold improvements	(405,335)	(45,686)	-	(2,048)	(453,069)
Furniture and fixtures	(107,605)	(15,029)	-	(667)	(123,301)
Vehicles	(3,551)	(165)	-	-	(3,716)
Facilities	(57,362)	(7,368)	-	(17)	(64,747)
Other	(5,540)	(307)	-	-	(5,847)
	(1,854,013)	(300,562)	-	(18,856)	(2,173,431)
Property and equipment, net	3,167,812	206,576	-	12,888	3,387,276

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2021
(Amounts in thousands of reais, unless otherwise stated)

9. Property and equipment (PE) - Continued

Changes - individual (Continued)

	12/31/2019	Additions	Sales/ Disposals	Transfers	09/30/2020
Cost					
Hospital machinery and equipment	1,016,968	81,265	-	-	1,098,233
Surgical instruments	56,636	8,574	-	-	65,210
Machinery and equipment	365,199	39,463	-	-	404,662
Buildings	632,620	2,664	-	-	635,284
Improvements in own buildings	307,985	107	-	-	308,092
Leasehold improvements	1,376,086	10,400	-	-	1,386,486
Furniture and fixtures	161,979	17,398	-	-	179,377
Vehicles	4,199	-	-	-	4,199
Facilities	120,215	2,154	-	-	122,369
Land	167,530	-	(21,479)	-	146,051
Construction in progress	340,669	227,196	-	(13,420)	554,445
Other	13,349	189	-	-	13,538
	<u>4,563,435</u>	<u>389,410</u>	<u>(21,479)</u>	<u>(13,420)</u>	<u>4,917,946</u>
Depreciation					
Hospital machinery and equipment	(602,986)	(75,167)	-	-	(678,153)
Surgical instruments	(30,924)	(3,587)	-	-	(34,511)
Machinery and equipment	(239,352)	(41,096)	-	-	(280,448)
Buildings	(122,878)	(20,175)	-	-	(143,053)
Improvements in own buildings	(59,848)	(23,336)	-	-	(83,184)
Leasehold improvements	(350,047)	(41,436)	-	-	(391,483)
Furniture and fixtures	(89,277)	(13,551)	-	-	(102,828)
Vehicles	(3,407)	(178)	-	-	(3,585)
Facilities	(47,824)	(7,137)	-	-	(54,961)
Other	(5,150)	(217)	-	-	(5,367)
	<u>(1,551,693)</u>	<u>(225,880)</u>	<u>-</u>	<u>-</u>	<u>(1,777,573)</u>
Property and equipment, net	<u>3,011,742</u>	<u>163,530</u>	<u>(21,479)</u>	<u>(13,420)</u>	<u>3,140,373</u>

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2021
(Amounts in thousands of reais, unless otherwise stated)

9. Property and equipment (PE) - Continued

Changes - Consolidated

	12/31/2020	Additions	Sales/disposals	Transfers	Business combination	09/30/2021
Cost						
Hospital machinery and equipment	1,936,263	235,231	-	-	115,197	2,286,691
Surgical instruments	122,270	24,565	-	-	27,411	174,246
Machinery and equipment	713,350	48,095	-	-	37,848	799,293
Buildings	2,016,417	334,233	-	7,940	121,165	2,479,755
Improvements in own buildings	520,467	4,186	-	(55,216)	71,817	541,254
Leasehold improvements	1,817,157	22,758	-	573,406	23,722	2,437,043
Furniture and fixtures	307,668	24,813	-	-	26,130	358,611
Vehicles	18,674	2,245	(3,476)	-	1,159	18,602
Facilities	198,535	7,923	-	-	3,805	210,263
Land	974,184	15,002	(19,565)	-	25,252	994,873
Construction in progress	1,297,177	688,700	-	(526,130)	69,739	1,529,486
Other	53,266	408	-	-	38	53,712
	9,975,428	1,408,159	(23,041)	-	523,283	11,883,829
Depreciation						
Hospital machinery and equipment	(917,306)	(259,400)	-	-	(64,411)	(1,241,117)
Surgical instruments	(47,468)	(10,445)	-	-	(14,210)	(72,123)
Machinery and equipment	(441,284)	(76,901)	-	-	(20,215)	(538,400)
Buildings	(271,773)	(66,359)	-	-	(15,662)	(353,794)
Improvements in own buildings	(100,638)	(28,579)	-	-	(16,556)	(145,773)
Leasehold improvements	(555,764)	(72,409)	-	-	(2,296)	(630,469)
Furniture and fixtures	(155,290)	(28,023)	-	-	(12,603)	(195,916)
Vehicles	(13,618)	(2,879)	-	-	(1,004)	(17,501)
Facilities	(96,034)	(14,013)	-	-	(2,518)	(112,565)
Other	(7,308)	(425)	-	-	(11)	(7,744)
	(2,606,483)	(559,433)	-	-	(149,486)	(3,315,402)
Property and equipment, net	7,368,945	848,726	(23,041)	-	373,797	8,568,427

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Notes to interim financial information (Continued)
September 30, 2021
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9. Property and equipment (PE) - Continued

Changes - Consolidated (Continued)

	12/31/2019	Additions	Transfers	Business combination	09/30/2020
Cost					
Hospital machinery and equipment	1,671,003	180,976	-	44,619	1,896,598
Surgical instruments	93,411	21,179	-	958	115,548
Machinery and equipment	595,331	60,314	-	16,219	671,864
Buildings	1,748,938	5,786	153,992	63,695	1,972,411
Improvements in own buildings	347,774	2,166	-	37,499	387,439
Leasehold improvements	1,758,428	29,259	-	2,332	1,790,019
Furniture and fixtures	247,265	28,638	-	12,146	288,049
Vehicles	17,646	28	-	324	17,998
Facilities	181,076	5,048	-	612	186,736
Land	936,739	6,069	3,506	18,750	965,064
Construction in progress	880,550	436,011	(157,498)	1,922	1,160,985
Other	53,106	206	-	367	53,679
	<u>8,531,267</u>	<u>775,680</u>	<u>-</u>	<u>199,443</u>	<u>9,506,390</u>
Depreciation					
Hospital machinery and equipment	(755,340)	(118,569)	-	-	(873,909)
Surgical instruments	(37,170)	(7,521)	-	-	(44,691)
Machinery and equipment	(341,732)	(76,140)	-	-	(417,872)
Buildings	(196,366)	(55,144)	-	-	(251,510)
Improvements in own buildings	(64,500)	(27,102)	-	-	(91,602)
Leasehold improvements	(475,298)	(60,183)	-	-	(535,481)
Furniture and fixtures	(125,424)	(22,151)	-	-	(147,575)
Vehicles	(8,830)	(3,695)	-	-	(12,525)
Facilities	(80,408)	(11,657)	-	-	(92,065)
Other	(6,815)	(307)	-	-	(7,122)
	<u>(2,091,883)</u>	<u>(382,469)</u>	<u>-</u>	<u>-</u>	<u>(2,474,352)</u>
Property and equipment, net	<u>6,439,384</u>	<u>393,211</u>	<u>-</u>	<u>199,443</u>	<u>7,032,038</u>

Significant changes for the periods ended September 30, 2021 and 2020 were as follows:

2021

- (i) Additions relating to property and equipment from business combinations for the period, especially of Hospital Serra Mayor, Biocor Hospital de Doenças Cardiovasculares, Proncor Unidade Intensiva e Cardiorrespiratória, Hospital Santa Emília and Hospital Nossa Senhora das Neves.
- (ii) Purchase of hospital machinery and equipment as part of the Company's operational routine, and reformulation and remodeling of Hospital São Caetano do Sul, Hospital Glória D'Or and Hospital Brasil.
- (iii) Acquisition, through investee GNI25 SP Empreendimentos Imobiliários Ltda., of fifteen (15) properties located in the state of São Paulo, and acquisition, through investee GNI17 SP Empreendimentos Imobiliários Ltda., of two (2) properties located in the state of São Paulo.

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Notes to interim financial information (Continued)
September 30, 2021
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9. Property and equipment (PE) - Continued

2020

- (iv) Additions relating to property and equipment from business combinations for the period, especially of Hospital Perinatal, Hospital Santa Cruz, Hospital Aliança, and Hospital São Carlos.
- (v) Sale of the Company's land to subsidiary GNI15 Empreend. Imobiliários Ltda. for R\$21,479.
- (vi) Purchase of hospital machinery and equipment as part of the Company's operational routine, and reformulation and remodeling of Hospital Sino, Hospital Glória D'Or, Hospital São Rafael, Hospital UDI and Onco Star.
- (vii) Beginning of operations of Hospital Glória D'Or, with its assets reclassified to the appropriate groups and now undergoing depreciation.

Capitalized borrowing costs

The Company capitalizes borrowing costs attributable to qualifying assets. At September 30, 2021, R\$42,008 in interest on loans and financing were capitalized in Property and equipment, net of finance income from fundraising (R\$27,398 at September 30, 2020).

Impairment testing of property and equipment

Management has assessed the existence of events or changes in economic, operational or technological circumstances and has not identified any evidence that could indicate deterioration or impairment of property and equipment.

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Notes to interim financial information (Continued)

September 30, 2021

(Amounts in thousands of reais, unless otherwise stated)

10. Intangible assets

	Annual amortization rate	Individual		Consolidated	
		09/30/2021	12/31/2020	09/30/2021	12/31/2020
Finite useful life					
Software	20%	242,368	238,885	306,599	300,990
Exclusive agreements	20%	54,679	33,124	287,213	198,766
Other		-	-	47,708	-
Indefinite useful life					
Goodwill					
Acquisition of Copa D'Or		80,058	80,058	80,058	80,058
Acquisition of HMSL		668,339	668,339	668,339	668,339
Acquisition of Hospital Brasil		121,398	121,398	121,398	121,398
Acquisition of Hospital Prontolinda		30,595	30,595	30,595	30,595
Acquisition of Vivalle		38,692	38,692	38,692	38,692
Acquisition of São Marcos		-	-	10,807	10,807
Acquisition of Santa Luzia		199,333	199,333	199,333	199,333
Acquisition of Sinisgalli		156,646	156,646	156,646	156,646
Acquisition of Hospital Esperança		-	-	108,408	108,408
Acquisition of Norte D'Or		-	-	28,450	28,450
Acquisition of IFOR		85,724	85,724	85,724	85,724
Acquisition of Sino Brasileiro		241,947	241,947	241,947	241,947
Acquisition of Villa-Lobos		136,074	136,074	136,074	136,074
Acquisition of Bartira		105,584	105,584	105,584	105,584
Acquisition of Onco ABC/Cardeal/JLD		-	-	52,174	52,174
Acquisition of Oncoholding		-	-	159,445	159,445
Acquisition of Hospital Fluminense		-	-	10,658	10,658
Acquisition of Hospital Santa Helena		-	-	125,802	125,802
Acquisition of Acreditar		-	-	155,720	155,720
Acquisition of Memorial São Jose		112,528	112,528	112,528	112,528
Acquisition of Alpha-Med		-	-	43,815	43,815
Acquisition of CEHON		-	-	68,757	68,757
Acquisition of Maximagem (b)		46,742	-	46,742	46,742
Acquisition of Ribeirão Pires		129,739	129,739	129,739	129,739
Acquisition of NEOH		-	-	33,422	33,422
Acquisition of JTO		-	-	12,567	12,567
Acquisition of Salus		-	-	8,956	8,956
Acquisition of Prontimagem		-	-	6,220	6,220
Acquisition of Sator		-	-	163,089	163,089
Acquisition of Hospital São Rafael		-	-	509,363	509,363
Acquisition of Laboratório Richet		-	-	184,232	184,232
Acquisition of UDI		-	-	335,883	335,883
Acquisition of Samer		-	-	70,939	70,939
Acquisition of Hospital Rio Mar		-	-	94,833	94,833
Acquisition of Hospital São Lucas		-	-	223,079	223,079
Acquisition of Hospital Aviccena		-	-	60,476	60,476
Acquisition of Hospital Santa Cruz		-	-	299,583	318,954
Acquisition of Saúde Corp		-	-	11,555	11,555
Acquisition of Perinatal		-	-	655,580	655,580

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Notes to interim financial information (Continued)
September 30, 2021
(Amounts in thousands of reais, unless otherwise stated)

10. Intangible assets (Continued)

	Annual amortization rate	Individual		Consolidated	
		09/30/2021	12/31/2020	09/30/2021	12/31/2020
Acquisition of Reseda	-	-	-	54,198	40,513
Acquisition of Aliança (c)	-	-	-	1,063,081	722,143
Acquisition of Salute	-	-	-	15,475	11,296
Acquisition of São Carlos	-	-	-	120,104	126,577
Acquisition of Clínica São Lucas	-	-	-	58,316	58,518
Acquisition of GSH Corp Participações S.A. (formerly Lorem Participações S.A.)	-	-	-	9,297	9,297
Acquisition of Clivalle	-	-	-	39,549	35,358
Acquisition of HCP/Cárdio Pulmonar	-	-	-	184,125	210,359
Acquisition of Guaianases	-	-	-	103,980	-
Acquisition of Antônio Afonso	-	-	-	25,991	-
Acquisition of Balbino	-	-	-	85,819	-
Acquisition of America	-	-	-	453,310	-
Acquisition of Serra Mayor	-	-	-	62,430	-
Acquisition of Biocor	-	-	-	342,696	-
Acquisition of Proncor	-	-	-	114,472	-
Acquisition of Santa Emilia	-	-	-	134,800	-
Acquisition of Hospital Nossa Senhora das Neves	-	-	-	150,192	-
Acquisition of HNSN Empreendimentos	-	-	-	32,670	-
Acquisition of Orthoservice	-	-	-	37,977	-
Other goodwill		48,649	48,649	259,361	298,688
Trademarks and patents (a)		190,810	190,810	190,810	190,810
		2,689,905	2,618,125	9,767,385	7,809,898

(a) This mainly refers to the Hospital São Luiz trademark registered upon its acquisition in 2010.

(b) Subsidiary merged into the Parent Company in 2021.

(c) On August 19, 2021, Hospital Esperança acquired an additional 20% equity interest in Hospital Aliança, becoming therefore the holder of 100% of its capital. The total consideration transferred was R\$350,000 fully paid on the transaction closing date. The goodwill generated in this acquisition amounted to R\$322,075.

The goodwill balances were generated from business combination. Acquisitions conducted in 2021 and 2020 are described in Note 3.

Impairment

Goodwill is allocated to the Cash-Generating Units (CGU) identified by management, i.e. each hospital, as shown in the table above.

The recoverable amount of a CGU is determined based on the calculation of value in use. Value in use calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2021
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10. Intangible assets (Continued)

Impairment (Continued)

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Company's investors. The debt cost is based on interest-bearing financing that the Company is required to honor. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

There is no indication of impairment of intangible assets as of the present date.

11. Right of use

Balance breakdown

Description	Individual					
	09/30/2021			12/31/2020		
	Cost	Amortization	Net	Cost	Amortization	Net
Hospital machinery and equipment	51,024	(14,897)	36,127	50,292	(10,973)	39,319
Properties	2,038,350	(441,397)	1,596,953	1,934,012	(309,321)	1,624,691
	2,089,374	(456,294)	1,633,080	1,984,304	(320,294)	1,664,010

Description	Consolidated					
	09/30/2021			12/31/2020		
	Cost	Amortization	Net	Cost	Amortization	Net
Hospital machinery and equipment	86,595	(28,189)	58,406	79,134	(18,659)	60,475
Properties	3,449,021	(558,880)	2,890,141	3,290,699	(353,153)	2,937,546
	3,535,616	(587,069)	2,948,547	3,369,833	(371,812)	2,998,021

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Notes to interim financial information (Continued)
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11. Right of use (Continued)

Changes - Individual

	12/31/2020	Additions (a)	Amortization	09/30/2021
Cost				
Hospital machinery and equipment	50,292	732	-	51,024
Properties	1,934,012	104,338	-	2,038,350
	<u>1,984,304</u>	<u>105,070</u>	<u>-</u>	<u>2,089,374</u>
Amortization				
Hospital machinery and equipment	(10,973)	-	(3,924)	(14,897)
Properties	(309,321)	-	(132,076)	(441,397)
	<u>(320,294)</u>	<u>-</u>	<u>(136,000)</u>	<u>(456,294)</u>
Right of use, net	<u>1,664,010</u>	<u>105,070</u>	<u>(136,000)</u>	<u>1,633,080</u>

	12/31/2019	Additions (a)	Amortization	09/30/2020
Cost				
Hospital machinery and equipment	47,625	2,493	-	50,118
Properties	1,763,315	137,717	-	1,901,032
	<u>1,810,940</u>	<u>140,210</u>	<u>-</u>	<u>1,951,150</u>
Amortization				
Hospital machinery and equipment	(5,055)	-	(4,428)	(9,483)
Properties	(152,543)	-	(119,115)	(271,658)
	<u>(157,598)</u>	<u>-</u>	<u>(123,543)</u>	<u>(281,141)</u>
Right of use, net	<u>1,653,342</u>	<u>140,210</u>	<u>(123,543)</u>	<u>1,670,009</u>

Changes - Consolidated

	12/31/2020	Additions (a)	Amortization	09/30/2021
Cost				
Hospital machinery and equipment	79,134	7,461	-	86,595
Properties	3,290,699	158,322	-	3,449,021
	<u>3,369,833</u>	<u>165,783</u>	<u>-</u>	<u>3,535,616</u>
Amortization				
Hospital machinery and equipment	(18,659)	-	(9,530)	(28,189)
Properties	(353,153)	-	(205,727)	(558,880)
	<u>(371,812)</u>	<u>-</u>	<u>(215,257)</u>	<u>(587,069)</u>
Right of use, net	<u>2,998,021</u>	<u>165,783</u>	<u>(215,257)</u>	<u>2,948,547</u>

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Notes to interim financial information (Continued)
September 30, 2021
(Amounts in thousands of reais, unless otherwise stated)

11. Right of use (Continued)

Changes - Consolidated (Continued)

	<u>12/31/2019</u>	<u>Additions (a)</u>	<u>Business combination</u>	<u>Amortization</u>	<u>09/30/2020</u>
Cost					
Hospital machinery and equipment	71,108	8,050	-	-	79,158
Properties	2,480,750	236,108	184,860	-	2,901,718
	<u>2,551,858</u>	<u>244,158</u>	<u>184,860</u>	<u>-</u>	<u>2,980,876</u>
Amortization					
Hospital machinery and equipment	(8,224)	-	-	(7,784)	(16,008)
Properties	(173,517)	-	-	(139,597)	(313,114)
	<u>(181,741)</u>	<u>-</u>	<u>-</u>	<u>(147,381)</u>	<u>(329,122)</u>
Right of use, net	<u>2,370,117</u>	<u>244,158</u>	<u>184,860</u>	<u>(147,381)</u>	<u>2,651,754</u>

(a) Additions referring to new agreements and renewals due to maturity.

The rights of use are amortized during the lease agreement term and take into consideration the expected renewal, when management intends to exercise this right, and in accordance with the terms of the agreements.

12. Deferred gain on property sales

On October 11, 2013 and December 26, 2012, the Company conducted property sale and leaseback transactions, and property lease was accounted for as operating lease.

Part of the gain referring to the excess of sales proceeds and fair value was deferred, as required by CPC 06/IAS 17 - Leases, and has been amortized over the lease term. At September 30, 2021, deferred gains were broken down as follows:

	<u>Individual and Consolidated</u>	
	<u>09/30/2021</u>	<u>12/31/2020</u>
Caxias D'Or	<u>30,148</u>	30,980
Hospital Brasil	<u>35,750</u>	37,400
	<u>65,898</u>	<u>68,380</u>
Current	<u>3,920</u>	3,920
Noncurrent	<u>61,978</u>	64,460

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
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13. Loans, financing and debentures

Transaction/Instrument	Index/rate	Spread	Currency	Principal (R\$)	Beginning	Maturity	Amortization	Guarantees	Individual		Consolidated		
									09/30/2021	12/31/2020	09/30/2021	12/31/2020	
FINEP/BNDES	TJLP/Fixed rate	0.5%/4.0%	R\$	170,252	Feb/15	Sept/24	Monthly	Guarantee insurance	72,310	90,320	72,310	90,320	
Citibank II (a)	LIBOR	0.46%	US\$	301,200	Nov/18	Nov/23	Bullet	n/a	434,449	412,989	434,449	412,989	
BofA (g)	Fixed rate	2.18%	US\$	400,520	Apr/20	Apr/23	Bullet	n/a	-	402,327	-	402,327	
BofA II (a)/(g)	Fixed rate	0.88%	EUR€	400,520	Jun/21	Jun/25	Bullet	n/a	420,682	-	420,682	-	
JP Morgan II (a)/(e)	Fixed rate	1.96%	US\$	520,000	Jul/20	Jul/25	Bullet	n/a	528,532	525,374	528,532	525,374	
CCB Sicob	100% of DI	2.06%	R\$	2,000	May/20	May/25	Monthly	n/a	-	-	1,635	1,966	
CCB Itaú	100% of DI	3.20%	R\$	20,000	Jul/20	Jul/22	Bullet	n/a	-	-	20,360	20,222	
CCB Bank of China (f)	100% of DI	1.20%	R\$	85,000	May/20	May/26	Bullet	n/a	86,669	85,471	86,669	85,471	
	CDI/Fixed rate/IPCA	-	R\$	n/a	n/a	Mar/28	Monthly	Credit rights	-	-	168,787	226,476	
Other													
Debentures – 3rd issue – Esperança	110.85% of DI	-	R\$	1,000,000	Aug/17	Aug/24	Semiannually	n/a	-	-	750,024	1,001,319	
Debentures – 4th issue – Esperança (b)/(i)	100% of DI	1.27%	R\$	1,000,000	Feb/18	Dec/25	Semiannually	n/a	-	-	1,010,856	994,669	
Debentures – 10th issue (a)	Fixed rate	11.82%	R\$	1,628,100	Jan/18	Jan/28	Bullet	n/a	1,616,789	2,085,921	32,460	33,397	
Debentures – 13th issue (b)	100% of DI	1.02%	R\$	1,400,000	Sept/18	Sept/24	Annually	n/a	1,389,967	1,392,190	1,389,967	1,392,190	
Debentures – 14th issue (b)	106% of DI	-	R\$	500,000	Oct/18	Oct/26	Annually	Property	504,343	494,627	504,343	494,627	
Debentures – 17th issue 3rd series (b)	100% of DI	0.79%	R\$	1,000,000	Jun/19	Jun/29	Annually	n/a	1,004,811	986,389	1,004,811	986,389	
Debentures – 17th issue 2nd series	100% of DI	1.25%	R\$	2,500,000	Dec/19	Dec/26	Annually	n/a	2,515,297	2,466,283	2,515,297	2,466,283	
Debentures – 17th issue 1st series (a)	Fixed rate	8.75%	R\$	3,198,350	Apr/20	Jan/30	Bullet	n/a	2,461,172	3,349,296	-	-	
Debentures – 19th issue 2nd series (h)	100% of DI	1.90%	R\$	2,500,000	Aug/21	Aug/31	Annually	n/a	2,489,411	-	2,489,411	-	
Debentures – 19th issue 3rd series (h)	100% of DI	1.90%	R\$	1,500,000	Sept/21	Aug/31	Annually	n/a	1,491,194	-	1,491,194	-	
Debentures GGSB	CDI	2.80%	R\$	360,000	Apr/21	Apr/26	Semiannually	n/a	-	-	360,834	-	
Senior Notes I (a)	Fixed rate	4.95%	US\$	1,596,400	Jan/18	Jan/28	Bullet	n/a	-	-	2,993,271	3,104,786	
Senior Notes II (a)/(j)	Fixed rate	4.50%	US\$	5,062,504	Jan/20	Jan/30	Bullet	n/a	-	-	4,704,435	6,689,972	
Promissory Note - 3rd issue	112.5% of DI	-	R\$	1,000,000	Apr/18	Apr/23	Bullet	n/a	1,174,257	1,137,763	1,174,257	1,137,763	
Promissory Note - 4th issue	103.0% of DI	-	R\$	800,000	Sept/19	Sept/22	Bullet	n/a	848,818	824,375	848,818	824,375	
Promissory Note - 5th issue (c)	100% of DI	2.50%	R\$	250,000	Mar/20	Mar/23	Annually	n/a	-	255,499	-	255,499	
Promissory Note - 6th issue (c)	100% of DI	2.65%	R\$	200,000	Jun/20	Jun/22	Bullet	n/a	-	201,968	-	201,968	
Mortgage-backed Securities (CRIs) - 1st issue	99% of DI	-	R\$	662,837	Mar/18	Mar/23	Bullet	n/a	639,493	648,301	639,493	648,301	
Mortgage-backed Securities (CRIs) - 2nd issue	IPCA	6.06%	R\$	300,000	Jul/18	Jul/25	Bullet	n/a	348,224	333,592	348,224	333,592	
Mortgage-backed Securities (CRIs) - 3rd issue - 1st series	96.5% of DI	-	R\$	227,051	Dec/18	Dec/23	Bullet	n/a	225,404	225,013	225,404	225,013	
Mortgage-backed Securities (CRIs) - 3rd issue - 2nd series	IPCA	4.66%	R\$	372,949	Dec/18	Dec/25	Bullet	n/a	438,662	400,272	438,662	400,272	
Mortgage-backed Securities (CRIs) - 4th issue - 1st series	95.75% of DI	-	R\$	269,900	Feb/19	Feb/23	Bullet	n/a	266,046	269,069	266,046	269,069	
Mortgage-backed Securities (CRIs) - 4th issue - 2nd series	IPCA	3.93%	R\$	30,100	Feb/19	Feb/26	Bullet	n/a	34,114	32,511	34,114	32,511	
Mortgage-backed Securities (CRIs) - 5th issue	IPCA	3.45%	R\$	538,328	Sept/19	Aug/29	Annually	n/a	597,963	569,203	597,963	569,203	
Mortgage-backed Securities (CRIs) - Córdão Pulmonar (c)	IPCA	8.35%	R\$	116,000	May/19	Nov/26	Monthly	Statutory lien	-	-	-	112,194	
Mortgage-backed Securities (CRIs) - 6th issue (a)/(d)	IPCA	4.9347%	R\$	1,500,000	May/21	May/36	Annually	n/a	1,377,627	-	1,377,627	-	
									20,966,234	17,188,753	26,930,935	23,938,537	
									Current	1,125,366	387,193	1,458,652	662,956
									Noncurrent	19,840,868	16,801,560	25,472,283	23,275,581

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13. Loans, financing and debentures (Continued)

- (a) As mentioned in Note 27, the Group enters into derivative financial instruments to hedge foreign exchange differences and interest rate (Fixed rate, Libor and IPCA) and has adopted the fair value hedge accounting as accounting practice; therefore, these debts are recorded at fair value through profit or loss.
- (b) As mentioned in Note 27, the Group enters into derivative financial instruments to hedge interest rate (CDI) and has adopted the cash flow hedge accounting as accounting practice; therefore, these debts are recorded at amortized cost and derivatives at fair value, and the effective portion of other comprehensive income and any ineffective portion and interest are recorded at fair value through profit or loss.
- (c) In the nine-month period ended September 30, 2021, the Company fully prepaid the Mortgage-backed Securities (CRIs) of Córdio Pulmonar and the Promissory Notes (5th and 6th issues) of Rede D'Or São Luiz.
- (d) On May 11, 2021, Rede D'Or, through a securitization company, disbursed its 6th issue of registered, book-entry Mortgage-backed securities ("CRI"), in the amount of R\$1.5 billion, maturing on May 15, 2036 in three annual repayments in 2034, 2035 and 2036. The CRI is remunerated by reference to the IPCA + 4.9347% p.a., payable semiannually. Concomitantly, the Company entered into a derivative financial instrument for IPCA inflation rate hedging purposes, converting it into interest equivalent to 100.0% of the CDI plus 1.35% p.a. There are no guarantees.
- (e) On May 24, 2021, Rede D'Or carried out the cost reduction and extension, through an amendment, of the loan taken out from JP Morgan in the amount of US\$100 million, changing maturity from July 3, 2023 to July 1, 2025, in a lump-sum payment, and fixed-rate remuneration from 1.96% p.a. to 1.58% p.a., paid semiannually. Concomitantly, the Company extended its derivative financial instrument for currency and interest rate hedging purposes, converting it into Brazilian reais plus interest equivalent to 100% of the CDI plus 1.323% p.a. There are no guarantees. On May 28, 2021, Rede D'Or carried out the cost reduction and extension, through an amendment, of the loan taken out from Bank of China in the amount of R\$85 million, changing the maturity from May 8, 2023 to May 8, 2026 and interest from 100.0% of the CDI plus 1.90% p.a. to 1.20% p.a., in a lump-sum payment upon maturity. There are no guarantees.
- (g) On June 23, 2021, Rede D'Or settled the loan taken out from Bank of America in the amount of US\$76 million, maturing in a lump-sum payment on April 3, 2023, at a fixed rate of 2.18% p.a. paid quarterly. The Company also settled the derivative financial instrument for currency and interest rate hedging purposes, which converted the debt into Brazilian reais plus interest equivalent to 100% of the CDI plus 1.66% p.a. Concomitantly, Rede D'Or took out a loan from Bank of America in the amount of €67 million, maturing in a lump-sum payment on June 30, 2025, at a fixed rate of 0.8811% p.a. paid quarterly. The Company also entered into a derivative financial instrument for currency and interest rate hedging purposes, which converted the debt into Brazilian reais plus interest equivalent to 100% of the CDI plus 1.35% p.a. There are no guarantees.
- (h) On August 27, 2021 and September 6, 2021, Rede D'Or made disbursements, respectively, of the 2nd and 3rd series of its 19th issue of Debentures, in the amounts of R\$2,500,000,000.00 and R\$1,500,000,000.00, maturing on August 21, 2031 into three annual repayments in 2029, 2030 and 2031. The Debentures are remunerated at the CDI + 1.90% per year, to be paid semiannually. There are no guarantees. On September 28, 2021, Hospital Esperança carried out the cost reduction and extension, through an amendment, of the 4th issue of Debentures, in the amount of R\$1,000,000,000.00, changing for maturity into two annual installments on December 27, 2026 and December 27, 2027, and remuneration, as from December 27, 2021, of CDI + 1.50% p.a., paid semiannually. There are no guarantees.
- (j) On August 27, 2021, Rede D'Or, through its subsidiary Rede D'Or Finance, proceeded with the partial settlement of the 2nd issue of Senior Notes, in the amount of US\$ 315 million.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2021

(In thousands of reais, unless otherwise stated)

13. Loans, financing and debentures (Continued)

Significant loans, financing and debentures were taken out for general corporate purposes, in order to acquire companies, expand hospitals and build new units.

Costs related to the issues of loans, financing and debentures, in the amount of R\$271,740 at September 30, 2021 (R\$193,634 at December 31, 2020), were recorded as a reduction of the balances and have been amortized over the term of the agreements.

The Company does not have any covenants regarding indebtedness levels, corresponding indexes based on net debt, EBITDA and finance cost, it only has the guarantees listed above.

At September 30, 2021, the aging list of noncurrent balances is as follows:

09/30/2021			
Individual		Consolidated	
Year	Amount	Year	Amount
2022	6,015	2022	18,604
2023	3,572,727	2023	3,866,253
2024	1,575,917	2024	1,916,568
2025	2,826,487	2025	2,978,870
2026	984,503	2026	1,623,972
2027	528,166	2027	1,026,932
2028 to 2036	10,347,053	2028 to 2036	14,041,084
	<u>19,840,868</u>		<u>25,472,283</u>

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2021

(In thousands of reais, unless otherwise stated)

14. Tax obligations

	Individual		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Contribution Tax on Gross Revenue for Social Integration Program (PIS)	4,753	4,326	11,314	8,911
Contribution Tax on Gross Revenue for Social Security Financing (COFINS)	35,885	30,381	80,858	57,919
Service Tax (ISS)	75,100	47,334	190,653	137,626
Withholding Income Tax (IRRF)	54,810	37,495	64,392	44,244
Income tax	27,099	205	166,557	49,667
Social contribution tax	8,558	4,361	39,864	11,432
Other	19,364	16,433	42,109	34,174
Tax refinancing programs:				
Service Tax (ISS)	-	2,519	18,698	24,276
Refinancing - Law No. 11941/09	7,665	9,203	25,297	21,319
Social security tax payable	43,340	45,942	170,131	152,036
Other	13,606	18,114	53,878	51,451
	290,180	216,313	863,751	593,055
Current	207,493	145,577	564,242	364,994
Noncurrent	82,687	70,736	299,509	228,061

At September 30, 2021, the aging list of noncurrent balances is as follows:

09/30/2021			
Individual		Consolidated	
Year	Amount	Year	Net
2022	6,493	2022	23,519
2023	12,985	2023	47,033
2024	12,717	2024	46,064
2025	9,749	2025	35,314
2026 to 2030	40,743	2026 to 2030	147,579
	82,687		299,509

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2021

(In thousands of reais, unless otherwise stated)

15. Accounts payable for acquisitions

Acquisitions	Retatement Index/rate	Individual		Consolidated	
		09/30/2021	12/31/2020	09/30/2021	12/31/2020
Ribeirão Pires	CDI	23,637	23,059	23,637	23,059
IFOR	CDI	3,744	3,651	3,744	3,651
Alphamed	CDI	8,028	7,832	8,028	7,832
Salus	IPCA	-	-	-	5,612
Sator	SELIC	18,918	18,455	18,918	18,455
UDI	CDI	-	-	35,387	34,521
São Rafael	SELIC	-	-	127,107	111,697
Richet	CDI	-	-	8,305	8,102
Samer	CDI	-	-	8,782	8,567
Hospital Rio Mar	IPCA	-	-	70,064	67,009
Hospital São Lucas	CDI	-	-	44,488	43,400
Hospital Perinatal	IPCA	28,110	40,925	28,110	40,925
OncoCentro	CDI	-	-	6,927	8,447
Hospital São Carlos	CDI	-	-	4,777	-
Clivale	CDI	-	-	5,141	6,519
Cárdio Pulmonar	CDI	-	-	18,233	20,012
Clínica São Lucas	CDI	-	-	23,668	24,093
Compra de ações em tesouraria pela GGSH	CDI	-	-	68,777	59,715
Hospital Antônio Afonso	CDI	-	-	4,090	-
Hospital Guaianases	CDI	-	-	35,744	-
Hospital América	CDI	-	-	10,150	-
Hospital Serra Mayor	CDI	-	-	9,137	-
Hospital Balbino	CDI	-	-	6,854	-
Proncor	CDI	-	-	6,435	-
Hospital Santa Emília	CDI	-	-	10,000	-
Other	CDI/IPCA	1,198	1,174	19,322	22,998
		83,635	95,096	605,825	514,614
Current		52,408	27,690	182,842	58,367
Noncurrent		31,227	67,406	422,983	456,247

Accounts payable for acquisition of companies refer to the remaining balance of the considerations relating to acquisitions. At September 30, 2021, the aging list of noncurrent balances is as follows:

09/30/2021			
Individual		Consolidated	
Year	Amount	Year	Amount
2022	8,694	2022	82,101
2023	22,333	2023	37,318
2024	-	2024	85,805
2025	-	2025	63,521
2026 to 2029	200	2026 to 2029	154,238
	31,227		422,983

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2021

(In thousands of reais, unless otherwise stated)

16. Provision for contingencies and judicial deposits

The Company and its subsidiaries are parties to various tax, civil and labor claims. The judicial deposits made will only be released in the event that a favorable decision is handed down to the Company. Based on the opinion of its internal and external legal advisors, management set up a provision for losses deemed sufficient to cover probable losses, as follows:

	Individual			
	09/30/2021		12/31/2020	
	Provision for contingencies	Judicial deposits	Provision for contingencies	Judicial deposits
Tax and social security	32,311	(187,481)	33,741	(141,825)
Labor	80,534	(22,643)	62,188	(22,332)
Civil	50,271	(8,953)	44,551	(8,421)
	163,116	(219,077)	140,480	(172,578)
	Consolidated			
	09/30/2021		12/31/2020	
	Provision for contingencies	Judicial deposits	Provision for contingencies	Judicial deposits
Tax and social security	146,265	(297,023)	144,214	(234,209)
Labor	132,514	(30,520)	102,574	(29,550)
Civil	80,930	(13,455)	73,075	(13,136)
	359,709	(340,998)	319,863	(276,895)

16.1. Proceedings assessed as probable loss

Changes in provisions for contingencies for the periods ended September 30, 2021 and 2020 were as follows:

	Individual			
	Tax and social security	Labor	Civil	Total
Balances at December 31, 2019	35,374	60,457	43,918	139,749
Additions, net of reversals	3,558	(15,712)	(12,154)	-
Payments	-	(2,175)	(440)	(2,615)
Balances at September 30, 2020	31,816	73,994	31,324	137,134
Balances at December 31, 2020	33,741	62,188	44,551	140,480
Additions, net of reversals	(1,952)	18,509	4,602	21,159
Monetary restatement	840	1,532	1,119	3,491
Payments	(318)	(1,695)	(1)	(2,014)
Balances at September 30, 2021	32,311	80,534	50,271	163,116

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2021
(In thousands of reais, unless otherwise stated)

16. Provision for contingencies and judicial deposits (Continued)

16.1. Proceedings assessed as probable loss (Continued)

	Consolidated			
	Tax and social security	Labor	Civil	Total
Balances at December 31, 2019	71,838	95,859	59,812	227,509
Additions, net of reversals	(3,873)	19,894	(16,021)	-
Payments	-	(2,352)	(497)	(2,849)
Additions from acquisitions (*)	56,053	23,713	1,492	81,258
Balances at September 30, 2020	124,018	137,114	44,786	305,918
Balances at December 31, 2020	144,214	102,574	73,075	319,863
Additions, net of reversals	(7,706)	26,087	2,512	20,893
Monetary restatement	3,606	2,526	1,832	7,964
Payments	(566)	(2,893)	(58)	(3,517)
Additions from acquisitions (*)	6,717	4,220	3,569	14,506
Balances at September 30, 2021	146,265	132,514	80,930	359,709

(*) Additions related to acquisitions carried out in the respective years, as described in Note 3.

Tax proceedings arise mainly from challenges of State VAT (ICMS) on imports of medical equipment, Service Tax (ISS) payable based on a different tax rate, and of Federal VAT (IPI) on imports.

Labor claims are largely derived from overtime payment, 13th salary, resignation notice, vacation pay and Unemployment Compensation Fund (FGTS).

Civil and administrative proceedings refer to compensation for alleged pain and suffering and property damages.

Considering the complexities of the lawsuits, as well as of the Brazilian legal system, the Company does not estimate with reasonable accuracy the disbursement term to settle these legal proceedings.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2021
(In thousands of reais, unless otherwise stated)

16. Provision for contingencies and judicial deposits (Continued)

16.2. Proceedings assessed as possible loss

The proceedings assessed as possible loss by the Company and its outside legal advisors, for which no provisions have been recorded, are summarized as follows:

	Individual		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Tax and social security (a)	1,390,870	1,360,201	1,566,790	1,481,027
Labor (b)	157,053	152,750	209,002	196,521
Civil (c)	235,776	194,355	367,002	250,973
	1,783,699	1,707,306	2,142,794	1,928,521

(a) The significant challenges refer to administrative proceedings amounting to R\$1.1 billion, of which R\$779 million refer to notices served in 2016 and 2017, and R\$313 million refer to notices served in early 2018. These challenges derive mostly from allegations of the Brazilian Internal Revenue Service (RFB) that certain doctors who render services in hospitals through legal entities would be effectively Company employees. Therefore, the Brazilian tax authorities assessed the Company demanding the payment of the Social Security Tax (INSS). The Company is currently challenging such allegations.

In addition, the Company is a party to various tax proceedings involving PIS, COFINS, ISS and Real Estate Tax (IPTU). There are no individually significant proceedings.

(b) Proceedings largely derived from overtime payment, 13th monthly salary, resignation notice, vacation pay and Unemployment Compensation Fund (FGTS). There are no individually significant proceedings.

(c) Proceedings related to compensation for alleged property and pain and suffering damages. There are no individually significant proceedings.

Considering the complexities of the lawsuits, as well as of the Brazilian legal system, the Company cannot estimate with reasonable accuracy a timeframe for the judgment to take place and whether any amounts will be disbursed in connection with these legal proceedings.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2021
(In thousands of reais, unless otherwise stated)

17. Leases

	Individual	
	09/30/2021	12/31/2020
Nominal value of future payments	4,906,306	4,892,285
Present value adjustment	(3,062,908)	(3,073,575)
	1,843,398	1,818,710
Current	265,304	347,037
Noncurrent	1,578,094	1,471,673
	Consolidated	
	09/30/2021	12/31/2020
Nominal value of future payments	9,041,789	8,946,330
Present value adjustment	(5,758,447)	(5,708,521)
	3,283,342	3,237,809
Current	319,458	415,472
Noncurrent	2,963,884	2,822,337

The liabilities were measured at the present value of the remaining lease payments discounted at the average rate of 15.17% at September 30, 2021.

At September 30, 2021, the maturity of noncurrent balances is as follows:

09/30/2021			
Individual		Consolidated	
Year	Amount	Year	Amount
2022	75,941	2022	137,487
2023	272,863	2023	496,826
2024	226,330	2024	413,649
2025	259,186	2025	425,200
2026 to 2055	743,774	2026 to 2055	1,490,722
	1,578,094		2,963,884

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2021
(In thousands of reais, unless otherwise stated)

18. Equity

a) Capital

The Company's capital is broken down as follows:

Shareholders	09/30/2021		12/31/2020	
	Number of shares	Equity interest	Number of shares	Equity interest
Controlling family (a)	1,014,928,801	50.48%	1,024,666,801	51.61%
Pacific Mezz PTE. Ltda. (b)	434,725,315	21.63%	463,186,853	23.33%
Carlyle Group (c)	169,520,664	8.43%	212,141,126	10.69%
Market	326,034,854	16.22%	214,360,164	10.80%
Other	65,157,521	3.24%	70,972,211	3.57%
Total common shares	2,010,367,155	100.00%	1,985,327,155	100.00%

(a) This represents equity interest directly held by the "Moll Family" (individuals) and by means of investment fund 'Delta FM&B Fundo Inv. em Participações'.

(b) This represents Singapore Sovereign Fund (GIC).

(c) Represented by funds HPT Fundo de Investimento em Participações, HPT II Fundo de Investimento em Participações, RDSL Investimento Secundário FIP, Fundo Brasil de Internacionalização de Empresas - FIP and Fundo Brasil de Internacionalização de Empresas - FIP II.

Subscribed and paid-in capital at September 30, 2021 amounts to R\$7,575,516 represented by 2,010,367,155 registered common no-par-value shares (at December 31, 2020 it amounted to R\$6,686,596 represented by 1,985,327,155 registered common no-par-value shares). As approved in the Company's Articles of Incorporation, the limit of authorized capital is up to 8 billion of shares (units).

Under the Company's Articles of Incorporation, each common share is entitled to a vote in the Company's general meetings.

On May 26, 2021, in connection with the subsequent IPO (follow-on), the Company issued 25,040,000 common shares, for the issue price of R\$71.00 (seventy-one reais), R\$888,920 as capital increase and R\$888,920 as capital reserve, as follows:

Capital at December 31, 2020	6,686,596
Share issue (i)	888,920
Balance at September 30, 2021	<u>7,575,516</u>

(i) According to the Board of Directors' Meeting approved on May 26, 2021.

With the subsequent offering of shares, share issue costs of R\$39,383 were recorded. Share issue costs refer to transaction costs, such as: expenses with preparation of prospectuses and reports, compensation for professional services of third parties (lawyers, auditors, consultants, investment bank professionals, brokers, etc.), fees and commissions as well as transfer costs.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2021

(In thousands of reais, unless otherwise stated)

18. Equity (Continued)

a) Capital (Continued)

The premium reserve on issue of shares derived substantially from capital contributions made (i) on March 31, 2015, by the former shareholder BTG Pactual Saúde Fundo de Investimento em Participações, in the amount of R\$600,000, of which R\$147,664 was recorded as capital increase and R\$452,336 as premium reserve on the subscription of shares; and (ii) on April 27, 2015, by HPT Participações S.A. (Carlyle Group investee), in the amount of R\$1,819,435, of which R\$181,943 for capital increase and R\$1,637,491 as premium reserve on the subscription of shares; and (iii) reduction of reserve through capitalization in the amount of R\$1,600,000.

b) Allocations of income

Changes in the balances of dividends and interest on equity payable in the periods ended September 30, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Balance payable at December 31	346,600	287,394
Allocation of dividends and interest on equity	2,654,091	204,013
Payment of dividends and interest on equity	(2,862,120)	(32,069)
Withholding Income Tax (IRRF)	(51,644)	(20,603)
Balance payable at September 30	86,927	<u>438,735</u>

The distribution and payment of dividends and interest on equity were approved at the Annual General Meeting.

c) Treasury shares

Changes in treasury shares are as follows:

	<u>2021</u>			<u>2020</u>		
	Number of shares (*)	Share value (in reais)	Total	Number of shares (*)	Share value (in reais)	Total
Balance at December 31	42,800,664	3.58	153,194	76,675,312	6.19	474,462
Acquisitions	-	-	-	-	-	-
Disposals	(3,886,744)	3.58	(13,912)	(33,714,648)	6.19	(208,694)
Balance at September 30	38,913,920	3.58	139,282	42,960,664	6.19	265,768

Shares purchased and sold substantially refer to the share-based payment plan, as described below.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2021
(In thousands of reais, unless otherwise stated)

18. Equity (Continued)

d) Share-based payment (Restricted shares)

Restricted Stock Option Plan

The plan establishes the terms and conditions for the granting of common shares issued by the Company, subject to certain restrictions, to managing officers, employees and service providers of the Company, or of other companies under its control.

The Company's Board of Directors approved the Restricted Stock Option Plan and established the conditions for the granting of the Company's common registered no-par-value shares to managing officers and employees.

The rights of beneficiaries in relation to restricted shares will only be fully vested whether they remain continuously linked to the Company or to an entity under its control, as the case may be, for a determined period, subject to the conditions for the release of stock trading restrictions, as defined by the Board of Directors, with specific conditions in case of termination.

The total of restricted shares delivered through the Restricted Stock Option Plan cannot exceed the maximum limit of 5% (five percent) of shares issued by the Company, which at June 30, 2021 was equivalent to a total of 100,518,358 shares.

In the nine-month period ended September 30, 2021, a total of 5,361,026 Restricted Shares was granted to the elected beneficiaries, referring exclusively to the Restricted Stock Option Plan, at the weighted average price of R\$15.17. All restricted shares already granted were transferred to the beneficiaries (vested immediately) on April 1, 2021, and there are no restricted shares already granted that are pending transfer.

Of the total shares mentioned above, for purposes of measuring shareholder dilution, the total amount of shares effectively transferred to beneficiaries under the Restricted Stock Option Plan was 3,886,744 shares, referring exclusively to the Restricted Stock Option Plan, in accordance with item 33E of Accounting Pronouncement CPC 10 - Share-Based Payment - 2020.

For the purpose of calculating the expenses to be appropriated, a cancellation rate of 6.25% was used, based on the average historical cancellations of the Company's plans.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2021
(In thousands of reais, unless otherwise stated)

18. Equity (Continued)

d) Share-based payment (restricted shares) (Continued)

Restricted Stock Option Plan (Continued)

Likewise prior plans, the restricted stock option plan was measured and recognized at fair values, using the Black, Scholes & Merton (1973) model according to Accounting Pronouncement CPC 10 - Share-Based Payment, whose significant assumptions are described below.

Grace period	Number of shares	Annual volatility	Risk/free rate	Weighted average of fair value of shares (in reais)	Vesting	Options canceled
05/29/2020 to 05/29/2027	46,591,300	26.36%	4.66%	7.45	Partially vested	-
04/01/2021 to 04/01/2028	5,361,026	28.81%	5.98%	25.50	Partially vested	-

The effects of the share-based payment plans, covering all granted and outstanding options, on equity and profit or loss for the year, are broken down as follows:

	Fair value of options per year	Effect on P&L for the year	Changes - RSU	Cumulative effect on equity
2011	1,457	1,457	-	1,457
2012	16,234	16,234	-	17,691
2013	20,656	20,656	-	38,347
2014	27,363	27,363	-	65,710
2015	51,949	51,949	-	117,659
2016	30,864	30,864	-	148,523
2017	32,599	32,599	-	181,122
2018	40,662	40,662	-	221,784
2019	40,656	40,656	-	262,440
2020	80,071	80,071	(80,071)	-
2021	89,948	89,948	(89,948)	-
2022	21,167			
2023	14,454			
2024	14,454			
2025	14,454			
2026	14,454			
2027	14,454			
	<u>525,896</u>			

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
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18. Equity (Continued)

e) Other comprehensive income

In the nine-month period ended September 30, 2021, the effects of the cash flow hedge taken out for debt hedging purposes were recognized as other comprehensive income, increasing equity for the period by R\$387,854, as described in Note 13.b.

19. Income and social contribution taxes

Income and social contribution tax expenses for the nine-month periods ended September 30, 2021 and 2020 are as follows:

	Individual		Consolidated	
	09/30/2021	09/30/2020	09/30/2021	09/30/2020
Deferred				
Income tax	90,826	126,566	125,502	171,747
Social contribution tax	32,622	45,564	45,038	61,787
	123,448	172,130	170,540	233,534
Current				
Income tax	(80,717)	-	(351,327)	(69,258)
Social contribution tax	(30,423)	-	(132,441)	(28,711)
	(111,140)	-	(483,768)	(97,969)
Income and social contribution tax expenses	12,308	172,130	(313,228)	135,565

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Notes to interim financial information (Continued)
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(In thousands of reais, unless otherwise stated)

19. Income and social contribution taxes (Continued)

Changes in deferred income and social contribution tax assets and liabilities for the nine-month period ended September 30, 2021 were as follows:

	Individual				Consolidated				
	12/31/2020	Additional benefits (expenses) recorded	Other comprehensive income	09/30/2021	12/31/2020	Additional benefits (expenses)	Other comprehensive income	Additions from business combinations	09/30/2021
Assets									
Tax losses	93,988	17,194	-	111,182	171,224	41,554	-	24,675	237,453
Social contribution tax losses	33,836	6,190	-	40,026	61,636	14,959	-	10,019	86,614
Allowance for expected credit losses and provision for disallowances	264,398	(25,738)	-	238,660	499,418	(2,994)	-	3,128	499,552
Provision for contingencies	47,764	7,695	-	55,459	102,999	14,407	-	1,077	118,483
Provision for bonus	667	11,103	-	11,770	2,676	7,441	-	960	11,077
Foreign exchange differences	193,175	22,709	-	215,884	193,175	23,924	-	-	217,099
Deferred gain on property sales	24,575	(1,000)	-	23,575	24,575	(1,000)	-	-	23,575
Amortization of right of use (IFRS 16)	108,900	46,240	-	155,140	157,717	85,419	-	388	243,524
PVA allocation (IFRS 16)	178,627	71,257	-	249,884	253,448	116,738	-	421	370,607
Cash flow hedge	25,516	(25,516)	-	-	36,349	(36,349)	-	-	-
D'Or Finance	-	38,156	-	38,156	-	38,156	-	-	38,156
Other provisions	17,279	2,583	-	19,862	-	2,943	-	1,037	3,980
Total deferred tax assets	988,725	170,873	-	1,159,598	1,503,217	305,198	-	41,705	1,850,120
Liabilities									
Differences between book balance and tax base of goodwill	(667,973)	(13,677)	-	(681,650)	(767,911)	(43,598)	-	-	(811,509)
Gain on acquisition in steps	(48,873)	-	-	(48,873)	(79,869)	-	-	-	(79,869)
Swap difference	(59,740)	(8,298)	-	(68,038)	(59,565)	(8,298)	-	-	(67,863)
Lease (IFRS 16)	(235,194)	(99,183)	-	(334,377)	(334,079)	(167,712)	-	(474)	(502,265)
D'Or Finance	(7,577)	7,577	-	-	(7,577)	7,577	-	-	-
Variable income investment	(40,776)	40,640	-	(136)	(40,776)	40,640	-	(845)	(981)
Deferred revenue	(1,333)	-	-	(1,333)	(6,268)	-	-	-	(6,268)
Cash flow hedge	-	25,516	(155,888)	(130,372)	-	36,349	(199,803)	-	(163,454)
Other provisions	-	-	-	-	(4,227)	384	-	14,608	10,765
Total deferred tax liabilities	(1,061,466)	(47,425)	(155,888)	(1,264,779)	(1,300,272)	(134,658)	(199,803)	13,289	(1,621,444)
Net effect - asset (liability)	(98,257)	123,448	-	25,191	166,596	170,540	-	54,994	392,130
Effect on equity	25,516	-	(155,888)	(130,372)	36,349	-	(199,803)	-	(163,454)
Assets as per statement of financial position	-	-	-	-	528,901	-	-	-	721,477
Liabilities as per statement of financial position	(72,741)	-	-	(105,181)	(325,956)	-	-	-	(492,801)

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19. Income and social contribution taxes (Continued)

	Individual				Consolidated				
	12/31/2019	Additional benefits (expenses) recorded	Other comprehensive income	09/30/2020	12/31/2019	Additional benefits (expenses)	Other comprehensive income	Additions from business combinations	09/30/2020
Assets									
Tax losses	-	159,691	-	159,691	34,249	199,616	-	7,283	241,148
Social contribution tax losses	-	57,489	-	57,489	12,325	71,862	-	2,169	86,356
Allowance for expected credit losses and provision for disallowances	312,139	(53,429)	-	258,710	505,059	(34,244)	-	3,629	474,444
Provision for contingencies	54,700	(8,074)	-	46,626	85,739	(8,268)	-	9,251	86,722
Provision for bonus	11,603	(10,936)	-	667	14,215	(11,539)	-	-	2,676
Foreign exchange differences	109,616	123,423	-	233,039	109,616	123,423	-	-	233,039
Deferred gain on property sales	24,575	(1,000)	-	23,575	24,575	(1,000)	-	-	23,575
Amortization of right of use (IFRS 16)	53,583	42,005	-	95,588	71,813	58,884	-	3,250	133,947
PVA allocation (IFRS 16)	91,911	66,269	-	158,180	121,452	92,479	-	1,410	215,341
Cash flow hedge	-	-	(10,651)	(10,651)	-	-	(6,953)	-	(6,953)
Other provisions	9,396	2,644	-	12,040	10,516	(225)	-	5,557	15,848
Total deferred tax assets	667,523	378,082	(10,651)	1,034,954	989,559	490,988	(6,953)	32,549	1,506,143
Liabilities									
Differences between book balance and tax base of goodwill	(616,599)	(41,705)	-	(658,304)	(693,697)	(58,835)	-	-	(752,532)
Gain on acquisition in steps	(48,873)	-	-	(48,873)	(69,499)	-	-	-	(69,499)
Swap difference	(55,750)	(37,893)	-	(93,643)	(55,750)	(34,084)	-	-	(89,834)
Lease (IFRS 16)	(113,031)	(90,316)	-	(203,347)	(148,571)	(128,497)	-	(2,586)	(279,654)
Variable income investment	-	(36,038)	-	(36,038)	-	(36,038)	-	-	(36,038)
Deferred revenue	-	-	-	-	(4,935)	-	-	-	(4,935)
Total deferred tax liabilities	(834,253)	(205,952)	-	(1,040,205)	(972,452)	(257,454)	-	(2,586)	(1,232,492)
Net effect - asset (liability)	(166,730)	172,130	-	5,400	17,107	233,534	-	29,963	280,604
Effect on equity	-	-	(10,651)	(10,651)	-	-	(6,953)	-	(6,953)
Assets as per statement of financial position	-	-	-	53,397	318,655	-	-	-	517,150
Liabilities as per statement of financial position	(166,730)	-	-	(58,648)	(301,548)	-	-	-	(243,499)

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Notes to interim financial statements (Continued)
September 30, 2021
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19. Income and social contribution taxes (Continued)

The reconciliation of income and social contribution taxes to the amount determined at the statutory rate as at September 30, 2021 and 2020 is as follows:

	Individual		Consolidated	
	09/30/2021	09/30/2020	09/30/2021	09/30/2020
Income/loss before income and social contribution taxes	1,156,593	(22,331)	1,571,511	20,936
Income and social contribution tax credit (expense) at statutory rates	393,242	(7,593)	534,314	7,118
Adjustments to determine the effective rate:				
Equity pickup, net of any gains earned abroad	(120,015)	(54,244)	(6,579)	5,006
Share-based payment (stock options and restricted shares)	-	(108,124)	-	(108,124)
Interest on equity	(160,083)	(68,703)	(160,083)	(68,703)
Other	(125,452)	66,534	(54,424)	29,138
Expenses (credit) recorded in the statement of profit or loss	(12,308)	(172,130)	313,228	(135,565)

Accumulated income and social contribution tax losses may be carried indefinitely; however, offsetting is limited to 30% of taxable profit generated in each fiscal year.

The Company expects that deferred tax credits over its tax loss carryforwards will be realized within 1 or 2 years. Management expects that other temporary differences will be realized between 1 and 5 years, except for deferred gain on property sales, the realization of which will take place during the lease agreement term.

20. Net revenue

	Individual		Consolidated	
	09/30/2021	09/30/2020	09/30/2021	09/30/2020
Gross revenue	8,839,925	6,255,635	17,088,065	11,093,451
Deductions from revenue				
Cancellations and rebates	(382,953)	(288,760)	(844,103)	(594,621)
Taxes on revenues	(491,345)	(350,185)	(997,632)	(637,686)
Net revenue from hospital services	7,965,627	5,616,690	15,246,330	9,861,144

The Company has no revenues arising from customers outside Brazil.

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21. Costs of services rendered

	Individual		Consolidated	
	09/30/2021	09/30/2020	09/30/2021	09/30/2020
Personnel	(2,001,855)	(1,855,676)	(4,098,192)	(3,410,539)
Materials and medicines	(1,770,420)	(1,197,192)	(3,760,139)	(2,350,969)
Third-party services	(1,160,864)	(931,822)	(2,544,006)	(1,777,020)
Utilities and services	(122,435)	(114,600)	(253,815)	(211,180)
Rent	(2,619)	(169)	(49,074)	(9,335)
Depreciation and amortization	(430,024)	(344,912)	(798,792)	(558,596)
	(5,488,217)	(4,444,371)	(11,504,018)	(8,317,639)

22. General and administrative expenses

	Individual		Consolidated	
	09/30/2021	09/30/2020	09/30/2021	09/30/2020
Personnel	(477,323)	(441,539)	(477,323)	(441,539)
Third-party services	(76,882)	(59,008)	(76,882)	(59,008)
Travel and lodging	(19,009)	(18,778)	(32,030)	(28,237)
Depreciation and amortization	(92,494)	(75,421)	(92,494)	(75,421)
Provision for contingencies	(21,159)	-	(20,893)	-
	(686,867)	(594,746)	(699,622)	(604,205)

23. Selling expenses

	Individual		Consolidated	
	09/30/2021	09/30/2020	09/30/2021	09/30/2020
Marketing	(11,291)	(11,527)	(21,644)	(15,281)
	(11,291)	(11,527)	(21,644)	(15,281)

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24. Other operating expenses, net

	Individual		Consolidated	
	09/30/2021	09/30/2020	09/30/2021	09/30/2020
Taxes, charges and penalties	(39,461)	(35,500)	(72,408)	(58,386)
Gain on property sales	2,940	2,940	2,940	2,940
Machinery and equipment	(8,329)	(7,027)	(20,934)	(16,292)
Freight expenses	(25,042)	(15,226)	(36,170)	(21,029)
Notary and court fees	(24,246)	(13,375)	(30,568)	(18,014)
Advisory expenses	-	(10,025)	(34,554)	(21,831)
Other revenues and expenses (a)	(70,224)	(41,728)	(104,457)	24,105
	(164,362)	(119,941)	(296,151)	(108,507)

(a) In this account, the remeasurement of the contingent consideration referring to the acquisition of São Rafael was recorded, resulting from the change in management's estimate, in the amount of R\$76,497.

25. Finance income (costs), net

Finance income (costs) for the nine-month periods ended September 30, 2021 and 2020 are broken down as follows:

	Individual		Consolidated	
	09/30/2021	09/30/2020	09/30/2021	09/30/2020
Short-term investment yield	292,906	214,511	324,710	267,274
Foreign exchange differences, net	(50,770)	(421,098)	(361,340)	(2,277,643)
Fair value of debt	1,442,376	346,716	888,418	(479,978)
Derivatives' fair value (swaps)	(1,275,273)	138,422	(538,180)	2,777,649
Interest and monetary variations on financing and debentures	(855,159)	(690,055)	(913,053)	(716,189)
Taxes on finance income (costs)	(19,717)	(16,585)	(23,723)	(19,832)
Interest on lease liability	(209,581)	(194,908)	(302,024)	(282,130)
Other	(136,064)	(60,942)	(247,541)	(78,450)
	(811,282)	(683,939)	(1,172,733)	(809,299)
Total finance income	1,145,355	1,599,846	4,399,957	6,305,079
Total finance costs	(1,956,637)	(2,283,785)	(5,572,690)	(7,114,378)
	(811,282)	(683,939)	(1,172,733)	(809,299)

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Notes to interim financial statements (Continued)
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26. Earnings per share

a) Basic

Basic earnings per share are calculated by dividing the profit attributable to the Company's controlling interests by the weighted average number of common and preferred shares issued over the period, excluding common shares purchased by the Company and held as treasury shares.

	<u>09/30/2021</u>	<u>09/30/2020</u>
Income attributable to the Company's controlling interests	1,168,901	149,799
Weighted average number of common shares issued (in thousands)	1,971,453	1,796,689
Basic earnings per share (R\$)	<u>0.5929</u>	<u>0.0834</u>

b) Diluted

Diluted earnings per share are calculated by adjusting the weighted average number of outstanding common and preferred shares assuming the conversion of all the potentially dilutive common shares.

	<u>09/30/2021</u>	<u>09/30/2020</u>
Income attributable to the Company's controlling interests	1,168,901	149,799
Weighted average number of common shares issued, including dilution factors (thousands)	1,977,013	1,803,309
Diluted earnings per share (in R\$)	<u>0.5912</u>	<u>0.0831</u>

27. Financial instruments and financial risk management

27.1. Financial instruments by category

Fair value hierarchy

The financial instruments recognized at fair value may be measured at levels from 1 to 3, based on the fair value measurement, as follows:

Level 1: fair value measurement is derived from quoted (unadjusted) prices in active markets for identical assets or liabilities;

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Notes to interim financial statements (Continued)

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27. Financial instruments and financial risk management (Continued)

27.1. Financial instruments by category (Continued)

Fair value hierarchy (Continued)

Level 2: fair value measurement is derived from other inputs quoted included in Level 1, which are quoted through an asset or liability directly (i.e. as the prices) or indirectly (i.e. derivative of prices);

Level 3: inputs for the asset or liability that are not based on observable market data.

The following tables present breakdown of financial assets and liabilities at September 30, 2021 and December 31, 2020:

		Individual		
Financial assets	Classification by category	Fair value hierarchy	Book balance	
			09/30/2021	12/31/2020
Cash and cash equivalents	Fair value through profit or loss	Level 2	29,307	22,091
Marketable securities (shares)	Fair value through profit or loss	Level 1	19,307	382,020
Marketable securities	Fair value through profit or loss	Level 2	11,322,348	12,207,966
Accounts receivable	Amortized cost		3,460,831	2,804,200
Dividends receivable	Amortized cost		102,333	131,229
Judicial deposits	Amortized cost		219,077	172,578
Derivatives	Fair value through profit or loss and other comprehensive income	Level 2	658,507	721,579
			15,811,710	16,441,663
		Individual		
Financial liabilities	Classification by category	Fair value hierarchy	Book balance	
			09/30/2021	12/31/2020
Trade accounts payable	Amortized cost		486,054	321,103
Loans, financing and debentures	Amortized cost (a)	Level 2	20,966,234	17,188,753
Salaries, provisions and social charges	Amortized cost		496,253	364,450
Accounts payable for acquisitions	Amortized cost		83,635	95,096
Derivatives	Fair value through profit or loss and other comprehensive income	Level 2	1,100,113	215,995
			23,132,289	18,185,397

- (a) The debt portion recorded as hedge accounting (fair value hedge) is measured at fair value through profit or loss and at September 30, 2021 totalled R\$6,841,787 (R\$6,745,853 at December 31, 2020). The debt portion recorded as hedge accounting (cash flow hedge) is measured at fair value through other comprehensive income and at September 30, 2021 totalled R\$2,899,121 (R\$2,873,206 at December 31, 2020).

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Notes to interim financial statements (Continued)
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27. Financial instruments and financial risk management (Continued)

27.1. Financial instruments by category (Continued)

Fair value hierarchy (Continued)

Consolidated				
Financial assets	Classification by category	Fair value hierarchy	Book balance	
			09/30/2021	12/31/2020
Cash and cash equivalents	Fair value through profit or loss	Level 2	201,754	146,884
Marketable securities (shares)	Fair value through profit or loss	Level 1	19,307	382,020
Marketable securities	Fair value through profit or loss	Level 2	12,960,680	15,198,354
Accounts receivable	Amortized cost		7,113,894	5,163,870
Judicial deposits	Amortized cost		340,998	276,895
Derivatives	Fair value through profit or loss and other comprehensive income	Level 2	3,929,436	3,009,971
			24,566,069	24,177,994

Consolidated				
Financial liabilities	Classification by category	Fair value hierarchy	Book balance	
			09/30/2021	12/31/2020
Trade accounts payable	Amortized cost		1,107,508	846,883
Loans, financing and debentures	Amortized cost (a)	Level 2	26,930,935	23,938,537
Salaries, provisions and social charges	Amortized cost		953,434	671,164
Accounts payable for acquisitions	Fair value through profit or loss		605,825	514,614
Derivatives	Fair value through profit or loss and other comprehensive income	Level 2	1,232,331	412,478
			30,830,033	26,383,676

- (a) The debt portion recorded as hedge accounting (fair value hedge) is measured at fair value through profit or loss and at September 30, 2021 totalled R\$9,777,691 (R\$8,780,536 at December 31, 2020). The debt portion recorded as hedge accounting (cash flow hedge) is measured at fair value through other comprehensive income and at September 30, 2021 totalled R\$3,909,977 (R\$3,867,875 at December 31, 2020).

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

27.2. Risk management

The Company's financial transactions are conducted by the financial function in accordance with the strategy previously approved by the Executive Board and shareholders. The Company's risk management strategies and the corresponding effects on the individual and consolidated interim financial information can be summarized as follows:

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Notes to interim financial statements (Continued)
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27. Financial instruments and financial risk management (Continued)

27.2. Risk management (Continued)

a) Capital management

The main purpose of capital management is to ensure the Company's ability to continue as a going concern and maximize return to shareholders.

The Company uses own and third-party capital to finance its activities, and the use of third-party capital seeks to optimize its capital structure. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions. At September 30, 2021 and December 31, 2020, the Company has the following capital structure:

	Individual		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Cash and cash equivalents	29,307	22,091	201,754	146,884
Marketable securities	11,341,655	12,589,986	12,979,987	15,580,374
	11,370,962	12,612,077	13,181,741	15,727,258
Loans, financing and debentures	(20,966,234)	(17,188,753)	(26,930,935)	(23,938,537)
Derivatives	(441,606)	505,584	2,697,105	2,597,493
Cash flow hedge	(383,446)	75,047	(480,750)	106,907
Net debt (a)	(10,420,324)	(3,996,045)	(11,532,839)	(5,506,879)
Total equity	14,285,125	13,613,122	14,766,447	14,002,182
Total net debt and equity	3,864,801	9,617,077	3,233,608	8,495,303
Financial leverage ratio	0.73	0.29	0.78	0.39

(a) The net debt corresponds to the sum of the balances of loans, financing and debentures, derivative financial instruments, net (current and noncurrent) plus the cash flow hedge effect of other comprehensive income (the Company has swaps accounted for in accordance with accounting for fair value and cash flow hedges, for the purposes of hedging the Company against fluctuations in foreign currency and interest rates, respectively) deducted of the balance of cash and cash equivalents and marketable securities.

b) Interest rate risk

The Company has loans, financing and debentures in local currency subject particularly to the fluctuation of the CDI, IPCA and Long-term Interest Rate (TJLP). The risk inherent to these liabilities arises from the possibility of fluctuations in these rates that impact the Company's cash flows.

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Notes to interim financial statements (Continued)
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27. Financial instruments and financial risk management (Continued)

27.2. Risk management (Continued)

b) Interest rate risk (Continued)

The sensitivity analysis about interest on loans, financing and debentures considered as probable scenario (Scenario I) the referential rates obtained with BM&FBOVESPA at September 30, 2021, and Scenarios II and III take into consideration rate increase by 25% and 50%, respectively. The results, in nominal values, are as follows:

Scenarios	Scenario I current	Scenario II +25%	Scenario III +50%
CDI rate (p.a.)	6.15%	7.69%	9.23%
IPCA rate (p.a.)	10.25%	12.81%	15.38%
Projected interest expenses (in millions)	7,590	9,024	10,458

c) Credit risk

Credit risk is the risk that a counterparty to a business arrangement will not meet its obligations under a financial instrument or contract with a customer, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily regarding trade accounts receivable) and from its financing activities, including deposits in banks and financial institutions, exchange transactions and other financial instruments. In the case of identification of imminent risk of non-realization of these assets, the Company records provisions to bring them to their probable realizable value.

d) Liquidity risk

Liquidity risk is the risk of cash shortage and difficulty of the Company in paying its debts. The Company seeks to align the maturity of its debts with the cash generation period to avoid any mismatch and generate the need for greater leverage.

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Notes to interim financial statements (Continued)

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27. Financial instruments and financial risk management (Continued)

27.2. Risk management (Continued)

d) Liquidity risk (Continued)

The amounts disclosed below are projected considering inflation and interest through to maturity.

	Individual - 09/30/2021					Total financial liabilities
	Within 6 months	From 6 months to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	
Trade accounts payable	486,054	-	-	-	-	486,054
Loans, financing and debentures	322,498	840,804	2,992,809	6,238,329	14,789,338	25,183,778
Salaries, provisions and social charges	496,253	-	-	-	-	496,253
Accounts payable for acquisitions	34,409	18,851	33,251	235	-	86,746
Derivatives	(22,135)	(88,691)	(217,287)	(74,464)	1,158,366	755,789
	1,317,079	770,964	2,808,773	6,164,100	15,947,704	27,008,620
	Consolidated – 09/30/2021					Total financial liabilities
	Within 6 months	From 6 months to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	
Trade accounts payable	1,107,508	-	-	-	-	1,107,508
Loans, financing and debentures	486,574	1,018,009	3,311,008	6,995,163	20,697,875	32,508,629
Salaries, provisions and social charges	953,434	-	-	-	-	953,434
Accounts payable for acquisitions	158,487	25,877	123,569	199,023	173,834	680,790
Derivatives	(96,190)	(136,831)	(289,263)	(140,947)	9,376,005	8,712,774
	2,609,813	907,055	3,145,314	7,053,239	30,247,714	43,963,135

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Notes to interim financial statements (Continued)
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27. Financial instruments and financial risk management (Continued)

27.2. Risk management (Continued)

d) Liquidity risk (Continued)

	Individual - 12/31/2020					Total financial liabilities
	Within 6 months	From 6 months to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	
Trade accounts payable	321,103	-	-	-	-	321,103
Loans, financing and debentures	375,174	12,449	1,134,140	9,147,981	9,101,983	19,771,727
Salaries, provisions and social charges	364,450	-	-	-	-	364,450
Accounts payable for acquisitions	24,054	3,766	47,301	25,255	238	100,614
Derivatives	67,152	70,701	65,506	12,636	-	215,995
	<u>1,151,933</u>	<u>86,916</u>	<u>1,246,947</u>	<u>9,185,872</u>	<u>9,102,221</u>	<u>20,773,889</u>
	Consolidated – 12/31/2020					Total financial liabilities
	Within 6 months	From 6 months to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	
Trade accounts payable	846,883	-	-	-	-	846,883
Loans, financing and debentures	520,106	147,957	1,765,554	10,747,864	14,418,537	27,600,018
Salaries, provisions and social charges	671,164	-	-	-	-	671,164
Accounts payable for acquisitions	47,090	11,679	207,030	194,664	104,537	565,000
Derivatives	35,854	24,770	93,341	23,529	234,984	412,478
	<u>2,121,097</u>	<u>184,406</u>	<u>2,065,925</u>	<u>10,966,057</u>	<u>14,758,058</u>	<u>30,095,543</u>

e) Foreign currency

The Company has loans and financing and trade accounts payable in foreign currency (mainly the US dollar). The risk related to these assets and liabilities arises from the possibility of incurring losses due to fluctuations in exchange rates. Liabilities in foreign currency represent 34.8% of total gross debt at September 30, 2021 (39.6% at December 31, 2020). The Company has derivative financial instruments to hedge loans and financing against foreign exchange rate fluctuation (see topic below). Management understands that the risk of exposure to foreign currency is not significant in relation to its financial position.

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Notes to interim financial statements (Continued)
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27. Financial instruments and financial risk management (Continued)

27.2. Risk management (Continued)

f) Derivatives

At September 30, 2021, the Company has swaps recorded based on fair value and cash flow hedge accounting, in order to hedge the Company against fluctuations in foreign currency and interest rate, respectively. The swaps Exchange: (i) the flow of interest and principal in foreign currency for Brazilian reais plus a percentage of CDI or CDI + spread; (ii) floating interest rate for fixed interest rate; and (iii) inflation rate IPCA + spread for CDI + spread.

The fair value of those instruments at the reporting date is as follows:

Description	Maturity ranges month/year	Reference value (notional)	Individual	
			09/30/2021	12/31/2020
			Fair value	
Swap (currency)	11/21/2023			
Long position	USD Libor + 0.46%	US\$ 80,050		
Short position	109% of CDI	R\$ 435,423	132,204	112,166
Swap (currency)	01/18/2028			
Long position	BRL Fixed rate 11.82%	R\$ 1,634,663		
Short position	CDI + 2.01%	R\$ 1,634,663	(34,838)	427,449
Swap (currency)	04/03/2023			
Long position	USD/BRL Fixed rate (2.5647%)	US\$ -		
Short position	CDI + 1.66%	R\$ -	-	(692)
Swap (currency)	07/03/2023			
Long position	USD/BRL Fixed rate (2.3059%)	US\$ -		
Short position	CDI + 1.3230%	R\$ -	-	(451)
Swap (currency)	01/22/2030			
Long position	BRL Fixed rate (8.80%)	R\$ 2,135,109		
Short position	CDI + 2.125%	R\$ 2,135,109	(505,476)	70,679
Swap (currency)	01/22/2030			
Long position	BRL Fixed rate (8.65%)	R\$ 1,116,094		
Short position	CDI + 2.40%	R\$ 1,116,094	(304,119)	(5,092)
Swap (currency)	06/20/2029			
Long position	CDI + 0.79%	R\$ 1,015,654		
Short position	BRL Fixed rate (7.71%)	R\$ 1,015,654	191,419	(16,907)
Swap (currency)	09/10/2024			
Long position	CDI + 1.02%	R\$ 1,404,967		
Short position	BRL Fixed rate (7.275%)	R\$ 1,404,967	127,874	(64,476)
Swap (currency)	10/26/2026			
Long position	106.0% of the CDI	R\$ 509,786		
Short position	BRL Fixed rate (6.765%)	R\$ 509,786	53,013	(17,092)
Swap (currency)	06/30/2025			
Long position	EUR/BRL + 1.0366%	EUR€ 67,431		
Short position	CDI + 1.35%	R\$ 424,700	20,698	-

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Notes to interim financial statements (Continued)
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27. Financial instruments and financial risk management (Continued)

27.2. Risk management (Continued)

f) Derivatives

Description	Maturity ranges month/year	Reference value (notional)	Individual	
			09/30/2021	12/31/2020
			Fair value	
Swap (currency)	07/01/2025			
Long position	USD/BRL + 1.8588%	US\$ 100,399		
Short position	CDI + 1.3230%	R\$ 546,112	1,489	-
Swap (currency)	05/15/2036			
Long position	IPCA + 4.9347%	R\$ 1,530,035		
Short position	CDI + 1.35%	R\$ 1,530,035	(123,870)	-
Current assets position			80,352	266,355
Noncurrent assets position			578,155	455,224
Current liabilities position			(184,609)	(128,027)
Noncurrent liabilities position			(915,504)	(87,968)
Effect on profit or loss for the year (fair value of derivatives - swaps)			(1,275,273)	420,734
Effect on equity for the period (fair value of derivatives - swaps)			458,493	(75,047)

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Notes to interim financial statements (Continued)

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27. Financial instruments and financial risk management (Continued)

27.2. Risk management (Continued)

f) Derivatives (Continued)

Description	Maturity ranges month/year	Reference value (notional)	Consolidated	
			09/30/2021	12/31/2020
			Fair value	
Swap (currency)	11/21/2023			
Long position	USD/BRL Libor + 0.46%	US\$ 80,050		
Short position	109% of the CDI	R\$ 435,423	132,204	112,166
Swap (currency)	01/18/2028			
Long position	USD/BRL Fixed rate (4.95%)	US\$ 505,019		
Short position	BRL Fixed rate (11.82%)	R\$ 2,746,999	1,408,722	1,052,092
Swap (interest)	01/18/2028			
Long position	BRL Fixed rate (11.82%)	R\$ 1,634,663		
Short position	CDI + 2.01%	R\$ 1,634,663	(34,838)	427,449
Swap (currency)	04/03/2023			
Long position	USD/BRL Fixed rate (2.5647%)	US\$ -		
Short position	CDI + 1.66%	R\$ -	-	(692)
Swap (currency)	07/03/2023			
Long position	USD/BRL Fixed rate (2.3059%)	US\$ -		
Short position	CDI + 1.3230%	R\$ -	-	(451)
Swap (currency)	01/22/2030			
Long position	BRL Fixed rate (8.80%)	R\$ 2,135,109		
Short position	CDI + 2.125%	R\$ 2,135,109	(505,476)	70,679
Swap (currency)	01/22/2030			
Long position	BRL Fixed rate (8.65%)	R\$ 1,116,094		
Short position	CDI + 2.40%	R\$ 1,116,094	(304,119)	(5,092)
Swap (currency)	06/20/2029			
Long position	CDI + 0.79%	R\$ 1,015,654		
Short position	BRL Fixed rate (7.71%)	R\$ 1,015,654	191,419	(16,907)
Swap (currency)	09/10/2024			
Long position	CDI + 1.02%	R\$ 1,404,967		
Short position	BRL Fixed rate (7.275%)	R\$ 1,404,967	127,874	(64,476)
Swap (currency)	10/26/2026			
Long position	106.0% of the CDI	R\$ 509,786		
Short position	BRL Fixed rate (6.765%)	R\$ 509,786	53,013	(17,092)
Swap (currency)	01/22/2030			
Long position	USD/BRL Fixed rate (4.525%)	US\$ 504,250		
Short position	BRL Fixed rate (8.80%)	R\$ 2,742,817	1,128,153	750,326
Swap (currency)	01/22/2030			
Long position	USD/BRL Fixed rate (4.51%)	US\$ 252,125		
Short position	BRL Fixed rate (8.65%)	R\$ 1,371,409	508,621	321,865
Swap (currency)	12/29/2025			
Long position	CDI + 1.27%/1.75%	R\$ 1,015,959		
Short position	BRL Fixed rate (7.752%)	R\$ 1,015,959	93,215	(32,374)

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Notes to interim financial statements (Continued)
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27. Financial instruments and financial risk management (Continued)

27.2. Risk management (Continued)

f) Derivatives (Continued)

Description	Maturity ranges month/year	Reference value (notional)	Consolidated	
			09/30/2021	12/31/2020
			Fair value	
Swap (currency)	06/30/2025			
Long position	EUR/BRL + 1.0366%	EUR€	67,431	
Short position	CDI + 1.35%	R\$	424,700	20,698
				-
Swap (currency)	07/01/2025			
Long position	USD/BRL + 1.8588%	US\$	100,399	
Short position	CDI + 1.3230%	R\$	546,112	1,489
				-
Swap (interest)	05/15/2036			
Long position	IPCA + 4.9347%	R\$	1,530,035	
Short position	CDI + 1.35%	R\$	1,530,035	(123,870)
				-
Current assets position			98,150	266,355
Noncurrent assets position			3,831,286	2,743,616
Current liabilities position			(316,827)	(324,510)
Noncurrent liabilities position			(915,504)	(87,968)
Effect on profit or loss for the year (fair value of derivatives - swaps)			(538,180)	2,226,061
Effect on equity for the period (fair value of derivatives - swaps)			587,657	(106,907)

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Notes to interim financial statements (Continued)
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27. Financial instruments and financial risk management (Continued)

27.2. Risk management (Continued)

f) Derivatives (Continued)

Given the changes in market rates, these amounts may suffer changes as well as early settlement or maturity of the transactions.

For derivative financial instruments, the Company considers as probable scenario +5% (Scenario I) future exchange rates of the Brazilian real in relation to the US dollar, the euro, the IPCA inflation and future ID interest rate, obtained from BM&FBOVESPA at their maturities, calculated based on the nominal amount of the agreement.

The Company adopted the scenarios corresponding to -25% (Scenario II), -50% (Scenario III), +25% (Scenario IV) and +50% (Scenario V) in relation to the exchange rates and ID rates used to determine the probable scenario.

Debt - Citibank and JP Morgan	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
Exchange rate fluctuation	5%	(25%)	(50%)	25%	50%
Depreciation of US\$ (rate in R\$)	-	4.2835	2.8557	-	-
Appreciation of US\$ (rate in R\$)	5.7114	-	-	7.1392	8.5671
Effect on liabilities					
Loan 4131 - Citibank and JP Morgan	48,238	(241,190)	(482,379)	241,190	482,379
Effect on derivatives	(48,238)	241,190	482,379	(241,190)	(482,379)
Swap					
Net effect	-	-	-	-	-
Debt - Senior Notes I	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
Exchange rate fluctuation	5%	(25%)	(50%)	25%	50%
Depreciation of US\$ (rate in R\$)	-	4.2835	2.8557	-	-
Appreciation of US\$ (rate in R\$)	5.7114	-	-	7.1392	8.5671
Effect on liabilities					
Senior Notes	149,664	(748,318)	(1,496,636)	748,318	1,496,636
Effect on derivatives					
Swap	(149,664)	748,318	1,496,636	(748,318)	(1,496,636)
Net effect	-	-	-	-	-

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Notes to interim financial statements (Continued)
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27. Financial instruments and financial risk management (Continued)

27.2. Risk management (Continued)

f) Derivatives (Continued)

Debt - Senior Notes II	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
Exchange rate fluctuation	5%	(25%)	(50%)	25%	50%
Depreciation of US\$ (rate in R\$)	-	4.2835	2.8557	-	-
Appreciation of US\$ (rate in R\$)	5.7114	-	-	7.1392	8.5671
Effect on liabilities in US\$ Senior Notes II	199,407	(997,034)	(1,994,067)	997,034	1,994,067
Effect on derivatives Swap	(199,407)	997,034	1,994,067	(997,034)	(1,994,067)
Net effect	-	-	-	-	-
Debt - Debentures	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
Fluctuation in DI rate	5%	(25%)	(50%)	25%	50%
Depreciation of the DI rate	-	4.8432%	3.2288%	-	-
Appreciation of the DI rate	6.4576%	-	-	8.0720%	9.6864%
Effect on liabilities Debentures	12,135	(51,575)	(115,286)	75,846	139,556
Effect on derivatives Swap	(12,135)	51,575	115,286	(75,846)	(139,556)
Net effect	-	-	-	-	-
Debt - Debentures (CRI)	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
Fluctuation in IPCA rate	5%	(25%)	(50%)	25%	50%
Depreciation of the IPCA rate	-	8.0719%	5.3813%	-	-
Depreciation of the IPCA rate	10.7625%	-	-	13.4531%	16.1438%
Effect on liabilities Debentures	7,227	(30,713)	(68,653)	45,166	83,106
Effect on derivatives Swap	(7,227)	30,713	68,653	(45,166)	(83,106)
Net effect	-	-	-	-	-

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Notes to interim financial statements (Continued)
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27. Financial instruments and financial risk management (Continued)

27.2. Risk management (Continued)

f) Derivatives (Continued)

Debt - BofA	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
Exchange rate fluctuation	5%	(25%)	(50%)	25%	50%
Depreciation of EUR€ (rate in R\$)	-	4.9599	3.3066	-	-
Appreciation of EUR€ (rate in R\$)	6.6132	-	-	8.2665	9.9198
Effect on liabilities					
Loan 4131 - BofA	21,073	(105,363)	(210,725)	105,363	210,725
Effect on derivatives					
Swap	(21,073)	105,363	210,725	(105,363)	(210,725)
Net effect	-	-	-	-	-

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Notes to interim financial information (Continued)
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27. Financial instruments and financial risk management (Continued)

27.3. Changes in liabilities from financing activities

Individual										
Individual	12/31/2020	Loans, financing and debentures taken out	Interest, monetary variations and foreign exchange differences, net	Payment of acquisitions and principal	Payment of interest	Fair value of debt	Allocation of dividends and interest on equity	Payment of dividends and interest on equity	Other	09/30/2021
Loans, financing, debentures and leases	19,007,463	5,900,520	1,155,190	(1,136,539)	(709,236)	(1,442,376)	-	-	34,610	22,809,632
Accounts payable for acquisitions	95,096	-	2,057	(12,091)	-	-	-	-	(1,427)	83,635
Derivatives	215,995	-	884,118	-	-	-	-	-	-	1,100,113
Dividends and interest on equity payable	343,870	-	-	-	-	-	2,578,523	(2,784,800)	(51,644)	85,949
	19,662,424	5,900,520	2,041,365	(1,148,630)	(709,236)	(1,442,376)	2,578,523	(2,784,800)	(18,461)	24,079,329
Current	1,233,817									1,713,636
Noncurrent	18,428,607									22,365,693

Individual										
Individual	12/31/2019	Loans, financing and debentures taken out	Interest, monetary variations and foreign exchange differences, net	Payment of acquisitions and principal	Payment of interest	Fair value of debt	Allocation of dividends and interest on equity	Payment of dividends and interest on equity	Other	09/30/2020
Loans, financing, debentures and leases (a)	14,997,640	4,122,448	1,824,966	(1,459,264)	(616,078)	(346,716)	-	-	125,442	18,648,438
Accounts payable for acquisitions	64,638	40,000	2,213	(2,420)	-	-	-	-	-	104,431
Derivatives	5,591	-	40,173	429,651	-	-	-	-	-	475,415
Dividends and interest on equity payable	264,527	-	-	-	-	-	195,296	-	(20,603)	439,220
	15,332,396	4,162,448	1,867,352	(1,032,033)	(616,078)	(346,716)	195,296	-	104,839	19,667,504
Current	1,001,809									1,254,110
Noncurrent	14,330,587									18,413,394

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
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27. Financial instruments and financial risk management (Continued)

27.3. Changes in liabilities from financing activities (Continued)

Consolidated										
Consolidated	12/31/2020	Loans, financing and debentures taken out and lease	Interest, monetary variations and foreign exchange differences, net	Payment of acquisitions and principal	Payment of interest	Fair value of debt	Allocation of dividends and interest on equity	Payment of dividends and interest on equity	Other	09/30/2021
Loans, financing, debentures and leases	27,176,346	6,445,104	1,634,474	(3,518,204)	(724,464)	(888,418)	-	-	89,439	30,214,277
Accounts payable for acquisitions	514,614	99,172	15,146	(28,590)	(1,583)	-	-	-	7,066	605,825
Derivatives	412,478	-	869,989	(50,136)	-	-	-	-	-	1,232,331
Dividends and interest on equity payable	346,600	-	-	-	-	-	2,654,091	(2,862,120)	(51,644)	86,927
	28,450,038	6,544,276	2,519,609	(3,596,930)	(726,047)	(888,418)	2,654,091	(2,862,120)	44,861	32,139,360
Current	4,699,309									2,364,706
Noncurrent	23,750,729									29,774,654

Consolidated										
Consolidated	12/31/2019	Loans, financing and debentures taken out	Interest, monetary variations and foreign exchange differences, net	Payment of acquisitions and principal	Payment of interest	Fair value of debt	Allocation of dividends and interest on equity	Payment of dividends and interest on equity	Other	09/30/2020
Loans, financing, debentures and leases (a)	17,933,549	6,531,098	3,950,464	(1,543,149)	(632,000)	479,978	-	-	382,190	27,102,130
Accounts payable for acquisitions	463,056	63,649	11,348	(31,000)	(23,503)	-	-	-	(76,497)	407,053
Derivatives	92,905	-	257,572	298,203	-	-	-	-	-	648,680
Dividends and interest on equity payable	287,394	-	-	-	-	-	204,014	(32,070)	(20,603)	438,735
	18,776,904	6,594,747	4,219,384	(1,275,946)	(655,503)	479,978	204,014	(32,070)	285,090	28,596,598
Current	1,299,396									1,895,042
Noncurrent	17,477,508									26,701,556

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Notes to interim financial information (Continued)
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28. Insurance coverage

At September 30, 2021, the Company maintains insurance coverage at amounts deemed sufficient by management to cover risks, if any, on its assets and/or liabilities.

<u>Insurance line</u>	<u>Amount insured</u>
Property risk	4,703,966
Civil Liability (D&O)	266,000
General civil liability	10,000
Engineering risks	2,590,276

29. Events after the reporting period

On October 5, 2021, through its wholly-owned subsidiary Hospital Esperança S.A., the Company entered into a binding memorandum of understanding to acquire 100% equity interest on the voting capital of Hospital Aeroporto, located in the metropolitan region of Salvador, Bahia state. The completion of this transaction and consequent transfer of control still depends on the approval by the Brazilian Antitrust Agency (CADE); therefore, this investment has not yet been consolidated in the Company's financial statements.

On October 22, 2021, through the parent company Rede D'Or Finance Sarl, Rede D'Or partially settled the 2nd issue of Senior Notes in the amount of US\$ 135 million.

On October 27, 2021, through the wholly-owned subsidiary Hospitais Integrados da Gávea SA, entered into a Share Purchase Agreement for the acquisition of 100% of Hospital Santa Isabel, excluding its operating properties, located in the central region of São Paulo, SP . The conclusion of this transaction and subsequent transfer of control still depends on CADE's approval, therefore, this investment has not yet been consolidated in the Company's financial statements.