

First Quarter 2023 Results

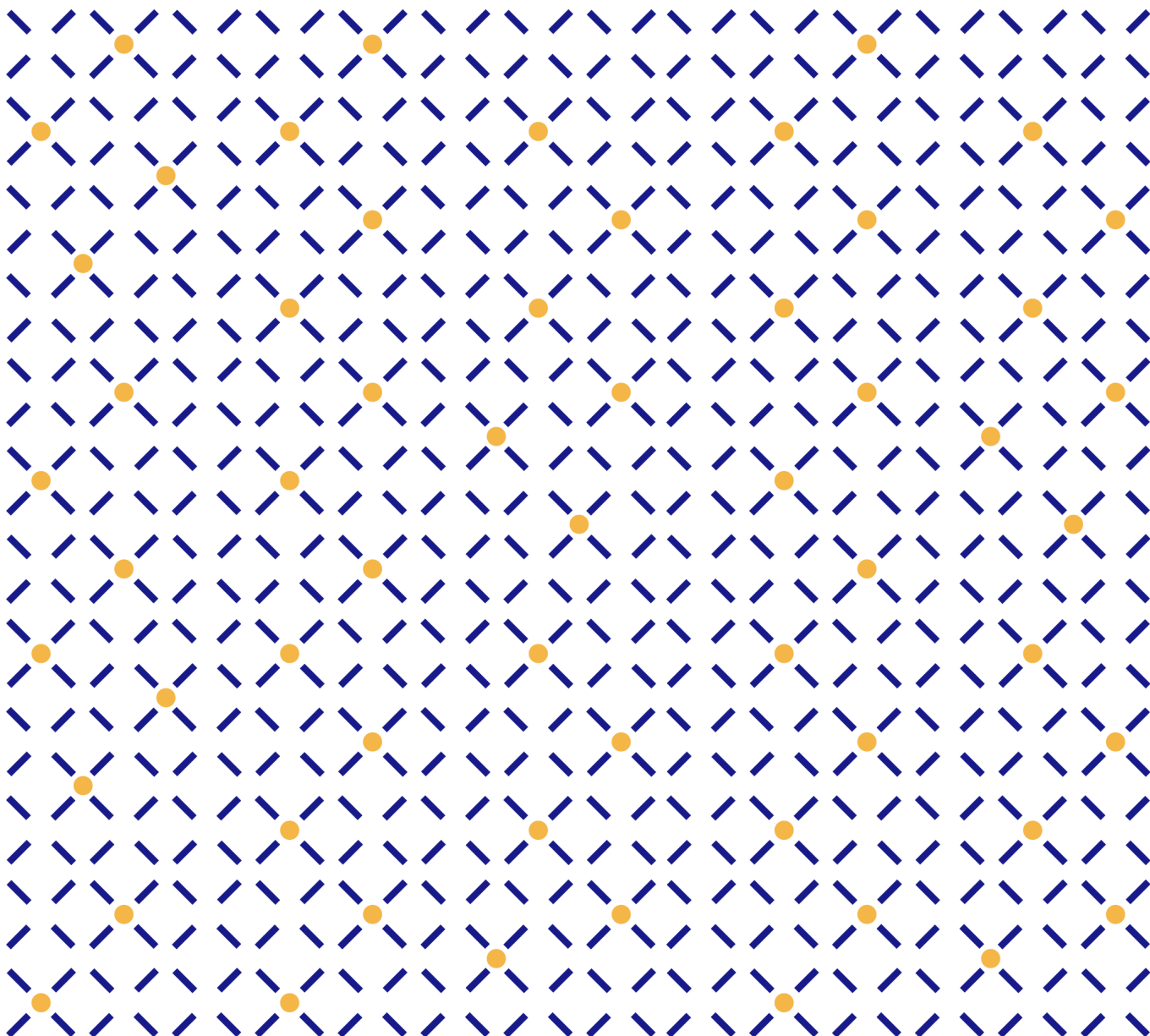
First Quarter 2023 Results

São Paulo, May 10th, 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 first quarter of 2023 (1Q23). 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.

Highlights:

- **Free Cash Flow:** R\$140.4 million in 1Q23, +20.3% vs. 4Q22 and 7x higher than 1Q22, with cash commissions of R\$64.1 million in 1Q23 (-8.3% vs. 4Q22). ROIC of 16.4% in 1Q23.
- **Lives Portfolio:** 961.5 thousand Affinity Health lives in 1Q23 (-4.3% vs. 4Q22), with organic gross adds of 63.6k lives and 107.2k cancellations. SME portfolio of 88k lives in 1Q23 (+5.3% vs. 4Q22).
- **Net Revenue:** R\$457.3 million in 1Q23 (+0.9% vs. 4Q22 and -8.9% vs. 1Q22).
- **Adjusted EBITDA:** R\$210.3 million in 1Q23 (-2.4% vs. 4Q22), with 46.0% margin (-160 bps vs. 4Q22).
- **Net Income:** R\$16.7 million in 1Q23 (-77.5% vs. 1Q22).
- **Net Debt** of R\$1.4 billion in 1Q23, or 1.59x Adjusted EBITDA LTM, vs. 1.60x in 4Q22 and 1.41x in 1Q22.

Key Indicators (R\$ MN)	1Q23	1Q22	YoY	4Q22	QoQ
Affinity Portfolio (thous. lives)	2,337.0	2,583.7	-9.6%	2,420.8	-3.5%
Affinity Health (thous. lives)	961.5	1,153.1	-16.6%	1,005.1	-4.3%
Gross Adds - organic (thous. lives)	63.6	115.2	-44.8%	78.2	-18.7%
Churn (thous. lives)	(107.2)	(131.2)	-18.2%	(135.9)	-21.1%
Net Revenue	457.3	502.2	-8.9%	453.1	0.9%
Adjusted EBITDA ¹	210.3	252.8	-16.8%	215.5	-2.4%
<i>Adjusted EBITDA Margin</i>	46.0%	50.3%	-436 bps	47.6%	-158 bps
Net Income	16.7	74.1	-77.5%	(79.9)	NM
Net Debt	1,418.4	1,439.6	-1.5%	1,496.3	-5.2%
<i>Net Debt / Adj. EBITDA LTM</i>	1.59x	1.41x	0.18x	1.60x	-0.01x
Free Cash Flow	140.4	20.1	599.5%	116.8	20.3%
ROIC	16.4%	26.2%	-9.8 p.p.	18.6%	-217 bps



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Management Highlights

Recent data published at ANS' Yearbook show the highest historical MLR levels and operating losses for the Brazilian supplementary healthcare sector in 2022, a year in which consolidated HMOs' revenues declined in nominal terms. Add to this a contractionary economic environment of high interest rates, and the sector faces today one of the most challenging scenarios in its history.

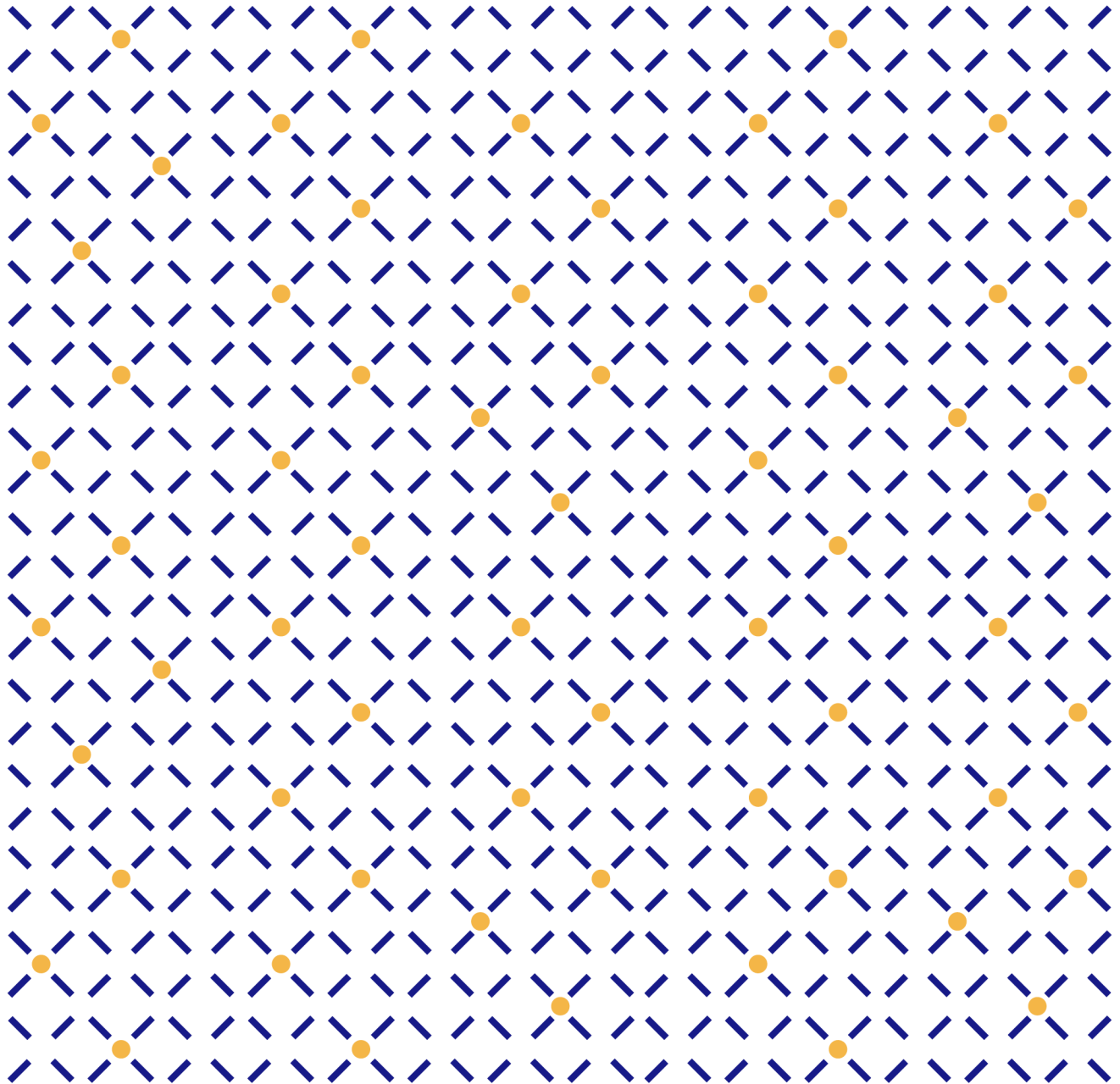
In this context, Quali's management has acted within a more conservative strategic direction, aiming to prioritize a better capital allocation in the short term, and the first quarter of 2023 results corroborate this strategy. Despite all macro and microeconomic challenges presented, the Company generated R\$140 million of free cash flow - the best in 8 quarters - through strict expense control, improvements in working capital and rationalization of investments, and reduced its net debt by 5%. It is also important to note that the credit rating of our debentures was recently reaffirmed at brAAA by S&P agency.

From an operational standpoint we presented a reduction in our beneficiary base (-4% QoQ in the Affinity Health Lives), as a reflection of the lower sales and the high cancellation levels, and we continued to work with lower take-rate due to the high medical loss ratios in the sector. We partially offset the impact of these factors by increasing average ticket, in a way that revenues were relatively stable in 1Q23, and by controlling costs and fixed expenses our Adjusted EBITDA stood at R\$210 million, only 2% lower than the previous quarter.

In the end of April, we held our General Meeting with the participation of shareholders representing 72% of Quali's capital stock, when, among other matters, were approved dividends in the minimum mandatory of R\$22 million over 2022 results, the expansion of the Audit, Risks and Compliance Committee's scope of competence, and other improvements to the Company's Bylaws, in line with the best governance practices in the market.

From a commercial standpoint, Quali and the Ministry of Justice reaffirmed an agreement to offer healthcare plan to public servants at the beginning of April. We also highlight the winning of the international IF Design Award 2023 in the branding category for the new Qualicorp brand. And in line with our current strategic focus and the digital channels improvement, we decided to terminate the activities of our physical sales channel, the Qualistores, which was operating in a pilot project since late 2021.

Throughout 2023, we will continue to dedicate ourselves to expenses control, with discipline in capital allocation, to face the current market conjuncture in the best way possible. At the same time, Quali will continue to seek medium- and long-term value generation levers, in order to reinforce the competitive differentials it has always had as a leader in the benefits administration market. And, together with its partners, it will continue to work towards the sector's sustainability.



Lives Portfolio

Lives Portfolio

Portfolio	1Q23	1Q22	Var. YoY	4Q22	Var. QoQ
Affinity Health Lives					
Total Portfolio (BOP)	1,005,090	1,169,061	-14.0%	1,062,717	-5.4%
(+) Gross Adds	63,606	115,157	-44.8%	78,247	-18.7%
(-) Churn	(107,228)	(131,157)	-18.2%	(135,878)	-21.1%
(+) Portfolio Acquisition	-	7	-100.0%	4	-100.0%
New Lives Added (net)	(43,622)	(15,993)	172.8%	(57,627)	-24.3%
Total Portfolio (EOP)	961,468	1,153,068	-16.6%	1,005,090	-4.3%
Affinity Other (Massified)					
Total Portfolio (BOP)	496,423	538,936	-7.9%	510,712	-2.8%
New Lives Added (net)	(43,529)	(10,213)	326.2%	(14,289)	204.6%
Total Portfolio (EOP)	452,894	528,723	-14.3%	496,423	-8.8%
Affinity Portfolio	1,414,362	1,681,791	-15.9%	1,501,513	-5.8%
Corporate	225,981	237,913	-5.0%	240,633	-6.1%
Gama	608,206	592,176	2.7%	594,648	2.3%
SME	88,420	71,847	23.1%	83,960	5.3%
Corp., Gama and SME Portf.	922,607	901,936	2.3%	919,241	0.4%
Total Portfolio	2,336,969	2,583,727	-9.6%	2,420,754	-3.5%

Quali ended 1Q23 with a portfolio of 2.3 million lives, 3.5% smaller than in the previous quarter. The Affinity portfolio decreased 5.8% QoQ, while the other segments (Corporate, SME and Gama) had an 0.4% expansion QoQ.

Affinity Portfolio

In our main portfolio, the Affinity Health segment, we presented a 4.3% decrease QoQ in 1Q23, with net losses of 43.6 thousand lives. Such variation was consequence of a sequential deceleration in gross adds to 63.6 thousand lives in the quarter (-18.7% QoQ), caused mainly by the suspension of sales to students' entities and by our strategy to rationalize incentives to the broker channel (commissions) that started at the end of last year.

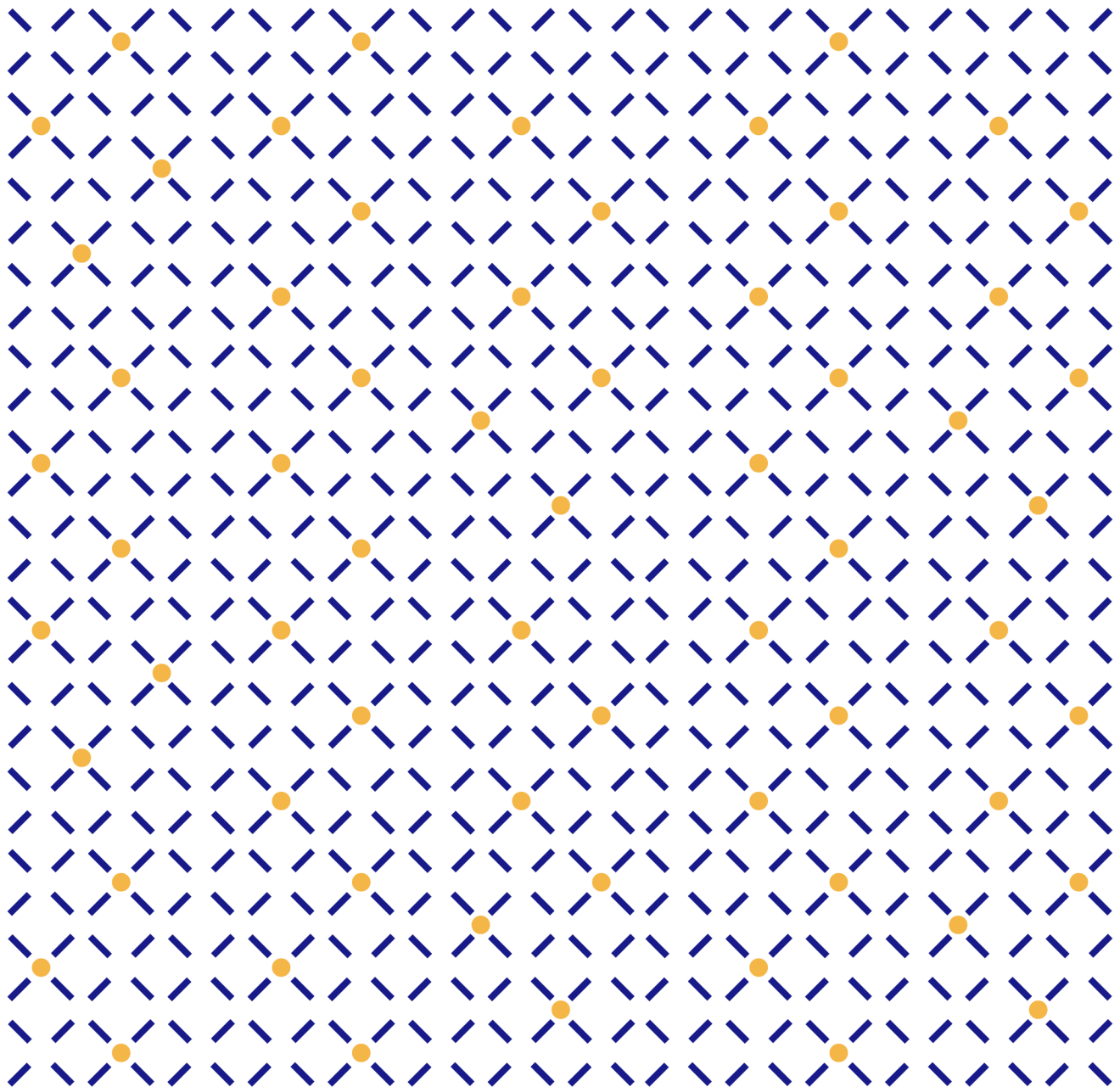
On the other hand, cancellations declined 21.1% QoQ and 18.2% YoY, reaching 107.3 thousand lives cancelled. This way, the churn rate was 10.3% in 1Q23, which represents a 200 bps improvement from the previous quarter and 40 bps versus 1Q22. It is worth noting that the readjustment applied to the contracts renewed during the first quarter remained at a high level of 23% and reached nearly 20% of the beneficiaries in our portfolio.

In the rest of our Affinity portfolio, which includes massified plans (mainly dental), we had net losses of 43.5 thousand lives in 1Q23 (-8.8% QoQ and 14.3% YoY).

Corporate, SME and Gama Portfolios

In 1Q23, our SME plans portfolio increased 4.5 thousand lives compared to the previous quarter (+5.3%). In the YoY comparison, the SME segment had net adds of 16.6 thousand (+23.1%) and ended the quarter with 88.4 thousand lives.

Our traditional Corporate segment portfolio presented a 6.1% decrease QoQ and 5% YoY to 226.0 thousand lives in 1Q23. Meanwhile, Gama's portfolio, our health management business, expanded 2.3% QoQ and 2.7% YoY, ending the quarter with 608.2 thousand lives.



1Q23 Results

1Q23 Results

Income Statement (R\$ MN)	1Q23	1Q22	Var. YoY	4Q22	Var. QoQ
Net Revenue	457.3	502.2	-8.9%	453.1	0.9%
(-) COGS and SG&A	(215.9)	(221.9)	-2.7%	(279.1)	-22.7%
(-) Contingencies and Legal Exp.	(5.5)	(5.7)	-2.9%	(23.3)	-76.4%
(-) Bad Debt Provision	(25.7)	(24.3)	5.8%	(22.3)	15.1%
(+/-) Other Oper.	(4.7)	1.2	-507.2%	(67.0)	-93.0%
EBITDA	205.6	251.5	-18.3%	61.3	235.3%
EBITDA Margin	44.9%	50.1%	-5 bps	13.5%	31 bps
(+/-) EBITDA Adj.	4.7	1.3	272.8%	154.2	-97.0%
Adjusted EBITDA	210.3	252.8	-16.8%	215.5	-2.4%
Adjusted EBITDA Margin	46.0%	50.3%	-436 bps	47.6%	-158 bps
(-) D&A	(114.7)	(97.9)	17.2%	(112.2)	2.3%
(+/-) Fin. Inc. (Exp.)	(66.9)	(40.5)	65.3%	(69.7)	-4.0%
(-) Income Tax./Social Contrib.	(4.9)	(36.9)	-86.7%	42.5	-111.5%
(-) Minority Interest	(2.4)	(2.3)	4.8%	(1.8)	35.2%
Net Income Controlling	16.7	74.1	-77.5%	(79.9)	NM
Net Margin	3.6%	14.7%	-11 bps	-17.6%	21 bps
Non-Recurring Adjustments	3.1	0.8	272.8%	101.8	-97.0%
Adjusted Net Income	19.8	74.9	-73.6%	21.9	-9.6%
Adjusted Net Margin	4.3%	14.9%	-10.6 p.p.	4.8%	-50.4 p.p.

In this 1Q23, Quali presented a 0.9% growth in its net revenue vs. 4Q22, and an 8.9% reduction vs. 1Q22. Adjusted EBITDA declined 2.4% QoQ and 16.8% YoY mainly due to operational deleveraging resulting from lower revenue, in addition to increased provisioning for bad debts. The Adjusted EBITDA margin was 46.0% in 1Q23 and showed a retraction of 160 bps QoQ and 440 bps YoY. In turn, net income reached R\$16.7 million in 1Q23, with a 78% YoY drop, mainly due to: i) lower revenue/EBITDA; ii) a 65% YoY increase in net financial expenses; and iii) 17% growth in Depreciation & Amortization expenses.

Please find in the follow pages our comments about main variations in the income statement, balance sheet and cash flow lines.

Revenue by Segment

Revenue (R\$ MN)	1Q23	1Q22	Var. YoY	4Q22	Var. QoQ
Affinity	459.9	507.3	-9.4%	446.4	3.0%
Health Lives	456.4	503.6	-9.4%	442.9	3.1%
Agency	21.0	32.1	-34.8%	14.5	44.1%
Administration Fee	317.2	334.1	-5.0%	323.0	-1.8%
Brokerage	117.9	137.1	-14%	104.3	13.1%
Other Income	0.3	0.2	3.9%	1.1	-75.8%
Other Affinity	3.5	3.8	-7.9%	3.5	0.3%
Corporate	5.6	4.6	21.1%	11.7	-52.1%
SME total	9.4	7.5	24%	9.3	0.5%
Gama	20.6	25.3	-18.6%	19.0	8.7%
Gross Revenue	495.5	544.9	-9.1%	486.3	1.9%
Income Taxes	(37.9)	(42.1)	-10%	(33.1)	14.6%
Cancellations and rebates	(0.2)	(0.6)	-62.1%	(0.2)	16.8%
Net Revenue	457.3	502.2	-8.9%	453.1	0.9%

Quali's gross revenue reached R\$495.5 in 1Q23, presenting an 1.9% increase in relation to 4Q22 and a 9.1% reduction in the year-on-year comparison.

In the Affinity Health Lives segment, agency revenues, which are directly related to gross adds, increased 44.1% QoQ due to non-recurring base adjustments in 4Q22, and a decrease of 34.8% YoY related to the lower sales level.

Recurring/lifetime revenues from Administration and Brokerage fees (together) presented a 1.9% QoQ growth due to around 5% increase in average ticket in the period and a 5% drop in the average portfolio, as well as being helped by non-recurring adjustments in the 4Q22 base. Compared to 4Q21, there was a 7.6% reduction in lifetime revenues, reflecting the 15% drop in the average portfolio and pressure on the take-rate, partially offset by a double-digit increase in the average ticket of the premiums billed in the period.

In the Other Affinity segment (massified), revenues increased 0.3% QoQ and 7.9% YoY reduction.

Combined revenues from other segments dropped 11% QoQ and 5.1% YoY in 1Q23. Among the main highlights we had:

- i) Corporate with a reduction of 52% QoQ due to the strong comparison base in 4Q22, but with 21% YoY growth;
- ii) SME with 0.5% QoQ and 24% YoY growth, following the segment's customer portfolio development; and
- iii) Gama with 8.7% QoQ increase after contract readjustments, but down 18.6% YoY due to the change in technology service scope.

Costs and Expenses

Costs and Expenses (R\$ MN)	1Q23	1Q22	Var. YoY	4Q22	Var. QoQ
Total COGS e SG&A	(215.9)	(221.9)	-2.7%	(279.1)	-22.7%
COGS	(93.2)	(102.7)	-9.2%	(136.9)	-31.9%
Administrative Expenses	(57.8)	(54.1)	6.8%	(73.6)	-21.5%
Commercial Expenses	(64.9)	(65.1)	-0.3%	(68.7)	-5.5%
Total COGS e SG&A	(215.9)	(221.9)	-2.7%	(279.1)	-22.7%
Personnel	(88.5)	(95.3)	-7.2%	(100.0)	-11.5%
3rd-party Services	(43.7)	(47.8)	-8.6%	(45.9)	-4.8%
Occupancy	(4.1)	(5.0)	-19.2%	(4.5)	-10.9%
Marketing and Trade	(9.6)	(9.8)	-2.1%	(13.0)	-26.3%
Comissions and Transf.	(60.9)	(53.9)	13.1%	(100.2)	-39.2%
Other Costs and SG&A	(9.2)	(10.1)	-9.0%	(15.4)	-40.6%
Contingencies and Legal Exp.	(5.5)	(5.7)	-2.9%	(23.3)	-76.4%
Bad Debt Provision	(25.7)	(24.3)	5.8%	(22.3)	15.1%
Other Operating	(4.7)	1.2	-507.2%	(67.0)	-93.0%
Total Consolidated	(251.8)	(250.7)	0.4%	(391.8)	-35.7%
(+/-) EBITDA Adj.	4.7	1.3	272.8%	140.4	-96.7%
Total Consol. Ex-Adj.	(247.1)	(249.4)	-0.9%	(251.4)	-1.7%

Note: SG&A expenses without depreciation and amortization.

Quali's total costs and expenses, excluding non-recurring adjustments, were R\$247.1 million in 1Q23, a reduction of 1.7% QoQ and 0.9% YoY.

In the group of fixed or semi-variable expenses, recurring Personnel expenses were R\$86.2 million, up only 1.2% QoQ mainly due to higher healthcare expenses, but down 9.4% YoY following a restructuring of areas with headcount reduction. Third Party Services had similar behavior, with a recurring 3.9% QoQ increase (from R\$41.7 million in 4Q22 to R\$43.3 million in 1Q23), but a 9% YoY drop mainly due to higher efficiency in customer service (COGS). There was also sequential improvement in Marketing & Trade which fell 26% QoQ, in Other Costs & SG&A that were 41% lower QoQ (or -27% excluding non-recurring adjustments) and in Other Operating that fell to only R\$4.7 million in 1Q23, in spite of non-recurring expenses of about R\$2 million with the closing of Qualistores.

Variable expenses, which are proportional to premiums billed, were affected by the pressure on the take-rate and increased as a percentage to Quali's net revenues. Thus, Commissions and Transfers increased by 0.8% QoQ (excluding nonrecurring effects of R\$39.8 million in the 4Q22 base) and 13.1% YoY, as did Bad Debt Provision that increased by 15.1% QoQ and 5.8% YoY, due to more conservative provisioning and write-offs in the Gama operation.

EBITDA and EBITDA Adjustments

EBITDA (R\$ MN)	1Q23	1Q22	Var. YoY	4Q22	Var. QoQ
Net Revenue	457.3	502.2	-8.9%	453.1	0.9%
(-) COGS	(93.2)	(102.7)	-9.2%	(136.9)	-31.9%
(-) SG&A	(122.7)	(119.2)	2.9%	(142.3)	-13.8%
(-) Contingencies and Legal Exp.	(5.5)	(5.7)	-2.9%	(23.3)	-76.4%
(-) Bad Debt Provision	(25.7)	(24.3)	5.8%	(22.3)	15.1%
(-) Other Oper. Inc. (Exp.)	(4.7)	1.2	-507.2%	(67.0)	-93.0%
EBITDA	205.6	251.5	-18.3%	61.3	235.3%
EBITDA Margin	44.9%	50.1%	-5 bps	13.5%	31 bps
(+/-) EBITDA Adj.	4.7	1.3	272.8%	154.2	-97.0%
HMOs/Entities Provisions for Losses	-	-	NM	97.1	NM
Write-off Judicial deposits	-	-	NM	27.3	NM
Severance Provision	2.3	0.2	891.0%	14.8	-84.6%
Revenue Reversal	-	-	NM	13.8	NM
Other Non-Recurring Effects	2.4	1.0	134.8%	1.1	115.5%
Adjusted EBITDA	210.3	252.8	-16.8%	215.5	-2.4%
Adjusted EBITDA Margin	46.0%	50.3%	-436 bps	47.6%	-158 bps

Reported EBITDA increased 235% QoQ, due to the nonrecurring adjustments in 4Q22, but decreased 18.3% YoY to R\$205.6 million in 1Q23, reflecting the reduction in net revenues and increase in Bad Debt Provision + Other Operating Expenses. Reported EBITDA margin in 1Q23 was 44.9% vs. 13.5% in 4Q22 and 50.1% in 1Q22.

In this quarter we had R\$4.7 million of adjustments to EBITDA, about half of which refers to residual values of severance costs after the restructuring happened between the end of 2022 and beginning of 2023, and the other half refers mostly to the termination of the physical stores sales channel.

Excluding these extraordinary effects, Quali's Adjusted EBITDA reached R\$210.3 million in 1Q23, varying -2.4% QoQ and -16.8% YoY. Adjusted EBITDA margin was 46.0% in 1Q23, with a sequential reduction of 160 bps QoQ and 440 bps YoY.

Financial Results

Financial Results (R\$MN)	1Q23	1Q22	Var. YoY	4Q22	Var. QoQ
Net Debt Income (Exp.)	(60.6)	(40.6)	49.0%	(58.3)	3.8%
Financial Investments	22.3	17.0	30.8%	24.2	-7.8%
Hedge Accounting	-	(19.3)	-100.0%	-	NM
Interest on Loans and Financing	(82.9)	(38.4)	116.0%	(82.5)	0.4%
Interest and Fine on Late Paym.	8.1	7.6	7.0%	8.2	-0.8%
Monetary Adjustments	(1.5)	(0.5)	216.6%	(1.5)	-5.5%
Other Financ. Income (Exp.)	(13.0)	(7.0)	86.5%	(18.0)	-27.8%
Net Financial Results	(66.9)	(40.5)	65.3%	(69.7)	-4.0%

Net Financial results were a R\$66.9 million expense in 1Q23, with a -4% variation compared to 4Q22 and +65.3% over 1Q22. Net Debt costs, net of financial investments income, were R\$60.6 million in 1Q23 (+3.8% QoQ and +49% YoY), representing a cost of 4.2% over average net debt for the quarter (vs. 3.9% in 4Q22 and 2.8% in 1Q22). In turn, we had R\$13 million of Other Financial Expenses that were 28% lower QoQ, but 86% higher YoY.

Net Income

Net Income (R\$ MN)	1Q23	1Q22	Var. YoY	4Q22	Var. QoQ
EBITDA	205.6	251.5	-18.3%	61.3	235.3%
D&A	(114.7)	(97.9)	17.2%	(112.2)	2.3%
Intangible/Fixed Assets	(39.6)	(36.4)	9.0%	(38.4)	3.1%
Amort. Commissions	(70.2)	(57.6)	22.0%	(69.0)	1.8%
Amort. Leases	(4.8)	(4.0)	22.5%	(4.7)	2.2%
EBIT	90.9	153.7	-40.9%	(50.9)	-278.6%
Fin. Inc. (Exp.)	(66.9)	(40.5)	65.3%	(69.7)	-4.0%
Earnings before taxes	24.0	113.2	-78.8%	(120.5)	NM
Income Tax./Social Contrib.	(4.9)	(36.9)	-86.7%	42.5	NM
Net Income Consolidated	19.1	76.4	-75.0%	(78.1)	NM
(-) Minority Interest	(2.4)	(2.3)	4.8%	(1.8)	35.2%
Net Income Parent Co.	16.7	74.1	-77.5%	79.9	NM
Non-Recurring Adjustments	3.1	0.8	272.8%	101.8	-97.0%
Adjusted Net Income	19.8	74.9	-73.6%	21.9	-9.6%

Quali reported a net income of R\$16.7 million in 1Q23, after minority interest, reversing a negative net result of R\$79.9 million in 4Q22. In the year-on-year comparison, there was a 77% reduction because of the lower EBITDA, the increase in depreciation and amortization expenses and the worse net financial result. Adjusting for non-recurring effects, our net income was R\$19.8 million in 1Q23 (-9.6% QoQ and -73.6% YoY).

Managerial Cash Flow

Cash Flow	1Q23	1Q22	Var. YoY	4Q22	Var. QoQ
EBITDA	205.6	251.5	-18.3%	61.3	235.3%
Non cash adjustments	(2.8)	2.4	NM	98.7	-102.8%
Leasing payments	(4.9)	(3.4)	46.4%	(5.1)	-3.2%
Commissions paid	(64.1)	(64.6)	-0.7%	(69.9)	-8.3%
Taxes Paid	(5.7)	(36.8)	-84.7%	(25.8)	-78.1%
Changes in Working Capital	28.8	(67.0)	NM	83.4	-65.5%
Cash Provided by Oper. Activities	156.8	82.2	90.9%	142.7	9.9%
Capex (Intang. + PP&E)	(13.9)	(15.7)	-11.8%	(14.2)	-2.3%
Operating Cash Flow after Capex	142.9	66.4	115.2%	128.5	11.3%
Acquisitions portfolio/companies	(2.5)	(46.3)	-94.6%	(11.7)	-78.6%
Free Cash Flow	140.4	20.1	599.5%	116.8	20.3%
Financial Income/Expenses	21.3	(32.8)	NM	(122.9)	NM
Loans and Funding	-	(52.9)	NM	-	NM
Financial Investments	19.3	(7.8)	NM	(7.9)	NM
Dividends Paid	-	(72.5)	NM	(72.5)	NM
Cash Prov. Financing Activ.	40.6	(93.5)	NM	(203.3)	NM
Cash Flow	181.1	(73.4)	NM	(86.5)	NM

The free cash flow climbed to R\$140.4 million in 1Q23, an increase of 20% over the strong generation in 4Q22 and 7x higher than in 1Q22.

This improvement was a consequence, mainly, of the improvement in the operating cash generation (before investments) that reached R\$156.8 million in 1Q23, with increases of 9.9% QoQ and 90.9% YoY. This was the result of: i) relevant improvement in working capital in the YoY view, following the review (started in 4Q22) of receivables terms with customers and HMOs and efficiency in tax payments; and ii) 8.3% QoQ and 0.7% YoY reduction in cash commissions (CAC), following our efforts to rationalize channel incentives, and despite a R\$11 million expense with annual sales award campaigns that was, in this fiscal year, carried out in 1Q23.

CapEx for 1Q23 was R\$13.9 million (-2.3% QoQ and -11.8% YoY), and disbursements with acquisitions and commercial agreements were R\$2.5 million in the period.

Investments

Capex (R\$ MN)	1Q23	1Q22	Var. YoY	4Q22	Var. QoQ
Acquisitions and Rights	-	40.0	-100.0%	5.0	-100.0%
IT Capex	11.6	9.9	17.2%	10.8	7.5%
PP&E/Other Capex	1.4	7.4	-80.8%	2.0	-29.5%
Total	13.1	57.4	-77.2%	17.9	-26.8%

Investments in fixed assets, intangibles and acquisitions were R\$13.1 million in 1Q23, with a variation of -26.8% QoQ and -77.2% YoY. The largest investment was in IT, related to expenses with

the acquisition of software licenses and operating software in use, continuing the company's digital transformation strategy.

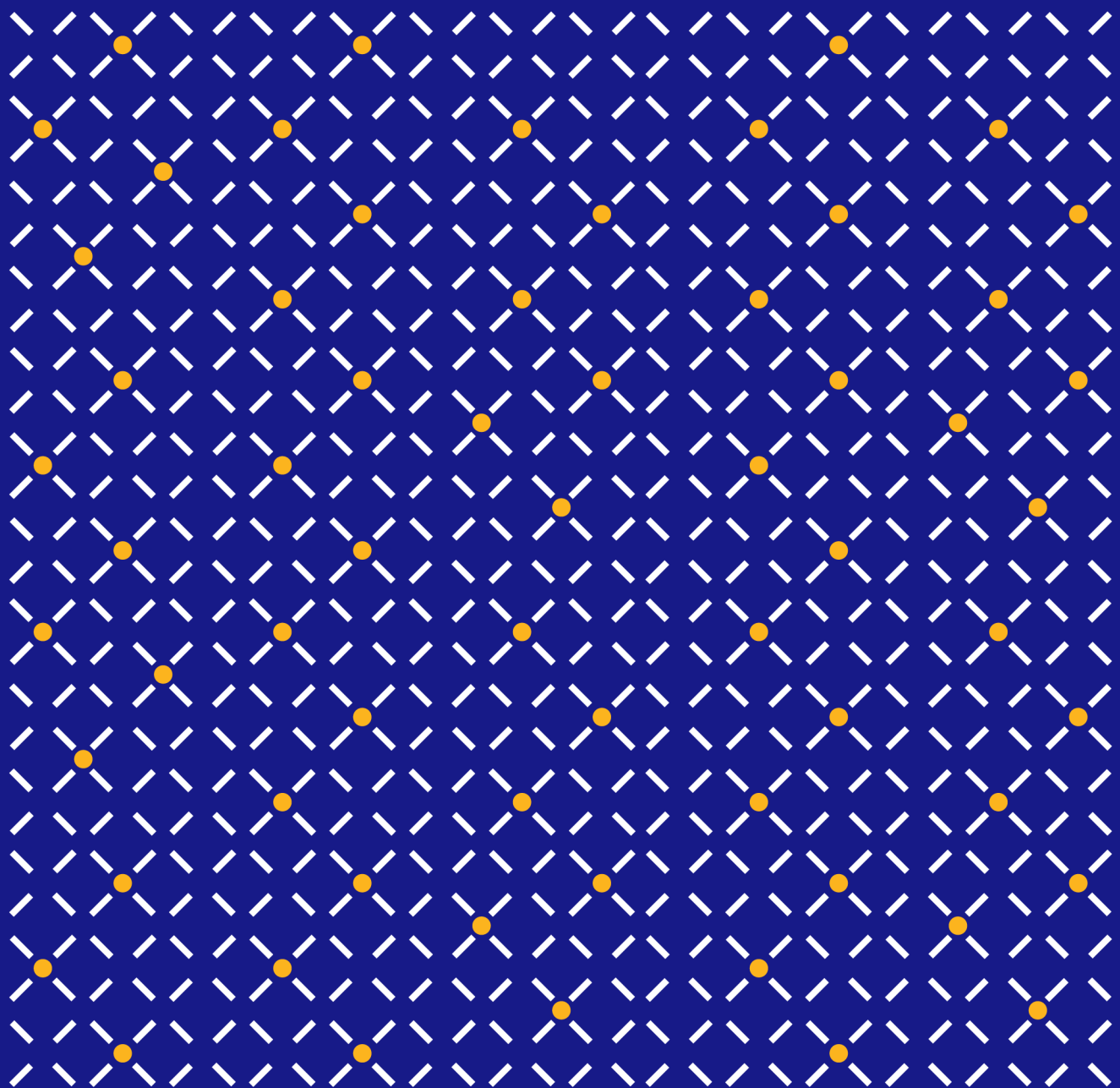
Indebtedness

Capital Structure (R\$ MN)	1Q23	1Q22	Var. YoY	4Q22	Var. QoQ
Current Debt	103.3	1,723.9	-94.0%	20.4	405.4%
Long Term Debt	2,187.1	289.9	654.5%	2,186.1	0.0%
Derivatives	-	112.8	NM	-	NM
TOTAL	2,290.4	2,126.5	7.7%	2,206.6	3.8%
Cash and cash equivalents	872.0	686.9	26.9%	710.3	22.8%
Net Debt	1,418.4	1,439.6	-1.5%	1,496.3	-5.2%
Net Debt / Adj. EBITDA LTM	1.59x	1.41x	0.18x	1.60x	-0.01x

Our net debt was R\$1,418 million in 1Q23, -5.2% QoQ and -1.5% YoY, after a quarter with strong operating cash generation and no relevant financing interest payments. Almost all the debt is consolidated and long-term, with the first amortization in June 2024 and final maturity in June 2027. Our financial leverage decreased to 1.59x Adjusted EBITDA LTM in 1Q23, compared to 1.60x in 4Q22 and 1.41x in 1Q22.

ROIC

Return on Investment	1Q23	1Q22	Var. YoY	4Q22	Var. QoQ
Non Current Assets	2,976	2,835	5.0%	2,978	0.0%
Working Capital	(102)	(158)	-35.5%	(104)	-1.5%
Invested Capital	2,874	2,677	7.4%	2,874	0.0%
Adjust. (Goodwill, non-compete)	(1,015)	(1,040)	-2.4%	(1,021)	-0.6%
Adj. Invest. Cap. (Average LTM)	1,860	1,637	13.6%	1,854	0.3%
Adj. EBIT LTM	462	650	-28.9%	522	-11.4%
(-) Taxes (34%)	(157)	(221)	-28.9%	(177)	-11.4%
NOPAT LTM	305	429	-28.9%	344	-11.4%
ROIC	16.4%	26.2%	-9.8 p.p.	18.6%	-217 bps



Attachments: Financial Statements

Income Statement - Consolidated

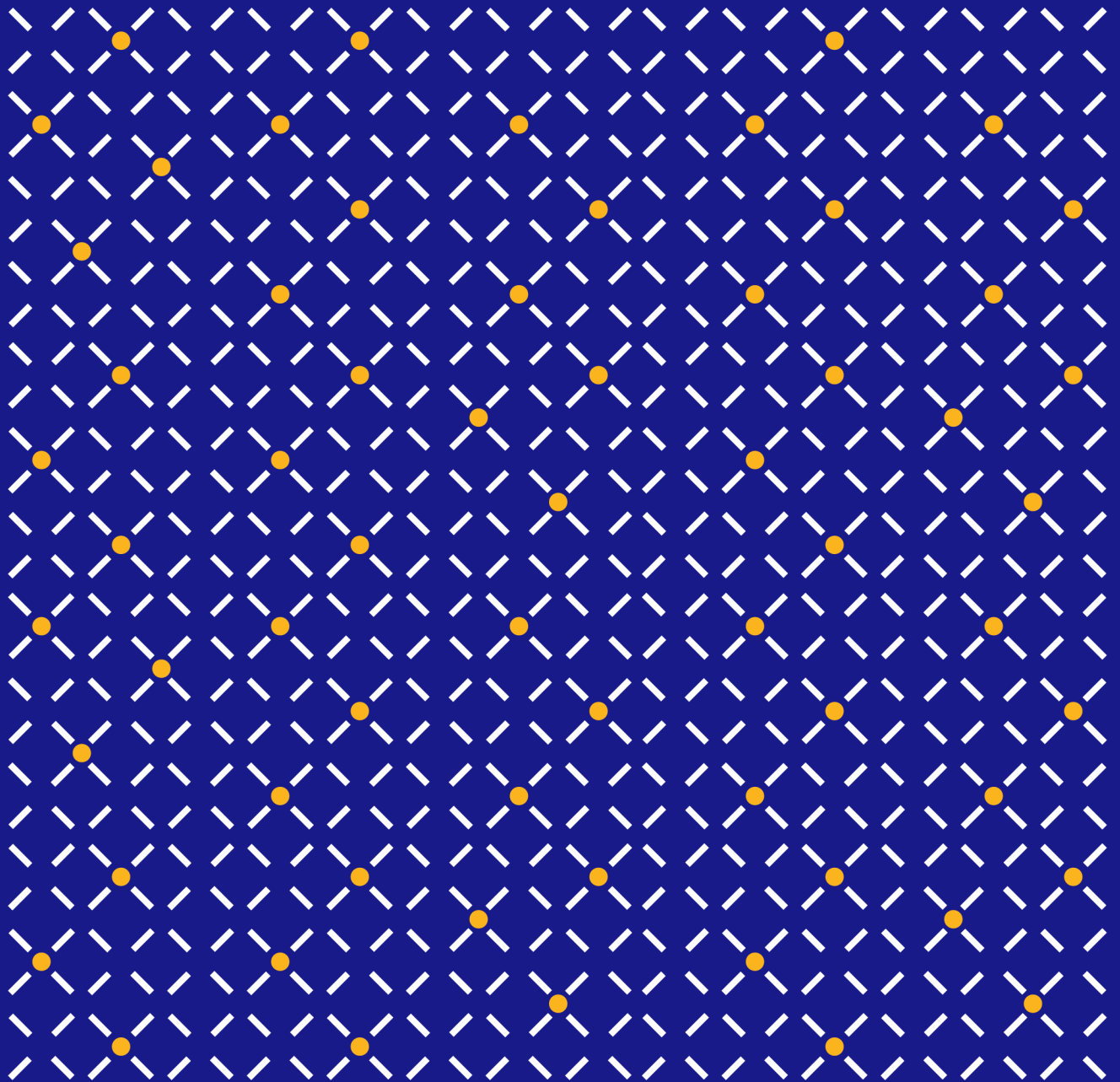
INCOME STATEMENT (R\$ MM)	1Q23	1Q22	Var. YoY	4Q22	Var. QoQ
Net Revenue	457.3	502.2	-8.9%	453.1	0.9%
COGS	(93.0)	(103.5)	-10.2%	(136.9)	-32.1%
Gross Profit	364.4	398.7	-8.6%	316.2	15.2%
Operating Income (expenses)	(273.5)	(245.0)	11.6%	(367.1)	-25.5%
Administrative expenses	(102.6)	(92.8)	10.6%	(116.8)	-12.1%
Selling expenses	(135.0)	(123.5)	9.3%	(137.7)	-1.9%
Provisions for Bad Debt	(25.7)	(24.3)	5.8%	(22.3)	15.1%
Other operating income (expenses)	(10.2)	(4.5)	125.9%	(90.3)	-88.7%
Earnings before Interest and Taxes	90.9	153.7	-40.9%	(50.9)	-278.6%
Financial income (expenses)	(66.9)	(40.5)	65.3%	(69.7)	-4.0%
Income Before Taxes	24.0	113.2	-78.8%	(120.5)	-119.9%
Income Taxes and Social Contribution	(4.9)	(36.9)	-86.7%	42.5	-111.5%
NET (LOSS) INCOME FOR PERIOD	19.1	76.4	-75.0%	(78.1)	NM
Attributable to					
Noncontrolling interest	(2.4)	(2.3)	4.8%	(1.8)	35.2%
Controlling interest	16.7	74.1	12.4%	(79.9)	-120.9%

Balance Sheet - Consolidated

ASSETS (R\$ MN)	Mar/23	Dec/22	Var. %	LIABILITIES & SHAREHOLDERS EQUITY (R\$ MN)	Mar/23	Dec/22	Var. %
CURRENT ASSETS				CURRENT LIABILITIES			
Cash and cash equivalents	558.2	377.1	48.0%	Loans, Financing and Debentures	103.3	20.4	405.4%
Short-term investments	313.8	333.1	-5.8%	Taxes payable	25.7	24.2	6.3%
Trade receivables	216.2	232.0	-6.8%	Technical Reserves	17.1	16.9	1.0%
Other assets	238.4	255.3	-6.6%	Premiums to be transferred	208.4	224.1	-7.0%
Other financial assets	228.3	245.3	-6.9%	Financial transfers payable	61.2	55.9	9.3%
Other non-financial assets	10.1	10.0	1.0%	Payroll and related taxes	64.5	67.3	-4.1%
Derivative financial instruments	-	-	NM	Transferable prepayments	41.1	46.9	-12.3%
Related Parties	-	-	NM	Related parties	22.0	22.0	0.0%
Total current assets	1,326.6	1,197.6	10.8%	Other payables	189.0	178.5	5.9%
				Leases	15.3	18.0	-14.8%
NONCURRENT ASSETS				Total current liabilities	747.7	674.4	10.9%
Long-term assets				NONCURRENT LIABILITIES			
Related Parties	-	-	0.0%	Loans, Financing and Debentures	2,187.1	2,186.1	0.0%
Income tax and social contribution	169.3	161.3	5.0%	Income tax and social contribution	2.0	0.0	NM
Other assets	165.6	166.1	-0.3%	Financial transfers payable	0.6	0.9	-30.5%
Other financial assets	164.3	163.8	0.3%	Premiums to be transferred	0.2	-	0.0%
Other non financial assets	1.3	2.3	-43.7%	Payroll and related taxes	0.2	0.4	0.0%
Total long-term assets	335.0	327.4	2.3%	Deferred income tax and social contribution	0.4	79.7	6.7%
Investments	126.3	126.4	-0.1%	Options for non-controlling interests acquiring	85.0	93.8	3.1%
Property, plant and equipment	75.1	85.9	-12.6%	Provision for risks	96.7	84.5	-5.3%
Intangible assets	2,744.9	2,774.6	-1.1%	Other payables	80.0	2.4	-68.2%
Goodwill	1,854.7	1,854.7	0.0%	Leases	0.8	33.1	-4.4%
Others intangible assets	890.2	919.9	-3.2%	Total noncurrent liabilities	2,484.4	2,481.1	0.1%
Total noncurrent assets	3,281.3	3,314.4	-1.0%	EQUITY			
				Capital	875.6	875.6	0.0%
				Treasury Shares	(114.2)	(114.2)	0.0%
				Capital reserves	126.6	126.5	0.1%
				Profit reserves	458.6	458.6	0.0%
				Earnings	16.7	-	NM
				Total Equity of controlling shareholders	1,363.3	1,346.5	1.3%
				Noncontrolling interest in subsidiaries	12.6	10.1	23.8%
				Total equity	1,375.9	1,356.6	1.4%
				-	-	-	-
TOTAL ASSETS	4,607.9	4,512.0	2.1%	TOTAL LIABILITIES AND EQUITY	4,607.9	4,512.0	2.1%

Cash Flow – Consolidated

STATEMENTS OF CASH FLOWS (R\$ MN)	1Q23	1Q22	Var. %
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (losses) before income tax and social contribution	24.0	113.2	-78.8%
Adjustments:			
Depreciation and Amortization	114.7	97.9	17.2%
Impairment	1.4	(3.0)	-146.5%
Equity Accounting	0.1	0.8	-80.8%
Restricted Shares	0.2	3.2	-94.4%
Financial Income/Expenses	88.3	56.9	55.2%
Provision for Risks	(4.5)	1.4	-424.1%
Origin Cash provided by operating activities	56.1	(68.2)	-182.4%
Cash provided by operating activities	280.3	202.2	38.6%
Interest paid on debentures	-	(49.2)	-100.0%
Income tax and social contribution paid	(5.7)	(36.8)	-84.7%
Net cash provided by operating activities	274.7	116.2	136.3%
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in intangible assets	(80.2)	(92.4)	-13.2%
Purchase of property, plant and equipment	(0.3)	(6.9)	-95.4%
Increase (decrease) in financial investments - exclusive FI fund	(8.1)	(6.6)	21.9%
Amount paid in acquisition (Elo)	-	(16.4)	-100.0%
Amount paid in acquisition (APM)	-	(11.0)	-100.0%
Net cash used in investing activities	(88.6)	(133.3)	-33.5%
CASH FLOW FROM FINANCING ACTIVITIES			
Rents Paid	(4.9)	(3.4)	46.4%
Other costs of raising debentures	(0.1)	(0.1)	0.0%
Loans and swap Paid	-	(52.9)	-100.0%
Dividends paid to minorities	-	(0.0)	-100.0%
Cash provided by (used in) financing activities	(5.0)	(56.3)	-91.1%
INCREASE IN CASH AND CASH EQUIVALENTS, NET	181.1	(73.4)	-346.7%
Cash and cash equivalents at beginning of period	377.1	449.5	-16.1%
Cash and cash equivalents at end of period	558.2	376.1	48.4%



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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), and the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR)

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

To the Shareholders, Board of Directors and Officers
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 March 31, 2023, comprising the statement of financial position as of March 31, 2023, and the related statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for the three-month period then ended, including explanatory information.

Management is responsible for preparation of the individual and consolidated condensed interim financial information in accordance with NBC TG 21 and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the 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 includes the individual and consolidated statements of value added (SVA) for the three-month period ended March 31, 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.

São Paulo, May 10, 2023.

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



Alessandra Aur Raso
CRC SP-248878/O

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

ASSETS	Note	Parent company		Consolidated		LIABILITIES AND EQUITY	Note	Parent company		Consolidated	
		March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022			March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
CURRENT ASSETS						CURRENT LIABILITIES					
Cash and cash equivalents	7.1	214,621	90,304	558,180	377,129	Interest-bearing loans and borrowings and debentures	14	103,294	20,439	103,294	20,439
Financial investments	7.2	-	-	313,838	333,143	Taxes and contributions payable		11,158	14,453	25,695	24,177
Accounts receivable from customers	8	41,221	53,360	216,188	232,040	Technical reserves for healthcare operations		-	-	17,090	16,923
Other assets		64,171	87,872	238,441	255,308	Premiums to be transferred	16	-	-	208,368	224,137
Other financial assets	9	60,732	80,503	228,297	245,267	Financial transfers payable		-	-	61,159	55,935
Other non-financial assets		3,439	7,369	10,144	10,041	Payroll and related charges		45,004	48,902	64,541	67,313
Receivables from related parties	11.1	34,098	28,686	-	-	Transferable prepayments		-	-	41,132	46,918
Total current assets		354,111	260,222	1,326,647	1,197,620	Payables to related parties	11.1	22,053	22,065	22,044	22,044
NON-CURRENT ASSETS						Other payables	17	24,266	29,596	189,010	178,493
Deferred income tax and social contribution	10	167,077	158,741	169,327	161,270	Lease liabilities	15	10,849	13,067	15,338	17,997
Receivables from related parties	11.1	-	9,504	-	-	Total current liabilities		216,624	148,522	747,671	674,376
Other assets		14,794	15,351	165,633	166,112	NON-CURRENT LIABILITIES					
Other financial assets	9	13,593	14,084	164,332	163,800	Interest-bearing loans and borrowings and debentures	14	2,187,131	2,186,141	2,187,131	2,186,141
Other non-financial assets		1,201	1,267	1,301	2,312	Taxes and contributions payable		-	-	1,965	3
Total long-term receivables		181,871	183,596	334,960	327,382	Financial transfers payable		-	-	610	878
Investments in subsidiaries and joint venture						Premiums to be transferred	16	-	-	167	167
Property and equipment		60,571	69,983	75,087	85,944	Payroll and related charges		-	-	400	400
Intangible assets						Deferred income tax and social contribution	10	-	-	85,000	79,658
Goodwill	13.2	673,520	626,653	1,854,712	1,854,712	Call option over non-controlling interests	5	48,637	48,149	96,656	93,780
Other intangible assets	13.1	683,287	695,650	890,234	919,937	Provision for contingencies	18	12,747	7,918	80,040	84,535
Total non-current assets		3,498,161	3,502,391	3,281,278	3,314,408	Other payables	17	-	658	750	2,361
Investments in subsidiaries and joint venture						Lease liabilities	15	23,822	24,775	31,665	33,135
Property and equipment		60,571	69,983	75,087	85,944	Total non-current liabilities		2,272,337	2,267,641	2,484,384	2,481,058
Intangible assets						EQUITY					
Goodwill	13.2	673,520	626,653	1,854,712	1,854,712	Share capital	19	875,575	875,575	875,575	875,575
Other intangible assets	13.1	683,287	695,650	890,234	919,937	Treasury shares		(114,223)	(114,223)	(114,223)	(114,223)
Total non-current assets		3,498,161	3,502,391	3,281,278	3,314,408	Capital reserve		126,635	126,456	126,635	126,456
Investments in subsidiaries and joint venture						Revenue reserves		458,642	458,642	458,642	458,642
Property and equipment		60,571	69,983	75,087	85,944	Retained earnings		16,682	-	16,682	-
Intangible assets						Total equity attributable to equity holders of the parent		1,363,311	1,346,450	1,363,311	1,346,450
Goodwill	13.2	673,520	626,653	1,854,712	1,854,712	Non-controlling interests		-	-	12,559	10,144
Other intangible assets	13.1	683,287	695,650	890,234	919,937	Total equity		1,363,311	1,346,450	1,375,870	1,356,594
Total non-current assets		3,498,161	3,502,391	3,281,278	3,314,408	TOTAL LIABILITIES AND EQUITY					
TOTAL ASSETS						3,852,272	3,762,613	4,607,925	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 MARCH 31, 2023 AND 2022

All amounts in thousands of real, except earnings per share

	Note	Parent company		Consolidated	
		January 1, 2023 to March 31, 2023	January 1, 2022 to March 31, 2022	January 1, 2023 to March 31, 2023	January 1, 2022 to March 31, 2022
NET OPERATING REVENUE	25.d	138,470	158,786	457,348	502,209
COST OF PROVIDING SERVICES	21	(11,027)	(11,368)	(92,965)	(103,508)
OPERATING INCOME (EXPENSES)					
Administrative expenses	21	(33,433)	(31,374)	(102,632)	(92,756)
Selling expenses	21	(96,652)	(106,321)	(134,978)	(123,471)
Losses on uncollectible receivables	8.1	(333)	(550)	(25,692)	(24,280)
Share of net profits of equity-accounted investees	12	46,949	103,384	(148)	(769)
Other income (expenses), net		(2,099)	1,837	(10,062)	(3,751)
OPERATING PROFIT BEFORE FINANCE INCOME AND COSTS		41,875	114,394	90,871	153,674
Finance income	22	4,003	155,533	34,672	181,273
Finance costs	22	(37,532)	(211,115)	(101,543)	(221,727)
PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		8,346	58,812	24,000	113,220
INCOME TAX AND SOCIAL CONTRIBUTION	23	8,336	15,242	(4,903)	(36,863)
Current		-	-	(7,603)	(34,160)
Deferred		8,336	15,242	2,700	(2,703)
PROFIT FOR THE PERIOD		16,682	74,054	19,097	76,357
ATTRIBUTABLE TO:					
Equity holders of the parent		16,682	74,054	16,682	74,054
Non-controlling interests		-	-	2,415	2,303
		16,682	74,054	19,097	76,357
EARNINGS PER SHARE (EPS)					
Basic (R\$ per share)	27	0.05991	0.26662	0.05991	0.26662
Diluted (R\$ per share)	27	0.05989	0.26643	0.05989	0.26643

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	
AT DECEMBER 31, 2021	896,558	(20,983)	(128,605)	133,299	133,636	254,232	-	(1,718)	1,266,419	8,630	1,275,049
Restricted stock	-	-	-	1,404	-	-	-	-	1,404	-	1,404
Cash flow hedges - effective portion of changes in fair value	-	-	-	-	-	-	-	(137,215)	(137,215)	-	(137,215)
Cash flow hedges - reclassification to profit or loss	-	-	-	-	-	-	-	124,348	124,348	-	124,348
Cost of hedge reserve - fair value changes	-	-	-	-	-	-	-	14,687	14,687	-	14,687
Taxes relating to gains on cash flow hedges	-	-	-	-	-	-	-	(619)	(619)	-	(619)
Profit for the period	-	-	-	-	-	-	74,054	-	74,054	2,303	76,357
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(17)	(17)
AT MARCH 31, 2022	896,558	(20,983)	(128,605)	134,703	133,636	254,232	74,054	(517)	1,343,078	10,916	1,353,994
AT DECEMBER 31, 2022	896,558	(20,983)	(114,223)	126,456	138,277	320,365	-	-	1,346,450	10,144	1,356,594
Restricted stock 20	-	-	-	179	-	-	-	-	179	-	179
Profit for the period	-	-	-	-	-	-	16,682	-	16,682	2,415	19,097
AT MARCH 31, 2023	896,558	(20,983)	(114,223)	126,635	138,277	320,365	16,682	-	1,363,311	12,559	1,375,870

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 COMPREHENSIVE INCOME
FOR THE PERIODS ENDED MARCH 31, 2023 AND 2022

All amounts in thousands of real

	Parent company		Consolidated	
	January 1, 2023 to March 31, 2023	January 1, 2022 to March 31, 2022	January 1, 2023 to March 31, 2023	January 1, 2022 to March 31, 2022
PROFIT FOR THE PERIOD	16,682	74,054	19,097	76,357
Other comprehensive income				
Items that may be reclassified to profit or loss in subsequent periods				
Cash flow hedges - effective portion of changes in fair value	-	(137,215)	-	(137,215)
Cash flow hedges - reclassification to profit or loss	-	124,348	-	124,348
Cost of hedge reserve - fair value changes	-	14,687	-	14,687
Taxes relating to gains on cash flow hedges	-	(619)	-	(619)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	16,682	75,255	19,097	77,558
ATTRIBUTABLE TO:				
Equity holders of the parent	16,682	75,255	16,682	75,255
Non-controlling interests	-	-	2,415	2,303

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



INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE PERIODS ENDED MARCH 31, 2023 AND 2022
All amounts in thousands of real

	Note	Parent company		Consolidated	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before income tax and social contribution		8,346	58,812	24,000	113,220
Adjustments for:					
Depreciation and amortization	21	82,391	76,150	114,706	97,869
Impairment losses		1,383	(1,951)	1,383	(2,975)
Share of net profits of equity-accounted investees	12	(46,949)	(103,384)	148	769
Restricted stock		36	1,069	179	3,224
Finance costs		85,293	59,840	88,279	56,899
Provision for contingencies (reversal)		633	234	(4,495)	1,387
		131,133	90,770	224,200	270,393
Changes in operating assets and liabilities:					
Decrease (increase) in accounts receivable from customers		12,881	(7,772)	15,852	(12,739)
Decrease in other assets		11,393	5,128	7,713	4,086
Increase in taxes and contributions payable		(3,680)	(82)	1,527	5,544
Decrease (increase) in taxes recoverable		15,413	(3,840)	21,533	(10,808)
Decrease (increase) in premiums to be transferred		-	-	(15,769)	2,232
Increase (decrease) in financial transfers payable		-	-	4,956	(5)
Increase in technical reserves for healthcare operations		-	-	167	871
Decrease (increase) in payroll and related charges		(3,932)	6,454	(2,772)	8,575
Increase (decrease) in other payables		(5,400)	(21,805)	1,786	(18,561)
Decrease in transferable prepayments		-	-	(5,786)	(12,323)
Decrease in amounts payable to / receivable from health care operators		-	-	(447)	(33,898)
Increase (decrease) in balances with related parties		4,370	(4,555)	-	-
Decrease (increase) in financial investments (restricted cash)		-	-	27,379	(1,131)
Cash from operations		162,178	64,298	280,339	202,236
Interest paid on debentures	14	-	(49,193)	-	(49,193)
Income tax and social contribution paid		-	-	(5,650)	(36,821)
Net cash flows from operating activities		162,178	15,105	274,689	116,222
CASH FLOWS FROM INVESTING ACTIVITIES					
Increase of share capital of subsidiaries	12	-	(1,600)	-	-
Capital contribution to subsidiary	12	-	(6,058)	-	-
Amounts received from subsidiaries	12	12,750	15,000	-	-
Additional payment for acquisition of Elo		-	-	-	(16,371)
Additional payment for acquisition of Apm		-	(10,989)	-	(10,989)
Cash from acquired subsidiary		10,485	-	-	-
Additions to intangible assets		(56,914)	(73,488)	(80,207)	(92,407)
Purchase of property and equipment		(536)	(6,882)	(320)	(6,882)
Increase (decrease) in financial investments - exclusive investment fund	7.2	-	(66)	(8,074)	(6,625)
Net cash flows used in investing activities		(34,215)	(84,083)	(88,601)	(133,274)
CASH FLOWS FROM FINANCING ACTIVITIES					
Payment of lease liabilities	15	(3,544)	(2,200)	(4,935)	(3,372)
Other costs of issue of debentures		(102)	(107)	(102)	(87)
Repayment of loans and swaps		-	(52,856)	-	(52,856)
Dividends paid to non-controlling interests		-	-	-	(17)
Net cash flows used in financing activities		(3,646)	(55,163)	(5,037)	(56,332)
NET INCREASE IN CASH AND CASH EQUIVALENTS		124,317	(124,141)	181,051	(73,384)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		90,304	298,120	377,129	449,462
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		214,621	173,979	558,180	376,078

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



INTERIM CONDENSED STATEMENT OF VALUE ADDED
FOR THE PERIODS ENDED MARCH 31, 2023 AND 2022

All amounts in thousands of real

	Parent company		Consolidated	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
REVENUE				
Service revenue	153,383	176,677	495,488	544,872
Other operating income	866	2,572	50,422	42,524
Provision for credit losses, cancellations and returns	(548)	(1,117)	(26,622)	(25,694)
Total revenue	153,701	178,132	519,288	561,702
COST OF BOUGHT-IN GOODS AND SERVICES				
Cost of services	(4,464)	(5,664)	(63,430)	(69,075)
Materials, electricity, outsourced services and other	(24,149)	(30,089)	(62,208)	(55,245)
Impairment/recovery of assets	(58)	-	(58)	-
Other operating expenses	(4,928)	(173,053)	(71,460)	(228,651)
Total cost of bought-in goods and services	(33,599)	(208,806)	(197,156)	(352,971)
GROSS VALUE ADDED	120,102	(30,674)	322,132	208,731
DEPRECIATION, AMORTIZATION AND DEPLETION	(82,391)	(76,150)	(114,706)	(97,869)
NET VALUE ADDED GENERATED BY THE ENTITY	37,711	(106,824)	207,426	110,862
VALUE ADDED RECEIVED THROUGH TRANSFER				
Finance income	4,003	155,533	34,672	181,273
Share of net profits of equity-accounted investees	46,949	103,384	(148)	(769)
Total value added received through transfer	50,952	258,917	34,524	180,504
TOTAL VALUE ADDED TO DISTRIBUTE	88,663	152,093	241,950	291,366
DISTRIBUTION OF VALUE ADDED				
To employees (salaries, benefits and social charges)	28,598	35,343	88,163	94,746
To government (taxes and duties)	6,629	2,425	43,184	79,335
Federal	1,673	(3,537)	31,168	65,887
Local	4,956	5,962	12,016	13,448
To providers of capital	36,754	40,271	91,506	40,928
To shareholders (dividends) / value retained in the business	16,682	74,054	19,097	76,357
Total value added distributed	88,663	152,093	241,950	291,366

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 MARCH 31, 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 March 31, 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 quarter ended March 31, 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 first quarter of 2023

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

In 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 the merged entities ceased to exist.

Pursuant to the protocol and justification of merger, the companies involved and their shareholders will benefit from operational, administrative and financial synergies and business efficiencies through a better use of resources and rationalization of operations and administrative structure.

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, based on the valuation report.

The merged net assets were 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
Total current assets	13,430	Transferable prepayments	2
		Payables to related parties	9
		Other payables	61
		Total current liabilities (B)	7,964
			-
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		
Total non-current assets	3,025	Total non-current liabilities (C)	6,044
Total assets (A)	16,455	Net assets (A) - (B) - (C)	2,447
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)			
			1,519

Merged net assets of Apm Assessoria Comercial e Corretora de Seguros Ltda			
Current assets		Current liabilities	
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	Total current liabilities (B)	528
Total current assets	8,863		
Non-current assets		Non-current liabilities	
Other assets	277	Provision for contingencies	2,784
Property and equipment	166	Total non-current liabilities (C)	2,784
Intangible assets	6		
Total non-current assets	449		
Total assets (A)	9,312	Net assets (A) - (B) - (C)	6,000
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)			6,326

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 stores 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).

The effects of the provision for shutdown of physical stores are as follows:

	Parent company and Consolidated
Balance sheet	
Non-current assets	
Property and equipment	(1,590)
Right-of-use assets	(444)
Intangible assets	(50)
Total assets	(2,084)
Current liabilities	
Payroll and related charges	252
Other payables	580
Lease liabilities	(767)
Total liabilities	65
Statement of income	
Selling expenses	(252)
Other expenses, net	(1,897)
Net loss	(2,149)

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 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 March 31, 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 March 31, 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	
			March 31, 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	Information technology consultancy	Brazil	99.90%	99.90%
Oxcorp Gestão Consultoria e Corretora Ltda	Health insurance brokerage	Brazil	75%	75%
Apm Assessoria Comercial e Corretora de Seguros Ltda (*)	Health insurance brokerage	Brazil	-	100%
Indirect subsidiaries				
Plural Gestão em Planos de Saúde Ltda	Benefits administration and stipulation	Brazil	75%	75%
Elo Administradora de Benefícios Ltda (*)	Benefits administration and stipulation	Brazil	-	100%
Associate				
Escale Health Seguros e Corretagem S.A.	Digital marketing services	Brazil	35%	35%

(*) Merged subsidiaries (Note 1 b. I).

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 March 31, 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 for 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 March 31, 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 liabilities by the following categories:

	Parent company					
	March 31, 2023			December 31, 2022		
	Financial assets and liabilities at fair value through profit or loss	Financial assets and liabilities at fair value through other comprehensive income	Amortized cost	Financial assets and liabilities at fair value through profit or loss	Financial assets and liabilities at fair value through other comprehensive income	Amortized cost
Financial assets:						
Cash and cash equivalents - financial investments classified as cash equivalents	210,832	-	-	89,250	-	-
Accounts receivable from customers	-	-	41,221	-	-	53,360
Other financial assets – current and non-current	-	-	74,325	-	-	94,587
Receivables from related parties – current and non-current	-	-	34,098	-	-	38,190
Financial liabilities:						
Interest-bearing loans and borrowings and debentures – current and non-current	-	-	2,290,425	-	-	2,206,580
Payroll and related charges – current	-	-	45,004	-	-	48,902
Other payables – current and non-current	-	-	24,266	-	-	30,254
Payables to related parties – current	-	-	22,053	-	-	22,065
Call option over non-controlling interests	48,637	-	-	48,149	-	-
Lease liabilities – current and non-current	-	-	34,671	-	-	37,842

Consolidated						
	March 31, 2023			December 31, 2022		
	Financial assets and liabilities at fair value through profit or loss	Financial assets and liabilities at fair value through other comprehensive income	Amortized cost	Financial assets and liabilities at fair value through profit or loss	Financial assets and liabilities at fair value through other comprehensive income	Amortized cost

Financial assets:

Cash and cash equivalents – financial investments classified as cash equivalents	497,024	-	-	235,953	-	-
Financial investments	313,838	-	-	333,143	-	-
Accounts receivable from customers	-	-	216,188	-	-	232,040
Other financial assets – current and non-current	-	-	392,629	-	-	409,067

Financial liabilities:

Interest-bearing loans and borrowings and debentures – current and non-current	-	-	2,290,425	-	-	2,206,580
Premiums to be transferred – current and non-current	-	-	208,535	-	-	224,304
Technical reserves for healthcare operations	-	-	17,090	-	-	16,923
Financial transfers payable – current and non-current	-	-	61,769	-	-	56,813
Transferable prepayments	-	-	41,132	-	-	46,918
Payroll and related charges – current and non-current	-	-	64,941	-	-	67,713
Other payables – current and non-current	-	-	189,760	-	-	180,854
Payables to related parties – current	-	-	22,044	-	-	22,044
Call option over non-controlling interests	96,656	-	-	93,780	-	-
Lease liabilities – current and non-current	-	-	47,003	-	-	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	March 31, 2023		December 31, 2022	
	Level 1	Level 3	Level 1	Level 3
Cash and cash equivalents – financial investments classified as cash equivalents	497,024	-	235,953	-
Financial assets at fair value through profit or loss – financial investments	313,838	-	333,143	-
Call option over non-controlling interests	-	96,656	-	93,780

During the interim period no transfers have occurred between levels in the fair value hierarchy.

The carrying amounts of the 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
As at December 31, 2022	45,631	33,107	13,668	1,374	93,780
Fair value remeasurement	2,388	134	318	36	2,876
As at March 31, 2023	48,019	33,241	13,986	1,410	96,656

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 March 31, 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 March 31, 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 March 31, 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	Note	March 31, 2023	December 31, 2022
Financial investments classified as cash equivalents (i)	Current assets	7.1	210,832	89,250
Interest-bearing loans and borrowings and debentures (ii)	Current and non-current liabilities	14	(2,290,425)	(2,206,580)
Lease liabilities (iii)	Current and non-current liabilities	15	(34,671)	(37,842)
Total exposure			(2,114,264)	(2,155,172)

Line item	Consolidated			
	Balance sheet	Note	March 31, 2023	December 31, 2022
Financial investments classified as cash equivalents (i)	Current assets	7.1	497,024	235,953
Financial investments (i)	Current assets	7.2	313,838	333,143
Interest-bearing loans and borrowings and debentures (ii)	Current and non-current liabilities	14	(2,290,425)	(2,206,580)
Lease liabilities (iii)	Current and non-current liabilities	15	(47,003)	(51,132)
Total exposure			(1,526,566)	(1,688,616)

- i) Highly liquid financial investments mainly 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 March 31, 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\$6,056 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 12.50% per annum plus a spread of 1.15% to 1.85% per annum, and the effect on the fair value of financial instruments:

	Scenario			
	March 31, 2023	Probable	Possible	Remote
Assumptions		CDI 12.50% per annum	CDI 15.63% per annum	CDI 1.75% per annum
Financial investments classified as cash equivalents and financial investments	810,862	912,220	937,600	962,899
Interest-bearing loans and borrowings, debentures and lease liabilities	(2,337,428)	(3,193,441)	(3,372,864)	(3,549,206)
Net exposure	(1,526,566)	(2,281,221)	(2,435,264)	(2,586,307)

	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)
Net exposure	(1,688,616)	(2,533,460)	(2,707,929)	(2,879,693)

	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\$2,281,221 at March 31, 2023, arising from the differences in the estimates of future CDI interest rates for debentures and lease liabilities, 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 March 31, 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\$154,043 and R\$305,086, 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 526 of April 29, 2022 which sets the base capital, which currently is R\$10,883. The base capital is used to determine the adjusted equity for economic effects. The adjusted equity is calculated by multiplying a factor which is determined by the regulatory agency ANS according to the region in which the entity operates (Known as 'Factor K') by the base capital. The companies must maintain a base capital and adjusted equity higher than the amounts set by ANS as at March 31, 2023.

Adjusted equity means the equity adjusted for economic effects according to Normative Instruction 526 of April 2022.

Shown below are the adjusted equity and base capital at March 31, 2023 and December 31, 2022, which are compliant with the respective Normative Instruction:

Description	March 31, 2023				
	Benefícios	Uniconsult	Clube	Plural	Gama
Adjusted equity	179,038	5,487	56,034	35,784	54,053
Base capital	1,876	476	1,876	1,876	10,883

Description	December 31, 2022					
	Benefícios	Uniconsult	Clube	Plural	Elo	Gama
Adjusted equity	141,142	3,691	50,805	30,191	3,347	52,939
Base capital	1,876	476	1,876	1,876	476	10,883

The solvency margin of a health plan operator or health insurer is an indication of its ability to meet its financial commitments. Gama Saúde was compliant with the requirement of Normative Resolution 526.

The Company's gearing ratio is as follows:

Description	Parent company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Debt (debentures and lease liabilities)	(2,325,096)	(2,244,422)	(2,337,428)	(2,257,712)
Financial investments classified as cash equivalents and financial investments	210,832	89,250	810,862	569,096
Net debt	(2,114,264)	(2,155,172)	(1,526,566)	(1,688,616)
Equity	1,363,311	1,346,450	1,375,870	1,356,594
Debt to equity ratio	(155.08%)	(160.06%)	(110.95%)	(124.47%)

Liquidity risk

There were no changes in the Company's liquidity risk management during the interim period ended March 31, 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%	165,587	165,073	833,498	1,984,932	3,149,090
-	208,368	-	167	-	208,535
CDI + (between 1.15% and 1.85%)	8,708	8,825	15,418	15,174	48,125
-	175,887	-	-	-	175,887
-	64,541	-	400	-	64,941
-	41,132	-	-	-	41,132
-	-	22,044	-	-	22,044
-	17,090	-	-	-	17,090
-	12,363	-	750	-	13,113
-	61,159	-	610	-	61,769
-	-	-	-	96,656	96,656
-	754,835	195,942	850,843	2,096,762	3,898,382

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

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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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, 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	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Highly liquid financial investments (i)	210,832	89,250	497,024	235,953
Bank deposits (ii)	3,782	1,047	61,146	141,166
Cash on hand	7	7	10	10
Total	214,621	90,304	558,180	377,129

- 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	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Certificates of bank deposits (CDBs) (a)	97,032	5,934	198,059	11,663
Reverse repurchase agreements (b)	113,800	83,316	289,442	212,234
Other investments	-	-	9,523	12,056
Total	210,832	89,250	497,024	235,953

- a) These financial instruments accrue interest of 88.50% to 103.30% 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 80% of the Interbank Deposit (DI) rate.
- ii) Consolidated balances at March 31, 2023 include mainly the receipts from customers that occurred on the last business day of the month.

7.2. Financial investments

	Parent company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Exclusive financial investment fund (i)	-	-	287,564	279,490
Non-exclusive financial investment fund (ii)	-	-	26,268	52,102
Other investments	-	-	6	1,551
Total	-	-	313,838	333,143

- i) This is an exclusive investment fund which invests in government securities and reverse repurchase agreements usually presenting better returns and which has no required minimum holding period as the funds can be withdrawn at any time without penalty:

Description	Market and carrying value – Exclusive financial investment funds - Consolidated	
	March 31, 2023	December 31, 2022
Financial Bills (Eligible LFS – level II)	132,860	132,342
Debentures	28,292	46,066
Financial Bills (LF252)	50,024	50,135
National Treasury Financial Bills (LTN over)	75,186	49,779
Other investments and reserve	1,202	1,168
Total	287,564	279,490

- ii) This financial investment is held as a guarantee for the Company's direct subsidiaries Qualicorp Benefícios, Gama Saúde, Clube de Saúde and Uniconsult, and for the indirect subsidiary Plural, which are all regulated by the regulatory agency ANS. The market value of the units of the non-exclusive fixed-income investment fund is determined based on the unit's value disclosed by the fund manager.

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

8. Accounts receivable from customers

Current	Parent company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Premiums recoverable with risk of default – benefits administrators	-	-	138,559	141,944
Brokerage fee receivable	41,221	53,360	42,274	55,526
Other receivables from customers	-	-	35,355	34,570
Total	41,221	53,360	216,188	232,040

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

	March 31, 2023	
	Premiums	Brokerage fee
Not yet due	84,621	40,172
1-30 days past due	49,212	1,454
31-60 days past due	14,261	648
61-90 days past due	10,209	-
91-180 days past due	26,785	-
(-) Expected credit loss (*)	(46,529)	-
Total	138,559	42,274

	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)	-
Total	141,944	55,526

(*) 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	
	March 31, 2023	December 31, 2022
Balance at the beginning of the period	47,951	48,226
Expected credit loss	27,219	111,383
Reversal of expected credit loss	(28,641)	(111,658)
Total	46,529	47,951

8.1 Losses on uncollectible receivables – statement of income

	Consolidated	
	Three months ended March 31, 2023	Three months ended March 31, 2022
Provisions (reversals)	(1,422)	(146)
Actual losses (recoveries) (*)	27,114	24,426
Balance at the end of the period	25,692	24,280

(*) 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	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
<u>Current</u>				
Operator/insurer amounts pending reconciliation (i)	-	-	123,848	112,117
Taxes recoverable/to offset (ii)	56,188	70,889	93,162	113,295
Advances	3,724	9,009	5,480	12,317
Receivables from sale of Qsaúde	820	605	4,100	3,023
Advances from transfer of contracts	-	-	1,212	28
Other current financial assets	-	-	495	4,487
Total current financial assets	60,732	80,503	228,297	245,267
<u>Non-current</u>				
Advances from transfer of contracts	2,842	2,945	47,687	47,796
Receivables from sale of Qsaúde	7,084	7,151	35,421	35,756
Taxes recoverable/to offset (ii)	-	712	31,361	32,761
Operator/insurer amounts pending reconciliation (i)	-	-	25,231	25,060
Judicial deposits	2,573	2,476	23,162	20,956
Other non-current financial assets	1,094	800	1,470	1,471
Total non-current financial assets	13,593	14,084	164,332	163,800
Total	74,325	94,587	392,629	409,067

- 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 March 31, 2023, the Company has a provision for losses of R\$33,597 (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	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Corporate Income Tax (IRPJ)	54,163	57,511	80,234	88,448
Social Contribution on Net Income (CSLL)	964	5,302	7,446	12,361
Social Contribution on Revenues (COFINS)	704	5,556	1,558	6,639
Other taxes recoverable	357	2,520	3,924	5,847
Total current	56,188	70,889	93,162	113,295
Social Security Contribution (INSS)	-	-	14,217	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)	-	-	334	643
Social Integration Program (PIS)	-	-	3,762	3,761
Total non-current	-	712	31,361	32,761
Total	56,188	71,601	124,523	146,056

10. Deferred income tax and social contribution

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

	Parent company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Deferred income tax and social contribution assets	167,077	158,741	169,327	161,270
Deferred income tax and social contribution liabilities	-	-	(85,000)	(79,658)
Deferred tax assets, net	167,077	158,741	84,327	81,612

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

	March 31, 2023								
	Parent company	Qualicorp Serviços	Qualicorp Benefícios	Clube de Saúde	Gama	CRC	Uniconsult	Plural	Consolidated
Deferred income tax and social contribution assets (i)	230,251	-	48,181	1,976	14	960	53	1,243	282,678
Deferred income tax and social contribution liabilities (ii)	(63,174)	-	(133,181)	(1,975)	(7)	-	(3)	(11)	(198,351)
Deferred tax assets (liabilities), net	167,077	-	(85,000)	1	7	960	50	1,232	84,327

	December 31, 2022								
	Parent company	Qualicorp Serviços	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)
Deferred tax assets (liabilities), net	158,741	-	(79,658)	370	10	878	43	1,228	81,612

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	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Recognized tax losses - income tax (IRPJ) and social contribution (CSLL)	153,139	145,281	153,139	145,281
Unrecognized tax losses - IRPJ and CSLL (a)	-	-	53,066	54,740
Provision for impairment of goodwill (b)	41,088	41,088	41,088	41,088
Provision for contingencies	4,015	3,808	16,657	17,011
Provision for expected credit losses	-	-	14,969	15,421
Provision for inflation-indexation and interest accruals on acquisitions	13,305	13,190	13,407	14,104
Provision for employee profit sharing plan	8,269	9,838	10,546	11,677
Loss allowance for trade receivables and write-off of uncollectible receivables – current amounts	133	27	13,949	17,961
Other provisions	10,302	9,096	18,923	17,283
Total deferred tax assets	230,251	222,328	335,744	334,566
(-) Unrecognized deferred tax assets (c)	-	-	(53,066)	(54,740)
Total deferred tax assets recognized	230,251	222,328	282,678	279,826

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

	Tax base	IRPJ/CSLL tax rate	Tax base	IRPJ/CSLL tax rate
	March 31, 2023	(34%)	December 31, 2022	(34%)
<u>Companies</u>				
Connectmed-CRC Consultoria, Administração e Tecnologia em Saúde Ltda.	96,335	32,754	100,799	34,272
Qualicorp Administração e Serviços Ltda.	51,117	17,381	50,750	17,254
Gama Saúde Ltda.	8,622	2,931	9,451	3,214
Total	156,074	53,066	161,000	54,740

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	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
2023	22,744	22,845	75,171	80,342
2024	41,088	41,088	41,088	41,088
2025	27,764	27,609	27,764	27,609
2026	41,825	41,825	41,825	41,825
From 2027 to 2032	96,830	88,961	96,830	88,962
Total	230,251	222,328	282,678	279,826

The present value of deferred tax assets at March 31, 2023 is R\$100,015 (Parent company) and R\$146,938 (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	
	March 31, 2023	December 31, 2022	March 31, 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	190,255	189,127
On fair value of customer relationship intangible assets acquired in a business combination	5,307	5,723	4,809	6,162
Discount to present value	-	-	1,975	1,608
Other provisions	8	5	1,312	1,317
Total	63,174	63,587	198,351	198,214

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	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Accounts receivable				
Intercompany transactions	34,098	28,686	-	-
Current assets	34,098	28,686	-	-
Loans to subsidiary	-	9,504	-	-
Non-current assets	-	9,504	-	-
Total assets	34,098	38,190	-	-
Accounts payable				
Intercompany transactions	9	21	-	-
Dividends payable	22,044	22,044	22,044	22,044
Total liabilities	22,053	22,065	22,044	22,044

The following table presents movements in intercompany revenues and expenses for the interim periods ended March 31, 2023 and 2022:

	March 31, 2023				
	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)	(29,814)	33,662	(1,686)	(453)	(1,709)
Commissions (ii)	(19,951)	19,951	-	-	-
Interest on debentures (iii)	(49,713)	49,713	-	-	-
Costs of issue of debentures (iii)	(594)	594	-	-	-
Interest on loans	-	281	-	-	(281)

	March 31, 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)	(25,042)	28,731	(1,977)	(131)	(1,581)
Interest on loans	-	566	-	-	(566)
Health plan	-	(8)	-	8	-

- i) Refers to back-office services (Finance, Controllershship, Legal, Administrative, Human Resources and Information Technology) used by the Group companies. The costs incurred in providing the services to the Group companies are apportioned among, and reimbursed by, the Group operating companies.
- ii) 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 March 31, 2023, the consolidated balance of this transaction is as follows:

	March 31, 2023	December 31, 2022
Provision for amounts payable	731	-
Sales commission expenses	5,761	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:

	March 31, 2023	December 31, 2022
Accounts receivable	10,264	10,439
Accounts payable	68,319	81,247

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:

	March 31, 2023			
	Parent company		Consolidated	
	Accounts payable	Expenses	Accounts payable	Expenses
Short-term employee benefits (*)	241	4,898	1,564	15,178
Share-based payments	-	495	-	2,146
Balance at March 31, 2023	241	5,393	1,564	17,324

	March 31, 2022			
	Parent company		Consolidated	
	Accounts payable	Expenses	Accounts payable	Expenses
Short-term employee benefits (*)	482	4,941	2,397	11,116
Share-based payments	-	1,069	-	3,224
Balance at March 31, 2022	482	6,010	2,397	14,340

(*) 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	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Investments in subsidiaries:				
Qualicorp Administradora de Benefícios S.A.	1,431,731	1,403,609	-	-
Gama Saúde e Connectmed CRC	117,149	119,661	-	-
Oxcorp Gestão Consultoria e Corretora Ltda	90,365	88,603	-	-
Clube de Saúde Administradora de Benefícios Ltda	86,251	82,133	-	-
Uniconsult Administradora de Benefícios e Serviços Ltda	25,625	24,649	-	-
Qualicorp Administração e Serviços Ltda	21,594	21,820	-	-
Apm Assessoria Comercial e Corretora de Seguros Ltda (*)	-	59,689	-	-
Total investments in subsidiaries	1,772,715	1,800,164	-	-
Escale Health Seguros e Corretagem S.A.	76,568	76,716	76,568	76,716
Total investment in joint venture	76,568	76,716	76,568	76,716
500 LLC	49,455	49,455	49,455	49,455
Total investment accounted for using the cost method	49,455	49,455	49,455	49,455
Other investments	174	174	262	262
Total other investments	174	174	262	262
Total investments	1,898,912	1,926,509	126,285	126,433

(*) Merged subsidiary (Note 1 b) I).

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	Apm Assessoria Comercial e Corretora de Seguros Ltda	Uniconsult Administradora de Benefícios e Serviços Ltda	Qualicorp Administração e Serviços Ltda	Qualicorp Serviços Financeiros Ltda	Total
Financial information of subsidiaries at March 31, 2023									
Share capital (i)	314,005	274,047	330	45,133	-	150	26,663	2	660,330
Equity (ii)	984,836	115,339	5,641	87,045	-	7,327	205	-	1,200,393
Profit (loss) for the period	42,979	(2,318)	2,777	4,168	-	2,247	(226)	-	49,627
Information on the Parent's investments:									
Number of shares (iii)	728,820,693	27,404,692,914	330,000	45,133,125	-	150,000	26,662,568	1,000	-
Ownership interest %	100	99.99	75	98.81	-	75	100	99.90	-
Movements in investments:									
Total investments at December 31, 2022	1,403,609	119,661	88,603	82,133	59,689	24,649	21,820	-	1,800,164
Interest on capital received	(15,000)	-	-	-	-	-	-	-	(15,000)
Capital reserve – restricted stock plan	143	-	-	-	-	-	-	-	143
Merger of subsidiary (iv)	-	-	-	-	(59,689)	-	-	-	(59,689)
Share of net profits of investees accounted for using the equity method	42,979	(2,512)	1,762	4,118	-	976	(226)	-	47,097
Share of results of subsidiaries and joint venture	42,979	(2,318)	2,083	4,118	-	1,686	(226)	-	48,322
Amortization of intangible assets (v)	-	(194)	(321)	-	-	(710)	-	-	(1,225)
Total investments at March 31, 2023	1,431,731	117,149	90,365	86,251	-	25,625	21,594	-	1,772,715

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:

Total investments at December 31, 2022	76,716	49,455	126,171
Share of results of investee accounted for using the equity method	(148)	-	(148)
Total investments at March 31, 2023	76,568	49,455	126,023

- 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\$54,143 for Gama Saúde and R\$61,196 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) The subsidiary was merged into the Company (Note 1 b) I).
- v) Refers to amortization of intangible assets such as customer relationships, trademarks, non-compete agreement and software.

13. Intangible assets

I. Other intangible assets

	Annual amortization rate %	Parent company			Consolidated		
		Cost	Accumulated amortization	Balance at March 31, 2023	Cost	Accumulated amortization	Balance at March 31, 2023
Acquisition of rights assignment (a)	20	335,354	(252,179)	83,175	694,245	(528,077)	166,168
Software in use and software under development (b)	20	180,688	(114,011)	66,677	574,777	(438,579)	136,198
Exclusivity rights	20	170,795	(155,202)	15,593	239,977	(200,087)	39,890
Trademarks and patents	20	253	(45)	208	1,554	(668)	886
Non-compete agreement	16.5	144,932	(65,264)	79,668	158,756	(77,707)	81,049
Sales commissions (c)	40.8	1,298,170	(860,204)	437,966	1,376,228	(910,185)	466,043
Total other intangible assets		2,130,192	(1,446,905)	683,287	3,045,537	(2,155,303)	890,234

Parent company	Balance at December 31, 2022	Additions	Amortization	Write-offs	Balance at March 31, 2023
Acquisition of rights assignment (a)	84,610	7,749	(9,184)	-	83,175
Software in use and software under development (b)	65,069	7,096	(5,235)	(253)	66,677
Exclusivity rights	17,082	-	(1,489)	-	15,593
Trademarks and patents	186	67	(45)	-	208
Non-compete agreement	85,353	131	(5,816)	-	79,668
Sales commissions (c)	443,350	58,692	(64,076)	-	437,966
Total other intangible assets	695,650	73,735	(85,845)	(203)	683,287

Consolidated	Balance at December 31, 2022	Additions	Amortization	Write-offs	Balance at March 31, 2023
Acquisition of rights assignment	180,889	-	(14,721)	-	166,168
Software in use and software under development (b)	135,971	11,640	(11,160)	(253)	136,198
Exclusivity rights	43,015	-	(3,125)	-	39,890
Trademarks and patents	974	-	(88)	-	886
Non-compete agreement	86,960	-	(5,911)	-	81,049
Sales commissions (c)	472,128	64,164	(70,249)	-	466,043
Total other intangible assets	919,937	75,804	(105,254)	(253)	890,234

- a) The Parent company balances include amounts from merged subsidiary 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

There were no changes during the interim period ended March 31, 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 March 31, 2023, the Company met the covenants attached to the debentures and paid interest half-yearly.

Breakdown of the debts:

	Consolidated	
	March 31, 2023	December 31, 2022
Interest payable	107,253	24,399
Cost of financial intermediation	(3,959)	(3,960)
Current	103,294	20,439
Debentures – lump-sum payment	2,200,000	2,200,000
Cost of financial intermediation	(12,869)	(13,859)
Non-current	2,187,131	2,186,141
Total	2,290,425	2,206,580

Movement in debentures

	Consolidated	
	March 31, 2023	December 31, 2022
Balance at the beginning of the period	2,206,580	1,344,943
Allocation of expenses (issue costs)	991	3,582
Payment of interest (i)	-	(274,050)
Allocation of interest	82,854	251,903
Proceeds from issue of debentures	-	2,200,000
Cost of issue of debentures	-	(19,798)
Early settlement of debentures	-	(1,300,000)
Balance at the end of the period	2,290,425	2,206,580

- 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 March 31, 2023 and December 31, 2022 are as follows:

	Parent company and Consolidated			
	March 31, 2023		December 31, 2022	
	Carrying value	Fair value	Carrying value	Fair value
Debentures	2,307,253	2,315,904	2,224,399	2,212,490

The fair values of debentures classified as at amortized cost are based on discounted cash flows using risk rates varying between 14.48% and 16.25% 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	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Opening balance	38,049	17,404	51,020	27,009
Adjustments and renewals of contracts	-	1,894	117	3,370
Additions (new contracts)	-	31,755	-	40,105
Remeasurement	-	(440)	-	(440)
Provision for shutdown of physical stores (*)	(444)	-	(444)	-
Depreciation expense	(3,696)	(10,068)	(4,850)	(15,726)
Write-off of leases	-	(2,496)	-	(3,298)
Balance at the end of the period	33,909	38,049	45,843	51,020

(*) See Note 1 b) II.

b) Lease liabilities

The movements during the periods were as follows:

	Parent company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Opening balance	37,842	17,009	51,132	26,972
Adjustments and renewals of contracts	-	1,894	117	3,370
Additions (new contracts)	-	31,755	-	40,105
Remeasurement	-	(566)	-	(566)
Accretion of interest	1,140	4,459	1,457	6,089
Write-off of leases	-	(2,131)	-	(3,986)
Provision for shutdown of physical stores (*)	(767)	-	(767)	-
Payments	(3,544)	(14,578)	(4,936)	(20,852)
Balance at the end of the period	34,671	37,842	47,003	51,132
Current	10.849	13.067	15.338	17.997
Non-current	23.822	24.775	31.665	33.135

(*) See Note 1 b) II.

c) Statement of income

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

- R\$1,457 (March 31, 2022: R\$461), Consolidated, and R\$1,140 (March 31, 2022: R\$264), Parent company, of interest expense on lease liabilities is recorded within 'finance income' (Note 22).
- R\$4,850 (March 31, 2022: R\$4,020), Consolidated, and R\$3,696 (March 31, 2022: R\$2,083), Parent company, of depreciation expense of right-of-use assets is recorded within 'administrative expenses' (Note 21).
- The net effect of the provision for shutdown of physical stores was R\$323.

d) Projected effects of inflation on lease contracts

In accordance with CVM Circular Letters 02/19 and 01/20, the effects of inflation on the Group's lease contracts were estimated as follows:

Lease liabilities	2023	2024	2025	After 2025
Carrying amount	47,697	38,275	24,957	10,892
Adjusted for expected inflation	52,485	42,946	28,788	13,281
Change	10.04%	12.20%	15.35%	21.93%
Right-of-use assets, net	2023	2024	2025	After 2025
Carrying amount	34,772	20,820	8,240	-
Adjusted for expected inflation	39,413	24,534	10,496	-
Change	13.35%	17.84%	27.38%	-
Interest expense on lease liabilities	2023	2024	2025	After 2025
Carrying amount	5,410	3,965	2,338	3,313
Adjusted for expected inflation	5,483	4,232	2,600	4,018
Change	1.35%	6.73%	11.21%	21.28%
Depreciation	2023	2024	2025	After 2025
Carrying amount	16,364	13,952	12,580	8,240
Adjusted for expected inflation	16,511	14,879	14,038	10,496
Change	0.90%	6.64%	11.59%	27.38%

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 Connected):

Consolidated		
Cash flows	Nominal value	Present value
Lease payments	59,239	44,039
Potential taxes - PIS/COFINS (9.25%)	5,480	4,074

16. Premiums to be transferred

The balance of R\$208,535 at March 31, 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 April 30, 2023.

17. Other payables

	Parent company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Current:				
Operator/insurer amounts pending reconciliation (i)	-	-	75,610	64,156
Sundry suppliers	11,532	8,454	30,070	14,714
Advance payments received	-	-	29,998	29,902
Refunds to beneficiaries	4	1	17,034	22,694
Payables for acquisition of intangible assets	5,769	6,301	12,363	15,217
Other provisions	1,198	1,252	6,916	5,720
Commissions payable	3,584	1,607	4,936	2,687
Contingent consideration liability	641	620	2,596	1,300
Refundable amounts	-	-	2,483	2,608
Advances from customers	526	9,009	760	10,203
Earn-out consideration	100	100	692	692
Provision for shutdown of physical stores (ii)	580	-	580	-
Other	332	2,252	4,972	8,600
Total current	24,266	29,596	189,010	178,493
Non-current:				
Payables for acquisition of intangible assets	-	658	750	2,361
Total non-current	-	658	750	2,361
Total	24,266	30,254	189,760	180,854

- 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 March 31, 2023, the Company has a provision for losses of R\$1,389 related to premiums transferred to health plan operators and insurance companies.
- ii) See Note 1 b) II.

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:

Consolidated	December 31, 2022	Additions	Reversals	March 31, 2023
Civil (i)	48,961	1,607	(2,162)	48,406
Labor and social security (ii)	13,377	140	(458)	13,059
Regulatory (iii)	10,507	119	(368)	10,258
Tax (iv)	11,690	224	(3,597)	8,317
Total	84,535	2,090	(6,585)	80,040

Parent company	December 31, 2022	Additions	Reversals	March 31, 2023
Labor and social security (v)	2,585	2,811	(43)	5,353
Civil (vi)	3,871	769	(22)	4,618
Tax (vii)	1,462	1,314	-	2,776
Total	7,918	4,894	(65)	12,747

Description of the main lawsuits and/or contingencies:

- i) The Company and its subsidiaries are defendants in ongoing civil lawsuits, where R\$48,406 (2022: R\$48,961) is deemed to be a probable loss and, therefore, a provision has been recognized, and R\$51,398 (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) the increase in the health insurance premiums due to change in the age bracket and annual premium increase; (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.
- ii) 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\$13,059 (2022: R\$13,377). No accrual was made for loss contingencies that are reasonably possible amounting to R\$59,686 (2022: R\$58,193).
- iii) The subsidiaries are defendants in ongoing regulatory proceedings with ANS, where a provision has been recognized for R\$10,258 (2022: R\$10,507) because a loss is believed to be probable, and no provision has been made for proceedings amounting to R\$4,060 (2022: R\$3,780) because a loss is believed only to be possible but not probable.
- iv) The Company and its subsidiaries recognized a provision of R\$8,317 (2022: R\$11,690) for both (a) tax assessments or claims that are probable of formal assertion, and (b) tax lawsuits where an unfavorable 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 below; 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.
- v) 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 provisions for labor claims where a loss is considered probable are R\$5,353 (2022: R\$2,585).

No accrual was made for loss contingencies that are reasonably possible amounting to R\$55,551 (2022: R\$52,381).

- vi) The Company is a defendant in ongoing civil lawsuits, where R\$4,618 (2022: R\$3,871) is deemed to be a probable loss and, therefore, a provision has been recognized, and R\$3,146 (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 plan operators, pursuant to the prevailing legislation; (ii) the increase in the health insurance premiums due to change in the age bracket and annual premium increase; (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.

- vii) The Company is a defendant in ongoing tax proceedings and recognized a provision for estimated probable loss of R\$2,776 (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, and ISS tax deficiency notices against Qualicorp Corretora de Seguros S.A. (merged into the Company in 2019) relating to calendar years 2011 to 2014.

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\$2,201,523 at March 31, 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\$1,120,243 (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\$188,371 (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\$3,167 (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.
- d) At subsidiary Qualicorp Administradora de Benefícios S.A., the amount of R\$48,654 (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\$7,851 (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.
- f) At subsidiary Qualicorp Administradora de Benefícios S.A., the amount of R\$87,474 (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\$33,820 (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\$249,865 (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 withholding income tax (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\$5,113 (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\$431,968 (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\$24,997 (December 31, 2022: R\$24,510) consists of several tax assessments: R\$1,430 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\$2,493 related to non-levy of PIS/COFINS on reimbursement of expenses; R\$8,968 related to non-levy of social security contributions (INSS) on items of payroll that are not considered to be compensatory in nature; R\$300 of fine for rejection of offsetting requests; and R\$11,806 (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 March 31, 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	
	March 31, 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	54,436,364	54,314,458
3G Radar	37,956,700	37,956,700
BlackRock Inc.	21,329,920	28,451,883
Others (i)	82,410,062	75,410,005
Treasury shares (ii)	5,560,096	5,560,096
Total	284,014,325	284,014,325

- 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:

Treasury shares March 31, 2023		
	Number of shares	R\$
Balance at December 31, 2022	5,560,096	114,223
Balance at March 31, 2023	5,560,096	114,223

Treasury shares March 31, 2022		
	Number of shares	R\$
Balance at December 31, 2021	6,260,180	128,605
Balance at March 31, 2022	6,260,180	128,605

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 of 2022 profit	
Profit for the year	92,818
(-) Transfer to legal reserve	(4,641)
Distributable profit	88,177
Creation of investment reserve (i)	(66,133)
Mandatory minimum dividends (ii)	(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.

In the interim period ended March 31, 2023, expenses for restricted stock awards made by the Company and/or its subsidiaries in the total amount of R\$179 were recognized in equity.

In April 2022, the Company granted restricted stock to certain executives with a lock-up period of one year. 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 March 31, 2023, the Company recorded expenses of R\$1,885 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	(3,396,355)	(2,987,808)	125,291
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)	-
			7,316,000	842,561	(4,645,462)	(3,387,808)	125,291

At March 31, 2023, the weighted average remaining contractual term is 39 days (December 31, 2022: 400).

21. Expenses by nature

	Parent company		Consolidated	
	Year to date	Year to date	Year to date	Year to date
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Cost of providing services				
Commissions and financial transfers	-	-	31,673	30,062
Personnel costs	6,563	5,704	29,535	34,433
Outsourced services	3,064	4,905	22,224	28,090
Membership dues	-	-	1,788	1,993
Occupancy costs	371	67	1,606	2,357
Other costs of providing services	1,029	692	6,139	6,573
Total cost of providing services	11,027	11,368	92,965	103,508
Administrative expenses				
Depreciation and amortization charges	28,388	22,396	44,617	40,309
Personnel costs	1,169	2,440	36,556	32,191
Outsourced services	3,249	5,434	18,579	17,619
Other administrative expenses	627	1,104	2,880	2,637
Total administrative expenses	33,433	31,374	102,632	92,756
Selling expenses				
Depreciation and amortization charges	54,003	53,754	70,089	57,560
Commissions and financial transfers	13,115	16,384	27,454	28,709
Personnel costs	20,858	27,173	22,390	21,814
Advertising and publicity	3,195	3,133	7,144	7,771
Other selling expenses	5,481	5,877	7,901	7,617
Total selling expenses	96,652	106,321	134,978	123,471
Total expenses by nature	141,112	149,063	330,575	319,735

22. Finance income and costs

	Parent company		Consolidated	
	Year to date	Year to date	Year to date	Year to date
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Finance income:				
Foreign exchange gains	-	136,208	-	136,208
Interest income on financial investments	3,301	4,551	22,292	17,044
Reversal of recycling of cash flow hedge	-	11,675	-	11,675
Interest and penalty on overdue payments	-	-	8,136	7,604
Inflation indexation relating to the sale of Qsaúde	148	721	742	3,607
Other finance income	554	2,378	3,502	5,135
Total finance income	4,003	155,533	34,672	181,273
Finance costs:				
Interest on debentures (Note 14) (*)	(33,141)	(35,297)	(82,854)	(35,297)
Recycling of cash flow hedge	-	(135,538)	-	(135,538)
Reversal of foreign exchange losses	-	(11,675)	-	(11,675)
Hedge accounting	-	(18,902)	-	(18,902)
Discounts granted	-	-	(3,972)	(3,118)
Collection fee	(20)	(26)	(3,497)	(5,058)
Interest on borrowings	-	(3,060)	-	(3,060)
Interest on lease liabilities	(1,141)	(264)	(1,458)	(461)
Other finance costs	(3,230)	(6,353)	(9,762)	(8,618)
Total finance costs	(37,532)	(211,115)	(101,543)	(221,727)
Net finance costs	(33,529)	(55,582)	(66,871)	(40,454)

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

23. Income tax and social contribution

	Parent company		Consolidated	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Profit before income tax (IRPJ) and social contribution (CSLL) and after profit sharing	8,346	58,812	24,000	113,220
Share of net profits of investees accounted for using the equity method	(46,949)	(103,384)	148	769
Subtotal	(38,603)	(44,572)	24,148	113,989
Statutory rate of IRPJ and CSLL	34%	34%	34%	34%
Expected IRPJ and CSLL expense (benefit) at the statutory tax rate	13,125	15,154	(8,210)	(38,756)
Non-deductible expenses for tax purposes	(26)	(153)	(549)	(512)
Tax losses for which no deferred tax asset was recognized (*)	-	-	(859)	(461)
Hedge reserve		619	-	619
Tax incentives (Workers' meal program (PAT))	-	-	92	90
Interest on capital	(5,100)	-	-	-
Expenses of companies that pay taxes using the presumed profit method	-	-	516	733
Recovery of losses	-	-	2,514	2,663
Other	337	(378)	1,594	(1,239)
Total IRPJ and CSLL expense reported in the statement of income	8,336	15,242	(4,903)	(36,863)
Effective IRPJ and CSLL rate	21.59%	34.20%	20.30%	32.34%

(*) 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	1,329,936
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	42,031
Vehicles	Loss and damage or pecuniary damage	342

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 March 31, 2023, the Affinity segment is the business unit that accounts for 92.84% of the net operating revenue of the Parent company and its subsidiaries.

- d) Gross and net revenue by type of service

	Parent company		Consolidated	
	Year to date	Year to date	Year to date	Year to date
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Administration fee			324,134	339,671
Brokerage fee	125,384	139,451	129,131	146,272
Agency fee	26,637	36,079	26,637	36,822
Other revenue	1,362	1,147	15,586	22,107
Total gross operating revenue	153,383	176,677	495,488	544,872
Deductions from gross operating revenue:				
Taxes on revenue	(14,698)	(17,324)	(37,925)	(42,096)
Returns and cancellations	(215)	(567)	(215)	(567)
Total deductions from gross operating revenue	(14,913)	(17,891)	(38,140)	(42,663)
Net operating revenue	138,470	158,786	457,348	502,209

- 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	March 31, 2023			March 31, 2022		
	Affinity segment	All other	Total	Affinity segment	All other	Total
Net revenue	424,621	32,727	457,348	468,101	34,108	502,209
Cost of providing services	(78,948)	(14,017)	(92,965)	(87,101)	(16,407)	(103,508)
Net income (expenses)	(147,956)	(8,259)	(156,215)	(132,343)	(5,881)	(138,224)
Selling expenses	(125,225)	(8,234)	(133,459)	(114,167)	(5,735)	(119,902)
Losses on uncollectible receivables	(25,589)	(103)	(25,692)	(24,141)	(139)	(24,280)
Finance income	8,108	29	8,137	7,604	-	7,604
Other income (expenses), net	(5,250)	49	(5,201)	(1,639)	(7)	(1,646)
Profit before unallocated expenses	197,717	10,451	208,168	248,657	11,820	260,477

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	
	Year to date March 31, 2023	Year to date March 31, 2022
Unallocated amounts:		
Administrative expenses	(102,632)	(92,756)
Net finance costs	(75,008)	(48,058)
Loss on investment in startup	(148)	(769)
Provisions for contingencies	3,368	(1,103)
Selling expenses	(1,519)	(3,569)
Other expenses, net	(8,229)	(1,002)
Total	(184,168)	(147,257)

	Assets		Liabilities and equity	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Total for reportable segment	2,733,529	2,762,476	2,849,475	2,756,385
All other segments	209,484	214,500	17,090	16,923
Unallocated amounts	1,664,912	1,535,052	1,741,360	1,738,720
Total	4,607,925	4,512,028	4,607,925	4,512,028

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)	March 31, 2023		March 31, 2022	
	Lives	Market share	Lives	Market share
Southeast	905,882	64.05%	1,079,740	64.20%
Northeast	272,834	19.29%	328,596	19.54%
South	82,210	5.81%	98,074	5.83%
Central West	80,822	5.71%	88,233	5.25%
North	72,614	5.14%	87,148	5.18%
Total of the Affinity segment	1,414,362	100.00%	1,681,791	100.00%

Information about major customers

For the interim period ended March 31, 2023, the Affinity segment's three major customers each provided revenue of R\$71,182, R\$20,754 and R\$23,734, which represent 3.92%, 1.14% and 1.31% of the Affinity segment's revenue and 3.65%, 1.06% and 1.22% of the consolidated revenue.

For the interim period ended March 31, 2022, the Affinity segment's three major customers each provided revenue of R\$45,783, R\$29,149 and R\$23,867, which represent 9.79%, 6.23% and 5.10% of the Affinity segment's revenue and 9.12%, 5.80% and 4.75% of the consolidated revenue.

26. Commitments

At March 31, 2023, significant commitments of the Company and its subsidiaries are as follows:

Commitments related to call center services of R\$19,453 for the remaining nine months of 2023.

Expenses incurred on call center service agreements during the interim period ended March 31, 2023 were R\$5,592 (March 31, 2022: R\$7,803).

27. Earnings per share (EPS)

	Parent company and Consolidated	
	March 31, 2023	March 31, 2022
Profit for the period attributable to equity holders of the parent	16,682	74,054
Weighted average number of common shares for the basic EPS calculation	278,454,229	277,754,145
Weighted average number of common shares adjusted for share options for the diluted EPS calculation	278,535,668	277,949,555
Basic earnings per share - R\$	0.05991	0.26662
Diluted earnings per share - R\$	0.05989	0.26643

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 May 10, 2023 and disclose all events occurring after the reporting period ended March 31, 2023.

Elton Hugo Carluci
Chief Executive Officer

Eduardo de Oliveira
Officer

Carlos de Almeida Vasques
Investor Relations and Financial
Officer

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