

# Second Quarter 2023 Results

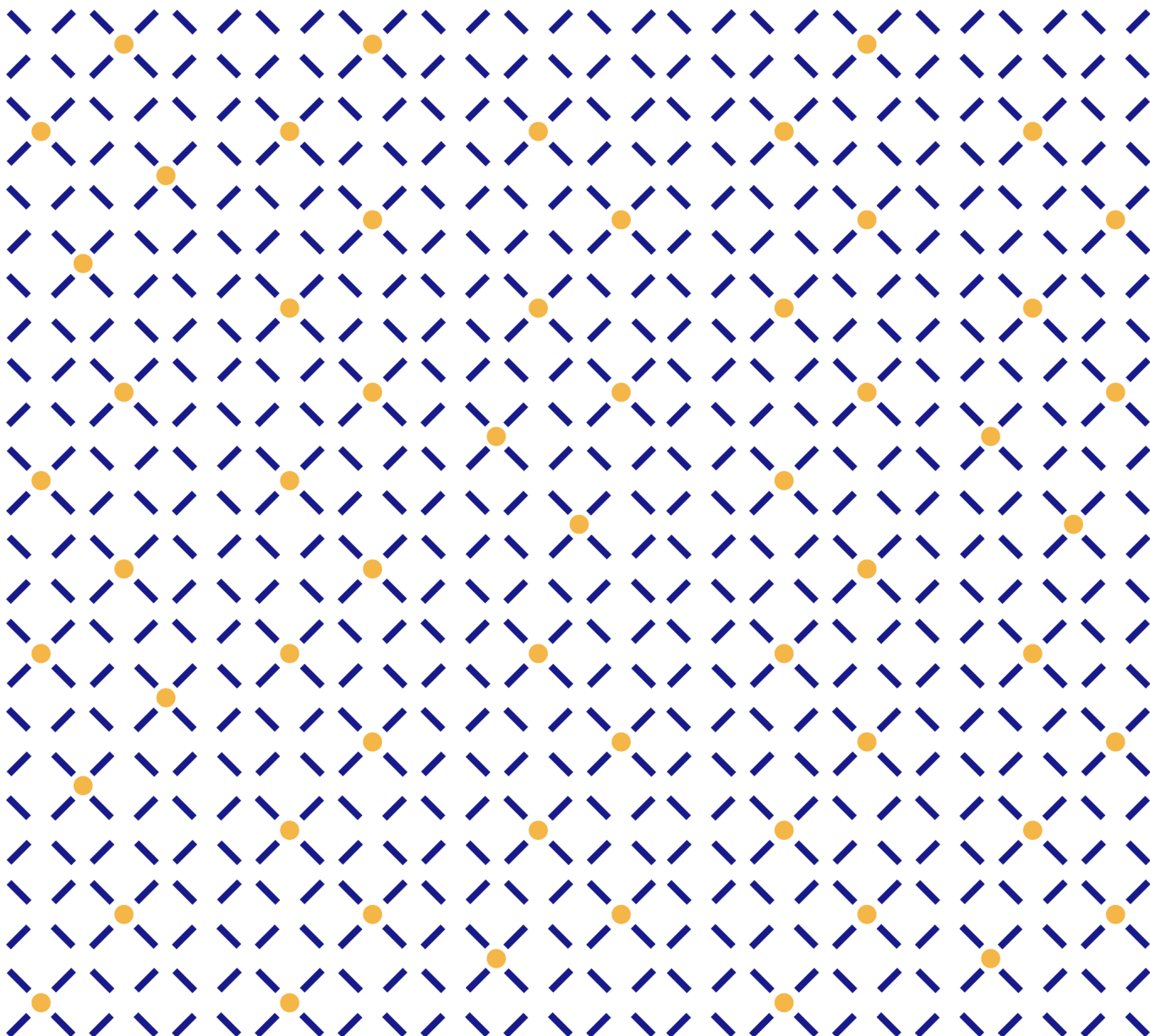
## Second Quarter 2023 Results

**São Paulo, August 14<sup>th</sup>, 2023.** Qualicorp Consultoria e Corretora de Seguros S.A. ("Quali" or "Company") (B3: QUAL3), a leading full-service healthcare benefits broker, administrator, and health management services provider in Brazil, announces its consolidated results for the second quarter of 2023 (2Q23) and first semester of 2023 (1H23). 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 figures as well as their historical series are available in MS Excel format on the website [ri.qualicorp.com.br](https://ri.qualicorp.com.br).

### Highlights:

- **Free Cash Flow:** R\$148.4 million in 2Q23, the highest in 9 quarters and +5.5% vs. 1Q23, with cash commissions of R\$53.3 million in 2Q23 (-16.9% vs. 1Q23).
- **Lives Portfolio:** 929 thousand Affinity Health lives in 2Q23 (-3.4% vs. 1Q23), with organic gross adds of 76.6k lives and 109k cancellations. SME portfolio of 91.8k lives in 2Q23 (+3.9% vs. 1Q23).
- **Net Revenue:** R\$435.0 million in 2Q23 (-4.9% vs. 1Q23), with improvement in average ticket, but reduction in take-rate, and R\$892.3 million in 1H23 (-10.0% vs. 1H22).
- **Adjusted EBITDA:** R\$194.8 million in 2Q23 (-7.4% vs. 1Q23), with 44.8% margin (-120 bps vs. 1Q23) and R\$405.1 million in 1H23, with 45.4% margin (-370 bps vs. 1H22).
- **Net Income:** R\$13.7 million in 2Q23 (-17.7% vs. 1Q23) and R\$30.4 million in 1H23 (-75.4% vs. 1H22).
- **Net Debt:** R\$1.3 billion in 2Q23, with 6.7% reduction vs. 1Q23, equivalent to 1.55x Adjusted EBITDA LTM, vs. 1.59x in 1Q23 and 1.47x in 2Q22. ROIC LTM of 14.8% in 2Q23.

Key Indicators (R\$ MN)	2Q23	YoY	QoQ	1H23	YoY
Affinity Portfolio (thous. lives)	2,321.0	-9.8%	-0.7%	2,321.0	-9.8%
Affinity Health (thous. lives)	929.0	-18.0%	-3.4%	929.0	-18.0%
Gross Adds - organic (thous. lives)	76.6	-32.3%	20.4%	140.2	-38.6%
Churn (thous. lives)	(109.0)	-18.5%	1.7%	-216.3	-18.4%
Net Revenue	435.0	-11.1%	-4.9%	892.3	-10.0%
Adjusted EBITDA <sup>1</sup>	194.8	-16.8%	-7.4%	405.1	-16.8%
<i>Adjusted EBITDA Margin</i>	<i>44.8%</i>	<i>-309 bps</i>	<i>-119 bps</i>	<i>45.4%</i>	<i>-373 bps</i>
Net Income	13.7	-72.2%	-17.7%	30.4	-75.4%
Free Cash Flow	148.1	69.3x	5.5%	288.6	13.0x
Net Debt	1,323.8	-11.4%	-6.7%	1,323.8	-11.4%
<i>Net Debt / Adj. EBITDA LTM</i>	<i>1.55x</i>	<i>0.08x</i>	<i>-0.04x</i>	<i>1.5x</i>	<i>0.1x</i>
ROIC	14.8%	-9.4 p.p.	-162 bps	14.8%	-9.4 p.p.



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**More Quali for your life.**

# Management Highlights

Quali's results in the second quarter of 2023 continue to reflect the current strategy of discipline in **capital allocation**, with robust **cash generation** and organic net debt reduction, despite the challenging macroeconomic context of high interest rates and more complexity for the healthcare sector. HMOs and insurers have pursued ways to restore their margins that in the last two years were strongly pressured by record loss ratio level. As result, they are applying strong readjustments to healthcare plan prices. In 2023, those readjustments are posed to be the highest on record for our Affinity portfolio, which therefore may translate in higher cancellations and downgrades for our beneficiaries.

The challenges are plenty, but Quali is getting ready to face them. In this context, our Board elected **Maurício Lopes** as the new CEO, with a mandate that started about 15 days ago. With extensive experience over the last three decades from different players within the supplementary healthcare sector, including HMOs, Maurício brings new skills and knowledge that complement the qualifications of our current Management and are fully aligned with Quali's strategic objectives. In addition, we brought in **Marcos Buzo**, another renowned professional with executive stints at large companies in the sector, to assume as our new Commercial Director. Mauricio and Buzo joined a competent executive team to lead the Company in its **strategic review** and repositioning within the healthcare value chain.

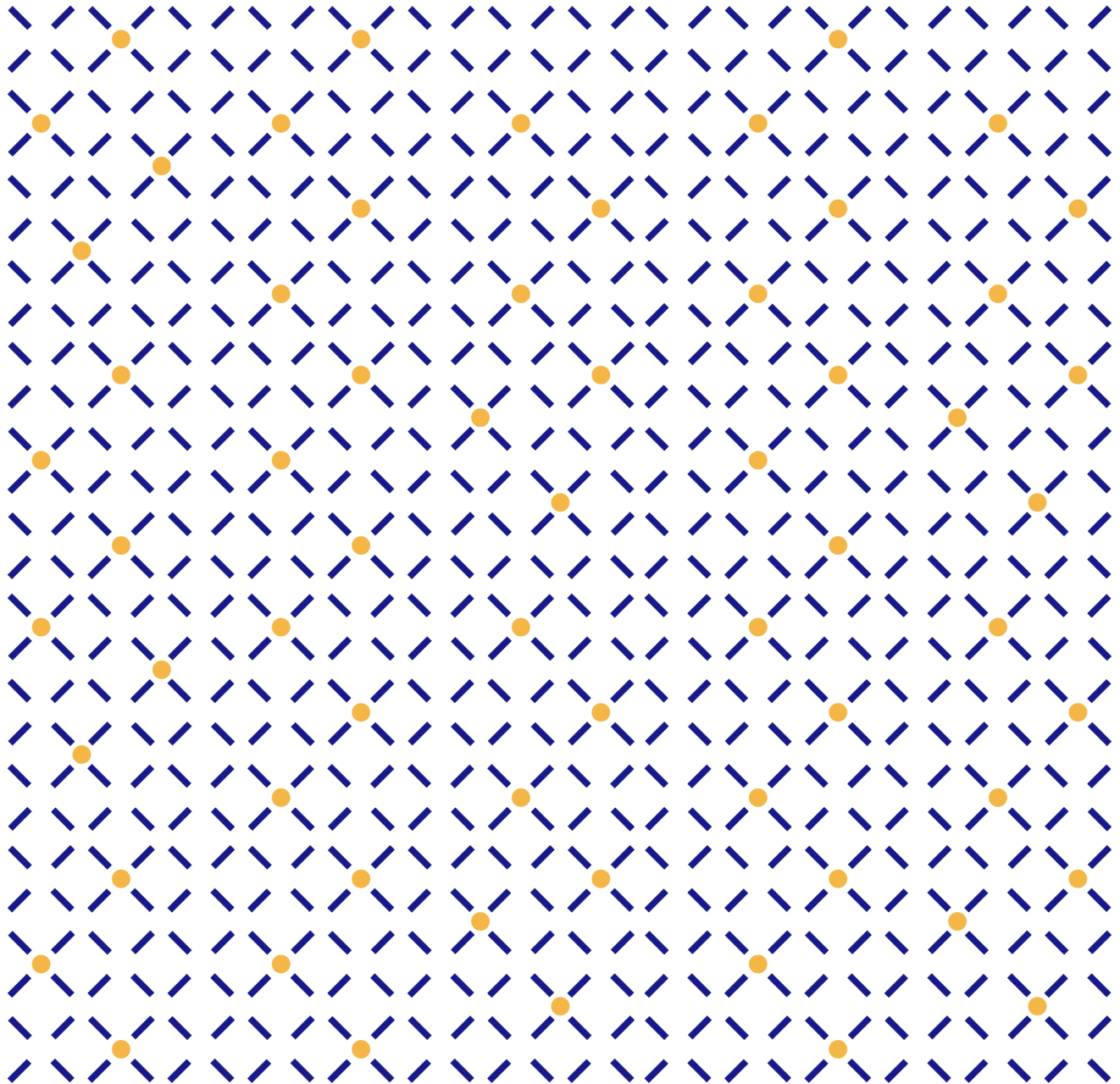
Among the priority topics for Quali in the short term, we highlight: i) commercial policies review with incentives rationalization and seeking greater alignment of the remuneration model alongside all the players of the healthcare distribution chain; ii) focus on operational efficiency for margin recovery and cash flow generation, continuing to operate with KPI-oriented management and mapping opportunities for processes and organizational structure optimization. And, in the mid-term, the priority is to get closer to strategic partners and other stakeholders, reinforcing Quali's uncontested leadership as a Benefits Administrator. To this end, the main fronts are related to **health management**, which involves acting more intensively in the medical loss ratio control, and **product innovation**, with the launch of healthcare plans more aligned with the new sector reality and with the needs of our beneficiaries.

Moving on to the quarter's **main highlights**, we published the second edition of our Annual Sustainability Report (ASR) depicting the evolution of the main ESG aspects in the Company, in a document based on GRI standards and assured by an independent audit firm. We also received the GPTW recertification, which places Quali as one of the best companies to work for the 4<sup>th</sup> consecutive year. In addition, reinforcing our position as a relevant player in the healthcare sector, we promoted a fraud awareness campaign with high engagement of our employees. Finally, we promoted the relaunch of both our client's relationship app and our e-commerce platform, bringing new functionalities and aiming at greater engagement with our customers.

In **operational aspects**, we observed in the 2Q a sequential improvement in Affinity Health Lives gross adds of around 20% when compared to the previous quarter. However, the sales increase was still insufficient to offset the current cancellations level, resulting in a negative net adds of 32.5 thousand lives in our main portfolio. As a consequence, we had a 5% decrease in our net revenue in the quarterly comparison, also impacted by pressure on the take-rate that ended up offsetting the positive effects of the average ticket growth both in gross adds and in the Affinity portfolio.

Similar to previous quarters, we presented another reduction in the Company's total costs and expenses in 2Q23 (-2.8% QoQ, -5.8% YoY), highlighting the decrease in Personnel and Occupancy expenses. However, the operational deleveraging caused by the lower top line resulted in a sequential contraction of 120 bps in our Adjusted EBITDA margin, to 44.8%. Finally, and in-line with our main financial objective for this year, we delivered once again a **strong operating cash generation** of R\$148 million in 2Q23, the highest in the last 9 quarters, which led to 7% reduction in net debt even after considering the interests of debentures paid in June.

As mentioned before, we will continue throughout 2023 to dedicate ourselves to expenses control, with discipline in capital allocation, in order to face the current sector situation in the best possible way. In parallel, and with important reinforcements in its Management, Quali will continue to **seek value-generating levers** for medium and long-term, in order to reinforce its **competitive differentials** as a leader in the Benefits Administration segment. And, together with its partners, it will continue to work towards the sustainability of the healthcare sector.



# Lives Portfolio

# Lives Portfolio

Portfolio	2Q23	2Q22	Var. YoY	1Q23	Var. QoQ	1H23	1H22	Var. YoY
<b>Affinity Health Lives</b>								
Total Portfolio (BOP)	961,468	1,153,068	-16.6%	1,005,090	-4.3%	1,005,090	1,169,061	-14.0%
(+) Gross Adds	76,596	113,159	-32.3%	63,606	20.4%	140,202	228,316	-38.6%
(-) Churn	(109,048)	(133,876)	-18.5%	(107,228)	1.7%	(216,276)	(265,033)	-18.4%
(+) Portfolio Acquisition	-	2	NM	-	NM	-	9	NM
New Lives Added (net)	(32,452)	(20,715)	56.7%	(43,622)	-25.6%	(76,074)	(36,708)	-51.7%
<b>Total Portfolio (EOP)</b>	<b>929,016</b>	<b>1,132,353</b>	<b>-18.0%</b>	<b>961,468</b>	<b>-3.4%</b>	<b>929,016</b>	<b>1,132,353</b>	<b>-18.0%</b>
<b>Affinity Other (Massified)</b>								
Total Portfolio (BOP)	452,894	528,723	-14.3%	496,423	-8.8%	496,423	538,936	-7.9%
New Lives Added (net)	(11,104)	421	NM	(43,529)	-74.5%	(54,633)	(9,792)	457.9%
<b>Total Portfolio (EOP)</b>	<b>441,790</b>	<b>529,144</b>	<b>-16.5%</b>	<b>452,894</b>	<b>-2.5%</b>	<b>441,790</b>	<b>529,144</b>	<b>-16.5%</b>
<b>Affinity Portfolio</b>	<b>1,370,806</b>	<b>1,661,497</b>	<b>-17.5%</b>	<b>1,414,362</b>	<b>-3.1%</b>	<b>1,370,806</b>	<b>1,661,497</b>	<b>-17.5%</b>
Corporate	228,656	239,112	-4.4%	225,981	1.2%	228,656	239,112	-4.4%
Gama	629,707	593,185	6.2%	608,206	3.5%	629,707	593,185	6.2%
SME	91,831	79,886	15.0%	88,420	3.9%	91,831	79,886	15.0%
<b>Corp., Gama and SME Portf.</b>	<b>950,194</b>	<b>912,183</b>	<b>4.2%</b>	<b>922,607</b>	<b>3.0%</b>	<b>950,194</b>	<b>912,183</b>	<b>4.2%</b>
<b>Total Portfolio</b>	<b>2,321,000</b>	<b>2,573,680</b>	<b>-9.8%</b>	<b>2,336,969</b>	<b>-0.7%</b>	<b>2,321,000</b>	<b>2,573,680</b>	<b>-9.8%</b>

Quali ended 2Q23 with a portfolio of 2.3 million lives, almost in line with the previous quarter (-0.7% QoQ). The Affinity portfolio decreased 3.1% QoQ, while the other segments (Corporate, SME and Gama) had an 3.0% expansion QoQ. In the YoY view, the total lives portfolio decreased 9.8% compared to the first half of 2022, due to 17.5% drop in Affinity portfolio and the growth of 4.2% in the other segments.

## Affinity Portfolio

In our main portfolio, the Affinity Health Lives segment, we presented a 3.4% decrease QoQ in 2Q23, with net losses of 32.5 thousand lives (25.6% lower than in 1Q23). Gross adds were 76.6 thousand lives in the quarter, or 20.4% higher QoQ due to better seasonality, although 32.3% lower YoY due to the impact of the sales suspension to students' entities as well as by our strategy to rationalize incentives to the broker channel (commissions) that started at the end of last year.

Conversely, cancellations showed a slight 1.7% increase QoQ and an 18.5% YoY decrease, reaching 109.0 thousand lives canceled in 2Q23. This way, the churn rate was 10.9% in 2Q23, a 60 bps increase from the previous quarter and 20 bps better YoY.

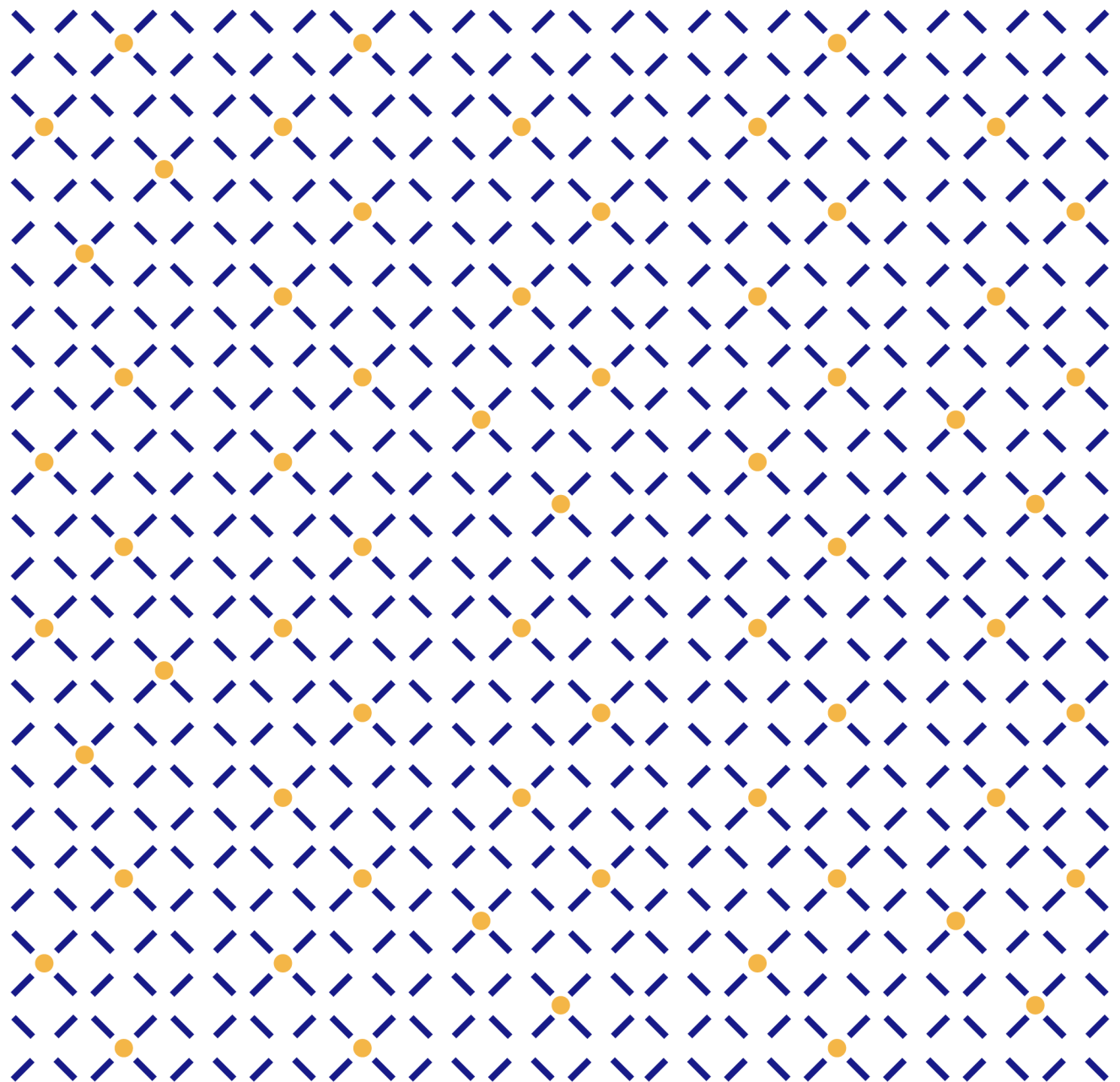
In the remaining Affinity portfolio, which includes massified plans (mainly dental), we had net losses of 11.1 thousand lives in 2Q23 (-2.5% QoQ) and 16.5% YoY decline, slightly below the 18% YoY pullback in the main portfolio.

### **Corporate, SME and Gama Portfolios**

Our SME plans portfolio increased 3.4 thousand lives in 2Q23 compared to the previous quarter (+3.9%). In the YoY comparison, the SME segment had net adds of 12.0 thousand lives (+15.0%) and ended the quarter with 91.8 thousand lives.

Our conventional Corporate segment portfolio presented a 1.2% increase QoQ and 4.4% decrease YoY to 228.7 thousand lives in 2Q23. Meanwhile, Gama's portfolio, our health management business, expanded 3.5% QoQ and 6.2% YoY, ending the quarter with 629.7 thousand lives.





# 2Q23 Results

## 2Q23 Results

Income Statement (R\$ MN)	2Q23	2Q22	Var. YoY	1Q23	Var. QoQ	1H23	1H22	Var. YoY
<b>Net Revenue</b>	<b>435.0</b>	<b>489.0</b>	<b>-11.1%</b>	<b>457.3</b>	<b>-4.9%</b>	<b>892.3</b>	<b>991.3</b>	<b>-10.0%</b>
(-) COGS and SG&A	(204.5)	(226.2)	-9.6%	(215.9)	-5.3%	(420.4)	(448.1)	-6.2%
(-) Contingencies and Legal Exp.	(9.0)	(10.5)	-14.1%	(5.5)	63.8%	(14.5)	(16.2)	-10.1%
(-) Bad Debt Provision	(25.0)	(24.9)	0.4%	(25.7)	-2.7%	(50.7)	(49.2)	3.1%
(+/-) Other Oper.	(2.3)	3.7	NM	(4.7)	-52.0%	(7.0)	4.8	NM
<b>EBITDA</b>	<b>194.1</b>	<b>231.1</b>	<b>-16.0%</b>	<b>205.6</b>	<b>-5.6%</b>	<b>399.7</b>	<b>482.7</b>	<b>-17.2%</b>
<b>EBITDA Margin</b>	<b>44.6%</b>	<b>47.3%</b>	<b>-262 bps</b>	<b>44.9%</b>	<b>-32 bps</b>	<b>44.8%</b>	<b>48.7%</b>	<b>-389 bps</b>
(+/-) EBITDA Adj.	0.7	3.0	-78.3%	4.7	-86.0%	5.4	4.3	24.4%
<b>Adjusted EBITDA</b>	<b>194.8</b>	<b>234.2</b>	<b>-16.8%</b>	<b>210.3</b>	<b>-7.4%</b>	<b>405.1</b>	<b>487.0</b>	<b>-16.8%</b>
<b>Adjusted EBITDA Margin</b>	<b>44.8%</b>	<b>47.9%</b>	<b>-309 bps</b>	<b>46.0%</b>	<b>-119 bps</b>	<b>45.4%</b>	<b>49.1%</b>	<b>-373 bps</b>
(-) D&A	(114.3)	(99.0)	15.4%	(114.7)	-0.4%	(229.0)	(196.9)	16.3%
(+/-) Fin. Inc. (Exp.)	(56.4)	(52.2)	8.1%	(66.9)	-15.7%	(123.3)	(92.6)	33.1%
(-) Income Tax./Social Contrib.	(8.0)	(28.0)	-71.6%	(4.9)	62.5%	(12.9)	(64.9)	-80.2%
(-) Minority Interest	(1.8)	(2.5)	-28.8%	(2.4)	-25.1%	(4.2)	(4.8)	-12.8%
<b>Net Income Controlling</b>	<b>13.7</b>	<b>49.4</b>	<b>-72.2%</b>	<b>16.7</b>	<b>-17.7%</b>	<b>30.4</b>	<b>123.4</b>	<b>-75.4%</b>
<b>Net Margin</b>	<b>3.2%</b>	<b>10.1%</b>	<b>-7 bps</b>	<b>3.6%</b>	<b>-49 bps</b>	<b>3.4%</b>	<b>12.5%</b>	<b>-9 bps</b>
Non-Recurring Adjustments	0.4	2.0	-78.3%	3.1	-86.0%	3.5	2.8	24.4%
<b>Adjusted Net Income</b>	<b>14.2</b>	<b>51.4</b>	<b>-72.4%</b>	<b>19.8</b>	<b>-28.4%</b>	<b>33.9</b>	<b>126.3</b>	<b>-73.1%</b>
<b>Adjusted Net Margin</b>	<b>3.3%</b>	<b>10.5%</b>	<b>-7.3 p.p.</b>	<b>4.3%</b>	<b>-107 bps</b>	<b>3.8%</b>	<b>12.7%</b>	<b>-8.9 p.p.</b>

In this 2Q23, Quali presented a decrease of 4.9% in its net revenue vs. 1Q23 and 11.1% vs. 2Q23 due to drops in the client base and in the Affinity's take-rate, partially offset by an improvement in the average ticket.

Adjusted EBITDA declined 7.4% QoQ and 16.8% YoY mainly due to: i) operational deleveraging resulting from revenue decline; and ii) pressure from variable expenses related to the total premium billed. Thus, Adjusted EBITDA margin was 44.8% in 2Q23 and retracted 120 bps QoQ and 310 bps YoY.

In turn, net income reached R\$13.7 million in 2Q23, a 72,2% YoY decline, mainly due to: i) lower revenue/EBITDA; ii) 8.1% YoY increase in net financial expenses; and iii) 15.4% QoQ growth in Depreciation & Amortization expenses.

In the first half of 2023, we reported net revenue of R\$892.3 million (-10.0% YoY), Adjusted EBITDA of R\$405.1 million (-16.8% YoY) with 45.4% Adjusted EBITDA margin (-370 bps YoY), and R\$30.4 million net income that showed -75.4% YoY variation.

On the following pages we comment the main variations over income statement, balance sheet and cash flow lines.

## Revenue by Segment

Revenue (R\$ MN)	2Q23	2Q22	Var. YoY	1Q23	Var. QoQ	1H23	1H22	Var. YoY
<b>Affinity</b>	<b>436.1</b>	<b>492.3</b>	<b>-11.4%</b>	<b>459.9</b>	<b>-5.2%</b>	<b>896.0</b>	<b>999.7</b>	<b>-10.4%</b>
<b>Health Lives</b>	<b>432.9</b>	<b>489.1</b>	<b>-11.5%</b>	<b>456.4</b>	<b>-5.2%</b>	<b>889.3</b>	<b>992.6</b>	<b>-10.4%</b>
Agency	19.3	30.2	-36.2%	21.0	-8.1%	40.2	62.3	-35.5%
Administration Fee	311.8	327.9	-4.9%	317.2	-1.7%	629.1	661.9	-5.0%
Brokerage	101.5	130.7	-22%	117.9	-13.9%	219.4	267.8	-18.1%
Other Income	0.3	0.3	9.1%	0.3	11.8%	0.5	0.5	6.6%
<b>Other Affinity</b>	<b>3.2</b>	<b>3.3</b>	<b>-2.1%</b>	<b>3.5</b>	<b>-8.3%</b>	<b>6.7</b>	<b>7.1</b>	<b>-5.2%</b>
<b>Corporate</b>	<b>3.2</b>	<b>4.6</b>	<b>-29.2%</b>	<b>5.6</b>	<b>-42.2%</b>	<b>8.8</b>	<b>9.2</b>	<b>-3.9%</b>
<b>SME total</b>	<b>9.8</b>	<b>10.4</b>	<b>-5%</b>	<b>9.4</b>	<b>5.0%</b>	<b>19.2</b>	<b>17.9</b>	<b>7.3%</b>
<b>Gama</b>	<b>21.2</b>	<b>23.0</b>	<b>-7.9%</b>	<b>20.6</b>	<b>2.7%</b>	<b>41.8</b>	<b>48.3</b>	<b>-13.5%</b>
<b>Gross Revenue</b>	<b>470.3</b>	<b>530.3</b>	<b>-11.3%</b>	<b>495.5</b>	<b>-5.1%</b>	<b>965.8</b>	<b>1,075.1</b>	<b>-10.2%</b>
Income Taxes	(35.2)	(41.0)	-14%	(37.9)	-7.2%	(73.1)	(83.1)	-12%
Cancellations and rebates	(0.2)	(0.3)	-37.6%	(0.2)	-22.3%	(0.4)	(0.8)	-54.3%
<b>Net Revenue</b>	<b>435.0</b>	<b>489.0</b>	<b>-11.1%</b>	<b>457.3</b>	<b>-4.9%</b>	<b>892.3</b>	<b>991.3</b>	<b>-10.0%</b>

Quali's gross revenue reached R\$470 million in 2Q23, down 5.1% QoQ and 11.3% YoY. IN 1H23, gross revenue decreased 10.2% YoY.

In the Affinity Health Lives segment, agency revenues that are directly related to gross adds declined 8.1% QoQ and 36.2% YoY, owing to lower incentives paid by some HMOs, and to lower sales.

Recurring revenue from Administration and Brokerage fees presented 5.0% QoQ reduction due to a 3.9% drop in the average portfolio and further reduction in take-rate as a result of cyclical commercial concessions in brokerage fees over premiums billed by Quali, related to the high loss ratio that have been impacting the healthcare sector. These factors were partially offset by 2% QoQ sequential growth in Affinity portfolio average ticket. Year-on-year, there was a 9.9% decrease in recurring revenues in 2Q23, reflecting the 17.3% YoY decrease in average portfolio and pressure on take rate, partially offset by 17% increase in average ticket.

In 1H23, Affinity Health Lives gross revenues decreased 10.4% and recurring revenues decreased 8.7%.

In the Other Affinity segment (massified), revenues dropped 8.3% QoQ and 2.1% YoY. In 1H23 the variation was -5.2%.

Combined revenues from other segments decreased 3.8% QoQ and 9.7% YoY in 2Q23. Among the main highlights we had:

- i) Corporate with declines of 42.2% QoQ and 29.2% YoY due to lower sales levels, resulting in lower agency revenue;
- ii) SME with 5.0% QoQ growth, following the segment's customer portfolio development, but down 5.0% YoY due to reduction in the take rate (brokerage fees) paid by HMOs;
- iii) Gama with 2.7% QoQ increase and down 18.6% YoY.

In 1H23, Other Segments revenue decreased 7.4% YoY, mainly due to Gama's drop (-13.5% YoY), as opposed to SME which grew 7.3% YoY.

## Costs and Expenses

Costs and Expenses (R\$ MN)	2Q23	2Q22	Var. YoY	1Q23	Var. QoQ	1H23	1H22	Var. YoY
<b>Total COGS e SG&amp;A</b>	<b>(204.5)</b>	<b>(226.2)</b>	<b>-9.6%</b>	<b>(215.9)</b>	<b>-5.3%</b>	<b>(420.4)</b>	<b>(448.1)</b>	<b>-6.2%</b>
COGS	(90.9)	(102.1)	-11.0%	(93.2)	-2.5%	(184.1)	(204.8)	-10.1%
Administrative Expenses	(55.2)	(60.8)	-9.1%	(57.8)	-4.4%	(113.0)	(114.9)	-1.7%
Commercial Expenses	(58.4)	(63.3)	-7.7%	(64.9)	-10.0%	(123.3)	(128.4)	-4.0%
<b>Total COGS e SG&amp;A</b>	<b>(204.5)</b>	<b>(226.2)</b>	<b>-9.6%</b>	<b>(215.9)</b>	<b>-5.3%</b>	<b>(420.4)</b>	<b>(448.1)</b>	<b>-6.2%</b>
Personnel	(83.4)	(89.9)	-7.2%	(88.5)	-5.7%	(171.9)	(185.2)	-7.2%
3rd-party Services	(44.5)	(49.1)	-9.4%	(43.7)	1.8%	(88.2)	(96.9)	-9.0%
Occupancy	(2.8)	(6.1)	-54.4%	(4.1)	-31.7%	(6.8)	(11.1)	-38.4%
Marketing and Trade	(7.8)	(9.4)	-17.0%	(9.6)	-18.1%	(17.4)	(19.2)	-9.4%
Commissions and Transf.	(60.2)	(58.3)	3.4%	(60.9)	-1.2%	(121.1)	(112.1)	8.0%
Other Costs and SG&A	(5.8)	(13.4)	-56.5%	(9.2)	-36.2%	(15.0)	(23.5)	-36.2%
<b>Contingencies and Legal Exp.</b>	<b>(9.0)</b>	<b>(10.5)</b>	<b>-14.1%</b>	<b>(5.5)</b>	<b>63.8%</b>	<b>(14.5)</b>	<b>(16.2)</b>	<b>-10.1%</b>
<b>Bad Debt Provision</b>	<b>(25.0)</b>	<b>(24.9)</b>	<b>0.4%</b>	<b>(25.7)</b>	<b>-2.7%</b>	<b>(50.7)</b>	<b>(49.2)</b>	<b>3.1%</b>
<b>Other Operating</b>	<b>(2.3)</b>	<b>3.7</b>	<b>NM</b>	<b>(4.7)</b>	<b>-52.0%</b>	<b>(7.0)</b>	<b>4.8</b>	<b>NM</b>
<b>Total Consolidated</b>	<b>(240.8)</b>	<b>(257.9)</b>	<b>-6.6%</b>	<b>(251.8)</b>	<b>-4.3%</b>	<b>(492.6)</b>	<b>(508.6)</b>	<b>-3.1%</b>
(+/-) EBITDA Adj.	0.7	3.0	-78.3%	4.7	-86.0%	5.4	4.3	24.4%
<b>Total Consol. Ex-Adj.</b>	<b>(240.2)</b>	<b>(254.9)</b>	<b>-5.8%</b>	<b>(247.1)</b>	<b>-2.8%</b>	<b>(487.2)</b>	<b>(504.3)</b>	<b>-3.4%</b>

Note: SG&A expenses without depreciation and amortization.

Quali's total costs and expenses, excluding adjustments to the EBITDA, were R\$240.2 million in 2Q23, 2.8% QoQ and 5.8% YoY reduction. In the first half, we had a 3.4% YoY decrease in recurring costs and expenses, which reached R\$487.2 million.

In the fixed or semi-variable expenses group, recurring Personnel expenses were R\$83.4 million with an important reduction of 5.7% QoQ and 7.2% YoY, due to continuous efforts to readjust structures that started at the end of last year. Third Party Services increased 1.8% QoQ due to higher spending on legal advice and pharmacy benefit program costs, but decreased 9.4% YoY due to greater efficiency in call center and reduced miscellaneous costs. There was also sequential improvement in Marketing & Trade (-18.1% QoQ) and in Other Costs & SG&A (-36.2% QoQ) related to the search for operational efficiencies. On the other hand, there was an increase of 63.8% QoQ in Contingencies and Legal Expenses with legal costs of subsidiaries (around R\$3 million in the quarter).

Regarding variable expenses with Commissions and Transf. we observed a 1.2% QoQ decrease and 3.4% YoY increase, as well as in Bad Debt Provision that showed 2.7% QoQ reduction and 0.4% YoY growth. These expenses are proportional to the premiums billed, therefore were affected by the reduction in take-rate and increased in relation to Quali's net revenue.

## EBITDA and EBITDA Adjustments

EBITDA (R\$ MN)	2Q23	2Q22	Var. YoY	1Q23	Var. QoQ	1H23	1H22	Var. YoY
<b>Net Revenue</b>	<b>435.0</b>	<b>489.0</b>	<b>-11.1%</b>	<b>457.3</b>	<b>-4.9%</b>	<b>892.3</b>	<b>991.3</b>	<b>-10.0%</b>
(-) COGS	(90.9)	(102.1)	-11.0%	(93.2)	-2.5%	(184.1)	(204.8)	-10.1%
(-) SG&A	(113.6)	(124.1)	-8.4%	(122.7)	-7.3%	(236.3)	(243.3)	-2.9%
(-) Contingencies and Legal Exp.	(9.0)	(10.5)	-14.1%	(5.5)	63.8%	(14.5)	(16.2)	-10.1%
(-) Bad Debt Provision	(25.0)	(24.9)	0.4%	(25.7)	-2.7%	(50.7)	(49.2)	3.1%
(-) Other Oper. Inc. (Exp.)	(2.3)	3.7	NM	(4.7)	-52.0%	(7.0)	4.8	NM
<b>EBITDA</b>	<b>194.1</b>	<b>231.1</b>	<b>-16.0%</b>	<b>205.6</b>	<b>-5.6%</b>	<b>399.7</b>	<b>482.7</b>	<b>-17.2%</b>
<b>BITDA Margin</b>	<b>44.6%</b>	<b>47.3%</b>	<b>-262 bps</b>	<b>44.9%</b>	<b>-32 bps</b>	<b>44.8%</b>	<b>48.7%</b>	<b>-389 bps</b>
(+/-) EBITDA Adj.	0.7	3.0	-78.3%	4.7	-86.0%	5.4	4.3	24.4%
Write-off Judicial deposits	-	-	NM	1.9	NM	1.9	-	NM
Severance Provision	0.0	0.6	-97.4%	2.3	-99.3%	2.3	0.9	165.4%
Other Non-Recurring Effects	0.6	2.4	-73.3%	0.5	22.9%	1.2	3.4	-66.1%
<b>Adjusted EBITDA</b>	<b>194.8</b>	<b>234.2</b>	<b>-16.8%</b>	<b>210.3</b>	<b>-7.4%</b>	<b>405.1</b>	<b>487.0</b>	<b>-16.8%</b>
<b>Adjusted EBITDA Margin</b>	<b>44.8%</b>	<b>47.9%</b>	<b>-309 bps</b>	<b>46.0%</b>	<b>-119 bps</b>	<b>45.4%</b>	<b>49.1%</b>	<b>-373 bps</b>

Reported EBITDA decreased 5.6% QoQ and 16.0% YoY to R\$194.1 million in 2Q23, reflecting the reduction in net revenue, despite downsizing efforts in several cost and expenses lines. Reported EBITDA margin in the quarter was 44.6%, versus 44.9% in 1Q23 and 47.3% in 2Q22. In 1H23, reported EBITDA was R\$399.7 million (-17.2% YoY), with 44.8% margin (-389 bps YoY).

Excluding R\$0.7 million of sporadic effects in 2Q23, Quali's Adjusted EBITDA reached R\$194.8 million in 2Q23, -7.4% QoQ and -16.8% YoY. Adjusted EBITDA margin was 44.8% in 2Q23, a sequential reduction of 119 bps and of 309 bps versus 2Q22. Adjusted EBITDA was R\$405.1 million (-16.8% YoY), with 45.4% margin (-373 bps YoY) in 1H23.

## Financial Results

Financial Results (R\$MN)	2Q23	2Q22	Var. YoY	1Q23	Var. QoQ	1H23	1H22	Var. YoY
Net Debt Income (Exp.)	(54.0)	(49.4)	9.3%	(60.6)	-10.8%	(114.6)	(90.1)	27.2%
Financial Investments	27.4	19.7	38.8%	22.3	22.9%	49.7	36.8	35.1%
Hedge Accounting	-	(17.1)	NM	-	NM	-	(36.4)	NM
Interest on Loans and Financing	(81.4)	(52.1)	56.3%	(82.9)	-1.7%	(164.3)	(90.4)	81.7%
Interest and Fine on Late Paym.	7.7	8.1	-4.5%	8.1	-5.2%	15.8	15.7	1.1%
Monetary Adjustments	(1.4)	(0.6)	162.3%	(1.5)	-0.7%	(2.9)	(1.0)	187.0%
Other Financ. Income (Exp.)	(8.6)	(10.3)	-16.0%	(13.0)	-33.6%	(21.6)	(17.2)	25.4%
<b>Net Financial Results</b>	<b>(56.4)</b>	<b>(52.2)</b>	<b>8.1%</b>	<b>(66.9)</b>	<b>-15.7%</b>	<b>(123.3)</b>	<b>(92.6)</b>	<b>33.1%</b>

Net Financial results were a R\$56.4 million expense in 2Q23, -15.7% QoQ and +8.1% YoY. Net Debt expenses, net of financial investments income, were R\$54.0 million in 2Q23 (or 3.9% on average net debt for the period), showing a 10.8% QoQ decline, mainly related to the 23% growth in financial income that, besides being helped by a slightly higher cash position throughout 2Q23, returned to a normalized level after being negatively impacted by the mark-to-market of some securities and funds in 1Q23.

In Other Financial Expenses, we observed a 33.6% QoQ and a 16.0% YoY decrease in 2Q23, helped by R\$3.4 million growth in interests from fines and late payments versus the previous quarter.

In 1H23, the Net Financial results were negative by R\$123.3 million, an increase of 33.1% YoY that reflects the higher cost of debentures issued in June/2022, in addition to following the higher debt index (CDI).

## Net Income

Net Income (R\$ MN)	2Q23	2Q22	Var. YoY	1Q23	Var. QoQ	1H23	1H22	Var. YoY
<b>EBITDA</b>	<b>194.1</b>	<b>231.1</b>	<b>-16.0%</b>	<b>205.6</b>	<b>-5.6%</b>	<b>399.7</b>	<b>482.7</b>	<b>-17.2%</b>
D&A	(114.3)	(99.0)	15.4%	(114.7)	-0.4%	(229.0)	(196.9)	16.3%
Intangible/Fixed Assets	(34.6)	(36.0)	-3.8%	(39.6)	-12.6%	(74.2)	(72.3)	2.6%
Amort. Commissions	(75.9)	(60.1)	26.2%	(70.2)	8.0%	(146.1)	(117.7)	24.1%
Amort. Leases	(3.8)	(2.9)	29.2%	(4.8)	-21.8%	(8.6)	(6.9)	25.3%
<b>EBIT</b>	<b>79.9</b>	<b>132.1</b>	<b>-39.5%</b>	<b>90.9</b>	<b>-12.1%</b>	<b>170.8</b>	<b>285.8</b>	<b>-40.2%</b>
Fin. Inc. (Exp.)	(56.4)	(52.2)	8.1%	(66.9)	-15.7%	(123.3)	(92.6)	33.1%
<b>Earnings before taxes</b>	<b>23.5</b>	<b>79.9</b>	<b>-70.6%</b>	<b>24.0</b>	<b>-2.1%</b>	<b>47.5</b>	<b>193.1</b>	<b>-75.4%</b>
Income Tax./Social Contrib.	(8.0)	(28.0)	-71.6%	(4.9)	62.5%	(12.9)	(64.9)	-80.2%
<b>Net Income Consolidated</b>	<b>15.5</b>	<b>51.9</b>	<b>-70.1%</b>	<b>19.1</b>	<b>-18.7%</b>	<b>34.6</b>	<b>128.3</b>	<b>-73.0%</b>
(-) Minority Interest	(1.8)	(2.5)	-28.8%	(2.4)	-25.1%	(4.2)	(4.8)	-12.8%
<b>Net Income Parent Co.</b>	<b>13.7</b>	<b>49.4</b>	<b>-72.2%</b>	<b>16.7</b>	<b>-17.7%</b>	<b>30.4</b>	<b>123.4</b>	<b>-75.4%</b>
Non-Recurring Adjustments	0.4	2.0	-78.3%	3.1	-86.0%	3.5	2.8	24.4%
<b>Adjusted Net Income</b>	<b>14.2</b>	<b>51.4</b>	<b>-72.4%</b>	<b>19.8</b>	<b>-28.4%</b>	<b>33.9</b>	<b>126.3</b>	<b>-73.1%</b>

Quali reported a net income of R\$13.7 million in 2Q23, after minority interest, decreased 17.7% QoQ and 72.2% YoY, due to lower EBITDA, higher depreciation and amortization expenses and, in YoY variation, also due to the worsening net financial result. Adjusting for extraordinary effects, our net income was R\$14.2 million in 2Q23 (-28.4% QoQ and -72.4% YoY).

In 1H23, we reported 75.4% decrease in net income to R\$30.4 million and a 73.1% reduction in adjusted net income to R\$33.9 million.

## Managerial Cash Flow

Cash Flow	2Q23	2Q22	Var. YoY	1Q23	Var. QoQ	1H23	1H22	Var. YoY
<b>EBITDA</b>	<b>194.1</b>	<b>231.1</b>	<b>-16.0%</b>	<b>205.6</b>	<b>-5.6%</b>	<b>399.7</b>	<b>482.7</b>	<b>-17.2%</b>
Non cash adjustments	4.7	8.0	-41.1%	(2.8)	-269.7%	1.9	10.4	-81.4%
Leasing payments	(5.1)	(2.8)	81.3%	(4.9)	3.5%	(10.0)	(6.2)	62.3%
Commissions paid	(53.3)	(112.4)	-52.6%	(64.1)	-16.9%	(117.4)	(177.0)	-33.7%
Taxes Paid	(11.9)	(27.3)	-56.5%	(5.7)	109.8%	(17.5)	(64.1)	-72.7%
Changes in Working Capital	33.9	(26.0)	NM	28.8	17.9%	62.7	(93.0)	NM
<b>Cash Provided by Oper. Activities</b>	<b>162.5</b>	<b>70.6</b>	<b>130.1%</b>	<b>156.8</b>	<b>3.6%</b>	<b>319.4</b>	<b>152.8</b>	<b>109.0%</b>
Capex (Intang. + PP&E)	(11.6)	(9.8)	19.0%	(13.9)	-16.4%	(25.5)	(25.5)	-0.1%
<b>Operating Cash Flow after Capex</b>	<b>150.9</b>	<b>60.9</b>	<b>147.9%</b>	<b>142.9</b>	<b>5.6%</b>	<b>293.9</b>	<b>127.3</b>	<b>130.8%</b>
Acquisitions portfolio/companies	(2.8)	(58.7)	-95.2%	(2.5)	12.0%	(5.3)	(105.1)	-95.0%
<b>Free Cash Flow</b>	<b>148.1</b>	<b>2.1</b>	<b>69.3x</b>	<b>140.4</b>	<b>5.5%</b>	<b>288.6</b>	<b>22.2</b>	<b>13.0x</b>
Financial Income/Expenses	(135.1)	(64.6)	109.1%	21.3	-734.0%	(113.8)	(97.4)	16.8%
Loans and Funding	-	518.9	NM	-	NM	-	466.1	NM
Financial Investments	(63.9)	(4.7)	NM	19.3	-431.2%	(44.6)	(12.4)	259.2%
Capital Increase	2.0	-	NM	-	NM	2.0	-	NM
Dividends Paid	(3.6)	-	14.2%	-	NM	(3.6)	(3.2)	13.6%
<b>Cash Prov. Financing Activ.</b>	<b>(200.7)</b>	<b>446.5</b>	<b>NM</b>	<b>40.6</b>	<b>-594.1%</b>	<b>(160.1)</b>	<b>353.0</b>	<b>NM</b>
<b>Cash Flow</b>	<b>(52.5)</b>	<b>448.6</b>	<b>NM</b>	<b>181.1</b>	<b>NM</b>	<b>128.5</b>	<b>375.2</b>	<b>-65.7%</b>

The free cash flow generation reached R\$148.1 million in 2Q23, the highest in 9 quarters, a 5.5% increase over the also strong cash generation in 1Q23. In 1H23, we reached R\$288.6 million of free cash generation that was 13x higher than the R\$22.2 million in 1H22.

This improvement was mainly related to higher cash flow from operating activities, before capex, which reached R\$162.5 million in 2Q23 – or a 84% conversion of EBITDA into cash – showing growth of 3.6% QoQ and 130.1% YoY.

Among the main reasons for such evolution, we had: i) improvement in working capital (cash generation of R\$33.9 million in 2Q23, +17.9% QoQ), due to the continuous monitoring of receivables from HMOs, helped by efficiency in tax payments and renegotiation of terms with service providers; and ii) reduction of 16.9% QoQ and 52.6% YoY in cash commissions (CAC), as a result of our rationalization of incentives to the channel, with CAC per life sold achieving the lowest level in the last 5 quarters (and despite the double-digit increase in the annual average ticket).

CapEx for 2Q23 was R\$11.6 million (-16.4% QoQ and +19.0% YoY), and disbursements with acquisitions and commercial agreements were R\$2.8 million in the period.

Finally, even after the payment of semi-annual interests on debt (debentures) and dividends distribution to minority interests, the cash + short-term investments position showed a positive variation of R\$11.4 million in 2Q23 and R\$173.2 million in 1H23.

## Investments

Capex (R\$ MN)	2Q23	2Q22	Var. YoY	1Q23	Var. QoQ	1H23	1H22	Var. YoY
Acquisitions and Rights	-	-	NM	-	NM	-	40.0	NM
IT Capex	9.8	10.9	-9.6%	11.6	-15.4%	21.5	20.8	3.1%
PP&E/Other Capex	0.1	3.8	-96.4%	1.4	-90.4%	1.6	11.2	-86.0%
<b>Total</b>	<b>10.0</b>	<b>14.7</b>	<b>-32.0%</b>	<b>13.1</b>	<b>-23.6%</b>	<b>23.1</b>	<b>72.0</b>	<b>-68.0%</b>

Investments in PP&E, intangibles and acquisitions were R\$10 million in 2Q23, with a variation of -23.6% QoQ and -32.0% YoY. The largest investment was in IT, related to expenses with acquisition of software licenses and operating software in use, continuing the company's digital transformation strategy. In 1H23, capex reached R\$23.1 million (-68.0% YoY), with the majority of investments in IT.

## Indebtedness

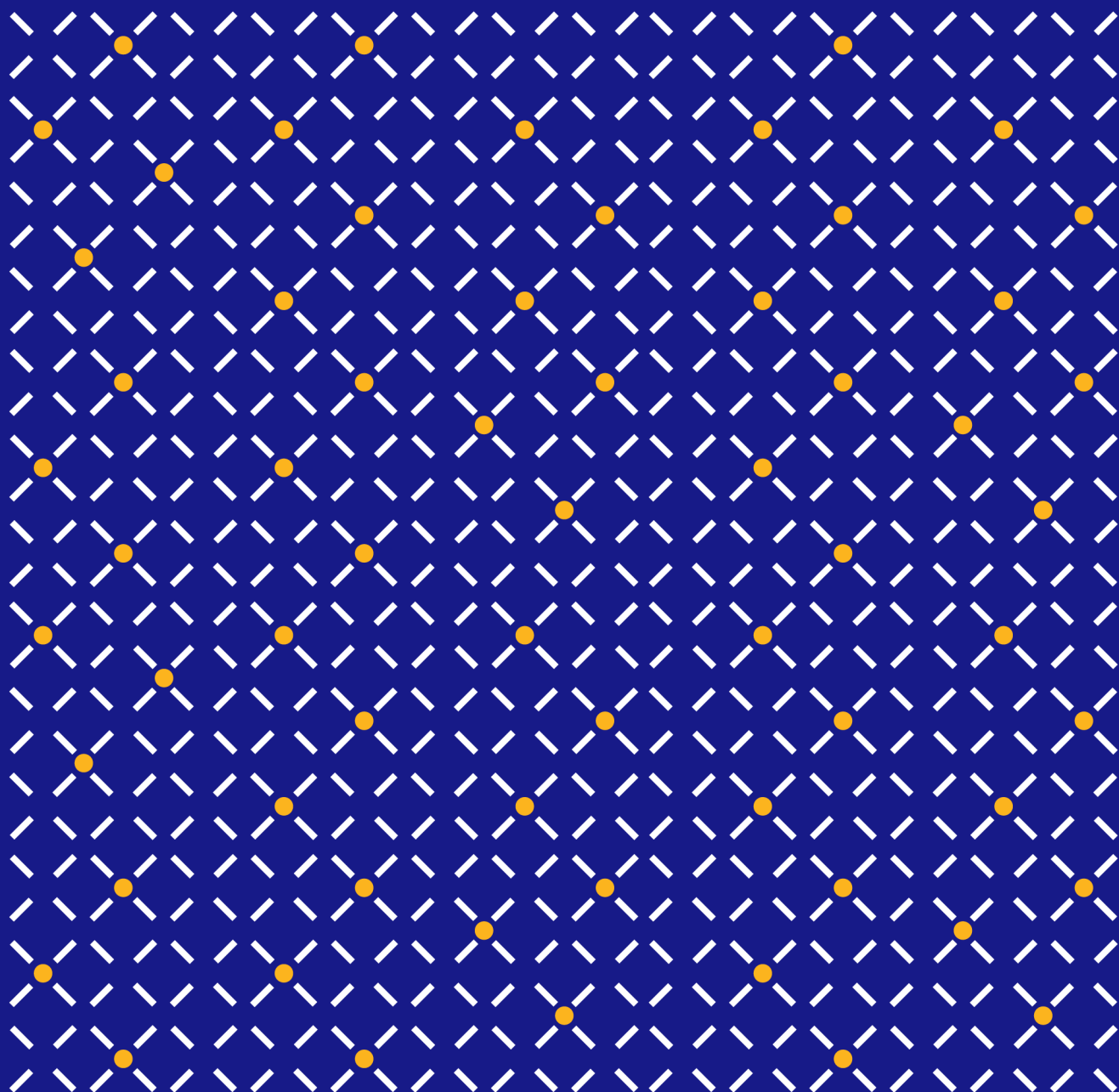
Capital Structure (R\$ MN)	2Q23	2Q22	Var. YoY	1Q23	Var. QoQ
Current Debt	569.1	414.4	37.3%	103.3	451.0%
Long Term Debt	1,638.1	2,184.8	-25.0%	2,187.1	-25.1%
Derivatives	-	34.8	NM	-	NM
<b>TOTAL</b>	<b>2,207.3</b>	<b>2,634.0</b>	<b>-16.2%</b>	<b>2,290.4</b>	<b>-3.6%</b>
Cash and cash equivalents	883.4	1,140.2	-22.5%	872.0	1.3%
<b>Net Debt</b>	<b>1,323.8</b>	<b>1,493.9</b>	<b>-11.4%</b>	<b>1,418.4</b>	<b>-6.7%</b>
Net Debt / Adj. EBITDA LTM	1.55x	1.47x	0.08x	1.59x	-0.04x

Our net debt was R\$1,328.8 million in 2Q23, -6.7% QoQ and -11.4% YoY, in a quarter with strong operating cash generation and after payment of the semi-annual interests on our debentures. Almost all debt is consolidated and most of it is in the long term, with the first amortization scheduled to June 2024 (25% of the total) and final maturity in June 2027. Our financial leverage closed 2Q23 at 1.55x Adjusted EBITDA LTM, lower than the 1.59x ratio in 1Q23, but higher than the 1.47x in 2Q22.

## ROIC

Return on Investment	2Q23	2Q22	Var. YoY	1Q23	Var. QoQ
Non Current Assets	2,959	2,901	2.0%	2,976	-0.6%
Working Capital	(131)	(141)	-7.1%	(102)	28.1%
<b>Invested Capital</b>	<b>2,828</b>	<b>2,761</b>	<b>2.4%</b>	<b>2,874</b>	<b>-1.6%</b>
Adjust. (Goodwill, non-compete)	(1,009)	(1,033)	-2.3%	(1,015)	-0.6%
<b>Adj. Invest. Cap. (Average LTM)</b>	<b>1,819</b>	<b>1,728</b>	<b>5.3%</b>	<b>1,860</b>	<b>-2.2%</b>
Adj. EBIT LTM	408	632	-35.5%	462	-11.8%
(-) Taxes (34%)	(139)	(215)	-35.5%	(157)	-11.8%
<b>NOPAT LTM</b>	<b>269</b>	<b>417</b>	<b>-35.5%</b>	<b>305</b>	<b>-11.8%</b>
<b>ROIC</b>	<b>14.8%</b>	<b>24.1%</b>	<b>-9.4 p.p.</b>	<b>16.4%</b>	<b>-162 bps</b>





# Attachments: Financial Statements

## Income Statement - Consolidated

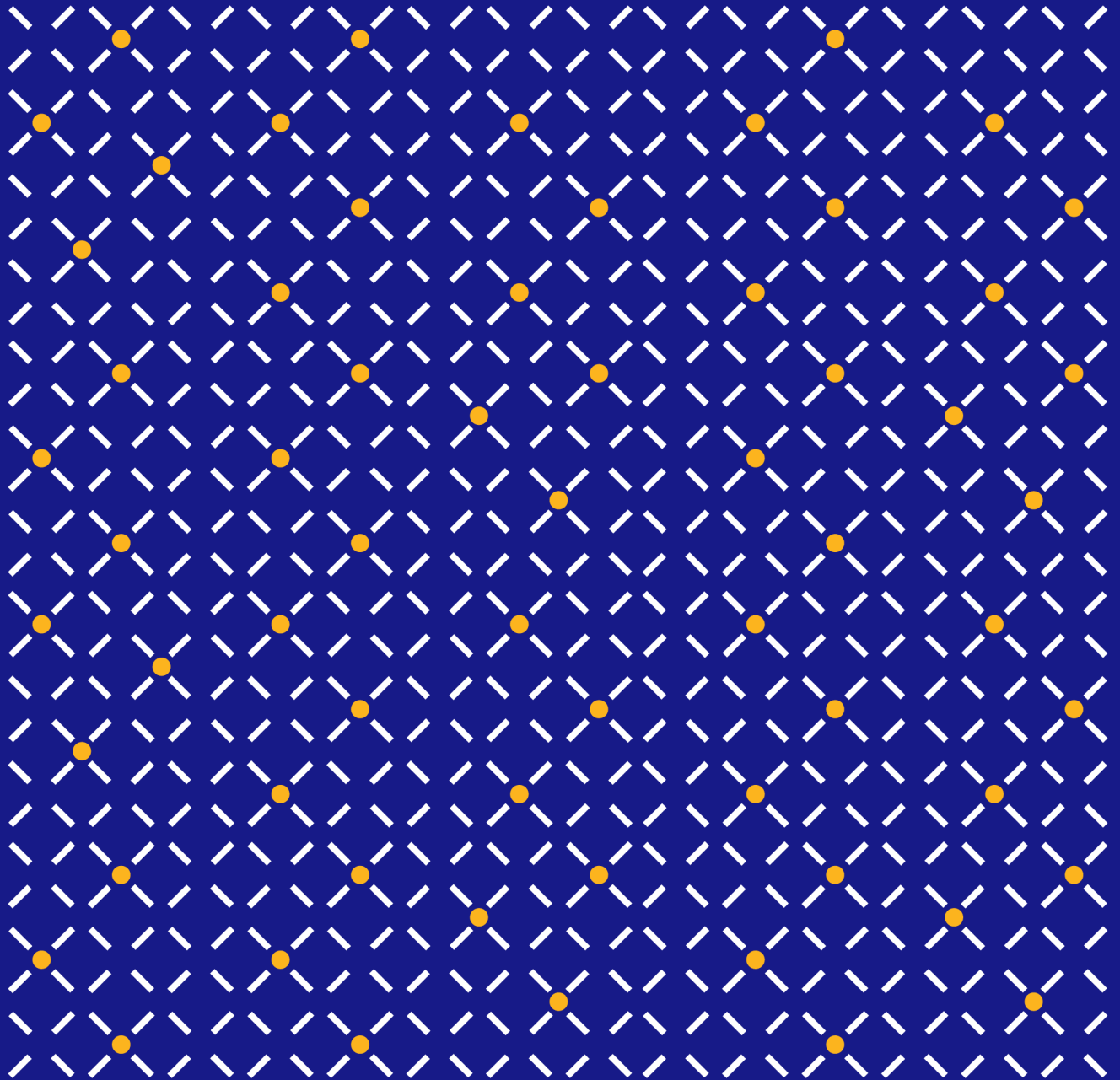
INCOME STATEMENT (R\$ MM)	2Q23	2Q22	Var. YoY	1Q23	Var. QoQ	1H23	1H22	Var. YoY
<b>Net Revenue</b>	<b>435.0</b>	<b>489.0</b>	<b>-11.1%</b>	<b>457.3</b>	<b>-4.9%</b>	<b>892.3</b>	<b>991.3</b>	<b>-10.0%</b>
COGS	(91.1)	(102.1)	-10.7%	(93.0)	-2.0%	(184.1)	(205.6)	-10.5%
<b>Gross Profit</b>	<b>343.8</b>	<b>387.0</b>	<b>-11.1%</b>	<b>364.4</b>	<b>-5.6%</b>	<b>708.2</b>	<b>785.7</b>	<b>-9.9%</b>
<b>Operating Income (expenses)</b>	<b>(264.0)</b>	<b>(254.9)</b>	<b>3.6%</b>	<b>(273.5)</b>	<b>-3.5%</b>	<b>(537.5)</b>	<b>(499.9)</b>	<b>7.5%</b>
Administrative expenses	(93.4)	(99.7)	-6.3%	(102.6)	-9.0%	(196.0)	(192.4)	1.9%
Selling expenses	(134.3)	(123.4)	8.8%	(135.0)	-0.5%	(269.3)	(246.9)	9.0%
Provisions for Bad Debt	(25.0)	(24.9)	0.4%	(25.7)	-2.7%	(50.7)	(49.2)	3.1%
Other operating income (expenses)	(11.3)	(6.8)	65.0%	(10.2)	10.5%	(21.5)	(11.4)	89.2%
<b>Earnings before Interest and Taxes</b>	<b>79.9</b>	<b>132.1</b>	<b>-39.5%</b>	<b>90.9</b>	<b>-12.1%</b>	<b>170.8</b>	<b>285.8</b>	<b>-40.2%</b>
Financial income (expenses)	(56.4)	(52.2)	8.1%	(66.9)	-15.7%	(123.3)	(92.6)	33.1%
<b>Income Before Taxes</b>	<b>23.5</b>	<b>79.9</b>	<b>-70.6%</b>	<b>24.0</b>	<b>-2.1%</b>	<b>47.5</b>	<b>193.1</b>	<b>-75.4%</b>
Income Taxes and Social Contribution	(8.0)	(28.0)	-71.6%	(4.9)	62.5%	(12.9)	(64.9)	-80.2%
<b>NET (LOSS) INCOME FOR PERIOD</b>	<b>15.5</b>	<b>51.9</b>	<b>-70.1%</b>	<b>19.1</b>	<b>NM</b>	<b>34.6</b>	<b>128.3</b>	<b>-73.0%</b>
<b>Attributable to</b>								
Noncontrolling interest	(1.8)	(2.5)	-28.8%	(2.4)	-25.1%	(4.2)	(4.8)	-12.8%
<b>Controlling interest</b>	<b>13.7</b>	<b>49.4</b>	<b>-72.2%</b>	<b>16.7</b>	<b>-17.7%</b>	<b>30.4</b>	<b>123.4</b>	<b>-75.4%</b>

## Balance Sheet - Consolidated

ASSETS (R\$ MN)	Jun/23	Dec/22	Var. %	LIABILITIES & SHAREHOLDERS EQUITY (R\$ MN)	Jun/23	Dec/22	Var. %
<b>CURRENT ASSETS</b>				<b>CURRENT LIABILITIES</b>			
Cash and cash equivalents	505.7	377.1	34.1%	Loans, Financing and Debentures	569.1	20.4	NM
Short-term investments	377.8	333.1	13.4%	Taxes payable	29.4	24.2	21.6%
Trade receivables	229.7	232.0	-1.0%	Technical Reserves	18.7	16.9	10.6%
Other assets	259.0	255.3	1.4%	Premiums to be transferred	185.4	224.1	-17.3%
Other financial assets	251.7	245.3	2.6%	Financial transfers payable	55.9	55.9	0.0%
Other non-financial assets	7.3	10.0	-27.4%	Payroll and related taxes	53.5	67.3	-20.5%
Derivative financial instruments	-	-	NM	Transferable prepayments	39.3	46.9	-16.2%
Related Parties	-	-	NM	Related parties	22.0	22.0	0.0%
<b>Total current assets</b>	<b>1,372.1</b>	<b>1,197.6</b>	<b>14.6%</b>	Other payables	269.8	178.5	51.2%
				Leases	11.8	18.0	-34.6%
<b>NONCURRENT ASSETS</b>				<b>Total current liabilities</b>	<b>1,255.0</b>	<b>674.4</b>	<b>86.1%</b>
<b>Long-term assets</b>				<b>NONCURRENT LIABILITIES</b>			
Income tax and social contribution	178.0	161.3	10.4%	Loans, Financing and Debentures	1,638.1	2,186.1	-25.1%
Other assets	141.8	166.1	-14.6%	Income tax and social contribution	1.7	0.0	NM
Other financial assets	141.0	163.8	-13.9%	Financial transfers payable	0.6	0.9	-27.3%
Other non financial assets	0.9	2.3	-62.8%	Premiums to be transferred	0.2		0.0%
<b>Total long-term assets</b>	<b>319.8</b>	<b>327.4</b>	<b>-2.3%</b>	Payroll and related taxes	0.4	0.4	0.0%
Investments	126.1	126.4	-0.3%	Deferred income tax and social contribution	85.7	79.7	7.6%
Property, plant and equipment	71.2	85.9	-17.2%	Options for non-controlling interests acquiring	99.7	93.8	6.3%
Intangible assets	2,698.9	2,774.6	-2.7%	Provision for risks	82.0	84.5	-3.0%
Goodwill	1,854.7	1,854.7	0.0%	Other payables	0.6	2.4	-74.6%
Others intangible assets	844.1	919.9	-8.2%	Leases	31.8	33.1	-4.0%
<b>Total noncurrent assets</b>	<b>3,216.0</b>	<b>3,314.4</b>	<b>-3.0%</b>	<b>Total noncurrent liabilities</b>	<b>1,940.9</b>	<b>2,481.1</b>	<b>-21.8%</b>
				<b>EQUITY</b>			
				Capital	875.6	875.6	0.0%
				Treasury Shares	(107.6)	(114.2)	-5.8%
				Capital reserves	122.4	126.5	-3.2%
				Profit reserves	458.6	458.6	0.0%
				Earnings	30.4	-	NM
				<b>Total Equity of controlling shareholders</b>	<b>1,379.5</b>	<b>1,346.5</b>	<b>2.5%</b>
				Noncontrolling interest in subsidiaries	12.7	10.1	25.2%
				<b>Total equity</b>	<b>1,392.2</b>	<b>1,356.6</b>	<b>2.6%</b>
				-	-	-	-
<b>TOTAL ASSETS</b>	<b>4,588.1</b>	<b>4,512.0</b>	<b>1.7%</b>	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>4,588.1</b>	<b>4,512.0</b>	<b>1.7%</b>

## Cash Flow – Consolidated

STATEMENTS OF CASH FLOWS (R\$ MN)	1H23	1H22	Var. %
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Income tax and social contribution	47.5	193.1	-75.4%
<b>Adjustments:</b>			
Depreciation and Amortization	229.0	196.9	16.3%
Impairment	1.0	(1.6)	-158.8%
Equity Accounting	0.3	3.0	-89.6%
Restricted Shares	3.2	4.0	-20.4%
Financial Income/Expenses	175.3	130.0	34.8%
Losses with disproportionate dividends	(0.0)	(0.0)	-34.8%
Provision for Risks	(2.5)	5.0	-150.4%
<b>Origin Cash provided by operating activities</b>	<b>62.7</b>	<b>(93.0)</b>	<b>-167.4%</b>
<b>Cash provided by operating activities</b>	<b>516.4</b>	<b>437.4</b>	<b>18.0%</b>
Interest paid on debentures	(165.6)	(115.7)	43.1%
Income tax and social contribution paid	(17.5)	(64.1)	-72.7%
<b>Net cash provided by operating activities</b>	<b>333.3</b>	<b>257.7</b>	<b>29.4%</b>
<b>INVESTING ACTIVITIES</b>			
Investments in intangible assets	(147.4)	(217.1)	-32.1%
Purchase of property, plant and equipment	(0.8)	(10.4)	-92.1%
Financial investments - exclusive FI fund	(44.6)	(12.4)	259.2%
Amount paid in acquisition (Elo)	-	(16.4)	NM
Amount paid in acquisition (APM)	-	(11.0)	NM
Earn Out - Plural e Oxcorp	-	(52.7)	NM
<b>Net cash used in investing activities</b>	<b>(192.8)</b>	<b>(320.0)</b>	<b>-39.7%</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Rents Paid	(10.0)	(6.2)	62.3%
Cost of Raising Debentures	-	(19.0)	-47.0%
Other costs of raising debentures	(0.2)	(0.2)	0.0%
Amount paid upon debentures issued	-	(1,300.0)	NM
Debentures issued	-	2,200.0	NM
Increase in capital of minority-owned subsidiaries	2.0	-	NM
Loans and swap Paid	-	(433.9)	NM
Dividends paid to minorities	(3.6)	(3.2)	13.6%
<b>Cash provided by (used in) financing activities</b>	<b>(11.9)</b>	<b>437.5</b>	<b>-102.7%</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS, NET</b>	<b>128.5</b>	<b>375.1</b>	<b>-65.7%</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>377.1</b>	<b>449.5</b>	<b>-16.1%</b>
<b>Cash and cash equivalents at end of period</b>	<b>505.7</b>	<b>824.6</b>	<b>-38.7%</b>



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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, issued by the International Accounting Standards Board (IASB)**

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

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

**Introduction**

We have reviewed the accompanying individual and consolidated condensed interim financial information, contained in the Quarterly Information Form (ITR) of Qualicorp Consultoria e Corretora de Seguros S.A. ("Company") for the quarter ended June 30, 2023, comprising the statement of financial position as of June 30, 2023, and the related statements of profit or loss and of comprehensive income for the three and six-month periods then ended and of changes in equity and of cash flows for the six-month period then ended, including explanatory information.

The Board of Directors is responsible for preparation of the individual and consolidated condensed interim financial information in accordance with Accounting Pronouncement NBC TG 21 and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information Form (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 are not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information Form (ITR) and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

## **Other matters**

### *Statements of value added*

The abovementioned quarterly information include the individual and consolidated statements of value added (SVA) for the six-month period ended June 30, 2023, prepared under the responsibility of the Board of Directors of the Company, and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the individual and consolidated condensed interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, pursuant to such standard and consistently with the individual and consolidated condensed interim financial information taken as a whole.

São Paulo, August 14, 2023.

ERNST & YOUNG  
Auditores Independentes S.S. Ltda  
CRC SP-034519/O



Alessandra Aur Raso  
CRC-SP248878/O

INTERIM CONDENSED BALANCE SHEET AS AT JUNE 30, 2023 AND DECEMBER 31, 2022  
All amounts in thousands of real

ASSETS	Note	Parent company		Consolidated		LIABILITIES AND EQUITY	Note	Parent company		Consolidated	
		June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022			June 30, 2023	December 31, 2022		
CURRENT ASSETS						CURRENT LIABILITIES					
Cash and cash equivalents	7.1	174.451	90.304	505.654	377.129	Interest-bearing loans and borrowings and debentures	14	569.148	20.439	569.148	20.439
Financial investments	7.2	-	-	377.775	333.143	Taxes and contributions payable		11.521	14.453	29.397	24.177
Amounts receivable from customers	8	48.238	53.360	229.687	232.040	Technical reserves for healthcare operations		-	-	18.710	16.923
Other assets		52.480	87.872	258.965	255.308	Premiums to be transferred	16	-	-	185.377	224.137
Other financial assets	9	50.623	80.503	251.675	245.267	Financial transfers payable		-	-	55.937	55.935
Other non-financial assets		1.857	7.369	7.290	10.041	Payroll and related charges		34.946	48.902	53.497	67.313
Receivables from related parties	11.1	34.494	28.686	-	-	Transferable prepayments		-	-	39.307	46.918
Total current assets		309.663	260.222	1.372.081	1.197.620	Payables to related parties	11.1	22.044	22.065	22.044	22.044
NON-CURRENT ASSETS						Other payables	17	17.253	29.596	269.817	178.493
Deferred income tax and social contribution	10	175.513	158.741	178.013	161.270	Lease liabilities	15	7.758	13.067	11.770	17.997
Receivables from related parties	11.1	-	9.504	-	-	Total current liabilities		662.670	148.522	1.255.004	674.376
Other assets		14.353	15.351	141.824	166.112	NON-CURRENT LIABILITIES					
Other financial assets	9	13.532	14.084	140.963	163.800	Interest-bearing loans and borrowings and debentures	14	1.638.121	2.186.141	1.638.121	2.186.141
Other non-financial assets		821	1.267	861	2.312	Taxes and contributions payable		-	-	1.741	3
Total long-term receivables		189.866	183.596	319.837	327.382	Financial transfers payable		-	-	638	878
						Premiums to be transferred	16	-	-	167	167
Investments in subsidiaries and joint venture	12	1.891.208	1.926.509	126.115	126.433	Payroll and related charges		-	-	400	400
Property and equipment		56.263	69.983	71.174	85.944	Deferred income tax and social contribution	10	-	-	85.743	79.658
Intangible assets						Call option over non-controlling interests	5	49.134	48.149	99.666	93.780
Goodwill	13	673.520	626.653	1.854.712	1.854.712	Provision for contingencies	18	11.901	7.918	82.010	84.535
Other intangible assets	13	643.780	695.650	844.146	919.937	Other payables	17	-	658	600	2.361
Total non-current assets		3.454.637	3.502.391	3.215.984	3.314.408	Lease liabilities	15	23.001	24.775	31.799	33.135
						Total non-current liabilities		1.722.157	2.267.641	1.940.885	2.481.058
						EQUITY					
						19					
						Share capital		875.575	875.575	875.575	875.575
						Treasury shares		(107.591)	(114.223)	(107.591)	(114.223)
						Capital reserve		122.437	126.456	122.437	126.456
						Revenue reserves		458.642	458.642	458.642	458.642
						Retained earnings		30.410	-	30.410	-
						Total equity attributable to equity holders of the parent		1.379.473	1.346.450	1.379.473	1.346.450
						Non-controlling interests		-	-	12.703	10.144
						Total equity		1.379.473	1.346.450	1.392.176	1.356.594
TOTAL ASSETS		3.764.300	3.762.613	4.588.065	4.512.028	TOTAL LIABILITIES AND EQUITY		3.764.300	3.762.613	4.588.065	4.512.028

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





QUALICORP CONSULTORIA E CORRETORA DE SEGUROS S.A.  
INTERIM CONDENSED STATEMENT OF INCOME  
FOR THE PERIODS ENDED JUNE 30, 2023 AND 2022  
All amounts in thousands of real, except earnings per share

	Note	Company				Consolidated			
		Six months ended June 30, 2023	Six months ended June 30, 2022	Three months ended June	Three months ended June	Six months ended June 30, 2023	Six months ended June 30, 2022	Three months ended June	Three months ended June
<b>NET OPERATING REVENUE</b>	<b>25.d</b>	<b>259.455</b>	<b>314.341</b>	<b>120.985</b>	<b>155.555</b>	<b>892.318</b>	<b>991.253</b>	<b>434.970</b>	<b>489.044</b>
COST OF PROVIDING SERVICES	21	(24.978)	(23.321)	(13.951)	(12.076)	(184.094)	(204.765)	(91.129)	(102.087)
OPERATING INCOME (EXPENSES)									
Administrative expenses	21	(60.193)	(71.989)	(26.760)	(39.731)	(196.018)	(194.107)	(93.386)	(99.690)
Selling expenses	21	(192.074)	(212.441)	(95.422)	(106.881)	(269.259)	(246.087)	(134.281)	(123.447)
Losses on uncollectible receivables	8.1	(674)	(952)	(341)	(402)	(50.701)	(49.185)	(25.009)	(24.905)
Share of net profits of equity-accounted investees	12	97.295	205.122	50.346	101.738	(318)	(3.044)	(170)	(2.275)
Other income (expenses), net		(1.264)	7.816	835	5.979	(21.176)	(8.314)	(11.114)	(4.563)
<b>OPERATING PROFIT BEFORE FINANCE INCOME AND COSTS</b>		<b>77.567</b>	<b>218.576</b>	<b>35.692</b>	<b>104.182</b>	<b>170.752</b>	<b>285.751</b>	<b>79.881</b>	<b>132.077</b>
Finance income	22	10.557	291.204	6.554	135.671	76.980	342.463	42.308	161.190
Finance costs	22	(74.733)	(414.322)	(37.201)	(203.207)	(200.233)	(435.081)	(98.690)	(213.354)
<b>PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION</b>		<b>13.391</b>	<b>95.458</b>	<b>5.045</b>	<b>36.646</b>	<b>47.499</b>	<b>193.133</b>	<b>23.499</b>	<b>79.913</b>
<b>INCOME TAX AND SOCIAL CONTRIBUTION</b>	<b>23</b>	<b>17.019</b>	<b>27.973</b>	<b>8.683</b>	<b>12.731</b>	<b>(12.867)</b>	<b>(64.859)</b>	<b>(7.964)</b>	<b>(27.996)</b>
Current		-	-	-	-	(23.771)	(58.974)	(16.168)	(24.814)
Deferred		17.019	27.973	8.683	12.731	10.904	(5.885)	8.204	(3.182)
<b>PROFIT FOR THE PERIOD</b>		<b>30.410</b>	<b>123.431</b>	<b>13.728</b>	<b>49.377</b>	<b>34.632</b>	<b>128.274</b>	<b>15.535</b>	<b>51.917</b>
<b>ATTRIBUTABLE TO:</b>									
Equity holders of the parent		30.410	123.431	13.728	49.377	30.410	123.431	13.728	49.377
Non-controlling interests		-	-	-	-	4.222	4.843	1.807	2.540
		<b>30.410</b>	<b>123.431</b>	<b>13.728</b>	<b>49.377</b>	<b>34.632</b>	<b>128.274</b>	<b>15.535</b>	<b>51.917</b>
<b>EARNINGS PER SHARE (EPS)</b>									
Basic (R\$ per share)	27	0,10908	0,44349	0,04924	0,17741	0,10908	0,44349	0,04924	0,17741
Diluted (R\$ per share)	27	0,10904	0,44331	0,04922	0,17734	0,10904	0,44331	0,04922	0,17734

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



INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIODS ENDED JUNE 30, 2023 AND 2022

All amounts in thousands of real

	Parent company				Consolidated			
	Six months ended June 30, 2023	Six months ended June 30, 2022	Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022	Three months ended June 30, 2023	Three months ended June 30, 2022
PROFIT FOR THE PERIOD	30.410	123.431	13.728	49.377	34.632	128.274	15.535	51.917
<b>Other comprehensive income</b>								
<b>Items that may be reclassified to profit or loss in subsequent period</b>								
Cash flow hedges - effective portion of changes in fair value	-	(63.428)	-	73.787	-	(63.428)	-	73.787
Cash flow hedges - reclassification to profit or loss	-	50.824	-	(73.524)	-	50.824	-	(73.524)
Cost of hedge reserve - fair value changes	-	12.395	-	(2.292)	-	12.395	-	(2.292)
Taxes relating to gains on cash flow hedges	-	71	-	690	-	71	-	690
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>30.410</b>	<b>123.293</b>	<b>13.728</b>	<b>48.038</b>	<b>34.632</b>	<b>128.136</b>	<b>15.535</b>	<b>50.578</b>
<b>ATTRIBUTABLE TO:</b>								
Equity holders of the parent	30.410	123.293	13.728	48.038	30.410	123.293	13.728	48.038
Non-controlling interests	-	-	-	-	4.222	4.843	1.807	2.540

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



Note	Share capital		Treasury shares	Capital reserve	Revenue reserves		Retained earnings	Other comprehensive income	Attributable to equity holders of the parent	Non-controlling interests	Total consolidated
	Paid-up capital	Share issue costs			Legal reserve	Other reserves				Non-controlling interests	
<b>AT DECEMBER 31, 2021</b>	<b>896.558</b>	<b>(20.983)</b>	<b>(128.605)</b>	<b>133.299</b>	<b>133.636</b>	<b>254.232</b>	<b>-</b>	<b>(1.718)</b>	<b>1.266.419</b>	<b>8.630</b>	<b>1.275.049</b>
Grant of restricted stock	-	-	-	7.156	-	-	-	-	7.156	-	7.156
Exercise of restricted stock	-	-	11.554	(11.554)	-	-	-	-	-	-	-
Cash flow hedges - effective portion of changes in fair value	-	-	-	-	-	-	-	(63.428)	(63.428)	-	(63.428)
Cash flow hedges - reclassification to profit or loss	-	-	-	-	-	-	-	50.824	50.824	-	50.824
Cost of hedge reserve - fair value changes	-	-	-	-	-	-	-	12.395	12.395	-	12.395
Taxes relating to gains on cash flow hedges	-	-	-	-	-	-	-	71	71	-	71
Profit for the period	-	-	-	-	-	-	123.431	-	123.431	4.843	128.274
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(3.206)	(3.206)
Disproportional dividends	-	-	-	-	-	-	-	-	-	(23)	(23)
<b>AT JUNE 30, 2022</b>	<b>896.558</b>	<b>(20.983)</b>	<b>(117.051)</b>	<b>128.901</b>	<b>133.636</b>	<b>254.232</b>	<b>123.431</b>	<b>(1.856)</b>	<b>1.396.868</b>	<b>10.244</b>	<b>1.407.112</b>
<b>AT DECEMBER 31, 2022</b>	<b>896.558</b>	<b>(20.983)</b>	<b>(114.223)</b>	<b>126.456</b>	<b>138.277</b>	<b>320.365</b>	<b>-</b>	<b>-</b>	<b>1.346.450</b>	<b>10.144</b>	<b>1.356.594</b>
Grant of restricted stock 20	-	-	-	2.613	-	-	-	-	2.613	-	2.613
Exercise of restricted stock	-	-	6.632	(6.632)	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	30.410	-	30.410	4.222	34.632
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(3.642)	(3.642)
Disproportional dividends	-	-	-	-	-	-	-	-	-	(15)	(15)
Increase in share capital of subsidiaries by minority shareholders	-	-	-	-	-	-	-	-	-	1.994	1.994
<b>AT JUNE 30, 2023</b>	<b>896.558</b>	<b>(20.983)</b>	<b>(107.591)</b>	<b>122.437</b>	<b>138.277</b>	<b>320.365</b>	<b>30.410</b>	<b>-</b>	<b>1.379.473</b>	<b>12.703</b>	<b>1.392.176</b>

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



INTERIM CONDENSED STATEMENT OF CASH FLOWS  
FOR THE PERIODS ENDED JUNE 30, 2023 AND 2022

All amounts in thousands of real

	Note	Parent company		Consolidated	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit before income tax and social contribution		13.391	95.458	47.499	193.133
Adjustments for:					
Depreciation and amortization	21	163.519	154.154	228.971	196.898
Write-offs of property and equipment, intangible assets and leases		969	(587)	955	(1.623)
Share of net profits of equity-accounted investees	12	(97.295)	(205.122)	318	3.044
Restricted stock		(101)	(276)	3.209	4.022
Finance costs		70.784	132.887	175.280	129.988
Loss on disproportionate dividends		(15)	(23)	(15)	(23)
(Reversal of) provision for contingencies		(213)	1.019	(2.525)	5.010
		<b>151.039</b>	<b>177.510</b>	<b>453.692</b>	<b>530.456</b>
<b>Changes in operating assets and liabilities:</b>					
Decrease (increase) in amounts receivable from customers		5.864	(6.422)	2.353	(6.544)
Decrease (increase) in other assets		14.250	11.733	23.253	(3.204)
Increase in taxes and contributions payable		(3.071)	(627)	939	6.646
Decrease (increase) in taxes recoverable		27.936	(23.151)	40.561	(30.649)
Decrease (increase) in premiums to be transferred		-	-	(38.760)	3.655
Decrease (increase) in financial transfers payable		-	-	(238)	289
Increase in technical reserves for healthcare operations		-	-	1.787	2.172
Decrease (increase) in payroll and related charges		(13.604)	14.049	(13.430)	23.816
Decrease in other payables		(9.965)	(21.458)	(8.950)	(16.015)
Decrease in transferable prepayments		-	-	(7.611)	(13.889)
Increase (decrease) in amounts payable to / receivable from health care operators		-	-	62.772	(59.291)
Increase in balances with related parties		20.299	6.907	-	-
<b>Cash from operations</b>		<b>192.748</b>	<b>158.541</b>	<b>516.368</b>	<b>437.442</b>
Interest paid on debentures	14	(83.337)	(115.701)	(165.570)	(115.701)
Income tax and social contribution paid		-	-	(17.506)	(64.085)
<b>Net cash flows from operating activities</b>		<b>109.411</b>	<b>42.840</b>	<b>333.292</b>	<b>257.656</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Increase of share capital of subsidiaries	12	-	(7.658)	-	-
Dividends and interest on capital received from subsidiaries	12	69.754	118.261	-	-
Additional payment for acquisition of Elo		-	-	-	(16.371)
Additional payment for acquisition of Apm		-	(10.989)	-	(10.989)
Cash from acquired subsidiary		10.485	-	-	-
Earn-out consideration - Oxcorp		-	(52.710)	-	(52.710)
Additions to intangible assets		(97.528)	(187.629)	(147.391)	(217.083)
Purchase of property and equipment		(875)	(10.435)	(823)	(10.431)
Decrease in financial investments (restricted cash)		-	(134)	(44.632)	(12.425)
<b>Net cash flows used in investing activities</b>		<b>(18.164)</b>	<b>(151.294)</b>	<b>(192.846)</b>	<b>(320.009)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Payment of lease liabilities	15	(6.872)	(3.989)	(10.045)	(6.190)
Costs of issue of debentures		-	(18.950)	-	(18.950)
Repayment of debentures		-	(1.300.000)	-	(1.300.000)
Proceeds from issue of debentures		-	2.200.000	-	2.200.000
Other costs of issue of debentures		(228)	(177)	(228)	(157)
Repayment of borrowings and swaps		-	(433.926)	-	(433.926)
Increase in share capital of subsidiaries by minority shareholders		-	-	1.994	-
Dividends paid to non-controlling interests		-	-	(3.642)	(3.206)
<b>Net cash flows from/(used in) financing activities</b>		<b>(7.100)</b>	<b>442.958</b>	<b>(11.921)</b>	<b>437.571</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>84.147</b>	<b>334.504</b>	<b>128.525</b>	<b>375.218</b>
<b>CASH AND CASH EQUIVALENTS AT JANUARY 1</b>		<b>90.304</b>	<b>298.120</b>	<b>377.129</b>	<b>449.462</b>
<b>CASH AND CASH EQUIVALENTS AT JUNE 30</b>		<b>174.451</b>	<b>632.624</b>	<b>505.654</b>	<b>824.680</b>

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



INTERIM CONDENSED STATEMENT OF VALUE ADDED  
FOR THE PERIODS ENDED JUNE 30, 2023 AND 2022  
All amounts in thousands of real

	Parent company		Consolidated	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
<b>REVENUE</b>				
Service revenue	287.017	348.667	965.799	1.075.140
Other operating income	151	11.111	101.451	94.528
Provision for credit losses, cancellations and returns	(1.056)	(1.787)	(52.841)	(51.797)
<b>Total revenue</b>	<b>286.112</b>	<b>357.991</b>	<b>1.014.409</b>	<b>1.117.871</b>
<b>COST OF BOUGHT-IN GOODS AND SERVICES</b>				
Cost of services	(8.378)	(11.990)	(122.079)	(139.718)
Materials, electricity, outsourced services and other	(49.206)	(66.244)	(123.479)	(118.608)
Impairment/recovery of assets	(36)	-	(36)	-
Other operating expenses	(5.601)	(322.526)	(144.278)	(441.016)
<b>Total cost of bought-in goods and services</b>	<b>(63.221)</b>	<b>(400.760)</b>	<b>(389.872)</b>	<b>(699.342)</b>
<b>GROSS VALUE ADDED</b>	<b>222.891</b>	<b>(42.769)</b>	<b>624.537</b>	<b>418.529</b>
DEPRECIATION, AMORTIZATION AND DEPLETION	(163.519)	(154.154)	(228.971)	(196.898)
<b>NET VALUE ADDED GENERATED BY THE ENTITY</b>	<b>59.372</b>	<b>(196.923)</b>	<b>395.566</b>	<b>221.631</b>
<b>VALUE ADDED RECEIVED THROUGH TRANSFER</b>				
Finance income	10.557	291.204	76.980	342.463
Share of net profits of equity-accounted investees	97.295	205.122	(318)	(3.044)
<b>Total value added received through transfer</b>	<b>107.852</b>	<b>496.326</b>	<b>76.662</b>	<b>339.419</b>
<b>TOTAL VALUE ADDED TO DISTRIBUTE</b>	<b>167.224</b>	<b>299.403</b>	<b>472.228</b>	<b>561.050</b>
<b>DISTRIBUTION OF VALUE ADDED</b>				
To employees (salaries, benefits and social charges)	54.077	72.119	171.029	185.069
To government (taxes and duties)	10.757	7.309	86.689	149.769
Federal	1.406	(4.336)	63.432	123.235
Local	9.351	11.645	23.257	26.534
To providers of capital	71.980	96.544	179.878	97.938
To shareholders (dividends) / value retained in the business	30.410	123.431	34.632	128.274
<b>Total value added distributed</b>	<b>167.224</b>	<b>299.403</b>	<b>472.228</b>	<b>561.050</b>

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



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

NOTES TO THE INTERIM CONDENSED PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2023

All amounts in R\$ thousand 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. There were no changes during the interim period ended June 30, 2023 that affect the disclosures in Note 1.a to the annual parent company and consolidated financial statements as at December 31, 2022. These interim condensed parent company and consolidated financial statements for the interim period ended June 30, 2023 should be read in conjunction with the annual parent company and consolidated financial statements as at December 31, 2022.

#### b) Significant events during the interim period

##### I. Payment of interest on debentures

On June 5, 2023, the Company paid R\$ 165,570 of semiannual interest on debentures (Note 14).

##### II. Provision for shutdown of physical stores

Management evaluated its customer relationship and sales channels and decided to shut down the Group's stores called "Qualistore". The eight Qualistores were located in shopping malls in the city of São Paulo (Shopping Anália Franco, Shopping Pátio Paulista, Shopping Taboão, and Shopping Vila Olímpia) and in the city of Rio de Janeiro (Carioca Shopping, Botafogo Praia Shopping, Norte Shopping and Plaza Niterói). By April 1, 2023, all these stores were shut down.

##### III. Corporate restructuring of subsidiaries Elo Administradora de Benefícios Ltda and Apm Assessoria Comercial e Corretora de Seguros Ltda

On January 1, 2023, Elo Administradora de Benefícios Ltda. was merged into Qualicorp Administradora de Benefícios S.A. and Apm Assessoria Comercial e Corretora de Seguros Ltda was merged into the Company and, as a result, the merged entities ceased to exist.

Pursuant to the protocol and justification of merger, the merger will bring administrative and financial benefits to the companies involved and their shareholders by optimizing resources, streamlining the companies' operations and the associated infrastructure required to support them, and lowering costs.

The valuation method for the equity of Elo Administradora de Benefícios Ltda and Apm Assessoria Comercial e Corretora de Seguros Ltda was the carrying amount of their assets and liabilities as per the balance sheet as at September 30, 2022, pursuant to the valuation report.

The merged net assets was as follows:

Merged net assets of Elo Administradora de Benefícios Ltda			
Current assets		Current liabilities	
Cash and cash equivalents	4,838	Lease liabilities	397
Financial investments	1,386	Taxes and contributions payable	1,252
Trade receivables	6,957	Premiums to be transferred	6,060
Other assets	249	Payroll and related charges	183
<b>Total current assets</b>	<b>13,430</b>	Transferable prepayments	2
		Payables to related parties	9
		Other payables	61
		<b>Total current liabilities (B)</b>	<b>7,964</b>
			-
Non-current assets		Non-current liabilities	
Other assets	543	Lease liabilities	1,807
Property and equipment	2,371	Provision for contingencies	4,237
Intangible assets	111		
<b>Total non-current assets</b>	<b>3,025</b>	<b>Total non-current liabilities (C)</b>	<b>6,044</b>
<b>Total assets (A)</b>	<b>16,455</b>	<b>Net assets (A) - (B) - (C)</b>	<b>2,447</b>
Change in net assets from September 30, 2022 (date of the merger report) to January 1, 2023 (date of merger) (D)			
			(928)
Accounting effect of the merger at January 1, 2023 (A) – (B) – (C) + (D)			
			<b>1,519</b>

Merged net assets of Apm Assessoria Comercial e Corretora de Seguros Ltda			
<b>Current assets</b>		<b>Current liabilities</b>	
Cash and cash equivalents	8,635	Taxes and contributions payable	445
Trade receivables	132	Payroll and related charges	56
Other assets	87	Other payables	27
Receivables from related parties	9	<b>Total current liabilities (B)</b>	<b>528</b>
<b>Total current assets</b>	<b>8,863</b>		
<b>Non-current assets</b>		<b>Non-current liabilities</b>	
Other assets	277	Provision for contingencies	2,784
Property and equipment	166	<b>Total non-current liabilities (C)</b>	<b>2,784</b>
Intangible assets	6		
<b>Total non-current assets</b>	<b>449</b>		
<b>Total assets (A)</b>	<b>9,312</b>	<b>Net assets (A) - (B) - (C)</b>	<b>6,000</b>
Change in net assets from September 30, 2022 (date of the merger report) to January 1, 2023 (date of merger) (D)			
			326
Accounting effect of the merger at January 1, 2023 (A) – (B) – (C) + (D)			
			<b>6,326</b>

c) COVID-19 effects and projections

Considering all information available to date, the Company has not identified any material uncertainties that cast significant doubt on the Company's ability to continue as a going concern for the foreseeable future.

## 2. Presentation of interim condensed financial statements

### I. Statement of compliance

The interim condensed parent company and consolidated financial statements have been prepared in accordance with CPC 21 (R1)/IAS 34 *Interim Financial Reporting*, and contain the minimum disclosures required under that accounting standard and other information considered relevant. The interim condensed parent company and consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2022 prepared in accordance with International Financial Reporting Standards (IFRS) and accounting practices adopted in Brazil as issued by the Brazilian Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities Commission (CVM).

### II. Basis of preparation

These interim condensed parent company and consolidated financial statements for the period ended June 30, 2023 have been prepared on the same basis as the audited parent company and consolidated financial statements for the year ended December 31, 2022 (see Note 2.ii of the December 31, 2022 financial statements).



### III. Basis of consolidation

At June 30, 2023, the holding company of the Group is Qualicorp Consultoria e Corretora de Seguros S.A. which owns direct and indirect subsidiaries. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Company's investments in its subsidiaries and associate are accounted for using the equity method. Under the equity method, the investments in subsidiaries and associate are initially recognized at cost and subsequently, the carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets of the subsidiary or associate since the acquisition date.

The interim condensed consolidated financial statements of the Company include:

Direct subsidiaries	Principal activities	Country of incorporation	equity interest (%)	
			June 30, 2023	December 31, 2022
Qualicorp Administradora de Benefícios S.A.	Benefits administration and stipulation	Brazil	100%	100%
Clube de Saúde Administradora de Benefícios Ltda	Benefits administration and stipulation	Brazil	98.81%	98.81%
Uniconsult Administradora de Benefícios e Serviços Ltda	Benefits administration and stipulation	Brazil	75%	75%
Gama Saúde Ltda	Health plan administration	Brazil	99.99%	99.99%
Connectmed-CRC Consultoria, Administração e Tecnologia em Saúde Ltda	Services and business intermediation and agency	Brazil	99.99%	99.99%
Qualicorp Administração e Serviços Ltda	Collection services and customer contract information	Brazil	100%	100%
Qualicorp Serviços Financeiros Ltda (i)	Information technology consultancy	Brazil	99.95%	99.90%
Oxcorp Gestão Consultoria e Corretora Ltda	Health insurance brokerage	Brazil	75%	75%
Apm Assessoria Comercial e Corretora de Seguros Ltda (ii)	Health insurance brokerage	Brazil	-	100%
<b>Indirect subsidiaries</b>				
Plural Gestão em Planos de Saúde Ltda	Benefits administration and stipulation	Brazil	75%	75%
Elo Administradora de Benefícios Ltda (ii)	Benefits administration and stipulation	Brazil	-	100%
<b>Associate</b>				
Escale Health Seguros e Corretagem S.A.	Digital marketing services	Brazil	35%	35%

i) A capital contribution was made in January 2023.

ii) Subsidiaries merged on January 1, 2023 (Note 1.b.III).

Third parties' interest in the equity and net profit of subsidiaries is presented as a component of the consolidated equity and within 'Non-controlling interests' in the consolidated statement of income.

### 3. Significant accounting policies

The accounting policies adopted in the preparation of these interim condensed parent company and consolidated financial statements as at June 30, 2023 are consistent with those followed in the preparation of the annual parent company and consolidated financial statements for the year ended December 31, 2022 (See Note 3 of the annual financial statements as at December 31, 2022).

### 4. Significant estimates and judgements

The key assumptions and accounting estimates used in these interim condensed parent company and consolidated financial statements as at June 30, 2023 are the same as those disclosed in Note 4 of the parent company and consolidated financial statements for the year ended December 31, 2022.

### 5. Financial instruments

#### a) Classification and fair value of financial instruments

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

Parent company				
	June 30, 2023		December 31, 2022	
	At fair value through profit or loss	At amortized cost	At fair value through profit or loss	At amortized cost
<b>Financial assets:</b>				
Cash and cash equivalents – financial investments classified as cash equivalents	170,313	-	89,250	-
Amounts receivable from customers	-	48,238	-	53,360
Other financial assets – current and non-current	-	64,155	-	94,587
Receivables from related parties – current and non-current	-	34,494	-	38,190
<b>Financial liabilities:</b>				
Interest-bearing loans and borrowings and debentures – current and non-current	-	2,207,269	-	2,206,580
Payroll and related charges – current	-	34,946	-	48,902
Other payables – current and non-current	-	17,253	-	30,254
Payables to related parties – current	-	22,044	-	22,065
Call option over non-controlling interests	49,134	-	48,149	-
Lease liabilities – current and non-current	-	30,759	-	37,842

Consolidated				
	June 30, 2023		December 31, 2022	
	At fair value through profit or loss	At amortized cost	At fair value through profit or loss	At amortized cost

**Financial assets:**

Cash and cash equivalents – financial investments classified as cash equivalents	457,854	-	235,953	-
Financial investments	377,775	-	333,143	-
Amounts receivable from customers	-	229,687	-	232,040
Other financial assets – current and non-current	-	392,638	-	409,067

**Financial liabilities:**

Interest-bearing loans and borrowings and debentures – current and non-current	-	2,207,269	-	2,206,580
Premiums to be transferred – current and non-current	-	185,544	-	224,304
Technical reserves for healthcare operations	-	18,710	-	16,923
Financial transfers payable – current and non-current	-	56,575	-	56,813
Transferable prepayments – current	-	39,307	-	46,918
Payroll and related charges – current and non-current	-	53,897	-	67,713
Other payables – current and non-current	-	270,417	-	180,854
Payables to related parties – current	-	22,044	-	22,044
Call option over non-controlling interests	99,666	-	93,780	-
Lease liabilities – current and non-current	-	43,569	-	51,132

**Fair value measurements recognized in the balance sheet**

The following table provides an analysis of the financial instruments that are measured at fair value after initial recognition and categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole.

The fair value measurements of the Company's financial assets and financial liabilities categorized into Level 1 and Level 3 are the same as in the annual parent company and consolidated financial statements as at December 31, 2022.

Consolidated Description	June 30, 2023		December 31, 2022	
	Level 1	Level 3	Level 1	Level 3
Cash and cash equivalents – financial investments classified as cash equivalents	457,854	-	235,953	-
Financial assets at fair value through profit or loss – financial investments	377,775	-	333,143	-
Call option over non-controlling interests	-	99,666	-	93,780

There were no transfers between Level 1 and Level 3 fair measurements during the period.

The carrying amounts of other financial assets and financial liabilities approximate their fair values, except for debentures that are classified as non-current liabilities (Note 14).

#### Reconciliation of fair value measurements of financial liabilities categorized within Level 3 of the fair value hierarchy

	Fair value through profit or loss	Fair value through profit or loss	Fair value through profit or loss	Fair value through profit or loss	Total
	Plural	Oxcorp	Uniconsult	Clube de Saúde	Consolidated
<b>As at December 31, 2022</b>	<b>45,631</b>	<b>33,107</b>	<b>13,668</b>	<b>1,374</b>	<b>93,780</b>
Fair value remeasurement	4,901	269	644	72	5,886
<b>As at June 30, 2023</b>	<b>50,532</b>	<b>33,376</b>	<b>14,312</b>	<b>1,446</b>	<b>99,666</b>

The Company has call options over non-controlling interests related to the acquisition of Uniconsult Administradora de Benefícios e Serviços Ltda, Oxcorp Gestão Consultoria e Corretora de Seguros Ltda, Plural Gestão em Planos de Saúde Ltda and Clube de Saúde.

The purchase price of non-controlling interests was determined according to the terms of the acquisition agreements for a period of 12 months prior to the exercise of the option. This liability is measured based on the fair value of non-controlling interests. The determination of the fair value is based on discounted cash flows.

#### Derivative instruments

During the interim period ended June 30, 2023 and the year ended December 31, 2022, the Company and its subsidiaries did not enter into derivatives for hedging or speculative purposes.

##### b) Management of major risks

There were no changes during the interim period ended June 30, 2023 that affect the disclosures in Note 5.b to the annual parent company and consolidated financial statements for the year ended December 31, 2022.

#### Credit risk

There were no changes during the interim period ended June 30, 2023 that affect the disclosures in Note 5.b to the annual parent company and consolidated financial statements for the year ended December 31, 2022.

#### Interest rate risk of financial instruments

Interest rate risk is the risk that the value of assets and liabilities will fluctuate because of changes in interest rates. Because the average term of receipts/payments of the Company and its subsidiaries is 30 days, Management uses the change in the Interbank Deposit Certificate rate (CDI) as an assumption to analyze changes in interest rates, as shown below:

Line item	Parent company			
	Balance sheet section	Note	June 30, 2023	December 31, 2022
Financial investments classified as cash equivalents (i)	Current assets	7.1	170,313	89,250
Interest-bearing loans and borrowings and debentures (ii)	Current and non-current liabilities	14	(2,207,269)	(2,206,580)
Lease liabilities (iii)	Current and non-current liabilities	15	(30,759)	(37,842)
<b>Total exposure</b>			<b>(2,067,715)</b>	<b>(2,155,172)</b>

Line item	Consolidated			
	Balance sheet section	Note	June 30, 2023	December 31, 2022
Financial investments classified as cash equivalents (i)	Current assets	7.1	457,854	235,953
Financial investments (i)	Current assets	7.2	377,775	333,143
Interest-bearing loans and borrowings and debentures (ii)	Current and non-current liabilities	14	(2,207,269)	(2,206,580)
Lease liabilities (iii)	Current and non-current liabilities	15	(43,569)	(51,132)
<b>Total exposure</b>			<b>(1,415,209)</b>	<b>(1,688,616)</b>

- i) Highly liquid financial investments accrue interest linked to the CDI interest rate and reflect normal market conditions during the period (Note 7).

The Company's financial investment policy determines the financial institutions with which the Company and its subsidiaries may do business, and the asset allocation limits and objectives (Note 3.iii of the parent company and consolidated financial statements for the year ended December 31, 2022).

- ii) The loans, borrowings and debentures issued by the Group accrue interest at a rate of 100% of the accumulated variation of the daily average rates for overnight interbank deposits (DI rate) expressed in percent per annum considering a year of 252 business days (B3) plus a spread of 1.85% per annum for debentures (Note 14).
- iii) Lease liabilities bear interest as specified in the agreement or estimated by market analyses.

### Interest rate sensitivity analysis

Changes in interest rates, e.g., CDI, may have a positive or negative impact on the parent company and consolidated financial statements as a result of an increase or decrease in the value of financial investments, cash equivalents, debentures and loans and borrowings. At June 30, 2023, if the CDI interest rate had been 10% per annum higher/lower with all other variables held constant, the profit before tax for the period would have been R\$11,459 higher/lower.

### Supplementary sensitivity analysis for financial instruments

Based on the interest rate projections made by the Brazilian Central Bank, Management estimated, for the current period, future interest rates of 12.00% per annum plus a spread of 1.15% to 1.85% per annum, and the effect on the fair value of financial instruments:

	Scenario			
	June 30, 2023	Probable	Possible	Remote
Assumptions		CDI 12.00% per annum	CDI 15.00% per annum	CDI 18.00% per annum
Financial investments classified as cash equivalents and financial investments	835,629	935,904	960,973	986,042
Interest-bearing loans and borrowings, debentures and lease liabilities	(2,250,838)	(2,976,218)	(3,127,524)	(3,276,811)
<b>Net exposure</b>	<b>(1,415,209)</b>	<b>(2,040,314)</b>	<b>(2,166,551)</b>	<b>(2,290,769)</b>

	Scenario			
	December 31, 2022	Probable	Possible	Remote
Assumptions		CDI 12.75% per annum	CDI 15.94% per annum	CDI 19.13% per annum
Financial investments classified as cash equivalents and financial investments	569,096	641,656	659,810	677,964
Interest-bearing loans and borrowings, debentures and lease liabilities	(2,257,712)	(3,175,116)	(3,367,739)	(3,557,657)
<b>Net exposure</b>	<b>(1,688,616)</b>	<b>(2,533,460)</b>	<b>(2,707,929)</b>	<b>(2,879,693)</b>

	Assumptions		
	Probable	Possible	Remote
CDI	Forecast by the Brazilian Central Bank	+25% from the probable rate	+50% from the probable rate

In the probable scenario, the Company would have a net exposure of R\$2,040,314 at June 30, 2023, arising from the differences in the estimates of future CDI interest rates for debentures, lease liabilities, and loans and borrowings plus a spread of 1.85% per annum for debentures.

The same estimates of future CDI interest rates were considered for the Company's financial investments at June 30, 2023. Under the stressed possible and remote scenarios, using the same assumptions as for the probable scenario, the Company's net exposure would increase by R\$126,237 and R\$250,455, respectively, compared to the probable scenario.

### Capital risk

The primary objective of the Group's capital management is to safeguard the Company's and its subsidiaries' 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 (debentures (Note 14) less cash and cash equivalents (Note 7)) plus equity (Note 19).

The Company and its subsidiaries are subject to certain leverage limits (Note 14).

Additionally, the subsidiaries Qualicorp Benefícios, Clube de Saúde, Uniconsult, Plural and Gama Saúde are subject to minimum funding requirements as prescribed by ANS Normative Resolution 569 of December 19, 2022 which sets the required regulatory capital. The required regulatory capital is the higher of the base capital and the risk-based capital. Both the base capital and the risk-based capital must be higher than the adjusted equity for economic effects.

Shown below is the adjusted equity by entity at June 30, 2023, which is compliant with the respective Normative Instruction:

Description	June 30, 2023				
	Benefícios	Uniconsult	Clube	Plural	Gama
Adjusted equity	192,867	3,641	59,307	25,127	56,850
Regulatory capital	104,218	1,937	8,987	7,006	10,883

The Company's gearing ratio is as follows:

Description	Parent company		Consolidated	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Debt (loans and borrowings, debentures, lease liabilities and derivative financial instruments)	(2,238,028)	(2,244,422)	(2,250,838)	(2,257,712)
Financial investments classified as cash equivalents and financial investments	170,313	89,250	835,629	569,096
<b>Net debt</b>	<b>(2,067,715)</b>	<b>(2,155,172)</b>	<b>(1,415,209)</b>	<b>(1,688,616)</b>
Equity	1,379,473	1,346,450	1,392,176	1,356,594
Debt to equity ratio	(149.89%)	(160.06%)	(101.65%)	(124.47%)

### Liquidity risk

There were no changes in the Company's liquidity risk management during the interim period ended June 30, 2023 that affect the disclosures in Note 5 to the annual parent company and consolidated financial statements as at December 31, 2022.

The expected cash outflows for the Group's financial liabilities are as follows:

Consolidated					
Estimated interest rate per month	Less than 6 months	6 months to 1 year	1 to 2 years	Over 2 years	Total
%	R\$	R\$	R\$	R\$	R\$
CDI + 1.85%	164,524	707,147	770,144	1,299,660	2,941,475
-	185,377	-	167	-	185,544
CDI + (between 1.15% and 1.85%)	8,371	8,646	16,836	22,336	56,189
-	260,285	-	-	-	260,285
-	53,497	-	400	-	53,897
-	39,307	-	-	-	39,307
-	-	22,044	-	-	22,044
-	18,710	-	-	-	18,710
-	8,582	-	600	-	9,182
-	55,937	-	610	-	56,547
-	-	-	-	99,666	99,666
-	794,590	737,837	788,757	1,421,662	3,742,846

## 6. New and amended standards and interpretations

Currently effective new standards, interpretations and amendments:

The following amendments became effective as at January 1, 2023:

Standards	Summary of amendment
IFRS 17 / CPC 50	<i>Insurance Contract</i> : The standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts. Management has assessed that the standard does not have an impact on the financial statements of the Company as it is not related to the Company's business model.
IAS 1 / CPC 26	<i>Presentation of Financial Statements</i> : The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. Management has assessed that the amendments do not have an impact on the Company.
IAS 8 / CPC 23	<i>Accounting Policies, Changes in Accounting Estimates and Errors</i> : The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Management has assessed that the amendments do not have an impact on the Company.



Standards	Summary of amendment
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IAS 12 / CPC 32	<i>Income Taxes:</i> The amendments clarify that an entity is required to recognize the related deferred tax asset and liability on initial recognition of an asset and liability in a transaction that affects accounting profit or taxable profit or gives rise to equal taxable and deductible temporary differences. Management has assessed that the amendments do not have an impact on the Company.
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#### Standards and amendments issued but not yet effective:

The following standards and amendments were issued by the IASB and are effective from January 1, 2024:

Standards	Summary of amendment
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IAS 1 / CPC 26	<i>Presentation of Financial Statements:</i> The amendments clarify that the classification of liabilities as current or non-current should be based on rights that exist at the end of the reporting period and is unaffected by management's intention to settle the liability in the short run. The amendments also clarify that if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants only at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. A definition of 'settlement' was added to clarify that settlement refers to a transfer to the counterparty that results in the extinguishment of the liability. The transfer could be of cash, goods and services or the entity's own equity instruments.
IFRS 16 / CPC 06	<i>Leases:</i> The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure that the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.
IFRS 7 / CPC 40	<i>Financial Instruments:</i> The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers. The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions, the carrying amounts of supplier finance arrangement financial liabilities as at the beginning and end of the reporting period; and the type and effect of non-cash changes in the carrying amounts of supplier finance arrangement financial liabilities.

There is no standard, interpretation or amendment that has been issued but is not yet adopted by the Company, other than those disclosed in these interim condensed financial statements for the period ended June 30, 2023, and that, in the opinion of Management, are expected to have a material impact on the Company's financial position, performance and/or disclosures.

## 7. Cash and cash equivalents and financial investments

### 7.1. Cash and cash equivalents

Description	Parent company		Consolidated	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Highly liquid financial investments (i)	170,313	89,250	457,854	235,953
Bank deposits (ii)	4,131	1,047	47,790	141,166
Cash on hand	7	7	10	10
<b>Total</b>	<b>174,451</b>	<b>90,304</b>	<b>505,654</b>	<b>377,129</b>

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

Description	Parent company		Consolidated	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Certificates of bank deposits (CDBs) (a)	159,487	5,934	339,066	11,663
Reverse repurchase agreements (b)	10,826	83,316	106,572	212,234
Other investments	-	-	12,216	12,056
<b>Total</b>	<b>170,313</b>	<b>89,250</b>	<b>457,854</b>	<b>235,953</b>

- a) These financial instruments accrue interest of 92.50% to 104.75% of the CDI and are held in custody with B3.
- b) These are highly liquid debenture-backed instruments that accrue interest varying between 75% and 90% of the Interbank Deposit (DI) rate.
- ii) Consolidated balances at June 30, 2023 include mainly the receipts from customers that occurred on the last business day of the month.

### 7.2. Financial investments

	Parent company		Consolidated	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Exclusive financial investment fund (i)	-	-	294,647	279,490
Non-exclusive financial investment fund (ii)	-	-	21,662	52,102
CDB	-	-	61,466	1,551
<b>Total</b>	<b>-</b>	<b>-</b>	<b>377,775</b>	<b>333,143</b>

- i) This is an exclusive investment fund which invests in government bonds, debentures and other securities usually presenting better returns:

Description	Market and carrying value – Exclusive financial investment funds - Consolidated	
	June 30, 2023	December 31, 2022
Financial Bills (Eligible LFS – level II)	134,075	132,342
Debentures	27,539	46,066
Financial Bills (LF252)	45,434	50,135
National Treasury Financial Bills (LTN over)	86,326	49,779
Other investments and reserve	1,273	1,168
<b>Total</b>	<b>294,647</b>	<b>279,490</b>

- ii) This financial investment is held as a guarantee for the Company's direct subsidiary Gama Saúde. For the other direct subsidiaries Qualicorp Benefícios, Clube de Saúde and Uniconsult, the money was withdrawn in March 2023, and for the indirect subsidiary Plural, in April 2023, pursuant to regulation of the regulatory agency ANS.

There is no significant non-cash item to be disclosed in the statement of cash flows.

## 8. Amounts receivable from customers

Current	Parent company		Consolidated	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Premiums recoverable with risk of default – benefits administrators	-	-	142,334	141,944
Brokerage fee receivable	48,238	53,360	48,932	55,526
Other receivables from customers	-	-	38,421	34,570
<b>Total</b>	<b>48,238</b>	<b>53,360</b>	<b>229,687</b>	<b>232,040</b>

The aging schedule of the consolidated balances of receivables from customers is as follows:

	June 30, 2023	
	Premiums	Brokerage fee
Not yet due	90,093	47,495
1-30 days past due	48,310	329
31-60 days past due	14,754	316
61-90 days past due	9,573	792
91-180 days past due	25,212	-
(-) Expected credit loss (*)	(45,608)	-
<b>Total</b>	<b>142,334</b>	<b>48,932</b>

	December 31, 2022	
	Premiums	Brokerage fee
Not yet due	79,620	54,662
1-30 days past due	51,960	538
31-60 days past due	16,138	326
61-90 days past due	11,019	-
91-180 days past due	31,158	-
(-)Expected credit loss (*)	(47,951)	-
<b>Total</b>	<b>141,944</b>	<b>55,526</b>

(\*) Expected credit loss is measured on the same basis as described in Notes 3v and 5b of the annual financial statements as at December 31, 2022. The movement during the period was as follows:

	Benefits administration companies	
	June 30, 2023	December 31, 2022
Balance at the beginning of the period	47,951	48,226
Expected credit loss	54,217	111,383
Reversal of expected credit loss	(56,560)	(111,658)
<b>Total</b>	<b>45,608</b>	<b>47,951</b>

#### 8.1 Losses on uncollectible receivables – statement of income

	Consolidated	
	Six months ended June 30, 2023	Six months ended June 30, 2022
Provisions (reversals)	(2,343)	(2,354)
Actual losses (recoveries) (*)	53,044	51,539
<b>Balance at the end of the period</b>	<b>50,701</b>	<b>49,185</b>

	Consolidated	
	Three months ended June 30, 2023	Three months ended June 30, 2022
Provisions (reversals)	(921)	(2,208)
Actual losses (recoveries) (*)	25,930	27,113
<b>Balance at the end of the period</b>	<b>25,009</b>	<b>24,905</b>

(\*) Losses arising from administration and stipulation of group health and dental plans where the risk of default on payments to health and dental plan operators and insurers, net of recoveries, is borne by the Company.

## 9. Other financial assets

	Parent company		Consolidated	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
<u>Current</u>				
Operator/insurer amounts pending reconciliation (i)	-	-	160,827	112,117
Taxes recoverable/to offset (ii)	43,665	70,889	73,997	113,295
Advances	5,795	9,009	9,951	12,317
Receivables from sale of Qsaúde	1,138	605	5,688	3,023
Advances from transfer of contracts	-	-	492	28
Other current financial assets	25	-	720	4,487
<b>Total current</b>	<b>50,623</b>	<b>80,503</b>	<b>251,675</b>	<b>245,267</b>
<u>Non-current</u>				
Receivables from sale of Qsaúde	6,912	7,151	34,561	35,756
Taxes recoverable/to offset (ii)	-	712	31,498	32,761
Advances from transfer of contracts	2,841	2,945	28,388	47,796
Judicial deposits	2,685	2,476	24,530	20,956
Operator/insurer amounts pending reconciliation (i)	-	-	20,516	25,060
Advances	800	800	800	800
Other non-current financial assets	294	-	670	671
<b>Total non-current</b>	<b>13,532</b>	<b>14,084</b>	<b>140,963</b>	<b>163,800</b>
<b>Total</b>	<b>64,155</b>	<b>94,587</b>	<b>392,638</b>	<b>409,067</b>

- i) Refers mainly to differences because of the timing of the payments to insurers/operators and the input of all related invoices paid into the Company's system. These differences are resolved only after the Company reconciles bill payments and bills due. At June 30, 2023, the Company has a provision for losses of R\$34,986 (December 31, 2022: R\$47,530) related to premiums transferred to health plan operators and insurance companies.

ii) Taxes recoverable/to offset are as follows:

	Parent company		Consolidated	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Corporate Income Tax (IRPJ)	42,202	57,511	63,283	88,448
Social Contribution on Net Income (CSLL)	892	5,302	5,779	12,361
Social Contribution on Revenues (COFINS)	359	5,556	1,174	6,639
Other taxes recoverable	212	2,520	3,761	5,847
<b>Total current</b>	<b>43,665</b>	<b>70,889</b>	<b>73,997</b>	<b>113,295</b>
Social Security Contribution (INSS)	-	-	14,350	14,087
Corporate Income Tax (IRPJ)	-	712	6,728	7,950
Social Contribution on Revenues (COFINS)	-	-	6,320	6,320
Social Contribution on Net Income (CSLL)	-	-	339	643
Social Integration Program (PIS)	-	-	3,761	3,761
<b>Total non-current</b>	<b>-</b>	<b>712</b>	<b>31,498</b>	<b>32,761</b>
<b>Total</b>	<b>43,665</b>	<b>71,601</b>	<b>105,495</b>	<b>146,056</b>

## 10. Deferred income tax and social contribution

In accordance with Technical Pronouncement CPC 32 and Technical Interpretation ICPC 9, deferred tax assets and deferred tax liabilities are presented net, as follows:

	Parent company		Consolidated	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Deferred income tax and social contribution assets	175,513	158,741	178,013	161,270
Deferred income tax and social contribution liabilities	-	-	(85,743)	(79,658)
<b>Deferred tax assets, net</b>	<b>175,513</b>	<b>158,741</b>	<b>92,270</b>	<b>81,612</b>

The consolidated figures are broken down by legal entity without the netting-off effect between deferred tax assets and deferred tax liabilities:

	June 30, 2023							
	Parent company	Qualicorp Benefícios	Clube de Saúde	Gama	CRC	Uniconsult	Plural	Consolidated
Deferred income tax and social contribution assets (i)	238,268	52,412	2,029	11	1,136	54	1,320	295,230
Deferred income tax and social contribution liabilities (ii)	(62,755)	(137,875)	(2,309)	(7)	-	(3)	(11)	(202,960)
<b>Deferred tax assets (liabilities), net</b>	<b>175,513</b>	<b>(85,463)</b>	<b>(280)</b>	<b>4</b>	<b>1,136</b>	<b>51</b>	<b>1,309</b>	<b>92,270</b>

	December 31, 2022							
	Parent company	Qualicorp Benefícios	Clube de Saúde	Gama	CRC	Uniconsult	Plural	Consolidated
Deferred income tax and social contribution assets (i)	222,328	53,340	1,978	17	878	45	1,240	279,826
Deferred income tax and social contribution liabilities (ii)	(63,587)	(132,998)	(1,608)	(7)	-	(2)	(12)	(198,214)
<b>Deferred tax assets (liabilities), net</b>	<b>158,741</b>	<b>(79,658)</b>	<b>370</b>	<b>10</b>	<b>878</b>	<b>43</b>	<b>1,228</b>	<b>81,612</b>

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. At the Parent company, deferred tax assets are recognized also for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized.

i) Deferred tax assets

	Parent company		Consolidated	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Recognized tax losses - income tax (IRPJ) and social contribution (CSLL)	165,380	145,281	165,380	145,281
Unrecognized tax losses - IRPJ and CSLL (a)	-	-	53,842	54,740
Provision for impairment of goodwill (b)	41,088	41,088	41,088	41,088
Provision for contingencies	3,634	3,808	17,379	17,011
Provision for expected credit losses	-	-	26,586	15,421
Provision for inflation-indexation and interest accruals on acquisitions	13,450	13,190	17,990	14,104
Provision for employee profit sharing plan	4,383	9,838	7,092	11,677
Loss allowance for trade receivables and write-off of uncollectible receivables – current amounts	227	27	2,131	17,961
Other provisions	10,106	9,096	17,584	17,283
<b>Total deferred tax assets</b>	<b>238,268</b>	<b>222,328</b>	<b>349,072</b>	<b>334,566</b>
(-) Unrecognized deferred tax assets (c)	-	-	(53,842)	(54,740)
<b>Total deferred tax assets recognized</b>	<b>238,268</b>	<b>222,328</b>	<b>295,230</b>	<b>279,826</b>

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

Companies	Tax base	IRPJ/CSLL tax rate	Tax base	IRPJ/CSLL tax rate
	June 30, 2023	(34%)	December 31, 2022	(34%)
Connectmed-CRC Consultoria, Administração e Tecnologia em Saúde Ltda.	99,875	33,958	100,799	34,272
Qualicorp Administração e Serviços Ltda.	51,202	17,409	50,750	17,254
Gama Saúde Ltda.	7,278	2,475	9,451	3,214
<b>Total</b>	<b>158,355</b>	<b>53,842</b>	<b>161,000</b>	<b>54,740</b>

- b) Taxes on goodwill written off in subsidiaries.
- c) Certain direct and indirect subsidiaries of the Company have tax losses carried forward but deferred tax assets have not been recognized in respect of these losses as it is not probable that sufficient taxable profits will be generated to allow the deferred tax asset to be recovered.

Deferred tax assets will be realized as the associated temporary differences reverse or become deductible. The recoverability of the deferred tax assets is based upon projections of future taxable profits, as follows:

Year	Parent company		Consolidated	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
2023	18,353	22,845	70,774	80,342
2024	41,088	41,088	41,088	41,088
2025	27,920	27,609	32,460	27,609
2026	41,825	41,825	41,825	41,825
From 2027 to 2032	109,082	88,961	109,083	88,962
<b>Total</b>	<b>238,268</b>	<b>222,328</b>	<b>295,230</b>	<b>279,826</b>

The present value of deferred tax assets at June 30, 2023 is R\$94,456 (Parent company) and R\$144,231 (Consolidated), calculated using Brazil's benchmark interest rate (SELIC) based upon the expected timing of realization of deductible temporary differences.

- ii) Deferred tax liabilities:

	Parent company		Consolidated	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Temporary differences on the portion of goodwill of merged companies amortized during the year, for tax purposes	57,859	57,859	191,387	189,127
On fair value of customer relationship intangible assets acquired in a business combination	4,889	5,723	7,950	6,162
Discount to present value	-	-	2,309	1,608
Other provisions	7	5	1,314	1,317
<b>Total</b>	<b>62,755</b>	<b>63,587</b>	<b>202,960</b>	<b>198,214</b>



## 11. Related parties

### 11.1. 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.

The amounts owed by/to related parties are as follows:

	Parent company		Consolidated	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Accounts receivable				
Intercompany transactions	34,494	28,686	-	-
<b>Current assets</b>	<b>34,494</b>	<b>28,686</b>	<b>-</b>	<b>-</b>
Loans to subsidiary	-	9,504	-	-
<b>Non-current assets</b>	<b>-</b>	<b>9,504</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>34,494</b>	<b>38,190</b>	<b>-</b>	<b>-</b>
Accounts payable				
Intercompany transactions	-	21	-	-
Dividends payable	22,044	22,044	22,044	22,044
<b>Total liabilities</b>	<b>22,044</b>	<b>22,065</b>	<b>22,044</b>	<b>22,044</b>

The following table presents movements in intercompany revenues and expenses for the interim periods ended June 30, 2023 and 2022:

	June 30, 2023				
	Qualicorp Administradora de Beneficios S.A.	Qualicorp Consultoria Corretora de Seguros S.A.	CRC Connectmed	Gama	Other subsidiaries
Corporate services and apportionment of expenses (i)	(55,899)	63,368	(3,385)	(843)	(3,241)
Commissions (ii)	(41,626)	41,626	-	-	-
Interest on debentures (iii)	(98,567)	98,567	-	-	-
Costs of issue of debentures (iii)	(1,188)	1,188	-	-	-
Interest on loans	457	281	-	-	(738)

	June 30, 2022				
	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)	(43,717)	50,400	(3,746)	(168)	(2,769)
Interest on loans	-	1,228	-	-	(1,228)
Health plan	-	(8)	-	8	-

- i) Refers to back-office services (Finance, Controllership, 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) Apportionment of commissions agreed upon between the Parent company and its subsidiary Qualicorp Administradora de Benefícios S.A. for after-sale customer service.
- iii) Apportionment of costs of issue of debentures and interest on debentures between the Parent company and its subsidiary Qualicorp Administradora de Benefícios S.A.

## 11.2. Other transactions with related parties

The Company and the investee Escale Health Seguros e Corretagem S.A. entered into a platform use agreement to market and promote health care plans and manage project activities, marketing, marketing funnel and sales across digital channels. The Company will pay Escale Health Seguros e Corretagem S.A. for the use of all services. In the interim period ended June 30, 2023, the consolidated balance of this transaction is as follows:

	June 30, 2023	December 31, 2022
Sales commission expenses	7,546	27,205

The Company has transactions with the health plan operator SulAmérica Serviços de Saúde S.A. that belongs to the same economic group of Rede D'Or São Luiz S.A., a shareholder of the Company. The consolidated balances of these transactions are as follows:

	Parent company June 30, 2023	Consolidated June 30, 2023
Accounts receivable		
Commissions	13,809	13,809
<b>Total assets</b>	<b>13,809</b>	<b>13,809</b>
Accounts payable		
Repasses	-	166,840
<b>Total liabilities</b>	<b>-</b>	<b>166,840</b>
Revenue		
Commissions	174,615	174,615
<b>Total revenue</b>	<b>174,615</b>	<b>174,615</b>
Expenses		
Officers' remuneration	-	13,401
<b>Total expenses</b>	<b>-</b>	<b>13,401</b>

### 11.3. Compensation of key management personnel

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

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

	June 30, 2023			
	Parent company		Consolidated	
	Accounts payable	Expenses	Accounts payable	Expenses
Short-term employee benefits (*)	241	4,898	1,564	15,178
Share-based payments	-	(101)	-	3,209
<b>Balance at June 30, 2023</b>	<b>241</b>	<b>4,797</b>	<b>1,564</b>	<b>18,387</b>

	June 30, 2022			
	Parent company		Consolidated	
	Accounts payable	Expenses	Accounts payable	Expenses
Short-term employee benefits (*)	404	11,404	3,105	31,444
Share-based payments	-	(276)	-	4,029
<b>Balance at June 30, 2022</b>	<b>404</b>	<b>11,128</b>	<b>3,105</b>	<b>35,473</b>

(\*) 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.

## 12. Investments in subsidiaries and joint venture

	Parent company		Consolidated	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Investments in subsidiaries:				
Qualicorp Administradora de Benefícios S.A.	1,431,478	1,403,609	-	-
Gama Saúde e Connectmed CRC	116,922	119,661	-	-
Oxcorp Gestão Consultoria e Corretora Ltda	87,614	88,603	-	-
Clube de Saúde Administradora de Benefícios Ltda	85,334	82,133	-	-
Qualicorp Administração e Serviços Ltda	22,035	21,820	-	-
Uniconsult Administradora de Benefícios e Serviços Ltda	21,798	24,649	-	-
Apm Assessoria Comercial e Corretora de Seguros Ltda (*)	-	59,689	-	-
<b>Total investments in subsidiaries</b>	<b>1,765,181</b>	<b>1,800,164</b>	<b>-</b>	<b>-</b>
Escale Health Seguros e Corretagem S.A.	76,398	76,716	76,398	76,716
<b>Total investment in joint venture</b>	<b>76,398</b>	<b>76,716</b>	<b>76,398</b>	<b>76,716</b>
500 LLC	49,455	49,455	49,455	49,455
<b>Total investment accounted for using the cost method</b>	<b>49,455</b>	<b>49,455</b>	<b>49,455</b>	<b>49,455</b>
Other investments	174	174	262	262
<b>Total other investments</b>	<b>174</b>	<b>174</b>	<b>262</b>	<b>262</b>
<b>Total investments</b>	<b>1,891,208</b>	<b>1,926,509</b>	<b>126,115</b>	<b>126,433</b>

(\*) Subsidiary merged on January 1, 2023 (Note 1.b.III).

## Investments in subsidiaries – Parent company

	Qualicorp Administradora de Benefícios S.A	Gama Saúde and Connectmed - CRC	Oxcorp Gestão Consultoria e Corretora Ltda	Clube de Saúde Administradora de Benefícios Ltda	Qualicorp Administração e Serviços Ltda	Uniconsult Administradora de Benefícios e Serviços Ltda	Apm Assessoria Comercial e Corretora de Seguros Ltda	Qualicorp Serviços Financeiros Ltda	Total
<b>Financial information of subsidiaries at June 30, 2023</b>									
Share capital (i)	314,005	274,047	330	45,133	26,663	150	-	2	660,330
Equity (ii)	984,582	115,306	2,400	86,150	647	3,171	-	-	1,192,256
Profit (loss) for the period	87,303	(2,351)	4,781	7,919	215	4,648	-	-	102,515
<b>Information on the Parent's investments:</b>									
Number of shares (iii)	728,820,693	27,404,692,914	330,000	45,133,125	26,662,568	150,000	-	2,000	-
Ownership interest (%)	100	99.99	75	98.81	100	75	-	99.95	-
<b>Movements in investments:</b>									
<b>Total investments at December 31, 2022</b>	<b>1,403,609</b>	<b>119,661</b>	<b>88,603</b>	<b>82,133</b>	<b>21,820</b>	<b>24,649</b>	<b>59,689</b>	<b>-</b>	<b>1,800,164</b>
Capital reserve – restricted stock plan	2,525	-	-	-	-	-	-	-	2,525
Adjustment to investments	-	-	-	(156)	-	171	-	-	15
Interest on capital and dividends received	(61,959)	-	(3,934)	(4,466)	-	(5,088)	-	-	(75,447)
Merger of subsidiary	-	-	-	-	-	-	(59,689)	-	(59,689)
Share of net profits of investees accounted for using the equity method	<b>87,303</b>	<b>(2,739)</b>	<b>2,945</b>	<b>7,823</b>	<b>215</b>	<b>2,066</b>	<b>-</b>	<b>-</b>	<b>97,613</b>
Share of results of subsidiaries and joint venture	87,303	(2,351)	3,587	7,823	215	3,486	-	-	100,063
Amortization of intangible assets (iv)	-	(388)	(642)	-	-	(1,420)	-	-	(2,450)
<b>Total investments at June 30, 2023</b>	<b>1,431,478</b>	<b>116,922</b>	<b>87,614</b>	<b>85,334</b>	<b>22,035</b>	<b>21,798</b>	<b>-</b>	<b>-</b>	<b>1,765,181</b>

**Investment in a joint venture and investment accounted for using the cost method – Parent company and Consolidated**

Escale Health Seguros e Corretagem S.A.	500 LLC	Total
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**Information on investments:**

Number of shares	253,095	14,941,640	-
Ownership interest (%)	35	5	-

**Movements in investments:**

<b>Total investments at December 31, 2022</b>	<b>76,716</b>	<b>49,455</b>	<b>126,171</b>
Share of results of investee accounted for using the equity method	(318)	-	(318)
<b>Total investments at June 30, 2023</b>	<b>76,398</b>	<b>49,455</b>	<b>125,853</b>

- i) The share capital is R\$53,873 for Gama Saúde and R\$220,174 for Connectmed-CRC.
- ii) The equity of subsidiary Qualicorp Benefícios, presented herein, considers the effects of the consolidation of its investments in subsidiaries. The equity is R\$56,951 for Gama Saúde and R\$58,355 for Connectmed-CRC.
- iii) The number of shares is 5,387,297,425 for Gama Saúde and 22,017,395,489 for Connectmed-CRC.
- iv) Refers to amortization of intangible assets such as customer relationships, trademarks, non-compete agreement and software.

### 13. Intangible assets

I. Other intangible assets

	Parent company				Consolidated		
	Annual amortization rate %	Cost	Accumulated amortization	Balance at June 30, 2023	Cost	Accumulated amortization	Balance at June 30, 2023
Acquisition of rights assignment (a)	20	335,354	(259,480)	75,874	694,245	(541,697)	152,548
Software in use and software under development (b)	20	184,777	(118,839)	65,938	584,604	(449,330)	135,274
Exclusivity rights	20	170,795	(156,524)	14,271	239,977	(203,045)	36,932
Trademarks and patents	20	253	(53)	200	1,554	(755)	799
Non-compete agreement	16.5	144,932	(71,065)	73,867	158,756	(83,618)	75,138
Sales commissions (c)	40.8	1,343,308	(929,678)	413,630	1,429,504	(986,049)	443,455
<b>Total other intangible assets</b>		<b>2,179,419</b>	<b>(1,535,639)</b>	<b>643,780</b>	<b>3,108,640</b>	<b>(2,264,494)</b>	<b>844,146</b>

Parent company	Balance at December 31, 2022	Additions	Amortization	Write-offs	Balance at June 30, 2023
Acquisition of rights assignment (a)	84,610	7,749	(16,485)	-	75,874
Software in use and software under development (b)	65,069	11,204	(10,225)	(110)	65,938
Exclusivity rights	17,082	-	(2,811)	-	14,271
Trademarks and patents (a)	186	67	(53)	-	200
Non-compete agreement (a)	85,353	130	(11,616)	-	73,867
Sales commissions (c)	443,350	103,830	(133,550)	-	413,630
<b>Total other intangible assets</b>	<b>695,650</b>	<b>122,980</b>	<b>(174,740)</b>	<b>(110)</b>	<b>643,780</b>

Consolidated	Balance at December 31, 2022	Additions	Amortization	Write-offs	Balance at June 30, 2023
Acquisition of rights assignment	180,889	-	(28,341)	-	152,548
Software in use and software under development (b)	135,971	21,486	(22,073)	(110)	135,274
Exclusivity rights	43,015	-	(6,083)	-	36,932
Trademarks and patents	974	-	(175)	-	799
Non-compete agreement	86,960	-	(11,822)	-	75,138
Sales commissions (c)	472,128	117,439	(146,112)	-	443,455
<b>Total other intangible assets</b>	<b>919,937</b>	<b>138,925</b>	<b>(214,606)</b>	<b>(110)</b>	<b>844,146</b>

- a) At the Parent company, the 'Additions' column includes amounts arising from the merger of Apm Assessoria Comercial e Corretora de Seguros Ltda.
- b) Refers to costs incurred to acquire licenses of software and operating systems in use.
- c) Refers to the commission for new contracts.

## II. Goodwill

On January 1, 2023, Apm Assessoria Comercial e Corretora de Seguros Ltda. was merged into the Company and, as a result, the goodwill arising on the acquisition of this subsidiary was reclassified from "Investments" to 'Intangible assets' (Note 1.b.III).

There were no changes in the consolidated balances during the interim period ended June 30, 2023 that affect the disclosures in the parent company and consolidated financial statements for the year ended December 31, 2022.

## 14. Debentures

Further details about issues, guarantees, early redemption and accelerated maturity are provided in Note 14 of the parent company and consolidated financial statements for the year ended December 31, 2022. The Company is compliant with the covenants under the indenture.

In addition, the debenture trustee analyzed the documentation and stated in its annual report on debenture issues submitted to the debenture holders and the Brazilian Securities Commission (CVM) that the Company has met all the obligations under the indenture during the fiscal year 2022.

During the interim period ended June 30, 2023, the Company met the covenants attached to the debentures and paid half-year interest.

Breakdown of the debts:

	Consolidated	
	June 30, 2023	December 31, 2022
Debentures	550,000	-
Interest on debentures payable	23,108	24,399
Cost of financial intermediation	(3,960)	(3,960)
<b>Current</b>	<b>569,148</b>	<b>20,439</b>
Debentures	1,650,000	2,200,000
Cost of financial intermediation	(11,879)	(13,859)
<b>Non-current</b>	<b>1,638,121</b>	<b>2,186,141</b>
<b>Total</b>	<b>2,207,269</b>	<b>2,206,580</b>

Movements in debentures

	Consolidated	
	June 30, 2023	December 31, 2022
Balance at the beginning of the period	2,206,580	1,344,943
Allocation of expenses (issue costs)	1,980	3,582
Payment of interest (i)	(165,570)	(274,050)
Allocation of interest	164,279	251,903
Proceeds from issue of debentures	-	2,200,000
Cost of issue of debentures	-	(19,798)
Early settlement of debentures	-	(1,300,000)
<b>Balance at the end of the period</b>	<b>2,207,269</b>	<b>2,206,580</b>

i) 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, 2023 and December 31, 2022 are as follows:

	Parent company and Consolidated			
	June 30, 2023		December 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Debentures (*)	2,223,108	2,276,762	2,224,399	2,212,490

(\*) The 'Carrying amount' column includes the principal amount and interest.

The fair values of debentures classified as at amortized cost are based on discounted cash flows using risk rates varying between 12.09% and 15.41% per annum (December 31, 2022: 15.40% and 16.55% per annum).



## 15. Leases

### a) Right-of-use assets

The movements during the periods were as follows:

	Parent company		Consolidated	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
<b>Opening balance</b>	<b>38,049</b>	<b>17,404</b>	<b>51,020</b>	<b>27,009</b>
Adjustments and renewals of contracts	164	1,894	344	3,370
Additions (new contracts)	-	31,755	-	40,105
Remeasurement	(1,371)	(440)	580	(440)
Depreciation expense	(6,273)	(10,068)	(8,641)	(15,726)
Write-off of leases	(444)	(2,496)	(613)	(3,298)
<b>Balance at the end of the period</b>	<b>30,125</b>	<b>38,049</b>	<b>42,690</b>	<b>51,020</b>

### b) Lease liabilities

The movements during the period were as follows:

	Parent company		Consolidated	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
<b>Opening balance</b>	<b>37,842</b>	<b>17,009</b>	<b>51,132</b>	<b>26,972</b>
Adjustments and renewals of contracts	164	1,894	344	3,370
Additions (new contracts)	-	31,755	-	40,105
Remeasurement	(1,769)	(566)	172	(566)
Accretion of interest	2,160	4,457	2,906	6,088
Write-off of leases	(767)	(2,761)	(940)	(4,832)
Payments	(6,871)	(13,946)	(10,045)	(20,005)
<b>Balance at the end of the period</b>	<b>30,759</b>	<b>37,842</b>	<b>43,569</b>	<b>51,132</b>
Current	7,758	13,067	11,770	17,997
Non-current	23,001	24,775	31,799	33,135

### c) Statement of income

The following are the amounts recognized in the statement of income:

- R\$2,906 (June 30, 2022: R\$1,012), Consolidated, and R\$2,160 (June 30, 2022: R\$635), Parent company, of interest expense on lease liabilities is recorded within 'finance income' (Note 22).
- R\$8,641 (June 30, 2022: R\$7,142), Consolidated, and R\$6,273 (June 30, 2022: R\$3,828), Parent company, of depreciation expense of right-of-use assets is recorded within 'administrative expenses' (Note 21).
- Due to the remeasurements and write-offs of lease liabilities and the consequent remeasurements and write-offs of right-of-use assets, the net effect in the statement of income was R\$735, Consolidated, and R\$721, Parent company.

d) Estimation of the effect of inflation on lease contracts

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

Lease liabilities	2023	2024	2025	After 2025
Carrying amount	44,035	38,199	24,978	10,892
Adjusted for estimated inflation	47,866	41,989	28,130	12,819
<b>Change</b>	<b>8.70%</b>	<b>9.92%</b>	<b>12.62%</b>	<b>17.69%</b>
Right-of-use assets, net	2023	2024	2025	After 2025
Carrying amount	35,398	21,371	8,280	-
Adjusted for estimated inflation	40,068	25,229	10,729	-
<b>Change</b>	<b>13.19%</b>	<b>18.05%</b>	<b>29.58%</b>	-
Interest expense on lease liabilities	2023	2024	2025	After 2025
Carrying amount	5,442	3,967	2,338	3,313
Adjusted for estimated inflation	5,458	4,141	2,522	3,836
<b>Change</b>	<b>0.29%</b>	<b>4.39%</b>	<b>7.87%</b>	<b>15.79%</b>
Depreciation	2023	2024	2025	After 2025
Carrying amount	15,933	14,027	13,091	8,280
Adjusted for estimated inflation	15,991	14,839	14,500	10,729
<b>Change</b>	<b>0.36%</b>	<b>5.79%</b>	<b>10.76%</b>	<b>29.58%</b>

e) Potential taxes (PIS/COFINS) recoverable

The table below shows the potential PIS/COFINS recoverable on lease payments according to the payment periods. The amounts are the undiscounted and discounted cash flows, considering the companies that are subject to the non-cumulative tax regime (the Company and CRC Connectmed):

Consolidated		
Cash flows	Nominal value	Present value
Lease payments	56,373	42,161
Potential taxes - PIS/COFINS (9.25%)	5,214	3,900

## 16. Premiums to be transferred

The balance of R\$185,544 at June 30, 2023 (December 31, 2022: R\$224,304) comprises health insurance premiums payable to the insurers/operators by the respective due dates, regardless of whether payments have been received from the insured persons. Most of the payments were made by July 31, 2023.

## 17. Other payables

	Parent company		Consolidated	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
<b>Current:</b>				
Operator/insurer amounts pending reconciliation (i)	-	-	171,094	64,156
Advance payments received	-	-	28,803	29,902
Sundry suppliers	7,958	8,454	19,144	14,714
Refunds to beneficiaries	-	1	16,082	22,694
Payables for acquisition of intangible assets	3,323	6,301	8,582	15,217
Other provisions	1,072	1,252	8,217	5,720
Commissions payable	3,158	1,607	4,522	2,687
Contingent consideration liability	661	620	2,678	1,300
Refundable amounts	-	-	2,430	2,608
Advances from customers	643	9,009	950	10,203
Earn-out consideration	100	100	692	692
Provision for shutdown of physical stores	148	-	148	-
Other	190	2,252	6,475	8,600
<b>Total current</b>	<b>17,253</b>	<b>29,596</b>	<b>269,817</b>	<b>178,493</b>
<b>Non-current:</b>				
Payables for acquisition of intangible assets	-	658	600	2,361
<b>Total non-current</b>	<b>-</b>	<b>658</b>	<b>600</b>	<b>2,361</b>
<b>Total</b>	<b>17,253</b>	<b>30,254</b>	<b>270,417</b>	<b>180,854</b>

- i) Refers mainly to differences because of the timing of the payments to insurers/operators and the input of all related invoices paid into the Company's system. These differences are resolved only after the Company reconciles bill payments and bills due.

## 18. Provision for contingencies

The Company and its subsidiaries have civil, regulatory (ANS), labor and social security proceedings that have arisen 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:

Parent company	December 31, 2022	Additions	Reversals	June 30, 2023
Labor and social security (i)	2,585	3,308	(67)	5,826
Civil (ii)	3,871	861	(702)	4,030
Tax (iii)	1,462	1,589	(1,006)	2,045
<b>Total</b>	<b>7,918</b>	<b>5,758</b>	<b>(1,775)</b>	<b>11,901</b>

Consolidated	December 31, 2022	Additions	Reversals	June 30, 2023
Civil (iv)	48,961	5,565	(2,884)	51,642
Labor and social security (v)	13,377	747	(1,601)	12,523
Regulatory (vi)	10,507	401	(656)	10,252
Tax (vii)	11,690	506	(4,603)	7,593
<b>Total</b>	<b>84,535</b>	<b>7,219</b>	<b>(9,744)</b>	<b>82,010</b>

### Description of the main lawsuits and/or contingencies:

- i) The Company is a defendant in administrative and/or judicial proceedings involving labor and social security matters: (i) payment of commissions to in-house consultants; and (ii) extra pay to call center agents who worked both for the Company and its subsidiaries and who were dismissed after the call center was outsourced. In addition to the labor claims, in 2020 a provision was also made for differences in amounts payable of social security contribution (INSS) and government severance pay fund (FGTS), which were paid in 2021. The provision for labor claims where a loss is considered probable is R\$5,826 (2022: R\$2,585).

No accrual was made for loss contingencies that are reasonably possible amounting to R\$65.045 (2022: R\$52,381).

- ii) The Company is a defendant in ongoing civil lawsuits, where R\$4,030 (2022: R\$3,871) is deemed to be a probable loss and, therefore, a provision has been recognized, and R\$3,141 (2022: R\$2,311) is deemed to be a possible loss, for which no provision has been recognized. The main matters disputed in the lawsuits include: (i) medical procedures and services not covered by the health plans or not included in the ANS list of procedures, the responsibility for which lies with the health plan operators, pursuant to the prevailing legislation; (ii) health insurance premiums adjusted for age and annual increase of the insured; (iii) administrative and/or judicial proceedings concerning reinstatement of health plans terminated for non-payment; and (iv) annual premium increase; and (v) collection of plan beneficiaries' debt reported to a credit reporting agency.
- iii) The Company is a defendant in ongoing tax proceedings and recognized a provision for estimated probable loss of R\$2,045 (2022: R\$1,462). The tax proceedings relate to a PIS/COFINS tax deficiency notice issued against Padrão Administração e Corretagem de Seguros Ltda. (a company merged into the Company) 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 the legal successor to the merged entity, has filed an appeal with the administrative agency and is awaiting ruling on the appeal.

- iv) The Company and its subsidiaries are defendants in ongoing civil lawsuits, where R\$51,642 (2022: R\$48,961) is deemed to be a probable loss and, therefore, a provision has been recognized, and R\$40,416 (2022: R\$45,879) is deemed to be a possible loss, for which no provision has been recognized. The main matters disputed in the lawsuits include: (i) medical procedures and services not covered by the health plans or not included in the ANS list of procedures, the responsibility for which lies with the health plan operators, pursuant to the prevailing legislation; (ii) health insurance premiums adjusted for age and annual premium increase of the insured; (iii) administrative and/or judicial proceedings concerning reinstatement of health plans terminated for non-payment; and (iv) annual premium increase; and (v) collection of plan beneficiaries' debt reported to a credit reporting agency.
- v) The Company and its subsidiaries are defendants in administrative and/or judicial proceedings involving labor and social security matters: (i) payment of commissions to in-house consultants; and (ii) extra pay to call center agents who worked both for the Company and its subsidiaries and who were dismissed after the call center was outsourced. In addition to the labor claims, in 2021 a provision was also made for differences in amounts payable of social security contribution (INSS) and government severance pay fund (FGTS), which were paid in 2021. The provision for labor claims where a loss is considered probable is R\$12,523 (2022: R\$13,377). No accrual was made for loss contingencies that are reasonably possible amounting to R\$69,379 (2022: R\$58,193).
- vi) The subsidiaries are defendants in ongoing regulatory proceedings with ANS, where a provision has been recognized for R\$10,252 (2022: R\$10,507) because a loss is believed to be probable, and no provision has been made for proceedings amounting to R\$4,665 (2022: R\$3,780) because a loss is believed only to be possible but not probable.
- vii) The Company and its subsidiaries recognized a provision of R\$7,593 (2022: R\$11,690) for both (a) tax assessments or claims that are probable of formal assertion, and (b) tax lawsuits where an unfavorable outcome is determined to be probable. The provision refers to: (a) tax assessments identified in companies acquired by the Company (Elo Administradora de Benefícios Ltda., Apm Assessoria Comercial e Corretora de Seguros Ltda. and Uniconsult Administradora de Benefícios e Serviços Ltda.); and (b.1) administrative proceeding detailed in item vii in this explanatory note; and (b.2) three ISS tax deficiency notices issued against Plural Gestão em Planos de Saúde Ltda. whose shares were partially acquired by the Company.

#### Reasonably possible tax contingencies:

The Company has tax contingencies that are classified with a reasonably possible exposure to loss and therefore no accrual was made.

These tax contingencies plus interest accrued total R\$2,258,340 at June 30, 2023 (December 31, 2022: R\$2,147,188), 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\$1,144,068 (December 31, 2022: R\$1,096,788) refers to tax assessments involving tax amortization of goodwill in the calendar years 2011 to 2014. Those tax assessments are pending analysis at the administrative and judicial level and preliminary court decisions were in favor of the Company.
- b) 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\$192,805 (December 31, 2022: R\$184,007) refers to tax assessments involving tax amortization of goodwill in the calendar years 2016 to 2018. Those tax assessments are pending analysis at the administrative and judicial level and preliminary court decisions were in favor of the Company.
- c) At subsidiary Qualicorp Administradora de Benefícios S.A., the amount of R\$3,234 (December 31, 2022: R\$3,100) 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. The Company as a legal successor to the merged entity has filed an administrative appeal and is awaiting a decision on the appeal.

- d) At subsidiary Qualicorp Administradora de Benefícios S.A., the amount of R\$49,698 (December 31, 2022: R\$47,627) refers to tax assessment notices demanding COFINS and PIS/PASEP payments related to the activities developed by the merged entity Aliança Administradora de Benefícios de Saúde S.A. in calendar years 2012 to 2014. The tax assessments are being challenged at the administrative level.
- e) At subsidiary Qualicorp Administradora de Benefícios S.A., the amount of R\$8,022 (December 31, 2022: R\$7,682) 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. The Company as a legal successor to the merged entity has filed an administrative appeal and is awaiting a decision on the appeal.
- f) At subsidiary Qualicorp Administradora de Benefícios S.A., the amount of R\$89,349 (December 31, 2022: R\$85,627) 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. The deficiency notices are being challenged at the administrative level.
- g) The amount of R\$34,519 (December 31, 2022: R\$33,133) refers to tax assessment notices demanding payment of social security contributions, other contributions and penalty for alleged non-payment of income tax at source (IRRF) on share option plan relating to calendar year 2013. These tax assessments are unresolved at administrative and judicial level.
- h) The amount of R\$256,112 (December 31, 2022: R\$243,714) refers to tax assessments issued against the Company (administrative proceeding No. 15746.720951/2020-12) related to (i) disallowance of expenses from the calculation of income tax (IRPJ) and social contribution (CSLL) of payments made to companies for brokerage and consulting services relating to calendar years 2014 to 2019, and (ii) payment of income tax at source (IRRF) 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 benchmark interest rate (SELIC). At present, the Company is awaiting a decision on the administrative appeal it has filed.
- i) At subsidiary Qualicorp Administradora de Benefícios S.A., the amount of R\$5,224 (December 31, 2022: R\$5,003) refers to tax assessments demanding social security contributions (employer's share and SAT/RAT), other contributions (SENAC, SESC, SEBRAE, INCRA and Education Salary), relating to the calendar year 2015 and the stock option plan.
- j) The amount of R\$449,352 (December 31, 2022: R\$415,997) refers to proceedings discussing where the municipal service tax (ISS) is owed by subsidiaries Connectmed-CRC Consultoria, Administração e Tecnologia em Saúde Ltda., Qualicorp Administradora de Benefícios S.A., Qualicorp Administração e Serviços Ltda. and Clube de Saúde Administradora de Benefícios Ltda.
- k) The residual balance of R\$25,957 consists of several tax assessments: R\$2,069 municipal service tax (ISS) debt of subsidiaries Connectmed-CRC Consultoria, Administração e Tecnologia em Saúde Ltda., Gama Saúde Ltda. and Plural Gestão em Planos de Saúde Ltda. (whose shares were partially acquired by the Company); R\$2,519 related to the non-levy of PIS/COFINS on reimbursement of expenses; R\$8,717 related to the non-levy of social security contributions (INSS) on items of payroll that are not considered to be compensatory in nature; R\$660 of offsetting requests not accepted; and R\$11,992 (December 31, 2022: R\$11,698) of 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.

## 19. Equity

### Share capital

At June 30, 2023 and December 31, 2022, the Company's capital is R\$896,558, comprising 284,014,325 registered common shares with no par value.

As per the Company's bylaws, the Company is authorized to increase its share capital without altering the bylaws but only passing a resolution of the Board of Directors that shall determine the conditions of the issue of new shares, up to the limit of 350,000,000 new common shares.

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

Shareholders	Common shares	
	June 30, 2023	December 31, 2022
Rede D'Or São Luiz	82,321,183	82,321,183
PrismaQuali Gestão Ativa de Participações S.A.	56,376,844	-
Rede D'Or São Luiz S.A. (direct)	17,048,539	73,425,383
Other investment vehicles	8,895,800	8,895,800
Pátria Investimentos	50,344,555	54,314,458
3G Radar	37,956,700	37,956,700
BlackRock Inc.	21,329,920	28,451,883
Others (i)	86,824,704	75,410,005
Treasury shares (ii)	5,237,263	5,560,096
<b>Total</b>	<b>284,014,325</b>	<b>284,014,325</b>

- i) These are shareholders owning less than 5% of the shares traded on Brazil's stock exchange B3 S.A.
- ii) Set out below are the movements in treasury shares during the period ended June 30, 2023:

	Treasury shares June 30, 2023	
	Number of shares	R\$
Balance at December 31, 2022	5,560,096	114,223
Exercise of restricted stock	(322,834)	(6,632)
<b>Balance at June 30, 2023</b>	<b>5,237,262</b>	<b>107,591</b>

	Treasury shares June 30, 2022	
	Number of shares	R\$
Balance at December 31, 2021	6,260,180	128,605
Exercise of restricted stock	(562,390)	(11,554)
<b>Balance at June 30, 2022</b>	<b>5,697,790</b>	<b>117,051</b>

### Distributions to shareholders

Pursuant to the Company's bylaws, the mandatory minimum dividend is 25% of the adjusted profit for the year as prescribed by the Brazilian Corporate Law.

On April 28, 2023, the shareholders approved the financial statements for the year ended December 31, 2022 and the proposal for allocation of the profit for the fiscal year 2022, as follows:

Proposal for allocation	
Profit for the year	92,818
(-) Transfer to legal reserve	(4,641)
Distributable profit	88,177
Creation of investment reserve	(66,133)
Mandatory minimum dividends	(22,044)

## 20. Restricted stock plan

There were no changes in the Company's restricted stock plan approved at the shareholders' general meeting on April 27, 2018 that affect the disclosures in the parent company and consolidated financial statements for the year ended December 31, 2022. During the second quarter of 2023, new shares were granted in tranche 4 of the plan.

Under an agreement signed on May 11, 2023, the Company granted 4,700,000 restricted shares to its directors and executives, where 33% of the shares vest each year from the date of signing of the agreement and the exercise price of the restricted stock will be the market value of each restricted share on Brazil's stock exchange, B3, on the business day immediately preceding the respective date of grant.

In the interim period ended June 30, 2023, expenses for restricted stock awards made by the Company and/or its subsidiaries in the total amount of R\$2,613 were recognized in equity.

In May 2023, the Company granted 320,000 restricted shares to certain executives with a lock-up period of one year.

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

The cost of these restricted shares of R\$1,215 was recognized in equity. Because of the lock-up period of one year, the Company recorded the new Plan initially as a prepaid expense which will be allocated out to other assets over the period of 12 months. For the interim period ended June 30, 2023, the Company recorded expenses of R\$202 within administrative expenses.

Date of grant	Grant-date fair value	Expiry date	Number of options	Granted	Exercised	Cancelled	Balance
May 9, 2019	17.2	May 9, 2023	5,700,000	809,454	(3,521,646)	(2,987,808)	-
December 26, 2019	38.1	December 26, 2022	516,000	33,107	(549,107)	-	-
April 1, 2021	30.4	April 1, 2022	170,000	-	(170,000)	-	-
April 29, 2022	13.0	April 29, 2024	930,000	-	(530,000)	(400,000)	-
May 4, 2023	3.8	May 4, 2024	320,000	-	(320,000)	-	-
May 11, 2023	4.3	May 11, 2027	4,700,000	-	-	-	4,700,000
			<b>12,336,000</b>	<b>842,561</b>	<b>(5,090,753)</b>	<b>(3,387,808)</b>	<b>4,700,000</b>

At June 30, 2023, the weighted average remaining contractual term is 1,411 days (December 31, 2022: 400).



## 21. Expenses by nature

	Parent company		Consolidated	
	Six months ended	Six months ended	Six months ended	Six months ended
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
<b>Cost of providing services</b>				
Personnel costs	16,600	11,331	62,015	65,047
Commissions and financial transfers	-	-	61,705	62,019
Outsourced services	5,881	9,619	44,686	55,113
Membership dues	-	-	3,613	3,798
Occupancy costs	729	224	2,882	5,686
Other costs of providing services	1,768	2,147	9,193	13,102
<b>Total cost of providing services</b>	<b>24,978</b>	<b>23,321</b>	<b>184,094</b>	<b>204,765</b>
<b>Administrative expenses</b>				
Depreciation and amortization charges	51,242	44,628	83,018	79,206
Personnel costs	(82)	15,619	70,050	72,681
Outsourced services	7,711	9,094	37,992	36,649
Other administrative expenses	1,322	2,648	4,958	5,571
<b>Total administrative expenses</b>	<b>60,193</b>	<b>71,989</b>	<b>196,018</b>	<b>194,107</b>
<b>Selling expenses</b>				
Depreciation and amortization charges	112,277	109,526	145,953	117,692
Commissions and financial transfers	27,693	35,796	55,808	46,311
Personnel costs	37,078	44,656	39,818	47,490
Advertising and publicity costs	5,355	6,336	12,252	14,735
Other selling expenses	9,671	16,127	15,428	19,859
<b>Total selling expenses</b>	<b>192,074</b>	<b>212,441</b>	<b>269,259</b>	<b>246,087</b>
<b>Total expenses by nature</b>	<b>277,245</b>	<b>307,751</b>	<b>649,371</b>	<b>644,959</b>

	Parent company		Consolidated	
	Three months ended June 30, 2023	Three months ended June 30, 2022	Three months ended June 30, 2023	Three months ended June 30, 2022
<b>Cost of providing services</b>				
Personnel costs	10,037	5,750	32,480	31,444
Commissions and financial transfers	-	-	30,032	31,957
Outsourced services	2,817	4,714	22,462	27,023
Membership dues	-	-	1,825	1,805
Occupancy costs	358	157	1,276	3,329
Other costs of providing services	739	1,455	3,054	6,529
<b>Total cost of providing services</b>	<b>13,951</b>	<b>12,076</b>	<b>91,129</b>	<b>102,087</b>
<b>Administrative expenses</b>				
Depreciation and amortization charges	22,854	22,232	38,401	38,897
Personnel costs	(1,251)	13,057	33,494	39,591
Outsourced services	4,462	3,660	19,413	19,030
Other administrative expenses	695	1,544	2,078	2,934
<b>Total administrative expenses</b>	<b>26,760</b>	<b>40,493</b>	<b>93,386</b>	<b>100,452</b>
<b>Selling expenses</b>				
Depreciation and amortization charges	58,274	55,772	75,864	60,132
Commissions and financial transfers	14,578	19,412	28,354	24,497
Personnel costs	16,220	17,482	17,428	18,851
Advertising and publicity costs	2,160	3,203	5,108	6,964
Other selling expenses	4,190	10,250	7,527	12,242
<b>Total selling expenses</b>	<b>95,422</b>	<b>106,119</b>	<b>134,281</b>	<b>122,685</b>
<b>Total expenses by nature</b>	<b>136,133</b>	<b>158,688</b>	<b>318,796</b>	<b>325,224</b>

## 22. Finance income and costs

	Parent company		Consolidated	
	Six months ended	Six months ended	Six months ended	Six months ended
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
<b>Finance income:</b>				
Interest income on financial investments	9,334	10,941	49,693	36,786
Interest and penalty on overdue accounts receivable	-	-	15,850	15,682
Inflation indexation related to Golden Cross	-	-	3,338	-
Inflation indexation relating to the sale of Qsaúde	294	877	1,470	4,386
Foreign exchange gains	-	150,832	-	150,832
Reversal of mark-to-market of swap	-	46,489	-	46,489
Reversal of recycling of cash flow hedge	-	76,755	-	76,755
Other finance income	929	5,310	6,629	11,533
<b>Total finance income</b>	<b>10,557</b>	<b>291,204</b>	<b>76,980</b>	<b>342,463</b>
<b>Finance costs:</b>				
Interest on debentures (Note 14) (*)	(65,712)	(85,160)	(164,279)	(85,160)
Discounts granted	-	-	(7,401)	(5,962)
Collection fee	(40)	(47)	(6,826)	(9,680)
Interest on lease liabilities	(2,160)	(635)	(2,906)	(1,012)
Recycling of cash flow hedge	-	(150,162)	-	(150,162)
Reversal of foreign exchange losses	-	(90,620)	-	(90,620)
Settlement of derivatives	-	(34,968)	-	(34,968)
Hedge accounting	-	(34,104)	-	(34,104)
Interest on borrowings	-	(5,277)	-	(5,277)
Other finance costs	(6,821)	(13,349)	(18,821)	(18,136)
<b>Total finance costs</b>	<b>(74,733)</b>	<b>(414,322)</b>	<b>(200,233)</b>	<b>(435,081)</b>
<b>Net finance costs</b>	<b>(64,176)</b>	<b>(123,118)</b>	<b>(123,253)</b>	<b>(92,618)</b>

	Parent company		Consolidated	
	Three months ended	Three months ended	Three months ended	Three months ended
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
<b>Finance income:</b>				
Interest income on financial investments	6,032	6,390	27,401	19,742
Interest and penalty on overdue accounts receivable	-	-	7,714	8,078
Inflation indexation related to Golden Cross	-	-	3,338	-
Inflation indexation relating to the sale of Qsaúde	146	156	728	780
Reversal of recycling of cash flow hedge	-	65,081	-	65,081
Reversal of mark-to-market of swap	-	44,908	-	44,908
Foreign exchange gains	-	14,623	-	14,623
Other finance income	376	4,513	3,127	7,978
<b>Total finance income</b>	<b>6,554</b>	<b>135,671</b>	<b>42,308</b>	<b>161,190</b>
<b>Finance costs:</b>				
Interest on debentures (Note 14) (*)	(32,570)	(49,862)	(81,425)	(49,862)
Discounts granted	-	-	(3,429)	(2,844)
Collection fee	(20)	(21)	(3,329)	(4,622)
Interest on lease liabilities	(1,018)	(372)	(1,447)	(552)
Reversal of foreign exchange losses	-	(78,946)	-	(78,946)
Settlement of derivatives	-	(32,812)	-	(32,812)
Hedge accounting	-	(15,202)	-	(15,202)
Recycling of cash flow hedge	-	(14,623)	-	(14,623)
Interest on borrowings	-	(2,217)	-	(2,217)
Other finance costs	(3,593)	(9,152)	(9,060)	(11,674)
<b>Total finance costs</b>	<b>(37,201)</b>	<b>(203,207)</b>	<b>(98,690)</b>	<b>(213,354)</b>
<b>Net finance costs</b>	<b>(30,647)</b>	<b>(67,536)</b>	<b>(56,382)</b>	<b>(52,164)</b>

(\*) At the Parent company, the interest on debentures is apportioned between the Company and its subsidiary Qualicorp Administradora de Benefícios S.A. (Note 11).

## 23. Income tax and social contribution

	Parent company		Consolidated	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
<b>Profit before income tax (IRPJ) and social contribution (CSLL) and after profit sharing</b>	<b>13,391</b>	<b>95,458</b>	<b>47,499</b>	<b>193,133</b>
Share of net profits of investees accounted for using the equity method	(97,295)	(205,122)	318	3,043
<b>Subtotal</b>	<b>(83,904)</b>	<b>(109,664)</b>	<b>47,817</b>	<b>196,176</b>
Statutory rate of IRPJ and CSLL	34%	34%	34%	34%
Estimate of IRPJ and CSLL expense (benefit) at the statutory tax rate	28,527	37,286	(16,257)	(66,700)
Non-deductible expenses for tax purposes	(45)	(306)	(1,172)	(1,109)
Tax losses for which no deferred tax asset was recognized (*)	-	-	(1,646)	(1,069)
Interest on capital	(12,226)	(9,138)	-	-
Expenses of companies that pay taxes using the presumed profit method	-	-	993	1,754
Recovery of losses	-	-	2,753	3,624
Other	763	131	2,462	(1,359)
<b>Total IRPJ and CSLL expense reported in the statement of income</b>	<b>17,019</b>	<b>27,973</b>	<b>(12,867)</b>	<b>(64,859)</b>
<b>Effective IRPJ and CSLL tax rate</b>	<b>20.28%</b>	<b>25.51%</b>	<b>26.91%</b>	<b>33.06%</b>

(\*) Certain direct and indirect subsidiaries of the Company have tax losses carried forward but deferred tax assets have not been recognized in respect of these losses as it is not probable that sufficient taxable profit will be available against which the losses can be utilized. (Note 10).

## 24. 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
Guarantee for tax, civil and labor debts	Guarantee insurance for tax, civil and/or labor claims	1,367,840
Civil liability of directors and officers	Directors and Officers (D&O) Liability Insurance	250,000
Buildings, facilities, machinery, furniture and fittings	Loss or damage to buildings, facilities, machinery and equipment and loss of profit by fire, civil liability for operations and employer's liability	28,820
Vehicles	Loss and damage or pecuniary damage	317

## 25. 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 26.a. of the annual financial statements as at December 31, 2022.
- 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 26 of the annual financial statements for the year ended December 31, 2022.

- c) 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 26 of the annual financial statements for the year ended December 31, 2022. At June 30, 2023, the Affinity segment is the business unit that accounts for 92.85% of the net operating revenue of the Parent company and its subsidiaries.

- d) Gross and net revenue by type of service

	Parent company		Consolidated	
	Six months ended	Six months ended	Six months ended	Six months ended
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Administration fee	-	-	642,698	672,823
Brokerage fee	233,932	275,861	240,896	288,697
Agency fee	50,563	70,417	50,563	71,867
Other revenue	2,522	2,389	31,642	41,753
<b>Total gross operating revenue</b>	<b>287,017</b>	<b>348,667</b>	<b>965,799</b>	<b>1,075,140</b>
Deductions from gross operating revenue:				
Taxes on revenue	(27,180)	(33,491)	(73,099)	(83,052)
Returns and cancellations	(382)	(835)	(382)	(835)
<b>Total deductions from gross operating revenue</b>	<b>(27,562)</b>	<b>(34,326)</b>	<b>(73,481)</b>	<b>(83,887)</b>
<b>Net operating revenue</b>	<b>259,455</b>	<b>314,341</b>	<b>892,318</b>	<b>991,253</b>

e) 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	June 30, 2023			June 30, 2022		
	Affinity segment	All other	Total	Affinity segment	All other	Total
Net revenue	828,559	63,759	892,318	923,355	67,898	991,253
Cost of providing services	(155,882)	(28,212)	(184,094)	(173,183)	(31,582)	(204,765)
Net income (expenses)	(293,465)	(16,751)	(310,216)	(266,538)	(12,195)	(278,733)
Selling expenses	(249,628)	(16,618)	(266,246)	(229,308)	(11,993)	(241,301)
Losses on uncollectible receivables	(50,393)	(308)	(50,701)	(48,988)	(197)	(49,185)
Finance income	15,784	66	15,850	15,681	1	15,682
Other income (expenses), net	(9,228)	109	(9,119)	(3,923)	(6)	(3,929)
<b>Profit before unallocated expenses</b>	<b>379,212</b>	<b>18,796</b>	<b>398,008</b>	<b>483,634</b>	<b>24,121</b>	<b>507,755</b>

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, as follows:

- The Corporate and SME segment, which is involved in 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).
- The Gama segment, which is involved in 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.

f) Reconciliation of revenues, profit, assets and liabilities

	Consolidated	
	Six months ended	Six months ended
	June 30, 2023	June 30, 2022
Unallocated amounts:		
Administrative expenses	(196,018)	(194,107)
Net finance costs	(139,103)	(108,300)
Loss on investment in startup	(318)	(3,043)
Provisions for contingencies	1,678	(4,473)
Selling expenses	(3,013)	(4,786)
Other (expenses) income, net	(13,735)	87
<b>Total</b>	<b>(350,509)</b>	<b>(314,622)</b>

	Assets		Liabilities	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Total for reportable segment	2,731,249	2,762,476	2,844,738	2,756,385
All other segments	217,657	214,500	18,710	16,923
Unallocated amounts	1,639,159	1,535,052	1,724,617	1,738,720
<b>Total</b>	<b>4,588,065</b>	<b>4,512,028</b>	<b>4,588,065</b>	<b>4,512,028</b>

g) Geographic information for the reportable segment

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

Geographical region (Consolidated)	June 30, 2023		June 30, 2022	
	Lives	Market share	Lives	Market share
Southeast	884,067	64.50%	1,059,301	63.75%
Northeast	263,878	19.25%	318,333	19.16%
South	78,835	5.75%	102,440	6.17%
Central West	75,170	5.48%	96,020	5.78%
North	68,856	5.02%	85,403	5.14%
<b>Total of the Affinity segment</b>	<b>1,370,806</b>	<b>100.00%</b>	<b>1,661,497</b>	<b>100.00%</b>

Information about major customers

For the interim period ended June 30, 2023, the Affinity segment's three major customers each provided revenue of R\$136,475, R\$46,196 and R\$39,035, which represent 16.47%, 5.58% and 4.71% of the Affinity segment's revenue and 15.29%, 5.18% and 4.37% of the consolidated revenue.

For the interim period ended June 30, 2022, the Affinity segment's three major customers each provided revenue of R\$101,732, R\$55,595 and R\$47,300, which represent 11.02%, 6.02% and 5.12% of the Affinity segment's revenue and 10.26%, 5.61% and 4.77% of the consolidated revenue.

## 26.Commitments

At June 30, 2023, significant commitments of the Company and its subsidiaries are as follows:

Commitments related to call center services of R\$12,594 for the remaining six months of 2023.

Expenses incurred on call center service agreements during the interim period ended June 30, 2023 were R\$11,020 (June 30, 2022: R\$14,044).

## 27.Earnings per share (EPS)

	Parent company and Consolidated	
	Six months Ended June 30, 2023	Six months Ended June 30, 2022
Profit for the period attributable to equity holders of the parent	30,410	123,431
Weighted average number of common shares for the basic EPS calculation	278,777,062	278,316,535
Weighted average number of common shares adjusted for share options for the diluted EPS calculation	278,893,757	278,432,907
<b>Basic earnings per share - R\$</b>	<b>0.10908</b>	<b>0.44349</b>
<b>Diluted earnings per share - R\$</b>	<b>0.10904</b>	<b>0.44331</b>



	Parent company and Consolidated	
	Three months ended June 30, 2023	Three months ended June 30, 2022
Profit for the period attributable to equity holders of the parent	13,728	49,377
Weighted average number of common shares for the basic EPS calculation	278,777,062	278,316,535
Weighted average number of common shares adjusted for share options for the diluted EPS calculation	278,893,757	278,432,907
<b>Basic earnings per share - R\$</b>	<b>0.04924</b>	<b>0.17741</b>
<b>Diluted earnings per share - R\$</b>	<b>0.04922</b>	<b>0.17734</b>

## 28. Approval of the interim condensed financial statements

These interim condensed parent company and consolidated financial statements were approved by the Board of Directors on August 14, 2023 and disclose all events occurring after the reporting period ended June 30, 2023.

Maurício da Silva Lopes  
Chief Executive Officer

Eduardo de Oliveira  
Vice President

Carlos de Almeida Vasques  
Investor Relations and Financial  
Officer

Adriana Ricardo Arrais  
Accountant - CRC 1SP213332/O-7