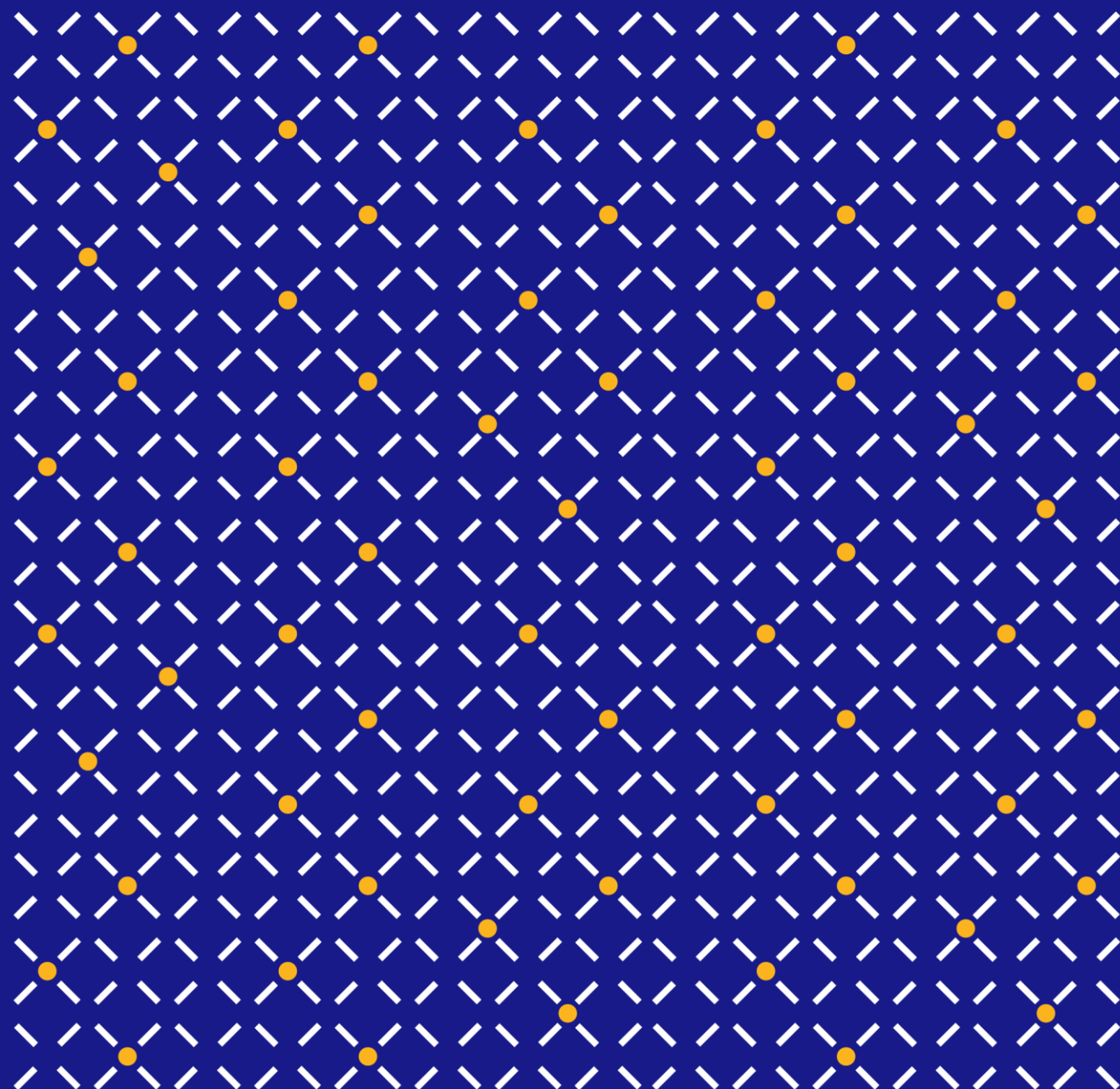




Management Report 2024

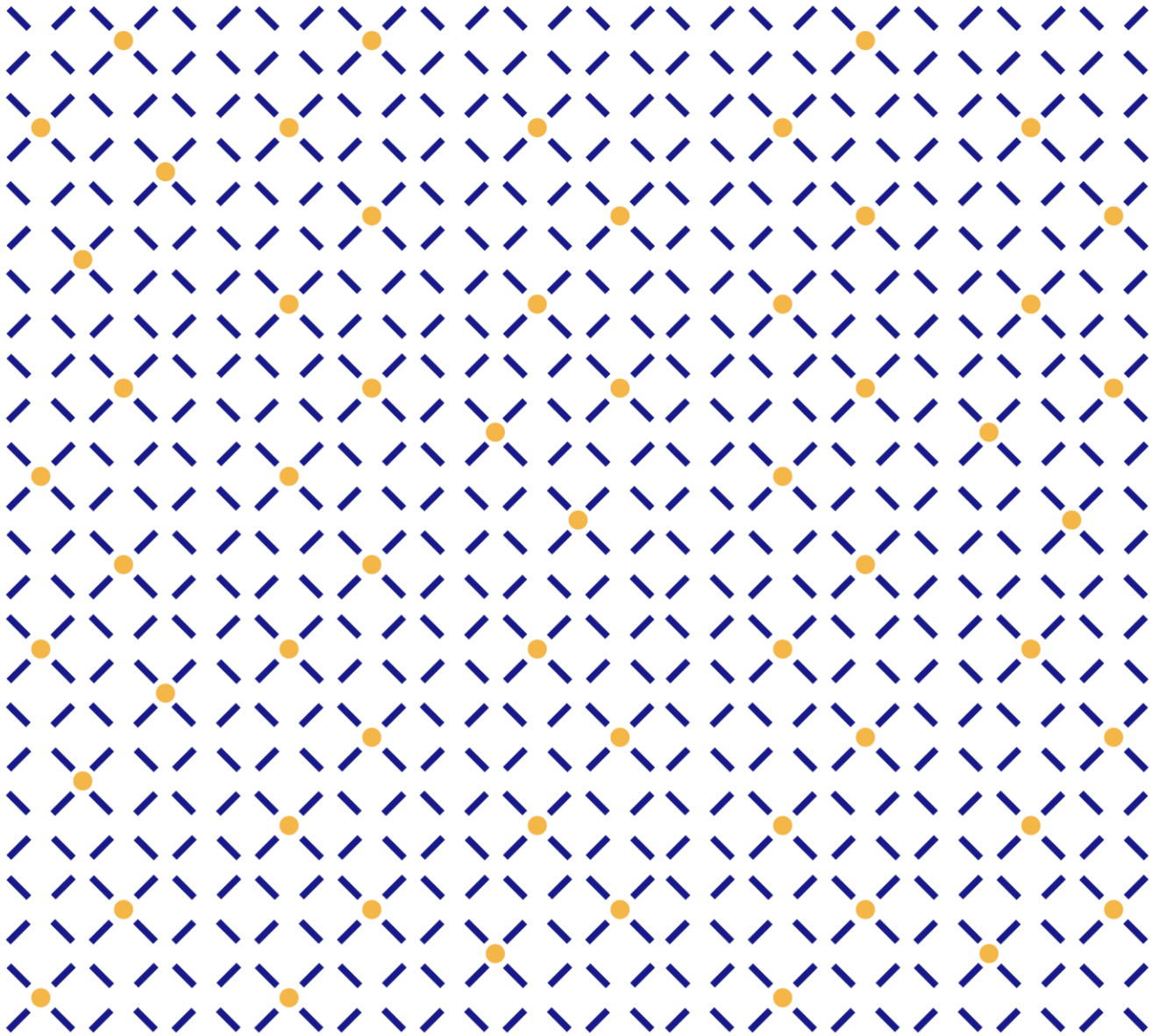
2024 Results

São Paulo, February 26, 2024. 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 fourth quarter of 2024 (4Q24) and 2024. 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:

- **Recurring Free Cash Flow:** R\$438.8 million in 2024.
- **Net Debt:** R\$970.2 million in this year, equivalent to 1.43x Adjusted EBITDA LTM, vs. 1.58x in 2023. Cash and equivalents of around R\$892.9 million at the end of 2024.
- **Adjusted Net Income:** R\$84.5 million in 2024.
- **Net Revenue:** R\$1,580.5 million in 2024 (-9.7% vs. 2023)
- **Adjusted EBITDA:** R\$680.3 million in 2024 (-12.2% vs. 2023), 43.0% margin (-1.2 p.p. vs. 2023).
- **Adj. EBITDA (-) CAC:** R\$554.2 million in 2024 (-5.8% vs. 2023), 35.1% margin (+1.4 p.p. vs. 2023).
- **Members Portfolio:** 639.1 thousand Affinity in 2024, with organic gross adds of 203.4k members (-17.1% vs. 2023) and 351.8k cancellations (-24.0% vs. 2023). SME portfolio of 96.5k members in this year (-1.3% vs. 2023).

Key Indicators (R\$ MN)	2024	2023	$\Delta 2024/2023$
Consolidated Portfolio (thous. lives)	1,597.2	2,103.9	-24.1%
Affinity Managed (thous. lives)	639.1	787.5	-18.8%
Gross Adds - organic (thous. lives)	203.4	245.3	-17.1%
Churn (thous. lives)	(351.8)	(462.9)	-24.0%
Net Revenue	1,580.5	1,749.9	-9.7%
Adjusted EBITDA	680.3	774.6	-12.2%
Adjusted EBITDA Margin	43.0%	44.3%	-1.2 p.p.
Adj. EBITDA (-) CAC	554.2	588.5	-5.8%
Adj. EBITDA (-) CAC Margin	35.1%	33.6%	1.4 p.p.
Adjusted Net Income	84.5	37.5	125.2%
Recurring Free Cash Flow	438.8	511.6	-14.2%
Net Debt	970.2	1,220.0	-20.5%
Net Debt / Adj. EBITDA LTM	1.43x	1.58x	-0.15x



More choices for you.
More Quali for your life.



Management Highlights

We can describe the year of 2024 as a period of strong paving and the beginning of the bearing good fruits from our turnaround process, anchored in a solid, lighter company, with strong cash generation, a significant reduction in net debt and an increasing EBITDA-CAC margin. We keep consolidating a more sustainable business model in the long term. To this end, we captured value throughout the year, reducing fixed and variable costs, launching more than 100 new products that are competitive and in line with the market momentum, as well as demonstrating quantitatively that with a business model based on solid actuarial intelligence and a coherent acceptance process, it is possible to add value to the entire chain, as well as being a solution to future challenges in the healthcare sector. So, we keep, consistent and convinced in the evolution of our turnaround process, ready to overcome the challenges that are still visible in the periods ahead.

We therefore remain focused on the operational execution of the strategic fronts, which together we hope will continue to bear positive and sustainable fruit in our next results. We would highlight: 1) the organizational restructuring on the fronts of rightsizing structures and teams, reviewing contracts and projects and re-evaluating the physical structure, which presented new chapters in 4Q24 and 2) on the commercial front, there was a review of the model with products adhering to the different groups of individuals, with good results reaped throughout the year. Likewise, this new model has had an impact on the commissioning of our partners, who have aligned themselves with a more sustainable vision through the implementation of sales quality indicators, among others, which allow us to make the business more sustainable. This change has already been noticeable in our results since the beginning of the year. In addition, this quarter we continued to be consistent on the other fronts, involving 1) the reconstruction of the complete product portfolio by region, where we recomposed and launched various products, 2) consolidation and maturing of the acceptance process to help improve sales quality and sustainability, and 3) reinforcement of the “DNAQuali - Diligence, Negotiation and Attitude” organizational culture aimed at balanced sales and risk management.

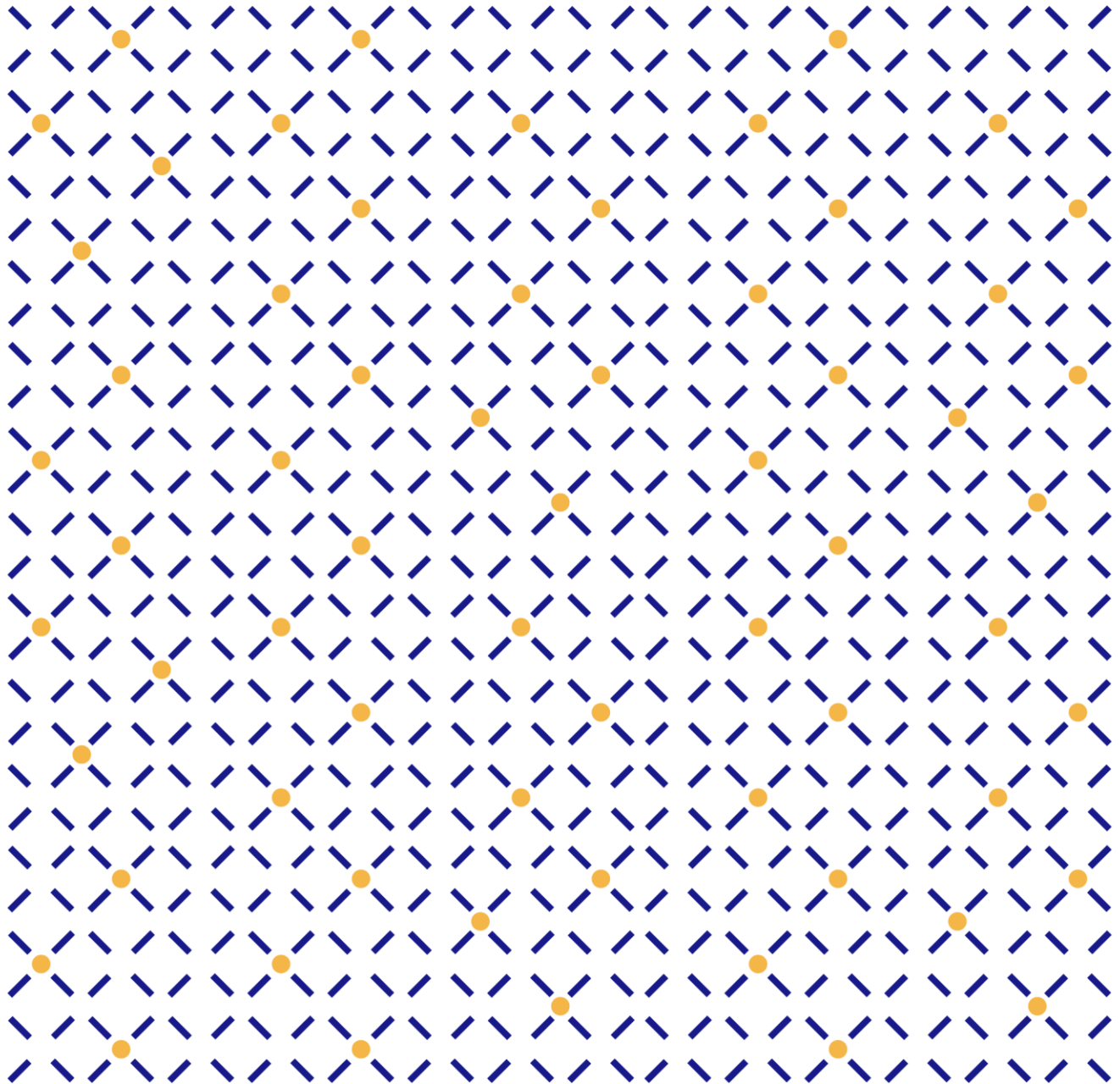
In this quarter, gross adds totaled 58.3 thousand, and cancellations resulted in 72.1 thousand, concluding with a managed portfolio of 639.1 thousand lives, following the trend of decelerating net loss in recent quarters. This resulted in a 0.8 p.p. lower average base churn rate to 10.6% in the period, the lowest rate for a fourth quarter since 2020, when we had no readjustments in that cycle due to ANS determinations, maintaining the downward trend shown in the previous quarter. The reduction in the average ticket and the life base in this period, which presents few readjustment scenarios, led to net revenue of R\$384.4 million (-2.3% vs. 3Q24). In 2024 we achieved net revenue of 1,580.5 million (-9.7% vs. 2023).

In continuing to execute the turnaround strategy, on the operational efficiency, commercial realignment and capital allocation fronts, we have already identified in the results the effects of better control and modeling of both recurring costs and expenses, both fixed and variable. However, there were some challenges in variable expenses related to contingencies and other operational issues this quarter that consumed part of these gains. Even so, we hope to keep value captures over the coming

quarters. Thus, the Company presented an Adjusted EBITDA - CAC of R\$105.2 with a 27.4% margin (-26.6% and -9.1 p.p. vs. 3Q24, respectively). Annualized, we achieved an Adjusted EBITDA - CAC of R\$554.2 with a 35.1% margin (+1.4 p.p. vs. 2023). Adjusted net income for the quarter was R\$17.9 million, an increase of 2.1% compared to the previous quarter and reaching R\$84.5 million in 2024, 125.2% higher than in 2023. As in recent quarters, we also posted strong recurring free operating cash flow generation, before debt (principal and interest) and dividends, of R\$85.0 million in 4Q24 and R\$438.8 million in 2024, reinforcing the operation's optimization efforts.

Gradually, we continue to rescue our value generation proposal, in such a way that it benefits all stakeholders: beneficiaries, entities, payors and the distribution channel; with a broad positioning vision, to meet the needs of each individual, whether via Affinity, SME or Corporate, and at any time of their life, when it comes to health insurance. We remain focused and maintain the pace of strategy execution, aware of the challenges that the economic and sector scenario imposes on us. Throughout 2025 we will continue to seek to create value for all our stakeholders, as well as generating adequate returns for our shareholders, supported by a renewed organizational culture aimed at quality sales with profitability.

With a more sustainable Quali, we are convinced that we will be able to maintain our competitive edge as a leader in the Health Benefits Administration market, allowing us to pave a new path of sustainable growth.



Members Portfolio

Members Portfolio

Portfolio	2024	2023	Δ2024/2023
Affinity Managed Portfolio			
Total Portfolio (BoP)	787,471	1,005,090	-21.7%
(+) Gross Adds	203,405	245,284	-17.1%
(-) Churn	(351,790)	(462,903)	-24.0%
(+) Portfolio Acquisition	-	-	NM
New Lives Added (Net)	(148,385)	(217,619)	-31.8%
Total Portfolio (EoP)	639,086	787,471	-18.8%
Affinity Others			
Total Portfolio (BoP)	314,448	496,423	-36.7%
New Lives Added (Net)	(80,784)	(181,975)	-55.6%
Total Portfolio (EoP)	233,664	314,448	-25.7%
Affinity Portfolio	872,750	1,101,919	-20.8%
Corporate	171,493	240,432	-28.7%
Gama	456,406	666,289	-31.5%
SME	96,507	95,244	1.3%
Corp., Gama and SME Portf.	724,406	1,001,965	-27.7%
Total Portfolio	1,597,156	2,103,884	-24.1%

Quali ended 2024 with a total portfolio of 1.6 million members, which was 24.1% lower than 2023, due to the 20.8% drop in the Affinity Portfolio and 27.7% in the other segments (Corporate, Gama and SMEs).

Managed Portfolio

In 2024, we saw a decline of 18.8% compared to 2023 in our main portfolio, Affinity Managed Portfolio, with a negative net variation of 148.4 thousand members, closing the year with 639,086 members. We had gross adds of 203.4 thousand members in the year (-17.1% vs. 2023), in addition to cancellations of 351.8 thousand members, an improvement of 24.0% compared to 2023. As reported in the 2Q24 and 3Q24 earnings calls, the launch of more than 100 products, and the relationship with several operators, are important tools for a better retention and sales process.

In Affinity Others portfolio, made up of mass plans (mainly dental), we had a net reduction of 80.8 thousand members in 2024 (-55.6% vs. 2023), following a similar dynamic to that seen in the managed portfolio.

Corporate, SME and Gama

Our conventional corporate segment portfolio presented a reduction of 28.7% compared to 2023, totaling 171.5 thousand members in the end of the year and SME plan portfolio ended with



96.5 thousand members (+1.3% vs. 2023). Gama's portfolio, our health management business, in turn, dropped 31.5% vs. ending the quarter with 456.4 thousand members, justified by the cancellation of a relevant but already foreseen contract.

2024 Results

Income Statement (R\$ MN)	2024	2023	Δ2024/2023
Net Revenue	1,580.5	1,749.9	-9.7%
(-) COGS and SG&A	(647.2)	(812.9)	-20.4%
(-) Contingencies and Legal Exp.	(77.5)	(38.4)	101.8%
(-) Bad Debt Provision	(125.4)	(111.5)	12.5%
(+/-) Other Oper.	(50.1)	(12.5)	300.2%
Adjusted EBITDA	680.3	774.6	-12.2%
Adjusted EBITDA Margin	43.0%	44.3%	-1.2 p.p.
(+/-) Non Recurring	(95.1)	(181.8)	-47.7%
EBITDA	585.1	592.8	-1.3%
EBITDA Margin	37.0%	33.9%	3.1 p.p.
(-) D&A	(399.8)	(475.3)	-15.9%
(+/-) Fin. Inc. (Exp.)	(184.1)	(229.1)	-19.6%
(-) Income Tax./Social Contrib.	13.8	36.3	-61.8%
(-) Minority Interest	(8.5)	(7.1)	20.2%
Net Income Controlling	6.6	82.4	NM
Net Margin	0.4%	-4.7%	5.1 p.p.
Net adjustments to EBITDA	77.9	120.0	-35.0%
Adjusted Net Income	84.5	37.5	125.2%
Adjusted Net Margin	5.3%	2.1%	3.2 p.p.

To a better understanding of our results, as well as better basis comparability, since 1Q24 we are showing the recurring information in the OpEx accounts and highlighting what should be considered as non-recurring.

In 2024, we reported net revenue of R\$1,580.5 million (-9.7% vs. 2023), Adjusted EBITDA of R\$680.3 million (-12.2% vs. 2023) and Adjusted EBITDA margin of 43.0% (1.2 p.p. vs. 2023), as well as adjusted net income of R\$84.5 million, which showed a +125.2% variation compared to 2023. In recent quarters, actions have been taken to reduce COGS & SG&A, to contain the impact of the fall in revenue on Quali's results. We will discuss costs and expenses and their impact on EBITDA in the following sections.

Revenue by Segment

Revenue (R\$ MN)	2024	2023	Δ2024/2023
Managed Portfolio	1,566.4	1,747.7	-10.4%
Affinity	1,558.6	1,735.1	-10.2%
Agency	78.9	66.3	19.1%
Administration Fee	1,126.1	1,253.6	-10.2%
Brokerage	352.3	414.1	-14.9%
Other Income	1.3	1.1	14.6%
Affinity Others	7.8	12.7	-38.4%
Corporate	17.9	19.4	-7.5%
Gama + Intercompany	99.0	88.0	12.6%
SME	25.6	36.4	-29.6%
Gross Revenue	1,709.0	1,891.5	-9.7%
Income Taxes	(127.5)	(141.1)	-9.7%
Cancellations and rebates	(1.0)	(0.5)	112.0%
Net Revenue	1,580.5	1,749.9	-9.7%

Quali's gross revenue was R\$1,709.0 million in 2024, 9.7% lower than 2023. In 2024, take-rate revenue totaled R\$1,478.4 million, a reduction of 11.4% vs 2023, due to the 18.8% drop in the average base of Affinity members, partially offset by the positive effect on the ticket. In the Affinity Other portfolio, gross revenue fell to R\$7.8 million in 2024, with a variation of -38.4% vs 2023. The combined gross revenue of the other segments fell by 0.8% compared to 2023.

Costs and Expenses

Costs and Expenses (R\$ MN)	2024	2023	Δ2024/2023
Total Consolidated	(900.2)	(975.3)	-7.7%
COGS	(266.3)	(369.0)	-27.8%
Administrative Expenses	(213.2)	(218.5)	-2.4%
Commercial Expenses	(167.6)	(227.4)	-26.3%
Contingencies, Bad Debt and Other	(253.0)	(160.5)	57.6%
Total Consolidated	(900.2)	(975.3)	-7.7%
Fixed Expenses	(463.2)	(573.9)	-19.3%
Personnel	(264.3)	(320.5)	-17.6%
3rd-party Services	(140.4)	(172.2)	-18.5%
Occupancy	(8.7)	(11.3)	-23.5%
Marketing and Trade	(20.1)	(30.7)	-34.5%
Other Costs and SG&A	(29.8)	(39.2)	-23.8%
Variable Expenses	(436.9)	(401.5)	8.8%
Contingencies and Legal Exp.	(77.5)	(38.4)	101.8%
Comissions and Transf.	(183.9)	(239.1)	-23.1%
Bad Debt Provision	(125.4)	(111.5)	12.5%
Other Operating	(50.1)	(12.5)	300.2%

Note: SG&A expenses without depreciation and amortization.

In order to facilitate the analysis of variations, in addition to the changes implemented in recent quarters, in which we began to divide Quali's costs and expenses lines into two main 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), since 1Q24, we have also changed the way we present the comparison of these on a recurring basis, keeping comparable bases suitable for analysis. In addition, so as not to lose the parameter, we have also maintained the traditional opening by nature and by accounting group.

Thus, Quali's total consolidated costs and expenses amounted to R\$900.2 million, 7.7% lower than in 2023.

In 2024, fixed expenses decreased by 19.3% vs. 2023, reaching R\$463.2 million, with significant reductions in all accounting groups, adapting the Company to the current situation and enabling business sustainability. In the year, variable expenses increased by 8.8% vs. 2023 to R\$436.9 million due to significant increases in Contingencies, given the greater impacts of legal proceedings caused mainly by unilateral cancellations, and Other Operational Expenses caused by provisions for possible losses from settlement of accounts that are still under discussion with payors, but for which we have chosen to maintain a more conservative stance.

Adjusted EBITDA

Adj. EBITDA (R\$ MN)	2024	2023	Δ2024/2023
Net Revenue	1,580.5	1,749.9	-9.7%
(-) COGS	(266.3)	(369.0)	-27.8%
(-) SG&A	(380.8)	(444.0)	-14.2%
(-) Contingencies and Legal Exp.	(77.5)	(38.4)	101.8%
(-) Bad Debt Provision	(125.4)	(111.5)	12.5%
(-) Other Oper. Inc. (Exp.)	(50.1)	(12.5)	300.2%
Adjusted EBITDA	680.3	774.6	-12.2%
Adjusted EBITDA Margin	43.0%	44.3%	-1.2 p.p.
(+/-) Non Recurring	(95.1)	(181.8)	-47.7%
EBITDA	585.1	592.8	-1.3%
EBITDA Margin	37.0%	33.9%	3.1 p.p.
(-) Cash Commissions (CAC)	(126.1)	(186.1)	-32.3%
Adj. EBITDA (-) CAC	554.2	588.5	-5.8%
Adj. EBITDA (-) CAC Margin	35.1%	33.6%	1.4 p.p.

Note: CAC refers to organic investments in commissions (cash), as shown in the managerial cash flow.

In 2024, Adjusted EBITDA was R\$680.3 million (-12.2% vs. 2023), with a margin of 43.0% (-1.2 p.p. vs. 2023). Items considered non-recurring totaled R\$95.1 million and were directly related to the restructuring process that the Company has been disclosing in recent quarters and, mainly, to write-offs related to unilateral cancellations discussed in more detail in 2Q24 and which resulted in provisions/accounting write-offs in this quarter.

Therefore, excluding these effects from the result, we achieved an EBITDA of R\$585.1, a variation of -1.3% compared to the same period of the previous year and a margin of 37.0%, representing an expansion of 3.1 p.p. compared to 2023.

We also reinforce the view of Adjusted EBITDA after organic CAC (cash view), which has been used by our Management to better measure the Company's operating result, since it considers the amounts disbursed with commission on organic sales in the period (CAC), which are accounted for as an investment (CapEx).

We achieved an Adj. EBITDA – CAC of R\$554.2 million, with a margin of 35.1%, an expansion of 1.4 p.p. vs. 2023. This factor shows the direct result of a more rational capital allocation and operational efficiency policy implemented throughout last year, which should support the Company in its sustainable reacceleration process throughout 2025.

Financials Results

Financial Results (R\$MN)	2024	2023	Δ2024/2023
Net Debt Income (Exp.)	(159.6)	(212.7)	-25.0%
Financial Investments	97.0	108.3	-10.4%
Interest on Loans and Financing	(256.7)	(321.0)	-20.1%
Interest and Fine on Late Paym.	24.1	30.1	-20.0%
Interest on Leases	(3.9)	(7.1)	-45.6%
Other Financ. Income (Exp.)	(44.7)	(39.4)	13.5%
Net Financial Results	(184.1)	(229.1)	-19.6%

The financial result totaled a net expense of R\$184.1 million, a reduction of 19.6% vs. 2023, which reflects the reduction in the CDI Index compared to last year and the lower gross debt caused by the payment of the first installment of the principal of the debentures issued in June/2022, in addition to the decrease in net debt, due to the strong cash generation in the period.

Adjusted Net Income

Adj. Net Income (R\$ MN)	2024	2023	Δ2024/2023
EBITDA	585.1	592.8	-1.3%
D&A	(399.8)	(475.3)	-15.9%
Intangible/Fixed Assets	(128.8)	(148.9)	-13.5%
Amort. Commissions	(258.4)	(307.7)	-16.0%
Amort. Leases	(12.5)	(18.7)	-33.0%
EBIT	185.3	117.5	57.8%
Fin. Inc. (Exp.)	(184.1)	(229.1)	-19.6%
Earnings before taxes	1.2	(111.6)	NM
Income Tax./Social Contrib.	13.8	36.3	NM
Net Income Consolidated	15.1	(75.4)	NM
(-) Minority Interest	(8.5)	(7.1)	20.2%
Net Income Parent Co.	6.6	(82.4)	NM
Net adjustments to EBITDA	77.9	120.0	-35.0%
Adjusted Net Income	84.5	37.5	125.2%

In 2024 we posted an 125.2% increase in adjusted net income, which amounted to R\$84.5 million. Excluding the non-recurring adjustments, we reversed the loss seen in 2023, reaching R\$6.6 million in net income for the period.

Cash Flow

Managerial Cash Flow	2024	2023	Δ2024/2023
EBITDA	585.1	592.8	-1.3%
Non cash adjustments	43.5	142.8	-69.5%
Leasing payments	(15.1)	(18.6)	-19.0%
Commissions over sales (CAC)	(126.1)	(186.1)	-32.3%
Taxes Paid	(28.2)	(47.0)	-40.1%
Changes in Working Capital	(3.6)	61.0	NM
Cash Provided by Oper. Activities	455.7	544.9	-16.4%
Capex (Intang. + PP&E)	(39.3)	(52.4)	-25.0%
Operating Cash Flow after Capex	416.4	492.5	-15.5%
Acquisitions portfolio/companies	22.4	19.1	17.4%
Recurring Free Cash Flow (Operating)	438.8	511.6	-14.2%
Non-Recurring Effects	(12.5)	-	NM
Free Cash Flow (Operating)	426.3	511.6	-16.7%
Financial Income/Expenses	(165.4)	(211.3)	-21.7%
Loans and Funding	(350.1)	-	NM
Financial Investments	-	-	NM
Capital Increase	2.0	3.0	-33.6%
Dividends Paid	(6.8)	(26.8)	-74.7%
Cash Prov. Financing Activ.	(520.2)	(235.1)	121.3%
Cash Variation + Financial Investments	(93.9)	276.5	NM
Cash + Financial Investments	892.9	986.8	-9.5%

As of 3Q24, in order to maintain transparency for our stakeholders and at the same time follow the culture of our DNA Quali (Diligence, Negotiation and Attitude), we decided to highlight factors that have been and could be used to improve our business/operational tools and which, due to strategic decisions, could mainly impact our working capital in the quarter.

In 2024, recurring free cash flow totaled R\$438.8 million, 14.2% lower vs. 2023. understandable due to the reduction in the members base in the period and partially offset by the turnaround strategies' impact on fixed and variable costs.

In 2024, we were able to see a continued reduction in commissions on new sales (CAC cash), which was 32.3% lower compared to 2023, reaching R\$126.1 million or 8.0% of net revenue. We captured this effect, in line with the ongoing work of rationalizing commercial incentives for the channel with the intention of increasing spending in this line in 2025 to be able to strengthen sales in a sustainable manner. Investments in CapEx, intangible and fixed assets in 2024 were R\$39.3 million (-25.0% vs. 2023) or 2.5% of net revenue.

Finally, considering that there was payment of interest and principal on the debt during the year, in addition to raising R\$200 million, we presented a negative generation of R\$93.9 million in 2024. With this, our cash + financial investments position ended the year at R\$892.9 million, guaranteeing us greater security and flexibility for managing the Company's debt.

Investments

Capex (R\$ MN)	2024	2023	Δ2024/2023
Acquisitions and Rights	0.2	-	NM
IT Capex	34.1	47.7	-28.4%
PP&E/Other Capex	7.7	3.1	153.8%
Total	42.1	50.7	-17.0%

Investments in PP&E and intangible and acquisitions were R\$42.1 million in 2024 (or 2.7% of net revenue), down 17.0% compared to 2023, reinforcing the strategy of discipline in cash management and adequate capital allocation given the Company's new size. Investments refer to technology, mainly related to the development and licensing of operational software, in continuity with the Company's digital evolution strategy.

Indebtedness

Capital Structure (R\$ MN)	2024	2023	Δ2024/2023
Short-term Loans and Financing	570.0	566.6	0.6%
Long-term Loans and Financing	1,293.2	1,640.1	-21.2%
TOTAL	1,863.2	2,206.7	-15.6%
Cash and cash equivalents	892.9	986.8	-9.5%
Net Debt	970.2	1,220.0	-20.5%
Net Debt / Adj. EBITDA LTM	1.43x	1.58x	-0.15x

After another quarter of strong cash generation, we ended 2024 with net debt of R\$970.2 million, 20.5% lower than 2023 or R\$250.0 million better than the end of 2023, with most of the debt recorded in the long term. Our financial leverage ended 2024 in 1.43x Adjusted EBITDA, against 1.58x in 2023.

Our Quali

We concluded the 1 year and a half of this journey of the new management of Quali, led by our CEO Maurício Lopes, who implemented a Turnaround strategy. Despite several internal challenges of the Company and the supplementary health market, we were able to bear fruits, such as the reduction of fixed costs and robust generation of free cash flow in the pillar of restructuring and better allocation of capital.

More than 90 new products were developed with the country's main payors and new relationships were made to fill the entire addressable market, strengthening our second pillar of completing our product portfolio. Even so, to achieve success in this process, it is still necessary to continue launching new products that are in line with the best moment in the market. Thus, we continue to see significant improvements in Quali's main KPI's.

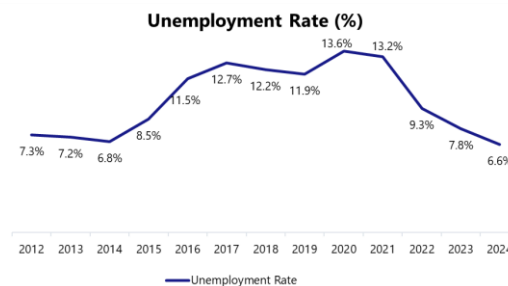
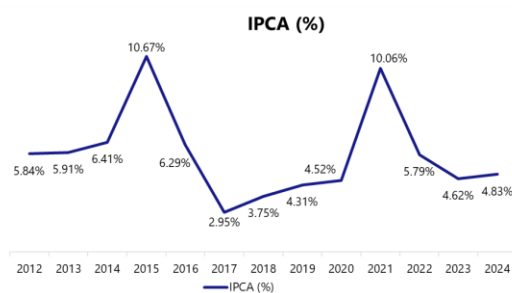
In January 2024, we launched our new organizational culture, "DNAQuali – Diligence, Negotiation and Attitude", which, together, have reaped positive and sustainable fruits in our results and we hope to continue reaping them.

Finally, we remain consistent in evolving the Turnaround strategy in 2025, to achieve positive results and keep demonstrating the strength of Quali and all our employees in this process.

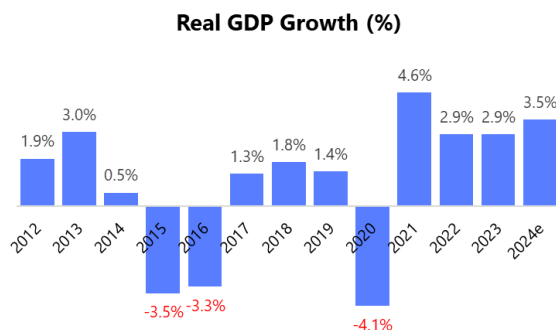
Macroeconomic Environment

In 2023, inflation as measured by the IPCA ended the year at 4.83%, a 200 bps higher compared to 2022, above the target of 4.5%, according to the Brazilian Central Bank (BACEN). The SELIC rate reached its peak in 2023 at 13.75%, throughout 2024 it was lowered, however, due to the pressure of high inflation, Copom raised it again, reaching 12.25% at the end of 2024.

We also see a reduction in the unemployment rate in 2024 to 6.6%, a drop of 1.2 p.p. compared to 2023, the lowest level in the historical series that began in 2012. Although the unemployment rate has fallen, we have yet to see a significant recovery in the population's income, both of which are decisive factors when choosing a health plan.

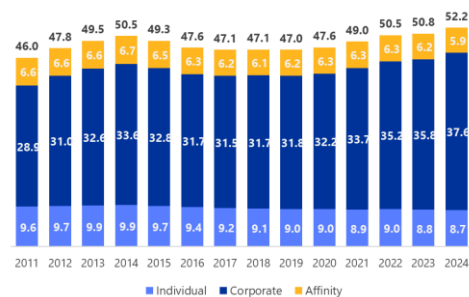
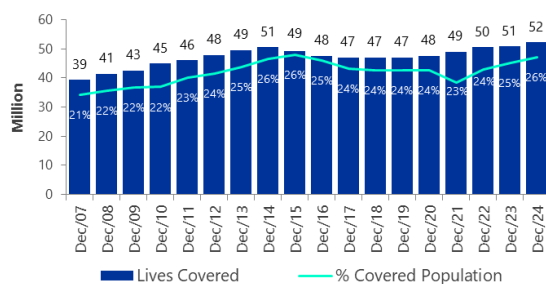


The COVID-19 pandemic strongly affected the country's economy, as can be seen in the graphic below, in 2020 there was a sharp drop of 4.1% in GDP, followed by a recovery with 4.6% growth in 2021. In 2024, GDP is estimated in 3.5%, above 2022 and 2023.



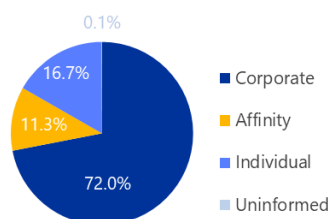
The supplementary healthcare market in 2024

In 2024 we could see an increase in the number of beneficiaries in the supplementary healthcare system roughly 1,400,000 members or 2.8% compared to 2023, reaching 52.2 million people covered by a healthcare plan (around 25.7% of the total population) as shown in the graph below.



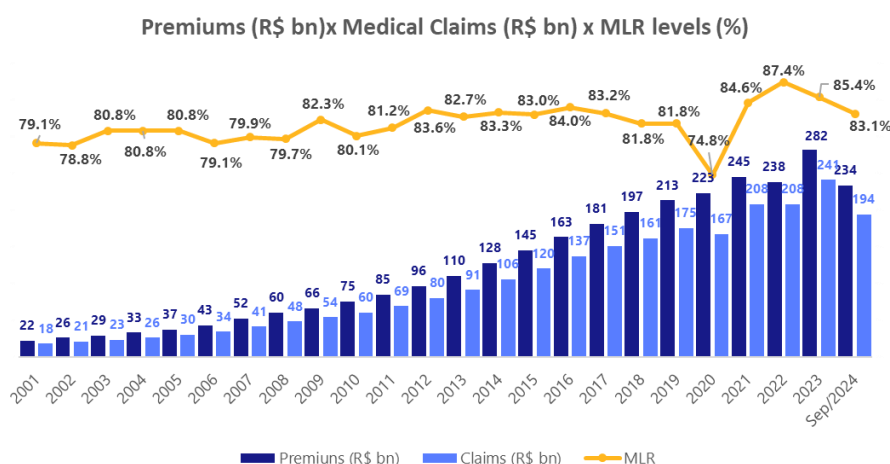
This growth, even in an adverse market environment, is due to the creation of formal jobs that offer their employees a corporate health plan. Thus, the acceleration in new plans came from the Corporate segment, which grew 4.9% in the year. The Affinity and Individual segments saw a slight drop of 1.1% and 4.8%, respectively, in comparison with 2023, since they have income as their main driver, their detachment from the number of jobs generated affected the population's ability to pay.

Out of the 52.2 million beneficiaries of the Supplementary Healthcare System in Brazil in 2024, the concentration was on the Corporate plans with 72.0%, followed by Individual plans with 16.7%, and finally the Affinity with 11.3%.



Meanwhile the pandemic, there was a drop in the sector's medical loss ratio (MLR) to less than 75%, due to people who avoid going to hospitals and laboratories. Later, there was a steep increase in frequencies and, consequently, an increase in network usage, in a way that MLRs reached

the century's highest level at 87.4% in 2022. However, by September 2024, the MLR had slightly improved to 83.1%. In this scenario, the average adjustment applied to Quali's health plan portfolios in 2024 was around 23%, however, in the fourth quarter, we were already able to see a downward trend, concluding the year with adjustments below 20%, implying a higher-than-expected churn for our Company, although lower than in 2023.

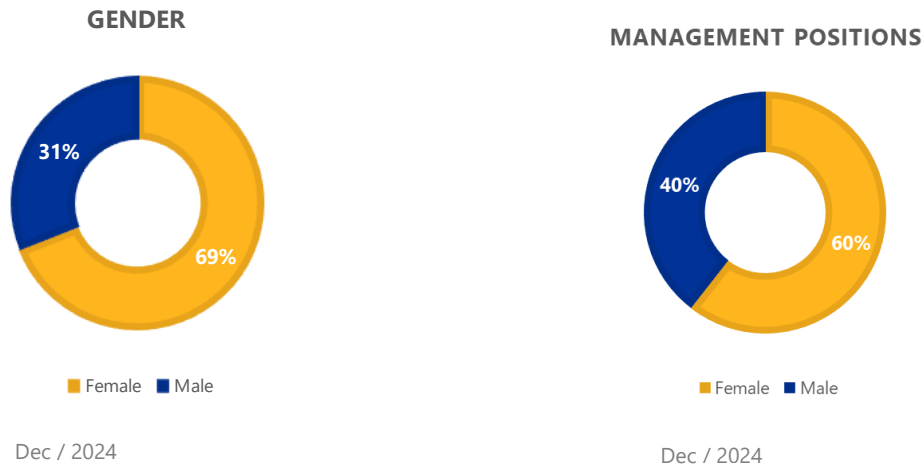


Respect, plurality and equality

On December 31, 2024, our staff was composed by 1,558 Qualis. Without them, we would not be able to achieve our goals. Respecting all the differences and diversities that add up to our Brazil, we have 41.5% of non-white employees (2.2p.p. higher than 2023), as well as age diversity, with young and seniors working together and generating each time more value.

Generation	N°	%	Races Diversity	# Qualis	%
BABY BOOMERS (59 to 77 years)	24	1.5%	White	912	58.5%
X (43 to 58 years)	279	17.9%	Brown	453	29.1%
Y (27 to 42 years)	954	61.2%	Black	166	10.7%
Z (13 to 26 years)	301	19.3%	Others/ Not Inform	27	1.7%
Total	1,558	100.0%	Total	1,558	100.0%

In addition, 1.9% of employees are PwD, totaling 29 people. Our staff is also composed by women's majority, with 69%, and 60% of the leadership/management positions are occupied by women.



We had more than 180 promotions through meritocracy last year, the result of an intense recognition.

Communication, Engagement and Development

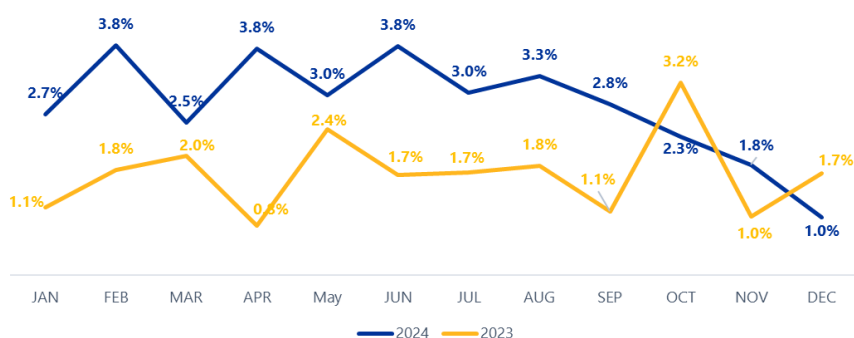
Always seeking to encourage the improvement of our Qualis, the Company encourages employee learning through in-person and online training through our Quali University. Below is a breakdown of the academic background of our Qualis, with the majority having completed Higher Education or above.

Academic Education	# Qualis	%
PhD / Master	6	0.4%
Postgraduate	166	10.7%
Higher Education	723	46.4%
Incomplete Higher Education	70	4.5%
Technician	40	2.6%
High school	545	35.0%
Incomplete high school	8	0.5%
Total	1,558	100.0%

Dec/2024

Turnover

In 2024, our turnover was 33.85%, compared to 20.22% in 2023. In the chart below, we demonstrate the monthly distribution:

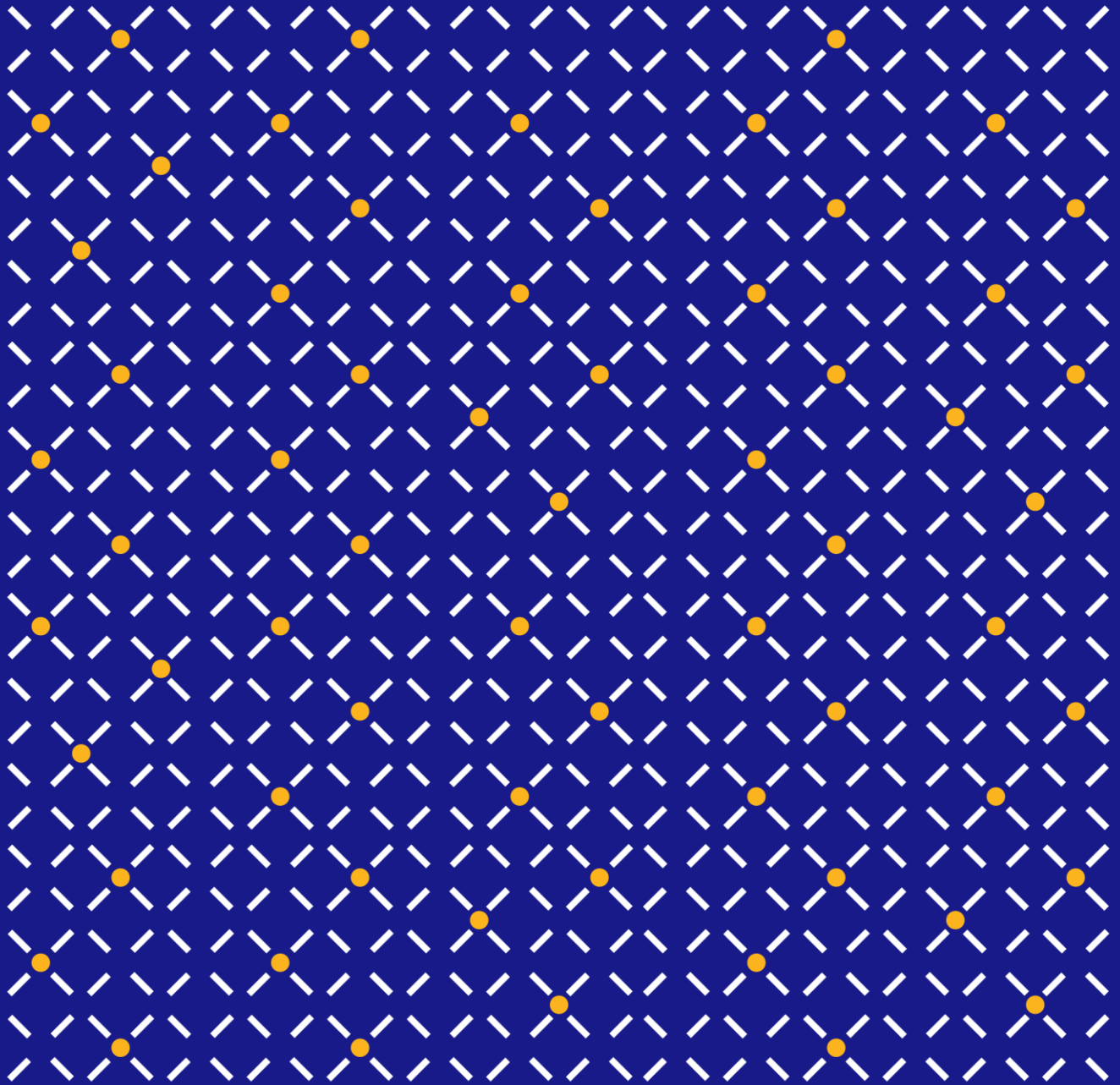


Earnings Distribution

At the Annual General Meeting to be held on March 28, 2025, the Company's shareholders will deliberate on the Board of Directors' proposal to allocate R\$1.6 million as dividends for the fiscal year 2024, to which shareholders with a position on the base date of June 30, 2025 will be entitled.

Thank you

We thank the support and participation of shareholders, board members, employees, customers, beneficiaries, partners, insurers, and Payors who contributed, directly or indirectly, to the Company's performance in 2024.



More choices for you.
More Quali for your life.



A free translation from Portuguese into English of Independent Auditor's Report on Parent Company and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB)

Independent auditor's report on parent company and consolidated financial statements

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

Opinion

We have audited the parent company and consolidated financial statements of Qualicorp Consultoria e Corretora de Seguros S.A. (the "Company"), identified as Parent Company and Consolidated, respectively, which comprise the statement of financial position as at December 31, 2024, and the statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the parent company and consolidated financial position of the Company as at December 31, 2024, its parent company and consolidated financial performance and its parent company and consolidated cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) (currently referred to by the IFRS Foundation as "IFRS accounting standards").

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the parent company and consolidated financial statements* section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants, the professional standards issued by the Brazil's National Association of State Boards of Accountancy (CFC), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. This matter was addressed in the context of our audit of the parent company and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. For the matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in the context of the financial statements as a whole.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the parent company and consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Recognition of revenue from administration fee

As mentioned in Note 3.xv, the Company's and its subsidiaries' revenues derive, among others, from administration fees. Revenues from administration fees refers to the monthly compensation for the administration activity and/or stipulation of the health and dental lines of the group membership plans and are recognized monthly, based on the information generated in the internal beneficiary managing system. As a result of the business model, there are temporary differences between the billing for the services provided and the amount payable recognized by the operators, which are monitored through the Company's internal controls.

In our opinion, since the aspects mentioned above may significantly impact the amount of revenue recognition and, as a result, the financial statements as a whole, and due to the materiality of the amounts involved in the transactions, representing a high risk of material misstatement in the individual and consolidated financial statements, volume of transactions and nature of its operations, this issue is considered a key audit matter.

How our audit addressed this matter

Our audit procedures related to revenue recognition included, among others: i) assessment of revenue recognition criteria adopted by management, which support the accounting for administration fees throughout the year; ii) test of reconciliation of balances and adjustments related to the control of temporary differences related to billing for services provided and amounts payable to operators; iii) analysis, on a sample basis, of the composition of temporary differences and documentary support on the amounts recognized.

Based on the result of the audit procedures performed on the recognition of revenue from administration fee, we consider that the revenue recognition criteria and assumptions adopted by the executive board, as well as related disclosures in Note 3.xiv, are acceptable in the context of the individual and consolidated financial statements taken as a whole.

Other matters

Statements of value added

The parent company and consolidated statements of value added for the year ended December 31, 2024, prepared under the responsibility of Company's executive board and presented as supplementary information for IFRS purposes was submitted to audit procedures performed in conjunction with the audit of the Company's financial statements. For the purpose of forming our opinion, we evaluate whether this statement is reconciled with the financial statements and accounting records, as applicable, and whether its form and content are in accordance with the criteria set forth in Accounting Pronouncement CPC 09 - Statement of Value Added. In our opinion, this statement of value added has been properly prepared, in all material respects, in accordance with the criteria set forth in this Accounting Pronouncement and is consistent with the overall parent company and consolidated financial statements.

Other information accompanying the parent company and consolidated financial statements and the auditor's report

The Company's executive board is responsible for such other information, which comprise the Management Report.

Our opinion on the parent company and consolidated financial statements does not cover the Management Report and we do not express any form of assurance conclusion on this report.

In connection with our audit of the parent company and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Management Report, we are required to report that fact. We have nothing to report in this respect.

Responsibilities of management and those charged with governance for the parent company and consolidated financial statements

Management is responsible for the preparation and fair presentation of the parent company and consolidated financial statements in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) (currently referred by the IFRS Foundation as “IFRS Accounting Standards”), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the parent company and consolidated financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s and its subsidiaries’ financial reporting process.

Auditor’s responsibilities for the audit of the parent company and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the parent company and consolidated financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the parent company and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s and its subsidiaries’ internal control.

Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the parent company and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

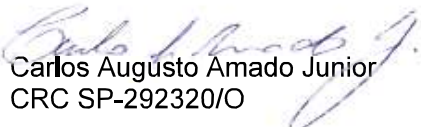
We communicate with those charged with governance regarding, among other matters, the scope and timing of the planned audit procedures and significant audit findings, including deficiencies in internal control that we may have identified during our audit.

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements, including applicable independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, February 26, 2025.

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



Carlos Augusto Amado Junior
CRC SP-292320/O

BALANCE SHEET AS AT DECEMBER 31, 2024 AND 2023
(In thousands of Brazilian real - R\$)

ASSETS	Note	Parent company		Consolidated		LIABILITIES AND EQUITY	Note	Parent company		Consolidated	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023			December 31, 2024	December 31, 2023		
CURRENT ASSETS						CURRENT LIABILITIES					
Cash and cash equivalents	7.1	35,029	52,532	322,307	394,589	Interest-bearing loans and borrowings and debentures	14	570,002	566,646	570,002	566,646
Financial investments	7.2	173,604	218,620	570,639	592,179	Taxes and contributions payable		16,376	11,182	32,579	25,916
Amounts receivable from customers	8	70,267	47,969	449,571	242,993	Technical reserves for healthcare operations		-	-	132,855	27,915
Other assets		47,924	41,608	315,362	388,945	Premiums to be transferred	16	-	-	276,093	358,432
Other financial assets	9	46,545	39,064	309,353	383,073	Financial transfers payable		-	-	36,387	61,924
Other non-financial assets		1,379	2,544	6,009	5,872	Payroll and related charges		34,949	32,972	52,575	49,507
Receivables from related parties	11.1	40,227	159,141	-	-	Transferable prepayments		-	-	43,621	33,224
Total current assets		367,051	519,870	1,657,879	1,618,706	Payables to related parties	11.1	1,569	-	1,631	-
						Other payables	17	101,423	17,757	344,981	166,999
						Lease liabilities	15	622	8,105	3,410	13,060
						Call option over non-controlling interests	5	9,241	-	9,241	-
						Total current liabilities		734,182	636,662	1,503,375	1,303,623
NON-CURRENT ASSETS						NON-CURRENT LIABILITIES					
Deferred income tax and social contribution	10	200,843	197,805	226,753	204,066	Interest-bearing loans and borrowings and debentures	14	1,293,162	1,640,101	1,293,162	1,640,101
Amounts receivable from customers	8	-	-	59,965	-	Taxes and contributions payable		94	-	1,591	1,275
Other assets		5,230	6,773	59,726	93,337	Financial transfers payable		-	-	-	695
Other financial assets	9	4,764	6,007	59,244	92,518	Working capital deficiency in subsidiary		1,488	493	-	-
Other non-financial assets		466	766	482	819	Premiums to be transferred	16	-	-	167	167
Total long-term receivables		206,073	204,578	346,444	297,403	Payroll and related charges		-	-	-	400
Investments in subsidiaries	12	1,773,113	1,681,448	262	262	Deferred income tax and social contribution	10	-	-	47,405	67,825
Property and equipment		6,982	27,102	29,277	38,152	Call option over non-controlling interests	5	21,000	50,155	98,630	106,115
Intangible assets						Provision for contingencies	18	18,903	13,289	105,148	86,035
Goodwill	13	673,520	673,520	1,854,712	1,854,712	Other payables	17	-	-	-	150
Other intangible assets	13	324,959	516,589	477,751	700,090	Lease liabilities	15	604	12,193	15,277	17,406
Total non-current assets		2,984,647	3,103,237	2,708,446	2,890,619	Total non-current liabilities		1,335,251	1,716,231	1,561,380	1,920,169
						EQUITY					
						Share capital	19	875,575	875,575	875,575	875,575
						Treasury shares		(55,277)	(97,910)	(55,277)	(97,910)
						Capital reserve		80,744	116,342	80,744	116,342
						Revenue reserves		381,223	376,207	381,223	376,207
						Total equity attributable to equity holders of the parent		1,282,265	1,270,214	1,282,265	1,270,214
						Non-controlling interests		-	-	19,305	15,319
						Total equity		1,282,265	1,270,214	1,301,570	1,285,533
TOTAL ASSETS		3,351,698	3,623,107	4,366,325	4,509,325	TOTAL LIABILITIES AND EQUITY		3,351,698	3,623,107	4,366,325	4,509,325

The accompanying notes are an integral part of these parent company and consolidated financial statements.

QUALICORP CONSULTORIA E CORRETORA DE SEGUROS S.A.

STATEMENT OF PROFIT OR LOSS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In thousands of Brazilian real - R\$, except for per share amounts)

	Note	Parent company		Consolidated	
		January 1, 2024 to December 31, 2024	January 1, 2023 to December 31, 2023	January 1, 2024 to December 31, 2024	January 1, 2023 to December 31, 2023
NET OPERATING REVENUE	26.d	425,510	485,118	1,580,459	1,749,906
COST OF PROVIDING SERVICES	21	(26,620)	(47,068)	(266,321)	(368,963)
OPERATING INCOME (EXPENSES)					
Administrative expenses	21	(113,793)	(124,871)	(369,148)	(403,832)
Selling expenses	21	(211,300)	(261,962)	(433,035)	(535,195)
Losses on uncollectible receivables	8.1	(974)	(753)	(125,357)	(141,972)
Share of net profits of equity-accounted investees	12	23,474	68,065	-	(510)
Other income (expenses), net	22	(31,558)	(122,746)	(201,250)	(181,941)
OPERATING PROFIT BEFORE FINANCE INCOME AND COSTS		64,739	(4,217)	185,348	117,493
Finance income	23	51,729	28,870	155,749	161,823
Finance costs	23	(109,879)	(146,399)	(339,876)	(390,943)
PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		6,589	(121,746)	1,221	(111,627)
INCOME TAX AND SOCIAL CONTRIBUTION	24	(10)	39,311	13,842	36,252
Current		(3,048)	-	(29,264)	(18,624)
Deferred		3,038	39,311	43,106	54,876
PROFIT (LOSS) FOR THE YEAR		6,579	(82,435)	15,063	(75,375)
ATTRIBUTABLE TO					
Equity holders of the parent		6,579	(82,435)	6,579	(82,435)
Non-controlling interests		-	-	8,484	7,060
		6,579	(82,435)	15,063	(75,375)
EARNINGS (LOSS) PER SHARE					
Basic (R\$ per share)	28	0.02339	(0.29520)	0.02339	(0.29520)
Diluted (R\$ per share)	28	0.02330	(0.29520)	0.02330	(0.29520)

The accompanying notes are an integral part of these parent company and consolidated financial statements.

QUALICORP CONSULTORIA E CORRETORA DE SEGUROS S.A.

STATEMENT OF COMPREHENSIVE INCOME (LOSS)
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In thousands of Brazilian real- R\$)

	Parent company		Consolidated	
	January 1, 2024 to December 31, 2024	January 1, 2023 to December 31, 2023	January 1, 2024 to December 31, 2024	January 1, 2023 to December 31, 2023
PROFIT (LOSS) FOR THE YEAR	6,579	(82,435)	15,063	(75,375)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	6,579	(82,435)	15,063	(75,375)
ATTRIBUTABLE TO				
Equity holders of the parent	6,579	(82,435)	6,579	(82,435)
Non-controlling interests	-	-	8,484	7,060

The accompanying notes are an integral part of these parent company and consolidated financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In thousands of Brazilian real - R\$)

		Share capital							Non-controlling interests		
Note	Paid-up capital	Share issue costs	Treasury shares	Capital reserve	Legal reserve	Revenue reserves Other reserves	Retained earnings	Attributable to equity holders of the parent	Non-controlling interests	Total consolidated	
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		-	-	-	6,199	-	-	-	6,199	-	6,199
Exercise of restricted stock		-	-	16,313	(16,313)	-	-	-	-	-	-
Loss for the year		-	-	-	-	-	-	(82,435)	(82,435)	7,060	(75,375)
Loss absorbed		-	-	-	-	-	(82,435)	82,435	-	-	-
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	-	(5,256)	(5,256)
Disproportional dividends		-	-	-	-	-	-	-	-	367	367
Increase in share capital of subsidiaries by minority shareholders		-	-	-	-	-	-	-	-	3,004	3,004
AT DECEMBER 31, 2023		896,558	(20,983)	(97,910)	116,342	138,277	237,930	-	1,270,214	15,319	1,285,533
20	Grant of restricted stock	-	-	-	7,035	-	-	-	7,035	-	7,035
	Exercise of restricted stock	-	-	42,633	(42,633)	-	-	-	-	-	-
	Profit for the year	-	-	-	-	-	-	6,579	6,579	8,484	15,063
19	Transfer to legal reserve	-	-	-	-	329	-	(329)	-	-	-
19	Mandatory minimum dividends	-	-	-	-	-	-	(1,563)	(1,563)	-	(1,563)
19	Transfer to investment reserve	-	-	-	-	-	4,687	(4,687)	-	-	-
	Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(6,780)	(6,780)
	Disproportional dividends	-	-	-	-	-	-	-	-	286	286
	Increase in share capital of subsidiaries by minority shareholders	-	-	-	-	-	-	-	-	1,996	1,996
AT DECEMBER 31, 2024		896,558	(20,983)	(55,277)	80,744	138,606	242,617	-	1,282,265	19,305	1,301,570

The accompanying notes are an integral part of these parent company and consolidated financial statements.

QUALICORP CONSULTORIA E CORRETORA DE SEGUROS S.A.

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In thousands of Brazilian real - R\$)

	Note	Parent company		Consolidated	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit (loss) before income tax and social contribution		6,589	(121,746)	1,221	(111,627)
Adjustments for:					
Depreciation and amortization	21	181,816	212,929	399,783	475,317
Loss on disposal of investment		-	95,939	-	95,939
Provision for impairment of other assets		-	3,132	-	15,661
Write-offs of property and equipment, intangible assets and leases		(624)	20,745	(913)	20,181
Share of net profits of equity-accounted investees	12	(23,474)	(68,065)	-	510
Restricted stock		2,090	749	10,029	6,856
Finance costs		89,152	317,851	267,030	344,880
Income on financial investments		(7,947)	(3,620)	(43,248)	(41,208)
Loss on disproportionate dividends	12	286	367	286	367
Provision for contingencies		27,364	1,175	40,863	1,500
		275,252	459,456	675,051	808,376
Changes in operating assets and liabilities:					
Increase (decrease) in amounts receivable from customers		(22,298)	6,133	(266,543)	(10,953)
Decrease (increase) in other assets		3,242	18,168	10,981	(5,109)
Increase (decrease) in taxes and contributions payable		3,721	(3,410)	5,871	31,642
Decrease in taxes recoverable		11,353	44,391	49,627	38,702
Increase (decrease) in premiums to be transferred		-	-	(82,339)	134,295
Increase (decrease) in financial transfers payable		-	-	(26,232)	5,806
Increase in technical reserves for healthcare operations		-	-	104,940	10,992
Increase (decrease) in payroll and related charges		798	(16,327)	1,372	(18,169)
Increase (decrease) in other payables		41,854	(7,846)	63,705	1,837
Increase (decrease) in transferable prepayments		-	-	10,397	(13,694)
Increase (decrease) in amounts payable to / receivable from health plan operators		-	-	112,028	(113,814)
Increase in balances with related parties		289,822	30,107	68	-
Cash from operations		603,744	530,672	658,926	869,911
Interest paid on debentures	14	(111,319)	(324,840)	(252,835)	(324,840)
Income tax and social contribution paid		(1,481)	-	(28,156)	(47,009)
Net cash flows from operating activities		490,944	205,832	377,935	498,062
CASH FLOWS FROM INVESTING ACTIVITIES					
Increase in share capital of subsidiaries	12	(96,610)	(12,000)	-	-
Dividends and interest on capital received from subsidiaries		32,391	127,799	-	-
Proceeds from sale of Qsaúde		5,212	-	26,060	-
Cash from acquired subsidiary		-	10,485	-	-
Additional payment for acquisition of Elo		-	29,722	-	29,722
Additions to intangible assets		(140,755)	(146,733)	(161,946)	(244,730)
Purchase of property and equipment		(913)	(2,959)	(7,568)	(4,383)
Proceeds from sale of property and equipment		491	-	492	-
Decrease (increase) in financial investments		52,963	(215,000)	64,788	(217,828)
Net cash flows used in investing activities		(147,221)	(208,686)	(78,174)	(437,219)
CASH FLOWS FROM FINANCING ACTIVITIES					
Payment of lease liabilities	15	(9,058)	(12,421)	(15,091)	(18,634)
Costs of issue of debentures	14	(1,730)	-	(1,730)	-
Repayment of debentures	14	(550,000)	-	(550,000)	-
Proceeds from issue of debentures	14	200,000	-	200,000	-
Other costs of issue of debentures		(438)	(453)	(438)	(453)
Increase in share capital of subsidiaries by minority shareholders		-	-	1,996	3,004
Dividends and interest on capital paid		-	(22,044)	-	(22,044)
Dividends paid to non-controlling interests		-	-	(6,780)	(5,256)
Net cash flows used in financing activities		(361,226)	(34,918)	(372,043)	(43,383)
NET INCREASE IN CASH AND CASH EQUIVALENTS		(17,503)	(37,772)	(72,282)	17,460
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		52,532	90,304	394,589	377,129
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		35,029	52,532	322,307	394,589

The accompanying notes are an integral part of these parent company and consolidated financial statements.

STATEMENT OF VALUE ADDED
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In thousands of Brazilian real - R\$)

	Parent company		Consolidated	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
REVENUE				
Revenue from providing services	469,688	535,279	1,708,943	1,891,526
Other operating income	7,455	10,161	694,114	248,737
Provision for credit losses, cancellations and returns	(1,181)	(1,240)	(133,246)	(146,947)
Total revenue	475,962	544,200	2,269,811	1,993,316
COST OF BOUGHT-IN GOODS AND SERVICES				
Cost of services	(10,328)	(16,261)	(176,736)	(247,999)
Materials, electricity, outsourced services and others	(81,588)	(98,140)	(218,931)	(246,570)
Impairment/recovery of assets	-	(3,427)	-	(3,612)
Other operating expenses	(61,279)	(136,724)	(958,796)	(466,363)
Total cost of bought-in goods and services	(153,195)	(254,552)	(1,354,463)	(964,544)
GROSS VALUE ADDED	322,767	289,648	915,348	1,028,772
DEPRECIATION, AMORTIZATION AND DEPLETION	(181,816)	(212,929)	(399,783)	(475,317)
NET VALUE ADDED GENERATED BY THE ENTITY	140,951	76,719	515,565	553,455
VALUE ADDED RECEIVED THROUGH TRANSFER				
Finance income	51,729	28,870	155,749	161,823
Share of net profits of equity-accounted investees	23,474	68,065	-	(510)
Total value added received through transfer	75,203	96,935	155,749	161,313
TOTAL VALUE ADDED TO DISTRIBUTE	216,154	173,654	671,314	714,768
DISTRIBUTION OF VALUE ADDED				
To employees	75,010	104,164	268,596	332,980
Salaries	61,604	80,238	217,167	254,413
Benefits	9,564	16,311	36,521	55,587
FGTS (Severance pay fund)	3,842	7,615	14,908	22,980
To government (taxes and duties)	46,400	11,886	117,302	106,662
Federal	29,858	(5,356)	75,324	61,759
Municipal	16,542	17,242	41,978	44,903
To providers of capital/third parties	88,165	140,039	270,353	350,501
Interest	85,193	136,203	265,895	345,820
Rentals	2,972	3,836	4,458	4,681
To shareholders	6,579	(82,435)	15,063	(75,375)
Dividends	1,563	-	1,563	-
Profit retained in the business (loss for the year)	5,016	(82,435)	5,016	(82,435)
Share of non-controlling interests in retained profit	-	-	8,484	7,060
Total value added distributed	216,154	173,654	671,314	714,768

The accompanying notes are an integral part of these parent company and consolidated financial statements.

QUALICORP CONSULTORIA E CORRETORA DE SEGUROS S.A.

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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

1. General information

a) Corporate information

Qualicorp Consultoria e Corretora de Seguros S.A. (the Company or the parent) is a stock corporation that was incorporated on May 19, 2010 in São Paulo, Brazil, and commenced its operations on July 1, 2010. The Company is principally engaged in holding equity interests in other companies and business enterprises of any nature and the provision of insurance brokerage, agency, consulting and management services.

Through its direct and indirect subsidiaries, the Company operates in the following segments: (a) private health plans, whose service providers include group medical organizations, specialized health insurance companies, medical cooperatives, self-managed entities, charitable institutions, dental cooperatives and group dentists ('health plan operators'); (b) sale and management of other health insurance and supplementary services; (c) services rendered for the capture, routing, authorization and billing of medical and hospital services, as well as medical audit services, processing of medical bills, call center, insurance claims and hospital network management system licensing, and other outsourced healthcare support services; (d) insurance brokerage through retail channels, such as life insurance, premium bonds, home insurance, extended warranty, financial protection insurance, among others; (e) authorization of client access to the health plan's network; and (f) specialized care management services.

Private health plans and other insurances and supplementary services are hereinafter collectively referred to as 'benefits'. The Qualicorp Group (the Group, consisting of the Company and its subsidiaries) develops its activities in the market segments known as Affinity, Health and Corporate. The Affinity segment is engaged in the support, management, stipulation, brokerage and/or intermediation of group plans for members of professional associations (unions, associations, regional councils, etc.); the Corporate segment engages in the brokerage and intermediation of corporate plans, and the provision of specialized consulting services, assisting clients in the management of the benefits acquired; and the Health Management segment includes preventive medicine activities, patient management, prior authorization and regulation of medical services, management of medical service provider network and medical information processing.

b) Significant events during 2024

I. Seventh issue of debentures

On April 5, 2024, the Company completed its 7th issue of debentures, comprising 200,000 simple, non-convertible, unsecured debentures of a single series, with a unit face value of R\$ 1,000.00, totaling R\$ 200,000,000.00, and a maturity of four years from the date of issue. The Debentures were offered solely for professional investors through public distribution registered with the Brazilian Securities Commission (CVM) subject to automatic registration process pursuant to CVM Resolution No. 160 of July 13, 2022 and other applicable legal and regulatory requirements. The issue was approved by a resolution adopted by the Board of Directors of the Company at the meeting held on March 14, 2024. The proceeds from this issue were used to finance the Company's operations as part of an efficient liability management strategy.

II. Payment of principal and interest on debentures

In 2024, the Company paid R\$ 550,000 for the first installment of the sixth issue of debentures and R\$ 252,835 of interest on debentures (Note 14).

III. Restricted stock award

Under agreements signed on May 10, 2024 and June 19, 2024, the Company made a new grant of 4,500,000 and 1,800,000 restricted shares, respectively, to the members of its management board. The restricted stock vest 33% each year from the date of signing of the agreement and the exercise price of the restricted stock will be the fair market price of each restricted share on Brazil's stock exchange (B3) on the business day immediately preceding the respective date of grant

2. *Presentation of the parent company and consolidated financial statements*

I. Statement of compliance

The parent company and consolidated financial statements have been prepared in accordance with accounting practices adopted in Brazil, including the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), as well as according to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and standards of the Brazilian Securities Commission (CVM), and disclose all information significant to the financial statements, which is consistent with that utilized by management in the performance of its duties.

The Company has elected to present the parent company financial statements and the consolidated financial statements within a single set of financial statements as there is no difference between the consolidated equity and the consolidated profit attributable to the equity holders of the parent in the consolidated financial statements prepared in accordance with IFRS and the accounting practices adopted in Brazil, and the parent's equity and profit in the parent company financial statements prepared in accordance with the accounting practices adopted in Brazil.

II. Basis of preparation

The parent company and consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value, as described in the accounting policies below. The main accounting policies adopted by the Company and its subsidiaries are detailed in Note 3.

The preparation of parent company and consolidated financial statements requires the use of certain critical accounting estimates. It also requires Management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

Management assessed the Company's and its subsidiaries' ability to continue as a going concern and concluded that the Company has the resources needed to continue operating for the foreseeable future. Accordingly, the Company has prepared these financial statements on the basis that it will continue to operate as a going concern.

It is the Company's policy to separately disclose, in the notes to the financial statements, the amounts greater than 10% of the total balance of the account subgroup to which they are assigned unless otherwise determined.

III. Basis of consolidation

At December 31, 2024, the parent 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 consolidated financial statements comprise the financial statements of the Company and its subsidiaries as follows:

Direct subsidiaries	Principal activities	Country of incorporation	% equity interest	
			December 31, 2024	December 31, 2023
Qualicorp Administradora de Benefícios S.A.	Benefits administration and stipulation	Brazil	100%	100%
Qualicorp Administração e Serviços Ltda.	Collection services and customer contract information	Brazil	100%	100%
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 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%
Oxcorp Gestão Consultoria e Corretora Ltda.	Health insurance brokerage	Brazil	75%	75%
Indirect subsidiary				
Plural Gestão em Planos de Saúde Ltda.	Benefits administration and stipulation	Brazil	75%	75%

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

3. Accounting policies

The Company's material accounting policies were as follows:

General principles:

Assets, liabilities, income and expenses are recognized on an accrual basis. Sales revenue is recognized in the statement of profit or loss when services are effectively rendered.

Assets expected to be realized and liabilities expected to be settled after one year are classified as non-current assets and non-current liabilities, respectively.

i. Financial instruments

The Company and its subsidiaries recognize a financial asset or a financial liability when they become a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially recognized at nominal amounts, which approximate fair value, considering that transactions generally have maturities of 30 days or less and which, therefore, result in immaterial effects on the financial statements.

Financial liabilities related to acquisitions of assignment of rights and exclusivity rights are recognized and adjusted based on agreements signed, if appropriate.

Other financial liabilities are initially recognized at nominal amounts, which approximate fair value, considering that transactions generally have maturities of 30 days or less and which, therefore, result in immaterial effects on the parent company and consolidated financial statements.

Transaction costs directly attributable to the acquisition or issue of financial assets and liabilities (except for financial assets and liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or liabilities, if applicable, after initial recognition.

Transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

Under CPC 48/IFRS 9, financial assets are classified, at initial recognition, in the following measurement categories: amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the entity's business model for managing them and the purpose for which the financial assets were acquired. Regular way purchases and sales of financial assets are recognized or derecognized based on the trade date. A regular way purchase or sale refers to a purchase or sale of a financial asset where the terms of the contract require delivery of the asset within a time frame established by regulation or convention in the relevant marketplace.

a) Financial assets at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through OCI

Financial assets are classified and measured at fair value through OCI if both of the following conditions are met:

- the financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss

Any financial assets that do not meet the conditions above are measured at fair value through profit or loss.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or at fair value through profit or loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities at fair value through profit or loss are remeasured to fair value and any movement in that fair value is taken directly to the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is used to calculate the amortized cost of a financial liability and to allocate the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

Derecognition

A financial asset is derecognized when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset in a transaction in which it has transferred substantially all the risks and rewards of the asset.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid or payable is recognized in the statement of profit or loss.

ii. Cash and cash equivalents

The Company's Management defines 'cash and cash equivalents' as cash that is held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Cash and cash equivalents consist of cash on hand, demand deposits with banks and short-term highly liquid investments with a maturity of three months or less, which are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. They are stated at cost plus interest income earned through the balance sheet date, which does not exceed market or realizable value.

iii. Financial investments

The Company's Management defines 'financial investments' as amounts realizable after 90 days from the date of investment. They are stated at cost plus interest income earned through the balance sheet date, which does not exceed market or realizable value. Financial investments comprise exclusive private credit multi-market investment fund and fixed-income investment funds.

iv. Receivables for benefits administration, payments/premiums to be transferred, advance payments/premiums, and payables for benefits administration

In administering group insurance contracts on behalf of third parties and group insurance contracts issued (contracts in which the stipulators are the subsidiaries Qualicorp Benefícios, Qualicorp Clube de Saúde, Uniconsult and Plural), the Group collects the premiums from the beneficiaries and transfers the premiums received to the health plan operators and insurance companies (transactions that transfer the customer credit risk to the Group unless the credit risk lies with the health plan operator/insurance carrier). These transactions, with and without credit risk, are recorded in assets as 'amounts receivable from customers' with a corresponding entry to 'premiums to be transferred' (amounts owed to health plan operators and insurance companies) and 'financial transfers payable' (amounts owed to the entities) and to the statement of profit or loss for administration fees and financial transfer fees.

Advances from customers are recorded in liabilities as 'transferable prepayments'.

The Group is engaged in the brokerage and intermediation of group health benefits. Additionally, it provides specialized consulting services, assisting clients in the management of the benefits purchased, and develops and distributes group insurance products such as life insurance, personal accident insurance, automobile and home insurance, financial protection insurance, pet insurance, and civil liability insurance for lawyers and healthcare professionals.

v. Allowance for expected credit losses of trade receivables

The Group's benefits administration companies, which take the credit risk, use the simplified approach in calculating expected credit losses (ECLs) for trade receivables. They recognize a loss allowance based on the customers' observed default rates as per an internal study. This study is reviewed annually or sooner if there is any significant change in plan operators/customers or in the grace period before termination of coverage due to non-payment of premiums.

The Company also assesses the curve of receipts from customers in calculating ECLs on trade receivables.

vi. Business combination and Investments in subsidiaries

Business combination is a transaction where the Company and its subsidiaries acquire control over a new asset (business), regardless of the legal form of the transaction.

Under IFRS 3.B7 / CPC 15 (R1), 'a business consists of inputs and processes applied to those inputs that have the ability to contribute to the creation of outputs', i.e., the amended definition of a business has a narrower definition of 'outputs'. In order to be considered a business, an acquired set of activities and assets must include, as a minimum, an input and a substantive process.

Consolidated financial statements

Subsidiaries

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed for the acquisition of subsidiaries in a business combination are measured initially at their fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred and the liabilities assumed. Goodwill attributable to future profitability is determined as the difference between the consideration paid to former owners of the acquiree, the equity interests issued by the Company in exchange for control of the acquiree, and the fair value of the assets acquired, net of liabilities assumed.

In the consolidated financial statements, intangible assets acquired in a business combination and recognized separately from goodwill are measured at their fair value at the date of acquisition that is the same as their cost. They are amortized on a straight-line basis over their estimated useful lives.

All intra-group transactions, balances and unrealized gains relating to transactions between members of the Group are eliminated on consolidation. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The accounting policies of subsidiaries are aligned with those of the Group.

Parent company financial statements

In the parent company financial statements, the Company applies ICPC 09 (R2) *Individual Financial Statements, Separate Financial Statements, Consolidated Financial Statements and Application of the Equity Method*, which requires that any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree at the date of acquisition be recognized as goodwill. The goodwill is included in the carrying amount of the investment.

The consideration transferred and the net fair value of the assets and liabilities are measured using the same criteria as those applied in the consolidated financial statements as described above. In the parent company financial statements, investments in subsidiaries are accounted for using the equity method.

vii. Statement of value added

The Company prepared the parent company and consolidated statement of value added as an integral part of its financial statements. The statement of value added is required under the Brazilian corporate law and accounting practices adopted in Brazil following the criteria set out in CPC 09 *Statement of Value Added* whereas, under IFRS, it is only considered to be supplementary information. The Company has elected as an accounting policy to present the effect of deferred tax assets within value added for distribution.

viii. Property and equipment

Property and equipment are stated at acquisition cost, net of accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, except for leasehold improvements that are amortized over the period of the lease.

An asset's residual value is immediately written down to its recoverable amount when the residual value exceeds the recoverable amount (Note 3.x).

ix. Intangible assets

Intangible assets comprise mainly: (i) goodwill arising on acquisition of subsidiaries (*); (ii) contractual customer relationships acquired on acquisition of subsidiaries (*); (iii) assignment of rights acquired from third parties; (iv) software licenses and software in use and under development, acquired from third parties; and (v) cost of obtaining new contracts.

These intangible assets are carried at acquisition cost less any accumulated amortization and accumulated impairment losses.

Intangible assets with finite lives are amortized on a straight-line basis over the useful economic life (Note 13).

An asset's residual value is immediately written down to its recoverable amount when the residual value exceeds the recoverable amount (Note 3.x).

(*) In the parent company financial statements, these amounts are presented under 'Investments', net of amortization and write-offs.

x. Impairment

Property and equipment and intangible assets with finite lives

The Company and its subsidiaries assess, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. Where it is not possible to estimate the recoverable amount for an individual asset, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. Such reversal is recognized in the statement of profit or loss.

Goodwill

Goodwill is measured as the excess of the consideration transferred over the net fair value of identifiable assets acquired and liabilities assumed, i.e., a premium paid by the acquiring company based on expectations of future earnings from the acquired business.

The CGUs to which goodwill has been allocated are tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. The impairment loss is allocated first, to reduce the carrying amount of the goodwill allocated to the CGU and then, to the other assets included in that unit, pro rata on the basis of the carrying amount of each asset in the unit. Impairment losses relating to goodwill are recognized directly in the statement of profit or loss and cannot be reversed in future periods.

Goodwill arising on acquisitions is allocated to the Affinity CGU and tested for impairment annually (Note 13.II).

xi. Technical reserves for healthcare operations

The direct subsidiary Gama Saúde recognizes technical reserves for healthcare operations in its financial statements, establishing a provision for the full amount informed by the service provider or beneficiary, based on the notices of occurrence of events covered under the insurance contracts in force and which have been received by the date of the financial statements.

xii. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

The Company and its subsidiaries recognize lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Lease liabilities are measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, or a change in the lease payments.

xiii. Interest-bearing loans and borrowings and debentures

a) Debentures

Debentures are represented by proceeds from issuance of debentures and are stated at the amount of the debt plus interest and transaction costs.

Transaction costs attributable to the issuance of debentures are accounted for as a reduction of the proceeds and are amortized over the life of the debt instrument until the debt is extinguished.

xiv. Revenue recognition

Revenue is recognized when the performance obligation is satisfied and the amount of revenue can be measured reliably, regardless of when the payment is made.

For the benefits administration companies, the performance obligation is satisfied upon delivery of the bill to the active beneficiaries of the health/dental plans for the relevant month, and revenue is recognized on a pro rata basis from the start of the plan.

For insurance brokerage firms, the performance obligation is satisfied upon acceptance by the health and dental plan operators, and revenue from agency fees relates to new beneficiaries and revenue from brokerage fees relates to beneficiaries that remain active monthly in our system.

Revenue is recognized at the fair value of the consideration received, net of discounts, rebates and taxes on sales.

When the invoices are issued in advance of the period of coverage under the insurance contracts, the value of the contracts with clients is recorded in "Transferable prepayments".

The Company's revenues do not have a variable component.

Furthermore, the Company pays sales commissions to its employees and outside brokers on the sales of health and dental plans. These amounts are recorded as intangible assets as they are considered to be costs of obtaining new contracts under CPC 47/IFRS 15. Refer to Note 13 for more information.

Revenue arising from the intermediation of sales of health and dental plans to beneficiaries is recognized when the sales are closed, which usually occurs by the month following the month in which the amounts owed by the insurance companies and plan operators are settled. The main revenues are as follows:

- a) Revenue from agency fee: refers to a one-time payment for new sales made to the Company and Oxcorp by the insurance companies and plan operators. It also includes the joining fee paid by the beneficiary to the Company at the time of enrolling in the plan (revenue arising from group insurance contracts with members of professional associations) when the sale is made by the Company's in-house sales team.
- b) Revenue from brokerage fee: the Company and Oxcorp are paid fees for acting as an intermediary between companies and insurance companies, helping companies to acquire health and dental plans, life insurance and private pension plans for their employees. As brokers, the Company acts as a link between the insurance company and the client. The insurance company issues a policy or contract for each client detailing the terms and conditions that will apply to the insured employees. Each company, through its human resources policy, determines the characteristics and coverage of the insurance policy or contract within the range of products the insurance company is able to provide, and may request customized contracts and determine the funding criteria – fully-employer funded or part-funded by both employer and employees.
- c) Revenue from administration fee: monthly remuneration paid for management and/or stipulation of group health and dental plans to the subsidiaries Qualicorp Benefícios, Qualicorp Clube de Saúde, Uniconsult and Plural, and monthly remuneration paid for stipulation of life insurance, personal accident insurance and private pension plan to Qualicorp Administração e Serviços Ltda.

The revenue of the subsidiary Gama Saúde is also recognized in this account. This revenue is derived from earned premiums and is recognized over the coverage period according to the provisions of the contracts, i.e., at the date the entity has an effective right to the amount to be billed, when the amount of revenue can be measured reliably and it is probable that future economic benefits will flow to the companies. Revenue comprises the fair value of the consideration received or receivable for the sale of medical and hospital plans.

- d) Revenue from benefits management and healthcare consulting: refers to the monthly remuneration for consulting services provided by the Company to its corporate clients.
- e) Revenue from connectivity services: refers to the monthly remuneration for connectivity services provided by the subsidiary Connectmed-CRC to corporate clients.

xv. Taxes

- a) Current income tax and social contribution

For Oxcorp, which pays income tax using the presumed profit method, the provision for income tax is recorded at the rate of 15% on 32% of the revenue from the rendering of services. Social contribution is calculated at the rate of 9% on 32% of the revenue from services and finance income.

For the other companies that pay income tax using the actual profit method, the provision for income tax is recorded at the rate of 15% plus a surcharge of 10% on annual taxable profit exceeding R\$ 240. Social contribution is calculated at the rate of 9% on the adjusted accounting profit.

- b) Deferred income tax and social contribution

The Company and its subsidiaries recognize deferred income tax and social contribution on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized and the liability is settled. Actual taxable profits may be higher or lower than the estimates used to determine the amount of deferred tax assets that can be recognized.

Deferred tax assets are recognized for unused tax losses to the extent it is probable that taxable profit will be available against which the losses can be utilized, based upon technical viability studies that take into account the Company's and its subsidiaries' history of profits and the likely timing and the level of future taxable profits.

Deferred tax assets in respect of temporary differences, principally provision for tax liabilities and provision for losses, are recognized to the extent that it is probable that taxable profit will be available against which the temporary differences can be utilized.

xvi. Provision for contingencies

Provisions for tax and labor claims are recognized in the financial statements when Management determines, based on in-house and outside legal advice, that an unfavorable outcome of the litigation, claim, or assessment is probable, it is probable that an outflow of resources will be required to settle the obligation, and the amounts involved can be reliably estimated.

The provisions for legal, tax and social security claims relate to lawsuits that challenge the legality and constitutionality of certain taxes and contributions and are recorded in the financial statements and reassessed in accordance with tax legislation.

The provisions for mass civil litigation (lawsuits that are considered to be similar and which individually have an immaterial value) are recognized using an objective statistical method that is based on the historical performance of the portfolio of civil lawsuits for 18 months by taking the mean of all lawsuits and loss rates.

xvii. Profit sharing and restricted stock

The remuneration paid to employees, officers and directors that is not proportional to the profits of the Company and its subsidiaries is classified as operating cost or expense. The Company and its subsidiaries adopt the following procedures: (i) classify management and employee profit sharing expenses as administrative expenses; and (ii) develop an estimate of costs of restricted stock under existing share-based payment contracts (Note 20), allocate costs proportionately to each subsidiary and recognize these costs in administrative expenses with a corresponding entry to 'Capital reserve – share options granted'.

Restricted stock plan:

The fair value of the restricted stock plan is recognized in administrative expenses with a corresponding adjustment to equity. Between 25% and 33% of the shares vest on each anniversary of the date of the restricted stock agreement, unless otherwise determined by the Parent's Board of Directors. The total number of shares allocated to the plan may not exceed 4% of the Parent's total shares and may be exercised upon issue of new shares or disposal of the Parent's treasury shares. The maximum exercise period from the date of signing of the agreement varies according to each restricted stock agreement. The shares may be delivered as part of the share of the Parent's profits, and the exercise price of the restricted stock shall be the market value of each restricted share on Brazil's stock exchange (B3 S.A.) on the business day immediately preceding the respective date of grant.

xviii. Basic and diluted earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to common equity holders of the parent by the weighted average number of common shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to common equity holders of the parent by the weighted average number of common shares outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares. Potential shares are equity instruments or contracts that could potentially be converted into stock, such as convertible bonds and options, including share options.

xix. Dividends

The dividend distribution proposed by Management of the Company and its subsidiaries within the amount of mandatory minimum dividend is recorded in current liabilities (Note 19) as it is considered a legal obligation provided for in the Company's bylaws.

However, any amount greater than the mandatory minimum dividends that is declared by Management after the reporting period to which the financial statements relate but before the date that the financial statements are authorized for issue is recorded in equity within 'Revenue reserve - proposed additional dividends'.

xx. Segment information

Operating segments are reported in a manner consistent with the internal report provided to the Chief Operating Decision Maker (CODM). The CODM, which is the Chief Executive Officer of the Company and its subsidiaries, is responsible for making decisions about resource allocation and performance assessment. Cash management is made for the following segments: Affinity, Corporate and SMEs, and Gama, the last two of these do not account for 10% of the Parent's revenue. Refer to Note 26 for details.

4. Significant accounting judgements, estimates and assumptions

In applying the Group's accounting policies (Note 3), Management is required to make judgements and estimates about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and the future periods if the revision affects both current and future periods.

Accounting estimates and assumptions are continually evaluated by Management and are based on historical experience and other factors, which are believed to be reasonable and relevant.

The Group adopts assumptions and makes estimates concerning the future in order to obtain an understanding of how the Company and its subsidiaries form their judgments about future events, including variables and assumptions used in the estimates, which require the use of judgements as to the effects of relatively uncertain issues about the carrying amounts of assets and liabilities. Actual results will seldom equal the related estimates.

In the process of applying the Group's accounting policies, Management has adopted the following assumptions which may affect the financial statements. The areas involving a higher degree of judgement or use of estimates that are significant to the financial statements are discussed below:

a) Impairment of goodwill

The Company tests goodwill for impairment annually (Note 3.x and Note 13). The recoverable amount of CGUs has been determined based on a value in use calculation using cash flow projections from financial budgets approved by management (Note 13). Even if the pre-tax discount rate applied to the cash flow projections had been 1% higher than management's estimate (from 14.8% to 14.9%), the Company would have no impairment charge.

b) Provision for civil lawsuits

The provisions for civil lawsuits are recognized using an objective statistical model that is based on historical performance of the portfolio of civil lawsuits for a period of 18 months by taking the mean of all lawsuits. The historical performance is linked to ongoing lawsuits and payments made, which can increase or decrease the provision during one particular time of the year. If the change in the average of payments had been 10%, the increase or decrease in the provision would have been R\$ 5,808.

c) Call option over non-controlling interests

The Company reviews annually the estimates used to measure the call option over non-controlling interests at fair value based on the cash flow projections discounted to present value using a discount rate. If the cash flow projections had been 10% higher, the liability would have increased by R\$ 3,024 for Parent company and by R\$ 10,787 for Consolidated.

5. Financial instruments

a) Classification and fair value of financial instruments

Set out below is the classification and measurement of financial assets and financial liabilities:

Parent company				
	December 31, 2024		December 31, 2023	
	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 – short-term highly liquid investments	34,383	-	52,256	-
Financial investments	173,604	-	218,620	-
Amounts receivable from customers	-	70,267	-	47,969
Other financial assets – current and non-current	-	51,309	-	45,071
Receivables from related parties – current	-	40,227	-	159,141
Financial liabilities:				
Interest-bearing loans and borrowings and debentures – current and non-current	-	1,863,164	-	2,206,747
Payroll and related charges – current	-	34,949	-	32,972
Other payables – current and non-current	-	101,423	-	17,757
Payables to related parties – current	-	1,569	-	-
Call option over non-controlling interests – current and non-current	30,241	-	50,155	-
Lease liabilities – current and non-current	-	1,226	-	20,298

Consolidated				
	December 31, 2024		December 31, 2023	
	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 – short-term highly liquid investments	308,712	-	362,865	-
Financial investments	570,639	-	592,179	-
Amounts receivable from customers – current and non-current	-	509,536	-	242,993
Other financial assets – current and non-current	-	368,597	-	475,591
Financial liabilities:				
Interest-bearing loans and borrowings and debentures – current and non-current	-	1,863,164	-	2,206,747
Premiums to be transferred – current and non-current	-	276,260	-	358,599
Technical reserves for healthcare operations	-	132,855	-	27,915
Financial transfers payable – current and non-current	-	36,387	-	62,619
Transferable prepayments	-	43,621	-	33,224
Payroll and related charges – current	-	52,575	-	49,907
Other payables – current and non-current	-	344,981	-	167,149
Payables to related parties – current	-	1,631	-	-
Call option over non-controlling interests – current and non-current	107,871	-	106,115	-
Lease liabilities – current and non-current	-	18,687	-	30,466

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:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities. Active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Inputs other than quoted market prices included within Level 1 that are directly or indirectly observable. Level 2 inputs include quoted prices for similar assets and liabilities in active markets and observable inputs such as interest rate and yield curves.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. Unobservable inputs should be developed using the best information available in the circumstances. The Level 3 measurement inputs should include risk inherent in a particular valuation technique used to measure fair value and/or the risk inherent in the inputs to the valuation technique.

Consolidated Description	December 31, 2024		December 31, 2023	
	Level 1	Level 3	Level 1	Level 3
Cash and cash equivalents – short-term highly liquid investments	308,712	-	362,865	-
Financial assets at fair value through profit or loss – financial investments	570,639	-	592,179	-
Call option over non-controlling interests	-	107,871	-	106,115

There were no transfers between Level 1 and Level 3 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 measurement of financial liabilities (Level 3)

	Parent company		Consolidated	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
At fair value through profit or loss				
<u>Current</u>				
Uniconsult Administradora de Benefícios e Serviços Ltda.	9,241	-	9,241	-
Total current	9,241	-	9,241	-
<u>Non-current</u>				
Plural Gestão em Planos de Saúde Ltda.	-	-	77,630	55,959
Oxcorp Gestão Consultoria e Corretora Ltda.	19,258	33,647	19,258	33,647
Qualicorp Clube de Saúde Administradora de Benefícios Ltda.	1,742	1,522	1,742	1,522
Uniconsult Administradora de Benefícios e Serviços Ltda.	-	14,986	-	14,987
Total non-current	21,000	50,155	98,630	106,115
Total	30,241	50,155	107,871	106,115

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 Qualicorp Clube de Saúde.

The purchase price of non-controlling interests has been 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

At December 31, 2024 and 2023, the Company and its subsidiaries did not enter into derivatives for hedging or speculative purposes.

b) Management of major risks

Through its direct subsidiaries that operate principally in the health insurance, health and dental plan segments, the Company is involved in the benefits stipulation and health plan management, including self-management, brokerage, and consulting.

The Company and its subsidiaries are exposed to credit risk, interest rate risk, liquidity risk and capital risk. These risks are managed by different departments subject to the Group's established policies and resource allocation strategies.

The Company and its subsidiaries have internal controls to ensure that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

Credit risk

The Group is exposed to credit risk from its operating activities (trade receivables). Credit risk is the risk that the beneficiaries will not make the premium payments to health plan operators/insurance companies, leading the Company and its subsidiaries to assume the payment obligations of beneficiaries.

To mitigate credit risk, the Group's policy is to cancel coverage of beneficiaries who are delinquent in paying premiums by the date required by the plan, which is generally 30 days past the payment due date. The method of calculation of loss allowance for trade receivables and write-off of uncollectible receivables is disclosed in Note 3.v.

The Group is also exposed to credit risk from investment balances with banks and financial institutions. Financial investments are considered by Management to have low credit risk as they are held only with reputable banks and financial institutions and within asset allocation limits set by the Group's treasury department. The Group's financial investments comprise fixed-income securities and government securities, and are made only with approved counterparties with a credit rating of 'AAA' to 'BBB' up to a limit of 100% and of 'BBB' to 'BBB+' up to a limit of 20%.

Interest rate risk

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	December 31, 2024	December 31, 2023
Short-term highly liquid investments – cash and cash equivalents (i)	Current assets	7.1	34,383	52,256
Financial investments (i)	Current assets	7.2	173,604	218,620
Interest-bearing loans and borrowings and debentures – current and non-current (ii)	Current and non-current liabilities	14	(1,863,164)	(2,206,747)
Lease liabilities (iii)	Current and non-current liabilities	15	(1,226)	(20,298)
Total exposure			(1,656,403)	(1,956,169)

Line item	Consolidated			
	Balance sheet section	Note	December 31, 2024	December 31, 2023
Short-term highly liquid investments – cash and cash equivalents (i)	Current assets	7.1	308,712	362,865
Financial investments (i)	Current assets	7.2	570,639	592,179
Interest-bearing loans and borrowings and debentures – current and non-current (ii)	Current and non-current liabilities	14	(1,863,164)	(2,206,747)
Lease liabilities (iii)	Current and non-current liabilities	15	(18,687)	(30,466)
Total exposure			(1,002,500)	(1,282,169)

- 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.).

- ii) The loans, borrowings and debentures issued by the Group accrue interest at a rate of 100% of the accumulated variation of the daily average rates for overnight interbank deposits (DI rate) considering a year of 252 business days (B3) plus a spread varying between 1.15% and 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 effect 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 December 31, 2024, if the CDI interest rate had been higher/lower by 10% per annum with all other variables held constant, the profit before tax for the year would have been higher/lower by R\$ 15,963.

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 15.00% per annum plus a spread of 1.85% to 3.50% per annum, and the effect on the fair value of financial instruments:

	Scenario			
	December 31, 2024	Probable	Possible	Remote
Assumptions		CDI 15.00% per annum	CDI 18.75% per annum	CDI 22.50% per annum
Highly liquid investments classified as cash equivalents and financial investments	879,351	1,011,254	1,044,229	1,077,205
Interest-bearing loans and borrowings, debentures and lease liabilities	(1,881,851)	(2,339,651)	(2,428,266)	(2,522,370)
Net exposure	(1,002,500)	(1,328,397)	(1,384,037)	(1,445,165)

	Scenario			
	December 31, 2023	Probable	Possible	Remote
Assumptions		CDI 9% per annum	CDI 11.25% per annum	CDI 13.50% per annum
Highly liquid investments classified as cash equivalents and financial investments	955,044	1,040,998	1,062,486	1,083,975
Interest-bearing loans and borrowings, debentures and lease liabilities	(2,237,213)	(2,690,586)	(2,781,928)	(2,872,318)
Net exposure	(1,282,169)	(1,649,588)	(1,719,442)	(1,788,343)

	Assumptions		
	Probable	Possible	Remote
CDI	Brazilian Central Bank's bulletin	+25% from the probable rate	+50% from the probable rate

In the probable scenario, the Company would have a net exposure of R\$ 1,328,397 at December 31, 2024, arising from the differences in the estimates of future CDI interest rates for debentures and lease liabilities plus a spread varying between 1.85% and 3.50% per annum for debentures.

The same estimates of future CDI interest rates were considered for the Company's financial investments at December 31, 2024. 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\$ 55,640 and R\$ 116,768, 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 (interest-bearing loans and borrowings, debentures (Note 14), lease liabilities (Note 15) 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, Qualicorp Clube de Saúde, Uniconsult, Plural and Gama Saúde are subject to minimum funding requirements under ANS Normative Resolution 569 of December 19, 2022 which sets the required regulatory capital. Required regulatory capital is the higher of base capital and risk-based capital, both of which must be higher than adjusted equity for economic effects.

The Company's gearing ratio is as follows:

Description	Parent company		Consolidated	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Debt (interest-bearing loans and borrowings, debentures and lease liabilities)	(1,864,390)	(2,227,045)	(1,881,851)	(2,237,213)
Highly liquid investments classified as cash equivalents and financial investments	207,987	270,876	879,351	955,044
Net debt	(1,656,403)	(1,956,169)	(1,002,500)	(1,282,169)
Equity	1,282,265	1,270,214	1,301,570	1,285,533
Net debt-to-equity ratio	(129.18%)	(154.00%)	(77.02%)	(99.74%)

Liquidity risk

Considering the Group's activities, liquidity risk management implies monitoring the maturities of assets and liabilities in order to have sufficient cash to meet obligations when they fall due.

The Company and its subsidiaries analyze cash flow projections and periodically review the obligations assumed and financial instruments used. The expected cash outflows for the Group's financial liabilities are as follows:

		Consolidated				
	Estimated interest rate per month	Less than 6 months	6 to 12 months	1 to 2 years	Over 2 years	Total
	%	R\$	R\$	R\$	R\$	R\$
December 31, 2024						
Interest-bearing loans and borrowings and debentures	CDI + (between 1.85% and 3.50%)	677,143	137,427	778,396	714,628	2,307,594
Premiums to be transferred	-	276,093	-	167	-	276,260
Lease liabilities	CDI + (between 1.15% and 3.50%)	2,858	2,859	5,165	15,815	26,697
Other payables	-	207,980	-	-	-	207,980
Amounts due to health plan operators/insurance companies		132,190	-	-	-	132,190
Payroll and related charges	-	52,575	-	-	-	52,575
Transferable prepayments	-	43,621	-	-	-	43,621
Payables to related parties	-	1,631	-	-	-	1,631
Technical reserves for healthcare operations	-	132,855	-	-	-	132,855
Intangible assets payable	-	4,811	-	-	-	4,811
Financial transfers payable	-	36,387	-	-	-	36,387
Call option over non-controlling interests	-	-	9,241	96,888	1,742	107,871
Total	-	1,568,144	149,527	880,616	732,185	3,330,472

6. New and amended standards and interpretations

Currently effective new standards, interpretations and amendments:

The following amendments became effective as at 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. The Company has concluded that these amendments had no impact on its financial statements.
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. The Company has concluded that these amendments had no impact on its financial statements.
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. The Company has concluded that these amendments had no impact on its financial statements.

Standards and amendments issued but not yet effective:

CPC 18 / IAS 28 and ICPC 09	The Brazilian Accounting Pronouncements Committee (CPC) issued amendments to CPC 18 (R3) <i>Investments in Associates, Subsidiaries and Joint Ventures</i> and to Technical Interpretation ICPC 09 (R3) <i>Individual Financial Statements, Separate Financial Statements, Consolidated Financial Statements and Equity Method of Accounting</i> to align the Brazilian accounting standards with the IASB's IFRS accounting standards. The amendments include the application of the equity method of accounting for investments in subsidiaries in the individual financial statements to align the Brazilian accounting standards with the international accounting standards.
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In addition, ICPC 09 has been updated for changes occurring after its publication. The amendments are effective from January 1, 2025. After our assessment, we concluded that the amendments will have no impacts for the Company since currently it applies the equity method to account for its investments in subsidiaries and associates.

- CPC 02 /
IAS 21 The Brazilian Accounting Pronouncements Committee (CPC) issued amendments to Technical Pronouncement 27, which incorporate the IASB's amendments *Lack of Exchangeability*. These amendments impact Technical Pronouncement CPC 02 (R2) *The Effects of Changes in Foreign Exchange Rates*.

The amendments provide guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments further clarify that the exchangeability of a currency must be assessed at a measurement date based on the purpose of the transaction. When a currency is not exchangeable, an entity must estimate the spot exchange rate that would faithfully reflect the prevailing economic conditions. When there are several exchange rates available, the rate to use is that at which the future cash flows represented by the transaction or balance could have been settled if those cash flows had occurred at the measurement date.

The amendments also require disclosures to help users of financial statements to assess the financial impacts of the currency not being exchangeable, the risks to the company because the currency is not exchangeable, and the exchange rate estimation process. The amendments will be effective for annual reporting periods beginning on or after January 1, 2025. The Company is currently working to identify all impacts the amendments will have on its financial statements.

- IFRS 18 *Presentation and Disclosure in Financial Statements*: The newly issued IFRS 18 standard replaces IAS 1 *Presentation of Financial Statements*, and is aimed at improving reporting of financial performance. IFRS 18 introduces new requirements to present defined subtotals in the statement of profit or loss to improve comparability, to provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements to enhance transparency, and improve aggregation and disaggregation of financial information to provide more useful information. IFRS 18 is effective for reporting periods beginning on or after January 1, 2027. The Company is currently working to identify all impacts the amendments will have on its financial statements.

- IFRS 19 *Subsidiaries without Public Accountability: Disclosures*: The new standard issued by the IASB will simplify the reporting processes and reduce the cost of preparing financial statements for eligible entities. IFRS 19 allows eligible entities to apply IFRS accounting standards with a reduced disclosure burden, while maintaining the usefulness of their financial statements for users. IFRS 19 will become effective for reporting periods beginning on or after January 1, 2027. The Company is currently working to identify all impacts the new standard will have on its financial statements.

7. Cash and cash equivalents and financial investments

7.1. Cash and cash equivalents

Description	Parent company		Consolidated	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Short-term highly liquid investments (i)	34,383	52,256	308,712	362,865
Cash at banks (ii)	640	271	13,585	31,713
Cash on hand	6	5	10	11
Total	35,029	52,532	322,307	394,589

- i) Management's strategy is to make investments that can be redeemed at any time before their maturity. These investments comprise the following:

Description	Parent company		Consolidated	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Reverse repurchase agreements (a)	34,383	6,243	252,310	186,186
Bank certificates of deposit (CDBs) (b)	-	46,013	56,171	174,097
Other investments	-	-	231	2,582
Total	34,383	52,256	308,712	362,865

- a) These are highly liquid debenture-backed instruments that accrue interest varying between 94% and 99% of the Interbank Deposit (DI) rate.
- b) These financial instruments accrue interest of 92% to 102.50% of the CDI and are held in custody with B3 CETIP.
- ii) Consolidated balances at December 31, 2024 include mainly the receipts from customers that occurred on the last business day of the month.

7.2. Financial investments

	Parent company		Consolidated	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Exclusive Multi-Strategy Investment Fund (i)	62,237	-	401,918	310,594
Fixed-income investment fund (ii)	101,155	-	143,344	-
CDBs (iii)	10,212	218,620	25,377	256,587
Non-exclusive financial investment fund (iv)	-	-	-	24,998
Total	173,604	218,620	570,639	592,179

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

Description	Market value and carrying value – Exclusive financial investment funds - Consolidated	
	December 31, 2024	December 31, 2023
Financial Bills (Eligible LFS – level II)	168,236	250,997
Financial Bills (LF252)	127,497	45,631
Fixed-income investment fund	60,706	-
National Treasury Financial Bills	20,107	-
Debentures	13,281	12,632
Other investments and reserve	12,091	1,334
Total	401,918	310,594

- ii) These investment funds accrue interest of 99.80% to 99.91% of the CDI.
- iii) These financial instruments accrued interest of 103% to 104.50% of the CDI.
- iv) This financial investment was held as a guarantee for the Company's direct subsidiary Gama Saúde, and was withdrawn on March 7, 2024.

There are no material non-cash transactions that need to be disclosed.

8. Amounts receivable from customers

	Parent company		Consolidated	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Current				
Receivables from health plans (*)	-	-	262,319	48,226
Premiums recoverable with risk of default – benefits administrators	-	-	104,652	134,772
Brokerage fee receivable	70,267	47,969	73,395	49,525
Other receivables from customers	-	-	9,205	10,470
Total current	70,267	47,969	449,571	242,993
Non-current				
Receivables from health plans (*)	-	-	59,965	-
Total non-current	-	-	59,965	-
Total	70,267	47,969	509,536	242,993

(*) Refers to receivables totaling R\$ 119,930 that were renegotiated with customers for collection in 24 monthly installments plus interest at a rate of 100% of the CDI. The amounts expected to be recovered after more than twelve months are classified as non-current assets.

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

	December 31, 2024		
	Health plans	Premiums	Brokerage fee
Current (not yet due)	272,919	40,940	67,456
1-30 days past due	40,593	42,129	1,513
31-60 days past due	2,581	17,848	527
61-90 days past due	18,716	11,500	961
91-180 days past due	-	34,004	2,938
(-) Expected credit loss (*)	(12,525)	(41,769)	-
Total	322,284	104,652	73,395

	December 31, 2023		
	Health plans	Premiums	Brokerage fee
Current (not yet due)	12,108	91,316	46,935
1-30 days past due	30,139	49,243	1,574
31-60 days past due	9,899	17,861	383
61-90 days past due	614	13,125	31
91-180 days past due	1,422	38,601	602
(-) Expected credit loss (*)	(5,956)	(75,374)	-
Total	48,226	134,772	49,525

(*) The movement in expected credit loss during the year was as follows:

	Health plans		Premiums	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
As at January 1	5,956	-	75,374	47,951
Expected credit loss	8,552	5,956	103,121	137,601
Reversal of expected credit loss	(1,983)	-	(136,726)	(110,178)
Total	12,525	5,956	41,769	75,374

8.1 Losses on uncollectible receivables – statement of profit or loss

	Consolidated	
	Year ended December 31, 2024	Year ended December 31, 2023
Reversals (provisions)	(27,034)	33,379
Actual losses (*)	152,391	108,593
Balance at the end of the year	125,357	141,972

(*) Losses arising from health and dental plan administration and stipulation activities where the Company assumes the risk of default on payments to plan operators and insurance carriers, net of recoveries.

9. Other financial assets

	Parent company		Consolidated	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
<u>Current</u>				
Receivables from plan operators/insurance companies (i)	-	-	200,980	230,627
Taxes recoverable (ii)	15,858	27,211	41,728	78,691
Receivables – plea agreement (iii)	21,750	-	21,750	-
Advances	8,937	6,547	20,434	14,351
Advances from transfer of contracts	-	-	17,407	32,088
Receivables from sale of Qsaúde	-	5,200	-	26,000
Other current assets	-	106	7,054	1,316
Total current	46,545	39,064	309,353	383,073
<u>Non-current</u>				
Judicial deposits	3,152	2,563	35,102	30,087
Taxes recoverable (ii)	-	-	16,000	28,663
Receivables from plan operators/insurance companies (i)	-	-	6,017	16,963
Advances from transfer of contracts	812	2,350	976	15,293
Advances	800	800	800	800
Other non-current assets	-	294	349	712
Total non-current	4,764	6,007	59,244	92,518
Total	51,309	45,071	368,597	475,591

- i) There is a difference between the time when beneficiaries pay their invoices and when the invoices paid are entered into the Company's system. At December 31, 2024, the Company had R\$ 270,284 (December 31, 2023: R\$ 268,218) for which a loss provision of R\$ 69,304 (December 31, 2023: R\$ 37,591) was recognized, related to premiums passed on to health plan operators and insurance companies.
- ii) Taxes recoverable are as follows:

	Parent company		Consolidated	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Corporate Income Tax (IRPJ)	15,259	25,655	31,465	61,583
Social Contribution on Net Income (CSLL)	336	946	4,258	12,264
Social Contribution on Revenues (COFINS)	143	381	1,378	1,114
Other taxes recoverable	120	229	4,627	3,730
Total current	15,858	27,211	41,728	78,691
Social Security Contribution (INSS)	-	-	14,033	14,142
Social Contribution on Revenues (COFINS)	-	-	-	6,320
Corporate Income Tax (IRPJ)	-	-	1,603	4,090
Social Contribution on Net Income (CSLL)	-	-	364	349
Social Integration Program (PIS)	-	-	-	3,762
Total non-current	-	-	16,000	28,663
Total	15,858	27,211	57,728	107,354

iii) See Note 17, item ii.

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	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Deferred income tax and social contribution assets	200,843	197,805	226,753	204,066
Deferred income tax and social contribution liabilities	-	-	(47,405)	(67,825)
Deferred tax assets, net	200,843	197,805	179,348	136,241

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

	December 31, 2024							
	Parent company	Qualicorp Serviços	Qualicorp Benefícios	Qualicorp Clube de Saúde	Gama	Uniconsult	Plural	Consolidated
Deferred income tax and social contribution assets (i)	264,288	843	95,277	12,527	11,598	1,754	2,983	389,270
Deferred income tax and social contribution liabilities (ii)	(63,445)	-	(142,682)	(3,623)	(45)	(122)	(5)	(209,922)
Deferred tax assets (liabilities), net	200,843	843	(47,405)	8,904	11,553	1,632	2,978	179,348

	December 31, 2023								
	Parent company	Qualicorp Serviços	Qualicorp Benefícios	Qualicorp Clube de Saúde	Gama	CRC	Uniconsult	Plural	Consolidated
Deferred income tax and social contribution assets (i)	259,728	1	72,192	7,130	6	704	50	1,313	341,124
Deferred income tax and social contribution liabilities (ii)	(61,923)	-	(139,906)	(2,882)	(45)	-	(122)	(5)	(204,883)
Deferred tax assets (liabilities), net	197,805	1	(67,714)	4,248	(39)	704	(72)	1,308	136,241

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	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Recognized tax losses - income tax (IRPJ) and social contribution (CSLL)	178,347	180,004	197,468	182,755
Provision for expected credit losses	-	-	48,701	37,588
Provision for impairment of goodwill (a)	41,088	41,088	41,088	41,088
Provision for contingencies	13,272	4,035	38,229	19,471
Other provisions	9,666	5,858	20,807	17,414
Provision for inflation-indexation and interest accruals on acquisitions	7,024	13,794	19,987	20,182
Provision for employee profit sharing plan	8,304	7,620	10,255	11,005
Leases	6,122	7,162	7,151	9,562
Loss allowance for trade receivables and write-off of uncollectible receivables – current amounts	465	167	5,584	2,059
Unrecognized tax losses - IRPJ and CSLL (b)	-	-	816	59,144
Total deferred tax assets	264,288	259,728	390,086	400,268
(-) Unrecognized deferred tax assets (c)	-	-	(816)	(59,144)
Total deferred tax assets recognized	264,288	259,728	389,270	341,124

a) Taxes on goodwill written off in subsidiaries.

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

<u>Companies</u>	Tax base	IRPJ/CSLL	Tax base	IRPJ/CSLL
	December 31, 2024	(34%)	December 31, 2023	(34%)
Connectmed-CRC Consultoria, Administração e Tecnologia em Saúde Ltda.	305	104	105,760	35,958
Qualicorp Administração e Serviços Ltda.	2,094	712	52,826	17,961
Qualicorp Administradora de Benefícios S.A.	-	-	8,091	2,751
Gama Saúde Ltda.	-	-	7,275	2,474
Total	2,399	816	173,952	59,144

c) Certain direct subsidiaries of the Company have tax loss carryforwards but deferred tax assets have not been recognized in respect of these losses as up to the present time it is not probable that there will be future taxable profits to allow the deferred tax assets to be recovered.

Deferred tax assets will be realized as the associated temporary differences reverse or become deductible. The deferred tax assets will be recovered from probable future taxable profits, as follows:

Year	Parent company		Consolidated	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
2024	-	33,716	-	105,978
2025	82,440	70,885	179,138	77,270
2026	22,864	22,697	50,044	22,697
2027	22,361	26,360	22,508	26,360
From 2028 to 2032	136,623	106,070	137,580	108,819
Total	264,288	259,728	389,270	341,124

ii) Deferred tax liabilities:

	Parent company		Consolidated	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Temporary differences on the portion of goodwill of merged companies amortized during the year, for tax purposes	61,045	57,859	201,360	193,649
On fair value of customer relationship intangible assets acquired in a business combination	2,393	4,057	4,702	6,868
Discount to present value	-	-	3,623	2,882
Other provisions	7	7	237	1,484
Total	63,445	61,923	209,922	204,883

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	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Accounts receivable				
Intercompany transactions	40,227	151,775	-	-
Dividends receivable	-	7,366	-	-
Current assets	40,227	159,141	-	-
Total assets	40,227	159,141	-	-
Accounts payable				
Intercompany transactions	6	-	-	-
Dividends payable	1,563	-	1,631	-
Total liabilities	1,569	-	1,631	-

The following table presents movements in intercompany revenues and expenses for the years ended December 31, 2024 and 2023:

	December 31, 2024				
	Qualicorp Administradora de Benefícios S.A.	Qualicorp Consultoria Corretora de Seguros S.A.	CRC Connectmed	Gama	Other subsidiaries
Corporate services and apportionment of expenses (i)	(67,354)	79,013	(5,317)	(1,857)	(4,485)
Commissions (ii)	(158,416)	158,416	-	-	-
Interest on debentures (iii)	(154,002)	154,002	-	-	-
Costs of issue of debentures (iii)	(2,588)	2,588	-	-	-
Technical acceptance services	(32)	-	32	-	-
Invoicing services	(218)	-	-	-	218

	December 31, 2023				
	Qualicorp Administradora de Benefícios S.A.	Qualicorp Consultoria Corretora de Seguros S.A.	CRC Connectmed	Gama	Other subsidiaries
Corporate services and apportionment of expenses (i)	(102,951)	118,014	(6,610)	(1,751)	(6,702)
Commissions (ii)	(206,393)	206,393	-	-	-
Interest on debentures (iii)	(192,628)	192,628	-	-	-
Costs of issue of debentures (iii)	(2,376)	2,376	-	-	-
Technical acceptance services	(1,020)	-	1,020	-	-
Interest on intercompany loans	457	281	-	-	(738)
Invoicing services	(357)	-	-	-	357

- i) Refers to back-office services (Finance, Controllership, Legal, Administrative, Human Resources and Information Technology) used by the Group companies. The costs incurred in providing the services to the Group companies are apportioned among, and reimbursed by, the Group operating companies.
- ii) Apportionment of commissions agreed upon between the Parent company and its subsidiary Qualicorp Administradora de Benefícios S.A. related to after-sale customer retention whose costs are borne in full by the Parent company.
- 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 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		Consolidated	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Accounts receivable				
Commissions	35,215	20,324	35,215	20,324
Receivables from operators/insurers	-	-	8,760	47,772
Total assets	35,215	20,324	43,975	68,096
Accounts payable				
Payment transfers	-	-	161,837	168,081
Payables to operators/insurers	-	-	25,875	23,042
Total liabilities	-	-	187,712	191,123
Revenue				
Commissions	293,526	314,628	293,526	314,628
Officers' remuneration	-	-	25,452	27,230
Total revenue	293,526	314,628	318,978	341,858

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:

	December 31, 2024			
	Parent company		Consolidated	
	Accounts payable	Expenses	Accounts payable	Expenses
Short-term employee benefits (*)	391	29,480	1,489	64,118
Share-based payment transactions	-	1,984	-	9,923
Balance at December 31, 2024	391	31,464	1,489	74,041

	December 31, 2023			
	Parent company		Consolidated	
	Accounts payable	Expenses	Accounts payable	Expenses
Short-term employee benefits (*)	981	22,832	2,303	56,517
Share-based payment transactions	-	507	-	6,614
Balance at December 31, 2023	981	23,339	2,303	63,131

(*) 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 targets as approved by the Board.

12. Investments in subsidiaries

	Parent company		Consolidated	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Investments in subsidiaries:				
Qualicorp Administradora de Benefícios S.A.	1,370,737	1,357,344	-	-
Gama Saúde e Connectmed CRC	196,813	117,284	-	-
Oxcorp Gestão Consultoria e Corretora Ltda.	85,725	87,891	-	-
Qualicorp Clube de Saúde Administradora de Benefícios Ltda.	79,371	76,606	-	-
Qualicorp Administração e Serviços Ltda.	21,388	21,388	-	-
Uniconsult Administradora de Benefícios e Serviços Ltda.	18,905	20,761	-	-
Total Investments in subsidiaries	1,772,939	1,681,274	-	-
Other investments	174	174	262	262
Total other investments	174	174	262	262
Total investments	1,773,113	1,681,448	262	262

Investments in subsidiaries - Parent company

Qualicorp Administradora de Benefícios S.A.	Gama Saúde and Connectmed - CRC	Oxcorp Gestão Consultoria e Corretora Ltda.	Qualicorp Clube de Saúde Administradora de Benefícios Ltda.	Qualicorp Administração e Serviços Ltda.	Uniconsult Administradora de Benefícios e Serviços Ltda.	Total
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Financial information of subsidiaries at December 31, 2024

Share capital (i)	314,005	274,047	330	45,133	26,663	150	660,328
Equity (ii)	923,842	196,360	2,441	80,327	(1,488)	5,547	1,207,029
Profit (loss) for the year	28,254	(16,305)	8,765	5,473	(994)	7,244	32,437

Information on the Parent's investments:

Number of shares (iii)	728,820,693	27,404,692,914	330,000	45,133,125	26,662,568	150,000	-
Ownership interest %	100	99.99	75	98.81	100	75	-

Movements in investments:

Total investments at December 31, 2023	1,357,344	117,284	87,891	76,606	21,388	20,761	1,681,274
Capital reserve – restricted stock plan	6,463	-	-	-	-	-	6,463
Adjustments for disproportionate dividends	-	-	-	(328)	-	42	(286)
Dividends and interest on capital received	(21,324)	-	(7,459)	(2,315)	-	(4,492)	(35,590)
Advance for future capital increase	-	96,610	-	-	-	-	96,610
Reversal of working capital deficiency in subsidiary	-	-	-	-	994	-	994
Share of net profits of investees accounted for using the equity method	28,254	(17,081)	5,293	5,408	(994)	2,594	23,474
Share of results of subsidiaries	28,254	(16,305)	6,574	5,408	(994)	5,433	28,370
Amortization of intangible assets (iv)	-	(776)	(1,281)	-	-	(2,839)	(4,896)
Total Investments at December 31, 2024	1,370,737	196,813	85,725	79,371	21,388	18,905	1,772,939

- 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\$ 157,180 for Gama Saúde and R\$ 39,180 for Connectmed-CRC.
- iii) The number of shares is 5,387,297,425 for Gama Saúde and 22,017,395,489 for Connectmed-CRC.
- iv) Refers to amortization of intangible assets such as customer relationships, trademarks, non-compete agreement and software.

13. Intangible assets

I. Other intangible assets

	Parent company				Consolidated		
	Annual amortization rate %	Cost	Accumulated amortization	Balance at December 31, 2024	Cost	Accumulated amortization	Balance at December 31, 2024
Acquisition of rights assignment	20	330,790	(298,637)	32,153	648,848	(577,810)	71,038
Software in use and software under development	20	204,425	(149,041)	55,384	639,700	(514,007)	125,693
Exclusivity rights	20	160,795	(152,457)	8,338	230,177	(208,799)	21,378
Trademarks and patents	20	125	-	125	1,239	(885)	354
Non-compete agreement	16.5	132,314	(92,573)	39,741	135,359	(94,303)	41,056
Sales commissions	40.8	1,498,198	(1,308,980)	189,218	1,623,907	(1,405,675)	218,232
Total other intangible assets		2,326,647	(2,001,688)	324,959	3,279,230	(2,801,479)	477,751

The following tables show the movements in intangible assets during the year:

Parent company	Balance at December 31, 2023	Additions	Amortization	Write-offs	Balance at December 31, 2024
Acquisition of rights assignment	61,272	-	(29,119)	-	32,153
Software in use and software under development	61,950	11,715	(18,254)	(27)	55,384
Exclusivity rights	12,293	-	(3,955)	-	8,338
Trademarks and patents	125	-	-	-	125
Non-compete agreement	62,415	-	(22,674)	-	39,741
Sales commissions	318,534	101,796	(231,112)	-	189,218
Total other intangible assets	516,589	113,511	(305,114)	(27)	324,959

Consolidated	Balance at December 31, 2023	Additions	Amortization	Write-offs	Balance at December 31, 2024
Acquisition of rights assignment	125,310	-	(54,272)	-	71,038
Software in use and software under development	128,518	34,140	(36,780)	(185)	125,693
Exclusivity rights	31,682	201	(10,505)	-	21,378
Trademarks and patents	576	-	(222)	-	354
Non-compete agreement	63,467	700	(23,111)	-	41,056
Sales commissions	350,537	126,420	(258,402)	(323)	218,232
Total other intangible assets	700,090	161,461	(383,292)	(508)	477,751

II. Goodwill

The consolidated balance of goodwill at December 31, 2024 is R\$ 1,854,712 and remain unchanged from the prior year.

Consolidated	Cost	
	December 31, 2024	December 31, 2023
Qualicorp Administradora de Benefícios S.A.	446,894	446,894
Qualicorp Corretora de Seguros S.A.	427,098	427,098
Aliança Administradora de Benefícios de Saúde S.A – merged into subsidiary	249,420	249,420
Padrão Group – merged into subsidiary	184,675	184,675
Salutar – merged into subsidiary	52,004	52,004
GA Consultoria, Administração e Serviços S.A – merged into subsidiary	44,075	44,075
Qualicorp Consultoria – merged into subsidiary	29,386	29,386
Athon, Bruder SP and Bruder RJ - merged into subsidiary	4,885	4,885
Qualicorp Administração e Serviços Ltda.	21,388	21,388
Praxisolutions Consultoria de Negócios e Corretora de Seguros Ltda. – merged into subsidiary	21,184	21,184
Uniconsult administradora de Benefícios Ltda	14,510	14,510
Plural Gestão em Planos de Saúde Ltda	168,528	168,528
Oxcorp Gestão Consultoria e Corretora de Seguros Ltda	77,248	77,248
Elo Administradora de Benefícios Ltda - merged into subsidiary	66,550	66,550
Apm Assessoria Comercial e Corretora de Seguros Ltda	46,867	46,867
Total goodwill	1,854,712	1,854,712

In accordance with CPC 01, goodwill on acquisitions of subsidiaries and other intangible assets are tested for impairment at least annually. The Company conducted an impairment test for all investments and intangible assets acquired up to December 31, 2024. The recoverable amount of the cash-generating units of the Group has been determined based on a value in use calculation using cash flow projections from financial budgets approved by Management.

ASSUMPTIONS FOR AFFINITY CGU	
Revenue	For fiscal year 2025, analyses were based mainly on the Company's budgets. For the other fiscal years, macroeconomic and market assumptions were considered according to the Company's long-term plan.
Expenses	For fiscal year 2025, analyses were based mainly on the Company's budgets. For the other years, fixed expenses, such as payroll, outsourced services, rent expenses and others, were adjusted by a projected inflation rate for the period. The Company's long-term strategic plan was also considered for management of expenses.
Discount rate	Cash flows were discounted at a pre-tax rate of 14.8% per annum and a post-tax rate of 12.7% per annum, considering the weighted average cost of capital (WACC).
Perpetuity	The Company applied a nominal perpetual growth rate of 5% per annum for long-term inflation.

Sources

The work was based on economic information published by the Brazilian Central Bank, Institute for Applied Economic Research (IPEA), Bloomberg and banks (Itaú, Bradesco, BTG and Santander), as well as based on operating and financial information of the Company.

14. Interest-bearing loans and borrowings and debentures

Sixth issue of debentures

On May 31, 2022, the Company approved and signed an agreement for the sixth issue of a single series of simple, non-convertible, unsecured debentures backed by a personal guarantee.

The nominal unit value of the debentures was R\$1, with 2,200,000 (two million two hundred thousand) debentures issued to the Company for a total amount of R\$2,200,000. The raising of these funds occurred on June 10, 2022.

The main terms of issue are as follows:

Guarantees

Qualicorp Administradora de Benefícios S.A. is the guarantor of the transaction which is secured by a pledge of the Company shares.

Total optional early redemption

It was agreed that optional early redemption may occur from June 4, 2024 at the discretion of the Company in accordance with the provisions of article 55 of the Brazilian corporate law. The amount payable to the debenture holders for optional early redemption shall be the unit face value of the debentures redeemed plus premium, according to the indenture.

Optional extraordinary amortization

It was agreed that the Company may at any time, at its discretion, from June 4, 2024, make an extraordinary amortization of the debentures plus premium, according to the indenture.

Accelerated maturity

All obligations arising from this issue may be declared due to require the issuers to immediately pay the balance of the unit face value of the outstanding debentures plus interest thereon on a pro rata basis from the date of issue or the date of maturity of the last interest accrual period, i.e., the immediately preceding date of payment of interest, as applicable, to the effective payment date, according to the terms of the indenture.

The Company is subject to restrictive covenants, which are common in debenture agreements. These restrictive covenants specify non-financial obligations as well as obligations to maintain certain financial ratios, such as net debt-to-Ebitda ratio. The Company is compliant with these covenants.

Interest

Interest is paid half-yearly from the date of issue on the unit face value of the debentures at 100% of the daily average rates of the interbank deposit certificate rate (CDI) plus spread of 1.85%.

The balance of the unit face value of the debentures will be amortized in four consecutive annual installments in June of each year, being the first installment due in June 2024 and the last installment due at the maturity date.

Purpose

The proceeds from this issue were used for the early redemption of the third issue of the Company, the fourth issue of Qualicorp Administradora de Benefícios S.A. (merged into the Company during the spin-off in 2021), the fifth issue of Qualicorp Corretora de Seguros S.A. (merged into the Company); for repayment of loans under Law 4,131 by their due dates; and for strengthening the Company's cash position. The other features and conditions were approved at the Board of Directors' meeting and are set forth in the indenture.

Seventh issue of debentures

On March 14, 2024, the Company approved the seventh issue and signed an agreement for issuance of a single series of simple, non-convertible, unsecured debentures backed by a personal guarantee.

A total of two hundred thousand (200,000) debentures were issued with a unit face value of R\$ 1, totaling R\$ 200,000. Proceeds from this issue were received on April 5, 2024.

The main terms of issue are as follows:

Guarantees

Qualicorp Administradora de Benefícios S.A. is the guarantor of the transaction which is secured by a pledge of the Company shares.

Total optional early redemption

It was agreed that optional early redemption may occur from September 15, 2025 at the discretion of the Company in accordance with the provisions of article 55 of the Brazilian corporate law. The amount payable to the debenture holders for optional early redemption shall be the unit face value of the debentures redeemed plus premium, in accordance with the terms of the indenture.

Optional extraordinary amortization

It was agreed that the Company may at any time, at its discretion, from September 15, 2025, make an extraordinary amortization of the debentures plus premium, in accordance with the terms of the indenture.

Accelerated maturity

All obligations arising from this issue may be declared due and payable to require the issuers to immediately pay the balance of the unit face value of the outstanding debentures plus interest thereon on a pro rata basis from the date of issue or the date of maturity of the last interest accrual period, i.e., the immediately preceding date of payment of interest, as applicable, to the effective payment date, in accordance with the terms of the indenture.

The Company is subject to restrictive covenants, which are common in debenture agreements. These restrictive covenants specify non-financial obligations as well as obligations to maintain certain financial ratios, such as net debt-to-Ebitda ratio. The Company is compliant with these covenants.

Interest

Interest is paid half-yearly from the date of issue on the unit face value of the debentures at 100% of the daily average rates of the interbank deposit certificate rate (CDI) plus spread of 3.50%.

The balance of the unit face value of the debentures will be amortized in six consecutive annual installments, being the first installment due in September 2024 and the last installment due at the maturity date.

Purpose

The proceeds from this issue will be used to finance the Company's operations as part of an efficient liability management strategy.

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 covenants under the indenture during the fiscal year 2023.

At December 31, 2024, the Company is compliant with the covenants attached to the sixth and seventh issue of debentures and has paid interest regularly on the debentures.

Breakdown of the debts:

	Parent company and Consolidated	
	December 31, 2024	December 31, 2023
Debentures	549,945	550,000
Interest on debentures payable	24,440	20,606
Cost of financial intermediation	(4,383)	(3,960)
Current	570,002	566,646
Debentures	1,300,055	1,650,000
Cost of financial intermediation	(6,893)	(9,899)
Non-current	1,293,162	1,640,101
Total	1,863,164	2,206,747

Movements in debentures

	Parent company and Consolidated	
	December 31, 2024	December 31, 2023
Balance at the beginning of the period	2,206,747	2,206,580
Allocation of expenses (issue costs)	4,311	3,960
Interest paid (i)	(252,834)	(324,840)
Proceeds from issue of debentures	200,000	-
Cost of issue of debentures	(1,730)	-
Settlement of debentures	(550,000)	-
Allocation of interest	256,670	321,047
Balance at the end of the period	1,863,164	2,206,747

- 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 December 31, 2024 and 2023 are as follows:

	Parent company and Consolidated			
	December 31, 2024		December 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Debentures (*)	1,874,440	1,844,802	2,220,605	2,261,744

(*) 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 15.05% and 18.42% per annum (December 31, 2023: 11.04% and 12.76% per annum).

15. Leases

a) Right-of-use assets

The movements during the year were as follows:

	Parent company		Consolidated	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Opening balance	17,439	38,049	26,622	51,020
Additions (new contracts)	-	-	13,186	-
Remeasurement	(2,684)	(2,041)	(838)	(665)
Amortization charge	(6,261)	(11,126)	(12,538)	(16,121)
Write-off of leases	(7,480)	(7,443)	(10,713)	(7,612)
Balance at the end of the year	1,014	17,439	15,719	26,622

b) Lease liabilities

The movements during the year were as follows:

	Parent company		Consolidated	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Opening balance	20,298	37,842	30,466	51,132
Additions (new contracts)	-	-	13,186	-
Remeasurement	(2,684)	(1,613)	(838)	(912)
Accretion of interest	1,647	4,522	3,854	7,084
Write-off of leases	(8,977)	(8,032)	(12,890)	(8,204)
Payments	(9,058)	(12,421)	(15,091)	(18,634)
Balance at the end of the year	1,226	20,298	18,687	30,466
Current	622	8,105	3,410	13,060
Non-current	604	12,193	15,277	17,406

c) Statement of profit or loss

The following are the amounts recognized in profit or loss:

- Interest expense on lease liabilities, amounting to R\$ 3,854 (December 31, 2023: R\$ 7,084) - Consolidated and R\$ 1,647 (December 31, 2023: R\$ 4,522) - Parent company, are recorded under 'finance costs' (Note 23).
- Amortization of right-of-use assets, totaling R\$ 12,538 (December 31, 2023: R\$ 16,121) - Consolidated and R\$ 6,261 (December 31, 2023: R\$ 11,126) - Parent company, are recorded within 'administrative expenses' (Note 21).
- 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 profit or loss was R\$ 2,177 - Consolidated and R\$ 1,497 - Parent Company.

d) Estimated impact of inflation on lease contracts

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

Lease liabilities	2024	2025	2026	After 2026
Carrying amount	18,687	15,277	11,979	9,374
Adjusted for forecast inflation	21,383	17,974	14,573	11,721
Change	14.43%	17.65%	21.65%	25.04%
Right-of-use assets – net	2024	2025	2026	After 2026
Carrying amount	15,719	11,756	8,584	-
Adjusted for forecast inflation	19,272	15,130	11,563	-
Change	22.60%	28.70%	34.70%	-
Interest expense on lease liabilities	2024	2025	2026	After 2026
Carrying amount	3,854	2,307	1,867	3,836
Adjusted for forecast inflation	3,854	2,384	2,015	4,469
Change	0.00%	3.34%	7.93%	16.50%
Depreciation	2024	2025	2026	After 2026
Carrying amount	12,538	3,963	3,172	8,584
Adjusted for forecast inflation	12,538	4,142	3,567	11,563
Change	0.00%	4.52%	12.45%	34.70%

e) Potential taxes (PIS/COFINS) recoverable

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

Consolidated		
Cash flows	Nominal value	Present value
Lease payments	35,946	23,417
Potential taxes - PIS/COFINS (9.25%)	3,325	2,166

16. Premiums to be transferred

The balance of R\$ 276,260 at December 31, 2024 (December 31, 2023: R\$ 358,599) comprises health insurance premiums payable to the insurance companies/operators by the respective due dates, regardless of whether payments have been received from the plan beneficiaries. Most of the payments were received by January 31, 2025.

17. Other payables

	Parent company		Consolidated	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Current:				
Outstanding amounts due to plan operators/insurance companies (i)	-	-	132,190	60,755
Advances from customers	31,692	2,619	53,381	2,731
Amounts payable under a plea agreement (ii)	43,500	-	43,500	-
Sundry suppliers	9,309	5,831	29,014	16,428
Advance payments received	-	-	17,719	28,752
Commissions payable	13,394	3,180	15,532	4,505
Other provisions	1,851	2,303	8,199	12,369
Payables for acquisition of intangible assets	20	1,706	4,811	5,463
Refunds to beneficiaries	-	-	4,533	17,992
Contingent consideration liability	765	686	3,136	2,812
Refundable amounts	27	3	2,946	2,242
Others	865	1,429	30,020	12,950
Total current	101,423	17,757	344,981	166,999
Non-current:				
Payables for acquisition of intangible assets	-	-	-	150
Total non-current	-	-	-	150
Total	101,423	17,757	344,981	167,149

- i) There is a difference between the time when beneficiaries pay their invoices to the Company and when the invoices paid are entered into the Company's system. This is cleared after the Company reconciles payments received against outstanding invoices.
- ii) On July 19, 2024, the Board of Directors of the Company approved a plea agreement with the Office of the Comptroller General (CGU) and the Attorney General's Office (AGU) to bring to an end the investigation into the operations "Paralelo 23" and "Triuno".

The main obligations under the plea agreement are as follows:

The Company shall pay to the federal government approximately R\$ 43,500 for penalty and damages, which will be adjusted for inflation using the consumer price index (IPCA) until the date of signing of the agreement. The payment shall be made in twelve monthly installments adjusted based on Brazil's benchmark interest rate (Selic). In addition, the Company shall make certain improvements in its integrity program that have not yet been implemented over the last years; and

The CGU and the AGU (a) shall acknowledge that the Company has effectively cooperated to reach the findings in the investigation and has submitted appropriate documentation to help identify and hold accountable the others involved; (b) shall secure certain benefits for the Company in exchange for the Company's cooperation according to the applicable legislation; and (c) shall not initiate any new administrative and judicial proceedings seeking accountability for the acts that are the subject of the plea agreement or arise therefrom. In this context, the Company recognized a provision of R\$ 43,500.

To enter into a plea agreement, a cooperation between the Company and its Founder would be fundamental, since the Founder was a shareholder and also occupied a key management position in 2014, the year in which the facts under investigation have occurred, and, thus, he has information and documents of interest to the proper authorities. In October 2021, the Company entered into a cooperation agreement with the Founder by which they committed to cooperate with the authorities and the Founder agreed to pay half of any amount which may be owed by the Company under the plea agreement. Accordingly, the Company recognized the amount of R\$ 21,750 of reimbursement as other financial assets (Note 9).

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, 2023	Additions	Reversals	December 31, 2024
Labor and social security (i)	7,134	5,895	(317)	12,712
Civil (ii)	3,925	1,135	(669)	4,391
Tax (iii)	2,230	183	(613)	1,800
Total	13,289	7,213	(1,599)	18,903

Parent company	December 31, 2022	Additions	Reversals	December 31, 2023
Labor and social security (i)	2,585	4,971	(422)	7,134
Civil (ii)	3,871	1,030	(976)	3,925
Tax (iii)	1,462	1,774	(1,006)	2,230
Total	7,918	7,775	(2,404)	13,289

Consolidated	December 31, 2023	Additions	Reversals	December 31, 2024
Civil (iv)	55,006	15,050	(11,978)	58,078
Labor and social security (v)	13,503	6,881	(1,175)	19,209
Regulatory (vi)	9,669	1,384	(1,557)	9,496
Tax (vii)	7,857	11,120	(612)	18,365
Total	86,035	34,435	(15,322)	105,148

Consolidated	December 31, 2022	Additions	Reversals	December 31, 2023
Civil (iv)	48,961	11,974	(5,929)	55,006
Labor and social security (v)	13,377	2,818	(2,692)	13,503
Regulatory (vi)	10,507	778	(1,616)	9,669
Tax (vii)	11,690	937	(4,770)	7,857
Total	84,535	16,507	(15,007)	86,035

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 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\$ 12,712 (2023: R\$ 7,134).

No accrual was made for loss contingencies that are reasonably possible amounting to R\$ 102,597 (2023: R\$ 74,395).

- ii) The Company is a defendant in ongoing civil lawsuits, where R\$ 4,391 (2023: R\$ 3,925) is deemed to be a probable loss and, therefore, a provision has been recognized, and R\$ 4,020 (2023: R\$ 3,180) 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 of the insured and annual premium increase; (iii) administrative and/or judicial proceedings concerning reinstatement of health plans terminated for non-payment; and (iv) annual premium increase; and (v) collection of plan beneficiaries' debt reported to a credit reporting agency;
- iii) The Company is a defendant in ongoing tax proceedings and recognized a provision for estimated probable loss of R\$ 1,800 (2023: R\$ 2,230).

For contingent losses assessed as reasonably possible, totaling R\$ 998,774 (2023: R\$ 1,009,460), no accrual was made. The tax proceedings relate mainly to (i) tax assessments due to amortization of goodwill in calendar years 2011 to 2014 (these tax assessments are still pending in the administrative and judicial spheres but there are preliminary court decisions in favor of the Company); (ii) tax assessments due to amortization of goodwill in calendar years 2016 to 2018 (these tax assessments are still pending in the administrative and judicial spheres but there are preliminary court decisions in favor of the Company); (iii) tax assessments for social security contribution and contributions related to the 2013 share option program (these tax assessments are pending in the judicial sphere); (iv) disallowance of expenses from the calculation of income tax (IRPJ) and social contribution (CSLL) of payments made to companies for co-brokerage and consultancy services in calendar years 2014 to 2019 and collection of income tax at source (IRRF) as the tax authority alleges that these payments were made to the same companies, without cause, in calendar years 2015 to 2019.

- iv) The Company and its subsidiaries are defendants in ongoing civil lawsuits, where R\$ 58,078 (2023: R\$ 55,006) is deemed to be a probable loss and, therefore, a provision has been recognized, and R\$ 50,096 (2023: R\$ 40,886) 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 of the insured and annual premium increase; (iii) administrative and/or judicial proceedings concerning reinstatement of health plans terminated for non-payment; and (iv) annual premium increase; and (v) collection of plan beneficiaries' debt reported to a credit reporting agency;
- 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 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\$ 19,209 (2023: R\$ 13,503). No accrual was made for loss contingencies that are reasonably possible amounting to R\$ 104,880 (2023: R\$ 77,888).
- vi) The subsidiaries are defendants in ongoing regulatory proceedings with ANS, where a provision has been recognized for R\$ 9,496 (2023: R\$ 9,669) because a loss is believed to be probable, and no provision has been made for proceedings amounting to R\$ 3,910 (2023: R\$ 5,115) because a loss is believed only to be possible but not probable.

- vii) The Company and its subsidiaries recognized a provision of R\$ 18,365 (2023: R\$ 7,857) for tax assessments or claims that are assessed as probable loss. 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\$ 2,449,655 at December 31, 2024 (December 31, 2023: R\$ 2,351,053), 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\$ 1,259,794 (December 31, 2023: R\$ 1,189,863) 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\$ 225,761 (December 31, 2023: R\$ 201,326) 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\$ 9,378 (December 31, 2023: R\$ 8,351) refers to tax assessment notices demanding payment of income tax at source (IRRF) on activities developed by the merged entity Aliança Administradora de Benefícios de Saúde S.A. in calendar years 2012 to 2014.
- d) At subsidiary Qualicorp Administradora de Benefícios S.A., the amount of R\$ 34,465 (December 31, 2023: R\$ 92,955) 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.
- e) The amount of R\$ 26,219 (December 31, 2023: R\$ 37,176) refers to tax assessment notices demanding payment of social security contributions, and other contributions related to the share option plan of calendar year 2013. These tax assessments are unresolved at judicial level.
- f) The amount of R\$ 295,487 (December 31, 2023: R\$ 268,121) 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 alleges 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, these tax assessments are pending in the administrative and judicial spheres.
- g) At subsidiary Qualicorp Administradora de Benefícios S.A., the amount of R\$ 6,164 (December 31, 2023: R\$ 5,439) 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.
- h) The amount of R\$ 571,052 (December 31, 2023: R\$ 517,918) refers to proceedings discussing where the municipal service tax (ISS) is owed by subsidiaries Qualicorp Administradora de Benefícios S.A., Qualicorp Administração e Serviços Ltda. and Qualicorp Clube de Saúde Administradora de Benefícios Ltda.
- i) The residual value of R\$ 21,335 consists of several tax assessments: R\$ 13,197 related to municipal service tax (ISS) debt of subsidiaries Connectmed-CRC Consultoria, Administração e Tecnologia em Saúde Ltda., Gama Saúde Ltda., Qualicorp Clube de Saúde Administradora de Benefícios Ltda., and Plural Gestão em Planos de Saúde Ltda. (whose shares were partially acquired by the Company); R\$ 233 related to the non-levy of PIS/COFINS on reimbursement of expenses; R\$ 6,510 related to the non-levy of social security contributions (INSS) on items of payroll that are not considered to be compensatory in nature; and R\$ 1,395 of offsetting requests not accepted by the tax authority.

19. Equity

Share capital

At December 31, 2024 and 2023, 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	
	December 31, 2024	December 31, 2023
Rede D'Or São Luiz	82,321,183	82,321,183
PrismaQuali Gestão Ativa de Participações S.A.	56,376,844	56,376,844
Rede D'Or São Luiz S.A. (direct)	17,048,539	17,048,539
Other investment vehicles	8,895,800	8,895,800
Pátria Investimentos	50,344,555	50,344,555
Radar Gestora de Recursos	-	23,790,533
Others (i)	148,657,838	122,792,041
Treasury shares (ii)	2,690,749	4,766,013
Total	284,014,325	284,014,325

- i) These are shareholders owning less than 5% of the shares traded on Brazil's stock exchange (B3 S.A.).
- ii) The movements in the balance of treasury shares during the year were as follows:

	Treasury shares December 31, 2024	
	Number of shares	Value
Balance at December 31, 2023	4,766,013	97,910
Exercise of restricted shares	(2,075,264)	(42,633)
Balance at December 31, 2024	2,690,749	55,277

	Treasury shares December 31, 2023	
	Number of shares	Value
Balance at December 31, 2022	5,560,096	114,223
Exercise of restricted shares	(794,083)	(16,313)
Balance at December 31, 2023	4,766,013	97,910

Management submitted to the Board of Directors the proposal for allocation of the profit earned in the fiscal year 2024, as follows:

	2024	2023
Profit (loss) for the year	6,579	(82,435)
(-) Transfer to legal reserve	(329)	-
Distributable profit	6,250	-
Mandatory minimum dividends (i)	1,563	-
Creation of investment reserve (ii)	4,687	-
Loss for the year absorbed by revenue reserve	-	82,435

- i) This amount is recorded within 'related parties' and refers to a distribution to reach the mandatory threshold of 25% of net profit. These dividends will be paid out to shareholders by December 31, 2025 after approval of shareholders at the Ordinary General Meeting to be held on April 30, 2025.
- ii) This amount will be earmarked as a reserve for future investments in accordance with article 25, paragraph 3 of the Company's Bylaws after approval of shareholders at the Ordinary General Meeting to be held on April 30, 2025.

20. Restricted stock plan

The Group has a restricted stock plan for directors, officers, employees and service providers. The plan is managed by the Board of Directors that has the power to make amendments subject to the Group's established guidelines.

Under an agreement signed on May 9, 2019, 5,700,000 options were granted under the new plan according to the terms of the restricted stock plan.

The following are the key features of the plan:

- a) Restricted stock vest 25% per year on each anniversary date of the agreement unless otherwise determined by the Board of Directors;
- b) The total shares under the plan cannot exceed 4% of the Company's total shares equivalent to 11,287,073 shares at March 31, 2019, which can be exercised through the issue of new shares or the disposal of treasury shares;
- c) The maximum exercise period for options granted is five years from the date of signing of the option agreement;
- d) The exercise price for restricted stock shall be the market price of each restricted share on the Brazilian stock exchange B3 on the business day immediately preceding the respective date of grant.

Under an agreement signed on May 11, 2023, the Company made a new grant of 4,700,000 restricted shares to its directors and executives, which will vest 33% 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.

Under agreements signed on May 10, 2024 and June 19, 2024, the Company made a new grant of 4,500,000 restricted shares to its directors and executives. The restricted stock will vest 33% each year from the date of signing of the agreement and the exercise price will be the fair 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 year ended December 31, 2024, the cost of restricted stock granted by the Company and/or its subsidiaries totaling R\$ 7,035 was allocated to equity.

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	-	(750,000)	(2,825,000)	1,125,000
November 29, 2023	2.8	December 31, 2024	650,000	-	(650,000)	-	-
May 10, 2024	1.7	May 10, 2026	4,500,000	-	(1,500,000)	-	3,000,000
June 19, 2024	1.4	June 19, 2026	1,800,000	-	(600,000)	-	1,200,000
			19,286,000	842,561	(8,590,753)	(6,212,808)	5,325,000

At December 31, 2024, the weighted average remaining contractual term is 581 days (December 31, 2023: 1,227).

21. Expenses by nature

	Parent company		Consolidated	
	Year ended December 31, 2024	Year ended December 31, 2023	Year Ended December 31, 2024	Year ended December 31, 2023
Cost of providing services				
Commissions and financial transfers	-	-	92,737	123,861
Employee benefits expense	16,292	30,807	89,585	120,964
Outsourced services	9,399	12,253	59,366	81,942
Membership dues	-	-	6,560	6,948
Occupancy costs	77	1,028	975	4,864
Other costs of providing services	852	2,980	17,098	30,384
Total cost of providing services	26,620	47,068	266,321	368,963
Administrative expenses				
Depreciation and amortization charges	83,404	99,195	141,381	167,746
Employee benefits expense	18,633	6,766	127,306	142,178
Outsourced services	9,324	16,420	84,235	84,149
Other administrative expenses	2,432	2,490	16,226	9,759
Total administrative expenses	113,793	124,871	369,148	403,832
Selling expenses				
Depreciation and amortization charges	98,412	113,734	258,402	307,571
Commissions and financial transfers	54,633	55,481	91,630	108,243
Employee benefits expense	40,084	65,162	51,705	70,281
Advertising and publicity costs	7,499	10,438	12,208	20,864
Other selling expenses	10,672	17,147	19,090	28,236
Total selling expenses	211,300	261,962	433,035	535,195
Total expenses by nature	351,713	433,901	1,068,504	1,307,990

22. Other income and expenses

	Parent company		Consolidated	
	Year ended December 31, 2024	Year ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2023
Expenses related to provision for contingencies and lawsuits	(34,642)	(3,388)	(99,990)	(35,553)
Operating losses	-	-	(72,296)	(31,701)
Provision for operating losses (reversal) (*)	-	-	(31,713)	9,939
Other income (expenses), net	3,084	(119,358)	2,749	(124,626)
Total	(31,558)	(122,746)	(201,250)	(181,941)

(*) The information about this provision is provided in Note 9.

23. Finance income and costs

	Parent company		Consolidated	
	Year ended December 31, 2024	Year ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2023
Finance income:				
Interest income on financial investments	29,073	25,180	97,042	108,315
Interest and penalty on overdue accounts receivable	-	-	24,543	30,461
Interest on call options	19,914	-	19,914	-
Interest on taxes	1,853	2,779	7,475	6,158
Other finance income	889	911	6,775	16,889
Total finance income	51,729	28,870	155,749	161,823
Finance costs:				
Interest on debentures (Note 14) (*)	(102,668)	(128,419)	(256,670)	(321,047)
Discounts granted	-	-	(29,942)	(15,415)
Interest on call options	-	(2,007)	(21,670)	(12,336)
Collection fee	(37)	(75)	(8,220)	(13,084)
Interest on lease liabilities	(1,647)	(4,522)	(3,854)	(7,084)
Other finance costs	(5,527)	(11,376)	(19,520)	(21,977)
Total finance costs	(109,879)	(146,399)	(339,876)	(390,943)
Net finance costs	(58,150)	(117,529)	(184,127)	(229,120)

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

24. Income tax and social contribution

	Parent company		Consolidated	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Profit before income tax (IRPJ) and social contribution (CSLL) and after profit sharing	6,589	(121,746)	1,221	(111,627)
Share of net profits of investees accounted for using the equity method	(23,474)	(68,065)	-	510
Subtotal	(16,885)	(189,811)	1,221	(111,117)
Statutory rate of IRPJ and CSLL	34%	34%	34%	34%
Estimate of IRPJ and CSLL expense (benefit) at the statutory tax rate	5,741	64,536	(415)	37,780
Interest on capital	(7,250)	(24,050)	-	-
Losses on uncollectible receivables	(2)	-	1,265	(466)
Non-deductible expenses for tax purposes	(277)	(86)	(3,611)	(2,563)
Tax losses for which no deferred tax asset was recognized (*)	-	-	(816)	(4,036)
Recognition of deferred tax assets of previous period	-	-	16,677	(550)
Recovery of losses	-	-	110	4,158
Expenses of companies that pay taxes using the presumed profit method	-	-	2,077	2,133
Others	1,778	(1,089)	(1,445)	(204)
Total IRPJ and CSLL expense reported in the statement of profit or loss	(10)	39,311	13,842	36,252
Effective tax rate	(0.06%)	20.71%	(1,133.66%)	32.63%

(*) Certain direct and indirect subsidiaries of the Company have tax loss carryforwards 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).

25. Insurance

The Company and its subsidiaries maintain insurance coverage that Management believes 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	2,801,553
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	12,490
Vehicles	Loss and damage or pecuniary damage	224

26.Descriptive information about reportable segments and net operating revenue

a) Description of the types of services from which each reportable segment derives its revenue

The Company has only one reportable segment: the Affinity segment. It operates in this segment through its subsidiaries Qualicorp Benefícios, Qualicorp Clube de Saúde, Qualicorp Administração e Serviços, Uniconsult Administradora, Plural Gestão em Plano de Saúde, which provide benefits administration services ('Qualicorp Administração'), and Qualicorp Corretora de Seguros S.A. and Oxcorp Gestão Consultoria e Corretora de Seguros, which provide insurance brokerage services ('Qualicorp Corretagem').

The benefits administrators are responsible for directing and managing the group health and dental plans. Their main activities are: (a) partner with professional associations that are eligible to sign affinity contracts; (b) negotiate and contract with plan vendors; (c) offer group plans to the members of the professional associations; (d) provide technical support to resolve operating issues; (e) assist the human resources staff in the management of benefits; (f) outsource administrative services; (g) update and keep records; (h) oversee the processing of monthly billings; (i) coordinate premium collection activities with third-party collection agency; and (j) research benefits plans and vendors to design and recommend benefits plans and plan administration model.

The brokerage firms are responsible for selling the group plans. Their main activities are: (a) identify the target market, i.e., the members of the professional associations; (b) define the marketing strategy and distribution model; (c) offer group plans to potential clients through their own distribution channel or a network of credentialed brokers; and (d) monitoring and revision of client portfolio.

b) Measurement of operating segment profit or loss, assets and liabilities

The Company assesses the performance of the reportable segment on the basis of profit or loss before interest income and interest expenses, depreciation, amortization and income taxes. The segment's result does not include provisions for contingencies and shared administrative expenses.

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

The Affinity segment is the business unit that accounts for 91.84% of the net operating revenue of the Parent company and its subsidiaries. This business unit is managed separately within the management model used by the Company.

The Affinity segment uses most of the operating and financial resources of the Group, for example, beneficiary files with plan operators/insurance carriers, benefit invoicing and collection, write-off of paid invoices and financial transfers to professional associations.

d) Gross and net revenue by type of service

	Parent company		Consolidated	
	Year ended December 31, 2024	Year ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2023
Administration fee	-	-	1,169,697	1,283,698
Brokerage fee	385,870	445,906	390,005	458,523
Agency fee	80,609	84,871	88,386	84,871
Other revenue	3,209	4,502	60,855	64,434
Total gross operating revenue	469,688	535,279	1,708,943	1,891,526
Deductions from gross operating revenue:				
Taxes on revenue	(43,971)	(49,674)	(127,451)	(141,133)
Returns and cancellations	(207)	(487)	(1,033)	(487)
Total deductions from gross operating revenue	(44,178)	(50,161)	(128,484)	(141,620)
Net operating revenue	425,510	485,118	1,580,459	1,749,906

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	December 31, 2024			December 31, 2023		
	Affinity segment	All other segments	Total	Affinity segment	All other segments	Total
Net revenue	1,451,481	128,978	1,580,459	1,619,551	130,355	1,749,906
Cost of providing services	(216,575)	(49,746)	(266,321)	(311,255)	(57,708)	(368,963)
Net income (expenses)	(586,121)	(49,908)	(636,029)	(621,645)	(41,902)	(663,547)
Selling expenses	(409,088)	(21,678)	(430,766)	(498,667)	(31,264)	(529,931)
Losses on uncollectible receivables	(97,686)	(27,671)	(125,357)	(131,508)	(10,464)	(141,972)
Finance income	23,922	181	24,103	29,973	145	30,118
Other income (expenses), net	(103,269)	(740)	(104,009)	(21,443)	(319)	(21,762)
Profit before unallocated expenses	648,785	29,324	678,109	686,651	30,745	717,396

Information about profit, assets and liabilities of nonreportable segments is presented under a separate category 'all other segments' and 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 - 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 - 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 revenue, profit, assets and liabilities

	Consolidated	
	Year ended December 31, 2024	Year ended December 31, 2023
Unallocated amounts:		
Administrative expenses	(369,148)	(403,832)
Net finance costs	(208,230)	(259,238)
Loss on investment in startup	-	(510)
Provisions for contingencies	(33,257)	(1,191)
Selling expenses	(2,269)	(5,264)
Other expenses, net	(63,984)	(158,988)
Total	(676,888)	(829,023)

	Assets		Liabilities	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Total for reportable segment	2,388,273	2,686,337	2,494,736	2,858,660
All other segments	541,181	240,194	132,855	27,915
Unallocated amounts	1,436,871	1,582,794	1,738,734	1,622,750
Total	4,366,325	4,509,325	4,366,325	4,509,325

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)	December 31, 2024		December 31, 2023	
	Lives	Market share	Lives	Market share
Southeast	561,504	64.34%	700,124	63.54%
Northeast	170,731	19.56%	229,298	20.81%
South	32,626	3.74%	53,917	4.89%
Central West	56,756	6.50%	61,694	5.60%
North	51,133	5.86%	56,886	5.16%
Total of the Affinity segment	872,750	100.00%	1,101,919	100.00%

Information about major customers

For the year ended December 31, 2024, one customer accounted for 16% (December 31, 2023: 15%) of the Company's total net revenue. There are no other customers who individually account for more than 10% of the Company's total net revenue.

27. Commitments

At December 31, 2024, significant commitments of the Company and its subsidiaries were as follows:

Commitments related to call center services of R\$ 13,304 for the financial year 2025.

Expenses incurred on call center service agreements for 2024 were R\$ 18,034 (December 31, 2023: R\$ 23,563).

28. Earnings (loss) per share

	Parent company and Consolidated	
	Year ended December 31, 2024	Year ended December 31, 2023
Profit (loss) for the year attributable to equity holders of the parent	6,579	(82,435)
Weighted average number of common shares for the basic earnings (loss) per share calculation	281,323,576	279,248,312
Weighted average number of common shares adjusted for share options for the diluted earnings (loss) per share calculation	282,414,670	279,596,908
Basic earnings (loss) per share - R\$	0.02339	(0.29520)
Diluted earnings (loss) per share - R\$	0.02330	(0.29520)

There was no effect of dilution in 2023 as the Company made a loss.

29. Approval of the parent company and consolidated financial statements

These parent company and consolidated financial statements were approved by the Board of Directors on February 26, 2025.

Mauricio da Silva Lopes
Chief Executive Officer

Eduardo de Oliveira
Vice President

Eder da Silva Grande
Investor Relations and Financial
Officer

Ricardo Godoy Santos
Accountant - CRC 1SP223132