

Third Quarter 2023 Results

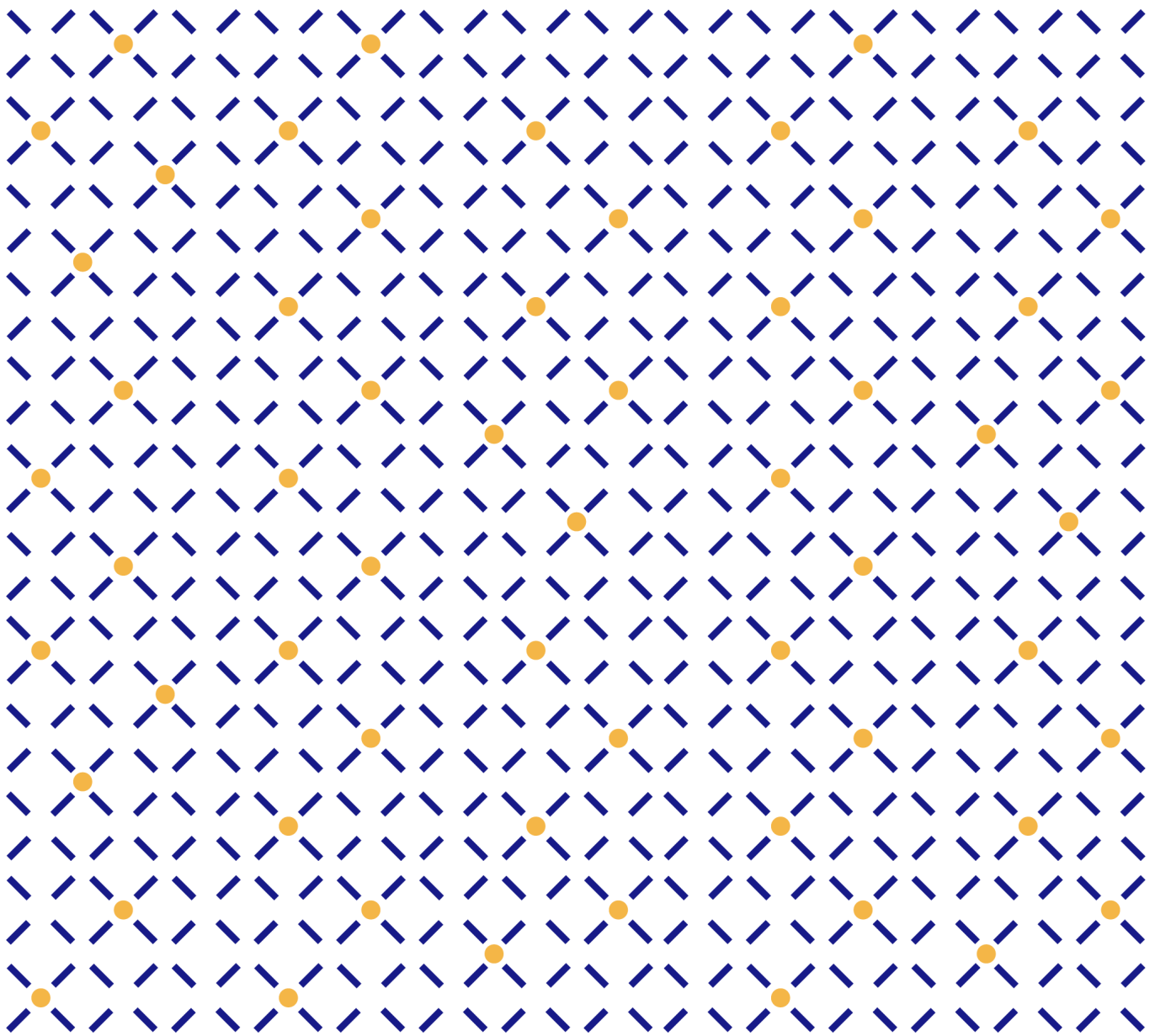
Third Quarter 2023 Results

São Paulo, November 9, 2023. Qualicorp Consultoria e Corretora de Seguros S.A. ("Quali" or "Company") (B3: QUAL3), a leading full-service healthcare benefits broker, administrator, and health management services provider in Brazil, announces its consolidated results for the third quarter of 2023 (3Q23) and first nine months of 2023 (9M23). The operating and financial data are presented on a consolidated basis in Reais ("BRL" or "R\$"), in accordance with Corporate Law and regulations of "Comissão de Valores Mobiliários" – CVM. The figures as well as their historical series are available in MS Excel format on the website ri.qualicorp.com.br.

Highlights:

- **Free Cash Flow:** R\$113.7 million in 3Q23 (+2.3x vs. 3Q22) and R\$402.2 million in 9M23 (5.6x vs. 9M22), with cash commissions (CAC) of R\$35.9 million in 3Q23 (-32.5% vs. 2Q23).
- **Lives Portfolio:** 845.6 thousand Affinity Health lives in 3Q23 (-9.0% vs. 2Q23), with organic gross adds of 56.9k lives and 140.3k cancellations (50 bps improvement in churn rate vs. 3Q22). SME portfolio of 94.3k lives in 3Q23 (+2.7% vs. 2Q23).
- **Net Revenue:** R\$443.2 million in 3Q23 (+1.9% vs. 2Q23), with improvement in average ticket and stable take-rate; Revenue of R\$1.335,5 million in 9M23 (-10.9% vs. 9M22).
- **Adjusted EBITDA:** R\$199.8 million in 3Q23 (+2.6% vs. 2Q23), with 45.1% margin (+30 bps vs. 2Q23) and R\$604.9 million in 9M23, with 45.3% margin (-290 bps vs. 9M22).
- **Adj. EBITDA (-) CAC:** R\$163.9 million in 3Q23 (+15.8% vs. 2Q23, +14.0% vs. 3Q22), with 37.0% margin (+440bps vs. 2Q23), and R\$451.5 million in 9M23, with 33.8% margin (+350bps vs. 9M22).
- **Net Income:** R\$-54.2 million in 3Q23, or R\$14.8 million excluding non-recurring effects (+4.6% vs. 2Q23 and -70.3% vs. 3Q22); R\$-23.8 million in 9M23 (or R\$48.8 million adjusted).
- **Net Debt:** R\$1.26 billion in 3Q23, -5.0% vs. 2Q23, equivalent to 1.53x Adjusted EBITDA LTM, vs. 1.55x in 2Q23 and 1.52x in 3Q22. Cash and equivalents above R\$1 billion at the end of Sep/23.

Key Indicators (R\$ MN)	3Q23	YoY	QoQ	9M23	YoY
Affinity Portfolio (thous. lives)	2,173.6	-12.3%	-6.4%	2,173.6	-12.3%
Affinity Health (thous. lives)	845.6	-20.4%	-9.0%	845.6	-20.4%
Gross Adds - organic (thous. lives)	56.9	-45.4%	-25.7%	197.1	-40.7%
Churn (thous. lives)	(140.3)	-21.7%	28.7%	-356.6	-19.7%
Net Revenue	443.2	-12.6%	1.9%	1,335.5	-10.9%
Adjusted EBITDA ¹	199.8	-14.9%	2.6%	604.9	-16.2%
Adjusted EBITDA Margin	45.1%	-120 bps	30 bps	45.3%	-287 bps
Adj. EBITDA (-) CAC	163.9	14.0%	15.8%	451.5	-0.5%
Adj. EBITDA (-) CAC Margin	37.0%	863 bps	444 bps	33.8%	353 bps
Net Income	(54.2)	NM	NM	(23.8)	NM
Adjusted Net Income	14.8	-70.3%	4.6%	48.8	-72.3%
Free Cash Flow	113.7	127.7%	-23.3%	402.2	457.7%
Net Debt	1,258.0	-15.7%	-5.0%	1,258.0	-15.7%
Net Debt / Adj. EBITDA LTM	1.53x	0.01x	-0.02x	1.53x	0.01x



More choices for you.
More Quali for your life.



Management Highlights

Quali remains aware of the still complex moment for the healthcare sector and finds in this scenario a favorable situation to proceed with the adjustment in its strategy, with the objective of rescuing a value generation proposal in its business, after a search for growth over the last few years. As part of the current strategy, the company continues to focus on efficiency in the capital allocation, optimizing the CAC and generating free cash flow, resulting in lower net debt, and achieving a cash position above R\$1 billion at the end of the third quarter. In recent months, we have also begun a rapprochement process with strategic partners and other stakeholders, looking for levers to revitalize the Affinity segment, seeking a better return on sales incentives, and with actions that reinforce Quali's leadership role as a Benefits Administrator.

Among the priority subjects for Quali in the short term, we highlight: 1) a focus on operational efficiency in order to recover margins and increase cash generation; 2) a commercial policy review with rationalization of incentives and the search for greater alignment of the remuneration model in the health plan distribution chain; and 3) evolution in the product innovation and health management fronts, which involve more intense actions by Quali in controlling loss ratios and with greater rigor in lives acceptance, as well as revitalizing the company's portfolio by offering plans that are better aligned with the new market reality and with the beneficiaries' needs.

On the efficiency front, the work over the last three months was focused on organizational restructuring efforts, with the rightsizing of structures and teams, as well as a wide-ranging review of contracts and expenses in all the Company's areas, with targets of lowering costs. The practical actions already implemented to date include: i) a reduction of around 20% in the Company's headcount in 3Q23 (and -25% compared to the end of 2022), with positions closed in several commercial and administrative areas that brought our structure back to the size of 4 years ago (around 1,900 employees in Sept/2023 versus 1.950 in the end of 2019); ii) divestment of Escale, according to the Material Fact of November 6, with a negative accounting effect of R\$96.3 million on the income statement, but with a residual cash inflow of R\$29.7 million in 4Q23, in addition to the expectation of reducing expenses; iii) reassessment of the physical structure for employees with objective of optimizing occupancy costs; iv) closing of Quali's customer service physical locations, prioritizing digital channels; and v) changing the main leaders in the Commercial and Products areas, with the arrival of professionals with experience in insurers and healthcare operators that complement the expertise of the professionals who remain at Quali.

The work already done should bring savings of at least R\$120 million in annualized expenses, with a restructuring cost that was partially accounted for in 3Q23 (R\$7.6 million in severance costs). In addition, and on top of the savings already implemented, there are new efficiency opportunities being identified that possibly can, over the next few quarters, bring improvements in variable costs. Also, on the capital allocation and commissions fronts, we are testing the elasticity of sales x CAC per

life, moving away from a "one size fits all" remuneration policy in the channel to greater segmentation of CAC by product type, price range, and by region.

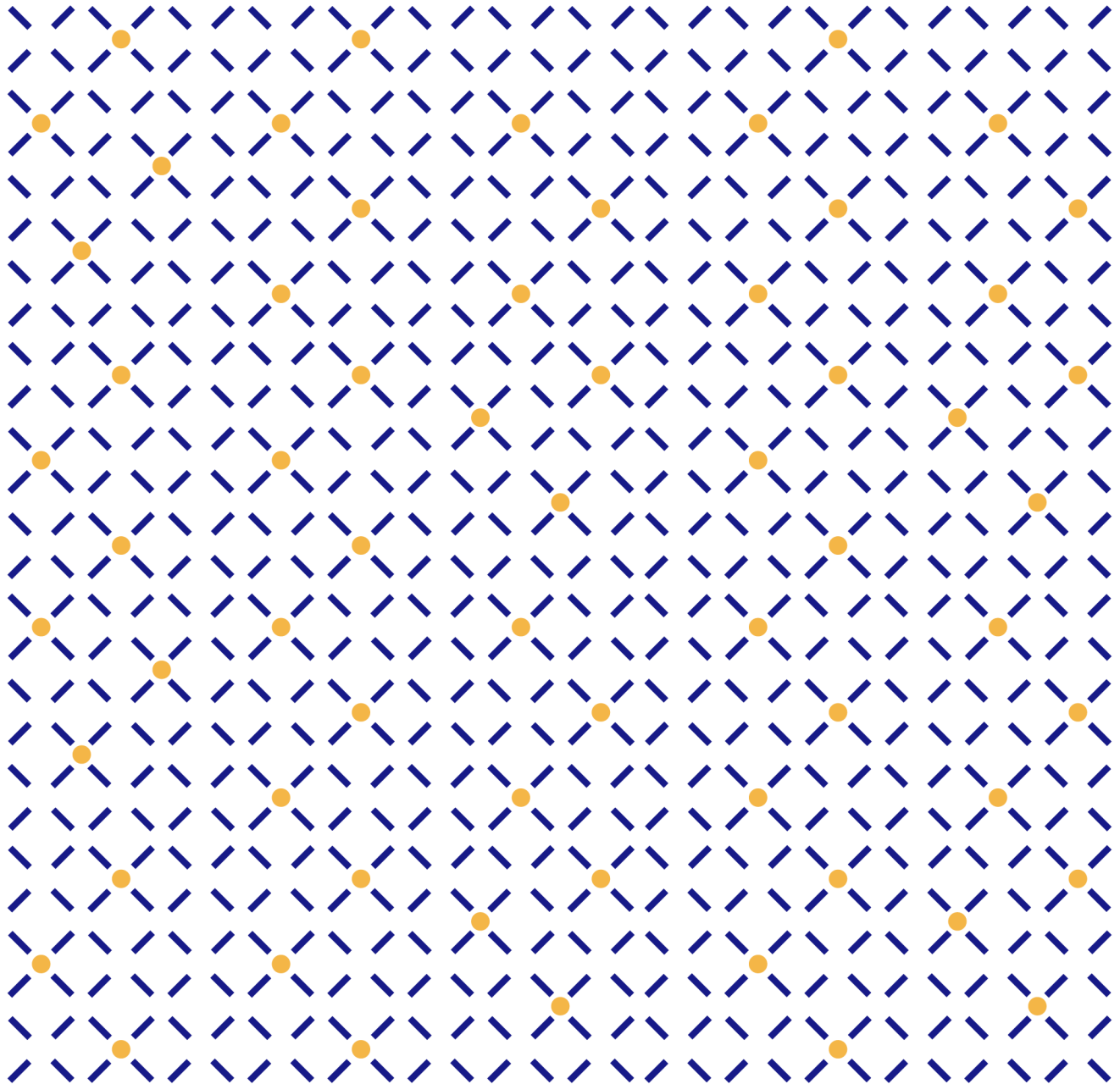
Moving on to the operating and financial results, it is important to remember that the third quarter seasonally concentrates the highest volume of contract renewals in our Affinity portfolio. And that the high loss ratio resulted in 30% average price increase to our portfolio, the highest ever applied in Quali's history. Despite the record readjustment, we saw a slight improvement of 50 bps YoY in the churn rate this 3Q23 (to 14.7%), because of retention efforts and with a gradual improvement in the sales mix.

We also observed a deceleration in gross additions that were 56.9 thousand lives in Affinity Health, as a result of a lower product offering and the restructuring of Quali's commercial teams, which momentarily reduced the focus on sales. Thus, due to seasonally high churn and lower sales, our main portfolio showed a sequential reduction of 9% in 3Q23. However, an improvement in the average ticket and the take-rate's stability resulted in a 2% growth in revenue compared to the previous quarter. On a year-on-year basis, the 12.6% drop in net revenue still reflects the take-rate drop of around 200 bps, while the increase in ticket compensates for practically all the volume loss in the portfolio.

Another positive highlight in the quarter was the slight 30 bps QoQ expansion in the Adjusted EBITDA margin to 45.1%, remaining in a relatively stable level (at "mid-40s") since the beginning of the year, and which does not reflect recent restructuring efforts yet. Moreover, when we subtract sales commission disbursements (cash CAC) from EBITDA, we arrive at an "Adj. EBITDA – CAC" indicator of R\$163.9 million in 3Q23, which showed growth of 15.8% QoQ and 14% YoY. Our "Adj. EBITDA - CAC margin" was 37.0% in the third quarter, compared to 32% in the first half of 2023 and around 31% in 2021 and 2022, without considering the high costs with acquisitions (M&A) in these previous years. Our net income was negative by R\$54.2 million in 3Q23, impacted by the write-off of Escale and by restructuring expenses, but grew 4.6% to R\$14.8 million when adjusted for these non-recurring effects.

In addition, we generated operating cash flow of R\$114 million in 3Q23, following efforts to optimize commissions and to normalize working capital. In first nine months of 2023, cash flow generation exceeded R\$400 million, which is 5.6x higher than the cash generated in 9M22 and more than double that of the cash flow for the full-year 2022. As a result, our indebtedness level (net debt/Adj. EBITDA) remained stable at 1.5x.

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



Lives Portfolio

Lives Portfolio

Portfolio	3Q23	3Q22	Var. YoY	2Q23	Var. QoQ	9M23	9M22	Var. YoY
Affinity Health Lives								
Total Portfolio (BOP)	929,016	1,132,353	-18.0%	961,468	-3.4%	1,005,090	1,169,061	-14.0%
(+) Gross Adds	56,901	104,123	-45.4%	76,596	-25.7%	197,103	332,439	-40.7%
(-) Churn	(140,340)	(179,267)	-21.7%	(109,048)	28.7%	(356,616)	(444,300)	-19.7%
(+) Portfolio Acquisition	-	5,508	NM	-	NM	-	5,517	NM
New Lives Added (net)	(83,439)	(69,636)	19.8%	(32,452)	157.1%	(159,513)	(106,344)	-33.3%
Total Portfolio (EOP)	845,577	1,062,717	-20.4%	929,016	-9.0%	845,577	1,062,717	-20.4%
Affinity Other (Massified)								
Total Portfolio (BOP)	441,793	529,144	-16.5%	452,894	-2.5%	496,423	538,936	-7.9%
New Lives Added (net)	(90,272)	(18,432)	389.8%	(11,101)	713.2%	(144,902)	(28,224)	413.4%
Total Portfolio (EOP)	351,521	510,712	-31.2%	441,793	-20.4%	351,521	510,712	-31.2%
Affinity Portfolio	1,197,098	1,573,429	-23.9%	1,370,809	-12.7%	1,197,098	1,573,429	-23.9%
Corporate	243,621	236,913	2.8%	228,656	6.5%	243,621	236,913	2.8%
Gama	638,585	586,051	9.0%	629,707	1.4%	638,585	586,051	9.0%
SME	94,311	82,641	14.1%	91,831	2.7%	94,311	82,641	14.1%
Corp., Gama and SME Portf.	976,517	905,605	7.8%	950,194	2.8%	976,517	905,605	7.8%
Total Portfolio	2,173,615	2,479,034	-12.3%	2,321,003	-6.4%	2,173,615	2,479,034	-12.3%

Quali ended 3Q23 with a portfolio of 2.17 million lives, 6.4% lower than previous quarter, mainly due to the 12.7% QoQ decrease in the Affinity portfolio, which was only partially offset by a 2.8% QoQ growth in other segments (Corporate, SME and Gama). In the YoY view, the total lives portfolio decreased 12.3% compared to the third quarter of 2022, due to 23.9% drop in Affinity portfolio and the growth of 7.8% in other segments.

Affinity Portfolio

We presented a 9.0% decrease QoQ in 3Q23 in our main portfolio, the Affinity Health Lives segment, with net losses of 83.4 thousand lives. There was a deceleration in gross adds to 56.9 thousand lives in the quarter (-25.7% QoQ and -45.4% YoY) due to: i) the restructuring process implemented during the period, in which several leaders in the commercial area were replaced; ii) lower product offering by the HMOs in the segment; and iii) the continuation of the strategy to rationalize incentives/commissions in the broker channel.

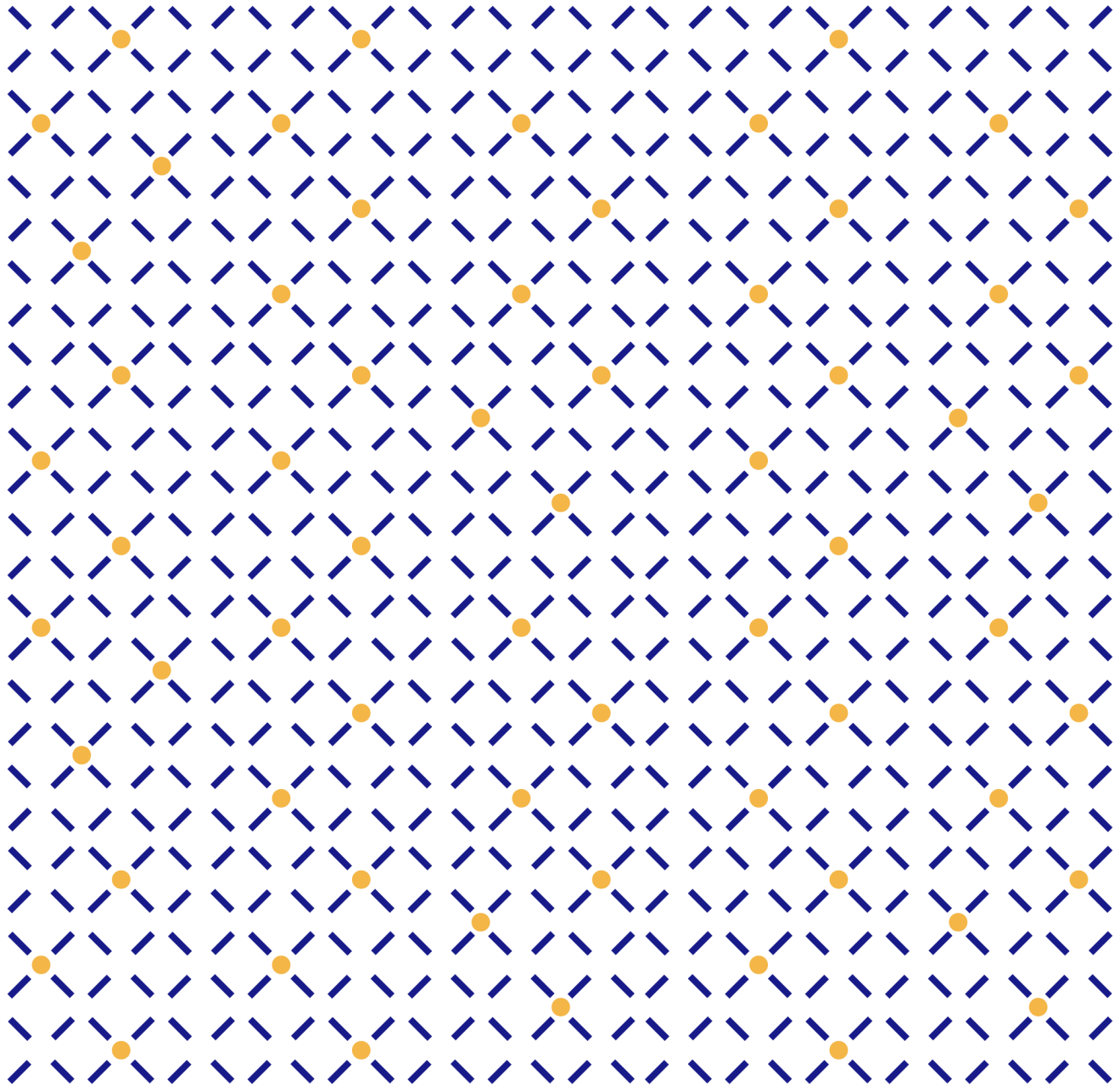
In turn, we had cancellations of 140.3 thousand lives in 3Q23, an increase of 28.7% QoQ due to the seasonal effects of the price readjustment concentration, but with a 21.7% YoY reduction after greater retention efforts. As a result, our churn rate in 3Q23 was 14.7% of the average base for the period, a 50 bps improvement over the 3Q22 churn peak.

In the Other Affinity portfolio, which includes massified plans (mainly dental), we had net losses of 90.3 thousand lives in 3Q23 (-20.4% QoQ and -31.2% YoY), largely in line with the decline in the main portfolio.

Corporate, SME and Gama Portfolios

Our SME plans portfolio increased 2.5 thousand lives in 3Q23 compared to the previous quarter (+2.7%). In the YoY comparison, the SME segment had net adds of 11.7 thousand lives (+15.0%) and ended the quarter with 94.3 thousand lives.

Our conventional Corporate segment portfolio presented a 6.5% increase QoQ and 4.4% YoY to 243.6 thousand lives in 3Q23. Meanwhile, Gama's portfolio, our health management business, expanded 1.4% QoQ and 9.0% YoY, ending the quarter with 638.6 thousand lives.



3Q23 Results

3Q23 Results

Income Statement (R\$ MN)	3Q23	3Q22	Var. YoY	2Q23	Var. QoQ	9M23	9M22	Var. YoY
Net Revenue	443.2	507.1	-12.6%	435.0	1.9%	1,335.5	1,498.3	-10.9%
(-) COGS and SG&A	(209.8)	(230.4)	-8.9%	(204.5)	2.6%	(630.2)	(678.5)	-7.1%
(-) Contingencies and Legal Exp.	(13.3)	(6.8)	94.9%	(9.0)	47.8%	(27.9)	(23.0)	21.1%
(-) Bad Debt Provision	(27.7)	(26.2)	5.5%	(25.0)	10.6%	(78.4)	(75.4)	3.9%
(+/-) Other Oper.	(97.1)	(9.9)	884.5%	(2.3)	NM	(104.1)	(5.0)	NM
EBITDA	95.3	233.8	-59.2%	194.1	-50.9%	495.0	716.4	-30.9%
EBITDA Margin	21.5%	46.1%	-24.6 p.p.	44.6%	-23.1 p.p.	37.1%	47.8%	-10.7 p.p.
(+/-) EBITDA Adj.	104.5	0.9	NM	0.7	NM	109.9	5.3	NM
Adjusted EBITDA	199.8	234.7	-14.9%	194.8	2.6%	604.9	721.7	-16.2%
Adjusted EBITDA Margin	45.1%	46.3%	-120 bps	44.8%	30 bps	45.3%	48.2%	-287 bps
(-) D&A	(120.9)	(106.3)	13.7%	(114.3)	5.8%	(349.9)	(303.2)	15.4%
(+/-) Fin. Inc. (Exp.)	(54.5)	(53.3)	2.2%	(56.4)	-3.4%	(177.7)	(145.9)	21.8%
(-) Income Tax./Social Contrib.	27.3	(22.9)	-219.7%	(8.0)	-443.3%	14.5	(87.7)	-116.5%
(-) Minority Interest	(1.4)	(2.1)	-29.9%	(1.8)	-20.4%	(5.7)	(6.9)	-17.9%
Net Income Controlling	(54.2)	49.2	NM	13.7	NM	(23.8)	172.7	NM
Net Margin	-12.2%	9.7%	-21.9 p.p.	3.2%	-15.4 p.p.	-1.8%	11.5%	-13.3 p.p.
Net adjustments to EBITDA	69.0	0.6	NM	0.4	NM	72.5	3.5	NM
Adjusted Net Income	14.8	49.9	-70.3%	14.2	4.6%	48.8	176.1	-72.3%
Adjusted Net Margin	3.3%	9.8%	-6.5 p.p.	3.3%	9 bps	3.7%	11.8%	-8.1 p.p.

In this 3Q23, Quali presented an 1.9% increase in its net revenue vs. 2Q23 and +11.1% vs. 2Q23 due to higher average ticket that offset the drop in customer base. On a YoY basis, however, net revenue fell 12.6%, mainly due to the reduction in the Affinity Health take-rate (over billed premiums).

Adjusted EBITDA grew 2.6% QoQ with a 30 bps improvement in Adjusted EBITDA margin to 45.1%, following the revenue growth and a reduction in recurring COGS & SG&A. On a YoY basis, Adjusted EBITDA was 14.9% lower YoY, with a 120 bps margin contraction, mainly due to: i) operational deleveraging resulting from revenue decline; and ii) increase in contingencies and other variable expenses related to the total premium billed.

Net income was negative R\$54.2 million in 3Q23 due to: i) lower revenue/Adjusted EBITDA in YoY vision; ii) 2.2% YoY increase in net financial expenses; iii) 13.7% YoY and 5.8% QoQ growth in Depreciation & Amortization expenses, mainly related to sales commissions; and iv) R\$63.5 million write-off (after tax) related to the disposal of Escale.

In the first nine months of 2023, we reported net revenue of R\$1.34 billion (-10.9% YoY), Adjusted EBITDA of R\$604.9 million (-16.2% YoY) and 45.3% Adjusted EBITDA margin (-290 bps YoY), as well as a net loss of R\$23.8 million.

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

Revenue by Segment

Revenue (R\$ MN)	3Q23	3Q22	Var. YoY	2Q23	Var. QoQ	9M23	9M22	Var. YoY
Affinity	440.8	515.9	-14.6%	436.1	1.1%	1,336.7	1,515.6	-11.8%
Health Lives	437.6	512.3	-14.6%	432.9	1.1%	1,326.9	1,505.0	-11.8%
Agency	14.7	33.5	-56.2%	19.3	-23.8%	54.9	95.9	-42.7%
Administration Fee	321.3	336.2	-4.4%	311.8	3.0%	950.4	998.1	-4.8%
Brokerage	101.3	142.1	-29%	101.5	-0.2%	320.8	410.0	-21.7%
Other Income	0.3	0.5	-38.9%	0.3	-0.4%	0.8	1.0	-15.2%
Other Affinity	3.2	3.5	-10.7%	3.2	-0.6%	9.8	10.6	-7.3%
Corporate	5.6	5.2	9.4%	3.2	74.5%	14.5	14.4	0.9%
SME total	9.6	9.1	5.4%	9.8	-1.9%	28.8	27.0	6.5%
Gama + Intercompany	22.8	19.0	19.6%	21.2	7.5%	64.6	67.4	-4.2%
Gross Revenue	478.8	549.2	-12.8%	470.3	1.8%	1,444.6	1,624.4	-11.1%
Income Taxes	(35.6)	(41.7)	-15%	(35.2)	1.1%	(108.7)	(124.8)	-13%
Cancellations and rebates	(0.1)	(0.4)	-84.3%	(0.2)	-60.2%	(0.4)	(1.3)	-64.4%
Net Revenue	443.2	507.1	-12.6%	435.0	1.9%	1,335.5	1,498.3	-10.9%

Quali's gross revenue reached R\$478.8 million in 3Q23, showing a 1.8% increase compared to 2Q23, and a 12.8% decrease compared to 3Q22. In the year to date, gross revenue was down 11.1%.

In the Affinity Health Lives segment, agency revenues that are directly related to gross adds declined 23.8% QoQ and 56.2% YoY, due to lower sales and the reduction in incentives paid by certain HMOs to Quali.

Recurring revenue from admin and brokerage fees (which combined represent our recurring revenue) were R\$422.6 million in 3Q23, growing 2.2% QoQ due to a low double-digit increase in the average ticket compared to 2Q23, which offset the 9% drop in the portfolio and a slight pressure on the take-rate. Year-on-year, there was a 11.6% decline in recurring revenue in 3Q23, reflecting the 20% YoY portfolio decrease and the take-rate contraction, partially offset by 21% increase in average ticket. In 9M23, Affinity Health Lives gross revenues presented a reduction of 11.8% YoY and recurring revenue decreased 9.7%.

In the Other Affinity segment (massified), revenues was stable QoQ at R\$3.2 million, but fell 10.7% YoY, following the decline in portfolio and the increase in average ticket. In 9M23, the variation in Other Affinity revenue was -7.3% YoY.

Combined revenues from other segments presented an increase of 11.2% QoQ and 14.1% YoY in 3Q23. Among the main highlights we had:

- i) Corporate segment with 74.5% QoQ growth, recovering after a drop in agency revenues in 2Q23, and 9.4% higher YoY.
- ii) SME revenue down 1.9% QoQ, due to a reduction in the take rate, and up 5.4% YoY helped by the portfolio growth;
- iii) Gama revenue grew 7.5% QoQ and 19.6% YoY, with a recovery in revenues from administration and consultancy fees after adjustments to the client portfolio.

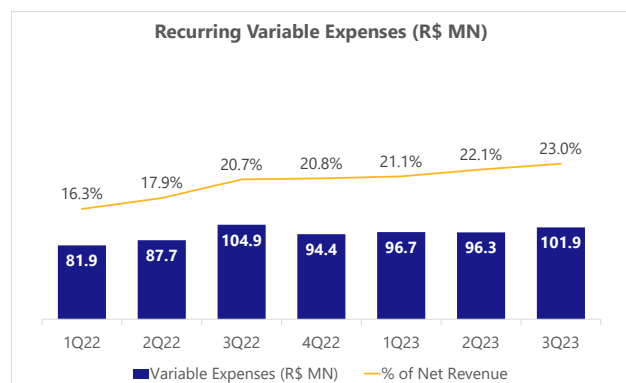
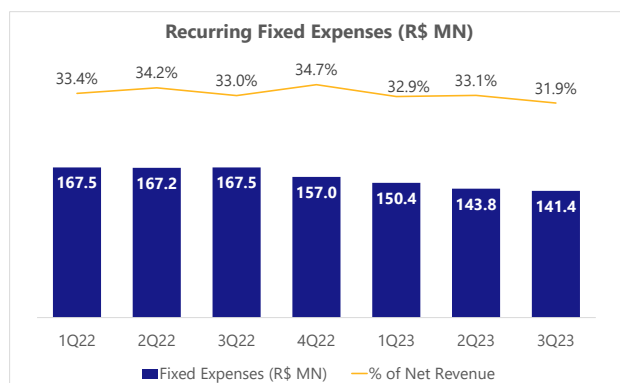
In 9M23, Other Segments' revenue were practically stable (-0.8% YoY), mainly due to the 6.5% growth in SME, which offset a 4.2% drop in Gama.

Costs and Expenses

Costs and Expenses (R\$ MN)	3Q23	3Q22	Var. YoY	2Q23	Var. QoQ	9M23	9M22	Var. YoY
Total Consolidated	(347.9)	(273.3)	27.3%	(240.8)	44.5%	(840.5)	(781.9)	7.5%
COGS	(88.4)	(102.6)	-13.8%	(90.9)	-2.7%	(272.5)	(307.4)	-11.3%
Administrative Expenses	(65.4)	(55.3)	18.2%	(55.2)	18.4%	(178.4)	(170.2)	4.8%
Commercial Expenses	(56.0)	(72.5)	-22.8%	(58.4)	-4.1%	(179.3)	(200.9)	-10.7%
Contingencies, Bad Debt and Other	(138.1)	(42.9)	221.6%	(36.3)	280.5%	(210.3)	(103.5)	103.2%
Total Consolidated	(347.9)	(273.3)	27.3%	(240.8)	44.5%	(840.5)	(781.9)	7.5%
Fixed Expenses	(149.9)	(167.6)	-10.6%	(144.3)	3.8%	(449.1)	(503.5)	-10.8%
Personnel	(89.4)	(84.1)	6.3%	(83.4)	7.2%	(261.3)	(269.3)	-3.0%
3rd-party Services	(44.0)	(53.4)	-17.6%	(44.5)	-1.0%	(132.2)	(150.4)	-12.1%
Occupancy	(2.4)	(5.1)	-53.7%	(2.8)	-14.2%	(9.2)	(16.2)	-43.2%
Marketing and Trade	(6.9)	(10.3)	-32.8%	(7.8)	-11.2%	(24.3)	(29.5)	-17.6%
Other Costs and SG&A	(7.1)	(14.7)	-51.4%	(5.8)	21.8%	(22.1)	(38.2)	-42.0%
Variable Expenses	(198.0)	(105.7)	87.3%	(96.5)	105.2%	(391.4)	(278.4)	40.6%
Contingencies and Legal Exp.	(13.3)	(6.8)	94.9%	(9.0)	47.8%	(27.9)	(23.0)	21.1%
Comissions and Transf.	(59.9)	(62.8)	-4.5%	(60.2)	-0.5%	(181.1)	(174.9)	3.5%
Bad Debt Provision	(27.7)	(26.2)	5.5%	(25.0)	10.6%	(78.4)	(75.4)	3.9%
Other Operating	(97.1)	(9.9)	884.5%	(2.3)	NM	(104.1)	(5.0)	NM
(+/-) Adjustments to EBITDA	104.5	0.9	NM	0.7	NM	109.9	5.3	NM
Total Consol. Ex-Adj.	(243.4)	(272.4)	-10.7%	(240.2)	1.3%	(730.6)	(776.7)	-5.9%

Note: SG&A expenses without depreciation and amortization.

To make it easier to analyze the variations, we have split Quali's cost and expense lines into two large groups of fixed expenses (Personnel, Third-party Services, Occupancy, Marketing & Trade and Other SG&A) and variable expenses (Commissions & Transf., Bad Debt Provision and Other Operating), while maintaining the traditional opening by nature and by accounting group.



Obs.: managerial classification of COGS, SG&A, contingencies, BaD Debt and Other, considering adjust. to EBITDA

In this new perspective, we note the fixed expenses group (that represents around 60% of the total) was R\$149.9 million in 3Q23, with a 3.8% increase QoQ and a 10.6% reduction YoY. Excluding non-recurring adjustments of R\$8.4 million in the period, mainly related to severance costs, fixed expenses fell 1.7% QoQ and 15.6% YoY to R\$141.4 million in 3Q23, with savings in all lines, including recurring Personnel expenses that were R\$81.8 million (-1.9% QoQ and -2.7% YoY). In the year to date, fixed expenses fell 10.8% YoY (or -13.2% when excluding adjustments to EBITDA), with a nominal reduction in all lines.

It is important to note that fixed expenses in 3Q23 do not yet reflect the restructuring efforts implemented throughout 3Q23, which should bring significant savings in these lines from 4Q23 onwards.

Variable expenses (around 40% of the total), which are mostly linked to the premium billed and not directly to our net revenue, were R\$198.0 million in 3Q23, or R\$101.9 million excluding the non-recurring effect of Escale, up 5.8% QoQ and down 2.8% YoY. This sequential increase is mainly linked to higher contingencies and provisioning for bad debt. In 9M23, recurring variable expenses increased 7.4% YoY to R\$294.9 million and were the main responsible for the pressure on the adjusted EBITDA margin in the period.

Quali's total costs and expenses, excluding adjustments to the EBITDA, were R\$243.4 million in 3Q23, 1.3% higher QoQ and 10.7% lower YoY. In 9M23, we had a 5.9% YoY decrease in recurring costs and expenses, which reached R\$730.6 million.

EBITDA

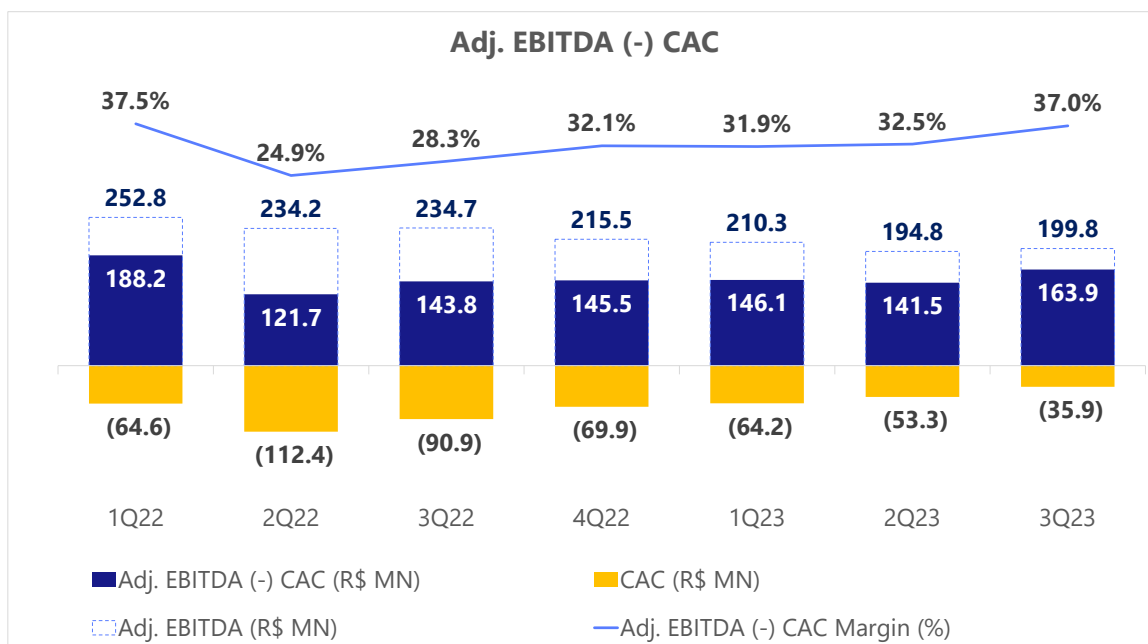
EBITDA (R\$ MN)	3Q23	3Q22	Var. YoY	2Q23	Var. QoQ	9M23	9M22	Var. YoY
Net Revenue	443.2	507.1	-12.6%	435.0	1.9%	1,335.5	1,498.3	-10.9%
(-) COGS	(88.4)	(102.6)	-13.8%	(90.9)	-2.7%	(272.5)	(307.4)	-11.3%
(-) SG&A	(121.4)	(127.8)	-5.0%	(113.6)	6.8%	(357.7)	(371.1)	-3.6%
(-) Contingencies and Legal Exp.	(13.3)	(6.8)	94.9%	(9.0)	47.8%	(27.9)	(23.0)	21.1%
(-) Bad Debt Provision	(27.7)	(26.2)	5.5%	(25.0)	10.6%	(78.4)	(75.4)	3.9%
(-) Other Oper. Inc. (Exp.)	(97.1)	(9.9)	884.5%	(2.3)	NM	(104.1)	(5.0)	NM
EBITDA	95.3	233.8	-59.2%	194.1	-50.9%	495.0	716.4	-30.9%
EBITDA Margin	21.5%	46.1%	-24.6 p.p.	44.6%	-23.1 p.p.	37.1%	47.8%	-10.7 p.p.
(+/-) EBITDA Adj.	104.5	0.9	NM	0.7	NM	109.9	5.3	NM
Severance Provision	7.6	-	NM	0.0	NM	9.9	0.9	NM
Investment write-off Escale	96.3	-	NM	-	NM	96.3	-	NM
Other Non-Recurring Effects	0.7	0.9	-30.2%	0.6	2.4%	3.7	4.3	-13.7%
Adjusted EBITDA	199.8	234.7	-14.9%	194.8	2.6%	604.9	721.7	-16.2%
Adjusted EBITDA Margin	45.1%	46.3%	-120 bps	44.8%	30 bps	45.3%	48.2%	-287 bps
(-) Cash Comissions (CAC)	(35.9)	(90.9)	-60.5%	(53.3)	-32.5%	(153.4)	(267.9)	-42.8%
Adj. EBITDA (-) CAC	163.9	143.8	14.0%	141.5	15.8%	451.5	453.7	-0.5%
Adj. EBITDA (-) CAC Margin	37.0%	28.3%	863 bps	32.5%	444 bps	33.8%	30.3%	353 bps

Reported EBITDA (without adjustments) was R\$95.3 million in 3Q23 and dropped 50.9% QoQ and 59.2% YoY due to the R\$96.3 million write-off of from Escale's divestment. EBITDA margin this

quarter was 21.5%, versus 44.6% in 2Q23 and 46.1% in 3Q22. In 9M23, reported EBITDA was R\$495.0 million (-30.9% YoY), with a margin of 37.1% (-10.7 p.p. YoY).

Besides Escalé's effect, there was additional R\$8.3 million adjustment to EBITDA in 3Q23, the majority of which (R\$7.6 million) refers to severance costs for positions ceased at the Company, as part of the organizational restructuring carried out during the quarter. Excluding these one-off effects, Adjusted EBITDA reached R\$199.8 million in 3Q23, increasing 2.6% QoQ and recovering after 3 straight quarters of decline, although still showing a -14.9% variation YoY. The Adjusted EBITDA margin was 45.1% in the quarter, with a slight 30 bps sequential expansion, though 120 bps lower YoY. In the year to date, Adjusted EBITDA was R\$604.9 million (-16.2% YoY), with an adjusted margin of 45.3% (-290 bps YoY).

This quarter we introduced the view of Adjusted EBITDA after organic CAC (cash). This metric has been used by our management to better measure Quali's operational results, since it considers the amounts disbursed with commissions over organic sales in the period (CAC), which are accounted as investments (capex). In 3Q23, our Adj. EBITDA – CAC was R\$163.9 million, with growths of 15.8% QoQ and 14.0% YoY. This improvement is the direct result of a more rational capital allocation policy implemented since the end of last year, which besides optimizing organic investments also included lower M&A activities. The Adj. EBITDA – CAC margin was 37% in 3Q23, up 440 bps QoQ and 860 bps YoY.



Financial Results

Financial Results (R\$MN)	3Q23	3Q22	Var. YoY	2Q23	Var. QoQ	9M23	9M22	Var. YoY
Net Debt Income (Exp.)	(51,5)	(60,5)	-14,8%	(54,0)	-4,6%	(166,1)	(150,5)	10,4%
Financial Investments	30,8	35,0	-12,0%	27,4	12,3%	80,5	71,8	12,1%
Hedge Accounting	-	(10,2)	NM	-	NM	-	(46,6)	NM
Interest on Loans and Financing	(82,3)	(85,3)	-3,5%	(81,4)	1,1%	(246,6)	(175,7)	40,3%
Interest and Fine on Late Paym.	7,4	8,0	-7,3%	7,7	-3,9%	23,3	23,7	-1,7%
Interest on Leases	(3,1)	(3,5)	-12,6%	(1,4)	112,5%	(6,0)	(4,5)	32,0%
Other Financ. Income (Exp.)	(7,3)	2,7	NM	(8,6)	-15,8%	(28,9)	(14,5)	98,9%
Net Financial Results	(54,5)	(53,3)	2,2%	(56,4)	-3,4%	(177,7)	(145,9)	21,8%

Financial results were a R\$54.5 million net expense in 3Q23, with -3.4% variation compared to 2Q23 and +2.2% compared to 3Q22. Net Debt-related expenses, net of financial investments income, were R\$51.5 million in 3Q23 (or 4.0% on average net debt for the period), with a 4.6% QoQ and 14.8% YoY drop, mostly in line with the reduction in the company's net debt. There was also a 15.8% QoQ reduction in Other Financial Expenses, which offset a large part of the R\$1.6 million QoQ increase in Interest on Leases. In 9M23, Net Financial results were negative by R\$177,7 million, or 21,8% higher YoY, which reflects the higher cost of debentures issued in June/2022, the higher debt index (CDI), and a 99% increase in Other Financial Expenses.

Net Income

Net Income (R\$ MN)	3Q23	3Q22	Var. YoY	2Q23	Var. QoQ	9M23	9M22	Var. YoY
EBITDA	95.3	233.8	-59.2%	194.1	-50.9%	495.0	716.4	-30.9%
D&A	(120.9)	(106.3)	13.7%	(114.3)	5.8%	(349.9)	(303.2)	15.4%
Intangible/Fixed Assets	(34.3)	(36.4)	-5.9%	(34.6)	-0.9%	(108.5)	(108.8)	-0.2%
Amort. Commissions	(79.8)	(66.2)	20.6%	(75.9)	5.2%	(225.9)	(183.9)	22.9%
Amort. Leases	(6.8)	(3.7)	84.0%	(3.8)	79.1%	(15.4)	(10.6)	45.8%
EBIT	(25.6)	127.4	-120.1%	79.9	-132.1%	145.1	413.2	-64.9%
Fin. Inc. (Exp.)	(54.5)	(53.3)	2.2%	(56.4)	-3.4%	(177.7)	(145.9)	21.8%
Earnings before taxes	(80.1)	74.1	NM	23.5	NM	(32.6)	267.3	NM
Income Tax./Social Contrib.	27.3	(22.9)	-219.7%	(8.0)	-443.3%	14.5	(87.7)	-116.5%
Net Income Consolidated	(52.7)	51.3	-202.8%	15.5	-439.5%	(18.1)	179.6	-110.1%
(-) Minority Interest	(1.4)	(2.1)	-29.9%	(1.8)	-20.4%	(5.7)	(6.9)	-17.9%
Net Income Parent Co.	(54.2)	49.2	NM	13.7	NM	(23.8)	172.7	NM
Net adjustments to EBITDA	69.0	0.6	NM	0.4	NM	72.5	3.5	NM
Adjusted Net Income	14.8	49.9	-70.3%	14.2	4.6%	48.8	176.1	-72.3%

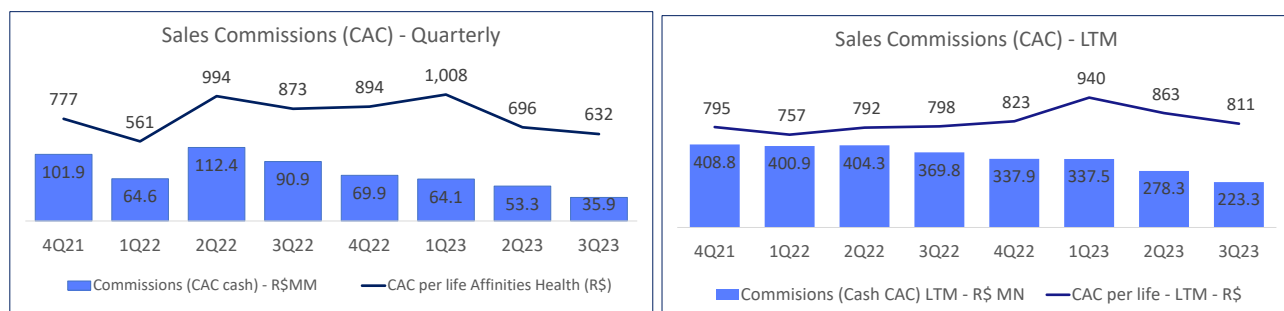
Quali reported a net loss of R\$54.2 million in 3Q23, after minority interests, versus net income of R\$13.7 million in 2Q23 and R\$49.2 million in 3Q22. After adding back the adjustments to EBITDA, net of taxes, our adjusted net income was R\$14.8 million in 3Q23, an increase of 4.6% QoQ due to lower recurring expenses, but 70.3% lower YoY due to lower Adjusted EBITDA and higher depreciation and amortization expenses (mainly linked to sales commissions). In the first nine months of the year, we presented a 72.3% drop in adjusted net income, which reached R\$48.8 million.

Cash Flow

Managerial Cash Flow	3Q23	3Q22	Var. YoY	2Q23	Var. QoQ	9M23	9M22	Var. YoY
EBITDA	95,3	233,8	-59,2%	194,1	-50,9%	495,0	716,4	-30,9%
Non cash adjustments	101,4	2,2	NM	4,7	NM	103,3	12,6	719,8%
Leasing payments	(4,4)	(9,6)	-53,6%	(5,1)	-13,1%	(14,5)	(15,8)	-8,1%
Commissions over sales (CAC)	(35,9)	(90,9)	-60,5%	(53,3)	-32,5%	(153,4)	(267,9)	-42,8%
Taxes Paid	(15,0)	(30,5)	-50,8%	(11,9)	26,4%	(32,5)	(94,5)	-65,6%
Changes in Working Capital	(6,2)	(37,1)	-83,2%	33,9	NM	56,5	(130,1)	NM
Cash Provided by Oper. Activities	135,1	67,9	99,1%	162,5	-16,9%	454,4	220,7	105,9%
Capex (Intang. + PP&E)	(18,8)	(15,3)	22,7%	(11,6)	61,9%	(44,3)	(40,8)	8,5%
Operating Cash Flow after Capex	116,3	52,6	121,3%	150,9	-22,9%	410,2	179,9	128,1%
Acquisitions portfolio/companies	(2,6)	(2,6)	0,1%	(2,8)	-5,4%	(7,9)	(107,7)	-92,6%
Free Cash Flow (Operating)	113,7	49,9	127,7%	148,1	-23,3%	402,2	72,1	457,7%
Financial Income/Expenses	35,1	45,0	-22,2%	(135,1)	NM	(78,7)	(52,4)	50,2%
Loans and Funding	-	(443,6)	NM	-	NM	-	22,5	NM
Financial Investments	-	-	NM	-	NM	-	-	NM
Capital Increase	0,5	-	NM	2,0	-74,9%	2,5	-	NM
Dividends Paid	(0,1)	(3,6)	-97,2%	(3,6)	-98,0%	(3,7)	(5,9)	-36,7%
Cash Prov. Financing Activ.	35,5	(401,2)	NM	(136,7)	-125,9%	(79,9)	(35,8)	123,5%
Cash Variation + Financial Investmei	149,1	(351,3)	NM	11,4	NM	322,3	36,4	786,6%
Cash + Financial Investments	1.032,6	788,9	30,9%	883,4	16,9%	1.032,6	788,9	30,9%

Free cash flow, before interest and dividends, was an inflow of R\$113.7 million in 3Q23, a variation of -23.3% QoQ and +128% YoY. In 9M23, we reached R\$402.2 million of free cash generation that was 5.6x higher than the R\$72.2 million in 9M22.

This performance was mainly the result of a reduction of 32.5% QoQ and 60.5% YoY in sales commissions (cash CAC), in continuity with the strategy of rationalizing commercial incentives for the channel. Our CAC per life sold fell again, reaching the lowest level in the last 6 quarters, despite a double-digit growth in the average sales ticket, which represents an even more substantial reduction in the CAC over premiums sold (one of the main KPIs of our current strategy). In the nine months to date, commissions amounted to R\$153.4 million, a reduction of 42.8% YoY.



CapEx for 3Q23 was R\$18.8 million, showing an increase of 61.9% QoQ and 22.7% YoY. In 9M23, CapEx was R\$44.3 million (+8.5% YoY).

Finally, considering there was no interest over debt paid in the quarter, and adding the income from our financial investments, total cash free cash flow generation was R\$149.1 million in 3Q23, and reached R\$322.3 million in 9M23. As a result, our cash + financial investments position surpassed the R\$1 billion mark, which gives us security and flexibility in managing the company's indebtedness.

Investments

Capex (R\$ MN)	3Q23	3Q22	Var. YoY	2Q23	Var. QoQ	9M23	9M22	Var. YoY
Acquisitions and Rights	-	-	NM	-	NM	-	40.0	NM
IT Capex	16.3	15.1	7.5%	9.8	65.4%	37.8	36.0	5.0%
PP&E/Other Capex	1.5	1.5	1.2%	0.1	981.7%	3.1	12.7	-75.9%
Total	17.8	16.6	7.0%	10.0	77.9%	40.8	88.7	-54.0%

Investments in PP&E, intangibles and acquisitions were R\$17.8 million in 3Q23, with a variation of +77,9% QoQ due to greater investments in technology, mainly related to the development and licensing of operating software, continuing the company's digital evolution strategy. Investments in the year amounted to 40.8 million, a decrease of 54% YoY due to the absence of new acquisitions (M&A) in 2023.

Indebtedness

Capital Structure (R\$ MN)	3Q23	3Q22	Var. YoY	2Q23	Var. QoQ
Short-term Loans and Financing	651.4	96.3	576.8%	569.1	14.5%
Long-term Loans and Financing	1,639.1	2,185.2	-25.0%	1,638.1	0.1%
Derivatives	-	-	NM	-	NM
TOTAL	2,290.5	2,281.4	0.4%	2,207.3	3.8%
Cash and cash equivalents	1,032.6	788.9	30.9%	883.4	16.9%
Net Debt	1,258.0	1,492.5	-15.7%	1,323.8	-5.0%
Net Debt / Adj. EBITDA LTM	1.53x	1.52x	0.01x	1.55x	-0.02x

Quali's net debt ended 3Q23 at R\$1,258 million, a reduction of 5.0% QoQ and 15.7% YoY, after another quarter with strong operating cash generation and no interest payments on our debentures. Almost all debt is consolidated and most of it is in the long term, with the first amortization scheduled to June 2024 (25% of the total) and final maturity in June 2027. Our financial leverage ended the 3Q23 at 1.53x Adjusted EBITDA LTM, practically in line with the indexes for 2Q23 and 3Q22.



Attachments: Financial Statements

Income Statement - Consolidated

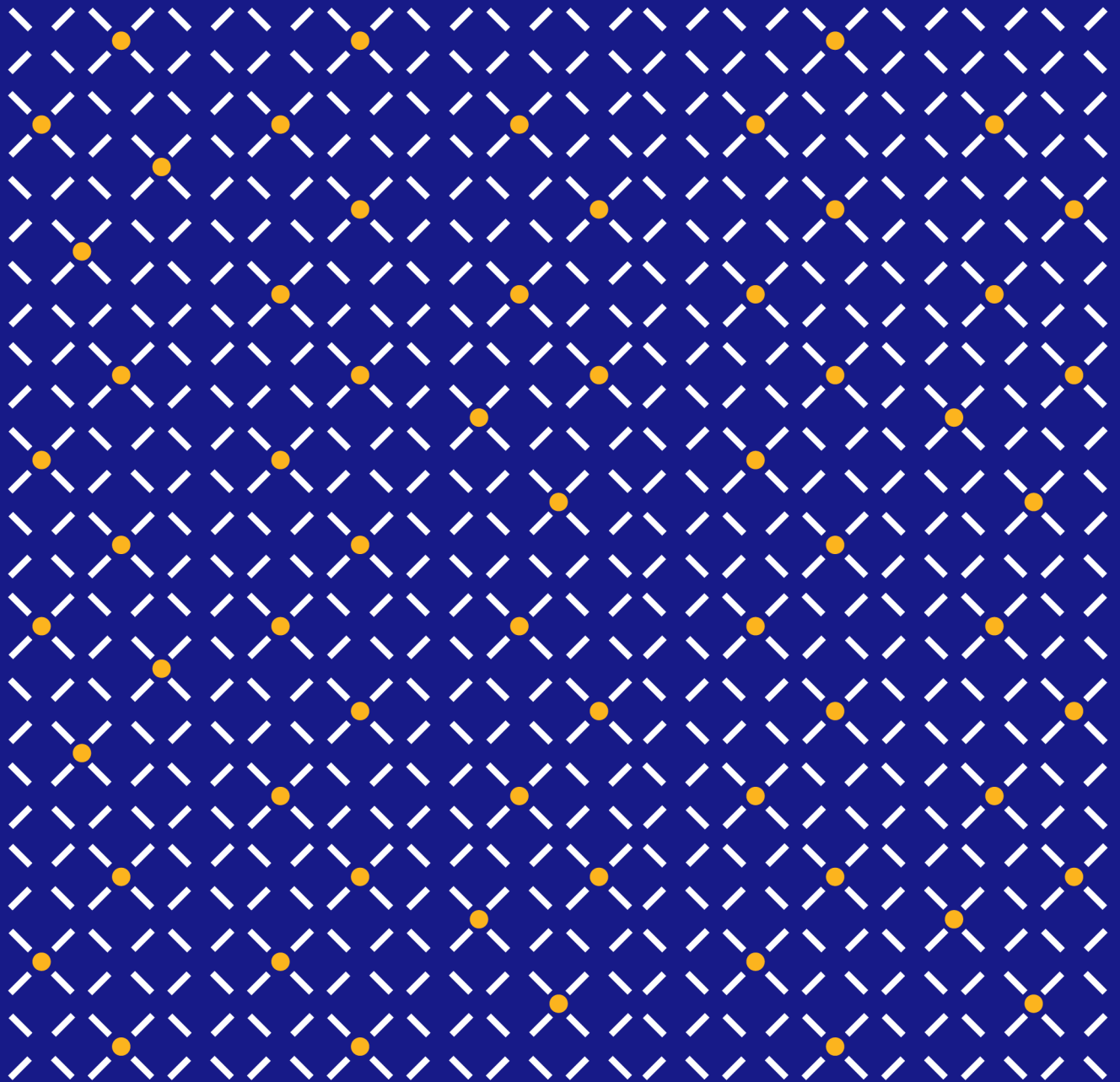
INCOME STATEMENT (R\$ MM)	3Q23	3Q22	Var. YoY	2Q23	Var. QoQ	9M23	9M22	Var. YoY
Net Revenue	443.2	507.1	-12.6%	435.0	1.9%	1,335.5	1,498.3	-10.9%
COGS	(88.4)	(102.6)	-13.8%	(91.1)	-3.0%	(272.5)	(308.2)	-11.6%
Gross Profit	354.7	404.5	-12.3%	343.8	3.2%	1,063.0	1,190.2	-10.7%
Operating Income (expenses)	(380.4)	(277.1)	37.3%	(264.0)	44.1%	(917.8)	(777.0)	18.1%
Administrative expenses	(106.5)	(95.4)	11.5%	(93.4)	14.0%	(302.5)	(287.9)	5.1%
Selling expenses	(135.8)	(138.7)	-2.1%	(134.3)	1.1%	(405.1)	(385.6)	5.0%
Provisions for Bad Debt	(27.7)	(26.2)	5.4%	(25.0)	10.6%	(78.4)	(75.4)	3.9%
Other operating income (expenses)	(110.4)	(16.7)	561.1%	(11.3)	878.7%	(131.9)	(28.1)	370.1%
Earnings before Interest and Taxes	(25.6)	127.4	-120.1%	79.9	-132.1%	145.1	413.2	-64.9%
Financial income (expenses)	(54.5)	(53.3)	2.2%	(56.4)	-3.4%	(177.7)	(145.9)	21.8%
Income Before Taxes	(80.1)	74.1	-208.0%	23.5	-440.8%	(32.6)	267.3	-112.2%
Income Taxes and Social Contribution	27.3	(22.9)	-219.7%	(8.0)	-443.3%	14.5	(87.7)	-116.5%
NET (LOSS) INCOME FOR PERIOD	(52.7)	51.3	-202.8%	15.5	NM	(18.1)	179.6	-110.1%
Attributable to								
Noncontrolling interest	(1.4)	(2.1)	-29.9%	(1.8)	-20.4%	(5.7)	(6.9)	-17.9%
Controlling interest	(54.2)	49.2	NM	13.7	-494.6%	(23.8)	172.7	NM

Balance Sheet - Consolidated

ASSETS (R\$ MN)	Sep/23	Dec/22	Var. %	LIABILITIES & SHAREHOLDERS EQUITY (R\$ MN)	Sep/23	Dec/22	Var. %
CURRENT ASSETS				CURRENT LIABILITIES			
Cash and cash equivalents	298.5	377.1	-20.9%	Loans, Financing and Debentures	651.4	20.4	NM
Short-term investments	734.1	333.1	120.4%	Taxes payable	28.9	24.2	19.4%
Trade receivables	252.2	232.0	8.7%	Technical Reserves	22.0	16.9	30.1%
Other assets	338.7	255.3	32.7%	Premiums to be transferred	230.5	224.1	2.8%
Other financial assets	296.7	245.3	21.0%	Financial transfers payable	63.0	55.9	12.7%
Assets for sale	29.7	-	NM	Payroll and related taxes	59.8	67.3	-11.2%
Other non-financial assets	12.3	10.0	22.8%	Transferable prepayments	34.5	46.9	-26.5%
Derivative financial instruments	-	-	NM	Related parties	22.0	22.0	0.0%
Related Parties	0.5	-	NM	Other payables	276.5	178.5	54.9%
Total current assets	1,624.0	1,197.6	35.6%	Leases	13.2	18.0	-26.7%
				Total current liabilities	1,401.8	674.4	107.9%
NONCURRENT ASSETS				NONCURRENT LIABILITIES			
Long-term assets				Loans, Financing and Debentures	1,639.1	2,186.1	-25.0%
Income tax and social contribution	223.4	161.3	38.5%	Income tax and social contribution	1.5	0.0	NM
Other assets	133.1	166.1	-19.9%	Financial transfers payable	0.7	0.9	-24.1%
Other financial assets	131.9	163.8	-19.5%	Premiums to be transferred	0.2	-	0.0%
Other non financial assets	1.2	2.3	-49.2%	Payroll and related taxes	0.4	0.4	0.0%
Total long-term assets	356.5	327.4	8.9%	Deferred income tax and social contribution	82.4	79.7	3.5%
Investments	0.3	126.4	-99.8%	Options for non-controlling interests acquiring	102.8	93.8	9.6%
Property, plant and equipment	65.5	85.9	-23.7%	Provision for risks	85.9	84.5	1.6%
Intangible assets	2,637.1	2,774.6	-5.0%	Other payables	0.5	2.4	-80.9%
Goodwill	1,854.7	1,854.7	0.0%	Leases	27.3	33.1	-17.5%
Others intangible assets	782.3	919.9	-15.0%	Total noncurrent liabilities	1,940.8	2,481.1	-21.8%
Total noncurrent assets	3,059.3	3,314.4	-7.7%	EQUITY			
				Capital	875.6	875.6	0.0%
				Treasury Shares	(107.6)	(114.2)	-5.8%
				Capital reserves	123.3	126.5	-2.5%
				Profit reserves	458.6	458.6	0.0%
				Earnings	(23.8)	-	NM
				Others	-	-	NM
				Noncontrolling interest in subsidiaries	14.6	10.1	43.8%
				Total equity	1,340.7	1,356.6	-1.2%
					-	-	-
TOTAL ASSETS	4,683.3	4,512.0	3.8%	TOTAL LIABILITIES AND EQUITY	4,683.3	4,512.0	3.8%

Cash Flow – Consolidated

STATEMENTS OF CASH FLOWS (R\$ MN)	9M23	9M22	Var. %
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (losses) before income tax and social contribution	(32.6)	267.3	-112.2%
Adjustments:			
Depreciation and Amortization	349.9	303.2	15.4%
Provision for write-down of assets for sale	96.3	-	NM
Equity Accounting	0.2	3.9	-95.7%
Asset, Intangible and Leasing Write-offs	1.1	(1.2)	NM
Restricted Shares	4.4	4.5	-1.6%
Financial Income/Expenses	264.9	232.9	13.7%
Income on Financial Investments			
Losses with disproportionate dividends	0.0	0.1	-94.6%
Provision for Risks	1.3	5.3	-74.7%
Origin Cash provided by operating activities	56.5	(130.1)	NM
Cash provided by operating activities	702.5	660.7	6.3%
Interest paid on debentures	(165.6)	(115.7)	43.1%
Income tax and social contribution paid	(32.5)	(94.5)	-65.6%
Net cash provided by operating activities	504.5	450.4	12.0%
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in intangible assets	(200.9)	(325.0)	-38.2%
Purchase of property, plant and equipment	(4.7)	(11.4)	-58.5%
Increase (decrease) in financial investments - exclusive FI fund	(361.5)	3.1	NM
Amount paid in acquisition (Elo)	-	(16.4)	NM
Amount paid in acquisition (APM)	-	(11.0)	NM
Earn Out - Plural e Oxcorp	-	(52.7)	NM
Net cash used in investing activities	(567.1)	(413.4)	37.2%
CASH FLOW FROM FINANCING ACTIVITIES			
Rents Paid	(14.5)	(15.8)	-8.1%
Cost of Raising Debentures	-	(19.8)	NM
Other costs of raising debentures	(0.3)	(0.3)	14.6%
Other costs of raising loans	-	(3.6)	NM
Amount paid upon debentures issued	-	(1,300.0)	NM
Amount received upon debentures issued	-	2,200.0	NM
Increase in capital of minority-owned subsidiaries	2.5	-	NM
Loans and swap Paid	-	(877.5)	NM
Dividends paid to minorities	(3.7)	(5.9)	-36.7%
Cash provided by (used in) financing activities	(16.1)	(22.9)	-29.8%
INCREASE IN CASH AND CASH EQUIVALENTS, NET	(78.7)	14.2	-654.5%
Cash and cash equivalents at beginning of period	377.1	449.5	-16.1%
Cash and cash equivalents at end of period	298.5	463.7	-35.6%



More choices for you.
More Quali for your life.



A free translation from Portuguese into English of Independent Auditor's Review Report on individual and consolidated condensed interim financial information prepared in Brazilian currency in accordance with NBC TG 21 and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB)

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

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

Introduction

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

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

Scope of review

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

Conclusion on the individual and consolidated condensed interim financial information

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


Other matters

Statements of value added

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

São Paulo, November 09, 2023.

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



Carlos Augusto Amado Júnior
CRC SP-292320/O-0

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

ASSETS	Note	Parent company		Consolidated		LIABILITIES AND EQUITY	Note	Parent company		Consolidated	
		September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022			September 30, 2023	December 31, 2022		
CURRENT ASSETS						CURRENT LIABILITIES					
Cash and cash equivalents	7.1	88.064	90.304	298.463	377.129	Interest-bearing loans and borrowings and debentures	14	651.436	20.439	651.436	20.439
Financial investments	7.2	198.658	-	734.098	333.143	Taxes and contributions payable		12.939	14.453	28.857	24.177
Amounts receivable from customers	8	47.209	53.360	252.229	232.040	Technical reserves for healthcare operations		-	-	22.021	16.923
Other assets		76.793	87.872	338.709	255.308	Premiums to be transferred	16	-	-	230.489	224.137
Other financial assets	9	45.176	80.503	296.653	245.267	Financial transfers payable		-	-	63.040	55.935
Assets held for sale	12	29.722	-	29.722	-	Payroll and related charges		37.955	48.902	59.788	67.313
Other non-financial assets		1.895	7.369	12.334	10.041	Transferable prepayments		-	-	34.474	46.918
Receivables from related parties	11.1	31.633	28.686	517	-	Payables to related parties	11.1	23.897	22.065	22.044	22.044
Total current assets		442.357	260.222	1.624.016	1.197.620	Other payables	17	14.532	29.596	276.474	178.493
						Lease liabilities	15	8.423	13.067	13.199	17.997
						Total current liabilities		749.182	148.522	1.401.822	674.376
NON-CURRENT ASSETS						NON-CURRENT LIABILITIES					
Deferred income tax and social contribution	10	221.081	158.741	223.380	161.270	Interest-bearing loans and borrowings and debentures	14	1.639.111	2.186.141	1.639.111	2.186.141
Receivables from related parties	11.1	-	9.504	-	-	Taxes and contributions payable		-	-	1.513	3
Other assets		16.214	15.351	133.097	166.112	Financial transfers payable		-	-	666	878
Other financial assets	9	15.052	14.084	131.923	163.800	Premiums to be transferred	16	-	-	167	167
Other non-financial assets		1.162	1.267	1.174	2.312	Payroll and related charges		-	-	400	400
Total long-term receivables		237.295	183.596	356.477	327.382	Deferred income tax and social contribution	10	-	-	82.421	79.658
						Call option over non-controlling interests	5	49.640	48.149	102.817	93.780
Investments in subsidiaries and joint venture	12	1.799.435	1.926.509	262	126.433	Provision for contingencies	18	11.768	7.918	85.884	84.535
Property and equipment		53.249	69.983	65.540	85.944	Other payables	17	-	658	450	2.361
Intangible assets:						Lease liabilities	15	20.931	24.775	27.345	33.135
Goodwill	13	673.520	626.653	1.854.712	1.854.712	Total non-current liabilities		1.721.450	2.267.641	1.940.774	2.481.058
Other intangible assets	13	590.937	695.650	782.338	919.937						
Total non-current assets		3.354.436	3.502.391	3.059.329	3.314.408	EQUITY					
						Share capital	19	875.575	875.575	875.575	875.575
						Treasury shares		(107.591)	(114.223)	(107.591)	(114.223)
						Capital reserve		123.302	126.456	123.302	126.456
						Revenue reserves		458.642	458.642	458.642	458.642
						Accumulated deficit		(23.767)	-	(23.767)	-
						Total equity attributable to equity holders of the parent		1.326.161	1.346.450	1.326.161	1.346.450
						Non-controlling interests		-	-	14.588	10.144
						Total equity		1.326.161	1.346.450	1.340.749	1.356.594
TOTAL ASSETS		3.796.793	3.762.613	4.683.345	4.512.028	TOTAL LIABILITIES AND EQUITY		3.796.793	3.762.613	4.683.345	4.512.028

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

QUALICORP CONSULTORIA E CORRETORA DE SEGUROS S.A.

INTERIM CONDENSED STATEMENT OF INCOME

FOR THE PERIODS ENDED SEPTEMBER 30, 2023 AND 2022

All amounts in thousands of real, except earnings (loss) per share

	Note	Parent company				Consolidated			
		Nine months ended September 30, 2023	Nine months ended September 30, 2022	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022	Three months ended September 30, 2023	Three months ended September 30, 2022
NET OPERATING REVENUE	25.d	379.212	482.068	119.757	167.727	1.335.486	1.498.348	443.168	507.095
COST OF PROVIDING SERVICES	21	(36.334)	(35.834)	(11.356)	(12.513)	(272.516)	(307.354)	(88.422)	(102.589)
OPERATING INCOME (EXPENSES)									
Administrative expenses	21	(96.106)	(111.069)	(35.913)	(39.080)	(302.483)	(289.556)	(106.465)	(95.449)
Selling expenses	21	(290.511)	(332.146)	(98.437)	(119.705)	(405.064)	(384.787)	(135.805)	(138.700)
Losses on uncollectible receivables	8.1	(674)	(1.035)	-	(83)	(78.370)	(75.424)	(27.669)	(26.239)
Share of net profits of equity-accounted investees	12	148.494	319.916	51.199	114.794	(169)	(3.895)	149	(851)
Other income (expenses), net		(97.382)	7.297	(96.118)	(519)	(131.760)	(24.167)	(110.584)	(15.853)
OPERATING PROFIT BEFORE									
FINANCE INCOME AND COSTS		6.699	329.197	(70.868)	110.621	145.124	413.165	(25.628)	127.414
Finance income	22	19.307	357.622	8.750	66.418	121.608	453.865	44.628	111.402
Finance costs	22	(112.360)	(568.408)	(37.627)	(154.086)	(299.314)	(599.760)	(99.081)	(164.679)
PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		(86.354)	118.411	(99.745)	22.953	(32.582)	267.270	(80.081)	74.137
INCOME TAX AND SOCIAL CONTRIBUTION	23	62.587	54.252	45.568	26.279	14.475	(87.711)	27.342	(22.852)
Current		-	235	-	235	(45.118)	(97.747)	(21.347)	(38.773)
Deferred		62.587	54.017	45.568	26.044	59.593	10.036	48.689	15.921
PROFIT (LOSS) FOR THE PERIOD		(23.767)	172.663	(54.177)	49.232	(18.107)	179.559	(52.739)	51.285
ATTRIBUTABLE TO:									
Equity holders of the parent		(23.767)	172.663	(54.177)	49.232	(23.767)	172.663	(54.177)	49.232
Non-controlling interests		-	-	-	-	5.660	6.896	1.438	2.053
		(23.767)	172.663	(54.177)	49.232	(18.107)	179.559	(52.739)	51.285
EARNINGS (LOSS) PER SHARE									
Basic (R\$ per share)	27	(0,08525)	0,62038	(0,19434)	0,17689	(0,08525)	0,62038	(0,19434)	0,17689
Diluted (R\$ per share)	27	(0,08519)	0,61995	(0,19419)	0,17677	(0,08519)	0,61995	(0,19419)	0,17677

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

	Parent company				Consolidated			
	Nine months ended September 30, 2023	Nine months ended September 30, 2022	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022	Three months ended September 30, 2023	Three months ended September 30, 2022
PROFIT (LOSS) FOR THE PERIOD	(23.767)	172.663	(54.177)	49.232	(18.107)	179.559	(52.739)	51.285
Other comprehensive income								
Items that may be reclassified to profit or loss in subsequent period								
Cash flow hedges - effective portion of changes in fair value	-	(60.594)	-	2.834	-	(60.594)	-	2.834
Cash flow hedges - reclassification to profit or loss	-	47.996	-	(2.828)	-	47.996	-	(2.828)
Cost of hedge reserve - fair value changes	-	15.201	-	2.806	-	15.201	-	2.806
Taxes relating to gains on cash flow hedges	-	(885)	-	(956)	-	(885)	-	(956)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	(23.767)	174.381	(54.177)	51.088	(18.107)	181.277	(52.739)	53.141
ATTRIBUTABLE TO:								
Equity holders of the parent	(23.767)	174.381	(54.177)	51.088	(23.767)	174.381	(54.177)	51.088
Non-controlling interests	-	-	-	-	5.660	6.896	1.438	2.053

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

Note	Share capital			Capital reserve	Revenue reserves		Retained earnings	Other comprehensive income	Attributable to equity holders of the parent	Non-controlling interests	Total consolidated
	Paid-up capital	Share issue costs	Treasury shares		Legal reserve	Other reserves				Non-controlling interests	
AT DECEMBER 31, 2021	896.558	(20.983)	(128.605)	133.299	133.636	254.232	-	(1.718)	1.266.419	8.630	1.275.049
Grant of restricted stock	-	-	-	6.336	-	-	-	-	6.336	-	6.336
Exercise of restricted stock	-	-	11.554	(11.554)	-	-	-	-	-	-	-
Cash flow hedges - effective portion of changes in fair value	-	-	-	-	-	-	-	(60.594)	(60.594)	-	(60.594)
Cash flow hedges - reclassification to profit or loss	-	-	-	-	-	-	-	47.996	47.996	-	47.996
Cost of hedge reserve - fair value changes	-	-	-	-	-	-	-	15.201	15.201	-	15.201
Taxes relating to gains on cash flow hedges	-	-	-	-	-	-	-	(885)	(885)	-	(885)
Profit for the period	-	-	-	-	-	-	172.663	-	172.663	(5.868)	166.795
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	92	92
Disproportional dividends	-	-	-	-	-	-	-	-	-	6.896	6.896
AT SEPTEMBER 30, 2022	896.558	(20.983)	(117.051)	128.081	133.636	254.232	172.663	-	1.447.136	9.750	1.456.886
AT DECEMBER 31, 2022	896.558	(20.983)	(114.223)	126.456	138.277	320.365	-	-	1.346.450	10.144	1.356.594
Grant of restricted stock	20	-	-	3.478	-	-	-	-	3.478	-	3.478
Exercise of restricted stock	-	-	6.632	(6.632)	-	-	-	-	-	-	-
Loss for the period	-	-	-	-	-	-	(23.767)	-	(23.767)	5.660	(18.107)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(3.716)	(3.716)
Disproportional dividends	-	-	-	-	-	-	-	-	-	5	5
Increase in share capital of subsidiaries by minority shareholders	-	-	-	-	-	-	-	-	-	2.495	2.495
AT SEPTEMBER 30, 2023	896.558	(20.983)	(107.591)	123.302	138.277	320.365	(23.767)	-	1.326.161	14.588	1.340.749

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

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

All amounts in thousands of real

Note	Parent company		Consolidated	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) before income tax and social contribution	(86.354)	118.411	(32.582)	267.270
Adjustments for:				
Depreciation and amortization	21	249.074	239.456	349.870
Provision for impairment of assets held for sale	12	96.280	-	96.280
Write-offs of property and equipment, intangible assets and leases		1.784	(405)	1.107
Share of net profits of equity-accounted investees	12	(148.494)	(319.916)	169
Restricted stock		192	(639)	4.436
Finance costs		106.874	235.909	264.901
Interest income on financial investments		(4.433)	(247)	(39.447)
Loss on disproportionate dividends		5	92	5
(Reversal of) provision for contingencies		(346)	869	1.349
	214.582	273.530	646.088	790.783
Changes in operating assets and liabilities:				
Increase in amounts receivable from customers		6.893	(14.963)	(20.189)
Increase in other assets		18.617	16.788	(10.622)
Increase in taxes and contributions payable		(1.653)	(4.315)	(6.191)
Decrease (increase) in taxes recoverable		35.186	(23.438)	67.736
Increase in premiums to be transferred		-	-	6.352
Increase (decrease) in financial transfers payable		-	-	6.893
Increase in technical reserves for healthcare operations		-	-	5.098
Decrease (increase) in payroll and related charges		(10.654)	19.489	(7.198)
Decrease in other payables		(12.058)	(21.662)	(4.671)
Decrease in transferable prepayments		-	-	(12.444)
Increase (decrease) in amounts payable to / receivable from health care operators		-	-	32.214
Increase in balances with related parties		24.022	543	(517)
Cash from operations		274.935	245.972	702.549
Interest paid on debentures	14	(32.973)	(115.701)	(165.570)
Income tax and social contribution paid		-	-	(32.491)
Net cash flows from operating activities		241.962	130.271	504.488
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase of share capital of subsidiaries	12	-	(7.659)	-
Dividends and interest on capital received from subsidiaries	12	79.265	140.954	-
Additional payment for acquisition of Elo		-	-	(16.371)
Additional payment for acquisition of Apm		-	(10.989)	-
Cash from acquired subsidiary		10.485	-	-
Earn-out consideration - Oxcorp		-	(52.710)	-
Additions to intangible assets		(126.049)	(278.175)	(200.876)
Purchase of property and equipment		(3.530)	(11.331)	(4.720)
Increase (decrease) in financial investments		(194.225)	22	(361.508)
Net cash flows used in investing activities		(234.054)	(219.888)	(567.104)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of lease liabilities	15	(9.803)	(10.977)	(14.484)
Costs of issue of debentures		-	(19.798)	-
Repayment of debentures		-	(1.300.000)	-
Proceeds from issue of debentures		-	2.200.000	-
Other costs of issue of debentures		(345)	(321)	(345)
Repayment of borrowings and swaps		-	(877.502)	-
Other borrowing costs		-	(3.635)	-
Increase in share capital of subsidiaries by minority shareholders		-	-	2.495
Dividends paid to non-controlling interests		-	-	(3.716)
Net cash flows used in financing activities		(10.148)	(12.233)	(16.050)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(2.240)	(101.850)	(78.666)
CASH AND CASH EQUIVALENTS AT JANUARY 1		90.304	298.120	377.129
CASH AND CASH EQUIVALENTS AT SEPTEMBER 30		88.064	196.270	298.463

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

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

	Parent company		Consolidated	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
REVENUE				
Service revenue	419.135	534.796	1.444.596	1.624.364
Other operating income	1.369	11.379	173.486	142.146
Provision for credit losses, cancellations and returns	(1.122)	(2.294)	(81.903)	(79.150)
Total revenue	419.382	543.881	1.536.179	1.687.360
COST OF BOUGHT-IN GOODS AND SERVICES				
Cost of services	(11.438)	(18.882)	(178.971)	(211.586)
Materials, electricity, outsourced services and other	(73.287)	(110.374)	(186.069)	(191.327)
Impairment/recovery of assets	(17)	(26)	(19)	(66)
Other operating expenses	(105.389)	(386.651)	(336.496)	(577.066)
Total cost of bought-in goods and services	(190.131)	(515.933)	(701.555)	(980.045)
GROSS VALUE ADDED	229.251	27.948	834.624	707.315
DEPRECIATION, AMORTIZATION AND DEPLETION	(249.074)	(239.456)	(349.870)	(303.239)
NET VALUE ADDED GENERATED BY THE ENTITY	(19.823)	(211.508)	484.754	404.076
VALUE ADDED RECEIVED THROUGH TRANSFER				
Finance income	19.307	357.622	121.608	453.865
Share of net profits of equity-accounted investees	148.494	319.916	(169)	(3.895)
Total value added received through transfer	167.801	677.538	121.439	449.970
TOTAL VALUE ADDED TO DISTRIBUTE	147.978	466.030	606.193	854.046
DISTRIBUTION OF VALUE ADDED				
To employees (salaries, benefits and social charges)	86.026	104.788	259.334	267.813
To government (taxes and duties)	(22.058)	(962)	95.448	214.431
Federal	(35.668)	(18.696)	60.915	174.524
Local	13.610	17.734	34.533	39.907
To providers of capital	107.777	189.541	269.518	192.243
To shareholders (dividends) / value retained in the business	(23.767)	172.663	(18.107)	179.559
Total value added distributed	147.978	466.030	606.193	854.046

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

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

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

All amounts in thousands of real (R\$) unless otherwise stated

1. General information

a) Corporate information

Qualicorp Consultoria e Corretora de Seguros S.A. (the Company and, together with its subsidiaries, the Group) is a stock corporation that was incorporated on May 19, 2010 in São Paulo, Brazil, and commenced its operations on July 1, 2010. There were no changes during the interim period ended September 30, 2023 that affect the disclosures in Note 1.a to the annual parent company and consolidated financial statements as at December 31, 2022. These interim condensed parent company and consolidated financial statements for the interim period ended September 30, 2023 should be read in conjunction with the annual parent company and consolidated financial statements as at December 31, 2022.

b) Significant events during the interim period

I. Payment of interest on debentures

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

II. Write-off due to shutdown of physical stores

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

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

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

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

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

The merged net equity was as follows:

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

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

c) COVID-19 effects and projections

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

2. Presentation of interim condensed financial statements

I. Statement of compliance

The interim condensed parent company and consolidated financial statements for the period ended September 30, 2023 have been prepared in accordance with CPC 21 (R1)/IAS 34 *Interim Financial Reporting*, and contain the minimum disclosures required under that accounting standard and other information considered relevant. The interim condensed parent company and consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2022 prepared in accordance with International Financial Reporting Standards (IFRS) and accounting practices adopted in Brazil as issued by the Brazilian Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities Commission (CVM).

II. Basis of preparation

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

III. Basis of consolidation

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

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

The interim condensed consolidated financial statements of the Company include:

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

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

ii) This subsidiary was shut down on August 4, 2023.

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

3. Significant accounting policies

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

4. Significant estimates and judgements

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

5. Financial instruments

a) Classification and fair value of financial instruments

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

	Parent company			
	September 30, 2023		December 31, 2022	
	At fair value through profit or loss	At amortized cost	At fair value through profit or loss	At amortized cost
Financial assets:				
Cash and cash equivalents – financial investments classified as cash equivalents	87,834	-	89,250	-
Financial investments	198,658	-	-	-
Amounts receivable from customers	-	47,209	-	53,360
Other financial assets – current and non-current	-	60,228	-	94,587
Receivables from related parties – current and non-current	-	31,633	-	38,190
Financial liabilities:				
Interest-bearing loans and borrowings and debentures – current and non-current	-	2,290,547	-	2,206,580
Payroll and related charges – current	-	37,955	-	48,902
Other payables – current and non-current	-	14,532	-	30,254
Payables to related parties – current	-	23,897	-	22,065
Call option over non-controlling interests	49,640	-	48,149	-
Lease liabilities – current and non-current	-	29,354	-	37,842

Consolidated				
	September 30, 2023		December 31, 2022	
	At fair value through profit or loss	At amortized cost	At fair value through profit or loss	At amortized cost
Financial assets:				
Cash and cash equivalents – financial investments classified as cash equivalents	268,184	-	235,953	-
Financial investments	734,098	-	333,143	-
Amounts receivable from customers	-	252,229	-	232,040
Other financial assets – current and non-current	-	428,576	-	409,067
Receivables from related parties – current	-	517	-	-
Financial liabilities:				
Interest-bearing loans and borrowings and debentures – current and non-current	-	2,290,547	-	2,206,580
Premiums to be transferred – current and non-current	-	230,656	-	224,304
Technical reserves for healthcare operations	-	22,021	-	16,923
Financial transfers payable – current and non-current	-	63,706	-	56,813
Transferable prepayments –	-	34,474	-	46,918
Payroll and related charges – current and non-current	-	60,188	-	67,713
Other payables – current and non-current	-	276,924	-	180,854
Payables to related parties – current	-	22,044	-	22,044
Call option over non-controlling interests	102,817	-	93,780	-
Lease liabilities – current and non-current	-	40,544	-	51,132

Fair value measurements recognized in the balance sheet

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

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

Consolidated Description	September 30, 2023		December 31, 2022	
	Level 1	Level 3	Level 1	Level 3
Cash and cash equivalents – financial investments classified as cash equivalents	268,184	-	235,953	-
Financial assets at fair value through profit or loss – financial investments	734,098	-	333,143	-
Call option over non-controlling interests	-	102,817	-	93,780

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

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

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

	Fair value through profit or loss				Total
	Plural	Oxcorp	Uniconsult	Clube de Saúde	Consolidated
As at December 31, 2022	45,631	33,107	13,668	1,374	93,780
Fair value remeasurement	7,546	404	978	109	9,037
As at September 30, 2023	53,177	33,511	14,646	1,483	102,817

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

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

Derivative instruments

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

b) Management of major risks

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

Credit risk

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

Interest rate risk of financial instruments

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

Line item	Parent company			
	Balance sheet section	Note	September 30, 2023	December 31, 2022
Financial investments classified as cash equivalents (i)	Current assets	7.1	87,834	89,250
Financial investments (i)	Current assets	7.2	198,658	-
Interest-bearing loans and borrowings and debentures (ii)	Current and non-current liabilities	14	(2,290,547)	(2,206,580)
Lease liabilities (iii)	Current and non-current liabilities	15	(29,354)	(37,842)
Total exposure			(2,033,409)	(2,155,172)

Line item	Consolidated			
	Balance sheet section	Note	September 30, 2023	December 31, 2022
Financial investments classified as cash equivalents (i)	Current assets	7.1	268,184	235,953
Financial investments (i)	Current assets	7.2	734,098	333,143
Interest-bearing loans and borrowings and debentures (ii)	Current and non-current liabilities	14	(2,290,547)	(2,206,580)
Lease liabilities (iii)	Current and non-current liabilities	15	(40,544)	(51,132)
Total exposure			(1,328,809)	(1,688,616)

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

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

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

Interest rate sensitivity analysis

Changes in interest rates, e.g., CDI, may have a positive or negative impact on the parent company and consolidated financial statements as a result of an increase or decrease in the value of financial investments, cash equivalents, loans and borrowings, and debentures. At September 30, 2023, if the CDI interest rate had been 10% per annum higher/lower with all other variables held constant, the profit before tax for the period would have been R\$16,611 higher/lower.

Supplementary sensitivity analysis for financial instruments

Based on the interest rate projections made by the Brazilian Central Bank, Management estimated, for the current period, future interest rates of 11.75% per annum plus a spread of 1.15% to 1.85% per annum, and the effect on the fair value of financial instruments:

	Scenario			
	September 30, 2023	Probable	Possible	Remote
Assumptions		CDI 11.75% per annum	CDI 14.69% per annum	CDI 17.63% per annum
Financial investments classified as cash equivalents and financial investments	1,002,282	1,120,050	1,149,517	1,178,984
Interest-bearing loans and borrowings, debentures and lease liabilities	(2,331,091)	(2,991,136)	(3,128,513)	(3,264,048)
Net exposure	(1,328,809)	(1,871,086)	(1,978,996)	(2,085,064)

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

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

In the probable scenario, the Company would have a net exposure of R\$1,871,086 at September 30, 2023, arising from the differences in the estimates of future CDI interest rates for loans and borrowings, debentures and lease liabilities plus a spread of 1.85% per annum for loans and borrowings and debentures.

The same estimates of future CDI interest rates were considered for the Company's financial investments at September 30, 2023. Under the stressed possible and remote scenarios, using the same assumptions as for the probable scenario, the Company's net exposure would increase by R\$107,910 and R\$213,978, respectively, compared to the probable scenario.

Capital risk

The primary objective of the Group's capital management is to safeguard the Company's and its subsidiaries' ability to continue as a going concern while maximizing returns for shareholders and benefits for other stakeholders by maintaining an optimal capital structure.

The Group's capitalization profile consists of net debt (loans and borrowings and debentures (Note 14) less cash and cash equivalents (Note 7)) plus equity (Note 19).

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

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

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

Description	September 30, 2023				
	Benefícios	Uniconsult	Clube	Plural	Gama
Adjusted equity	218,612	6,337	64,179	27,623	57,962
Regulatory capital	108,644	1,976	9,823	10,706	11,583

The Company's gearing ratio is as follows:

Description	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Debt (loans and borrowings, debentures, and lease liabilities)	(2,319,901)	(2,244,422)	(2,331,091)	(2,257,712)
Financial investments classified as cash equivalents and financial investments	286,492	89,250	1,002,282	569,096
Net debt	(2,033,409)	(2,155,172)	(1,328,809)	(1,688,616)
Equity	1,326,161	1,346,450	1,340,749	1,356,594
Debt to equity ratio	(153.33%)	(160.06%)	(99.11%)	(124.47%)

Liquidity risk

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

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

	Consolidated					
	Estimated interest rate per month	Less than 6 months	6 months to 1 year	1 to 2 years	Over 2 years	Total
	%	R\$	R\$	R\$	R\$	R\$
September 30, 2023						
Interest-bearing loans and borrowings and debentures	CDI + 1.85%	160,175	699,512	763,186	1,302,788	2,925,661
Premiums to be transferred	-	230,489	-	167	-	230,656
Lease liabilities	CDI + (between 1.15% and 1.85%)	8,614	8,756	17,062	15,644	50,076
Other payables	-	94,311	-	-	-	94,311
Amounts due to health plan operators/insurance companies	-	175,434	-	-	-	175,434
Payroll and related charges	-	59,788	-	400	-	60,188
Transferable prepayments	-	34,474	-	-	-	34,474
Payables to related parties	-	22,044	-	-	-	22,044
Technical reserves for healthcare operations	-	22,021	-	-	-	22,021
Intangible assets payable	-	6,449	-	450	-	6,899
Financial transfers payable	-	63,040	-	666	-	63,706
Call option over non-controlling interests	-	-	-	-	102,817	102,817
Total	-	876,839	708,268	781,931	1,421,249	3,788,287

6. New and amended standards and interpretations

Currently effective new standards, interpretations and amendments:

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

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

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

Standards and amendments issued but not yet effective:

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

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

There are no standards, interpretations or amendments that have been issued but are not yet adopted by the Company, other than those disclosed in these interim condensed financial statements, and that, in the opinion of Management, are expected to have a material impact on the Company's financial position, performance and/or disclosures.

7. Cash and cash equivalents and financial investments

7.1. Cash and cash equivalents

Description	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Highly liquid financial investments (i)	87,834	89,250	268,184	235,953
Bank deposits (ii)	223	1,047	30,268	141,166
Cash on hand	7	7	11	10
Total	88,064	90,304	298,463	377,129

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

Description	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Reverse repurchase agreements (a)	87,834	83,316	213,785	212,234
Certificates of bank deposits (CDBs) (b)	-	5,934	53,408	11,663
Other investments	-	-	991	12,056
Total	87,834	89,250	268,184	235,953

- a) These are highly liquid debenture-backed instruments that accrue interest varying between 75% and 90% of the Interbank Deposit (DI) rate.
- b) These financial instruments accrue interest of 92% to 103% of the CDI and are held in custody with B3 CETIP.
- ii) Consolidated balances at September 30, 2023 include mainly the receipts from customers that occurred on the last business day of the month.

7.2. Financial investments

	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
CDBs (i)	198,658	-	407,069	-
Exclusive financial investment fund (ii)	-	-	304,690	279,490
Non-exclusive financial investment fund (iii)	-	-	22,339	52,102
Other investments	-	-	-	1,551
Total	198,658	-	734,098	333,143

- i) These financial instruments accrue interest of 103% to 104.75% of the CDI.
- ii) This is an exclusive investment fund which invests in government bonds, debentures and other securities usually presenting better returns:

Description	Market and carrying value – Exclusive financial investment funds - Consolidated	
	September 30, 2023	December 31, 2022
Financial Bills (Eligible LFS – level II)	138,389	132,342
National Treasury Financial Bills (LTN over)	104,582	49,779
Financial Bills (LF252)	47,113	50,135
Debentures	13,300	46,066
Other investments and reserve	1,306	1,168
Total	304,690	279,490

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

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

8. Amounts receivable from customers

Current	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Premiums recoverable with risk of default – benefits administrators	-	-	152,623	141,944
Brokerage fee receivable	47,209	53,360	47,778	55,526
Receivables from health care plans	-	-	43,352	30,136
Other receivables from customers	-	-	8,476	4,434
Total	47,209	53,360	252,229	232,040

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

	September 30, 2023		
	Premiums	Brokerage fee	Receivables from health care plans
Not yet due	86,006	45,917	6,900
1-30 days past due	52,298	797	30,191
31-60 days past due	19,176	260	4,872
61-90 days past due	14,684	804	192
91-180 days past due	25,814	-	1,197
(-) Expected credit loss (*)	(45,355)	-	-
Total	152,623	47,778	43,352

	December 31, 2022		
	Premiums	Brokerage fee	Receivables from health care plans
Not yet due	79,620	54,662	7,100
1-30 days past due	51,960	538	20,186
31-60 days past due	16,138	326	1,030
61-90 days past due	11,019	-	379
91-180 days past due	31,158	-	1,441
(-) Expected credit loss (*)	(47,951)	-	-
Total	141,944	55,526	30,136

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

	Benefits administration companies	
	September 30, 2023	December 31, 2022
Balance at the beginning of the period	47,951	48,226
Expected credit loss	80,908	111,383
Reversal of expected credit loss	(83,504)	(111,658)
Total	45,355	47,951

8.1 Losses on uncollectible receivables – statement of income

	Consolidated	
	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Provisions (reversals)	(2,596)	(990)
Actual losses (recoveries) (*)	80,966	76,414
Balance at the end of the period	78,370	75,424

	Consolidated	
	Three months ended September 30, 2023	Three months ended September 30, 2022
Provisions (reversals)	(253)	1,364
Actual losses (recoveries) (*)	27,922	24,875
Balance at the end of the period	27,669	26,239

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

9. Other financial assets

	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
<u>Current</u>				
Operator/insurer amounts pending reconciliation (i)	-	-	198,072	112,117
Taxes recoverable (ii)	36,415	70,889	48,740	113,295
Advances from transfer of contracts	-	-	30,942	28
Advances	7,237	9,009	11,005	12,317
Receivables from sale of Qsaúde	1,498	605	7,492	3,023
Other current financial assets	26	-	402	4,487
Total current	45,176	80,503	296,653	245,267
<u>Non-current</u>				
Receivables from sale of Qsaúde	6,694	7,151	33,470	35,756
Taxes recoverable (ii)	-	712	29,580	32,761
Judicial deposits	4,876	2,476	28,371	20,956
Advances from transfer of contracts	2,387	2,945	20,862	47,796
Operator/insurer amounts pending reconciliation (i)	-	-	18,170	25,060
Advances	800	800	800	800
Other non-current financial assets	295	-	670	671
Total non-current	15,052	14,084	131,923	163,800
Total	60,228	94,587	428,576	409,067

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

	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Corporate Income Tax (IRPJ)	34,918	57,511	42,333	88,448
Social Contribution on Net Income (CSLL)	910	5,302	1,510	12,361
Social Contribution on Revenues (COFINS)	369	5,556	1,148	6,639
Other taxes recoverable	218	2,520	3,749	5,847
Total current	36,415	70,889	48,740	113,295
Social Security Contribution (INSS)	-	-	14,485	14,087
Social Contribution on Revenues (COFINS)	-	-	6,320	6,320
Corporate Income Tax (IRPJ)	-	712	4,670	7,950
Social Contribution on Net Income (CSLL)	-	-	344	643
Social Integration Program (PIS)	-	-	3,761	3,761
Total non-current	-	712	29,580	32,761
Total	36,415	71,601	78,320	146,056

10. Deferred income tax and social contribution

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

	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Deferred income tax and social contribution assets	221,081	158,741	223,380	161,270
Deferred income tax and social contribution liabilities	-	-	(82,421)	(79,658)
Deferred tax assets, net	221,081	158,741	140,959	81,612

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

	September 30, 2023									
	Parent company	Qualicorp Serviços	Qualicorp Benefícios	Clube de Saúde Gama	CRC	Uniconsult	Plural	Consolidated		
Deferred income tax and social contribution assets (i)	283,420	2	57,339	1,845	8	1,053	56	1,255	344,978	
Deferred income tax and social contribution liabilities (ii)	(62,339)	-	(138,896)	(2,612)	(45)	-	(116)	(11)	(204,019)	
Deferred tax assets (liabilities), net	221,081	2	(81,557)	(767)	(37)	1,053	(60)	1,244	140,959	

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

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

i) Deferred tax assets

	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Recognized tax losses - income tax (IRPJ) and social contribution (CSLL)	174,824	145,281	174,824	145,281
Unrecognized tax losses - IRPJ and CSLL (a)	-	-	54,468	54,740
Provision for impairment of goodwill (b)	41,088	41,088	41,088	41,088
Provision for losses on investments	32,735	-	32,735	-
Provision for contingencies	3,546	3,808	19,001	17,011
Provision for expected credit losses	-	-	26,488	15,421
Provision for inflation-indexation and interest accruals on acquisitions	13,619	13,190	19,058	14,104
Provision for employee profit sharing plan	6,314	9,838	9,466	11,677
Loss allowance for trade receivables and write-off of uncollectible receivables – current amounts	227	27	2,089	17,961
Other provisions	11,067	9,096	20,229	17,283
Total deferred tax assets	283,420	222,328	399,446	334,566
(-) Unrecognized deferred tax assets (c)	-	-	(54,468)	(54,740)
Total deferred tax assets recognized	283,420	222,328	344,978	279,826

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

Companies	Tax base	IRPJ/CSLL tax rate	Tax base	IRPJ/CSLL tax rate
	September 30, 2023	(34%)	December 31, 2022	(34%)
Connectmed-CRC Consultoria, Administração e Tecnologia em Saúde Ltda.	101,065	34,362	100,799	34,272
Qualicorp Administração e Serviços Ltda.	51,859	17,632	50,750	17,254
Gama Saúde Ltda.	7,275	2,474	9,451	3,214
Total	160,199	54,468	161,000	54,740

b) Taxes on goodwill written off in subsidiaries.

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

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

Year	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
2023	44,029	22,845	81,540	80,342
2024	47,402	41,088	50,554	41,088
2025	31,662	27,609	52,556	27,609
2026	41,825	41,825	41,825	41,825
From 2027 to 2032	118,502	88,961	118,503	88,962
Total	283,420	222,328	344,978	279,826

The present value of deferred tax assets at September 30, 2023 is R\$96,776 (Parent company) and R\$150,391 (Consolidated), calculated using Brazil's benchmark interest rate (SELIC) based upon the expected timing of realization of deductible temporary differences.

ii) Deferred tax liabilities:

	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Temporary differences on the portion of goodwill of merged companies amortized during the year, for tax purposes	57,859	57,859	192,518	189,127
On fair value of customer relationship intangible assets acquired in a business combination	4,473	5,723	7,409	6,162
Discount to present value	-	-	2,612	1,608
Other provisions	7	5	1,480	1,317
Total	62,339	63,587	204,019	198,214

11. Related parties

11.1. Balances and transactions with related parties

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

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

	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Accounts receivable				
Intercompany transactions	31,633	28,686	-	-
Interim dividends	-	-	517	-
Current assets	31,633	28,686	517	-
Loans to related parties	-	9,504	-	-
Non-current assets	-	9,504	-	-
Total assets	31,633	38,190	517	-
Accounts payable				
Intercompany transactions	2	21	-	-
Interim dividends	1,851	-	-	-
Dividends payable	22,044	22,044	22,044	22,044
Total liabilities	23,897	22,065	22,044	22,044

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

	September 30, 2023				
	Qualicorp Administradora de Beneficios S.A.	Qualicorp Consultoria Corretora de Seguros S.A.	CRC Connectmed	Gama	Other subsidiaries
Corporate services and apportionment of expenses (i)	(78,365)	89,530	(4,948)	(1,197)	(5,020)
Commissions (ii)	(62,830)	62,830	-	-	-
Interest on debentures (iii)	(147,940)	147,940	-	-	-
Costs of issue of debentures (iii)	(1,782)	1,782	-	-	-
Technical acceptance services	(635)	-	635	-	-
Interest on loans	457	281	-	-	(738)
Bill issue services	(315)	-	-	-	315

	September 30, 2022				
	Qualicorp Administradora de Beneficios S.A.	Qualicorp Consultoria Corretora de Seguros S.A.	CRC Connectmed	Gama	Other subsidiaries
Corporate services and apportionment of expenses	(63,655)	73,013	(4,997)	(308)	(4,053)
Interest on loans	-	1,228	-	-	(1,228)
Bill issue services	(8)	-	-	-	8

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

- ii) Apportionment of commissions agreed upon between the Parent company and its subsidiary Qualicorp Administradora de Benefícios S.A. for after-sale customer service.
- iii) Apportionment of costs of issue of debentures and interest on debentures between the Parent company and its subsidiary Qualicorp Administradora de Benefícios S.A.

11.2. Other transactions with related parties

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

	September 30, 2023	December 31, 2022
Sales commission expenses	9,181	27,205

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

	Parent company September 30, 2023	Consolidated September 30, 2023
Accounts receivable		
Commissions	17,071	17,071
Total assets	17,071	17,071
Accounts payable		
Payment transfers	-	177,117
Total liabilities	-	177,117
Revenue		
Commissions	246,408	246,408
Officers' remuneration	-	20,476
Total revenue	246,408	266,884

11.3. Compensation of key management personnel

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

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

	September 30, 2023			
	Parent company		Consolidated	
	Accounts payable	Expenses	Accounts payable	Expenses
Short-term employee benefits (*)	386	16,690	1,657	42,836
Share-based payments	-	41	-	4,285
Balance at September 30, 2023	386	16,731	1,657	47,121

	September 30, 2022			
	Parent company		Consolidated	
	Accounts payable	Expenses	Accounts payable	Expenses
Short-term employee benefits (*)	403	18,870	1,887	51,165
Share-based payments	-	(639)	-	4,510
Balance at September 30, 2022	403	18,231	1,887	55,675

(*) 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 performance and annual overall goals as approved by the Board.

12. Investments in subsidiaries and joint venture

	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Investments in subsidiaries:				
Qualicorp Administradora de Benefícios S.A.	1,459,457	1,403,609	-	-
Gama Saúde e Connectmed CRC	117,133	119,661	-	-
Clube de Saúde Administradora de Benefícios Ltda	89,151	82,133	-	-
Oxcorp Gestão Consultoria e Corretora Ltda	86,572	88,603	-	-
Uniconsult Administradora de Benefícios e Serviços Ltda	25,318	24,649	-	-
Qualicorp Administração e Serviços Ltda	21,630	21,820	-	-
Apm Assessoria Comercial e Corretora de Seguros Ltda (i)	-	59,689	-	-
Total investments in subsidiaries	1,799,261	1,800,164	-	-
Escale Health Seguros e Corretagem S.A. (ii)	-	76,716	-	76,716
Total investment in joint venture	-	76,716	-	76,716
500 LLC (ii)	-	49,455	-	49,455
Total investment accounted for using the cost method	-	49,455	-	49,455
Other investments	174	174	262	262
Total other investments	174	174	262	262
Total investments	1,799,435	1,926,509	262	126,433

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

- ii) To improve operational efficiency and optimize capital allocation and because the lead generation process which was intermediated by Escale will migrate to another digital marketing platform, the Company decided to sell its investments in Escale Health Seguros e Corretagem S.A. and 500 LLC. In accordance with accounting standards, the amounts of these investments were transferred to 'assets held for sale', net of loss provision recognized in 'other income (expenses), net', as shown below.

Investments in subsidiaries – Parent company

	Qualicorp Administradora de Benefícios S.A	Gama Saúde and Connectmed - CRC	Clube de Saúde Administradora de Benefícios Ltda	Oxcorp Gestão Consultoria e Corretora Ltda	Uniconsult Administradora de Benefícios e Serviços Ltda	Qualicorp Administração e Serviços Ltda	Apm Assessoria Comercial e Corretora de Seguros Ltda	Total
Financial information of subsidiaries at September 30, 2023								
Share capital (i)	314,005	274,047	45,133	330	150	26,663	-	660,328
Equity (ii)	1,012,561	115,711	89,943	1,438	8,710	241	-	1,228,604
Profit (loss) for the period	132,581	(1,946)	11,802	5,823	7,818	(190)	-	155,888
Information on the Parent's investments:								
Number of shares (iii)	728,820,693	27,404,692,914	45,133,125	330,000	150,000	26,662,568	-	-
Ownership interest %	100	99.99	98.81	75	75	100	-	-
Movements in investments:								
Total investments at December 31, 2022	1,403,609	119,661	82,133	88,603	24,649	21,820	59,689	1,800,164
Interest on capital received	(53,949)	-	-	-	-	-	-	(53,949)
Capital reserve – restricted stock plan	3,216	-	-	-	-	-	-	3,216
Adjustment to investments	-	-	(176)	-	171	-	-	(5)
Dividends received	(26,000)	-	(4,466)	(5,437)	(3,236)	-	-	(39,139)
Merger of subsidiary	-	-	-	-	-	-	(59,689)	(59,689)
Share of net profits of investees accounted for using the equity method	132,581	(2,528)	11,660	3,406	3,734	(190)	-	148,663
Share of results of subsidiaries and joint venture	132,581	(1,946)	11,660	4,368	5,863	(190)	-	152,336
Amortization of intangible assets (iv)	-	(582)	-	(962)	(2,129)	-	-	(3,673)
Total investments at September 30, 2023	1,459,457	117,133	89,151	86,572	25,318	21,630	-	1,799,261

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

Escale Health Seguros e Corretagem S.A.	500 LLC	Total
--	---------	-------

Information on investments:

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

Movements in investments:

Total investments at December 31, 2022	76,716	49,455	126,171
Provision for loss on investment	(47,331)	(48,949)	(96,280)
Transfer of investment to assets held for sale	(29,216)	(506)	(29,722)
Share of results of investee accounted for using the equity method	(169)	-	(169)
Total investments at September 30, 2023	-	-	-

- i) The share capital is R\$53,873 for Gama Saúde and R\$220,174 for Connectmed-CRC.
- ii) The equity of subsidiary Qualicorp Benefícios, presented herein, considers the effects of the consolidation of its investments in subsidiaries. The equity is R\$58,410 for Gama Saúde and R\$57,301 for Connectmed-CRC.
- iii) The number of shares is 5,387,297,425 for Gama Saúde and 22,017,395,489 for Connectmed-CRC.
- iv) Refers to amortization of intangible assets such as customer relationships, trademarks, non-compete agreement and software.

13. Intangible assets

I. Other intangible assets

	Annual amortization rate %	Parent company				Consolidated	
		Cost	Accumulated amortization	Balance at September 30, 2023	Cost	Accumulated amortization	Balance at September 30, 2023
Acquisition of rights assignment (a)	20	335,354	(266,781)	68,573	694,245	(555,317)	138,928
Software in use and software under development (b)	20	193,552	(124,084)	69,468	599,836	(460,307)	139,529
Exclusivity rights	20	170,795	(157,513)	13,282	239,977	(205,670)	34,307
Trademarks and patents	20	253	(61)	192	1,555	(842)	713
Non-compete agreement	16.5	144,932	(76,848)	68,084	158,756	(89,511)	69,245
Sales commissions (c)	40.8	1,374,228	(1,002,890)	371,338	1,465,475	(1,065,859)	399,616
Total other intangible assets		2,219,114	(1,628,177)	590,937	3,159,844	(2,377,506)	782,338

Parent company	Balance at December 31, 2022	Additions	Amortization	Write-offs	Balance at September 30, 2023
Acquisition of rights assignment (a)	84,610	7,749	(23,786)	-	68,573
Software in use and software under development (b)	65,069	20,507	(15,469)	(639)	69,468
Exclusivity rights	17,082	-	(3,800)	-	13,282
Trademarks and patents	186	67	(61)	-	192
Non-compete agreement	85,353	131	(17,400)	-	68,084
Sales commissions (c)	443,350	134,753	(206,761)	(4)	371,338
Total other intangible assets	695,650	163,207	(267,277)	(643)	590,937

Consolidated	Balance at December 31, 2022	Additions	Amortization	Write-offs	Balance at September 30, 2023
Acquisition of rights assignment	180,889	-	(41,961)	-	138,928
Software in use and software under development (b)	135,971	37,767	(33,051)	(1,158)	139,529
Exclusivity rights	43,015	-	(8,708)	-	34,307
Trademarks and patents	974	-	(261)	-	713
Non-compete agreement	86,960	-	(17,715)	-	69,245
Sales commissions (c)	472,128	153,415	(225,923)	(4)	399,616
Total other intangible assets	919,937	191,182	(327,619)	(1,162)	782,338

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

II. Goodwill

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

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

14. Interest-bearing loans and borrowings and debentures

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

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

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

Breakdown of the debts:

	Consolidated	
	September 30, 2023	December 31, 2022
Debentures	550,000	-
Interest on debentures payable	105,396	24,399
Cost of financial intermediation	(3,960)	(3,960)
Current	651,436	20,439
Debentures	1,650,000	2,200,000
Cost of financial intermediation	(10,889)	(13,859)
Non-current	1,639,111	2,186,141
Total	2,290,547	2,206,580

Movements in debentures

	Consolidated	
	September 30, 2023	December 31, 2022
Balance at the beginning of the period	2,206,580	1,344,943
Allocation of expenses (issue costs)	2,970	3,582
Payment of interest (i)	(165,570)	(274,050)
Allocation of interest	246,567	251,903
Proceeds from issue of debentures	-	2,200,000
Cost of issue of debentures	-	(19,798)
Early settlement of debentures	-	(1,300,000)
Balance at the end of the period	2,290,547	2,206,580

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

Fair value of debentures

The carrying amounts and fair values of debentures at September 30, 2023 and December 31, 2022 are as follows:

	Parent company and Consolidated			
	September 30, 2023		December 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Debentures (*)	2,305,396	2,328,156	2,224,399	2,212,490

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

The fair values of debentures classified as at amortized cost are based on discounted cash flows using risk rates varying between 12.65% and 14.73% per annum (December 31, 2022: 15.40% and 16.55% per annum).

15. Leases

a) Right-of-use assets

The movements during the periods were as follows:

	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Opening balance	38,049	17,404	51,020	27,009
Adjustments and renewals of contracts	164	1,894	344	3,370
Additions (new contracts)	-	31,755	-	40,105
Remeasurement	(2,232)	(440)	(1,243)	(440)
Depreciation expense	(9,053)	(10,068)	(12,834)	(15,726)
Write-off of leases	(444)	(2,496)	(613)	(3,298)
Balance at the end of the period	26,484	38,049	36,674	51,020

b) Lease liabilities

The movements during the period were as follows:

	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Opening balance	37,842	17,009	51,132	26,972
Adjustments and renewals of contracts	164	1,894	344	3,370
Additions (new contracts)	-	31,755	-	40,105
Remeasurement	(1,804)	(566)	(1,490)	(566)
Accretion of interest	3,722	4,457	5,982	6,088
Write-off of leases	(767)	(2,761)	(940)	(4,832)
Payments	(9,803)	(13,946)	(14,484)	(20,005)
Balance at the end of the period	29,354	37,842	40,544	51,132
Current	8,423	13,067	13,199	17,997
Non-current	20,931	24,775	27,345	33,135

c) Statement of income

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

- i) R\$3,722 (September 30, 2022: R\$4,532), Consolidated, and R\$5,982 (September 30, 2022: R\$3,272), Parent company, of interest expense on lease liabilities is recorded within 'finance income' (Note 22).
- ii) R\$9,053 (September 30, 2022: R\$10,895), Consolidated, and R\$12,834 (September 30, 2022: R\$6,559), Parent company, of depreciation expense of right-of-use assets is recorded within 'administrative expenses' (Note 21).

- iii) Due to the remeasurements and write-offs of lease liabilities and the consequent write-offs of right-of-use assets, the net effect in the statement of income was R\$574, Consolidated, and R\$105, Parent company.

- d) Estimation of the effect of inflation on lease contracts

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

Lease liabilities	2023	2024	2025	After 2025
Carrying amount	40,547	37,470	23,804	9,978
Adjusted for estimated inflation	44,023	40,909	26,653	11,633
Change	8.57%	9.18%	11.97%	16.59%
Right-of-use assets, net	2023	2024	2025	After 2025
Carrying amount	33,253	19,937	7,937	-
Adjusted for estimated inflation	37,277	23,104	9,892	-
Change	12.10%	15.89%	24.63%	-
Interest expense on lease liabilities	2023	2024	2025	After 2025
Carrying amount	5,383	3,777	2,087	2,480
Adjusted for estimated inflation	5,393	3,930	2,251	2,849
Change	0.19%	4.05%	7.86%	14.88%
Depreciation	2023	2024	2025	After 2025
Carrying amount	16,255	13,316	12,000	7,937
Adjusted for estimated inflation	16,404	14,173	13,212	9,892
Change	0.92%	6.44%	10.10%	24.63%

- e) Potential taxes (PIS/COFINS) recoverable

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

Consolidated		
Cash flows	Nominal value	Present value
Lease payments	54,147	39,607
Potential taxes - PIS/COFINS (9.25%)	5,009	3,664

16. Premiums to be transferred

The balance of R\$230,656 at September 30, 2023 (December 31, 2022: R\$224,304) comprises health insurance premiums payable to the insurers/operators by the respective due dates, regardless of whether payments have been received from the insured persons. Most of the payments were made by October 31, 2023.

17. Other payables

	Parent company		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Current:				
Operator/insurer amounts pending reconciliation (i)	-	-	175,434	64,156
Advance payments received	-	-	29,823	29,902
Refunds to beneficiaries	3	1	19,379	22,694
Sundry suppliers	6,383	8,454	18,512	14,714
Other provisions	1,795	1,252	8,690	5,720
Payables for acquisition of intangible assets	2,694	6,301	6,449	15,217
Commissions payable	2,405	1,607	3,710	2,687
Contingent consideration liability	682	620	2,763	1,300
Refundable amounts	-	-	2,307	2,608
Advances from customers	4	9,009	280	10,203
Earn-out consideration	100	100	692	692
Provision for shutdown of physical stores	98	-	98	-
Other	368	2,252	8,337	8,600
Total current	14,532	29,596	276,474	178,493
Non-current:				
Payables for acquisition of intangible assets	-	658	450	2,361
Total non-current	-	658	450	2,361
Total	14,532	30,254	276,924	180,854

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

18. Provision for contingencies

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

Parent company	December 31, 2022	Additions	Reversals	September 30, 2023
Labor and social security (i)	2,585	3,311	(422)	5,474
Civil (ii)	3,871	988	(732)	4,127
Tax (iii)	1,462	1,711	(1,006)	2,167
Total	7,918	6,010	(2,160)	11,768

Consolidated	December 31, 2022	Additions	Reversals	September 30, 2023
Civil (iv)	48,961	11,275	(3,153)	57,083
Labor and social security (v)	13,377	765	(2,692)	11,450
Regulatory (vi)	10,507	557	(1,267)	9,797
Tax (vii)	11,690	634	(4,770)	7,554
Total	84,535	13,231	(11,882)	85,884

Description of the main lawsuits and/or contingencies:

- i) The Company is a defendant in administrative and/or judicial proceedings involving labor and social security matters: (i) payment of commissions to in-house consultants; and (ii) extra pay to call center agents who worked both for the Company and its subsidiaries and who were dismissed after the call center was outsourced. In addition to the labor claims, in 2020 a provision was also made for amounts owed for social security contribution (INSS) and government severance pay fund (FGTS), which were spontaneously paid by the Company in 2021. The provision for labor claims where a loss is considered probable is R\$5,474 (2022: R\$2,585).

No accrual was made for loss contingencies that are reasonably possible amounting to R\$73,420 (2022: R\$52,381).

- ii) The Company is a defendant in ongoing civil lawsuits, where R\$4,127 (2022: R\$3,871) is deemed to be a probable loss and, therefore, a provision has been recognized, and R\$4,869 (2022: R\$2,311) is deemed to be a possible loss, for which no provision has been recognized. The main matters disputed in the lawsuits include: (i) medical procedures and services not covered by the health plans or not included in the ANS list of procedures, the responsibility for which lies with the health plan operators, pursuant to the prevailing legislation; (ii) health insurance premiums adjusted for age and annual increase of the insured; (iii) administrative and/or judicial proceedings concerning reinstatement of health plans terminated for non-payment; and (iv) annual premium increase; and (v) collection of plan beneficiaries' debt reported to a credit reporting agency.

- iii) The Company is a defendant in ongoing tax proceedings and recognized a provision for estimated probable loss of R\$2,167 (2022: R\$1,462). This amount refers to a lawsuit to cancel the tax assessments issued against Qualicorp Corretora de Seguros S.A. (which was merged into the Company in 2019) for alleged service tax (ISS) debt relating to calendar years 2011 to 2014.
- iv) The Company and its subsidiaries are defendants in ongoing civil lawsuits, where R\$57,083 (2022: R\$48,961) is deemed to be a probable loss and, therefore, a provision has been recognized, and R\$59,057 (2022: R\$45,879) is deemed to be a possible loss, for which no provision has been recognized. The main matters disputed in the lawsuits include: (i) medical procedures and services not covered by the health plans or not included in the ANS list of procedures, the responsibility for which lies with the health plan operators, pursuant to the prevailing legislation; (ii) health insurance premiums adjusted for age and annual premium increase of the insured; (iii) administrative and/or judicial proceedings concerning reinstatement of health plans terminated for non-payment; and (iv) annual premium increase; and (v) collection of plan beneficiaries' debt reported to a credit reporting agency.
- v) The Company and its subsidiaries are defendants in administrative and/or judicial proceedings involving labor and social security matters: (i) payment of commissions to in-house consultants; and (ii) extra pay to call center agents who worked both for the Company and its subsidiaries and who were dismissed after the call center was outsourced. In addition to the labor claims, in 2021 a provision was also made for amounts owed for social security contribution (INSS) and government severance pay fund (FGTS), which were spontaneously paid by the Company in 2021. The provision for labor claims where a loss is considered probable is R\$11,450 (2022: R\$13,377). No accrual was made for loss contingencies that are reasonably possible amounting to R\$77,530 (2022: R\$58,193).
- vi) The subsidiaries are defendants in ongoing regulatory proceedings with ANS, where a provision has been recognized for R\$9,797 (2022: R\$10,507) because a loss is believed to be probable, and no provision has been made for proceedings amounting to R\$4,825 (2022: R\$3,780) because a loss is believed only to be possible but not probable.
- vii) The Company and its subsidiaries recognized a provision of R\$7,554 (2022: R\$11,690) for tax assessments or claims that are probable of formal assertion. This amount refers to contingencies identified in entities merged by the Company (Elo Administradora de Benefícios Ltda., Apm Assessoria Comercial e Corretora de Seguros Ltda. and Uniconsult Administradora de Benefícios e Serviços Ltda.).

Reasonably possible tax contingencies:

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

These tax contingencies plus accrued interest total R\$2,301,896 at September 30, 2023 (December 31, 2022: R\$2,147,188), as detailed below:

- a) At subsidiaries Qualicorp Administradora de Benefícios S.A. and Qualicorp Corretora de Seguros S.A. (merged into the Company in 2019), the total amount of R\$1,168,413 (December 31, 2022: R\$1,096,788) refers to tax assessments involving tax amortization of goodwill in the calendar years 2011 to 2014. Those tax assessments are pending analysis at the administrative and judicial level and preliminary court decisions were in favor of the Company.
- b) At subsidiaries Qualicorp Administradora de Benefícios S.A. and Qualicorp Corretora de Seguros S.A. (merged into the Company in 2019), the total amount of R\$197,335 (December 31, 2022: R\$184,007) refers to tax assessments involving tax amortization of goodwill in the calendar years 2016 to 2018. Those tax assessments are pending analysis at the administrative and judicial level and preliminary court decisions were in favor of the Company.
- c) At subsidiary Qualicorp Administradora de Benefícios S.A., the amount of R\$3,303 (December 31, 2022: R\$3,100) refers to tax assessment notices demanding social security contributions and other contributions as determined by the tax authorities on profits distributed by the merged entity Aliança Administradora de Benefícios de Saúde S.A. in calendar years 2012 to 2014.
- d) At subsidiary Qualicorp Administradora de Benefícios S.A., the amount of R\$8,197 (December 31, 2022: R\$7,682) refers to tax assessment notices demanding payment of income tax at source (IRRF) related to the activities developed by the merged entity Aliança Administradora de Benefícios de Saúde S.A. in calendar years 2012 to 2014.

- e) At subsidiary Qualicorp Administradora de Benefícios S.A., the amount of R\$91,266 (December 31, 2022: R\$85,627) refers to a tax deficiency notice demanding payment of corporate income tax (IRPJ) and social contribution (CSLL) related to the activities developed by the merged entity Aliança Administradora Benefícios de Saúde S.A. in calendar years 2013 and 2014.
- f) The amount of R\$36,522 (December 31, 2022: R\$33,133) refers to tax assessment notices demanding payment of social security contributions, other contributions and penalty for alleged non-payment of income tax at source (IRRF) on share option plan relating to calendar year 2013. These tax assessments are unresolved at administrative and judicial level.
- g) The amount of R\$262,496 (December 31, 2022: R\$243,714) refers to tax assessments issued against the Company (administrative proceeding No. 15746.720951/2020-12) related to (i) disallowance of expenses from the calculation of income tax (IRPJ) and social contribution (CSLL) of payments made to companies for brokerage and consulting services relating to calendar years 2014 to 2019, and (ii) payment of income tax at source (IRRF) as the tax authority assumed that the payments were made to those same companies without cause in calendar years 2015 to 2019. The tax assessments include penalty of 150% and interest based on the Brazilian benchmark interest rate (SELIC). At present, the Company is awaiting a decision on the administrative appeal it has filed.
- h) At subsidiary Qualicorp Administradora de Benefícios S.A., the amount of R\$5,339 (December 31, 2022: R\$5,003) refers to tax assessments demanding social security contributions (employer's share and SAT/RAT), other contributions (SENAC, SESC, SEBRAE, INCRA and Education Salary), relating to the calendar year 2015 and the stock option plan.
- i) The amount of R\$505,183 (December 31, 2022: R\$415,997) refers to proceedings discussing where the municipal service tax (ISS) is owed by subsidiaries Connectmed-CRC Consultoria, Administração e Tecnologia em Saúde Ltda., Qualicorp Administradora de Benefícios S.A., Qualicorp Administração e Serviços Ltda. and Clube de Saúde Administradora de Benefícios Ltda.
- j) The residual balance of R\$23,842 consists of several tax assessments: R\$2,138 municipal service tax (ISS) debt of subsidiaries Connectmed-CRC Consultoria, Administração e Tecnologia em Saúde Ltda., Gama Saúde Ltda. and Plural Gestão em Planos de Saúde Ltda. (whose shares were partially acquired by the Company); R\$2,546 related to the non-levy of PIS/COFINS on reimbursement of expenses; R\$4,268 related to the non-levy of social security contributions (INSS) on items of payroll that are not considered to be compensatory in nature; R\$2,508 of offsetting requests not accepted; and R\$12,382 of fine and interest on the income tax assessment issued against the stock option grantees, whose payment will be the responsibility of the Company if the final court decision upholds the tax assessment.

19. Equity

Share capital

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

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

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

Shareholders	Common shares	
	September 30, 2023	December 31, 2022
Rede D'Or São Luiz	82,321,183	82,321,183
PrismaQuali Gestão Ativa de Participações S.A.	56,376,844	-
Rede D'Or São Luiz S.A. (direct)	17,048,539	73,425,383
Other investment vehicles	8,895,800	8,895,800
Pátria Investimentos	50,344,555	54,314,458
3G Radar	37,956,700	37,956,700
BlackRock Inc. (i)		28,451,883
Others (ii)	108,154,624	75,410,005
Treasury shares (ii)	5,237,263	5,560,096
Total	284,014,325	284,014,325

- i) As announced to the market on August 16, 2023, this shareholder reduced its equity interest in the Company to less than 5%.
- ii) These are shareholders owning less than 5% of the shares traded on Brazil's stock exchange B3 S.A.
- iii) Set out below are the movements in treasury shares during the period:

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

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

Distributions to shareholders

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

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

Proposal for allocation of 2022 profit	
Profit for the year	92,818
(-) Transfer to legal reserve	(4,641)
Distributable profit	88,177
Creation of investment reserve	(66,133)
Mandatory minimum dividends	(22,044)

20. Restricted stock plan

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

Under an agreement signed on May 11, 2023, the Company granted 4,700,000 restricted shares to its directors and executives, where 25% of the shares vest each year from the date of signing of the agreement and the exercise price of the restricted stock will be the market price of each restricted share on Brazil's stock exchange, B3, on the business day immediately preceding the respective date of grant.

In the interim period ended September 30, 2023, expenses for restricted stock awards made by the Company and/or its subsidiaries in the total amount of R\$3,478 were recognized in equity.

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

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

The cost of these restricted shares of R\$1,215 was recognized in equity. Because of the lock-up period of one year, the Company recorded the new Plan initially as a prepaid expense which will be allocated out to other assets over the period of 12 months. For the interim period ended September 30, 2023, the Company recorded expenses of R\$506 within administrative expenses.

Date of grant	Grant-date fair value	Expiry date	Number of options	Granted	Exercised	Cancelled	Balance
May 9, 2019	17.2	May 9, 2023	5,700,000	809,454	(3,521,646)	(2,987,808)	-
December 26, 2019	38.1	December 26, 2022	516,000	33,107	(549,107)	-	-
April 1, 2021	30.4	April 1, 2022	170,000	-	(170,000)	-	-
April 29, 2022	13.0	April 29, 2024	930,000	-	(530,000)	(400,000)	-
May 4, 2023	3.8	May 4, 2024	320,000	-	(320,000)	-	-
May 11, 2023	4.3	May 11, 2027	4,700,000	-	-	(1,700,000)	3,000,000
			12,336,000	842,561	(5,090,753)	(5,087,808)	3,000,000

At September 30, 2023, the weighted average remaining contractual term is 1,319 days (December 31, 2022: 400).

21. Expenses by nature

	Parent company		Consolidated	
	Nine months ended September 30, 2023	Nine months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Cost of providing services				
Personnel costs	24,896	16,952	93,545	95,768
Commissions and financial transfers	-	-	92,993	91,989
Outsourced services	8,063	14,715	62,230	83,885
Membership dues	-	-	5,313	5,532
Occupancy costs	942	344	4,003	7,802
Other costs of providing services	2,433	3,823	14,432	22,378
Total cost of providing services	36,334	35,834	272,516	307,354
Administrative expenses				
Depreciation and amortization charges	75,368	68,674	124,105	119,342
Personnel costs	7,556	22,680	110,269	103,835
Outsourced services	11,757	15,644	61,475	57,757
Other administrative expenses	1,425	4,071	6,634	8,622
Total administrative expenses	96,106	111,069	302,483	289,556
Selling expenses				
Depreciation and amortization charges	173,706	170,782	225,765	183,897
Commissions and financial transfers	41,521	60,178	82,758	77,394
Personnel costs	53,445	65,455	57,447	69,675
Advertising and publicity costs	7,700	9,798	16,534	21,401
Other selling expenses	14,139	25,933	22,560	32,420
Total selling expenses	290,511	332,146	405,064	384,787
Total expenses by nature	422,951	479,049	980,063	981,697

	Parent company		Consolidated	
	Three months ended September 30, 2023	Three months ended September 30, 2022	Three months ended September 30, 2023	Three months ended September 30, 2022
Cost of providing services				
Personnel costs	8,296	5,621	31,530	30,721
Commissions and financial transfers	-	-	31,288	29,970
Outsourced services	2,182	5,096	17,544	28,772
Membership dues	-	-	1,700	1,734
Occupancy costs	213	120	1,121	2,116
Other costs of providing services	665	1,676	5,239	9,276
Total cost of providing services	11,356	12,513	88,422	102,589
Administrative expenses				
Depreciation and amortization charges	24,126	24,046	41,087	40,136
Personnel costs	7,638	7,061	40,219	31,154
Outsourced services	4,046	6,550	23,483	21,108
Other administrative expenses	103	1,423	1,676	3,051
Total administrative expenses	35,913	39,080	106,465	95,449
Selling expenses				
Depreciation and amortization charges	61,429	61,256	79,812	66,205
Commissions and financial transfers	13,828	24,382	26,950	31,083
Personnel costs	16,367	20,799	17,629	22,185
Advertising and publicity costs	2,345	3,462	4,282	6,666
Other selling expenses	4,468	9,806	7,132	12,561
Total selling expenses	98,437	119,705	135,805	138,700
Total expenses by nature	145,706	171,298	330,692	336,738

22. Finance income and costs

	Parent company		Consolidated	
	Nine months ended September 30, 2023	Nine months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Finance income:				
Interest income on financial investments	16,304	26,598	80,454	71,756
Interest and penalty on overdue accounts receivable	-	-	23,398	23,677
Inflation indexation related to Golden Cross	-	-	3,338	-
Inflation indexation relating to the sale of Qsaúde	437	1,031	2,183	5,154
Foreign exchange gains	-	155,708	-	155,708
Reversal of mark-to-market of swap	-	88,872	-	88,872
Reversal of recycling of cash flow hedge	-	76,755	-	76,755
Other finance income	2,566	8,658	12,235	31,943
Total finance income	19,307	357,622	121,608	453,865
Finance costs:				
Interest on debentures (Note 14) (*)	(98,627)	(169,365)	(246,567)	(169,365)
Discounts granted	-	-	(10,847)	(8,878)
Collection fee	(60)	(75)	(10,114)	(14,173)
Interest on lease liabilities	(3,722)	(3,272)	(5,982)	(4,532)
Recycling of cash flow hedge	-	(154,252)	-	(154,252)
Reversal of foreign exchange losses	-	(90,620)	-	(90,620)
Settlement of derivatives	-	(81,941)	-	(81,941)
Hedge accounting	-	(40,438)	-	(40,438)
Interest on borrowings	-	(6,354)	-	(6,354)
Other finance costs	(9,951)	(22,091)	(25,804)	(29,207)
Total finance costs	(112,360)	(568,408)	(299,314)	(599,760)
Net finance costs	(93,053)	(210,786)	(177,706)	(145,895)

	Parent company		Consolidated	
	Three months ended September 30, 2023	Three months ended September 30, 2022	Three months ended September 30, 2023	Three months ended September 30, 2022
Finance income:				
Interest income on financial investments	6,970	15,657	30,761	34,969
Interest and penalty on overdue accounts receivable	-	-	7,548	7,995
Inflation indexation related to Golden Cross	-	-	3,338	-
Inflation indexation relating to the sale of Qsaúde	143	153	713	767
Reversal of mark-to-market of swap	-	42,384	-	42,384
Foreign exchange gains	-	4,876	-	4,876
Other finance income	1,637	3,348	2,268	20,411
Total finance income	8,750	66,418	44,628	111,402
Finance costs:				
Interest on debentures (Note 14) (*)	(32,915)	(84,205)	(82,288)	(84,205)
Discounts granted	-	-	(3,446)	-
Collection fee	(20)	(28)	(3,288)	(4,493)
Interest on lease liabilities	(1,562)	(2,637)	(3,076)	(3,520)
Settlement of derivatives	-	(46,973)	-	(46,973)
Hedge accounting	-	(6,335)	-	(6,335)
Recycling of cash flow hedge	-	(4,090)	-	(4,090)
Interest on borrowings	-	(1,077)	-	(1,077)
Other finance costs	(3,130)	(8,741)	(6,983)	(13,986)
Total finance costs	(37,627)	(154,086)	(99,081)	(164,679)
Net finance costs	(28,877)	(87,668)	(54,453)	(53,277)

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

23. Income tax and social contribution

	Parent company		Consolidated	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Profit before income tax (IRPJ) and social contribution (CSLL) and after profit sharing	(86,354)	118,411	(32,582)	267,270
Share of net profits of investees accounted for using the equity method	(148,494)	(319,916)	169	3,895
Subtotal	(234,848)	(201,505)	(32,413)	271,165
Statutory rate of IRPJ and CSLL	34%	34%	34%	34%
Estimate of IRPJ and CSLL expense (benefit) at the statutory tax rate	79,848	68,512	11,020	(92,196)
Non-deductible expenses for tax purposes	(63)	(395)	(1,931)	(2,223)
Tax losses for which no deferred tax asset was recognized (*)	-	-	(1,903)	(1,452)
Interest on capital	(18,343)	(15,257)	-	-
Expenses of companies that pay taxes using the presumed profit method	-	-	1,296	924
Recovery of losses	-	-	3,528	5,138
Other	1,145	1,392	2,466	2,098
Total IRPJ and CSLL expense reported in the statement of income	62,587	54,252	14,475	(87,711)
Effective IRPJ and CSLL tax rate	26.65%	26.92%	44.66%	32.35%

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

24. Insurance

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

Items	Type of coverage	Sum insured
Guarantee for tax, civil and labor debts	Guarantee insurance for tax, civil and/or labor claims	1,337,529
Civil liability of directors and officers	Directors and Officers (D&O) Liability Insurance	250,000
Buildings, facilities, machinery, furniture and fittings	Loss or damage to buildings, facilities, machinery and equipment and loss of profit by fire, civil liability for operations and employer's liability	28,820
Vehicles	Loss and damage or pecuniary damage	317

25. Descriptive information about reportable segments and net operating revenue

- a) Description of the types of services from which each reportable segment derives its revenue is provided in 26.a. of the annual financial statements as at December 31, 2022.
- b) Measurement of operating segment profit or loss, assets and liabilities

The accounting policies of the Affinity segment are the same as those described in Note 26 of the annual financial statements for the year ended December 31, 2022.

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

The factors used by Management to identify the Company's reportable segments are the same as those described in Note 26 of the annual financial statements for the year ended December 31, 2022. At September 30, 2023, the Affinity segment is the business unit that accounts for 92.66% of the net operating revenue of the Parent company and its subsidiaries.

- d) Gross and net revenue by type of service

	Parent company		Consolidated	
	Nine months ended September 30, 2023	Nine months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Administration fee	-	-	971,614	1,014,693
Brokerage fee	345,211	422,756	354,251	441,448
Agency fee	70,341	108,444	70,341	111,015
Other revenue	3,583	3,596	48,390	57,208
Total gross operating revenue	419,135	534,796	1,444,596	1,624,364
Deductions from gross operating revenue:				
Taxes on revenue	(39,475)	(51,469)	(108,662)	(124,757)
Returns and cancellations	(448)	(1,259)	(448)	(1,259)
Total deductions from gross operating revenue	(39,923)	(52,728)	(109,110)	(126,016)
Net operating revenue	379,212	482,068	1,335,486	1,498,348

- 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	September 30, 2023			September 30, 2022		
	Affinity segment	All other	Total	Affinity segment	All other	Total
Net revenue	1,237,587	97,899	1,335,486	1,399,635	98,713	1,498,348
Cost of providing services	(229,862)	(42,654)	(272,516)	(260,300)	(47,054)	(307,354)
Net income (expenses)	(443,677)	(26,212)	(469,889)	(424,632)	(18,849)	(443,481)
Selling expenses	(375,974)	(24,819)	(400,793)	(359,815)	(18,274)	(378,089)
Losses on uncollectible receivables	(77,139)	(1,231)	(78,370)	(74,907)	(517)	(75,424)
Finance income	23,155	108	23,263	23,662	15	23,677
Other income (expenses), net	(13,719)	(270)	(13,989)	(13,572)	(73)	(13,645)
Profit before unallocated expenses	564,048	29,033	593,081	714,703	32,810	747,513

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

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

	Consolidated	
	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Unallocated amounts:		
Administrative expenses	(302,483)	(289,556)
Net finance costs	(200,969)	(169,572)
Loss on investment in startup	(169)	(3,895)
Provisions for contingencies	(2,066)	(4,311)
Selling expenses	(4,271)	(6,698)
Other (expenses) income, net (*)	(115,705)	(6,211)
Total	(625,663)	(480,243)

(*) The amount of R\$96,280 related to the provision for loss on investment was included in this line item (See Note 12).

	Assets		Liabilities	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Total for reportable segment	2,741,939	2,762,476	2,927,886	2,756,385
All other segments	231,227	214,500	22,021	16,923
Unallocated amounts	1,710,179	1,535,052	1,733,438	1,738,720
Total	4,683,345	4,512,028	4,683,345	4,512,028

- g) Geographic information for the reportable segment

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

Geographical region (Consolidated)	September 30, 2023		September 30, 2022	
	Lives	Market share	Lives	Market share
Southeast	769,501	64.28%	994,761	63.22%
Northeast	237,794	19.86%	302,444	19.22%
South	77,995	6.52%	105,868	6.73%
Central West	61,702	5.15%	89,490	5.69%
North	50,107	4.19%	80,866	5.14%
Total of the Affinity segment	1,197,099	100.00%	1,573,429	100.00%

Information about major customers

For the interim period ended September 30, 2023, the Affinity segment's three major customers each provided revenue of R\$199,169, R\$69,884 and R\$56,404, which represent 24.04%, 8.43% and 6.81% of the Affinity segment's revenue and 22.32%, 7.83% and 6.32% of the consolidated revenue.

For the interim period ended September 30, 2022, the Affinity segment's three major customers each provided revenue of R\$117,979, R\$66,282 and R\$56,822, which represent 12.78%, 7.18% and 6.15% of the Affinity segment's revenue and 11.90%, 6.69% and 5.73% of the consolidated revenue.

26.Commitments

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

Commitments related to call center services of R\$6,935 for the remaining three months of 2023.

Expenses incurred on call center service agreements during the interim period ended September 30, 2023 were R\$17,167 (September 30, 2022: R\$21,485).

27.Earnings (loss) per share

	Parent company and Consolidated	
	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Profit (loss) for the period attributable to equity holders of the parent	(23,767)	172,663
Weighted average number of common shares for the basic earnings (loss) per share calculation	278,777,062	278,316,535
Weighted average number of common shares adjusted for share options for the diluted earnings (loss) per share calculation	278,988,603	278,513,273
Basic earnings (loss) per share - R\$	(0.08525)	0.62038
Diluted earnings (loss) per share - R\$	(0.08519)	0.61995

	Parent company and Consolidated	
	Three months ended September 30, 2023	Three months ended September 30, 2022
Profit (loss) for the period attributable to equity holders of the parent	(54,177)	49,232
Weighted average number of common shares for the basic earnings (loss) per share calculation	278,777,062	278,316,535
Weighted average number of common shares adjusted for share options for the diluted earnings (loss) per share calculation	278,988,603	278,513,273
Basic earnings (loss) per share - R\$	(0.19434)	0.17689
Diluted earnings (loss) per share - R\$	(0.19419)	0.17677

28.Events after the reporting period

On November 6, 2023, the Company terminated its partnership with Escale Tecnologia e Marketing Ltda. which had been signed on May 13, 2021. The Company no longer holds any equity interest in Escale Health Seguros e Corretagem S.A. and Quinhentos, LLC, and the licensing, service and lead generation agreement entered into on March 4, 2022 between the Company and Escale Health has been terminated.

The total amount of R\$29,722 related to the termination of the partnership was fully received upon the signing of the termination documents.

29.Approval of the interim condensed financial statements

These interim condensed parent company and consolidated financial statements were approved by the Board of Directors on November 9, 2023 and disclose all events occurring after the reporting period ended September 30, 2023.

Mauricio da Silva Lopes
Chief Executive Officer

Eduardo de Oliveira
Vice President

Carlos de Almeida Vasques
Investor Relations and Financial
Officer

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