(A free translation of the original in Portuguese)

Fleury S.A.

Quarterly Information (ITR) at March 31, 2021 and report on review of quarterly information

(A free translation of the original in Portuguese)

Report on review of quarterly information

To the Board of Directors and Shareholders
Fleury S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Fleury S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2021, comprising the balance sheet at that date and the statements of income, comprehensive income, changes in equity and cash flows for the quarter then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and of the consolidated interim accounting information in accordance with CPC 21 and International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of 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 information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently did 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 parent company interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Fleury S.A.

Conclusion on the consolidated interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Other matters

Statements of value added

The quarterly information referred to above includes the parent company and consolidated statements of value added for the quarter ended March 31, 2021. These statements are the responsibility of the Company's management and are presented as supplementary information under IAS 34. These statements have been subjected to review procedures performed together with the review of the quarterly information for the purpose of concluding whether they are reconciled with the interim accounting information and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and consistent with the parent company and consolidated interim accounting information taken as a whole.

Audit and review of prior year information

The Quarterly Information – ITR mentioned in paragraph “Introduction” also includes financial information for comparison regarding the results, to changes in equity, cash flows and value added in the quarter ended March 31, 2020, obtained the corresponding Quartely Information – ITR from those period, and the balance sheet at 31 December 2020, obtained from the financial statements on December 31, 2020. The review of the Quartely Information – ITR for the quarter ended March 31, 2020 and examination of financial statements for the year ended December 31, 2020 were conducted under responsibility of other independent auditors, who issued review and audit reports with dates of May 13, 2020 and February 24, 2021, respectively, without reservations. Our conclusion is not due except for this matter.

São Paulo April 28, 2021

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Marcelo Orlando
Contador CRC 1SP217518/O-7

FLEURY S.A. AND SUBSIDIARIES

BALANCE SHEET AS OF
(In thousands of reais – R$)

Assets	Note	Parent company 03/31/2021	Parent company 12/31/2020	Consolidated 03/31/2021	Consolidated 12/31/2020
Current assets					
Cash and cash equivalents	4	7.225	18.368	13.585	28.184
Securities	5	1.002.089	1.000.593	1.021.468	1.013.621
Accounts receivable	6	672.670	658.128	722.333	704.468
Inventories	7	59.996	59.838	63.835	63.093
Recoverable taxes	8	23.863	20.928	25.305	22.325
IRPJ and CSLL recoverable		28.709	27.214	34.835	33.245
Other assets		23.444	14.323	24.809	15.263
Total current		**1.817.996**	**1.799.392**	**1.906.170**	**1.880.199**
Long-term assets					
Securities	5	15.434	15.396	62.321	69.615
Other assets		33.408	32.368	34.155	33.086
Income tax and social contribution - deferred	20	-	-	15.036	12.232
Judicial deposits		23.385	24.269	23.551	24.988
		72.227	**72.033**	**135.063**	**139.921**
Investments	9	644.652	633.955	33.931	34.372
Property, plant and equipment	10	625.958	643.685	690.648	708.769
Intangible assets	10	1.543.963	1.536.286	2.031.482	2.030.608
Right-of-use	11	661.444	689.193	700.213	729.941
Total non-current		**3.548.244**	**3.575.152**	**3.591.337**	**3.643.611**
Total assets		**5.366.240**	**5.374.544**	**5.497.507**	**5.523.810**

Liabilities and shareholders' equity	Note	Parent company 03/31/2021	Parent company 12/31/2020	Consolidated 03/31/2021	Consolidated 12/31/2020
Current liabilities					
Financing	12	221.950	68.341	222.536	68.928
Debentures	13	411.864	403.322	411.864	403.322
Financial lease	14	98.375	98.099	106.476	105.039
Suppliers	15	198.282	223.093	217.458	250.459
Labor liabilities	16	122.261	131.630	129.771	138.774
Tax liabilities	17	34.772	31.925	39.250	37.417
Income tax and social contribution payable		42.110	-	43.394	212
Accounts payable - Acquisition of companies	18	6.698	17.716	13.973	25.790
Interest on own capital payable and dividends	23	157.046	74.504	157.046	74.504
Other liabilities	19	5.412	4.438	6.308	5.326
Total current		**1.298.770**	**1.053.068**	**1.348.076**	**1.109.771**
Non-current liabilities					
Financing	12	374.853	530.899	375.758	531.949
Debentures	13	899.549	899.522	899.549	899.522
Financial leases	14	619.056	643.559	653.308	680.790
Deferred income tax and social contribution - net	20	391.254	405.216	391.254	405.217
Provision to tax, labor, civil risks	21	41.308	41.640	41.762	42.082
Tax installments	17	13.428	14.001	14.230	14.910
Accounts payable - Acquisition of companies	18	30.230	30.162	75.778	83.092
Other liabilities	19	4.913	5.627	4.913	5.627
Total non-current		**2.374.591**	**2.570.626**	**2.456.552**	**2.663.189**
Shareholders' equity					
Capital	23.a	1.432.202	1.432.202	1.432.202	1.432.202
Capital reserve – stock options granted	24	36.506	35.954	36.506	35.954
Legal reserve		115.725	115.725	115.725	115.725
Income for the period		118.612	169.643	118.612	169.643
Treasury shares	23.c	(20.340)	(2.674)	(20.340)	(2.674)
Investment reserve		10.174	-	10.174	-
Total shareholders' equity		**1.692.879**	**1.750.850**	**1.692.879**	**1.750.850**
Total liabilities and shareholders' equity		**5.366.240**	**5.374.544**	**5.497.507**	**5.523.810**
		-	-	-	-
		-		-	

See the accompanying notes to the interim quarterly information

FLEURY S.A. AND SUBSIDIARIES

STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
THREE-MONTH PERIOD ENDED MARCH 31
(In thousands of reais - R$, except earnings per share)

	Note	Parent company		Consolidated	
		03/31/2021	**03/31/2020**	**03/31/2021**	**03/31/2020**
Revenue from rendering of services	25	**835.131**	**659.518**	**893.808**	**713.934**
Cost of services rendered	26	(554.952)	(485.272)	(606.550)	(526.346)
Gross income		**280.179**	**174.246**	**287.258**	**187.588**
Operating (expenses) revenues					
General and administrative	27	(82.069)	(74.620)	(90.662)	(80.285)
Other operating revenues (expenses), net	28	902	(234)	2.481	721
Reversal (provision) for tax, labor and civil risks	21	(378)	692	(381)	667
Equity in net income of subsidiaries	9	237	6.056	(198)	39
Operating income before financial income (loss)		**198.871**	**106.140**	**198.498**	**108.730**
Financial revenues	29	6.327	8.692	6.699	9.878
Financial expenses	29	(37.014)	(36.356)	(37.429)	(38.718)
Financial income (loss)		**(30.687)**	**(27.664)**	**(30.730)**	**(28.840)**
Income before income tax and social contribution		**168.184**	**78.476**	**167.768**	**79.890**
Income tax and social contribution					
Current	20	(63.534)	(12.701)	(65.922)	(14.244)
Deferred	20	13.962	(7.056)	16.766	(6.927)
Net earnings for the period		**118.612**	**58.719**	**118.612**	**58.719**
Other comprehensive income					
Items that will be reclassified to income (loss) for the year in subsequent periods.		-	-	-	-
Items that will not be reclassified to the result of the financial year in subsequent periods		-	-	-	-
Total comprehensive income (loss) for the period		**118.612**	**58.719**	**118.612**	**58.719**
Earnings per share attributable to Company's shareholders					
Basic earnings per share (weighted average)	30	0,37	0,19	0,37	0,19
Diluted earnings per share (weighted average)	30	0,37	0,18	0,37	0,18

See the accompanying notes to the interim quarterly information

FLEURY S.A. AND SUBSIDIARIES

STATEMENT OF ADDED VALUE
THREE-MONTH PERIOD ENDED MARCH 31
(In thousands of reais – R$)

	Parent company		Consolidated	
	03/31/2021	03/31/2020	03/31/2021	03/31/2020
Revenues	**892.033**	**704.311**	**957.777**	**764.028**
Gross revenue from services rendered	899.622	711.279	963.774	770.349
Estimated losses from disallowances	(9.839)	(8.977)	(10.036)	(9.289)
Other revenues	2.250	2.009	4.039	2.968
Inputs acquired from third parties	**(324.273)**	**(273.129)**	**(361.735)**	**(297.462)**
Cost of services rendered	(308.132)	(251.586)	(341.952)	(274.104)
Materials, energy, outsourced services and other	(16.141)	(21.202)	(19.694)	(23.006)
Loss/recovery of asset values	-	(341)	(89)	(352)
Gross added value	**567.760**	**431.182**	**596.042**	**466.566**
Depreciation and amortization	(81.343)	(81.769)	(86.836)	(87.254)
Net added value	**486.417**	**349.413**	**509.206**	**379.312**
Added value received as transfer	**6.849**	**15.047**	**6.803**	**10.245**
Equity in net income of subsidiaries	237	6.055	(198)	38
Financial revenues	6.612	8.992	7.001	10.207
Total added value payable	**493.266**	**364.460**	**516.009**	**389.557**
Distribution of added value	**(493.266)**	**(364.460)**	**(516.009)**	**(389.557)**
Personnel and charges	**(189.194)**	**(163.582)**	**(202.100)**	**(176.535)**
Direct remuneration	(129.168)	(106.914)	(139.532)	(116.244)
Benefits	(49.682)	(46.426)	(51.214)	(49.024)
Charges	(10.344)	(10.242)	(11.354)	(11.267)
Taxes, duties and contributions	**(138.842)**	**(96.982)**	**(146.377)**	**(105.556)**
Federal	(111.582)	(75.411)	(116.211)	(81.616)
Municipal	(27.260)	(21.571)	(30.166)	(23.940)
State	-	-	-	-
Interest, rental and other operating expenses	**(46.618)**	**(45.177)**	**(48.920)**	**(48.747)**
Rentals	(5.079)	(4.753)	(6.307)	(5.387)
Interest	(37.014)	(36.356)	(37.429)	(38.719)
Other operating expenses	(4.525)	(4.068)	(5.184)	(4.641)
Retained earnings	**(118.612)**	**(58.719)**	**(118.612)**	**(58.719)**

See the accompanying notes to the interim quarterly information

FLEURY S.A. AND SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
THREE-MONTH PERIOD ENDED MARCH 31
(In thousands of reais – R$)

	Capital			Capital reserve		Profit reserve				
	Capital	**Expenses with issue of shares**	**Net Capital**	**Recognized options granted**	**Legal reserve**	**Reserve for investment**	**Retained earnings**	**Income for the period**	**Treasury shares**	**Shareholders' equity**
Balances at December 31, 2019	**1.449.051**	**(22.784)**	**1.426.267**	**32.066**	**102.877**	**-**	**-**	**-**	**-**	**1.758.976**
Capital increase	885	-	885	-	-	-	-	-	-	885
Share purchase option plan	-	-	-	1.889	-	-	-	-	-	1.889
Net income for the period	-	-	-	-	-	-	118.612	-	-	118.612
Balances at March 31, 2020	**1.449.936**	**(22.784)**	**1.427.152**	**33.955**	**102.877**	**-**	**118.612**	**-**	**-**	**1.880.362**
Balances at December 31, 2020	**1.454.986**	**(22.784)**	**1.432.202**	**35.954**	**115.725**	**-**	**166.969**	**-**	**-**	**1.750.850**
Share purchase option plan	-	-	**-**	552	-	-	-	-	-	552
Net income for the period	-	-	**-**	-	-	-	-	118.612	-	118.612
Proposed additional dividend	-	-	**-**	-	-	-	(156.795)	-	-	(156.795)
Purchase of treasury shares	-	-	**-**	-	-	-	-	-	(20.340)	(20.340)
Investment retention	-	-	**-**	-	-	10.174	(10.174)	-	-	-
Balances at March 31, 2021	**1.454.986**	**(22.784)**	**1.432.202**	**36.506**	**115.725**	**10.174**	**-**	**118.612**	**(20.340)**	**1.692.879**

See the accompanying notes to the interim quarterly information

FLEURY S.A. AND SUBSIDIARIES

STATEMENT OF CASH FLOWS

THREE-MONTH PERIOD ENDED MARCH 31

(In thousands of reais – R$)

	Note	Parent company		Consolidated	
		03/31/2021	03/31/2020	03/31/2021	03/31/2020
Net profit		118.612	58.719	118.612	58.719
Items not affecting cash:					
Income tax and social contribution	20	49.572	19.757	49.156	21.171
Financial revenues and expenses	29	34.760	32.075	35.096	34.257
Depreciation and amortization	27 | 26	81.343	81.766	86.836	87.255
Equity in net income of subsidiaries	9	(237)	(6.056)	198	(39)
Share purchase option plan	24	3.811	1.889	3.811	1.889
Formation of provision for tax, labor and civil risks	21	378	(692)	381	(668)
Estimated losses from disallowances and default	28 | 25	9.839	8.978	10.036	9.289
Profit sharing		10.048	-	10.211	176
Other		(2.849)	1.324	2.580	2.479
Cash flow from operating activities before changes in assets and liabilities		**305.277**	**197.760**	**316.917**	**214.528**
(Increase) decrease in accounts receivable	6	(24.381)	22.586	(27.900)	23.264
(Increase) decrease in inventories	7	2.375	(5.177)	1.790	(5.002)
(Increase) decrease in recoverable taxes	8	(4.429)	(3.876)	(4.570)	(4.520)
(Increase) decrease in judicial deposits	21	885	(4.263)	1.437	(4.277)
(Increase) decrease in prepaid expenses		(13.195)	(11.864)	(13.669)	(12.201)
(Increase) decrease in advances to suppliers		2.120	(815)	2.274	(648)
(Increase) decrease in other receivables		1.008	2.178	873	2.852
(Increase) decrease in other assets		(10.067)	(10.501)	(10.521)	(9.997)
Increase (decrease) in suppliers	15	(29.311)	(16.389)	(37.501)	(17.030)
Increase (decrease) in salaries and charges payable	16	(19.417)	(31.418)	(19.214)	(31.728)
Increase (Decrease) in tax obligations	17	2.668	(4.461)	1.682	(4.679)
Increase (decrease) in scheduling of tax payments	17	(398)	(1.324)	(530)	(1.442)
Increase (decrease) in other accounts payable		629	(595)	636	(986)
Increase (decrease) in provision for legal risks		(709)	1.048	(702)	1.054
Increase (decrease) in other liabilities		(81)	453	(65)	68
Total change in assets and liabilities		**(82.156)**	**(54.370)**	**(95.392)**	**(55.343)**
Income tax and social contribution paid		(21.425)	(26.528)	(22.293)	(27.790)
Net cash from operating activities		**201.696**	**116.862**	**199.232**	**131.395**
Acquisition of property, plant and equipment and intangible assets	10	(43.729)	(34.578)	(51.289)	(40.699)
Securities - funding and income	5	(1.535)	69.453	(553)	64.671
Payments for acquired companies less cash and cash equivalents		-	(48.518)	-	(48.499)
Payments for acquired companies		-	-	(7.560)	-
Transaction with related parties (FACA)		-	(5.216)	-	-
Purchase of treasury shares		(23.008)	-	(23.008)	-
Paid-up capital in subsidiary		(15.470)	-	-	-
Acquisition of equity interest		-	-	283	-
Net cash from (invested in) investment activities		**(83.742)**	**(18.859)**	**(82.127)**	**(24.527)**
Funding through financing/debentures	14 | 12	-	150.000	-	150.000
(Principal) repayment of financing and debentures	14 | 12	(6.756)	(173.774)	(6.756)	(173.933)
Interest paid on financing and debentures	14 | 12	(2.672)	(5.693)	(2.672)	(5.712)
Financial commissions and other		(1.790)	(837)	(1.791)	(837)
Derivative financial instruments		(206)	986	(122)	985
Lease payment	14	(41.273)	(39.109)	(43.963)	(42.513)
Capital increase	23a	-	885	-	885
Dividends and/or interest on own capital paid		(75.102)	(31.177)	(75.102)	(31.177)
Operation - drawee risk		(1.298)	5.879	(1.298)	5.879
Net cash used in investing activities		**(129.097)**	**(92.840)**	**(131.704)**	**(96.423)**
Increase (decrease) in cash and cash equivalents		**(11.143)**	**5.163**	**(14.599)**	**10.445**
Cash and cash equivalents					
At the beginning of the period	4	18.368	5.514	28.184	8.966
At the end of the period	4	7.225	10.677	13.585	19.411
Change in cash and cash equivalents		**(11.143)**	**5.163**	**(14.599)**	**10.445**
		- -	0	-	0

See the accompanying notes to the interim quarterly information

Contents

Individual and consolidated financial statements

Notes to the individual and consolidated financial statements

In thousands of reais (R$), unless otherwise indicated.

1. Operations

1.1 The Company

Fleury S.A. ("Fleury", "Parent Company" or "Company" and, together with its subsidiaries, "Fleury Group" or "Group") is a publicly-held corporation listed in the Novo Mercado segment of B3 S.A. - Brazil, Bolsa e Balcão, under the ticker "FLRY3", headquartered in the city of São Paulo. The Company is engaged in the provision of diagnostic, treatment, clinical analysis, patient care, health management, and digital healthcare platform services. Health iD.
The Group carries out its activities through 243 customer service units and30 hospital-based units, as follows:

State	Brand	1T2021	4T2020
Rio de Janeiro	Labs a+, Felippe Mattoso, Lafe	77	77
São Paulo	Fleury, a+SP	72	71
Maranhão	Inlab	25	25
Rio Grande do Sul	Weinmann	21	21
Pernambuco	a+ and Diagmax	17	17
Paraná	a+, Serdil	14	14
Rio Grande do Norte	IRN/ CPC	10	10
Bahia	Diagnosson a+, a+BA	6	6
Federal District	Fleury	1	1
Total		**243**	**242**

1.2 COVID-19

The Coronavirus (COVID-19) pandemic continues to cause disruption to several manufacturing and business sectors, as well as to reduce the mobility of people and weaken the global economy.
The Company did not identify any event that could indicate impairment and/or non-realization of its assets.
Management continues to monitor operations to reduce costs, renegotiate with suppliers, and strengthen services that can help our clients.

1.3 Acquisitions of companies: Centro de Infusões Pacaembu Ltda. and Clínica de Olhos Dr. Moacir da Cunha Ltda.

On December 10, 2020, the Company entered into an Agreement for Purchase and Sale of Shares and Other Covenants to acquire 100% of the shares of Centro de Infusões Pacaembu Ltda. (CIP). This transaction has already been approved by the Administrative Council for Economic Defense ("CADE") but its conclusion is contingent on the fulfillment of other conditions precedent. On the transaction close date, the Company will pay R$ 120,000 for the acquisition of CIP.

Also on December 10, 2020, through its subsidiary Fleury CPMA, the Company entered into an Agreement for Purchase and Sale of Shares and Other Covenants to acquire 80% of the shares of Clínica de Olhos Dr. Moacir da Cunha Ltda., comprised of: Instituto de Oftalmologia 9 de Julho – Serviços Médicos Ltda., Centro Avançado de Oftalmologia Ltda. and Clínica de Olhos Dr. Moacir Cunha Ltda. The completion of this transaction is contingent on the fulfillment of certain conditions precedent. On the transaction close date, the Company will pay the amount of R$ 29,500 for the acquisition of Clínica de Olhos Dr. Moacir Cunha.

2. Presentation of financial statements

The Fleury Group's individual and consolidated financial statements were approved by the Fiscal Council and the Board of Directors at meetings held on April 27 and April 28, 2021, respectively.

2.1. Basis of presentation

a) Individual and consolidated interim financial information

The Company's individual and consolidated interim financial information for the period ended March 31, 2021 were prepared in accordance with technical pronouncement CPC 21 (R1) (Interim Financial Reporting) and in accordance with the international standard IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (IASB), and presented in a manner consistent with the standards issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of the Quarterly Information.

The accounting practices and policies (which include the principles of measurement, recognition and valuation of assets and liabilities), in addition to the main accounting judgments and sources of uncertainty about estimates adopted in the preparation of this quarterly information, are consistent with those adopted and disclosed in annual financial statements for the year ended December 31, 2020 and, therefore, must be analyzed as a whole.

The individual and consolidated quarterly information is presented in thousands of Reais, which is the functional currency of Fleury Group.

a) Consolidation and jointly-controlled subsidiary

The consolidated financial statements include the balances of Fleury S.A., its subsidiaries and special-purpose entities represented by exclusive investment funds. In addition, the balance includes an equity interest in a jointly-owned company, accounted for under the equity method, as shown below:

	Ownership percentage of Fleury S.A.	
Direct subsidiaries:	**03/31/2021**	**12/31/2020**
Fleury Centro de Procedimentos Médicos Avançados S.A. ("Fleury CPMA")	100%	100%
Inlab – Investigação Laboratorial Ltda. ('Inlab")	100%	100%
Diagmax Participações Societárias S.A. ("Diagmax Group")	100%	100%
Indirect subsidiaries:		
Instituto de Radiologia de Natal Ltda. ("IRN")	100%	100%
SantéCorp Ltda. ("SantéCorp")	100%	100%
CPC – Centro de Patologia Clínica Ltda.	100%	100%
Saúde iD Ltda.	100%	100%
Newscan Serviços Médicos S.A. ("Lafe Group")	100%	100%
Exclusive Investment Funds:		
Bradesco Fundo de Investimento em cotas FI Renda Fixa Crédito Privado Exclusivo Beta	100%	100%
Santander FI Exclusivo Alpha Renda Fixa Crédito Longo Prazo	100%	100%
Jointly-controlled subsidiary:		
Papaiz Associados Diagnóstico por Imagem S/A Ltda. ("Papaiz")	51%	51%

Main activities:
Fleury CPMA: diagnostic imaging in certain hospitals, clinical analysis and the Day Clinic orthopedic center.
Diagmax Group: diagnostic imaging and clinical analysis services
IRN Group: diagnostic imaging services
SantéCorp Group: health management services
Lafe Group, CPC, Inlab: clinical analysis laboratory services
iD Health: technology service based on data science and artificial intelligence, including Health platform.
Papaiz: dental radiology services.

b) Standards and interpretations in force and not in force

The following standards were issued by IASB, but are not in force for the year 2021. The early adoption, although encouraged by the IASB, is not allowed in Brazil by the Accounting Pronouncement Committee (CPC).

i) Onerous Contracts - (amendments to CPC 25/IAS 37)
These changes specify which costs an entity must include to determine the cost of complying with a contract to assess if the contract is onerous. The amendments apply to annual periods beginning on or after 1 January 2022 for existing contracts on the date the amendments are applied for the first time.

ii) Interest Rate Benchmark Reform (amendments to CPC48/IFRS9, CPC38/IAS39, CPC40/IFRS7, CPC11/IFRS 4 and CPC 06/IFRS 16).
These amendments address issues that may affect individual and consolidated financial statements as a result of Benchmark Interest Rate Reform, including effects of changes in contractual cash flows or hedge relations arising from replacement of reference interest rate by an alternative benchmark rate. The amendments provide a practical expedient for certain requirements related to changes in the basis for determining the contractual cash flows of financial assets and liabilities, lease liabilities and hedge accounting.
The investment will have no impact on the amounts reported for the first quarter of 2021 or previous periods.

iii) Other Standards
- Property, plant and equipment: Revenue before intended use (amendments to CPC 27/IAS 16).
- Classification of Liabilities in Current or Non-Current (amendments to CPC 26/IAS 1);
- IFRS 17 - Insurance Contracts.

3. Risk management

The main risk factors to which the Company and its subsidiaries are exposed are financial and operational risks, including market, foreign exchange, interest rate, credit and liquidity risk. These risks, which are inherent to their activities, are managed through internal policies and controls supervised and monitored through monthly management reports.

Fair value hierarchy
The assumptions used by the Company to determine the hierarchy and disclose the fair values of financial instruments are as follows:

In thousands of reais (R$), unless otherwise indicated.

- Level 1: Quoted price in active markets for identical assets or liabilities;
- Level 2: other techniques for which all data that has significant effect on the recorded fair value is observable, either directly or indirectly.
- Level 3: techniques that use data that have significant effect on the recorded fair value, and that are not based on data observable in the market.

a) Accounting classification and fair values

	Level 2
Financial assets	
Cash Equivalents, Notes and Securities	1,097,374
Derivative financial instruments, net	94
Financial liabilities	
Financing and Debentures, except drawee risk	(1,908,157)
Financial lease	(759,784)
Drawee risk	(1,550)
March 31, 2021	**(1,572,023)**
December 31, 2020	**(1,578,497)**

Due to the nature of balances, it is assumed that the fair value of the Company's financial instrument balances is close to their book value. The comparison between the calculated values and fair values did not present material differences.

b) Capital management

Fleury Group monitors capital based on the consolidated gearing ratio, as shown below:

	03/31/2021	12/31/2020
Financing and Debentures, except drawee risk	1,908,157	1,900,874
Payables for acquisitions	89,751	108,882
Operation - drawee risk	1,550	2,847
Cash and cash equivalents	(13,585)	(28,184)
Interest earning bank deposits (Securities)	(1,083,789)	(1,083,236)
Net debt	**902,084**	**901,183**
Shareholders' equity	1,692,879	1,750,850
Gearing ratio (net debt/equity)	**0.53**	**0.51**

c) Financial and market risks

Currency risk

The Company and its subsidiaries have receivables and payables with suppliers denominated in foreign currencies (mainly the US dollar). The risk linked to these assets and liabilities arises from the possibility of losses due to fluctuations in exchange rates and is monitored by the Finance Department.

These instruments are already recorded at fair value through profit or loss (probable scenario: US$ 1.00 - R$ 5.6973); therefore, there are no effects for this scenario. In the " Possible " and " Remote " scenarios of devaluation of the dollar against the real, the exchange rate was increased by 25% and 50%, respectively, before taxes:

		03/31/2021			
		US$ thousand	Probable 100%	Remote - 50%	Possible 25%
Accounts receivable (Note 6)	Devaluation US$	100	570	285	143
Suppliers (Note 15)	Valuation US$	(135)	(769)	(385)	(192)
Derivatives	Devaluation US$	16	94	47	24
Net exposure		**(18)**	**(105)**	**(53)**	**(25)**

Interest rate risk

The Company has financing in local currency subject to interest rates pegged to indexes, such as the CDI, as well as the balance of taxes payable in installments, which bears interest indexed to the SELIC rate. The risk inherent to these liabilities arises from the possibility of fluctuations in interest rates that impact cash flows. The Company and its subsidiaries have not signed derivative contracts as they understand that the risk is mitigated by the existence of assets indexed to the CDI (interest earning bank deposits).

Credit risk

In thousands of reais (R$), unless otherwise indicated.

The Fleury Group is exposed to credit risk in its operating activities reflected in the balance sheet in the group of accounts receivable (see note 6).

The Company and its subsidiaries are also subject to credit risks related to operations maintained in financial institutions represented by bank deposits, financial investments and derivative instruments. The Management considers the risk low, since operations are carried out in prime banks and there are treasury polices with specific limits for allocation of funds.

Liquidity risk

Cash flow forecasting is carried out by the Finance Department, which monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs. It also always maintains sufficient headroom on its undrawn committed borrowing facilities so that the Group does not breach borrowing limits or covenants (where applicable) of any of its financing and debentures. This forecast takes into consideration the Group's financing plans, compliance with clauses, attainment of the internal goals of the balance sheet quotient and, if applicable, external or legal regulatory requirements - for example, currency restrictions.

Surplus cash held by the operating entities, in addition to the balance required for managing working capital, is allocated to investments with appropriate maturities or sufficient liquidity to provide the necessary margin as determined by the forecasts.

The chart below analyzes Fleury Group's liabilities and financial instruments, by maturity brackets, corresponding to the remaining period in the balance sheet up to the contractual date of maturity. The amounts disclosed in the table below are contracted (consolidated) undiscounted cash flows, and, therefore, they cannot be reconciled with book values.

March 31, 2021	Book value	Contracted value	<01 year	01–02 years	02–05 years	>05 years
Debentures	1,311,413	1,432,037	436,453	181,411	602,730	211,443
Financial lease	759,784	759,784	106,476	91,715	94,530	467,063
Suppliers	217,458	217,458	217,458	-	-	-
Financing	596,744	632,849	216,446	416,078	325	-
Payables for acquisition of companies	89,751	89,751	13,973	20,556	45,360	9,862
Other liabilities	11,231	11,231	11,231	-	-	-
Drawee risk	1,550	1,550	1,550	-	-	-
Derivatives	(94)	(94)	(94)	-	-	-
	2,987,837	**3,144,566**	**1,003,493**	**709,760**	**742,945**	**688,368**

d) Operating Risk Management

The Corporate Risk Management governance (operational, compliance, strategic, projects, cyber and financial) adopted by the Fleury Group is in line with the concept of Lines of Defense (developed by the European Confederation of Internal Audit Institutes (ECIIA) in collaboration with the European Federation of Risk Management (FERMA)), under which each entity of the organization has clear and well-defined roles and responsibilities.

As regards negotiations for proper risk management, the Group relies on the following:

a) The managers of the business areas, in the mapping of their processes, identification and/or update of associated operational risks, and implementation of necessary mitigation measures (internal controls, policies and procedures, projects, taking out of insurance etc.)

b) Advisory areas (Risks, Compliance, Privacy etc.) that provide support for the business areas to ensure their constant development and evolution.
This is carried out through specific projects, such as the Business Continuity Plan and the update of the risk portfolio. It is also the responsibility of these two lines of defense (together) to: identify; assess; plan; implement; monitor and review all processes and possible risks of the Group (manage and control potential threats, in whatever way they present themselves);

c) An independent Internal Audit function that works with biannual cycles and whose aim is to evaluate how the above groups reach their risk management and control goals to identify potential deviations from the established process;

d) Management involvement in sponsoring the prioritization of efforts and resources to implement and maintain mechanisms that continue to mitigate risks, and therefore with the fostering of the Company's culture and risk management process;

This framework generates results which are periodically reported and monitored by the Executive Board; the Audit, Governance, Risk and Compliance Committee (and other Advisory Committees when requested); and the Board of Directors.

e) Environmental risk

The Company has the following procedures in place to mitigate the occurrence of socio-environmental risks, which are an integral part of its Environmental, Social and Corporate Governance (ESG) program:

In thousands of reais (R$), unless otherwise indicated.

Waste: risks related to potential improper disposal of waste from its operations. To mitigate these risks, the Company has structured a waste management system based on legal requirements and voluntary commitments assumed by the Company. This program includes the implementation of work policies and instructions addressing this topic; the definition of waste reduction targets; employee training programs and awareness campaigns; and ongoing monitoring of disposal processes through indicators and the results of internal audits.

Natural resources: possible risks associated with a lower availability of natural resources due to climate-related issues and anthropic factors. Establishment of annual targets for reducing water and energy consumption; continuing education programs for employees; and eco-efficiency measures aimed at reducing the consumption of resources, including the search for technological solutions to reduce water and energy consumption; and diversification of the Group's energy matrix. The Company's climate change program, which includes the preparation of the emissions inventory, the definition of reduction targets and risk studies and adaptation to climate change, complements the actions in this regard.

Suppliers: to reduce risks associated with the supply chain, the Fleury Group has defined socio-environmental and compliance criteria for selecting and rating suppliers, including the adoption of assessment questionnaires and the search for legal documents. In addition, suppliers sign the Citizenship and Sustainability form and the Anticorruption attachment when they are hired. The performance of critical suppliers in relation to sustainability and compliance is monitored through the Program for Excellence in Supply Chain Relationships (PERC).

f) Statement of sensitivity analysis

Sensitivity analysis for interest rate changes

To calculate the probable scenario, the projections disclosed by the Market Focus Report published by the Central Bank of Brazil on April 1, 2021 were used. The "Possible" and "Remote" scenarios consider an additional increase in this rate of 0.50% p.a., respectively. The results in nominal terms were as follows:

	Accounting balance CDI (p.a.)	Probable 4.90%	Possible 5.40%	Remote 5.90%
Interest earning bank deposits - Securities	1,083,789	53,106	58,525	63,944
Cash and cash equivalents	702	34	38	41
Bank Credit Bill and Promissory Notes	(555,516)	(27,220)	(29,998)	(32,775)
Debentures	(1,311,413)	(64,259)	(70,816)	(77,373)
Net exposure in CDI	**(782,438)**	**(38,339)**	**(42,251)**	**(46,163)**

4. Cash and cash equivalents

	Parent company		Consolidated	
	03/31/2021	12/31/2020	03/31/2021	12/31/2020
Cash and banks	7,225	18,368	12,883	24,517
Financial Bills (i)	-	-	702	3,667
Total	**7,225**	**18,368**	**13,585**	**28,184**

5. Securities

	Parent company		Consolidated	
	03/31/2021	12/31/2020	03/31/2021	12/31/2020
Fund quotas - Pegged to the DI rate	890,913	614,561	957,179	681,808
Interest earning bank deposits with guarantee	2,025	2,022	2,025	2,022
CDB	124,585	399,406	124,585	399,406
Total (ii)	**1,017,523**	**1,015,989**	**1,083,789**	**1,083,236**
Current	**1,002,089**	**1,000,593**	**1,021,468**	**1,013,621**
Non-current	**15,434**	**15,396**	**62,321**	**69,615**

a) Changes in the balance of financial investments

In thousands of reais (R$), unless otherwise indicated.

	Parent company		Consolidated	
	03/31/2021	03/31/2020	03/31/2021	03/31/2020
Opening balance	1,015,989	784,256	1,086,903	849,425
Investment	346,750	527,458	373,924	551,320
Acquisition of subsidiary	-	-	-	5,345
Earnings	5,392	4,735	4,505	5,464
Redemption	(350,608)	(601,646)	(380,841)	(625,983)
Total (i + ii)	**1,017,523**	**714,803**	**1,084,491**	**785,571**

6. Accounts receivable

a) Political

Trade accounts receivable correspond to the amounts receivable for the provision of services in the normal course of the Fleury Group's activities, less estimated losses for encumbrance and default.

Estimated impairment losses (default) are recognized based on average historical losses: These percentages vary from 0.1% to 1% (according to the business segment) for notes falling due and 100% for notes past due for more than 240 days.

The criterion used to provide for disallowances is 1% of the Group's gross revenue, excluding the revenue from business segments which are not subject to disallowances.

The Company and its subsidiaries have a certain degree of concentration in their client portfolios (legal entity). As of March 31, 2021, the six main customers accounted for 69.61% of the total portfolio (69.23% as of December 31, 2020).

b) Breakdown of the balance

	Parent company			Consolidated
	03/31/2021	12/31/2020	03/31/2021	12/31/2020
Amounts billed	530,573	533,566	557,842	555,087
Amounts to be billed	158,200	139,408	181,563	165,564
Subtotal	**688,773**	**672,974**	**739,405**	**720,651**
Estimated losses from disallowances and default	(16,103)	(14,846)	(17,072)	(16,183)
Total	**672,670**	**658,128**	**722,333**	**704,468**

c) Aging analysis

	Parent company		Consolidated	
	03/31/2021	12/31/2020	03/31/2021	12/31/2020
Falling due	623,120	628,324	670,414	672,703
Overdue (in days)				
Up to 120	47,122	25,417	49,881	27,639
121–360	9,874	10,219	10,298	10,817
>361	8,657	9,014	8,812	9,492
Total	**688,773**	**672,974**	**739,405**	**720,651**

d) Changes in estimated losses from disallowances and default

	Parent company		Consolidated	
	03/31/2021	03/31/2020	03/31/2021	03/31/2020
Balance at the beginning of the year	(14,846)	(28,513)	(16,183)	(29,711)
Additions of disallowances and default (Notes 25 and 28)	(9,839)	(8,978)	(10,035)	(9,289)
Write-off of non-collectible securities	8,582	12,919	9,146	13,128
Balance at the end of the year	**(16,103)**	**(24,572)**	**(17,072)**	**(25,872)**

7. Inventories

In thousands of reais (R$), unless otherwise indicated.

a) Political

Inventories are presented at the lower value between the cost and net realizable value. Inventory costs are determined at the average cost method.

b) Breakdown of the balance

	Parent company		Consolidated	
	03/31/2021	12/31/2020	03/31/2021	12/31/2020
Diagnostic kits	36,288	40,348	36,945	41,151
Nursing and sample collection materials	13,410	12,340	15,416	13,825
Auxiliary laboratory materials	7,340	7,052	7,661	7,340
Administrative and other materials	5,108	4,780	5,963	5,459
Provision for losses on kits	(2,150)	(4,682)	(2,150)	(4,682)
Total	**59,996**	**59,838**	**63,835**	**63,093**

8. Recoverable taxes

	Parent company		Consolidated	
	03/31/2021	12/31/2020	03/31/2021	12/31/2020
PIS AND COFINS	9,868	8,148	10,685	8,988
INSS	6,601	7,917	6,705	8,125
ISS	7,394	4,863	7,915	5,212
Total	**23,863**	**20,928**	**25,305**	**22,325**

9. Investments

	Parent company		Consolidated	
	03/31/2021	12/31/2020	03/31/2021	12/31/2020
Direct/indirect subsidiary	624,254	613,281	530	290
Jointly-controlled subsidiary	-	-	12,869	13,274
Subtotal	**624,254**	**613,281**	**13,399**	**13,564**
Prontmed	12,000	12,000	12,000	12,000
Other	8,398	8,674	8,532	8,808
Total	**644,652**	**633,955**	**33,931**	**34,372**

Significant information about investments

Subsidiaries and jointly-controlled subsidiaries	Base Date	Interest in paid-up capital - %	Capital quotas	Shareholders' equity	Income (loss) for the period
Fleury CPMA	03/31/2021	100%	431,851	397,825	(3,760)
	12/31/2020	100%	416,381	386,114	680
Papaiz	03/31/2021	51%	4,153	6,961	(198)
	12/31/2020	51%	4,153	7,160	(326)
IRN	03/31/2021	100%	11,423	26,495	1,571
	12/31/2020	100%	11,423	24,924	3,043
SantéCorp Group	03/31/2021	100%	23,798	14,937	(5,531)
	12/31/2020	100%	12,748	9,418	(3,415)
Lafe Group	03/31/2021	100%	32,420	21,375	1,491
	12/31/2020	100%	54,016	19,884	3,177
CPC	03/31/2021	100%	2,610	4,080	(28)
	12/31/2020	100%	1,125	2,623	340
Inlab	03/31/2021	100%	4,915	16,589	1,967
	12/31/2020	100%	4,915	14,623	12,613
Diagmax	03/31/2021	100%	44,800	38,581	2,030
	12/31/2020	100%	38,450	30,200	(502)

Changes in balances of investments

	Investees	Balance at 12/31/2020	Acquisition (a)	Paid-up capital	Equity in net income of subsidiaries	Other changes (d)	Balance at 03/31/2021
Fleury S.A.	Fleury CPMA	387,476	-	15,470	(3,760)	-	399,186

In thousands of reais (R$), unless otherwise indicated.

Fleury S.A.	Diagmax	121,776	(11,019)	6,350	2,030	(49)	119,088
Fleury S.A.	Inlab	104,029	-	-	1,967	(16)	105,980
Fleury S.A.	Prontmed (c)	12,000	-	-	-	-	12,000
Fleury S.A.	Other (b)	8,674	-	-	-	(276)	8,398
Total Parent company		**633,955**	**(11,019)**	**21,820**	**237**	**(341)**	**644,652**
Fleury CPMA	Papaiz	13,067	-	-	(198)	-	12,869
Fleury S.A.	Prontmed (c)	12,000	-	-	-	-	12,000
Fleury S.A.	Other (b)	8,674	-	-	-	(276)	8,398
Fleury CPMA	Acquired	497	-	-	-	33	530
Diagmax/CPC	Other	134	-	-	-	-	134
Total Consolidated		**34,372**	**-**	**-**	**(198)**	**(243)**	**33,931**

a) In the parent company, the acquisition value includes shareholders' equity and all identified assets.
b) Relate to investments in the following companies: Lab Rede; Our Crowd (Sabin); Well Care and Sweetch. The acquisitions in the period relate to Our Crowd (R$ 1.9 M) and Sweetch (R$ 1.5 M).
c) The investment results in an 18.56% ownership interest. In 2020, there was a 50% cash outflow, corresponding to R$ 6.0 M.
d) They refer mainly to changes in surplus or deficit on revaluation. It is recognized in investments and business combinations, and reclassified to the classes of property and equipment, i.e., accounted for together with the assets and liabilities that gave rise to it.

10. Property, plant and equipment and intangible assets

a) Political

They are recorded at acquisition cost less depreciation or accumulated amortization.
Depreciation and amortization are recognized based on the estimated useful lives of each asset/part on a straight-line basis.
Fleury Group reviews at least annually the book value of their tangible and intangible assets to determine if there is any indication that these assets suffered impairment losses.

b) Breakdown of balance of property, plant and equipment

Parent company		03/31/2021			12/31/2020
	Average annual depreciation rate (%)	Cost	Accumulated depreciation	Net balance	Net balance
Machinery and equipment	10	710,302	(382,293)	328,009	339,878
Leasehold improvements	20	350,520	(229,035)	121,485	128,132
Facilities	10	283,114	(225,777)	57,337	61,292
Property, plant and equipment in progress	-	49,227	-	49,227	43,854
IT equipment	20	96,981	(71,396)	25,585	26,469
Real estate	2	28,026	(6,566)	21,460	21,577
Land	-	13,637	-	13,637	13,637
Furniture and fixtures	10	46,932	(37,714)	9,218	8,846
Total		**1,578,739**	**(952,781)**	**625,958**	**643,685**

Consolidated		03/31/2021			12/31/2020
	Average annual depreciation rate (%)	Cost	Accumulated depreciation	Net balance	Net balance
Machinery and equipment	10	796,865	(438,446)	358,419	370,987
Leasehold improvements	20	366,401	(236,302)	130,099	137,207
Facilities	10	289,896	(228,125)	61,771	63,994
IT equipment	20	105,044	(75,208)	29,836	29,926
Property, plant and equipment in progress	-	63,697	-	63,697	59,966
Real estate	2	28,026	(6,566)	21,460	21,577
Land	-	13,637	-	13,637	13,637
Furniture and fixtures	10	52,206	(40,529)	11,677	11,400
Vehicles	20	431	(379)	52	75
Total		**1,716,203**	**(1,025,555)**	**690,648**	**708,769**

c) Changes in property, plant and equipment

Parent company (2020–2021)	Balance at	Additions	Net write-offs	Depreciation	Reclassification/transfer (c)	Balance at

	12/31/2020					03/31/2020
Machinery and equipment	339,878	1,980	(422)	(14,673)	1,246	328,009
Leasehold improvements	128,132	318	-	(12,461)	5,496	121,485
Facilities	61,292	103	(1)	(5,659)	1,602	57,337
Construction in progress	43,854	15,306	-	-	(9,933)	49,227
IT equipment	26,469	677	(13)	(2,209)	661	25,585
Real estate	21,577	-	-	(117)	-	21,460
Land	13,637	-	-	-	-	13,637
Furniture and fixtures	8,846	516	210	(615)	261	9,218
Total	**643,685**	**18,900**	**(226)**	**(35,734)**	**(667)**	**625,958**

Consolidated (2020–2021)	Balance at 12/31/2020	(+/-) revaluation surplus/deficit	Additions	Write-offs Net	Depreciation	Reclassification/transfer (c)	Balance at 03/31/2021
Machinery and equipment	370,987	(412)	1,999	(423)	(16,011)	2,277	358,417
Leasehold improvements	137,207	32	443	-	(13,289)	5,706	130,099
Facilities	63,994	(2)	130	-	(5,790)	3,439	61,771
Construction in progress	59,966	-	18,415	-	-	(14,683)	63,698
IT equipment	29,926	(19)	681	(61)	(2,500)	1,809	29,836
Real estate	21,577	-	-	-	(117)	-	21,460
Land	13,637	-	-	-	-	-	13,637
Furniture and fixtures	11,400	(21)	516	209	(705)	279	11,678
Vehicles	75	(8)	-	-	(15)	-	52
Total	**708,769**	**(430)**	**22,184**	**(275)**	**(38,427)**	**(1,173)**	**690,648**

d) Breakdown of balance of intangible assets

Parent company		**03/31/2021**			**12/31/2020**
	Average annual amortization rate (%)	Cost	Accumulated amortization	Net balance	Net balance
Goodwill - Future profitability	-	1,342,222	(44,413)	1,297,809	1,297,809
Licenses and software	20	444,194	(285,201)	158,993	145,894
Intangible asset in progress (a)	-	71,071	-	71,071	72,453
Customer contracts	10	154,387	(146,668)	7,719	11,579
Internally developed products	-	4,718	-	4,718	4,716
Trademarks and patents	7	13,226	(9,573)	3,653	3,835
Total		**2,029,818**	**(485,855)**	**1,543,963**	**1,536,286**

Consolidated		**03/31/2021**			**12/31/2020**
	Average annual amortization rate (%)	Cost	Accumulated amortization	Net balance	Net balance
Goodwill - Future profitability	-	1,797,096	(44,413)	1,752,683	1,763,702
Licenses and software	20	455,527	(288,961)	166,566	152,828
Intangible asset in progress (a)	-	83,156	-	83,156	80,785
Customer contracts	10	158,873	(149,748)	9,125	13,081
Trademarks and patents	7	26,711	(11,852)	14,859	15,096
Internally developed products	-	4,718	-	4,718	4,716
Non-competition agreement	7	1,326	(951)	375	400
Total		**2,527,407**	**(495,925)**	**2,031,482**	**2,030,608**

e) Changes in intangible assets

Parent company (2020–2021)	Balance at 12/31/2020	Additions	Amortization	Reclassification/transfer (c)	Balance at 03/31/2021
Goodwill - Future profitability	1,297,809	-	-	-	1,297,809

In thousands of reais (R$), unless otherwise indicated.

Licenses and software	145,895	14,678	(13,718)	12,138	158,993
Intangible assets in progress (a)	72,453	10,151	-	(11,533)	71,071
Customer contracts	11,578	-	(3,882)	23	7,719
Internally developed products	4,716	-	-	2	4,718
Trademarks and patents	3,835	-	(182)	-	3,653
Total	**1,536,286**	**24,829**	**(17,782)**	**630**	**1,543,963**

Consolidated (2020–2021)	Balance at 12/31/2020	Surplus (b)	Additions	Amortization	Reclassification/transfer (c)	Balance at 03/31/2021
Goodwill - Future profitability	1,763,702	-	-	-	(11,019)	1,752,683
Licenses and software	152,828	-	14,698	(14,144)	13,184	166,566
Intangible assets in progress (a)	80,785	-	14,407	-	(12,036)	83,156
Customer contracts	13,081	(96)	-	(3,860)	-	9,125
Trademarks and patents	15,096	(36)	-	(201)	-	14,859
Internally developed products	4,716	-	-	-	2	4,718
Non-competition agreement	400	(25)	-	-	-	375
Total	**2,030,608**	**(157)**	**29,105**	**(18,205)**	**(9,869)**	**2,031,482**

(a) Comprises software under development, related to physician shift scheduling, digital mobile care, and new applications.
(b) Acquisition balances (opening balance sheet) and surplus on revaluation arising from the acquisition of Diagmax.
(c) This amount relates to a transfer between property and equipment and intangible assets.

11. Right-of-use

a) Political

The Company has lease operations for several assets, such as: real estate, medical equipment, and vehicles. In general, property rental contracts are entered into for fixed periods of 5 years. Medical equipment and vehicles have average terms of 2 and 10 years, respectively, and may include renewal options.

The lease terms are negotiated individually and contain a wide variety of terms and conditions. The lease contracts do not have covenants and leased assets cannot be used as collateral for loans.
Depreciation of right-of-use assets is allocated in a systematic manner, on a straight-line basis. The useful life is periodically reassessed to capture changes in the intention to continue the lease, whether due to the Company's strategic matters or the lessor's intention.

The Fleury Group is a lessee under certain contracts with an indefinite term. Considering that both the lessor and the lessee have the right to cancel the contract at any time, the Group's understanding is that these contracts should be treated as leases, recording the expense in profit or loss for the year over the lease term.
The Company does not have leases that meet the exceptions/practical expedients under CPC 06 (R2).

b) Breakdown of the balance of right-of-use assets

Parent company		**03/31/2021**			**12/31/2020**
	Average annual depreciation rate (%)	Cost	Accumulated depreciation	Net balance	Net balance
Real estate	13	798,906	(213,020)	585,886	609,644
Machinery and equipment	20	98,631	(28,625)	70,006	73,006
IT equipment	25	9,667	(4,925)	4,742	5,290
Vehicles	50	6,148	(5,338)	810	1,253
Total		**913,352**	**(251,908)**	**661,444**	**689,193**

Consolidated		**03/31/2021**			**12/31/2020**
	Average annual rate - dep %	Cost	Accumulated depreciation	Net balance	Net balance

Real estate	13	854,530	(229,992)	624,538	650,276
Machinery and equipment	20	98,631	(28,625)	70,006	73,006
IT equipment	25	9,844	(4,985)	4,859	5,406
Vehicles	50	6,148	(5,338)	810	1,253
Total		**969,153**	**(268,940)**	**700,213**	**729,941**

c) Changes in right-of-use assets

Parent company	Balance at 12/31/2020	Depreciation	Balance at 03/31/2021
Real estate	609,645	(23,759)	585,886
Machinery and equipment	73,006	(3,000)	70,006
IT equipment	5,289	(547)	4,742
Vehicles	1,253	(443)	810
Total	**689,193**	**(27,749)**	**661,444**

Consolidated	Balance at 12/31/2020	Depreciation	Balance at 03/31/2021
Real estate	650,276	(25,738)	624,538
Machinery and equipment	73,006	(3,000)	70,006
IT equipment	5,406	(547)	4,859
Vehicles	1,253	(443)	810
Total	**729,941**	**(29,728)**	**700,213**

12. Financing

	Funding - Consolidated				
Currency – R$	Fixed-rate charges	Signature date	Amount contracted	Accumulated released amount	Final maturity
FINEP PROMETHEUS I and II	4.00% p.a.	08/28/2014	155,444	155,444	Sep 2022
FINEP 2	4.00% p.a.	08/06/2012	10,752	10,752	Aug 2020
BNDES FINAME	3.55% p.a.	01/31/2013	4,876	4,876	Nov 2023
CCB	CDI + 4.25% p.a.	03/24/2020	150,000	150,000	Mar 2022
Promissory notes	CDI + 2.94% p.a.	04/06/2020	400,000	400,000	Apr 2022

Changes Parent company	Balance at 12/31/2020	Funding	Interest incurred	Interest paid	Amortization of principal	Other operations	Balance at 03/31/2021
FINEP PROMETHEUS I and II	46,809	-	426	(438)	(6,675)	-	40,122
Drawee risk	2,847	-	-	-	-	(1,297)	1,550
FINEP 2	-	-	-	-	-	-	-
CCB	150,217	-	2,286	(2,220)	-	-	150,283
Promissory notes	402,754	-	4,794	-	-	-	407,548
Subtotal	**602,627**	**-**	**7,506**	**(2,658)**	**(6,675)**	**(1,297)**	**599,503**
Capitalization cost	(448)		-	-	63	-	(385)
Commission (CCBs and NPs)	(2,939)		-	-	624	-	(2,315)
Total	**599,240**	**-**	**7,506**	**(2,658)**	**(5,988)**	**(1,297)**	**596,803**
Current	**68,341**						**221,950**
Non-current	**530,899**						**374,853**

Changes Consolidated	Balance at 12/31/2019	Funding	Interest incurred	Interest paid	Amortization of principal	Other operations	Balance at 03/31/2021
FINEP PROMETHEUS I and II	46,809	-	426	(438)	(6,675)	-	40,122
Drawee risk	2,847	-	-	-	-	(1,297)	1,550
BNDES FINAME	1,637	-	14	(15)	(145)	-	1,491
FINEP 2	-	-	-	-	-	-	-

In thousands of reais (R$), unless otherwise indicated.

CCB	150,217	-	2,286	(2,220)	-	-	150,283
Promissory notes	402,754	-	4,794	-	-	-	407,548
Subtotal	**604,264**	**-**	**7,520**	**(2,673)**	**(6,820)**	**(1,297)**	**600,994**
Capitalization cost	(448)	-	-	-	63	-	(385)
Commission (CCBs and NPs)	(2,939)	-	-	-	624	-	(2,315)
Total	**600,877**	**-**	**7,520**	**(2,673)**	**(6,133)**	**(1,297)**	**598,294**
Current	**68,928**						**222,536**
Non-current	**531,949**						**375,758**

The maturities of non-current borrowings as of March 31, 2021 (except commission) were as follows:

	Parent company	Consolidated
2022	374,853	375,283
2023	-	475
Total	**374,853**	**375,758**

FINEP has a clause that obliges the Company to ensure the payment of any obligation arising from the contract through the issue of a bank letter of guarantee in the amount of the total financing; this clause being indispensable for signing the contract.

Certain financings contain financial covenants, such as: the implementation or formalization of collateral or fidejussory guarantees, restrictions on the change, transfer or assignment of corporate or shareholding, incorporation, merger or spin-off without the prior consent of the creditor, and the maintenance of financial and liquidity ratios measured every six months.

As of March 31, 2021, the Company and its subsidiaries followed these financial ratios, as well as with the other covenant clauses.

13. Debentures

a) Breakdown of debentures issued

	Issue amount (R$)	Quantity	Final maturity	Semi-annual interest	Total issued
3rd Issue – Single series	10,000	30,000	Nov 2022	CDI + 0.49% p.a.	300,000
4th Issue – 1st series	10,000	25,000	Apr 2021	CDI + 0.35% p.a.	250,000
4th Issue – 2nd series	10,000	25,000	Apr 2023	CDI + 0.60% p.a.	250,000
5th Issue - 1st series	1,000	200,000	Dec 2024	CDI + 0.90% p.a.	200,000
5th Issue – 2nd series	1,000	300,000	Dec 2022	CDI + 1.20% p.a.	300,000

The Company used the amounts raised from the debentures issued to strengthen working capital, maintain its cash strategy, extend its debt profile, and fund investments and acquisitions in the coming years. The debentures issued are unsecured and not convertible into shares.

3rd Issue of Debentures: Carried out through a public offering of simple debentures with restricted placement efforts, in a single series, consisting of the issue of 30,000 (thirty thousand) debentures, all of which are registered, book-entry and with a par value of R$ 10,000, totaling R$ 300,000. The debentures mature 5 (five) years from the date of issue, and will be amortized in two annual installments, 50% on November 24, 2021 and 50% on November 24, 2022.
4th Issue of Debentures: The Company carried out its fourth issue of debentures public offering of simple debentures with restricted placement efforts, in two series. These debentures will be amortized in a single installment upon maturity.
5th Issue of Debentures: Carried out through a public offering of simple debentures with restricted placement efforts, in two series. The debentures of the first series will be amortized in a single installment, in December 2024. The debentures of the first series will be amortized in three annual installments: 33.33% in December 2025, 33.33% in December 2026 and 33.33% in December 2027. Interest is paid on a half-yearly basis, and there is no provision for renegotiation.

b) Changes in debentures

Local currency - R$	12/31/2020	Release	Interest incurred	Interest paid	Amortization of principal	Other operations	03/31/2021
3rd Issue – Single series	300,735	-	1,810	-	-	-	302,545
4th Issue – 1st series	250,998	-	1,426	-	-	-	252,424
4th Issue – 2nd series	251,110	-	1,578	-	-	-	252,688
5th Issue - 1st series	200,221	-	1,404	-	-	-	201,625

In thousands of reais (R$), unless otherwise indicated.

5th Issue – 2nd series	300,366	-	2,323	-	-	-	302,689
Commission (5th Issue)	(586)	-	-	-	-	28	(558)
Total	**1,302,844**	**-**	**8,541**	**-**	**-**	**28**	**1,311,413**
Current	**403,322**						**411,864**
Non-current	**899,522**						**899,549**

The portion recognized in non-current liabilities as of March 31, 2021 (except for commission) matured as follows:

Maturity	**3rd Issue – Single series**	**4th Issue - 2nd series**	**5th Issue - 1st series**	**5th Issue – 2nd series**	**Consolidated**
2022	150,000	-	-	-	150,000
2023	-	250,000	-	-	250,000
2024	-	-	200,000	-	200,000
2025	-	-	-	100,000	100,000
2026	-	-	-	100,000	100,000
2027	-	-	-	100,000	100,000
Total	**150,000**	**250,000**	**200,000**	**300,000**	**900,000**

Covenants

The debentures are subject to financial covenants, and their maturity may be accelerated in the event the Company fails to comply with the following financial ratios:
(a) Net financial debt/EBITDA ratio lower than or equal to 3.0 times and/or;
(b) EBITDA/Net Finance Cost ratio lower than or equal to 1.5 times.

As of March 31, 2021, the Fleury Group was following financial ratios and other covenant clauses.

14. Lease

As of March 31, 2021, the lease liabilities are as follows:

a) Minimum lease payments:

	Parent company		**Consolidated**	
	03/31/2021	**12/31/2020**	**03/31/2021**	**12/31/2020**
Up to 1 year	164,901	166,696	176,823	176,427
>01 year	872,832	912,416	918,586	963,150
	1,037,733	**1,079,112**	**1,095,409**	**1,139,577**
(-) Future financial charges	(320,302)	(337,454)	(335,625)	(353,748)
Present value of minimum payments	**717,431**	**741,658**	**759,784**	**785,829**
Current	**98,375**	**98,099**	**106,476**	**105,039**
Non-current	**619,056**	**643,559**	**653,308**	**680,790**

The maturity dates of non-current installments as of March 31, 2021 are as follows:

	Parent company	**Consolidated**
2022	90,675	91,715
2023	93,536	94,530
>2024	434,845	467,063
Total	**619,056**	**653,308**

We show below the changes in lease:

Parent company	Balance at 12/31/2020	Allocation of interest	Amortization of principal	Write-offs	Balance at 03/31/2021
Real estate	654,414	15,673	(34,471)	(206)	635,410
Machinery and equipment	79,570	1,439	(4,836)	-	76,173

In thousands of reais (R$), unless otherwise indicated.

IT equipment	5,810	117	(1,473)	-	4,454
Vehicles	1,864	23	(493)	-	1,394
Total	**741,658**	**17,252**	**(41,273)**	**(206)**	**717,431**

Consolidated	Balance at 12/31/2020	Allocation of interest	Amortization of principal	Write-offs	Balance at 03/31/2021
Real estate	698,475	16,534	(37,160)	(206)	677,643
Machinery and equipment	79,564	1,439	(4,836)	-	76,167
IT equipment	5,952	127	(1,473)	-	4,606
Vehicles	1,838	23	(493)	-	1,368
Total	**785,829**	**18,123**	**(43,962)**	**(206)**	**759,784**

Considering that the Company has a taxation regime based on the cumulative method, there are no potential PIS and COFINS taxes recoverable in the lease consideration installments.

15. Suppliers

	Parent company		**Consolidated**	
	03/31/2021	**12/31/2020**	**03/31/2021**	**12/31/2020**
Domestic	197,512	221,377	216,688	248,743
Foreigners	770	1,716	770	1,716
Total	**198,282**	**223,093**	**217,458**	**250,459**

16. Labor obligations

	Parent company		**Consolidated**	
	03/31/2021	**12/31/2020**	**03/31/2021**	**12/31/2020**
Provision for vacation and social security charges	55,020	54,569	58,724	58,264
Salaries and social security charges payable	18,509	21,104	21,159	24,056
Provision for health care	15,603	15,603	15,620	15,617
Provision for 13th salary payable and charges	10,787	-	11,576	-
Provision for profit sharing	10,048	-	10,211	-
Commission and Bonus	9,663	37,143	9,718	37,557
Loans to employees	953	1,010	955	980
Other	1,678	2,201	1,808	2,300
Total	**122,261**	**131,630**	**129,771**	**138,774**

17. Taxes payable

	Parent company		**Consolidated**	
	03/31/2021	**12/31/2020**	**03/31/2021**	**12/31/2020**
REFIS installment plan – Law 11941	17,290	17,989	18,798	19,678
PIS/COFINS on Billing	11,011	10,534	11,819	12,511
ISS on turnover	13,716	11,583	15,818	13,632
IRRF (Withholding income tax)	1,094	1,062	1,352	1,268
PIS, COFINS and CSRF	2,741	2,408	3,169	2,779
Withholding INSS	820	1,087	934	1,164
Other	1,528	1,263	1,590	1,295
Total	**48,200**	**45,926**	**53,480**	**52,327**
Current	**34,772**	**31,925**	**39,250**	**37,417**
Non-current	**13,428**	**14,001**	**14,230**	**14,910**

As of March 31, 2021, the non-current portion matured as follows:

	Consolidated
2022	3,639
2023	3,872
2024	2,286
2025	214

In thousands of reais (R$), unless otherwise indicated.

>2025	4,219
Total	**14,230**

18. Accounts payable – Acquisition of companies

Relate to debts assumed for acquisition of companies, to be settled as provided for in the contracts, updated monthly mainly based on IGP-M FGV and IPCA IBGE.

	Parent company		Consolidated	
	03/31/2021	12/31/2020	03/31/2021	12/31/2020
Lafe	-	-	31,194	31,668
Diagmax	15,673	26,692	15,673	26,692
IRN	-	-	15,672	23,390
Inlab	7,667	7,634	7,667	7,634
Prontmed	6,000	6,000	6,000	6,000
CPC	-	-	5,292	5,284
Lego and Biesp	4,944	4,921	4,944	4,921
Diagnoson	1,965	1,956	1,965	1,956
Serdil	-	-	665	662
Meneses da Costa	283	278	283	278
Diagnostic Breast Health Center	200	200	200	200
Weinman	196	197	196	197
	36,928	**47,878**	**89,751**	**108,882**
Current	**6,698**	**17,716**	**13,973**	**25,790**
Non-current	**30,230**	**30,162**	**75,778**	**83,092**

As of March 31, 2021, the non-current portion matured as follows:

	Consolidated
2022	20,556
2023	25,078
2024	20,282
Other (*)	9,862
Total	**75,778**

(*) As of March 31, 2021, the maturity of certain installments is contingent on the final and unappealable ruling of the lawsuits. Therefore, it is not possible to estimate the payments in the coming years.

19. Other liabilities

	Parent company		Consolidated	
	03/31/2021	12/31/2020	03/31/2021	12/31/2020
Deferred revenue - Bradesco (Note 22)	7,736	8,440	7,736	8,440
Other accounts payable	2,102	1,138	2,998	2,026
Provision for waste fee	487	120	487	120
Derivative instruments, net	-	367	-	367
Total	10,325	**10,065**	11,221	**10,953**
Current	**5,412**	**4,438**	**6,308**	**5,326**
Non-current	**4,913**	**5,627**	**4,913**	**5,627**

20. Current and deferred income tax and social contribution

a) Breakdown of deferred income tax and social contribution

	Parent company		Consolidated	
	03/31/2021	12/31/2020	03/31/2021	12/31/2020

In thousands of reais (R$), unless otherwise indicated.

Provision to tax, labor, civil risks	64,999	64,222	65,453	64,650
IFRS 16 effect	57,460	52,916	60,572	55,949
Provision for stock options and specialized medical services	21,424	23,912	24,066	26,511
Provision for losses from disallowances/default	16,103	14,846	16,789	15,895
Provision for profit sharing	10,048	-	10,211	-
Asset revaluation	84	84	84	84
Linearization of effective rate	26,051	-	26,051	-
Tax loss	-	-	44,539	35,708
Net assets acquired in a business combination (a)	(1,125)	(2,001)	(5,988)	(7,276)
Effects of goodwill amortization for tax purposes (b)	(1,345,790)	(1,345,790)	(1,348,300)	(1,347,358)
Calculation basis	**(1,150,746)**	**(1,191,811)**	**(1,106,523)**	**(1,155,837)**
Income and social contribution taxes (~34%)	**(391,254)**	**(405,216)**	**(376,218)**	**(392,985)**
Income tax and social contribution - Assets (*)	-	-	15,036	12,232
Income tax and social contribution - Liabilities	(391,254)	(405,216)	(391,254)	(405,217)

(a) *Amortization of goodwill not deductible until 2008 and deductible for tax purposes in future periods.*
(b) *Goodwill on merger of companies, mainly Labs Cardiolab.*

	Consolidated							
	Fleury S.A.	**CPMA**	**IRN**	**SantéCorp**	**Newscan**	**CPC**	**Diagmax**	**Total**
Assets (*)	-	10,483	496	4,804	1,624	99	471	17,977
Liabilities	(391,254)	(2,941)	-	-	-	-	-	(394,195)

(*) The Parent company's balance is presented on a net basis.

In the Consolidated, deferred tax assets are expected to be realized as follows:

	Consolidated
2021	40,599
2022	15,568
2023	13,298
2024	10,254
>2025	11,229
Total	**90,948**

b) Reconciliation of income tax and social contribution on net income, current and deferred, in income (loss) are reconciled as follows:

	Parent company		Consolidated	
	03/31/2021	**03/31/2020**	**03/31/2021**	**03/31/2020**
Income before income tax (IRPJ) and social contribution (CSLL)	168,184	78,476	167,768	79,890
(x) Combined rate	34%	34%	34%	34%
(=) IRPJ and CSLL expenses	**(57,183)**	**(26,682)**	**(57,041)**	**(27,163)**
Other permanent additions (exclusions), net	(1,327)	10,260	(905)	10,417
Linearization effect of the effective rate	8,857	(5,394)	8,857	(5,394)
Equity in net income of subsidiaries	81	2,059	(67)	13
Adjustments – company taxed under the deemed income regime	-	-	-	956
Income tax and social contribution expense	**(49,572)**	**(19,757)**	**(49,156)**	**(21,171)**
Current	(63,534)	(12,701)	(65,922)	(14,244)
Deferred	13,962	(7,056)	16,766	(6,927)
Effective rate - %	**29.5%**	**25.2%**	**29.3%**	**26.5%**

21. Provision to tax, labor, civil risks

a) Political

Provisions for tax, labor and civil risks are set up to the extent that the Company expects to make cash disbursements. Tax lawsuits are accrued when the losses are regarded as probable and the amounts involved can be reliably measured. When likelihood of loss in

In thousands of reais (R$), unless otherwise indicated.

these lawsuits is possible, a description of involved lawsuits and amounts is disclosed in notes. Provisions are recorded for labor lawsuits based on disbursement historic percentage. Contingencies classified as remote losses are neither accrued nor disclosed.
Judicial deposits recognized in assets relate to lawsuits classified as possible and remote losses by the Company's legal counsel, and therefore no provisions for contingencies are set up for them.

Judicial deposits relate to the lawsuits classified as probable losses and reduce the balance of the related provision.

On a periodical basis, Management revises the scenario of known contingencies, assesses and adjusts the respective provision considering the assessment of its legal advisors and other data available on the ending dates of fiscal years, such as the nature of lawsuits and historical experience, as internal policy. As of March 31, 2021, the balance and changes in the provision for tax, labor and civil risks were as follows:

b) Breakdown of the balance

	Parent company		Consolidated	
	03/31/2021	12/31/2020	03/31/2021	12/31/2020
Tax	31,461	31,254	31,552	31,344
Labor	27,127	26,549	27,410	26,825
Civil	6,410	6,419	6,490	6,495
Subtotal	**64,998**	**64,222**	**65,452**	**64,664**
Judicial deposits (lawsuits involving probable losses)	(23,690)	(22,582)	(23,690)	(22,582)
Total	**41,308**	**41,640**	**41,762**	**42,082**

c) Changes – Consolidated

	Balance at 12/31/2020	Addition / Reversal (*)	Others (a)/(*)	Reclassifications/ Payments	Inflation adjustment	Balance at 03/31/2021
Labor	26,825	334	-	(580)	825	27,404
Tax	31,344	17	-	31	160	31,552
Civil	6,495	(54)	84	(132)	103	6,496
Subtotal	**64,664**	**297**	**84**	**(681)**	**1,088**	**65,452**
Judicial Deposits	(22,582)	-	-	(1,108)	-	(23,690)
Total	**42,082**	**297**	**84**	**(1,789)**	**1,088**	**41,762**

a) Former shareholders are liable for part of the lawsuits, which will be refunded to the Company at a rate of 67% and, therefore, are reclassified under "Other assets".

(*) The change observed in the statement of cash flows takes into account the amounts included in these columns.

d) <u>Lawsuits classified as probable losses, for which no provision is set up:</u>

Tax

The main tax matter relates to the challenge of the COFINS exemption for civil organizations that provide services related to professions regulated by law. Supplementary Law 70/91, which introduced the Social Contribution on Revenues (COFINS), granted an exemption to this type of company. However, upon the enactment of Law 9430/96, this exemption was revoked, and COFINS started to be levied on the gross revenue of service providers. The legal advisors understand that because Law No. 9,430/96, being an ordinary law, could not have revoked the exemption established by Complementary Law 70/91. However, considering that the Federal Supreme Court has already ruled against the thesis in question, the Company recorded a provision to cover risks totaling R$ 2,168 as of March 31, 2021 (R$ 2,165 as of December 31, 2020).

Another important tax matter is the challenge of the unconstitutionality of Law 11001/2001, which introduced ICMS (state VAT) on imports in the state of São Paulo. This law was enacted after Constitutional Amendment 33/2001 and before Supplementary Law 114/2002, therefore failing to comply with the legislative procedure required for the collection of the ICMS levied on import transactions carried out in the state of São Paulo. However, considering a statement with general repercussion issued by the Federal Supreme Court, which established that Law 11001/2001 was constitutional, the Company set up a provision to cover the related risks totaling R$ 16,019 as of March 31, 2021 (R$ 15,881 as of December 31, 2020).

e) <u>Lawsuits classified as possible loss</u>

The Company has tax, civil and labor claims which are not provisioned, since they involve risk of loss classified by management and by its legal advisors as possible.

As of March 31, 2021, the consolidated amount was approximately R$ 495,379 (R$ 501,985 as of December 31, 2020).

The tax matters classified as possible losses amounted to R$ 253,996 (R$ 270,427 as of December 31, 2020). At the federal level, these matters were comprised substantially of: (i) R$ 125,279 (R$ 126,281 as of December 31, 2020), relating mainly to discussions involving the non-mandatory payment of IRPJ, CSLL, PIS, COFINS and PIS/COFINS on Imports, (ii) social security contributions, totaling R$ 58,740 (R$ 58,620 as of December 31, 2020), and (iii) federal lawsuits of a different nature, totaling R$ 6,833 (R$ 6,017 on December 31, 2020).

At the state level, the law lawsuits classified as possible losses totaled R$ 4,305 (R$ 6,974 as of December 31, 2020) and related mainly to the challenge of ICMS levied on equipment imports.

With respect to discussions of municipal taxes, the lawsuits classified as possible losses amounted to R$ 58,837 (R$ 72,535 as of December 31, 2020) and related mainly to cases involving the Tax on Services of any Nature (ISSQN).

In the civil field, the Company has lawsuits classified as possible loss totaling R$ 25,061 (R$ 24,493 as of December 31, 2020), of which R$ 12,080 (R$ 12,155 as of December 31, 2020) related mainly to civil liability lawsuits with claims for property damages and mental distress arising, among other reasons, from alleged diagnostic error or procedural failure, and other lawsuits involving different claims totaling R$ 12,981 (R$ 12,338 as of December 31, 2020).

Labor lawsuits classified as possible loss total R$ 216,322 (R$ 207,064 on December 31, 2020) of which (i) R$ 202,478 (R$ 194,183 as of December 31, 2020) refer to labor lawsuits of former employees, constitutional claim, relief from judgment, class action, annulment and tax enforcement actions, (ii) R$ 13,250 (R$ 12,291 as of December 31, 2020) refer to subsidiary liability lawsuits filed by employees of companies that provide specialized services to the Company on an outsourced basis and (iii) ongoing administrative proceedings, totaling R$ 593 (R$ 590 as of December 31, 2020).

Still in the labor field, the Company was summoned in a Public Civil Action (ACP) pending before the Labor Court of Rio de Janeiro, which, in general, challenges the legality of contracting specialized medical companies. The Company is defending itself in this ACP with evidence of the regularity of the practice adopted by it when contracting medical companies, pursuant to the legislation in force, including favorable case law from the Federal Supreme Court (ADPF 324 and RE 958252, with general repercussion acknowledged). As a confirmation of this thesis, the lower court decision dismissed the ACP, which been partially reversed by the Entry of Judgment of the Regional Labor Court (TRT) of the 1st Region. The Company filed an Appeal with the Superior Labor Court, which has, recently and by unanimous vote, partially reversed, in favor of the Company, the previous decision issued by the TRT of the 1st Region. Despite the unenforceability of the decision, in view of the conviction, two different procedural measures were concurrently adopted: Filing of a motion for clarification of the decision rendered by the TST, with alleged omission regarding the issue of lawful outsourcing based on a thesis supported by the Federal Supreme Court (STF); presentation, in the STF, of a constitutional claim on the grounds that the TST's decision violates the thesis supported by the Court. The constitutional claim was upheld, accepting the company's thesis that the TST should render a decision in accordance with the understanding already consolidated by the STF regarding the theme. For this decision, the Attorney General's Office filed an internal interlocutory appeal, which was dismissed by the STF. The possibility of loss remains "remote", since the constitutional claim was judged valid by the Judge-Rapporteur, reversing the TST decision. Having received the official letter from the STF, the TST considered that the motion for clarification had become moot; the procedure was resubmitted as an appeal and was forwarded to the Judge-Rapporteur's officer for consideration. Awaiting decision at the TST."

The Company was summoned in a Public Civil Action (ACP) in process before the Labor Court of São Paulo, which pleads the conviction due to failure to meet the legal quota of disabled employees. The Company, in its defense, proved that it made all possible efforts to comply with the legal provision, and the failure to meet the quota is due to facts beyond the company's control, and there if favorable case law of the Supreme Labor Court. To confirm this thesis, the lower court dismissed the ACP. The Labor Public Prosecutor's Office filed an Ordinary Appeal addressed to the Regional Labor Court of the 2nd Region, which is awaiting judgment.
The Company was summoned in a Public Civil Action (ACP) pending before the Labor Courts of São Paulo, which pleads the conviction due to the alleged noncompliance with rules related to workers' health and safety. The Company will present its defense within the legal term, still in progress. The initial hearing is scheduled for 05/10/2021.

22. Related parties

Impacts on statement of income and balance sheet (Consolidated)

In thousands of reais (R$), unless otherwise indicated.

	03/31/2021		03/31/2020	
Income (loss)	**Revenue**	**Expense**	**Revenue**	**Expense**
Companies associated with Bradseg (a)	-	(52,984)	-	(45,730)
Banco Bradesco S.A. – Payroll (b)	938	-	703	-
Banco Bradesco S.A. - Financial transactions (c)	3,180	(7,889)	2,322	-
Transinc Real Estate Investment Fund (d)	-	(2,617)	-	(2,388)
Harmonikos 32 Participações e Empreendimentos Ltda. (d)	-	(970)	-	(990)
Amicabilis Participações e Empreendimentos Ltda. (d)	-	(1,051)	-	(923)
OdontoPrev S/A (e)	123	(786)	112	(759)
CM Médicos Associados Ltda. (f)	-	(491)	-	(601)
Subtotal	**4,241**	**(67,635)**	**3,137**	**(51,391)**
Total Net		**(63,394)**		**(48,254)**

	03/31/2021		03/31/2020	
Equity balance	**Assets**	**Liabilities**	**Assets**	**Liabilities (Restated)**
Companies associated with Bradseg (a)	-	(5,175)	-	(5,203)
Bradesco (b)	-	(7,736)	-	(10,550)
Banco Bradesco ©	597,154	(407,548)	267,156	-
Transinc Real Estate Investment Fund (d)	35,670	(37,229)	42,075	(43,448)
Amicabilis Participações e Empreendimentos Ltda. (d)	15,425	(16,192)	17,893	(18,121)
Harmonikos 32 Participações e Empreendimentos Ltda. (d)	14,214	(14,973)	16,488	(16,746)
OdontoPrev S/A (e)	-	-	31	-
Subtotal	**662,463**	**(488,853)**	**343,643**	**(94,068)**
Total Net	**173,610**		**249,575**	

a) Bradseg, a shareholder with a relevant ownership interest in the Company, holds a stake and/or control in companies and health plan operators with commercial relationship with the Company.
The amounts related to expenses refer to agreements for the provision of services/benefits to employees through cards, and the main ones are health plan, food/meal, transport, and private pension.

On December 30, 2020, the Company signed an agreement with Bradesco Saúde S.A., for the provision of medical services related to tests for the diagnosis of COVID-19 to the beneficiaries of Bradesco Saúde S.A. The agreement is effective until April 16 2021, and it may be extended upon prior agreement between the parties. The total amount is R$ 63,000, paid monthly according to the number and type of tests effectively carried out.

In addition to this agreement, a group of companies associated with Bradseg are among the Company's largest clients. The impact on the consolidated statement of income for gross revenue from these clients represented 19% as of March 31, 2021 (20% as of March 31, 2020).

b) On December 6, 2018, Fleury Group entered into an agreement for payroll processing with Bradesco S/A (related party). The purpose of this transaction is the payment of the salaries of Fleury's employees and the execution of an agreement to grant payroll-backed loans. The revenue amount advanced for this agreement was R$ 15,500 and it is recorded as "Other liabilities" - note 19, being amortized monthly.

c) As of March 31, 2021, investment transactions consist of an exclusive fund that falls within the fixed income category and repurchase transactions (recorded in Assets) with funds from financing arising from issues of promissory note (recorded in Liabilities) contracted in April 2020.

d) These real estate funds have quotaholders who are direct and indirect shareholders of Fleury Group. The balances recorded in Assets refer to the Right of use and in the Liabilities refer to Financial Leases. The amounts recorded in the income (loss) refer to the adoption of the new accounting standard CPC 06 (R2) - IFRS16, in which the rental expenses were converted into depreciation and interest.

e) SantéCorp provides health management services to OdontoPrev S/A (revenue) and OdontoPrev provides benefits services to Fleury S.A. (expenses). Bradseg holds an indirect stake in OdontoPrev S.A., dental care provider and parent company of Clidec Participações, a partner of Fleury Centro de Procedimentos Médicos Avançados, controlled by the Company, in Papaiz Associados, provider of telemedicine services and primary care in medical clinics at the Fleury branded units.

f) CM Médicos provides medical services to Fleury.

b) Directors' fees and Board's remuneration

Management remuneration, for the period ended March 31, 2021, includes salaries, Directors' fees, benefits, charges, stock options and bonuses in the amount of R$ 8,254 (R$ 6,826 as of March 31, 2020) and they are accounted for under the "General and administrative expenses" caption in the statement of income.

The remuneration of directors and members of Management did not exceed the maximum limit approved at the Shareholders' Meeting held on July 31, 2020.

Fleury Group remunerates its employees through profit sharing, according to the performance verified during the year versus the established goals. This remuneration is recognized as a liability and profit-sharing expense, based on a methodology that considers the estimated achievement of these goals.

The provision for profit sharing, which includes employees and administrators, totaled R$ 9,380 in the period ended March 31, 2021 (R$ 6,207 as of March 31, 2020).

As established by CPC 33 - Employee benefits, the Company grants post-employment benefits to its administrators, consisting of private pension and life insurance.

23. Shareholders' equity

a) Capital

The capital as of March 31, 2021, fully paid-up, is R$ 1,454,987, represented by 317,366,103 common, registered, book-entry shares with no par value. The net amount of expenses with share issues is R$ 1,432,202.

The Company is authorized to increase its capital, regardless of statutory reform, upon resolution of the Board of Directors up to the limit of 320,000,000 common shares.

b) Dividends and interest on own capital

Shareholders are ensured the distribution of 25% of net income calculated in the closing of each fiscal year, adjusted pursuant to the corporate legislation as mandatory minimum dividends.

On December 30, 2020, the Board of Directors approved the payment of interest on own capital to shareholders, in the amount of R$ 74,469, corresponding to the gross amount per share of R$ 0.2347. On February 25, 2021, the Board of Directors approved the distribution of dividends to shareholders, in the amount of R$ 156,795, corresponding to the gross amount per share of R$ 0.4943, based on the ownership interest of March 2, 2021.

c) Treasury shares

At a meeting of the Board of Directors held on November 26, 2020, the Company's Buyback Program was approved, without reducing the capital, and up to 3,035,263 common shares may be acquired.

The purpose of the Buyback Program of Shares issued by the Company is to buy back shares to back the Company's Deferred Stock Plan, approved at the Extraordinary Shareholders' Meeting on 12/05/2019, and they may also be held in treasury, disposed of or canceled.
As of March 31, 2021, the balance of treasury shares is R$ 20,340 corresponding to nine hundred and seventy-five thousand, two hundred and thirty-three (975,233) common shares at a weighted average cost of R$ 25.57.

24. Employee benefits

a) Private pension

The Company is a sponsor of the supplementary pension entity named and currently managed by Bradesco Vida e Previdência S.A., which mainly aims at supplementing the government pension benefits. This plan is optional for all employees. Said plan is a defined contribution plan and during the period ended March 31, 2021 the Company made contributions in the amount of R$ 534 (R$ 535 as of March 31, 2020), recorded in "Costs of services provided" and " General and Administrative Expenses".

In thousands of reais (R$), unless otherwise indicated.

b) Share-based remuneration

Fleury Group offers cash and stock-based remuneration plans to executives, according to which the Company receives services from employees as consideration for the stock options granted.

Granted options fair values determined on grant date are recorded at the straight-line basis as expenses in income for the year during the period in which the right is acquired, based on the Fleury Group's estimates on which granted options will be possibly acquired, with corresponding equity increase (stock options and deferred shares) or liability (cash). At each reporting period, Fleury Group reviews its estimates for the number of options for whose rights should be acquired based on contractual conditions. Review impact on original estimates, if any, is recognized in income for the year, so that accumulated expenses reflect reviewed estimates with the corresponding adjustment in shareholders' equity under "Capital reserve – recognized options granted" that recorded the benefit to employees.

The Company's Board of Directors is responsible for establishing, in each grant, the plan's participants, as well as the number of shares to be acquired upon the exercise of each option, the term, the exercise price, the payment terms other conditions.

With the split of shares resolved in the ESM of June 26, 2017, each (one) share issued by the Company started to be represented by two (2) shares of the same class.

(i) Grants from 2016 to 2018

In the ESM held on July 25, 2016, a new stock option plan issued by the Company was approved, designated for its executives, management members, and employees (beneficiaries).

The options granted under this Option Plan may not exceed, during the term of the Option Plan, the maximum cumulative limit of two and a half percent (2.5%) of the total shares of the Company's subscribed and paid-up capital on this date. On this occasion, 1,822,767 options were granted.

Under the same plan, the following stock options were approved.

Approval date	**Approval**	**Quantity**
July 27, 2016	Board of Directors	3,645,534 Options
May 03, 2017	Special General Meeting	550,000 Options
October 25, 2017	Board of Directors	150,000 Options
December 15, 2017	Special General Meeting	235,000 Options
March 01, 2018	Board of Directors	140,000 Options
May 10, 2018	Board of Directors	375,000 Options
June 20, 2018	Board of Directors	47,000 Options

Each beneficiary's purchase option may be converted into a common share of Fleury S.A. upon the exercise of each portion of the option, which may be exercised at any time from the vesting date up to two years from the exercise date, when they expire. After the exercise of each portion of the option and subscription of the respective share, the strike prices are not updated; the beneficiaries may only sell or transfer them after six months have elapsed from the respective subscription date.

The full exercise of the option by the beneficiaries may be performed in at least six years counted from the signature date of the respective adhesion agreement; and each portion of the option will be exercisable as follows: (i) 12.5% exercisable in the 24th month counted from the signature of the respective adhesion agreement; (ii) 25% in the 36th month; (iii) 25% in the 48th month; (iv) 25% in the 60th month; and (v) 12.5% exercisable from the end of the 72nd month counted from the signature of the respective adhesion contract.
The strike price of the options will be based on the average of the share prices at the close of the last ninety (90) trading sessions that precede the date of the meeting of the Board of Directors that resolves on the respective grant. Changes in the number of stock options and their corresponding weighted average strike prices for the year are shown below:

Grant date		**2016**	**2017**		**2018**		
		July 27,	**Mar 03,**	**Dec 15,**	**Mar 01,**	**May 10,**	**June 20,**
Balance at 12/31/2020	**Options**	**866,824**	**306,250**	**235,000**	**140,000**	**375,000**	**47,000**

In thousands of reais (R$), unless otherwise indicated.

	Average exercise price	8.74	20.22	28.86	28.18	27.66	26.24
Expired	Options	-	-	-	-	-	-
Exercised	Options	-	-	-	-	-	-
Prescribed	Options	-	-	-	-	-	-
Canceled	Options	-	-	-	-	-	-
Balance at 03/31/2021	Options	**866,824**	**306,250**	**235,000**	**140,000**	**375,000**	**47,000**

Of the 1,970,074 options existing as of March 31, 2021 (1,970,074 options as of December 31, 2020), 280,875 options are exercisable (245,875 options were exercisable as of December 31, 2020).
As of March 31, 2021, the Company recognized a "pro-rata" expense in the amount of R$ 552 in General Administrative Expenses (R$ 1,889 for the period ended March 31, 2020).

As of March 31, 2021, the market value of each share was R$ 25.60 (R$ 20.24 as of March 31, 2020).

Options granted from 2016 to 2018: were priced based on the "Black & Scholes" model, and the significant data included in the pricing model for the fair value of the stock options granted in this period were:

	Vesting in 48 months - Grant in						
	06/20/2018	**05/10/2018**	**03/01/2018**	**12/15/2017**	**10/25/2017**	**05/03/2017**	**07/27/2016**
Volatility	30.16%	29.49%	29.38%	28.97%	42.79%	29.12%	28.36%
Dividend Yield	2.94%	3.22%	3.76%	3.17%	2.93%	3.09%	1.75%
Expected life for the exercise.	2 years	2 years	2 years	2 years	2 years	2 years	2 years
Risk-free annual interest rate	7.59%	7.59%	7.71%	8.20%	8.04%	9.54%	12.70%

(i) New Long-Term Incentive Plan - Deferred Stock

At the ESM held on December 5, 2019, a new deferred stock plan was approved, and, at a Board of Directors' meeting held on November 26, 2020, Fleury S.A.'s First Deferred Stock Program was approved within the scope of the plan ("program"), establishing rules for the grant of Deferred Stock by the Company.

The Plan sets forth the general conditions for the grant of shares issued by the Company to its employees or to those other companies under its control, duly selected by the Board of Directors.

The plan provides for the transfer of shares to the members of the Executive Board, subject to the amounts set forth by the conditions of the deferred share grant agreement.
The shares granted under the plan cannot exceed the limit of 1.2% of the total shares of the Company's subscribed and paid-up capital on the date the plan was approved.

Shares are granted through a "Deferred Stock Agreement" entered into between the Company and each one of the participants.
The plan provides for annual grants and in each grant the number of shares designated for each beneficiary will be established based on the rules set forth in the plan. After the vesting period, the company will transfer the title to the shares to the beneficiaries.
The plan's vesting period will be 4 years and it will be divided into 4 annual installments (20%/20%/20%/40%), i.e., each year the title to a portion of the granted shares will be transferred.

As this is a share grant plan, rules related to the strike price, effectiveness period and lock-up period do not apply.

The Board of Directors or the Executive Board may, at their sole discretion within their respective authorities, invite beneficiaries of this Plan to receive Extraordinary Shares, under the terms and conditions of this Plan, subject to the cumulative Vesting and Lock-up periods.
As of March 31, 2021, the Company recognized a "pro-rata" expense in the amount of R$ 3,258 in General Administrative Expenses referring to the Deferred Stock plan.

	Vesting in 48 months
	Grant as of 11/26/2020
Volatility	28.7%
Dividend Yield	4.80%
Expected life for the year	4 years
Risk-free annual interest rate	4.78%

In thousands of reais (R$), unless otherwise indicated.

25. Revenue from rendering of services

a) Political

Revenue is recognized when control and all rights and benefits arising from the provision of services flow to the client, represented by the time of issue of the report, which current term is like that of the test.

The allocation of remuneration for the services provided basically refers to clinical analyses with a single performance obligation established (test and respective analysis), with the transaction price established between the Company and its respective clients. There is no variable consideration, return or refund obligations, no significant financing component or remaining performance obligations.

The contracts entered into between the Company and its respective clients have commercial substance, since they are approved by the parties and have the rights for each party, as well as the payment terms identified.
The performance obligation in these contracts refers to the performance of the clinical analysis, starting with the collection of the material for later issue of the diagnostic report, which is available to the clinical user through the website or for collection in one of the service units. The lines of diagnostic medicine and integrated medicine services have no distinction regarding the performance obligations to be achieved.

Revenues from this service provision are already recorded, net of any estimates of rebates, discounts and disallowances.

b) Main service lines

Diagnostic medicine: Laboratory and imaging tests for clients who are served at Fleury Group's own service units.

Integrated Medicine: They refer to hospitals that integrate diagnostic services with a specialized clinical staff and perform tests for clinical analyses, providing diagnostic information of high added value to the physicians of these institutions. It also includes checkup, LARE - Reference Laboratory, health management, health platform, genomics, Clinic Day and Infusion Center services.

Dental: Dental imaging tests carried out by the jointly-controlled company Papaiz.

d) Expected remuneration

The services provided to clients are remunerated as follows (amounts contractually established):
i) volume of provision of clinical analysis services (analyses and diagnoses carried out); and
ii) defined clinical analysis packages, where the remuneration is based on pre-defined procedure packages (checkups) to the clinical user.

e) Estimation of disallowances (Consolidated)

Based on historical analysis and commercial trends, the Company adopted as of March 31, 2021 an estimate of 1% of the gross revenue of diagnostic medicine in which the counterpart is the special agreements (1.14% as of March 31, 2020), either billed or not. This estimate is reviewed by the Company at each financial statement date.

f) Breakdown of balances

	Parent company		Consolidated	
	03/31/2021	03/31/2020	03/31/2021	03/31/2020
Gross revenue	899,890	711,397	964,269	770,606
Taxes	(55,271)	(43,322)	(60,479)	(47,638)
Disallowances	(9,221)	(8,439)	(9,487)	(8,777)
Rebates	(267)	(118)	(495)	(257)
Net revenue	**835,131**	**659,518**	**893,808**	**713,934**

The breakdown of net sales between the main lines of the Company's services (Diagnostic Medicine, Integrated Medicine and Dental segment), is presented in Note 32 - Segment Information.

26. Cost of services rendered

	Parent company		Consolidated	
	03/31/2021	03/31/2020	03/31/2021	03/31/2020
Medical personnel and services	(251,984)	(237,314)	(283,198)	(260,074)
Rentals, services with occupancy and utilities	(115,887)	(103,617)	(127,744)	(112,173)
Direct material and test intermediation	(119,193)	(76,652)	(122,596)	(81,237)
Depreciation and amortization	(66,807)	(66,574)	(71,870)	(71,713)
Overhead	(1,081)	(1,115)	(1,142)	(1,149)
Total	**(554,952)**	**(485,272)**	**(606,550)**	**(526,346)**

In thousands of reais (R$), unless otherwise indicated.

27. General and administrative expenses

	Parent company		Consolidated	
	03/31/2021	03/31/2020	03/31/2021	03/31/2020
Personnel and benefits	(51,734)	(38,354)	(57,023)	(41,991)
Depreciation and amortization	(14,537)	(15,192)	(14,967)	(15,541)
Institutional and legal matters	(4,075)	(6,231)	(4,375)	(6,194)
Marketing	(3,125)	(3,629)	(3,964)	(3,946)
Real estate and utilities	(2,640)	(2,286)	(2,836)	(2,696)
Other general and administrative expenses	(2,375)	(4,749)	(2,638)	(5,003)
IT and telecommunications	(1,383)	(1,275)	(2,515)	(1,864)
Third party services	(2,200)	(2,904)	(2,344)	(3,050)
Total	**(82,069)**	**(74,620)**	**(90,662)**	**(80,285)**

28. Other operating revenues (expenses), net

	Parent company		Consolidated	
	03/31/2021	03/31/2020	03/31/2021	03/31/2020
Other revenues (expenses)	1,722	904	3,281	1,855
Income (loss) in write-off/sale of assets	(202)	(599)	(252)	(622)
Provision/losses with defaulted parties	(618)	(539)	(548)	(512)
Total	**902**	**(234)**	**2,481**	**721**

29. Financial income (loss)

a) Political

Interest revenues and expenses are recognized under the interest method based on time and the effective interest rate on the principal amount outstanding.

b) Breakdown of financial results

	Parent company		Consolidated	
	03/31/2021	03/31/2020	03/31/2021	03/31/2020
Financial revenues:				
Yield from interest earning bank deposits – Securities	5,392	4,735	5,714	5,421
Inflation adjustment of taxes and legal expenses	645	1,640	691	1,679
Derivative financial instruments	421	2,497	421	2,497
Exchange-rate change and other	154	119	167	567
Yield from interest earning bank deposits	-	-	8	43
PIS/COFINS on financial revenues	(285)	(299)	(302)	(329)
Total	**6,327**	**8,692**	**6,699**	**9,878**
Financial expenses:				
Interest from lease	(17,252)	(15,402)	(18,123)	(16,442)
Interest on debentures	(8,541)	(16,937)	(8,541)	(16,937)
Interest on financing and other interest	(7,519)	(663)	(7,547)	(1,110)
Financial commissions	(1,790)	(837)	(1,791)	(837)
Inflation adjustment of contingencies	(1,081)	(1,389)	(1,089)	(1,400)
Exchange-rate change and other	(816)	(902)	(882)	(1,085)
Derivative financial instruments	245	145	245	145
Inflation adjustment of taxes and accounts payable	(260)	(371)	299	(1,052)
Total	**(37,014)**	**(36,356)**	**(37,429)**	**(38,718)**
Net finance result	**(30,687)**	**(27,664)**	**(30,730)**	**(28,840)**

30. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing profit attributable to company shareholders by the weighted average number of common shares issued during the period.

	03/31/2021	03/31/2020
Earnings attributable to Company's shareholders	118,612	58,719
Weighted average value of common shares issued	317,366,103	316,788,210
(-) Treasury shares	(975,233)	-

In thousands of reais (R$), unless otherwise indicated.

Weighted average number of common shares outstanding	316,390,870	316,788,210
Basic earnings per share - R$	**0.37**	**0.19**

Diluted earnings per share

Diluted profit per share is calculated by adjusting the weighted average number of common shares, presuming the conversion of all the potential diluted common shares. The Company had potential diluting common shares outstanding during the period, according to the Company's Stock Option Plan, as follows:

	03/31/2021	**03/31/2020**
Earnings attributable to Company's shareholders	118,612	58,719
Weighted average number of common shares outstanding	316,390,870	316,788,210
(+) Adjustment by stock options	2,563,448	3,349,392
(=) Weighted average of number of common shares for diluted earnings per share	**318,954,318**	**320,137,602**
Diluted earnings per share - R$	**0.37**	**0.18**

31. Information per business segment

Fleury Group's Management conducts analyses based on three reportable business segments: Diagnostic Medicine, Integrated Medicine and Dental segment. The segments presented in the financial statements are strategic business units that offer different products and services.

	Period ended 03/31/2021			
	Diagnostic medicine	Integrated Medicine	Dental	Consolidated
Net revenue	724,388	169,420	-	893,808
EBITDA	256,622	28,910	-	285,532
Equity in net income of subsidiaries	-	-	(198)	(198)
Depreciation and amortization	-	-	-	(86,836)
Financial income (loss)	-	-	-	(30,730)
LAIR	**-**	**-**	**-**	**167,768**

	Period ended 03/31/2020			
	Diagnostic medicine	Integrated Medicine	Dental	Consolidated
Net revenue	595,537	118,397	-	713,934
EBITDA	179,858	16,088	-	195,946
Equity in net income of subsidiaries	-	-	39	39
Depreciation and amortization	-	-	-	(87,255)
Financial income (loss)	-	-	-	(28,840)
LAIR	**-**	**-**	**-**	**79,890**

32. Insurance coverage

The Company takes out insurance coverage on a global basis for possible risks related to its assets, loss of profits and/or liabilities in amounts sufficient to cover possible claims, considering the nature of its activities and in accordance with the assessment of Management and its specialized consultants. The net premium of the Consolidated insurance policies in effect as of March 31, 2021 is R$ 1,927.

The contracts are effective until February 26, 2023.

The maximum insured amount of the main insurance coverages, as of March 31, 2021, is as follows:

	Consolidated
Operating risks	R$ 767,161

In thousands of reais (R$), unless otherwise indicated.

Public liability	R$ 160,000
International transport – Imports	US$ (thousand) 750

33. Subsequent events

Acquisition of Vita

On April 9, 2021, the Company, through its wholly-owned subsidiary, Fleury Centro de Procedimentos Médicos Públicos S.A. (CPMA), entered into the Investment Agreement and Other covenants for the acquisition of 66.67% of Vita Ortopedia Serviços Médicos Especializados Ltda. and Vita Clínicas Medicina Especializada Ltda. The transaction amount is R$ 136.8 million, and a relevant part of the funds comprise an initial installment that will be designated for organic and inorganic expansions of orthopedics services in Brazil. The completion of this transaction is contingent on the fulfillment of certain conditions precedent.

Corporate Venture Capital

On April 7, 2021, the Company made the 1st capital call in the amount of R$ 3.1 million, referring to Kortex Ventures, one of the largest health Corporate Venture Capital funds in Brazil.
As disclosed in the subsequent event on November 4, 2020, this new Corporate Venture Capital ("CVC") fund has a 10-year term and a total contribution of up to R$ 200 million, which will be invested over the first 4 years. The Company will hold a 70% interest and Sabin Group will hold 30%.

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Jeane Tsutsui
President

Fernando Augusto Rodrigues Leão Filho
Executive Officer, Finance, and Investor Relations

Gisele Schneider
Responsible-in-charge - Accountant
CRC 1SP304488

Earnings 1Q21

Conference Call:
April 30th | 11 am (10 am ET)

Brasil: +55 11 2188-0155
Exterior: +1 646-843-6054
Replay: +55 11 2188-0400
Code: Fleury
Webcast: www.fleury.com.br/ir

In March 31, 2021:

Total shares
317,366,103
Market price
R$ 8.1 Bn | US$ 1.8 Bn
Share Price
R$ 25.60 /US$ 4.49

Fleury ON
B3: FLRY3

Investor Relations

www.fleury.com.br/ir | ri@grupofleury.com.br | +55 11 5014-7413

São Paulo, April 29th, 2021 – Grupo Fleury announces today its first quarter 2021 (1Q21) results. All figures are compared to the same period of the previous year, unless otherwise stated, and are rounded to the nearest thousand. However, there may be differences when compared to the financial statements due to decimal digits.

Highlights

- Gross Revenue reached the second highest historical level in the quarter, totaling R$ 964.3 million, an increase of 25.1% in 1Q21.
    - Client's Home Service presented relevant growth for the fourth consecutive quarter, corresponding to 7.7% of Gross Revenue, a gain of 86% in the quarter.
    - Since the beginning of the pandemic, more than 2.7 million tests have been performed for Covid-19[1], with 1.3 million RT-PCR and 1.4 million serologies. In the quarter, the volume of tests performed was 597 thousand.
    - Telemedicine services in full expansion, with more than 300 thousand consultations performed through Saúde iD.
- EBITDA of R$ 285.5 million (+45.7%), with a margin of 31.9% (+450 bps) in 1Q21.
- Net Income of R$ 118.6 million (+102.0%), with net margin of 13.3% (+505 bps) in 1Q21.
- Operating Cash Generation of R$ 199.2 million (+52.2%) in 1Q21.
- Return on Invested Capital (ROIC[3]) without Goodwill LTM, considering the effects of IFRS-16 of 47.2%.
- NPS[2] improved when compared to 4Q20, reaching 73.1% in PSCs and 81.5% in client's home service in 1Q21, as a result of the continuous efforts to improve the level of services in our PSCs.

[1] Updated on 04/28/2021, including RT-PCR and Serology | [2] Net Promoter Score | [3] As of 1Q21, we will present the ROIC with the effects of IFRS-16

Main Financial Indicators

Financial Indicators (R$ MM)	1Q21	1Q20	Variation
Gross Revenue	964,3	770,6	25,1%
Net Revenue	893,8	713,9	25,2%
Gross Profit	287,3	187,6	53,1%
EBITDA	285,5	195,9	45,7%
Net Income	118,6	58,7	102,0%
Cancellations (% Gross Revenue)	-1,0%	-1,2%	14 bps
Gross Margin %	32,1%	26,3%	586 bps
EBITDA Margin %	31,9%	27,4%	450 bps
Effective Tax Rate	-29,3%	-26,5%	-280 bps
Net Income Margin %	13,3%	8,2%	505 bps
Operating Cash Flow	199,2	130,9	52,2%
CAPEX	51,3	40,7	26,0%
ROIC (LTM)	14,7%	14,6%	09 bps
ROIC without goodwill (LTM)	47,2%	45,7%	152 bps

Management Comments

New Growth Cycle of Grupo Fleury

Here at Grupo Fleury we are obsessed with the acceleration of growth. We believe that the most important metrics for a company based on a healthcare platform are the increase in revenue, the number of lives served, and the ability to integrate new products and services. We are satisfied with the growth presented in the first quarter of this year: 25.1% (compared to the same period in 2020), reaching a revenue of R$ 964.3 million, but we want more. It is worth noting that this growth in revenue, in addition to representing strength in our core business operations, was accompanied by a significant increase in the lives served by the Group, through Saúde iD, our healthcare platform launched in September last year. Of the approximately 1.1 million lives served by the Group in 1Q21, 9.8% came from Saúde iD - the percentage is the double of the recorded in 4Q20. If, in just over six months of operations, the platform has already managed to generate such a substantial volume of lives served, what should be ahead? The answer is: more growth.

It is important to say that in addition to the strong growth recorded in the quarter, we maintained robust results. EBITDA increased 45%, compared to the same period of 2020, reaching R$ 285.5 million, and net income reached R$ 118.6 million - 102% higher than the result of the first quarter of last year.

The potential of the marketplace becomes even more evident when we analyze that this crop of lives was generated only by the platform's B2B businesses. The B2C version of Saúde iD, launched in February, is still in a pilot phase. When it is opened to individuals from all over Brazil, there will be a health service subscriptions, with the option of monthly, half-yearly or annual plans, which entitles to telemedicine consultations, routine tests, and discounts on medication and other offers. In our view, the B2C version represents an option for access to quality health care for all Brazilians. In addition, it is another step by the Group in its mission to democratize access to health in Brazil, generate a positive social impact and contribute to the sustainability of the entire health sector.

300 thousand telemedicine consultations

No front of the Group's operations has expanded more than the telemedicine service. Since it was created until today, there have been more than 300 thousand teleconsultations. However, more impressive than the absolute number, is its growth curve. If in June 2020 the Company performed 3000 consultations per month, today this volume is reached in just a single day.

As a result, 177,707 teleconsultations were performed in 1Q21 alone, a volume greater than the whole volume of 2020 combined and with an increase of 104.4% compared to 4Q20. Out of the total number of patients seen in 1Q21, almost 82% of them were using the service for the first time. In order to offer a high quality telemedicine service, with a resolution rate of 89%, Saúde iD has more than 670 hired physicians.

The advancement of telemedicine proves that two of our most important premises for the future growth of the Company are right. The first one is that health consumption will be increasingly hybrid, with patients accessing products and services in person and also digitally. An interesting fact in this regard is that almost 40% of the teleconsultations performed by the Group originated in places where the Company does not have a physical presence - including abroad, in countries such as the United States, England and Portugal.

The second premise is that the technology and the development of the platform will increasingly offer an offer of integrated solutions and the recurrence of services to the same customer. If, in the past, a patient went to a physical PSC of the Group just to do its diagnostic tests, usually once or twice a year, now the contact is much more frequent and occurs in multiple channels. And the service in each channel has the potential to lead the patient to new interactions with the Group. An Example of how this happens in practice: in the first quarter of this year, Saúde iD boosted a revenue of R$ 6.1 million in services for all brands and PSCs of Grupo Fleury - double of the amount recorded in 4Q20. Although the value is still modest, the growth curve shows the size of the opportunity that lies ahead.

Another front that has been expanding strongly, in addition to telemedicine, is the client's home service, which corresponded to 7.7% of the gross revenue of the quarter, an increase of 86% related to the same period of 2020. Today the revenue generated by the client's home service is greater than any physical PSC under any banner of the Group. By being able to identify the new needs of the consumer, who seeks the convenience of home service, the Company was able to capture value and pave a strong avenue of growth.

New business and acquisitions

Maintaining the pace of acquisitions, in early April we announced the acquisition of 66.7% of the São Paulo chain Vita, a reference in consultations and orthopedic surgeries, as well as rehabilitation sessions. A relevant part of the investment will be destined to organic and inorganic expansion of orthopedics services in the country, in addition to positioning the Company with an even more robust offer in this specialty, which already has the Advanced Center for Osteomuscular Imaging Diagnostics and the Day Clinic.

The acquisition of Vita adds to almost a dozen other movements performed in the last 12 months, which contributed to making the Company more and more a protagonist in the healthcare sector. Just to remember, in this period we launched the largest healthcare platform in the country (Saúde iD), created one of the largest corporate venture capital funds in Brazil (Kortex), started a continuing education service for physicians, health professionals, students and residents (Pupilla), we acquired the Clínica de Olhos Moacir Cunha and Centro de Infusões Pacaembu, launched a genetic testing platform (Sommos DNA), developed a consultancy service (Cuidado Integrado for Companies, which already totals 621 contracts) and we inaugurated the Fleury Reproductive Medicine Center. All of this, in the middle of the Covid-19 pandemic.

All of these initiatives are connected with our mission to provide increasingly complete and integrated solutions for the management of people's health and well-being. As we have said on other occasions, it is precisely because we are a company with a medical origin that we have the legitimacy to integrate what today is only available in a fragmented way.

The ESG advance

At Grupo Fleury we believe that it is the role of companies to contribute to a better society. That is why, for decades, we have adopted the best social, environmental and governance practices - and we are also accelerating in this field. To leverage the development of the work that has already been performed by the Company, we have just announced the establishment of the Group's first ESG committee, formed by four members. The new committee will reinforce Grupo Fleury's permanent attention to ESG principles in its business strategy, and will accentuate discussions on the topic within the Company, always thinking about its long-term impact on society.

In this quarter we also created, in partnership with Grupo Sabin, the Women's Heart Movement, a national initiative to raise awareness among the female population about the importance of preventing and adopting healthy habits to reduce the chances of developing heart diseases. Today, cardiovascular diseases are the main cause of mortality of women in Brazil.

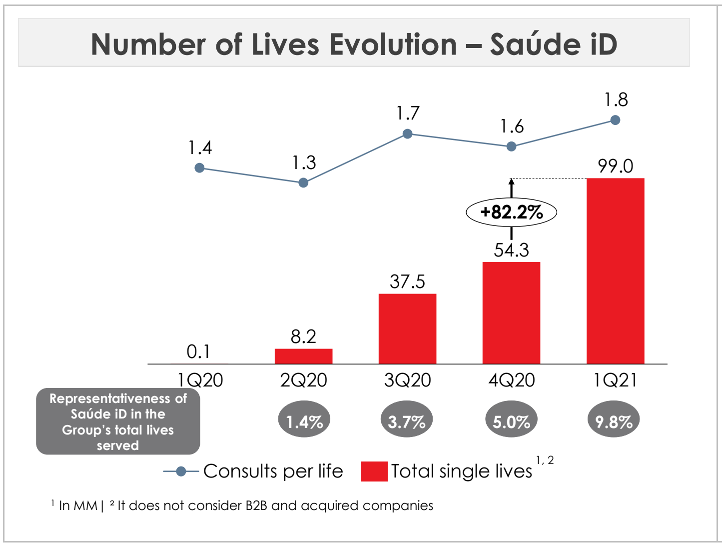
With regard to Governance, we had a significant change: the departure of Carlos Marinelli, who since 2014 has held the position of CEO of the Group. In the seven years of its inspiring management, the Company has strengthened its leading role in the healthcare market and created the conditions for the new phase of growth projected for the future.

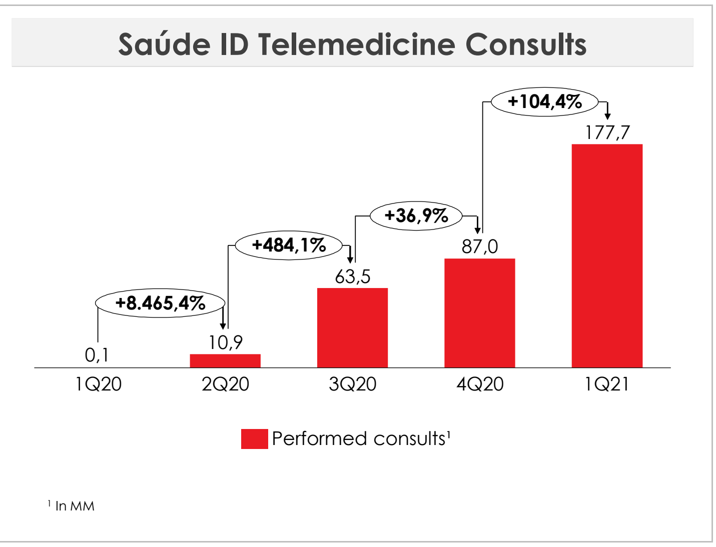
The leadership now rests with Jeane Tsutsui, a 20-year veteran with a deep knowledge of the industry. The choice of Jeane, who was already being prepared for this challenge, reveals not only the Group's ability to train and retain talent, but also its commitment to diversity: Jeane is one of the rare women to lead a publicly traded company on B3. From now on, the main driver of the company will be to significantly increase the speed of its growth, which will take place along the lines of expanding the number of lives served, acquisitions and digital transformation, with service offerings increasingly integrated within our strategy of Healthcare Platform. In addition, we will continue to advance to be a benchmark company in all dimensions of ESG, in the direction of a country and a sector that meet the necessary premises of sustainability.

In this context, we are certain that our market differential, which is trust, will be a determining factor, a powerful and mandatory success asset in the healthcare sector, present in the relationships we maintain with all stakeholders, and which makes us the preferred service provider through the leading brands we have in most of the markets where we operate.

As it has become a tradition in our quarterly comments, we would like to thank the dedication of our 12 thousand employees and 3 thousand physicians. In times of an upsurge in the Covid-19 pandemic, the commitment and diligence of this incredible team are even more necessary to ensure that the Group carries out its mission of offering quality health to the entire country, at the same time that they allow us to be protagonists in the transformations that we lead in the sector.

Evolution of the Number of Lives and Telemedicine Saúde ID





Gross Revenue - COVID-19 Impacts

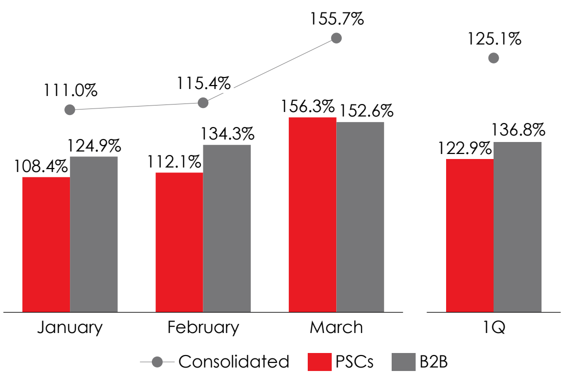
The increase in demand recorded during the second half of 2020, again remained high during the first quarter of 2021, with a significant volume of elective exams in the PSCs, mainly in January and February (months that in 2020 were already growing double digit), which contributed to the growth of 25.1% recorded in the quarter.

The same movement can be seen in the B2B, which again showed a strong growth of 36.8% in the quarter, in the continuity of the greater volume from elective procedures and, again, of the contribution of tests for Covid-19 in the Hospitals and Lab-to-Lab segment.

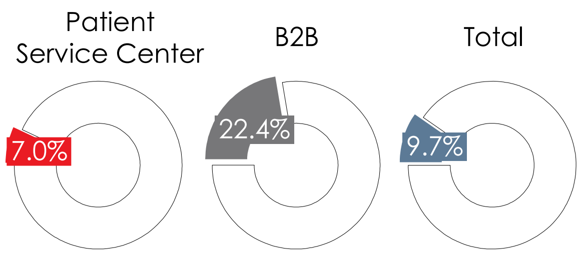
The contribution of Covid-19 tests to Gross Revenue registered a small reduction compared to the previous quarter, representing 9.7%, in the Total Gross Revenue, compared to 11.1% in 4Q20, being 7.0% in the PSCs. In B2B, the share of Covid-19 tests was 22.4%.

In this quarter, the participation of the Covid-19 tests compared to the Company's Gross Revenue had the lowest representation since the beginning of the pandemic.

Gross Revenue Relation YoY (%)



Participation in Gross Revenue of COVID-19 tests[1] (% of total)

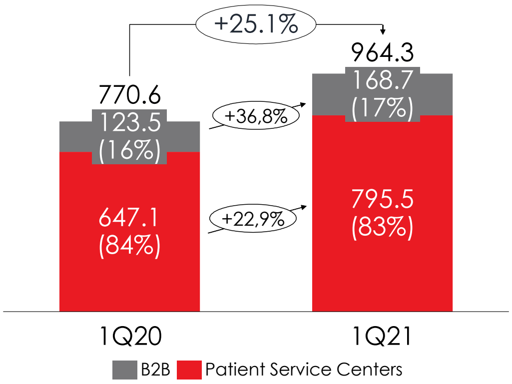


[1] Considered the Gross Revenue from the RT-PCR and Serological tests on the Total Gross Revenue for each segment.

Consolidated Gross Revenue

In 1Q21, total Gross Revenue grew by 25.1%, reaching R$ 964.3 million, with the participation of PSCs in Gross Revenue showing a reduction from 84% to 83% in the period.

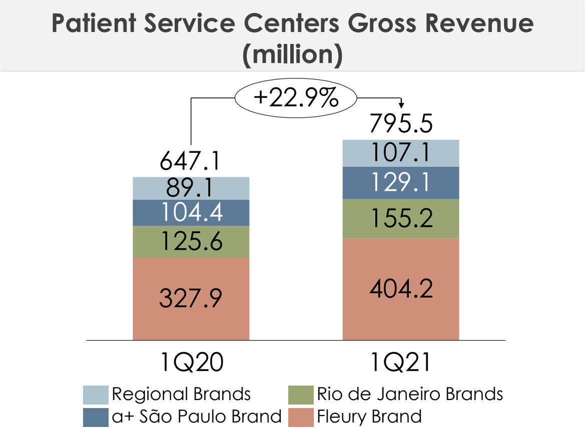
Total Gross Revenue (million)

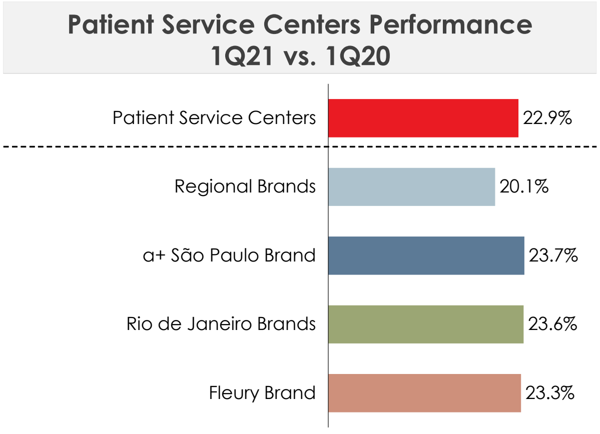


Patient Service Centers

Gross Revenue | Patient Service Centers

In 1Q21, Gross Revenue from PSCs grew by 22.9%, reaching R$ 795.5 million. In the period, all the Company's brands showed significant growth, as shown below.





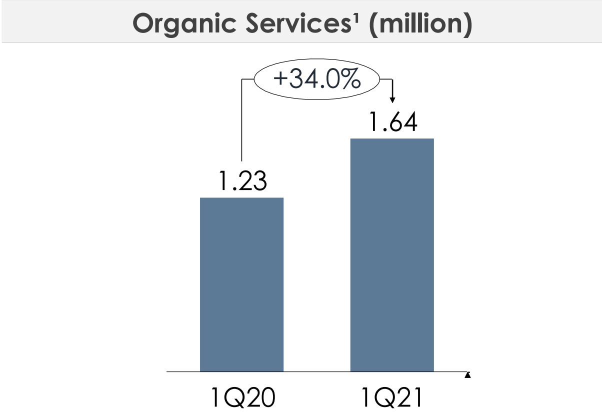
Volumes and Gross Revenue per Test | Patient Service Centers

In 1Q21, the number of Organic Services reached 1.6 million, an increase of 34.0% over the previous year. The increase reflects the high demand registered in the quarter, in the continuity of the strong volume of elective tests in the Patient Service Centers, as well as of the contribution of the Covid-19 tests in the period.

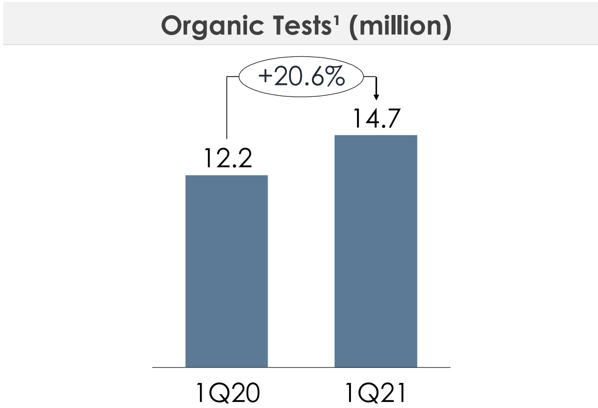
The volume of Organic Tests reached 14.7 million and registered a growth of 20.6%. The increase reflects the strong demand registered throughout the quarter, with an emphasis on the months of January and February, also linked to the participation of RT-PCR and Serology tests for Covid-19.

In 1Q21, the number of Organic Tests per Service decreased by 10.0% compared to 1Q20, still reflecting the tests for Covid-19, RT-PCR and Serology, which are often not accompanied by other tests in the service file.

In 1Q21, Gross Revenue per Test increased by 1.9%, reaching R$ 54.2 compared to R$ 53.2 in the same period of the previous year.

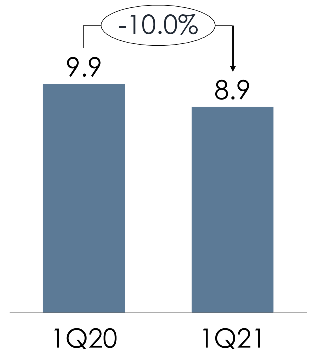


[1] Companies acquired in the last 12 months are not considered.



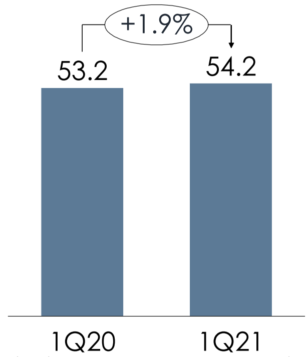
[1] Companies acquired in the last 12 months are not considered.

Organic Tests per Service[1]



[1] Companies acquired in the last 12 months are not considered.

Gross Revenue per Organic Test[1] (R$)

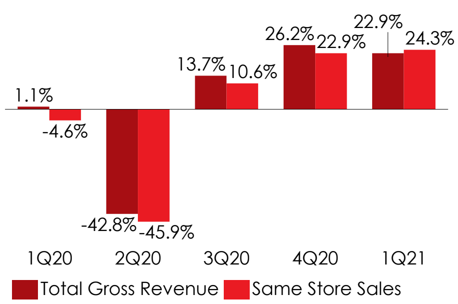


[1] Companies acquired in the last 12 months are not considered.

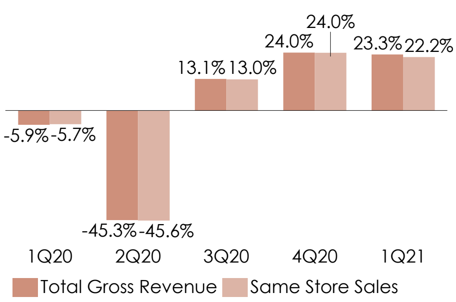
Gross Revenue and Same Store Sales | Patient Service Centers

In 1Q21, gross revenue from PSCs increased by 22.9%. Same Store Sales (SSS) grew by 24.3%. In the quarter, all brands showed significant growth, both in Gross Revenue and SSS. We continue with our strategy of expanding the client's home service offer in the main brands, through the expansion of routes and the inclusion of new services. For the fourth consecutive quarter, gross revenue from client's home service showed strong growth, representing 7.7% of consolidated revenue in 1Q21 and an increase of 86%.

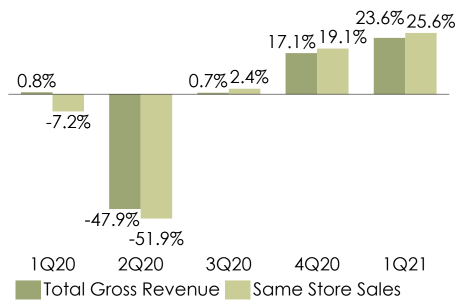
Patient Service Centers (YoY %)



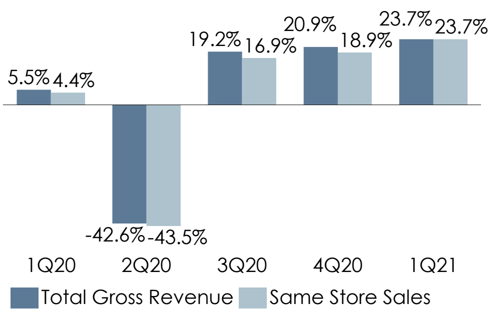
Fleury Brand (YoY %)



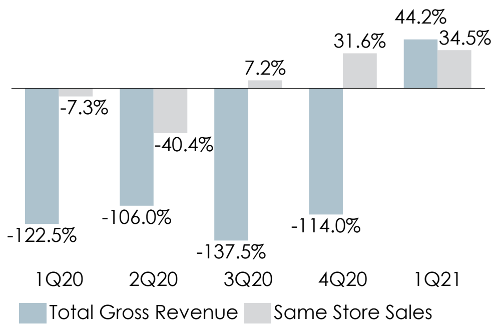
Rio de Janeiro Brands (YoY %)



a+ São Paulo Brand (YoY %)



Regional Brands (YoY %)



B2B: Hospital Operations and Lab-to-lab

Volume and Gross Revenue | B2B

In 1Q21, B2B Operations grew by 36.6%, as a result of the 19.5% increase in the volume of Tests, and the 14.3% increase in Gross Revenue per Test.

In the quarter, Hospital Operations showed a 34.6% increase in Gross Revenue (+35.0% SSS). In view of the increase in the demand flow for elective procedures in the period, the volume of Tests grew by 19.3%. In addition, Gross Revenue per Test was again positively impacted by the volume of Covid-19 tests, mainly the RT-PCR, which has the highest Gross Revenue per Test.

In 1Q21, the Lab to Lab grew 56.1% in Gross Revenue. Most of the increase comes from Gross Revenue per Test, which grew by 24.2%, and the volume of tests grew by 25.6%. The growth in Gross Revenue per Test reflects the high volume of Covid-19 tests performed for partner laboratories.

B2B Indicators	1Q21	1Q20	Variation
Gross Revenue (R$ Million)			
B2B	168.7	123.5	36.6%
Hospital Operations	150.9	112.1	34.6%
Lab-to-Lab	17.8	11.4	56.1%
Same Store Sales (R$ Million)			
Hospital Operations	148.5	110.0	35.0%
Tests (Million)			
B2B	9.3	7.8	19.5%
Hospital Operations	8.9	7.5	19.3%
Lab-to-Lab	0.4	0.3	25.6%
Average Ticket per Test (R$)			
B2B	18.2	15.9	14.3%
Hospital Operations	16.9	15.0	12.8%
Lab-to-Lab	48.4	39.0	24.2%

Precision and Personalized Medicine: Genomics

In diagnostic and precision medicine, Gross Revenue in 1Q21 showed a robust growth of 31.5%, despite the challenging scenario of the pandemic, reflecting our ability to execute the strategy outlined.

The "Fleury Genômica" website continues to expand its presence in regions where the Company does not have physical PSCs, and registered a 47% growth in the quarter, reaching 9% of the Gross Revenue from Genomics.

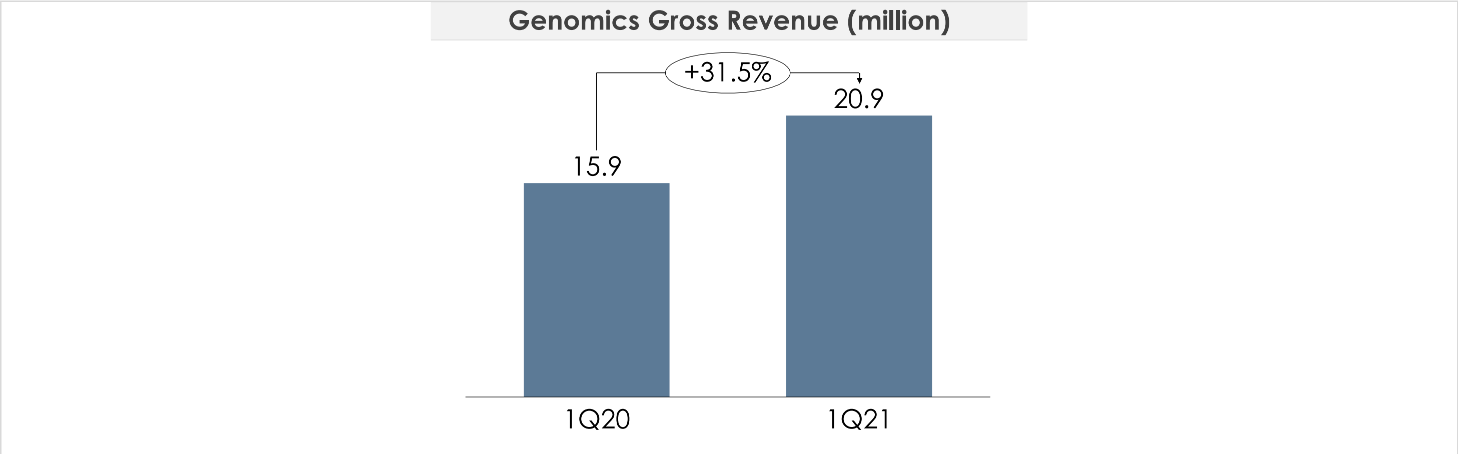
The NGS (Next Generation Sequencing) platform grew 98% in the quarter, with emphasis on verticals of Oncogenetics, Neurogenetics and rare diseases. In initiatives related to pharmaceutical projects, patient support programs included 6 new contracts, totaling 21 accounts.

There were also several medical events and classes related to Genomics to support the requesting physician at any time during the patient's journey.

SOMMOS DNA, new genetic testing brand for the general public via e-commerce, launched in December 2020, included two new products in its portfolio. SOMMOS Coração, the most complete test on the market in this category, assesses the main cardiac genetic conditions. SOMMOS MAIS is a test that includes the assessment of cardiac conditions, hereditary cancer syndromes and other conditions recommended by the ACMG (American College of Medical Genetics).

Finally, we had a great advance on the regulatory front with the inclusion of three tests in the New List of ANS (list of procedures with mandatory coverage by healthcare plans), among them, Exoma, a Test that performs the sequencing of the entire coding region of human DNA, being the most complete genetic test available. In addition to the inclusion of the new tests, there was also an expansion of mandatory coverage by clinical specialty. Previously, only requests from geneticists had mandatory coverage, a rule that now extends to neurologists, hematologists and oncologists.

Both updates contribute a lot to the access and expansion of the public eligible to carry out genetic tests via HMOs.



Cost of Services

In 1Q21, the Cost of Services Provided increased by 15.2% in the period. Below, the analysis of the main cost lines in 1Q21 compared to 1Q20.

Personnel and Medical Services (+8.9%): The line mainly comprises costs related to Personnel and Benefits with a fixed nature. The other costs are related to Medical Services, which have a variable nature. The growth is due to the increase in the number of hires. In 1Q21, Personnel and Medical Services costs represented 31.7% of Net Revenue, with a reduction of 474 bps, once again registering productivity gains reflecting the higher level of demand in the Patient Service Centers.

General Services and Utilities (+13.9%): The increase in the line in the quarter is mainly to higher maintenance costs for real estate and equipment.

Direct Material and Test Intermediation (+50.9%): The growth of this line remains relevant, due to the higher costs with the acquisition of reagents to perform Covid-19 tests and individual protection equipment (PPE's) to serve the PSCs. Excluding this effect, growth remains basically in line with revenue growth, impacted by the mix of tests and inflation.

Depreciation and Amortization (+0.2%): Depreciation with the real estate right of use (effect of IFRS16), medical equipment and improvements in real estate are the most representative of this line.

General Expenses (-0.6%): Reached R$ 1.1 million.

Cost of Services breakdown	1Q21		1Q20		Variation	
	R$ MM	% Net Revenue	R$ MM	% Net Revenue	▲ %	▲ *bps*
Personnel and medical services	(283.2)	-31.7%	(260.1)	-36.4%	8.9%	474 bps
General services and utilities	(127.7)	-14.3%	(112.2)	-15.7%	13.9%	142 bps
Materials and Test Intermediation	(122.6)	-13.7%	(81.2)	-11.4%	50.9%	-234 bps
Depreciation and Amortization	(71.9)	-8.0%	(71.7)	-10.0%	0.2%	200 bps
General Expenses	(1.1)	-0.1%	(1.1)	-0.2%	-0.6%	3 bps
Cost of Services	**-606.5**	**-67.9%**	**-526.3**	**-73.7%**	**15.2%**	**586.3 bps**

Operating Expenses and Equity in Subsidiaries

In 1Q21, Operating Expenses increased by +12.6%. Below, the analysis of the main expense lines in 1Q21 compared to 1Q20.

General and Administrative Expenses (+16.9%): Most of the line, approximately 70%, is related to fixed expenses, mainly Personnel and Benefits. The main effects are related to provisions for profit sharing and the Company's long-term incentive plan.

Depreciation and Amortization (-3.7%): Equivalent to 1.7% of Net Revenue, a decrease of 50 bps.

Other Operating Income/(Expenses) (+244.1%): reflects the reimbursement of a claim related to equipment in a PSC.

Reversion / Provision for Contingencies (+157.0%): reflects expenses with labor provisions.

Operating Expenses breakdown and Equity in Subsidiaries	1Q21		1Q20		Variation	
	R$ MM	% Net Revenue	R$ MM	% Net Revenue	▲ %	▲ bps
G&A	(75.7)	-8.5%	(64.7)	-9.1%	16.9%	60 bps
Depreciation and Amortization	(15.0)	-1.7%	(15.5)	-2.2%	-3.7%	50 bps
Other Operating Income (Expenses)	2.5	0.3%	0.7	0.1%	244.1%	18 bps
Reversal (Provision) for Contingency	(0.4)	0.0%	0.7	0.1%	-157.0%	-14 bps
Equity in Subsidiaries	(0.2)	0.0%	0.0	0.0%	-609.9%	-3 bps
Operating Expenses and Equity in Sub.	**-88.8**	**-9.9%**	**-78.9**	**-11.0%**	**12.6%**	**111 bps**

Income Statement

Net Revenue increased by 25.2%, as a result of the 25.1% increase in Gross Revenue and a reduction in Disallowances and Reductions, that reaches 1.0% in relation to Gross Revenue, with a decrease of 14 bps in comparison with the 1Q20.

Gross Profit reached R$ 287.3 million, an increase of 53.1%, reflecting the growth in Gross Revenue, partially offset by the increase in costs in the period. EBITDA totaled R$ 285.5 million, an increase of 45.7% compared to 1Q20, and an EBITDA margin of 31.9%, an expansion of 450 bps compared to 1Q20.

Net Income was R$ 118.6 million, an increase of 102.0% compared to 1Q20.

Income Statement (R$ million)	1Q21	1Q20	Variation
Gross Revenue	964.3	770.6	25.1%
Taxes on Gross Revenue	(60.5)	(47.6)	-27.0%
Cancellations	(10.0)	(9.0)	-10.5%
Cancellations (% Gross Revenue)	*-1.0%*	*-1.2%*	*14 bps*
Net Revenue	**893.8**	**713.9**	**25.2%**
Cost of Rendered Services	(606.5)	(526.3)	-15.2%
Gross Profit	**287.3**	**187.6**	**53.1%**
Gross Margin	**32.1%**	**26.3%**	**586 bps**
Operating Expenses and Equity in Subsidiaries	(88.8)	(78.9)	-12.6%
Financial Results	(30.7)	(28.8)	-6.6%
Earnings Before Tax (EBIT)	**167.8**	**79.9**	**110.0%**
Income Tax and Social Contribution	(49.2)	(21.2)	-132.2%
Effective Tax Rate	*-29.3%*	*-26.5%*	*-280 bps*
Net Income	**118.6**	**58.7**	**102.0%**
Net Margin	**13.3%**	**8.2%**	**505 bps**
EBITDA	**285.5**	**195.9**	**45.7%**
EBITDA Margin	**31.9%**	**27.4%**	**450 bps**

Indebtedness

Gross debt grew by 18.2% in the quarter compared to 1Q20, net of R$ 400 million in funding in April 2020.

The net debt grows 1.5% in relation to 1Q20, and in relation to EBITDA LTM corresponded 1.0x, with a reduction of 0.1x in relation to 4Q20.

Composition of Net Debt (R$ MM)	1Q21	1Q20	Variation
Gross Debt (Debentures and Borrowings and Acquisitions)	1,999.5	1,692.2	18.2%
Cash, Cash Equivalents and Marketable Securities	1,097.4	803.6	36.6%
Net Debt	**902.1**	**888.6**	**1.5%**
Net Debt / EBITDA LTM	1.0x	1.1x	-0.1x
EBITDA LTM / Financial Result LTM	6.6x	6.1x	0.5x

Investments

In the quarter, investments increased by 26.0%, reaching R$ 51.3 million.

Investments in the line of New PSCs, Expansion of Supply in Existing PSCs and Technical Areas increased by 87.5%, mainly related to realized investments in offering expansion in existing PSCs, the new PSC of Fleury Reproductive Medicine Center, and also in the integration costs of the acquired companies.

In the renewal of diagnostic and maintenance equipment, the 68.2% reduction compared to the same quarter of the previous year is explained by the lower concentration of changes in large equipment and maintenance performed in 1Q21.

Investments in IT/Digital grew by 82.4%, with a relevant highlight for investments focused on the development and expansion of the Company's healthcare platform and digitalization strategy.

CAPEX (R$ million)	1Q21	1Q20	Variation
New PSC's, Offer Expansion in Existing Units and Technical Areas	16.8	8.9	87.5%
Diagnostic Equipment Renewal and Maintenance	5.0	15.5	-68.2%
IT/Digital	29.6	16.2	82.4%
Total Capex	**51.3**	**40.7**	**26.0%**

Cash Flow

In 1Q21, Operating Cash Flow recorded R$ 199.2 million, an increase of 52.2%. The Growth again reflects the strong growth in EBITDA in the quarter.

In Working Capital, the variation in Accounts Receivable had the most relevant impact, going from R$ -55.7 million in 1Q20 to R$ -95.4 million in 1Q21. The impact is due to the growth in revenue throughout the quarter, with a consequent increase in accounts receivable in relation to 4Q20, and also in the balance of the Suppliers account, reflecting the higher volume of payments to suppliers due to the higher level of investments in the quarter.

In the quarter, the Average Receipt Term was 68 days. The Company's Free Cash Flow grew by 61.7%, and the CAPEX level increased by 26.0% compared to 1Q20.

Finally, Shareholder Free Cash Flow grew 271.8%, from R$ 24.6 million to R$ 91.3 million.

Cash Flow (R$ MM)	1Q21	1Q20	▲ %
EBITDA	**285.5**	**195.9**	**45.7%**
Provisions (reversions)	24.4	10.7	128.7%
Income Tax Paid	(22.3)	(27.8)	19.8%
Others Operating Results	6.9	7.7	-10.6%
Working Capital Variation:	**(95.4)**	**(55.7)**	**-71.2%**
Trade Accounts Receivables	(27.9)	23.3	-219.9%
Suppliers	(37.5)	(17.0)	-120.2%
Salaries / Charges	(19.2)	(31.7)	39.4%
Others Assets and Liabilities	(10.8)	(30.2)	64.3%
(=) Operating Cash Flow	**199.2**	**130.9**	**52.2%**
Capital Expenditures	(51.3)	(40.7)	-26.0%
Others Investing Activities	(1.9)	0.2	-1356.6%
(=) Free Cash Flow to Firm (FCFF)	**146.0**	**90.3**	**61.7%**
Interest Paid / Received	(2.7)	(5.7)	53.0%
Change in Debt	(8.1)	(18.1)	55.4%
Leasing	(44.0)	(42.0)	4.6%
(=) Free Cash Flow to Equity (FCFE)	**91.3**	**24.6**	**271.8%**
Dividends and Interest on Capital	(75.1)	(31.2)	-140.9%
Payment of Acquisitions	(7.3)	(48.5)	85.0%
Capital Increase (Stock Options)	0.0	0.9	-100.0%
(=) Cash Flow	**9.0**	**(54.2)**	**116.5%**

[1] It does not consider the variation in Marketable securities

Cash Flow Indicators	1Q21	1Q20	▲
Average Collection Period	68	65	9 days
Average Payment Period	51	50	6 days
Cash Flow Conversion to EBITDA	69.8%	66.8%	298.0 bps

Organic Expansion Plan and Acquisitions

In October 2016, the Company announced the guidelines for opening 73 to 90 new PSCs by 2021, which comprise the organic expansion plan. In March, a new Fleury Brand PSC was opened, located in Vila Mariana, São Paulo. This PSC also includes the Fleury Brand Reproductive Medicine Center. So far, 55 PSCs have been opened, corresponding to 74% of the bottom point of the projection.

In addition to the 55 PSCs inaugurated in the organic expansion plan, the Company also made six acquisitions of diagnostic medicine brands in recent years, adding another 72 new PSCs to the brand portfolio, 36 PSCs in regions where it already had operations and 36 PSCs in new ones. Regions.

	Patient Service Centers launched within the Organic Expansion Plan				
	Fleury Brand	**Complexity**	**Patient Service Area (sqm)**	**State**	**Date**
1	Fleury Santo André	Medium	587	São Paulo	feb/18
2	Fleury Carlos Weber	Medium	681	São Paulo	oct/17
3	Fleury Alameda Jaú	Fast site	380	São Paulo	set/17
4	Fleury Morumbi	Large	1.988	São Paulo	jul/17
5	Fleury Anália Franco	Large	1.214	São Paulo	jun/17
6	Fleury Heitor Penteado	Fast site	183	São Paulo	jun/17
7	Fleury São Caetano do Sul	Fast site	411	São Paulo	may/17
8	Fleury Cerro Corá	Fast site	233	São Paulo	apr/17
9	Fleury Ipiranga	Fast site	206	São Paulo	mar/17
10	Fleury Brasil	Fast site	235	São Paulo	jan/17
11	Fleury Moema	Fast site	126	São Paulo	dec/16
	Fleury Vila Mariana	Large	1.500	São Paulo	mar/21
	Regional South	**Complexity**	**Patient Service Area (sqm)**	**State**	**Date**
1	a+ João Bettega	Small	128	Paraná	dec/17
2	a+ Água Verde	Small	171	Paraná	may/17
3	Weinmann General Vitorino	Small	113	Rio Grande do Sul	may/17
4	a+ Ecoville	Small	47	Paraná	feb/17
5	a+ Champagnat	Small	81	Paraná	feb/17
6	a+ Centro	Small	29	Paraná	feb/17
7	a+ Batel	Small	134	Paraná	dec/16
8	a+ Nossa Saúde	Small	79	Paraná	oct/16
	a+ São Paulo	**Complexity**	**Patient Service Area (sqm)**	**State**	**Date**
1	a+ Canário	Grande	680	São Paulo	out/19
2	a+ Chácara Flora	Fast site	299	São Paulo	dec/18
3	a+ Verbo Divino	Fast site	196	São Paulo	dec/18
4	a+ Berrini	Fast site	199	São Paulo	dec/18
5	a+ São Bernardo do Campo	Fast site	517	São Paulo	sep/18
6	a+ Granja Viana	Fast site	231	São Paulo	aug/18
7	a+ Tatuapé	Large	1.483	São Paulo	aug/18
8	a+ Vila Andrade	Fast site	234	São Paulo	jul/18
9	a+ Brasil	Fast site	348	São Paulo	jul/18
10	a+ Alphaville Rio Negro	Fast site	230	São Paulo	jul/18
11	a+ Ipiranga	Medium	359	São Paulo	jun/18
12	a+ Funchal	Fast site	239	São Paulo	may/18
13	a+ Guarulhos	Large	832	São Paulo	apr/18
14	a+ Pedroso de Morais	Medium	421	São Paulo	dec/17
15	a+ Leôncio Magalhães	Medium	544	São Paulo	nov/17
16	a+ Queiroz Filho	Medium	673	São Paulo	oct/17
17	a+ Santo André	Medium	437	São Paulo	jul/17
18	a+ Augusto Tolle	Fast site	392	São Paulo	jul/17
19	a+ Itaim Bibi	Fast site	207	São Paulo	may/17

	Patient Service Centers launched within the Organic Expansion Plan				
	Fleury Brand	**Complexity**	**Patient Service Area (sqm)**	**State**	**Date**
1	Fleury Santo André	Medium	587	São Paulo	feb/18
2	Fleury Carlos Weber	Medium	681	São Paulo	oct/17
3	Fleury Alameda Jaú	Fast site	380	São Paulo	set/17
4	Fleury Morumbi	Large	1.988	São Paulo	jul/17
5	Fleury Anália Franco	Large	1.214	São Paulo	jun/17
6	Fleury Heitor Penteado	Fast site	183	São Paulo	jun/17
7	Fleury São Caetano do Sul	Fast site	411	São Paulo	may/17
8	Fleury Cerro Corá	Fast site	233	São Paulo	apr/17
9	Fleury Ipiranga	Fast site	206	São Paulo	mar/17
10	Fleury Brasil	Fast site	235	São Paulo	jan/17
11	Fleury Moema	Fast site	126	São Paulo	dec/16
	Fleury Vila Mariana	Large	1.500	São Paulo	mar/21
	Regional South	**Complexity**	**Patient Service Area (sqm)**	**State**	**Date**
1	a+ João Bettega	Small	128	Paraná	dec/17
2	a+ Água Verde	Small	171	Paraná	may/17
3	Weinmann General Vitorino	Small	113	Rio Grande do Sul	may/17
4	a+ Ecoville	Small	47	Paraná	feb/17
5	a+ Champagnat	Small	81	Paraná	feb/17
6	a+ Centro	Small	29	Paraná	feb/17
7	a+ Batel	Small	134	Paraná	dec/16
8	a+ Nossa Saúde	Small	79	Paraná	oct/16
	a+ São Paulo	**Complexity**	**Patient Service Area (sqm)**	**State**	**Date**
1	a+ Canário	Grande	680	São Paulo	out/19
2	a+ Chácara Flora	Fast site	299	São Paulo	dec/18
3	a+ Verbo Divino	Fast site	196	São Paulo	dec/18
4	a+ Berrini	Fast site	199	São Paulo	dec/18
5	a+ São Bernardo do Campo	Fast site	517	São Paulo	sep/18
6	a+ Granja Viana	Fast site	231	São Paulo	aug/18
7	a+ Tatuapé	Large	1.483	São Paulo	aug/18
8	a+ Vila Andrade	Fast site	234	São Paulo	jul/18
9	a+ Brasil	Fast site	348	São Paulo	jul/18
10	a+ Alphaville Rio Negro	Fast site	230	São Paulo	jul/18
11	a+ Ipiranga	Medium	359	São Paulo	jun/18
12	a+ Funchal	Fast site	239	São Paulo	may/18
13	a+ Guarulhos	Large	832	São Paulo	apr/18
14	a+ Pedroso de Morais	Medium	421	São Paulo	dec/17
15	a+ Leôncio Magalhães	Medium	544	São Paulo	nov/17
16	a+ Queiroz Filho	Medium	673	São Paulo	oct/17
17	a+ Santo André	Medium	437	São Paulo	jul/17
18	a+ Augusto Tolle	Fast site	392	São Paulo	jul/17
19	a+ Itaim Bibi	Fast site	207	São Paulo	may/17

	Regional RJ	Complexity	Patient Service Area (sqm)	State	Date
1	Felippe Mattoso Mena Barreto	Fast site	276	Rio de Janeiro	dec/18
2	Felippe Mattoso Av. das Américas	Large	1009	Rio de Janeiro	nov/18
3	Labs a+ Carioca	Fast site	559	Rio de Janeiro	nov/18
4	Labs a+ Posto 6	Medium	318	Rio de Janeiro	nov/18
5	Labs a+ Freguesia	Medium	363	Rio de Janeiro	nov/18
6	Labs a+ Flamengo	Medium	478	Rio de Janeiro	nov/18
7	Felippe Mattoso Ipanema	Fast site	239	Rio de Janeiro	dec/17
8	Labs a+ Catete	Fast site	145	Rio de Janeiro	dec/17
9	Labs a+ Shopping Santa Cruz	Fast site	131	Rio de Janeiro	dec/17
10	Labs a+ Mariz e Barros	Fast site	134	Rio de Janeiro	dec/17
11	Labs a+ Uruguai	Fast site	129	Rio de Janeiro	nov/17
12	Labs a+ Santa Rosa	Fast site	148	Rio de Janeiro	oct/17
13	Labs a+ Campo Grande	Fast site	281	Rio de Janeiro	sep/17
	Regional Brasília	**Complexity**	**Patient Service Area (sqm)**	**State**	**Date**
1	a+ Asa Sul	Fast site	58	Brasília	aug/17
2	a+ Sudoeste	Fast site	119	Brasília	aug/17
	Regional Pernambuco	**Complexity**	**Patient Service Area (sqm)**	**State**	**Date**
1	a+ Casa Forte	Small	151	Pernambuco	may/18
	Total 55 PSCs		**21,585 sqm**		

PSCs inaugurated by brand

Acquired Patient Service Centers (Part 1)

	Company	PSC	Complexity	PSCs area (sqm)	State
1	Serdil	Serdil	NA	1.213	Rio Grande do Sul
2	IRN	Matriz	NA	1.697	Rio Grande do Norte
3	IRN	Parnamirim	NA	453	Rio Grande do Norte
4	IRN	Lagoa Nova	NA	1.193	Rio Grande do Norte
5	LAFE	Alcantara	NA	217	Rio de Janeiro
6	LAFE	Armando Lombardi	NA	256	Rio de Janeiro
7	LAFE	Bairro de Fatima	NA	287	Rio de Janeiro
8	LAFE	Barra II	NA	107	Rio de Janeiro
9	LAFE	Barra III	NA	151	Rio de Janeiro
10	LAFE	Belford Roxo	NA	202	Rio de Janeiro
11	LAFE	Botafogo I	NA	442	Rio de Janeiro
12	LAFE	Copacabana I	NA	207	Rio de Janeiro
13	LAFE	Copacabana II	NA	212	Rio de Janeiro
14	LAFE	Del Castilho	NA	303	Rio de Janeiro
15	LAFE	Duque de Caxias I	NA	176	Rio de Janeiro
16	LAFE	Duque de Caxias II	NA	257	Rio de Janeiro
17	LAFE	Gavea	NA	132	Rio de Janeiro
18	LAFE	Guadalupe	NA	120	Rio de Janeiro
19	LAFE	Icarai	NA	522	Rio de Janeiro
20	LAFE	Ilha do Governador I	NA	156	Rio de Janeiro
21	LAFE	Ipanema I	NA	251	Rio de Janeiro
22	LAFE	Laranjeiras II	NA	84	Rio de Janeiro
23	LAFE	Nilopolis	NA	170	Rio de Janeiro
24	LAFE	Nova Iguacu I	NA	242	Rio de Janeiro
25	LAFE	Nova Iguacu II	NA	88	Rio de Janeiro
26	LAFE	Nova Iguacu III	NA	200	Rio de Janeiro
27	LAFE	Ouvidor	NA	308	Rio de Janeiro
28	LAFE	Sao Cristovão	NA	620	Rio de Janeiro
29	LAFE	Tijuca	NA	318	Rio de Janeiro
30	LAFE	Vila da Penha II	NA	175	Rio de Janeiro

Acquired Patient Service Centers (Part 2)					
31	CPC	Matriz	NA	838	Rio Grande do Norte
32	CPC	Mirassol	NA	94	Rio Grande do Norte
33	CPC	Alexandrino	NA	106	Rio Grande do Norte
34	CPC	Clinorte	NA	43	Rio Grande do Norte
35	CPC	Cidade Verde	NA	132	Rio Grande do Norte
36	CPC	Lima e Silva	NA	124	Rio Grande do Norte
37	CPC	Parnamirim	NA	77	Rio Grande do Norte
38	Diagmax	Cedire	NA	317	Pernambuco
39	Diagmax	Derby I	NA	414	Pernambuco
40	Diagmax	Derby Ii	NA	626	Pernambuco
41	Diagmax	Shopping Recife	NA	565	Pernambuco
42	Diagmax	Shopping Rio Mar	NA	697	Pernambuco
43	Diagmax	Shopping Tacaruma	NA	379	Pernambuco
44	Inlab	Anil	NA	70	Maranhão
45	Inlab	Araçagy	NA	122	Maranhão
46	Inlab	Bequimão	NA	93	Maranhão
47	Inlab	Centro	NA	75	Maranhão
48	Inlab	Cidade Operáeia	NA	67	Maranhão
49	Inlab	Cohab	NA	70	Maranhão
50	Inlab	Cohafuma	NA	88	Maranhão
51	Inlab	Cohajap	NA	72	Maranhão
52	Inlab	Cohama	NA	79	Maranhão
53	Inlab	Cohatrac	NA	64	Maranhão
54	Inlab	Holandeses	NA	324	Maranhão
55	Inlab	João Paulo	NA	153	Maranhão
56	Inlab	Lagoa	NA	82	Maranhão
57	Inlab	Maiobao	NA	76	Maranhão
58	Inlab	São Marcos	NA	24	Maranhão
59	Inlab	Shopping da Ilha	NA	57	Maranhão
60	Inlab	Turu	NA	47	Maranhão
61	Inlab	Olho D'Água	NA	84	Maranhão
62	Inlab	Vinhais	NA	73	Maranhão
63	Inlab	Matriz	NA	298	Maranhão
64	Inlab	Ponta do Farol	NA	65	Maranhão
65	Inlab	São Cristovão	NA	82	Maranhão
66	Inlab	Cassi	NA	15	Maranhão
67	Inlab	I-Medical	NA	9	Maranhão
68	Inlab	São Francisco	NA	22	Maranhão
	Total 68 PSCs through acquisition			**17,382 sqm**	

Performance indicators

Operational Indicators	Description	Unit	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21
Income Statment											
Gross Revenue	Gross Revenue	R$ MM	757,9	787,6	818,0	778,6	770,6	492,2	943,8	1.000,5	964,3
Net Revenue	Gross Revenue - Tax (ISS and PIS/COFINS) - Cancellations	R$ MM	700,6	728,7	755,7	720,1	713,9	454,9	874,6	928,2	893,8
COGS	Personnel and Medical Services + Materials and Outsourcing + General Services, Rent and Utilities + General Expenses + Depreciation and Amortization	R$ MM	(477,4)	(509,9)	(524,3)	(506,7)	(526,3)	(452,4)	(561,4)	(621,8)	(606,5)
SG&A	Does not include Other Operating Expenses / Revenues, Contingency Provisions and Equity in Subsidiaries	R$ MM	(70,2)	(83,9)	(79,1)	(85,6)	(80,3)	(68,1)	(74,9)	(97,7)	(90,7)
EBIT	Earnings Before Interest and Taxes	R$ MM	151,5	127,7	151,9	129,4	108,7	(65,1)	236,1	199,3	198,7
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization	R$ MM	235,3	211,9	238,7	195,1	195,9	19,6	323,8	298,1	285,5
Net Finance Income	Interest Revenue - Interest Expenses	R$ MM	(24,6)	(28,2)	(27,4)	(53,8)	(28,8)	(36,6)	(33,3)	(39,2)	(30,7)
Net Income	Net Income	R$ MM	92,6	72,6	91,1	56,1	58,7	(73,3)	132,1	139,5	118,6
Net Cash Income	Net Income - Deferred income tax	R$ MM	94,5	59,1	102,2	61,3	65,6	(89,8)	144,9	130,3	101,8
Result Indicators											
Cancellation Index	Cancellations / Gross Revenue	%	-1,4%	-1,3%	-1,4%	-1,3%	-1,2%	-1,4%	-1,1%	-1,0%	-1,0%
Gross Margin	Gross Profit / Net Revenue	%	31,9%	30,0%	30,6%	29,6%	26,3%	0,6%	35,8%	33,0%	32,1%
EBIT Margin	Earnings Before Interest and Tax / Net Revenue	%	21,6%	17,5%	20,1%	18,0%	15,2%	-14,3%	27,0%	21,5%	22,2%
EBITDA Margin	Earnings Before Interest, Tax, Depreciation and Amortization / Net Revenue	%	33,6%	29,1%	31,6%	27,1%	27,4%	4,3%	37,0%	32,1%	31,9%
Effective Tax Rate	Current Tax / Earnings Before Tax	%	-27,0%	-27,0%	-27,0%	-25,5%	-26,5%	-28,6%	-35,0%	-13,1%	-29,3%
Net Margin	Net Profit / Net Revenue	%	13,2%	10,0%	12,1%	7,8%	8,2%	-16,1%	15,1%	15,0%	13,3%
Net Cash Income Margin	(Net Income - Deferred income tax) / Net Revenue	%	13,5%	8,1%	13,5%	8,5%	9,2%	-19,7%	16,6%	14,0%	11,4%
Financial Debt											
Cash & Equivalents	Cash, Equivalents and Marketable Securities	R$ MM	602,0	300,4	463,6	857,8	803,6	1.152,8	1.209,2	1.111,4	1.097,4
Gross Debt	Short and Long Term Debts (Borrowings and Debentures)	R$ MM	1.131,9	1.150,4	1.155,0	1.639,2	1.692,2	2.057,7	2.035,2	2.012,6	1.999,5
Net Debt	Gross Debt - Cash and Cash equivalents	R$ MM	529,8	850,1	691,4	781,4	888,6	904,9	826,0	901,2	902,1
Net Debt / EBITDA LTM	(Gross Debt - Cash and Cash equivalents) / EBITDA LTM	Multiple	0,7x	1,1x	0,8x	0,9x	1,1x	1,4x	1,1x	1,1x	1,0x

FLEURY S.A. CONSOLIDATED BALANCE SHEET

Balance Sheet as of March 31st (In R$ thousand)

Assets	Consolidated 3/31/2021	Consolidated 12/31/2020
Current		
Cash and cash equivalents	13,585	28,184
Marketable securities	1,021,468	1,013,621
Accounts receivable	722,333	704,468
Inventories	63,835	63,093
Taxes recoverable	25,305	22,325
IRPJ e CSLL recoverble	34,835	33,245
Other assets	24,809	15,263
Total current	**1,906,170**	**1,880,199**
Non-current		
Marketable securities	62,321	69,615
Other assets	34,155	33,086
Deferred income tax and social contribution	15,036	12,232
Judicial deposits	23,551	24,988
Investments	33,931	34,372
Property and equipment	690,648	708,769
Intangible assets	2,031,482	2,030,608
Rights of use	700,213	729,941
Total non-current	**3,591,337**	**3,643,611**
Total assets	**5,497,507**	**5,523,810**

Liabilities and equity	Consolidated 3/31/2021	Consolidated 12/31/2020
Current		
Financing	222,536	68,928
Debentures	411,864	403,322
Financial lease	106,476	105,039
Trade accounts payable	217,458	250,459
Payroll and related taxes payable	129,771	138,774
Taxes and contributions payable	39,250	37,417
IRPJ e CSLL payable	43,394	212
Accounts payable - company acquisition	13,973	25,790
Dividends payable	157,046	74,504
Other accounts payable	6,308	5,326
Total current	**1,348,076**	**1,109,771**
Non-current		
Financing	375,758	531,949
Debentures	899,549	899,522
Financial lease	653,308	680,790
Deferred income tax and social contribution, net	391,254	405,217
Tax Installments	14,230	14,910
Provision for tax, labor and civil risks	41,762	42,082
Accounts payable - company acquisition	75,778	83,092
Other accounts payable	4,913	5,627
Total non-current	**2,456,552**	**2,663,189**
Equity		
Share capital	1,432,202	1,432,202
Capital reserve - options granted recognized	36,506	35,954
Legal reserve	115,725	115,725
Additional dividends proposed	118,612	169,643
(-) Treasury Shares	(20,340) -	2,674
Investment reserve	10,174	-
Total equity	**1,692,879**	**1,750,850**
Total liabilities and equity	**5,497,507**	**5,523,810**

FLEURY S.A. CONSOLIDATED INCOME STATEMENT

Income Statement of the period of three months as of March 31st (In R$ thousand, except Earnings per share)

	Consolidated		Consolidated	
	1Q21	1Q20	2021	2020
Revenue from services rendered	**893,808**	**713,934**	**893,808**	**713,934**
Cost of services rendered	(621,775)	(506,719)	(606,550)	(526,346)
Gross Profit	**272,033**	**207,215**	**287,258**	**187,588**
Operating income (expenses)				
General and administrative	(90,662)	(80,285)	(90,662)	(80,285)
Other operating income (expenses), net	2,481	721	2,481	721
Provision for tax, labor and civil risks	(381)	667	(381)	667
Equity in the earnings (losses) of subsidiaries	(198)	39	(198)	39
Operating profit before financial result	**183,273**	**128,357**	**198,498**	**108,730**
Financial income	6,699	9,878	6,699	9,878
Financial expenses	(37,429)	(38,718)	(37,429)	(38,718)
Financial result	**(30,730)**	**(28,840)**	**(30,730)**	**(28,840)**
Earnings before income tax and social contribution	**152,543**	**99,517**	**167,768**	**79,890**
Income tax and social contribution:				
Current	(65,922)	(14,244)	(65,922)	(14,244)
Deferred	16,766	(6,927)	16,766	(6,927)
Profit for the period	**103,387**	**78,346**	**118,612**	**58,719**
Earnings per share attributable to owners of the Company				
Basic earnings per share (weighted average)	**0.81**	**0.99**	**0.81**	**0.99**
Diluted earnings per share (weighted average)	**0.80**	**0.98**	**0.80**	**0.98**

FLEURY S.A. CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Statements of Changes in Equity as of March 31st (In R$ thousand)

	Share Capital		Capital Reserve						
	Share Capital	Share issue expenses	Options granted recognized	Legal Reserve	Investment reserve	Profit for the period	Additional dividends proposed	Actions in Treasury	Equity
Balances on December 31, 2019	**1,449,051**	**(22,784)**	**32,067**	**102,877**	**-**	**197,766**	**-**	**-**	**1,758,976**
Capital increase	885	-	-	-	-	-	-	-	885
Stock option plan	-	-	1,889	-	-	-	-	-	1,889
Profit for the period	-	-	-	-	-	-	58,719	-	58,719
Dividends	-	-	-	-	-	(197,766)	-	-	(197,766)
Balances on March 31, 2020	**1,449,936**	**(22,784)**	**33,956**	**102,877**	**-**	**-**	**58,719**	**-**	**1,622,703**
Balances on December 31, 2020	**1,454,986**	**(22,784)**	**35,954**	**115,725**	**-**	**166,969**	**-**	**-**	**1,750,850**
Stock option plan	-	-	552	-	-	-	-	-	552
Profit for the period	-	-	-	-	-	-	118,612	-	118,612
Dividends	-	-	-	-	-	(156,795)	-	-	(156,795)
Profit Reserve(Treasury Shares)	-	-	-	-	-	-	-	(20,340)	(20,340)
Investment retention	-	-	-	-	10,174	(10,174)	-	-	-
Balances on March 31, 2021	**1,454,986**	**(22,784)**	**36,506**	**115,725**	**10,174**	**-**	**118,612**	**(20,340)**	**1,692,879**

FLEURY S.A. CONSOLIDATED STATEMENTS OF CASH FLOW

Statements of Cash Flow of the period of March 31st (In R$ thousand)

		Consolidated			Consolidated	
		1Q21		1Q20	2021	2020
Profit for the period		**118,612**		**58,719**	**118,612**	**58,719**
Items not affecting cash:						
Income tax and social contribution		49,156		21,171	49,156	21,171
Financial and expenses income		35,096		34,257	35,096	34,257
Depreciation and amortization		86,836		87,255	86,836	87,255
Equity in the earnings (losses) of subsidiaries		198	-	39	198	(39)
Stock option plan		3,811		1,889	3,811	1,889
Constitution of provision for tax, labor and civil risks		381	-	668	381	(668)
Estimated losses with doubtful accounts and disallowances		10,036		9,289	10,036	9,289
Profit sharing		10,211		176	10,211	176
Other		2,580		2,479	2,580	2,479
Cash flows from operating activities before changes in assets and liabilities		**316,917**		**214,528**	**316,917**	**214,528**
(Increase) decrease in accounts receivable	-	27,900		23,264	(27,900)	23,264
(Increase) decrease in inventories		1,790	-	5,002	1,790	(5,002)
(Increase) decrease in taxes recoverable	-	4,570	-	4,520	(4,570)	(4,520)
(Increase) decrease in judicial deposits		1,437	-	4,277	1,437	(4,277)
(Increase) decrease in other assets	-	10,521	-	9,997	(10,521)	(9,997)
Increase (decrease) in trade accounts payable	-	37,501	-	17,030	(37,501)	(17,030)
Increase (decrease) in labor liabilities	-	19,214	-	31,728	(19,214)	(31,728)
Increase (decrease) in tax liabilities		1,682	-	4,679	1,682	(4,679)
Increase (decrease) in taxes paid in installments	-	530	-	1,442	(530)	(1,442)
(Increase) decrease in other liabilities	-	65		68	(65)	68
Total variation in assets and liabilities	-	**95,392**	-	**55,343**	**(95,392)**	**(55,343)**
Income tax and social contribution paid	-	22,293	-	27,790	(22,293)	(27,790)
Net cash from operating activities		**199,232**		**131,395**	**199,232**	**131,395**
Acquisition of property and equipment and intangible assets	-	51,289	-	40,699	(51,289)	(40,699)
Marketable securities and interest earned	-	553		64,671	(553)	64,671
Payments	-	7,560		-	(7,560)	-
Payments excepted cash		-	-	48,499	-	(48,499)
Purchase of treasury shares	-	23,008		-	(23,008)	-
Acquisition of		283		-	283	-
Net cash used in investing activities	-	**82,127**	-	**24,527**	**(82,127)**	**(24,527)**
Borrowings and debentures		-		150,000	-	150,000
Settlement (principal) of financing and debentures	-	6,756	-	173,933	(6,756)	(173,933)
Interest paid in financing and debentures	-	2,672	-	5,712	(2,672)	(5,712)
Financial expenses paid	-	1,791	-	837	(1,791)	(837)
Derivative financial instruments	-	122		985	(122)	985
Leasing	-	43,963	-	42,513	(43,963)	(42,513)
Capital integralization		-		885	-	885
Dividends and / or interest on shareholders' equity	-	75,102	-	31,177	(75,102)	(31,177)
Risk Withdrawn Operation	-	1,298		5,879	(1,298)	5,879
Net cash used in financing activities	-	**131,704**	-	**96,423**	**(131,704)**	**(96,423)**
(Decrease) increase in cash and cash equivalents	-	**14,599**		**10,445**	**(14,599)**	**10,445**
Cash and cash equivalents		-		-		
At the beginning of the period		28,184		8,966	28,184	8,966
At the end of the period		13,585		19,411	13,585	19,411
Variation in cash and cash equivalents	-	**14,599**		**10,445**	**(14,599)**	**10,445**

FLEURY S.A. CONSOLIDATED STATEMENTS OF VALUE ADDED

Statements of Value Added of the period of March 31st (In R$ thousand)

	Consolidated	
	31/03/2021	31/03/2020
Revenues	**957,777**	**764,028**
Goods and products sold and services rendered	963,774	770,349
Estimated losses with doubtful accounts and disallowances	(10,036)	(9,289)
Other revenue	4,039	2,968
Inputs purchased from third parties	**(361,735)**	**(297,462)**
Cost of goods and products sold and services rendered	(341,952)	(274,104)
Materials, electricity, outsourced services and others	(19,694)	(23,006)
Loss/recovery of asset values	(89)	(352)
Gross value added	**596,042**	**466,566**
Depreciation and amortization	(86,836)	(87,254)
Net value added	**509,206**	**379,312**
Value added received through transfer	**6,803**	**10,245**
Equity in the earnings (losses) of subsidiaries	(198)	38
Financial income	7,001	10,207
	-	-
Total value added	**516,009**	**389,557**
Distribution of value added	**(516,009)**	**(389,557)**
Personnel and charges	**(202,100)**	**(176,535)**
Direct remuneration	(139,532)	(116,244)
Benefits	(51,214)	(49,024)
Charges	(11,354)	(11,267)
Taxes, fees and contributions	**(146,377)**	**(105,556)**
Federal	(116,211)	(81,616)
Municipalities	(30,166)	(23,940)
Interest, rental and other operating expenses	**(48,920)**	**(48,747)**
Rental	(6,307)	(5,387)
Interest	(37,429)	(38,719)
Other operating expenses	(5,184)	(4,641)
Retained earnings	**(118,612)**	**(58,719)**

BOARD OF EXECUTIVE DIRECTORS DECLARATION ABOUT FINANCIAL STATEMENTS

The Executive Directors of Fleury S.A. ("Company"), pursuant to item VI of Article 25 of CVM Instruction 480 of December 7th, 2009, as changed, declare that they reviewed, discussed and agreed with the Company's financial statements for the period ended on March 31, 2021, authorizing the completion on this date.

São Paulo, April 28th, 2021.

Jeane Mike Tsutsui
Chief Executive Officer

Fernando Augusto Rodrigues Leão Filho
Chief Financial and Investor Relations

José Roberto Araujo da Silva
Commercial and B2B Business Officer

Claudio Almeida Prado
Operations Support Officer

Edgar Gil Rizzatti
Medical, Technical and Process Officer

BOARD OF EXECUTIVE DIRECTORS DECLARATION ABOUT INDEPENDENT AUDITOR'S REPORT

The Executive Officers of Fleury S.A. ("Company"), in accordance with item V of Article 25 of CVM Instruction 480 of December 7th, 2009, as changed, declare that they reviewed, discussed and agreed with the opinions expressed in the independent auditors' report on the Company's financial statements for the period ended March 31, 2021, authorizing the completion on this date.

São Paulo, April 28th, 2021.

Jeane Mike Tsutsui
Chief Executive Officer

Fernando Augusto Rodrigues Leão Filho
Chief Financial and Investor Relations

José Roberto Araujo da Silva
Commercial and B2B Business Officer

Claudio Almeida Prado
Operations Support Officer

Edgar Gil Rizzatti
Medical, Technical and Process Officer

FLEURY S.A.
CNPJ/MF nº 60.840.055/0001-31
NIRE 35.300.197.534

Minutes of the Meeting of the Audit, Risk and Integrity Committee
Held on April 23, 2021

Date, time and place: Held at 9:00 a.m., on April 23, 2021, at the Company's headquarters, located in the city and state of São Paulo, at Av. General Valdomiro de Lima, nº 508, Jabaquara

Attendance: The completeness of the members of the Committee, Mr. Luiz Carlos Vaini (coordinator), Marcio Pinheiro Mendes, and Marcelo Santos Dall 'Occo and the guests: Jeane Mike Tsutsui - Executive President, Fernando Augusto Rodrigues Leão Filho - Chief Financial Officer, Gisele Schneider - Controllership Manager, Jeferson Guilherme dos Santos - Internal Audit Manager, Marcelo Orlando - representative of PricewaterhouseCoopers (PwC) Auditores Independentes.

Resolution: Gathered to evaluate the Company's financial statements for the First Quarter of 2021, the management report and the independent auditors' report, the Committee asked the representatives of PwC to provide clarifications on the audit carried out, having informed them that there were no significant changes in the audit planning; there was no disagreement between the audit and management; there were no facts or impediments to the audit work, that the estimates made by Management are adequate; not having any notes related to evidence of fraud and unlawful acts involving members of the Administration, which PwC representatives reaffirmed that they comply with all the independence requirements established in the rules and regulations. The Committee was also informed that, in the opinion of the auditors, the financial statements adequately present, in all relevant aspects, the equity and financial position, individual and consolidated, of Fleury SA, the individual and consolidated performance of its operations and their respective cash flows. individual and consolidated cash flows for the first quarter, in accordance with accounting practices adopted in Brazil and international financial reporting standards (IFRS) issued by the International Accounting Standards Board (IASB). After the presentation, the conclusion of the external audit was for the approval of the Financial Statements without reservations.

In this way, the Committee recommends the Board of Directors to approve the financial statements - both parent company and consolidated – related to the period ended on

March 31, 2021, prepared by the Company and audited by PricewaterhouseCoopers (PwC) Auditores Independentes.

Closing: With no further matters on the agenda and in the absence of any other expression, this meeting was closed. These minutes were drafted, having been read and approved, and signed by all.

Members of the Committee:

Luiz Carlos Vaini	Márcio Pinheiro Mendes

Marcelo Santos Dall´Occo

FLEURY S.A.
CNPJ/MF nº 60.840.055/0001-31
NIRE 35.300.197.534

Minutes of the Meeting of the Fiscal Council
Held on April 26, 2021

Date, time and place: Held at 2:00 a.m., on April 26, 2021, at the Company's headquarters, located in the city and state of São Paulo, at Av. General Valdomiro de Lima, nº 508, Jabaquara

Attendance: All members of the Fiscal Council were present: Messrs. (I) Luciana Doria Wilson; (ii) José Maria Chapina Alcazar; and (iii) Sergio Moreno. Guests: Luiz Carlos Vaini, Coordinator of the Audit Committee and Marcelo Orlando of PricewaterhouseCoopers (PwC) Auditores Independentes.

Chair: The meeting was chaired by Ms. Luciana Doria Wilson and secretariat by Ms. Andrea Marçon Bocabello.

Agenda: to resolve on: (i) the executive board's accounts, the management report and the audited financial statements for the year ended March 31, 2021.

Resolution: The members of the Fiscal Council, by unanimous vote and without any restrictions, decide:

(i) After assessing the matter, based on the clarifications provided by the Company's management and by the representatives of the external audit, and also considering the opinion of PwC's independent auditors, dated April 29, 2021, the Fiscal Council opined that the financial statements and other documents established in article 133 of Law No. 6,404/1976, referring to the period ended on 03/31/2021, are in conditions to be analyzed by the Company's Board of Directors.

Closing: There being nothing more to be discussed and there being no other manifestation, the present meeting was closed, from which these minutes were drawn up, which, having been read and approved, were signed by all those present. Signatures: Presiding Board: Mrs. Luciana Doria Wilson, Chair; Andrea Marçon Bocabello, Secretary. Board members: Luciana Doria Wilson; José Maria Chapina Alcazar and Sergio Moreno.

Luciana Doria Wilson
Chair

Andrea Marçon Bocabello
Secretary