



## EARNINGS RELEASE 1Q20



### HIGHLIGHTS | 1Q20 vs. 1Q19

#### *Robust Organic and Inorganic Growth with Margin Expansion*

- **Net Revenue (NR):** R\$2,559.4 million, +34.7% vs. 1Q19
  - **Avg. Beneficiaries:** 3.4 million in Health (+28.3%) and 2.4 million in Dental (+33.3%)
  - **Avg. Beneficiaries EoP:** 3.6 million in Health (+31.8%) and 2.6 million in Dental (+31.3%)
  - **Avg. Ticket:** R\$223.7 in Health, +4.8% vs. 1Q19
  - **Hospital Services:** R\$185.3 million, +37.1% vs. 1Q19
- **Cash MLR:** Continuous Margin improvement
  - **Cash MLR Consolidated:** 68.2%, 2.8p.p. better than 1Q19
  - **Cash MLR Clinipam and São Lucas:** 67.1% in 1Q20
- **Cash G&A:** 8.7% of Net Revenue, 0.4p.p. better vs. 1Q19
- **Adjusted EBITDA:** R\$408.5 million (16.0% margin), +40.4% vs. 1Q19
- **Adjusted Net Income:** R\$208.0 million (8.1% margin), 40.9% increase vs. 1Q19
- **Net Debt:** R\$142.4 billion, or 0.1x Adjusted EBITDA LTM
- **M&A:** Closing of **Clinipam and São Lucas** in 1Q20
- **Owned Network:** Reopening of **Hospital Intermédica ABC**

**GNDI3:** R\$53.50/share  
**52W Max:** R\$76.33/share  
**52W Min:** R\$33.50/share

Total Shares: 603,693,182  
 Free Float: 75.9%  
 Market Cap: R\$32bn

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Summary	1Q20	1Q19	Var. %
Hospitals	23	19	21.1%
Beds - End of Period	2,702	2,436	10.9%
Beneficiaries - EoP ('000)	6,127.2	4,656.7	31.6%
Health plans	3,564.4	2,704.1	31.8%
Dental Plans	2,562.8	1,952.6	31.3%
Average Beneficiaries ('000)	5,966.2	4,576.5	30.4%
Health plans	3,425.6	2,670.7	28.3%
Dental Plans	2,540.6	1,905.9	33.3%
Net Revenues - R\$m	2,559.4	1,900.4	34.7%
IBNR Provision	(13.5)	1.0	-1482.8%
SUS Provision	(47.5)	(2.5)	1833.3%
Cash Medical Losses	(1,746.2)	(1,348.8)	29.5%
Cash MLR	-68.2%	-71.0%	2.8 pp
Gross Profit (Ex-D&A) - R\$m	752.3	550.1	36.8%
(-) Cash G&A	(221.4)	(173.0)	28.0%
(-) Selling Expenses	(130.1)	(92.7)	40.3%
(+) Interest Revenue (Restricted Cash)	7.7	6.5	18.9%
Adjusted EBITDA - R\$m	408.5	290.8	40.4%
Adjusted EBITDA Margin	16.0%	15.3%	0.7 pp
Net Income - R\$m	160.4	102.8	56.0%
Adjusted EBITDA Margin	6.3%	5.4%	0.9 pp
Adjusted Net Income - R\$m	208.0	147.5	40.9%
Adjusted Net Margin	8.1%	7.8%	0.4 pp



## OPERATIONAL HIGHLIGHTS

### MESSAGE FROM MANAGEMENT

Since 2014, the NotreDame Intermédica Group has **expanded and massively invested in its assistance Owned Network** to offer **high quality health care at affordable prices**.

During this period, we expanded our hospital and primary care network (clinical centers, laboratory analysis, and imaging), in addition to making significant investments in renovating and modernizing the structures of our units and **improving quality, including through the medical accreditation program**, obtaining national (ONA) and international (Qmentum) certifications. As a result, **we provided our beneficiaries with a better experience** through efficient medical protocols and quality medical care.

As of 2015, we have been experiencing one of the biggest economic crises in our country's history, with numerous challenges, including the shrinking of the private health sector by more than 4 million beneficiaries. In the same period, through planning and execution discipline, we delivered growth and market share gains.

In 2020, we are **facing a unique challenge with the pandemic outbreak of the new Coronavirus (COVID-19)**. A **unique, global situation**, which **puts human lives and the sustainability of global economic development at risk**. Despite all the difficulties, **our focus on planning has been fundamental to keep on executing our strategy within a more controlled environment and brings less impact to our stakeholders** (beneficiaries, employees, community, and shareholders).

Since the beginning of the year, we have been **monitoring the evolution of the new Coronavirus around the world and quickly started an action plan** to better prepare ourselves for an extreme scenario. As part of the plan, we created a COVID-19 **Crisis Management Committee**, **developed a transparent communication plan** to align our entire Owned Network teams and structure as to the evolution of the virus as well as updating medical protocols. Also, **we instructed our employees and customers on the prevention and efficient use of our medical Network**. **We also trained our Homecare and Preventive Care Programs medical teams** (those who work directly with the main risk group of elderly and chronic patients). **We increased the inventory of materials for the treatment of Coronavirus symptoms**, including PPE and medications. **We established a uniform service protocol for possible COVID-19 cases and segregated units of our Owned Network for exclusive care in case of hospital admissions**. Later, when authorized by the regulatory agent (ANS), we proceeded to **reschedule elective medical procedures (non-emergency)**, thus reducing possible contagions and increasing bed capacity availability. We also launched our **telemedicine platform** (also available in our app) to effectively guide and care for our beneficiaries unable to leave home.

Thus, with a team **with excellence in Health and a broad and modern Owned Network**, combined with a **corporate culture that values and encourages planning**, we will keep **our growth strategy to fulfill the mission of offering affordable quality health to generations of Brazilians**.

Health to all,



## M&A

Since the beginning of 2020, we added important assets to the Company's geographic expansion strategy. Besides São Lucas's vertical operation in the countryside of São Paulo state, we began our operation in the south region of the country by acquiring Clinipam Group. Through this acquisition, the Company intends to access private health markets in the states of Paraná and Santa Catarina, which hold 4.3 million lives, according to data released by ANS (National Health Agency) in February 2020.



In January 2020, GNDI concluded the acquisition of São Lucas Group, with approximately 88,000 health plan beneficiaries, 3 clinics, and a hospital with 80 beds (14 of which are ICU)



In February 2020, the Company acquired Clinipam Group, which holds 351,000 health plan beneficiaries, most of them in the metropolitan region of Curitiba and Vale do Itajaí, in Santa Catarina. In addition, it has a modern and verticalized Owned Network in the states of Paraná and Santa Catarina, including two hospitals (133 beds), a diagnostic center, 4 E.R., 19 clinical centers, a preventive care unit, and 10 collection points.



In April 2020, the Company closed the acquisition of Ecole, a health operator with approximately 45,000 beneficiaries in the state of São Paulo, most of them in the metropolitan region of São Paulo. Ecole presented net revenue of R\$ 82 million in 2019, with a loss ratio of 80.0%.

Still in April 2020, we acquired LabClin (located in Americana/SP, the same region as São Lucas Group) for R\$ 7.4 million. Specialized in clinical analysis, it has 7 collection units and performs over 100 thousand exams per month.

LabClin is one of the main clinical analysis lab provider in the region with R\$ 10.9 million in revenue and R\$ 2.7 million EBITDA in 2019.





## INTEGRATIONS AND SYNERGIES

### Clinipam – Curitiba/SP

In November 2019, the Company announced the acquisition, which held approximately 330,000 health plan beneficiaries, and since then has kept its organic growth in the South region, reaching 360,000 beneficiaries in March 2020.

In order to accomplish the goals for this important asset, we created **a local management team dedicated to Clinipam**, that in addition to pursuing planned synergies, must ensure the execution of the business plan of the new South Regional, supported by medical excellency, reputation, and respecting local features.

The transition took place without any impact to collaborators or beneficiaries, and we are now able to track operational performance in the same model of GNDI's management indicators. We also implemented sales through digital channels for SME, allowing for a swifter and safer signing.

Improvement opportunities in costs, medical protocols, procurement, and G&A are being mapped and executed as predicted during the due diligence stage. This includes the unification of lab analysis by NotreLabs, the migration of 12,000 dental beneficiaries to Interodonto, and the release of a nationwide Interodonto-Clinipam dental plan.

Moreover, since Clinipam's acquisition, our M&A team has been working on inorganically expansion and strengthening GNDI's presence in the South Region. During this period, we visited +20 assets and already created a pipeline with 10 targets.

In the face of so many changes, it is essential to understand Clinipam differentials and competitive advantages, as it is GNDI's expansion platform for southern part of the country. Meeting GNDI Integrations' management and monitoring standards is key and it has proven to be quite efficient over the years.

### São Lucas – Americana/SP

We concluded the main integration phase with the implementation of service processes and management indicators (KPI), following GNDI's methodology.

We are currently improving the hospital structure, reviewing the entire medical equipment with our clinical engineering team and finalizing facade renovations.

The recent acquisition of LabClin, located in the same region as the São Lucas Group, will allow GNDI to expand its clinical analysis Owned Network (NotreLabs) with 7 additional collection points in 4 more nearby municipalities. In the future, LabClin will operate on the same standards as NotreLabs.



### **Ghelfond – Grande São Paulo/SP**

Ghelfond's acquisition allowed us to provide imaging exams for a portion of GNDI's beneficiaries, and as a consequence, increasing the number of HMO imaging exams within our Owned Network. Thus, we are reducing the idleness of Ghelfond's imaging equipment and optimizing the Contracted Network for imaging diagnostic exams. Also, we were able to replace their clinical analysis service provider (outsourced) with NotreLabs, further increasing our degree of verticalization.

In February 2020, we started a pilot project to expand/verticalize the performance of imaging exams within Salvalus Hospital, with the implementation of an imaging diagnostic center. Hence, we can achieve greater synergy in supply procurement and provide our beneficiaries with greater quality and more convenient services.

### **São José dos Lários – São Gonçalo/RJ**

The Integration stage was concluded with the implementation of GNDI processes management and medical protocols. The success of these initiatives resulted in greater hospital beds availability, welcoming more GNDI beneficiaries to our Owned Network, thus improving verticalization rates and reducing costs.

Now, we are investing in modernizing our medical equipment and training local teams that will enable quality gains in medical assistance.

We also started planning for the legal merger of the hospital and portfolio of lives within NotreDame Intermédica Saúde.

### **Belo Dente – MG/ES**

On April 1<sup>st</sup>, 2020, NotreDame Intermédica Saúde S.A. incorporated the assets and liabilities of its subsidiary Belo Dente Odontologia Ltda., with the base-date as of March 31, 2020. In addition to simplifying the Company's corporate structure, this aims to rationalize and unify administrative activities, as well as achieve operational synergies.

## **OWNED NETWORK**

The Company currently has 23 hospitals, 87 clinics, 23 outpatient emergency rooms, 14 preventive care centers, and 62 clinical analysis collection points, 11 imaging exam unities and 2 Health Center exclusively focused on the elderly ("Notrelife 50+").

In 1T20, we continued the extensive hospitals and clinical centers renovation program, highlighting the reopening of Hospital Intermédica ABC (SP) and the advanced refurbishment stage at Hospital Intermédica Anália Franco (SP), formerly MonteMagno.

The Intermédica ABC Hospital, located in São Bernardo do Campo/São Paulo, was reopened in March 2020, expanding our beds capacity, adding 65 new ICU beds, and 63 new regular hospital admission beds to our Owned network. The complex also has a modern operating room, tomography equipment, USG, RX, bronchoscopy, in addition to hemodialysis laboratories and a blood bank.





*Hospital ABC - ICU*

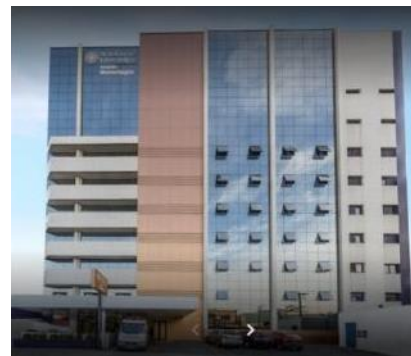


*Hospital ABC - Reception*



*Hospital ABC*

The Hospital Intermédica Anália Franco (formerly MonteMagno), located on the east side of São Paulo and acquired by the Company in 2015, is in its final stage of renovation. In its nine floors and almost six thousand square meters of built area, within the most modern concepts of hospital architecture, it offers ample facilities to accommodate all the necessary infrastructure for complete medical and hospital care. The complex has 23 medical offices, 72 beds, and performs diagnostic imaging, computed tomography, ultrasound, upper digestive endoscopy, and colonoscopy.



*Hospital Intermédica Anália Franco*

The verticalization strategy was reinforced with the revitalization of the second Preventive Care Unit: Qualivida Higienópolis (SP), Outpatient ER Zona Oeste (RJ), Autonomist Clinical Center (Osasco - SP) and NotreLabs in Mogi das Cruzes.



*NotreLabs Mogi das Cruzes*



*PS Zona Oeste – Observation room*



*CC Autonomista – Nursing room*

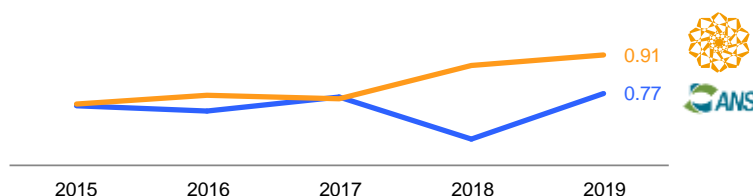


## QUALITY

The Company currently has 12 hospitals certified by the National Accreditation Organization (“ONA”) and one hospital with Qmentum quality certification by *Accreditation Canada International*.

The combination of **investments in the Owned Network** and the continuous improvement of the **Welcoming Program to our patients** is reflected in our customers’ main evaluation rates.

Once again, the Company showed a significant evolution in the most recent survey of the Supplementary Health Performance Index (IDSS), released in March 2020 (base year 2018), calculated from indicators defined by the National Health Agency (ANS). The NotreDame Intermédica Group obtained a 0.9077 score (out of a maximum of 1.00), maintaining the classification “Great”, above the market average.



This initiative by ANS aims to improve the quality of the Supplementary Health sector as a whole. And the IDSS close to 1 shows that the NotreDame Intermédica Group has been able to develop good practices to deliver a better experience and assistance to its beneficiaries.

## TELEMEDICINE

Due to the COVID-19 pandemic and the current time of social isolation and quarantine in different parts of the country, the NotreDame Intermédica Group began to offer assistance via Telemedicine for the prevention and diagnosis of diseases.

In addition to proving to be an efficient and agile tool for health care and disease prevention, Telemedicine provides easy access by videoconference, in which the patient can talk to a doctor and answer all questions regarding health. Before going to the emergency room, anyone with flu-like symptoms or questions about COVID-19 can chat by video with a specialist so that he or she can provide instructions on how to proceed. This service is free and can be accessed within the GNDI Portal or in the GNDIEasy application.

In the first month of implementation, the group recorded +40 thousand consultations, ~ 20 thousand prescriptions, 7 thousand special prescriptions, with a solving level of 82.4% of patients discharged from the consultation itself (10.9% were referred to Clinical Centers and only 6.7% were referred to the emergency room).



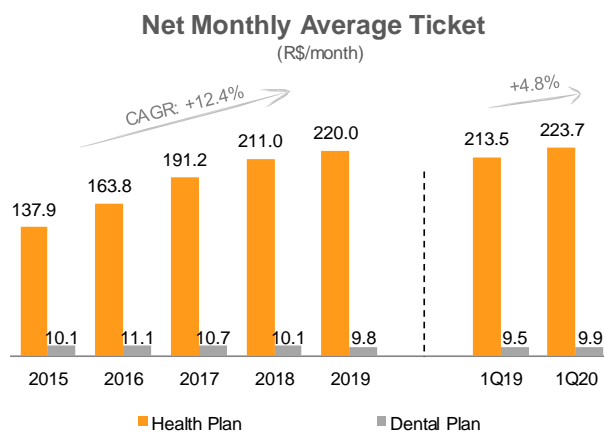
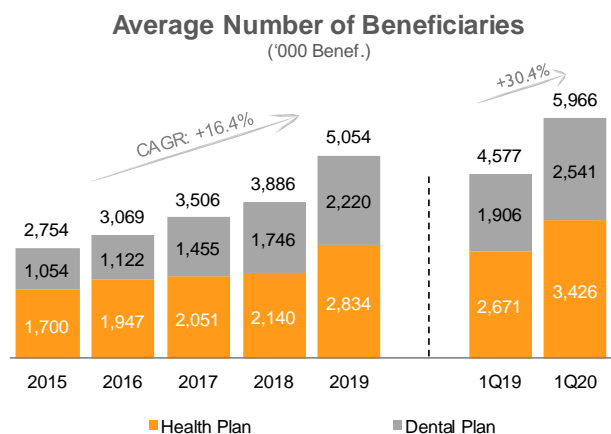
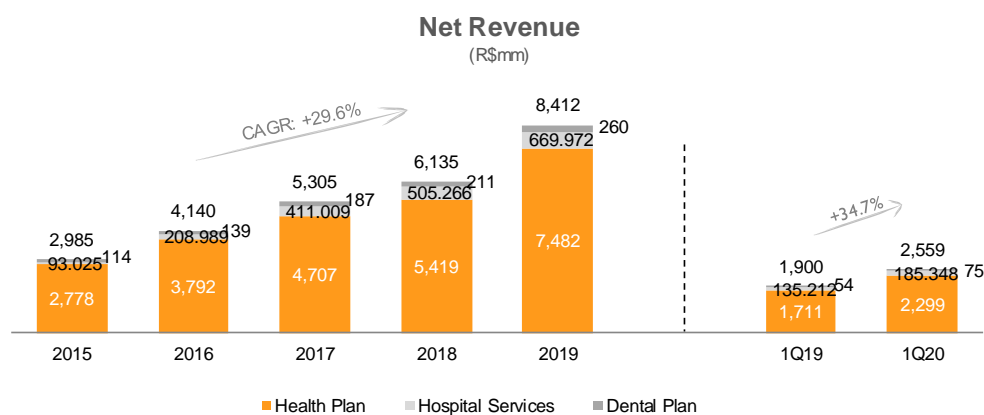


## NET REVENUE

Driven by growth across all three revenue lines: health plans, dental plans and hospital services, net revenue totaled R\$2,559.4 million in 1Q20, up 34.7% from the same period in 2019.

In 1Q20, GNDI consolidated the net revenue from São Lucas (jan'20) and Clinipam (feb'20).

R\$m	1Q20	1Q19	Var.	Var. %
<b>Net Revenue</b>	<b>2,559.4</b>	<b>1,900.4</b>	<b>659.1</b>	<b>34.7%</b>
Health plans	2,298.8	1,710.9	588.0	34.4%
Dental Plans	75.3	54.3	21.0	38.7%
Hospital Services	185.3	135.2	50.1	37.1%



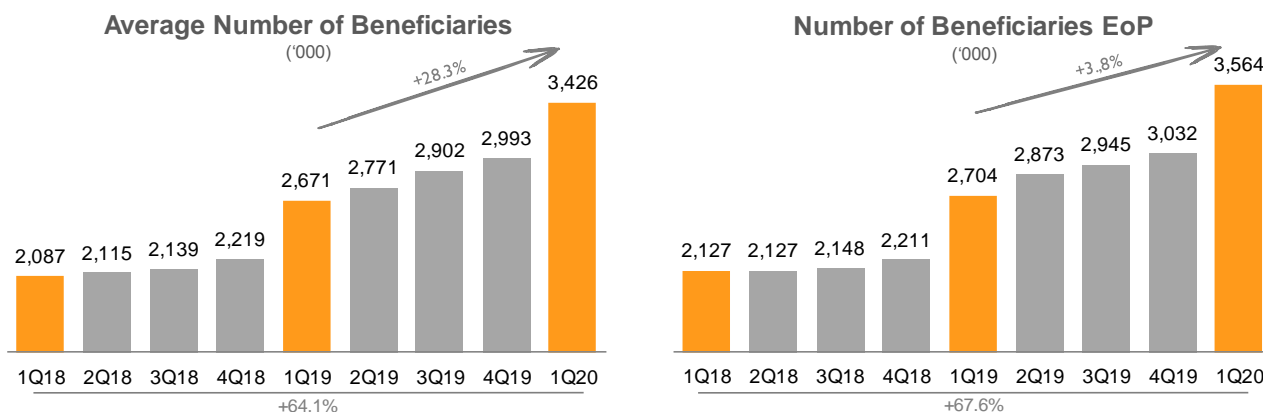




## HEALTH PLANS

Net revenue from Health Plans amounted to R\$2,298.8 million in 1Q20, growing 34.4% from 1Q19 due to (i) 28.3% increase in the average number of beneficiaries from 2,670.7 thousand to 3,425.6, thousand, and (ii) 4.8% higher average monthly ticket, from R\$213.5 to R\$223.7.

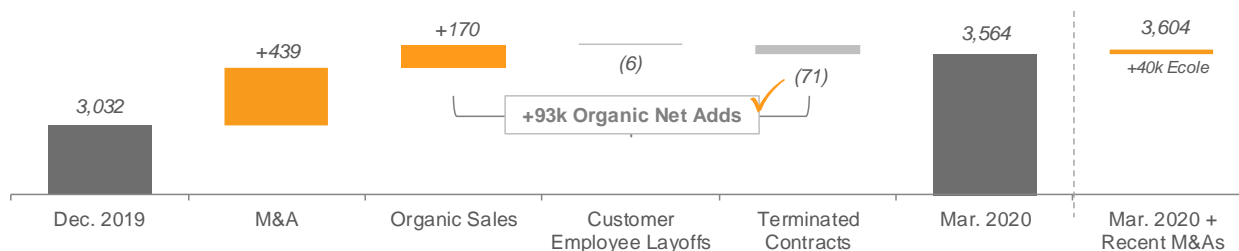
### Number of Beneficiaries



In 1Q20, the Company presented a net addition of 93,000 health plan beneficiaries, mainly due to the commercial efforts that increased organic gross sales and the reduction in cancellation and turnover levels, when compared to previous periods.

### Number of Beneficiaries Evolution – 1Q20

('000 Beneficiaries – End of Period)

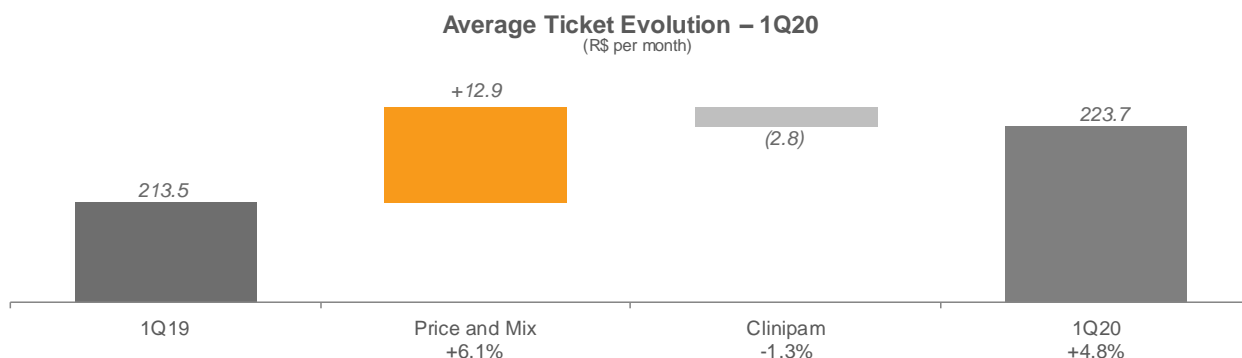


In 1Q20, GNDI health plan net addition was 532 thousand beneficiaries, of which (i) 93 thousand from organic net adds and (ii) 439 thousand accounted from the acquisition of São Lucas e Clinipam. The main points that support this organic growth include (i) increase in sales, reaching approximately 170 thousand beneficiaries, and (ii) turnover and cancellations level reduction compared to previous periods.



### Average Ticket

The monthly average ticket was R\$223.7 in 1Q20, an increase of 4.8% when compared to R\$213.5 in 1Q19. This was due to (i) the increase in average price by 6.1% from price readjustments and product mix and (ii) the impact of the acquisition of Clinipam, with lower ticket than GNDI products.

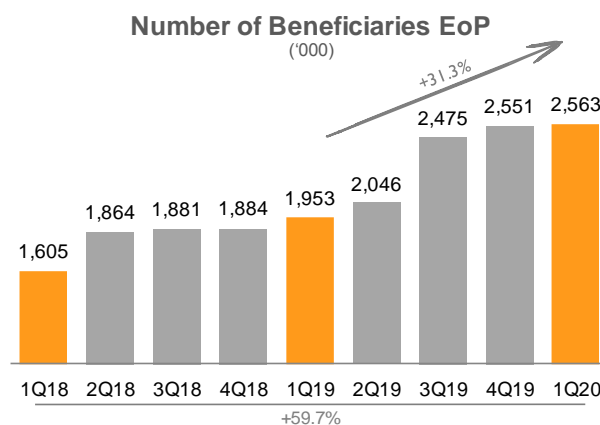
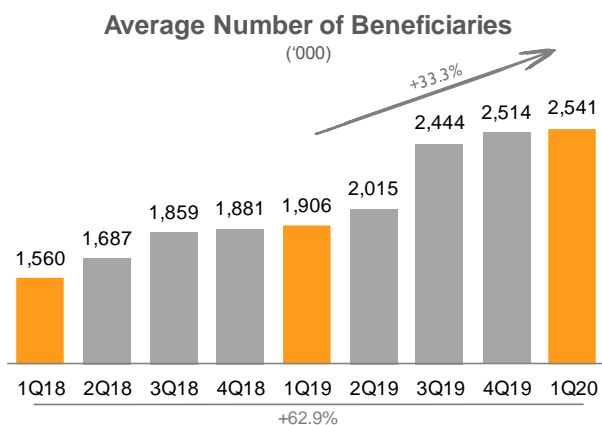


### DENTAL PLANS

Net revenue from Dental Plans was R\$75.3 million in 1Q20, up 38.7% from 1Q19. The growth was driven by a 33.3% increase in the average number of beneficiaries from 1,905.9 thousand to 2,540.6 thousand (+634.7k), and the 4.0% increase in the average monthly ticket from R\$9.5 to R\$9.9.

In July 2019, the Company completed the acquisition of Belo Dente which added more than 358,000 beneficiaries to our dental portfolio. In addition, we continue with cross-sell efforts in the sale of new health plans and in the newly acquired companies. The expansion in the number of beneficiaries occurred in corporate customers, which traditionally have lower usage levels than other contracts, thus allowing for compatible pricing.

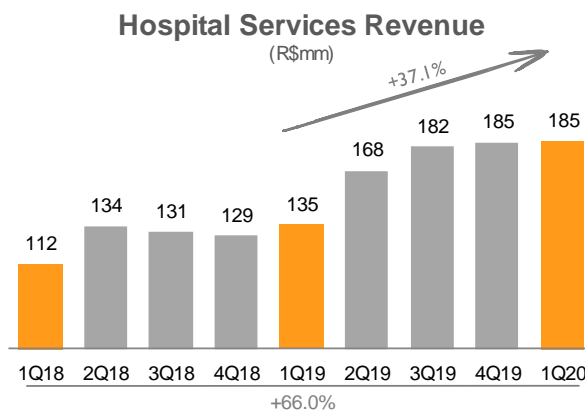
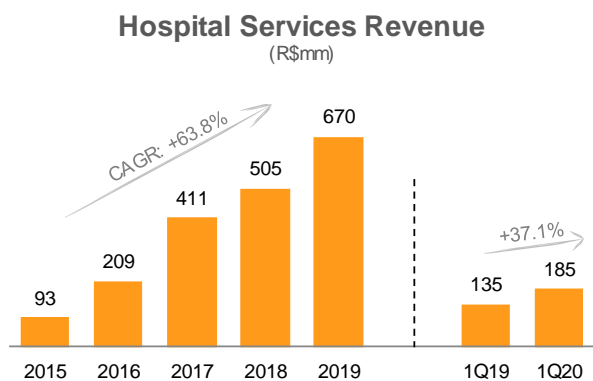
We will now start our dental plans cross-sell strategy in the portfolios of the recent acquired companies: Clinipam and São Lucas.





## HOSPITAL SERVICES

Revenue from Hospital Services was R\$185.3 million in 1Q20, a 37.1% increase from 1Q19, accounting for 7.2% of total net revenue.



In 1Q20, revenue from new hospitals acquired in the last twelve months (H. Amiu, H. Samaritano, H. São José, Ghelfond and H. São Lucas) contributed with R\$56.8 million, while same-hospital revenue decreased 5.0% compared to 1Q19, an expected outcome as we have intensified the verticalization of hospital admissions.



## COST OF SERVICES (MLR)

Cost of services comprises Depreciation and Amortization (D&A), provision for Events Incurred but Not Reported (IBNR), provision for SUS, and Cash Medical Losses, as detailed below:

R\$m	1Q20	1Q19	Var.	Var. %
D&A and IFRS16 Amortization	36.6	21.5	15.1	70.1%
IBNR Provision	13.5	(1.0)	14.4	-1482.8%
SUS Provision	47.5	2.5	45.1	1833.3%
Medical Losses	1,746.2	1,348.8	397.4	29.5%
Cash MLR	68.2%	71.0%		-2.8 pp
<b>Cost of services rendered</b>	<b>1,843.8</b>	<b>1,371.8</b>	<b>472.0</b>	<b>34.4%</b>
% margin	72.0%	72.2%		-0.1 pp

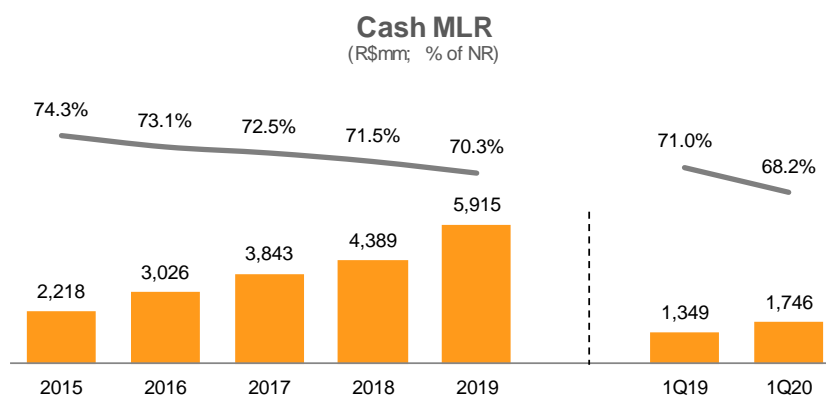
In 1Q20, Provisions for SUS increased R\$45.1 million when compared to 1Q19, reflecting the acceleration of ANS charges from processes that are under administrative discussion.

IBNR was R\$13.5 million in 1Q20, due to the increase in the Company's operations in the last 12 months.

## CASH MEDICAL LOSSES (CASH MLR)

The Cash MLR is the most relevant item in cost of services and reflects effective healthcare costs, as well as, the Company's verticalization initiatives, subject to the seasonality of the business.

In 1Q20, cash medical losses increased 30.9% from R\$1,348.8 million in 1Q19 to R\$1,766.2 million in 1Q20, below the 34.7% net revenue growth, reducing Cash MLR% in 1Q20 by 2.8p.p., as a result of GNDI vertically integrated business model designed to tackle medical inflation in the country.



São Lucas and Clinipam, both acquired in 1Q20, have already contributed to the consolidated result since the beginning of the integration process, with a cash loss ratio of 67.1%.

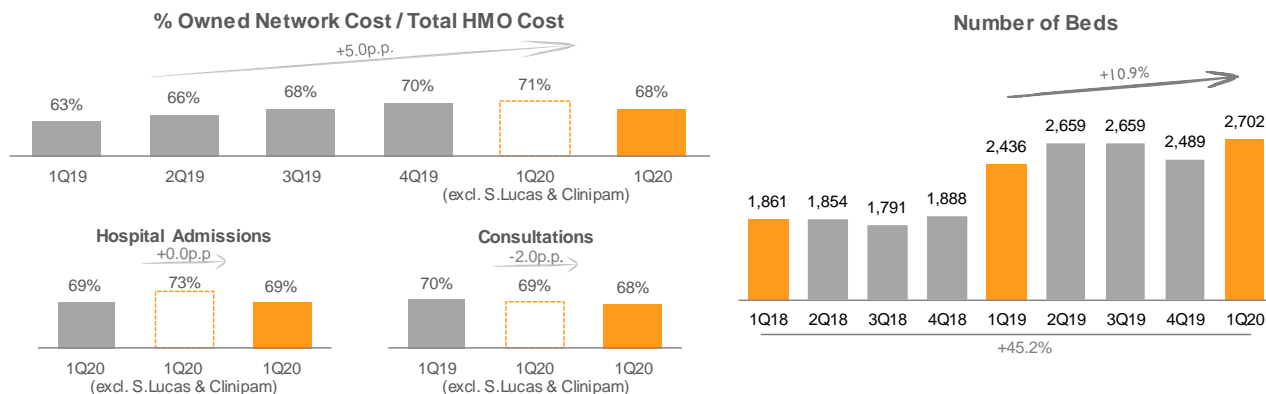
GNDI has been able to control and consistently reduce its Cash MLR over the past few years due to the verticalization strategy and our capacity to successfully integrate the M&A's until this moment.

Some of the main factors driving improved Cash MLR included:





## 1. Verticalization strategy:



During 1Q20, the Company observed, the continued increase in verticalization, as the percentage of expenses on the Owned Network became more representative compared to 1Q19, when we are analyzing HMO products, including São Lucas e Clinipam. Due to the maturation of several initiatives that we had already implemented, which were reinforced over the quarters, the percentage of Owned Network expenses increased from 70% in 4Q19 to 71% in 1Q20. However, when including the impacts of São Lucas and Clinipam, we decreased to 68% of verticalization in 1Q20

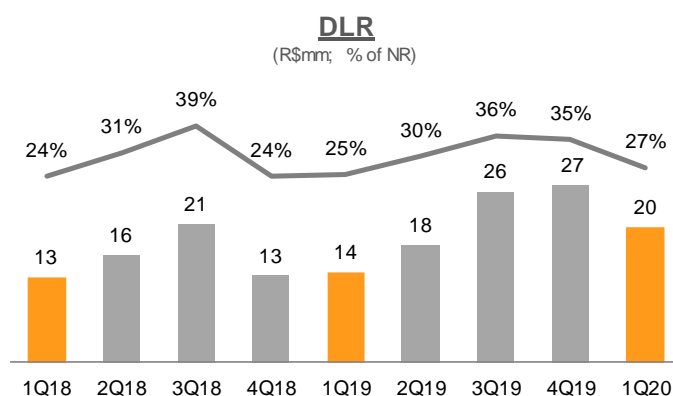
Hospital admissions within the Owned Network remain stable at 69% but increased to 71% in 1Q20 when excluding São Lucas and Clinipam. Consultations achieved 68% of internalization still impacted by GreenLine and Sao Lucas operations, which still have a lower level of internalization of consultations.

## 2. Copay:

The Company presented an increase of 61.7% when comparing the 1Q19 with the 1Q20, mainly due to the consolidation of Clinipam. It is worth mention that the Company maintains its partnership with customers to align the incentive in the usage of the Network, allowing the reduction of price adjustments (including SME).

## 3. Growth in Dental:

On February 1<sup>st</sup>, we merged Belo Dente entity, which had a loss ratio of 46.3% in 2019, 15.9 p.p. higher when compared to the loss ratio of 30.4% of Interodonto in the same period. With the integration of operations, we are starting to see a lower loss ratio (27.1% in 1Q20).

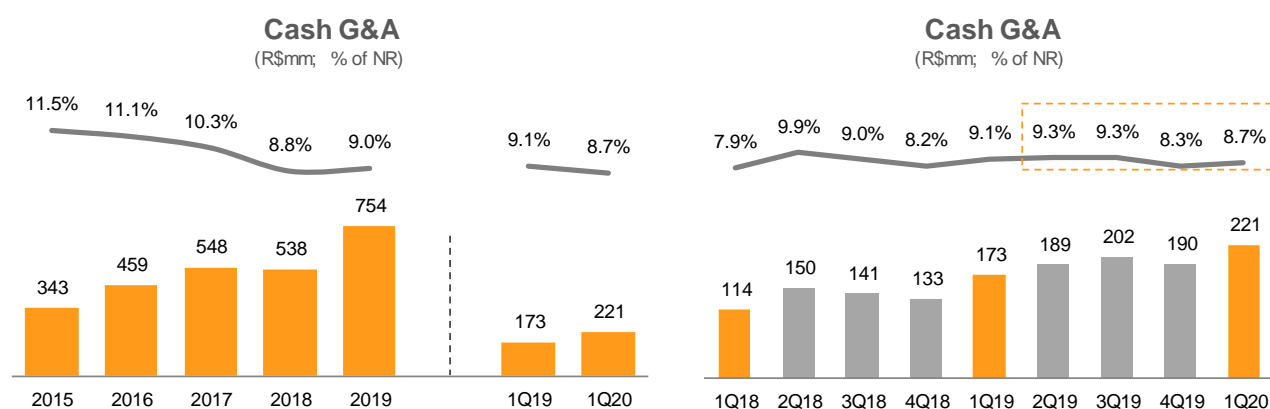




## ADMINISTRATIVE AND COMMERCIAL EXPENSES

### ADMINISTRATIVE EXPENSES

General & Administrative expenses (Cash G&A) totaled R\$221.4 million in 1Q20, +28.0% when compared to 1Q19. Despite the added expenses of recent M&As (Clinipam and São Lucas), the Company presented a dilution of 0.4 p.p. when compared to 1Q19.



R\$mm	1Q20	1Q19	%NR20	%NR19
Personnel	105.0	80.7	4.1%	4.2%
Third Party Services	51.0	43.1	2.0%	2.3%
Occupation and Utilities	16.9	16.7	0.7%	0.9%
Allowance for doubtful acc.	22.2	18.5	0.9%	1.0%
Contingencies	7.3	7.5	0.3%	0.4%
Others	19.0	6.5	0.7%	0.3%
<b>Cash G&amp;A</b>	<b>221.4</b>	<b>173.0</b>	<b>8.7%</b>	<b>9.1%</b>

Despite the impact of recent acquisitions, the dilution of the main expense items, including Personnel and Third-Party Services, reflects the discipline of execution in the control of general expenses. Still, the Company will continue to work on capturing synergies of recent acquired acquisitions and constantly investing in technology, optimizing the utilization of resources and infrastructure.

The only G&A item that increased was “Others”, mainly due to write-offs (non-cash) of operating assets (hospitals and clinical centers) that were discontinued.

Excluding the effects of Clinipam and São Lucas, the Company's Cash G&A was 8.5% for 1Q20, better 0.6 p.p. compared to the same period of 2019.



#### Cash G&A reconciliation with Financial Statement:

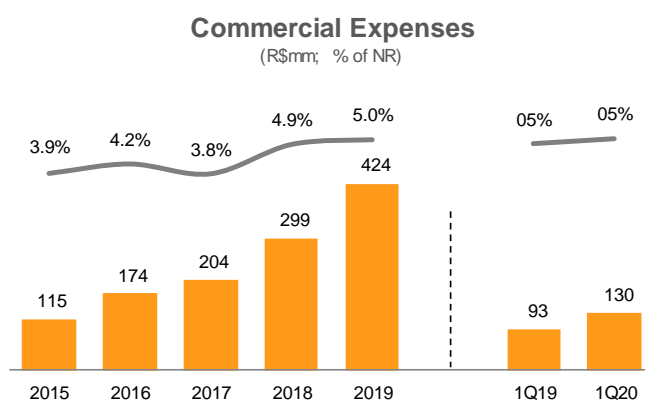
R\$mm	1Q20	1Q19	Var.	Var. %
<b>Cash G&amp;A</b>	<b>221.4</b>	<b>173.0</b>	<b>48.4</b>	<b>28.0%</b>
(+/-) Stock Options	10.9	7.0	3.9	55.9%
(+/-) M&A Expenses	6.7	5.4	1.3	24.4%
(+/-) D&A	32.7	31.2	1.5	4.7%
<b>G&amp;A (IS)*</b>	<b>271.8</b>	<b>216.7</b>	<b>55.1</b>	<b>25.4%</b>

\* including Administrative expenses, Impairment of receivables and Other income, net

In 1Q20, the adjustments referred to non-cash items, such as expenses with stock option plans, depreciation and amortization, and to non-recurring expenses, related to our M&A initiatives.

#### COMMERCIAL EXPENSES

Commercial expenses amounted to R\$130.1 million in 1Q20, representing 5.1% of total net revenue, up 0.2p.p. from the same period last year, reflecting the increase in gross sales.

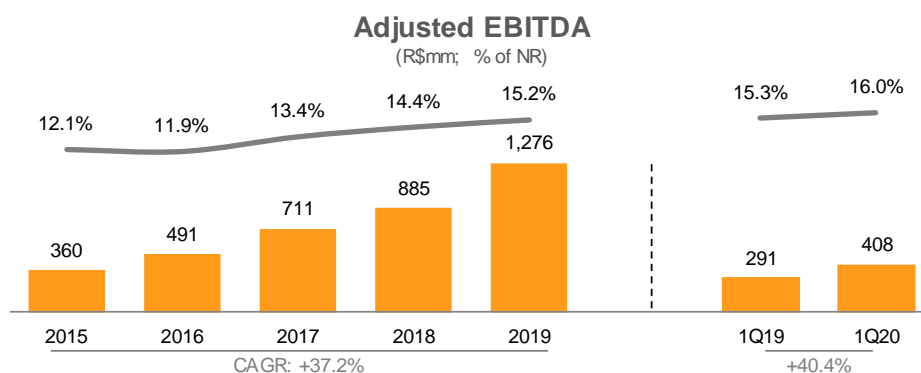




## ADJUSTED EBITDA

GNDI Adjusted EBITDA was R\$408.5 million in 1Q20, or 16.0% of net revenue, an increase of R\$117.6 million, or 40.4% when compared to the same period last year.

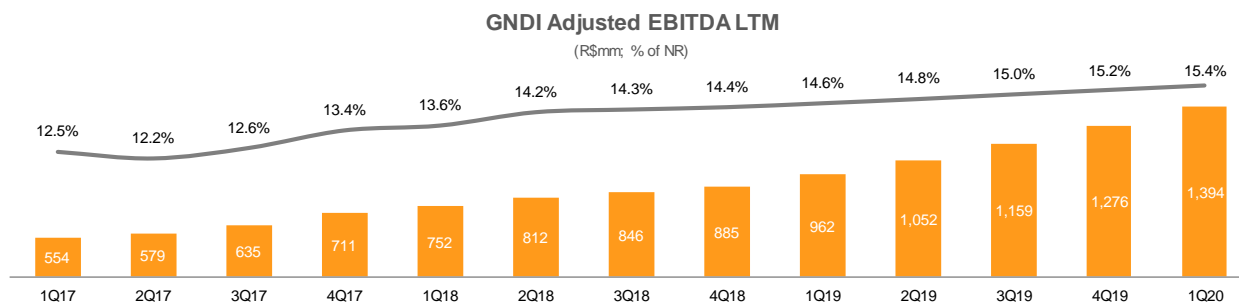
In 1Q20, SUS Reimbursements charges negatively impacted the results in R\$47.5mm, reflecting the acceleration of ANS charges started in the second half of 2019.



R\$mm	1Q20	1Q19	Var.	Var. %
<b>Net Income</b>	<b>160.4</b>	<b>102.8</b>	<b>57.6</b>	<b>56.0%</b>
Income tax and social contribution	120.6	81.0	39.6	48.9%
Net Interest	32.8	35.3	(2.6)	-7.2%
Depreciation and Amortization	69.3	52.8	16.6	31.4%
<b>EBITDA</b>	<b>383.1</b>	<b>271.9</b>	<b>111.2</b>	<b>40.9%</b>
(+/-) Stock Options	10.9	7.0	3.9	55.9%
(+/-) M&A/Integration Expenses	6.7	5.4	1.3	24.4%
(+/-) Inter. Revenue (Restricted Cas	7.7	6.5	1.2	18.9%
<b>Adjusted EBITDA</b>	<b>408.5</b>	<b>290.8</b>	<b>117.6</b>	<b>40.4%</b>
% margin	16.0%	15.3%		0.7 pp

Excluding the Clinipam and São Lucas effects, 1Q20 Adjusted EBITDA reached R\$368.9 million or 15.6% of Net Revenue, 26.8% better when compared to the same period last year.

The IFRS16 impact was R\$20.4mm in 1Q20. Excluding this impact, Adjusted EBITDA would have been R\$388.1 million (15.2% of Net Revenue), 41.6% better than 1Q19 excluding IFRS16 impact.



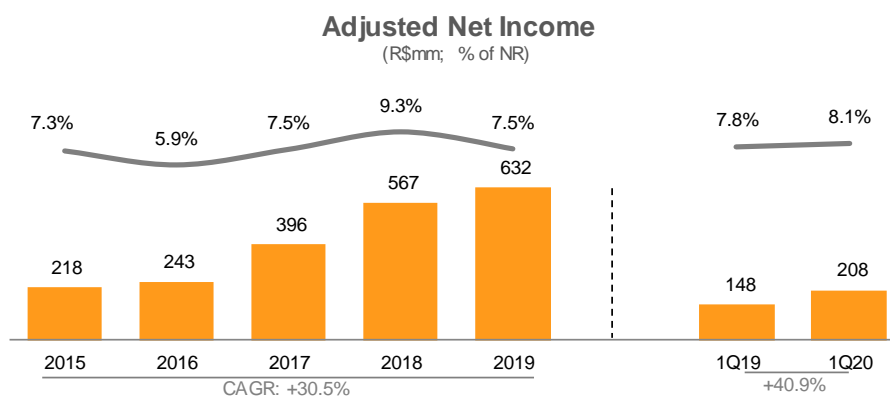




## ADJUSTED NET INCOME

Net Income was R\$ 160.4 million in 1Q20, an increase of 56.0% versus 1Q19, with a margin improvement of 0.9p.p. This result is a result of the continuous efforts in cost controls and expenses, as well as M&A synergies and scale gains, that were partially impacted by the increase in SUS provisions and IBNR.

The Adjusted Net Income in 1Q20 was R\$ 208.0 million, 49.0% higher than 1Q19.



R\$m	1Q20	1Q19	Var.	Var. %
<b>EBITDA</b>	<b>383.1</b>	<b>271.9</b>	<b>111.2</b>	<b>40.9%</b>
Income tax and social contribution	(120.6)	(81.0)	(39.6)	48.9%
Net Interest	(32.8)	(35.3)	2.6	-7.2%
Depreciation and Amortization	(69.3)	(52.8)	(16.6)	31.4%
<b>Net Income</b>	<b>160.4</b>	<b>102.8</b>	<b>57.6</b>	<b>56.0%</b>
(+/-) Stock Options	10.9	7.0	3.9	55.9%
(+/-) Intang. asset amort.*	29.4	16.1	13.2	81.8%
(+/-) Deferred taxes	7.3	21.6	(14.3)	-66.3%
<b>Adjusted Net Income</b>	<b>208.0</b>	<b>147.5</b>	<b>60.4</b>	<b>40.9%</b>
% margin	8.1%	7.8%		0.4 pp

\* Intangible asset amortization of acquired companies

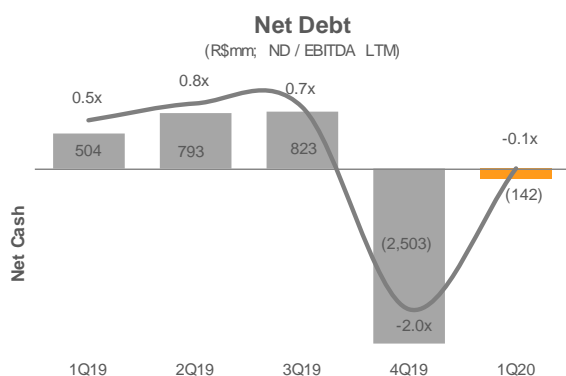


## INDEBTEDNESS

In 1Q20, the Company reached R\$142.4 million Net Debt, already considering the acquisitions of the São Lucas and Clinipam Group, as well as the investments in the improvement of Owned Network.

On December 2019, the Company's 3<sup>rd</sup> Follow-on raised R\$3,608.1 million( net of operating costs). This funding was used in January and February 2020 for the early redemption of the debenture issued for the acquisition of Greenline (BCBF13) and the full payment for the acquisition of Clinipam.

In February 2020, aiming the better management of its resources, the Company raised R\$360 million, preserving its liquidity and investment levels.



R\$m	1Q20	4Q19	Var.	Var. %
Seller Note	84.3	119.0	(34.7)	-29.2%
Debentures - BCBF	120.3	1,105.7	(985.4)	-89.1%
Debenture - NDI Saúde	803.1	816.4	(13.3)	-1.6%
Loan	543.4	255.8	287.5	112.4%
<b>Total Debt</b>	<b>1,551.0</b>	<b>2,296.9</b>	<b>(746.0)</b>	<b>-32.5%</b>
Cash and Short-term investments	1,408.5	4,799.6	(3,391.0)	-70.7%
<b>Net Debt</b>	<b>142.4</b>	<b>(2,502.6)</b>	<b>2,645.1</b>	<b>-105.7%</b>
Adjusted EBITDA - LTM	1,394.0	1,276.4	117.6	9.2%
<b>Net Debt/Adjusted EBITDA</b>	<b>0.1x</b>	<b>-2.0x</b>	<b>2.1x</b>	<b>-105.2%</b>

The chart below presents GNDI debt profile breakdown:

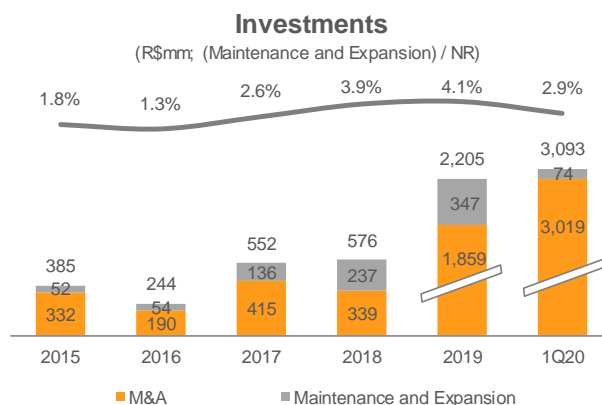
	December 2019	March 2020
<b>NDIPar</b>	<u>Seller's Note</u> R\$119.0mm (10.0% p.y.) Jun/2020	<u>Seller's Note</u> R\$84.3mm (10.0% p.y.) Jun/2020
<b>BCBF</b>	<u>Debenture (BCBF12)</u> R\$184.2mm (CDI + 2.25% p.y.) Feb'20/Aug'20/Feb'21	<u>Debenture (BCBF12)</u> R\$120.3mm (CDI + 2.25% p.y.) Aug'20/Feb'21
	<u>Debenture (BCBF13)</u> R\$921.5mm (CDI + 1.75% p.y.) Jan/2023	<u>Promissory Note</u> R\$362.8mm (CDI + 1.40% p.y.) Aug'20/Feb'21/Aug'21/Feb'22
	<u>4131 (II)</u> R\$202.3mm (85%CDI+1.955%p.y.) Jan'20/Jun'20/Dec'20	<u>4131 (II)</u> R\$132.8mm (85%CDI+1.955%p.y.) Jun'20/Dec'20
<b>NDISaúde (OpCo)</b>	<u>Debenture (NDMI13)</u> R\$816.4mm (CDI + 1.60% p.y.) Aug'22/Aug'23/Aug'24	<u>Debenture (NDMI13)</u> R\$803.1mm (CDI + 1.60% p.y.) Aug'22/Aug'23/Aug'24
	<u>Other Borrowings:</u> R\$52.5mm	<u>Other Borrowings:</u> R\$47.7mm
<b>Acquired Subsidiaries</b>		



## INVESTMENTS

During 1Q20, GNDI invested R\$3,093 million, mainly in the recent acquisitions:

- **R\$2,642mm:** Clinipam Acquisition
- **R\$377mm:** São Lucas Acquisition
- **R\$74mm:** Invested in Owned Network improvement and maintenance, and technology (new systems and equipment).



## REGULATORY REQUIREMENTS

On March 31, 2020, the operational subsidiary NotreDame Intermédica Saúde S.A. ("OpCo" or "NDIS") presented solvency sufficiency of R\$101.5 million, with R\$1,384.4 million of Adjusted Minimum Equity versus a Required Solvency from ANS of R\$1,282.8 million.

R\$mm	1Q20	4Q19	Var.	Var. %
Solvency ANS	(1,710.5)	(1,380.0)	(330.5)	23.9%
Current Solvency Ratio	75.0%	77.9%		-2.9 pp
Solvency Required	(1,282.8)	(1,075.0)	(207.9)	19.3%
Ajusted Equity	1,384.4	1,620.1	(235.8)	-14.6%
<b>Excess Solvency</b>	<b>101.5</b>	<b>545.1</b>	<b>(443.6)</b>	<b>-81.4%</b>

Minimum Adjusted Equity decreased from R\$1,620.1 million in 4Q19 to R\$1,384.4 million in 1Q20 negatively impacted by (i) R\$361.7 million of the acquisition of Group São Lucas, (ii) commissions increase of R\$23.8 million and (iii) R\$31.9 million due to the reduction of other deferrals, partially offset by the OpCo's net income of R\$180.7 million in the period.

Required Solvency went from R\$1,075.0 million in 4Q19 to R\$1,282.8 million in 1Q20, as a result of the growth of the Company's operation and partially offset by the reduction in the percentage of deferral that went from 77.9% to 75.0%.

In April 2020, the Company agreed with the National Supplementary Health Agency for the early use of Risk-Based Capital in calculating Regulatory Capital, in accordance with Normative Resolution No. 451. With that, Regulatory Capital will become the highest value between the fixed percentage of 75% of the solvency margin and the risk-based calculation. For March 31, 2020, the Regulatory Capital calculated was equivalent to 75% of the solvency margin.

In March 31, 2020, the Company had a restricted cash balance of R\$597.7 million (including São Lucas and Clinipam), with ANS invested at the CDI/SELIC rate, in order to support regulatory requirements.

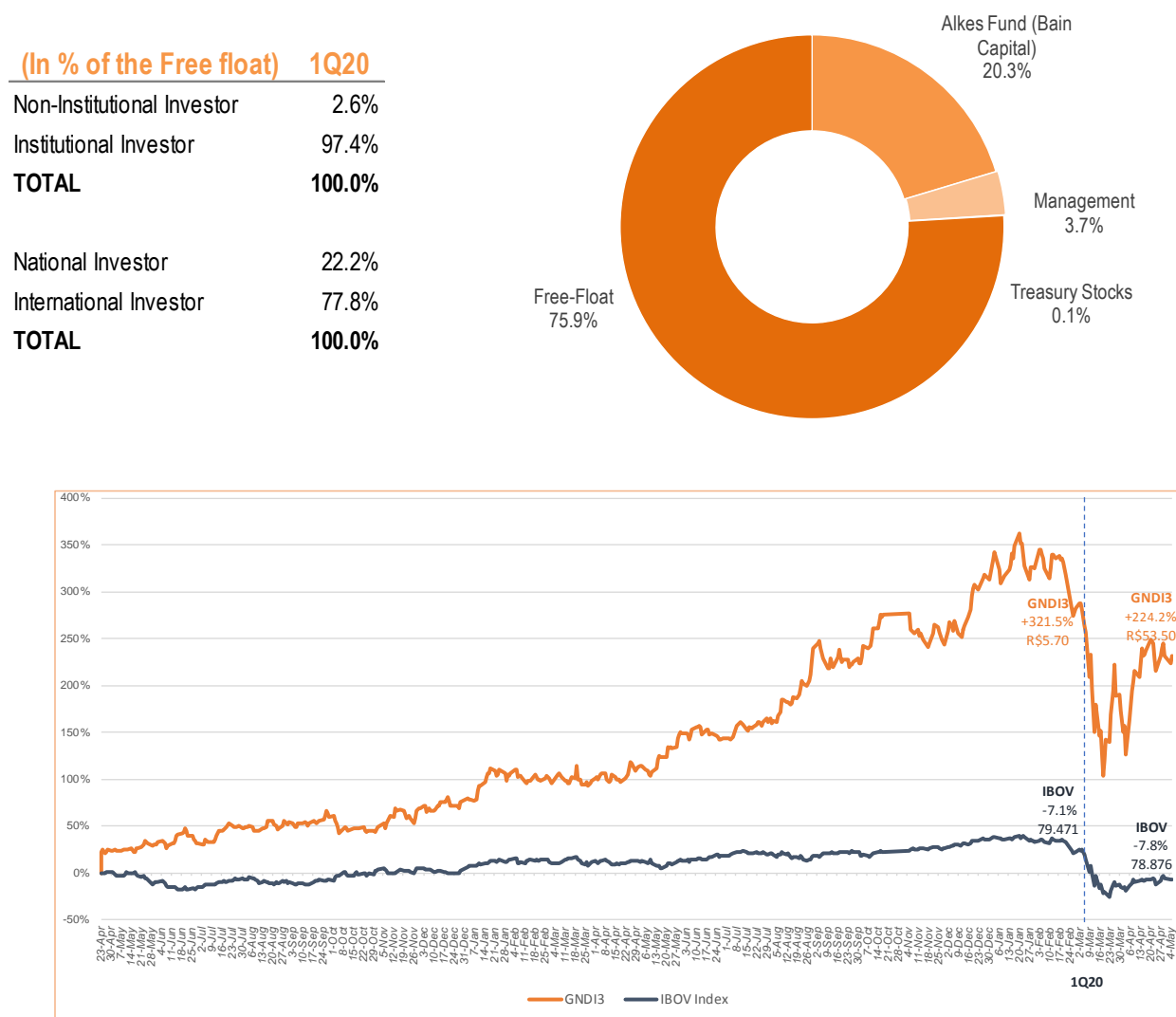


## OWNERSHIP STRUCTURE AND GNDI3 STOCK PERFORMANCE

NotreDame Intermédica Group has 603,693,182 common shares issued with 75.9% of free float. In 1Q20, 97.4% of the free float was owned by institutional investors.

On March 25, 2020, the Annual and Extraordinary Shareholders' Meeting approved the payment of dividends in the total amount of R\$100,600,795.43, equivalent to twenty-five percent (25%) of the Company's net income for the fiscal year ended December 31, 2019 (adjusted after allocation to the legal reserve) and corresponding to R\$0.16672735 per share.

The following chart shows the stock performance since the IPO (Apr. 23, 2018) until May 05, 2020. GNDI3 shares increased 224.2% in the period, outperforming the Ibovespa Index that decreased 7.8% in the same period.







## FINANCIAL STATEMENT

### INCOME STATEMENT

R\$m	1Q20	1Q19	Var.	Var. %
<b>Net operating revenue</b>	2,559.4	1,900.4	659.1	34.7%
Cost of services rendered	(1,843.8)	(1,371.8)	(472.0)	34.4%
<b>Gross Profit</b>	<b>715.7</b>	<b>528.6</b>	<b>187.1</b>	<b>35.4%</b>
Operational revenues/expenses:				
Administrative expenses	(245.8)	(195.0)	(50.9)	26.1%
Selling expenses	(130.1)	(92.7)	(37.4)	40.3%
Allowance for doubtful accounts	(22.2)	(18.5)	(3.7)	20.1%
Other income, net	(3.8)	(3.2)	(0.5)	15.8%
<b>Earnings before finance income and costs</b>	<b>313.8</b>	<b>219.2</b>	<b>94.6</b>	<b>43.2%</b>
Financial revenues	47.2	32.9	14.3	43.3%
Financial expenses	(80.0)	(68.3)	(11.7)	17.1%
<b>Earnings before income tax and social contribution</b>	<b>281.0</b>	<b>183.9</b>	<b>97.2</b>	<b>52.9%</b>
Income tax and social contribution:				
Current	(134.2)	(59.5)	(74.8)	125.7%
Deferred	13.6	(21.6)	35.1	-163.1%
<b>Net Income</b>	<b>160.4</b>	<b>102.8</b>	<b>57.6</b>	<b>56.0%</b>

R\$m	1Q20	1Q19	Var.	Var. %
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% margin	8.1%	7.8%		0.4 pp

\* Intangible asset amortization of acquired companies



## BALANCE SHEET

R\$mm	1Q20	4Q19
<b>Current Assets</b>	<b>2,816.5</b>	<b>5,973.4</b>
Cash and cash equivalents	231.3	3,514.4
Short-term investments	1,177.2	1,285.1
Trade receivables	567.4	492.8
Inventories	78.0	50.8
Tax and social security credits	193.6	186.1
Deferred selling expenses	181.5	121.0
Other current assets	387.6	323.2
<b>Noncurrent Assets</b>	<b>10,527.9</b>	<b>7,174.7</b>
<u>Long-term assets</u>	<u>1,978.8</u>	<u>1,595.6</u>
Long-term investments	150.1	-
Deferred tax assets	361.2	312.4
Judicial and tax deposits	641.4	493.4
Deferred selling expenses	195.6	178.7
Other noncurrent assets	630.6	611.0
Investments	0.4	0.0
Property, plant and equipment	1,993.3	1,758.6
Right to Use	483.1	478.8
Intangible assets	6,072.1	3,341.7
<b>Total Assets</b>	<b>13,344.4</b>	<b>13,148.0</b>
<b>Current Liabilities</b>	<b>2,900.5</b>	<b>2,434.0</b>
Trade payables	146.3	133.8
Salaries payable	168.3	165.1
Taxes and social charges payable	414.9	360.4
Dividends payable	100.6	100.6
Loans and financing	330.9	220.7
Debentures	126.3	169.6
Provision for income tax and social contrib	139.8	57.0
Technical Provisions	1,154.4	945.4
Payable for acquisition of subsidiary	84.3	119.0
Lease	34.9	33.5
Other current liabilities	199.9	129.0
<b>Noncurrent Liabilities</b>	<b>3,903.5</b>	<b>4,343.7</b>
Taxes and social charges payable	59.6	62.0
Loans and financing	212.5	35.2
Debentures	797.0	1,752.5
Technical Provisions	468.2	342.8
Payable for acquisition of subsidiary	-	-
Deferred tax liabilities	265.2	262.8
Provision for lawsuits	894.1	887.6
Lease	472.5	464.4
Other noncurrent liabilities	734.3	536.3
<b>Equity</b>	<b>6,540.4</b>	<b>6,370.4</b>
Issued capital	5,523.2	5,526.0
(-) Treasury shares	(2.9)	(2.9)
(-) Costs with public offering of shares	(113.9)	(113.9)
Capital reserve and stock options granted	972.1	961.2
Earnings reserve	160.4	-
Non controllership participation	1.5	-
<b>Total Liabilities and Equity</b>	<b>13,344.4</b>	<b>13,148.0</b>