



# 4Q23/2023

Earnings Release

CONFERENCE CALL  
FRI | March 24, 2024 | 1:00 p.m.

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# ALLIANÇA ANNOUNCES ITS 4Q23 RESULTS

With the resumption in growth and continuous improvement in results through important actions aimed at efficiency, *Alliança* reached, in 2023, its highest historical revenue and returned to the 20% level in EBITDA margin.

São Paulo, March 21, 2024 - *Alliança Saúde e Participações S.A.* ("*Alliança*" or "*Company*") (B3: AALR3), one of Brazil's largest diagnostic medicine companies, announces today its results for the fourth quarter of 2023 (4Q23) highlighting its main financial indicators and business performance. The figures and their historical series (when available) can be accessed at <http://ri.allianca.com>.

Highlights (BRL Million)	4Q23	4Q22	YoY	2023	2022	YoY
Gross Revenue (ex-PPP construction) <sup>1</sup>	299.3	281.2	6.4%	1,255.8	1,166.9	7.6%
Net Revenue (ex-PPP construction) <sup>1</sup>	284.7	261.1	9.0%	1,173.4	1,083.2	8.3%
Gross Profit	87.7	70.2	24.9%	364.8	325.7	12.0%
Gross Margin <sup>2</sup>	30.8%	26.9%	3.9 p.p.	31.1%	30.1%	1.0 p.p.
Adjusted EBITDA <sup>3</sup>	47.4	25.8	84.0%	234.9	182.7	28.6%
Adjusted EBITDA Margin <sup>2</sup>	16.7%	9.9%	6.8 p.p.	20.0%	16.9%	3.2 p.p.
Adjusted Net Income (Loss)	-46.6	-87.4	-46.7%	-169.9	-154.9	9.7%

<sup>1</sup> Excludes "construction revenue", an accounting entry referring to the investment made at RBD (PPP Bahia);

<sup>2</sup> Margins are calculated on net revenue ex-PPP construction;

<sup>3</sup> Excludes the write-off of financial assets and non-recurring expenses (see chapter on EBITDA).

## HIGHLIGHTS FOR THE QUARTER

- **Gross Revenue** continues to improve, recorded at **BRL299 million** in 4Q23, +6% compared to 4Q22, and **BRL1,256 million** in 2023, +8% from the previous year, achieving the best result in the Company's history.
- We highlight the Net Revenue achieved in the quarter, **growing by 9%** over 4Q22, totaling **BRL285 million in 4Q23**.
- Gross Profit reached BRL88 million (+25% YoY) in 4Q23, and BRL365 million (+12% YoY) in 2023, with a Gross Margin of 31% for both periods.
- In 4Q23, **Adjusted EBITDA<sup>3</sup>** reached **BRL 47 million**, increasing by **84%** YoY. In 2023, Adjusted EBITDA reached **BRL235 million**, **+29%** over 2022. As a reflection of the Company's ongoing operational and financial restructuring, the **Adjusted EBITDA Margin** reached 17% in 4Q23 (+7 p.p. vs. 4Q22) and 20% in 2023, increasing by **3 p.p.** over 2022.

## MANAGEMENT MESSAGE

We are pleased to conclude another year, in which we emphasize Alliança's resilience and ability to overcome the challenges faced during 2023. Through our operational and financial restructuring process, we achieved significant milestones that reflect our commitment to excellence and continuous improvement.

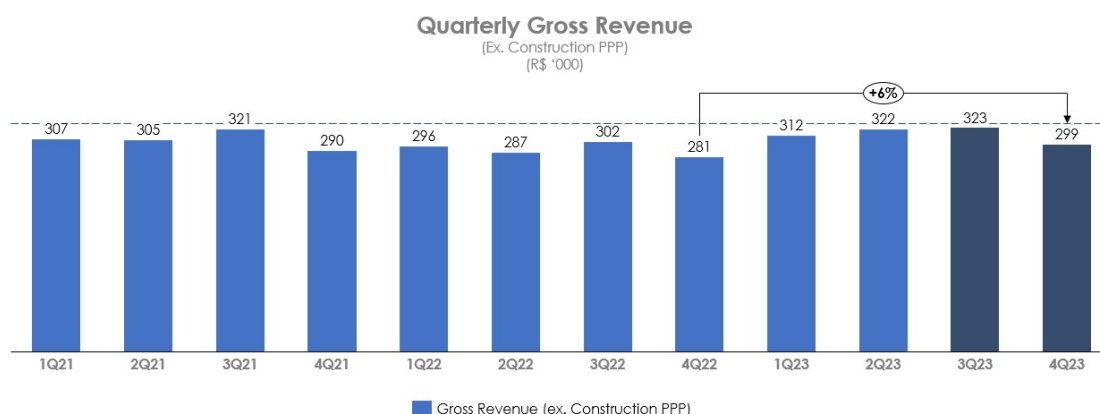
Among the fundamental pillars of our strategy, we highlight the following:

- Our focus on optimizing the productivity of our equipment by opening new schedules, including alternative time slots, and we also delivered new magnetic resonance equipment to several units, contributing to the expansion and modernization of our services;
- Our priority in converging and integrating our business structures through integrated leadership and multifunctional teams, fostering efficient communication between the Company's areas;
- The negotiations carried out with paying sources (health operators) aimed at improving the Company's financial cycle.

In addition to our recurring work fronts, such as the verticalization of clinical analysis services with the new internalization processes for collections, regionalization of our call centers, and the review of our supply chain, we also automatized our processes and readjusted our G&A structure, allowing us to reach high-cost optimization levels, consistent profitability, and greater operational agility.

As a result, in 2023, the Company achieved its highest Gross Revenue in a year, higher than pre-pandemic levels, totaling BRL1,256 million, an increase of 8% over 2022.

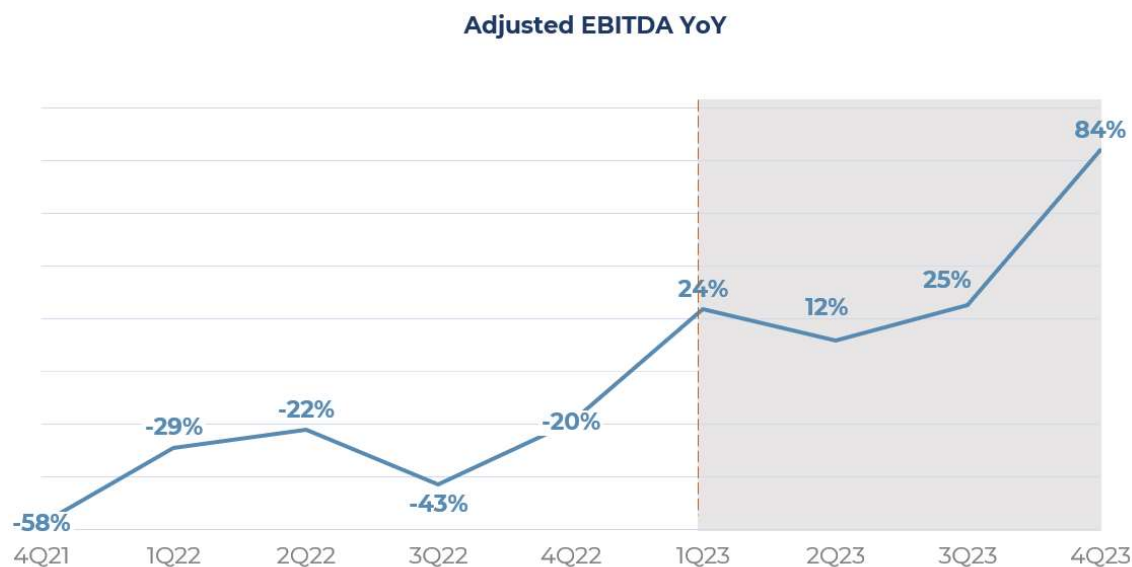
In 4Q23, Gross Revenue (excluding PPP Construction) totaled BRL299 million, 6% higher than 4Q22, the Company's best result for a fourth quarter (excluding effects from Covid exams), thus reinforcing the growth trend for economic-financial metrics.



In addition to these results, we also achieved the following milestones:

- (i) **Growth of 9%** in Adjusted Net Revenue (excluding PPP Construction) in **4Q23**, and +8% YoY;
- (ii) **Growth of 11% and 7% in Imaging revenue** in 2023 and in 4Q23, respectively, arising from the actions implemented during the period;
- (iii) **Gross Margin of 31%** in 4Q23, expanding by 4 p.p. from 4Q22;
- (iv) In 4Q23, **average ticket of CA exams ex-Covid increased 11%** versus 4Q22, confirming the successful expansion strategy for the CA sector.

An important 4Q23 highlight was the **84% growth in Adjusted EBITDA** compared to the same period of the previous year, totaling **BRL47 million**, this was the highest increase in EBITDA in a YoY comparison. In 2023, **Adjusted EBITDA was BRL235 million, increasing by 29%** in 2023 vs. 2022. These results were achieved through the actions to recover profitability, such as cost and expense readjustments.



We remain committed in seeking the creation of strategic partnerships, which also includes the plans of inserting Alliança into the B2B market to strengthen the Company's positioning and increase its services and revenues. We are also carrying out feasibility studies for M&A projects.

In 4Q23, we highlight the merger of the subsidiaries Clínica Delfin Gonzalez Miranda S.A. and Clínica Delfin Villas Diagnósticos por Imagem Ltda, approved at the Board of Directors' meeting held in December 2023. This merger aims to consolidate and integrate the assets of the subsidiaries into the Company's corporate and operational structures.



Furthermore, Alliança had its 'A(bra)' Stable Outlook rating affirmed, demonstrating the Company's efforts in maintaining its growth prospects and debt re-profiling.

As Material Fact released by the Company, on September 22, 2023, Lormont, the controlling shareholder, granted on that date to the Company, the amount of BRL200 million, as Advance for Future Capital Increase, which will be capitalized in due course. This contribution was the first step among other planned operations aimed at improving Alliança's capital structure, allowing the continued implementation of its business and expansion plan.

#### Subsequent events:

- a) We will continue to expand our agenda with new equipment in our units to further increase our operational efficiency. In January 2024, we concluded the delivery of new machines at our units CDB Tatuapé and CDB ABC.
- b) Our next steps are to ensure that the upcoming deliveries will be made according with the proposed schedule and their operational phase begin in the first half of 2024.
- c) During 1Q24, the Board of Directors approved the changes to be implemented in the Company's Management team, in line with the purpose of strengthening the strategic overview of its operations. In this sense, adjustments were made to our leadership, such as: (i) Mr. Pedro Thompson Landeira de Oliveira left the position of Chief Executive Officer and Mrs. Isabella Tanure, the current Vice Chair of the Company's Board of Directors, is also accumulating the role of interim CEO; (ii) changes were also carried out in other departments, particularly the Medical Department, with Dr. Ricardo Sartim as the head of the department, in a non-statutory manner. In turn, the role of Investor Relations Officer is being held temporarily by Mr. José Ramos, the Legal and Compliance Director at Alliança. The Company plans to present its new management team shortly, comprised by executives with vast experience in the healthcare sector.

We are advancing with the Company's restructuring process, seeking more solid results, and committed with the expansion of units, operational efficiency, and revenue generation. We remain dedicated in identifying growth opportunities, **promoting health** for our customers, and focusing on the operation's **profitability** for our shareholders.

Thank you for your support and we reiterate our commitment in maintaining transparency with all shareholders.

#### Management Team

# “ALLIANÇA EXCELÊNCIA EM SAÚDE”



**Alliança – Excellence in Healthcare.** We are a company aimed at valuing and strengthening a sense of alliance between **Growth, Efficiency, Customers, People, and Quality Health** - our 5 pillars. Alliança also represents the strengthening of our strategic alliances and partnerships. Alliança seeks new ways to change the health sector in Brazil. This implies in reinventing business models and ensuring leadership, giving visibility to a Company that is conscience, modern and young, even in a traditional segment. Our purpose under the Alliança brand will be to continue innovating and providing quality service to our customers.

## CORPORATE PROFILE

### Our business platforms

#### Core Business

Strong Brands, Consolidated and Recognized for Medical Quality



#### Public-Private Partnerships (PPP)

Excellent medical care with NPS over 90%

#### Out of pocket

Innovation and Diversification expanding access



#### Healthtech - iDr

1st company in the world to remotely operate MRI and CT from all manufacturers

## ALLIANÇA IS ONE OF BRAZIL'S LARGEST AND MOST RENOWNED HEALTH DIAGNOSIS SYSTEMS

Present in 46 cities in 13 Brazilian states, with a total of 113 service units<sup>1</sup> strategically distributed (of which 7 are in pre-operational phase), the Company has the most modern technological park in the high complex diagnostic medicine segment in Brazil, being the second largest company in number of magnetic resonance equipment in the sector, in addition to CT scanners and ultrasounds resulting from massive investments in technology imports.

### NATIONWIDE COVERAGE



<sup>1</sup>Already considering the units that will be opened with the Unimed FAMA contract, as well as units managed by the Company for future acquisition (ProEcho and CEPEN).



## OPERATIONAL PERFORMANCE

Operating Indicators	Assets		
End of the period	4Q23	3Q23	4Q22
Units <sup>1</sup>	96	96	97
Mega	17	17	17
Standard	68	68	68
Collection Units	11	11	12
MRI Equipment	111	111	112
CA Rooms	304	304	304

<sup>1</sup> Considers Alliança's operating units only. Including the pre-operational units of the contract with Unimed Fama and the units to be acquired from the companies ProEcho and CEPEN, we have a total 113 units.

The Company has been readjusting, quarter-on-quarter, the average ticket for all types of exams, highlighting to MRI exams, which grew by 3% and 4% in 4Q23 and 2023, respectively. CA exams (excluding the effects of Covid exams, which have a higher average ticket than other exams in the sector) also improved, by 11% in 4Q23 and 12% in 2023. The growth in average ticket for CA exams (ex-Covid) was the best recorded since the end of the Covid-19 pandemic. These results are due to a better commercial positioning and a more efficient service mix.

Average Ticket YoY (%)				
	RMI	US	CT	CA (Ex-Covid)
4T22 vs. 4T23	3,0%	6,2%	8,7%	10,8%
2022 vs. 2023	4,1%	6,7%	13,7%	11,6%

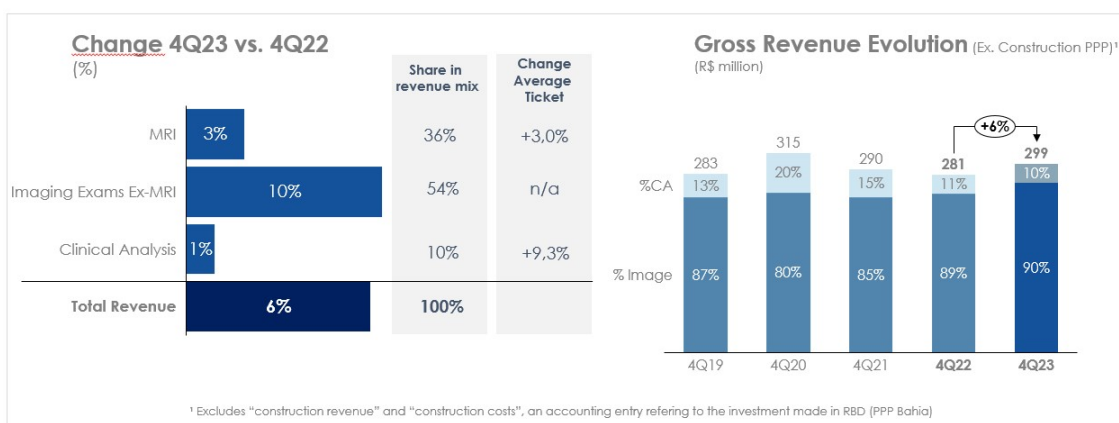
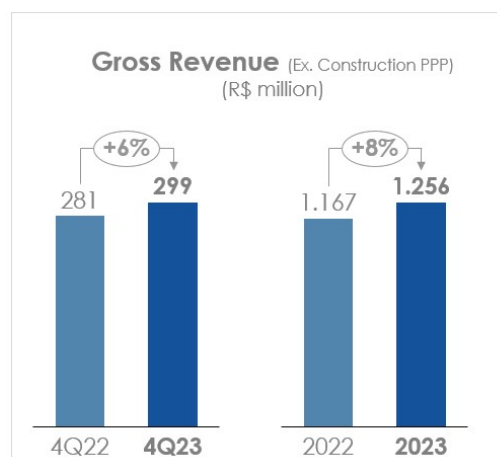
The number of MRI exams/equipment/day increased by 5% in 2023, arising from several activities, such as the restructuring of our call center and the opening of new time slots for exams (including weekends and evenings). We expect this metric, combined with the ongoing internalization process for CA exams, will increasingly improve in the coming quarters and positively contribute to a higher profitability.

	Performance					
	4Q23	4Q22	YoY	2023	2022	YoY
<b>Services</b>						
MRI Exams ('000)	194.3	194.5	-0.1%	816.0	794.4	2.7%
CA Exams ('000)	1,673.0	1,804.8	-7.3%	7,697.6	8,452.1	-8.9%
CA Exams ex-Covid ('000)	1,672.8	1,802.2	-7.2%	7,694.7	8,375.0	-8.1%
<b>Average Ticket</b>						
MRI Avg. Ticket (BRL)	552.4	536.3	3.0%	546.8	525.1	4.1%
CA Avg. Ticket (BRL)	18.0	16.4	9.3%	17.5	18.0	-2.9%
CA ex-Covid Avg. Ticket (BRL)	18.0	16.2	10.8%	17.5	15.7	11.6%
<b>Average Daily Production</b>						
MRI Exams/Equipment/Day	28.0	27.8	0.7%	29.8	28.4	4.9%

## GROSS REVENUE

In 4Q23, Gross Revenue totaled **BRL299 million**, growing by 6% over the same period of the previous year.

In 2023, Gross Revenue grew by 8% vs. 2022, once again reaching record levels and confirming the Company's operational capacity, even amidst challenging scenarios.

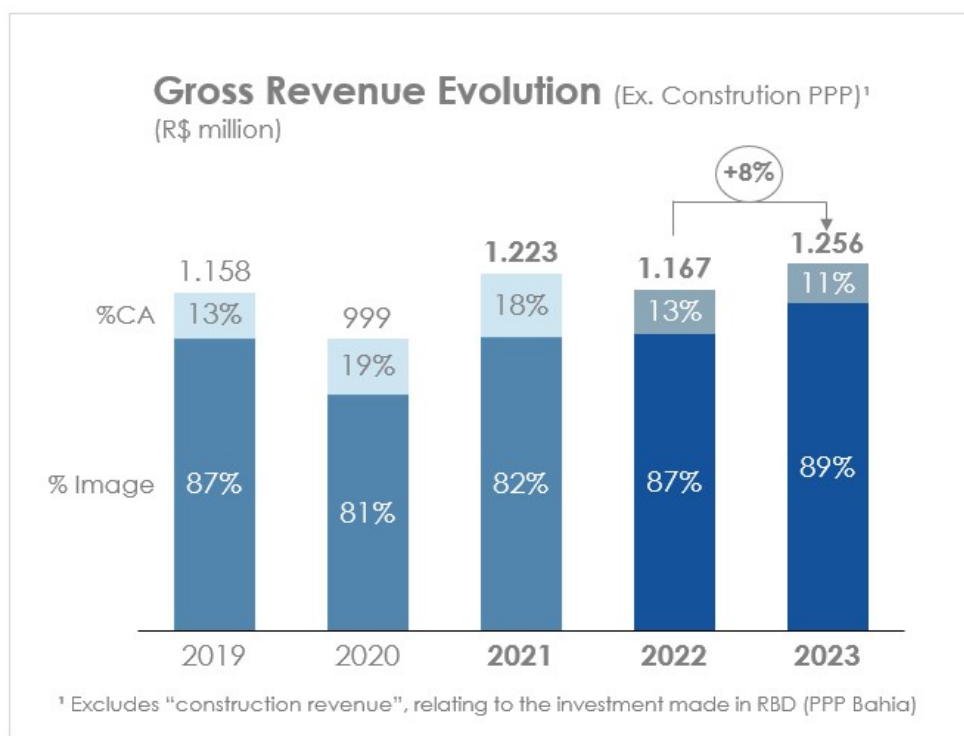


Revenues from MRI and other imaging exams increased significantly in 2023, including in 4Q23, even when demand for exams reduces during the last quarter of the year due to year-end festivities and vacations.

Gross Revenue (BRL Million)	4Q23	4Q22	YoY	2023	2022	YoY
Adjusted Gross Revenue <sup>1</sup>	299.3	281.2	6.4%	1,255.8	1,166.9	7.6%
Diagnostic Imaging	269.3	251.6	7.0%	1,121.0	1,014.4	10.5%
MRI	107.3	104.3	2.9%	454.0	417.1	8.8%
Ex-MRI Imaging	161.9	147.3	9.9%	667.0	597.3	11.7%
Clinical Analysis	30.0	29.6	1.4%	134.8	152.4	-11.5%
Construction Revenue	3.7	1.6	N/A	6.5	1.9	N/A
Gross Revenue	303.0	282.8	7.1%	1,262.4	1,168.8	8.0%
Deductions	-14.8	-20.2	-26.8%	-82.8	-83.7	-1.1%
Net Revenue	288.2	262.6	9.8%	1,179.6	1,085.0	8.7%
Adjusted Net Revenue <sup>1</sup>	284.7	261.1	9.0%	1,173.4	1,083.2	8.3%

<sup>1</sup> Excludes "construction revenue", accounting entry referring to the investment made at RBD (PPP Bahia).

**Revenues in 2023 totaled BRL1,256 million, the highest in the Company's history.** The growth in imaging exams, by **11%** in the year, confirms the effectiveness of the strategies supported by the Company's Management.



## GROSS PROFIT / GROSS MARGIN

Quarterly Gross Profit (BRL Million)	4Q23	4Q22 (pro forma) <sup>2</sup>	4Q22	YoY	% NR 4Q23	% NR 4Q22	YoY (pro forma) <sup>2</sup>
<b>Adjusted Net Revenue<sup>1</sup></b>	<b>284.7</b>	<b>261.1</b>	<b>261.1</b>	9.0%	-	-	-
<b>Adjusted Cost<sup>1</sup></b>	<b>-197.0</b>	<b>-190.9</b>	<b>-190.9</b>	3.2%	-69.2%	-73.1%	3.9 p.p.
Medical services	-59.6	-56.4	-56.4	5.7%	-20.9%	-21.6%	0.7 p.p.
Personnel	-60.2	-45.9	-45.9	31.2%	-21.1%	-17.6%	-3.6 p.p.
Supplies and support labs	-27.5	-30.0	-30.0	-8.3%	-9.6%	-11.5%	1.8 p.p.
Maintenance	0.9	-4.6	-4.6	-119.8%	0.3%	-1.7%	n/a
Occupancy	-11.6	-9.3	-9.3	24.2%	-4.1%	-3.6%	-0.5 p.p.
Third-party services and others	-14.3	-19.2	-19.2	-25.7%	-5.0%	-7.4%	2.3 p.p.
Depreciation (cost)	-24.8	-25.6	-25.6	-3.0%	-8.7%	-9.8%	1.1 p.p.
<b>Gross Profit</b>	<b>87.7</b>	<b>70.2</b>	<b>70.2</b>	24.9%	30.8%	26.9%	3.9 p.p.
Construction costs	-3.5	-1.5	-1.5	134.8%	-1.2%	-0.6%	-0.7 p.p.

<sup>1</sup> Excludes "construction revenue PPP" and "construction costs", an accounting entry referring to the investment made in RBD (PPP Bahia).

<sup>2</sup> For purposes of better comparability, the proforma considers reclassifications made in the Maintenance, Occupancy, Third Party Services and Others lines; only between costs and expenses, with no impact on EBITDA and Net Profit.

YTD Gross Profit (BRL Million)	2023	2022 (pro forma) <sup>2</sup>	2022	YoY	% NR 2023	% NR 2022	YoY (pro forma) <sup>2</sup>
<b>Adjusted Net Revenue<sup>1</sup></b>	<b>1,173.4</b>	<b>1,083.2</b>	<b>1,083.2</b>	8.3%	-	-	-
<b>Adjusted Cost<sup>1</sup></b>	<b>-808.6</b>	<b>-778.7</b>	<b>-757.5</b>	3.8%	-68.9%	-71.9%	3.0 p.p.
Medical services	-239.0	-229.3	-229.3	4.3%	-20.4%	-21.2%	0.8 p.p.
Personnel	-220.2	-187.7	-187.7	17.3%	-18.8%	-17.3%	-1.4 p.p.
Supplies and support labs	-116.6	-133.8	-138.7	-12.9%	-9.9%	-12.4%	2.4 p.p.
Maintenance	-16.8	-22.5	-24.7	-25.2%	-1.4%	-2.1%	0.6 p.p.
Occupancy	-42.4	-36.5	-21.3	16.1%	-3.6%	-3.4%	-0.2 p.p.
Third-party services and others	-67.8	-65.6	-52.5	3.3%	-5.8%	-6.1%	0.3 p.p.
Depreciation (cost)	-105.8	-103.3	-103.3	2.4%	-9.0%	-9.5%	0.5 p.p.
<b>Gross Profit</b>	<b>364.8</b>	<b>304.6</b>	<b>325.7</b>	19.8%	31.1%	28.1%	3.0 p.p.
Construction costs	-6.2	-1.8	-1.8	244.4%	-0.5%	-0.2%	-0.4 p.p.

<sup>1</sup> Excludes "construction revenue PPP" and "construction costs", an accounting entry referring to the investment made in RBD (PPP Bahia).

<sup>2</sup> For purposes of better comparability, the proforma considers reclassifications made in the Maintenance, Occupancy, Third Party Services and Others lines; only between costs and expenses, with no impact on EBITDA and Net Profit.

**Gross Profit** totaled **BRL88 million in 4Q23**, **25% growth** compared to the same quarter of the previous year. In 2023, this line reached **BRL365 million**, increasing by **20%** compared to 2022. Gross margins also improved, increasing by 4 p.p. and 3 p.p. in 4Q23 and 2023, respectively, with a margin of 31% in both periods. As a result, **Alliança** recorded an improvement in Gross Profit for the third consecutive quarter.

Given the Company's operational growth, which naturally increases the number of employees, personnel costs grew 31% in 4Q23 over 4Q22, which did not stop the expansion of Gross Profit. This result also reflects the initiatives implemented in 2023, such as new business units, investments for expansion, and the restructuring of our team. The increase in the Personnel Costs line, in 4Q23, was fully offset by the reduction in costs for Supplies and Support Labs (-8%), in addition to Third Party and Other Services (-26%).

In 2023, the Company recorded higher costs with Medical Services (+4%) over 2022, due to the increase in production for Imaging Exams, however, in relative terms, this line improved by 1 p.p., contributing to the expansion of Gross Margin. The Occupancy cost line increased by 16%, mainly due to: (i) readjustments in occupancy bills, such as electricity, water and condominium fees and (ii) higher electricity expenses in units that increased production of imaging exams, which requires more electricity to operate equipment. As already mentioned, Personnel costs increased along with the expansion in services provided by Alliança, reaching BRL220 million in 2023, growing by 17% over 2022. Outsourcing Services and Others cost line grew by 3%, however, it remained flat as a percentage of Net Revenue. The increases in these cost lines were offset by the YoY reduction in Supplies and Support Labs (-13%), resulting from the internalization of CA laboratories, as well as Maintenance costs (-25%), positively impacting Gross Profit.

## EBITDA / EBITDA MARGIN

EBITDA in the Quarter (BRL Million)	4Q23	4Q22 (pro forma)	4Q22	YoY	% NR 4Q23	% NR 4Q22	YoY
<b>Adjusted Net Revenue</b>	<b>284.7</b>	<b>261.1</b>	<b>261.1</b>	<b>9.0%</b>	-	-	-
<b>Gross Profit</b>	<b>87.7</b>	<b>70.2</b>	<b>70.2</b>	<b>24.9%</b>	30.8%	26.9%	3.9 p.p.
General expenses	-104.8	-105.8	-105.7	-0.9%	-36.8%	-40.5%	3.7 p.p.
Personnel	-52.6	-58.7	-58.7	-10.4%	-18.5%	-22.5%	4.0 p.p.
Occupancy, third-parties and others	-50.4	-42.3	-42.2	19.4%	-17.7%	-16.2%	-1.5 p.p.
Depreciation (expense)	-1.8	-4.6	-4.6	-60.8%	-0.6%	-1.8%	1.1 p.p.
Incentive program (shares)	0.0	-0.2	-0.2	-90.8%	0.0%	-0.1%	0.1 p.p.
Other expenses, net	-10.9	-14.1	-14.1	-22.5%	-3.8%	-5.4%	1.6 p.p.
Earnings (loss) of subsidiaries	1.4	2.5	2.5	-45.3%	0.5%	1.0%	-0.5 p.p.
<b>EBIT</b>	<b>-26.7</b>	<b>-47.2</b>	<b>-47.1</b>	<b>-</b> <b>43.4%</b>	-9.4%	-18.1%	8.7 p.p.
(+) Depreciation and amortization	26.6	30.2	30.2	-11.9%	9.4%	11.6%	-2.2 p.p.
<b>EBITDA</b>	<b>0.0</b>	<b>-17.0</b>	<b>-16.9</b>	<b>-</b> <b>99.8%</b>	0.0%	-6.5%	6.5 p.p.
(+) Adj. write-off of financial assets <sup>1</sup>	8.6	8.3	8.3	4.7%	3.0%	3.2%	-0.1 p.p.
(+) Non-recurring items	38.7	34.4	34.4	12.7%	13.6%	13.2%	0.4 p.p.
Personnel	13.9	11.7	11.7	18.0%	4.9%	4.5%	0.4 p.p.
Occupancy, third-parties and others	16.3	16.7	16.7	-2.3%	5.7%	6.4%	-0.7 p.p.
Other expenses, net	8.5	9.5	9.5	-10.1%	3.0%	3.6%	-0.6 p.p.
<b>Adjusted EBITDA</b>	<b>47.4</b>	<b>25.7</b>	<b>25.8</b>	<b>84.0%</b>	16.7%	9.8%	6.8 p.p.

<sup>1</sup>Adjustment referring to non-recurring expenses N/A = not applicable

EBITDA (BRL Million)	2023	2022 (pro forma) <sup>2</sup>	2022	YoY	% NR 2023	% NR 2022	YoY (pro forma) <sup>2</sup>
<b>Adjusted Net Revenue</b>	<b>1,173.4</b>	<b>1,083.2</b>	<b>1,083.2</b>	<b>8.3%</b>	-	-	-
<b>Gross Profit</b>	<b>364.8</b>	<b>304.6</b>	<b>325.7</b>	<b>19.8%</b>	31.1%	28.1%	3.0 p.p.
General expenses	-325.1	-317.4	-338.4	2.4%	-27.7%	-29.3%	1.6 p.p.
Personnel	-186.3	-170.2	-170.2	9.4%	-15.9%	-15.7%	-0.2 p.p.
Occupancy, third parties and others	-130.9	-129.7	-150.6	1.0%	-11.2%	-12.0%	0.8 p.p.
Depreciation (expense)	-7.6	-14.4	-14.4	-47.4%	-0.6%	-1.3%	0.7 p.p.
Incentive program (shares)	-0.3	-3.2	-3.2	-89.8%	0.0%	-0.3%	0.3 p.p.
Other expenses, net	-7.0	-30.4	-30.4	-77.1%	-0.6%	-2.8%	2.2 p.p.
Earnings (loss) of subsidiaries	6.2	11.1	11.1	-44.4%	0.5%	1.0%	-0.5 p.p.
<b>EBIT</b>	<b>38.9</b>	<b>-32.3</b>	<b>-32.0</b>	<b>-220.6%</b>	3.3%	-3.0%	6.3 p.p.
(+) Depreciation and amortization	113.4	117.7	117.7	-3.7%	9.7%	10.9%	-1.2 p.p.
<b>EBITDA</b>	<b>152.3</b>	<b>85.5</b>	<b>85.7</b>	<b>78.1%</b>	13.0%	7.9%	5.1 p.p.
(+) Adj. write-off of financial assets	34.0	32.7	32.7	4.0%	2.9%	3.0%	-0.1 p.p.
(+) Non-recurring items	48.7	64.3	64.3	-175.7%	-4.1%	5.9%	-10.1 p.p.
Personnel	18.3	23.3	23.3	-21.4%	1.6%	2.2%	-0.6 p.p.
Occupancy, third parties and others	20.2	11.5	11.5	76.2%	1.7%	1.1%	0.7 p.p.
Other expenses, net	10.1	19.3	19.3	-47.5%	0.9%	1.8%	-0.9 p.p.
<b>Adjusted EBITDA</b>	<b>234.9</b>	<b>182.5</b>	<b>182.7</b>	<b>28.7%</b>	20.0%	16.8%	3.2 p.p.

<sup>1</sup>Adjustment referring to non-current expenses. N/A = not applicable

In 4Q23, Adjusted EBITDA reached BRL47 million, 84% higher than the same quarter of the previous year, with a margin of 17%, representing an improvement of 7 p.p. over 4Q22. This improvement was mainly due to: (i) revenue growth; (ii) expansion of Gross Margin; and (iii) reduction of Personnel expenses and Other expenses due to the ongoing operational restructuring.

In 4Q23, Non-Recurring Expenses are mainly referred to the ongoing operational restructuring process, including termination costs, third party services (specialized strategic consultancies and legal advisors), and write-off of receivables.

In 2023, Adjusted EBITDA was BRL235 million, representing an improvement of 29% from 2022, with a margin of 20%, representing a growth of 3 p.p. over the previous year.

## FINANCIAL RESULT AND INDEBTEDNESS

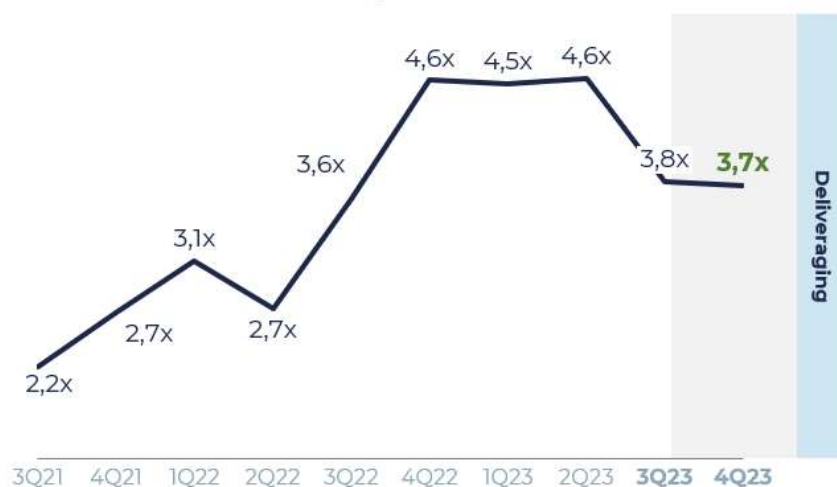
Financial Result (BRL Million)	4Q23	3Q23	4Q22	YoY	2023	2022	YoY
Financial revenue	5.8	2.7	5.0	14.1%	14.3	12.5	14.8%
Financial expenses	-64.3	-68.1	-68.7	-6.4%	-222.8	-183.5	21.4%
Lease interest	-7.0	8.0	-7.9	-11.4%	-30.0	-30.2	-0.9%
<b>Total</b>	<b>-65.7</b>	<b>-57.5</b>	<b>-71.6</b>	<b>-8.4%</b>	<b>-238.4</b>	<b>-201.2</b>	<b>18.5%</b>

In 4Q23, with the constant monitoring and assessment of our financial expenses, this line was reduced by 6% due to new contracts and renegotiations under better conditions.

The increase in the Company's debt balance was due to new debts contracted, which contributed with the increasement of financial expenses during the year.

**The total net debt** at the end of 2023 reached **BRL873 million**, an increase of 5% vs. 2022. This increase was mainly linked to new debts contracted over the year and negotiations related to the extension of Company's debt payment schedule, which will mature in 2027. The **Total Net Debt/Adjusted LTM EBITDA** ratio continued to improve, settling at **3.72x** at the end of the quarter.

### Financial leverage – Net debt / LTM Adjusted EBITDA



Indebtedness (BRL Million)	Dec/23	Sep/23	Dec/22	YoY
Loans and debentures	1,045.3	1,051.4	1,035.0	1.0%
Derivative financial instruments	0.0	6.0	-1.7	-100.0%
<b>Gross Bank Debt</b>	<b>1,045.3</b>	<b>1,057.4</b>	<b>1,033.3</b>	<b>1.2%</b>
Gross bank debt - BRL <sup>1</sup>	1,045.3	934.2	907.3	15.2%
Gross bank debt - US\$	0.0	123.2	126.0	-100.0%
Tax payments in installment	28.3	18.9	7.3	285.1%
Acquisitions of companies - payable	18.3	19.0	15.0	21.5%
<b>Total Gross Debt</b>	<b>1,091.8</b>	<b>1,095.3</b>	<b>1,055.7</b>	<b>3.4%</b>
<b>Cash, cash equivalents, and securities</b>	<b>218.6</b>	<b>294.8</b>	<b>221.8</b>	<b>-1.4%</b>
<b>Total Net Debt</b>	<b>873.3</b>	<b>800.5</b>	<b>833.9</b>	<b>4.7%</b>
Adjusted LTM EBITDA	234.9	213.3	182.7	28.6%
<b>Total Net Debt / Adjusted LTM EBITDA</b>	<b>3.72x</b>	<b>3.75x</b>	<b>4.56x</b>	<b>-18.5%</b>

During the year, the Company adopted several measures, such as searching for new business opportunities and expanding its brand, but the priority focus was to reduce financial leverage to optimize its capital structure. These actions resulted in a balance of **BRL219 million in cash and cash equivalents** at the end of the year.

The Company maintains the commitment to strengthen its cash generation, which is the main challenge for the coming semesters, always aimed at recovering margins and improving its capital structure.



## INCOME TAX AND SOCIAL CONTRIBUTION

Quarterly Income Tax (BRL Million)	4Q23	4Q22	YoY	2023	2022	YoY
<b>EBIT</b>	<b>-92.4</b>	<b>-180.8</b>	<b>-48.9%</b>	<b>-199.5</b>	<b>-233.2</b>	<b>-14.5%</b>
<b>Taxes on income</b>	<b>7.0</b>	<b>-8.5</b>	<b>N/A</b>	<b>-19.1</b>	<b>14.0</b>	<b>N/A</b>
Current taxes on income	-7.7	-14.0	-45.1%	-25.5	-24.5	4.3%
Deferred taxes on income	14.7	5.6	165.2%	6.4	38.5	-83.3%
<b>Effective tax rate</b>	<b>7.6%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>6.1%</b>	<b>N/A</b>

N/A = Not Applicable

## NET INCOME

Quarterly Net Income (BRL Million)	4Q23	4Q22	YoY	2023	2022	YoY
Attributed to controlling shareholders	-88.4	-123.6	-28.5%	-227.9	-227.8	0.0%
Attributed to non-controlling shareholders	3.0	1.8	63.4%	9.3	8.6	8.8%
<b>Net Income</b>	<b>-85.4</b>	<b>-121.8</b>	<b>-29.9%</b>	<b>-218.6</b>	<b>-219.2</b>	<b>-0.3%</b>
(+) Non-recurring expenses	38.7	34.4	12.7%	48.7	64.3	-24.3%
<b>Adjusted Net Income</b>	<b>-46.6</b>	<b>-87.4</b>	<b>-46.7%</b>	<b>-169.9</b>	<b>-154.9</b>	<b>9.7%</b>
<b>Net Margin</b>	<b>-30.0%</b>	<b>-46.7%</b>	<b>16.7 p.p.</b>	<b>-18.6%</b>	<b>-20.2%</b>	<b>1.6 p.p.</b>
<b>Adjusted Net Margin</b>	<b>-16.4%</b>	<b>-33.5%</b>	<b>17.1 p.p.</b>	<b>-14.5%</b>	<b>-14.3%</b>	<b>-0.2 p.p.</b>
Earnings (loss) per share (BRL)	-0.75	-1.05	-28.5%	-1.93	-1.93	0.0%

## INVESTMENTS

Investments (BRL Million)	4Q23	4Q22	YoY	2023	2022	YoY
Organic expansion	4.7	19.6	-75.9%	40.9	45.8	-10.7%
Maintenance	1.5	11.9	-87.6%	24.6	42.5	-42.3%
Others	5.1	4.9	3.5%	26.0	24.6	5.8%
<b>Total CAPEX</b>	<b>11.3</b>	<b>36.4</b>	<b>-69.0%</b>	<b>91.5</b>	<b>113.0</b>	<b>-19.0%</b>
Financial asset (RBD)	3.7	1.6	134.9%	6.5	1.9	244.4%
<b>TOTAL</b>	<b>15.0</b>	<b>38.0</b>	<b>-60.5%</b>	<b>98.0</b>	<b>114.9</b>	<b>-14.6%</b>

The Company reduced its investments by 61% and 15% in 4Q23 and 2023, respectively, in accordance with the strategy of expanding its operations through an asset light model and strategic partnerships.

## FINANCIAL PERFORMANCE

Income Statement (BRL Million)	4Q23	4Q22	YoY	2023	2022	YoY
Gross Revenue (ex-PPP construction) <sup>1</sup>	299.3	281.2	6.4%	1,255.8	1,166.9	7.6%
Adjusted deductions <sup>1</sup>	(14.5)	-20.1	-27.9%	(82.4)	-83.6	-1.5%
<b>Net Revenue (ex-PPP construction)<sup>1</sup></b>	<b>284.7</b>	<b>261.1</b>	<b>9.0%</b>	<b>1,173.4</b>	<b>1,083.2</b>	<b>8.3%</b>
Adjusted cost of service <sup>1</sup>	(197.0)	-190.9	3.2%	(808.6)	-757.5	6.8%
<b>Gross Profit</b>	<b>87.7</b>	<b>70.2</b>	<b>24.9%</b>	<b>364.8</b>	<b>325.7</b>	<b>12.0%</b>
Gross Margin	30.8%	26.9%	3.9 p.p.	31.1%	30.1%	1.0 p.p.
General expenses	(104.8)	(105.7)	-0.9%	(325.1)	(338.4)	-3.9%
Other operating income (expenses), net	(10.9)	(14.1)	-22.5%	-7.0	-30.4	-77.1%
Share of profit (loss) on investments	1.4	2.5	-45.3%	6.2	11.1	-44.4%
(+) Depreciation and amortization (total)	26.6	30.2	-11.9%	113.4	117.7	-3.7%
<b>EBITDA</b>	<b>0.0</b>	<b>(16.9)</b>	<b>n/a</b>	<b>152.3</b>	<b>85.7</b>	<b>77.7%</b>
(+) Adjustment in RBD (PPP Bahia)	8.6	8.3	4.7%	34.0	32.7	4.0%
(+) Non-recurring expenses	38.7	34.4	12.7%	48.7	64.3	-24.3%
<b>Adjusted EBITDA</b>	<b>47.4</b>	<b>25.8</b>	<b>84.0%</b>	<b>234.9</b>	<b>182.7</b>	<b>28.6%</b>
<b>Adjusted EBITDA Margin</b>	<b>16.7%</b>	<b>9.9%</b>	<b>6.8 p.p.</b>	<b>20.0%</b>	<b>16.9%</b>	<b>3.2 p.p.</b>
(-) Depreciation and amortization (total)	(26.6)	(30.2)	-11.9%	(113.4)	(117.7)	-3.7%
Financial result	(65.7)	(71.6)	-8.2%	(238.4)	(201.2)	18.5%
<b>EBIT</b>	<b>(92.4)</b>	<b>(180.8)</b>	<b>-48.9%</b>	<b>(199.5)</b>	<b>(233.2)</b>	<b>-14.5%</b>
Taxes	7.0	(8.5)	n/a	(19.1)	14.0	n/a
Effective tax rate	7.6%	n/a	n/a	n/a	6.0%	n/a
<b>Net Income (Loss)</b>	<b>(85.4)</b>	<b>(121.8)</b>	<b>-29.9%</b>	<b>(218.6)</b>	<b>(219.2)</b>	<b>-0.3%</b>
Net Margin	-30.0%	-46.7%	16.7 p.p.	-18.6%	-20.2%	1.6 p.p.
<b>Adjusted Net Income (Loss)<sup>2</sup></b>	<b>(46.6)</b>	<b>(87.4)</b>	<b>-46.7%</b>	<b>(169.9)</b>	<b>(154.9)</b>	<b>9.7%</b>
Adjusted Net Margin	-16.4%	-33.5%	17.1 p.p.	-14.5%	-14.3%	-0.2 p.p.
Non-controlling shareholders	3.0	2.3	29.0%	9.3	8.6	8.8%

<sup>1</sup>Adjustment referring to non-recurring expenses

<sup>2</sup>Recurring adjustment, corresponding to the recovery of investments made by RBD in the PPP with the State of Bahia and non-recurring expenses.

N/A = not applicable

## CASH FLOW

Cash Flow (BRL million)	2023	2022	YoY
<b>(1) Adjusted EBITDA</b>	<b>234.9</b>	<b>182.7</b>	<b>28.6%</b>
<b>(2) Non-cash items</b>	<b>-136.2</b>	<b>-29.1</b>	<b>368.4%</b>
<b>(3) Working Capital (a)</b>	<b>25.2</b>	<b>85.5</b>	<b>-70.6%</b>
Accounts receivable and financial assets	-31.0	68.9	N/A
Suppliers	-9.7	18.8	N/A
Payroll and related taxes	12.2	26.4	-53.8%
Taxes payable and taxes installments	73.1	23.4	212.7%
Others	-19.5	-52.0	-62.5%
(4) Current taxes on income	-16.1	-24.5	-34.2%
<b>(5) Operating Cash Flow [(1)+(2)+(3)+(4)]</b>	<b>107.7</b>	<b>214.6</b>	<b>-49.8%</b>
<b>(6) Investment Activities (b)</b>	<b>-98.0</b>	<b>-114.9</b>	<b>-14.7%</b>
Acquisition of PP&E and intangible assets, net	-91.5	-113.0	-19.0%
Financial asset (Capex RBD)	-6.5	-1.9	244.4%
<b>(7) Free Cash Flow [(5)+(6) ex-M&amp;A]</b>	<b>9.7</b>	<b>99.7</b>	<b>-90.3%</b>
<b>(8) Financing Activities (c)</b>	<b>-9.9</b>	<b>-1.5</b>	<b>551.2%</b>
Capital increase	200.1	-1.9	N/A
Loans, leases and amortizations, net	-89.9	178.1	N/A
Financial expenses	-98.4	-175.8	-44.0%
Acquisition / disposal of treasury shares	0.0	0.0	N/A
Restricted stock payment	0.0	0.0	N/A
Related parties	-21.6	-1.9	1023.9%
Acquisition of minority interest	0.0	0.0	N/A
<b>(9) Cash increase (decrease) [(7)+(8)]</b>	<b>-0.1</b>	<b>98.2</b>	<b>N/A</b>
<b>Conversion (Operating Cash Generation / Adjusted EBITDA)</b>	<b>46%</b>	<b>117.5%</b>	<b>N/A</b>
Adjusted EBITDA	234.9	182.7	28.6%

a) Excludes financial assets (Capex RBD), which is included under Investments, and includes additions to investments.

b) Includes financial assets (Capex RBD) and excludes: i) financial investments and related parties, which are included under Financing; and ii) additions to investments, which are included under Operating Activities.

c) Includes debt from acquisitions, financial investments, and related parties.

N/A = Not Applicable

## BALANCE SHEET

### BALANCE SHEETS ON DECEMBER 31, 2023 AND DECEMBER 31, 2022

(BRL '000)

ASSETS	Consolidated		LIABILITIES AND EQUITY	Consolidated	
	12/31/2023	12/31/2022		12/31/2023	12/31/2022
<b>CURRENT</b>			<b>CURRENT</b>		
Cash and cash equivalents	218,595	218,744	Suppliers	128,857	94,175
Accounts receivable	202,160	186,219	Payroll and related taxes	79,556	67,371
Inventory	12,261	14,631	Loans, financings, and debentures	375,976	424,490
Financial assets in concessions	16,247	15,236	Leases	31,059	33,785
Taxes recoverable	57,545	42,254	Tax liabilities	71,702	34,224
Related parties	85	-	Tax payments in installment	24,763	2,215
Derivative financial instruments	-	1,687	Accounts payable – acquisition of companies	18,280	15,044
Other receivables	17,854	5,513	Dividends payable	75	91
<b>Total current assets</b>	<b>524,747</b>	<b>484,284</b>	Derivative financial instruments	-	-
			Other payables	4,552	6,994
<b>NON-CURRENT</b>			<b>Total current liabilities</b>	<b>734,820</b>	<b>678,389</b>
Securities	-	3,063	<b>NON-CURRENT</b>		
Escrow deposits	26,575	24,602	Loans, financings, and debentures	669,306	610,467
Refund guarantee for contingencies	11,525	7,730	Leases	232,902	266,481
Related parties	39,342	18,004	Related parties	(152)	38
Deferred income tax and social contribution	204,322	205,228	Tax payment in installments	3,520	5,130
Financial assets	58,481	68,510	Accounts payable – acquisition of companies	-	-
Investments	7,657	4,134	Deferred tax	7,495	17,334
Property, plant & equipment	561,506	537,198	Provision for legal risks	55,918	50,172
Intangible assets	1,002,026	988,877	Other payables	22,010	5,526
Leases for right-of-use	233,630	273,824			
<b>Total non-current assets</b>	<b>2,145,064</b>	<b>2,131,170</b>	<b>Total non-current liabilities</b>	<b>990,999</b>	<b>955,148</b>
			<b>EQUITY</b>		
<b>TOTAL ASSETS</b>	<b>2,669,811</b>	<b>2,615,454</b>	Capital	612,412	612,412
			Advance for future capital increase	200,100	-
			Capital reserves	613,079	619,678
			Treasury shares	(2,280)	(5,448)
			Other comprehensive income	-	1,031
			Accumulated losses	(505,855)	(276,946)
			Total controlling shareholders' equity	917,456	949,696
			Minority interest	26,536	32,221
			<b>EQUITY</b>		
			<b>Total equity</b>	<b>943,922</b>	<b>981,917</b>
			<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,669,811</b>	<b>2,615,454</b>

## INCOME STATEMENTS

FOR THE PERIODS ENDED DECEMBER 31, 2023 AND DECEMBER 31, 2022

(BRL '000)

Consolidated	4Q23	4Q22	2023	2022
Net revenue from services	288,188	262,581	1,179,584	1,085,009
Cost of services	(200,534)	(192,401)	(814,782)	(759,261)
Gross profit	87,654	70,180	364,802	325,748
Operating (expenses) income				
General and administrative expenses	(104,811)	(105,727)	(325,077)	(338,414)
Other revenue (expenses), net	(10,896)	(14,060)	(6,980)	(30,450)
Share of profit (loss) on investments	1,392	2,545	6,156	11,079
<b>Operating profit before the financial result</b>	<b>(26,661)</b>	<b>(47,062)</b>	<b>38,901</b>	<b>(32,038)</b>
Financial result	(65,689)	(71,587)	(238,370)	(201,197)
Financial expenses	(70,722)	(76,632)	(248,778)	(213,697)
Financial income	5,033	5,045	10,408	12,500
Operating income (loss) before income tax and social contribution	(92,350)	(118,648)	(199,469)	(233,235)
Income tax and social contribution				
Current and deferred	6,989	(3,164)	(19,090)	13,991
<b>Net income (loss) for the period</b>	<b>(85,361)</b>	<b>(121,812)</b>	<b>(218,559)</b>	<b>(219,243)</b>
Attributable to controlling shareholders	(88,358)	(123,646)	(227,878)	(227,810)
Attributable to non-controlling shareholders	2,996	1,834	9,319	8,568

## CASH FLOW STATEMENT

### DECEMBER 31, 2023 AND DECEMBER 31, 2022

(BRL '000)

CASH FLOW FROM OPERATING ACTIVITIES	Consolidated	
	12/31/2023	12/31/2022
<b>Net income (loss) for the year</b>	<b>(218,559)</b>	<b>(219,243)</b>
Adjustments to reconcile net income (loss) to net cash generated by (used in) operating activities:	217,340	245,541
Depreciation and amortization	93,130	117,737
Stock options granted	330	3,207
Residual value of property, plant and equipment and write-off of rights-of-use	1,301	667
Financial charges, foreign exchange, and derivatives	157,786	175,796
Update of financial assets	(18,436)	(20,839)
Share of profit (loss) on investments	(6,156)	(11,078)
Allowance for doubtful accounts, net	(3,405)	10,987
Provision for civil, labor and tax risks, net	1,723	6,597
Deferred PIS/COFINS/ISSQN	(1,975)	939
Deferred taxes	(6,958)	(37,533)
	<b>(1,219)</b>	<b>26,298</b>
<b>Decrease (increase) in operating assets:</b>	<b>(12,081)</b>	<b>105,550</b>
Accounts receivable	21,440	89,741
Inventory	2,370	(3,000)
Other assets	(29,369)	20,703
Financial asset	(6,522)	(1,894)
<b>Increase (decrease) in operating liabilities:</b>	<b>115,604</b>	<b>55,455</b>
Trade payables	38,997	18,777
Payroll and related taxes	12,185	26,369
Taxes payable and taxes in installments	73,085	23,375
Other liabilities	4,798	(5,343)
Income tax and social contribution paid	(16,094)	(19,035)
Dividends and interest on equity from subsidiaries	2,633	11,312
<b>Net cash generated from operating activities</b>	<b>102,304</b>	<b>187,303</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of subsidiaries, net of cash received	(1,181)	(27,336)
Related parties	(21,613)	(1,923)
Acquisition of property, plant, and equipment and intangible assets	(88,356)	(113,237)
<b>Net cash generated (used) in investing activities</b>	<b>(111,150)</b>	<b>(142,496)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Capital increase - Advance for Future Capital Increase	200,100	-
Receipt (payment) of derivate financial instruments	-	(4,725)
Payments of restricted shares	(15,020)	(2,023)
Dividends paid	-	(1,884)
Borrowings and debentures, net	322,358	817,115
Interest paid	(101,509)	(150,219)
Repayment of borrowings, financing, derivatives, and lease	(397,232)	(611,637)
<b>Net cash generated (used) in financing activities</b>	<b>8,697</b>	<b>46,627</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(149)</b>	<b>91,434</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of the period	218,744	127,310
End of the period	218,595	218,744

## DISCLAIMER

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