Hapvida Participações e Investimentos S.A.

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

Contents

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

hapvida

HAPV
B3 LISTED NM

hapvida

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%*			

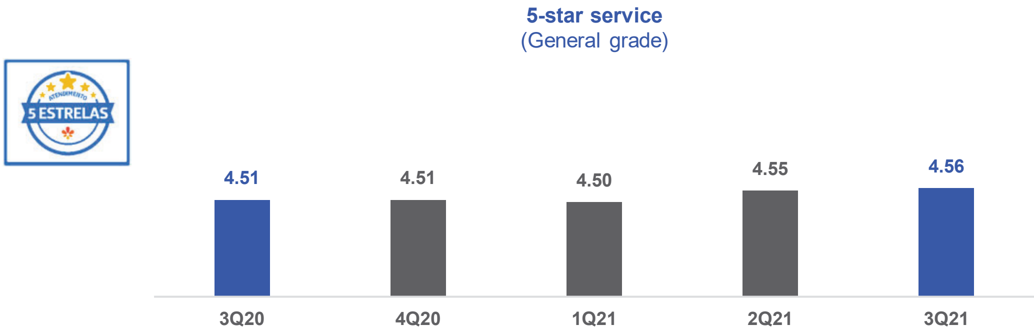
1 - Administrative Expenses without depreciation, amortization and long-term incentive plan expenses.
2 - Ebitda Ex-LTIP without long term incentive plan expenses.
3 - Adjusted Net Income excluding the effects of the long-term incentive plan and the amortization of the fair value arising from the business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

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.

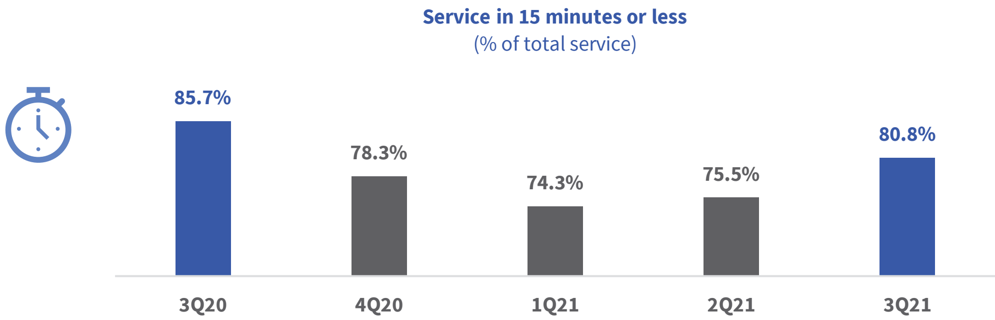
5-STAR SERVICE

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.



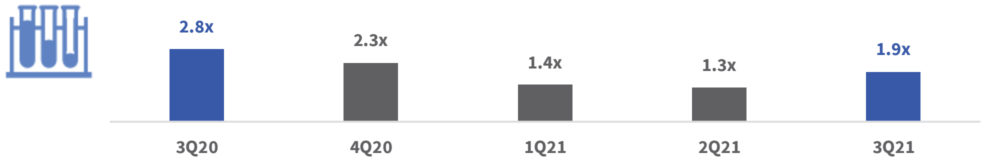
*Until 2Q21, the indicator referred to the companies Hapvida and América, as of 3Q21 are also included: RN Saúde, São Francisco Group, São José Group and Medical.

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.

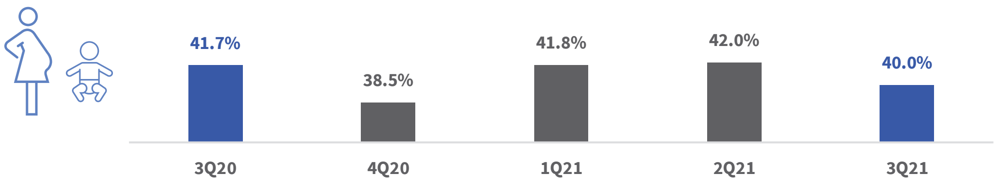
Improvement of glycated hemoglobin - higher than control group



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)

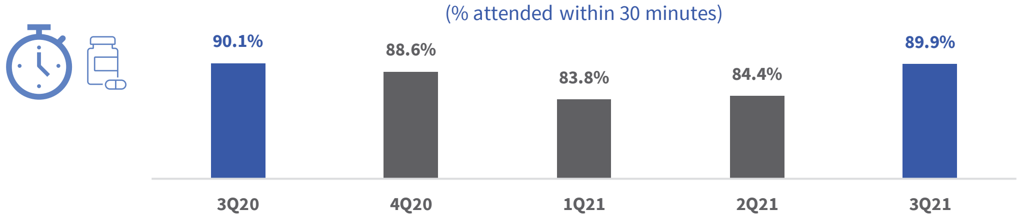


WAITING TIME IN THE MEDICATION ROOM

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)



*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.

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.

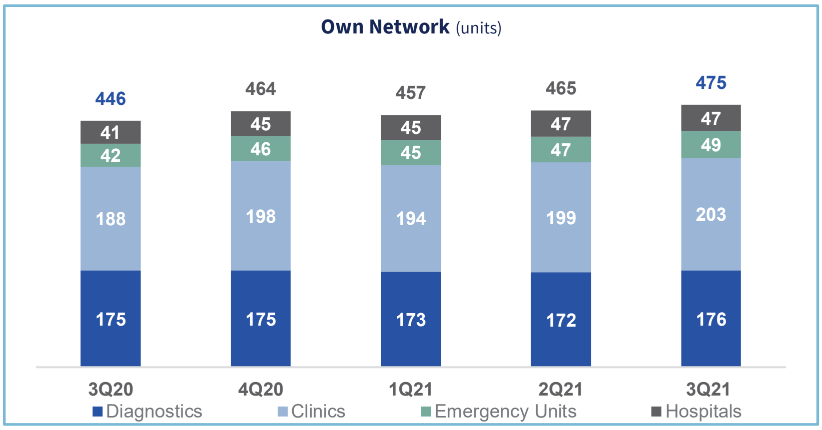
We remain firm in raising the awareness of our employees in relation to the topic of Diversity, Equity and Inclusion through awareness workshops that have been held both in person and distance learning in our virtual environment. Through the creation and maintenance of Allied Groups, in which vice presidents 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.

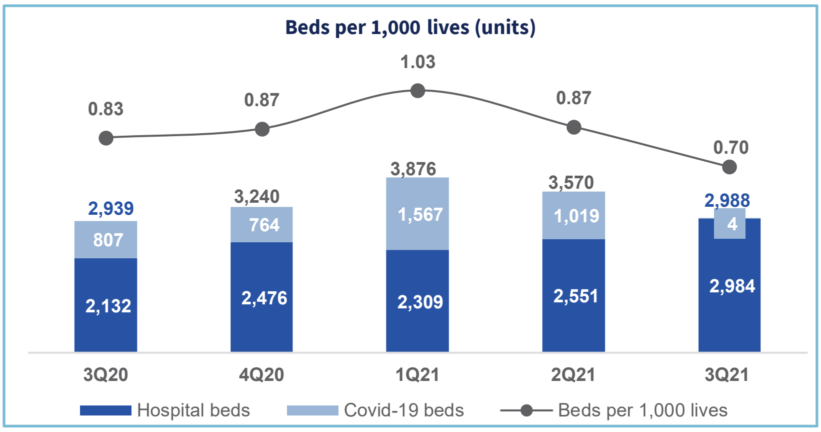
5. PROPRIETARY CARE NETWORK

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)

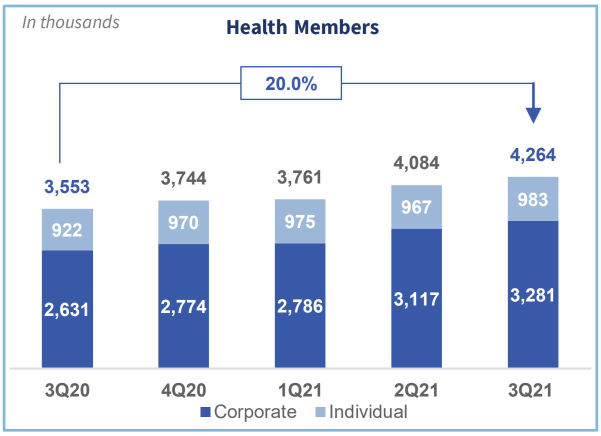
(ii) 54k beneficiaries from São José Group (15k in individual plans and 39k in group plans)

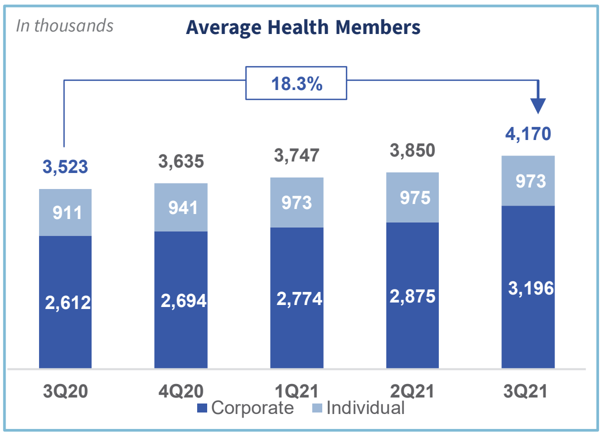
(iii) 26k beneficiaries from Samedh and Plamheg (12.3k beneficiaries from Samedh: 327 in individual plans and 12k in group plans; 13.7 beneficiaries from Plamheg: 1.7k in individual plans and 12k in group plans)

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

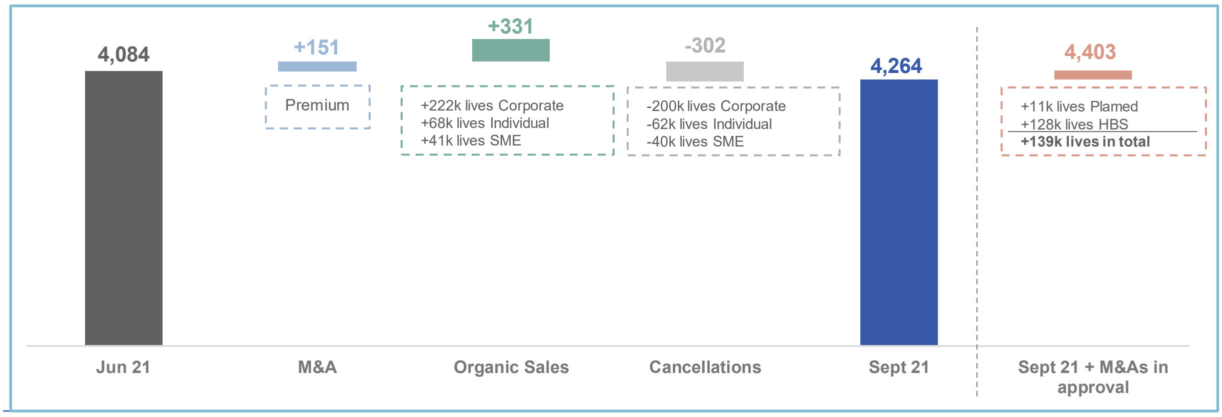
(v) 151k beneficiaries from Premium (9k in individual plans and 142k in group plans).

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).





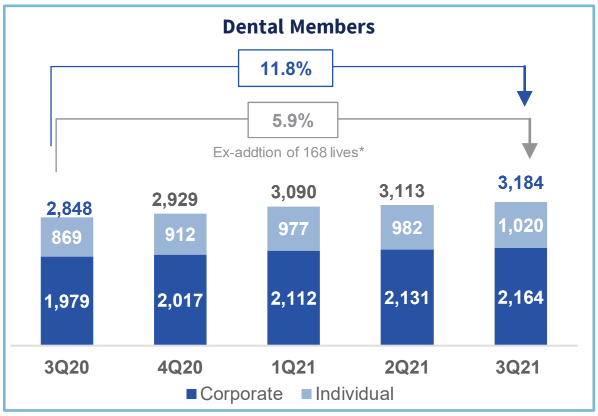
In the composition of the increase in lives compared to the end of 2Q21, we had the entry of Premium, which added 151k lives. Organic additions totaled 331k lives and cancellations totaled 302k lives, representing an organic net addition of 29 thousand lives. Two acquisitions already announced, Plamed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

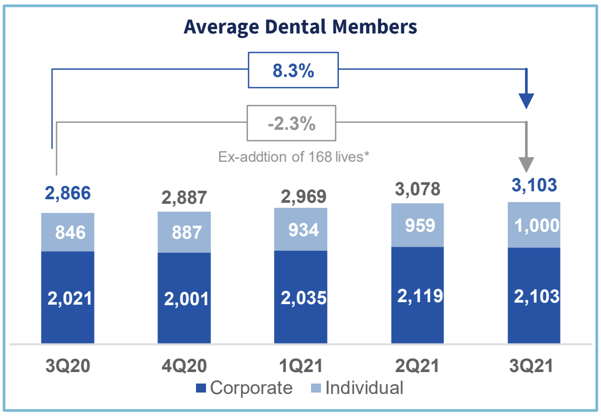


6. MEMBERS (continued)

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.

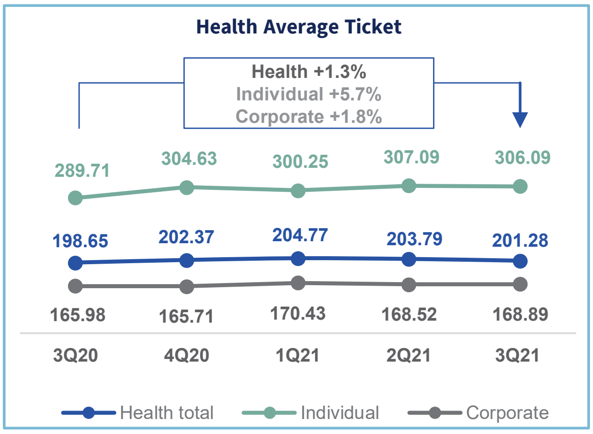


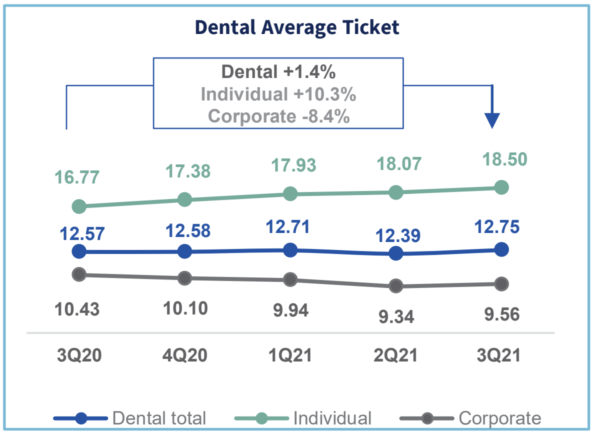


*As of 1Q21, the Company started to include beneficiaries who had dental assistance coverage but that were counted as health-only lives due to the commercial format of the sale of that plan at the time. A total of 412,754 lives were classified as such at the end of 3Q21. Still within 1Q21, there was 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

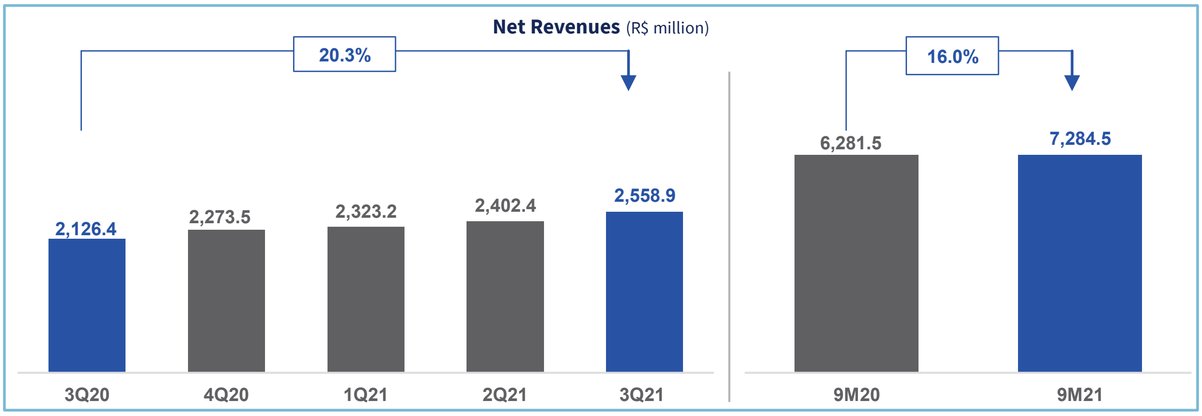
Net revenue in 3Q21 grew 20.3% when compared to 3Q20 and 16.0% in 9M21 in relation to the same period of the previous year, mainly influenced by:

(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

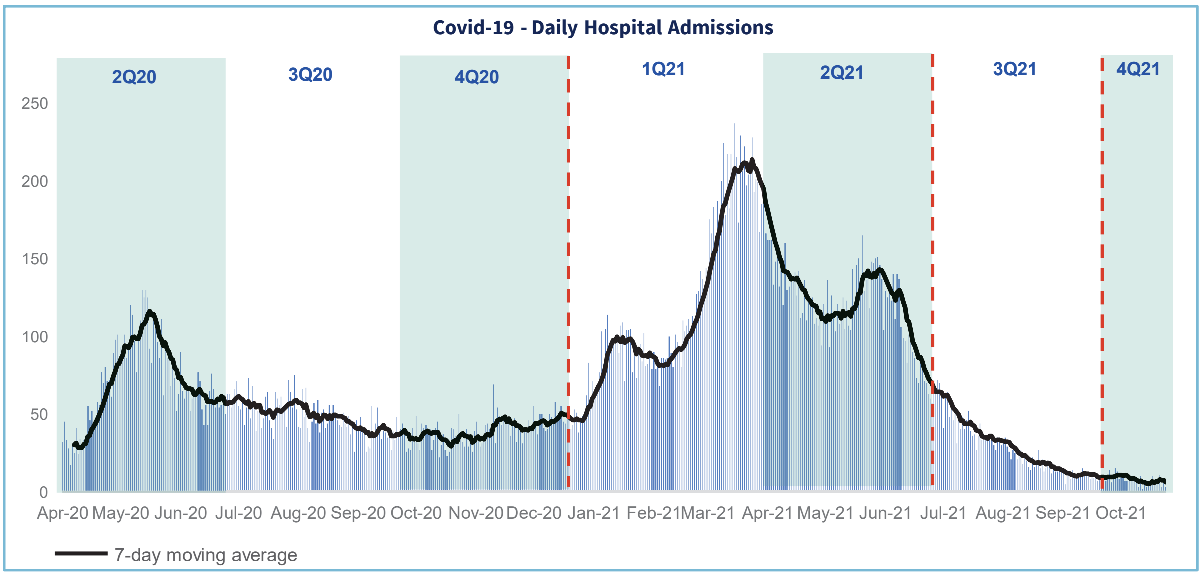
(iv) client portfolios consolidated in 1Q21, of which 12.3 thousand lives from Samedh and 13.7 thousand lives from Plamheg.



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)

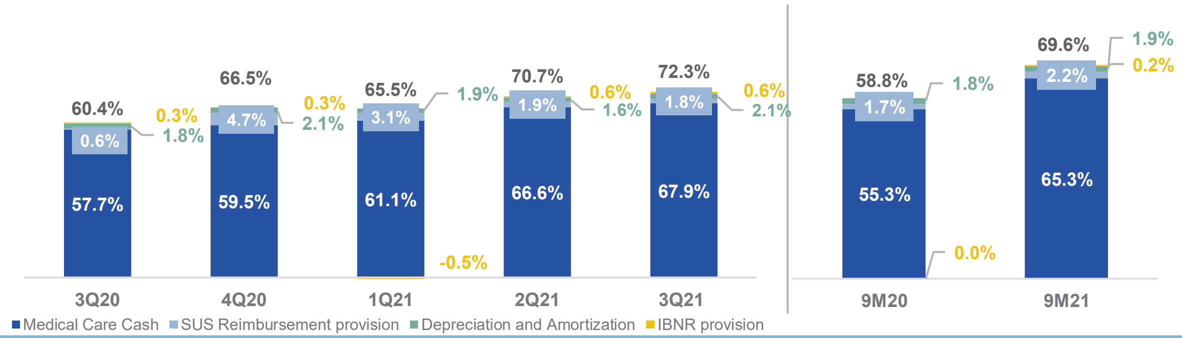
9.1 Covid-19 Scenario (continued)

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.**

Composition of MCR (%)



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;

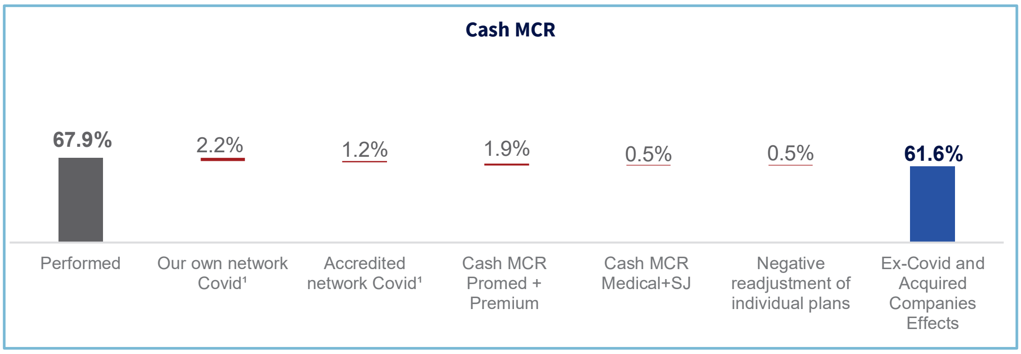
(ii) increase in the volume of emergency care, exams and elective procedures, not only due to the return to pre-pandemic levels, but also due to the volume generated by addressing the backlog of elective surgeries. When comparing 3Q21 to 2Q21, there was an increase in the volume of consultations (+20%),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

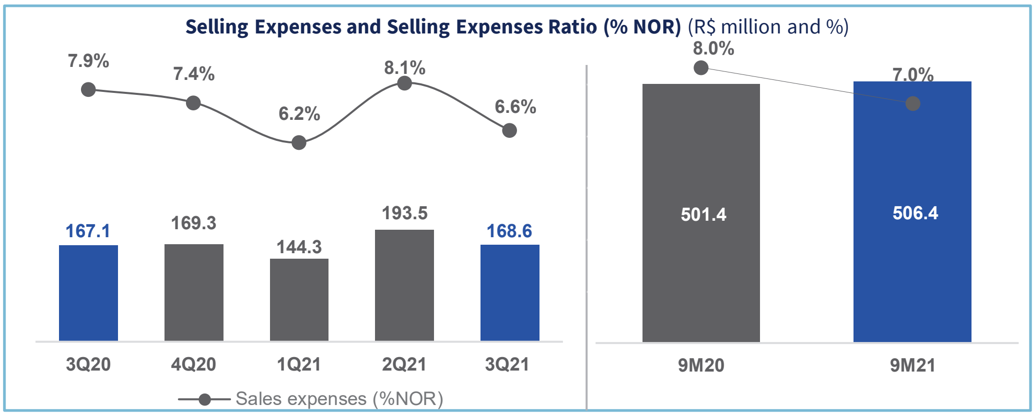
According to ANS, the Company must record in its liabilities with a corresponding entry in the results (Total Medical Costs), a provision related to the Identified Beneficiary Notices (ABI in Portuguese) according to the percentage defined by ANS itself, which is unique for each healthcare operator and 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.

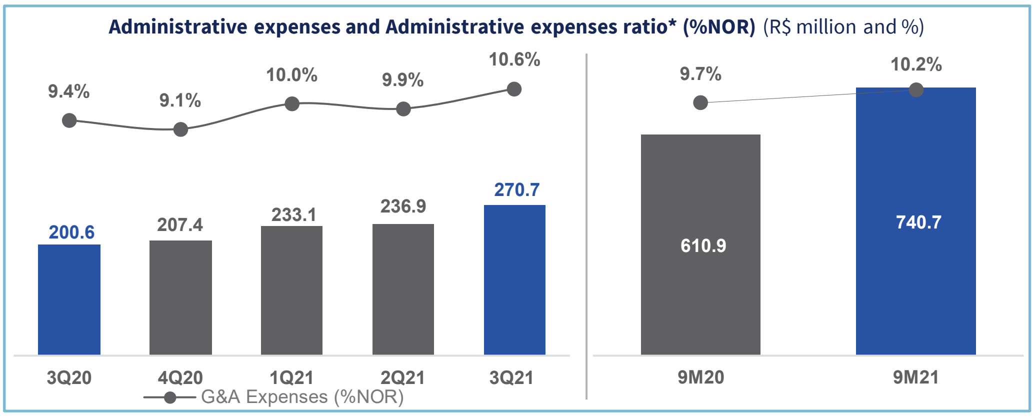
R$ Million	3Q21	3Q20	9M21	9M20
ABIs' provision	3.3	9.3	(5.2)	55.0
GRUs' principal	32.0	-	144.0	38.8
SUS Reimbursement – Acquired Companies	9.9	4.2	23.3	12.4
SUS Reimbursement – Medical Cost	**45.1**	**13.5**	**162.1**	**106.1**
Interest, monetary adjustments and fines	15.6	13.5	48.5	52.5
SUS Reimbursement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

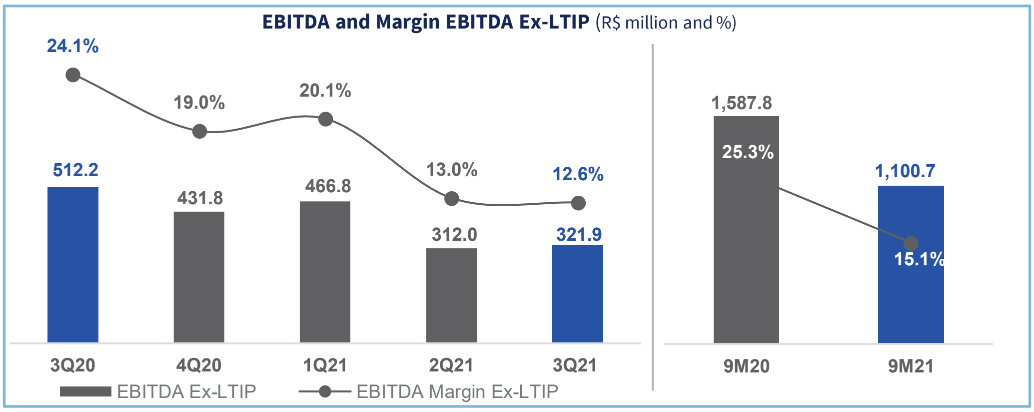
(i) collective bargaining, hiring new employees and layoffs (R$15.3 million in 3Q21 and R$36.5 million in 9M21);

(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).

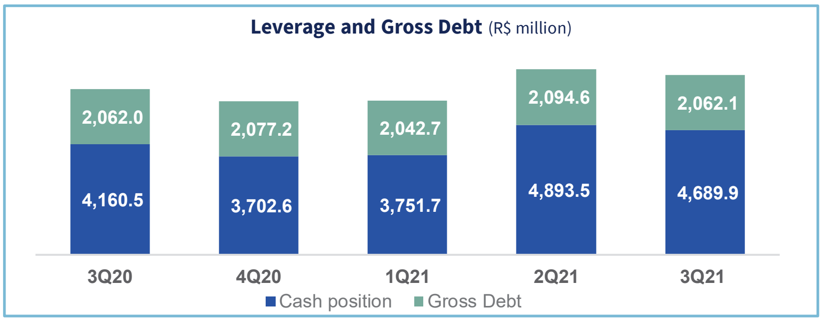
12. EBITDA



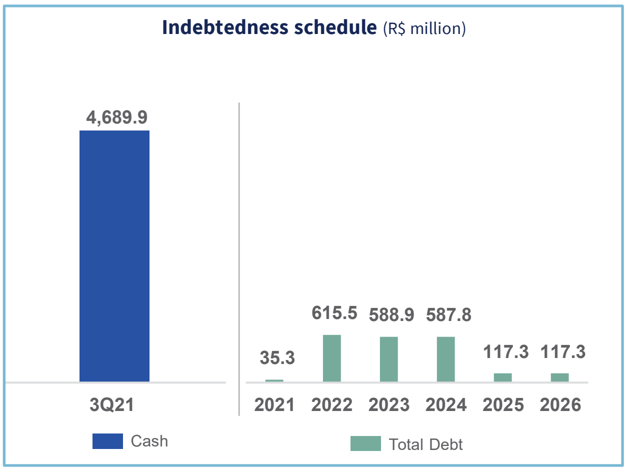
From 2Q21 onwards, EBITDA started to be adjusted due to the approval of the Long-Term Incentive Plan, which had an amount provisioned in 3Q21 of R$30.5 million and in 9M21 of R$50.8 million. Thus, EBITDA Ex-ILP in 3Q21 was R$321.9 million, a decrease of 37.2% compared to 3Q20. The EBITDA margin Ex-LTIP 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.

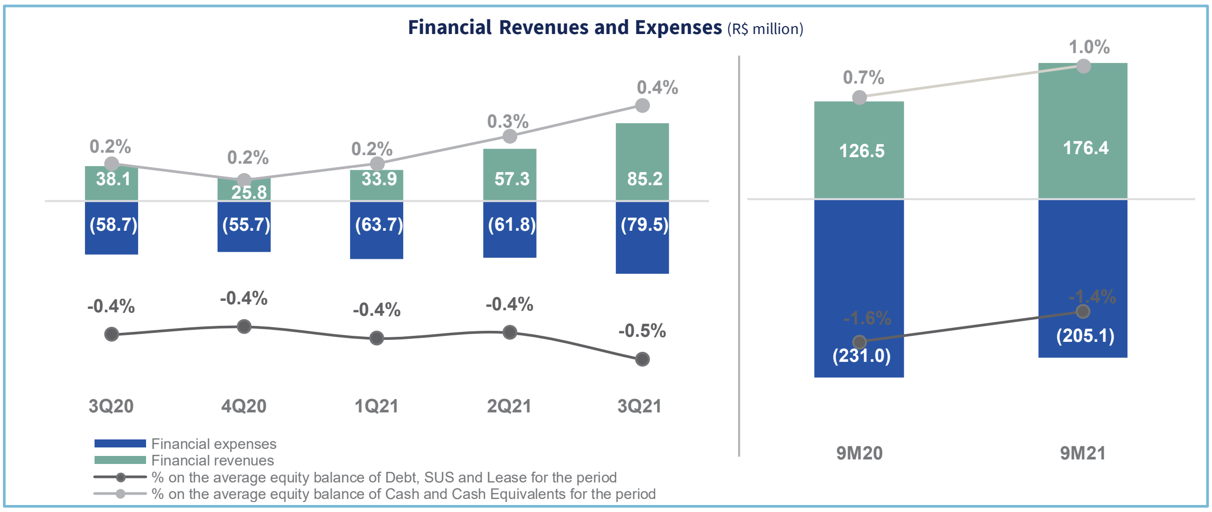


Net debt/Ebitda (R$ million)	3Q21
Short-term debt¹	649,9
Long-term debt¹	1,412.2
Gross debt	**2,062.1**
(-) Cash and cash equivalents and short-term and long-term investments	(4,689.9)
Net debt	**(2,627,8)**
Other accounts payable (acquired companies)	467.1
Derivative instruments	7.7
Net Debt + Other accounts payables from acquired companies + Derivative instruments	**(2,168.3)**
EBITDA LTM¹	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)

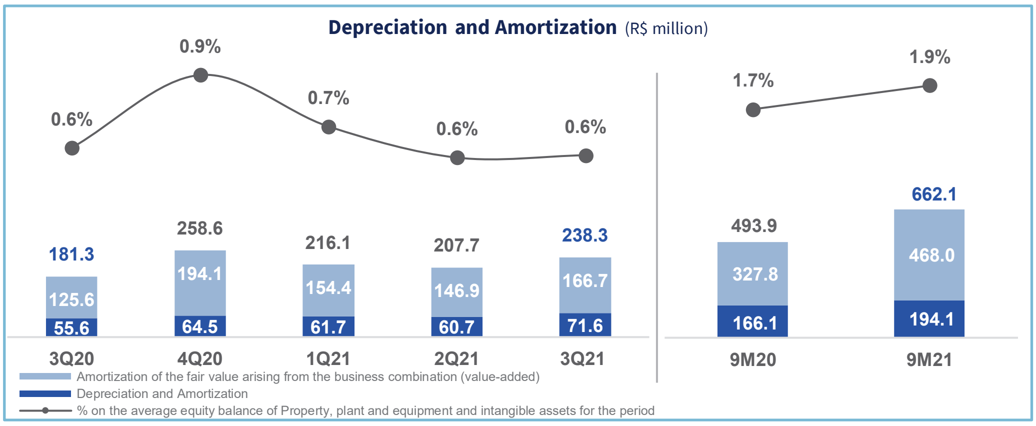
The net financial result in 3Q21 totaled a net revenue of R$5.7 million compared to a net expense of R$20.5 million in 3Q20. In 9M21, there was a net expense of R$28.7 million against R$104.5 million in 9M20. The periods were impacted by:

(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).

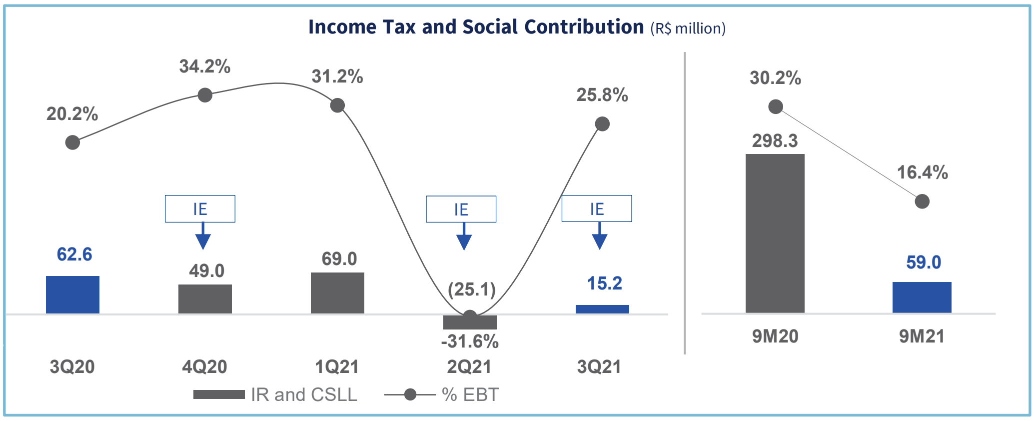
The average DI rate in 3Q21 more than doubled when compared to 3Q20. When comparing the accumulated period, the average rate is similar.

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

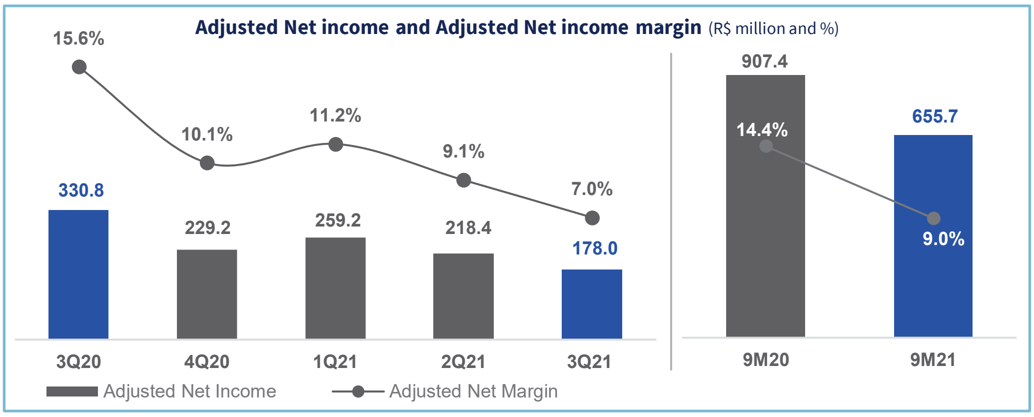
From 2Q21 onwards, in addition to the adjustment of the amortization of fair value arising from the business combination (value-added), which we had already shown separately in previous quarters, we included the adjustment of the Long-Term Incentive Plan in 3Q21.

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.*

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

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%

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.

hapvida

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)
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

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 September 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 September 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 September 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, November 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 September 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 September 30, 2021.

Fortaleza, November 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 September 30, 2021.

Fortaleza, November 11, 2021,

Jorge Fontoura Pinheiro Koren de Lima
CEO

Maurício Fernandes Teixeira
Chief Financial and Investor Relations Officer

KPMG Auditores Independentes Ltda.
Ed. BS Design - Avenida Desembargador Moreira, 1300
SC 1001 - 10º Andar - Torre Sul - Aldeota
60170-002 - Fortaleza/CE - Brasil
Telefone +55 (85) 3457-9500
kpmg.com.br

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 September 30, 2021, which comprises the statement of financial position as of September 30, 2021, the statement of profit or loss and comprehensive income for the three and nine-months period then ended and of changes in equity and cash flows for nine-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 of parent company and consolidated

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 nine-months period ended September 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, November 11, 2021

KPMG Auditores Independentes Ltda.
CRC SP-014428/O-6 S-CE

Erika Carvalho Ramos
Accountant CRC 1SP224130/O-0

Hapvida Participações e Investimentos S.A.

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

(Amounts stated in thousands of Reais)

		Parent company		Consolidated	
Assets	**Notes**	**09/30/2021**	**12/31/2020**	**09/30/2021**	**12/31/2020**
Cash and cash equivalents	31	3,273	1,123	506,142	143,212
Short-term investments	12	157,688	-	2,028,356	2,334,120
Trade receivables	13	-	-	424,157	433,426
Inventory		-	-	141,278	101,677
Recoverable tax	30.b	69,024	65,383	201,988	184,105
Dividends and interest on shareholders' equity receivable	15	-	105	-	2
Derivative financial instruments	31	-	-	7,650	3,587
Other assets		226	36	172,219	137,033
Deferred commission	14	-	-	228,723	164,929
Total current assets		**230,211**	**66,647**	**3,710,513**	**3,502,091**
Long-term investments	12	207,146	406,992	2,155,385	1,225,282
Deferred taxes assets	30.c	344,447	242,132	900,478	579,509
Judicial deposits	23	2,548	2,132	396,702	246,528
Deferred commission	14	-	-	179,056	142,229
Derivative financial instruments	31	-	-	-	10,959
Related party receivable	15	104	91	3,576	3,448
Other assets		-	-	40,119	45,837
		554,245	**651,347**	**3,675,316**	**2,253,792**
Investments	16	11,936,323	9,368,370	-	-
Property, plant and equipment	17	8,097	8,641	2,603,532	2,241,533
Intangible	18	83	122	7,414,927	5,522,303
Total non-current assets		**12,498,748**	**10,028,480**	**13,693,775**	**10,017,628**
Total assets		**12,728,959**	**10,095,127**	**17,404,288**	**13,519,719**

		Parent company		Consolidated	
Liabilities and shareholders' equity	**Notes**	**09/30/2021**	**12/31/2020**	**09/30/2021**	**12/31/2020**
Borrowings and financing	19	610,641	19,081	649,852	42,915
Trade payables		558	676	177,615	120,828
Technical provisions for health care operations	21	-	-	1,600,836	1,129,109
Health care payables		-	-	22,572	5,046
Payroll obligations	22	3,672	991	323,269	195,441
Taxes and contributions payable		7,312	13,648	197,565	159,736
Income and social contribution taxes	30.a	-	-	93,608	85,141
Dividends and interest on shareholders' equity payable	15 e 24.c	42,042	188,213	53,226	201,441
Leases	20	1,253	1,190	53,912	42,950
Related party payables	15	4,329	4,097	3,997	3,996
Other accounts payable		648	613	90,647	134,010
Total current liabilities		**670,455**	**228,509**	**3,267,099**	**2,120,613**
Borrowings and financing	19	1,410,231	1,997,254	1,412,231	2,034,312
Taxes and contributions payable		-	-	88,893	23,133
Technical provisions for health care operations	21	-	-	8,808	1,788
Leases	20	2,957	3,959	1,023,793	965,293
Deferred taxes liabilities	30.c	-	-	120,875	39,538
Provision for tax, civil and labor risks	23	29,679	36,135	407,745	401,949
Other accounts payable		-	58	454,923	102,106
Total non-current liabilities		**1,442,867**	**2,037,406**	**3,517,268**	**3,568,119**
Shareholders' equity	24				
Capital		8,124,185	5,650,526	8,124,185	5,650,526
Treasury shares		(73,998)	(2)	(73,998)	(2)
Capital reserve		426,445	222,917	426,445	222,917
Legal reserve		176,596	176,596	176,596	176,596
Profit reserve		1,664,632	1,779,175	1,664,632	1,779,175
Retained earnings (loss)		297,777	-	297,777	-
Equity attributable to controlling shareholders		**10,615,637**	**7,829,212**	**10,615,637**	**7,829,212**
Non-controlling interest		-	-	4,284	1,775
Total shareholders' equity		**10,615,637**	**7,829,212**	**10,619,921**	**7,830,987**
Total liabilities and shareholders' equity		**12,728,959**	**10,095,127**	**17,404,288**	**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 September 30, 2021 and 2020

(Amounts stated in thousands of Reais)

		Parent company				Consolidated			
	Notes	Accumulated 09/30/2021	Quarter 09/30/2021	Accumulated 09/30/2020	Quarter 09/30/2020	Accumulated 09/30/2021	Quarter 09/30/2021	Accumulated 09/30/2020	Quarter 09/30/2020
Net revenue from services provided	25	-	-	-	-	7,284,478	2,558,882	6,281,466	2,126,380
Cost of the services rendered	26	-	-	-	-	(5,072,062)	(1,851,171)	(3,696,603)	(1,284,446)
Gross profit		-	-	-	-	**2,212,416**	**707,711**	**2,584,863**	**841,934**
Sales expenses	27	(355)	(13)	-	320	(506,409)	(168,575)	(501,415)	(167,051)
Administrative expenses	28	(99,371)	(43,383)	(26,818)	(9,389)	(1,352,388)	(504,766)	(990,604)	(346,897)
Equity in net income of subsidiaries	16	338,369	71,783	694,638	221,829	-	-	-	-
Other net operating income (expenses)		(708)	(764)	(6)	30	34,228	18,799	1,057	2,969
Total		**237,935**	**27,623**	**667,814**	**212,790**	**(1,824,569)**	**(654,542)**	**(1,490,962)**	**(510,979)**
Income before income tax and net finance income (expense)		**237,935**	**27,623**	**667,814**	**212,790**	**387,847**	**53,169**	**1,093,901**	**330,955**
Finance income	29	13,166	5,967	24,468	6,992	176,405	85,249	126,464	38,107
Finance expenses	29	(55,639)	(27,071)	(55,222)	(11,592)	(205,093)	(79,547)	(230,986)	(58,652)
Net finance income (expeses)		**(42,473)**	**(21,104)**	**(30,754)**	**(4,600)**	**(28,688)**	**5,702**	**(104,522)**	**(20,545)**
Profit before tax		195,462	6,519	637,060	208,190	359,159	58,871	989,379	310,410
Current income and social contribution taxes	30.a	-	-	-	-	(303,761)	(86,640)	(490,296)	(146,093)
Deferred income and social contribution taxes	30.c	102,315	36,672	54,796	40,588	244,713	71,441	191,966	83,528
Net income for the period		**297,777**	**43,191**	**691,856**	**248,778**	**300,111**	**43,672**	**691,049**	**247,845**
Attributable to									
Non-controlling interest		-	-	-	-	2,334	481	(807)	(933)
Owners of the Company		297,777	43,191	691,856	248,778	297,777	43,191	691,856	248,778
Earnings per share - basic and diluted	24.f	0.08	0.01	0.19	0.07	0.08	0.01	0.19	0.07

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 September 30, 2021 and 2020

(Amounts stated in thousands of Reais)

	Parent company				Consolidated			
	Accumulated 09/30/2021	**Quarter 09/30/2021**	**Accumulated 09/30/2020**	**Quarter 09/30/2020**	**Accumulated 09/30/2021**	**Quarter 09/30/2021**	**Accumulated 09/30/2020**	**Quarter 09/30/2020**
Net income for the period	297,777	43,191	691,856	248,778	300,111	43,672	691,049	247,845
Comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	**297,777**	**43,191**	**691,856**	**248,778**	**300,111**	**43,672**	**691,049**	**247,845**
Non-controlling interest	-		-		2,334	481	(807)	(933)
Owners of the Company	297,777	43,191	691,856	248,778	297,777	43,191	691,856	248,778

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 September 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**
Non-controlling capital		-	-	-	-	-	-	-	276	276
Net income for the period		-	-	-	-	-	691,856	691,856	(807)	691,049
Allocations										
Interest on own capital		-	-	-	-	(110,769)		(110,769)	-	(110,769)
Balance at September 30, 2020		**5,650,526**	**(2)**	**222,917**	**137,423**	**1,137,970**	**691,856**	**7,840,690**	**1,751**	**7,842,441**
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		-	-	-	-	-	297,777	297,777	2,334	300,111
Capital increase	24.a	2,526,813	-	-	-	-	-	2,526,813	175	2,526,988
Expenditures with issuance of shares	24.a	(53,154)	-	-	-	-	-	(53,154)	-	(53,154)
Share repurchase	24.a	-	(73,996)	-	-	-	-	(73,996)	-	(73,996)
Stock grant	15	-	-	50,757	-	-	-	50,757	-	50,757
Premium in the issue of shares	24.d	-	-	152,771	-	-	-	152,771	-	152,771
Allocations										
Interest on own capital	24.c	-	-	-	-	(114,543)	-	(114,543)	-	(114,543)
Balance at September 30, 2021		**8,124,185**	**(73,998)**	**426,445**	**176,596**	**1,664,632**	**297,777**	**10,615,637**	**4,284**	**10,619,921**

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

Hapvida Participações e Investimentos S.A.

Statements of cash flows - Indirect method

Periods ended September 30, 2021 and 2020

(Amounts stated in thousands of Reais)

	Parent company		Consolidated	
	09/30/2021	**09/30/2020**	**09/30/2021**	**09/30/2020**
Cash flows from operating activities				
Net income for the period	**297,777**	**691,856**	**300,111**	**691,049**
Adjustments to reconcile net income for the period with cash generated by operating activities:				
Depreciation and amortization	808	991	600,867	437,915
Depreciation of right of use assets	943	906	61,238	55,987
Technical reserves for health care operations	-	-	16,567	(1,005)
Equity in income of subsidiaries	(338,369)	(694,638)	-	-
Allowance for doubtful accounts	-	-	144,799	170,550
Write-off of property, plant and equipment	(55)	4	3,312	12,303
Write-off of intangible assets	-	-	906	18,959
Provision for tax, civil and labor risks	(5,369)	229	(12,957)	32,287
Earnings on short-term investments	(13,111)	(24,465)	(141,533)	(73,844)
Gain (loss) with derivative financial instruments	-	-	(527)	(20,208)
Interests on lease liabilities	265	312	69,871	61,560
Interest and financial charges on borrowings, financing and debentures	55,190	50,520	56,647	52,381
Exchange-rate change	(54)	-	3,211	19,534
Stock grant	50,757	-	50,757	-
Change in fair value contingent liability	-	-	40,000	-
Others	-	-	(2,043)	-
Income and social contribution taxes	-	-	303,761	490,296
Deferred taxes	(102,315)	(54,796)	(244,713)	(191,966)
	(53,533)	**(29,081)**	**1,250,274**	**1,755,798**
(Increase) decrease in asset accounts:				
Trade receivables	-	-	(109,393)	(180,508)
Inventory	-	-	(36,347)	(35,529)
Recoverable taxes	(3,641)	(3,658)	(12,351)	(20,195)
Judicial deposits	(1,503)	(2,019)	(179,738)	(100,060)
Other assets	(190)	(42)	(18,661)	(8,754)
Deferred commission	-	-	(63,111)	(23,446)
Increase (decrease) in liability accounts:				
Technical reserves for health care operations	-	-	43,555	131,175
Debts of health care operations	-	-	10,554	(5,270)
Payroll obligations	2,681	112	107,024	62,173
Trade payables	(64)	(45)	3,373	21,335
Taxes and contributions payable	(21,319)	(30,750)	(71,262)	7,260
Other accounts payable	(23)	101	(453,924)	(10,718)
Cash (used in) provided by operating activities	**(77,592)**	**(65,382)**	**469,993**	**1,593,261**
Income and social contribution taxes paid	-	-	(327,486)	(418,389)
Net cash (used in) provided by operating activities	**(77,592)**	**(65,382)**	**142,507**	**1,174,872**
Cash flows from investment activities				
Related parties receivable (payable)	219	4,571	2,506	4,661
Acquisition of property, plant and equipment	(1,170)	(945)	(304,960)	(240,940)
Acquisition of intangible assets	-	-	(88,848)	(48,565)
Acquisition of subsidiaries	-	-	(207,092)	(37,895)
Balances attributed to the acquisition of subsidiaries	-	-	6,677	5,212
Advance for future capital increase	(1,575,000)	(60,000)	-	-
Investments from short and long term investments	(462,497)	(55,242)	(8,003,716)	(5,344,263)
Redemption from short and long term investments	517,766	471,760	7,612,050	4,858,300
Net cash (used in) provided by investment activities	**(1,520,682)**	**360,144**	**(983,383)**	**(803,490)**
Cash flows from financing activities				
Dividends and Interest on own capital	(245,627)	(204,591)	(245,670)	(204,653)
Expenditures with issuance of shares	(53,154)	-	(53,154)	-
Resources from the issuance of shares	2,025,000	-	2,025,000	-
Share repurchase	(73,996)	-	(73,996)	-
Borrowing and financing	-	-	-	2,281
Payments of principal and interests on borrowing, financing and debentures	(50,653)	(89,280)	(208,506)	(124,314)
Acquisitions of subsidiaries - Payments	-	-	(137,959)	-
Payment of leasing	(1,146)	(1,148)	(111,312)	(101,603)
Receipt of derivative financial instruments	-	-	9,228	4,589
Non-controlling interest in an acquiree	-	-	175	276
Net cash used in financing activities	**1,600,424**	**(295,019)**	**1,203,806**	**(423,424)**
Increase (decrease) in cash and cash equivalents	**2,150**	**(257)**	**362,930**	**(52,042)**
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	3,273	1,368	506,142	172,187
Increase (decrease) in cash and cash equivalents	**2,150**	**(257)**	**362,930**	**(52,042)**

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 September 30, 2021 and 2020

(Amounts stated in thousands of Reais)

	Parent company		Consolidated	
	09/30/2021	09/30/2020	09/30/2021	09/30/2020
Revenues (1)	**-**	**-**	**7,497,319**	**6,368,002**
Operating revenue	-	-	7,605,218	6,535,348
Other (expenses) revenues	-	-	36,900	3,204
Impairment loss on trade receivables	-	-	(144,799)	(170,550)
Inputs purchased from third parties (2)	**(8,924)**	**(12,108)**	**(4,681,023)**	**(3,576,172)**
Costs of services rendered	-	-	(3,087,810)	(2,284,593)
Material, energy, outsourced services and other	(8,924)	(12,108)	(1,593,213)	(1,291,579)
Gross added value (1) - (2) = (3)	**(8,924)**	**(12,108)**	**2,816,296**	**2,791,830**
Depreciation and amortization (4)	(1,751)	(1,897)	(662,105)	(493,902)
Net value added produced by the Company (3) - (4) = (5)	**(10,675)**	**(14,005)**	**2,154,191**	**2,297,928**
Added value received as transfer (6)	**351,483**	**719,104**	**176,138**	**126,441**
Equity in net income of subsidiaries	338,369	694,638	-	-
Financial revenues	13,114	24,468	176,405	126,464
Others	-	(2)	(267)	(23)
Total added-value payable (5+6)	**340,808**	**705,099**	**2,330,329**	**2,424,369**
Personnel	**(87,021)**	**(15,888)**	**(1,253,564)**	**(940,753)**
Direct remuneration	(86,945)	(15,871)	(1,081,214)	(787,601)
Benefits	(45)	(17)	(104,695)	(83,435)
FGTS	(31)	-	(67,655)	(69,717)
Taxes, rates and contributions	**98,277**	**52,721**	**(636,487)**	**(730,585)**
Federal	98,364	52,839	(527,296)	(650,775)
State	-	(61)	(2,617)	(1,157)
Municipal	(87)	(57)	(106,574)	(78,653)
Third-party capital remuneration	**(54,287)**	**(50,076)**	**(140,694)**	**(61,982)**
Interest	(55,335)	(50,521)	(111,620)	(53,803)
Rentals	334	445	(12,734)	(8,160)
Other	714	-	(16,340)	(19)
Remuneration of own capital	**(297,777)**	**(691,856)**	**(300,111)**	**(691,049)**
Dividends and interest on equity	(114,543)	(110,769)	(114,543)	**(110,769)**
Retained earnings	(183,234)	(581,087)	(183,234)	(581,087)
Non-controlling interests in retained earnings	-	-	(2,334)	807
Distributed added value	**(340,808)**	**(705,099)**	**(2,330,856)**	**(2,424,369)**

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.

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

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$ 2,534,498 (R$ 2,477,332 as of December 31, 2020) and net working capital of R$ 443,414 (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 (financial and non-financial)

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

During the entire period of the Pandemic, we followed the ANS recommendation regarding the provision of care and elective procedures, which are currently being carried out normally in all regions where the Company operates. The volume of care and elective and urgent/emergency procedures returned to pre-pandemic historical levels, differently from the same period compared to the previous year.

The Company always acted in a timely manner and with management in the acquisition of materials and services, aiming to guarantee quality care and access to health care for all beneficiaries of the Hapvida Group, both for services related to COVID-19, as well as for 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. The main impacts on loss ratio were:

- Although the volume of consultations and hospitalizations in the 3rd quarter of 2021 referring to Covid-19 was lower when compared to previous quarters, medical expenses remained high, as there is a natural delay in the presentation of medical bills;

- Increased volume of appointments, exams and elective procedures, not only due to the return to pre-pandemic levels, but also due to the volume generated by addressing the elective surgery backlog;

- Higher loss ratio of acquired companies (Medical, São José, Promed and Premium Saúde) that make up the consolidated number, but were not present in the comparative period. The loss ratio of recently acquired companies is on a downward trajectory due to initiatives to integrate and standardize procedures, respecting the seasonality between quarters;

- Constitution of Peona higher than in the comparative periods due to the return of elective procedures in the accredited network;

- Increased reimbursement to SUS due to the normalization of both ABIs and charges by the National Supplementary Health Agency (ANS), which were interrupted in the 2nd and 3rd quarter of 2020 due to the pandemic.

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.:

	09/30/2021		12/31/2020	
Entity	**Direct**	**Indirect**	**Direct**	**Indirect**
Hapvida Participações Investimentos II S.A. (g) **	100%	-	-	-
Hapvida Assistência Médica S.A. (a)	99%	1%	99.99%	-
RN Metropolitan Ltda.	-	100%	-	100%
Premium Saúde S.A. *** (i)	-	100%	-	-
Odontológica Serviços de Saúde Oral Ltda. ****	-	-	-	100%
São Francisco Sistemas de Saúde S/E Ltda. (e)	-	99.93%	-	99.93%
Hospital Antônio Prudente Ltda.	100%	-	99.99%	-
Mais Odonto Assistência Odontológica Ltda. *	-	-	99.99%	-
Hapvida Participações em Tecnologia Ltda. (c)	99.99%	-	99.99%	-
Hapvida Call Center e Tecnologia Ltda. (c)	-	100%	-	-
Maida Health Participações Societárias S.A. (c)	-	75.00%	-	75.00%
Maida Haptech Soluções Inteligentes Ltda. (c)	-	74.99%	-	74.99%
Maida Infoway Tecnologia e Gestão em Saúde Ltda. (c)	-	74.99%	-	74.99%
Tercepta Consultoria em Informática Ltda.	-	75.00%	-	-
Ultra Som Serviços Médicos S.A. (b)	100%	-	100%	-
São Francisco Rede de Saúde Assistencial Ltda.	-	99.93%		99.93%
GSF Administração de Bens Próprios S.A.	-	99.93%	-	99.93%
Hospital São Francisco Ltda. *	-	-	-	99.93%
Laboratório Regional S.A.	-	99.93%	-	99.93%
Laboratório Regional I Ltda.	-	99.93%	-	99.93%
Laboratório Regional II Ltda.	-	99.93%	-	99.93%
São Francisco Atendimento Médico e Serviços Ltda.	-	100%	-	100%
São Francisco Odontologia Ltda. (d)	-	100%	-	100%
São Francisco Resgate Ltda.	-	100%	-	100%
Documenta Clínica Radiológica Ltda.	-	100%	-	100%
Centro Avançado Oncológico Ltda.	-	100%	-	100%
SF Health Up Desenvolvimento e Consultoria em Tecnologia da Informação Ltda.	-	100%	-	100%
Hemac Medicina Laboratorial e Hemoterapia Ltda.	-	100%	-	100%
Hospital das Clínicas de Parauapebas Ltda.	-	100%	-	100%
Hospital Nossa Senhora Aparecida de Anápolis Ltda.	-	100%	-	100%
Medical Medicina Assistencial S.A.	-	100%	-	100%
Medical Rede Assistencial Ltda. **	-	100%	-	-
Medical Planos de Saúde S.A.	-	99.99%	-	99.99%
Branquinho Participações Ltda.	-	100%	-	100%
Cyrio Nogueira Participações Ltda.	-	100%	-	100%
Lopes Biaggioni Participações Ltda.	-	100%	-	100%
Maiorino Participações Ltda.	-	100%	-	100%
Nakagawa Participações Ltda.	-	100%	-	100%
RRP – Empreendimentos e Participações Ltda.	-	99.96%	-	99.96%
Ururahy Participações Ltda.	-	100%	-	100%
Clínica São José Ltda.	-	99.99%	-	99.99%
Clínica São José Saúde Ltda. (f)	-	99.99%	-	99.99%
Pró-Infância SJC Hospital e Pronto Socorro Pediátrico Ltda.	-	55.80%	-	55.80%
Centro Médico Progroup Ltda.*** (h)	-	100%	-	-
Hospital Progroup Ltda. *** (h)	-	100%	-	-
Hospital Vera Cruz S.A. *** (h)	-	100%	-	-
HVC Participações e Administração S.A. *** (h)	-	100%	-	-
Med Clinicas Serviços Médicos Ltda.*** (h)	-	100%	-	-
Promed Assistência Médica Ltda. *** (h)	-	100%	-	-
Promed Brasil Assistência Médica Ltda. *** (h)	-	100%	-	-

	09/30/2021		12/31/2020	
Entity	**Direct**	**Indirect**	**Direct**	**Indirect**
Hapvida Participações Investimentos II S.A. (g) **	100%	-	-	-
Saúde – Sistema Assistencial Unificado de Empresas Ltda. *** (h)	-	100%	-	-
Vida Saúde Gestão S.A. *** (h)	-	100%	-	-
CETRO – Centro especializado em Traumatologia Reabilitação e Ortopedia Ltda. ***	-	100%	-	-
Exclusive Funds				
BB HAPV Fundo de Investimento em Cotas de Fundos de Investimento Renda Fixa Longo Prazo	17.60%	82.34%	38.38%	61.62%
Santander Hapvida Renda Fixa Referenciado DI Crédito Privado FIC FI	1.92%	98.08%	45.30%	54.70%
Itaú Hap Fundo de Investimento em Cotas de Fundos de Investimento Renda Fixa Crédito Privado	16.44%	83.56%	60.90%	39.10%
Bradesco Hapvida Fundo de Investimento em Cotas de Fundos de Investimento de Renda Fixa Crédito Privado	-	100,00%	-	-

* Companies incorporated in 2021, accordingly Note 4.
** Company found in 2021.
*** Companies acquired in 2021, accordingly Note 3.
**** Company extinct in 2021.

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

(a) Hapvida Assistência Médica S.A.,
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.

In September 2021, the Company's Management approved the transformation of the legal type of Hapvida Assistência Médica S.A. from a limited liability company (Ltda,) to a privately-held corporation (SA), consequently, its respective corporate name becomes Hapvida Assistência Médica S.A.

(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 subsidiaries,
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 its 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.

(i) Premium Sáude S.A.
It started activities in 2010, working predominantly in the city of Belo Horizonte-MG, registered with the National Supplementary Health Agency (ANS) under number 41,782-3. Its main corporate purpose is the sale of health and dental plans focused on providing health care services through the network of hospital, clinical and outpatient care companies, under the common control of the Group.

3 Business combination

Below are the updates on the business combinations carried out in the previous year, for which they are still in the period of adjustments allowed by the accounting standards in relation to the allocation of goodwill and identifiable assets and liabilities, as well as the new business combinations carried out in the 2021 period.

3.1 Acquisition of Hospital Nossa Senhora Aparecida de Anápolis Ltda.

In September 2020, the Group entered into the Agreement for the Purchase and Sale of Quotas and Other Covenants for the acquisition of all quotas representing the share capital of Hospital Nossa Senhora Aparecida de Anápolis Ltda,, through its subsidiary Ultra Som Serviços Médicos S.A. suspensive contractual conditions, the process was completed on October 1, 2020.

The following table shows the consideration transferred and the final fair values 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 assets acquired and liabilities assumed, disclosed in the financial statements as of December 31, 2020, on a provisional basis, was completed within one year after the acquisition date:

	Initial Allocation	**Adjustments in the measurement period**		**Final Allocation**
Total of consideration transferred (1)	6,000	(1,842)	(a)	4,158
Assets acquired and liabilities assumed at fair value (2)	(1,970)	6,122	(b)	4,152
Goodwill (1) - (2)	**7,970**	**(7,964)**		**6**

(a) Due to the variation in the fair value of the consideration transferred after the measurement period.
(b) Refers to updating the fair value valuation assumptions of acquired assets.

Assets acquired and liabilities assumed

The following are the final fair values of the assets acquired and liabilities assumed on the acquisition date:

	Fair value
Assets	
Trade accounts receivable	23
Other credits	307
Property, plant and equipment	6,328
Total of assets	**6,658**

Liabilities	
Borrowings and financing	980
Trade payables	2
Social obligations	50
Taxes and contributions payable	1,017
Related parties	16
Provision for tax, civil and labor risks	441
Total of liabilities	**2,506**
Total identifiable net assets at fair value	**4,152**

The valuation techniques used to measure the fair value of the significant assets acquired were as follows: The choice of methodology applicable to each class of assets is related to the nature and function of these in the business operation.

Assets	Valuation Method
Property, plant and equipment	Replacement Cost

We describe the valuation methods below:

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

It is estimated that the amounts related to goodwill and capital gains will be deductible for income tax and social contribution purposes. The amount represents the expectation of future profitability, based on the expected benefits from the synergy of operations of the Company and its Economic Group.

3.2 Acquisition of São José Group

In October 2020, an agreement for the purchase and sale of shares and other covenants was signed between Ultra Som Serviços Médicos SA ("Ultra Som"), a subsidiary of the Company, and São José Group, related to the acquisition by Ultra Som of the integrity of the common shares issued by the São José Group. After completion of certain suspensive contractual conditions, the process was completed on December 1, 2020.

The São José Group includes the following companies, holdings whose corporative purpose is exclusively to hold direct and indirect interest in the São José Group: Branquinho Participações Ltda,, Maiorino Participações Ltda,, Cyrio Nogueira Participações Ltda,, Lopes Biaggioni Participações Ltda,, RRP Empreendimentos e Participações Ltda,, Nakagawa Participações Ltda, and Ururahy Participações Ltda.

The holding companies mentioned above, were created exclusively to hold direct and indirect interest in the São José Group, consisting of the following companies: Clínica São José – Saúde Ltda,, Clínica São José Ltda,, and Pró-Infância SJC Hospital e Pronto Socorro Pediatric Ltda, Additionally, these holding companies: (i) do not have, and never had, any investment or interest in companies other than the São José Group; (ii) do not have, and never had, employees, customers or suppliers; and (iii) is not a party to any type or type of contract or agreement, written or oral.

These holdings hold (a) direct 100% of the shares issued by Clínica São José – Saúde Ltda, and Clínica São José Ltda,; and (b) indirect, through Clínica São José Ltda,, of 56% of the shares issued by Pró-Infância SJC Hospital e Pronto Socorro Pediátrico Ltda, Therefore, the business combination of the São José Group takes place in the following companies: Clínica São José – Saúde Ltda,, Clínica São José Ltda, and Pró-Infância SJC Hospital e Pronto Socorro Pediátrico Ltda,, whose total net assets acquired at fair value are presented in this note.

The identifiable assets and liabilities acquired from the São José Group include *inputs* (hospital and portfolio of beneficiaries, for example), processes for the sale of health plans with coverage of healthcare costs and an organized workforce. The Company determined that, together, the acquired inputs and processes significantly contribute to the ability to generate revenue (outputs). The Company concluded that the acquired set is a business.

The following table shows the consideration transferred and the final fair values 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 assets acquired and liabilities assumed, disclosed in the financial statements as of December 31, 2020, on a provisional basis, was completed within one year after the acquisition date:

	Initial Allocation	Adjustments in the measurement period		Final Allocation
Total of consideration transferred (1)	356,713	-		356,713
Assets acquired and liabilities assumed at fair value (2)	118,540	1,517	(a)	120,057
Goodwill (1) - (2)	**238,173**	**(1,517)**		**236,655**

(a) Refers to updating the fair value valuation assumptions of acquired assets

Assets acquired and liabilities assumed

The following are the final fair values of the assets acquired and liabilities assumed on the acquisition date:

	Branquinho Participações	Cyrio Nogueira Participações	Lopes Biaggioni Participações	Maiorino Participações	Nakagawa Participações	RRP – Emp, e Participações	Ururahy Participações	Clínica São José Saúde Ltda,	Hospital São Jose	Hospital Pro Infância	Fair value
Assets											
Cash and cash equivalent	1	1	1	1	1	10	-	180	7	4	206
Short-term financial investments	-	-	-	-	-	-	-	29,969	2	3	29,974
Trade accounts receivable	-	-	-	-	-	-	-	4,698	2,634	140	7,472
Inventory	-	-	-	-	-	-	-	104	1,257	59	1,420
Taxes recoverable	-	-	-	-	-	-	-	3,203	14	1	3,218
Dividends/JCP receivable	-	-	-	-	-	-	-	2	-	-	2
Other credits	-	-	-	-	-	-	-	10	1,443	87	1,540
Advances	-	-	-	-	-	-	-	13,971	-	-	13,971
Deferred sales expenses	-	-	-	-	-	-	-	1,969	-	-	1,969
Deferred taxes	-	-	-	-	-	-	-	258	118	4	380
Judicial deposits	-	-	-	-	-	-	-	419	371	13	803
Property, plant and equipment	-	-	-	-	-	-	-	24,762	49,424	3,262	77,448
Intangible assets	-	-	-	-	-	-	-	52,652	304	24	52,980
Total of assets	**1**	**1**	**1**	**1**	**1**	**10**	**-**	**132,197**	**55,574**	**3,597**	**191,383**
Liabilities											
Borrowings and financing	-	-	-	-	-	-	-	8,286	-	-	8,286
Trade payables	-	-	-	-	-	-	-	1,310	3,109	277	4,696
Technical provisions for health care operations	-	-	-	-	-	-	-	20,506	-	-	20,506
Health care debts	-	-	-	-	-	-	-	379	-	-	379
Social obligations	-	-	-	-	-	-	-	859	4,433	397	5,689
Taxes and contributions payable	-	-	-	-	-	-	-	995	2,490	111	3,596
Other liabilities	-	-	-	-	-	-	-	166	10,124	3,028	13,318
Lease payable	-	-	-	-	-	-	-	3,420	4,609	210	8,239
Provision for tax, civil and labor risks	-	-	-	-	-	-	-	3,181	2,848	588	6,617
Total of liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**39,102**	**27,613**	**4,611**	**71,326**
Total identifiable net assets at fair value	**1**	**1**	**1**	**1**	**1**	**10**	**-**	**93,095**	**27,961**	**(1,014)**	**120,057**

The valuation techniques used to measure the fair value of the significant assets acquired were as follows: The choice of methodology applicable to each class of assets is related to the nature and function of these in the business operation.

Assets	Valuation method
Intangible assets – Life portfolio	Income Approach (Multi-Period Excess Earnings Model - "MPEEM")
Intangible asset - Non-compete agreement	Discounted cash flows
Property, plant and equipment	Replacement Cost

We describe the valuation methods below:

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

- ***Discounted Cash Flow –*** Calculation of the present value of predetermined future cash flows, discounted at a discount rate that reflects the uncertainties of the asset in question.

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

  It is estimated that the amounts related to goodwill and capital gains will be deductible for income tax and social contribution purposes. The amount represents the expectation of future profitability, based on the expected benefits from the synergy of operations of the Company and its Economic Group.

3.3 Acquisition of Medical Medicina Assistencial S.A

In July 2020, an agreement for the purchase and sale of shares and other covenants was signed between Ultra Som Serviços Médicos SA ("Ultra Som"), a subsidiary of the Company, and Medical Medicina Assistencial SA ("Medical"), relating to acquisition by Ultra Som of the integrity of the common shares issued by Medical. After completion of certain suspensive contractual conditions, the process was completed in November, 2020.

The identifiable assets and liabilities acquired from Medical include inputs (hospital and beneficiary portfolio, for example), processes for the sale of health plans with coverage of healthcare costs and an organized workforce. The Company determined that, together, the acquired inputs and processes significantly contribute to the ability to generate revenue (outputs). The Company concluded that the acquired set is a business.

The following table shows the consideration transferred and the final fair values 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 assets acquired and liabilities assumed, disclosed in the financial statements as of December 31, 2020, provisionally, was completed within one year after the acquisition date:

	Initial Allocation	Adjustments in the measurement period		Final Allocation
Total of consideration transferred (1)	320,544	-		320,544
Assets acquired and liabilities assumed at fair value (2)	126,594	(456)	(a)	126,138
Goodwill (1) - (2)	**193,950**	**456**		**194,406**

(a) Refers to updating the fair value valuation assumptions of acquired assets.

The following are the final fair values of the assets acquired and liabilities assumed on the acquisition date:

	Fair value
Ativo	
Cash and cash equivalent	3,739
Short-term financial investments	27,255
Trade accounts receivable	13,822
Inventory	2,637
Taxes recoverable	1,909
Other credits	733
Deferred taxes	190
Judicial deposits	3,548
Investments	466
Property, plant and equipment	46,968
Intangible assets	61,448
Total of assets	**162,715**
Passivos	
Trade payables	2,408
Technical provisions for health care operations	16,512
Health care debts	489
Social obligations	6,793
Taxes and contributions payable	5,423
Other liabilities	1,640
Lease payable	120
Provision for tax, civil and labor risks	3,192
Total of liabilities	**36,577**
Total identifiable net assets at fair value	**126,138**

The valuation techniques used to measure the fair value of the significant assets acquired were as follows: The choice of methodology applicable to each class of assets is related to the nature and function of these in the business operation.

Assets	Valuation method
Intangible assets – Life portfolio	Income Approach (Multi-Period Excess Earnings Model - "MPEEM")
Intangible asset - Non-compete agreement	Discounted cash flows
Property, plant and equipment	Replacement Cost

We describe the valuation methods below:

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

- **Discounted Cash Flow –** Calculation of the present value of predetermined future cash flows, discounted at a discount rate that reflects the uncertainties of the asset in question.

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

  It is estimated that the amounts related to goodwill and capital gains will be deductible for income tax and social contribution purposes. The amount represents the expectation of future profitability, based on the expected benefits from the synergy of operations of the Company and its Economic Group.

3.4 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 Promed Group) 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 its operations concentrated in the metropolitan region of Belo Horizonte / MG. 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 expansion, consolidation and, consequently, creating value for the shareholders.

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

Consideration transferred (cash payment)	647,240
Consideration transferred (stock payment)	654,584
Contingent consideration	352,567
(-) Debts assumed	(513,614)
Total da contraprestação transferida	**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 price adjustment identified by the Company is currently under review by buyers. The remaining balance will be released to sellers within one year.

(b) Acquisition cost

The Company incurred acquisition-related costs in the 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 September 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. . Regarding the future cash flows directly attributable to the asset, operating costs and expenses are discounted, and the charges on the contributing assets identified directly related to the asset in question are subtracted from the resulting margin (*Contributory Charges*) to arrive at the free flows to be discounted to calculate the 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.

(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	-	-	-	-	3,471
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	**35**	**230,892**	**27,593**	**50,283**	**14,547**	**7,486**	**443**	**9,134**	**92,726**	**433,139**
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	13,954	394,942
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	**6**	**395,438**	**28,879**	**76,283**	**79,958**	**215,571**	**246**	**32,498**	**278,133**	**1,107,012**
Assets acquired and liabilities assumed at fair value (2)	29	(164,546)	(1,286)	(26,000)	(65,411)	(208,085)	197	(23,364)	(185,407)	**(673,873)**
Total goodwill - provisionally (1) - (2)										**1,814,650**

Since the date of acquisition until September 30, 2021, the Promed Group contributed to the Company consolidated net revenues of R$ 172,775 and consolidated net income of R$22,842. If the acquisition had taken place on January 1, 2021, the Company estimates that the consolidated net revenues would have been R$ 7,477,660 and net income would have been R$70,835, 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$ 25,069, of which R$ 7,522 are estimated as non-recoverable.

3.5 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. CETRO's operation is located in Alagoinhas – BA.

(a) Consideration transferred

Consideration transferred (cash payment)	22,000
Contingent consideration	3,000
(-) Debts assumed	(794)
Total of consideration transferred	**24,206**

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.

(b) Measurement of fair value

Item "(c)" 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 assets acquired and liabilities assumed was carried out on a provisional basis and their 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 the significant assets acquired were as follows, whose choice of methodology applied to each asset class is related to the nature and function of these in the business operation:

Asset	**Valuation method**
Property, plant and equipment	Replacement cost

Below, we present the valuation method used:

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

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

It is estimated that the amounts related to goodwill and fair value of assets acquired will be deductible for income tax and social contribution purposes. The amount represents the expectation of future profitability, based on the expected benefits from the synergy of operations of the Company and its Economic Group.

(c) Goodwill and measurement made on provisional basis

The following table demonstrates the consideration transferred and fair values, on a provisional basis, assets and liabilities at the date of acquisition, obtained in a technical report drawn up by independent consultants hired by the Company to support the Administration. The measurement of the fair values of the identified assets and liabilities was done in a provisional basis, and its conclusion must occur within a period of up to one year after the acquisition date:

	Fair value
Consideration transferred – provisionally (1)	**24,206**
Assets acquired at fair value	
Cash and cash equivalents	74
Short-term investments	6
Trade receivables	45
Inventory	82
Recoverable tax	20
Other credits	24
Judicial deposits	44
Property, plant and equipment	6,362
Total assets acquired at fair value	**6,657**

Liabilities assumed at fair value	
Borrowings and financing	2,022
Trade payables	2,075
Social obligations	95
Taxes and contributions payable	210
Other accounts payable	34
Related parties	795
Total liabilities assumed at fair value	**5,231**
Assets acquired and liabilities assumed at fair value (2)	**1,426**
Total goodwill - provisionally (1) - (2)	**22,780**

Since the date of acquisition until September 30, 2021, Cetro contributed to the Company consolidated net revenue of R$1,273 and consolidated net income of R$401. If the acquisition had taken place on January 1, 2021, the Company estimates that the consolidated net revenues would have been R$7,285,550 and the net income would have been R$299,650, due to a loss in the period, prior to the acquisition, of R$461.

Accounts receivable from customers comprises gross contractual amounts due of R$61, of which R$16 is estimated as non-recoverable.

3.6 Acquisition of Premium

In November 2020, the share purchase and sale agreement and other covenants were signed between Hapvida Assistência Médica SA ("Hapvida"), a subsidiary of the Company, and Premium Saúde SA ("Premium"), referring to the acquisition by Hapvida of 100% of Premium's equity interest, The acquisition was completed on August 6, 2021.

Premium has a portfolio of beneficiaries of health and dental plans, concentrated in Belo Horizonte, Montes Claros/MG and Brasília/DF.

(a) Consideration transferred

Consideration transferred (cash payment)	51,467
Contingent consideration	96,198
Total of consideration transferred	**147,665**

Contingent consideration

The Company recorded the amount of R$96,198 as contingent consideration to guarantee any contingent liabilities that may materialize after the closing date of the Transaction, but whose triggering event is prior to 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 operating working capital of the acquired Company on the closing date. The remaining balance will be released to sellers within 10 days from the acceptance of the Closing Balance and calculation of the price adjustment.

(b) Acquisition cost

The Company incurred costs related to the acquisition in the approximate amount of R$186, mainly referring to legal and consulting fees. Acquisition costs were recorded as “Administrative expenses” in the statement for the period of September 30, 2021.

(c) Measurement of fair value

The 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 a reasonable effort by the Company to determine such measurement considering the proximity of the date acquisition in relation to the base date of these financial statements. They were obtained through fair value measurement techniques prepared by an independent consultant hired by the Company to support the Management conclusion. The measurement of the fair value of assets acquired and liabilities assumed was carried out on a provisional basis and its conclusion must occur 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	**Method**
Intangible assets – Life portfolio	Income approach (Multi-Period Excess Earnings Model - “MPEEM”)
Intangible asset - Non-compete agreement	Discounted cash flows
Intangible assets - Trademark	Income Approach (Relief from Royalties)

The following is a presentation of the evaluation methods:

- *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. . Regarding the future cash flows directly attributable to the asset, operating costs and expenses are discounted, and the charges on the contributing assets identified directly related to the asset in question are subtracted from the resulting margin (*Contributory Charges*) to arrive at the free flows to be discounted to calculate the present value.

- Discounted Cash Flow – Calculation of the present value of predetermined future cash flows, discounted at a discount rate that reflects the uncertainties of the asset in question.

- *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.

	Fair value
Consideration transferred – provisionally (1)	**147,665**
Assets acquired at fair value	
Cash and cash equivalents	3,780
Short-term financial investments	12,794
Trade receivables	8,544
Taxes recoverable	135
Other credits	182
Deferred sales expenses	13,681
Judicial deposits	183
Property, plant and equipment	887
Intangible assets	23,547
Total assets acquired at fair value	**63,733**
Liabilities assumed at fair value	
Borrowings and financing	2,425
Trade payables	623
Technical provision for health care operations	158,439
Health care payables	2,848
Payroll obligations	1,868
Taxes and contributions payable	9,895
Income and social contribution taxes	2,705
Deferred tax	2,009
Other accounts payable	62
Provision for tax, civil and labor risks	792
Total liabilities assumed at fair value	**181,666**
Assets acquired and liabilities assumed at fair value (2)	**(117,933)**
Total goodwill - provisionally (1) - (2)	**265,598**

Since the date of acquisition until September 30, 2021. Premium contributed to the Company consolidated net revenues of R$ 46,323 and consolidated net income of R$19,506, If the acquisition had taken place on January 1, 2021, the Company estimates that the consolidated net revenues would have been R$7,435,291 and net income would have been R$202,026.

"Trade accounts receivable" comprises gross contractual amounts due of R$10,710, of which R$2,166 is estimated as non-recoverable on the acquisition date.

4 Corporate reorganization

In order to simplify the Group's corporate structure and obtain greater synergy gains by reducing operating costs through the sharing of administrative structures, the following corporate restructurings were approved:

4.1 Merger of Mais Odonto Assistência Odontológica Ltda,

On January 31, 2021, the merger of the subsidiary 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	3,554
Liabilities	(292)
Merged net assets	**3,262**

4.2 Hospital São Francisco Ltda,

On September 1, 2021, the merger of the subsidiary Company Hospital São Francisco Ltda, under the terms of the Merger Protocol and Justification, with the consequent extinction of the merged Company.

The net assets merged on September 1, 2021 were comprised as follows:

	09/01/2021
Assets	2,631
Liabilities	(778)
Merged net assets	**1,853**

The aforementioned corporate reorganization does not change the Company's shareholding structure or result in any dilution of its shareholders.

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 November 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**	**09/30/2021**	**12/31/2020**	**09/30/2021**	**12/31/2020**
Government and private bonds						
Bank Deposit Certificates - Collateral Assets (a)	100% CDI	July 2023	-	-	2,791	10,101
Bank deposit certificates	103,6% CDI	October 2021 to January 2034	157,688	-	548,583	1,419,084
NTN-B	IPCA + 6%	August 2024	-	-	38,166	35,896
Investment fund			-	-		
Fixed income - Collateral assets (a)	154,1% do CDI	Without maturity	-	-	1,525,832	993,726
Fixed income - Exclusive (b)	131,1% do CDI	Without maturity	169,819	91,704	1,980,391	549,838
Fixed income - Non-exclusive	113,5% do CDI	Without maturity	37,327	315,211	87,977	548,500
Other						
Other short and long term investments	-	Without maturity	-	77	1	2,257
			364,834	**406,992**	**4,183,741**	**3,559,402**
Short-term investments			157,688	-	2,028,356	2,334,120
Long-term investments			207,146	406,992	2,155,385	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	
	09/30/2021	**12/31/2020**
Medical and hospital plans		
Health and dental care plans	521,144	601,674
Agreements and individuals plans	84,095	43,248
Other	10,851	16,441
Subtotal	**616,090**	**661,363**
Impairment loss on trade receivables	(191,933)	(227,937)
Total	**424,157**	**433,426**

Breakdown of amounts receivable by maturity age is as follows:

	Consolidated	
	09/30/2021	**12/31/2020**
Neither past due nor impaired	**91,669**	**234,683**
Overdue (days)	**524,421**	**426,680**
Up to 30	204,310	128,803
31-60	66,346	45,948
61-90	28,165	22,630
>90	225,600	229,299
Total	**616,090**	**661,363**

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

	Consolidated	
	09/30/2021	**12/31/2020**
Balances at the beginning of the period/year	227,937	151,247
Provisions	144,799	221,447
Net write-offs (a)	(180,803)	(144,757)
Total	**191,933**	**227,937**

(a) Referring to cancellations of customer contracts affected in the period as a result of default, as well as reversals of provisions due to receipts of outstanding securities

The Company has a dispersed customer base, so that there is no concentration of revenue. In the period ended September 30, 2021, the main customer represented only 1,0% (1,0% on December 31, 2020) of net revenue, while the ten largest customers represented 4,9% (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 September 30, 2021 and year ended December 31, 2020.

14 Deferred commission

	Consolidated	
	09/30/2021	12/31/2020
Deferred commissions with health care plan - Current	228,723	164,929
Deferred commissions with health care plan - Non-current	179,056	142,229
Total	**407,779**	**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:

	09/30/2021	12/31/2020
Individual contracts	35	33
Collective contracts	64	58

15 Related party transactions and balances

The main assets and liabilities balances on September 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	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Assets				
Interest on own capital receivable of investees	-	105	-	2
	-	**105**	**-**	**2**
Other debits with related parties				
Receivables with shareholders	-	-	1,472	1,296
PPAR COM Investimentos Ltda, - Amounts receivable (b)	-	-	1,988	1,988
Other	104	91	116	164
	104	**91**	**3,576**	**3,448**
Total	**104**	**196**	**3,576**	**3,450**
Liabilities				
Dividends payable	1,979	11,704	12,791	24,518
Interest on own capital	40,063	176,509	40,435	176,923
	42,042	**188,213**	**53,226**	**201,441**
Other liabilities with related parties				
Debts with shareholders (a)	2,517	2,516	2,552	2,552
Debts with investee (a)	368	-	-	-
Canadá Administradora de Bens Imóveis Ltda, - Purchase of property, plant and equipment	1,343	1,343	1,343	1,343
Others	101	238	102	101
	4,329	**4,097**	**3,997**	**3,996**
Lease payable with related parties (c)	153	154	650,194	660,285
	153	**154**	**650,194**	**660,285**
Total	**46,524**	**192,464**	**707,417**	**865,722**

	Parent Company		Consolidated	
Transaction	**09/30/2021**	**09/30/2020**	**09/30/2021**	**09/30/2020**
Revenue from medical care services (d)	-	-	950	1,122
Media broadcasting expenses (e)	-	-	(992)	(986)
Reimbursement of shared use of assets (f)	-	-	-	(821)
Interest on leases with Canadá Administradora de Bens Imóveis Ltda, (g)	(10)	(9)	(12,671)	(12,318)
Interest on leases with Fundação Ana Lima (g)	-	-	(131)	(277)
Interest on leases with Quixadá Participações Ltda, (g)	-	-	(29,358)	(27,586)
Total	**(10)**	**(9)**	**(42,202)**	**(40,866)**

(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$ 95,773 in the period ended September 30, 2021 (R$ 21,760 on September 30, 2020).

Share-based Payment

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 September 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	50,757

* The Performance Bonus 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 09/30/2021	Investments on 12/31/2020
Hapvida Assistência Médica S.A	1,147,491	5,080,333	1,896,410	3,183,923	270,861	990	99%	3,154,946	2,626,762
Ultra Som Serviços Médicos S.A	6,406,363	11,492,385	2,849,631	8,642,754	54,531	6,059,759	100%	8,642,754	6,615,756
Hospital Antônio Prudente Ltda,	56,447	213,164	82,203	130,961	28,459	56,447	100%	130,961	99,242
Hapvida Participações em Tecnologia Ltda,	23,400	11,554	3,892	7,662	(15,686)	23,500	99,99%	7,662	23,348
Mais Odonto Assistência Odontológica Ltda, (b)	-	-	-	-	(2)	-	0%	-	3,262
								11,936,323	**9,368,370**

b. Changes

	Balance at 12/31/2019	Equity in net income of subsidiaries	Interest on shareholders' 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	Capital Reduction	Balance at 09/30/2021
Hapvida Assistência Médica S.A.	1,720,633	728,228	(52,349)	63,274	162,497	-	4,479	2,626,762	271,067	286,300	-	-	(29,184)	3,154,945
Ultra Som Serviços Médicos S/A	6,102,067	16,079	-	693,440	(162,497)	(29,535)	(3,798)	6,615,756	54,531	1,288,700	-	683,768	-	8,642,755
Hospital Antônio Prudente Ltda,	77,998	21,244	-	-	-	-	-	99,242	28,459	-	3,260	-	-	130,961
Hapvida Participações em Tecnologia Ltda,	24,434	(1,100)	-	-	-	-	14	23,348	(15,686)	-	-	-	-	7,662
Mais Odonto Assistência Odontológica Ltda,	3,246	16	-	-	-	-	-	3,262	(2)	-	(3,260)	-	-	-
Total	**7,928,378**	**764,467**	**(52,349)**	**756,714**	**-**	**(29,535)**	**695**	**9,368,370**	**338,369**	**1,575,000**	**-**	**683,768**	**(29,184)**	**11,936,323**

(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 S.A, 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 S.A., 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*

HB Saúde Group
In July 2021, the Company signed a 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 following entities: H,B, Health S/A, H,B, Health Provision of Medical Services Ltd., Centro Integrado de Atendimento Ltda, and HB Health Diagnostic Center Ltd, (HB Health Group).

The HB Saúde Group, is composed of the healthcare operator of the same name, Hospital HBS Mirassol, eight outpatient units, a children's clinic, clinical and diagnostic centers, preventive and occupational medicine spaces and oncology center, located mainly in the municipalities of São José of Rio Preto and Mirassol, in São Paulo.

On September 15, 2021, the Company sent for approval at the HB Saúde Group's shareholders' meeting an offer of R$650,0 million, which was accepted by shareholders representing approximately 59% of the total capital. As the value of the offer was R$650,0 million for the acquisition of 100% of HB Saúde Group, the estimated disbursement for approximately 59% of the total capital would be approximately R$383,5 million. The Company remains open to acquire the other partners under the same conditions offered.

The acquisition of HB Saúde Group is another important step in the strategy of growth and market share gain in the state of São Paulo, expanding the potential for vertical growth in the region.

The implementation of the purchase and sale operation provided for in the 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 Saúde share. The Transaction is subject to the successful negotiation of the respective contractual acquisition instruments and their respective formalizations, which also involve the satisfactory conduct of legal, accounting and operational due diligence procedures. It will be submitted for consideration and approval by regulatory bodies (Cade and ANS).

Hospital Madrecor
In September 2021, the Company entered into a purchase and sale agreement for the acquisition of at least 94,34% of the shares, up to 100% of the shares of Sociedade Hospitalar de Uberlândia S.A. (Hospital Madrecor or Madrecor).

Founded in 2005, Hospital Madrecor offers medical and hospital care in Uberlândia, located in the Triângulo Mineiro, northwest of the state of Minas Gerais. Madrecor's structure offers complete medical assistance, including adult and pediatric emergency rooms, clinical analysis laboratory, diagnostic imaging service, and outpatient care.

The Transaction is synergistic from a geographic and operational point of view, as the city of Uberlândia is located 100km from Uberaba, a city with operations acquired and recently integrated by the Hapvida Group, In this region, the Hapvida Group already has around 70 thousand beneficiaries in health plans.

The acquisition price, including the hospital property, is up to R$120,0 million for all shares, This acquisition is another important step in the growth strategy and *market share* gain in the state of Minas Gerais, expanding the vertical growth potential in the region.

The implementation of the purchase and sale operation provided for in the Transaction is subject to the satisfactory conduct of legal, accounting and operational due diligence procedures, It will be submitted for consideration and approval by Organs regulatory bodies, as applicable.

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 09/30/2021**	**Net 12/31/2020**
Right of use assets	7.24%	1,164,670	(157,473)	1,007,197	957,684
Land	-	69,757	-	69,757	63,509
Real state	4.0%	444,864	(113,405)	331,459	270,876
Vehicles	20.0%	54,282	(34,275)	20,007	22,491
IT equipment	14.7%	184,235	(92,602)	91,633	64,910
Machinery and equipment	9.7%	633,891	(244,037)	389,854	310,065
Furniture and fixture	10.0%	150,862	(57,460)	93,402	82,799
Facilities	4.0%	492,204	(60,358)	431,846	315,838
Construction in progress	-	167,821	-	167,821	151,518
Others		556	-	556	1,843
Total		**3,363,142**	**(759,610)**	**2,603,532**	**2,241,533**

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

	Consolidated						
	12/31/2020	Addition	Net write-offs	Depreciation	Transfers	Acquisition of companies (i)	09/30/2021
Right of use assets	957,684	114,958	(17,569)	(61,238)	-	13,362	1,007,197
Land	63,509	26	(22)	-	1,994	4,250	69,757
Real estate	270,876	-	-	(11,549)	8,089	64,043	331,459
Vehicles	22,491	3,595	-	(6,229)	(34)	184	20,007
IT equipment	64,910	32,569	(449)	(13,886)	2,022	6,467	91,633
Machinery and equipment (b)	310,065	90,610	(1,554)	(43,423)	15,299	18,857	389,854
Furniture and fixtures	82,799	18,403	(580)	(12,517)	141	5,156	93,402
Facilities	315,838	18,165	(128)	(15,572)	108,008	5,535	431,846
Construction in progress (a)	151,518	141,592	(578)	-	(134,233)	9,522	167,821
Others	1,843	-	(1)	-	(1,286)	-	556
Total	**2,241,533**	**419,918**	**(20,881)**	**(164,414)**	**-**	**127,376**	**2,603,532**

(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:

		Consolidated			
	Annual amortization rate	Cost	Accumulated amortization	Net 09/30/2021	Net 12/31/2020
Customer portfolio (ii)	17.70%	3,037,693	(998,902)	2,038,791	2,238,047
Software	19.49%	185,475	(70,664)	114,811	96,395
Patents and trademarks (iii)	20.00%	440,567	(104,782)	335,785	372,771
Non-compete	20.00%	38,586	(18,371)	20,215	24,871
Goodwill (iv)	-	4,807,734	-	4,807,734	2,713,749
Other	21.52%	105,123	(7,532)	97,591	76,470
Total		**8,615,178**	**(1,200,251)**	**7,414,927**	**5,522,303**

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

	Consolidated						
	12/31/2020	Addition	Amortization	Net write-offs	Transfer	Acquisition of companies (i)	09/30/2021
Customer portfolio (ii)	2,238,047	41,691	(405,892)	(538)	-	165,483	2,038,791
Software	96,395	3,459	(20,325)	(368)	35,170	480	114,811
Patents and trademarks (iii)	372,771	-	(63,556)	-	-	26,570	335,785
Non-compete	24,871	-	(5,722)	-	-	1,066	20,215
Goodwill (iv)	2,713,749	-	-	-	-	2,093,985	4,807,734
Others	76,470	58,487	(2,196)	-	(35,170)	-	97,591
Total	**5,522,303**	**103,637**	**(497,691)**	**(906)**	**-**	**2,287,584**	**7,414,927**

	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 São Francisco Group, América Group, RN Saúde, Medical Medicina Assistencial and São José Group 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 Multi Saúde Assistência Médica Hospitalar Ltda. – SAMEDH e Plano de Assistência Médica e Hospitalar do Estado de Goiás S.A . - PLAMHEG. In the 2nd quarter, the portfolios arising from the acquisition of the Promed Group were added: Promed Assistência Medica, Promed Brasil Assistência Médica e Saúde Sistema Assist, Unificado de Empresas, In the 3rd quarter, the portfolio arising from the acquisition of Premium Saúde was added,

(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.

Below, we show the goodwill of the business combinations carried out by the Company:

	São Francisco Group	Promed Group	America Group	Medical	São José	Premium	Others (i)	Total
Book value of goodwill	1,826,499	1,814,650	303,223	194,406	236,655	265,598	166,703	4,807,734

(i) Goodwill on other business combinations.

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 September 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**	**09/30/2021**	**12/31/2020**	**09/30/2021**	**12/31/2020**
Working capital	December 2022	0,99% a 4,64 p,y,	-	-	29,710	56,793
Finame	December 2021	3,5% a 24,99% p,y	-	-	-	1,491
FIDIC	November 2021	1,80% p ,m			11,227	
Debentures	July 2026	109% a 110,55% Taxa DI	2,020,872	2,016,335	2,020,872	2,016,335
Others	November 2021	100% da Taxa DI	-	-	274	2,608
Total			**2,020,872**	**2,016,335**	**2,062,083**	**2,077,227**
Current			610,641	19,081	649,852	42,915
Non-current			1,410,231	1,997,254	1,412,231	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)	-	131,699	-	131,699
Recognition of issuance costs	747	-	747	747
Interest accrual	54,443	1,457	54,443	55,900
Payment of principal	-	(144,231)	-	(144,231)
Payment of interest and Exchange rate change	(50,653)	(13,622)	(50,653)	(64,275)
Exchange rate change (b)	-	5,016	-	5,016
Balances at September 30, 2021	**2,020,872**	**41,211**	**2,020,872**	**2,062,083**

(a) Amount referring to loans from companies acquired by the Company.

(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 September 30, 2021 and December 31, 2020, Loans, financing and debentures have the following maturity schedule:

	Parent Company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
2021	22,869	19,081	35,257	42,915
2022	587,771	587,537	615,451	623,161
2023	587,771	587,547	588,914	588,981
2024	587,771	587,544	587,771	587,544
2025	117,345	117,313	117,345	117,313
2026	117,345	117,313	117,345	117,313
	2,020,872	**2,016,335**	**2,062,083**	**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 September 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	
	09/30/2021	**12/31/2020**
Balance at the beginning of the period	**1,008,243**	**958,811**
Leases acquired in business combinations	14,877	13,821
New contracts	114,578	52,661
Remeasurements / write-off	(18,552)	38,752
Interest accrual	69,871	85,258
Payments	(111,312)	(141,060)
Balance at the end of the period	**1,077,705**	**1,008,243**
Current	53,912	42,950
Non-current	1,023,793	965,293

Below, we detail future payments of leasing agreement considerations:

	Consolidated	
	09/30/2021	**12/31/2020**
2021	14,107	53,173
2022	52,043	47,867
2023	46,715	42,915
2024	43,216	38,584
>2025	921,624	825,704
Present value of minimum payments of leasing	**1,077,705**	**1,008,243**

The weighted average rate used to calculate the discount to present value of leasing minimum payments is 9,01% p,y, as of September 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	
	09/30/2021	**12/31/2020**
Unearned premium reserve - UPR (a)	217,761	169,610
Outstanding SUS claims reserve (b)	831,258	629,299
Outstanding claims reserve (c)	237,719	130,826
Incurred but Not Reported claims - IBNR (d)	320,300	199,677
Other provisions	2,606	1,485
Total	**1,609,644**	**1,130,897**
Current	1,600,836	1,129,109
Non-current	8,808	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 September 30, 2021, the liability adequacy tests do not show insufficiency.
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 met this requirement in all the years presented, as shown below :

	09/30/2021	12/31/2020
Adjusted Minimum Equity	3,094,365	2,648,086
Required Solvency Margin	1,708,339	1,296,236
Calculated sufficiency	**1,386,026**	**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:

	09/30/2021	12/31/2020
Required linked guarantee assets (i)	1,366,220	802,193
Effective linked guaranteeing assets (see Note 12- b)	1,528,622	1,003,827
Other linked assets	2,889	1,975
	1,531,511	**1,005,802**
Sufficiency calculation	**165,291**	**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	7,450,510	192,772	4,727,667	47,626	1,372	12,419,947
Acquisition of companies	26,697	52,237	229,556	104,056	-	412,546
Appropriations/Reversals	(7,429,056)	(18,752)	(772,889)	(31,059)	(251)	(8,252,007)
Actualizations	-	48,002	-	-	-	48,002
Settlements	-	(72,300)	(4,077,441)	-	-	(4,149,741)
Balance at 09/30/2021	**217,761**	**831,258**	**237,719**	**320,300**	**2,606**	**1,609,644**

22 Payroll obligation

	Parent Company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Provision for vacation and 13th salary	2,261	-	235,315	125,900
Salaries payable	85	991	75,051	66,890
Other social security obligations	1,326	-	12,903	2,651
Total	**3,672**	**991**	**323,269**	**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	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Provisions for tax lawsuits (i) (contain ANS)	29,637	36,106	188,937	228,240
Provision for civil risk (ii)	22	29	151,496	118,540
Provisions for labor risk (iii)	20	-	67,312	55,169
Total	**29,679**	**36,135**	**407,745**	**401,949**

We detail below the changes in the provision for risks in the period ended September 30, 2021 and year ended December 31, 2020:

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	(5,369)
Settlements	(1.087)
Balance at September 30, 2021	**29,679**

	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	31,871	(10,779)	(34,049)	**(12,957)**
Acquisitions and reversal, net	25,695	22,966	4,396	**53,057**
Settlements	(24,313)	(2,422)	(7,569)	**(34,304)**
Balance at September 30, 2021	**151,793**	**64,934**	**191,018**	**407,745**

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$ 121,273 (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$ 17,148 (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$ 29,967 (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$ 27,489 (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$ 29,494 (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$ 21,226 (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. In relation to the subject presented herein, the Company and its subsidiaries have provisioned the amount of R$ 32,413 (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 September 30, 2021 and December 31, 2020:

	Parent Company		Consolidated	
	09/30/2021	**12/31/2020**	**09/30/2021**	**12/31/2020**
Tax (i)	14,534	7,447	981,541	896,802
Civil (ii)	1,804	200	682,733	401,081
Labor (iii)	408	236	305,476	290,509
Total	**16,746**	**7,883**	**1,969,750**	**1,588,392**

(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$ 397,429 (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$ 164,358 (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$ 150,788 (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$ 28,038 (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$ 40,018 (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$ 280,120 (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$ 88,436 (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$ 59,321 (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$ 77,524 (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	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Tax and regulatory judicial deposits (a)	1	1	301,812	166,872
Civil judicial deposits	2,458	2,022	78,716	64,202
Labor judicial deposits	89	110	16,174	15,454
Total	**2,548**	**2,133**	**396,702**	**246,528**

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

24 Shareholders' equity

a) Share capital

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

	09/30/2021	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	(228,150)	(174,996)
	8,124,185	**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)	35,533
Interest on own capital proposed to the Owners of the Company, net of corporate income tax (iii)	63,965
Dividends and interest on own capital effectively paid in the year (iv)	(245,670)
Other	(2,043)
Balance of dividends and shareholders' equity as of September 30, 2021	**53,226**

(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. On July 29, 2021, the payment of interest on equity for the year ended June 30, 2021, in the net amount of R$59,597, was approved.

d) Share repurchase

During 2021, the Company repurchased shares, the total amount of which is R$73,996, referring to 5,118,500 (five million, one hundred and eighteen thousand, five hundred) common shares issued by the Company.

e) 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.

f) 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,

	09/30/2021	09/30/2020
Net income attributable to the Company (R$ thousand)	300,111	691,049
Net income attributable to controlling shareholders (In thousands of Reais)	297,777	691,856
Weighted average number of shares (thousands of shares)	3,828,063	3,714,930
Basic and diluted earnings per share (R$ thousand)	0.08	0.19

25 Net revenue from services provided

	Consolidated			
	09/30/2021		09/30/2020	
	Accumulated	Quarter	Accumulated	Quarter
Insurance revenue	7,429,056	2,614,973	6,378,597	2,160,675
Revenue from other activities	276,451	100,651	227,597	80,289
Deductions (a)	(421,029)	(156,742)	(324,728)	(114,584)
Total	**7,284,478**	**2,558,882**	**6,281,466**	**2,126,380**

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

26 Cost of services rendered

	Consolidated			
	09/30/2021		09/30/2020	
	Accumulated	Quarter	Accumulated	Quarter
Medical, hospital and other costs	(5,055,495)	(1,837,036)	(3,697,608)	(1,278,401)
Change in IBNR	(16,567)	(14,135)	1,005	(6,045)
Total	**(5,072,062)**	**(1,851,171)**	**(3,696,603)**	**(1,284,446)**

27 Sales expenses

	Consolidated			
	09/30/2021		09/30/2020	
	Accumulated	Quarter	Accumulated	Quarter
Expenses on advertising and marketing	(45,226)	(16,162)	(35,076)	(13,841)
Commission expenses	(295,986)	(114,733)	(276,832)	(98,206)
Provision for credit losses	(144,799)	(31.220)	(170,550)	(47,915)
Other sales expenses	(20,398)	(6,460)	(18,957)	(7,089)
Total	**(506,409)**	**(168,575)**	**(501,415)**	**(167,051)**

28 Administrative expenses

	Parent Company			
	09/30/2021		09/30/2020	
	Accumulated	Quarter	Accumulated	Quarter
Own personnel expenses	(89,183)	(39,189)	(17,841)	(7,836)
Outsourced service expenses	(12,409)	(1,614)	(4,760)	(1,249)
Rentals and utilities	(3,232)	(1,080)	(2,868)	(860)
Tax expenses	(705)	(303)	(121)	66
Indemnity, court cost e provisions for contingencies	5,443	(1,942)	(865)	828
Other expense, net	715	745	(363)	(338)
Total	**(99,371)**	**(43,383)**	**(26,818)**	**(9,389)**

	Consolidated			
	09/30/2021		09/30/2020	
	Accumulated	Quarter	Accumulated	Quarter
Own personnel expenses	(396,343)	(155,914)	(273,112)	(94,291)
Outsourced service expenses	(219,533)	(76,098)	(155,403)	(46,525)
Rentals and utilities (i)	(661,073)	(226,936)	(466,084)	(174,233)
Tax expenses	(15,169)	(5,135)	(9,899)	(3,143)
Indemnity, court cost e provisions for contingencies	(44,967)	(37,823)	(62,726)	(21,123)
Other expense, net	(15,303)	(2,860)	(23,380)	(7,582)
Total	**(1,352,388)**	**(504,766)**	**(990,604)**	**(346,897)**

(i) The main nature of this group refers to depreciation and amortization expenses, which total R$ 526,660 (R$ 378,597 as of September 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

	Parent Company				Consolidated			
	09/30/2021		09/30/2020		09/30/2021		09/30/2020	
	Accumulated	Quarter	Accumulated	Quarter	Accumulated	Quarter	Accumulated	Quarter
Finance income								
Revenue from investments, except for guarantee assets	13,111	5,957	24,465	6.992	102,602	53,029	58,011	19,841
Revenue from investments - collateral assets	-	-	-	-	38,931	19,188	15,833	6,349
Revenue from late receipt	-	-	-	-	28,562	9,945	23,314	6,158
Financial revenues from derivative instruments	-	-	-	-	-	-	20,208	1,563
Exchange variation	54	10			-	-	-	-
Others	1	-	3	-	6,310	3,087	9,098	4,196
Subtotal	**13,166**	**5,967**	**24,468**	**6,992**	**176,405**	**85,249**	**126,464**	**38,107**
Finance expenses								
Interest in debentures	(55,190)	(26,971)	(50,520)	(11,474)	(55,190)	(26,971)	(50,521)	(11,474)
Interest on leases	(265)	(85)	(312)	(106)	(69,871)	(26,623)	(61,560)	(20,222)
Discounts granted	-	-	-	-	(7,418)	(3,270)	(17,350)	(5,735)
Bank expenses	(37)	(11)	(36)	(12)	(13,784)	(4,819)	(11,760)	(4,043)
Tax charges	-	-	-	-	(288)	629	(240)	41
Financial expense with derivative instruments	-	-	-	-	-	1,114	-	-
Exchange variation expense	-	-	-	-	(3,211)	(1,996)	(19,534)	(2,640)
Interest on loans and borrowings	-	-	-	-	(1,457)	(291)	(1,860)	(65)
Monetary variance	(147)	(4)	(87)	-	(54,158)	(17,606)	(56,567)	(14,726)
Others	-	-	(4,267)	-	284	286	(11,594)	212
Subtotal	**(55,639)**	**(27,071)**	**(55,222)**	**(11,592)**	**(205,093)**	**(79,547)**	**(230,986)**	**(58,652)**
Total	**(42,473)**	**(21,104)**	**(30,754)**	**(4,600)**	**(28,688)**	**5.702**	**(104,522)**	**(20,545)**

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:

		09/30/2021				09/30/2020		
		Accumulated		Quarter		Accumulated		Quarter
Income before income tax and social contribution		**359,159**		**58,871**		**989,379**		**310,410**
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%**	**122,114**	**34%**	**20,016**	**34%**	**336,389**	**34%**	**105,540**
Permanent differences								
Tax loss for which a deferred tax asset was not recognized	0.63%	2,252	8.23%	4,844	0.37%	3,707	0.84%	2,618
Non-deductible provisions	1.10%	3,938	0.44%	260	0.46%	4,552	0.75%	2,315
Tax credit on goodwill amortization	-	-	-	-	-1.81%	(17,893)	-5.40%	(16,777)
Other additions and exclusions	-3.24%	(11,651)	6.63%	3,902	-0.18%	(1,754)	-1.21%	(3,745)
Share issue expenses	-5.03%	(18,072)	-0.04%	(25)	0.00%	-	-	-
Interest on equity	-10.84%	(38,945)	-26.41%	(15,546)	-3.81%	(37,661)	-12.13%	(37,661)
Subtotal	**-17.40%**	(62,478)	-11,15%	(6,565)	**-4.96%**	**(49,049)**	-17.15%	**(53,250)**
Impacts of the tax on entities taxed by deemed profit (i)								
Reversal of the tax effect by the actual income tax regime rate	-0.58%	(2,068)	2.37%	1,398	0.56%	5,512	2.35%	7,304
Income and social contribution taxes calculated by presumed profit	0.41%	1,480	0.59%	350	0.55%	5,478	0.96%	2,971
Subtotal	**-0.16%**	**(588)**	**2.97%**	**1,748**	**1.11%**	**10,990**	3.31%	**10,275**
Expense with income tax and social contribution (rate %)	**16.44%**	**59,048**	**25.82%**	**15,199**	**30.15%**	**298,330**	**20.16%**	**62,565**
Current income and social contribution taxes	84.58%	303,761	147.17%	86,640	49.56%	490,296	47.06%	146,093
Deferred income and social contribution taxes	-68.14%	(244,713)	-121.35%	(71,441)	-19.40%	(191,966)	-26.91%	(83,528)
Expense with income tax and social contribution	**16.44%**	**59,048**	**25.82%**	**15,199**	**30.15%**	**298,330**	20.16%	**62,565**

(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 September 30, 2021 and fiscal year ended December 31, 2020 are as follows:

	Consolidated	
	09/30/2021	**31/12/2020**
Balance at the beginning of the period/year	85,141	61,982
Income tax and social contribution	303,761	597,283
Income tax and social contribution balance of acquired company	32,192	-
(-) Payments made	(327,486)	(574,124)
Balance at end of the period/year	**93,608**	**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 09/30/2021**
Provision for tax, civil and labor risks	12,235	51	12,286	(2,195)	10,091
Credit on tax loss and negative basis	136,648	91,630	228,278	87,265	315,543
Issuance cost of debentures	1,609	(338)	1,271	(254)	1,017
Deferred tax on right-of-use assets	24	55	79	21	100
Stock Grant	-	-	-	17,258	17,258
Other tax credits/debits	28	190	218	220	438
Total	**150,544**	**91,588**	**242,132**	**102,315**	**344,447**

	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 09/30/2021**
Provision for tax, civil and labor risks	121,030	2,083	-	123,113	1,759	-	124,872
Provision for credit losses	25,625	12,395	-	38,020	4,534	-	42,554
Deferred commissions expenses	(59,437)	(5,951)	-	(65,388)	(13,067)	(5,954)	(84,409)
Credit on tax loss and negative basis (i)	157,470	100,500	-	257,970	159,012	-	416,982
Amortization of the fair value of assets acquired in a business combination	22,218	162,376	-	184,594	151,328	-	335,922
Deferred tax on goodwill (ii)	-	(39,538)	-	(39,538)	(81,337)	-	(120,875)
Deferred tax on right-of-use assets	7,591	9,347	236	17,174	6,401	410	23,985
Insurance cost of debentures	1,661	(338)	-	1,323	(254)	-	1,069
Share-based payment plan expenses	-	-	-	-	17,258	-	17,258
Other tax credits	13,331	9,050	322	22,703	(921)	463	22,245
Total	**289,489**	**249,924**	**558**	**539,971**	**244,713**	**(5,081)**	**779,603**
Deferred tax (asset)	**289,489**			**579,509**			**900,478**
Deferred tax (liability)	**-**			**(39,538)**			**(120,875)**

(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 September 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						
September 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	-	3,594,201	3,594,201	-	3,594,201	-	3,594,201
Derivative financial instrument	-	7,650	7,650	-	7,650	-	7,650
Total	**-**	**3,601,851**	**3,601,851**	**-**	**3,601,851**	**-**	**3,601,851**
Financial assets not measured at fair value							
Short- and long-term investments							
Brazilian Treasury Bill - NTN-B	38,166	-	38,166	-	-	-	-
Total	**38,166**	**-**	**38,166**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value							
Borrowings and financing	(41,211)	-	(41,211)		-	-	-
Debentures	(2,020,872)	-	(2,020,872)	-	-	-	-
Dividends and interest on own capital	(53,226)	-	(53,226)	-	-	-	-
Leases	(1,077,705)	-	(1,077,705)	-	-	-	-
Total	**(3,193,014)**	**-**	**(3,193,014)**	**-**	**-**	**-**	**-**
Financial liabilities measured at fair value							
Contingent consideration (i)	-	(467,130)	(467,130)			(467,130)	(467,130)
Total	**-**	**(467,130)**	**(467,130)**			**(467,130)**	**(467,130)**

	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 (i)	-	(178,169)	(178,169)	-	-	(178,169)	(178,169)
Total	**-**	**(178,169)**	**(178,169)**	**-**	**-**	**(178,169)**	**(178,169)**

(i) Contingent consideration presented under Other accounts payable in the balance sheet

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 São José Group, Medical, Promed Group and Premium Saúde.

Derivative financial instrument

As of September 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 09/30/2021	Amounts receivable on 12/31/2020
Swap cambial	March 2022	€ + 1,8089% p.y.	100% CDI +1.4%	3,718	R$ 25,000	3,718	7,517
Swap cambial	March 2022	U$ + 4,64% p.y.	100% CDI+ 1,4% p.y.	3,932	R$ 25,000	3,932	7,029
				7,650		**7,650**	**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 September 30, 2021, 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 September 30, 2021 as a probable scenario.

	Balance at 09/30/2021	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	1.528.623	100% CDI	47,005	70,508	94,010	117,513	141,015
Balance of investments (free)	2.616.952	100% CDI	80,474	120,710	160,947	201,184	241,421
Balance of investments (NTN-B)	38.166	0,93% IPCA	221	332	443	553	664
	4.183.741						
Debentures							
Debentures - 1st serie	1.783.342	109% CDI	54,838	82,257	109,676	137,094	164,513
Debentures - 2nd series	237.530	110,55% CDI	7,304	10,956	14,608	18,260	21,912
	2,020,872						

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:

	September 30, 2021 - Consolidated	
	Income before taxes	**Income after taxes and impact on shareholders' equity**
5% increase in sinister	(253,603)	(167,378)
5% increase in administrative and sales expenses	(92,940)	(61,340)
5% reduction in sinister	253,603	167,378
5% reduction in administrative and sales expenses	92,940	61,340

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 (i)**					
			Fitch (i)		**Moody´s (i)**		**S&P (i)**	
	09/30/2021	**12/31/2020**	**CP**	**LP**	**CP**	**LP**	**CP**	**LP**
Banco Itaú Unibanco S.A.	1,266,905	782,939	F1+	AAA	BR-1	Aaa,br	brA-1+	brAAA
Banco Santander S.A.	1,468,045	1,091,807	-	-	BR-1	Aaa,br	brA-1+	brAAA
Banco Bradesco S.A.	735,831	1,033,929	F1+	AAA	BR-1	Aaa,br	brA-1+	brAAA
Caixa Econômica Federal	100,568	136,343	F1+	AA	BR-1	Aaa,br	brA-1+	brAAA
Banco do Brasil S.A.	270,305	248,725	F1+	AA	BR-1	Aaa,br	brB	brB
Banco Safra S.A.	86,211	217,315	-	-	BR-1	Aaa,br	brA-1+	brAAA
Other	255,876	48,344	-	-	-	-	-	-
	4,183,741	**3,559,402**						

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

Cash and cash equivalents

The Group held cash and cash equivalents of R$ 506,142 as of September 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		177,615	177,615	-	-	-	-	-	**177,615**
Technical provision (i)	21	283,107	283,107	-	-	-	-	-	**283,107**
Loans, financing and debentures	19	2,062,083	12,722	742.234	682,276	684,570	117,572	109,718	**2,349,092**
Leases	20	1,077,705	37,529	142,717	132,942	125,423	120,794	2,323,192	**2,882,597**
Other accounts payable		545,570	90,647	454,923	-	-	-	-	**545,570**
Dividends and interest on own capital payable	24,c	53,226	53,226	-	-	-	-	-	**53,226**
		4,199,306	**654,846**	**1,339,874**	**815,218**	**809,993**	**238,366**	**2,432,910**	**6,291,207**

(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$ 4,738 with insured amount in the amount of R$ 997,366 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 2021 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

Fundraising

Issue of debentures
On October 7, 2021, the Company's Board of Directors approved the 2nd issue of simple, non-convertible, unsecured debentures of the Company, in the total amount of R$ 2,000,000. (Debentures and Issue of Debentures, respectively). On November 2, 2021, the increase in the total volume of simple, non-convertible, unsecured debentures of the 2nd issue of the Company was approved, by R$ 500,000, which becomes, therefore, R$ 2,500,000.

The Debentures will have a personal guarantee, in the form of a surety, granted by its subsidiary Ultra Som Serviços Médicos S.A. (Ultra Som) and will be publicly distributed with restricted placement efforts, pursuant to Instruction of the Brazilian Securities Commission (CVM) No.

476, of January 16, 2009, under a firm placement guarantee regime for all Debentures (Restricted Offer).

The Issuance of Debentures will be carried out in up to 2 series, in the system of communicating vessels, with the number of series, the number of Debentures to be issued in each series and the final remuneration rate of each series will be defined according to the *bookbuilding* procedure .

Real estate receivables certificate
On November 2, 2021, the granting of a personal guarantee by the Company was approved, in the form of surety, in guarantee of the obligations assumed by its wholly-owned subsidiary, Ultra Som Serviços Médicos SA (Ultra Som) within the scope of its 1st (first) issue of simple debentures, not convertible into shares, unsecured, in a single series (Ultra Som Debentures). The Ultra Som Debentures will be linked to the 378th series of the 4th issue of real estate receivables certificates by Virgo Companhia de Securitização, in the amount of up to R$1,200,000, (CRI Lastro Hapvida), in the context of a transaction of securitization. The Lastro Hapvida CRIs will be subject to public distribution, which will be carried out pursuant to CVM Instruction No. 400, of December 29, 2003. The public offering of the CRI Lastro Hapvida is subject to evaluation and registration by the CVM, among others conditions precedent.

The purpose of the Issues is to meet the financial commitments arising from acquisitions and investments (including real estate) already disclosed and to be disclosed, according to the the Company's organic and inorganic expansion strategy. Any remaining net resources will be used to strengthen the cash position for the ordinary management of its businesses.

Business combination

Acquisition of Viventi Hospital

On October 13, 2021, the Company, through its wholly owned subsidiary Ultra Som Serviços Médicos S.A., entered into an agreement for the purchase and sale of quotas and other covenants for the acquisition of 100% of the voting capital of Viventi Hospital Asa Sul Ltda. (Viventi).

Viventi has a 30-year lease agreement for a hospital located in a prime area of Asa Sul de Brasília (DF), in the Midwest region of the country, and holds the operating licenses for that hospital. The hospital will have a surgical center, chemotherapy and hemodynamic services, and a diagnostic unit. The purchase price is R$22 million.

The healthcare region of Brasília has 3 million inhabitants and about 930 thousand beneficiaries of private health plans. The Company currently has a portfolio of approximately 21 thousand beneficiaries in health plans in the region, operating through a network accredited. The potential Transaction, therefore, will not only allow for hospital care from the existing portfolio, but will also support Hapvida's organic growth plan, in addition to providing additional capacity to support eventual growth through acquisitions in the Midwest region of the country.

At the same time, a promise to buy and sell the aforementioned property was signed with the owner of the property where Viventi Hospital is located. Which will be acquired for R$ 200 million.

Both the conclusion of the Transaction and the acquisition of the property, as usual, are subject to certain precedent conditions.

Share repurchase
On October 15, 2021, the Company approved a share buyback plan issued by the Company, which aims to apply the Company's available resources from in order to maximize the generation of value for shareholders, through an efficient management of its capital structure.

The program provides for an acquisition limit of up to 100,000 (one hundred million) common shares issued by the Company, in up to 18 months, starting on October 15, 2021 and ending on April 15, 2023.

*   *   *

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

Tiago Garcia Moraes
Controllership Director

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