

Interim Financial Information

Rede D'Or São Luiz S.A.

September 30, 2022
with Independent Auditor's Review Report

Rede D'Or São Luiz S.A.

Interim financial information

September 30, 2022

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A free translation from Portuguese into English of independent auditor's review report on interim financial information prepared in Brazilian currency in accordance with NBC TG 21 – Interim Financial Reporting and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), applicable to the preparation of Quarterly Information (ITR) and the rules issued by the Brazilian Securities and Exchange Commission (CVM)

Independent auditor's review report on interim financial information

The Shareholders, Board of Directors and Officers of
Rede D'Or São Luiz S.A.
Rio de Janeiro - RJ, Brazil

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of Rede D'Or São Luiz (the "Company") for the quarter ended September 30, 2022, comprising the statement of financial position as of September 30, 2022 and the related statements of profit or loss and of comprehensive income for the three- and nine-month periods then ended, and of changes in equity and of cash flows for the nine-month period then ended, including the explanatory notes.

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

Scope of review

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



Conclusion on the individual and consolidated interim financial information

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

Other matters

Statements of value added

The abovementioned quarterly information includes the individual and consolidated statement of value added (SVA) for the nine-month period ended September 30, 2022, prepared under the responsibility of the Company's executive board and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

Rio de Janeiro, November 09, 2022.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6


Diogo Afonso da Silva
Accountant CRC-1RJ114783/O-8

Rede D’Or São Luiz S.A.

Statements of financial position
September 30, 2022 and December 31, 2021
(In thousands of reais)

	Note	Individual		Consolidated	
		09/30/2022	12/31/2021	09/30/2022	12/31/2021
Assets					
Current assets					
Cash and cash equivalents	4	65,800	43,910	287,083	124,621
Marketable securities	4	11,226,782	11,249,728	13,184,939	12,429,549
Accounts receivable	5	4,089,533	3,707,070	8,570,319	7,564,769
Inventories	6	374,425	401,479	713,900	735,245
Taxes recoverable		262,818	285,897	442,050	422,765
Derivative financial instruments	27	104,141	131,643	162,010	182,018
Transactions with related parties	7	57,529	32,540	217	-
Dividends receivable		75,277	74,093	1,769	-
Receivables from sale of properties		18,598	18,598	18,598	18,598
Other		176,602	178,418	492,216	412,019
Total current assets		16,451,505	16,123,376	23,873,101	21,889,584
Noncurrent assets					
Transactions with related parties	7	1,810,966	1,265,885	66,019	44,886
Judicial deposits	16	283,325	226,746	405,248	350,512
Deferred income and social contribution taxes	19	128,284	-	1,056,927	792,083
Derivative financial instruments	27	473,371	627,153	2,610,704	3,967,943
Investments in subsidiaries, associates and joint ventures	8	17,221,319	14,586,409	2,387,221	2,325,839
Property and equipment	9	3,982,357	3,567,148	10,366,947	9,097,050
Intangible assets	10	2,777,390	2,683,489	11,425,288	10,631,031
Right-of-use - leases	11	2,221,087	1,743,808	3,668,796	3,134,453
Other		89,630	67,142	265,160	247,239
Total noncurrent assets		28,987,729	24,767,780	32,252,310	30,591,036
Total assets		45,439,234	40,891,156	56,125,411	52,480,620

Rede D'Or São Luiz S.A.

Statements of financial position
September 30, 2022 and December 31, 2021
(In thousands of reais)

	Note	Individual		Consolidated	
		09/30/2022	12/31/2021	09/30/2022	12/31/2021
Liabilities and equity					
Current liabilities					
Trade accounts payable		449,161	409,917	1,117,874	990,942
Derivative financial instruments	27	692,764	343,265	820,558	469,249
Loans, financing and debentures	13	3,492,901	1,260,597	3,824,873	1,554,588
Salaries, accruals and social charges		561,452	430,156	1,051,838	794,061
Tax obligations	14	253,456	199,681	674,310	592,127
Accounts payable for acquisitions	15	77,476	59,251	209,448	223,957
Dividends and interest on equity payable	18	103,584	57,339	104,493	64,551
Deferred gain on property sales	12	3,920	3,920	3,920	3,920
Leases	17	434,268	222,316	677,510	346,720
Other		28,464	29,888	177,895	108,913
Total current liabilities		6,097,446	3,016,330	8,662,719	5,149,028
Noncurrent liabilities					
Derivative financial instruments	27	909,881	786,166	909,881	786,166
Loans, financing and debentures	13	21,849,847	21,009,175	25,426,933	26,074,748
Transactions with related parties	7	-	-	2,328	2,199
Tax obligations	14	50,275	54,421	235,923	239,835
Accounts payable for acquisitions	15	200	22,533	520,932	382,370
Deferred income and social contribution taxes	19	-	161,010	531,519	592,976
Provision for contingencies	16	131,864	135,220	328,653	344,868
Provision for losses on investments	8	452,949	214,115	-	-
Deferred gain on property sales	12	59,268	61,000	59,268	61,000
Leases	17	2,098,356	1,750,260	3,450,710	3,156,746
Other		160,608	97,548	1,128,735	1,012,745
Total noncurrent liabilities		25,713,248	24,291,448	32,594,882	32,653,653
Equity					
Capital	18	7,322,485	7,322,485	7,322,485	7,322,485
Capital reserves		4,467,485	4,475,504	4,467,485	4,475,504
Treasury shares		(130,739)	(139,282)	(130,739)	(139,282)
Income reserves		958,417	1,600,180	958,417	1,600,180
Retained earnings		925,312	-	925,312	-
Future capital contribution		4,224	4,224	4,224	4,224
Other comprehensive income		81,356	320,267	81,356	320,267
Total equity attributable to the Company's shareholders		13,628,540	13,583,378	13,628,540	13,583,378
Noncontrolling interests		-	-	1,239,270	1,094,561
Total equity		13,628,540	13,583,378	14,867,810	14,677,939
Total liabilities and equity		45,439,234	40,891,156	56,125,411	52,480,620

See accompanying notes.

Rede D'Or São Luiz S.A.

Statements of profit or loss
 Nine-month periods ended September 30, 2022 and 2021
 (In thousands of reais, unless otherwise stated)

	Note	Individual				Consolidated			
		07/01/2022 to 09/30/2022	01/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021	01/01/2021 to 09/30/2021	07/01/2022 to 09/30/2022	01/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021	01/01/2021 to 09/30/2021
Net revenue	20	3,073,936	8,639,417	2,710,239	7,965,627	6,063,258	17,235,745	5,307,919	15,246,330
Cost of services	21	(2,056,884)	(5,929,586)	(1,874,725)	(5,488,217)	(4,556,041)	(13,259,598)	(4,057,438)	(11,504,018)
Gross profit		1,017,052	2,709,831	835,514	2,477,410	1,507,217	3,976,147	1,250,481	3,742,312
General and administrative expenses	22	(240,871)	(678,890)	(222,008)	(686,867)	(253,893)	(694,081)	(229,033)	(699,622)
Selling expenses	23	(2,904)	(6,462)	(3,904)	(11,291)	(5,208)	(14,630)	(8,616)	(21,644)
Equity pickup	8	199,470	495,228	78,136	352,985	12,078	36,594	20,592	19,349
Other operating (expenses), net	24	(42,829)	(125,332)	(54,446)	(164,362)	(97,087)	(283,705)	(97,018)	(296,151)
Income before finance income (costs) and income taxes		929,918	2,394,375	633,292	1,967,875	1,163,107	3,020,325	936,406	2,744,244
Finance income	25	809,257	2,006,403	383,005	1,145,355	984,390	4,260,759	1,391,360	4,399,957
Finance costs	25	(1,394,846)	(3,594,012)	(657,093)	(1,956,637)	(1,668,707)	(6,132,790)	(1,844,830)	(5,572,690)
Income before income taxes		344,329	806,766	359,204	1,156,593	478,790	1,148,294	482,936	1,571,511
Income taxes	19	30,998	118,546	(8,241)	12,308	(82,504)	(168,438)	(104,832)	(313,228)
Net Income for the period		375,327	925,312	350,963	1,168,901	396,286	979,856	378,104	1,258,283
Income attributable to controlling interests		375,327	925,312	350,963	1,168,901	375,327	925,312	350,963	1,168,901
Income attributable to noncontrolling interests		-	-	-	-	20,959	54,544	27,141	89,382
Basic earnings per share (in reais)	26	0.1901	0.4687	0.1780	0.5929	0.1901	0.4687	0.1780	0.5929
Diluted earnings per share (in reais)	26	0.1899	0.4677	0.1773	0.5912	0.1899	0.4677	0.1773	0.5912

See accompanying notes.

Rede D'Or São Luiz S.A.

Statements of comprehensive income
 Nine-month periods ended September 30, 2022 and 2021
 (In thousands of reais)

	Individual				Consolidated			
	07/01/2022 to 09/30/2022	01/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021	01/01/2021 to 09/30/2021	07/01/2022 to 09/30/2022	01/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021	01/01/2021 to 09/30/2021
Net Income for the period	375,327	925,312	350,963	1,168,901	396,286	979,856	378,104	1,258,283
Other comprehensive income								
Other comprehensive income to be reclassified to P&L for subsequent periods								
Cash flow hedge	(117,072)	(17,628)	193,634	458,493	(120,913)	(29,151)	242,817	587,657
Loss on fair value of equity instrument (shares)	(1,536)	(332,836)	-	-	(1,536)	(332,836)	-	-
Tax effects	40,328	119,158	(65,836)	(155,888)	41,634	123,076	(82,558)	(199,803)
Other comprehensive income of associates and subsidiaries, by equity pickup	(2,535)	(7,605)	32,461	85,249	-	-	-	-
Other comprehensive income to be reclassified to P&L for subsequent periods, net of taxes	(80,815)	(238,911)	160,259	387,854	(80,815)	(238,911)	160,259	387,854
Total comprehensive income	294,512	686,401	511,222	1,556,755	315,471	740,945	538,363	1,646,137
Attributable to:								
Controlling interests	294,512	686,401	511,222	1,556,755	294,512	686,401	511,222	1,556,755
Noncontrolling interests	-	-	-	-	20,959	54,544	27,141	89,382

See accompanying notes.

Rede D'Or São Luiz S.A.

Statements of changes in equity
 Nine-month periods ended September 30, 2022 and 2021
 (In thousands of reais)

Description	Attributable to controlling interests													Noncontrolling interests	Total	
	Capital	Capital reserves				Income reserves					Future capital contribution	Retained earnings	Other comprehensive income			Total equity
	Capital	Share issue costs	Premium reserve (issue of shares)	Goodwill on capital transactions	Share-based payment reserve	Treasury shares	Legal reserve	Investment reserve	Additional dividends in excess of mandatory minimum dividends							
Balances at December 31, 2020	6,686,596	(213,648)	4,863,877	(293,655)	-	(153,194)	8,666	2,633,122	147,692	4,224	-	(70,558)	13,613,122	389,060	14,002,182	
Capital increase (Note 18)	888,920	-	888,920	-	-	-	-	-	-	-	-	-	1,777,840	3,436	1,781,276	
Share issue costs (Note 18)	-	(39,383)	-	-	-	-	-	-	-	-	-	-	(39,383)	-	(39,383)	
Acquisitions of subsidiaries (Note 3)	-	-	-	-	-	-	-	-	-	-	-	-	-	112,147	112,147	
Capital transactions in subsidiaries	-	-	-	(1,390)	-	-	-	-	-	-	-	-	(1,390)	(36,565)	(37,955)	
Share-based payment (Note 18)	-	-	-	-	89,948	-	-	-	-	-	-	-	89,948	-	89,948	
Changes - RSU	-	-	(57,208)	-	(89,948)	13,912	-	-	-	-	-	-	(133,244)	-	(133,244)	
Income for the period	-	-	-	-	-	-	-	-	-	-	1,168,901	-	1,168,901	89,382	1,258,283	
Dividends and interest on equity (Note 18)	-	-	-	-	-	-	-	(470,831)	-	-	-	-	(470,831)	(75,568)	(546,399)	
Additional dividends in excess of mandatory minimum dividends (Note 18)	-	-	-	-	-	-	-	(1,960,000)	(147,692)	-	-	-	(2,107,692)	-	(2,107,692)	
Cash flow hedge (Note 18)	-	-	-	-	-	-	-	-	-	-	-	387,854	387,854	-	387,854	
Balances at September 30, 2021	7,575,516	(253,031)	5,695,589	(295,045)	-	(139,282)	8,666	202,291	-	4,224	1,168,901	317,296	14,285,125	481,892	14,767,017	
Balances at December 31, 2021	7,575,516	(253,031)	5,727,122	(1,251,618)	-	(139,282)	8,666	1,591,514	-	4,224	-	320,267	13,583,378	1,094,561	14,677,939	
Acquisitions of subsidiaries (Note 3)	-	-	-	-	-	-	-	-	-	-	-	-	-	105,642	105,642	
Capital transactions at subsidiaries and acquisition of noncontrolling interests	-	-	-	(6,888)	-	-	-	-	-	-	-	-	(6,888)	16,502	9,614	
Share-based payment (Note 18)	-	-	-	-	52,968	-	-	-	-	-	-	-	52,968	-	52,968	
Changes - RSU	-	-	(1,131)	-	(52,968)	8,543	-	-	-	-	-	-	(45,556)	-	(45,556)	
Income for the period	-	-	-	-	-	-	-	-	-	-	925,312	-	925,312	54,544	979,856	
Dividends and interest on equity (Note 18)	-	-	-	-	-	-	-	(641,763)	-	-	-	-	(641,763)	(31,979)	(673,742)	
Loss on fair value of equity instrument (shares)	-	-	-	-	-	-	-	-	-	-	-	(219,672)	(219,672)	-	(219,672)	
Cash flow hedge (Note 18)	-	-	-	-	-	-	-	-	-	-	-	(19,239)	(19,239)	-	(19,239)	
Balances at September 30, 2022	7,575,516	(253,031)	5,725,991	(1,258,506)	-	(130,739)	8,666	949,751	-	4,224	925,312	81,356	13,628,540	1,239,270	14,867,810	

See accompanying notes.

Rede D'Or São Luiz S.A.

Statements of cash flows

Nine-month periods ended September 30, 2022 and 2021

(In thousands of reais)

	Individual		Consolidated	
	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021
Cash flows from operating activities				
Income/(loss) before income and social contribution taxes	806,766	1,156,593	1,148,294	1,571,511
Adjustments to reconcile income before taxes to cash flows from operating activities				
Depreciation and amortization	600,742	522,518	1,066,593	891,286
Gain on property sales	(2,940)	(2,940)	(2,940)	(2,940)
Fair value of debt	(389,225)	(1,442,376)	(1,384,155)	(888,418)
Interest, monetary and foreign exchange differences, net	1,882,277	2,196,517	3,076,454	1,844,357
Share-based payment	93,207	89,948	93,207	89,948
Reversal of contingencies	(21,595)	21,159	(33,166)	20,893
Equity pickup	(495,228)	(352,985)	(36,594)	(19,349)
Provision for disallowances	440,054	382,357	959,692	844,103
(Increase) decrease in assets and increase (decrease) in liabilities				
Accounts receivable	(573,623)	(1,023,942)	(1,852,538)	(2,600,422)
Inventories	38,211	(61,642)	28,316	(79,261)
Taxes recoverable	28,637	(80,618)	(14,013)	(95,013)
Judicial deposits	(45,123)	(46,468)	(53,799)	(57,769)
Other assets	6,247	46,227	40,763	(205,377)
Trade accounts payable	22,011	161,460	97,734	195,521
Salaries and social charges	62,760	(2,994)	177,828	89,812
Tax obligations	(12,451)	14,969	(76,162)	(8,167)
Transactions with related parties	(742,057)	(300,488)	(19,254)	(49,412)
Provision for contingencies	(635)	(2,014)	(2,973)	(3,517)
Other liabilities	24,771	(207,150)	146,016	(111,019)
	1,722,806	1,068,131	3,359,303	1,426,767
Payment of interest	(1,838,018)	(918,817)	(2,073,771)	(1,028,071)
Payment of income and social contribution taxes	(3,123)	(79,843)	(293,660)	(300,974)
Net cash flows from (used in) operating activities	(118,335)	69,471	991,872	97,722
Cash flows from investing activities				
Payment in business acquisition, net of cash acquired	-	(886,730)	(852,931)	(2,768,164)
Cash from merger of subsidiary	431	332	-	-
Future capital contribution	(2,350,778)	(3,710,150)	(46,350)	(22,000)
Acquisition of property and equipment	(555,318)	(483,987)	(1,753,226)	(1,572,268)
Sale of property and equipment	-	-	-	23,041
Acquisition of intangible assets	(65,891)	(91,860)	(64,430)	(151,720)
Acquisition of marketable securities	(32,799,950)	(25,260,598)	(40,889,755)	(32,564,131)
Redemption of marketable securities	33,430,369	26,301,413	40,847,150	35,129,908
Dividends and interest on equity received	87,432	23,788	2,778	58,795
Net cash flows used in investing activities	(2,253,705)	(4,107,792)	(2,756,764)	(1,866,539)
Cash flows from financing activities				
Capital increase, net	-	1,738,457	-	1,741,893
Acquisition of noncontrolling interests	-	-	-	24,270
Payment of dividends and interest on equity	(523,373)	(2,784,800)	(561,655)	(2,862,120)
Loans, financing and debentures taken out	4,015,501	5,900,520	4,085,501	6,214,550
Payment of loans, financing and debentures	(1,043,612)	(926,958)	(1,382,107)	(3,216,180)
Settlement of swap	(44,007)	130,409	(167,015)	(50,136)
Accounts payable for acquisitions	(10,579)	(12,091)	(47,370)	(28,590)
Net cash flows from financing activities	2,393,930	4,045,537	1,927,354	1,823,687
Increase in cash and cash equivalents	21,890	7,216	162,462	54,870
Cash and cash equivalents at beginning of period	43,910	22,091	124,621	146,884
Cash and cash equivalents at end of period	65,800	29,307	287,083	201,754

See accompanying notes.

Rede D'Or São Luiz S.A.

Statements of value added

Nine-month periods ended September 30, 2022 and 2021

(In thousands of reais, unless otherwise stated)

	Individual		Consolidated	
	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021
Revenue	9,167,682	8,460,508	18,354,192	16,246,902
Sales of goods, products and services	9,604,796	8,839,925	19,310,944	17,088,065
Provision for disallowances	(440,054)	(382,357)	(959,692)	(844,103)
Other revenues	2,940	2,940	2,940	2,940
Materials acquired from third parties	(3,333,216)	(3,207,918)	(7,502,738)	(6,722,655)
Costs of sales	(3,128,183)	(2,931,284)	(7,142,735)	(6,304,145)
Materials, power, services from suppliers and other	(226,628)	(255,475)	(393,169)	(397,617)
Loss/recovery of assets	21,595	(21,159)	33,166	(20,893)
Gross value added	5,834,466	5,252,590	10,851,454	9,524,247
Depreciation and amortization	(600,742)	(522,518)	(1,066,593)	(891,286)
Net value added	5,233,724	4,730,072	9,784,861	8,632,961
Value added received from transfers	2,501,631	1,498,340	4,297,353	4,419,306
Share of profit of a subsidiary, an associate and a joint venture	495,228	352,985	36,594	19,349
Finance income	2,006,403	1,145,355	4,260,759	4,399,957
Total value added	7,735,355	6,228,412	14,082,214	13,052,267
Distribution of value added	(7,735,355)	(6,228,412)	(14,082,214)	(13,052,267)
Personnel and charges	(2,643,669)	(2,479,178)	(5,261,428)	(4,575,515)
Taxes, charges and contributions	(406,779)	(479,037)	(1,283,945)	(1,310,860)
Interest, rents and other operating expenses	(3,759,595)	(2,101,296)	(6,556,984)	(5,907,609)
Dividends and interest on equity	(641,763)	(2,578,523)	(673,742)	(2,654,091)
Profits withheld	(283,549)	1,409,622	(306,115)	1,395,808

See accompanying notes.

Rede D'Or São Luiz S.A.

Notes to interim financial information

September 30, 2022

(In thousands of reais, unless otherwise stated)

1. Operations

Rede D'Or São Luiz S.A. (the "Company" or "Parent Company" and jointly with its subsidiaries "Rede D'Or" or "Group"), headquartered at Rua Francisco Marengo, 1312, in the city and state of São Paulo, is engaged in the rendering of hospital services, offering assistance and hospitality concepts, creating medical and diagnostic excellence centers and generating medical knowledge and experience that ensure security to customers, either doctors, patients or health care plans.

Rede D'Or operates in the states of Rio de Janeiro, São Paulo, Pernambuco, Maranhão, Bahia, Sergipe, Paraná, Ceará, Minas Gerais, Mato Grosso do Sul, Paraíba and the Federal District, with 69 own hospitals and 40 projects under development, in addition to oncology and radiotherapy clinics and laboratories. Currently, the Group has 9,613 hospital beds in total.

In 1998, the first hospital unit, Hospital Barra D'Or, was opened, and in 2000 and 2001, Hospital Copa D'Or and Hospital Quinta D'Or were opened, respectively. Since 2004, strategic partnerships have been made with other hospitals, thus increasing its range of expertise and reaching other areas in Rio de Janeiro. Also through partnerships and acquisitions, Rede D'Or started operations in the state of Pernambuco in 2007; in the states of Maranhão and Bahia in 2018; in the state of Sergipe in 2019; in the states of Paraná and Ceará in 2020; in the states of Minas Gerais, Mato Gross do Sul and Paraíba in 2021; and in the state of Alagoas in 2022.

As from 2010, through the admission of new shareholders, fundraising in the market and own cash generation, Rede D'Or started a strong expansion process through acquisitions and construction of new units. The main business combinations since 2010 were:

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

1. Operations (Continued)

Hospital	Location	Year of acquisition
Hospital Brasil	Santo André, SP	2010
Hospital Assunção	São Bernardo do Campo, SP	2010
Hospital São Luiz	São Paulo, SP	2010
Hospital Rio de Janeiro	Rio de Janeiro, RJ	2010
Hospital Prontolinda	Rio de Janeiro, RJ	2010
Vivalle Serviços de Saúde	São José dos Campos, SP	2011
Centro Hospitalar São Marcos	Recife, PE	2011
Nossa Senhora de Lourdes	São Paulo, SP	2012
Hospital da Criança	São Paulo, SP	2012
Santa Luzia	Brasília, DF	2012
Hospital do Coração	Brasília, DF	2012
Hospital Norte D'Or	Rio de Janeiro, RJ	2013
Hospital IFOR	São Bernardo do Campo, SP	2013
Hospital Villa-Lobos	São Paulo, SP	2015
Sino Brasileiro Serviços Hospitalares	Osasco, SP	2015
Hospital Maternidade Bartira	Santo André, SP	2015
Hospital Fluminense	Rio de Janeiro, RJ	2015
Hospital Memorial São José	Recife, PE	2016
Hospital Alpha-Med	Carapicuíba, SP	2016
Hospital Ribeirão Pires	Ribeirão Pires, SP	2016
Hospital São Vicente	Rio de Janeiro, RJ	2017
Hospital UDI	São Luís, MA	2018
Laboratório Richet	Rio de Janeiro, RJ	2018
Hospital São Rafael	Salvador, BA	2018
Hospital Samer	Resende, RJ	2018
Hospital de Clínicas Rio Mar	Rio de Janeiro, RJ	2019
Hospital São Lucas	Aracaju, SE	2019
Hospital Aviccena	São Paulo, SP	2019
Hospital Perinatal - CS Laranjeiras and UN Lagoa	Rio de Janeiro, RJ	2020
Hospital Santa Cruz	Curitiba, PR	2020
Hospital Aliança	Salvador, BA	2020
Hospital São Carlos	Fortaleza, CE	2020
Clínica São Lucas	Macaé RJ	2020
Hospital Córdio Pulmonar da Bahia	Salvador BA	2020
Hospital de Clínicas Antônio Afonso	Jacareí, SP	2021
Hospital Central de Guaianases	São Paulo, SP	2021
Hospital América	Mauá, SP	2021
Hospital Balbino	Rio de Janeiro, RJ	2021
Biocor Hospital de Doenças Cardiovasculares	Nova Lima, MG	2021
Serra Mayor Serviços Médicos S.A.	São Paulo, SP	2021
Hospital Santa Emília	Feira de Santana, BA	2021
Proncor Unidade Intensiva Cardiorespiratória	Campo Grande, MS	2021
Hospital Nossa Senhora das Neves	João Pessoa, PB	2021
Hospital Santa Marina	Campo Grande, MS	2022
Hospital Memorial Arthur Ramos	Maceió, AL	2022
Hospital Santa Isabel	São Paulo, SP	2022
Hospital Aeroporto	Salvador, BA	2022

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2022
(In thousands of reais, unless otherwise stated)

1. Operations (Continued)

In addition, the Group has invested in oncology and radiotherapy clinics and laboratories.

Seasonality

There are no significant seasonal effects on the Company's operations; however, a smaller volume of customers can be observed in December, January and February due to year-end celebrations and vacation period, and a larger volume of customers can be noted in the winter.

Covid-19 pandemic

On March 11, 2020, the World Health Organization (WHO) declared COVID-19 a pandemic due to the global spread of coronavirus. The outbreak created macroeconomic uncertainties and volatility worldwide. To respond to the pandemic, many state governments in Brazil have implemented policies to prevent or delay the spread of the disease, such as restrictions on crowding, quarantine of people who have been to affected areas, cancellation or postponement of public events, suspension of commercial businesses, closing of establishments open to the public, among other more or less severe measures.

In management's opinion, cash and cash equivalents and marketable securities as at September 30, 2022, amounting to R\$13,472,022, are sufficient to meet the financial commitments already assumed as well as any additional needs that could arise due to the pandemic. Furthermore, by applying to the Company's market the demand projections to be met, as disclosed by the Ministry of Health, the Company considers that it is capable of meeting this demand without major operational risks, as it has already done in the course of the pandemic.

In addition, the Company evaluated, and continues to monitor, all possible impacts of the pandemic on the estimates and losses of fair value and impairment of its assets, as well as the risks related to its investments, credit, interest, foreign exchange, share prices, investment fund shares, and leases, all described in the respective explanatory information. However, the Company does not expect new significant impacts not yet recognized in the quarterly information related to the pandemic.

On April 22, 2022, the Ministry of Health declared the end of the Public Health Emergency of National Concern due to Covid-19. The Ministry of Health considered the responsiveness of the Unified Health System (SUS), the improvement in the epidemiological scenario in the country and the progress of the vaccination campaign. Brazil recorded a decrease by more than 80% in the moving average of cases and deaths by Covid-19, compared to the peak of cases of the Omicron variant earlier this year. The epidemiological criteria, based on the opinion of technical areas, indicate that the country is no longer in a situation of national public health emergency.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

2. Basis of preparation and presentation and significant accounting policies

The unaudited interim financial information was prepared in accordance with CPC 21 (R1)/IAS 34 - Interim Financial Reporting.

The significant accounting policies adopted by the Group in this unaudited interim financial information are consistent with those adopted in the financial statements for the year ended December 31, 2021, disclosed on March 28, 2022.

Profit or loss for the nine-month period ended September 30, 2022 does not necessarily indicate the profit or loss expected for the entire year ending December 31, 2022. The interim financial information and related explanatory information do not include all the information and disclosures required for the annual financial statements. Therefore, this interim financial information must be read together with the audited annual financial statements as of December 31, 2021.

The estimates and critical accounting judgments adopted by the Company in this interim financial information are consistent with those adopted in the financial statements for the year ended December 31, 2021.

Authorization to complete the preparation of this interim financial information was given by the Company management on November 9, 2022.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

2. Basis of preparation and presentation and significant accounting policies (Continued)

The main companies considered in the Financial Statements of Rede D'Or are as follows:

	09/30/2022		12/31/2021	
	Direct	Indirect	Direct	Indirect
Parent Company - Rede D'Or São Luiz S.A. (a)				
Fully consolidated entities				
Hospital Esperança S.A. ("Esperança")	99.99	0.01	99.99	0.01
Diagno São Marcos Ltda.	-	100.00	-	100.00
Hospital Nossa Senhora das Neves	-	51.00	-	51.00
CLIM Hospital Geral	-	40.80	-	40.80
Hospital São Rafael S.A.	-	80.00	-	80.00
São Lucas Médico Hospitalar S.A.	-	75.00	-	75.00
Sociedade Anônima Hospital Aliança	-	100.00	-	100.00
Hospital São Carlos S.A.	-	75.00	-	75.00
HCP Patrimonial S.A.	-	100.00	-	100.00
Cárdio Pulmonar da Bahia S.A.	-	100.00	-	100.00
AMIGO - Assist. Médica Integrada de Ginecol. e Obstet. ("Santa Emília")	-	100.00	-	100.00
Hospital Memorial Arthur Ramos (acquired in 2022)	-	100.00	-	-
Hospital Aeroporto (acquired in 2022)	-	100.00	-	-
AMHA Saúde S.A.	-	100.00	-	100.00
Onco D'Or Oncologia S.A.	98.80	-	98.80	-
Onco D'Or PE S.A.	-	67.23	-	67.23
Instituto Oncológico de Pernambuco Ltda. ("IOPE")	-	67.16	-	67.16
Núcleo Especializado em Oncologia e Hemato (NEOH)	-	67.13	-	67.13
Oncobrasília - Inst. Bras. Onco Clínica Ltda.	0.10	98.77	0.10	98.77
Acreditar Oncologia S.A.	-	98.83	-	98.83
Centro de Oncologia Médica Ltda.	-	98.87	-	98.87
Onco D'Or Oncologia BA Ltda.	-	98.86	-	98.86
Onco Star SP Oncologia Ltda.	75.00	-	75.00	-
Jenner S.A.	50.00	41.24	50.00	41.24
Oncologia D'Or S.A.	7.51	83.48	7.51	83.48
Holding Onco Niterói S.A. (former GNI27 Empreendimentos Imobiliários Ltda.)	-	53.93	-	53.93
Instituto De Oncologia Niterói (former GNI29 Empreendimentos Imobiliários S.A.)	-	53.89	-	53.89
Oncologia Clínica Niterói Ltda. ("OCN")	-	53.89	-	53.89
Centro de Oncologia do RJ Ltda. ("Salus")	-	90.99	-	90.99
RDSL Farmácia Ltda.	-	90.98	-	90.98
Hospital Fluminense S.A.	99.99	0.01	99.99	0.01
Onco D'Or ABC Oncologia S.A. (former Cardial Serviços Médicos Ltda.)	89.44	-	89.44	-
ONCORAD - Serviços de Radioterapia Ltda.	0.02	99.98	0.02	99.98
Norte D'Or Participações S.A.	99.99	0.01	99.99	0.01
Hospital Norte D'Or de Cascadura S.A. ("Norte D'Or")	-	70.00	-	70.00
Medise Medicina Diagnóstico e Serviços S.A. ("Medise")	87.82	10.18	87.82	10.18
Hospital Santa Helena S.A. (merged in 2022)	-	-	99.99	0.01
Hospital Santa Cruz S.A.	65.99	34.01	65.99	34.01
Sator Empreendimentos e Participações Ltda.	99.99	0.01	99.99	0.01
Hospitais Integrados da Gávea S.A. - Clínica São Vicente	-	100.00	-	100.00
Hospital Jutta Batista	-	100.00	-	100.00
Hospital Glória D'Or	-	100.00	-	100.00
Hospital DF Star	-	100.00	-	100.00
Hospital de Clínicas Rio Mar S.A.	-	95.31	-	95.31
Samer Serviços de Assistência Médica de Resende Ltda.	-	100.00	-	100.00
Clínica São Lucas Ltda.	-	100.00	-	100.00
Biocor Hospital de Doenças Cardiovasculares Ltda.	-	51.00	-	51.00
Hospital de Clínicas Antônio Afonso Ltda.	-	100.00	-	100.00
Proncor Unidade Intensiva Cardiorespiratória ("Proncor")	-	51.00	-	51.00
Hospital Santa Marina. (acquired in 2022)	-	51.00	-	-
Hospital e Pronto Socorro Comunitário Vila Iolanda Ltda. (Hospital Central de Guaianases.)	-	100.00	-	100.00
Balco Participação em Serviços Ltda.	-	100.00	-	100.00
Hospital Dr. Balbino Ltda.	-	100.00	-	100.00
Hospital América Ltda.	-	100.00	-	100.00
Hospital Novo Atibaia S.A.	-	100.00	-	100.00
Serra Mayor Serviços Médicos S.A.	-	100.00	-	100.00
Hospital Santa Isabel (acquired in 2022)	-	100.00	-	-

- (a) This includes hospitals São Luiz Itaim, São Luiz Morumbi, São Luiz Anália Franco, Copa D'Or, Quinta D'Or, Caxias D'Or, Brasil, Assunção, Prontolinda, Joari, Realcordis, HGB, HCB, Rio de Janeiro, Vivalle, Santa Luzia, Hospital do Coração, Sinisgalli, Nossa Senhora de Lourdes, Hospital da Criança, Sino Brasileiro, Villa Lobos, Hospital e Maternidade Bartira, Ifor, Copa Star, Hospital São Caetano, Hospital Memorial São José Ltda. ("MSJ"), Hospital Ribeirão Pires Ltda, Maximagem com Diag. por Imagem Ltda., and Hospital Santa Helena S.A..

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2022
(In thousands of reais, unless otherwise stated)

2. Basis of preparation and presentation and significant accounting policies (Continued)

Companies included in the consolidated financial statements

	09/30/2022		12/31/2021	
	Direct	Indirect	Direct	Indirect
Companies accounted for under the equity method in the consolidated financial statements				
JMJB Diagnósticos e Serviços Hospitalares S.A.	50.00	-	50.00	-
J Badim S.A. ("Hospital Badim")	-	50.00	-	50.00
Memorial Star	-	50.00	-	50.00
Qualicorp Consultoria e Corretora de Seguros S.A.	25.85	-	25.85	-

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

3. Business combinations

	2022			2021							
	Aeroporto (a)	Santa Isabel (a)	Arthur Ramos(a)	Novo Atibaia (a)	N. S. das Neves	Santa Emília	Proncor	Biocor	América	Serra Mayor	Balbino
Acquisition date	03/15/2022	02/24/2022	01/27/2022	12/21/2021	08/30/2021	08/10/2021	08/04/2021	06/30/2021	06/02/2021	06/01/2021	05/28/2021
Location	BA	SP	AL	SP	PB	BA	MS	BH	SP	SP	RJ
Equity interest acquired (%)	100	100	100	100	51.00	100.00	51.00	51.00	100.00	100.00	100.00
Total consideration	218,138	280,000	356,257	165,147	224,259	169,119	112,939	391,714	468,872	86,986	88,568
Payment on acquisition date	186,827	280,000	284,817	102,147	197,004	158,090	107,111	391,714	456,050	79,108	84,311
Accounts payable for acquisition (Note 15)	31,311	-	71,440	63,000	27,255	11,029	5,828	-	12,822	7,878	4,257
Assets											
Cash and cash equivalents	2,669	-	6,246	514	81,325	6,654	981	10,254	856	2,297	1,146
Trade accounts receivable	23,383	35,961	52,095	23,866	74,907	10,387	14,435	49,391	17,460	8,934	12,333
Inventories	1,562	1,339	3,557	4,306	15,039	3,078	1,822	6,446	-	1,258	3,067
Taxes recoverable	185	-	4,928	4,320	3,518	144	216	4,401	2,014	586	1,025
Judicial deposits	780	-	153	463	197	11	95	1,646	-	61	997
Deferred income and social contribution taxes	5,771	-	6,604	18,220	168	-	116	7,676	-	450	15,640
Indemnifiable assets	-	-	-	-	-	-	-	-	-	-	1,789
Investments	-	-	-	-	-	-	-	-	-	-	-
Property and equipment	18,596	4,499	27,554	10,732	76,012	56,701	84,164	178,353	18,846	50,888	17,287
Intangible assets	29	-	504	279	9,311	21	-	173	38	10	-
Right of use - lease	-	81,323	-	2,602	57,185	-	178	-	-	162	-
Other	5,466	197	5,744	9,168	11,474	34	2,235	7,565	497	7,468	753
	58,441	123,319	107,385	74,470	329,136	77,030	104,242	265,905	39,711	72,114	54,037
Liabilities											
Trade accounts payable	(8,814)	-	(18,600)	(13,837)	(27,050)	(936)	(2,286)	(21,348)	(4,143)	(1,497)	(3,180)
Loans and financing	(8,642)	-	(4,123)	(10,186)	(135,789)	(21,606)	(17,460)	-	-	(37,805)	(4,842)
Transactions with related parties	-	-	-	-	-	-	(10,197)	-	-	-	-
Salaries, accruals and social charges	(3,765)	(9,756)	(6,490)	(11,754)	(9,911)	(760)	(4,670)	(13,911)	(7,379)	(2,614)	(13,234)
Tax obligations	(5,692)	(1,284)	(20,580)	(13,933)	(11,649)	(1,385)	(34,129)	(2,953)	(4,894)	(8,212)	(12,675)
Deferred income and social contribution taxes	(1,634)	-	(1,413)	-	(168)	-	(116)	(3,728)	-	(450)	-
Provision for contingencies	(5,452)	-	(4,156)	(702)	(495)	(43)	(341)	(14,744)	-	(1,046)	(2,827)
Leases	-	(81,437)	-	(3,150)	(60,517)	-	(213)	-	-	(180)	-
Other	(508)	(44)	(9,693)	(38,480)	(664)	(5,172)	(1,158)	(2,423)	(10,934)	(2,305)	(6,211)
	(34,507)	(92,521)	(65,055)	(92,042)	(246,243)	(29,902)	(70,570)	(59,107)	(27,350)	(54,109)	(42,969)
Total indemnifiable assets, net	23,934	30,798	42,330	(17,572)	82,893	47,128	33,672	206,798	12,361	18,005	11,068
Total indemnifiable assets, net, noncontrolling interests	-	-	-	100	38,273	-	16,499	101,331	-	-	-
Goodwill on acquisition (Note 10)	194,204	249,202	313,927	182,819	179,639	121,991	95,766	286,247	456,511	68,981	77,500
Goodwill attributed to minority shareholders	-	-	-	-	146,995	-	107,163	334,100	-	-	-

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

3. Business combinations (Continued)

	2021										
	Aeroporto (a)	Santa Isabel (a)	Arthur Ramos(a)	Novo Atibaia (a)	N. S. das Neves	Santa Emília	Proncor	Biocor	América	Serra Mayor	Balbino
Contribution for the group of revenues since the acquisition date	63,855	80,177	188,218	-	81,078	27,168	26,176	128,327	128,207	29,838	58,843
Contribution for the group with income (loss) before taxes since the acquisition date	(232)	(15,271)	37,497	-	(8,792)	4,973	(10,410)	7,484	46,233	(13,103)	(31,838)
Revenues from acquiree since the beginning of year	80,754	80,177	267,287	243,160	261,817	62,026	121,448	245,150	212,747	59,372	104,553
Income (loss) from acquiree before taxes since the beginning of year	1,189	(15,271)	40,832	38,036	(6,107)	24,798	(23,649)	(3,809)	29,439	(23,207)	(14,313)

(a) The Company is assessing the assets acquired and liabilities assumed at their fair values and, therefore, the effects shown above are preliminary.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

3. Business combinations (Continued)

In addition to the business combinations presented above, in 2022 the Company acquired 51% of NHG Tech e Soluções Ltda., 51% of Basic Corretora de Seguros Ltda., 100% of Pontual Medic Importação, Exportação e Distribuição Ltda., 100% of Unifígado – Doenças de Fígado e Vias Biliares Ltda., 100% of Clínica Gastroendocirúrgica Ltda., 51% of D'Or Skoda Corretora De Seguros S.A., 51% of D'Or Contacta Corretora De Seguros S.A., 100% of Hospital Santa Marina Ltda., and 100% of Tua D'Or Unipessoal, LDA., generating goodwill amounting to R\$2,320, R\$6,050, R\$192, R\$475, R\$686, R\$4,665, R\$919, R\$21,965 and R\$51,463, respectively. In 2021, the Company acquired 100% of Hospital de Clínicas Antônio Afonso, 100% of Hospital Central de Guaianases (Hospital Central Leste), 100% of Orthoservice Ltda., and 51% of Hojda e Maia Corretora de Seguros Ltda, generating goodwill amounting to R\$16,782, R\$115,751, R\$33,705 and R\$6,438, respectively.

The outstanding payables are guarantees for certain liabilities assumed by the sellers (e.g. materialization of contingencies), and will be paid within six years on average after their execution dates, restated based on the Interbank Deposit Certificate (CDI), the Extended Consumer Price Index (IPCA) and the Central Bank benchmark rate (SELIC) included in the balance of "Accounts payable for acquisitions" (Note 15).

On February 23, 2022, The Company and Sul América S.A. ("SASA") informed their shareholders and the market in general that, on that date, after the approvals of their Boards of Directors and the favorable opinion of SASA's Supervisory Board, they entered into a business combination involving the merger of SASA by the Company, in accordance with Articles 223 to 227 of Law No. 6404/1976 and CVM Rule No. 565/2015, resulting in (i) dissolution of SASA, which will be succeeded by the Company as regards all its assets, rights and obligations; and (ii) SASA shareholders receiving new common shares issued by the Company, which will replace SASA's common or preferred shares on the date of the Merger, which will cease to exist ("SASA Shareholders").

Once this Transaction is completed, SASA Shareholders will migrate to the Company's shareholder structure, which will continue as a company listed on the Novo Mercado segment. The Company, in turn, will take control of the current direct or indirect subsidiaries of SASA.

The Transaction includes two health market leaders in Brazil, and joins the largest hospital network to one of the main independent insurers in the country. This business combination is based on strategic foundations for expanding and aligning their health ecosystems, including the health, dental, life, pension and investment businesses, favoring all customers, beneficiaries and business partners.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2022
(In thousands of reais, unless otherwise stated)

3. Business combinations (Continued)

On April 14, 2022, the Transaction was submitted to and approved by the General Meetings of the two companies. Its implementation is conditional on the approvals of the relevant regulatory bodies, especially the Brazilian antitrust enforcement agency (CADE), the Brazilian Regulatory Agency for Private Health Insurance and Plans (ANS), Brazil's Private Insurance Supervisory Office (SUSEP), and the Central Bank of Brazil (BCB). On August 10, 2022, SUSEP accepted the request for prior approval of the transfer of controlling interest of the subsidiaries of Sul América S.A. ("SASA") to Rede D'Or, within the scope of the business combination agreed between the Company and SASA ("Transaction").

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

4. Cash and cash equivalents and marketable securities

	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Cash and cash equivalents				
Cash and banks	5,800	16,902	79,580	48,037
Short-term investments	60,000	27,008	207,503	76,584
Cash and cash equivalents	65,800	43,910	287,083	124,621
Marketable securities				
Investment funds	235	413	17,608	31,490
Repurchase agreements	46,356	119,405	335,908	210,409
Time deposit	-	-	8,435	407
Financial Treasury Bill (LFT)/Financial Bill	-	60,792	-	99,905
Bank Deposit Certificate (CDB)	10,333,248	11,069,118	11,973,558	12,085,653
Government bonds	-	-	2,487	1,685
Shares	846,943	-	846,943	-
Marketable securities	11,226,782	11,249,728	13,184,939	12,429,549

All short-term investments are entered into with leading financial institutions, at market prices and conditions.

Short-term investments classified as cash equivalents mature within three months from the investment date, and the amounts classified as marketable securities refer to securities maturing after three months.

Short-term investments classified as marketable securities refer to Bank Deposit Certificates (CDBs), Investment Funds, Financial Treasury Bills, government bonds, and repurchase agreements, which are part of the "FIC Plataforma Star", "FI Plataforma D'Or" and "FI Plataforma Sula" portfolios, and "Own portfolio". The portfolio average yield, referring to Bank Deposit Certificates (CDBs), Investment Funds, Financial Treasury Bills, government bonds and repurchase agreements was 103.6% (103.1% at December 31, 2021) of the Interbank Deposit Certificate (CDI) variation;

Investment in shares refers to shares purchased on the stock exchange (B3 S.A).

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

5. Accounts receivable

Trade accounts receivable comprise receivables from healthcare companies and individuals, as follows:

	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Accounts receivable from health insurance and health plans	4,741,514	4,254,825	10,248,114	9,024,673
Accounts receivable from individuals	97,617	122,771	200,302	249,862
Allowance for expected credit losses and provision for disallowances	(749,598)	(670,526)	(1,878,097)	(1,709,766)
	4,089,533	3,707,070	8,570,319	7,564,769

Changes in provision for disallowances and allowance for expected credit losses

	Individual		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Balance at beginning of period	(670,526)	(787,976)	(1,709,766)	(1,532,602)
Recognition of provision for disallowances	(440,054)	(382,357)	(959,692)	(844,103)
Write-off of uncollectible amounts	476,604	469,135	827,390	726,150
Provision arising from mergers and acquisitions	(115,622)	(596)	(36,029)	(17,108)
Balance at end of period	(749,598)	(701,794)	(1,878,097)	(1,667,663)

At September 30, 2022 and December 31, 2021, the aging list of trade accounts receivable is as follows:

	Individual								
	Total	Falling due	Overdue						360 - 720 days
			1 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days	121 - 180 days	181 - 360 days	
09/30/2022	4,839,131	3,254,137	151,447	87,126	86,921	69,200	153,284	388,817	648,199
12/31/2021	4,377,596	3,123,829	100,104	100,955	72,857	86,074	162,717	321,649	409,411

	Consolidated								
	Total	Falling due	Overdue						360 - 720 days
			1 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days	121 - 180 days	181 - 360 days	
09/30/2022	10,448,416	6,438,564	409,282	240,079	222,797	190,132	383,650	1,027,740	1,536,172
12/31/2021	9,274,535	6,040,555	270,513	286,413	191,590	230,801	426,028	825,498	1,003,137

The Company's revenues arise from the provision of hospital services, including the use of medicines and hospital materials. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, i.e. upon rendering of medical services at an amount that reflects the consideration that an entity expects to be entitled in exchange for providing services to a customer.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

5. Accounts receivable (Continued)

Changes in provision for disallowances and allowance for expected credit losses (Continued)

The provision for disallowances and allowance for expected credit losses are presented reducing the balance of accounts receivable and are set up at an amount deemed sufficient by management to cover any expected losses on the realization of amounts billed.

The Company's criterion to recognize a provision for disallowances is to annually analyze the performance of notes overdue for 360 to 720 days, a period deemed sufficient for exhausting the collection process. The percentage reached is applied to the gross revenue recorded and recognized as a provision in current profit or loss, reflecting management's best expectation based on the analyzed history. The analysis is made individually by cash-generating unit, as well as the percentage recorded as a provision for disallowances in the year.

As a criterion for the recognition of an allowance for expected credit losses, an individual analysis of receivables is performed to identify specific counterparty risks. If necessary, an allowance for expected credit losses is recorded for the full balance of receivables outstanding of these customers.

6. Inventories

	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Medicines	165,192	197,021	316,934	357,540
Disposable materials	85,056	94,193	130,656	139,412
Special materials	67,602	62,020	103,655	90,681
Consumables	11,708	14,186	58,190	58,645
Surgical sutures	5,637	5,602	9,134	9,375
Laboratory materials	3,270	3,315	16,474	16,590
Food stuff	3,106	3,871	5,874	5,554
Dressing room materials	2,129	1,162	7,430	6,256
Other	30,725	20,109	65,553	51,192
	374,425	401,479	713,900	735,245

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2022
(In thousands of reais, unless otherwise stated)

7. Transactions with related parties

Significant related-party transactions

The nature of significant related-party transactions is summarized as follows:

- (i) *Leases* - the Company leases properties owned by the controlling shareholders, namely: properties of the hospitals Copa D'Or and Quinta D'Or and the property of the administrative unit. Leases are at market value and generated an expense in profit or loss for the period ended September 30, 2022 of R\$24,731 (R\$20,715 at September 30, 2021) referring to interest and amortization of the right of use. Leases are annually restated by reference to the Extended Consumer Price Index (IPCA).
- (ii) *Transfers of funds between companies* - to enhance the operations of certain investees and provide funds for expansion and/or acquisitions, management transfers funds between Group companies. These balances are substantially eliminated in the consolidated financial statements. These balances are not restated, do not have a defined maturity, and their collection is expected for the subsequent fiscal year. The remaining consolidated balances refer to transfer of funds to associates.
- (iii) *Shared services* - these are centralized services rendered by the Parent Company, Rede D'Or, such as legal assistance, marketing, accounting, treasury, accounts payable and accounts receivable, which are shared among the other entities of the Group based on apportionment criteria that take into consideration the contribution of each entity to the consolidated gross revenue.
- (iv) *Debentures* - certain subsidiaries issued nonconvertible debentures, which were acquired by the Company. These debentures are intended to provide funds to the investees for investment in operations and expansion.

In addition to the balances presented below, the Parent Company and subsidiary Rede D'Or Finance carried out two debenture issue and purchase transactions, as follows:

On January 17, 2018, subsidiary Rede D'Or Finance carried out the first issue of senior notes, totaling US\$500,000 thousand, and, at the same time the Parent Company issued debentures (10th issue), which were acquired by subsidiary Rede D'Or Finance (Note 13);

On January 22, 2020, subsidiary Rede D'Or Finance carried out the second issue of senior notes, totaling US\$850,000 thousand. On February 13, 2020, Rede D'Or Finance reopened the second issue of senior notes and issued additional US\$350 thousand notes with the same characteristics as the initial issue. In addition, on April 17, 2020, the Parent Company issued debentures (17th issue - 1st series), which were acquired by subsidiary Rede D'Or Finance.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

7. Transactions with related parties (Continued)

Balances with related parties

Company	Individual							
	09/30/2022				12/31/2021			
	Current assets	Noncurrent assets	Noncurrent liabilities	P&L	Current assets	Noncurrent assets	Noncurrent liabilities	P&L
Debentures Norte D'Or (a)	22,512	30,000	-	3,984	10,527	8,000	-	1,394
Debentures São Lucas (b)	28,684	38,000	-	15,011	22,013	38,000	-	4,080
Debentures Hospital Nossa Senhora das Neves (f)	6,333	136,431	-	13,204	-	-	-	-
Shared services								
Medise Medicina Diagnóstico e Serviços Ltda.	-	1,967	-	10,933	-	-	-	12,595
Hospital Esperança S.A.	-	-	-	31,530	-	-	-	37,866
Hospital São Marcos S.A.	-	-	-	5,506	-	-	-	6,719
Hospital Norte D'Or de Cascadura S.A.	-	6,260	-	9,603	-	-	-	9,248
J. Badim S.A.	-	14,318	-	3,076	-	11,243	-	3,073
Oncologia D'Or S.A.	-	-	-	36,149	-	-	-	43,597
Hospital Fluminense S.A.	-	-	-	13,918	-	-	-	15,999
Clínica São Vicente	-	-	-	9,842	-	-	-	10,580
Hospital Santa Helena S.A.	-	-	-	7,508	-	-	-	19,540
Hospital Alpha-Med LTDA.	-	-	-	2,945	-	-	-	3,080
Diagno SM	-	-	-	93	-	-	-	-
URC	-	2,026	-	-	-	2,026	-	-
Hospital UDI	-	-	-	14,710	-	-	-	17,567
Onco Star SP	-	40,469	-	14,516	-	25,953	-	16,685
DF Star	-	-	-	13,290	-	-	-	15,520
Samer	-	-	-	5,504	-	-	-	6,550
São Lucas	-	43,579	-	12,587	-	30,992	-	16,754
São Rafael	-	21,040	-	35,765	-	17,422	-	35,252
Casa de Saúde Laranjeiras S.A (Perinatal)	-	-	-	10,027	-	-	-	11,384
Hospital Santa Cruz	-	-	-	7,834	-	-	-	11,147
Hospital Aliança	-	-	-	17,254	-	-	-	21,095
São Carlos	-	9,758	-	6,786	-	2,974	-	14,500
Cardio Pulmonar	-	-	-	13,190	-	-	-	-
Hospital Brasil Mauá (former Hospital América)	-	-	-	6,513	-	-	-	-
Hospital Balbino	-	-	-	3,953	-	-	-	-
Biocor Hospital de Doenças Cardiovasculares	-	9,835	-	9,835	-	-	-	-
Proncor Unidade Intensiva Cardiorespiratória	-	2,914	-	2,914	-	-	-	-
Other	-	1,176	-	39,472	-	-	-	27,685
Hospital Norte D'Or de Cascadura S.A. (c)	-	3,216	-	-	-	-	-	-
Unidade de Radiologia Clínica Ltda. (c)	-	13,669	-	-	-	13,314	-	-
Jenner S.A. (c)	-	2,000	-	-	-	2,000	-	-
JMJB Diagnósticos e Serviços Hospitalares S.A. (c)	-	12,020	-	-	-	12,019	-	-
Badim (c)	-	8,272	-	-	-	7,984	-	-
Instituto D'Or de Pesquisa e Ensino (c)	-	8,640	-	-	-	8,433	-	-
JM&AM Empreendimentos Imobiliários S.A. (d)	-	370	-	24,658	-	370	-	27,471
Onco Star SP (e)	-	913,590	-	-	-	727,468	-	-
JTO Holding S.A. (c)	-	65,458	-	-	-	29,796	-	-
Rede D'Or Finance	-	263,891	-	-	-	263,891	-	-
Other	-	162,067	-	-	-	64,000	-	-
	57,529	1,810,966	-	402,110	32,540	1,265,885	-	389,381

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

7. Transactions with related parties (Continued)

Balances with related parties (Continued)

Company	Consolidated							
	09/30/2022				12/31/2021			
	Current assets	Noncurrent assets	Noncurrent liabilities	P&L	Current assets	Noncurrent assets	Noncurrent liabilities	P&L
Debentures Mederi (g)	217	4,665	-	131	-	-	-	-
Shared services								
J Badim S.A.	-	14,318	-	3,076	-	11,243	-	3,073
JMJB Diagnósticos e Serviços Hospitalares S.A.	-	12,020	-	-	-	12,019	-	-
Instituto D'Or de Pesquisa e Ensino (c)	-	13,911	-	-	-	5,194	-	-
J Badim S.A. (c)	-	8,648	-	-	-	8,320	-	-
JM&AM Empreendimentos Imobiliários S.A. (d)	-	370	-	24,731	-	370	-	27,541
Other	-	12,087	2,328	-	-	7,740	2,199	-
	217	66,019	2,328	27,938	-	44,886	2,199	30,614

(a) On March 25, 2019, Norte D'Or conducted the third private issue of nonconvertible, single-series, registered debentures amounting to R\$10,000, maturing on March 25, 2023, which were acquired by Rede D'Or. The debentures earn interest on a *pro rata temporis* basis equivalent to 100% of the DI (Interbank Deposits) plus 2.25% p.a. Interest is paid semiannually and the nominal value will be paid semiannually from the 24th (twenty-fourth) month from the issue date. There are no guarantees for the debentures.

On August 26, 2019, Norte D'Or conducted the fourth private issue of nonconvertible, single-series, registered debentures amounting to R\$15,000, maturing on August 26, 2023, which were acquired by Rede D'Or. The debentures earn interest on a *pro rata temporis* basis equivalent to 100% of the DI (Interbank Deposits) plus 2.25% p.a. Interest is paid semiannually and the nominal value will be paid semiannually from the 24th (twenty-fourth) month from the issue date. There are no guarantees for the debentures.

On April 25, 2022, Norte D'Or conducted the fifth private issue of nonconvertible, single-series, registered debentures amounting to R\$30 million, maturing on April 1, 2025, which were acquired by Rede D'Or. The debentures earn interest on a *pro rata temporis* basis equivalent to 100% of the DI (Interbank Deposits) plus 3.00% p.a. Interest is paid semiannually, and the nominal amount will be paid in full on the maturity date. There are no guarantees for the debentures.

(b) On May 28, 2019, Hospital São Lucas privately issued nonconvertible, single-series, registered debentures amounting to R\$38,000, maturing on May 28, 2024, with Rede D'Or as the debenture holder. The debentures earn interest on a *pro rata temporis* basis equivalent to 100% of the DI (Interbank Deposits) plus 2.5% p.a. Interest is paid annually, and the nominal value will be paid in full on the maturity date. There are no guarantees for the debentures.

On December 5, 2020, Hospital São Lucas conducted the 2nd private issue of nonconvertible, single-series, registered debentures amounting to R\$20,000, maturing on December 5, 2022, with Rede D'Or as the debenture holder. The debentures earn interest on a *pro rata temporis* basis equivalent to 100% of the DI (Interbank Deposits) plus 3.2% p.a. Interest is paid quarterly, and the nominal value will be paid in full on the maturity date. There are no guarantees for the debentures.

(c) Transfers of funds for acquisition of companies, properties, expansion of operations, among others. These balances are substantially eliminated in the consolidated financial statements. There is no maturity or monetary restatement on these balances.

(d) Lease of properties owned by the controlling shareholders of Rede D'Or.

(e) Onco Star SP was created in 2017 and, throughout the subsequent years, Rede D'Or provided funds for the acquisition of machinery and equipment, as part of the Company's operational routine.

(f) On December 17, 2021, Hospital Nossa Senhora das Neves conducted a private issue of nonconvertible, single-series, registered debentures amounting to R\$185,000, maturing on December 18, 2023. The debentures may be fully or partially subscribed until the maturity date by Rede D'Or São Luiz. Debentures not subscribed after this period will be automatically canceled. The debentures earn interest on a *pro rata temporis* basis equivalent to 100% of the positive percentage variation of the CDI (Interbank Deposit Certificate) plus 2.9% p.a. Interest is paid semiannually, and the nominal value will be paid in full on the maturity date, plus yield. There are no guarantees for the debentures.

(g) On December 17, 2021, Mederi Distribuidora e Importadora de Produtos para Saúde conducted a private issue of nonconvertible, single-series, registered debentures amounting to R\$7,530, maturing on December 18, 2023. The debentures may be fully or partially subscribed until the maturity date by Hospital Nossa Senhora das Neves. Debentures not subscribed after this period will be automatically canceled. The debentures earn interest on a *pro rata temporis* basis equivalent to 100% of the positive percentage variation of the CDI (Interbank Deposit Certificate) plus 2.9% p.a. Interest is paid semiannually, and the nominal value will be paid in full on the maturity date, plus yield. There are no guarantees for the debentures.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

7. Transactions with related parties (Continued)

Key management personnel compensation

The Company considers “Key management personnel” only the members of its Statutory Board and Board of Directors. At September 30, 2022 and 2021, key management personnel compensation is summarized as follows:

	<u>09/30/2022</u>	<u>09/30/2021</u>
Salaries and bonuses	62,802	89,948
Benefits	132	92
Share-based payment	93,207	326,409
	<u>156,141</u>	<u>416,449</u>

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

8. Investments

Breakdown and changes in investments - Individual

Company	12/31/2021	Equity pickup	Dividends	Acquisition of equity interest	Capital increase/Future capital contribution	Transfer	Other	Merger	09/30/2022
Medise Medicina Diagnóstico e Serviços S.A.	232,371	14,438	-	-	-	-	-	-	246,809
Hospital Esperança S.A.	2,880,695	199,689	-	1,089,627	-	-	(7,605)	-	4,162,406
Hospital São Marcos (including goodwill)	(88,543)	341	-	25,932	-	43,472	18,798	-	-
PMJ Empreendimentos Imobiliários S.A.	796,223	14,125	(7,636)	26,475	(1,826)	-	2	-	827,363
Norte D'Or Participações S.A. (including goodwill)	134,796	9,844	(11,484)	15	-	-	-	-	133,171
Onco D'Or Oncologia S.A.	592,405	93,525	-	-	-	-	-	-	685,930
Jenner S.A. (including goodwill)	173,729	29,968	-	-	-	-	-	-	203,697
JMJB Diagnósticos e Serviços Hospitalares	42,235	87	-	-	-	-	-	-	42,322
Rodin Empreendimentos e Participações S.A.	75,431	242	-	35,857	-	-	-	-	111,530
Quinta Empreendimentos Imobiliários Ltda.	58,993	9,242	-	-	-	-	-	-	68,235
Hospital Fluminense S.A. (including goodwill)	268,506	2,481	(7,355)	21,897	-	-	-	-	285,529
Cardial Serviços Médicos (including goodwill)	84,595	23,552	(13,018)	-	-	-	-	-	95,129
Hospital Santa Helena S.A. (including goodwill)	494,493	2,865	(11,366)	14,282	-	-	-	(500,274)	-
TJK Empreendimentos Hospitalares	18,235	1,216	-	-	(1,598)	-	-	-	17,853
Villa Lobos Empreendimentos Imobiliários Ltda.	187,216	11,194	(7,434)	-	(7,205)	-	-	-	183,771
Santa Luzia II Empreendimentos Imobiliários Ltda.	56,252	(249)	-	2,921	-	-	-	-	58,924
Campinas Empreendimentos Imobiliários Ltda.	115,290	(1,184)	-	150,290	-	-	-	-	264,396
Sator Empreendimentos e Participações Ltda	2,377,506	31,614	-	666,262	-	-	-	-	3,075,382
Rede D'or Finance	(129,440)	(21,578)	-	-	-	151,018	-	-	-
Rede D'or São Luiz Serviços Médicos S.A.	236,110	41,522	-	13,117	-	-	-	-	290,749
Olimpia Projeto Rua do Rocio 86 SPE S.A.	447,447	4,565	-	141,256	-	-	-	-	593,268
Proncordis Pronto Atendimento Cardiológico Ltda.	261	(13)	-	219	-	-	-	-	467
Maximagem - Diagnóstico por Imagem Ltda. (including goodwill)	2,611	-	-	-	-	-	(2,611)	-	-
Laboratórios Richet	270,566	(4,474)	-	39,880	-	-	(1,044)	-	304,928
California Investimentos Imobiliários Ltda.	59,940	-	-	-	-	-	-	-	59,940
Hospital Avicenna S.A.	133,592	10,057	(13,836)	7,300	-	-	-	-	137,113
Santa Luzia III	305,087	11,463	-	-	(10,561)	-	-	-	305,989
Qualicorp Consultoria e Corretora de Seguros S.A.	2,129,020	23,850	-	-	-	-	(32,900)	-	2,119,970
Clínica Médica São Remo	37,538	(6,322)	-	12,383	-	-	-	-	43,599
Casa de Saúde Laranjeiras S.A (Perinatal) (including goodwill)	895,544	19,770	(10,233)	40,966	-	-	131	-	946,178
Hospital Santa Cruz	356,751	9,681	-	28,079	-	-	-	-	394,511
Advance Plano de Saúde S.A.	35,458	4,578	-	2,805	-	-	-	-	42,841
Other	1,305,496	3,483	(5,070)	207,407	(684)	-	8,687	-	1,519,319
	14,586,409	539,572	(87,432)	2,526,970	(21,874)	194,490	(16,542)	(500,274)	17,221,319

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Breakdown and changes in investments - Individual (Continued)

Company	12/31/2021	Equity pickup	Dividends	Acquisition of equity interest	Capital increase/Future capital contribution	Transfer	Other	Merger	09/30/2022
Onco Star	(200,323)	(43,863)	-	-	-	-	-	-	(244,186)
Centro Hospitalar São Marcos S.A.	(13,380)	(146)	-	-	-	-	-	-	(13,526)
Café Verde	-	-	-	-	-	(43,472)	-	-	(43,472)
GNI23 SP Empreend. Imobiliários Ltda	-	-	-	-	-	(151,018)	-	-	(151,018)
GNI05 Empreend. Imobiliários Ltda	(412)	(335)	-	-	-	-	-	-	(747)
	(214,115)	(44,344)	-	-	-	(194,490)	-	-	(452,949)
Equity pickup		<u>495,228</u>							

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Breakdown and changes in investments - Individual (Continued)

Company	12/31/2020	Equity pickup	Dividends	Acquisition of equity interest	Capital increase/Future capital contribution	Transfer	Other	Merger	09/30/2021
Medise Medicina Diagnóstico e Serviços S.A.	221,828	27,085	-	-	618	-	-	-	249,531
Hospital Esperança S.A.	1,299,003	189,688	-	-	1,330,053	10,901	84,764	-	2,914,409
Hospital São Marcos (including goodwill)	115,892	(7,976)	-	-	7,174	(10,901)	(1,995)	-	102,194
PMJ Empreendimentos Imobiliários S.A.	756,958	16,360	(6,500)	-	13,739	-	-	-	780,557
Norte D'Or Participações S.A. (including goodwill)	100,058	14,881	-	-	13,005	-	-	-	127,944
Onco D'Or Oncologia S.A.	494,264	69,250	-	-	682	-	(1,891)	-	562,305
Jenner S.A. (including goodwill)	144,301	22,455	-	-	-	-	(2,582)	-	164,174
JMJB Diagnósticos e Serviços Hospitalares	13,168	(5,302)	-	-	8,500	-	-	-	16,366
Rodin Empreendimentos e Participações S.A.	62,564	(425)	-	-	2,035	-	-	-	64,174
Quinta Empreendimentos Imobiliários Ltda.	54,921	8,718	(16,000)	-	9,500	-	-	-	57,139
Hospital Fluminense S.A. (including goodwill)	170,731	14,440	-	-	72,151	-	-	-	257,322
Cardial Serviços Médicos (including goodwill)	70,549	16,721	(8,778)	-	-	-	-	-	78,492
Hospital Santa Helena S.A. (including goodwill)	460,419	(8,371)	-	-	21,260	-	-	-	473,308
TJK Empreendimentos Hospitalares	18,812	815	(1,760)	-	-	-	-	-	17,867
Villa Lobos Empreendimentos Imobiliários Ltda.	197,318	9,212	(22,500)	-	-	-	-	-	184,030
Santa Luzia II Empreendimentos Imobiliários Ltda.	53,085	(218)	-	-	2,697	-	-	-	55,564
Campinas Empreendimentos Imobiliários Ltda.	52,219	(252)	-	-	40,193	-	-	-	92,160
Sator Empreendimentos e Participações Ltda	1,031,951	617	-	-	1,619,095	-	(963)	-	2,650,700
Rede D'or Finance	27,367	(134,510)	-	-	-	-	-	-	(107,143)
Rede D'or São Luiz Serviços Médicos S.A.	108,591	16,766	-	-	93,890	-	-	-	219,247
Olimpia Projeto Rua do Rocio 86 SPE S.A.	328,757	101	-	-	80,614	-	-	-	409,472
Proncordis Pronto Atendimento Cardiológico Ltda.	808	(10)	-	-	476	-	(1,174)	-	100
Maximagem - Diagnóstico por Imagem Ltda. (including goodwill)	101,090	2,609	-	-	1,694	-	-	(102,782)	2,611
Prontimagem Serviços Médicos Ltda.	241,131	-	-	-	5,157	(246,288)	-	-	-
Laboratórios Richet	-	2,508	-	-	15,932	246,288	636	-	265,364
California Investimentos Imobiliários Ltda.	59,940	-	-	-	-	-	-	-	59,940
Hospital Avicenna S.A.	94,782	14,764	-	-	23,777	-	-	-	133,323
Santa Luzia III	307,566	7,006	(11,600)	-	-	-	-	-	302,972
Qualicorp Consultoria e Corretora de Seguros S.A.	989,758	19,629	(52,115)	886,730	-	382,020	(20)	-	2,226,002
Clínica Médica São Remo	28,062	(4,707)	-	-	13,260	-	(718)	-	35,897
Casa de Saúde Laranjeiras S.A (Perinatal) (including goodwill)	823,397	(1,104)	-	-	52,077	-	-	-	874,370
Hospital Alpha Med Ltda.	293,961	22,989	-	-	30,594	(318,370)	(6,185)	-	22,989
Hospital Santa Cruz	-	3,538	-	-	289	318,370	-	-	322,197
Advance Plano de Saúde S.A.	16,311	1,612	-	-	-	-	-	-	17,923
GSH Corp Participações S.A. (former Lorem Participações S.A.)	82,932	23,490	(36,006)	-	-	-	(6,478)	-	63,938
Other	564,835	42,098	(21,900)	-	388,165	1,857	3,108	-	978,163
	9,387,329	384,477	(177,159)	886,730	3,846,627	383,877	66,502	(102,782)	14,675,601

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2022
(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Breakdown and changes in investments - Individual (Continued)

Company	12/31/2020	Equity pickup	Dividends	Acquisition of equity interest	Capital increase/Future capital contribution	Transfer	Other	Merger	09/30/2021
Onco Star	(148,139)	(25,400)	-	-	(9,268)	-	-	-	(182,807)
Centro Hospitalar São Marcos S.A.	(13,530)	(47)	-	-	-	-	-	-	(13,577)
Café Verde	(4,625)	(5,503)	-	-	10,316	-	-	-	188
GNI23 SP Empreend. Imobiliários Ltda	-	(205)	-	-	14,930	(1,857)	-	-	12,868
GNI05 Empreend. Imobiliários Ltda	-	(337)	-	-	-	-	-	-	(337)
	<u>(166,294)</u>	<u>(31,492)</u>	-	-	15,978	(1,857)	-	-	<u>(183,665)</u>
Equity pickup		<u>352,985</u>							

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Breakdown and changes in investments - Consolidated

Company	12/31/2021	Equity pickup	Dividends	Capital increase/Future capital contribution	Other	09/30/2022
JMJB Diagnósticos e Serviços Hospitalares S.A.	42,235	87	-	-	-	42,322
Instituto de Radioterapia do Vale do Paraíba Ltda.	43,076	4,390	(2,778)	-	(784)	43,904
Qualicorp Consultoria e Corretora de Seguros S.A. (a)	2,129,020	23,850	-	-	(32,900)	2,119,970
Eldorado do Sul Participações Ltda.	19,005	2,497	-	-	-	21,502
Other	92,503	5,770	-	46,350	14,900	159,523
	2,325,839	36,594	(2,778)	46,350	(18,784)	2,387,221

Company	12/31/2020	Equity pickup	Dividends	Acquisition of equity interest	Capital increase/Future capital contribution	Transfer	Other	09/30/2021
JMJB Diagnósticos e Serviços Hospitalares S.A.	13,168	(5,302)	-	-	8,500	-	-	16,366
Instituto de Radioterapia do Vale do Paraíba Ltda.	42,233	6,593	(5,000)	-	-	-	(1,265)	42,561
Qualicorp Consultoria e Corretora de Seguros S.A. (a)	989,758	19,629	(52,115)	886,730	-	382,020	(20)	2,226,002
Eldorado do Sul Participações Ltda.	16,459	1,871	-	-	-	-	(121)	18,209
Other	27,613	(3,442)	(1,680)	32,373	13,500	-	6,487	74,851
	1,089,231	19,349	(58,795)	919,103	22,000	382,020	5,081	2,377,989

(a) Based on the shareholders' agreement entered into in November 2019, considering the nominations to the Executive Board and Board of Directors that the Company is entitled to, it was concluded that Rede D'Or has significant influence over Qualicorp; therefore, it records the investment using the equity method. Considering that Qualicorp's information as at September 30, 2022 is not yet available, the Company recognized equity pickup until June 30, 2022.

The amount paid in the acquisition was higher than Qualicorp's equity; the surplus is substantially supported by future profitability. The Company is conducting an analysis of Qualicorp's assets and liabilities for an appropriate allocation of the amount paid and of the future impact on equity pickup.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2022
(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Summary of information of main subsidiaries

	09/30/2022					09/30/2021		
	% Total	% Voting capital	Assets	Liabilities	Equity	Operating income (expenses)	P&L for the period	P&L for the period
Direct and indirect subsidiaries								
Medise Medicina Diagnóstico e Serviços S.A. ("Medise")	98.00	98.00	369,069	105,679	263,390	25,021	16,112	30,225
Hospital Esperança S.A. ("Esperança")	100.00	100.00	7,647,338	3,318,325	4,329,013	338,519	182,670	189,878
PMJ Empreendimentos Imobiliários S.A.	100.00	100.00	869,086	40,709	828,377	17,678	14,139	16,376
Norte D'Or Participações S.A.	100.00	100.00	112,179	7,362	104,817	9,270	9,854	14,896
Onco D'Or Oncologia S.A.	98.87	98.87	570,406	205,534	364,872	103,536	64,962	48,685
Jenner S.A.	91.24	91.24	321,306	2,000	319,306	59,934	52,443	39,297
Rodin Empreendimentos e Participações S.A.	100.00	100.00	113,496	1,992	111,504	417	242	(425)
Quinta Empreendimentos Imobiliários Ltda.	100.00	100.00	70,101	1,788	68,313	9,753	9,251	8,727
Hospital Fluminense S.A.	100.00	100.00	421,994	149,538	272,456	5,901	2,483	14,455
Cardial Serviços Médicos Ltda.	89.44	89.44	105,067	44,669	60,398	37,685	23,552	16,721
Hospital Santa Helena S.A.	100.00	100.00	-	-	-	15,531	2,867	(8,379)
TJK Empreendimentos Imobiliários Ltda.	100.00	100.00	18,860	996	17,864	1,288	1,217	816
Villa Lobos Empreendimentos Imobiliários S.A.	100.00	100.00	185,139	1,145	183,994	11,992	11,205	9,221
Santa Luzia II Emp. Imobiliários Ltda.	100.00	100.00	63,390	4,415	58,975	(251)	(249)	(219)
Campinas Empreendimentos Imob.	100.00	100.00	276,294	11,850	264,444	297	(1,185)	(252)
Sator Empreendimentos e Participações Ltda.	100.00	100.00	(2,249)	(628,480)	626,231	31,646	31,646	1,490
Rede D'Or Finance	100.00	100.00	6,975,923	7,126,940	(151,017)	(541)	(21,578)	(134,510)
Rede D'Or São Luiz Serviços Médicos S.A.	100.00	100.00	407,367	116,437	290,930	60,418	41,564	16,783
Olimpia Projeto Rua do Rocio 86 SPE S.A.	100.00	100.00	596,982	3,386	593,596	5,441	4,569	101
Proncordis Pronto Atendimento Cardiológico Ltda.	100.00	100.00	7,271	463	6,808	(742)	(746)	(590)
Laboratórios Richet	100.00	100.00	170,248	67,696	102,552	(9,896)	(9,970)	(1,787)
Onco Star SP Oncologia Ltda.	75.00	75.00	796,134	1,127,999	(331,865)	(72,288)	(43,863)	(25,400)
Centro Hospitalar São Marcos S.A	100.00	100.00	21	6,820	(6,799)	(35)	(146)	(47)
Hospital Aviccena S.A.	100.00	100.00	137,319	59,641	77,678	17,103	10,067	14,779
Santa Luzia III Empreendimentos Imobiliários Ltda.	100.00	100.00	310,206	3,916	306,290	12,969	11,474	7,013
IFOR Empreendimentos Imobiliários S.A (Park D'Or)	100.00	100.00	42	25	17	(4)	(3)	-
Café Verde	100.00	100.00	6,400	7,055	(655)	(2,817)	(3,387)	(5,509)
Hospital São Marcos	100.00	100.00	(65,011)	(10,457)	(54,554)	2,738	341	(7,976)
Clínica Médica São Remo	100.00	100.00	58,436	16,793	41,643	(5,676)	(6,328)	(4,712)
California Investimentos Imobiliários Ltda.	100.00	100.00	59,999	-	59,999	-	-	-
Casa de Saúde Laranjeiras S.A (Perinatal)	100.00	100.00	337,059	72,136	264,923	14,874	19,790	(1,105)
Hospital Santa Cruz	100.00	100.00	320,578	177,169	143,409	19,324	8,487	36,845
Advance Plano de Saúde S.A.	100.00	100.00	54,647	11,693	42,954	5,957	4,583	1,614
GSH Corp Participações S.A. (Loream)	50.00	50.00	763,914	653,509	110,405	61,346	3,880	23,490

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2022
(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Summary of the associates' and joint ventures' information

	09/30/2022					09/30/2021		
	% Total	% Voting capital	Assets	Liabilities	Equity	Operating income (expenses)	P&L for the period	P&L for the period
Companies recognized by the equity method in the consolidated financial information								
JMJB Diagnósticos e Serviços Hospitalares S.A.	50	50	95,042	9,781	85,261	175	87	(5,302)
Instituto de Radioterapia do Vale do Paraíba Ltda.	50	50	36,918	17,166	19,752	10,046	4,390	6,593
Eldorado do Sul Participações Ltda.	33.33	33.33	39,915	-	39,915	7,492	2,497	1,871
Qualicorp Consultoria e Corretora de Seguros S.A. (a)/(b)	25.85	25.85	4,400,785	3,046,791	1,353,994	(a)	(a)	(b)

(a) The Company recognized equity pickup until June 30, 2022.

(b) Qualicorp's financial information as at September 30, 2021 was not available on the issue date of the financial information as at June 30, 2021; therefore, management used information publicly available at that time.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

9. Property and equipment

Balance breakdown

Description	Depreciation rate	Individual					
		09/30/2022			12/31/2021		
		Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount
Hospital machinery and equipment	12% to 20%	1,416,442	(1,110,589)	305,853	1,252,068	(911,058)	341,010
Surgical instruments	20%	119,432	(49,079)	70,353	85,004	(41,688)	43,316
Machinery and equipment	7% to 10%	556,472	(432,993)	123,479	509,370	(354,741)	154,629
Buildings	2.5% to 4%	826,626	(207,035)	619,591	638,834	(177,551)	461,283
Improvements in own buildings	4%	326,545	(142,615)	183,930	321,254	(122,710)	198,544
Leasehold improvements	3% to 4%	1,983,048	(530,483)	1,452,565	1,787,733	(470,412)	1,317,321
Furniture and fixtures	10%	223,042	(150,321)	72,721	204,339	(128,399)	75,940
Vehicles	20%	5,162	(4,123)	1,039	4,530	(3,776)	754
Facilities	10%	135,637	(75,282)	60,355	128,148	(67,225)	60,923
Land	-	150,699	-	150,699	150,699	-	150,699
Construction in progress	-	934,167	-	934,167	754,901	-	754,901
Other	5% to 10%	13,892	(6,287)	7,605	13,784	(5,956)	7,828
		6,691,164	(2,708,807)	3,982,357	5,850,664	(2,283,516)	3,567,148

Description	Depreciation rate	Consolidated					
		09/30/2022			12/31/2021		
		Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount
Hospital machinery and equipment	12% to 20%	2,613,772	(1,693,720)	920,052	2,357,872	(1,346,762)	1,011,110
Surgical instruments	20%	278,249	(115,576)	162,673	218,932	(89,720)	129,212
Machinery and equipment	7% to 10%	940,665	(647,586)	293,079	875,457	(566,903)	308,554
Buildings	2.5% to 4%	3,130,937	(520,240)	2,610,697	2,594,919	(395,047)	2,199,872
Improvements in own buildings	4%	569,730	(198,438)	371,292	555,606	(165,574)	390,032
Leasehold improvements	3% to 4%	2,897,361	(746,489)	2,150,872	2,571,492	(662,654)	1,908,838
Furniture and fixtures	10%	419,305	(253,791)	165,514	386,554	(215,397)	171,157
Vehicles	20%	22,564	(21,024)	1,540	19,454	(18,650)	804
Facilities	10%	241,523	(134,173)	107,350	217,396	(118,928)	98,468
Land	-	1,099,993	-	1,099,993	1,019,026	-	1,019,026
Construction in progress	-	2,434,078	-	2,434,078	1,809,763	-	1,809,763
Other	5% to 10%	58,252	(8,445)	49,807	58,156	(7,942)	50,214
		14,706,429	(4,339,482)	10,366,947	12,684,627	(3,587,577)	9,097,050

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

9. Property and equipment (Continued)

Changes - Individual

	12/31/2021	Additions	Transfers	Additions from mergers	09/30/2022
Cost					
Hospital machinery and equipment	1,252,068	116,594	-	47,780	1,416,442
Surgical instruments	85,004	31,773	-	2,655	119,432
Machinery and equipment	509,370	15,608	-	31,494	556,472
Buildings	638,834	1,114	186,183	495	826,626
Improvements in own buildings	321,254	135	4,068	1,088	326,545
Leasehold improvements	1,787,733	2,466	151,401	41,448	1,983,048
Furniture and fixtures	204,339	11,223	-	7,480	223,042
Vehicles	4,530	449	-	183	5,162
Facilities	128,148	6,518	-	971	135,637
Land	150,699	-	-	-	150,699
Construction in progress	754,901	501,534	(341,652)	19,384	934,167
Other	13,784	84	-	24	13,892
	5,850,664	687,498	-	153,002	6,691,164
Depreciation					
Hospital machinery and equipment	(911,058)	(162,293)	-	(37,238)	(1,110,589)
Surgical instruments	(41,688)	(6,761)	-	(630)	(49,079)
Machinery and equipment	(354,741)	(49,273)	-	(28,979)	(432,993)
Buildings	(177,551)	(29,444)	-	(40)	(207,035)
Improvements in own buildings	(122,710)	(19,596)	-	(309)	(142,615)
Leasehold improvements	(470,412)	(55,751)	-	(4,320)	(530,483)
Furniture and fixtures	(128,399)	(16,264)	-	(5,658)	(150,321)
Vehicles	(3,776)	(177)	-	(170)	(4,123)
Facilities	(67,225)	(7,861)	-	(196)	(75,282)
Other	(5,956)	(320)	-	(11)	(6,287)
	(2,283,516)	(347,740)	-	(77,551)	(2,708,807)
Property and equipment, net	3,567,148	339,758	-	75,451	3,982,357

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

9. Property and equipment (Continued)

Changes - individual (Continued)

	12/31/2020	Additions	Transfers	Additions from mergers	09/30/2021
Cost					
Hospital machinery and equipment	1,106,114	93,535	-	26,337	1,225,986
Surgical instruments	66,877	12,058	-	-	78,935
Machinery and equipment	417,781	44,142	-	1,568	463,491
Buildings	635,284	2,724	-	-	638,008
Improvements in own buildings	308,097	2,803	9,870	6	320,776
Leasehold improvements	1,388,871	7,221	331,419	2,655	1,730,166
Furniture and fixtures	185,866	13,363	-	796	200,025
Vehicles	4,528	2	-	-	4,530
Facilities	123,376	3,354	-	51	126,781
Land	146,051	4,648	-	-	150,699
Construction in progress	625,417	323,073	(341,289)	331	607,532
Other	13,563	215	-	-	13,778
	<u>5,021,825</u>	<u>507,138</u>	<u>-</u>	<u>31,744</u>	<u>5,560,707</u>
Depreciation					
Hospital machinery and equipment	(703,486)	(138,803)	-	(14,781)	(857,070)
Surgical instruments	(35,778)	(4,264)	-	-	(40,042)
Machinery and equipment	(294,408)	(44,482)	-	(1,342)	(340,232)
Buildings	(149,986)	(20,815)	-	-	(170,801)
Improvements in own buildings	(90,962)	(23,643)	-	(1)	(114,606)
Leasehold improvements	(405,335)	(45,686)	-	(2,048)	(453,069)
Furniture and fixtures	(107,605)	(15,029)	-	(667)	(123,301)
Vehicles	(3,551)	(165)	-	-	(3,716)
Facilities	(57,362)	(7,368)	-	(17)	(64,747)
Other	(5,540)	(307)	-	-	(5,847)
	<u>(1,854,013)</u>	<u>(300,562)</u>	<u>-</u>	<u>(18,856)</u>	<u>(2,173,431)</u>
Property and equipment, net	<u>3,167,812</u>	<u>206,576</u>	<u>-</u>	<u>12,888</u>	<u>3,387,276</u>

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

9. Property and equipment (Continued)

Changes - Consolidated

	12/31/2021	Additions	Transfers	Business combinations	09/30/2022
Cost					
Hospital machinery and equipment	2,357,872	221,164	-	34,736	2,613,772
Surgical instruments	218,932	48,118	-	11,199	278,249
Machinery and equipment	875,457	60,432	-	4,776	940,665
Buildings	2,594,919	45,278	447,869	42,871	3,130,937
Improvements in own buildings	555,606	176	13,784	164	569,730
Leasehold improvements	2,571,492	35,455	290,245	169.00	2,897,361
Furniture and fixtures	386,554	22,535	-	10,216	419,305
Vehicles	19,454	2,558	-	552	22,564
Facilities	217,396	22,967	-	1,160	241,523
Land	1,019,026	79,419	-	1,548	1,099,993
Construction in progress	1,809,763	1,369,324	(751,898)	6,889	2,434,078
Other	58,156	96	-	-	58,252
	12,684,627	1,907,522	-	114,280	14,706,429
Depreciation					
Hospital machinery and equipment	(1,346,762)	(323,671)	-	(23,287)	(1,693,720)
Surgical instruments	(89,720)	(17,980)	-	(7,876)	(115,576)
Machinery and equipment	(566,903)	(77,557)	-	(3,126)	(647,586)
Buildings	(395,047)	(90,504)	-	(34,689)	(520,240)
Improvements in own buildings	(165,574)	(32,783)	-	(81)	(198,438)
Leasehold improvements	(662,654)	(83,835)	-	-	(746,489)
Furniture and fixtures	(215,397)	(31,439)	-	(6,955)	(253,791)
Vehicles	(18,650)	(2,235)	-	(139)	(21,024)
Facilities	(118,928)	(14,693)	-	(552)	(134,173)
Other	(7,942)	(503)	-	-	(8,445)
	(3,587,577)	(675,200)	-	(76,705)	(4,339,482)
Property and equipment, net	9,097,050	1,232,322	-	37,575	10,366,947

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

9. Property and equipment (Continued)

Changes - Consolidated (Continued)

	12/31/2020	Additions	Sales/disposals	Transfers	Business combinations	09/30/2021
Cost						
Hospital machinery and equipment	1,936,263	235,231	-	-	115,197	2,286,691
Surgical instruments	122,270	24,565	-	-	27,411	174,246
Machinery and equipment	713,350	48,095	-	-	37,848	799,293
Buildings	2,016,417	334,233	-	7,940	121,165	2,479,755
Improvements in own buildings	520,467	4,186	-	(55,216)	71,817	541,254
Leasehold improvements	1,817,157	22,758	-	573,406	23,722	2,437,043
Furniture and fixtures	307,668	24,813	-	-	26,130	358,611
Vehicles	18,674	2,245	(3,476)	-	1,159	18,602
Facilities	198,535	7,923	-	-	3,805	210,263
Land	974,184	15,002	(19,565)	-	25,252	994,873
Construction in progress	1,297,177	688,700	-	(526,130)	69,739	1,529,486
Other	53,266	408	-	-	38	53,712
	<u>9,975,428</u>	<u>1,408,159</u>	<u>(23,041)</u>	<u>-</u>	<u>523,283</u>	<u>11,883,829</u>
Depreciation						
Hospital machinery and equipment	(917,306)	(259,400)	-	-	(64,411)	(1,241,117)
Surgical instruments	(47,468)	(10,445)	-	-	(14,210)	(72,123)
Machinery and equipment	(441,284)	(76,901)	-	-	(20,215)	(538,400)
Buildings	(271,773)	(66,359)	-	-	(15,662)	(353,794)
Improvements in own buildings	(100,638)	(28,579)	-	-	(16,556)	(145,773)
Leasehold improvements	(555,764)	(72,409)	-	-	(2,296)	(630,469)
Furniture and fixtures	(155,290)	(28,023)	-	-	(12,603)	(195,916)
Vehicles	(13,618)	(2,879)	-	-	(1,004)	(17,501)
Facilities	(96,034)	(14,013)	-	-	(2,518)	(112,565)
Other	(7,308)	(425)	-	-	(11)	(7,744)
	<u>(2,606,483)</u>	<u>(559,433)</u>	<u>-</u>	<u>-</u>	<u>(149,486)</u>	<u>(3,315,402)</u>
Property and equipment, net	<u>7,368,945</u>	<u>848,726</u>	<u>(23,041)</u>	<u>-</u>	<u>373,797</u>	<u>8,568,427</u>

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

9. Property and equipment (Continued)

Significant changes for the periods ended September 30, 2022 and 2021 were as follows:

2022

- (i) Additions relating to property and equipment from business combinations for the period, especially of Hospital Memorial Arthur Ramos and Hospital Aeroporto.
- (ii) Purchase of hospital machinery and equipment as part of the renovation and remodeling of Hospital São Luiz Itaim and Clínica São Vicente.
- (iii) Purchase of hospital machinery and equipment as part of the opening of Maternidade São Luiz Star.
- (iv) Construction costs of hospitals Novo Barra and Campinas, and expansion and renovation works of Hospital Niterói D'Or, Clínica São Vicente and Hospital São Luiz Itaim.
- (v) Beginning of operations of the new tower of Hospital Sino Brasileiro and of Maternidade São Luiz Star, with its assets reclassified to the appropriate groups and now undergoing depreciation.

2021

- (vi) Additions relating to property and equipment from business combinations for the period, especially of Hospital Serra Mayor, Biocor Hospital de Doenças Cardiovasculares, Proncor Unidade Intensiva e Cardiorrespiratória, Hospital Santa Emília and Hospital Nossa Senhora das Neves.
- (vii) Purchase of hospital machinery and equipment as part of the Company's operational routine, and renovation and remodeling of Hospital São Caetano do Sul, Hospital Glória D'Or and Hospital Brasil.
- (viii) Acquisition, through investee GNI25 SP Empreendimentos Imobiliários Ltda., of fifteen (15) properties located in the state of São Paulo, and acquisition, through investee GNI17 SP Empreendimentos Imobiliários Ltda., of two (2) properties located in the state of São Paulo.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2022
(In thousands of reais, unless otherwise stated)

9. Property and equipment (Continued)

Capitalized borrowing costs

The Company capitalizes borrowing costs attributable to qualifying assets. At September 30, 2022, R\$132,794 in interest on loans and financing were capitalized in Property and equipment, net of finance income from fundraising (R\$42,008 at September 30, 2021).

Impairment testing of property and equipment

Management has assessed the existence of events or changes in economic, operational or technological circumstances and has not identified any evidence that could indicate deterioration or impairment of property and equipment.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

10. Intangible assets

	Annual amortization rate	Individual		Consolidated	
		09/30/2022	12/31/2021	09/30/2022	12/31/2021
Finite useful life					
Software	20%	225,156	238,296	315,906	304,058
Exclusive agreements	20%	33,573	52,334	264,282	277,095
Other		-	-	58,737	57,562
Indefinite useful life					
Goodwill					
Acquisition of Copa D'Or		80,058	80,058	80,058	80,058
Acquisition of HMSL		668,339	668,339	668,339	668,339
Acquisition of Hospital Brasil		121,398	121,398	121,398	121,398
Acquisition of Hospital Prontolinda		30,595	30,595	30,595	30,595
Acquisition of Vivalle		38,692	38,692	38,692	38,692
Acquisition of São Marcos		-	-	10,807	10,807
Acquisition of Santa Luzia		199,333	199,333	199,333	199,333
Acquisition of Sinisgalli		156,646	156,646	156,646	156,646
Acquisition of Hospital Esperança		-	-	108,408	108,408
Acquisition of Norte D'Or		-	-	28,450	28,450
Acquisition of IFOR		85,724	85,724	85,724	85,724
Acquisition of Sino Brasileiro		241,947	241,947	241,947	241,947
Acquisition of Villa-Lobos		136,074	136,074	136,074	136,074
Acquisition of Bartira		105,584	105,584	105,584	105,584
Acquisition of Onco ABC/Cardeal/JLD		-	-	52,174	52,174
Acquisition of Oncoholding		-	-	159,445	159,445
Acquisition of Hospital Fluminense		-	-	10,658	10,658
Acquisition of Hospital Santa Helena (b)		125,802	-	125,802	125,802
Acquisition of Acreditar		-	-	155,720	155,720
Acquisition of Memorial São José		112,528	112,528	112,528	112,528
Acquisition of Alpha-Med		-	-	43,815	43,815
Acquisition of CEHON		-	-	68,757	68,757
Acquisition of Maximagem (b)		46,742	46,742	46,742	46,742
Acquisition of Ribeirão Pires		129,739	129,739	129,739	129,739
Acquisition of NEOH		-	-	33,422	33,422
Acquisition of JTO		-	-	12,567	12,567
Acquisition of Salus		-	-	8,956	8,956
Acquisition of Prontimagem		-	-	6,220	6,220
Acquisition of Sator		-	-	163,089	163,089
Acquisition of Hospital São Rafael		-	-	509,363	509,363
Acquisition of Laboratório Richet		-	-	184,232	184,232
Acquisition of UDI		-	-	335,883	335,883
Acquisition of Samer		-	-	70,939	70,939
Acquisition of Hospital Rio Mar		-	-	94,833	94,833
Acquisition of Hospital São Lucas		-	-	223,079	223,079
Acquisition of Hospital Aviccena		-	-	60,476	60,476
Acquisition of Perinatal		-	-	655,580	655,580
Acquisition of Reseda		-	-	54,198	54,198
Acquisition of Hospital Santa Cruz		-	-	299,583	299,583
Acquisition of Aliança		-	-	925,555	926,268
Acquisition of Salute		-	-	15,475	15,475
Acquisition of São Carlos		-	-	160,139	160,139
Acquisition of Clínica São Lucas		-	-	45,673	45,673
Acquisition of Clivalle		-	-	40,786	40,786
Acquisition of HCP/Cárdio Pulmonar		-	-	146,894	146,894
Acquisition of Saúde Corp		-	-	11,555	11,555
Acquisition of Guaianases		-	-	115,751	115,751
Acquisition of Antônio Afonso		-	-	16,782	16,782

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

10. Intangible assets (Continued)

	Annual amortization rate	Individual		Consolidated	
		09/30/2022	12/31/2021	09/30/2022	12/31/2021
Indefinite useful life					
Acquisition of Balbino		-	-	77,500	77,500
Acquisition of Brasil Mauá (former América)		-	-	456,511	456,511
Acquisition of Serra Mayor		-	-	68,981	68,981
Acquisition of Biocor		-	-	620,347	681,837
Acquisition of Proncor		-	-	202,929	234,355
Acquisition of Santa Emilia		-	-	121,991	127,493
Acquisition of Hospital Nossa Senhora das Neves		-	-	326,634	299,990
Acquisition of HNSN Empreendimentos		-	-	34,790	32,670
Acquisition of Orthoservice		-	-	33,705	35,748
Acquisition of HNA Emp. e Participações		-	-	77,555	55,495
Acquisition of Hospital Novo Atibaia		-	-	182,819	201,574
Acquisition of Hospital Arthur Ramos		-	-	313,927	-
Acquisition of Hospital Santa Isabel		-	-	249,202	-
Acquisition of Hospital Aeroporto		-	-	194,204	-
Other goodwill		48,650	48,650	525,993	420,174
Trademarks and patents (a)		190,810	190,810	190,810	190,810
		2,777,390	2,683,489	11,425,288	10,631,031

(a) This mainly refers to the Hospital São Luiz trademark registered upon its acquisition in 2010.

(b) Subsidiary merged into the Parent Company in 2022.

The goodwill balances were generated from business combinations. Acquisitions conducted in 2022 and 2021 are described in Note 3.

Impairment

Goodwill is allocated to the Cash-Generating Units (CGU) identified by management, i.e. each hospital, as shown in the table above.

The recoverable amount of a CGU is determined based on the calculation of value in use. Value in use calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the return on investment expected by the investors. The debt cost is based on interest-bearing financing that the Company is required to repay. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

There is no indication of impairment of intangible assets as of the present date.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

11. Right of use

Balance breakdown

Description	Individual					
	09/30/2022			12/31/2021		
	Cost	Amortization	Net	Cost	Amortization	Net
Hospital machinery and equipment	33,797	(21,742)	12,055	29,725	(16,258)	13,467
Properties	2,845,172	(636,140)	2,209,032	2,217,921	(487,580)	1,730,341
	2,878,969	(657,882)	2,221,087	2,247,646	(503,838)	1,743,808

Description	Consolidated					
	09/30/2022			12/31/2021		
	Cost	Amortization	Net	Cost	Amortization	Net
Hospital machinery and equipment	61,494	(40,183)	21,311	58,540	(31,501)	27,039
Properties	4,521,325	(873,840)	3,647,485	3,737,822	(630,408)	3,107,414
	4,582,819	(914,023)	3,668,796	3,796,362	(661,909)	3,134,453

Changes - Individual

	12/31/2021	Additions (a)	Additions from		09/30/2022
			mergers	Amortization	
Cost					
Hospital machinery and equipment	29,725	1,406	2,666	-	33,797
Properties	2,217,921	429,105	198,146	-	2,845,172
	2,247,646	430,511	200,812	-	2,878,969
Amortization					
Hospital machinery and equipment	(16,258)	-	-	(5,484)	(21,742)
Properties	(487,580)	-	-	(148,560)	(636,140)
	(503,838)	-	-	(154,044)	(657,882)
Right of use, net	1,743,808	430,511	200,812	(154,044)	2,221,087

	12/31/2020	Additions (a)	Amortization	09/30/2021
Cost				
Hospital machinery and equipment	50,292	732	-	51,024
Properties	1,934,012	104,338	-	2,038,350
	1,984,304	105,070	-	2,089,374
Amortization				
Hospital machinery and equipment	(10,973)	-	(3,924)	(14,897)
Properties	(309,321)	-	(132,076)	(441,397)
	(320,294)	-	(136,000)	(456,294)
Right of use, net	1,664,010	105,070	(136,000)	1,633,080

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

11. Right of use (Continued)

Changes - Consolidated

	12/31/2021	Additions (a)	Write-offs (b)	Business combination s	Amortizatio n	09/30/2022
Cost						
Hospital machinery and equipment	58,540	4,340	(1,386)	-	-	61,494
Properties	3,737,822	702,180	-	81,323	-	4,521,325
	<u>3,796,362</u>	<u>706,520</u>	<u>(1,386)</u>	<u>81,323</u>	<u>-</u>	<u>4,582,819</u>
Amortization						
Hospital machinery and equipment	(31,501)	-	1,386	-	(10,068)	(40,183)
Properties	(630,408)	-	-	-	(243,432)	(873,840)
	<u>(661,909)</u>	<u>-</u>	<u>1,386</u>	<u>-</u>	<u>(253,500)</u>	<u>(914,023)</u>
Right of use, net	<u>3,134,453</u>	<u>706,520</u>	<u>-</u>	<u>81,323</u>	<u>(253,500)</u>	<u>3,668,796</u>

	12/31/2020	Additions (a)	Amortization	09/30/2021
Cost				
Hospital machinery and equipment	79,134	7,461	-	86,595
Properties	3,290,699	158,322	-	3,449,021
	<u>3,369,833</u>	<u>165,783</u>	<u>-</u>	<u>3,535,616</u>
Amortization				
Hospital machinery and equipment	(18,659)	-	(9,530)	(28,189)
Properties	(353,153)	-	(205,727)	(558,880)
	<u>(371,812)</u>	<u>-</u>	<u>(215,257)</u>	<u>(587,069)</u>
Right of use, net	<u>2,998,021</u>	<u>165,783</u>	<u>(215,257)</u>	<u>2,948,547</u>

(a) Additions referring to new agreements and renewals due to maturity.

(b) Write-offs referring to contract termination.

The rights of use are amortized during the lease agreement term and take into consideration the expected renewal, when management intends to exercise this right, and in accordance with the terms of the agreements.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

12. Deferred gain on property sales

On October 11, 2013 and December 26, 2012, the Company conducted property sale and leaseback transactions, and property lease was accounted for as operating lease.

Part of the gain referring to the excess of sales proceeds and fair value was deferred, as required by CPC 06/IAS 17 - Leases, and has been amortized over the lease term. At September 30, 2022, deferred gains were broken down as follows:

	Individual and Consolidated	
	09/30/2022	12/31/2021
Caxias D'Or	28,583	29,720
Hospital Brasil	34,605	35,200
	63,188	64,920
Current	3,920	3,920
Noncurrent	59,268	61,000

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2022
(In thousands of reais, unless otherwise stated)

13. Loans, financing and debentures

Transaction/Instrument	Index	Spread	Currency	Principal (R\$)	Beginning	Maturity	Amortization	Guarantees	Individual		Consolidated		
									09/30/2022	12/31/2021	09/30/2022	12/31/2021	
FINEP	TJLP/Fixed rate	0,5%/4,0%	R\$	170,252	Feb/15	Sep/24	Monthly	Guaranteee insurance	48,168	66,491	48,168	66,491	
Citibank II (a)	LIBOR	0,46%	US\$	301,200	Nov/18	Nov/23	Bullet	n/a	421,582	447,822	421,582	447,822	
BofA II (a)	Fixed rate	0,88%	EUR€	400,520	Jun/21	Jun/25	Bullet	n/a	320,160	420,199	320,160	420,199	
JP Morgan II (a)	Fixed rate	1,58%	US\$	520,000	Jul/20	Jul/25	Bullet	n/a	474,394	540,731	474,394	540,731	
CCB Itaú	100% of DI	3,20%	R\$	20,000	Jul/20	Jul/22	Bullet	n/a	-	-	-	20,471	
CCB Bank of China	100% of DI	1,20%	R\$	85,000	May/20	May/26	Bullet	n/a	89,810	86,181	89,810	86,181	
Other	CDI/PRE/IPCA	-	R\$	n/a	n/a	Mar/28	Monthly	Receivables and property	-	-	83,371	203,487	
Debentures – 3 rd issue – Esperança	110.85% of DI	-	R\$	1,000,000	Aug/17	Aug/24	Semiannually	n/a	-	-	504,006	765,044	
Debentures – 4 th issue – Esperança	100% of DI	1,27/1,50%	R\$	1,000,000	Feb/18	Dec/27	Annually	n/a	-	-	1,025,775	986,969	
Debentures – 10 th issue (a)	Fixed rate	11,82%	R\$	1,628,100	Jan/18	Jan/28	Bullet	n/a	1,556,263	1,666,921	32,460	33,397	
Debentures – 13 th issue (b)	100% of DI	1,02%	R\$	1,400,000	Sep/18	Sep/24	Annually	n/a	1,398,685	1,419,190	1,398,685	1,419,190	
Debentures – 14 th issue (b)	106% of DI	-	R\$	500,000	Oct/18	Oct/26	Annually	Property	525,280	502,312	525,280	502,312	
Debentures – 17 th issue 3 rd series (b)	100% of DI	0,79%	R\$	1,000,000	Jun/19	Jun/29	Annually	n/a	1,030,615	992,720	1,030,615	992,720	
Debentures – 17 th issue 2 nd series	100% of DI	1,25%	R\$	2,500,000	Dec/19	Dec/26	Annually	n/a	2,579,938	2,482,205	2,579,938	2,482,205	
Debentures – 17 th issue 1 st series (a)	Fixed rate	8,75%	R\$	3,198,350	Apr/20	Jan/30	Bullet	n/a	2,385,606	2,557,355	-	-	
Debentures – 19 th issue 2 nd series	100% of DI	1,90%	R\$	2,500,000	Aug/21	Aug/31	Annually	n/a	2,519,315	2,547,266	2,519,315	2,547,266	
Debentures – 19 th issue 3 rd series	100% of DI	1,90%	R\$	1,500,000	Sep/21	Aug/31	Annually	n/a	1,511,589	1,525,849	1,511,589	1,525,849	
Debentures – 23 rd issue 1 st series (c)	100% of DI	1,40%	R\$	900,000	May/22	May/28	Bullet	n/a	937,073	-	937,073	-	
Debentures – 23 rd issue 2 nd series (c)	100% of DI	1,90%	R\$	850,000	May/22	May/32	Annually	n/a	886,552	-	886,552	-	
Debentures – 23 rd issue 3 rd series (c)	100% of DI	1,90%	R\$	625,000	May/22	May/32	Annually	n/a	651,877	-	651,877	-	
Debentures GGSB	100% of DI	2,80%	R\$	360,000	Apr/21	Apr/26	Semiannually	n/a	-	-	372,496	357,614	
Debentures GGSB	CDI	2,20%	R\$	70,000	Sep/22	Sep/26	Semiannually	n/a	-	-	74,022	-	
Senior Notes I (a)	Fixed rate	4,95%	US\$	1,596,400	Jan/18	Jan/28	Bullet	n/a	-	-	2,498,516	3,074,369	
Senior Notes II (a)	Fixed rate	4,50%	US\$	5,062,504	Jan/20	Jan/30	Bullet	n/a	-	-	3,260,281	4,142,489	
Promissory note – 3 rd issue	112.5% of DI	-	R\$	1,000,000	Apr/18	Apr/23	Bullet	n/a	1,331,295	1,198,637	1,331,295	1,198,637	
Promissory note – 4 th issue	103.0% of DI	-	R\$	800,000	Sep/19	Sep/22	Bullet	n/a	-	872,716	-	872,716	
Mortgage-backed Securities (CRIs) – 1 st issue	99% of DI	-	R\$	662,837	Mar/18	Mar/23	Bullet	n/a	650,921	647,954	650,921	647,954	
Mortgage-backed Securities (CRIs) – 2 nd issue	IPCA	6,06%	R\$	300,000	Jul/18	Jul/25	Bullet	n/a	377,340	365,359	377,340	365,359	
Mortgage-backed Securities (CRIs) – 3 rd issue 1 st series	96.5% of DI	-	R\$	227,051	Dec/18	Dec/23	Bullet	n/a	230,228	222,227	230,228	222,227	
Mortgage-backed Securities (CRIs) – 3 rd issue 2 nd series	IPCA	4,66%	R\$	372,949	Dec/18	Dec/25	Bullet	n/a	475,377	438,421	475,377	438,421	
Mortgage-backed Securities (CRIs) – 4 th issue 1 st series	95.75% of DI	-	R\$	269,900	Feb/19	Feb/23	Bullet	n/a	272,192	269,431	272,192	269,431	
Mortgage-backed Securities (CRIs) – 4 th issue 2 nd series	IPCA	3,93%	R\$	30,100	Feb/19	Feb/26	Bullet	n/a	36,963	35,602	36,963	35,602	
Mortgage-backed Securities (CRIs) – 5 th issue	IPCA	3,45%	R\$	538,328	Sep/19	Aug/29	Annually	n/a	647,655	623,054	647,655	623,054	
Mortgage-backed Securities (CRIs) – 6 th issue (a)	IPCA	4,93%	R\$	1,500,000	May/21	May/36	Annually	n/a	1,357,983	1,351,211	1,357,983	1,351,211	
Mortgage-backed Securities (CRIs) – 7 th issue 1 st series (a)	IPCA	5,58%	R\$	400,000	Dec/21	Dec/31	Annually	n/a	401,749	397,295	401,749	397,295	
Mortgage-backed Securities (CRIs) – 7 th issue 2 nd series (a)	IPCA	6,10%	R\$	600,000	Dec/21	Dec/36	Annually	n/a	593,979	592,623	593,979	592,623	
Mortgage-backed Securities (CRIs) – 8 th issue 2 nd series (a)/(d)	IPCA	5,83%	R\$	798,634	Jun/22	Jun/29	Bullet	n/a	782,539	-	782,539	-	
Mortgage-backed Securities (CRIs) – 8 th issue 3 rd series (a)/(d)	IPCA	6,01%	R\$	341,867	Jun/22	Jun/32	Annually	n/a	335,500	-	335,500	-	
Mortgage-backed Securities (CRIs) – 9 th issue 1 st series (e)	IPCA	6,39%	R\$	30,000	Aug/22	Jul/29	Bullet	n/a	29,996	-	29,996	-	
Mortgage-backed Securities (CRIs) – 9 th issue 2 nd series (e)	IPCA	6,54%	R\$	70,000	Aug/22	Jul/32	Bullet	n/a	70,771	-	70,771	-	
Mortgage-backed Securities (CRIs) – 9 th issue 3 rd series (e)	IPCA	6,77%	R\$	400,000	Aug/22	Jul/37	Bullet	n/a	411,353	-	411,353	-	
									25,342,748	22,269,772	29,251,806	27,629,336	
									Current	3,492,901	1,260,597	3,824,873	1,554,588
									Noncurrent	21,849,847	21,009,175	25,426,933	26,074,748

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

13. Loans, financing and debentures (Continued)

- (a) As mentioned in Note 27, the Group enters into derivative financial instruments to hedge foreign exchange differences and interest rate (Fixed rate, Libor and IPCA) and has adopted the fair value hedge accounting as accounting practice; therefore, these debts are recorded at fair value through profit or loss.
- (b) As mentioned in Note 27, the Group enters into derivative financial instruments to hedge interest rate (CDI) and has adopted the cash flow hedge accounting as accounting practice; therefore, these debts are recorded at amortized cost and derivatives at fair value; the effective portion of the debt is recorded at fair value through other comprehensive income and any ineffective portion and interest at fair value through profit or loss.
- (c) On May 26, 2022, Rede D'Or paid in the 23rd issue of debentures in three series, in the amount of R\$2.4 billion, maturing on May 15, 2028, May 15, 2032 and May 15, 2032. The first series is indexed to the CDI + 1.40% p.a. and the 2nd and 3rd series to the CDI + 1.90% p.a., payable semiannually. There are no guarantees.
- (d) On June 15, 2022, Rede D'Or, through a securitization company, paid in the 8th issue of registered book-entry Mortgage-backed securities ("CRI"), in two series, in the amount of R\$1.1 billion, maturing on June 15, 2029 and June 15, 2032. The 1st series CRI was cancelled, and the 2nd series is indexed to the IPCA + 5.83% p.a., and the 3rd series CRI to the IPCA + 6.01% p.a., payable semiannually. Concomitantly, the Company entered into a derivative financial instruments for IPCA inflation rate hedging purposes, converting it into interest equivalent to 102.7% of the CDI and 104.1% of the CDI, respectively. There are no guarantees.
- (e) On August 2, 2022, Rede D'Or, through a securitization company, paid in the 9th issue of registered, book-entry Mortgage-backed securities ("CRI"), in the amount of R\$500.0 million, maturing on July 15, 2029, July 15, 2032 and July 15, 2037. The 1st series CRI is indexed to the IPCA + 6.3828% p.a., the 2nd series CRI is indexed to the IPCA + 6.5445% p.a., and the 3rd series CRI is indexed to the IPCA + 6.7692% p.a., payable semiannually. Concomitantly, the Company entered into a derivative financial instruments for IPCA inflation rate hedging purposes, converting it into interest equivalent to 103.65% of the CDI and 107.9% of the CDI, respectively. There are no guarantees.

Significant loans, financing and debentures were taken out for general corporate purposes, in order to acquire companies, expand hospitals and build new units.

Costs related to the issues of loans, financing and debentures, in the amount of R\$288,389 at September 30, 2022 (R\$297,231 at December 31, 2021), were recorded as a reduction of the balances and have been amortized over the term of the agreements.

The Company does not have any covenants regarding indebtedness levels, corresponding indexes based on net debt, EBITDA and finance cost, it only has the guarantees listed above.

At September 30, 2022, the maturity of noncurrent balances is as follows:

09/30/2022			
Individual		Consolidated	
Year	Amount	Year	Amount
2023	766,022	2023	777,878
2024	1,558,311	2024	1,949,562
2025	2,738,612	2025	2,913,062
2026	975,638	2026	1,579,578
2027	536,997	2027	1,034,847
2028	2,955,066	2028	3,951,798
2029 to 2036	12,319,201	2029 to 2036	13,220,208
	21,849,847		25,426,933

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Notes to interim financial information (Continued)

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(In thousands of reais, unless otherwise stated)

14. Tax obligations

	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Contribution Tax on Gross Revenue for Social Integration Program (PIS)	6,394	4,736	14,717	11,845
Contribution Tax on Gross Revenue for Social Security Financing (COFINS)	44,453	34,061	94,660	79,603
Service Tax (ISS)	72,341	67,877	213,318	176,969
Withholding Income Tax (IRRF)	103,366	62,045	113,645	80,589
Corporate Income Tax (IRPJ)	-	992	114,901	121,851
Social Contribution Tax on Net Profit (CSLL)	-	292	29,647	32,209
Other	19,183	20,830	36,607	42,401
Tax refinancing programs:				
Service Tax (ISS)	967	1,240	10,379	12,891
Refinancing - Law No. 11941/09	26,940	28,608	105,670	104,313
Social security tax payable	16,788	19,106	103,074	97,472
Other	13,299	14,315	73,615	71,819
	303,731	254,102	910,233	831,962
Current	253,456	199,681	674,310	592,127
Noncurrent	50,275	54,421	235,923	239,835

At September 30, 2022, the maturity of noncurrent balances is as follows:

09/30/2022			
Individual		Consolidated	
Year	Amount	Year	Amount
2023	9,747	2023	60,556
2024	7,609	2024	50,436
2025	7,769	2025	45,290
2026	7,994	2026	33,386
2027 to 2030	17,156	2027 to 2030	46,255
	50,275		235,923

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

15. Accounts payable for acquisitions

Acquisitions	Restatement index	Individual		Consolidated	
		09/30/2022	12/31/2021	09/30/2022	12/31/2021
Ribeirão Pires	CDI	26,212	24,072	26,212	24,072
Alphamed	CDI	8,903	8,176	8,903	8,176
Sator	SELIC	19,485	19,266	19,485	19,266
UDI	CDI	-	-	34,412	36,039
São Rafael	SELIC	-	-	140,957	129,448
Richet	CDI	-	-	7,249	8,458
Samer	CDI	-	-	9,739	8,944
Hospital Rio Mar	IPCA	-	-	76,207	72,292
Hospital São Lucas	CDI	-	-	49,335	45,307
Hospital Perinatal	IPCA	21,308	28,628	21,308	28,628
OncoCentro	CDI	-	-	5,763	7,055
Clivale	CDI	-	-	5,701	5,235
Cárdio Pulmonar	CDI	-	-	20,220	18,569
Clínica São Lucas	CDI	-	-	26,247	24,104
Hospital São Carlos	CDI	-	-	5,297	4,865
Hospital Antônio Afonso	CDI	-	-	4,536	4,165
Hospital Guaianases	CDI	-	-	33,000	31,147
Brasil Mauá (former América)	CDI	-	-	11,256	10,337
Hospital Serra Mayor	CDI	-	-	5,629	5,169
Holding Nordeste	CDI	-	-	6,709	6,709
Proncor	CDI	-	-	-	6,606
Hospital Santa Emília	CDI	-	-	11,172	10,259
Hospital Novo Atibaia	CDI	-	-	53,505	63,175
Arthur Ramos	CDI	-	-	77,280	-
Aeroporto	CDI	-	-	26,716	-
Santa Marina	CDI	-	-	8,702	-
Other	CDI/IPCA	1,768	1,642	34,840	28,302
		77,676	81,784	730,380	606,327
Current		77,476	59,251	209,448	223,957
Noncurrent		200	22,533	520,932	382,370

Accounts payable for acquisition of companies refer to the remaining balance of the considerations relating to acquisitions. At September 30, 2022, the maturity of noncurrent balances is as follows:

09/30/2022			
Individual		Consolidated	
Year	Amount	Year	Amount
2023	-	2023	3,637
2024	-	2024	167,202
2025	-	2025	74,452
2026 to 2029	200	2026 to 2029	275,641
	200		520,932

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

16. Provision for contingencies and judicial deposits

The Company and its subsidiaries are parties to various tax, civil and labor claims. The judicial deposits made will only be released in the event that a favorable decision is handed down to the Company. Based on the opinion of its internal and external legal advisors, management set up a provision for losses deemed sufficient to cover probable losses, as follows:

	Individual			
	09/30/2022		12/31/2021	
	Provision for contingencies	Judicial deposits	Provision for contingencies	Judicial deposits
Tax and social security	226	(251,782)	617	(196,946)
Labor	75,580	(24,920)	82,412	(22,503)
Civil	56,058	(6,623)	52,191	(7,297)
	131,864	(283,325)	135,220	(226,746)

	Consolidated			
	09/30/2022		12/31/2021	
	Provision for contingencies	Judicial deposits	Provision for contingencies	Judicial deposits
Tax and social security	99,117	(358,348)	107,723	(303,877)
Labor	134,586	(32,329)	136,245	(30,931)
Civil	94,950	(14,571)	100,900	(15,704)
	328,653	(405,248)	344,868	(350,512)

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

16. Provision for contingencies and judicial deposits (Continued)

16.1. Proceedings assessed as probable loss (Continued)

Changes in provisions for contingencies for the periods ended September 30, 2022 and 2021 were as follows:

	Individual			Total
	Tax and social security	Labor	Civil	
Balances at December 31, 2020	33,741	62,188	44,551	140,480
Additions, net of reversals	(1,952)	18,509	4,602	21,159
Monetary restatement	840	1,532	1,119	3,491
Payments	(318)	(1,695)	(1)	(2,014)
Balances at September 30, 2021	32,311	80,534	50,271	163,116
Balances at December 31, 2021	617	82,412	52,191	135,220
Additions, net of reversals	(240)	(18,853)	(2,502)	(21,595)
Monetary restatement	25	4,573	2,900	7,498
Payments	(176)	(337)	(122)	(635)
Additions from mergers (a)	-	7,785	3,591	11,376
Balances at September 30, 2022	226	75,580	56,058	131,864

	Consolidated			Total
	Tax and social security	Labor	Civil	
Balances at December 31, 2020	144,214	102,574	73,075	319,863
Additions, net of reversals	(7,706)	26,087	2,512	20,893
Monetary restatement	3,606	2,526	1,832	7,964
Payments	(566)	(2,893)	(58)	(3,517)
Additions from acquisitions	6,717	4,220	3,569	14,506
Balances at September 30, 2021	146,265	132,514	80,930	359,709
Balances at December 31, 2021	107,723	136,245	100,900	344,868
Additions, net of reversals	(10,493)	(9,549)	(13,124)	(33,166)
Monetary restatement	495	5,639	4,181	10,315
Payments	(1,139)	(1,420)	(414)	(2,973)
Additions from acquisitions (b)	2,531	3,671	3,407	9,609
Balances at September 30, 2022	99,117	134,586	94,950	328,653

(a) Subsidiary "Hospital Santa Helena" merged into the Parent Company in 2022.

(b) Additions related to acquisitions carried out in the respective years, as described in Note 3.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2022
(In thousands of reais, unless otherwise stated)

16. Provision for contingencies and judicial deposits (Continued)

16.1. Proceedings assessed as probable loss (Continued)

Tax proceedings arise mainly from challenges of State VAT (ICMS) on imports of medical equipment, Service Tax (ISS) payable based on a different tax rate, and of Federal VAT (IPI) on imports.

Labor claims refer substantially to overtime, 13th monthly salary, 30-day resignation notice, vacation pay and Unemployment Compensation Fund (FGTS).

Civil and administrative proceedings refer to compensation for alleged pain and suffering and property damages.

Considering the complexities of the lawsuits, as well as of the Brazilian legal system, the Company cannot estimate with reasonable accuracy a timeframe for disbursement for their settlement.

16.2. Proceedings assessed as possible loss

The proceedings assessed as possible loss by the Company and its legal advisors, for which no provisions have been recorded, are summarized as follows:

	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Tax and social security (a)	1,689,154	1,469,909	1,866,071	1,638,046
Labor (b)	169,751	103,117	225,929	145,543
Civil (c)	309,102	221,186	476,965	352,449
	2,168,007	1,794,212	2,568,965	2,136,038

(a) The significant challenges refer to administrative proceedings in the total amount of R\$1.2 billion, of which R\$837.9 million refer to notices served in 2016 and 2017, and R\$335.7 million refer to notices served in early 2018. These challenges derive mostly from allegations of the Brazilian Internal Revenue Service (RFB) that certain doctors who render services in hospitals through legal entities would be effectively Company employees. Therefore, the Brazilian tax authorities assessed the Company demanding the payment of the Social Security Tax (INSS). The Company is currently challenging such allegations.

In addition, the Company is a party to various tax proceedings involving PIS, COFINS, ISS and Real Estate Tax (IPTU). There are no individually significant proceedings.

(b) Proceedings largely derived from overtime payment, 13th monthly salary, 30-day resignation notice, vacation pay and Unemployment Compensation Fund (FGTS). There are no individually significant proceedings.

(c) Proceedings related to compensation for alleged property and pain and suffering damages. There are no individually significant proceedings.

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Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

16. Provision for contingencies and judicial deposits (Continued)

16.1. Proceedings assessed as possible loss (Continued)

Considering the complexities of the lawsuits, as well as of the Brazilian legal system, the Company cannot estimate with reasonable accuracy a timeframe for the judgment to take place and whether any amounts will be disbursed in connection with these legal proceedings.

17. Leases

	Individual	
	09/30/2022	12/31/2021
Nominal value of future payments	6,525,307	5,093,201
Present value adjustment	(3,992,683)	(3,120,625)
	2,532,624	1,972,576
Current	434,268	222,316
Noncurrent	2,098,356	1,750,260
	Consolidated	
	09/30/2022	12/31/2021
Nominal value of future payments	10,354,629	8,641,626
Present value adjustment	(6,226,409)	(5,138,160)
	4,128,220	3,503,466
Current	677,510	346,720
Noncurrent	3,450,710	3,156,746

The liabilities were measured at the present value of the remaining lease payments discounted at the average rate of 14.95% at September 30, 2022.

At September 30, 2022, the maturity of noncurrent balances is as follows:

	09/30/2022			
	Individual		Consolidated	
	Year	Amount	Year	Amount
2023		105,103	2023	343,000
2024		377,144	2024	613,120
2025		322,423	2025	500,561
2026		231,810	2026	378,984
2027 to 2055		1,061,876	2027 to 2055	1,615,045
		2,098,356		3,450,710

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2022
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18. Equity

a) Capital

The Company's capital is broken down as follows:

Shareholders	09/30/2022		12/31/2021	
	Number of shares	Equity interest	Number of shares	Equity interest
Controlling family (a)	1,016,240,001	50.55%	1,014,928,801	50.48%
Pacific Mezz PTE. Ltd. (b)	434,725,315	21.63%	434,725,315	21.63%
Carlyle Group (c)	169,520,664	8.43%	169,520,664	8.43%
Market	326,807,930	16.26%	326,034,854	16.22%
Other	63,073,245	3.13%	65,157,521	3.24%
Total common shares	2,010,367,155	100.00%	2,010,367,155	100.00%

(a) This represents equity interest directly held by the "Moll Family" (individuals) and by means of investment fund 'Delta FM&B Fundo Inv. em Participações'.

(b) This represents Singapore Sovereign Fund (GIC).

(c) Represented by funds HPT Fundo de Investimento em Participações, HPT II Fundo de Investimento em Participações, RDSL Investimento Secundário FIP, Fundo Brasil de Internacionalização de Empresas - FIP and Fundo Brasil de Internacionalização de Empresas - FIP II.

Subscribed and paid-in capital at September 30, 2022 amounts to R\$7,575,516 represented by 2,010,367,155 registered no-par-value common shares (at December 31, 2021 it amounted to R\$7,575,516 represented by 2,010,367,155 registered no-par-value common shares). As approved in the Company's Articles of Incorporation, the limit of authorized capital is up to 8 billion shares (units).

Under the Company's Articles of Incorporation, each common share is entitled to a vote in the Company's general meetings.

The share issue premium reserve was substantially due to the capital contributions made (i) on March 31, 2015, by the former shareholder BTG Pactual Saúde Fundo de Investimento em Participações, in the amount of R\$600,000, of which R\$147,664 were recorded as capital increase and R\$452,336 as share subscription premium reserve; (ii) on April 27, 2015, by HPT Participações S.A. (investee of the Carlyle Group), in the amount of R\$1,819,435, of which R\$181,943 as a capital increase and R\$1,637,491 as share subscription premium reserve; and (iii) decrease in reserve through capitalization in the amount of R\$1,600,000.

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Notes to interim financial information (Continued)
September 30, 2022
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18. Equity (Continued)

b) Allocations of income

Changes in the balances of dividends and interest on equity payable in the periods ended September 30, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Balance payable at December 31	64,551	346,600
Allocation of dividends and interest on equity	641,763	2,564,709
Allocation of dividends and interest on equity – non-controlling interests	31,979	89,382
Payment of dividends and interest on equity	(561,654)	(2,862,120)
Withholding Income Tax (IRRF)	(72,146)	(51,644)
Balance payable at September 30	104,493	<u>86,927</u>

The distribution and payment of dividends and interest on equity were approved at the Annual General Meeting.

c) Treasury shares

Changes in treasury shares are as follows:

	<u>09/30/2022</u>			<u>09/30/2021</u>		
	Number of shares	Share value (in reais)	Total	Number of shares	Share value (in reais)	Total
Balance at December 31	38,913,920	3.58	139,282	42,800,664	3.58	153,194
Acquisitions	14,140	52.38	741	-	-	-
Disposals	(2,593,904)	3.58	(9,284)	(3,886,744)	3.58	(13,912)
Balance at September 30	36,334,156	3.58	130,739	38,913,920	3.58	139,282

Shares purchased and sold substantially refer to the share-based payment plan, as described below.

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Notes to interim financial information (Continued)
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18. Equity (Continued)

d) Share-based payment (Restricted shares)

Restricted Stock Option Plan

The plan establishes the terms and conditions for the granting of common shares issued by the Company, subject to certain restrictions, to managing officers, employees and service providers of the Company, or of other companies under its control.

1st Restricted Stock Option Program

The Company's Board of Directors approved the 1st Restricted Stock Option Program and established the conditions for the granting of the Company's registered no-par-value common shares to managing officers and employees.

The rights of beneficiaries in relation to restricted shares will only be fully vested whether they remain continuously linked to the Company or to an entity under its control, as the case may be, for a determined period, subject to the conditions for the release of stock trading restrictions, as defined by the Board of Directors, with specific conditions in case of termination.

The total restricted shares delivered through the Restricted Stock Option Plan cannot exceed the maximum limit of 5% (five percent) of shares issued by the Company, which at September 30, 2022 was equivalent to a total of 100,518,358 shares.

In the nine-month period ended September 2022, a total of 3,577,793 Restricted Shares was granted to the elected beneficiaries, referring exclusively to the 1st Restricted Stock Option Program, at the weighted average price of R\$16.92. All restricted shares already granted in the nine-month period ended September 2022 were transferred to the beneficiaries (vested immediately) on February 7, 2022, and there are no restricted shares already granted that are pending transfer.

Of the total shares mentioned above, for purposes of measuring shareholder dilution, the total amount of shares effectively transferred to beneficiaries under the 1st Restricted Stock Option Program was 2,593,900 shares, referring exclusively to the Restricted Stock Option Plan, in accordance with item 33E of Accounting Pronouncement CPC 10 - Share-Based Payment.

For the purpose of calculating the expenses to be allocated, a cancellation rate of 5.95% was used, based on the average historical cancellations of the Company's plans.

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Notes to interim financial information (Continued)
September 30, 2022
(In thousands of reais, unless otherwise stated)

18. Equity (Continued)

d) Share-based payment (restricted shares) (Continued)

1st Restricted Stock Option Program (Continued)

Like previous plans, the 1st Restricted Stock Option Program was measured and recognized at fair value using the Black, Scholes & Merton (1973) model, according to Accounting Pronouncement CPC 10 – Share-Based Payment.

2nd Restricted Stock Option Program

Within the scope of the Restricted Stock Option Plan, the Company's Board of Directors approved the 2nd Restricted Stock Option Program, beginning January 2022, which established the specific conditions for receiving a certain amount of units of reference that will entitle to the settlement of awards provided for in the individual grant agreements, which can be settled with registered no-par-value common shares of the Company to its managing officers, employees and service providers, or in cash, at the Company's discretion, depending, in that case, on the appreciation of the RDOR3 share price in a certain period of time, under the terms of the individual agreements.

During the nine-month period ended in September 2022, 1,972,735 Units of Reference in total were granted to the elected beneficiaries, exclusively related to the 2nd Restricted Stock Option Program, which is not yet fully vested.

The 2nd Restricted Stock Option Program is measured and recognized at fair value, using the Company's valuation identification model (Market cap) and deducting the reference value agreed with each executive officer, duly restated by reference to the IPCA, according to Accounting Pronouncement CPC 10 – Share-Based Payment.

The rights of the beneficiaries in relation to the restricted shares will only be fully vested if they remain continuously linked to the Company or an entity under its control, as the case may be, for a determined period and if the result of the award arising from the exercise of their units of reference is positive in the specific settlement windows provided for in the individual agreements, which implies that the RDOR3 share price must have gone up, at the time of the settlement window, for the Beneficiary to be entitled to receive it, with specific conditions in case of termination. The Company pays all taxes and charges levied on the award at the time of its settlement in shares, or in cash, at its sole discretion.

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Notes to interim financial information (Continued)
September 30, 2022
(In thousands of reais, unless otherwise stated)

18. Equity (Continued)

d) Share-based payment (restricted shares) (Continued)

2nd Restricted Stock Option Program (Continued)

For the purpose of calculating the expenses to be allocated, a cancellation rate of 5.95% was used in 2022, based on the average historical cancellations of the Company's plans.

Like previous plans, the 1st Restricted Stock Option Program was measured and recognized at fair value using the Black, Scholes & Merton (1973) model, according to Accounting Pronouncement CPC 10 – Share-Based Payment, whose main assumptions are described below.

The 2nd Restricted Stock Option Program is measured and recognized at fair value, using the Company's valuation identification model (Market cap) and deducting the reference value agreed with each executive officer, duly restated by reference to the IPCA, according to Accounting Pronouncement CPC 10 – Share-Based Payment.

Program	Year	Grace period	Number of shares	Annual volatility	Risk-free rate	Weighted average of fair value of shares (in reais)	Vesting	Options canceled
1 st program	2020	05/29/2020 to 05/29/2027	46,591,300	26.36%	4.66%	7.45	Partially vested	-
1 st program	2021	04/01/2021 to 04/01/2028	5,361,026	28.81%	5.98%	25.50	Partially vested	-
1 st program	2022	01/01/2022 to 01/01/2028	3,577,793	32.75%	11.55%	15.03	Partially vested	-
2 nd program	2022	01/01/2022 to 12/31/2028	1,972,735	-	-	29.16	Partially vested	-

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Notes to interim financial information (Continued)
September 30, 2022
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18. Equity (Continued)

d) Share-based payment (restricted shares) (Continued)

Restricted Stock Option Plan (Continued)

The effects of the share-based payment plans, covering all granted and outstanding options, on equity and profit or loss for the year, are broken down as follows:

	<u>Fair value of options per year</u>	<u>Effect on P&L for the year</u>	<u>Changes - RSU</u>	<u>Cumulative effect on equity</u>
2011	1,457	1,457	-	1,457
2012	16,234	16,234	-	17,691
2013	20,656	20,656	-	38,347
2014	27,363	27,363	-	65,710
2015	51,949	51,949	-	117,659
2016	30,864	30,864	-	148,523
2017	32,599	32,599	-	181,122
2018	40,662	40,662	-	221,784
2019	40,656	40,656	-	262,440
2020	80,071	80,071	(80,071)	-
2021	120,427	120,427	(120,427)	-
2022	93,207	93,207	(52,968)	40,239
2023	11,670			
2024	11,670			
2025	11,670			
2026	11,670			
2027	11,670			
	<u>614.495</u>			

e) Other comprehensive income

In the nine-month period ended September 30, 2022, the effects of the cash flow hedge taken out for debt hedging purposes were recognized as other comprehensive income in the amount of R\$19,239, decreasing equity for the year, as well as loss on fair value of equity instruments (shares) by R\$219,672, decreasing equity for the year. Cash flow hedge is described in Note 13.b, and variable investment income/expenses is described in Note 4.

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Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

19. Income and social contribution taxes

Income and social contribution tax expenses for the nine-month periods ended September 30, 2022 and 2021 are as follows:

	Individual		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Deferred				
Income tax	87,166	90,826	123,067	125,502
Social contribution tax	31,380	32,622	44,244	45,038
	118,546	123,448	167,311	170,540
Current				
Income tax	-	(80,717)	(243,587)	(351,327)
Social contribution tax	-	(30,423)	(92,162)	(132,441)
	-	(111,140)	(335,749)	(483,768)
Income and social contribution tax expenses	118,546	12,308	(168,438)	(313,228)

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Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

19. Income and social contribution taxes (Continued)

Changes in deferred income and social contribution tax assets and liabilities for the nine-month periods ended September 30, 2022 and 2021 were as follows:

	Individual				Consolidated					
	12/31/2021	Additional benefits (expenses) recorded	Other comprehensive income	Additions from mergers	09/30/2022	12/31/2021	Additional benefits (expenses)	Other comprehensive income	Additions from business combinations	09/30/2022
Assets										
Income tax losses	123,033	80,791	-	-	203,824	283,472	102,831	-	10,848	397,151
Social contribution tax losses	44,292	29,085	-	-	73,377	103,181	37,019	-	4,182	144,382
Allowance for expected credit losses and provision for disallowances	227,826	(12,427)	-	38,025	253,424	508,135	30,705	-	13,830	552,670
Provision for contingencies	45,975	(1,141)	-	4,162	48,996	124,427	(1,582)	-	239	123,084
Provision for bonus	24,849	(2,141)	-	135	22,843	24,646	(1,683)	-	38	23,001
Foreign exchange differences	229,296	(34,207)	-	-	195,089	229,296	(34,207)	-	-	195,089
Deferred gain on property sales	23,242	-	-	-	23,242	20,502	(2,631)	-	-	17,871
Amortization of right of use (IFRS 16)	171,305	52,375	-	11,412	235,092	273,348	96,951	-	-	370,299
PVA allocation (IFRS 16)	274,918	85,694	-	35,674	396,286	411,691	128,749	-	1,027	541,467
D'Or Finance	45,737	7,337	-	-	53,074	45,737	7,337	-	-	53,074
Variable income investment	-	11,924	113,165	-	125,089	(954)	11,924	113,165	-	124,135
Other provisions	14,349	7,259	-	56	21,664	(3,557)	15,970	-	3,482	15,895
Total deferred tax assets	1,224,822	224,549	113,165	89,464	1,652,000	2,019,924	391,383	113,165	33,646	2,558,118
Liabilities										
Differences between book balance and tax base of goodwill	(686,562)	(18,299)	-	-	(704,861)	(830,356)	(65,277)	-	-	(895,633)
Gain on acquisition in stages	(99,040)	-	-	-	(99,040)	(124,003)	-	-	-	(124,003)
Swap difference	(102,775)	34,110	-	-	(68,665)	(105,953)	34,018	-	-	(71,935)
Lease (IFRS 16)	(362,478)	(120,814)	-	(37,874)	(521,166)	(554,110)	(191,698)	-	(3,955)	(749,763)
Cash flow hedge	(133,644)	-	5,993	-	(127,651)	(164,985)	-	9,911	-	(155,074)
Deferred revenue	(1,333)	(1,000)	-	-	(2,333)	(6,268)	(1,000)	-	-	(7,268)
Other provisions	-	-	-	-	-	(35,142)	(115)	-	6,222	(29,035)
Total deferred tax liabilities	(1,385,832)	(106,003)	5,993	(37,874)	(1,523,716)	(1,820,817)	(224,072)	9,911	2,267	(2,032,711)
Net effect - asset (liability)	(27,366)	118,546	-	51,590	142,770	364,092	167,311	-	35,913	567,316
Effect on equity	(133,644)	-	119,158	-	(14,486)	(164,985)	-	123,076	-	(41,909)
Assets as per statement of financial position	-	-	-	-	128,284	792,083	-	-	-	1,056,927
Liabilities as per statement of financial position	(161,010)	-	-	-	-	(592,976)	-	-	-	(531,519)

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Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

19. Income and social contribution taxes (Continued)

	Individual				Consolidated				
	12/31/2020	Additional benefits (expenses) recorded	Other comprehensive income	09/30/2021	12/31/2020	Additional benefits (expenses)	Other comprehensive income	Additions from business combinations	09/30/2021
Assets									
Income tax losses	93,988	17,194	-	111,182	171,224	41,554	-	24,675	237,453
Social contribution tax losses	33,836	6,190	-	40,026	61,636	14,959	-	10,019	86,614
Allowance for expected credit losses and provision for disallowances	264,398	(25,738)	-	238,660	499,418	(2,994)	-	3,128	499,552
Provision for contingencies	47,764	7,695	-	55,459	102,999	14,407	-	1,077	118,483
Provision for bonus	667	11,103	-	11,770	2,676	7,441	-	960	11,077
Foreign exchange differences	193,175	22,709	-	215,884	193,175	23,924	-	-	217,099
Deferred gain on property sales	24,575	(1,000)	-	23,575	24,575	(1,000)	-	-	23,575
Amortization of right of use (IFRS 16)	108,900	46,240	-	155,140	157,717	85,419	-	388	243,524
PVA allocation (IFRS 16)	178,627	71,257	-	249,884	253,448	116,738	-	421	370,607
Cash flow hedge	25,516	(25,516)	-	-	36,349	(36,349)	-	-	-
D'Or Finance	-	38,156	-	38,156	-	38,156	-	-	38,156
Other provisions	17,279	2,583	-	19,862	-	2,943	-	1,037	3,980
Total deferred tax assets	988,725	170,873	-	1,159,598	1,503,217	305,198	-	41,705	1,850,120
Liabilities									
Differences between book balance and tax base of goodwill	(667,973)	(13,677)	-	(681,650)	(767,911)	(43,598)	-	-	(811,509)
Gain on acquisition in stages	(48,873)	-	-	(48,873)	(79,869)	-	-	-	(79,869)
Swap difference	(59,740)	(8,298)	-	(68,038)	(59,565)	(8,298)	-	-	(67,863)
Lease (IFRS 16)	(235,194)	(99,183)	-	(334,377)	(334,079)	(167,712)	-	(474)	(502,265)
D'Or Finance	(7,577)	7,577	-	-	(7,577)	7,577	-	-	-
Variable income investment	(40,776)	40,640	-	(136)	(40,776)	40,640	-	(845)	(981)
Deferred revenue	(1,333)	-	-	(1,333)	(6,268)	-	-	-	(6,268)
Cash flow hedge	-	25,516	(155,888)	(130,372)	-	36,349	(199,803)	-	(163,454)
Other provisions	-	-	-	-	(4,227)	384	-	14,608	10,765
Total deferred tax liabilities	(1,061,466)	(47,425)	(155,888)	(1,264,779)	(1,300,272)	(134,658)	(199,803)	13,289	(1,621,444)
Net effect - asset (liability)	(98,257)	123,448	-	25,191	166,596	170,540	-	54,994	392,130
Effect on equity	25,516	-	(155,888)	(130,372)	36,349	-	(199,803)	-	(163,454)
Assets as per statement of financial position	-	-	-	-	528,901	-	-	-	721,477
Liabilities as per statement of financial position	(72,741)	-	-	(105,181)	(325,956)	-	-	-	(492,801)

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Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

19. Income and social contribution taxes (Continued)

The reconciliation of income and social contribution taxes to the amount determined at the statutory rate as at September 30, 2022 and 2021 is as follows:

	Individual		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Income/loss before income and social contribution taxes	806,766	1,156,593	1,148,294	1,571,511
Income and social contribution tax credit (expense) at statutory rates	274,300	393,242	390,420	534,314
Adjustments to determine the effective rate:				
Equity pickup, net of any gains earned abroad	(168,377)	(120,015)	(12,442)	(6,579)
Interest on equity	(218,199)	(160,083)	(218,199)	(160,083)
Other	(6,270)	(125,452)	8,659	(54,424)
Expenses (credit) recorded in the statement of profit or loss	(118,546)	(12,308)	168,438	313,228

Accumulated income and social contribution tax losses may be carried indefinitely; however, offsetting is limited to 30% of taxable profit generated in each fiscal year.

The Company expects that deferred tax credits over its tax loss carryforwards will be realized within 1 or 2 years. Management expects that other temporary differences will be realized between 1 and 5 years, except for deferred gain on property sales, the realization of which will take place during the lease agreement term.

20. Net revenue

	Individual		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Gross revenue	9,604,796	8,839,925	19,310,944	17,088,065
Deductions from revenue				
Cancelations and rebates	(440,054)	(382,953)	(959,692)	(844,103)
Taxes on revenues	(525,325)	(491,345)	(1,115,507)	(997,632)
Net revenue from hospital services	8,639,417	7,965,627	17,235,745	15,246,330

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Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

21. Costs of services rendered

	Individual		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Personnel	(2,170,380)	(2,001,855)	(4,788,139)	(4,098,192)
Materials and medicines	(1,695,831)	(1,770,420)	(3,959,702)	(3,760,139)
Third-party services	(1,432,352)	(1,160,864)	(3,183,033)	(2,544,006)
Utilities and services	(136,524)	(122,435)	(306,699)	(253,815)
Rent	(2,933)	(2,619)	(64,608)	(49,074)
Depreciation and amortization	(491,566)	(430,024)	(957,417)	(798,792)
	(5,929,586)	(5,488,217)	(13,259,598)	(11,504,018)

22. General and administrative expenses

	Individual		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Personnel	(473,289)	(477,323)	(473,289)	(477,323)
Third-party services	(91,895)	(76,882)	(91,895)	(76,882)
Travel and lodging	(26,125)	(19,009)	(52,887)	(32,030)
Depreciation and amortization	(109,176)	(92,494)	(109,176)	(92,494)
Provision for contingencies	21,595	(21,159)	33,166	(20,893)
	(678,890)	(686,867)	(694,081)	(699,622)

23. Selling expenses

	Individual		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Marketing	(6,462)	(11,291)	(14,630)	(21,644)
	(6,462)	(11,291)	(14,630)	(21,644)

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Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

24. Other operating expenses, net

	Individual		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Taxes, charges and penalties	(50,201)	(39,461)	(103,149)	(72,408)
Gain on property sales	2,940	2,940	2,940	2,940
Lease of machinery and equipment	(6,614)	(8,329)	(26,318)	(20,934)
Freight expenses	(6,326)	(25,042)	(24,006)	(36,170)
Notary and court fees	(27,295)	(24,246)	(37,837)	(30,568)
Advisory expenses	-	-	-	(34,554)
Other revenues and expenses	(37,836)	(70,224)	(95,335)	(104,457)
	(125,332)	(164,362)	(283,705)	(296,151)

25. Finance income (costs), net

Finance income (costs) for the nine-month periods ended September 30, 2022 and 2021 are broken down as follows:

	Individual		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Short-term investment yield	908,077	292,906	1,035,732	324,710
Foreign exchange differences, net	100,563	(50,770)	305,422	(361,340)
Fair value of debt	389,225	1,442,376	1,384,155	888,418
Derivative fair value (swaps)	(680,875)	(1,275,273)	(2,001,658)	(538,180)
Interest and monetary differences on financing and debentures	(1,947,873)	(855,159)	(2,074,839)	(913,053)
Taxes on finance income (costs)	(42,125)	(19,717)	(52,430)	(23,723)
Interest on lease liability	(252,042)	(209,581)	(334,925)	(302,024)
Other	(62,559)	(136,064)	(133,488)	(247,541)
	(1,587,609)	(811,282)	(1,872,031)	(1,172,733)
Total finance income	2,006,403	1,145,355	4,260,759	4,399,957
Total finance costs	(3,594,012)	(1,956,637)	(6,132,790)	(5,572,690)
	(1,587,609)	(811,282)	(1,872,031)	(1,172,733)

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Notes to interim financial information (Continued)
September 30, 2022
(In thousands of reais, unless otherwise stated)

26. Earnings per share

a) Basic

Basic earnings per share are calculated by dividing the profit attributable to the Company's controlling interests by the weighted average number of common and preferred shares issued over the period, excluding common shares purchased by the Company and held as treasury shares.

	<u>09/30/2022</u>	<u>09/30/2021</u>
Income attributable to the Company's controlling interests	925,312	1,168,901
Weighted average number of common shares issued (in thousands)	1,974,033	1,971,453
Basic earnings per share (R\$)	<u>0.4687</u>	<u>0.5929</u>

b) Diluted

Diluted earnings per share are calculated by adjusting the weighted average number of outstanding common and preferred shares assuming the conversion of all the potentially dilutive common shares.

	<u>09/30/2022</u>	<u>09/30/2021</u>
Income attributable to the Company's controlling interests	925,312	1,168,901
Weighted average number of common shares issued, including dilution factors (thousands)	1,974,033	1,971,453
Share-based payment (Restricted shares)	4,500	5,560
Diluted earnings per share (in R\$)	<u>0.4677</u>	<u>0.5912</u>

27. Financial instruments and financial risk management

27.1. Financial instruments by category

Fair value hierarchy

The financial instruments recognized at fair value may be measured at levels from 1 to 3, based on the fair value measurement, as follows:

Level 1: fair value measurement derives from quoted (unadjusted) prices in active markets for identical assets or liabilities;

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Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

27. Financial instruments and financial risk management (Continued)

27.1. Financial instruments by category (Continued)

Fair value hierarchy (Continued)

Level 2: fair value measurement derives from other inputs included in Level 1, which are quoted through an asset or liability directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: fair value measurement derives from valuation techniques that include an asset or liability that is not included in an active market.

The following tables present breakdown of financial assets and liabilities at September 30, 2022 and December 31, 2021:

		Individual		
Financial assets	Classification by category	Fair value hierarchy	Book balance	
			09/30/2022	12/31/2021
Cash and cash equivalents	Fair value through profit or loss	Level 2	65,800	43,910
	Fair value through other			
Marketable securities (shares)	comprehensive income	Level 1	846,943	-
Marketable securities	Fair value through profit or loss	Level 2	10,379,839	11,249,728
Accounts receivable	Amortized cost		4,089,533	3,707,070
Dividends receivable	Amortized cost		75,277	74,093
Judicial deposits	Amortized cost		283,325	226,746
Derivatives	Fair value through profit or loss			
	and other comprehensive			
	income	Level 2	577,512	758,796
			16,318,229	16,060,343
Financial liabilities		Fair value hierarchy	Book balance	
Classification by category			09/30/2022	12/31/2021
Trade accounts payable	Amortized cost		449,161	409,917
Loans, financing and debentures	Amortized cost (a)	Level 2	25,342,748	22,269,772
Salaries, accruals and social charges	Amortized cost		561,452	430,156
Accounts payable for acquisitions	Amortized cost		77,676	81,784
Derivatives	Fair value through profit or loss			
	and other comprehensive			
	income	Level 2	1,602,645	1,129,431
			28,033,682	24,321,060

(a) The portion of the debt accounted for under hedge accounting (fair value hedge) is measure at fair value through profit or loss, and at September 30, 2022 totaled R\$9,204,112 (R\$8,006,476 at December 31, 2021). The portion of the debt accounted for under hedge accounting (cash flow hedge) is measured at fair value through other comprehensive income, and at September 30, 2022 totaled R\$2,954,580 (R\$2,914,222 at December 31, 2021).

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Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

27. Financial instruments and financial risk management (Continued)

27.1. Financial instruments by category (Continued)

Fair value hierarchy (Continued)

Consolidated				
Financial assets	Classification by category	Fair value hierarchy	Book balance	
			09/30/2022	12/31/2021
Cash and cash equivalents	Fair value through profit or loss	Level 2	287,083	124,621
Marketable securities (shares)	Fair value through other comprehensive income	Level 1	846,943	-
Marketable securities	Fair value through profit or loss	Level 2	12,337,996	12,429,549
Accounts receivable	Amortized cost		8,570,319	7,564,769
Judicial deposits	Amortized cost		405,248	350,512
Derivatives	Fair value through profit or loss and other comprehensive income	Level 2	2,772,714	4,149,961
			25,220,303	24,619,412
Consolidated				
Financial liabilities	Classification by category	Fair value hierarchy	Book balance	
			09/30/2022	12/31/2021
Trade accounts payable	Amortized cost		1,117,874	990,942
Loans, financing and debentures	Amortized cost (a)	Level 2	29,251,806	27,629,336
Salaries, accruals and social charges	Amortized cost		1,051,838	794,061
Accounts payable for acquisitions	Fair value through profit or loss		730,380	606,327
Derivatives	Fair value through profit or loss and other comprehensive income	Level 2	1,730,439	1,255,415
			33,882,337	31,276,081

(b) The portion of the debt accounted for under hedge accounting (fair value hedge) is measured at fair value through profit or loss, and at September 30, 2022 totaled R\$11,074,843 (R\$11,055,981 at December 31, 2021). The portion of the debt accounted for under hedge accounting (cash flow hedge) is measured at fair value through other comprehensive income, and at September 30, 2022 totaled R\$3,980,355 (R\$3,910,183 at December 31, 2021).

Financial assets and liabilities accounted for at amortized cost approximate their respective fair values, as they are adjusted by provisions, present value and/or restated at floating market rates.

27.2. Risk management

The Company's financial transactions are conducted by the financial function in accordance with the strategy previously approved by the Executive Board and shareholders. The Company's risk management strategies and the corresponding effects on the individual and consolidated interim financial information can be summarized as follows:

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Notes to interim financial information (Continued)
September 30, 2022
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27. Financial instruments and financial risk management (Continued)

27.2. Risk management (Continued)

a) Capital management

The main purpose of capital management is to ensure the Company's ability to continue as a going concern and maximize return to shareholders.

The Company uses own and third-party capital to finance its activities. The purpose of using third-party capital is to optimize the capital structure. The Company monitors its capital structure and adjusts it considering changes in economic conditions. As at September 30, 2022 and December 31, 2021, the Company's capital structure is as follows:

	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Cash and cash equivalents	65,800	43,910	287,083	124,621
Marketable securities	11,226,782	11,249,728	13,184,939	12,429,549
	11,292,582	11,293,638	13,472,022	12,554,170
Loans, financing and debentures	(25,342,748)	(22,269,772)	(29,251,806)	(27,629,336)
Derivatives	(1,025,133)	(370,635)	1,042,275	2,894,545
Cash flow hedge	(395,806)	(393,070)	(476,467)	(485,252)
Net debt (a)	(15,471,105)	(11,739,839)	(15,213,976)	(12,665,873)
Total equity	13,628,540	13,583,378	14,867,810	14,677,939
Total net debt and equity	(1,842,565)	1,843,539	(346,166)	2,012,066
Financial leverage ratio	1.14	0.86	1.02	0.86

(a) The net debt corresponds to the sum of the balances of loans, financing and debentures, derivative financial instruments, net (current and noncurrent) plus the cash flow hedge effect of other comprehensive income (the Company has swaps accounted for in accordance with the fair value and cash flow hedge accounting, for purposes of hedging the Company against fluctuations in foreign currency and interest rates, respectively) deducted of the balance of cash and cash equivalents and marketable securities.

b) Interest rate risk

The Company has loans, financing and debentures in local currency subject particularly to the fluctuation of the CDI and IPCA rates. The risk inherent to these liabilities arises from the possibility of fluctuations in these rates that impact the Company's cash flows.

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Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

27. Financial instruments and financial risk management (Continued)

27.2. Risk management (Continued)

b) Interest rate risk (Continued)

The sensitivity analysis of interest on loans, financing and debentures considered as probable scenario (Scenario I) the reference rates obtained with BM&FBOVESPA at September 30, 2022, and Scenarios II and III take into consideration a rate increase by 25% and 50%, respectively. The results, in nominal values, are as follows:

Scenarios	Scenario I current	Scenario II + 25%	Scenario III + 50%
CDI rate (p.a.)	13.65%	17.06%	20.48%
IPCA rate (p.a.)	7.17%	8.96%	10.76%
Projected interest expenses (in millions)	6,349	7,657	8,965

c) Credit risk

Credit risk is the risk that a counterparty to a business arrangement will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade accounts receivable) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. In the case of identification of imminent risk of non-realization of these assets, the Company records provisions to bring them to their probable realizable value.

d) Liquidity risk

Liquidity risk is the risk of cash shortage and difficulty of the Company in paying its debts. The Company seeks to align the maturity of its debts with the cash generation period to avoid any mismatch and generate the need for greater leverage.

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Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

27. Financial instruments and financial risk management (Continued)

27.2. Risk management (Continued)

d) Liquidity risk (Continued)

The amounts disclosed below are projected considering inflation and interest through to maturity.

	Individual - 09/30/2022					Total financial liabilities
	Within 6 months	From 6 months to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	
Trade accounts payable	449,161	-	-	-	-	449,161
Loans, financing and debentures	1,813,241	1,752,054	1,551,380	5,938,521	18,857,406	29,912,602
Salaries, accruals and social charges	561,452	-	-	-	-	561,452
Accounts payable for acquisitions	50,476	28,164	-	232	-	78,872
Derivatives	(332,465)	(306,528)	(240,261)	(907,879)	3,095,232	1,308,099
	2,541,865	1,473,690	1,311,119	5,030,874	21,952,638	32,310,186

	Consolidated – 09/30/2022					Total financial liabilities
	Within 6 months	From 6 months to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	
Trade accounts payable	1,117,874	-	-	-	-	1,117,874
Loans, financing and debentures	1,994,835	1,908,914	1,905,128	6,921,297	21,817,688	34,547,862
Salaries, accruals and social charges	1,051,838	-	-	-	-	1,051,838
Accounts payable for acquisitions	173,340	37,664	180,028	250,155	168,116	809,303
Derivatives	(373,047)	(347,297)	(334,875)	(1,132,269)	8,328,926	6,141,438
	3,964,840	1,599,281	1,750,281	6,039,183	30,314,730	43,668,315

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Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

27. Financial instruments and financial risk management (Continued)

27.2. Risk management (Continued)

d) Liquidity risk (Continued)

	Individual - 12/31/2021					Total financial liabilities
	Within 6 months	From 6 months to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	
Trade accounts payable	409,917	-	-	-	-	409,917
Loans, financing and debentures	489,093	812,876	3,896,818	6,509,801	15,560,741	27,269,329
Salaries, accruals and social charges	430,156	-	-	-	-	430,156
Accounts payable for acquisitions	28,017	32,909	24,153	240	-	85,319
Derivatives	(63,289)	(164,799)	(76,601)	(253,971)	1,696,728	1,138,068
	<u>1,293,894</u>	<u>680,986</u>	<u>3,844,370</u>	<u>6,256,070</u>	<u>17,257,469</u>	<u>29,332,789</u>

	Consolidated – 12/31/2021					Total financial liabilities
	Within 6 months	From 6 months to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	
Trade accounts payable	990,942	-	-	-	-	990,942
Loans, financing and debentures	613,092	991,984	4,260,550	7,857,321	20,244,160	33,967,107
Salaries, accruals and social charges	794,061	-	-	-	-	794,061
Accounts payable for acquisitions	118,854	110,739	44,717	239,449	183,841	697,600
Derivatives	(108,215)	(198,735)	(144,799)	(338,496)	9,767,082	8,976,837
	<u>2,408,734</u>	<u>903,988</u>	<u>4,160,468</u>	<u>7,758,274</u>	<u>30,195,083</u>	<u>45,426,547</u>

e) Foreign currency

The Company has loans and financing and trade accounts payable in foreign currency (mainly the US dollar). The risk related to these assets and liabilities arises from the possibility of incurring losses due to fluctuations in exchange rates. Liabilities in foreign currency represent 21.3% of total gross debt at September 30, 2022 (24.2% at December 31, 2021). The Company has derivative financial instruments to hedge loans and financing against foreign exchange rate fluctuation (see topic below). Management understands that the risk of exposure to foreign currency is not significant in relation to its financial position.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

27. Financial instruments and financial risk management (Continued)

27.2. Risk management (Continued)

f) Derivatives

At September 30, 2022, the Company has swaps recorded based on fair value and cash flow hedge accounting, in order to hedge the Company against fluctuations in foreign currency and interest rate, respectively. The swaps exchange (i) the flow of interest and principal in foreign currency for Brazilian reais plus a percentage of CDI or CDI + spread; (ii) floating interest rate for fixed interest rate; and (iii) inflation rate IPCA + spread for CDI + spread.

The fair value of those instruments at the reporting date is as follows:

Description	Maturity month/year	Reference value (notional value)	Individual	
			09/30/2022	12/31/2021
			Fair value	
Swap (currency)	06/30/2025			
Long position	EUR/BRL + 1.0366%	EUR	67,431	
Short position	CDI+1.35%	R\$	356,736	20,071
			(80,281)	
Swap (currency)	11/21/2023			
Long position	USD Libor + 0.46%	US\$	80,298	
Short position	109% of CDI	R\$	434,142	144,281
			116,321	
Swap (currency)	07/01/2025			
Long position	USD/BRL + 1.8588%	US\$	100,399	
Short position	CDI + 1.323%	R\$	542,819	2,145
			(63,547)	
Swap (currency)	01/18/2028			
Long position	BRL Fixed rate (11.82%)	R\$	1,634,663	
Short position	CDI + 2.01%	R\$	1,634,663	(23,697)
			(122,639)	
Swap (currency)	01/22/2030			
Long position	BRL Fixed rate (8.80%)	R\$	2,135,109	
Short position	CDI + 2.125%	R\$	2,135,109	(492,824)
			(588,274)	
Swap (currency)	01/22/2030			
Long position	BRL Fixed rate (8.65%)	R\$	1,116,094	
Short position	CDI + 2.40%	R\$	1,116,094	(298,429)
			(345,461)	
Swap (currency)	06/20/2029			
Long position	CDI + 0.79%	R\$	1,039,529	
Short position	BRL Fixed rate (7.71%)	R\$	1,039,529	190,609
			229,055	
Swap (currency)	10/09/2024			
Long position	CDI + 1.02%	R\$	1,410,783	
Short position	BRL Fixed rate (7.275%)	R\$	1,410,783	147,834
			-	
Swap (currency)	10/26/2026			
Long position	106.0% of CDI	R\$	529,823	
Short position	BRL Fixed rate (6.765%)	R\$	529,823	61,077
			73,158	

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Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

27. Financial instruments and financial risk management (Continued)

27.2. Risk management (Continued)

f) Derivatives

Description	Maturity month/year	Reference value (notional)	Individual	
			09/30/2022	12/31/2021
			Fair value	
Swap (currency)	05/15/2036			
Long position	IPCA + 4.9347%	R\$ 1,531,465		
Short position	CDI + 1.35%	R\$ 1,531,465	(189,990)	(129,314)
Swap (currency)	12/15/2031			
Long position	IPCA + 5.5758%	R\$ 406,859		
Short position	CDI + 0.56%	R\$ 406,859	(5,256)	4,530
Swap (currency)	12/15/2036			
Long position	IPCA + 6.1017%	R\$ 611,239		
Short position	CDI + 1.403%	R\$ 611,239	(18,060)	3,082
Swap (currency)	06/15/2029			
Long position	IPCA + 5.83%	R\$ 812,140		
Short position	102.7% of CDI	R\$ 812,140	(29,545)	-
Swap (currency)	06/15/2032			
Long position	IPCA + 6.01%	R\$ 347,823		
Short position	104.1% of the CDI	R\$ 347,823	(12,307)	-
Swap (currency)	07/17/2029			
Long position	IPCA + 6.3828%	R\$ 30,308		
Short position	103.65% of the CDI	R\$ 30,308	(7)	-
Swap (currency)	07/15/2032			
Long position	IPCA + 6.5445%	R\$ 70,737		
Short position	104.8% of the CDI	R\$ 70,737	748	-
Swap (currency)	07/15/2037			
Long position	IPCA + 6.7692%	R\$ 404,354		
Short position	107.9% of the CDI	R\$ 404,354	10,953	-
Current assets position			104,141	131,643
Noncurrent assets position			473,371	627,153
Current liabilities position			(692,764)	(343,265)
Noncurrent liabilities position			(909,881)	(786,166)
Effect on profit or loss for the year (fair value of derivatives - swaps)			(680,875)	(1,243,711)
Effect on equity for the year (fair value of derivatives - swaps)			(17,628)	468,117

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

27. Financial instruments and financial risk management (Continued)

27.2. Risk management (Continued)

f) Derivatives (Continued)

Description	Maturity month/year	Reference value (notional value)	Consolidated	
			09/30/2022	12/31/2021
			Fair value	
Swap (currency)	06/30/2025			
Long position	EUR/BRL + 1.0366%	EUR	67,431	
Short position	CDI+1.35%	R\$	356,736	(80,281)
				20,071
Swap (currency)	11/21/2023			
Long position	USD Libor + 0.46%	US\$	80,298	
Short position	109% of the CDI	R\$	434,142	116,321
				144,281
Swap (currency)	07/01/2025			
Long position	USD/BRL + 1.8588%	US\$	100,399	
Short position	CDI + 1.323%	R\$	542,819	(63,547)
				2,145
Swap (currency)	01/18/2028			
Long position	USD Fixed rate (4.95%)	US\$	505,019	
Short position	BRL Fixed rate (11.82%)	R\$	2,730,434	986,439
				1,450,033
Swap (currency)	01/18/2028			
Long position	BRL Fixed rate (11.82%)	R\$	1,634,663	
Short position	CDI + 2.01%	R\$	1,634,663	(122,639)
				(23,697)
Swap (currency)	01/22/2030			
Long position	USD Fixed rate (4.525%)	US\$	504,250	
Short position	BRL Fixed rate (8.80%)	R\$	2,726,278	678,127
				1,176,529
Swap (currency)	01/22/2030			
Long position	BRL Fixed rate (8.80%)	R\$	2,135,109	
Short position	CDI + 2.125%	R\$	2,135,109	(588,274)
				(492,824)
Swap (currency)	01/22/2030			
Long position	USD Fixed rate (4.51%)	US\$	252,125	
Short position	BRL Fixed rate (8.65%)	R\$	1,363,139	295,922
				531,970
Swap (currency)	01/22/2030			
Long position	BRL Fixed rate (8.65%)	R\$	1,116,094	
Short position	CDI + 2.40%	R\$	1,116,094	(345,461)
				(298,429)
Swap (currency)	12/29/2025			
Long position	CDI + 1.27%/1.75%	R\$	1,038,788	
Short position	BRL Fixed rate (7.752%)	R\$	1,038,788	106,918
				106,650
Swap (currency)	06/20/2029			
Long position	CDI + 0.79%	R\$	1,039,529	
Short position	BRL Fixed rate (7.71%)	R\$	1,039,529	229,055
				190,609

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

27. Financial instruments and financial risk management (Continued)

27.2. Risk management (Continued)

f) Derivatives (Continued)

	Maturity month/year	Reference value (notional)	Consolidated	
			09/30/2022	12/31/2021
			Fair value	
Swap (currency)	09/10/2024			
Long position	CDI + 1.02%	R\$ 1,410,783		
Short position	BRL Fixed rate (7.275%)	R\$ 1,410,783	-	147,834
Swap (currency)	10/26/2026			
Long position	106.0% of CDI	R\$ 529,823		
Short position	BRL Fixed rate (6.765%)	R\$ 529,823	73,158	61,077
Swap (currency)	05/15/2036			
Long position	IPCA + 4.9347%	R\$ 1,531,465		
Short position	CDI + 1.35%	R\$ 1,531,465	(189,990)	(129,314)
Swap (currency)	12/15/2031			
Long position	IPCA + 5.5758%	R\$ 406,859		
Short position	CDI + 0.56%	R\$ 406,859	(5,256)	4,530
Swap (currency)	12/15/2036			
Long position	IPCA + 6.1017%	R\$ 611,239		
Short position	CDI + 1.403%	R\$ 611,239	(18,060)	3,082
Swap (currency)	06/15/2029			
Long position	IPCA + 5.83%	R\$ 812,140		
Short position	102.7% of the CDI	R\$ 812,140	(29,545)	-
Swap (currency)	06/15/2032			
Long position	IPCA + 6.01%	R\$ 347,823		
Short position	104.1% of the CDI	R\$ 347,823	(12,307)	-
Swap (currency)	07/17/2029			
Long position	IPCA + 6.3828%	R\$ 30,308		
Short position	103.65% of the CDI	R\$ 30,308	(7)	-
Swap (currency)	07/15/2032			
Long position	IPCA + 6.5445%	R\$ 70,737		
Short position	104.8% of the CDI	R\$ 70,737	748	-
Swap (currency)	07/15/2037			
Long position	IPCA + 6.7692%	R\$ 404,354		
Short position	107.9% of the CDI	R\$ 404,354	10,953	-
Current assets position			162,010	182,018
Noncurrent assets position			2,610,704	3,967,943
Current liabilities position			(820,558)	(469,249)
Noncurrent liabilities position			(909,881)	(786,166)
Effect on profit or loss for the year (fair value of derivatives - swaps)			(2,001,658)	(381,893)
Effect on equity for the year (fair value of derivatives - swaps)			(29,151)	592,159

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Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

27. Financial instruments and financial risk management (Continued)

27.2. Risk management (Continued)

f) Derivatives (Continued)

Given the changes in market rates, these amounts may suffer changes as well as early settlement or maturity of the transactions.

For derivative financial instruments, the Company considers as probable scenario +5% (Scenario I) future exchange rates of the Brazilian real in relation to the US dollar, the euro, the IPCA inflation and future ID interest rate, obtained from BM&FBOVESPA at their maturities, calculated based on the nominal amount of the agreement.

The Company adopted the scenarios corresponding to -25% (Scenario II), -50% (Scenario III), +25% (Scenario IV) and +50% (Scenario V) in relation to the exchange rates and ID rates used to determine the probable scenario.

Debt - Citibank and JP Morgan	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
Exchange rate fluctuation	5%	(25%)	(50%)	25%	50%
Depreciation of US\$ (rate in R\$)	-	4.2577	2.8385	-	-
Appreciation of US\$ (rate in R\$)	5.6769	-	-	7.0962	8.5154
Effect on liabilities					
Loan 4131 - Citibank and JP Morgan	44,871	(224,356)	(448,711)	224,356	448,711
Effect on derivatives	(44,871)	224,356	448,711	(224,356)	(448,711)
Swap					
Net effect	-	-	-	-	-
Debt – Senior Notes I	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
Exchange rate fluctuation	5%	(25%)	(50%)	25%	50%
Depreciation of US\$ (rate in R\$)	-	4.2577	2.8385	-	-
Appreciation of US\$ (rate in R\$)	5.6769	-	-	7.0962	8.5154
Effect on liabilities					
Senior Notes	125,527	(627,636)	(1,255,271)	627,636	1,255,271
Effect on derivatives					
Swap	(125,527)	627,636	1,255,271	(627,636)	(1,255,271)
Net effect	-	-	-	-	-

27. Financial instruments and financial risk management (Continued)

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2022
(In thousands of reais, unless otherwise stated)

27.2. Risk management (Continued)

f) Derivatives (Continued)

Debt – Senior Notes II	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
Exchange rate fluctuation	5%	(25%)	(50%)	25%	50%
Depreciation of US\$ (rate in R\$)	-	4.2577	2.8385	-	-
Appreciation of US\$ (rate in R\$)	5.6769	-	-	7.0962	8.5154
Effect on liabilities in US\$ Senior Notes II	163,480	(817,399)	(1,634,799)	817,399	1,634,799
Effect on derivatives Swap	(163,480)	817,399	1,634,799	(817,399)	(1,634,799)
Net effect	-	-	-	-	-
Debt - Debentures	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
Fluctuation in DI rate	5%	(25%)	(50%)	25%	50%
Depreciation of the DI rate	-	10.7494%	7.1663%	-	-
Appreciation of the DI rate	14.3325%	-	-	17.9156%	21.4988%
Effect on liabilities Debentures	20,339	(86,443)	(193,225)	127,121	233,903
Effect on derivatives Swap	(20,339)	86,443	193,225	(127,121)	(233,903)
Net effect	-	-	-	-	-
Debt - Debentures (CRI)	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
Fluctuation in IPCA rate	5%	(25%)	(50%)	25%	50%
Depreciation of the IPCA rate	-	5.6464%	3.7643%	-	-
Appreciation of the IPCA rate	7.5285%	-	-	9.4106%	11.2928%
Effect on liabilities Debentures	14,615	(62,112)	(138,839)	91,341	168,068
Effect on derivatives Swap	(14,615)	62,112	138,839	(91,341)	(168,068)
Net effect	-	-	-	-	-

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Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

27. Financial instruments and financial risk management (Continued)

27.2. Risk management (Continued)

f) Derivatives (Continued)

Debt - BofA	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
Exchange rate fluctuation	5%	(25%)	(50%)	25%	50%
Depreciation of EUR€(rate in R\$)	-	4.1662	2.7775	-	-
Appreciation of EUR€(rate in R\$)	5.5549	-	-	6.9437	8.3324
Effect on liabilities					
Loan 4131 - BofA	16,034	(80,172)	(160,344)	80,172	160,344
Effect on derivatives					
Swap	(16,034)	80,172	160,344	(80,172)	(160,344)
Net effect	-	-	-	-	-

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Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

27. Financial instruments and financial risk management (Continued)

27.3. Changes in liabilities from financing activities

Individual	Individual									
	12/31/2021	Loans, financing and debentures taken out	Interest, monetary and foreign exchange differences, net	Payment of acquisitions and principal	Payment of interest	Fair value of debt	Allocation of dividends and interest on equity	Payment of dividends and interest on equity	Other	09/30/2022
Loans, financing, debentures and leases	24,242,348	4,015,501	2,227,687	(1,068,475)	(1,585,976)	(389,225)	-	-	433,512	27,875,372
Accounts payable for acquisitions	81,784	-	6,472	(10,580)	-	-	-	-	-	77,676
Derivatives	1,129,431	-	664,542	(191,328)	-	-	-	-	-	1,602,645
Dividends and interest on equity payable	57,339	-	-	-	-	-	641,763	(523,372)	(72,146)	103,584
	<u>25,510,902</u>	<u>4,015,501</u>	<u>2,898,701</u>	<u>(1,270,383)</u>	<u>(1,585,976)</u>	<u>(389,225)</u>	<u>641,763</u>	<u>(523,372)</u>	<u>361,366</u>	<u>29,659,277</u>
Current	1,942,768									4,800,993
Noncurrent	23,568,134									24,858,284

Individual	Individual									
	12/31/2020	Loans, financing and debentures taken out	Interest, monetary and foreign exchange differences, net	Payment of acquisitions and principal	Payment of interest	Fair value of debt	Allocation of dividends and interest on equity	Payment of dividends and interest on equity	Other	09/30/2021
Loans, financing, debentures and leases	19,007,463	5,900,520	1,155,190	(1,136,539)	(709,236)	(1,442,376)	-	-	34,610	22,809,632
Accounts payable for acquisitions	95,096	-	2,057	(12,091)	-	-	-	-	(1,427)	83,635
Derivatives	215,995	-	884,118	-	-	-	-	-	-	1,100,113
Dividends and interest on equity payable	343,870	-	-	-	-	-	2,578,523	(2,784,800)	(51,644)	85,949
	<u>19,662,424</u>	<u>5,900,520</u>	<u>2,041,365</u>	<u>(1,148,630)</u>	<u>(709,236)</u>	<u>(1,442,376)</u>	<u>2,578,523</u>	<u>(2,784,800)</u>	<u>(18,461)</u>	<u>24,079,329</u>
Current	1,233,817									1,713,636
Noncurrent	18,428,607									22,365,693

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Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

27. Financial instruments and financial risk management (Continued)

27.3. Changes in liabilities from financing activities (Continued)

Consolidated										
Consolidated	12/31/2021	Loans, financing and debentures taken out and lease	Interest, monetary and foreign exchange differences, net	Payment of acquisitions and principal	Payment of interest	Fair value of debt	Allocation of dividends and interest on equity	Payment of dividends and interest on equity	Other	09/30/2022
Loans, financing, debentures and leases (a)	31,132,802	4,085,501	2,188,264	(1,717,031)	(1,735,400)	(1,384,155)	-	-	810,045	33,380,026
Accounts payable for acquisitions	606,327	118,603	56,265	(47,370)	(3,445)	-	-	-	-	730,380
Derivatives	1,255,415	-	789,358	(314,334)	-	-	-	-	-	1,730,439
Dividends and interest on equity payable	64,551	-	-	-	-	-	673,742	(561,654)	(72,146)	104,493
	<u>33,059,095</u>	<u>4,204,104</u>	<u>3,033,887</u>	<u>(2,078,735)</u>	<u>(1,738,845)</u>	<u>(1,384,155)</u>	<u>673,742</u>	<u>(561,654)</u>	<u>737,900</u>	<u>35,945,338</u>
Current	2,659,065									5,636,882
Noncurrent	30,400,030									30,308,456

Consolidated										
Consolidated	12/31/2020	Loans, financing and debentures taken out and lease	Interest, monetary and foreign exchange differences, net	Payment of acquisitions and principal	Payment of interest	Fair value of debt	Allocation of dividends and interest on equity	Payment of dividends and interest on equity	Other	09/30/2021
Loans, financing, debentures and leases	27,176,346	6,445,104	1,634,474	(3,518,204)	(724,464)	(888,418)	-	-	89,439	30,214,277
Accounts payable for acquisitions	514,614	99,172	15,146	(28,590)	(1,583)	-	-	-	7,066	605,825
Derivatives	412,478	-	869,989	(50,136)	-	-	-	-	-	1,232,331
Dividends and interest on equity payable	346,600	-	-	-	-	-	2,654,091	(2,862,120)	(51,644)	86,927
	<u>28,450,038</u>	<u>6,544,276</u>	<u>2,519,609</u>	<u>(3,596,930)</u>	<u>(726,047)</u>	<u>(888,418)</u>	<u>2,654,091</u>	<u>(2,862,120)</u>	<u>44,861</u>	<u>32,139,360</u>
Current	4,699,309									2,364,706
Noncurrent	23,750,729									29,774,654

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2022

(In thousands of reais, unless otherwise stated)

28. Insurance coverage

At September 30, 2022, the Company maintains insurance coverage at amounts deemed sufficient by management to cover risks, if any, on its assets and/or liabilities.

<u>Insurance line</u>	<u>Amount insured</u>
Property risk	5,176,519
Civil Liability (D&O)	316,000
General civil liability	10,000
Engineering risks	3,809,146

29. Events after the reporting period

On October 19, 2022, Rede D'Or paid in the 25th issue of debentures in two series, in the amount of R\$600 million, with the 1st series maturing on October 15, 2032 in a lump-sum payment; and the 2nd series maturing on October 15, 2032 with annual amortization from October 15, 2031. The first series is indexed to the CDI + 2.00% p.a. and the 2nd series to the CDI + 1.95% p.a., payable semiannually. There are no guarantees.

On November 7, 2022, the CADE's General Superintendence ("SG") issued SG Order No. 1623/2022, approving without restrictions the transfer of shareholding control of the subsidiaries of Sul América S.A. ("SASA") to Rede D'Or, in the context of the business combination transaction agreed by and between the parties ("Transaction"). As from the publication of the referred to Order, a period of 15 days will begin for any third-party appeals or revocation by the CADE Court.