Hapvida Participações e Investimentos S.A.

Parent company and consolidated interim financial statements at June 30, 2021

Contents

2Q21 RESULTS

Quarterly Results – 2Q21

- Net Revenues of R$2.4 billion (+15.7%)
- Health and dental beneficiaries grow 14.8%
- Cash MCR of 66.6% (+14.2 p.p.)
- EBITDA Ex-LTIP of R$312.0 million (-48.7%)

Earnings Call
August 12th, 2021 (Thursday)
Portuguese (with simultaneous translation into English)
1pm (Brazil) | 12pm (US/DST)
Webcast: ri.hapvida.com.br/en
Phone number: Brazil: +55 (11) 3181-8565 | USA +1 (412) 717-9627

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Message from Management

The second quarter results reflect the consistency of our management model amid an unprecedented effort to save lives impacted by Covid-19. We are proud of our healthcare professionals who once again demonstrated dedication and selflessness in the most acute phase of the pandemic to date. Furthermore, we are equally proud of the performance of our business, which has proven to be resilient and efficient.

The quarter, marked by the continuation of the second wave of the pandemic in Brazil, was another atypical and challenging period, but also one of hope, with the reduction in hospitalizations and the progress in vaccination. Our hospitals and emergency units received practically the same volume of consultations and admissions related to Covid-19 compared to the first quarter of the year. On the other hand, as we approached the end of the quarter, we saw a strong reduction in the main indicators related to the pandemic. Daily volume of hospital admissions, which reached over 200 in a single day, dropped to just under 20 more recently. Our service numbers also continue a downward trend in all regions. In some cities, hospital admissions seem to have stabilized at a low level for a few months already. Average hospital stay also returned to pre-pandemic levels, with more recent data around 3.8-3.9 days/hospital stay. As a result, our demobilization efforts is an integral part of our operational normalization. The number of hospital beds dedicated to Covid-19 cases has already been reduced by over 90% (just over 100 beds today versus 1,652 max). We currently have about 600 health professionals dedicated to combating the pandemic, a reduction of 80% when compared to the more than 3,000 we have had in the past. We expect that all additional hospital beds and medical personnel dedicated to Covid-19 will be demobilized by the end of August.

Net revenues were R$2.4 billion, growth of 15.7% compared to the same quarter of the previous year, even with the impact of the negative readjustment of individual/family plans applied to contracts with a base-date in the months of May and June 2021. A total of 768 thousand health and dental beneficiaries were added, of which 312 thousand came from organic growth and 456 thousand came mostly from the acquisition of Promed in Belo Horizonte (MG). Cash MCR was 66.6%, an increase of 14.2 p.p., impacted by: (i) the volume of hospital admissions caused by Covid-19; (ii) a high number of consultations related to the seasonal period of viruses; and (iii) the care costs arising from the newly acquired companies (Medical, Grupo São José and, in this quarter, Promed), which still operate at higher claims levels. Selling expenses reached 8.1% of net revenues and administrative expenses represented 9.9%. Ebitda Ex-LTIP decreased 48.7% and reached R$312.0 million in the quarter.

We remain committed to increasing our own healthcare network and our preventive medicine programs that allow us to achieve gains in healthcare quality and in the vertical integration of medical expenses. During the quarter, we opened 2 emergency units, 6 clinics (6 were closed) and 3 diagnostic units (5 were closed). Additionally, after the completion of the acquisition of Promed Group in May, 2 hospitals, 5 clinics and 1 diagnostic unit were added. We expanded our Nascer Bem program, which provides care to pregnant women, which is now offered in Goiânia (GO) in addition to five other capitals.

In line with our expansion strategy, we entered into a binding proposal for the acquisition of HB Saúde Group, comprised of a vertical healthcare operator with a portfolio of approximately 128 thousand beneficiaries located mainly in the municipalities of São José do Rio Preto and Mirassol, in São Paulo. Additionally, we acquired a day-hospital called Cetro, located in Alagoinhas (Bahia). We remain with a robust balance sheet and a high level of liquidity, allowing us to remain participating in the process of consolidating the private healthcare market in Brazil, which continues to be quite fragmented.

In June, we took another step towards the business combination of Hapvida and Grupo Notre Dame Intermédica (GNDI) as we received the official approval from the National Supplementary Health Agency (ANS), authorizing our request to assume indirect corporate control of the healthcare operators that make up GNDI. Both Hapvida and GNDI share the dream of offering high quality healthcare services at affordable prices to the greatest number of people. The conclusion of this operation is still subject to the appreciation and approval by the Brazilian antitrust authority (Cade).

The trust we have in our 37,000 employees and the welcoming and continuous dedication of 30,000 medical and dental professionals reinforce our confidence in strongly fulfilling our strategy for those we serve. Looking to the future, we remain highly confident in our ability to continue to grow and remain focused on delivering quality medicine to those we serve.

Jorge Pinheiro
CEO

Summary

1. INTEGRATION AND REPORTING CRITERIA

On June 1, 2021, we concluded the acquisition of Promed Assistência Médica Ltda., Promed Brasil Assistência Médica Ltda., Saúde – Sistema Assistencial Unificado de Empresas Ltda. Consequently, the assets, liabilities and results of Promed are fully reflected on our balance sheet, income statement and cash flow. The consolidated financial statements for Hapvida's 2nd quarter of 2021 include one month of operation of Promed Group.

Ebitda Ex-LTIP reflects the exclusion of the company performance award (LTIP) approved by shareholders on 04/30/2021 and the Adjusted Net Income also excludes the amortization of the fair value arising from business combinations (described as "amortization of the fair value arising from business combinations (value-added)" in this document), net of taxes.

When we refer to the América company, we are referring to the entities that made up the former América Group, which has already been incorporated into the Company.

2. HIGHLIGHTS

FINANCIAL HIGHLIGHTS (R$ million)	2Q21	2Q20	Var. %	1Q21	Var. %	1H21	1H20	Var. %
Net Revenues	2,402.4	2,076.3	*15.7%*	2,323.2	*3.4%*	4,725.6	4,155.1	*13.7%*
Medical Costs - Cash	1,599.5	1,088.5	*46.9%*	1,420.1	*12.6%*	3,019.5	2,249.2	*34.2%*
Medical Costs - Ex-SUS	1,652.7	1,115.6	*48.1%*	1,451.1	*13.9%*	3,103.9	2,319.5	*33.8%*
Total Medical Costs	1,698.8	1,132.6	*50.0%*	1,522.1	*11.6%*	3,220.9	2,412.2	*33.5%*
Sales Expenses	193.5	179.8	*7.6%*	144.3	*34.1%*	337.8	334.4	*1.0%*
Administrative Expenses[1]	236.9	200.3	*18.3%*	233.1	*1.6%*	470.0	410.3	*14.5%*
EBITDA	291.7	607.8	*-52.0%*	466.8	*-37.5%*	758.5	1,075.6	*-29.5%*
EBITDA Ex-LTIP[2]	312.0	607.8	*-48.7%*	466.8	*-33.2%*	778.8	1,075.6	*-27.6%*
Net Income	104.6	278.6	*-62.5%*	151.8	*-31.1%*	256.4	443.2	*-42.1%*
Adjusted Net Income[3]	269.8	382.5	*-29.5%*	299.6	*-9.9%*	569.4	645.4	*-11.8%*

CONSOLIDATED RATIOS (% NOR)	2Q21	2Q20	Var. %	1Q21	Var. %	1H21	1H20	Var. %
Cash MCR (ex-IBNR; ex-SUS; ex-D&A)	66.6%	52.4%	*14.2 p.p.*	61.1%	*5.5 p.p.*	63.9%	54.1%	*9.8 p.p.*
Ex-SUS MCR	68.8%	53.7%	*15.1 p.p.*	62.5%	*6.3 p.p.*	65.7%	55.8%	*9.9 p.p.*
Total MCR	70.7%	54.5%	*16.2 p.p.*	65.5%	*5.2 p.p.*	68.2%	58.1%	*10.1 p.p.*
Sales Expenses	8.1%	8.7%	*-0.6 p.p.*	6.2%	*1.9 p.p.*	7.1%	8.0%	*-0.9 p.p.*
Administrative Expenses[1]	9.9%	9.6%	*0.3 p.p.*	10.0%	*-0.1 p.p.*	9.9%	9.9%	*0.0 p.p.*
Ebitda Margin	12.1%	29.3%	*-17.2 p.p.*	20.1%	*-8.0 p.p.*	16.1%	25.9%	*-9.8 p.p.*
Ebitda Margin Ex-LTIP[2]	13.0%	29.3%	*-16.3 p.p.*	20.1%	*-7.1 p.p.*	16.5%	25.9%	*-9.4 p.p.*
Net Income Margin	4.4%	13.4%	*-9.0 p.p.*	6.5%	*-2.1 p.p.*	5.4%	10.7%	*-5.3 p.p.*
Adjusted Net Income Margin[3]	11.2%	18.4%	*-7.2 p.p.*	12.9%	*-1.7 p.p.*	12.0%	15.5%	*-3.5 p.p.*

OPERATING HIGHLIGHTS	2Q21	2Q20	Var. %	1Q21	Var. %
Members Health and Dental (thousands)	**7,197**	**6,266**	***14.8%***	**6,851**	***5.0%***
Members Health	4,084	3,500	*16.7%*	3,761	*8.6%*
Members Dental	3,113	2,766	*12.5%*	3,090	*0.7%*
Average beneficiares (thousands)	**6,928**	**6,376**	***8.6%***	**6,716**	***3.1%***
Members Health	3,850	3,529	*9.1%*	3,747	*2.8%*
Members Dental	3,078	2,847	*8.1%*	2,969	*3.7%*
Proprietary care network	**465**	**438**	***6.2%***	**457**	***1.8%***
Hospitals	47	39	*20.5%*	45	*4.4%*
Emergency Units	47	41	*14.6%*	45	*4.4%*
Clinics	199	184	*8.2%*	194	*2.6%*
Diagnostics	172	174	*-1.1%*	173	*-0.6%*

[1] Administrative Expenses without depreciation, amortization and long term incentive plan expenses.
[2] Ebitda Ex-LTIP without long term incentive plan expenses.
[3] Adjusted Net Income excluding the effects of the long term incentive plan and the amortization of the fair value arising from the business combination (value-added), net of taxes.

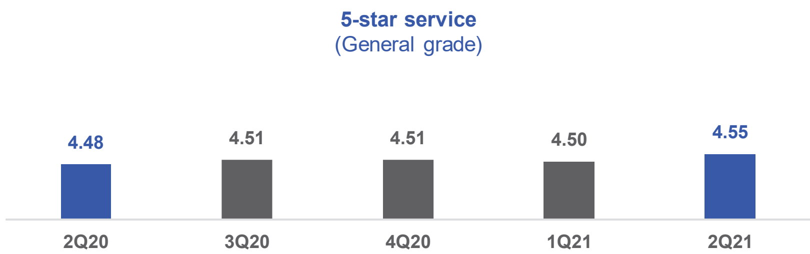
Quality of Care

3. QUALITY OF CARE

Hapvida's culture has five pillars, with “Care and Technical Quality” being one of them. The Company has highly qualified professionals and adequate structures to provide responsible and quality services.

5-STAR SERVICE

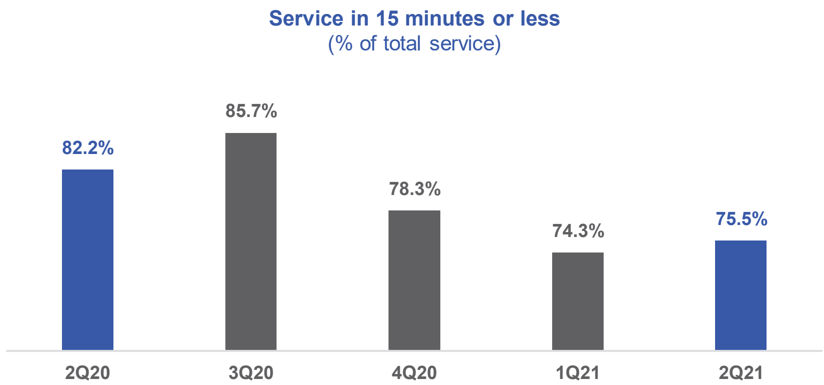
The 5-star service, implemented in 2019, is an instant satisfaction survey with ratings between 1 and 5 stars carried out by our customers after each eligible service. This program is a valuable tool for the entire Company, because with it we can see opportunities for improvement and recognize the best performance in serving our customers. Our hospitals, clinics, diagnostic units, emergency services, laboratory collection points, dentistry services, preventive medicine units, telemedicine and the wellness and well-being promotion programs (such as Nascer Bem, Viver Bem and Family Doctor) programs are evaluated. Throughout the program's existence, we have received 10 million evaluations. In the second quarter of 2021, more than 1.3 million evaluations were received. The overall average grade for the month of June 2021, based on 360 thousand evaluations, was 4.55.



WAITING TIME FOR URGENT/EMERGENCY CARE

Hapvida has a tech platform with a system that allows us to monitor all of our units in real time 24x7. This system, along with video cameras present in all units, allows the Company's Observation and Control Center to monitor the service and waiting times in all walk-in emergency centers. If the waiting time exceeds 15 minutes, the system signals the Control Center to take immediate actions to speed up the operation. In 2Q21, 75.5% of all of 1.4 million urgent and emergency consultations carried out in our hospitals and walk-in emergency services took place within 15 minutes.

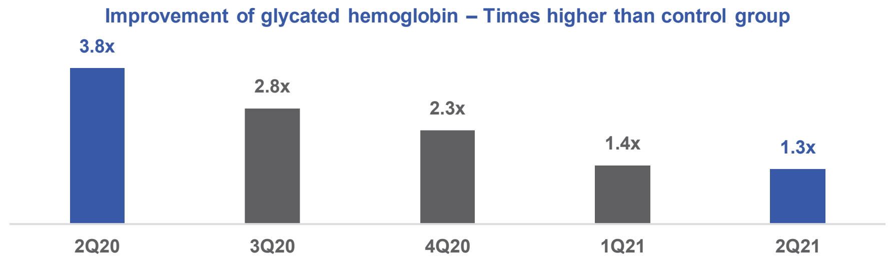
The worsening in relation to 4Q20 is due to a greater number of services related to Covid-19 concomitant with other urgent/emergency care, which did not occur in the comparative period. Compared to 1Q21, the index improved due to the downturn of the 2nd wave of the pandemic.



Quality of Care

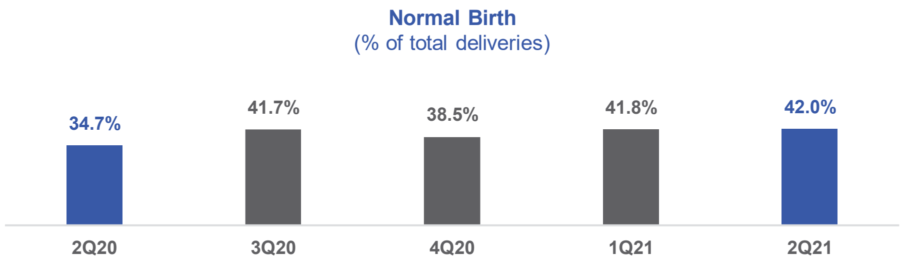
VIVER BEM

Viver Bem is a wellness program for Hapvida's beneficiaries that offers a resolutive and efficient service aiming to reduce diabetes complications. A robot system identifies through patients' blood tests with some alterations that indicate that they have or may have type 2 diabetes mellitus. The contact with the patient is carried out by a trained professional from our exclusive call center for the wellness programs. Available in Fortaleza, Recife and Salvador, it comprises doctors, nursing technicians and nutritionists specialized in the treatment of people with diabetes and aims to encourage a change in the people's lifestyle. The program also has a management center conducted by a nursing team trained in the remote care of patients with diabetes. Until June 2021, the group of monitored patients presented a significant improvement in glycated hemoglobin when compared to the control group. At the end of the second quarter of 2021, approximately 9,000 patients were enrolled in this program.



NASCER BEM

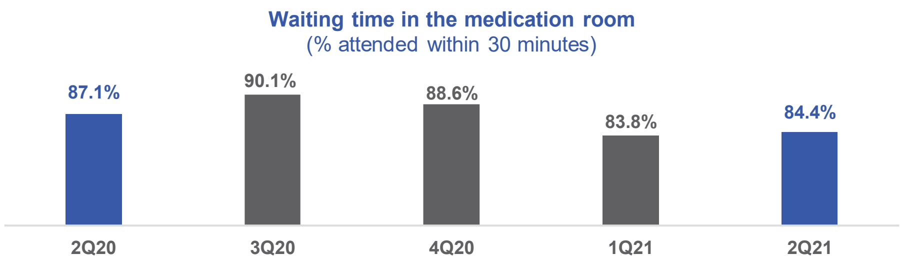
Nascer Bem is a pioneering program in the private health system that promotes the monitoring of pregnant women throughout their pregnancies, offering, through multidisciplinary teams, all the support, security and guidance necessary for this very special moment for the whole family. Currently, the program monitors more than 15 thousand pregnant women and performs an average of 1,500 normal labor per month, of which 42.0% are natural birth (2nd quarter of 2021).



WAITING TIME IN THE MEDICATION ROOM

This indicator is also measured and controlled by the same systemic platform as the Observation and Control Center (NOC) of the Company. If the waiting time in the medication room exceeds 30 minutes, immediate measures are taken to expedite the service. The Company's goal is to meet 75% of demands within 30 minutes.

In 2Q21, 84.4% of the 650,000 thousand medications performed in our hospitals and emergency services took place on time. The worsening compared to 4Q20 is due to a greater number of services related to the second wave Covid-19 concomitant with other urgent/emergency care, which did not occur in the comparative period. Compared to 1Q21, the index improved due to the downturn of the 2nd wave of the pandemic.



Sustainability

4. EVOLUTION OF ESG INITIATIVES

In line with our ESG agenda, we have published our 2020 Annual Sustainability Report (ASR). In view of the pandemic context, we carried out a new survey with stakeholders and revised our materiality matrix. The 2020 ASR gathers information related to governance, care for employees, as well as actions to welcome clients and social and environmental programs. The document was produced following Global Reporting Initiative (GRI) guidelines. Access the document at https://ri.hapvida.com.br/en/governance/sustainability/

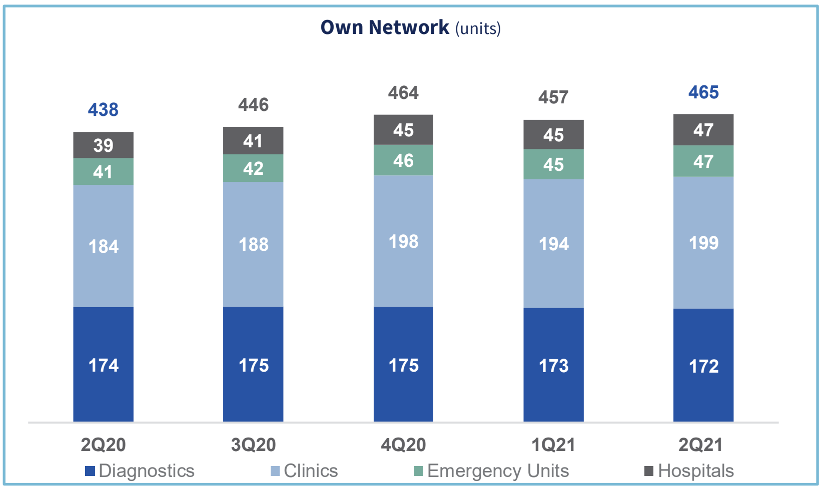
We continue to make rapid advances in our strategic sustainability planning. Steps that have already been completed include diagnostic, construction of our ambition in sustainability, definition of ESG indicators and prioritization of tactical plans. Currently, tactical plans are being broken down into action plans. In the environmental context, Hapvida celebrated its first Environment Week sharing sustainability tips with employees, with distribution of vehicular garbage bags for employees and the general public in the surrounding communities, encouraging the proper disposal of waste. In this quarter, 4 of our hospitals adhered to the Green and Healthy Hospitals Project. We also celebrated the International Biodiversity Day with environmental tips.

In the internal social aspect, Hapvida has been developing a large work front called *Projeto Evoluir*. The project started with a survey of all employees, evolved to mapping our organizational culture and went through standardization and creation of a job and career plan. The company's pillars were revised and a new one was included: “Collaboration between teams”. Through the *Projeto Evoluir*, we implemented the Internship Journey (focused on development and training of professionals who are starting their career with us in their graduation areas). We also announced a corporate benefit that offers discounts in the best gyms throughout the country.

For us, respect is the base of everything. We have celebrated the International Day for Combating LGBTphobia and set aside the month of June to celebrate diversity and inclusion with various lectures. Hapvida's perspective on diversity is in the construction of a inclusive and intelligent culture through affirmative action that is aligned with the UN 2030 agenda and the SDGs (Sustainable Development Goals). The company understands its role in transforming society and thus it has been promoting a series of actions that seek to promote a safe work environment safe that is free from prejudice through programs that encourage the practice of diversity in all of its breadth and plurality. During the quarter, Hapvida launched a Diversity and Inclusion Manual (Hapvida Diversity Manual – Portuguese only), followed by corporate lectures and the publication of a distance-learning course with 10 videos.

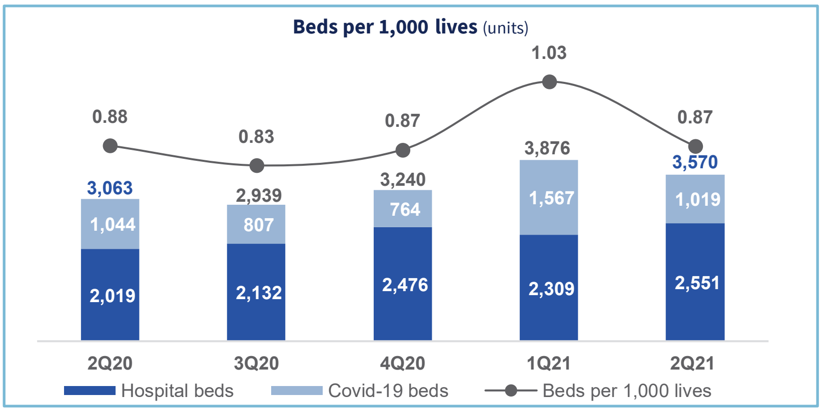
5. PROPRIETARY CARE NETWORK

In the second quarter of 2021, we continued to adjust and expand our proprietary care network. We remain focused on our strategy of increasing verticalization levels to guarantee quality of care, cost efficiency, better cost and frequency of utilization (usage) control.



At the end of 2Q21, we had 47 hospitals, 47 emergency care units, 199 clinics and 172 diagnostic imaging and laboratory collection units, thus totaling 465 service points accessible to our beneficiaries, in all five regions of the country. The assets arising from Promed are included in those figures.

During the quarter, we inaugurated 1 hospital (that replaced another in the same city), 2 emergency units, 6 medical clinics (6 were closed) and 3 diagnostic units (5 were closed), in line with the modernization process and consolidation of service in new and large units of greater complexity, centralizing and expanding existing services. With the acquisition of Promed, 2 hospitals, 5 clinics and 1 diagnostic unit were added.



At the end of 2Q21, we had a total of 3,570 operational hospital beds, an increase of 507 beds compared to the same quarter of the previous year. The main changes were: 103 beds at Hospital Sinhá Junqueira (SP) and 23 beds at Hospital Mário Palmério (MG) were added. With the inclusion of the acquired companies approved in 4Q20 and Promed in 2Q21, 112 beds for Medical, 99 beds for the São José Group and 116 beds for Promed were also added.

In the quarter, there were 1,019 beds dedicated for the treatment of covid-19, a reduction of 548 beds compared to 1Q21, in line with the downturn of the 2[nd] wave of the pandemic in the regions where we operate. In July, this number had already reduced to about 100 beds, in line with the Notice to the Market released on July 26, 2021. Our expectation is that all additional beds dedicated to Covid-19 will be demobilized by the end of August.

Financial Results

6. MEMBERS

6.1 Health

The number of health plan beneficiaries at the end of the quarter increased by 16.6% in comparison with the same period of the previous year, influenced by the entry of:

(i) 76k beneficiaries from Medical (11k in individual plans and 65k in group plans)

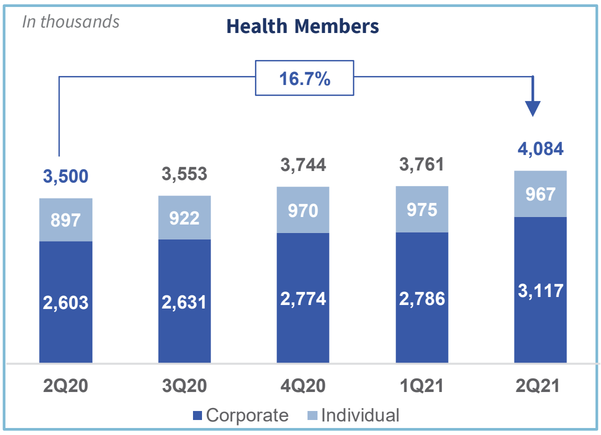
(ii) 53k beneficiaries from São José Group (15k in individual plans and 38k in group plans)

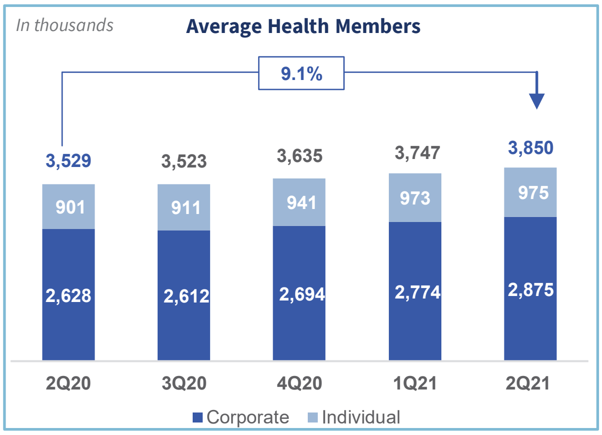
(iii) 12.3k beneficiaries from Samedh (327 in individual plans and 12k in group plans)

(iv) 13.7k beneficiaries from Plamheg (1.7k in individual plans and 12k in group plans)

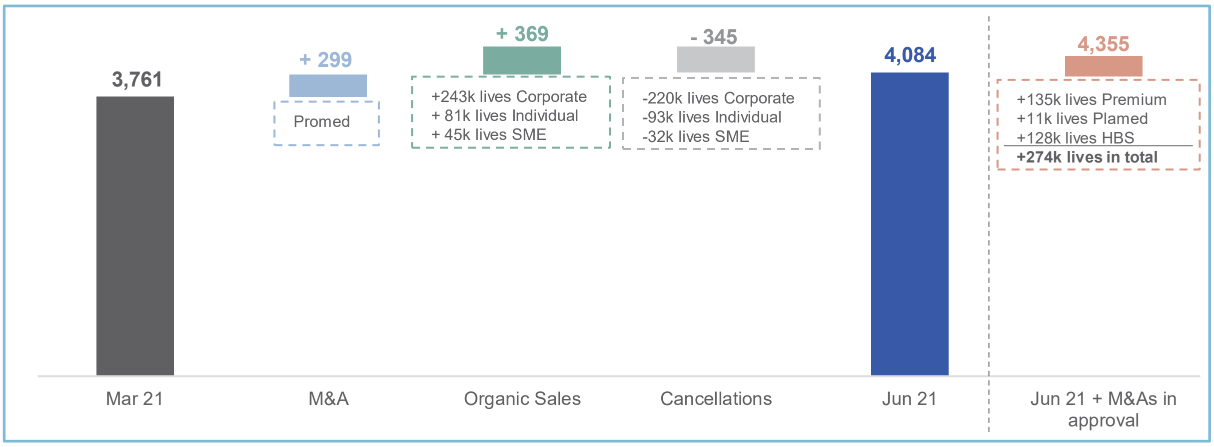
(v) 299k beneficiaries from Promed (3k in individual plans and 296k in group plans).

Regarding to organic growth (excluding acquisitions), there was a net increase of 107k beneficiaries (32k in individual plans and 75k in group plans) in the operator Hapvida. In the acquired companies GSF and RN, there was an increase of 23k lives (7k in individual plans and 16k lives in group plans).





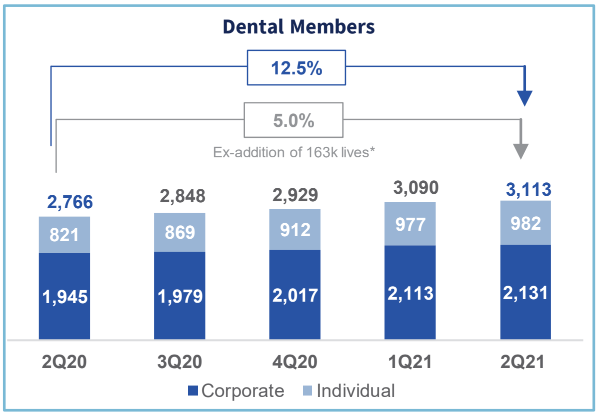
In terms of organic growth compared in the quarter, we had the closing of Promed, which added 299k beneficiaries. Gross organic adds totaled 369k lives with 345k lives canceled in the quarter. Considering the acquisitions already announced but still awaiting the approval of regulatory entities, in the coming months we will have an increase of 274k beneficiaries.

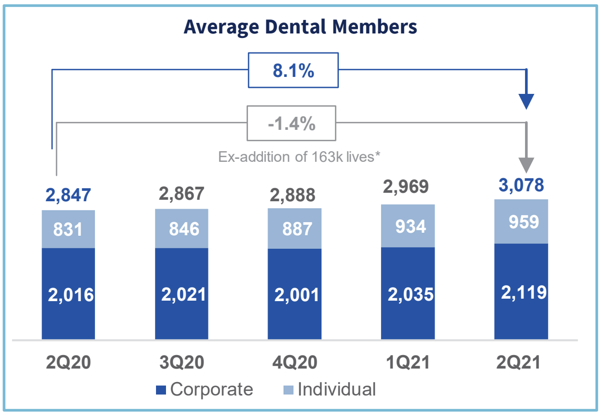


6. MEMBERS (continued)

6.2 Dental

The number of dental plan beneficiaries grew by 12.5% in the quarter compared to the same period last year. Organically, there was an increase of 38k lives in individual plans and 144k lives in group plans. The acquisition of Medical contributed with an additional 2k members in group dental plans.

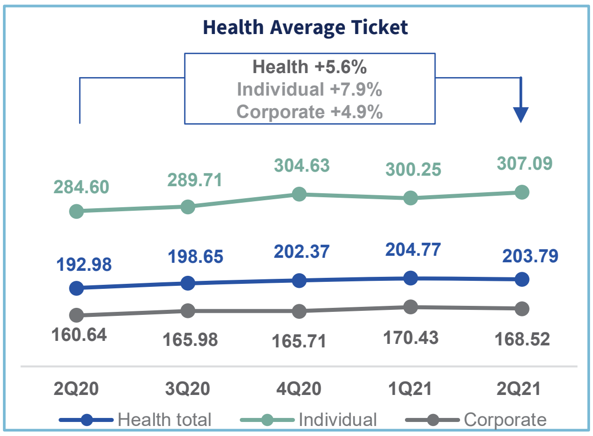


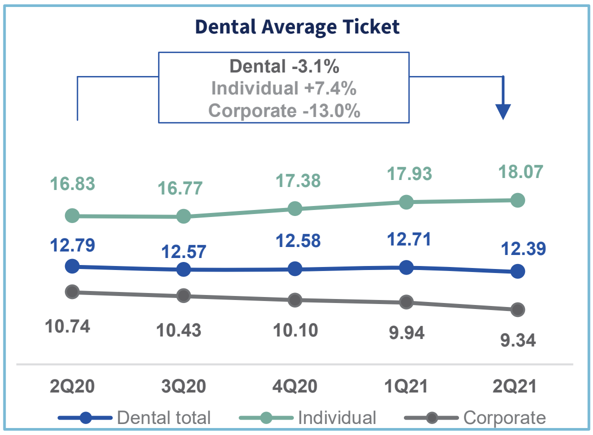


*As of 1Q21, the Company started to include beneficiaries who had dental assistance coverage but that were counted as health-only lives due to the commercial format of the sale of that plan at the time. A total of 414,881 lives were classified as such at the end of 2Q21. Still within 1Q21, there was a change in the contract formatting of dental care for a customer who now has a contract with characteristics of service provided by a fixed price table and no longer by contractual coverage. As a result, we stopped counting 251,489 beneficiaries who were part of this contract at the end of 2Q21. The net effect of these changes was the addition of 163k lives. In both cases above, those lives are not considered for calculating the average ticket for dental plans.

7. AVERAGE TICKET

The average health ticket grew by 5.6% compared to 2Q20, mainly due to new sales and the entry of beneficiaries from Medical and São José Group, who have higher average tickets. On the other hand, due to the negative 8.19% readjustment of individual plans released by ANS only in July, R$5.2 million were provisioned for contracts with anniversary in May and June. The GSF average ticket increased by 1.3% compared to 2Q20 and by RN Saúde by 19.1%.





The average ticket in the dental segment decreased 3.1% compared to the same period of the previous year due to a lower average ticket of all companies, except GSF, which grew by 2.1% when compared to 2Q20.

8. NET REVENUES

2Q21 net revenues grew 15.7% when compared to 2Q20 and 13.7% in 1H21 compared to 1H20, mainly influenced by:

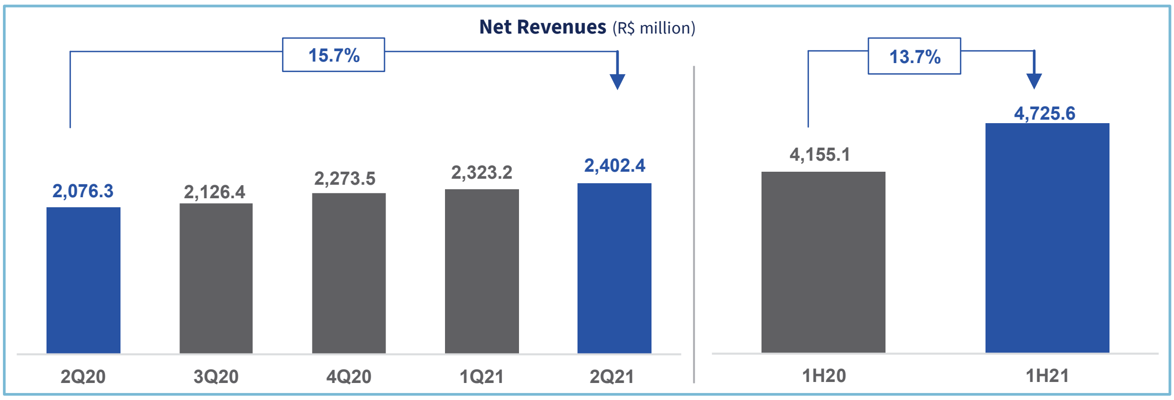
(i) an organic increase of 130k lives in health beneficiaries and 182k lives of dental beneficiaries, mainly in the cities of Fortaleza, Recife, Joinville, Manaus and Salvador;

(ii) a 5.6% increase, between 2Q20 and 2Q21, in the average health ticket, reflecting the price adjustments implemented in the existing contracts necessary for their economic balance and new sales;

(iii) revenue from acquired companies: R$48.8 million from Medical in 2Q21 (R$94.5 million in 1H21); R$43.3 million from São José Group in 2Q21 (R$89.4 million in 1H21) and R$47.3 million (June/21) from Promed;

(iv) client portfolio consolidated in 1Q21, of which 12.3k lives from Samedh and 13.7k lives from Plamheg; and

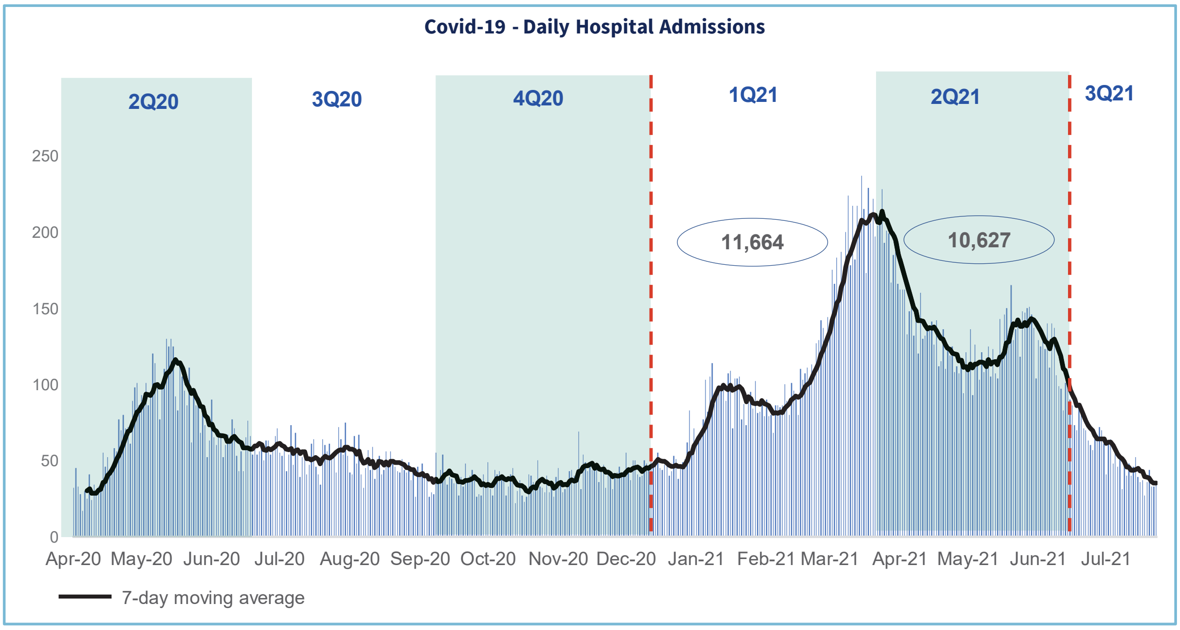
(v) the negative readjustment of individual plans that impacted revenue by R$5.2 million.



9. MCR AND MEDICAL COSTS

The cost of services provided is comprised of care costs paid in cash and some non-cash items, such as depreciation and amortization (D&A) with IFRS16, changes in the Incurred But Not Reported (IBNR) provision and SUS reimbursement provisions (ReSUS).

9.1 Covid-19 Scenario



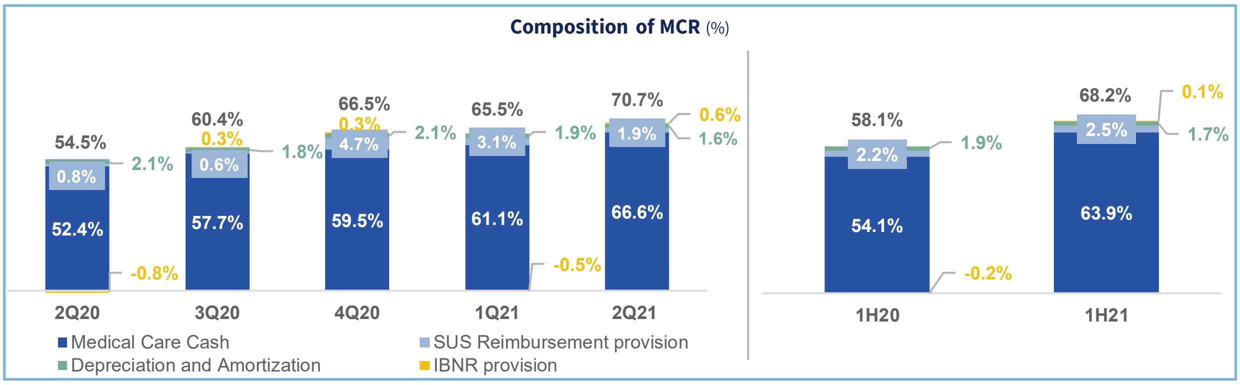
9. MCR AND MEDICAL COSTS (continued)

9.1 Covid-19 Scenario (continued)

In early 2020, Covid-19's declaration as a global health emergency by the World Health Organization triggered significant decisions and necessary measures by governments and public and private sector entities to prevent the spread of the disease. Following the recommendations of ANS and health agencies, between the months of March and May/2020, all elective procedures (not classified as urgent or emergent) were suspended. This, combined with measures of social distance, caused a significant drop in the demand for medical services in the period. Therefore, the entire volume of services caused by Covid-19 in our healthcare units in the 1st wave of the pandemic, which reached its peak on May 14, 2020, with 130 hospitalizations on that day, was more than offset by the suspension of elective care. However, a resurgence of the pandemic at the end of 2020 caused a significant increase in hospital admissions caused by Covid-19 in 1Q21, reaching its peak on March 15, 2021, with 237 hospitalizations in a single day. In 2Q21, our healthcare units were equally impacted by a similar number of consultations and hospital admissions due to Covid-19 compared to 1Q21. More recently, at the beginning of the third quarter, we saw the main indicators related to the pandemic showing a strong reduction. This trend, together with the vaccination progress in Brazil, gives us a prospect of operational normalization.

9.2 MCR (Medical Care Ratio) and Medical Costs

Composition of Total Medical Costs								
(R$ million)	**2Q21**	**2Q20**	**2Q21 x 2Q20**	**1Q21**	**2Q21 x 1Q21**	**1H21**	**1H20**	**1H21 x 1H20**
Cash Medical Costs	(1,599.5)	(1,088.5)	46.9%	(1,420.1)	12.6%	(3,019.5)	(2,249.2)	34.2%
Depreciation and Amortization (with IFRS16)	(38.7)	(44.1)	(12.3%)	(43.2)	-10.3%	(81.9)	(77.4)	5.9%
IBNR provision	(14.5)	17.1	(184.9%)	12.1	-220.1%	(2.4)	7.1	-134.5%
SUS reimbursement provision	(46.1)	(17.0)	171.1%	(71.0)	-35.1%	(117.0)	(92.7)	26.3%
Medical Costs - Total	**(1,698.8)**	**(1,132.6)**	**50.0%**	**(1,522.1)**	**11.6%**	**(3,220.9)**	**(2,412.2)**	**33.5%**
Cash MCR (ex-IBNR provision, ex-SUS, ex-D&A)	**66.6%**	**52.4%**	**14.2 p.p.**	**61.1%**	**5.5 p.p.**	**63.9%**	**54.1%**	**9.8 p.p.**
Ex-SUS MCR	**68.8%**	**53.7%**	**15.1 p.p.**	**62.5%**	**6.3 p.p.**	**65.7%**	**55.8%**	**9.9 p.p.**
Total MCR	**70.7%**	**54.5%**	**16.2 p.p.**	**65.5%**	**5.2 p.p.**	**68.2%**	**58.1%**	**10.1 p.p.**



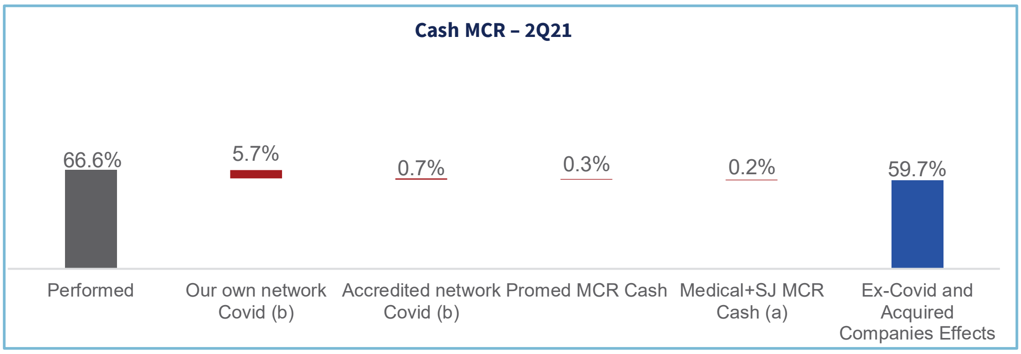
Cash MCR (which excludes D&A, changes in IBNR provision and provision for reimbursement to SUS) was 66.6% in 2Q21 and 63.9% in 1H21, an increase of 14.2 p.p. and 9.8 p.p. in compared to the same period last year. The main impacts on MCR were:

(i) even with the curve of Covid-19 cases decreasing, the volume of consultations and hospital admissions in 2Q21 related to Covid-19 in all regions in which we operate was similar to 1Q21 levels. Since 4Q20, we saw a return to historical, pre-pandemic levels for elective consultations and urgent/emergency procedures. Additional expenses with personnel, materials and medicines, location and operation and third-party services in the company's own network and the costs with the accredited network in fighting Covid-19 were R$153.5 million in 2Q21 versus R$47.6 million in 2Q20 and R$247.1 million in 1H21 and R$47.6 million in 1H20.

(ii) higher MCR levels of the acquired companies (Medical, São José and Promed) that compose Hapvida's consolidated number in 2Q21 and 1H21 but were not present in the comparative period. The MCR of recently-acquired companies is on a downward trend due to initiatives for the integration and standardization of procedures, respecting the seasonality between quarters. The three companies had a total MCR of 82.1% in 2Q21.

9.2 MCR (Medical Care Ratio) and Medical Costs (continued)

Disregarding both effects, the MCR would have been 59.7%, in line with normalized, historical levels.



(a) Amount calculated based on the MCR cash in 1Q21, considering that it would be the same in 2Q21;
(b) The Covid impact was calculated for Hapvida (including the former America Group), RN and São Francisco. The still different balance sheet structures of other acquired companies do not permit us

In addition to Covid-19 effects and higher MCR of newly-acquired companies, we also had the effect of:

(iii) increase due to collective bargaining and hiring of new employees, including expenses with personnel at new units (R$11.2 million in 2Q21 and R$25.0 million in 1H21); and

(iv) increase in expenses with materials and medicines, location and operation and third-parties of new units in operation (R$1.2 million in 2Q21 and R$4.0 million in 1H21).

The total MCR was 70.7% in 2Q21 and 68.2% in 1H21, an increase of 16.2 p.p. and 10.1 p.p versus comparative periods. In addition to the impacts on the cash MCR already mentioned above, there was:

(i) constitution of IBNR provision in contrast to a reversion that occurred in the comparative period (negative variation of R$31.6 million in 2Q21 and R$9.5 million in 1H21) due to the return of elective procedures in the accredited network;

(ii) increase in the provision for SUS reimbursement due to the normalization of issuance of both ABIs and collections invoices by the National Supplementary Health Agency (ANS) that was interrupted in 2Q20 due to the pandemic (increase of R$29.1 million in 2Q21 and R$24.3 million in 1H21); and

(iii) an increase of R$4.5 million in depreciation and amortization in 1H21 due to the increase in the number of care units arising from both organic and inorganic growth. The one-off reduction of R$5.4 million in 2Q21 is due to the measurement of amortization with preliminary value of the purchase price allocation (PPA) in 2Q20, which was later modified in its final version reflecting a smaller amortization.

The MCR ex-ReSUS index, that best represents the performance of our operations, and which excludes the variation in provisions for reimbursement to SUS, was 68.8% in 2Q21 and 65.7% in 1H21, increases of 15.1 p.p. and 9.9 p.p. compared to comparative periods.

The Company continues to show operational efficiency gains as a result of effective medical costs management and health and well-being promotion programs. Vertical integration indicators increased, with a 2.1 p.p. higher volume of exams performed within our own network in 2Q21 when compared to the same period of the previous year. Volume of admissions on the same comparative basis reduced by 2.1 p.p. The share of total medical costs inside our own network decreased by 1.5 p.p. in 2Q21 compared to 2Q20, due to greater use of the accredited network in Covid-19 admissions (in the first half of the year, the representativeness of care expenses in the own network is still higher in 2.3 p.p.).

**The vertical integration indicators only consider the companies Hapvida (including former Grupo America) and RN Saúde.*

9.3 SUS Reimbursement provisions

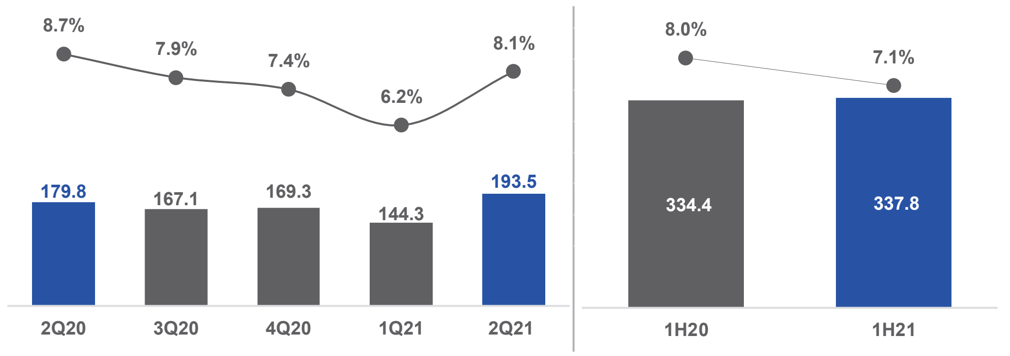
According to ANS, the Company must record in its liabilities with a corresponding entry in the results (Total Medical Costs), a provision related to the Identified Beneficiary Notices (ABI in Portuguese) according to the percentage defined by ANS itself, which is unique for each healthcare operator and varies from time to time. Subsequently, ABIs are converted into collections that may eventually require the Company to account for supplements to the original provision. The charges issued by ANS are sent in the form of GRUs (an invoice for federal taxes). GRUs include, in addition to the principal, interest and monetary restatement. GRU invoices that miss the payment deadline are subject to late fees in addition to interest and monetary adjustments for the period elapsed.

In the second quarter of 2021, ANS maintained the process of regularizing the flow of collection charges. The net impact of the various provisions of SUS reimbursement was R$46.1 million and R$117.0 million in 1H21 in medical costs. Despite the receipt of a new batch of ABI (#86) and the increase in the percentage of collection that is calculated and sent by ANS, the ABI provision was constituted again, which demonstrates a normalization both in the sending of ABIs and in the receipt of GRU.

R$ Million	**2Q21**	**2Q20**	**1H21**	**1H20**
ABIs' provision	6.1	9.3	(8.5)	45.7
GRUs' principal	33.4	5.4	112.0	38.8
SUS Reimbursement – Acquired Companies	6.6	2.3	13.5	8.2
SUS Reimbursement – Medical Cost	**46.1**	**17.0**	**117.0**	**92.7**
Interest, monetary adjustments and fines	16.6	11.9	32.9	39.1
SUS Reimbursement – Financial Result	**16.6**	**11.9**	**32.9**	**39.1**
SUS Reimbursement – Hapvida Total	**62.7**	**28.9**	**149.9**	**131.7**

10. SELLING EXPENSES

Selling Expenses and Selling Expenses Ratio (% NOR) (R$ million and %)



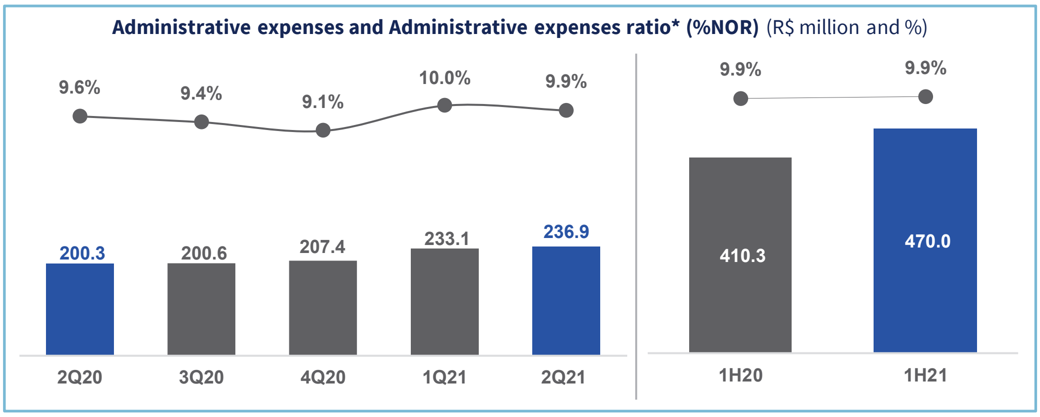
The selling expenses ratio was 8.1% in 2Q21 and 7.1% in 1H21, a reduction of 0.6 p.p. and 0.9 p.p., respectively, compared to the same periods of the previous year, influenced by:

(i) acquired companies that operate with a sales expense index lower than that of Hapvida (decrease of 0.2 p.p. in 2Q21 and 1H21);

(ii) lower deferred expense of net commissions from cancellations of R$2.3 million in 2Q21 and R$6.8 million in 1H21. This change was due to the annual review of expected contract lives, with approximately a one-month increase for individual/family contracts and a two-month increase for group contracts); and

(iii) a reduction in the delinquency level in the individual/family plans in 2Q21 and in 1H21 (both by 3.2 p.p.) which, as a result, reduced the provision for loan losses.

11. ADMINISTRATIVE EXPENSES



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

The administrative expenses ratio was 9.9% in both 2Q21 and 1H21, an increase of 0.3 p.p. and stable, respectively, when compared to the same periods of the previous year. Excluding the effect of LTIP expenses in the amount of R$20.3 million (2Q21 and 1H21), the other negative impacts were:

(i) collective bargaining, costs with new hires and layoffs (R$16.7 million in 2Q21 and R$21.2 million in 1H21);

(ii) third-party services (lawyer and consulting fees) related to M&A projects including the deal with GNDI (R$11.9 million in 1H21); and

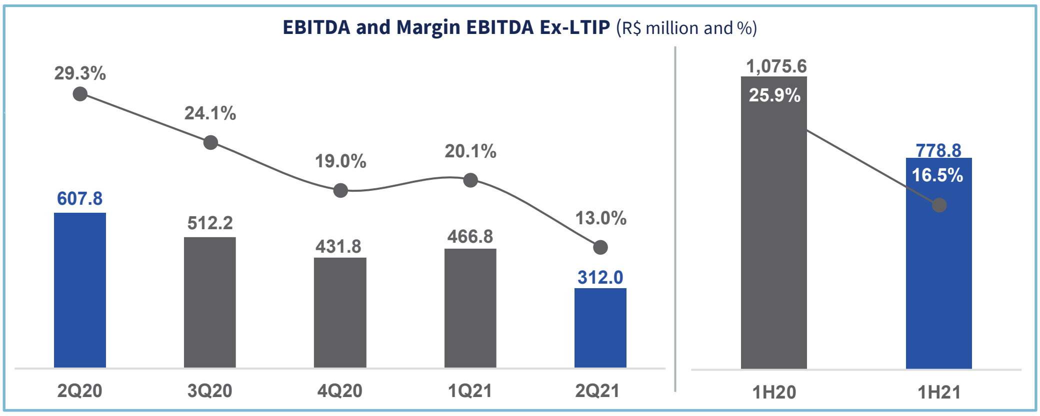
(iii) personnel expenses, third-party services, location and operation and taxes on newly-acquired companies (R$7.1 million in 2Q21 and R$10.7 million in 1H21).

The positive impacts were:

(i) lower provisions for taxes, civil and labor risks (R$32.6 million in 2Q21 and R$34.5 million in 1H21); and

(ii) non-recurring miscellaneous expenses in the assumption of acquisitions occurred in 1Q20 that did not repeat (R$4.0 million).

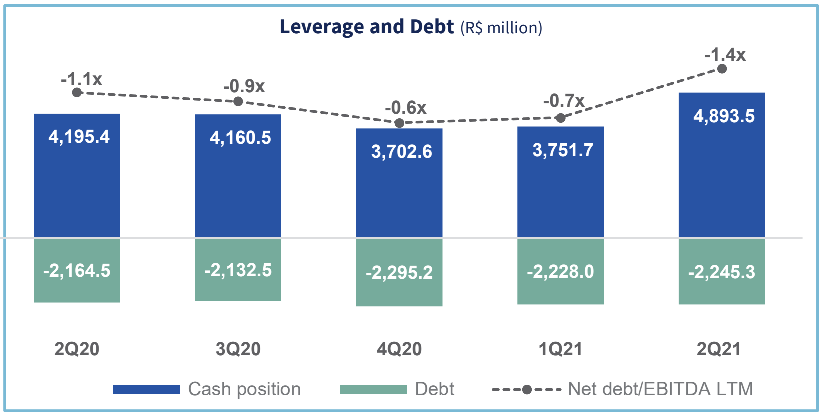
12. EBITDA



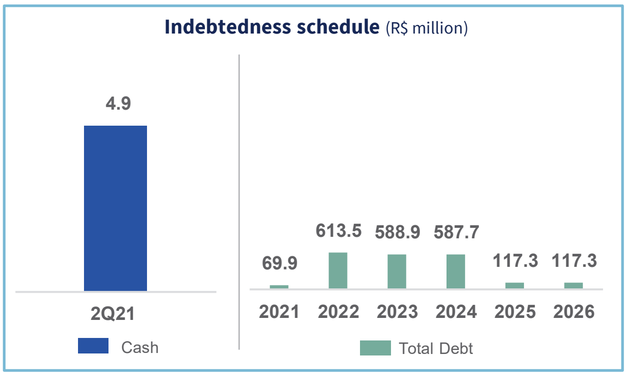
Starting in 2Q21, EBITDA will be adjusted due to the approval of a long-term incentive plan (LTIP), with an amount provisioned in 2Q21 and 1H21 of R$20.3 million. Thus, EBITDA Ex-LTIP in 2Q21 would have been R$312.0 million, a decrease of 48.7% compared to 2Q20. The EBITDA margin Ex-LTIP in 2Q21 was 13.0%, a reduction of 16.3 p.p. in the same comparison. EBITDA Ex-LTIP in 1H21 was R$778.8 million, a decrease of 27.6% compared to 1H20, with an EBITDA Ex-LTIP margin of 16.5%, a reduction of 9.4 p.p. All reductions compared to previous periods are mainly explained by the impacts of the pandemic on our business, as explained in item 9.1 of this report. Excluding the medical costs arising from the effect of Covid-19 of R$153.5 million in 2Q21 and R$247.1 million in 1H21, EBITDA Ex-LTIP and Ex-Covid Margin would have been 19.4% in 2Q21 and 21,7% in 1H21.

13. DEBT

At the end of 2Q21, the Company had a debt balance of R$2,023.5 million, comprised of the debentures outstanding as well as the balance of outstanding debt inherited from acquired companies of R$71.1 million. Net financial debt/EBITDA ratio in 2Q21 was -1.4x due to the net cash position of R$4.9 billion.

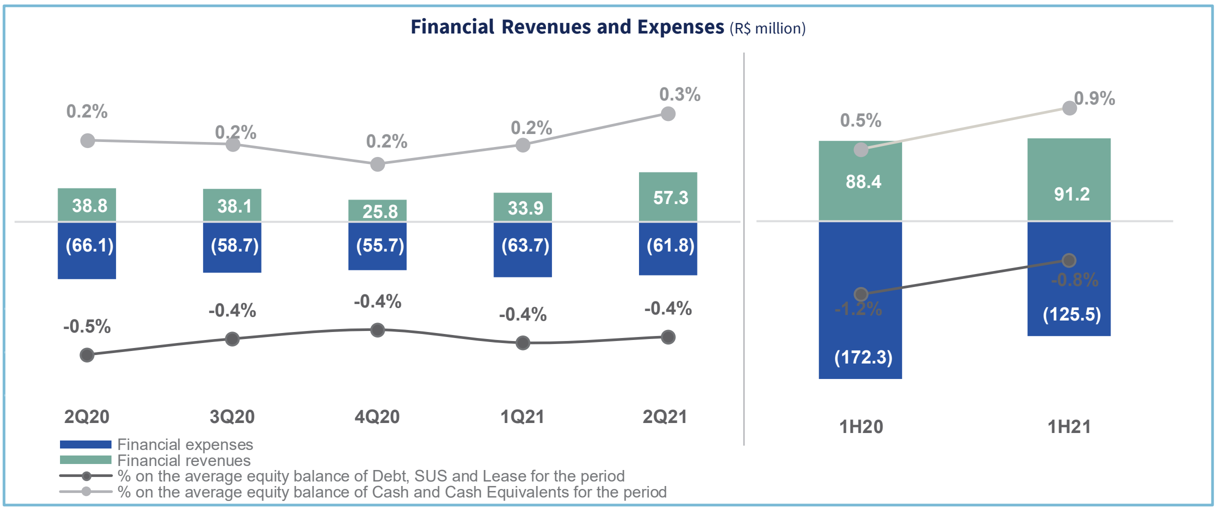


Net debt/Ebitda (R$ million)	2Q21
Short-term debt¹	87.7
Long-term debt¹	2,001.1
Other accounts payable (acquired companies)	156.6
Total debt net of derivative instruments + Other accounts payable	**2,245.3**
(-) Cash and cash equivalents and short-term and long-term investments (proforma)	4,893.5
Net debt (Net cash)¹	**(2,648.2)**
EBITDA LTM²	1,914.9
Net debt/EBITDA LTM	(1,4)



¹ Values net of derivative instruments.
² EBITDA excluding provisions for impairment of accounts receivable.

14. FINANCIAL RESULTS



14. FINANCIAL RESULTS (continuation)

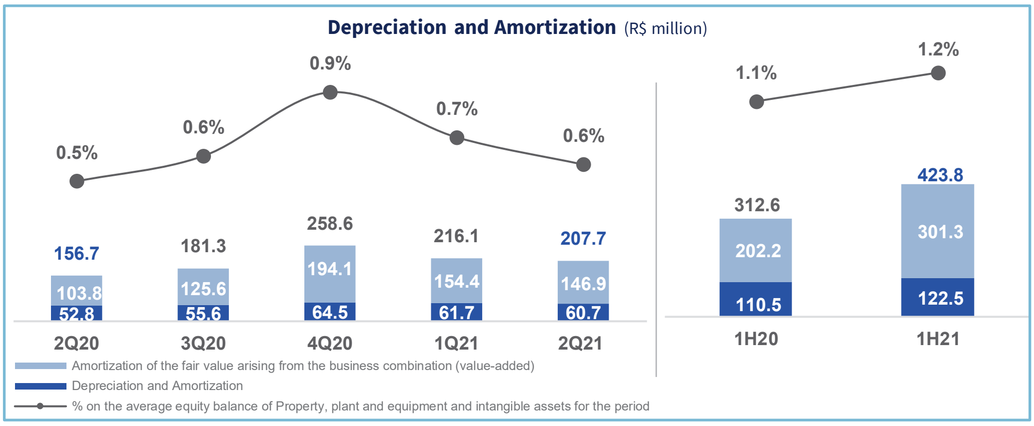
Net financial result in 2Q21 totaled a net expense of R$4.6 million, 83.3% lower than the net expense in 2Q20. In 1H21, there was a net expense of R$34.4 million, 59.0% lower than the net expense in 2Q20. The periods were impacted by:

(i) the pro-rata interest referring to the lower debentures in the current semester due to a lower average DI rate when compared to the 1st semester of 2020 (R$10.3 million in 1H21). The average DI (intraday) rate in 2Q21 was similar to the same period last year;

(ii) lower volume of expenses with interest, fines and monetary restatement related to the reimbursement to SUS, due to the normalized recognition of GRU invoices (R$4.7 million higher in 2Q21 and R$6.2 million lower in 1H21); and

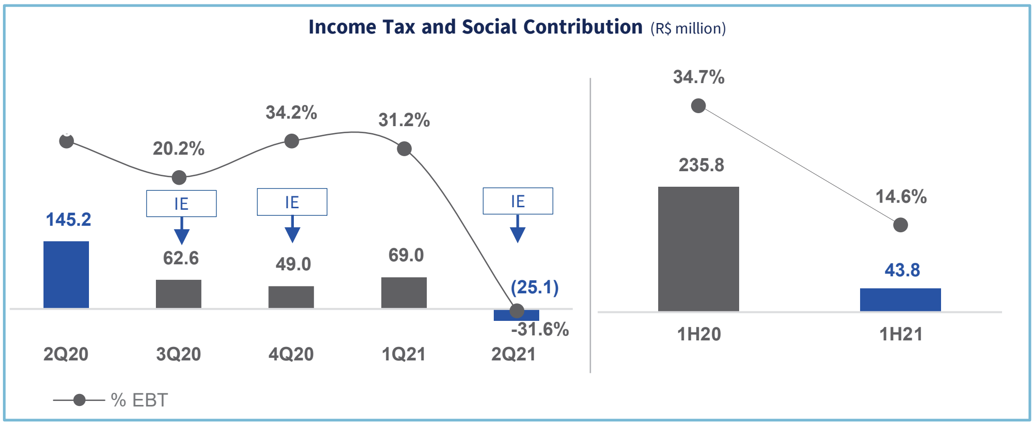
(iii) the higher yield and higher income from financial investments due to the higher equity balance of investments due to the proceeds from the follow on (R$24.3 million higher in 2Q21 and R$21.6 million in 1H21).

15. DEPRECIATION AND AMORTIZATION



Depreciation and amortization expenses totaled R$207.7 million in 2Q21 and R$423.8 million in 1H21, equivalent to 0.6% and 1.2%, respectively, of the average balance of the respective equity assets. The main variation in this account refers to the higher balance sheet of customer portfolios (with the entry of acquired companies) which caused an amortization of the fair value arising from the business combination (value-added) of the customer portfolio higher than the comparative period (increase of R$43.1 million in the 2Q21 and R$99.2 million in 1H21).

16. INCOME TAX AND SOCIAL CONTRIBUTION



IE = Interest on equity

16. INCOME TAX AND SOCIAL CONTRIBUTION (continuation)

The effective rate was -31.6% in 2Q21 and 14.6% in 1H21 relevant reductions compared to the same periods in 2020 due to:

(i) the reduction in EBITDA Ex-LTIP of R$295.8 million in 2Q21 and of R$296.8 million in 1H21 in a scenario affected by the pandemic;

(ii) distribution of interest on equity in the amount of R$68.8 million in 2Q20 and 1H21, which did not occur in 2Q20 and 1H20;

(iii) expenses with the issuance of shares due to the Company's 2nd follow on in the amount of R$53.1 million in 2Q20 and 1H21, which did not occur in 2Q20 and 1H20;

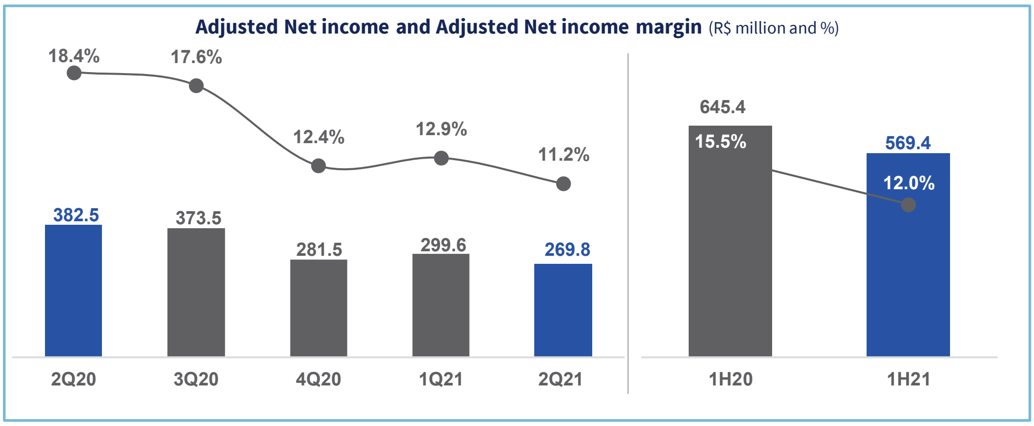
(iv) the increase in depreciation and amortization (disregarding IFRS16 depreciation and amortization of the fair value arising from the business combination) which went from R$21.8 million in 2Q20 to R$27.5 million in 2Q21 and from R$41.1 million in 1H20 to R$53.0 million in 1H21; and

(v) deductibility of the amortization of the fair value arising from the business combination from the acquisition of companies in the amount of R$6.0 million in 2Q21 and R$25.5 million in 1H21.

17. ADJUSTED NET INCOME

Starting on 2Q21, in addition to the adjustment of the amortization of the fair value arising from the business combination (value-added) and its respective effect on taxes that we had already been showing separately in previous quarters (impact of R$144.9 million in 2Q21 and R$292.7 million in 1H21), we included the LTIP adjustment in 2Q21 and 1H21 in the amount of R$20.3 million.

As a result, Adjusted Net Income totaled R$269.8 million in 2Q21, a decrease of 29.5% compared to 2Q20 and R$569.4 million in 1H21, a decrease of 11.8% compared to the same period of the previous year, mainly impacted by the reduction in EBITDA due to the effects of the pandemic already discussed.



18. CASH GENERATION AND CAPEX

Free cash flow ex-acquisitions was negative by R$202.4 million in 2Q21, impacted by: (i) R$420.6 million due to the variation in Promed's working capital, which had R$669.2 million in its balance sheet of net liabilities and which, after our assumption, was reduced to R$248.6 million. The difference between the liabilities received from Promed between signing and closing will be adjusted in the acquisition payment price. There was also an impact of the reduction in Ebitda, which was R$316.1 million lower, whose reduction is mainly explained by the impacts of the pandemic on our medical costs. Additionally, there was a cash consumption in the quarter in the amount of R$115.5 million against R$92.4 million in the 2Q20 due to the increase in investments (capex) in the expansion of our own network structure.

18. CASH GENERATION AND CAPEX (continuation)

R$ million	2Q21	2Q20	2Q21 x 2Q20	1H21	1H20	1H21 x 1H20
EBITDA	**291.7**	**607.8**	**-52.0%**	**758.5**	**1,075.6**	**(29.5%)**
(+/-) Change in working capital[1]	(403.7)	23.0	(1855.2%)	(323.6)	125.7	(357.4%)
(-) Income Tax and Social Contribution	25.1	(145.2)	(117.3%)	(43.8)	(235.8)	(81.4%)
(-) Cash CAPEX	(115.5)	(92.4)	25.0%	(236.6)	(166.7)	49.9%
Free cash flow (ex-acquisitions)	**(202.4)**	**393.2**	**(151.5%)**	**141.2**	**798.8**	**(82.3%)**
(-) Companies acquisitions	(155.6)	(47.6)	226.9%	(155.6)	(94.3)	65.0%
Free cash flow	**(358.0)**	**345.6**	**(203.6%)**	**(14.4)**	**704.5**	**(102.1%)**

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

Appendices

19. INCOME STATEMENT

R$ mm	2Q21	2Q20	Var. % 2Q21/2Q20	1Q21	Var. % 2Q21/1Q21	1H21	1H20	Var. % 1H21/1H20
Revenues from gross payments	2,442.5	2,106.0	16.0%	2,371.6	3.0%	4,814.1	4,217.9	14.1%
Revenue from other activities	92.6	70.9	30.7%	83.2	11.3%	175.8	147.3	19.3%
Deductions	(132.6)	(100.6)	31.9%	(131.6)	0.8%	(264.3)	(210.1)	25.8%
Net revenues	**2,402.4**	**2,076.3**	**15.7%**	**2,323.2**	**3.4%**	**4,725.6**	**4,155.1**	**13.7%**
Medical cost and others	(1,599.4)	(1,088.5)	46.9%	(1,420.1)	12.6%	(3,019.5)	(2,249.2)	34.2%
Depreciation and amortization	(38.7)	(44.1)	(12.3%)	(43.2)	(10.3%)	(81.9)	(77.4)	5.8%
Change in IBNR	(14.6)	17.1	-	12.1	(220.0%)	(2.4)	7.1	-
Change in SUS reimbursement prov.	(46.1)	(17.0)	171.1%	(71.0)	(35.1%)	(117.0)	(92.7)	26.3%
Total cost	**(1,698.8)**	**(1,132.6)**	**50.0%**	**(1,522.1)**	**11.6%**	**(3,220.9)**	**(2,412.2)**	**33.5%**
Gross profit	**703.7**	**943.7**	**(25.4%)**	**801.1**	**(12.2%)**	**1,504.7**	**1,742.9**	**(13.7%)**
Gross margin	***29.3%***	***45.5%***	***-16.2 p.p.***	***34.5%***	***-5.2 p.p.***	***31.8%***	***41.9%***	***-10.1 p.p.***
Selling expenses	**(193.5)**	**(179.8)**	**7.6%**	**(144.3)**	**34.1%**	**(337.8)**	**(334.4)**	**1.0%**
Advertise expenses	(14.5)	(12.5)	15.4%	(14.6)	(1.1%)	(29.1)	(21.2)	36.9%
Comission expenses	(98.5)	(94.7)	4.0%	(82.7)	19.1%	(181.3)	(178.6)	1.5%
Provision for credit losses	(72.9)	(66.7)	9.4%	(40.7)	79.3%	(113.6)	(122.6)	(7.4%)
Other sales expenses	(7.6)	(5.9)	29.3%	(6.3)	20.6%	(13.9)	(11.9)	17.4%
Administrative expenses	**(438.1)**	**(310.3)**	**41.2%**	**(409.5)**	**7.0%**	**(847.6)**	**(643.7)**	**31.7%**
Personnel	(148.1)	(94.7)	56.3%	(92.4)	60.3%	(240.4)	(178.8)	34.5%
Third party services	(68.0)	(48.1)	41.5%	(75.4)	(9.9%)	(143.4)	(108.9)	31.7%
Location and operation	(49.7)	(27.6)	80.2%	(42.5)	17.0%	(92.2)	(56.6)	63.0%
Depreciation and amortization	(169.0)	(112.5)	50.2%	(173.0)	(2.3%)	(341.9)	(235.3)	45.3%
Taxes	(5.8)	(3.4)	68.0%	(4.3)	34.8%	(10.0)	(6.8)	48.5%
Provisions for civil. labor and tax risks	12.3	(20.3)	-	(19.4)	-	(7.1)	(41.6)	(82.8%)
Miscellaneous expenses	(9.9)	(3.7)	168.8%	(2.6)	287.0%	(12.4)	(15.8)	(21.3%)
Other expenses/operational rev.	**12.0**	**(2.5)**	**(586.6%)**	**3.4**	**249.8%**	**15.4**	**(1.9)**	**(907.0%)**
Total expenses	**(619.6)**	**(492.6)**	**25.8%**	**(550.4)**	**12.6%**	**(1,170.0)**	**(980.0)**	**19.4%**
Operational income	**84.0**	**451.2**	**(81.4%)**	**250.6**	**(66.5%)**	**334.7**	**762.9**	**(56.1%)**
Operational margin	*3.5%*	*21.7%*	*-18.2 p.p.*	*10.8%*	*-7.3 p.p.*	*7.1%*	*18.4%*	*-11.3 p.p.*
Financial revenues	57.3	38.8	47.6%	33.9	69.0%	91.2	88.4	3.2%
Financial expenses	(61.8)	(66.1)	(6.4%)	(63.7)	(3.0%)	(125.5)	(172.3)	(27.1%)
Financial result	**(4.6)**	**(27.3)**	**(83.3%)**	**(29.8)**	**(84.7%)**	**(34.4)**	**(84.0)**	**(59.0%)**
EBIT	**79.5**	**423.9**	**(81.2%)**	**220.8**	**(64.0%)**	**300.3**	**679.0**	**(55.8%)**
IR and CSLL current	(99.1)	(210.9)	(53.0%)	(118.0)	(16.0%)	(217.1)	(344.2)	(36.9%)
IR and CSLL deferred	124.3	65.7	89.1%	49.0	153.5%	173.3	108.4	59.8%
IR and CSLL	**25.1**	**(145.2)**	**(117.3%)**	**(69.0)**	**(136.4%)**	**(43.8)**	**(235.8)**	**(81.4%)**
Net income	**104.6**	**278.6**	**(62.5%)**	**151.8**	**(31.1%)**	**256.4**	**443.2**	**(42.1%)**
Net margin	*4.4%*	*13.4%*	*-9.1 p.p.*	*6.5%*	*-2.2 p.p.*	*5.4%*	*10.7%*	*-5.2 p.p.*

EBITDA

R$ mm	2Q21	2Q20	Var. % 2Q21/2Q20	1Q21	Var. % 2Q21/1Q21	1H21	1H20	Var. % 1H21/1H20
EBIT	**84.0**	**451.2**	**(81.4%)**	**250.6**	**(66.5%)**	**334.7**	**762.9**	**(56.1%)**
Depreciation	45.7	41.0	11.4%	46.2	(1.2%)	91.9	80.0	14.8%
Amortization	162.0	115.6	40.1%	169.9	(4.6%)	331.9	232.6	42.7%
EBITDA	**291.7**	**607.8**	**(52.0%)**	**466.8**	**(37.5%)**	**758.5**	**1.075.6**	**(29.5%)**
EBITDA margin	*12.1%*	*29.3%*	*-17.1 p.p.*	*20.1%*	*-7.9 p.p.*	*16.1%*	*25.9%*	*-9.8 p.p.*

Some percentages and other amounts included in this document have been rounded for ease of presentation and may therefore differ from quarterly information tables and notes. Additionally, some total values in certain tables may not reflect the arithmetic sum of the preceding values.
Values consider IFRS 16.

Appendices

20. BALANCE SHEET

Balance Sheet R$ mm	2Q21	4Q20	Var. R$	Var. %
Assets	**17,305.8**	**13,519.7**	**3,786.1**	**28.0%**
Current assets	**3,749.1**	**3,502.1**	**247.0**	**7.1%**
Cash and cash equivalents	226.6	143.2	83.4	58.2%
Short-term investments	2,270.9	2,334.1	(63.3)	(2.7%)
Trade receivables	496.6	433.4	63.2	14.6%
Inventory	144.0	101.7	42.3	41.6%
Recoverable tax	208.1	184.1	24.0	13.0%
Derivative financial instruments	5.9	3.6	2.3	64.3%
Other assets	188.8	137.0	51.8	37.8%
Deferred commission	208.2	164.9	43.3	26.2%
Non-current assets	**13,556.7**	**10,017.6**	**3,539.1**	**35.3%**
Long-term investments	2,396.0	1,225.3	1.170.7	95.5%
Deferred taxes	809.0	579.5	229.5	39.6%
Judicial deposits	375.8	246.5	129.3	52.4%
Deferred commission	170.7	142.2	28.4	20.0%
Related party receivable	3.5	3.4	0.0	0.4%
Other credits with related parties	-	11.0	(11.0)	(100.0%)
Other assets	59.3	45.8	13.4	29.3%
Property. plant and equipment	2,449.7	2,241.5	208.2	9.3%
Intangible assets	7,292.7	5,522.3	1,770.4	32.1%
Liabilities and shareholders' equity	**17,305.8**	**13,519.7**	**3,786.1**	**28.0%**
Current liabilities	**2,653.8**	**2,120.6**	**533.2**	**25.1%**
Lending and Financing	93.6	42.9	50.6	118.0%
Trade payables	186.8	120.8	66.0	54.6%
Technical provisions for health care operations	1,491.1	1,129.1	362.0	32.1%
Health care payables	17.1	5.0	12.1	239.0%
Payroll obligations	282.1	195.4	86.6	44.3%
Taxes and contributions payable	202.5	159.7	42.7	26.7%
Income and social contribution taxes	100.1	85.1	15.0	17.6%
Dividends and interest on shareholders' equity payable	75.2	201.4	(126.3)	(62.7%)
Leases payable	41.6	43.0	(1.3)	(3.1%)
Related party payables	4.0	4.0	0.0	0.3%
Other accounts payable	159.8	134.0	25.8	19.2%
Non-current liabilities	**3,986.6**	**3,568.1**	**418.5**	**11.7%**
Lending and Financing	2,001.1	2,034.3	(33.3)	(1.6%)
Taxes and contributions payable	98.6	23.1	75.5	326.3%
Technical reserves for health care operations	7.1	1.8	5.3	295.0%
Leases payable	939.7	965.3	(25.6)	(2.6%)
Deferred income tax and social contribution	100.1	39.5	60.6	153.2%
Provision for tax. civil and labor risks	407.6	401.9	5.7	1.4%
Other accounts payable	432.4	102.1	330.3	323.5%
Shareholders' equity	**10,665.4**	**7,831.0**	**2,834.4**	**36.2%**
Capital	8,124.3	5,650.5	2,473.7	43.8%
Legal reserve	176.6	176.6	-	0.0%
Capital reserve	396.0	222.9	173.1	77.6%
Accumulated profits	254.6	-	254.6	-
Profit reserves	1,710.4	1,779.2	(68.8)	(3.9%)
Equity attributable to controlling shareholders	10,661.8	7,829.2	2,832.6	36.2%
Non-controlling interest	3.6	1.8	1.8	104.1%

Some percentages and other amounts included in this document have been rounded for ease of presentation and may therefore differ from quarterly information tables and notes. Additionally, some total values in certain tables may not reflect the arithmetic sum of the preceding values.
Values consider IFRS 16.

Appendices

21. CASH FLOW STATEMENT

Cash Flow Statement R$ mm	2Q21	4Q20	1H21	1H20
Net income	**104.6**	**278.6**	**256.4**	**443.2**
Adjustments to reconcile net income with cash	**250.6**	**386.3**	**587.4**	**724.8**
Depreciation and amortization	189.4	138.6	384.8	273.6
Depreciation of usage rights	18.3	18.0	39.0	38.9
Technical provisions for health care operations	14.5	(17.2)	2.4	(7.1)
Provision for losses on receivables	72.9	66.7	113.6	122.6
Write-off of property. plant and equipment	(1.9)	(0.4)	2.4	1.4
Write-off of intangible assets	0.6	4.2	0.9	5.5
Provision for tax. civil and labor risks	(30.0)	16.5	(25.5)	20.1
Income from financial investments	(47.6)	(23.3)	(69.3)	(47.7)
Earning on derivative financial instruments	2.9	(2.5)	1.1	(17.6)
Interest and monetary restatement of leases	21.3	20.5	43.2	41.3
Interest and financial charges on loans and financing	18.3	17.2	29.4	40.8
Exchange rate	(3.4)	2.9	1.2	16.9
Long Term Incentive Plan	20.3	-	20.3	-
Tax income and social contribution	99.1	210.9	217.1	344.2
Deferred taxes	(124.3)	(65.7)	(173.3)	(108.4)
(Increase) decrease in asset accounts	**(207.0)**	**(143.1)**	**(463.3)**	**(318.5)**
Accounts receivable	(64.2)	(35.3)	(159.2)	(145.2)
Inventory	(5.3)	(42.0)	(39.2)	(54.8)
Taxes recoverable	(8.4)	(8.4)	(18.5)	(13.1)
Judicial deposits	(70.8)	(27.6)	(145.8)	(46.5)
Other assets	(36.6)	(29.9)	(52.8)	(43.7)
Deferred Sales Expense	(21.7)	0.1	(47.9)	(15.1)
Increase (decrease) in liability accounts:	**(410.8)**	**22.3**	**(401.6)**	**41.7**
Technical provisions for health care operations	10.9	11.0	104.7	111.4
Debts of health care operations	2.0	1.5	7.9	(1.6)
Social obligations	32.4	28.9	67.7	44.8
Suppliers	(48.6)	3.4	13.3	20.9
Taxes and contributions payable	(3.4)	114.9	(40.8)	78.3
Other accounts payable	(274.3)	(2.6)	(322.7)	6.3
Income tax and social contribution paid	(129.8)	(134.8)	(231.6)	(218.4)
Net cash provided by operating activities	**(262.7)**	**544.1**	**(21.1)**	**891.3**
Cash flow from investing activities	**(1,345.4)**	**(797.2)**	**(1,474.7)**	**(763.3)**
Payments to related parties	(112.2)	0.0	(112.2)	4.7
Acquisition of property. plant and equipment	(103.9)	(85.8)	(213.3)	(126.8)
Acquisition of intangibles	(11.6)	(6.5)	(36.7)	(39.8)
Acquisition/sale of investments	(155.6)	(47.6)	(155.6)	(94.3)
Balances attributed to the acquisition of investees	2.9	-	2.9	5.2
Financial investments	(965.0)	(657.2)	(959.8)	(512.2)
Cash flow from financing activities	**1,658.9**	**(38.0)**	**1,579.2**	**(145.3)**
Obtaining loans	-	79.8	-	2.1
Receipt of derivative financial instruments	3.4	-	9.6	4.7
Expenses with share issuance	(53.1)	(84.2)	(53.1)	(84.2)
Payment / Acquisition of loans and financing	(96.1)	-	(145.0)	-
Payment of dividends and interest on own capital	(186.1)	-	(186.1)	-
Principal payments - Leases	(34.2)	(33.9)	(71.2)	(68.1)
Capital contribution	2,025.0	-	2.025.0	-
Non-controlling shareholding stake	(0.0)	0.3	(0.0)	0.3
Change in cash and cash equivalents	**50.8**	**(291.0)**	**83.4**	**(17.3)**
Cash and cash equivalents at the beginning of the period	175.8	498.0	319.0	722.2
Cash and cash equivalents at the end of the period	226.6	206.9	402.4	704.9

Some percentages and other amounts included in this document have been rounded for ease of presentation and may therefore differ from quarterly information tables and notes. Additionally, some total values in certain tables may not reflect the arithmetic sum of the preceding values.
Values consider IFRS 16.

Summary Report of the Audit Committee on the parent company and consolidated interim financial statements for the period ended June 30, 2021

The Audit Committee of Hapvida Participações e Investimentos SA, in compliance with legal and statutory provisions, reviewed the individual and consolidated interim financial statements as of June 30, 2021, accompanied by the review report of the independent auditor KPMG Auditores Independentes, and unanimously expressed its opinion, that such documents adequately reflect, in all material respects, the Company's equity and financial positions as of June 30, 2021, in accordance with CPC 21(R1) and IAS 34, issued by the IASB applicable to the preparation of Quarterly Information - ITR. Based on the activities, information and clarifications received during the period, it believes that the aforementioned documents are in a position to be considered by the Board of Directors.

Fortaleza, August 11, 2021.

Wagner Aparecido Mardegan
Member of the Audit, Risks and Compliance Committee

Maria Paula Soares Aranha
Member of the Audit, Risks and Compliance Committee

João Alberto da Silva Neto
Member of the Audit, Risks and Compliance Committee

Geraldo Luciano Mattos Junior
Member of the Audit, Risks and Compliance Committee

Márcio Luiz Simões Utsch
Member - Coordinator of the Audit, Risks and Compliance Committee

Directors' Statement on the parent company and consolidated interim financial statements for the period ended June 30, 2021

In accordance with article 25, paragraph 1, item VI, of CVM No. 480/09, the officers responsible for preparing the respective financial statements of the Company declare that they have reviewed, discussed and agreed with the parent company and consolidated interim financial statements for the period ended June 30, 2021.

Fortaleza, August 11, 2021.

Jorge Fontoura Pinheiro Koren de Lima
CEO

Maurício Fernandes Teixeira
Chief Financial and Investor Relations Officer

Directors' Statement on the Independent Auditor's Report

In accordance with article 25, paragraph 1, item V, of CVM No. 480/09, the officers responsible for preparing the financial statements of the Company declare that they have reviewed, discussed and agreed with the opinions expressed in the report of the Company's independent auditors, KPMG Auditores Independentes, on the parent company and consolidated interim financial statements for the period ended June 30, 2021.

Fortaleza, August 11, 2021.

Jorge Fontoura Pinheiro Koren de Lima
CEO

Maurício Fernandes Teixeira
Chief Financial and Investor Relations Officer

KPMG Auditores Independentes
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Independent auditor's report on the review of interim financial statements

To the Shareholders and Board Members of Management of

Hapvida Participações e Investimentos S.A.

Fortaleza - CE

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Hapvida Participações e Investimentos S.A. ("Company"), included in the Interim Financial Information Form - ITR, for the quarter ended June 30, 2021, which comprises the statement of financial position as of June 30, 2021, the statement of profit or loss and comprehensive income for the three and six-months period then ended and of changes in equity and cash flows for six-months period then ended, and notes to the interim financial information.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with Technical Pronouncement CPC 21(R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board – IASB, as well as for the presentation of this quarterly information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the interim financial 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 applicable to interim financial information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and in applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing 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 interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information referred to above was not prepared, in all material respects, in accordance with Technical Pronouncement CPC 21 (R1) and IAS 34 issued by IASB and applicable to the preparation of interim Information and presented in a consistent manner with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters

Interim Statements of added value

The individual and consolidated interim financial information, related to the statements of value added (DVA) for the six-months period ended June 30, 2021, prepared the under of Company's Management responsibility, presented as supplementary information for IAS 34 purposes, was submitted to review procedures performed jointly with the review of the quarterly information - the Company´s ITR. In order to form our conclusion, we assessed whether these statements are reconciled to the interim financial information and accounting records, as applicable, and whether their forms and content are in accordance with criteria set on Technical Pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us believe that the accompanying statements of value added are not prepared, in all material respects, in accordance with individual company and consolidated interim financial information taken as a whole.

Fortaleza, August 11, 2021

KPMG Auditores Independentes
CRC SP-014428/O-6 S-CE
Original report in Portuguese signed by

Erika Carvalho Ramos
Contadora CRC 1SP224130/O-0

Hapvida Participações e Investimentos S.A.

Statements of financial position at June 30, 2021 and December 31, 2020

(Amounts stated in thousands of Reais)

		Parent company		Consolidated	
Assets	**Notes**	**06/30/2021**	**12/31/2020**	**06/30/2021**	**12/31/2020**
Cash and cash equivalents	31	2,176	1,123	226,616	143,212
Short-term investments	12	155,594	-	2,270,857	2,334,120
Trade receivables	13	-	-	496,602	433,426
Inventory		-	-	143,987	101,677
Recoverable tax	30.b	68,390	65,383	208,121	184,105
Dividends and interest on shareholders' equity receivable	15	105	105	-	2
Derivative financial instruments	31	-	-	5,892	3,587
Other assets		203	36	188,793	137,033
Deferred commission	14	-	-	208,214	164,929
Total current assets		226,468	66,647	3,749,082	3,502,091
Long-term investments	12	387,350	406,992	2,396,004	1,225,282
Deferred taxes assets	30.c	307,775	242,132	809,022	579,509
Judicial deposits	23	2,735	2,132	375,820	246,528
Deferred commission	14	-	-	170,669	142,229
Derivative financial instruments	31	-	-	-	10,959
Related party receivable	15	104	91	3,461	3,448
Other assets		-	-	59,280	45,837
		697,964	651,347	3,814,256	2,253,792
Investments	16	11,864,540	9,368,370	-	-
Property, plant and equipment	17	8,590	8,641	2,449,729	2,241,533
Intangible	18	96	122	7,292,747	5,522,303
Total non-current assets		12,571,190	10,028,480	13,556,732	10,017,628
Total assets		**12,797,658**	**10,095,127**	**17,305,814**	**13,519,719**

		Parent company		Consolidated	
Liabilities and shareholders' equity	**Notes**	**06/30/2021**	**12/31/2020**	**06/30/2021**	**12/31/2020**
Borrowings and financing	19	25,737	19,081	93,563	42,915
Trade payables		1,104	676	186,792	120,828
Technical provisions for health care operations	21	-	-	1,491,077	1,129,109
Health care payables		-	-	17,107	5,046
Payroll obligations	22	1,094	991	282,078	195,441
Taxes and contributions payable		10,307	13,648	202,457	159,736
Income and social contribution taxes	30.a	-	-	100,138	85,141
Dividends and interest on shareholders' equity payable	15 e 24.c	61,946	188,213	75,174	201,441
Leases	20	1,230	1,190	41,634	42,950
Related party payables	15	4,434	4,097	4,008	3,996
Other accounts payable		637	613	159,776	134,010
Total current liabilities		106,489	228,509	2,653,804	2,120,613
Borrowings and financing	19	1,997,753	1,997,254	2,001,059	2,034,312
Taxes and contributions payable		-	-	98,611	23,133
Technical provisions for health care operations	21	-	-	7,062	1,788
Leases	20	3,279	3,959	939,722	965,293
Deferred taxes liabilities	30.c	-	-	100,098	39,538
Provision for tax, civil and labor risks	23	28,350	36,135	407,614	401,949
Other accounts payable		-	58	432,435	102,106
Total non-current liabilities		2,029,382	2,037,406	3,986,601	3,568,119
Shareholders' equity	24				
Capital		8,124,260	5,650,526	8,124,260	5,650,526
Treasury shares		(2)	(2)	(2)	(2)
Capital reserve		395,991	222,917	395,991	222,917
Legal reserve		176,596	176,596	176,596	176,596
Profit reserve		1,710,356	1,779,175	1,710,356	1,779,175
Retained earnings (loss)		254,586	-	254,586	-
Equity attributable to controlling shareholders		10,661,787	7,829,212	10,661,787	7,829,212
Non-controlling interest		-	-	3,622	1,775
Total shareholders' equity		10,661,787	7,829,212	10,665,409	7,830,987
Total liabilities and shareholders' equity		**12,797,658**	**10,095,127**	**17,305,814**	**13,519,719**

See the accompanying notes to the parent company and consolidated interim financial statements.

Hapvida Participações e Investimentos S.A.

Statement of profit or loss

Periods ended June 30, 2021 and 2020

(Amounts stated in thousands of Reais)

		Parent company				Consolidated			
	Notes	Accumulated 06/30/2021	Quarter 06/30/2021	Accumulated 06/30/2020	Quarter 06/30/2020	Accumulated 06/30/2021	Quarter 06/30/2021	Accumulated 06/30/2020	Quarter 06/30/2020
Net revenue from services provided	25	-		-		4,725,596	2,402,443	4,155,086	2,076,298
Cost of the services rendered	26	-		-		(3,220,891)	(1,698,788)	(2,412,157)	(1,132,562)
Gross profit		-	-	-	-	1,504,705	703,655	1,742,929	943,736
Sales expenses	27	(342)	(342)	(320)	(56)	(337,834)	(193,496)	(334,364)	(179,795)
Administrative expenses	28	(55,988)	(49,464)	(17,429)	(8,221)	(847,622)	(438,122)	(643,707)	(310,324)
Equity in net income of subsidiaries	16	266,586	105,943	472,809	290,106	-	-	-	-
Other net operating income (expenses)		56	56	(36)	(1)	15,429	11,999	(1,912)	(2,466)
Total		210,312	56,193	455,024	281,828	(1,170,027)	(619,619)	(979,983)	(492,585)
Income before income tax and net finance income (expense)		210,312	56,193	455,024	281,828	334,678	84,036	762,946	451,151
Finance income	29	7,199	5,242	17,476	9,047	91,156	57,271	88,357	38,803
Finance expenses	29	(28,568)	(17,518)	(43,630)	(17,647)	(125,546)	(61,831)	(172,334)	(66,090)
Net finance income (expeses)		(21,369)	(12,276)	(26,154)	(8,600)	(34,390)	(4,560)	(83,977)	(27,287)
Profit before tax		188,943	43,917	428,870	273,228	300,288	79,476	678,969	423,864
Current income and social contribution taxes	30.a	-	-	-	-	(217,121)	(99,124)	(344,203)	(210,939)
Deferred income and social contribution taxes	30.c	65,643	60,481	14,208	5,421	173,272	124,258	108,438	65,716
Net income for the period		**254,586**	**104,398**	**443,078**	**278,649**	**256,439**	**104,610**	**443,204**	**278,641**
Attributable to									
Non-controlling interest		-	-	-		1,853	212	126	(8)
Owners of the Company		254,586	104,398	443,078	278,649	254,586	104,398	443,078	278,649
Earnings per share - basic and diluted	24.e	0.07	0.03	0.12	0.08	0.07	0.03	0.12	0.08

See the accompanying notes to the parent company and consolidated interim financial statements.

Hapvida Participações e Investimentos S.A.

Statements of comprehensive income

Periods ended June 30, 2021 and 2020

(Amounts stated in thousands of Reais)

	Parent company				Consolidated			
	Accumulated **06/30/2021**	Quarter **06/30/2021**	Accumulated **06/30/2020**	Quarter **06/30/2020**	Accumulated **06/30/2021**	Quarter **06/30/2021**	Accumulated **06/30/2020**	Quarter **06/30/2020**
Net income for the period	254,586	104,398	443,078	278,649	256,439	104,610	443,204	278,641
Comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	**254,586**	**104,398**	**443,078**	**278,649**	**256,439**	**104,610**	**443,204**	**278,641**
Non-controlling interest	-		-		1,853	212	126	(8)
Owners of the Company	254,586	104,398	443,078	278,649	254,586	104,398	443,078	278,649

See the accompanying notes to the parent company and consolidated interim financial statements.

Hapvida Participações e Investimentos S.A.

Statements of changes in shareholders' equity

Periods ended June 30, 2021 and 2020

(Amounts stated in thousands of Reais)

	Notes	Attributable to controlling shareholder								
	Notes	**Share capital**	**Treasury shares**	**Capital reserve**	**Legal reserve**	**Profit reserve**	**Retained earnings**	**Total**	**Non-controlling interest**	**Total shareholders' equity**
Balances at January 01, 2020		**5,650,526**	**(2)**	**222,917**	**137,423**	**1,248,739**	**-**	**7,259,603**	**2,282**	**7,261,885**
Capital decrease		-	-	-	-	-	-	-	273	273
Net income for the period		-	-	-	-	-	443,078	443,078	126	443,204
Balance at June 30, 2020		**5,650,526**	**(2)**	**222,917**	**137,423**	**1,248,739**	**443,078**	**7,702,681**	**2,681**	**7,705,362**
Balance at December 31, 2020		**5,650,526**	**(2)**	**222,917**	**176,596**	**1,779,175**	**-**	**7,829,212**	**1,775**	**7,830,987**
Net income		-	-	-	-	-	254,586	254,586	1,853	256,439
Capital increase (decrease)	24.a	2,526,813	-	-	-	-	-	2,526,813	(6)	2,526,807
Share issue expenses	24.a	(53,079)	-	-	-	-	-	(53,079)	-	(53,079)
Stock grant	15	-	-	20,303	-	-	-	20,303	-	20,303
Goodwill on share issuance	24.d	-	-	152,771	-	-	-	152,771	-	152,771
Destinations			-	-	-	-	-	-	-	-
Interest on equity		-	-	-	-	(68,819)	-	(68,819)	-	(68,819)
Balance at June 30, 2021		**8,124,260**	**(2)**	**395,991**	**176,596**	**1,710,356**	**254,586**	**10,661,787**	**3,622**	**10,665,409**

See the accompanying notes to the parent company and consolidated interim financial statements.

Hapvida Participações e Investimentos S.A.

Statements of cash flows

Periods ended June 30, 2021 and 2020

(Amounts stated in thousands of Reais)

	Parent company		Consolidated	
	06/30/2021	**06/30/2020**	**06/30/2021**	**06/30/2020**
Cash flows from operating activities				
Net income for the year	**254,586**	**443,078**	**256,439**	**443,204**
Adjustments to reconcile net income for the year with cash generated by operating activities:				
Depreciation and amortization	521	613	384,762	273,635
Depreciation of right of use assets	629	612	39,030	38,944
Technical reserves for health care operations	-	-	2,397	(7,052)
Equity in income of subsidiaries	(266,586)	(472,809)	-	-
Allowance for doubtful accounts	-	-	113,579	122,635
Write-off of property, plant and equipment	(1,131)	-	2,414	1,430
Write-off of intangible assets	884	-	884	5,517
Provision for tax, civil and labor risks	(7,345)	1,251	(25,489)	20,112
Earnings on short-term investments	(7,155)	(17,475)	(69,317)	(47,683)
Gain (loss) with derivative financial instruments	-	-	1,114	(17,574)
Lease	180	206	43,248	41,339
Interest and financial charges on borrowings, financing and debentures	28,219	39,047	29,384	40,842
Exchange-rate change	(43)	-	1,215	16,894
Management compensation plan	20,303	-	20,303	-
Income and social contribution taxes	-	-	217,121	344,203
Deferred taxes	(65,643)	(14,208)	(173,272)	(108,438)
	(42,581)	**(19,685)**	**843,812**	**1,168,008**
(Increase) decrease in asset accounts:				
Trade receivables	-	-	(159,163)	(145,161)
Inventory	-	-	(39,191)	(54,819)
Recoverable taxes	(3,007)	(2,756)	(18,484)	(13,087)
Judicial deposits	(736)	(718)	(145,846)	(46,546)
Other assets	(167)	(47)	(52,760)	(43,722)
Deferred commission expense	-	-	(47,896)	(15,138)
Increase (decrease) in liability accounts:				
Technical reserves for health care operations	-	-	104,659	111,418
Debts of health care operations	-	-	7,937	(1,596)
Payroll obligations	103	(8)	67,701	44,822
Trade payables	466	(39)	13,263	20,883
Taxes and contributions payable	(13,044)	(16,024)	(40,787)	78,302
Other accounts payable	(27)	99	(322,747)	6,275
Cash (used in) provided by operating activities	**(58,993)**	**(39,178)**	**210,498**	**1,109,639**
Income and social contribution taxes paid	-	-	(231,611)	(218,361)
Net cash (used in) provided by operating activities	**(58,993)**	**(39,178)**	**(21,113)**	**891,278**
Cash flows from investment activities				
Related parties receivable (payable)	324	4,575	(112,219)	4,734
Acquisition of property, plant and equipment	-	(869)	(213,260)	(126,813)
Acquisition of intangible assets	(884)	-	(36,704)	(39,828)
Acquisition of subsidiaries	-	-	(155,626)	(94,347)
Balances attributed to the acquisition of subsidiaries	-	-	-	-
Advance for future capital increase	-	-	2,897	5,212
Financial investments	(1,575,000)	(60,000)	-	-
Redemption of financial investments	(415,898)	(400)	(6,132,241)	(3,682,294)
	287,101	157,105	5,172,445	3,170,061
Net cash (used in) provided by investment activities	**(1,704,357)**	**100,411**	**(1,474,708)**	**(763,275)**
Cash flows from financing activities				
Dividends and interest on equity	(186,072)	-	(186,072)	-
Share issue expenses	(53,079)	-	(53,079)	-
Resources from the issuance of shares	2,025,000	-	2,025,000	-
Payments of principal and interests on borrowing, financing and debentures	-	-	-	2,064
Payment of leasing	(21,064)	(51,905)	(144,978)	(84,219)
Receipt of derivative financial instruments	(382)	(740)	(71,231)	(68,149)
Non-controlling interest in an acquiree	-	-	9,591	4,730
	-	-	(6)	273
Net cash from (used in) financing activities	**1,764,403**	**(52,645)**	**1,579,225**	**(145,301)**
Net increase (decrease) in cash and cash equivalents	**1,053**	**8,588**	**83,404**	**(17,298)**
Cash and cash equivalents at the beginning of the period	1,123	1,625	143,212	224,229
Cash and cash equivalents at the end of the period	2,176	10,213	226,616	206,931
Net increase (decrease) in cash and cash equivalents	**1,053**	**8,588**	**83,404**	**(17,298)**

See the accompanying notes to the parent company and consolidated interim financial statements.

Hapvida Participações e Investimentos S.A.

Statements of added value

Periods ended Junho 30, 2021 and 2020

(Amounts stated in thousands of Reais)

	Parent company		Consolidated	
	06/30/2021	**06/30/2020**	**06/30/2021**	**06/30/2020**
Revenues (1)	**-**	**-**	**4,835,519**	**4,200,153**
Operating revenue	-	-	4,933,357	4,322,825
Other (expenses) revenues	-	-	15,741	(37)
Impairment loss on trade receivables	-	-	(113,579)	(122,635)
Inputs purchased from third parties (2)	**(4,202)**	**(11,222)**	**(2,939,908)**	**(2,356,612)**
Costs of services rendered	-	-	(1,931,249)	(1,506,132)
Material, energy, outsourced services and other	(4,202)	(11,222)	(1,008,659)	(850,480)
Gross added value (1) - (2) = (3)	**(4,202)**	**(11,222)**	**1,895,611**	**1,843,541**
Depreciation and amortization (4)	(1,150)	(1,225)	(423,792)	(312,579)
Net value added produced by the Company (3) - (4) = (5)	**(5,352)**	**(12,447)**	**1,471,819**	**1,530,962**
Added value received as transfer (6)	**273,742**	**490,285**	**90,033**	**88,357**
Equity in net income of subsidiaries	266,586	472,809	-	-
Financial revenues	7,156	17,476	89,998	88,357
Others	-	-	35	-
Total added-value payable (5+6)	**268,390**	**477,838**	**1,561,852**	**1,619,319**
Personnel	**(48,509)**	**(8,677)**	**(796,704)**	**(602,549)**
Direct remuneration	(48,477)	(8,665)	(686,040)	(502,565)
Benefits	(24)	(12)	(67,007)	(53,926)
FGTS	(8)	-	(43,657)	(46,058)
Taxes, rates and contributions	**62,879**	**12,693**	**(417,921)**	**(520,592)**
Federal	62,942	12,879	(348,292)	(468,067)
State	-	(61)	(2,979)	(736)
Municipal	(63)	(125)	(66,650)	(51,789)
Third-party capital remuneration	**(28,174)**	**(38,776)**	**(90,788)**	**(52,974)**
Interest	(28,360)	(39,047)	(67,034)	(46,925)
Rentals	214	271	(8,899)	(6,049)
Other	(28)	-	(14,855)	-
Remuneration of own capital	**(254,586)**	**(443,078)**	**(256,439)**	**(443,204)**
Dividends and interest on equity	(68,819)	-	(68,819)	-
Retained earnings	(185,767)	(443,078)	(185,767)	(443,078)
Non-controlling interests in retained earnings	-	-	(1,853)	(126)
Distributed added value	**(268,390)**	**(477,838)**	**(1,561,852)**	**(1,619,319)**

See the accompanying notes to the parent company and consolidated interim financial statements.

Notes to the parent company and consolidated interim financial statements

(Amounts stated in thousands of Reais)

1 Operations

Hapvida Participações e Investimentos S.A. is a holding company organized as a corporation with registered offices at Av. Heráclito Graça, 406 in the city of Fortaleza/CE, Brazil. The parent company and consolidated interim financial statements include the Company and its subsidiaries (jointly referred to as the "Group"). The Group is mainly engaged in: (i) the sale of health insurance plans being also responsible for the majority of medical assistance at its own hospitals, clinics, imaging diagnostics and laboratories; and (ii) the sale of dental insurance plans with the services provided by accredited network.

The Company obtained the registration as a publicly-held company on April 20, 2018 and started trading its shares in the Novo Mercado (New Market) special segment at [B]3 - Brasil Bolsa Balcão, on April 25, 2018, under ticker HAPV3.

Hapvida Participações e Investimentos S.A. is a direct subsidiary of the holding company PPAR Pinheiro Participações S.A.

1.1 Coronavirus effects (COVID-19)

Since the beginning of the pandemic, the Company has been committed to guaranteeing to the beneficiaries all the safety and care necessary for the challenges related to access to healthcare during this period of the pandemic. Actions included (i) anticipation of the opening of new care units and expansion of existing ones; (ii) development of the largest and most modern telemedicine service platform, the only one with live face facial recognition; and (iii) increase in the number of beds and health professionals so that they could overcome the entire demand during the two waves of confrontation with Covid-19.

As disclosed in the notice to the Market on June 28, 2021, at the time, a Company had 963 beds (522 hospital beds and 441 ICU beds) provided for Covid-19 treatment. The Company currently has 104 beds (34 hospital beds and 70 ICU beds) dedicated to Covid-19 cases, a reduction of 90% when compared to the last update, reflecting the consistent drop in the number of hospitalizations of infected patients and the rate of hospital discharges. In regions that presents descending curves or close to their baseline levels, there is still additional equipment and medicines capacity for an eventual increase of hospitalizations.

The vaccination program against a Covid-19 in Brazil continues to advance, with the country reaching satisfactory levels of immunization. The Company is confident that, with the advance of vaccination, the volume of hospitalizations and deaths by Covid-19 will remain at a reduced level.

All our experience in medical-hospital management has helped us to manage and minimize the impacts of Covid-19 in our operations and to continue taking care of our customers and employees with the usual welcome. We remain vigilant, monitoring the impacts of the pandemic on our business and acting proactively to ensure service to our customers and contribute to society.

Credit risk and estimated expected credit losses
The Company has daily analyzed monthly payments from its customers and possible impacts on the provision for default losses, as well as contract cancellation rates, in order to verify whether there was a significant increase in credit risk.

The life cancellation index and the daily receipt of funds from the Company remain in line with the year before the beginning of the pandemic. Customer contracts are mostly in the form of prepayment and, in the event of default, for corporate customers, after five days of delay, there may be a suspension in the beneficiary's service, thus implying less risk of using the service network without respective health plan monthly payment.

Liquidity risk and cash generation

Cash generation
Although there is a continuity of uncertainty about the Pandemic, the Company maintains solid levels of liquidity and solvency, similar to that demonstrated in the entire fiscal year of 2020. The Company has a consolidated position of availability in the short term of R$ 2,497,473 (R$ 2,477,332 as of December 31, 2020) and net working capital of R$ 1,095,278 (R$ 1,381,478 as of December 31, 2020).

Up to the date of issuance of these interim financial statements, no indication of a deterioration in the Company's operating cash generation capacity, which could have resulted in an increase in the level of liquidity risk, has been identified.

Compliance with covenants
There were no significant changes in the Company's cash position and/or the realization of new debts with financial institutions to raise funds, and thus, there is a certainty that the contractual clauses (“Covenants”) will be strictly met in accordance with required provisions.

Regarding non-financial covenants, no elements were observed that would put their full compliance at risk in the same period mentioned above.

Loss Ratio
The new coronavirus pandemic has continued to impact some sectors of the economy since the second half of March 2020. However, several sectors, including the supplementary health sector, have not had significant impacts identified as essential services by regulatory authorities.

We continue to follow the ANS recommendation regarding the provision of elective services and procedures, which are normally carried out in practically all regions where the Company operates. Currently, we have in our own network a volume of consultations and elective exams like those in the pre-pandemic period.

The Company has acted in a timely manner and with management in the acquisition of materials and services, aiming to guarantee quality care and access to health for all beneficiaries of the Hapvida Group, both for the services related to COVID-19, as well as in the maintenance of treatments and other recurring demands. There is an increase in the loss ratio in the current period compared to the same period in the previous year, due to the higher claim level of the newly acquired companies (Medical, Grupo São José and PROMED) and, also, due to the coexistence between elective procedures and assistance and hospitalizations caused by COVID-19.

Following the recommendations of the ANS and the health agencies, between the months of March/20 and May/20, all elective care (which does not qualify as urgent or emergency) were suspended. This, combined with measures of social distancing, caused a significant drop in demand for medical services in the period. Therefore, the entire volume caused by Covid-19 in the Group's assistance units in the 1st wave of the pandemic, which reached its peak on May 14, 2020, with 130 admissions that day, was more than offset by the suspension of elective care. However, with the resurgence of the pandemic at the end of 2020, there was a significant increase in hospitalizations caused in the 1st quarter of 2021, reaching a peak on 15/March/21 with 237 hospitalizations in a single day. In the 2nd quarter of 2021, healthcare units were equally impacted with the same volume of care and admissions related to Covid-19 compared to the first quarter of 2021.

Recoverability of assets

Business combination
Regarding the main assets acquired through business combinations that occurred in the last year, in light of the current circumstances, no elements were identified that significantly alter the assumptions of the cash flow projections, which supported the recognition of such assets. Accordingly, there is no need to record impairment losses on these assets in these individual and consolidated interim financial statements.

Financial instruments
The Company has a very conservative investment policy, mostly composed of fixed income investments, investing only in the largest Brazilian financial institutions. The assumptions for measuring financial instruments were reviewed and found that the position represented in these interim financial statements is realizable, without the need for any record of impairment.

2 List of subsidiaries

The parent company and consolidated interim financial statements includes the following direct and indirect subsidiaries of Hapvida Participações e Investimentos S.A.:

	06/30/2021		12/31/2020	
Entity	**Direct**	**Indirect**	**Direct**	**Indirect**
Hapvida Assistência Médica Ltda. (a)	99.99%	-	99.99%	-
Mais Odonto Assistência Odontológica Ltda.*	-	-	99.99%	-
Hospital Antônio Prudente Ltda.	99.99%	-	99.99%	-
Ultra Som Serviços Médicos S.A. (b)	100.00%	-	100.00%	-
Hapvida Participações Investimentos II S.A. (g)	100.00%	-	-	-
RN Metropolitan Ltda.	-	99.99%	-	99.99%
Hapvida Participações em Tecnologia Ltda. (c)	99.99%	-	99.99%	-
Maida Health Participações Societárias S.A. (c)	-	74.99%	-	74.99%
Haptech Soluções Inteligentes Ltda. (c)	-	74.99%	-	74.99%
Infoway Tecnologia e Gestão em Saúde Ltda. (c)	-	74.99%	-	74.99%
Centro Avançado Oncológico Ltda.	-	100.00%	-	100.00%
São Francisco Odontologia Ltda. (d)	-	100.00%	-	100.00%

	06/30/2021		12/31/2020	
Entity	**Direct**	**Indirect**	**Direct**	**Indirect**
SF Health Up Desenvolvimento e Consultoria em Tecnologia da Informação Ltda.	-	100.00%	-	100.00%
São Francisco Resgate Ltda.	-	100.00%	-	100.00%
Documenta Clínica Radiológica Ltda.	-	100.00%	-	100.00%
São Francisco Atendimento Ltda.	-	100.00%	-	100.00%
São Francisco Sistemas de Saúde S/E Ltda. (e)	-	99.93%	-	99.93%
Hospital São Francisco Ltda.	-	99.93%	-	99.93%
GSF Administração de Bens Próprios Ltda.	-	99.93%	-	99.93%
Laboratório Regional Ltda.	-	99.93%	-	99.93%
Laboratório Regional I Ltda.	-	99.93%	-	99.93%
Laboratório Regional II Ltda.	-	99.93%	-	99.93%
São Francisco Rede de Saúde Assistencial Ltda.	-	99.93%	-	99.93%
Hemac Medicina Laboratorial e Hemoterapia.	-	100.00%	-	100.00%
Hospital das Clínicas de Paraupebas Ltda.	-	100.00%	-	100.00%
Branquinho Participações Ltda.	-	100.00%	-	100.00%
Maiorino Participações Ltda.	-	100.00%	-	100.00%
Cyrio Nogueira Participações Ltda.	-	100.00%	-	100.00%
Lopes Biaggioni Participações Ltda.	-	100.00%	-	100.00%
RRP – Emp. e Participações Ltda.	-	99.96%	-	99.96%
Nakagawa Participações Ltda.	-	100.00%	-	100.00%
Ururahy Participações Ltda.	-	100.00%	-	100.00%
Clínica São José Saúde Ltda.(f)	-	99.99%	-	99.99%
Clínica São José Ltda.	-	99.99%	-	99.99%
Pro-Infância SJC Hospital e Pronto Socorro Pediátrico Ltda.	-	55.80%	-	55.80%
Medical Medicina Assistencial S.A.	-	100.00%	-	100.00%
Medical Planos de Saúde S.A.	-	99.99%	-	99.99%
Clínica Nossa Senhora Aparecida Ltda.	-	100.00%	-	100.00%
Vida Saúde Gestão Ltda. (Grupo PROMED)*** (h)	-	100,00%	-	-
Promed Assistência Médica Ltda.*** (h)	-	100,00%	-	-
Promed Brasil Assistência Médica Ltda.*** (h)	-	100,00%	-	-
Saúde Sistema Assist. Unificado de Empresas Ltda.*** (h)	-	100,00%	-	-
Hospital Progroup Ltda.*** (h)	-	100,00%	-	-
Centro Médico Progroup Ltda.*** (h)	-	100,00%	-	-
Med Clinicas Serviços Médicos Ltda.*** (h)	-	100,00%	-	-
HVC Part. e Administração S.A.*** (h)	-	100,00%	-	-
Hospital Vera Cruz S.A.*** (h)	-	100,00%	-	-
CETRO – Centro Especializado em Traumatologia Reabilitação e Ortopedia Ltda. ***	-	100,00%	-	-
Exclusive Funds				
BB HAPV Fundo de Investimento em Cotas de Fundos de Investimento Renda Fixa Longo Prazo	13.84%	86.16%	38.38%	61.62%
Santander Hapvida Renda Fixa Referenciado DI Crédito Privado FIC FI	1.79%	98.21%	45.3%	54.7%
Itaú Hap Fundo de Investimento em Cotas de Fundos de Investimento Renda Fixa Crédito Privado	23.93%	76.07%	60.9%	39.1%
Bradesco Hapvida Fundo de Investimento em Cotas de Fundos de Investimento de Renda Fixa Crédito Privado	-	100.00%	-	-

* Companies incorporated in fiscal year 2021, accordingly Note 4
** Company found in the second quarter of 202.
*** Companies acquired in 2021, accordingly Note 3

The Group's relevant subsidiaries are engaged with the following activities:

(a) Hapvida Assistência Médica Ltda.
It started operations on July 15, 1991, with registration at the National Supplementary Health Agency (ANS) under number 36.825-3. Its main corporate purpose is the sale of health and dental plans focused on the provision of health care services through the network of hospital, clinical and outpatient care companies, under common control of the Group.

(b) Ultra Som Serviços Médicos S/A
It started operations on February 25, 1988 and its main activities are: the provision of medical and paramedical, laboratory, diagnostic, imaging and ultrasound services, covering all areas of medicine, as well as participation as a partner or shareholder in other companies.

(c) Hapvida Participações em Tecnologia Ltda. and controlled.
Started its activities in May 2011, its social objective is to participate as a partner or shareholder in other companies, predominantly technology companies.

Group niche of activities (healthtech) with the purpose of promoting access to health through technology, innovation and transformation. Subsidiaries operate in the provision of health management systems services, advice and implementation of health management models.

(d) São Francisco Odontologia Ltda.
Founded in 1998 in the city of Ribeirão Preto - SP, it has as its object the provision of dental services, administration, advisory and implementation of exclusive operation systems for private health care plans in the dental segment and organization of courses, lectures, seminars and other events in your area of expertise. São Francisco Odontologia Ltda. meets the requirements of Law No. 9,656/98 and has a definitive registration with the National Supplementary Health Agency - ANS under No. 36.531-9.

(e) São Francisco Sistema de Saúde S/E Ltda.
Headquartered in Ribeirão Preto - SP, its purpose is the administration, assistance, implantation and commercialization of individual, family and collective health systems and plans, through its own means of execution or through the hiring and/or accreditation of legally qualified third parties and the reimbursement of medical, dental, hospital and outpatient expenses to its beneficiaries; outpatient medical care; and the organization of courses, lectures, seminars and other events in its area of expertise. The Operator meets the requirements of Law No. 9,656/98 and has a definitive registration with the National Supplementary Health Agency - ANS under No. 30,209-1.

(f) Clínica São José Saúde Ltda.
Founded in 2009 in the city of São José dos Campos, and has the purpose of operating private individual/family and collective health care plans, with the means of executing the hiring and/or accreditation of legally qualified third parties and the reimbursement of medical expenses, outpatient and outpatient services to its beneficiaries. Clínica São José Saúde Ltda. meets the requirements of Law No. 9,656/98 and is definitively registered with the National Supplementary Health Agency - ANS under No. 41.327-5.

(g) Hapvida Participações Investimentos II S.A.
Hapvida Participações e Investimentos II S.A. ("Hapvida II") is a holding company, constituted in the form of a privately held corporation domiciled in the city of São Paulo, State of São Paulo, in Brazil. Its corporate purpose is to participate in other companies, as a partner or

shareholder, in the country or abroad. It was constituted on March 20, 2020, under the name Amethystus A008.20 Participações S.A., and acquired on February 12, 2021 by the Company, in which its corporate name was changed to Hapvida Participações e Investimentos II S.A.

(h) Vida Saúde Gestão Ltda. (*Holding* of the PROMED Group)
Group operating in the State of Minas Gerais, with over 25 years of activity, which aims to contract hospital services, dentistry, medicine, auxiliary examinations, treatment diagnostics and the sale of these services through health plans, predominantly in the business segment. It has 3 operators: Promed Assistência Médica Ltda. (ANS Registry No. 34.880-5); Promed Brasil Assistência Médica Ltda. (ANS Register No. 34.647-1), and Saúde Sistema Assistência Unificado de Empresas Ltda. (ANS Register No. 41,004-7), 2 hospitals and 7 primary care clinics.

3 Business combination

There were no changes in the business rules converted in the previous year, for which are still within the adjustment period allowed by accounting rules in relation to the allocation of goodwill and identifiable assets and liabilities.

Below, as information on the business companies carried out in fiscal year 2021.

3.1 Acquisition of Promed Group

On September 4, 2020, the Purchase and Sale agreements of stocks and other covenants was signed between Ultra Som Serviços Médicos SA (“Ultra Som”), a subsidiary of the Company, and Promed Group, related to the acquisition by Ultra Som, 100 % of Vida Saúde Gestão Ltda. (holding of Grupo Promed) and its subsidiaries Promed Assistência Médica Ltda., Promed Brasil Assistência Médica Ltda., Saúde – Sistema Assistencial Unificado de Empresas Ltda., Hospital Progroup Ltda., Centro Médico Progroup Ltda., Med Clínicas Serviços Médicos Ltda., HVC Participações e Administração SA and Hospital Vera Cruz SA are part of a structure comprising 3 health care providers, 2 hospitals, and 7 primary care clinics.

The transaction was approved by the Economic Defense Board of Directors (CADE) on February 12, 2021 and approved by the National Health Agency (ANS) on May 18, 2021. On May 19, 2021, Ultra Som has been taken control of the Promed Group. In this way, the acquisition is a business combination, referring to the acquisition of the group of companies as listed above, whose total net assets acquired at fair value are presented in item (d) of this explanatory note.

The Promed Group has your operations concentrated in the metropolitan region of Belo Horizonte / MG, being the second largest market player in the region, with approximately 11% market share. With the conclusion of this operation, the Company expands its growth strategy through a platform that enables a verticalized and integrated operation in one of the main operating areas in Brazil, reinforcing its commitment to consolidated expansion and, consequently, creating value for the shareholders.

The 3 combined operators have a total portfolio about 280 thousand beneficiaries of health plans also acquired mostly (80%) in the metropolitan region of Belo Horizonte, and about 95% of the beneficiaries are in collective plans.

The Promed Transaction includes the acquisition of 2 hospitals with a total of 255 beds, including Vera Cruz, one of the most traditional and well-off in the State of Minas Gerais, with 70 years of history, which has recently undergone a broad investment process for modernization and revitalization of the structure, in addition to 7 primary care clinics.

(a) Consideration transferred

In thousands of Reais	
Consideration transferred (cash payment)	R$ 647,240
Consideration transferred (stock payment)	R$ 654,584
Contingent consideration	R$ 352,567
(-) Debts assumed	R$ (513,614)
Total da contraprestação transferida	**R$ 1,140,777**

Consideration transferred (stock payment)
According to Note 24,d the Company paid part of the payment of the consideration transferred through the delivery of shares, corresponding to R$654,584, corresponding to 41,640,220 new common shares, all registered and without par value issued by Hapvida Participações e Investimentos SA, of which 18,730. 880 shares were linked to collateral instruments for the acquisition operation in the form of share pledge.

Contingent consideration
The Company recorded the amount of R$ 352,567 as contingent consideration to guarantee any liabilities of the Promed Group that may materialize after the closing date of the Transaction. Within 90 days after the closing date of the transaction, a price adjustment may occur as a result of the net difference between (a) the base net debt and the net debt of the Companies acquired on the closing date; and (b), the base operating working capital, and the operating working capital of the Companies acquired on the closing date. The remaining balance will be released to sellers within one year.

(b) Acquisition cost

The company incurred acquisition-related costs in the approximate amount of R$1,091 relating mainly to due diligence cost and legal fees. Acquisition costs were recorded as “Administrative expenses” in the statement for the period of June 30, 2021.

(c) Fair value measurement

Item "(d)" below, of this explanatory note, shows the consideration transferred and the provisional fair values of assets acquired and liabilities assumed on the acquisition date, considering the Company's reasonable effort to determine such measurement considering the proximity of the date of acquisition in relation to the base date of these interim financial statements. They were obtained through fair value measurement techniques prepared by an independent consultant hired by the Company to support the Management's conclusion. The measurement of the fair value of acquired assets and assumed liabilities were carried out on a provisional basis and its completion must take place within a period of up to one year after the acquisition date.

The valuation techniques used to measure the fair value of significant assets were as follows, whose choice of methodology applied for each asset class is related to their nature and function in the business operation:

Assets	Valuation method
Property, plant and equipment	Replacement cost
Intangible assets – Life portfolio	Income approach (Multi-Period Excess Earnings Model - "MPEEM")
Intangible assets - Trademark	Income Approach (Relief from Royalties)

The following is a presentation of the evaluation methods:

- Replacement cost - It is the current cost of a similar new good, whose equivalent utility is the closest to the good being evaluated.

- *Multi-Period Excess Earnings Model* – MPEEM - This method measures the present value of future income to be generated during the remaining useful life of a given asset. From the future cash flows directly attributable to the asset, operating costs and expenses are discounted, and from the resulting margin, the charges on the contributing assets identified directly related to the asset in question are subtracted (Contributory Charges) to arrive at the free flows to be discounted for calculation of present value.

- *Income Approach (Relief from Royalties)* - In this technique, we estimate the asset value by capitalizing the royalties that are saved because the company owns the intangible asset. In other words, the owner of the brand, core technology and patents perceives a benefit from owning the Intangible Asset, rather than paying rent or royalties for the use of the asset.

Information obtained about facts and circumstances that exist at the acquisition date may result in adjustments to the allocation of identifiable assets, identifiable liabilities and goodwill. This analysis will be completed within a maximum period of 12 months from the acquisition date.

It is estimated that the amounts referring to goodwill and appreciation will be deductible for income tax and social contribution purposes. The value represents the expected future profitability, based on the expected benefits with the synergy of the operations of the Company and its Economic Group.

(d) Goodwill and measurement made on provisional bases

The table below shows the consideration transferred and the fair values, on a provisional basis, of assets and liabilities on the acquisition date, obtained in a technical report prepared by independent consultants hired by the company to support the Management's conclusion. The measurement of the fair values of the identified assets and liabilities was made on a provisional basis, and its completion should take place within a period of up to one year after the acquisition date.

	Vida Saúde Gestão	Promed Assistência Médica	Promed Brasil Assistência	Saúde Sistema	Hospital Progroup	Centro Médico Progroup	Med. Clínica	HVC Part. e Administração	Hospital Vera Cruz	Fair value
Consideration transferred - provisionally (1)										**1,140,777**
Assets acquired at fair value										
Cash and cash equivalents	35	1,048	605	649	66	145	3	34	238	2,823
Short-term investments	-	64,629	6.075	7,230	-	406	-	-	-	78,340
Trade receivables	-	2,579	395	4,666	626	551	153	-	8,577	17,547
Inventory	-	-	-	-	-	-	-	-	3,037	3,037
Recoverable tax	-	212	15	4,230	67	2	8	63	915	5,512
Other assets	-	4,048	3,373	2,193	137	742	-	356	1,603	12,452
Acquisition cost	-	16,521	-	7,308	-	-	-	-	-	23,829
Judicial deposits	-	2,335	1,404	299	8	-	-	22	445	4,513
Related parties	-	870	199	-	2,402	-	-	-	2	3,473
Property, plant and equipment	-	6,553	5,229	50	11,241	5,640	279	8,659	74,013	111,664
Intangible	-	132,097	10,298	23,658	-	-	-	-	3,898	169,951
Total assets acquired at fair value (2)	**35**	**230,892**	**27,593**	**50,283**	**14,547**	**7,486**	**443**	**9,134**	**92,728**	**433,141**
Liabilities assumed at fair value										
Borrowings and financing	-	49,464	4,281	-	3	-	-	-	74,017	127,765
Trade payables	-	2,651	115	90	1,809	930	29	849	44,238	50,711
Technical provision for health care operations	-	201,517	10,560	48,109	-	-	-	-	-	260,186
Health care payables	-	3,909	116	99	-	-	-	-	-	4,124
Payroll obligations	-	1,890	153	106	451	133	28	-	16,080	18,841
Taxes and contributions payable	-	15,365	1,928	18,628	3,924	299	10	110	109,497	149,761
Income and social contribution taxes	-	24,364	4,976	133	-	14	-	-	-	29,487
Deferred tax	-	2,730	(133)	2,126	(8)	(112)	(3)	(281)	-	4,319
Other accounts payable	6	64,849	5,912	4,521	73,078	210,268	1	22,353	13,956	394,944
Leasing	-	551	-	-	415	3,997	139	9,467	-	14,569
Related parties	-	-	-	-	-	-	42	-	-	42
Provision for tax, civil and labor risks	-	28,148	971	2,471	286	42	-	-	20,347	52,265
Total liabilities assumed at fair value (3)	**6**	**395,438**	**28,879**	**76,283**	**79,958**	**215,571**	**246**	**32,498**	**278,135**	**1,107,014**
Assets acquired and liabilities assumed at fair value (2) - (3)	29	(164,546)	(1,286)	(26,000)	(65,411)	(208,085)	197	(23,364)	(185,407)	**(673,873)**
Total goodwill - provisionally (1) - (2) - (3)										1,814,650

Since the date of acquisition until June 30, 2021, the Grupo Promed contributed to the Company consolidated net revenues of R$47,318 and consolidated net income of R$24,687. If the acquisition had taken place on January 1, 2021, the Company estimates that the Consolidated net revenues would have been R$4,918,778 and net income would have been R$27,163, due to a loss in the period, prior to the acquisition, of R$229,276.

The "Trade accounts receivables" comprised of gross contractual amounts due of R$ 20,008, of which R$ 2,251 are estimated as non-recoverable.

3.2 Acquisition of CETRO

In June 2021, the share purchase and sale agreement and other covenants were signed between Ultra Som Serviços Médicos SA (“Ultra Som”), a subsidiary of the Company, and CETRO – Specialized Center in Traumatologia Reabilitação e Ortopedia Ltda, referring to acquisition by Ultra Som of 100% of the equity interest in CETRO.

The acquisition was carried out for the amount of R$ 25,000, R$ 22,000 being paid in cash and R$ 3,000 retained by the Company, as contingent consideration, intended for purchase price adjustments, which may be reduced, as a result of the value required to settle the Company's net debt on the closing date. In the event that the withheld portion is not used, it will be paid to the sellers according to a pre-established schedule in the Contract.

The technical report on the fair values of the assets and liabilities identifiable on the acquisition date is being prepared by the Company's management with the collaboration of independent consultants. Said report will be concluded within a maximum period of twelve months from the acquisition date.

4 Corporate reorganization

4.1 Merger of Mais Odonto Assistência Odontológica Ltda.

On January 31, 2021, the merger of the controlled company Mais Odonto Assistência Odontológica Ltda. under the terms of the Merger Protocol and Justification, with the consequent extinction of the merged company.

The net assets merged on January 31, 2021 were comprised as follows:

	01/31/2021
Assets	3,550
Liabilities	(290)
Merged net assets	**3,260**

5 Preparation basis

Statement of compliance

The parent company and consolidated interim condensed financial statements were prepared in accordance with Technical Pronouncement CPC 21 (R1) and with international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the standards issued by the Securities Commission of Brazil (CVM), applicable to the preparation of the Interim financial statements.

All relevant information specific to the interim financial statements, and only such information, is being evidenced, and corresponds to the information used by company Management.

The issue of the financial statements was authorized by the Board on August 11, 2021.

6 Functional and presentation currency

These parent company and consolidated interim financial statements are being presented in Brazilian Real, functional currency of the Company. All balances have been rounded to the nearest thousand value, except otherwise indicated.

7 Use of estimates and judgments

The preparation of these financial statements, Management used judgments, estimates and assumptions that affect the application of accounting policies of the Company and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on a continuous basis. Reviews of estimates are recognized on a prospective basis.

(a) Judgments

Information about judgment referring to the adoption of accounting policies which impact significantly the amounts recognized the financial statements are included in the following notes:

- **Note 3 –** Business combination. The fair value of assets acquired and assumed liabilities;
- **Note 20 –** Leases: to determine if the agreement has a lease, the term, renewal and classification;
- **Note 21** - Technical reserves for healthcare operations. Evaluation of insurance liabilities; and
- **Note 23** – Provision for tax, civil and labor risks. Key assumptions about the likelihood and magnitude of an outflow of resources.

(b) Uncertainties on assumptions and estimates

Estimates and assumptions are reviewed on an ongoing basis. Revisions with respect to accounting estimates are recognized in the period in which they are made and in any future periods affected.

Information on uncertainties related to assumptions and estimates that could result in an actual result different from the estimated is included in the following explanatory notes:

- **Note 3 -** acquisition of subsidiary: fair value of the consideration transferred (including contingent consideration) and the fair value of assets acquired and assumed liabilities;
- **Note 13** - Provision for impairment of accounts receivable. Recognition and provision for impairment of trade accounts receivable;

- **Note 14 -** Deferred sales expenses. Identification of average time that clients remain in the Company's portfolio under the same contract to determine the recognition of deferral of commissions and, consequently, its appropriation to the profit (loss) for the period;

- **Note 17** - Review of economic useful life of property, plant and equipment. Determination of estimated useful life of assets, and as a result, of the depreciation rate to be used in the calculation and book records in the income (loss) for the period;

- **Note 18** - Determination of estimated useful life of intangible assets, and as a result, of the amortization rate to be used in the base of calculation and book records in the profit (loss) for the year. Intangible asset and goodwill impairment test: main assumptions regarding recoverable values, including recoverability of development costs;

- **Note 21** - Technical reserves for healthcare operations. Recognition and measurement of liabilities related to cost of insurance service;

- **Note 23** - Provision for tax, civil and labor risks. Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of funds; and,

- **Note 30** - Deferred income tax and social contribution: availability of future taxable income against which deductible temporary differences and tax losses may be used.

(i) Measurement at fair value

A series of Group's accounting policies and disclosures requires the measurement of fair value, for financial and non-financial assets and liabilities.

The Group established a control structure for measuring fair value. This includes an evaluation team with general responsibility of reviewing all significant fair value measurements, including Level 3 fair values, which are reported directly to the CFO, which discusses the strategies to establish the breakdown of investment portfolio within the Finance and Capital Market Committee.

Appraisal team regularly reviews significant non-observable data and valuation adjustments. If third-party information, such as brokerage firms' quotes or pricing services, is used to measure fair value, the appraisal team analyzes the evidence obtained from the third parties to support the conclusion that such evaluations meet the requirements of IFRS standards, including the level in fair value hierarchy in which such valuations should be classified.

When measuring fair value of an asset or liability, the Group uses observable data as much as possible. Fair values are classified at different levels according to hierarchy based on information (inputs) used in valuation techniques, as follows:

- Level 1: prices quoted (not adjusted) in active markets for identical assets and liabilities.
- Level 2: inputs, except for quoted prices, included in Level 1 which are observable for assets or liabilities, directly (prices) or indirectly (derived from prices).
- Level 3: inputs, for assets or liabilities, which are not based on observable market data (non-observable inputs).

The Group recognizes transfers between fair value hierarchic levels at the end of the interim financial statements period in which changes occurred.

Additional information on the assumptions adopted in the measurement of fair values is included in the following notes:

– Note 3 – Business combination; and
– Note 31 – Financial instruments.

8 Basis of measurement

The interim financial statements were prepared based on the historical cost, except for the following material items which are measured at fair value on each reporting date and recognized in the statements of financial position:

- derivative financial instruments measured at fair value;
- financial investments are measured at fair value to profit and loss; and
- contingent payments assumed in a business combination are measured at fair value.

9 Significant accounting policies

The accounting practices used in the preparation of these interim financial statements are the same as those adopted in the preparation of the Company's parent company and consolidated annual financial statements for the year ended December 31, 2020. Thus, parent company and consolidated interim financial statements should be read together with the Company's parent company and consolidated financial statements for the year ended December 31, 2020, issued on March 18, 2021, comprising the whole set of notes.

10 New pronouncements issued, but not effective

(i) IFRS 17 - Insurance Contracts

IFRS 17 introduces a new measurement model for insurance contracts. It establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. The objective of IFRS 17 is to ensure that entities provide relevant information in a way that faithfully represents those contracts. The standard is effective for accounting periods beginning on January 1, 2023.

The Company's management is currently analyzing the impacts of adopting IFRS 17.

(ii) Onerous contracts – cost to fulfill a contract (changes to CPC 25/IAS 37)

The amendments specify what costs an entity includes when determining the cost of performing a contract in order to assess whether the contract is costly. The changes apply to annual periods beginning on or after January 1, 2022 for existing contracts on the date the changes are applied for the first time. On the date of initial application, the cumulative effect of applying the changes is recognized as an adjustment to the opening balance in retained earnings or other components of equity, as appropriate. Comparatives are not restated. The Group will evaluate the contracts to measure the possible impacts, if any, before the changes take effect.

(iii) Other standards

The following new and changed standards are not expected to have a significant impact on the individual and consolidated interim financial statements:

- Property, plant and equipment: Revenue before intended use (changes to CPC 27/IAS 16); and
- Classification of Liabilities in Current or Non-Current (Amendments to CPC 26/IAS 1).

11 Operating segments

The Company and its subsidiaries operate in the supplementary health sector and direct their strategy to provide services in a vertical manner, in which the assistance to the beneficiary is primarily carried out in its own service network, and provides medical and dental assistance, operating in only one segment. performance, whose operating and financial results are regularly reviewed by the Board of Directors in an aggregate manner, on which it conducts its decision-making.

While the Group's structure comprises a large number of hospitals, clinics and other units, these all serve the Group health and dental plan customers in a vertically integrated model ultimately designed to maximize consolidated (healthcare plans + medical care units) value creation for shareholders.

The Company has determined that the Statutory Board is the Chief Operating Decision Maker (CODM). It receives, reviews and analyzes information about the operational and financial results of the business and makes strategic decisions, use of technologies and marketing strategies for different products and services in a centralized way. The Group's revenues are entirely derived from customers geographically located in Brazil and there is no customer sales concentration. In addition, all noncurrent assets are located in Brazil. The Group's earnings do not fluctuate based on seasonality.

12 Short-term and long-term investments

			Parent Company		Consolidated	
	Monthly average remuneration	**Maturities**	**06/30/2021**	**12/31/2020**	**06/30/2021**	**12/31/2020**
Government and private bonds						
Bank Deposit Certificates - Collateral Assets (a)	100% CDI	July 2023	-	-	2,758	10,101
Bank deposit certificates	102.8% CDI	July 2021 to January 2034	155,594	-	630,665	1,419,084
NTN-B	IPCA + 1.8%	August 2024	-	-	37,009	35,896
Investment fund			-	-		
Fixed income - Collateral assets (a)	149.4% CDI	Without maturity	-	-	1,312,001	993,726
Fixed income - Exclusive (b)	123.7% CDI	Without maturity	304,877	91,704	2,516,768	549,838
Fixed income - Non-exclusive	102.9% CDI	Without maturity	82,395	315,211	165,194	548,500
Other						
Other short and long term investments	-	Without maturity	78	77	2,376	2,257
			542,944	**406,992**	**4,666,861**	**3,559,402**
Short-term investments			155,594	-	2,270,857	2,334,120
Long-term investments			387,350	406,992	2,396,004	1,225,282

(a) Fixed income investment funds and Bank Deposit Certificates - Collateral Assets: They are used as a guarantee for technical reserves of the health care companies, as detailed in Note 21.

(b) Exclusive funds are administered and managed by Banco do Brasil, Banco Santander and Banco Itaú. These funds invest their resources in quotas of other funds administered by the managing banks. The investment policies of exclusive funds determine the concentration of resources in financial assets with low credit risk (ANBIMA classification).

13 Trade receivables

Primarily refers to amounts receivable from members of the Company's health care insurance plans, as follows:

	Consolidated	
	06/30/2021	**12/31/2020**
Medical and hospital plans		
Health and dental care plans	649,125	601,674
Agreements and individuals plans	79,506	43,248
Other	12,699	16,441
Subtotal	**741,330**	**661,363**
Impairment loss on trade receivables	(244,728)	(227,937)
Total	**496,602**	**433,426**

Breakdown of amounts receivable by maturity age is as follows:

	Consolidated	
	06/30/2021	**12/31/2020**
Neither past due nor impaired	**196,341**	**234,683**
Overdue (days)	**544,989**	**426,680**
Up to 30	174,374	128,803
31-60	74,148	45,948
61-90	37,021	22,630
>90	259,446	229,299
Total	**741,330**	**661,363**

Changes in the provision for impairment losses in accounts receivable are as follows:

	Consolidated	
	06/30/2021	**12/31/2020**
Balances at the beginning of the period/year	227,937	151,247
Provisions	113,579	221,447
Net write-offs (a)	(96,788)	(144,757)
Total	**244,728**	**227,937**

(a) Recognizes the cancellation of client contracts implemented in the period against the provision, as a result of default.

The Company has a dispersed customer base, so that there is no concentration of revenue. In the period ended June 30, 2021, the main customer represented only 1.0% (1.0% on December 31, 2020) of net revenue, while the ten largest customers represented 5.1% (5.1% as of December 31, 2020) of net revenue in the same period. There is no customer that represented more than 5.0% of net revenue in the period ended June 30, 2021 and year ended December 31, 2020.

14 Deferred commission

	Consolidated	
	06/30/2021	12/31/2020
Deferred commissions with health care plan - Current	208,214	164,929
Deferred commissions with health care plan - Non-current	170,669	142,229
Total	**378,883**	**307,158**

The weighted average term (in months) of the customer portfolio contracts is detailed as follows, applied based on the active contracts that generated commission expenses:

	06/30/2021	12/31/2020
Individual contracts	34	33
Collective contracts	58	58

15 Related party transactions and balances

The main assets and liabilities balances on June 30, 2021 and December 31, 2020, as well as the transactions that influenced the result, related to transactions with related parties, are presented below:

	Parent company		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Assets				
Interest on own capital receivable of investees	105	105	-	2
	105	**105**	**-**	**2**
Other debits with related parties				
Receivables with shareholders	-	-	1,347	1,296
PPAR COM Investimentos Ltda. - Amounts receivable (b)	-	-	1,988	1,988
Other	104	91	126	164
	104	**91**	**3,461**	**3,448**
Total	**209**	**196**	**3,461**	**3,450**
Liabilities				
Dividends payable	1,979	11,704	14,794	24,518
Interest on own capital	59,967	176,509	60,380	176,923
	61,946	**188,213**	**75,144**	**201,441**
Other liabilities with related parties				
Debts with shareholders (a)	2,517	2,516	2,552	2,552
Debts with investee (a)	472	-	-	-
Canadá Administradora de Bens Imóveis Ltda. - Purchase of property, plant and equipment	1,343	1,343	1,343	1,343
Others	102	238	113	101
	4.434	**4,097**	**4,008**	**3,996**
Lease payable with related parties (c)	153	154	651,448	660,285
	153	**154**	**651,448**	**660,285**
Total	**66,533**	**192,464**	**730,630**	**865,722**

	Parent company		Consolidated	
Transaction	**06/30/2021**	**06/30/2020**	**06/30/2021**	**06/30/2020**
Revenue from medical care services (d)	-	-	628	751
Media broadcasting expenses (e)	-	-	(697)	(703)
Reimbursement of shared use of assets (f)	-	-	-	(527)
Interest on leases with Canadá Administradora de Bens Imóveis Ltda. (g)	(7)	(6)	(8,451)	(8,203)
Interest on leases with Fundação Ana Lima (g)	-	-	(100)	(196)
Interest on leases with Quixadá Participações Ltda. (g)	-	-	(19,581)	(18,398)
Total	**(7)**	**(6)**	**(28,201)**	**(27,276)**

(a) Refers to liabilities with shareholders and subsidiaries of the Company for the acquisition of assets.

(b) Amount paid by the subsidiary Ultra Som Serviços Médicos S/A in favor of the company PPAR Com. Investimentos Ltda., an unconsolidated entity under the same control as the Group's shareholders, on acquisitions of media companies carried out by the company PPAR.

(c) Leasing of commercial real estate and movable assets for the development of economic activities, according to a contract signed between related parties (unconsolidated entity under common control of the same shareholders of the Group) with an average term of 20 years, being agreed based on the valuation of the market value realized by specialized companies, being provided for: a) annual update based on the accumulated variation of the IGP-M; and b) revision of the base value every 60 months of the lease term.

(d) Revenue from health plans of the Group's companies with the provision of services to the companies that make up the Opinion of Communication System, under common control of shareholders in the form of collective plans.

(e) Advertising expenses contracted by the Group for advertising in companies belonging to the Opinion of Communication System, under common control of the shareholders, with the objective of promoting sales of health and dentistry plans through marketing actions.

(f) This balance mainly refers to the use of aircraft, when Senior Management needs to travel on business.

(g) Effect of interest on lease agreements with related parties.

Remuneration of key management personnel

The Group's Management is comprised of the Board of Directors and the Statutory Executive Board of the Company and its subsidiaries. Total management compensation expenses were R$ 57,552 in the period ended June 30, 2021 (R$ 13,295 on June 30, 2020).

<u>Benefit Plan</u>

Stock Grant

At the Extraordinary General Meeting held on April 30, 2021, the Company's Performance Bonus Policy was approved, with the intention of paying a premium on common shares issued by the Company, net of any taxes, in case of extraordinary performance in the which refers to the work to be performed by executives eligible for the aforementioned policy. Currently, this program is restricted to senior management.

The Company recognizes in the income statement for the period personnel expenses related to the grants of the Stock Grant Plan against the capital reserve in equity, based on the fair value of the share on the grant date. As of June 30, 2021, the balance recognized for the plan is as follows:

Grant date	Number of stock granted *	Fair value on grant date (R$ for stock)	Total estimated plan value (including charges	Expense recognized by competence
30/04/2021	12,232,493	14.44	243,638	20,303

* The Premium Policy must cover a maximum of 13,191,215 shares, originating - in principle - from the Company's treasury (which may be issued by the Company, in whole or in part, if the Company does not have shares in sufficient treasury at the time of the Award conference, as defined below), net of any taxes withheld at source.

Among the conditions for receiving the Premium, it should be noted that: (a) 50% of the Premium is conditional on the beneficiary's permanence for a period of 3 years (starting from January/2021); and (b) 50% of the Premium is conditional on reaching at least 95% of the targets established by the Board of Directors (with 50% of the target linked to EBITDA indicators, and 50% of the target linked to growth indicators. goals can be cumulative within a 3-year period, with calculations by the end of March in the years 2022, 2023 and 2024).

16 Investments

a. *Subsidiary information*

	Capital	Assets	Liability	Equity	Profit (loss) for the period	Number of quotas/shares	Percentage of interest	Investments on 06/30/2021	Investments on 12/31/2020
Hapvida Assistência Médica Ltda.	1,147,491	4,815,666	1,541,935	3,273,731	247,969	1,147,491	100%	3,273,731	2,626,762
Ultra Som Serviços Médicos S/A	6,629,280	10,930,197	2,471,925	8,458,272	11,932	6,059,759	100%	8,458,272	6,615,756
Hospital Antônio Prudente Ltda.	56,447	201,250	82,851	118,399	15,897	56,447	99.99%	118,399	99,242
Hapvida Participações em Tecnologia Ltda.	23,400	18,325	4,187	14,138	(9,210)	23,500	99.99%	14,138	23,348
Mais Odonto Assistência Odontológica Ltda. (b)	-	-	-	-	(2)	-	0%	-	3,262
								11,864,540	**9,368,370**

b. *Changes*

	Balance at 12/31/2019	Equity in net income of subsidiaries	Interest on shareholder s' equity	Capital increase	Split (a)	Advance for future capital increase	Others	Balance at 12/31/2020	Equity in net income of subsidiaries	Advance for future capital increase	Merge (b)	Capital increase	Balance at 06/30/2021
Hapvida Assistência Médica Ltda.	1,720,633	728,228	(52,349)	63,274	162,497	-	4,479	2,626,762	247,969	399,000	-		3,273,731
Mais Odonto Assistência Odontológica Ltda.	3,246	16	-	-	-	-	-	3,262	(2)	-	(3,260)		-
Hospital Antônio Prudente Ltda.	77,998	21,244	-	-	-	-	-	99,242	15,897	-	3,260		118,399
Ultra Som Serviços Médicos S/A	6,102,067	16,079	-	693,440	(162,497)	(29,535)	(3,798)	6,615,756	11,932	1,176,000	-	654,584	8,458,272
Hapvida Participações em Tecnologia Ltda.	24,434	(1,100)	-	-	-	-	14	23,348	(9,210)	-	-		14,138
Total	**7,928,378**	**764,467**	**(52,349)**	**756,71**	**-**	**(29,535)**	**695**	**9,368,370**	**266,586**	**1,575,000**	**-**	**654,584**	**11,864,540**

(a) On June 30, 2020, the Extraordinary General Meeting (AGE) approved the partial spin-off of Ultra Som Serviços Médicos S.A with a version of the spun-off assets to Hapvida Assistência Médica Ltda. in the amount of R$ 162,497, consubstantiated by the investment in Jardim América Saúde Ltda. As a result of this operation, Hapvida Assistência Médica Ltda. becomes the holder of all the quotas representing the voting capital of Jardim América Saúde Ltda.

(b) On January 31, 2021, the company Mais Odonto Assistência Odontológica Ltda. was merged by Hospital Antônio Prudente Ltda., according to Note 4.1.

c. Acquisition of Companies

Premium Saúde

In November 2020, the Company announced the acquisition of the operator Premium Saúde, with a portfolio of approximately 125 thousand beneficiaries of health plans concentrated in Belo Horizonte, Montes Claros/MG and Brasília/DF. Premium Saúde also has 10,000 dental plan beneficiaries.

The own chain in the state of MG will have 4 hospitals and 7 primary care clinics from the acquisition of Grupo Promed, in addition to the Mário Palmério Hospital in Uberaba/MG. There is also a hospital under construction in Uberlândia/MG, whose opening is scheduled for the second half of 2021. The robust assistance infrastructure will allow the Company to verticalize the service provided to Premium Saúde beneficiaries, accelerating the capture of projected synergies.

The acquisition price is R$ 150 million, from which the amount related to the changes in Premium Saúde's net debt and working capital will be deducted on the closing date. This amount may also be reduced, due to the price adjustment resulting from changes in the beneficiaries' portfolio at the date of the conclusion of the Transaction. The transaction was approved by the ANS in February 2021, and the conclusion of the transaction is subject to certain precedent conditions including the appreciation and approval by CADE.

Business combination between Hapvida and GNDI

The Company, in compliance with the terms of CVM Instruction 358/02 and 565/15, as amended, and in continuity with the information disclosed in the relevant facts of January 8, 2021, February 15, 2021 and February 27, 2021, informed to its shareholders and the market in general, which, in compliance with the Association Agreement and Other Covenants (Agreement), signed on February 27, 2021 between Hapvida Participações e Investimentos S.A. (Hapvida), Notre Dame Intermédica Participações S.A. (GNDI), Hapvida Participações e Investimentos II S.A. (HapvidaCo), a Hapvida subsidiary, and PPAR Pinheiro Participações S.A. (PPAR), Hapvida's parent company, at the extraordinary general meetings (AGE) of Hapvida, HapvidaCo and GNDI held on March 29, 2021, the business combination between Hapvida and GNDI was approved by the shareholders of the respective companies, under the terms and conditions described in the Agreement (Operation), in addition to the approval of the other matters included in the re respective agendas of each of the general shareholders' meetings held by Hapvida, GNDI and HapvidaCo.

On June 10, 2021, the transaction had its approval by the National Agency for Supplementary Health (ANS), however, the completion remains subject to verification of suspensive conditions, including approval by the Economic Defense Board of Directors (CADE), as well as the verification of other certain usual conditions for operations of this type, as established in the Agreement.

17 Property, plant and equipment

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

	Consolidated				
	Annual depreciation rate	**Cost**	**Accumulated depreciation**	**Net 06/30/2021**	**Net 12/31/2020**
Right of use assets	7.24%	1,093,497	(173,957)	919,540	957,684
Land	-	67,005	-	67,005	63,509
Real state	4.0%	440,581	(109,934)	330,647	270,876
Vehicles	20.0%	54,263	(32,153)	22,110	22,491
IT equipment	14.7%	175,860	(87,722)	88,138	64,910
Machinery and equipment	9.7%	603,748	(225,855)	377,893	310,065
Furniture and fixture	10.0%	143,405	(53,827)	89,578	82,799
Facilities	4.0%	424,878	(52,617)	372,261	315,838
Construction in progress	-	182,000	-	182,000	151,518
Others		557	-	557	1,843
Total		**3,185,794**	**(736,065)**	**2,449,729**	**2,241,533**

Below, the statement of changes in fixed assets for the period ended June 30, 2021 and fiscal year ended December 31, 2020:

	Consolidated						
	12/31/2020	**Addition**	**Net write-offs**	**Depreciation**	**Transfers**	**Acquisition of companies (i)**	**03/31/2021**
Right of use assets	957,684	5,080	(17,552)	(39,030)	(4)	13,362	919,540
Land	63,509	26	(21)	-	1,994	1,497	67,005
Real estate	270,876	-	-	(7,910)	8,089	59,592	330,647
Vehicles	22,491	3,595	-	(4,109)	(33)	166	22,110
IT equipment	64,910	22,973	(371)	(9,113)	290	9,449	88,138
Machinery and equipment (b)	310,065	71,944	(1,561)	(26,470)	9,760	14,155	377,893
Furniture and fixtures	82,799	11,446	(435)	(8,838)	104	4,502	89,578
Facilities	315,838	3	-	(7,583)	62,078	1,925	372,261
Construction in progress (a)	151,518	102,273	(26)	-	(80,992)	9,227	182,000
Others	1,843	-	-	-	(1,286)	-	557
Total	**2,241,533**	**217,340**	**(19,966)**	**(103,053)**	**-**	**113,875**	**2,249,729**

(i) Acquisition of Companies, pursuant to note 3

	Consolidated							
	12/31/2019 (Restatement)	**Addition**	**Net write-offs**	**Depreciation**	**Transfers**	**Acquisition of companies**	**Reclassification**	**12/31/2020**
Right of use assets	932,716	95,275	(3,484)	(80,064)	52	13,189	-	957,684
Land	10,608	49,195	(1)	-	-	2,512	1,195	63,509
Real estate	278,463	(336)	(2,228)	(21,082)	-	9,142	6,917	270,876
Vehicles	15,624	14,296	(31)	(6,495)	(1,485)	582	-	22,491
IT equipment	26,462	57,108	(863)	(15,136)	(4,779)	2,118	-	64,910
Machinery and equipment (b)	220,818	103,228	(4,461)	(40,713)	25,208	4,118	1,867	310,065
Furniture and fixtures	58,232	22,719	339	(9,666)	8,619	2,415	141	82,799
Facilities	288,014	19,765	(127)	(12,675)	16,224	4,637	-	315,838
Construction in progress (a)	156,618	28,030	-	-	(42,046)	8,916	-	151,518
Others	-	7,954	-	(4,318)	(1,793)	-	-	1,843
Total	1,987,555	397,234	(10,856)	(190,149)	-	47,629	10,120	2,241,533

(a) Balances of property, plant and equipment in progress refer substantially to investments made in hospitals and clinics to improve and expand physical facilities.

(b) The balance refers to surgical equipment, communication equipment, non-hospital machinery and accessories, refrigeration and ventilated devices.

18 Intangible

The composition of the intangible asset is as follows:

	Annual amortization rate	Consolidated Cost	Accumulated amortization	06/30/2021 Net	12/31/2020 Net
Customer portfolio (i)	17.70%	3,040,899	(877,787)	2,163,112	2,238,047
Software	19.49%	175,680	(60,178)	115,502	96,395
Patents and trademarks (ii)	20.00%	438,939	(82,452)	356,487	372,771
Non-compete	20.00%	37,432	(16,454)	20,978	24,871
Goodwill (iii)	-	4,556,160	-	4,556,160	2,713,749
Other	21.52%	87,269	(6,761)	80,508	76,470
Total		8,336,379	(1,043,632)	7,292,747	5,522,303

Below, the statement of changes in the intangible period ended June 30, 2021 and fiscal year ended December 31, 2020:

	Consolidated						
	12/31/2020	Addition	Amortization	Net write-offs	Transfer	Acquisition of companies (i)	06/30/2021
Customer portfolio (i)	2,238,047	43,000	(516)	(262,045)	-	144,626	2,163,112
Software	96,395	1,584	(368)	(12,150)	29,657	384	115,502
Patents and trademarks (ii)	372,771	-	-	(41,226)	-	24,942	356,487
Non-compete	24,871	-	-	(3,893)	-	-	20,978
Goodwill (iii)	2,713,749	-	-	-	-	1,842,411	4,556,160
Others	76,470	35,120	-	(1,425)	(29,657)	-	80,508
Total	5,522,303	79,704	(884)	(320,739)	-	2,012,363	7,292,747

	Consolidated							
	12/31/2019 (Restatement)	Addition	Amortization	Net write-offs	Transfers	Reclassification	Acquisition of companies	12/31/2020
Customer portfolio (ii)	2,590,240	144,517	(496,710)	-	-	-	-	2,238,047
Software	76,875	10,669	(20,866)	-	28,734	-	983	96,395
Patents and trademarks (iii)	393,972	8,893	(30,100)	-	-	-	6	372,771
Non-compete	27,610	1,217	(4,044)	-	-	-	88	24,871
Goodwill (iv)	2,240,701	483,168	-	-	-	(10,120)	-	2,713,749
Others	4,314	111,507	(10,617)	-	(28,734)	-	-	76,470
Total	5,333,712	759,971	(562,337)	-	-	(10,120)	1,077	5,522,303

(i) Acquisition of Companies, pursuant to note 3

(ii) These are customer portfolios resulting from the acquisition of Grupo São Francisco, Grupo América, RN Saúde, Medical Medicina Assistencial and Grupo São José and the customer portfolio of the companies Assistência Médica Hospitalar Ltda. (UNIPLAM) and Free Life Operadora de Planos de Saúde Ltda., transferred in 2018. In the first quarter of 2021, the Company completed the acquisition of the Plamed Planos de Assistência e Plano de Assistência Médica e Hospitalar do Estado de Goiás S.A.

(iii) The added value of the brands of the acquired companies are amortized over a period of 5 years, which is the estimated time that the company works on the commercial discontinuation of the brand.

(iv) Goodwill from business combination.

Goodwill

Goodwill balances and intangible assets with indefinite useful lives were tested for impairment on December 31, 2020 through the discounted cash flow for each cash-generating unit (“CGU”), giving rise to the value in use.

For the purpose of evaluation of recoverable value, assets are grouped at the lowest levels for which there are separately identifiable cash inflows. In determining the book value of each

CGU, the Group considers not only the recorded intangibles, as well as all the tangible assets necessary for conducting business, as it is only through the use of this set that the Group will obtain the generation of economic benefits.

Goodwill (goodwill for expected future profitability) does not generate cash flows independently of other assets or groups of assets and often contributes to cash flows from multiple CGUs, and should be tested for impairment at a level that reflects the manner in which the entity manages its operations and with which the goodwill would naturally be associated.

Accordingly, the Company prepared an impairment test considering business combinations, as shown below:

	Grupo São Francisco	Grupo Promed (i)	Grupo America	Medical	São José	Outros	Total
Book value of goodwill	1,826,499	1,814,650	303,223	193,950	238,173	179,665	4,556,160

(a) Acquisition of Promed Group, pursuant to note 3.1

Therefore, the Company adopted the following assumptions in the impairment test:

Assumptions	
Volume growth (beneficiaries)	4.5% p.y.
Discount rate	11.5% p.y.
Perpetuity growth rate	6% p.y.

According to the recoverability analysis prepared by management, the Company concluded that the value in use of the CGUs is higher than their respective book value, indicating that there is no evidence of loss due to impairment. No indications were identified that the annual tests performed by the Company would change and require additional disclosures in the individual and consolidated interim financial statements as of June 30, 2021. The business plan for those acquired in the current year did not show any indication of impairment on the acquired assets.

The assumptions adopted in the impairment tests of intangibles are in accordance with the internal projections for the five-year period. For the period after five years, extrapolation is applied using a perpetuity growth rate. The discounted cash flow that determined the value in use of the cash-generating units was prepared in accordance with the Company's business plan.

The Company also considered market variables such as Gross Domestic Product (“GDP”) and the Brazilian general price index - IPCA Long Term. The cost was projected from the last realized cost plus the expected inflation over time. The portion of the cost that is variabilized was still scaled according to the growth of lives. In addition, the cost projection incorporated the expected result of synergy projects already underway by acquired companies. In relation to commissions, the projection considered the maintenance of the percentage of net revenue realized by company / portfolio.

19 Borrowings and financing

a. Borrowings and financing

			Parent Company		Consolidated	
Type	**Maturity**	**Interest rate**	**06/30/2021**	**12/31/2020**	**06/30/2021**	**12/31/2020**
Working capital	December 2022	0.99% a 4.64 p.y.	-	-	28,718	56,793
Finame	December 2021	3,5% a 24,99% p.y	-	-	1	1,491
FIDIC	November 2021	1,80% p .m			39,845	
Debentures	July 2026	109% a 110.55% Taxa DI	2,023,490	2,016,335	2,023,490	2,016,335
Others	November 2021	121.19% da Taxa DI	-	-	2,568	2,608
Total			**2,023,490**	**2,016,335**	**2,094,622**	**2,077,227**
Current			25,737	19,081	93,563	42,915
Non-current			1,997,753	1,997,254	2,001,059	2,034,312

b. Changes – Borrowings and financing

	Parent Company	Consolidated		
	Debentures	**Borrowing and financing**	**Debentures**	**Total**
Balances at December 31, 2019	**2,044,494**	**67,499**	**2,044,494**	**2,111,993**
Acquisition of companies (a)	-	9,340	-	9,340
Issuance	-	2,252	-	2,252
Recognition of issuance costs	994	-	994	994
Interest accrual	60,127	3,192	60,127	63,319
Payment of principal	-	(30,402)	-	(30,402)
Payment of interest and Exchange rate change	(89,280)	(7,984)	(89,280)	(97,264)
Exchange rate change (b)	-	16,995	-	16,995
Balances at December 31, 2020	**2,016,335**	**60,892**	**2,016,335**	**2,077,227**
Acquisition of companies (a)	-	129,723	-	129,723
Recognition of issuance costs	497	-	497	497
Interest accrual	27,722	1,165	27,722	28,887
Payment of principal	-	(110,487)	-	(110,487)
Payment of interest and Exchange rate change	(21,064)	(13,427)	(21,064)	(34,491)
Exchange rate change (b)	-	3,266	-	3,266
Balances at June 30, 2021	**2,023,490**	**71,132**	**2,023,490**	**2,094,622**

(a) Amount related to loans of companies acquired by the Company during the year ended December 31, 2019 and related to the loans of the PROMED group and the company CETRO, acquired in the current year.

(b) The Company raised funds in foreign currency in the "4131" modality, bearing prefixed interest (1.81 to 4.64% p.a.), maturing in March 2022. Aiming to hedge the foreign exchange exposure of these operations, the Company contracted swaps linked to "4131" operations, duly matched with the same terms, rates and amounts. The foreign credit lines are known in Brazil as "4131" loans in a reference to the law that regulates foreign capital in Brazil and the remittance of funds abroad.

The Group's loans and financing are guaranteed by: (i) guarantee, (ii) fiduciary alienation of the financed hospital assets or (iii) financial investments held in the same institutions where the credits were contracted.

The working capital credit agreements have restrictive contractual clauses specific to the nature of the operation, which, in the event of not being met, may lead to the early maturity of the respective operations.

Such clauses, among other conditions, require that the Company and its subsidiaries do not default on their obligations; actions, demands or processes pending or about to be proposed, which, if decided against the Company, would have a detrimental effect on its financial condition or impair its ability to meet its obligations.

c. *Aging* – Borrowings and financing

As of June 30, 2021 and December 31, 2020, Loans, financing and debentures have the following maturity schedule:

	Parent Company		**Consolidated**	
	06/30/2021	**12/31/2020**	**06/30/2021**	**12/31/2020**
2021	25,737	19,081	69,865	42,915
2022	587,689	587,537	613,541	623,161
2023	587,698	587,547	588,850	588,981
2024	587,698	587,544	587,698	587,544
2025	117,334	117,313	117,334	117,313
2026	117,334	117,313	117,334	117,313
	2,023,490	**2,016,335**	**2,094,622**	**2,077,227**

d. Debentures

d.1 Issuance of debentures

In July 2019, the Company made the first issue of simple debentures, unsecured, not convertible into shares, in 2 series, with unit value of one thousand reais (R$ 1,000), totaling R$ 2,000,000, comprised of 1,764,888 debentures of the 1st series, with maturity on July 10, 2024 and 235,112 debentures of the 2nd series, maturing on July 10, 2026. The debentures of the 1st series will be amortized in three annual installments, the first on maturing on July 10, 2022, and, the debentures of the 2nd series will be amortized in two annual installments, the first one maturing on July 10, 2025. The payment of interest is made on a half-yearly basis, with the first payment made on January 10, 2020.

d.2 Guarantees

The debentures of the 1st and 2nd series have unsecured guarantee as suretyship provided by the guarantor Ultra Som Serviços Médicos S.A., the Company’s subsidiaries, as joint and several debtor and main payer of all obligations assumed.

d.3 Covenants

The debentures issued by the Company have contractual clauses and restrictions related to advanced maturity, including, but not limited to, those that oblige the Company to keep a “financial index” equal or lower than 3.0 measure on a quarterly basis. Said financial index is composed by the net debt divided by net income (loss) for the period before the financial result, income tax and social contribution, depreciation and amortization, stock option non-cash expenses, impairment, non-recurring revenues or expenses, gains (losses) in the sale of assets. As of June 30, 2021, the Company is in compliance with financial covenants.

In addition to the financial covenants, the debentures have restrictive non-financial contractual clauses that involve a series of conditions such as default, transfer of corporate control and others, which, in the event of not being met, may lead to the early maturity of the respective operations.

20 Leases

The Company has lease agreements for Real estate rented from third parties and related parties, as well as other leasing and service agreements with terms exceeding 12 months.

	Consolidated	
	06/30/2021	**12/31/2020**
Balance at the beginning of the period	**1,008,243**	**958,811**
Leases acquired in business combinations	14,568	13,821
New contracts	5,080	52,661
Remeasurements / write-off	(18,552)	38,752
Interest accrual	43,248	85,258
Payments	(71,231)	(141,060)
Balance at the end of the period	**981,356**	**1,008,243**
Current	41,634	42,950
Non-current	939,722	965,293

Below, we detail future payments of leasing agreement considerations:

	Consolidated	
	06/30/2021	**12/31/2020**
2021	26,495	53,173
2022	48,774	47,867
2023	43,256	42,915
2024	39,445	38,584
>2025	823,386	825,704
Present value of minimum payments of leasing	**981,356**	**1,008,243**

The weighted average rate used to calculate the discount to present value of leasing minimum payments is 9.05% p.y. as of June 30, 2021 (9.07% p.y. as of December 31, 2020). There are no significant differences between the present value of lease minimum payments and the market value of these financial liabilities.

21 Technical provision for health care operations

	Consolidated	
	06/30/2021	**12/31/2020**
Unearned premium reserve - UPR (a)	211,764	169,610
Outstanding SUS claims reserve (b)	782,954	629,299
Outstanding claims reserve (c)	253,025	130,826
Incurred but Not Reported claims - IBNR (d)	247,872	199,677
Other provisions	2,524	1,485
Total	1,498,139	1,130,897
Current	1,491,077	1,129,109
Non-current	7,062	1,788

(a) Unearned premiums reserve (UPR) consists of the accounting recognition of the amount charged by the Group to its clients a pro rata die basis within the monthly coverage period. The recognition as revenue only happens in the subsequent period, when the period of the coverage is actually incurred.

(b) The Group records events referring to reimbursement of medical expenses to SUS in this account, including the collection notifications already sent and an estimate of future notifications that are under analysis, calculated according to its own methodology, from judicial decision.

(c) Provision for claims incurred but not yet paid. The provision is made at the full amount informed by the hospitals / clinics or by the beneficiary at the time the collection is presented to the Company. It is subsequently adjusted, if necessary, as part of the claim adjustment process.

(d) Provision to cover payment of losses that occurred but had not yet been reported to the company before the end of the year, which was made based on actuarial calculations. The calculations are obtained based on quarterly run-off triangles considering historic development of claims paid in the past 12 months, to establish a future forecast per occurrence period. For certain providers, for which it is possible to measures the volume of unbilled services, this provision is not constituted on a statistical basis but rather at the real amount of accounts not yet submitted.

Health operators, subsidiaries of the Company, issue health insurance and dental assistance contracts in which they assume insurance risks, which include the frequency of use and fluctuation of costs.

The Company prepared the Liability Adequacy Test (LAT) for all contracts that meet the definition of an insurance contract under CPC 11 / IFRS 4 Insurance Contracts and that are in effect on the date of the test. This test is prepared annually considering current estimates of future cash flows, using the reference base date of active customers, with no new entrants. The methodology projects inflows and outflows of financial resources, considering the technical and financial readjustments, changes in value due to changes in age, changes in assistance costs, administrative and commercial expenses, returns on investments and the value of money over time using the discount rate Term Structures of Risk-Free Interest Rates.

The groupings carried out at liability adequacy test were individual, corporate and collective membership plans.

As of June 30, 2021 there were no indications that the liability adequacy tests carried out on the base date of December 31, 2020, underwent changes in the sufficiency results.

If any deficiency is identified, the Company records the loss immediately as an expense in the income statement for the year, first reducing acquisition costs to a limit of zero and then constituting additional provisions for insurance liabilities already recorded on the test date.

The technical provisions represent the calculation of the expected risks inherent to the health care operations of the Group's operators, which are subject to the mandatory maintenance of financial guarantees to cover such risks, established by RN ANS No. 442/18 and subsequent amendments, described below follow:

- **Adjusted minimum equity and solvency margin:** to operate in the health plan market regulated by ANS, the health plan operator must maintain the adjusted shareholders' equity for economic purposes as established in RN ANS nº 442/18 and subsequent amendments. Adjusted shareholders 'equity is calculated as shareholders' equity less non-current intangible assets, tax credits arising from tax losses, deferred sales expenses and anticipated expenses. The Group determines the adjusted shareholders' equity on a monthly basis and assesses the sufficiency of the solvency margin, in accordance with ANS Normative Instruction 373/15 and subsequent amendments.

The Group has achieved the sufficiency of this requirement in all the years presented, as shown in the following comparative table:

	06/30/2021	**12/31/2020**
Adjusted Minimum Equity	3,490,644	2,648,086
Required Solvency Margin	1,505,146	1,296,236
Calculated sufficiency	1,985,498	1,351,850

- **Collateral related assets:** in accordance with the rules established by RN ANS No. 392/15 (amended by RN ANS No. 419/16) and other subsequent amendments, health and dental plan operators must have sufficient guarantee assets to cover all recognized technical provisions on the balance sheet date and deducted from the UPR and the installment of the events to be settled referring to the charges presented by the providers in the last 30 or 60 days, depending on the size of the operator.

The Group has achieved the sufficiency of this requirement in all periods presented, as shown in the following comparative table:

	06/30/2021	**12/31/2020**
Required linked guarantee assets (i)	1,217,900	802,193
Effective linked guaranteeing assets (see Note 12- b)	1,314,759	1,003,827
Other linked assets	2,910	1,975
	1,317,669	1,005,802
Sufficiency calculation	99,769	203,609

(i) Corresponding to the amount of technical provisions for which coverage of guaranteeing assets is required, under the terms of current legislation.

Changes in technical provisions

	UPR	Outstanding SUS claims reserve	Outstanding claims reserve	IBNR	Other provisions	Total
Balance at 12/31/2019	**157,889**	**399,283**	**123,075**	**176,531**	**1,365**	**858,143**
Provisions	8,697,706	211,873	2,757,180	21,908	393	11,689,060
Acquisitions of companies	8,012	9,911	23,131	17,044	-	58,098
Appropriations/Reversals	(8,693,997)	-	-	(15,806)	(273)	(8,710,076)
Actualizations	-	76,401	-	-	-	76,401
Settlements	-	(68,169)	(2,772,560)	-	-	(2,840,729)
Balance at 12/31/2020	**169,610**	**629,299**	**130,826**	**199,677**	**1,485**	**1,130,897**
Provisions	4.838.635	135.823	1.825.645	25.688	1.233	6.827.024
Acquisition of companies	17.602	47.919	145.265	45.763	36	256.585
Appropriations/Reversals	(4.814.083)	(13.032)	-	(23.256)	(230)	(4.850.601)
Actualizations	-	32.508	-	-	-	32.508
Settlements	-	(49.563)	(1.848.711)	-	-	(1.898.274)
Balance at 06/30/2021	**211,764**	**782,954**	**253,025**	**247,872**	**2,524**	**1,498,139**

22 Payroll obligation

	Parent company		Consolidated	
	06/30/2021	**12/31/2020**	**06/30/2021**	**12/31/2020**
Provision for vacation and 13th salary	21	-	195,600	125,900
Salaries payable	1,073	991	83,426	66,890
Other social security obligations	-	-	3,052	2,651
Total	**1,094**	**991**	**282,078**	**195,441**

23 Provision for tax, civil and labor risks

The Group's is party to judicial and administrative proceedings in various courts and government agencies, arising from the normal course of operations, involving tax, labor, civil issues and contingencies with the regulatory agency (ANS).

The Company record provisions for all proceedings, classified as probable risk of loss, which it considers sufficient to cover probable losses.

	Parent company		Consolidated	
	06/30/2021	**12/31/2020**	**03/31/2021**	**12/31/2020**
Provisions for tax lawsuits (i) (contain ANS)	28.313	36,106	196,683	228,240
Provision for civil risk (ii)	16	29	142,693	118,540
Provisions for labor risk (iii)	21	-	68,238	55,169
Total	**28,350**	**36,135**	**407,614**	**401,949**

The changes in the provision for risks in the period ended June 30, 2021 and December 31, 2020 are as shown below:

Provision for tax, civil and labor risks	Parent company
Balances at December 31, 2019	**35,983**
Provision and reversals, net	2,045
Settlements	(1,893)
Balance at December 31, 2020	**36,135**
Provision and reversals, net	(7,345)
Settlements	(440)
Balance at June 30, 2021	**28,350**

	Consolidated			
	Civil	**Labor**	**Tax**	**Total**
Balance at January 31, 2019	**87,353**	**51,549**	**249,756**	**388,658**
Acquisitions and reversal, net	53,086	(200)	(17,396)	35,490
Acquisitions of companies	4,004	4,919	2,836	11,759
Settlements	(25,903)	(1,099)	(6,956)	(33,958)
Balance at December 31, 2020	**118,540**	**55,169**	**228,240**	**401,949**
Acquisitions of companies	25,369	22,966	3,930	52,265
Acquisitions and reversal, net	12,743	(8,197)	(30,035)	(25,489)
Settlements	(13,959)	(1,700)	(5,452)	(21,111)
Balance at June 30, 2021	**142,693**	**68,238**	**196,683**	**407,614**

Risks with probable loss:

The main issues that make up the lawsuits, judicial and administrative, classified as probable risk of loss by the Company are as follows:

(i) Provisions for tax lawsuits and proceedings

Theme: ANS administrative fines/ reimbursement to SUS (regulatory aspects) - The contingency now dealt with arises from administrative proceedings and tax foreclosures filed by the ANS, in which administrative fines are charged arising from alleged violations of the rules regulating the activity of health plan operators, as well as amounts related to the reimbursement to SUS, resulting from medical assistance. beneficiaries of the Company in the public network, based on art. 32 of Law No. 9,656/98. In relation to the subject now presented, the Company and its subsidiaries have provisioned the amount of R$ 126,998 (R$ 144,145 as of December 31, 2020), in order to support probable losses arising from lawsuits and probable losses arising from administrative claims.

Theme: Tax on Services (ISS) - This contingency derives from administrative and legal proceedings filed by Municipal Finance Departments through which tax on services allegedly owed by the Company and/or its subsidiaries is collected as a result of their operating activities. The Company and its subsidiaries have provisioned the amount of R$ 5,292 (R$ 5,193 as of December 31, 2020).

The amounts of the provision related to lawsuits, judicial and administrative, of a tax nature not covered by the topics presented above are spread out in groups of less representative demands, constituting a less relevant portion of the provision now presented.

(ii) Provisions for civil lawsuits and proceedings

Theme: Contractual Grace Period - The contingency now dealt with arises from civil lawsuits filed by beneficiaries who seek to obtain assistance coverage from their health plan without due compliance with the grace periods. In this scenario, many judicial decisions are rendered in breach of applicable law, without due compliance with the grace periods provided for by law and/or contract. In relation to the subject presented herein, the Company and its subsidiaries have provisioned the amount of R$ 15,740 (R$ 13,736 as of December 31, 2020).

Theme: Legal and/or Contractual Coverage Exclusion - Civil proceedings filed by beneficiaries seeking to obtain coverage for services not covered by law or contract, such as: medical procedures not provided for in the ANS list, aesthetic and experimental procedures outside the mandatory list, such as aesthetic treatments, and home care service. In this scenario, many judicial decisions are made in non-compliance with the applicable legislation, without due obedience to the care limits defined by law and/or contracts. The Company and its subsidiaries have provisioned the amount of R$ 27,416 (R$ 22,713 on December 31, 2020).

Theme: Indemnity lawsuits - Medical Acts - The contingency now dealt with arises from civil lawsuits filed by beneficiaries seeking to obtain compensation for damages suffered by supposedly inadequate medical procedures. In such proceedings, the plaintiffs seek to hold the Company and / or its subsidiaries liable jointly and severally for the medical act practiced by its accredited professionals. In relation to the subject presented herein, the Company and its subsidiaries have provisioned the amount of R$ 26,235 (R$ 24,558 as of December 31, 2020).

Theme: Debts with Providers in General - The contingency now dealt with arises from civil lawsuits filed by service providers in general that seek to obtain payment of amounts allegedly owed by the Company and / or its subsidiaries on a variety of grounds, which may cite as examples: disallowance of hospital bills, contract terminations, etc. In relation to the subject presented herein, the Company and its subsidiaries have provisioned the amount of R$ 27,107 (R$ 14,563 as of December 31, 2020).

The provision amounts related to civil and judicial proceedings, of a civil nature not covered by the topics presented above, are dispersed in groups of less representative demands, constituting a less relevant portion of the provision now presented.

(iii) Provisions for labor lawsuits and proceedings

Theme: Acknowledgment of employment relationship - The contingency dealt with here arises from labor lawsuits filed, individually, by service providers who seek to obtain recognition of an alleged employment relationship maintained with the Company, even without the presence of the typical assumptions of an employment relationship. In this scenario, we can mention as an example: doctors, radiology technicians, physiotherapists, speech therapists, etc.

In relation to the subject presented herein, the Company and its subsidiaries have provisioned the amount of R$ 21,508 (R$ 20,149 on December 31, 2020).

Theme: Labor amounts and severance pay - The contingency now dealt with arises from labor claims filed, individually or collectively, by ex-employees or employees, who seek to receive labor and termination payments related to the period in which they worked in favor of the Company and / or its subsidiaries, covering: overtime, unhealthy and overtime pay, wage parity, deviation and accumulation of duties, fines under Articles 467 and 477 of the CLT etc. In relation to the subject presented herein, the Company and its subsidiaries have provisioned the amount of R$ 31,875 (R$ 26,259 as of December 31, 2020).

The amounts of the provision related to labor and judicial proceedings, of a labor nature not covered by the topics presented above, are scattered among groups of less representative demands, constituting a less relevant portion of the provision now presented.

Risks with possible loss:

The Company discusses other actions for which management and its legal advisors' estimate are of possible losses and for which no provision was recorded.

We present below the composition of the amounts of risk arising from judicial and administrative proceedings, classified with a possible risk of loss, in which the Company and/or its subsidiaries are party, related to the period ended June 30, 2021 and December 31, 2020:

	Parent company		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Tax (i)	13,834	7,447	939,211	896,802
Civil* (ii)	1,389	200	656,119	401,081
Labor (iii)	408	236	299,477	290,509
Total	15,631	7,883	1,894,807	1,588,392

* Increase observed mainly arising from the acquisition of the PROMED group, in the amount of R$ 219,658

(i) Contingent liabilities for lawsuits and tax lawsuits

Theme: ANS Administrative Fines/Reimbursement to SUS - In relation to the topic presented, the Company and its subsidiaries presented a contingent liability of R$ 370,145 (R$ 324,802 on December 31, 2020), related to legal and administrative proceedings of a regulatory nature, all classified as possible loss risk.

Theme: Service Tax (ISS) - In relation to the topic presented, the Company and its subsidiaries presented a contingent liability of R$ 156,159 (R$ 156,087 as of December 31, 2020), related to tax, judicial and administrative proceedings, classified as possible loss risk.

Theme: Tax Foreclosures - Business Succession - The contingency now dealt with arises from tax foreclosures originally filed against other health plan operators, in which the National Treasury requested the redirection to the Company and its subsidiaries, under the justification of supposed business succession resulting from the sale of beneficiaries' portfolio . In relation to the topic presented, the Company and its subsidiaries presented a contingent liability of R$ 147,733 (R$ 147,733 as of December 31, 2020), related to tax, judicial and administrative proceedings, classified as possible loss risk.

Theme: Social Security Matters - The contingency now dealt with arises mainly from tax assessment notices drawn up in the face of the Company and its subsidiaries for tax credits allegedly due to irregularities or failure to pay social security contributions, among other social security matters. In relation to the topic mentioned, the Company and its subsidiaries presented a contingent liability of R$ 218,909 (R$ 209,801 on December 31, 2020), related to tax, judicial and administrative proceedings, classified as possible loss risk.

(ii) Contingent liabilities for civil lawsuits and proceedings

Theme: Contractual Grace Period - In relation to the subject presented, the Company and its subsidiaries presented a contingent liability of R$ 26,879 (R$ 24,021 on December 31, 2020), related to civil, judicial and administrative proceedings, classified as possible loss risk.

Theme: Legal and/or Contractual Exclusion of Coverage - In relation to the topic presented, the Company and its subsidiaries presented a contingent liability of R$ 38,417 (R$ 34,941 on December 31, 2020), related to civil, judicial and administrative proceedings, classified as possible loss risk.

Theme: Indemnity lawsuits - Medical Acts - In relation to the topic presented, the Company and its subsidiaries presented a contingent liability of R$ 261,094 (R$ 225,996 as of December 31, 2020), related to civil, judicial and administrative proceedings, classified as possible loss risk.

Theme: Debts with Providers in General - In relation to the topic presented, the Company and its subsidiaries presented a contingent liability of R$ 88,148 (R$ 38,910 as of December 31, 2020), related to civil, judicial and administrative proceedings, classified as possible loss risk.

(iii) Contingent liabilities for lawsuits and labor lawsuits

Theme: Recognition of employment relationship - In relation to the topic presented, the Company and its subsidiaries presented a contingent liability of R$ 55,599 (R$ 57,051 on December 31, 2020), related to labor, judicial and administrative proceedings, classified as possible loss risk.

Theme: Labor and Severance Charges - In relation to the topic presented, the Company and its subsidiaries presented a contingent liability of R$ 72,724 (R$ 65,308 as of December 31, 2020), related to labor, judicial and administrative proceedings, classified as possible loss risk.

Theme: Assessment Notices / Notice of Debt from the Guarantee Fund and Social Contribution (NDFC) / Notification for payment of FGTS and Social Contribution (NFGC) / Notification for withdrawal of FGTS and Social Contribution (NFRC) - The contingency now dealt with arises from Tax Assessment Notices and Debit/Tax Notices related to the Guarantee Fund for Time of Service drawn up in the face of the Company and its subsidiaries, in which administrative fines and FGTS payments arising from alleged violations of legal rules are charged that govern labor and employment relations.

In relation to the topic mentioned, the Company and its subsidiaries presented a contingent liability of R$ 158,618 (R$ 158,618 on December 31, 2020), related to labor administrative proceedings, classified as possible loss risk.

Judicial deposits

The Company has judicial deposits held in assets in the following amounts:

	Parent company		Consolidated	
	06/30/2021	**12/31/2020**	**06/30/2021**	**12/31/2020**
Tax and regulatory judicial deposits (a)	1	1	289,179	166,872
Civil judicial deposits	2,631	2,021	70,196	64,202
Labor judicial deposits	103	110	16,445	15,454
Total	**2,735**	2,132	**375,820**	246,528

(a) Increase observed in the period arising from deposits related to Reimbursement to SUS.

24 Shareholders' equity

a) Share capital

On June 30, 2021 and December 31, 2020, the subscribed and paid-up share capital is broken down as follows:

	06/30/2021	**12/31/2020**
Number of shares (i)	3,891,569,750	3,714,929,530
Share capital (i)	8,352,335	5,825,522
Costs with issuance of shares	(228,075)	(174,996)
	8,124,260	5,650,526

(i) The main variation in the period refers to the primary and secondary public distribution of shares, with restricted efforts, which resulted in a capital increase of R$ 2,025,000, equivalent to 135,000 new shares, which occurred in the second quarter of the exercise.

b) Legal reserve

The legal reserve is mandatorily recognized at 5% of net income for the year until reaching 20% of the share capital.

c) Dividends

Changes in dividends and interest on shareholders' equity payable are as follows:

Balance of dividends and shareholders' equity as of December 31, 2019	**220,020**
Dividends proposed on December 31, 2020 – minority shareholders	3,034
Dividends proposed on December 31, 2020 - owners of the company	6,691
Interest on own capital proposed to minority shareholders, net of corporate income tax (i)	53,528
Interest on own capital proposed to the Owners of the Company, net of corporate income tax (i)	122,821
Dividends and interest on own capital effectively paid in the year (ii)	(204,653)
Balance of dividends and shareholders' equity as of December 31, 2020	**201,441**
Interest on own capital proposed to minority shareholders, net of corporate income tax (iii)	21.394
Interest on own capital proposed to the Owners of the Company, net of corporate income tax (iii)	38.411
Dividends and interest on own capital effectively paid in the year (iv)	(186.072)
Balance of dividends and shareholders' equity as of June 30, 2021	**75.174**

(i) On September 3, 2020, the Board of Directors' meeting resolved on the distribution of interest on equity in the gross amount of R$ 110,770 (R$ 95,739, net of withholding income tax), equivalent to R$ 0.15 per share issued by the Company. On December 30, 2020, at a meeting of the Board of Directors, it resolved on the distribution of interest on shareholders' equity in the amount of R$ 93,360 (R$ 80,610, net of withholding income tax), withholding income tax, except for shareholders who have proven to be immune or exempt, as well as the other legal hypotheses.

(ii) At a meeting dated July 13, 2020, the Company's Board of Directors decided to pay part of the amounts declared as interest on own capital and dividends related to the year ended December 31, 2019, to July 24, 2020, in the net amount of R$ 102,296. On September 3, 2020, the Company's Board of Directors resolved for the remainder of the payment of the amounts declared as interest on own capital and dividends related to the year ended December 31, 2019, to September 18, 2020, in the net amount of R$ 102,357.

(iii) On June 30, 2021, at a meeting of the Board of Directors, resolved on the distribution of interest on equity in the amount of R$ 68,819 (R$ 59,805, net of withholding income tax), with withholding of income tax, except for shareholders who proved to be immune or exempt, as well as other legal hypotheses.

(iv) On April 30, 2021, the payment of interest on equity and dividends for the year ended December 31, 2020 was resolved, in the net amount of R$ 186,072.

d) Capital reserve

Due to the acquisition of companies, as described in Note 3.1, 41,640,220 common shares were issued by the Company on April 30, 2021, paid in to the Company's capital for the amount of R$501,803. The fair value of the shares issued was calculated based on the quotation of Hapvida Participações S.A shares on the acquisition date (R$ 15.72 per share), totaling the fair value of R$ 654,584. The amount of R$152,771, referring to the difference between the payment of capital stock and the fair value of the shares on the acquisition date, was recognized in the capital reserve, as goodwill on the issue of shares.

e) Earnings per share

The calculation of basic earnings per share was based on net income attributed to common shareholders and the weighted average of common shares outstanding.

The calculation of diluted earnings per share was based on net income attributed to common shareholders and the weighted average of common shares outstanding after adjustments for all potential dilutive common shares. Basic and diluted earnings per share are being presented considering the retrospective effects of the stock split approved on November 19, 2020.

	06/30/2021	03/31/2020
Net income attributable to the Company (R$ thousand)	256,439	443,204
Net income attributable to controlling shareholders (In thousands of Reais)	254,586	443,078
Weighted average number of shares (thousands of shares)	3,796,310	3,714,930
Basic and diluted earnings per share (R$ thousand)	0.07	0.12

25 Net revenue from services provided

	Consolidated			
	06/30/2021		06/30/2020	
	Accumulated	Quarter	Accumulated	Quarter
Insurance revenue	4,814,083	2,442,478	4,217,922	2,106,001
Revenue from other activities	175,800	92,606	147,309	70,878
Deductions (a)	(264,287)	(132,641)	(210,145)	(100,581)
Total	**4,725,596**	**2,402,443**	**4,155,086**	**2,076,298**

(a) Deductions refer substantially to taxes levied on revenue.

26 Cost of services rendered

	Consolidated			
	06/30/2021		06/30/2020	
	Accumulated	Quarter	Accumulated	Quarter
Medical, hospital and other costs	(3,218,459)	(1,684,221)	(2,419,209)	(1,149,666)
Change in IBNR	(2,432)	(14,567)	7,052	17,104
Total	**(3,220,891)**	**(1,698,788)**	**(2,412,157)**	**(1,132,562)**

27 Sales expenses

	Consolidated			
	06/30/2021		06/30/2020	
	Accumulated	Quarter	Accumulated	Quarter
Expenses on advertising and marketing	(29,064)	(14,452)	(21,235)	(12,519)
Commission expenses	(181,254)	(98,513)	(178,626)	(94,715)
Provision for credit losses	(113,579)	(72,910)	(122,635)	(66,669)
Other sales expenses	(13,937)	(7,621)	(11,868)	(5,892)
Total	**(337,834)**	**(193,496)**	**(334,364)**	**(179,795)**

28 Administrative expenses

	Parent Company			
	06/30/2021		06/30/2020	
	Accumulated	Quarter	Accumulated	Quarter
Own personnel expenses	(49,993)	(42,253)	(10,005)	(4,447)
Outsourced service expenses	(10,795)	(3,235)	(3,511)	(2,160)
Rentals and utilities	(2,152)	(1,133)	(2,008)	(820)
Tax expenses	(402)	(274)	(187)	(74)
Indemnity, court cost e provisions for contingencies	7,385	456	(1,693)	(725)
Other expense, net	(31)	(25)	(25)	6
Total	**(55,988)**	**(49,464)**	**(17,429)**	**(8,220)**

	Consolidated			
	06/30/2021		06/30/2020	
	Accumulated	Quarter	Accumulated	Quarter
Own personnel expenses	(240,432)	(148,070)	(178,821)	(94,737)
Outsourced service expenses	(143,435)	(67,995)	(108,877)	(48,054)
Rentals and utilities (i)	(434,137)	(218,682)	(291,850)	(140,120)
Tax expenses	(10,034)	(5,760)	(6,755)	(3,428)
Indemnity, court cost e provisions for contingencies	(7,142)	12,272	(41,603)	(20,307)
Other expense, net	(12,442)	(9,887)	(15,801)	(3,678)
Total	**(847,622)**	**(438,122)**	**(643,707)**	**(310,324)**

(i) The main nature of this group refers to depreciation and amortization expenses, which total R$ 341,917 (R$ 235,279 as of June 30, 2020) of the consolidated, refers to the amortization and depreciation of property, plant and equipment, intangible and the fair value of assets acquired in a business combination.

29 Net financial result

	Controladora				Consolidado			
	06/30/2021		06/30/2020		06/30/2021		06/30/2020	
	Accumulated	Quarter	Accumulated	Quarter	Accumulated	Quarter	Accumulated	Quarter
Finance income								
Revenue from investments, except for guarantee assets	7,155	5,229	17,475	9,047	49,574	35,046	38,199	18,272
Revenue from investments - collateral assets	-	-	-	-	19,743	12,592	9,484	5,055
Revenue from late receipt	-	-	-	-	18,616	9,681	17,156	8,487
Financial revenues from derivative instruments	-	-	-	-	-	(1,769)	18,645	3,547
Exchange variation	43	12			-	-		
Others	1	1	1	-	3,223	1,721	4,873	3,442
	7,199	**5,242**	**17,476**	**9,047**	**91,156**	**57,271**	**88,357**	**38,803**

Finance expenses								
Interest in debentures	(28,219)	(17,417)	(39,047)	(16,651)	(28,219)	(17,417)	(39,047)	(16,651)
Interest on leases	(180)	(86)	(206)	(111)	(43,248)	(21,295)	(41,339)	(20,516)
Discounts granted	-	-	-	-	(4,148)	(1,566)	(11,614)	(4,659)
Bank expenses	(25)	(12)	(24)	(11)	(8,965)	(4,511)	(7,717)	(4,087)
Tax charges	-	-	-	-	(918)	(140)	(280)	(210)
Financial expense with derivative instruments	-	-	-	-	(1,114)	(1,114)	(1,071)	(1,071)
Exchange variation expense	-	-	-	-	(1,215)	3,383	(16,894)	(2,874)
Interest on loans and borrowings	-	-	-	-	(1,165)	(919)	(1,795)	(313)
Monetary variance	(142)	(1)	(87)	(55)	(36,552)	(18,369)	(41,842)	(12,998)
Others	(2)	(2)	(4,266)	(819)	(2)	117	(10,735)	(2,711)
	(28,568)	(17,518)	(43,630)	(17,647)	(125,546)	(61,831)	(172,334)	(66,090)
Total	**(21,369)**	**(12,276)**	**(26,154)**	**(8,600)**	**(34,390)**	**(4,560)**	**(83,977)**	**(27,287)**

30 Income tax and social contribution

a. Reconciliation of effective rate of income tax and social contribution recognized in profit or loss

Since the amounts determined in parent company financial statements are not relevant, it is being presented only the consolidated reconciliation of consolidated financial statements:

	06/30/2021				**06/30/2020**			
	Accumulated		**Quarter**		**Accumulated**		**Quarter**	
Income before income tax and social contribution		300.288		79.476		678.969		423.864
Rates								
Income tax, plus the additional tax rate		25%		25%		25%		25%
Social contribution		9%		9%		9%		9%
Expense with income tax and social contribution at the statutory rate	**-34%**	(102.098)	-34%	(27.022)	-34%	(230.849)	34%	(144.114)
Permanent differences								
Tax loss for which a deferred tax asset was not recognized	-0,86%	(2.592)	-2,25%	(1.785)	0%	(1.089)	0%	(1.089)
Non-deductible provisions	1,22%	3.678	4,76%	3.782	0%	(2.237)	-1%	(3.187)
Other additions and exclusions	-5,18%	(15.552)	-13,20%	(10.490)	0%	(875)	1%	3.395
Share issue expenses	-6,01%	(18.047)	-22,71%	(18.047)		-	-	-
Interest on equity	-7,79%	(23.399)	-29,44%	(23.399)		-	-	-
Subtotal	**-18,62%**	(55.912)	-62,84%	(49.939)	**-1%**	**(4.201)**	0%	**(881)**

Impacts of the tax on entities taxed by deemed profit (i)								
Reversal of the tax effect by the actual income tax regime rate	-1,15%	(3.466)	-3,35%	(2.660)	0%	1.792	1%	3.566
Income and social contribution taxes calculated by presumed profit	0,38%	1.130	0,56%	444	0%	(2.507)	-1%	(3.794)
Subtotal	**-0,78%**	**(2.236)**	**-2,79%**	**(2.216)**	**0%**	**(715)**	0%	**(228)**
Expense with income tax and social contribution (rate %)	**-14,60%**	**(43.849)**	**31,62%**	**25.134**	**-35%**	**(235.765)**	**-34%**	**(145.223)**
Current income and social contribution taxes	-72,30%	(217.121)	-124,72%	(99.124)	-51%	(344.203)	-50%	(210.939)
Deferred income and social contribution taxes	57,7%	173.272	156,35%	124.528	16%	108.438	16%	65.716
Expense with income tax and social contribution	**15%**	**(43.849)**	**32%**	**25.134**	-35%	**(235.765)**	34%	**(145.223)**

(i) Exclusion of the effects of the application of the official rates on the profit before income tax and social contribution of the result of the entities of the Group that are taxed under the presumed profit regime, under the terms of the current legislation.

The changes in liabilities payable for income tax and social contribution in the period ended June 30, 2021 and fiscal year ended December 31, 2020 are as follows:

	Consolidated	
	06/30/2021	**06/30/2020**
Balance at the beginning of the period/year	85,141	61,982
Income tax and social contribution	217,121	597,283
Income tax and social contribution balance of acquired company	29,487	-
(-) Payments made	(231,611)	(574,124)
Balance at end of the period/year	**100,138**	**85,141**

The Company and its subsidiaries do not have income tax and social contribution losses directly on equity.

b. Recoverable taxes

The balance refers mainly to income tax and social contribution credits as a result of withholdings on the distribution of interest on shareholders' equity and income from short and long term investments, as well as overpayments recorded as recoverable taxes that will be offset throughout the next period, without no need for impairment, considering the Group's ability to generate income for such purposes.

c. Deferred income tax and social contribution

	Parent company				
	Balance at 12/31/2019	**Recognized in income (loss)**	**Balance at 12/31/2020**	**Recognized in income (loss)**	**Balance at 06/30/2021**
Provision for tax, civil and labor risks	12,235	51	12,286	(2,647)	9,639
Credit on tax loss and negative basis	136,648	91,630	228,278	61,770	290,048
Issuance cost of debentures	1,609	(338)	1,271	(169)	1,102
Deferred tax on right-of-use assets	24	55	79	16	95
Stock Grant	-	-	-	6,903	6,903
Other tax credits/debits	28	190	218	(230)	(12)
Total	**150,544**	**91,588**	**242,132**	**65,643**	**307,775**

	Consolidated						
	Balance at 12/31/2019	**Recognized in income (loss)**	**Acquisition of companies**	**Balance at 12/31/2020**	**Recognized in income (loss)**	**Acquisition of companies**	**Balance at 06/30/2021**
Provision for tax, civil and labor risks	121,030	2,083	-	123,113	(628)	-	122,485
Provision for credit losses	25,625	12,395	-	38,020	4,355	-	42,375
Deferred commissions expenses	(59,437)	(5,951)	-	(65,388)	(10,793)	(5,953)	(82,134)
Credit on tax loss and negative basis (i)	157,470	100,500	-	257,970	127,509	-	385,479
Amortization of the fair value of assets acquired in a business combination	22,218	162,376	-	184,594	96,915	-	281,509
Deferred tax on goodwill (ii)	-	(39,538)	-	(39,538)	(54,225)	-	(93,763)
Deferred tax on right-of-use assets	7,591	9,347	236	17,174	3,481	-	20,655
Insurance cost of debentures	1,661	(338)	-	1,323	(169)	-	1,154
Stock Grant	-	-	-	-	6,903	-	6,903
Other tax credits	13,331	9,050	322	22,703	(77)	(1,635)	24,261
Total	**289.489**	**249.924**	**558**	**539.971**	**173.271**	**(4.318)**	708.924
Deferred tax (asset)	**289.489**			**579.509**			**809.022**
Deferred tax (liability)	**-**			**(39.538)**			**(100.098)**

(i) Only the transaction of entities for which it is probable that future taxable income is made available for the Group to be able to use the respective benefits were included in the calculation of deferred income tax and social contribution.

(ii) Deferred tax liabilities recorded on the tax amortization of goodwill arising from business combinations, according to article 22 of Brazilian Law 12.973/14.

The Company has tax losses and negative bases of social contribution in the determination of taxable profit that represent a right without prescription term to be used in the following years, under the terms of the current legislation, After carrying out the business combinations that took place as of 2019, the Company carried out its strategic corporate restructuring plan in order to support the realization of it, having already implemented the steps described in Note 4, By the year 2024, the Company should substantially allocate tax credits on goodwill arising from concluded business combinations and have a greater volume of realization of credits between the years 2025 to 2028.

31 Financial instruments

(i) Accounting classification and fair values

When measuring the fair value of an asset or liability, the Group uses observable market data as much as possible, Fair values are classified at different levels in a hierarchy based on information (inputs), as presented in note 7 (i), which are used in valuation techniques.

In the years ended June 30, 2021 and fiscal year ended December 31,2020, the Company and its subsidiaries did not transfer between financial assets, nor did they transfer between hierarchical levels.

The financial instruments of the Company and its subsidiaries are shown in the table below and present the book values of financial assets and liabilities, including their levels in the valuation hierarchy.

	Consolidated						
June 30, 2021	**Book value**			**Fair value**			
Financial assets measured at fair value	**Amortized cost**	**Fair value through profit or loss**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Short- and long-term investments							
Investment funds	-	3,996,339	3,996,339	-	3,996,339	-	3,996,339
Derivative financial instrument	-	5,892	5,892	-	5,892	-	5,892
Total	**-**	**4,002,231**	**4,002,231**	**-**	**4,002,231**	**-**	**4,002,231**
Financial assets not measured at fair value							
Short- and long-term investments							
Brazilian Treasury Bill - NTN-B	37,099	-	37,099	-	-	-	-
Total	**37,099**	**-**	**37,099**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value							
Borrowings and financing	(71,132)	-	(71,132)		-	-	-
Debentures	(2,023,490)	-	(2,023,490)	-	-	-	-
Dividends and interest on own capital	(75,174)	-	(75,174)	-	-	-	-
Leases	(981,356)	-	(981,356)	-	-	-	-
Total	**(3,151,152)**	**-**	**(3,151,152)**	**-**	**-**	**-**	**-**
Financial liabilities measured at fair value							
Contingent consideration	-	(545.035)	(545.035)			(545.035)	(545.035)
Total	**-**	**(545.035)**	**(545.035)**			**(545.035)**	**(545.035)**

	Consolidated						
December 31, 2020	**Book Value**			**Fair value**			
Financial assets measured at fair value	**Amortized cost**	**Fair value through profit or loss**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Short- and long-term investments							
Investment funds	-	2,094,321	2,094,321	-	2,094,321	-	2,094,321
Derivative financial instrument	-	14,546	14,546	-	14,546	-	14,546
Total	**-**	**2,108,867**	**2,108,867**	**-**	**2,108,867**	**-**	**2,108,867**
Financial assets not measured at fair value							
Short- and long-term investments							
Brazilian Treasury Bill - NTN-B	35,896	-	35,896	-	-	-	-
Total	**35,896**	**-**	**35,896**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value							-
Borrowings and financing	(60,892)	-	(60,892)		-	-	-
Debentures	(2,016,335)	-	(2,016,335)	-	-	-	-
Dividends and interest on own capital	(191,716)	-	(191,716)	-	-	-	-
Leases	(1,008,243)	-	(1,008,243)	-	-	-	-
Total	**(3,277,186)**		**(3,277,186)**	**-**	**-**	**-**	**-**
Financial liabilities measured at fair value							
Contingent consideration	-	(178,169)	(178,169)	-	-	(178,169)	(178,169)
Total	**-**	**(178,169)**	**(178,169)**	**-**	**-**	**(178,169)**	**(178,169)**

The amounts of cash and cash equivalents, trade receivable and suppliers are not included in the table above since their book values approximate their fair values due to the maturity of these financial instruments in the short term.

Short and long term investments in CDB have fair value approximating the book value recorded, since they have a grace period of up to 90 days, being remunerated by interest rates indexed to the DI (Interbank Deposits) curve and issued by first-tier financial institutions.

(ii) Measurement at fair value

Assets and liabilities measured at fair value are as follows:

a) Investment funds
Obtained from the quota values disclosed by financial institutions.

b) Derivative financial instruments
Based on the fair value derivative financial instruments disclosed by financial institutions.

c) Contingent consideration
The valuation model considers the present value of expected future payments, discounted by a risk-adjusted rate, The amounts recorded at Level 3 refer substantially to the acquisitions of Grupo São José, Medical and PROMED.

Derivative financial instrument

As of June 30, 2021, the Company has derivative financial instrument contracts (foreign exchange SWAP), used to reduce exposure to foreign currency exchange rate volatility.

Instrument	Maturity	Long position	Short position	Fair value	Notional	Amounts receivable on 06/30/2021	Amounts receivable on 12/31/2020
Swap cambial	April 2022	€ + 0,9567% p,y,	100% CDI	2,933	R$ 25,000	2,933	7,517
Swap cambial	March 2022	U$ + 3,876% p,y,	100% CDI+ 1,4% p,y,	2,959	R$ 25,000	2,959	7,029
				5,892		5,892	14,546

(iii) Risk management

a) Market risk management

The Group has a formalized policy to make investments and to use financial instruments in its activities.

The Investment Policy has the following premises: (i) investing all investments in the fixed-income and low-risk segment; (ii) investing the majority of resources in assets of immediate liquidity and a smaller portion with a grace period of up to 90 days, an amount based on expectations of the use of resources with organic growth and acquisitions; (iii) investing in financial instruments with an estimated gross performance of 99,5% of the CDI; (iv) investing in investments in top-tier institutions with an individual limit of 35%, and up to 10% in second-tier financial institutions, with an individual limit of 5%; (v) fully comply with ANS regulations; and (vi) maintenance of most investments until maturity.

On a regular basis, the Financial area consolidates indicators and reports on the management of investments and financial instruments with a detailed analysis of the distribution, risks, maturities, interests, performances and results, addressing the most relevant aspects of the macroeconomic environment and ensuring alignment with the financial instruments investment policy.

Sensitivity analysis

As of December 31, 2020, the Company and its subsidiaries have the following sensitivity of their financial assets and liabilities based on the variation of the economy's basic interest rate (CDI), the impacts of which are projected in the scenarios below, The Company considers the CDI released on June 30, 2021 as a probable scenario.

	Balance at 06/30/2021	Risk	Scenario -50% (0.95%)	Scenario -25% (1.43%)	Probable scenario (1.90%)	Scenario +25% (2.38%)	Scenario +50% (2.85%)
Short-term and long-term investments							
Balance of pledged financial investments	1,314,759	100% CDI	27,281	40,922	54,563	68,203	81,844
Balance of investments (free)	3,315,003	100% CDI	68,786	103,179	137,573	171,966	206,359
Balance of investments (NTN-B)	37,099	0.93% IPCA	98	147	197	246	295
	4,666,861						
Debentures							
Debentures - 1st serie	1,785,862	109% CDI	37,056	55,585	74,113	92,642	111,170
Debentures - 2nd series	237,628	110.55% CDI	4,931	7,396	9,862	12,327	14,792
	2,023,490						

b) Underwriting risk

Insurance Risk and Pricing Policy

Companies that operate in health and dental care business are exposed to risks related to cost volatility, Dental plans are less exposed than health plans due to lower frequency of use and lower complexity of the treatments.

When the Group is developing a new product it analyzes many variables to define the price of this product, such as the demographic area where the product will be offered, the frequency of use of services established in the area calculated with historical records, and the costs of main inputs in the area it will be sold (doctors, health care professionals, market price of main procedures), Based on these analyses, the Group determines the price of health and dental plans.

Each client that is considered medium or large company has its medical losses ratio calculated every year when the Group is negotiating annual price increase for health and/or dental insurance plans (individual clients are regulated by ANS), Based on historical usage of the service network controlled by biometrics and based on expectations of costs related to these clients, the price increase of this contract is determined, This practice mitigates risks of clients bringing constant losses to the Group.

Regarding individual clients, the pricing of the products considers an additional value because this type of client historically has a greater use of service network.

Sensitivity analysis

One way to measure possible impacts on results and equity, resulting from underwriting risks, is to evaluate the variables that may be affected in the product subscription process or due to insufficient prices.

The following sensitivity analyzes simulate the possible impacts on results and shareholders' equity, of changes in operating parameters before and after contracting:

	June 30, 2021 - Consolidated	
	Income before taxes	**Income after taxes and impact on shareholders' equity**
5% increase in sinister	(161,045)	(106,289)
5% increase in administrative and sales expenses	(42,381)	(27,972)
5% reduction in sinister	161,045	106,289
5% reduction in administrative and sales expenses	42,831	27,972

Determination of technical reserves and collateral assets

The calculation of technical provisions is carried out monthly by the actuarial team, being monitored by the Controlling team in measuring the need for guarantee assets at the end of each quarter, according to the criteria provided for in art, 2 of RN ANS nº 392/15 (amended by RN NA nº 419/16), for mandatory compliance with the requirements of the sector's regulatory body, In addition, the Group assesses, at each balance sheet date, whether its liabilities are adequate, using current estimates of future cash flows from its contracts, carrying out the liability adequacy tests, If this assessment shows that the value of the contractual liability is inadequate in light of the estimated future cash flows, any insufficiency of technical provision should be recognized in the income for the year, The Group did not record any adjustments resulting from the liability adequacy tests.

Note 21 presents the technical reserves, their natures and breakdown of each obligation related to SUS, due to the particularities set forth by regulation.

c) Operating risk

Operating risk is defined as the possibility of losses resulting from failure, weakness or inadequacy of internal processes, people and systems or external events.

The operational risk monitoring and management activity aims to mitigate the materialization of risks that may result in losses to the quality of operations during the provision of contracted coverage and/or the provision of services, The identification of operational risks and associated controls is carried out through the mapping of organizational flows, so that, when identified, the impacts of such risks are quantified, considering the expected pattern regarding their frequency and severity through specific methodologies applicable to each risk assessed.

It is worth highlighting that mitigating actions are relevant to provide an environment with greater stability and control, insofar as it has an effective preventive purpose, Thus, the implementation of procedural protocols that guide the performance of the professionals who work in the operation makes a relevant contribution for the services to be performed within the technical and safety standards established by the areas responsible for preparing the manuals, Moreover, there are control areas working 24 hours a day that monitor the main indicators of customer service in the Company’s own network units in real time, Both tools are important instruments for identifying situations outside the expected standard, allowing management to act quickly and efficiently before developments occur with impacts on the operation.

d) Credit risk

Credit risk is the risk that the Company will incur losses arising from a customer or a counterparty in a financial instrument, resulting from their failure to comply with their contractual obligations.

The risk basically arises from accounts receivable from customers and cash and cash equivalents and short and long term investments.

Accounts receivable

Credit risk for the Company is considered to be low by the Management, mainly for the health plan operator, in which the monthly payments are paid before the provision of services, Most of the Company's accounts receivable are related to the risk of the coverage period, As presented in Note 13, about 39% of accounts receivable are more than 60 days overdue, In addition, to reduce the risk of paying treatment costs without receipt, the Operator adopts the practice of canceling overdue plans, as regulated by ANS for the health plan operator.

The Group establishes a provision for impairment that consists of the use of factors related to the losses observed in recent time series, adjusting the historical rates of losses to reflect current conditions and reasonable and bearable forecasts of future economic conditions in relation to accounts receivable and other accounts receivable, The provision account related to accounts receivable is used to record impairment losses, unless the Company assesses that it is not possible to recover the amount due; on this occasion, the amounts are considered to be irrecoverable and are recorded against the financial asset directly.

In general, the Group mitigates its credit risks by providing services to a very dispersed customer base and with no defined concentration, For defaulting customers, the Group cancels plans according to ANS rules.

Short and long term investments

Regarding the credit risks related to financial investments, the table with quantitative information on maximum exposure to risk follows with information on the ratings of financial institutions that are counterparties to the Group's investments:

			***Ratings* of financial institutions (3)**					
			Fitch (1)		**Moody´s (1)**		**S&P (2)**	
	06/30/2021	**12/31/2020**	**CP**	**LP**	**CP**	**LP**	**CP**	**LP**
Banco Itaú Unibanco S,A,	1,382,500	782,939	F1+	AAA	BR-1	Aaa.br	brA-1+	brAAA
Banco Santander S,A,	1,479,806	1,055,911	-	-	BR-1	Aaa.br	brA-1+	brAAA
Banco Bradesco S,A,	789,871	1,033,929	F1+	AAA	BR-1	Aaa.br	brA-1+	brAAA
Caixa Econômica Federal	128,730	136,343	F1+	AA	BR-1	Aaa.br	brA-1+	brAAA
Banco do Brasil S,A,	506,978	248,725	F1+	AA	BR-1	Aaa.br	-	-
Banco Safra S,A,	131,873	217,315	-	-	BR-1	Aaa.br	brA-1+	brAAA
Other	247,103	48,344	-	-	-	-	-	-
	4,666,861	**3,523,506**						

(1) Most recent financial disclosure of each financial institution, National scale.

(2) Ratings of several Brazilian financial entities revised after action on the sovereign ratings, on the most recent effective dates.

(3) The risk assessment considers only private securities.

Cash and cash equivalents

The Group held cash and cash equivalents of R$ 226,616 as of June 30, 2021 (R$ 143,212 as of December 31, 2020), Cash and cash equivalents are held in banks and financial institutions that are rated between AA and AA + according to a list released by Fitch.

e) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in complying with the obligations associated with its financial liabilities that are settled with cash payments or with another financial asset, The Company's approach to liquidity management is to ensure, as much as possible, that it always has sufficient liquidity to meet its obligations upon maturity, under normal and stress conditions, without causing unacceptable losses or with the risk of damaging the Company's reputation.

The Company uses medical losses control to price its products and services, which helps it with the monitoring of cash flow requirements and the optimization of its cash return on investments, The Company seeks to maintain the level of its cash and cash equivalents and other highly negotiable investments at an excess amount of cash outflows on financial instruments (other than trade accounts payable), The Company also monitors expected level of cash inflows deriving from trade accounts receivable and other receivables as well as expected cash outflows related to trade accounts payable and other accounts payable.

The main sources of funds used by the Company and its subsidiaries are the volume of funds from the trading of their services, The income from investments from cash deposits is added to this amount.

As for exposure to liquidity risk, the contractual maturities of financial liabilities on the date of the financial statement are shown below:

			Contractual cash flows						
	Notes	**Book value**	**2021**	**2022**	**2023**	**2024**	**2025**	**>2026**	**Total**
Financial liabilities									
Trade payables		186,792	186,792	-	-	-	-	-	186,792
Technical provision (i)	21	253,025	253,025	-	-	-	-	-	253,025
Loans, financing and debentures	19	2,094,622	115,708	691,281	639,681	616,662	125,679	120,825	2,309,836
Leases	20	981,356	66,550	125,892	117,336	109,970	105,499	2,160,379	2,685,626
Other accounts payable		592,211	159,776	432,435	-	-	-	-	592,211
Dividends and interest on own capital payable	24,c	75,174	75,174	-	-	-	-	-	75,174
		4,183,180	**857,025**	**1,249,608**	**757,017**	**726,632**	**231,178**	**2,281,204**	**6,102,664**

(i) Comprised of outstanding claims reserve, pursuant to note 21.

The cash flow forecast is prepared by the Company and its subsidiaries, and continuous forecasts of liquidity requirements are monitored to ensure that the Company and its subsidiaries have sufficient cash to meet operating needs, This forecast takes into account the cash generation of the Company and its subsidiaries.

32 Insurance coverage

The Group has insurance to cover risks declared in the premium amount of R$ 4,819 with insured amount in the amount of R$ 1,058,372 which includes guarantees, construction, supply or provision of services, judicial insurance (labor, civil and tax), surety bond rental, property insurance and fleets.

It has civil liability insurance contracts for administrators and directors from July 2020 to June 2022 and a maximum guarantee limit of R$ 50,000, Coverage includes moral damages, personal property and guarantees, emergency costs, among others.

The Company maintains insurance contracts with coverage determined by expert guidance taking into account the nature and degree of risk for amounts considered sufficient to cover possible losses on its assets and/or liabilities.

33 Subsequent events

Business combination

Premium Saúde
On August 06th, 2021, the Company, through your subsidiary Hapvida Assistência Médica Ltda., after completion of the approvals of Organs regulatory bodies, and compliance with the precedent conditions provided for in the Agreement, concluded the acquisition of shares representing 100% of the capital health plan operator Premium Saúde SA, in line with its national expansion and consolidation strategy.

Premium Saúde has a portfolio of health plans located mainly in the metropolitan regions of Belo Horizonte/MG, Brasília/DF, Montes Claros/MG and in the region of Triângulo Mineiro which are currently served by an accredited network. Premium Saúde also counts beneficiaries of dental plans, located in the metropolitan region of Belo Horizonte/MG and Brasília/DF.

The purchase price was R$147,665, broken down into: (a) Down payment in the amount of R$14,466, paid upon signing the SPA; (ii) Cash installment in the amount of R$37,000, paid on the closing date; (iii) Portion retained for price adjustment in the amount of R$71,499, variable according to the variation of net debt and working capital, to be paid after the completion of the price adjustment (in approximately 90 days); (iv) Fixed portion in the amount of R$3,000, to be added to the price adjustment; and (v) retained amount of R$21,700, to be deposited in an Escrow account and retained for 06 years to cover contingencies, with annual releases, as provided for in the contract.

The measurement of the fair value of assets acquired and liabilities assumed, through valuation techniques, depends, for example, on the completion of physical inventory procedures of property, plant and equipment items and inventory in progress on the date of issue of these interim financial statements. This analysis will be completed within a maximum period of 12 months from the date of acquisition.

HB Group
In July 2021, the Company entered into a binding proposal with the board of the HB Saúde Group for the acquisition of up to 100% of the group, which should be submitted for approval at the shareholders' meeting. The HB Saúde Group of São José do Rio Preto (SP) is composed of the entities: H.B. Sáude S/A, H.B. Saúde Prestação de Serviços Médicos Ltda., Centro Integrado de Atendimento Ltda. and HB Saúde Centro de Diagnóstico Ltda. (HB Saúde Group and TRANSAÇÃO HBS, respectively).

The HB Saúde Group, which had annual revenues of R$310 million in 2020, is composed of the healthcare operator of the HBS Mirassol Hospital, eight outpatient units, a children's clinic, clinical and diagnostic centers, preventive medicine spaces, occupational and cancer center, located mainly in the municipalities of São José do Rio Preto and Mirassol, in São Paulo. The operator of the HB Saúde Group has a portfolio of approximately 128 thousand beneficiaries of health plans, with 67% of collective plans and a 75% accident rate in 2020 and 89% in 2019.

The operator also has 24,500 beneficiaries of dental plans. The Hospital HBS Mirassol currently has 31 beds, 6 of which are IUC.

The acquisition price, including some properties and excluding net cash, will be R$450 million for all shares. The acquisition of the HB Saúde Group is another important step in the strategy of growth and *market share* gain in the state of São Paulo and expanding the potential for verticalized growth in the region.

The implementation of the purchase and sale operation provided for in the HBS TRANSACTION is subject to the fulfillment of suspensive conditions, including its approval at an extraordinary general meeting to be called by HB SAÚDE by the shareholders holding at least 50% plus one HB share Health. The HBS TRANSACTION is subject to the successful negotiation of the respective contractual acquisition instruments and their respective formalizations, which also involves the satisfactory conduct of legal, accounting and operational due diligence procedures. It will be submitted for consideration and approval by Organs regulatory bodies (Cade and ANS).

* * *

Cândido Pinheiro Koren de Lima
Chairman of the Board of Directors

Jorge Fontoura Pinheiro Koren de Lima
CEO

Maurício Fernandes Teixeira
Chief Financial Officer and Investor Relations Officer

Paulo Victor Oliveira de Alencar
Accountant CRC CE-022992/O-2