

20Q21

Results



São Paulo, August 10th, 2021. QUALICORP Consultoria e Corretora de Seguros S.A. (B3: QUAL3) (“Qualicorp”, “Quali” or “Company”), a leading full-service healthcare benefits broker, administrator, and health management services provider in Brazil, announces its consolidated 2Q21 and 1H21 results. The operating and financial data are presented on a consolidated basis in Reais (“BRL” or “R\$”), in accordance with Corporate Law and regulations of “Comissão de Valores Mobiliários” – CVM (the Brazilian SEC). The figures as well as their historical series can be obtained in MS Excel format on the website ri.qualicorp.com.br

2Q21 HIGHLIGHTS

- **Affinity Health Lives Portfolio:** +7.3% vs 2Q20 and -0.5% vs. 1Q21, with new record of 132.1 thousand lives (gross adds) in 2Q21, reaching the 40-45k lives monthly sales target.
- **Net Revenue** of R\$517.2 million in 2Q21, +6.9% vs. 2Q20 and -1.1% vs. 1Q21.
- **Adjusted EBITDA** of R\$201.0 million in 2Q21, -13.9% vs. 2Q20 and -16.8% vs. 1Q21, with higher investments in trade marketing, commissions and personnel expenses. Adj. EBITDA Margin of 38.9%.
- **Net Income** of R\$90.3 million, -28.4% vs 2Q20 and -21.1% vs. 1Q20, due to lower EBITDA and higher financial expenses, partially offset by lower tax rates QoQ.
- **Free Cash Flow** of R\$177.6 million before acquisitions in 1H21. 42% ROIC LTM.
- **Net Debt** of R\$926 million, or 1.02x Adjusted EBITDA LTM in 2Q21 (vs. 0.64x in 1Q21), after disbursements with M&As (Escale and MMS).

Key Indicators (R\$ Million)	2Q21	2Q20	Var. YoY	1Q21	Var. QoQ	1H21	1H20	Var. YoY
Affinity Portfolio (thous. lives)	1,632.6	1,318.0	23.9%	1,609.0	1.5%	1,632.6	1,318.0	23.9%
Affinity Health (thous. lives)	1,187.8	1,106.8	7.3%	1,193.3	-0.5%	1,187.8	1,106.8	7.3%
Churn (thous. lives)	(138.3)	(80.8)	71.1%	(150.2)	-7.9%	(288.5)	(172.9)	66.8%
Net Revenue	517.2	483.7	6.9%	523.0	-1.1%	1,040.2	986.3	5.5%
Adjusted EBITDA	201.0	233.5	-13.9%	241.6	-16.8%	442.6	475.7	-7.0%
<i>Adjusted EBITDA Margin</i>	<i>38.9%</i>	<i>48.3%</i>	<i>-940 bps</i>	<i>46.2%</i>	<i>-733 bps</i>	<i>42.6%</i>	<i>48.2%</i>	<i>-568 bps</i>
Net Income	90.3	126.1	-28.4%	114.5	-21.1%	204.8	194.3	5.4%
Net Debt	926.0	594.8	55.7%	603.5	53.4%	926.0	594.8	55.7%
<i>Net Debt / Adj. EBITDA LTM</i>	<i>1.02x</i>	<i>0.70x</i>	<i>46.7%</i>	<i>0.64x</i>	<i>58.9%</i>	<i>1.02x</i>	<i>0.70x</i>	<i>46.7%</i>
Cash Flow Before Acq.	12.4	220.5	-94.4%	165.2	-92.5%	177.6	390.1	-54.5%
ROIC	42.0%	48.0%	-595 bps	48.1%	-609 bps	42.0%	48.0%	-595 bps





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MANAGEMENT HIGHLIGHTS

Our 2Q21 earnings release coincides with the end of Tokyo's Olympics period. And, after following so many achievements, celebrations and challenges being overcome in the world of sports, we here at Quali also have great accomplishments to celebrate. The main highlight is the breaking of a historic sales record in the Affinities segment: 132.1 thousand new customers contracted their health plan through Quali's platform in 2Q21, or 32% more than the also record figure in 1Q21.

This way, we reached average sales of 44 thousand lives per month, close to the upper limit of our target of 40-45 thousand lives that we shared with the market in the last quarter. This goal was achieved ahead of schedule, as result of a collective effort from Quali's team alongside with all partners within our ecosystem: brokers, HMOs, class entities and, of course, with our clients. But that was not our sole victory in the period. We remained focused on our strategic plan and evolved in our 3 pillars: Growth, Client Focus and People & Culture.

In terms of Growth, we have announced several new partnerships over the past months, of which we highlight our new and promising digital sales channel for Affinity plans via app with Inter bank. We also continued to launch new products, such as the Personal plan (for Affinity and SME), a new model based on comprehensive and preventive healthcare in partnership with *Central Nacional Unimed (CNU)*, in the great São Paulo region. We also started a partnership with *Leve Saúde* with attractive prices for Affinity plans and focused on clients over 45 years old in Rio de Janeiro. Thus, and through dozens of other product launches in recent months, we surpassed 100 health operators that have partnership with Quali, another mark worthy of Olympics comparison.

In the Client Focus pillar, we started the operations of a new site dedicated to our customers in the city of São Paulo: the *Casa do Cliente* (Client's House), an exclusive place with all the infrastructure and security for in-person customer care, which in its second phase will have an auditorium, meeting rooms and co-working space to be used by Quali's clients, brokers and employees. In order to get even closer to clients, we have followed our regional expansion plan with the opening of 12 new branches since the beginning of 2021, reaching 23 offices throughout the country. We also have expanded our main sales brokerage channel through a strategic partnership with Sincor-SP, which allows brokers associated with the union to sell the entire Qualicorp's portfolio, as well as to contract their own health plans with special conditions.

In our third but not least important pillar, People & Culture, we had a quarter full of important realizations. Special highlight for the first Qualicult, a cultural contest devoted to reward artistic activities in Music, Dance, Theater and Poetry categories. The project received more than 10,000 applications from all regions of Brazil and distributed over R\$500,000 in prizes to the 90 winning artists and groups, with an online broadcasted event. We also completed our hiring process for the Young Talents program, which had an impressive 13,800 applications for 33 trainee and internship positions in a company that has been chosen for the second consecutive year a GPTW – Great Place to Work. Moreover, we have completed 1 year of our *TamoJunto* Solidarity Fund, which allocated around R\$2 million to support nearly 1,500 brokers impacted by the coronavirus and unable to work. In total, we have already invested more than R\$16 million in actions to combat COVID-19 since the beginning of the pandemic, and we will not shy away from our social mission of continuing to help.

And, driven by the Olympics spirit, Quali started to support the *Brasileirinhos* project, created in 2015 by former gymnast Daiane dos Santos, which offers free artistic gym classes to 200 low-income students in Paraisópolis, São Paulo, between 6 and 16 years old. In addition, always thinking of expanding healthcare access to more entities, we signed an exclusive partnership with the São Paulo Athletes Union (Sapesp) to make Affinity plans available to affiliated professionals and their families.

However, just like the athletes who face several challenges in their journeys, we also had ours in 2Q21, mainly related to churn and margins. We ended the quarter with 138.3 thousand cancellations in the Affinity segment, an improvement of 7.9% over the previous quarter, but still at a high level and worse than our initial expectations. Our analysis indicates that this high churn is cyclical, still impacted by the readjustment of health plans applied earlier this year after the suspension in 2020, which resulted in an average price increase of 23% for our clients' base. We have been working on several fronts to minimize this impact in the second half, since the regular adjustment that we are applying in 3Q21 is lower, in the low double-digit range. Accordingly, our predictive models in the customer service area already show improvements in the retention indicators. Nevertheless, as already anticipated, the healthcare market will have an atypical year in terms of cancellations due to the unprecedented fact that we have two price readjustments with only 6 months interval between them, and accumulating around 35% price increase to our clients in 2021.

Analyzing the 2Q21 results, we presented a robust growth of 6.9% in net revenue and 11.3% in the Total portfolio compared to the previous year, due to a 7.3% growth in Affinity Health Lives, 26% in the SMEs segment, and the normalization in results from other segments. However, our Adjusted EBITDA decreased 13.9% YoY in the quarter, mainly due to sales acceleration initiatives and investments in innovation and in trade marketing. Our Adjusted EBITDA margin was 38.9% in 2Q21, still quite healthy, though below the profitability level we consider fair for our business in the long term. Therefore, over the next quarters, we will keep working in the fundamentals of our strategy in order to secure the maintenance of strong sales with a gradual recovery in profitability.

Finally, it is worth noticing that we maintain our strategic plan to resume organic growth, driven by the strong acceleration in sales which, as soon as churn normalizes, should lead us to positive levels of net additions. After all, thinking about the Olympics theme, Quali is not disputing a 100-meter dash race, but a long-distance, collective run for which we are properly trained and ready to reach the podium.



Lives

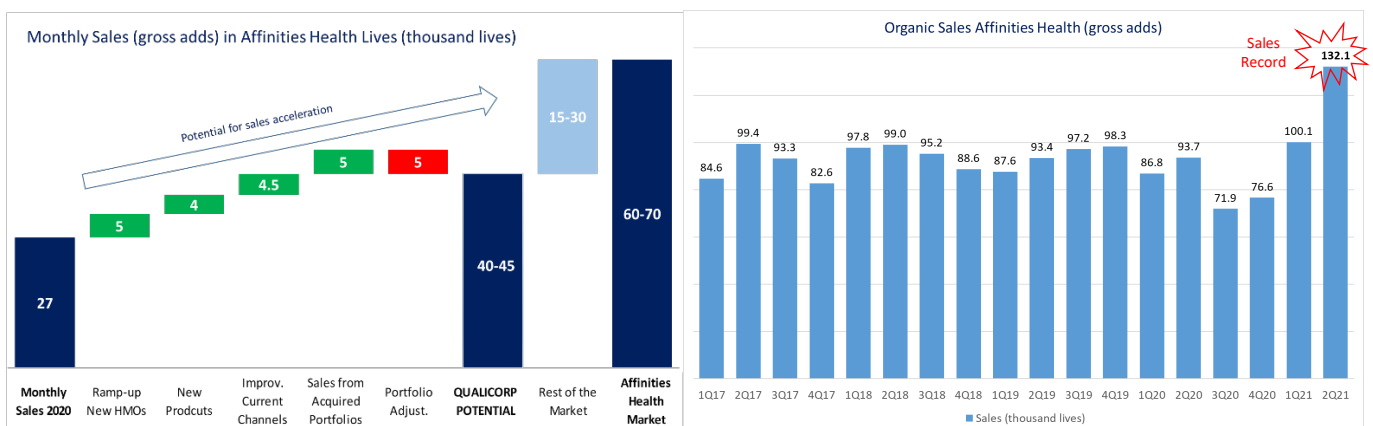
Portfolio

Lives Portfolio

Portfolio	2Q21	2Q20	Var. YoY	1Q21	Var. QoQ	1H21	1H20	Var. YoY
Affinity Health Lives								
Total Portfolio (BOP)	1,193,304	1,093,916	9.1%	1,190,920	0.2%	1,190,920	1,099,219	8.3%
(+) Gross Adds	132,067	93,668	41.0%	100,107	31.9%	232,174	180,474	28.6%
(-) Churn	(138,287)	(80,818)	71.1%	(150,194)	-7.9%	(288,481)	(172,927)	66.8%
(+) Portfolio Acquisition	678	-	NM	52,471	-98.7%	53,149	-	NM
New Lives Added (net)	(5,542)	12,850	NM	2,384	NM	(3,158)	7,547	NM
Total Portfolio (EOP)	1,187,762	1,106,766	7.3%	1,193,304	-0.5%	1,187,762	1,106,766	7.3%
Affinity Other (Massified)								
Total Portfolio (BOP)	415,673	198,485	109.4%	411,388	1.0%	411,388	205,765	99.9%
New Lives Added (net)	29,146	12,781	128.0%	4,285	NM	33,431	5,501	NM
Total Portfolio (EOP)	444,819	211,266	110.5%	415,673	7.0%	444,819	211,266	110.5%
Affinity Portfolio	1,632,581	1,318,032	23.9%	1,608,977	1.5%	1,632,581	1,318,032	23.9%
Corporate	309,715	311,853	-0.7%	320,023	-3.2%	309,715	311,853	-0.7%
Gama	584,078	645,542	-9.5%	593,058	-1.5%	584,078	645,542	-9.5%
SME	56,261	44,646	26.0%	52,275	7.6%	56,261	44,646	26.0%
Corp., Gama and SME Portf.	950,054	1,002,041	-5.2%	965,356	-1.6%	950,054	1,002,041	-5.2%
Total Portfolio	2,582,635	2,320,073	11.3%	2,574,333	0.3%	2,582,635	2,320,073	11.3%

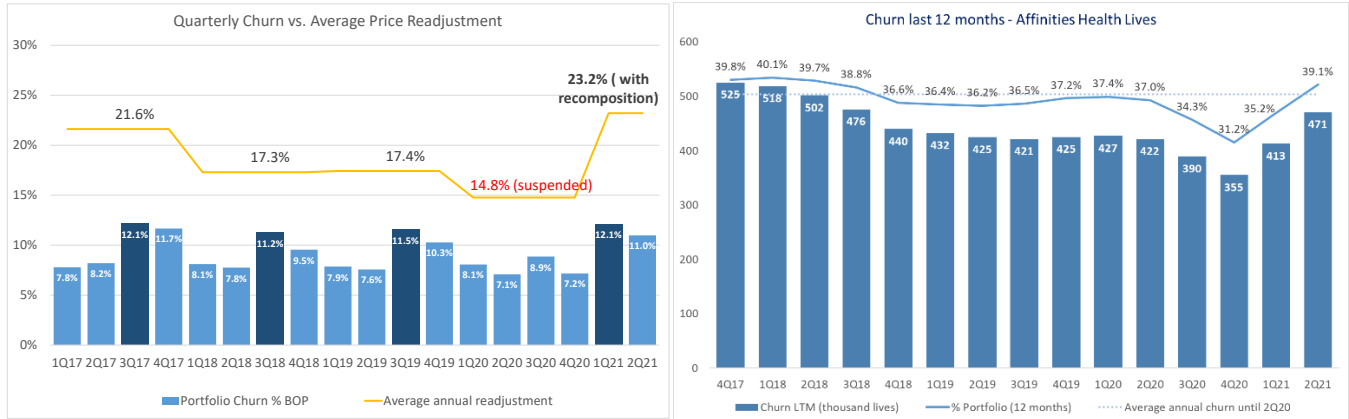
Qualicorp’s portfolio reached around 2.6 million lives in 2Q21, 0.3% higher than 1Q21, with 1.5% QoQ growth in the Affinity segment and 1.6% QoQ decrease in the other segments (including Corporate, SME and Gama). In the YoY comparison, Quali’s portfolio grew 11.3%, with 7.3% increase in the Affinity segment and 5.2% decline in other segments.

In the Affinity Health Lives segment, we held a strong acceleration in sales levels with gross adds of 132.1 thousand lives in 2Q21. This baseline represents the absolute record of organic sales for Qualicorp’s history. This way, we reached average monthly sales of 44 thousand lives in 2Q21, with 32% QoQ and 41% YoY growth, and close to the upper limit of 40-45k target of monthly sales in this segment.



Such positive performance is the result of several initiatives implemented over the last quarters, such as: i) new commercial partnerships, which are still in ramp-up phase; ii) innovation, with the launching of many products and portfolio’s extensions, aligned with our customers’ needs; iii) higher efficiency and improvements in sales channel relationship, which also include more assertive and aggressive commercial strategy; and iv) M&As (portfolio and companies) that gathered important distribution channels, new regions and strategic HMOs for the Company.

Further, we had 138.3 thousand cancellations in Affinity Health Lives in 2Q21, which was 7.9% lower QoQ, but above the normal levels for this period (71% YoY growth). This is mainly related to the 2020 price adjustment/recomposition that took place in January 2021, which represented a 23% price increase to our customers and had a prolonged impact over the 2Q21.



In a last 12-month view, we note that cancellations in 2Q21 (39.1%) were mostly in-line with the historical average of our portfolio (~38%), despite the record price increase this year.

In terms of inorganic growth, we had in the Affinity Health lives segment the entry of 678 lives, remaining from the portfolio acquired from MMS (Muito Mais Saúde). Hence, we had a negative net variation of 5.5 thousand lives in the 2Q21's portfolio to 1,188 thousand lives, a decrease of 0.5% QoQ and growth of 7.3% YoY.

Regarding the other Affinity portfolio, which includes mass plans (dental and non-stipulation), we had net adds of 29.1 thousand lives in 2Q21. Thus, this portfolio grew 7.0% QoQ and 111% YoY.

Corporate, SME and Gama Portfolio

In line with our strategy to expand product offering, the SME plans have been explored both to accelerate our portfolio growth and to increase retention of Affinity customers who are eligible for corporate plans. During 2Q21, we had a 7.6% increase in our SME portfolio compared to the previous quarter and +26% versus 2Q20, reaching 56.3 thousand lives.

Finally, after more relevant adjustments in previous quarters due to the termination of unfavorable contracts, the portfolios of our Corporate and Gama segments had slight decreases of 3.2% and 1.5% QoQ in 2Q21, respectively.



2Q21

Results

2Q21 Results

Income Statement (R\$ MN)	2Q21	2Q20	Var. YoY	1Q21	Var. QoQ	1H21	1H20	Var. YoY
Net Revenue	517.2	483.7	6.9%	523.0	-1.1%	1,040.2	986.3	5.5%
(-) COGS	(111.3)	(92.7)	20.1%	(109.9)	1.2%	(221.2)	(179.3)	23.4%
(-) SG&A	(148.7)	(98.9)	50.3%	(127.2)	16.9%	(275.9)	(255.5)	8.0%
Bad Debt	(13.9)	(16.9)	-17.5%	(17.9)	-22.4%	(31.8)	(35.1)	-9.2%
Other Oper. Inc. (Exp.)	(9.3)	16.9	NM	3.1	NM	(6.2)	0.8	NM
EBITDA	234.0	292.1	-19.9%	271.0	-13.7%	505.0	517.2	-2.3%
EBITDA Margin	45.2%	60.4%	-15.1 p.p.	51.8%	-658 bps	48.6%	52.4%	-389 bps
(-) D&A Commissions	(46.2)	(33.4)	38.3%	(40.9)	13.1%	(87.1)	(63.5)	37.0%
(-) D&A Rental	(2.7)	(5.8)	-53.5%	(7.5)	-27.8%	(6.5)	(13.4)	-51.6%
(+) Interest and fine	8.1	6.8	19.9%	7.9	2.7%	16.0	14.4	11.1%
(+/-) Other EBITDA Adj.	7.8	(26.2)	NM	7.3	7.3%	15.1	21.0	-28.2%
Adjusted EBITDA	201.0	233.5	-13.9%	241.6	-16.8%	442.6	475.7	-7.0%
Adjusted EBITDA Margin	38.9%	48.3%	-940 bps	46.2%	-733 bps	42.6%	48.2%	-568 bps
(-) D&A	(88.7)	(102.4)	-13.4%	(86.3)	2.8%	(175.1)	(197.1)	-11.2%
(+/-) Fin. Inc. (Exp.)	(13.3)	(18.6)	-28.8%	(9.3)	41.9%	(22.6)	(39.7)	-43.1%
(-) IR/CSLL	(39.4)	(44.3)	-11.1%	(58.2)	-32.3%	(97.6)	(85.1)	14.7%
Net Income	92.6	126.7	-26.9%	117.1	-20.9%	209.7	195.2	7.4%
(-) Part. Minor	(2.3)	(0.6)	267.6%	(2.6)	-13.0%	(4.9)	(0.9)	429.4%
Net Income Controlling	90.3	126.1	-28.4%	114.5	-21.1%	204.8	194.3	5.4%
Net Margin	17.5%	26.1%	-860 bps	21.9%	-443 bps	19.7%	19.7%	-2 bps

Quali's 2Q21 was marked by an acceleration in net revenue growth (6.9% YoY, vs. 4.1% in 1Q21 and 1.2% in 2020) and by higher expenses related to the growth resumption. As part of our strategic plan, we will continue to prioritize costs and expenses that will support our sales, innovation, technology and customer retention fronts. At the same time, we are looking for means to finance these new efforts through strict cutting of costs and expenses on other areas, mainly in administrative expenses.

Our Adjusted EBITDA margin was 38.9% in 2Q21, declining 940 bps YoY and 730 bps QoQ mainly due to the increase in personnel expenses and higher investments in trade marketing/campaigns (including the purchase of leads), in addition to an increase in amortization of sales commissions linked to sales acceleration and higher compensation paid to brokers. Further, we accounted non-recurring expenses of around R\$9 million in 2Q21 related to management bonus (profit sharing + restricted shares).

We also highlight the controlled level of Other Adjustments to EBITDA (R\$7.8 million in expenses in 2Q21), mainly related to social actions to combat COVID and expenses with the Investigation Committee, in addition to the equity equivalence of the stake acquired in Escala (R\$1.1 million). However, we had a comparison basis in 2Q20 with positive, non-recurring adjustments (R\$26.2 million), mainly related to the QSaúde disposal and the reversal of executive severance expenses, which impact the YoY comparison of both reported EBITDA and net income for 2Q21.

Revenue by Segment

Revenue (R\$ MN)	2Q21	2Q20	Var. YoY	1Q21	Var. QoQ	1H21	1H20	Var. YoY
Affinity	523.4	497.4	5.2%	534.8	-2.1%	1,058.2	997.8	6.1%
Health Lives	517.6	492.3	5.2%	529.5	-2.2%	1,047.1	987.4	6.0%
Administration Tax	341.0	330.3	3.2%	346.1	-1.5%	687.1	660.3	4.0%
Brokerage	144.4	136.7	5.6%	145.4	-0.7%	289.8	268.2	8.1%
Agency	31.8	24.9	27.5%	37.6	-15.6%	69.4	58.1	19.5%
Others	0.5	0.3	31.2%	0.4	16.1%	0.9	0.8	1.9%
Other Affinity (Mass)	5.8	5.1	13.4%	5.2	10.3%	11.0	10.4	6.2%
Corporate	7.1	5.3	35.4%	5.9	21.0%	13.0	17.4	-25.3%
SME total	6.9	3.8	78.3%	5.9	15.2%	12.8	12.8	0.1%
SME	6.9	3.0	132.1%	5.9	15.2%	12.8	6.0	112.9%
SME Stipulation	-	0.9	NM	-	NM	-	6.8	NM
Gama	24.2	25.2	-3.7%	23.1	5.1%	47.3	50.7	-6.6%
Gross Revenue	561.6	531.6	5.6%	569.7	-1.4%	1,131.3	1,078.7	4.9%
Cancellations	(0.3)	(0.1)	259.3%	(0.3)	1.1%	(0.6)	(0.1)	556.2%
Sales taxes	(44.1)	(47.9)	-7.8%	(46.4)	-4.9%	(90.5)	(92.4)	-2.0%
Net Revenue	517.2	483.7	6.9%	523.0	-1.1%	1,040.2	986.3	5.5%

Quali's gross revenue in 2Q21 increased 5.6% in a YoY basis and decreased 1.4% compared to 1Q21. In the Affinity Health Lives segment, considering only recurring/lifetime revenues (administration and brokerage fees), we had 3.9% growth YoY, but 1.2% decrease QoQ.

The QoQ variation of these recurring revenues is explained by the slight drop of 0.5% in the Affinities lives portfolio and average ticket reduction, mainly due to the MMS portfolio incorporation held in March, which has a substantially lower ticket than Qualicorp. Conversely, the YoY growth is a consequence of: i) annual price adjustment; ii) growth in the Affinity Health Lives portfolio (+7.3% YoY); and iii) lower average ticket regarding new sales, plans downgrade, and incorporation of Plural and MMS portfolios.

In agency revenue, we had in 2Q21 a 27.5% increase YoY related to sales acceleration, but a decrease of 15.5% QoQ mainly due to the reversal of provisions (non-recurring) of around R\$6 million. Adjusted for this effect, consolidated net revenue in 2Q21 would have been stable QoQ.

In the Other segments, we had 11.5% growth YoY and 9.5% QoQ, with highlights to: i) SME growth acceleration (+132% YoY and +15.2% QoQ, in comparable basis) and ii) Gama revenue normalization (+5.1% QoQ) and Corporate (+21% QoQ), after portfolio adjustments and non-renewal of some contracts with low profitability.



Costs and Expenses

Costs and Expenses (R\$ MN)	2Q21	2Q20	Var. YoY	1Q21	Var. QoQ	1H21	1H20	Var. YoY
Total COGS e SG&A	(260.0)	(191.6)	35.7%	(237.1)	9.7%	(497.2)	(434.8)	14.3%
COGS	(111.3)	(92.7)	20.1%	(109.9)	1.2%	(221.2)	(179.3)	23.4%
Administrative Exp.	(81.8)	(53.7)	52.5%	(66.9)	22.4%	(148.7)	(167.5)	-11.2%
Comercial Exp.	(66.9)	(45.3)	47.7%	(60.3)	10.9%	(127.2)	(88.0)	44.7%
Total COGS e SG&A	(260.0)	(191.6)	35.7%	(237.1)	9.7%	(497.2)	(434.8)	14.3%
Personnel Exp.	(100.0)	(64.0)	56.2%	(89.3)	12.0%	(189.3)	(188.0)	0.7%
3rd-Services	(57.0)	(38.8)	46.8%	(54.1)	5.3%	(111.0)	(83.1)	33.6%
Occupancy Expenses	(4.7)	(5.5)	-13.5%	(4.8)	-1.5%	(9.6)	(8.8)	8.1%
Campaigns/Sponsorship	(25.8)	(10.2)	152.3%	(19.7)	31.1%	(45.5)	(20.6)	121.3%
Comissions	(19.2)	(17.8)	8.0%	(18.2)	5.3%	(37.5)	(34.5)	8.7%
Others	(21.4)	(28.1)	-23.8%	(23.1)	-7.5%	(44.5)	(47.1)	-5.5%
Pro Labore	(29.7)	(24.9)	19.1%	(25.6)	16.0%	(55.3)	(48.0)	15.3%
Membership fees	(2.2)	(2.3)	-3.4%	(2.3)	-3.2%	(4.5)	(4.8)	-6.3%
Provision for Bad Debt	(13.9)	(16.9)	-17.5%	(17.9)	-22.4%	(31.8)	(35.1)	-9.2%
Other Oper. Inc. (Exp.)	(9.3)	16.9	-155.1%	3.1	-399.8%	(6.2)	0.8	-880.7%
Total Consolidated	(283.2)	(191.6)	47.8%	(252.0)	12.4%	(535.2)	(469.1)	14.1%
(+/-) EBITDA Adj.	7.8	(26.2)	-129.8%	7.3	7.3%	15.1	21.0	-28.2%
Total Recurring	(275.4)	(217.8)	26.4%	(244.7)	12.6%	(520.1)	(448.1)	16.1%

*SG&A without depreciation and amortization.

In 2Q21 we had a 12.4% QoQ and 47.8% YoY growth in the total consolidated costs and expenses, or 12.6% QoQ and 26.4% YoY when we exclude non-recurring adjustments to EBITDA. This increase is the result of a set of actions implemented to accelerate sales, investments in innovation and new businesses structuring.

Analyzing the largest variations by nature, we have: i) personnel expenses (+12.0% QoQ) – mainly due to the non-recurring payment of restricted shares and profit sharing in the amount of R\$9 million, booked within administrative expenses; ii) expenses with campaigns/sponsorships (+31.1% QoQ) – connected to the increase in leads purchasing in Affinity and SME, in addition to other sales and marketing incentive campaigns; iii) third-party services (+5.3% QoQ in total and +25% QoQ in administrative expenses) – related to higher expenses with consulting for M&A and with the Investigation Committee; iv) pro-labore or financial transfers to entities (+16.0% QoQ) – due to the price readjustment in 1Q21 and the migration of a customer's portfolio; and v) Other Operating Inc./Exp. (variation of R\$12.4 million QoQ) – back to a normal level in 2Q21 after reversal of contingencies that helped this line in 1Q21.

In addition, offsetting part of the increase in expenses, in 2Q21 we had 22.4% QoQ reduction in bad debt, due to a reversal of provisions of around R\$4 million (non-recurring), besides a drop of 7.5% QoQ in Others (lower expenses with lawsuits).

EBITDA and Adjusted EBITDA

EBITDA (R\$ MN)	2Q21	2Q20	Var. YoY	1Q21	Var. QoQ	1H21	1H20	Var. YoY
Net Revenue	517.2	483.7	6.9%	523.0	-1.1%	1,040.2	986.3	5.5%
(-) COGS	(111.3)	(92.7)	20.1%	(109.9)	1.2%	(221.2)	(179.3)	23.4%
(-) SG&A	(148.7)	(98.9)	50.3%	(127.2)	16.9%	(275.9)	(255.5)	8.0%
(-) Bad Debt	(13.9)	(16.9)	-17.5%	(17.9)	-22.4%	(31.8)	(35.1)	-9.2%
(-) Other Oper. Inc. (Exp.)	(9.3)	16.9	NM	3.1	NM	(6.2)	0.8	NM
EBITDA	234.0	292.1	-19.9%	271.0	-13.7%	505.0	517.2	-2.3%
EBITDA Margin	45.2%	60.4%	-15 bps	51.8%	-658 bps	48.6%	52.4%	-389 bps
Amort. of Rental Exp.	(2.7)	(5.8)	-53.5%	(3.8)	-27.8%	(6.5)	(13.4)	-51.6%
Sales Commission Amort.	(46.2)	(33.4)	38.3%	(40.9)	13.1%	(87.1)	(63.5)	37.0%
Interest on Late Payments	8.1	6.8	19.9%	7.9	2.7%	16.0	14.4	11.1%
Other Adj. To EBITDA	7.8	(26.2)	NM	7.3	7.3%	15.1	21.0	-28.2%
Qsaúde Write-Off	0.0	(40.8)	NM	(0.0)	NM	-	(29.8)	NM
Severance + Restr. Shares	-	(7.1)	NM	-	NM	-	29.1	NM
Equity Income	1.1	-	NM	-	NM	1.1	-	NM
Other Exp. Non-recurring	6.7	21.7	-69.0%	7.3	-7.6%	14.0	21.7	-35.5%
Adjusted EBITDA	201.0	233.5	-13.9%	241.6	-16.8%	442.6	475.7	-7.0%
Adjusted EBITDA Margin	38.9%	48.3%	-940 bps	46.2%	-733 bps	42.6%	48.2%	-568 bps

Our reported EBITDA declined 13.7% QoQ in 2Q21, as a result of a 1.1% net revenue decrease and an increase of 12.4% in COGS and SG&A expenses, as previously explained. The EBITDA margin was 45.2% in 2Q21, with 6.6 p.p. contraction QoQ. In a YoY basis, EBITDA decreased 19.9% in 2Q21 despite the 6.9% growth in net revenue, impacted by the increase in operating expenses and by the 2Q20 base that had positive non-recurring effects (QSaúde sale and reversal of severance expenses).

In 2Q21, we had R\$7.8 million in Other Adjustments to EBITDA, or 7.3% higher QoQ. Such expenses are mainly linked to costs in social actions against COVID-19, expenses regarding the Investigation Committee and the equity income of our stakes at Escale and Escale Health. In addition, there was a 13.1% increase QoQ (38.3% YoY) in sales commissions amortization that are related to sales acceleration and higher investment in our brokerage channel.

As a consequence, Adjusted EBITDA reached R\$201.0 million in 2Q21, with 16.8% QoQ reduction (13.9% YoY). The Adjusted EBITDA margin reached 38.9%, which was 7.3 p.p. lower QoQ and 9.4 p.p. lower YoY. We believe the Adjusted EBITDA margin in 2Q21 does not represent our view of profitability levels for the mid and long terms. On one hand, our sales recovery reflects a successful strategy of innovation investments, partnerships, marketing and commissions. On the other hand, we should be able to gradually reduce expenses in these lines to mitigate margin pressure and still maintain a solid sales growth.

Financial Income (Expenses)

Financial Results (R\$MN)	2Q21	2Q20	Var. YoY	1Q21	Var. QoQ	1H21	1H20	Var. YoY
Financial income	37.3	14.4	158.8%	14.3	159.8%	51.6	27.3	89.3%
Inc. from Short-Term Invest.	7.3	5.0	47.9%	5.3	38.3%	12.6	9.1	38.8%
Int.and Fine on Late Payment	8.1	6.8	19.9%	7.9	2.7%	16.0	14.4	11.1%
Monetary Update	0.8	2.0	-60.7%	0.8	-1.3%	1.5	2.0	-20.8%
FX variation	20.6	-	NM	-	NM	20.6	-	NM
Other Income	0.5	0.7	-33.4%	0.4	34.5%	0.8	1.8	-53.7%
Financial expenses	(50.5)	(33.0)	53.0%	(23.7)	113.3%	(74.2)	(67.0)	10.7%
Debentures Interest	(14.1)	(13.4)	4.9%	(9.9)	42.2%	(24.0)	(30.3)	-20.9%
Mon. Adj. from Acq. Payables	(0.5)	(1.3)	-64.9%	(0.7)	-30.3%	(1.1)	(3.4)	-66.5%
Cash Flow hedging	(20.6)	-	NM	-	NM	(20.6)	-	NM
Other Financial Expenses	(15.4)	(18.3)	-15.8%	(13.1)	17.5%	(28.5)	(33.3)	-14.3%
Total Consolidated	(13.3)	(18.6)	-28.8%	(9.3)	41.9%	(22.6)	(39.7)	-43.1%

Net financial expenses of R\$13.3 million in 2Q21 decreased 29% in the YoY comparison, following the reduction in the CDI (interbank) rate, the index of our debentures, as well as higher indebtedness after M&A disbursements. Compared to the previous quarter, there was a 42% increase mainly due to CDI's variation and higher Other financial expenses.

Net Income

Net Income (R\$ MN)	2Q21	2Q20	Var. YoY	1Q21	Var. QoQ	1H21	1H20	Var. YoY
EBITDA	234.0	292.1	-19.9%	271.0	-13.7%	505.0	517.2	-2.3%
D&A	(88.7)	(102.4)	-13.4%	(86.3)	2.8%	(175.1)	(197.1)	-11.2%
Inc. From Op. Bef. Fin. Inc.	145.3	189.7	-23.4%	184.7	-21.3%	330.0	320.1	3.1%
Financial income	37.3	14.4	158.8%	14.3	159.8%	51.6	27.3	89.3%
Financial expenses	(50.5)	(33.0)	53.0%	(23.7)	113.3%	(74.2)	(67.0)	10.7%
Income before taxes	132.0	171.0	-22.8%	175.3	-24.7%	307.4	280.4	9.6%
(-) income taxes	(29.4)	(32.6)	-9.9%	(42.4)	-30.7%	(71.7)	(62.5)	14.7%
(-) Social Contribution	(10.1)	(11.8)	-14.5%	(15.9)	-36.5%	(25.9)	(22.6)	14.6%
Net Income Consolidated	92.6	126.7	-26.9%	117.1	-20.9%	209.7	195.2	7.4%
(-) Minority Interest	(2.3)	(0.6)	267.6%	(2.6)	-13.0%	(4.9)	(0.9)	429.4%
Net Income Controlling	90.3	126.1	-28.4%	114.5	-21.1%	204.8	194.3	5.4%

Our net income reached R\$90.3 million in 2Q21, after minority interest, and presented a 28.4% YoY decrease as consequence of the 19.5% EBITDA drop and 29% increase in net financial expenses, partially offset by the 13.4% reduction in depreciation and amortization expenses.



Managerial Cash Flow

Cash Flow	2Q21	2Q20	Var. YoY	1Q21	Var. QoQ	1H21	1H20	Var. YoY
EBITDA	234.0	292.1	-19.9%	271.0	-13.7%	505.0	517.2	-2.3%
Non cash	(1.0)	(30.7)	-96.7%	16.3	-106.3%	15.3	27.5	-44.5%
Amount Paid for Leasing	(2.8)	(5.4)	-48.0%	(3.5)	-19.8%	(6.3)	(10.5)	-40.3%
Commissions	(109.1)	(44.5)	145.0%	(72.5)	50.5%	(181.6)	(81.8)	122.0%
Interest Paid	(36.4)	(36.2)	0.5%	(42.1)	-13.5%	(78.4)	(75.9)	3.3%
Chang. In Working Capital	(46.9)	50.6	NM	10.2	NM	(36.7)	33.5	NM
Cash Prov. by Op. Act.	37.8	225.9	-83.3%	179.5	-79.0%	217.3	409.9	-47.0%
Capex (Intang. + Imob.)	(25.4)	(5.3)	376.3%	(14.3)	77.6%	(39.7)	(19.8)	100.1%
Cash Flow Fin. Activ. After Capex	12.4	220.5	-94.4%	165.2	-92.5%	177.6	390.1	-54.5%
Acquisitions portfolio/company	(209.4)	(6.3)	NM	(10.0)	NM	(219.4)	(20.8)	953.0%
Free Cash Flow to Firm	(197.0)	214.3	-191.9%	155.2	NM	(41.8)	369.2	-111.3%
Financial Income	2.7	(5.0)	-155.0%	(17.3)	NM	(14.6)	(44.3)	-67.1%
Financial Investments	4.6	3.2	41.0%	20.8	NM	25.4	(73.6)	NM
Loans	350.0	-	NM	-	NM	350.0	-	NM
Dividends Paid	(202.3)	(0.1)	NM	(30.9)	553.9%	(233.2)	(0.8)	NM
Cash Prov. Financing Activ.	155.0	(1.8)	NM	(27.4)	NM	127.6	(118.7)	NM
Cash Flow	(42.0)	212.5	NM	127.8	NM	85.8	250.5	-65.8%

Operating cash generation (before investments) was R\$37.7 million in 2Q21, 83% lower QoQ and 79% lower YoY. There was a deterioration in working capital in the quarter due to the normalization of premium paid to operators, on the back of the 2020 price adjustment (which began to be charged from customers this year). We expect a normalization in working capital over the second half, in order to finish with a positive variation this year. Besides, there was an increase in commissions related to the acceleration of sales and increase of incentives to the broker channel.

After Capex, and before acquisitions, our cash flow generation was of R\$12.4 million in 2Q21, with similar variations to the operational cash flow line. In addition, we spent R\$209.4 million with acquisitions in 2Q21 (MMS installment and Escale acquisition), resulting in a negative free cash flow of R\$197.0 million.

In 2Q21, we paid the first tranche of dividends in the amount of R\$200 million, regarding declared of R\$570 million over 2020 results and 2019 reserves. Furthermore, we announced the payment of Interest on Equity of R\$17.7 million, which were paid in July.

Investments

Capex (R\$ MM)	2Q21	2Q20	Var. YoY	1Q21	Var. QoQ	1H21	1H20	Var. YoY
Capex in IT	21.9	3.8	479.4%	11.4	91.9%	33.2	10.0	233.2%
Other Capex	7.5	0.5	NM	2.4	206.1%	9.9	6.7	48.1%
Right Assign. Agree. / Exclusiv.	15.6	20.0	NM	1.1	NM	16.7	42.2	-60.5%
Total	44.9	24.3	84.7%	14.9	200.9%	59.8	58.9	1.6%

Our CAPEX in 2Q21 was R\$44.9 million, reflecting 85% YoY and 201% QoQ growth concentrated mainly on investments in our technology platform.



Indebtedness

Capital Structure (R\$ MM)	2Q21	2Q20	Var. YoY	1Q21	Var. QoQ	1H21	1H20	Var. YoY
Current Debt ⁽¹⁾	1,389.7	59.3	NM	106.8	NM	1,389.7	59.3	NM
Long Term Debt	291.8	1,300.9	-77.6%	1,301.5	-77.6%	291.8	1,300.9	-77.6%
TOTAL	1,681.6	1,360.2	23.6%	1,408.4	19.4%	1,681.6	1,360.2	23.6%
Cash and cash equivalents ⁽²⁾	755.6	765.4	-1.3%	804.8	-6.1%	755.6	765.4	-1.3%
Net Debt	926.0	594.8	55.7%	603.5	53.4%	926.0	594.8	55.7%
Net Debt / Adj. EBITDA LTM	1.02x	0.70x	32.6%	0.64x	37.9%	1.02x	0.70x	33%

(1) Includes acquisitions debt.

(2) Does not include a financial application as guarantor asset in direct controlled Qualicorp Administradora de Benefícios S.A., and indirect controlled Clube de Saúde Administradora de Benefícios Ltda. and Uniconsult, accordingly with normative instruction # 33, on Oct 5th 2009, from ANS and Gama.

We ended 2Q21 with a net debt position of R\$926.0 million, an increase of 53.4% QoQ and 55.7% YoY, as result of the lower free cash flow generation, payment of M&A, and dividends distribution. As consequence, our leverage was 1.02x Adjusted EBITDA in 2Q21 compared with 0.64x in 1Q21 and 0.7x in 2Q20.

ROIC

Return on Investment	2Q21	2Q20	Var. YoY	1Q21	Var. QoQ
Non Current Assets	2,460	2,252	9.2%	2,321	6.0%
Working Capital	(133)	(7)	NM	(124)	7.6%
Invested Capital	2,327	2,245	3.6%	2,197	5.9%
Adjust. to Invested Cap.	939	964	-2.6%	944	-0.5%
Adj. Invest. Cap. (Average LTM)	1,388	1,282	8.3%	1,253	10.8%
Adj. EBITDA LTM	884	932	-5.1%	914	-3.2%
(-) Taxes (34%)	(301)	(317)	-5.1%	(311)	-3.2%
NOPAT LTM	584	615	-5.1%	603	-3.2%
ROIC	42.0%	48.0%	-595 bps	48.1%	-609 bps





Attachments

Financial Statements

ATTACHMENTS - Financial Statements

Income Statement - Consolidated

INCOME STATEMENT (R\$ MM)	2Q21	2Q20	Var. YoY	1Q21	Var. QoQ	1H21	1H20	Var. YoY
Net Operating Revenue	517.2	483.7	6.9%	523.0	-1.1%	1,040.2	986.3	5.5%
Cost of Services	(111.3)	(92.7)	20.1%	(109.9)	1.2%	(221.2)	(179.3)	23.4%
Gross Profit	405.9	391.0	3.8%	413.1	-1.7%	819.0	806.9	1.5%
Operating Income (expenses)	(260.6)	(201.3)	29.5%	(228.4)	14.1%	(489.0)	(486.8)	0.5%
Administrative expenses	(124.3)	(122.7)	1.4%	(112.4)	10.7%	(236.7)	(301.0)	-21.4%
Selling expenses	(113.1)	(78.7)	43.7%	(101.2)	11.8%	(214.3)	(151.5)	41.4%
Provisions for Bad Debt	(13.9)	(16.9)	-17.5%	(17.9)	-22.4%	(31.8)	(35.1)	-9.2%
Other operating income (expenses)	(9.3)	16.9	NM	3.1	-399.8%	(6.2)	0.8	NM
Inc. form Op. Before Financial Income	145.3	189.7	-23.4%	184.7	-21.3%	330.0	320.1	3.1%
Financial income	37.3	14.4	158.8%	14.3	159.8%	51.6	27.3	89.3%
Financial expenses	(50.5)	(33.0)	53.0%	(23.7)	113.3%	(74.2)	(67.0)	10.7%
Income Before Income Tax Social Contribution	132.0	171.1	-22.8%	175.3	-24.7%	307.4	280.4	9.6%
Income Tax and Social Contribution	(39.4)	(44.4)	-11.2%	(58.2)	-32.3%	(97.7)	(85.1)	14.7%
Current	(30.4)	(36.1)	-15.7%	(58.2)	-47.7%	(77.8)	(76.9)	1.2%
Deferred	(9.0)	(8.3)	8.4%	-	NM	(19.8)	(8.2)	141.5%
NET (LOSS) INCOME FOR PERIOD	92.6	126.7	-26.9%	117.1	-20.9%	209.7	195.2	7.4%
Attributable to								
Noncontrolling interest	(2.3)	(0.6)	267.6%	(2.6)	-13.0%	(4.9)	(0.9)	429.4%
Controlling interest	90.3	126.1	12.4%	114.5	-21.1%	204.8	196.2	5.3%

Balance Sheet - Consolidated

ASSETS (R\$ MN)	2Q21	2Q20	Var. %	LIABILITIES & SHAREHOLDERS EQUITY (R\$ MM)	2Q21	2Q20	Var. %
CURRENT ASSETS				CURRENT LIABILITIES			
Cash and cash equivalents	504.6	418.8	20.5%	Debentures	1,360.6	17.3	NM
Short-term investments	294.9	320.3	-7.9%	Derivative financial instruments	20.8	-	NM
Trade receivables	462.2	711.5	-35.0%	Taxes payable	54.6	59.4	-8.2%
Other assets	236.1	183.3	28.9%	Technical Reserves	11.3	8.7	30.0%
Other financial assets	222.7	177.8	25.3%	Premiums to be transferred	451.5	666.9	-32.3%
Other non-financial assets	13.5	5.5	145.8%	Financial transfers payable	28.8	29.3	-1.9%
Related Parties	-	-	NM	Payroll and related taxes	48.5	41.3	17.4%
Total current assets	1,497.8	1,633.8	-8.3%	Transferable prepayments	37.5	52.6	-28.6%
NONCURRENT ASSETS			0.0%	Related parties	17.7	42.1	-58.0%
Long-term assets			0.0%	Other payables	198.6	210.2	-5.5%
Trade receivables	-	-	NM	Leases	10.0	15.0	-33.4%
Income tax and social contribution	94.0	110.1	-14.6%	Total current liabilities	2,239.8	1,142.8	96.0%
Other assets	136.8	145.3	-5.9%	NONCURRENT LIABILITIES			
Other financial assets	133.5	138.3	-3.5%	Debentures	289.6	1,298.4	-77.7%
Other non financial assets	3.2	7.0	-53.9%	Income tax and social contribution	0.6	0.7	-19.3%
Total long-term assets	230.8	255.4	-9.6%	Deferred income tax and social contribution	45.7	42.0	9.0%
Investments	132.9	0.3	NM	Options for non-controlling interests acquiring	53.1	50.1	6.1%
Property, plant and equipment	45.0	43.9	2.5%	Provision for risks	80.3	93.7	-14.3%
Intangible assets				Other payables	7.9	71.5	-88.9%
Goodwill	1,741.3	1,741.3	0.0%	Leases	16.9	20.3	-16.8%
Others intangible assets	782.5	732.3	6.9%	Total noncurrent liabilities	495.7	1,578.8	-68.6%
Total noncurrent assets	2,932.4	2,773.2	5.7%	EQUITY			
				Capital	875.6	875.6	0.0%
				Treasury Shares	(1.5)	(5.4)	-72.8%
				Capital reserves	131.5	127.6	3.0%
				Profit reserves	496.7	685.5	-27.5%
				Earnings	187.1	-	NM
				Others	0.1	-	NM
				Total Equity of controlling shareholders	1,689.5	1,683.3	0.4%
				Noncontrolling interest in subsidiaries	5.2	2.1	155.7%
				Total equity	1,694.8	1,685.4	0.6%
TOTAL ASSETS	4,430.2	4,407.0	0.5%	TOTAL LIABILITIES AND EQUITY	4,430.2	4,407.0	0.5%

Cash Flow - Consolidated

STATEMENTS OF CASH FLOWS (R\$ MN)	2Q21	2Q20	Var. %
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (losses) before income tax and social contribution	307.4	280.4	9.6%
Adjustments:			
Depreciation and Amortization	175.1	197.1	-11.2%
Impairment	(4.2)	15.2	NM
Result from fixed Assets and Intangibles	-	(42.5)	-100.0%
Restricted Shares	5.4	30.9	-82.7%
Financial Expenses	28.5	33.4	-14.9%
Losses with disproportionate dividends	0.5	-	NM
Readjustments Provision	25.8	-	NM
Provision for Risks	(13.3)	23.8	NM
Origin Cash provided by operating activities	(39.8)	32.9	NM
Cash provided by operating activities	486.4	571.3	-14.9%
Interest paid on debentures	(20.3)	(37.8)	-46.5%
Income tax and social contribution paid	(78.4)	(75.9)	3.3%
Net cash provided by operating activities	387.7	457.5	-15.3%
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in intangible assets	(298.8)	(97.2)	207.3%
Purchase of property, plant and equipment	(8.1)	(6.4)	26.7%
Increase (decrease) in financial investments - exclusive FI fund	28.4	(73.0)	NM
Amount paid in acquisition (Uniconsult)	-	(18.8)	NM
Amount paid in acquisition (500 LLC)	(49.5)	-	NM
Amount paid in acquisition (Escale Health)	(84.2)	-	NM
Net cash used in investing activities	(412.2)	(195.5)	110.9%
CASH FLOW FROM FINANCING ACTIVITIES			
Rents Paid	(6.3)	(10.5)	-40.3%
Cost of Raising Debentures	(0.2)	(0.2)	2.7%
Loans			NM
Dividends paid to minorities	(2.3)	(0.8)	200.0%
Dividends and Interest on equity paid	(230.9)	-	NM
Cash provided by (used in) financing activities	110.3	(11.5)	NM
INCREASE IN CASH AND CASH EQUIVALENTS, NET	85.8	250.5	-65.8%
Cash and cash equivalents at beginning of period	418.8	201.1	108.3%
Cash and cash equivalents at end of period	504.6	451.6	11.7%



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A free translation from Portuguese into English of Independent auditor's review report on individual and consolidated condensed Interim financial information prepared in Brazilian currency, in accordance with NBC TG 21 and IAS 34 - Interim Financial Reporting and the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR)

Independent auditor's review report on individual and consolidated condensed interim financial information

To the Shareholders, Board of Directors and Officers of
Qualicorp Consultoria e Corretora de Seguros S.A.
São Paulo - SP

Introduction

We have reviewed the individual and consolidated condensed interim financial information of Qualicorp Consultoria e Corretora de Seguros S.A. (the "Company"), contained in the Quarterly Information Form (ITR) for the quarter ended June 30, 2021, which comprises the statement of financial position as at June 30, 2021 and the statements of profit or loss, of comprehensive income for the three and six-months periods then ended and, of changes in equity and of cash flows for the quarter then ended, including other explanatory information.

Management is responsible for the preparation of the individual and consolidated condensed interim financial information in accordance with NBC TG 21 and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of this financial information in accordance with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR). Our responsibility is to express a conclusion on this individual and consolidated condensed interim financial information based on our review.

Scope of review

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



Conclusion on the individual and consolidated condensed interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the individual and consolidated condensed interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with the NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters

Statements of value added

The quarterly information referred to above includes the individual and consolidated Statements of Value Added (SVA) for the quarter ended June 30, 2021, prepared under the responsibility of Company management and presented as supplementary information for IAS 34 purposes. These statements have been subject to review procedures performed in conjunction with the review of the quarterly information to conclude whether they are reconciled with the individual and consolidated condensed interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in NBC TG 09 - Statement of Added Value. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been prepared, in all material respects, in accordance with the criteria defined in referred to Standard and consistently with the individual and consolidated condensed interim financial information taken as a whole.

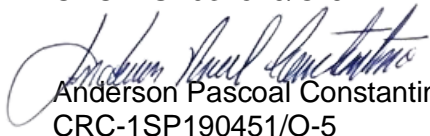
Audit and review of corresponding figures

The Company's individual and consolidated financial statements for the year ended December 31, 2020 were audited by other independent auditors, who issued an unmodified opinion thereon dated March 30, 2021.

The Company's individual and consolidated condensed interim financial information for the quarter ended June 30, 2020 was audited by other independent auditors, who issued an unmodified conclusion thereon dated August 25, 2020.

São Paulo, August 10, 2021

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


Anderson Pascoal Constantino
CRC-1SP190451/O-5

ASSETS	Note	Parent company		Consolidated		LIABILITIES AND EQUITY	Note	Parent company		Consolidated	
		6/30/2021	12/31/2020	6/30/2021	12/31/2020			6/30/2021	12/31/2020		
CURRENT ASSETS						CURRENT LIABILITIES					
Cash and cash equivalents	8.1	18.370	16.580	504.559	418.767	Borrowings and debentures	15	1.355.856	13.342	1.360.604	17.286
Financial investments	8.2	10.032	43.230	294.911	320.311	Derivative financial instruments	5	20.759	-	20.759	-
Amounts receivable from customers	9	73.665	84.171	462.175	711.488	Taxes and contributions payable		24.767	26.539	54.553	59.399
Other assets		60.283	51.840	236.147	183.255	Technical reserves for healthcare operations		-	-	11.309	8.697
Other financial assets	10	56.745	49.333	222.659	177.768	Premiums to be transferred	17	-	-	451.487	666.912
Other non-financial assets		3.538	2.507	13.488	5.487	Financial transfers payable		-	-	28.754	29.323
Receivables from related parties	12.1	7.500	5.636	-	-	Payroll and related charges		32.182	28.832	48.495	41.305
Total current assets		169.850	201.457	1.497.792	1.633.821	Transferable prepayments		-	-	37.539	52.554
NON-CURRENT ASSETS						Payables to related parties	12.1	17.669	42.157	17.669	42.119
Deferred income tax and social contribution	11	63.805	62.148	94.008	110.058	Other payables	18	90.134	115.887	198.588	210.184
Other assets		11.009	13.907	136.755	145.340	Lease liabilities	16	5.359	8.682	9.995	15.007
Other financial assets	10	8.721	8.718	133.523	138.322	Total current liabilities		1.546.726	235.439	2.239.752	1.142.786
Other non-financial assets		2.288	5.189	3.232	7.018	NON-CURRENT LIABILITIES					
Total long-term receivables		74.814	76.055	230.763	255.398	Borrowings and debentures	15	-	1.009.049	289.566	1.298.397
Investments	13	1.794.525	1.560.589	132.888	262	Taxes and contributions payable		-	-	572	709
Property and equipment		31.496	25.754	45.015	43.905	Payroll and related charges		1.545	2.237	1.545	2.237
Intangible assets:						Deferred income tax and social contribution	11	-	-	45.744	41.983
Goodwill	14.1	626.654	626.654	1.741.295	1.741.295	Call option over non-controlling interests	5	6.091	5.034	53.147	50.075
Other intangible assets	14.2	565.184	532.019	782.468	732.297	Provision for contingencies	19	6.661	15.507	80.303	93.652
Total non-current assets		3.092.673	2.821.071	2.932.429	2.773.157	Other payables	18	527	61.054	7.938	71.451
						Lease liabilities	16	11.468	10.885	16.903	20.313
						Total non-current liabilities		26.292	1.103.766	495.718	1.578.817
						EQUITY	20				
						Share capital		875.575	875.575	875.575	875.575
						Treasury shares		(1.458)	(5.357)	(1.458)	(5.357)
						Capital reserve		131.472	127.603	131.472	127.603
						Revenue reserves		496.673	685.502	496.673	685.502
						Retained earnings		187.114	-	187.114	-
						Other comprehensive income		129	-	129	-
						Total equity attributable to owners of the Parent company		1.689.505	1.683.323	1.689.505	1.683.323
						Non-controlling interests in subsidiaries		-	-	5.246	2.052
						Total equity		1.689.505	1.683.323	1.694.751	1.685.375
TOTAL ASSETS		3.262.523	3.022.528	4.430.221	4.406.978	TOTAL LIABILITIES AND EQUITY		3.262.523	3.022.528	4.430.221	4.406.978

The accompanying notes are an integral part of these condensed interim financial statements.

CONDENSED STATEMENT OF INCOME
FOR THE PERIODS ENDED JUNE 30, 2021 AND 2020

All amounts in thousands of reais, except earnings per share

(A free translation of the original in Portuguese)

	Note	Parent company				Consolidated			
		Six months ended 6/30/2021	Six months ended 6/30/2020	Three months ended	Three months ended	Six months ended 6/30/2021	Six months ended 6/30/2020	Three months ended	Three months ended
NET OPERATING REVENUE	26.d	348.158	316.074	172.320	151.081	1.040.189	986.253	517.201	483.703
COST OF PROVIDING SERVICES	22	(20.026)	(15.724)	(10.517)	(7.377)	(221.229)	(179.348)	(111.295)	(92.665)
OPERATING INCOME (EXPENSES)									
Administrative expenses	22	(111.412)	(125.693)	(59.985)	(63.822)	(236.706)	(301.013)	(124.343)	(122.682)
Selling expenses	22	(184.695)	(127.047)	(95.024)	(67.491)	(214.286)	(151.498)	(113.107)	(78.694)
Losses on uncollectible receivables	9.1	(132)	(192)	(13)	(15)	(31.819)	(35.059)	(13.900)	(16.853)
Share of net profits of equity-accounted investees	13	189.780	180.897	87.264	125.591	(1.077)	-	(1.077)	-
Other income (expenses), net		4.491	(3.562)	1.482	(3.258)	(5.107)	793	(8.202)	16.897
OPERATING PROFIT BEFORE FINANCE RESULT									
FINANCE RESULT		226.164	224.753	95.527	134.709	329.965	320.128	145.277	189.706
Finance income	23	21.577	2.024	21.095	1.384	51.611	27.270	37.268	14.399
Finance costs	23	(44.616)	(29.858)	(34.717)	(14.103)	(74.220)	(67.019)	(50.529)	(33.036)
PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION									
		203.125	196.919	81.905	121.990	307.356	280.379	132.016	171.069
INCOME TAX AND SOCIAL CONTRIBUTION									
Current	24	-	(4.287)	2.986	(474)	(77.839)	(76.933)	(30.446)	(36.100)
Deferred		1.658	1.679	5.412	4.552	(19.811)	(8.205)	(8.977)	(8.278)
PROFIT FOR THE PERIOD									
		204.783	194.311	90.303	126.068	209.706	195.241	92.593	126.691
PROFIT ATTRIBUTABLE TO									
Owners of the Parent company		204.783	194.311	90.303	126.068	204.783	194.311	90.303	126.068
Non-controlling interests		-	-	-	-	4.923	930	2.290	623
		204.783	194.311	90.303	126.068	209.706	195.241	92.593	126.691
EARNINGS PER SHARE									
Basic earnings per share (R\$ per share)	28	0,72131	0,68542	0,31807	0,44470	0,72131	0,68542	0,31807	0,44470
Diluted earnings per share (R\$ per share)	28	0,72108	0,68517	0,31797	0,44454	0,72108	0,68517	0,31797	0,44454

The accompanying notes are an integral part of these condensed interim financial statements.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED JUNE 30, 2021 AND 2020
All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent company				Consolidated			
	Six months ended 6/30/2021	Six months ended 6/30/2020	Three months ended 6/30/2021	Three months ended 6/30/2020	Six months ended 6/30/2021	Six months ended 6/30/2020	Three months ended 6/30/2021	Three months ended 6/30/2020
PROFIT FOR THE PERIOD	204.783	194.311	90.303	126.068	209.706	195.241	92.593	126.691
Other comprehensive income								
Items that may be reclassified to profit or loss								
Cash flow hedges - effective portion of changes in fair value	(21.231)	-	(21.231)	-	(21.231)	-	(21.231)	-
Cash flow hedges - reclassified to profit or loss	20.571	-	20.571	-	20.571	-	20.571	-
Cost of hedge reserve - fair value changes	709	-	709	-	709	-	709	-
Taxes relating to gains on cash flow hedges	80	-	80	-	80	-	80	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	204.912	194.311	90.432	126.068	209.835	195.241	92.722	126.691
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO								
Owners of the Parent company	204.912	194.311	90.432	126.068	204.912	194.311	90.432	126.068
Non-controlling interests	-	-	-	-	4.923	930	2.290	623

The accompanying notes are an integral part of these condensed interim financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIODS ENDED JUNE 30, 2021 AND 2020
All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Note	Share capital			Capital reserve	Revenue reserves Legal reserve	Retained earnings	Other comprehensive income	Attributable to owners of the Parent company	Non-controlling interests	Consolidated total	
		Paid-up capital	Share issue costs	Treasury shares						Non-controlling interests		
AT DECEMBER 31, 2019		896.558	(20.983)	(33.664)	179.786	95.740	290.785	-	-	1.408.222	-	1.408.222
Restricted stock		-	-	-	19.044	-	-	-	-	19.044	-	19.044
Restricted stock award		-	-	26.617	(26.617)	-	-	-	-	-	-	-
Prior-period adjustments - Restricted stock		-	-	-	-	-	-	-	-	-	-	-
Profit for the period		-	-	-	-	-	194.311	-	-	194.311	930	195.241
Non-controlling interests on acquisition of subsidiaries		-	-	-	-	-	-	-	-	-	115	115
Interim dividends paid to non-controlling interests		-	-	-	-	-	-	-	-	-	(759)	(759)
AT JUNE 30, 2020		896.558	(20.983)	(7.047)	172.213	95.740	290.785	194.311	-	1.621.577	286	1.621.863
AT DECEMBER 31, 2020		896.558	(20.983)	(5.357)	127.603	115.345	570.157	-	-	1.683.323	2.052	1.685.375
Restricted stock	21	-	-	-	7.363	-	-	-	-	7.363	-	7.363
Restricted stock award		-	-	3.899	(3.899)	-	-	-	-	-	-	-
Cash flow hedges - effective portion of changes in fair value	5	-	-	-	-	-	-	(21.231)	-	(21.231)	-	(21.231)
Cash flow hedges -reclassified to profit or loss	5 and 23	-	-	-	-	-	-	20.571	-	20.571	-	20.571
Cost of hedge reserve - fair value changes	5	-	-	-	-	-	-	709	-	709	-	709
Taxes relating to gains on cash flow hedges	11	-	-	-	-	-	-	80	-	80	-	80
Interest on capital		-	-	-	-	-	(17.669)	-	-	(17.669)	-	(17.669)
Proposed additional dividends paid		-	-	-	-	-	(188.829)	-	-	(188.829)	-	(188.829)
Profit for the period	28	-	-	-	-	-	204.783	-	-	204.783	4.923	209.706
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	-	-	(2.277)	(2.277)
Equity transactions with shareholders		-	-	-	405	-	-	-	-	405	4	409
Disproportionate dividends		-	-	-	-	-	-	-	-	-	544	544
AT JUNE 30, 2021		896.558	(20.983)	(1.458)	131.472	115.345	381.328	187.114	129	1.689.505	5.246	1.694.751

The accompanying notes are an integral part of these condensed interim financial statements.

CONDENSED STATEMENT OF CASH FLOWS
FOR THE PERIODS ENDED JUNE 30, 2021 AND 2020
All amounts in thousands of reais

(A free translation of the original in Portuguese)

Note	Parent company		Consolidated		
	6/30/2021	6/30/2020	6/30/2021	6/30/2020	
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before income tax and social contribution		203.125	196.919	307.356	280.379
Adjustments for:					
Depreciation and amortization	22	128.500	125.700	175.070	197.057
Impairment losses		(2.073)	10.181	(4.185)	15.245
Share of net profits of equity-accounted investees	13	(189.780)	(180.897)	1.077	-
Profit on sale of subsidiary		-	(8.495)	-	(42.474)
Restricted stock	21	600	5.137	5.365	30.941
Finance costs		21.566	25.735	28.458	33.428
Dividend losses		158	-	544	-
Provision for contingencies (reversal)		(8.846)	3.982	(13.349)	23.763
Provision for premium increases	1 b) II	9.809	-	25.799	-
		163.059	178.262	526.135	538.339
Changes in operating assets and liabilities:					
Increase (decrease) in amounts receivable from customers		(3.083)	13.152	(28.754)	49.659
Increase in other assets		(4.382)	(8.303)	(38.812)	(25.344)
(Decrease) increase in taxes and contributions payable		(1.590)	16.417	(2.954)	679
Increase in premiums to be transferred		-	-	26.833	49.834
Decrease (increase) in financial transfers payable		-	-	(569)	1.815
Increase (decrease) in technical reserves for healthcare operations		-	-	2.612	(7.794)
Increase (decrease) in payroll and related charges		3.249	(2.011)	7.089	1.487
Increase (decrease) in other payables		(15.108)	(5.872)	12.845	(22.786)
Decrease in transferable prepayments		-	-	(15.015)	(14.049)
Decrease in related parties		(1.903)	(5.985)	-	-
Increase in financial investments (restricted cash)		-	-	(3.048)	(578)
Cash from operations		140.242	185.660	486.362	571.262
Interest paid on debentures	15	(15.737)	(29.066)	(20.257)	(37.833)
Income tax and social contribution paid		(952)	(4.405)	(78.427)	(75.944)
Net cash provided by operating activities		123.553	152.189	387.678	457.485
CASH FLOWS FROM INVESTING ACTIVITIES					
Share capital increase in subsidiaries		-	(4.876)	-	-
Capital contribution to subsidiary		-	-	-	-
Additions to intangible assets		(226.993)	(81.465)	(298.849)	(97.246)
Purchases of property and equipment		(7.099)	-	(8.092)	(6.388)
Increase (decrease) in financial investments - exclusive investment fund	8.2	33.199	(8.210)	28.448	(73.007)
Dividends received from subsidiaries	13	97.583	-	-	-
Payment for acquisition of Uniconsult, net of cash acquired		-	-	-	(18.835)
Payment for acquisition of 500 LLC	7	(49.455)	-	(49.455)	-
Payment for acquisition of Escala Health	7	(84.248)	-	(84.248)	-
Net cash used in investing activities		(237.013)	(94.551)	(412.196)	(195.476)
CASH FLOWS FROM FINANCING ACTIVITIES					
Lease payments	16.ii	(3.659)	(6.151)	(6.273)	(10.516)
Cost of issue of debentures	15	(144)	(140)	(193)	(188)
Proceeds from borrowings	15	350.000	-	350.000	-
Dividends paid to non-controlling interests		-	-	(2.277)	(759)
Dividends and interest on capital paid	20	(230.947)	-	(230.947)	-
Net cash provided by (used in) financing activities		115.250	(6.291)	110.310	(11.463)
NET INCREASE IN CASH AND CASH EQUIVALENTS		1.790	51.347	85.792	250.546
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		16.580	47.423	418.767	201.050
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		18.370	98.770	504.559	451.596

The accompanying notes are an integral part of these condensed interim financial statements.

CONDENSED STATEMENT OF VALUE ADDED
FOR THE PERIODS ENDED JUNE 30, 2021 AND 2020
All amounts in thousands of reais

	Parent company		Consolidated	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020
REVENUE				
Service revenue	388.917	359.554	1.131.300	1.078.701
Other operating income	4.486	9.980	13.038	53.607
Provision for impairment of trade receivables, cancellations and returns	(768)	(305)	(35.035)	(36.509)
Total revenue	392.635	369.229	1.109.303	1.095.799
INPUTS ACQUIRED FROM THIRD PARTIES				
Cost of providing services	(7.184)	(6.511)	(149.330)	(121.634)
Materials, electricity, outsourced services and other	(93.855)	(64.660)	(154.071)	(123.416)
Impairment/recovery of assets	(1.352)	-	(1.352)	(3)
Other operating expenses	(22.885)	(14.445)	(60.184)	(75.660)
Total inputs acquired from third parties	(125.276)	(85.616)	(364.937)	(320.713)
GROSS VALUE ADDED	267.359	283.613	744.366	775.086
DEPRECIATION, AMORTIZATION AND DEPLETION	(128.500)	(125.700)	(175.070)	(197.057)
NET VALUE ADDED GENERATED BY THE ENTITY	138.859	157.913	569.296	578.029
VALUE ADDED RECEIVED THROUGH TRANSFER				
Finance income	21.577	2.024	51.611	27.270
Share of net profits of equity-accounted investees	189.780	180.897	(1.077)	-
Total value added received through transfer	211.357	182.921	50.534	27.270
TOTAL VALUE ADDED TO DISTRIBUTE	350.216	340.834	619.830	605.299
DISTRIBUTION OF VALUE ADDED				
Personnel and social charges	80.395	73.791	183.452	192.785
Taxes and contributions	38.566	46.223	188.257	177.748
Federal	25.421	31.912	160.032	149.032
Municipal	13.145	14.311	28.225	28.716
Creditors and lenders	26.472	26.509	38.415	39.525
Shareholders	204.783	194.311	209.706	195.241
Total value added distributed	350.216	340.834	619.830	605.299

The accompanying notes are an integral part of these condensed interim financial statements



(A free translation of the original in Portuguese)

QUALICORP CONSULTORIA E CORRETORA DE SEGUROS S.A. AND SUBSIDIARIES

NOTES TO THE CONDENSED PARENT COMPANY AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2021

All amounts in thousands of reais unless otherwise stated

1. General information

a) Corporate information

Qualicorp Consultoria e Corretora de Seguros S.A. (the “Company” and, together with its subsidiaries, the “Group”) is a stock corporation that was incorporated on May 19, 2010 in São Paulo, Brazil, and commenced its operations on July 1, 2010. For the condensed parent company and consolidated interim financial statements for the period ended June 30, 2021, there was no change to the information presented in Note 1.a in the parent company and consolidated financial statements for the year ended December 31, 2020.

These condensed parent company and consolidated interim financial statements for the period ended June 30, 2021 should be read in conjunction with the annual parent company and consolidated financial statements for the year ended December 31, 2020. The disclosures made in this report are determined by Management as stated in Note 2.

b) Main events in the second quarter of 2021

I. COVID-19

The Group continues to closely monitor COVID-19 developments across the world and has carefully evaluated the impacts of COVID-19 on its operations in the second quarter of 2021 and provides the appropriate respective disclosures in light of their materiality. For details please refer to Note 25 and to message from Management in our Q2 2021 earnings release.

II. Updated balances of frozen premium increases

As disclosed in Note 1 b.v. to the parent company and consolidated financial statements for the year ended December 31, 2020, the Company recognized provisions for premium increases that were frozen under an order by the Brazilian private health insurance regulator ANS.

The premium increases frozen are being charged to plan beneficiaries in 12 installments; thus, reversals are prorated at one-twelfth per month, except for the reversal of credit losses which starts low and increases over time provided that the incurred loss is within the estimate of the loss, which is reviewed at least on a quarterly basis. The provisions are reversed and consist of the following:

	12/31/2020	Reversal	6/30/2021
Amounts receivable from customers	583,230	(291,998)	291,232
Premiums recoverable – benefits administrators	556,052	(278,409)	277,643
Brokerage fees	27,178	(13,589)	13,589
Premiums to be transferred	483,222	(242,258)	240,964
Revenue from administration fee	64,096	(34,390)	29,706
Revenue from brokerage fees	27,178	(13,589)	13,589
Cost of providing services	7,893	(4,058)	3,835
Losses on uncollectible receivables	51,328	(13,931)	37,397



III. Acquisition of equity interests and strategic partnership with Escale

On May 13, 2021, the Company entered into agreements for the acquisition of: (i) registered, common shares without par value representing 35% of the total voting capital of Escale Health Seguros e Corretagem S.A. (“Escale Health”) and (ii) Series C-3 preference units representing 5% of the capital of Quinhentos, LLC., a company incorporated under the U.S. laws and which owns 100% of Escale Tecnologia e Marketing Ltda., which is the only shareholder of Escale Health.

For further details refer to Note 7.

IV. Borrowing under Law 4,131 and cross-currency swap

On May 14, 2021, the Company entered into a US dollar-denominated loan facility of US\$ 66,534 under Law 4,131. The facility is repayable in May 2022. The USD/BRL exchange rate has been set at 5.2605, which works out to a loan amount of \$350,000 in Brazilian reais. Additionally, the Company entered into a cross-currency swap with the same financial institution and will, at the end of the contract, pay Interbank Deposit Rate (CDI) + interest at 1.40% p.a. in exchange for receiving USD fluctuations plus spread of 2.15% p.a. For further details about this transaction please refer to Notes 5 and 15.

V. Distribution of dividends

According to the disclosure of material fact on May 3, 2021, the annual general meeting approved the distribution of dividends to the Company’s shareholders on record on May 7, 2021 in the amount of R\$ 570,393 of which R\$ 200,000 was paid on May 31, 2021 and R\$ 370,393 will be paid by December 28, 2021.

2. Presentation of condensed interim financial statements

I. Statement of compliance

The condensed parent company and consolidated interim financial statements have been prepared in accordance with Accounting Standard CPC 21 (R1) Interim Financial Reporting issued by the Brazilian Accounting Pronouncements Committee (CPC), and contain the minimum disclosures required under that accounting standard and other information considered relevant. They do not include all disclosures that would be required in the annual financial statements and therefore should be read in conjunction with the annual financial statements for the year ended December 31, 2020 prepared in accordance with International Financial Reporting Standards (IFRS) and accounting practices adopted in Brazil as issued by CPC and approved by the Brazilian Securities Commission (CVM).

II. Basis of preparation

These unaudited (special review) condensed parent company and consolidated interim financial statements for the period ended June 30, 2021 have been prepared using the same principles as applied in the audited parent company and consolidated financial statements for the year ended December 31, 2020 and described in Note 2.ii in the December 31, 2020 financial statements.

3. Significant accounting practices

The condensed parent company and consolidated interim financial statements for the period ended June 30, 2021 have been prepared using the same accounting policies as described in Note 3 in the parent company and consolidated financial statements for the year ended December 31, 2020, except for new policies for borrowing and cross-currency swap and acquisition of equity interests in Escale and Quinhentos, as disclosed below:

a) Borrowing and cross-currency swap

On May 19, 2021, the Company adopted a hedging strategy against the risk of exchange rate fluctuations associated with debt instruments and intends to consistently apply in the future a market risk management strategy to hedge its total



foreign currency exposure on transactions under Law 4,131 of the Central Bank of Brazil. To mitigate the foreign exchange risk, the Company has executed a cross-currency swap and has designated the swap as a hedging instrument in a cash flow hedge of the foreign currency risk with a maturity in May 2022 with prospective alignment of critical terms (notional amounts, maturity dates and related financial risks). For details refer to Note 5.

b) Investments in subsidiaries

During the reporting period ended June 30, 2021, the Company adopted the following accounting treatment:

i. Interests in joint ventures

The Company accounts for its interest in a joint venture using the equity method in accordance with technical pronouncement CPC 18 (R2) – Investments in Associates and Joint Ventures, unless it is exempt from applying the equity method as specified in that technical pronouncement and as permitted by law.

ii. Investments recorded at historical cost

When the Company has no significant influence over the investee, it uses the cost method to account for its investment, in accordance with item III of article 183 of Law 6,404/76. Based on CPC 18 (R2) – Investments in Associates and Joint Ventures, the Company did not obtain significant influence over the new acquired company because it has no representation on the board of directors of the investee or participation in policy-making processes of the investee.

The Company will test the investment in associate for impairment on an annual basis, and any resulting impairment loss will be charged against the carrying value of the investment, up to the limit of the carrying value, unless the Group is liable for potential debts and liabilities of the investee.

4. Significant estimates and judgments

The same accounting estimates and assumptions are adopted in the condensed parent company and consolidated interim financial statements for the period ended June 30, 2021 as compared with the parent company and consolidated financial statements for the year ended December 31, 2020 (Note 4 in the December 31, 2020 financial statements).



5. Financial instruments

a) Classification and fair value of financial instruments

Set out below are the carrying amounts of financial assets and liabilities by the following categories:

Parent company							
	6/30/2021				12/31/2020		
	Financial assets at fair value through profit or loss	Financial liabilities at fair value through profit or loss	Financial liabilities at fair value through other comprehensive income	Amortized cost	Financial assets at fair value through profit or loss	Financial liabilities at fair value through profit or loss	Amortized cost
Financial assets:							
Cash and cash equivalents – highly liquid financial investments	-	-	-	16,375	-	-	9,129
Financial investments	10,032	-	-	-	43,230	-	-
Amounts receivable from customers – current and non-current	-	-	-	73,665	-	-	84,171
Other financial assets – current and non-current	-	-	-	65,466	-	-	58,051
Financial liabilities:							
Borrowings and debentures – current	-	-	-	1,355,856	-	-	13,342
Derivative financial instruments	-	237	20,522	-	-	-	-
Payroll and related charges – current and non-current	-	-	-	33,727	-	-	31,069
Other payables – current and non-current	-	-	-	90,661	-	-	176,941
Call option over non-controlling interests	-	6,091	-	-	-	5,034	-
Lease liabilities – current and non-current	-	-	-	16,827	-	-	19,567



Consolidated							
	6/30/2021				12/31/2020		
	Financial assets at fair value through profit or loss	Financial liabilities at fair value through profit or loss	Financial liabilities at fair value through other comprehensive income	Amortized cost	Financial assets at fair value through profit or loss	Financial liabilities at fair value through profit or loss	Amortized cost
Financial assets:							
Cash and cash equivalents – highly liquid financial investments	-	-	-	475,054	-	-	372,167
Financial investments	294,911	-	-	-	320,311	-	-
Amounts receivable from customers	-	-	-	462,175	-	-	711,488
Other financial assets – current and non-current	-	-	-	356,182	-	-	316,090
Financial liabilities:							
Borrowings and debentures – current	-	-	-	1,360,604	-	-	17,286
Derivative financial instruments	-	237	20,522	-	-	-	-
Premiums to be transferred	-	-	-	451,487	-	-	666,912
Technical reserves for healthcare operations	-	-	-	11,309	-	-	8,697
Financial transfers payable	-	-	-	28,754	-	-	29,323
Transferable prepayments	-	-	-	37,539	-	-	52,554
Payroll and related charges - current and non-current	-	-	-	50,040	-	-	43,542
Other payables – current and non-current	-	-	-	206,526	-	-	281,635
Call option over non-controlling interests	-	53,147	-	-	-	50,075	-
Lease liabilities – current and non-current	-	-	-	26,898	-	-	35,320

Fair value measurements recognized in the balance sheet

The following table presents an analysis of financial instruments that are measured at fair value after the initial recognition. Fair value measurements are classified within the fair value hierarchy levels based on observable inputs in which valuation is based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

The Company's financial instruments are included in levels 1, 2 and 3 of the fair value hierarchy and are the same as presented in the parent company and consolidated financial statements for the year ended December 31, 2020. At June 30, 2021, level 2 instruments were included as shown below:

Consolidated	6/30/2021			12/31/2020	
	Level 1	Level 2	Level 3	Level 1	Level 3
Financial assets at fair value through profit or loss – financial investments	294,911	-	-	320,311	-
Call option over non-controlling interests	-	-	53,147	-	50,075
Derivative financial instruments	-	20,759	-	-	-

There were no transfers between the fair value hierarchy levels during the period.

The carrying amount of other financial assets and liabilities approximates their fair value, except for debentures recorded in non-current liabilities (Note 15).

**Fair value measurement of hedging instruments and hedged items**

For the outstanding loan denominated in US dollar as at June 30, 2021, the Company has executed a cross-currency swap to exchange USD fluctuation + spread of 2.15% p.a. for CDI + spread of 1.40% p.a. The fair value is measured by valuation techniques that are commonly used in the market, based on observable inputs. The USD leg was calculated based on the interest rate and exchange rate curves published by the stock exchange B3 using the linear interpolation of the rates in order to identify different vertices associated with the contractual flows discounted to present value. The CDI leg has used the same data and was discounted to present value at a risk-free rate on a continuous basis.

Additionally, the Company assessed the difference between the fair value and the carrying value of the debt being hedged by the swap as at June 30, 2021. A fair value measurement using observable inputs, interest rate and exchange rate curves published by B3 and present value discount would result in an increase of R\$ 5,381 in the amount of the debt as at June 30, 2021. Since the inputs used to measure the fair value of the instrument are observable, the instrument was included in level 2.

Reconciliation of level 3 fair value measurements of financial liabilities

	Fair value through profit or loss	Fair value through profit or loss	Fair value through profit or loss	Total
	Plural and Oxcorp	Uniconsult	Clube de Saúde	Consolidated
Balance at December 31, 2020	44,536	2,794	2,745	50,075
Remeasurement at fair value	2,568	504	-	3,072
Balance at June 30, 2021	47,104	3,298	2,745	53,147

The Company has call options over non-controlling interests related to the acquisition of Uniconsult, Plural, Oxcorp, and Clube de Saúde.

Derivative instruments (cross-currency swap)

In the period ended June 30, 2021, the Company entered into a cross-currency swap to hedge a loan denominated in US dollar and designated this derivative as a hedging instrument in a cash flow hedge of the foreign exchange risk. The Company's risk management strategy is designed to hedge 100% of the foreign exchange risk associated with Law 4,131 of the Central Bank of Brazil concerning foreign capital and remittances abroad. The Law facilitates for Brazilian companies to obtain foreign currency-denominated loans without requiring them to be importers or exporters. To mitigate the foreign exchange risk, the Company has entered into a cross-currency swap of R\$ 350 with a receive leg receiving USD fluctuation + 2.15% p.a. and a pay leg paying 100% of CDI + 1.40 p.a. The swap was 100% designated as a hedging instrument in a cash flow hedge with a maturity in May 2022, with prospective alignment of all critical terms such as notional amount, maturity date and related financial risks. The hedge ratio is 100% at the date of inception of the hedge and based on an effective economic relationship prospectively. The economic relationship was assessed as at June 30, 2021 and the hedging relationship continues to meet the hedge effectiveness requirements.

	Parent company and Consolidated
	Cash flow hedge
Balance at December 31, 2020	-
Effective gains and losses recognized in OCI [cash flow hedge reserve]	(21,231)
Effective gains and losses recognized in OCI [cost of hedge reserve]	709
Gains and losses in profit or loss (Note 23)	(237)
Balance at June 30, 2021	(20,759)

At December 31, 2020, the Company and its subsidiaries had no derivative contracts for hedging or speculative purposes.

b) Management of the main risks

For the purposes of these condensed parent company and consolidated interim financial statements as of June 30, 2021,



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there were no changes in risk management information presented in Note 5.b in the annual parent company and consolidated financial statements for the year ended December 31, 2020. During the period ended June 30, 2021, the Company is also exposed to foreign exchange risk.

Credit risk

For the condensed parent company and consolidated interim financial statements as of June 30, 2021, the risk exposures are the same as reported in Note 5.b to the annual parent company and consolidated financial statements for the year ended December 31, 2020.

On May 19, 2021, the Company entered into a US dollar-denominated loan and a cross-currency swap to hedge against foreign exchange risk with one of Brazil's largest banks with a credit rating of AAA as revised by Fitch Ratings in March 2021.

Foreign exchange risk

Foreign exchange risk arises from exchange rate fluctuations that may adversely affect the Company's liabilities or cash flows. The Company constantly monitors its net exposure to decide whether to hedge the non-operating cash flows. For these condensed parent company and consolidated interim financial statements for the period ended June 30, 2021, we considered the hedge relationship entered into on May 19, 2021. The Company has adopted a hedging strategy against the risk of exchange rate fluctuations associated with debt instruments and intends to consistently apply the same strategy in the future to hedge its total foreign currency exposure relating to Law 4,131 of the Central Bank of Brazil. To mitigate the foreign exchange risk, the Company has executed a cross-currency swap and has designated the swap as a hedging instrument in a cash flow hedge of foreign exchange risk with a maturity in May 2022 with prospective alignment of critical terms (notional amounts, maturity dates and related financial risks):

	Parent company and Consolidated		
	Foreign exchange risk exposure (BRL Notional)	Change 6/30/2021	Change 12/31/2020
Swap (USD 2.15% p.a. vs BRL CDI 1.40% p.a.)	R\$350,000	(20,759)	-
Loan denominated in foreign currency (1.61% p.a.)	R\$350,000	(20,571)	-

Sensitivity analysis on foreign exchange risk

Exchange rate changes can positively or adversely affect the parent company and consolidated interim financial statements since the value of foreign currency inflows and outflows fluctuates as the exchange rate changes. The Company presents a sensitivity analysis relating to foreign currency exposure to show the potential impact on the income statement and equity for reasonably possible foreign exchange movements. The sensitivity analysis illustrates scenarios that could have adverse effects on the Company:

	Parent company and Consolidated			
	Foreign exchange risk exposure (Notional BRL)	Base case scenario	Change 25%	Change 50%
Swap (USD 2.5% p.a. vs. BRL CDI 1.40% p.a.)	350,000	(20,759)	(84,146)	(168,291)
Loan denominated in foreign currency (1.61% p.a.)	350,000	20,571	82,357	164,714
Sensitivity to impact		(188)	(1,789)	(3,577)

Interest rate risk of financial instruments

Interest rate risk is the potential risk of financial losses from fluctuations in interest rates that affect the Company's assets and liabilities.

As the average term of receipts/payments of the Company and its subsidiaries is 30 days, Management uses the change



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in the Interbank Deposit Certificate (CDI) rate as an assumption to analyze fluctuations in interest rates, as shown below:

Line item	Parent company			
	Classification in the balance sheet	Note	6/30/2021	12/31/2020
Cash and cash equivalents (i)	Current assets	8.1	16,375	9,129
Financial investments (i)	Current assets	8.2	10,032	43,230
Borrowings and debentures (ii)	Current and non-current liabilities	15	(1,355,856)	(1,022,391)
Derivative financial instruments (iii)	Current liabilities		(20,759)	-
Lease liabilities (iv)	Current and non-current liabilities	16	(16,827)	(19,567)
Total exposure			(1,367,035)	(989,599)

Line item	Consolidated			
	Classification in the balance sheet	Note	6/30/2021	12/31/2020
Cash and cash equivalents (i)	Current assets	8.1	475,054	372,167
Financial investments (i)	Current assets	8.2	294,911	320,311
Borrowings and debentures (ii)	Current and non-current liabilities	15	(1,650,170)	(1,315,683)
Derivative financial instruments (iii)	Current liabilities		(20,759)	-
Lease liabilities (iv)	Current and non-current liabilities	16	(26,898)	(35,320)
Total exposure			(927,862)	(658,525)

- i) Highly liquid financial investments mainly accrue interest linked to the CDI interest rate, and reflect normal market conditions during the period (Note 8).

The Company's financial investment policy determines the financial institutions with which the Company and its subsidiaries may do business, and the fund allocation limits and objectives (Note 3.iii to the parent company and consolidated financial statements at December 31, 2020).

- ii) Borrowings and debentures issued by the Group accrue interest equal to the daily average overnight rates of Interbank Deposits (DI) expressed as a percentage rate per year, corresponding to 252 business days (B3) plus a spread of 1.15% p.a. for debentures and 1.61% p.a. for borrowings (Note 15).
- iii) Cross-currency swap to hedge against foreign exchange risk, considering that the existing remaining interest rate risk is deemed to be immaterial for hedging purposes. The hedged item is a US dollar-denominated loan with interest of 1.61% p.a. and the hedging instrument is a cross-currency swap with a receive leg of USD rate movements + 2.15% p.a. and a pay leg of 100% of CDI + 1.40%.
- iv) Lease liabilities bear interest as specified in the agreement or estimated through market analyses.

Sensitivity analysis to changes in interest rates

Fluctuations in interest rates, e.g. CDI, can positively or adversely affect the condensed parent company and consolidated interim financial statements as they will increase or reduce the value of financial investments and cash equivalents, and payables for debentures and borrowings. At June 30, 2021 if the CDI interest rates had been 10% p.a. higher/lower with all other variables held constant, the pre-tax profit for the period would have been R\$ 1,136 higher/lower.

Supplementary sensitivity analysis for financial instruments

Based on the projections made by the Brazilian Central Bank, Management estimated, for the current period, future interest rates of 6.63% p.a. plus a spread of 1.15% p.a., showing in each scenario the effects of interest rate changes on the fair value of financial instruments, stressed as shown below:



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	Scenario			
	6/30/2021	Probable	Possible	Remote
Assumptions		CDI – 4.37% from 6.63% p.a.	CDI – 5.46% from 6.63% p.a.	CDI – 6.56% from 6.63% p.a.
Highly liquid financial investments and financial investments	769,965	803,612	812,005	820,475
Debentures and lease liabilities	(1,347,478)	(1,422,536)	(1,437,393)	(1,452,385)
Net exposure	(577,513)	(618,924)	(625,388)	(631,910)

	Scenario			
	12/31/2020	Probable	Possible	Remote
Assumptions		CDI – 0.25% from 3% p.a.	CDI – 0.31% from 3% p.a.	CDI – 0.38% from 3% p.a.
Highly liquid financial investments and financial investments	692,478	694,209	694,625	695,109
Liabilities - debentures	(1,351,003)	(1,369,955)	(1,370,776)	(1,371,732)
Net exposure	(658,525)	(675,746)	(676,151)	(676,623)

	Assumptions		
	Probable	Possible	Remote
CDI	Brazilian Central Bank's report	25% on probable rate	50% on probable rate

Under the probable scenario, the Company would have a net exposure of R\$ 41,411 at June 30, 2021, arising from the difference in the estimated future CDI rates for interest on debentures and lease liabilities plus a spread of 1.15% p.a.

The same differences in the estimated future CDI interest rates were considered for the Company's financial investments at June 30, 2021. For the stressed possible and remote scenarios, using the same criteria as for the probable scenario, estimates would give rise to an increase in net exposure of R\$ 6,464 and R\$ 12,986, respectively, compared to the probable scenario.

Capital risk

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern while maximizing returns for shareholders and benefits for other stakeholders by maintaining an optimal capital structure.

The Group's capitalization profile consists of net debt (borrowings, debentures (Note 15) and derivative financial instruments (Note 5) less cash and cash equivalents (Note 8)) plus equity (Note 20).

The Company and its subsidiaries are subject to certain leverage limits (Note 15 in the parent company and consolidated financial statements as of December 31, 2020).

Additionally, subsidiaries Qualicorp Benefícios, Clube de Saúde, Uniconsult, Plural and Gama Saúde are subject to minimum funding requirements as prescribed by ANS Normative Resolution 451 of March 6, 2020 which revoked Normative Resolution 209 and determined the base capital amount, which currently is R\$ 8,977. The base capital serves as a basis to determine the adjusted equity for economic effects, according to the segment and region in which the entity operates and using a factor determined by ANS (known as factor K). These amounts must be greater than the base capital and the adjusted equity at June 30, 2021 as determined by ANS.

Adjusted equity means the equity adjusted for economic effects according to Normative Instruction 451 of March 2020.

Shown below is the adjusted equity as at June 30, 2021 and December 31, 2020, which are in accordance with the respective Normative Instruction, except for Uniconsult's regulatory capital that was regularized in the first quarter of 2021:



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	6/30/2021					12/31/2020				
	Benefícios	Uniconsult	Clube	Plural	Gama	Benefícios	Uniconsult	Clube	Plural	Gama
Adjusted equity	190,814	3,166	34,081	6,301	68,229	105,893	-	53,524	2,267	62,223
Base capital	1,548	392	1,548	1,548	8,977	1,548	(392)	1,548	1,548	8,977

The solvency margin is the health plan operators' or health insurance companies' ability to pay all their financial obligations. For Gama Saúde, the solvency margin is R\$ 42,549 (December 31, 2020 - R\$ 36,256) and thus indicate ability to maintain an adequate total equity capital to meet the legal solvency margin requirements and to cover non-operating liabilities.

The Company's gearing ratio is as follows:

	Parent company		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Debt (borrowings, debentures, lease liabilities and derivative financial instruments)	(1,393,442)	(1,041,958)	(1,697,827)	(1,351,003)
Cash and cash equivalents and financial investments	26,407	52,359	769,965	692,478
Net debt	(1,367,035)	(989,599)	(927,862)	(658,525)
Equity	1,689,505	1,683,323	1,694,751	1,685,375
Net debt to equity ratio	(80.91%)	(58.79%)	(54.75%)	(39.07%)

Liquidity risk

There were no changes made to the Company's liquidity risk management in the period ended June 30, 2021 as compared with what was disclosed in Note 5 in the annual parent company and consolidated financial statements for the year ended December 31, 2020.

The expected cash outflows on financial liabilities are as follows:

	Consolidated					
	Estimated interest rate per month	Less than six months	Between 6 months and 1 year	Between 1 and 2 years	Over 2 years	Total
	%	R\$	R\$	R\$	R\$	R\$
June 30, 2021:						
Debentures	CDI + 1.15%	61,773	1,041,873	321,335	-	1,424,981
Borrowings	1.61%	-	329,590	-	-	329,590
Derivative financial instruments	CDI + 1.40%	-	20,759	-	-	20,759
Premiums to be transferred	-	451,487	-	-	-	451,487
Lease liabilities	CDI + 1.15%	3,523	5,198	8,035	12,568	29,324
Other payables	-	137,103	-	5,687	-	142,790
Payroll and related charges	-	48,495	-	1,545	-	50,040
Transferable prepayments	-	37,539	-	-	-	37,539
Technical reserves for healthcare operations	-	11,309	-	-	-	11,309
Intangible assets payable	-	29,143	-	2,250	-	31,393
Financial transfers payable	-	28,754	-	-	-	28,754
Call option over non-controlling interests	-	-	53,147	-	-	53,147
Total	-	809,126	1,450,567	338,852	12,568	2,611,113



6. Adoption of new and amended international financial reporting standards

The following amendments and revisions to existing standards have been issued by the International Accounting Standards Board (IASB) that are effective January 1, 2022, and have not been homologated in Brazil by the Brazilian Accounting Pronouncements Committee (CPC). Management believes that none of these amendments will have a material impact on the Company because they are not related to its business model:

Standard	Summary of amendment
IAS 37	Specifies which costs a company should include when assessing whether a contract is onerous. If a contract can be terminated without incurring a penalty, then it is not onerous. A contract with unfavorable terms is not necessarily onerous and a contract not performing as well as anticipated, or as well as possible, is not onerous unless the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under the contract.
IAS 16	Permits recognition of proceeds from and cost of sale of items produced during the test phase of the asset.

There are no other amendments, revisions, standards and interpretations issued but not yet adopted that, in the opinion of Management, could be expected to have a material impact on the Company's profit or equity for the current interim period.

Additionally, in December 2020 the CPC issued Technical Guidance OCPC 09 – Integrated Reporting, which was approved by CVM Resolution 14 of December 9, 2020 and is effective January 1, 2021. The aim of integrated reporting is to improve the quality of information available to investors and other stakeholders, and to provide a more cohesive and efficient approach to corporate reporting, becoming a reference methodology for integrating financial and non-financial information. The Company is aware that integrated reporting is becoming increasingly important and relevant and is evaluating the adoption of integrated reporting following the best integrated reporting standards and with disclosure of environmental, social and governance (ESG) issues. If the Company decides to publish an integrated report, it will be included in the Company's financial statements in accordance with OCPC 09

7. Acquisition of subsidiaries, associates and joint ventures

In the period ended June 30, 2021, the Company made new equity investments.

On May 13, 2021, the Company entered into agreements for the acquisition of: (i) registered, common shares without par value representing 35% of the total voting capital of Escale Health Seguros e Corretagem S.A. ("Escale Health") and (ii) Series C-3 preference units representing 5% of the capital of Quinhentos, LLC. ("Quinhentos"), a company incorporated under the U.S. laws and which owns 100% of Escale Tecnologia e Marketing Ltda. ("Escale Tech"), which was then the only shareholder of Escale Health.

The investment in Escale Health was made via subscription of new non-par value registered common shares of Escale Health equivalent to R\$ 84,248 by way of a cash payment. Furthermore, the Company has a subscription warrant that gives it the right to buy an additional 5% of the total voting capital of Escale Health within a period of twelve months.

The investment in Quinhentos was made exclusively via primary issuance by acquiring Series C-3 preference units of Quinhentos for a purchase price in US dollars equivalent to R\$ 49,455 with a cash payment.

In the context of the investment acquisition agreements, the Company and Escale Health also entered into a commercial partnership agreement with the primary goals of increasing sales of group health plans and sales to SMEs and to reduce customer churn with a cognitive model. Escale Health will also serve as a new digital sales channel for the Company's plans with potential cross selling and upselling opportunities, in addition to being a platform to test and sell new products.



Escale Tech has a disruptive end-to-end digital marketing and sales model and, through the information provided by its commercial partners, connects these partners and their brands to prospective customers and uses data and technology at every stage of the purchasing journey to provide personalized customer experiences, boost conversions, drive consumer loyalty for its commercial partners, increase revenues and move consumers along the sales funnel.

Based on the agreement signed and as the Group has representation on the board of directors of Escale Health and the power to participate in the major decisions of the investee, the Group has concluded that it has significant influence over Escale Health and therefore recognizes its investment using the equity method.

Based on the agreement signed and as the Group has no representation on the board of directors of Quinhentos and does not have the power to participate in the financial and operating policy decisions of the investee, the Group has concluded that it has no significant influence over Quinhentos under CPC 18 (R2) and therefore uses the cost method to account for its investment based on article 183 of Law 6,404. The Group will test the investment for impairment on an annual basis and any gains on dividends will be recorded in the income statement.

8. Cash and cash equivalents and financial investments

8.1. Cash and cash equivalents

	Parent company		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Highly liquid financial investments (i)	16,375	9,129	475,054	372,167
Bank deposits (ii)	1,990	7,437	29,496	46,581
Cash	5	14	9	19
Total	18,370	16,580	504,559	418,767

- i) Management's strategy is to make investments that allow for withdrawals at any time, regardless of final maturity dates. These investments are the following:

Type of investment

	Parent company		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Reverse repurchase agreements (a)	16,375	4,155	209,799	57,997
Certificates of bank deposits (CDBs) (b)	-	4,974	258,588	309,520
Other investments	-	-	6,667	4,650
Total	16,375	9,129	475,054	372,167

- a) These are highly liquid debenture-backed instruments that accrue interest of 75% of the Interbank Deposit (DI) rate.
- b) These financial instruments accrue interest of 75% of the CDI and are held in custody with B3. They are highly liquid and can be withdrawn prior to their maturity date.
- ii) At June 30, 2021 and December 31, 2020, consolidated balances include mainly the receipts from customers that occurred on the last business day of the month.



8.2. Financial investments

	Parent company		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Exclusive financial investment fund (i)	10,032	43,230	251,037	279,485
Non-exclusive financial investment fund (ii)	-	-	43,874	40,826
Total	10,032	43,230	294,911	320,311

- i) Refers to an exclusive investment fund which invests in government securities and reverse repurchase agreements usually presenting better returns and which can be withdrawn at any time, regardless of their maturity dates, without penalty:

	Market and carrying value – Exclusive investment funds - Consolidated	
	6/30/2021	12/31/2020
Financial Bills – Eligible LFS – level II	111,222	134,705
National Treasury Financial Bills – LTN over	89,941	70,908
Debentures	38,394	61,262
Financial Bills - LF252	10,393	10,519
Other investments and reserve	1,047	2,204
Amounts payable	40	(113)
Total	251,037	279,485

- ii) Refers to a financial investment held as a guarantee asset for the Company's direct subsidiaries Qualicorp Benefícios, Gama Saúde and indirect subsidiaries Clube de Saúde, Plural and Uniconsult, which are regulated by ANS. The market value of the non-exclusive fixed-income investment fund units is based on the unit's value disclosed by the administrator of the fund in which the Company invests.

There are no significant non-cash transactions for disclosure in the statement of cash flows.

9. Amounts receivable from customers

Current	Parent company		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Premiums recoverable with risk of default – benefits administrators	-	-	363,493	607,194
Amounts receivable from customers	73,665	84,171	74,697	84,841
Other receivables from customers	-	-	23,985	19,453
Total	73,665	84,171	462,175	711,488



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The aging of consolidated receivables from customers is as follows:

	6/30/2021		
	Premiums	Brokerage fee	Other
Not yet due (a)	352,315	73,431	13,473
Up to 30 days past due	49,895	950	9,085
31-60 days past due	15,021	316	480
61-90 days past due (b)	669	-	947
(-) Expected losses (c)	(54,407)	-	-
Total	363,493	74,697	23,985

	12/31/2020		
	Premiums	Brokerage fee	Other
Not yet due (a)	624,431	84,080	4,564
Up to 30 days past due	38,885	282	13,269
31-60 days past due	9,944	479	703
61-90 days past due (b)	1,227	-	917
(-) Expected losses (c)	(67,293)	-	-
Total	607,194	84,841	19,453

- The change was due to the reversal of the provision for frozen premium increases (Note 1 b. ii).
- The premium amounts relating to June 30, 2021 were received by July 6, 2021 and the amounts relating to December 31, 2020 by January 6, 2021.
- Movement in expected losses is as follows:

	Benefits administrators	
	6/30/2021	12/31/2020
Balance at the beginning of the period	67,293	14,345
Expected losses	38,623	138,756
Reversal of expected losses	(51,509)	(85,808)
Total	54,407	67,293

9.1 Losses on uncollectible receivables – statement of income

	Consolidated	
	Six months ended	Six months ended
	6/30/2021	6/30/2020
Provisions (reversals) (i)	(12,886)	276
Actual losses (recoveries) (ii)	44,706	34,783
Balance at the end of the period	31,819	35,059

	Consolidated	
	Three months ended	Three months ended
	6/30/2021	6/30/2020
Provisions (reversals) (i)	(13,012)	289
Actual losses (recoveries) (ii)	26,912	16,564
Balance at the end of the period	13,900	16,853



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- i) The change in the three months ended June 30, 2021 was due to the reversal of the provision for premium increase freeze (Note 1 b. ii).
- ii) Refers mainly to losses on past-due receivables from management and stipulation of group benefits plans where the Company assumes the risk of default on payments to healthcare and dental operators and insurers, net of recoveries.

10. Other financial assets

	Parent company		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
<u>Current</u>				
Operator/insurer amounts pending reconciliation (i)	-	-	109,892	77,996
Taxes recoverable/to offset (ii)	41,956	34,800	80,130	72,313
Advances	13,072	12,977	14,353	15,103
Receivables from sale of Qsaúde	997	974	4,985	4,870
Other current assets	640	582	13,299	7,486
Total current	56,665	49,333	222,659	177,768
<u>Non-current</u>				
Taxes recoverable/to offset (ii)	-	-	50,598	50,710
Receivables from sale of Qsaúde	6,911	7,136	34,556	35,679
Advances from transfer of contracts	-	-	25,257	30,072
Judicial deposits	1,810	1,582	23,112	21,861
Total non-current	8,721	8,718	133,523	138,322
Total	65,386	58,051	356,182	316,090

- i) Refers mainly to timing differences between the listing of beneficiaries in the Company's system/internal control and the detailed listing of beneficiaries included in the paid and/or payable bills of health and dental plan operators/insurers, which are regularized in subsequent periods, once information is sent and processed.
- ii) Taxes recoverable/to offset are as follows:

	Parent company		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Corporate Income Tax (IRPJ)	30,842	28,879	54,967	54,453
Social Contribution on Net Income (CSLL)	6,664	5,676	13,938	12,440
Social Security Contribution (INSS)	-	-	3,501	3,501
Other taxes recoverable	4,450	245	7,724	1,919
Total current	41,956	34,800	80,130	72,313
Corporate Income Tax (IRPJ)	-	-	19,651	19,651
Social Security Contribution (INSS)	-	-	14,114	14,114
Social Contribution on Revenues (COFINS)	-	-	6,764	6,924
Social Contribution on Net Income (CSLL)	-	-	6,132	6,068
Social Integration Program (PIS)	-	-	3,937	3,953
Total non-current	-	-	50,598	50,710
Total	41,956	34,800	130,728	123,023

11. Deferred income tax and social contribution

For the purposes of disclosure under CPC 32 and ICPC 9, deferred tax is broken down as follows:



	Parent company		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Deferred income tax and social contribution assets	63,805	62,148	94,008	110,058
Deferred income tax and social contribution liabilities	-	-	(45,744)	(41,983)
Deferred income tax and social contribution – net	63,805	62,148	48,264	68,075

The consolidated balances are broken down as follows:

	6/30/2021								
	Parent company	Qualicorp Serviços	Qualicorp Benefícios	Clube de Saúde	Gama	CRC	Uniconsult	Plural	Consolidated
Deferred income tax and social contribution assets (i)	116,579	10	98,014	5,619	90	49	43	1,102	221,506
Deferred income tax and social contribution liabilities (ii)	(57,635)	-	(112,263)	-	-	-	(27)	(3,317)	(173,242)
Deferred income tax and social contribution, net	58,944	10	(14,249)	5,619	90	49	16	(2,215)	48,264

	12/31/2020							Consolidated
	Parent company	Qualicorp Serviços	Qualicorp Benefícios	Clube de Saúde	Gama	CRC		
Deferred income tax and social contribution assets (i)	112,705	15	112,876	4,168	88	-	229,852	
Deferred income tax and social contribution liabilities (ii)	(56,388)	-	(105,337)	-	-	(52)	(161,777)	
Deferred income tax and social contribution, net	56,317	15	7,539	4,168	88	(52)	68,075	

Deferred tax assets are recognized mainly for deductible temporary differences.

i) Deferred tax assets

Item	Parent company		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Provision for inflation-indexation and accruals adjustment on the acquisition of Aliança Group (merged)	8,922	14,016	52,275	72,512
Unrecognized income tax and social contribution losses (a)	-	-	51,592	49,990
Provision for impairment of goodwill (b)	41,088	41,088	41,088	41,088
Recognized income tax and social contribution losses	45,944	39,357	45,944	39,357
Provision for contingencies – portion related to companies and/or periods subject to the taxable income system	3,486	3,577	19,784	18,797
Provision for interest accruals on accounts receivable	-	-	12,651	17,310
Provision for impairment of trade receivables and write-off of uncollectible receivables – current amounts	129	114	16,677	11,744
Provision for profit sharing program	4,103	6,494	5,150	8,363
Hedges (cross-currency swap)	6,994	-	6,994	-
Hedge ineffectiveness (cross-currency swap)	80	-	80	-
Provision for expected credit losses	-	-	4,713	4,061
Other provisions	5,833	8,059	16,150	16,620
Total deferred tax assets	116,579	112,705	273,098	279,842
(-) Unrecognized deferred tax assets (c)	-	-	(51,592)	(49,990)
Total deferred tax assets recognized	116,579	112,705	221,506	229,852



- a) The unrecognized income tax (IRPJ) and social contribution (CSLL) losses are as follows:

Companies	Base		IRPJ/CSLL	
	6/30/2021	12/31/2020	(34%)	(34%)
Connectmed-CRC Consultoria, Administração e Tecnologia em Saúde Ltda.	91,587	88,563	31,140	30,111
Qualicorp Administração e Serviços Ltda.	50,178	48,208	17,061	16,391
Gama Saúde Ltda.	9,972	10,260	3,391	3,488
Total	151,737	147,031	51,592	49,990

- b) Refer to taxes on goodwill written off in subsidiaries.
- c) Certain direct and indirect subsidiaries of the Company have tax losses carryforward for which no deferred tax assets have been recognized as projected taxable profits are insufficient to permit recognition of deferred tax assets.

Deferred tax assets will be realized as the temporary differences reverse or become deductible for tax purposes. Based on expected future taxable profits, deferred tax assets are estimated to be realized as follows:

Year	Parent company		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
2021	14,541	35,305	90,123	124,071
2022	30,157	19,060	58,498	46,354
2023	17,251	17,252	18,252	18,338
From 2024 to 2025	54,630	41,088	54,633	41,089
Total	116,579	112,705	221,506	229,852

The present value of deferred tax assets at June 30, 2021 was determined to be R\$ 106,430 (Parent company) and R\$ 206,130 (Consolidated), using the Brazilian base interest rate (SELIC) for the estimated period of realization of temporary differences.

- ii) Deferred tax liabilities:

	Parent company		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Temporary differences on the portion of goodwill of merged companies amortized during the year, for tax purposes	53,162	51,497	158,986	148,841
On fair value of customer relationship intangible assets acquired in a business combination	9,878	10,229	16,621	18,391
First-time adoption of new standards (*)	(389)	(322)	2,651	(439)
Provision for impairment losses on the fair value of customer relationship intangible assets acquired in a business combination	(5,016)	(5,016)	(5,016)	(5,016)
Total	57,635	56,388	173,242	161,777

(*) Adoption of IFRS 9/CPC 48, IFRS 15/CPC 47, IFRS 16/CPC 6 R2.

12. Related parties

12.1. Balances and transactions with related parties

The Company has been assisting its executives with legal matters in connection with tax assessments on its 2013 share option program.



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The amounts due from/to related parties are as follows:

	Parent company		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Accounts receivable				
Intercompany transactions	7,500	5,636	-	-
Total assets	7,500	5,636	-	-
Accounts payable				
Intercompany transactions	-	38	-	-
Dividends payable (i)	17,669	42,119	17,669	42,119
Total liabilities	17,669	42,157	17,669	42,119

- i) The amount relating to 2021 is a provision for interest on capital that will be paid by July 28, 2021.

The following table presents movements in intercompany revenues and expenses for the periods ended June 30, 2021 and 2020:

	6/30/2021				
	Qualicorp Administradora de Benefícios S.A.	Qualicorp Consultoria Corretora de Seguros S.A.	CRC Connectmed	Gama	Other subsidiaries
Corporate services and apportionment of expenses (i)	(31,705)	35,889	(2,533)	16	(1,667)
Invoice issue service (ii)	(1)	-	-	-	1

	6/30/2020				
	Qualicorp Administradora de Benefícios S.A.	Qualicorp Consultoria Corretora de Seguros S.A.	CRC Connectmed	Gama	Other subsidiaries
Corporate services and apportionment of expenses (i)	(28,655)	32,527	(2,606)	273	(1,539)
Invoice issue service (ii)	(211)	-	-	-	211
Health plan	-	(41)	(5)	47	(1)

- i) Refers to back-office services (Finance, Controllershship, Legal, Administrative, Human Resources and Information Technology) used by the Group companies. The costs incurred in providing the services to the Group companies are apportioned among, and reimbursed by, the Group operating companies.
- ii) Refers to issue of invoices and collection of receivables from benefits administrators' customers.



12.2. Key management compensation

Key management includes members of the Board of Directors, the CEO, and the statutory and non-statutory officers.

The compensation paid or payable to key management is as follows:

	6/30/2021			
	Parent company		Consolidated	
	Accounts payable	Expenses	Accounts payable	Expenses
Short-term compensation (a)	70	13,021	1,947	41,353
Share-based compensation (b)	-	600	-	5,365
Balance at June 30, 2021	70	13,621	1,947	46,718

	6/30/2020			
	Parent company		Consolidated	
	Accounts payable	Expenses	Accounts payable	Expenses
Short-term compensation (a)	188	7,700	3,733	37,638
Share-based compensation (b)	-	6,188	-	30,941
Balance at June 30, 2020	188	13,888	3,733	68,579

- a) Compensation to the Board of Directors consists of a fixed pay, and compensation to executive officers and employees consists of a fixed and variable pay based on their performance and annual overall goals as approved by the Board.
- b) The change year over year was due to the accelerated vesting of share awards to executives upon termination of employment in the first half of 2020.

13. Investments

	Parent company		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Investments in subsidiaries:				
Qualicorp Administradora de Benefícios S.A.	1,400,050	1,300,331	-	-
Gama Saúde e Connectmed CRC	143,446	144,693	-	-
Oxcorp Gestão Consultoria e Corretora Ltda.	88,092	85,697	-	-
Qualicorp Administração e Serviços Ltda.	30,137	29,694	-	-
Total investments in subsidiaries	1,661,725	1,560,415	-	-
Escale Health Seguros e Corretagem S.A.	83,171	-	83,171	-
Total investment in joint venture	83,171	-	83,171	-
500 LLC	49,455	-	49,455	-
Total investment recognized at cost	49,455	-	49,455	-
Other investments	174	174	262	262
Total other investments	174	174	262	262
Total investments	1,794,525	1,560,589	132,888	262



Investments in subsidiaries – Parent company

	Qualicorp Administradora de Benefícios S.A.	Gama Saúde and Connectmed - CRC	Oxcorp Gestão Consultoria e Corretora Ltda.	Qualicorp Administração e Serviços Ltda.	Total
Information on investees at June 30, 2021					
Capital (i)	276,365	289,047	330	26,663	592,405
Equity (ii)	953,158	141,355	4,640	8,749	1,107,498
Profit (loss) for the period	188,525	(991)	4,747	443	192,724
Information on investments:					
Number of shares/quotas (iii)	496,715,989	28,904,692,914	330,000	26,662,568	-
Percentage of ownership - %	100	99.99	75	99.99	-
Movements in investments:					
Total investments at December 31, 2020	1,300,331	144,693	85,697	29,694	1,560,415
Distribution of profits	(97,000)	-	(583)	-	(97,583)
Loss on investments	-	-	(158)	-	(158)
Equity transactions with shareholders	405	-	-	-	405
Capital reserve – restricted stock plan	7,789	-	-	-	7,789
Share of net profits of investees accounted for using the equity method	188,525	(1,247)	3,136	443	190,857
Share of net profits of investees	188,525	(991)	3,560	443	191,537
Amortization of intangible assets (v)	-	(388)	(642)	-	(1,030)
Deferred income tax and social contribution on amortization of intangible assets	-	132	218	-	350
Total investments at June 30, 2021	1,400,050	143,446	88,092	30,137	1,661,725



Investments in joint venture and associate accounted for using the cost method – Parent company and Consolidated

	Escale Health Seguros e Corretagem S.A.	500 LLC	Total
Information on investments:			
Number of shares	253,095	14,941,640	-
Percentage of ownership - %	35	5	-
Movements in investments:			
Acquisition of investments (iv)	84,248	49,455	133,703
Share of net profits of investee accounted for using the equity method	(1,077)	-	(1,077)
Total investments at June 30, 2021	83,171	49,455	132,626

- i) For Gama Saúde and Connectmed-CRC, capital is R\$ 68,873 and R\$ 220,174, respectively.
- ii) The equity of subsidiary Qualicorp Benefícios, presented herein, considers the effects of the consolidation of its investments in subsidiaries. For Gama Saúde and Connectmed-CRC, equity is R\$ 67,271 and R\$ 72,966, respectively.
- iii) For Gama Saúde and Connectmed-CRC, the number of quotas is 6,887,297,425 and 22,017,395,489, respectively.
- iv) Acquisition of equity interests in Escale Health Seguros e Corretagem S.A. and 500 LLC (Note 7).
- v) Refers to the amortization of intangible assets such as customer relationships, trademarks, non-compete agreements and software for the period.

14. Intangible assets

I. Goodwill

There were no changes during the period ended June 30, 2021 as compared with the amount of R\$ 1,741,295 reported in the parent company and consolidated financial statements for the year ended December 31, 2020.



II. Other intangible assets

	Annual amortization rate - %	Parent company			Consolidated		
		Cost	Accumulated amortization	Balance	Cost	Accumulated amortization	Balance
Acquisition of rights assignment (a)	20	331,184	(198,131)	133,053	671,384	(423,779)	247.605
Software in use and software under development (b)	20	168,534	(112,007)	56,527	496,631	(362,048)	134.583
Exclusive rights	20	190,519	(183,477)	7,042	232,009	(221,175)	10.834
Trademarks and patents	20	125	-	125	1,239	(111)	1.128
Non-compete agreement	16.5	143,204	(23,147)	120,057	156,699	(31,662)	125.037
Sales commissions (c)	40.8	715,325	(466,945)	248,380	747,170	(483,889)	263.281
Total other intangible assets		1.548.891	(983,707)	565,184	2,305,132	(1,522,664)	782,468

Parent company	Balance	Additions	Write-offs	Write-offs	Balance
Acquisition of rights assignment	174,573	-	(16,896)	(24,624)	133,053
Software (b)	53,842	13,807	(9,152)	(1,970)	56,527
Exclusive rights	14,375	-	(7,333)	-	7,042
Trademarks and patents	125	-	-	-	125
Non-compete agreement	130,295	1,580	(11,818)	-	120,057
Sales commissions (c)	158,809	168,990	(79,419)	-	248,380
Total other intangible assets	532,019	184,377	(124,618)	(26,594)	565,184

Consolidated	Balance	Additions	Amortization	Write-offs	Balance
Acquisition of rights assignment (a)	262,255	13,551	(28,201)	-	247,605
Software in use and software under development (b)	143,989	21,851	(29,153)	(2,104)	134,583
Exclusive rights	18,211	450	(7,827)	-	10,834
Trademarks and patents	1,239	-	(111)	-	1,128
Non-compete agreement	137,837	1,580	(14,380)	-	125,037
Sales commissions (c)	168,765	181,568	(87,052)	-	263,281
Total other intangible assets	732,296	219,000	(166,724)	(2,104)	782,468

(a) Refers to assignment of rights and obligations (a) agreements entered into up to the present date.

- I. On April 5, 2021, an agreement for assignment of rights and obligations was entered into between Qualicorp Administradora de Benefícios and Gestão Serviços de Intermediação, Agenciamento e Negócios Ltda. in the amount of R\$ 12,000, which will be amortized over the term of the agreement of 60 months.
- II. The amount of write-off relates mainly to the contracts assigned to subsidiary Clube de Saúde, with no effect on profit or loss.



- (b) Refers to costs incurred to acquire licenses of software and operating systems in use.
- (c) Refers to compensation for obtaining new contracts. In the period ended June 30, 2021, the amortization period was increased from 24 months as of December 31, 2020 to 33 months, prospectively from January 2021. This intangible will be amortized on average 40.8% per year.

15. Borrowings and debentures

a) Borrowings

On May 11, 2021, the Company obtained a loan in US dollar from a local financial institution, as permitted by Law 4,131/62 and, to hedge against the foreign exchange risk, entered into a cross-currency swap in which it receives from the intermediary bank foreign exchange movements + 2.15% p.a. and pays CDI + 1.40% (Note 5 b). The maturity date of both transactions is May 2022.

The amount raised under the facility was \$ 66,534, equivalent to R\$ 350,000.

b) Debentures

Details of the issues, guarantees, early redemption and accelerated maturity were disclosed in Note 15 of the parent company and consolidated financial statements for the year ended December 31, 2020. The Company is complying with the covenants under the indenture.

The fiduciary agent analyzed the documentation and confirmed in its annual report on debenture issues submitted to investors and the CVM that the Company complied with all obligations under the indenture throughout the financial year 2020.

In the period ended June 30, 2021, the Company complied with the covenants and regularly paid the semiannual interest.

Schedule of maturities and breakdown of the debt:

	Parent company		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Debentures – lump-sum payment (*)	1,010,000	-	1,010,000	-
Interest payable	18,169	15,245	23,350	19,623
Cost of financial intermediation on issue/placement to defer on maturity date	(1,903)	(1,903)	(2,337)	(2,337)
Borrowing - Law 4,131	350,000	-	350,000	-
Interest on borrowing – Law 4,131	161	-	161	-
Foreign exchange gain - Law 4,131 (Note 23)	(20,571)	-	(20,571)	-
Current	1,355,856	13,342	1,360,603	17,286
Debentures – lump-sum payment (*)	-	1,010,000	290,000	1,300,000
Cost of financial intermediation on issue/placement to defer on maturity date	-	(951)	(434)	(1,603)
Non-current	-	1,009,049	289,566	1,298,397
Total	1,355,856	1,022,391	1,650,169	1,315,683

(*) Maturity date: June 28, 2022 (Company) and June 28, 2023 (QC Administradora).

Changes in debenture balances



	Parent company		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
At the beginning of the period	1,022,391	1,033,410	1,315,683	1,330,400
Allocation of expenses (issue costs)	951	1,902	1,169	2,336
Payment of interest (*)	(15,737)	(52,402)	(20,257)	(67,871)
Allocation of interest (Note 23)	18,662	39,481	23,985	50,818
At the end of the period	1,026,267	1,022,391	1,320,580	1,315,683

(*)Interest is payable half-yearly as per the annual report on debenture issues.

Fair value of debentures

The carrying amounts and fair values of debentures at June 30, 2021 and December 31, 2020 are as follows:

	Parent company		Parent company	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
	Carrying value	Fair value	Carrying value	Fair value
Debentures	1,026,267	1,014,379	1,022,391	995,722

	Consolidated		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
	Carrying value	Fair value	Carrying value	Fair value
Debentures	1,320,580	1,301,396	1,315,683	1,272,790

The fair values of debentures classified as at amortized cost are based on discounted cash flows using risk rates varying between 5.81% and 8.66% p.a. (December 31, 2020 - 4.55% and 6.59% p.a.).

16. Leases

a) Right-of-use assets

The changes in balances during the period were as follows:

	Parent company		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Beginning balance	17,320	32,130	31,315	92,793
Adjustments and renewals of contracts	6,920	1,449	7,329	5,639
Additions to right-of-use assets (new contracts)	-	6,990	-	8,437
Remeasurement of lease liabilities (*)	(3,390)	(13,740)	(5,275)	(18,603)
Depreciation for the period	(3,135)	(9,509)	(5,702)	(16,525)
Addition due to acquisition of subsidiary	-	-	-	2,812
Write-off due to the sale of subsidiary Qsaúde	-	-	-	(43,238)
Balance at the end of the period	17,715	17,320	27,667	31,315

(*) Relates to the early termination of the lease of floors in the office building where the Group maintains its headquarters.

b) Lease liabilities



The changes in balances during the period are as follows:

	Parent company		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Beginning balance	19,567	32,652	35,320	96,611
Adjustments and renewals of contracts	6,920	1,449	7,329	5,639
Additions to right-of-use assets (new contracts)	-	6,990	-	8,437
Remeasurement of lease liabilities (*)	(6,665)	(13,740)	(10,610)	(18,649)
Interest expense	664	2,392	1,132	4,825
Payments made	(3,659)	(10,176)	(6,273)	(17,219)
Addition due to acquisition of subsidiary	-	-	-	2,812
Write-off due to the sale of subsidiary Qsaúde	-	-	-	(47,136)
Balance at the end of the period	16,827	19,567	26,898	35,320
Current	5,359	8,682	9,995	15,007
Non-current	11,468	10,885	16,903	20,313

(*) Relates to the early termination of the lease of floors in the office building where the Group maintains its headquarters.

c) Statement of income

During the period, the following amounts were recorded in the statement of income:

- i) R\$ 1,132 (June 30, 2020 - R\$ 3,379) and R\$ 664 (June 30, 2020 - R\$ 1,470) of interest expense on lease liabilities, Consolidated and Parent company, respectively, are recorded in "finance costs" (Note 23).
- ii) R\$ 5,702 (June 30, 2020 - R\$ 9,981) and R\$ 3,135 (June 30, 2020 - R\$ 5,508) of depreciation of right-of-use assets, Consolidated and Parent company, respectively, are recorded in "administrative expenses" (Note 22).
- iii) The net effect of the remeasurement of the lease liability and the consequent write-off of the related right-of-use asset on profit or loss was R\$ 5,335.

d) Projects effects of inflation on lease contracts

In accordance with CVM Circular Letters 02/19 and 01/20, the Company estimated the effects of inflation on its lease contracts:

Lease liabilities	2021	2022	2023	After 2023
Carrying amount	22,430	13,648	9,006	-
Adjusted for expected inflation	24,717	15,658	10,723	-
Change	10.20%	14.73%	19.07%	-
Right-of-use assets, net	2021	2022	2023	After 2023
Carrying amount	21,991	12,371	8,038	-
Adjusted for expected inflation	24,281	14,378	9,737	-
Change	10.41%	16.22%	21.14%	-
Interest expense on lease liabilities	2021	2022	2023	After 2023
Carrying amount	2,043	1,313	722	1,753
Adjusted for expected inflation	2,046	1,354	771	2,028
Change	0.15%	3.12%	6.79%	15.69%



Depreciation	2021	2022	2023	After 2023
Carrying amount	10,738	9,620	4,333	8,038
Adjusted for expected inflation	10,757	9,903	4,641	9,737
Change	0.18%	2.94%	7.11%	21.14%

e) Potential taxes (PIS/COFINS) recoverable

The following table presents the potential PIS/COFINS recoverable on lease payments according to the estimated payment periods, at undiscounted and discounted amounts, considering the companies that are subject to the non-cumulative tax regime (the Company, Qualicorp Serviços and CRC Connectmed):

Consolidated		
Cash flow	Nominal value	Present value
Lease payments	19,834	16,598
Potential taxes - PIS/COFINS (9.25%)	1,835	1,393

17. Premiums to be transferred

The balance of R\$ 451,487 at June 30, 2021 (December 31, 2020 - R\$ 666,912) comprises health insurance invoices payable to the insurers/operators on the due date of the invoices, regardless of whether payments have been received from beneficiaries. The payments were mostly made by July 31, 2021 for amounts relating to June 30, 2021 (except premium rate increases) and by January 31, 2021 for amounts relating to December 31, 2020 (except for premium rate increases). The provision for premium increase freeze as at June 30, 2021 is R\$ 240,964 (December 31, 2020 - R\$ 483,222).

18. Other payables

	Parent company		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Current:				
Earn-out consideration (i)	59,064	-	59,064	-
Advances from customers	2,049	6,764	32,342	34,637
Acquisition of intangible asset payable (ii)	17,686	86,626	29,143	108,758
Operator/insurer amounts pending reconciliation (iii) (*)	-	-	28,148	15,637
Sundry suppliers	5,718	4,811	14,479	13,262
Refunds to beneficiaries	-	-	13,593	4,774
Commissions payable	3,238	6,189	5,589	6,593
Other	2,379	11,497	16,230	26,523
Total current	90,134	115,887	198,588	210,184
Non-current:				
Earn-out consideration (i)	-	59,064	-	59,064
Contingent consideration liability	527	520	4,055	4,000
Acquisition of intangible asset payable	-	-	2,250	3,650
Sundry suppliers	-	1,470	1,633	4,737
Total non-current	527	61,054	7,938	71,451
Total	90,661	176,941	206,526	281,635



i) Contingent consideration arising from the acquisition of Oxcorp. The estimate as of December 31, 2020 was revised to June 30, 2021 and remains within the expected range of values; hence, no adjustment is necessary to this liability. By the end of the fifth month of the financial year 2021, the Company shall confirm and determine the agreed multiple for 2021, which will serve as a basis for the contingent price. Payment shall be made within ten (10) business days from the date of its determination.

ii) The consolidated balance arises mainly from the acquisition of the customer portfolio from the benefits administration company Muito Mais Saúde (MMS) and the brokerage firm Soma. The contracts acquired are plans of operators with clients located in Rio de Janeiro and São Paulo. The decrease in the balance was due to the payment of the second installment in May 2021 and of the third installment on July 2, 2021, thus extinguishing the debt.

iii) Refers mainly to timing differences between the listing of beneficiaries in the Company's system/internal control and the detailed listing of beneficiaries included in the paid and/or payable bills of health and dental plan operators/insurers, which are regularized in subsequent periods, once information is sent and processed.

(*) Certain accounts have been reclassified to improve comparability of financial reporting, without any change to current liabilities or financial position of the Company.

19. Provision for contingencies

The Company and its subsidiaries are subject to civil, regulatory (ANS), labor and social security contingencies arising in the ordinary course of business for which provisions were recorded, based on the advice of their in-house and outside legal counsel and on Management's estimates, as shown below:

Consolidated	12/31/2020	Additions	Reversals /Payments	6/30/2021
Civil (i)	36,462	6,238	(263)	42,437
Labor and social security (ii)	30,437	5,737	(25,264)	10,910
Regulatory (iii)	22,117	719	(1,493)	21,343
Tax (iv)	4,636	977	-	5,613
Total	93,652	13,671	(27,020)	80,303

Parent company	12/31/2020	Additions	Reversals /Payments	6/30/2021
Civil (v)	1,896	610	(50)	2,456
Labor and social security (vi)	13,611	751	(11,087)	3,275
Tax (vii)	-	930	-	930
Total	15,507	2,291	(11,137)	6,661

Description of the main lawsuits and/or contingencies:

- i) The Company and its subsidiaries are defendants in ongoing civil lawsuits, where R\$ 42,437 (2020 - R\$ 36,462) is deemed to be a probable loss and, therefore, a provision has been recognized, and R\$ 53,668 (2020 - R\$ 68,457) is deemed to be a possible loss, for which no provision has been recognized. The main lawsuits are the same as those reported in the parent company and consolidated financial statements for the year ended December 31, 2020.
- ii) The Company and its subsidiaries are defendants in administrative and/or judicial proceedings involving labor and social security matters as previously reported in the annual and consolidated financial statements for the year ended December 31, 2020. The provision for labor claims is R\$ 10,910 (2020 - R\$ 30,437). No accrual was made for loss contingencies that are reasonably possible amounting to R\$ 13,452 (2020 - R\$ 10,834). The amount of R\$ 15,610 was paid in the three months ended June 30, 2021.
- iii) The subsidiaries are defendants in ongoing regulatory proceedings with ANS, where a provision has been recognized for R\$ 21,343 (2020 - R\$ 22,117) because a loss is believed to be probable, and no provision has been



made for R\$ 6,442 (2020 - R\$ 3,933) because a loss is believed only to be possible and not probable.

Additions refer mainly to changes in estimates and an increase in administrative proceedings.

- iv) The Company and its subsidiaries are defendants in ongoing tax lawsuits, where they recognized a provision for R\$ 5,613 (2020 - R\$ 4,636) that is deemed a probable loss.
- v) The Company is a defendant in ongoing civil lawsuits, where R\$ 2,456 (2020 - R\$ 1,896) is deemed to be a probable loss and, therefore, a provision has been recognized, and R\$ 1,690 (2020 - R\$ 18,201) is reasonably possible loss, for which no provision has been recognized. The main lawsuits are the same as previously reported in the parent company and consolidated financial statements for the year ended December 31, 2020.
- vi) The Company is a defendant in administrative and/or judicial proceedings involving labor and social security matters as previously reported in the parent company and consolidated financial statements for the year ended December 31, 2020. The provisions for labor claims are R\$ 3,275 (2020 - R\$ 13,611). In the three months ended June 30, 2021, the Company paid R\$ 8,984.

For matters totaling R\$ 4,517 (2020 - R\$ 3,937) in which a loss is believed to be possible, no provision has been recognized.

- vii) The Company is a defendant in ongoing tax proceedings and recognized a provision for estimated probable loss of R\$ 930 (2020 – nil). Padrão Administração e Corretagem de Seguros Ltda. (a company merged into the Company) received a PIS/COFINS tax deficiency notice for the 2007 tax year relating to alleged differences between the amount of tax reported in the tax return and the amount paid. The Company as a legal successor to the merged entity has filed an administrative appeal and is awaiting decision.

Possible loss contingencies arising from tax matters:

The Company has tax matters for which no provision has been recognized because the risk of loss is believed only to be possible but not probable.

These tax matters plus interest accrued total R\$ 1,393,540 at June 30, 2021 (December 31, 2020 - R\$ 1,379,294), as detailed below:

- a) At subsidiaries Qualicorp Administradora de Benefícios S.A. and Qualicorp Corretora de Seguros S.A. (merged into the Company in 2019), the total amount of R\$ 992,877 (December 31, 2020 - R\$ 984,564) refers to tax assessments involving amortization of goodwill in the calendar years 2011 to 2014. Those tax assessments are pending analysis at the administrative and judicial level and temporary court decisions have been issued in favor of the Company.
- b) At subsidiary Qualicorp Administradora de Benefícios S.A., the amount of R\$ 2,806 refers to tax assessment notices demanding social security contributions and other contributions as determined by the tax authorities on profits distributed by the merged entity Aliança Administradora de Benefícios de Saúde S.A. in calendar years 2012 to 2014.
- c) At subsidiary Qualicorp Administradora de Benefícios S.A., the amount of R\$ 43,075 refers to tax assessment notices demanding COFINS and PIS payments related to the activities developed by the merged entity Aliança Administradora de Benefícios de Saúde S.A. in calendar years 2012 to 2014.
- d) At subsidiary Qualicorp Administradora de Benefícios S.A., the amount of R\$ 6,935 refers to a tax deficiency notice demanding payment of income tax at source (IRRF) related to the activities developed by the merged entity Aliança Administradora Benefícios de Saúde S.A. in calendar years 2012 to 2014.
- e) At subsidiary Qualicorp Administradora de Benefícios S.A., the amount of R\$ 77,445 refers to a tax deficiency notice demanding payment of corporate income tax (IRPJ) and social contribution (CSLL) related to the activities developed by the merged entity Aliança Administradora Benefícios de Saúde S.A. in calendar years 2013 and 2014.
- f) The amount of R\$ 26,868 refers to tax assessment notices demanding payment of social security contributions, other contributions and penalty for non-payment of income tax at source (IRRF) on share option plan relating to



calendar year 2013.

- g) The amount of R\$ 216,466 refers to tax assessments issued against the Company (administrative proceeding No. 15746.720951/2020-12) related to (i) disallowance of expenses from the income tax (IRPJ) and social contribution (CSLL) levied on payments made to companies for brokerage and consulting services relating to calendar years 2014 to 2019, and (ii) withholding income tax (IRRF) at 35% as the tax authority assumed that the payments were made to those same companies without cause in calendar years 2015 to 2019. The tax assessments include penalty of 150% and interest based on the Brazilian basic interest rate (SELIC). At present, the Company is awaiting a decision on the administrative appeal it has filed.
- h) The residual balance of R\$ 27,068 consists of several tax assessments related principally to the following: definition of the location where subsidiary Connectmed-CRC Consultoria, Administração e Tecnologia em Saúde Ltda. should pay the municipal service tax (ISS) (R\$ 9,318); non-levy of social security contributions on items of payroll that are not considered to be compensatory in nature (R\$ 7,596); and fine and interest on the income tax assessment issued against the stock option grantees, whose payment will be the responsibility of the Company if the final court decision upholds the tax assessment (R\$ 10,154).

20. Equity

Share capital

At June 30, 2021 and December 31, 2020, the Company's capital is R\$ 896,558, comprising 284,014,325 registered common shares with no par value.

According to the Company's bylaws, the Company is authorized to increase its share capital, without requiring prior amendment to its bylaws, subject to approval and issue conditions determined by the Board of Directors, up to the limit of 350,000,000 new common shares.

The shareholders owning more than 5% of the Company's common shares are as follows:

	Common shares	
	6/30/2021	12/31/2020
Market (i)	141,496,595	188,845,147
Rede D'OR São Luiz	72,447,583	42,312,983
Pátria Investimentos	48,823,200	32,655,700
Opportunity	21,138,700	19,803,000
Treasury shares (ii)	108,247	397,495
Total	284,014,325	284,014,325

- i) Consists of shares traded on the Brazilian Stock Exchange, B3 S.A..
- ii) The movement in treasury shares during the six months to June 30, 2021 and 2020 was as follows:

	Treasury shares 6/30/2021	
	Number of shares	Amount
Balance at December 31, 2020	397,495	5,357
Restricted stock award	(289,248)	(3,899)
Balance at June 30, 2021	108,247	1,458



	Treasury shares 6/30/2020	
	Number of shares	Amount
Balance at December 31, 2019	2,538,374	33,664
Restricted stock award	(2,015,317)	(26,617)
Balance at June 30, 2020	523,057	7,047

Distribution to shareholders

On April 30, 2021, the shareholders approved the financial statements for the year ended December 31, 2020 and a dividend distribution for the fiscal year 2020 in the amount of R\$ 290,554, of which R\$ 11,183 is equivalent to 25% of distributable profits and R\$ 279,371 are supplementary dividends. The distribution of R\$ 279,839 out of the prior years' revenue reserve is complementary to the dividend declared out of the profit for the year ended December 31, 2020.

According to the Company's announcement, the dividends approved by the annual general meeting and the previously approved dividends were at R\$ 200,000 on May 31, 2021 and R\$ 370,393 will be paid by December 28, 2021.

21. Restricted stock plan

Under the restricted stock plan passed at the general meeting on April 27, 2018, there were new stock awards during the second quarter of 2021 on account of dividends paid in May. The Company granted the second tranche of stock awards. There were no stock cancellations.

In the period ended June 30, 2021, the amount of R\$ 9,826 (R\$ 7,363 net of income tax) was allocated to equity as described below.

At June 30, 2021, expenses for restricted stock awards made by the Company and/or its subsidiaries in May 2019 in the amount of R\$ 4,666 were recognized in equity (R\$ 3,426, net of income tax).

Grant date	Grant-date fair value	Expiry date	Number of options	Granted	Exercised	Cancelled	Balance
5/9/2019	17.2	5/9/2023	5,700,000	784,859	(3,150,643)	(2,864,952)	469,264
12/26/2019	38.1	12/26/2022	516,000	12,630	(172,949)	-	355,681
4/1/2021	30.4	4/1/2022	170,000	-	(170,000)	-	-
			6,386,000	797,489	(3,493,592)	(2,864,952)	824,945

At June 30, 2021, the weighted average remaining contractual term is 620 days (December 31, 2020 – 814).

In April 2021, the Company approved a new Restricted Stock Plan for certain executives and subject to a lock-up period of one (1) year.

The primary purpose of this new Plan is to help the Company build and sustain a culture of meritocracy to incentivize selected executives to perform at a high level which justifies their selection to receive the restricted stock awards. With annual awards, the new plan is also intended to motivate executives to attain strong and sustained performance year after year, to remain with the Company or its subsidiaries and to align the interests of the executives with those of the Company's shareholders.

The reference price for each Restricted Share under the Plan is the price per Restricted Share on the stock exchange B3 S.A. on the day immediately preceding the date of grant.

The restricted stock cost of R\$ 5,160 was allocated to equity (R\$ 3,937, net of income tax). However, due to the lock-up period of one year, the new plan was recorded as prepaid expense and will be allocated out to expense over twelve months. In the period ended June 30, 2021, the Company recognized expenses of R\$ 1,290 within administrative expenses.



22. Expenses by nature

	Parent company		Consolidated	
	Six months ended	Six months ended	Six months ended	Six months ended
	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Cost of providing services				
Personnel costs	12,842	9,213	71,899	57,714
Outsourced services (i)	4,613	4,309	62,954	48,126
Financial transfers from membership contracts	-	-	55,292	47,964
Reimbursements of accounts and monthly fees	-	-	4,465	4,763
Occupancy costs	691	1,151	4,175	3,328
Other costs of providing services	1,880	1,051	22,444	17,453
Total cost of providing services	20,026	15,724	221,229	179,348
Administrative expenses				
Depreciation and amortization charges (ii)	49,081	63,830	88,017	133,514
Personnel costs (iii)	35,816	36,741	81,171	103,429
Outsourced services	20,161	9,317	44,063	31,201
ANS assessment notice expenses	-	-	3,913	4,797
Other administrative expenses	6,354	15,805	19,542	28,072
Total administrative expenses	111,412	125,693	236,706	301,013
Selling expenses				
Depreciation and amortization charges (iv)	79,419	61,870	87,053	63,543
Third-party commissions	28,650	20,764	37,455	34,470
Personnel costs	34,307	25,162	36,208	26,838
Advertising and publicity (v)	28,105	5,676	35,988	9,524
Other selling expenses	14,214	13,575	17,582	17,123
Total selling expenses	184,695	127,047	214,286	151,498
Total expenses by nature	316,133	268,464	672,221	631,859



	Parent company		Consolidated	
	Three months ended	Three months ended	Three months ended	Three months ended
	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Cost of providing services				
Personnel costs	6,734	4,553	36,935	29,648
Financial transfers from membership contracts	-	-	29,698	24,938
Outsourced services (i)	2,502	1,700	30,008	24,328
Reimbursements of accounts and monthly fees	-	-	2,196	2,273
Occupancy costs	404	580	1,898	1,598
Other costs of providing services	877	544	10,560	9,880
Total cost of providing services	10,517	7,377	111,295	92,665
Administrative expenses				
Personnel costs (iii)	21,771	14,396	47,184	19,708
Depreciation and amortization charges (ii)	23,300	31,775	42,523	69,029
Outsourced services	12,805	3,323	24,487	12,422
ANS assessment notice expenses	-	-	1,388	657
Other administrative expenses	2,109	14,328	8,761	20,866
Total administrative expenses	59,985	63,822	124,343	122,682
Selling expenses				
Depreciation and amortization charges (iv)	39,709	32,487	46,202	33,409
Advertising and publicity (v)	17,206	3,576	22,200	5,385
Third-party commissions	14,890	10,621	19,209	17,779
Personnel costs	14,896	13,821	15,867	14,683
Other selling expenses	8,323	6,986	9,629	7,438
Total selling expenses	95,024	67,491	113,107	78,694
Total expenses by nature	165,526	138,690	348,745	294,041

- i) The increase in the consolidated balance was due to the increase in demand for call center services after the COVID-19 pandemic began.
- ii) There was a decrease in amortization charges as the amortization of customer relationships arising from business combinations ended.
- iii) The year 2020 was affected principally by the provision for costs of employment termination and restricted stock to executives.
- iv) The commission expenses increased as a result of sales incentives paid in 2020 and 2021.
- v) The Company increased investments in lead generation efforts and advertising campaigns.



23. Finance income and costs

	Parent company		Consolidated	
	Six months ended	Six months ended	Six months ended	Six months ended
	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Finance income:				
Foreign exchange gains (i)	20,571	-	20,571	-
Interest and penalty on late payments (ii)	-	-	16,035	14,429
Interest income on financial investments	578	1,500	12,629	9,097
Inflation indexation relating to sale of Qsaúde	309	391	1,546	1,953
Other finance income	119	133	830	1,791
Total finance income	21,577	2,024	51,611	27,270
Finance costs:				
Interest on debentures (Note 15)	(18,662)	(23,565)	(23,985)	(30,332)
Recycling of cash flow hedge	(20,571)	-	(20,571)	-
Collection fee	(28)	(24)	(13,587)	(12,939)
Interest and penalty	(1,253)	(112)	(2,482)	(668)
Discounts granted	-	(1)	(6,123)	(3,201)
Interest expense on lease liabilities	(664)	(1,470)	(1,132)	(3,379)
Hedge ineffectiveness	(237)	-	(237)	-
Loss on shares of investment funds	-	(2,664)	-	(10,221)
Other finance costs	(3,201)	(2,022)	(6,103)	(6,279)
Total finance costs	(44,616)	(29,858)	(74,220)	(67,019)
Finance result	(23,039)	(27,834)	(22,609)	(39,749)



	Parent company		Consolidated	
	Three months ended	Three months ended	Three months ended	Three months ended
	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Finance income:				
Foreign exchange gains (i)	20,571	-	20,571	-
Interest and penalty on late payments (ii)	-	-	8,124	6,777
Interest income on financial investments	303	917	7,329	4,955
Inflation indexation relating to sale of Qsaúde	154	391	768	1,953
Other finance income	67	76	476	714
Total finance income	21,095	1,384	37,268	14,399
Finance costs:				
Recycling of cash flow hedge	(20,571)	-	(20,571)	-
Interest on debentures (Note 15)	(10,968)	(10,426)	(14,081)	(13,419)
Collection fee	(15)	(11)	(7,351)	(6,474)
Discounts granted	-	-	(3,064)	(1,584)
Interest and penalty	(1,232)	(16)	(2,044)	(221)
Call option	(444)	-	(1,168)	-
Interest expense on lease liabilities	(258)	(707)	(465)	(1,323)
Hedge ineffectiveness	(237)	-	(237)	-
Other finance costs	(992)	(2,943)	(1,548)	(10,015)
Total finance costs	(34,717)	(14,103)	(50,529)	(33,036)
Finance result	(13,622)	(12,719)	(13,261)	(18,637)

- i) Foreign exchange gains as per Note 15.
- ii) Qualicorp Serviços, Clube de Saúde, Qualicorp Benefícios, Uniconsult and Plural charge interest and penalties to beneficiaries of their plans who fail to pay their invoices by the due date.



24. Income tax and social contribution

	Parent company		Consolidated	
	Six months ended 6/30/2021	Six months ended 6/30/2020	Six months ended 6/30/2021	Six months ended 6/30/2020
Profit before income tax (IRPJ) and social contribution (CSLL)	203,125	196,919	307,356	280,379
Share of net profits of investees accounted for using the equity method	(189,780)	(180,897)	1,077	-
Subtotal	13,345	16,022	308,433	280,379
Statutory rate of IRPJ and CSLL	34%	34%	34%	34%
Expected IRPJ and CSLL expense (credit) at the statutory tax rate	(4,537)	(5,447)	(104,867)	(95,329)
Interest on capital	6,007	-	6,007	-
Tax losses for which no deferred tax asset was recognized (i)	-	-	(1,242)	(927)
Adjustment for adoption of IFRS 16	67	395	303	389
(Recognition)/reversal of temporary additions without recognition of deferred tax assets, net	-	-	892	(811)
Gain on sale of Q Saúde	-	2,887	-	14,441
Other	121	(443)	1,257	(2,901)
Total IRPJ/CSLL expenses	1,658	(2,608)	(97,650)	(85,138)
Effective tax rate	(12.43%)	16.28%	31.66%	30.37%

- i) Certain direct and indirect subsidiaries of the Company have tax loss carryforwards, for which no deferred tax assets have been recognized because to date they do not have sufficient projected taxable profits to allow them to recognize deferred tax assets (Note 11).

25. Insurance

The Company and its subsidiaries maintain insurance coverage for their assets. Management believes the insurance coverage is sufficient to cover potential losses, as shown below:

Items	Type of coverage	Sum insured
Insurance against administrative proceedings (*)	Insurance covering losses in administrative proceedings filed by public bodies	1,837,286
Civil liability of directors and officers	Directors and Officers (D&O) liability and Errors and Omissions (E&O) insurance	250,000
Buildings, facilities, machinery, furniture and fittings	Any damage to buildings and loss of profit due to fire, facilities, machinery and equipment, civil liability in relation to operations and employer's liability	41,090
Vehicles	Loss and damage or pecuniary damage	278

- The Company and its subsidiaries contracted new insurance to cover potential obligations arising from the dispute with the tax authorities about the deduction of goodwill expenses relating to the period 2015-2017 from the income tax and social contribution calculation basis.



26. Descriptive information about reportable segments and net operating revenue

- a) Description of the types of services from which each reportable segment derives its revenue is provided in Note 27.a. in the financial statements for the year ended December 31, 2020.
- b) Measurement of operating segment profit or loss, assets and liabilities

The accounting policies of the Affinity segment are the same as those described in Note 27 to the financial statements for the year ended December 31, 2020.

- a) Factors that Management used to identify the Company's reportable segments

The factors used by Management to identify the Company's reportable segments are the same as those described in Note 27 to the financial statements for the year ended December 31, 2020. As at June 30, 2021, the Affinity segment is the business unit that accounts for 93.55% of the net operating revenue of the Parent company and its subsidiaries.

- b) Gross and net revenue by type of service

	Parent company		Consolidated	
	Six months ended	Six months ended	Six months ended	Six months ended
	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Administration fee	-	-	694,980	677,577
Brokerage fee	308,983	294,987	315,703	294,987
Agency fee	76,627	61,471	76,627	61,471
Other revenue	3,307	3,096	43,990	44,666
Total gross operating revenue	388,917	359,554	1,131,300	1,078,701
Deductions from gross operating revenue:				
Taxes on revenue	(40,123)	(43,383)	(90,475)	(92,351)
Returns and cancellations	(636)	(97)	(636)	(97)
Total deductions	(40,759)	(43,480)	(91,111)	(92,448)
Net operating revenue	348,158	316,074	1,040,189	986,253

- c) Information about reportable segment profit or loss, assets and liabilities

The following table presents the amounts related to the reportable segment. Unallocated expenses and/or revenues are shown in item (f) below:

Consolidated	6/30/2021			6/30/2020		
	Affinity segment	All other	Total	Affinity segment	All other	Total
Net revenue	973,852	66,337	1,040,189	913,685	72,568	986,253
Cost of providing services	(186,963)	(34,266)	(221,229)	(137,704)	(41,644)	(179,348)
Net revenue (expenses)	(221,953)	(15,725)	(237,678)	(165,510)	(8,700)	(174,210)
Selling expenses	(192,046)	(17,093)	(209,139)	(138,788)	(7,422)	(146,210)
Losses on uncollectible receivables	(33,190)	1,371	(31,819)	(33,667)	(1,392)	(35,059)
Finance income	16,035	-	16,035	14,429	-	14,429
Other operating income (expenses), net	(12,751)	(4)	(12,755)	(7,484)	114	(7,370)
Profit before unallocated expenses	564,936	16,346	581,282	610,471	22,224	632,695



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Information about profit, assets and liabilities of nonreportable segments (within “All other”) is attributable to two business units which individually do not account for more than 10% of the Parent company's revenue:

- Corporate segment: all activities related to insurance brokerage or plan intermediation, as well as benefits consulting to large corporate clients or small and medium-sized enterprises (SMEs).
 - Health management segment: focus on preventive medicine and patient care management activities, prior authorization and regulation of medical procedures, management of medical service provider network, and medical information processing activities.
- d) Reconciliation of revenues, profit, assets and liabilities

	Consolidated	
	Six months ended 6/30/2021	Six months ended 6/30/2020
Unallocated amounts:		
Administrative expenses	(236,706)	(301,013)
Finance costs	(38,644)	(54,178)
Share of net profits of investees accounted for using the equity method	(1,077)	-
Provisions for contingencies	101	(21,529)
Selling expenses	(5,147)	(5,288)
Other income, net (i)	7,547	29,692
Total	(273,926)	(352,316)
Profit before income tax (IRPJ) and social contribution (CSLL)	307,356	280,379
(-) IRPJ and CSLL	(97,650)	(85,138)
Profit attributable to owners of the Parent company	209,706	195,241

Assets:	6/30/2021	12/31/2020
Total assets for reportable segment	2,754,739	2,900,088
All other	204,250	217,538
Unallocated amounts	1,471,232	1,289,352
Total	4,430,221	4,406,978

Liabilities:	6/30/2021	12/31/2020
Total liabilities for reportable segment	2,585,456	2,454,770
All other	11,309	8,697
Unallocated amounts	1,833,456	1,943,511
Total	4,430,221	4,406,978



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g) Geographical information for the reportable segment

The Parent company and its subsidiaries conduct all of their activities in the domestic market. The following table presents the lives managed by the Affinity segment and its market share:

Geographical areas (Consolidated)	6/30/2021		6/30/2020	
	Lives	Market share	Lives	Market share
Southeast	1,061,300	65.01%	813,899	61.80%
Northeast	318,297	19.50%	328,875	25.00%
South	91,269	5.59%	67,606	5.10%
North	86,995	5.33%	46,288	3.50%
Central West	74,719	4.58%	61,364	4.60%
Total of the Affinity Segment	1,632,581	100%	1,318,032	100%

Information about major customers

For the interim period ended June 30, 2021, revenues from major customers of the Affinity segment were R\$ 64,437, R\$ 59,902 and R\$ 57,488, which represent 6.09%, 5.66% and 5.43% of the segment's revenue and 5.70%, 5.29% and 5.08% of the consolidated revenue.

For the interim period ended June 30, 2020, revenues from major customers of the Affinity segment were R\$ 62,398, R\$ 60,543 and R\$ 56,377, which represent 6.25%, 6.07% and 5.65% of the segment's revenue.

27. Commitments

At June 30, 2021, significant commitments of the Company and its subsidiaries are as follows:

Commitments related to call center services of approximately R\$ 10,864 for the remaining six months of 2021 (unaudited). There are no expenditure projections for 2022 and 2023 because contracts are renegotiated on an annual basis.

Expenses incurred on call center service agreements for the period ended June 30, 2021 were R\$ 18,103 (June 30, 2020 - R\$ 11,765).

28. Earnings per share

	Parent company and Consolidated	
	Six months ended 6/30/2021	Six months ended 6/30/2020
Profit attributable to owners of the Parent company	204,783	194,311
Weighted average number of common shares used in calculating basic earnings per share	283,906,078	283,491,442
Weighted average number of common shares adjusted for share options for calculation of diluted earnings per share	283,996,064	283,593,542
Basic earnings per share - R\$	0.72131	0.68542
Diluted earnings per share - R\$	0.72108	0.68517



	Parent company and Consolidated	
	Three months ended 6/30/2021	Three months ended 6/30/2020
Profit attributable to owners of the Parent company	91,380	126,068
Weighted average number of common shares used in calculating basic earnings per share	283,906,078	283,491,442
Weighted average number of common shares adjusted for share options for calculation of diluted earnings per share	283,996,064	283,593,542
Basic earnings per share - R\$	0.31807	0.44470
Diluted earnings per share - R\$	0.31797	0.44454

29. COVID-19 effects and projections

In compliance with CVM Official Letter 01/2021, the key accounting considerations for uncertainties and implications of the COVID-19 pandemic for this quarter are the following:

a) Expected credit loss (ECL) assessments

Management assessed ECL estimates in accordance with Technical Pronouncement CPC 48/ IFRS 9 – Financial Instruments and Official Letter CVM/SNC/SEP 3 of April 16, 2020 relating to the impacts of the COVID-19 response measures and, principally, the temporary freeze on private health plan premiums as announced by the regulatory agency ANS. For detailed information about the premium increase freeze please refer to items ‘a’ and ‘b’ of the Note 30 to the parent company and consolidated financial statements for the year ended December 31, 2020.

The premium price increases which were frozen from September 2020 will be applied by the Company in twelve installments commencing January 2021. Despite higher delinquency rates among customers whose plans were cancelled due to premium increases, there is no evidence that these higher delinquency rates are strongly correlated with higher credit risk because the frozen premium increase is being charged along with the regular premium.

There were no changes in the Company’s working capital or no unusual significant discount requests.

b) Debenture covenants

To date, debt covenants have not been affected by COVID-19 (Note 15.b).

c) Other information

So far, the Company has not identified any significant risk that it will not be able to continue in operational existence for the foreseeable future, based on all information currently available.

30. Events after the reporting period

a) Distribution of interest on capital

At the meeting held on June 30, 2021, the Board of Directors approved the payment of interest of capital in the gross amount of R\$ 17,669, or R\$ 0.0622342830 per share. The interest on capital was paid out to shareholders on July 28, 2021.

This payment of interest on capital will be deducted from the mandatory dividends for fiscal year 2021.



31. Approval of the condensed interim financial statements

These condensed parent company and consolidated interim financial statements were approved by the Board of Directors on August 10, 2021 and disclose all events occurring after the end of the interim reporting period, i.e., June 30, 2021.

Bruno Ferreira Blatt
Chief Executive Officer

Pablo dos Santos Meneses
Officer

Frederico de Aguiar Oldani
Chief Financial and Investor
Relations Officer

Carlos Eduardo Lourenço
Chief Controller

Magnus Monteiro de Oliveira Júnior
Accountant - CRC. 1SP219254/O

Elton Hugo Carlucci
Officer
