

Individual and Consolidated Interim Financial Information

Notre Dame Intermédica Participações S.A.

March 31, 2021
with Independent Auditor's Report

Notre Dame Intermédica Participações S.A.

Individual and Consolidated Interim Financial Information

March 31, 2021

Contents

Independent auditor's report on individual and consolidated interim financial information	3
Reviewed interim financial information	
Statements of financial position	5
Statements of profit or loss	7
Statements of comprehensive income	8
Statements of changes in equity	9
Statements of cash flows (indirect method)	10
Statements of value added	11
Notes to the individual and consolidated interim financial information	12

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 March 31, 2021, comprising the statement of financial position as of March 31, 2021 and the related statements of profit or loss, of comprehensive income, of changes in equity and cash flows for the quarter 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).

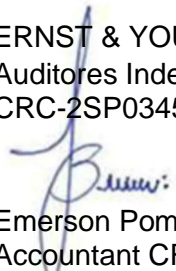
Other matters

Statements of value added

The abovementioned quarterly information include the individual and consolidated statement of value added (SVA) for the quarter ended on March 31, 2021, prepared under Company's Management responsibility, and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

São Paulo, May 10, 2021

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



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

Notre Dame Intermédica Participações S.A.

Statements of financial position

March 31, 2021 and December 31, 2020

(In thousands of reais)

	Note	Parent		Consolidated	
		March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Assets					
Current		102,091	113,538	4,686,798	5,118,964
Cash and cash equivalents	5	98,956	110,545	2,007,301	2,563,751
Short-term investments	6	-	-	1,028,624	1,001,019
Trade receivables	7	-	-	621,587	637,763
Inventories	-	-	-	124,813	100,520
Deferred acquisition costs	8	-	-	245,319	244,009
Tax and social security credits	9	548	812	125,561	113,630
Other assets	10	2,587	2,181	533,593	458,272
Noncurrent		7,622,541	7,627,134	11,902,453	11,234,575
Long-term investments	6	-	-	159,197	152,647
Deferred tax assets	11	-	-	471,488	386,647
Deferred acquisition costs	8	-	-	221,984	229,558
Judicial and tax deposits	12	101,053	98,746	804,673	782,033
Other assets	10	10,552	10,552	756,081	726,254
Investments	13	7,510,936	7,517,836	1,279	993
Property, plant and equipment	14	-	-	2,294,034	2,217,421
Right of use	15	-	-	573,869	492,451
Intangible assets	16	-	-	6,619,848	6,246,571
Total assets		7,724,632	7,740,672	16,589,251	16,353,539

See accompanying notes.

Notre Dame Intermédica Participações S.A.

Statements of financial position

March 31, 2021 and December 31, 2020

(In thousands of reais)

	Note	Parent		Consolidated	
		March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Liabilities and equity					
Current		177,698	177,818	2,873,469	2,797,100
Trade payables		1,250	2,333	163,696	162,326
Salaries payable		98	98	203,198	212,006
Taxes and social charges payable	17	1,473	510	554,922	502,841
Dividends payable		174,877	174,877	174,877	174,877
Loans and financing	18	-	-	236,694	225,077
Debentures	19	-	-	13,582	81,091
Provision for income tax and social contribution		-	-	26,654	62,431
Technical reserves of healthcare operations	20	-	-	1,258,378	1,176,699
Leases	15	-	-	44,917	38,376
Other liabilities	21	-	-	196,551	161,376
Noncurrent		464,707	464,707	6,632,656	6,457,754
Taxes and social charges payable	17	-	-	59,282	62,369
Loans and financing	18	-	-	899,857	943,663
Debentures	19	-	-	2,239,395	2,238,572
Technical reserves of healthcare operations	20	-	-	563,480	531,537
Deferred purchase price	23	69,415	72,938	69,415	72,938
Deferred tax liabilities	11	-	-	400,870	363,311
Provision for lawsuits	22	-	-	884,843	870,530
Leases	15	-	-	575,795	489,355
Other liabilities	21	395,292	391,769	939,719	885,479
Equity and noncontrolling interests	24	7,082,227	7,098,147	7,083,126	7,098,685
Capital		5,646,453	5,646,453	5,646,453	5,646,453
(-) Treasury shares		(2,857)	(2,857)	(2,857)	(2,857)
(-) Premium on acquisition of equity interest		(2,779)	(2,779)	(2,779)	(2,779)
(-) Costs with public offering of shares		(113,913)	(113,913)	(113,913)	(113,913)
Reserves:		1,583,337	1,571,243	1,583,337	1,571,243
Capital reserve and stock options granted		161,398	149,304	161,398	149,304
Income reserves		1,421,939	1,421,939	1,421,939	1,421,939
Loss for the period		(28,014)	-	(28,014)	-
Noncontrolling interests		-	-	899	538
Total liabilities and equity		7,724,632	7,740,672	16,589,251	16,353,539

See accompanying notes.

Notre Dame Intermédica Participações S.A.

Statements of profit or loss

Quarters ended March 31, 2021 and 2020

(In thousands of reais; except for earnings per share, in reais)

	Note	Parent		Consolidated	
		March 31,		March 31,	
		2021	2020	2021	2020
Net operating revenue	25	-	-	2,903,627	2,559,446
Cost of services rendered	26	-	-	(2,380,841)	(1,843,767)
Gross profit		-	-	522,786	715,679
Administrative expenses	27.a	(23,644)	(13,810)	(301,073)	(245,841)
Selling expenses	27.b	-	-	(158,444)	(130,101)
Impairment of receivables	27.c	-	-	(22,268)	(22,185)
Share of profit (loss) of subsidiaries	13	(6,900)	180,372	-	-
Other income (expenses), net		-	-	6,398	(3,750)
(Loss)/Profit before finance income and costs		(30,544)	166,562	47,399	313,802
Finance income	28	2,675	2,405	42,705	47,192
Finance costs	28	(145)	(8,563)	(92,644)	(79,955)
(Loss)/Profit before income tax and social contribution		(28,014)	160,404	(2,540)	281,039
Current income tax and social contribution	11	-	-	(22,172)	(134,223)
Deferred income tax and social contribution	11	-	-	(3,188)	13,588
(Loss)/Profit for the period		(28,014)	160,404	(27,900)	160,404
Attributable to:					
Equity holders of the Parent		(28,014)	160,404	(28,014)	160,404
Noncontrolling interests		-	-	114	-
		(28,014)	160,404	(27,900)	160,404
(Loss)/Earnings per share:					
Basic	30	(0.0462)	0.2661	(0.0460)	0.2661
Diluted	30	(0.0462)	0.2606	(0.0460)	0.2606

See accompanying notes.

Notre Dame Intermédica Participações S.A.

Statements of comprehensive income

Quarters ended March 31, 2021 and 2020

(In thousands of reais)

	Parent		Consolidated	
	March 31,		March 31,	
	2021	2020	2021	2020
(Loss)/Profit for the period	(28,014)	160,404	(27,900)	160,404
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	(28,014)	160,404	(27,900)	160,404
Attributable to:				
Equity holders of the parent	(28,014)	160,404	(28,014)	160,404
Noncontrolling interests	-	-	114	-
	(28,014)	160,404	(27,900)	160,404

See accompanying notes.

Notre Dame Intermédica Participações S.A.

Statements of changes in equity

Quarters ended March 31, 2021 and 2020

(In thousands of reais)

	Note	Capital	(-) Unpaid capital	Premium on acquisition of equity interest	(-) Costs with public offering of shares	(-) Treasury shares	Capital reserve	Income reserves		Retained earnings	Total	Noncontrolling interests	Total
							Stock option reserve	Legal	Statutory				
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
(-) Repurchase of treasury shares		-	-	-	-	(245,122)	-	-	-	-	(245,122)	-	(245,122)
Sale of treasury shares		-	-	-	-	242,343	-	-	-	-	242,343	-	242,343
(-) Premium on acquisition of equity interest		-	-	(2,779)	-	2,779	-	-	-	-	-	-	-
Recognition of options granted		-	-	-	-	-	10,924	-	-	-	10,924	-	10,924
Profit for the period		-	-	-	-	-	-	-	-	160,404	160,404	-	160,404
Noncontrolling interests		-	-	-	-	-	-	-	-	-	-	1,479	1,479
Balance at March 31, 2020		5,526,232	(225)	(2,779)	(113,913)	(2,857)	111,487	52,313	808,283	160,404	6,538,945	1,479	6,540,424
Balance at December 31, 2020		5,646,453	-	(2,779)	(113,913)	(2,857)	149,304	89,122	1,332,817	-	7,098,147	538	7,098,685
Recognition of options granted		-	-	-	-	-	12,094	-	-	-	12,094	-	12,094
(Loss)/Profit for the period		-	-	-	-	-	-	-	-	(28,014)	(28,014)	114	(27,900)
Noncontrolling interests		-	-	-	-	-	-	-	-	-	-	247	247
Balance at March 31, 2021		5,646,453	-	(2,779)	(113,913)	(2,857)	161,398	89,122	1,332,817	(28,014)	7,082,227	899	7,083,126

See accompanying notes.

Notre Dame Intermédica Participações S.A.

Statements of cash flows (indirect method)

Quarters ended March 31, 2021 and 2020

(In thousands of reais)

	Note	Parent		Consolidated	
		March 31,		March 31,	
		2021	2020	2021	2020
Cash flows from operating activities:					
(Loss)/Profit for the period		(28,014)	160,404	(27,900)	160,404
Depreciation of property	14	-	-	35,541	24,396
Amortization of intangible assets	16	-	-	37,674	30,475
Depreciation of right of use	15	-	-	16,338	14,446
Share of profit (loss) of subsidiaries	13.a	6,900	(180,372)	-	-
Inflation adjustment of judicial deposits	12	(2,307)	(1,527)	(7,612)	(6,780)
Inflation adjustment of contingencies	22	-	-	23,127	14,947
Fair value adjustment of financial investments	6	-	-	6,413	54
Inflation adjustment - SUS	20.a	-	-	1,470	9,148
Short-term investments income	6	-	-	(17,320)	(18,134)
Foreign exchange (gains) / losses	6	-	-	(4)	294
Current and deferred income tax and social contribution	11	-	-	25,360	120,635
Changes in technical reserves	20.c	-	-	54,967	13,525
Provision for lawsuits	27.a	-	-	45,175	5,975
Provision for (reversal of) impairment of receivables	27.c	-	-	(5,181)	3,289
Loss on impairment of receivables	27.c	-	-	27,449	18,896
Provision for expected disallowances	7	-	-	3,240	2,539
Amortization of deferred acquisition costs	8	-	-	82,359	70,004
Present value adjustment - deferred portion		-	8,443	-	8,443
Interest on debentures and transaction cost	19	-	-	24,593	25,500
Interest on loans and financing and borrowing costs	18	-	-	14,321	4,737
Interest on leases	15	-	-	12,337	11,180
Appropriation of share-based payment plan	27.a	12,094	10,924	12,094	10,924
Write-off of property, plant and equipment/intangible assets	14 and 16	-	-	1,391	7,063
Others		-	-	195	4,657
Derivative financial instruments - NDF - Non-Deliverable Forward	28	-	-	(1,214)	-
Write-off of right of use/leases	15	-	-	(1,315)	(532)
Payment of income tax and social contribution		-	-	(75,683)	(84,111)
(Increase) decrease in operating assets					
Trade receivables	7	-	-	18,645	(32,881)
Inventories		-	-	(16,533)	(23,434)
Tax and social security credits		264	(168)	(10,469)	23,726
Deferred acquisition costs	8	-	-	(76,095)	(94,326)
Deferred tax assets		-	-	(481)	(62,197)
Judicial and tax deposits	12	-	1,314	(14,902)	(112,326)
Other assets		(406)	-	(163,525)	(110,780)
Increase (decrease) in operating liabilities					
Trade payables		(1,083)	(473)	(42,507)	(40,863)
Salaries payable		-	-	(19,425)	(6,653)
Taxes and social charges payable		963	(447)	44,667	41,689
Technical reserves of healthcare operations		-	-	23,152	172,747
Provision for income tax and social contribution		-	-	15,687	-
Deferred tax liabilities		-	-	5,841	-
Provision for lawsuits	22	-	-	(6,929)	(14,831)
Other liabilities		3,523	43,161	9,548	3,752
Deferred purchase price	23	(3,523)	(43,161)	(3,523)	(43,161)
Net cash generated (used) in operating activities		(11,589)	(1,902)	50,966	152,436
Cash flows from investing activities					
Short-term investments	6	-	-	(3,691,717)	(6,359,325)
Redemptions of short-term investments	6	-	-	3,740,272	6,466,188
Business combination	2	-	-	(374,516)	(2,496,188)
Acquisition of property, plant and equipment	14	-	-	(44,122)	(33,894)
Acquisition of intangible assets		-	-	-	(2,663)
Capital increase in subsidiary		-	(20,000)	-	-
Net cash (used) in investing activities		-	(20,000)	(370,083)	(2,425,882)
Cash flows from financing activities					
Payment of interest on debentures	19	-	-	(31,279)	(64,253)
Amortization of debentures - principal	19	-	-	(60,000)	(960,000)
Repurchase of shares - share-based payment plan		-	-	-	(245,122)
Raising of loans and financing		-	-	-	360,000
Leases paid - principal	15.b	-	-	(11,809)	(9,210)
Leases paid - interest	15.b	-	-	(12,337)	(11,180)
Loans and financing paid - principal	18	-	-	(115,208)	(74,993)
Loans and financing paid - interest	18	-	-	(6,700)	(4,895)
Net cash (used) in financing activities		-	-	(237,333)	(1,009,653)
Decrease in cash and cash equivalents for the period		(11,589)	(21,902)	(556,450)	(3,283,099)
Cash and cash equivalents at the beginning of the year		110,545	133,881	2,563,751	3,514,439
Cash and cash equivalents at the end of the period		98,956	111,979	2,007,173	231,340

See accompanying notes.

Notre Dame Intermédica Participações S.A.

Statements of value added

Quarters ended March 31, 2021 and 2020

(In thousands of reais)

	Parent		Consolidated	
	March 31,		March 31,	
	2021	2020	2021	2020
Revenue	-	-	2,973,226	2,638,296
Sales of goods, products and services	-	-	2,989,011	2,654,244
Other income	-	-	6,483	6,237
Impairment on receivables - reversal/(recognition)	-	-	(22,268)	(22,185)
INPUTS PURCHASED FROM THIRD PARTIES	(10,250)	(2,519)	(2,522,559)	(1,983,010)
Cost of sales and services	-	-	(2,263,240)	(1,753,158)
Materials, electric power, outsourced services and others	(10,250)	(2,519)	(259,319)	(229,852)
GROSS VALUE ADDED	(10,250)	(2,519)	450,667	655,286
DEPRECIATION AND AMORTIZATION	-	-	(89,553)	(69,317)
NET VALUE ADDED GENERATED BY THE ENTITY	(10,250)	(2,519)	361,114	585,969
VALUE ADDED RECEIVED IN TRANSFER	(4,225)	182,777	43,192	47,968
Share of profit (loss) of subsidiaries	(6,900)	180,372	-	-
Finance income	2,675	2,405	42,705	47,192
Others	-	-	487	776
TOTAL VALUE ADDED FOR DISTRIBUTION	(14,475)	180,258	404,306	633,937
DISTRIBUTION OF VALUE ADDED	(14,475)	180,258	404,306	633,937
Personnel	12,494	11,179	196,370	145,112
Salaries and wages	12,494	11,179	171,774	124,608
Benefits	-	-	15,481	10,569
FGTS (Unemployment Compensation Fund)	-	-	9,115	9,935
Taxes, fees and contributions	1,025	224	144,993	248,227
Federal	857	212	99,722	205,748
Municipal	168	12	45,271	42,479
Value distributed to providers of capital	20	8,451	90,843	80,194
Interest	12	8,443	89,979	78,587
Rentals	-	-	589	1,305
Others	8	8	275	302
Value distributed to shareholders	(28,014)	160,404	(27,900)	160,404
(Loss)/Earnings retention for the period	(28,014)	160,404	(28,014)	160,404
Noncontrolling interest	-	-	114	-

See accompanying notes.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

1. Operations

Notre Dame Intermédica Participações S.A. (hereinafter “Company”) is a publicly-held holding company headquartered in Brazil at Avenida Paulista, 867, Bela Vista, CEP 01305100, São Paulo-SP. The individual and consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (or “Notre Dame Intermédica Group”). The Company was established on February 18, 2014 and is engaged in: (i) the management of its own assets and (ii) holding interests as a partner, shareholder or holder of any other right in other civil or commercial companies whose purpose includes activities related to various segments of health, including companies that, directly or indirectly (a) manage, market or distribute healthcare plans or private dental plans; (b) operate hospitals, laboratories, clinical centers or medical care units; and/or (c) have real estate intended primarily for the development of activities in the health sector.

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

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

1.1. COVID-19 Pandemic

In compliance with CVM-SNC/SEP Official Letter No. 03/2020, in view of the current scenario that Brazil and the entire world are experiencing due to the COVID-19 pandemic, the Company sought to assess the possible material impacts on its operations, in order to verify the effects on this interim financial information for the period ended March 31, 2020 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.

As the deceleration process occurred with greater intensity as from the last 10 days of March, we did not identify any unusual changes in operating results or cash flows 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 had a positive effect on the results of our operations.

In the third quarter of 2020, we noticed that the same movements continued to occur, although with impacts significantly lower than those seen in the second quarter, since we identified a growing trend towards the resumption to normal activities in various medical activities.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

Throughout the fourth quarter of 2020, with the resurgence of a “second wave” of COVID-19 in the main markets where we operate, we experienced a different behavior from patients, who continued to seek health services to maintain their routine and/or elective treatment. Accordingly, not only the expenses with exams, but also the demand for hospital services reached levels above the historical average. This difference in behavior became even more exacerbated in December, which historically has a low seasonality, but which exceptionally in 2020 represented the month with the highest frequency of hospitalizations and procedures due to the coexistence of regular patients with patients undergoing COVID-19 treatment.

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

Health and dental care cost:

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

The record volume of hospitalizations for patients with COVID-19 peaked around March 20, 2021, when we reached a number of hospitalized patients about 3 times greater than in the first wave. The situation was even more challenging for our operations, since patients affected with COVID-19 who needed hospitalization found the hospital sector already operating close to normal with respect to other elective surgeries, creating an overload on the health system as a whole, since only a few states and municipalities have decreed the mandatory suspension of elective surgeries. In this scenario, we had to count on the opening of hundreds of additional beds in our own network, including the opening of another hospital (Intermédica Anália Franco), but we also had to seek support from our accredited network, which acted as an important partner at this time of health crisis.

As for dental care, using our historical operating indicators adjusted for the seasonality of this time of year as an assumption, we continue to notice a lower use of dental procedures by our beneficiaries, which translated into a lower claim rate than that observed in the first quarter of 2020.

Hospital services for other healthcare plans:

From October to December 2020, we have noticed a reduction in healthcare services for customers from other healthcare plans, justified by a strategy to face the pandemic, which prioritized the preservation of hospital beds in case there is a need to care for beneficiaries of the Company and its subsidiaries. This drop in services to patients from other healthcare plans allowed the opening of the capacity of hospital beds and, mainly, ICUs that were progressively filled with our patients with suspect or confirmed COVID-19.

Risk related to impairment of financial assets:

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

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

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

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

Risk of inventory losses:

The Company and its subsidiaries maintain very strict control over the average turnover of medicines inventory and over the expiration dates. With the reduction in medical services, especially 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 now returned to normal and we have not identified any need for recording losses. The increase in the balance of consolidated inventories mainly results from the new operations acquired, which brought 7 new hospitals to the Company, and also from inventories of protection equipment for our doctors and employees.

Risk of going concern:

The first months of the pandemic brought many uncertainties to the main economic agents, specially to companies. In this period, which coincided with the second quarter of 2020, we noted a more accelerated trend of employee dismissals, which increased the pressure on our base of active patients. Nevertheless, during the most critical quarter of the pandemic, our customer base continued to grow due to our commercial efforts, and we closed 2020 with an organic growth in our customer base. Our billings and average ticket also continued to increase, despite the postponement of price adjustments for individuals and SME customers throughout some months of 2020.

With the flexibility measures adopted by the state governments as from the third quarter, we began to see an increase in the demand for outpatient care, which is close to our average historical indicators. At the same time, during the fourth quarter, we saw a progressive increase in the number of patients with symptoms of COVID-19, notably in December, in all areas where we operate.

The actual impacts of these current trends are impossible to quantify as they will depend not only on (i) the evolution of the disease curve itself, (ii) how fast the population is vaccinated and the responses to different vaccines; (iii) new treatment protocols for patients with COVID-19 that may require new medications, but mainly the measures that may be implemented by governments, which will be able to affect not only (iv) the speed of spread of the virus, but also (v) 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 these financial statements, we did not identify any increase in default by our customers or requests for cancellation or modification of contracts, even though maintenance of the adverse macroeconomic scenario may continue to affect employment level negatively in the country and, consequently, the number of private healthcare plan beneficiaries in Brazil.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

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, with deferral of monthly payments by them, which has already been recognized as described in Note 9.

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 as of March 31, 2021 our position of immediate liquidity assets, classified as Cash and cash equivalents, corresponds to R\$ 2,007,301, according to Note 6, while our debt commitments have an average maturity of 6-year gross debt, according to Notes 18 and 19.

The Company, through its subsidiaries BCBF Participações 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 March 31, 2021, BCBF Participações and Notre Dame Intermédica Saúde were in compliance with the covenants.

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

Despite impacts in the first quarter of 2021, the extent to which COVID-19 will affect future 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.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

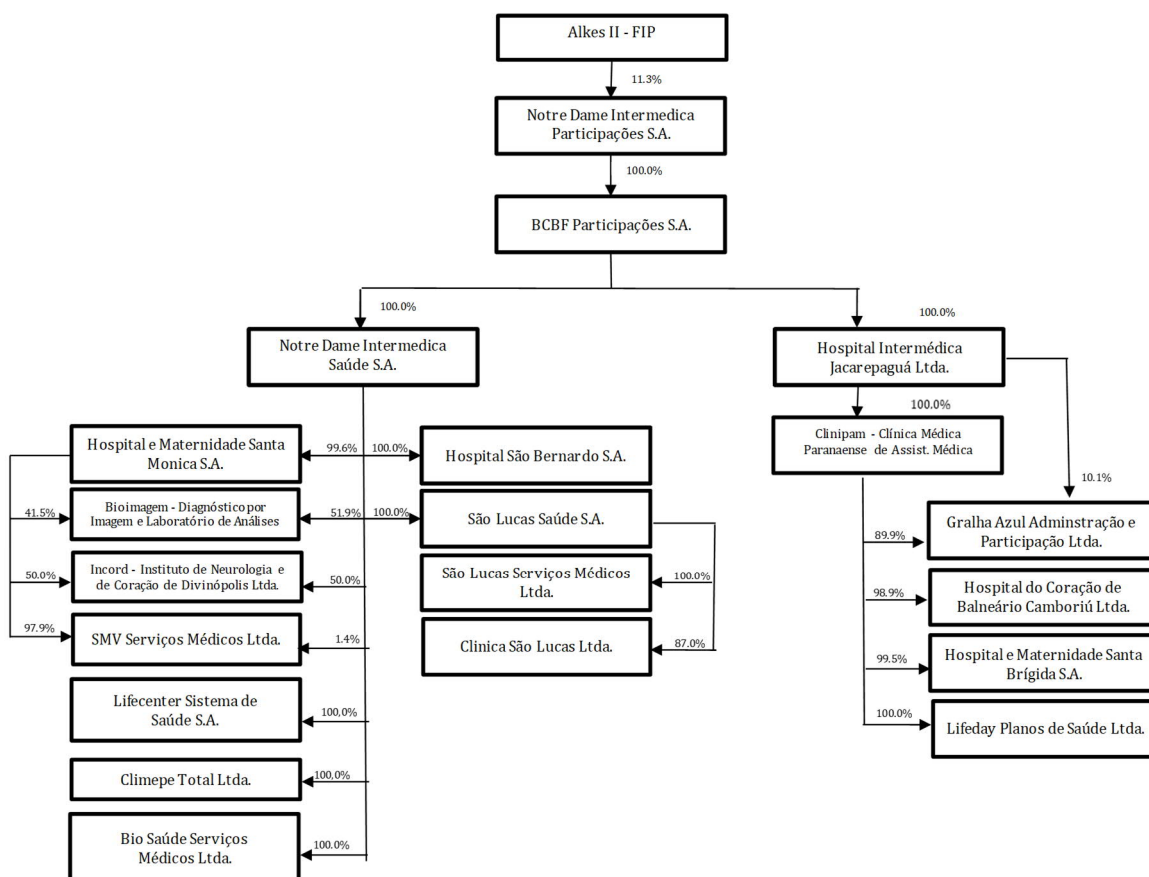
March 31, 2021

(In thousands of reais)

1.2. Ownership structure

Notre Dame Intermédica Group ended the period ended March 31, 2021 with the following ownership structure:

Ownership structure at March 31, 2020



2. Business combination

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

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

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

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

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

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

On December 23, 2020, the transaction had been approved by the Brazilian Antitrust Authority (CADE) through concentration act 08700.006411/2020-85.

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

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

Assets	
Current	62,832
Cash and cash equivalents	162
Short-term investments	30,004
Trade receivable	20,671
Inventories	7,492
Tax and social security credits	471
Other current assets	4,032
Non current	156,313
Long-term investments	5,377
Deferred tax assets	56,327
Other non current assets	526
Investments	172
Property, plant and equipment ¹	20,977
Right of use	68,440
Intangible assets	532
Indemnity assets	3,962
Total identifiable assets acquired	219,145

¹Property, plant and equipment acquired at the fair value of R\$ 20,977 is comprised of the cost of acquisition in the amount of R\$ 19,618, plus appreciation in the amount of R\$ 1,359.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

Liabilities	
Current	74,687
Trade payables	21,551
Salaries payables	8,217
Taxes and social charges payable	2,472
Loans and financing	24,312
Provision for income tax and social contribution	797
Leases	5,570
Other current liabilities	11,768
Non current	134,924
Loans and financing	51,073
Deferred tax liabilities	497
Provision for lawsuits	3,962
Leases	71,219
Other non current liabilities	8,173
Total liabilities assumed	209,611
Total identifiable assets acquired/(liabilities assumed)	9,534
Goodwill arising on transaction	157,428
Total consideration, net	166,962

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

	Valuation method	Lifecenter
Property, plant and equipment	Market value	1,360
Goodwill	Fair value	157,428

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

Intangible	Intangible amount allocated	Useful life
Goodwill not allocated	157,428	Indefinite
Total intangible assets	157,428	

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.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

Lifecenter was consolidated as of January 1, 2021. The contribution to the consolidated statement of profit or loss for the three-month period ended March 31, 2021 was a net revenue of R\$ 32,609 and a loss for the period of R\$ 1,545.

2.2. Acquisition of Climepe Total Ltda.

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

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.

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

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

Assets	
Current	28,537
Cash and cash equivalents	5,137
Short-term investments	20,879
Trade receivable	1,230
Inventories	268
Tax and social security credits	991
Other current assets	32
Non current	57,137
Property, plant and equipment	17,328
Intangible assets	39,809
Total identifiable assets acquired	85,674

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

Liabilities	
Current	13,304
Trade payables	671
Salaries payables	2,252
Taxes and social charges payable	1,025
Dividends payable	1,500
Provision for income tax and social contribution	1,047
Technical reserves of healthcare operations	6,361
Other current liabilities	448
Non current	2,030
Technical reserves of healthcare operations	353
Provision for lawsuits	1,677
Total liabilities assumed	15,334
Total identifiable assets acquired/(liabilities assumed)	70,340
Goodwill arising on transaction	122,705
Total consideration, net	193,045

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

	Valuation method	Climepe
Customers portfolio	Income method	39,809
Goodwill	Fair value	122,705

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

Intangible	Intangible amount allocated	Useful life
Customers portfolio	39,809	7 to 8 years
Total allocated	39,809	
Goodwill not allocated	122,705	Indefinite
Total intangible assets	162,514	

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.

Climepe was consolidated as of March 1, 2021. The contribution to the consolidated statement of profit or loss for the three-month period ended March 31, 2021 was a revenue of R\$ 6,832 and profit for the period of R\$ 859.

Had Climepe been consolidated as of January 1, 2021, the consolidated statement of profit or loss for the three-month period ended March 31, 2021 would have presented pro forma net revenue of R\$ 18,203 and pro forma net profit of R\$ 2,953.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

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/DIRADDIOPE/DIOPE.

On November 27, 2020, the Brazilian Antitrust Authority (CADE), through concentration act 08700.004121/2020-05, approved the acquisition of Climepe Total Ltda.

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

2.3. Acquisition of Bio Saúde Serviços Médicos Ltda.

On March 31, 2021, the Notre Dame Intermédica Group concluded the acquisition of Bio Saúde Serviços Médicos Ltda. and took control the company.

The purchase price was R\$ 79,000, according to the closing term, with a cash payment of R\$ 71,200 with a portion withheld until March 31, 2027 in the amount of R\$ 7,800 to cover any contingencies arising from the period preceding the closing date as determined in a contractual clause.

Cash installment	71,200
Portion withheld	7,800
Total consideration	79,000
Present value adjustment on portion withheld	(1,170)
Consideration, net	77,830

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.

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

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

Assets	
Current	37,339
Cash and cash equivalents	128
Short-term investments	15,539
Trade receivable	6,076
Other current assets	15,596
Non current	42,348
Judicial and tax deposits	126
Investments	62
Property, plant and equipment	13,720
Intangible assets	28,440
Total identifiable assets acquired	79,687

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

Liabilities	
Current	28,512
Trade payables	359
Salaries payables	148
Taxes and social charges payable	830
Loans and financing	13
Provision for income tax and social contribution	203
Technical reserves of healthcare operations	26,875
Other current liabilities	84
Non current	570
Technical reserves of healthcare operations	444
Provision for lawsuits	126
Total liabilities assumed	29,082
Total identifiable assets acquired/(liabilities assumed)	50,605
Goodwill arising on transaction	27,225
Total consideration, net	77,830

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

	Valuation method	Bio Saúde
Customers portfolio	Income method	28,440
Goodwill	Fair value	27,225

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

Intangible	Intangible amount allocated	Useful life
Customers portfolio	28,440	7 to 8 years
Total allocated	28,440	
Goodwill not allocated	27,225	Indefinite
Total intangible assets	55,665	

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.

Bio Saúde was consolidated as of January 1, 2021, the contribution to the consolidated statement of profit or loss for the three-month period ended March 31, 2021 was a net revenue of R\$ 39,522 and a profit for the period of R\$ 740.

On September 17, 2020, the Brazilian Regulatory Agency for Private Health Insurance and Plans (ANS) approved the acquisition of Bio Saúde Serviços Médicos Ltda., through Official Letter nº 92/2020/ASSNT-DIOPE/DIRAD-DIOPE/DIOPE.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

On March 29, 2021, the Brazilian Antitrust Authority (CADE), through concentration act 08700.005771/2020-60, approved the acquisition of Bio Saúde Serviços Médicos Ltda., without restrictions.

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

a) Statement of compliance

The individual and consolidated interim financial information for the period ended March 31, 2021 has been prepared in accordance with Accounting Pronouncement CPC 21 (R1) – Interim Financial Reporting and International Accounting Standard (IAS) 34 issued by the International Accounting Standards Board (IASB) and in accordance with the standards of the Securities and Exchange Commission of Brazil (CVM), and present 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.

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

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

The individual and consolidated interim financial information for the period ended March 31, 2021 was approved by the Board of Directors and authorized for issue on May 10, 2021.

b) Basis of consolidation

The interim financial information includes the financial information of the Company and its subsidiaries as of March 31, 2021.

The individual and consolidated interim financial information does not include all information and disclosures required in the annual individual and consolidated financial statements. Therefore, it should be read together with the individual and consolidated financial statements for the year ended December 31, 2020 and approved on March 16, 2021, which were prepared in accordance with the accounting practices adopted in Brazil, which comprise the standards of the Securities and Exchange Commission of Brazil (CVM) and the pronouncements issued by the Brazilian Financial Accounting Standards Board (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

March 31, 2021

(In thousands of reais)

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

	Core activity	Acquisition date	Equity interest			
			March 31,		December 31,	
			2021		2020	
			Direct	Indirect	Direct	Indirect
BCBF Participações S.A.	Holding company	-	100.00%	-	100.00%	-
Notre Dame Intermédica Saúde S.A.	Healthcare plan	-	-	100.00%	-	100.00%
Hospital São Bernardo S.A.	Health	February 23, 2017	-	100.00%	-	100.00%
Hospital Intermédica Jacarepaguá Ltda.	Health	April 5, 2019	-	100.00%	-	100.00%
São Lucas Saúde S.A.	Healthcare plan	January 23, 2020	-	100.00%	-	100.00%
São Lucas Serviços Médicos Ltda.	Health	January 23, 2020	-	100.00%	-	100.00%
Clínica São Lucas Ltda.	Health	January 23, 2020	-	87.07%	-	87.07%
Clinipam - Clínica Médica Paranaense de Assistência Médica Ltda.	Healthcare plan	February 7, 2020	-	100.00%	-	100.00%
Gralha Azul Administração e Participação Ltda.	Holding company	February 7, 2020	-	100.00%	-	100.00%
Hospital do Coração de Balneário Camboriú Ltda.	Health	May 20, 2020	-	98.99%	-	98.99%
SMV - Serviços Médicos Ltda.	Healthcare plan	August 24, 2020	-	99.30%	-	99.30%
Hospital e Maternidade Santa Monica S.A.	Health	August 24, 2020	-	99.75%	-	99.60%
Incord - Instituto de Neurologia e de Coração de Divinópolis Ltda.	Laboratory	August 24, 2020	-	100.00%	-	100.00%
Bioimagem Diagnósticos por Imagem e Laboratório de Análises Clínicas Ltda.	Laboratory	August 24, 2020	-	93.35%	-	93.35%
Hospital e Maternidade Santa Brígida S.A.	Health	October 23, 2020	-	99.53%	-	97.02%
Lifeday Planos de Saúde Ltda.	Healthcare plan	December 1, 2020	-	100.00%	-	100.00%
Lifecenter Sistema de Saúde S.A.	Health	January 20, 2021	-	100.00%	-	-
Climepe Total Ltda.	Healthcare plan	March 8, 2021	-	100.00%	-	-
Bio Saúde Serviços Médicos Ltda.	Healthcare plan	March 31, 2021	-	100.00%	-	-

4. Risk management

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

(a) Credit risk

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

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

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

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

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

Issuers	March 31, 2021	National long- term rating	December 31, 2020	National long- term rating
Banco Santander (Brasil) S.A.	975,591	AAA(bra)	1,026,703	brAAA
Banco Bradesco S.A.	841,861	AAA(bra)	1,092,470	AAA(bra)
Caixa Econômica Federal	23,272	AA(bra)	73,824	AA(bra)
Itaú Unibanco S.A.	660,641	AAA(bra)	634,656	AAA(bra)
Votorantim S.A.	286,291	AAA(bra)	284,913	AAA(bra)
Banco Safra S.A.	35,013	AAA(bra)	35,535	brAAA
Banco Daycoval S.A.	-	AA(bra)	50	AA(bra)
Banco do Brasil S.A.	177,439	AA(bra)	370,362	AA(bra)
XP Investimentos	79,219	AA(bra)	78,549	AA(bra)
Greencred	-	AA(bra)	2	AA(bra)
Uniprime	-	A(bra)	1,376	A(bra)
Citibank	2,432	AAA(bra)	2,430	-
Sicoob	42,715	AA-(bra)	37,982	AA-(bra)
Unicred	1,117	A-(bra)	1,112	-
Banco Sul América S.A.	15,167	AA-(bra)	-	-
	3,140,758		3,639,964	

The investment policy requires the need to allocate resources in accordance with ANS Normative Resolution (RN) 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.

(i) Liquidity risk

Liquidity	Short-term investments	March 31, 2021		December 31, 2020	
		Amount	% portfolio	Amount	% portfolio
Immediate	Short-term investments	1,952,937	62.18%	2,486,298	68.31%
From 31 to 120 days	Bank certificate of deposit - CDB - variable rates, repo debentures, open-ended fixed income funds and other	425,421	13.55%	474,364	13.03%
From 31 to 120 days	Financial bills - LFT	-	-	19,430	0.54%
From 121 to 240 days	Bank certificate of deposit - CDB - variable rates, repo debentures, open-ended fixed income funds and other	200,777	6.39%	14,583	0.40%
From 241 to 360 days	Bank certificate of deposit - CDB - variable rates, repo debentures, open-ended fixed income funds and other	30,176	0.96%	125,700	3.45%
From 241 to 360 days	Financial bills - LF	182,309	5.81%	-	-
More than 361 days	Bank certificate of deposit - CDB - variable rates, repo debentures, open-ended fixed income funds and other	43,755	1.39%	30,002	0.82%
More than 361 days	National treasury bills - LTN	224,386	7.14%	227,385	6.25%
More than 361 days	Financial treasury bills - LFT	80,997	2.58%	80,862	2.22%
More than 361 days	Financial bills - LF	-	-	181,340	4.98%
		3,140,758	100%	3,639,964	100%

In accordance with ANS Normative Resolution 392/15, amended by RNs 419/16, 427/17, 430/17 and 448/20, subsidiaries Notre Dame Intermédica Saúde S.A, São Lucas Saúde S.A., Clinipam – Clínica Médica Paranaense de Assistência Médica Ltda., Lifeday Planos de Saúde Ltda., Climepe Total Ltda. and Bio Saúde Serviços Médicos de Saúde Ltda. maintain restricted financial investments for the coverage of technical reserves, amounting to R\$ 969,836 at March 31, 2021 (R\$ 978,675 at December 31, 2020).

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

(ii) Asset and liability management (ALM)

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

(c) Currency risk

(i) Financial investments

The Company and its subsidiaries' exposure to the currency risk affects mainly short and long-term investments in foreign exchange funds and which is classified under Cash and Cash Equivalents. 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. At March 31, 2021, the balance of financial investments in foreign exchange was R\$ 46 (R\$ 43 at December 31, 2020).

(ii) Loans and financing

The Notre Dame Intermédica Group, through its subsidiary Notre Dame Intermédica Saúde S.A., has in its liabilities foreign currency loans and financing transactions through Law No. 4131/62, subject to currency risk, and to hedge against a variation in these currencies, Non-Deliverable Forward - NDF derivative instruments were contracted (purchase of Financial Bond), on the same date as the funding transaction.

At March 31, 2021, NDF's long position is R\$ 5,347 (R\$ 4,133 at December 31, 2020) as per Note 10, generating income at March 31, 2021 of R\$ 1,214, according to note 28.

(d) Insurance risk

The Company's and its 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.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

(e) Interest rate risk of financial instruments

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

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

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

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

Breakdown of financial investments is shown in note 6.

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

(i) Sensitivity analysis of interest rate variations

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

Therefore, with other variables held constant, the chart below shows a simulation of the effect of interest rate variations on equity and future profit or loss for the next 12 months (consolidated) considering the balances at March 31, 2021.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

Parent													
March 31, 2020													
Other liabilities	Index	Risk	% - p.a. ¹	R\$	Probable	Interest reduction				Interest increase			
						Rate	-25%	Rate	-50%	Rate	+25%	Rate	+50%
Contractual obligations	CDI	CDI increase	5.15%	(395,292)	(20,358)	3.86%	(15,258)	2.58%	(10,199)	6.44%	(25,457)	7.73%	(30,556)
Consolidated													
March 31, 2020													
Cash and cash equivalents	Index	Risk	% p.a.	R\$	Probable	Interest reduction				Interest increase			
						Rate	-25%	Rate	-50%	Rate	+25%	Rate	+50%
CDBs	CDI	CDI decrease	5.15%	1,420,190	73,140	3.86%	54,819	2.58%	36,641	6.44%	91,460	7.73%	109,781
Open-ended fixed income fund	CDI	CDI decrease	5.15%	345,171	17,776	3.86%	13,324	2.58%	8,905	6.44%	22,229	7.73%	26,682
Repurchase operations	CDI	CDI decrease	5.15%	187,534	9,658	3.86%	7,239	2.58%	4,838	6.44%	12,077	7.73%	14,496
Others	Selic	Selic decrease	5.25%	42	2	3.94%	2	2.63%	1	6.56%	3	7.88%	3
				1,952,937	100,576		75,384		50,385		125,769		150,962
Short-term investments													
CDBs	CDI	CDI decrease	5.15%	246,097	12,674	3.86%	9,499	2.58%	6,349	6.44%	15,849	7.73%	19,023
LFTs	Selic	Selic decrease	5.25%	80,997	4,252	3.94%	3,191	2.63%	2,130	6.56%	5,313	7.88%	6,383
Open-ended fixed income fund	CDI	CDI decrease	5.15%	454,032	23,383	3.86%	17,526	2.58%	11,714	6.44%	29,240	7.73%	35,097
LFs	CDI	CDI decrease	5.15%	182,309	9,389	3.86%	7,037	2.58%	4,704	6.44%	11,741	7.73%	14,092
	CDI + 2.6% p.a.			963,435	49,698		37,253		24,897		62,143		74,595
Loans and financing													
BNDES	TJLP	TJLP increase	5.55%	(953)	(53)	4.16%	(40)	2.78%	(26)	6.94%	(66)	8.33%	(79)
Working capital	CDI	CDI increase	5.15%	(56,006)	(2,884)	3.86%	(2,162)	2.58%	(1,445)	6.44%	(3,607)	7.73%	(4,329)
Working capital	CDI + 2.3% p.a.	CDI increase	7.57%	(298,526)	(22,598)	6.25%	(18,658)	4.94%	(14,747)	8.89%	(26,539)	10.21%	(30,480)
Working capital	CDI + 2.6% p.a.	CDI increase	7.88%	(263,253)	(20,744)	6.56%	(17,269)	5.25%	(13,821)	9.21%	(24,246)	10.53%	(27,721)
Working capital	CDI + 2.4% p.a.	CDI increase	7.67%	(260,862)	(20,008)	6.35%	(16,565)	5.04%	(13,147)	8.99%	(23,451)	10.32%	(26,921)
Leasing	CDI	CDI increase	5.15%	(1,854)	(95)	3.86%	(72)	2.58%	(48)	6.44%	(119)	7.73%	(143)
Promissory notes	CDI + 1.4% p.a.	CDI increase	6.62%	(187,207)	(12,393)	5.31%	(9,941)	4.02%	(7,526)	7.93%	(14,846)	9.24%	(17,298)
Credit cooperative	CDI	CDI increase	5.15%	(55,610)	(2,864)	3.86%	(2,147)	2.58%	(1,435)	6.44%	(3,581)	7.73%	(4,299)
Others	CDI	CDI increase	5.15%	(16)	(1)	3.86%	(1)	2.58%	-	6.44%	(1)	7.73%	(1)
				(1,124,287)	(81,640)		(66,855)		(52,195)		(96,456)		(111,271)
Debentures													
Debentures - BCBF (4 th)	CDI + 2.65% p.a.	CDI increase	7.94%	(745,488)	(59,192)	6.61%	(49,277)	5.30%	(39,511)	9.26%	(69,032)	10.58%	(78,873)
Debentures - BCBF (5 th)	CDI + 2.65% p.a.	CDI increase	7.94%	(705,814)	(56,042)	6.61%	(46,654)	5.30%	(37,408)	9.26%	(65,358)	10.58%	(74,675)
Debentures - Notre Dame (3 rd)	CDI + 1.6% p.a.	CDI increase	6.83%	(801,675)	(54,754)	5.52%	(44,252)	4.22%	(33,831)	8.14%	(65,256)	9.45%	(75,758)
				(2,252,977)	(169,988)		(140,183)		(110,750)		(199,646)		(229,306)
Contractual obligations													
Contractual obligations	CDI	CDI increase	5.15%	(739,898)	(38,105)	3.86%	(28,560)	2.58%	(19,089)	6.44%	(47,649)	7.73%	(57,194)
Contractual obligations	105% of CDI	CDI increase	5.41%	(9,541)	(516)	4.06%	(387)	2.70%	(258)	6.76%	(645)	8.11%	(774)
Contractual obligations	90% of CDI	CDI increase	4.64%	(37,028)	(1,718)	3.48%	(1,289)	2.32%	(859)	5.79%	(2,144)	6.95%	(2,573)
Contractual obligations	95% of CDI	CDI increase	4.89%	(35,133)	(1,718)	3.67%	(1,289)	2.45%	(861)	6.12%	(2,150)	7.34%	(2,579)
Contractual obligations	100% Selic	Increase on SELIC	5.25%	(47,917)	(2,516)	3.94%	(1,888)	2.63%	(1,260)	6.56%	(3,143)	7.88%	(3,776)
Contractual obligations	IPCA	IPCA increase	5.04%	(29,684)	(1,496)	3.78%	(1,122)	2.52%	(748)	6.30%	(1,870)	7.56%	(2,244)
				(899,201)	(46,069)		(34,535)		(23,075)		(57,601)		(69,140)

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

¹ In the % p.a. column (probable scenario) the rates were obtained from the website of bank Bradesco - "Bradesco Long-Term Projection" published on April 21, 2021.

5. Cash and cash equivalents

	Parent		Consolidated	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Cash and banks	199	11,865	54,364	77,453
Cash and cash equivalents	98,757	98,680	1,952,937	2,486,298
	98,956	110,545	2,007,301	2,563,751

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

6. Short-term investments

At March 31, 2021 and December 31, 2020, the financial instruments comprising financial investments were as follows:

		March 31, 2021				Consolidated		
		Maturities				December 31, 2020		
Fair value through profit or loss	Levels	Up to 1 year	From 1 to 5 years	Over 5 years	Carrying amount	Fair value	Carrying amount	Fair value
Financial treasury bills – LFT (i)	1	-	80,997	-	80,997	80,997	100,292	100,292
National treasury bills – LTN (i)	1	-	224,386	-	224,386	224,386	227,385	227,385
Bank Certificate of Deposit – CDB (ii)	2	202,342	5,585	38,170	246,097	246,097	223,628	223,628
Open-ended fixed income fund (iii)	2	454,032	-	-	454,032	454,032	421,021	421,021
Financial bills – LF (iv)	2	182,309	-	-	182,309	182,309	181,340	181,340
Total		838,683	310,968	38,170	1,187,821	1,187,821	1,153,666	1,153,666
					Current		1,001,019	
					Noncurrent		152,647	

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

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

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).

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

Changes in financial investments

	March 31, 2021	Consolidated December 31, 2020
Balance at the beginning of the year	1,153,666	1,285,126
Balance acquired	71,799	176,047
Investments	3,691,717	15,041,759
Redemptions	(3,740,272)	(15,405,731)
Foreign exchange gains (losses)	4	(473)
Finance income (costs)	17,320	57,332
Fair value adjustment	(6,413)	(394)
Balance at the end of the period/year	1,187,821	1,153,666

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 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).

7. Trade receivables

Trade receivables refer to transactions related to healthcare plans and healthcare services, generated by the operation of subsidiaries at March 31, 2021, as follows:

	March 31, 2021	Consolidated December 31, 2020
Trade receivables related to:		
Healthcare plans	396,117	395,423
Healthcare not relating to healthcare plans	225,470	242,340
	621,587	637,763

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

At March 31, 2021, the breakdown of trade receivables was as follows:

	March 31, 2021	Consolidated December 31, 2020
Receivables from operations with healthcare plans	445,138	447,271
(-) Impairment of receivables	(49,021)	(51,848)
	396,117	395,423
	March 31, 2021	Consolidated December 31, 2020
Receivables from healthcare operations not related to the Operator's healthcare plans	268,624	261,624
(-) Impairment of receivables	(43,154)	(19,284)
	225,470	242,340
Trade receivables	621,587	637,763

Aging of trade receivables is as follows:

			Consolidated March 31, 2021
	Balance	Impairment of receivables	Net balance
Current:			
From 1 to 30 days	261,169	(4,461)	256,708
More than 30 days	12,127	(4)	12,123
Past due:			
From 1 to 30 days	88,437	(2,202)	86,235
From 31 to 90 days	52,013	(10,962)	41,051
More than 90 days	31,392	(31,392)	-
Receivables from operations with healthcare plans	445,138	(49,021)	396,117
			Consolidated December 31, 2020
	Balance	Impairment of receivables	Net balance
Current:			
From 1 to 30 days	259,537	(5,157)	254,380
More than 30 days	24,805	(6)	24,799
Past due:			
From 1 to 30 days	45,342	(2,014)	43,328
From 31 to 90 days	78,929	(6,013)	72,916
More than 90 days	38,658	(38,658)	-
Receivables from operations with healthcare plans	447,271	(51,848)	395,423

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

	Consolidated		
	March 31, 2021		
	Balance	Impairment of receivables	Net balance
Current:			
From 1 to 30 days	63,227	(14,380)	48,847
More than 30 days	48,385	(78)	48,307
Past due:			
From 1 to 30 days	34,224	(588)	33,636
From 31 to 90 days	96,234	(1,554)	94,680
More than 90 days	26,554	(26,554)	-
Receivables from healthcare operations not related to the Operator's healthcare plans	268,624	(43,154)	225,470
			Consolidated
			December 31, 2020
	Balance	Impairment of receivables	Net balance
Falling-due:			
From 1 to 30 days	49,719	(41)	49,678
More than 30 days	46,169	(35)	46,134
Past due:			
From 1 to 30 days	25,554	(229)	25,325
From 31 to 90 days	124,771	(3,568)	121,203
More than 90 days	15,411	(15,411)	-
Receivables from healthcare operations not related to the Operator's healthcare plans	261,624	(19,284)	242,340

Changes in trade receivables from operations with healthcare plans:

	Consolidated
	March 31, 2021
	December 31, 2020
Balance at the beginning of the year	395,423
Balance acquired	8,253
Net considerations	2,784,237
Amounts received	(2,769,865)
Reversal (recognition) of impairment of receivables	4,420
(-) Loss on receivables	(26,351)
Balance at the end of the period/year	396,117

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

	Consolidated
	March 31, 2021
	December 31, 2020
Balance at the beginning of the year	242,340
Balance acquired	20,671
Revenue from healthcare operations not related to the Operator's healthcare plans	207,840
Co-participation	56,570
Amounts received	(297,683)
Provision for expected disallowances	(3,240)
Reversal (recognition) of impairment of receivables	70
(-) Loss on receivables	(1,098)
Balance at the end of the period/year	225,470

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

Changes in expected credit losses

	Consolidated	
	Healthcare plans	Not related to healthcare plan
	(51,848)	(19,284)
Balance at December 31, 2020	(51,848)	(19,284)
Balance acquired	(795)	(24,738)
Reclassification	(798)	798
Amounts recognized	(114,793)	(45,209)
Reversals	119,213	45,279
Balance at March 31, 2021	(49,021)	(43,154)

8. Deferred acquisition costs

Acquisition costs are deferred and amortized over the contract term or expectation according to Actuarial Note (NTA) and are reflected in the balance of "Deferred acquisition costs" in current and noncurrent assets. At March 31, 2021, deferred acquisition costs comprise the following:

	Consolidated	
	March 31, 2021	December 31, 2020
Balance at the beginning of the year	473,567	364,833
Amounts recognized	76,095	402,802
(-) Amortization	(82,359)	(294,068)
Balance at end of period/year	467,303	473,567
Current assets	245,319	244,009
Noncurrent assets	221,984	229,558

9. Tax and social security credits

Tax and social security credits comprise the following:

	Consolidated	
	March 31, 2021	December 31, 2020
Income tax ¹	63,556	66,531
Social contribution on profit (CSLL) ¹	20,078	14,255
Withholding income tax	30,147	23,745
Social security credit	1,069	878
PIS and COFINS credits	9,782	7,835
ISS credit	929	386
Tax and social security credits	125,561	113,630

- (i) The Company and its subsidiaries adopt the procedure of making monthly prepayments of the amounts due related to Income Tax and Social Contribution and making the annual adjustment of the amounts due at the year-end, when the prepaid taxes accounts are offset against the taxes payable accounts.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

10. Other assets

	Parent		Consolidated	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Judicial deposit ISS – SP (a)	-	-	386,691	376,929
Advances to suppliers	612	129	72,021	40,676
Other receivables	1,705	1,705	25,330	11,671
Advances to employees	-	-	10,740	12,640
Advances for payment of lawsuits	-	-	13,544	10,587
Prepaid expenses	270	347	6,555	654
Data services to be amortized (d)	-	-	18,712	5,115
Current	2,587	2,181	533,593	458,272
Receivables - indemnities (b)	-	-	633,296	620,124
Trade receivables from healthcare plans	-	-	7,954	7,822
Collateral deposits	-	-	842	838
Indemnity assets (c)	-	-	86,459	74,045
Court-frozen deposits	1	1	7,990	7,249
Derivatives - NDF receivable	-	-	5,347	4,133
Others	10,551	10,551	14,193	12,043
Noncurrent	10,552	10,552	756,081	726,254
	13,139	12,733	1,289,674	1,184,526

- a) These refer to judicial deposits related to Service Tax (ISS). The deposited amount is related to the provision shown in note 17. As the deposit is made on the tax maturity date, i.e., in the month subsequent to the provision, there is a mismatch between the judicial deposit and the provision.
- b) Under the share purchase and sale agreement and other covenants, it has been defined that all contingencies relating to periods prior to the execution of the agreement would be the responsibility of the former shareholders and, consequently, these amounts would be reimbursed or deducted from the portion withheld payable. The Company also has properties pledged as collateral, granted in the form of a secured fiduciary transfer, to cover the contingencies that exceed the installment withheld from the purchase price; however, in accordance with IAS 37, these assets will be recorded only when the probability of transfer of property ownership is virtually certain.
- c) According to a private instrument for the purchase and sale of shares and other covenants, signed between the former members of the Green Line Group and the Notre Dame Intermédica Group, which in certain circumstances guarantee, as long as they are liable to indemnity, any obligations that may occur. The corresponding entry was recognized in liabilities in the provision for contingencies line item, as per note 22.
- d) The Company has made payments for data services effective for 12 months, which will be recognized in profit or loss over the appropriate period.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

11. Income tax and social contribution

	Consolidated				
	March 31, 2021	December 31, 2020	Changes in the period	Recognized in the statement of profit or loss	Acquisitions of subsidiaries ¹
<u>Deferred tax assets on temporary differences arising from:</u>					
Provision for lawsuits (civil, tax and labor)	170,055	163,524	6,531	3,425	3,106
Impairment of receivables	56,384	47,687	8,697	(1,093)	9,790
Provision for SUS events	137,309	131,388	5,921	5,921	-
Tax credit on difference - initial adoption leases CPC 6 (R2) / IFRS16	15,814	11,986	3,828	1,281	2,547
Provision for ANS penalties	6,453	6,220	233	233	-
Other additions	6,066	25,842	(19,776)	(20,306)	530
Tax loss / negative basis	79,407	-	79,407	38,572	40,835
Deferred tax assets	471,488	386,647	84,841	28,033	56,808
<u>Deferred tax liabilities on temporary differences arising from:</u>					
Depreciation and amortization	(24,055)	(21,408)	(2,647)	(2,647)	-
Amortization of intangible assets for tax purposes - NDI Par	(79,193)	(82,996)	3,803	3,803	-
Inflation adjustment of judicial deposits	(36,510)	(34,167)	(2,343)	(1,846)	(497)
Amortization of intangible assets for tax purposes	(2,168)	(2,168)	-	-	-
Deferred tax liabilities on goodwill arising from acquisition	(40,798)	(40,798)	-	-	-
Deferred tax liabilities on goodwill arising from merger	(188,850)	(157,032)	(31,818)	(31,818)	-
Others	(25,125)	(24,742)	(383)	(383)	-
Indemnities	(4,171)	-	(4,171)	1,670	(5,841)
Deferred tax liabilities	(400,870)	(363,311)	(37,559)	(31,221)	(6,338)
Total net deferred tax	70,618	23,336	47,282	(3,188)	50,470

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
2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
31,732	42,309	42,309	42,309	47,149	50,606	50,606	50,606	50,606	50,606	12,650	471,488
											471,488

At March 31, 2021, the Company's subsidiaries amortized, for tax purposes, goodwill amounting to R\$ 1,690,451, using tax credits of R\$ 575,355 as from the setup, in conformity with a technical study, business plan and management's projections.

The income tax expense for the period is as follows:

	Parent		Consolidated	
	2021	March 31, 2020	2021	March 31, 2020
(Loss)/Profit before taxes	(28,014)	160,404	(2,540)	281,039
Tax rate of 34%	9,525	(54,537)	864	(95,553)
Share of profit (loss) of subsidiaries	(2,346)	61,325	-	-
Variable compensation of management	-	-	(8,125)	(9,541)
Share-based payment plan	(4,112)	(3,714)	(4,112)	(3,714)
Present value adjustment - deferred purchase price	-	(2,871)	-	(2,871)
Tax losses of subsidiaries without recognition of deferred tax	(3,852)	(719)	(10,621)	(7,988)
Presumed profit adjustment	-	-	346	(992)
Depreciation and amortization	-	-	(5,125)	-
Non-deductible expenses	785	-	(73)	(6,694)
Other permanent exclusions (additions)	-	516	1,486	6,718
Income tax and social contribution expenses disclosed in the statement of profit or loss	-	-	(25,360)	(120,635)
Deferred income tax and social contribution expense	-	-	(22,172)	(134,223)
Current income tax and social contribution expense	-	-	(13,133)	13,588
Effective rate	0%	0%	-998%	43%

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

12. Judicial and tax related deposits

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

	December 31, 2020	Balance acquired	Additions/write-offs deposits	Inflation adjustments	Consolidated March 31, 2021
Tax	212,244	-	4,836	4,869	221,949
Labor	28,389	-	1,863	551	30,803
Regulatory/Civil	66,592	126	1,874	297	68,889
Judicial deposits - SUS	474,808	-	6,329	1,895	483,032
	782,033	126	14,902	7,612	804,673

	December 31, 2019	Balance acquired	Additions/write-offs deposits	Inflation adjustments	Consolidated December 31, 2020
Tax	176,785	918	25,996	8,545	212,244
Labor	25,744	-	920	1,725	28,389
Regulatory/Civil	55,037	1,299	8,179	2,077	66,592
Judicial deposits - SUS	235,848	30,477	197,501	10,982	474,808
	493,414	32,694	232,596	23,329	782,033

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

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

Regulatory/Civil – these correspond to judicial deposits relating to indemnity collection lawsuits, affirmative covenants, revision actions, petitions requesting that amounts payable could not be claimed and declaratory judgment actions. The regulatory/civil contingencies presented in note 22 refer to these deposits.

Judicial deposits – SUS – the subsidiaries are challenging in court the amounts charged by the Brazilian Regulatory Agency for Private Health Insurance and Plans (ANS) as “SUS Refund”, addressed by article 32 of Law 9656/98. The subsidiaries assigned no risk prognosis since this refers to a guarantee for effective jurisdictional protection.

13. Investments – Company

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

	BCBF	Other assets (i)	Total
Balance at December 31, 2020	7,039,838	477,998	7,517,836
Share of profit of subsidiaries in the period	481	-	481
Amortization Added Value	-	(7,381)	(7,381)
Balance at March 31, 2021	7,040,319	470,617	7,510,936

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

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

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

	<u>March 31, 2021</u>	<u>December 31, 2020</u>
Assets	9,248,956	9,376,664
Liabilities	2,208,637	2,336,826
Equity	7,040,319	7,039,838
Profit for the period	481	840,622
% Equity interest	100%	100%

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

14. Property, plant and equipment

Consolidated								
	Useful life	Annual depreciation rate % p.a.	December 31, 2020	Balance acquired	Acquisitions	Disposals	Transfers	March 31, 2021
Land and buildings	25 to 50 years	2%	1.347.353	20.960	4.972	-	17.970	1.382.102
Vehicles	1 to 10 years	17%	714	22	-	(13)	14	646
Facilities	5 to 10 years	14%	7.492	-	561	(14)	1.050	8.779
Machinery and equipment	1 to 25 years	14%	306.457	16.140	11.130	(24)	888	317.981
Furniture and fixtures	1 to 15 years	10%	56.988	3.261	1.406	(25)	441	60.285
IT equipment	1 to 15 years	25%	26.597	1.235	389	-	3.696	28.318
PP&E in progress	-	-	227.189	7	17.811	(799)	(19.403)	224.797
Leasehold improvements	-	-	244.631	10.400	28.885	(424)	(8.382)	271.126
			2.217.421	52.025	65.154	(1.299)	(3.726)	2.294.034

Consolidated								
	Useful life	Annual depreciation rate % p.a.	December 31, 2019	Balance acquired	Acquisitions	Disposals	Transfers	December 31, 2020
Land and buildings	25 to 50 years	2%	1.072.796	221.553	3.176	-	75.817	1.347.353
Vehicles	1 to 10 years	17%	639	1.218	-	(480)	(1)	714
Facilities	5 to 10 years	14%	4.926	1.603	81	(137)	2.013	7.492
Machinery and equipment	1 to 25 years	14%	256.693	73.722	45.977	(352)	2.036	306.457
Furniture and fixtures	1 to 15 years	10%	46.213	5.691	8.716	(247)	2.686	56.988
IT equipment	5 to 15 years	25%	26.344	2.663	2.236	-	6.952	26.597
PP&E in progress	-	-	179.598	35.158	100.210	(1.093)	(86.012)	227.189
Leasehold improvements	-	-	171.344	(3.844)	120.740	(7.352)	(21.533)	244.631
			1.758.553	337.764	281.136	(9.661)	(18.042)	2.217.421

Property, plant and equipment items are subject to periodic analyses, at least annually, of the impairment of assets. As of December 31, 2020, there were no indications of impairment of property, plant and equipment items.

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

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

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

In the period, the Company and its subsidiaries acquired property, plant and equipment items at a total cost of R\$ 65,154, of which R\$ 44,122 were paid in the period and R\$ 21,032 are provisioned under "Trade payables".

15. Right of use and leases

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

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

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

Useful life	Rate % p.a.
Up to 2 years	6.82%
2 – 4 years	7.85%
4 – 6 years	7.76%
6 – 8 years	9.19%
8 – 10 years	9.41%
Over 10 years	9.61%

The leases contracted by the Company are presented below:

a) Right of use

	Consolidated		
	Rentals	Machinery and equipment	Others
Balance at December 31, 2020	466,923	25,492	36
Balance acquired	68,440	-	-
Contract updates	14,448	17	-
New contracts	19,808	-	-
Disposals	(4,957)	-	-
Depreciation	(15,075)	(1,257)	(6)
Balance at March 31, 2021	549,587	24,252	30

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

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

b) Leases

(i) Changes in leases

	Consolidated	
	March 31, 2021	December 31, 2020
Balance at the beginning of the year	527,731	497,876
Balance acquired	76,789	13,691
Contract updates	14,465	101,613
New contracts	19,808	13,302
(+) Disposals	(6,272)	(58,151)
Interest	12,337	43,959
(-) Payment of principal	(11,809)	(40,600)
(-) Payment of interest	(12,337)	(43,959)
Balance at end of period/year	620,712	527,731
Current	44,917	38,376
Noncurrent	575,795	489,355

(ii) Maturity of contracts

	Consolidated	
	March 31, 2021	December 31, 2020
2021	75,255	88,927
2022	93,583	81,594
2023	85,681	73,474
2024	82,247	70,658
2025	78,412	66,682
More than 5 years	631,940	493,503
Undiscounted amounts	1,047,118	874,838
Embedded interest	(426,406)	(347,107)
	620,712	527,731

c) Additional information

In accordance with the IASB Basis for Conclusion 161 and 162, referring to CVM official letter 02/19 and IFRS 16/CPC 06 (R2), Management used the nominal incremental rate for the calculation of assets and liabilities within the scope of IFRS 16/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 payment flow, obtained by the disclosure of

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

Banco Bradesco projections for the indicators up to 2025, with repetition of the longest rate for the future flow starting from 5 years.

	Consolidated	
	March 31, 2021	December 31, 2020
<u>Nominal flow</u>		
Lease liability	1,047,118	874,838
Embedded interest	(426,406)	(347,107)
	<u>620,712</u>	<u>527,731</u>
<u>Real flow inflated</u>		
Lease liability	1,090,990	907,602
Embedded interest	(444,272)	(360,106)
	<u>646,718</u>	<u>547,496</u>

d) CVM Ruling 859/2020

On July 7, 2020, the Securities and Exchange Commission of Brazil (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\$ 976 (March 31, 2021 – zero), recorded as reduction in rental expenses.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

16. Intangible assets

a. Changes in intangible assets

								Consolidated
		December 31, 2020	Balance acquired ¹	Acquisitions	Disposals	Transfers	Amortization	March 31, 2021
Useful life								
Healthcare plan portfolio acquisition	Useful life (a)	516,306	68,249	-	(92)	19,897	(23,585)	580,775
Computer system	20% p.a.	31,966	532	264	-	3,726	(3,056)	33,432
Goodwill in business combinations	Indefinite (b)	5,474,595	338,272	-	-	(19,897)	-	5,792,970
Intangible assets		223,676	-	-	-	-	(11,033)	212,643
Other intangible assets	Indefinite (c)	28	-	-	-	-	-	28
		6,246,571	407,053	264	(92)	3,726	(37,674)	6,619,848

								Consolidated
		December 31, 2019	Balance acquired ¹	Acquisitions	Disposals	Transfers	Amortization	December 31, 2020
Useful life								
Healthcare plan portfolio acquisition	Useful life (a)	311,795	272,957	-	(36)	138	(68,548)	516,306
Computer system	20% p.a.	19,986	1,407	2,284	-	17,349	(9,060)	31,966
Goodwill in business combinations	Indefinite (b)	2,703,967	2,765,801	-	(3,586)	20,621	(12,208)	5,474,595
Intangible assets		305,324	-	-	-	(19,548)	(62,100)	223,676
Other intangible assets	Indefinite (c)	601	-	-	-	(518)	(55)	28
		3,341,673	3,040,165	2,284	(3,622)	18,042	(151,971)	6,246,571

¹In accordance with CPC 15 (R1) – Business Combination, the standard provides that companies may make adjustments to the allocation of acquired balances, assessed at fair value during the 12-month period, by means of an independent company report. In the three-month period ended March 31, 2021, the effect of this adjustment provided for in the accounting standard was R\$ 30,914 related to the acquisitions made during the year 2020.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

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

		Portfolio breakdown	
Group/Company	Date	March 31, 2021	December 31, 2020
Notre Dame Group	May 21, 2014	369	375
Santamália Group	November 16, 2015	2,490	3,237
Unimed ABC	September 23, 2016	12,925	13,442
Cruzeiro do Sul Group	January 31, 2018	13,264	13,692
SAMED Group	October 01, 2018	21,022	21,951
Green Line Group	January 01, 2019	123,570	126,981
Mediplan Group	May 29, 2019	47,790	49,268
Belo Dente	July 04, 2019	36,421	37,856
São José Group	November 18, 2019	5,015	5,394
São Lucas Group	January 23, 2020	97,523	100,291
Clinipam Group	February 07, 2020	115,899	105,425
Ecole	April 13, 2020	12,551	13,173
Grupo Santa Mônica	August 24, 2020	4,859	5,552
Lifeday	December 01, 2020	18,828	19,669
Climepe	March 08, 2021	39,809	-
Bio Saúde	March 31, 2021	28,440	-
		580,775	516,306

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	2 to 13 years

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

- (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	CGU ¹	Date	Goodwill breakdown	
			March 31, 2021	December 31, 2020
Notre Dame Group	Health/Dental	May 21, 2014	480,133	480,133
Santamália Group	Health	November 16, 2015	125,405	125,405
Hospital Family	Health	December 23, 2015	77,149	77,149
Unimed ABC	Health	September 23, 2016	71,476	71,476
SAMCI/IBRAGE	Health	March 01, 2017	22,232	22,232
Hospital São Bernardo	Health	February 23, 2017	147,652	147,652
Nova Vida Group	Health	July 03, 2017	148,566	148,566
Cruzeiro do Sul Group	Health	January 31, 2018	56,190	56,190
SAMED Group	Health	October 01, 2018	173,928	173,928
Green Line Group	Health	January 01, 2019	802,484	802,484
Mediplan Group	Health	May 29, 2019	223,217	223,217
Hospital Jacarepaguá	Health	April 05, 2019	54,223	54,223
Belo Dente	Dental plan	July 04, 2019	21,379	21,379
Ghelfond Group	Health	November 28, 2019	161,698	161,698
São José Group	Health	November 18, 2019	90,652	90,652
São Lucas Group	Health	January 23, 2020	199,728	204,458
Clinipam Group	Health South	February 07, 2020	2,313,675	2,325,208
Ecole	Health	April 13, 2020	37,966	35,521
LabClin	Health	April 13, 2020	4,464	4,472
Hospital Camboriú	Health	May 20, 2020	35,759	35,761
Grupo Santa Mônica	Health	August 24, 2020	113,050	115,539
Hospital Santa Brígida	Health	October 23, 2020	28,502	28,554
Lifeday	Health	December 01, 2020	96,084	68,698
Lifecenter	Health	January 01, 2021	157,428	-
Climepe	Health	March 08, 2021	122,705	-
Bio Saúde	Health	March 31, 2021	27,225	-
			5,792,970	5,474,595

1 – CGU - Cash-Generating Unit

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

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

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

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

17. Taxes and social charges payable

	March 31, 2021	Consolidated December 31, 2020
Service Tax (ISS)	426,243	392,279
Social security contribution	23,011	12,022
FGTS (Unemployment Compensation Fund)	4,236	5,194
Taxes on revenue (PIS and COFINS)	17,110	22,766
Union dues and social assistance contributions	80	120
Payment in installments of taxes and contributions	15,279	15,347
Others	2,385	3,330
Taxes payable	488,344	451,058
Income tax - employees	23,620	13,614
Income tax - third parties	8,577	7,392
Service tax	5,085	4,876
Withheld social security contribution	8,333	6,585
Withholding PIS/COFINS/CSLL	20,963	19,316
Taxes withheld payable	66,578	51,783
Current	554,922	502,841
Payment in installments of taxes, fines and fees - federal	45,115	44,961
Payment in installments of taxes, fines and fees - municipal	736	680
Payment in installments of taxes, fines and fees - others	13,431	16,728
Noncurrent	59,282	62,369
	614,204	565,210

18. Loans and financing

At March 31, 2021, main loan and financing agreements were as follows:

						March 31, 2021	Consolidated December 31, 2020
Credit facility	Financial institution	Index	Maturity	Amortization	Interest % p.a.	Amount	Amount
BNDES	Banco Santander	TJLP	2021	Monthly	13.76%	16	18
BNDES	Bradesco	TJLP	2023	Monthly	6.42%	937	1,029
Working capital	Banco Itau	CDI + 2.4%p.a.	2020 - 2024	Annual	12.92%	260,862	279,166
Working capital	Banco Itau	Prefixed	2020 - 2024	Monthly	11.09%	3,175	3,088
Working capital	Banco Itau	CDI	2020 - 2024	Monthly	4.00%	19,816	-
Working capital	Banco Santander	Prefixed	2021 - 2023	Monthly	11.71%	8,381	4,055
Working capital	Banco Santander	CDI	2023	Monthly	3.00%	5,395	-
Working capital	Banco Santander	Prefixed	2021	Monthly	11.71%	-	2,245
Working capital	Bradesco	CDI	2020 - 2023	Monthly	15.00%	15,479	4,956
Working capital	Bradesco	Prefixed	2024	Monthly	11.22%	-	4,461
Working capital	Banco do Brasil	CDI	2023	Monthly	2.70%	5,222	-
Working capital	Banco do Brasil	CDI + +2.3%p.a.	2020 - 2025	Annual	2.70%	298,526	298,619
Working capital	Citibank	CDI + +2.6%p.a.	2020 - 2023	Annual	12.92%	263,253	260,230
Working capital	Unicred	CDI	2020 - 2022	Monthly	14.00%	36	-
Working capital	Banco BDMG	CDI	2020 - 2024	Quarterly	2.70%	10,058	-
Working capital	Caixa Economica Federal	Prefixed	2025	Monthly	9.64%	-	2,000
Leasing	Banco do Brasil	CDI	2023	Monthly	2.67%	-	574
Leasing	Banco Santander	CDI	2020 - 2023	Monthly	9.14%	1,314	1,689
Leasing	Bradesco	CDI	2020 - 2022	Monthly	15.94%	452	521
Leasing	HP Financial	CDI	2022	Monthly	14.10%	88	101
Leasing	HP Financial Service	Prefixed	2020 - 2023	Monthly	1.10%	368	-
Promissory notes	Bradesco	CDI + 1.4%p.a.	2020 - 2022	Annual	6.00%	187,207	278,677
Credit cooperative	Uniprime	CDI	2025	Monthly	9.66%	1,956	2,076
Credit cooperative	Uniprime	Prefixed	2025	Monthly	12.68%	340	476
Credit cooperative	Credicom	CDI	2020 - 2026	Monthly	4.03%	30,074	-
Credit cooperative	Sicoob	CDI	2020 - 2028	Monthly	2.50%	23,580	-
Other		CDI				16	24,759
						1,136,551	1,168,740
Current						236,694	225,077
Noncurrent						899,857	943,663

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

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 March 31, 2021:

	March 31,	Consolidated
	2021	December 31,
	2020	2020
Balance at the beginning of the year	1,168,740	255,842
Balance acquired	75,398	48,061
Loans and financing	-	1,182,000
Transaction cost	-	(7,821)
Recognition of costs	637	1,698
Repayment	(115,208)	(324,826)
Interest paid	(6,700)	(24,447)
Present value adjustment	-	22
Interest	13,684	38,211
Balance at the end of the period/year	1,136,551	1,168,740

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

19. Debentures

At March 31, 2021, the balance in the statement of financial position is as follows:

Company	Security	Type	Number	Issue	Maturity	Average charges	Loans and financing	March 31,	Consolidated
								2021	December 31, 2020
BCBF PARTICIPAÇÕES S.A.	BCBF12	2 nd issue	300,000	23/02/2018	23/02/2021	CDI + 2.25% p.a.	300,000	-	60,801
BCBF PARTICIPAÇÕES S.A.	BCBF14	4 rd issue ^{b)}	750,000	22/09/2020	22/09/2025	CDI + 2.65% p.a.	750,000	745,488	752,837
BCBF PARTICIPAÇÕES S.A.	BCBF15	5 th issue ^{a)}	700,000	04/11/2020	04/11/2025	CDI + 2.65% p.a.	700,000	705,814	697,639
NOTREDAME INTERMEDICA SAÚDE S.A.	NDMI13	3 rd issue ^{c)}	800,000	01/08/2019	01/08/2024	100% CDI + 1.6% p.a.	800,000	801,675	808,386
								2,252,977	2,319,663
								Current	13,582
								Noncurrent	2,239,395

a) Fifth public issue of BCBF Participações S.A.

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

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

Remuneration will be paid biannually, with the first payment on May 4, 2021 and on the maturity date on November 4, 2025. The 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.

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

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

b) Fourth public issue of BCBF Participações S.A.

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

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

Remuneration will be paid biannually, with the first payment on March 22, 2021 and on the maturity date on September 22, 2025. The 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 CVM Ruling No. 358/02, the Company informed its shareholders and the market in general that its subsidiary BCBF Participações S.A. successfully concluded its issue of debentures.

c) 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 eight hundred million reais (R\$ 800,000) through eight hundred thousand (800) nonconvertible debentures at a par value of R\$ 1,000, with restricted placement efforts, based on CVM Ruling No. 476/2009, in order to restructure the Company's indebtedness profile, acquire companies, purchase new equipment, and improve working capital.

The total period of 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.

On February 1, 2021, in compliance with the provisions of Law 6404/1976 and CVM Ruling No. 358/2002, the Company informed its shareholders and the market in general that at this date its subsidiary Notre Dame Intermédica Saúde S.A. concluded the payment of interest on the 3rd issue of nonconvertible debentures. The amount of interest paid was R\$ 13,911.

Changes in debentures are as follows:

	BCBF	Intermédica	Consolidated
Balance at December 31, 2020	1,511,277	808,386	2,319,663
Interest accrued	16,716	6,978	23,694
Recognition of costs	678	221	899
Repayment (ii)	(60,000)	-	(60,000)
Interest paid (i)	(17,368)	(13,911)	(31,279)
Balance at March 31, 2021	1,451,303	801,674	2,252,977

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

- (i) The amount of R\$ 17,368 refers to interest paid on the BCBF12 and BCBF 14 debentures, realized on February 23 and March 22, 2021.
- (ii) On February 23, 2021, subsidiary BCBF Participações S.A. fully settled the single non-converible debentures issued on February 23, 2018. The total amount paid was R\$ 61,225, corresponding to the nominal unit balance of all debentures of this issue plus the corresponding remuneration until this date.

The balance of debentures will be amortized as follows:

Year			Consolidated	
	Current	Noncurrent	March 31, 2021	December 31, 2020
12 months	13,582	-	13,582	81,091
13 to 24 months	-	-	-	-
25 to 36 months	-	743,912	743,912	743,779
37 to 48 months	-	988,426	988,426	988,338
49 to 60 months	-	507,057	507,057	506,455
	13,582	2,239,395	2,252,977	2,319,663

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.

Management has been continuously monitoring the calculation of the indices linked to these covenants, so as to make sure there is no evidence of breach of contract. At March 31, 2021, no evidence had been found to suggest that the Company would be unable to fully comply with the requirements established at the measurement periods

Minimum and maximum indices and amounts required by these covenants at March 31, 2021 are as follows:

5th issue BCBF Participações S.A.

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

4th issue BCBF Participações S.A.

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

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

3rd issue Notre Dame Intermédica Saúde S.A.

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

Guarantees

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

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

Early redemption

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

20. Technical reserves of healthcare operations

		Consolidated	
		March 31,	December 31,
	Reference	2021	2020
Provision for events / unsettled claims reserve to be paid to SUS	a.	758,169	725,935
Provision for events / unsettled claims reserve to be paid to other service providers	b.	447,942	467,953
Incurred but not reported reserve (IBNR)	c.(i).	422,485	372,663
Unearned premiums / compensation reserve (UPCR)	c.(ii).	159,747	138,824
Reserve for waiver	c.(iii).	2,687	2,861
Provisão para Insuficiência de Contraprestações	c.(iv)	30,828	
		1,821,858	1,708,236
	Current	1,258,378	1,176,699
	Noncurrent	563,480	531,537

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 12.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

	March 31, 2021	Consolidated December 31, 2020
Balance at the beginning of the year	725,935	510,486
Balance acquired	3,016	67,808
Notices received from SUS	14,769	68,877
SUS Events Recovery	16,993	88,776
Inflation adjustment	1,470	27,562
(-) Payments made	(4,014)	(37,574)
Balance at the end of the period/year	758,169	725,935

b) The unsettled claims reserve is as follows:

	March 31, 2021	Consolidated December 31, 2020
Balance at the beginning of the year	467,953	380,855
Balance acquired	13,989	87,719
Notices received from the accredited network, net of disallowances	2,331,379	7,473,654
Expense with own network classified in events	(676,061)	(2,146,149)
Payments made to accredited network	(1,689,318)	(5,328,126)
Balance at the end of the period/year	447,942	467,953

c) Changes in technical reserves:

	Incurred but not reported reserve (IBNR) (i)	Unearned premiums / consideration reserve (UPCR) (ii)	Reserve for waiver (iii)	PIC (iv)
Balance at December 31, 2020	372,663	138,824	2,861	-
Balance acquired	16,049	7,251	-	23,133
Changes in reserves for the period	33,773	13,672	(174)	7,695
Balance at March 31, 2021	422,485	159,747	2,687	30,828

- (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) Unearned Premiums/Consideration Reserve (UPCR), classified in current liabilities, are revenues related to coverage periods of subsequent months.
- (iii) Reserve for remission, classified in current and noncurrent liabilities, are reserves to cover the exemption from consideration by beneficiaries, according to the agreement.
- (iv) Reserve for Insufficient Consideration, classified in current liabilities, consists of reserve to cover events/claims to occur.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

21. Other liabilities

	Parent		Consolidated	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Contractual obligations (a)	-	-	33,754	35,143
Third party deposits	-	-	24,468	21,790
Advances from customers	-	-	27,005	14,609
Other payables (c)	-	-	23,524	14,100
Advance for bank partnership	-	-	3,200	3,200
Rent payable	-	-	22,842	13,622
Supplemental Health Fee (b)	-	-	7,225	7,338
Payables for healthcare operations not related to healthcare plans	-	-	54,533	51,574
Total current	-	-	196,551	161,376
Contractual obligations (a)	395,292	391,769	865,447	802,618
Provisions for employee benefit plans	-	-	21,601	21,892
Advance for bank partnership	-	-	2,800	3,599
Supplemental Health Fee (b)	-	-	27,628	29,268
Other	-	-	22,243	28,102
Total noncurrent	395,292	391,769	939,719	885,479
	395,292	391,769	1,136,270	1,046,855

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	
			March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Notre Dame Intermédica	-	May 23, 2020	395.292	391.769	-	-
Family Hospital	CDI	May 1, 2021	-	-	16.149	15.941
SAMCI	CDI	December 27, 2021	-	-	12.095	11.939
Hospital Nova Vida	CDI	July 8, 2022	-	-	23.356	23.055
Unimed ABC	-	September 22, 2022	-	-	20.026	22.037
Hospital SBC	CDI	February 23, 2023	-	-	29.092	28.717
Cruzeiro do Sul Group	95% of CDI	February 22, 2024	-	-	22.689	22.385
Ghelfond Participações	105% of CDI	November 28, 2024	-	-	9.541	9.439
Green Line Group	CDI	January 1, 2025	-	-	216.708	214.279
Ecoimagem	CDI	January 1, 2025	-	-	8.942	10.184
SAMED Group	CDI	January 25, 2025	-	-	50.255	52.504
Hospital Intermédica Jacarepaguá	IPCA	April 5, 2025	-	-	11.600	11.240
Mediplan Group	90% of CDI	May 25, 2025	-	-	37.028	36.575
Belo Dente	95% of CDI	July 4, 2025	-	-	12.444	12.299
São José Group	CDI	November 18, 2025	-	-	23.058	22.800
São Lucas Group	100% Selic	January 26, 2026	-	-	47.917	47.390
Clinipam Group	CDI	February 7, 2026	-	-	153.607	152.650
Ecole	CDI	April 13, 2026	-	-	10.005	9.893
Hospital Camboriú	CDI	April 20, 2026	-	-	12.066	11.930
Grupo Santa Mônica	CDI	August 24, 2026	-	-	95.370	94.294
Hospital Santa Brígida	CDI	October 23, 2026	-	-	10.970	10.846
Lifeday	IPCA	December 1, 2026	-	-	18.084	17.364
Lifecenter	CDI	December 31, 2026	-	-	51.569	-
Bio Saúde	CDI	March 31, 2027	-	-	6.630	-
			395.292	391.769	899.201	837.761

- 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\$ 27,152 are subject to installment payment with ANS and R\$ 5,511 are under discussion.
- c) At March 31, 2021, the outstanding balance was mainly comprised of amounts payable to sellers.
- d) The balance refers to obligations payable to healthcare service providers and medical teams.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

22. Provision for contingencies

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

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

						Consolidated
	December 31, 2020	Balance acquired	Provision/(reversal)	Payments	Inflation adjustment	March 31, 2021
Tax	370,893	258	(8,181)	-	6,052	369,022
Labor	225,908	2,748	5,009	(2,992)	4,724	235,397
Regulatory/Civil	273,729	2,759	(4,478)	(3,937)	12,351	280,424
	870,530	5,765	(7,650)	(6,929)	23,127	884,843

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

Provision for contingencies 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 116/2003 and Municipal Law 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.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

- Subsidiary Notre Dame Intermédica Saúde is challenging in court the application of FAP (an index applied to calculate the occupational accident insurance owed by employers) on the expected Occupational Accident Insurance (SAT)/Occupational Environmental Risk (RAT) contribution rate, and the Authority that jointly filed the lawsuit was requested to refrain from taking any actions in connection with the collection of amounts that are allegedly payable by virtue of this index, such as denying to renew the tax clearance certificate. Furthermore, the Petitioner's credit right recognition is required.
- Subsidiary Notre Dame Intermédica Saúde is challenging in court the tax notice related to differences in FGTS (Unemployment Compensation Fund) amounts paid, based on the assumption that an alleged employment relationship with third parties (legal entities) exists.

Labor

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

Regulatory/Civil

- The subsidiaries of the Notre Dame Intermédica Group are involved in lawsuits filed by beneficiaries of the Healthcare Plan who seek to obtain contractual coverage for hospitalizations, medical treatment and release of surgeries in disagreement with the contractual conditions or the regulations of 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 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

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

provided to the beneficiaries, attributing them joint liability in the claims for indemnity for property damages, pain and suffering and/or aesthetical errors.

At March 31, 2021, the Company and its subsidiaries are involved in other regulatory/civil, labor and tax lawsuits in the total claimed amount of R\$ 2,783,043 (R\$ 2,657,414 at December 31, 2020), which, according to their legal advisors, present a possible likelihood of loss and, for this reason, were not provisioned.

	Consolidated	
	March 31, 2021	December 31, 2020
Tax	2,034,646	1,940,800
Labor	234,173	233,764
Civil	514,224	482,850
	2,783,043	2,657,414

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

Tax

- The subsidiaries of the Notre Dame Intermédica Group are plaintiffs in a lawsuit requesting urgency against the Federal Government (National Treasury) in the declaration of inexistence of tax relationship between the Plaintiffs and the Defendant regarding the requirements, due to 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 Tax on Net Profit ("CSLL") for calendar year 2013.

Labor and Regulatory/Civil

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

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

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

23. Deferred purchase price

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

	December 31, 2019	Lawsuits addition	Inflation adjustment	December 31, 2020	Lawsuits addition	March 31, 2021
Original amount of acquisition	254,240	-	-	254,240	-	254,240
Accrued interest according to contract - (10% p.a.)	183,235	-	16,639	199,874	-	199,874
Original amount - adjusted	437,475	-	16,639	454,114	-	454,114
Interest to be accrued according to contract - (10% p.a.)	16,680	-	(16,639)	41	-	41
(-) Present value adjustment (CDI + 2.75%)	(14,704)	-	14,704	-	-	-
Original amount - present value	439,451	-	14,704	454,155	-	454,155
Provision for lawsuits (a)	(320,470)	(60,747)	-	(381,217)	(3,523)	(384,740)
Balance of deferred purchase price portion	118,981	(60,747)	14,704	72,938	(3,523)	69,415

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

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

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

24. Equity

a) **Capital**

At March 31, 2021, 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, 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).

Shareholding at March 31, 2021 is as follows: (i) Alkes II holds 11.29% of shares, represented by 68,818,754 common shares, (ii) Management holds 3.49% of shares, represented by 21,302,637 common shares, and (iii) the other shareholders hold 85.22% of shares, represented by 519,666,116 common shares.

b) **Transaction cost**

Transaction costs, borne by the Company, incurred in the funding through the public offering of shares totaled R\$ 113,913 at March 31, 2021 and were recognized as a capital reduction, in a separate account in equity, in accordance with CVM Ruling 649/10 and CPC 08 (R1).

c) **Income reserves**

- (i) Legal reserve - mandatory, with the allocation of 5% of 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 summed up with the other profit reserves will not exceed the subscribed capital. The purpose of this reserve is to ensure funds to finance additional investments of fixed and working capital and the expansion of the Company's activities, irrespective of whether or not they are covered by the capital budget, duly approved by meeting.

d) **Repurchase of shares**

From January 14 to 24, 2020, the Company, through its indirect subsidiary Hospital Intermédica Jacarepaguá Ltda. (Jacarepaguá) 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 paid and proposed**

On March 31, 2021, the Company did not pay dividends and interest on capital.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

25. Net operating revenue

	Consolidated	
	March 31,	
	2021	2020
Effective considerations of healthcare plan operations	2,784,237	2,450,194
Medical-hospital services	207,840	206,631
Other services rendered	-	28
(-) Expected disallowance loss of medical-hospital services	(3,240)	(2,539)
Changes in technical reserves of Operator's healthcare plan operations	174	(70)
Revenues from services rendered	2,989,011	2,654,244
(-) Direct taxes on Operator's healthcare plan operations	(68,760)	(76,054)
(-) Direct taxes on medical-hospital services	(16,624)	(18,744)
Tax on services rendered	(85,384)	(94,798)
Net revenues from services rendered	2,903,627	2,559,446

26. Cost of services rendered

	Consolidated	
	March 31,	
	2021	2020
Cost of services rendered ¹	(2,331,379)	(1,797,574)
(-) Co-participation	56,570	51,398
SUS	(14,769)	(47,521)
Depreciation and amortization	(38,319)	(25,834)
Depreciation of right of use	(11,476)	(10,781)
Changes in technical reserves of Operator's healthcare plan operations and Changes in the Incurred But Not Reported Reserve (IBNR)	(41,468)	(13,455)
	(2,380,841)	(1,843,767)

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

27. Operating expenses

a. Administrative expenses

	Parent		Consolidated	
	March 31,		March 31,	
	2021	2020	2021	2020
Personnel	(480)	(306)	(113,274)	(105,023)
Third-party services	(9,690)	(1,964)	(62,114)	(57,762)
Location and operation	(78)	(64)	(19,724)	(16,862)
Taxes	(820)	(49)	(2,219)	(2,347)
Publicity and advertising	(469)	(414)	(3,213)	(3,769)
Provision for contingencies	-	-	(45,175)	(5,975)
Depreciation and amortization	-	-	(34,896)	(29,037)
Charges, fees, fines and interest	(13)	(88)	(909)	(1,342)
Share-based payment plan	(12,094)	(10,924)	(12,094)	(10,924)
Depreciation of right of use	-	-	(4,862)	(3,665)
Others	-	(1)	(2,593)	(9,135)
	(23,644)	(13,810)	(301,073)	(245,841)

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

b. Selling expenses

	Consolidated	
	March 31,	
	2021	2020
Compensation - own personnel	(1,845)	(2,430)
Recognition of deferred selling expenses	(82,359)	(70,004)
Commissions and selling	(74,240)	(57,667)
	(158,444)	(130,101)

c. Impairment of receivables

	Consolidated	
	March 31,	
	2021	2020
Recognition of impairment on receivables	5,181	(3,289)
Write-off of effective losses of plan related credits in the period	(26,351)	(18,484)
Other losses related and not related to the plan	(1,098)	(412)
	(22,268)	(22,185)

28. Finance income (costs)

	Parent		Consolidated	
	March 31,		March 31,	
	2021	2020	2021	2020
Financial investments income ¹	363	878	19,023	26,628
Interest received	-	-	8,100	9,685
Monetary restatement gain	2,311	1,527	9,158	9,741
Other income	-	-	138	105
Derivative financial instruments - NDF - Non-Deliverable Forward	-	-	2,066	-
Fair value adjustment	-	-	2,467	(54)
Foreign exchange gains	-	-	4	457
Discounts obtained	1	-	1,749	630
	2,675	2,405	42,705	47,192
Interest on debentures	-	-	(23,694)	(15,429)
Finance costs debentures	-	-	(899)	(10,071)
Inflation adjustment loss	-	-	(17,581)	(15,573)
Fines and interest	(9)	-	(774)	(1,170)
Foreign exchange losses	-	(9)	-	(751)
Bank fees	(12)	-	(4,197)	(4,077)
Fair value adjustment	-	-	(8,880)	-
Discounts granted	-	-	(2,058)	(1,004)
Interest on borrowings	-	-	(13,684)	(4,737)
Adjustment to present value	-	-	(4,318)	(3,190)
Present value adjustment - deferred portion ²	-	(8,443)	-	(8,443)
Interest on lease	-	-	(12,337)	(11,180)
Borrowing costs	-	-	(637)	(859)
Derivative financial instruments - NDF - Non-Deliverable Forward	-	-	(852)	-
Other expenses	(123)	(111)	(2,733)	(3,471)
	(144)	(8,563)	(92,644)	(79,955)
Finance income (costs), net	2,531	(6,158)	(49,939)	(32,763)

¹ The amount of R\$ 363 in the parent company and R\$ 1,703 in the consolidated refers to short-term investments income with a corresponding entry in cash and cash equivalents, and R\$ 17,320 refers to financial investments presented in note 6.

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

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

29. Share-based payment plan

1st Share-based payment plan

On October 16, 2014, the Special General Meeting ("SGM") approved the creation and regulation of the first Stock Option Plan of the Company, currently Notre Dame Intermédica Participações S.A. (Stock Option Plan). It also approved the creation of the Company's authorized capital of 99,185,196 new common shares which, with the reverse split of common shares approved at the SGM 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 and with no par value, totaling 28,502,586 shares.

At December 31, 2020, all beneficiaries had exercised their options.

2nd Share-based payment plan

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

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

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

At December 31, 2020, all beneficiaries had exercised their options.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

3rd Share-based payment plan

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

On October 2, 2019, most 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 and with no par value, totaling 9,909,392 shares.

3rd Share-based payment plan Amended – 2020

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

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

On April 2, 2020, Management granted 4,360,000 new stock options to the executives selected under the program, of which 118,000 stock options were cancelled and 4,242,000 are still valid. In accordance with Accounting Pronouncement CPC 10 (R1), the Company engaged independent consultants to prepare this Report on fair value estimate of the Company's stock options at the above-mentioned grant date, aiming at providing assistance to Management in the accounting recognition of options, using the 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 vested and the Executive was paid the amount of R\$ 43,200, from the capital reserve, equivalent to the amount of 4,659,445 of Restricted Stock Units vested, which corresponded to 4,659,445 of common shares issued by the Company at the price per share of R\$ 9.27.

Concurrently with the settlement in cash, the Executive subscribed and paid up capital at the Company in an amount equivalent to the settlement of the shares – R\$ 43,200, through the

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

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 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.

At March 31, 2021, the recorded amount of R\$ 12,094 (R\$ 10,924 at March 31, 2020) refers to the transaction cost incurred as a result of the Share-based Payment plan.

30. Earnings/(Loss) per share

Basic earnings per share are calculated by dividing loss/profit for the years ended March 31, 2021 attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period.

Diluted loss/earnings per share are calculated by dividing profit for the year 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 (loss)/earnings per share

	Parent		Consolidated	
	March 31,		March 31,	
	2021	2020	2021	2020
(Loss)/Profit for the period	(28,014)	160,404	(27,900)	160,404
Number of outstanding shares (-) Treasury shares	609,479	603,385	609,479	603,385
(Loss)/Earnings per share	(0.0460)	0.2658	(0.0458)	0.2658
Weighted average number of shares during the period	605,963	602,776	605,963	602,776
Basic (loss)/earnings per share	(0.0462)	0.2661	(0.0460)	0.2661

b) Diluted (loss)/earnings per share

Due to the fact that the Company had a loss for the period ended March 31, 2021, stock options were not considered in the calculation as there was no dilutive effect in this case.

	Parent		Consolidated	
	March 31,		March 31,	
	2021	2020	2021	2020
(Loss)/Profit for the period	(28,014)	160,404	(27,900)	160,404
Weighted average number of shares during the period	605,963	602,776	605,963	602,776
Increase in the number of shares under the share-based payment plan, if all options granted are exercised.	-	12,696	-	12,696
Weighted average number of shares during plans - diluted	605,963	615,472	605,963	615,472
Diluted (loss)/earnings per share	(0.0462)	0.2606	(0.0460)	0.2606

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

31. Operating segments

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

	2021				March 31, 2020			
	Health	Dental	Other segments	Consolidated	Health	Dental	Other segments	Consolidated
Net operating revenue	2,817,036	86,417	-	2,903,453	2,484,155	75,291	-	2,559,446
Cost of services rendered	(2,361,976)	(18,691)	-	(2,380,667)	(1,823,273)	(20,494)	-	(1,843,767)
Gross profit	455,060	67,726	-	522,786	660,882	54,797	-	715,679
Administrative expenses	(261,867)	(15,044)	(24,162)	(301,073)	(212,447)	(18,392)	(15,002)	(245,841)
Selling expenses	(152,774)	(5,670)	-	(158,444)	(125,973)	(4,128)	-	(130,101)
Impairment of receivables	(21,325)	(943)	-	(22,268)	(22,259)	74	-	(22,185)
Other income and expenses, net	5,606	54	738	6,398	(5,714)	414	1,550	(3,750)
Profit (loss) before finance income (costs) and taxes	24,700	46,123	(23,424)	47,399	294,489	32,765	(13,452)	313,802
Finance income (costs)	(51,796)	7	1,850	(49,939)	(31,541)	(140)	(1,082)	(32,763)
Profit (loss) before taxes	(27,096)	46,130	(21,574)	(2,540)	262,948	32,625	(14,534)	281,039
Income tax and social contribution	(26,791)	1,683	(252)	(25,360)	(122,061)	1,653	(227)	(120,635)
Profit (loss) for the period	(53,887)	47,813	(21,826)	(27,900)	140,887	34,278	(14,761)	160,404
Noncontrolling interests	(114)	-	-	(114)	-	-	-	-
(Loss)/Profit for the period	(54,001)	47,813	(21,826)	(28,014)	140,887	34,278	(14,761)	160,404

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

	2021			March 31, 2020		
	Health	Dental	Consolidated	Health	Dental	Consolidated
Known or reported events	(2,311,978)	(19,401)	(2,331,379)	(1,511,660)	(21,462)	(1,533,122)
(-) Co-participation	56,035	535	56,570	50,354	1,044	51,398
SUS	(14,769)	-	(14,769)	(47,521)	-	(47,521)
Depreciation and amortization	(38,319)	-	(38,319)	(25,834)	-	(25,834)
Depreciation of right of use	(11,476)	-	(11,476)	(10,781)	-	(10,781)
Other costs of healthcare operations not related to Operator's healthcare plan	-	-	-	(264,496)	44	(264,452)
Changes in technical reserves of Operator's healthcare plan operations and						
Changes in the Incurred But Not Reported Reserve (IBNR)	(41,643)	175	(41,468)	(13,335)	(120)	(13,455)
	(2,362,150)	(18,691)	(2,380,841)	(1,823,273)	(20,494)	(1,843,767)

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

32. 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 disbursements that were not reflected in the initial transaction.

The Company signed a private instrument of transfer of indemnity with Notre Dame Intermédica, undertaking to indemnify Notre Dame Intermédica for disbursements arising from lawsuits that are the responsibility of the Company. The indemnity shall be paid within 6 years and 30 days from the date the share purchase and sale agreement and other covenants was signed. The amount recorded in line item "Other current liabilities" at March 31, 2020 was R\$ 395,292 (R\$ 391,769 at December 31, 2020).

The Company has stock option plans. At March 31, 2021, expenses related to key management personnel recognized in profit or loss amounted to R\$ 12,094 (R\$ 10,924 at March, 2020).

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 March 31, 2021 was R\$ 969 (R\$ 16,479 at March 31, 2020).

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

33. Commitments

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

	Consolidated	
	March 31, 2021	December 31, 2020
Up to one year	103,593	114,305
More than one year and less than five	387,767	457,195
More than five years	103,420	114,298
	594,780	685,798

34. Insurance coverage

The Company and 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.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

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.	656,802
D&O	Civil liability - officers, managers and directors	260,000
Civil liability	Civil liability - operations	115,000
Vehicle fleet	Comprehensive, property damage, bodily injury, mobile equipment	100% FIPE table per vehicle
Employees	Group life insurance	Variable according to salary range and maximum limit R\$ 48,132
Guarantee insurance	Insurance on contracts with customers	R\$ 270,181

35. Additional information

(i) Intention to purchase and sell Serpram Group shares

On October 26, 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\$ 170,000 for the acquisition of the 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.

On December 11, 2020, the Brazilian Regulatory Agency for Private Health Insurance and Plans (ANS) approved the acquisition of Serpram Group, through Official Letter nº 145/2020/ASSNT-DIOPE/DIRAD-DIOPE/DIOPE.

The completion of the transaction is subject to compliance with certain contractual conditions and approvals of the Brazilian Antitrust Authority (CADE).

36. Events after the reporting period

(i) Approval of the acquisition of Grupo Hospitalar de Londrina Ltda.

On November 24, 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\$ 170,000 for the acquisition of Grupo Hospitalar de Londrina Ltda., a group operating a healthcare complex with two general hospitals, Hospital Paes Leme and Hospital Bela Suíça, with a total of 248 hospital beds, in addition to two clinical centers with 32 medical clinics, located in Londrina, State of Paraná.

On March 10, 2021, the Brazilian Antitrust Authority (CADE) approved, through concentration act 08700.000292/2021-38, the acquisition of Grupo Hospitalar de Londrina Ltda., without restrictions.

All the conditions precedent were achieved on April 5, 2021, when the instrument of closing of the acquisition was formalized. The purchase price was R\$ 63,200.

Notre Dame Intermédica Participações S.A.

Notes to the individual and consolidated interim financial information

March 31, 2021

(In thousands of reais)

(ii) Approval of acquisition of the Medisanitas Brasil Group

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 achieving an outstanding position in the domestic supplementary health care sector (especially in the State of Minas Gerais).

On December 4, 2020, the Brazilian Regulatory Agency for Private Health Insurance and Plans (ANS) approved the acquisition Medisanitas Brasil Group, through Official Letter nº 137/2020/ASSNT-DIOPE/DIRAD-DIOPE/DIOPE.

On March 18, 2021, the Brazilian Antitrust Authority (CADE) approved, through concentration act 08700.004547/2020-51, the acquisition of the Medisanitas Brasil Group, without restrictions.

All the conditions precedent were achieved on April 13, 2021, when the instrument of closing of the acquisition was formalized. The purchase price was R\$ 876,923.

(iii) Minutes of the Meeting of the Board of Directors – Capital Increase

On April 19, 2021, as recorded in the Minutes of the Meeting of the Board of Directors, the Company approved the capital increase of R\$ 162,156 through the subscription of 5,454,620 new common shares registered, book-entry and with no par value, as a result of the exercise of share purchase options granted in accordance with the terms of the Company's Share Purchase Option Plans, as follows:

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

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

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

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

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

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

The Company's capital increased from R\$ 5,646,453, which was divided into 609,787,507 common shares, to R\$ 5,808,609, divided into 615,242,127 common shares.
