3Q21 RESULTS

Quarter highlights

- Net revenues of R$2.6 billion (+20.3%)
- Health and dental beneficiaries grow 16.4%
- Cash MCR of 67.9% (+10.2 p.p.)
- EBITDA Ex-LTIP of R$321.9 million (-37.2%)

Earnings Call
November 12th, 2021 (Friday)
Portuguese (with simultaneous translation into English)
9am (US/EST) | 11am (Brazil)
Webcast: ri.hapvida.com.br/en

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Message from Management

The results of 3Q21 prove the solidity and resilience of our business model, as through it we managed to overcome the pandemic scenario that started in March last year. We are, once again, proud of our healthcare professionals and employees. Furthermore, we are hopeful as we see the strong adherence of Brazilians to vaccination against Covid-19. Today, more than 90% of the adult population has already received a dose of the vaccine and approximately 50% are already fully immunized. With the cooling of the second wave of the pandemic over the past few months we saw a significant drop in the volume of admissions related to Covid-19 at the end of the third quarter - daily hospital admissions, which reached over 200 at the beginning of the year, dropped to around 5 per day. This way, we were able to demobilize all beds and health professionals who were exclusively dedicated to this front.

Net revenue was R$2.6 billion, growth of 20.3% compared to the same quarter of the previous year. In the last 12 months, there was a net addition of 711 thousand health beneficiaries and 168 thousand in dental, 275 thousand of which in organic growth and 604 thousand in growth through the acquisitions of Medical, São José, Promed and Premium Saúde. The consolidated cash Medical Care Ratio (MCR) was 67.9% in the quarter, still impacted by the residual costs of the second wave of the pandemic. If we disregard Covid-19 related costs, medical costs from newly acquired companies that still operate at higher MCR levels and the negative readjustment of individual plans, cash MCR would have been 61.6%, in line with our history for comparative periods. The MCR was impacted by higher volume of consultations related to the virus season, by costs related to addressing the backlog of elective surgical procedures, and also by consultations and exams. Consultations and elective procedures returned to their pre-pandemic levels, in addition to the entry into operation of new care units from the acquired companies. The proper management of selling expenses, reaching a rate of 6.6% and administrative expenses (Ex-LTIP) with a rate of 10.6%, brought our adjusted EBITDA to R$321.9 million in the quarter.

We remain committed to the expansion and increase of our own proprietary network. During the quarter, 1 hospital started to operate, 2 emergency care units, 6 clinics (2 were closed) and 6 diagnostic units (2 were closed). In line with our expansion strategy, we were the winners in the competitive process for the acquisition of the HB Saúde Group, composed 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 Sao Paulo. Additionally, we announced the acquisition of Hospital Viventi, our first owned structure in Brasília (DF). We remain with a robust balance sheet, which will allow us to continue participating in the process of consolidating the private health market in Brazil, which is still quite fragmented.

In October, we announced two fundraising operations in the capital markets - an issue of debentures in the amount of R$2.5 billion and an issue of real estate receivables certificates (CRI) in the amount of up to R$1.2 billion. The preliminary ratings of the two issues obtained the maximum investment grade (AAA) from the risk rating agency Fitch Ratings, confirming the solidity of Hapvida. The funds from these two operations, when concluded, will be used to meet the financial commitments arising from acquisitions and investments already disclosed and to be disclosed, in accordance with the Company's organic and inorganic expansion strategy.

We are confident that our results once again reflect our consistency in managing a business model that has proven to be sustainable and resilient. We also thank the board of directors, shareholders, brokers, business partners and specially our customers for their trust.

Jorge Pinheiro
CEO

Summary

1. INTEGRATION AND REPORTING CRITERIA

On August 1, 2021, we concluded the acquisition of Premium Saúde S/A. Consequently, the assets, liabilities and results of Premium are fully reflected on our balance sheet, income statement and cash flow. The consolidated financial statements for Hapvida's 3rd quarter of 2021 include two months of operation of Premium Saúde.

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 its respective effect on tax.

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)	**3Q21**	**3Q20**	**Var. %**	**2Q21**	**Var. %**	**9M21**	**9M20**	**Var. %**
Net Revenues	2,558.9	2,126.4	*20.3%*	2,402.4	*6.5%*	7,284.5	6,281.5	*16.0%*
Medical Costs - Cash	1,738.4	1,227.0	*41.7%*	1,599.5	*8.7%*	4,757.9	3,476.2	*36.9%*
Medical Costs - Ex-SUS	1,806.1	1,271.0	*42.1%*	1,652.7	*9.3%*	4,909.9	3,590.5	*36.7%*
Total Medical Costs	1,851.2	1,284.4	*44.1%*	1,698.8	*9.0%*	5,072.1	3,696.6	*37.2%*
Sales Expenses	168.6	167.1	*0.9%*	193.5	*-12.9%*	506.4	501.4	*1.0%*
Administrative Expenses[1]	270.7	200.6	*35.0%*	236.9	*14.3%*	740.7	610.9	*21.2%*
EBITDA	291.5	512.2	*-43.1%*	291.7	*-0.1%*	1,049.9	1,587.8	*-33.9%*
EBITDA Ex-LTIP[2]	321.9	512.2	*-37.2%*	312.0	*3.2%*	1,110.7	1,587.8	*-30.7%*
Net Income	43.7	247.8	*-82.4%*	104.6	*-58.3%*	300.1	691.0	*-56.6%*
Adjusted Net Income[3]	178.0	330.8	*-46.2%*	218.4	*-18.5%*	655.7	907.4	*-27.7%*

CONSOLIDATED RATIOS (% ROL)	**3Q21**	**3Q20**	**Var. %**	**2Q21**	**Var. %**	**9M21**	**9M20**	**Var. %**
Cash MCR (ex-Peona; ex-SUS; ex-D&A)	67.9%	57.7%	*10.2 p.p.*	66.6%	*1.3 p.p.*	65.3%	55.3%	*10.0 p.p.*
Ex-SUS MCR	70.6%	59.8%	*10.8 p.p.*	68.8%	*1.8 p.p.*	67.4%	57.2%	*10,2 p.p.*
Total MCR	72.3%	60.4%	*11.9 p.p.*	70.7%	*1.6 p.p.*	69.6%	58.8%	*10.8 p.p.*
Sales Expenses	6.6%	7.9%	*-1.3 p.p.*	8.1%	*-1.5 p.p.*	7.0%	8.0%	*-1.0 p.p.*
Administrative Expenses[1]	10.6%	9.4%	*1.2 p.p.*	9.9%	*0.7 p.p.*	10.2%	9.7%	*0.5 p.p.*
Ebitda Margin	11.4%	24.1%	*-12.7 p.p.*	12.1%	*-0.7 p.p.*	14.4%	25.3%	*-10.9 p.p.*
Ebitda Margin Ex-LTIP[2]	12.6%	24.1%	*-11.5 p.p.*	13.0%	*-0.4 p.p.*	15.1%	25.3%	*-10.2 p.p.*
Net Income Margin	1.7%	11.7%	*-10.0 p.p.*	4.4%	*-2.7 p.p.*	4.1%	11.0%	*-6.9 p.p.*
Adjusted Net Income Margin[3]	7.0%	15.6%	*-8.6 p.p.*	9.1%	*-2.1 p.p.*	9.0%	14.4%	*-5.4 p.p.*

OPERATING HIGHLIGHTS	**3Q21**	**3Q20**	**Var. %**	**2Q21**	**Var. %**	**9M21**	**9M20**	**Var. %**
Members Health and Dental (thousands)	**7,448**	**6,401**	***16.4%***	**7,197**	***3.5%***			
Members Health	4,264	3,553	*20.0%*	4,084	*4.4%*			
Members Dental	3,184	2,848	*11.8%*	3,113	*2.3%*			
Average beneficiares (thousands)	**7,273**	**6,389**	***13.8%***	**6,928**	***5.0%***	**6,972**	**6,396**	***9.0%***
Members Health	4,170	3,523	*18.4%*	3,850	*8.3%*	3,922	3,534	*11.0%*
Members Dental	3,103	2,866	*8.3%*	3,078	*0.8%*	3,050	2,862	*6.6%*
Proprietary service network	**475**	**446**	***6.5%***	**465**	***2.2%***			
Hospitals	47	41	*14.6%*	47	*0.0%*			
Emergency Units	49	42	*16.7%*	47	*4.3%*			
Clinics	203	188	*8.0%*	199	*2.0%*			
Diagnostics	176	175	*0.6%*	172	*2.3%*			

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.

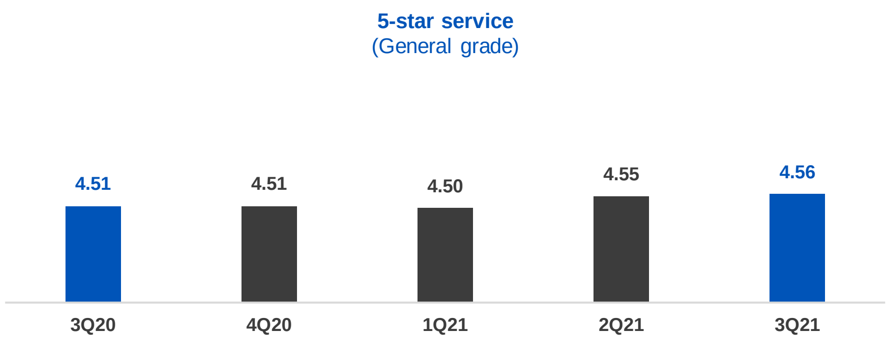
Quality of Care

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.

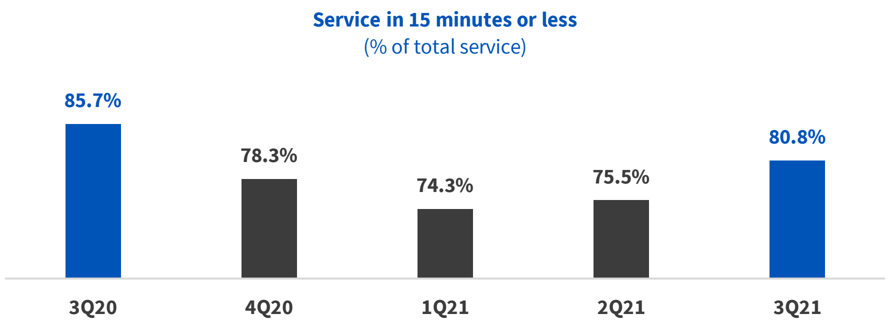
5-STAR SERVICE

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 more than 10 million evaluations. In the third quarter of 2021, more than 1.0 million of evaluations were received. The overall average grade for the month of September 2021, based on 333 thousand evaluations, was 4.56.



WAITING TIME FOR URGENT/EMERGENCY CARE

Hapvida has a tech platform with a system that allows us to monitor all our units in real time 24x7. This system, along with video cameras present in all units, allows the Company's Observation and Control Center to monitor the service and waiting times in all walk-in emergency centers. If the waiting time exceeds 15 minutes, the system signals the Control Center to take immediate actions to speed up the operation. In 3Q21, 80.8% of all of 1.4 million urgent and emergency services carried out in our hospitals and walk-in emergency units took place within 15 minutes. The improvement in relation to 2Q21 is due to a lower number of services related to Covid-19, concomitant with other urgent/emergency service.



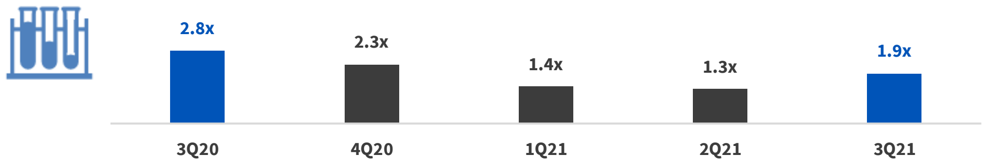
*Until 2Q21, the indicator referred to the companies Hapvida and América, as of 3Q21 are also included: RN Saúde, São Francisco Group, São José Group and Medical.

Quality of Care

PROGRAMA VIVER BEM

Viver Bem is a wellness program for Hapvida's beneficiaries that aims to reduce diabetes complications. We use our own algorithm to identify patients with alterations in the blood tests that indicate that they have or may have type 2 diabetes mellitus. The contact with the patient is carried out by a trained professional from our exclusive call center for the wellness programs. Available in Fortaleza, Recife 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 September 2021, the group of monitored patients presented a significant improvement in glycated hemoglobin when compared to the control group. At the end of the third quarter of 2021, approximately 14,000 patients were enrolled in this program.

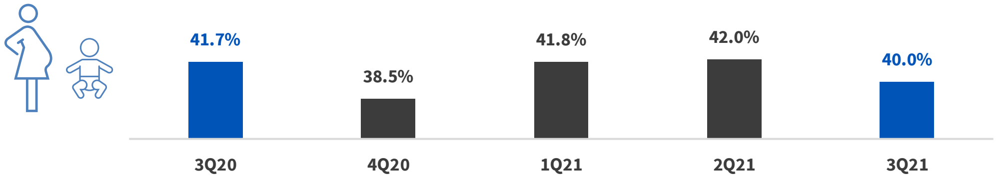
Improvement of glycated hemoglobin - higher than control group



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 births per month, of which 40.0% are natural birth (3Q21).

Evolution of Normal Birth
(% of total deliveries)

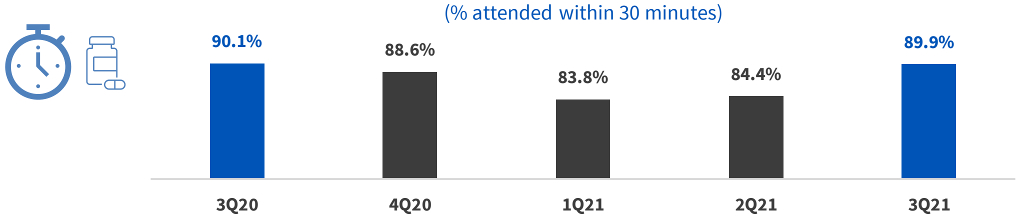


WAITING TIME IN THE MEDICATION ROOM

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 as least 75% of demands within 30 minutes.

In 3Q21, we performed 89.9% of the 684 thousand medications in our hospitals and emergency units within 30 minutes. The index is practically stable compared to 3Q20, even with a higher number of services related to the second wave of Covid-19, concomitant with other urgent/emergency services.

Waiting time in the medication room
(% attended within 30 minutes)



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Sustainability

4. EVOLUTION OF ESG INITIATIVES

We continue to make major advances in our strategic sustainability planning with action plans being implemented a focusing on employees, waste management, energy and water efficiency, social responsibility and relationship with suppliers.

In the environmental context, in July we celebrated #FreePlasticJuly, starting the project to replace the usage of disposable plastic cups at the two headquarters of the administrative headquarters with reusable coconut fiber cups. The initiative meant that around 700,000 plastic cups per year were no longer consumed and discarded. So far, there are already 8 administrative units that are part of the initiative.

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 to map our organizational culture. We are in the phase of implementing the desired culture with the "Culture – living through example" training. We also continued the program with the digitalization of the employee journey with the launch of the careers page and the digital admission tool.

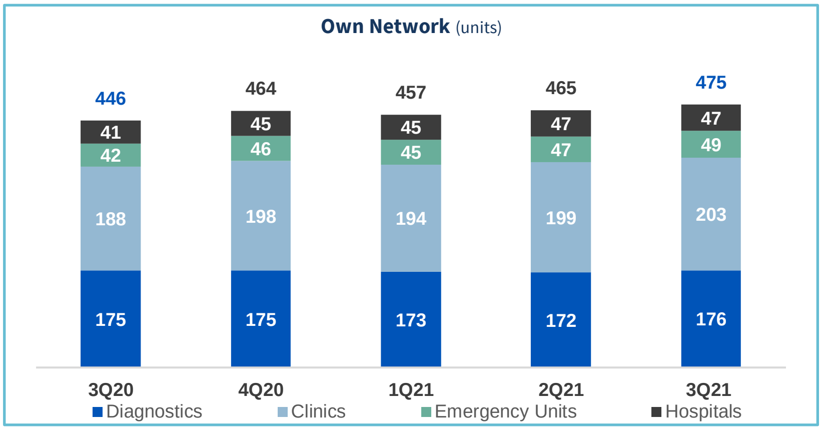
We remain firm in raising the awareness of our employees in relation to the topic of Diversity, Equity and Inclusion through awareness workshops that have been held both in person and distance learning in our virtual environment. Through the creation and maintenance of Allied Groups, in which vice presidents and directors participate, we have followed the strategic agenda and defined the prioritization of actions related to the topic. Affinity groups were also created in which all employees who signed up to participate, it has 4 priority fronts: Gender, Ethnic-racial, LGBTQIA+ and People with Disabilities (PwD). The Affinity groups meet monthly with the objective of contributing ideas and actions towards the transformation of these themes in Hapvida. Here are some achievements of the groups above throughout the quarter:

- Definition and creation of the Hapvida Public Manifesto through a video made with the participation of our employees, showing that we are a diverse team and that we need to improve what is inclusion and respect for individuality.
- Creation of the guidance booklet about Domestic Violence
- Workshops:
    - Employability for PwD (Open doors for PwD)
    - Gender Equality (with the participation of UN Women)
    - Unconscious Biases
    - Domestic Violence

In Governance, in view of the latest events in the digital environment, which even affected companies in the health sector, Hapvida has reinforced its cyber security in a joint action of the Information Technology and Corporate Information Security teams. We carry out tests on our computing infrastructure in order to simulate attacks and possible data leakage. Additionally, we have intensified our training actions to raise awareness of our teams, with the objective of making our employees the strongest link in our security chain.

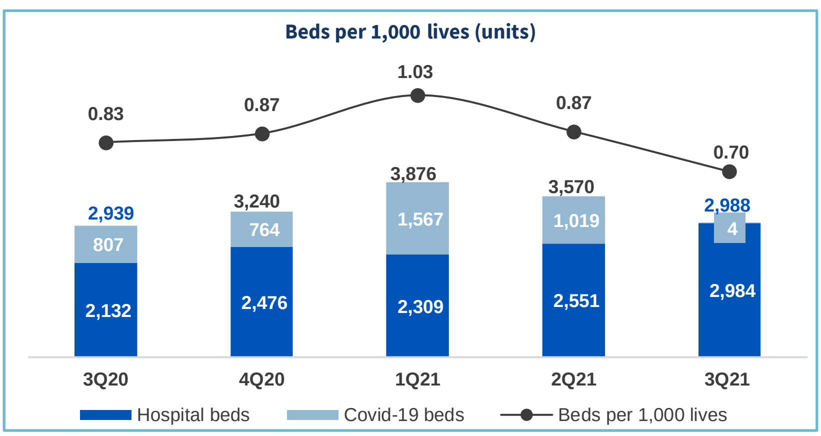
5. PROPRIETARY CARE NETWORK

In the third quarter of 2021, the Company 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 control of frequency of utilization (usage) and costs.



At the end of 3Q21, we had 47 hospitals, 49 emergency care units, 203 clinics and 176 diagnostic imaging and laboratory collection units, thus totaling 475 accessible service units to our beneficiaries in all five regions of the country.

During the quarter, 1 hospital (Hospital Cetro/BA) and 1 closure (Hospital Casa Forte/PE). 2 emergency units were also added, 6 clinics (2 were closed) and 6 diagnostic units (2 were closed), in line with the process of modernization and consolidation of service in new and larger units of greater complexity, centralizing and expanding existing services.



We ended 3Q21 with a total of 2,988 operational hospital beds, which represents an increase of 49 beds compared to the same quarter of the previous year. At the end of the quarter, only 4 beds remained for covid-19 treatment, a reduction of 1,015 beds compared to 2Q21, in line with the significant slowdown of the pandemic in the country.

6 . MEMBERS

6.1 Health

The number of health plan beneficiaries at the end of the quarter increased by 20.0% in comparison with the same period of the previous year, influenced by the entry of:

(i) 74k beneficiaries from Medical (10k in individual plans and 64k in group plans)

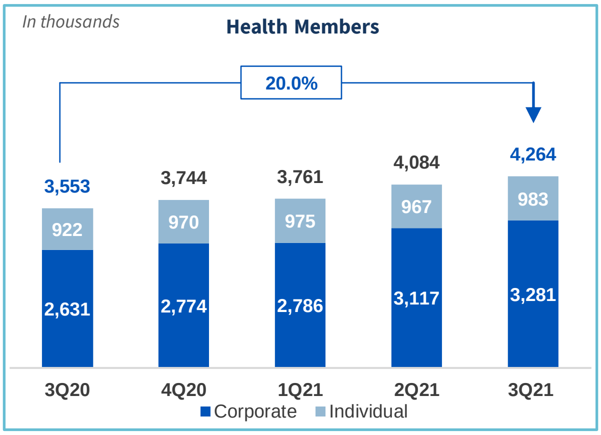
(ii) 54k beneficiaries from São José Group (15k in individual plans and 39k in group plans)

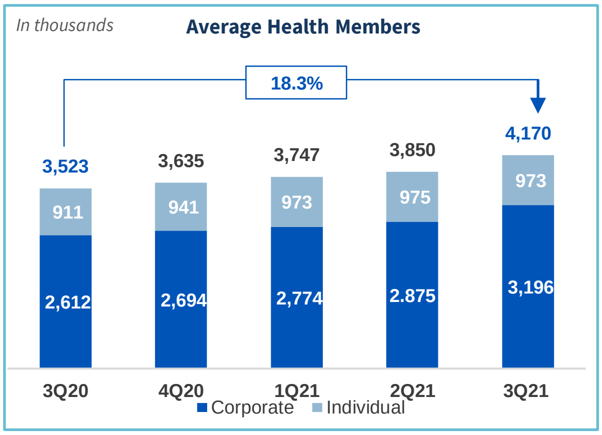
(iii) 26k beneficiaries from Samedh and Plamheg (12.3k beneficiaries from Samedh: 327 in individual plans and 12k in group plans; 13.7 beneficiaries from Plamheg: 1.7k in individual plans and 12k in group plans)

(iv) 290k beneficiaries from Promed (3k in individual plans and 287k in group plans), and

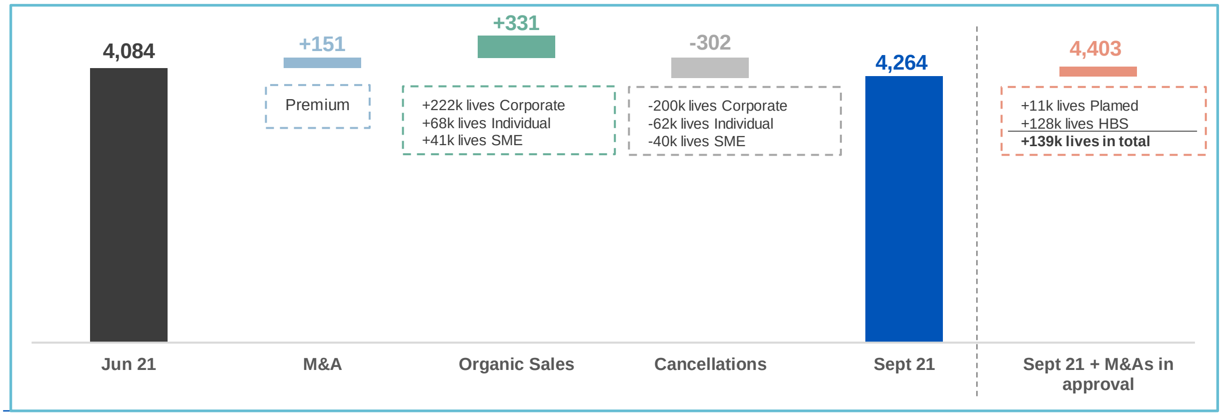
(v) 151k beneficiaries from Premium (9k in individual plans and 142k in group plans).

Regarding to organic growth (excluding acquisitions), there was a net increase of 121k beneficiaries (23k in individual plans and 98k in group plans) in the operator Hapvida. In the acquired companies GSF and RN there was a reduction of 5k beneficiares (1k in individual plans and 4k in group plans).





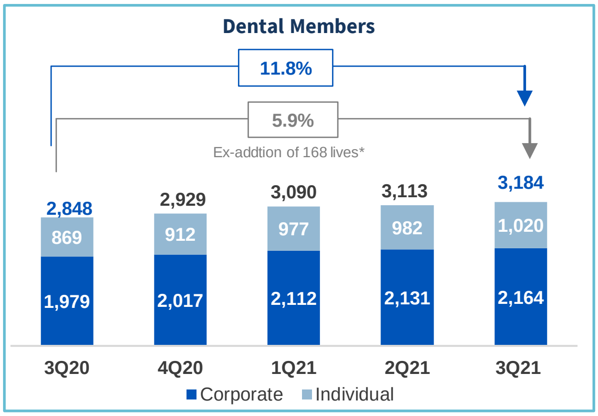
In the composition of the increase in lives compared to the end of 2Q21, we had the entry of Premium, which added 151k lives. Organic additions totaled 331k lives and cancellations totaled 302k lives, representing an organic net addition of 29 thousand lives. Two acquisitions already announced, Plamed and HB Saúde, which are still awaiting the fulfillment of conditions precedent, total 139k beneficiaries.

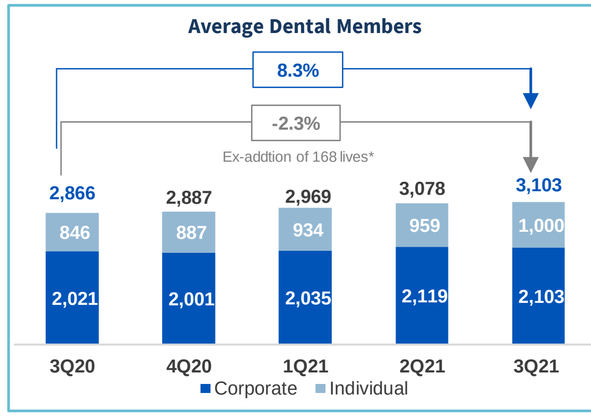


6. MEMBERS (continued)

6.2 Dental

The number of dental plan beneficiaries grew by 11.8% in the quarter compared to the same period last year. Organically, there was an increase of 159k lives. There was also the entry of 2k lives with the acquisition of Medical and 7k lives with the acquisition of Premium, both in group plans.

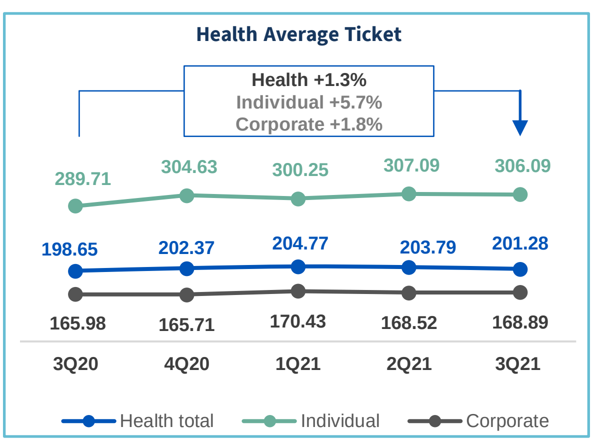


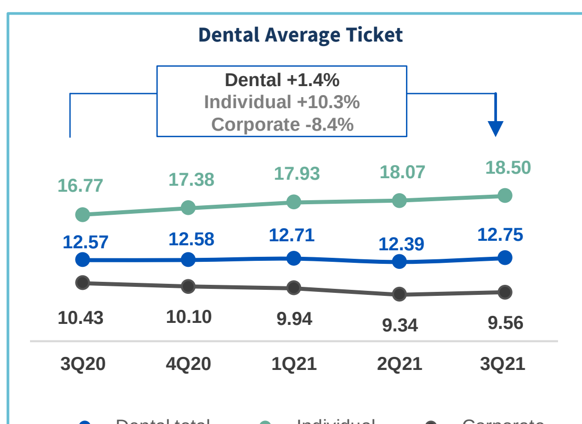


*As of 1Q21, the Company started to include beneficiaries who had dental assistance coverage but that were counted as health-only lives due to the commercial format of the sale of that plan at the time. A total of 412,754 lives were classified as such at the end of 3Q21. Still within 1Q21, there was 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 244,752 beneficiaries who were part of this contract at the end of 3Q21. The net effect of these changes was the addition of 168k 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 1.3% compared to 3Q20, mainly due to new sales and the entry of beneficiaries from Medical and Grupo São José, who have higher average tickets. On the other hand, due to the negative 8.19% readjustment of individual plans disclosed by ANS, there was a negative impact of R$20.6 million referring to those contracts that had their anniversary. The GSF average ticket grew by 2.2% compared to 3Q20 and by RN Saúde it decreased by -0.3%.





The average ticket in the dental segment decreased 1.4% compared to the same period of the previous year due to a lower average ticket of all companies, except GSF, which grew by 3.7% when compared to 3Q20.

8. NET REVENUES

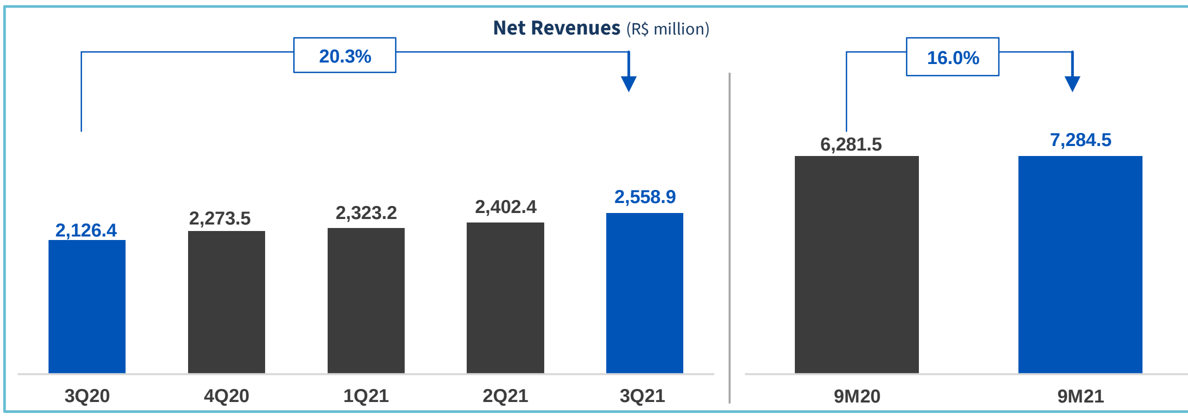
Net revenue in 3Q21 grew 20.3% when compared to 3Q20 and 16.0% in 9M21 in relation to the same period of the previous year, mainly influenced by:

(i) organic increase of 116 thousand lives in the base of health beneficiaries and 327 thousand lives of dental beneficiaries, mainly in the cities of Fortaleza, Goiânia, Joinville, Manaus, Salvador and Recife;

(ii) increase of 1.3%, between 3Q20 and 3Q21, in the average health ticket, reflecting the price readjustments implemented in existing contracts necessary for their economic balance and new sales, even with the impact of the negative readjustment of individual plans by R$20.6 million in 3Q21 and R$25.8 million in 9M21;

(iii) revenue from acquired companies: R$47.9 million from Medical in 3Q21 (R$142.4 million in 9M21); R$42.9 million from São José Group in 3Q21 (R$132.3 million in 9M21) and R$125.3 million from Promed and R$46.3 million from Premium Saúde (August and September/21); and

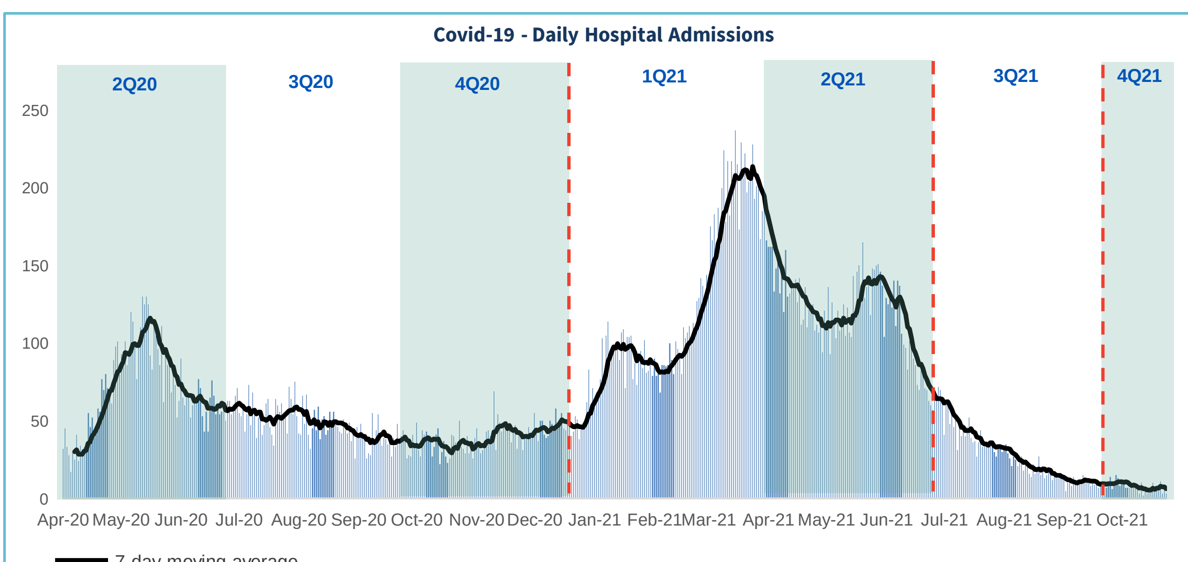
(iv) client portfolios consolidated in 1Q21, of which 12.3 thousand lives from Samedh and 13.7 thousand lives from Plamheg.



9. MEDICAL CARE RATIO (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



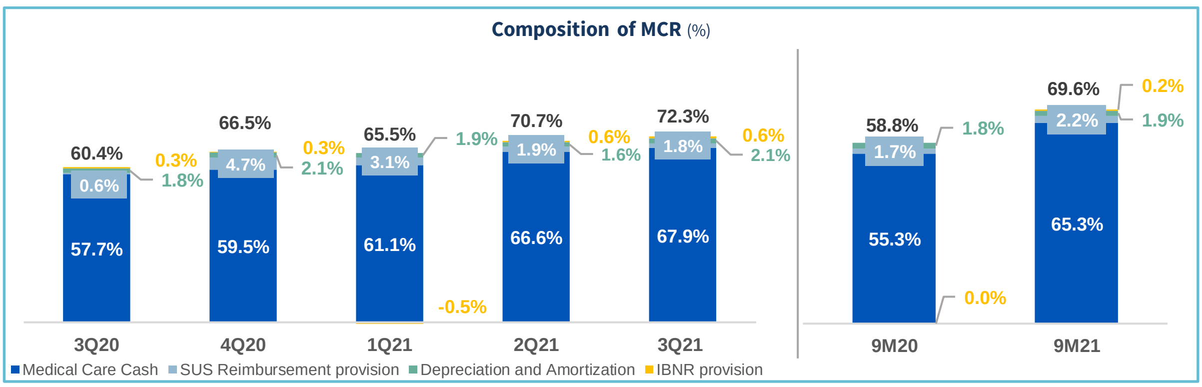
9. MEDICAL CARE RATIO (MCR) AND MEDICAL COSTS (continued)

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 the ANS and the health agencies, between the months of March and May/2020, all elective procedures (which do not qualify as an urgency or emergency) were suspended. This, combined with measures of social distance, caused a significant drop in demand for medical services in the period. Therefore, the entire volume caused by Covid-19 in our health care units in the 1st wave of the pandemic, which reached its peak on May 14, 2020 and which lasted until the beginning of 3Q20, was more than offset by the suspension of elective procedures and by the lower exposure of the beneficiaries. However, with the resurgence of the pandemic at the end of 2020, we can see in the graph on the previous page a significant increase in hospital admissions caused in 1Q21, reaching its peak on March 15th. In 2Q21, our health care units were equally impacted with practically the same volume of service and admissions related to Covid-19 compared to the first quarter of 2021. In 3Q21, we saw the main indicators related to the pandemic showed a reduction. This trend, together with the advance of vaccination in Brazil, gives us an expectation of operational normalization starting in 4Q21.

9.2 MEDICAL CARE RATIO (MCR) AND MEDICAL COSTS

Composition of Total Medical Costs and MCR (R$ million)	**3Q21**	**3Q20**	**3Q21 x 3Q20**	**2Q21**	**3Q21 x 2Q21**	**9M21**	**9M20**	**9M21 x 9M20**
Cash Medical Care	(1,738.4)	(1,227.0)	41.7%	(1,599.5)	8.7%	(4,757.9)	(3,476.2)	36.9%
Depreciation and Amortization (with IFRS16)	(53.6)	(38.0)	41.1%	(38.7)	38.4%	(135.4)	(115.3)	17.5%
IBNR provision	(14.1)	(6.0)	133.8%	(14.5)	(2.6%)	(16.6)	1.0	-
SUS reimbursement provision	(45.1)	(13.5)	235.0%	(46.1)	(2.1%)	(162.1)	(106.1)	52.8%
Medical Costs - Total	**(1,851.2)**	**(1,284.4)**	**44.1%**	**(1,698.8)**	**9.0%**	**(5,072.1)**	**(3,696.6)**	**37.2%**
Cash MCR (ex-IBNR provision, ex-SUS, ex-D&A)	**67.9%**	**57.7%**	**10.2 p.p.**	**66.6%**	**1.3 p.p.**	**65.3%**	**55.3%**	**10.0 p.p.**
Ex-SUS MCR	**70.6%**	**59.8%**	**10.8 p.p.**	**68.8%**	**1.8 p.p.**	**67.4%**	**57.2%**	**10.2 p.p.**
Total MCR	**72.3%**	**60.4%**	**11.9 p.p.**	**70.7%**	**1.6 p.p.**	**69.6%**	**58.8%**	**10.8 p.p.**



Cash MCR (which excludes D&A, changes in IBNR provision and provision for reimbursement to SUS) was 67.9% in 3Q21 and 65.3% in 9M21, an increase of 10.2 p.p. and 10.0 p.p., respectively, for the same comparative periods. The main impacts on MCR were:

(i) although the volume of consultations and admissions in 3Q21 referring to Covid-19 was lower when compared to previous quarters, medical expenses remained high, as there is a natural lag in the presentation of medical bills. 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 combating Covid-19 was R$87.7 million in 3Q21 against R$49.7 million in 3Q20 and R$334.8 million in 9M21 against R$99.3 million in 9M20;

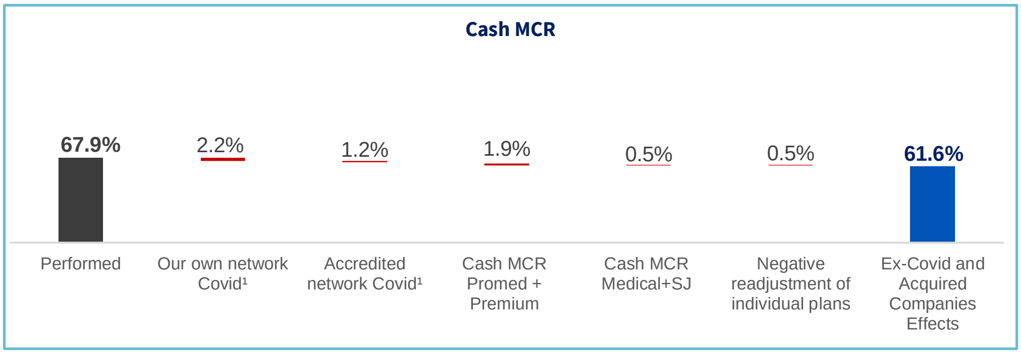
(ii) increase in the volume of emergency care, exams and elective procedures, not only due to the return to pre-pandemic levels, but also due to the volume generated by addressing the backlog of elective surgeries. When comparing 3Q21 to 2Q21, there was an increase in the volume of consultations (+20%), exams (+8%) and around 10 thousand additional surgeries. The backlog of surgeries was fully attended throughout the quarter;

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

9.2 MEDICAL CARE RATIO (MCR) AND MEDICAL COSTS (continued)

(iii) higher MCR levels of acquired companies (Medical, São José, Promed and Premium Saúde) that compose Hapvida's consolidated number in 3Q21 and 9M21 but were not present in the comparative period. The MCR of recently-acquired companies is on a downward trend due to initiatives to integration and standardization procedures, respecting the seasonality between quarters. The four companies combined had a total MCR of 84.2% in 3Q21.

Disregarding both effects, the MCR would have been 61.6%, in line with a 3Q normalized historical levels.



[1]The Covid impact was calculated for Hapvida (including the former America Group), RN and São Francisco. For the other companies in the group, the structure of the accounting ledgers still does not allow identification.

In addition to the effects mentioned above, we also had an increase in collective bargaining and hiring of new employees, including personnel at new units (R$21.8 million in 3Q21 and R$46.8 million in 9M21).

The total MCR was 72.3% in 3Q21 and 69.6% in 9M21, an increase of 11.9 p.p. and 10.8 p.p. versus the comparative periods. In addition to the impacts on the cash MCR already mentioned above, there was:

(i) constitution of IBNR provision, higher than in the comparative periods (increase of R$8.1 million in 3Q21 and R$17.6 million in 9M21) due to the return of elective procedures in the accredited network;

(ii) increase in reimbursement to SUS due to the normalization of both ABIs and charges by the National Supplementary Health Agency (ANS), which were interrupted in 2Q20 and 3Q20 due to the pandemic (increase of R$31.6 million in 3Q21 and R$56, 0 million in 9M21), and

(iii) increase of R$20.1 million in depreciation and amortization in 9M21 due to the increase in the number of healthcare units arising from both organic and inorganic growth.

The Company continues to show operational efficiency gains due to medical care management and health and well-being promotion projects. Vertical integration indicators* showed and increase of 0.4 p.p. in the volume of exams performed in the company network in 3Q21 when compared to the same period of the previous year. There was a 3.5 p.p. reduction in the volume of admissions on the same comparative basis. There was a 3.5 p.p. reduction in the volume of services on the same comparative basis due to greater use of the accredited network in Covid-19 admissions. For the same reason, in 3Q21 there was a 2.5 p.p. reduction in the representativeness of care expenses in the own network compared to 3Q20. However, in 9M21, the share of health care expenses in its own network is still higher by 0.6 p.

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

9. MCR AND MEDICAL COSTS (continued)

9.3 SUS Reimbursement provisions

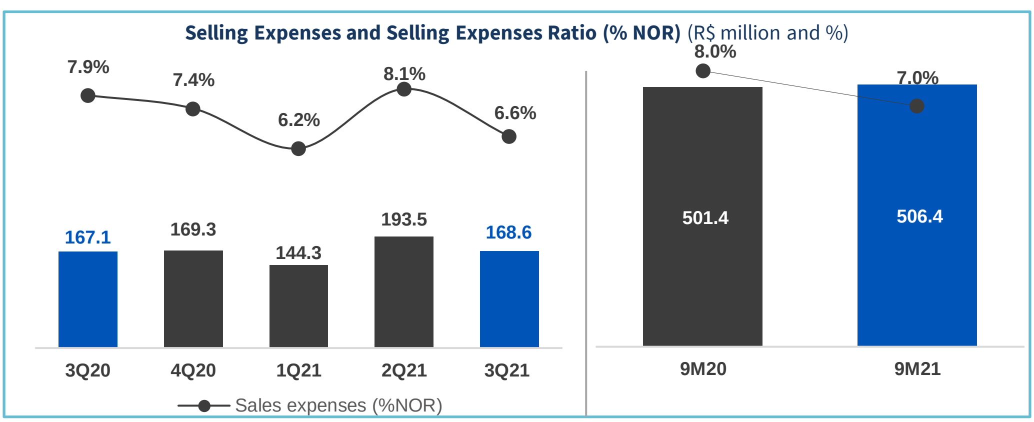
According to ANS, the Company must record in its liabilities with a corresponding entry in the results (Total Medical Costs), a provision related to the Identified Beneficiary Notices (ABI in Portuguese) according to the percentage defined by ANS itself, which is unique for each healthcare operator and 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 third quarter of 2021, ANS maintained the flow of bills sent. The net impact of the various ReSUS provisions was R$45.1 million in the MCR in 3Q21 and R$162.1 million in 9M21. Despite the receipt of a new batch of ABI (#87) and the increase in the percentage of collection history that is calculated and sent by ANS, the ABI provision was constituted, which demonstrates a normalization both in the sending of ABI and in the receipt of GRU.

The relevant reduction in the amounts provisioned in the comparative period (3Q20) is explained by the suspension of regulatory deadlines (Provisional Measure No. 928, of 03/23/2020). During this period, ANS could not issue GRU referring to uncontested services in relation to the ABI launched in 2020 (ABI 80 and 81), nor those referring to services whose appeal period was in progress at the time.

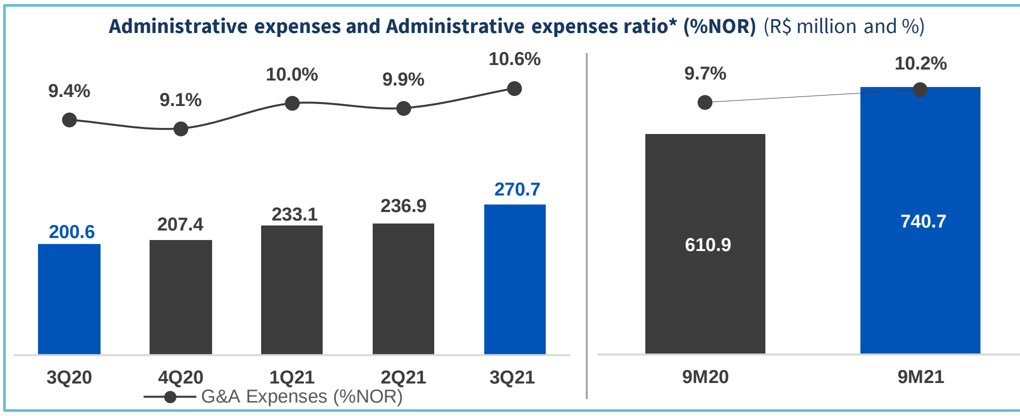
R$ Million	**3Q21**	**3Q20**	**9M21**	**9M20**
ABIs' provision	3.3	9.3	(5.2)	55.0
GRUs' principal	32.0	-	144.0	38.8
SUS Reimbursement – Acquired Companies	9.9	4.2	23.3	12.4
SUS Reimbursement – Medical Cost	**45.1**	**13.5**	**162.1**	**106.1**
Interest, monetary adjustments and fines	15.6	13.5	48.5	52.5
SUS Reimbursement – Financial Result	**15.6**	**13.5**	**32.2**	**39.1**
SUS Reimbursement – Hapvida Total	**60.7**	**26.9**	**194.4**	**145.2**

10. SELLING EXPENSES



The selling expenses ratio was 6.6% in 3Q21 and 7.0% in 9M21, a reduction of 1.3 p.p. and 1.0 p.p., respectively, compared to the same periods of the previous year, influenced by reduction in the delinquency level in individual and corporate plans. Additionally, our accounts receivable area was restructured, and the collection and reconciliation processes have been improved, due to these initiatives, our incoming base for the constitution of the provision, that is, the base of overdue payments over 90 days (corporate) and 60 days (individual) at the end of 3Q21 compared to 3Q20, decreased by 0.5 p.p. and 0.9 p.p.

11. ADMINISTRATIVE EXPENSES



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

The administrative expenses ratio was 10.6% in 3Q21 and 10.2% in 9M21, an increase of 1.2 p.p. and 0.5 p.p., respectively, compared to the same periods of the previous year, impacted by:

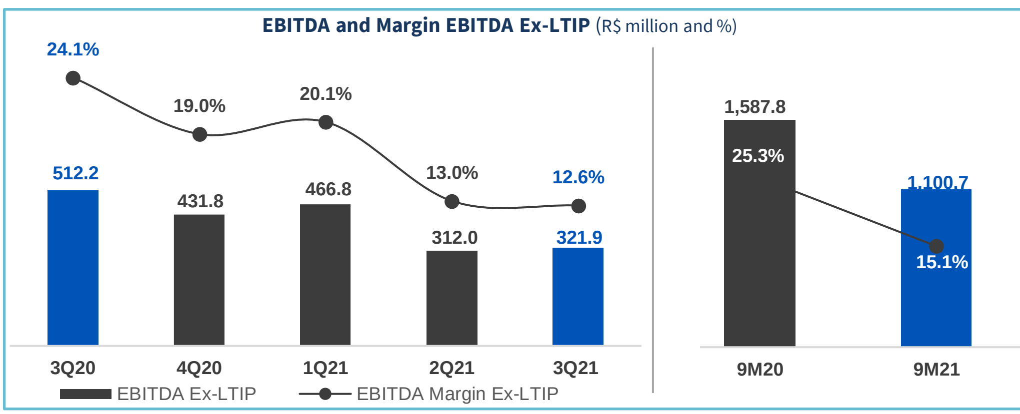
(i) collective bargaining, hiring new employees and layoffs (R$15.3 million in 3Q21 and R$36.5 million in 9M21);

(ii) attorney and consulting fees related to recent acquisitions, including the deal with GNDI (R$3.0 million in 3Q21 and R$14.9 million in 9M21);

(iii) expenses with personnel, third-party services, location and operation and taxes with new acquisitions (R$37.5 million in 3Q21 and R$49.9 million in 9M21); and

(iv) higher provision for tax, civil and labor risks (R$16.7 million in 3Q21 and R$23.8 million in 9M21).

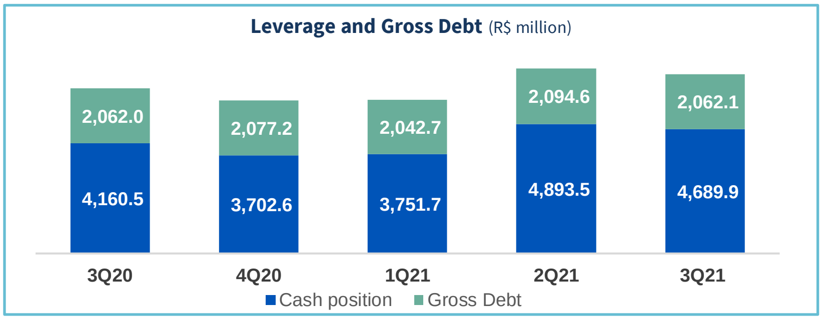
12. EBITDA



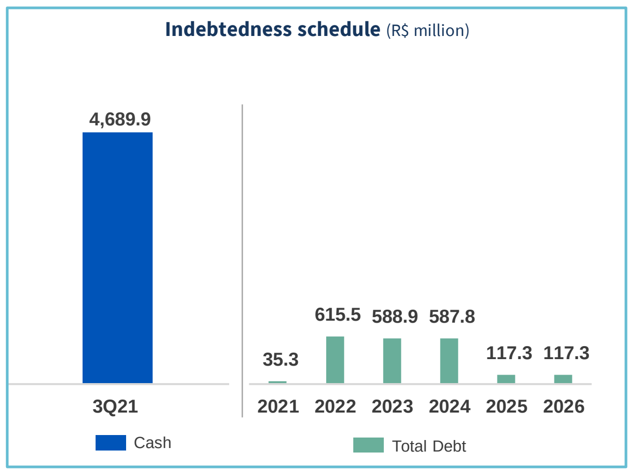
From 2Q21 onwards, EBITDA started to be adjusted due to the approval of the Long-Term Incentive Plan, which had an amount provisioned in 3Q21 of R$30.5 million and in 9M21 of R$50.8 million. Thus, EBITDA Ex-ILP in 3Q21 was R$321.9 million, a decrease of 37.2% compared to 3Q20. The EBITDA margin Ex-LTIP in 3Q21 was 12.6%, a reduction of 11.5 p.p. in the same comparison. EBITDA Ex-LTIP in 9M21 was R$1.1 billion, a decrease of 30.7% compared to 9M20, with EBITDA Ex-LTIP margin of 15.1%, reduction of 10.2 p.p. All reductions compared to the previous year are mostly explained by the impacts of the pandemic on our business, as explained in item 9.1 of this report. Excluding assistance costs related to Covid-19 of R$87.7 million in 3Q21 and R$334.8 million in 9M21, the EBITDA Margin Ex-LTIP and Ex-Covid would have been 16.0% in 3Q21 and 19.7 % in 9M21, negatively impacted by the acquisitions of Promed and Premium that still operate with negative margins.

13. DEBT

At the end of 3Q21, the Company had a debt balance of R$2,062.1 million, mostly composed of its funding first debenture, as well as the balance of outstanding debt inherited from acquired companies of R$41.2 million. Including the balance of Other accounts payable from acquired companies, gross debt totals R$2,521.6 million. Net financial debt/EBITDA ratio in 3Q21 was -1.3x due to the net cash position of R$2.2 billion.

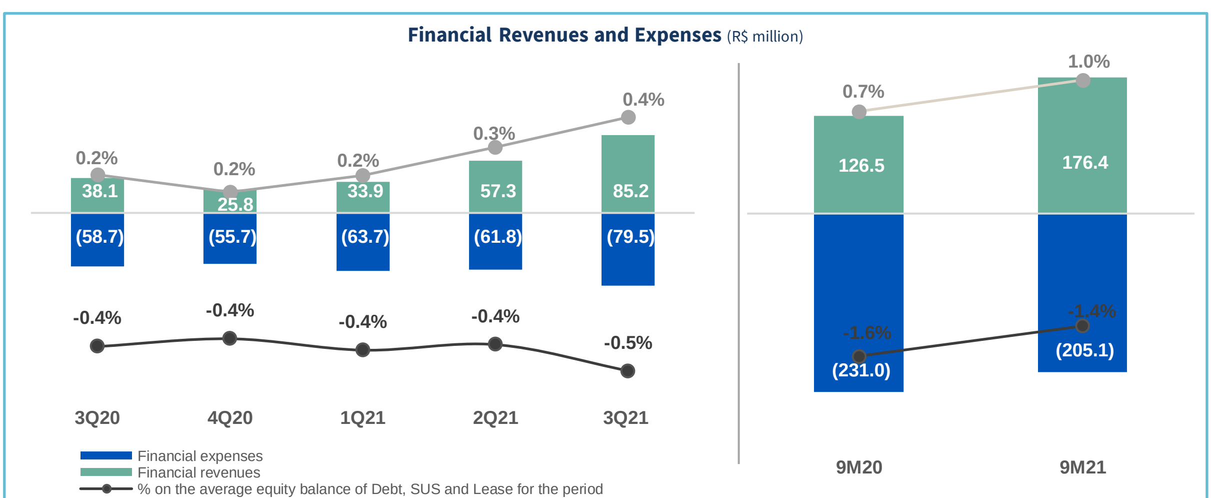


Net debt/Ebitda (R$ million)	3Q21
Short-term debt[1]	649,9
Long-term debt[1]	1,412.2
Gross debt	**2,062.1**
(-) Cash and cash equivalents and short-term and long-term investments	(4,689.9)
Net debt	**(2,627,8)**
Other accounts payable (acquired companies)	467.1
Derivative instruments	7.7
Net Debt + Other accounts payables from acquired companies + Derivative instruments	**(2,168.3)**
EBITDA LTM[1]	1,728.3
Net Debt + Other payables from acquired companies + Derivative instruments/EBITDA LTM	(1.3)



[1] EBITDA excluding provisions for impairment of accounts receivable and LTIP.

14. FINANCIAL RESULTS



14. FINANCIAL RESULTS (continued)

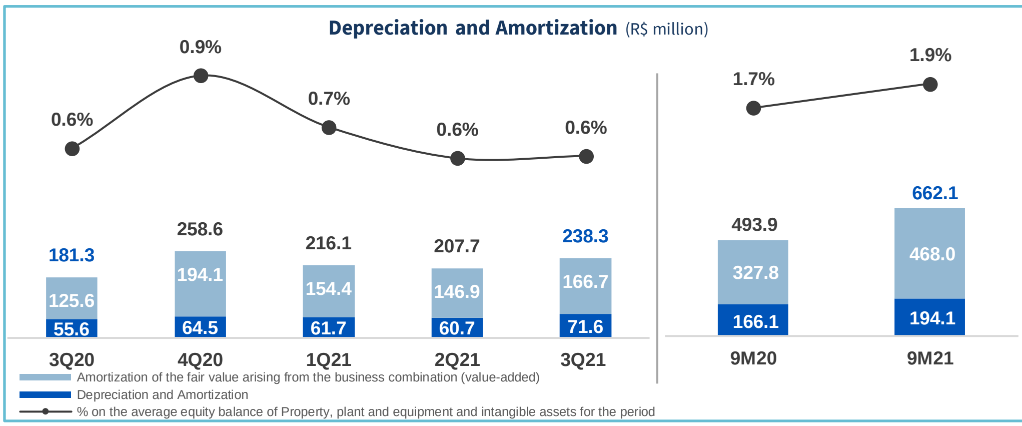
The net financial result in 3Q21 totaled a net revenue of R$5.7 million compared to a net expense of R$20.5 million in 3Q20. In 9M21, there was a net expense of R$28.7 million against R$104.5 million in 9M20. The periods were impacted by:

(i) positively, due to the higher equity balance of investments on account of proceeds from the follow on, added to a higher return on this balance due to the increase in the average DI rate (increase of R$46.0 million in 3Q21 and R$67.7 million in 9M21); and

(ii) negatively, due to higher interest (pro-rata) in 3Q21 referring to debentures due to the increase in the average DI rate (increase of R$15.5 million in 3Q21 and R$4.7 million in 9M21).

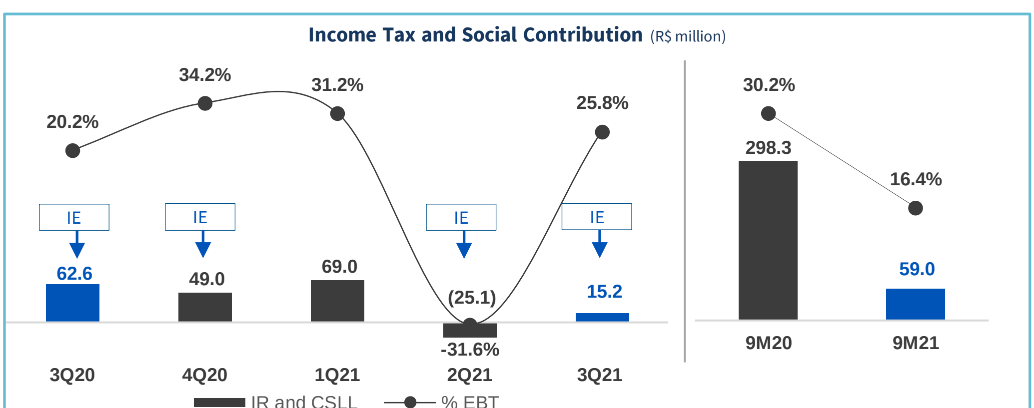
The average DI rate in 3Q21 more than doubled when compared to 3Q20. When comparing the accumulated period, the average rate is similar.

15. DEPRECIATION AND AMORTIZATION



Depreciation and amortization expenses totaled R$238.3 million in 3Q21 and R$662.1 million in 9M21, equivalent to 0.6% and 1.9%, respectively, of the average balance of the corresponding equity assets. The main variation in this account refers to the higher equity balance of customer portfolios (with the entry of acquired companies) that caused an amortization of the fair value arising from the business combination (value-added) of the customer portfolio greater than the comparative period (increase of R$41.1 million in 3Q21 and R$140.2 million in 9M21).

16. INCOME TAX AND SOCIAL CONTRIBUTION



IE = Interest on equity

16. INCOME TAX AND SOCIAL CONTRIBUTION (continued)

The effective rate was 25.8% in 3Q21 and 16.4% in 9M21, an increase of 5.6 p.p. in relation to 3Q20 and a reduction of 13.6 p.p. in relation to 9M20 due to:

(i) the reduction in accounting profit before income tax and social contribution of R$251.5 million in 3Q21 and of R$630.2 million in 9M21, in a scenario mainly affected by the second wave of the pandemic;

ii) the expenses with the issuance of shares due to the 2nd follow on in the amount of R$53.1 million in 2Q21, which impacts the accumulated and which did not occur in 9M20;

(iii) the distribution of interest on equity, with a deductible impact of R$15.5 million in 3Q21 and R$38.9 million in 9M21 compared to R$37.7 million in 3Q20 and 9M20; and

(iv) the deductible portion of the fair value amortization arising from the business combination (value-added) in the amount of R$12.5 million in 3Q21 and R$38.8 million in 9M21, both effects did not exist in the comparative period.

17. ADJUSTED NET INCOME

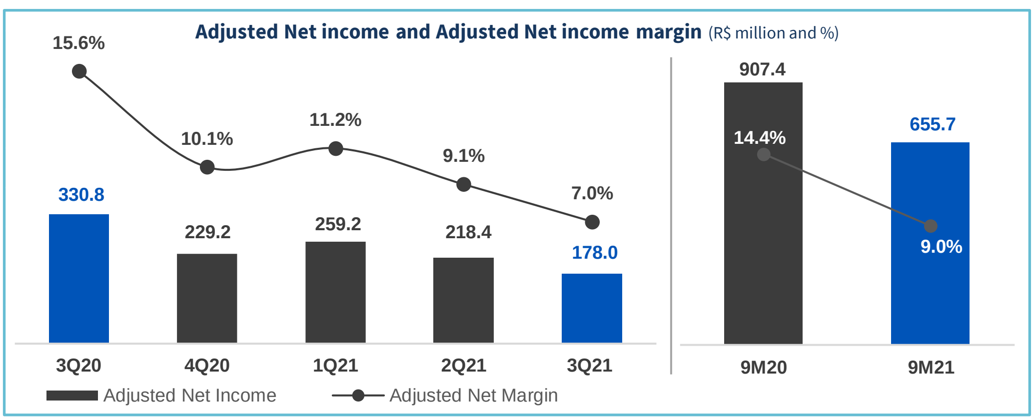
From 2Q21 onwards, in addition to the adjustment of the amortization of fair value arising from the business combination (value-added), which we had already shown separately in previous quarters, we included the adjustment of the Long-Term Incentive Plan in 3Q21.

The adjustments considered to calculate the Adjusted Net Income were:

(i) Amortization of fair value arising from the business combination (value-added), net of the deductible portion of current tax and deferred tax;

(ii) Long-Term Incentive Plan in 3Q21 net of deferred tax.

Adjusted Net Income totaled R$178.0 million in 3Q21, a reduction of 46.2% compared to 3Q20 and R$655.7 million in 9M21, a reduction of 27.7% compared to the same period of the previous year, impacted mainly by the reduction in Ebitda due to the effects of the pandemic already discussed above.



*From this quarter onwards, for the calculation of Adjusted Net Income, in addition to the deductible portion of current tax that had been considered until then, deferred tax was also applied on the amortized amount of value-added and on expenses with Long-Term Incentives Plan, both at a rate of 34%. Historical values have also been adjusted to reflect this inclusion.

18. CASH GENERATION AND CAPEX

Free cash flow ex-acquisitions was positive by R$114.1 million in 3Q21, impacted: (i) negatively by the R$220.7 million reduction in Ebitda due to the impacts of the pandemic and higher MCR of the acquired companies; and by the variation in working capital lower than in the comparative period due to the early settlement of supplier balances payable by the São Francisco operator as a contingency plan due to its corporate merger (systemic turnaround) in the amount of R$41.1 million; and (ii) positively, by the underpayment of current income tax and social contribution due to the deductibility of goodwill and the amortization of the fair value arising from the business combination, reducing the base for taxable income calculation. Additionally, there was a cash consumption in the quarter in the amount of R$114.2 million in 3Q21 mainly due to the cash portion of the acquisition of Promed and Premium.

R$ million	3Q21	3Q20	3Q21 x 3Q20	9M21	9M20	9M21 x 9M20
EBITDA	**291.5**	**512.2**	**(43.1%)**	**1,049.9**	**1,587.8**	**(33.9%)**
(+/-) Change in working capital[1]	62.3	91.8	(32.2%)	(261.3)	171.5	-
(-) Income Tax and Social Contribution	(95.9)	(200.0)	(52.1%)	(327.5)	(418.4)	(21.7%)
(-) Cash CAPEX	(143.8)	(122.8)	17.1%	(393.7)	(289.5)	36.0%
Free cash flow (ex-acquisitions)	**114.1**	**281.2**	**(59.4%)**	**67.4**	**1,051.4**	**(93.6%)**
(-) Companies acquisitions	(114.2)	56.4	-	(345.1)	(37.9)	810.4%
Free cash flow	**(0.2)**	**337.6**	**-**	**(277.6)**	**1,013.5**	**-**

([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	3Q21	3Q20	Var. % 3Q21/3Q20	2Q21	Var. % 3Q21/2Q21	9M21	9M20	Var. % 9M21/9M20
Revenues from gross payments	2,615.0	2,160.7	21.0%	2,442.5	7.1%	7,429.1	6,378.6	16.5%
Revenue from other activities	100.7	80.3	25.4%	92.6	8.7%	276.5	227.6	21.5%
Deductions	(156.7)	(114.6)	36.8%	(132.6)	18.2%	(421.0)	(324.7)	29.7%
Net revenues	**2,558.9**	**2,126.4**	**20.3%**	**2,402.4**	**6.5%**	**7,284.5**	**6,281.5**	**16.0%**
Medical cost and others	(1,738.4)	(1,227.0)	41.7%	(1,599.4)	8.7%	(4,757.9)	(3,476.2)	36.9%
Depreciation and amortization	(53.6)	(38.0)	41.1%	(38.7)	38.4%	(135.4)	(115.3)	17.5%
Change in IBNR	(14.1)	(6.0)	133.8%	(14.6)	(3.0%)	(16,6)	1.0	-
Change in SUS reimbursement provision	(45.1)	(13.5)	235.0%	(46.1)	(2.1%)	(162,1)	(106.1)	52.8%
Total cost	**(1,851.2)**	**(1,284.4)**	**44.1%**	**(1,698.8)**	**9.0%**	**(5,072.1)**	**(3,696.6)**	**37.2%**
Gross profit	**707.7**	**841.9**	**(15.9%)**	**703.7**	**0.6%**	**2,212.4**	**2,584.9**	**(14.4%)**
Gross margin	***27.7%***	***39.6%***	***-11.9 p.p.***	***29.3%***	***-1.6 p.p.***	***30.4%***	***41.2%***	***-10.8 p.p.***
Selling expenses	**(168.6)**	**(167.1)**	**0.9%**	**(193.5)**	**(12.9%)**	**(506.4)**	**(501.4)**	**1.0%**
Advertise expenses	(16.2)	(13.8)	16.8%	(14.5)	11.8%	(45.2)	(35.1)	28.9%
Comission expenses	(114.7)	(98.2)	16.8%	(98.5)	16.5%	(296.0)	(276.8)	6.9%
Provision for credit losses	(31.2)	(47.9)	(34.8%)	(72.9)	(57.2%)	(144.8)	(170.6)	(15.1%)
Other sales expenses	(6.5)	(7.1)	(8.9%)	(7.6)	(15.2%)	(20.4)	(19.0)	7.6%
Administrative expenses	**(504.8)**	**(346.9)**	**45.5%**	**(438.1)**	**15.2%**	**(1,352.4)**	**(990.6)**	**36.5%**
Personnel	(155.9)	(94.3)	65.4%	(148.1)	5.3%	(396.3)	(273.1)	45.1%
Third party services	(76.2)	(46.5)	63.7%	(68.0)	12.0%	(219.6)	(155.4)	41.3%
Location and operation	(42.1)	(30.9)	36.2%	(49.7)	(15.3%)	(134.3)	(87.5)	53.5%
Depreciation and amortization	(184.7)	(143.3)	28.9%	(169.0)	9.3%	(526.7)	(378.6)	39.1%
Taxes	(5.1)	(3.1)	63.4%	(5.8)	(10.9%)	(15.2)	(9.9)	53.3%
Provisions for civil, labor and tax risks	(37.8)	(21.1)	79.0%	12.3	-	(44.9)	(62.7)	(28.3%)
Miscellaneous expenses	(2.9)	(7.6)	(61.7%)	(9.9)	(70.6%)	(15.3)	(23.4)	(34.4%)
Other expenses/operational revenues	**18.8**	**3.0**	**533.0%**	**12.0**	**56.6%**	**34.2**	**1.1**	**-**
Total expenses	**(654.5)**	**(511.0)**	**28.1%**	**(619.6)**	**5.6%**	**(1,824.6)**	**(1,491.0)**	**22.4%**
Operational income	**53.2**	**331.0**	**(83.9%)**	**84.0**	**(36.7%)**	**387.8**	**1,093.9**	**(64.5%)**
Operational margin	*2.1%*	*15.6%*	*-13.5 p.p.*	*3.5%*	*-1.4 p.p.*	*5.3%*	*17.4%*	*-12.1 p.p.*
Financial revenues	85.2	38.1	123.7%	57.3	48.9%	176.4	126.5	39.5%
Financial expenses	(79.5)	(58.7)	35.6%	(61.8)	28.7%	(205.1)	(231.0)	(11.2%)
Financial result	**5.7**	**(20.5)**	**-**	**(4.6)**	**-**	**(28.7)**	**(104.5)**	**(72.6%)**
EBIT	**58.9**	**310.4**	**(81.0%)**	**79.5**	**(25.9%)**	**359.2**	**989.4**	**(63.7%)**
IR and CSLL current	(86.6)	(146.1)	(40.7%)	(99.1)	(12.6%)	(303.8)	(490.3)	(38.0%)
IR and CSLL deferred	71.4	83.5	(14.5%)	124.3	(42.5%)	244.7	192.0	27.5%
IR and CSLL	**(15.2)**	**(62.6)**	**(75.7%)**	**25.1**	**-**	**(59.0)**	**(298.3)**	**(80.2%)**
Net income	**43.7**	**247.8**	**(82.4%)**	**104.6**	**(58.3%)**	**300.1**	**691.0**	**(56.6%)**
Net margin	*1.7%*	*11.7%*	*-9.9 p.p.*	*4.4%*	*-2.6 p.p.*	*4.1%*	*11.0%*	*-6.9 p.p.*

EBITDA

R$ mm	3Q21	3Q20	Var. % 3Q21/3Q20	2Q21	Var. % 3Q21/2Q21	9M21	9M20	Var. % 9M21/9M20
EBIT	**53.2**	**331.0**	**(83.9%)**	**84.0**	**(36.7%)**	**387.8**	**1,093.9**	**(64.5%)**
Depreciation	55.9	42.6	31.4%	45.7	22.5%	147.9	122.6	20.6%
Amortization	182.4	138.7	31.5%	162.0	12.6%	514.2	371.3	38.5%
EBITDA	**291.5**	**512.2**	**(43.1%)**	**291.7**	**(0.1%)**	**1,049.9**	**1,587.8**	**(33.9%)**
EBITDA margin	*11.4%*	*24.1%*	*-12.7 p.p.*	*12.1%*	*-0.8 p.p.*	*14.4%*	*25.3%*	*-10.9 p.p.*

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Appendices

20. BALANCE SHEET

R$ mm	09/30/2021	12/31/2020	Var. R$	Var. %
Assets	**17,404.3**	**13,519.7**	**3,884,6**	**28.7%**
Current assets	**3,710.5**	**3,502.1**	**208.4**	**6.0%**
Cash and cash equivalents	506.1	143.2	362.9	253.4%
Short-term investments	2,028.4	2,334.1	(305.8)	(13.1%)
Trade receivables	424.2	433.4	(9.3)	(2.1%)
Inventory	141.3	101.7	39.6	38.9%
Recoverable tax	202.0	184.1	17.9	9.7%
Dividends and interest on shareholder´s equity receivable	-	0.0	(0.0)	(100.0%)
Derivative financial instruments	7.7	3.6	4.1	113.3%
Other assets	172.2	137.0	35.2	25.7%
Deferred commission	228.7	164.9	63.8	38.7%
Non-current assets	**13,693.8**	**10,017.6**	**3,676.1**	**36.7%**
Long-term investments	2,155.4	1,225.3	930.1	75.9%
Deferred taxes	900.5	579.5	321.0	55.4%
Judicial deposits	396.7	246.5	150.2	60.9%
Deferred commission	179.1	142.2	36.8	25.9%
Related party receivable	3.6	3.4	0.1	3.7%
Other credits with related parties	-	11.0	(11.0)	(100.0%)
Other assets	40.1	45.8	(5.7)	(12.5%)
Property, plant and equipment	2,603.5	2,241.5	362.0	16.1%
Intangible assets	7,414.9	5,522.3	1,892.6	34.3%
Liabilities and shareholders' equity	**17,404.3**	**13,519.7**	**3,884.6**	**28.7%**
Current liabilities	**3,267.1**	**2,120.6**	**1,146.5**	**54.1%**
Lending and Financing	649.9	42.9	606.9	1,414.3%
Trade payables	177.6	120.8	56.8	47.0%
Technical provisions for health care operations	1,600.8	1,129.1	471.7	41.8%
Health care payables	22.6	5.0	17.5	347.3%
Payroll obligations	323.3	195.4	127.8	65.4%
Taxes and contributions payable	197.6	159.7	37.8	23.7%
Income and social contribution taxes	93.6	85.1	8.5	9.9%
Dividends and interest on shareholders' equity payable	53.2	201.4	(148.2)	(73.6%)
Leases payable	53.9	43.0	11.0	25.5%
Related party payables	4.0	4.0	0.0	0.0%
Other accounts payable	90.6	134.0	(43.4)	(32.4%)
Non-current liabilities	**3,517.3**	**3,568.1**	**(50.9)**	**(1.4%)**
Lending and Financing	1,412.2	2,034.3	(622.1)	(30.6%)
Taxes and contributions payable	88.9	23.1	65.8	284.3%
Technical reserves for health care operations	8.8	1.8	7.0	392.6%
Leases payable	1,023.8	965.3	58.5	6.1%
Deferred income tax and social contribution	120.9	39.5	81.3	205.7%
Provision for tax, civil and labor risks	407.7	401.9	5.8	1.4%
Other accounts payable	454.9	102.1	352.8	345.5%
Shareholders' equity	**10,619.9**	**7,831.0**	**2,788.9**	**35.6%**
Capital	8,124.2	5,650.5	2,473.7	43.8%
Treasury shares	(74.0)	(0.0)	(74.0)	-
Legal reserve	176.6	176.6	-	0.0%
Capital reserve	426.4	222.9	203.5	91.3%
Accumulated profits	297.8	-	297.8	-
Profit reserves	1,664.6	1,779.2	(114.5)	(6.4%)
Equity attributable to controlling shareholders	10,615.6	7,829.2	2,786.4	35.6%
Non-controlling interest	4.3	1.8	2.5	141.4%

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Appendices

21. CASH FLOW STATEMENT

R$ mm	3Q21	4Q20	9M21	9M20
Net income	**43.7**	**247.8**	**300.1**	**691.0**
Adjustments to reconcile net income with cash	**362.8**	**339.9**	**950.2**	**1,064.8**
Depreciation and amortization	216.1	164.3	600.9	437.9
Depreciation of usage rights	22.2	17.0	61.2	56.0
Technical provisions for health care operations	14.2	6.0	16.6	(1.0)
Provision for losses on receivables	31.2	47.9	144.8	170.6
Write-off of property, plant and equipment	0.9	10.9	3.3	12.3
Write-off of intangible assets	0.0	13.4	0.9	19.0
Provision for tax, civil and labor risks	12.5	12.2	(13.0)	32.3
Income from financial investments	(72.2)	(26.2)	(141.5)	(73.8)
Earning on derivative financial instruments	(1.6)	(2.6)	(0.5)	(20.2)
Interest and monetary restatement of leases	26.6	20.2	69.9	61.6
Interest and financial charges on loans and financing	27.3	11.5	56.6	52.4
Exchange rate	2.0	2.6	3.2	19.5
Long Term Incentive Plan	30.5	-	50.8	-
Change in contingent fair value	40.0	-	40.0	-
Others	(2.0)	-	(2.0)	-
Tax income and social contribution	86.6	146.1	303.8	490.3
Deferred taxes	(71.4)	(83.5)	(244.7)	(192.0)
(Increase) decrease in asset accounts	**43.7**	**(50.0)**	**(419.6)**	**(368.5)**
Accounts receivable	49.8	(35.3)	(109.4)	(180.5)
Inventory	2.8	19.3	(36.3)	(35.5)
Taxes recoverable	6.1	(7.1)	(12.4)	(20.2)
Judicial deposits	(33.9)	(53.5)	(179.7)	(100.1)
Other assets	34.1	35.0	(18.7)	(8.8)
Deferred Sales Expense	(15.2)	(8.3)	(63.1)	(23.4)
Increase (decrease) in liability accounts:	**(286.6)**	**(254.2)**	**(688.2)**	**(212.4)**
Technical provisions for health care operations	(61.1)	19.8	43.6	131.2
Debts of health care operations	2.6	(3.7)	10.6	(5.3)
Social obligations	39.3	17.4	107.0	62.2
Suppliers	(9.9)	0.5	3.4	21.3
Taxes and contributions payable	(30.5)	(71.0)	(71.3)	7.3
Other accounts payable	(131.2)	(17.0)	(453.9)	(10.7)
Income tax and social contribution paid	(95.9)	(200.0)	(327.5)	(418.4)
Net cash provided by operating activities	**163.6**	**283.6**	**142.5**	**1,174.9**
Cash flow from investing activities	**491.3**	**(40.2)**	**(983.4)**	**(803.5)**
Payments to related parties	114.7	(0.1)	2.5	4.7
Acquisition of property, plant and equipment	(91.7)	(114.1)	(305.0)	(240.9)
Acquisition of intangibles	(52.1)	(8.7)	(88.8)	(48.6)
Acquisition/sale of investments	(51.5)	-	(207.1)	(38.0)
Business combination price adjustment	-	-	-	-
Balances attributed to the acquisition of investees	3.8	-	6.7	5.2
Financial investments	568.1	26.3	(391.7)	(486.0)
Cash flow from financing activities	**(375.4)**	**(278.1)**	**1,203.8**	**(423.4)**
Obtaining loans	-	0.2	-	2.3
Receipt of derivative financial instruments	(0.4)	(0.1)	9.2	4.6
Expenses with share issuance	(0.1)	84.2	(53.2)	-
Payment / Acquisition of loans and financing	(63.5)	(124.3)	(208.5)	(124.3)
Payment / Acquisition of subsidiares	(138.0)	-	(138.0)	-
Payment of dividends and interest on own capital	(59.6)	(204.7)	(245.7)	(204.7)
Principal payments - Leases	(40.1)	(33.5)	(111.3)	(101.6)
Capital contribution	-	-	2,025.0	-
Stock buybacks/ Repurchase of own shares	(74.0)	-	(74.0)	-
Treasury shares	-	(0.0)	-	-
Non-controlling shareholding stake	0.2	0.0	0.2	0.3
Change in cash and cash equivalents	**279.5**	**(34.7)**	**362.9**	**(52.0)**
Cash and cash equivalents at the beginning of the period	226.6	206.9	545.6	929.1
Cash and cash equivalents at the end of the period	506.1	172.2	908.6	877.1

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