

# Earnings Release 4Q23





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Earnings Video Conference  
March 28, 2024 (Thursday)  
10am Brasília | 9am EST



Zoom Webcast in Portuguese  
(Simultaneous translation to English)

## HIGHLIGHTS

Belo Horizonte, March 28, 2024 - **Rede Mater Dei de Saúde** (“Mater Dei” or “Company”) (B3: MATD3) announces its results for the year of 2023 and the fourth quarter of 2023 (4Q23). The financial statements presented in this report refer to the consolidated figures in Reais (BRL) million, except when otherwise indicated. The quarterly comparisons are made with the fourth quarter of 2022 (YoY comparison) and the third quarter of 2023 (QoQ comparison). The annual comparison refers to the year of 2023 against the year of 2022. The quarter information follows the Brazilian and International (IFRS) accounting rules and were revised by independent auditors. The acquisitions information is reported after the conclusion of each transaction.

### Operational and Financial Highlights

- ✚ **Occupancy rate:** higher 3.6pp YoY and 1.0pp QoQ, reaching 70.6% in the quarter. If the patient Day Hospital are taken in account, this rate reaches 74.8%;
- ✚ **Patients-day:** increase of 9.3% YoY. In the annual comparison the increase was of 22.7% compared to 2022, with all the acquisitions in the 12 months of 2023;
- ✚ **Average Ticket:** reached BRL 2.30 million per used bed in the quarter, a drop of 0.6% against the third quarter of 2023;
- ✚ **Net Revenue:** reached BRL 2,188 million in the year to date, higher annual revenue ever announced by the Company, an increase of 24% YoY;
- ✚ **EBITDA:** totaled BRL 526 million in 2023 (+17% YoY), with an **EBITDA Margin** of 24.0%;
- ✚ **Adjusted net income:** reached BRL 213 million in 2023, considering the adjustment for the provision for deferred income tax and social contribution in the Parent Company, reaching an adjusted **Net Margin** of 9.7%;
- ✚ **Operational Cash Flow:** of BRL 346 million in 2023, with the best quarter of the year in terms of working capital consumption;
- ✚ **Net Debt:** of BRL 925 million, with a debt cost below CDI and **leverage index** of 1.8x (financial net debt /EBITDA LTM).

BRL Million (except when indicated)	4Q23	4Q22	Δ 4Q23	3Q23	Δ 4Q23	2023	2022	Δ 2023
<b>Operational Indicator</b>								
Operational Beds	1,551	1,494	3.8%	1,590	(2.5%)	1,562	1,290	21.1%
Patients-day (total of the period)	100,734	92,150	9.3%	101,809	(1.1%)	404,271	329,595	22.7%
Occupancy rate	70.6%	67.0%	3.6pp	69.6%	1.0pp	70.9%	70.0%	0.9pp
<b>Financial Indicator</b>								
Average Ticket (BRL mm / bed)	2.30	2.25	2.0%	2.31	(0.6%)	2.24	2.19	2.4%
Net Revenue	541.2	512.1	5.7%	568.2	(4.8%)	2,187.7	1,763.1	24.1%
Gross Profit	162.7	172.3	(5.6%)	185.5	(12.3%)	711.8	623.2	14.2%
<i>Gross Margin</i>	<i>30.1%</i>	<i>33.6%</i>	<i>(3.5pp)</i>	<i>32.6%</i>	<i>(2.5pp)</i>	<i>32.5%</i>	<i>35.3%</i>	<i>(2.8pp)</i>
EBITDA <sup>1</sup>	112.5	121.8	(7.7%)	134.3	(16.2%)	525.6	449.1	17.0%
<i>EBITDA Margin</i>	<i>20.8%</i>	<i>23.8%</i>	<i>(3.0pp)</i>	<i>23.6%</i>	<i>(2.8pp)</i>	<i>24.0%</i>	<i>25.5%</i>	<i>(1.5pp)</i>
Adjusted Net Income	46.4	35.7	30.2%	53.2	(12.7%)	213.0	208.5	2.1%
<i>Adjusted Net Margin</i>	<i>8.6%</i>	<i>7.0%</i>	<i>1.6pp</i>	<i>9.4%</i>	<i>(0.8pp)</i>	<i>9.7%</i>	<i>11.8%</i>	<i>(2.1pp)</i>

1. In 2022 it was adjusted expenses referring to M&A advisory and Salvador's preoperational

## Highlights and Opportunities

### Atlânticas Hospitais Partnership

On December 21<sup>st</sup>, 2023, Rede Mater Dei de Saúde announced the company's entry into the São Paulo capital, through a partnership with Atlântica Hospitais, a company in the Bradesco Seguros group, in order to develop and operate a highly complex general hospital in the Santana neighborhood, located in the north of São Paulo.

Mater Dei will have the role of medical and administrative management of the new hospital, providing care in the various medical specialties. It will be a market hospital with 250 and 300 beds in an area of approximately 45,000 m<sup>2</sup> and will be built on property owned by a Bradesco Organization company.

The conclusion of the transaction is conditional on the fulfillment of certain conditions precedent usual in operations of this nature. In February 2024, the partnership was approved by CADE (“Conselho Administrativo de Defesa Econômica”).

### JCI accreditation in Hospital Mater Dei Salvador

With less than two years of opening, Hospital Mater Dei Salvador was accredited with the JCI certification (Joint Commission International), an important international recognition that seeks to prove the achievement of all rigorous patient safety standards in healthcare institutions.



Four hospitals from Rede Mater Dei already have this accreditation: Santo Agostinho, Contorno, Betim/Contagem and Porto Dias. Salvador unit is the fifth.

### Rede Mater Dei expands in Uberlândia region

In the last quarter of 2023, Mater Dei Santa Genoveva, announced the opening of a new floor, expanding its volume capacity to the Uberlândia and region community. With 27 new beds, the new floor aims to provide a standard of excellence comparable to the main hospitals in Brazil.

The new floor has VIP rooms to patients that search for a differentiated service in terms of amenities. The construction was planned with focus in the need of Triângulo Mineiro population, considering the comfort and best care to the patient. The technology includes state of art equipment, already adopted in other Mater Dei units, ensuring a last generation infrastructure.

Mater Dei commitment to provide high-quality healthcare services is evidenced by this expansion, which represents not only an increase in capacity, but also a step forward in terms of innovation and excellence in medical care in the region.

### Adherence to the UN Global Compact



Rede Mater Dei de Saúde took an important step to reaffirm its commitment to sustainability: it formalized its adherence to the United Nations (UN) Global Compact, the largest global corporate social responsibility initiative that encourages organizations to align their strategies and operations to ten universal principles in the areas of human rights, labor, environment and anti-corruption, in addition to providing learning opportunities with organizations aligned with best institutional practices and encouraging actions that contribute to facing society's challenges. The signing of the compact ratifies Rede Mater Dei's commitment to promoting sustainable development that generates positive environmental, economic and social results.

## MATER DEI NOVA LIMA

The Mater Dei Nova Lima hospital will be a 117-bed unit, with 20 Intensive Care beds and 97 inpatient apartments. Also featuring 14 surgical rooms, the new unit will be located in the Vila da Serra neighborhood, in Nova Lima, the municipality with the highest per capita income in Brazil, according to research carried out by FGV (Fundação Getúlio Vargas), in 2023.

The location of the hospital unit is strategic, as it is positioned in a populous and growing center, with high purchasing power and which currently finds access difficult (distance and traffic) to the other hospitals of Rede Mater Dei in Belo Horizonte – Contorno unit and Santo Agostinho. The opening is scheduled for the second half of 2024.

### Differentiated Services:

- Rede Mater Dei de Saúde care excellence;
- Premium maternity with complete maternal and child care; Resolutive emergency room with integrated flows with the other units;
- Clinical and surgical hospitalization with apartments of high standards;
- Complete diagnostic medicine service;
- Surgical Center with small, medium and high complexity rooms;
- Obstetric rooms and PPP suites;
- Hemodynamics;
- Outpatient oncology following the Mater Dei model;
- Integration with services at other HUB units in the Belo Horizonte Metropolitan Region.



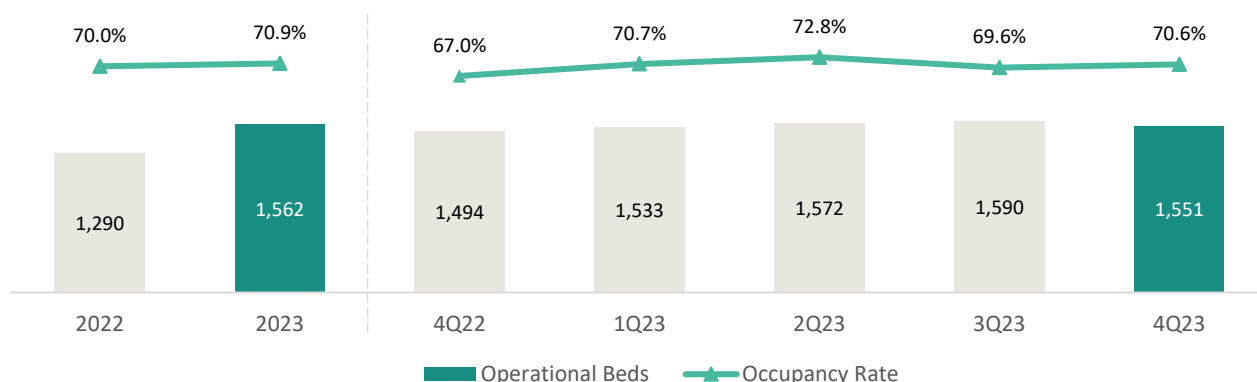
## REVENUE

Gross revenue consists mainly of health services, such as admissions, surgeries, oncology, medical appointments, and laboratory tests, among others, either through healthcare operators, self-management and autarchy or out-of-pocket patients. From this quarter on, the financial statements reports are excluding the medical disallowances from the gross revenue.

In the fourth quarter of 2023, the average number of operational beds reached 1,551, 57 beds higher than 4T22 and 39 beds lower than 3Q23, with an occupancy rate of 70.6%. The beds closed in the fourth quarter were a result of historical seasonality lower than the resto of the year, mainly because of the end of year holidays.

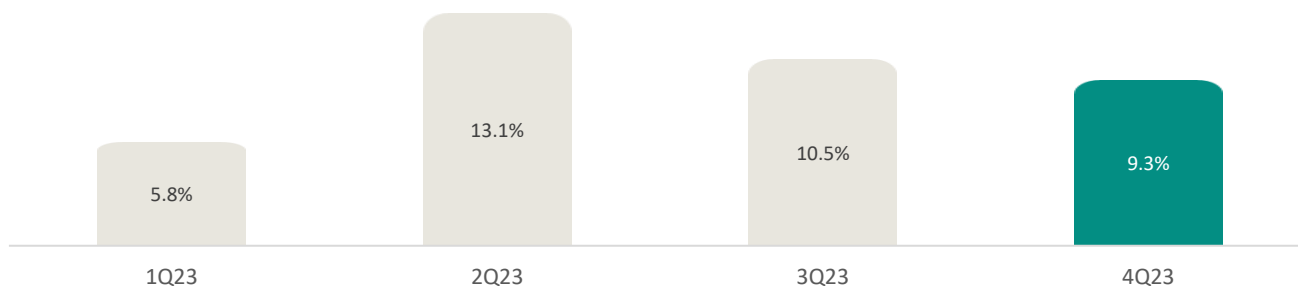
The occupancy rate calculation only considers the patients who stay overnight in the hospitals. If Day Patients, those who stay in the hospital for a period of 6 hours or less, were considered, the occupancy rate would increase to 74.8%.

Quartely evollution of the average operational beds and occupancy rate



In the fourth quarter, the volume of patients-day hospitalized at Rede Mater Dei, increased 9.3% when compared to 4Q22.

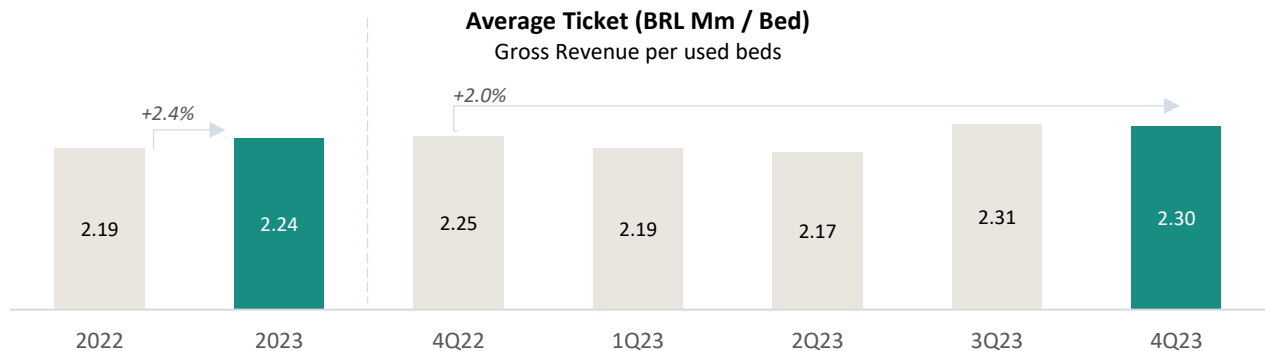
% change in number of patients-days vs. 4Q22



The gross revenue reported by the Company until 3Q23 was net of medical disallowances and from the financial statements for the year ending December 31, 2023, the Company will disclose the disallowances for the period in a separate line. As a result, the average ticket calculation and the average days receivables (ADR)

will change, improving comparability between periods, now without the influence of disallowances, showing the Company's real production.

The consolidated average ticket for the second quarter had an increase of 2.0% when compared to 4Q22 and in line with 3Q23, reaching BRL 2.30 million per used beds. In 2023 the average ticket was BRL 2.24 million per used beds, a growth of 2.4% against 2022. The composition and variation of the ticket are explained by: (i) hospital mix in the consolidation, (ii) mix of services and procedures; (iii) accreditation portfolio, and (iv) readjustment of the price list with payors.



In 4Q23, the gross revenue reached BRL 634 million, a growth of 12% compared to 4T22 and a decrease of 2% compared to 3T23, aligned with the reduction in the volume of patients-day. For the year of 2023, the gross revenue totaled BRL 2,483 million, a growth 26% compared to 2022. The gross revenue is deducted, mainly, by: (i) medical disallowances, (ii) taxes levied on gross revenue (federal contributions and municipal contributions) and (iii) cancellations.

The table below is already in the new format for presenting the disallowances. At the end of the year 2023, there was a reassessment of the expectation of receipt for all year, increasing the percentage of disallowance that the company adopts, in order to reflect the current perception of the health sector's supply chain. Therefore, there was an impact in 4Q23, which concentrated all the accounting for the year, in the amount of R\$16.9 million that would have been from the other quarters.

In the fourth quarter of 2023, net revenue totaled BRL 541 million, an increase of 6% in the annual comparison and a decrease of 5% against 3Q23. In 2023, the net revenue reached BRL 2,188 million, an increment of 24% versus the same period of 2022.

Consolidated (BRL million)	4Q23	4Q22	Δ 4Q23	3Q23	Δ 4Q23	2023	2022	Δ 2023
Healthcare operators	594.5	528.7	12.5%	596.1	(0.3%)	2,314.0	1,839.2	25.8%
Out-of-pocket patients	33.8	31.8	6.5%	39.2	(13.6%)	139.4	113.1	23.3%
Other revenues	5.5	7.4	(25.7%)	9.1	(39.9%)	29.4	24.9	18.0%
<b>Gross Revenue</b>	<b>633.8</b>	<b>567.8</b>	<b>11.6%</b>	<b>644.4</b>	<b>(1.6%)</b>	<b>2,482.9</b>	<b>1,977.2</b>	<b>25.6%</b>
Tax, deductions and disallowances	(92.6)	(55.7)	66.2%	(76.2)	21.5%	(295.2)	(214.1)	37.9%
<b>Net Revenue</b>	<b>541.2</b>	<b>512.1</b>	<b>5.7%</b>	<b>568.2</b>	<b>(4.8%)</b>	<b>2,187.7</b>	<b>1,763.1</b>	<b>24.1%</b>

## COSTS AND EXPENSES

### Cost of services provided

The costs of services provided mainly include medical supplies and drugs, personnel, physicians, depreciation and amortization, and maintenance and conservation.

In 4Q23, the costs of services provided totaled BRL 379 million, representing 69.9% of net revenues, an increase of 3.5pp in the annual comparison and of 2.5pp versus 3Q23. The main offenders were the lines of other costs, which include food for patients and third-party services, and medical supplies and drug.

In the fourth quarter, in the personnel line, the company saw a recovery due to the revaluation of the RAT (social security contribution), which had a positive impact on costs in the amount of R\$12.3 million.

In 2023, the cost of services provided reached BRL 1,476 million and represented 67.5% of net revenues, a growth of 2.8pp in the comparison with the same period of last year.

Consolidated (BRL million)	4Q23	4Q22	Δ 4Q23	3Q23	Δ 4Q23	2023	2022	Δ 2023
Medical Supplies and Drug	(132.6)	(121.6)	9.1%	(135.4)	(2.1%)	(528.5)	(426.5)	23.9%
<i>% of net revenue</i>	24.5%	23.7%	0.8pp	23.8%	0.7pp	24.2%	24.2%	0.0pp
Personnel	(103.4)	(97.8)	5.8%	(108.7)	(4.8%)	(409.4)	(318.7)	28.5%
<i>% of net revenue</i>	19.1%	19.1%	0.0pp	19.1%	0.0pp	18.7%	18.1%	0.6pp
Medical services	(66.7)	(52.5)	27.0%	(67.5)	(1.2%)	(252.3)	(171.6)	47.0%
<i>% of net revenue</i>	12.3%	10.3%	2.0pp	11.9%	0.4pp	11.5%	9.7%	1.8pp
Maintenance and conservation	(23.8)	(20.1)	18.5%	(22.3)	6.9%	(87.7)	(61.6)	42.4%
<i>% of net revenue</i>	4.4%	3.9%	0.5pp	3.9%	0.5pp	4.0%	3.5%	0.5pp
Depreciation and amortization	(20.7)	(25.7)	(19.3%)	(20.6)	0.8%	(82.4)	(74.3)	10.9%
<i>% of net revenue</i>	3.8%	5.0%	(1.2pp)	3.6%	0.2pp	3.8%	4.2%	(0.4pp)
Other costs	(31.2)	(22.1)	40.9%	(28.3)	10.3%	(115.5)	(87.2)	32.4%
<i>% of net revenue</i>	5.8%	4.3%	1.5pp	5.0%	0.8pp	5.3%	4.9%	0.4pp
<b>Costs of services provided</b>	<b>(378.5)</b>	<b>(339.8)</b>	<b>11.4%</b>	<b>(382.7)</b>	<b>(1.1%)</b>	<b>(1,475.8)</b>	<b>(1,139.9)</b>	<b>29.5%</b>
<i>% of net revenue</i>	69.9%	66.4%	3.5pp	67.4%	2.5pp	67.5%	64.7%	2.8pp
<b>Gross Margin</b>	<b>162.7</b>	<b>172.3</b>	<b>(5.6%)</b>	<b>185.5</b>	<b>(12.3%)</b>	<b>711.8</b>	<b>623.2</b>	<b>14.2%</b>
<i>% gross margin</i>	30.1%	33.6%	(3.5pp)	32.6%	(2.5pp)	32.5%	35.3%	(2.8pp)

In these terms, the gross margin totaled 30.1%, with a gross profit of BRL 163 million on 4Q23, representing a drop of 2.5pp against 3Q23. In 2023, the gross profit was of BRL 712 million, with a gross margin of 32.5%.



## General expenses, administrative and others

General and administrative expenses consist mainly of personnel, depreciation and amortization, and other expenses related to back-office and integration activities.

In 4Q23, the relevance of general and administrative expenses over the net revenue reached 14.0%, reducing 1.1pp compared to the same period of last year and 0.6pp higher than 3Q23. In relation to adjusted net operating expenses, the decrease was of 1.6pp compared to 4Q22 and higher in 0.6pp compared with 3Q23, this line mainly includes provisions/reversals for tax, labor and civil risks, provisions for doubtful debts and equity pickup.

In 2023, the adjusted net operating expenses fell by 3.0pp compared to 2022 reaching 13.2% of net revenue, as a result of the dilution of general and administrative expenses with the company's growth. It is important to highlight that in 2022 there was non-recurring expenses related to M&A advisory amounting to BRL 14 million.

Consolidated (BRL million)	4Q23	4Q22	Δ 4Q23	3Q23	Δ 4Q23	2023	2022	Δ 2023
Personnel	(50.2)	(47.3)	6.0%	(48.2)	4.3%	(189.6)	(155.7)	21.7%
<i>% of net revenue</i>	<i>9.3%</i>	<i>9.2%</i>	<i>0.1pp</i>	<i>8.5%</i>	<i>0.8pp</i>	<i>8.7%</i>	<i>8.8%</i>	<i>(0.1pp)</i>
Depreciation and amortization	(5.3)	(4.4)	18.5%	(4.9)	7.1%	(19.6)	(15.7)	24.3%
<i>% of net revenue</i>	<i>1.0%</i>	<i>0.9%</i>	<i>0.1pp</i>	<i>0.9%</i>	<i>0.1pp</i>	<i>0.9%</i>	<i>0.9%</i>	<i>0.0pp</i>
Third-party services	(15.3)	(15.1)	1.8%	(15.6)	(1.5%)	(60.6)	(65.1)	(7.0%)
<i>% of net revenue</i>	<i>2.8%</i>	<i>2.9%</i>	<i>(0.1pp)</i>	<i>2.7%</i>	<i>0.1pp</i>	<i>2.8%</i>	<i>3.7%</i>	<i>(0.9pp)</i>
Other expenses	(5.2)	(10.5)	(50.7%)	(7.6)	(31.6%)	(26.5)	(32.5)	(18.4%)
<i>% of net revenue</i>	<i>1.0%</i>	<i>2.1%</i>	<i>(1.1pp)</i>	<i>1.3%</i>	<i>(0.3pp)</i>	<i>1.2%</i>	<i>1.8%</i>	<i>(0.6pp)</i>
<b>General and Adm. Expenses</b>	<b>(76.0)</b>	<b>(77.4)</b>	<b>(1.8%)</b>	<b>(76.2)</b>	<b>(0.3%)</b>	<b>(296.3)</b>	<b>(269.1)</b>	<b>10.1%</b>
<i>% of net revenues</i>	<i>14.0%</i>	<i>15.1%</i>	<i>(1.1pp)</i>	<i>13.4%</i>	<i>0.6pp</i>	<i>13.5%</i>	<i>15.3%</i>	<i>(1.8pp)</i>
Other Operational Rev. and Exp. <sup>1</sup>	(0.2)	(3.1)	(92.1%)	(0.5)	(50.2%)	8.0	(16.2)	(149.7%)
<i>% of net revenue</i>	<i>0.0%</i>	<i>0.6%</i>	<i>(0.6pp)</i>	<i>0.1%</i>	<i>(0.1pp)</i>	<i>-0.4%</i>	<i>0.9%</i>	<i>(1.3pp)</i>
<b>Net operating expenses</b>	<b>(76.2)</b>	<b>(80.5)</b>	<b>(5.3%)</b>	<b>(76.7)</b>	<b>(0.6%)</b>	<b>(288.2)</b>	<b>(285.3)</b>	<b>1.0%</b>
<i>% of net revenue</i>	<i>14.1%</i>	<i>15.7%</i>	<i>(1.6pp)</i>	<i>13.5%</i>	<i>0.6pp</i>	<i>13.2%</i>	<i>16.2%</i>	<i>(3.0pp)</i>

1. Includes Equity Pickup

## EBIT and EBITDA

In the quarter, the EBITDA reached BRL 113 million, with a margin of 20.8%. This result represents a decrease of 8% compared to 4Q22 and of 16% versus 3Q23.

In the quarter, as mentioned above, we had two non-recurring adjustments to the result: (i) in revenue, with the reassessment of the provision for disallowances, which affected the quarter negatively, which would bring the margin to 23.2%, and (ii) the increase in cost, in the personnel line, which would bring the normalized margin for the quarter to 21.0%.

In 2023, EBITDA hit BRL 526 million with a margin of 24.0%, an increase of 17% and a drop in the margin of 1.5pp compared to the same period of the last year, that was adjusted by non-recurring items regarding M&A advisory and Salvador's pre-operational expenses.

<i>Consolidated (BRL million)</i>	4Q23	4Q22	Δ 4Q23	3Q23	Δ 4Q23	2023	2022	Δ 2023
<b>Gross Revenue</b>	<b>633.8</b>	<b>567.8</b>	<b>11.6%</b>	<b>644.4</b>	<b>(1.6%)</b>	<b>2,482.9</b>	<b>1,977.2</b>	<b>25.6%</b>
Tax, deductions and disallowances	(92.6)	(55.7)	66.2%	(76.2)	21.5%	(295.2)	(214.1)	37.9%
<b>Net Revenue</b>	<b>541.2</b>	<b>512.1</b>	<b>5.7%</b>	<b>568.2</b>	<b>(4.8%)</b>	<b>2,187.7</b>	<b>1,763.1</b>	<b>24.1%</b>
Costs of services provided	(378.5)	(339.8)	11.4%	(382.7)	(1.1%)	(1,475.8)	(1,139.9)	29.5%
Net operating expenses	(76.2)	(80.5)	(5.3%)	(76.7)	(0.6%)	(288.2)	(285.3)	1.0%
<b>EBIT</b>	<b>86.5</b>	<b>91.8</b>	<b>(5.8%)</b>	<b>108.8</b>	<b>(20.5%)</b>	<b>423.6</b>	<b>337.9</b>	<b>25.4%</b>
<i>% of net revenue</i>	<i>16.0%</i>	<i>17.9%</i>	<i>(1.9pp)</i>	<i>19.1%</i>	<i>(3.1pp)</i>	<i>19.4%</i>	<i>19.2%</i>	<i>0.2pp</i>
Depreciation and amortization	26.0	30.0	(13.4%)	25.5	2.0%	102.0	90.1	13.2%
<b>EBITDA</b>	<b>112.5</b>	<b>121.8</b>	<b>(7.7%)</b>	<b>134.3</b>	<b>(16.2%)</b>	<b>525.6</b>	<b>428.0</b>	<b>22.8%</b>
<i>% of net revenue</i>	<i>20.8%</i>	<i>23.8%</i>	<i>(3.0pp)</i>	<i>23.6%</i>	<i>(2.8pp)</i>	<i>24.0%</i>	<i>24.3%</i>	<i>(0.3pp)</i>
M&A advisory	-	-	-	-	-	-	14.0	(100.0%)
Salvador's pre-operating	-	-	-	-	-	-	7.1	(100.0%)
<b>Adjusted EBITDA</b>	<b>112.5</b>	<b>121.8</b>	<b>(7.7%)</b>	<b>134.3</b>	<b>(16.2%)</b>	<b>525.6</b>	<b>449.1</b>	<b>17.0%</b>
<i>% of net revenue</i>	<i>20.8%</i>	<i>23.8%</i>	<i>(3.0pp)</i>	<i>23.6%</i>	<i>(2.8pp)</i>	<i>24.0%</i>	<i>25.5%</i>	<i>(1.5pp)</i>

## NET FINANCIAL RESULT

For the quarter, financial income totaled BRL 19 million, an increase of 16% compared to the same period last year, and of 30% compared to 3Q23. Financial expenses reached BRL 64 million, lower 11% versus 4Q22 and of 10% against last quarter.

As a result, from the above, the 4Q23 net financial result reached negative BRL 45 million, against negative BRL 55 million in 4Q22 and negative BRL 56 million in 3Q23.

Year-to-date, the net financial result was negative BRL 215 million, with a growth of 41% against 2022. The deterioration in the net financial result is related to a lower financial revenue, due to a lower average cash, as well as a higher financial expense, given a higher lease interest (entry of new rents) and the reclassification of the monetary corrections of contingencies that last year was being accounted for in the line of other operational expenses/revenue.

<i>Consolidated (BRL million)</i>	<b>4Q23</b>	<b>4Q22</b>	<b>Δ 4Q23</b>	<b>3Q23</b>	<b>Δ 4Q23</b>	<b>2023</b>	<b>2022</b>	<b>Δ 2023</b>
<b>Financial Revenue</b>	<b>18.7</b>	<b>16.1</b>	<b>15.9%</b>	<b>14.4</b>	<b>30.2%</b>	<b>59.5</b>	<b>90.4</b>	<b>(34.2%)</b>
<b>Financial Expense</b>	<b>(63.6)</b>	<b>(71.0)</b>	<b>(10.5%)</b>	<b>(70.3)</b>	<b>(9.5%)</b>	<b>(274.3)</b>	<b>(242.5)</b>	<b>13.1%</b>
<i>Interest on loans, financing and acquisitions</i>	(36.4)	(46.7)	(22.1%)	(38.3)	(5.0%)	(160.5)	(152.1)	5.5%
<i>Lease interest</i>	(21.1)	(20.7)	1.6%	(20.9)	0.6%	(83.4)	(72.6)	14.9%
<i>Others</i>	(6.2)	(3.6)	71.9%	(11.0)	(43.9%)	(30.4)	(17.9)	70.4%
<b>Net Financial Result</b>	<b>(44.9)</b>	<b>(54.9)</b>	<b>(18.2%)</b>	<b>(55.9)</b>	<b>(19.7%)</b>	<b>(214.8)</b>	<b>(152.1)</b>	<b>41.3%</b>

## NET INCOME

In this quarter, adjusted net income totaled BRL 46 million, a raise of 30% compared to the same period last year and a drop of 13% compared to 3Q23. The adjusted net margin hit 8.6% this quarter, representing an increase of 1.6pp in the annual comparison and a decrease of 0.8pp in the quarterly comparison.

For the quarter, as well as in the previous ones, it was adjusted in the net income BRL 18 million, referring to the provision for deferred income tax liabilities on amortization of goodwill in the Parent Company. This adjustment helps to better reflect the Company's profitability, since it generates a cash disbursement reduction for the income tax payment.

In 2023, the net income reached BRL 213 million, representing a growth of 2% versus the previous year, with a net margin of 9.7%.

<i>Consolidated (BRL million)</i>	<b>4Q23</b>	<b>4Q22</b>	<b>Δ 4Q23</b>	<b>3Q23</b>	<b>Δ 4Q23</b>	<b>2023</b>	<b>2022</b>	<b>Δ 2023</b>
EBIT	86.5	91.8	(5.8%)	108.8	(20.5%)	423.6	337.9	25.4%
Net financial result	(44.9)	(54.9)	(18.2%)	(55.9)	(19.7%)	(214.8)	(152.1)	41.3%
<b>EBT</b>	<b>41.6</b>	<b>36.9</b>	<b>12.7%</b>	<b>52.9</b>	<b>(21.3%)</b>	<b>208.8</b>	<b>185.8</b>	<b>12.4%</b>
Income tax and Social Contribution	(13.1)	(19.2)	(31.8%)	(17.6)	(25.7%)	(67.5)	(63.1)	7.0%
<b>Net Income</b>	<b>28.5</b>	<b>17.7</b>	<b>61.1%</b>	<b>35.2</b>	<b>(19.1%)</b>	<b>141.2</b>	<b>122.7</b>	<b>15.1%</b>
<i>% of net revenue</i>	<i>5.3%</i>	<i>3.5%</i>	<i>1.8pp</i>	<i>6.2%</i>	<i>(0.9pp)</i>	<i>6.5%</i>	<i>7.0%</i>	<i>(0.5pp)</i>
Deferred Income tax (goodwill)	17.9	18.0	(0.3%)	17.9	0.0%	71.7	71.9	(0.3%)
M&A advisory	-	-	-	-	-	-	9.2	(100.0%)
Salvador's pre-operating	-	-	-	-	-	-	4.7	(100.0%)
<b>Adjusted Net Income</b>	<b>46.4</b>	<b>35.7</b>	<b>30.2%</b>	<b>53.2</b>	<b>(12.7%)</b>	<b>213.0</b>	<b>208.5</b>	<b>2.1%</b>
<i>% of net revenue</i>	<i>8.6%</i>	<i>7.0%</i>	<i>1.6pp</i>	<i>9.4%</i>	<i>(0.8pp)</i>	<i>9.7%</i>	<i>11.8%</i>	<i>(2.1pp)</i>

## DEBT AND LEVERAGE

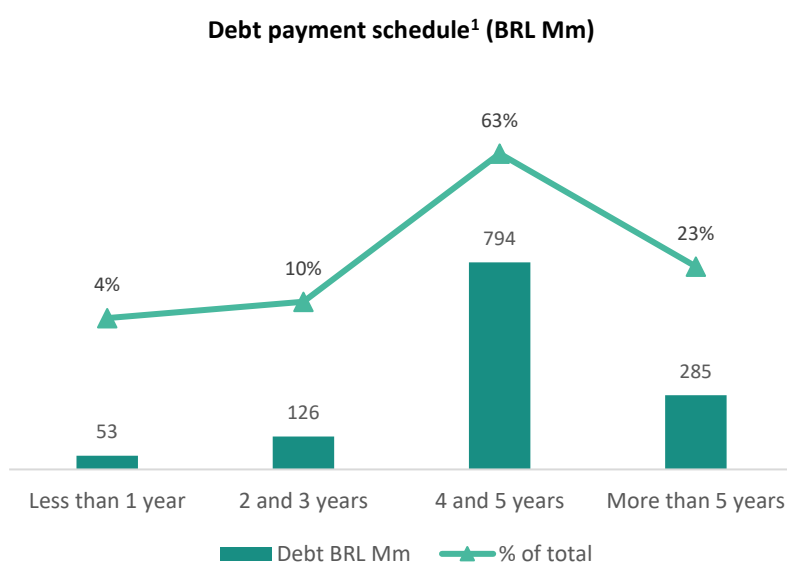
At the end of 2023, the total debt was of BRL 1,244 million, a drop of 3% against the final amount of the previous quarter. All of the Company's debt is in local currency.

The leverage index (financial net debt / EBITDA LTM) reached 1.8x in 4Q23.

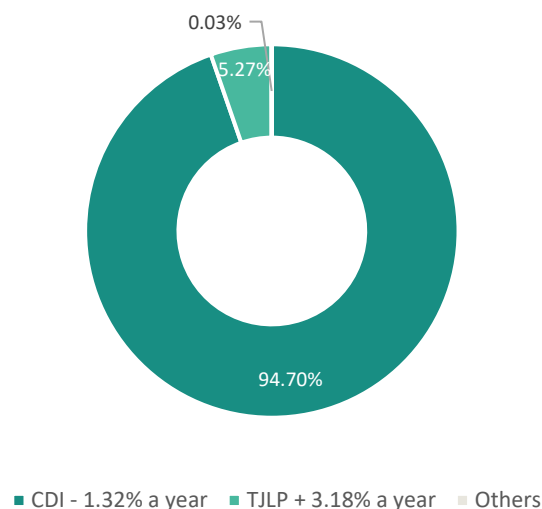
<i>Consolidated (BRL million)</i>	4Q23	4Q22	Δ 4Q23	3Q23	Δ 4Q23
Short-term debt	52.2	53.0	(1.4%)	77.4	(32.6%)
Long-term debt	1,202.7	1,150.2	4.6%	1,210.2	(0.6%)
Derivative financial instruments (+/-)	(10.9)	2.6	(514.3%)	(0.3)	4.090.7%
<b>Total debt<sup>1</sup></b>	<b>1,244.0</b>	<b>1,205.8</b>	<b>3.2%</b>	<b>1,287.4</b>	<b>(3.4%)</b>
Cash and equivalents and financial investments	319.1	378.3	(15.6%)	363.7	(12.3%)
<b>Net Debt</b>	<b>924.9</b>	<b>827.5</b>	<b>11.8%</b>	<b>923.6</b>	<b>0.1%</b>
EBITDA LTM	525.6	428.0	22.8%	534.9	(1.7%)
<i>Net debt/EBITDA (LTM)</i>	<i>1.8x</i>	<i>1.9x</i>	<i>(0.1)</i>	<i>1.7x</i>	<i>0.1</i>

1. According to the covenant of the 1st debenture issue of the Company, considering the sum of the balances of loans, financing and debentures net of all derivative financial instruments (current and non-current). It does not consider liabilities for lease and acquisition of companies payable.

Mater Dei's weighted average amortization term is 4.8 years. The cost of debt for 4Q23 was of CDI – 0.7% a year.



**Average Cost of debt and Indexation**



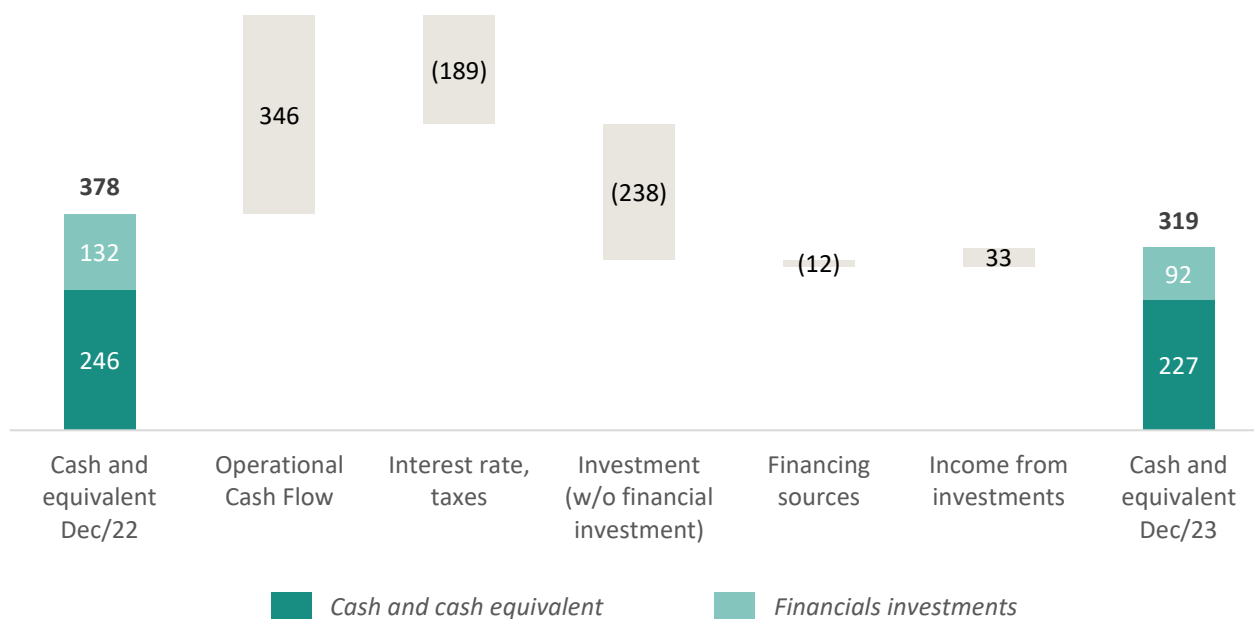
1. Does not consider transaction cost.

## CASH FLOW

Considering the position of cash, cash equivalents and financial investments, the company ended the year of 2023 with BRL 319 million, a decrease of 16% compared to the cash at the end of the previous year.

In 2023, cash generated by operations amounted to BRL 346 million, although BRL 194 million was consumed by changes in assets and liabilities (accounts payable, suppliers, inventories, among others). It is important to note that this was the quarter with the lowest consumption of working capital, which is being addressed in the company's main areas. To complete the net cash flow generated by operating activities, we had BRL 189 million paid in interest and income tax and social contribution.

Investment activities consumed BRL 238 million, of which BRL 196 million was for the payment of expansion and maintenance Capex and intangible assets, distributed quarterly in BRL 59 million in 4Q23, BRL 33 million in 3Q23, BRL 46 million in 2Q23 and BRL 58 million in 1Q23, this increase in the last quarter is related to Nova Lima's unit construction. In this same investment account, we have the payment of acquisitions in the amount of BRL 42 million concentrated in the first quarter, relating mainly to the payment of the second installment of the purchase of Mater Dei Premium. In addition, there was an inflow of BRL 12 million in financing activities and the generation of BRL 33 million in investment income, net of redemptions.



## APPENDIX

### P&L

<i>Consolidated (BRL thousand)</i>	4Q23	4Q22	3Q23	2023	2022
<b>Gross Revenue</b>	<b>633,820</b>	<b>567,834</b>	<b>644,426</b>	<b>2,482,873</b>	<b>1,977,229</b>
Healthcare Operator	594,508	528,681	596,143	2,314,041	1,839,190
Out-of-pocket patients	33,823	31,761	39,151	139,425	113,108
Other revenue	5,489	7,392	9,132	29,407	24,931
<b>Taxes, Deductions and Disallowance</b>	<b>(92,596)</b>	<b>(55,720)</b>	<b>(76,199)</b>	<b>(295,208)</b>	<b>(214,097)</b>
<b>Net Revenue</b>	<b>541,224</b>	<b>512,114</b>	<b>568,227</b>	<b>2,187,665</b>	<b>1,763,132</b>
<b>Costs of services provided</b>	<b>(378,481)</b>	<b>(339,796)</b>	<b>(382,742)</b>	<b>(1,475,816)</b>	<b>(1,139,945)</b>
Medical Supplies and drugs	(132,620)	(121,599)	(135,431)	(528,486)	(426,534)
Personnel	(103,440)	(97,782)	(108,681)	(409,441)	(318,703)
Medical services	(66,713)	(52,511)	(67,526)	(252,300)	(171,596)
Maintenance and conservation	(23,799)	(20,090)	(22,259)	(87,706)	(61,571)
Depreciation and amortization	(20,746)	(25,701)	(20,591)	(82,432)	(74,328)
Other costs	(31,163)	(22,114)	(28,254)	(115,451)	(87,213)
<b>Gross profit</b>	<b>162,743</b>	<b>172,318</b>	<b>185,485</b>	<b>711,849</b>	<b>623,187</b>
<b>General and administrative expenses</b>	<b>(75,996)</b>	<b>(77,399)</b>	<b>(76,235)</b>	<b>(296,288)</b>	<b>(269,092)</b>
Personnel	(50,209)	(47,346)	(48,157)	(189,607)	(155,741)
Depreciation and amortization	(5,255)	(4,436)	(4,905)	(19,570)	(15,744)
Third-party services	(15,339)	(15,075)	(15,580)	(60,587)	(65,121)
Other expenses	(5,193)	(10,542)	(7,593)	(26,524)	(32,486)
<b>Equity pickup</b>	<b>616</b>	<b>(1,787)</b>	<b>17</b>	<b>2,655</b>	<b>(285)</b>
<b>Other operating income (expenses)</b>	<b>(861)</b>	<b>(1,325)</b>	<b>(509)</b>	<b>5,393</b>	<b>(15,908)</b>
<b>Earnings before financial income and expenses</b>	<b>86,502</b>	<b>91,807</b>	<b>108,758</b>	<b>423,609</b>	<b>337,902</b>
Financial revenue	18,720	16,147	14,382	59,459	90,426
Financial expenses	(63,615)	(71,040)	(70,260)	(274,275)	(242,494)
<b>Net financial result</b>	<b>(44,895)</b>	<b>(54,893)</b>	<b>(55,878)</b>	<b>(214,816)</b>	<b>(152,069)</b>
<b>Earnings before income tax and social contribution</b>	<b>41,607</b>	<b>36,914</b>	<b>52,880</b>	<b>208,793</b>	<b>185,834</b>
<b>Income Tax and Social Contribution</b>	<b>(13,115)</b>	<b>(19,223)</b>	<b>(17,649)</b>	<b>(67,546)</b>	<b>(63,147)</b>
<b>Net Income</b>	<b>28,492</b>	<b>17,690</b>	<b>35,231</b>	<b>141,247</b>	<b>122,687</b>
<i>Deferred Income tax (goodwill)</i>	17,931	17,977	17,931	71,724	71,906
<i>M&amp;A</i>	-	-	-	-	9,225
<i>Salvador's pre-operating</i>	-	-	-	-	4,694
<b>Adjusted net income</b>	<b>46,423</b>	<b>35,667</b>	<b>53,162</b>	<b>212,971</b>	<b>208,512</b>
Net income attributed to controlling partners	25,801	13,974	28,548	119,654	103,505
Net income attributed to noncontrolling partners	2,691	3,716	6,683	21,593	19,182

<i>Consolidated (BRL thousand)</i>	4Q23	4Q22	3Q23	2023	2022
<b>EBIT</b>	<b>86,502</b>	<b>91,807</b>	<b>108,758</b>	<b>423,609</b>	<b>337,902</b>
Depreciation and amortization	26,000	30,025	25,496	102,001	90,072
<b>EBITDA</b>	<b>112,502</b>	<b>121,832</b>	<b>134,254</b>	<b>525,610</b>	<b>427,974</b>
<i>M&amp;A</i>	-	-	-	-	13,978
<i>Salvador's pre-operating</i>	-	-	-	-	7,111
<b>Adjusted EBITDA</b>	<b>112,502</b>	<b>121,832</b>	<b>134,254</b>	<b>525,610</b>	<b>449,063</b>

## Balance Sheet

<i>Consolidated (BRL thousand)</i>	<b>12/31/2023</b>	<b>12/31/2022</b>
<b>Asset</b>		
<b>Current</b>		
Cash and Cash Equivalents	227,302	246,414
Financial Investments	91,831	131,884
Accounts receivable	798,581	609,347
Inventories	63,165	64,286
Derivatives	1,054	0
Construction Reimbursement	38,143	35,769
Construction assets to be deployed	0	23,528
Other current assets	38,097	48,920
<b>Total current assets</b>	<b>1,258,173</b>	<b>1,160,148</b>
<b>Non-current</b>		
Construction Reimbursement	305,142	279,841
Judicial deposits	48,138	56,071
Deferred taxes	58,127	69,551
Derivatives	9,800	-
Investments	18,812	43,626
Right of use	753,232	719,828
Fixed Assets	764,594	666,011
Intangible assets	1,853,209	1,844,301
Other non-current assets	102,224	93,787
<b>Total non-current assets</b>	<b>3,913,278</b>	<b>3,773,016</b>
<b>Total Assets</b>	<b>5,171,451</b>	<b>4,933,164</b>
<b>Liabilities</b>		
<b>Current</b>		
Suppliers	148,701	139,178
Loans and financing	52,205	52,973
Leasing	81,228	76,228
Salaries & social security contribution	74,904	70,504
Taxes and contributions payable	37,288	27,316
Installment payment of taxes	6,644	5,861
Accounts payable of company acquisition	36,931	28,161
Dividends payable	36,221	34,792
Other current liabilities	11,453	8,420
<b>Total current liabilities</b>	<b>485,575</b>	<b>443,433</b>
<b>Non-current</b>		
Loans and financing	1,202,660	1,150,207
Derivatives	0	2,620
Leasing	762,274	701,049
Redemption liability	422,171	378,586
Deferred taxes liabilities	4,695	9,735
Installment payment of taxes	99,715	84,867
Accounts payable of company acquisition	174,778	196,865
Provision for contingencies	255,417	254,591
Other non-current liabilities	9,942	8,589
<b>Total non-current liabilities</b>	<b>2,931,652</b>	<b>2,787,109</b>
<b>Equity Capital</b>		
Capital	1,301,019	1,301,019
Capital reserves	376,142	390,648
(-) Treasury stocks	(1,962)	(1,962)
Equity valuation adjustment	(417,112)	(378,334)
Income reserves	397,054	306,120
<b>Total equity attributable to the Company's shareholder</b>	<b>1,655,141</b>	<b>1,617,491</b>
Share of noncontrolling shareholders	99,083	85,131
<b>Total Shareholders' equity</b>	<b>1,754,224</b>	<b>1,702,622</b>
<b>Total Liabilities</b>	<b>5,171,451</b>	<b>4,933,164</b>



## Cash Flow

<i>Consolidated (BRL thousand)</i>	2023	2022
<b><u>Cash flow from operating activities</u></b>		
Net profit for the period	141,247	122,687
<b>Adjustments to reconcile net income to cash from operations</b>		
Depreciation and amortization	102,002	90,072
Write-off of fixed and intangible assets	2,126	6,801
Establishment (reversal) of allowance for doubtful accounts	17,921	10,988
Establishment (reversal) of provision for disallowances	48,011	37,815
Establishment (reversal) of provision for contingencies	(834)	10,404
Share-Based Payment provision	11,704	11,704
Equity pickup gains	(2,655)	285
Derivative gains	7,380	10,340
Income from financial investments	(31,073)	(70,607)
Net financial expenses	222,968	226,663
Provision for income tax and social contribution - current & deferred	21,773	26,668
	<b>540,570</b>	<b>483,820</b>
<b>Variations in Operating Assets and Liabilities</b>		
Accounts Receivable	(257,119)	(194,911)
Inventories	1,121	(18,131)
Other assets	14,259	(19,889)
Judicial deposits	6,531	(17,826)
Suppliers	4,404	(3,777)
Salaries and social security contributions	4,375	16,248
Taxes and contributions payable	44,991	51,355
Tax installments	(6,005)	(6,141)
Other liabilities	(6,699)	(19,281)
	<b>(194,142)</b>	<b>(212,353)</b>
Income tax and social contributions paid	(35,092)	(31,458)
Interest paid	(154,127)	(141,687)
<b>Net cash generated by operating activities</b>	<b>157,209</b>	<b>98,322</b>
<b><u>Cash Flow of Investment activities</u></b>		
Acquisition of fixed assets	(154,466)	(199,972)
Acquisition of intangible assets	(13,602)	(15,956)
Developments with construction to be deployed	(28,287)	(130,255)
Investment acquisition	388	23,868
Controlled consolidation of initial cash	(41,785)	(640,181)
Financial investments made, net redemptions	73,084	218,041
<b>Net cash used in investment activities</b>	<b>(164,668)</b>	<b>(744,455)</b>
<b><u>Cash flow from financing activities</u></b>		
Loans and financing	82,484	106,201
Payments of loans and financing	(29,344)	(118,478)
Lease payments	(31,870)	(28,045)
Derivative settlement	(8,341)	(6,359)
Dividends paid		(1,962)
<b>Net cash generated (used) in financing activities</b>	<b>(24,582)</b>	<b>(59,010)</b>
Acquisition of fixed assets	<b>(11,653)</b>	<b>(107,653)</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(19,112)</b>	<b>(753,786)</b>
Cash and cash equivalents at the beginning of the period	246,414	1,000,200
Cash and cash equivalents at the end of the period	227,302	246,414
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(19,112)</b>	<b>(753,786)</b>

## GLOSSARY AND OTHER INFORMATION

### Glossary

- **AoP:** Average of period
- **LTM:** Last Twelve Months
- **Net Debt:** Short-term and long-term debt, net of cash, cash equivalents and short-term investments. The term "net debt" is a measure of the Company and may not be comparable with similar terms adopted by other companies.
- **IFRS 16:** As of January 1<sup>st</sup>, 2019, all companies had to adapt to the new rules of IFRS 16. With this new standard, lessees now have to recognize the asset of rights over leased assets and the liability of future payments for medium or long-term leases, including operating leases. The biggest impact we had was on the real estate lease contracts of our operational and administrative units.
- **EBITDA:** Earnings before Interest, Taxes, Depreciation and Amortization
- **EBITDA Margin:** EBITDA divided by net revenue
- **EBIT:** Earnings before Interest and Taxes
- **SELIC:** is the Brazilian economy's basic interest rate
- **CDI:** Interbank Deposit Certificate
- **IPCA:** Extended National Consumer Price Index
- **Occupancy rate:** Number of beds occupied by patients per day added up over a given period, divided by the number of beds that were operational each day added up during the same period

### About Rede Mater Dei de Saúde

Rede Mater Dei de Saúde is an integrated platform that provides hospital and cancer services, being a national reference in health and the largest private hospital network in Minas Gerais. The Company has more than 2,500 beds of capacity in its 9 units located in the metropolitan region of Belo Horizonte ("MRBH"), Salvador, Belém, Uberlândia, Goiânia and Feira de Santana.

Rede Mater Dei has a clinical expertise that is recognized by patients, medical community, healthcare operators, suppliers, and relevant sectors of the Brazilian Society, and focuses on innovation and medical pioneering.

### Relationship with independent auditors

In accordance with CVM Resolution CVM 162/22, we inform that our policy for hiring independent auditors considers the best governance principles, which reserve the auditor's independence, in accordance with internationally accepted criteria.

*For additional Investor Relations information, please access the website: <https://ri.materdei.com.br/en/> or e-mail [ri@materdei.com.br](mailto:ri@materdei.com.br)*

*This material contains summary information, which is not intended to be complete and should not be considered by shareholders or potential investors as an investment recommendation. Information about Mater Dei, its activities, economic and financial situation, and the risks inherent to its activities, as well as its financial statements, can be obtained on the world wide web, on the Mater Dei website (<https://ri.materdei.com.br/en/>).*

# MaterDei

Rede de Saúde

 MaterDei  
Hospital Santo Agostinho

 MaterDei  
Hospital Betim-Contagem

 MaterDei  
Hospital Nova Lima

 MaterDei  
Hospital Contorno

 MaterDei  
Hospital Salvador

 MaterDei  
Rede de Saúde

 A3Data

 MaterDei  
Rede de Saúde

 SANTA  
GENOVEVA  
Complexo hospitalar

 MaterDei  
Rede de Saúde

 CD  
CENTRO DE  
DIAGNÓSTICO  
POR IMAGEM

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Rede de Saúde

 hospital  
santa clara

 MaterDei  
Rede de Saúde

 HOSPITAL  
emec

 MaterDei  
Rede de Saúde

 HOSPITAL PREMIUM  
CENTRO DE MEDICINA AVANÇADA

 MaterDei  
Rede de Saúde

 HPPD HOSPITAL  
PORTO DIAS

TUDO  
PRA  
VOCÊ  
FICAR  
BEM