

1Q21

Results



Qualicorp

#NovoJeitoQualiDeSer



São Paulo, May 13, 2021. QUALICORP Consultoria e Corretora de Seguros S.A. (B3: QUAL3), one of the leading full-service healthcare benefits broker, administrator and health management services provider in Brazil, announces its consolidated 1Q21 results. The operating and financial data are presented on a consolidated basis in Reais (“BRL” or “R\$”), in accordance with Corporate Law and regulations of “Comissão de Valores Mobiliários” – CVM (the Brazilian SEC). From January 1, 2019 on, the IFRS 16 instruction became effective, reflecting financial statements regarding rental expenses. The numbers as well as their historical series can be obtained in excel format on the website ri.qualicorp.com.br

1Q21 HIGHLIGHTS

- **Affinities Portfolio Growth** +0.2% in Health Lives segment compared to 4Q20, with a record of 100.1 thousand new lives (organic adds) and further 52.5 thousand new lives from M&A, offsetting the higher churn due to price adjustment resetting.
- **Net Revenue** of R\$523 million in 1Q21, +4.1% vs. 1Q20 and +1.5% vs. 4Q20, with a positive contribution from acquired portfolios and lower average ticket.
- **Adjusted EBITDA** of R\$241.6 million, flattish vs. 1Q20 and Adjusted EBITDA Margin of 46.2% (-200 bps YoY and +930 bps QoQ).
- **Net Income** R\$ 114.5 million, +68% vs 1Q20, helped by lower non-recurring expenses and D&A, and better financial results.
- **Free Cash Flow** of R\$ 165.2 million before acquisitions, 2.5% lower YoY. ROIC of 48.1%, +440 bps YoY.
- **Net Debt** of R\$ 603.5 million, 0.64x Adjusted EBITDA LTM in 1Q21 (vs. 0.89x in 1Q20).

Key Indicators (R\$ Million)	1Q21	1Q20	Var. YoY	4T20	Var. QoQ
Affinity Portfolio	1,609.0	1,292.4	24.5%	1,602.3	0.4%
Affinity Health Lives	1,193.3	1,093.9	9.1%	1,190.9	0.2%
Churn	(150.2)	(92.1)	63.1%	(81.0)	85.5%
Net Revenue	523.0	502.5	4.1%	515.1	1.5%
Adjusted EBITDA	241.6	242.2	-0.2%	190.3	27.0%
<i>Adjusted EBITDA Margin</i>	<i>46.2%</i>	<i>48.2%</i>	<i>-2.0 p.p.</i>	<i>36.9%</i>	<i>9.3 p.p.</i>
Net Income	114.5	68.2	67.9%	67.6	69.3%
Net Debt	603.5	759.9	-20.6%	729.8	-17.3%
<i>Net Debt / Adj. EBITDA LTM</i>	<i>0.64x</i>	<i>0.89x</i>	<i>-27.4%</i>	<i>0.78x</i>	<i>-17.3%</i>
Cash Flow Before Acq.	165.2	169.5	-2.5%	75.1	120.0%
ROIC	48.1%	45.2%	443 bps	49.6%	-294 bps





NovoJeito QualiDeSer



MANAGEMENT HIGHLIGHTS

We started 2021 with renewed strength to make a difference, to make a different year. A year to harvest what we planted in the first year of Nova Quali. A year to resume growth, to strengthen the relationship with our client, to expand our business horizons and to give continuity in the improvements of management and governance.

We want to grow with quality and with the awareness that we are working right, doing everything the right way. At the beginning of the year, starting from January, we had the challenge of applying the price adjustment and recomposition of delayed collections in our plans, due to the suspension of the adjustment in 2020. That has changed the seasonality of our business, postponing the application of the adjustment and generating a high number of customer contacts. As consequence, we had in 1Q21 a completely atypical level of churn for the period. This level, however, was already expected and was in line with the behavior we usually have in third quarters, when our annual adjustments are concentrated.

On the other hand, the good news is that we broke a **record in sales** this first quarter: we had more than 100k Affinities lives joining our base organically. This came as result of investments in innovation, ramp-up of new HMOs, geographic expansion, and better performance of current channels as well as due to higher loyalty and incentives in our broker channel. These sales added to another 52k lives brought by the acquisition of MMS's portfolio, resulting in positive net adds in 1Q21.

And we're not stopping there! In our view, the sales level shown in 1Q21, although good, does not reflect Quali's full potential yet. We will seek to gradually accelerate our sales over the next few quarters, with the goal of reaching a level of 40-45k lives per month, which alongside with better control of churn in our base, will lead us to achieve our plan to **resume organic growth** by the end of 2021.

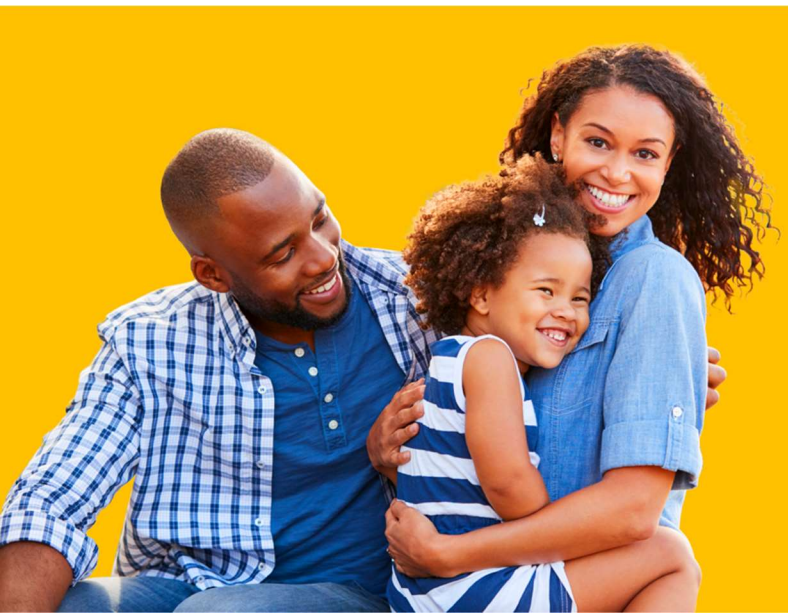
Although the impact of the coronavirus remains critical, the beginning of the vaccination in Brazil has brought us hope and the certainty that all of this will pass, and that things will come back to normal. And, while they don't, Quali continues to invest in social actions, aligned with the #NovoJeitoQualiDeSer. In total, we have invested more than R\$16 million in actions to fight COVID-19 since the beginning of the pandemic, and we will not steal from our social mission to keep helping.

In March, we donated R\$100 thousand to the SOS Manaus campaign, which collect and distribute hospital materials and food to the population of Amazonas' capital that has been suffering from the crisis created by COVID-19. And, since April, we have participated in an association that is enabling the opening of 50 hospital beds to care for patients with COVID-19 at the Federal Hospital of Lagoa, in Rio de Janeiro. With an investment of R\$2 million per month, the association will pay for the hiring and maintenance of 200 health professionals, while the drugs will be provided by the Ministry of Health.

Within our unceasing search for innovation, we had several milestones in the first quarter, among which we highlight: i) the launch of a health plan with unemployment insurance, in which the beneficiary has up to 6 months of coverage in case of job loss, in addition to benefits such as access to a PBM program; ii) the expansion of our partnership with Unimed-BH for the commercialization of the SME Administrated plan; iii) the partnership with Samp, one of the largest health insurance operators in Espírito Santo, expanding our product offering in the region. We continue to seek new partnerships to consolidate, progressively, our leadership in the sales and administration of health plans in Brazil.

Looking to our results for the quarter, we had a solid performance with 4.1% YoY growth in net revenue, stable Adjusted EBITDA and margin back to a level above 46%. In addition, our net income jumped 68% YoY to R\$115 million, with free cash flow of R\$165 million and ROIC of 48%.

Therefore, we remain enthusiastic about the opportunities for business consolidation and expansion that are presented to our Company. The strategy we defined for this year, based on our three pillars (Growth, Customer Focus, People & Culture) has proven to be right. Thus, without losing focus on execution, we expect to continue accelerating sales and delivering increasingly positive results over the next few quarters.



Lives

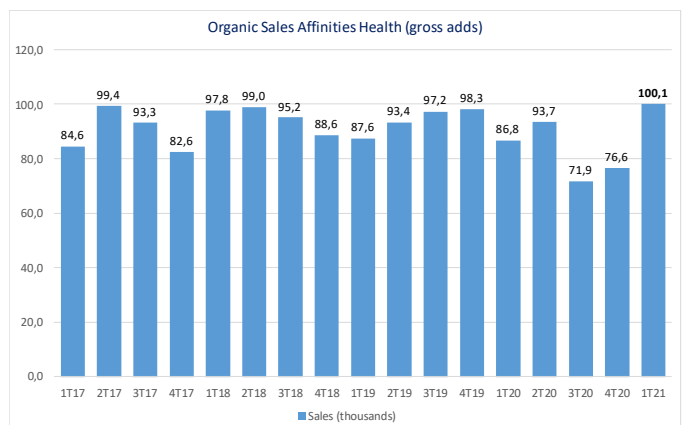
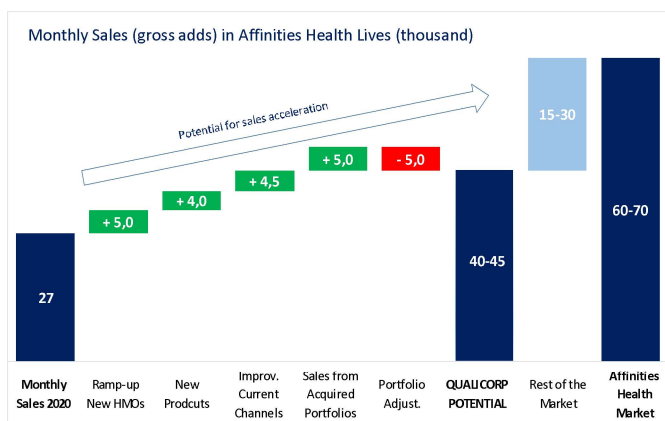
Portfolio

Lives Portfolio

Portfolio	1Q21	1Q20	Var. YoY	4T20	Var. QoQ
Affinity Health Lives					
Total Portfolio (BOP)	1,190,920	1,099,219	8.3%	1,091,651	9.1%
(+) Gross Adds	100,107	86,806	15.3%	76,625	30.6%
(-) Churn	(150,194)	(92,109)	63.1%	(80,985)	85.5%
(+) Portfolio Acquisition	52,471	-	NM	103,629	-49.4%
New Lives Added (net)	2,384	(5,303)	-145.0%	99,269	-97.6%
Total Portfolio (EOP)	1,193,304	1,093,916	9.1%	1,190,920	0.2%
Affinity Other (Massified)					
Total Portfolio (BOP)	411,388	205,765	99.9%	444,394	-7.4%
New Lives Added (net)	4,285	(7,280)	-158.9%	(33,006)	NM
Total Portfolio (EOP)	415,673	198,485	109.4%	411,388	1.0%
Affinity Portfolio					
	1,608,977	1,292,401	24.5%	1,602,308	0.4%
Corporate	320,023	357,567	-10.5%	297,872	7.4%
Gama	593,058	704,594	-15.8%	606,703	-2.2%
SME	52,275	43,882	19.1%	49,895	4.8%
SME Stipulation	-	137,109	NM	-	NM
Corp., Gama and SME Portf.	965,356	1,243,152	-22.3%	954,470	1.1%
Total Portfolio	2,574,333	2,535,553	1.5%	2,556,778	0.7%

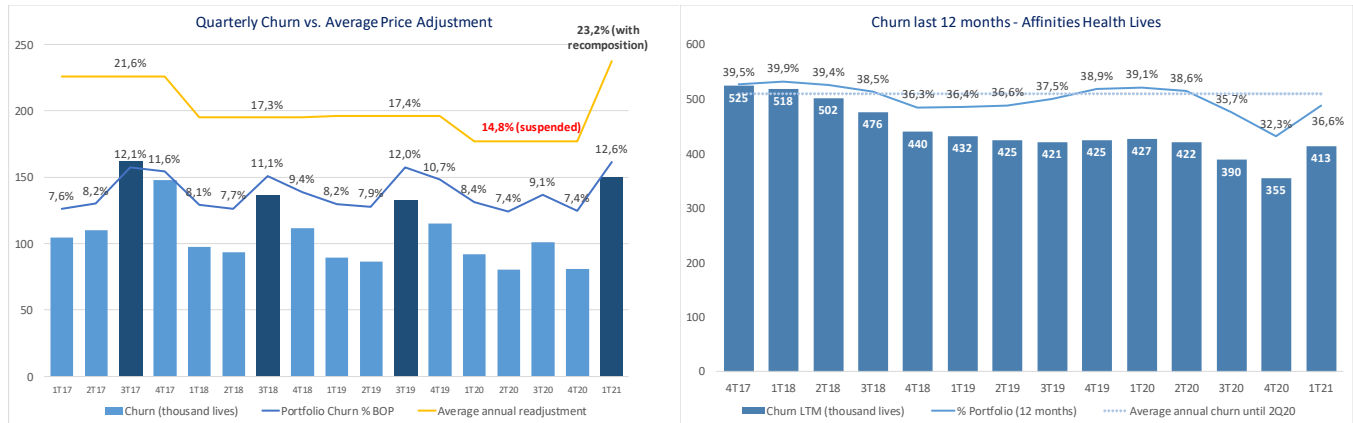
Qualicorp's portfolio finished the 1Q21 with nearly 2.6 million lives and was 0.7% higher than in the 4Q20, with a 0.4% growth in the Affinity segment and 1.1% in other segments (including Corporate, SME and Gama). In the YoY comparison, the portfolio grew 1.5%, with 24.5% increase in the Affinity segment and 22.3% reduction in other segments.

In our main segment of Affinity Health Lives (accountable for 93% of revenues in the quarter), we noted an important acceleration in sales level, resulting in organic gross adds of 100.1 thousand lives in 1Q21 – the highest in Quali's history for a first quarter. This result is aligned with our goal of gradually improving our sales level over 2021, as we are able to gather results of some several initiatives in place, such as: i) new commercial partnerships that are in a ramp-up period; ii) innovation, with the launching of many new products as well as portfolio renovation, focusing on our clients' needs; iii) improving the efficiency and relationship with our sales channel, which includes a more assertive commercial strategy; iv) contribution from acquired companies and portfolios, which brought us important distribution channels in new regions and with strategic HMOs for the Company.



Thus, we plan to accelerate our sales of Affinities Health Lives from current levels to 40-45 thousand lives per month over the next few quarters. In 1Q21, we were already took the first step towards this goal and achieved 33.4 thousand lives in average monthly sales, up 15% YoY and 31% QoQ.

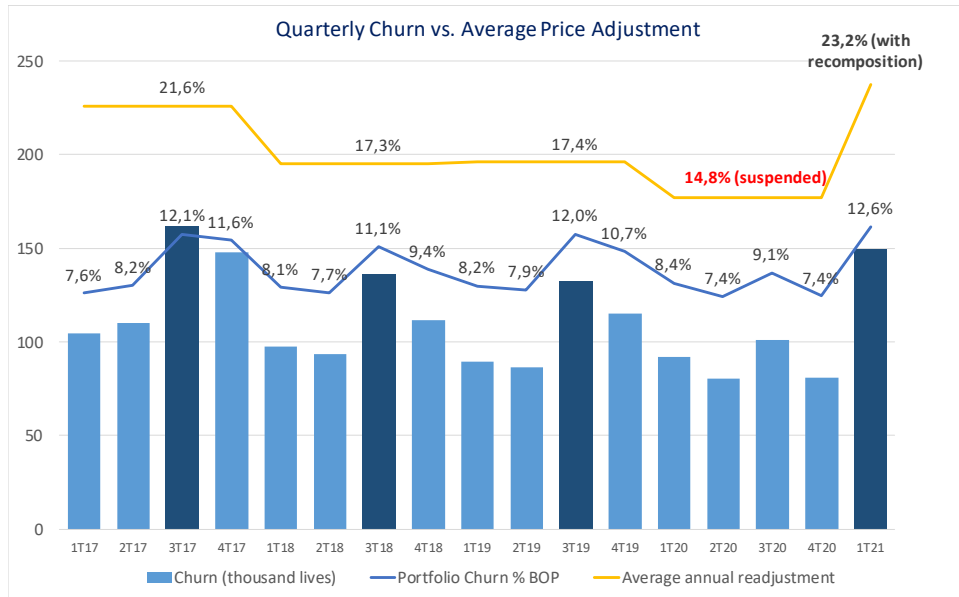
On the other hand, we had an atypical behavior of cancellations in 1Q21, due to the resetting of the price adjustments that had been suspended in 2020. As a result, our Affinities Health Lives portfolio had a churn of 150.1 thousand lives in 1Q21. This level is in line with our expectations and is seasonally comparable to the third quarters of years prior to 2020, which are the periods that normally concentrate price adjustments within this segment.



In a last 12-month view, we note that cancellations in 1Q21 (36.6%) remains below the historical average of our portfolio (~ 38%). This improvement is the result of a broader product portfolio that allows us to offer alternative plans to customers that request cancellation, in addition to the increasing use of predictive modeling and intelligence in the use of data for retention.

We also highlight that the combined effect of the adjustment + recomposition of price plans in our portfolio was 23% in 1Q21, resulting in the largest price increase ever applied to our beneficiaries. This percentage is higher than the average negotiated adjustment of around 15% for 2020, as it already considers the recomposition installment of the 5 months not charged in 2020 (that will be collected in 12 monthly installments in 2021) and the age range changes occurred during the suspended period. We can also analyze the behavior of cancellations by measuring the elasticity of the base in relation to the price adjustment level. When comparing 1Q21 with the third quarters of previous years, we see that the excess of cancellations in periods of price adjustment (compared to the previous quarter) is directly related to the percentage of price adjustments applied. Therefore, a high level of cancellations in 1Q21 was fully expected due to the impact of the resetting of the 2020 readjustment.





We also had in the Affinities Health Lives segment the entry of 52,5 thousand lives from the portfolio acquired from MMS (Muito Mais Saúde), as of March this year. This way, we had net adds of 2,4 thousand lives in the 1Q21 portfolio, which increased 0.2% QoQ to 1,193,000 lives, or 8.9% higher than in 1Q20.

In the remainder of our Affinities portfolio, which includes mass plans (dental and non-stipulation), we had a net addition of 4.3 thousand lives in 1Q21. As a result, this portfolio grew by 1.0% QoQ and 109% YoY.

Corporate, SME and Gama Portfolio

Aligned with our strategy to expand the product offering, the SME plans have been explored both to accelerate our total life growth and to increase the retention of Affinities customers who are eligible for corporate plans. During 1Q21, we had a 4.8% increase in our SME portfolio compared to the previous quarter and +19.1% versus 1Q20, reaching a total of 52.3 thousand lives.

It is important to highlight that we are only at the beginning of the development of our sales platform for SME plans. We believe that Quali has the potential to become the largest broker of SME plans in Brazil over the medium/long term, with a strategy that includes both the acceleration of our organic growth and the search for M&A opportunities in order to consolidate this segment.

Similar to the previous quarters, the Gama and Corporate segments showed decreases of 15.8% and 10.5%, respectively, in their portfolios in 1Q21, as result of the termination of TPA and health management contracts with unfavorable conditions. The SME Stipulation segment, on the other hand, consisted only of a contract with VisionMed (Golden Cross) and was discontinued in April 2020. As a result, starting in the next quarter, the SME portfolio will have a more comparable basis.



1Q21 Results

1Q21 Results

Income Statement (R\$ MN)	1Q21	1Q20	Var. YoY	4T20	Var. QoQ
Net Revenue	523.0	502.5	4.1%	515.1	1.5%
(-) COGS	(109.9)	(86.7)	26.8%	(97.8)	12.4%
(-) SG&A	(127.2)	(156.5)	-18.7%	(126.4)	0.6%
Bad Debt	(17.9)	(18.2)	-1.6%	(49.0)	-63.4%
Other Oper. Inc. (Exp.)	3.1	(16.1)	NM	(83.8)	-103.7%
EBITDA	271.0	225.0	20.4%	158.0	71.5%
EBITDA Margin	51.8%	44.8%	704 bps	30.7%	21 bps
(-) D&A Commiss.	(40.9)	(30.1)	35.6%	(38.4)	6.3%
(-) D&A Rent	(3.8)	(7.5)	-50.2%	(7.5)	-4.2%
(+) Interest and fine	7.9	7.7	3.4%	6.4	24.1%
(+/-) Non-recurring effects	7.3	47.2	-84.6%	68.2	-89.3%
Adjusted EBITDA	241.6	242.2	-0.2%	190.3	27.0%
Adjusted EBITDA Margin	46.2%	48.2%	-200 bps	36.9%	925 p.p.
(-) D&A	(86.3)	(94.6)	-8.7%	(77.1)	12.0%
(+/-) Fin. Inc. (Exp.)	(9.3)	(21.1)	-55.7%	(7.1)	32.6%
(-) IR/CSLL	(58.2)	(40.8)	42.7%	(4.9)	NM
Net Income	117.1	68.5	70.9%	69.0	69.7%
(-) Part. Minor	(2.6)	(0.3)	NM	(1.4)	-640.0%
Net Income Controlling	114.5	68.2	67.9%	67.6	69.3%
Net Margin	21.9%	13.6%	832 bps	13.1%	876 p.p.

We will continue, within our strategic plan, favoring costs and expenses that will support us on the fronts of growth, innovation, technology and customer retention. At the same time, we are looking for ways to finance these new efforts through strict cost and expense control on the other fronts, especially in administrative expenses.

In this 1Q21, unlike previous quarters, we had no significant nonrecurring impacts on our results. However, as already explained, we had an atypical quarter in terms of seasonality, mainly related to the lives portfolio. Even so, Qualicorp's results remain solid, with high operating margin, profitability and return on invested capital.

Our net revenue grew 4.1% YoY in 1Q21 and Adjusted EBITDA margin of 46.2% contracted by 200 bps YoY mainly due to the increase in commercial expenses and commissions, in line with our strategy of accelerating growth. We highlight, however, the sequential recovery of the margin after a 4Q20 impacted by nonrecurring effects. Our net income showed a strong growth of 68% YoY, also as a result of lower nonrecurring expenses, in addition to reduction in financial and D&A expenses.

Looking forward, we believe in the Company's potential for generating value from the lives portfolio growth, without significant variations in its operating margins, so that the efficiencies that have been obtained in the business should be invested in accelerating growth projects.

RECOMPOSITION ADJUSTMENT 2020

Due to the suspension of annual price adjustments and by age group of health plan contracts, as defined by ANS since August 2020, and following the guidelines of the regulator, Qualicorp accounted throughout the 3Q20 and 4Q20 the adjustment amounts by competence, without, however, collecting the adjustment amount for 5 months.

From January 2021, Qualicorp applied the price adjustment to the plans of its beneficiaries, and started to collect the amount not charged in 2020, which will be recomposed in 12 installments throughout this year.

Thus, in 1Q21, we began to proportionally reverse the amounts provisioned in 3Q20 and 4Q20, which will be fully recovered over the course of 2021. The exception are provisions for bad debts, which have their own methodology starting with a lower reversion amount and increasing over time, as long as the loss occurred is within the expected estimate, being revisited at least quarterly. Below is a demonstration of the reversals for 1Q21:

Reversal of the Impacts from the price adjustmentmen suspension			
<i>R\$ million</i>	Impacts in 2020	Reversal 1Q21	Balance on 3/31/2021
Income Accounts			
Gross Revenue	91,3	(24,0)	67,2
Administration fee	64,1	(17,3)	46,8
Brokerage	27,2	(6,8)	20,4
Cost of Services Provided	7,9	(0,9)	6,9
Bad debt Provisions	51,3	(1,8)	49,6
Balance Sheet Accounts			
Accounts Receivable (Assets)	583,2	(146,4)	436,8
Premiums to be Transferred (Liabil)	483,2	(121,5)	361,8



Revenue by Segment

Revenue (R\$ MN)	1Q21	1Q20	Var. YoY	4T20	Var. QoQ
Affinities	534,8	500,4	6,9%	523,8	2,1%
Health Lives	529,5	495,2	6,9%	519,0	2,0%
Administration Tax	346,1	330,0	4,9%	351,8	-1,6%
Brokerage	145,4	131,5	10,6%	144,5	0,7%
Agency	37,6	33,2	13,5%	22,4	68,3%
Others	0,4	0,5	-19,1%	0,3	23,8%
Other Affinities (Mass)	5,2	5,3	-0,7%	4,8	9,3%
Corporate	6,0	12,2	-51,0%	6,9	-13,7%
SME total	5,9	8,9	-34,3%	4,0	45,5%
SME	5,9	3,1	92,0%	4,0	45,5%
SME Stipulation	-	5,9	NM	-	NM
Gama	23,1	25,5	-9,5%	24,1	-4,1%
Gross Revenue	569,7	547,1	4,1%	558,8	2,0%
Cancellations	(0,3)	(0,0)	NM	(0,3)	19,2%
Sales taxes	(46,4)	(44,5)	4,2%	(43,4)	6,8%
Net Revenue	523,0	502,5	4,1%	515,1	1,5%

Quali's gross revenue in 1Q21 increased 2.0% when compared to the previous quarter and 4.1% compared to 1Q20. In the Affinities Health Lives segment, considering only recurring/lifetime revenues (administration and brokerage fees), we had 1.0% reduction QoQ, but 6.5% growth YoY.

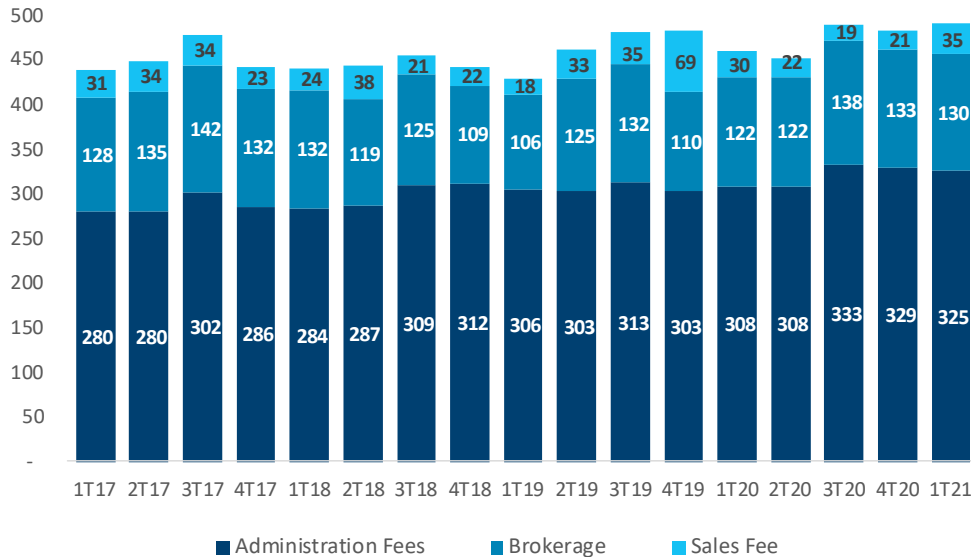
The quarterly variation of these recurring revenues is explained by the following factors: i) positive contribution from acquired portfolios from Plural, MMS and Uniconsult (R\$16.4 million); ii) reduction in the average volume of lives in 1Q21 compared to 4Q20 (excluding acquisitions); and iii) reduction in the average ticket due to the downgrade of plans and lower ticket from new plans compared to the portfolio's average. Furthermore, the YoY growth is a consequence of: i) annual price adjustment; ii) growth in the Affinities Health Lives portfolio (+9.1% YoY); iii) lower average ticket (new sales, downgrade of plans, and incorporation of approximately 154 thousand lives from Plural and MMS portfolios that have a significantly lower premium than Qualicorp's average).

In relation to agency revenue, we had in 1Q21 a 13.5% increase YoY and 68% QoQ due to the acceleration of sales and a contribution of R\$2.4 million in non-recurring settlements from previous years accounted in March this year.

We also highlight the growth of 45% QoQ and 92% YoY in SME revenue (excluding SME Stipulation, which has been discontinued). Despite representing only 1% of our total revenue, this segment is important within our product diversification strategy, and should be more representative over the next quarters.

In the other segments (Corporate and Gama), the drop in YoY revenue follows the reduction in the lives portfolio, due to the non-renewal of some contracts over the past quarters, such as TPA and health management contracts.

Net Revenue Affinity - Health lives (R\$ million)



Costs and Expenses

Costs and Expenses (R\$ MN)	1Q21	1Q20	Var. YoY	4T20	Var. QoQ
Total COGS e SG&A	(237.1)	(243.2)	-2.5%	(224.3)	5.7%
COGS	(109.9)	(86.7)	26.8%	(97.8)	12.4%
Administrative Exp.	(66.9)	(113.8)	-41.3%	(73.2)	-8.7%
Comercial Exp.	(60.3)	(42.7)	41.4%	(53.2)	13.4%
Total COGS e SG&A	(237.1)	(243.2)	-2.5%	(224.3)	5.7%
Personnel Exp.	(89.3)	(124.0)	-28.0%	(78.2)	14.2%
3rd-Services	(54.1)	(44.3)	22.0%	(54.3)	-0.5%
Occupancy Expenses	(4.8)	(3.4)	43.3%	(3.0)	59.9%
Campaigns/Sponsorship	(19.7)	(10.3)	90.6%	(12.4)	59.1%
Comissions	(18.2)	(16.7)	9.3%	(15.2)	20.4%
Others	(23.1)	(19.0)	21.6%	(30.0)	-23.0%
Pro Labore	(25.6)	(23.0)	11.2%	(28.9)	-11.5%
Membership fees	(2.3)	(2.5)	-8.9%	(2.3)	-0.3%
Bad Debt	(17.9)	(18.2)	-1.6%	(49.0)	-63.4%
Other Oper. Inc. (Exp.)	3.1	(16.1)	-119.2%	(83.8)	-103.7%
Total Consolidated	(252.0)	(277.5)	-9.2%	(357.1)	-29.4%
(+/-) Non-recurring effects	7.3	47.2	-84.6%	68.2	-89.3%
Total Recurring	(244.7)	(230.3)	6.2%	(288.8)	-15.3%

*SG&A without depreciation and amortization.

Similarly to the last quarters, in 1Q21 we presented a reduction in the consolidated total of costs and expenses, which decreased 2.5% in the annual comparison, with a positive highlight for the reduction of personnel expenses (-28% YoY, mainly due to changes in Management compensation), and in Other Operating Income and Expenses (lower contingencies and write-off of leases). Also noteworthy is the reduction of 85% YoY on nonrecurring expenses.

Compared to 4Q20, total costs and expenses had a 5.7% increase, with the main highlights being the normalization of bad debt provision (-63% QoQ, with a small reversal of R \$ 1.8 million in 1Q21), increase in marketing expenses (+ 59% QoQ, with greater investment in leads generation and in commercial campaigns), and higher personnel expenses (+14% QoQ, with the incorporation of Plural's team and semiannual payment of the overtime bank to employees). In the gross margin view, the reduction of 200 bps QoQ was mainly due to the incorporation of Plural, which all fixed expenses were concentrated in the COGS line and will be redistributed within Qualicorp's cost centers in the coming quarters.

We emphasize that efficiency in costs and expenses remains one of the priorities of Quali's Management, always with the main objective of releasing a greater volume of resources to fronts associated with our growth agenda.

EBITDA and Adjusted EBITDA

EBITDA (R\$ MN)	1Q21	1Q20	Var. YoY	4T20	Var. QoQ
Net Revenue	523.0	502.5	4.1%	515.1	1.5%
(-) COGS	(109.9)	(86.7)	26.8%	(97.8)	12.4%
(-) SG&A	(127.2)	(156.5)	-18.7%	(126.4)	0.6%
(-) Bad Debt	(17.9)	(18.2)	-1.6%	(49.0)	-63.4%
(-) Other Oper. Inc. (Exp.)	3.1	(16.1)	-119.2%	(83.8)	-103.7%
EBITDA	271.0	225.0	20.4%	158.0	71.5%
EBITDA Margin	51.8%	44.8%	704 bps	30.7%	21.1 p.p.
Amort. of Rental Exp.	(3.8)	(7.5)	-50.2%	(3.9)	-4.2%
Sales Comission Amort.	(40.9)	(30.1)	35.6%	(38.4)	6.3%
Interest on Late Payments	7.9	7.7	3.4%	6.4	24.1%
Non-recurring effects	7.3	47.2	-84.6%	68.2	-89.3%
Gama Imapirment	-	-	NM	31.8	NM
Qsaúde Write-Off	(0.0)	11.0	NM	28.6	NM
Severance + Restr. Shares	-	36.2	NM	1.8	NM
Other Exp. Non-recurring	7.3	-	NM	6.0	21.4%
Adjusted EBITDA	241.6	242.2	-0.2%	190.3	27.0%
Adjusted EBITDA Margin	46.2%	48.2%	-200 bps	36.9%	9.3 p.p.

Our EBITDA reported for 1Q21 grew 20.4% YoY, as a result of an 4.1% increase of net revenue, a reduction of 2.5% in COGS and SG&A expenses, and the reversal of Other operating expenses from R\$3.1 million in 1Q20 to Other revenue of R\$ 16.1 million in 1Q21. The EBITDA margin was 51.8% in 1Q21, with an expansion of 700 bps YoY.

In 1Q21, we had a total of R\$7.3 million in nonrecurring expenses, a 85% reduction YoY. Such expenses are mainly linked to costs in combat against COVID-19 and with the Investigation Committee. There was also an increase of 35.6% in the amortization of commissions with new sales, linked to the greater investment in our brokerage channel, with a focus on sales growth.

As a consequence, Adjusted EBITDA reached R \$ 241.6 million in 1Q21, with 27% QoQ growth and practically stable compared to 1Q21. The Adjusted EBITDA margin reached 46.2%, 200 bps lower YoY, but with significant evolution compared to the 4Q20 36,9% margin (which had been impacted by extraordinary provisions).

We believe that the Adjusted EBITDA margin in 1Q21 reflects the high level of profitability of our business. Looking ahead to the next quarters, our expectation is to continue with our strategy of financing investments on the fronts of growth, innovation and customer relationships, through savings in administrative expenses and greater operational efficiency, in order to keep operating margins as stable as possible.

Financial Income (Expenses)

Financial Income (R\$MN)	1Q21	1Q20	Var. YoY	4T20	Var. QoQ
Financial income	14.3	12.9	11.4%	12.4	15.3%
Inc. from Short-Term Invest.	5.3	4.1	27.9%	5.5	-4.3%
Int. and Fine on Late Payment	7.9	7.7	3.4%	6.4	24.2%
Other Income	0.4	1.1	-67.1%	0.5	-33.1%
Financial expenses	(23.7)	(34.0)	-30.3%	(19.5)	21.6%
Debentures Interest	(9.9)	(16.9)	-41.4%	(9.9)	-0.4%
Mon. Adj. from Acq. Payables	(0.7)	(2.1)	-67.6%	(0.7)	-6.1%
Other Financial Expenses	(13.1)	(15.0)	-12.6%	(8.8)	48.5%
Total Consolidated	(9.3)	(21.1)	-55.7%	(7.1)	32.6%

Net financial expenses of R\$9.3 million in 1Q21 decreased 55.7% in the YoY comparison, following the reduction in the CDI, index of our debentures. In relation to the previous quarter, there was an increase of 32.6% mainly due to higher Other financial expenses.

Net Income

Net Income (R\$ MN)	1Q21	1Q20	Var. YoY	4T20	Var. QoQ
EBITDA	271.0	225.0	20.4%	158.0	71.5%
D&A	(86.3)	(94.6)	-8.7%	(77.1)	12.0%
Inc. From Op. Bef. Fin. Inc.	184.7	130.4	41.6%	81.0	128.1%
Financial income	14.3	12.9	11.4%	12.4	15.3%
Financial expenses	(23.7)	(34.0)	-30.3%	(19.5)	21.6%
Income before taxes	175.3	109.3	60.4%	73.9	137.2%
(-) income taxes	(42.4)	(30.0)	NM	(3.6)	NM
(-) Social Contribution	(15.9)	(10.8)	NM	(1.3)	NM
Net Income Consolidated	117.1	68.5	70.9%	69.0	69.7%
(-) Minority Interest	(2.6)	(0.3)	757.7%	(1.4)	87.7%
Net Income Controlling	114.5	68.2	67.9%	67.6	69.3%

Our net income was R\$ 114.5 million in 1Q21, after minority interests, with an increase of 67.9% YoY mainly due to: i) 20.4% growth in EBITDA; ii) 8.7% drop in depreciation and amortization expenses after the end of the amortization of some portfolio acquisitions and the extension of a non-competition contract with Qualicorp's founder; and iii) effective rate of 33.2% for IR/CSLL, which was 410 bps lower YoY.

Cash Flow

Cash Flow	1Q21	1Q20	Var. YoY	4T20	Var. QoQ
EBITDA	271.0	225.0	20.4%	158.0	71.5%
Non cash	16.3	58.2	-72.0%	60.7	-73.2%
Amount Paid for Leasing	(3.5)	(5.1)	-32.3%	(3.4)	2.1%
Commissions	(72.5)	(37.3)	94.4%	(48.0)	50.9%
Interest Paid	(42.1)	(39.8)	5.8%	(49.4)	-14.9%
Chang. In Working Capital	10.2	(17.1)	NM	(32.2)	NM
Cash Prov. by Op. Act.	179.5	184.0	-2.4%	85.6	109.6%
Capex (Intang. + Imob.)	(14.3)	(14.5)	-1.4%	(10.5)	35.8%
Cash Flow Fin. Activ. After Capex	165.2	169.5	-2.5%	75.1	120.0%
Acquisitions portfolio/companhie	(10.0)	(14.6)	-31.4%	(280.0)	-96.4%
Free Cash Flow to Firm	155.2	154.9	0.2%	(204.9)	NM
Financial Income	(17.3)	(39.4)	-56.0%	6.8	NM
Financial Investments	20.8	(76.8)	-127.1%	52.8	NM
Dividends Paid	(30.9)	(0.6)	NM	(50.4)	-38.6%
Cash Prov. Financing Activ.	(27.4)	(116.9)	-76.5%	9.1	NM
Cash Flow	127.8	38.1	NM	(195.8)	NM

Operating cash generation (before investments) was R\$179.5 million in 1Q21, 2.4% lower YoY and 110% higher QoQ. The QoQ variation refers mainly to the sequential improvement in the Adjusted EBITDA margin as well as to the improvement in working capital (partly due to the beginning of the collection of the adjustment resetting). In the YoY variation, the slight reduction in operating cash generation is related to the increase of 94% YoY in commissions paid, mitigated by improvements in working capital.

After Capex, and before acquisitions, our cash flow generation was of R\$ 165.2 million in 1Q21, with variations similar to those of the operational cash generation. In addition, we spent R\$10 million with acquisitions in 1Q21 (MMS installment), resulting in a free cash flow of R\$155.2 million.

It is important to highlight that, even with the beginning of a new M&A cycle in 2020, Quali keeps a robust cash generation, which allows us to continue with a high payout. Our shareholders approved at the Shareholders Meeting on April 30, the distribution of R\$570.4 million in dividends over 2020 results + distribution of reserves from 2019. The dividends will be paid in two tranches, the first of R\$200 million on May 31, 2021, and the second of R\$ 370.4 million by the end of this year. Both tranches will be based on the shareholding position of May 7, 2021.

Investments

Capex (R\$ MM)	1Q21	1Q20	Var. YoY	4T20	Var. QoQ
Capex in IT	11.4	6.2	83.5%	15.8	-27.8%
Other Capex	2.4	6.1	-60.3%	3.0	-17.9%
Right Assign. Agree. / Exclusiv.	1.1	22.2	NM	197.3	NM
Total	14.9	34.6	-56.8%	216.0	-93.1%

Our CAPEX in 1Q21 was R\$ 14.9 million, concentrated on investments in our technology platform.



Indebtedness

Capital Structure (R\$ MM)	1Q21	1Q20	Var. YoY	4T20	Var. QoQ
Current Debt ⁽¹⁾	106.8	16.2	559.1%	126.0	-15.2%
Long Term Debt	1,301.5	1,300.3	0.1%	1,302.0	0.0%
TOTAL	1,408.4	1,316.5	7.0%	1,428.1	-1.4%
Cash and cash equivalents ⁽²⁾	804.8	556.7	44.6%	698.3	15.3%
Net Debt	603.5	759.9	-20.6%	729.8	-17.3%
Net Debt / Adj. EBITDA LTM	0.64x	0.89x	-24.2%	0.78x	-13.4%

(1) Includes acquisitions debt.

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

We ended 1Q21 with a net debt position of R\$603.5 million, a decline of 17.3% QoQ and 20.6% YoY, as result of the free cash flow generation. As consequence, our leverage was 0.64x Adjusted EBITDA in 1Q21, below the level of 0.78x in 4Q20 and 0.89x in 1Q20.

ROIC

Return on Investment	1Q21	1Q20	Var. YoY	4T20	Var. QoQ
Non Current Assets	2,321	2,320	0.0%	2,244	3.4%
Working Capital	(124)	10	NM	(86)	43.7%
Invested Capital	2,197	2,330	-5.7%	2,158	1.8%
Adjust. above Invest. Cap.	944	981	-3.8%	947	-0.3%
Adj. Invest. Cap. (Average LTM)	1,253	1,348	-7.0%	1,212	3.4%
Adj. EBITDA LTM	914	923	-1.1%	911	0.3%
(-) Taxes (34%)	(311)	(314)	-1.1%	(310)	0.3%
NOPAT LTM	603	610	-1.1%	601	0.3%
ROIC	48.1%	45.2%	291 bps	49.6%	-152 bps





Attachments

Financial Statements

ATTACHMENTS - Financial Statements

Income Statement - Consolidated

Income Statement (R\$ MN)	1Q21	1Q20	Var. YoY	4T20	Var. QoQ
Net Revenue	523.0	502.5	4.1%	515.1	1.5%
(-) COGS	(109.9)	(86.7)	26.8%	(97.8)	12.4%
(-) SG&A	(127.2)	(156.5)	-18.7%	(126.4)	0.6%
Bad Debt	(17.9)	(18.2)	-1.6%	(49.0)	-63.4%
Other Oper. Inc. (Exp.)	3.1	(16.1)	NM	(83.8)	-103.7%
EBITDA	271.0	225.0	20.4%	158.0	71.5%
<i>EBITDA Margin</i>	<i>51.8%</i>	<i>44.8%</i>	<i>704 bps</i>	<i>30.7%</i>	<i>21 bps</i>
(-) D&A Commissions	(40.9)	(30.1)	35.6%	(38.4)	6.3%
(-) D&A Rental	(3.8)	(7.5)	-50.2%	(7.5)	-4.2%
(+) Interest and fine	7.9	7.7	3.4%	6.4	24.1%
(+/-) Non-recurring effects	7.3	47.2	-84.6%	68.2	-89.3%
Adjusted EBITDA	241.6	242.2	-0.2%	190.3	27.0%
<i>Adjusted EBITDA Margin</i>	<i>46.2%</i>	<i>48.2%</i>	<i>-200 bps</i>	<i>36.9%</i>	<i>925 p.p.</i>
(-) D&A	(86.3)	(94.6)	-8.7%	(77.1)	12.0%
(+/-) Fin. Inc. (Exp.)	(9.3)	(21.1)	-55.7%	(7.1)	32.6%
(-) IR/CSLL	(58.2)	(40.8)	42.7%	(4.9)	NM
Net Income	117.1	68.5	70.9%	69.0	69.7%
(-) Part. Minor	(2.6)	(0.3)	NM	(1.4)	-640.0%
Net Income Controlling	114.5	68.2	67.9%	67.6	69.3%
<i>Net Margin</i>	<i>21.9%</i>	<i>13.6%</i>	<i>832 bps</i>	<i>13.1%</i>	<i>876 p.p.</i>

Balance Sheet - Consolidated

ASSETS (R\$ MN)	1Q21	1Q20	Var. %	LIABILITIES & SHAREHOLDERS EQUITY (R\$ MM)	1Q21	1Q20	Var. %
CURRENT ASSETS				CURRENT LIABILITIES			
Cash and cash equivalents	546.5	418.8	30.5%	Debentures	6.9	17.3	-59.9%
Short-term investments	299.5	320.3	-6.5%	Taxes payable	56.5	59.4	-4.9%
Trade receivables	591.6	711.5	-16.9%	Technical Reserves	8.0	8.7	-8.5%
Other assets	211.7	183.3	15.5%	Premiums to be transferred	574.1	666.9	-13.9%
Other financial assets	205.3	177.8	15.5%	Financial transfers payable	30.1	29.3	2.8%
Other non-financial assets	6.3	5.5	15.6%	Payroll and related taxes	57.5	41.3	39.2%
Related Parties	-	-	NM	Transferable prepayments	60.3	52.6	14.8%
Total current assets	1,649.2	1,633.8	0.9%	Related parties	11.3	42.1	-73.2%
NONCURRENT ASSETS			0.0%	Other payables	213.5	210.2	1.6%
Long-term assets			0.0%	Leases	9.6	15.0	-35.8%
Trade receivables	-	-	NM	Total current liabilities	1,027.8	1,142.8	-10.1%
Income tax and social contribution	92.6	110.1	-15.8%	NONCURRENT LIABILITIES			
Other assets	140.3	145.3	-3.5%	Debentures	1,299.0	1,298.4	0.0%
Other financial assets	135.1	138.3	-2.3%	Income tax and social contribution	0.6	0.7	-9.6%
Other non financial assets	5.1	7.0	-26.9%	Deferred income tax and social contribution	35.4	42.0	-15.7%
Total long-term assets	232.9	255.4	-8.8%	Options for non-controlling interests acquiring	52.0	50.1	3.8%
Investments	0.3	0.3	0.0%	Provision for risks	92.2	93.7	-1.5%
Property, plant and equipment	37.1	43.9	-15.5%	Other payables	67.3	71.5	-5.9%
Intangible assets				Leases	12.8	20.3	-37.0%
Goodwill	1,741.3	1,741.3	0.0%	Total noncurrent liabilities	1,561.8	1,578.8	-1.1%
Others intangible assets	733.5	732.3	0.2%	EQUITY			
Total noncurrent assets	2,745.1	2,773.2	-1.0%	Capital	875.6	875.6	0.0%
				Treasury Shares	(5.4)	(5.4)	0.0%
				Capital reserves	129.9	127.6	1.8%
				Profit reserves	685.5	685.5	0.0%
				Others	114.5	-	NM
				Total Equity of controlling shareholders	1,800.1	1,683.3	6.9%
				Noncontrolling interest in subsidiaries	4.6	2.1	123.9%
				Total equity	1,804.6	1,685.4	7.1%
TOTAL ASSETS	4,394.3	4,407.0	-0.3%	TOTAL LIABILITIES AND EQUITY	4,394.3	4,407.0	-0.3%

Cash Flow - Consolidated

STATEMENTS OF CASH FLOWS (R\$ MN)	1Q21	1Q20	Var. %
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (losses) before income tax and social contribution	175.3	109.3	60.4%
Adjustments:			
Depreciation and Amortization	86.3	94.6	-8.7%
Impairment	(3.5)	0.0	NM
Equity Accounting	-	-	NM
Restricted Shares	3.0	50.7	-94.0%
Financial Expenses	12.4	19.6	-37.0%
Losses with disproportionate dividends	-	-	NM
Readjustments Provision	18.2	-	NM
Provision for Risks	(1.4)	7.5	NM
Origin Cash provided by operating activities	9.9	(17.2)	NM
Cash provided by operating activities	300.2	264.6	13.4%
Interest paid on debentures	(20.3)	(37.8)	-46.5%
Income tax and social contribution paid	(42.1)	(39.8)	5.8%
Net cash provided by operating activities	237.9	187.0	27.2%
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in intangible assets	(94.6)	(46.0)	105.8%
Purchase of property, plant and equipment	(2.1)	(5.8)	NM
Increase (decrease) in financial investments - exclusive FI fund	21.2	(76.8)	NM
Amount paid in acquisition (Uniconsult)	-	(14.6)	-100.0%
Net cash used in investing activities	(75.6)	(143.1)	-47.2%
CASH FLOW FROM FINANCING ACTIVITIES			
Rents Paid	(3.5)	(5.1)	-32.3%
Cost of Raising Debentures	-	-	NM
Other costs of raising debentures	(0.1)	(0.1)	4.2%
Dividends paid to minorities	-	(0.6)	-100.0%
Dividends and Interest on equity paid	(30.9)	-	NM
Cash provided by (used in) financing activities	(34.5)	(5.9)	487.9%
INCREASE IN CASH AND CASH EQUIVALENTS, NET	127.8	38.1	235.7%
Cash and cash equivalents at beginning of period	418.8	201.1	108.3%
Cash and cash equivalents at end of period	546.5	239.1	128.6%



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

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

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

Introduction

We have reviewed the individual and consolidated condensed interim financial information of Qualicorp Consultoria e Corretora de Seguros S.A. (the "Company"), contained in the Quarterly Information Form (ITR) for the quarter ended March 31, 2021, which comprises the statement of financial position as at March 31, 2021 and the statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for the quarter then ended, including other explanatory information.

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

Scope of review

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

Conclusion on the individual and consolidated condensed interim financial information

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

Other matters

Statements of value added

The quarterly information referred to above includes the individual and consolidated Statements of Value Added (SVA) for the quarter ended March 31, 2021, prepared under the responsibility of Company management and presented as supplementary information for IAS 34 purposes. These statements have been subject to review procedures performed in conjunction with the review of the quarterly information to conclude whether they are reconciled with the individual and consolidated condensed interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in NBC TG 09 - Statement of Added Value. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been prepared, in all material respects, in accordance with the criteria defined in referred to Standard and consistently with the individual and consolidated condensed interim financial information taken as a whole.

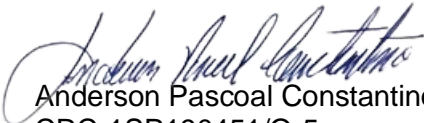
Audit and review of corresponding figures

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

The Company's individual and consolidated condensed interim financial information for the quarter ended March 31, 2020 was audited by other independent auditors, who issued an unmodified conclusion thereon dated May 6, 2020.

São Paulo, May 13, 2021

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


Anderson Pascoal Constantino
CRC-1SP190451/O-5

ASSETS	Note	Parent company		Consolidated		LIABILITIES AND EQUITY	Note	Parent company		Consolidated	
		3/31/2021	12/31/2020	3/31/2021	12/31/2020			3/31/2021	12/31/2020		
CURRENT ASSETS						CURRENT LIABILITIES					
Cash and cash equivalents	8.1	24.435	16.580	546.545	418.767	Debentures	15	5.299	13.342	6.933	17.286
Financial investments	8.2	19.447	43.230	299.487	320.311	Taxes and contributions payable		25.309	26.539	56.488	59.399
Amounts receivable from customers	9	80.870	84.171	591.557	711.488	Technical reserves for healthcare operations		-	-	7.955	8.697
Other assets		53.057	51.840	211.653	183.255	Premiums to be transferred	17	-	-	574.096	666.912
Other financial assets	10	50.930	49.333	205.312	177.768	Financial transfers payable		-	-	30.147	29.323
Other non-financial assets		2.127	2.507	6.341	5.487	Payroll and related charges		40.960	28.832	57.491	41.305
Receivables from related parties	12.1	31.772	5.636	-	-	Transferable prepayments		-	-	60.342	52.554
Total current assets		209.581	201.457	1.649.242	1.633.821	Payables to related parties	12.1	11.186	42.157	11.273	42.119
NON-CURRENT ASSETS						Other payables	18	105.139	115.887	213.454	210.184
Deferred income tax and social contribution	11	58.393	62.148	92.618	110.058	Lease liabilities	16	4.984	8.682	9.630	15.007
Other assets		12.389	13.907	140.269	145.340	Total current liabilities		192.877	235.439	1.027.809	1.142.786
Other financial assets	10	8.654	8.718	135.138	138.322	NON-CURRENT LIABILITIES					
Other non-financial assets		3.735	5.189	5.131	7.018	Debentures	15	1.009.524	1.009.049	1.298.982	1.298.397
Total long-term receivables		70.782	76.055	232.887	255.398	Taxes and contributions payable		-	-	641	709
Investments	13	1.644.905	1.560.589	262	262	Payroll and related charges		2.611	2.237	2.611	2.237
Property and equipment		21.877	25.754	37.096	43.905	Deferred income tax and social contribution	11	-	-	35.378	41.983
Intangible assets						Call option over non-controlling interests	5	5.644	5.034	51.955	50.075
Goodwill	14.2	626.654	626.654	1.741.295	1.741.295	Provision for contingencies	19	15.211	15.507	92.215	93.652
Other intangible assets	14.1	517.836	532.019	733.519	732.297	Other payables	18	59.587	61.054	67.271	71.451
Total non-current assets		2.882.054	2.821.071	2.745.059	2.773.157	Lease liabilities	16	6.129	10.885	12.792	20.313
						Total non-current liabilities		1.098.706	1.103.766	1.561.845	1.578.817
						EQUITY	20				
						Share capital		875.575	875.575	875.575	875.575
						Treasury shares		(5.357)	(5.357)	(5.357)	(5.357)
						Capital reserve		129.852	127.603	129.852	127.603
						Revenue reserves		685.502	685.502	685.502	685.502
						Retained earnings		114.480	-	114.480	-
						Total equity attributable to owners of the Parent company		1.800.052	1.683.323	1.800.052	1.683.323
						Non-controlling interests in subsidiaries		-	-	4.595	2.052
						Total equity		1.800.052	1.683.323	1.804.647	1.685.375
TOTAL ASSETS		3.091.635	3.022.528	4.394.301	4.406.978	TOTAL LIABILITIES AND EQUITY		3.091.635	3.022.528	4.394.301	4.406.978

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

CONDENSED STATEMENT OF INCOME

FOR THE PERIODS ENDED MARCH 31, 2021 AND 2020

All amounts in thousands of reais, except earnings per share

(A free translation of the original in Portuguese)

	Note	Parent company		Consolidated	
		1/1/2021 to 3/31/2021	1/1/2020 to 3/31/2020	1/1/2021 to 3/31/2021	1/1/2020 to 3/31/2020
NET OPERATING REVENUE	26.d	175.838	164.993	522.988	502.550
COST OF PROVIDING SERVICES	22	(9.509)	(8.347)	(109.934)	(86.684)
OPERATING INCOME (EXPENSES)					
Administrative expenses	22	(51.427)	(61.869)	(112.363)	(178.338)
Selling expenses	22	(89.671)	(59.558)	(101.179)	(72.796)
Losses on uncollectible receivables	9.1	(119)	(177)	(17.919)	(18.206)
Equity in the earnings of equity-accounted si	13	102.516	55.306	-	-
Other income (expenses), net		3.009	(304)	3.095	(16.104)
OPERATING PROFIT BEFORE FINANCE RESULT		130.637	90.044	184.688	130.422
Finance income	23	482	640	14.343	12.871
Finance costs	23	(9.899)	(15.755)	(23.691)	(33.983)
PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		121.220	74.929	175.340	109.310
INCOME TAX AND SOCIAL CONTRIBUTION		(6.740)	(6.686)	(58.227)	(40.760)
Current	24	(2.986)	(3.593)	(47.393)	(39.731)
Deferred		(3.754)	(3.093)	(10.834)	(1.029)
PROFIT FOR THE PERIOD		114.480	68.243	117.113	68.550
ATTRIBUTABLE TO					
Owners of the Parent company		114.480	68.243	114.480	68.243
Non-controlling interests		-	-	2.633	307
		114.480	68.243	117.113	68.550
EARNINGS PER SHARE					
Basic (R\$ per share)	28	0,40364	0,24174	0,40364	0,24174
Diluted (R\$ per share)	28	0,40339	0,24123	0,40339	0,24123

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

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED MARCH 31, 2021 AND 2020

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	1/1/2021 to 3/31/2021	1/1/2020 to 3/31/2020	1/1/2021 to 3/31/2021	1/1/2020 to 3/31/2020
PROFIT FOR THE PERIOD	114.480	68.243	117.113	68.550
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	114.480	68.243	117.113	68.550
ATTRIBUTABLE TO				
Owners of the Parent company	114.480	68.243	114.480	68.243
Non-controlling interests	-	-	2.633	307

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

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIODS ENDED MARCH 31, 2021 AND 2020
All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Note	Share capital					Revenue reserves Legal reserve	Other reserves	Retained earnings	Attributable to owners of the Parent company	Non-controlling interests	Consolidated total
		Paid-up capital	Share issue costs	Treasury shares	Capital reserve	Non-controlling interests						
AT DECEMBER 31, 2019		896.558	(20.983)	(33.664)	179.786	95.740	290.785	-	1.408.222	-	1.408.222	
Restricted stock		-	-	-	9.782	-	-	-	9.782	-	9.782	
Restricted stock award		-	-	10.536	(10.536)	-	-	-	-	-	-	
Prior-period adjustments - Restricted stock		-	-	-	-	-	-	(2.140)	(2.140)	-	(2.140)	
Profit for the period		-	-	-	-	-	-	70.383	70.383	307	70.690	
Non-controlling interests on acquisition of subsidiaries		-	-	-	-	-	-	-	-	115	115	
Interim dividends paid to non-controlling interests		-	-	-	-	-	-	-	-	(633)	(633)	
AT MARCH 31, 2020		896.558	(20.983)	(23.128)	179.032	95.740	290.785	68.243	1.486.247	(211)	1.486.036	
AT DECEMBER 31, 2020		896.558	(20.983)	(5.357)	127.603	115.345	570.157	-	1.683.323	2.052	1.685.375	
Restricted stock	21	-	-	-	2.249	-	-	-	2.249	-	2.249	
Profit for the period	28	-	-	-	-	-	-	114.480	114.480	2.633	117.113	
Interim dividends paid to non-controlling interests		-	-	-	-	-	-	-	-	(90)	(90)	
AT MARCH 31, 2021		896.558	(20.983)	(5.357)	129.852	115.345	570.157	114.480	1.800.052	4.595	1.804.647	

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

CONDENSED STATEMENT OF CASH FLOWS
FOR THE PERIODS ENDED MARCH 31, 2021 AND 2020

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Note	Parent company		Consolidated	
		3/31/2021	3/31/2020	3/31/2021	3/31/2020
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before income tax and social contribution		121.220	74.929	175.340	109.310
Adjustments for:					
Depreciation and amortization	22	65.491	61.437	86.345	94.619
Impairment losses		(1.432)	-	(3.492)	3
Equity in earnings of equity-accounted subsidiaries	13	(102.516)	(55.306)	-	-
Restricted stock	21	1.240	10.147	3.040	50.741
Finance costs		9.103	14.450	12.380	19.648
Provision for contingencies (reversal)		(296)	774	(1.437)	7.464
Provision for premium increases	1 b) II	4.904	-	18.166	-
		97.714	106.431	290.342	281.785
Changes in operating assets and liabilities:					
Increase (decrease) in amounts receivable from customers		(3.493)	12.692	(24.692)	29.651
Increase (decrease) in other assets		457	(6.812)	(22.549)	(44.938)
Increase (decrease) in taxes and contributions payable		(2.980)	2.861	(6.358)	1.635
Increase in premiums to be transferred		-	-	28.637	49.973
Increase in financial transfers payable		-	-	824	258
(Decrease) in technical reserves for healthcare operations		-	-	(742)	(7.637)
Increase (decrease) in payroll and related charges		11.711	(13.756)	15.769	(13.968)
Increase (decrease) in other payables		(14.212)	(9.743)	11.541	(24.045)
Increase (decrease) in transferable prepayments		-	-	7.788	(8.005)
Increase (decrease) in related parties		(476)	712	-	-
(Decrease) in financial investments (restricted cash)		-	-	(358)	(80)
Cash from operations		88.721	92.385	300.202	264.629
Interest paid on debentures	15	(15.737)	(29.066)	(20.257)	(37.833)
Income tax and social contribution paid		(426)	(3.950)	(42.063)	(39.765)
Net cash provided by operating activities		72.558	59.369	237.882	187.031
CASH FLOWS FROM INVESTING ACTIVITIES					
Share capital increase in subsidiaries		-	(4.591)	-	-
Additions to intangible assets		(73.986)	(36.523)	(94.630)	(45.992)
Purchases of property and equipment		(1.135)	(32)	(2.140)	(5.790)
Increase (decrease) in financial investments - exclusive investment fund	8.2	23.783	(9.186)	21.182	(76.751)
Dividends received from subsidiaries	13	20.000	-	-	-
Payment for acquisition of Uniconsult, net of cash acquired	7	-	-	-	(14.569)
Net cash used in investing activities		(31.338)	(50.332)	(75.588)	(143.102)
CASH FLOWS FROM FINANCING ACTIVITIES					
Lease payments	16.ii	(2.355)	(3.160)	(3.481)	(5.143)
Cost of issue of debentures	15	-	-	-	-
Other costs of issue of debentures		(74)	(70)	(99)	(95)
Dividends paid to non-controlling interests		-	-	-	(633)
Dividends and interest on capital paid	20	(30.936)	-	(30.936)	-
Net cash used in financing activities		(33.365)	(3.230)	(34.516)	(5.871)
NET INCREASE IN CASH AND CASH EQUIVALENTS		7.855	5.807	127.778	38.058
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		16.580	47.423	418.767	201.050
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		24.435	53.230	546.545	239.108

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

CONDENSED STATEMENT OF VALUE ADDED

FOR THE PERIODS ENDED MARCH 31, 2021 AND 2020

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	3/31/2021	3/31/2020	3/31/2021	3/31/2020
REVENUE				
Services revenue	197.257	184.863	569.678	547.052
Other operating income	3.650	545	8.558	1.654
Provision for impairment of trade receivables, cancellations and returns	(435)	(185)	(19.086)	(18.944)
Total revenue	200.472	185.223	559.150	529.762
INPUTS ACQUIRED FROM THIRD PARTIES				
Cost of providing services	(3.401)	(3.687)	(74.970)	(58.618)
Materials, electricity, outsourced services and other	(41.132)	(26.122)	(71.318)	(59.830)
Impairment/recovery of assets	(1.352)	-	(1.352)	(3)
Other operating expenses	(1.353)	(1.867)	(16.999)	(30.477)
Total inputs acquired from third parties	(47.238)	(31.676)	(164.639)	(148.928)
GROSS VALUE ADDED	153.234	153.547	394.511	380.834
DEPRECIATION, AMORTIZATION AND DEPLETION	(65.491)	(61.437)	(86.345)	(94.619)
NET VALUE ADDED GENERATED BY THE ENTITY	87.743	92.110	308.166	286.215
VALUE ADDED RECEIVED THROUGH TRANSFER				
Finance income	482	640	14.343	12.871
Equity in the earnings of equity-accounted subsidiaries	102.516	55.306	-	-
Total value added received through transfer	102.998	55.946	14.343	12.871
TOTAL VALUE ADDED TO DISTRIBUTE	190.741	148.056	322.509	299.086
DISTRIBUTION OF VALUE ADDED				
Personnel and social charges	37.933	38.996	84.320	124.532
Taxes and contributions	27.888	26.624	104.669	85.343
Federal	21.024	20.218	90.287	71.647
Municipal	6.864	6.406	14.382	13.696
Creditors and lenders	10.440	14.193	16.407	20.661
Shareholders	114.480	68.243	117.113	68.550
Total value added distributed	190.741	148.056	322.509	299.086

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



(A free translation of the original in Portuguese)

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

NOTES TO THE CONDENSED PARENT COMPANY AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2021

All amounts in thousands of reais unless otherwise stated

1. General information

a) Corporate information

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

b) Main events in the first quarter of 2021

I. COVID-19

The Group continues to actively monitor the global developments with the COVID-19 pandemic. Since this is an important issue, we have carefully assessed the impacts of COVID-19 on our business in the first quarter of 2021. For details see Note 29 and our Q1 2021 earnings release.

II. Updated balances of frozen premium increases

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

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

	12/31/2020	Reversal	3/31/2021
Amounts receivable from customers	583,230	(146,382)	436,848
Premiums recoverable – benefits administrators	556,052	(139,588)	416,464
Brokerage fees	27,178	(6,794)	20,384
Premiums to be transferred	483,222	(121,453)	361,769
Revenue from administration fee	64,096	(17,254)	46,842
Revenue from brokerage fees	27,178	(6,794)	20,384
Cost of providing services	7,893	(949)	6,944
Losses on uncollectible receivables	51,328	(1,759)	49,569

III. Transfer of assignment of rights and obligations agreement to indirect subsidiary

On December 8, 2020, the Company and Muito Mais Saúde (MMS) entered into an agreement for the acquisition of a portfolio of 55,000 lives from group health and dental plans. The Company acquired contracts signed between MMS and plan operators located in Rio de Janeiro and São Paulo to expand its presence with local brands in the region. The purchase price was R\$ 176,000, of which R\$ 72,600 was paid on December 9, 2020, R\$ 10,000 was settled on March 24, 2021 and



the remaining amount of R\$ 93,400 will be paid after the integration of the portfolio into the Company (Note 18.i.).

On February 5, 2021, an addendum was signed to transfer to the indirect subsidiary Clube de Saúde part of this intangible asset - R\$ 25,695 transferred from the Company and R\$ 2,855 from direct subsidiary Qualicorp Benefícios. Thus, the contracts related to the operator GNDI were assigned from that date. The value of the lives assigned as intangible assets to Clube de Saude is R\$ 28,550, which will be paid after the migration of the lives to Clube de Saúde.

This intangible asset is amortized over the term of the agreement (60 months).

2. Presentation of condensed interim financial statements

I. Statement of compliance

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

II. Basis of preparation

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

3. Significant accounting practices

The condensed parent company and consolidated interim financial statements at March 31, 2021 have been prepared using the same accounting policies as described in Note 3 to the parent company and consolidated financial statements for the year ended December 31, 2020.

4. Significant estimates and judgments

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

5. Financial instruments

a) Classification and fair value of financial instruments

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



Parent company						
	3/31/2021			12/31/2020		
	Financial assets measured at fair value through profit or loss	Financial liabilities measured at fair value through profit or loss	Amortized cost	Financial assets measured at fair value through profit or loss	Financial liabilities measured at fair value through profit or loss	Amortized cost
Financial assets:						
Cash and cash equivalents – highly liquid	-	-	24,022	-	-	9,129
Financial investments	19,447	-	-	43,230	-	-
Amounts receivable from customers – current and non-current	-	-	80,870	-	-	84,171
Other financial assets – current and non-current	-	-	59,584	-	-	58,051
Financial liabilities:						
Debentures – current	-	-	5,299	-	-	13,342
Payroll and related charges – current and non-current	-	-	43,571	-	-	31,069
Other payables – current and non-current	-	-	164,726	-	-	176,941
Call option over non-controlling interests	-	5,644	-	-	5,034	-
Lease liabilities – current and non-current	-	-	11,113	-	-	19,567

Consolidated						
	3/31/2021			12/31/2020		
	Financial assets measured at fair value through profit or loss	Financial liabilities measured at fair value through profit or loss	Amortized cost	Financial assets measured at fair value through profit or loss	Financial liabilities measured at fair value through profit or loss	Amortized cost
Financial assets:						
Cash and cash equivalents – highly liquid	-	-	510,122	-	-	372,167
Financial investments	299,487	-	-	320,311	-	-
Cash and cash equivalents – highly liquid	-	-	591,557	-	-	711,488
Other financial assets – current and non-current	-	-	340,450	-	-	316,090
Financial liabilities:						
Debentures – current	-	-	6,933	-	-	17,286
Premiums to be transferred	-	-	574,096	-	-	666,912
Technical reserves for healthcare operations	-	-	7,955	-	-	8,697
Financial transfers payable	-	-	30,147	-	-	29,323
Transferable prepayments	-	-	60,342	-	-	52,554
Payroll and related charges – current and non-current	-	-	60,102	-	-	43,542
Other payables – current and non-current	-	-	280,725	-	-	281,635
Call option over non-controlling interests	-	51,955	-	-	50,075	-
Lease liabilities – current and non-current	-	-	22,422	-	-	35,320



Fair value measurements recognized in the balance sheet

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

The Company's financial instruments are included in levels 1 and 3 of the fair value hierarchy and are the same as presented in the parent company and consolidated financial statements for the year ended December 31, 2020.

Consolidated	3/31/2021		12/31/2020	
	Level 1	Level 3	Level 1	Level 3
Financial assets at fair value through profit or loss – financial investments	299,487	-	320,311	-
Call option over non-controlling interests	-	51,955	-	50,075

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

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

Reconciliation of level 3 fair value measurements of financial liabilities

	Fair value through profit or loss	Fair value through profit or loss	Fair value through profit or loss	Total
	Plural and Oxcorp	Uniconsult	Clube de Saúde	Consolidated
Balance at December 31, 2020	44,536	2,794	2,745	50,075
Remeasurement at fair value	1,510	370	-	1,880
Balance at March 31, 2021	46,046	3,164	2,745	51,955

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

Derivative instruments

At March 31, 2021 and December 31, 2020, the Company and its subsidiaries had no derivative contracts for hedging or speculative purposes.

b) Management of the main risks

For the condensed parent company and consolidated interim financial statements as of March 31, 2021 there were no changes as compared with Note 5.b to the annual parent company and consolidated financial statements for the year ended December 31, 2020.

Credit risk

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



Interest rate risk of financial instruments

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

As the average term of receipts/payments of the Company and its subsidiaries is 30 days, Management uses the change in the Interbank Deposit Certificate (CDI) rate as an assumption to analyze fluctuations in interest rates, as shown below:

Line item	Parent company			
	Classification in the balance sheet	Note	3/31/2021	12/31/2020
Cash and cash equivalents (i)	Current assets	8.1	24,022	9,129
Financial investments (i)	Current assets	8.2	19,447	43,230
Debentures (ii)	Current and non-current liabilities	15	(1,014,823)	(1,022,391)
Lease liabilities (iii)	Current and non-current liabilities	16	(11,113)	(19,567)
Total exposure			(982,467)	(989,599)

Line item	Consolidated			
	Classification in the balance sheet	Note	3/31/2021	12/31/2020
Cash and cash equivalents (i)	Current assets	8.1	510,122	372,167
Financial investments (i)	Current assets	8.2	299,487	320,311
Debentures (ii)	Current and non-current liabilities	15	(1,305,915)	(1,315,683)
Lease liabilities (iii)	Current and non-current liabilities	16	(22,422)	(35,320)
Total exposure			(518,728)	(658,525)

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

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

- ii) Debentures issued by the Group accrue interest equal to the daily average overnight rates of Interbank Deposits (DI) expressed as a percentage rate per year, corresponding to 252 business days (B3) plus a spread of 1.15% p.a. (Note 15).
- iii) Lease liabilities bear interest as specified in the agreement or estimated through market analyses.

Sensitivity analysis to changes in interest rates

Fluctuations in interest rates, e.g. CDI, can positively or adversely affect the condensed parent company and consolidated interim financial statements as they will increase or reduce the value of financial investments and cash equivalents, and payables for debentures and borrowings. At March 31, 2021 if the CDI interest rates had been 10% p.a. higher/lower with all other variables held constant, the pre-tax profit for the period would have been R\$ 460 higher/lower.



Supplementary sensitivity analysis for financial instruments

Management based its analysis on the projections in the Focus report issued by the Brazilian Central Bank, the future interest rates of 3% p.a. plus a spread of 1.15% p.a. for each scenario with effects of changes in interest rates on the fair value of financial instruments, stressed as shown below:

	Scenario			
	3/31/2021	Probable	Possible	Remote
Assumptions		CDI – 2.79% from 5% p.a.	CDI – 3.49% from 5% p.a.	CDI – 4.19% from 5% p.a.
Highly liquid financial investments and financial investments	809,609	832,197	837,864	843,532
Debentures and lease liabilities	(1,328,337)	(1,381,100)	(1,390,505)	(1,399,910)
Net exposure	(518,728)	(548,903)	(552,641)	(556,378)

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

	Assumptions		
	Probable	Possible	Remote
CDI	Brazilian Central Bank Focus Report	25% on probable rate	50% on probable rate

- Under the probable scenario, the Company would have a net exposure of R\$ 548,903 at March 31, 2021, arising from the difference in the estimated future CDI rates for interest on debentures and lease liabilities plus a spread of 1.15% p.a.

The same differences in the estimated future CDI interest rates were considered for the Company's financial investments at March 31, 2021. For the stressed possible and remote scenarios, using the same criteria as for the probable scenario, estimates would give rise to an increase in net exposure of R\$ 3,738 and R\$ 7,475, respectively, compared to the probable scenario.

Capital risk

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

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

The Company and its subsidiaries are subject to certain leverage limits (Note 15).

Additionally, subsidiaries Qualicorp Benefícios, Clube de Saúde, Uniconsult, Plural and Gama Saúde are subject to minimum funding requirements as prescribed by ANS Normative Resolution 451 of March 6, 2020 which revoked Normative Resolution 209 and determined the base capital amount, which currently is R\$ 8,977. The base capital serves as a basis to determine the adjusted equity for economic effects, according to the segment and region in which the entity operates and using a factor determined by ANS (known as factor K). These amounts must be greater than the base capital and the adjusted equity at March 31, 2021 as determined by ANS.



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

Shown below is the adjusted equity as at March 31, 2021 and December 31, 2020, which are in accordance with the respective Normative Instruction:

	3/31/2021					12/31/2020				
	Subsidiaries					Subsidiaries				
	Benefícios	Uniconsult	Clube	Plural	Gama	Benefícios	Uniconsult	Clube	Plural	Gama
Adjusted equity	184,320	3,998	28,894	5,527	64,362	105,893	-	53,524	2,267	62,223
Regulatory capital	1,548	392	1,548	1,548	8,977	1,548	392	1,548	1,548	8,977

The solvency margin is the health plan operators' or health insurance companies' ability to pay all their financial obligations. For Gama Saúde, the solvency margin is R\$ 36,811 (December 31, 2020 - R\$ 36,256) and thus indicate ability to maintain an adequate total equity capital to meet the legal solvency margin requirements and to cover non-operating liabilities.

The Company's gearing ratio is as follows:

	Parent company		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Debt (debentures and lease liabilities)	(1,025,936)	(1,041,958)	(1,328,337)	(1,351,003)
Cash and cash equivalents and financial investments	43,469	52,359	809,609	692,478
Net debt	(982,467)	(989,599)	(518,728)	(658,525)
Equity	1,800,053	1,683,323	1,804,692	1,685,375
Net debt to equity ratio	(54.58%)	(58.79%)	(28.74%)	(39.07%)

Liquidity risk

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

The expected cash outflows on financial liabilities are as follows:

	Estimated interest rate per month	Consolidated				
		Less than six months	Between 6 months and 1 year	Between 1 and 2 years	Over two years	Total
	%	R\$	R\$	R\$	R\$	R\$
March 31, 2021:						
Debentures	CDI + 1.15% (a)	22,891	31,036	1,053,426	299,359	1,406,712
Premiums to be transferred	-	332,486	241,610	-	-	574,096
Lease liabilities	CDI + 1.15% (b)	3,603	5,183	9,315	4,913	23,014
Other payables	-	80,694	-	64,721	-	145,415
Payroll and related charges	-	57,491	-	2,611	-	60,102
Transferable prepayments	-	60,342	-	-	-	60,342
Technical reserves for healthcare operations	-	7,955	-	-	-	7,955
Intangible assets payable	-	99,914	-	2,550	-	102,464
Financial transfers payable	-	30,147	-	-	-	30,147
Call option over non-controlling interests	-	-	-	-	51,955	51,955
Total		695,523	277,829	1,132,623	356,227	2,462,202



(a) Considering the estimated total debt at March 31, 2021 not discounted to present value.

(b) Considering the estimated total debt at March 31, 2021 discounted to present value.

6. Adoption of new and amended international financial reporting standards

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

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

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

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

7. Acquisition of subsidiaries

In the quarter ended March 31, 2021, there were no changes in acquisitions relative to Note 7 the parent company and consolidated financial statements for the year ended December 31, 2020, except for level 3 fair value measurements of financial liabilities (Note 5).



8. Cash and cash equivalents and financial investments

8.1. Cash and cash equivalents

	Parent company		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Highly liquid financial investments (i)	24,022	9,130	510,122	372,169
Bank deposits (ii)	401	7,437	36,405	46,579
Cash	12	13	18	19
Total	24,435	16,580	546,545	418,767

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

Type of investment

	Parent company		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Reverse repurchase agreements (a)	17,366	4,156	277,571	57,998
Certificates of bank deposits (CDBs) (b)	6,656	4,974	230,093	309,521
Other investments	-	-	2,458	4,650
Total	24,022	9,130	510,122	372,169

- a) These are highly liquid debenture-backed instruments that accrue interest of 75% of the Interbank Deposit (DI) rate.
- b) These financial instruments accrue interest ranging from 75.00% to 100.00% of the CDI and are held in custody with B3. They are highly liquid and can be withdrawn prior to their maturity date.
- ii) At March 31, 2021 and December 31, 2020, consolidated balances include mainly the receipts from customers that occurred on the last business day of the month.

8.2. Financial investments

	Parent company		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Exclusive financial investment fund (i)	19,447	43,230	258,303	279,485
Non-exclusive financial investment fund (ii)	-	-	41,184	40,826
Total	19,447	43,230	299,487	320,311

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



	Market and carrying value – Exclusive investment funds - Consolidated	
	3/31/2021	12/31/2020
Financial Bills – Eligible LFS – level II	98,197	134,705
Debentures	54,885	61,262
National Treasury Financial Bills – LTN over	93,982	70,908
Financial Bills - LF252	10,290	10,519
Other investments and reserve	1.038	2.204
Amounts payable	(89)	(113)
Total	258.303	279.485

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

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

9. Amounts receivable from customers

Current	Parent company		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Premiums recoverable with risk of default – benefits administrators	-	-	489,802	607,194
Amounts receivable from customers – brokerage fees	80,870	84,171	81,755	84,841
Other receivables from customers	-	-	20,000	19,453
Total	80,870	84,171	591,557	711,488

The aging of consolidated receivables from customers is as follows:

	3/31/2021		
	Premiums	Brokerage fee	Other
Not yet due (a)	493,891	81,667	13,982
Up to 30 days past due	46,802	75	5,323
31-60 days past due	15,857	13	94
61-90 days past due (b)	671	-	601
(-) Expected losses (c)	(67,419)	-	-
Total	489,802	81,755	20,000



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

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

	Benefits administrators	
	3/31/2021	12/31/2020
Balance at the beginning of the period	67,293	14,345
Expected losses	26,762	138,756
Reversal of expected losses	(26,636)	(85,808)
Total	67,419	67,293

9.1 Losses on uncollectible receivables – statement of income

	Consolidated	
	3/31/2021	3/31/2020
Balance at the beginning of the period	-	-
Provisions (Reversals) (i)	126	(13)
Actual losses (recoveries) (ii)	17,793	18,219
Balance at the end of the period	17,919	18,206

- i) The change in the three months ended March 31, 2021 was due to the reversal of the provision for premium increase freeze (Note 1 b. ii).
- ii) Refers mainly to losses on past-due receivables from management and stipulation of group benefits plans where the Company assumes the risk of default on payments to healthcare and dental operators and insurers, net of recoveries.



10. Other financial assets

	Parent company		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Current				
Operator/insurer amounts pending reconciliation (i)	-	-	103,327	77,996
Taxes recoverable/to offset (ii)	36,568	34,800	74,496	72,313
Advances to suppliers	12,924	12,977	14,307	15,103
Receivables from sale of Qsaúde	989	974	4,943	4,870
Other current assets	449	582	8,239	7,486
Total current	50,930	49,333	205,312	177,768
Non-current				
Taxes recoverable/to offset (ii)	-	-	50,654	50,710
Advances from transfer of contracts	-	-	25,258	30,072
Receivables from sale of Qsaúde	7,021	7,136	35,107	35,679
Judicial deposits	1,633	1,582	24,119	21,861
Total non-current	8,654	8,718	135,138	138,322
Total	59,584	58,051	340,450	316,090

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

ii) Taxes recoverable/to offset are as follows:

	Parent company		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Corporate Income Tax (IRPJ)	29,312	28,879	54,363	54,453
Social Contribution on Net Income (CSLL)	5,678	5,676	12,930	12,440
Social Security Contribution (INSS)	-	-	3,501	3,501
Other taxes recoverable	1,578	245	3,702	1,919
Total current	36,568	34,800	74,496	72,313
Corporate Income Tax (IRPJ)	-	-	19,651	19,651
Social Security Contribution (INSS)	-	-	14,114	14,114
Social Contribution on Revenues (COFINS)	-	-	6,836	6,924
Social Contribution on Net Income (CSLL)	-	-	6,105	6,068
Social Integration Program (PIS)	-	-	3,948	3,953
Total non-current	-	-	50,654	50,710
Total	36,568	34,800	125,150	123,023

11. Deferred income tax and social contribution

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

	Parent company		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Deferred income tax and social contribution assets	58,393	62,148	92,618	110,058
Deferred income tax and social contribution liabilities	-	-	(35,378)	(41,983)
Deferred income tax and social contribution – net	58,393	62,148	57,240	68,075



The consolidated balances are broken down as follows:

	3/31/2021							Consolidated
	Parent company	Qualicorp Serviços	Qualicorp Benefícios	Clube de Saúde	Gama	Uniconsult	Plural	
Deferred income tax and social contribution assets (i)	110,491	11	108,364	4,437	88	8	1,367	224,766
Deferred income tax and social contribution liabilities (ii)	(57,134)	-	(108,681)	-	-	(8)	(1,703)	(167,526)
Deferred income tax and social contribution, net	53,357	11	(317)	4,437	88	-	(336)	57,240

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

(i) Deferred tax assets recognized mainly for deductible temporary differences.

i. Deferred tax assets

Item	Parent company		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Provision for inflation-indexation and accruals adjustment on the acquisition of Aliança Group (merged)			62,393	72,512
Unrecognized income tax and social contribution losses (a)	-	-	50,306	49,990
Provision for impairment of goodwill (b)	41,088	41,088	41,088	41,088
Recognized income tax and social contribution losses	37,989	39,357	37,989	39,357
Provision for contingencies – portion related to companies and/or periods subject to the taxable income system	3,339	3,577	18,888	18,797
Provision for interest accruals on accounts receivable	-	-	16,756	17,310
Provision for impairment of trade receivables and write-off of uncollectible receivables – current amounts	140	114	11,723	11,744
Provision for profit sharing program	8,600	6,494	11,048	8,363
Provision for expected credit losses	-	-	4,745	4,061
Other provisions	7,866	8,059	20,136	16,620
Total deferred tax assets	110,491	112,705	275,072	279,842
(-)Unrecognized deferred tax assets (c)	-	-	(50,306)	(49,990)
Total deferred tax assets recognized	110,491	112,705	224,766	229,852

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



Companies	Base	IRPJ/CSLL	Base	IRPJ/CSLL
	3/31/2021	(34%)	12/31/2020	(34%)
Connectmed-CRC Consultoria, Administração e Tecnologia em Saúde Ltda.	88,664	30,146	88,563	30,111
Qualicorp Administração e Serviços Ltda.	49,284	16,757	48,208	16,391
Gama Saúde Ltda.	10,008	3,403	10,260	3,488
Total	147,956	50,306	147,031	49,990

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

Estimate of realization and present value of deferred tax assets

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

Year	Parent company		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
2021	32,997	35,305	118,894	124,071
2022	19,060	19,060	46,354	46,354
2023	17,346	17,252	18,430	18,338
From 2024 to 2025	41,088	41,088	41,088	41,089
Total	110,491	112,705	224,766	229,852

The present value of deferred tax assets at March 31, 2021 was determined to be R\$ 101,893 (Parent company) and R\$ 210,695 (Consolidated), using the Brazilian base interest rate (SELIC) for the estimated period of realization of temporary differences.

ii. Deferred tax liabilities:

	Parent company		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Temporary differences on the portion of goodwill of merged companies amortized during the year, for tax purposes	52,328	51,497	153,912	148,841
On fair value of customer relationship intangible assets acquired in a business combination	10,053	10,229	17,415	18,391
First-time adoption of new standards (*)	(231)	(322)	1,215	(439)
Provision for impairment losses on the fair value of customer relationship intangible assets acquired in a business combination	(5,016)	(5,016)	(5,016)	(5,016)
Total	57,134	56,388	167,526	161,777

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



12. Related parties

12.1. Balances and transactions with related parties

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

The related-party balances in current and non-current assets and liabilities and expenses are as follows:

	Parent company		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Accounts receivable				
Intercompany transactions (i)	31,772	5,636	-	-
Total assets	31,772	5,636	-	-
Accounts payable				
Intercompany transactions	3	38	-	-
Dividends payable (ii)	11,183	42,119	11,273	42,119
Total liabilities	11,186	42,157	11,273	42,119

- i) The increase in 2021 was mainly due to the contract assigned to indirect subsidiary Clube de Saúde (Note 1.b.III) and which will be paid within 10 days after migration of lives.
- ii) Refers to the remaining balance to complete full payment of mandatory minimum dividends out of the profit reported in the financial statements at December 31, 2020, subject to approval of Annual General Meeting. R\$ 30,935 of the balance at December 31, 2020 was paid out via interest on capital on January 13, 2021.

The following table presents movements in intercompany revenues and expenses for the periods ended March 31, 2021 and 2020:

	3/31/2021				
	Qualicorp Administradora de Benefícios S.A.	Qualicorp Consultoria Corretora de Seguros S.A.	CRC Connectmed	Gama	Other subsidiaries
Corporate services and apportionment of expenses (i)	(13,462)	15,162	(1,044)	46	(702)
Invoice issue service (ii)	(1)	-	-	-	1

	3/31/2020				
	Qualicorp Administradora de Benefícios S.A.	Qualicorp Consultoria Corretora de Seguros S.A.	CRC Connectmed	Gama	Other subsidiaries
Corporate services and apportionment of expenses (i)	(11,994)	13,564	(1,151)	194	(613)
Invoice issue service (ii)	(90)	-	-	-	90
Health plan	-	(30)	(5)	36	(1)

- i) Refers to back-office services (Finance, Controllership, Legal, Administrative, Human Resources and Information Technology) used by the Group companies. The costs incurred in providing the services to the Group companies are apportioned among, and reimbursed by, the Group operating companies.



- ii) Refers to issue of invoices and collection of receivables from benefits administrators' customers who are not in the database of origin.

12.2. Key management compensation

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

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

	3/31/2021			
	Parent company		Consolidated	
	Accounts payable	Expenses	Accounts payable	Expenses
Short-term compensation (a)	167	4,880	2,079	12,557
Share-based compensation (b)	-	1,240	-	3,040
Balance at March 31, 2021	167	6,120	2,079	15,597
	3/31/2020			
	Parent company		Consolidated	
	Accounts Payable	Expenses	Accounts payable	Expenses
Short-term compensation (a)	236	3,994	1,963	13,319
Share-based compensation (b)	-	10,147	-	50,741
Balance at March 31, 2020	236	14,141	1,963	64,060

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

13. Investments

	Parent company		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Investments in direct subsidiaries:				
Qualicorp Administradora de Benefícios S.A.	1,381,295	1,300,331	-	-
Gama Saúde e Connectmed CRC	145,736	144,693	-	-
Oxcorp Gestão Consultoria e Corretora Ltda.	86,993	85,697	-	-
Qualicorp Administração e Serviços Ltda.	30,707	29,694	-	-
Total investments in direct subsidiaries	1,644,731	1,560,415	-	-
Other investments	174	174	262	262
Total other investments	174	174	262	262
Total investments	1,644,905	1,560,589	262	262



	Qualicorp Administradora de Benefícios S.A.	Gama Saúde and Connectmed - CRC	Oxcorp Gestão Consultoria e Corretora Ltda.	Qualicorp Administração e Serviços Ltda.	Total
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Information on investees at March 31, 2021

Capital (i)	276,365	289,047	30	26,663	592,105
Equity (ii)	939,129	143,984	2,911	6,953	1,092,977
Profit (loss) for the year	99,164	1,171	2,011	1,013	103,359

Information on investments:

Number of shares/quotas (iii)	496,715,989	28,904,692,914	330,000	26,662,568	-
Equity interest - %	100	99.99	75	99.99	-

Movements in investments:

Total investments at December 31, 2020	1,300,331	144,693	85,697	29,694	1,560,415
Dividends paid	(20,000)	-	-	-	(20,000)
Capital reserve – restricted stock plan	1,800	-	-	-	1,800
Equity in the earnings of equity-accounted subsidiaries	99,164	1,043	1,296	1,013	102,516
Share of profit of subsidiaries	99,164	1,171	1,508	1,013	102,856
Amortization of intangible assets (iv)	-	(194)	(321)	-	(515)
Deferred income tax and social contribution on amortization of intangible assets	-	66	109	-	175
Total investments at March 31, 2021	1,381,295	145,736	86,993	30,707	1,644,731

- i) For Gama Saúde and Connectmed-CRC, capital is R\$ 68,873 and R\$ 220,174, respectively.
- ii) The equity of subsidiary Qualicorp Benefícios, presented herein, considers the effects of the consolidation of its investments in subsidiaries. For Gama Saúde and Connectmed-CRC, equity is R\$ 64,634 and R\$ 79,350, respectively.
- iii) For Gama Saúde and Connectmed-CRC, the number of quotas is 6,887,297,425 and 22,017,395,489, respectively.
- iv) Refers to the amortization of intangible assets such as customer relationships, trademarks, non-compete agreements and software for the period.



14. Intangible assets

I. Other intangible assets

Parent company	Annual amortization rate - %	Cost					Amortization				Net book value
		Balance at 12/31/2020	Additions	Write-offs	Transfers	Balance at 3/31/2021	Balance at 12/31/2020	Additions	Write-offs	Balance at 3/31/2021	
Acquisition of rights assignment – Affinity segment (a)	20	356,879	-	(25,695)	-	331,184	(182,306)	(9,197)	1,071	(190,432)	140,752
Software in use	20	150,449	5,251	(2,479)	3,217	156,438	(103,802)	(4,439)	947	(107,294)	49,144
Exclusive rights	20	190,519	-	-	-	190,519	(176,144)	(4,375)	-	(180,519)	10,000
Software under development	-	7,195	2,502	(438)	(3,217)	6,042	-	-	-	-	6,042
Trademarks and patents	-	125	-	-	-	125	-	-	-	-	125
Fair value of other intangible assets:											
Non-compete agreement	17	141,624	1,100	-	-	142,724	(11,329)	(5,757)	-	(17,086)	125,638
Sales commissions	50	546,335	67,036	-	-	613,371	(387,526)	(39,710)	-	(427,236)	186,135
Total other intangible assets		1,393,126	75,889	(28,612)	-	1,440,403	(861,107)	(63,478)	2,018	(922,567)	517,836



Consolidated	Annual amortization rate - %	Cost					Amortization				Net book value
		Balance	Additions	Write-offs	Transfers	Balance	Balance	Write-offs	Balance		
		at 12/31/2020				at 3/31/2021	at 12/31/2020		at 3/31/2021		
Acquisition of rights assignment – Affinity segment	20	622,280	-	-	-	622,280	(392,976)	(12,171)	-	(405,147)	217,133
Software in use (b)	20	430,988	5,910	(2,536)	10,788	445,150	(329,641)	(12,710)	947	(341,404)	103,746
Exclusive rights	20	231,559	-	-	-	231,559	(213,348)	(4,617)	-	(217,965)	13,594
Software under development	-	39,086	5,474	(516)	(10,788)	33,256	-	-	-	-	33,256
Trademarks and patents	-	132	-	-	-	132	-	-	-	-	132
Fair value of intangible assets:											
Customer relationships paid on acquisition of investments (c)	10	35,553	-	-	-	35,553	(2,602)	(1,244)	-	(3,846)	31,707
Fair value of other intangible assets:											
Non-compete agreement (d)	16.5	153,103	1,100	-	-	154,203	(17,282)	(6,937)	-	(24,219)	129,984
Sales commissions (e)	50	565,042	72,475	-	-	637,517	(396,276)	(43,602)	-	(439,878)	197,639
Fair value of other intangible assets - Plural and Oxcorp:											
Non-compete agreement	30	2,016	-	-	-	2,016	-	(102)	-	(102)	1,914
Trademarks	20	1,107	-	-	-	1,107	-	(55)	-	(55)	1,052
Fair value of other intangible assets - Connectmed-CRC:											
Software	20	7,758	-	-	-	7,758	(4,202)	(194)	-	(4,396)	3,362
Total other intangible assets		2,088,624	84,959	(3,052)	-	2,170,531	(1,356,327)	(81,632)	947	(1,437,012)	733,519



- (a) The amount of write-off relates mainly to the contracts assigned to subsidiary Clube de Saúde, with no effect on profit or loss (Note 1.b.III).
- (b) Refers to costs incurred to acquire licenses of software and operating systems in use.
- (c) The net amount of customer relationships paid on acquisition of subsidiaries as at March 31, 2021 are as follows: Plural Gestão em Planos de Saúde Ltda R\$ 10,363 (2020 - R\$ 10,629), Oxcorp Gestão Consultoria e Corretora de Seguros Ltda R\$ 10,461 (2020 - R\$ 10,729) and Uniconsult Administradora de Benefícios Ltda R\$ 10,833 (2020 - R\$ 11,593).
- (d) On February 12, 2021, a non-compete agreement was entered into for R\$ 1,100, which will be amortized over the term of the agreement of 12 months.
- (e) Refers to compensation for obtaining new contracts.

II. Goodwill

There were no changes during the three months ended March 31, 2021 as compared with the amounts reported in the parent company and consolidated financial statements for the year ended December 31, 2020.

15. Debentures

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

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

Schedule of maturities and breakdown of the debt

	Parent company		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Interest payable	7,202	15,245	9,270	19,623
Cost of financial intermediation on issue/placement to defer on maturity date	(1,903)	(1,903)	(2,337)	(2,337)
Current	5,299	13,342	6,933	17,286
Debentures – lump-sum payment (*)	1,010,000	1,010,000	1,300,000	1,300,000
Cost of financial intermediation on issue/placement to defer on maturity date	(476)	(951)	(1,018)	(1,603)
Non-current	1,009,524	1,009,049	1,298,982	1,298,397
Total	1,014,823	1,022,391	1,305,915	1,315,683

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

Changes in debenture balances

	Parent company		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
At the beginning of the period	1,022,391	1,033,410	1,315,683	1,330,400
Allocation of expenses (issue costs)	475	1,902	585	2,336
Payment of interest (*)	(15,737)	(52,402)	(20,257)	(67,871)
Allocation of interest (Note 23)	7,694	39,481	9,904	50,818
At the end of the period	1,014,823	1,022,391	1,305,915	1,315,683

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

Fair value of debentures

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

	Parent company		Parent company	
	3/31/2021		12/31/2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Debentures	1,014,823	992,205	1,022,391	995,722

	Consolidated		Consolidated	
	3/31/2021		12/31/2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Debentures	1,305,915	1,268,612	1,315,683	1,272,790

The fair values of debentures classified as at amortized cost are based on discounted cash flows using rates varying between 5.38% and 8.50% p.a. (December 31, 2020 - 4.55% and 6.59% p.a.).

16. Leases

a) Right-of-use assets

The changes in balances during the period were as follows:

	Parent company		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Beginning balance	17,320	32,130	31,315	92,793
Adjustments and renewals of contracts	161	1,449	526	5,639
Additions to right-of-use assets (new contracts)	-	6,990	-	8,437
Remeasurement of lease liabilities (*)	(3,391)	(13,740)	(5,276)	(18,603)
Depreciation for the period	(1,896)	(9,509)	(3,086)	(16,525)
Addition due to acquisition of subsidiary	-	-	-	2,812
Write-off due to the sale of subsidiary Qsaúde	-	-	-	(43,238)
Balance at the end of the period	12,194	17,320	23,479	31,315



(*) Remeasurement resulting from the early termination of the lease of floors in the office building where the Group maintains its headquarters.

b) Lease liabilities

The changes in balances during the period are as follows:

	Parent company		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Beginning balance	19,567	32,652	35,320	96,611
Adjustments and renewals of contracts	161	1,449	526	5,639
Additions to right-of-use assets (new contracts)	-	6,990	-	8,437
Remeasurement of lease liabilities (*)	(6,665)	(13,740)	(10,610)	(18,649)
Interest expense	405	2,392	667	4,825
Payments made	(2,355)	(10,176)	(3,481)	(17,219)
Addition due to acquisition of subsidiary	-	-	-	2,812
Write-off due to the sale of subsidiary Qsaúde	-	-	-	(47,136)
Balance at the end of the period	11,113	19,567	22,422	35,320
Current	4,984	8,682	9,630	15,007
Non-current	6,129	10,885	12,792	20,313

(*) Remeasurement resulting from the early termination of the lease of floors in the office building where the Group maintains its headquarters.

c) Statement of income

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

- R\$ 667 (March 31, 2020 - R\$ 2,056) and R\$ 405 (March 31, 2020 - R\$ 764) of interest expense on lease liabilities, Consolidated and Parent company, respectively, are recorded in "finance costs" (Note 23).
- R\$ 3,086 (March 31, 2020 - R\$ 5,482) and R\$ 1,896 (March 31, 2020 - R\$ 2,792) of depreciation of right-of-use assets, Consolidated and Parent company, respectively, are recorded in "administrative expenses" (Note 22).
- The net effect of the remeasurement of the lease liability and the consequent write-off of the related right-of-use asset on profit or loss was R\$ 5,634.

d) Projected effects of inflation on lease contracts

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

Lease liabilities	2021	2022	2023	After 2023
Carrying amount	15,706	6,752	1,763	-
Adjusted for expected inflation	16,454	7,241	1,960	-
Change	4.76%	7.24%	11.17%	-
Right-of-use assets, net	2021	2022	2023	After 2023
Carrying amount	15,371	5,625	1,207	-
Adjusted for expected inflation	16,169	6,138	1,410	-
Change	5.19%	9.12%	16.82%	-
Interest expense on lease liabilities	2021	2022	2023	After 2023
Carrying amount	1,754	853	251	50
Adjusted for expected inflation	1,758	878	269	56
Change	0.23%	2.93%	7.17%	12.00%



Depreciation	2021	2022	2023	After 2023
Carrying amount	11,194	9,746	4,418	1,207
Adjusted for expected inflation	11,236	10,031	4,728	1,410
Change	0.38%	2.92%	7.02%	16.82%

e) Potential taxes (PIS/COFINS) recoverable

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

Consolidated		
Cash flow	Nominal value	Present value
Lease payments	22,740	19,192
Potential taxes - PIS/COFINS (9.25%)	2,103	1,611

17. Premiums to be transferred

The balance of R\$ 574,096 at March 31, 2021 (December 31, 2020 - R\$ 666,912) comprises health insurance invoices payable to the insurers/operators on the due date of the invoices, regardless of whether payments have been received from beneficiaries. The payments were mostly made by April 30, 2021 for amounts relating to March 31, 2021 (except premium rate increases) and by January 31, 2021 for amounts relating to December 31, 2020 (except for premium rate increases). The provision for premium increase freeze as at March 31, 2021 is R\$ 361,769 (December 31, 2020 - R\$ 483,222).

18. Other payables

	Parent company		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Current:				
Acquisition of intangible asset payable (i)	88,389	86,626	99,914	108,758
Advances from customers	488	6,764	32,846	34,637
Operator/insurer amounts pending reconciliation (ii) (*)	-	-	24,325	15,637
Sundry suppliers	5,547	4,811	15,376	13,262
Refunds to beneficiaries	-	-	11,494	4,774
Other provisions	570	8,469	8,616	10,861
Rent payable	1,072	768	1,448	1,420
Other	9,073	8,449	19,435	20,835
Total current	105,139	115,887	213,454	210,184
Non-current:				
Earn-out consideration (iii)	59,064	59,064	59,064	59,064
Contingent consideration liability	523	520	4,024	4,000
Acquisition of intangible asset payable	-	-	2,550	3,650
Sundry suppliers	-	1,470	1,633	4,737
Total non-current	59,587	61,054	67,271	71,451
Total	164,726	176,941	280,725	281,635



- i) The consolidated balance refers mainly to the residual amount payable of R\$ 93,400 arising on the acquisition of the customer portfolio from the benefits administration company Muito Mais Saúde (MMS) and the brokerage firm Soma. The residual amount will be paid after migration of lives. The contracts acquired are plans of operators with clients located in Rio de Janeiro and São Paulo.
- ii) Refers mainly to timing differences between the listing of beneficiaries in the Company's system/internal control and the detailed listing of beneficiaries included in the paid and/or payable bills of health and dental plan operators/insurers, which are regularized in subsequent periods, once information is sent and processed.
- iii) Contingent consideration arising from the acquisition of Oxcorp. The estimate as of December 31, 2020 was revised to March 31, 2021 and remains within the expected range of values; hence, no adjustment is necessary to this liability.

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

19. Provision for contingencies

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

Consolidated	12/31/2020	Additions	Reversals	3/31/2021
Civil (i)	36,462	3,365	(81)	39,746
Labor and social security (ii)	30,437	491	(5,461)	25,467
Regulatory (iii)	22,117	283	(988)	21,412
Tax (iv)	4,636	954	-	5,590
Total	93,652	5,093	(6,530)	92,215

Parent company	12/31/2020	Additions	Reversals	3/31/2021
Civil (v)	1,896	408	-	2,304
Labor and social security (vi)	13,611	2	(1,633)	11,980
Tax (vii)	-	927	-	927
Total	15,507	1,337	(1,633)	15,211

Description of the main lawsuits and/or contingencies:

- i) The Company and its subsidiaries are defendants in ongoing civil lawsuits, where R\$ 39,747 (2020 – R\$ 36,462) is deemed to be a probable loss and, therefore, a provision has been recognized, and R\$ 49,151 (2020 – R\$ 68,457) is deemed to be a possible loss, for which no provision has been recognized. The main lawsuits are the same as those reported in the parent company and consolidated financial statements for the year ended December 31, 2020.
- ii) The Company and its subsidiaries are defendants in administrative and/or judicial proceedings involving labor and social security matters as previously reported in the annual and consolidated financial statements for the year ended December 31, 2020. The provision for labor claims is R\$ 25,466 (2020 - R\$ 30,437). No accrual was made for loss contingencies that are reasonably possible amounting to R\$ 13,867 (2020 - R\$ 10,834).
- iii) The subsidiaries are defendants in ongoing regulatory proceedings with ANS, where a provision has been recognized for R\$ 21,412 (2020 - R\$ 22,117) because a loss is believed to be probable, and no provision has been made for R\$ 6,455 (2020 - R\$ 3,933) because a loss is believed only to be possible and not probable.



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

- iv) The Company and its subsidiaries are defendants in ongoing tax lawsuits, where they recognized a provision for R\$ 5,590 (2020 - R\$ 4,636) that is deemed a probable loss.
- v) The Company and its subsidiaries are defendants in ongoing civil lawsuits, where R\$ 2,304 (2020 - R\$ 1,896) is deemed to be a probable loss and, therefore, a provision has been recognized, and R\$ 1,377 (2020 - R\$ 18,201) is reasonably possible loss, for which no provision has been recognized. The main lawsuits are the same as previously reported in the parent company and consolidated financial statements for the year ended December 31, 2020.
- vi) The Company is a defendant in administrative and/or judicial proceedings involving labor and social security matters as previously reported in the parent company and consolidated financial statements for the year ended December 31, 2020. The provisions for labor claims are R\$ 11,980 (2020 - R\$ 13,611).

For matters totaling R\$ 4,391 (2020 - R\$ 3,937) in which a loss is believed to be possible, no provision has been recognized.

- vii) The Company is a defendant in ongoing tax proceedings and recognized a provision for estimated probable loss of R\$ 927 (2020 - nil). Padrão Administração e Corretagem de Seguros Ltda. (a company merged into the Company) received a PIS/COFINS tax deficiency notice of R\$ 927 for the 2007 tax year relating to alleged differences between the amount of tax reported in the tax return and the amount paid. The Company as a legal successor to the merged entity has filed an administrative appeal and is awaiting decision.

Possible loss contingencies arising from tax matters:

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

These tax matters plus interest accrued total R\$ 1,386,093 at March 31, 2021 (2020 - R\$ 1,379,294), as detailed below:

- a) At subsidiaries Qualicorp Administradora de Benefícios S.A and Qualicorp Corretora de Seguros S.A. (merged into the Company in 2019), the total amount of R\$ 987,830 (2020 - R\$ 984,564) refers to tax assessments involving amortization of goodwill in the calendar years 2011 to 2014. Those tax assessments are pending analysis at the administrative and judicial level and temporary court decisions have been issued in favor of the Company.
- b) At subsidiary Qualicorp Administradora de Benefícios S.A., the amount of R\$ 2,792 refers to tax assessment notices demanding social security contributions and other contributions as determined by the tax authorities on profits distributed by the merged entity Aliança Administradora de Benefícios de Saúde S.A. in calendar years 2012 to 2014.
- c) At subsidiary Qualicorp Administradora de Benefícios S.A., the amount of R\$ 42,854 refers to tax assessment notices demanding COFINS and PIS payments related to the activities developed by the merged entity Aliança Administradora de Benefícios de Saúde S.A. in calendar years 2012 to 2014.
- d) At subsidiary Qualicorp Administradora de Benefícios S.A., the amount of R\$ 6,899 refers to a tax deficiency notice demanding payment of income tax at source (IRRF) related to the activities developed by the merged entity Aliança Administradora Benefícios de Saúde S.A. in calendar years 2012 to 2014.
- e) At subsidiary Qualicorp Administradora de Benefícios S.A., the amount of R\$ 77,048 r refers to a tax deficiency notice demanding payment of corporate income tax (IRPJ) and social contribution (CSLL) related to the activities developed by the merged entity Aliança Administradora Benefícios de Saúde S.A. in calendar years 2013 and 2014.
- f) The amount of R\$ 26,735 refers to tax assessment notices demanding payment of social security contributions,



other contributions and penalty for non-payment of income tax at source (IRRF) on share option plan relating to calendar year 2013.

- g) The historical amount of R\$ 215,142 refers to tax assessments issued against the Company (administrative proceeding No. 15746.720951/2020-12) related to (i) disallowance of expenses from the income tax (IRPJ) and social contribution (CSLL) levied on payments made to companies for brokerage and consulting services relating to calendar years 2014 to 2019, and (ii) withholding income tax (IRRF) at 35% as the tax authority assumed that the payments were made to those same companies without cause in calendar years 2015 to 2019. The tax assessments include penalty of 150% and interest based on the Brazilian basic interest rate (SELIC). At present, the Company is awaiting a decision on the administrative appeal it has filed.
- h) The residual balance of R\$ 26,793 consists of several tax assessments related principally to the following: definition of the location where subsidiary Connectmed-CRC Consultoria, Administração e Tecnologia em Saúde Ltda. should pay the municipal service tax (ISS) (R\$ 9,212); non-levy of social security contributions on items of payroll that are not considered to be compensatory in nature (R\$ 7,500); and fine and interest on the income tax assessment issued against the stock option grantees, whose payment will be the responsibility of the Company if the final court decision upholds the tax assessment (R\$ 10,081).

20. Equity

Share capital

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

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

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

Shareholders	Common shares	
	3/31/2021	12/31/2020
Market (i)	150,533,847	191,919,347
Rede D'OR São Luiz	72,447,583	39,238,783
Pátria Investimentos	39,496,700	32,655,700
Opportunity	21,138,700	19,803,000
Treasury shares (ii)	397,495	397,495
Total	284,014,325	284,014,325

- (i) Consists of shares traded on the Brazilian Stock Exchange, B3 S.A.
- (ii) There were no changes to the amount of treasury shares during the period ended March 31, 2021 as shown in the table below:

	Treasury shares 3/31/2021	
	Number of shares	Amount
Balance at December 31, 2020	397,495	5,357
Balance at March 31, 2021	397,495	5,357



	Treasury shares 3/31/2020	
	Number of shares	Amount
Balance at December 31, 2019	2,538,200	33,664
Restricted stock award	(822,436)	(10,536)
Balance at March 31, 2020	1,715,764	23,128

Distributions to shareholders

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

21. Restricted stock plan

There were no changes in the plan, and shares granted, exercised and canceled in the current reporting period compared with the annual parent company and consolidated financial statements for the year ended December 31, 2020.

At March 31, 2021, expenses for restricted stock awards of the Company and/or its subsidiaries in the amount of R\$ 2,249 were recognized in equity.

Grant date	Grant-date fair value	Expiry date	Number of options	Granted	Exercised	Cancelled	Balance
5/9/2019	17,2	5/9/2023	5,700,000	773,513	(2,921,683)	(2,864,952)	686,878
12/26/2019	38,1	12/26/2022	516,000	4,030	(172,949)	-	347,081
			6,216,000	777,543	(3,094,632)	(2,864,952)	1,033,959

At March 31, 2021, the weighted average remaining contractual term is 724 days (December 31, 2020 – 814).



22. Expenses by nature

	Parent company		Consolidated	
	Three months ended	Three months ended	Three months ended	Three months ended
	3/31/2021	3/31/2020	3/31/2021	3/31/2020
Cost of providing services				
Personnel costs	6,108	4,660	34,964	28,066
Outsourced services (i)	2,111	2,609	32,946	23,798
Financial transfers from membership contracts	-	-	25,594	23,026
Reimbursements of accounts and monthly fees	-	-	2,269	2,490
Occupancy costs	287	571	2,277	1,730
Other costs of providing services	1,003	507	11,884	7,574
Total cost of providing services	9,509	8,347	109,934	86,684
Administrative expenses				
Depreciation and amortization charges (ii)	25,781	32,055	45,494	64,492
Personnel costs (iii)	14,045	22,340	33,987	83,745
Outsourced services	7,356	5,997	19,576	18,778
ANS assessment notice expenses	-	-	2,525	4,140
Other administrative expenses	4,245	1,477	10,781	7,183
Total administrative expenses	51,427	61,869	112,363	178,338
Selling expenses				
Depreciation and amortization charges (iv)	39,710	29,383	40,851	30,126
Personnel costs	19,411	11,340	20,341	12,155
Third-party commissions	13,760	10,143	18,246	16,691
Advertising and publicity	10,899	2,100	13,788	4,139
Other selling expenses	5,891	6,592	7,953	9,685
Total selling expenses	89,671	59,558	101,179	72,796
Total expenses by nature	150,607	129,774	323,476	337,818

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

23. Finance income and costs

	Parent company		Consolidated	
	Three months ended 3/31/2021	Three months ended 3/31/2020	Three months ended 3/31/2021	Three months ended 3/31/2020
Finance income:				
Interest and penalty on late payments (i)	-	-	7,911	7,652
Interest income on financial investments	275	583	5,300	4,143
Inflation indexation (ii)	156	-	778	-
Other finance income	51	57	354	1,076
Total finance income	482	640	14,343	12,871
Finance costs:				
Interest on debentures (Note 15)	(7,694)	(13,140)	(9,904)	(16,913)
Collection fee	(13)	(13)	(6,237)	(6,466)
Loss on shares of investment funds	-	(1,156)	-	(4,438)
Discounts granted	(2)	(1)	(3,058)	(1,617)
Inflation indexation on call option	(612)	-	(1,880)	--
Interest expense on lease liabilities	(405)	(764)	(667)	(2,056)
Other finance costs	(1,173)	(681)	(1,945)	(2,493)
Total finance costs	(9,899)	(15,755)	(23,691)	(33,983)
Finance result	(9,417)	(15,115)	(9,348)	(21,112)

- i. Qualicorp Serviços, Clube de Saúde, Qualicorp Benefícios, Uniconsult and Plural charge interest and penalties to beneficiaries of their plans who fail to pay their invoices by the due date.
- ii. Refers to the sale of QSaúde in April 2020.



24. Income tax and social contribution

	Parent company		Consolidated	
	YTD 3/31/2021	YTD 3/31/2020	YTD 3/31/2021	YTD 3/31/2020
Profit before income tax (IRPJ) and social contribution (CSLL)	121,220	74,929	175,340	109,310
Equity in the earnings of subsidiaries	(102,516)	(55,306)	-	-
Subtotal	18,704	19,623	175,340	109,310
Statutory rate of IRPJ and CSLL	34%	34%	34%	34%
Expected IRPJ and CSLL expense (credit) at the statutory tax rate	(6,359)	(6,672)	(59,616)	(37,165)
Tax losses for which no deferred tax asset was recognized (i)	-	-	(246)	142
(Recognition)/reversal of temporary additions without recognition of deferred tax assets, net	-	-	1,295	(29)
Preoperating expenses (ii)	-	-	-	(3,175)
Adjustment for adoption of IFRS 16	(90)	(141)	58	(821)
Other	(291)	127	282	288
Total IRPJ/CSLL expenses	(6,740)	(6,686)	(58,227)	(40,760)
Effective tax rate	36.04%	34.07%	33.21%	37.29%

- i) Certain direct and indirect subsidiaries of the Company have tax loss carryforwards, for which no deferred tax assets have been recognized because to date they do not have sufficient projected taxable profits to allow them to recognize deferred tax assets (Note 11).
- ii) Refers to preoperating expenses of Qsaúde Operadora de Planos de Saúde Ltda. According to article 11 of Law 12,973, preoperating expenses, including those relating to the initial phase of operation and treated as operating up to December 31, 2020, must not be considered in determining taxable profit in the period in which incurred.

25. Insurance

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

Items	Type of coverage	Sum insured
Insurance against administrative proceedings (i)	Insurance covering losses in administrative proceedings filed by public bodies	1,135,466
Buildings, facilities, machinery, furniture and fittings	Any damage to buildings and loss of profit due to fire, facilities, machinery and equipment, civil liability in relation to operations and employer's liability	40,006
Civil liability of directors and officers	Directors and Officers (D&O) liability and Errors and Omissions (E&O) insurance	250,000
Vehicles	Loss and damage or pecuniary damage	278



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

26. Descriptive information about reportable segments and net operating revenue

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

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

- 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 27 to the parent company and consolidated financial statements for the year ended December 31, 2020. As at March 31, 2021, the Affinity segment is the business unit that accounts for 93.9% of the net operating revenue of the Parent company and its subsidiaries.

- d) Gross and net revenue by type of service

	Parent company		Consolidated	
	YTD	YTD	YTD	YTD
	3/31/2021	3/31/2020	3/31/2021	3/31/2020
Administration fee	-	-	349,889	341,750
Brokerage fee	154,972	148,681	157,710	148,681
Agency fee	40,646	34,565	40,646	34,565
Other revenue	1,639	1,617	21,433	22,056
Total gross operating revenue	197,257	184,863	569,678	547,052
Deductions from gross operating revenue:				
Taxes on revenue	(21,103)	(19,862)	(46,374)	(44,494)
Returns and cancellations	(316)	(8)	(316)	(8)
Total deductions	(21,419)	(19,870)	(46,690)	(44,502)
Net operating revenue	175,838	164,993	522,988	502,550

- 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	3/31/2021			3/31/2020		
	Affinity segment	All other	Total	Affinity segment	All other	Total
Net revenue	491,609	31,379	522,988	460,523	42,027	502,550
Cost of providing services	(93,107)	(16,827)	(109,934)	(66,418)	(20,266)	(86,684)
Net revenue (expenses)	(109,627)	(4,272)	(113,899)	(84,093)	(5,085)	(89,178)
Selling expenses	(94,590)	(4,526)	(99,116)	(65,184)	(3,733)	(68,917)
Losses on uncollectible receivables	(18,174)	255	(17,919)	(16,860)	(1,346)	(18,206)
Finance income	7,911	-	7,911	7,652	-	7,652
Other operating expenses, net	(4,774)	(1)	(4,775)	(9,701)	(6)	(9,707)
Profit before unallocated expenses	288,875	10,280	299,155	310,012	16,676	326,688

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 and subsidiaries' revenue:

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

	Consolidated	
	YTD 3/31/2021	YTD 3/31/2020
Unallocated amounts:		
Administrative expenses	(112,363)	(178,338)
Finance costs	(17,259)	(28,764)
Provisions for contingencies	1,868	(7,252)
Selling expenses	(2,063)	(3,879)
Other income, net	6,002	855
Total	(123,815)	(217,378)
Profit before income tax (IRPJ) and social contribution (CSLL)	175,340	109,310
(-) IRPJ and CSLL	(58,227)	(40,760)
Profit attributable to owners of the Parent company	117,113	68,550

Assets:	3/31/2021	12/31/2020
Total assets for reportable segment	2,829,624	2,900,088
All other	212,362	217,538
Unallocated amounts	1,352,315	1,289,352
Total	4,394,301	4,406,978



Liabilities:	3/31/2021	12/31/2020
Total liabilities for reportable segment	2,427,893	2,454,770
All other	7,955	8,697
Unallocated amounts	1,958,453	1,943,511
Total	4,394,301	4,406,978

g) Geographical information for the reportable segment

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

Geographical areas (Consolidated)	3/31/2021		3/31/2020	
	Lives	Market share	Lives	Market share
Southeast	1,048,229	64.94%	887,566	68.01%
Northeast	322,191	19.96%	258,967	19.84%
South	86,802	5.38%	65,674	5.03%
North	82,232	5.09%	26,847	2.06%
Central West	74,617	4.62%	65,930	5.05%
Total of the Affinity segment	1,614,071	100%	1,304,984	100%

Information about major customers

For the interim period ended March 31, 2021, revenues from major customers of the Affinity segment were R\$ 30,607, R\$ 28,493 and R\$ 26,112, which represent 5.72%, 5.33% and 4.88% of the segment's revenue and 5.37%, 5.00% and 4.58% of the consolidated revenue.

For the interim period ended March 31, 2020, revenues from major customers of the Affinity segment were R\$ 30,809, R\$ 29,993 and R\$ 28,956, which represent 6.15%, 5.99% and 5.78% of the segment's revenue.

27. Commitments

At March 31, 2021, significant commitments of the Company and its subsidiaries are as follows:

Commitments related to call center services of approximately R\$ 16,098 for the remaining nine months of 2021 (unaudited). There are no expenditure projections for 2022 and 2023 because contracts are renegotiated on an annual basis.

Expenses incurred on call center service agreements for the period ended March 31, 2021 were R\$ 13,036 (March 31, 2020 - R\$ 8,099).



28. Earnings per share

	Parent company and Consolidated	
	3/31/2021	3/31/2020
Profit attributable to owners of the Parent company	114,480	68,243
Weighted average number of common shares used in calculating basic earnings per share	283,616,830	282,298,561
Weighted average number of common shares adjusted for share options for calculation of diluted earnings per share	283,797,873	282,896,704
Basic earnings per share - R\$	0.40364	0.24174
Diluted earnings per share - R\$	0.40339	0.24123

29. COVID-19 effects and projections

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

a) Expected credit loss (ECL) assessments

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

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

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

b) Debenture covenants

To date, debt covenants have not been affected by COVID-19. The Company complied with these covenants during the period ended March 31, 2021 and paid half-yearly interest in December 2020.

c) Other information

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

30. Events after the reporting period

a) Acquisition of group health care plan portfolios

On April 6, 2021, the Company entered into agreements for the acquisition of: (i) a portfolio of health care plans with approximately 7.9 thousand lives from Gestão Serviços de Intermediação, Agenciamento e Negócios Ltda. ("Gestão Adm"), located in the city of Natal, State of Rio Grande do Norte, and served by Unimed Natal ("Unimed Natal" and "Gestão Adm Transaction"); and (ii) a portfolio of health care plans



with approximately 2.3 thousand lives from Associação Comercial, Industrial, Agropastoril e Prestadora de Serviços de Barra Mansa (“ACIAP”), located in the city of Barra Mansa, State of Rio de Janeiro, and served by Unimed Barra Mansa (“Unimed Barra Mansa” and “ACIAP Transaction” and, together with Gestão Adm Transaction, “Transactions”).

The Transactions involve only the rights and obligations of the portfolios, adding approximately 10 thousand lives to the Company’s portfolio, and mark the beginning of the partnership between the Company with Unimed Natal and Unimed Barra Mansa. In addition, the acquisitions are aligned with the Company’s growth strategy and portfolio diversification through different operators, including the expansion of its health care plan offerings into all regions of Brazil.

The completion of the Transactions is subject to certain conditions precedent that are usual in this type of transactions and, after close, the lives added to Quali’s portfolio will be absorbed by the Company’s subsidiary Qualicorp Administradora de Benefícios S.A.

- b) Approval of the 2020 financial statements at the annual general meeting and dividend distribution

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

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

- c) Approval by the extraordinary general meeting of the partial spin-off of subsidiary Qualicorp Administradora de Benefícios S.A. and its subsequent merger into the Company

On May 7, 2021, the shareholders approved a partial spin-off of Qualicorp Administradora de Benefícios S.A. and the subsequent merger of the spun-off portion into the Company, based on accounting criteria.

The spun-off portion is R\$ 399,920 (“Spun-off Portion”), consisting of assets and liabilities as per the Protocol and Justification of Partial Spin-off and Valuation Report. As a result of the partial spin-off, Qualicorp Administradora de Benefícios S.A. will not cease to exist and its share capital will be reduced by R\$ 62,360 from R\$ 276,365 to R\$ 214,005, without cancellation of shares.

The absorption of the Spun-off Portion will not result in any increase in the Company’s share capital, which will remain unchanged as the Company is, and will continue to be, the only owner of the shares of Qualicorp Administradora de Benefícios S.A. The total Spun-off Portion will be absorbed by the Company.

The reorganization will be effective from the first business day of the month following the approval of ANS.

- d) Acquisitions of equity interests and strategic partnership with Escale

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

The investment in Escale Health will be made by subscribing to new registered common shares without par value of Escale Health equivalent to R\$ 84,248. Furthermore, the Company has a subscription warrant that gives it the right to buy an additional 5% of the total voting capital of Escale Health within a period of twelve months.



The investment in Quinhentos will be made exclusively via primary issuance by acquiring Series C-3 preference units of Quinhentos for a purchase price in U.S. dollars equivalent to R\$ 48,367.

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

The acquisitions are not subject to the approval of the regulatory agencies or to other conditions precedent, and so the closing and settlement of the transactions occur simultaneously with the execution of the definitive agreements.

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

31. Approval of the condensed interim financial statements

These condensed parent company and consolidated interim financial statements were approved by the Board of Directors on May 13, 2021 and disclose all events occurring after the end of the interim reporting period, i.e., March 31, 2021.

Bruno Ferreira Blatt
Chief Executive Officer

Pablo dos Santos Meneses
Vice President

Frederico de Aguiar Oldani
Investor Relations and
Financial Officer

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