

# **Odontoprev S.A.**

**Quarterly information (ITR) at  
June 30, 2020**

(A free translation of the original in Portuguese)

(A free translation of the original in Portuguese)

Quarterly Information (ITR) - 06/30/2020 - ODONTOPREV S.A.

## Company financial information/capital breakdown

Number of shares (units)	Current period
<b>From paid-in capital</b>	06/30/2020
Common	531,294,732
Preferred	-
<b>Total</b>	<b>531,294,732</b>
<b>Treasury shares</b>	
Common	927,010
Preferred	-
<b>Total</b>	<b>927,010</b>

(A free translation of the original in Portuguese)

Quarterly Information (ITR) - 06/30/2020 - 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	03/12/2020	Interest on capital	04/02/2020	Common	0.02614
Ordinary & Extraordinary General Meeting	04/28/2020	Dividends	07/03/2020	Common	0.06785
Board of Directors Meeting	04/29/2020	Dividends	10/07/2020	Common	0.04478
Board of Directors Meeting	07/29/2020	Interest on capital	07/03/2020	Common	0.02525
Board of Directors Meeting	06/10/2020	Dividends	10/07/2020	Common	0.15682

## Company financial information/balance sheet - assets

(R\$ thousand)

(A free translation of the original in Portuguese)

Account Code	Account description	Current period 06/30/2020	Prior year 12/31/2019
<b>1</b>	<b>Total assets</b>	<b>1,904,174</b>	<b>1,708,498</b>
<b>1.01</b>	<b>Current assets</b>	<b>968,663</b>	<b>761,509</b>
1.01.01	Cash and cash equivalents	23,981	25,579
<b>1.01.02</b>	<b>Financial instruments</b>	<b>734,235</b>	<b>499,401</b>
<b>1.01.02.01</b>	<b>Financial instruments measured at fair value through income</b>	<b>734,235</b>	<b>499,401</b>
1.01.02.01.03	Financial investments that guarantee technical provisions	150,400	130,749
1.01.02.01.04	Financial investments for trading portfolio	583,835	368,652
<b>1.01.03</b>	<b>Trade receivables</b>	<b>135,872</b>	<b>150,189</b>
<b>1.01.03.01</b>	<b>Customers</b>	<b>131,407</b>	<b>141,858</b>
1.01.03.01.01	Dental care/premium receivables	162,500	180,002
1.01.03.01.02	Allowance for doubtful accounts	(38,567)	(46,887)
1.01.03.01.03	Participation of beneficiaries in indemnifying events/claims	938	1,669
1.01.03.01.05	Dental care operators	6,536	7,074
<b>1.01.03.02</b>	<b>Sundry receivables</b>	<b>4,465</b>	<b>8,331</b>
1.01.03.02.01	Advances to suppliers and other	257	295
1.01.03.02.02	Advances to employees	369	5,315
1.01.03.02.03	Other receivables	3,839	2,721
<b>1.01.06</b>	<b>Taxes recoverable</b>	<b>47,900</b>	<b>55,913</b>
1.01.06.01	Current taxes recoverable	47,900	55,913
1.01.06.01.01	Tax and social security credits	47,900	55,913
<b>1.01.07</b>	<b>Prepaid expenses</b>	<b>26,675</b>	<b>30,427</b>
1.01.07.01	Deferred acquisition costs (DAC)	22,685	28,394
1.01.07.20	Other	3,990	2,033
<b>1.02</b>	<b>Non-current assets</b>	<b>935,511</b>	<b>946,989</b>
<b>1.02.01</b>	<b>Long-term receivables</b>	<b>93,202</b>	<b>107,234</b>
<b>1.02.01.03</b>	<b>Financial investments measured at amortized cost</b>	<b>15,917</b>	<b>15,824</b>
1.02.01.03.01	Securities measured at amortized cost that guarantee technical provisions	15,917	15,824
<b>1.02.01.07</b>	<b>Deferred taxes</b>	<b>36,221</b>	<b>38,634</b>
1.02.01.07.01	Deferred income tax and social contribution	36,221	38,634
<b>1.02.01.10</b>	<b>Other non-current assets</b>	<b>41,064</b>	<b>52,776</b>
1.02.01.10.03	Judicial deposits	15,349	13,485
1.02.01.10.04	Other receivables	14,943	14,943
1.02.01.10.05	Securities and credits receivable	100	100
1.02.01.10.06	Tax and social security credits (taxes recoverable)	10,672	24,248
<b>1.02.02</b>	<b>Investments</b>	<b>53,545</b>	<b>52,049</b>
<b>1.02.02.01</b>	<b>Equity interests</b>	<b>53,545</b>	<b>52,049</b>
1.02.02.01.02	Interests in subsidiaries	47,926	47,756
1.02.02.01.03	Interests in jointly ventures	5,619	4,293
<b>1.02.03</b>	<b>Property, plant and equipment</b>	<b>39,320</b>	<b>41,634</b>
<b>1.02.03.01</b>	<b>Property, plant and equipment in use</b>	<b>15,858</b>	<b>16,553</b>
1.02.03.01.01	Property, plant and equipment for own use	9,953	9,866
1.02.03.01.02	Other fixed assets	5,905	6,687
<b>1.02.03.02</b>	<b>Right of use in leasehold</b>	<b>23,455</b>	<b>25,074</b>
1.02.03.02.01	Right of use (IFRS 16)	23,455	25,074
<b>1.02.03.03</b>	<b>Fixed assets in progress</b>	<b>7</b>	<b>7</b>
1.02.03.03.01	Fixed assets in progress	7	7
<b>1.02.04</b>	<b>Intangible assets</b>	<b>749,444</b>	<b>746,072</b>
<b>1.02.04.01</b>	<b>Intangible assets</b>	<b>749,444</b>	<b>746,072</b>
1.02.04.01.02	Goodwill on acquisition of investments	638,669	638,669
1.02.04.01.03	System development and software use licenses	73,274	65,778
1.02.04.01.05	Allocated intangible assets	37,501	41,625

## Company financial information/balance sheet - liabilities and equity

(R\$ thousand)

(A free translation of the original in Portuguese)

Account Code	Account description	Current period 06/30/2020	Prior year 12/31/2019
<b>2</b>	<b>Total liabilities and equity</b>	<b>1,904,174</b>	<b>1,708,498</b>
<b>2.01</b>	<b>Current liabilities</b>	<b>536,737</b>	<b>463,629</b>
<b>2.01.01</b>	<b>Social security and labor charges</b>	<b>33,087</b>	<b>34,399</b>
<b>2.01.01.01</b>	<b>Social charges</b>	<b>7,665</b>	<b>4,376</b>
2.01.01.01.01	Charges payable	7,665	4,376
<b>2.01.01.02</b>	<b>Labor charges</b>	<b>25,422</b>	<b>30,023</b>
2.01.01.02.01	Salaries, vacation pay and fees	25,422	30,023
<b>2.01.02</b>	<b>Suppliers</b>	<b>13,016</b>	<b>10,257</b>
<b>2.01.02.01</b>	<b>Domestic suppliers</b>	<b>13,016</b>	<b>10,257</b>
2.01.02.01.01	Commissions payable	4,370	5,806
2.01.02.01.02	Suppliers of goods and services	6,781	3,420
2.01.02.01.03	Other debits of dental care operations	107	241
2.01.02.01.04	Consideration/premiums to be repaid	251	268
2.01.02.01.05	Lease liability (IFRS 16)	3,426	2,584
2.01.02.01.06	Present value adjustment (PVA) - lease liability (IFRS 16)	(1,919)	(2,062)
<b>2.01.03</b>	<b>Tax liabilities</b>	<b>41,330</b>	<b>28,343</b>
<b>2.01.03.01</b>	<b>Federal tax liabilities</b>	<b>32,005</b>	<b>19,633</b>
2.01.03.01.01	Income tax and social contribution payable	5,541	6,029
2.01.03.01.02	Other federal tax liabilities	26,464	13,604
2.01.03.03	Municipal tax liabilities	9,325	8,710
<b>2.01.05</b>	<b>Other liabilities</b>	<b>130,811</b>	<b>67,696</b>
<b>2.01.05.02</b>	<b>Other</b>	<b>130,811</b>	<b>67,696</b>
2.01.05.02.01	Dividends and interest on capital payable	71,127	12,083
2.01.05.02.04	Advances from customers	133	1,310
2.01.05.02.05	Sundry payables	55,489	50,312
2.01.05.02.08	Investment payable	4,062	3,991
<b>2.01.06</b>	<b>Provisions</b>	<b>318,493</b>	<b>322,934</b>
<b>2.01.06.02</b>	<b>Other provisions</b>	<b>318,493</b>	<b>322,934</b>
2.01.06.02.04	Unsettled claims (UC)	56,984	46,242
2.01.06.02.05	Incurred but not reported claims (IBNR)	84,953	94,565
2.01.06.02.06	Unearned premiums (UP)	176,556	182,127
<b>2.02</b>	<b>Non-current liabilities</b>	<b>150,025</b>	<b>133,504</b>
<b>2.02.02</b>	<b>Other liabilities</b>	<b>98,408</b>	<b>91,593</b>
<b>2.02.02.02</b>	<b>Other</b>	<b>98,408</b>	<b>91,593</b>
2.02.02.02.03	Other liabilities	14,512	14,640
2.02.02.02.04	Fees payable	1,068	1,068
2.02.02.02.05	Put option in subsidiary	34,691	31,184
2.02.02.02.06	Investment payable	12,186	11,975
2.02.02.02.07	Lease liability (IFRS 16)	30,049	32,067
2.02.02.02.08	PVA - Lease liability (IFRS 16)	(5,862)	(6,779)
2.02.02.02.09	Long-term incitement program	11,764	7,438
<b>2.02.04</b>	<b>Provisions</b>	<b>51,617</b>	<b>41,911</b>
2.02.04.01	Contingent liabilities (tax, social security, labor and civil)	39,064	30,537
<b>2.02.04.02</b>	<b>Other provisions</b>	<b>12,553</b>	<b>11,374</b>
2.02.04.02.04	Installments of debts from taxes and contributions	2,573	2,983
2.02.04.02.05	Taxes and contributions payable	9,825	8,236
2.02.04.02.06	Installments of tax and social contribution debts (other payables)	155	155
<b>2.03</b>	<b>Equity</b>	<b>1,217,412</b>	<b>1,111,365</b>
2.03.01	Capital	607,869	607,869
2.03.02	Capital reserves	(7,049)	(2,262)
<b>2.03.04</b>	<b>Earnings reserves</b>	<b>475,916</b>	<b>505,758</b>
2.03.04.01	Legal reserve	14,238	14,238
2.03.04.07	Tax incentive reserve	129	129
2.03.04.08	Additional dividend proposed	-	35,983
2.03.04.09	Treasury shares	(14,887)	(21,028)
2.03.04.10	Statutory reserve of regulatory capital	238,218	238,218
2.03.04.11	Investment and expansion reserve	238,218	238,218
<b>2.03.05</b>	<b>Retained earnings</b>	<b>140,676</b>	<b>-</b>

# Company financial information/statement of income

(R\$ thousand)

(A free translation of the original in Portuguese)

Account Code	Account description	Current quarter from 04/30/2020 to 06/30/2020	Current period from 01/01/2020 to 06/30/2020	Prior quarter from 04/30/2019 to 06/30/2019	Prior period from 01/01/2019 to 06/30/2019
<b>3.01</b>	<b>Gross sales and/or services revenue</b>	<b>426,268</b>	<b>873,422</b>	<b>438,914</b>	<b>883,928</b>
3.01.01	Net premiums with dental care plan	448,396	916,172	457,437	911,659
3.01.04	Taxes on dental care plan operations	(22,128)	(42,750)	(18,523)	(27,731)
<b>3.02</b>	<b>Cost of sales and/or services rendered</b>	<b>(133,654)</b>	<b>(340,747)</b>	<b>(212,423)</b>	<b>(380,597)</b>
3.02.01	Indemnifiable claims, net	(147,573)	(323,651)	(196,558)	(368,058)
3.02.03	Dental materials	(3,499)	(6,811)	(4,270)	(8,411)
3.02.04	Other operating costs	8,565	(19,897)	(1,407)	(3,062)
3.02.05	Variation of IBNR	8,853	9,612	(10,228)	(1,106)
<b>3.03</b>	<b>Gross income</b>	<b>292,614</b>	<b>532,675</b>	<b>226,491</b>	<b>503,331</b>
<b>3.04</b>	<b>Operating revenues/expenses</b>	<b>(122,615)</b>	<b>(257,694)</b>	<b>(144,052)</b>	<b>(285,907)</b>
<b>3.04.01</b>	<b>Selling expenses</b>	<b>(47,435)</b>	<b>(96,965)</b>	<b>(50,229)</b>	<b>(101,200)</b>
3.04.01.01	Selling expenses	(47,435)	(96,965)	(50,229)	(101,200)
<b>3.04.02</b>	<b>General and administrative expenses</b>	<b>(59,838)</b>	<b>(129,097)</b>	<b>(70,423)</b>	<b>(134,552)</b>
3.04.02.01	Administrative expenses	(59,295)	(127,312)	(68,767)	(132,047)
3.04.02.02	Right of use amortization (IFRS 16)	(793)	(1,619)	(674)	(1,356)
3.04.02.03	Leases	(44)	(1,417)	(927)	(2,478)
3.04.02.04	Leases (IFRS 16)	274	1,176	1,001	2,385
3.04.02.05	Income (loss) from the sale or disposal of non-current and other assets	20	75	(1,056)	(1,056)
<b>3.04.04</b>	<b>Other operating revenues</b>	<b>720</b>	<b>1,278</b>	<b>627</b>	<b>1,321</b>
3.04.04.01	Other operating revenue from dental care	313	579	88	202
3.04.04.02	Revenue from dental care not related to company's plans	407	699	539	1,119
<b>3.04.05</b>	<b>Other operating expenses</b>	<b>(18,218)</b>	<b>(37,473)</b>	<b>(27,051)</b>	<b>(55,743)</b>
3.04.05.01	Stock option plan	-	-	(712)	(1,697)
3.04.05.02	Allowance for doubtful accounts	(13,116)	(26,588)	(19,929)	(39,570)
3.04.05.03	Profit sharing	(2,729)	(6,560)	(3,422)	(7,120)
3.04.05.04	Long-term incitement program	(2,373)	(4,325)	(2,988)	(7,356)
<b>3.04.06</b>	<b>Earnings of equity method</b>	<b>2,156</b>	<b>4,563</b>	<b>3,024</b>	<b>4,267</b>
<b>3.05</b>	<b>Income before financial results and taxes</b>	<b>169,999</b>	<b>274,981</b>	<b>82,439</b>	<b>217,424</b>
<b>3.06</b>	<b>Financial results, net</b>	<b>1,475</b>	<b>3,589</b>	<b>5,646</b>	<b>10,606</b>
<b>3.06.01</b>	<b>Financial income</b>	<b>5,353</b>	<b>11,066</b>	<b>8,504</b>	<b>16,168</b>
3.06.01.01	Financial income	5,353	11,066	8,504	16,168
<b>3.06.02</b>	<b>Financial expenses</b>	<b>(3,878)</b>	<b>(7,477)</b>	<b>(2,858)</b>	<b>(5,562)</b>
3.06.02.01	Financial expenses	(16,745)	(33,671)	(17,998)	(37,749)
3.06.02.02	PVA - Lease liability (IFRS 16)	(523)	(1,060)	(690)	(1,280)
3.06.02.03	Reversal of interest on capital	13,390	27,254	15,830	33,467
<b>3.07</b>	<b>Income before income taxes</b>	<b>171,474</b>	<b>278,570</b>	<b>88,085</b>	<b>228,030</b>
<b>3.08</b>	<b>Income tax and social contribution</b>	<b>(55,019)</b>	<b>(86,893)</b>	<b>(25,811)</b>	<b>(68,326)</b>
3.08.01	Current	(49,572)	(84,480)	(25,680)	(64,668)
3.08.02	Deferred	(5,447)	(2,413)	(131)	(3,658)
<b>3.09</b>	<b>Net income for the period from continuing operations</b>	<b>116,455</b>	<b>191,677</b>	<b>62,274</b>	<b>159,704</b>
<b>3.11</b>	<b>Income for the period</b>	<b>116,455</b>	<b>191,677</b>	<b>62,274</b>	<b>159,704</b>
3.99	Earnings per share - (reais/share)				
3.99.01	Basic earnings per share				
3.99.01.01	Common	0.21957	0.36154	0.11740	0.30108
3.99.02	Diluted earnings per share				
3.99.02.01	Common	0.21919	0.36092	0.11674	0.29938

Company financial information/statement of comprehensive income

(R\$ thousand)

(A free translation of the original in Portuguese)

Account Code	Account description	Current quarter from 04/30/2020 to 06/30/2020	Current period from 01/01/2020 to 06/30/2020	Prior quarter from 04/30/2019 to 06/30/2019	Prior period from 01/01/2019 to 06/30/2019
4.01	Income for the period	116,455	191,677	62,274	159,704
4.03	Comprehensive income for the period	116,455	191,677	62,274	159,704

## 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 01/01/2020 to 06/30/2020	Prior period from 01/01/2019 to 06/30/2019
<b>6.01</b>	<b>Net cash provided by operating activities</b>	<b>31,985</b>	<b>185,061</b>
<b>6.01.01</b>	<b>Cash from operations</b>	<b>307,420</b>	<b>297,796</b>
6.01.01.01	Income for the period	191,677	159,704
6.01.01.02	Depreciation and amortization	10,566	9,479
6.01.01.03	Monetary variations, net	903	(148)
6.01.01.05	Contingent liabilities (tax, social security, labor and civil)	9,111	(288)
6.01.01.06	Income (loss) from the sale or disposal of non-current and other assets	(75)	175
6.01.01.07	Earnings of equity method	(4,563)	(4,267)
6.01.01.08	Allowance for doubtful accounts	26,588	39,570
6.01.01.09	Stock option plan	-	1,697
6.01.01.10	Variation of IBNR	(9,612)	1,106
6.01.01.11	Income tax and social contribution	86,893	68,326
6.01.01.12	Unearned premiums	(5,571)	22,191
6.01.01.13	Right of use amortization (IFRS 16)	1,619	1,356
6.01.01.14	Leases (IFRS 16)	(1,176)	(2,385)
6.01.01.15	PVA - Lease liability (IFRS 16)	1,060	1,280
<b>6.01.02</b>	<b>Changes in assets and liabilities</b>	<b>(275,435)</b>	<b>(112,735)</b>
6.01.02.01	Financial instruments measured at fair value through income	(234,834)	1,915
6.01.02.02	Customers	(16,137)	(57,250)
6.01.02.03	Taxes recoverable, other receivables and prepaid expenses	15,631	(6,279)
6.01.02.05	Other non-current assets	12,273	(9,600)
6.01.02.06	Unsettled claims	10,742	11,029
6.01.02.09	Tax liabilities (taxes and contributions payable)	13,425	385
6.01.02.10	Labor charges, suppliers, advances from customers and other payables (sundry payables)	2,539	(8)
6.01.02.11	Non-current liabilities	4,041	16,630
6.01.02.13	Income tax and social contribution paid	(84,968)	(70,253)
6.01.02.14	Social charges	3,289	570
6.01.02.15	Commissions payable	(1,436)	126
<b>6.02</b>	<b>Net cash used in investing activities</b>	<b>(10,452)</b>	<b>7,960</b>
6.02.01	Purchases of property, plant and equipment	(1,789)	(1,384)
6.02.02	System development and software use licenses	(11,570)	(9,108)
6.02.05	Write-off of incorporated investments	-	14,187
6.02.07	Dividends received from subsidiaries	3,000	4,615
6.02.11	Financial investments measured at amortized cost	(93)	(350)
<b>6.03</b>	<b>Net cash used in financing activities</b>	<b>(23,131)</b>	<b>(185,341)</b>
6.03.01	Dividends and interest on capital paid	(28,060)	(169,759)
6.03.02	Repurchase of shares - in treasury	-	(22,627)
6.03.04	Receipt of stock options granted	4,929	7,045
<b>6.05</b>	<b>Increase in cash and cash equivalents</b>	<b>(1,598)</b>	<b>7,680</b>
6.05.01	Cash and cash equivalents at the beginning of the period	25,579	16,597
6.05.02	Cash and cash equivalents at the end of the period	23,981	24,277



# Company financial information/statement of changes in equity - 01/01/2020 to 06/30/2020

(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
<b>5.01</b>	<b>Opening balance</b>	<b>607,869</b>	<b>(23,290)</b>	<b>526,786</b>	<b>-</b>	<b>1,111,365</b>
<b>5.03</b>	<b>Adjusted opening balance</b>	<b>607,869</b>	<b>(23,290)</b>	<b>526,786</b>	<b>-</b>	<b>1,111,365</b>
<b>5.04</b>	<b>Equity transactions with owners</b>	<b>-</b>	<b>1,354</b>	<b>(35,983)</b>	<b>(51,001)</b>	<b>(85,630)</b>
5.04.05	Treasury shares sold	-	4,929	-	-	4,929
5.04.06	Dividends	-	-	-	(23,747)	(23,747)
5.04.07	Interest on capital	-	-	-	(27,254)	(27,254)
5.04.13	Additional dividend paid	-	-	(35,983)	-	(35,983)
5.04.19	Put option in subsidiary	-	(3,575)	-	-	(3,575)
<b>5.05</b>	<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>191,677</b>	<b>191,677</b>
5.05.01	Income for the period	-	-	-	191,677	191,677
<b>5.07</b>	<b>Closing balance</b>	<b>607,869</b>	<b>(21,936)</b>	<b>490,803</b>	<b>140,676</b>	<b>1,217,412</b>

# Company financial information/statement of changes in equity - 01/01/2019 to 06/30/2019

(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
<b>5.01</b>	<b>Opening balance</b>	<b>506,557</b>	<b>(7,806)</b>	<b>528,705</b>	<b>-</b>	<b>1,027,456</b>
<b>5.03</b>	<b>Adjusted opening balance</b>	<b>506,557</b>	<b>(7,806)</b>	<b>528,705</b>	<b>-</b>	<b>1,027,456</b>
<b>5.04</b>	<b>Equity transactions with owners</b>	<b>101,312</b>	<b>(14,812)</b>	<b>(123,330)</b>	<b>(84,032)</b>	<b>(120,862)</b>
5.04.01	Capital increase	101,312	-	(101,312)	-	-
5.04.03	Stock options granted	-	1,697	-	-	1,697
5.04.04	Treasury shares acquired	-	(22,627)	-	-	(22,627)
5.04.05	Treasury shares sold	-	7,045	-	-	7,045
5.04.06	Dividends	-	-	(22,018)	(50,565)	(72,583)
5.04.07	Interest on capital	-	-	-	(33,467)	(33,467)
5.04.19	Put option in subsidiary	-	(927)	-	-	(927)
<b>5.05</b>	<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>159,704</b>	<b>159,704</b>
5.05.01	Income for the period	-	-	-	159,704	159,704
<b>5.07</b>	<b>Closing balance</b>	<b>607,869</b>	<b>(22,618)</b>	<b>405,375</b>	<b>75,672</b>	<b>1,066,298</b>

## Company financial information/statement of value added

(R\$ thousand)

(A free translation of the original in Portuguese)

Account Code	Account description	Current period from 01/01/2020 to 06/30/2020	Prior period from 01/01/2019 to 06/30/2019
<b>7.01</b>	<b>Revenue</b>	<b>889,584</b>	<b>872,089</b>
7.01.01	Net premiums with dental care plan	916,172	911,659
7.01.04	Provision for/reversal of allowance for doubtful accounts	(26,588)	(39,570)
<b>7.02</b>	<b>Inputs acquired from third parties</b>	<b>(493,829)</b>	<b>(544,667)</b>
7.02.01	Cost of sales and services	(323,651)	(368,058)
7.02.02	Materials, energy, outsourced services and other	(8,979)	(10,249)
<b>7.02.04</b>	<b>Other</b>	<b>(161,199)</b>	<b>(166,360)</b>
7.02.04.01	Other operating revenues	(16,161)	1,131
7.02.04.02	Selling expenses	(96,724)	(100,840)
7.02.04.03	General and administrative expenses	(57,926)	(65,545)
7.02.04.04	Variation of IBNR	9,612	(1,106)
<b>7.03</b>	<b>Gross value added</b>	<b>395,755</b>	<b>327,422</b>
<b>7.04</b>	<b>Retentions</b>	<b>(12,185)</b>	<b>(10,835)</b>
7.04.01	Depreciation, amortization and depletion	(10,566)	(9,479)
<b>7.04.02</b>	<b>Other</b>	<b>(1,619)</b>	<b>(1,356)</b>
7.04.02.01	Right of use amortization (IFRS 16)	(1,619)	(1,356)
<b>7.05</b>	<b>Net value added generated by the entity</b>	<b>383,570</b>	<b>316,587</b>
<b>7.06</b>	<b>Value added received through transfer</b>	<b>15,629</b>	<b>20,435</b>
7.06.01	Earnings of equity method	4,563	4,267
7.06.02	Financial income	11,066	16,168
<b>7.07</b>	<b>Total value added to distribute</b>	<b>399,199</b>	<b>337,022</b>
<b>7.08</b>	<b>Distribution of value added</b>	<b>399,199</b>	<b>337,022</b>
<b>7.08.01</b>	<b>Personnel</b>	<b>53,648</b>	<b>57,253</b>
7.08.01.01	Direct compensation	40,802	44,253
7.08.01.02	Benefits	10,175	10,275
7.08.01.03	Severance Indemnity Fund for Employees (FGTS)	2,671	2,725
<b>7.08.02</b>	<b>Taxes and contributions</b>	<b>146,156</b>	<b>112,713</b>
7.08.02.01	Federal	131,776	110,876
7.08.02.02	State	26	21
7.08.02.03	Municipal	14,354	1,816
<b>7.08.03</b>	<b>Remuneration of third-party capital</b>	<b>7,718</b>	<b>5,655</b>
7.08.03.02	Leases	241	93
<b>7.08.03.03</b>	<b>Other</b>	<b>7,477</b>	<b>5,562</b>
7.08.03.03.01	Financial expenses	7,477	5,562
<b>7.08.04</b>	<b>Remuneration of own capital</b>	<b>191,677</b>	<b>159,704</b>
7.08.04.01	Interest on capital	27,254	33,467
7.08.04.02	Dividends	23,747	50,565
7.08.04.03	Retained earnings	140,676	75,672
<b>7.08.05</b>	<b>Other</b>	<b>-</b>	<b>1,697</b>
7.08.05.01	Stock option plan	-	1,697

## Consolidated financial information/balance sheet - assets

(R\$ thousand)

(A free translation of the original in Portuguese)

Account Code	Account description	Current period 06/30/2020	Prior year 12/31/2019
<b>1</b>	<b>Total assets</b>	<b>1,969,398</b>	<b>1,768,742</b>
<b>1.01</b>	<b>Current assets</b>	<b>1,032,656</b>	<b>818,478</b>
1.01.01	Cash and cash equivalents	33,461	27,067
<b>1.01.02</b>	<b>Financial instruments</b>	<b>748,515</b>	<b>517,210</b>
<b>1.01.02.01</b>	<b>Financial instruments measured at fair value through income</b>	<b>748,515</b>	<b>517,210</b>
1.01.02.01.03	Financial investments that guarantee technical provisions	151,281	131,619
1.01.02.01.04	Financial investments for trading portfolio	597,234	385,591
<b>1.01.03</b>	<b>Trade receivables</b>	<b>163,434</b>	<b>177,496</b>
<b>1.01.03.01</b>	<b>Customers</b>	<b>150,831</b>	<b>161,666</b>
1.01.03.01.01	Dental care/premium receivables	162,725	180,185
1.01.03.01.02	Allowance for doubtful accounts	(38,754)	(47,075)
1.01.03.01.03	Participation of beneficiaries in indemnifying events/claims	938	1,669
1.01.03.01.05	Dental care operators	6,568	7,920
1.01.03.01.07	Other healthcare plan receivables	19,354	18,967
<b>1.01.03.02</b>	<b>Sundry receivables</b>	<b>12,603</b>	<b>15,830</b>
1.01.03.02.01	Advances to suppliers and other	2,542	2,231
1.01.03.02.02	Advances to employees	911	6,902
1.01.03.02.03	Other receivables	9,150	6,697
<b>1.01.04</b>	<b>Inventories</b>	<b>5,238</b>	<b>3,443</b>
<b>1.01.06</b>	<b>Taxes recoverable</b>	<b>54,962</b>	<b>62,401</b>
<b>1.01.06.01</b>	<b>Current taxes recoverable</b>	<b>54,962</b>	<b>62,401</b>
1.01.06.01.01	Tax and social security credits	54,962	62,401
<b>1.01.07</b>	<b>Prepaid expenses</b>	<b>27,046</b>	<b>30,861</b>
1.01.07.01	Deferred acquisition costs (DAC)	22,685	28,394
1.01.07.20	Other	4,361	2,467
<b>1.02</b>	<b>Non-current assets</b>	<b>936,742</b>	<b>950,264</b>
<b>1.02.01</b>	<b>Long-term receivables</b>	<b>99,102</b>	<b>113,890</b>
<b>1.02.01.03</b>	<b>Financial investments measured at amortized cost</b>	<b>15,917</b>	<b>15,824</b>
1.02.01.03.01	Securities measured at amortized cost that guarantee technical provisions	15,917	15,824
<b>1.02.01.07</b>	<b>Deferred taxes</b>	<b>38,527</b>	<b>41,508</b>
1.02.01.07.01	Deferred income tax and social contribution	38,527	41,508
<b>1.02.01.10</b>	<b>Other non-current assets</b>	<b>44,658</b>	<b>56,558</b>
1.02.01.10.03	Judicial deposits	17,620	15,944
1.02.01.10.04	Other receivables	16,266	16,266
1.02.01.10.05	Securities and credits receivable	100	100
1.02.01.10.06	Tax and social security credits (taxes recoverable)	10,672	24,248
<b>1.02.02</b>	<b>Investments</b>	<b>11,428</b>	<b>9,453</b>
<b>1.02.02.01</b>	<b>Equity interests</b>	<b>11,428</b>	<b>9,453</b>
1.02.02.01.04	Interests in jointly ventures	11,365	9,318
1.02.02.01.05	Interests in other companies	63	135
<b>1.02.03</b>	<b>Property, plant and equipment</b>	<b>65,022</b>	<b>68,188</b>
<b>1.02.03.01</b>	<b>Property, plant and equipment in use</b>	<b>28,213</b>	<b>28,474</b>
1.02.03.01.01	Property, plant and equipment for own use	20,492	19,719
1.02.03.01.02	Other fixed assets	7,721	8,755
<b>1.02.03.02</b>	<b>Right of use in leasehold</b>	<b>36,056</b>	<b>38,961</b>
1.02.03.02.01	Right of use (IFRS 16)	36,056	38,961
<b>1.02.03.03</b>	<b>Fixed assets in progress</b>	<b>753</b>	<b>753</b>
1.02.03.03.01	Fixed assets in progress	753	753
<b>1.02.04</b>	<b>Intangible assets</b>	<b>761,190</b>	<b>758,733</b>
<b>1.02.04.01</b>	<b>Intangible assets</b>	<b>761,190</b>	<b>758,733</b>
1.02.04.01.02	Goodwill on acquisition of investments	647,390	647,390
1.02.04.01.03	System development and software use licenses	76,299	69,718

## Consolidated financial information/balance sheet - liabilities and equity

(R\$ thousand)

(A free translation of the original in Portuguese)

Account Code	Account description	Current period 06/30/2020	Prior year 12/31/2019
<b>2</b>	<b>Total liabilities and equity</b>	<b>1,969,398</b>	<b>1,768,742</b>
<b>2.01</b>	<b>Current liabilities</b>	<b>578,903</b>	<b>499,943</b>
<b>2.01.01</b>	<b>Social security and labor charges</b>	<b>44,029</b>	<b>44,822</b>
<b>2.01.01.01</b>	<b>Social charges</b>	<b>11,099</b>	<b>6,200</b>
2.01.01.01.01	Charges payable	11,099	6,200
<b>2.01.01.02</b>	<b>Labor charges</b>	<b>32,930</b>	<b>38,622</b>
2.01.01.02.01	Salaries, vacation pay and fees	32,930	38,622
<b>2.01.02</b>	<b>Suppliers</b>	<b>20,877</b>	<b>15,289</b>
<b>2.01.02.01</b>	<b>Domestic suppliers</b>	<b>20,877</b>	<b>15,289</b>
2.01.02.01.01	Commissions payable	4,863	6,118
2.01.02.01.02	Suppliers of goods and services	12,478	6,629
2.01.02.01.03	Other debits of dental care operations	107	240
2.01.02.01.04	Consideration/premiums to be repaid	251	268
2.01.02.01.05	Lease liability (IFRS 16)	6,104	5,208
2.01.02.01.06	Present value adjustment (PVA) - lease liability (IFRS 16)	(2,926)	(3,174)
<b>2.01.03</b>	<b>Tax liabilities</b>	<b>46,633</b>	<b>32,267</b>
<b>2.01.03.01</b>	<b>Federal tax liabilities</b>	<b>36,850</b>	<b>23,084</b>
2.01.03.01.01	Income tax and social contribution payable	5,785	5,881
2.01.03.01.02	Other federal tax liabilities	31,065	17,203
<b>2.01.03.02</b>	<b>State tax liabilities</b>	<b>83</b>	<b>30</b>
<b>2.01.03.03</b>	<b>Municipal tax liabilities</b>	<b>9,700</b>	<b>9,153</b>
<b>2.01.05</b>	<b>Other liabilities</b>	<b>132,218</b>	<b>69,952</b>
<b>2.01.05.02</b>	<b>Other</b>	<b>132,218</b>	<b>69,952</b>
2.01.05.02.01	Dividends and interest on capital payable	71,127	12,095
2.01.05.02.04	Advances from customers	258	1,442
2.01.05.02.05	Sundry payables	56,771	52,424
2.01.05.02.08	Investment payable	4,062	3,991
<b>2.01.06</b>	<b>Provisions</b>	<b>335,146</b>	<b>337,613</b>
<b>2.01.06.02</b>	<b>Other provisions</b>	<b>335,146</b>	<b>337,613</b>
2.01.06.02.04	Unsettled claims (UC)	57,058	46,349
2.01.06.02.05	Incurred but not reported claims (IBNR)	85,325	95,130
2.01.06.02.06	Unearned premiums (UP)	177,867	182,196
2.01.06.02.07	Other technical provisions (OTHER)	14,896	13,938
<b>2.02</b>	<b>Non-current liabilities</b>	<b>168,573</b>	<b>152,306</b>
<b>2.02.02</b>	<b>Other liabilities</b>	<b>115,184</b>	<b>108,521</b>
<b>2.02.02.02</b>	<b>Other</b>	<b>115,184</b>	<b>108,521</b>
2.02.02.02.03	Other liabilities	15,835	15,963
2.02.02.02.04	Fees payable	1,068	1,068
2.02.02.02.05	Put option in subsidiary	35,912	32,336
2.02.02.02.06	Investment payable	12,192	11,975
2.02.02.02.07	Lease liability (IFRS 16)	45,679	49,209
2.02.02.02.08	PVA - Lease liability (IFRS 16)	(9,083)	(10,520)
2.02.02.02.09	Long-term incitement program	13,581	8,490
<b>2.02.04</b>	<b>Provisions</b>	<b>53,389</b>	<b>43,785</b>
2.02.04.01	Contingent liabilities (tax, social security, labor and civil)	40,836	32,411
<b>2.02.04.02</b>	<b>Other provisions</b>	<b>12,553</b>	<b>11,374</b>
2.02.04.02.04	Installments of debts from taxes and contributions	2,573	2,983
2.02.04.02.05	Taxes and contributions payable	9,825	8,236
2.02.04.02.06	Installments of tax and social contribution debts (other payables)	155	155
<b>2.03</b>	<b>Equity</b>	<b>1,221,922</b>	<b>1,116,493</b>
2.03.01	Capital	607,869	607,869
2.03.02	Capital reserves	(7,049)	(2,262)
<b>2.03.04</b>	<b>Earnings reserves</b>	<b>475,916</b>	<b>505,758</b>
2.03.04.01	Legal reserve	14,238	14,238
2.03.04.07	Tax incentive reserve	129	129
2.03.04.08	Additional dividend proposed	-	35,983
2.03.04.09	Treasury shares	(14,887)	(21,028)
2.03.04.10	Statutory reserve of regulatory capital	238,218	238,218
2.03.04.11	Investment and expansion reserve	238,218	238,218
<b>2.03.05</b>	<b>Retained earnings</b>	<b>140,676</b>	<b>-</b>
2.03.09	Non-controlling shareholders	4,510	5,128

# Consolidated financial information/statement of income

(R\$ thousand)

(A free translation of the original in Portuguese)

Account Code	Account description	Current quarter from 04/30/2020 to 06/30/2020	Current period from 01/01/2020 to 06/30/2020	Prior quarter from 04/30/2019 to 06/30/2019	Prior period from 01/01/2019 to 06/30/2019
<b>3.01</b>	<b>Gross sales and/or services revenue</b>	<b>432,958</b>	<b>888,020</b>	<b>447,438</b>	<b>901,107</b>
3.01.01	Net premiums with dental care plan	451,288	921,976	460,428	917,674
3.01.02	Sales of goods and services	3,343	7,044	4,259	8,320
3.01.04	Taxes on dental care plan operations	(22,324)	(43,128)	(18,696)	(28,089)
3.01.05	Taxes on sales of goods and services	(2,935)	(6,250)	(3,553)	(6,560)
3.01.06	Insurance	3,586	8,378	5,000	9,762
<b>3.02</b>	<b>Cost of sales and/or services rendered</b>	<b>(134,120)</b>	<b>(342,006)</b>	<b>(212,590)</b>	<b>(381,311)</b>
3.02.01	Indemnifiable claims, net	(147,637)	(323,020)	(196,155)	(367,008)
3.02.02	Social charges on services	(2)	(3)	37	34
3.02.03	Dental materials	(1,531)	(2,918)	(2,091)	(4,146)
3.02.04	Other operating costs	6,457	(24,508)	(3,851)	(7,921)
3.02.05	Variation of IBNR	8,946	9,805	(10,276)	(1,074)
3.02.06	Claims	(607)	(1,342)	(633)	(1,207)
3.02.07	Claims reserves	254	(20)	379	11
<b>3.03</b>	<b>Gross income</b>	<b>298,838</b>	<b>546,014</b>	<b>234,848</b>	<b>519,796</b>
<b>3.04</b>	<b>Operating revenues/expenses</b>	<b>(128,269)</b>	<b>(269,611)</b>	<b>(151,154)</b>	<b>(300,091)</b>
<b>3.04.01</b>	<b>Selling expenses</b>	<b>(47,711)</b>	<b>(97,889)</b>	<b>(50,775)</b>	<b>(102,221)</b>
3.04.01.01	Selling expenses	(47,711)	(97,889)	(50,775)	(102,221)
<b>3.04.02</b>	<b>General and administrative expenses</b>	<b>(63,459)</b>	<b>(136,578)</b>	<b>(73,509)</b>	<b>(142,877)</b>
3.04.02.01	Administrative expenses	(62,744)	(133,881)	(71,169)	(139,007)
3.04.02.02	Right of use amortization (IFRS 16)	(1,276)	(2,586)	(1,332)	(2,583)
3.04.02.03	Leases	(380)	(2,444)	(1,251)	(3,381)
3.04.02.04	Leases (IFRS 16)	921	2,253	1,346	3,197
3.04.02.05	Income (loss) from the sale or disposal of non-current and other assets	20	80	(1,103)	(1,103)
<b>3.04.04</b>	<b>Other operating revenues</b>	<b>865</b>	<b>1,693</b>	<b>727</b>	<b>1,497</b>
3.04.04.01	Other operating revenue from dental care	458	994	179	375
3.04.04.02	Revenue from dental care not related to company's plans	407	699	548	1,122
<b>3.04.05</b>	<b>Other operating expenses</b>	<b>(18,935)</b>	<b>(39,367)</b>	<b>(28,217)</b>	<b>(58,836)</b>
3.04.05.01	Stock option plan	-	-	(712)	(1,697)
3.04.05.02	Allowance for doubtful accounts	(13,066)	(26,524)	(19,890)	(39,616)
3.04.05.03	Profit sharing	(3,108)	(7,752)	(4,408)	(9,379)
3.04.05.04	Long-term incitement program	(2,761)	(5,091)	(3,207)	(8,144)
<b>3.04.06</b>	<b>Earnings of equity method</b>	<b>971</b>	<b>2,530</b>	<b>620</b>	<b>2,346</b>
<b>3.05</b>	<b>Income before financial results and taxes</b>	<b>170,569</b>	<b>276,403</b>	<b>83,694</b>	<b>219,705</b>
<b>3.06</b>	<b>Financial results, net</b>	<b>1,179</b>	<b>3,159</b>	<b>5,589</b>	<b>10,445</b>
<b>3.06.01</b>	<b>Financial income</b>	<b>5,556</b>	<b>11,469</b>	<b>8,844</b>	<b>16,856</b>
3.06.01.01	Financial income	5,556	11,469	8,844	16,856
<b>3.06.02</b>	<b>Financial expenses</b>	<b>(4,377)</b>	<b>(8,310)</b>	<b>(3,255)</b>	<b>(6,411)</b>
3.06.02.01	Financial expenses	(16,980)	(33,940)	(18,045)	(37,839)
3.06.02.02	PVA - Lease liability (IFRS 16)	(787)	(1,624)	(1,040)	(2,039)
3.06.02.03	Reversal of interest on capital	13,390	27,254	15,830	33,467
<b>3.07</b>	<b>Income before income taxes</b>	<b>171,748</b>	<b>279,562</b>	<b>89,283</b>	<b>230,150</b>
<b>3.08</b>	<b>Income tax and social contribution</b>	<b>(55,921)</b>	<b>(88,918)</b>	<b>(26,417)</b>	<b>(69,601)</b>
3.08.01	Current	(50,775)	(85,937)	(26,734)	(66,112)
3.08.02	Deferred	(5,146)	(2,981)	317	(3,489)
<b>3.09</b>	<b>Net income for the period from continuing operations</b>	<b>115,827</b>	<b>190,644</b>	<b>62,866</b>	<b>160,549</b>
<b>3.11</b>	<b>Income for the period</b>	<b>115,827</b>	<b>190,644</b>	<b>62,866</b>	<b>160,549</b>
3.11.01	Assigned to controlling shareholders	116,455	191,677	62,274	159,704
3.11.02	Assigned to non-controlling shareholders	(628)	(1,033)	592	845
3.99	Earnings per share - (reais/share)				
3.99.01	Basic earnings per share				
3.99.01.01	Common	0.21957	0.36154	0.11740	0.30108
3.99.02	Diluted earnings per share				
3.99.02.01	Common	0.21919	0.36092	0.11674	0.29938

## Consolidated financial information/statement of comprehensive income

(R\$ thousand)

(A free translation of the original in Portuguese)

Account Code	Account description	Current quarter from 04/30/2020 to 06/30/2020	Current period from 01/01/2020 to 06/30/2020	Prior quarter from 04/30/2019 to 06/30/2019	Prior period from 01/01/2019 to 06/30/2019
<b>4.01</b>	<b>Net income for the period</b>	<b>115,827</b>	<b>190,644</b>	<b>62,866</b>	<b>160,549</b>
<b>4.02</b>	<b>Other comprehensive income</b>	<b>319</b>	<b>(990)</b>	<b>100</b>	<b>1,232</b>
4.02.01	Translation adjustments for the period	319	(990)	100	1,232
<b>4.03</b>	<b>Comprehensive income for the period</b>	<b>116,146</b>	<b>189,654</b>	<b>62,966</b>	<b>161,781</b>
4.03.01	Assigned to controlling shareholders	116,774	190,687	62,374	160,936
4.03.02	Assigned to non-controlling shareholders	(628)	(1,033)	592	845

## 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 01/01/2020 to 06/30/2020	Prior period from 01/01/2019 to 06/30/2019
<b>6.01</b>	<b>Net cash provided by operating activities</b>	<b>43,961</b>	<b>201,661</b>
<b>6.01.01</b>	<b>Cash from operations</b>	<b>313,020</b>	<b>299,343</b>
6.01.01.01	Income for the period	190,644	160,549
6.01.01.02	Depreciation and amortization	11,853	10,164
6.01.01.03	Monetary variations, net	904	(181)
6.01.01.05	Contingent liabilities (tax, social security, labor and civil)	9,212	205
6.01.01.06	Income (loss) from the sale or disposal of non-current and other assets	(80)	175
6.01.01.07	Earnings of equity method	(2,530)	(2,346)
6.01.01.08	Allowance for doubtful accounts	26,524	39,616
6.01.01.09	Stock option plan	-	1,697
6.01.01.10	Variation of IBNR	(9,805)	1,074
6.01.01.11	Income tax and social contribution	88,918	69,601
6.01.01.12	Unearned premiums	(4,329)	17,664
6.01.01.13	Right of use amortization (IFRS 16)	2,586	2,583
6.01.01.14	Leases (IFRS 16)	(2,501)	(3,497)
6.01.01.15	PVA - Lease liability (IFRS 16)	1,624	2,039
<b>6.01.02</b>	<b>Changes in assets and liabilities</b>	<b>(269,059)</b>	<b>(97,682)</b>
6.01.02.01	Financial instruments measured at fair value through income	(231,305)	26,610
6.01.02.02	Customers	(15,689)	(60,615)
6.01.02.03	Taxes recoverable, other receivables and prepaid expenses	14,481	(9,241)
6.01.02.04	Inventories	(1,795)	(233)
6.01.02.05	Other non-current assets	12,474	(2,911)
6.01.02.06	Unsettled claims	10,709	9,966
6.01.02.09	Tax liabilities (taxes and contributions payable)	14,462	(104)
6.01.02.10	Labor charges, suppliers, advances from customers and other payables (sundry payables)	3,260	1,706
6.01.02.11	Non-current liabilities	5,775	6,513
6.01.02.13	Income tax and social contribution paid	(86,033)	(71,672)
6.01.02.14	Social charges	4,899	85
6.01.02.15	Commissions payable	(1,255)	179
6.01.02.16	Other technical provisions	958	2,035
<b>6.02</b>	<b>Net cash used in investing activities</b>	<b>(14,436)</b>	<b>(11,536)</b>
6.02.01	Purchases of property, plant and equipment	(3,062)	(1,664)
6.02.02	System development and software use licenses	(11,608)	(9,522)
6.02.07	Dividends received from jointly ventures and other companies	2,000	-
6.02.08	Advance for future capital increase and capital increase in investments	(1,673)	-
6.02.11	Financial investments measured at amortized cost	(93)	(350)
<b>6.03</b>	<b>Net cash used in financing activities</b>	<b>(23,131)</b>	<b>(185,341)</b>
6.03.01	Dividends and interest on capital paid	(28,060)	(169,759)
6.03.02	Repurchase of shares - in treasury	-	(22,627)
6.03.04	Receipt of stock options granted	4,929	7,045
<b>6.05</b>	<b>Increase in cash and cash equivalents</b>	<b>6,394</b>	<b>4,784</b>
6.05.01	Cash and cash equivalents at the beginning of the period	27,067	21,142
6.05.02	Cash and cash equivalents at the end of the period	33,461	25,926



Consolidated financial information/statement of changes in equity - 01/01/2020 to 06/30/2020

(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	607,869	(23,290)	526,786	-	(918)	1,110,447	6,046	1,116,493
5.03	Adjusted opening balance	607,869	(23,290)	526,786	-	(918)	1,110,447	6,046	1,116,493
5.04	Equity transactions with owners	-	1,354	(35,983)	(51,001)	-	(85,630)	-	(85,630)
5.04.05	Treasury shares sold	-	4,929	-	-	-	4,929	-	4,929
5.04.06	Dividends	-	-	-	(23,747)	-	(23,747)	-	(23,747)
5.04.07	Interest on capital	-	-	-	(27,254)	-	(27,254)	-	(27,254)
5.04.13	Additional dividend paid	-	-	(35,983)	-	-	(35,983)	-	(35,983)
5.04.19	Put option in subsidiary	-	(3,575)	-	-	-	(3,575)	-	(3,575)
5.05	Total comprehensive income for the period	-	-	-	191,677	(990)	190,687	372	191,059
5.05.01	Income for the period	-	-	-	191,677	-	191,677	(1,033)	190,644
5.05.02	Other comprehensive income	-	-	-	-	(990)	(990)	1,405	415
5.05.02.04	Translation adjustments for the period	-	-	-	-	(990)	(990)	1,405	415
5.07	Closing balance	607,869	(21,936)	490,803	140,676	(1,908)	1,215,504	6,418	1,221,922

**Consolidated financial information/statement of changes in equity - 01/01/2019 to 06/30/2019**

(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
<b>5.01</b>	<b>Opening balance</b>	<b>506,557</b>	<b>(7,806)</b>	<b>528,705</b>	<b>-</b>	<b>(2,638)</b>	<b>1,024,818</b>	<b>6,870</b>	<b>1,031,688</b>
<b>5.03</b>	<b>Adjusted opening balance</b>	<b>506,557</b>	<b>(7,806)</b>	<b>528,705</b>	<b>-</b>	<b>(2,638)</b>	<b>1,024,818</b>	<b>6,870</b>	<b>1,031,688</b>
<b>5.04</b>	<b>Equity transactions with owners</b>	<b>101,312</b>	<b>(14,812)</b>	<b>(123,330)</b>	<b>(84,032)</b>	<b>1,232</b>	<b>(119,630)</b>	<b>(1,142)</b>	<b>(120,772)</b>
5.04.01	Capital increase	101,312	-	(101,312)	-	-	-	-	-
5.04.03	Stock options granted	-	1,697	-	-	-	1,697	-	1,697
5.04.04	Treasury shares acquired	-	(22,627)	-	-	-	(22,627)	-	(22,627)
5.04.05	Treasury shares sold	-	7,045	-	-	-	7,045	-	7,045
5.04.06	Dividends	-	-	(22,018)	(50,565)	-	(72,583)	-	(72,583)
5.04.07	Interest on capital	-	-	-	(33,467)	-	(33,467)	-	(33,467)
5.04.19	Put option in subsidiary	-	(927)	-	-	-	(927)	-	(927)
5.04.20	Other	-	-	-	-	1,232	1,232	(1,142)	90
<b>5.05</b>	<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>159,704</b>	<b>-</b>	<b>159,704</b>	<b>845</b>	<b>160,549</b>
5.05.01	Income for the period	-	-	-	159,704	-	159,704	845	160,549
<b>5.07</b>	<b>Closing balance</b>	<b>607,869</b>	<b>(22,618)</b>	<b>405,375</b>	<b>75,672</b>	<b>(1,406)</b>	<b>1,064,892</b>	<b>6,573</b>	<b>1,071,465</b>

## Consolidated financial information/statement of value added

(R\$ thousand)

(A free translation of the original in Portuguese)

Account Code	Account description	Current period from 01/01/2020 to 06/30/2020	Prior period from 01/01/2019 to 06/30/2019
<b>7.01</b>	<b>Revenue</b>	<b>910,874</b>	<b>896,140</b>
7.01.01	Net premiums with dental care plan	921,976	917,674
<b>7.01.02</b>	<b>Other income</b>	<b>15,422</b>	<b>18,082</b>
7.01.02.02	Sales and services rendered	7,044	8,320
7.01.02.03	Insurance	8,378	9,762
7.01.04	Provision for/reversal of allowance for doubtful accounts	(26,524)	(39,616)
<b>7.02</b>	<b>Inputs acquired from third parties</b>	<b>(472,342)</b>	<b>(524,264)</b>
7.02.01	Cost of sales and services	(324,362)	(368,215)
7.02.02	Materials, energy, outsourced services and other	(5,149)	(5,984)
<b>7.02.04</b>	<b>Other</b>	<b>(142,831)</b>	<b>(150,065)</b>
7.02.04.01	Other operating revenues	(15,520)	830
7.02.04.02	Selling expenses	(97,648)	(101,862)
7.02.04.03	General and administrative expenses	(39,448)	(47,970)
7.02.04.04	Variation of IBNR	9,805	(1,074)
7.02.04.05	Claims reserve	(20)	11
<b>7.03</b>	<b>Gross value added</b>	<b>438,532</b>	<b>371,876</b>
<b>7.04</b>	<b>Retentions</b>	<b>(14,439)</b>	<b>(12,747)</b>
7.04.01	Depreciation, amortization and depletion	(11,853)	(10,164)
<b>7.04.02</b>	<b>Other</b>	<b>(2,586)</b>	<b>(2,583)</b>
7.04.02.01	Right of use amortization (IFRS 16)	(2,586)	(2,583)
<b>7.05</b>	<b>Net value added generated by the entity</b>	<b>424,093</b>	<b>359,129</b>
<b>7.06</b>	<b>Value added received through transfer</b>	<b>13,999</b>	<b>19,202</b>
7.06.01	Earnings of equity method	2,530	2,346
7.06.02	Financial income	11,469	16,856
<b>7.07</b>	<b>Total value added to distribute</b>	<b>438,092</b>	<b>378,331</b>
<b>7.08</b>	<b>Distribution of value added</b>	<b>438,092</b>	<b>378,331</b>
<b>7.08.01</b>	<b>Personnel</b>	<b>80,076</b>	<b>84,213</b>
7.08.01.01	Direct compensation	60,292	65,039
7.08.01.02	Benefits	15,758	14,989
7.08.01.03	Severance Indemnity Fund for Employees (FGTS)	4,026	4,185
<b>7.08.02</b>	<b>Taxes and contributions</b>	<b>158,856</b>	<b>125,277</b>
7.08.02.01	Federal	141,418	120,099
7.08.02.02	State	1,165	1,522
7.08.02.03	Municipal	16,273	3,656
<b>7.08.03</b>	<b>Remuneration of third-party capital</b>	<b>8,516</b>	<b>6,595</b>
7.08.03.02	Leases	206	184
<b>7.08.03.03</b>	<b>Other</b>	<b>8,310</b>	<b>6,411</b>
7.08.03.03.01	Financial expenses	8,310	6,411
<b>7.08.04</b>	<b>Remuneration of own capital</b>	<b>190,644</b>	<b>160,549</b>
7.08.04.01	Interest on capital	27,254	33,467
7.08.04.02	Dividends	23,747	50,565
7.08.04.03	Retained earnings	140,676	75,672
7.08.04.04	Non-controlling shareholders	(1,033)	845
<b>7.08.05</b>	<b>Other</b>	<b>-</b>	<b>1,697</b>
7.08.05.01	Stock option plan	-	1,697

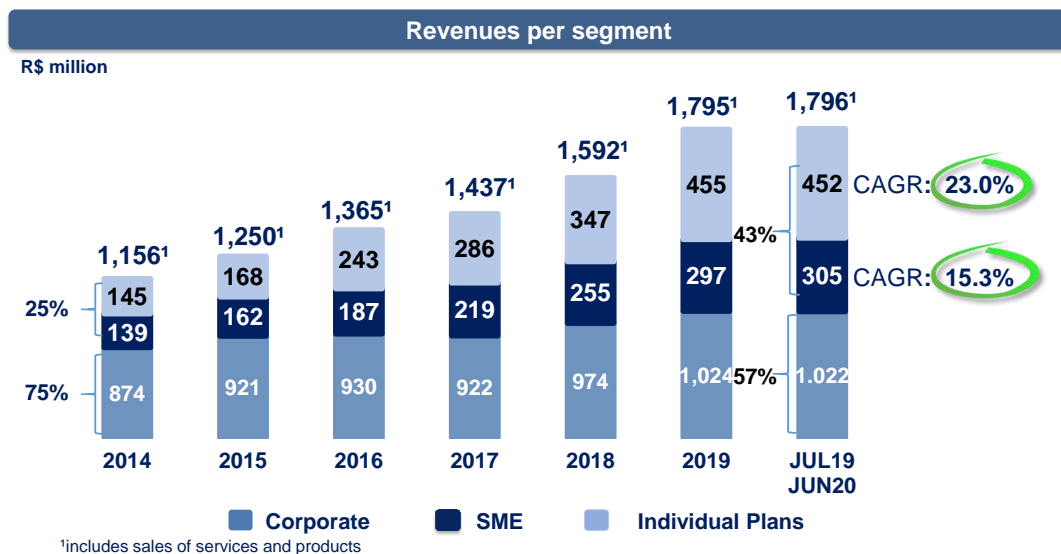
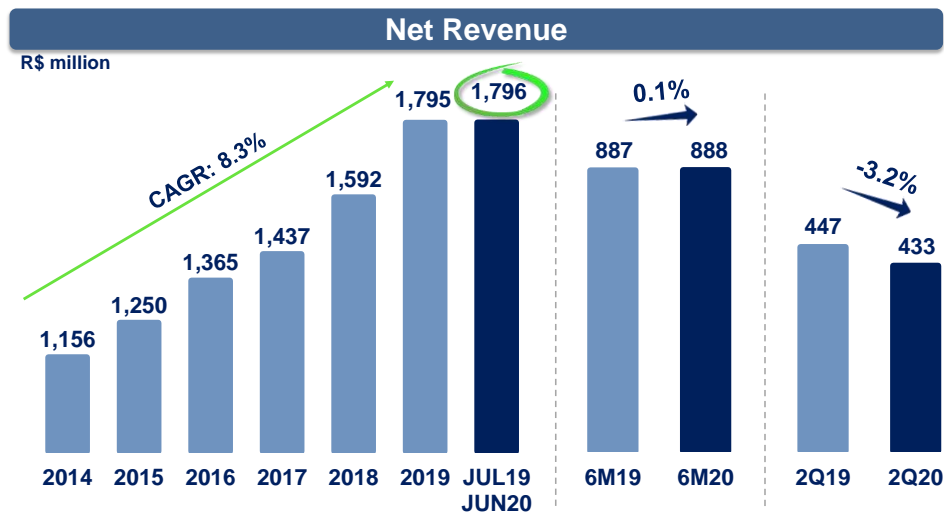
## Operational and financial performance

### Operating revenue (NOR)

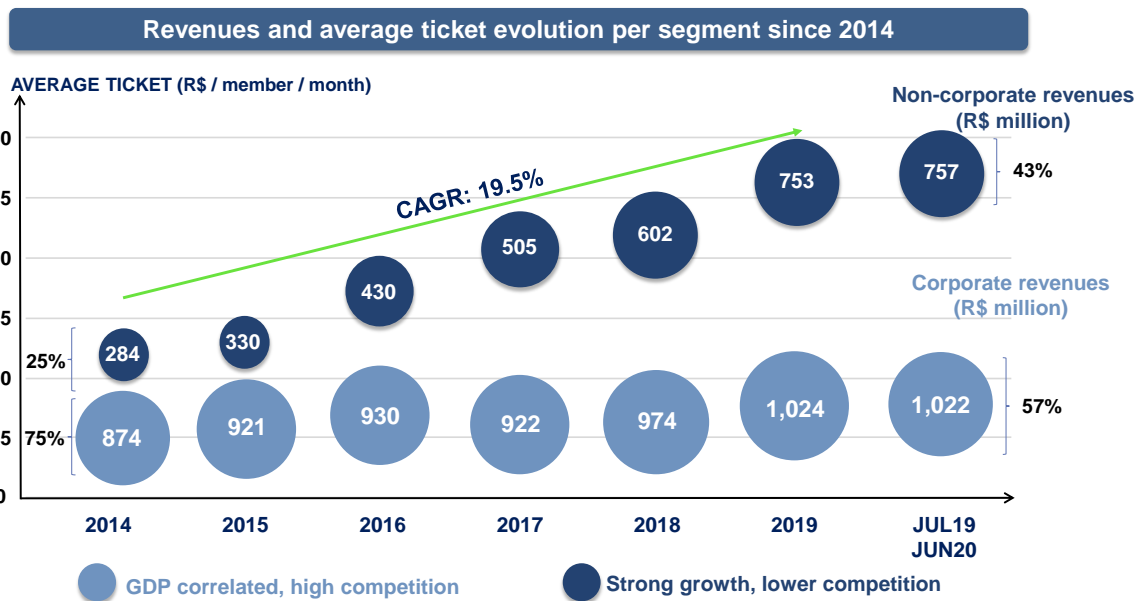
The following tables exclude the ISS reversal of March/2019.

Net operating revenue (NOR)										
	2Q20		2Q19		Δ%	6M20		6M19		Δ%
	R\$ 000	% Sales	R\$ 000	% Sales	Δ%	R\$ 000	% Sales	R\$ 000	% Sales	Δ%
(+) Payments, net	451,288	104.2	460,428	102.9	(2.0)	921,976	103.8	917,674	103.4	0.5
(+) Sales of services and products	3,343	0.8	4,259	1.0	(21.5)	7,044	0.8	8,320	0.9	(15.3)
(+) Odontored (México)	3,586	0.8	5,000	1.1	(28.3)	8,378	0.9	9,762	1.1	(14.2)
<b>Gross operating revenue (GOR)</b>	<b>458,217</b>	<b>105.8</b>	<b>469,687</b>	<b>105.0</b>	<b>(2.4)</b>	<b>937,399</b>	<b>105.6</b>	<b>935,756</b>	<b>105.5</b>	<b>0.2</b>
(-) Direct taxes on dental care operations	22,324	5.2	18,696	4.2	19.4	43,128	4.9	41,889	4.7	3.0
(-) Taxes on sales of services and products	2,935	0.7	3,553	0.8	(17.4)	6,250	0.7	6,560	0.7	(4.7)
<b>Net operating revenue (NOR)</b>	<b>432,958</b>	<b>100.0</b>	<b>447,438</b>	<b>100.0</b>	<b>(3.2)</b>	<b>888,020</b>	<b>100.0</b>	<b>887,307</b>	<b>100.0</b>	<b>0.1</b>

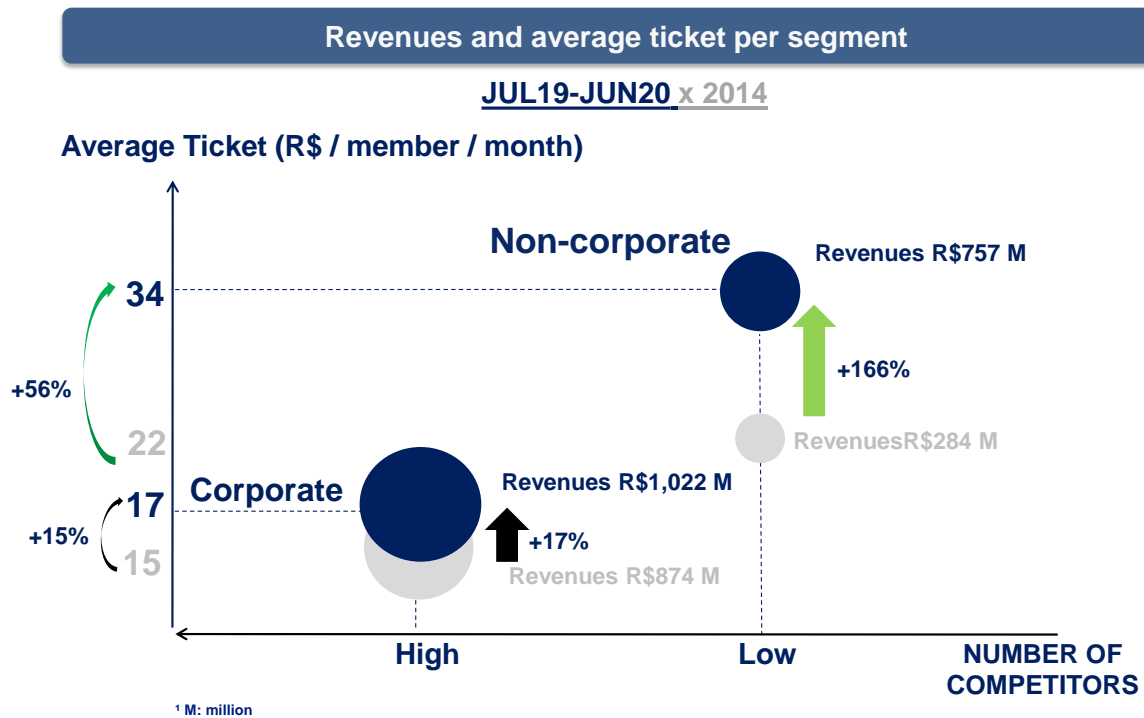
The consolidated net operating revenue (NOR) reached R\$432,958 in 2Q20, 3.2% lower YoY. In the first semester, net revenues were R\$888,020, in line with the last year.



<sup>1</sup>includes sales of services and products



Since 2014, the non-corporate revenues, of SMEs and Individual Plans, represented a CAGR of 20%, coming from 25% to 43% of total revenues in the last twelve months, increasing the average ticket, lowering the dental care ratio and optimizing the Company's exclusive distribution banking channels, in more attractive market niches.

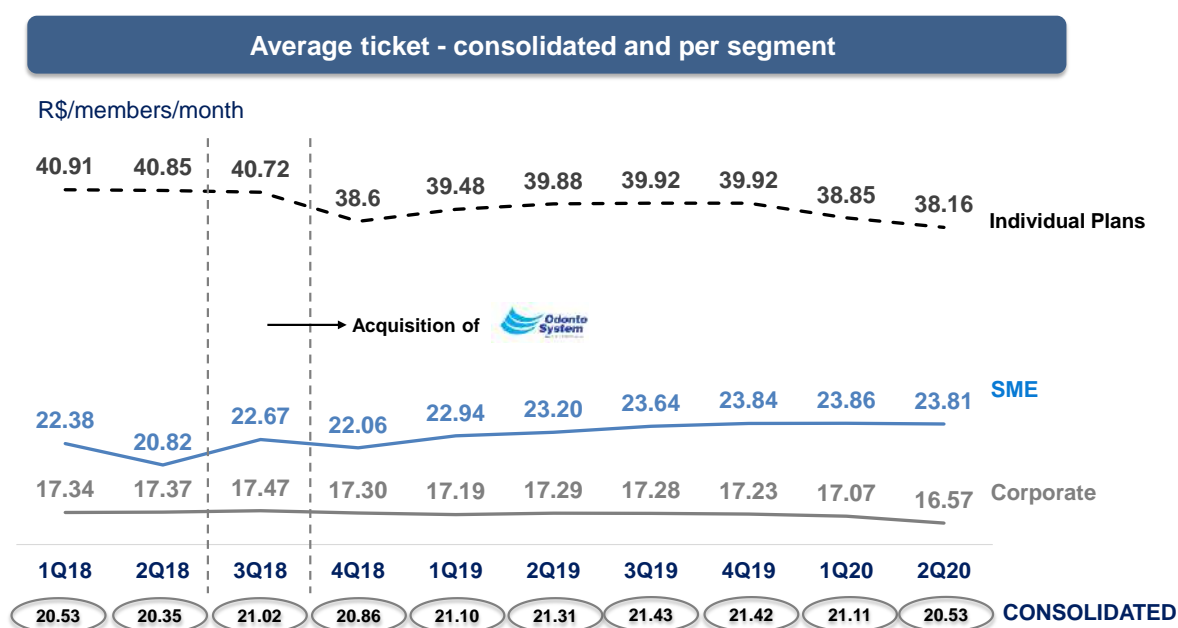


## (i) Consolidated Average Ticket

Average ticket calculation	2Q20	2Q19	Δ%	6M20	6M19	Δ%
Payments, net R\$000 (A)	451,288	460,428	(2.0)	921,976	917,674	0.5
Average number of members (B)	7,326	7,204	1.7	7,294	7,209	1.2
<b>Average ticket (R\$/member/month) (A/B)/# of months</b>	<b>20.53</b>	<b>21.31</b>	<b>(3.6)</b>	<b>21.07</b>	<b>21.22</b>	<b>(0.7)</b>

The average ticket in 2Q20 was R\$20.53, 3.6% lower YoY, due to the sales mix, corporate segment stability, higher participation of SME plans and the new portfolio of individual plans, with decreasing share of the less profitable retail channels. In the semester, the average ticket was R\$21.07.

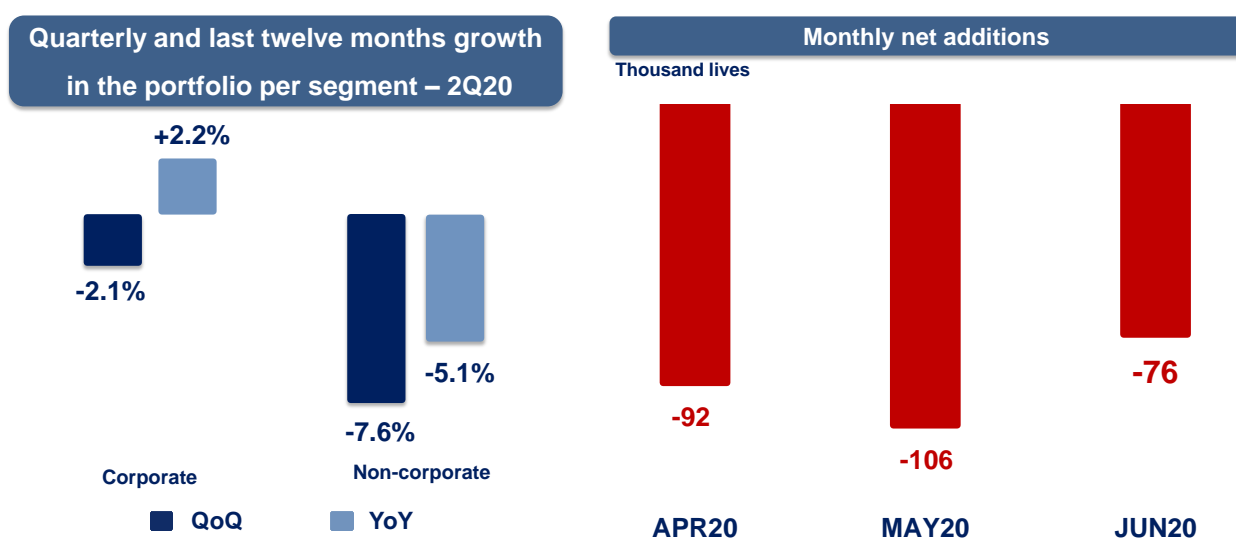
Average ticket calculation (ex-Brasildental portfolio)	2Q20	2Q19	Δ%	6M20	6M19	Δ%
Payments, net R\$000 ex-Brasildental portfolio (A)	441,725	446,154	(1.0)	900,128	890,232	1.1
Average number of members ex-Brasildental portfolio (B)	6,789	6,652	2.1	6,760	6,656	1.6
<b>Average ticket (R\$/member/month) (A/B)/# of months</b>	<b>21.69</b>	<b>22.36</b>	<b>(3.0)</b>	<b>22.19</b>	<b>22.29</b>	<b>(0.4)</b>



## (i) Total number of members

OdontoPrev reached 7,189,206 members, with a net loss of 274 thousand beneficiaries in the quarter, of which 106 thousand in May, the lower point of the period.

The portfolio remained stable in the last twelve months, with net adds of 110 thousand corporate members and a decrease of 108 thousand non-corporate lives.



	Portfolio 2Q18	Net additions				Portfolio 2Q19	Net additions				Portfolio 2Q20
		3Q18	4Q18	1Q19	2Q19		3Q19	4Q19	1Q20	2Q20	
<b>Corporate</b>	<b>4,810,944</b>	<b>313,344</b>	<b>16,043</b>	<b>3,844</b>	<b>(58,311)</b>	<b>5,085,864</b>	<b>42,491</b>	<b>100,633</b>	<b>76,999</b>	<b>(110,250)</b>	<b>5,195,737</b>
OdontoPrev <sup>1</sup>	4,810,944	313,344	16,043	3,844	(58,311)	5,085,864	42,491	100,633	76,999	(110,250)	5,195,737
<b>SME</b>	<b>956,454</b>	<b>158,020</b>	<b>(2,571)</b>	<b>(23,028)</b>	<b>9,633</b>	<b>1,098,508</b>	<b>25,179</b>	<b>19,689</b>	<b>(7,506)</b>	<b>(69,974)</b>	<b>1,065,896</b>
Bradesco	730,199	11,086	(5,031)	(6,243)	7,075	737,086	18,649	18,720	(3,188)	(35,223)	736,044
BB	102,932	2,846	1,204	(5,356)	(6,041)	95,585	(6,687)	(7,429)	(5,354)	(7,499)	68,616
<sup>1</sup> Others <sup>1</sup>	123,323	144,088	1,256	(11,429)	8,599	265,837	13,217	8,398	1,036	(27,252)	261,236
<b>Individual Plans</b>	<b>687,162</b>	<b>239,390</b>	<b>51,532</b>	<b>8,662</b>	<b>16,215</b>	<b>1,002,961</b>	<b>23,766</b>	<b>547</b>	<b>(5,811)</b>	<b>(93,890)</b>	<b>927,573</b>
Bradesco	311,591	6,224	27,845	4,352	4,665	354,677	13,842	(843)	(1,188)	(16,845)	349,643
BB	45,379	58	2,596	(4,561)	(3,165)	40,307	6,244	5,238	(82)	(3,489)	48,218
<sup>1</sup> Others <sup>1</sup>	330,192	233,108	21,091	8,871	14,715	607,977	3,680	(3,848)	(4,541)	(73,556)	529,712
<b>Total</b>	<b>6,454,560</b>	<b>710,754</b>	<b>65,004</b>	<b>(10,522)</b>	<b>(32,463)</b>	<b>7,187,333</b>	<b>91,436</b>	<b>120,869</b>	<b>63,682</b>	<b>(274,114)</b>	<b>7,189,206</b>

<sup>1</sup>On SME, includes OdontoPrev and Odonto System. On Individual Plans, also includes Retailers.

## Corporate segment

### Net Revenues - Corporate segment

The Corporate segment revenues totaled R\$248,706 in 2Q20, a 2.8% decrease YoY. In the semester, the Corporate segment revenues were stable at R\$507,836.



Corporate	2Q20	2Q19	Δ%	6M20	6M19	Δ%
(+) Payments, net	261,085	265,288	(1.6)	530,817	530,448	0.1
(-) Direct taxes on dental care operations	12,379	9,286	33.3	22,981	21,487	7.0
<b>Net operating revenue<sup>1</sup> (NOR)</b>	<b>248,706</b>	<b>256,002</b>	<b>(2.8)</b>	<b>507,836</b>	<b>508,961</b>	<b>(0.2)</b>

<sup>1</sup> excluding Sale of Services and Products

### (i) Average Ticket - Corporate segment

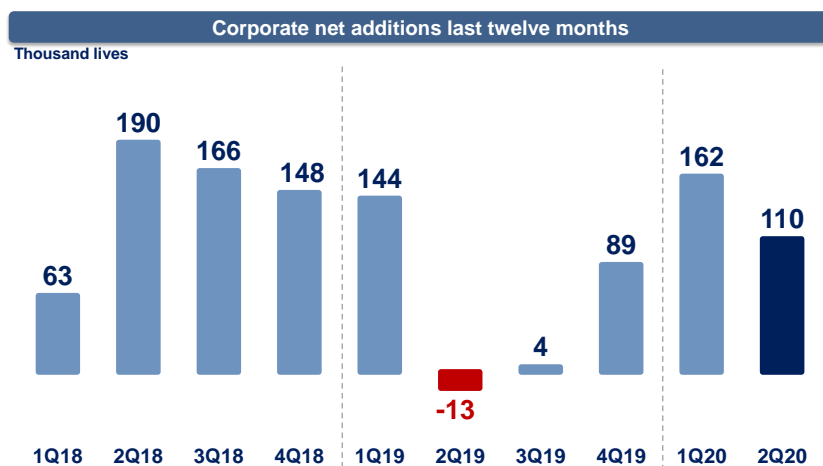
The Corporate average ticket reached R\$16.57 in 2Q20, a 4.1% decrease YoY. In the semester the average ticket was R\$16.97.

Average Ticket - Corporate	2Q20	2Q19	Δ%	6M20	6M19	Δ%
Payments, net R\$000 (A)	261,085	265,288	(1.6)	530,817	530,448	0.1
Average number of members (B)	5,251	5,115	2.7	5,212	5,113	1.9
<b>Average ticket (R\$/member/month) (A/B) / # of months</b>	<b>16.57</b>	<b>17.29</b>	<b>(4.1)</b>	<b>16.97</b>	<b>17.29</b>	<b>(1.8)</b>

### (ii) Membership - Corporate segment

	Net additions					Net additions					Portfolio 2Q20
	Portfolio 2Q18	3Q18	4Q18	1Q19	2Q19	Portfolio 2Q19	3Q19	4Q19	1Q20	2Q20	
Corporate	4,810,944	313,344	16,043	3,844	(58,311)	5,085,864	42,491	100,633	76,999	(110,250)	5,195,737





The Corporate portfolio reached 5,196 thousand lives, with net additions of 110 thousand members in the last twelve months.

## Cost of services – Corporate segment

The cost of services in the corporate segment was R\$78,263 in 2Q20, with a dental care ratio of 31.5%. In the semester, the dental care ratio was 39.4%, versus 49.2% in the same period of last year.

## Selling expenses – Corporate segment

The selling expenses in the corporate segment were R\$18,626 in 2Q20, 7.5% of revenues, above the 6.5% of 2Q19.

## Key Metrics – Corporate segment

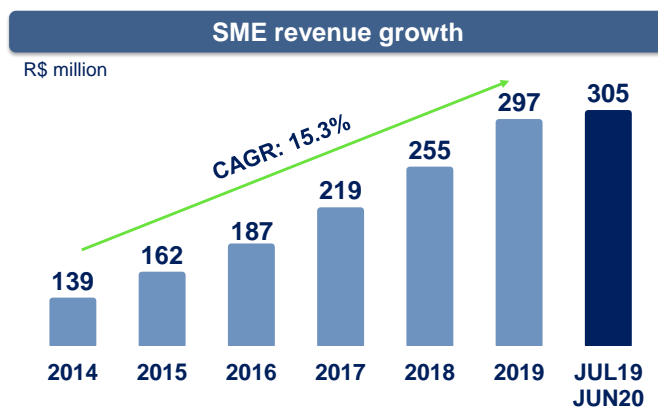
Corporate	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	6M19	6M20	JUL18-JUN19	JUL19-JUN20
<b>Average ticket (R\$/member/month) (A/B) / # of months</b>	<b>17.19</b>	<b>17.29</b>	<b>17.28</b>	<b>17.23</b>	<b>17.07</b>	<b>16.57</b>	<b>17.29</b>	<b>16.97</b>	<b>17.80</b>	<b>17.23</b>
End of period number of members (000)	5,144	5,086	5,128	5,229	5,306	5,196	5,086	5,196	5,086	5,196
Average number of members (000) (B)	5,142	5,115	5,107	5,179	5,267	5,251	5,113	5,212	4,948	5,141
(+) Payments, net (R\$ 000) (A)	265,160	265,288	264,705	267,663	269,732	261,085	530,448	530,817	1,057,215	1,063,185
(-) Direct taxes on dental care operations (R\$ 000)	12,201	9,286	8,618	9,198	10,602	12,379	21,487	22,981	44,042	40,797
<b>Net operating revenue - NOR (R\$ 000)</b>	<b>252,959</b>	<b>256,002</b>	<b>256,087</b>	<b>258,465</b>	<b>259,130</b>	<b>248,706</b>	<b>508,961</b>	<b>507,836</b>	<b>1,013,173</b>	<b>1,022,388</b>
Cost of services (R\$ 000)	117,864	132,536	137,158	133,205	122,039	78,263	250,400	200,302	508,875	470,665
<b>Dental care ratio (% Sales)</b>	<b>46.6</b>	<b>51.8</b>	<b>53.6</b>	<b>51.5</b>	<b>47.1</b>	<b>31.5</b>	<b>49.2</b>	<b>39.4</b>	<b>50.2</b>	<b>46.0</b>
<b>Cost of Services / member / month (R\$)</b>	<b>7.6</b>	<b>8.6</b>	<b>9.0</b>	<b>8.6</b>	<b>7.7</b>	<b>5.0</b>	<b>8.2</b>	<b>6.4</b>	<b>8.6</b>	<b>7.6</b>
<b>Gross Profit (R\$ 000)</b>	<b>135,096</b>	<b>123,465</b>	<b>118,930</b>	<b>125,259</b>	<b>137,091</b>	<b>170,443</b>	<b>258,561</b>	<b>307,534</b>	<b>504,297</b>	<b>551,723</b>
Selling expenses (R\$ 000)	17,866	16,666	15,201	15,051	16,619	18,626	34,532	35,245	67,041	65,497
<b>Selling expenses (% Sales)</b>	<b>7.1</b>	<b>6.5</b>	<b>5.9</b>	<b>5.8</b>	<b>6.4</b>	<b>7.5</b>	<b>6.8</b>	<b>6.9</b>	<b>6.6</b>	<b>6.4</b>
Contribution Margin (R\$ 000)	117,230	106,799	103,729	110,208	120,472	151,817	224,029	272,289	437,257	486,226
<b>Contribution Margin (% Sales)</b>	<b>46.3</b>	<b>41.7</b>	<b>40.5</b>	<b>42.6</b>	<b>46.5</b>	<b>61.0</b>	<b>44.0</b>	<b>53.6</b>	<b>43.2</b>	<b>47.6</b>

## SME

### Net Revenues - SME

The SME revenues increased 2.3%, totaling R\$74,395 in 2Q20. In the semester, the SME net revenues reached R\$151,949, a 5.3% growth over the same period of last year.

Since 2014, the SME revenues represented a CAGR of 15.3%.



SME	2Q20	2Q19	Δ%	6M20	6M19	Δ%
(+) Payments, net	78,627	76,125	3.3	160,204	151,866	5.5
(-) Direct taxes on dental care operations	4,231	3,419	23.8	8,255	7,531	9.6
<b>Net operating revenue<sup>1</sup> (NOR)</b>	<b>74,395</b>	<b>72,706</b>	<b>2.3</b>	<b>151,949</b>	<b>144,335</b>	<b>5.3</b>

<sup>1</sup> excluding Sale of Services and Products

### (i) Average Ticket - SME

The SME average ticket reached R\$23.81, a 2.6% increase YoY. In the semester, the SME average ticket was R\$24.17, a 5.5% increase over the same period of last year.

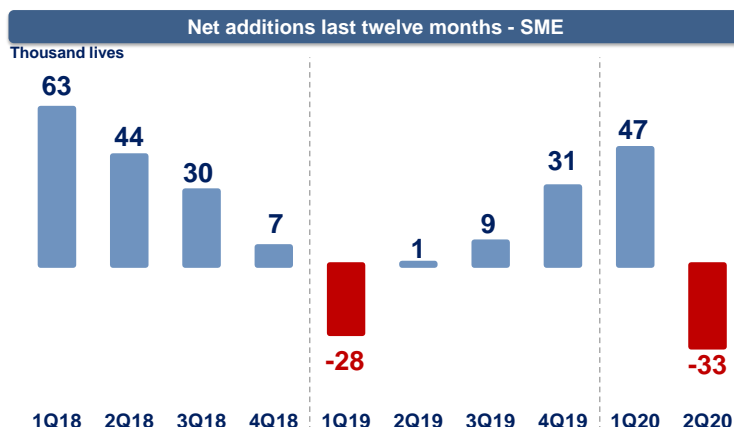
Average Ticket - SME	2Q20	2Q19	Δ%	6M20	6M19	Δ%
Payments, net R\$000 (A)	78,627	76,125	3.3	160,204	151,866	5.5
Average number of members (B)	1,101	1,094	0.7	1,105	1,105	(0.1)
<b>Average ticket (R\$/member/month) (A/B) / # of months</b>	<b>23.81</b>	<b>23.20</b>	<b>2.6</b>	<b>24.17</b>	<b>22.90</b>	<b>5.5</b>

### ii) Membership - SME

	Net additions					Net additions					Portfolio 2Q20
	Portfolio 2Q18	3Q18	4Q18	1Q19	2Q19	Portfolio 2Q19	3Q19	4Q19	1Q20	2Q20	
<b>SME</b>	<b>956,454</b>	<b>158,020</b>	<b>(2,571)</b>	<b>(23,028)</b>	<b>9,633</b>	<b>1,098,508</b>	<b>25,179</b>	<b>19,689</b>	<b>(7,506)</b>	<b>(69,974)</b>	<b>1,065,896</b>
Bradesco	730,199	11,086	(5,031)	(6,243)	7,075	737,086	18,649	18,720	(3,188)	(35,223)	736,044
BB	102,932	2,846	1,204	(5,356)	(6,041)	95,585	(6,687)	(7,429)	(5,354)	(7,499)	68,616
Others <sup>1</sup>	123,323	144,088	1,256	(11,429)	8,599	265,837	13,217	8,398	1,036	(27,252)	261,236

<sup>1</sup>Includes OdontoPrev and Odonto System.

The SME segment lost 70 thousand lives in 2Q20. In the last twelve months, there was a net loss of 33 thousand members. The Bradesco channel, which represents the largest portion of the SME portfolio, lost a thousand lives in the last twelve months.



## Cost of Services – SME

The cost of services of the SME segment was R\$15,601 in 2Q20, 21.0% of sales, a 18,9 p.p. improvement YoY and 12,0 p.p. compared to 1Q20. In the semester, the dental care ratio was 27.1%, 10,9 p.p. lower than the same period last year.

## Selling expenses – SME

The selling expenses in the SME segment were R\$7,907 in 2Q20, 10.6% of sales, lower than 13,4% in 2Q19.

## Key Metrics – SME

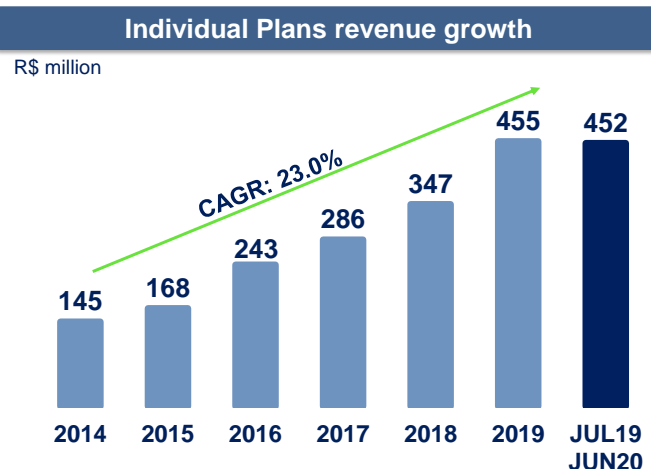
SME	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	6M19	6M20	JUL18-JUN19	JUL19-JUN20
Average ticket (R\$/member/month) (A/B) / # of months	22.94	23.20	23.64	23.84	23.86	23.81	22.90	24.17	24.00	24.65
End of period number of members (000)	1,089	1,099	1,124	1,143	1,136	1,066	1,099	1,066	1,099	1,066
Average number of members (000) (B)	1,100	1,094	1,111	1,134	1,140	1,101	1,105	1,105	1,027	1,082
(+) Payments, net (R\$ 000) (A)	75,741	76,125	78,814	81,066	81,577	78,627	151,866	160,204	295,961	320,084
(-) Direct taxes on dental care operations (R\$ 000)	4,112	3,419	3,549	3,638	4,024	4,231	7,531	8,255	15,055	15,442
Net operating revenue - NOR (R\$ 000)	71,629	72,706	75,265	77,428	77,553	74,395	144,335	151,949	280,905	304,642
Cost of services (R\$ 000)	25,866	29,040	29,160	28,607	25,575	15,601	54,906	41,176	110,244	98,943
Dental care ratio (% Sales)	36.1	39.9	38.7	36.9	33.0	21.0	38.0	27.1	39.2	32.5
Cost of Services / member / month (R\$)	7.8	8.9	8.7	8.4	7.5	4.7	8.3	6.2	8.9	7.6
Gross Profit (R\$ 000)	45,763	43,666	46,105	48,821	51,979	58,794	89,429	110,773	170,661	205,699
Selling expenses (R\$ 000)	8,763	9,749	11,215	8,910	9,473	7,907	18,512	17,380	35,308	37,505
Selling expenses (% Sales)	12.2	13.4	14.9	11.5	12.2	10.6	12.8	11.4	12.6	12.3
Contribution Margin (R\$ 000)	37,000	33,917	34,890	39,911	42,505	50,888	70,916	93,393	135,354	168,194
Contribution Margin (% Sales)	51.7	46.6	46.4	51.5	54.8	68.4	49.1	61.5	48.2	55.2

## Individual Plans

### Net Revenues – Individual Plans

The individual plans net revenues totaled R\$105,862 in the quarter, 6.3% lower than 2Q19. In the semester, individual plans revenue reached R\$219,063, 1.5% lower than the previous period.

Since 2014, the individual plans revenue represented a CAGR of 23.0%.



Individual Plans	2Q20	2Q19	Δ%	6M20	6M19	Δ%
(+) Payments, net	111,576	119,015	(6.3)	230,955	235,360	(1.9)
(-) Direct taxes on dental care operations	5,714	5,991	(4.6)	11,892	12,871	(7.6)
<b>Net operating revenue<sup>1</sup> (NOR)</b>	<b>105,862</b>	<b>113,024</b>	<b>(6.3)</b>	<b>219,063</b>	<b>222,489</b>	<b>(1.5)</b>

<sup>1</sup> excluding Sale of Services and Products

### (i) Average Ticket – Individual Plans segment

The individual plans average ticket was R\$38.16 in 2Q20, lower than R\$39.88 in 2Q19. In the semester, the average ticket was R\$39.38.

Average Ticket - Individual plans	2Q20	2Q19	Δ%	6M20	6M19	Δ%
Payments, net R\$000 (A)	111,576	119,015	(6.3)	230,955	235,360	(1.9)
Average number of members (B)	975	995	(2.0)	977	991	(1.3)
<b>Average ticket (R\$/member/month) (A/B) / # of months</b>	<b>38.16</b>	<b>39.88</b>	<b>(4.3)</b>	<b>39.38</b>	<b>39.60</b>	<b>(0.6)</b>

### (ii) Membership – Individual Plans

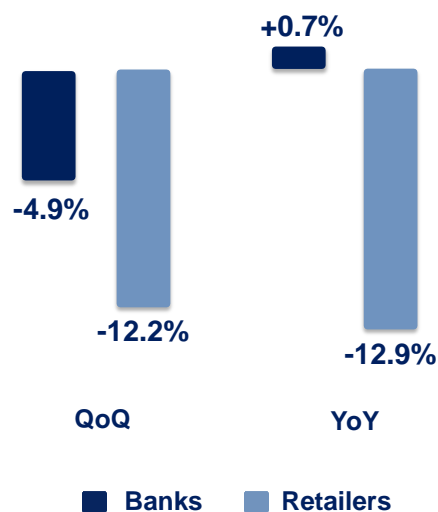
	Portfolio 2Q18	Net additions				Portfolio 2Q19	Net additions				Portfolio 2Q20
		3Q18	4Q18	1Q19	2Q19		3Q19	4Q19	1Q20	2Q20	
<b>Individual Plans</b>	<b>687,162</b>	<b>239,390</b>	<b>51,532</b>	<b>8,662</b>	<b>16,215</b>	<b>1,002,961</b>	<b>23,766</b>	<b>547</b>	<b>(5,811)</b>	<b>(93,890)</b>	<b>927,573</b>
Bradesco	311,591	6,224	27,845	4,352	4,665	354,677	13,842	(843)	(1,188)	(16,845)	349,643
BB	45,379	58	2,596	(4,561)	(3,165)	40,307	6,244	5,238	(82)	(3,489)	48,218
Others <sup>1</sup>	330,192	233,108	21,091	8,871	14,715	607,977	3,680	(3,848)	(4,541)	(73,556)	529,712

<sup>1</sup>Includes OdontoPrev, Odonto System and Retailers.

The individual plans had a net loss of 94 thousand lives in 2Q20, or -9.2%. The retail channel represented 78% of the net loss in the period, or 12.2% of this portfolio, versus -4.9% of the more profitable bank channels.

In the last twelve months, the Individual segment lost 75 thousand lives, of which 78 thousand came from retailers, while the bank channels grew 3 thousand members.

#### 2Q20 Individual portfolio growth (%)

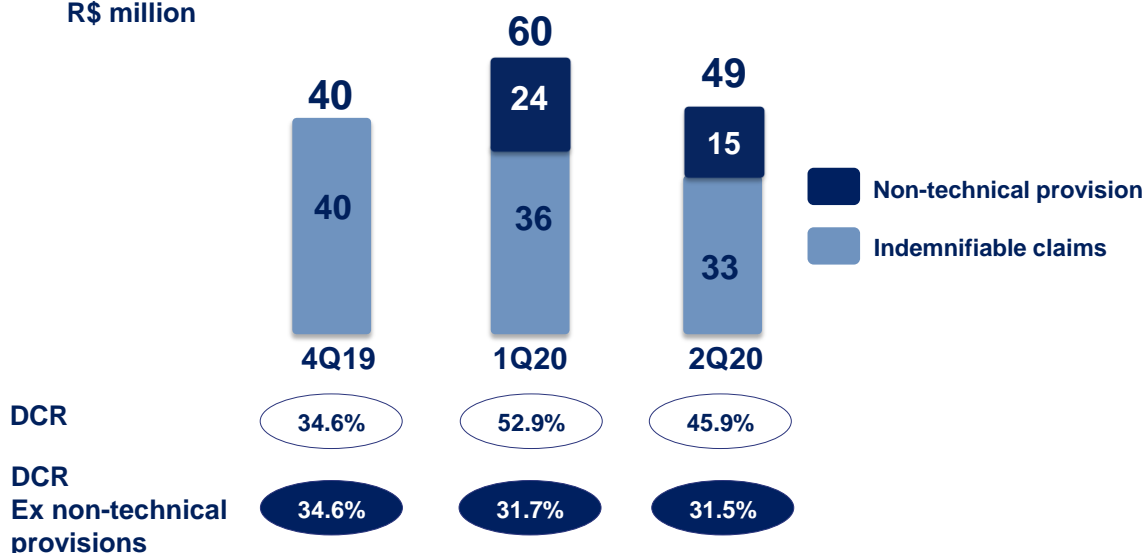


### Cost of Services – Individual Plans

The cost of services of Individual plans was R\$48,630 in 2Q20, with a dental care ratio of 45.9%, **due to non-technical provisions of R\$15 million (Explanatory Note 15) related to free choice plans at the bank channel. Excluding the non-technical provisions, the dental care ratio would have been 31.5% in 2Q20.**

#### Cost of Services: Indemnifiable claims, net and Provisions

R\$ million



### Selling expenses – Individual Plans

The selling expenses in the quarter were 20.0% of sales in 2Q20, improving 1,4 p.p. YoY and 1,0 p.p. QoQ, due to the increasing participation of the bank channels, of lower acquisition cost, in the total Individual Plans portfolio.

## Key metrics – Individual Plans

Individual Plans	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	6M19	6M20	JUL18-JUN19	JUL19-JUN20
Average ticket (R\$/member/month) (A/B) / # of months	39.48	39.88	39.92	39.92	38.85	38.16	39.60	39.38	43.80	41.05
End of period number of members (000)	987	1,003	1,027	1,027	1,021	928	1,003	928	1,003	928
Average number of members (000) (B)	982	995	1,015	1,027	1,024	975	991	977	845	965
(+) Payments, net (R\$ 000) (A)	116,345	119,015	121,553	122,990	119,379	111,576	235,360	230,955	444,199	475,498
(-) Direct taxes on dental care operations (R\$ 000)	6,880	5,991	5,574	5,970	6,178	5,714	12,871	11,892	25,746	23,436
Net operating revenue - NOR (R\$ 000)	109,465	113,024	115,979	117,020	113,201	105,862	222,489	219,063	418,453	452,062
Cost of services (R\$ 000)	33,251	40,484	47,891	40,471	59,883	48,630	73,735	108,513	135,124	196,874
Dental care ratio (% Sales)	30.4	35.8	41.3	34.6	52.9	45.9	33.1	49.5	32.3	43.6
Cost of Services / member / month (R\$)	11.3	13.6	15.7	13.1	19.5	16.6	12.4	18.5	13.3	17.0
Gross Profit (R\$ 000)	76,213	72,541	68,087	76,550	53,318	57,232	148,754	110,550	283,330	255,187
Selling expenses (R\$ 000)	24,648	24,222	25,747	25,247	23,762	21,123	48,870	44,885	91,734	95,879
Selling expenses (% Sales)	22.5	21.4	22.2	21.6	21.0	20.0	22.0	20.5	21.9	21.2
Contribution Margin (R\$ 000)	51,565	48,319	42,341	51,302	29,556	36,109	99,884	65,665	191,596	159,308
Contribution Margin (% Sales)	47.1	42.8	36.5	43.8	26.1	34.1	44.9	30.0	45.8	35.2

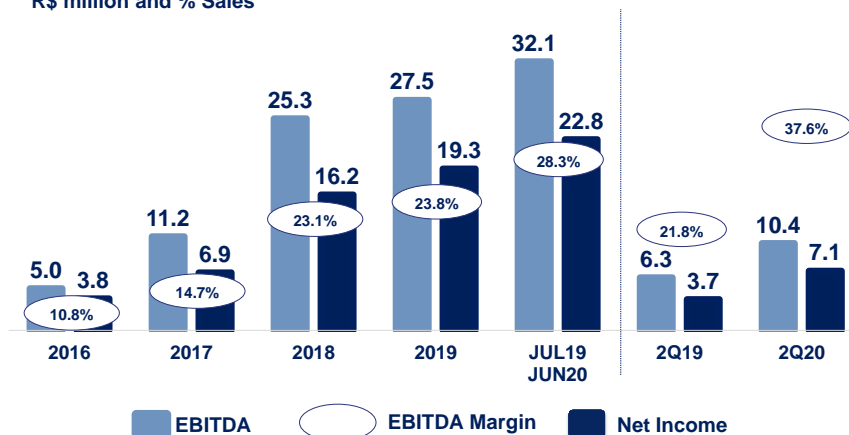
## Brasildental

(R\$000, except otherwise specified)	2Q20	2Q19	Δ%	6M20	6M19	Δ%
Net operating revenue (NOR)	27,590.4	29,006	(4.9)	56,198	58,053	(3.2)
Average ticket (R\$/member/month)	17.94	18.15	(1.2)	18.31	18.21	0.5
Number of members	530,769	546,414	(2.9)	530,769	546,414	(2.9)
Cost of services	9,636	14,306	(32.6)	21,967	27,506	(20.1)
SG&A	6,499	7,212	(9.9)	13,817.8	14,431	(4.2)
Selling expenses	2,437	3,226	(24.5)	5,236	6,220	(15.8)
Administrative expenses (G&A)	4,062	3,986	1.9	8,582	8,211	4.5
Other operating revenues	(4)	-24	(82.3)	(19)	(50)	(62.4)
Bad debt	958	1,059	(9.5)	1,645	2,040	(19.4)
Profit sharing	122	130	(6.2)	188	198	(5.1)
EBITDA	10,381	6,323	64.2	18,599	13,928	33.5
EBITDA margin (%)	37.6	21.8	15.8 p.p.	33.1	24.0	9.1 p.p.
Net income	7,126	3,677	93.8	13,301	9,823	35.4

BRASIL DENTAL

### EBITDA and Net Income evolution

R\$ million and % Sales



In the quarter, Brasildental EBITDA reached R\$10,381, 64.2% higher than 2Q19, with a 37.6% margin, above than the 21.8% of 2Q19. Net income reached R\$7,126, 93.8% higher YoY.

## Cost of services and dental care ratio

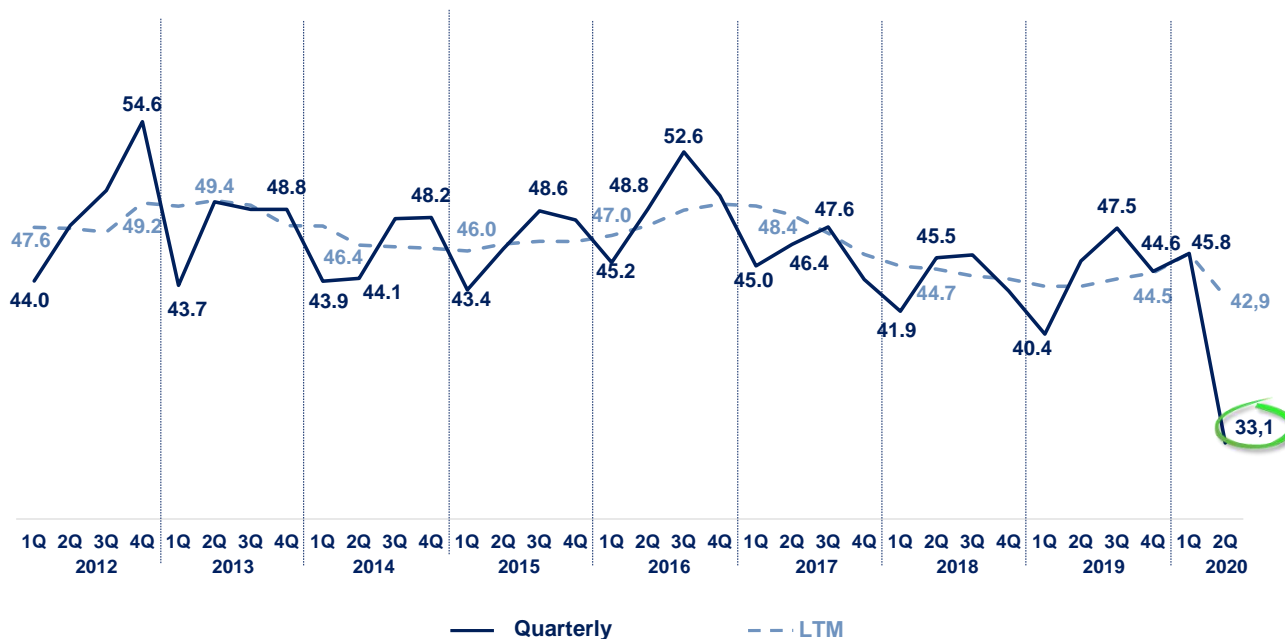
Cost of services (ex IBNR) and dental loss ratio (% Sales)										
	2Q20		2Q19		Δ% p.p. Sales	6M20		6M19		Δ% p.p. Sales
	R\$ 000	% Sales	R\$ 000	% Sales		R\$ 000	% Sales	R\$ 000	% Sales	
<b>Cost of services (ex IBNR)</b>	<b>143,321</b>	<b>33.1</b>	<b>202,694</b>	<b>45.3</b>	<b>(12.2)</b>	<b>351,791</b>	<b>39.6</b>	<b>388,169</b>	<b>43.7</b>	<b>(4.1)</b>
Indemnifiable claims, net	147,637	34.1	196,155	43.8	(9.7)	323,020	36.4	367,008	41.4	(5.0)
Payroll charges on services	2	-	(37)	-	-	3	-	(34)	(0.0)	-
Dental materials	1,531	0.4	2,091	0.5	(0.1)	2,918	0.3	4,146	0.5	(0.2)
Other operational costs and Provisions/reversals	(6,457)	(1.5)	3,851	0.9	(2.4)	24,508	2.8	7,921	0.9	1.9
Odontored (México)	607	0.1	633	0.1	-	1,342	0.2	1,207	0.1	0.1

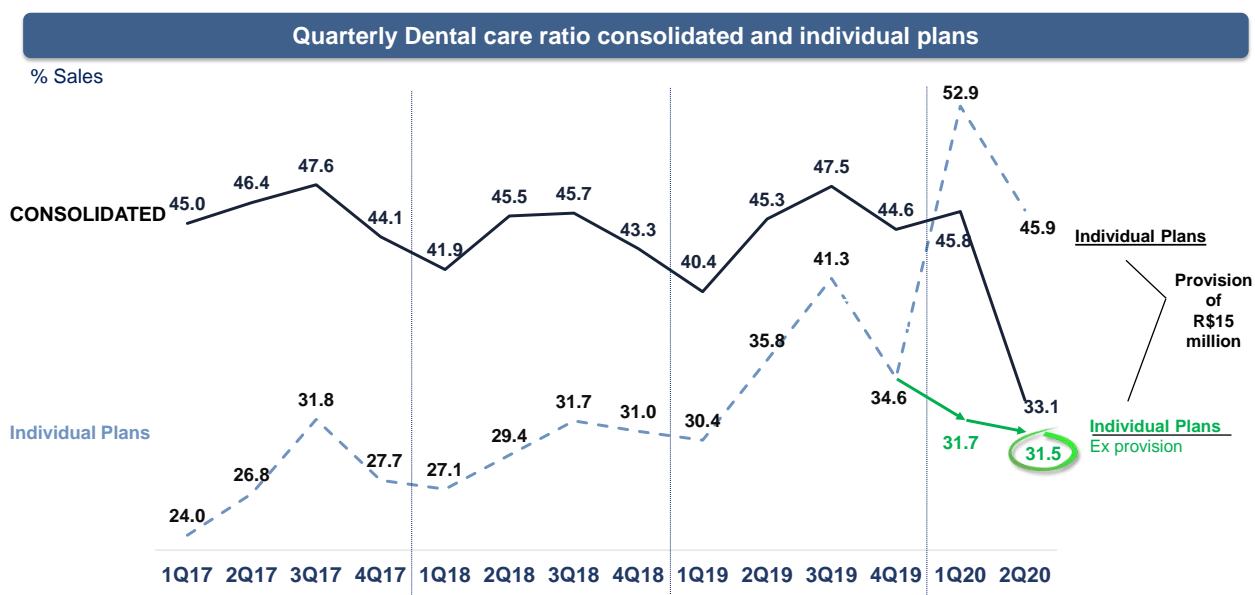
For comparison purposes, the IBNR Provision (Incurred but not Reported) and technical reversal (Odontored), were excluded from the Cost of Services. In 2Q20 there was a reversal of IBNR and technical reversal of R\$9,200, compared to a constitution of R\$9,897 in 2Q19. In the semestre, there was a reversal of IBNR and technical reversal of R\$9,785, as compared to a constitution of R\$1,063 in the year before. (Income Statement, page 3).

In 2Q20, the cost of services represented 33.1% of revenues, as compared to the 45.8% of 1Q20, representing an all-time low level.

Excluding non-technical provision of the individual plans, the consolidated cost of services would have been R\$128,001 in the quarter, with a dental care ratio of 29.6%.

### Quarterly and LTM Cost of Services (% Sales)

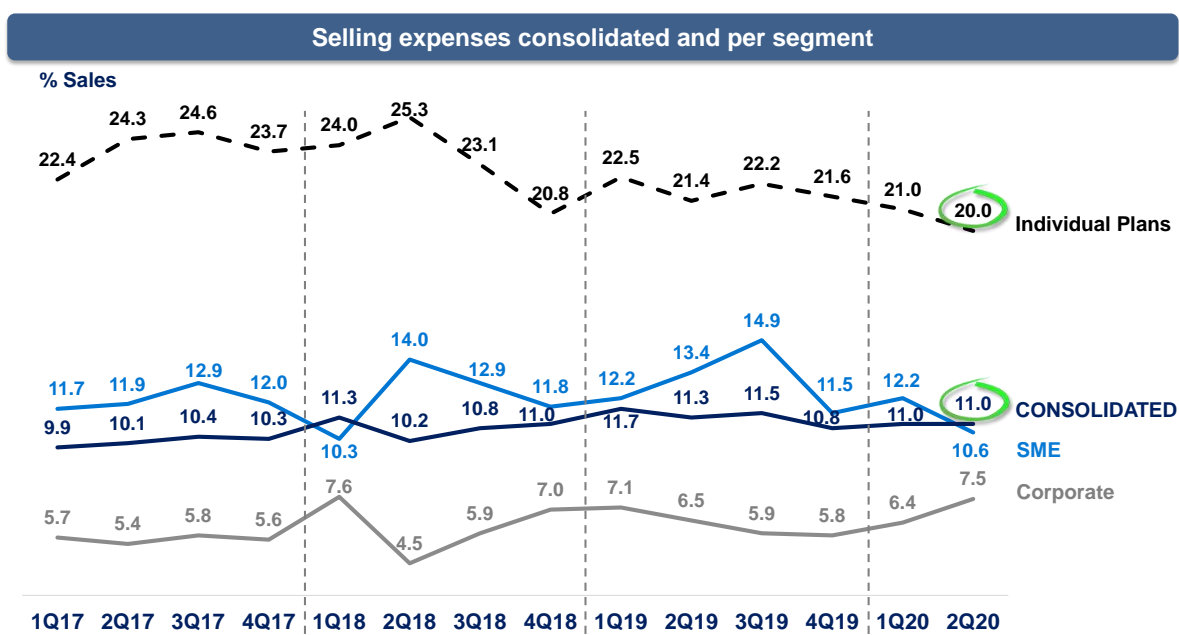




## Selling expenses

(R\$000)	2Q20	2Q19	Δ%	6M20	6M19	Δ%
Selling expenses	47,711	50,775	(6.0)	97,889	102,221	(4.2)
Selling expenses (% Sales)	11.0	11.3	(0.3 p.p.)	11.0	11.5	(0.5 p.p.)

The selling expenses reached 11.0% of revenues in 2Q20, 30 bps below 2Q19, given the lower participation of the less profitable retail individual portfolio.



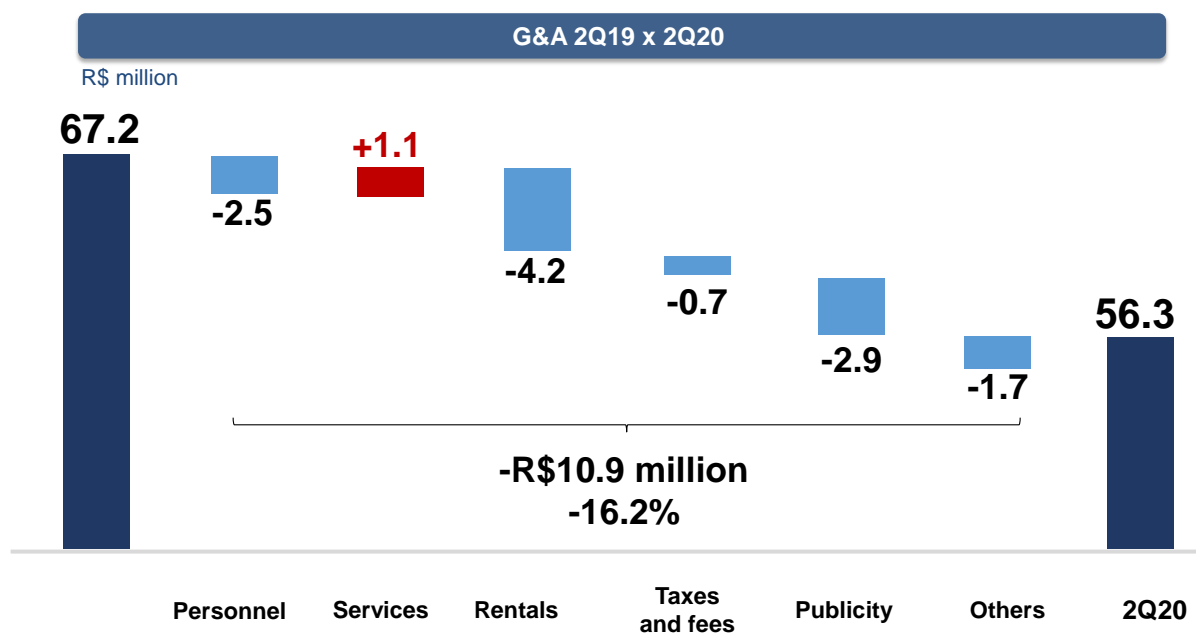


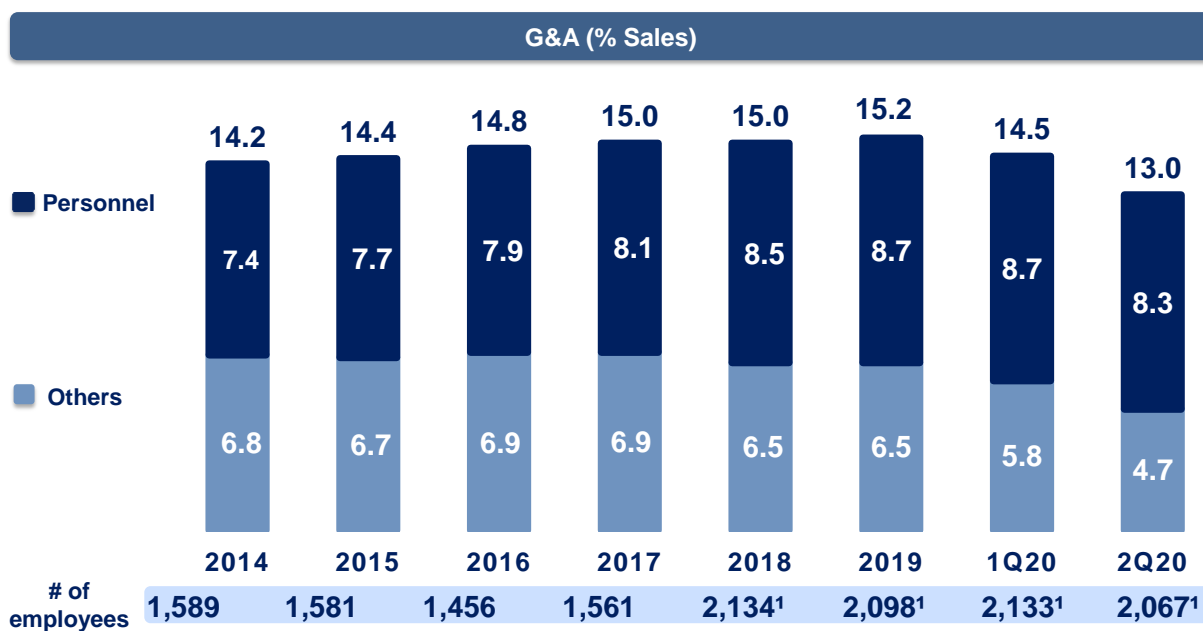
## Administrative expenses (G&A)

	2Q20		2Q19		Δ% p.p. Sales	6M20		6M19		Δ% p.p. Sales
	R\$ 000	% Sales	R\$ 000	% Sales		R\$ 000	% Sales	R\$ 000	% Sales	
Personnel	35,956	8.3	38,435	8.6	(0.3)	75,545	8.5	75,488	8.5	-
Third parties services	9,467	2.2	8,333	1.9	0.3	17,837	2.0	16,552	1.9	0.1
Rentals and occupancy	6,574	1.5	10,758	2.4	(0.9)	15,689	1.8	20,007	2.3	(0.5)
Taxes and fees	2,358	0.5	3,051	0.7	(0.2)	6,336	0.7	6,360	0.7	-
Publicity and advertising	1,573	0.4	4,483	1.0	(0.6)	2,130	0.2	8,348	0.9	(0.7)
Others	377	0.1	2,119	0.5	(0.4)	4,603	0.5	3,375	0.4	0.1
<b>G&amp;A (not adjusted at EBITDA base)</b>	<b>56,305</b>	<b>13.0</b>	<b>67,179</b>	<b>15.0</b>	<b>(2.0)</b>	<b>122,140</b>	<b>13.8</b>	<b>130,130</b>	<b>14.7</b>	<b>(0.9)</b>
Depreciation and amortization	5,879	1.4	4,998	1.1	0.3	11,853	1.3	10,164	1.1	0.2
Amortization of utilization rights	1,276	0.3	1,332	0.3	-	2,586	0.3	2,583	0.3	-
<b>G&amp;A (not adjusted at EBITDA base)</b>	<b>7,154</b>	<b>1.7</b>	<b>6,330</b>	<b>1.4</b>	<b>0.3</b>	<b>14,439</b>	<b>1.6</b>	<b>12,747</b>	<b>1.4</b>	<b>0.2</b>
<b>Total administrative expenses (G&amp;A)</b>	<b>63,459</b>	<b>14.7</b>	<b>73,509</b>	<b>16.4</b>	<b>(1.7)</b>	<b>136,578</b>	<b>15.4</b>	<b>142,877</b>	<b>16.1</b>	<b>(0.7)</b>

## G&A (included in the adjusted EBITDA base)

The administrative expenses came from R\$67,179 in 2Q19 (15.0% of Sales) to R\$56,305 in 2Q20 (13.0% of Sales), improving 16,2%, as we demonstrate below:



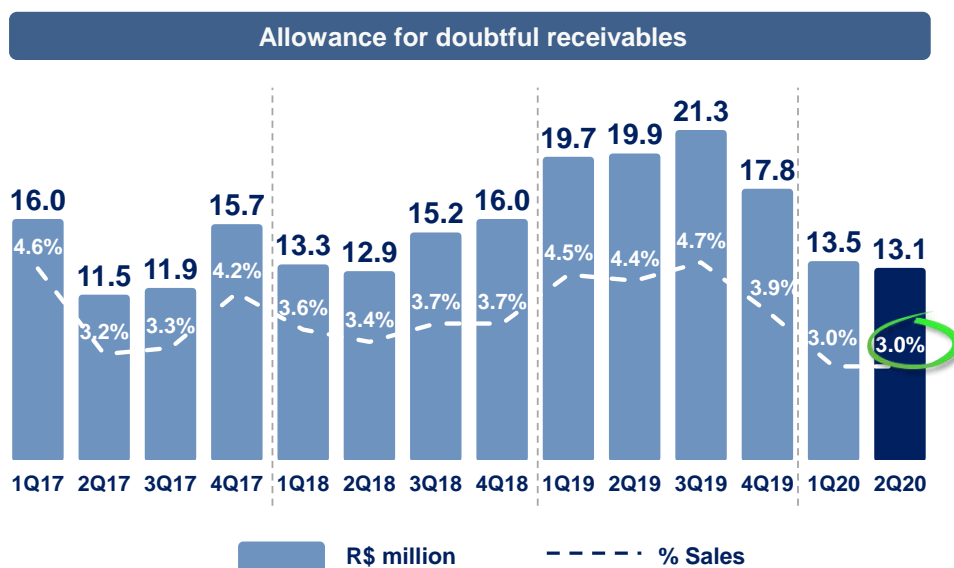


## Bad debt

Allowance for doubtful receivables	2Q20	2Q19	Δ%	6M20	6M19	Δ%
R\$ 000	13,066	19,890	(34.3)	26,524	39,616	(33.0)
% Sales	3.0	4.4	(1.4 p.p.)	3.0	4.5	(1.5 p.p.)

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

The Allowance for doubtful receivables were 3.0% of Sales in 2Q20, same level as 1Q20, and 140 bps lower than 2Q19, **due to the growth of the bank channels in the individual segment.**

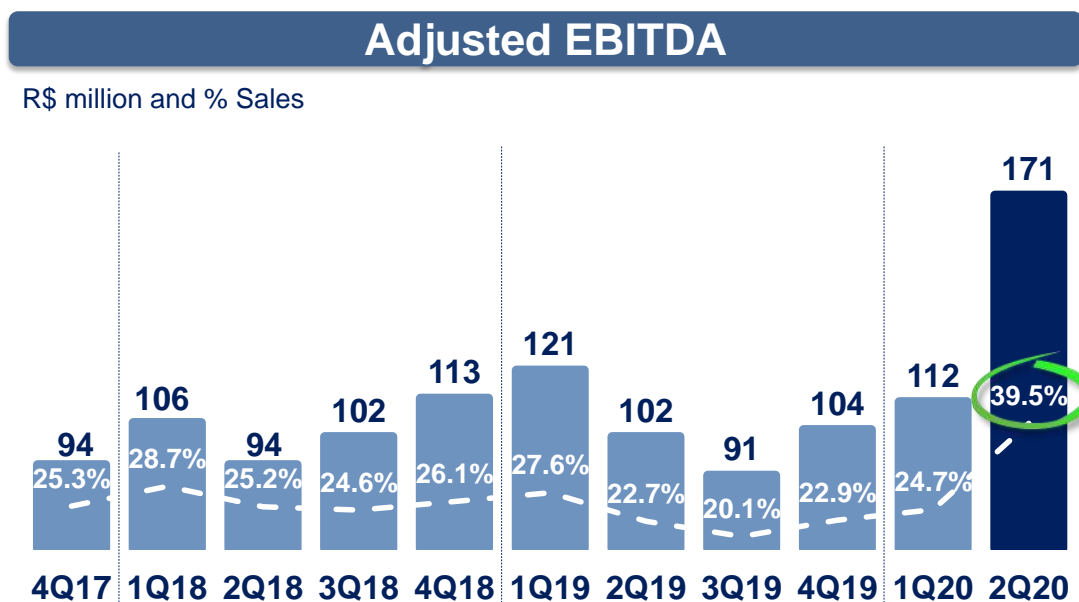


## EBITDA and Adjusted EBITDA

	2Q20		2Q19		Δ% p.p. Sales	Y/Y %	6M20		6M19		Δ% p.p. Sales	Y/Y %
	R\$ 000	% Sales	R\$ 000	% Sales			R\$ 000	% Sales	R\$ 000	% Sales		
<b>Net Income</b>	<b>116,455</b>	<b>26.9</b>	<b>62,274</b>	<b>13.9</b>	<b>13.0</b>	<b>87.0</b>	<b>191,677</b>	<b>21.6</b>	<b>159,704</b>	<b>18.0</b>	<b>3.6</b>	<b>20.0</b>
(+) Current income and social contribution tax	50,775	11.7	26,734	6.0	5.7	89.9	85,937	9.7	66,112	7.5	2.2	30.0
(+) Deferred income and social contribution tax	5,146	1.2	(317)	(0.1)	1.3	-	2,981	0.3	3,489	0.4	(0.1)	(14.6)
(-) Financial income	5,556	1.3	8,844	2.0	(0.7)	(37.2)	11,469	1.3	16,856	1.9	(0.6)	(32.0)
(+) Financial expenses	4,377	1.0	3,255	0.7	0.3	34.5	8,310	0.9	6,411	0.7	0.2	29.6
(+) Stock option	-	-	712	0.2	(0.2)	-	-	-	1,697	0.2	(0.2)	-
(-) Participation of minority shareholders	628	0.1	(592)	-	-	(206.0)	1,033	0.1	(845)	-	-	-
(+) Depreciation and amortization	5,879	1.4	4,998	1.1	0.3	17.6	11,853	1.3	10,164	1.1	0.2	16.6
(+) Amortization of utilization rights	1,276	0.3	1,332	0.3	-	-	2,586	0.3	2,583	0.3	-	-
(-) Equity in subsidiaries	971	0.2	620	0.1	0.1	56.7	2,530	0.3	2,346	0.3	-	7.8
<b>EBITDA</b>	<b>176,752</b>	<b>40.8</b>	<b>90,117</b>	<b>20.1</b>	<b>20.7</b>	<b>96.1</b>	<b>288,312</b>	<b>32.5</b>	<b>231,802</b>	<b>26.1</b>	<b>6.4</b>	<b>24.4</b>
Incurred But Not Reported Provision - IBNR	(8,946)	(2.1)	10,276	2.3	(4.4)	(187.1)	(9,805)	(1.1)	1,074	0.1	(1.2)	-
Odontored - Technical reserves	(254)	-	(379)	(0.1)	0.1	(33.0)	20	-	(11)	-	-	-
(+) Brasildental EBITDA Pro Forma	3,375	0.8	1,580	0.4	0.4	113.6	4,650	0.5	3,740	0.4	0.1	24.3
(-) ISS reversal	-	-	-	-	-	-	-	-	(13,568)	-	-	-
<b>Adjusted EBITDA</b>	<b>170,927</b>	<b>39.5</b>	<b>101,593</b>	<b>22.7</b>	<b>16.8</b>	<b>68.2</b>	<b>283,176</b>	<b>31.9</b>	<b>223,036</b>	<b>25.1</b>	<b>6.8</b>	<b>27.0</b>

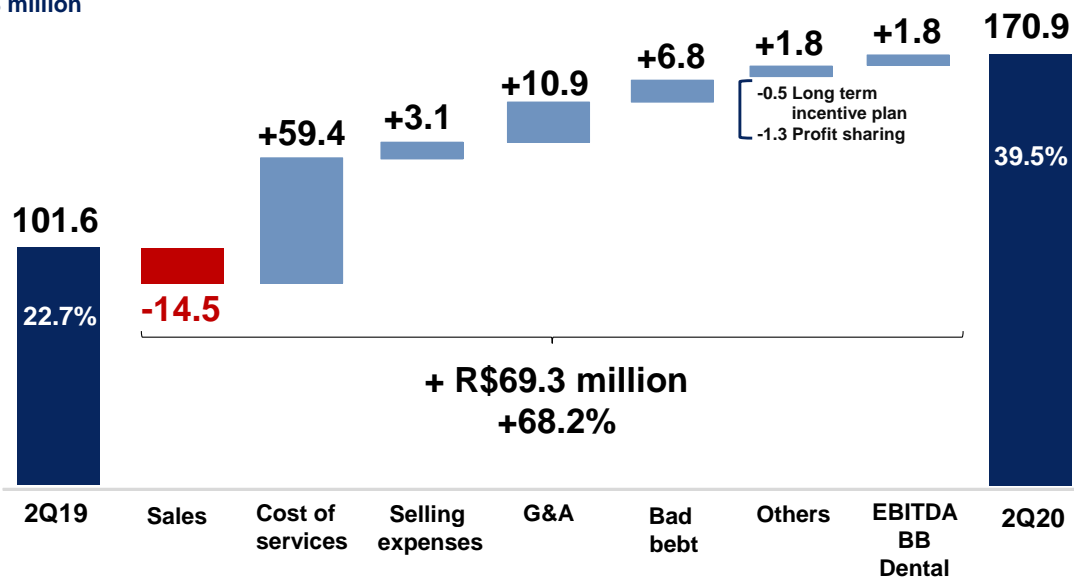
The adjusted EBITDA reached R\$170,927 in 2Q20, 68.2% higher YoY and 52.3% better QoQ, with a record margin of 39.5%.

In the semester the adjusted EBITDA reached R\$283,176, 27.0% higher than the previous year, with a 31.9% margin.



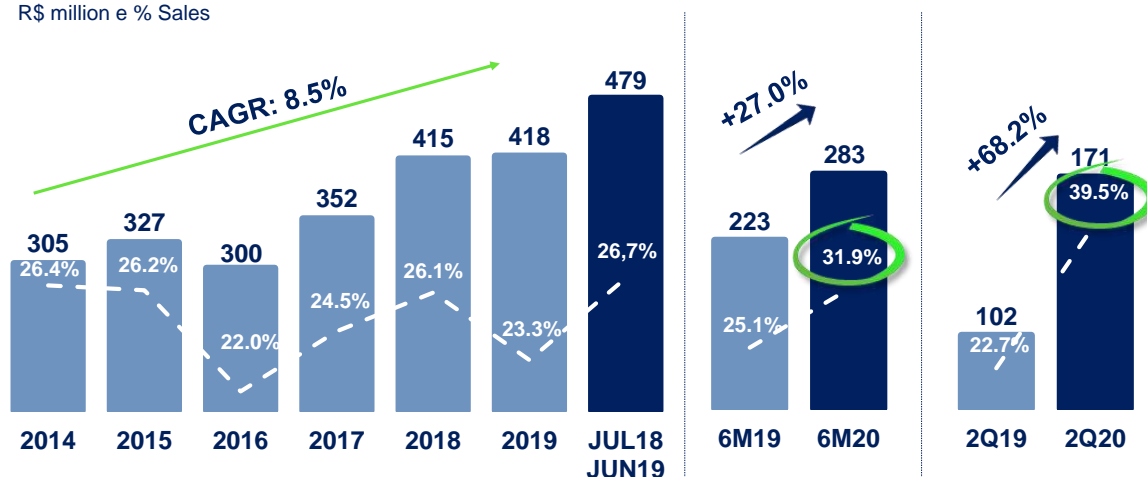
## Adjusted EBITDA: 2Q20 x 2Q19

R\$ million



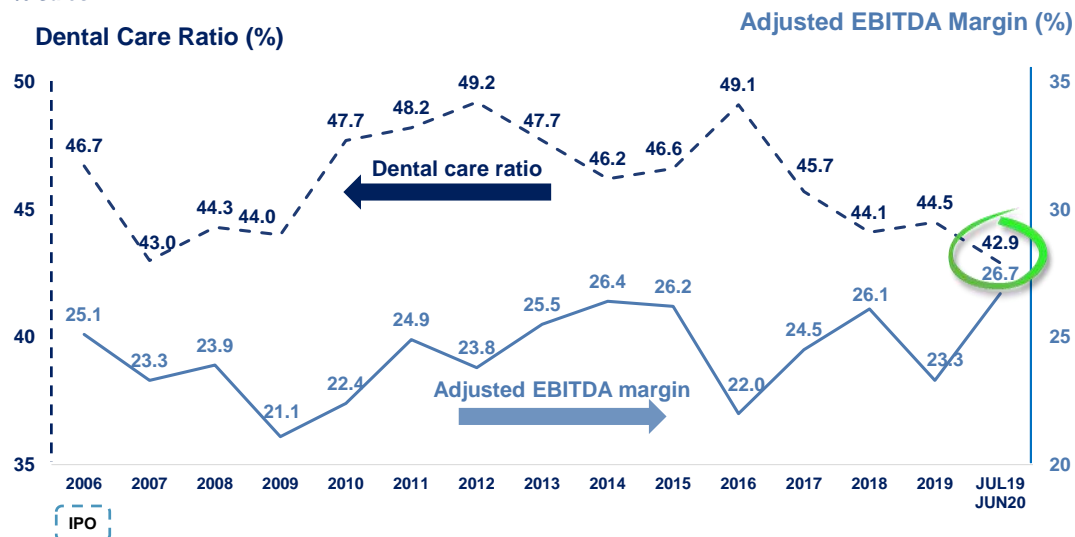
## Adjusted EBITDA

R\$ million e % Sales



## Dental care ratio and adjusted EBITDA margin since IPO

% Sales



Financial income

	2Q20		2Q19		Δ%	6M20		6M19		Δ%
	R\$ 000	% Sales	R\$ 000	% Sales		R\$ 000	% Sales	R\$ 000	% Sales	
Net financial income	1,179	0.3	5,589	1.2	(78.9)	3,159	0.4	10,444	1.2	(69.8)
(+) Financial income	5,556	1.3	8,844	2.0	(37.2)	11,469	1.3	16,856	1.9	(32.0)
(-) Financial expenses	4,377	1.0	3,255	0.7	34.5	8,310	0.9	6,412	0.7	29.6
(-) Bank fees	1,262	0.3	1,115	0.2	13.2	2,575	0.3	2,312	0.3	11.4
(-) Monetary restatement of legal provisions	264	0.1	364	0.1	(27.5)	945	0.1	694	0.1	36.2
(-) Monetary restatement of social security reimbursement	44	-	108	-	(59.3)	156	-	312	-	(50.0)
(-) Monetary restatement of financial provisions	(35)	-	-	-	-	123	-	-	-	-
(-) Others financials expenses	2,842	0.7	1,668	0.4	70.4	4,511	0.5	3,093	0.3	45.9

<sup>1</sup> According to IFRS 16, includes rental expenses from 1Q19

The net financial result was R\$1,178 (0.3% of Sales) in 2Q20, versus R\$5,589 (1.2% of Sales) in 2Q19.

Income and social contribution taxes

	2Q20		2Q19		Δ%	6M20		6M19		Δ%
	R\$ 000	% Sales	R\$ 000	% Sales		R\$ 000	% Sales	R\$ 000	% Sales	
Taxes	55,921	12.9	26,417	5.9	111.7	88,918	10.0	69,601	7.8	27.8
(-) Current income and social contribution taxes	50,775	11.7	26,734	6.0	89.9	85,937	9.7	66,112	7.5	30.0
(-) Deferred income and social contribution taxes	5,146	1.2	(317)	(0.1)	-	2,981	0.3	3,489	0.4	(14.6)

	Effective tax rates			
	2Q20	2Q19	6M20	6M19
Income before taxes and profit sharing	174,856	93,690	287,314	218,039
(-) Profit sharing	3,108	4,408	7,752	9,379
(=) Tax base	171,748	89,283	279,562	208,660
Taxes				
(-) Current income and social contribution taxes	50,775	26,734	85,937	66,112
(-) Deferred income and social contribution taxes	5,146	(317)	2,981	3,489
Total taxes	55,921	26,417	88,918	69,601
Current effective tax rate	29.6%	29.9%	30.7%	31.7%

Amortization schedule from 2020	
Period	Total amortization R\$000
2020	14,926
2021	29,851
2022	29,851
2023	29,851
Total	104,479

## Net Income

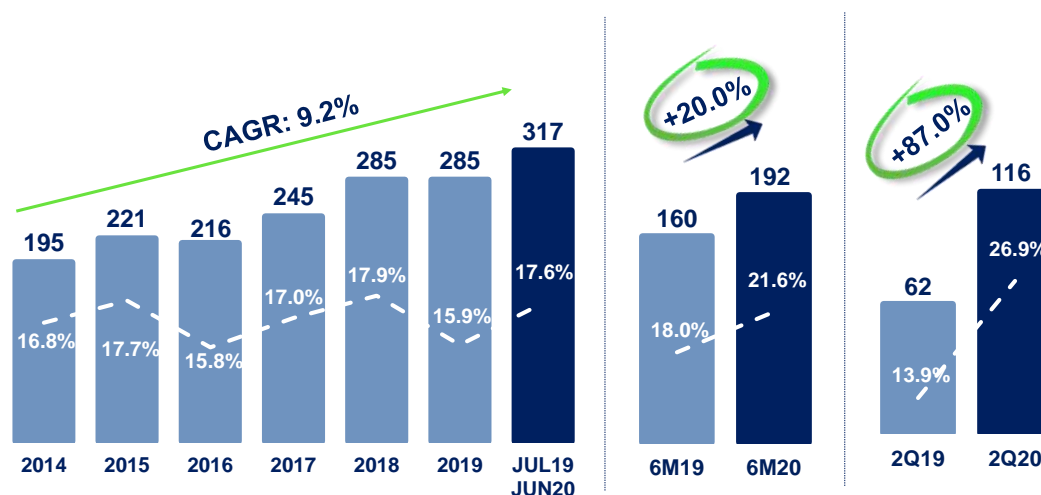
Net income	2Q20	2Q19	Δ%	6M20	6M19	Δ%
R\$ 000	116,455	62,274	87.0	191,677	159,704	20.0
% Sales	26.9	13.9	13.0 p.p.	21.6	18.0	3.6 p.p.

Net income reached R\$116,455 in 2Q20, 87% higher YoY and 55% QoQ, with a net margin of 26.9%.

Excluding the individual plans provision, the net income would have been R\$126,566.

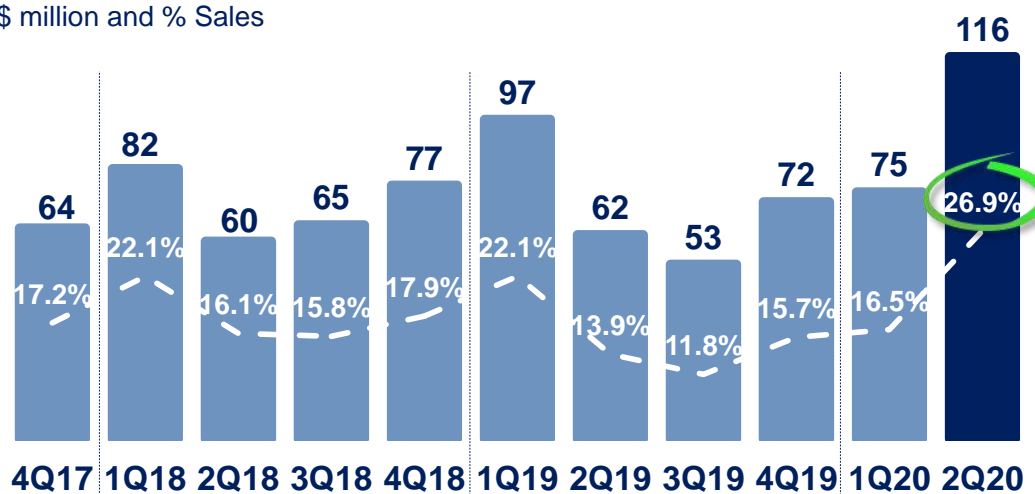
### Net income and Net margin

R\$ million and % Sales



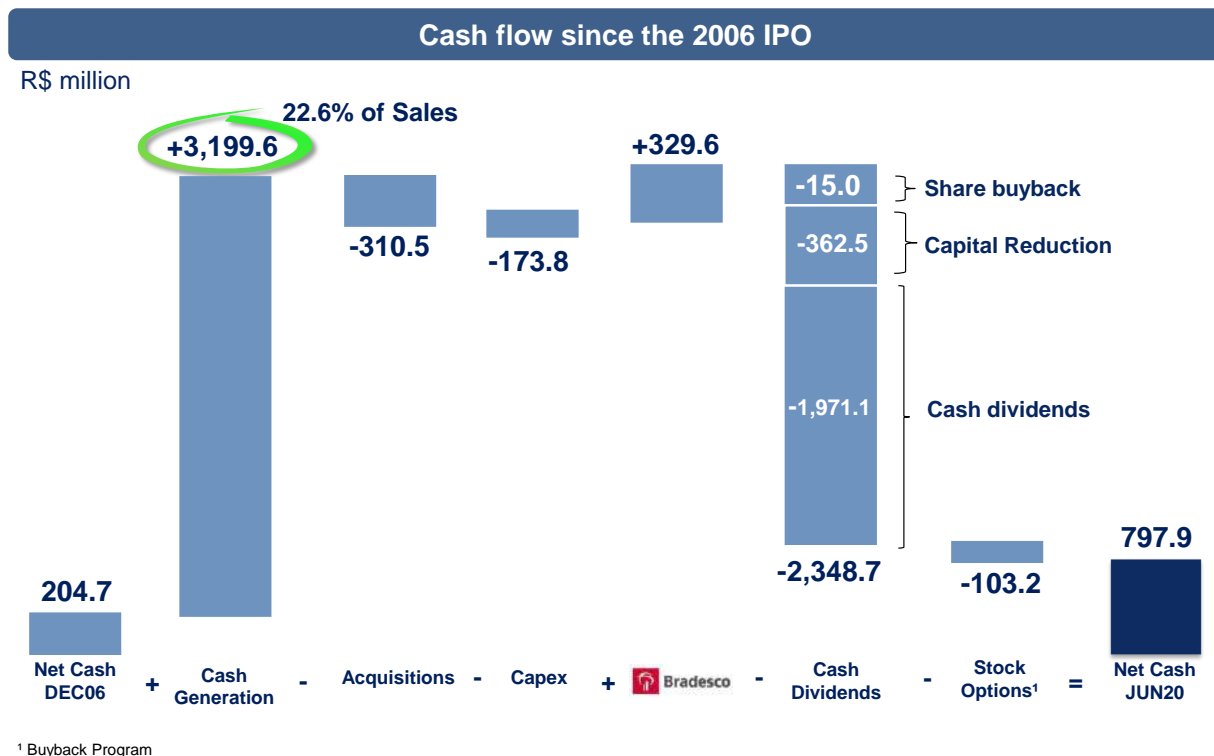
### Net income

R\$ million and % Sales



## Cash flow

(R\$000)	2Q20	2Q19
<b>CASH FLOW FROM OPERATIONAL ACTIVITIES</b>		
<b>Net income for the period</b>	<b>115,827</b>	<b>62,866</b>
Reconciliation of net income with the cash generated by operations	62,124	74,537
	<b>177,951</b>	<b>137,403</b>
Decrease (increase) in operational assets	(6,649)	(32,683)
Increase (decrease) in operational liabilities	(23,294)	(36,142)
<b>NET CASH PROVIDED BY (USED IN) OPERATIONAL ACTIVITIES</b>	<b>148,008</b>	<b>68,578</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	(2,406)	(1,289)
System development, software licenses and other	(7,082)	(6,030)
Deferred selling expenses	2,000	-
Advance for future capital increase in Investee	(1,673)	-
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>(9,161)</b>	<b>(7,319)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid	-	(78,324)
Interest on capital paid	(13,864)	(17,636)
Treasury shares	-	(22,627)
Stock Options Program vesting reimbursements	-	2,045
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>(13,864)</b>	<b>(116,542)</b>
<b>INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>	<b>124,982</b>	<b>(55,283)</b>
Cash, Cash Equivalents and short-term investments		
Balance at the beginning of period	672,911	530,570
Balance at the end of period	797,892	475,287
<b>INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>	<b>124,982</b>	<b>(55,283)</b>



Since the IPO in 2006, OdontoPrev has presented a cash generation of R\$3,199.6 million, and paid R\$2,348.7 million to shareholders. At the end of June 2020, the net cash position was of R\$797.9 million, without any leverage.



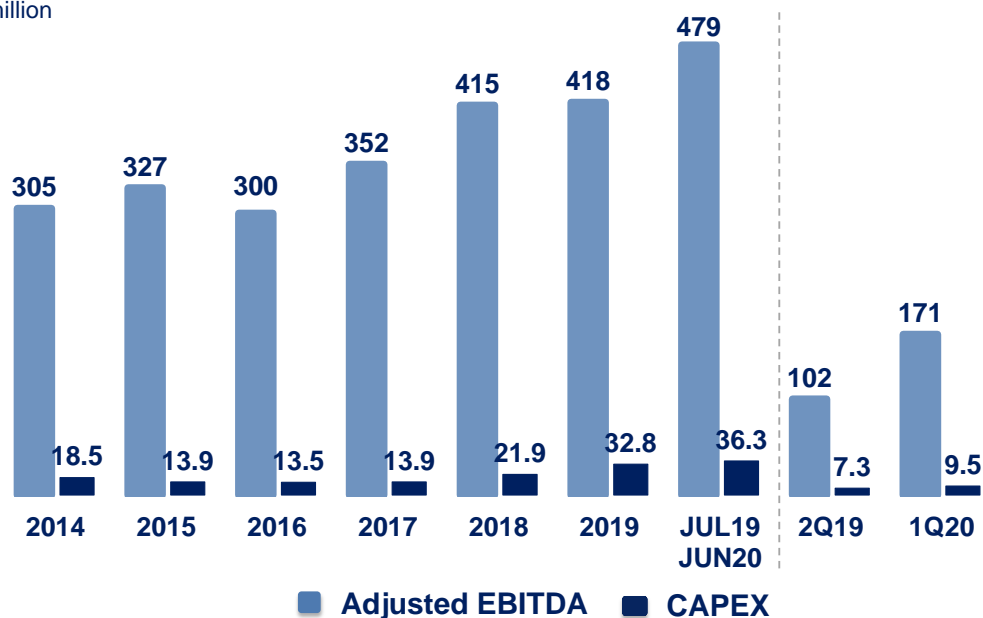
## Capex

The IT platform and the acquisition of software represent the bulk of OdontoPrev's capex:

(R\$thousand)	2Q20	2Q19	6M20	6M19
IT platform, acquisition/license of software	7,082	5,815	11,608	9,307
Computer equipment	1,811	1,095	2,110	1,175
Dental plan equipment, furniture and utensils	366	146	690	280
Installations	92	45	114	79
Vehicle	125	130	125	130
Others	12	87	22	215
<b>Total capex</b>	<b>9,488</b>	<b>7,319</b>	<b>14,669</b>	<b>11,186</b>

## Adjusted EBITDA and CAPEX

R\$ million



## Statement of added value

(R\$000)	2Q20	2Q19	6M20	2018
Revenues	445,151	449,797	910,874	1,628,773
Inputs purchased from third parties	(197,244)	(285,534)	-472,342	-949,954
<b>(=) GROSS VALUE ADDED</b>	<b>247,907</b>	<b>164,263</b>	<b>438,532</b>	<b>678,819</b>
Retentions	(7,155)	(6,330)	-14,439	-15,984
<b>(=) WEALTH CREATED BY THE COMPANY</b>	<b>240,752</b>	<b>157,933</b>	<b>424,093</b>	<b>662,835</b>
Wealth received in transfer	6,527	9,464	13,999	38,078
<b>(=) WEALTH CREATED</b>	<b>247,279</b>	<b>167,397</b>	<b>438,092</b>	<b>700,913</b>

WEALTH DISTRIBUTED	247,279	100%	167,397	100.0%	438,092	100%	700,913	100.0%
Personnel and charges	38,083	15.4%	41,476	24.8%	80,076	18.3%	136,296	19.4%
Taxes, fees and contributions	89,555	36.2%	59,204	35.4%	158,856	36.3%	253,299	36.1%
Lenders and lessors	3,814	1.5%	3,139	1.9%	8,516	1.9%	17,479	2.5%
Shareholders	115,827	46.8%	62,866	37.6%	190,644	43.5%	285,277	40.7%
Stock options	-	0.0%	712	0.4%	0	0.0%	8,562	1.2%

## Stock options

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

June 30, 2020 (R\$/share)					
Grant date	Granted options	Canceled options	Exercised options	Number of options outstanding on 06/30/2020 *	Historical grant share price (R\$)
08/02/2007	2,662,308	989,304	1,673,004	-	3.74
02/28/2008	4,241,928	977,544	3,264,384	-	2.70
03/25/2009	3,060,024	839,916	2,220,108	-	1.47
08/11/2010	2,096,121	199,803	1,896,318	-	4.31
09/20/2011	1,751,445	221,174	1,530,271	-	6.96
09/20/2012	1,609,097	358,112	1,250,985	-	8.22
08/20/2013	3,000,000	672,650	2,327,350	-	7.44
02/25/2014	228,497	-	228,497	-	7.30
05/26/2015	2,679,397	395,749	2,173,152	110,496	10.79
11/19/2015	2,572,186	404,111	2,100,539	67,536	9.81
07/01/2016	392,680	-	392,680	-	11.41
10/26/2016	2,889,498	549,693	1,599,403	740,402	13.03
<b>Total</b>	<b>27,183,181</b>	<b>5,608,056</b>	<b>20,656,691</b>	<b>918,434</b>	

## 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
	<b>Total paid in 2006:</b>					<b>8,080</b>	<b>16,240</b>	<b>16,911</b>
	<b>Total paid in 2007:</b>					<b>18,477</b>	<b>16,297</b>	<b>47,458</b>
	<b>Total paid in 2008:</b>					<b>30,436</b>	<b>39,958</b>	<b>55,153</b>
	<b>Total paid in 2009:</b>					<b>28,983</b>	<b>200.381<sup>1</sup></b>	<b>58,976</b>
	<b>Total paid in 2010:</b>					<b>523,850</b>	<b>352,027</b>	<b>121,004</b>
	<b>Total paid in 2011:</b>					<b>85,806</b>	<b>159,686<sup>2</sup></b>	<b>145,311</b>
	<b>Total paid in 2012:</b>					<b>207,467</b>	<b>159,527<sup>3</sup></b>	<b>145,566</b>
	<b>Total paid in 2013:</b>					<b>181,975</b>	<b>206,322<sup>4</sup></b>	<b>188,091</b>
	<b>Total paid in 2014:</b>					<b>216,658</b>	<b>213,581<sup>5</sup></b>	<b>194,709</b>
	<b>Total paid in 2015:</b>					<b>223,205</b>	<b>220,946<sup>6</sup></b>	<b>220,946</b>
	<b>Total paid in 2016:</b>					<b>185,559</b>	<b>172,791</b>	<b>215,990</b>
	<b>Total paid in 2017:</b>					<b>279,012</b>	<b>246,667</b>	<b>502,919</b>
2017	01/04/2018	12/11/2017	12/14/2017	IOC	4Q17	11,945	<b>173,358</b>	<b>284,793</b>
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		
	<b>Total paid in 2018:</b>					<b>86,716</b>	<b>199,334</b>	<b>284,762</b>
2018	01/09/2019	12/18/2018	12/21/2018	DIV	2018	58,063		
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		
2019	12/06/2019	10/30/2019	11/04/2019	DIV	3Q19	22,470		
	<b>Total paid in 2019:</b>					<b>250,712</b>		
2019	01/08/2020	12/16/2019	12/19/2019	IOC	4Q19	14,196		
2020	04/02/2020	03/12/2020	03/17/2020	IOC	1Q20	13,864		
2019	07/03/2020	04/28/2020	05/04/2020	DIV	4Q19	35,983		
2020	07/03/2020	06/10/2020	06/16/2020	IOC	2Q20	13,390		
	<b>Total paid in 2020:</b>					<b>77,433</b>		
2020	10/07/2020	04/29/2020	05/04/2020	DIV	1Q20	23,747		
2020	10/07/2020	07/29/2020	08/11/2020	DIV	2Q20	83,173		
	<b>Total to be paid in 2020:</b>					<b>106,920</b>		
	<b>Total since the IPO</b>					<b>2,511,289</b>		

<sup>1</sup> R\$ 37,983 paid with statutory reserve.

<sup>2</sup> R\$ 21,641 paid with statutory reserve.

<sup>3</sup> R\$ 21,238 paid with statutory reserve.

<sup>4</sup> R\$ 27,635 paid with statutory reserve.

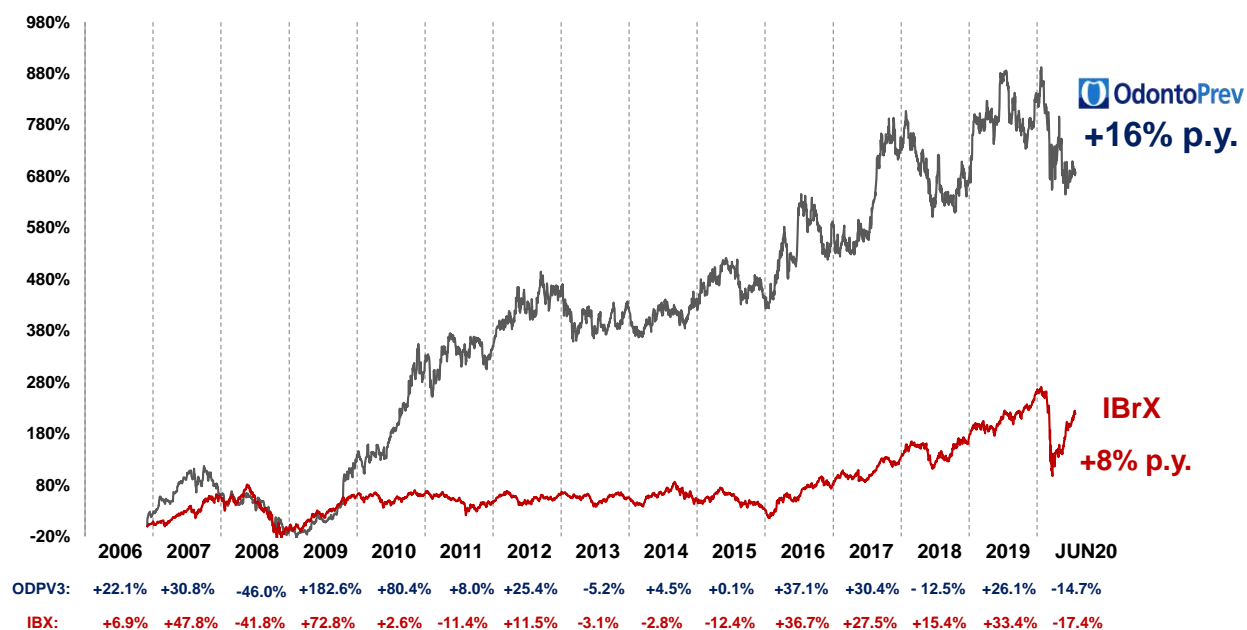
<sup>5</sup> R\$ 28,608 paid with statutory reserve.

<sup>6</sup> R\$ 11,047 paid with statutory reserve.

OdontoPrev total shareholder return was -14.7% in 1H20, versus -17.4% of IBrX.

Since the IPO, in 2006, the total shareholder return was 16.3% per year, versus 8.3% of IBrX.

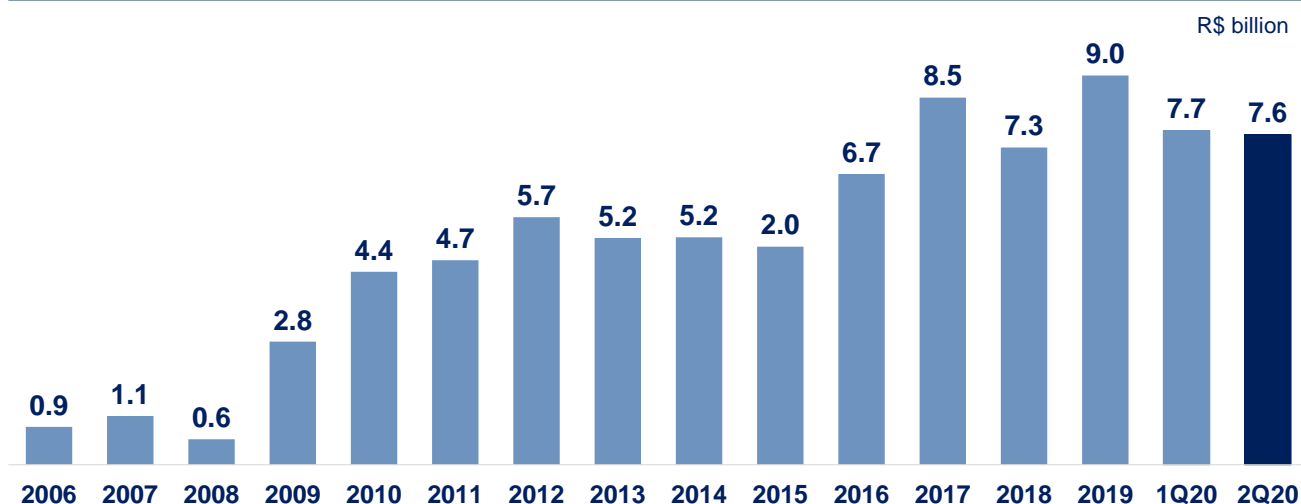
## OdontoPrev total shareholder return since IPO x IBX



Source: B3

The market cap reached R\$7.6 billion in 2Q20, similar to the R\$7.7 billion of 1Q20.

## Market Cap growth since IPO



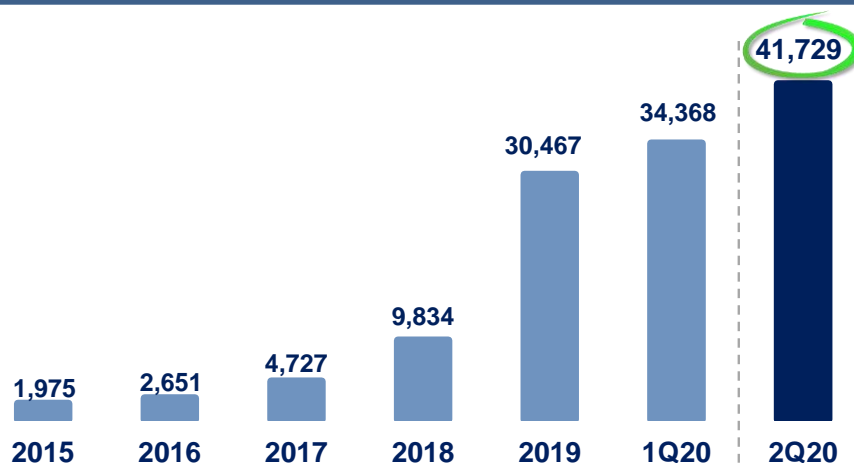
In 2Q20, the ADTV was R\$27 million, 21.2 % above 2Q19.

OdontoPrev in Capital Markets	2Q19	2Q20	Δ%
ADTV (R\$ thousand)	22,218	26,928	21.2
Average number of trades/day	5,183	8,047	55.2

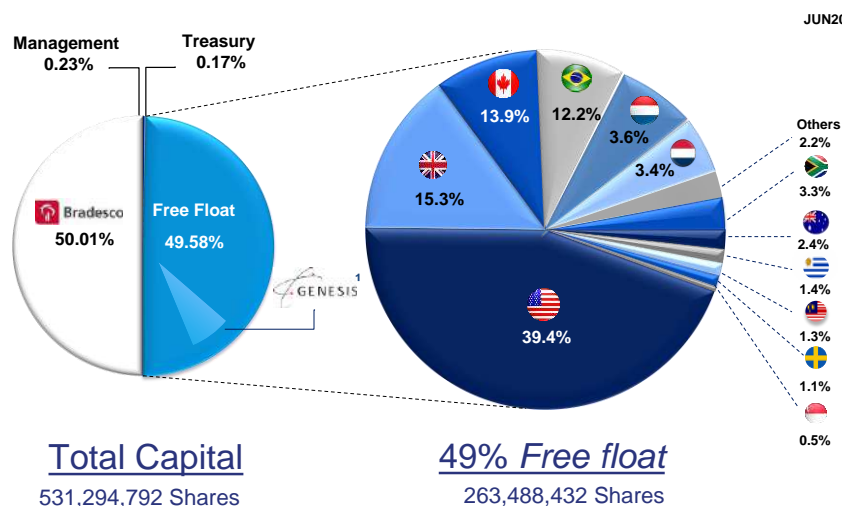
The number of individual investors reached 41,883 in 2Q20, 198% above 2Q19.

OdontoPrev in Capital Markets	2Q19	2Q20	Δ%
<b>Total number of shareholders</b>	<b>14,632</b>	<b>42,379</b>	<b>189.6</b>
Individual investors	14,008	41,729	197.9
Institutional investors	624	650	4.2
<b>Share price (R\$)</b>	<b>18.26</b>	<b>14.23</b>	(22.1)

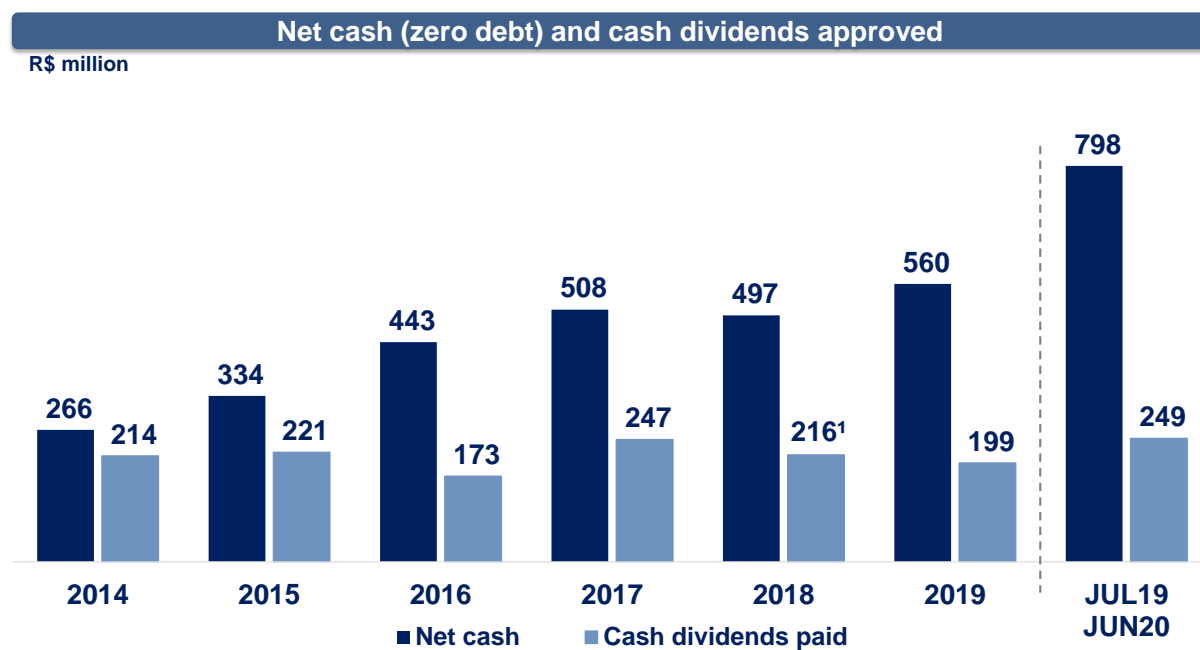
#### Increasing number of individual investors



#### Global shareholder structure: investors from more than 30 countries



In 2Q20 the net cash reached R\$798 million, 42.5% over 2Q19.



<sup>1</sup>After the acquisition of Odonto System

(A free translation of the original in Portuguese)

## Odontoprev S.A.

Explanatory notes to the interim financial statements (Company and Consolidated)

As of June 30, 2020 and 2019 and December 31, 2019

(All amounts in thousands of Brazilian reais unless otherwise stated)

### 1. Operations and general information

Odontoprev S.A. ("Company" or "OdontoPrev"), a listed company headquartered at Avenida Marcos Penteado de Ulhôa Rodrigues, 939 – 14<sup>th</sup> floor, suite 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 corporations 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 Supplementary Health 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:

	June 30, 2020				Holding percentage (%)			
					December 31, 2019			
	Subsidiaries	Associate	Joint		Subsidiaries	Associate	Joint	
	Direct	Indirect	Indirect	Venture	Direct	Indirect	Indirect	Venture
<b>COMPANIES:</b>								
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	-	-	-	15.9	-
Clidec Participações S.A. (Clidec Participações)	-	90.6	-	-	-	90.6	-	-
<b>TERTIARY SECTOR DENTAL OPERATOR - RDC 39 ANS:</b>								
Brasilidental Operadora de Planos Odontológicos S.A. (Brasilidental)	-	-	-	25.0	-	-	-	25.0
Rede Dental Operadora de Planos Odontológicos Ltda. (Rede Dental)	99.9	-	-	-	99.9	-	-	-
<b>INSURANCE COMPANY:</b>								
Odontored CV Sociedad Anónima de Capital Variable (Odontored)	60.0	-	-	-	60.0	-	-	-
OPREV Administradora Sociedad Anónima de Capital Variable (Oprev)	-	60.0	-	-	-	60.0	-	-
<b>CHAIN OF DENTAL RADIOLOGY CLINICS:</b>								
Clínicas Radiológicas Papaiz (Papaiz Group)	-	-	-	49.0	-	-	-	49.0

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

**OdontoPrev Serviços:** established on December 03, 1999 for the 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 the 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 organizing services; (ii) general management of goods and business; (iii) collecting, sending or delivering mail, documents, objects or goods.

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**G2D:** established on December 19, 2011, Associate of Odontoprev Serviços, it owns a platform for scheduling of appointments with health professionals through the Internet. 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 in the management, sale or provision of such plans to corporations and/or individuals.

**Rede Dental:** established on August 31, 1990 for the operation of private dental care plans and management, sale or provision of these plans to corporations and/or individuals.

**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 Mexican 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 diseases 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.

**Oprev:** established on December 12, 2019, a Subsidiary of OdontoPrev Serviços located in Mexico, for the provision of specialized services related to accidents and diseases, in addition to actuarial, financial, administrative, commercial and risk management services. 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 July 29, 2020.

## **2. Description of significant accounting policies**

### **2.1 Preparation and presentation**

#### **(i) Basis of preparation**

The 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 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.



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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 their results, 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 at cost value and after they are accounted for using the equity accounting method.

### **(c) Joint ventures**

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, the Subsidiaries are accounted for using the equity accounting method.

## **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**

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

### **(b) Translation of transactions and balances in foreign currency**

For the Subsidiaries Odontored and Oprev (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 equity.

## **2.6 Current assets**

### **2.6.1 Classification**

#### **(a) Cash and cash equivalents**

Cash represents 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 instruments measured at fair value through income**

A financial asset is stated at fair value through income 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 the statement of income from the year.

#### **(c) Financial investments measured at amortized cost**

Acquired with the intention and financial ability to hold them in the portfolio to maturity, they are 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).

Receivables are reported in the balance sheet at the nominal values of the notes representing them, 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

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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 applies 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.

### **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 corporate 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 anymore, 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.

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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 corporate 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 taxes (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.

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 accounting method based on their respective balance sheets (note 10).

### **2.7.3 Property, plant and equipment**

#### **(a) Property, plant and equipment in use**

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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 (IFRS 16)**

Recognition of estimated impacts of present value adjustments of payment of lease liabilities measured according to the requirements of IFRS 16 - Leases (notes 11 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.

### **(b) System development and software use 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). After its conclusion, maintenance expenditures are recognized as expenses.

### **(c) Allocated intangible assets**

Amounts attributable to the brand, client portfolio and non-competition agreement by the investee 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 Instruction 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).

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### **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 the 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, 2019 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 these contracts. LAT results did not present insufficiencies on its performing date, therefore, the established reserves did not need to be adjusted.

### **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 (dental care operators) recognize monthly in current liabilities:

- (i) **Provision for Unearned Premiums (UP):** 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 for Other Welfare Services Providers (UC):** 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 Reported 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 liabilities**

- (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 10% as 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 liabilities:** 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

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legislation in force, using the rates of 0.65% and 4%, respectively, both over the billing less paid indemnifiable claims (note 14).

**(b) Municipal tax liabilities**

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).

**(c) Charges payable**

Corresponds to the contributions to the National Institute of Social Security (INSS) and the Government Severance Indemnity Fund for Employees (FGTS).

**2.12 Commissions payable**

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

**2.13 Suppliers of goods and services**

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.

**2.14 Other liabilities**

Labor charges (salaries, vacation pay and fees), advances from customers, dividends, investments payable and other payables (note 15), lease liabilities (IFRS 16) and related present value adjustments (note 26).

**2.15 Contingent liabilities (tax, social security, labor and civil)**

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 lawsuits 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, 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 lawsuits 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 lawsuits 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 lawsuits with ANS to which the Company and its Subsidiaries

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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 as 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/retained premiums recognition**

#### **(a) Net premiums with dental care plan**

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 corporate post-payment plans are recorded in the statement of income under "net premiums with dental care plan" at cost amounts.

#### **(b) 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).

#### **(c) Sales of goods and services**

Revenues provided by Subsidiaries are allocated to the statement of income on accrual basis as they meet their performance obligations (notes 18 (d) and 19).

#### **(d) Financial income**

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

### **2.18 Cost of sales and/or services rendered**

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

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



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### **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 in equity as stock options granted, in accordance with IFRS 2 - Share-based Payment (note 17.6).

### **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 General Meeting (GM) (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 Contracts with Customers:** 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 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, besides 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 of IFRS 15, allowed by the CPC Review from December 12, 2017, and will continue to apply IAS 39 for annual periods until December 31, 2022, adopting the related pronouncement as of January 01, 2023.

**IFRS 17 - Insurance Contracts:** effective date is January 01, 2023, 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.

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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 impacts are recognized on a prospective basis in accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

#### **(a) Judgments**

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, social security, labor and civil contingent liabilities (notes 2.15 and 16.1).

#### **(b) Uncertainties about assumptions and estimates**

Information about 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), (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), 2.14, and 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 being 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 the whole Company's and its Subsidiaries' financial investments portfolio is exposed to fluctuations in interest rates on the domestic market.

As at June 30, 2020, 78.2% (71.7% as of December 31, 2019) of the amounts in Consolidated are held in investment funds, these funds are substantially affected by variations in the SELIC/CDI rates.

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In compliance with CVM Instruction 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, CDI, Broad Consumer Price Index (IPCA), and Mexican bond rates, as shown in the table below:

	Consolidated										
	June 30, 2020 (note 06)										
	Indexed to SELIC			Indexed to IPCA			Other				
	SELIC/ CDI (p.y) <sup>1</sup>	CDBs	FI ANS	FI fixed income	LF	LFT	IPCA (p.y) <sup>1</sup>	NTN-B	Mexican bond (p.y) <sup>3</sup>	CETES	Total financial investments
Hierarchic level <sup>2</sup>	-	2	2	2	1	1	-	1	-	1	-
Investments	-	12,658	881	596,891	22,359	115,383	-	15,917	-	343	764,432
Forecast profitability for the next 12 months:											
Probable	2.36%	299	21	14,087	528	2,723	-0.41%	(65)	4.81%	16	17,609
25% decrease	1.77%	224	16	10,565	396	2,042	-0.31%	(49)	3.61%	12	13,206
50% decrease	1.18%	149	10	7,043	264	1,362	-0.21%	(33)	2.41%	8	8,803
25% increase	2.95%	373	26	17,608	660	3,404	-0.51%	(82)	6.01%	21	22,010
50% increase	3.54%	448	31	21,130	792	4,085	-0.62%	(98)	7.22%	25	26,413

<sup>1</sup>Based on the interest rate curves informed by B3 S.A. Brasil Bolsa Balcão.

<sup>2</sup>Hierarchic level classification (note 2.6.3).

<sup>3</sup>Rates available at Bank of Mexico.

## Financial investments - distribution and classification

	Consolidated				Ratings of financial institutions					
	June 30, 2020	Average yield % of the CDI	December 31, 2019	Average yield % of the CDI	Fitch		Moody's		S&P	
					ST	LT	ST	LT	ST	LT
Caixa Econômica Federal	13,697	101.9%	12,437	100.8%	F1+	AA	NP	Ba2	brA-1+	brAAA
Banco Santander (Brasil) S.A.	2,015	102.5%	1,982	103.0%	F1+	AAA	NP	Ba1	brA-1+	brAAA
Banco Safra S.A.	17,656	105.8%	17,471	103.0%	F1+	AAA	NP	Ba1	brA-1+	brAAA
Itaú Unibanco S.A.	2,361	102.3%	2,328	94.0%	F1+	AAA	NP	Ba1	brA-1+	brAAA
Banco Bradesco S.A.	728,360	103.7%	494,601	94.0%	F1+	AAA	NP	Ba1	brA-1+	brAAA
Mexican government	343	-	4,215	-	-	-	-	-	-	-
	<b>764,432</b>		<b>533,034</b>							

### 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 follows 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 that guarantee the technical provisions.

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The receivables comprising the Company's and its Subsidiaries' cash flows arise mainly from corporate 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.

### **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, it 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.

**Type 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.

**Fees:** specific 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 because of usage volume, legislation and increase in dental material values.

To manage these risks, the Company has its own system that permits individual evaluation of all treatments, monitoring dental costs and promoting clinical governance of performed events.

Corporate contracts have average term of 24 months, with a clause establishing fine for breach of contract and annual adjustments of rates practiced using claim ratio (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 for 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 to minimize risks and maintain their financial balance.

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In general claim ratio of up to 60% allows contribution margin (gross income less selling expenses divided by gross sales and/or services revenue) able to support the Company's administrative expenses. As of June 30, 2020, the consolidated claim ratio was 39.6% (42.9% as of June 30, 2019) and the contribution margin was 49.4% (45.6% as of June 30, 2019).

Consolidated: increase/decrease in contribution margin						
	Period ended		Changes in the claims ratio			
	June 30, 2020		Equal to 60%		Equal to 40%	
Sales revenue (notes 18 and 19)	888,020	100.0%	888,020	100.0%	888,020	100.0%
Cost of services <sup>1</sup> (notes 18 and 20)	(351,791)	-39.6%	(532,812)	-60.0%	(355,208)	-40.0%
<b>Gross income</b>	<b>536,229</b>	<b>60.4%</b>	<b>355,208</b>	<b>40.0%</b>	<b>532,812</b>	<b>60.0%</b>
Selling expenses (notes 18 and 21)	(97,889)	-11.0%	(97,889)	-11.0%	(97,889)	-11.0%
<b>Contribution margin</b>	<b>438,340</b>	<b>49.4%</b>	<b>257,319</b>	<b>29.0%</b>	<b>434,923</b>	<b>49.0%</b>
(Decrease)/increase in margin			(181,021)	-20,4 p.p	(3,417)	0,4 p.p

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

Consolidated: increase/decrease in contribution margin						
	Period ended		Changes in the claims ratio			
	June 30, 2019		Equal to 60%		Equal to 40%	
Sales revenue <sup>2</sup> (notes 18 and 19)	887,307	100.0%	887,307	100.0%	887,307	100.0%
Cost of services <sup>1</sup> (notes 18 and 20)	(380,248)	-42.9%	(532,384)	-60.0%	(354,923)	-40.0%
<b>Gross income</b>	<b>507,059</b>	<b>57.1%</b>	<b>354,923</b>	<b>40.0%</b>	<b>532,384</b>	<b>60.0%</b>
Selling expenses (notes 18 and 21)	(102,221)	-11.5%	(102,221)	-11.5%	(102,221)	-11.5%
<b>Contribution margin</b>	<b>404,838</b>	<b>45.6%</b>	<b>252,702</b>	<b>28.5%</b>	<b>430,163</b>	<b>48.5%</b>
(Decrease)/increase in margin			(152,136)	-17,1 p.p	25,325	2,9 p.p

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

<sup>2</sup>Do 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.

### 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.

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 risks – 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".

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

### 5. Cash and cash equivalents

	Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Cash	13	13	71	66
Amounts in transit	14,607	17,696	14,643	17,727
Checking accounts	3,494	2,137	9,474	3,221
Financial investments (interest-bearing current account)	5,867	5,733	9,273	6,053
	<b>23,981</b>	<b>25,579</b>	<b>33,461</b>	<b>27,067</b>

### 6. Financial assets measured at fair value through income and at amortized cost

	Classification	Company		Consolidated	
		June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
CDBs	Current asset	12,658	12,533	12,658	12,533
FI ANS	Current asset	-	-	881	870
FI fixed income	Current asset	583,835	368,556	596,891	381,280
LFT	Current asset	115,383	96,211	115,383	96,211
LF	Current asset	22,359	22,101	22,359	22,101
CETES	Current asset	-	-	343	4,215
<b>Fair value through income</b>		<b>734,235</b>	<b>499,401</b>	<b>748,515</b>	<b>517,210</b>
NTN-B	Non-current asset	15,917	15,824	15,917	15,824
<b>Amortized cost</b>		<b>15,917</b>	<b>15,824</b>	<b>15,917</b>	<b>15,824</b>
		<b>750,152</b>	<b>515,225</b>	<b>764,432</b>	<b>533,034</b>

**CDBs:** fixed-income private securities issued by banking financial institutions, with floating yields indexed to the interbank deposit certificate daily interest rates (CDI) and which are part of the Company's managed portfolio (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.

**Investment funds (FI 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 Treasury Bills (LFT):** fixed-income federal government securities, issued by the National Treasury, with floating yields indexed to the SELIC rate and registered in the same clearing house linked to the Central Bank of Brazil, which are assets part of the Company's managed portfolio.

**Financial Bills (LF):** private securities acquired issued by a banking financial institution, with floating yields, which are part of the Company's managed portfolio.

**Certificados de la Tesorería de la Federación (CETES):** fixed-income public bonds held by Odontored issued by the Mexican government.

**Federal Treasury Bonds (NTN-B):** federal public bonds acquired since March 28, 2016, refer to the assets from managed portfolio, which are managed by Bradesco Asset Management. As of June 30, 2020, the fair value is R\$18,047 (R\$19,111 as of December 31, 2019).

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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	-	-	8,972	3,686	12,658
FI fixed income	Current asset	583,835	-	-	-	583,835
LFT	Current asset	-	-	-	115,383	115,383
LF	Current asset	-	2,442	11,373	8,544	22,359
<b>Fair value through income</b>		<b>583,835</b>	<b>2,442</b>	<b>20,345</b>	<b>127,613</b>	<b>734,235</b>
NTN-B	Non-current asset	-	-	5,814	10,103	15,917
<b>Amortized cost</b>		<b>-</b>	<b>-</b>	<b>5,814</b>	<b>10,103</b>	<b>15,917</b>
<b>June 30, 2020</b>		<b>583,835</b>	<b>2,442</b>	<b>26,159</b>	<b>137,716</b>	<b>750,152</b>
<b>December 31, 2019</b>		<b>368,556</b>	<b>-</b>	<b>1,739</b>	<b>144,930</b>	<b>515,225</b>

		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	-	-	8,972	3,686	12,658
FI ANS	Current asset	881	-	-	-	881
FI fixed income	Current asset	596,891	-	-	-	596,891
LFT	Current asset	-	-	-	115,383	115,383
LF	Current asset	-	2,442	11,373	8,544	22,359
CETES	Current asset	-	343	-	-	343
Fair value through income		597,772	2,785	20,345	127,613	748,515
NTN-B	Non-current asset	-	-	5,814	10,103	15,917
Amortized cost		-	-	5,814	10,103	15,917
June 30, 2020		597,772	2,785	26,159	137,716	764,432
December 31, 2019		382,150	-	1,739	149,145	533,034

Changes in the investment portfolio – Company							
	Current					Non-current	
	Fair value through income					Amortized cost	
	CDBs	FI fixed	LFT	LF	Total	NTN-B¹	Total
<b>December 31, 2018</b>	<b>16,430</b>	<b>306,043</b>	<b>96,072</b>	<b>3,963</b>	<b>422,508</b>	<b>15,227</b>	<b>437,735</b>
Incorporation of Odonto System²	211	23,260	-	-	23,471	-	23,471
Investments	-	953,269	6,094	17,527	976,890	-	976,890
(-) Withdrawals	(5,098)	(932,216)	(11,299)	(2)	(948,615)	(842)	(949,457)
Income	990	18,200	5,344	613	25,147	1,439	26,586
<b>December 31, 2019</b>	<b>12,533</b>	<b>368,556</b>	<b>96,211</b>	<b>22,101</b>	<b>499,401</b>	<b>15,824</b>	<b>515,225</b>
Investments	-	496,896	17,493	24	514,413	-	514,413
(-) Withdrawals	(103)	(288,071)	-	-	(288,174)	(352)	(288,526)
Income	228	6,454	1,679	234	8,595	445	9,040
<b>June 30, 2020</b>	<b>12,658</b>	<b>583,835</b>	<b>115,383</b>	<b>22,359</b>	<b>734,235</b>	<b>15,917</b>	<b>750,152</b>

¹Withdrawals corresponding to interest payments.

²Subsidiary incorporated on January 02, 2019.

Changes in the investment portfolio – Consolidated								
	Current						Non-current	
	Fair value through income						Amortized cost	
	CDBs	FI ANS	FI fixed	LFT	LF	CETES	NTN-B¹	Total
<b>December 31, 2018</b>	<b>16,641</b>	<b>835</b>	<b>341,647</b>	<b>96,072</b>	<b>3,963</b>	<b>1,236</b>	<b>15,227</b>	<b>475,621</b>
Investments	-	1,860	975,945	6,094	17,527	11,958	-	1,013,384
(-) Withdrawals	(5,098)	(1,866)	(955,249)	(11,299)	(2)	(9,144)	(842)	(983,500)
Income	990	41	18,937	5,344	613	165	1,439	27,529
<b>December 31, 2019</b>	<b>12,533</b>	<b>870</b>	<b>381,280</b>	<b>96,211</b>	<b>22,101</b>	<b>4,215</b>	<b>15,824</b>	<b>533,034</b>
Investments	-	-	515,965	17,493	24	18,394	-	551,876
(-) Withdrawals	(103)	-	(306,940)	-	-	(22,420)	(352)	(329,815)
Income	228	11	6,586	1,679	234	154	445	9,337
<b>June 30, 2020</b>	<b>12,658</b>	<b>881</b>	<b>596,891</b>	<b>115,383</b>	<b>22,359</b>	<b>343</b>	<b>15,917</b>	<b>764,432</b>

¹Withdrawals corresponding to interest payments.

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Coverage of guarantee financial investments (according to RN 393/2015, amended by RN 419/2016 from ANS)					
Technical provisions	Classification	Company		Consolidated	
		June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Unsettled claims (over 30/60 days)	Current liability	30,116	3,406	30,120	3,410
IBNR	Current liability	84,953	94,565	85,325	95,130
<b>Restriction required by ANS</b>		<b>115,069</b>	<b>97,971</b>	<b>115,445</b>	<b>98,540</b>
Unsettled claims (total)	Current liability	56,984	46,242	57,058	46,349
IBNR	Current liability	84,953	94,565	85,325	95,130
<b>Guarantee required by ANS</b>		<b>141,937</b>	<b>140,807</b>	<b>142,383</b>	<b>141,479</b>
<b>Restriction and guarantee of technical provisions</b>					
CDBs	Current asset	3,686	3,622	3,686	3,622
FI ANS	Current asset	-	-	881	870
LFT	Current asset	93,366	74,572	93,366	74,572
LF	Current asset	3,963	3,953	3,963	3,953
NTN-B	Non-current asset	15,917	15,824	15,917	15,824
<b>Restricted financial investments</b>		<b>116,932</b>	<b>97,971</b>	<b>117,813</b>	<b>98,841</b>
CDBs	Current asset	8,972	8,815	8,972	8,815
LFT	Current asset	22,017	21,639	22,017	21,639
LF	Current asset	18,396	18,148	18,396	18,148
<b>Guarantee financial investments</b>		<b>166,317</b>	<b>146,573</b>	<b>167,198</b>	<b>147,443</b>

## 7. Credits of operations with health care plans (customers)

	Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Receivable pecuniary compensation (invoices)	162,500	180,002	162,725	180,185
Allowance for doubtful accounts	(38,493)	(46,836)	(38,650)	(46,994)
<b>Dental care receivables</b>	<b>124,007</b>	<b>133,166</b>	<b>124,075</b>	<b>133,191</b>
Participation of beneficiaries in indemnifying events/claims (debit notes)	938	1,669	938	1,669
Allowance for doubtful accounts	(74)	(51)	(74)	(51)
<b>Participation of beneficiaries in indemnifying events/claims, net</b>	<b>864</b>	<b>1,618</b>	<b>864</b>	<b>1,618</b>
Operators of health care plans (invoices – operators)	6,536	7,074	6,568	7,920
Allowance for doubtful accounts	-	-	(30)	(30)
<b>Dental care operators, net</b>	<b>6,536</b>	<b>7,074</b>	<b>6,538</b>	<b>7,890</b>
<b>Other health care plan receivables</b>	<b>-</b>	<b>-</b>	<b>19,354</b>	<b>18,967</b>
<b>Credits of operations with health care plans (customers)</b>	<b>131,407</b>	<b>141,858</b>	<b>150,831</b>	<b>161,666</b>
Invoices, debit notes, invoices – operators and insurance	169,974	188,745	189,585	208,741
Allowance for doubtful accounts	(38,567)	(46,887)	(38,754)	(47,075)
<b>Credits of operations with health care plans (customers)</b>	<b>131,407</b>	<b>141,858</b>	<b>150,831</b>	<b>161,666</b>

Credits of operations with health care plans by maturity age								
Maturity	Company				Consolidated			
	Invoices, debit notes and operators invoices	Allowance for doubtful accounts	June 30, 2020	December 31, 2019	Invoices, debit notes, operators and insurance	Allowance for doubtful accounts	June 30, 2020	December 31, 2019
Falling due	107,656	(705)	106,951	108,891	127,023	(705)	126,318	128,695
Up to 30 days	18,735	(3,804)	14,931	22,216	18,792	(3,804)	14,988	22,218
From 31 to 60 days	11,770	(4,869)	6,901	9,188	11,775	(4,869)	6,906	9,189
From 61 to 90 days	6,395	(5,031)	1,364	1,157	6,395	(5,031)	1,364	1,157
Over 91 days	25,418	(24,158)	1,260	406	25,600	(24,345)	1,255	407
	<b>169,974</b>	<b>(38,567)</b>	<b>131,407</b>	<b>141,858</b>	<b>189,585</b>	<b>(38,754)</b>	<b>150,831</b>	<b>161,666</b>



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Changes in allowance for doubtful accounts and customers				
	Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Invoices	162,500	180,002	162,725	180,185
Invoices - operators	6,536	7,074	6,568	7,920
<b>Allowance for doubtful accounts</b>	<b>(38,567)</b>	<b>(46,887)</b>	<b>(38,754)</b>	<b>(47,075)</b>
Opening balances	(46,887)	(49,181)	(47,075)	(51,211)
Provisions (reversals) recorded in the period	(26,588)	(57,952)	(26,524)	(57,959)
Actual losses	34,908	60,246	34,845	62,095
<b>Dental care receivables</b>	<b>130,469</b>	<b>140,189</b>	<b>130,539</b>	<b>141,030</b>
Debit notes	938	1,669	938	1,669
Insurance	-	-	19,354	18,967
<b>Other health care plan receivables</b>	<b>938</b>	<b>1,669</b>	<b>20,292</b>	<b>20,636</b>
<b>Credits of operations with health care plans (customers)</b>	<b>131,407</b>	<b>141,858</b>	<b>150,831</b>	<b>161,666</b>
Advances from customers	(133)	(1,310)	(258)	(1,442)
<b>Customers, net</b>	<b>131,274</b>	<b>140,548</b>	<b>150,573</b>	<b>160,224</b>

## 8. Tax and social security credits (taxes recoverable)

	Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
INSS <sup>1</sup>	45,520	46,608	45,520	46,608
IRPJ	532	532	1,725	1,601
CSLL	109	109	1,620	1,533
IRRF	186	160	1,515	1,354
PIS and COFINS	247	246	2,452	2,381
ISS <sup>2</sup>	1,306	8,258	1,312	8,264
Other	-	-	818	660
	<b>47,900</b>	<b>55,913</b>	<b>54,962</b>	<b>62,401</b>

<sup>1</sup>Credits related to the 5-year collections prior to the filing of the INSS lawsuit (note 16.1 (b) (i)).

<sup>2</sup>Credits of R\$6,902, monetarily restated, 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 tax assets (income tax and social contribution - asset and liability)

Temporary differences	Classification	Expected realization	Note	Company		Consolidated	
				December 31, 2019	Debit (credit) to income	December 31, 2019	Debit (credit) to income
Allowance for doubtful accounts	Asset	Up to 12 months	7	15,942	(2,829)	13,113	(2,845)
Non-deductible losses (recovery)	Asset	Over 12 months	-	2,442	(167)	2,275	(167)
Provisions for contingent liabilities (contingencies)	Asset	Over 12 months	16.1	10,383	2,899	13,282	2,866
Other provisions	Asset	Up to 12 months	15	5,900	4,321	10,221	4,319
Long-term incentive program (ILP)	Liability	Over 12 months	-	4,809	1,471	6,280	1,556
Other	Asset	Up to 12 months	-	9,150	(3,033)	6,117	(3,635)
Amortization of goodwill	Liability	Over 12 months	-	(9,992)	(5,075)	(15,067)	(5,075)
<b>Deferred income tax/social contribution</b>				<b>38,634</b>	<b>(2,413)</b>	<b>36,221</b>	<b>(2,981)</b>
Deferred income tax				29,310	(2,677)	26,633	(3,021)
Deferred social contribution				9,324	264	9,588	40
<b>Deferred income tax/social contribution</b>				<b>38,634</b>	<b>(2,413)</b>	<b>36,221</b>	<b>(2,981)</b>

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### 9.2 Judicial deposits

	Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
<b>Tax</b>	<b>11,142</b>	<b>9,546</b>	<b>13,031</b>	<b>11,435</b>
ISS (Odonto System) (note 16.2)	9,825	8,236	9,825	8,236
Other	1,317	1,310	3,206	3,199
<b>Social security and labor</b>	<b>2,552</b>	<b>2,356</b>	<b>2,934</b>	<b>2,926</b>
<b>Civil</b>	<b>1,655</b>	<b>1,583</b>	<b>1,655</b>	<b>1,583</b>
	<b>15,349</b>	<b>13,485</b>	<b>17,620</b>	<b>15,944</b>

### 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).

	Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Prontodente <sup>1</sup>	157	157	157	157
Papaiz Group	-	-	1,323	1,323
Odonto System	14,786	14,786	14,786	14,786
	<b>14,943</b>	<b>14,943</b>	<b>16,266</b>	<b>16,266</b>

<sup>1</sup>Corresponds 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 to avoid any credit risk. The amounts referring to the Odonto System are guaranteed by warranty insurance and a letter of guarantee.

### 9.4 Tax and social security credits (taxes recoverable)

Refer to credits arising on payments made in the five years prior to the filing of the INSS lawsuit, monetarily restated (favorable decision issued in 2017, confirming the right to the nonpayment of INSS on the compensation paid to accredited dentists). The amounts started to be offset in September 2019 and will be completed within 2 years, therefore, the employer's INSS credits can be offset with all own social security debts.

		Company and Consolidated	
	Classification	June 30, 2020	December 31, 2019
INSS for offset (note 8)	Current asset	45,520	46,608
INSS for offset	Non-current asset	10,672	24,248
		<b>56,192</b>	<b>70,856</b>

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### 10. Investments – equity interests

	Company							
	Regulated entities			Interests in Subsidiaries Other companies			Joint ventures (regulated entities)	Total Investments
				OdontoPrev			Brasildental	
	Rede Dental	Odontored¹	Total	Clidec	Serviços	Total		
<b>June 30, 2020</b>								
Share capital	1,162	3,128	-	12,790	9,700	-	9,500	-
Quotas/shares	1,162	3,128	-	12,790	9,700	-	380,000	-
Interest (%)	99.9	60.0	-	99.9	99.9	-	25	-
Assets	7,159	29,813	-	31,260	38,620	-	48,026	-
Liabilities	5,832	21,110	-	31,912	37,550	-	41,850	-
Equity	2,462	9,801	-	23,291	15,543	-	17,174	-
Net revenue	5,542	8,378	-	6,547	27,121	-	16,498	-
Costs and expenses	3,459	9,222	-	7,040	26,052	-	7,066	-
Taxes and profit sharing	755	-	-	159	-	-	3,256	-
Income (loss) for the period	1,327	(844)	-	(652)	1,069	-	6,176	-
<b>December 31, 2019</b>	<b>3,461</b>	<b>5,492</b>	<b>8,953</b>	<b>23,358</b>	<b>15,445</b>	<b>38,803</b>	<b>4,293</b>	<b>52,049</b>
Put option in subsidiary	-	-	-	(67)	-	(67)	-	(67)
Dividends	(1,000)	-	(1,000)	-	-	-	(2,000)	(3,000)
Earnings (expenses) of equity method	1,327	(506)	821	(652)	1,068	416	3,326	4,563
<b>June 30, 2020</b>	<b>3,788</b>	<b>4,986</b>	<b>8,774</b>	<b>22,639</b>	<b>16,513</b>	<b>39,152</b>	<b>5,619</b>	<b>53,545</b>

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

	Consolidated			
	Investments		Earnings (expenses) of equity method	
	June 30,	December 31,	Period ended June 30,	
	2020	2019	2020	2019
Investments/earnings (expenses) of equity method - Company	53,545	52,049	4,563	4,267
Eliminations to consolidated:	(47,926)	(47,756)	(1,237)	(1,811)
Subsidiaries (regulated entities)	(8,774)	(8,953)	(821)	(1,668)
Subsidiaries (other companies)	(39,152)	(38,803)	(416)	(143)
Interests in jointly ventures – other companies	5,746	5,025	(796)	(64)
Interests in other companies	63	135	-	(46)
	<b>11,428</b>	<b>9,453</b>	<b>2,530</b>	<b>2,346</b>

### 11. Property, plant and equipment

	Changes in property, plant and equipment - Companies								
	December 31,					June 30,		Net book	
	2019	Additions	Write-offs	Transfers	Depreciation	2020	Acquisition cost	Depreciation	value
Computer equipment	4,738	1,758	(3)	(1)	(952)	5,540	25,876	(20,336)	5,540
Vehicles	932	-	(113)	-	(129)	690	1,138	(448)	690
Facilities	1,415	-	-	-	(172)	1,243	2,827	(1,584)	1,243
Machinery and equipment	403	-	-	-	(31)	372	1,931	(1,559)	372
Furniture and fixtures	1,533	-	-	-	(187)	1,346	5,248	(3,902)	1,346
Communication equipment	788	-	-	(1)	(88)	699	2,261	(1,562)	699
Dental care equipment	57	8	-	1	(3)	63	478	(415)	63
<b>Total for own use</b>	<b>9,866</b>	<b>1,766</b>	<b>(116)</b>	<b>(1)</b>	<b>(1,562)</b>	<b>9,953</b>	<b>39,759</b>	<b>(29,806)</b>	<b>9,953</b>
Fixed assets in progress	7	-	-	-	-	7	7	-	7
Leasehold improvements	6,687	23	(1)	2	(806)	5,905	13,010	(7,105)	5,905
<b>Total</b>	<b>6,694</b>	<b>23</b>	<b>(1)</b>	<b>2</b>	<b>(806)</b>	<b>5,912</b>	<b>13,017</b>	<b>(7,105)</b>	<b>5,912</b>
Right of use (IFRS 16)	25,074	-	-	-	(1,619)	23,455	28,390	(4,935)	23,455
<b>Total PP&amp;E</b>	<b>41,634</b>	<b>1,789</b>	<b>(117)</b>	<b>1</b>	<b>(3,987)</b>	<b>39,320</b>	<b>81,166</b>	<b>(41,846)</b>	<b>39,320</b>

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	Changes in property, plant and equipment - Consolidated									
	December 31,					June 30,				
	2019	Additions	Write-offs	Transfers	Depreciation	2020	Acquisition cost	Depreciation	Net book value	Annual depreciation rate (%)
Computer equipment	5,352	2,111	(3)	(144)	(1,066)	6,250	27,805	(21,555)	6,250	20
Vehicles	1,021	125	(113)	(4)	(152)	877	1,431	(554)	877	20
Facilities	1,781	22	(29)	199	(221)	1,752	4,912	(3,160)	1,752	10
Machinery and equipment	480	4	-	1	(39)	446	2,143	(1,697)	446	10
Furniture and fixtures	2,238	77	-	(22)	(250)	2,043	6,812	(4,769)	2,043	10
Communication equipment	886	-	-	(6)	(95)	785	2,458	(1,673)	785	10
Dental care equipment	884	609	-	(1)	(85)	1,407	3,750	(2,343)	1,407	10
Buildings	7,077	-	-	(1)	(144)	6,932	7,221	(289)	6,932	
<b>Total for own use</b>	<b>19,719</b>	<b>2,948</b>	<b>(145)</b>	<b>22</b>	<b>(2,052)</b>	<b>20,492</b>	<b>56,532</b>	<b>(36,040)</b>	<b>20,492</b>	-
Fixed assets in progress	753	-	-	-	-	753	753	-	753	20
Leasehold improvements	8,755	114	(1)	(21)	(1,126)	7,721	16,934	(9,213)	7,721	
<b>Total</b>	<b>9,508</b>	<b>114</b>	<b>(1)</b>	<b>(21)</b>	<b>(1,126)</b>	<b>8,474</b>	<b>17,687</b>	<b>(9,213)</b>	<b>8,474</b>	-
Right of use (IFRS 16)	38,961	-	(319)	-	(2,586)	36,056	44,087	(8,031)	36,056	-
<b>Total PP&amp;E</b>	<b>68,188</b>	<b>3,062</b>	<b>(465)</b>	<b>1</b>	<b>(5,764)</b>	<b>65,022</b>	<b>118,306</b>	<b>(53,284)</b>	<b>65,022</b>	

## 12. Intangible assets

### 12.1 Goodwill on acquisition of investments

	Historical data relating to the acquisition and/or approval						June 30, 2020			December 31, 2019
	Date	Total value	Asset value	Strategic focus	CGU	Date of merger	Goodwill	Amortization <sup>1</sup>	Net goodwill	Net goodwill
Bradesco Dental	10/18/2009	723,392	313,752	Business and individual	Bradesco	07/01/2010	409,640	-	409,640	409,640
Biodent	06/19/2008	2,837	98	Premium segment	Care Plus	12/01/2008	2,739	(319)	2,420	2,420
Care Plus	06/19/2008	13,113	(230)	Premium segment	Care Plus	12/01/2008	13,343	(1,563)	11,780	11,780
SRJ/SPE	06/26/2008	13,720	(130)	Premium segment	Care Plus	12/01/2008	13,850	(1,616)	12,234	12,234
Rede Dental	10/08/2007	7,584	(119)	Regionalization	Rede Dental	Not merged	7,703	(1,544)	6,159	6,159
OdontoServ <sup>2</sup>	02/27/2009	30,841	10,025	Regionalization	OdontoServ	12/01/2009	20,816	-	20,816	20,816
Prontodente	12/22/2008	5,445	(235)	Medium and large companies	OdontoPrev <sup>3</sup>	12/01/2009	5,680	-	5,680	5,680
Sepao	10/24/2008	9,203	82	Medium and large companies	OdontoPrev <sup>3</sup>	12/01/2009	9,121	(303)	8,818	8,818
DentalCorp	02/09/2007	25,244	386	Small and medium companies	OdontoPrev <sup>3</sup>	03/03/2008	24,858	(9,529)	15,329	15,329
Odonto System <sup>4</sup>	08/07/2018	203,084	4,668	Complementarity portfolio	Odonto System	01/02/2019	145,793	-	145,793	145,793
<b>Company</b>		<b>1,034,463</b>	<b>328,297</b>				<b>653,543</b>	<b>(14,874)</b>	<b>638,669</b>	<b>638,669</b>
Easy	07/08/2008	3,100	456	Verticalization	-	Not merged	2,644	(265)	2,379	2,379
G2D	08/09/2012	750	416	Verticalization	-	Not merged	334	-	334	334
Papaiz Group	01/31/2013	5,487	780	Verticalization	-	Not merged	6,008	-	6,008	6,008
<b>Consolidated</b>		<b>1,043,800</b>	<b>329,949</b>				<b>662,529</b>	<b>(15,139)</b>	<b>647,390</b>	<b>647,390</b>

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

<sup>2</sup>Includes Adcon merged on May 01, 2014.

<sup>3</sup>Equivalent to the total result of the Company deducted from Bradesco, Care Plus and OdontoServ CGUs, including Prontodente, Sepao, DentalCorp and Odonto System. 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.

<sup>4</sup>Includes the amounts referring to the brand, client portfolio and non-competition agreement allocated in the intangible assets incorporated to the Company on January 2, 2019 and which were shown in consolidated amounts in December 31, 2018.

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 on December 31, 2019, and, in this test, we used the income approach through the discounted cash flow methodology (value in use) based on the nature of each Cash Generating Unit (CGU), existence of financial and operational control, history and availability of financial projections. During the impairment test, the Company concluded that the value in use obtained by applying these assumptions is higher than the carrying amount. In the 2<sup>nd</sup> quarter of 2020, Management concluded, based on internal assessments, that there is no evidence of impairment.

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### 12.2 Intangible assets - changes

	Company				Consolidated			
	System development and software licenses	Allocated intangible assets	Goodwill on acquisition of investments	Total intangible assets	System development and software licenses	Allocated intangible assets	Goodwill on acquisition of investments	Total intangible assets
<b>December 31, 2019</b>	<b>638,669</b>	<b>65,778</b>	<b>41,625</b>	<b>746,072</b>	<b>647,390</b>	<b>69,718</b>	<b>41,625</b>	<b>758,733</b>
Additions	-	11,570	-	11,570	-	11,608	-	11,608
Write-offs	-	-	-	-	-	(398)	-	(398)
Transfers	-	-	-	-	-	(78)	-	(78)
Amortization	-	(4,074)	(4,124)	(8,198)	-	(4,551)	(4,124)	(8,675)
<b>June 30, 2020</b>	<b>638,669</b>	<b>73,274</b>	<b>37,501</b>	<b>749,444</b>	<b>647,390</b>	<b>76,299</b>	<b>37,501</b>	<b>761,190</b>
Cost	653,543	114,490	61,150	829,183	662,529	119,469	61,150	843,148
Accumulated amortization	(14,874)	(41,216)	(23,649)	(79,739)	(15,139)	(43,170)	(23,649)	(81,958)
<b>Net book value</b>	<b>638,669</b>	<b>73,274</b>	<b>37,501</b>	<b>749,444</b>	<b>647,390</b>	<b>76,299</b>	<b>37,501</b>	<b>761,190</b>
Amortization period	5 years	Useful life - Appraisal report			5 years	Useful life - Appraisal report		

### 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, 313/2012, 393/2015, 436/2018, 451/2020 and Normative Instruction (IN) 50/2012.

RN 451/2020 also provides for the adoption of a regulatory capital model based on risks, which is mandatory for all operators as from 2023, however, early adoption is permitted. In May 2020, the Company filed an instrument of commitment that allows the freezing of the solvency scale at 75%.

#### 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		
	June 30, 2020	December 31, 2019
Base capital	8,790	8,790
(x) K Factor <sup>1</sup>	3.23%	3.23%
<b>Adjusted minimum equity (AME)</b>	<b>284</b>	<b>284</b>
Equity	1,217,412	1,111,365
Legal obligations <sup>2</sup>	-	2
Equity interests in regulated entities	(14,393)	(7,753)
Deferred acquisition costs	(22,685)	(28,394)
Prepaid expenses	(3,990)	(2,033)
Intangible assets	(749,444)	(746,072)
<b>Adjusted equity (AE)</b>	<b>426,900</b>	<b>327,115</b>
(-) Effects of IFRS 16 <sup>5</sup>	1,503	736
<b>Adjusted equity, excluding IFRS16 (AE ANS)</b>	<b>428,403</b>	<b>327,851</b>
(A) 0.20 times the sum of the premiums – past 12 months	361,623	359,739
(B) 0.33 times the average of the events – past 36 months	217,702	219,330
<b>Solvency margin (SM) total = higher between (A) and (B)<sup>3</sup></b>	<b>361,623</b>	<b>359,739</b>
SM required <sup>4</sup> (%)	75.000%	77.900%
SM required <sup>4</sup> (R\$)	271,218	280,236
<b>Sufficiency required (AE – SM required)</b>	<b>157,185</b>	<b>47,615</b>

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

<sup>2</sup>According 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 settled by March 2020.

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

<sup>4</sup>The Company early adopted RN 451/2020 that determines the regulatory capital as of 2023 and, as consequence, the required margin was frozen at 75%.

<sup>5</sup>This refers to the effects on income of IFRS 16 – Leases, which had not been approved by ANS until June 30, 2020.

## 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			
	UP	UC	IBNR	DAC <sup>1</sup>	UP	UC	IBNR	OTHER
<b>December 31, 2018</b>	<b>155,277</b>	<b>38,352</b>	<b>82,403</b>	<b>22,280</b>	<b>159,878</b>	<b>39,568</b>	<b>83,073</b>	<b>11,339</b>
Consolidation of Odonto System <sup>2</sup>	4,537	1,124	85	-	-	-	-	-
Indemnifiable claims, net	-	776,457	-	-	-	772,143	-	-
Paid events	-	(769,691)	-	-	-	(765,362)	-	-
Variation of IBNR	-	-	12,077	-	-	-	12,057	-
Unearned premiums	1,864,843	-	-	-	1,876,783	-	-	-
Premiums recognized in income	(1,842,530)	-	-	-	(1,854,465)	-	-	-
Deferred acquisition expenses	-	-	-	(28,005)	-	-	-	-
Amortized acquisition expenses	-	-	-	34,119	-	-	-	-
Insurance recognized in income	-	-	-	-	-	-	-	16,191
Insurance <sup>3</sup>	-	-	-	-	-	-	-	(4,016)
Incurred claims	-	-	-	-	-	-	-	2,775
Paid claims <sup>3</sup>	-	-	-	-	-	-	-	(12,351)
<b>December 31, 2019</b>	<b>182,127</b>	<b>46,242</b>	<b>94,565</b>	<b>28,394</b>	<b>182,196</b>	<b>46,349</b>	<b>95,130</b>	<b>13,938</b>
Indemnifiable claims, net	-	323,651	-	-	-	323,020	-	-
Paid events	-	(312,909)	-	-	-	(312,311)	-	-
Variation of IBNR	-	-	(9,612)	-	-	-	(9,805)	-
Unearned premiums	910,601	-	-	-	917,647	-	-	-
Premiums recognized in income	(916,172)	-	-	-	(921,976)	-	-	-
Deferred acquisition expenses	-	-	-	(13,178)	-	-	-	-
Amortized acquisition expenses	-	-	-	7,469	-	-	-	-
Insurance recognized in income	-	-	-	-	-	-	-	8,378
Insurance <sup>3</sup>	-	-	-	-	-	-	-	(7,818)
Incurred claims	-	-	-	-	-	-	-	1,362
Paid claims <sup>3</sup>	-	-	-	-	-	-	-	(964)
<b>June 30, 2020</b>	<b>176,556</b>	<b>56,984</b>	<b>84,953</b>	<b>22,685</b>	<b>177,867</b>	<b>57,058</b>	<b>85,325</b>	<b>14,896</b>

<sup>1</sup>Asset directly related to insurance contracts for Company and Consolidated.

<sup>2</sup>Subsidiary incorporated on January 02, 2019.

<sup>3</sup>Control of Odontore assumed on April 01, 2016 (note 1).

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### 14. Tax liabilities

	Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
<b>Income tax and social contribution payable</b>	<b>5,541</b>	<b>6,029</b>	<b>5,785</b>	<b>5,881</b>
IRPJ	4,064	4,074	4,243	3,960
CSLL	1,477	1,955	1,542	1,921
<b>Other federal tax liabilities</b>	<b>26,464</b>	<b>13,604</b>	<b>31,065</b>	<b>17,203</b>
COFINS	16,893	3,543	17,861	3,693
PIS	2,745	576	2,949	607
PIS, COFINS and CSLL (PCC)	799	1,663	802	1,673
IRRF	4,313	5,956	4,631	6,424
IVA <sup>1</sup>	-	-	3,100	2,771
ANS fee	839	835	840	836
Tax payments in installments <sup>2</sup>	869	1,020	869	1,020
Other	6	11	13	179
<b>State tax liabilities</b>	<b>-</b>	<b>-</b>	<b>83</b>	<b>30</b>
<b>Municipal tax liabilities<sup>3</sup></b>	<b>9,325</b>	<b>8,710</b>	<b>9,700</b>	<b>9,153</b>
	<b>41,330</b>	<b>28,343</b>	<b>46,633</b>	<b>32,267</b>

<sup>1</sup>Tax on added value from subsidiary Odontored.

<sup>2</sup>Installments made by the subsidiary Odonto System (note 16.2) incorporated on January 02, 2019.

<sup>3</sup>In January and February of 2018, the Company complied with the 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 a favorable final decision (note 16.1 (a) (ii)).

### 15. Other payables

	Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
<b>Other provisions</b>	<b>30,061</b>	<b>17,353</b>	<b>30,225</b>	<b>17,718</b>
Commissions	4,292	5,388	4,292	5,388
IT support and service	856	994	861	1,014
Telecommunications	966	1,635	992	1,662
Services	1,662	1,418	1,759	1,593
Travel	-	136	1	227
Indemnifiable claims	6,751	5,573	6,751	5,573
Free choice <sup>4</sup>	15,319	-	15,319	-
Marketing	171	2,117	178	2,134
Insurance	44	92	72	127
INSS refund <sup>1</sup>	17,403	19,606	17,403	19,606
ISS refund <sup>2</sup>	775	775	775	775
Unidentified credits <sup>3</sup>	7,066	12,268	7,067	12,268
Other	184	310	1,301	2,057
	<b>55,489</b>	<b>50,312</b>	<b>56,771</b>	<b>52,424</b>

<sup>1</sup>Refers to amounts to be reimbursed to customers due to the success obtained in the lawsuit related to INSS (note 16.1 (b) (i)).

<sup>2</sup>Refers to the refund of the amount to Brasidentel due to the success obtained in the lawsuit related to ISS (note 16.1 (a) (ii)).

<sup>3</sup>Refers to amounts received from customers and not identified, not exceeding a period of 60 days.

<sup>4</sup>Provisions for individual plans with free choice of professionals of the bank channel (note 20).

### 16. Non-current

#### 16.1 Provisions for contingent liabilities

	Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Tax	30,223	24,198	31,489	25,377
Civil	7,005	4,480	7,016	4,747
Social security and labor	1,836	1,859	2,331	2,287
	<b>39,064</b>	<b>30,537</b>	<b>40,836</b>	<b>32,411</b>

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							Company
							June 30, 2020
							December 31, 2019
Changes	TPS <sup>1</sup>	Tax Other	ANS	Civil Other	Social security and labor	Total	
Opening balance	24,161	37	2,696	1,784	1,859	30,537	23,341
Incorporation of Odonto System <sup>2</sup>	-	-	-	-	-	-	2,217
Provision	5,048	507	2,257	596	-	8,408	17,286
Write-offs (payments/reversals)	-	-	(231)	(548)	(29)	(808)	(13,754)
Monetary restatement	461	9	412	39	6	927	1,447
<b>Provision</b>	<b>29,670</b>	<b>553</b>	<b>5,134</b>	<b>1,871</b>	<b>1,836</b>	<b>39,064</b>	<b>30,537</b>
Judicial deposits <sup>3</sup> (Note 9.2)	-	(1,317)	-	(1,655)	(2,552)	(5,524)	(5,249)
<b>Net provision</b>	<b>29,670</b>	<b>(764)</b>	<b>5,134</b>	<b>216</b>	<b>(716)</b>	<b>33,540</b>	<b>25,288</b>
Number of lawsuits						538	278

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

<sup>2</sup>Subsidiary merged on January 02, 2019.

<sup>3</sup>Related to lawsuits filed by the Company and its Subsidiaries with a possible likelihood of loss, therefore, no allowances were made.

							Consolidated
							June 30, 2020
							December 31, 2019
Changes	TPS <sup>1</sup>	Tax Other	ANS	Civil Other	Social security and labor	Total	
Opening balance	24,183	1,194	2,708	2,039	2,287	32,411	27,214
Provision	5,048	590	2,257	596	250	8,741	17,788
Write-offs (payments/reversals)	-	-	(251)	(790)	(220)	(1,261)	(14,046)
Monetary restatement	464	10	412	45	14	945	1,455
<b>Provision</b>	<b>29,695</b>	<b>1,794</b>	<b>5,126</b>	<b>1,890</b>	<b>2,331</b>	<b>40,836</b>	<b>32,411</b>
Judicial deposits <sup>2</sup> (Note 9.2)	-	(3,206)	-	(1,655)	(2,934)	(7,795)	(7,708)
<b>Net provision</b>	<b>29,695</b>	<b>(1,412)</b>	<b>5,126</b>	<b>235</b>	<b>(603)</b>	<b>33,041</b>	<b>24,703</b>
Number of lawsuits						559	309

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

<sup>2</sup>Related to lawsuits filed by the Company and its Subsidiaries with a possible likelihood of loss, therefore, no allowances were made.

The amounts related to possible losses not accrued of the Company and its Subsidiaries refer to 55 labor lawsuits, 14 tax lawsuits and 1,048 civil lawsuits. As of June 30, 2020, these lawsuits amount to R\$71,251 (R\$79,352 at December 31, 2019).

### (a) Tax

#### (i) Regulatory tax per health care plan (TPS)

Coupled with 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 health care 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 not to be applicable, thus sentencing ANS to reimburse the amounts paid since August 16, 2012. ANS has filed an appeal, however, until June 30, 2020, this decision was not yet concluded.

#### (ii) ISS

On September 11, 2018, the Company filed a lawsuit to adjust the ISS tax base to pay ISS on the actual amount of the services rendered, that is, on the balance of the invoiced amount less the transfers made to the providers of dental services. In March 2019, a favorable decision was reached by the Company, due to this fact, the Company reversed the amount of R\$7,165, plus the already paid amount of R\$6,635 (note 8), totaling R\$13,800. Because of the retrospective effect of the court decision, in December 2019 the court granted the Company's administrative request to offset the amounts overpaid in March-August 2018 as service tax and started such offset with December 2019 payment.



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In the lawsuit filed by the subsidiary Rede Dental, on October 9, 2018, a decision was passed granting provisional emergency protection to deduct the amount of transfers 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, Rede Dental 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, because of the partially valid decision.

### **(b) Social security and labor**

#### **(i) INSS**

The subsidiary Rede Dental 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. The company is currently offsetting the credits related to the periods prior to the date the lawsuit was filed but this offset has not yet been confirmed.

#### **(ii) Other**

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

### **(c) Civil claims**

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

### **(d) Tax assessment notices 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\$33,038 (company contribution and GILRAT/SAT) and R\$5,339 (third parties), and on June 30, 2020, the monetarily restated amounts total R\$38.376. The challenge presented was judged by the 9<sup>th</sup> 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. Both parties appealed to the Administrative Board of Tax Appeals (CARF). In October 2019, the Company was notified of the decision on the appeal, which was unfavorable and revises the previous decision, including to reinstate the previously won lock-up portion. Also in October 2019, the Company filed a Bill of Review, which was not accepted by the appeal panel and OdontoPrev became aware of this decision on January 2017, 2020. OdontoPrev filed an appeal with CARF and it

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is still pending assessment. 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\$20,010, restated through December 2019. The challenge presented was judged by the 3<sup>rd</sup> 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. Both parties appealed to the Administrative Board of Tax Appeals (CARF). In October 2019, the Company was notified of the decision on the appeal, which was unfavorable and revises the previous decision, including to reinstate the previously won lock-up portion. Also in October 2019, the Company filed a Bill of Review, which was not accepted, so OdontoPrev filed a special appeal with CARF in January 2020 that is still awaiting admissibility. Relying on the opinion of the Company's legal counsel, Management considers that the probability of an unfavorable outcome is remote.

The Company, in compliance with decision made at the Board of Directors' Meeting held on March 28, 2017, contracted a court to 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 amounts insured for such policies to guarantee the lawsuits involving stock options total R\$5,243 to date.

### 16.2 Installments of tax and social contribution debts (other provisions)

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 in current liabilities R\$869 (note 14) and R\$2,573 in non-current liabilities.

	Company and Consolidated	
	June 30, 2020	December 31, 2019
<b>Installment payments of debts from taxes</b>	<b>2,573</b>	<b>2,983</b>
Social security	1,077	1,210
Federal debts	1,496	1,773
<b>Taxes and contributions</b>	<b>9,825</b>	<b>8,236</b>
ISS (Odonto System) (note 9.2)	9,825	8,236
	<b>12,398</b>	<b>11,219</b>

### 16.3 Other liabilities

	Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
<b>Other payables (contingencies)</b>	<b>14,512</b>	<b>14,640</b>	<b>15,835</b>	<b>15,963</b>
Papaiz Group	-	-	1,323	1,323
Odonto System <sup>1</sup>	14,512	14,640	14,512	14,640
<b>Other payables (installment plans)</b>	<b>155</b>	<b>155</b>	<b>155</b>	<b>155</b>
Prontodente <sup>1</sup>	155	155	155	155
	<b>14,667</b>	<b>14,795</b>	<b>15,990</b>	<b>16,118</b>

<sup>1</sup>Provision for potential contingencies and tax installments plans of acquired investments, see corresponding entry in other receivables (note 9.3).

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### 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	Corresponding entry (note 17.2)	
			(a) base strike price of the option: greater amount of (i) capital contributions made by minority shareholders 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.); conversion rate: equivalent to Brazilian real vs. 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				June 30, 2020
			(a) price is equivalent to 4 x EBITDA for the last 12 months preceding the exercise notification plus debts 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)	December 31, 2019
Clidec	Clidec Participações	During the year 2021				
						34,691
						1,221
						35,912
						32,336

### 16.5 Investment payable

According to Odonto System's purchase agreement, to secure the obligation to indemnify the sellers, the Company maintains a portion of the investment payable within five years by disbursing 20% upon each anniversary of the agreement. In 2019, the first year of anniversary, the first installment was monetarily adjusted and paid. The Subsidiary Odontoprev Serviços acquired a 60% interest in Oprev (note 1) and the changes in its investments are presented below:

	Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Opening balance – investment payable	15,966	17,500	15,966	17,500
(+) New investments acquired	-	-	7	-
(+) Monetary restatement	281	1,439	281	1,439
(-) Write-off of contingencies	-	(2,973)	-	(2,973)
	<b>16,247</b>	<b>15,966</b>	<b>16,254</b>	<b>15,966</b>
Current liabilities	4,062	3,991	4,062	3,991
Non-current liabilities	12,185	11,975	12,192	11,975
	<b>16,247</b>	<b>15,966</b>	<b>16,254</b>	<b>15,966</b>

## 17. Equity

### 17.1 Share capital

	Company	
	June 30, 2020	December 31, 2019
Subscribed and paid-up capital (R\$ thousands)	607,869	607,869
Common shares with no par value (number of shares)	531,294,792	531,294,792
Article 7 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)	14.23	16.87
Book value (R\$/share)	2.29	2.09

### 17.2 Capital reserves

	Company and Consolidated	
	June 30, 2020	December 31, 2019
Goodwill on the issue of shares	48,392	48,392
<b>Stock option plan</b>	<b>(19,529)</b>	<b>(18,318)</b>
Options granted	3,772	5,325
Additional paid-up capital	(23,301)	(23,643)
Other capital reserves	(35,912)	(32,336)
	<b>(7,049)</b>	<b>(2,262)</b>

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**Options granted:** amounts from the 9<sup>th</sup>, 10<sup>th</sup> and 12<sup>th</sup> grants of options using the Black & Scholes methodology (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 1<sup>st</sup> to 12<sup>th</sup> grants of options.

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

### **17.3 Earnings reserves**

	<b>Company and Consolidated</b>	
	<b>June 30, 2020</b>	<b>December 31, 2019</b>
Legal reserve	14,238	14,238
Statutory reserve of regulatory capital	238,218	238,218
Reserve for investments and expansion	238,218	238,218
Tax incentive reserve	129	129
	<b>490,803</b>	<b>490,803</b>

**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.

**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**

The balance of treasury shares as of June 30, 2020 is R\$14,887, which is equivalent to 927,010 shares (R\$21,028, equivalent to 1,309,409 shares as of December 31, 2019).

### **17.5 Deliberations**

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						Company	
			Deliberation		Payment date	Period ended	
Approval	Type	Date	Earnings per share (R\$)			2020	2019
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
BDM	Interest on capital	12/16/2019	0.02678	01/08/2020	-	-	14,196
BDM	Interest on capital	03/12/2020	0.02614	04/02/2020	13,864	-	-
BDM	Interest on capital	06/10/2020	0.02525	07/03/2020	13,390	-	-
<b>Interest on capital</b>						<b>27,254</b>	<b>62,556</b>
BDM	Dividends	05/02/2019	0.09529	05/16/2019	-	-	50,565
BDM	Dividends	08/01/2019	0.05239	09/04/2019	-	-	27,761
BDM	Dividends	10/30/2019	0.04239	12/06/2019	-	-	22,470
BDM	Dividends	04/29/2020	0.04478	10/07/2020	23,747	-	-
BDM	Dividends	07/29/2020	0.15682	10/07/2020	83,173	-	-
<b>Interim dividends</b>						<b>106,920</b>	<b>100,796</b>
OEGM	Supplementary dividend to mandatory minimum	04/01/2019	0.01081	05/03/2019	-	-	5,741
<b>Supplementary dividend to mandatory minimum</b>						<b>-</b>	<b>5,741</b>
GM	Additional dividend proposed	04/28/2020	0.06785	07/03/2020	-	-	35,983
<b>Additional dividend</b>						<b>-</b>	<b>35,983</b>
<b>Total approved dividends</b>						<b>134,174</b>	<b>205,076</b>

BDM = Board of Directors' Meeting.

GM = General Meeting.

OEGM = Ordinary & Extraordinary General Meeting.

## 17.6 Stock option plan

### (i) Stock option plan (Plan)

			Grants awarded in accordance with the stock option plan (Plan) <sup>1</sup>	
Stock option plan definitions			1st to 8th (2007 to 2014)	9th to 12th (2015 onwards)
Strike price	Monetarily restated by IGP-M of Fundação Getúlio Vargas, after deduction of remuneration paid to shareholders		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 the granting of the options		3 years from the date of the granting of the options	3 years from the date of the 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	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	2 years from the exercise date of the option

<sup>1</sup>Approved at the GM held on April 19, 2007 and amended at the GM held on May 20, 2015. Managed by the Board of Directors and limited to 5% of total capital.

### (ii) Options granted

				Original			Grants			Risk-free rate (%)	Expected annualized volatility (%)	Fair value per unit of benefit upon grant (R\$) <sup>3</sup>	
No.	Year	Date of approval	Recommendation <sup>1</sup>	Approval	Quantity	Strike price	Market price	Quantity	Strike price	Market price		Original	After splits <sup>2</sup>
1 <sup>a</sup>	2007	08/02/2007	P	BD	221,859	44.85	53.79	2,662,308	3.74	4.48	11.3	20.18	1.68
2 <sup>a</sup>	2008	02/28/2008	P	BD	353,494	32.42	45.85	4,241,928	2.70	3.82	11.4	19.72	1.64
3 <sup>a</sup>	2009	03/25/2009	P	BD	255,002	17.60	24.30	3,060,024	1.47	2.03	9.3	14.17	1.18
4 <sup>a</sup>	2010	08/11/2010	HRC	BD	698,707	12.93	16.88	2,096,121	4.31	5.63	4.0	26.6	2.33
5 <sup>a</sup>	2011	09/20/2011	HRC	BD	583,815	20.87	28.20	1,751,445	6.96	9.40	5.3	30.1	4.41
6 <sup>a</sup>	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
7 <sup>a</sup>	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
8 <sup>a</sup>	2014	02/25/2014	P	BD	228,497	7.30	8.70	228,497	7.30	8.70	5.7	33.4	3.25
9 <sup>a</sup>	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
10 <sup>a</sup>	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
11 <sup>a</sup>	2016	07/01/2016	HRC	BD	392,680	11.41	13.55	392,680	11.41	13.55	12.2	29.5	6.03
12 <sup>a</sup>	2016	10/26/2016	P/RHC	BD	2,889,498	13.03	12.35	2,889,498	13.03	12.35	11.4	4.04	4.04
					<b>27,183,181</b>								

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

<sup>1</sup>In 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.

<sup>2</sup>Splits of shares on July 01, 2010 and April 02, 2012.

<sup>3</sup>Estimate based on the Black & Scholes option valuation model.

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### (iii) Changes

Year	Eligible	Options	Beginning of the period		Cancellations		Options exercised		End of period	
			Option's fair value	Maximum cost (R\$ thousand)	Eligible terminated	Cancelled options <sup>1</sup>	Eligible	Exercised options <sup>2</sup>	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 <sup>3</sup>	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	37	2,173,152	3	110,496
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	2	549,693	43	1,599,403	14	740,402
		<b>27,183,181</b>		<b>84,401</b>		<b>5,608,056</b>		<b>20,656,691</b>		<b>918,434</b>

<sup>1</sup>The total number of grants deducted from cancellations is 21,575,125 shares representing 4.1% of the total capital of 531,294,792 shares.

<sup>2</sup>Disposal approved by BD.

<sup>3</sup>The beneficiary exercised part of its stock options.

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\$712 as of June 30, 2019. The last vesting period ended in October 2019.

## 18. Operating segments

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

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

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

(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 and Oprev); (iii) acquisition and distribution of dental care materials for the accredited network (Dental Partner); (iv) software development (Easy) and (v) health insurance (Odontored).

	Contribution margin by operating segment - Consolidated									
	CORPORATE		SMS		INDIVIDUAL		OTHER		TOTAL	
	Period ended June 30,		Period ended June 30,		Period ended June 30,		Period ended June 30,		Period ended June 30,	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Net premiums with dental care plan	530,817	530,448	160,204	151,866	230,955	235,360	-	-	921,976	917,674
Taxes on dental care plan operations <sup>1</sup>	(22,981)	(21,487)	(8,255)	(7,531)	(11,892)	(12,871)	-	-	(43,128)	(41,889)
Revenue from sales and services	-	-	-	-	-	-	7,044	8,320	7,044	8,320
Taxes on sales of goods and services	-	-	-	-	-	-	(6,250)	(6,560)	(6,250)	(6,560)
Insurance	-	-	-	-	-	-	8,378	9,762	8,378	9,762
<b>SALES REVENUE</b>	<b>507,836</b>	<b>508,961</b>	<b>151,949</b>	<b>144,335</b>	<b>219,063</b>	<b>222,489</b>	<b>9,172</b>	<b>11,522</b>	<b>888,020</b>	<b>887,307</b>
Cost of services <sup>1</sup>	(200,302)	(250,400)	(41,176)	(54,906)	(108,513)	(73,735)	(1,800)	(1,207)	(351,791)	(380,248)
<b>OPERATING RESULT</b>	<b>307,534</b>	<b>258,561</b>	<b>110,773</b>	<b>89,429</b>	<b>110,550</b>	<b>148,754</b>	<b>7,372</b>	<b>10,315</b>	<b>536,229</b>	<b>507,059</b>
Selling expenses	(35,245)	(34,532)	(17,380)	(18,512)	(44,885)	(48,870)	(379)	(307)	(97,889)	(102,221)
<b>CONTRIBUTION MARGIN</b>	<b>272,289</b>	<b>224,029</b>	<b>93,393</b>	<b>70,917</b>	<b>65,665</b>	<b>99,884</b>	<b>6,993</b>	<b>10,008</b>	<b>438,340</b>	<b>404,838</b>
<b>Sales revenue (%)</b>	<b>57.2</b>	<b>57.4</b>	<b>17.1</b>	<b>16.3</b>	<b>24.7</b>	<b>25.1</b>	<b>1.0</b>	<b>1.3</b>	<b>100.0</b>	<b>100.0</b>
<b>Margin x sales revenue (%)</b>	<b>53.6</b>	<b>44.0</b>	<b>61.5</b>	<b>49.1</b>	<b>30.0</b>	<b>44.9</b>	<b>76.2</b>	<b>86.9</b>	<b>49.4</b>	<b>45.6</b>
<b>Margin x total (%)</b>	<b>62.1</b>	<b>55.3</b>	<b>21.3</b>	<b>17.5</b>	<b>15.0</b>	<b>24.7</b>	<b>1.6</b>	<b>2.5</b>	<b>100.0</b>	<b>100.0</b>

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

<sup>2</sup>Do 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.

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### 19. Sales revenue

	Company		Consolidated	
	Period ended June 30,		Period ended June 30,	
	2020	2019	2020	2019
Net premiums with dental care plan	916,172	911,659	921,976	917,674
Taxes on dental care plan operations <sup>1</sup>	(42,750)	(27,731)	(43,128)	(28,089)
<b>Effective considerations/net premiums with dental care plan</b>	<b>873,422</b>	<b>883,928</b>	<b>878,848</b>	<b>889,585</b>
Insurance	-	-	7,044	8,320
Sales of goods and services	-	-	8,378	9,762
Taxes on sales of goods and services	-	-	(6,250)	(6,560)
	<b>873,422</b>	<b>883,928</b>	<b>888,020</b>	<b>901,107</b>

<sup>1</sup>In March 2019 the Company reversed R\$13,800 related to the provision for ISS calculated over the amounts of events through favorable decision received.

### 20. Cost of services

	Company		Consolidated	
	Period ended June 30,		Period ended June 30,	
	2020	2019	2020	2019
Indemnifiable claims, net	(323,651)	(368,058)	(323,020)	(367,008)
Social charges on services	-	40	(3)	34
Dental care materials	(6,811)	(8,411)	(2,918)	(4,146)
Other operating costs	(19,897)	(3,062)	(24,508)	(7,921)
Operating materials	(2,167)	(1,837)	(2,216)	(1,838)
Own units	-	-	(4,562)	(4,885)
(Provisions)/reversals <sup>1</sup>	(17,730)	(1,225)	(17,730)	(1,198)
Variation in IBNR	9,612	(1,106)	9,805	(1,074)
Claims and technical reserves	-	-	(1,362)	(1,196)
	<b>(340,747)</b>	<b>(380,597)</b>	<b>(342,006)</b>	<b>(381,311)</b>

<sup>1</sup>Includes provisions for individual plans with free choice of professionals of the bank channel (note 15).

### 21. Selling expenses

Refer to commissions paid to independent brokers and other distribution channels. As of June 30, 2020, these expenses totaled R\$96,965 and R\$97,889 (R\$101,200 and R\$102,221 as of June 30, 2019) in the Company and Consolidated.

### 22. Administrative expenses (AE)

	Company		Consolidated	
	Period ended June 30,		Period ended June 30,	
	2020	2019	2020	2019
Personnel and third-party services	(92,714)	(90,324)	(93,381)	(92,040)
Rentals and occupancy	(12,872)	(16,522)	(15,498)	(19,823)
Publicity and advertising	(1,758)	(7,893)	(2,130)	(8,348)
Taxes	(6,141)	(6,162)	(6,336)	(6,360)
Depreciation and amortization	(10,566)	(9,479)	(11,853)	(10,164)
Amortization of right of use (IFRS 16)	(1,619)	(1,356)	(2,586)	(2,583)
Leases	(1,417)	(2,478)	(2,444)	(3,381)
Leases (IFRS 16)	1,176	2,385	2,253	3,197
Income (loss) from the sale or disposal of non-current and other assets	75	(1,056)	80	(1,103)
Other	(3,261)	(1,667)	(4,683)	(2,272)
	<b>(129,097)</b>	<b>(134,552)</b>	<b>(136,578)</b>	<b>(142,877)</b>

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### 23. Financial results, net

	Company		Consolidated	
	Period ended June 30,		Period ended June 30,	
	2020	2019	2020	2019
Income from financial investments	9,040	13,879	9,337	14,352
Monetary restatement of INSS 5 previous years	525	44	525	54
Monetary restatement of judicial deposits	29	1,240	36	1,240
Other	1,472	1,005	1,571	1,210
<b>Financial income</b>	<b>11,066</b>	<b>16,168</b>	<b>11,469</b>	<b>16,856</b>
Reversal of interest on capital	27,254	33,467	27,254	33,467
Interest on capital	(27,254)	(33,467)	(27,254)	(33,467)
Bank fees	(2,566)	(2,298)	(2,575)	(2,312)
PVA - Lease liability (IFRS 16)	(1,060)	(1,280)	(1,624)	(2,039)
Monetary restatement of provisions for contingent liabilities	(927)	(693)	(945)	(694)
Monetary restatement over INSS refund	(156)	(312)	(156)	(312)
Monetary restatement - investment payable <sup>1</sup>	(281)	-	(281)	-
Other	(2,487)	(979)	(2,729)	(1,054)
<b>Financial expenses</b>	<b>(7,477)</b>	<b>(5,562)</b>	<b>(8,310)</b>	<b>(6,411)</b>
	<b>3,589</b>	<b>10,606</b>	<b>3,159</b>	<b>10,445</b>

<sup>1</sup>This refers to the adjustment of part of the price retained to ensure the obligation to pay the former owners of Odonto System.

### 24. Income tax and social contribution calculation

	Company		Consolidated	
	Period ended June 30,		Period ended June 30,	
	2020	2019	2020	2019
IRPJ and CSLL calculation basis	<b>278,570</b>	<b>228,030</b>	<b>279,562</b>	<b>230,150</b>
(x) Current rate (%)	34	34	34	34
<b>Expected income tax and social contribution expenses at the effective rate</b>	<b>(94,714)</b>	<b>(77,530)</b>	<b>(95,051)</b>	<b>(78,251)</b>
Effect of income tax and social contribution on permanent/temporary differences:				
Earnings of equity method	1,551	1,364	860	764
Provisions for contingent liabilities (note 9.1)	(2,899)	(727)	(2,866)	(817)
Allowance for doubtful accounts (note 9.1)	2,829	693	2,845	688
Other provisions (note 9.1)	(4,321)	(3,302)	(4,319)	(3,619)
Long-term incitement program (ILP) (note 9.1)	(1,471)	-	(1,556)	-
Amortization of goodwill (Note 9.1)	5,075	4,957	5,075	4,957
Interest on capital	9,266	11,379	9,266	11,379
Stock option plan	-	(577)	-	(577)
Other	204	(925)	(191)	(636)
<b>Current IRPJ and CSLL</b>	<b>(84,480)</b>	<b>(64,668)</b>	<b>(85,937)</b>	<b>(66,112)</b>
<b>Deferred IRPJ and CSLL</b>	<b>(2,413)</b>	<b>(3,658)</b>	<b>(2,981)</b>	<b>(3,489)</b>
<b>IRPJ and CSLL total</b>	<b>(86,893)</b>	<b>(68,326)</b>	<b>(88,918)</b>	<b>(69,601)</b>
Effective rate	-31.2%	-30.0%	-31.8%	-30.2%

### 25. Earnings per share

#### (a) Basic

	April to June		Period ended January to June	
	2020	2019	2020	2019
Income assigned to the Company's shareholders (R\$ thousands)	116,455	62,274	191,677	159,704
Weighted average number of common shares outstanding (thousands)	530,368	530,442	530,167	530,442
<b>Basic earnings per share (R\$)</b>	<b>0.21957</b>	<b>0.11740</b>	<b>0.36154</b>	<b>0.30108</b>



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### (b) Diluted

	April to June		Period ended	
			January to June	
	2020	2019	2020	2019
<b>Income assigned to the Company's shareholders (R\$ thousands)</b>	<b>116,455</b>	<b>62,274</b>	<b>191,677</b>	<b>159,704</b>
<b>Common shares (thousands)</b>				
Weighted average number of outstanding shares	530,368	530,442	530,167	530,442
Adjustment of stock option plan	918	3,015	918	3,015
<b>Weighted average number of shares for diluted earnings per share</b>	<b>531,286</b>	<b>533,457</b>	<b>531,085</b>	<b>533,457</b>
<b>Diluted earnings per share (R\$)</b>	<b>0.21919</b>	<b>0.11674</b>	<b>0.36092</b>	<b>0.29938</b>

### 26. Right of use and lease liability – adoption of IFRS 16

The Company and its Subsidiaries recognized lease liabilities related to the rental of real estate properties in accordance with the assumptions in IFRS 16 – Leases. These liabilities were measured considering the present value of future leases payments, discounted using the average rate of 6.9%, which refers to the rate used by the Company in its projections, and the corresponding entry was recorded as right of use in assets. The measured impacts of the adoption are presented below:

	Classification	Company		Consolidated	
		June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Right of use	Non-current asset	28,390	28,390	44,087	44,457
Accumulated amortization	Non-current asset	(4,935)	(3,316)	(8,031)	(5,496)
		<b>23,455</b>	<b>25,074</b>	<b>36,056</b>	<b>38,961</b>
Lease liability	Current liability	3,426	2,584	6,104	5,208
Present value adjustments (PVA)	Current liability	(1,919)	(2,062)	(2,926)	(3,174)
		<b>1,507</b>	<b>522</b>	<b>3,178</b>	<b>2,034</b>
Lease liability	Non-current liability	30,049	32,067	45,679	49,209
Present value adjustments (PVA)	Non-current liability	(5,862)	(6,779)	(9,083)	(10,520)
		<b>24,187</b>	<b>25,288</b>	<b>36,596</b>	<b>38,689</b>

### 27. Related parties

		Transactions with Subsidiaries and Associates (note 1)						
<b>Assets/(Liabilities)</b>	<b>Nature</b>	<b>OdontoPrev</b>	<b>Clidec</b>	<b>OdontoPrev Serviços</b>	<b>Easy</b>	<b>Dental Partner</b>	<b>Rede Dental</b>	<b>Brasildental</b>
Other receivables	Administrative services	3,179	-	780	-	806	-	-
Suppliers of goods and services	Administrative services	(806)	-	-	-	-	-	(3,959)
<b>Revenue/(Expenses)</b>								
Net premiums with dental care plan	Dental care plans	67	-	-	-	-	-	-
Net premiums with dental care plan	Assumed/transferred co-responsibility	23,092	-	-	-	-	-	(21,849)
Cost of services	Dental care services and materials	-	(14)	-	-	-	-	-
Revenue from sales and services	Administrative services	-	6,004	25,891	-	7,156	-	-
Indemnifiable claims, net	Dental care services	(2,157)	-	-	-	-	(1,243)	-
Dental care materials	Dental care materials	(7,008)	(148)	-	-	-	-	-
Administrative expenses	Administrative services	(29,715)	-	5,469	(25)	-	-	(5,520)
<b>June 30, 2020</b>		<b>(15,721)</b>	<b>5,842</b>	<b>31,360</b>	<b>(25)</b>	<b>7,156</b>	<b>(1,243)</b>	<b>(27,369)</b>
<b>June 30, 2019</b>		<b>(10,719)</b>	<b>6,242</b>	<b>24,798</b>	<b>(28)</b>	<b>9,011</b>	<b>(1,862)</b>	<b>(27,442)</b>

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

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			June 30,	
Transaction	Companies related to the Bradesco Group	Nature	2020	2019
<b>Assets/(Liabilities)</b>				
Cash and cash equivalents	Banco Bradesco S.A.	Cash account	9,245	5,184
Financial investments	Banco Bradesco S.A.	Financial investments	750,393	431,805
Considerations receivable	Banco Bradesco S.A.	Considerations receivable	4,772	4,765
Trade receivables	Bradesco Capitalização S.A.	Capitalization certificates	637	450
Trade receivables	Bradesco Vida e Previdência S.A.	Life insurance for employees	(72)	(141)
Trade receivables	Bradesco Cartões S.A.	Travel expenses	(1)	(526)
Trade receivables	Bradesco Saúde S.A.	Medical assistance for employees	-	(1,103)
<b>Revenue/(Expenses)</b>				
Net premiums with dental care plan	Banco Bradesco S.A.	Revenue from sales	28,855	29,687
Other operating revenue	Mediservice	Administration fees	195	283
Selling expenses	Bradseg Promotora de Vendas S.A.	Commissions	(9,768)	(8,418)
Selling expenses	Banco Bradesco S.A.	Commissions	(4,767)	-
AE - Personnel and third party services	Banco Bradesco S.A.	Bookkeeping expenses	(74)	(53)
AE - Personnel and third-party services	Bradesco Saúde S.A.	Medical assistance for employees	(6,452)	(5,124)
AE - Personnel and third-party services	Bradesco Vida e Previdência S.A.	Life insurance for employees	(225)	(181)
AE - Rentals and occupancy	Banco Bradesco S.A.	Rental expenses	(45)	(41)
AE - Other	Banco Bradesco Cartões S.A.	Travel expenses	(582)	(931)
AE - Other	Bradesco Auto Re Cia de Seguros	Insurance expenses	(134)	(104)
Financial expenses	Banco Bradesco S.A.	Financial investments management	(127)	(61)
Financial expenses	Banco Bradesco S.A.	Banking expenses	(1,050)	(1,229)
Financial income	Banco Bradesco S.A.	Financial investments income	8,848	13,647
Financial income	Banco Bradesco S.A.	Capitalization titles	-	10
Donations	Fundação Bradesco	Donations	(443)	(266)
			<b>14,231</b>	<b>27,219</b>

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 June 30, 2020, the profit sharing was recognized in the amounts of R\$6,560 (R\$7,120 as of June 30, 2019) and of R\$7,752 (R\$9,379 as of June 30, 2019) for the Company and Consolidated, respectively.

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 GM 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.

As of June 30, 2020, the amounts of R\$4,325 and R\$5,091 for the Company and the Consolidated (R\$7,358 and R\$8,144 as of June 30, 2019, respectively) were allocated to the statement of income.

(A free translation of the original in Portuguese)

## Odontoprev S.A.

Explanatory notes to the interim financial statements (Company and Consolidated)

As of June 30, 2020 and 2019 and December 31, 2019

(All amounts in thousands of Brazilian reais unless otherwise stated)

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

	Period ended June 30,	
	2020	2019
<b>Statutory Board</b>	<b>5,227</b>	<b>5,597</b>
Pro-labore	2,385	2,383
Benefits	258	232
Bonuses	2,584	2,982
<b>Board of Directors</b>	<b>709</b>	<b>713</b>
Pro-labore	709	713
<b>Fiscal Council</b>	<b>166</b>	<b>166</b>
Pro-labore	166	166
	<b>6,102</b>	<b>6,476</b>

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

Year	Beginning of the period		Cancellations		Options exercised		End of period	
	Eligible	Options	Eligible terminated	Cancelled 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	3	547,576	3	351,089
		<b>11,141,499</b>		<b>2,505,014</b>		<b>8,285,396</b>		<b>351,089</b>

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

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

## 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 June 30,	
	2020	2019
Building	58,166	50,956
Machinery, furniture and fixtures	86	29,255
Vehicles	8,500	-
<b>Property damages</b>	<b>66,752</b>	<b>80,211</b>
Loss of profits	20,000	137,504
Directors & Management civil liability insurance	73,423	60,000
	<b>160,175</b>	<b>277,715</b>

## **Odontoprev S.A.**

Explanatory notes to the interim financial statements (Company and Consolidated)

As of June 30, 2020 and 2019 and December 31, 2019

(All amounts in thousands of Brazilian reais unless otherwise stated)

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### **29. COVID-19 effects**

On March 11, 2020, the World Health Organization (WHO) declared the COVID-19 disease to be a pandemic, reaching most countries. Companies have been affected and there are uncertainties in the macro economy and businesses from all industries.

We did not record impacts of the pandemic on the results for the 1<sup>st</sup> quarter.

As from the 2<sup>nd</sup> quarter, the Company observed a slowdown in the requests for passwords by dental-surgeons and in the appointments made by beneficiaries, thus reducing the cost of services. Meanwhile, the consolidated revenue reflects the cancellation of contracts, terminations, renegotiations of terms and financial discounts.

Given the profile of the corporate contracts, which reflect a long-term commercial relationship for the majority of the portfolio, we did not record any significant variation in the low levels of the allowance for credit losses.

Over the course of the 2<sup>nd</sup> quarter, we exceptionally extended the maturities of some corporate contracts, totaling R\$4,894. By June 30, the amount equivalent to R\$1,881 had already been received. The financial discounts that were negotiated totaled R\$657.

Management continues to take prudential measures, including:

- In order to preserve the health of staff, it organized, in a matter of days, for all employees to work from their homes, maintaining all operations in progress. The need for the return of part of the Company's employees, in line with the easing of social distancing measures provided for by the Government, generated the return, in July, of the employees that were working from home to in-person work. The majority of the employees continue to work from their homes, with no scheduled date for return.
- On a daily basis, operational monitoring meetings and meetings for tracking key metrics are carried out with the entire executive board and the Company's senior management.
- Renegotiations with suppliers saved R\$268, flights not taken saved R\$1,290 and postponements of discretionary expenditures, such as publicity and advertising expenses, helped us to keep R\$6,218 in our cash.
- Adjusting to the changed deadlines for paying taxes (INSS, PIS and COFINS, and financing the Government Severance Indemnity Fund for Employees (FGTS)).
- As a way to preserve jobs, for the cases with significant reduction of demand or impossibility of performing the activities from home, the Company adhered to the suspension of employment contracts provided for in the Provisional Measure (MP) number 936. As a result, there was a reduction in payroll charges of R\$591.
- For the purpose of balancing and maintaining cash flows, OdontoPrev adhered to Chapter IX of the MP number 927/2020, postponing the deposit of the Government Severance Indemnity Fund (FGTS) for

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**Odontoprev S.A.**

Explanatory notes to the interim financial statements (Company and Consolidated)

As of June 30, 2020 and 2019 and December 31, 2019

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active employees with respect to March, April and May, with the subsequent payment in installments of the amounts through December.

**30. Subsequent events**

The BDM held on July 29, 2020 approved the distribution of R\$83,173 as interim dividends for the year 2020 to be paid on October 07, 2020.

### **Comments on the Behavior of Business Projections**

The Company has no practice to disclose financial projections.

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**Odontoprev S.A.**  
**Quarterly Information (ITR) at**  
**June 30, 2020**  
**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 June 30, 2020, comprising the balance sheet at that date and the statements of income and comprehensive income for the quarter and six-month period then ended, and the statements of changes in equity and cash flows for the six-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 six-month period ended June 30, 2020. 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.

São Paulo July 29, 2020

PricewaterhouseCoopers  
Auditores Independentes  
CRC 2SP000160/O-5

Edison Arisa Pereira  
Contador CRC 1SP127241/O-0

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Quarterly Information (ITR) - 06/30/2020 - ODONTOPREV S.A.

#### Other relevant information

#### Shareholders with more than 5%

SHAREHOLDERS HOLDING MORE THAN 5% OF THE COMPANY'S SHARES						
Shareholder	Position at 06/30/2020					
	Common shares		Preferred shares		Total	
	Number	%	Number	%	Number	%
Bradesco Saúde S/A	265,648,397	50.01	-	-	265,648,397	50.01
Treasury shares	927,010	0.17	-	-	927,010	0.17
Genesis Investment Management, LLP	26,669,880	5.02	-	-	26,669,880	5.02
Outstanding shares	238,049,505	44.80	-	-	238,049,505	44.80
<b>Total</b>	<b>531,294,792</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>531,294,792</b>	<b>100.00</b>

DISTRIBUTION OF THE COMPANY'S CAPITAL (COMPANY SHAREHOLDERS) DOWN TO THE INDIVIDUAL HOLDINGS						
Name: Bradesco Saúde S/A						
Shareholder	Position at 06/30/2020					
	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 06/30/2020					
	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
<b>Total</b>	<b>774,414</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>774,414</b>	<b>100.00</b>

DISTRIBUTION OF THE COMPANY'S CAPITAL (COMPANY SHAREHOLDERS) DOWN TO THE INDIVIDUAL HOLDINGS						
Name: Bradseg Participações S.A.						
Shareholder	Position at 06/30/2020					
	Common shares		Preferred shares		Total	
	Number	%	Number	%	Number	%
Banco Bradesco S.A.	7,851	97.23	-	-	7,851	97.23
Tapajós Holding Ltda	224	2.77	-	-	224	2.77
<b>Total</b>	<b>8,075</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>8,075</b>	<b>100.00</b>

\*According to the Reference Form of March 19, 2020, 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 06/30/2020					
	Common shares		Preferred shares		Total	
	Number	%	Number	%	Number	%
Cidade de Deus Companhia Comercial de 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
<b>Total</b>	<b>4,031,915,068</b>	<b>100.00</b>	<b>4,031,914,646</b>	<b>100.00</b>	<b>8,063,829,714</b>	<b>100.00</b>

DISTRIBUTION OF THE COMPANY'S CAPITAL (COMPANY SHAREHOLDERS) DOWN TO THE INDIVIDUAL HOLDINGS						
Name: Cidade de Deus Companhia Comercial de Participações						
Shareholder	Position at 06/30/2020					
	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
<b>Total</b>	<b>7,841,959,524</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>7,841,959,524</b>	<b>100.00</b>

DISTRIBUTION OF THE COMPANY'S CAPITAL (COMPANY SHAREHOLDERS) DOWN TO THE INDIVIDUAL HOLDINGS						
Name: NCF Participações S.A.						
Shareholder	Position at 06/30/2020					
	Common shares		Preferred shares		Total	
	Number	%	Number	%	Number	%
Cidade de Deus Companhia Comercial de 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
<b>Total</b>	<b>1,195,357,625</b>	<b>100.00</b>	<b>1,065,350,875</b>	<b>100.00</b>	<b>2,260,708,500</b>	<b>100.00</b>

DISTRIBUTION OF THE COMPANY'S CAPITAL (COMPANY SHAREHOLDERS) DOWN TO THE INDIVIDUAL HOLDINGS						
Name: Nova Cidade de Deus Participações S.A.						
Shareholder	Position at 06/30/2020					
	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
<b>Total</b>	<b>340,615,481</b>	<b>100.00</b>	<b>360,928,543</b>	<b>100.00</b>	<b>701,544,024</b>	<b>100.00</b>

DISTRIBUTION OF THE COMPANY'S CAPITAL (COMPANY SHAREHOLDERS) DOWN TO THE INDIVIDUAL HOLDINGS						
Name: BBD Participações S.A.						
Shareholder	Position at 06/30/2020					
	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 Participações 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
<b>Total</b>	<b>157,630,777</b>	<b>100.00</b>	<b>151,446,133</b>	<b>100.00</b>	<b>309,076,910</b>	<b>100.00</b>

DISTRIBUTION OF THE COMPANY'S CAPITAL (COMPANY SHAREHOLDERS) DOWN TO THE INDIVIDUAL HOLDINGS						
Name: NCD Participações Ltda						
Shareholder	Position at 06/30/2020					
	Common shares		Preferred shares		Total	
	Number	%	Number	%	Number	%
Fundação Bradesco	773,303,109	99.99	-	-	773,303,109	99.99
Others	1	0.01	1	0.00	1	0.01
<b>Total</b>	<b>773,303,110</b>	<b>100.00</b>	<b>1</b>	<b>0.00</b>	<b>773,303,110</b>	<b>100.00</b>

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Quarterly Information (ITR) - 06/30/2020 - ODONTOPREV S.A.

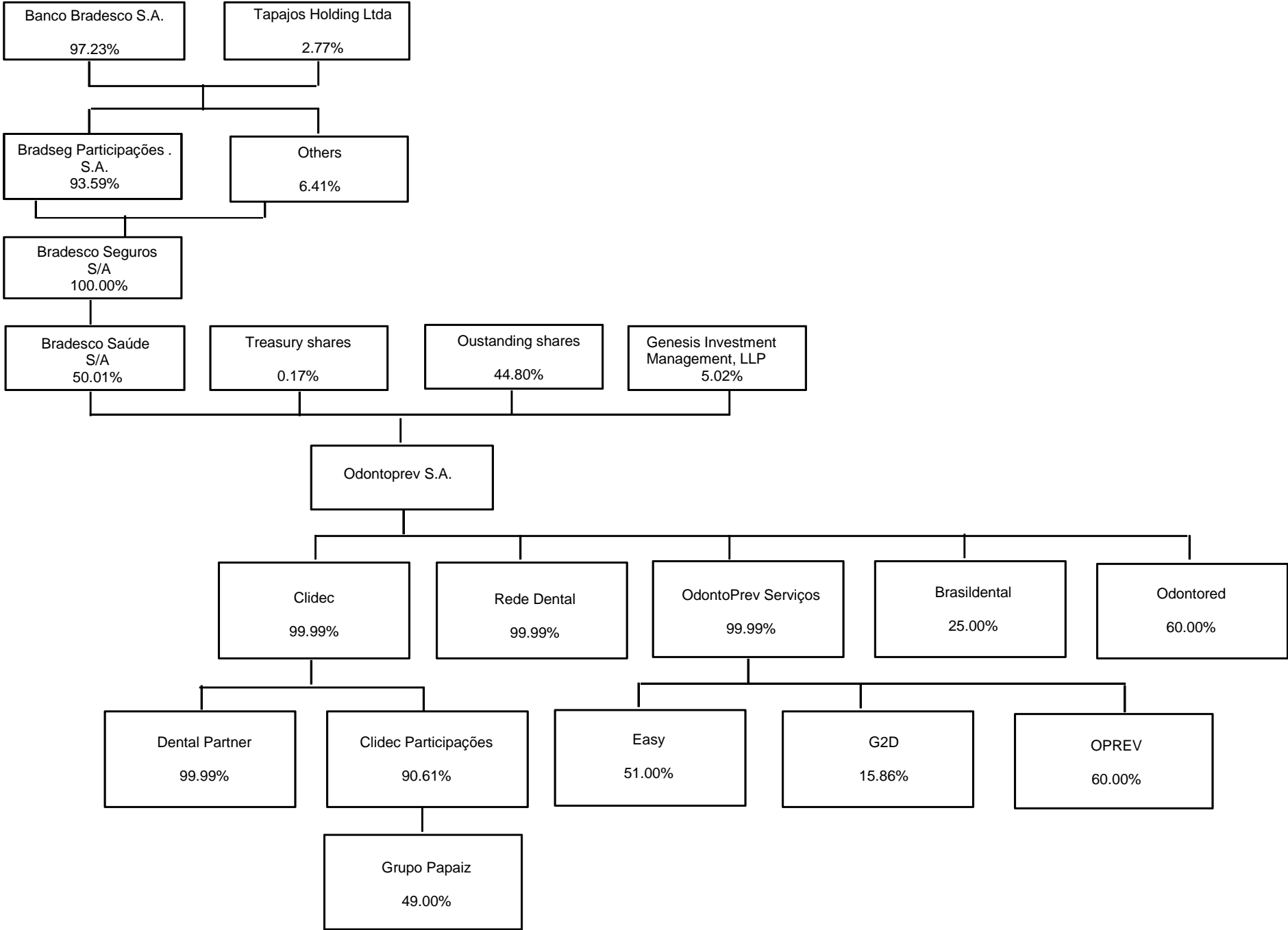
## Other relevant information

### Shareholders' positions

CONSOLIDATED SHAREHOLDING POSITION OF CONTROLLING SHAREHOLDERS AND MANAGEMENT AND OUTSTANDING SHARES						
Position at 06/30/2020						
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	1,230,953	0.23	-	-	1,230,953	0.23
Treasury shares	927,010	0.17	-	-	927,010	0.17
Others	263,488,432	49.58	-	-	263,488,432	49.58
Total	531,294,792	100.00	-	-	531,294,792	100.00
Outstanding shares	263,488,432	49.58	-	-	263,488,432	49.58

CONSOLIDATED SHAREHOLDING POSITION OF CONTROLLING SHAREHOLDERS AND MANAGEMENT AND OUTSTANDING SHARES						
Position at 06/30/2019						
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	1,100,226	0.21	-	-	1,100,226	0.21
Treasury shares	1,844,214	0.35	-	-	1,844,214	0.35
Others	262,701,955	49.44	-	-	262,701,955	49.44
Total	531,294,792	100.00	-	-	531,294,792	100.00
Outstanding shares	262,701,955	49.44	-	-	262,701,955	49.44

Other relevant information - Company's general chart



## **V – Commitment Clause**

The Arbitration Commitment Clause is mentioned in chapter VI – Arbitration, contained in the Bylaws (approved in the Ordinary & Extraordinary General Meeting of 04/01/2019).

Article 36 – The Company, its shareholders, its management and the members of the fiscal council, effective and substitutes, if any, are commitment to resolve, through arbitration, face to Market Arbitration Chamber and according to its rules, any and all disputes that may arise between them, related or deriving of their issuer condition, 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 the Company's Bylaws, in the regulations issued by the National Monetary Council, Brazilian Central Bank and Brazilian Stock Exchange, as well other regulations applicable to the working of capital markets in general, besides those comprised in the Regulations of the New Market Listing, the B3 rules and in the Contract of Participation in the New Market.

## **Statement of directors about the financial statements**

### **ODONTOPREV S.A.**

(article 29, subsection II of CVM Instruction 480/2009)

#### **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<sup>th</sup> Floor, registered with CNPJ/MF number 58.119.199/0001-51 (Company) in accordance with the terms of:

Subsection VI of paragraph 1 of article 25 of CVM Instruction 480, that we have reviewed, discussed, and agreed with the Company's interim financial statements for the period ended June 30, 2020.

Barueri, July 29, 2020.

## **Statement of directors about the independent auditor's report**

### **ODONTOPREV S.A.**

(article 29, subsection II of CVM Instruction 480/2009)

#### **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<sup>th</sup> Floor, registered with CNPJ/MF number 58.119.199/0001-51 (Company) in accordance with the terms of:

Subsection V of paragraph 1 of article 25 of CVM Instruction 480 that we have reviewed, discussed and agreed with the opinions expressed in the report issued by the Company's independent auditors, PricewaterhouseCoopers *Auditores Independentes* in July 29<sup>th</sup>, 2020, with respect to the Company's interim financial statements for the period ended June 30, 2020.

Barueri, July 29, 2020.