

Individual and Consolidated Interim Financial Information

Notre Dame Intermédica Participações S.A.

September 30, 2021
and Independent Auditor's Report

Notre Dame Intermédica Participações S.A.

Individual and Consolidated Interim Financial Information

September 30, 2021

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A free translation from Portuguese into English of Individual and Consolidated Interim Financial Information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and in accordance with International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board – IASB and consistently with the standards issued by the Brazilian Securities Commission (CVM).

Independent auditor's review report on individuals and consolidated interim financial information

To the Shareholders, Board of Directors and Officers of
Notre Dame Intermédica Participações S.A.
São Paulo - SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of Notre Dame Intermédica Participações S.A. ("Company") for the quarter ended on September 30, 2021, comprising the statement of financial position as of September 30, 2021 and the related statements of profit or loss and of comprehensive income for the three and nine-months periods then ended, and of changes in equity and cash flows for the nine-month period then ended, including the explanatory notes.

Management is responsible for preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 – Interim Financial Reporting and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above are not prepared, in all material respects, in accordance with NBC



TG 21 and IAS 34 applicable to the preparation of Quarterly Information Form (ITR) and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

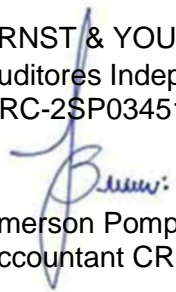
Other matters

Statements of value added

The abovementioned quarterly information includes the individual and consolidated statement of value added (SVA) for the nine-month period ended on September 30, 2021, prepared under Company's Management responsibility, and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

São Paulo, November 10, 2021

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP034519/O-6



Emerson Pompeu Bassetti
Accountant CRC-1SP251558/O-0

Notre Dame Intermédica Participações S.A.

Statements of financial position

September 30, 2021 and December 31, 2020

(In thousands of reais)

		Parent		Consolidated	
	Note	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
Assets					
Current assets		69,303	113,538	3,660,284	5,118,964
Cash and cash equivalents	5	63,795	110,545	500,674	2,563,751
Short-term investments	6	-	-	1,332,315	1,001,019
Trade receivables	7	-	-	655,554	637,763
Inventories		-	-	166,026	100,520
Deferred acquisition costs	8	-	-	260,414	244,009
Tax and social security credits	9	2,276	812	181,100	113,630
Other assets	10	3,232	2,181	564,201	458,272
Noncurrent assets		7,516,570	7,627,134	13,805,737	11,234,575
Long-term assets		134,381	109,298	2,654,441	2,277,139
Long-term investments	6	-	-	244,844	152,647
Tax and social security credits	9	-	-	3,619	-
Deferred tax assets	11	-	-	485,850	386,647
Deferred acquisition costs	8	-	-	217,340	229,558
Judicial and tax deposits	12	123,829	98,746	971,495	782,033
Other assets	10	10,552	10,552	731,293	726,254
Investments	13	7,382,189	7,517,836	7,270	993
Property, plant and equipment	14	-	-	2,516,536	2,217,421
Right of use	15	-	-	571,278	492,451
Intangible assets	16	-	-	8,056,212	6,246,571
Total assets		7,585,873	7,740,672	17,466,021	16,353,539

The accompanying notes are an integral part of the individual and consolidated interim financial information.

Notre Dame Intermédica Participações S.A.

Statements of financial position

September 30, 2021 and December 31, 2020

(In thousands of reais)

	Note	Parent		Consolidated	
		September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
Liabilities					
Current liabilities		5,084	177,818	3,138,900	2,797,100
Trade payables		3,026	2,333	179,302	162,326
Salaries payable		189	98	300,004	212,006
Taxes and social charges payable	17	384	510	628,483	502,841
Dividends payable		1,485	174,877	1,493	174,877
Loans and financing	18	-	-	206,376	225,077
Debentures	19	-	-	27,430	81,091
Provision for income tax and social contribution		-	-	60,708	62,431
Technical reserves of healthcare operations	20	-	-	1,489,663	1,176,699
Deferred purchase price	25	-	-	-	-
Leases	15	-	-	51,379	38,376
Other liabilities	21	-	-	194,062	161,376
Noncurrent liabilities		464,707	464,707	7,210,055	6,457,754
Taxes and social charges payable	17	-	-	88,941	62,369
Loans and financing	18	-	-	1,304,696	943,663
Debentures	19	-	-	2,241,041	2,238,572
Technical reserves of healthcare operations	20	-	-	642,390	531,537
Deferred purchase price	23	52,324	72,938	52,324	72,938
Deferred tax liabilities	11	-	-	470,774	363,311
Provision for lawsuits	22	-	-	807,417	870,530
Leases	15	-	-	577,245	489,355
Other liabilities	21	412,383	391,769	1,025,227	885,479
Equity and noncontrolling interests	24	7,116,082	7,098,147	7,117,066	7,098,685
Capital		5,808,609	5,646,453	5,808,609	5,646,453
(-) Treasury shares		(2,857)	(2,857)	(2,857)	(2,857)
(-) Premium on acquisition of equity interest		(2,779)	(2,779)	(2,779)	(2,779)
(-) Costs with public offering of shares		(113,913)	(113,913)	(113,913)	(113,913)
Reserves:		1,593,619	1,571,243	1,593,619	1,571,243
Capital reserve		171,680	149,304	171,680	149,304
Income reserves		1,421,939	1,421,939	1,421,939	1,421,939
Loss for the period		(166,592)	-	(166,592)	-
Carrying value adjustment		(5)	-	(5)	-
Noncontrolling interests		-	-	984	538
Total liabilities and equity		7,585,873	7,740,672	17,466,021	16,353,539

The accompanying notes are an integral part of the individual and consolidated interim financial information.

Notre Dame Intermédica Participações S.A.

Statements of financial position

September 30, 2021 and December 31, 2020

(In thousands of reais)

	Note	Quarter ended September 30,		Parent Period ended September 30,	
		2021	2020	2021	2020
Net operating revenue		-	-	-	-
Cost of services rendered		-	-	-	-
Gross profit		-	-	-	-
Administrative expenses	27.a	(7,890)	(13,486)	(39,794)	(40,642)
Share of profit (loss) of subsidiaries	13	(86,296)	210,005	(135,642)	633,459
(Loss) profit before finance income (costs)		(94,186)	196,519	(175,436)	592,817
Finance income (costs)	28	3,502	671	8,844	11,637
Finance income		3,677	704	9,302	3,245
Finance costs		(175)	(33)	(458)	(14,882)
(Loss)/Profit before income tax and social contribution		(90,684)	197,190	(166,592)	581,180
Current income tax and social contribution	11	-	-	-	-
Deferred income tax and social contribution	11	-	-	-	-
(Loss)/Profit for the period		(90,684)	197,190	(166,592)	581,180
(Loss)/Earnings per share:					
Basic	30	(0.1475)	0.3254	(0.2719)	0.9628
Diluted	30	(0.1475)	0.3172	(0.2719)	0.9393

The accompanying notes are an integral part of the individual and consolidated interim financial information.

Notre Dame Intermédica Participações S.A.

Statements of profit or loss

Nine-month periods ended September 30, 2021 and 2020

(In thousands of reais, except earnings (loss) per share expressed in reais)

		Quarter ended September 30,		Consolidated Period ended September 30,	
	Note	2021	2020	2021	2020
Net operating revenue	25	3,220,485	2,698,611	9,320,425	7,862,135
Cost of services rendered	26	(2,706,565)	(1,907,503)	(7,798,248)	(5,479,734)
Gross profit		513,920	791,108	1,522,177	2,382,401
Administrative expenses	27.a	(288,960)	(266,734)	(845,773)	(804,721)
Selling expenses	27.b	(179,590)	(143,095)	(513,285)	(403,566)
Impairment of receivables	27.c	(29,566)	(27,982)	(83,989)	(83,207)
Other income, net		7,218	(3,817)	20,565	(7,587)
(Loss) profit before finance income (costs)		23,022	349,480	99,695	1,083,320
Finance income (costs)	28	(92,536)	(31,895)	(211,265)	(93,890)
Finance income		65,748	27,914	170,039	108,585
Finance costs		(158,284)	(59,809)	(381,304)	(202,475)
(Loss)/Profit before income tax and social contribution		(69,514)	317,585	(111,570)	989,430
Current income tax and social contribution	11	(15,520)	(102,618)	(50,027)	(374,348)
Deferred income tax and social contribution	11	(5,696)	(18,182)	(5,013)	(34,502)
(Loss)/Profit for the period		(90,730)	196,785	(166,610)	580,580
Attributable to:					
Equity holders of the Parent		(90,684)	197,190	(166,592)	581,180
Noncontrolling interests		(46)	(405)	(18)	(600)
		(90,730)	196,785	(166,610)	580,580
(Loss)/Earnings per share:					
Basic		(0.1475)	0,3254	(0.2719)	0,9618
Diluted		(0.1475)	0,3172	(0.2719)	0,9383

The accompanying notes are an integral part of the individual and consolidated interim financial information.

Notre Dame Intermédica Participações S.A.

Statements of comprehensive income

Nine-month periods ended September 30, 2021 and 2020

(In thousands of reais, except earnings (loss) per share expressed in reais)

	Quarter ended		Parent and Consolidated	
	September 30,		Period ended	
	2021	2020	2021	2020
(Loss)/Profit for the period	(90,730)	196,785	(166,610)	580,580
Other comprehensive income				
(Loss)/gain on variation in equity interest	-	-	(5)	-
Total comprehensive income for the period	(90,730)	196,785	(166,615)	580,580
Attributable to:				
Equity holders of the Parent	(90,684)	197,190	(166,597)	581,180
Noncontrolling interests	(46)	(405)	(18)	(600)
	(90,730)	196,785	(166,615)	580,580

The accompanying notes are an integral part of the individual and consolidated interim financial information.

Notre Dame Intermédica Participações S.A.

Statements of changes in equity

Nine-month periods ended September 30, 2021 and 2020

(In thousands of reais)

	Capital	(-) Unpaid capital	(-) Treasury shares	(-) Costs with public offering of shares	Premium on acquisition of equity interest	Capital reserve Stock option reserve	Income reserves Legal	Statutory	Retained earnings/ (accumulated losses)	Total	Noncontrolling interests	Total
Balance at 12/31/2019	5,526,232	(225)	-	(113,913)	(2,857)	100,563	52,313	808,283	-	6,370,396	-	6,370,396
Capital contribution	120,221	225	-	-	-	-	-	-	-	120,446	-	120,446
Repurchase of treasury shares .	-	-	-	-	(245,122)	-	-	-	-	(245,122)	-	(245,122)
Sale of treasury shares .	-	-	-	-	242,343	-	-	-	-	242,343	-	242,343
Premium on acquisition of equity interest	-	-	(2,779)	-	2,779	-	-	-	-	-	-	-
Recognition of options granted	-	-	-	-	-	36,052	-	-	-	36,052	-	36,052
Profit for the period .	-	-	-	-	-	-	-	-	581,180	581,180	(600)	580,580
Noncontrolling interests	-	-	-	-	-	-	-	-	-	-	833	833
Balance at 9/30/2020	5,646,453	-	(2,779)	(113,913)	(2,857)	136,615	52,313	808,283	581,180	7,105,295	233	7,105,528
	Capital	(-) Unpaid capital	(-) Treasury shares	(-) Costs with public offering of shares	Premium on acquisition of equity interest	Capital reserve Stock option reserve	Income reserves Legal	Statutory	Retained earnings/ (accumulated losses)	Total	Noncontrolling interests	Total
Balance at 12/31/2020	5,646,453	-	(2,779)	(113,913)	(2,857)	149,304	89,122	1,332,817	-	7,098,147	538	7,098,685
Capital increase	162,156	-	-	-	-	-	-	-	-	162,156	-	162,156
Recognition of options granted	-	-	-	-	-	22,376	-	-	-	22,376	-	22,376
Loss for the period	-	-	-	-	-	-	-	-	(166,592)	(166,592)	(18)	(166,610)
Loss/gain on variation on equity interest	-	-	-	-	-	-	-	-	(5)	(5)	-	(5)
Noncontrolling interests	-	-	-	-	-	-	-	-	-	-	464	464
Balance at 9/30/2021	5,808,609	-	(2,779)	(113,913)	(2,857)	171,680	89,122	1,332,817	(166,597)	7,116,082	984	7,117,066

The accompanying notes are an integral part of the individual and consolidated interim financial information.

Notre Dame Intermédica Participações S.A.

Statements of cash flows - indirect method

Nine-month periods ended September 30, 2021 and 2020

(In thousands of reais)

	Note	Parent		Consolidated	
		2021	2020	Period ended September 30,	
		2021	2020	2021	2020
Cash flows from operating activities					
(Loss)/Profit for the period		(166,592)	581,180	(166,610)	580,580
Depreciation and amortization	14, 16	-	-	225,183	203,009
Depreciation of right of use	15	-	-	57,261	44,694
Share of profit (loss) of subsidiaries	13.a	135,642	(633,459)	-	-
Monetary adjustment of judicial deposits	12	(7,284)	(1,507)	(30,141)	(15,276)
Monetary adjustment of contingencies	22	-	-	62,652	37,929
Fair value adjustment of financial investments	6	-	-	29,727	730
Monetary adjustment – SUS	20.a	-	-	16,245	24,265
Financial investments income	6	-	-	(82,381)	(42,339)
Foreign exchange (gains) / losses	7, 18.b	-	-	(982)	458
Current and deferred income tax and social contribution .	11	-	-	55,040	408,850
Variation in technical reserves	20.c	-	-	107,930	28,440
Provision for lawsuits	27.a	-	-	59,795	23,578
Provision for/(reversal of) – impairment of Receivables	27.c	-	-	921	15,594
Loss on impairment of receivables	27.c	-	-	83,068	67,613
Provision for/(reversal of) (expected disallowances	7	-	-	(1,445)	7,684
Amortization of deferred acquisition costs .	8	-	-	264,585	216,109
Present value adjustment - deferred portion .		-	14,704	-	14,704
Interest on debentures and transaction cost	19	-	-	97,623	45,628
Interest on loans and financing and borrowing costs	18	-	-	58,564	28,538
Interest on leases	15	-	-	42,713	33,122
Appropriation of share-based payment plan	27.a	22,376	36,052	22,376	36,052
Write-off of property, plant and equipment/intangible assets	14, 16	-	-	5,449	10,430
Others		-	-	415	41
Derivative financial instruments - NDF .	28	-	-	6,878	(6,347)
Write-off of right of use/leases	15	-	-	(2,666)	(2,742)
Payment of income tax and social contribution		-	-	(103,214)	(334,293)
		(15,858)	(3,030)	808,986	1,426,961
(Increase) decrease in operating assets		(20,314)	(10,034)	(659,306)	(796,145)
Trade receivables	7	-	-	(50,575)	(109,701)
Inventories		-	-	(48,536)	(35,012)
Tax and social security credits		(1,464)	(223)	(10,418)	15,715
Deferred acquisition costs	8	-	-	(266,647)	(310,445)
Judicial and tax deposits	12	(17,799)	-	(93,564)	(199,337)
Other assets		(1,051)	(9,811)	(189,566)	(157,365)

The accompanying notes are an integral part of the individual and consolidated interim financial information.

Notre Dame Intermédica Participações S.A.

Statements of cash flows - indirect method

Nine-month periods ended September 30, 2021 and 2020

(In thousands of reais)

	Note	Parent		Consolidated	
		Period ended September 30,		Period ended September 30,	
		2021	2020	2021	2020
Increase (decrease) in operating liabilities		658	51,031	(94,972)	345,995
Trade payables		693	256	(85,468)	(79,446)
Salaries payable		91	35	57,780	92,053
Taxes and social charges payable		(126)	(443)	52,373	148,193
Technical reserves of healthcare Operations		-	-	63,822	175,018
Provision for lawsuits	22	-	-	(46,483)	(43,137)
Other liabilities		20,614	117,414	(116,382)	119,545
Deferred purchase price	23	(20,614)	(66,231)	(20,614)	(66,231)
Net cash (used in)/from operating activities		(35,514)	37,967	54,708	976,811
Cash flows from investing activities.					
Acquisition of noncontrolling interest		-	-	(5,000)	-
Short-term investments	6	-	-	(10,498,231)	(10,727,398)
Redemptions of short-term investments	6	-	-	10,370,911	10,438,986
Business combination	2	-	-	(1,657,597)	(2,877,029)
Acquisition of property, plant and equipment	14	-	-	(267,602)	(165,029)
Acquisition of intangible assets	16	-	-	(1,366)	(1,817)
Capital increase		-	(20,000)	-	-
Net cash used in investing activities		-	(20,000)	(2,058,885)	(3,332,287)
Cash flows from financing activities					
Capital contribution		162,156	78,727	162,156	78,727
Repurchase of shares - stock option program		-	-	-	(245,122)
Dividends paid		(173,392)	(100,569)	(173,392)	(100,569)
Consideration paid		-	-	(84,601)	(63,056)
Raising of loans and financing		-	-	508,909	1,174,419
Loans and financing - interest paid		-	-	(34,182)	(8,964)
Loans and financing - principal paid		-	-	(288,975)	(247,297)
Raising of debentures		-	-	-	750,000
Debentures – interest paid		-	-	(60,000)	(1,020,000)
Debentures – principal paid		-	-	(88,815)	(86,247)
Net cash used in financing activities		(11,236)	(21,842)	(58,900)	231,891
Decrease in cash and cash equivalents		(46,750)	(3,875)	(2,063,077)	(2,123,585)
Cash and cash equivalents at the beginning of the year		110,545	133,881	2,563,751	3,514,439
Cash and cash equivalents at the end of the period		63,795	130,006	500,674	1,390,854

The accompanying notes are an integral part of the individual and consolidated interim financial information.

Notre Dame Intermédica Participações S.A.

Statements of value added

Nine-month periods ended September 30, 2021 and 2020

(In thousands of reais)

		Parent	
		Period ended	
		September 30,	
	Note	2021	2020
Revenue		-	-
Sales of goods, products and services		-	-
Other income		-	-
Impairment of receivables – reversal/(recognition)		-	-
Inputs purchased from third parties		(13,485)	(3,197)
Cost of sales and services		-	-
Materials, electric power, outsourced services and others		(13,485)	(3,197)
Gross value added		(13,485)	(3,197)
Depreciation and amortization		-	-
Net value added generated by the Entity		(13,485)	(3,197)
Value added received in transfer		(126,340)	636,704
Share of profit (loss) of subsidiaries	13.a	(135,642)	633,459
Finance income	28	9,302	3,245
Others		-	-
Total value added for distribution		139,825	(633,507)
Distribution of value added		139,825	(633,507)
Personnel		(24,196)	(37,127)
Salaries and wages		(24,196)	(37,127)
Benefits		-	-
FGTS (Unemployment Compensation Fund)		-	-
Taxes, fees and contributions		(435)	(481)
Federal		(364)	(461)
Municipal		(71)	(20)
Value distributed to providers of capital		(2,136)	(14,719)
Interest		(2,125)	(14,710)
Rentals		-	-
Others		(11)	(9)
Value distributed to shareholders		166,592	(581,180)
(Loss)/Earnings retention for the period		166,592	(581,180)

Notre Dame Intermédica Participações S.A.

Statements of value added

Nine-month periods ended September 30, 2021 and 2020

(In thousands of reais)

	Note	Consolidated	
		Period ended September 30,	
		2021	2020
Revenue		9,527,773	8,085,526
Sales of goods, products and services	25	9,590,609	8,151,752
Other income		21,153	16,981
Impairment of receivables reversal/(recognition)	27.c	(83,989)	(83,207)
Inputs purchased from third parties		(8,336,323)	(5,858,822)
Cost of sales and services		(7,321,626)	(5,130,569)
Materials, electric power, outsourced services and others		(1,014,697)	(728,253)
Gross value added		1,191,450	2,226,704
Depreciation and amortization	14, 16	(281,284)	(247,703)
Net value added generated by the Entity		910,166	1,979,001
Value added received in transfer		176,323	102,833
Share of profit (loss) of subsidiaries	13.a	-	-
Finance income	28	170,039	108,585
Others		6,284	(5,752)
Total value added for distribution		(1,086,489)	(2,081,834)
Distribution of value added		(1,086,489)	(2,081,834)
Personnel		(386,346)	(494,852)
Salaries and wages		(334,232)	(431,964)
Benefits		(32,122)	(31,861)
FGTS (Unemployment Compensation Fund)		(19,992)	(31,027)
Taxes, fees and contributions		(445,894)	(802,602)
Federal		(299,638)	(668,974)
Municipal		(146,256)	(133,628)
Value distributed to providers of capital		(420,859)	(203,800)
Interest		(418,136)	(198,266)
Rentals		(1,260)	(4,815)
Others		(1,463)	(719)
Value distributed to shareholders		166,610	(580,580)
(Loss)/Earnings retention for the period		166,592	(581,180)
Noncontrolling interests		18	600

The accompanying notes are an integral part of the individual and consolidated interim financial information.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

September 30, 2021

(In thousands of reais)

1. Operations

Notre Dame Intermédica Participações S.A. (hereinafter “Company”) is a publicly-held holding company headquartered in Brazil at Avenida Paulista 867, Bela Vista, CEP 01305-100, São Paulo-SP. The individual and consolidated interim financial information incorporates the financial statements of the Company and its subsidiaries (or “Notre Dame Intermédica Group”). The Company was established on February 18, 2014 and is engaged in: (i) the management of its own assets and (ii) holding interests as a partner, shareholder or holder of any other right in other civil or commercial companies whose purpose includes activities related to various segments of health, including companies that, directly or indirectly (a) manage, market or distribute healthcare plans or private dental plans; (b) operate hospitals, laboratories, clinical centers or medical care units; and/or (c) have real estate intended primarily for the development of activities in the health sector.

The Company obtained its registration as a publicly-held company on April 19, 2018 and began trading its shares in the “New Market” segment of B3 S.A. – Brasil, Bolsa, Balcão (“B3”) on April 23, 2018, under ticker GNDI3.

The Company is the direct parent company of BCBF Participações S.A. (“BCBF”), a publicly-held holding company, and indirect parent company of privately held entities regulated or not by the Brazilian Regulatory Agency for Private Health Insurance and Plans (“ANS”), and such entities are engaged in providing services in the fields of medicine, dental care and hospital, covering the operation of own hospitals, laboratories and clinical centers through execution of healthcare contracts with individuals and legal entities, government or private entities and participations. Information on the Company's direct and indirect subsidiaries is presented in Note 3.b.

1.1. COVID-19 Pandemic

In compliance with CVM-SNC/SEP Official Letter No. 03/2020, in view of the current scenario that Brazil and the entire world are experiencing due to the COVID-19 pandemic, the Company sought to assess the possible material impacts on its operations, in order to verify the effects on this interim financial information for the quarter ended September 30, 2021 and future disclosures.

In Brazil, after the confirmation of the first coronavirus case, shutdowns, resulting from social distancing, were requested or imposed by government authorities or defined by companies as preventive measures. These shutdowns impacted several segments of the national economy, mainly the physical retail and many industry sectors, in addition to the service chain.

Below we describe the main impacts noted in the third quarter of 2021:

Health and dental care cost:

Unlike the first wave of COVID-19 experienced in mid-2020, the second wave of the pandemic was more dramatic due to the increase in the total number of cases, accompanied by a much higher frequency of serious and severe cases, affecting not only the elderly, but this time also the younger and working population, especially in the states of the South and Southeast. This prevalence of severe cases in the working population in the main markets where the Company operates generated the highest level of hospital care in the Company's history.

In the first months of the year, the Company faced a record volume of hospitalizations for patients with COVID-19, significantly greater than in the first wave. The situation was even more challenging for operations, since patients affected with COVID-19 who needed hospitalization found the hospital

Notre Dame Intermédica Participações S.A.

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sector already operating close to normal with respect to other elective surgeries, creating an overload on the health system as a whole, since only a few states and municipalities have decreed the mandatory suspension of elective surgeries. In this scenario, the Company had to count on the opening of hundreds of additional beds in our own network, but we also had to seek support from our accredited network, which acted as an important partner at this time of health crisis.

In the third quarter of 2021, upon the intensification of the mass vaccination program, we experienced a day-to-day progressive and consistent drop in the volume of care for patients affected with COVID-19. Today we have the lowest volume of patients hospitalized with COVID-19 since the crisis worsened in April/May 2020. This reduction allowed several extraordinary efforts that were being undertaken to begin to be reversed, including the decrease in the use of the contracted network in parallel with the closing of beds in the own network, the return of rented equipment, less need for temporary labor and adjustments to the supply chain with the return of purchases to more regular levels. These adjustments were made throughout the quarter, as the COVID cases retracted, but the effect of these adjustments cannot yet be captured in the third quarter due to the operating cycle, especially in the contracted network's accounts.

As for dental care, premised on our historical operating indicators adjusted for the seasonality of this time of year, we continue to notice a lower use of dental procedures by our beneficiaries. Compared to the immediately previous quarter (second quarter of 2021), there is a tendency for our beneficiaries to gradually return to normality in dental procedures, which translated into a slightly higher claims frequency rate.

Hospital services for other healthcare plans:

During the year 2020, we have noticed a reduction in healthcare services for customers from other healthcare plans, justified by a strategy to face the pandemic, which prioritized the preservation of hospital beds in case there is a need to care for beneficiaries of the Company and its subsidiaries. This drop in healthcare services for customers from other healthcare plans allowed the opening of the capacity of hospital beds and, mainly, ICUs, which were progressively filled with our patients with suspect or confirmed COVID-19. Currently, with the significant reduction in the volume of patients affected with COVID, we have noticed a solid recovery in the volumes of services to other healthcare services, and in August 2021 we reached the historical record of sales to other healthcare services, which leads us to believe that the impacts of COVID-19 on this line have already been diffused.

Risk related to impairment of financial assets:

With the gradual resumption of normal activities in the main financial markets worldwide, the impact from mark-to-market, mainly on certain ANS investment funds, created for the Brazilian Regulatory Agency for Private Health Insurance and Plans backing purposes, was significantly reduced.

Risk related to impairment of intangible assets:

In the fourth quarter of 2020, the Company engaged an independent specialized consulting firm to assess the impairment of intangible assets. The assessment considered the projections for the next five years. The report issued presented no indications of impairment. Despite the result reported in the third quarter of 2021, the Company's management recognizes that this performance is associated with the time of the pandemic, since all the main profit or loss accounts behaved as expected, except for the medical claims associated with the second wave of COVID-19, which is already showing signs of cooling, thus not changing the Company's medium and long-term plans.

Notre Dame Intermédica Participações S.A.

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Risk of inventory losses:

With the gradual resumption of medical services, our inventory levels have already returned to normal and we have not identified any need for recording losses.

Going-concern risk:

Our net operating revenue continues to grow, supported by a continuous increase in our customer base, with a stable average ticket.

Despite the restriction and social distancing and/or isolation measures adopted by the state governments, we noted an increase in the demand for outpatient care, which is close to our average historical indicators. Concurrently, we also observed a progressive increase in care for patients with symptoms of COVID-19, in all regions in which we operate.

It is not possible to quantify the actual impacts of these current trends as they will depend not only on (i) the evolution of the disease curve itself; (ii) how fast the population is vaccinated and the responses to different vaccines; (iii) new treatment protocols for patients with COVID-19 that may require new medications, but mainly the measures that may be implemented by governments, which may affect not only (iv) the speed of spread of the virus, but also (v) the economic activity, and consequently, employment. And because it is a new disease, it is difficult to predict exactly when normality will return.

Although COVID-19 is expected to continue to impact global and local economic activity, until the date of disclosure of this financial information, we have not identified any increase in default of our customers or requests for cancellation or modification of contracts, even though the maintenance of the adverse macroeconomic scenario may continue to affect negatively employment level in the country and, consequently, the number of private healthcare plan beneficiaries in Brazil.

We believe that because we are offering essential health services – especially in times of a pandemic – we have not experienced an impact on credit risk, except for specific negotiations with certain customers, in which monthly fees were postponed and are already reflected, as mentioned in Note 7.

With respect to liquidity management, the Company and its subsidiaries prepare projected cash flow analyses and periodically review the obligations assumed and the financial instruments used, including those related to the guarantee of technical reserves. It is important to mention that at September 30, 2021 our consolidated position of immediate liquidity assets, classified as Cash and cash equivalents, corresponds to R\$ 500,674, as mentioned in Note 5, while our debt commitments have an average maturity of the gross debt of up to seven years, as mentioned in Notes 18 and 19.

Through its subsidiaries BCBF Participações and Notre Dame Intermédica Saúde, the Company has debentures that contain financial covenants, the main covenant refers to the maintenance of the ratio of net debt to EBITDA - Earnings before interest, taxes, depreciation and amortization, measured every three months. At September 30, 2021, BCBF Participações and Notre Dame Intermédica Saúde were in compliance with the covenants.

In the first months of 2021, the Company and its subsidiaries initiated a comprehensive vaccination program for their hospital and ambulatory care frontline employees in all regions where we operate, in accordance with the guidelines of the respective local health departments.

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Despite the impacts in the third quarter of 2021, the extent to which COVID-19 will affect the business, the financial position, the results of operations and the prospects of the Company and its subsidiaries will depend on future developments, which are uncertain and cannot, for the time being, be reasonably foreseen, including new information that may arise about the spread of COVID-19 and/or the actions of the government and other entities to contain it in Brazil. Although it is not possible to reasonably estimate the extent of possible impacts on our business, financial condition, results of operations and prospects, our estimates of revenue and cash flow from operating activities fully ensure the continuity of our operations. The Company and its subsidiaries continuously monitor the situation as closely as possible and are actively evaluating the possible impacts on their business and implementing measures that mitigate potential existing risks.

1.2. Corporate restructuring

The Notre Dame Intermédica Group, under its strategic plan of continuous growth and expansion through acquisitions and corporate restructuring transactions, with the purpose of streamlining and unifying administrative activities, as well as achieving gains and operational synergy, completed the following for the period ended September 30, 2020:

- (i) Merger of Lifeday Planos de Saúde Ltda.

As the Special General Meeting (SGM) held on April 1, 2021, the Explanatory record of merger was approved, for the merger of the company Lifeday Plano de Saúde Ltda. into the subsidiary Clinipam Clínica Paranaense de Assistência Médica Ltda. The appraisal report on the net book value of the merged company was issued by an independent firm. The merger occurred at April 1, 2021, as at March 31, 2021. The base net assets of the merger amounted to R\$ 31,307.

1.3. Ownership Structure

The Notre Dame Intermédica Group ended the period ended September 30, 2021 with the following ownership structure:

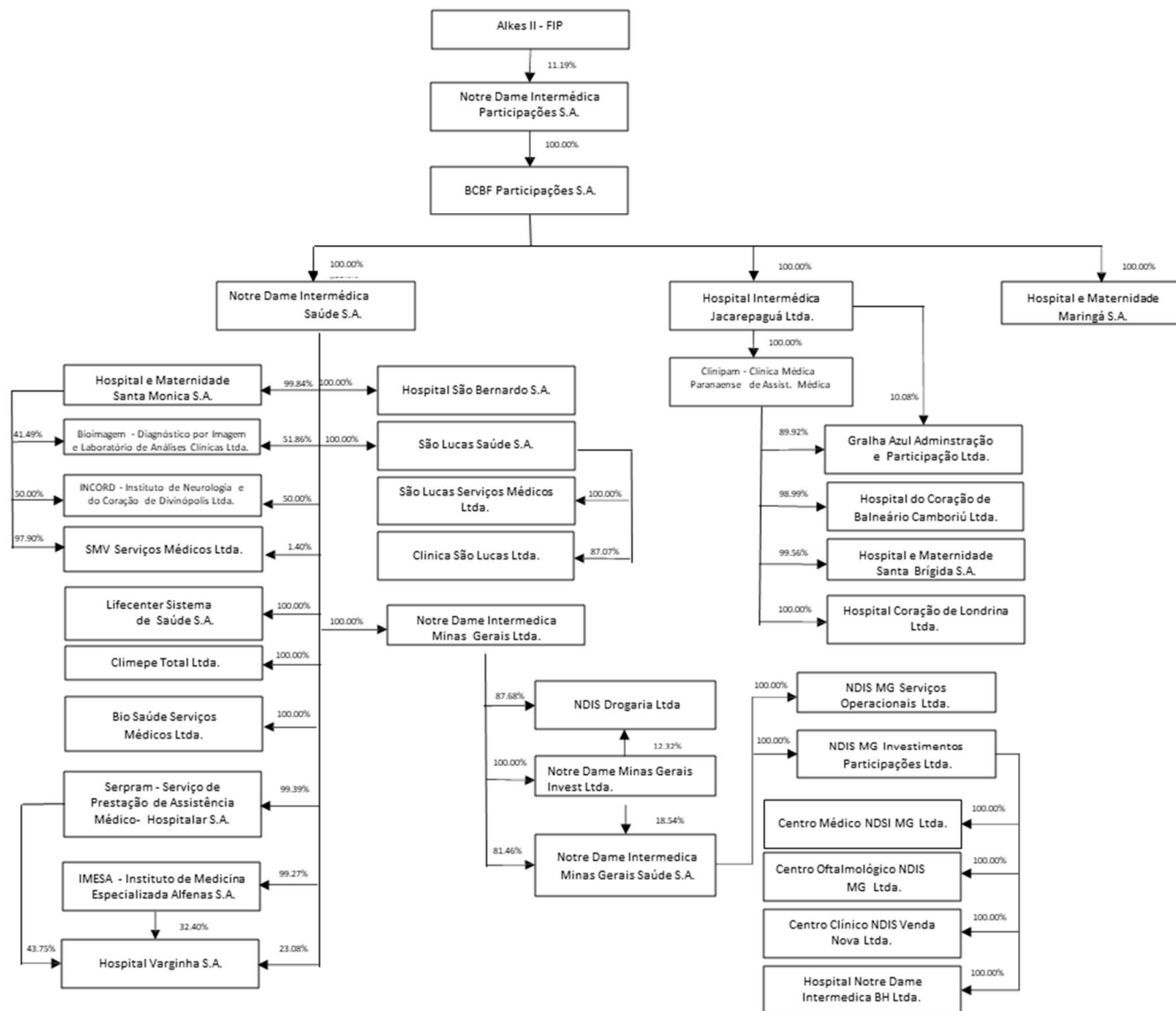
Notre Dame Intermédica Participações S.A.

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(In thousands of reais)

Ownership structure at September 30, 2021



2. Business combination

2.1. Acquisition of Lifecenter Sistema de Saúde S.A.

On January 20, 2021, the Notre Dame Intermédica Group signed the closing term of the share purchase and sale agreement and other covenants of Lifecenter Sistema de Saúde S.A. (Lifecenter). The purchase price was R\$ 175,698, with a cash payment of R\$ 115,698, a contingent portion of R\$ 40,000 payable in December 15, 2023 and December 15, 2026 and a portion withheld of R\$ 20,000 payable up to January 20, 2027 to cover any contingencies arising from the period preceding the closing date, as determined in a contractual clause.

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Cash installment	115,698
Portion withheld	60,000
Total consideration	175,698
Present value adjustment on portion withheld	(8,736)
Total consideration, net	166,962

As required by CPC 15 (R1) - Business Combinations, the Company provided through an independent firm the preliminary report for identification of tangible and intangible assets. Its measurement ends as soon as the Company obtains the full information about facts and circumstances existing at the acquisition date. However, the measurement period will not exceed one year from the acquisition date.

On December 23, 2020, the transaction had been approved by the Brazilian Antitrust Authority (CADE) through merger review process No. 08700.006411/2020-85.

All the conditions precedent were achieved on January 20, 2021, when the instrument of closing of the acquisition was formalized.

The table below summarizes the consideration paid to acquire Lifecenter and the fair value of the identifiable assets and liabilities at the acquisition date:

Assets	
Current assets	62,832
Cash and cash equivalents	162
Short-term investments	30,004
Trade receivables	20,671
Inventories	7,492
Tax and social security credits	471
Other assets	4,032
Noncurrent assets	101,145
Long-term assets	8,466
Long-term investments	5,377
Deferred tax assets	2,563
Other assets	526
Investments	172
Property, plant and equipment ¹	20,977
Right of use	67,036
Intangible assets	532
Indemnification assets	3,962
Total identifiable assets acquired	163,977

¹Property, plant and equipment acquired at the fair value of R\$ 20,977 is comprised of the cost of acquisition in the amount of R\$ 19,617, plus appreciation in the amount of R\$ 1,360.

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Liabilities	
Current liabilities	81,294
Trade payables	21,552
Salaries payable	8,217
Taxes and social charges payable	7,644
Loans and financing	25,894
Provision for income tax and social contribution	794
Leases	5,270
Other liabilities	11,923
Noncurrent liabilities	130,771
Loans and financing	49,637
Provision for lawsuits	3,962
Leases	68,997
Other liabilities	8,175
Total liabilities assumed	212,065
Total identifiable assets acquired/(liabilities assumed)	(48,088)
Goodwill arising on transaction	215,050
Total consideration, net	166,962

The Company identified the allocation of tangible and intangible assets on the acquisition of Lifecenter measured at fair value. According to the appraisal report issued by an independent firm, the preliminary allocations are:

	Valuation method	Lifecenter
Property, plant and equipment	Market value	1,360
Goodwill	Fair value	215,050

For consolidation purposes, the intangible assets identified by the Company were allocated as follows:

Intangible assets	Amount allocated	Useful life
Goodwill not allocated	215,050	Indefinite

As defined in the shareholders' agreement, all contingencies relating to periods previous to the execution of the share purchase and sale agreement would be the responsibility of the former shareholders and, consequently, these amounts would be reimbursed or deducted from the portion withheld payable.

Goodwill on acquisition is rendered justifiable by the value of assets acquired and expected future profitability from the synergy generated by the Notre Dame Intermédica Group activity.

Lifecenter was consolidated as of January 1, 2021. The contribution to the consolidated statement of profit or loss for the nine-month period ended September 30, 2021 was a net revenue of R\$ 107,262 and a loss for the period of R\$ 7,761.

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2.2. Acquisition of Climepe Total Ltda.

On March 8, 2021, the Notre Dame Intermédica Group signed the closing term of the share purchase and sale agreement of Climepe Total Ltda. (Climepe). The purchase price was R\$ 193,045, paid in full on that date.

As required by CPC 15 (R1) - Business Combinations, the Company provided through an independent firm the preliminary report for identification of tangible and intangible assets. Its measurement ends as soon as the Company obtains the full information about facts and circumstances existing at the acquisition date. However, the measurement period will not exceed one year from the acquisition date.

The table below summarizes the consideration paid to acquire Climepe and the fair value of the identifiable assets and liabilities at the acquisition date:

Assets	
Current assets	24,100
Cash and cash equivalents	344
Trade receivables	20,879
Trade receivables	1,606
Inventories	268
Tax and social security credits	991
Other assets	12
Noncurrent assets	57,487
Long-term assets	209
Judicial deposits	209
Property, plant and equipment	17,328
Right of use	141
Intangible assets	39,809
Total identifiable assets acquired	81,587
Liabilities	
Current liabilities	15,537
Trade payables	1,251
Salaries payable	2,252
Taxes and social charges payable	1,025
Dividends payable	1,500
Provision for income tax and social contribution	1,047
Technical reserves of healthcare operations	7,959
Leases	57
Other liabilities	446
Noncurrent liabilities	1,639
Technical reserves of healthcare operations	353
Provision for lawsuits	1,181
Leases	105
Total liabilities assumed	17,176
Total identifiable assets acquired/(liabilities assumed)	64,411
Goodwill arising on transaction	128,634
Total consideration, net	193,045

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September 30, 2021

(In thousands of reais)

The Company identified the allocation of tangible and intangible assets on the acquisition of Climepe measured at fair value. According to the appraisal report issued by an independent firm, the preliminary allocations are:

	Valuation method	Climepe
Customers portfolio	Income value	39,809
Goodwill	Fair value	128,634

For consolidation purposes, the intangible assets identified by the Company were allocated as follows:

Intangible assets	Amount	Useful life
Customers portfolio	39,809	7 to 8 years
Goodwill not	128,634	Indefinite
	168,443	

Goodwill on acquisition is rendered justifiable by the value of assets acquired and expected future profitability from the synergy generated by the Notre Dame Intermédica Group activity.

Climepe was consolidated as of March 1, 2021. The contribution to the consolidated statement of profit or loss for the nine-month period ended September 30, 2021 was a revenue of R\$ 52,218 and a profit for the period of R\$ 7,426.

Had Climepe been consolidated as of January 1, 2021, the consolidated statement of profit or loss for the nine-month period ended September 30, 2021 would have presented pro forma net revenue of R\$ 63,588 and pro forma profit for the period of R\$ 9,519.

On September 17, 2020, ANS approved the acquisition of Climepe Total Ltda., through Official Letter 91/2020/ASSNT-DIOPE/DIRADDIOPE/DIOPE.

On November 27, 2020, CADE, through merger review process No. 08700.004121/2020-05, approved the acquisition of Climepe Total Ltda.

All the conditions precedent were achieved on March 8, 2021, when the instrument of closing of the acquisition was formalized.

2.3. Acquisition of Bio Saúde Serviços Médicos Ltda.

On March 31, 2021, the Notre Dame Intermédica Group signed the closing term of the share purchase and sale agreement and other covenants of Bio Saúde Serviços Médicos Ltda. (Bio Saúde). The purchase price was R\$ 78,846, with a cash payment of R\$ 71,046 and a portion withheld of R\$ 7,800 payable up to March 31, 2027 to cover any contingencies arising from the period preceding the closing date, as determined in a contractual clause.

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(In thousands of reais)

Cash installment	71,046
Portion withheld	7,800
Total consideration	78,846
Present value adjustment on portion withheld	(1,170)
Total consideration, net	77,676

As required by CPC 15 (R1) - Business Combinations, the Company provided through an independent firm the preliminary report for identification of tangible and intangible assets. Its measurement ends as soon as the Company obtains the full information about facts and circumstances existing at the acquisition date. However, the measurement period will not exceed one year from the acquisition date.

The table below summarizes the consideration paid to acquire Bio Saúde and the fair value of the identifiable assets and liabilities at the acquisition date:

Assets	
Current assets	18,940
Cash and cash equivalents	127
Short-term investments	15,539
Trade receivables	3,274
Noncurrent assets	46,270
Property, plant and equipment	8,290
Intangible assets	29,661
Direito de uso	3,143
Indemnification assets	5,176
Total identifiable assets acquired	65,210
Liabilities	
Current liabilities	41,293
Trade payables	1,521
Salaries payable	148
Taxes and social charges payable	828
Loans and financing	159
Provision for income tax and social contribution	203
Technical reserves of healthcare operations	35,807
Leases	691
Other liabilities	1,936
Noncurrent liabilities	8,935
Technical reserves of healthcare operations	541
Provision for lawsuits	4,933
Leases	2,710
Other liabilities	751
Total liabilities assumed	50,228
Total identifiable assets acquired/(liabilities assumed)	14,982
Goodwill arising on transaction	62,694
Total consideration, net	77,676

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(In thousands of reais)

The Company identified the allocation of tangible and intangible assets on the acquisition of Bio Saúde measured at fair value. According to the appraisal report issued by an independent firm, the preliminary allocations are:

	<u>Valuation method</u>	<u>Bio Saúde</u>
Property, plant and equipment	Market value	(3,430)
Customers portfolio	Income value	29,661
Goodwill	Fair value	62,694

For consolidation purposes, the intangible assets identified by the Company were allocated as follows:

<u>Intangible assets</u>	<u>Amount</u>	<u>Useful life</u>
Customers portfolio	29,661	7 to 8 years
Goodwill not allocated	62,694	Indefinite
	<u>92,355</u>	

Goodwill on acquisition is rendered justifiable by the value of assets acquired and expected future profitability from the synergy generated by the Notre Dame Intermédica Group activity.

Bio Saúde was consolidated as of April 1, 2021, the contribution to the consolidated statement of profit or loss for the nine-month period ended September 30, 2021 was a revenue of R\$ 78,664 and a profit for the period of R\$ 5,612.

Had Bio Saúde been consolidated as of January 1, 2021, the consolidated statement of profit or loss for the nine-month period ended September 30, 2021 would have presented pro forma net revenue of R\$ 118,186 and pro forma profit of R\$ 6,353.

On September 17, 2020, ANS approved the acquisition of Bio Saúde Serviços Médicos Ltda., through Official Letter 92/2020/ASSNT-DIOPE/DIRAD-DIOPE/DIOPE.

On March 29, 2021, CADE, through merger review process No. 08700.005771/2020-60, approved the acquisition of Bio Saúde Serviços Médicos Ltda., without restrictions.

2.4. Acquisition of Medisanitas Brasil Group (Notre Dame Intermédica Minas Gerais Group).

On April 13, 2021, the Notre Dame Intermédica Group signed the closing term of the share purchase and sale agreement and other covenants of Medisanitas Brasil Group. The purchase price was R\$ 1,091,057 with a cash payment of R\$ 991,057 and a portion withheld of R\$ 100,000, which will be paid partially in the third anniversary and the remaining amount will be paid in the sixth anniversary to cover any contingencies arising from the period preceding the closing date, as determined in a contractual clause.

Cash installment	991,057
Portion withheld ¹	100,000
Total consideration, net	<u>1,091,057</u>

¹According to the agreement between the parties, the retained portion (escrow) was reserved as investment by the Company. The withdrawal of this investments is subject to the seller's approval and it is reserved to refunds and possible contingencies within a period of up to 6 years.

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As required by CPC 15 (R1) - Business Combinations, the Company provided through an independent firm the preliminary report for identification of tangible and intangible assets. Its measurement ends as soon as the Company obtains the full information about facts and circumstances existing at the acquisition date. However, the measurement period will not exceed one year from the acquisition date.

The table below summarizes the consideration paid to acquire the Medisanitas Brasil Group and the fair value of assets and liabilities identifiable on the acquisition date:

Assets	
Current assets	196,973
Cash and cash equivalents	24,653
Short-term investments	133,564
Trade receivables	13,898
Inventories	3,477
Deferred acquisition costs	2,125
Tax and social security credits	11,046
Other assets	8,210
Noncurrent assets	425,698
Long-term assets	71,750
Tax and social security credits	3,619
Judicial deposits	65,315
Other assets	2,816
Investments	420
Property, plant and equipment ¹	43,708
Right of use	15,314
Intangible assets	224,129
Indemnification assets	70,377
Total identifiable assets acquired	622,671

¹Property, plant and equipment acquired at the fair value of R\$ 43,708 is comprised of the cost of acquisition in the amount of R\$ 39,522, plus appreciation in the amount of R\$ 4,186.

² Intangible assets acquired at the fair value of R\$ 224,129 is comprised of the cost of acquisition in the amount of R\$ 458, plus appreciation in the amount of R\$ 223,671

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Liabilities	
Current liabilities	198,987
Trade payables	33,732
Salaries payable	8,927
Taxes and social charges payable	8,545
Loans and financing	6,720
Provision for income tax and social contribution	5,346
Technical reserves of healthcare operations	127,751
Leases	2,961
Other liabilities	5,005
Noncurrent liabilities	100,983
Taxes and social charges payable	6,948
Technical reserves of healthcare operations	17,347
Provision for lawsuits	62,906
Leases	13,782
Total liabilities assumed	299,970
Total identifiable assets acquired/(liabilities assumed)	322,701
Goodwill arising on transaction	768,356
Total consideration, net	1,091,057

According to the purchase and sale agreement with Medisanitas Brasil Group (QPA - QUOTA PURCHASE AGREEMENT) of August 25, 2020, there is a reimbursement clause to the sellers in the event of judicial deposits returning to the Company. This clause sets forth the reimbursement for the receipt of judicial deposits linked to an ISS proceeding in conformity with Writ of Mandamus 5060726-81.2016.8.13.0024 filed by the operator to have its right of not calculating and paying the ISS due to the city of Belo Horizonte - MG on the transfers made as health care cost to service providers located outside that city.

Therefore, on June 11, 2021 Notre Dame Intermédica Minas Gerais Saúde S.A. (formerly Medisanitas Brasil Assistência Integral à Saúde S.A.) had a favorable decision in that proceeding and the judicial deposits were transferred to that Company, which generated the payment of R\$19,620 to the sellers by Notre Dame Intermédica Saúde S.A., considered as a consideration in the acquisition, which impacted on the goodwill adjustment.

The Company identified the allocation of tangible and intangible assets on the acquisition of Medisanitas Group measured at fair value. According to the appraisal report issued by an independent firm, the preliminary allocations are:

	Valuation method	Group Medisanitas
Property, plant and equipment	Market value	4,187
Customers portfolio	Income value	223,671
Goodwill	Fair value	768,356

For consolidation purposes, the intangible assets identified by the Company were allocated as follows:

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(In thousands of reais)

<u>Intangible assets</u>	<u>Amount</u>	<u>Useful life</u>
Customers portfolio	223,671	7 to 9 years
Goodwill not allocated	768,356	Indefinite
	992,027	

Goodwill on acquisition is rendered justifiable by the value of assets acquired and expected future profitability from the synergy generated by the Notre Dame Intermédica Group activity.

The Medisanitas Brasil Group was consolidated as of April 1, 2021. The contribution to the consolidated statement of profit or loss for the nine-month period ended September 30, 2021 was a revenue of R\$ 317,525 and a loss for the period of R\$ 14,703.

Had Medisanitas Brasil Group been consolidated as of January 1, 2021, the consolidated statement of profit or loss for the nine-month period ended September 30, 2021 would have presented pro forma net revenue of R\$ 491,351 and pro forma loss for the period of R\$ 16,367.

On December 4, 2020, ANS approved the acquisition of Medisanitas Brasil Group, through Official Letter 137/2020/ASSNT-DIOPE/DIRAD-DIOPE/DIOPE.

On March 18, 2021, CADE, through merger review process No. 08700.004547/2020-51, approved the acquisition of Medisanitas Brasil Group, without restrictions.

2.5. Acquisition of Hospital do Coração de Londrina Ltda.

On April 5, 2021, the Notre Dame Intermédica Group signed the closing term of the share purchase and sale agreement and other covenants of Hospital do Coração de Londrina Ltda. The purchase price was R\$ 101,590, with a cash payment of R\$ 70,000 and a portion withheld of R\$ 31,590, which will be paid on April 4, 2027 to cover any contingencies arising from the period preceding the closing date, as determined in a contractual clause..

Cash installment	70,000
Portion withheld	31,590
Total consideration	101,590
Present value adjustment on portion withheld	(4,731)
Total consideration, net	96,859

As required by CPC 15 (R1) - Business Combinations, the Company provided through an independent firm the preliminary report for identification of tangible and intangible assets. Its measurement ends as soon as the Company obtains the full information about facts and circumstances existing at the acquisition date. However, the measurement period will not exceed one year from the acquisition date.

The table below summarizes the consideration paid to acquire Hospital do Coração de Londrina and the fair value of identifiable assets and liabilities at the acquisition date:

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Assets	
Current assets	10,878
Cash and cash equivalents	2,020
Trade receivables	2,903
Inventories	5,026
Tax and social security credits	929
Noncurrent assets	37,807
Long-term assets	233
Judicial deposits	233
Investments	264
Property, plant and equipment ¹	27,417
Right of use	4,987
Intangible assets	50
Indemnification assets	4,856
Total identifiable assets acquired	48,685
 ¹ Property, plant and equipment acquired at the fair value of R\$ 27,417 is comprised of the cost of acquisition in the amount of R\$ 15,626, plus appreciation in the amount of R\$ 11,791.	
Liabilities	
Current liabilities	93,061
Trade payables	21,979
Salaries payable	5,486
Taxes and social charges payable	46,348
Loans and financing	14,813
Leases	2,507
Other liabilities	1,928
Noncurrent liabilities	34,017
Taxes and social charges payable	26,343
Provision for lawsuits	4,856
Leases	2,818
Total liabilities assumed	127,078
Total identifiable assets acquired/(liabilities assumed)	(78,393)
Goodwill arising on transaction	175,252
Total consideration, net	96,859

The Company identified the allocation of tangible and intangible assets on the acquisition of Hospital do Coração de Londrina, measured at fair value. According to the appraisal report issued by an independent firm, the preliminary allocations are:

	Valuation method	Londrina
Property, plant and equipment	Market value	11,791
Goodwill	Fair value	175,252

For consolidation purposes, the intangible assets identified by Hospital do Coração de Londrina were allocated as follows:

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<u>Intangible assets</u>	<u>Amount</u>	<u>Useful life</u>
Goodwill not	175,252	Indefinite

Goodwill on acquisition is rendered justifiable by the value of assets acquired and expected future profitability from the synergy generated by the Notre Dame Intermédica Group activity.

Hospital do Coração de Londrina was consolidated as of April 1, 2021. The contribution to the consolidated statement of profit or loss for the nine-month period ended September 30, 2021 was a revenue of R\$ 92,458 and a profit for the period of R\$ 3,189.

Had Hospital do Coração de Londrina been consolidated as of January 1, 2021, the consolidated statement of profit or loss for the nine-month period ended September 30, 2021 would have presented pro forma net revenue of R\$ 106,777 and pro forma profit for the period of R\$ 2,243.

On March 10, 2021, CADE, through merger review process No. 08700.000292/2021-38, approved the acquisition of Hospital do Coração de Londrina Ltda., without restrictions.

All the conditions precedent were achieved on April 5, 2021, when the closing term of the acquisition was formalized.

2.6. Acquisition Hospital e Maternidade Maringá S.A.

On July 16, 2021, the Notre Dame Intermédica Group signed the closing term of the share purchase and sale agreement and other covenants of Hospital e Maternidade Maringá S.A. The purchase price was R\$ 67,970, with a cash payment of R\$ 52,970 and a portion withheld of R\$ 15,000, which will be paid on April 4, 2027 to cover any contingencies arising from the period preceding the closing date, as determined in a contractual clause..

Cash installment	52,970
Portion withheld	15,000
Total consideration	67,970
Present value adjustment on portion withheld	(2,213)
Total consideration, net	65,757

As required by CPC 15 (R1) - Business Combinations, the Company provided through an independent firm the preliminary report for identification of tangible and intangible assets. Its measurement ends as soon as the Company obtains the full information about facts and circumstances existing at the acquisition date. However, the measurement period will not exceed one year from the acquisition date.

The table below summarizes the consideration paid to acquire Hospital e Maternidade Maringá and the fair value of identifiable assets and liabilities at the acquisition date:

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(In thousands of reais)

Assets	
Current assets	7,597
Cash and cash equivalents	741
Trade receivables	5,419
Inventories	485
Tax and social security credits	526
Other assets	426
Noncurrent assets	17,035
Investments	377
Property, plant and equipment ¹	16,397
Intangible assets	35
Indemnification assets	226
Total identifiable assets acquired	24,632
Liabilities	
Current liabilities	11,076
Trade payables	3,548
Salaries payable	2,680
Taxes and social charges payable	1,017
Dividends paid	662
Loans and financing	1,831
Provision for income tax and social contribution	1,273
Other liabilities	65
Noncurrent liabilities	366
Taxes and social charges payable	140
Provision for lawsuits	226
Total liabilities assumed	11,442
Total identifiable assets acquired (liabilities assumed)	13,190
Goodwill arising on transaction	52,567
Total consideration, net	65,757

The Company identified the allocation of tangible and intangible assets on the acquisition of Hospital e Maternidade Maringá, measured at fair value. According to the appraisal report issued by an independent firm, the preliminary allocations are:

	Valuation method	Maringá
Goodwill	Fair value	52,567

For consolidation purposes, the intangible assets identified by Hospital e Maternidade Maringá were allocated as follows:

Intangible assets	Amount allocated	Useful life
Goodwill not allocated	52,567	Indefinite

Goodwill on acquisition is rendered justifiable by the value of assets acquired and expected future profitability from the synergy generated by the Notre Dame Intermédica Group activity.

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Hospital e Maternidade Maringá was consolidated as of July 1, 2021. The contribution to the consolidated statement of profit or loss for the nine-month period ended September 30, 2021 was a revenue of R\$ 20,149 and a profit for the period of R\$ 3,387.

Had Hospital e Maternidade Maringá been consolidated as of January 1, 2021, the consolidated statement of profit or loss for the nine-month period ended September 30, 2021 would have presented pro forma net revenue of R\$ 50,726 and pro forma net profit for the period of R\$ 6,849.

The completion of the transaction was not subject to prior approval of the Brazilian Regulatory Agency for Private Health Insurance and Plans (ANS) or of the Brazilian Antitrust Authority (CADE).

All the conditions precedent were achieved on July 16, 2021, when the closing term of the acquisition was formalized.

2.7. Acquisition of Serpram Group

On August 4, 2021, the Notre Dame Intermédica Group signed the closing term of the share purchase and sale agreement and other covenants of Serpram Group. The purchase price was R\$ 210,138, with a cash payment of R\$ 195,138 and a portion withheld of R\$ 15,000, which will be paid on April 4, 2027 to cover any contingencies arising from the period preceding the closing date, as determined in a contractual clause..

Cash installment	195,138
Portion withheld	15,000
Total consideration	210,138
Present value adjustment on portion withheld	(2,213)
Total consideration, net	207,925

As required by CPC 15 (R1) - Business Combinations, the Company provided through an independent firm the preliminary report for identification of tangible and intangible assets. Its measurement ends as soon as the Company obtains the full information about facts and circumstances existing at the acquisition date. However, the measurement period will not exceed one year from the acquisition date.

The table below summarizes the consideration paid to acquire the Serpram Group and the fair value of identifiable assets and liabilities at the acquisition date:

Assets	
Current assets	44,821
Cash and cash equivalents	3,310
Short-term investments	38,351
Trade receivables	1,041
Inventories	222
Tax and social security credits	1,787
Other assets	110
Noncurrent assets	51,971
Property, plant and equipment ¹	10,852
Intangible assets ¹	40,185
Indemnification assets	934
Total identifiable assets acquired	96,792

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(In thousands of reais)

Liabilities	
Current liabilities	21,762
Trade payables	866
Salaries payable	2,508
Taxes and social charges payable	1,143
Provision for income tax and social contribution	1,499
Technical reserves of healthcare operations	15,362
Other liabilities	384
Noncurrent liabilities	9,069
Taxes and social charges payable	7,931
Provision for lawsuits	1,138
Total liabilities assumed	30,831
Total identifiable assets acquired (liabilities assumed)	65,961
Goodwill arising on transaction	141,964
Total consideration, net	207,925

¹Intangible assets acquired at the fair value of R\$ 40,185 is comprised of the surplus value of the portfolio identified in the appraisal report on tangible and intangible assets.

The Company identified the allocation of tangible and intangible assets on the acquisition of Serpram Group measured at fair value. According to the appraisal report issued by an independent firm, the preliminary allocations are:

	Valuation method	Serpram Group
Customers portfolio	Market value	40,185
Goodwill	Fair value	141,964

For consolidation purposes, the intangible assets identified by Serpram Group were allocated as follows:

Intangible assets	Amount allocated	Useful life
Customers portfolio	40,185	7 a 9 anos
Goodwill not allocated	141,964	Indefinida
	182,149	

Goodwill on acquisition is rendered justifiable by the value of assets acquired and expected future profitability from the synergy generated by the Notre Dame Intermédica Group activity.

The Serpram Group was consolidated as of August 1, 2019. The contribution to the consolidated statement of profit or loss for the nine-month period ended September 30, 2021 was a revenue of R\$ 17,798 and a profit for the period of R\$ 2,109.

Had the Serpram Group been consolidated as of January 1, 2021, the consolidated statement of profit or loss for the nine-month period ended September 30, 2021 would have presented pro forma net revenue of R\$ 65.512 and pro forma profit for the period of R\$ 2,555.

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On December 11, 2020, ANS approved the acquisition of Serpram Group, through Official Letter 145/2020/ASSNT-DIOPE/DIRAD-DIOPE/DIOPE.

On July 7, 2021, CADE, through merger review process No. 08700.006195/2020-78, approved the acquisition of Serpram Group, without restrictions.

All the conditions precedent were achieved on August 04, 2021, when the closing term of the acquisition was formalized.

3. Preparation and presentation of the individual and consolidated interim financial information

a) Statement of compliance

The individual and consolidated interim financial information for the period ended September 30, 2021 has been prepared in accordance with Accounting Pronouncement CPC 21 (R1) – Interim Financial Reporting and International Accounting Standard (IAS) 34 issued by the International Accounting Standards Board (IASB) and in accordance with the standards of the Securities and Exchange Commission of Brazil (CVM), presenting information comparable with the information at December 31, 2020 for statement of financial position accounts and September 30, 2020 for statement of profit or loss accounts.

In preparing this interim information, the Company uses the following disclosure criteria: (i) regulatory requirements; (ii) relevance and specificity of information on the Company's operations to the users; and (iii) information needs of users of the interim information. Therefore, management confirms that relevant information specific to the interim financial information, and solely this information, is being disclosed and corresponds to that used by management in running the Company and its subsidiaries.

The Company's interim financial information has been prepared having the Real (R\$) as its functional and reporting currency, and is expressed in thousands of reais unless otherwise stated. Items disclosed in other currencies will be properly identified, when applicable.

The accounting practices and policies adopted by the Company when preparing its individual and consolidated interim financial information are consistent with those adopted and disclosed in the financial statements for the year ended December 31, 2020 (note 4) and, therefore, should be read together therewith, except for the policy regarding the recognition and measurement of Income Taxes in the interim period, as described in note 9 (i).

The individual and consolidated interim financial information for the period ended September 30, 2021 was approved by the Board of Directors and authorized for issue on November 10, 2021.

b) Basis of consolidation

The interim financial information includes the financial information of the Company and its subsidiaries as of September 30, 2021.

The individual and consolidated interim financial information does not include all information and disclosures required in the annual individual and consolidated financial statements. Therefore, it should be read together with the individual and consolidated financial statements for the year ended

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December 31, 2020 and approved on March 16, 2021, which were prepared in accordance with the accounting practices adopted in Brazil, which comprise the standards of the Brazilian Securities and Exchange Commission (CVM) and the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), which are in conformity with the International Financial Reporting Standards – IFRS issued by the International Accounting Standards Board (IASB).

The subsidiaries included in the consolidated interim financial information, all based in Brazil, are the following:

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(In thousands of reais)

	Core activity	Acquisition date	Merger date	September 30, 2021		Equity interest December 31, 2020	
				Direct	Indirect	Direct	Indirect
BCBF Participações S.A.	Holding company	-	-	100.00%	-	100.00%	-
Notre Dame Intermédica Saúde S.A.	Healthcare plan	-	-	-	100.00%	-	100.00%
Hospital São Bernardo S.A.	Health	02/23/2017	-	-	100.00%	-	100.00%
Hospital Intermédica Jacarepaguá Ltda.	Health	04/05/2019	-	-	100.00%	-	100.00%
São Lucas Saúde S.A.	Healthcare plan	01/23/2020	-	-	100.00%	-	100.00%
São Lucas Serviços Médicos Ltda.	Health	01/23/2020	-	-	100.00%	-	100.00%
Clínica São Lucas Ltda.	Health	01/23/2020	-	-	87.07%	-	87.07%
Clinipam – Clínica Médica Paranaense de Assistência Médica Ltda.	Healthcare plan	02/07/2020	-	-	100.00%	-	100.00%
Gralha Azul Administração e Participação Ltda.	Holding company	02/07/2020	-	-	100.00%	-	100.00%
Hospital do Coração de Balneário Camboriú Ltda.	Health	05/20/2020	-	-	98.99%	-	98.99%
SMV Serviços Médicos Ltda.	Healthcare plan	08/24/2020	-	-	97.90%	-	99.30%
Hospital e Maternidade Santa Monica S.A.	Health	08/24/2020	-	-	99.84%	-	99.60%
INCORD - Instituto de Neurologia e de Coração de Divinópolis Ltda.	Laboratory	08/24/2020	-	-	100.00%	-	100.00%
Bioimagem - Diagnóstico por Imagem e Laboratório de Análises Clínicas Ltda.	Laboratory	08/24/2020	-	-	93.35%	-	93.35%
Hospital e Maternidade Santa Brígida S.A.	Health	10/23/2020	-	-	99.56%	-	97.02%
Lifeday Planos de Saúde Ltda.	Healthcare plan	12/01/2020	04/01/2021	-	-	-	100.00%
Lifecenter Sistema de Saúde S.A.	Health	01/20/2021	-	-	100.00%	-	-
Climepe Total Ltda.	Healthcare plan	03/08/2021	-	-	100.00%	-	-
Bio Saúde Serviços Médicos Ltda.	Healthcare plan	03/31/2021	-	-	100.00%	-	-
Hospital do Coração de Londrina Ltda.	Health	04/05/2021	-	-	100.00%	-	-
Notre Dame Intermédica Minas Gerais Investimentos Ltda.	Holding company	04/13/2021	-	-	100.00%	-	-
Notre Dame Intermédica Minas Gerais Ltda.	Holding company	04/13/2021	-	-	100.00%	-	-
NDIS MG Investimentos e Participações Ltda.	Holding company	04/13/2021	-	-	100.00%	-	-
NDIS MG Serviços Operacionais Ltda.	Administration	04/13/2021	-	-	100.00%	-	-
NDIS Drogaria Ltda.	Drugstore	04/13/2021	-	-	100.00%	-	-
Notre Dame Intermédica Minas Gerais Saúde S.A.	Healthcare plan	04/13/2021	-	-	100.00%	-	-
Centro Oftalmológico NDIS MG Ltda.	Health	04/13/2021	-	-	100.00%	-	-
Centro Clínico NDIS MG Venda Nova Ltda.	Health	04/13/2021	-	-	100.00%	-	-

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	Core activity	Acquisition date	Merger date	Equity interest			
				September 30, 2021		December 31, 2020	
				Direct	Indirect	Direct	Indirect
Centro Médico NDIS MG Ltda.	Health	04/13/2021	-	-	100.00%	-	-
Hospital Notre Dame Intermédica BH Ltda.	Health	04/13/2021	-	-	100.00%	-	-
Hospital e Maternidade Santana S.A.	Health	07/16/2021	-	-	100.00%	-	-
Serpram – Serviço de Prestação de Assistência Médico-Hospitalar S.A.	Healthcare plan	08/04/2021	-	-	99.39%	-	-
IMESA – Instituto de Medicina Especializada Alfenas S.A.	Health	08/04/2021	-	-	99.37%	-	-
Hospital Varginha S.A.	Health	08/04/2021	-	-	33.07%	-	-

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4. Risk management

The Company controls companies that operate exclusively with health and dental plans, own hospitals and emergency rooms, catering to a wide range of corporate customers, associations and individuals. The main risks of these businesses are credit, interest rate and liquidity risks. Management of these risks involves different departments and contemplates a number of policies and fund allocation strategies deemed appropriate and sufficient by management.

(a) Credit risk

Credit risk is the risk that a counterparty to a business does not fulfill the obligation established in a financial instrument or a contract with a customer, which would lead to a financial loss. The Company and its subsidiaries are exposed to credit risk in their operating activities (mainly related to trade receivables) and financing, including deposits in banks and financial institutions and other financial instruments.

The credit policy considers the peculiarities of operating health and dental care plans and is designed to maintain the flexibility required by market conditions and our customers' needs. The Company and its subsidiaries carry out an ongoing monitoring of the level of their trade receivables. The methodology to determine the provision for credit losses is used, according to requirements of CPC 01 – Impairment and CPC 48 – Financial Instruments.

The Company and its subsidiaries prioritize their financial assets classified as cash and cash equivalents and short-term investments in institutions that have a minimum investment grade rating in the assessment made by S&P Global Ratings or Fitch (between AAA and BBB-) and in accordance with criteria internal valuation criteria and limits established based on qualitative and quantitative information.

The Company works with financial institutions whose ratings are as follows:

Issuers	September 30, 2021	National long-term rating	December 31, 2020	National long-term rating
Banco Santander (Brasil) S.A.	464,048	brAAA	1,026,703	brAAA
Banco Bradesco S.A.	148,074	AAA(bra)	1,092,470	AAA(bra)
Caixa Econômica Federal	61,914	AA(bra)	73,824	AA(bra)
Itaú Unibanco S.A.	759,257	AAA(bra)	634,656	AAA(bra)
Votorantim S.A.	188,000	AAA	284,913	brAAA
Banco Safra S.A.	34,391	-	35,535	AA(bra)
Banco Daycoval S.A.	-	-	50	AA(bra)
Banco do Brasil S.A.	154,222	BB	370,362	AA(bra)
XP Investimentos.	51,851	AA	78,549	AA(bra)
Greencred.	-	-	2	AA(bra)
Uniprime	-	-	1,376	A(bra)
Citibank	386	AAA	2,430	-
Sicoob	21,074	AA-(bra)	37,982	AA-(bra)
Unicred	11	A(bra)	1,112	-
Banco Sul América S.A.	15,630	AA	-	-
Banco Mercantil	27,308	BBB	-	-
Banco BTG Pactual S.A.	55,486	AA(bra)	-	-
	1,981,652		3,639,964	

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The investment policy requires the need to allocate resources in accordance with ANS Normative Resolution (RN) 392/15, amended by ANS RN 419/16, 427/17 and 430/17, to guarantee the technical reserves.

(b) Liquidity risk

The main purpose of the Company's liquidity risk management is to monitor the maturity of the rights and obligations of the Company and its subsidiaries, as well as the liquidity of their financial instruments. The Company and its subsidiaries seek to mitigate liquidity risk by matching the expected cash flows required to meet commitments and the net financial resources available on a timely basis and in quantities necessary to cover any mismatching.

For that purpose, the Company and its subsidiaries prepare projected cash flow analyses and periodically review the obligations assumed and the financial instruments used, especially those intended to guarantee the technical reserves.

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(i) Liquidity risk

Liquidity	Short-term investments	September 30, 2021		December 31, 2020	
		Amount	% portfolio	Amount	% portfolio
Immediate	Short-term investments	404,493	20,41%	2,486,298	68.31%
From 31 to 120 days	Bank certificate of deposit - CDB - variable rates, repo debentures, open-ended fixed income funds and others	785,274	39,63%	474,364	13.03%
From 31 to 120 days	Financial bills – LF	-	-	19,430	0.54%
From 121 to 240 days	Bank certificate of deposit - CDB - variable rates, repo debentures, open-ended fixed income funds and others	-	-	14,583	0.40%
From 121 to 240 days	Financial bills - LF	186,378	9,41%	-	-
From 121 to 240 days	Financial treasury bills – LTN	47,471	2,40%	-	-
From 241 to 360 days	Bank certificate of deposit - CDB - variable rates, repo debentures, open-ended fixed income funds and others	24,318	1,23%	125,700	3.45%
From 241 to 360 days	National treasury bills – LTN	178,907	9,03%	-	-
More than 361 days	Bank certificate of deposit - CDB - variable rates, repo debentures, open-ended fixed income funds and others	141,970	7,16%	30,002	0.82%
More than 361 days	National treasury bills – LTN	-	-	227,385	6.25%
More than 361 days	Financial treasury bills – LFT	82,808	4,18%	80,862	2.22%
More than 361 days	Financial bills – LF	-	-	181,340	4.98%
More than 361 days	National Treasury Notes - NTN-B	130,033	6,56%	-	-
		1,981,652	100,00%	3,639,964	100.00%

In accordance with ANS RN 392/15, amended by RNs 419/16, 427/17, 430/17 and 448/20, subsidiaries Notre Dame Intermédica Saúde S.A, São Lucas Saúde S.A., Clinipam – Clínica Médica Paranaense de Assistência Médica Ltda, Climepe Total Ltda., Bio Saúde Serviços Médicos Ltda., Notre Dame Intermédica Minas Gerais Saúde S.A. e Serpram – Serviços de Prestação de Assistência Médico-Hospitalar maintain restricted short-term investments for the coverage of technical reserves, amounting to R\$ 989.403 at September 30, 2021 (R\$ 978,675 at December 31, 2020).

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(ii) Asset and liability management (ALM)

Assets and liabilities are managed under the ALM method. This method consists of an ongoing process of preparation, implementation, monitoring and review of assets and liabilities management strategies for the purpose of reaching a certain return at a certain risk level.

(c) Currency risk

(i) Loans and financing

The Notre Dame Intermédica Group, through its subsidiary Notre Dame Intermédica Saúde S.A., has in its liabilities foreign currency loan transactions through Law 4,131/62, such transaction has an exchange risk and to protect itself from a variation of these currencies against the Real, Non-Deliverable Forward – NDF derivative financial instruments were contracted (purchase of Financial Bond), on the same date as the funding transaction.

At September 30, 2021, NDF's long position is R\$ 3,379 (R\$ 4,133 at December 31, 2020) as per Note 10, generating expense at September 30, 2021 of R\$ 6,878 (revenue at September 30, 2020 of R\$ 6,347, as per Note 28).

(d) Insurance risk

The Company's subsidiaries business model is based on the collection of monthly or annual amounts from customers and is exposed to insurance risk from the variation of costs of health and dental care plans, and in the dental segment, the risk is limited to the frequency of use and low cost of treatments made.

In the development and structuring of health and dental care plans, the following are considered: cost of customer services, model of service that the beneficiary will receive, model of enrollment with the dental and healthcare plans, model of use of own or contracted network and fees paid to professionals of the accredited network.

Additionally, the Company and its subsidiaries also analyze the risk of variation in health and dental care plan costs and the direct impact on customers' contracts.

In managing these risks, the Company and its Subsidiaries monitor claims due to the use, and any deficiencies are negotiated directly with their customers so that the contract may be balanced in relation to their profitability.

(e) Interest rate risk of financial instruments

Interest rate risk arises from the possibility of changes in interest rates that could bring impacts to the present value of the investments portfolio, loans and financing and the raising of debentures.

The Company and its subsidiaries adopt a policy of investing mostly in floating rate securities.

By means of RN 392/15, amended by RNs 419/16, 427/17 and 430/17 pursuant to CMN Resolution 4444 of November 13, 2015, the ANS establishes for the healthcare providers the diversification of their investments toward assets pledged in guarantee of technical reserves. In view of this requirement, the Company's operators have been making investments in fixed and floating rate government bonds.

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The financial portfolio of the Company and its subsidiaries is almost entirely exposed to fluctuations in interest rates in the domestic market - Interbank Deposit Certificate (CDI), and the remainder is indexed to the Central Bank Benchmark Rate (SELIC).

Breakdown of financial investments is shown in Note 6.

The Company's direct and indirect subsidiaries have loans and financing and debentures and are exposed to the variation of the CDI rate + spread and TLP. Breakdown of loans and financing and debentures is presented in Notes 18 and 19, respectively.

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(i) Sensitivity analysis of interest rate variations

For the sensitivity analysis, the Company and its subsidiaries adopted rates in effect at dates close to reporting dates, using the same rate for SELIC and CDI, due to their proximity. In the projection of the probable scenario, for scenarios I and II, these rates were increased/decreased by 25% and 50%, respectively.

Therefore, with other variables held constant, the chart below shows a simulation of the effect of interest rate variations on equity and future profit or loss for the next 12 months (consolidated) considering the balances at September 30, 2021.

Parent													
September 30, 2021													
	Index	Risk	% - p.a. ¹	R\$	Probable	Interest reduction				Interest increase			
						Rate	-25%	Rate	-50%	Rate	+25%	Rate	+50%
Other liabilities													
Contractual obligations	CDI	Decrease CDI	7,89%	(412,383)	(32,537)	5,92%	(24,413)	3,95%	(16,289)	9,86%	(40,661)	11,84%	(48,826)

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(In thousands of reais)

												Consolidated
												September 30, 2021
	Index	Risk	% - p.a. ¹	R\$	Probable	Rate	Interest reduction		Interest increase			
							-25%	Rate	-50%	Rate	+25%	+50%
Cash and cash equivalents (Note 5)												
CDBs	CDI	Decrease CDI	7.89%	51,884	4,094	5.92%	3,072	3.95%	2,049	9.86%	5,116	6,143
Open-ended fixed income fund	CDI	Decrease CDI	7.89%	201,694	15,914	5.92%	11,940	3.95%	7,967	9.86%	19,887	23,881
Repurchase operations	CDI	Decrease CDI	7.89%	150,873	11,904	5.92%	8,932	3.95%	5,959	9.86%	14,876	17,863
Others	Selic	Decrease Selic	8.25%	42	3	6.19%	3	4.13%	2	10.31%	4	5
				404,493	31,915		23,947		15,977		39,883	47,892
Short-term investments (Note 5)												
CDBs	CDI	Decrease CDI	7.89%	349,503	27,576	5.92%	20,691	3.95%	13,805	9.86%	34,461	41,381
LFTs	Selic	Decrease Selic	8.25%	82,808	6,832	6.19%	5,126	4.13%	3,420	10.31%	8,538	10,252
Open-ended fixed income fund	IPCA	Decrease IPCA	9.04%	130,033	11,755	6.78%	8,816	4.52%	5,877	11.30%	14,694	17,632
LFs	CDI	Decrease CDI	7.89%	602,059	47,502	5.92%	35,642	3.95%	23,781	9.86%	59,363	71,284
LF	CDI	Decrease CDI	7.89%	186,378	14,705	5.92%	11,034	3.95%	7,362	9.86%	18,377	22,067
				1,350,781	108,370		81,309		54,245		135,433	162,616
Loans and financing (Note 18)												
BNDES	TJLP	Increase TJLP	5.55%	(762)	(42)	4.16%	(32)	2.78%	(21)	6.94%	(53)	(63)
Working capital	CDI	Increase CDI	7.89%	(44,680)	(3,525)	5.92%	(2,645)	3.95%	(1,765)	9.86%	(4,405)	(5,290)
Working capital	CDI + 2,3%	Increase CDI	10.37%	(298,786)	(30,984)	8.36%	(24,979)	6.34%	(18,943)	12.39%	(37,020)	(43,055)
Working capital	CDI + 2,6%	Increase CDI	10.70%	(266,051)	(28,467)	8.67%	(23,067)	6.65%	(17,692)	12.72%	(33,842)	(39,243)
Working capital	CDI + 2,4%	Increase CDI	10.48%	(568,892)	(59,620)	8.46%	(48,128)	6.44%	(36,637)	12.50%	(71,112)	(82,603)
Working capital	CDI + 1,86%	Increase CDI	9.90%	(179,171)	(17,738)	7.89%	(14,137)	5.88%	(10,535)	11.90%	(21,321)	(24,941)
Leasing	CDI	Increase CDI	7.89%	(998)	(79)	5.92%	(59)	3.95%	(39)	9.86%	(98)	(118)
Promissory notes	CDI + 1,4%	Increase CDI	9.40%	(96,256)	(9,048)	7.40%	(7,123)	5.41%	(5,207)	11.40%	(10,973)	(12,908)
Credit cooperative	CDI	Increase CDI	7.89%	(47,176)	(3,722)	5.92%	(2,793)	3.95%	(1,863)	9.86%	(4,652)	(5,586)
Others	CDI	Increase CDI	7.89%	(2,372)	(187)	5.92%	(140)	3.95%	(94)	9.86%	(234)	(281)
				(1,505,144)	(153,412)		(123,103)		(92,796)		(183,710)	(214,088)
Debentures (Note 19)												
BCBF 14 – 4 th issue	CDI + 2,65%	Increase CDI	10.75%	(746,526)	(80,252)	8.73%	(65,172)	6.70%	(50,017)	12.77%	(95,331)	(110,486)
BCBF 15 – 5 th issue	CDI + 2,65%	Increase CDI	10.75%	(715,535)	(76,920)	8.73%	(62,466)	6.70%	(47,941)	12.77%	(91,374)	(105,899)
NDIMI 13 – 3 rd issue	DI rate + 1,6%	Increase CDI	9.62%	(806,410)	(77,577)	7.61%	(61,368)	5.61%	(45,240)	11.62%	(93,705)	(109,914)
				(2,268,471)	(234,749)		(189,006)		(143,198)		(280,410)	(326,299)
Contractual obligations (Note 21.a)												
Contractual obligations	CDI	Increase CDI	7.82%	(852,292)	(67,246)	5.92%	(50,434)	3.95%	(33,623)	9.86%	(84,057)	(100,869)
Contractual obligations	105% do CDI	Increase CDI	8.28%	(9,838)	(815)	6.21%	(611)	4.14%	(408)	10.36%	(1,019)	(1,223)
Contractual obligations	90% do CDI	Increase CDI	7.10%	(38,243)	(2,716)	5.33%	(2,037)	3.55%	(1,358)	8.88%	(3,395)	(4,073)
Contractual obligations	95% do CDI	Increase CDI	7.50%	(33,797)	(2,533)	5.62%	(1,900)	3.75%	(1,267)	9.37%	(3,167)	(3,800)
Contractual obligations	Selic	Decrease Selic	8.25%	(49,351)	(4,071)	6.19%	(3,054)	4.13%	(2,036)	10.31%	(5,089)	(6,107)
Contractual obligations	IPCA	Decrease IPCA	9.04%	(33,847)	(3,060)	6.78%	(2,295)	4.52%	(1,530)	11.30%	(3,825)	(4,590)
				(1,017,368)	(80,441)		(60,331)		(40,222)		(100,552)	(120,662)
				(3,035,709)	(328,317)		(267,184)		(205,994)		(389,356)	(450,541)

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¹ In the % p.a. column (probable scenario) the rates were obtained from the website of bank Bradesco - "Bradesco Long-Term Projection" published on October 1, 2021.

5. Cash and cash equivalents

	Parent		Consolidated	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
Cash and banks	258	11,865	96,181	77,453
Cash and cash equivalents	63,537	98,680	404,493	2,486,298
	63,795	110,545	500,674	2,563,751

Short-term investments have immediate liquidity, are readily convertible into a known amount of cash and are not subject to a significant risk of change in value, and the Company and its subsidiaries are entitled to immediate redemption.

6. Short-term investments

At September 30, 2021, the financial instruments comprising short-term investments were as follows:

		Consolidated			
		September 30, 2021		December 31, 2020	
		Carrying amount	Fair value	Carrying amount	Fair value
		Maturity			
		Up to 1 year	From 1 to 6 years	Over 6 years	
Fair value through profit or loss	Level				
Financial treasury bills – LFT (i)	1	-	82,808	-	82,808
National treasury bills – LTN (i)	1	226,378	-	-	226,378
National treasury notes – NTN-B (i)		-	130,033	-	130,033
Bank Certificate of Deposit – CDB (ii)	2	217,209	132,294	-	349,503
Open-ended fixed income fund (iii)	2	592,383	9,676	-	602,059
Financial bills – LF (iv)	2	186,378	-	-	186,378
		1,222,348	354,811	-	1,577,159
					1,577,159
					1,153,666
					1,153,666
				Current	1,332,315
				Noncurrent	244,844
					1,001,019
					152,647

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- i. Federal government bonds were recorded at cost plus yield accrued and adjusted to fair value based on the benchmark reference of the secondary market of the Brazilian Association of Financial and Capital Markets Entities (ANBIMA) (Level 1).
- ii. The Company and its subsidiaries adopt the policy of investing mostly in floating rate securities with immediate liquidity issued by financial institutions in Bank Deposit Certificates (CDBs), (Level 2).
- iii. Funds are managed by Banco Bradesco S.A., Banco do Brasil S.A., Banco Itaú, Banco Safra S.A., Banco Santander (Brasil) S.A., Caixa Econômica Federal, Unicred and XP Investimentos (Level 2).
- iv. Transactions with financial bills were recorded at cost plus yield accrued and adjusted to fair value in floating rate securities tied to the Interbank Deposit Fund (CDI) with 2-year liquidity (Level 2).

The short-term investments have daily yield tied to the CDI and SELIC rates with variable maturities up to April 2034.

Of the total balance of the short-term investments and considered restricted by the Company, R\$ 254,256 refers to the escrow deposit originated by the following acquisitions:

Unimed ABC	15,601
Medisanitas	101,866
Clinipam	136,789
	<u>254,256</u>

The Company and its subsidiaries' investments are classified under "Financial assets at fair value through profit or loss". Regardless of the maturity of the Company and its subsidiaries' investments, they are recognized in current assets (except for the investment tied to the contract obligation, which is recorded in noncurrent assets).

a) Movement in financial investments

	September 30, 2021	Consolidated December 31, 2020
Balance at the beginning of the year	1,153,666	1,285,126
Balance acquired	243,715	176,047
Investments	10,498,231	15,041,759
Redemptions	(10,370,911)	(15,405,731)
Foreign exchange gains (losses)	(196)	(473)
Finance income (costs)	82,381	57,332
Fair value adjustment	(29,727)	(394)
Balance at the end of the period/year	<u>1,577,159</u>	<u>1,153,666</u>

b) Fair value measurement

The fair values of fixed-income government securities were obtained from the reference tables disclosed by Brazilian Association of Financial and Capital Markets Entities (ANBIMA). The quotations of fixed-income private securities were announced by ANBIMA.

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The pricing criteria for financial instruments are defined by the manager and the custodian, and curves and rates disclosed by ANBIMA and B3 are used for the calculations described in the institution's pricing manual, in conformity with ANBIMA's self-regulation code.

The financial investments are under custody of, registered with and traded at the SELIC and B3.

7. Trade receivables

Trade receivables refer to transactions related to healthcare plans and healthcare services, generated by the operation of subsidiaries at September 30, 2021, as follows:

	September 30, 2021	Consolidated December 31, 2020
Trade receivables related to:		
Healthcare plans	336,466	395,423
Healthcare not relating to healthcare plans	319,088	242,340
Balance at the end of the period/year	655,554	637,763

At September 30, 2021, the breakdown of trade receivables was as follows:

	September 30, 2021	Consolidated December 31, 2020
Receivables from operations with healthcare plans	393,412	447,271
(-) Impairment of receivables	(56,946)	(51,848)
	336,466	395,423
	September 30, 2021	Consolidated December 31, 2020
Receivables from healthcare operations not related to the Operator's healthcare plans	365,819	261,624
(-) Impairment of receivables	(46,731)	(19,284)
	319,088	242,340

Aging of trade receivables is as follows:

(i) Receivables from operations with healthcare plans

	Consolidated September 30, 2021		
	Balance	Impairment of receivables	Net balance
Current:			
From 1 to 30 days	198,761	(8,163)	190,598
More than 30 days	17,052	(85)	16,967
Past due:			
From 1 to 30 days	84,765	(6,974)	77,791
From 30 to 90 days	59,352	(8,242)	51,110
More than 90 days	33,482	(33,482)	-
Receivables from operations with healthcare plans	393,412	(56,946)	336,466

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	Consolidated December 31, 2020		
	Balance	Impairment of receivables	Net balance
Current:			.
From 1 to 30 days	259,537	(5,157)	254,380
More than 30 days	24,805	(6)	24,799
Past due:			
From 1 to 30 days	45,342	(2,014)	43,328
From 30 to 90 days	78,929	(6,013)	72,916
More than 90 days	38,658	(38,658)	-
Receivables from operations with healthcare plans	447,271	(51,848)	395,423

(ii) Receivables from healthcare operations not related to the Operator's healthcare plans

	Consolidated September 30, 2021		
	Balance	Impairment of receivables	Net balance
Current:			.
From 1 to 30 days	54,192	(212)	53,980
More than 30 days	67,629	(252)	67,377
Past due:			
From 1 to 30 days	30,780	(674)	30,106
From 30 to 90 days	172,998	(5,373)	167,625
More than 90 days	40,220	(40,220)	-
Receivables from operations with healthcare plans	365,819	(46,731)	319,088

	Consolidated December 31, 2020		
	Balance	Impairment of receivables	Net balance
Current:			.
From 1 to 30 days	49,719	(41)	49,678
More than 30 days	46,169	(35)	46,134
Past due:			
From 1 to 30 days	25,554	(229)	25,325
From 30 to 90 days	124,771	(3,568)	121,203
More than 90 days	15,411	(15,411)	-
Receivables from operations with healthcare plans	261,624	(19,284)	242,340

Changes in receivables from operations with healthcare plans:

(i) Receivables from operations with healthcare plans

	September 30, 2021	Consolidated December 31, 2020
Balance at the beginning of the year	395,423	221,367
Balance acquired	20,249	65,387
Net considerations	8,838,854	10,424,104
Amounts received	(8,838,174)	(10,210,560)
Reversal (recognition) of impairment of receivables	1,205	(10,601)
(-) Loss on receivables	(81,091)	(94,274)
Balance at the end of the period/year	336,466	395,423

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(ii) Changes in receivables for healthcare operations not related to the Operator's healthcare plans

	September 30, 2021	Consolidated December 31, 2020
Balance at the beginning of the year	242,340	271,402
Balance acquired	29,511	14,811
Revenue from healthcare operations not related to the Operator's healthcare plans	749,962	638,460
Co-participation	205,276	183,618
Amounts received	(905,343)	(851,709)
Provision for expected disallowances	1,445	(8,025)
Reversal/(recognition) of impairment of Receivables	(2,126)	(4,631)
(-) Loss on receivables	(1,977)	(1,586)
Balance at the end of the period/year	319,088	242,340

Changes in expected credit losses:

	Consolidated December 31, 2020		
	Healthcare plan	Not related to healthcare plan	Total
Balance at December 31, 2020	(51,848)	(19,284)	(71,132)
Reclassification	(898)	898	-
Amounts recognized	(340,909)	(166,104)	(507,013)
Reversals	336,709	137,759	474,468
Balance at September 30, 2021	(56,946)	(46,731)	(103,677)

8. Deferred acquisition costs

Acquisition costs are deferred and amortized over the contract term or expectation according to Actuarial Note (NTA) and are reflected in the balance of "Deferred acquisition costs" in current and noncurrent assets. At September 30, 2021, deferred acquisition costs comprise the following:

	September 30, 2021	Consolidated December 31, 2020
Balance at the beginning of the year	473,567	364,833
Balance acquired	2,125	-
Amounts recognized	266,647	402,802
(-) Amortization	(264,585)	(294,068)
Balance at the end of the period/year	477,754	473,567
Current assets	260,414	244,009
Noncurrent assets	217,340	229,558

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9. Tax and social security credits

Tax and social security credits comprise the following:

	September 30, 2021	Consolidated December 31, 2020
Income tax (i)	92,617	66,531
Social contribution on profit (CSLL) (a)	32,358	14,255
Withholding income tax	40,663	23,745
Social security credit	1,687	878
PIS and COFINS credits	11,201	7,835
ISS credit	2,574	386
Other tax and social security credits	3,619	-
	184,719	113,630
Current assets	181,100	113,630
Noncurrent assets	3,619	-

- (i) The Company and its Subsidiaries adopt the procedure of making monthly prepayments of the amounts due related to Income Tax and Social Contribution on Profit and will make the annual adjustment of the amounts due at the end of the year, when the prepaid taxes accounts will be matched against the taxes payable accounts.

10. Other assets

	Parent		Consolidated	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
Judicial deposit ISS – SP (a)	-	-	466,067	376,929
Advances to suppliers	752	129	38,621	40,676
Other receivables	1,384	1,705	18,189	11,671
Advances to employees	-	-	8,878	12,640
Advances for payment of lawsuits	-	-	19,063	10,587
Prepaid expenses	1,096	347	4,537	654
Data services to be amortized (d)	-	-	8,846	5,115
Current	3,232	2,181	564,201	458,272
Receivables – indemnities (b)	-	-	590,281	620,124
Trade receivables from healthcare plans	-	-	7,261	7,822
Collateral deposits	-	-	842	838
Indemnification assets (c)	-	-	101,087	74,045
Court-frozen deposits	1	1	11,208	7,249
Derivative financial instruments	-	-	-	-
– NDF receivable	-	-	3,379	4,133
Others	10,551	10,551	17,235	12,043
Noncurrent	10,552	10,552	731,293	726,254
Total	13,784	12,733	1,295,494	1,184,526

- a) These refer to judicial deposits related to Service Tax (ISS). The deposited amount is related to the provision shown in Note 17. As the deposit is made on the tax maturity date, i.e., in the month subsequent to the provision, there is a mismatch between the judicial deposit and the provision.
- b) Under the share purchase and sale agreement and other covenants, it has been defined that all contingencies relating to periods prior to the execution of the agreement would be the responsibility of the former shareholders and, consequently, these amounts would be reimbursed or deducted from the portion withheld payable. The Company also has properties pledged as

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collateral, granted in the form of a secured fiduciary transfer, to cover the contingencies that exceed the installment withheld from the purchase price; however, in accordance with IAS 37, these assets will be recorded only when the probability of transfer of property ownership is virtually certain.

- c) According to a private instrument for the purchase and sale of shares and other covenants, signed between the former members of the Green Line Group and the Notre Dame Intermédica Group, which in certain circumstances guarantee, as long as they are liable to indemnity, any obligations that may occur. The corresponding entry was recognized in liabilities, in the provision for contingencies line item, as per Note 22.
- d) The Company has made payments for data services effective for 12 months, which will be recognized in profit or loss over the appropriate period.

11. Income tax and social contribution

	December 31, 2020	Recognized in the statement of profit or loss	Acquisitions of subsidiaries	Consolidated September 30, 2021
<u>Deferred tax assets on temporary differences arising from:</u>				
Provision for lawsuits	163,524	(22,330)	-	141,194
Impairment of receivables	47,687	6,924	74	54,685
Provision for SUS events	131,388	20,955	-	152,343
Tax credit on difference - initial adoption				
leases CPC 6 (R2)	11,986	4,426	2,548	18,960
Provision for ANS penalties	6,220	2,184	-	8,404
Other additions	25,842	(25,942)	100	-
Tax loss	-	110,264	-	110,264
Deferred tax assets	386,647	96,481	2,722	485,850
<u>Deferred tax liabilities on temporary differences arising from:</u>				
Depreciation and amortization	(21,408)	(3,142)	-	(24,550)
Amortization of intangible assets for tax purposes – NDI Par	(82,996)	8,380	-	(74,616)
Monetary adjustment of judicial deposits	(34,167)	(8,271)	-	(42,438)
Amortization of intangible assets for tax purposes	(2,168)	-	-	(2,168)
Deferred tax liabilities on goodwill arising from merger	(40,798)	-	-	(40,798)
Deferred tax liabilities on goodwill arising from merger	(157,032)	(91,310)	-	(248,342)
Indemnities	(24,742)	316	73	(24,353)
Others	-	(7,467)	(6,042)	(13,509)
Deferred tax liabilities	(363,311)	(101,494)	(5,969)	(470,774)
Total net deferred tax	23,336	(5,013)	(3,247)	15,076

Deferred taxes arising from temporary differences will be realized as they are settled or realized in a period not exceeding 10 years. The period of settlement or realization of such differences is uncertain and is related to several factors that are not under management's control. Based on its projections of future taxable profits, management's expectation for the realization of tax credits is as follows:

2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
9,750	39,947	39,947	39,947	47,903	53,586	53,586	53,586	53,586	53,586	40,426	485,850

At September 30, 2021, the Company's subsidiaries amortized for tax purposes goodwill amounting to R\$ 1,910,841, using tax credits of R\$ 650,288 as from the setup, in conformity with a technical study, business plan and management's projections.

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The income tax expense for the period is as follows:

	Parent		Consolidated	
	September 30,		September 30,	
	2021	2020	2021	2020
(Loss)/Profit for the period	(166,592)	581,180	(111,570)	989,430
Tax rate of 34%	56,641	(197,601)	37,934	(336,406)
Share of profit of subsidiaries	(46,118)	215,376	-	-
Variable compensation of management	-	-	(8,125)	(7,015)
Stock option program	(7,608)	(12,258)	(7,608)	(12,258)
Present value adjustment - deferred purchase price	-	(5,002)	-	(5,002)
Tax losses of subsidiaries without recognition of deferred tax	(5,392)	(1,027)	(53,735)	(10,714)
Presumed profit adjustment	-	-	1,039	(6,666)
Non-deductible revenue/(expenses)	2,477	512	1,379	(5,467)
Other permanent exclusions (additions)	-	-	(25,924)	(25,322)
Income tax and social contribution expenses in the statement of profit or loss	-	-	(55,040)	(408,850)
<u>Current income tax and social contribution expense</u>	-	-	(50,027)	(374,348)
<u>Deferred income tax and social contribution expense</u>	-	-	(5,013)	(34,502)
Effective rate	0%	0%	49%	41%

12. Judicial and tax deposits

The Company and its subsidiaries' judicial deposits are as follows:

	Consolidated			
	December 31, 2020	Balance acquired	Additions/ write-offs deposits	September 30, 2021
Tax	212,244	25,895	8,385	262,790
Labor	28,389	1,830	3,141	35,043
Regulatory/Civil	66,592	31,967	10,386	111,149
Judicial deposits - SUS	474,808	6,065	71,652	562,513
	782,033	65,757	93,564	971,495

	Consolidated			
	December 31, 2019	Balance acquired	Additions/ write-offs deposits	December 30, 2020
Tax	176,785	918	25,996	212,244
Labor	25,744	-	920	28,389
Regulatory/Civil	55,037	1,299	8,179	66,592
Judicial deposits - SUS	235,848	30,477	197,501	474,808
	493,414	32,694	232,596	782,033

Tax – as mentioned in Note 22, the Company and its subsidiaries are parties to legal and administrative proceedings. The Company and its subsidiaries, according to guidance provided by their legal advisors, made judicial deposits and await conclusion of the cases.

Labor – deposits made by the Company and its subsidiaries to cover contingencies presented in Note 22 of a labor nature, for pain and suffering, collective lawsuits and public civil actions.

Regulatory/Civil – these correspond to judicial deposits relating to indemnity collection lawsuits, affirmative covenants, revision actions, petitions requesting that amounts payable could not be

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claimed and declaratory judgment actions. The regulatory/civil contingencies presented in Note 22 refer to these deposits.

Judicial deposits – SUS – the subsidiaries are challenging in court the amounts charged by ANS as “SUS Refund”, addressed by article 32 of Law No. 9656/98. The subsidiaries assigned no risk prognosis since this refers to a guarantee for effective jurisdictional protection.

13. Investments – Company

Changes in investment in direct subsidiary BCBF Participações S.A. were as follows:

	BCBF	Other assets (i)	Total
Balance at December 31, 2020	7,039,838	477,998	7,517,836
Share of profit (loss) of subsidiaries for the period	(119,376)	-	(119,376)
Others	(5)	-	(5)
Amortization of added value arising from business combinations	-	(16,266)	(16,266)
Balance at September 30, 2021	6,920,457	461,732	7,382,189

- (i) Refers to the goodwill generated by the acquisition of the Notre Dame Intermédica Group and the surplus value of tangible and intangible assets.

Main accounting information on direct subsidiary BCBF Participações S.A.:

	September 30, 2021	December 31, 2020
Assets	9,374,286	9,376,664
Liabilities	2,453,829	2,336,826
Equity	6,920,457	7,039,838
(Loss)/Profit for the period/year	(119,376)	840,622
% Equity interest	100,00%	100,00%

Notre Dame Intermédica Participações S.A.

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September 30, 2021

(In thousands of reais)

14. Property, plant and equipment

								Consolidated
	Useful life (years)	Annual depreciation rate (% p.a.)	December 31, 2020	Balance acquired	Acquisitions	Disposals	Transfers	Depreciation
Land and buildings	25 a 50	2,00%	1,347,353	87,263	63,338	-	75,536	(29,235)
Vehicles	1 a 10	17,00%	714	809	24	(33)	(39)	(252)
Facilities	5 a 10	14,00%	7,492	796	2,720	(29)	12,111	(910)
Machinery and equipment	1 a 25	14,00%	306,457	15,738	30,048	(160)	49,917	(55,515)
Furniture and fixtures	1 a 15	10,00%	56,988	8,828	6,181	(88)	2,909	(5,847)
IT equipment	1 a 15	25,00%	26,597	3,263	3,278	(85)	37,154	(10,168)
PP&E in progress	-	-	227,189	6,592	86,486	(2,286)	(130,972)	(587)
Leasehold improvements	-	-	244,631	21,666	93,521	(1,633)	(57,309)	(13,915)
			2,217,421	144,955	285,596	(4,314)	(10,693)	(116,429)
								2,516,536

								Consolidated
	Useful life (years)	Annual depreciation rate (% p.a.)	December 31, 2021	Balance acquired	Acquisitions	Disposals	Transfers	Depreciation
Land and buildings	25 a 50	2,00%	1,072,796	221,553	3,176	-	75,817	(25,989)
Vehicles	1 a 10	17,00%	639	1,218	-	(480)	(1)	(662)
Facilities	5 a 10	14,00%	4,926	1,603	81	(137)	2,013	(994)
Machinery and equipment	1 a 25	14,00%	256,693	73,722	45,977	(352)	2,036	(71,619)
Furniture and fixtures	1 a 15	10,00%	46,213	5,691	8,716	(247)	2,686	(6,071)
IT equipment	1 a 15	25,00%	26,344	2,663	2,236	-	6,952	(11,598)
PP&E in progress	-	-	179,598	35,158	100,210	(1,093)	(86,012)	(672)
Leasehold improvements	-	-	171,344	(3,844)	120,740	(7,352)	(21,533)	(14,724)
			1,758,553	337,764	281,136	(9,661)	(18,042)	(132,329)
								2,217,421

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Property, plant and equipment items are subject to periodic analyses, at least annually, of impairment. At September 30, 2021, there were no indications of impairment of property, plant and equipment items.

The amount of depreciation for the period is recognized in line items "Cost of services rendered" and "Operating expenses", as mentioned in Notes 26 and 27.a, respectively.

Management did not identify events or circumstances that would require modification in the estimates of economic useful life for the items presented in property, plant and equipment of the other group companies.

In the period, the Company and its subsidiaries acquired property, plant and equipment items at a total cost of R\$ 285,596, of which R\$ 267,602 were paid in the period and R\$ 17,994 are provisioned under "Trade payables".

15. Right of use and leases

The Company has leases with the nature of lease of properties, IT equipment and fleet of vehicles, using the usual market clauses for cancelation and/or extension of contracts.

The restatement rates used to update the amounts under the terms of the contracts are generally indexed to the Consumer Price Index (IPC).

The Company calculated discount rates based on the risk-free interest rates observed in the Brazilian market, for the terms of its contracts, adjusted to the Company's reality. Spreads were obtained from surveys conducted with potential investors of the Company's debt securities. The table below shows the rates used by the Company:

Useful life	Rate % p.a.
Up to 2 years	6,80%
2 - 4 years	7,75%
4 - 6 years	7,68%
6 - 8 years	8,82%
8 - 10 years	8,94%
Over 10 years	9,56%

The leases contracted by the Company are presented below:

a) Right of use

	Consolidated		
	Rentals	Machinery and equipment	Others
At December 31, 2020	466,923	25,492	36
Balance acquired	91,261	49	-
Contract updates	6,609	-	-
New contracts	23,079	28,699	-
Disposals	(13,609)	-	-
Depreciation	(49,072)	(8,173)	(16)
At September 30, 2021	525,191	46,067	20

Notre Dame Intermédica Participações S.A.

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September 30, 2021

(In thousands of reais)

	Consolidated			
	Rentals	Machinery and equipment	Others	Total
At December 31, 2019	463,203	15,543	59	478,805
Balance acquired	11,861	960	-	12,821
Contract updates	88,108	13,505	-	101,613
New contracts	13,302	-	-	13,302
Disposals	(54,507)	-	-	(54,507)
Depreciation	(55,044)	(4,516)	(23)	(59,583)
At December 31, 2020	466,923	25,492	36	492,451

b) Leases

(i) Changes in leases

	September 30, 2021	Consolidated December 31, 2020
Balance at the beginning of the year	527,731	497,876
Balance acquired	100,669	13,691
Contract updates	6,609	101,613
New contracts	51,778	13,302
(+) Disposals	(16,275)	(58,151)
Interest	42,713	43,959
(-) Consideration paid	(84,601)	(84,559)
Balance at the end of the period/year	628,624	527,731
Current	51,379	38,376
Noncurrent	577,245	489,355

(ii) Maturity of contracts

	September 30, 2021	Consolidated December 31, 2020
2021	33,473	88,927
2022	105,075	81,594
2023	94,765	73,474
2024	90,550	70,658
2025	84,950	66,682
More than 5 years	629,931	493,503
Undiscounted amounts	1,038,744	874,838
Embedded interest	(410,120)	(347,107)
	628,624	527,731

c) Additional information

In accordance with the IASB Basis for Conclusion 161 and 162, references of IFRS16/CPC06 (R2) and CVM official letter 02/19, management used the incremental rate for the calculation of assets and liabilities within the scope of IFRS 16/CPC 06 (R2) and are thus presented in the Company's interim financial information.

Management believes that the rate used reflects real cash flow and is in line with the characteristics of our contracts, as determined by item 27b of the CVM official letter.

Notre Dame Intermédica Participações S.A.

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(In thousands of reais)

To comply with the guidance of the official letter and required transparency, we present below the impacts on the statement of financial position, with the comparability of nominal interest x effective interest. For the calculation of the effective rate we used the index of our contracts, IGP-M for most of them, applied to the annual payment flow, obtained by the disclosure of Banco Bradesco projections for the indicators up to 2025, with repetition of the longest rate for the future flow starting from 5 years.

	September 30, 2021	Consolidated December 31, 2020
Nominal flow		
Lease liability	1,038,744	874,838
Embedded interest	(410,120)	(347,107)
	628,624	527,731
Real flow inflated		
Lease liability	1,080,586	907,602
Embedded interest	(426,671)	(360,106)
	653,915	547,496

d) CVM Ruling 859/2020

On July 7, 2020, CVM approved Ruling 859, which establishes amendments to Accounting Pronouncement – CPC 06 (R2), and which is in line with the approval of the IASB.

Due to the COVID-19 pandemic, lease agreements in which there were impacts of reduction or suspension of payments and which, under normal circumstances, would cause modifications in contracts, with changes in cash flows and review of discount rates, should be treated as variable payment.

In compliance with CVM Ruling, the Company analyzed and identified the agreements that correspond to the pronouncement, as they were directly affected by COVID-19 and, consequently, were subject to effects of reduction and/or suspension of payments, and the Company treated such agreements as variable payments. In the period ended September 30, 2021, the effect on profit or loss amounted to R\$ 2,671, recorded as reduction in rental expenses.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

September 30, 2021

(In thousands of reais)

16. Intangible assets

a. Changes in intangible assets

								Consolidated
	Useful life (years)	December 31, 2020	Balance acquired	Acquisitions	Disposals	Transfers	Depreciation	September 30, 2021
Healthcare plan portfolio acquisition (a)	Useful life	516,306	354,741	-	(1,088)	-	(75,570)	794,389
Computer system	20% p.a.	31,966	1,075	1,366	(47)	10,693	(8,991)	36,062
Goodwill in business combinations (b)	Indefinite	5,474,595	1,551,655	-	-	-	-	7,026,250
Intangible assets (c)		223,676	-	-	-	-	(24,193)	199,483
Other intangible assets	Indefinite	28	-	-	-	-	-	28
		6,246,571	1,907,471	1,366	(1,135)	10,693	(108,754)	8,056,212
								Consolidated
	Useful life (years)	December 31, 2019	Balance acquired	Acquisitions	Disposals	Transfers	Depreciation	December 31, 2020
Healthcare plan portfolio acquisition (a)	Useful life	311,795	272,957	-	(36)	138	(68,548)	516,306
Computer system	20% p.a.	19,986	1,407	2,284	-	17,349	(9,060)	31,966
Goodwill in business combinations (b)	Indefinite	2,703,967	2,765,801	-	(3,586)	20,621	(12,208)	5,474,595
Intangible assets (c)		305,324	-	-	-	(19,548)	(62,100)	223,676
Other intangible assets	Indefinite	601	-	-	-	(518)	(55)	28
		3,341,673	3,040,165	2,284	(3,622)	18,042	(151,971)	6,246,571

Notre Dame Intermédica Participações S.A.

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September 30, 2021

(In thousands of reais)

(a) This refers to the acquisition of a dental and healthcare plan portfolio, as follows:

Group/Company	Date	Portfolio breakdown	
		September 30, 2021	December 31, 2020
Notre Dame Group	May-21-14	358	375
Santamália Group	Nov-16-15	996	3,237
Unimed ABC	Sep-23-16	11,890	13,442
Cruzeiro do Sul Group	Jan-31-18	12,408	13,692
SAMED Group	Oct-01-18	19,164	21,951
Green Line Group	Jan-01-19	116,748	126,981
Mediplan Group	May-29-19	44,834	49,268
Belo Dente	Jul-04-19	33,552	37,856
São José Group	Nov-18-19	4,561	5,394
São Lucas Group	Jan-23-20	92,108	100,291
Clinipam Group	Feb-07-20	105,138	105,425
Ecole	Apr-13-20	11,300	13,173
Grupo Santa Mônica	Aug-24-20	3,406	5,552
Lifeday	Dec-01-20	18,456	19,669
Climepe	Mar-08-21	36,982	-
Bio Saúde	Mar-31-21	26,840	-
Medisanitas Group	Apr-13-21	216,576	-
Group Serpram	Aug-04-21	39,072	-
		794,389	516,306

The acquisition of the dental and healthcare plan portfolio has been amortized as shown in the table below:⁰

Portfolio	Useful life
Dental plan	3 to 5 years
Health	2 to 13 years

(b) This refers to goodwill based on expected future profitability (business combination) with indefinite useful life and, whenever necessary, an impairment test of the cash-generating unit is performed.

Notre Dame Intermédica Participações S.A.

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September 30, 2021

(In thousands of reais)

Group/Company	CGU ¹	Date	Goodwill breakdown	
			September 30, 2021	December 31, 2020
Notre Dame Group	Health/Dental	May-21-14	480,133	480,133
Santamália Group	Health	Nov-16-15	125,405	125,405
Hospital Family	Health	Dec-23-15	77,149	77,149
Unimed ABC	Health	Sep-23-16	71,476	71,476
SAMCI/IBRAGE	Health	Mar-01-17	22,232	22,232
Hospital São Bernardo	Health	Feb-23-17	147,652	147,652
Nova Vida Group	Health	Jul-03-17	148,566	148,566
Cruzeiro do Sul Group	Health	Jan-31-18	56,190	56,190
SAMED Group	Health	Oct-01-18	173,928	173,928
Green Line Group	Health	Jan-01-19	802,484	802,484
Mediplan Group	Health	May-29-19	223,217	223,217
Hospital Jacarepaguá	Health	Apr-05-19	54,223	54,223
Belo Dente	Dental plan	Jul-04-19	21,379	21,379
Ghelfond Group	Health	Nov-28-19	161,698	161,698
São José Group	Health	Nov-18-19	90,652	90,652
São Lucas Group	Health	Jan-23-20	199,728	204,458
Clinipam Group	Health South	Feb-07-20	2,313,675	2,325,208
Ecole	Health	Apr-13-20	37,973	35,521
LabClin	Health	Apr-13-20	4,464	4,472
Hospital Coração				
Balneário Camboriú	Health South	May-20-20	35,759	35,761
Grupo Santa Mônica	Health	Aug-24-20	111,721	115,539
Hospital e Maternidade Santa Brígida	Health South	Oct-23-20	27,149	28,554
Lifeday	Health South	Dec-01-20	94,881	68,698
Lifecenter	Health	Jan-20-21	215,050	-
Climepe	Health	Mar-08-21	128,634	-
Bio Saúde	Health	Mar-31-21	62,694	-
Hospital do Coração de Londrina	Health South	Apr-05-21	175,251	-
Medisanitas Group	Health	Apr-13-21	768,356	-
Hospital e Maternidade Maringá	Health South	Jul-16-21	52,567	-
Serpram Group	Health	Aug-04-21	141,964	-
			7,026,250	5,474,595

1 – CGU - Cash-Generating Unit

Management will review the definitions of the CGU for carrying out the annual impairment test as there is a strong tendency to have a third CGU due to the Company's increase in the Minas Gerais region.

- (c) This refers to the allocation of identifiable intangible assets on the acquisition of companies (customer relationship, trademarks and non-compete agreement) to be amortized as shown below:

Intangible assets	Useful life
Trademarks	30 years
Customer relationship	3 to 8 years
Non-compete agreement	5 years

The amount of amortization for the period is recognized in line items "Cost of services rendered" and "Operating expenses", as mentioned in Notes 26 and 27.a, respectively.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

September 30, 2021

(In thousands of reais)

17. Taxes and social charges payable

	September 30, 2021	Consolidated December 31, 2020
Service Tax (ISS)	483,799	392,279
Social security contribution	21,580	12,022
FGTS (Unemployment Compensation Fund)	3,234	5,194
Taxes on revenue (PIS and COFINS)	28,461	22,766
Union dues and social assistance contributions	230	120
Payment in installments of taxes and contributions	31,342	15,347
Others	2,395	3,330
Taxes payable	571,041	451,058
Income tax - employees	11,231	13,614
Income tax - third parties	8,898	7,392
Service tax	6,706	4,876
Withheld social security contribution	11,849	6,585
Withholding PIS/COFINS/CSLL	18,758	19,316
Taxes withheld payable	57,442	51,783
Payment in installments of taxes, fines and fees - federal	66,304	44,961
Payment in installments of taxes, fines and fees - state	618	680
Payment in installments of taxes, fines and fees - municipal	22,019	16,728
Payment in installments of taxes, fines and fees	88,941	62,369
Total	717,424	565,210
Current	628,483	502,841
Noncurrent	88,941	62,369

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

September 30, 2021

(In thousands of reais)

18. Loans and financing

a) Breakdown of loans and financing

Credit facility	Financial institution	Index	Maturity	Amortization	September 30,	Consolidated
					2021	December 31, 2020
BNDES	Banco Santander	TJLP	2021	Monthly	12	18
BNDES	Bradesco	TJLP	2023	Monthly	750	1,029
Working capital	Banco Itaú	CDI + 2.4% p.a.	2021 - 2024	Annual	263,194	279,166
Working capital	Banco Itaú	Fixed rate	2021 - 2024	Monthly	-	3,088
Working capital	Banco Itaú	CDI	2021 - 2024	Monthly	19,721	-
Working capital	Banco Santander	CDI	2023	Monthly	4,139	4,055
Working capital	Banco Santander	Fixed rate	2021	Monthly	5,641	2,245
Working capital	Banco Santander	CDI + 2.4% p.a.	2024	Annual	305,698	-
Working capital	Bradesco	CDI	2021 - 2023	Monthly	6,912	4,956
Working capital	Bradesco	Fixed rate	2024	Monthly	-	4,461
Working capital	Banco do Brasil	CDI	2023	Monthly	3,805	-
Working capital	Banco do Brasil	CDI + 2.3% p.a.	2021 - 2025	Annual	298,786	298,619
Working capital	Banco do Brasil	CDI + 1.86% p.a.	2026	Quarterly	179,171	-
Working capital	Citibank	CDI + 2.6% p.a.	2021 - 2023	Annual	266,051	260,230
Working capital	Banco BDMG	CDI	2021 - 2024	Quarterly	10,103	-
Leasing	Caixa Econômica Federal	Fixed rate	2025	Monthly	-	2,000
Leasing	Banco do Brasil	CDI	2023	Monthly	-	574
Leasing	Banco Santander	CDI	2021 - 2023	Monthly	627	1,689
Leasing	Bradesco	CDI	2021 - 2023	Monthly	311	521
Leasing	HP Financial	CDI	2022	Monthly	60	101
Leasing	HP Financial Service	Fixed rate	2021 - 2023	Monthly	287	-
Promissory notes	Bradesco	CDI, + 1.4% p.a.	2021 - 2022	Annual	96,256	278,677
Credit cooperative	Uniprime	CDI	2025	Monthly	-	2,076
Credit cooperative	Uniprime	Fixed rate	2025	Monthly	-	476
Credit cooperative	Credicom	CDI	2021 - 2026	Monthly	26,647	-
Credit cooperative	Sicoob	CDI	2021 - 2028	Monthly	20,529	-
Others	-	CDI			2,372	24,759
					1,511,072	1,168,740
				Current	206,376	225,077
				Noncurrent	1,304,696	943,663

The Company understands that the carrying amounts of loans and financing approximate their fair values and are classified as level 2.

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(In thousands of reais)

b) Changes in loans and financing:

	September 30, 2021	Consolidated December 31, 2020
Balance at the beginning of the year	1,168,740	255,842
Balance acquired	99,194	48,061
Loans and financing	511,193	1,182,000
Transaction cost	(2,284)	(7,821)
Recognition of cost	2,081	1,698
Repayment	(288,975)	(324,826)
Interest paid	(34,182)	(24,447)
Foreign exchange gains (losses)	(1,178)	-
Present value adjustment	(1,018)	22
Interest incurred	57,501	38,211
Balance at the end of the period/year	1,511,072	1,168,740

Notre Dame Intermédica Participações S.A.

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(In thousands of reais)

19. Debentures

a) Breakdown of debentures balance:

Company	Security	Type	Number	Issue	Maturity	Average charges	Loans and financing	Consolidated	
								September 30, 2021	December 31, 2020
BCBF Participações S.A.	BCBF 12	2 nd issue	300,000	02/23/2018	02/23/2021	CDI + 2.25% p.a.	300,000	-	60,801
BCBF Participações S.A. (ii)	BCBF 14	4 th issue	750,000	09/22/2020	09/22/2025	CDI + 2.65% p.a.	750,000	746,526	752,837
BCBF Participações S.A. (i)	BCBF 15	5 th issue	700,000	11/04/2020	11/04/2025	CDI + 2.65% p.a.	700,000	715,535	697,639
Notre Dame Intermédica Saúde S.A. (iii)	NDIMI13	3 rd issue	800,000	08/01/2019	08/01/2024	100% CDI + 1.6% p.a.	800,000	806,410	808,386
							2,550,000	2,268,471	2,319,663
							Current	27,430	81,091
							Noncurrent	2,241,041	2,238,572

(i) Fifth public issue of BCBF Participações S.A.

BCBF Participações S.A. (direct subsidiary of the Company) raised, on November 4, 2020, the amount of R\$ 700,000, by issuing 700,000 nonconvertible debentures, with par value of R\$ 1,000.00 and restricted placement efforts, based on CVM Ruling No 476/2009, with the objective of reinforcing cash in the ordinary course of business, provided that the funds may also be allocated to capital contribution to its subsidiaries.

The total period of the issue is 5 years from the date of issue and principal will be amortized annually as from the 3rd (third) year, on November 4, 2023, November 4, 2024, and on the maturity date on November 4, 2025.

Remuneration will be paid biannually, with the first payment on May 4, 2021 and on the maturity date on November 4, 2025. The monetary adjustment corresponds to a surcharge of CDI (accumulated variation of average rates of CDI) + spread of 2.65% p.a., on a 252 business days basis, calculated and disclosed daily by B3.

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On November 26, 2020, in compliance with the provisions of section 12 of CVM Ruling No. 358/02, the Company informed its shareholders and the market in general that its subsidiary BCBF Participações S.A. successfully concluded its issue of debentures.

(ii) Fourth public issue of BCBF Participações S.A.

BCBF Participações S.A. (Company's direct subsidiary) issued, on September 22, 2020, the amount of R\$ 750,000 through 750,000 nonconvertible debentures at a par value of R\$ 1,000, with restricted placement efforts, based on CVM Ruling No. 476/2009, for purposes of cash reinforcement in the normal course of business, and the resources may also be allocated to capital increases in subsidiaries.

The total period of the issue is 5 years from the date of issue and principal will be amortized annually as from the 3rd year, on September 22, 2023, September 22, 2024, and on the maturity date on September 22, 2025.

Remuneration will be paid biannually, with the first payment on March 22, 2021 and on the maturity date on September 22, 2025. The monetary adjustment corresponds to a surcharge of CDI (accumulated variation of average rates of CDI) + spread of 2.65% p.a., on a 252 business days basis, calculated and disclosed daily by B3.

On September 30, 2020, in compliance with the provisions of section 12 of CVM Ruling No. 358/02, the Company informed its shareholders and the market in general that its subsidiary BCBF Participações S.A. successfully concluded its issue of debentures.

(iii) Third public issue of Notre Dame Intermédica Saúde S.A.

Notre Dame Intermédica Saúde S.A. (BCBF's subsidiary) issued on August 1, 2019 the amount of R\$ 800,000 through 800,000 nonconvertible debentures with par value of R\$ 1,000, with restricted placement efforts, based on CVM Ruling No. 476/2009, in order to restructure the Company's indebtedness profile, acquire companies, purchase new equipment, and improve working capital.

The total period of the issue is 5 years from the date of issue, and remuneration will be paid in 3 annual installments, with the first payment in the 3rd year from the date of issue. As such, the first payment will be on August 1, 2022 and the last one on August 1, 2024. The monetary adjustment corresponds to a surcharge of CDI (accumulated variation of average rates of CDI) + spread of 1.60% p.a., on a 252 business days basis, calculated and disclosed daily by B3.

On February 1, 2021, in compliance with the provisions of Law 6404/1976 and CVM Ruling No. 358/2002, the Company informed its shareholders and the market in general that at this date its subsidiary Notre Dame Intermédica Saúde S.A. concluded the payment of interest on the 3rd issue of nonconvertible debentures. The amount of interest paid was R\$ 13,910.

Notre Dame Intermédica Participações S.A.

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(In thousands of reais)

b) Changes in debentures:

	BCBF	NDI Saúde	Consolidated
Balance at December 31, 2020	1,511,277	808,386	2,319,663
Interest accrued	65,500	29,577	95,077
Recognition of cost	1,882	664	2,546
Repayment (i)	(60,000)	-	(60,000)
Interest paid	(56,598)	(32,217)	(88,815)
Balance at September 30, 2021	1,462,061	806,410	2,268,471

- (i) On February 23, 2021, subsidiary BCBF Participações S.A. fully settled the simple nonconvertible debentures issued on February 23, 2018.

c) The balance of debentures will be amortized as follows:

			September 30, 2021	Consolidated December 31, 2020
	Current	Noncurrent		
Up to 1 year	27,430	-	27,430	81,091
1 to 2 years	-	743,522	743,522	743,779
3 to 4 years	-	989,260	989,260	988,338
More than 5 years	-	508,259	508,259	506,455
	27,430	2,241,041	2,268,471	2,319,663

The Company understands that debentures are recorded at amounts that approximate their fair value and classified as level 2.

d) Covenants

Notre Dame Intermédica Saúde S.A. and BCBF Participações S.A. have covenants that may require early maturity or refinancing of debts if the Companies do not comply with these covenants.

Management has been continuously monitoring the calculation of the indices linked to these covenants, so as to make sure there is no evidence of breach of contract. At September 30, 2021, no evidence had been found to suggest that the Company would be unable to fully comply with the requirements established at the measurement periods.

Minimum and maximum indices and amounts required by these covenants at September 30, 2021 are as follows:

- (i) 5th issue BCBF Participações S.A.

The relationship between net debt and EBITDA of the Company must be equal to or less than 3.0 during the term of the agreement and adjusted according to the contract clause. The Company is compliant with the covenants.

- (ii) 4th issue BCBF Participações S.A.

The relationship between net debt and EBITDA of the Company must be equal to or less than 3.0 during the term of the agreement and adjusted according to the contract clause. The Company is compliant with the covenants.

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(iii) 3rd issue Notre Dame Intermédica Saúde S.A.

The relationship between net debt and EBITDA of the Company must be equal to or less than 2.5 during the term of the agreement and adjusted according to the contract clause. The Company is compliant with the covenants.

e) Guarantees

BCBF Participações and Notre Dame Intermédica Saúde S.A. have sufficient funds to honor contractual commitments.

As collateral, the original guarantor gives bond in favor of the Debenture holders pursuant to the terms of the Debenture indenture.

f) Early redemption

The issue of the Notre Dame Intermédica Group may be redeemed in advance at the Company's discretion, as from the date specified in the indenture, upon a written communication to the Trustee and publication of a notice to the debenture holders.

20. Technical reserves of healthcare operations

	September 30, 2021	Consolidated December 31, 2020
Provision for events / unsettled claims reserve to be paid to SUS (a)	855,590	725,935
Provision for events / unsettled claims reserve to be paid to other service providers (b)	497,691	467,953
Incurred but not reported reserve (IBNR) (c)	570,394	372,663
Unearned premiums / consideration reserve (UPCR) (c)	202,488	138,824
Reserve for waiver (c)	5,890	2,861
	2,132,053	1,708,236
Current	1,489,663	1,176,699
Noncurrent	642,390	531,537

a) Unsettled claims reserve to be paid to SUS

On June 3, 1998, the Federal Government enacted Law 9656, which provides, in its article 32, for the reimbursement to SUS of the expenses incurred on the service of healthcare plan users when using the public network. The Company's subsidiaries challenge the collection at the administrative and judicial levels due to various irregularities that impair its effectiveness, among which the lack of regulation on infra-constitutional matters. For these proceedings, subsidiary Notre Dame Intermédica Saúde S.A. makes judicial deposits to guarantee the alleged debt, as described in Note 12.

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	September 30, 2021	Consolidated December 31, 2020
Balance at the beginning of the year	725,935	510,486
Balance acquired	49,785	67,808
Notices received from SUS	53,778	68,877
SUS Events Recovery	27,398	88,776
Monetary adjustment	16,245	27,562
Payments made	(17,551)	(37,574)
Balance at the end of the period/year	855,590	725,935

b) The unsettled claims reserve is as follows:

	September 30, 2021	Consolidated December 31, 2020
Balance at the beginning of the year	467,953	380,855
Balance acquired	49,040	87,719
Notices received from the accredited network, net of disallowances	7,701,166	7,473,654
Expense with own network classified in events	(2,104,003)	(2,146,149)
Payments made to accredited network	(5,616,465)	(5,328,126)
Balance at the end of the period/year	497,691	467,953

c) Variations in technical reserves:

	Incurred but not reported reserve (IBNR) (i)	Unearned premiums / consideration reserve (UPCR) (ii)	Reserve for waiver (iii)
Balance at December 31, 2020	372,663	138,824	2,861
Balance acquired	89,453	23,897	3,377
Variation in reserves for the period	108,278	39,767	(348)
Balance at September 30, 2021	570,394	202,488	5,890

- (i) Incurred but not reported reserve (IBNR), classified in current liabilities, is determined through an actuarial study (Actuarial Note) and is intended to cover the estimated amount of payments of events that have already been incurred but not reported to the Operators.
- (ii) Unearned Premiums/Consideration Reserve (UPCR), classified in current liabilities, are revenues related to coverage periods of subsequent months.
- (iii) Reserve for remission, classified in current and noncurrent liabilities, are reserves to cover the exemption from consideration by beneficiaries, according to the agreement.

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21. Other liabilities

	Parent		Consolidated	
	September 30, 2020	December 31, 2020	September 30, 2021	December 31, 2020
Contractual obligations (a)	412,383	391,769	1,017,368	837,761
Third party deposits	-	-	22,919	21,790
Advances from customers	-	-	-	14,609
Other payables	-	-	32,402	14,100
Advance for bank partnership	-	-	4,400	6,799
Rent payable	-	-	13,839	13,622
Supplemental Health Fee (b)	-	-	34,692	36,606
Payables for healthcare operations not related to healthcare plans (c)	-	-	54,994	51,574
Provisions for employee benefit plans	-	-	21,718	21,892
Others	-	-	16,957	28,102
	412,383	391,769	1,219,289	1,046,855
Current	-	-	194,062	161,376
Noncurrent	412,383	391,769	1,025,227	885,479

a) Contractual obligations

These refer to contractual obligations on the acquisitions of companies, net of interest (PV adjustment), and related-party transactions with its subsidiaries, as shown below:

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	Index	Maturity	Parent		Consolidated	
			September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
Notre Dame Intermédica	CDI	05/2020	412,383	391,769	-	-
Hospital Family (i)	CDI	05/2021	-	-	16,518	15,941
SAMCI	CDI	12/2021	-	-	12,521	11,939
Hospital Nova Vida	CDI	07/2022	-	-	24,179	23,055
Unimed ABC	CDI	09/2022	-	-	15,849	22,037
Hospital ABC	CDI	02/2023	-	-	29,252	28,717
Cruzeiro do Sul Group	95.00% CDI	02/2024	-	-	23,501	22,385
Ghelfond Participações	105.00% CDI	11/2024	-	-	9,838	9,439
Green Line Group	CDI	01/2025	-	-	223,585	214,279
Ecoimagem	CDI	01/2025	-	-	7,944	10,184
SAMED Group	CDI	01/2025	-	-	34,381	52,504
Hospital Intermédica Jacarepaguá	IPCA	04/2025	-	-	14,838	11,240
Mediplan Group	90.00% CDI	05/2025	-	-	38,243	36,575
Belo Dente	95.00% CDI	07/2025	-	-	10,296	12,299
São José Group	CDI	11/2025	-	-	23,790	22,800
Clinipam Group	CDI	02/2026	-	-	136,789	152,650
São Lucas Group	Selic	01/2026	-	-	49,351	47,390
Ecole	CDI	04/2026	-	-	10,325	9,893
Hospital Coração Balneário Camboriú	CDI	04/2026	-	-	12,451	11,930
Grupo Santa Mônica	CDI	08/2026	-	-	78,775	94,294
Hospital e Maternidade Santa Brígida	CDI	10/2026	-	-	10,475	10,846
Lifeday	IPCA	12/2026	-	-	19,009	17,364
Lifecenter	CDI	12/2026	-	-	53,214	-
Bio Saúde	CDI	03/2027	-	-	6,863	-
Medisanitas Group	CDI	04/2026	-	-	101,866	-
Hospital Coração de Londrina	CDI	04/2027	-	-	27,727	-
Hospital e Maternidade Maringá	CDI	07/2027	-	-	12,923	-
Serpram Group	CDI	08/2027	-	-	12,865	-
			412,383	391,769	1,017,368	837,761
Current			-	-	59,390	35,143
Noncurrent			412,383	391,769	957,978	802,618

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- (i) On December 23, 2020, the Company notified the sellers of the amounts subject to rebate with the retained portion recorded in current assets. On December 9, 2020, the sellers filed a proceeding with the International Court of Arbitration of the International Chamber of Commerce – ICC demanding payment of the deferred portions of the acquisition price. The Company assesses that the total amount of losses incurred and outstanding contingencies for which the sellers are responsible exceed the amount of the installments withheld, and as supported by its lawyers, will maintain the amounts withheld.
- b) The balance recorded in this line item refers to the supplementary health rate paid quarterly related to the acquiree Green Line Sistema de Saúde S.A., according to RN 89/2005, where the number of beneficiaries is calculated according to the age bracket.
- c) The balance refers to obligations with health service providers and medical teams.

22. Provision for lawsuits

In the ordinary course of their business, the Company and its subsidiaries are exposed to certain contingencies and risks. This provision is set up at estimated costs to resolve for ongoing labor, regulatory/civil and tax proceedings based on the opinion of the Company and its subsidiaries' legal advisors and considers lawsuits rated as a probable loss, i.e. above 50% of likelihood of an unfavorable outcome.

Contingencies for which the likelihood of loss is assessed as probable, and, also, regardless of the prognosis of loss, all lawsuits that result in an obligation originated by law, are presented below:

	December 31, 2020	Balance acquired	Provision/ (reversal)	Payments	Monetary adjustment	Consolidated September 30, 2021
Tax	370,893	464	(84,652)	-	19,177	305,882
Labor	225,908	15,093	(42,564)	(11,509)	9,783	196,711
Regulatory/Civil	273,729	63,645	(31,268)	(34,974)	33,692	304,824
	870,530	79,202	(158,484)	(46,483)	62,652	807,417

	December 31, 2019	Balance acquired	Provision/ (reversal)	Payments	Monetary adjustment	Consolidated December 30, 2020
Tax	412,897	9,374	(48,535)	-	(2,843)	370,893
Labor	212,334	3,032	16,347	(22,064)	16,259	225,908
Regulatory/Civil	262,387	28,151	(13,650)	(38,619)	35,460	273,729
	887,618	40,557	(45,838)	(60,683)	48,876	870,530

Provision for lawsuits regarding:

Tax

- Subsidiary Notre Dame Intermédica Saúde challenges in court the Service Tax - ISS (city of São Paulo) levied on its billing from November 2001 to December 2002. The lower court awarded a favorable decision on this claim. In view of the decision accepting the appeal filed by the São Paulo city administration, motions to annul have been filed and await a decision.
- Subsidiary Notre Dame Intermédica Saúde argues in court against the right of ISS levied on the difference between the amounts received in the Health Plan activity and the ones transferred to third parties that provided the service. A final and unappealable decision favorable to the Company was handed down, determining the conversion into income of the amounts paid through judicial deposit. Considering the final decision on the lawsuit, the City started the internal procedures for payment of the determined amount.

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- Subsidiary Notre Dame Intermédica Saúde challenges in court the ISS levied by the Campinas city administration on business conducted in that city, as well as the constitutionality of item 4.23 of the List of Services annexed to Supplementary Law No. 116/2003 and Municipal Law No. 11829.
- Subsidiary Notre Dame Intermédica Saúde is challenging in court the application of FAP (an index applied to calculate the occupational accident insurance owed by employers) on the expected Occupational Accident Insurance (SAT)/Occupational Environmental Risk (RAT) contribution rate, and the Authority that jointly filed the lawsuit was requested to refrain from taking any actions in connection with the collection of amounts that are allegedly payable by virtue of this index, such as denying to renew the tax clearance certificate. Furthermore, the Petitioner's credit right recognition is required.
- Subsidiary Notre Dame Intermédica Saúde is challenging in court the tax notice related to differences in FGTS (Unemployment Compensation Fund) amounts paid, based on the assumption that an alleged employment relationship with third parties (legal entities) exists.

Labor

- The Company is involved in labor lawsuits in which the recognition of employment relationship and labor-related and/or termination amounts are discussed.

Regulatory/Civil

- The subsidiaries of the Notre Dame Intermédica Group are involved in lawsuits filed by beneficiaries of the Healthcare Plan who seek to obtain contractual coverage for hospitalizations, medical treatment and release of surgeries in disagreement with the contractual conditions or the regulations of ANS that regulate the matter. In general, they are related to: grace period, procedures not foreseen in the List of Mandatory Coverage of the ANS or in disagreement with the Guidelines of Utilization - DUT, aesthetic procedures, geographic coverage, hospitalization outside the accredited network, etc.
- The subsidiaries of the Notre Dame Intermédica Group are involved in lawsuits filed by beneficiaries of the Healthcare Plan that discuss the amounts of the adjustments applied under the contracts. These lawsuits seek the declaration of nullity of the adjustment clause of the contracts that are regulated by ANS or require the application of an index different from the one stipulated in the contract.
- The subsidiaries of the Notre Dame Intermédica Group are involved in lawsuits filed by beneficiaries of the Healthcare Plan who seek the Notre Dame individual maintenance of the terminated beneficiary in the collective corporate contract. The plaintiffs seek to remain in the plan even not fulfilling the conditions of articles 30 and 31 of Law No. 9656/98, that is, to remain in the plan for a period longer than that established by law or the transfer to individual plan with the maintenance of the amount charged under the collective plan.
- The subsidiaries of the Notre Dame Intermédica Group are involved in lawsuits filed that seek to remain in the healthcare plan contracts that were terminated by the subsidiaries of the Notre Dame Intermédica Group due to default, commercial disagreement, end of effective period, etc. The plaintiffs seek to annul the clause that authorizes the rescission for maintenance of the contractual relationship.

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- The subsidiaries of the Notre Dame Intermédica Group are involved in lawsuits filed by beneficiaries of the Healthcare Plan that seek the recognition of the alleged poor medical and/dental practice by the Company's authorized professionals in the procedures provided to the beneficiaries, attributing them joint liability in the claims for indemnity for property damages, pain and suffering and/or aesthetic errors.

At September 30, 2021, the Company and its subsidiaries are involved in other regulatory/civil, labor and tax lawsuits in the total claimed amount of R\$ 3,140,778 (R\$ 2,657,414 at December 31, 2020), which, according to their legal advisors, present a possible likelihood of loss and, for this reason, were not accrued.

	September 30, 2021	Consolidated December 31, 2020
Tax	2,173,286	1,940,800
Labor	294,259	233,764
Civil	673,233	482,850
	3,140,778	2,657,414

The main civil, labor and tax lawsuits classified with a possible likelihood of loss are presented below:

Tax

- The subsidiaries of the Notre Dame Intermédica Group are plaintiffs in a lawsuit requesting urgency against the Federal Government (National Treasury) in the declaration of inexistence of tax relationship between the Plaintiffs and the Defendant regarding the requirements, due to stock options plans, of social security contributions on payroll and other contributions of third parties (Education Allowance, INCRA, SESC, SENAC and Sebrae).
- The subsidiaries of the Notre Dame Intermédica Group are involved in lawsuits challenging in court the tax assessment notice related to differences in FGTS (Unemployment Compensation Fund) amounts paid, based on the assumption that an alleged employment relationship with third parties (legal entities) exists.
- The subsidiaries of the Notre Dame Intermédica Group are involved in an administrative proceeding challenging the undue collection of the disallowance of the social security amount stated in the GFIP (Unemployment Compensation Fund Payment and Social Security Information Form) in the period from May 2012 to February 2017.
- The subsidiaries of the Notre Dame Intermédica Group are involved in an administrative proceeding arising from tax assessment notices for undue collection of Corporate Income Tax (IRPJ) and Social Contribution on Profit (CSLL) for calendar year 2013.

Labor and Regulatory/Civil

- In general terms, the nature of these proceedings is the same as those detailed above. The Company has a monitoring system for all administrative and judicial proceedings in which it appears as "plaintiff" or "defendant" and, supported by the opinion of its legal counselors, classifies the lawsuits according to the likelihood of loss. Analyses on the tendency of the judicial decisions are performed periodically and, if necessary, the Company reclassifies the risks of such proceedings.

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Currently a significant part of the regulatory/civil, labor and tax lawsuits are derived from the acquired companies where the Company has the right to offset any losses against future installments of the purchase price.

23. Deferred purchase price

As per the debt acknowledgment agreement dated October 31, 2014, the Company assumed Bain Capital Brazil Participações Ltda.'s obligation to pay the deferred purchase price portion of R\$ 220,207 maturing on June 20, 2020. Since the amounts of the withheld portion may be used to settle any contingencies that may arise and, considering the existence of administrative and judicial proceedings still in progress, the amounts remain withheld, as shown below:

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	December 31, 2019	Additions - Contingencies	Monetary adjustment	December 31, 2020	Additions - Contingencies	September 30, 2021
Original amount of acquisition	254,240	-	-	254,240	-	254,240
Accrued interest according to contract - (10% p.a.)	183,235	-	16,639	199,874	-	199,874
Total	437,475	-	16,639	454,114	-	454,114
Interest to be accrued according to contract - (10% p.a.)	16,680	-	(16,639)	41	-	41
Present value adjustment (CDI + 2.75%)	(14,704)	-	14,704	-	-	-
Total	439,451	-	14,704	454,155	-	454,155
Provision for lawsuits (a)	(320,470)	(60,747)	-	(381,217)	(20,614)	(401,831)
Total deferred purchase price portion	118,981	(60,747)	14,704	72,938	(20,614)	52,324

(a) Contingencies to be reimbursed, in accordance with the contractual clauses set out in the share purchase and sale agreement and other covenants.

On June 19, 2020, the Company notified the sellers of the amounts subject to deduction with the portion withheld and reclassified the line item "Deferred purchase price" from Current to Noncurrent, as it understands that the agreement will not be terminated before the 12-month period. On August 21, 2020, the sellers filed a proceeding with the International Arbitration Committee of the International Chamber of Commerce (ICC) requesting payment of the deferred purchase price portions. In the Company's opinion, the total amount of losses incurred and outstanding contingencies under the responsibility of the sellers exceed the amount of portions withheld and supported by its legal advisors, it will maintain the amounts retained.

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24. Equity

a) Capital

At September 30, 2021, the Company's subscribed and paid-up capital amounted to R\$ 5,808,609, comprising 615,242,127 registered common shares without par value (at December 31, 2020, the Company's subscribed and paid-up capital amounted to R\$ 5,646,453, comprising 609,787,507 registered common shares with no par value).

At the Board of Directors Meeting held on April 19, 2021, the Company approved the capital increase of R\$ 162,156, through subscription of 5,454,620 new registered, structural common shares without par value, due to the exercise of stock options under the Company's Stock Option Plans, being:

Group I - 64,187 common shares, each with a par value of R\$ 9.271490

Group II - 1,592,927 common shares, each with a par value of R\$ 16.50

Group III - 26,667 common shares, each with a par value of R\$ 23.94

Group VI - 2,306,009 common shares, each with a par value of R\$ 32.25

Group V - 50,834 common shares, each with a par value of R\$ 33.50

Group VI - 1,413,996 common shares, each with a par value of R\$ 41.42

Shareholding at September 30, 2021 is as follows: (i) Alkes II holds 11.19% of shares, represented by 68,818,754 common shares, (ii) management holds 3.76% of shares, represented by 23,127,519 common shares, and (iii) the other shareholders hold 85.05% of shares, represented by 523,295,854 common shares.

b) Transaction cost

Transaction costs borne by the Company incurred in the funding through the public offering of shares totaled R\$ 113,913 at September 30, 2021 and were recognized as a capital reduction, in a separate account in equity, in accordance with CVM Ruling 649/10 and CPC 08 (R1).

c) Income reserves

- (i) Legal reserve - mandatory, with the allocation of 5% of profit for the year, less accumulated losses, until it reaches 20% of capital.
- (ii) Statutory reserve – in accordance with the current Bylaws, the Company, after the allocation of the legal reserve, will allocate to the investment reserve, which summed up with the other profit reserves will not exceed the subscribed capital. The purpose of this reserve is to ensure funds to finance additional investments of fixed and working capital and the expansion of the Company's activities, irrespective of whether or not they are covered by the capital budget, duly approved by meeting.

d) Repurchase of shares

From January 14 to 24, 2020, the Company, through its indirect subsidiary Hospital Intermédica Jacarepaguá Ltda. (Jacarepaguá), the Company purchased 3,365,870 Parent Company shares in the amount of R\$ 245,122.

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On February 7, 2020, Jacarepaguá assigned 3,365,870 shares as part of the payment for the acquisition of the Clinipam Group. The Company's commitment was to deliver a fixed amount in shares. The share price used for closing was R\$ 72,00 and the transaction amount was R\$ 242,343.

The variation between the purchase price on the repurchase and the transfer of shares was R\$ 2,779 presented in line item "premium on the sale of equity interest".

e) Dividends proposed and paid

At September 30, 2021, the Company did not declare a distribution of dividends and interest on equity (IOE) to the results for the period ended September 30, 2021.

(i) Payment of year 2020 dividends

On April 26, 2021, at a Special General Meeting, the Company distributed to its shareholders, as minimum mandatory dividends, the amount of R\$ 174,845, equivalent to 25% of the Company's profit for the year ended December 31, 2020, corresponding to R\$ 0.28433085 per share issued by the Company. The payment was made in local currency on July 14, 2021.

25. Net operating revenue

	Consolidated			
	Quarter ended September 30,		Period ended September 30,	
	2021	2020	2021	2020
Effective considerations of healthcare plan operations	3,041,081	2,647,474	8,838,854	7,701,857
Medical-hospital services	272,092	155,401	749,962	458,634
Other services rendered	-	15	-	65
(-) Expected disallowance loss of medical-hospital	3,579	(1,492)	1,445	(7,684)
Variation in technical reserves of Operator's healthcare plan operations	123	(1,044)	348	(1,119)
Revenues from services rendered	3,316,875	2,800,354	9,590,609	8,151,753
(-) Direct taxes on Operator's healthcare plan operations	(71,411)	(83,767)	(205,068)	(240,381)
(-) Direct taxes on medical-hospital service	(24,979)	(17,976)	(65,116)	(49,237)
Tax on services rendered	(96,390)	101,743	(270,184)	(289,618)
Net revenues from services rendered	3,220,485	2,698,611	9,320,425	7,862,135

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26. Cost of services rendered

	Quarter ended		Consolidate	
	September 30,		Period ended	
	2021	2020	2021	2020
Cost of services rendered ¹	(2,654,386)	(1,894,865)	(7,701,166)	(5,417,225)
(-) Co-participation	75,818	42,735	205,276	135,008
SUS	(34,730)	(2,831)	(53,778)	(49,959)
Depreciation and amortization	(43,376)	(33,086)	(122,550)	(86,321)
Depreciation of right of use	(14,740)	(12,650)	(40,887)	(34,150)
Variation in the Incurred But Not Reported Reserve (IBNR)	(35,151)	(6,806)	(85,143)	(27,087)
	(2,706,565)	(1,907,503)	(7,798,248)	(5,479,734)

27. Operating expenses

a) Administrative expenses

	Quarter ended		Parent	
	September 30,		Period ended	
	2021	2020	2021	2020
Personnel	(918)	(516)	(2,184)	(1,290)
Third-party services	(1,122)	(261)	(13,605)	(2,483)
Location and operation	(29)	(97)	(167)	(210)
Taxes	(95)	(33)	(954)	(83)
Publicity and advertising	(1)	-	(470)	(414)
Charges, fees, fines and interest	(13)	(21)	(38)	(109)
Stock option program	(5,712)	(12,557)	(22,376)	(36,052)
Others	-	(1)	-	(1)
	(7,890)	(13,486)	(39,794)	(40,642)

	Quarter ended		Consolidated	
	September 30,		Period ended	
	2021	2020	2021	2020
Personnel	(129,863)	(126,004)	(363,885)	(358,607)
Third-party services	(60,572)	(52,291)	(185,854)	(182,120)
Location and operation	(23,932)	(21,137)	(67,044)	(47,946)
Taxes	(1,417)	(2,244)	(5,205)	(8,431)
Publicity and advertising	(7,214)	(4,116)	(15,339)	(13,358)
Provision for contingencies	(10,700)	(12,954)	(59,795)	(23,578)
Depreciation and amortization	(38,410)	(39,162)	(102,633)	(116,688)
Depreciation of right of use	(6,784)	(3,149)	(16,374)	(10,544)
Charges, fees, fines and interest	(1,702)	(2,342)	(3,932)	(4,606)
Stock option program	(5,712)	(12,557)	(22,376)	(36,052)
Others	(2,654)	9,222	(3,336)	(2,791)
	(288,960)	(266,734)	(845,773)	(804,721)

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b) Selling expenses

	Quarter ended September 30,		Consolidated Period ended September 30,	
	2021	2020	2021	2020
Compensation - own personnel	(2,165)	(1,718)	(5,892)	(6,951)
Recognition of deferred selling expenses	(96,949)	(75,453)	(264,585)	(216,019)
Commissions and selling	(80,476)	(65,924)	(242,808)	(180,596)
	(179,590)	(143,095)	(513,285)	(403,566)

c) Impairment of receivables

	Quarter ended September 30,		Consolidated Period ended September 30,	
	2021	2020	2021	2020
Reversal/(recognition) of impairment of Receivables	(1,842)	(1,456)	(921)	(15,594)
Write-off of effective losses of plan related credits in the period	(26,841)	(26,287)	(81,091)	(66,788)
Other losses related and not related to the plan .	(883)	(239)	(1,977)	(825)
	(29,566)	(27,982)	(83,989)	(83,207)

28. Finance income (costs)

	Quarter ended September 30,		Parent Period ended September 30,	
	2021	2020	2021	2020
Financial investments income ¹	704	262	2,007	1,725
Monetary adjustment gain	2,972	442	7,287	1,520
Discounts obtained	1	-	8	-
Finance income	3,677	704	9,302	3,245
Fines and interest	(2)	-	(11)	(9)
Bank fees	(2)	1	(14)	-
Discounts granted	-	(3)	-	(1)
Interest on borrowings	-	2	-	2
Present value adjustment - deferred portion ²	-	3	-	(14,704)
Other costs	(171)	(36)	(433)	(163)
Finance costs	(175)	(33)	(458)	(14,875)
Finance income (costs), net	3,502	671	8,844	(11,630)

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	Quarter ended September 30,		Consolidated Period ended September 30,	
	2021	2020	2021	2020
Financial investments income ¹	34,971	10,310	86,926	52,430
Interest received	9,986	8,526	28,197	27,074
Monetary adjustment gain	15,200	4,664	35,850	15,551
Other income	379	1,692	3,324	4,974
Derivative financial instruments - NDF	1,608	2,152	3,674	6,347
Fair value adjustment	3,025	(651)	9,020	(730)
Foreign exchange gain	1	24	1	537
Discounts obtained	578	1,197	3,047	2,402
Finance income	65,748	27,914	170,039	108,585
Monetary adjustment loss	(34,952)	(8,324)	(77,337)	(37,752)
Fines and interest	(5,200)	(490)	(8,046)	(2,027)
Foreign exchange loss	(197)	(105)	(197)	(995)
Bank fees	(9,390)	(8,816)	(18,708)	(16,534)
Discounts granted	(5,335)	(1,604)	(10,300)	(4,194)
Interest on debentures	(41,106)	(8,779)	(95,077)	(34,865)
Finance costs - debentures	(823)	(345)	(2,546)	(10,763)
Interest on borrowings	(25,850)	(10,538)	(57,501)	(24,727)
Finance costs - borrowings	(768)	(3,811)	(2,081)	(3,811)
Interest on leases	(14,373)	(10,390)	(42,713)	(33,122)
Fair value adjustment	(13,107)	-	(38,747)	-
Present value adjustment	(4,566)	(4,081)	(12,512)	(11,648)
Present value adjustment - deferred portion ²	-	3	-	(14,704)
Derivative financial instruments - NDF	(1,325)	-	(10,552)	-
Other costs	(1,292)	(2,529)	(4,987)	(7,333)
Finance costs	(158,284)	(59,809)	(381,304)	(202,475)
Finance income (costs), net	(92,536)	(31,895)	(211,265)	(93,890)

¹ The amount of R\$ 2,007 in the parent company and R\$ 4,545 in the consolidated refers to short-term investments income with a corresponding entry in cash and cash equivalents, and the amount R\$ 82,381 refers to financial investments presented in Note 6.

² This balance refers to the finance cost arising from the monetary adjustment of the deferred purchase price portion (see Note 23).

29. Share-based payment plan

1st Share-based payment plan

On October 16, 2014, the Special General Meeting (SGM) approved the creation and regulation of the first Stock Option Plan of the Company, currently Notre Dame Intermédica Participações S.A. (Stock Option Plan). It also approved the creation of the Company's authorized capital of 99,185,196 new common shares which, with the reverse split of common shares approved at the Special General Meeting held on March 27, 2018, are equivalent to 46,214,801 new common shares (a factor of 2.14617813 for each common share). Therefore, the Board of Directors was authorized to increase Company's capital regardless of amendments to bylaws, limited to authorized capital to cover the granting of the Plan, pursuant to paragraph 8 of Article 5 of the Company's Bylaws.

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The Company granted 45,345,999 stock options, considering the reverse split mentioned, for the first Stock Option Program, which is distributed in Time-Vesting (representing 50% of shares granted) and Performance-Vesting (representing 50% of options granted). The beneficiary must comply with time-vesting of services for 3 to 5 years, depending on the grant agreement, and performance-vesting (representing 50% of options granted), as well as a liquidity event such as IPO in April 2018, to exercise the options. After compliance with vesting conditions, the exercise of the options could occur from the date of each anniversary of the grant.

On December 27, 2018, most participants exercised vested options and the Company, as authorized by Article 5, paragraph 8, of Company's Bylaws, increased capital within the limit of the authorized capital, in the amount of R\$ 75,809, through the subscription of new common shares, all registered, book-entry and with no par value, totaling 28,502,586 shares.

At September 30, 2021, all beneficiaries had exercised their options.

2nd Share-based payment plan

On February 20, 2018, the Company's shareholders, gathered in a Special General Meeting (SGM) approved the Company's Second Stock Option Plan, intended to grant stock options to directors, board members, employees, consultants and individual advisors, current and future, of the Company or its subsidiaries that are chosen at the sole discretion of the Board of Directors. The Second Stock Option Plan establishes the limit of 11,498,002 options (5,357,431, considering reverse split of 2.14617813 for each common shares as approved at the Special General Meeting held on March 27, 2018) representing a total maximum dilution of 1.15% to the Company's shareholders, considering the Company's total capital at December 31, 2017.

As of April 20, 2018, the Company entered into a grant agreement with the Second Plan Participants for a total of 4,988,581 stock options at the price of the Initial Public Offering.

The options under the Second Option Plan may be exercised according to the criteria established by the Company's Board of Directors based on the time (time-vesting) up to 3 years and performance (vesting per performance) stipulated in the Grant Agreements.

At September 30, 2021, all beneficiaries had exercised their options.

3rd Share-based payment plan

On March 28, 2019, the Company's shareholders, gathered in a Special General Meeting (SGM) approved the Company's Third Stock Option Plan, intended to grant stock options to directors, board members, employees, consultants and individual advisors, current and future, of the Company or its subsidiaries that are chosen at the sole discretion of the Board of Directors. The Company entered into a grant agreement with the Third Plan Participants for a total of 7,334,301 stock options, distributed into Time-Vesting (50% of granted shares) and Performance-Vesting (50% of granted options). The beneficiary shall comply with the time-vesting of 3 to 5 years of time of service, depending on the grant contract, and with the performance-vesting (representing 50% of granted options).

On October 2, 2019, most participants exercised the stock options that were vested, and the Company (I) in accordance with the provisions of the Company's Bylaws, in its Article 5, paragraph 8, increased the capital, within the limit of authorized capital, in the amount of R\$ 55,308, through

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the subscription of common shares, all of them registered, book-entry and with no par value, totaling 9,909,392 shares.

3rd Share-based payment plan Amended – 2020

On March 25, 2020, the Company's shareholders, gathered in a Special General Meeting (SGM) amended the Company's Third Stock Option Plan, intended to grant stock options to directors, board members, employees, consultants and individual advisors, current and future, of the Company or its subsidiaries that are chosen at the sole discretion of the Board of Directors.

Each option of the Third Stock Option Plan will grant the right to acquire one share issued by the Company. The Third Stock Option Plan provides the global limit of 12,000,000 shares issued by the Company.

On April 2, 2020, Management granted 4,360,000 new stock options to the executives selected under the program, of which 118,000 stock options were cancelled and 4,242,000 are still valid. In accordance with Accounting Pronouncement CPC 10 (R1), the Company engaged independent consultants to prepare this Report on fair value estimate of the Company's stock options at the above-mentioned grant date, aiming at providing assistance to management in the accounting recognition of options, using the binomial pricing model. Stock options have annual vesting, with 50% depending on the passage of time and 50% depending on the achievement of certain performance metrics over the next 3 years.

Restricted Stock Units payment plan

On December 15, 2017, through the First Amendment to the Restricted Stock Option, the Company established the immediate settlement of all the Restricted Stock Units (anticipating the vesting of the remaining 2/3 (two thirds), and changed the method of payment of the benefit by settling all Restricted Stock Units in cash (instead of the delivery of common shares of the Company's issue, as originally established in the Restricted Stock Unit Agreement). Consequently, the Company considered that all the 4,659,445 Restricted Stock Units were vested and the Executive was paid the amount of R\$ 43,200, from the capital reserve, equivalent to the amount of 4,659,445 of Restricted Stock Units vested, which corresponded to 4,659,445 of common shares issued by the Company at the price per share of R\$ 9.27.

Concurrently with the settlement in cash, the Executive subscribed and paid up capital at the Company in an amount equivalent to the settlement of the shares – R\$ 43,200, through the issue of 4,659,445 common shares. The parties entered into a contract that granted the Company the right to repurchase part of these paid-up shares, in the proportion equivalent to 2/3 of the Restricted Stock Units that were vested in advance at the moment of the advance and settlement in cash of the Restricted Stock Units originally granted to the executive. This call option varies over time, from 2/3 (two thirds) to zero, following the same period (vesting period) that was originally described in the Restricted Stock Unit Agreement signed by and between the Company and the Executive. Consequently, the Executive cannot sell any of the shares that were not fully vested at the moment of the advance and immediate settlement of all the Restricted Stock Units.

In the nine-month period ended September 30, 2021, the recorded amount of R\$ 22,376 (R\$ 36,052 at September 30, 2020) refers to the transaction cost incurred as a result of the Share-based Payment plan.

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30. Earnings per share

The basic earnings per share are calculated by dividing earnings (loss) for the period ended September 30, 2021 attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period.

Diluted earnings per share is calculated by dividing earnings (loss) for the period attributable to common shareholders by the weighted average number of common shares available in the period plus the weighted average number of common shares that would be issued on the conversion of all potentially dilutive common shares.

a) Basic earnings (loss) per share

	Parent		Consolidated	
	Quarter ended September 30,		Period ended September 30,	
	2021	2020	2021	2020
(Loss)/Profit for the period	(166,592)	581,180	(166,610)	580,580
Number of outstanding shares (-) Treasury shares	614,934	609,479	614,934	609,479
(Loss)/Earnings per share	(0,2709)	0,9536	(0,2709)	0,9526
Weighted average number of shares during the	612,776	603,628	612,776	603,628
Basic loss (earnings) per share	(0,2719)	0,9628	(0,2719)	0,9618

b) Diluted earnings (loss) per share

Due to the fact that the Company had a loss for the period ended September 30, 2021, stock options were not considered in the calculation as there was no dilutive effect in this case.

	Parent		Consolidated	
	Quarter ended September 30,		Period ended September 30,	
	2021	2020	2021	2020
(Loss)/Profit for the period	(166,592)	581,180	(166,610)	580,580
Weighted average number of shares during the	612,776	603,628	612,776	603,628
Increase in the number of shares under the share-based payment plan, if all options granted	-	15,132	-	15,132
Weighted average number of shares during plans - diluted	612,776	618,760	612,776	618,760
Diluted (loss) earnings per share	(0,2719)	0,9393	(0,2719)	0,9383

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31. Operating segments

The Company and its subsidiaries, for the purpose of calculating the recoverable amount of assets, divided their activities into CGU Health (which comprises Health Southeast and Health South) and CGU Dentalcare. The following table shows the statement of profit or loss per Health and Dental care segments:

	September 30,			
	2021			
	Health	Dental	Other segments	Consolidated
Net operating revenue	9,075,378	245,047	-	9,320,425
Cost of services rendered	(7,732,751)	(65,497)	-	(7,798,248)
Gross profit	1,342,627	179,550	-	1,522,177
Administrative expenses	(759,407)	(40,692)	(45,674)	(845,773)
Selling expenses	(496,926)	(16,359)	-	(513,285)
Impairment of receivables	(81,987)	(2,002)	-	(83,989)
Other income (expenses), net	13,478	285	6,802	20,565
Profit (loss) before finance income (costs) and taxes	17,785	120,782	(38,872)	99,695
Finance income (costs)	(218,812)	19	7,528	(211,265)
(Loss)/Profit before taxes	(201,027)	120,801	(31,344)	(111,570)
Income tax and social contribution	(62,668)	-	7,628	(55,040)
(Loss)/Profit for the period	(263,695)	120,801	(23,716)	(166,610)
Attributable to:				
Equity holders of the Parent	(263,677)	120,801	(23,716)	(166,592)
Noncontrolling interests	(18)	-	-	(18)

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	September 30, 2020			
	Health	Dental	Other segments	Consolidated
Net operating revenue	7,636,446	225,689	-	7,862,135
Cost of services rendered	(5,427,041)	(52,693)	-	(5,479,734)
Gross profit	2,209,405	172,996	-	2,382,401
Administrative expenses	(717,082)	(45,208)	(42,431)	(804,721)
Selling expenses	(387,895)	(15,671)	-	(403,566)
Impairment of receivables	(77,057)	(6,150)	-	(83,207)
Other income (expenses), net	(7,807)	442	(222)	(7,587)
Profit (loss) before finance income (costs) and taxes	1,019,564	106,409	(42,653)	1,083,320
Finance income (costs)	(80,144)	81	(13,827)	(93,890)
(Loss)/Profit before taxes	939,420	106,490	(56,480)	989,430
Income tax and social contribution	(413,073)	4,919	(696)	(408,850)
(Loss)/Profit for the period	526,347	111,409	(57,176)	580,580
Attributable to:				
Equity holders of the Parent	526,947	111,409	(57,176)	581,180
Noncontrolling interests	(600)	-	-	(600)

Amounts allocated to other segments in line item "Administrative expenses" refer basically to the recognition of stock option plan expenses.

	2021			September 30, 2020		
	Health	Dental	Consolidated	Health	Dental	Consolidated
Known or reported events	(7,634,827)	(66,339)	(7,701,166)	(5,361,544)	(55,681)	(5,417,225)
(-) Co-participation	203,608	1,668	205,276	132,488	2,520	135,008
SUS	(53,778)	-	(53,778)	(49,959)	-	(49,959)
Depreciation and amortization	(122,550)	-	(122,550)	(86,321)	-	(86,321)
Depreciation of right of use	(40,887)	-	(40,887)	(34,150)	-	(34,150)
Variation in Incurred						
But Not Reported Reserve (IBNR)	(84,317)	(826)	(85,143)	(27,555)	468	(27,087)
	(7,732,751)	(65,497)	(7,798,248)	(5,427,041)	(52,693)	(5,479,734)

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32. Related parties

a) Parent company

On March 22, 2014, Bain Capital Brazil Participações S.A. (company merged into Intermédica, Interodonto and Notre Dame in November 2014) entered into a share purchase and sale agreement and other covenants with the sellers of Holdings PSBB2 and PSBB3 (companies merged into Bain Capital Brazil Participações S.A. in September 2014) and its subsidiaries Intermédica, Interodonto and Notre Dame Seguradora. As provided for in the agreement, the sellers undertake to indemnify the buyer Notre Dame Intermédica Participações S.A. for the contingencies incurred and disbursed that were not reflected in the initial transaction.

The Company signed a private instrument of transfer of indemnity with Notre Dame Intermédica, undertaking to indemnify Notre Dame Intermédica for disbursements arising from lawsuits that are the responsibility of the Company. The indemnity shall be paid within 6 years and 30 days from the date the share purchase and sale agreement and other covenants was signed. The amount recorded in line item "Other current liabilities" at September 30, 2021 is R\$ 412,383 (R\$ 391,769 at December 31, 2020). (Note 21)

The Company has stock option plans. In the nine-month period ended September 30, 2021, expenses related to key management personnel recognized in profit or loss amounted to R\$ 22,376 (R\$ 36,052 at September 30, 2020).

b) Consolidated

The compensation of the subsidiaries' key management personnel, comprising employees with authority and responsibility for planning, directing and controlling the activities, comprises compensation and short-term bonuses, and the amount recorded in the nine-month period ended September 30, 2021 was R\$ 18,306 (R\$ 55,077 at September 30, 2020).

The variable compensation through stock options is not included in the global compensation approved in the meeting.

33. Commitments

The Company and subsidiaries has real estate lease, consultancy and maintenance agreements that do not have requirements to be accounted for on an accrual basis until they become effective; in addition, these agreements are not included in the requirements of IFRS 16.

	September 30, 2021	Consolidated December 31, 2020
Up to one year	119,706	114,305
More than one year and less than five years	452,910	457,195
More than five years	119,706	114,298
	692,322	685,798

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34. Insurance coverage

The Company and its subsidiaries' policy regarding insurance takes into consideration primarily the concentration of risks and their materiality. Insurance is taken out at amounts deemed sufficient by management, considering the nature of the Company's activities.

Items	Type of coverage	Insured amount
Buildings, facilities, machinery, furniture, fixtures and inventories	Fire (including due to riots, strikes and lock-out) Thunderbolts. Explosion of any kind and falling aircrafts, electrical damage, equipment leased and assigned to third parties, RD, mobile and fixed equipment, fall of glass, fixed expenses (6 months), losses/rent payments (6 months), qualified theft/robbery of goods, windstorm, impact of vehicles up to smoke, collapse, electronic equipment, portable objects (national territory), theft of medicines.	633,701
D&O	Civil liability - directors and officers	100,065
Civil liability	Civil liability - operations	260,000
Cyber	Cyber risk insurance	15,000
Vehicle fleet	Comprehensive, property damage, bodily injury, mobile equipment	100% FIPE table per vehicle
Employees	Group life insurance	Variable according to salary range and maximum limit R\$ 48,132
Guarantee insurance	Insurance on contracts with customers	R\$ 187,000

35. Additional information

(i) Intention to purchase and sell CCG Participações shares

On June 4, 2021, the subsidiary BCBF Participações S.A. (BCBF) entered into a share purchase and sale agreement under suspensive conditions and other covenants for the acquisition of CCG Participações S.A. ("Centro Clínico Gaúcho"), a verticalized operator that offers healthcare plans, dental plans and health services in the State of Rio Grande do Sul.

With the conclusion of the transaction, BCBF will become the holder of 100% of the shares of Centro Clínico Gaúcho. The transaction amount was set at R\$1.06 billion and will be paid in cash, discounted of net debt and with a portion being withheld for contingencies.

The completion of the transaction is subject to compliance with certain conditions precedent, including the approvals of ANS and CADE. These conditions have not been completed up to the issue of this interim financial information.

The transaction is not subject and, therefore, will not be submitted to the approval of its shareholders, as provided for in article 256 of Law 6404/76, nor will it give rise, under the terms of the Circular Letter/CVM/SEP/03/2019, to the right to withdraw for its shareholders, considering that the transaction was carried out through the subsidiary BCBF.

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(ii) Business combination between GNDI and Hapvida – ANS approval

The Company, in compliance with the current rules and in continuity with the material facts disclosed on February 27 and March 29, 2021, reports that ANS has granted the request for authorization to assume the indirect corporate control of the healthcare plan operators Notre Dame Intermédica Saúde S.A., Mediplan Assistencial Ltda., SMV Serviços Médicos Ltda., Climepe Total Ltda., Lifeday Planos de Saúde Ltda., São Lucas Saúde S.A. and Clinipam Clínica Paranaense de Assistência Médica Ltda. by Hapvida Participações e Investimentos II S.A., directly controlled by Hapvida Participações e Investimentos S.A. (Hapvida).

The completion of the business combination operation with Hapvida is subject to analysis and approval by CADE. These conditions have not been completed up to the issue of this interim financial information.

(iii) Acquisition of equity interest of NeuralMed, LLC

On August 13, 2021, the Company, through its direct subsidiary BCBF Participações S.A., made a minority investment in the startup NeuralMed, LLC (NeuralMed), which solutions optimize the length of time of service provision and the assertiveness of the medical decisions through Artificial Intelligence. The investment made through Simple Agreement for Future Equity Interest provides for a (fully diluted) interest of 9.29%. The value of the investment was R\$ 5,000.

36. Events after the reporting period

(i) Conclusion of the purchase of Casa de Saúde e Maternidade Santa Martha S.A.

On July 30, 2021, subsidiary Notre Dame Intermédica Saúde S.A. entered into a share purchase and sale agreement and other covenants for the acquisition of Casa de Saúde e Maternidade Santa Martha S.A.

On October 1, 2021, the Company through its subsidiary Notre Dame Intermédica Saúde S.A. entered into a share purchase and sale agreement and other covenants for the acquisition of Casa de Saúde e Maternidade Santa Martha S.A. (Hospital Santa Martha). The Company now indirectly holds all the shares of Hospital Santa Martha. The purchase price was R\$ 166,034.

Cash installment	134,034
Portion withheld	32,000
Total consideration	166,034
Present value adjustment on portion withheld	(4,900)
Total consideration, net	161,134

The transaction is not subject and, therefore, will not be submitted to the approval of its shareholders, as provided for in article 256 of Law 6404/76, nor will it give rise, under the terms of the Circular Letter/CVM/SEP/03/2019, to the right to withdraw for its shareholders, considering that the transaction was carried out by the subsidiary Notre Dame Intermédica Saúde S.A.

On September 6, 2021, the transaction was approved by the Brazilian Antitrust Authority (CADE) through merger review process No. 08700.004335/2021-54

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(ii) New issue of debentures

On October 18, 2021, the Company, through its direct subsidiary BCBF Participações S.A. (BCBF), concluded the financial settlement of its 6th issue of simple, non-convertible, unsecured debentures, with additional personal guarantee and in a sole series in the amount of R\$ 1,200,000.

The debentures will be entitled to fixed remuneration equivalent to 100% of the accumulated variation of daily average rates of Interbank Deposits disclosed by B3 S.A. and added by a spread or surcharge of 1.45%. The maturity term is six years.

The funds obtained with the Issue will be used to: (i) finance the acquisition of CCG Participações S.A. (note 35 (i)); and (ii) the cash injection of BCBF to cover its financial obligations during the ordinary course of business.

The credit-rating agency Fitch Ratings Brasil Ltda. (Fitch) assigned AA+(bra) rating to the issue, with stable perspective.

(iii) Corporate restructuring in Notre Dame Intermédica Minas Gerais Group (formerly Medisanitas Group)

At the Extraordinary General Meeting (AGE) held on October 1, 2021, the protocol of merger and justification was approved for the merger of the company Notre Dame Minas Gerais Investimentos Ltda. into the subsidiary Notre Dame Intermédica Minas Gerais Ltda. The appraisal report on the net book value of the merged company was issued by an independent firm. The merger occurred at April 1, 2021, with base date as of September 30, 2021.

According to the Extraordinary General Meeting (AGE) held on October 1, 2021, the protocol of merger and justification was approved for the merger of the companies NDIS MG Investimentos Participações Ltda., NDIS MG Serviços Operacionais Ltda., Centro Clínico NDIS Venda Nova Ltda., Hospital Notre Dame Intermédica BH Ltda., Centro Oftalmológico NDIS MG Ltda. into the subsidiary Centro Médico NDI MG Ltda. The appraisal report on the net book value of the merged company was issued by an independent firm. The merger occurred at April 1, 2021, with base date as of September 30, 2021.

Changes in assets and liabilities that occurred in the companies between the operation's base date and the effective date of the merger will be absorbed by the merging companies. The merger model followed the stages below:

- Merger of Notre Dame Minas Gerais Invest Ltda. into Notre Dame Intermédica Minas Gerais Ltda.;
- Downstream merger of NDIS MG Serviços Operacionais Ltda. and NDIS MG Investimentos Participações Ltda. into Centro Médico NDISI MG Ltda., which, with such operation, became the direct subsidiary of Notre Dame Intermédica Minas Gerais Saúde S.A. and the parent company of Centro Oftalmológico NDIS MG Ltda., Centro Clínico NDIS Venda Nova Ltda. and Hospital Notre Dame Intermédica BH Ltda. In the same stage, NDIS Drogaria Ltda. closed down its operations;
- The companies of Centro Oftalmológico NDIS MG Ltda., Centro Clínico NDIS Venda Nova Ltda. and Hospital Notre Dame Intermédica BH Ltda. were merged into Centro Médico NDISI MG Ltda. which, in turn, was merged into Notre Dame Intermédica Minas Gerais Saúde S.A.;

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- With this corporate restructuring, the Group simplified the corporate structure maintaining Notre Dame Intermédica Minas Gerais Saúde S.A. and its parent company Notre Dame Intermédica Minas Gerais Ltda.
