

Odontoprev S.A.

Quarterly information (ITR)

at September 30, 2019

(A free translation of the original in Portuguese)

(A free translation of the original in Portuguese)

Quarterly information (ITR) - 09/30/2019 - ODONTOPREV S.A.

Company financial information/capital breakdown

Number of shares (units)	Current period
From paid-in capital	09/30/2019
Common	531,294,732
Preferred	-
Total	531,294,732
Treasury shares	
Common	1,830,181
Preferred	-
Total	1,830,181

(A free translation of the original in Portuguese)

Quarterly information (ITR) - 09/30/2019 - ODONTOPREV S.A.

Company financial information/cash distributions

Event	Approval	Type of distribution	Payment date	Share type	Earnings per share (R\$/share)
Board of Directors Meeting	08/01/2019	Dividends	09/04/2019	Common	0.05243
Board of Directors Meeting	03/18/2019	Interest on capital	05/03/2019	Common	0.03323
Board of Directors Meeting	05/02/2019	Dividends	05/16/2019	Common	0.09529
Board of Directors Meeting	06/17/2019	Interest on capital	07/03/2019	Common	0.02989
Board of Directors Meeting	10/29/2019	Dividends	12/06/2019	Common	0.04244
Board of Directors Meeting	09/24/2019	Interest on capital	10/09/2019	Common	0.02812
Ordinary & Extraordinary General Meeting	04/01/2019	Dividends	05/03/2019	Common	0.04149
Ordinary & Extraordinary General Meeting	04/01/2019	Dividends	05/03/2019	Common	0.01081

Company financial information/balance sheet - assets

(R\$ thousand)

(A free translation of the original in Portuguese)

Account Code	Account description	Current quarter 09/30/2019	Prior year 12/31/2018
1	Total assets	1,676,028	1,571,572
1.01	Current assets	711,318	625,663
1.01.01	Cash and cash equivalents	25,793	16,597
1.01.02	Financial instruments	455,900	422,508
1.01.02.01	Financial instruments measured at fair value	455,900	422,508
1.01.02.01.03	Financial investments that guarantee technical provisions	128,851	115,490
1.01.02.01.04	Financial investments for trading portfolio	327,049	307,018
1.01.03	Trade receivables	153,078	142,313
1.01.03.01	Customers	147,204	135,594
1.01.03.01.01	Dental care receivables	185,659	174,848
1.01.03.01.02	(-) Allowance for doubtful accounts	(49,881)	(49,181)
1.01.03.01.03	Participation of beneficiaries in indemnifying events/claims	3,243	2,452
1.01.03.01.05	Dental care operators	8,183	7,475
1.01.03.02	Sundry receivables	5,874	6,719
1.01.03.02.01	Advances to suppliers	1,777	343
1.01.03.02.02	Advances to employees	475	5,101
1.01.03.02.03	Other receivables	3,622	1,275
1.01.06	Taxes recoverable	50,145	20,134
1.01.06.01	Current taxes recoverable	50,145	20,134
1.01.06.01.01	Tax and social security credits	50,145	20,134
1.01.07	Prepaid expenses	26,402	24,111
1.01.07.01	Deferred acquisition costs	23,669	22,280
1.01.07.20	Other	2,733	1,831
1.02	Non-current assets	964,710	945,909
1.02.01	Long-term receivables	126,738	127,778
1.02.01.03	Financial investments measured at amortized cost	15,702	15,227
1.02.01.03.01	Securities held to maturity that guarantee technical provisions	15,702	15,227
1.02.01.07	Deferred taxes	39,163	41,271
1.02.01.07.01	Deferred income tax and social contribution	39,163	41,271
1.02.01.10	Other non-current assets	71,873	71,280
1.02.01.10.03	Judicial deposits	13,127	3,745
1.02.01.10.04	Other receivables	17,205	1,721
1.02.01.10.05	Securities and credits receivable	100	79
1.02.01.10.06	Tax and social security credits	41,441	65,735
1.02.02	Investments	53,405	262,893
1.02.02.01	Equity interests	53,405	262,893
1.02.02.01.02	Interests in Subsidiaries	48,496	259,428
1.02.02.01.03	Interests in Joint Ventures	4,909	3,465
1.02.03	Property, plant and equipment	40,585	11,174
1.02.03.01	Property, plant and equipment in use	14,630	11,167
1.02.03.01.01	Property, plant and equipment for own use	10,274	9,802
1.02.03.01.02	Other fixed assets	4,356	1,365
1.02.03.02	Right of use in leasehold	25,948	-
1.02.03.02.01	Right of use (IFRS 16)	25,948	-
1.02.03.03	Fixed assets in progress	7	7
1.02.03.03.01	Fixed assets in progress	7	7
1.02.04	Intangible assets	743,982	544,064
1.02.04.01	Intangible assets	743,982	544,064
1.02.04.01.02	Goodwill on acquisition of investments	638,669	492,876
1.02.04.01.03	System development, software licenses and other	105,313	51,188

Company financial information/balance sheet - liabilities and equity

(R\$ thousand)

(A free translation of the original in Portuguese)

Account Code	Account description	Current quarter 09/30/2019	Prior year 12/31/2018
2	Total liabilities and equity	1,676,028	1,571,572
2.01	Current liabilities	471,875	478,278
2.01.01	Social security and labor charges	33,895	24,857
2.01.01.01	Social charges	3,975	3,366
2.01.01.01.01	Charges payable	3,975	3,366
2.01.01.02	Labor charges	29,920	21,491
2.01.01.02.01	Salaries, vacation pay and fees	29,920	21,491
2.01.02	Suppliers	14,038	14,539
2.01.02.01	Domestic suppliers	14,038	14,539
2.01.02.01.01	Commissions payable	6,327	6,386
2.01.02.01.02	Suppliers of goods and services	6,435	7,241
2.01.02.01.03	Other debits of dental care operations	244	238
2.01.02.01.04	Consideration/premiums to be repaid	327	674
2.01.02.01.05	Lease liability (IFRS 16)	705	-
2.01.03	Tax liabilities	24,097	28,058
2.01.03.01	Federal tax liabilities	15,493	18,715
2.01.03.01.01	Income tax and social contribution payable	2,978	7,648
2.01.03.01.02	Other federal tax liabilities	12,515	11,067
2.01.03.03	Municipal tax liabilities	8,604	9,343
2.01.05	Other liabilities	70,373	134,792
2.01.05.02	Other	70,373	134,792
2.01.05.02.01	Dividends and interest on capital payable	12,676	71,451
2.01.05.02.02	Minimum mandatory dividend payable	-	5,741
2.01.05.02.04	Advances from customers	876	937
2.01.05.02.05	Sundry payables	43,772	46,691
2.01.05.02.08	Investment payable	3,576	3,500
2.01.05.02.09	Contingent consideration	9,473	6,472
2.01.06	Provisions	329,472	276,032
2.01.06.02	Other provisions	329,472	276,032
2.01.06.02.04	Unsettled claims	50,874	38,352
2.01.06.02.05	IBNR - incurred but not reported claims	92,865	82,403
2.01.06.02.06	Unearned premiums	185,733	155,277
2.02	Non-current liabilities	130,422	65,838
2.02.02	Other liabilities	85,462	42,497
2.02.02.02	Other	85,462	42,497
2.02.02.02.03	Other liabilities	14,828	1,071
2.02.02.02.04	Fees payable	1,068	1,068
2.02.02.02.05	Put option in Subsidiary	28,808	26,358
2.02.02.02.06	Investment payable	14,561	14,000
2.02.02.02.07	Lease liability (IFRS 16)	26,197	-
2.02.04	Provisions	44,960	23,341
2.02.04.01	Contingent liabilities (tax, social security, labor and civil)	35,669	23,341
2.02.04.02	Other provisions	9,291	-
2.02.04.02.04	Financing of taxes and contributions	3,194	-
2.02.04.02.05	Sundry debts	6,097	-
2.03	Equity	1,073,731	1,027,456
2.03.01	Capital	607,869	506,557
2.03.02	Capital reserves	3,634	9,206
2.03.04	Earnings reserves	375,834	511,693
2.03.04.01	Legal reserve	-	101,312
2.03.04.07	Tax incentive reserve	129	129
2.03.04.08	Additional dividend proposed	-	22,018
2.03.04.09	Treasury shares	(29,541)	(17,012)
2.03.04.10	Statutory reserve of regulatory capital	202,623	202,623
2.03.04.11	Investment and expansion reserve	202,623	202,623
2.03.05	Retained earnings	86,394	-

Company financial information/statement of income

(R\$ thousand)

(A free translation of the original in Portuguese)

Account Code	Account description	Current quarter from 07/01/2019 to 09/30/2019	Current period from 01/01/2019 to 09/30/2019	Prior quarter from 07/01/2018 to 09/30/2018	Prior period from 01/01/2018 to 09/30/2018
3.01	Gross sales and/or services revenue	444,531	1,328,459	388,466	1,121,338
3.01.01	Net premiums with dental care plan	462,100	1,373,759	407,855	1,181,716
3.01.04	Taxes on dental care plan operations	(17,569)	(45,300)	(19,389)	(60,378)
3.02	Cost of sales and/or services rendered	(225,255)	(605,852)	(190,208)	(513,428)
3.02.01	Indemnifiable claims, net	(210,762)	(578,820)	(180,465)	(493,841)
3.02.02	Social charges on services	-	40	-	-
3.02.03	Dental materials	(4,483)	(12,894)	(3,653)	(10,193)
3.02.04	Other operating costs	(739)	(3,801)	(967)	(5,875)
3.02.05	Variation of IBNR	(9,271)	(10,377)	(5,123)	(3,519)
3.03	Gross income	219,276	722,607	198,258	607,910
3.04	Operating revenues/expenses	(148,555)	(434,462)	(114,826)	(333,950)
3.04.01	Selling expenses	(51,764)	(152,964)	(43,248)	(123,021)
3.04.01.01	Selling expenses	(51,764)	(152,964)	(43,248)	(123,021)
3.04.02	General and administrative expenses	(71,572)	(206,124)	(58,097)	(164,935)
3.04.04	Other operating revenues	1,386	2,707	885	1,891
3.04.04.01	Other operating revenue from dental care	127	329	82	243
3.04.04.02	Revenue from dental care not related to company's plans	1,259	2,378	803	1,648
3.04.05	Other operating expenses	(29,790)	(85,533)	(20,229)	(57,188)
3.04.05.01	Stock option plan	(787)	(2,484)	(1,767)	(6,883)
3.04.05.02	Allowance for doubtful accounts	(21,377)	(60,947)	(14,793)	(41,119)
3.04.05.03	Profit sharing	(3,947)	(11,067)	(3,669)	(9,186)
3.04.05.04	Long-term incitement program	(3,679)	(11,035)	-	-
3.04.06	Earnings of equity method	3,185	7,452	5,863	9,303
3.05	Income before financial results and taxes	70,721	288,145	83,432	273,960
3.06	Financial results, net	4,194	14,800	6,182	19,682
3.06.01	Financial income	8,478	24,646	7,871	24,973
3.06.02	Financial expenses	(4,284)	(9,846)	(1,689)	(5,291)
3.07	Income before income taxes	74,915	302,945	89,614	293,642
3.08	Income tax and social contribution	(21,539)	(89,865)	(24,577)	(86,295)
3.08.01	Current	(21,860)	(86,528)	(26,872)	(88,490)
3.08.02	Deferred	321	(3,337)	2,295	2,195
3.09	Net income for the period from continuing operations	53,376	213,080	65,037	207,347
3.11	Income for the period	53,376	213,080	65,037	207,347
3.99	Earnings per share - (reais/share)				
3.99.01	Basic earnings per share				
3.99.01.01	Common	0.10081	0.40183	0.12307	0.39238
3.99.02	Diluted earnings per share				
3.99.02.01	Common	0.10033	0.39991	0.12173	0.38810

Company financial information/statement of comprehensive income

(R\$ thousand)

(A free translation of the original in Portuguese)

Account Code	Account description	Current quarter from 07/01/2019 to 09/30/2019	Current period from 01/01/2019 to 09/30/2019	Prior quarter from 07/01/2018 to 09/30/2018	Prior period from 01/01/2018 to 09/30/2018
4.01	Income for the period	53,376	213,080	65,037	207,347
4.03	Comprehensive income for the period	53,376	213,080	65,037	207,347

Company financial information/statement of cash flows - indirect method

(R\$ thousand)

(A free translation of the original in Portuguese)

Account Code	Account description	Current period from 01/01/2019 to 09/30/2019	Prior period from 01/01/2018 to 09/30/2018
6.01	Net cash provided by operating activities	242,339	316,677
6.01.01	Cash from operations	413,266	371,999
6.01.01.01	Income for the period	213,080	207,347
6.01.01.02	Depreciation and amortization	14,158	6,748
6.01.01.03	Monetary variations, net	844	(771)
6.01.01.05	Contingent liabilities (tax, social security, labor and civil)	(3,971)	9,095
6.01.01.06	Gain on disposal of property, plant and equipment and investments	175	87
6.01.01.07	Earnings of equity method	(7,452)	(9,303)
6.01.01.08	Allowance for doubtful accounts	60,947	41,119
6.01.01.09	Stock option plan	2,484	6,883
6.01.01.10	Variation of IBNR	10,377	3,519
6.01.01.11	Income tax and social contribution	89,865	86,295
6.01.01.12	Unearned premiums	30,456	20,980
6.01.01.13	Right of use amortization (IFRS 16)	2,303	-
6.01.02	Changes in assets and liabilities	(170,927)	(55,322)
6.01.02.01	Financial instruments measured at fair value	(33,392)	104,982
6.01.02.02	Dental care receivables and operators	(72,557)	(47,092)
6.01.02.03	Taxes recoverable, other receivables and prepaid expenses	(24,822)	(5,040)
6.01.02.05	Long-term receivables (Non-current assets)	18,386	7,280
6.01.02.06	Unsettled claims	12,522	8,484
6.01.02.09	Tax liabilities (taxes and contributions payable)	(513)	7,052
6.01.02.10	Labor charges, suppliers, advances from customers and sundry payables	6,556	(11,132)
6.01.02.11	Non-current liabilities	14,770	(3,113)
6.01.02.13	Income tax and social contribution paid	(92,427)	(117,797)
6.01.02.14	Social charges	609	(105)
6.01.02.15	Commissions payable	(59)	1,159
6.02	Net cash used in investing activities	(386)	(193,171)
6.02.01	Purchases of property, plant and equipment	(5,664)	(803)
6.02.02	System development, software licenses and other	(15,049)	(12,565)
6.02.05	Write-off of incorporated investments	14,187	-
6.02.06	Purchase of investments	-	(173,450)
6.02.07	Dividends received from Subsidiaries	6,615	5,641
6.02.08	Advance for future capital increase and capital increase in Investee	-	(11,436)
6.02.11	Securities held to maturity	(475)	(558)
6.03	Net cash used in financing activities	(232,757)	(120,966)
6.03.01	Dividends and interest on capital paid	(213,351)	(72,252)
6.03.02	Repurchase of shares - in treasury	(30,368)	(70,497)
6.03.04	Receipt of stock options granted	12,311	21,783
6.03.05	Lease liability (IFRS 16)	(1,349)	-
6.05	Increase in cash and cash equivalents	9,196	2,540
6.05.01	Cash and cash equivalents at the beginning of the period	16,597	16,112
6.05.02	Cash and cash equivalents at the end of the period	25,793	18,652

Company financial information/statement of changes in equity - 01/01/2019 to 09/30/2019

(R\$ thousand)

(A free translation of the original in Portuguese)

Account Code	Account description	Capital	Capital reserves, options granted and treasury shares	Revenue reserves	Retained earnings	Total equity
5.01	Opening balance	506,557	(7,806)	528,705	-	1,027,456
5.03	Adjusted opening balance	506,557	(7,806)	528,705	-	1,027,456
5.04	Equity transactions with owners	101,312	(18,101)	(123,330)	(126,686)	(166,805)
5.04.01	Capital increase	101,312	-	(101,312)	-	-
5.04.03	Stock options granted	-	2,484	-	-	2,484
5.04.04	Treasury shares acquired	-	(30,368)	-	-	(30,368)
5.04.05	Treasury shares sold	-	12,311	-	-	12,311
5.04.06	Dividends	-	-	(22,018)	(78,326)	(100,344)
5.04.07	Interest on capital	-	-	-	(48,360)	(48,360)
5.04.19	Put option in Subsidiary	-	(2,528)	-	-	(2,528)
5.05	Total comprehensive income for the period	-	-	-	213,080	213,080
5.05.01	Income for the period	-	-	-	213,080	213,080
5.07	Closing balance	607,869	(25,907)	405,375	86,394	1,073,731

Company financial information/statement of changes in equity - 01/01/2018 to 09/30/2018

(R\$ thousand)

(A free translation of the original in Portuguese)

Account Code	Account description	Capital	Capital reserves, options granted and treasury shares	Revenue reserves	Retained earnings	Total equity
5.01	Opening balance	506,557	21,432	395,253	-	923,242
5.03	Adjusted opening balance	506,557	21,432	395,253	-	923,242
5.04	Equity transactions with owners	-	(49,428)	-	(71,801)	(121,229)
5.04.03	Stock options granted	-	6,883	-	-	6,883
5.04.04	Treasury shares acquired	-	(70,497)	-	-	(70,497)
5.04.05	Treasury shares sold	-	21,783	-	-	21,783
5.04.06	Dividends	-	-	-	(27,909)	(27,909)
5.04.07	Interest on capital	-	-	-	(43,892)	(43,892)
5.04.19	Put option in Subsidiary	-	(7,597)	-	-	(7,597)
5.05	Total comprehensive income for the period	-	-	-	207,347	207,347
5.05.01	Income for the period	-	-	-	207,347	207,347
5.07	Closing balance	506,557	(27,996)	395,253	135,546	1,009,360

Company financial information/statement of value added

(R\$ thousand)

(A free translation of the original in Portuguese)

Account Code	Account description	Current period from 01/01/2019 to 09/30/2019	Prior period from 01/01/2018 to 09/30/2018
7.01	Revenue	1,312,812	1,140,597
7.01.01	Net premiums with dental care plan	1,373,759	1,181,716
7.01.04	Provision for/reversal of allowance for doubtful accounts	(60,947)	(41,119)
7.02	Inputs acquired from third parties	(854,739)	(711,516)
7.02.01	Cost of sales and services	(578,820)	(493,841)
7.02.02	Materials, energy, outsourced services and other	(15,988)	(14,550)
7.02.04	Other	(259,931)	(203,125)
7.02.04.01	Other operating revenues	2,183	(273)
7.02.04.02	Selling expenses	(152,446)	(122,154)
7.02.04.03	General and administrative expenses	(99,291)	(77,179)
7.02.04.04	Variation of IBNR	(10,377)	(3,519)
7.03	Gross value added	458,073	429,081
7.04	Retentions	(16,461)	(6,748)
7.04.01	Depreciation, amortization and depletion	(14,158)	(6,748)
7.04.02	Others	(2,303)	-
7.04.02.01	Right of use amortization (IFRS 16)	(2,303)	-
7.05	Net value added generated by the entity	441,612	422,333
7.06	Value added received through transfer	32,098	34,276
7.06.01	Earnings of equity method	7,452	9,303
7.06.02	Financial income	24,646	24,973
7.07	Total value added to distribute	473,710	456,609
7.08	Distribution of value added	473,710	456,609
7.08.01	Personnel	86,605	66,039
7.08.01.01	Direct compensation	67,003	48,966
7.08.01.02	Benefits	15,615	13,293
7.08.01.03	Severance Indemnity Fund for Employees (FGTS)	3,987	3,780
7.08.02	Taxes and contributions	160,342	166,897
7.08.02.01	Federal	152,212	138,645
7.08.02.02	State	31	33
7.08.02.03	Municipal	8,099	28,219
7.08.03	Remuneration of third-party capital	11,199	9,443
7.08.03.02	Rentals	1,353	4,152
7.08.03.03	Other	9,846	5,291
7.08.03.03.01	Financial expenses	9,846	5,291
7.08.04	Remuneration of own capital	213,080	207,347
7.08.04.01	Interest on capital	48,360	43,892
7.08.04.02	Dividends	78,326	27,909
7.08.04.03	Retained earnings	86,394	135,546
7.08.05	Other	2,484	6,883
7.08.05.01	Stock option plan	2,484	6,883

Consolidated financial information/balance sheet - assets

(R\$ thousand)

(A free translation of the original in Portuguese)

Account Code	Account description	Current quarter 09/30/2019	Prior year 12/31/2018
1	Total assets	1,740,997	1,647,584
1.01	Current assets	771,282	702,255
1.01.01	Cash and cash equivalents	27,541	21,142
1.01.02	Financial instruments	473,559	460,394
1.01.02.01	Financial instruments measured at fair value	473,559	460,394
1.01.02.01.03	Financial investments that guarantee technical provisions	129,716	121,838
1.01.02.01.04	Financial investments for trading portfolio	343,843	338,556
1.01.03	Trade receivables	184,356	166,843
1.01.03.01	Customers	171,861	154,697
1.01.03.01.01	Dental care receivables	185,829	178,608
1.01.03.01.02	(-) Allowance for doubtful accounts	(50,067)	(51,211)
1.01.03.01.03	Participation of beneficiaries in indemnifying events/claims	3,243	3,339
1.01.03.01.05	Dental care operators	9,035	8,327
1.01.03.01.06	Other healthcare plan receivables	23,821	15,634
1.01.03.02	Sundry receivables	12,495	12,146
1.01.03.02.01	Advances to suppliers	3,373	587
1.01.03.02.02	Advances to employees	688	6,132
1.01.03.02.03	Other receivables	8,434	5,427
1.01.04	Inventories	3,089	3,112
1.01.06	Taxes recoverable	56,111	26,036
1.01.06.01	Current taxes recoverable	56,111	26,036
1.01.06.01.01	Tax and social security credits	56,111	26,036
1.01.07	Prepaid expenses	26,626	24,728
1.01.07.01	Deferred acquisition costs	23,669	22,280
1.01.07.20	Other	2,957	2,448
1.02	Non-current assets	969,715	945,329
1.02.01	Long-term receivables	133,128	160,593
1.02.01.03	Financial investments measured at amortized cost	15,702	15,227
1.02.01.03.01	Securities held to maturity that guarantee technical provisions	15,702	15,227
1.02.01.07	Deferred taxes	41,776	44,742
1.02.01.07.01	Deferred income tax and social contribution	41,776	44,742
1.02.01.10	Other non-current assets	75,650	100,624
1.02.01.10.03	Judicial deposits	15,581	14,245
1.02.01.10.04	Other receivables	18,528	20,544
1.02.01.10.05	Securities and credits receivable	100	100
1.02.01.10.06	Tax and social security credits	41,441	65,735
1.02.02	Investments	11,364	8,054
1.02.02.01	Equity interests	11,364	8,054
1.02.02.01.01	Interests in Associates	1,434	514
1.02.02.01.04	Interests in Joint Ventures	9,930	7,540
1.02.03	Property, plant and equipment	68,624	24,314
1.02.03.01	Property, plant and equipment in use	25,616	23,561
1.02.03.01.01	Property, plant and equipment for own use	19,951	19,969
1.02.03.01.02	Other fixed assets	5,665	3,592
1.02.03.02	Right of use in leasehold	42,255	-
1.02.03.02.01	Right of use (IFRS 16)	42,255	-
1.02.03.03	Fixed assets in progress	753	753
1.02.03.03.01	Fixed assets in progress	753	753
1.02.04	Intangible assets	756,599	752,368
1.02.04.01	Intangible assets	756,599	752,368
1.02.04.01.02	Goodwill on acquisition of investments	647,390	647,390
1.02.04.01.03	System development, software licenses and other	109,209	104,978

Consolidated financial information/balance sheet - liabilities and equity

(R\$ thousand)

(A free translation of the original in Portuguese)

Account Code	Account description	Current quarter 09/30/2019	Prior year 12/31/2018
2	Total liabilities and equity	1,740,997	1,647,584
2.01	Current liabilities	510,678	517,085
2.01.01	Social security and labor charges	44,091	33,897
2.01.01.01	Social charges	5,227	5,068
2.01.01.01.01	Charges payable	5,227	5,068
2.01.01.02	Labor charges	38,864	28,829
2.01.01.02.01	Salaries, vacation pay and fees	38,864	28,829
2.01.02	Suppliers	20,636	19,181
2.01.02.01	Domestic suppliers	20,636	19,181
2.01.02.01.01	Commissions payable	7,014	7,025
2.01.02.01.02	Suppliers of goods and services	10,965	11,244
2.01.02.01.03	Other debits of dental care operation	244	238
2.01.02.01.04	Consideration/premiums to be repaid	327	674
2.01.02.01.05	Lease liability (IFRS 16)	2,086	-
2.01.03	Tax liabilities	28,956	34,512
2.01.03.01	Federal tax liabilities	19,909	24,792
2.01.03.01.01	Income tax and social contribution payable	3,349	9,140
2.01.03.01.02	Other federal tax liabilities	16,560	15,652
2.01.03.02	State tax liabilities	45	51
2.01.03.03	Municipal tax liabilities	9,002	9,669
2.01.05	Other liabilities	72,273	135,637
2.01.05.02	Other	72,273	135,637
2.01.05.02.01	Dividends and interest on capital payable	12,676	71,451
2.01.05.02.02	Minimum mandatory dividend payable	-	5,741
2.01.05.02.04	Advances from customers	945	972
2.01.05.02.05	Sundry payables	45,603	47,447
2.01.05.02.07	Advance receipt of dental care insurance	-	54
2.01.05.02.08	Investment payable	3,576	3,500
2.01.05.02.09	Contingent consideration	9,473	6,472
2.01.06	Provisions	344,722	293,858
2.01.06.02	Other provisions	344,722	293,858
2.01.06.02.04	Unsettled claims	50,996	39,568
2.01.06.02.05	IBNR - incurred but not reported claims	93,435	83,073
2.01.06.02.06	Unearned premiums	185,793	159,878
2.01.06.02.07	Provision for claims and insurance (other provisions)	14,498	11,339
2.02	Non-current liabilities	151,279	98,811
2.02.02	Other liabilities	103,858	62,361
2.02.02.02	Other	103,858	62,361
2.02.02.02.03	Other liabilities	16,151	19,894
2.02.02.02.04	Fees payable	1,068	1,068
2.02.02.02.05	Put option in Subsidiary	29,928	27,399
2.02.02.02.06	Investment payable	14,561	14,000
2.02.02.02.07	Lease liability (IFRS 16)	42,150	-
2.02.04	Provisions	47,421	36,450
2.02.04.01	Contingent liabilities (tax, social security, labor and civil)	37,490	32,563
2.02.04.02	Other provisions	9,931	3,887
2.02.04.02.04	Financing of taxes and contributions	3,194	3,887
2.02.04.02.05	Sundry debts	6,737	-
2.03	Equity	1,079,040	1,031,688
2.03.01	Capital	607,869	506,557
2.03.02	Capital reserves	3,634	9,206
2.03.04	Earnings reserves	375,834	511,693
2.03.04.01	Legal reserve	-	101,312
2.03.04.07	Tax incentive reserve	129	129
2.03.04.08	Additional dividend proposed	-	22,018
2.03.04.09	Treasury shares	(29,541)	(17,012)
2.03.04.10	Statutory reserve of regulatory capital	202,623	202,623
2.03.04.11	Investment and expansion reserve	202,623	202,623
2.03.05	Retained earnings	86,394	-
2.03.09	Non-controlling shareholders	5,309	4,232

Consolidated financial information/statement of income

(R\$ thousand)

(A free translation of the original in Portuguese)

Account Code	Account description	Current quarter from 07/01/2019 to 09/30/2019	Current period from 01/01/2019 to 09/30/2019	Prior quarter from 07/01/2018 to 09/30/2018	Prior period from 01/01/2018 to 09/30/2018
3.01	Gross sales and/or services revenue	452,622	1,353,729	412,921	1,158,568
3.01.01	Net premiums with dental care plan	465,072	1,382,746	429,366	1,209,184
3.01.02	Sales of goods and services	4,103	12,423	3,019	9,929
3.01.04	Taxes on dental care plan operations	(17,741)	(45,830)	(20,825)	(62,155)
3.01.05	Taxes on sales of goods and services	(3,596)	(10,156)	(2,645)	(7,350)
3.01.06	Insurance	4,784	14,546	4,006	8,960
3.02	Cost of sales and/or services rendered	(224,232)	(605,543)	(193,987)	(518,397)
3.02.01	Indemnifiable claims, net	(208,728)	(575,736)	(182,636)	(494,286)
3.02.02	Social charges on services	(3)	31	(3)	(10)
3.02.03	Dental materials	(2,100)	(6,246)	(1,850)	(5,473)
3.02.04	Other operating costs	(3,380)	(11,301)	(3,640)	(13,632)
3.02.05	Variation of IBNR	(9,288)	(10,362)	(5,076)	(3,443)
3.02.06	Claims	(703)	(1,910)	(554)	(1,358)
3.02.07	Claims reserves	(30)	(19)	(228)	(195)
3.03	Gross income	228,390	748,186	218,934	640,171
3.04	Operating revenues/expenses	(156,459)	(456,550)	(132,927)	(363,058)
3.04.01	Selling expenses	(52,227)	(154,448)	(44,760)	(124,720)
3.04.01.01	Selling expenses	(52,227)	(154,448)	(44,760)	(124,720)
3.04.02	General and administrative expenses	(75,589)	(218,466)	(68,889)	(184,837)
3.04.04	Other operating revenues	1,550	3,047	1,034	2,179
3.04.04.01	Other operating revenue from dental care	270	645	226	526
3.04.04.02	Revenue from dental care not related to company's plans	1,280	2,402	808	1,653
3.04.05	Other operating expenses	(31,465)	(90,301)	(21,593)	(59,232)
3.04.05.01	Stock option plan	(787)	(2,484)	(1,767)	(6,883)
3.04.05.02	Allowance for doubtful accounts	(21,336)	(60,952)	(15,283)	(41,520)
3.04.05.03	Profit sharing	(5,270)	(14,649)	(4,543)	(10,829)
3.04.05.04	Long-term incitement program	(4,072)	(12,216)	-	-
3.04.06	Earnings of equity method	1,272	3,618	1,281	3,552
3.05	Income before financial results and taxes	71,931	291,636	86,007	277,113
3.06	Financial results, net	4,191	14,636	6,091	20,018
3.06.01	Financial income	8,811	25,667	8,244	25,856
3.06.02	Financial expenses	(4,620)	(11,031)	(2,153)	(5,838)
3.07	income before income taxes	76,122	306,272	92,098	297,131
3.08	Income tax and social contribution	(22,482)	(92,083)	(26,890)	(89,597)
3.08.01	Current	(23,005)	(89,117)	(29,318)	(91,307)
3.08.02	Deferred	523	(2,966)	2,428	1,710
3.09	Net income for the period from continuing operations	53,640	214,189	65,208	207,534
3.11	Income for the period	53,640	214,189	65,208	207,534
3.11.01	Assigned to controlling shareholders	53,376	213,080	65,037	207,347
3.11.02	Assigned to non-controlling shareholders	264	1,109	171	187
3.99	Earnings per share - (reais/share)				
3.99.01	Basic earnings per share				
3.99.01.01	Common	0.10081	0.40183	0.12307	0.39238
3.99.02	Diluted earnings per share				
3.99.02.01	Common	0.10033	0.39991	0.12173	0.38810

Consolidated financial information/statement of comprehensive income

(R\$ thousand)

(A free translation of the original in Portuguese)

Account Code	Account description	Current quarter from 07/01/2019 to 09/30/2019	Current period from 01/01/2019 to 09/30/2019	Prior quarter from 07/01/2018 to 09/30/2018	Prior period from 01/01/2018 to 09/30/2018
4.01	Net income for the period	53,640	214,189	65,208	207,534
4.02	Other comprehensive income	(305)	(1,537)	(160)	(1,940)
4.02.01	Cumulative translation adjustment	(305)	(1,537)	(160)	(1,940)
4.03	Comprehensive income for the period	53,335	212,652	65,048	205,594
4.03.01	Assigned to controlling shareholders	53,071	211,543	64,877	205,407
4.03.02	Assigned to non-controlling shareholders	264	1,109	171	187

Consolidated financial information/statement of cash flows - indirect method

(R\$ thousand)

(A free translation of the original in Portuguese)

Account Code	Account description	Current period from 01/01/2019 to 09/30/2019	Prior period from 01/01/2018 to 09/30/2018
6.01	Net cash provided by operating activities	262,220	314,174
6.01.01	Cash from operations	420,700	387,846
6.01.01.01	Income for the period	214,189	207,534
6.01.01.02	Depreciation and amortization	15,423	8,327
6.01.01.03	Monetary variations, net	794	(860)
6.01.01.05	Contingent liabilities (tax, social security, labor and civil)	(3,401)	9,359
6.01.01.06	Income (loss) on disposal of property, plant and equipment and investments	1,629	57
6.01.01.07	Earnings of equity method	(3,618)	(3,552)
6.01.01.08	Allowance for doubtful accounts	60,952	41,520
6.01.01.09	Stock option plan	2,484	6,883
6.01.01.10	Variation of IBNR	10,362	3,443
6.01.01.11	Income tax and social contribution	92,083	89,597
6.01.01.12	Unearned premiums	25,915	25,538
6.01.01.13	Right of use amortization (IFRS 16)	3,888	-
6.01.02	Changes in assets and liabilities	(158,480)	(73,672)
6.01.02.01	Financial instruments measured at fair value	(13,165)	83,038
6.01.02.02	Dental care receivables and operators	(78,116)	(63,375)
6.01.02.03	Taxes recoverable, other receivables and prepaid expenses	(25,687)	(12,849)
6.01.02.04	Inventories	23	34
6.01.02.05	Long-term receivables (Non-current assets)	26,493	(17,682)
6.01.02.06	Unsettled claims	11,428	13,039
6.01.02.09	Tax liabilities (taxes and contributions payable)	(987)	11,170
6.01.02.10	Labor charges, suppliers, advances from customers and sundry payables	9,571	(4,219)
6.01.02.11	Non-current liabilities	3,561	25,519
6.01.02.13	Income tax and social contribution paid	(94,908)	(120,282)
6.01.02.14	Social charges	159	1,358
6.01.02.15	Commissions payable	(11)	1,337
6.01.02.16	Provision for claims and insurance (other provisions)	3,159	9,240
6.02	Net cash used in investing activities	(22,363)	(189,022)
6.02.01	Purchases of property, plant and equipment	(6,215)	(1,553)
6.02.02	System development, software licenses and other	(15,673)	(13,461)
6.02.06	Purchase of investments	-	(173,450)
6.02.11	Securities held to maturity	(475)	(558)
6.03	Net cash used in financing activities	(233,458)	(121,038)
6.03.01	Dividends and interest on capital paid	(213,494)	(72,324)
6.03.02	Repurchase of shares - in treasury	(30,368)	(70,497)
6.03.04	Receipt of stock options granted	12,311	21,783
6.03.05	Lease liability (IFRS 16)	(1,907)	-
6.05	Increase in cash and cash equivalents	6,399	4,114
6.05.01	Cash and cash equivalents at the beginning of the period	21,142	17,674
6.05.02	Cash and cash equivalents at the end of the period	27,541	21,788

Consolidated financial information/statement of changes in equity - 01/01/2019 to 09/30/2019

(R\$ thousand)

(A free translation of the original in Portuguese)

Account Code	Account description	Capital	Capital reserves, options granted and treasury shares	Revenue reserves	Retained earnings	Other comprehensive income	Total equity	Non-controlling shareholders	Consolidated equity
5.01	Opening balance	506,557	(7,806)	528,705	-	(2,638)	1,024,818	6,870	1,031,688
5.03	Adjusted opening balance	506,557	(7,806)	528,705	-	(2,638)	1,024,818	6,870	1,031,688
5.04	Equity transactions with owners	101,312	(18,101)	(123,330)	(126,686)	1,101	(165,704)	(1,133)	(166,837)
5.04.01	Capital increase	101,312	-	(101,312)	-	-	-	-	-
5.04.03	Stock options granted	-	2,484	-	-	-	2,484	-	2,484
5.04.04	Treasury shares acquired	-	(30,368)	-	-	-	(30,368)	-	(30,368)
5.04.05	Treasury shares sold	-	12,311	-	-	-	12,311	-	12,311
5.04.06	Dividends	-	-	(22,018)	(78,326)	-	(100,344)	-	(100,344)
5.04.07	Interest on capital	-	-	-	(48,360)	-	(48,360)	-	(48,360)
5.04.19	Put option in Subsidiary	-	(2,528)	-	-	-	(2,528)	-	(2,528)
5.04.20	Other	-	-	-	-	1,101	1,101	(1,133)	(32)
5.05	Total comprehensive income for the period	-	-	-	213,080	-	213,080	1,109	214,189
5.05.01	Income for the period	-	-	-	213,080	-	213,080	1,109	214,189
5.07	Closing balance	607,869	(25,907)	405,375	86,394	(1,537)	1,072,194	6,846	1,079,040

' Consolidated financial information/statement of changes in equity - 01/01/2018 to 09/30/2018

(R\$ thousand)

(A free translation of the original in Portuguese)

Account Code	Account description	Capital	Capital reserves, options granted and treasury shares	Revenue reserves	Retained earnings	Other comprehensive income	Total equity	Non-controlling shareholders	Consolidated equity
5.01	Opening balance	506,557	21,432	395,253	-	(705)	922,537	4,072	926,609
5.03	Adjusted opening balance	506,557	21,432	395,253	-	(705)	922,537	4,072	926,609
5.04	Equity transactions with owners	-	(49,428)	-	(71,801)	(1,235)	(122,464)	1,895	(120,569)
5.04.03	Stock options granted	-	6,883	-	-	-	6,883	-	6,883
5.04.04	Treasury shares acquired	-	(70,497)	-	-	-	(70,497)	-	(70,497)
5.04.05	Treasury shares sold	-	21,783	-	-	-	21,783	-	21,783
5.04.06	Dividends	-	-	-	(27,909)	-	(27,909)	-	(27,909)
5.04.07	Interest on capital	-	-	-	(43,892)	-	(43,892)	-	(43,892)
5.04.19	Put option in Subsidiary	-	(7,597)	-	-	-	(7,597)	-	(7,597)
5.04.20	Other	-	-	-	-	(1,235)	(1,235)	1,895	660
5.05	Total comprehensive income for the period	-	-	-	207,347	-	207,347	187	207,534
5.05.01	Income for the period	-	-	-	207,347	-	207,347	187	207,534
5.07	Closing balance	506,557	(27,996)	395,253	135,546	(1,940)	1,007,420	6,154	1,013,574

Consolidated financial information/statement of value added

(R\$ thousand)

(A free translation of the original in Portuguese)

Account Code	Account description	Current period from 01/01/2019 to 09/30/2019	Prior period from 01/01/2018 to 09/30/2018
7.01	Revenue	1,348,763	1,186,553
7.01.01	Net premiums with dental care plan	1,382,746	1,209,184
7.01.02	Other income	26,969	18,889
7.01.02.02	Sales and services rendered	12,423	9,929
7.01.02.03	Insurance	14,546	8,960
7.01.04	Provision for/reversal of allowance for doubtful accounts	(60,952)	(41,520)
7.02	Inputs acquired from third parties	(820,990)	(698,154)
7.02.01	Cost of sales and services	(577,646)	(495,644)
7.02.02	Materials, energy, outsourced services and other	(9,353)	(9,872)
7.02.04	Other	(233,991)	(192,638)
7.02.04.01	Other operating revenues	1,747	(1,002)
7.02.04.02	Selling expenses	(153,929)	(123,854)
7.02.04.03	General and administrative expenses	(71,428)	(64,144)
7.02.04.04	Variation of IBNR	(10,362)	(3,443)
7.02.04.05	Claims reserve	(19)	(195)
7.03	Gross value added	527,773	488,399
7.04	Retentions	(19,311)	(8,327)
7.04.01	Depreciation, amortization and depletion	(15,423)	(8,327)
7.04.02	Others	(3,888)	-
7.04.02.01	Right of use amortization (IFRS 16)	(3,888)	-
7.05	Net value added generated by the entity	508,462	480,072
7.06	Value added received through transfer	29,285	29,408
7.06.01	Earnings of equity method	3,618	3,552
7.06.02	Financial income	25,667	25,856
7.07	Total value added to distribute	537,747	509,480
7.08	Distribution of value added	537,747	509,480
7.08.01	Personnel	128,038	97,745
7.08.01.01	Direct compensation	98,534	72,273
7.08.01.02	Benefits	23,249	19,737
7.08.01.03	Severance Indemnity Fund for Employees (FGTS)	6,255	5,735
7.08.02	Taxes and contributions	179,905	184,885
7.08.02.01	Federal	166,638	151,938
7.08.02.02	State	2,278	1,861
7.08.02.03	Municipal	10,989	31,086
7.08.03	Remuneration of third-party capital	13,131	12,433
7.08.03.02	Rentals	2,100	6,595
7.08.03.03	Other	11,031	5,838
7.08.03.03.01	Financial expenses	11,031	5,838
7.08.04	Remuneration of own capital	214,189	207,534
7.08.04.01	Interest on capital	48,360	43,892
7.08.04.02	Dividends	78,326	27,909
7.08.04.03	Retained earnings	86,394	135,546
7.08.04.04	Non-controlling shareholders	1,109	187
7.08.05	Other	2,484	6,883
7.08.05.01	Stock option plan	2,484	6,883

Operational and financial performance

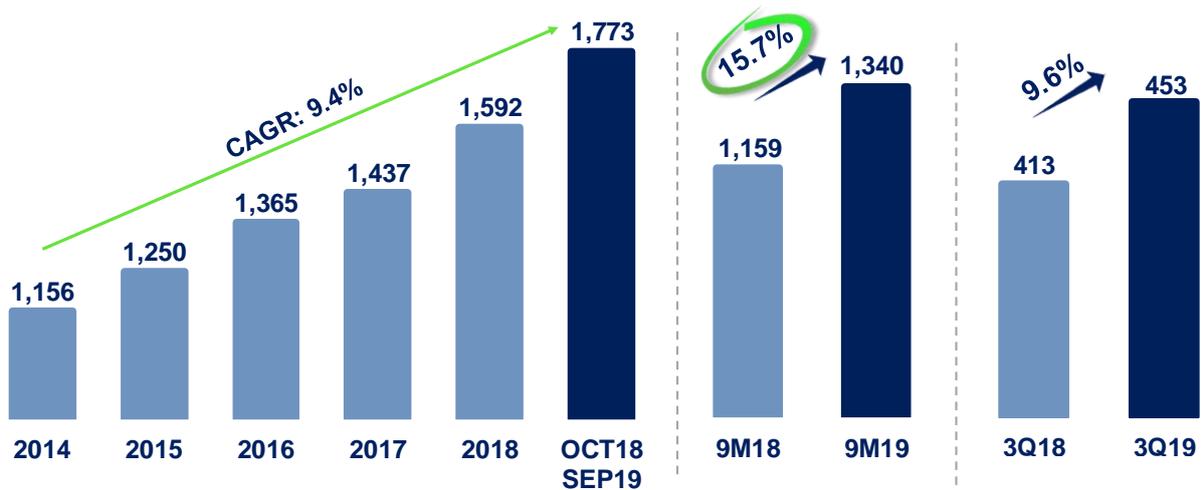
Operating revenue

Net operating revenue (NOR)										
	3Q19		3Q18		Δ%	9M19		9M18		Δ%
	R\$ 000	% Sales	R\$ 000	% Sales		R\$ 000	% Sales	R\$ 000	% Sales	
(+) Payments, net	465,072	102.8	429,366	104.0	8.3	1,382,746	103.2	1,209,184	104.4	14.4
(+) Sales of services and products	4,103	0.9	3,019	0.7	35.9	12,423	0.9	9,929	0.9	25.1
(+) Odontored (México)	4,784	1.1	4,006	1.0	19.4	14,546	1.1	8,960	0.8	62.3
Gross operating revenue (GOR)	473,959	104.7	436,391	105.7	8.6	1,409,715	105.2	1,228,073	106.0	14.8
(-) Direct taxes on dental care operations	17,741	3.9	20,825	5.0	(14.8)	59,630	4.5	62,155	5.4	(4.1)
(-) Taxes on sales of services and products	3,596	0.8	2,645	0.6	35.9	10,156	0.8	7,350	0.6	38.2
Net operating revenue (NOR)	452,622	100.0	412,921	100.0	9.6	1,339,928	100.0	1,158,568	100.0	15.7

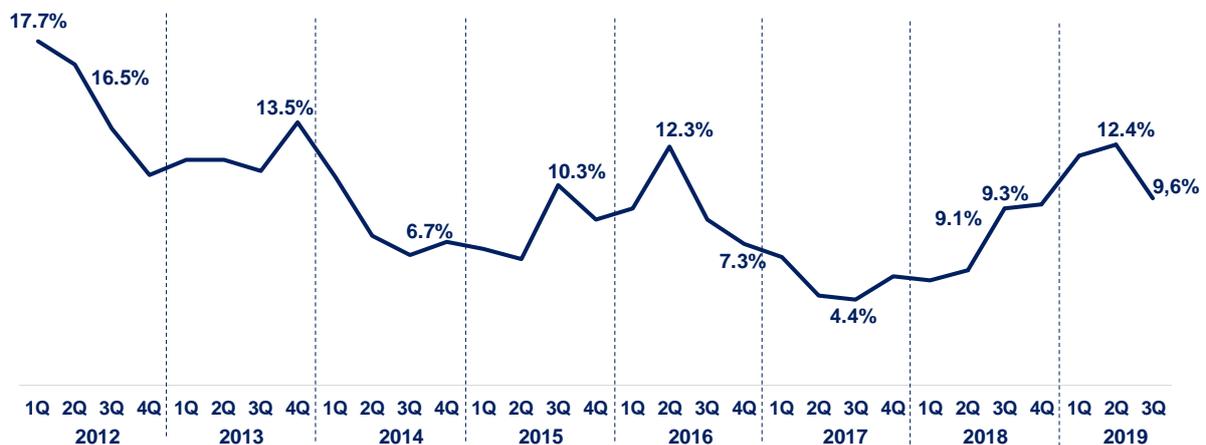
The consolidated net operating revenue (NOR) reached R\$452,622 in 3Q19, 9.6% higher YoY, in line with the CAGR of 9.4% since 2014. In 9M19, net revenues reached R\$1,339,928, 15.7% expansion YoY.

Net Revenue

R\$ million

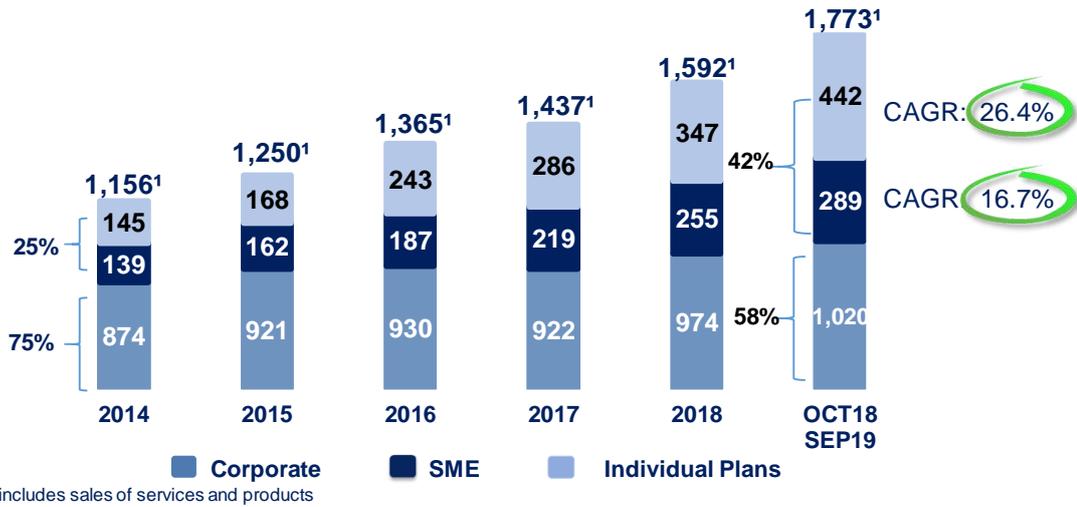


Organic net revenue annual growth (%)



Revenues per segment

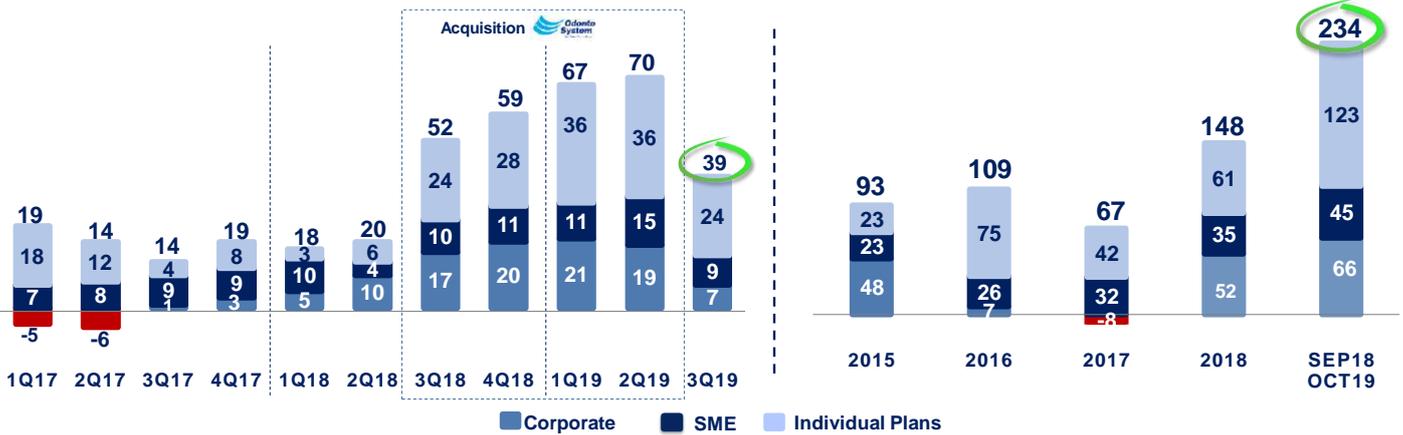
R\$ million



Incremental revenue per segment (YoY) – R\$ million

Incremental revenue in the quarter

Incremental revenue in 12 months

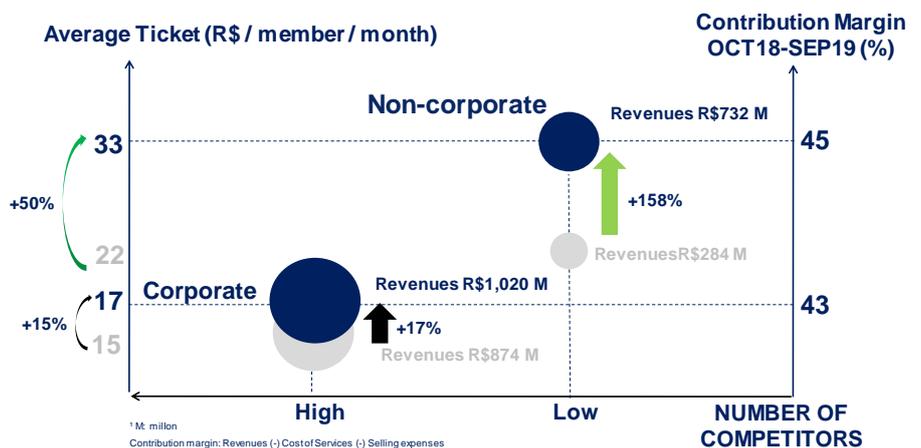


The incremental revenues were R\$39 million in 3Q19. The non-corporate segments represented 83% of incremental revenues in the quarter, mainly from individual plans.

Since 2014, the non-corporate segment revenues, of SMEs and Individual Plans, grew 158%, reaching R\$732 million in 12 months. The average ticket grew 50% in the period, from R\$22.10 to R\$33.06, with a higher contribution margin in relation to the corporate segment.

Revenues, average ticket and contribution margin per segment

OCT18-SEP19 x 2014



(i) Consolidated Average Ticket

Average ticket calculation	3Q19	3Q18	Δ%	9M19	9M18	Δ%
Payments, net R\$000 (A)	465,072	429,366	8.3	1,382,746	1,209,184	14.4
Average number of members (B)	7,233	6,810	6.2	7,255	6,737	7.7
Average ticket (R\$/member/month) (A/B)/# of months	21.43	21.02	2.0	21.18	19.94	6.2

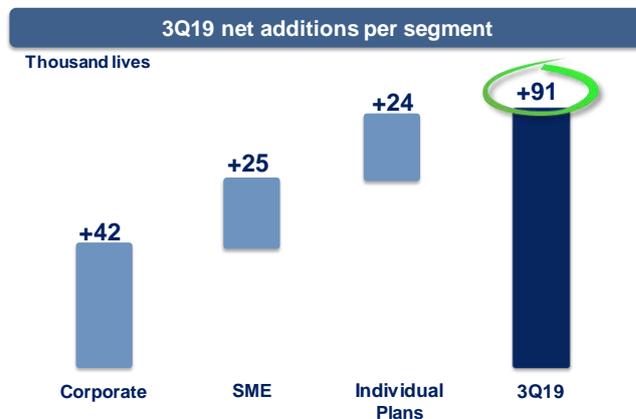
The average ticket was R\$21.43 in 3Q19, 2.0% higher than 3Q18, due to corporate contracts readjustments and the sales mix of the period. In 9M19, the average ticket was R\$21.18, 6.2% above same period last year.

Average ticket calculation (ex-Brasildental portfolio)	3Q19	3Q18	Δ%	9M19	9M18	Δ%
Payments, net R\$000 ex-Brasildental portfolio (A)	450,511	415,552	8.4	1,340,743	1,171,267	14.5
Average number of members ex-Brasildental portfolio (B)	6,686	6,265	6.7	6,701	6,202	8.1
Average ticket (R\$/member/month) (A/B)/# of months	22.46	22.11	1.6	22.23	20.99	5.9

Excluding the Brasildental portfolio, and the correspondent net payments, the 3Q19 average ticket would have been R\$22.46, 1.6% higher than 3Q18.

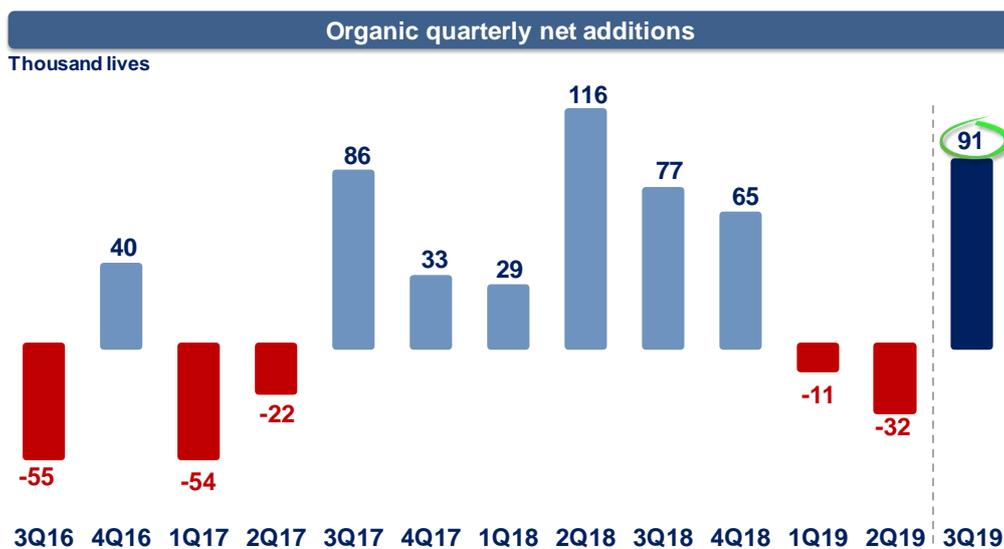
(ii) Total number of members

OdontoPrev reached 7,278,769 members in 3Q19, with net additions of 91 thousand members in the quarter, best seasonal 3Q performance since 2015. We highlight the performance of Bradesco in the non-corporate segment, with 32 thousand new SMEs and Individual Plans lives.



	Portfolio 3Q16	Net additions				Portfolio 3Q17	Net additions				Portfolio 3Q18	Net additions				Portfolio 3Q19
		4Q16	1Q17	2Q17	3Q17		4Q17	1Q18	2Q18	3Q18		4Q18	1Q19	2Q19	3Q19	
Corporate	4,701,777	-5,713	-46,880	-28,144	48,555	4,669,595	34,067	8,600	98,682	313,344	5,124,288	16,043	3,844	-58,311	42,491	5,128,355
OdontoPrev ¹	4,701,777	-5,713	-46,880	-28,144	48,555	4,669,595	34,067	8,600	98,682	25,053	4,835,997	13,809	-12,499	-36,976	38,135	4,838,466
Odonto System	0	0	0	0	0	0	0	0	0	288,291	288,291	2,234	16,343	-21,335	4,356	289,889
SME	875,308	28,243	8,208	641	30,741	943,141	20,012	11,821	-18,520	158,020	1,114,474	-2,571	-23,028	9,633	25,179	1,123,687
OdontoPrev	134,572	-3,051	-939	-2,679	-94	127,809	1,120	-6,347	741	2,640	125,963	2,481	-1,018	8,801	11,214	147,441
Bradesco	725,111	-6,885	-2,547	5,079	11,484	732,242	-1,150	17,888	-18,781	11,086	741,285	-5,031	-6,243	7,075	18,649	755,735
BB	15,625	38,179	11,694	-1,759	19,351	83,090	20,042	280	-480	2,846	105,778	1,204	-5,356	-6,041	-6,687	88,898
Odonto System	0	0	0	0	0	0	0	0	0	141,448	141,448	-1,225	-10,411	-202	2,003	131,613
Individual Plans	650,098	17,246	-15,650	5,140	6,429	663,263	-20,782	8,633	36,048	239,390	926,552	51,532	8,662	16,215	23,766	1,026,727
Retailers	354,497	8,274	-9,657	5,895	7,039	366,048	-28,102	-14,356	6,602	29,219	359,411	19,000	9,687	13,375	-131	401,342
Bradesco	277,022	10,167	-4,102	-209	627	283,505	-7,778	12,163	23,701	6,224	317,815	27,845	4,352	4,665	13,842	368,519
BB	18,579	-1,195	-1,891	-546	-1,237	13,710	15,098	10,826	5,745	58	45,437	2,596	-4,561	-3,165	6,244	46,551
Odonto System	0	0	0	0	0	0	0	0	0	203,889	203,889	2,091	-816	1,340	3,811	210,315
Total	6,227,183	39,776	-54,322	-22,363	85,725	6,275,999	33,297	29,054	116,210	710,754	7,165,314	65,004	-10,522	-32,463	91,436	7,278,769

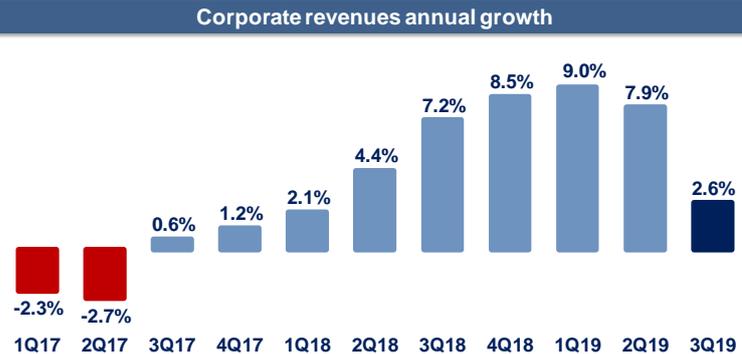
¹OdontoPrev + Bradesco + BB



Corporate segment

Net Revenues - Corporate segment

The Corporate segment revenues totaled R\$256,087 in 3Q19, a 2.6% growth YoY, 9th consecutive quarter of growth, after decreasing in the first semester of 2017.



Corporate	3Q19	3Q18	Δ%	9M19	9M18	Δ%
(+) Payments, net	264,705	260,380	1.7	795,153	753,441	5.5
(-) Direct taxes on dental care operations	8,618	10,898	-20.9	30,105	34,546	-12.9
Net operating revenue¹ (NOR)	256,087	249,482	2.6	765,048	718,895	6.4

¹ excluding Sale of Services and Products

(i) Average Ticket - Corporate segment

The Corporate average ticket reached R\$17.28 in 3Q19 and R\$17.21 in 9M19, in line with the same period of last year, reflecting contracts readjustments and the Odonto System incorporation, of lower ticket, in August/2018.

Average Ticket - Corporate	3Q19	3Q18	Δ%	9M19	9M18	Δ%
Payments, net R\$000 (A)	264,705	260,380	1.7	795,153	753,441	5.5
Average number of members (B)	5,107	4,968	2.8	5,134	4,914	4.5
Average ticket (R\$/member/month) (A/B) / # of months	17.28	17.47	-1.1	17.21	17.04	1.0

(ii) Membership - Corporate segment

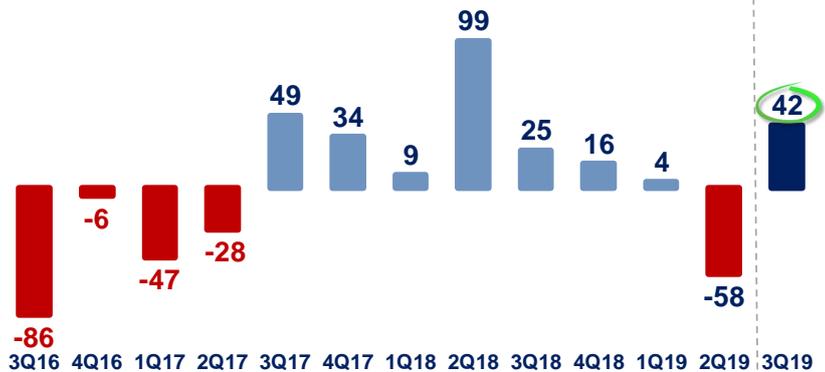
	Net additions					Portfolio 3Q17	Net additions					Portfolio 3Q18	Net additions					Portfolio 3Q19
	Portfolio 3Q16	4Q16	1Q17	2Q17	3Q17		4Q17	1Q18	2Q18	3Q18	4Q18		1Q19	2Q19	3Q19			
Corporate	4,701,777	-5,713	-46,880	-28,144	48,555	4,669,595	34,067	8,600	98,682	313,344	5,124,288	16,043	3,844	-58,311	42,491	5,128,355		
OdontoPrev ¹	4,701,777	-5,713	-46,880	-28,144	48,555	4,669,595	34,067	8,600	98,682	25,053	4,835,997	13,809	-12,499	-36,976	38,135	4,838,466		
Odonto System	0	0	0	0	0	0	0	0	0	288,291	288,291	2,234	16,343	-21,335	4,356	289,889		

¹OdontoPrev + Bradesco + BB

Organic net additions – Corporate

Thousand lives

The Corporate segment had net additions of 42 thousand lives in the quarter, above the 25 thousand pace of 3Q18. The Corporate portfolio reached 5,128 thousand members in 3Q19, best performance in 5 quarters, with new contracts and beneficiaries growth on open enrollment contracts.



Cost of services – Corporate segment

The cost of services in the corporate segment was R\$137,158 in 3Q19, a dental care ratio of 53.6%. In 9M19, the dental care ratio came down from 51.0% to 50.7%.

Selling expenses – Corporate segment

The selling expenses in the corporate segment were R\$15,201 in 3Q19, 5.9% of revenues, below the previous quarters.

Key Metrics – Corporate segment

Corporate	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	9M18	9M19	OCT17-SEP18	OCT18-SEP19
Average ticket (R\$/member/month) (A/B) / # of months	17.34	17.37	17.47	17.30	17.19	17.29	17.28	17.04	17.21	16.95	17.26
End of period number of members (000)	4,712	4,811	5,124	5,140	5,144	5,086	5,128	5,124	5,128	5,124	5,128
Average number of members (000) (B)	4,708	4,762	4,968	5,132	5,142	5,115	5,107	4,914	5,134	4,897	5,126
(+) Payments, net (R\$ 000) (A)	244,949	248,113	260,380	266,387	265,160	265,288	264,705	753,441	795,153	995,751	1,061,540
(-) Direct taxes on dental care operations (R\$ 000)	12,805	10,843	10,898	11,658	12,201	9,286	8,618	34,546	30,105	42,125	41,763
Net operating revenue - NOR (R\$ 000)	232,144	237,269	249,482	254,729	252,959	256,002	256,087	718,895	765,048	953,626	1,019,778
Cost of services (R\$ 000)	112,386	122,989	131,099	127,376	117,864	132,536	137,158	366,474	387,558	484,966	514,934
Dental care ratio (% Sales)	48.4	51.8	52.5	50.0	46.6	51.8	53.6	51.0	50.7	50.9	50.5
Cost of Services / member / month (R\$)	8.0	8.6	8.8	8.3	7.6	8.6	9.0	8.3	8.4	8.3	8.4
Gross Profit (R\$ 000)	119,758	114,280	118,383	127,353	135,096	123,465	118,930	352,421	377,491	468,660	504,844
Selling expenses (R\$ 000)	17,742	10,655	14,771	17,738	17,866	16,666	15,201	43,168	49,733	56,330	67,471
Selling expenses (% Sales)	7.6	4.5	5.9	7.0	7.1	6.5	5.9	6.0	6.5	5.9	6.6
Contribution Margin (R\$ 000)	102,016	103,625	103,613	109,615	117,230	106,799	103,729	309,254	327,758	412,331	437,373
Contribution Margin (% Sales)	43.9	43.7	41.5	43.0	46.3	41.7	40.5	43.0	42.8	43.2	42.9

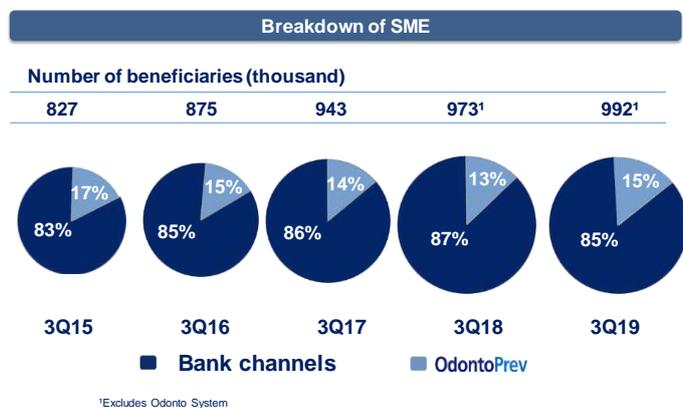
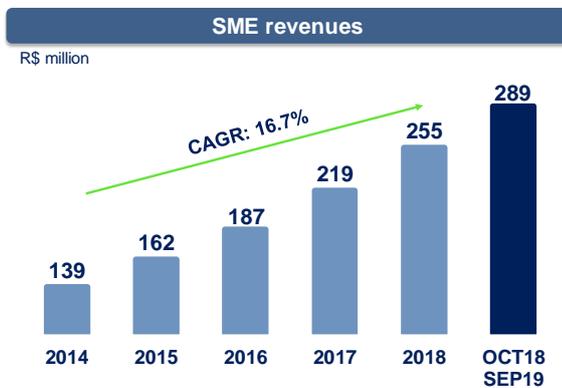
SME

Net Revenues - SME

The SME revenues increased **12.8% YoY**, totaling R\$75,265 in the quarter. In 9M19, SME net revenues reached R\$219,600, an 18.6% growth.

SME	3Q19	3Q18	Δ%	9M19	9M18	Δ%
(+) Payments, net	78,814	70,416	11.9	230,680	195,784	17.8
(-) Direct taxes on dental care operations	3,549	3,698	-4.0	11,080	10,676	3.8
Net operating revenue¹ (NOR)	75,265	66,718	12.8	219,600	185,108	18.6

¹ excluding Sale of Services and Products



(i) Average Ticket - SME

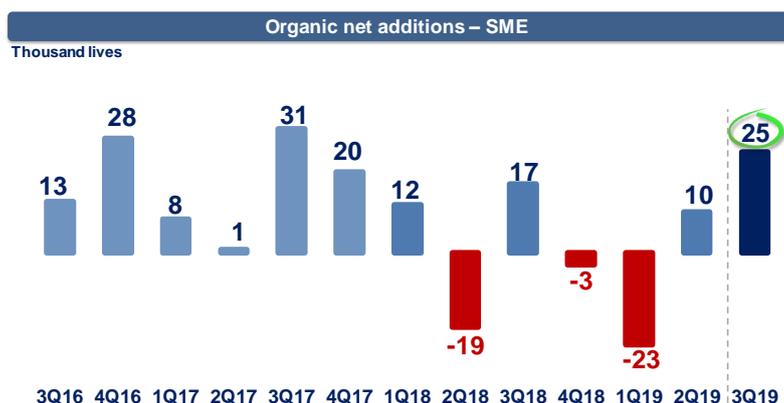
In **3Q19**, the SME average ticket reached **R\$23.64**, a **4.3% increase YoY**. In 9M19, the SME average ticket was R\$22.93, a 9.5% increase over the previous year.

Average Ticket - SME	3Q19	3Q18	Δ%	9M19	9M18	Δ%
Payments, net R\$000 (A)	78,814	70,416	11.9	230,680	195,784	17.8
Average number of members (B)	1,111	1,035	7.3	1,118	1,039	7.6
Average ticket (R\$/member/month) (A/B) / # of months	23.64	22.67	4.3	22.93	20.94	9.5

(ii) Membership - SME

	Net additions					Net additions					Net additions					
	Portfolio 3Q16	4Q16	1Q17	2Q17	3Q17	Portfolio 3Q17	4Q17	1Q18	2Q18	3Q18	Portfolio 3Q18	4Q18	1Q19	2Q19	3Q19	Portfolio 3Q19
SME	875,308	28,243	8,208	641	30,741	943,141	20,012	11,821	-18,520	158,020	1,114,474	-2,571	-23,028	9,633	25,179	1,123,687
OdontoPrev	134,572	-3,051	-939	-2,679	-94	127,809	1,120	-6,347	741	2,640	125,963	2,481	-1,018	8,801	11,214	147,441
Bradesco	725,111	-6,885	-2,547	5,079	11,484	732,242	-1,150	17,888	-18,781	11,086	741,285	-5,031	-6,243	7,075	18,649	755,735
BB	15,625	38,179	11,694	-1,759	19,351	83,090	20,042	280	-480	2,846	105,778	1,204	-5,356	-6,041	-6,687	88,898
Odonto System	0	0	0	0	0	0	0	0	0	141,448	141,448	-1,225	-10,411	-202	2,003	131,613

The SME segment registered net additions of 25 thousand lives in 3Q19, best performance in the last 8 quarters. Bradesco channel represented 93% of the SME net additions in the last twelve months.



Cost of Services – SME

The cost of services of the SME segment was R\$29,160 in 3Q19, a YoY decrease of 290 bps in the dental care ratio in the quarter and 220 bps in 9M19.

Selling expenses – SME

The selling expenses in the SME segment were R\$11,215 in 3Q19, 14.9% of sales, versus 12.9% in 3Q18.

Key Metrics – SME

SME	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	9M18	9M19	OCT17-SEP18	OCT18-SEP19
Average ticket (R\$/member/month) (A/B) / # of months	22.38	20.82	22.67	22.06	22.94	23.20	23.64	20.94	22.93	20.82	22.66
End of period number of members (000)	975	956	1,114	1,112	1,089	1,099	1,124	1,114	1,124	1,114	1,124
Average number of members (000) (B)	969	966	1,035	1,113	1,100	1,094	1,111	1,039	1,118	1,029	1,119
(+) Payments, net (R\$ 000) (A)	65,062	60,306	70,416	73,679	75,741	76,125	78,814	195,784	230,680	256,995	304,359
(-) Direct taxes on dental care operations (R\$ 000)	4,095	2,883	3,698	3,826	4,112	3,419	3,549	10,676	11,080	13,039	14,907
Net operating revenue - NOR (R\$ 000)	60,967	57,423	66,718	69,853	71,629	72,706	75,265	185,108	219,600	243,956	289,452
Cost of services (R\$ 000)	22,531	24,738	27,731	27,607	25,866	29,040	29,160	75,000	84,066	98,928	111,673
Dental care ratio (% Sales)	37.0	43.1	41.6	39.5	36.1	39.9	38.7	40.5	38.3	40.6	38.6
Cost of Services / member / month (R\$)	7.8	8.5	8.9	8.3	7.8	8.9	8.7	8.0	8.4	8.0	8.3
Gross Profit (R\$ 000)	38,436	32,684	38,987	42,246	45,763	43,666	46,105	110,108	135,533	145,028	177,779
Selling expenses (R\$ 000)	6,260	8,012	8,577	8,218	8,763	9,749	11,215	22,849	29,727	29,888	37,945
Selling expenses (% Sales)	10.3	14.0	12.9	11.8	12.2	13.4	14.9	12.3	13.5	12.3	13.1
Contribution Margin (R\$ 000)	32,176	24,673	30,410	34,027	37,000	33,917	34,890	87,258	105,807	115,140	139,834
Contribution Margin (% Sales)	52.8	43.0	45.6	48.7	51.7	46.6	46.4	47.1	48.2	47.2	48.3

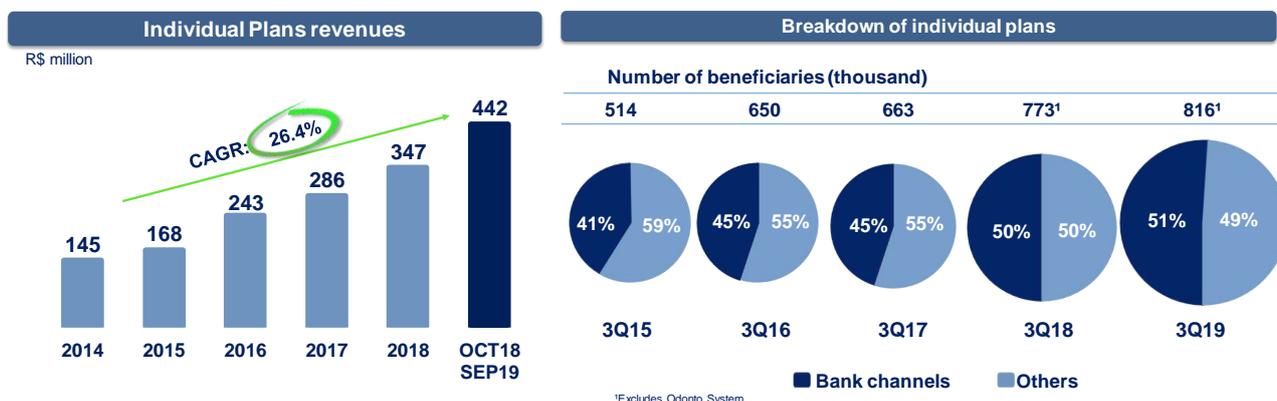
Individual Plans

Net Revenues – Individual Plans

The individual plans revenues increased 25.6% YoY, totaling R\$115,979 in 3Q19. In 9M19, net revenues of individual plans reached R\$338,468, a 39.3% increase over last year.

Individual Plans	3Q19	3Q18	Δ%	9M19	9M18	Δ%
(+) Payments, net	121,553	98,570	23.3	356,913	259,959	37.3
(-) Direct taxes on dental care operations	5,574	6,229	-10.5	18,445	16,933	8.9
Net operating revenue¹ (NOR)	115,979	92,341	25.6	338,468	243,026	39.3

¹ excluding Sale of Services and Products



(i) Average Ticket – Individual Plans

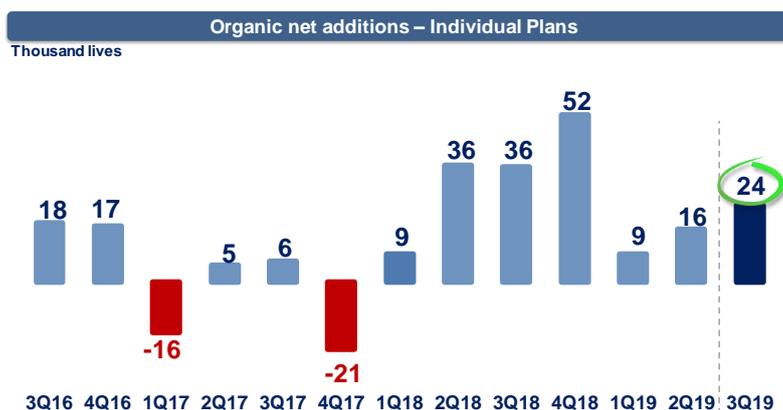
The individual plans average ticket was R\$39.92 in 3Q19, lower than R\$40.72 in 3Q18, due to Odonto System incorporation, of lower ticket, in January/19.

Average Ticket - Individual plans	3Q19	3Q18	Δ%	9M19	9M18	Δ%
Payments, net R\$000 (A)	121,553	98,570	23.3	356,913	259,959	37.3
Average number of members (B)	1,015	807	25.8	1,002	785	27.8
Average ticket (R\$/member/month) (A/B) / # of months	39.92	40.72	-2.0	39.56	36.82	7.5

(ii) Membership – Individual Plans

	Net additions					Net additions					Net additions					
	Portfolio 3Q16	4Q16	1Q17	2Q17	3Q17	Portfolio 3Q17	4Q17	1Q18	2Q18	3Q18	Portfolio 3Q18	4Q18	1Q19	2Q19	3Q19	Portfolio 3Q19
Individual Plans	650,098	17,246	-15,650	5,140	6,429	663,263	-20,782	8,633	36,048	239,390	926,552	51,532	8,662	16,215	23,766	1,026,727
Retailers	354,497	8,274	-9,657	5,895	7,039	366,048	-28,102	-14,356	6,602	29,219	359,411	19,000	9,687	13,375	-131	401,342
Bradesco	277,022	10,167	-4,102	-209	627	283,505	-7,778	12,163	23,701	6,224	317,815	27,845	4,352	4,665	13,842	368,519
BB	18,579	-1,195	-1,891	-546	-1,237	13,710	15,098	10,826	5,745	58	45,437	2,596	-4,561	-3,165	6,244	46,551
Odonto System	0	0	0	0	0	0	0	0	0	203,889	203,889	2,091	-816	1,340	3,811	210,315

The individual plans added 24 thousand lives, 7th consecutive quarter of growth. The Bradesco channel added 14 thousand lives in the quarter, 58% of the new beneficiaries in the period.



Cost of Services – Individual Plans

The cost of services was R\$47,891 in 3Q19, with a dental care ratio of 41.3%, above the Company expectations. Over the upcoming quarters adjustments will be made to address the individual dental care ratio level.

Selling expenses – Individual Plans

The selling expenses in the quarter were 22.2% of revenues, versus 23.1% in 3Q18, due to growing participation of bank channels in the portfolio, with lower acquisition cost in relation to department stores.

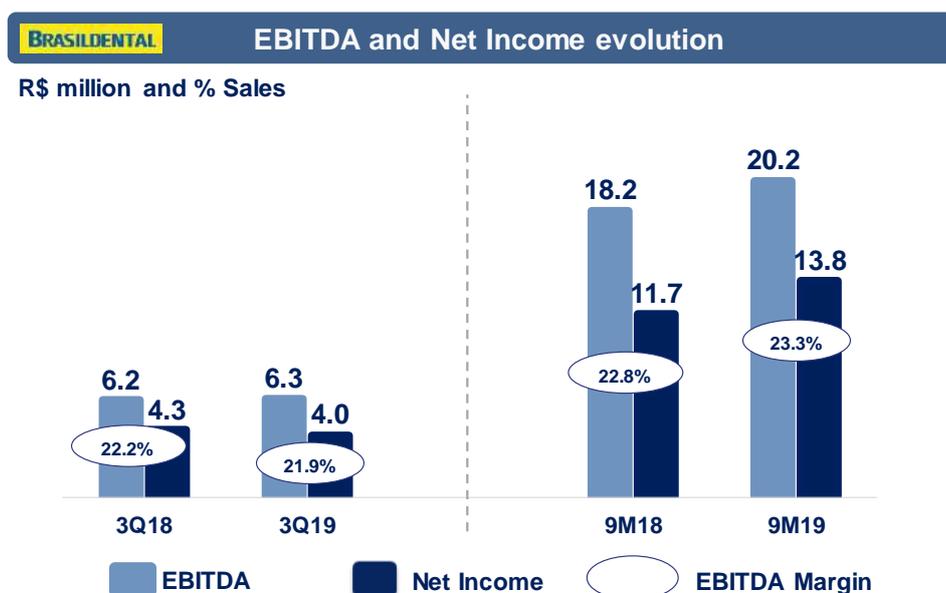
Key Metrics – Individual Plans

Individual Plans	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	9M18	9M19	OCT17-SEP18	OCT18-SEP19
Average ticket (R\$/member/month) (A/B) / # of months	40.91	40.85	40.72	38.60	39.48	39.88	39.92	36.82	39.56	35.60	39.86
End of period number of members (000)	651	687	927	978	987	1,003	1,027	927	1,027	927	1,027
Average number of members (000) (B)	647	669	807	952	982	995	1,015	785	1,002	795	977
(+) Payments, net (R\$ 000) (A)	79,380	82,009	98,570	110,269	116,345	119,015	121,553	259,959	356,913	339,623	467,182
(-) Direct taxes on dental care operations (R\$ 000)	5,575	5,129	6,229	6,645	6,880	5,991	5,574	16,933	18,445	20,875	25,091
Net operating revenue - NOR (R\$ 000)	73,805	76,880	92,341	103,624	109,465	113,024	115,979	243,026	338,468	318,748	442,091
Cost of services (R\$ 000)	20,018	22,610	29,299	32,090	33,251	40,484	47,891	71,927	121,626	92,918	153,716
Dental care ratio (% Sales)	27.1	29.4	31.7	31.0	30.4	35.8	41.3	29.6	35.9	29.2	34.8
Cost of Services / member / month (R\$)	10.3	11.3	12.1	11.2	11.3	13.6	15.7	10.2	13.5	9.7	13.1
Gross Profit (R\$ 000)	53,787	54,271	63,042	71,534	76,213	72,541	68,087	171,100	216,841	225,831	288,375
Selling expenses (R\$ 000)	17,695	19,426	21,302	21,562	24,648	24,222	25,747	58,423	74,617	76,375	96,179
Selling expenses (% Sales)	24.0	25.3	23.1	20.8	22.5	21.4	22.2	24.0	22.0	24.0	21.8
Contribution Margin (R\$ 000)	36,092	34,844	41,740	49,972	51,565	48,319	42,341	112,677	142,225	149,456	192,196
Contribution Margin (% Sales)	48.9	45.3	45.2	48.2	47.1	42.8	36.5	46.4	42.0	46.9	43.5

Brasildental JV

(R\$000, except otherwise specified)	3Q19	3Q18	Δ%	9M19	9M18	Δ%
Net operating revenue (NOR)	28,755	27,829	3.3	86,808	80,327	8.1
Average ticket (R\$/member/month)	18.12	17.81	1.7	18.10	17.50	3.4
Number of members	546,763	548,423	-0.3	546,763	548,423	-0.3
Cost of services	14,618	13,850	5.5	42,124	38,091	10.6
SG&A	6,934	6,459	7.4	21,365	20,652	3.5
Selling expenses	2,927	3,240	-9.7	9,147	9,871	-7.3
Administrative expenses (G&A)	4,007	3,219	24.5	12,218	10,782	13.3
Other operating revenues	-14	-17	-17.6	-64	-38	66.1
Bad debt	861	1,135	-24.1	2,901	2,893	0.3
Profit sharing	64	219	-70.8	262	445	-41.1
EBITDA	6,293	6,183	1.8	20,221	18,284	10.6
EBITDA margin (%)	21.9	22.2	-1.5 p.p.	23.3	22.8	2.3 p.p.
Net income	3,955	4,258	-7.1	13,778	11,721	17.5

¹ Reclassifies the reducing effect of the co-responsibility between OdontoPrev and Brasildental.



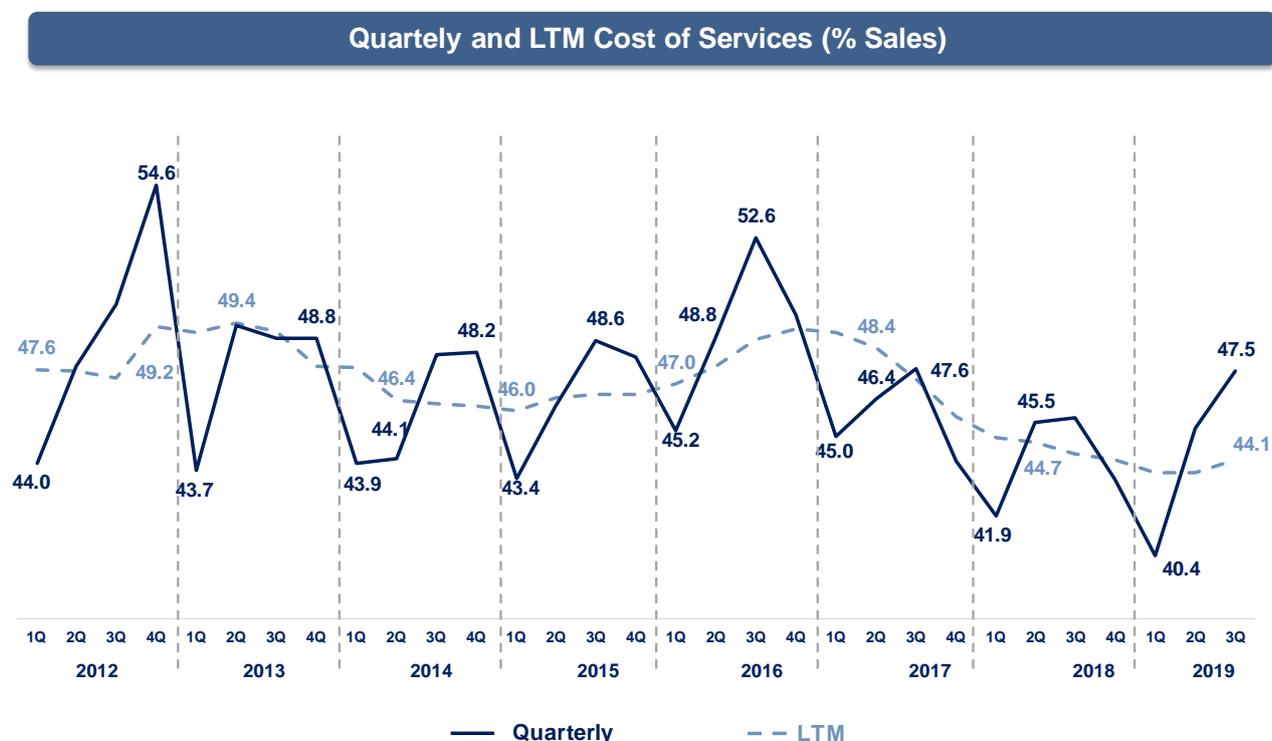
In 9M19, Brasildental EBITDA reached R\$20,221, 10.6% higher than 9M18, with a 23.3% margin. Net income reached R\$13,778, 17.5% higher than 9M18.

Cost of services and dental care ratio

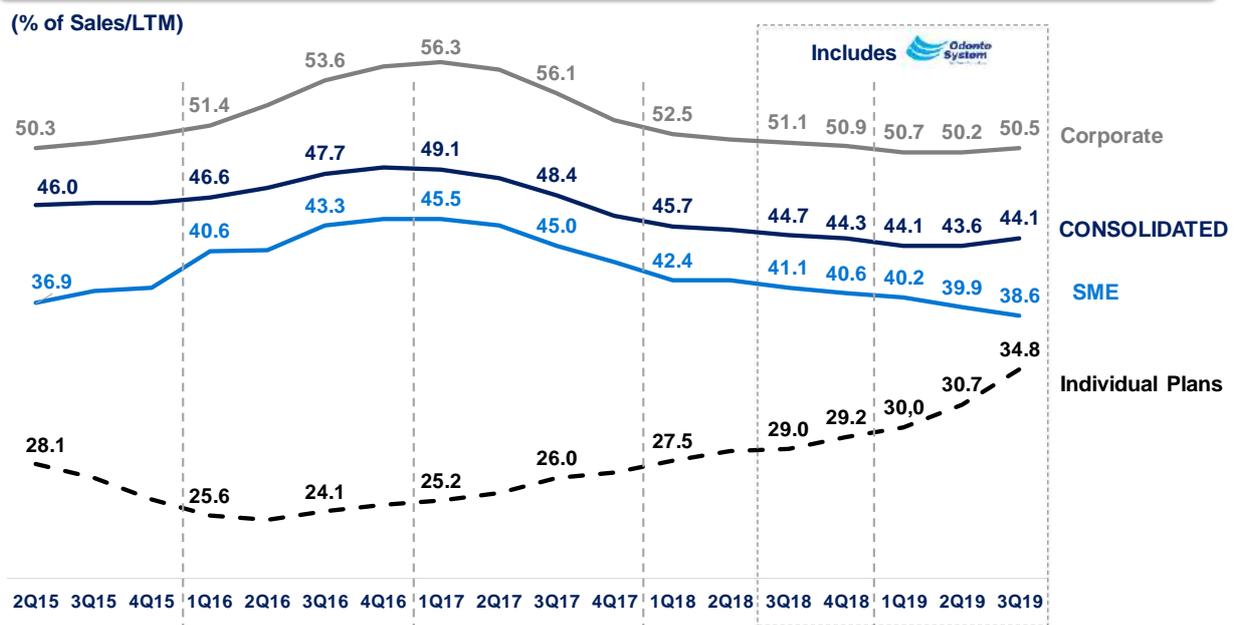
Cost of services (ex IBNR) and dental loss ratio (% Sales)										
	3Q19		3Q18		Δ% p.p. Sales	9M19		9M18		Δ% p.p. Sales
	R\$ 000	% Sales	R\$ 000	% Sales		R\$ 000	% Sales	R\$ 000	% Sales	
Cost of services (ex IBNR)	214,913	47.5	188,683	45.7	-1.8	595,162	44.4	514,759	44.4	-
Indemnifiable claims, net	208,728	46.1	182,636	44.2	-1.9	575,736	43.0	494,286	42.7	-0.3
Payroll charges on services	3	-	3	-	-	(31)	-	10	0.0	-
Dental materials	2,100	0.5	1,850	0.4	-0.1	6,246	0.5	5,473	0.5	-
Other operating expenses	3,380	0.7	3,640	0.9	0.2	11,301	0.8	13,632	1.2	0.4
Odontored (México)	703	0.2	554	0.1	-0.1	1,910	0.1	1,358	0.1	-

For comparison purposes, the IBNR Provision (Incurred but not Reported) and technical reserves (Odontored), approved by ANS, were excluded from the Cost of Services. In 3Q19 there was a constitution of IBNR and technical reserves of R\$9,318, as compared to a constitution of R\$5,304 in 3Q18. In 9M19 there was a constitution of IBNR and technical reserves of R\$10,381, as compared to a constitution of R\$3,638 in 9M18.

In 3Q19, the cost of services represented 47.5% of revenues. In the last twelve months, the dental loss ratio was 44.1% of revenues, 20 bps lower than the previous year.



Dental care ratio – consolidated and per segment



The annualized individual plans dental care ratio was 34.8% in 3Q19 due to the increasing participation of new bank products, of higher ticket, and as presented on page 14, the Company will make adjustments over the upcoming quarters.

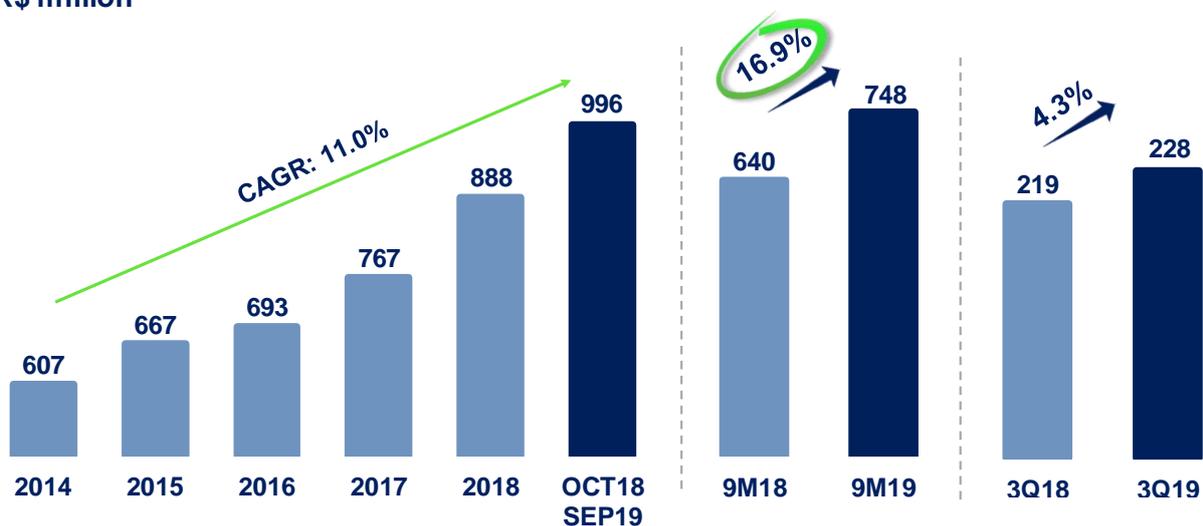
Gross profit

Gross profit	3Q19	3Q18	Δ%	9M19	9M18	Δ%
R\$ 000	228,390	218,934	4.3	748,186	640,171	16.9
% Sales	50.5	53.0	-2.5 p.p	55.8	55.3	0.5 p.p

Gross profit reached R\$228,390 in 3Q19, 4.3% YoY. In 9M19, gross profit was R\$748,186, 16.9% higher than the previous year.

Gross profit

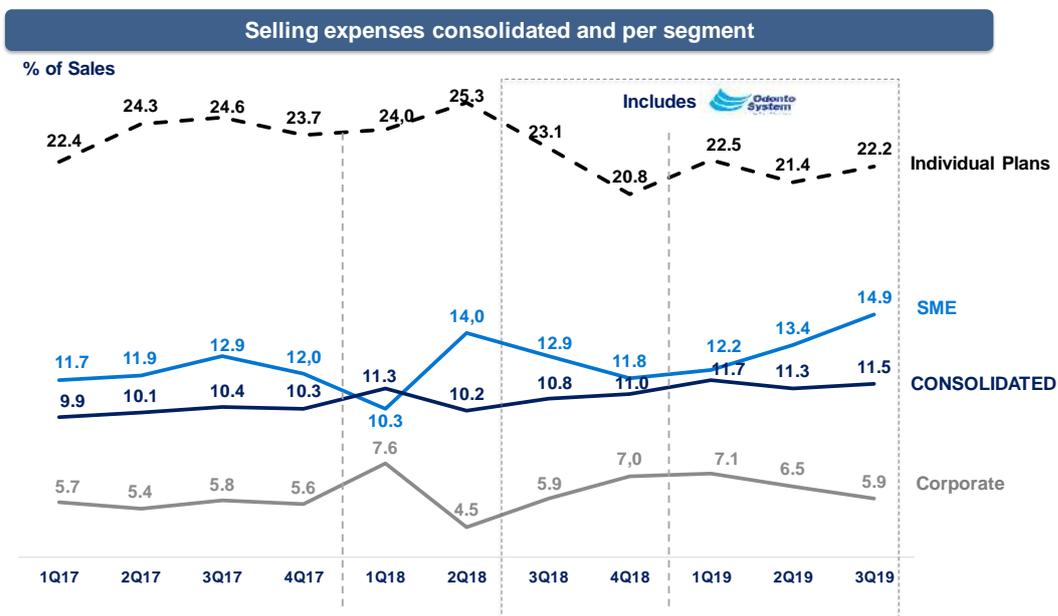
R\$ million



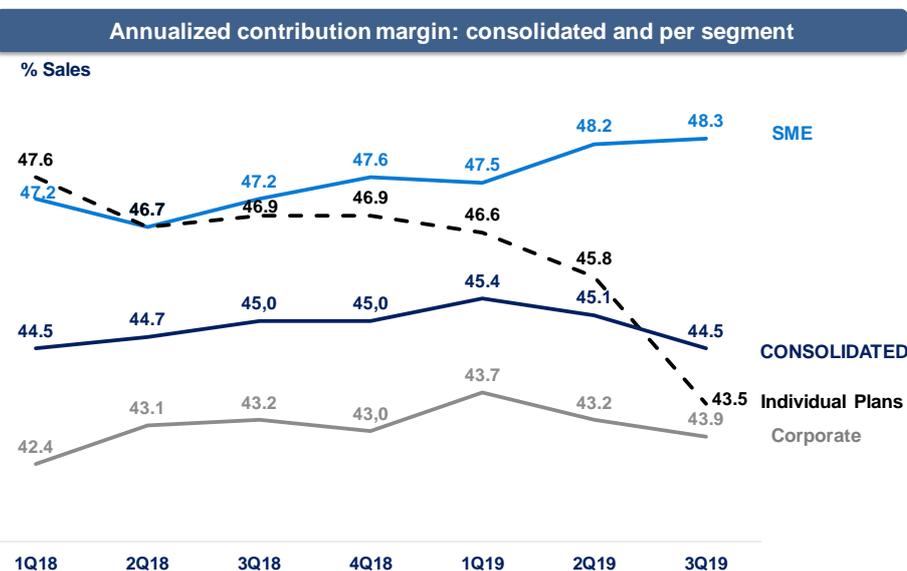
Selling expenses

(R\$000)	3Q19	3Q18	Δ%	9M19	9M18	Δ%
Selling expenses	52,227	44,760	16.7	154,448	124,720	23.8
Selling expenses (% Sales)	11.5	10.8	0.7 p.p	11.5	10.8	0.7 p.p

The selling expenses reached 11.5% of revenues in 3Q19 and 9M19, 70 bps higher than 3Q18 and 9M18, **given the growth of individuals portfolio, of higher acquisition cost.**



Contribution margin



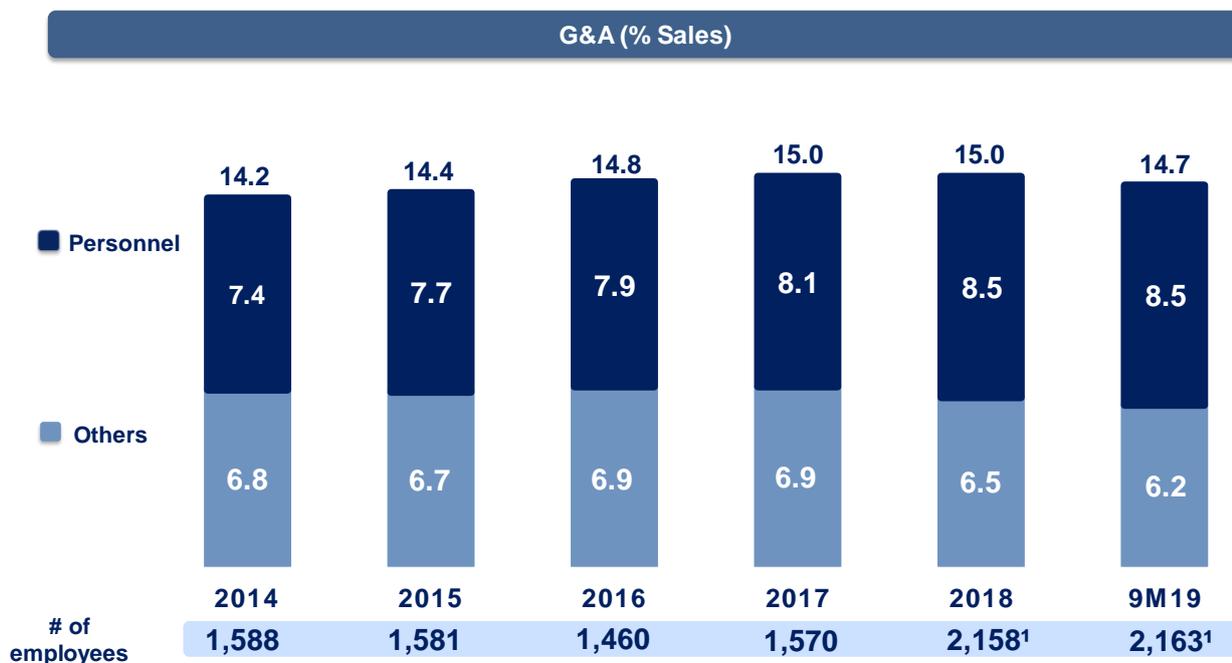
The individual plans has been changing its mix, with higher participation of bank channels, of higher average ticket, immediate utilization, better retention and loss ratio.

Administrative expenses (G&A)

	3Q19		3Q18		Δ% p.p. Sales	9M19		9M18		Δ% p.p. Sales
	R\$ 000	% Sales	R\$ 000	% Sales		R\$ 000	% Sales	R\$ 000	% Sales	
Personnel	38,835	8.6	35,343	8.6	-	114,323	8.5	97,179	8.4	0.1
Third parties services	9,270	2.0	7,286	1.8	0.2	25,823	1.9	21,294	1.8	0.1
Rentals and occupancy	10,574	2.3	10,968	2.7	-0.4	30,581	2.3	28,022	2.4	-0.1
Taxes and fees	3,060	0.7	2,865	0.7	-	9,420	0.7	8,558	0.7	-
Publicity and advertising	3,063	0.7	2,618	0.6	0.1	11,410	0.9	10,768	0.9	-
Others	2,075	0.5	1,588	0.4	0.1	5,450	0.4	5,331	0.5	-0.1
G&A (not adjusted at EBITDA base)	66,877	14.8	60,667	14.7	0.1	197,007	14.7	171,153	14.8	-0.1
Depreciation and amortization	5,259	1.2	3,605	0.9	0.3	15,423	1.2	8,327	0.7	0.5
Amortization of utilization rights	1,305	0.3	-	-	0.3	3,888	0.3	-	-	0.3
(+) Earn-out Odonto System	2,148	0.5	-	-	0.5	2,148	0.2	-	-	0.2
(+) Odonto System acquisition expenses	-	-	4,616	1.1	-1.1	-	-	5,357	0.5	-0.5
G&A (not adjusted at EBITDA base)	8,712	1.9	8,222	2.0	-0.1	21,459	1.6	13,684	1.2	0.4
Total administrative expenses (G&A)	75,589	16.7	68,889	16.7	-	218,466	16.3	184,837	16.0	0.3

G&A (included in the adjusted EBITDA base)

The administrative expenses were R\$66,877 in 3Q19 (14.8% of Sales), versus R\$60,667 in 3Q18 (14.7% of Sales). In 9M19, they were R\$197,007 (14.7% of Sales), similar level as previous year.



¹ Includes 533 Odonto System employees in 2018 and 513 in 9M19

Bad debt

Allowance for doubtful receivables	3Q19	3Q18	Δ%	9M19	9M18	Δ%
R\$ 000	21,336	15,283	39.6	60,952	41,520	46.8
% Sales	4.7	3.7	1.0 p.p	4.5	3.6	0.9 p.p

The Allowance for doubtful receivables totaled R\$21,336 (4.7% of Sales) in 3Q19, versus R\$15,283 (3.7% of Sales) in 3Q18, **due to the growth of the individual portfolio.**

The allowance for doubtful receivables is calculated based on historical losses of the Company. Each month OdontoPrev accrues over each type of accounts receivable, due or not, according to CPC 38/IAS 39.

Long term incentive plan

The Company implemented in 2019 a Long term Incentive Plan, which establishes conditions for cash bonus payments to the Administration. The Stock Options Program is still valid, without any new grants since 2016.

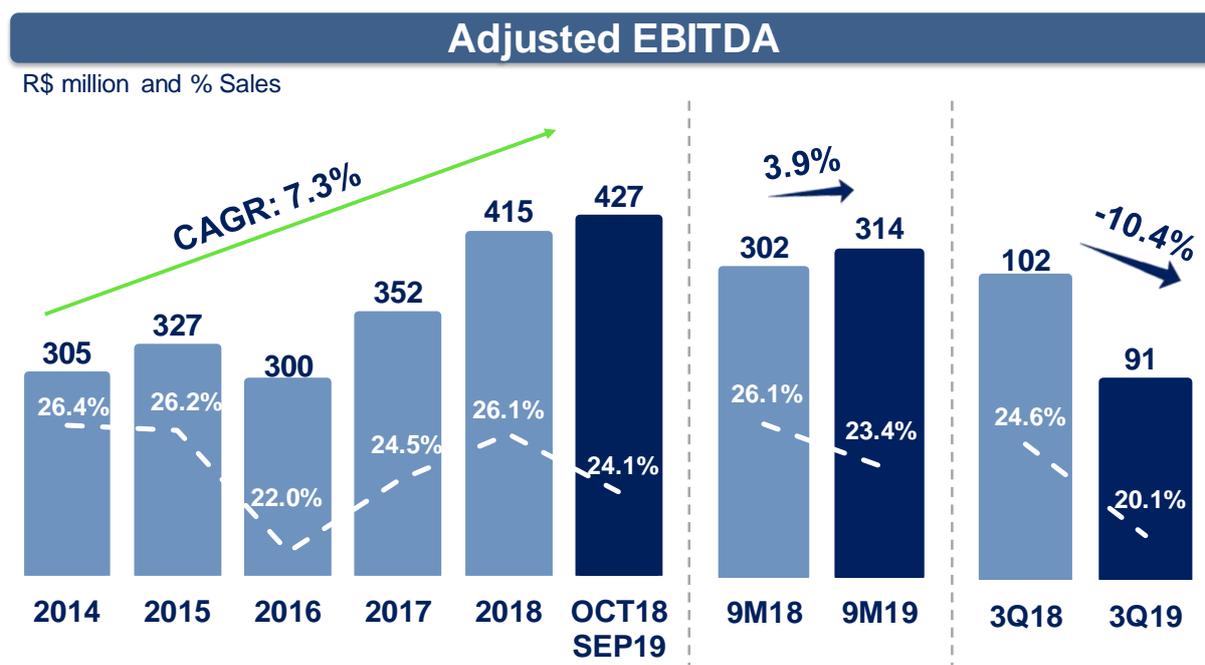
The vesting period corresponds to 3 years and the payment is conditioned to the achievement of corporate performance goals, fixed by the Board of Directors, and the quality recognition of the services provided.

On an exceptional basis, for the first and second grants of the Long ter Incentive Plan, it will be considered the 2019 results for disbursement in 2020, and the fiscal years of 2019 and 2020, for payment in 2021, and so on, all conditions remaining the same.

EBITDA and Adjusted EBITDA

	3Q19		3Q18		Δ% p.p. Sales	Y/Y %	9M19		9M18		Δ% p.p. Sales	Y/Y %
	R\$ 000	% Sales	R\$ 000	% Sales			R\$ 000	% Sales	R\$ 000	% Sales		
Net Income	53,376	11.8	65,036	15.8	-4.0	-17.9	213,080	15.9	207,347	17.9	-2.0	2.8
(+) Current income and social contribution tax	23,005	5.1	29,318	7.1	-2.0	-21.5	89,117	6.7	91,307	7.9	-1.2	-2.4
(+) Deferred income and social contribution tax	-523	-0.1	-2,428	-0.6	0.5	-78.5	2,966	0.2	-1,710	-0.1	0.3	-273.5
(-) Financial income	8,811	1.9	8,244	2.0	-0.1	6.9	25,667	1.9	25,856	2.2	-0.3	-0.7
(+) Financial expenses	4,620	1.0	2,153	0.5	0.5	114.6	11,031	0.8	5,838	0.5	0.3	88.9
(+) Stock option	787	0.2	1,767	0.4	-0.2	-55.5	2,484	0.2	6,883	0.6	-0.4	-63.9
(-) Participation of minority shareholders	-264	-0.1	-171	-	-	54.3	-1,109	-0.1	-187	-	-	-
(+) Depreciation and amortization	5,259	1.2	3,605	0.9	0.3	45.9	15,423	1.2	8,327	0.7	0.5	85.2
(+) Amortization of utilization rights	1,305	0.3	-	-	0.3	-	3,888	0.3	-	-	0.3	-
(-) Equity in subsidiaries	1,272	0.3	1,281	0.3	-	-0.7	3,618	0.3	3,552	0.3	-	1.9
EBITDA	78,011	17.2	90,099	21.8	-4.6	-13.4	309,813	23.1	288,772	24.9	-1.8	7.3
Incurred But Not Reported Provision - IBNR	9,288	2.1	5,076	1.2	0.9	83.0	10,362	0.8	3,443	0.3	0.5	200.9
Odontored - Technical reserves	30	-	228	0.1	-0.1	-86.8	19	-	195	-	-	-90.3
(+) Brasilidental EBITDA Pro Forma	1,574	0.3	1,545	0.4	-0.1	1.9	5,314	0.4	4,592	0.4	-	15.7
(-) ISS reversal	-	-	-	-	-	-	-13,568	-	-	-	-	-
(+) Earn-out Odonto System	2,148	0.5	-	-	0.5	-	2,148	0.2	-	0.0	0.2	-
(+) Odonto System acquisition expenses	-	-	4,616	1.1	-1.1	-100.0	-	-	5,357	0.0	-	-
Adjusted EBITDA	91,052	20.1	101,565	24.6	-4.5	-10.4	314,088	23.4	302,358	26.1	-2.7	3.9

The adjusted EBITDA reached R\$91,052 in 3Q19, 10.4% lower than 3Q18, with a margin of 20.1%. In 9M19, the adjusted EBITDA reached R\$314,088, 3.9% higher than the previous year, with margin of 23.4%.



Financial income

	3Q19		3Q18		Δ%	9M19		9M18		Δ%
	R\$ 000	% Sales	R\$ 000	% Sales		R\$ 000	% Sales	R\$ 000	% Sales	
Net financial income	4,191	0.9	6,091	1.5	-31.2	14,636	1.1	20,018	1.7	-26.9
(+) Financial income	8,811	1.9	8,244	2.0	6.9	25,667	1.9	25,856	2.2	-0.7
(-) Financial expenses	4,620	1.0	2,153	0.5	114.6	11,031	0.8	5,838	0.5	89.0
(-) Bank fees	1,224	0.3	902	0.2	35.7	3,536	0.3	2,809	0.2	25.9
(-) Monetary restatement of legal provisions	395	0.1	238	0.1	66.0	1,089	0.1	550	-	98.0
(-) Monetary restatement of social security reimbursement	163	-	229	0.1	-28.8	475	-	780	0.1	-39.1
(-) Monetary restatement of financial provisions	1,109	0.2	-	-	-	1,109	0.1	-	-	-
(-) Others financials expenses	1,729	0.4	784	0.2	120.6	4,822	0.4	1,699	0.1	183.8

The net financial result was R\$4,191 (0.9% of Sales) in 3Q19, versus R\$6,091 (1.5% of Sales) in 3Q18.

OdontoPrev's financial assets are comprised of an exclusive mutual fund and time deposits of prime institutions, almost all of them 100% liquid.

Income and social contribution taxes

	3Q19		3Q18		Δ%	9M19		9M18		Δ%
	R\$ 000	% Sales	R\$ 000	% Sales		R\$ 000	% Sales	R\$ 000	% Sales	
Taxes	22,482	5.0	26,890	6.5	-16.4	92,083	6.9	89,597	7.7	2.8
(-) Current income and social contribution taxes	23,005	5.1	29,318	7.1	-21.5	89,117	6.7	91,307	7.9	-2.4
(-) Deferred income and social contribution taxes	-523	-0.1	-2,428	(0.6)	-78.5	2,966	0.2	-1,710	(0.1)	-273.5

	Effective tax rate			
	3Q19	3Q18	9M19	9M18
Income before taxes and profit sharing	81,392	96,640	307,353	307,960
(-) Profit sharing	5,270	4,543	14,649	10,829
(=) Tax base	76,122	92,098	292,704	297,131
Taxes				
(-) Current income and social contribution taxes	23,005	29,318	89,117	91,307
(-) Deferred income and social contribution taxes	-523	-2,428	2,966	-1,710
Total taxes	22,482	26,890	92,083	89,597
Current effective tax rate	30.2%	31.8%	30.4%	30.7%

Amortization schedule from 2019	
Period	Total amortization R\$000
2019	7,463
2020	29,851
2021	29,851
2022	29,851
2023	29,851
Total	126,867

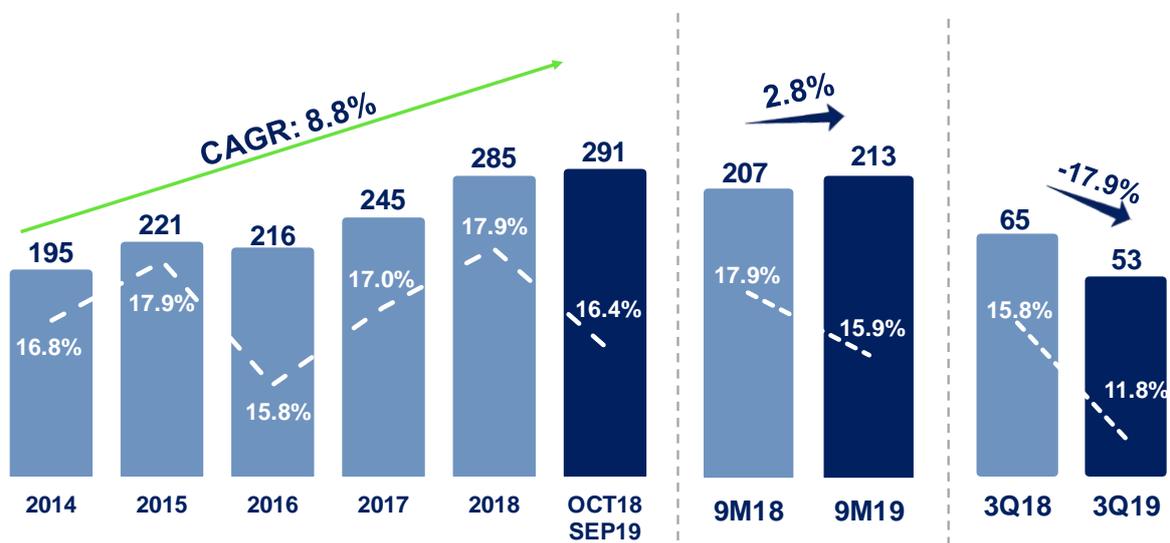
Net Income

Net income reached R\$53,376 in 3Q19, 17.9% below 3Q18. In 9M19, net income was R\$213,080, 2.8% above the previous year, with a 15.9% net margin.

Net income	3Q19	3Q18	Δ%	9M19	9M18	Δ%
R\$ 000	53,376	65,036	-17.9	213,080	207,347	2.8
% Sales	11.8	15.8	-4.0 p.p	15.9	17.9	-2.0 p.p

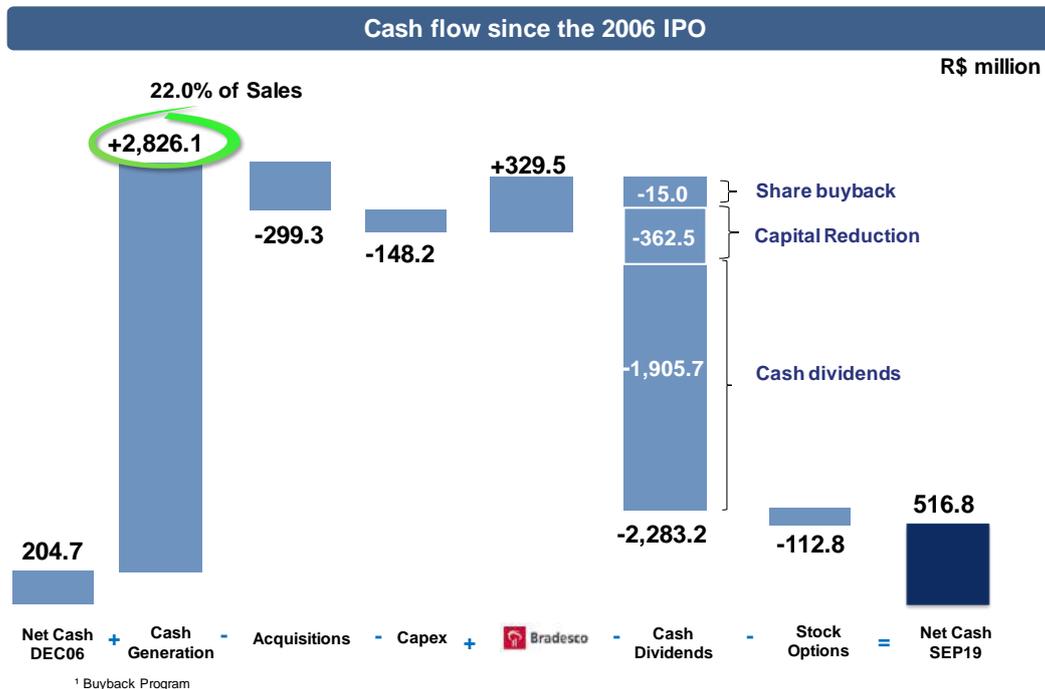
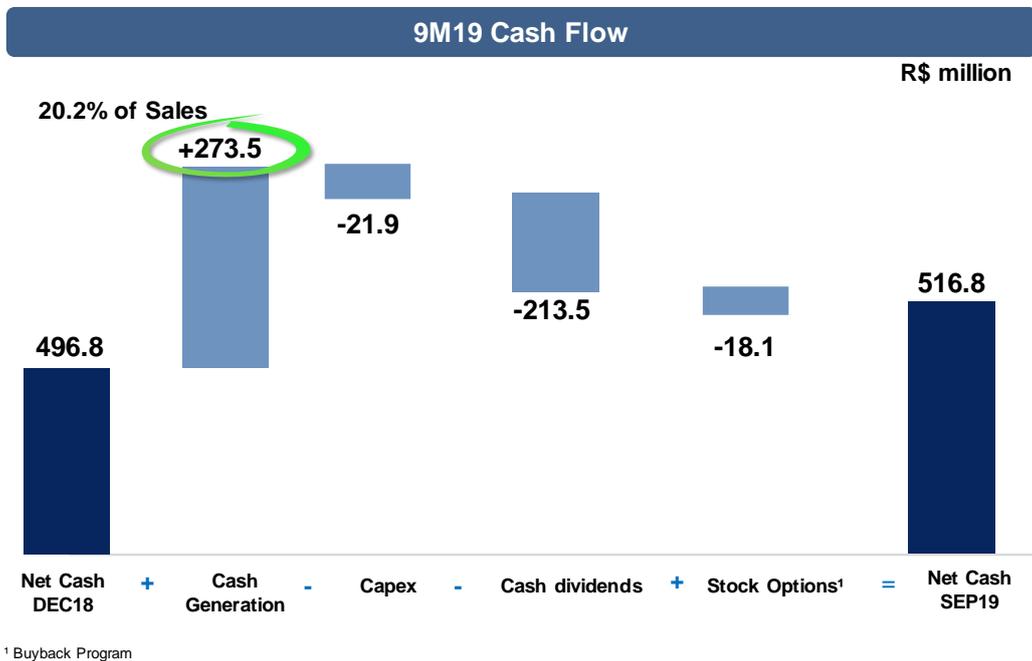
Net income and Net margin

R\$ million and % Sales



Cash flow

(R\$000)	3Q19	3Q18	9M19	9M18
CASH FLOW FROM OPERATIONAL ACTIVITIES				
Net income for the period	53,640	65,208	214,189	207,534
Reconciliation of net income with the cash generated by operations	66,259	65,286	206,511	180,312
	119,899	130,494	420,700	387,846
Decrease (increase) in operational assets	-4,287	-65,766	-77,287	-93,872
Increase (decrease) in operational liabilities	-16,685	36,165	-68,028	-62,838
NET CASH PROVIDED BY (USED IN) OPERATIONAL ACTIVITIES	98,927	100,893	275,385	231,136
CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of property and equipment	-4,551	-620	-6,215	-1,553
System development, software licenses and other	-6,151	-3,867	-15,673	-13,461
Advance for future increase of invested capital	-	-173,450	-	-173,450
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	-10,702	-177,937	-21,888	-188,464
CASH FLOW FROM FINANCING ACTIVITIES				
Dividends paid	-27,905	-27,909	-164,293	-30,951
Interest on capital paid	-15,830	-14,332	-49,201	-41,373
Treasury shares	-7,741	-	-30,368	-70,497
Leasing liability	-500	-	-1,907	-
Stock Options Program vesting reimbursements	5,266	324	12,311	21,783
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	-46,710	-41,917	-233,458	-121,038
INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS	41,515	-118,961	20,039	-78,366
Cash, Cash Equivalents and short-term investments				
Balance at the beginning of period	475,287	548,736	496,763	508,141
Balance at the end of period	516,802	429,775	516,802	429,775
INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS	41,515	-118,961	20,039	-78,366



Since the IPO in 2006, OdontoPrev has presented a cash generation of R\$2,826.1 million, and paid R\$2,283.2 million to shareholders. At the end of September/2019, the net cash position was of R\$516.8 million, without any leverage.

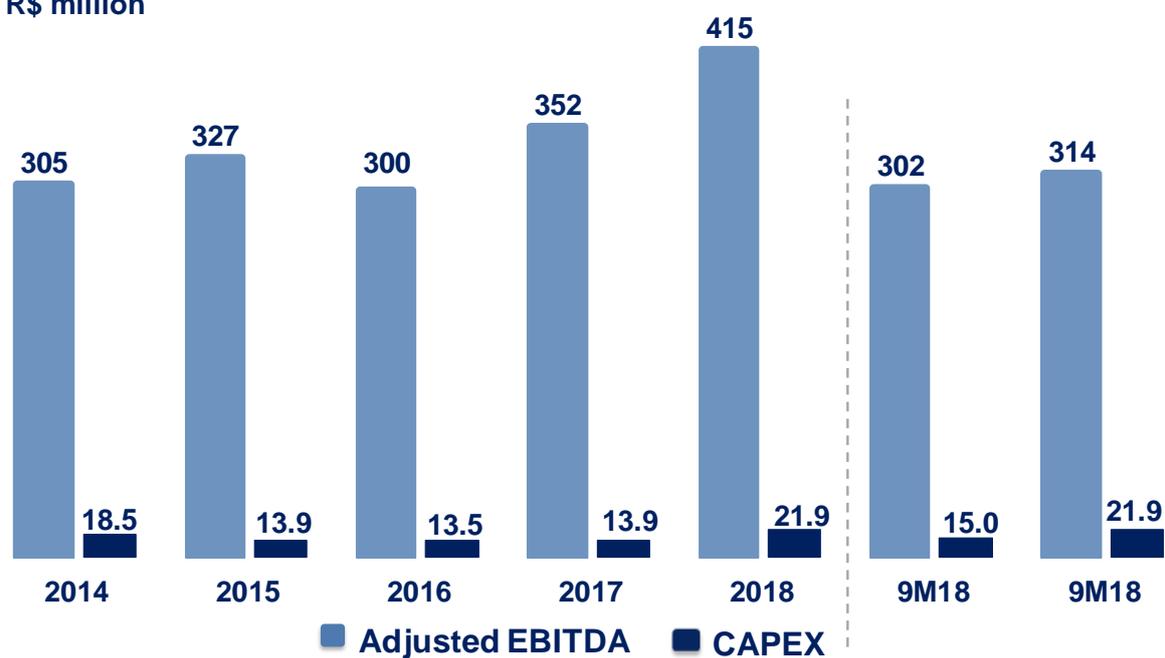
Capex

The IT platform represents, historically, the bulk of OdontoPrev's capex.

(R\$ thousand)	3Q19	3Q18	9M19	9M18
IT platform, acquisition/license of software	6,152	3,867	14,371	13,461
Computer equipment	774	418	1,949	899
Dental plan equipment, furniture and utensils	141	52	421	116
Installations	3,136	26	3,215	90
Vehicle	360	106	490	273
Others	140	19	1,442	174
Total capex	10,702	4,487	21,888	15,013

Adjusted EBITDA and CAPEX

R\$ million



Statement of added value

(R\$000)	3Q19	3Q18	9M19	9M18
Revenues	452,623	421,108	1,348,763	1,186,553
Inputs purchased from third parties	-297,795	-260,335	-820,990	-698,154
(=) GROSS VALUE ADDED	154,828	160,773	527,773	488,399
Retentions	-6,564	-3,605	-19,311	-8,327
(=) WEALTH CREATED BY THE COMPANY	148,264	157,168	508,462	480,072
Wealth received in transfer	10,083	9,525	29,285	29,408
(=) WEALTH CREATED	158,347	166,693	537,747	509,480

WEALTH DISTRIBUTED	158,347	100%	166,693	100.0%	537,747	100%	509,480	100.0%
Personnel and charges	43,825	27.7%	35,793	21.5%	128,038	23.8%	97,745	19.2%
Taxes, fees and contributions	54,628	34.5%	59,535	35.7%	179,905	33.5%	184,885	36.3%
Lenders and lessors	5,467	3.5%	4,390	2.6%	13,131	2.4%	12,433	2.4%
Shareholders	53,640	33.9%	65,208	39.1%	214,189	39.8%	207,534	40.7%
Stock options	787	0.5%	1,767	1.1%	2,484	0.5%	6,883	1.4%

Stock options

Since the creation of the Stock Options Plan, back in 2007, OdontoPrev has made 12 grants, demonstrated below:

September 30, 2019 (R\$/share)										
Grant date	Granted options	Canceled options	Exercised options	Number of options outstanding on 06/30/2019 *	Historical grant share price (R\$)	Current share price updated by inflation	Dividends per share	IOC per share	Capital Reductions per share	Current grant share price
08/02/2007	2,662,308	989,304	1,673,004	-	3.74	7.78	0.41	0.18	0.85	6.34
02/28/2008	4,241,928	977,544	3,264,384	-	2.70	5.25	0.42	0.14	0.85	3.84
03/25/2009	3,060,024	839,916	2,220,108	-	1.47	2.63	0.66	0.24	0.85	0.88
08/11/2010	2,096,121	199,803	1,896,318	-	4.31	7.36	1.65	0.49	-	5.22
09/20/2011	1,751,445	221,174	1,530,271	-	6.96	10.93	1.90	0.42	-	8.61
09/20/2012	1,609,097	358,112	1,250,985	-	8.22	11.95	1.75	0.39	-	9.81
08/20/2013	3,000,000	672,650	2,327,350	-	7.44	10.51	1.78	0.52	-	8.21
02/25/2014	228,497	-	228,497	-	7.30	9.90	1.41	0.31	-	8.18
05/26/2015	2,679,397	395,749	2,149,384	134,264	10.79	**	**	**	**	10.79
11/19/2015	2,572,186	404,111	2,100,539	67,536	9.81	**	**	**	**	9.81
07/01/2016	392,680	-	392,680.00	-	11.41	**	**	**	**	11.41
10/26/2016	2,889,498	549,693	-	2,339,805	13.03	**	**	**	**	13.03
Total	27,183,181	5,608,056	19,033,520	2,541,605						

* After the share split of 07/01/2010 and 04/02/2012

** New stock options plan approved on Shareholder's Meeting, May/2015

Shareholder remuneration

Dividends (DIV), interest on capital (IOC), capital reduction (CR) and share buyback (SB) - R\$ thousand									
Fiscal year	Payment	Approval	Shareholder position	Type	Period	Amount R\$	Total annual	Net Income	
	Total paid in 2006:						8,080	16,240	16,911
	Total paid in 2007:						18,477	16,297	47,458
	Total paid in 2008:						30,436	39,958	55,153
	Total paid in 2009:						28,983	200.381¹	58,976
	Total paid in 2010:						523,850	352,027	121,004
	Total paid in 2011:						85,806	159,686²	145,311
	Total paid in 2012:						207,467	159,527³	145,566
	Total paid in 2013:						181,975	206,322⁴	188,091
	Total paid in 2014:						216,658	213,581⁵	194,709
	Total paid in 2015:						223,205	220,946⁶	220,946
	Total paid in 2016:						185,559	172,791	215,990
2016	01/04/2017	12/13/2016	12/16/2015	IOC	4Q16	11,797	246,667	502,919	
2017	04/05/2017	03/15/2017	03/20/2017	IOC	1Q17	12,664			
2016	05/04/2017	03/28/2017	03/31/2017	DIV	4Q16	35,462			
2017	06/05/2017	04/24/2017	05/02/2017	DIV	1Q17	42,507			
2017	07/05/2017	06/19/2017	06/22/2017	IOC	2Q17	11,363			
2017	09/05/2017	07/26/2017	07/31/2017	DIV	2Q17	100,000			
2017	10/04/2017	09/18/2017	09/21/2017	IOC	3Q17	11,675			
2017	12/06/2017	10/25/2017	10/30/2017	DIV	3Q17	53,544			
	Total paid in 2017:								279,012
2017	01/04/2018	12/11/2017	12/14/2017	IOC	4Q17	11,945	173,358	284,793	
2018	04/04/2018	03/12/2018	03/15/2018	IOC	1Q18	15,096			
2017	05/04/2018	04/02/2018	04/05/2018	DIV	4Q17	2,970			
2018	07/04/2018	06/13/2018	06/18/2018	IOC	2Q18	14,332			
2018	09/05/2018	07/25/2018	07/30/2018	DIV	2Q18	27,909			
2018	10/05/2018	09/21/2018	09/26/2018	IOC	3Q18	14,464			
	Total paid in 2018:						86,716		
2018	01/09/2019	12/18/2018	12/21/2018	DIV	2018	58,063	228,242		
2018	01/09/2019	12/18/2018	12/21/2018	IOC	4Q18	15,735			
2018	05/03/2019	04/01/2019	04/04/2019	DIV	2018	5,741			
2018	05/03/2019	04/01/2019	04/04/2019	DIV	2018	22,018			
2019	05/03/2019	03/18/2019	03/21/2019	JCP	1Q19	17,636			
2019	05/16/2019	05/02/2019	05/07/2019	DIV	1Q19	50,565			
2019	07/03/2019	06/17/2019	06/21/2019	IOC	2Q19	15,830			
2019	09/04/2019	08/01/2019	08/06/2019	DIV	2Q19	27,761			
2019	10/09/2019	09/24/2019	09/27/2019	IOC	3Q19	14,893			
	Total paid in 2019:								228,242
2019	12/06/2019	10/30/2019	11/04/2019	DIV	3Q19	22,470			
	Total to be paid in 2019:								22,470
	Total since the IPO								2,326,936

¹ R\$ 37,983 paid with statutory reserve.

² R\$ 21,641 paid with statutory reserve.

³ R\$ 21,238 paid with statutory reserve.

⁴ R\$ 27,635 paid with statutory reserve.

⁵ R\$ 28,608 paid with statutory reserve.

⁶ R\$ 11,047 paid with statutory reserve.

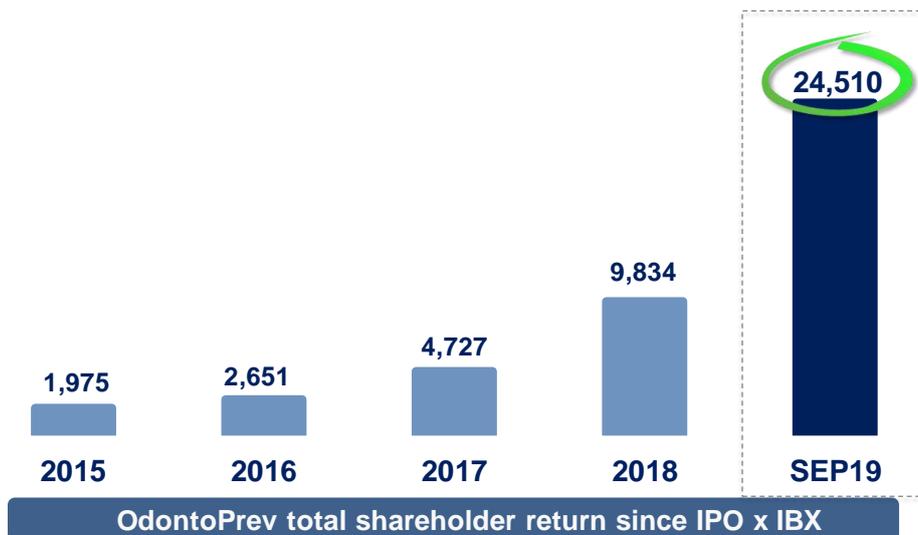
Capital Markets

The market cap reached R\$8.6 billion at the end of 3Q19, compared to R\$6.8 billion in 3Q18. The ADTV was R\$24 million, 49% above 9M18.

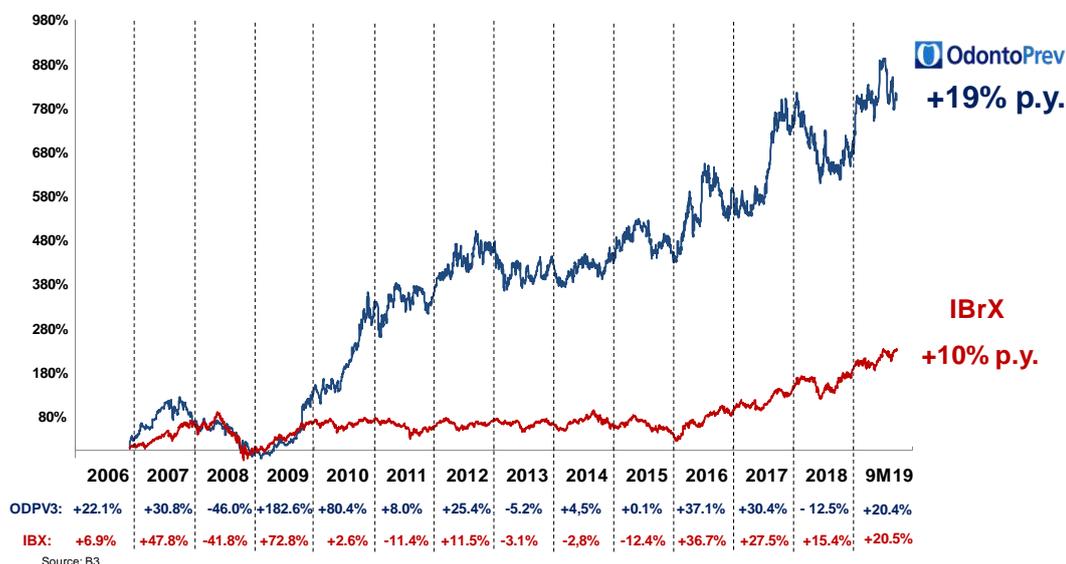
OdontoPrev in Capital Markets	SEP18	SEP19	Δ%
Total number of shareholders	7,663	24,510	220
Share price (R\$)	12.81	16.16	26

ODPV3 liquidity	9M18	9M19	Δ%
ADTV (R\$ thousand)	15,979	23,744	49
Average number of trades/day	4,654	5,427	17

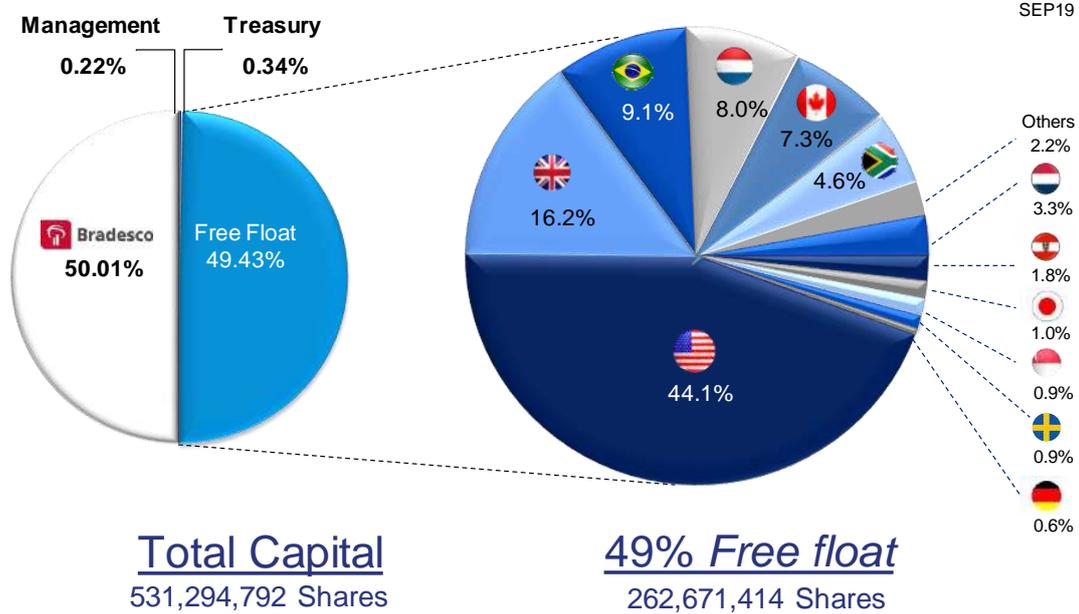
Increasing number of individual investors



OdontoPrev total shareholder return since IPO x IBX



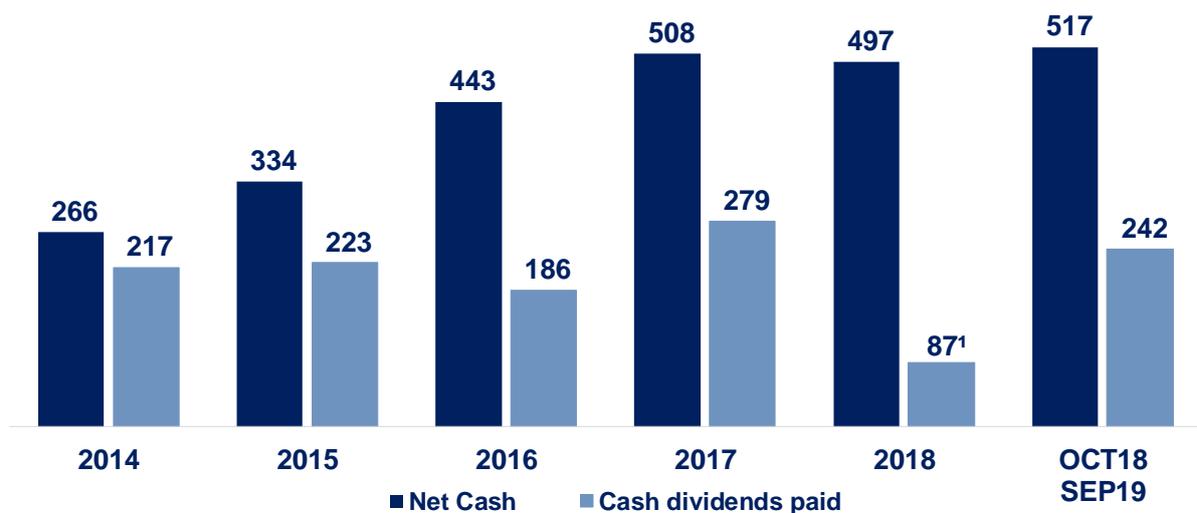
Global shareholder structure: investors from more than 30 countries



Source: OdontoPrev

Net cash (zero debt) and cash dividends paid

R\$ million



¹After the acquisition of Odonto System

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Odontoprev S.A.

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1. Operations and general information

Odontoprev S.A. ("Company" or "OdontoPrev"), a listed corporation headquartered at Avenida Marcos Penteado de Ulhôa Rodrigues, 939 - 14th floor, set 1401, Jatobá Building, Castelo Branco Office Park, Tamboré - Barueri, São Paulo - Brazil, started to operate on August 28, 1987. Its corporate purpose is to provide private dental care plans, the management, sale or availability of these plans to corporate entities and/or individuals, as well the participation, as partner, shareholder or quotaholder in other civil or commercial companies, in commercial enterprises of whatever nature, in Brazil and/or overseas, and the management of its own assets and/or those of third parties.

The Company is classified as a dental operator in the tertiary sector, according to Resolution 39 of the Collegiate Board (RDC) of the Brazilian Health Supplementary Agency (ANS) of October 27, 2000.

OdontoPrev has its shares traded on B3 under the code "ODPV3" and it has been listed, since January 1, 2006, in the corporate governance segment called New Market.

The Company holds direct and indirect interests in the following companies:

	Holding percentage (%)							
	September 30, 2019				December 31, 2018			
	Subsidiaries		Associate	Joint	Subsidiaries		Associate	Joint
Direct	Indirect	Indirect	Venture	Direct	Indirect	Indirect	Venture	
COMPANIES:								
Clidec - Clínica Dentária Especializada Cura D'ars Ltda. (Clidec)	99.9	-	-	-	99.9	-	-	-
Odontoprev Serviços Ltda. (OdontoPrev Serviços)	99.9	-	-	-	99.9	-	-	-
Easy Software S.A. (Easy)	-	51.0	-	-	-	51.0	-	-
Dental Partner Comércio de Produtos e Equipamentos Odontológicos Ltda. (Dental Partner)	-	99.9	-	-	-	99.9	-	-
G2D Serviços Tecnológicos S.A. (G2D)	-	-	15.9	-	-	-	15.7	-
Clidec Participações S.A. (Clidec Participações)	-	90.6	-	-	-	90.6	-	-
TERTIARY SECTOR DENTAL OPERATOR - RDC 39 ANS:								
Brasidental Operadora de Planos Odontológicos S.A. (Brasidental)	-	-	-	25.0	-	-	-	25.0
Garcia Pedrosa Ltda. (Rede Dental)	99.9	-	-	-	99.9	-	-	-
Odonto System Planos Odontológicos Ltda. (Odonto System) ¹	-	-	-	-	100.0	-	-	-
INSURANCE COMPANY:								
Odontored CV Sociedad Anônima de Capital Variable (Odontored)	60.0	-	-	-	60.0	-	-	-
CHAIN OF DENTAL RADIOLOGY CLINICS:								
Clínicas Radiológicas Papaiz (Papaiz Group)	-	-	-	49.0	-	-	-	49.0

¹Subsidiary incorporated in January 02, 2019.

Clidec: established on July 02, 1970 with the purpose of providing dental care services.

OdontoPrev Serviços: established on December 03, 1999 for provision of commercial advisory, consulting and business management services and holding of interests in other companies as partner or shareholder.

Easy: established on November 03, 1993, controlled by Odontoprev Serviços, for the development and licensing of software programs and holding of interests in other companies as partner or shareholder.

Dental Partner: established on November 14, 2008, controlled by Clidec, it sells, in the retail and wholesale markets, products and equipment, sanitizers, drugs, medicines, pharmaceutical inputs and related items, as well as the wholesale of medications and drugs for human consumption, provision of services of warehousing, storage, loading, organization, custody of goods of any kind, provision of services of: (i) technical and administrative programming and

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organizing services; (ii) general management of goods and business; (iii) collecting, sending or delivering mail, documents, objects or goods.

G2D: established on December 19, 2011, Associate of Odontoprev Serviços, it owns a platform for online scheduling of appointments with health professionals. For consolidation purposes, the Company uses its financial statements with one-month gap in relation to the consolidated financial statements.

Clidec Participações: established on June 11, 2012, Subsidiary of Clidec, its purpose is to hold interests in other companies as shareholder or quotaholder and its shareholders are Clidec and some of the sellers and current executives of the Papaiz Group.

Brasildental: established on March 12, 2014, a Joint Venture with BB Seguros Participações S.A. for the operation of private dental care plans and management, sale or availability of such plans to corporate entities and/or individuals.

Rede Dental: established on August 31, 1990 for the operation of private dental care plans and management, sale or availability of these plans to individuals and corporate entities.

Odonto System: established on May 09, 1989 in Fortaleza city in Ceará state, its purpose is to operate dental care plans and has all its quotas acquired by OdontoPrev on August 07, 2018. On January 02, 2019, the General Meeting (GM) approved the Odonto System's corporate incorporation by OdontoPrev, this procedure was finished in March 29, through approval of ANS by official letter 39/2019/ASSNT-DIOPE/DIRAD-DIOPE/DIOPE.

Odontored: established on August 13, 2009 in Mexico, for the development of dental care plans, including their operation, management and sale, as well as the provision of dental care services directly or indirectly through third parties. On June 06, 2013, the company was authorized by the Health Department to operate as an insurance company specialized in health and, on July 15, 2013, the National Insurance and Bond Commission (CNSF) allowed the operation of accident and health insurance in the lines of health and medical expenditures. For consolidation purposes, the Company uses its financial statements with one-month gap in relation to the consolidated financial statements.

Papaiz Group: share of dental radiology clinics acquired on January 31, 2013 through Clidec Participações, a Joint Venture with the Fleury Group.

Approval of the financial statements

The issue of the company and consolidated financial statements was authorized and approved by the Company's Board of Directors (BD) on October 30, 2019.

2. Description of significant accounting policies

2.1 Preparation and presentation

The parent company financial statements have been prepared in accordance with the accounting practices adopted in Brazil issued by the Brazilian Accounting Pronouncements Committee (CPC), and the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by

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the International Accounting Standards Board (IASB), under the assumption of going concern, and disclose all (and only) the applicable significant information related to the financial statements, which is consistent with the information utilized by Management in the performance of its duties.

The financial statements have been prepared and are presented in accordance with the ANS chart of accounts and the requirements of the Brazilian Securities Commission (CVM).

2.2 Consolidated financial statements

(a) Subsidiaries

Subsidiaries are all entities over which the Company has direct or indirect control over the financial and operating management, generally accompanying a shareholding of more than one half of the voting rights or most of the risks and rewards originated from these investments, in accordance with IFRS. Subsidiaries are consolidated from the date on which control is transferred to OdontoPrev.

The Company applies the acquisition method to account for business combinations, which are recorded at the fair value of transferred assets, liabilities and equity calculated on the acquisition date. Acquisition-related costs are recorded in the statement of income as incurred. Non-controlling interests in Subsidiaries are recognized proportionally based on the fair value at the acquisition date.

The excess of the amount paid over the fair value of assets and liabilities assumed on the acquisition date of any equity interest is recorded as goodwill, after the allocation to tangible and/or intangible assets.

Investments in Subsidiaries and equity in the results of Subsidiaries, as well as assets, liabilities, income and expenses from intercompany transactions were eliminated in the consolidated financial statements.

(b) Associates

Associates are all entities over which the Company has significant influence and the power to take part in decisions related to financial and operating policies, without holding control. Investments in Associates are initially recognized by the cost value and after accounted for using the equity accounting method.

(c) Joint venture

Joint ventures are all entities in which there is the sharing, contractually agreed upon, of the business control, which only exists when decisions on significant activities require the unanimous consent by the parties sharing the control. Joint ventures are accounted for using the equity accounting method.

2.3 Company financial statements

In the Company financial statements, Subsidiaries are accounted for using the equity accounting method.

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2.4 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Company's chief operating and strategic decision-maker, i.e. the Statutory Board, which is responsible for allocating resources and assessing the performance of the operating segments (note 18).

2.5 Currency

(a) Functional and presentation currency

Items included in the individual and consolidated financial statements are measured using the currency of the primary economic environment in which the Company operates (the functional currency), these financial statements are presented in Brazilian Reais (R\$).

(b) Translation of transactions and balances in foreign currency

For the Subsidiary Odontored (note 1), the functional currency is the Mexican peso, which is converted into currency of the Company for presentation purposes, using the closing exchange rate on the date of the respective balance (current assets and liabilities), the date of the transactions (non-current assets and liabilities and equity) and monthly average (revenues and expenses). Gains or losses on the conversion of balances denominated in foreign currency resulting from the settlement of such transactions and the conversion of balances at the closing date are recognized in shareholders' equity.

2.6 Current assets

2.6.1 Classification

(a) Cash and cash equivalents

Cash and cash equivalents represent funds without restriction for investment in the Company's operations and for which there is no restriction on immediate use (note 5).

Cash equivalents are highly liquid assets held to meet short-term cash commitments with original maturities of up to three months from their acquisition and insignificant risk of change in value (note 5).

(b) Financial assets at fair value through income or loss

A financial asset is stated at fair value through income or loss if the Company manages these investments and makes purchase and sale decisions based on their fair values according to the risk management and investment strategy. These financial assets correspond to financial investments accounted for in current assets (notes 4.1.1 and 6) and changes in their fair value are recognized in income or loss for the year.

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(c) Securities held-to-maturity

Acquired with the intention and financial ability to hold them in the portfolio to maturity classified in non-current assets when maturity is greater than 12 months and are recorded at cost at the acquisition date, including income earned (notes 4.1.1 and 6).

(d) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified in current assets, except for maturities greater than 12 months after the balance sheet date (these are classified in non-current assets). The loans and receivables of the Company and its Subsidiaries comprise dental care and insurance receivables (note 7).

These are reported in the balance sheet at the nominal values of the notes representing these receivables, with the corresponding entry recorded in net premiums with dental care plan or insurance in the statement of income or unearned premiums in current liabilities, according to the risk coverage period of the contracts in force at the balance sheet date, and at the amounts receivable from reimbursement of events. In Subsidiary Odontored they are reported in the balance sheet at the nominal values of the policies representing these receivables, with the corresponding entry recorded in the insurance account in the statement of income according to the risk coverage period of the contracts in force.

2.6.2 Recognition and measurement

Financial assets are recognized at fair value, and the costs, gains and losses arising from the transaction are recorded in the statement of income in a specific account. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or the Company and its Subsidiaries have transferred substantially all the risks and rewards of ownership.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired (note 2.6.4).

2.6.3 Fair value estimation

The Company adopted IFRS 13 - Fair Value Measurement for financial instruments that are measured in the balance sheet at fair value, which requires disclosure of this measurements by level of the hierarchy as presented below, and its financial risk management policy is to contract financial products available in the Brazilian market, whose market value can be reliably measured, seeking high liquidity to honor its future liabilities (note 4.1.1).

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: discounted cash flow or another methodology for pricing the asset based on observable market data.
- Level 3: inputs for the asset or liability that are not based on observable market data.

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2.6.4 Impairment of financial assets measured at amortized cost

The Company and its Subsidiaries assess at the end of each reporting period whether there is evidence that the credit quality of an asset or group of assets is impaired, and impairment losses are incurred as a result of a loss event that has an impact on the estimated future cash flows of the asset or group of financial assets.

The Company and its Subsidiaries recognize allowance for doubtful accounts for invoices that are more than 60 days past due for individual contracts and 90 days for collective contracts, plus an average loss percentage determined in a portfolio behavior study. Losses on trade receivables are recorded in the account "allowance for doubtful accounts" in the statement of income.

Amounts more than 180 days past due, which Management does not expect to recover any more, are accounted for as effective loss.

By assessing the existence of objective evidence of impairment, the Company and its Subsidiaries measure the provision, reducing the carrying amount to its recoverable amount and recognizing the amount of the provision. If, in a subsequent period, the amount of the impairment loss decreases and this decrease can be related objectively to an event occurring after the impairment was recognized, the recovery and reversal are recognized in the statement of income.

The other types of financial assets classified as loans and receivables do not include assets classified as impaired. The maximum exposure to credit risk at the balance sheet date is the carrying amount of each class of accounts receivable previously mentioned.

2.6.5 Deferred Acquisition Costs (DAC)

These are expenditures directly incremental and related to the origin or renewal of contracts, that is, the amounts paid for agency services in collective contracts and commissions paid in annual individual contracts, both recognized in the statement of income over a 12-month period. Other expenditures are recorded as selling expenses, as incurred.

2.7 Non-current assets

2.7.1 Long-term receivables

(a) Deferred income tax and social contribution (asset and liability)

Deferred tax assets with probable deductibility are recognized in respect to taxable temporary differences, that is, on those differences that will result in amounts to be excluded from the calculation of taxable income relating to income tax and social contribution of future years, when the carrying amount of the asset will be recovered (note 9.1).

Deferred tax is measured based on the rates expected to be applied to temporary differences when these are reversed.

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Deferred tax assets and liabilities are offset when there is a legal right to offset current tax assets and liabilities, and when they refer to taxes charged by the same tax authorities and on the same entity subject to taxation, or on separate taxable entities but when there is the intention to liquidate the current tax assets and liabilities on a net basis or when the tax assets and liabilities will be realized simultaneously.

Deferred income tax and social contribution assets are revised at each reporting date and are reduced to the extent that realization is no longer probable.

(b) Judicial deposits

These refer to tax and civil lawsuits, monetarily restated according to the Sistema Especial de Liquidação e Custódia (SELIC) index, and labor lawsuits monetarily restated according to savings account index (notes 9.2 and 16.1).

2.7.2 Investments

These are represented by investments in Subsidiaries, associates and joint ventures accounted for using the equity method of accounting based on their respective balance sheets (note 10).

2.7.3 Property, plant and equipment

(a) Property, plant and equipment in use

Stated at cost of acquisition, less accumulated depreciation calculated using the straight-line method at annual rates (note 11).

Gains and losses on disposals are determined by comparing the proceeds from the sale and the carrying amount and are recognized in the statement of income.

(b) Right of use

Recognition of estimated impacts of present value adjustments of payment of lease liabilities measured according to the requirements of IFRS 16 - Leases (notes 12.2 e 26).

2.7.4 Intangible assets

(a) Goodwill on acquisition of investments

Refers to goodwill based on expected future profitability, paid on the acquisition of investments (note 12.1). Goodwill represents the excess of the amount paid for business acquisition over the net fair value of assets and liabilities of the acquired subsidiary, including the allocation of intangible assets.

Goodwill is tested for impairment at least annually (note 12.1), and it is carried at cost less accumulated impairment losses, if any, which are not reversed.

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(b) System development and software licenses

Development expenditures related to software system and licenses that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognized as intangible assets until they are ready for use. They are amortized on a straight-line basis over 60 months (note 12.2). Since their conclusion, maintenance expenditures are recognized as expenses.

(c) Allocated intangible assets

Amounts attributable to the brand, client's portfolio and non-competition agreement by the invested OdontoServ and Odonto System which are amortized using the straight-line method according to the terms identified in the appraisal report (note 12.2).

2.8 Impairment of non-financial assets

In accordance with CVM Resolution 639/2010 and IAS 36 - Impairment of Assets, assets are tested for impairment in order to: (i) verify whether there is any indication of impairment of assets; and (ii) measure any impairment of existing assets to complement or reverse the provision for impairment of assets, when applicable.

Assets that are subject to depreciation/amortization are reviewed for impairment periodically or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized when the assets' carrying amount exceeds its recoverable amount (higher of an assets' fair value less costs to sell and its value in use).

Assets which have an indefinite useful life, for example goodwill, are not subject to amortization and are tested for impairment annually (note 12.1).

2.9 Dental care plan and insurance contracts - Liability Adequacy Test (LAT)

The Company and its Subsidiaries issue dental care and insurance contracts, in which they assume the insurance risk, which includes the frequency of use and fluctuation of dental care costs (note 4.2).

If any insufficiency is identified, the Company records the loss immediately as expense in statement of income for the year, first reducing the acquisition costs up to the limit of zero and then making additional reserves for insurance liabilities already recorded on the test date.

The last test was performed on the base date of December 31, 2018 in accordance with the business segments defined by the Company (note 18) and considered technical reserves (notes 2.10 and 13.2), net premiums with dental care plan, and administrative and selling expenses. To calculate the present value of projected flows, the Company used the risk-free forward rates (ETTJ) published by the Brazilian Association of Financial and Capital Market Entities (ANBIMA). This test considers the net carrying amount as all liabilities from insurance contracts under IFRS 4, less the assets that are directly related to the insurance contracts. LAT results did not present insufficiencies on its performing date, therefore, the established reserves did not need to be adjusted. In the quarter, the recognition of an additional provision with respect to LAT was not necessary.

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2.10 Technical reserves of dental care operations

In accordance with Normative Resolution (RN) 393/2015, amended by RN 442/2018, the Company and its Subsidiaries (operators) recognize monthly in current liabilities:

- (i) **Provision for "Unearned Premiums":** calculated on a "*pro rata die*" basis according to the premiums issued and recognized in income according to the risk coverage period (note 13.2).
- (ii) **Provision for "Unsettled Claims":** classify the events to be settled with dental care operations. Costs of services rendered are recorded based on claims reported by accredited service providers regarding the analysis of events covered by the plans, with a corresponding entry to the account "indemnifiable claims, net" in the statement of income (note 13.2).
- (iii) **Provision for "Incurred But Not Report Claims" (IBNR):** actuarially estimated to cover payment of events that have already occurred and have not been recorded in the accounting books by the Company (notes 2.18 and 13.2) in determined occurrence period. The calculation of IBNR was prepared according to actuarial methodology based on structuring of development triangles of claim records by occurrence of events (run off triangles), which consider experience period of events reported in the last 18 months.

2.11 Taxes and contributions payable

(a) Federal tax obligations

- (i) **Income tax (IRPJ) and social contribution (CSLL):** these are calculated based on criteria established by the legislation in force. IRPJ is calculated at the rate of 15% of taxable income, plus a 10% surtax on taxable income exceeding R\$240 per year and includes the tax incentive portion (notes 14 and 24). CSLL is calculated at the rate of 9% on taxable income (notes 14 and 24).
- (ii) **Other federal tax obligations:** these comprise mainly provisions for Social Integration Program (PIS) and Contribution to Social Security Financing (COFINS) which are calculated based on the criteria established by the legislation in force, using the rate of 0.65% and 4%, respectively, both on billing less paid indemnifiable claims (note 14).

(b) Municipal tax obligations

These comprise the provision for Service Tax (ISS) calculated based on criteria established by the legislation in force. ISS is calculated at rates between 2% and 5% (note 14).

2.12 Trade and other payables

These refer to unsettled obligations for goods or services acquired in the normal course of businesses which are classified as current liabilities, except if the maturity is over 12 months after the balance sheet date, which are classified as non-current liabilities.

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2.13 Commissions payable

Payables related to brokerage service provided by brokers and commissions payable, which are generally settled monthly.

2.14 Other liabilities

Labor liabilities (salaries, vacation pay and fees), dividends, sundry payables (note 15) and advances from customers.

2.15 Contingent liabilities and legal obligations

The Company and its Subsidiaries assess their contingencies based on the requirements of the accounting pronouncement IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, which for the lawsuits assessed as "probable losses" based on the assessments of internal and external attorneys, the similarity with previous disputes, the complexity of the lawsuit and the opinion of legal courts, the Company established a reserve for 100% of intended amounts (note 16.1).

In addition, the administrative proceedings assessed by consumer protection agencies (such as Procon), ANS and trade associations, with the application of monetary fines and pending judgment, are analyzed on a case-by-case basis. For these proceedings, individual estimates are established, and they may be changed according to the phase of the proceeding or the definition of the understanding by the agencies or associations. The Company and its Subsidiaries consider such administrative proceedings material.

The proceedings with ANS, depending on their outcome, may generate an impact on the health operators' performance indicators and other assessments at the regulatory level, and the proceedings with the consumer protection agencies and trade association may result in material losses or damage to the image of the Company and its subsidiaries. Accordingly, the administrative proceedings with ANS to which the Company and its Subsidiaries and Associates are parties, which are considered "possible losses", were recognized in a provision at amounts equivalent to 25% of the assessed/sentenced amounts for as long this expectation of loss is maintained.

Legal, tax and social security obligations arising from lawsuits related to tax obligations whose legality or constitutionality is being challenged, are fully recognized in the financial statements, since they are considered legal obligations, and they are monetarily restated in accordance with current tax legislation.

2.16 Share capital

Common shares are classified as equity (note 17.1).

The Company buys back shares to back up the stock option plan (notes 17.4 and 17.6).

2.17 Revenue recognition

(a) Net premiums with dental care plan

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Income derived from operations related to private dental care plans in the form of previously agreed prices which have to be appropriated as the amount corresponding to the daily allocation *pro rata die* during the individual coverage period of each contract, since the first day of coverage (notes 18 and 19). The net premiums with dental care plan corresponding to the future coverage are recorded in "unearned premiums" (notes 2.10 and 13.2).

Contracts related to collective post-payment plans are recorded in Income under "net premiums with dental care plan", at cost.

(b) Revenue from sales and services

Revenues provided by Subsidiaries and are allocated to the statement of income on the accrual basis (notes 18 (d) and 19).

(c) Insurance

Corresponds to income from dental care insurance provided by Subsidiary Odontored (note 1) recognized in the statement of income according to the risk coverage (notes 18 (d) and 19).

(d) Financial income

Income arises from financial instruments and monetary restatement (note 23).

2.18 Cost of services rendered

The services provided by accredited professionals and dental clinics are recognized in the statement of income on an accrual basis, when claims covered by the plans are reported and analyzed, together with the recording of IBNR (note 20). The costs of the company-owned dental care chain are recognized in the statement of income on the accrual basis (note 20).

The claims arising from subsidiary Odontored are recognized in the statement of income on the accrual basis, according to the claim notices received, together with the respective technical claims reserve (note 20).

2.19 Employee and management benefits

Regarding the employee and management benefit program, even in the form of financial instruments, the Company and its Subsidiaries adopt the following procedures: (i) employee profit sharing expenses are classified as profit sharing results in operating expenses, according to IAS 19 - Employee Benefits; (ii) all the expenses of long-term incitement program are classified as operating expenses, according to IAS 19 - Employee Benefits; and (iii) all the estimated costs of stock options granted under share-based payment contracts are classified as operating expenses, with a corresponding entry to shareholders' equity in stock options granted, in accordance with IFRS 2 - Share-based Payment (note 17.6).

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2.20 Dividends and interest on capital

The distribution of dividends and interest on capital to OdontoPrev's shareholders is recognized as a liability in the financial statements based on the Company's Bylaws that establish a compulsory minimum dividend of 50% calculated over net income. Any amount that exceeds the minimum required is recorded in equity, in the account "additional dividend proposed", until it is approved by the shareholders at the Annual General Meeting (AGM) (note 17.5).

2.21 Earnings per share

The Company calculates basic and diluted earnings per share in accordance with IAS 33 - Earnings per Share (note 25).

2.22 New standards, amendments and interpretations

The main new standards and interpretations of standards that affect the Company and its Subsidiaries are summarized below:

IFRS 15 - Revenue from Contract with Customer: effective since January 01, 2018, it introduces a comprehensive framework for determining criteria of recognition and measurement, replacing the current standards for revenue recognition. Revenues from insurance contracts and dental care plans are outside the scope of IFRS 15 and will be addressed within the scope of IFRS 17 - Insurance contracts, which will enter into effect starting January 01, 2022. Management concluded that even for the Company and Consolidated there was no material impact of IFRS 15 on the financial statements.

IFRS 9 - Financial Instruments: effective since January 01, 2018, it replaces the guidance of IAS 39 - Financial Instruments: Recognition and Measurement, including new models for the classification and measurement of financial instruments and measurement of expected credit losses for financial and contractual assets, and new requirements on hedge accounting.

Management concluded that both in the Company and in Consolidated, its activities are predominantly related to insurance, therefore, the Company choose to apply the temporary exemption benefit from IFRS 15, allowed for the CPC Review from December 12, 2017, and will continue to apply IAS 39 for annual periods until December 31, 2021, adopting the related pronouncement as of January 01, 2022.

IFRS 17 - Insurance contracts: effective date is January 01, 2022, it will replace IFRS 4 – Insurance Contracts, and it aims to help investors and other stakeholders to understand better aspects inherent to the Company's operations, such as risk exposure, profitability and financial position. The Company is evaluating the full impact of its adoption.

IFRIC 23 – Uncertainty Over Income Tax Treatments: this interpretation, effective since January 01, 2019 clarifies the way to apply the recognition and measurement requirements when there is uncertainty over income tax treatments, that is, there are doubts regarding the acceptance of the treatments adopted by the tax authority applying IAS 12 – Income Taxes. Management concluded that there was no material impact of IFRIC 23 over the Company and Consolidated financial statements.

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3. Accounting estimates and judgments

For the preparation of financial statements, Management used judgments, estimates and assumptions that affect the application of accounting policies of the Company and Consolidated and the reported amounts of assets, liabilities, income and expenses, however, actual results may differ from these estimates.

Estimates and assumptions are reviewed on a continuous basis and their impact are recognized on a prospective basis in accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

(a) Judgments

Information about judgment referring to the adoption of accounting policies which impact significantly the amounts recognized in the financial statements included: (i) evaluation of insurance liabilities (notes 2.9, 2.10 and 13) and (ii) evaluation of tax, civil and labor contingent liabilities (notes 2.15 and 16.1).

(b) Uncertainties about assumptions and estimates

Information about uncertainties related to assumptions and estimates that have a high risk of resulting in a material adjustment included: (i) calculation of impairment of financial assets (notes 2.6.4 and 7), (ii) evaluation of deferred tax assets (notes 2.7.1 (a) and 9.1) and (iii) calculation of impairment of non-financial assets (notes 2.7.4 (a), 2.8 and 12.1) and (iv) measurement of right of use, lease liability and related present value adjustments (notes 2.7.3 (b) e 26).

4. Risk management

The main risks arising from the businesses of the Company and its Subsidiaries listed below are managed by different departments and comprise several fund allocation strategies and policies considered appropriate by Management.

Policies and strategies are monitored by the Audit Committee, created and installed on March 26, 2010, by determination of the Board of Directors and in accordance with the Company's Bylaws.

4.1 Financial risk factors

4.1.1 Market risk (interest rate)

Arises from the possibility that the Company and its Subsidiaries are subject to changes in interest rates that may generate impacts on the fair value of the financial investments portfolio.

The Company and its Subsidiaries adopt the policy to invest in securities issued by financial institutions (Bank Deposit Certificate - CDB) and short-term funds, complying with internal assessment criteria and limits established based on qualitative and quantitative information, including the requirement to allocate resources in compliance with RN 392/2015, amended by RN 419/2016, both from ANS, to guarantee the technical provisions. Almost all the Company's and its Subsidiaries' financial investments portfolio is exposed to fluctuations in interest rates on the domestic market.

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As at September 30, 2019, 71.4% (72.0% at December 31, 2018) of the amounts in Consolidated are held in investment funds, these funds are substantially affected by variations in SELIC rate.

In compliance with CVM Resolution 475/2008 and IFRS 7 - Financial Instruments: Disclosures, the Company and its Subsidiaries performed a sensitivity analysis of their financial instruments, based on the variation in the SELIC, Broad Consumer Price Index (IPCA) and Mexican Bond rates, as shown in the table below:

	Consolidated										
	September 30, 2019										
	Indexed to SELIC			Indexed to IPCA			Others				
	Bank deposits SELIC (p.y) ¹	certificates (CDBs)	Investment funds (FI ANS)	Investment funds (FI fixed income)	Financial bills (LF)	Federal public bonds (LFT)	IPCA (p.y) ¹	Federal public bonds (NTN-B)	Bond (p.y) ³	Public bonds (CETES)	Total financial investments
Hierarchical level ²	-	2	2	2	1	1	-	1	-	1	-
Investments	-	12,379	2,728	346,560	21,839	89,000	-	15,702	-	1,053	489,261
Forecast profitability for the next 12 months:											
Probable	4.85%	600	132	16,808	1,059	4,317	1.80%	283	7.70%	81	23,280
25% decrease	3.64%	450	99	12,606	794	3,237	1.35%	212	5.78%	61	17,459
50% decrease	2.43%	300	66	8,404	530	2,158	0.90%	141	3.85%	41	11,640
25% increase	6.06%	750	165	21,010	1,324	5,396	2.25%	353	9.63%	101	29,099
50% increase	7.28%	901	198	25,212	1,589	6,475	2.70%	424	11.55%	122	34,921

¹Based on interest rate curves informed by B3 S.A. Brasil Bolsa Balcão.

²Hierarchical level classification (note 2.6.3).

³Rates available at Bank of Mexico.

Bank deposit certificate (CDB): distribution and classification

	Consolidated				Ratings of financial institutions					
	September 30, 2019	Average yield % of the CDI	December 31 2018	Average yield % of the CDI	Fitch		Moody's		S&P	
					ST	LT	ST	LT	ST	LT
Caixa Econômica Federal	12,283	100.8%	15,454	100.8%	F1+	AA	NP	Ba3	brA-1+	brAAA
Banco Bradesco S.A.	96	100.8%	91	94.0%	F1+	AAA	NP	Ba3	brA-1+	brAAA
China Construction Bank Brasil S.A.	-	0.0%	976	102.3%	F1+	AAA	P-1	A1	-	brAAA
Itaú Unibanco S.A.	-	0.0%	120	94.0%	F1+	AAA	NP	Ba3	brA-1+	brAAA
	12,379		16,641							

4.1.2 Credit risk

Arises from the possibility of the Company and its direct and indirect Subsidiaries not receiving the amounts arising from financial instruments, premiums with dental care plan and services (notes 6, 7 and 19). The credit policy takes into consideration the specific characteristics of dental care plan operations and is focused on maintaining the flexibility required by market conditions. The Company constantly monitors its receivables and calculates the allowance for doubtful accounts (note 2.6.4).

None of the Company's customer represents 10% of revenues or more of the total of the respective class of financial assets.

4.1.3 Liquidity risk

The liquidity risk management objective is to monitor the settlement terms of the rights and obligations of the Company and its Subsidiaries and of their financial instruments, preparing projected cash flow analysis and periodically reviewing the liabilities assumed and the financial instruments used, mainly those related to assets pledged as guarantee of technical provisions.

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The receivables comprising the Company's and its Subsidiaries' cash flows arise mainly from collective and individual contracts in prepayment model, which establish the settlement of monthly payments mainly at the beginning of each month for use of benefits. On the other hand, the payments to the accredited chain, the main suppliers, occur throughout the month. These are short-term assets and liabilities, being monitored through the following indicators:

Risk	Indicator	Formula	Reference	Consolidated	
				September 30, 2019	December 31, 2018
Credit	Average receipt term (PMR)	$\frac{\text{Receivables} - \text{Unearned premiums}}{\text{Net payments}} \times 270 \text{ days}$	Days	-	6
Liquidity	Average payment term (PMP)	$\frac{\text{Unsettled claims} \times 270 \text{ days}}{\text{Indemnifiable claims, net}}$	Days	24	21
Liquidity	General liquidity index (ILG)	$\frac{\text{Current assets} + \text{Non-current assets}}{\text{Current liabilities} + \text{Non-current liabilities}}$	Proportion Assets x Liabilities	1.37	1.40

4.2 Insurance risk and dental materials cost fluctuation risk

OdontoPrev's business model is based on the customers' monthly or yearly payments and is exposed to a risk of insurance and dental materials cost fluctuation, taking into consideration that in the dental care plan sector the risk is limited to the frequency of utilization and the low cost of the treatments given.

In the development and structuring of dental care plans the following factors are taken into consideration:

Risk model: determines who is responsible for the cost of dental treatment: (i) prepaid, which is most customers' choice due to predictability, where the customer pays a *per capita* monthly rate which includes the actuarial estimate of dental treatments, other administrative and selling expenses; and (ii) postpaid, where the customer pays this *per capita* monthly rate which includes only administrative and selling expenses and the entire cost of dental treatments when they are used.

Service model: in accordance with contract coverage, defines how the beneficiary will receive contracted dental care: (i) accredited chain; (ii) free choice; (iii) own service units; and (iv) exclusive dental offices in the client's establishment.

Enrollment model: this determines if the entire group (mandatory enrollment) or part of the group (free enrollment) of beneficiaries will be included in the plan and how the payment of the *per capita* monthly rate will be made.

Types of coverage: this describes all the dental care treatments whose costs are totally or partially covered in the dental care plan contracted, the ANS determines minimum dental care coverage.

Usage moderating factors: rules to use and access to the covered dental services that contribute to define cost and avoid predatory and abusive use, most used are as follows: (i) co-participation; and (ii) grace periods. These factors are present in several plan structures, mainly per free enrollment and individual.

Fees: different remunerations for professionals of accredited chain and several levels of free choice reimbursement.

In addition to insurance risk, the risk of dental materials cost fluctuation also has direct impact on dental care plans, as they may rise as a result of usage volume, legislation and increase in dental material values.

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In order to manage them, the Company has its own system that permits individual evaluation of all treatments, monitoring dental costs and promoting clinical governance of performed events.

Collective contracts have average term of 24 or 36 months, with clause establishing fine for breach of contract and annual adjustments of rates practiced using claim rate (cost of services in the last 12 months, divided into the net premiums with dental care plan) and/or inflation adjustment at official rate established in contract. They are also traded in an average term of 12 months automatically renewable by an indeterminate period, with clauses establishing fine for rescission and adjustment clause using official rate established in contract as reference.

The Company constantly monitors its contracts in order to minimize risks and maintain their financial balance. In general claim ratio up to 60% allows contribution margin (gross income fewer selling expenses divided by gross sales and/or services revenues) able to support the Company's administrative expenses. At September 30, 2019, the consolidated claim ratio was 44.4% (44.4% at September 30, 2018) and the contribution margin was 44.1% (44.8% at September 30, 2018).

	Consolidated: increase/decrease contribution margin					
	Period ended at		Changes in the claims ratio			
	September 30, 2019		Equal to 60%		Equal to 40%	
Sales revenue ² (notes 18 and 19)	1,339,929	100.0%	1,339,929	100.0%	1,339,929	100.0%
Cost of services ¹ (notes 18 and 20)	(595,162)	-44.4%	(803,957)	-60.0%	(535,972)	-40.0%
Gross income	744,767	55.6%	535,972	40.0%	803,957	60.0%
Selling expenses (notes 18 and 21)	(154,448)	-11.5%	(154,448)	-11.5%	(154,448)	-11.5%
Contribution margin	590,319	44.1%	381,524	28.5%	649,509	48.5%
(Decrease)/Increase in margin			(208,795)	-15,6 p.p	59,190	4,4 p.p

¹Do not include incurred but not reported events (IBNR) and claims reserves (note 18).

²Do not include R\$13,800 related to reversal of provision for ISS calculated over the amounts of events through favorable decision received by the Company in March 2019.

	Consolidated: increase/decrease contribution margin					
	Period ended at		Changes in the claims ratio			
	September 30, 2018		Equal to 60%		Equal to 40%	
Sales revenue (notes 18 and 19)	1,158,568	100.0%	1,158,568	100.0%	1,158,568	100.0%
Cost of services ¹ (notes 18 and 20)	(514,759)	-44.4%	(695,141)	-60.0%	(463,427)	-40.0%
Gross income	643,809	55.6%	463,427	40.0%	695,141	60.0%
Selling expenses (notes 18 and 21)	(124,720)	-10.8%	(124,720)	-10.8%	(124,720)	-10.8%
Contribution margin	519,089	44.8%	338,707	29.2%	570,421	49.2%
(Decrease)/Increase in margin			(180,382)	-15,6 p.p	51,332	4,4 p.p

¹Do not include incurred but not reported events (IBNR) and claims reserves (note 18).

4.3 Strategy risk - market of operations (competition)

The Company operates in a competitive market, competing with operators of health insurance and dental care exclusive, hospital medical plans, dental care cooperatives and charity entities that offer dental care plans with similar benefits.

OdontoPrev sells dental care plans to companies, associations and individuals through: (i) an internal sales team; (ii) external brokers; (iii) commercial associations and new distribution ways; (iv) Bradesco and (v) Banco do Brasil.

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The factors that encourage the growth in the dental care plan sector are the following: (i) structural imbalance between the supply and demand of services; (ii) lack of alternatives in the public system; (iii) inclusion of dental care plans in employee benefit programs; (iv) opportunities represented by the increasing interest of new distribution ways and (v) regulation.

4.4 Legal and regulatory risk - capital

The Company carries out its capital risk management activities based on a centralized model, with the main purpose of meeting the requirements of minimum regulatory capital for its segment, according to the capital requirements defined by ANS as well increase the return on capital to the shareholders. The strategy and model used by Management consider both "regulatory capital" and "economic capital".

The Company keeps capital levels above the regulatory requirements (note 13.1).

5. Cash and cash equivalents

	Company		Consolidated	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Cash	13	10	66	69
Amounts in transit	18,269	13,701	18,303	13,707
Checking accounts	2,324	876	3,676	2,344
Financial investments (interest-bearing current account)	5,187	2,010	5,496	5,022
	25,793	16,597	27,541	21,142

6. Financial assets at fair value through income or loss and held to maturity (financial investments)

	Classification	Company		Consolidated	
		September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Bank deposits certificates (CDBs)	Current asset	12,379	16,430	12,379	16,641
ANS Investment funds (FI ANS)	Current asset	-	-	2,728	835
Investment funds (FI fixed income)	Current asset	332,682	306,043	346,560	341,647
Federal public bonds (LFT)	Current asset	89,000	96,072	89,000	96,072
Financial Bills (LF)	Current asset	21,839	3,963	21,839	3,963
Public bonds (CETES)	Current asset	-	-	1,053	1,236
Fair value through income or loss		455,900	422,508	473,559	460,394
Federal public bonds (NTN-B)	Non-current asset	15,702	15,227	15,702	15,227
Held to maturity		15,702	15,227	15,702	15,227
Financial investments		471,602	437,735	489,261	475,621

CDBs: floating rate securities indexed to the interbank deposit certificate daily interest rates, mostly of which have daily liquidity (note 4.1.1).

ANS investment funds (FI ANS): investment funds quotas intended to restriction on technical provisions required by ANS which are valued based on the value disclosed by the financial institution.

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Investment funds (fixed income): investment funds quotas on Bradesco FI RF Bond and BRAM FI RF Referenced DI Coral which are valued based on the value disclosed by Bradesco Asset Management.

Financial Bills (LF): private securities acquired from Santander bank on May 30, 2018.

Financial Treasury Bills (LFT): acquired since March 30, 2017, refer to the assets from managed portfolio, which are managed by Bradesco Asset Management.

Certificados de la Tesorería de la Federación (CETES): fixed-income financial instruments from Odontored issued by the Mexican government.

National Treasury Notes (NTN-B): acquired since March 28, 2016, refer to the assets from managed portfolio, which are managed by Bradesco Asset Management. As at September 30, 2019 the fair value is R\$17,729 (R\$16,389 at December 31, 2018).

Investment portfolio by original maturity dates - Company						
	Classification	No maturity date	01 up to 180 days	181 up to 360 days	Over 360 days	Total
CDBs	Current asset	-	-	-	12,379	12,379
FI fixed income	Current asset	332,682	-	-	-	332,682
LFT	Current asset	-	-	-	89,000	89,000
LF	Current asset	-	1,718	-	20,121	21,839
Fair value through income or loss		332,682	1,718	-	121,500	455,900
NTN-B	Non-current asset	-	-	-	15,702	15,702
Held to maturity		-	-	-	15,702	15,702
September 30, 2019		332,682	1,718	-	137,202	471,602
December 31, 2018		306,043	976	3,723	126,993	437,735

Investment portfolio by original maturity dates - Consolidated						
	Classification	No maturity date	01 up to 180 days	181 up to 360 days	Over 360 days	Total
CDBs	Current asset	-	-	-	12,379	12,379
FI ANS	Current asset	2,728	-	-	-	2,728
FI fixed income	Current asset	346,560	-	-	-	346,560
LFT	Current asset	-	-	-	89,000	89,000
LF	Current asset	-	1,718	-	20,121	21,839
CETES	Current asset	-	1,053	-	-	1,053
Fair value through income or loss		349,288	2,771	-	121,500	473,559
NTN-B	Non-current asset	-	-	-	15,702	15,702
Held to maturity		-	-	-	15,702	15,702
September 30, 2019		349,288	2,771	-	137,202	489,261
December 31, 2018		342,482	2,212	3,723	127,204	475,621

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	Changes in the investment portfolio - Company							
	Current					Non-current		
	Fair value through income or loss					Fair value through income or loss	Held to maturity	Total financial investments
	CDBs	FI fixed income	LFT	LF	Total	LFT	NTN-B ¹	
December 31, 2017	19,217	358,572	27,058	-	404,847	57,049	14,636	476,532
Investments	-	783,194	74,273	3,850	861,317	-	-	861,317
(-) Withdrawals	(3,810)	(855,627)	(10,754)	-	(870,191)	(57,049)	(812)	(928,052)
Income	1,023	19,904	5,495	113	26,535	-	1,403	27,938
December 31, 2018	16,430	306,043	96,072	3,963	422,508	-	15,227	437,735
Incorporation of Odonto System ²	211	23,260	-	-	23,471	-	-	23,471
Investments	-	688,246	-	17,527	705,773	-	-	705,773
(-) Withdrawals	(5,087)	(699,302)	(11,299)	(2)	(715,690)	-	(599)	(716,289)
Income	825	14,435	4,227	351	19,838	-	1,074	20,912
September 30, 2019	12,379	332,682	89,000	21,839	455,900	-	15,702	471,602

¹Withdrawals corresponding to interest payments.

²Subsidiary incorporated in January 02, 2019.

	Changes in the investment portfolio - Consolidated									
	Current						Non-current			
	Fair value through income or loss						Fair value through income or loss	Held to maturity	Total financial investments	
	CDBs	FI ANS	FI fixed income	LFT	LF	CETES	Total	LFT		NTN-B ¹
December 31, 2017	19,217	1,483	369,840	27,058	-	1,184	418,782	57,049	14,636	490,467
Consolidation of Odonto System ²	865	-	9,982	-	-	-	10,847	-	-	10,847
Investments	178	800	906,525	74,273	3,850	3,917	989,543	-	-	989,543
(-) Withdrawals	(4,677)	(1,493)	(965,733)	(10,754)	-	(3,991)	(986,648)	(57,049)	(812)	(1,044,509)
Income	1,058	45	21,033	5,495	113	126	27,870	-	1,403	29,273
December 31, 2018	16,641	835	341,647	96,072	3,963	1,236	460,394	-	15,227	475,621
Investments	-	1,860	754,093	-	17,527	2,901	776,381	-	-	776,381
(-) Withdrawals	(5,087)	-	(764,191)	(11,299)	(2)	(3,199)	(783,778)	-	(599)	(784,377)
Income	825	33	15,011	4,227	351	115	20,562	-	1,074	21,636
September 30, 2019	12,379	2,728	346,560	89,000	21,839	1,053	473,559	-	15,702	489,261

¹Withdrawals corresponding to interest payments.

²Subsidiary incorporated in January 02, 2019.

Coverage of guarantee financial investments (according to RN 393/2015 amended by RN 419/2016 from ANS)

	Classification	Company		Consolidated	
		September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Technical provisions					
Unsettled claims (over 30/60 days)	Current liability	3,174	494	3,175	620
IBNR	Current liability	92,865	82,403	93,435	83,073
Restriction required by ANS		96,039	82,897	96,610	83,693
Unsettled claims (total)	Current liability	50,874	38,352	50,996	39,568
IBNR	Current liability	92,865	82,403	93,435	83,073
Required guarantee by ANS		143,739	120,755	144,431	122,641
Restriction and guarantee of technical provisions					
CDBs	Current asset	3,577	7,140	3,577	7,140
FI ANS	Current asset	-	-	865	835
LFT	Current asset	67,627	64,608	67,627	64,608
LF	Current asset	3,906	-	3,906	-
NTN-B	Non-current asset	15,702	15,227	15,702	15,227
FI fixed income	Current asset	5,729	-	5,729	5,513
Restricted financial investments		96,541	86,975	97,406	93,323
CDBs	Current asset	8,706	8,315	8,706	8,315
LFT	Current asset	21,373	31,464	21,373	31,464
LF	Current asset	17,933	3,963	17,933	3,963
Guarantee financial investments		144,553	130,717	145,418	137,065

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7. Dental care receivables (loans and receivables - customers)

	Company		Consolidated	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Receivable pecuniary compensation (invoices)	185,659	174,848	185,829	178,608
Allowance for doubtful accounts	(49,796)	(49,169)	(49,982)	(51,169)
Dental care receivables	135,863	125,679	135,847	127,439
Participation of beneficiaries in indemnifying events/claims (debit notes)	3,243	2,452	3,243	3,339
Allowance for doubtful accounts	(78)	(5)	(78)	(5)
Participation of beneficiaries in indemnifying events/claims, net	3,165	2,447	3,165	3,334
Operators of health care plans (invoices - operators)	8,183	7,475	9,035	8,327
Allowance for doubtful accounts	(7)	(7)	(7)	(37)
Dental care operators, net	8,176	7,468	9,028	8,290
Other healthcare plan receivables (insurance)	-	-	23,821	15,634
Credits of operations with health care plans (customers)	147,204	135,594	171,861	154,697
Invoices, debit notes, invoices - operators, insurance	197,085	184,775	221,928	205,908
Allowance for doubtful accounts	(49,881)	(49,181)	(50,067)	(51,211)
Credits of operations with health care plans (customers)	147,204	135,594	171,861	154,697

Credits for health care plans by maturity age

Maturity	Company				Consolidated			
	Invoices, debit notes and operators invoices	Allowance for doubtful accounts	September 30, 2019	December 31, 2018	Invoices, debit notes invoices - operators and insurances	Allowance for doubtful accounts	September 30, 2019	December 31, 2018
Falling due	112,848	(1,596)	111,252	101,817	137,502	(1,598)	135,904	119,280
Up to 30 days	31,236	(5,752)	25,484	25,296	31,239	(5,753)	25,486	27,128
From 31 to 60 days	13,213	(6,830)	6,383	5,440	13,215	(6,831)	6,384	5,451
From 61 to 90 days	9,241	(6,759)	2,482	1,319	9,242	(6,760)	2,482	1,327
Over 91 days	30,547	(28,944)	1,603	1,722	30,730	(29,125)	1,605	1,511
	197,085	(49,881)	147,204	135,594	221,928	(50,067)	171,861	154,697

Changes in allowance for doubtful accounts and customers

	Company		Consolidated	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Invoices	185,659	174,848	185,829	178,608
Invoices - operators	8,183	7,475	9,035	8,327
Allowance for doubtful accounts	(49,881)	(49,181)	(50,067)	(51,211)
Opening balances	(49,181)	(46,760)	(51,211)	(46,950)
Provisions (reversals) recorded in the period, net	(60,946)	(56,637)	(60,951)	(57,557)
Actual losses	60,246	54,216	62,095	53,296
Dental care receivables	143,961	133,142	144,797	135,724
Debit notes	3,243	2,452	3,243	3,339
Insurance	-	-	23,821	15,634
Other healthcare plan receivables	3,243	2,452	27,064	18,973
Customers	147,204	135,594	171,861	154,697
Advances from customers	(876)	(937)	(945)	(972)
Customers, net	146,328	134,657	170,916	153,725

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8. Tax and social security credits (taxes recoverable)

	Company		Consolidated	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
INSS ¹	41,078	18,345	41,078	18,345
IRPJ	532	10	1,627	1,492
CSLL	109	4	1,476	1,018
IRRF	160	95	1,386	1,096
PIS and COFINS	246	210	2,372	2,449
ISS ²	8,020	1,470	8,027	1,485
Other	-	-	145	151
	50,145	20,134	56,111	26,036

¹Credits related to the 5-year collections prior to the filing of the INSS law suit (note 16.1 (b) (i)).

²Credits of R\$6,635 related to the payments of ISS between March and August/2018 due to inclusion of events in the calculation basis, in March 2019 the Company obtained favorable final decision (note 16.1 (a) (ii)).

9. Long-term receivables

9.1 Deferred income tax and social contribution

Temporary differences	Classification	Expected realization	Note	Company		Consolidated			
				December 31, 2018	Debit (credit) to income	September 30, 2019	December 31, 2018	Debit (credit) to income	September 30, 2019
Allowance for doubtful accounts	Asset	Up to 12 months	7	16,722	238	16,960	17,412	(389)	17,023
Non-deductible losses (recovery)	Asset	Over 12 months		2,693	(216)	2,477	2,693	(216)	2,477
Provision for contingent liabilities	Asset	Over 12 months	16.1	7,936	4,191	12,127	10,999	1,748	12,747
Other provisions	Asset	Up to 12 months	15	4,639	551	5,190	4,795	663	5,458
Others	Asset	Up to 12 months		9,281	2,292	11,573	7,614	2,683	10,297
Consolidation of Odonto System ¹	Asset	Up to 12 months		-	(2,938)	(2,938)	1,229	(1,229)	-
Incorporation of Odonto System ¹	Asset	Up to 12 months		-	-	1,229	-	1,229	1,229
Amortization of goodwill	Liability	Over 12 months		-	(7,455)	(7,455)	-	(7,455)	(7,455)
Deferred income tax/social contribution				41,271	(3,337)	39,163	44,742	(2,966)	41,776
Consolidation of Odonto System ¹				-	-	-	1,229	-	-
Incorporation of Odonto System ¹				-	-	1,229	-	-	1,229
Deferred income tax				30,347	(2,454)	27,893	32,236	(2,180)	30,056
Deferred social contribution				10,924	(883)	10,041	11,277	(786)	10,491
Deferred income tax/social contribution				41,271	(3,337)	39,163	44,742	(2,966)	41,776

¹Subsidiary incorporated in January 02, 2019.

9.2 Judicial deposits

	Company		Consolidated	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Tax	8,782	1,286	10,672	8,525
Social security and labor	2,175	1,054	2,559	4,315
Civil	2,170	1,405	2,350	1,405
	13,127	3,745	15,581	14,245

9.3 Other receivables

Provision for potential risks determined in the review of accounting, tax and labor procedures of acquired companies (note 12.1), which has a corresponding entry to "other payables" (note 16.3).

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	Company		Consolidated	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Prontodente ¹	157	258	157	258
DentalCorp	-	1,463	-	1,463
Papaiz Group	-	-	1,323	1,323
Odonto System	17,048	-	17,048	17,500
	17,205	1,721	18,528	20,544

¹Corresponds to installment payments of tax debts made in 2017.

According to the agreement with the former owners of acquired companies, in certain circumstances, they guarantee the reimbursement of any payments the Company and its Subsidiaries are required to make. These amounts (except for Odonto System) are deposited in investment funds and CDBs in the name of the former owners who can only use these funds with the Company's and Subsidiaries' authorization in order to avoid any credit risk. The values referring to the Odonto System are assured for the warranty insurance and letter of guarantee.

9.4 Tax and social security credits

In the Company and in the Consolidated, these amounts correspond to credits related to the 5-year collections prior to the filing of the INSS lawsuit (note 16.1 (b) (i)) in the total amount of R\$82,519 (R\$84,080 as of December 31, 2018), monetarily restated, which R\$41,078 (R\$18,345 as of December 31, 2018) are classified in the current assets (note 8) and R\$41,441 (R\$65,735 as of December 31, 2018) are classified in non-current assets. The compensation of the amounts began in September 2019 and will be completed within 2 years, therefore, the compensation of credits of INSS related to the Company's part and also PIS and COFINS could be compensated with these credits.

10. Investments - interest in Subsidiaries

	Company							Total investments
	OdontoPrev			Odonto System ²		Interest in Subsidiaries	Joint Ventures	
September 30, 2019	Clidec	Serviços	Rede Dental	Odontored ¹	Total	Brasil dental		
Share capital	12,790	9,700	1,162	-	3,128	-	9,500	-
Quotas/shares	12,790	9,700	1,162	-	3,128	-	380,000	-
Interest (%)	99.9	99.9	99.9	-	60.0	-	25.0	-
Assets	32,456	38,616	6,587	-	31,042	-	49,734	-
Liabilities	30,567	38,724	5,707	-	22,092	-	26,051	-
Equity	21,820	14,967	2,320	-	8,113	-	13,860	-
Net revenue	12,896	40,461	8,689	-	15,779	-	32,749	-
Costs and expenses	10,226	40,568	7,145	-	13,441	-	17,401	-
Taxes and profit sharing	782	-	665	-	-	-	5,525	-
Income (loss) for the period	1,888	(107)	879	-	2,338	-	9,823	-
December 31, 2018	25,512	7,446	3,318	218,684	4,468	259,428	3,465	262,893
Incorporation of Odonto System ¹	-	-	-	(218,684)	-	(218,684)	-	(218,684)
Capital increase	-	7,423	-	-	1,015	-	-	8,438
Put option in subsidiary	(79)	-	-	-	-	(79)	-	(79)
Dividends	(3,615)	-	(1,000)	-	-	(4,615)	(2,000)	(6,615)
Revenue (expense) of equity method	1,888	(107)	879	-	1,348	4,008	3,444	7,452
September 30, 2019	23,706	14,762	3,197	-	6,831	48,496	4,909	53,405

¹For consolidation purposes financial statements with a one-month gap are used (note 1).

²Subsidiary incorporated in January 02, 2019.

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As of September 30, 2019, the Consolidated investment balance is R\$11,364 (R\$8,054 as of December 31, 2018) corresponding to other investments (note 1), which generated earnings from equity method of accounting as of September 30, 2019 of R\$3,618 (R\$3,552 as of September 30, 2018).

11. Property, plant and equipment

	Company												
	Computer equipment	Vehicles	Facilities	Machinery and equipment	Furniture and fixtures	Communication equipment	Dental care equipment	Buildings	Total for own use	Fixed assets in progress	Leasehold improvements	Right of use (IFRS 16)	Total
December 31, 2018	4,289	786	1,593	327	1,839	951	17	-	9,802	7	1,365	-	11,174
Incorporation of Odonto System ¹	-	-	1,362	333	85	-	-	6,002	7,782	-	823	-	8,605
Effects of IFRS 16	-	-	-	-	-	-	-	-	-	-	-	27,648	27,648
Additions	1,824	490	249	-	132	9	-	-	2,704	-	2,960	-	5,664
Write-offs	-	(121)	-	-	-	-	-	-	(121)	-	-	(79)	(200)
Transfers	(10)	-	(1,393)	(167)	(42)	-	-	(5,859)	(7,471)	-	-	-	(7,471)
Depreciation	(1,384)	(149)	(260)	(75)	(282)	(129)	-	(143)	(2,422)	-	(792)	(1,621)	(4,835)
September 30, 2019	4,719	1,006	1,551	418	1,732	831	17	-	10,274	7	4,356	-	40,585
Acquisition cost	19,462	2,031	3,232	1,931	6,553	2,296	429	1,142	37,076	7	14,775	28,251	80,109
Accumulated depreciation	(14,743)	(1,025)	(1,681)	(1,513)	(4,821)	(1,465)	(412)	(1,142)	(26,802)	-	(10,419)	(2,303)	(39,524)
Net book value	4,719	1,006	1,551	418	1,732	831	17	-	10,274	7	4,356	-	40,585
Annual depreciation rate (%)	20	20	10	10	10	10	10	-	-	-	20	20	-

¹Subsidiary incorporated in January 02, 2019.

	Consolidated												
	Computer equipment	Vehicles	Facilities	Machinery and equipment	Furniture and fixtures	Communication equipment	Dental care equipment	Buildings	Total for own use	Fixed assets in progress	Leasehold improvements	Right of use (IFRS 16)	Total
December 31, 2018	5,072	922	2,973	757	2,581	1,051	611	6,002	19,969	753	3,592	-	24,314
Effects of IFRS 16	-	-	-	-	-	-	-	-	-	-	-	45,108	45,108
Capital increase with assets ²	-	-	-	158	44	-	-	7,221	7,423	-	-	-	7,423
Additions	1,993	490	337	-	144	9	19	-	2,992	-	3,223	-	6,215
Write-offs	(26)	(97)	(8)	(160)	(39)	-	-	-	(330)	-	-	(304)	(634)
Transfers	(149)	(1)	(1,085)	(168)	102	14	-	(5,859)	(7,146)	-	-	79	(7,067)
Depreciation	(1,543)	(208)	(303)	(88)	(373)	(142)	(85)	(215)	(2,957)	-	(1,150)	(2,628)	(6,735)
September 30, 2019	5,347	1,106	1,914	499	2,459	932	545	7,149	19,951	753	5,665	-	68,624
Acquisition cost	21,456	2,197	5,227	2,215	8,222	2,493	2,774	7,221	51,805	753	18,064	46,143	116,765
Accumulated depreciation	(16,109)	(1,091)	(3,313)	(1,716)	(5,763)	(1,561)	(2,229)	(72)	(31,854)	-	(12,399)	(3,888)	(48,141)
Net book value	5,347	1,106	1,914	499	2,459	932	545	7,149	19,951	753	5,665	-	68,624
Annual depreciation rate (%)	20	20	10	10	10	10	10	10	-	-	20	20	-

¹Subsidiary incorporated in January 02, 2019.

²Building arising from the incorporation of Odonto System, which was used to increase the capital of OdontoPrev Serviços in June 2019.

12. Intangible assets

12.1 Goodwill on acquisition of investments

	Historical data relating to the acquisition and/or approval					September 30, 2019			December 31, 2018
	Date	Total value	Asset value	Strategic focus	CGU	Date of merger	Goodwill	Amortization ¹	Net goodwill
Bradesco Dental	10/18/2009	723,392	313,752	Business and individual	Bradesco	07/01/2010	409,640	-	409,640
Biodent	06/19/2008	2,837	98	Premium segment	Care Plus	12/01/2008	2,739	(319)	2,420
Care Plus	06/19/2008	13,113	(230)	Premium segment	Care Plus	12/01/2008	13,343	(1,563)	11,780
SRJSPE	06/26/2008	13,720	(130)	Premium segment	Care Plus	12/01/2008	13,850	(1,616)	12,234
Rede Dental	10/08/2007	7,584	(119)	Regionalization	Rede Dental	Not merged	7,703	(1,544)	6,159
OdontoServ ²	02/27/2009	30,841	10,025	Regionalization	OdontoServ	12/01/2009	20,816	-	20,816
Prontodente	12/22/2008	5,445	(235)	Medium and large companies	OdontoPrev ³	12/01/2009	5,680	-	5,680
Sepao	10/24/2008	9,203	82	Medium and large companies	OdontoPrev ³	12/01/2009	9,121	(303)	8,818
DentalCorp	02/09/2007	25,244	386	Small and medium companies	OdontoPrev ³	03/03/2008	24,858	(9,529)	15,329
Odonto System ⁴	08/07/2018	203,084	4,668	Complementarity portfolio	-	01/02/2019	145,793	-	145,793
Company		1,034,463	328,297				653,543	(14,874)	638,669
Consolidation of Odonto System ⁴	08/07/2018	203,084	4,668	Complementarity portfolio	-	01/02/2019	(145,793)	-	(145,793)
Incorporation of Odonto System ⁴	08/07/2018	203,084	4,668	Complementarity portfolio	-	01/02/2019	145,793	-	145,793
Easy	07/08/2008	3,100	456	Verticalization	-	Not merged	2,644	(265)	2,379
G2D	08/09/2012	750	416	Verticalization	-	Not merged	334	-	334
Papaiz Group	01/31/2013	5,487	780	Verticalization	-	Not merged	6,008	-	6,008
Consolidated		1,449,968	339,285				662,529	(15,139)	647,390

¹Amortization on a straight-line basis up to December 31, 2008, after this date impairment tests are performed.

²Includes Adcon merged on May 01, 2014.

³Equivalent to the total result of the Company deducted from Bradesco, Care Plus and OdontoServ CGUs, including Prontodente, Sepao and DentalCorp. Such grouping is due to the strategic focus of these acquisitions being closely related to the commercial and retention activities of OdontoPrev, as well as to the identification of independent cash inflow.

⁴Includes the amounts referring to the brand, clients portfolio and non-competition agreement allocated in the intangible assets incorporated to the Company in January 02, 2019 and shown in Consolidated statements in December 31, 2018.

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The Company evaluates its recoverability through impairment tests (note 2.7.4 (a)) for goodwill from acquisitions of investments allocated to cash generating units (CGU's).

The last impairment test was performed in December 31, 2018, in this test we used the income approach through discounted cash flow methodology (value in use) based on the nature of each CGU, existence of financial and operational control, history and availability of financial projections. During the performed tests, the Company concluded that the value in use obtained by applying these assumptions is higher than the book value.

12.2 System development, software licenses and changes in intangible assets

	Company						
	System development and software licenses	Allocated intangible assets		Total	Goodwill on acquisition of investments	Right of use (IFRS 16)	Total intangible
		OdontoServ	Odonto System ¹				
December 31, 2018	51,080	108	-	51,188	492,876	-	544,064
Incorporation of Odonto System ¹	224	-	49,985	50,209	145,793	-	196,002
Recognition of right of use (IFRS 16)	-	-	-	-	-	23,006	23,006
Reclassification of the effects of IFRS 16	-	-	-	-	-	(22,324)	(22,324)
Additions	15,049	-	-	15,049	-	-	15,049
Transfers	-	-	-	-	-	-	-
Write-offs	(189)	-	-	(189)	-	-	(189)
Amortization	(4,537)	(108)	(6,299)	(10,944)	-	(682)	(11,626)
September 30, 2019	61,627	-	43,686	105,313	638,669	-	743,982
Cost	96,984	8,527	52,622	158,133	653,543	-	811,676
Accumulated amortization	(35,357)	(8,527)	(8,936)	(52,820)	(14,874)	-	(67,694)
Net book value	61,627	-	43,686	105,313	638,669	-	743,982
Amortization period	5 years	Appraisal report	Appraisal report				

¹Subsidiary incorporated in January 02, 2019.

	Consolidated						
	System development and software licenses	Allocated intangible assets		Total	Goodwill on acquisition of investments	Right of use (IFRS 16)	Total intangible
		OdontoServ	Odonto System ¹				
December 31, 2018	54,993	108	49,877	104,978	647,390	-	752,368
Recognition of right of use (IFRS 16)	-	-	-	-	-	38,795	38,795
Reclassification of the effects of IFRS 16	-	-	-	-	-	(37,544)	(37,544)
Additions	15,673	-	-	15,673	-	-	15,673
Transfers	-	-	-	-	-	-	-
Write-offs	(117)	-	-	(117)	-	-	(117)
Amortization	(5,027)	(108)	(6,190)	(11,325)	-	(1,251)	(12,576)
September 30, 2019	65,522	-	43,687	109,209	647,390	-	756,599
Cost	102,493	8,527	52,623	163,643	662,529	-	826,172
Accumulated amortization	(36,971)	(8,527)	(8,936)	(54,434)	(15,139)	-	(69,573)
Net book value	65,522	-	43,687	109,209	647,390	-	756,599
Amortization period	5 years	Appraisal report	Appraisal report				

¹Subsidiary incorporated in January 02, 2019.

13. Minimum capital and technical reserves

ANS establishes the rules for recognizing technical provisions and minimum capital requirements, according to RN 209/2009, amended by RNs 227/2010, 243/2010, 290/2012, 313/2012, 393/2015 and Normative Instruction IN 50/2012.

13.1 Minimum capital

- Adjusted minimum equity (AME) represents the minimum amount of net assets, calculated by multiplying the K Factor by the capital base.
- The solvency margin (SM) corresponds to the amount of adjusted equity (AE) enough (S) to cover the higher of 0.20 times the sum of the last 12 months premium or 0.33 times the annual average of the last 36 months of indemnifiable claims, net.

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	Company: calculation of AME, AE, SM and S	
	September 30, 2019	December 31, 2018
Base capital	8,790	8,503
(x) K Factor ¹	3.23%	3.23%
Adjusted minimum equity (AME)	284	275
Equity	1,073,731	1,027,456
Legal obligations ²	13	38
Equity interests in other operators	(8,106)	(225,467)
Deferred acquisition costs	(23,669)	(22,280)
Prepaid expenses	(2,733)	(1,831)
Intangible assets	(743,982)	(544,064)
Adjusted equity (AE)	295,254	233,852
(-) Effects of IFRS 16 ⁵	954	-
Adjusted equity, excluding IFRS16 (AE ANS)	296,208	233,852
(A) 0.20 times the sum of the premiums – past 12 months	355,270	311,568
(B) 0.33 times the average of the events – past 36 months	222,053	200,423
Solvency margin (SM) total = higher between (A) and (B)³	355,270	311,568
Sufficiency (insufficiency) total⁴ (AME - SM total)	(59,062)	(77,716)
SM required ⁴ (%)	76.055%	70.520%
SM required ⁴ (R\$)	270,201	219,718
Sufficiency required (AE - SM required)	26,007	14,134

¹K Factor corresponds classification: group dentistry, tertiary sector, region 1 according to annex RN 209/2009.

²According to IN 50/2012, the amount of legal obligations refers to the carrying amount of tax legal provisions on December 31, 2012 net of write-offs in periods subsequent to that date (payments between 2013 and 2020).

³Total solvency margin should be set up until December 31, 2022 according to RN 313/2012.

⁴Required solvency margin as provided for in the scale of dilution according to RN 313/2012.

⁵This refers to the effects on income of IFRS 16 – Leases, which had not been approved by ANS until September 30, 2019.

13.2 Changes in technical reserves

According to IFRS 4, the changes in reserves related to claims/events (insurance liabilities) and the assets directly related to these contracts are as follows:

	Company				Consolidated			
	Unearned premiums	Unsettled claims	IBNR	DAC ¹	Unearned premiums	Unsettled claims	IBNR	Other Provisions
December 31, 2017	136,528	33,182	81,434	15,092	136,608	33,292	82,086	4,340
Consolidation of Odonto System ²	-	-	-	-	4,565	3,944	140	-
Indemnifiable claims, net	-	669,569	-	-	-	676,247	-	-
Paid events	-	(664,399)	-	-	-	(673,915)	-	-
Variation of IBNR	-	-	969	-	-	-	847	-
Unearned premiums	1,618,916	-	-	-	1,678,224	-	-	-
Premiums recognized in income	(1,600,167)	-	-	-	(1,659,519)	-	-	-
Deferred acquisition expenses	-	-	-	(16,880)	-	-	-	-
Amortized acquisition expenses	-	-	-	24,068	-	-	-	-
Insurance recognized in income	-	-	-	-	-	-	-	13,797
Insurance ²	-	-	-	-	-	-	-	(8,273)
Incurred claims	-	-	-	-	-	-	-	2,400
Paid claims ²	-	-	-	-	-	-	-	(925)
December 31, 2018	155,277	38,352	82,403	22,280	159,878	39,568	83,073	11,339
Incorporation of Odonto System ²	4,537	1,124	85	-	-	-	-	-
Indemnifiable claims, net	-	578,820	-	-	-	575,736	-	-
Paid events	-	(567,422)	-	-	-	(564,308)	-	-
Variation of IBNR	-	-	10,377	-	-	-	10,362	-
Unearned premiums	1,399,678	-	-	-	1,408,661	-	-	-
Premiums recognized in income	(1,373,759)	-	-	-	(1,382,746)	-	-	-
Deferred acquisition expenses	-	-	-	(18,942)	-	-	-	-
Amortized acquisition expenses	-	-	-	20,331	-	-	-	-
Insurance recognized in income	-	-	-	-	-	-	-	14,546
Insurance ²	-	-	-	-	-	-	-	(11,528)
Incurred claims	-	-	-	-	-	-	-	1,929
Paid claims ²	-	-	-	-	-	-	-	(1,788)
September 30, 2019	185,733	50,874	92,865	23,669	185,793	50,996	93,435	14,498

¹Assets directly related to insurance contracts to Company and Consolidated

²Control of Odontored assumed in April 01, 2016 (note 1).

³Subsidiary incorporated in January 02, 2019.

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14. Tax obligations (taxes payable)

	Company		Consolidated	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Income tax and social contribution payable	2,978	7,648	3,349	9,140
IRPJ	2,052	5,362	2,325	6,425
CSLL	926	2,286	1,024	2,715
Other federal tax liabilities	12,515	11,067	16,560	15,652
COFINS	3,275	3,344	3,549	3,519
PIS	532	543	590	580
PIS, COFINS and CSLL (PCC)	1,490	1,060	1,504	1,077
IRRF	5,271	5,369	5,466	5,594
IVA ¹	-	-	3,499	2,345
ANS Fee	816	751	817	752
Tax payments in installments ²	1,113	-	1,113	1,368
Others	18	-	22	417
State tax liabilities	-	-	45	51
Municipal tax liabilities³	8,604	9,343	9,002	9,669
	24,097	28,058	28,956	34,512

¹Tax on added value from Subsidiary Odontored.

²Installments made by the Subsidiary Odonto System (note 16.2) incorporated in January 02, 2019.

³In January and February 2018, the Company complied with determinations of Complementary Law (LC) 157/2016 which introduced changes in the calculation of ISS, and, since March 2018, the Company is under determination of Unconstitutionality Direct Action (ADI) number 5.835 which suspended temporarily these changes. On September 11, 2018 the Company obtained a first instance injunction to collect ISS over the effective value of the services provided and, in March 2019, the Company obtained favorable final decision (note 16.1 (a) (ii)).

15. Other payables

	Company		Consolidated	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Other provisions	15,265	13,643	16,053	14,103
Commissions	5,189	4,843	5,189	4,843
IT support and service	887	831	946	839
Telecommunications	1,045	516	1,075	516
Services	1,570	1,461	2,056	1,742
Lease	-	320	-	358
Travel	171	214	327	305
Indemnifiable claims and charges	5,996	4,616	5,996	4,642
Marketing	335	794	347	794
Insurance	72	48	117	64
INSS refund ¹	19,470	23,032	19,470	22,876
Unidentified credits ²	8,735	9,719	8,736	10,172
Other	302	297	1,344	296
	43,772	46,691	45,603	47,447

¹Refers to amounts to be reimbursed to customers for the success obtained in the law suit related to INSS (note 16.1 (b) (i)).

²Refers to amounts received from customers and not identified, not exceeding a period of 60 days.

16. Non-current

16.1 Provisions for contingent liabilities

	Company		Consolidated	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Tax	28,832	17,555	30,010	24,079
Social security and labor	2,264	1,308	2,652	3,829
INSS	389	389	389	389
Other	1,875	919	2,263	3,440
Civil	4,573	4,478	4,828	4,655
	35,669	23,341	37,490	32,563

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Changes	Company						December 31, 2018
	September 30, 2019						
	Tax		Social security and labor		Civil	Total	
TPS ¹	Other	INSS	Other				
Opening balance	13,837	3,718	389	919	4,478	23,341	10,094
Incorporation of Odonto System ²	-	5,349	-	2,052	165	7,566	-
Provision	6,783	4,510	-	397	3,796	15,486	17,252
Write-offs	-	(6,195)	-	(1,493)	(4,123)	(11,811)	(4,754)
Monetary restatement	774	56	-	-	257	1,087	749
Provision	21,394	7,438	389	1,875	4,573	35,669	23,341
Judicial deposits (note 9.2)	-	(8,782)	(389)	(1,786)	(2,170)	(13,127)	(3,745)
Net provision	21,394	(1,344)	-	89	2,403	1,148	19,596
Number of law suits						271	194

¹Corresponds to the provision for payment of TPS as described in item (a) (i).

²Subsidiary incorporated in January 02, 2019.

Changes	Consolidated						December 31, 2018
	September 30, 2019						
	Tax		Social security and labor		Civil	Total	
TPS ¹	Other	INSS	Other				
Opening balance	13,853	10,226	389	3,440	4,655	32,563	11,860
Consolidation of Odonto System ²	-	-	-	-	-	-	7,177
Provision	6,786	4,510	-	418	4,180	15,894	18,089
Write-offs	-	(6,195)	-	(1,597)	(4,264)	(12,056)	(5,329)
Monetary restatement	774	56	-	2	257	1,089	766
Provision	21,413	8,597	389	2,263	4,828	37,490	32,563
Judicial deposits (note 9.2)	-	(10,672)	(389)	(2,170)	(2,350)	(15,581)	(14,245)
Net provision	21,413	(2,075)	-	93	2,478	21,909	18,318
Number of law suits						300	361

¹Corresponds to the provision for payment of TPS as described in item (a) (i).

²Subsidiary incorporated in January 02, 2019.

The amounts related to possible losses not accrued of the Company and its Subsidiaries refers to 61 labor lawsuits, 16 tax lawsuits and 1,137 civil lawsuits. As of September 30, 2019, these lawsuits amount to R\$78,213 (R\$68,257 at December 31, 2018).

(a) Tax

(i) Regulatory tax per healthcare plan (TPS)

Through a lawsuit distributed on August 16, 2017, the Company and its Subsidiary Rede Dental filed a petition to waive the mandatory requirement of the Regulatory tax per healthcare plan ("TPS"), authorized by article 20, item I of Law 9,961/2000, as well as reimbursement of amounts paid in the last five years. A decision granting urgency protection (injunction) has already been issued, to determine the suspension of the enforceability of the TPS. Also, on May 07, 2018, a decision was issued considering the lawsuit with grounds to declare the tax to be not applicable, thus sentencing ANS to reimburse the amounts paid since August 16, 2012. ANS has filed an appeal, however, until September 30, 2019, this decision was not yet concluded.

(ii) ISS

On September 11, 2018, the Company obtained an injunction in the first instance to collect the ISS on the effective value of the services rendered, that is, on the balance of the invoiced amount less the onlendings made to the providers of dental services. However, despite the preliminary injunction, the Company chose to collect the amount

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due as the judicial decision and continue to provision the difference of the amounts in case the final decision in the lawsuit is unfavorable. In March 2019, a favorable decision was reached by the Company, due to this fact, the Company reverted the amount of R\$7,165, plus the already paid amount of R\$6,635 (note 8), totaling R\$13,800 (notes 4.2 and 18).

In the lawsuit filed by the Subsidiary Rede Dental, on October 9, 2018, a decision was passed granting provisional emergency protection to deduct the value of onlendings paid to providers of dental services in determining the ISS calculation base, that is, to collect it on the effective value of the services provided. Despite the preliminary judicial decision, the Company has collected the full amount up to the present moment, but it is being adjusted to the City Hall for the payment under the terms of the decision. The final decision is still pending.

(iii) COFINS

The Subsidiary Clidec filed a lawsuit requesting to pay COFINS as established by Complementary Law LC7/1970 rather than in accordance with Law 9,718/1998, and to offset the difference in amounts paid at the rate of 3% against social contribution. The Company was partially successful, since the increase in the COFINS calculation basis was determined unconstitutional. Clidec awaits the granting of its claim for offsetting amounts due, as a result of the partially valid decision.

(b) Social security and labor

(i) INSS

During the year ended December 31, 2017 the Company received favorable final court decision for a lawsuit filed against the Federal Government, where the right to not pay social security contribution levied on compensations paid to accredited dentists. The amount of R\$82,519 (R\$84,090 as of December 31, 2018) regarding the payments made in the five years prior to the date of filing the lawsuit, was also recorded as a tax credit, for which the Company was successful (notes 8 and 9.4).

Bradesco Dental also has a lawsuit related to compensation paid to independent brokers, whose court decision has been unfavorable to the company, therefore, the remaining balance of R\$389 has been transferred to the Union and the lawsuit is in closing phase.

The Subsidiary Rede Dental also challenged in court the payment of the social security contribution levied on compensations paid to accredited dentists and the final and unappealable decision awarded on September 12, 2019 was favorable to the company, with the closing of the lawsuit. The company regularly makes monthly payments.

(ii) Other

The Company and its Subsidiaries are parts to several labor lawsuits, most of them relating to: (i) recognition of employment relationship; (ii) equal pay; (iii) overtime; (iv) union classification and (v) indemnity.

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(c) Civil claims

The Company and its Subsidiaries are parts to civil lawsuits, mainly involving requests for indemnification for property damages and pain and suffering.

(d) Tax assessment notice on stock options

On August 31, 2015, tax authorities issued assessment notices summarized below, claiming that the Company compensated Managers and Employees who had joined the stock option programs and had exercised that option in calendar years 2010, 2011 and 2012.

(i) Tax credits consisting of social security contributions for calendar years 2010, 2011 and 2012, plus late payment interest and tax deficiency penalty in the amounts of R\$23,113 (company contribution and GILRAT/SAT) and R\$3,735 (third parties), and as of September 30, 2019, the monetarily restated amounts correspond to R\$32,120 and R\$5,190, respectively. The challenge presented was judged by the 9th Panel of DRJ/Ribeirão Preto, partially accepting the appeal to recognize the compensatory nature. The tax credit recorded was maintained, excluding the portion of the benefit corresponding to the shares subject to calculation basis lock-up (note 17.6). Amount after decision: R\$14,971. On June 07, 2016 the Company filed a spontaneous appeal to the Administrative Board of Tax Appeals (CARF). Relying on the opinion of the Company's legal counsel, Management considers that an unfavorable outcome is possible.

(ii) Isolated fine resulting from alleged non-withholding of Withholding Income Tax (IRRF) related to calendar years 2010, 2011 and 2012, in the total amount of R\$14,425. The challenge presented was judged by the 3rd Panel of DRJ/Ribeirão Preto, partially accepting the appeal to recognize the compensatory nature. The tax credit recorded was maintained, excluding the portion of the benefit corresponding to the shares subject to calculation basis lock-up. Amount after decision: R\$5,843. On December 27, 2016, the Company filed a spontaneous appeal to CARF. Relying on the opinion of the Company's legal counsel, Management considers that an unfavorable outcome is remote.

(e) Stock options court guarantee insurance

The Company, in compliance with decision made at the Board of Directors' Meeting held on March 28, 2017, contracted a court guarantee insurance in order to beneficiaries guarantee and support obligations of lawsuits of the Company and of beneficiaries of the stock option plan approved in a General Meeting of Shareholders (which have or will have seized assets or assets under restriction and/or that are required for court discussion), as a result of legal and administrative procedures started by tax authorities as a result of exercise of options by beneficiaries mentioned above. The amount insured by such policies is R\$5,243.

16.2 Other provisions - Installments of debts from taxes and social contributions

Installments of debts referring from different federal taxes and social security contributions of the Subsidiary Odonto System to be settled until September 2024, being classified on current liabilities R\$1,113 (note 14) and R\$3,194 on non-current liabilities.

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16.3 Other liabilities

	Company		Consolidated	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Prontodente ¹	155	258	155	258
DentalCorp	-	813	-	813
Papaiz Group	-	-	1,323	1,323
Odonto System	14,673	-	14,673	17,500
	14,828	1,071	16,151	19,894

¹Corresponds to installments of tax debts made in 2017.

16.4 Put option in Subsidiary

Company and Consolidated (put option - accounting in accordance with IAS 32.23)						
Shareholders' Agreement				Accounting		
Company (note 1)	Subsidiary (note 1)	Exercise date	Assumptions	Account	Counterpart (note 17.2)	
						September 30, 2019
			(a) base strike price of the option: greater amount of (i) capital contributions made by minority up to option exercise date x 3; (ii) 9 x EBITDA for the 12 months preceding the date of exercise; (b) discount rate: Mexican government bonds remuneration rate used (8.01% p.y.); (c) conversion rate: equivalent to Brazilian Real x Mexican Peso; (d) prospective changes in the present value of strike price are recorded directly in equity.	Put option in Subsidiary (Non-current liabilities)	Other capital reserves (Equity)	
OdontoPrev	Odontored	Since 04/01/2019				28,808
			(a) Price is equivalent to 4 x EBITDA for the last 12 months preceding the exercise notification plus debits and deducted from cash and cash equivalents; (b) discount rate: CDI Fixed Long Term (720 days) - (12.20% p.y.)	Put option in Subsidiary (Non-current liabilities)	Other capital reserves (Equity)	
Clidec	Clidec Participações	During the year 2021				1,120
						29,928
						27,399

16.5 Investment payable

According to Odonto System's purchase agreement, OdontoPrev retained R\$17,500 (R\$17,500 as of December 31, 2018), which was monetarily adjusted on September 30, 2019 to R\$18,136, of which R\$3,576 was classified in current liabilities and R\$14,561 in non-current liabilities (R\$3,500 and R\$14,000 as of December 31, 2018, respectively), to secure the obligation to indemnify the sellers. The amounts will be settled in 5 years corresponding to 20% on each anniversary of the contract.

17. Equity

17.1 Share capital

	Company	
	September 30, 2019	December 31, 2018
Subscribed and paid-up capital (R\$ thousands)	607,869	506,557
Common shares with no par value (number of shares)	531,294,792	531,294,792
Article 8 of Bylaws - authorization to issue shares, with no changes in the Bylaws (number of shares)	80,000,000	80,000,000
Closing price: ODPV3 - B3 S.A. Brasil Bolsa Balcão (R\$/share)	16.16	13.75
Book value (R\$/share)	2.02	1.93

17.2 Capital reserves

	Company and Consolidated	
	September 30, 2019	December 31, 2018
Goodwill on the issue of shares	48,392	48,392
Stock option plan	(14,830)	(11,787)
Options granted	10,331	16,313
Deferral of granted stock options	(261)	(3,019)
Additional paid-up capital	(24,900)	(25,081)
Other capital reserves	(29,928)	(27,399)
	3,634	9,206

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Options granted: amounts from 9th and 10th as well the amount estimated from 12th grants of options, using the Black & Scholes methodology (note 17.6).

Deferral of granted stock options: amount estimated from 12th grants of options to be appropriated to the remaining vesting period (note 17.6).

Additional paid-up capital: amount of the difference between the constitution estimated by the Black & Scholes methodology and the amount of the exercise from 1st to 11th grants of options.

Other capital reserves: counter entry of the put option recorded in non-current liabilities (note 16.4).

17.3 Retained earnings

	Company and Consolidated	
	September 30, 2019	December 31, 2018
Legal reserve	-	101,312
Statutory reserve of regulatory capital	202,623	202,623
Reserve for investments and expansion	202,623	202,623
Tax incentive reserve	129	129
	<u>405,375</u>	<u>506,687</u>

Legal reserve: this reserve must be recorded by the Company through the allocation of 5% of the income for the year, up to 20% of the share capital.

The General Meeting in April 01, 2019 approved the capitalization of the legal reserve in the amount of R\$101,312 due to the fact that the Company reached the legal limits to measure and record reserves without new stock emissions (article 169, 1^o paragraph of the Law 6,404/1976 and amendments). This procedure will assure the capital's integrity as well the Company will have new possibilities to distribute its financial resources to the legal reserve.

Statutory reserve of regulatory capital: Constituted by the Company, with the allocation of up to 50% of the net income of the year, limited to 40% of the share capital, whose purpose and objective is to meet the capital requirement regulation related to the solvency margin required by ANS.

Reserve for investment and expansion: Constituted by the Company, with the allocation of up to 50% of the net income of the year, limited to 40% of the share capital, whose purpose and objective is to finance the development, growth and expansion of the Company's business, allowing the realization of new investments, including acquisitions of software and hardware, investments in facilities and equipment, acquisition of equity interests, business units and commercial establishments.

17.4 Treasury shares

On May 29, 2019, the Board of Directors authorized the acquisition of 2,716,074 shares issued by the Company, using funds recorded in an income retention reserve for the purpose of backing 100% of the stock options granted in 2016 (11th and 12th). Until September 30, 2019, 1,849,300 shares had been acquired, amounting to R\$30,368, for an average purchase price of R\$16.42, and 146,774 shares were cancelled due to terminations of employment relationships. The remaining balance of 720,000 shares will be available for repurchase until October 15, 2019.

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The balance of treasury shares at September 30, 2019 is R\$29,541, which is equivalent to 1,830,181 shares (R\$17,012 equivalent to 1,153,040 shares at December 31, 2018).

17.5 Deliberations

Approval	Type	Ex-Date	Deliberation		Company	
			Earnings per share (R\$)	Payment date	2019	2018
BDM	Interest on capital	03/12/2018	0.02847	04/04/2018	-	15,096
BDM	Interest on capital	06/13/2018	0.02712	07/04/2018	-	14,332
BDM	Interest on capital	09/21/2018	0.02737	10/05/2018	-	14,464
BDM	Interest on capital	12/18/2018	0.02522	01/09/2019	-	15,735
BDM	Interest on capital	03/18/2019	0.03323	05/03/2019	17,636	-
BDM	Interest on capital	06/17/2019	0.02989	07/03/2019	15,831	-
BDM	Interest on capital	09/24/2019	0.02812	10/09/2019	14,893	-
			Interest on capital		48,360	59,627
BDM	Dividends	07/25/2018	0.05281	09/05/2018	-	27,909
BDM	Dividends	12/18/2018	0.10952	01/09/2019	-	58,064
BDM	Dividends	05/02/2019	0.09529	05/16/2019	50,565	-
BDM	Dividends	08/01/2019	0.05243	09/04/2019	27,761	-
BDM	Dividends	10/29/2019	0.04244	12/06/2019	22,470	-
			Interim dividends		100,796	85,973
AGOM	Additional dividend to the compulsory minimum	04/01/2019	0.01081	05/03/2019	-	5,741
			Additional dividend to the compulsory minimum		-	5,741
AGOM	Additional dividend proposed	04/01/2019	0.04149	05/03/2019	-	22,018
			Additional dividend proposed		-	22,018
			Total deliberated		149,156	173,359

¹In the AGOM occurred in April 01, 2019, the additional dividend complementary was approved, the amount is composed by R\$11,417 from income of the year ended December 31, 2018 and R\$10,601 from earnings reserve totaling R\$22,018.

BDM = Board of Directors Meeting.

AGOM = Annual General and Ordinary Meeting.

17.6 Stock option plan

At the Extraordinary General Meeting held on April 19, 2007, stockholders approved the creation of the stock option plan (the Plan) pursuant to article 19 - XVIII of the Company's Bylaws, designated for the employees and officers of the Company and its Subsidiaries, which was amended by Extraordinary General Meeting (EGM) held on May 20, 2015. The Plan is managed by the Board of Directors, with powers to take the required actions for its maintenance, according to the approved guidelines. Options granted under the Plan are limited to 5% of capital.

Stock option plan definitions	Grants awarded	
	1st to 8th (2007 to 2014)	9th a 12th (2015 onwards)
Strike price	Monetarily restated by IGP-M of Fundação Getúlio Vargas, after deduction of remuneration paid to shareholders Its settlement will be made with the beneficiary's own resources	Monetary restatement and deductions no longer apply Its settlement will be made with the beneficiary's own resources
Vesting period (permanence of the beneficiary in the Company)	3 years from the date of granting of the options	3 years from the date of granting of the options
Deadline for exercising	6 years, with full or partial exercise with written communication 1 month in advance of each BDM or term communicated	5 years, with full or partial exercise with written communication 1 month in advance of each BDM or term communicated
Lock-up (blocking period)	3 years from the exercise date of the option	2 years from the exercise date of the option

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The table below presents twelve plan grants from 2007 to 2016, as well as the fair value of established benefit, estimated based on Black & Scholes option pricing model (methodology that considers volatility, share strike prices and share market price, grace period, risk-free discount rate among others):

Nº	Year	Date of approval	Recommendation ¹	Approval	Original		Grants After split ²		Risk-free rate (%)	Expected annualized volatility (%)	Fair value per unit of benefit (R\$)			
					Quantity	Strike price	Quantity	Strike price			Original	After split ¹		
1st	2007	08/02/2007	P	BD	221,859	44.85	2,662,308	3.74	4.48	11.3	33.9	20.18	1.68	
2nd	2008	02/28/2008	P	BD	353,494	32.42	45.85	4,241,928	2.70	3.82	11.4	24.3	19.72	1.64
3rd	2009	03/25/2009	P	BD	255,002	17.60	24.30	3,060,024	1.47	2.03	9.3	40.6	14.17	1.18
4th	2010	08/11/2010	HRC	BD	698,707	12.93	16.88	2,096,121	4.31	5.63	4.0	26.6	7.00	2.33
5th	2011	09/20/2011	HRC	BD	583,815	20.87	28.20	1,751,445	6.96	9.40	5.3	30.1	13.23	4.41
6th	2012	09/20/2012	HRC	BD	1,609,097	8.22	11.60	1,609,097	8.22	11.60	0.4	36.1	5.01	5.01
7th	2013	08/20/2013	HRC	BD	3,000,000	7.44	9.25	3,000,000	7.44	9.25	5.1	36.2	3.66	3.66
8th	2014	02/25/2014	P	BD	228,497	7.30	8.70	228,497	7.30	8.70	5.7	33.4	3.25	3.25
9th	2015	05/26/2015	HRC	BD	2,679,397	10.79	11.31	2,679,397	10.79	11.31	12.9	28.2	4.43	4.43
10th	2015	11/19/2015	HRC	BD	2,572,186	9.81	10.18	2,572,186	9.81	10.18	15.4	27.3	4.29	4.29
11th	2016	07/01/2016	HRC	BD	392,680	11.41	13.55	392,680	11.41	13.55	12.2	29.5	6.03	6.03
12th	2016	10/26/2016	P/HRC	BD	2,889,498	13.03	12.35	2,889,498	13.03	12.35	11.4	29.2	4.04	4.04
							<u>27,183,181</u>							

P= President / BD= Board of Directors / HRC= Human Resources Committee.

¹In the first seven grants Randal Luiz Zanetti (former President since April 01, 2014 and President of the Board of Directors until April 02, 2019) was voluntarily a non-beneficiary.

²Splitting of shares of July 01, 2010 and April 02, 2012.

An expense was recognized on stock option plans due to the end of the vesting period, with the corresponding entry made to equity in a specific capital reserve account, for the amount of R\$2,484 as of September 30, 2019 (R\$6,883 as of September 30, 2018).

Year	Beginning of the period		Options exercised		End of period					
	Eligible	Options	Options fair value	Maximum cost (R\$ mil)	Eligible terminated	Canceled Options ¹	Eligible	Options ²	Eligible	Existing Options
2007	31	2,662,308	1.68	4,477	10	989,304	21	1,673,004	-	-
2008	46	4,241,928	1.64	6,970	9	977,544	37	3,264,384	-	-
2009	51	3,060,024	1.18	3,614	10	839,916	41	2,220,108	-	-
2010	47	2,096,121	2.33	4,894	8	199,803	39	1,896,318	-	-
2011	45	1,751,445	4.41	7,726	7	221,174	38	1,530,271	-	-
2012	51	1,609,097	5.01	8,055	12	358,112	39	1,250,985	-	-
2013	52	3,000,000	3.66	10,994	12	672,650	40	2,327,350	-	-
2014	1	228,497	3.25	742	-	-	1	228,497	-	-
2015	47	2,679,397	4.43	11,858	7	395,749	36	2,149,384	4	134,264
2015	57	2,572,186	4.29	11,030	10	404,111	45	2,100,539	2	67,536
2016	1	392,680	6.03	2,367	-	-	1	392,680	-	-
2016	59	2,889,498	4.04	11,674	12	549,693	-	-	47	2,339,805
		<u>27,183,181</u>		<u>84,401</u>		<u>5,608,056</u>		<u>19,033,520</u>		<u>2,541,605</u>

¹The total amount of grants deducted from cancellations is 21,575,125 shares representing 4.1% of the total capital of 531,294,792 shares.

²Disposal approved by BD.

18. Operating segments

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

(a) **Corporate:** include customers over 200 beneficiaries;

(b) **Small and Medium Sizes (SMS):** customers sized between 3 and 199 beneficiaries;

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(c) **Individual:** monthly and annual plans sold to individuals;

(d) **Others:** several less significant segments to the Company's total revenue: (i) dental care service in the Company's dental clinics (Clidec); (ii) management and advisory services provided (Odontoprev Serviços); (iii) acquisition and distribution of dental care materials for the accredited network (Dental Partner); (iv) software development (Easy); and (v) dental insurance (Odontored).

	CORPORATE		SMS		INDIVIDUAL		OTHERS		TOTAL	
	Period ended September 30,		Period ended September 30,		Period ended September 30,		Period ended September 30,		Period ended September 30,	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Net premiums with dental care plan	795,153	753,441	230,680	195,784	356,913	259,959	-	-	1,382,746	1,209,184
Taxes on dental care plan operations ²	(30,105)	(34,546)	(11,080)	(10,676)	(18,445)	(16,933)	-	-	(59,630)	(62,155)
Revenue from sales and services	-	-	-	-	-	-	12,423	9,929	12,423	9,929
Taxes on sales of good and services	-	-	-	-	-	-	(10,156)	(7,350)	(10,156)	(7,350)
Insurance	-	-	-	-	-	-	14,546	8,960	14,546	8,960
SALES REVENUE	765,048	718,895	219,600	185,108	338,468	243,026	16,813	11,539	1,339,929	1,158,568
Cost of services ¹	(387,558)	(366,474)	(84,066)	(75,000)	(121,626)	(71,927)	(1,912)	(1,358)	(595,162)	(514,759)
OPERATING RESULT	377,490	352,421	135,534	110,108	216,842	171,099	14,901	10,181	744,767	643,809
Selling expenses	(49,733)	(43,168)	(29,727)	(22,849)	(74,617)	(58,423)	(371)	(280)	(154,448)	(124,720)
CONTRIBUTION MARGIN	327,757	309,253	105,807	87,259	142,225	112,676	14,530	9,901	590,319	519,089
Sales revenue (%)	57.1	62.1	16.4	16.0	25.3	21.0	1.3	1.0	100.0	100.0
Margin x sales revenue (%)	42.8	43.0	48.2	47.1	42.0	46.4	86.4	85.8	44.1	44.8
Margin x total (%)	55.5	59.6	17.9	16.8	24.1	21.7	2.5	1.9	100.0	100.0

¹Do not include incurred but not reported events (IBNR) and claims reserves (note 18).

²Do not include R\$13,800 related to reversion of provision for ISS calculated over the amounts of events through favorable decision received by the Company in March, 2019.

19. Sales revenue

	Company		Consolidated	
	Period ended September 30,		Period ended September 30,	
	2019	2018	2019	2018
Net premiums with dental care plan	1,373,759	1,181,716	1,382,746	1,209,184
Taxes on dental care plan operations ¹	(45,300)	(60,378)	(45,830)	(62,155)
Net premiums with dental care plan	1,328,459	1,121,338	1,336,916	1,147,029
Sales of goods and services	-	-	12,423	9,929
Taxes on sales of good and services	-	-	14,546	8,960
Insurance	-	-	(10,156)	(7,350)
	1,328,459	1,121,338	1,353,729	1,158,568

In March, 2019 the Company reverted R\$13,800 related to provision for ISS calculated over the amounts of events through favorable decision received.

20. Cost of services

	Company		Consolidated	
	Period ended September 30,		Period ended September 30,	
	2019	2018	2019	2018
Indemnifiable claims, net	(578,820)	(493,841)	(575,736)	(494,286)
Social charges on services	40	-	31	(10)
Dental care materials	(12,894)	(10,193)	(6,246)	(5,473)
Other operating costs	(3,801)	(5,875)	(11,301)	(13,632)
Operating materials	(3,094)	(4,358)	(3,106)	(4,399)
Own units	-	-	(7,514)	(7,498)
(Provisions)/reversals	(707)	(1,517)	(681)	(1,735)
Variation in IBNR	(10,377)	(3,519)	(10,362)	(3,443)
Claims and technical reserve	-	-	(1,929)	(1,553)
	(605,852)	(513,428)	(605,543)	(518,397)

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21. Selling expenses

Refer to commissions paid to independent brokers and other distribution channels. As of September 30, 2019, these expenses totaled R\$152,964 and R\$154,448 (R\$123,021 and R\$124,720 as of September 30, 2018) in the Company and Consolidated.

22. Administrative expenses (AE)

	Company		Consolidated	
	Period ended September 30,		Period ended September 30,	
	2019	2018	2019	2018
Personnel and third-part services	(140,002)	(113,081)	(142,294)	(123,831)
Rentals and occupancy	(25,315)	(22,367)	(30,581)	(28,022)
Publicity and advertising	(10,743)	(10,240)	(11,410)	(10,768)
Taxes	(9,083)	(8,140)	(9,420)	(8,558)
Depreciation and amortization	(14,158)	(6,748)	(15,423)	(8,327)
Amortization of right of use - IFRS 16	(2,303)	-	(3,888)	-
Other	(4,520)	(4,359)	(5,450)	(5,331)
	(206,124)	(164,935)	(218,466)	(184,837)

23. Financial results, net

	Company		Consolidated	
	Period ended September 30,		Period ended September 30,	
	2019	2018	2019	2018
Income from financial investments	20,912	21,916	21,636	22,617
Monetary restatement of INSS 5 previous years	1,862	2,020	1,862	2,020
Monetary restatement of judicial deposits	67	8	82	48
Other	1,805	1,029	2,087	1,171
Financial income	24,646	24,973	25,667	25,856
Bank fees	(3,517)	(2,793)	(3,536)	(2,809)
Present value adjustments (PVA) of IFRS 16	(2,152)	-	(3,210)	-
Monetary restatement of provision of contingent liabilities	(1,087)	(533)	(1,089)	(550)
Monetary restatement over INSS refund	(475)	(780)	(475)	(780)
Monetary restatement - investment payable ¹	(1,109)	-	(1,109)	-
Other	(1,506)	(1,185)	(1,612)	(1,699)
Financial expenses	(9,846)	(5,291)	(11,031)	(5,838)
	14,800	19,682	14,636	20,018

¹This refers to the adjustment of part of the price retained to ensure the obligation to pay the former partners of Odonto System.

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24. Income tax and social contribution calculation

	Company		Consolidated	
	Period ended September 30,		Period ended September 30,	
	2019	2018	2019	2018
IRPJ and CSLL calculation basis	302,945	293,642	306,272	297,131
(x) Current rate (%)	34	34	34	34
Expected income tax and social contribution expenses at the effective rate	(103,001)	(99,838)	(104,132)	(101,025)
Effect of income tax and social contribution on permanent/temporary differences:				
Earnings of equity method	2,534	3,163	1,230	1,208
Contingent liabilities (tax, social security, labor and civil) (note 9)	(4,191)	(3,178)	(1,748)	(3,077)
Allowance for doubtful accounts (note 9)	(238)	(36)	389	900
Other provisions (note 9)	(551)	670	(663)	678
Amortization of Goodwill (note 9)	7,455	-	7,455	-
Interest on capital	16,442	14,923	16,442	14,923
Stock option plan	(845)	(2,340)	(845)	(2,340)
Others	(4,133)	(1,854)	(7,245)	(2,574)
Current IRPJ and CSLL	(86,528)	(88,490)	(89,117)	(91,307)
Deferred IRPJ and CSLL	(3,337)	2,195	(2,966)	1,710
IRPJ and CSLL total expenses	(89,865)	(86,295)	(92,083)	(89,597)
Effective rate	-29.7%	-29.4%	-30.1%	-30.2%

25. Earnings per share

(a) Basic

	Period ended at			
	July to September		January to September	
	2019	2018	2019	2018
Profit assigned to the Company's shareholders (R\$ thousand)	53,376	65,037	213,080	207,347
Weighted average number of common shares outstanding (thousands)	529,458	528,456	530,278	528,438
Basic earnings per share (R\$)	0.10081	0.12307	0.40183	0.39238

(b) Diluted

	Period ended at			
	July to September		January to September	
	2019	2018	2019	2018
Profit assigned to the Company's shareholders (R\$ thousands)	53,376	65,037	213,080	207,347
Common shares (thousands)				
Weighted average number of outstanding shares	529,458	528,456	530,278	528,438
Adjustment of stock option plan	2,542	5,828	2,542	5,828
Weighted average number of shares for the diluted earnings per share	532,000	534,284	532,820	534,266
Diluted earnings per share (R\$)	0.10033	0.12173	0.39991	0.38810

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26. Right of use and lease liability – adoption of IFRS16

The Company and its Subsidiaries adopted the IFRS 16 – Leases and recorded its effects since January 01, 2019, however, the comparative position was not presented for the year 2018 as allowed by the IFRS transition rules.

The Company and its Subsidiaries recorded lease liabilities related to the property rentals formerly classified as operational leases according to assumptions of IAS 17 – Leases. These liabilities were measured considering the present value of future leases payments, discounted used the average rate of 9.4%, which refers to the rate used by the Company in its projections, and the counterpart was recorded as right of use in asset. The measured impacts of the adoption are presented below:

	Classification	Company	Consolidated
		September 30, 2019	September 30, 2019
Right of use	Non current asset	28,251	46,143
Accumulated amortization	Non current asset	(2,303)	(3,888)
		25,948	42,255
Lease liability	Current liability	3,556	6,703
Present value adjustments (PVA)	Current liability	(2,851)	(4,617)
		705	2,086
Lease liability	Non current liability	35,780	57,698
Present value adjustments (PVA)	Non current liability	(9,583)	(15,548)
		26,197	42,150

27. Related parties

Assets/(Liabilities)	Nature	Transactions with Subsidiaries and Associates (note 1)						
		OdontoPrev	Clidec	OdontoPrev Serviços	Easy	Dental Partner	Rede Dental	Brasidental
Other receivables	Administrative services	5,318	-	826	-	2,254	-	-
Suppliers of goods and services	Administrative services	(2,254)	-	-	-	-	(320)	(5,824)
Revenue/(Expenses)								
Net premiums w ith dental care plan	Dental care plans	91	-	-	-	-	-	-
Net premiums w ith dental care plan	Assumed/transferred co-responsibility	44,839	-	-	-	-	-	(42,032)
Cost of services	Dental care services and materials	-	(22)	-	-	-	-	-
Revenue from sales and services	Administrative services	-	11,060	38,667	-	13,758	-	-
Indemnifiable claims, net	Dental care services	(6,656)	-	-	-	-	(2,807)	-
Dental care materials	Dental care materials	(13,428)	(329)	-	-	-	-	-
Administrative expenses	Administrative services	(43,034)	-	(67)	(40)	-	-	-
September 30, 2019		(18,188)	10,709	38,600	(40)	13,758	(2,807)	(42,032)
September 30, 2018		(1,707)	11,712	23,878	(49)	10,883	(1,011)	(43,706)

The Company and its Subsidiaries conduct transactions with companies of the Bradesco Group, of which Bradesco Saúde, shareholder of OdontoPrev, is part.

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Transaction	Companies related with the Bradesco Group	Nature	Consolidated	
			September 30, 2019	September 30, 2018
Assets/(Liabilities)				
Cash and cash equivalents	Banco Bradesco S.A.	Cash account	5,394	4,318
Financial investments	Banco Bradesco S.A.	Financial investments	470,432	389,025
Considerations receivable	Banco Bradesco S.A.	Considerations receivable	4,841	5,178
Trade receivables	Bradesco Capitalização S.A.	Capitalization certificates	441	196
Suppliers of goods and services	Bradesco Vida e Previdência S.A.	Life insurance for employees	(117)	(51)
Suppliers of goods and services	Bradesco Cartões S.A.	Travel expenses	(408)	(469)
Suppliers of goods and services	Bradesco Saúde S.A.	Medical care - employees	(1,075)	-
Revenue/(Expenses)				
Net premiums with dental care plan	Banco Bradesco S.A.	Revenue from sales	44,175	47,067
Other operating revenue	Mediservice	Administration fees	405	524
Selling expenses	Bradseg Promotora de Vendas S.A.	Commissions	(13,350)	(11,930)
AE - Personnel and third-part services	Banco Bradesco S.A.	Bookkeeping expenses	(73)	(58)
AE - Personnel and third-part services	Bradesco Saúde S.A.	Medical assistance for employees	(8,046)	(7,225)
AE - Personnel and third-part services	Bradesco Vida e Previdência S.A.	Life insurance for employees	(302)	(252)
AE - Rentals and occupancy	Banco Bradesco S.A.	Rental expenses	(65)	(473)
AE - Other	Banco Bradesco Cartões S.A.	Travel expenses	(2,572)	(2,629)
AE - Other	Bradesco Auto Re Cia de Seguros	Insurance expenses	(161)	(112)
Financial expenses	Banco Bradesco S.A.	Financial investments management	(163)	(129)
Financial expenses	Banco Bradesco S.A.	Banking expenses	(1,824)	(1,765)
Financial income	Banco Bradesco S.A.	Financial investments income	20,660	20,539
Financial income	Banco Bradesco S.A.	Capitalization titles	10	-
Donation	Fundação Bradesco	Donation	(487)	(266)
			38,207	43,291

As mentioned in note 16.1 (e), the Company contracted a court guarantee insurance related to the tax assessment notices on the stock options whose policies were contracted together with Swiss Re Corporate Solutions Brasil Seguros S/A ("Swiss Re Brasil"), which has a joint venture with Bradesco Seguros S.A. ("Bradesco Seguros").

The Company and its Subsidiaries pay profit sharing to their employees and officers, subject to the achievement of operational goals and specific objectives established and approved at the beginning of each year. As of September 30, 2019, the profit sharing was recognized in the amounts of R\$11,067 (R\$91,186 on September 30, 2018) and R\$14,649 (R\$10,829 on September 30, 2018) for the Company and Consolidated.

In 2019, the Company implemented a long-term incitement program (ILP Program), which establishes the criteria for the payment of cash bonuses, corresponding to salary multiples, to be made by the Company and its Subsidiaries to the eligible beneficiaries after the measurement period, provided that the goals and conditions established in the terms are met. The stock options program remains in effect, as approved by the Shareholders' Meeting with the last granting being made in 2016.

The measurement period corresponds to 3 years and the payment is conditioned upon the achievement of the corporate performance goals established by the Board of Directors and the service condition.

On an exceptional basis, for the first and second concessions of the ILP Program, the year 2019 will be considered for the payment in 2020, and the years 2019 and 2020 together will be considered for the payment in 2021, and so on, and the other conditions established will be maintained.

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As of September 30, 2019, the long-term incitement program was recognized in the amounts of R\$11,035 and R\$12,216 for the Company and the Consolidated.

The annual fixed compensation attributed to the Board of Directors and the Fiscal Council and the fixed/variable compensation attributed to the Supervisory Board were as follows:

	<u>Period ended September 30,</u>	
	<u>2019</u>	<u>2018</u>
Statutory Board	6,947	6,888
Pro-labore	3,615	3,784
Benefits	350	365
Bonuses	2,982	2,739
Board of Directors	1,067	1,196
Pro-labore	1,067	1,196
Supervisory Board	249	249
Pro-labore	249	249
	8,263	8,333

The members of the Statutory Board hold stock options in accordance with the stock option plan (note 17.6):

Year	<u>Beginning of the period</u>		<u>Cancellations</u>		<u>Options exercised</u>		<u>End of the period</u>	
	Eligible	Options	Eligible terminated	Canceled Options	Eligible	Exercised Options	Eligible	Existing Options
2007	6	1,285,488	3	584,424	3	701,064	-	-
2008	5	1,397,592	2	488,916	3	908,676	-	-
2009	7	1,378,356	3	678,084	4	700,272	-	-
2010	5	787,521	-	-	5	787,521	-	-
2011	5	533,829	1	126,934	4	406,895	-	-
2012	7	617,288	1	100,000	6	517,288	-	-
2013	7	1,202,331	1	212,264	6	990,067	-	-
2014	1	228,497	-	-	1	228,497	-	-
2015	7	1,160,215	1	94,057	6	1,066,158	-	-
2015	8	1,128,360	1	89,658	7	1,038,702	-	-
2016	1	392,680	-	-	1	392,680	-	-
2016	7	1,029,342	1	130,677	-	-	6	898,665
		11,141,499		2,505,014		7,737,820		898,665

The Board of Directors and Fiscal Council, as well the Audit Committee and the Human Management Committee include members of the Board of Directors of Bradesco Seguros.

The Company does not sponsor a supplementary pension plan or any other post-employment benefit or termination of employment contract.

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28. Insurance

The policy of the Company and of its Subsidiaries is to maintain enough insurance coverage to cover the risks involved, as follows:

	Consolidated	
	Period ended September 30,	
	2019	2018
Building	52,398	50,956
Machinery, furniture and fixtures	-	29,255
Property damages	52,398	80,211
Loss of profits	20,000	137,504
Directors & Management liability insurance	85,542	60,000
	157,940	277,715

29. Subsequent events

The Board of Directors' Meeting held at October 30, 2019 has approved the distribution of R\$22,470 as interim dividends of the year 2019 to be paid at December 06, 2019.

The Company terminated the stock repurchase program on October 9, 2019 and 2,569,300 shares were repurchased at the average cost of R\$16.26 per share. The program backed the totality of the balance of options granted.

Comments on the Behavior of Business Projections

The Company has no practice to disclose financial projections.

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Other relevant information

Shareholders with more than 5%

SHAREHOLDERS HOLDING MORE THAN 5% OF THE COMPANY'S SHARES						
Shareholder	Position at 09/30/2019					
	Common shares		Preferred shares		Total	
	Number	%	Number	%	Number	%
Bradesco Saúde S.A.	265,648,397	50.01	-	-	265,648,397	50.01
Treasury shares	1,830,181	0.34	-	-	1,830,181	0.34
Outstanding shares	263,816,214	49.65	-	-	263,816,214	49.65
Total	531,294,792	100.00	-	-	531,294,792	100.00

DISTRIBUTION OF THE COMPANY'S CAPITAL (COMPANY SHAREHOLDERS) DOWN TO THE INDIVIDUAL HOLDINGS						
Name: Bradesco Saúde S.A.						
Shareholder	Position at 09/30/2019					
	Common shares		Preferred shares		Total	
	Number	%	Number	%	Number	%
Bradesco Seguros S.A.	20,870,945	100.00	-	-	20,870,945	100.00

DISTRIBUTION OF THE COMPANY'S CAPITAL (COMPANY SHAREHOLDERS) DOWN TO THE INDIVIDUAL HOLDINGS						
Name: Bradesco Seguros S.A.						
Shareholder	Position at 09/30/2019					
	Common shares		Preferred shares		Total	
	Number	%	Number	%	Number	%
Bradseg Participações S.A.	724,802	93.59	-	-	724,802	93.59
Others	49,612	6.41	-	-	49,612	6.41
Total	774,414	100.00	-	-	774,414	100.00

DISTRIBUTION OF THE COMPANY'S CAPITAL (COMPANY SHAREHOLDERS) DOWN TO THE INDIVIDUAL HOLDINGS						
Name: Bradseg Participações S.A.						
Shareholder	Position at 09/30/2019					
	Common shares		Preferred shares		Total	
	Number	%	Number	%	Number	%
Banco Bradesco S.A.	7,812	97.21	-	-	7,812	97.21
Tapajós Holding Ltda	224	2.79	-	-	224	2.79
Total	8,036	100.00	-	-	8,036	100.00

*According to the Reference Form of September, 2019 available in Bradesco's Bank Investors Relationship website.

DISTRIBUTION OF THE COMPANY'S CAPITAL (COMPANY SHAREHOLDERS) DOWN TO THE INDIVIDUAL HOLDINGS						
Name: Banco Bradesco S.A.						
Shareholder	Position at 09/30/2019					
	Common shares		Preferred shares		Total	
	Number	%	Number	%	Number	%
Cidade de Deus Cia Cial Participações	1,837,129,968	45.56	970,801	0.02	1,838,100,769	22.79
Fundação Bradesco	687,056,074	17.04	-	-	687,056,074	8.52
NCF participações S.A.	339,512,264	8.42	89,988,708	2.23	429,500,972	5.33
Others	1,161,573,799	28.81	3,916,065,553	97.13	5,077,639,352	62.97
Treasury shares	6,642,963	0.16	24,889,584.00	0.62	31,532,547	0.39
Total	4,031,915,068	100.00	4,031,914,646	100.00	8,063,829,714	100.00

DISTRIBUTION OF THE COMPANY'S CAPITAL (COMPANY SHAREHOLDERS) DOWN TO THE INDIVIDUAL HOLDINGS						
Name: Cidade de Deus Cia Cial Participações						
Shareholder	Position at 09/30/2019					
	Common shares		Preferred shares		Total	
	Number	%	Number	%	Number	%
Fundação Bradesco	2,776,765,252	35.41	-	-	2,776,765,252	35.41
Nova Cidade de Deus Participações S.A.	3,755,570,498	47.89	-	-	3,755,570,498	47.89
Others	1,309,623,774	16.70	-	-	1,309,623,774	16.70
Total	7,841,959,524	100.00	-	-	7,841,959,524	100.00

DISTRIBUTION OF THE COMPANY'S CAPITAL (COMPANY SHAREHOLDERS) DOWN TO THE INDIVIDUAL HOLDINGS						
Name: NCF participações S.A.						
Shareholder	Position at 09/30/2019					
	Common shares		Preferred shares		Total	
	Number	%	Number	%	Number	%
Cidade de Deus Cia Cial Participações	893,190,142	74.72	-	-	893,190,142	39.51
Fundação Bradesco	300,379,172	25.13	1,065,350,875	100.00	1,365,730,047	60.41
Nova Cidade de Deus Participações S.A.	1,788,311	0.15	-	-	1,788,311	0.08
Total	1,195,357,625	100.00	1,065,350,875	100.00	2,260,708,500	100.00

DISTRIBUTION OF THE COMPANY'S CAPITAL (COMPANY SHAREHOLDERS) DOWN TO THE INDIVIDUAL HOLDINGS						
Name: Nova Cidade de Deus Participações S.A.						
Shareholder	Position at 09/30/2019					
	Common shares		Preferred shares		Total	
	Number	%	Number	%	Number	%
BBD Participações S.A	182,904,922	53.70	-	-	182,904,922	26.07
Fundação Bradesco	157,710,559	46.30	360,928,543	100.00	518,639,102	73.93
Total	340,615,481	100.00	360,928,543	100.00	701,544,024	100.00

DISTRIBUTION OF THE COMPANY'S CAPITAL (COMPANY SHAREHOLDERS) DOWN TO THE INDIVIDUAL HOLDINGS						
Name: BBD Participações S.A						
Shareholder	Position at 09/30/2019					
	Common shares		Preferred shares		Total	
	Number	%	Number	%	Number	%
Treasury Shares	57,870,816	36.71	21,580,974	14.25	79,451,790	25.71
NCD Participação Ltda	-	-	74,784,306	49.38	74,784,306	24.20
Others	99,759,961	63.29	55,080,853	36.37	154,840,814	50.10
Total	157,630,777	100.00	151,446,133	100.00	309,076,910	100.00

DISTRIBUTION OF THE COMPANY'S CAPITAL (COMPANY SHAREHOLDERS) DOWN TO THE INDIVIDUAL HOLDINGS						
Name: NCD Participação Ltda						
Shareholder	Position at 09/30/2019					
	Common shares		Preferred shares		Total	
	Number	%	Number	%	Number	%
Fundação Bradesco	773,303,109	-	-	-	773,303,109	100.00
Others	-	-	1	0.00	1	0.00
Total	773,303,109	-	1	0.00	773,303,110	100.00

(A free translation of the original in Portuguese)

Interim Financial Statements - 09/30/2019 - ODONTOPREV S.A.

Other relevant information

Shareholders' positions

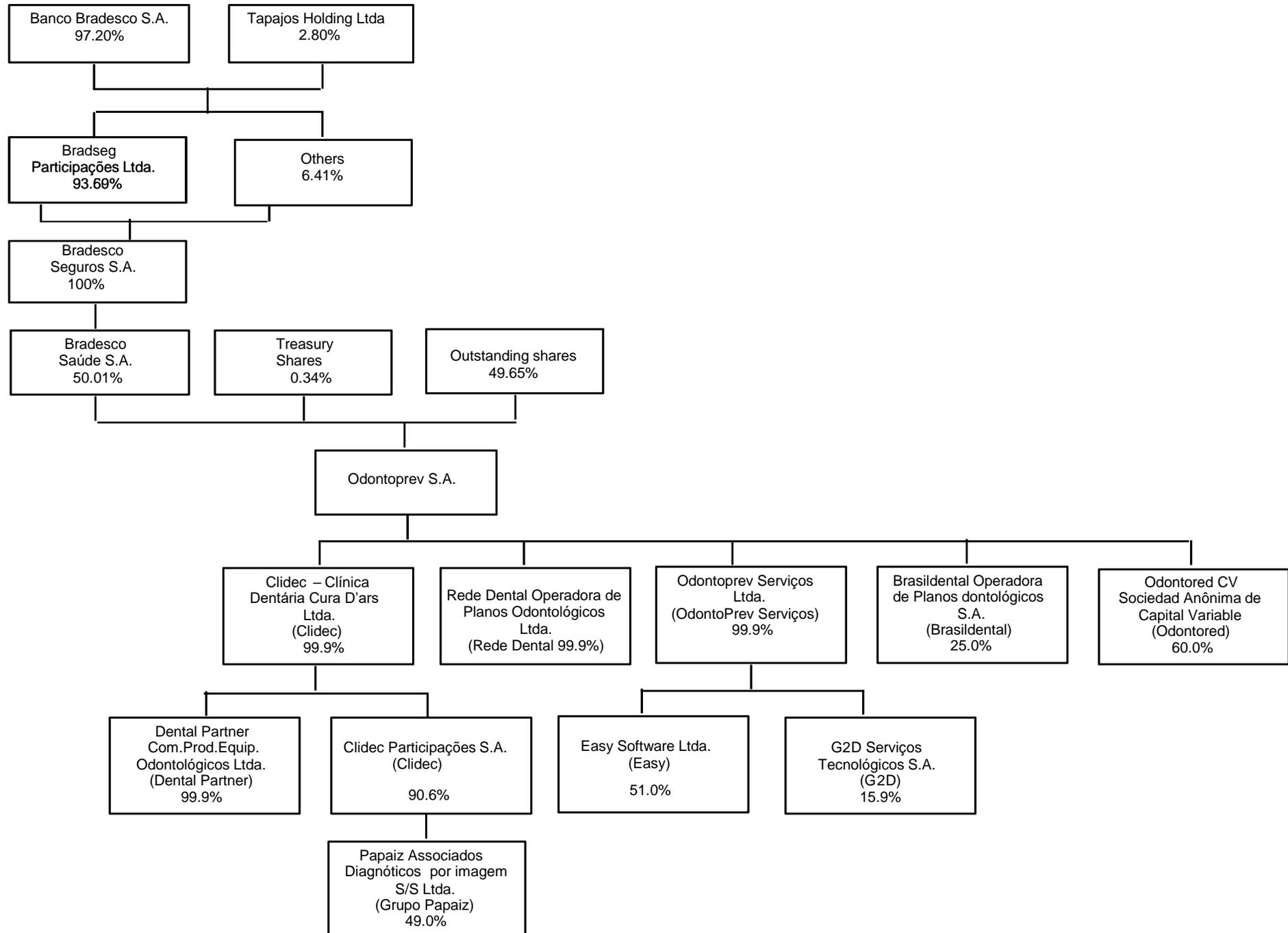
CONSOLIDATED SHAREHOLDING POSITION OF CONTROLLING SHAREHOLDERS AND MANAGEMENT AND OUTSTANDING SHARES						
Position at 09/30/19						
Shareholder	Amount of common shares (in units)	%	Amount of preferred shares (in units)	%	Total amount of shares (in units)	%
Controlling Shareholders	265,648,397	50.01	-	-	265,648,397	50.01
Management	1,144,800	0.22	-	-	1,144,800	0.22
Treasury Shares	1,830,181	0.34	-	-	1,830,181	0.34
Others	262,671,414	49.43	-	-	262,671,414	49.43
Total	531,294,792	100.00	-	-	531,294,792	100.00
Outstanding Shares	262,671,414	49.43	-	-	262,671,414	49.43

CONSOLIDATED SHAREHOLDING POSITION OF CONTROLLING SHAREHOLDERS AND MANAGEMENT AND OUTSTANDING SHARES						
Position at 09/30/18						
Shareholder	Amount of common shares (in units)	%	Amount of preferred shares	%	Total amount of shares (in units)	%
Controlling Shareholders	265,648,397	50.01	-	-	265,648,397	50.01
Management	3,544,900	0.67	-	-	3,544,900	0.67
Treasury shares	2,868,345	0.54	-	-	2,868,345	0.54
Others	259,233,150	48.78	-	-	259,233,150	48.78
Total	531,294,792	100.00	-	-	531,294,792	100.00
Outstanding Shares	259,233,150	48.78	-	-	259,233,150	48.78

(A free translation of the original in Portuguese)

Interim Financial Statements - 09/30/2019 - ODONTOPREV S.A.

Other relevant information/Shareholdings



V – Commitment Clause

The Arbitration Commitment Clause is mentioned in chapter VI – Arbitration, contained in the Bylaws (approved in the AGOM of 04/01/2019).

Article 36 – The Company, its shareholders, management and the members of the Fiscal Council, effective and substitutes, if any, are commitment to resolve, through arbitration, face to Market Arbitration Chamber, according to this rules, any and all disputes that may arise between them, related or deriving of their conditions issuer, shareholders, managers and members of the Fiscal Council, mainly related to the provisions comprised in Law 6,385/1976 and Law 6,404/1976, in these Bylaws, in the regulations issued by the National Monetary Council, Brazilian Central Bank and Brazilian Securities Commission, as well as other regulations applicable to the functioning of capital markets in general, besides those comprised in the Regulations of the New Market Listing, the B3 rules and to the contract of participation in the New Market.

(A free translation of the original in Portuguese)

Odontoprev S.A.
Quarterly Information (ITR) at
September 30, 2019
and report on review of
quarterly information

Report on review of quarterly information

To the Board of Directors and Stockholders
Odontoprev S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Odontoprev S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended September 30, 2019, comprising the balance sheet at that date and the statements of income and comprehensive income for the quarter and nine-month period then ended, and the statements of changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory information.

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

Scope of review

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

Conclusion on the parent company interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company interim accounting information included in the quarterly

information referred to above has not been prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Conclusion on the consolidated interim information

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

Other matters

Statements of value added

The quarterly information referred to above includes the parent company and consolidated statements of value added for the nine-month period ended September 30, 2019. These statements are the responsibility of the Company's management and are presented as supplementary information under IAS 34. These statements have been subjected to review procedures performed together with the review of the quarterly information for the purpose of concluding whether they are reconciled with the interim accounting information and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and consistent with the parent company and consolidated interim accounting information taken as a whole.

Barueri, October 30, 2019

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Edison Arisa Pereira
Contador CRC 1SP127241/O-0

Statement of directors about the financial statements

ODONTOPREV S.A.

(article 29, subsection II of CVM Instruction number 480/09)

STATEMENT

We declare, as the Statutory Directors of Odontoprev S.A., a listed company, with its head office located in the city of Barueri, State of São Paulo, at Marcos Penteado de Ulhôa Rodrigues Avenue, 939 – 14^º Floor, registered with CNPJ/MF number 58.119.199/0001-51 (Company) in accordance with the terms of:

- (i) Subsection VI of paragraph 1 of article 25 of Instruction ICVM 480, that we have reviewed, discussed and agreed with the Company's interim financial statements for the period ended September 30, 2019.

Barueri, October 30, 2019.

Statement of directors about the independent auditor's review report

ODONTOPREV S.A.

(article 29, subsection II of CVM Instruction 480/09)

STATEMENT

We declare, as the Statutory Directors of Odontoprev S.A., a listed company, with its head office located in the city of Barueri, State of São Paulo, at Marcos Penteadó de Ulhôa Rodrigues Avenue, 939 – 14º Floor, registered with CNPJ/MF number 58.119.199/0001-51 (Company) in accordance with the terms of:

- (ii) Subsection V of paragraph 1 of article 25 of Instruction ICVM 480 of December 07th, 2009, as amended, that we have reviewed, discussed and agreed with the opinions expressed in the report issue by the Company's independent auditors, PricewaterhouseCoopers Auditores Independentes, with respect to the Company's interim financial statements for the period ended ended September 30, 2019.

Barueri, October 30, 2019.