

Individual and Consolidated Interim Financial Information

Notre Dame Intermédica Participações S.A.

September 30, 2020
and Independent Auditor's Report

Notre Dame Intermédica Participações S.A.

Individual and Consolidated Interim Financial Information

September 30, 2020

Contents

Independent auditor's report on review of individual and consolidated interim financial information.....	3
--	---

Reviewed interim financial information

Statements of financial position.....	5
Statements profit or loss	7
Statements of comprehensive income.....	9
Statements of changes in equity.....	10
Statements of cash flows (indirect method)	11
Statements of value added	13
Notes to the individual and consolidated interim financial information	14

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, 2020, comprising the statement of financial position as of September 30, 2020 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).

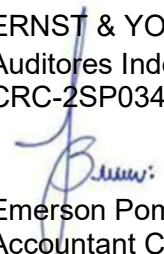
Other matters

Statements of value added

The abovementioned quarterly information include the individual and consolidated statement of value added (SVA) for the the nine-month period ended on September 30, 2020, 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 16, 2020

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, 2020 and December 31, 2019

(In thousands of reais, unless otherwise stated)

	Note	Parent		Consolidated	
		September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Assets					
Current		174,408	137,082	4,832,054	5,973,381
Cash and cash equivalents	6	130,006	133,881	1,390,854	3,514,439
Short-term investments	7	-	-	1,629,462	1,285,126
Trade receivables	8	-	-	589,277	492,769
Inventories	-	-	-	90,084	50,771
Deferred acquisition costs	9	-	-	233,425	186,085
Tax and social security credits	10	1,555	1,332	439,943	121,029
Current assets	11	42,847	1,869	459,009	323,162
Non-current		7,437,441	6,774,702	11,028,862	7,174,659
Short-term investments	7	-	-	151,856	-
Deferred tax assets	12	-	-	383,229	312,412
Deferred acquisition costs	9	-	-	225,834	178,748
Judicial and tax deposits	13	77,611	76,104	740,721	493,414
Noncurrent assets	11	10,552	-	764,864	611,043
Investments	14	7,349,278	6,698,598	458	11
Property, plant and equipment	15	-	-	2,147,799	1,758,553
Right of use	16	-	-	454,058	478,805
Intangible assets	17	-	-	6,160,043	3,341,673
Total assets		7,611,849	6,911,784	15,860,916	13,148,040

	Note	Parent		Consolidated	
		September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Liabilities and equity					
Current		439,100	541,388	3,104,965	2,433,967
Trade payables		941	685	124,497	133,817
Salaries payable		97	62	273,810	165,097
Taxes and social charges payable	18	148	591	535,989	360,357
Dividends payable	25.e	32	100,601	32	100,601
Loans and financing	19	-	-	289,246	220,683
Debentures	20	-	-	64,004	169,560
Provision for income tax and social contribution	-	-	-	373,200	56,985
Technical reserves of healthcare operations	21	-	-	1,189,058	945,405
Deferred purchase price	24	-	118,981	-	118,981
Leases	16	-	-	35,233	33,466
Current liabilities	22	437,882	320,468	219,896	129,015
Non-current		67,454	-	5,650,423	4,343,677
Taxes and social charges payable	18	-	-	60,489	62,034
Loans and financing	19	-	-	948,212	35,159
Debentures	20	-	-	1,547,474	1,752,537
Technical reserves of healthcare operations	21	-	-	507,553	342,836
Deferred purchase price	24	67,454	-	67,454	-
Deferred tax liabilities	12	-	-	328,449	262,802
Provision for lawsuits	23	-	-	882,693	887,618
Leases	16	-	-	450,694	464,410
Noncurrent liabilities	22	-	-	857,405	536,281
Equity and noncontrolling interests		7,105,295	6,370,396	7,105,528	6,370,396
Capital	25.a	5,646,453	5,526,232	5,646,453	5,526,232
(-) Unpaid capital	-	-	(225)	-	(225)
(-) Treasury shares	-	(2,857)	(2,857)	(2,857)	(2,857)
(-) Acquisition premium on equity interest	25.d	(2,779)	-	(2,779)	-
(-) Costs with public offering of shares	25.b	(113,913)	(113,913)	(113,913)	(113,913)
Reserves:	25.c	997,211	961,159	997,211	961,159
Capital reserve and stock options granted	-	136,615	100,563	136,615	100,563
Income reserves	-	860,596	860,596	860,596	860,596
Profit for the period	-	581,180	-	581,180	-
Noncontrolling interests	-	-	-	233	-
Total liabilities and equity		7,611,849	6,911,784	15,860,916	13,148,040

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

Periods and quarters ended September 30, 2020 and 2019

(In thousands of reais, unless otherwise stated)

		Parent			
		Quarter ended	Period ended	Quarter ended	Period ended
	Note	September 30, 2020	September 30, 2020	September 30, 2019	September 30, 2019
Net operating revenue	26	-	-	-	-
Cost of services rendered	27	-	-	-	-
Gross profit		-	-	-	-
Administrative expenses	28.a	(13,486)	(40,642)	(14,567)	(37,517)
Selling expenses	28.b	-	-	-	-
Impairment of receivables	28.c	-	-	-	-
Share of profit (loss) of subsidiaries	14	210,005	633,459	125,731	360,073
Other income, net		-	-	-	-
Profit before finance income and costs		196,519	592,817	111,164	322,556
Finance income	29	704	3,245	129	4,408
Finance costs	29	(33)	(14,882)	(11,729)	(34,784)
Profit before income tax and social contribution		197,190	581,180	99,564	292,180
Deferred income tax and social contribution	12	-	-	128	-
Deferred income tax and social contribution	12	-	-	-	-
Profit for the period		197,190	581,180	99,692	292,180
Earnings per share:					
Basic	31	0.3254	0.9618	0.1886	0.5529
Diluted	31	0.3172	0.9383	0.1807	0.5319

Consolidated					
		Quarter ended Note September 30, 2020	Period ended September 30, 2020	Quarter ended September 30, 2019	Period ended September 30, 2019
Net operating revenue	26	2,698,611	7,862,135	2,174,614	6,110,892
Cost of services rendered	27	(1,907,503)	(5,479,734)	(1,583,456)	(4,461,793)
Gross profit		791,108	2,382,401	591,158	1,649,099
Administrative expenses	28.a	(266,734)	(804,721)	(274,616)	(695,428)
Selling expenses	28.b	(143,095)	(403,566)	(109,535)	(301,990)
Impairment of receivables	28.c	(27,982)	(83,207)	(14,071)	(53,487)
Share of profit (loss) of subsidiaries	14	-	-	-	-
Other income, net		(3,817)	(7,587)	16,632	21,866
Profit before finance income and costs		349,480	1,083,320	209,568	620,060
Finance income	29	27,914	108,585	42,255	114,526
Finance costs	29	(59,809)	(202,475)	(92,865)	(237,062)
Profit before income tax and social contribution		317,585	989,430	158,958	497,524
Current income tax and social contribution	12	(102,618)	(374,348)	(50,265)	(167,142)
Deferred income tax and social contribution	12	(18,182)	(34,502)	(9,001)	(43,202)
Profit for the period		196,785	580,580	99,692	287,180
Attributable to shareholders:					
Owners of the Company		197,190	581,180	99,692	292,180
Non-controlling interests		(405)	(600)	-	-
		196,785	580,580	99,692	292,180
Earnings per share:					
Basic	31	0.3254	0.9618	0.1886	0.5529
Diluted	31	0.3172	0.9383	0.1807	0.5319

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

Periods and quarters ended September 30, 2020 and 2019

(In thousands of reais, unless otherwise stated)

	Parent			
	Quarter ended September 30, 2020	Period ended September 30, 2020	Quarter ended September 30, 2019	Period ended September 30, 2019
Profit for the period	197,190	581,180	99,692	292,180
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	197,190	581,180	99,692	292,180
	Consolidated			
	Quarter ended September 30, 2020	Period ended September 30, 2020	Quarter ended September 30, 2019	Period ended September 30, 2019
Profit for the period	196,785	580,580	99,692	292,180
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	196,785	580,580	99,692	292,180
Attributable to shareholders:				
Owners of the Company	197,190	581,180	99,692	292,180
Non-controlling interests	(405)	(600)	-	-
	196,785	580,580	99,692	292,180

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

For the periods ended September 30, 2020 and 2019

(In thousands of reais, unless otherwise stated)

						Capital reserve	Income reserves						
	Note	Capital	(-) Unpaid capital	Acquisition premium on equity interest	(-) Costs with public offering of shares	(-) Treasury shares	Stock option reserve	Legal	Statutory	Profit for the period	Total	Noncontrolling interests	Total
Balance at December 31, 2018		1,765,924	-	-	(16,912)	(2,857)	56,296	31,134	506,480	-	2,340,065	-	2,340,065
Recognition of options granted	28.a)	-	-	-	-	-	32,820				32,820	-	32,820
Profit for the period		-	-	-	-	-	-			292,180	292,180	-	292,180
Balance at September 30, 2019		1,765,924	-	-	(16,912)	(2,857)	89,116	31,134	506,480	292,180	2,665,065	-	2,665,065
Balance at December 31, 2019		5,526,232	(225)	-	(113,913)	(2,857)	100,563	52,313	808,283	-	6,370,396	-	6,370,396
Capital increase	25.a)	120,221	225	-	-	-	-	-	-	-	120,446	-	120,446
(-) Repurchase of treasury stocks	25.d)	-	-	-	-	(245,122)	-	-	-	-	(245,122)	-	(245,122)
Disposal of treasury stocks	25.d)	-	-	-	-	242,343	-	-	-	-	242,343	-	242,343
(-) Acquisition premium on equity interest		-	-	(2,779)	-	2,779	-	-	-	-	-	-	-
Recognition of options granted	28.a)	-	-	-	-	-	36,052	-	-	-	36,052	-	36,052
Profit for the period		-	-	-	-	-	-	-	-	581,180	581,180	(600)	580,580
Noncontrolling interests - business combination		-	-	-	-	-	-	-	-	-	-	833	833
Balance at September 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

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)
For the periods ended September 30, 2020 and 2019
(In thousands of reais, unless otherwise stated)

	Note	Parent		Consolidated	
		September 30		September 30	
		2020	2019	2020	2019
Cash flows from operating activities:					
Profit for the period		581,180	292,180	580,580	292,180
Depreciation of property	15	-	-	97,502	61,119
Amortization of intangible assets	17	-	-	105,507	78,977
Depreciation of right of use	16	-	-	44,694	34,166
Share of profit (loss) of subsidiaries	14	(633,459)	(360,073)	-	-
Inflation adjustment of judicial deposits	13	(1,507)	-	(15,276)	(8,632)
Inflation adjustment of contingencies	23	-	-	37,929	29,873
Fair value adjustment of financial investments	7	-	-	730	276
Monetary restatement - SUS	21.a	-	-	24,265	25,662
Financial investments income	7	-	(3,276)	(42,339)	(65,603)
Foreign exchange (gains) / losses	7	-	-	458	(296)
Current and deferred income tax and social contribution	12	-	-	408,850	205,344
Changes in technical reserves	21.c	-	-	28,440	11,827
Provision for lawsuits	28	-	-	23,578	74,600
Provision for (reversal of) impairment of receivables	8	-	-	15,594	3,540
Loss on impairment of receivables	8	-	-	67,613	48,519
Provision for expected disallowances	8	-	-	7,684	6,988
Amortization of deferred acquisition costs	9	-	-	216,019	161,944
Present value adjustment - deferred portion	24	14,704	34,690	14,704	34,690
Interest on debentures and transaction cost	20	-	-	45,628	89,726
Interest on loans and financing	19	-	-	28,538	14,774
Interest on leases	16	-	-	33,122	26,245
Appropriation of share-based payment plan	30	36,052	32,820	36,052	32,820
Write-off of property, plant and equipment/intangible assets	15 and 17	-	-	10,430	8,029
Others	-	-	-	41	461
Derivative financial instruments - NDF - Non Deliverable Forward	29	-	-	(6,347)	-
Write-off of right of use/leases	16	-	-	(2,742)	(232)
Payment of income tax and social contribution	-	-	-	(334,293)	(136,402)
(Increase) decrease in operating assets					
Trade receivables	8	-	-	(109,701)	(147,533)
Inventories	-	-	-	(35,012)	(2,547)
Tax and social security credits	-	(223)	(1,027)	15,715	(46,910)
Deferred acquisition costs	9	-	-	(310,445)	(223,932)
Deferred tax assets	-	-	-	(1,467)	(47,082)
Judicial and tax deposits	13	-	(46,236)	(199,337)	(81,881)
Other assets	-	(9,811)	75,699	(155,898)	(133,202)
Increase (decrease) in operating liabilities					
Trade payables	-	256	(477)	(79,446)	(128,798)
Salaries payable	-	35	11	92,053	43,462
Taxes and social charges payable	-	(443)	(480)	148,193	59,022
Technical reserves of healthcare operations	-	-	-	175,018	154,320
Provision for income tax and social contribution	-	-	-	(66,283)	-
Deferred tax liabilities	-	-	-	(1,428)	36,088
Provision for lawsuits	23	-	-	(43,137)	(42,418)
Other liabilities	-	117,414	77,660	187,256	16,620
Deferred purchase price	24	(66,231)	(77,660)	(66,231)	(77,660)
Net cash generated by (used in) operating activities		37,967	23,831	976,811	408,144

Notre Dame Intermédica Participações S.A.

Statements of cash flows (indirect method)

For the periods ended September 30, 2020 and 2019

(In thousands of reais, unless otherwise stated)

	Note	Parent		Consolidated	
		September 30		September 30	
		2020	2019	2020	2019
Short-term investments	7	-	(254,292)	(10,727,398)	(5,922,428)
Redemptions of short-term investments	7	-	559,853	10,438,986	5,813,494
Business combination	4	-	-	(2,877,029)	(1,296,024)
Acquisition of property, plant and equipment	15	-	-	(165,029)	(130,756)
Acquisition of intangible assets	-	-	-	(1,817)	(851)
Capital increase in subsidiary	14	(20,000)	(250,000)	-	-
Net cash generated by (used in) investing activities		(20,000)	55,561	(3,332,287)	(1,536,565)
Payment of interest on debentures	20	-	-	(86,247)	(64,840)
Amortization of debentures - principal	20	-	-	(1,020,000)	(120,000)
Capital increase	25	78,727	-	78,727	-
Repurchase of shares - share-based payment plan	-	-	-	(245,122)	-
Raising of loans and financing	19	-	-	1,174,419	-
Raising of debentures	20	-	-	750,000	1,682,720
Dividends paid	25.e	(100,569)	(79,342)	(100,569)	(79,342)
Leases paid - principal	16	-	-	(29,934)	(20,493)
Leases paid - interest	16	-	-	(33,122)	(26,245)
Loans and financing paid - principal	19	-	-	(247,297)	(94,942)
Loans and financing paid - interest	19	-	-	(8,964)	(14,257)
Net cash generated by (used in) financing activities		(21,842)	(79,342)	231,891	1,262,601
Increase (decrease) in cash and cash equivalents for the period		(3,875)	50	(2,123,585)	134,180
Cash and cash equivalents At beginning of period		133,881	37	3,514,439	136,834
Cash and cash equivalents At end of period		130,006	87	1,390,854	271,014

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

For the periods ended September 30, 2020 and 2019

(In thousands of reais, unless otherwise stated)

	Parent		Consolidated	
	September 30		September 30	
	2020	2019	2020	2019
Revenue	-	-	8,085,526	6,290,166
Sales of goods, products and services	-	-	8,151,752	6,311,718
Other income	-	-	16,981	31,935
Impairment on receivables - reversal/(recognition)	-	-	(83,207)	(53,487)
INPUTS PURCHASED FROM THIRD PARTIES	(3,197)	(3,485)	(5,858,822)	(4,947,401)
Cost of sales and services	-	-	(5,130,569)	(4,403,060)
Materials, electric power, outsourced services and others	(3,197)	(3,485)	(728,253)	(544,341)
GROSS VALUE ADDED	(3,197)	(3,485)	2,226,704	1,342,765
DEPRECIATION AND AMORTIZATION	-	-	(247,703)	(174,262)
NET VALUE ADDED GENERATED BY THE ENTITY	(3,197)	(3,485)	1,979,001	1,168,503
VALUE ADDED RECEIVED IN TRANSFER	636,704	364,481	102,833	114,526
Share of profit (loss) of subsidiaries	633,459	360,073	-	-
Finance income	3,245	4,408	108,585	114,526
Others	-	-	(5,752)	-
TOTAL VALUE ADDED FOR DISTRIBUTION	633,507	360,996	2,081,834	1,283,029
DISTRIBUTION OF VALUE ADDED	(633,507)	(360,996)	(2,081,834)	(1,283,029)
Personnel	(37,127)	(33,607)	(494,852)	(275,919)
Salaries and wages	(37,127)	(33,607)	(431,964)	(238,663)
Benefits	-	-	(31,861)	(20,389)
F.G.T.S. (Severance Pay Fund)	-	-	(31,027)	(16,867)
Taxes, fees and contributions	(481)	(425)	(802,602)	(470,699)
Federal	(461)	(413)	(668,974)	(372,820)
Municipal	(20)	(12)	(133,628)	(97,879)
Value distributed to providers of capital	(14,719)	(34,784)	(203,800)	(244,231)
Interest	(14,710)	(34,775)	(198,266)	(235,765)
Rentals	-	-	(4,815)	(7,119)
Others	(9)	(9)	(719)	(1,347)
Value distributed to shareholders	(581,180)	(292,180)	(580,580)	(292,180)
Retained earnings for the period	(581,180)	(292,180)	(581,180)	(292,180)
Noncontrolling interests on retained earnings	-	-	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, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

1. Operations

Notre Dame Intermédica Participações S.A. (hereinafter “Company”) is a publicly-held holding company in the “New Market” segment of B3 S.A. – Brasil, Bolsa, Balcão under ticker GNDI3, headquartered in São Paulo at Avenida Paulista, 867, Bela Vista and was incorporated on February 18, 2014. The Company engages in holding interests in other civil or commercial companies as a partner or shareholder.

The Company is the direct parent company of BCBF Participações S.A (“BCBF”), a publicly-held holding company, registered with the Securities and Exchange Commission of Brazil (“CVM”) in category “B”, Direct Parent Company of the companies of the Notre Dame Intermédica Group, which includes Notre Dame Intermédica Saúde S.A. (“Intermédica”), Hospital São Bernardo S.A., Mediplan Assistencial Ltda., Hospital Samaritano Ltda., Hospital e Maternidade Samaritano Ltda., Hospital Intermédica Jacarepaguá Ltda., São Lucas Saúde S.A., São Lucas Serviços Médicos Ltda., Clínica São Lucas Ltda., Clínica Médica Paranaense de Assistência Médica Ltda. (“Clinipam”), Centro de Diagnóstico Bom Jesus Ltda, Ônix Centro Médico Ltda, Hospital Ônix Mateus Leme Ltda, Odontopam Assistência Médica Odontológica Ltda., Gralha Azul Administração e Participação Ltda.,Ecole Serviços Médicos Ltda, Hospital do Coração de Balneário Camboriú Ltda., SMV- Serviços Médicos Ltda., Hospital e Maternidade Santa Mônica S.A., Incord - Instituto de Neurologia e do Coração de Divinópolis Ltda. and Bioimagem Diagnósticos por Imagem e Laboratório de Análises Clínicas Ltda. The Direct and Indirect Subsidiaries are privately held entities regulated or not by the Brazilian Regulatory Agency for Private Health Insurance and Plans (“ANS”) and are engaged in providing services in the fields of health and dental insurance, hospital and occupational medicine, covering the operation of hospitals, laboratories and own clinical centers through execution of healthcare contracts with individuals and legal entities, government or private entities and participations.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

2. Corporate restructuring transactions

a) Merger of Belo Dente Odontologia Ltda

At the Special General Meeting (SGM) held on April 1, 2020, the Explanatory record of merger was approved, for the merger of the company Belo Dente Odontologia Ltda into the subsidiary Notre Dame Intermédica Saúde S.A. The appraisal report on the net book value of the company was issued by an independent firm.

The merger occurred at April 1, 2020, with base date as of March 31, 2020, considering that the company belongs to the Notre Dame Intermédica Group and its purpose is to streamline and unify the administrative activities and achieve operational gains and synergy.

b) Merger of Hospital Nanci Ltda. & Cia e SMEDSJ – Serviços Médicos São José Ltda.

At the Special General Meeting (SGM) held on August 1, 2020, the Explanatory record of merger was approved, for the merger of the companies Hospital Nanci & Cia Ltda. and SMEDSJ - Serviços Médicos de São José Ltda. into the subsidiary Notre Dame Intermédica Saúde S.A. The appraisal reports on the net book values of the companies were issued by an independent firm.

The merger occurred at August 3rd, 2020, with base date as of July 31, 2020, considering that the companies belong to the Notre Dame Intermédica Group and its purpose is to streamline and unify the administrative activities and achieve operational gains and synergy.

c) Merger of Ghelfond Participações Ltda, Ultra Diagnóstico Ltda., Instituto Tomográfico de Guarulhos Ltda., Ecoimagem Diagnóstico por Ultra Som Ltda., Medix Diagnóstico Ltda., C & M Associados e Serviços Ltda., Slim Bem Estar e Saúde Clínica Médica Ltda. and Laboratório de Análises Clínicas - Labclin Ltda.

At the Special General Meeting (SGM) held on August 1, 2020, the Explanatory record of merger was approved, for the merger of the companies Ghelfond Participações Ltda, Ultra Diagnóstico Ltda., Instituto Tomográfico de Guarulhos Ltda., Ecoimagem Diagnóstico por Ultra Som Ltda., Medix Diagnóstico Ltda., C & M Associados e Serviços Ltda., Slim Bem Estar e Saúde Clínica Médica Ltda. and Laboratório de Análises Clínicas - Labclin Ltda. into company Dr. Ghelfond Diagnóstico Ltda. The appraisal reports on the net book values of the companies were issued by an independent firm.

The merger occurred at September 1, 2020, with base date as of August 31, 2020, considering that the companies belong to the Notre Dame Intermédica Group and its purpose is to streamline and unify the administrative activities and achieve operational gains and synergy.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

d) Merger of Dr. Ghelfond Diagnóstico Ltda.

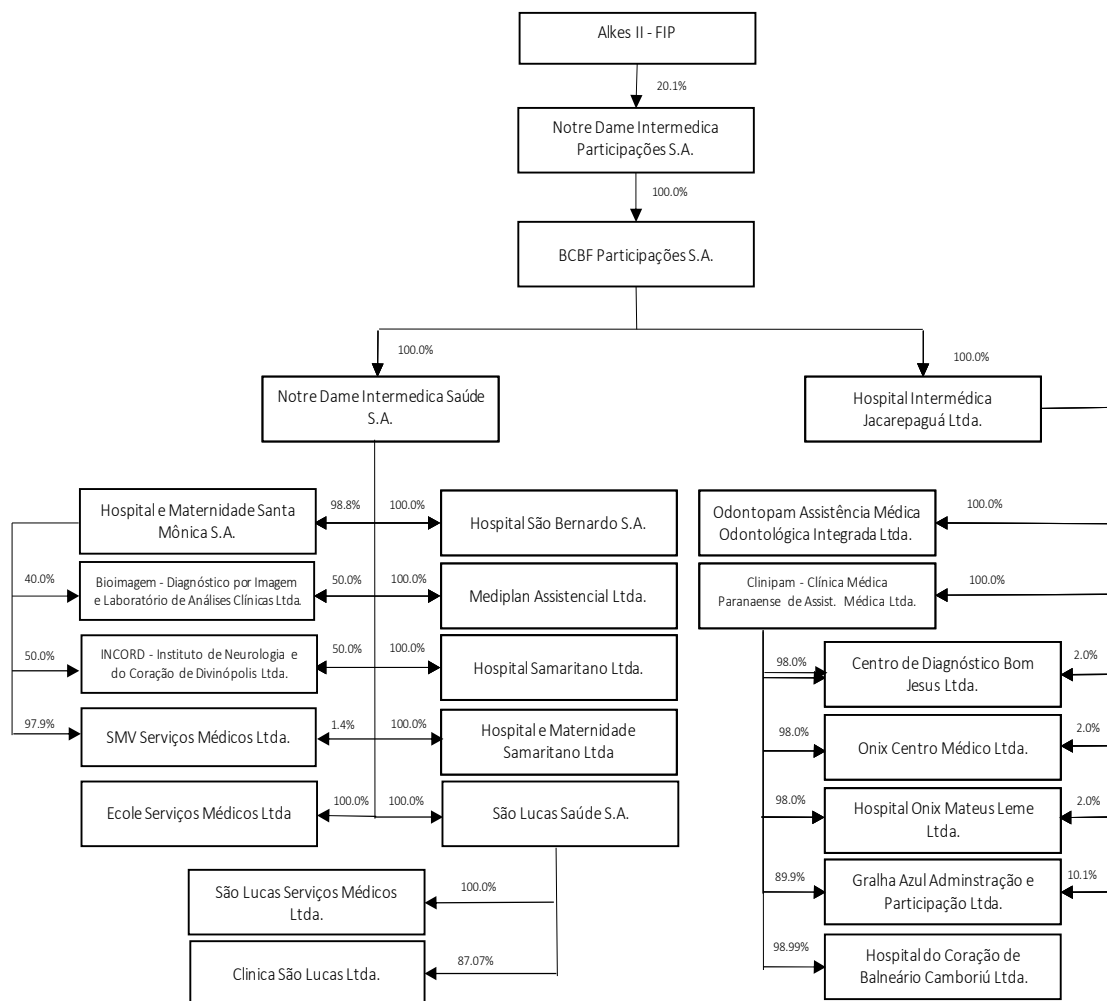
At the Special General Meeting (SGM) held on September 1, 2020, the Explanatory record of merger was approved, for the merger of the company Dr. Ghelfond Diagnóstico Ltda. into the subsidiary Notre Dame Intermédica Saúde S.A. The appraisal report on the net book value of the company was issued by an independent firm.

The merger occurred at September 1, 2020, with base date as of August 31, 2020, considering that the company belongs to the Notre Dame Intermédica Group and its purpose is to streamline and unify the administrative activities and achieve operational gains and synergy.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

a) The Company's ownership structure at September 30, 2020 is as follows:



Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

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

a) Statement of compliance

The individual and consolidated interim financial information has been prepared for the nine-month period ended September 30, 2020 in accordance with International Accounting Standard (“IAS”) 34 – “Interim Financial Reporting”, Accounting Pronouncement 21 (R1) – “CPC 21”, “Interim Financial Reporting” and the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Interim Financial Information, presenting information comparable with the prior period.

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.

At September 30, 2020, the Company reported negative Net Working Capital of R\$ 264,692 (negative R\$ 404,306 at December 31, 2019), due to the balance of related parties in current liabilities, however, this does not impair the business plan of the Parent Company and its subsidiaries.

The individual and consolidated interim financial information for the period ended September 30, 2020 was approved by the Board of Directors and authorized for issue on November 16, 2020.

b) Basis of consolidation

The consolidated interim financial information includes the financial information of the Company and its Subsidiaries as of September 30, 2020.

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 December 31, 2019 and approved on February 20, 2020, 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).

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

The subsidiaries included in the consolidation, all based in Brazil, are the following:

	Core activity	Reference	Equity interest			
			September 30, 2020		September 30, 2019	
			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		-	100.00%	-	100.00%
Hospital Intermédica Jacarepaguá Ltda.	Health		-	100.00%	-	100.00%
Mediplan Assistencial Ltda.	Healthcare plan		-	100.00%	-	100.00%
Hospital e Maternidade Samaritano Ltda.	Health		-	100.00%	-	100.00%
Hospital Samaritano Ltda.	Health		-	100.00%	-	100.00%
Belo Dente Odontologia Ltda.	Dental activities	(c)	-	100.00%	-	100.00%
SMEDJ - Serviços Médicos São José Ltda	Healthcare plan	(g)	-	100.00%	-	100.00%
Nanci & Cia Ltda.	Health	(g)	-	100.00%	-	100.00%
Ghelfond Participações S.A.	Holding company	(h)	-	100.00%	-	100.00%
C & M Associados e Serviços Ltda.	Laboratory	(h)	-	100.00%	-	100.00%
Ultra Diagnóstico Ltda.	Laboratory	(h)	-	100.00%	-	100.00%
Slim Bem Estar e Saúde Clínica Médica Ltda.	Laboratory	(h)	-	100.00%	-	100.00%
Dr. Ghelfond Diagnóstico Ltda.	Laboratory	(i)	-	100.00%	-	100.00%
Ecoimagem Diagnóstico por Ultra Som Ltda.	Laboratory	(h)	-	100.00%	-	100.00%
Instituto Tomográfico de Guarulhos Ltda.	Laboratory	(h)	-	100.00%	-	100.00%
Medix Diagnóstico Ltda.	Laboratory	(h)	-	100.00%	-	100.00%
São Lucas Saúde S.A.	Healthcare plan	(a)	-	100.00%	-	-
São Lucas Serviços Médicos Ltda.	Health	(a)	-	100.00%	-	-
Clínica São Lucas Ltda.	Health	(a)	-	87.07%	-	-
Clinipam - Clínica Médica Paranaense de Assistência Médica Ltda.	Healthcare plan	(b)	-	100.00%	-	-
Centro De Diagnóstico Bom Jesus Ltda.	Laboratory	(b)	-	100.00%	-	-
Ônix Centro Médico Ltda.	Health	(b)	-	100.00%	-	-
Hospital Ônix Mateus Leme Ltda.	Health	(b)	-	100.00%	-	-
Gralha Azul Administração E Participação Ltda.	Holding company	(b)	-	100.00%	-	-
Odontopam Assistência Médica Odontológica Integrada Ltda.	Dental activities	(b)	-	100.00%	-	-
Ecole Serviços Médicos Ltda.	Healthcare plan	(d)	-	100.00%	-	-
Laboratório de Análises Clínicas - Labclin Ltda.	Laboratory	(e/h)	-	100.00%	-	-
Hospital do Coração de Balmédrio Camboriú Ltda.	Health	(f)	-	98.99%	-	-
SM V- Serviços Médicos Ltda.	Healthcare plan	(j)	-	99.30%	-	-
Hospital e Maternidade Santa Mônica S.A.	Health	(j)	-	100.00%	-	-
Incord - Instituto de Neurologia e de Coração de Divinópolis Ltda.	Laboratory	(j)	-	100.00%	-	-
Bioimagem Diagnósticos por Imagem e Laboratório de Análises Clínicas Ltda.	Laboratory	(j)	-	90.00%	-	-

(a) Company acquired by Notre Dame Intermédica Saúde S.A. on January 23, 2020 (note 4.2).

(b) Company acquired by Hospital Intermédica Jacarepaguá Ltda. on February 7, 2020 (note 4.1).

(c) Company merged into Notre Dame Intermédica Saúde S.A. on April 1, 2020 (note 2.b).

(d) Company acquired by Notre Dame Intermédica Saúde S.A. on April 13, 2020 (note 4.3).

(e) Company acquired by Dr. Ghelfond Diagnósticos Ltda. on April 13, 2020, (note 4.4).

(f) Company acquired by Clinipam - Clínica Médica Paranaense de Assistência Médica Ltda. on May 20, 2020 (note 4.5).

(g) Company merged into Notre Dame Intermédica Saúde S.A. on August 3, 2020 (note 2.b).

(h) Company merged into Dr. Ghelfond Diagnósticos Ltda. on September 1, 2020, (note 2.c).

(i) Company merged into Notre Dame Intermédica Saúde S.A. on September 1, 2020 (note 2.d).

(j) Company acquired by Notre Dame Intermédica Saúde S.A. on August 24, 2020 (note 4.6).

c) Coronavirus Pandemic – COVID 19

In compliance with CVM-SNC/SEP Circular 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 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.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

As previously disclosed, as the deceleration process occurred with greater intensity as from the last 10 days of March, we had not identified any unusual changes in operating results or cash flow of the first quarter of 2020.

However, when analyzing the behavior of the main operating and financial indicators in the second quarter of 2020, when the social distancing measures were in full effect (mainly in the States of São Paulo and Rio de Janeiro, where a significant part of our activities are concentrated), we identified impacts that generated a positive effect on the results of our operations as described in Note 3.c. to the Interim Financial Information for the period ended June 30, 2020.

During the third quarter of 2020, we verified that some movements continued to occur, although with impacts significantly lower than those verified in the second quarter since, as we had already foreseen, we noted a growing trend toward the resumption to normal activities in various medical activities.

Below we describe the impacts measured for the third quarter:

Hospital services for other healthcare plans:

From July to September 2020, we have noticed a reduction in healthcare services for customers from other healthcare plans, partially influenced by a market movement caused by the postponement of elective procedures, but also 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 allowed the opening of the capacity of hospital beds and, mainly, ICUs that were progressively filled with our patients with suspect or confirmed COVID.

Since July the utilization of our services has grown month by month, with the resumption of surgery agendas and the release of hospital beds that are no longer necessary for cases of COVID.

Health and dental care cost:

Based on our main historical operating indicators, adjusted for the seasonality of this time of the year, we continue to notice lower use by our beneficiaries of certain health and dental procedures, notably in outpatient care. However, with the gradual resumption to normal activities, the use of these procedures reports growth when compared with the second quarter of 2020.

Mark-to-market - financial assets:

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

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

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 Regulatory Agency for Private Health Insurance and Plans backing purposes, was significantly reduced.

Risk related to impairment of property, plant and equipment/intangible assets:

During the period, the Company reviewed the assumptions used in the last Report on "Impairment of assets" as of September 30, 2019, updating the revenue and cost indicators, and concluded that the cash generating unit does not present an indication of impairment.

Risk of inventory losses:

The Company and its subsidiaries maintain an average turnover of medicines inventory of 1.5 months, and have a very strict control over the expiration dates. With the reduction in medical services, specially surgeries, there was a decrease in use of medicines, but this did not impact the expiration of the batches. With the gradual resumption of medical services, our inventory levels have returned to normal and we have not identified any losses.

Risk of going concern:

With the flexibilization measures being adopted in the states of São Paulo and Rio de Janeiro, we continue to note an increase in demand for outpatient care, which should be close to our historical average in the third quarter of 2020. Concurrently, we have seen a consistent drop in care for patients with symptoms of COVID-19 in all regions in which we operate.

We believe that this return to historical parameters regarding use of health and dental care services will happen gradually. The real impacts of these current trends are impossible to quantify as they will depend not only (i) on the evolution of the disease curve itself, (ii) on new treatment protocols for COVID patients who may require new medications, but mainly on measures that come to be implemented by governments, which will be able to affect not only (iii) the speed of spread of the virus, but also (iv) 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 interim financial information, we had not identified any increase in default by our customers or requests for cancellation or modification of contracts, even though maintenance of the adverse macroeconomic scenario may

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

continue to affect employment level in the country and, consequently, the number of private health care plan beneficiaries in Brazil.

We believe that because we are offering essential health services – especially in times of a pandemic – we did not experience an impact on credit risk, except for some occasional negotiations with certain customers, whereby there has been deferral of monthly payments by them, which has already been recognized as described in Note 8.

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 our position of cash and cash equivalents of R\$ 1,390,854 and non-restricted financial investments of R\$ 844,508, net of the restricted investments mentioned in Note 5, both as at September 30, 2020, as mentioned in Notes 6 and 7, respectively, represent immediate liquidity assets, while our debt commitments have an average maturity of 4 years of gross debt, as described in Note 19 and 20.

The Company, through its subsidiaries BCBF and Notre Dame Intermédica Saúde, has debentures that contain financial covenants, the main example being related to the maintenance of the relationship between net debt and EBITDA - Earnings before interest, taxes, depreciation and amortization, measured every three months. At September 30, 2020, BCBF and Notre Dame Intermédica Saúde were in compliance with the covenants.

The extent to which COVID-19 will affect the business, the financial position, 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 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.

d) Statement of value added (DVA)

The statement of value added is not required by the IFRS, and is presented in compliance with accounting practices adopted in Brazil as supplementary information to the IFRS.

e) Functional and presentation currency

The individual and consolidated interim financial information is presented in Reais (R\$), which is the functional currency of the Company and its Subsidiaries.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

f) Significant accounting policies

Significant accounting policies adopted by the Company when preparing its individual and consolidated interim financial information are consistent with those adopted and disclosed in Note 4 to the financial statements for the year ended December 31, 2019 and therefore should be read together therewith. Except for the policy regarding the recognition and measurement of Income Tax in the interim period, as described in Note 10a.

4. Business combination

4.1. Acquisition of Clinipam Group

On February 7, 2020, the Notre Dame Intermédica Group completed the acquisition of the Clinipam Group and took over control of the companies Clinipam - Clínica Médica Paranaense de Assistência Médica Ltda., Centro de Diagnóstico Bom Jesus Ltda., Ônix Centro Médico Ltda., Hospital Ônix Mateus Leme Ltda., Gralha Azul Administração e Participação Ltda. and Odontopam Assistência Médica Odontológica Ltda.

The purchase price was R\$ 2,642,343 as per the contract signed on February 7, 2020; being a cash installment of R\$ 2,452,343 divided into a cash payment of R\$ 2,210,000 and a payment with 3,365,870 Company shares equivalent to R\$ 242,343. Additionally, there was an interim portion withheld of R\$ 40,000, which was fully paid by its subsidiary, and a remaining installment of R\$ 150,000 to be paid by February 7, 2026, with interim payments as from the second anniversary. The purpose of the interim portion withheld is to cover any contingencies arising from the period prior to the closing date, pursuant to the contractual clause.

As required by CPC 15 (R1) - Business Combination, the Company provided through an independent firm the identification report for the tangible and intangible assets on the acquisition of the Clinipam Group.

The appraisal report is preliminary and its measurement ends as soon as the Company obtains the information that it was seeking about facts and circumstances existing at the acquisition date. However, the measurement period will not exceed one year from the acquisition date.

Cash	2,452,343
Interim installment	40,000
Portion withheld	150,000
Consideration, net	2,642,343

On January 14, 2020, the Brazilian Regulatory Agency for Private Health Insurance and Plans (ANS) approved the acquisition of the Clinipam Group through Directive Release No. 1/2020/ASSNT-DIOPE/DIRAD-DIOPE/DIOPE.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

On January 3, 2020, the transaction had been approved by the Brazilian Antitrust Authority (CADE) through merger review process No. 08700.005661/2019-64.

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

Assets	
Current	149,464
Cash and cash equivalents	11,244
Short-term investments	78,066
Trade receivables	57,762
Inventories	6
Tax and social security credits	2
Other current assets	2,384
Noncurrent	406,168
Deferred tax assets	26,473
Judicial deposits	28,787
Property, plant and equipment ¹	155,057
Right of use	4,380
Intangible assets ²	124,117
Indemnity assets	67,354
Total assets	555,632

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

Liabilities	
Current	136,935
Trade payables	10,620
Salaries payable	6,828
Taxes and social charges payable	7,602
Loans and financing	1,302
Provision for income tax and social contribution	5,524
Technical reserves of healthcare operations	99,803
Leases	1,811
Other current liabilities	3,445
Non-current	55,084
Loans and financing	945
Technical reserves of healthcare operations	26,970
Provision for lawsuits	22,418
Leases	2,954
Other noncurrent liabilities	1,797
Total liabilities	192,019
Total assets/liabilities acquired	363,613
Goodwill arising on transaction	2,278,730
Total consideration, net	2,642,343

¹ Property, plant and equipment – For the property, plant and equipment items acquired in the Business Combination for R\$ 91,675, the appraisal report on tangible and intangible assets identified a surplus of R\$ 63,382. The fair value of property, plant and equipment items on the acquisition date was R\$ 155,057.

² Intangible assets – For the intangible assets acquired in the Business Combination for R\$ 5,311, the appraisal report on tangible and intangible assets identified a surplus of R\$ 118,806. The fair value of intangible assets on the acquisition date was R\$ 124,117.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

The Company identified the allocation of tangible and intangible assets on the acquisition of Clinipam Group (business combination) measured at fair value, according to the appraisal report issued by an independent firm. The preliminary allocations are:

	Valuation method	Clinipam Group
Customers portfolio	Income method	118,806
Property, plant and equipment	Market value	63,382
Goodwill	Fair value	2,278,730

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

Intangible assets	Intangible assets amount allocated	Useful life
Customers portfolio	118,806	2 to 7 years
Total allocated	118,806	
Goodwill not allocated	2,278,730	Indefinite
Total intangible assets	2,397,536	

As defined in the shareholders' agreement, all contingencies relating to periods previous to the execution of the 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 justified by the values of assets acquired and expected future profitability from the synergy generated by the Notre Dame Intermédica Group activity.

Revenue recognized in the consolidated statement of profit or loss includes revenues generated by the Clinipam Group of R\$ 600,281. The Clinipam Group also contributed with net profit of R\$ 65,608.

Had the Clinipam Group been consolidated as of January 1, 2020, the consolidated statement of profit or loss would have presented pro forma net revenue of R\$ 682,988 and pro forma net profit of R\$ 74,141. This information on net revenue and profit or loss was obtained by simply aggregating the amounts of the acquired and acquiring companies and does not represent the consolidated actual amounts for the year.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

4.2. Acquisition of São Lucas Group

On January 23, 2020, the Notre Dame Intermédica Group completed the acquisition of the São Lucas Group and took over control of the companies São Lucas Saúde S.A., São Lucas Serviços Médicos Ltda and Clínica São Lucas.

The purchase price was R\$ 376,849 as per the transaction closing agreement signed on January 23, and paid as follows: a cash installment of R\$ 306,849, an intermediary installment of R\$ 20,000 to be settled within 90 days from the closing date, and a portion of R\$ 50,000 will remain withheld until January 23, 2026 to cover contingencies arising from the period prior to the closing date as determined in a contractual clause.

The appraisal report is preliminary and its measurement ends as soon as the Company obtains the information that it was seeking about facts and circumstances existing at the acquisition date. However, the measurement period will not exceed one year from the acquisition date.

Cash	306,849
Intermediary installment	20,000
Portion withheld ¹	50,000
Total consideration	376,849
Present value adjustment on portion withheld	(5,626)
Consideration, net	371,223

As required by CPC 15 (R1) - Business Combination, the Company provided through an independent firm the identification report for the tangible and intangible assets on the acquisition of the São Lucas Group.

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

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

Assets	
Current	70,861
Cash and cash equivalents	9,417
Short-term investments	53,147
Trade receivables	6,077
Inventories	1,845
Tax and social security credits	83
Other current assets	292
Noncurrent	168,645
Deferred tax assets	10,953
Judicial deposits	120
Other noncurrent assets	3,878
Investments	420
Property, plant and equipment ²	27,109
Right of use	3,944
Intangible assets ³	109,482
Indemnity assets	12,739
Total assets	239,506

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

Liabilities	
Current	36,285
Trade payables	552
Salaries payable	3,060
Taxes and social charges payable	2,740
Loans and financing	402
Provision for income tax and social contribution	1,564
Technical reserves of healthcare operations	21,288
Leases	251
Other current liabilities	6,428
Non-current	36,456
Technical reserves of healthcare operations	406
Deferred tax liabilities	104
Provision for lawsuits	12,166
Leases	3,840
Other noncurrent liabilities	18,973
Non-controlling interests	967
Total liabilities	72,741
Total assets/liabilities acquired	166,765
Goodwill arising on transaction	204,458
Total consideration, net	371,223

¹ Portion withheld – the contract establishes that a portion of the purchase price will be withheld for a 6-year period as from the closing date in order to guarantee the obligations to compensate the seller, which is expected to be fully or partially released. The amount will be restated by reference to the Selic variation. This portion has been adjusted to present value to better reflect the rates consistently with those prevailing in the market considering the Group's economic conditions.

² Property, plant and equipment – for the property, plant and equipment items acquired in the Business Combination for R\$ 20,752, the appraisal report on tangible and intangible assets identified a surplus of R\$ 6,357. The fair value of property, plant and equipment items on the acquisition date was R\$ 27,109.

³ Intangible assets – For the intangible assets acquired in the Business Combination for R\$ 73, the appraisal report on tangible and intangible assets identified a surplus of R\$ 109,409. The fair value of intangible assets on the acquisition date was R\$ 109,482.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

The Company identified the allocation of tangible and intangible assets on the acquisition of the São Lucas Group (business combination), measured at fair value, according to the appraisal report issued by an independent firm. The preliminary allocations are:

	Valuation method	São Lucas Group
Customers portfolio	Income method	109,409
Property, plant and equipment	Market value	6,357
Goodwill	Fair value	204,458

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

Intangible assets	Intangible assets amount at	Useful life
Customers portfolio	109,409	9 to 12 years
Total allocated	109,409	
Goodwill not allocated	204,458	Indefinite
Total intangible assets	313,867	

As defined in the shareholders' agreement, all contingencies relating to periods previous to the execution of the 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 justified by the values of assets acquired and expected future profitability from the synergy generated by the Notre Dame Intermédica Group activity.

The São Lucas Group was consolidated as of January 1, 2020. The amount recognized in the financial information for the period includes net revenue of R\$221,668, of which R\$ 217,134 is represented by 87.07% of the Company and R\$ 4,534 is represented by 12.93% distributed to non-controlling shareholders, and net profit of R\$ 16,597 represented by 87.07% of the Company, for the same period.

4.3. Acquisition of Ecole Serviços Médicos Ltda

On April 13, 2020, the Notre Dame Intermédica Group concluded the acquisition of Ecole Serviços Médicos Ltda. and took control of the company.

The purchase price was R\$ 49,000, according to the closing term, with a cash payment of R\$ 37,750, with a portion withheld until May 13, 2026 in the amount of R\$11,250 to cover any contingencies arising from the period preceding the closing date as determined in a contractual clause.

The appraisal report is preliminary and its measurement ends as soon as the Company obtains full information about facts and circumstances existing at the acquisition date.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

However, the measurement period will not exceed one year from the acquisition date.

Cash	37,750
Portion withheld ¹	11,250
Total consideration	49,000
Present value adjustment on portion withheld	(1,659)
Consideration, net	47,341

On March 17, 2020, the Brazilian Regulatory Agency for Private Health Insurance and Plans (ANS) approved the acquisition through Official Letter 28/2020 / ASSNT-DIOPE / DIRAD-DIOPE / DIOPE.

As required by CPC 15 (R1) - Business Combination, the Company provided through an independent firm the identification report for the tangible and intangible assets on the acquisition of the Ecole.

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

Assets	
Current	21,219
Cash and cash equivalents	432
Short-term investments	13,834
Trade receivables	6,141
Tax and social security credits	143
Other current assets	669
Noncurrent	19,438
Deferred tax assets	530
Property, plant and equipment ²	229
Right of use	1,699
Intangible assets ³	14,137
Indemnity assets	2,843
Total assets	40,657

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

Liabilities	
Current	22,870
Trade payables	1,217
Salaries payable	447
Taxes and social charges payable	547
Provision for income tax and social contribution	61
Technical reserves of healthcare operations	18,376
Leases	691
Other current liabilities	1,531
Non-current	4,951
Technical reserves of healthcare operations	2,328
Provision for lawsuits	925
Leases	1,137
Other noncurrent liabilities	561
Total liabilities	27,821
Total assets/liabilities acquired	12,836
Goodwill arising on transaction	34,505
Total consideration, net	47,341

¹ Portion withheld – the contract establishes that a portion of the purchase price will be withheld for a 6-year period as from the closing date in order to guarantee the obligations to compensate the seller, which is expected to be fully or partially released. The amount will be restated by reference to the CDI variation. This portion has been adjusted to present value to better reflect the rates consistently with those prevailing in the market considering the Group's economic conditions.

² Property, plant and equipment – the appraisal report on tangible and intangible assets identified a surplus of R\$ 229. The fair value of property, plant and equipment items on the acquisition date was R\$ 229.

³ Intangible assets – the appraisal report on tangible and intangible assets identified a surplus of the customer portfolio of R\$ 14,137. The fair value of intangible assets on the acquisition date was R\$ 14,137.

The Company identified the allocation of tangible and intangible assets on the acquisition of the Ecole Operator (business combination) measured at fair value, according to the appraisal report issued by an independent firm. The preliminary allocations are:

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

	Valuation method	Ecole
Customers portfolio	Income method	14,137
Property, plant and equipment	Market value	229
Goodwill	Fair value	34,505

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

Intangible assets	Intangible assets amount allocated	Useful life
Customers portfolio	14,137	6 to 7 years
Total allocated	14,137	
Goodwill not allocated	34,505	Indefinite
Total intangible assets	48,642	

As defined in the shareholders' agreement, all contingencies relating to periods previous to the execution of the 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 justified by the values of assets acquired and expected future profitability from the synergy generated by the Notre Dame Intermédica Group activity.

Revenue recognized in the consolidated statement of profit or loss includes revenues generated by the Ecole Operator of R\$ 42,514. The Operator also contributed with net profit of R\$ 89.

Had the Ecole Operator been consolidated as of January 1, 2020, the consolidated statement of profit or loss would have presented pro forma net revenue of R\$ 64,508 and pro forma net profit of R\$ 310. This information on net revenue and profit or loss was obtained by simply aggregating the amounts of the acquired and acquiring companies and does not represent the consolidated actual amounts for the year.

4.4. Acquisition of Laboratório de Análises Clínicas Lab-Clin LTDA.

On April 13, 2020, the Notre Dame Intermédica Group concluded the acquisition of Laboratório de Análises Clínicas Lab-Clin Ltda. and took over the control of the company.

The purchase price was R\$ 7,443, and the payment was made in cash according to the closing term.

The appraisal report is preliminary and its measurement ends as soon as the Company obtains the information that it was seeking about facts and circumstances existing at the acquisition date. However, the measurement period will not exceed one year from the acquisition date.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

Cash	7,443
Total consideration	<u>7,443</u>

As required by CPC 15 (R1) - Business Combination, the Company provided through an independent firm the identification report for the tangible and intangible assets on the acquisition of Lab-Clin.

The table below summarizes the consideration paid to acquire the company Laboratório de Análises Clínicas Lab-Clin Ltda. and the fair value of identifiable assets and liabilities at the acquisition date:

Assets	
Current	<u>1,372</u>
Cash and cash equivalents	66
Short-term investments	1,227
Trade receivables	29
Other current assets	50
Noncurrent	<u>3,478</u>
Deferred tax assets	1,636
Property, plant and equipment ¹	1,008
Right of use	834
Total assets	<u>4,850</u>

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

Liabilities	
Current	1,201
Trade payables	87
Salaries payable	417
Taxes and social charges payable	109
Provision for income tax and social contribution	18
Leases	201
Other current liabilities	369
Non-current	678
Leases	678
Total liabilities	1,879
Total assets/liabilities acquired	2,971
Goodwill arising on transaction	4,472
Total consideration, net	7,443

¹ Property, plant and equipment – for the property, plant and equipment items acquired in the Business Combination for R\$ 303, the appraisal report on tangible and intangible assets identified a surplus of R\$ 705. The fair value of property, plant and equipment items on the acquisition date was R\$ 1,008.

The Company identified the allocation of tangible and intangible assets in the acquisition of Lab-Clin (business combination) measured at fair value, according to the appraisal report issued by an independent firm. The preliminary allocations are:

	Valuation method	Lab-clin
Property, plant and equipment	Market value	705
Goodwill	Fair value	4,472

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

Intangible assets	Intangible assets amount a	Useful life
Goodwill not allocated	4,472	Indefinite
Total intangible assets	4,472	

As defined in the shareholders' agreement, all contingencies relating to periods previous to the execution of the 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.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

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

Revenue recognized in the consolidated statement of profit or loss includes revenues generated by Lab-Clin of R\$ 4,125. Lab-Clin also contributed with net profit of R\$ 858.

Had Lab-Clin been consolidated as of January 1, 2020, the consolidated statement of profit or loss would have presented pro forma net revenue of R\$ 7,274 and pro forma net profit of R\$ 1,303. This information on net revenue and profit or loss was obtained by simply aggregating the amounts of the acquired and acquiring companies and does not represent the consolidated actual amounts for the year.

4.5. Acquisition of Hospital do Coração de Balneário Camboriú Ltda.

On May 20, 2020, the Notre Dame Intermédica Group concluded the acquisition of Hospital do Coração de Balneário Camboriú Ltda. and took over the control of the company.

The purchase price was R\$ 65,710, according to the closing term, with a cash payment of R\$ 32,000, an intermediary installment of R\$ 20,000 and with a portion withheld until May 2026 in the amount of R\$ 13,710 to cover any contingencies arising from the period preceding the closing date as determined in a contractual clause.

The appraisal report is preliminary and its measurement ends as soon as the Company obtains the information that it was seeking about facts and circumstances existing at the acquisition date. However, the measurement period will not exceed one year from the acquisition date.

Cash	32,000
Intermediary installment	20,000
Portion withheld ¹	13,710
Total consideration	65,710
Present value adjustment	(1,986)
	63,724

As required by CPC 15 (R1) - Business Combination, the Company provided through an independent firm the identification report for the tangible and intangible assets on the acquisition of Hospital Camboriú.

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

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

Assets	
Current	4,967
Cash and cash equivalents	50
Trade receivables	4,223
Inventories	586
Tax and social security credits	108
Noncurrent	27,353
Deferred tax assets	233
Investments	16
Property, plant and equipment ²	26,269
Right of use	247
Intangible assets	588
Total assets	32,320
Liabilities	
Current	14,152
Trade payables	4,936
Salaries payable	1,963
Taxes and social charges payable	2,754
Loans and financing	3,608
Leases	157
Other current liabilities	734
Non-current	16,146
Taxes and social charges payable	8,454
Loans and financing	1,650
Deferred tax liabilities	1,324
Provision for lawsuits	588
Leases	140
Other noncurrent liabilities	3,990
Total liabilities	30,298
Total assets/liabilities acquired	2,022
Goodwill arising on transaction	61,702
Total consideration, net	63,724

¹ Portion withheld – the contract establishes that a portion of the purchase price will be withheld for a 6-year period as from the closing date in order to guarantee the obligations to compensate the seller, which is expected to be fully or partially released. The amount will be restated by reference to the CDI variation. This portion has been adjusted to present value to better reflect the rates consistently with those prevailing in the market considering the Group's economic conditions.

² Property, plant and equipment – For the property, plant and equipment items acquired in the Business Combination for R\$ 16,750 the appraisal report on tangible and intangible assets identified a surplus of R\$ 9,519. The fair value of property, plant and equipment items on the acquisition date was R\$ 26,269.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

The Company identified the allocation of tangible and intangible assets on the acquisition of Hospital Camboriú (business combination) measured at fair value, according to the appraisal report issued by an independent firm, the preliminary allocations are:

	<u>Valuation method</u>	<u>Hospital Camboriú</u>
Property, plant and equipment	Market value	9,519
Goodwill	Fair value	61,072

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

<u>Intangible assets</u>	<u>Intangible assets amount a</u>	<u>Useful life</u>
Goodwill not allocated	61,072	Indefinite
Total intangible assets	<u>61,072</u>	

As defined in the shareholders' agreement, all contingencies relating to periods previous to the execution of the 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 justified by the values of assets acquired and expected future profitability from the synergy generated by the Notre Dame Intermédica Group activity.

Revenue recognized in the consolidated statement of profit or loss includes revenues generated by Hospital Camboriú of R\$ 17,790 of which R\$ 17,610 is represented by 98.99% of the Company and R\$ 180 is represented by 1.01% distributed to non-controlling shareholders. The hospital also contributed with a net loss of R\$ 1,089, of which R\$ 1,078 is represented by 98.99% of the Company and R\$ 11 represented by 1.01% distributed to non-controlling shareholders.

Had Hospital Camboriú been consolidated as of January 1, 2020, the consolidated statement of profit or loss would have presented pro forma net revenue of R\$ 29,756, of which R\$ 29,455 is represented by 98.99% of the Company and R\$ 301 represented by 1.01% distributed to non-controlling shareholders; and pro forma net loss of R\$ 3,361, of which R\$ 3,327 is represented by 98.99% of the Company and R\$ 34 is represented by 1.01% distributed to non-controlling shareholders. This information on net revenue and profit or loss was obtained by simply aggregating the amounts of the acquired and acquiring companies and does not represent the consolidated actual amounts for the year.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

4.6. Acquisition of Santa Mônica Group

On August 24, 2020, Notre Dame Intermédica Group completed the acquisition of Santa Mônica Group and obtained control of companies SMV Serviços Médicos Ltda., Hospital e Maternidade Santa Mônica S.A., Incord – Instituto de Neurologia e do Coração de Divinópolis Ltda. and Bioimagem Diagnósticos por Imagem e Laboratório de Análises Clínicas Ltda.

The purchase price was R\$ 220,306, according to the closing term, with a cash payment of R\$ 97,366, and a net debt to be discounted from the transaction price amounting to R\$ 14,088, with a remaining amount of R\$ 108,851 payable in 6 annual installments as determined in a contractual clause.

The appraisal report is preliminary and its measurement ends as soon as the Company obtains the information that it was seeking about facts and circumstances existing at the acquisition date. However, the measurement period will not exceed one year from the acquisition date.

Cash	97,366
Portion withheld ¹	108,851
Total consideration	206,217
Present value adjustment	(15,848)
Net consideration	190,369

As required by CPC 15 (R1) - Business Combination, the Company provided through an independent firm the identification report for the tangible and intangible assets on the acquisition of Santa Mônica Group.

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

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

September 30, 2020 and December 31, 2019

(In thousands of reais, unless otherwise stated)

Assets	
Current	29,377
Cash and cash equivalents	3,170
Short-term investments	18,719
Trade receivables	3,466
Inventories	1,864
Other current assets	2,158
Noncurrent	96,897
Deferred tax assets	17
Judicial deposits	3,787
Investment	5
Property, plant and equipment ²	80,864
Right of use	554
Intangible assets ³	6,733
Indemnity assets	4,937
Total assets	126,274

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

Liabilities	
Current	52,484
Trade payables	4,041
Salaries payable	3,945
Taxes and social charges payable	3,467
Loans and financing	22,669
Provision for income tax and social contributic	983
Technical reserves of healthcare operations	8,865
Leases	368
Other current liabilities	8,146
Non-current	8,568
Taxes and social charges payable	222
Loans and financing	4,323
Technical reserves of healthcare operations	2,612
Provision for lawsuits	1,279
Leases	210
Non-controlling interests	(78)
Total liabilities	61,052
Total assets/liabilities acquired	65,222
Goodwill arising on transaction	125,147
Total consideration, net	190,369

¹ Portion withheld – the contract establishes that portions of the purchase with annual maturities will be withheld for a 6-year period as from the closing date in order to guarantee the obligations to compensate the seller, which is expected to be partially released. The amount will be restated by reference to the CDI variation. This portion has been adjusted to present value to better reflect the rates consistently with those prevailing in the market considering the Group's economic conditions.

² Property, plant and equipment – for the property, plant and equipment items acquired in the Business Combination for R\$ 58,044, the appraisal report on tangible and intangible assets identified a surplus of R\$ 22,820. The fair value of property, plant and equipment items on the acquisition date was R\$ 80,864.

³ Intangible assets – For the intangible assets acquired in the Business Combination for R\$ 27, the appraisal report on tangible and intangible assets identified a surplus of R\$ 6,706. The fair value of intangible assets on the acquisition date was R\$ 6,733.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

The Company identified the allocation of tangible and intangible assets on the acquisition of the Santa Mônica Group (business combination), measured at fair value, according to the appraisal report issued by an independent firm. The preliminary allocations are:

	Valuation method	Santa Mônica Group
Customers portfolio	Income method	6,706
Property, plant and equipment	Market value	22,820
Goodwill	Fair value	125,147

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

Intangible assets	Intangible assets amount allocated	Useful life
Customers portfolio	6,706	2 to 3 years
Total allocated	6,706	
Goodwill not allocated	125,147	Indefinite
Total intangible assets	131,853	

As defined in the shareholders' agreement, all contingencies relating to periods previous to the execution of the 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 justified by the values of assets acquired and expected future profitability from the synergy generated by the Notre Dame Intermédica Group activity.

Revenue recognized in the consolidated statement of profit or loss includes revenues generated by the Santa Mônica Group of R\$ 23,439 and net profit of R\$ 646.

Had the Santa Mônica Group been consolidated as of January 1, 2020, the consolidated statement of profit or loss would have presented pro forma net revenue of R\$ 61,821 and pro forma net profit of R\$ 10,423. This information on net revenue and profit or loss was obtained by simply aggregating the amounts of the acquired and acquiring companies and does not represent the consolidated actual amounts for the year.

5. 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.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

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 investments directly in government securities or low-risk investments in first-tier banks, also considering internal rating criteria and limits established based on qualitative and quantitative information.

The investment policy requires the need to allocate resources in accordance with ANS Normative Resolution (RN) No. 392/15, amended by ANS NR 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.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

b.1 Liquidity risk management

Liquidity	Short-term investments	September 30, 2020		Consolidated December 31, 2019	
		Amount	% portfolio	Amount	% portfolio
Immediate	Cash and cash equivalents	1,321,966	42.06%	3,463,917	72.94%
From 31 to 120 days	Bank certificate of deposit - CDB - variable rates, repo debentures, open-ended fixed income funds and other	652,855	21.04%	95,096	2.00%
From 31 to 120 days	Financial bills - LF	-	-	170,231	3.58%
From 121 to 240 days	Bank certificate of deposit - CDB - variable rates, repo debentures, open-ended fixed income funds and other	66,758	2.15%	230,726	4.86%
From 241 to 360 days	Financial treasury bills - LFT	19,336	0.63%	26,175	0.55%
From 241 to 360 days	Bank certificate of deposit - CDB - variable rates, repo debentures, open-ended fixed income funds and other	367,769	11.85%	529,691	11.15%
From 241 to 360 days	Financial bills - LF	-	-	21,682	0.46%
More than 361 days	Bank certificate of deposit - CDB - variable rates, repo debentures, open-ended fixed income funds and other	189,234	6.10%	1,034	0.03%
More than 361 days	National treasury bills - LTN	224,775	7.24%	112,451	2.37%
More than 361 days	Financial treasury bills - LFT	80,193	2.58%	98,040	2.06%
More than 361 days	Financial bills - LF	180,398	5.81%	-	-
		3,103,284	100%	4,749,043	100%

In accordance with ANS Normative Resolution No. 392/15, amended by RN Nos. 419/16, 427/17, 430/17 and 448/20, subsidiaries Notre Dame Intermédica Saúde S.A, Mediplan Assistência Ltda, São Lucas Saúde S.A., Clinipam – Clínica Médica Paranaense de Assistência Médica Ltda, Ecole Serviços Médicos and SMV- Serviços Médicos Ltda., maintain restricted investments for the coverage of technical reserves, amounting to R\$ 936,810 at September 30, 2020 (R\$ 678,595 at December 31, 2019).

b.2 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

Short-term investments

The Company and its Subsidiaries' exposure to the currency risk affects mainly short- and long-term investments in foreign exchange funds. Foreign exchange differences may also affect the Company and its Subsidiaries' finance income (costs) due to the variation of the foreign currency to which the investment refers. Subsidiary Notre Dame Intermédica Saúde is exposed to the currency risk in short and long-term investments, but this exposure does not generate a material impact on the profit or loss of the Company and its Subsidiaries, as the amount recognized under the foreign exchange funds is R\$ 46 at September 30, 2020 (R\$ 1,075 at December 31, 2019).

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

Loans and financing

On November 28, 2019, the Notre Dame Intermédica Group acquired the Ghelfond Group. Among the assets acquired and the liabilities assumed, the company Dr. Ghelfond has liabilities for loan operations carried out in foreign currency under Law 4131/62. At September 30, 2020, these amount to R\$ 22,655.

Currently recorded in the indirect subsidiary Notre Dame Intermédica Saúde S.A., after the merger of the Ghelfond Group on September 1, 2020, this operation presents exchange risk and, in order to hedge against the fluctuations of such currencies against the Real, the company contracted derivative financial instruments, NDF - Non-Deliverable Forward (purchase of Financial Bond), on the same date of the funding operation.

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 health care 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 RN 419/16, 427/17 and 430/17 pursuant to CMN Resolution No. 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.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

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 investments is shown in Note 7.

The Company's Direct and Indirect Subsidiaries have loans and financing and debentures, and are exposed to the variation of the CDI rate + spread. Breakdown of loans and financing and debentures is presented in notes 19 and 20, respectively.

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, 2020:

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

September 30, 2020 and December 31, 2019

(In thousands of reais, unless otherwise stated)

September 30, 2020													
Index	Risk	% - p.a. ¹	R\$	Probable	Interest reduction				Interest increase				
					Rate	-25%	Rate	-50%	Rate	+25%	Rate	+50%	
Other liabilities													
Contractual obligations	CDI	CDI increase	1.90%	(397,253)	(7,548)	1.43%	(5,681)	0.95%	(3,774)	2.38%	(9,455)	2.85%	(11,322)
Consolidated													
September 30, 2020													
Index	Risk	% - p.a.	R\$	Probable	Rate	-25%	Rate	-50%	Rate	+25%	Rate	+50%	
Short-term investments													
CDBs	CDI	CDI decrease	1.90%	626,059	11,895	1.43%	8,953	0.95%	5,948	2.38%	14,900	2.85%	17,843
LFTs	Selic	Selic decrease	2.00%	99,529	1,991	1.50%	1,493	1.00%	995	2.50%	2,488	3.00%	2,986
Open-ended fixed income fund	CDI	CDI decrease	1.90%	504,644	9,588	1.43%	7,216	0.95%	4,794	2.38%	12,011	2.85%	14,382
Repurchase operations	CDI	CDI decrease	1.90%	145,825	2,771	1.43%	2,085	0.95%	1,385	2.38%	3,471	2.85%	4,156
LFs	CDI	CDI decrease	1.90%	180,398	3,428	1.43%	2,580	0.95%	1,714	2.38%	4,293	2.85%	5,141
Others	Selic	Selic decrease	2.00%	42	1	1.50%	1	1.00%	-	2.50%	1	3.00%	1
			1,556,497	29,674		22,328		14,836		37,164		44,509	
Loans and financing													
BNDES	TJLP	TJLP increase	5.06%	(1,139)	(58)	3.80%	(43)	2.53%	(29)	6.33%	(72)	7.59%	(86)
Working capital	CDI + 2.6% p.a	CDI increase	4.55%	(264,713)	(12,044)	4.07%	(10,774)	3.57%	(9,450)	5.04%	(13,342)	5.52%	(14,612)
Working capital	CDI + 2.4% p.a	CDI increase	4.35%	(286,395)	(12,458)	3.86%	(11,055)	3.37%	(9,652)	4.84%	(13,862)	5.32%	(15,236)
Working capital	CDI + 2.3% p.a	CDI increase	4.24%	(298,809)	(12,670)	3.76%	(11,235)	3.27%	(9,771)	4.73%	(14,134)	5.22%	(15,598)
Working capital	CDI	CDI increase	1.90%	(13,405)	(255)	1.43%	(192)	0.95%	(127)	2.38%	(319)	2.85%	(382)
Citibank borrowing	85%CDI+1.955%p.a.	CDI increase	3.60%	(66,419)	(2,391)	3.19%	(2,119)	2.78%	(1,846)	4.02%	(2,670)	4.42%	(2,936)
Leasing	CDI	CDI increase	1.90%	(3,521)	(67)	1.43%	(50)	0.95%	(33)	2.38%	(84)	2.85%	(100)
Promissory notes	CDI + 1.4% p.a	CDI increase	3.33%	(277,477)	(9,240)	2.85%	(7,908)	2.36%	(6,548)	3.81%	(10,572)	4.29%	(11,904)
Others	CDI	CDI increase	1.90%	(25,580)	(486)	1.43%	(366)	0.95%	(243)	2.38%	(609)	2.85%	(729)
			(1,237,458)	(49,669)		(43,742)		(37,699)		(55,664)		(61,583)	
Debentures													
Debentures - BCBF (2nd)	CDI + 2.25% p.a.	CDI increase	4.19%	(60,054)	(2,516)	3.71%	(2,228)	3.22%	(1,934)	4.68%	(2,811)	5.16%	(3,099)
Debentures - BCBF (4dn)	CDI + 2.65% p.a.	CDI increase	4.70%	(750,268)	(34,512)	4.12%	(30,911)	3.63%	(27,235)	5.09%	(38,189)	5.58%	(41,865)
Debentures - Notre Dame (3rd)	CDI + 1.6% p.a.	CDI increase	3.53%	(801,156)	(28,281)	3.05%	(24,435)	2.57%	(20,590)	4.02%	(32,206)	4.50%	(36,052)
			(1,611,478)	(65,309)		(57,574)		(49,759)		(73,206)		(81,016)	
Other liabilities													
Contractual obligations	CDI	CDI increase	1.90%	(668,693)	(12,705)	1.43%	(9,562)	0.95%	(6,353)	2.38%	(15,915)	2.85%	(19,058)
Contractual obligations	105% of CDI	CDI increase	2.00%	(9,576)	(192)	1.50%	(144)	1.00%	(96)	2.50%	(239)	2.99%	(286)
Contractual obligations	90% of CDI	CDI increase	1.71%	(36,138)	(618)	1.29%	(466)	0.86%	(311)	2.14%	(773)	2.57%	(929)
Contractual obligations	95% of CDI	CDI increase	1.81%	(34,242)	(620)	1.36%	(466)	0.90%	(308)	2.26%	(774)	2.71%	(928)
Contractual obligations	100% Selic	Selic increase	2.00%	(46,855)	(937)	1.50%	(703)	1.00%	(469)	2.50%	(1,171)	3.00%	(1,406)
Contractual obligations	IPCA	IPCA increase	2.41%	(10,972)	(264)	1.81%	(199)	1.21%	(133)	3.01%	(330)	3.62%	(397)
			(806,476)	(15,336)		(11,540)		(7,670)		(19,202)		(23,004)	

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 01,2020.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

Sensitivity analysis of currency risk.

Consolidated											
September 30, 2020											
Derivative financial instruments	Currency	Exchange rate	NDF – Probable	Rate reduction				Rate increase			
				Rate	-25%	Rate	-50%	Rate	+25%	Rate	+50%
Banco Itaú	R\$ x USD	5.59	1,361	4.19	(341)	2.80	(679)	6.99	341	8.38	679
Banco Itaú	R\$ x EUR	6.51	2,991	4.88	(749)	3.26	(1,493)	8.14	749	9.76	1,493
Banco Itaú	R\$ x EUR	6.51	1,995	4.88	(500)	3.26	(996)	8.14	500	9.76	996
			6,347		(1,590)		(3,168)		1,590		3,168

6. Cash and cash equivalents

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.

	Parent		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Cash and banks	14,097	279	68,888	50,522
Cash and cash equivalents	115,909	133,602	1,321,966	3,463,917
	130,006	133,881	1,390,854	3,514,439

7. Short-term investments

At September 30, 2020 and December 31, 2019, the financial instruments comprising financial investments were as follows:

Fair value through profit or loss	Levels	Consolidated					
		September 30, 2020			December 31, 2019		
		Maturities					
		Up to 1 year	From 1 to 5 years	Carrying amount	Fair value	Carrying amount	Fair value
Financial treasury bills – LFT (i)	1	19,336	80,193	99,529	99,529	124,215	124,215
National treasury bills – LTN (i)	1	-	224,775	224,775	224,775	112,451	112,451
Bank Certificate of Deposit – CDB (ii)	2	437,912	188,147	626,059	626,059	632,364	632,364
Repo agreements (iii)	2	145,825	-	145,825	145,825	10,603	10,603
Open-ended fixed income fund (iv)	2	503,557	1,087	504,644	504,644	212,464	212,464
Exchange funds (iv)	2	46	-	46	46	1,075	1,075
Financial bills - LF (v)	2	-	180,398	180,398	180,398	191,913	191,913
Other fixed income securities	2	42	-	42	42	41	41
Total		1,106,718	674,600	1,781,318	1,781,318	1,285,126	1,285,126
			Current	1,629,462		1,285,126	
			Noncurrent	151,856		-	

- 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).

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

- 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) issued by first-tier banks.
- iii. Repurchase agreements are based on debentures with the following issuers: Banco Itaú and Banco Santander.
- iv. Funds are managed by Banco Itaú.
- v. Letter of credit transactions 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.

Investments have daily yield tied to rates according to their transaction terms, with variable maturities up to September 2025.

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).

Credit risk rating by financial institution for CDBs is as follows:

Issuers	September 30, 2020	Yield % of CDI	National long-term rating	December 31, 2019	Yield % of CDI
Banco Santander (Brasil) S.A.	91,091	101.00%	brAAA	29,680	100.50%
Banco Bradesco S.A.	376,259	101.00%	AAA(bra)	395,792	98.33%
Caixa Econômica Federal	1,234	99.50%	AA(bra)	-	-
Itaú Unibanco S.A.	1,121	95.50%	AAA(bra)	1,509	95.00%
Votorantim S.A.	81,545	117.00%	brAAA	595	1.01%
Banco Safra S.A.	11,669	103.00%	brAAA	179,621	100.00%
Banco Daycoval S.A.	95	100.00%	AA(bra)	93	100.00%
Banco GMAC S.A.	-	-	AAA(bra)	24,869	102.50%
Banco do Brasil S.A.	210	87.00%	AA(bra)	205	86.00%
XP Investimentos	25,037	115.00%	AA(bra)	-	-
Sicoob Unicentro Brasileira	37,798	103.00%	AA(bra)	-	-
	626,059			632,364	

Source: Fitch Ratings agency (when available) and Banco Santander, consulted on October 18, 2020

Changes in financial investments

	September 30, 2020	Consolidated December 31, 2019
Balance at the beginning of the year	1,285,126	1,262,542
Balance acquired	166,629	141,006
Investments	10,727,398	11,684,479
Redemptions	(10,438,986)	(11,890,850)
Foreign exchange gains (losses)	(458)	657
Finance income (costs)	42,339	86,775
Fair value adjustment	(730)	517
Balance at the end of the period / year	1,781,318	1,285,126

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

Fair value measurement

The fair values of fixed-income government securities were obtained from the reference tables disclosed by Associação Brasileira das Entidades dos Mercados Financeiros e de Capitais (ANBIMA). The quotations of fixed-income private securities were announced by Associação Brasileira das Entidades dos Mercados Financeiros e de Capitais (ANBIMA).

The pricing criteria for financial instruments are defined by the manager and the custodian, and curves and rates disclosed by ANBIMA and B3 S.A. – Brasil, Bolsa, Balcão 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 the CETIP (Brazilian Over the Counter clearing house).

8. Trade receivables

Trade receivables refer to transactions related to healthcare plans and healthcare services, generated by the operation of subsidiaries at September 30, 2020, as follows:

	Consolidated	
	September 30, 2020	December 31, 2019
Trade receivables related to:		
Healthcare plans	334,567	221,367
Healthcare not relating to healthcare plans	254,710	271,402
	589,277	492,769

Due to the COVID-19 pandemic, as disclosed on the website by the Regulatory Agency for Private Health Insurance and Plans (ANS) on October 8, 2020 and in release No. 85, ANS suspended the price adjustments for healthcare plans.

This suspension comprises plans contracted by individuals, as ANS annually discloses the maximum percentage of adjustments that will be made by healthcare providers for this type of healthcare plan; however, for the period from June 2020 to May 2021, no adjustment has been disclosed so far.

The price adjustments were also suspended for plans contracted by medium and small companies (SMEs) and through enrollment under collective healthcare plans and others, and the customers will be charged in the year 2021, pursuant to the ANS guidelines. The percentage of the adjustment is measurable and applicable on the anniversary date of the contract, therefore, the recognition of this revenue was approved by the regulatory agencies. The Company's Healthcare Providers recognized this revenue in the quarter, net of provision for historical loss.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

September 30, 2020 and December 31, 2019

(In thousands of reais, unless otherwise stated)

At September 30, 2020 and December 31, 2019, the breakdown of trade receivables was as follows:

	Consolidated	
	September 30, 2020	December 31, 2019
Receivables from operations with healthcare plans	390,200	258,171
(-) Impairment of receivables	(55,633)	(36,804)
	334,567	221,367
	Consolidated	
	September 30, 2020	December 31, 2019
Receivables from healthcare operations not related to the Operator's healthcare plans	269,630	279,562
(-) Impairment of receivables	(14,920)	(8,160)
	254,710	271,402
Trade receivables	589,277	492,769

Aging of trade receivables is as follows:

	Consolidated		
	September 30, 2020		
	Balance	Impairment of receivables	Net balance
Current:			
From 1 to 30 days	217,889	(1,314)	216,575
More than 30 days	23,213	(13)	23,200
Past due:			
From 1 to 30 days	70,442	(1,597)	68,845
From 31 to 90 days	32,481	(6,534)	25,947
More than 90 days	46,175	(46,175)	-
Receivables from operations with healthcare plans	390,200	(55,633)	334,567
	Consolidated		
	December 31, 2019		
	Balance	Impairment of receivables	Net balance
Current:			
From 1 to 30 days	97,380	(5,389)	91,991
More than 30 days	18,500	(1)	18,499
Past due:			
From 1 to 30 days	55,565	(1,537)	54,028
From 31 to 90 days	63,418	(6,569)	56,849
More than 90 days	23,308	(23,308)	-
Receivables from operations with healthcare plans	258,171	(36,804)	221,367

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

		Consolidated	
		September 30, 2020	
	Balance	Impairment of receivables	Net balance
Current:			
From 1 to 30 days	20,998	(1,346)	19,652
More than 30 days	49,204	(20)	49,184
Past due:			
From 1 to 30 days	52,935	(25)	52,910
From 31 to 90 days	133,712	(748)	132,964
More than 90 days	12,781	(12,781)	-
Receivables from healthcare operations not related to the Operator's healthcare plans	269,630	(14,920)	254,710
		Consolidated	
		December 31, 2019	
	Balance	Impairment of receivables	Net balance
Current:			
From 1 to 30 days	39,738	(2,063)	37,675
More than 30 days	84,656	(10)	84,646
Past due:			
From 1 to 30 days	35,492	(17)	35,475
From 31 to 90 days	113,810	(204)	113,606
More than 90 days	5,866	(5,866)	-
Receivables from healthcare operations not related to the Operator's healthcare plans	279,562	(8,160)	271,402

Changes in trade receivables:

		Consolidated	
		September 30, 2020	December 31, 2019
Balance at the beginning of the year		221,367	178,671
Balance acquired		64,441	21,473
Net considerations		7,701,857	7,741,757
Amounts received		(7,572,060)	(7,656,031)
Reversal (recognition) of impairment of receivables		(14,250)	16,010
(-) Loss on receivables		(66,788)	(80,513)
Balance at the end of the period / year		334,567	221,367

Changes in receivables for health care transactions not related to the Operator's health plans:

		Consolidated	
		September 30, 2020	December 31, 2019
Balance at the beginning of year		271,402	153,651
Balance acquired		13,257	16,672
Revenue from healthcare operations not related to the Operator's healthcare plans		458,699	670,912
Co-participation		135,008	141,622
Amounts received		(613,803)	(699,204)
Provision for expected disallowances		(7,684)	(9,509)
Reversal (recognition) of impairment of receivables		(1,344)	(1,901)
(-) Loss on receivables		(825)	(841)
Balance at the end of the period / year		254,710	271,402

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

Changes in expected credit losses

	Consolidated	
	Healthcare plans	Not related to healthcare plan
	Total	
Balance at December 31, 2019	(36,804)	(8,160)
Balance acquired	(6,134)	(3,965)
Reclassification	1,451	(1,451)
Amounts recognized	(356,253)	(95,495)
Reversals ¹	342,107	94,151
Balance at September 30, 2020	(55,633)	(14,920)

¹Prior to the acquisition, the companies Clinipam, Odontopam and Ecole used to write off trade receivables against the accrual for expected credit losses, with no recording in profit or loss. The amount written off was R\$ 104.

9. 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, 2020 and December 31, 2019, deferred acquisition costs comprise the following:

	Consolidated	
	September 30, 2020	December 31, 2019
Balance at the beginning of the year	364,833	256,310
Balance acquired	-	5,013
Amounts recognized	310,445	334,561
(-) Amortization	(216,019)	(231,051)
Balance at the end of the period / year	459,259	364,833
Current assets	233,425	186,085
Noncurrent assets	225,834	178,748

10. Tax and social security credits

Tax and social security credits comprise the following:

	Consolidated	
	September 30, 2020	December 31, 2019
Income tax ^{a)}	301,775	59,116
Social contribution on profit ^{a)}	99,847	12,241
Withholding income tax	27,511	23,860
Social security credit	886	17,740
PIS and COFINS credits	9,156	7,288
ISS credit	768	784
Tax and social security credits	439,943	121,029

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

September 30, 2020 and December 31, 2019

(In thousands of reais, unless otherwise stated)

- a) The Company and its Subsidiaries make monthly prepayments of the amounts due related to Income Tax and Social Contribution on Profit and annually adjust the amounts due at the end of the year, when the prepaid taxes accounts are matched against the taxes payable accounts.

11. Other assets

	Parent		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Judicial deposit ISS – SP (a)	-	-	344,424	258,215
Advances to suppliers	112	43	35,442	19,830
Checks to be cleared	41,719	-	41,719	-
Other receivables	419	1,388	6,026	13,466
Advances to employees	-	-	10,464	12,615
Advances for payment of lawsuits	-	-	7,442	10,073
Prepaid expenses	597	438	4,491	787
Software maintenance to be amortized (d)	-	-	9,001	8,176
Current	42,847	1,869	459,009	323,162
Receivables - indemnities (b)	-	-	656,526	511,687
Trade receivables from healthcare plans	-	-	7,626	7,127
Collateral deposits	-	-	838	2,595
Indemnity assets (c)	-	-	74,345	76,714
Court-frozen deposits	1	-	7,481	5,570
Derivatives - NDF receivable	-	-	6,347	-
Others	10,551	-	11,701	7,350
Noncurrent	10,552	-	764,864	611,043
	53,399	1,869	1,223,873	934,205

- (a) These refer to judicial deposits related to Service Tax (ISS). The deposited amount is related to the provision shown in Note 18. 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.
- (c) Refers to the amounts that will be deducted from the portions withheld as long as subject to indemnities, as established in the share purchase and sale agreement and other covenants, entered into between the former partners of the Green Line Group and the Notre Dame Intermédica Group. The consideration was recognized in liabilities, in line item Provision for lawsuits, as mentioned in Note 23.
- (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.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

12. Income tax and social contribution

	Consolidated			Recognized in the statement of profit or loss	Acquisitions of subsidiaries
	September 30, 2020	December 31, 2019	Changes in period		
<u>Deferred tax assets on temporary differences arising from:</u>					
Provision for lawsuits (civil, tax and labor)	161,265	173,789	(12,524)	(23,546)	11,022
Impairment of receivables	47,708	34,493	13,215	9,241	3,974
Provision for SUS events	122,784	78,694	44,090	26,870	17,220
Tax credit on difference - initial adoption leases CPC 6 (R2) / IFRS16	11,072	6,587	4,485	4,099	386
Provision for ANS penalties	6,059	3,945	2,114	190	1,924
Other additions	34,341	14,904	19,437	14,291	5,146
Deferred tax assets	383,229	312,412	70,817	31,145	39,672
<u>Deferred tax liabilities on temporary differences arising from:</u>					
Depreciation and amortization	(19,880)	(7,752)	(12,128)	(12,128)	-
Amortization of intangible assets for tax purposes - NDI Par	(87,863)	(104,315)	16,452	16,452	-
Inflation adjustment of judicial deposits	(32,010)	(27,358)	(4,652)	(4,652)	-
Amortization of intangible assets for tax purposes	(2,170)	(2,175)	5	5	-
Deferred tax liabilities on goodwill arising from acquisition	(40,798)	(41,485)	687	687	-
Deferred tax liabilities on goodwill arising from merger	(136,109)	(65,871)	(70,238)	(70,238)	-
Others	(9,619)	(13,846)	4,227	4,227	-
Deferred tax liabilities	(328,449)	(262,802)	(65,647)	(65,647)	-
Total net deferred tax (assets and liabilities)	54,780	49,610	5,170	(34,502)	39,672

¹ Acquisitions of subsidiaries – the amount of R\$ 39,672 refers to deferred tax assets of the Clinipam Group, Hospital do Coração de Camboriú, São Lucas Group, Ecole and Santa Mônica Group (balance acquired) in the amount of R\$ 36,972 and adjustments of companies acquired in 2019 from the Ghelfond Group and São José dos Lirios Group in the amount of R\$ 2,700.

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:

											Consolidated
2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
9,034	36,137	36,137	36,137	36,137	38,526	40,236	40,236	40,236	40,236	30,177	383,229
											383,229

At September 30, 2020, the Company's Subsidiaries amortized, for tax purposes, goodwill amounting to R\$ 1,474,047, using tax credits of R\$ 501,778 as from the setup, in conformity with a technical study, business plan and management's projections.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

The income tax expense for the period is as follows:

	Parent		Consolidated	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Profit before taxes	581,180	292,180	989,430	497,524
Tax rate of 34%	(197,601)	(99,341)	(336,406)	(169,158)
Share of profit (loss) of subsidiaries	215,376	122,424	-	-
Variable compensation of management	-	-	(7,015)	(7,826)
Share-based payment plan	(12,258)	(11,159)	(12,258)	(11,159)
Present value adjustment - deferred purchase price	(5,002)	(11,800)	(5,002)	(11,800)
Tax losses of subsidiaries without setting up of deferred tax	(1,027)	(124)	(10,714)	(394)
Presumed profit adjustment	-	-	(6,666)	4,143
Depreciation and amortization	-	-	(16,075)	-
Non-deductible expenses	512	-	(5,467)	(12,063)
Other permanent exclusions (additions)	-	-	(9,247)	2,913
Income tax and social contribution expenses disclosed in the statement of profit or loss	-	-	(408,850)	(205,344)
Current income tax and social contribution expense	-	-	(374,348)	(162,142)
Deferred income tax and social contribution expense	-	-	(34,502)	(43,202)
At the effective rate	0%	0%	41%	41%

13. Judicial and tax related deposits

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

	Consolidated			
	December 31, 2019	Balance acquired	Additions/write-offs deposits	Inflation adjustments
Tax	176,785	918	4,482	3,497
Labor	25,744	-	1,953	1,388
Civil	55,037	1,299	5,752	1,575
Judicial deposits - SUS	235,848	30,477	187,150	8,816
	493,414	32,694	199,337	15,276
				740,721

	Consolidated			
	December 31, 2018	Balance acquired	Additions/write-offs deposits	Inflation adjustments
Tax	93,161	22	80,687	2,915
Labor	25,985	-	(1,607)	1,366
Civil	55,165	2,354	(2,872)	390
Judicial deposits - SUS	91,132	577	138,692	5,447
	265,443	2,953	214,900	10,118
				493,414

Tax – as mentioned in Note 23, the Company and its Subsidiaries are parties to legal and administrative proceedings and, 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 (Note 23) of a labor complaint nature, for pain and suffering, collective lawsuits and public civil actions.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

Civil – these correspond to judicial deposits relating to indemnity collection lawsuits, affirmative covenants, revision actions, petitions requesting that amounts payable could not be claimed and declaratory judgment actions. The civil contingencies presented in Note 23 refer to these deposits.

Judicial deposits – SUS – the Subsidiaries are challenging in court the amounts charged by the Brazilian Regulatory Agency for Private Health Insurance and Plans (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.

14. Investments – Company

a) Changes in investment in direct subsidiary BCBF Participações S.A. occurred as follows:

Balance at December 31, 2019	6,698,598
Share of profit (loss) of subsidiaries in the period (i)	633,459
Adjustment of acquisition premium on equity interest	(2,779)
Capital increase	20,000
Balance at September 30, 2020	7,349,278

- i. Share of profit (loss) of subsidiary BCBF was R\$ 662,615 in the period. The difference between the share of profit (loss) of BCBF and the share of profit (loss) in the investment line item is R\$ 29,156 and refers to the amortization of the surplus of tangible and intangible assets (business combination).

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

	September 30, 2020	December 31, 2019
Assets	8,503,949	7,313,989
Liabilities	1,642,118	1,134,773
Equity	6,861,831	6,179,216
Profit for the period	662,615	555,736
% Equity interest	100%	100%

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

15. Property, plant and equipment

									Consolidated
									September 30,
									2020
	Useful life	Annual depreciation rate % p.a.	December 31, 2019	Balance acquired ¹	Acquisitions	Disposals	Transfers	Depreciation	
Land and buildings	25 to 50 years	2%	1,072,796	192,227	3,176	-	22,939	(18,377)	1,272,761
Vehicles	1 to 10 years	17%	639	1,140	-	(202)	(1)	(424)	1,152
Facilities	5 to 10 years	14%	4,926	1,283	88	(137)	1,209	(739)	6,630
Machinery and equipment	1 to 25 years	14%	256,693	62,270	32,450	(625)	777	(52,799)	298,766
Furniture and fixtures	1 to 15 years	10%	46,213	2,976	7,328	(223)	1,633	(4,422)	53,505
IT equipment	1 to 15 years	25%	26,344	1,865	1,248	(1,284)	4,059	(8,267)	23,965
PP&E in progress	-	-	179,598	32,772	75,823	(4,198)	(26,212)	(21)	257,762
Leasehold improvements	-	-	171,344	(990)	93,589	(3,689)	(14,543)	(12,453)	233,258
			1,758,553	293,543	213,702	(10,358)	(10,139)	(97,502)	2,147,799

									Consolidado
									December 31,
									2019
	Useful life	Annual depreciation rate % p.a.	December 31, 2018	Balance acquired	Acquisitions	Disposals	Transfers	Depreciation	
Land and buildings	25 to 50 years	2%	551,560	426,332	80,900	(485)	32,459	(17,970)	1,072,796
Vehicles	1 to 10 years	17%	216	2,279	-	-	26	(1,882)	639
Facilities	5 to 10 years	14%	5,258	39	392	-	(72)	(691)	4,926
Machinery and equipment	1 to 25 years	14%	113,245	133,779	40,515	(1,129)	121	(29,838)	256,693
Furniture and fixtures	1 to 15 years	10%	30,656	7,778	11,062	(222)	172	(3,233)	46,213
IT equipment	5 to 15 years	25%	19,804	3,445	5,802	(1)	6,475	(9,181)	26,344
PP&E in progress	-	-	110,001	1,204	108,897	(2,504)	(33,121)	(4,879)	179,598
Leasehold improvements	-	-	100,226	12,954	85,465	(1,399)	(8,900)	(17,002)	171,344
			930,966	587,810	333,033	(5,740)	(2,840)	(84,676)	1,758,553

¹ According to CPC 15 (R1) – Business Combination, companies may make adjustments in the allocations of balances acquired, measured at fair value during the 12-month period, upon presentation of a report issued by an independent firm. Of the total amount presented in "Balance acquired", the amount of R\$ 3,007 refers to opening balance to acquisitions the group made, and the amount of R\$ 290,536 refers to acquisitions in the period.

Property, plant and equipment items are subject to periodic analyses, at least annually, of the impairment of assets. As of December 31, 2019, 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 27 and 28.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\$ 213,702, of which R\$ 165,029 were paid in the period and R\$ 48,673 are provisioned under "Trade payables".

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

16. 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	7.70%
2 – 4 years	8.54%
4 – 6 years	8.98%
6 – 8 years	9.40%
8 – 10 years	9.54%
Over 10 years	9.67%

The leases contracted by the Company are presented below:

i. Right of use

	Consolidated			
	Rentals	Machinery and equipment	Others	Total
Balance at December 31, 2019	463,203	15,543	59	478,805
Balance acquired	10,867	791	-	11,658
Contract updates	30,036	13,502	-	43,538
New contracts	13,061	-	-	13,061
Disposals	(48,310)	-	-	(48,310)
Depreciation	(41,632)	(3,045)	(17)	(44,694)
Balance at September 30, 2020	427,225	26,791	42	454,058

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

ii. Leases

a. Changes in leases

	Consolidated
Balance at December 31, 2019	497,876
Balance acquired	12,438
Contract updates	43,538
New contracts	13,061
(+) Disposals	(51,052)
Interest	33,122
(-) Payment of principal	(29,934)
(-) Payment of interest	(33,122)
Balance at September 30, 2020	485,927
Current	35,233
Noncurrent	450,694

b. Maturity of contracts

		Consolidated
	September 30,	
	2020	December 31, 2019
2020	21,515	78,112
2021	83,951	79,338
2022	75,444	72,445
2023	67,388	67,165
2024	64,706	64,966
More than 5 years	489,770	490,674
Undiscounted amounts	802,774	852,700
Embedded interest	(316,847)	(354,824)
	485,927	497,876

Additional information

In accordance with the IASB Basis for Conclusion 161 and 162, referring to CVM Instruction 02/19 and IFRS16/CPC 06 (R2), Management used the nominal incremental rate for the calculation of assets and liabilities within the scope of IFRS16/CPC06 (R2) which are disclosed in the Company's statement of financial position.

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.

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

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

payment flow, obtained by the disclosure of Banco Bradesco projections for the indicators up to 2023, with repetition of the longest rate for the future flow starting from 5 years.

	Consolidated	
	September 30, 2020	December 31, 2019
<u>Nominal Flow</u>		
Lease liability	802,774	852,700
Embedded interest	(316,847)	(354,824)
	<u>485,927</u>	<u>497,876</u>
<u>Real flow inflated</u>		
Lease liability	838,554	901,509
Embedded interest	(330,969)	(375,134)
	<u>507,585</u>	<u>526,375</u>

c. CVM Ruling 859/2020

On July 7, 2020, the Brazilian Securities and Exchange Commission (CVM) approved Ruling 859, which establishes amendments to Accounting Pronouncement – CPC 06 (R2), and which is in line with the approval of the International Accounting Standards Board – 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; the effect on profit or loss amounted to R\$ 657 recorded as reduction of rental expenses.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

17. Intangible assets

a. Changes in intangible assets

								Consolidated
								September 30,
	Useful life	December 31, 2019	Balance acquired ¹	Acquisitions	Disposals	Transfers	Amortization	2020
Healthcare plan portfolio acquisition	Useful life (a)	311,795	253,654	-	-	1,178	(51,401)	515,226
Computer system	20% p.a.	19,986	998	1,817	-	10,139	(6,124)	26,816
Goodwill in business combinations	Indefinite (b)	2,703,967	2,657,341	-	(72)	(3,798)	-	5,357,438
Intangible assets		305,324	-	-	-	(713)	(47,934)	256,677
Other intangible assets	Useful life (c)	601	-	-	-	3,333	(48)	3,886
		3,341,673	2,911,993	1,817	(72)	10,139	(105,507)	6,160,043
								-
								Consolidated
								December 31,
	Useful life	December 31, 2018	Balance acquired	Acquisitions	Disposals	Transfers	Amortization	2019
Healthcare plan portfolio acquisition	Useful life (a)	73,266	273,958	-	-	-	(35,429)	311,795
Computer system	20% p.a.	12,875	483	13,724	(14)	4,753	(11,835)	19,986
Goodwill in business combinations	Indefinite (b)	1,276,994	1,426,973	-	-	-	-	2,703,967
Intangible assets		374,067	-	-	(2,600)	(2,211)	(63,932)	305,324
Other intangible assets	Useful life (c)	4,425	-	-	(4,057)	298	(65)	601
		1,741,627	1,701,414	13,724	(6,671)	2,840	(111,261)	3,341,673

¹ According to CPC 15 (R1) – Business Combination, companies may make adjustments in the allocations of balances acquired, measured at fair value during the 12-month period, upon presentation of a report issued by an independent firm. Of the total amount presented in "Balance acquired", the amount of (R\$ 51,490) refers to opening balance to acquisitions the group made in 2019, and the amount of R\$ 2,963,483 refers to acquisitions in the period.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

September 30, 2020 and December 31, 2019

(In thousands of reais, unless otherwise stated)

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

Group/Company	Date	Portfolio breakdown	
		September 30	December 31
		2020	2019
Notre Dame Intermédica Group	May-21-14	381	397
Santamália Group	Nov-16-15	3,984	6,225
Hospital Family	Dec-23-15	-	1,929
Unimed ABC	Sep-23-16	13,960	15,512
Cruzeiro do Sul Group	Jan-31-18	14,120	15,403
SAMED Group	Oct-01-18	22,880	25,695
Green Line Group	Jan-01-19	130,393	139,552
Mediplan Group	May-29-19	50,747	55,181
Belo Dente	Jul-03-19	39,290	43,425
São José Group	Nov-18-19	7,392	8,476
São Lucas Group	Jan-23-20	102,571	-
Clinipam Group	Feb-07-20	110,233	-
Ecole	Apr-13-20	13,031	-
Santa Mônica Group	Jun-25-20	6,244	-
		515,226	311,795

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

Portfolio	Useful life
Dental plan	3 to 5 years
Health	6 to 11 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.

Group/Company	Date	Goodwill breakdown	
		September 30,	December 31,
		2020	2019
Notre Dame Intermédica Group	May-21-14	480,133	480,133
Santamália Group	Nov-16-15	125,405	125,405
Hospital Family	Dec-23-15	77,149	77,149
Unimed ABC	Sep-23-16	71,476	71,476
SAMCI/IBRAGE	Mar-01-17	22,232	22,232
Hospital São Bernardo	Feb-23-17	147,652	147,652
Grupo Nova Vida	Jul-03-17	148,566	148,566
Cruzeiro do Sul Group	Jan-31-18	56,190	56,190
SAMED Group	Oct-01-18	173,928	173,928
Green Line Group	Jan-01-19	811,323	812,501
Mediplan Group	May-29-19	226,588	256,716
Hospital Jacarepaguá	Apr-05-19	54,223	61,378
Belo Dente	Jul-03-19	21,379	22,709
Grupo Ghelfond	Nov-28-19	143,653	154,165
São José Group	Nov-18-19	88,527	93,767
São Lucas Group	Jan-23-20	204,458	-
Clinipam Group	Feb-07-20	2,278,730	-
Ecole	Apr-13-20	34,505	-
LabClin	Apr-13-20	4,472	-
Hospital Camboriú	May-20-20	61,702	-
Santa Mônica Group	Jun-25-20	125,147	-
		5,357,438	2,703,967

- (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

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

September 30, 2020 and December 31, 2019

(In thousands of reais, unless otherwise stated)

18. Taxes and social charges payable

	Consolidated	
	September 30, 2020	December 31, 2019
Service Tax (ISS)	362,709	271,381
Social security contribution	48,296	10,025
F.G.T.S. (Severance Pay Fund)	12,102	4,387
Taxes on revenue (PIS and COFINS)	52,881	19,259
Union dues and social assistance contributions	408	750
Payment in installments of taxes and contributions	14,051	11,465
Others	3,713	2,066
Taxes payable	494,160	319,333
Income tax - employees	8,379	13,631
Income tax - third parties	6,542	5,623
Service tax	3,973	3,810
Withheld social security contribution	6,115	3,390
Withholding PIS/COFINS/CSLL	16,820	14,570
Taxes withheld payable	41,829	41,024
Current	535,989	360,357
Payment in installments of taxes, fines and fees - federal	46,251	32,393
Payment in installments of taxes, fines and fees - municipal	607	738
Payment in installments of taxes, fines and fees - others	13,631	28,903
Noncurrent	60,489	62,034
	596,478	422,391

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

September 30, 2020 and December 31, 2019

(In thousands of reais, unless otherwise stated)

19. Loans and financing

At September 30, 2020, main loan and financing agreements were as follows:

						Consolidated	
						September 30, 2020	December 31, 2019
Credit facility	Financial institution	Index	Maturity	Amortization	Interest % p.a.	Amount	Amount
BNDES	Banco Itau	TJLP	2020	Monthly	13.76%	-	31
BNDES	Banco Santander	TJLP	2020	Monthly	13.76%	18	138
BNDES	Bradesco	TJLP	2023	Monthly	6.42%	1,121	1,398
Working capital	Banco do Brasil	CDI + 2.3% p.a	2020-2025	Monthly	3.00%	298,809	-
Working capital	Citibank	CDI + 2.6% p.a.	2020 - 2023	Semiannual	12.92%	264,713	-
Working capital	Banco Itau	CDI + 2.4% p.a.	2020 - 2024	Semiannual	12.92%	286,395	27,381
Working capital	Banco Santander	CDI	2021 - 2023	Monthly	11.71%	7,209	10,011
Working capital	Bradesco	CDI	2021	Monthly	17.87%	6,023	6,367
Working capital	Citibank	85%CDI + 1.995% p.a.	2020	Semiannual	2.17%	66,419	202,295
Working capital	Unicred	CDI	2020-2022	Monthly	14.00%	173	-
Leasing	Banco de Lage	CDI	2020 - 2021	Monthly	12.28%	-	168
Leasing	Banco do Brasil	CDI	2023	Monthly	2.67%	631	804
Leasing	Banco Itau	CDI	2020	Monthly	7.01%	-	50
Leasing	Banco Santander	CDI	2020 - 2023	Monthly	9.14%	2,109	1,202
Leasing	Bradesco	CDI	2020 - 2022	Monthly	15.94%	664	1,137
Leasing	HP Financial	CDI	2022	Monthly	14.10%	117	150
Promissory notes	Bradesco	CDI + 1.4% p.a.	2020-2022	Semiannual	6.00%	277,477	-
Others						25,580	4,710
						1,237,458	255,842
Current						289,246	220,683
Noncurrent						948,212	35,159

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

We present the changes at September 30, 2020:

			Consolidated	
			September 30, 2020	December 31, 2019
Balance at the beginning of the year			255,842	279,245
Balance acquired			34,899	65,206
Loans and financing			1,180,000	29,851
Transaction cost			(5,581)	-
Recognition of costs			3,811	-
Repayment			(247,297)	(122,600)
Interest paid			(8,964)	(14,257)
Present value adjustment			21	191
Interest			24,727	18,206
Balance at the end of the period / year			1,237,458	255,842

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

20. Debentures

At September 30, 2020 and December 31, 2019, the balance in the statement of financial position is as follows:

Company	Security	Type	Number	Issue	Maturity	Average charges	Loans and financing	Consolidated	
								September 30, 2020	December 31, 2019
BCBF PARTICIPAÇÕES S.A.	BCBF12	2nd issue ^{d)}	300,000	02/23/2018	02/23/2021	CDI + 2.25% p.a.	300,000	60,054	184,182
BCBF PARTICIPAÇÕES S.A.	BCBF13	3rd issue ^{e)}	900	01/10/2019	01/10/2023	CDI + 1.75% p.a.	900,000	-	921,509
BCBF PARTICIPAÇÕES S.A.	BCBF14	4th issue ^{a)}	750,000	09/22/2020	09/22/2025	CDI + 2.65% p.a.	750,000	750,268	-
NOTREDAME INTERMEDICA SAÚDE S.A.	NDM113	3rd issue ^{b)}	800,000	08/01/2019	08/01/2024	100% Taxa DI + 1.6% p.a.	800,000	801,156	816,406
								1,611,478	1,922,097
								Current	64,004
								Noncurrent	1,547,474

a) 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 nonconvertible debentures at a par value of R\$ 1,000, with restricted placement efforts, based on CVM Instruction No. 476/2009; with 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 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 the last one on September 22, 2025. The inflation 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 CETIP.

At September 30, 2020, in compliance with the provisions of section 12 of Ruling 358/02 from the Brazilian Securities and Exchange Commission ("CVM"), the Company informed its shareholders and the market in general that its subsidiary BCBF Participações S.A. successfully concluded its issue of debentures.

b) 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 nonconvertible debentures at a par value of R\$ 1,000, with restricted placement efforts, based on CVM Instruction 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 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 inflation 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 CETIP.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

September 30, 2020 and December 31, 2019

(In thousands of reais, unless otherwise stated)

c) Third public issue of BCBF Participações S.A.

BCBF Participações S.A. (Company's direct subsidiary) issued, on January 10, 2019, the amount of R\$ 900,000 through 900 nonconvertible debentures at a par value of R\$ 1,000, with restricted placement efforts, based on CVM Instruction 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 issue is 4 years from the date of issue and remuneration will be paid in 4 installments, with the first payment in the 30th (thirtieth) month from the date of issue. As such, the first payment will be on July 10, 2021 and the last one on January 10, 2023. The inflation adjustment corresponds to a surcharge of CDI (accumulated variation of average rates of CDI) + spread of 1.75% p.a., on a 252 business days basis, calculated and disclosed daily by CETIP.

On January 10, 2020, in compliance with the provisions of Law No. 6404/1976 and Ruling No. 358/2002 from the Brazilian Securities and Exchange Commission, the Company informs its shareholders and the market in general that at this date its subsidiary BCBF Participações S.A. carried out the total early redemption of the third issue of simple, nonconvertible, unsecured debentures, with additional personal guarantee.

The total redemption amount was approximately R\$ 932,000, comprising the total balance of the unit face value of the total debentures of this issue plus the corresponding remuneration until this date.

d) Second public issue of BCBF Participações S.A.

BCBF Participações S.A. (Company's direct subsidiary) issued, on February 23, 2018, the amount of R\$ 300,000, through 300 nonconvertible debentures at a par value of R\$ 1,000, with restricted placement efforts, in order to restructure the Company's indebtedness profile.

The total period of issue is 3 years from the date of issue, and remuneration will be paid biannually, with the first payment on August 23, 2018 and the last one on February 23, 2021. The inflation adjustment corresponds to a surcharge of CDI (accumulated variation of average rates of CDI) + spread of 2.25% p.a., on a 252 business days basis, calculated and disclosed daily by CETIP.

Changes in debentures are as follows:

	BCBF	Intermédica	Consolidated
Balance at 12/31/2019	1,105,691	816,406	1,922,097
Raising for debenture issue	750,000	-	750,000
Interest accrued	6,959	27,906	34,865
Recognition of costs	10,099	664	10,763
Repayment	(1,020,000)	-	(1,020,000)
Interest paid	(42,427)	(43,820)	(86,247)
Balance at 09/30/2020	810,322	801,156	1,611,478

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

September 30, 2020 and December 31, 2019

(In thousands of reais, unless otherwise stated)

The balance of debentures will be amortized as follows:

Year	Consolidated			
	Current	Noncurrent	September 30, 2020	December 31, 2019
12 months	64,004	-	64,004	169,560
13 to 24 months	-	-	-	281,767
25 to 36 months	-	515,348	515,348	713,512
37 to 48 months	-	640,459	640,459	490,933
49 to 60 months	-	391,667	391,667	266,325
	64,004	1,547,474	1,611,478	1,922,097

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

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.

Minimum and maximum indices and amounts required by these covenants as at September 30, 2020 are as follows:

4th issue Notre Dame Intermédica Saúde S.A.

The relationship between net debt and adjusted 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

3rd issue Notre Dame Intermédica Saúde S.A.

The relationship between net debt and adjusted 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.

2nd issue BCBF Participações S.A.

The relationship between net debt and adjusted 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.

Guarantees

Notre Dame Intermédica Saúde S.A. and its parent company BCBF (jointly liable) 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 issue agreement.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

September 30, 2020 and December 31, 2019

(In thousands of reais, unless otherwise stated)

Early redemption

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

21. Technical reserves of healthcare operations

	Reference	Consolidated	
		September 30, 2020	December 31, 2019
Provision for events / unsettled claims reserve to be paid to SUS	a.	714,063	510,486
Provision for events / unsettled claims reserve to be paid to other service providers	b.	503,630	380,855
Incurred but not reported reserve (IBNR)	c.(i).	353,159	287,464
Unearned premiums / compensation reserve (UPCR)	c.(ii).	123,072	108,309
Reserve for waiver	c.(iii).	2,687	1,127
		1,696,611	1,288,241
	Current	1,189,058	945,405
	Noncurrent	507,553	342,836

a) Unsettled claims reserve to be paid to SUS

On June 3, 1998, the Federal Government enacted Law No. 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 13.

	Consolidated	
	September 30, 2020	December 31, 2019
Balance at the beginning of the year	510,486	164,755
Balance acquired	67,756	75,019
Notices received from SUS	49,959	56,535
SUS Events Recovery	68,943	199,335
Inflation adjustment	24,265	25,662
(-) Payments made	(7,346)	(10,820)
Balance at the end of the period / year	714,063	510,486

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

September 30, 2020 and December 31, 2019

(In thousands of reais, unless otherwise stated)

b) The unsettled claims reserve is as follows:

	Consolidado	
	September 30, 2020	December 31, 2019
Balance at the beginning of the year	380,855	330,524
Balance acquired	60,498	48,029
Notices received from the accredited network, net of disallowances	5,417,225	6,080,278
Expense with own network classified in events	(1,530,297)	(1,738,896)
Payments made to accredited network	(3,824,651)	(4,339,080)
Balance at the end of the period / year	503,630	380,855

c) Changes in technical reserves:

	PEONA (i)	PPCNG (ii)	Waiver (iii)
Balance at December 31, 2019	287,464	108,309	1,127
Balance acquired ¹	38,374	16,461	441
Changes in reserves for the period	27,321	(1,698)	1,119
Balance at September 30, 2020	353,159	123,072	2,687

¹ According to CPC 15 (R1) – Business Combination, companies may make adjustments in the allocations of balances acquired, measured at fair value during the 12-month period, upon presentation of a report issued by an independent firm. Of the total amount presented in "Balance acquired", the amount of R\$ 1,063, refers to the acquisitions made in 2019, and the amount of R\$ 39,141 refers to acquisitions in the period.

(i) Incurred but not reported reserve (IBNR), classified in current liabilities, is determined through an actuarial study (Actuarial Note) and aims to cover the estimated amount of payments of events that have already been incurred but not reported to the Operators.

(ii) Unsettled claims reserve, 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.

22. Other liabilities

	Parent		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Contractual obligations (a)	397,253	320,468	29,717	29,153
Third-party deposits	-	-	18,151	27,355
Advances from customers	-	-	19,259	15,969
Other payables (c)	40,629	-	78,317	8,902
Advance for bank partnership	-	-	3,200	3,000
Rent payable	-	-	17,664	2,418
Supplemental Health Fee (b)	-	-	6,851	10,219
Payables for healthcare operations not related to healthcare plans	-	-	46,737	31,999
Total current	437,882	320,468	219,896	129,015
Contractual obligations (a)	-	-	776,759	454,779
Provisions for employee benefit plans	-	-	22,221	2,808
Advance for bank partnership	-	-	4,400	6,250
Supplemental Health Fee (b)	-	-	39,100	53,974
Others	-	-	14,925	18,470
Total noncurrent	-	-	857,405	536,281
	437,882	320,468	1,077,301	665,296

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

September 30, 2020 and December 31, 2019

(In thousands of reais, unless otherwise stated)

(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:

	Index	Maturity	Parent		Consolidated	
			September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Notre Dame Intermédica	-	05/23/2020	397,253	320,468	-	-
Family Hospital	CDI	05/01/2021	-	-	15,733	14,964
SAMCI	CDI	12/27/2021	-	-	11,784	11,208
Hospital Nova Vida	CDI	07/08/2022	-	-	22,755	21,643
Unimed ABC	-	09/22/2022	-	-	24,279	29,153
Hospital SBC	CDI	02/23/2023	-	-	28,949	30,966
Cruzeiro do Sul Group	95 % of CDI	02/22/2024	-	-	22,087	20,997
SAMED Group	CDI	01/25/2025	-	-	51,971	52,091
Green Line Group	CDI	01/01/2025	-	-	211,849	202,279
Hospital Intermédica Jacarepaguá	IPCA	04/05/2025	-	-	10,972	10,514
Mediplan Group	90 % of CDI	05/25/2025	-	-	36,138	34,472
Belo Dente	95 % of CDI	07/03/2025	-	-	12,155	13,935
Ghelfond Participações	105 % of CDI	11/28/2024	-	-	9,576	8,935
Ecoimagem	CDI	01/01/2025	-	-	10,103	11,356
São José Group	CDI	11/18/2025	-	-	22,541	21,419
Clinipam Group	CDI	02/07/2026	-	-	153,941	-
São Lucas Group	100% SELIC	01/26/2026	-	-	46,855	-
Ecole	CDI	04/13/2026	-	-	9,779	-
Hospital Camboriú	CDI	04/20/2026	-	-	11,793	-
Santa Mônica Group	CDI	08/24/2026	-	-	93,216	-
			397,253	320,468	806,476	483,932

(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, of which R\$ 35,485 are subject to installment payment with ANS and R\$ 8,418 are under discussion.

(c) Refers to advances for judicial deposits of responsibility of the beneficiaries to be made by the company.

23. 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, civil and tax proceedings based on the opinion of the Company and its Subsidiaries' legal advisors,

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, as presented below:

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

September 30, 2020 and December 31, 2019

(In thousands of reais, unless otherwise stated)

						Consolidated
	December 31, 2019	Balance acquired	Provision/reversal	Payments	Inflation adjustment	September 30, 2020
Tax	412,897	8,863	(55,634)	-	3,020	369,146
Labor	212,334	1,652	18,579	(13,377)	11,528	230,716
Civil	262,387	26,861	(38)	(29,760)	23,381	282,831
	887,618	37,376	(37,093)	(43,137)	37,929	882,693
						Consolidated
	December 31, 2018	Balance acquired	Provision/reversal	Payments	Inflation adjustment	December 31, 2019
Tax	130,137	285,768	(5,495)	-	2,487	412,897
Labor	160,518	29,100	32,847	(20,873)	10,742	212,334
Civil	133,536	95,073	55,974	(38,608)	16,412	262,387
	424,191	409,941	83,326	(59,481)	29,641	887,618

Provision for lawsuits regarding:

Tax

- Subsidiary Notre Dame Intermédica Saúde challenges in court the 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.
- 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 an unjustified collection of tax debts referring to ISS tax credit for 2005. The court suspended the tax debt collection and the Company's subsidiary is awaiting a decision on the motions.
- 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.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

September 30, 2020 and December 31, 2019

(In thousands of reais, unless otherwise stated)

- 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.

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 the Brazilian Regulatory Agency for Private Health Insurance and Plans (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, aesthetical 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.
- 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 aesthetical errors.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

September 30, 2020 and December 31, 2019

(In thousands of reais, unless otherwise stated)

At September 30, 2020, the Company and its Subsidiaries are involved in other civil, labor and tax lawsuits in the total claimed amount of R\$ 1,704,110 (R\$ 1,278,067 at December 31, 2019), which, according to their legal counselor, present a possible likelihood of loss and, for this reason, were not provided for.

	Consolidated	
	September 30, 2020	December 31, 2019
Tax	1,048,952	784,215
Labor	207,535	140,891
Civil	449,955	352,961
	1,706,442	1,278,067

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

Tax

- The Subsidiaries of the 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 Plaintiff and the Defendant regarding the requirements, due to 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 improper 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 improper collection of Corporate Income Tax ("IRPJ") and Social Contribution on Net Income ("CSLL") for calendar year 2013.

Labor and 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 counsel, classifies the lawsuits according to the possibility of loss. Analyses on the tendency of the judicial decisions are performed periodically and, if necessary, the Company reclassifies the risks of such proceedings.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

Currently a significant part of the 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.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and December 31, 2019
(In thousands of reais, unless otherwise stated)

24. Deferred purchase price

As per the debt acknowledgment agreement dated October 31, 2014, the Company assumed Bain Capital Brazil's obligation to pay the deferred purchase price portion of R\$ 220,207 maturing on May 21, 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:

	December 31, 2018	Lawsuits adjustment	Inflation adjustment	December 31, 2019	Lawsuits adjustment	Inflation adjustment	September 30, 2020
Original amount of acquisition	254,240	-	-	254,240	-	-	254,240
Accrued interest according to contract (10% p.a.)	142,939	-	40,296	183,235	-	16,639	199,874
Original amount - adjusted	397,179	-	40,296	437,475	-	16,639	454,114
Interest to be accrued according to contract - (10% p.a.)	56,976	-	(40,296)	16,680	-	(16,639)	41
(-) Present value adjustment (CDI + 2.75%)	(59,604)	-	44,900	(14,704)	-	14,704	-
Original amount - present value	394,551	-	44,900	439,451	-	14,704	454,155
Provision for lawsuits (a)	(171,778)	(148,692)	-	(320,470)	(66,231)	-	(386,701)
Balance of deferred purchase price portion	222,773	(148,692)	44,900	118,981	(66,231)	14,704	67,454

(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 item, 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 08/21/2020, 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. However, 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.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

September 30, 2020 and 2019

(In thousands of reais, unless otherwise stated)

25. Equity

a) Capital

At September 30, 2020, the Company's subscribed and paid-up capital amounted to R\$ 5,646,453, comprising 609,787,507 registered common shares without par value (at December 31, 2019, the Company's subscribed and paid-up capital amounted to R\$ 5,526,232, comprising 603,693,182 registered common shares without par value).

On September 11, 2020, through a minutes to Board of Directors' meeting, the Company approved a capital increase of R\$ 120,221, due to the exercise of stock options under the Company's Stock Option Plan, through subscription of 6,094,325 new common shares, divided into 5 (five) groups, all registered, book-entry type and without par value:

Group I – 205,399 common shares, each with a par value R\$ 2.146178

Group II – 1,052,669 common shares, each with a par value R\$ 6.631690

Group III – 740,838 common shares, each with a par value R\$ 9.271490

Group IV – 1,650,039 common shares, each with a par value R\$ 16.50

Group V – 26,666 common shares, each with a par value R\$ 23.94

The Company's parent company holds 20.1% of shares, represented by 122,818,754 common shares; management holds 3.7% of shares, represented by 22,872,937 common shares; and the other shareholders hold 76.2% of shares, represented by 464,095,816 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 (R\$ 113,913 at December 31, 2019) and were recognized as a capital reduction, in a separate account in equity, in accordance with the CVM Ruling No. 649/10 and as required by CPC 08 (R1).

c) Income reserves

- (i) Legal reserve - mandatory, with the allocation of 5% of net 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 will not exceed seventy percent (70%) of the subscribed capital, an amount not lower than five percent (5%) and not exceeding seventy-five percent (75%) of the net profit for the year, adjusted as required by article 202 of Law No. 6404/76, to fund the expansion of the activities of the Company and/or its subsidiaries and associates, including through capital increases or the creation of new ventures.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

September 30, 2020 and 2019

(In thousands of reais, unless otherwise stated)

d) Repurchase of shares

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

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 and interest on equity (IOE)

On September 30, 2020, the Company did not pay dividends and interest on equity.

On March 25, 2020, the Company approved the allocation of 25% of the profit for the year, equivalent to R\$ 100,601, for payment of the mandatory minimum dividend to the Company's shareholders.

On August 13, 2020, the Company approved the payment of dividends related to the year ended December 31, 2019, and on August 25, 2020, it paid the amount of R\$ 100,569, the remaining balance of R\$ 32 is at the disposal of the shareholders.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

September 30, 2020 and 2019

(In thousands of reais, unless otherwise stated)

26. Net operating revenue

	Consolidated	
	September 30	
	2020	2019
Effective considerations of healthcare plan operations	7,701,857	5,782,895
Medical-hospital services	458,634	534,982
Other services rendered	65	987
(-) Expected disallowance loss of medical-hospital services	(7,684)	(6,988)
Changes in technical reserves of Operator's healthcare plan operations	(1,119)	(158)
Revenues from services rendered	8,151,753	6,311,718
(-) Direct taxes on Operator's healthcare plan operations	(240,381)	(157,829)
(-) Direct taxes on medical-hospital services	(49,237)	(42,951)
(-) Direct taxes on other services rendered	-	(46)
Tax on services rendered	(289,618)	(200,826)
Net revenues from services rendered	7,862,135	6,110,892

27. Cost of services rendered

	Consolidated	
	September 30	
	2020	2019
Cost of services rendered ¹	(5,417,225)	(4,467,026)
(-) Co-participation	135,008	103,035
SUS	(49,959)	(27,400)
Depreciation and amortization	(86,321)	(34,772)
Depreciation of right of use	(34,150)	(23,961)
Changes in the Incurred But Not Reported Reserve (IBNR)	(27,087)	(11,669)
	(5,479,734)	(4,461,793)

¹ Refers to cost of events known and claims reported and costs not related to the Operator's healthcare plan.

28. Operating expenses

a. Administrative expenses

	Parent		Consolidated	
	September 30		September 30	
	2020	2019	2020	2019
Personnel	(1,290)	(942)	(358,607)	(274,638)
Third-party services	(2,483)	(2,799)	(182,120)	(147,763)
Location and operation	(210)	(257)	(47,946)	(60,008)
Taxes	(83)	(256)	(8,431)	(14,366)
Publicity and advertising	(414)	(379)	(13,358)	(10,611)
Provision for lawsuits	-	-	(23,578)	(29,234)
Depreciation and amortization	-	-	(116,688)	(105,324)
Charges, fees, fines and interest	(109)	(56)	(4,606)	(5,352)
Share-based payment plan	(36,052)	(32,820)	(36,052)	(32,820)
Depreciation of right of use	-	-	(10,544)	(10,205)
Others	(1)	(8)	(2,791)	(5,107)
	(40,642)	(37,517)	(804,721)	(695,428)

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

September 30, 2020 and 2019

(In thousands of reais, unless otherwise stated)

b. Selling expenses

	Consolidated	
	September 30	
	2020	2019
Compensation - own personnel	(6,951)	(7,569)
Recognition of deferred selling expenses	(216,019)	(161,944)
Commissions and selling	(180,596)	(132,477)
	(403,566)	(301,990)

c. Impairment of receivables

	Consolidated	
	September 30	
	2020	2019
Recognition of impairment of receivables	(15,594)	(3,540)
Write-off of effective losses of plan related credits in the period	(66,788)	(48,519)
Other gains (losses) not related to the plan	(825)	(1,428)
	(83,207)	(53,487)

29. Finance income (costs)

	Parent		Consolidated	
	September 30		September 30	
	2020	2019	2020	2019
Financial investments income ¹	1,725	3,275	52,430	70,851
Interest received	-	-	27,074	18,250
Inflation adjustment gain	1,520	1,130	15,551	9,083
Other income	-	-	4,974	12,652
Derivative financial instruments - NDF- Non- Deliverable Forwar	-	-	6,347	-
Fair value adjustment	-	-	(730)	198
Foreign exchange gains	-	-	537	358
Discounts obtained	-	3	2,402	3,134
	3,245	4,408	108,585	114,526
Interest on debentures	-	-	(34,865)	(86,448)
Finance costs debentures	-	-	(10,763)	(3,278)
Inflation adjustment loss	-	-	(37,752)	(39,426)
Fines and interest	(9)	-	(2,027)	(7,308)
Foreign exchange losses	-	(26)	(995)	(62)
Bank fees	-	(68)	(16,534)	(9,600)
Fair value adjustment	-	-	-	(474)
Discounts granted	(1)	-	(4,194)	(5,816)
Interest on loans and financing	2	-	(24,727)	(14,774)
Present value adjustment	-	-	(11,648)	(756)
Present value adjustment - deferred portion ²	(14,704)	(34,690)	(14,704)	(34,690)
Interest on lease	-	-	(33,122)	(26,245)
Borrowing costs	-	-	(3,811)	(2,320)
Other expenses	(163)	-	(7,333)	(5,865)
	(14,875)	(34,784)	(202,475)	(237,062)
Finance income (costs), net	(11,630)	(30,376)	(93,890)	(122,536)

¹ The amount of R\$ 1,725 in the parent company and R\$ 10,091 in the consolidated refers to short-term investments income and R\$ 42,339 refers to financial investments, as explained in note 7.

² This balance refers to the finance cost arising from the inflation adjustment of the deferred purchase price portion (note 24).

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

September 30, 2020 and 2019

(In thousands of reais, unless otherwise stated)

30. 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.

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 type and with no par value, totaling 28,502,586 shares.

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 share call 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.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

September 30, 2020 and 2019

(In thousands of reais, unless otherwise stated)

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 share call 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 of the 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 the subscription of common shares, all of them registered, book-entry type 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 share call 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 Technical 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 binominal 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

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

September 30, 2020 and 2019

(In thousands of reais, unless otherwise stated)

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 for 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 subscribed and 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, 2020, the recorded amount of R\$ 36,052 (R\$ 32,820 at September 30, 2019) refers to the transaction cost incurred as a result of the Share-based Payment plan.

31. Earnings per share

The basic earnings per share are calculated by dividing net income for the periods ended September 30, 2020 and 2019 attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period.

Diluted earnings per share are calculated by dividing net income 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 per share

	Consolidated	
	September 30	
	2020	2019
Profit for the period	580,580	292,180
Number of outstanding shares (-) Treasury shares	609,479	528,476
Earnings per share	0.9526	0.5529
Weighted average number of shares during the period	603,628	528,476
Basic earnings per share	0.9618	0.5529

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and 2019
(In thousands of reais, unless otherwise stated)

b) Diluted earnings per share

	Consolidated	
	September 30	
	2020	2019
Weighted average number of shares during the period	603,628	528,476
Increase in the number of shares under the share-based payment plan, if all options granted are exercised.	15,132	20,801
Weighted average number of shares during plans - diluted	618,760	549,277
Diluted earnings per share	0.9383	0.5319

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information
September 30, 2020 and 2019
(In thousands of reais, unless otherwise stated)

32. Operating segments

The activities of the Company and its Subsidiaries are organized in the business segments below:

	2020				September 30 2019			
	Health	Dental	Other segments	Consolidated	Health	Dental	Other segments	Consolidated
Net operating revenue	7,636,446	225,689	-	7,862,135	5,926,641	184,251	-	6,110,892
Cost of services rendered	(5,427,041)	(52,693)	-	(5,479,734)	(4,404,318)	(57,475)	-	(4,461,793)
Gross profit	2,209,405	172,996	-	2,382,401	1,522,323	126,776	-	1,649,099
Administrative expenses	(717,082)	(45,208)	(42,431)	(804,721)	(606,396)	(42,367)	(46,665)	(695,428)
Selling expenses	(387,895)	(15,671)	-	(403,566)	(292,704)	(9,286)	-	(301,990)
Impairment of receivables	(77,057)	(6,150)	-	(83,207)	(55,655)	2,168	-	(53,487)
Other income and expenses, net	(7,807)	442	(222)	(7,587)	23,268	(50)	(1,352)	21,866
Profit (loss) before finance income (costs) and taxes	1,019,564	106,409	(42,653)	1,083,320	590,836	77,241	(48,017)	620,060
Finance income (costs)	(80,144)	81	(13,827)	(93,890)	(92,306)	319	(30,549)	(122,536)
Profit (loss) before taxes	939,420	106,490	(56,480)	989,430	498,530	77,560	(78,566)	497,524
Income tax and social contribution	(413,073)	4,919	(696)	(408,850)	(208,592)	(13,210)	16,458	(205,344)
Profit (loss) for the period	526,347	111,409	(57,176)	580,580	289,938	64,350	(62,108)	292,180

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

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

September 30, 2020 and 2019

(In thousands of reais, unless otherwise stated)

	2020			September 30 2019		
	Health	Dental	Consolidated	Health	Dental	Consolidated
Known or reported events	(5,361,544)	(55,681)	(5,417,225)	(4,407,301)	(59,725)	(4,467,026)
(-) Co-participation	132,488	2,520	135,008	100,317	2,718	103,035
SUS	(49,959)	-	(49,959)	(27,400)	-	(27,400)
Depreciation and amortization	(86,321)	-	(86,321)	(34,772)	-	(34,772)
Depreciation of right of use	(34,150)	-	(34,150)	(23,961)	-	(23,961)
Changes in the Incurred But Not Reported Reserve (IBNR)	(27,556)	468	(27,088)	(11,201)	(468)	(11,669)
	(5,427,042)	(52,693)	(5,479,735)	(4,404,318)	(57,475)	(4,461,793)

33. Related parties

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 noncurrent liabilities" at September 30, 2020 was R\$ 397,253 (R\$ 320,468 at December 31, 2019).

The Company has stock options plans. At September 30, 2020, expenses related to key management personnel recognized in profit or loss amounted to R\$ 36,052 (R\$ 32,820 at September 30, 2019).

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 at September 30, 2020 was R\$ 55,077 (R\$ 48,135 at September 30, 2019).

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

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

September 30, 2020 and 2019

(In thousands of reais, unless otherwise stated)

34. Commitments

The Company 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.

	Consolidated	
	September 30 2020	December 31 2019
Up to one year	112,182	110,171
More than one year and less than five	448,488	436,207
More than five years	112,122	108,684
	672,792	655,062

35. Insurance coverage

The 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.	R\$ 366,757
D&O	Civil liability - officers, managers and directors	R\$ 1,985,557
Civil liability	Civil liability - operations	R\$ 38,049
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\$ 270,181

36. Additional information

Intention to purchase and sell Climepe Total Ltda. Shares

On August 4, 2020, continuing its expansion plan, the Company, through its Subsidiary Notre Dame Intermédica Saúde S.A., entered into a share purchase and sale agreement and other covenants in the amount of R\$ 168,000 for the acquisition of Climepe Total Ltda., a healthcare operator based in Poços de Caldas, state of Minas Gerais, and operating in this region.

On September 17, 2020, the Brazilian Regulatory Agency for Private Health Insurance and Plans (ANS) approved the acquisition of Climepe Total Ltda., through Official Letter 91/2020/ASSNT-DIOPE/DIRAD-DIOPE/DIOPE.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

September 30, 2020 and 2019

(In thousands of reais, unless otherwise stated)

Completion of the transaction is subject to compliance with certain contractual conditions and approval of the Brazilian Antitrust Authority (CADE).

Intention to purchase and sell Bio Saúde Serviços Médicos Ltda.

On August 12, 2020, continuing its expansion plan, the Company, through its Subsidiary Notre Dame Intermédica Saúde S.A., entered into a share purchase and sale agreement and other covenants in the amount of R\$ 79,000 for the acquisition of Bio Saúde Serviços Médicos Ltda., a healthcare operator based in the state of São Paulo, mainly in the city of São Paulo.

The completion of the transaction is subject to compliance with certain conditions precedent, including the approvals of the Regulatory Agency for Private Health Insurance and Plans (ANS) and of the Brazilian Antitrust Authority (CADE).

Intention to purchase and sell Medisanitas Brasil Group shares

On August 25, 2020, continuing its expansion plan, the Company, through its Subsidiary Notre Dame Intermédica Saúde S.A., entered into a share purchase and sale agreement and other covenants in the amount of R\$ 1,000,000 for the acquisition of Medisanitas Brasil Group, comprised by companies: OSI Brasil Participações Ltda., OSI Investimentos Brasil Ltda., Medisanitas Brasil Assistência Integral à Saúde S.A., Com Vc Drogaria Ltda., Minas Saúde Investimentos e Participações Ltda., Serviços Operativos Sanitas Ltda., Centro Oftalmológico Keralty Ltda., Centro Clínico Keralty Venda Nova Ltda., Centro Médico Keralty Ltda. and Hospital Keralty Ltda. Medisanitas Brasil Group concentrates the Brazilian operations of the Colombian corporate group Keralty (specialists in integrated health care with operations in Brazil, Venezuela, Colombia, Peru, Mexico, United States, Europe, Indonesia and the Philippines). Since its entrance in Brazil in 2011, Keralty has been consolidating in an outstanding position in the domestic supplementary health care (especially in the state of Minas Gerais).

The completion of the transaction is subject to compliance with certain conditions precedent, including the approvals of the Regulatory Agency for Private Health Insurance and Plans (ANS) and of the Brazilian Antitrust Authority (CADE).

37. Subsequent events

Intention to purchase and sell Lifeday Planos de Saúde Ltda. shares

On October 1, 2020, in furtherance of its expansion plan, the Company, through its Subsidiary Clinipam - Clínica Paranaense de Assistência Médica Ltda, entered into a share purchase and sale agreement and other covenants in the amount of R\$ 70,000 for the acquisition of Lifeday Planos de Saúde Ltda., a healthcare operator with operations in the states of Santa Catarina and Rio Grande do Sul.

The completion of the transaction is subject to compliance with certain conditions precedent, including the approvals of the Regulatory Agency for Private Health Insurance and Plans (ANS).

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

September 30, 2020 and 2019

(In thousands of reais, unless otherwise stated)

Acquisition of Santa Brígida Hospital

On October 23, 2020, continuing its expansion plan, the Company, through its subsidiary Clinipam – Clínica Paranaense de Assistência Médica Ltda, entered into a share purchase and sale agreement and other covenants in the amount of R\$ 48,500 for the acquisition of Hospital e Maternidade Santa Brígida S.A.

We inform that this transaction is not subject to the prior approval of the ANS (Brazilian Regulatory Agency for Private Health Insurance and Plans) and CADE (Brazilian Antitrust Authority).

Intention to purchase and sell Serpram Group shares

On October 26, 2020, in furtherance of its expansion plan, the Company, through its Subsidiary Notre Dame Intermédica Saúde S.A., entered into a share purchase and sale agreement and other covenants in the amount of R\$ 170,000 for the acquisition of Serpram Group, which comprises two hospitals, IMESA - Instituto de Medicina Especializada Alfenas S.A. and Hospital Varginha S.A., and a healthcare operator, Serpram - Serviço de Prestação de Assistência Médico - Hospitalar S.A., with operations in the state of Minas Gerais.

The completion of the transaction is subject to compliance with certain conditions precedent, including the approvals of the Regulatory Agency for Private Health Insurance and Plans (ANS) and of the Brazilian Antitrust Authority (CADE).

Capital increase in subsidiary Notre Dame Intermédica Saúde S.A.

At the Special General Meeting (SGM) held on October 28, 2020, the direct subsidiary BCBF Participações S.A. made a capital increase in the Company's indirect subsidiary Notre Dame Intermédica Saúde S.A. in the amount of R\$ 900,000, through the issue of 900,000 new shares, with the capital of Notre Dame Intermédica Saúde increasing from R\$ 2,457,225 to R\$ 3,357,225.
