

Interim Financial Information

Rede D'Or São Luiz S.A.

September 30, 2023
with Independent Auditor's Review Report

Rede D'Or São Luiz S.A.

Interim financial information

September 30, 2023

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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 the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR)

Independent auditor's review report on interim financial information

To 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, 2023, comprising the statement of financial position as of September 30, 2023 and the related statements of profit or loss and of comprehensive income for the three- and nine-month periods then ended, and of changes in equity and of cash flows for the nine-month period then ended, including material accounting practices and other explanatory information.

Management's responsibility for interim financial information

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 interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual 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).

Conclusion on the consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 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).

Emphasis - Restatement of Interim Financial Information

We draw attention to explanatory note 2.1, the interim financial information as of September 30, 2023, which has been amended and is being restated to reflect the accounting policy modification described at the mentioned explanatory note. On November 07, 2023, we issued an unqualified review report on the Company interim financial statements, which are now being restated. Our conclusion remains unqualified, as these interim financial statements and their corresponding values for the previous period have been adjusted retrospectively.

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, 2023, prepared under the Company management's responsibility and presented as supplementary information under 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 their 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, in accordance with the criteria set forth by this Standard and consistently with the overall individual and consolidated interim financial information.

Rio de Janeiro, March 26, 2024.

ERNST & YOUNG
Auditores Independentes S/S Ltda.
CRC SP-015199/F



Diogo Afonso da Silva
Accountant CRC RJ-114783/O

A free translation from Portuguese into English of Interim Financial Information prepared in Brazilian currency in accordance with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR)

Rede D'Or São Luiz S.A.

Statements of financial position
September 30, 2023 and December 31, 2022
(In thousands of reais)

	Note	Individual		Consolidated	
		09/30/2023	12/31/2022	09/30/2023	12/31/2022
		(restated)	(restated)	(restated)	(restated)
Assets					
Current assets					
Cash and cash equivalents	4	253,332	96,360	3,408,840	1,109,796
Marketable securities	4	9,702,895	11,165,890	28,227,338	29,236,645
Accounts receivable	5	4,846,341	3,966,046	8,963,221	7,911,452
Inventories	6	351,109	414,005	702,897	808,688
Taxes recoverable		602,046	433,513	1,059,440	656,696
Insurance contract assets	12	-	-	-	70,012
Reinsurance contract assets		-	-	18,152	44,741
Derivative financial instruments	25	106,266	203,730	106,266	251,740
Transactions with related parties	7	189,611	167,578	12,423	7,753
Dividends receivable		237,495	75,277	5,699	1,769
Other		271,566	137,450	588,365	524,607
Total current assets		16,560,661	16,659,849	43,092,641	40,623,899
Noncurrent assets					
Transactions with related parties	7	1,974,171	1,659,658	164,803	75,899
Marketable securities	4	-	-	1,677,180	1,806,334
Accounts receivable	5	-	-	1,696,599	1,659,489
Taxes recoverable		8,677	8,677	469,669	469,970
Insurance contract assets	12	-	-	-	79,496
Reinsurance contract assets		-	-	8,287	527
Judicial deposits	14	342,905	294,653	2,618,724	2,862,274
Deferred taxes	17	-	-	3,716,487	3,366,280
Derivative financial instruments	25	379,002	334,186	1,925,241	2,487,765
Investments in subsidiaries, associates and joint ventures	8	27,381,537	26,271,987	2,601,692	2,553,401
Property and equipment	9	4,854,932	4,212,807	12,422,784	11,106,286
Intangible assets	10	6,788,295	6,880,944	16,365,213	16,477,631
Right of use – leases	11	2,184,155	2,263,454	2,700,081	2,834,600
Other		71,843	86,098	253,650	274,476
Total noncurrent assets		43,985,517	42,012,464	46,620,410	46,054,428
Total assets		60,546,178	58,672,313	89,713,051	86,678,327

See accompanying notes.

Rede D'Or São Luiz S.A.

Statements of financial position
September 30, 2023 and December 31, 2022
(In thousands of reais)

	Note	Individual		Consolidated	
		09/30/2023 (restated)	12/31/2022 (restated)	09/30/2023 (restated)	12/31/2022 (restated)
Liabilities and equity					
Current liabilities					
Trade accounts payable		749,452	532,476	1,541,869	1,256,601
Derivative financial instruments	25	542,586	682,825	696,477	827,908
Loans, financing and debentures	13	2,314,371	4,707,009	2,674,761	4,973,066
Salaries, accruals and social charges		604,671	445,623	1,277,806	982,150
Tax obligations		322,563	266,602	1,050,504	787,887
Dividends and interest on equity payable	16	391,235	137,640	403,710	145,085
Insurance contract liabilities	12	-	-	5,278,171	3,913,312
Leases	15	481,848	476,704	567,634	621,751
Other		102,172	120,586	1,546,807	1,243,567
Total current liabilities		5,508,898	7,369,465	15,037,739	14,751,327
Noncurrent liabilities					
Derivative financial instruments	25	763,680	1,131,108	763,680	1,131,108
Loans, financing and debentures	13	28,193,823	24,310,593	31,003,826	27,910,159
Transactions with related parties	7	-	-	5,241	4,207
Tax obligations		36,344	45,990	200,515	240,550
Insurance contract liabilities	12	-	-	11,387,053	11,229,028
Deferred taxes	17	203,446	307,259	322,145	398,414
Provision for contingencies	14	784,493	1,208,942	3,225,922	3,792,172
Provision for losses on investments	8	573,620	509,044	-	-
Leases	15	2,089,034	2,116,624	2,719,512	2,710,651
Other		267,030	230,485	1,638,517	1,802,977
Total noncurrent liabilities		32,911,470	29,860,045	51,266,411	49,219,266
Equity	16				
Capital		15,711,360	15,711,360	15,711,360	15,711,360
Share issue costs		(253,031)	(253,031)	(253,031)	(253,031)
Capital reserves		4,903,813	4,914,500	4,903,813	4,914,500
Treasury shares		(519,417)	(544,610)	(519,417)	(544,610)
Income reserves		883,990	1,300,278	883,990	1,300,278
Retained earnings		1,272,566	-	1,272,566	-
Future capital contribution		4,224	4,224	4,224	4,224
Other comprehensive income		122,305	310,082	122,305	310,082
Total equity attributable to the Company's shareholders		22,125,810	21,442,803	22,125,810	21,442,803
Noncontrolling interests		-	-	1,283,091	1,264,931
Total equity		22,125,810	21,442,803	23,408,901	22,707,734
Total liabilities and equity		60,546,178	58,672,313	89,713,051	86,678,327

See accompanying notes.

Rede D'Or São Luiz S.A.

Statements of profit or loss

Nine-month periods ended September 30, 2023 and 2022

(In thousands of reais, unless otherwise stated)

	Note	Individual				Consolidated			
		07/01/2023 to 09/30/2023 (restated)	01/01/2023 to 09/30/2023 (restated)	07/01/2022 to 09/30/2022	01/01/2022 to 09/30/2022	07/01/2023 to 09/30/2023 (restated)	01/01/2023 to 09/30/2023 (restated)	07/01/2022 to 09/30/2022	01/01/2022 to 09/30/2022
Net operating revenues from hospital services	18,1	3,419,450	9,932,677	3,073,936	8,639,417	11,835,088	34,696,350	6,063,258	17,235,745
Costs of hospital services	20,1	(2,294,891)	(6,804,763)	(2,056,884)	(5,929,586)	(9,969,981)	(29,308,933)	(4,556,041)	(13,259,598)
Gross profit		1,124,559	3,127,914	1,017,052	2,709,831	1,865,107	5,387,417	1,507,217	3,976,147
General and administrative expenses	21	59,744	(352,883)	(240,871)	(678,890)	(116,450)	(886,834)	(253,893)	(694,081)
Selling expenses		(29,560)	(37,776)	(2,904)	(6,462)	(144,378)	(171,051)	(5,208)	(14,630)
Equity pickup	8	337,470	887,768	199,470	495,228	8,851	(2,178)	12,078	36,594
Other operating expenses	23	(32,864)	(101,431)	(42,829)	(125,332)	(123,586)	(319,947)	(97,087)	(283,705)
Income before finance income (costs) and income and social contribution taxes		1,459,349	3,523,592	929,918	2,394,375	1,489,544	4,007,407	1,163,107	3,020,325
Finance income	24	563,807	2,749,055	809,257	2,006,403	1,956,995	6,828,022	984,390	4,260,759
Finance costs	24	(1,351,464)	(5,017,509)	(1,394,846)	(3,594,012)	(2,598,878)	(9,232,086)	(1,668,707)	(6,132,790)
Income before income taxes		671,692	1,255,138	344,329	806,766	847,661	1,603,343	478,790	1,148,294
Income taxes	17	10,798	17,428	30,998	118,546	(158,713)	(281,115)	(82,504)	(168,438)
Net income for the period		682,490	1,272,566	375,327	925,312	688,948	1,322,228	396,286	979,856
Income attributable to controlling interests		682,490	1,272,566	375,327	925,312	682,490	1,272,566	375,327	925,312
Income attributable to noncontrolling interests		-	-	-	-	6,458	49,662	20,959	54,544
Basic earnings per share (in reais)	26	0.3027	0.5644	0.1901	0.4687	0.3027	0.5644	0.1901	0.4687
Diluted earnings per share (in reais)	26	0.3027	0.5644	0.1899	0.4677	0.3027	0.5644	0.1899	0.4677

See accompanying notes.

Rede D'Or São Luiz S.A.

Statements of comprehensive income
Nine-month periods ended September 30, 2023 and 2022
(In thousands of reais)

	Individual				Consolidated			
	07/01/2023 to 09/30/2023	01/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022	01/01/2022 to 09/30/2022	07/01/2023 to 09/30/2023	01/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022	01/01/2022 to 09/30/2022
	(restated)	(restated)			(restated)	(restated)		
Net income for the period	682,490	1,272,566	375,327	925,312	688,948	1,322,228	396,286	979,856
Other comprehensive income								
Cash flow hedge	3,942	(142,761)	(117,072)	(17,628)	102	(154,283)	(120,913)	(29,151)
Loss on fair value of equity instrument (shares)	-	-	(1,536)	(332,836)	-	-	(1,536)	(332,836)
Gain/loss on insurance and reinsurance liability	-	-	-	-	35,390	(164,083)	-	-
Unrealized gains/(losses) on financial assets available for sale	-	-	-	-	1,588	36,557	-	-
Tax effects	(1,340)	48,539	40,328	119,158	(14,377)	104,660	41,634	123,076
Gains/(losses) on changes in equity interest	-	(5,244)	-	-	-	-	-	-
Other comprehensive income of associates and subsidiaries, by equity pickup	15,218	(88,311)	(2,535)	(7,605)	(4,882)	(10,628)	-	-
	17,820	(187,777)	(80,815)	(238,911)	17,821	(187,777)	(80,815)	(238,911)
Total comprehensive income	700,310	1,084,789	294,512	686,401	706,769	1,134,451	315,471	740,945
Attributable to:								
Controlling interests	700,310	1,084,789	294,512	686,401	700,310	1,084,790	294,512	686,401
Noncontrolling interests	-	-	-	-	6,459	49,661	20,959	54,544

See accompanying notes.

Rede D'Or São Luiz S.A.

Statements of changes in equity
 Nine-month periods ended September 30, 2023 and 2022
 (In thousands of reais)

Description	Attributable to controlling interests													
	Capital		Capital reserves			Income reserves						Total equity	Noncontrolling interests	Total
	Capital Capital	Share issue costs	Premium reserve (issue of shares)	Premium on capital transactions	Share-based payment reserve	Treasury shares	Legal reserve	Investment reserve	Future capital contribution	Retained earnings	Other comprehensive income			
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 in subsidiaries and acquisition of noncontrolling shareholders	-	-	-	(6,888)	-	-	-	-	-	-	-	(6,888)	16,502	9,614
Share-based payment (Note 16)	-	-	-	-	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 16)	-	-	-	-	-	-	-	(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 16)	-	-	-	-	-	-	-	-	-	-	(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
Balances at December 31, 2022 (restated)	15,711,360	(253,031)	6,166,296	(1,251,796)	-	(544,610)	8,666	1,291,612	4,224	-	310,082	21,442,803	1,264,931	22,707,734
Acquisitions of subsidiaries (Note 3)	-	-	-	-	-	-	-	-	-	-	-	-	(65)	(65)
Capital transactions in subsidiaries and acquisition of noncontrolling shareholders	-	-	-	235	-	-	-	-	-	-	-	235	21,526	21,761
Changes - RSU (Note 16)	-	-	(10,922)	-	(31,701)	25,193	-	-	-	-	-	(17,430)	-	(17,430)
Share-based payment (Note 16)	-	-	-	-	31,701	-	-	-	-	-	-	31,701	-	31,701
Income for the period	-	-	-	-	-	-	-	-	-	1,272,566	-	1,272,566	49,662	1,322,228
Dividends and interest on equity (Note 16)	-	-	-	-	-	-	-	(416,288)	-	-	-	(416,288)	(52,963)	(469,251)
Cash flow hedge (Note 16)	-	-	-	-	-	-	-	-	-	-	(101,804)	(101,804)	-	(101,804)
Net finance income (costs) from insurance and reinsurance contracts	-	-	-	-	-	-	-	-	-	-	(98,424)	(98,424)	-	(98,424)
Equity adjustments	-	-	-	-	-	-	-	-	-	-	12,451	12,451	-	12,451
Balances at September 30, 2023 (restated)	15,711,360	(253,031)	6,155,374	(1,251,561)	-	(519,417)	8,666	875,324	4,224	1,272,566	122,305	22,125,810	1,283,091	23,408,901

See accompanying notes.

Rede D'Or São Luiz S.A.

Statements of cash flows

Nine-month periods ended September 30, 2023 and 2022

(In thousands of reais)

	Individual		Consolidated	
	01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022	01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022
	(restated)		(restated)	
Cash flows from operating activities				
Income before income and social contribution taxes	1,255,138	806,766	1,603,343	1,148,294
Adjustments to reconcile income before taxes to cash flows from operating activities				
Depreciation and amortization	664,928	600,742	1,224,373	1,066,593
Gain on property sales	(2,940)	(2,940)	(2,940)	(2,940)
Impairment	-	-	19,897	-
Fair value of debt	504,258	(389,225)	167,996	(1,384,155)
Interest, monetary variations and foreign exchange differences, net	1,506,639	1,882,277	610,736	3,076,454
Share-based payment	31,701	93,207	31,701	93,207
Provision for/(reversal of) contingencies	(431,722)	(21,595)	(198,565)	(33,166)
Equity pickup	(887,768)	(495,228)	2,178	(36,594)
Income from (loss on) insurance services	-	-	3,975,183	-
Allowance for expected credit loss	545,245	440,054	1,070,890	959,692
(Increase) decrease in assets and increase (decrease) in liabilities				
Accounts receivable	(1,425,540)	(573,623)	(2,159,768)	(1,852,538)
Inventories	62,896	38,211	105,791	28,316
Taxes recoverable	(168,533)	28,637	(347,750)	(14,013)
Judicial deposits	(48,252)	(45,123)	68,252	(53,799)
Other assets	(43,142)	6,247	(79,504)	40,763
Trade accounts payable	216,976	22,011	285,268	97,734
Salaries and social charges	164,227	62,760	300,835	177,828
Tax obligations	(40,453)	(12,451)	(23,306)	(76,162)
Transactions with related parties	(555,365)	(742,057)	(92,540)	(19,254)
Provision for contingencies	(1,273)	(635)	(239,972)	(2,973)
Insurance and reinsurance assets (liabilities)	-	-	(2,412,782)	-
Other liabilities	(28,392)	24,771	56,720	146,016
	1,318,638	1,722,806	4,125,044	3,359,303
Payment of interest	(2,927,335)	(1,838,018)	(3,202,801)	(2,073,771)
Payment of income and social contribution taxes	-	(3,123)	(390,209)	(293,660)
Net cash from (used in) operating activities	(1,608,697)	(118,335)	532,034	991,872
Cash flows from investing activities				
Payment in business acquisition, net of cash acquired	-	-	-	(852,931)
Cash from merger of subsidiary	-	431	-	-
Acquisition of equity interest	-	-	(5,000)	-
Future capital contribution	(805,254)	(2,350,778)	(27,066)	(46,350)
Acquisition of property and equipment	(817,609)	(555,318)	(1,868,874)	(1,753,226)
Acquisition of intangible assets	(56,479)	(65,891)	(168,735)	(64,430)
Acquisitions of marketable securities	(16,010,154)	(32,799,950)	(41,230,597)	(40,889,755)
Redemption of marketable securities	18,317,863	33,430,369	45,001,929	40,847,150
Dividends and interest on equity received	645,844	87,432	6,465	2,778
Net cash flows used in investing activities	1,274,213	(2,253,705)	1,708,122	(2,756,764)
Cash flows from financing activities				
Distribution of dividends and interest on equity	(113,758)	(523,373)	(161,690)	(561,655)
Loans, financing and debentures raised	3,914,594	4,015,501	4,528,333	4,085,501
Payment of loans, financing and debentures	(2,932,949)	(1,043,612)	(3,771,651)	(1,382,107)
(Settlement) receipt of swap	(376,431)	(44,007)	(526,208)	(167,015)
Accounts payable for acquisitions	-	(10,579)	(9,896)	(47,370)
Net cash flows from financing activities	491,456	2,393,930	58,888	1,927,354
Increase in cash and cash equivalents	156,972	21,890	2,299,044	162,462
Cash and cash equivalents at beginning of period	96,360	43,910	1,109,796	124,621
Cash and cash equivalents at end of period	253,332	65,800	3,408,840	287,083

See accompanying notes.

Rede D'Or São Luiz S.A.

Statements of value added

Nine-month periods ended September 30, 2023 and 2022

(In thousands of reais, unless otherwise stated)

	Individual		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
	(restated)		(restated)	
Revenue	10,526,238	9,167,682	36,023,202	18,354,192
Sales of goods, products and services	11,068,543	9,604,796	17,166,858	19,310,944
Revenues from insurance operations	-	-	19,804,284	-
Allowance for expected credit loss	(545,245)	(440,054)	(1,070,890)	(959,692)
Other revenues	2,940	2,940	122,950	2,940
Benefits and claims	-	-	(14,516,046)	-
Expenses with benefits and redemptions	-	-	(14,516,046)	-
Bought-in inputs	(3,454,077)	(3,333,216)	(8,415,121)	(7,502,738)
Costs of sales	(3,664,057)	(3,128,183)	(7,940,271)	(7,142,735)
Materials, energy, third-party services and other	(221,742)	(226,628)	(673,415)	(393,169)
Loss/recovery of assets	431,722	21,595	198,565	33,166
Gross value added	7,072,161	5,834,466	13,092,035	10,851,454
Depreciation and amortization	(664,928)	(600,742)	(1,224,373)	(1,066,593)
Net value added	6,407,233	5,233,724	11,867,662	9,784,861
Value added received in transfer	3,636,823	2,501,631	6,961,402	4,297,353
Equity pickup	887,768	495,228	(2,178)	36,594
Finance income (costs)	2,749,055	2,006,403	6,828,022	4,260,759
Valuation (devaluation) of shares of investment funds and public and private securities	-	-	1,753,984	-
Finance income (costs) from insurance contracts	-	-	(1,618,426)	-
Total value added	10,044,056	7,735,355	18,829,064	14,082,214
Value added distributed	(10,044,056)	(7,735,355)	(18,829,064)	(14,082,214)
Personnel and charges	(2,977,247)	(2,643,669)	(6,101,363)	(5,261,428)
Taxes, charges and contributions	(599,062)	(406,779)	(1,628,797)	(1,283,945)
Interest, rents and other operating expenses	(5,195,182)	(3,759,595)	(9,776,677)	(6,556,984)
Dividends and interest on equity	(416,288)	(641,763)	(469,251)	(673,742)
Retained profits	(856,277)	(283,549)	(852,976)	(306,115)

See accompanying notes.

Rede D'Or São Luiz S.A.

Notes to interim financial information

September 30, 2023

(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 healthcare plans. Through its subsidiaries and associates, the Company operates in the health (health and dental insurance, administrative services only (ASO) health and dental plans, and health and wellness solutions), life insurance, private pension, and asset management segments.

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, Alagoas and the Federal District, with 70 own hospitals in operation and over 50 projects under development, in addition to oncology and radiotherapy clinics and laboratories. Currently, the Group has 9,600 hospital beds in total.

The first hospital unit, Hospital Barra D'Or, was opened in 1998, and Hospital Copa D'Or and Hospital Quinta D'Or were opened in 2000 and 2001, 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 Grosso do Sul and Paraíba in 2021; and in the state of Alagoas in 2022.

In December 2022, the business combination between the Company and SulAmérica S.A. was completed through the merger of SulAmérica S.A. into Rede D'Or. As a result of the merger, Sul América S.A. was dissolved and succeeded by Rede D'Or as regards all its assets, rights and obligations, and Rede D'Or became the parent company of Sul América Group ("SASA" or "Sul América" - comprising the subsidiaries, associates and investment funds remaining from the merger of Sul América S.A.). Thus, since December 23, 2022, the shares of Sul América S.A. are no longer traded on B3 and the former shareholders of Sul América S.A. have become shareholders of the Company. For more details, see Note 3 - Business Combination.

The business combination includes two health market leaders in Brazil and joins the largest hospital chain to one of the main independent insurers in the country. Additionally, the business combination is based on a strategy 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, 2023

(In thousands of reais, unless otherwise stated)

1. Operations (Continued)

Seasonality

There are no significant seasonal effects on the Company's operations; however, a smaller volume of customers and, consequently, of claims in the insurance and health insurance businesses, is generally observed in December, January and February due to year-end celebrations and vacation period, and a larger volume of customers is observed in Winter.

2. Accounting policies

The Company's individual and consolidated quarterly information was prepared in accordance with the Technical Pronouncement CPC 21 (R1) – Interim Financial Reporting, issued by the Accounting Pronouncements Committee (CPC), equivalent to the international accounting standard IAS 34, issued by the International Accounting Standards Board (IASB) and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the Quarterly Information (ITR).

Following Board Meeting 17 of the Brazilian Securities and Exchange Commission (CVM), which took place on May 9, 2023, under process 19957.015087/2022-62, the Company adhered to the option of disclosing the 2023 Quarterly Information (ITRs) in accordance with CPC 11 - Insurance Contracts and the simultaneous filing of the restated versions of the ITRs on the same date as the Financial Statements for the 2023 fiscal year. The notes not affected by CPC 50 - Insurance Contracts remain unchanged from their original form, including the subsequent events previously reported.

According to IAS 34/CPC 21 and Circular Letter CVM/SNC/SEP 003/2011, this quarterly information is presented in line with the concept of selected notes without the repetition of certain previously disclosed notes, but with an indication of the changes that occurred in the period and, therefore, must be read together with the annual financial information for the year ended December 31, 2022, disclosed to the CVM on November 07, 2023.

In addition, the quarterly information prepared from fiscal year 2023 onwards is being disclosed in accordance with IFRS 17/CPC 50. Changes related to accounting policies are described in Note 2.2.

The financial statements were approved and authorized for publication together with the annual financial statements by the Board of Directors on March 26, 2024.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

2. Accounting policies (Continued)

2.1. Restatement of the quarterly information (ITR) and corresponding value

In May 2017, the IASB published IFRS 17 - Insurance Contracts (CPC 50), replacing IFRS 4 (CPC 11), which established principles for the recognition, measurement, presentation and disclosure of insurance and reinsurance contracts.

The effectiveness of the standard was established from approval by the regulators. In this regard, the Brazilian SEC issued CVM Resolution No. 42 of July 22, 2021, approving CPC 50 and making it mandatory for publicly-held companies as of January 1, 2023, therefore it must be adopted by the Company.

Accordingly, in compliance with the procedures set forth in CPC 23 - Accounting Policies, Change in Accounting Estimates and Errors, the new accounting practice was applied retrospectively, recomposing the comparative balances for the purposes of presentation in these financial statements matched against equity. It should be noticed that the application of this standard had no impact on the statements of profit or loss, statements of comprehensive income, statements of cash flows as well as statements of value added for the year ended December 31, 2022, since the balances impacted by IFRS 17 come from the business combination related to the acquisition of Sul América S.A. that occurred at the end of that year. These adjustments are presented in the tables below.

In addition, as part of the process of continuous review and quality improvement of its accounting practices, management has eliminated certain lease agreements involving group companies matched against Right of use in the amounts corresponding to the consolidated financial statements. This adjustment impacts the statement of financial position only and is intended to reflect a more accurate presentation and improve the understanding of these operations in the Company's consolidated financial statements.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

2. Accounting policies (Continued)

2.1. Restatement of the quarterly information (ITR) and corresponding value (Continued)

	Reference	Individual		
		12/31/2022 (original)	Adjustment	12/31/2022 (Restated)
Assets				
Total noncurrent assets		16,659,849	-	16,659,849
Current assets				
Investments in subsidiaries, associates and joint ventures	(a)	26,549,365	(277,378)	26,271,987
Intangible assets	(a)	9,126,029	(2,245,085)	6,880,944
Others		8,859,533	-	8,859,533
Total noncurrent assets		44,534,927	(2,522,463)	42,012,464
Total assets		61,194,776	(2,522,463)	58,672,313
	Reference	Consolidated		
		12/31/2022 (original)	Adjustment	12/31/2022 (Restated)
Liabilities				
Current liabilities				
Total current liabilities		7,369,465	-	7,369,465
Noncurrent liabilities				
Insurance contract liabilities	(a)	2,105,907	(2.105.907)	-
Deferred taxes	(b)	354,579	(47.320)	307,259
Others		29,552,786	-	29,552,786
Total noncurrent liabilities		32,013,272	(2.153.227)	29,860,045
Equity				
Total equity	(e)	21,812,039	(369,236)	21,442,803
Total liabilities and equity		61,194,776	(2,522,463)	58,672,313

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

2. Accounting policies (Continued)

2.1. Restatement of the quarterly information (ITR) and corresponding value (Continued)

Statement of financial position (Continued)

	Reference	12/31/2022 (original)	Adjustment	12/31/2022 (Restated)
Assets				
Current assets				
Cash and cash equivalents		1,109,796	-	1,109,796
Marketable securities		29,236,645	-	29,236,645
Accounts receivable - hospital services	(a)	8,522,503	(611,051)	7,911,452
Inventories		808,688	-	808,688
Taxes recoverable		656,696	-	656,696
Insurance contract assets	(a)	-	70,012	70,012
Reinsurance assets		106,882	(62,141)	44,741
Derivative financial instruments		251,740	-	251,740
Transactions with related parties		7,753	-	7,753
Dividends receivable		1,769	-	1,769
Deferred acquisition costs	(a)	450,610	(450,610)	-
Other	(a)	524,607	-	524,607
Total current assets		41,677,689	(1,053,790)	40,623,899
noncurrent asset				
Transactions with related parties		75,899	-	75,899
Marketable securities		1,806,334	-	1,806,334
Accounts receivable		1,659,489	-	1,659,489
Taxes recoverable		469,970	-	469,970
Insurance contract assets	(a)	-	79,496	79,496
Ativo de resseguro		4,874	(4,347)	527
Reinsurance contract assets		2,862,274	-	2,862,274
Judicial deposits	(b)	3,818,728	(452,448)	3,366,280
Deferred income and social contribution taxes		2,487,765	-	2,487,765
Derivative financial instruments		2,553,401	-	2,553,401
Investments in subsidiaries, associates and joint ventures		11,106,286	-	11,106,286
Property and equipment	(a)	18,831,039	(2,353,408)	16,477,631
Intangible assets	(c)	3,864,560	(1,029,960)	2,834,600
Rights of use - leases	(a)	997,897	(997,897)	-
Deferred acquisition costs	(a)	274,476	-	274,476
Total noncurrent assets		50,812,992	(4,758,564)	46,054,428
Total assets		92,490,681	(5,812,354)	86,678,327

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

2. Accounting policies (Continued)

2.1. Restatement of the quarterly information (ITR) and corresponding value (Continued)

Statement of financial position (Continued)

	Reference	12/31/2022 (original)	Adjustment	12/31/2022 (estimated)
Current liabilities				
Trade accounts payable				
Derivative financial instruments		1,256,601	-	1,256,601
Loans, financing and debentures		827,908	-	827,908
Salaries, accruals and social charges		4,973,066	-	4,973,066
Tax obligations		982,150	-	982,150
Dividends and interest on equity payable	(b)	800,950	(13,063)	787,887
Insurance contract liabilities		145,085	-	145,085
Leases	(a)	5,974,995	(2,061,683)	3,913,312
Other	(c)	813,919	(192,168)	621,751
Total Current liabilities	(a)	969,128	274,439	1,243,567
Current liabilities		16,743,802	(1,992,475)	14,751,327
Noncurrent liabilities				
Derivative financial instruments		1,131,108	-	1,131,108
Loans, financing and debentures		27,910,159	-	27,910,159
Transactions with related parties		4,207	-	4,207
Tax obligations		240,550	-	240,550
Insurance contract liabilities	(a)	13,421,690	(2,192,662)	11,229,028
Deferred income and social contribution taxes	(b)	1,064,336	(665,922)	398,414
Provision for contingencies	(d)	3,558,744	233,428	3,792,172
Leases	(c)	3,548,443	(837,792)	2,710,651
Other	(a)	1,790,672	12,305	1,802,977
Total noncurrent liabilities		52,669,909	(3,450,643)	49,219,266
Equity				
Capital		15,711,360	-	15,711,360
Share issue costs		(253,031)	-	(253,031)
Capital reserves		4,914,500	-	4,914,500
Treasury shares		(544,610)	-	(544,610)
Income reserves	(e)	1,669,514	(369,236)	1,300,278
Retained earnings		4,224	-	4,224
Future capital contribution		310,082	-	310,082
Total equity attributable to the Company's shareholders		21,812,039	(369,236)	21,442,803
Noncontrolling interests		1,264,931	-	1,264,931
Total equity		23,076,970	(369,236)	22,707,734
Total liabilities and equity		92,490,681	(5,812,354)	86,678,327

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2023
(In thousands of reais, unless otherwise stated)

2. Accounting policies (Continued)

2.2. Restatement of the quarterly information (ITR) and corresponding value (Continued)

Consolidated statement of financial position

Reference	Individual			Consolidated		
	09/30/2023 (Original)	Adjustment	09/30/2023 (Restated)	30/09/2023 (Original)	Adjustment	09/30/2023 (Restated)
Assets						
Current						
Cash and cash equivalents	253,332	-	253,332	3,408,840	-	3,408,840
Marketable securities	9,702,895	-	9,702,895	28,227,338	-	28,227,338
Accounts receivable - hospital services	4,846,341	-	4,846,341	10,087,402	(1,124,181)	8,963,221
Inventories	351,109	-	351,109	702,897	-	702,897
Taxes recoverable	602,046	-	602,046	984,031	75,409	1,059,440
Insurance contract assets	-	-	-	102,625	(84,473)	18,152
Derivative financial instruments	106,266	-	106,266	106,266	-	106,266
Transactions with related parties	189,611	-	189,611	12,423	-	12,423
Dividends receivable	237,495	-	237,495	5,699	-	5,699
Deferred acquisition costs	-	-	-	493,388	(493,388)	-
Other	274,985	(3,419)	271,566	588,365	-	588,365
Total current assets	16,564,080	(3,419)	16,560,661	44,719,274	(1,626,633)	43,092,641
Noncurrent assets						
Transactions with related parties	1,974,171	-	1,974,171	164,803	-	164,803
Marketable securities	-	-	-	1,677,180	-	1,677,180
Accounts receivable	-	-	-	1,696,599	-	1,696,599
Impostos a recuperar	8,677	-	8,677	469,669	-	469,669
Ativos de contrato de resseguro	-	-	-	14,470	(6,183)	8,287
Judicial deposits	342,905	-	342,905	2,618,724	-	2,618,724
Deferred income and social contribution taxes	-	-	-	4,223,498	(507,011)	3,716,487
Derivative financial instruments	379,002	-	379,002	1,925,241	-	1,925,241
Investments in subsidiaries, associates and joint ventures	28,061,903	(680,366)	27,381,537	2,601,692	-	2,601,692
Property and equipment	4,854,932	-	4,854,932	12,422,784	-	12,422,784
Intangible assets	8,699,538	(1,911,243)	6,788,295	18,369,173	(2,003,960)	16,365,213
Rights of use - leases	2,184,155	-	2,184,155	3,746,488	(1,046,407)	2,700,081
Deferred acquisition costs	-	-	-	1,009,012	(1,009,012)	-
Other	71,843	-	71,843	253,650	-	253,650
Total non current assets	46,577,126	(2,591,609)	43,985,517	51,192,983	(4,572,573)	46,620,410
Total assets	63,141,206	(2,595,028)	60,546,178	95,912,257	(6,199,206)	89,713,051

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2023
(In thousands of reais, unless otherwise stated)

2. Accounting policies (Continued)

2.2. Restatement of the quarterly information (ITR) and corresponding value (Continued)

Consolidated statement of financial position (Continued)

Reference	Individual			Consolidated		
	09/30/2023 (Original)	Adjustment	09/30/2023 (Restated)	09/30/2023 (Original)	Adjustment	09/30/2023 (Restated)
Liabilities						
Current						
Trade accounts payable	749,452	-	749,452	1,541,869	-	1,541,869
Derivative financial instruments	542,586	-	542,586	696,477	-	696,477
Loans, financing and debentures	2,314,371	-	2,314,371	2,674,761	-	2,674,761
Salaries, accruals and social charges	604,671	-	604,671	1,277,806	-	1,277,806
Tax obligations	322,563	-	322,563	993,783	56,721	1,050,504
Dividends and interest on equity payable	391,235	-	391,235	403,710	-	403,710
Insurance contract liabilities	(a) -	-	-	6,933,961	(1,655,790)	5,278,171
Leases	(c) 481,848	-	481,848	748,330	(180,696)	567,634
Other	102,172	-	102,172	1,281,878	264,929	1,546,807
Total current liabilities	5,508,898	-	5,508,898	16,552,575	(1,514,836)	15,037,739
Noncurrent liabilities						
Derivative financial instruments	763,680	-	763,680	763,680	-	763,680
Loans, financing and debentures	28,193,823	-	28,193,823	31,003,826	-	31,003,826
Transactions with related parties	-	-	-	5,241	-	5,241
Tax obligations	36,344	-	36,344	200,515	-	200,515
Insurance contract liabilities	(a) 1,966,057	(1,966,057)	-	13,858,570	(2,471,517)	11,387,053
Deferred income and social contribution taxes	(b) 184,809	18,637	203,446	1,267,810	(945,665)	322,145
Provision for contingencies	(d) 784,493	-	784,493	2,992,289	233,633	3,225,922
Leases	573,620	-	573,620	-	-	-
Other	(c) 2,089,034	-	2,089,034	3,585,223	(865,711)	2,719,512
Derivative financial instruments	267,030	-	267,030	1,626,019	12,498	1,638,517
Total noncurrent liabilities	34,858,890	(1,947,420)	32,911,470	55,303,173	(4,036,762)	51,266,411
Equity						
Capital social	15,711,360	-	15,711,360	15,711,360	-	15,711,360
Gastos com emissão de ações	-253,031	-	(253,031)	(253,031)	-	(253,031)
Reservas de capital	(e) 4,903,167	646	4,903,813	4,903,167	646	4,903,813
Ações em tesouraria	-519,417	-	(519,417)	(519,417)	-	(519,417)
Reservas de lucros	(e) 1,253,226	(369,236)	883,990	1,253,226	(369,236)	883,990
Lucros Acumulados	1,449,807	(177,241)	1,272,566	1,449,807	(177,241)	1,272,566
Adiantamento para futuro aumento de capital	4,224	-	4,224	4,224	-	4,224
Outros resultados abrangentes	224,082	(101,777)	122,305	224,082	(101,777)	122,305
Total equity attributable to the Company's shareholders	22,773,418	(647,608)	22,125,810	22,773,418	(647,608)	22,125,810
Noncontrolling interests	-	-	-	1,283,091	-	1,283,091
Total equity	22,773,418	(647,608)	22,125,810	24,056,509	(647,608)	23,408,901
Total liabilities and equity	63,141,206	(2,595,028)	60,546,178	95,912,257	(6,199,206)	89,713,051

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2023
(In thousands of reais, unless otherwise stated)

2. Accounting policies (Continued)

2.2. Restatement of the quarterly information (ITR) and corresponding value (Continued)

Consolidated statement of profit or loss

	Reference	Individual			Consolidated		
		09/30/2023		09/30/2023 (Restated)	09/30/2023		30/09/2023 (Restated)
		(Original)	Adjustment		(Original)	Adjustment	
Net operating revenues from hospital services	(a)	9,932,677	-	9,932,677	35,009,017	(312,667)	34,696,350
Changes in premium reserves	(a)	-	-	-	(498,188)	498,188	-
Costs of hospital services	(a)	(6,998,744)	193,981	(6,804,763)	(29,003,714)	(305,219)	(29,308,933)
Gross profit		2,933,933	193,981	3,127,914	5,507,115	(119,698)	5,387,417
General and administrative expenses	(a)	(352,883)	-	(352,883)	(1,572,765)	685,931	(886,834)
Selling expenses	(a)	(37,776)	-	(37,776)	(173,029)	1,978	(171,051)
Equity pickup		1,193,033	(305,265)	887,768	(2,178)	-	(2,178)
Other operating expenses	(a), (c)	(101,431)	-	(101,431)	(356,908)	36,961	(319,947)
Income before finance income (costs) and income and social contribution taxes	(a)	3,634,876	(111,284)	3,523,592	3,402,235	605,172	4,007,407
Finance income	(a)	2,749,055	-	2,749,055	6,824,929	3,093	6,828,022
Finance costs	(a)	(5,017,509)	-	(5,017,509)	(8,302,525)	(929,561)	(9,232,086)
Income before income taxes		1,366,422	(111,284)	1,255,138	1,924,639	(321,296)	1,603,343
Income taxes	(b)	83,385	(65,957)	17,428	(425,170)	144,055	(281,115)
Net income for the period		1,449,807	(177,241)	1,272,566	1,499,469	(177,241)	1,322,228
Income attributable to controlling interests		1,449,807	(177,241)	1,272,566	1,449,807	(177,241)	1,272,566
Income attributable to noncontrolling interests		-	-	-	49,662	-	49,662
Basic earnings per share		0,6430	(0,0786)	0,5644	0,643	(0,0786)	0,5644
Diluted earnings per share		0,6430	(0,0786)	0,5644	0,643	(0,0786)	0,5644

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2023
(In thousands of reais, unless otherwise stated)

2. Accounting policies (Continued)

2.2. Restatement of the quarterly information (ITR) and corresponding value

(Continued)

Statement of comprehensive income

	Individual		Consolidated			
	09/30/2023 (Original)	Adjustment	30/09/2023 (Restated)	30/09/2023 (original)	Adjustment	09/30/2023 (Restated)
Net income for the period	1,449,807	(177,241)	1,272,566	1,499,469	(177,241)	1,322,228
Other comprehensive income						
Cash flow hedge	(142,761)	-	(142,761)	(154,283)	-	(154,283)
Gains/(losses) on insurance and reinsurance liabilities	-	-	-	-	(164,083)	(164,083)
Unrealized gains/(losses) on financial assets available for sale	-	-	-	23,980	12,577	36,557
Tax effects	48,539	-	48,539	44,303	60,357	104,660
Gains/(losses) on changes in shareholding interest	(5,244)	-	(5,244)	-	-	-
Other comprehensive income of associates and subsidiaries, by equity pickup	13,466	(101,777)	(88,311)	-	(10,628)	(10,628)
	(86,000)	(101,777)	(187,777)	(86,000)	(101,777)	(187,777)
Total comprehensive income	1,363,807	(279,018)	1,084,789	1,413,469	(279,018)	1,134,451
Attributable to	1,363,807	(279,018)	1,084,789	1,363,808	(279,018)	1,084,790
Controlling interests	-	-	-	49,661	-	49,661

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2023
(In thousands of reais, unless otherwise stated)

2. Accounting policies (Continued)

2.2. Restatement of the quarterly information (ITR) and corresponding value

(Continued)

Statement of cash flows

	Individual			Consolidated		
	01/01/2023 to 09/30/2023	01/01/2023 to 09/30/2023	01/01/2023 to 09/30/2023	01/01/2023 to 09/30/2023	01/01/2023 to 09/30/2023	01/01/2023 to 09/30/2023
	(Original)	Adjustment	(Restated)	(Original)	Adjustment	(Restated)
Cash flows from operating activities						
Income before income and social contribution taxes	1,366,422	(111,284)	1,255,138	1,924,639	(321,296)	1,603,343
Adjustments to reconcile income before taxes to cash flows from operating activities						
Depreciation and amortization	858,919	(193,991)	664,928	1,471,779	(247,406)	1,224,373
Impairment	-	-	-	31,898	(12,001)	19,897
Interest, monetary variations and foreign exchange differences, net	1,506,639	-	1,506,639	1,277,605	(666,869)	610,736
Provision for/(reversal of) contingencies	(431,722)	-	(431,722)	(198,771)	206	(198,565)
Equity pickup	(1,193,033)	305,265	(887,768)	2,178	-	2,178
Income from (loss on) insurance services	-	-	-	-	3,975,183	3,975,183
Allowance for expected credit loss	545,245	-	545,245	1,198,413	(127,523)	1,070,890
(Increase) decrease in assets and increase (decrease) in liabilities						
Accounts receivable	(1,425,540)	-	(1,425,540)	(2,813,841)	654,073	(2,159,768)
Taxes recoverable	(168,533)	-	(168,533)	(272,341)	(75,409)	(347,750)
Other assets	(43,142)	-	(43,142)	88,151	(8,647)	79,504
Trade accounts payable	216,976	-	216,976	287,193	(1,925)	285,268
Tax obligations	(40,453)	-	(40,453)	(72,323)	49,017	(23,306)
Provision for contingencies	(1,273)	-	(1,273)	(239,971)	(1)	(239,972)
Insurance technical reserve	-	-	-	1,567,493	(1,567,493)	-
Insurance and reinsurance assets (liabilities)	-	-	-	-	(2,412,782)	(2,412,782)
Other liabilities	(28,392)	10	(28,382)	(12,875)	69,595	56,720
Other	156,525	-	156,525	579,095	-	579,095
	1,318,638	-	1,318,638	4,818,322	(693,278)	4,125,044
Payment of interest	(2,927,335)	-	(2,927,335)	(3,202,801)	-	(3,202,801)
Payment of income and social contribution taxes	-	-	-	(390,209)	-	(390,209)
Net cash from (used in) operating activities	(1,608,697)	-	(1,608,697)	1,225,312	(693,278)	532,034
Cash flows from investing activities						
Acquisitions of properties & equipment	(817,609)	-	(817,609)	(1,888,772)	19,898	(1,868,874)
Acquisitions of marketable securities	(16,010,154)	-	(16,010,154)	(41,230,597)	-	(41,230,597)
Redemption of marketable securities	18,317,863	-	18,317,863	(44,328,549)	673,380	45,001,929
Other	(215,887)	-	(215,887)	(194,336)	-	(194,336)
Cash flows from investing activities	1,274,213	-	1,274,213	1,014,844	693,278	1,708,122
Cash flows from financing activities	491,456	-	491,456	58,888	-	58,888
Increase in cash and cash equivalents	156,972	-	156,972	2,299,044	-	2,299,044
Cash and cash equivalents at beginning of period	96,360	-	96,360	1,109,796	-	1,109,796
Cash and cash equivalents at end of period	253,332	-	253,332	3,408,840	-	3,408,840

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

2. Accounting policies (Continued)

2.2. Restatement of the quarterly information (ITR) and corresponding value (Continued)

Statement of value added

	Individual			Consolidated		
	30/09/2023 (original)	30/09/2022 adjustment	30/09/2023 (restated)	30/09/2023 (original)	30/09/2022 adjustment	30/09/2023 (restated)
Receita	10,526,238	-	10,526,238	36,099,749	(76,547)	36,023,202
Sales of goods, products and services	11,068,543	-	11,068,543	17,166,858	-	17,166,858
Revenues from insurance operations	-	-	-	19,472,020	332,264	19,804,284
Revenues from Supplementary Social Security operations	-	-	-	559,462	(559,462)	-
Allowance for expected credit loss	(545,245)	-	(545,245)	(1,200,800)	129,910	(1,070,890)
Other revenues	2,940	-	2,940	102,209	20,741	122,950
Changes in premium reserves	-	-	-	(498,188)	498,188	-
Net operacional revenue	10,526,238	-	10,526,238	35,601,561	421,641	36,023,202
Benefits and claims	-	-	-	(14,302,941)	(213,105)	(14,516,046)
Expenses with benefits and redemptions	-	-	-	-	(14,516,046)	(14,516,046)
Claims	-	-	-	(12,756,807)	12,756,807	-
Changes in incurred but not yet reported reserve	-	-	-	(1,318,093)	1,318,093	-
Redemption and benefits expenses	-	-	-	(78,546)	78,546	-
Other claims	-	-	-	(149,495)	149,495	-
Bought-in inputs	(3,454,066)	(11)	(3,454,077)	(8,478,107)	62,986	(8,415,121)
Costs of sales	(3,664,046)	(11)	(3,664,057)	(7,940,260)	(11)	(7,940,271)
Materials, energy, third-party services and other	(221,742)	-	(221,742)	(736,618)	63,203	(673,415)
Loss/recovery of assets	431,722	-	431,722	198,771	(206)	198,565
Gross value added	7,072,172	(11)	7,072,161	12,820,513	271,522	13,092,035
Depreciation and amortization	(858,919)	193,991	(664,928)	(1,471,779)	247,406	(1,224,373)
Net value added	6,213,253	193,980	6,407,233	11,348,734	518,928	11,867,662
Value added received in transfer	3,942,088	(305,265)	3,636,823	5,395,178	1,566,224	6,961,402
Equity pickup	1,193,033	(305,265)	887,768	(2,178)	-	(2,178)
Finance income (costs)	2,749,055	-	2,749,055	6,824,929	1,757,077	8,582,006
Income from ceded reinsurance and coinsurance operations	-	-	-	69,908	(69,908)	-
Monetary and exchange rate variations - insurance and pension plans	-	-	-	-	(1,618,426)	(1,618,426)
Equity pickup	-	-	-	(1,497,481)	1,497,481	-
Total value added	10,155,341	(111,285)	10,044,056	16,743,912	2,085,152	18,829,064
Value added distributed	(10,155,341)	111,285	(10,044,056)	(16,743,912)	(2,085,152)	(18,829,064)
Personnel and charges	(2,977,247)	-	(2,977,247)	(6,156,336)	54,973	(6,101,363)
Taxes, charges and contributions	(533,105)	(65,957)	(599,062)	(1,786,651)	157,854	(1,628,797)
Interest, rents and other operating expenses	(5,195,182)	-	(5,195,182)	(7,301,456)	(2,475,221)	(9,776,677)
Dividends and interest on equity	(416,288)	-	(416,288)	(469,251)	-	(469,251)
Retained profits	(1,033,519)	177,242	(856,277)	(1,030,218)	177,242	(852,976)

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

2. Accounting policies (Continued)

2.2. Insurance contracts (Continued)

- a) This refers to the accounting practice changes between IFRS 4 and IFRS 17, which accounting policies based on that new practice are described on the explanatory notes n° 2.20.
- b) Impacts on current and deferred taxes on the adjustments mentioned above and on deferred tax from the adoption of CPC 50 / IFRS 17, since for tax purposes such practice is not adopted, therefore there is a temporary difference between tax and accounting records. The referred to tax impacts were calculated at the rates in effect and matched against equity at transition date.
- c) This refers to the elimination of certain lease agreements matched against the Right of use line, in order to reflect a better understanding of the consolidated financial statements. This adjustment impacts the statement of financial position only.
- d) This refers to the change in accounting policy for measurement of certain civil lawsuits involving adjustments in premiums of health portfolios, in order to reconcile the accounting practice of the new management as well as the respective tax effects.
- e) Net effect from adjustments mentioned above and from the adoption of CPC 50 / IFRS 17.

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Notes to interim financial information (Continued)
September 30, 2023
(In thousands of reais, unless otherwise stated)

2. Accounting policies (Continued)

2.2. Insurance contracts (Continued)

In the ordinary course of its business, the Company issues insurance contracts, and accepts significant insurance risk relating to policyholders under such contracts. In general, the Company determines if insurance risk is significant by comparing the benefits to be paid after an insured event with the benefits to be paid if the insured event does not occur. Insurance contracts may also transfer financial risk. The Company issues health care, dental, life, travel and private pension insurance.

The Company classifies reinsurance contracts as those insurance contracts by an entity (reinsurer) to compensate the Company for losses resulting from one or more insurance contracts by that other entity - underlying contracts. The Company maintains reinsurance contracts, but does not issue them.

Separating components of insurance and reinsurance contracts

The Company analyzes its products to determine whether they contain distinct components that should be accounted for under a CPC/IFRS other than CPC 50/IFRS 17. After separating any distinct components, the Company applies CPC 50/IFRS 17 to all remaining components of the issued insurance or reinsurance contract. Currently, the Company's insurance contracts do not include any distinct component that requires such separation.

Level of aggregation of insurance and reinsurance contracts

CPC 50/IFRS 17 requires that management determine the level of aggregation of the Company's insurance and reinsurance contracts in order to apply CPC 50/IFRS 17 requirements. The Company previously applied aggregation levels in accordance with CPC11/IFRS 4, which were significantly higher than the level of aggregation required by CPC 50/IFRS 17. The level of aggregation for the Company is primarily determined by the grouping of the Company's contracts into portfolios. The portfolios, comprised of groups of contracts with similar risks managed together, are Group healthcare plans, individual healthcare plans, dental plans (group and individual), life (group, individual and long-term life, credit life insurance (monthly and lump-sum payment) and pension risks), travel insurance and private pension plans (traditional and PGBL/VGBL).

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

2. Accounting policies (Continued)

2.2. Insurance contracts (Continued)

The portfolios are subdivided (groups) based on estimated profitability upon initial recognition into three categories, as follows:

- Onerous - group of onerous contracts upon initial recognition, which is: Individual health;
- Low risk of onerous contracts - groups of contracts which, upon initial recognition, have no significant possibility of becoming onerous subsequently and are: Group health plans, group and individual dental plans, private pension plans (VGBL/PGBL) and travel insurance;
- Other - group that contains the other contracts, such as: Life (individual and group), credit life insurance (monthly and lump-sum payment), pension risks and traditional pension plans.

All reinsurance contracts were classified as cost, that is, contracts which, upon initial recognition, have a low possibility of generating net gains after initial recognition. CPC 50/IFRS 17 also requires that no group contain contracts issued more than one year apart and the Company opted to aggregate in annual cohorts.

The profitability of contract groups is evaluated by actuarial valuation models that take into consideration existing and new businesses.

Contract limits

The Company includes in the measurement of a group of insurance contracts all future cash flows within the limit of each contract in the group. These cash flows are within the limits of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can obligate the policyholder to pay premiums, or in which the Company has a substantive obligation to provide the policyholder with insurance contract services.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

2. Accounting policies (Continued)

2.2. Insurance contracts (Continued)

Recognition

Management recognizes a group of insurance contracts issued by the Company when the first of the following events occurs: (1) the beginning of the contract group coverage period; (2) the due date of the policyholder's first payment in the group; and (3) for a group of onerous contracts, when the group becomes onerous.

The Company recognizes reinsurance contracts when the first of the following events occurs: (1) the beginning of the contract group coverage period; and (2) date on which the entity recognizes an onerous group of underlying insurance contracts, where applicable.

Measurement approach

Premium Allocation Approach (PAA)

Measurement upon initial recognition: The Company applies PAA to all insurance contracts that it issues for the following groups: Group health, group dental, short-term life (individual, group life and credit life insurance with monthly payments), travel and all reinsurance contracts, whose coverage period of each group contract is of one year or less, including coverage deriving from all premiums within the contract limit. The Company measures the liability for remaining coverage as the premiums, if any, received upon initial recognition, less any cash flows from purchase of insurance at that date, plus or less any amount arising from derecognition at the date of the asset or liability recognized for the cash flows from purchase of insurance that the Company pays or receives before the group of contracts is recognized.

Premium Allocation Approach (PAA) - subsequent measurement

The Company measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus premiums received in the period;
- Less insurance acquisition cash flows - commissions, agency services and other costs related to the sale of new contracts;
- Plus any amounts relating to amortization of insurance acquisition cash flows recognized as an expense in the reporting period for the group;
- Less the amount recognized as insurance revenue from services provided in the period.

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Notes to interim financial information (Continued)
September 30, 2023
(In thousands of reais, unless otherwise stated)

2. Accounting policies (Continued)

2.2. Insurance contracts (Continued)

For contracts in which the Company expects the period between providing each part of the coverage and the respective premium maturity date not to exceed one year, the Company chose not to adjust the carrying amount of the liability for remaining coverage to reflect the time value of money and the effect of financial risk. Subsequent measurement of reinsurance contracts held follows the same principles as insurance contracts and was adapted to reflect the specific characteristics of reinsurance.

General Approach (Building Block Approach - BBA)

Measurement upon initial recognition: the Company applies BBA to the following groups: Individual health, Individual dental, Traditional pension and Long-term life (Long-term life, Credit life insurance (lump-sum payment), and pension risks). BBA measures a group of insurance contracts as the total of:

- Fulfillment cash flows (inflow and outflow cash flows necessary for the fulfillment of the Company's contractual rights to receive funds from contractors and the Company's contractual obligations to the policyholders/beneficiaries); and
- CSM, which is the component of assets or liabilities for the contract group that represents unearned profit that the entity should recognize based on the provision of insurance coverage in the future.

Fulfillment cash flows comprise unbiased, probability-weighted estimates of future cash flows, discounted to present value to reflect the time value of money and financial risks, plus a risk adjustment for non-financial risk. The Company's objective in estimating future cash flows is to determine the expected amount, or probability-weighted average, of the full range of possible outcomes, given all reasonable and supportable information available at the reporting date, without undue cost or effort.

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Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

2. Accounting policies (Continued)

2.2. Insurance contracts (Continued)

CSM at the end of the reporting period represents profit in the group of contracts that has not yet been recognized in profit or loss, since it refers to services still to be provided. For a group of contracts, the CSM carrying amount of the group at the end of the reporting period equals the carrying amount at the beginning of the reporting period, adjusted as follows: the effect of any new contracts added to the group; accumulated interest on the CSM carrying amount over the reporting period, measured at the discount rates upon initial recognition; changes in fulfillment cash flows relating to future services unless: these increases in fulfillment cash flows exceed the CSM carrying amount, giving rise to a loss; or these reductions in fulfillment cash flows are allocated to the loss component of the liability for remaining coverage; the amount recognized as insurance revenue due to the transfer of contract services in the period, determined by allocating the remaining CSM at the end of the reporting period (before any allocation) over the current and remaining coverage period. The locked-in discount rate is the rate applicable on the date of initial recognition of contracts. The discount rate used for adding interest in CSM is calculated using the bottom up approach at the beginning.

Changes in fulfillment cash flows relating to future services that adjust CSM include:

- Experience adjustments that arise from the difference between premium received (and any related cash flows, such as insurance acquisition cash flows and taxes on insurance premiums) and the estimated amounts at the beginning of the period. Differences relating to premiums received (or payable) referring to current or past services are recognized immediately in profit or loss, whereas differences relating to premiums received (or payable) for future services are adjusted against CSM;
- Changes in estimated present value of future cash flows in the liability for remaining coverage, except changes relating to the time value of money and changes in financial risk (recognized in P&L (Pension) and other comprehensive income (other portfolios) rather than adjusting CSM);
- Differences between any investment component that is expected to be due in the period and the actual investment component that becomes due in the period.
- Changes to the risk adjustment for non-financial risk relating to future services.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

2. Accounting policies (Continued)

2.2. Insurance contracts (Continued)

Except for the changes in risk adjustment, CSM adjustments mentioned above are measured at discount rates that reflect the characteristics of the group of contracts' cash flows upon initial recognition.

The Company measures the carrying amount of a group of contracts at the end of each reporting period as the sum of the liability for remaining coverage, comprising fulfillment cash flows relating to future services allocated to the group at that date and the group's CSM at that date and the incurred claim liability, comprising fulfillment cash flows relating to past services allocated to the group at that date.

Variable Fee Approach (VFA)

Measurement upon initial recognition: The Company applies the VFA to contracts with direct participation features: Private Pension (PGBL/VGBL), similar to BBA, except for the fact that the fulfillment cash flows take into consideration the participation of the beneficiaries and of the Company in the fair value of underlying assets. Similarly to BBA, CSM at the end of the reporting period represents profit in the group of contracts that has not yet been recognized in profit or loss, since it refers to services still to be provided. For a group of contracts, the CSM carrying amount of the group at the end of the reporting period equals the carrying amount at the beginning of the reporting period, adjusted as follows:

- the effect of any new contracts added to the group;
- the change in the entity's participation upon change in fair value of the underlying items, except to the extent that:
- the reduction in the amount of the entity's participation in the decrease in fair value of the underlying items exceeds the carrying amount of CSM, giving rise to the loss; or
- the increase in the entity's participation in the increase in fair value of the underlying items reverses the amount described in the previous item;
- The changes in fulfillment cash flows relating to future insurance coverage, except to the extent that:
- these increases in fulfillment cash flows exceed the CSM carrying amount, giving rise to the loss; or these reductions in fulfillment cash flows are allocated to the loss component of the liability for remaining coverage; and
- the amount recognized as insurance revenue due to the provision of coverage under contracts in the period, determined by allocating the remaining CSM at the end of the reporting period (before any allocation) over the current and remaining

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

2. Accounting policies (Continued)

2.2. Insurance contracts (Continued)

coverage period.

Loss components

The Company grouped contracts that are onerous upon initial recognition separately from contracts in the same portfolio that are not onerous upon initial recognition. Groups that were not onerous upon initial recognition may also become onerous subsequently if assumptions and experience change. The Company established a loss component for the liability for remaining coverage for any onerous group representing future losses. A loss component represents an amount of losses attributable to each group of onerous contracts (or initially profitable contracts that became onerous). The loss component is released based on a systematic allocation of subsequent changes relating to future services in fulfillment cash flows to: the loss component; and the liability for remaining coverage less the loss component.

The loss component is also updated for subsequent changes relating to future services in the estimated fulfillment cash flows and to the risk adjustment for non-financial risk. The systematic allocation of subsequent changes in the loss component results in the total amounts allocated to the loss component equal to zero at the end of the coverage period of a group of contracts (since the loss component will have materialized in the form of claims and other costs that may be allocated to such group of contracts). The Company uses the ratio upon initial recognition to determine the systematic allocation of subsequent changes in future cash flows between the loss component and the liability for remaining coverage less the loss component.

Loss recovery components

When the Company recognizes a loss on initial recognition of an onerous group of underlying insurance contracts or when other onerous underlying insurance contracts are added to a group, the Company establishes a loss recovery component for the asset for remaining coverage of a group of reinsurance contracts held that represent the recovery of losses. When a loss component has been established after initial recognition of a group of underlying insurance contracts, the portion of revenue that was recognized from the related reinsurance contracts is disclosed as a loss recovery component. When a loss recovery component was established on initial recognition or subsequently, the Company adjusts the loss recovery component to reflect changes in the loss component of an onerous group of underlying insurance contracts. The carrying amount of the loss recovery component should not exceed the portion of the carrying amount of the loss component of the onerous group of

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

2. Accounting policies (Continued)

2.2. Insurance contracts (Continued)

underlying insurance contracts that the Company expects to recover from the group of reinsurance contracts held.

Accordingly, the loss recovery component recognized upon initial recognition is reduced to zero in line with reductions in the onerous group of underlying insurance contracts and is nil when the loss component of the onerous group of underlying insurance contracts is nil.

Liabilities for claims incurred

For all measurement approaches (PAA, BBA or VFA), the Company estimates liabilities for claims incurred based on the best estimates available, which take into consideration the historical experience observed, realistic assumptions and reasonable information that reflect the Company's current perspective and include an adjustment for non-financial risk (risk adjustment).

Insurance acquisition cash flows

Insurance acquisition cash flows result from the costs of selling, underwriting and initiating a group of contracts (issued or expected to be issued) that are directly attributable to the portfolio of contracts to which the group belongs. Insurance acquisition cash flows are allocated on a straight-line basis over time (through insurance revenue) or based on the portfolio's permanence curve. At the end of each reporting period, the Company assesses the recoverability of assets for the acquisition of insurance cash flows. If facts and circumstances indicate that the asset may be impaired, and if an impairment loss is identified, the Company adjusts the carrying amount of the asset and recognizes the impairment loss in P&L.

Insurance and reinsurance contracts acquired in business combinations

As mentioned before, the Company acquired all of its insurance and reinsurance contract portfolios by acquiring 100% control over SulAmérica S.A. at the end of 2022, therefore by means of a business combination.

In conjunction with the practices described above, the Company used the consideration received (groups of contracts whose fair value determined a liability) or paid (groups of contracts whose fair value determined an asset) for the contracts as a replacement for premiums received. The consideration received or paid for the contracts excluded the consideration received or paid for any other assets and liabilities acquired in the same

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

2. Accounting policies (Continued)

2.2. Insurance contracts (Continued)

Insurance and reinsurance contracts acquired in business combinations (Continued)

transaction, and no differences between fair value and book value of the reinsurance contracts were identified.

In business combinations within the scope of application of CPC 15, the consideration paid or received is the fair value of the contracts on that date.

For groups of contracts where PAA was the measurement approach determined for measuring the liability for remaining coverage, the consideration received or paid was allocated in the same manner as described for acquisition cash flows.

For groups of contracts measured using the BBA or VFA, the CSM was calculated based on the initial measurement of such approaches using the consideration received or paid for the contracts as a replacement for the premiums received or paid on the date of initial recognition.

For onerous contracts acquired, the Company recognized the excess of fulfillment cash flows over the consideration paid or received against equity, as required by CPC 23 when a new accounting policy is adopted.

The Company established the loss component of the liability for remaining coverage for this excess, and applied the previously described accounting practice for loss components to allocate subsequent changes in fulfillment cash flows to that loss component.

Net income or expense from reinsurance contracts

The Company presents separately in the statement of profit or loss and in other comprehensive income, the amounts expected to be recovered from reinsurers and the allocation of reinsurance premiums paid. The Company treats reinsurance cash flows that depend on claims in the underlying contracts as part of the claims expected to be reimbursed under the executed contract and excludes investment components and commissions from the allocation of reinsurance premiums presented in the statement of profit or loss and in other comprehensive income.

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Notes to interim financial information (Continued)
September 30, 2023
(In thousands of reais, unless otherwise stated)

2. Accounting policies (Continued)

2.2. Insurance contracts (Continued)

Insurance and reinsurance contracts acquired in business combinations (Continued)

Finance income and costs from insurance

Finance income or costs arising from insurance comprise changes in the carrying amount of the group of contracts derived from:

- The effect of the time value of money and changes in the time value of money;
- The effect of financial risk and changes in financial risk.

The Company disaggregates finance income or costs arising from insurance and reinsurance contracts into profit or loss and other comprehensive income. The impact of changes in market interest rates on insurance amounts and respective reinsurance assets and liabilities, when applicable, are reflected in P&L (pension) and in other comprehensive income (other portfolios) in order to minimize accounting mismatches between the recording of financial assets and insurance assets and liabilities. The Company's financial assets that back the insurance portfolios are predominantly measured at fair value through profit or loss or fair value through other comprehensive income, except for a portion of the assets that back traditional pension contracts, which are measured at amortized cost.

The Company systematically allocates expected total finance income or cost from insurance or reinsurance over the life of the group of contracts to P&L using the discount rates determined upon initial recognition of the group of contracts

For groups of insurance contracts (traditional pension plans) for which changes in assumptions referring to financial risk have a substantial effect on the amounts paid to policyholders, the Company systematically allocates to finance income or costs resulting from estimated future cash flows using the rate that allocates the remaining revised expected finance income or costs over the remaining term of the group of contracts at the constant rate.

Finance income or costs deriving from insurance contracts with direct participation features (VFA)

For contracts with direct participation features, for which the entity maintains the underlying items, the accounting policy chosen by the entity was to disaggregate insurance finance income or costs for the period to include in P&L the amount that eliminates accounting mismatches with income or costs included in P&L in the underlying items held, including in P&L income or costs that exactly match income or cost amounts included in P&L for the underlying items, and therefore the items' net amount presented separately equaled zero.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

2. Accounting policies (Continued)

2.2. Insurance contracts (Continued)

Significant accounting judgments, estimates and assumptions to the insurance and reinsurance contracts (Continued)

For BBA and VFA measurement models, the Company mainly uses deterministic projections to estimate the present value of future cash flows and for some groups, management uses stochastic modeling techniques. A stochastic model is a tool for estimating probability distributions of potential outcomes, allowing for random variation in one or more assumptions over time. Random variation is usually based on fluctuations observed in historical data for a selected period using standard time series techniques. The assumptions used for estimating future cash flows were as follows:

Mortality rates (Life, Long-term life - portion of reinsurance and private pension risks)

Mortality assumptions are based on standard domestic industry tables, according to the type of contract entered into. These assumptions reflect recent historical experience and are adjusted where appropriate to reflect the Company's experiences and future prospects. The assumptions are differentiated by gender of the policyholder, underwriting class and type of contract.

An increase in expected mortality rates will increase the expected cost of the claim, which will reduce the Company's expected future earnings.

Tables used	2023	2022
Pension risks	BR-EMS (Sob) / Winklevoss / Álvaro Vindas	BR-EMS (Sob) / Winklevoss / Álvaro Vindas
Private pension	BR-EMS (Sob)	BR-EMS (Sob)
Long-term life	BR-EMS (Mor)	BR-EMS (Mor)
Individual health	BR-EMS (Mor)	BR-EMS (Mor)

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

2. Accounting policies (Continued)

2.2. Insurance contracts (Continued)

Significant accounting judgments, estimates and assumptions to the insurance and reinsurance contracts (Continued)

Expenses allocated to groups of contracts

The assumptions for operating expenses reflect the projected costs of maintaining and meeting the Company's obligations under current insurance contracts and associated indirect expenses. The current level of expenses is considered as an appropriate expense base, adjusted for expected inflation, if appropriate. Variations in the expected expense level will change the Company's expected future earnings.

Cancellation fees for death, delinquency and withdrawal

Contract termination (cancellation) assumptions are determined using statistical measures based on the Company's experience and vary according to product type, contract duration and sales trends. An increase in default rates at the beginning of the contract term would tend to reduce the Company's profits, but subsequent increases have a largely neutral effect.

Discount rates (BBA, VFA and Claims liability)

Insurance contract liabilities are calculated by discounting expected future cash flows at a risk-free rate, plus an illiquidity premium, when applicable. Risk-free rates are determined by reference to yields provided by highly liquid sovereign bond in the currency of the insurance contract liabilities (Brazilian reais).

The illiquidity premium is determined based on observable market rates, based on a reference private credit portfolio, indexed by CDI and CDI+, whose issuers have a Brazil rating equal to or greater than A. The spread over DI is reduced by premiums for credit risk, based on the probability of default for each issuer, and the difference results in the premium for liquidity risk.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

2. Accounting policies (Continued)

2.2. Insurance contracts (Continued)

Significant accounting judgments, estimates and assumptions to the insurance and reinsurance contracts (Continued)

Discount rates applied for discounting future cash flows are as follows:

	Liquidity adjustment	1 Year		2 years		5 years		10 years	
		2022	2023	2022	2023	2022	2023	2022	2023
Individual health	100.00%	12.85%	13.95%	12.23%	11.44%	11.31%	10.34%	11.14%	10.38%
Health/Collective									
Club									
BBA moneylender									
Pension Risks	75.00%	12.54%	13.54%	11.89%	11.01%	10.95%	9.88%	10.75%	9.90%
VG+VI+AR/Travel									
Traditional									
Reinsurance									
Individual dentistry									
PGBL/VGBL	50.00%	12.23%	12.70%	11.56%	10.58%	10.58%	9.42%	10.36%	9.42%

Risk adjustment for non-financial risks (risk adjustment)

The risk adjustment for non-financial risks represents the compensation that the Company requires to bear the uncertainty about the amount and timing of cash flows from groups of insurance contracts and covers insurance risk, cancellation risk and expense risk. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows would exceed the best estimate amount.

The Company estimated the risk adjustment using a cost of capital technique for all contract groups, except for pension contracts (traditional and VGBL/PGBL) for which management used a chosen percentile of confidence interval.

The cost of capital represents the return required by the Company to offset the exposure to non-financial risk. The confidence interval technique used for pension contracts (traditional and VGBL/PGBL) is based on the calculation of an interval, associated with a probability (the confidence level), which represents the confidence that the interval contains the parameter.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

2. Accounting policies (Continued)

2.2. Insurance contracts (Continued)

Significant accounting judgments, estimates and assumptions to the insurance and reinsurance contracts (Continued)

The risk adjustment calculated in future durations is discounted up to the statement of financial position date at the risk-free rate, to be maintained as part of the total insurance contract liability.

The risk adjustment of insurance contracts corresponds to levels greater than or equal to 60%.

CSM amortization

CSM amount for a group of insurance contracts is recognized in profit or loss as insurance revenue in each period to reflect the insurance contract services provided under the group of insurance contracts in that period, by determining the group's coverage units. The number of a group's coverage units is the amount of insurance contract services provided by the group's contracts, calculated considering the amount of benefits offered and the expected period of coverage. For reinsurance contracts held, CSM amortization is similar to insurance contracts issued and reflects the expected underwriting pattern of the underlying contracts since the level of service provided depends on the number of underlying contracts in force.

Assets for insurance acquisition cash flows

The Company applies judgment in determining the assumptions used in the methodology to systematically and rationally allocate insurance acquisition cash flows to groups of insurance contracts. This includes judgments about whether insurance contracts are expected to arise from renewals of existing insurance contracts and, where applicable, the amount to be allocated to groups including future renewals and the volume of expected renewals of new contracts issued in the period.

In the current and prior years, the Company allocated insurance acquisition cash flow to groups of future insurance contracts, as management expected renewals arising from new contracts issued in the period.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2023
(In thousands of reais, unless otherwise stated)

2. Accounting policies (Continued)

2.2. Insurance contracts (Continued)

Significant accounting judgments, estimates and assumptions to the insurance and reinsurance contracts (Continued)

Assets for insurance acquisition cash flows

In the current and prior year, the Company identified no facts and circumstances that indicate that the assets could be impaired.

2.3. Adoption of IFRS 9, Financial Instruments, for hedge accounting

For hedging transactions, the Company adopted IFRS 9 on January 1, 2023, replacing IAS 39, Financial Instruments (CPC 38), which the Company had elected to keep in force for hedge accounting purposes at the time of initial adoption of IFRS 9 (CPC 48) on January 1, 2018. The transition to IFRS 9 was carried out prospectively and the pre-existing hedging relationships were treated as continuous hedging relationships, with no loss of effectiveness or designation in the transition. Adoption of IFRS 9 had no significant effect on the financial statements.

3. Business combination

On February 23, 2022, the Company and Sul América S.A. entered into (i) an Association Agreement, Voting Commitment and Other Covenants ("Association Agreement"); and (ii) the Private Instrument of Rationale for the Merger of Sul América S.A. (SASA) into Rede D'Or ("Rationale for the Merger" and, together with the Association Agreement, the "Purchase and Sale Agreements"), through which the parties agreed to the terms and conditions of a business combination between the two Companies, with unification of their shareholding bases, through the merger of SASA into Rede D'Or (the "Transaction"). The consummation of the Transaction was conditioned on the approvals of the General Meetings of the two companies and of the relevant regulatory agencies ("conditions precedent").

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

3. Business combination (Continued)

On April 14, 2022, the shareholders of Rede D'Or and Sul América S.A. approved the Rationale for the Merger at their respective Special General Meetings and, on that date, the approvals of the relevant regulatory agencies for the implementation of the Transaction as part of the conditions precedent were still pending.

On December 20, 2022, in view of the fulfillment of the conditions precedent, the Boards of Directors of both companies authorized the immediate consummation of the Transaction, through the issue of 308,304,834 new common shares of Rede D'Or, which replaced the shares of Sul América S.A. In this resolution, December 23, 2022 was determined as the date of consummation of the Transaction pursuant to the terms of the Rationale for the Merger and, consequently, the date on which Rede D'Or assumed the control of the management and guidelines of SASA's business for all purposes (date of acquisition for purposes of applying IFRS 3 and CPC 15 (R1)). It should be noted that on December 23, 2022, after the market closed, the shares of Sul América S.A. ceased to be traded on B3 and the former shareholders of Sul América S.A. became shareholders of the Company.

In addition, on the date of consummation of the Transaction, the portion invested in shares of Sul América S.A. that were until then held by Rede D'Or, originally acquired at the acquisition cost of R\$1,214,850, was measured at the fair value of R\$854,238. As such, of the 308,304,834 new shares issued by Rede D'Or, as mentioned above, 29,379,399 shares were used to replace the shares of Sul América S.A. held by Rede D'Or on the date of consummation of the Transaction and, consequently, were allocated to the treasury shares line item of Rede D'Or, as provided for in the terms of the Rationale for the Merger.

It should be noticed that the adoption of IFRS 17/CPC 50, although retrospective to the year ended December 31, 2022, had no impact on the measurement of the assets acquired and liabilities assumed in the business combination related to the acquisition of Sul América S.A., since at the time of the acquisition the referred to standard was not yet in force. Therefore, any impacts brought about by IFRS 17/CPC 50 were matched against equity as required by the respective standard, and their effects are duly presented in Note 2.2

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

3. Business combination (Continued)

	In millions of R\$, except number of shares
Consideration transferred	8,998,860
Fair value of assets acquired:	
Cash and cash equivalents and marketable securities	18,867,230
Trade accounts receivable	3,373,425
Taxes recoverable	722,199
Reinsurance assets	111,756
Judicial deposits	2,443,586
Deferred income and social contribution taxes - assets	2,218,443
Investments	88,841
Property and equipment	116,519
Intangible assets	5,687,486
Right of use - leases	92,801
Acquisition costs	1,448,507
Other assets	66,258
Fair value of liabilities assumed:	
Trade accounts payable	(11,527)
Loans and financing	(2,783,914)
Salaries, accruals and social charges	(160,110)
Tax obligations	(262,114)
Insurance liabilities	(20,782,988)
Administrative services only health plan	(430,665)
Provision for contingencies	(3,223,475)
Leases	(99,924)
Other liabilities	(300,757)
Total net identifiable assets at fair value	7,181,577
Noncontrolling interests	3,342
Goodwill from acquisition of SASA	1,820,625

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

3. Business combination (Continued)

The main allocations of fair values of assets acquired and liabilities assumed are summarized as follows:

Description	Adjustment to fair value	Remaining useful life (years)	Valuation method
Intangible assets - "Sul América" brand (i)	2,068,575	Indefinite	Royalty Relief
Intangible assets - Customer relationship portfolio (ii)	2,452,720	3-9 years	MPEEM
Insurance liabilities (iii)	(2,105,907)	12-13 years	MPEEM
Provision for contingencies - Contingent liabilities (iv)	(1,070,642)	n/a	Fair value
Loans and financing	(21,625)	n/a	Fair value
Marketable securities	111,246	n/a	Fair value
Tax effects - deferred tax liabilities, net (v)	(487,685)	-	-

- (i) This represents the fair value of the brand "Sul América". The royalty relief method was applied considering a reference to similar royalty transactions (Note 10).
- (ii) The fair values (consideration received or paid) of the customer relationship portfolio in the business combination, which encompass the following portfolios: Dental, SME - Small and Medium Enterprises, Business, Affinity, Life and Pension (VGBL/PGBL), estimated by using the Multi-Period Excess Earnings Method, for long-term portfolios, measured by the BBA or VFA, were considered as a substitute for the earned premiums in the initial measurement of such portfolios based on CPC 50/IFRS 17, while for short-term portfolios, measured by the PAA, such fair value was allocated in the same manner as described for acquisition cash flows.
- (iii) The revaluation deficit at fair value (consideration received or paid), arising from the Individual Health and Traditional Pension portfolios, assumed in the business combination, estimated through the Multi-Period Excess Earning Method, as they are considered long-term portfolios, measured by the BBA or VFA, such revaluation surplus was considered as a substitute for the earned premiums in the initial measurement of such portfolios based on CPC 50/IFRS 17. Contingent liabilities not previously recognized in the acquiree were valued and recognized at fair value, when they are classified as a present obligation and are reliably measurable, as required by CPC 15/IFRS 3 (Note 17) (iv) Contingent liabilities not previously recognized in the acquiree were valued and recognized at fair value, when they are classified as a present obligation and are reliably measurable, as required by CPC 15/IFRS 3.
- (v) Refers to the temporary differences generated on the assets identified and liabilities assumed at fair value in the business combination process, as required by CPC 15/IFRS 3, having goodwill as contra entry.

It should be noted that the amounts related to the revaluation surplus presented in the table above, as well as the goodwill of R\$1,820,625, will not be deductible for income and social contribution tax purposes. The goodwill represents the expected future profitability, based on the benefits expected from the synergy of the Company's and its subsidiaries' operations.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

3. Business combination (Continued)

	2022		
	Aeroporto	Santa Isabel	Arthur Ramos
Acquisition date	15/03/2022	24/02/2022	27/01/2022
Location	BA	SP	AL
Equity interest acquired (%)	100.00	100.00	100.00
Total consideration	218,138	280,000	356,257
Payment on acquisition date	186,827	280,000	284,817
Accounts payable for acquisitions	31,311	-	71,440
Assets			
Cash and cash equivalents	2,669	-	6,246
Trade accounts receivable	23,383	35,961	52,095
Inventories	1,562	1,339	3,557
Taxes recoverable	185	-	4,928
Judicial deposits	780	-	153
Deferred income and social contribution taxes	5,771	-	6,604
Property and equipment	41,289	10,414	68,795
Intangible assets	29	-	504
Right of use - leases	-	81,323	-
Other	5,466	197	5,744
	81,134	129,234	148,626
Liabilities			
Trade accounts payable	(8,814)	-	(18,600)
Loans and financing	(8,642)	-	(4,123)
Salaries, accruals and social charges	(3,765)	(9,756)	(6,490)
Tax obligations	(5,692)	(1,284)	(20,580)
Deferred income and social contribution taxes	(1,634)	-	(1,413)
Provision for contingencies	(5,452)	-	(4,156)
Leases	-	(81,437)	-
Other	(508)	(44)	(9,693)
	(34,507)	(92,521)	(65,055)
Total indemnifiable assets, net	46,627	36,713	83,571
Goodwill on acquisition (Note 10)	171,511	243,287	272,686
Contribution for the Group with revenues since the acquisition date	92,799	122,965	252,058
Contribution for the Group with income (loss) before taxes since the acquisition date	(859)	(7,825)	43,137
Revenues from acquiree since the beginning of year	109,698	122,965	331,127
Income (loss) from acquiree before taxes since the beginning of year	562	(7,825)	75,856

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".

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

4. Cash and cash equivalents and marketable securities

4.1. Cash and cash equivalents

	Individual		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Cash and cash equivalents				
Cash and banks	17,372	8,866	123,068	92,262
Short-term investments	235,960	87,494	3,285,772	1,017,534
Cash and cash equivalents	253,332	96,360	3,408,840	1,109,796

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, with substantially immediate liquidity in the curve of security. The average portfolio remuneration was 99.1% of the Interbank Deposit Certificate (CDI) rate.

4.2. Marketable securities

Short-term investments are broken down in the table below, which shows their respective accounting classifications, curve value and market value, as well as the contractual average rates:

Description	Fair value through profit or loss	Average interest rate	Individual 09/30/2023
	Market value/carrying amount		Total
Fixed income securities - corporate bonds	9,702,613	-	9,702,613
Bank deposit certificates			
Floating rate CDI %	9,702,613	104.27% of CDI	9,702,613
Investment fund shares	282	-	282
Investment fund shares - other than funds of one	282	-	282
			9,702,895
Current			9,702,895
Noncurrent			-

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

4. Cash and cash equivalents and marketable securities (Continued)

4.2. Marketable securities (Continued)

Description	Fair value through profit or loss	Average interest rate	Individual 12/31/2022
	Market value/carrying amount		Total
Fixed income securities - corporate bonds	11,024,270	-	11,024,270
Bank deposit certificates			
Floating rate CDI %	11,024,270	104.30% of CDI	11,024,270
Financial bills			
Fixed income securities - government securities	30,201	-	30,201
Financial treasury bills	30,201	SELIC	30,201
Investment fund shares	173	-	173
Investment fund shares - other than funds of one	173	-	173
Others			111,246
			11,165,890
Current			11,165,890
Noncurrent			-

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

4. Cash and cash equivalents and marketable securities (Continued)

4.2. Marketable securities (Continued)

Description	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost		Average interest rate (1)	Consolidated 09/30/2023
	Market value/ carrying amount		Market value/ carrying amount	Curve value/carrying amount		
		Curve value				Total
Fixed income securities - corporate bonds	14,226,264	1,279,055	1,276,984	-	-	15,503,248
Bank deposit certificates						
Floating rate CDI +	5,706	5,290	5,293	-	CDI+0.94% p.a.	10,999
Floating rate CDI %	11,746,244	-	-	-	104.22% of CDI	11,746,244
Debentures						
Fixed rate	197	-	-	-	16.32% p.a.	197
Floating rate CDI +	982,819	174,702	175,001	-	CDI+1.78% p.a.	1,157,820
Floating rate CDI %	46,890	70,239	70,096	-	114%CDI	116,986
Floating rate IPCA	447	-	-	-	IPCA+7.18% p.a.	447
Financial bills						
Floating rate CDI +	692,833	378,017	381,658	-	CDI+1.72% p.a.	1,074,491
Floating rate CDI %	668,539	617,107	611,222	-	116.43%CDI	1,279,761
Floating rate IPCA	2,032	-	-	-	IPCA+8.14% p.a.	2,032
Promissory notes	33,567	33,700	33,714	-	CDI+1.81% p.a.	67,281
Time deposits with special guarantee (DPGE)	46,990	-	-	-	CDI+1.2% p.a.	46,990
Fixed income securities - government securities	5,938,754	1,386,718	1,336,385	1,703,515		8,978,654
Financial treasury bills	5,621,110	127,571	127,626	-	SELIC	5,748,736
National treasury bills						
Fixed rate	190,417	2,134	2,107	-	10.74% p.a.	192,524
National treasury notes						
Series F - Fixed rate	620	33,436	31,777	-	8.86% p.a.	32,397
Series B - Floating rate IPCA	40,443	1,086,868	1,039,494	65,107	IPCA+4.42% p.a.	1,145,044
Series C - Floating rate IGP-M	86,164	136,709	135,381	1,638,408	IGPM+5.85% p.a.	1,859,953
Variable income securities	225,402	-	-	-		225,402
Shares	225,402	355	355	-	-	225,757
Impairment	-	(355)	(355)	-	-	(355)
Investment fund shares	5,185,128	-	-	-	-	5,185,128
Fixed income, equity and multi-market investment fund shares	5,138,704	-	-	-	-	5,138,704
Equity fund shares	46,424	-	-	-	-	46,424
Other investments	12,086	-	-	-	-	12,086
						29,904,518
Current						28,227,338
Noncurrent						1,677,180

(1) Market rates for assets classified at fair value through profit or loss, and purchase rate for assets classified at fair value through other comprehensive income and amortized cost.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

4. Cash and cash equivalents and marketable securities (Continued)

4.2. Marketable securities (Continued)

Description	Fair value through profit or loss	Fair value through other comprehensive income		Amortized cost		Average interest rate (1)	Consolidated 12/31/2022
	Market value/ carrying amount	Curve value	Market value/ carrying amount	Curve value/carrying amount	Market value		Total
Fixed income securities - corporate bonds	14,490,699	1,276,859	1,269,354	-	-	-	15,760,053
Bank deposit certificates							
Floating rate CDI +	11,610	4	4	-	-	CDI + 0.88% p.a.	11,614
Floating rate CDI %	12,999,797	4,768	4,786	-	-	104.10% of CDI	13,004,583
Debentures							
Fixed rate	182	-	-	-	-	18.47% p.a.	182
Floating rate CDI +	545,602	177,719	178,350	-	-	CDI + 1.68% p.a.	723,952
Floating rate CDI %	50,825	92,423	93,001	-	-	109.75% of CDI	143,826
Floating rate IPCA	423	-	-	-	-	IPCA + 5.47% p.a.	423
Other	1,747	-	-	-	-	-	1,747
Financial bills							
Fixed rate	545	615	609	-	-	5.92% p.a.	1,154
Floating rate CDI +	423,382	477,365	473,048	-	-	CDI + 1.71%	896,430
Floating rate CDI %	433,001	488,210	483,796	-	-	119.8% of CDI	916,797
Floating rate IPCA	1,324	1,493	1,480	-	-	IPCA+7.15% p.a.	2,804
Promissory notes	22,261	34,262	34,280	-	-	CDI + 1.54%	56,541
Fixed income securities - government securities	5,672,342	1,451,932	1,370,998	1,857,545	1,857,545	-	8,900,885
Financial treasury bills	4,055,855	117,151	117,078	-	-	SELIC	4,172,933
National treasury bills							
Fixed rate	1,050,131	4,864	4,717	-	-	13.37% p.a.	1,054,848
National treasury notes							
Series F- Fixed rate	649	123,438	120,035	-	-	5.47% p.a.	120,684
Series B - Floating rate IPCA	565,707	1,146,885	1,073,966	63,646	63,646	IPCA + 4.50% p.a.	1,703,319
Series C - Floating rate IGP-M	-	59,594	55,202	1,793,899	1,793,899	IGP-M + 5.78% p.a.	1,849,101
Variable income securities	282,647	-	-	-	-	-	282,647
Shares	282,647	-	59	-	-	-	282,706
Impairment	-	-	(59)	-	-	-	(59)
Investment fund shares	6,086,845	-	-	-	-	-	6,086,845
Fixed income, equity and multi-market investment fund							
shares	6,023,946	-	-	-	-	-	6,023,946
Equity fund shares	62,899	-	-	-	-	-	62,899
Other investments	12,549	-	-	-	-	-	12,549
							<u>31,042,979</u>
Current							29,236,645
Noncurrent							1,806,334

(1) Market rates for assets classified at fair value through profit or loss, and purchase rate for assets classified at fair value through other comprehensive income and amortized cost.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

5. Accounts receivable

Descrição	Note	Individual		Consolidated	
		2023	2022	2023	2022
Accounts receivable from hospital services	5.1	4,846,341	3,966,046	7,960,280	7,055,383
Other Accounts Receivable	5.2	-	-	2,699,540	2,515,558
		4,846,341	3,966,046	10,659,820	9,570,941
Current		4,846,341	3,966,046	8,963,221	7,911,452
Noncurrent		-	-	1,696,599	1,659,489

5.1. Hospital services

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

	Individual		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
			(restated)	(restated)
Accounts receivable from health insurance and health plans	5,646,848	4,715,501	9,339,526	8,352,866
Accounts receivable from individuals	159,999	94,315	274,170	179,685
Allowance for expected credit losses and provision for disallowances	(960,506)	(843,770)	(1,653,416)	(1,477,168)
	4,846,341	3,966,046	7,960,280	7,055,383

Changes in provision for disallowances and allowance for expected credit losses

	Individual		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
			(restated)	(restated)
Balance at beginning of period	(843,770)	(670,526)	(1,477,168)	(1,709,766)
Set up of provision for disallowances and allowance for expected credit losses	(545,245)	(440,054)	(1,053,660)	(959,692)
Write-offs (a)	428,509	476,604	877,412	827,390
Provision arising from mergers and acquisitions	-	(115,622)	-	(36,029)
Balance at end of period	(960,506)	(749,598)	(1,653,416)	(1,878,097)

(a) Write-offs include the derecognition of uncollectible amounts and elimination of the provision for disallowances of the Group companies.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

5. Accounts receivable (Continued)

5.1. Hospital services (Continued)

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

At September 30, 2023 and December 31, 2022, the aging list of trade accounts receivable is as follows:

		Individual							
		Overdue							
		1 -	31 -	61 -	91 -	121 -	181 -	360 -	
Total	Falling due	30 days	60 days	90 days	120 days	180 days	360 days	720 days	
09/30/2023	5,806,847	3,867,658	142,813	161,986	137,930	165,081	177,869	533,551	619,959
12/31/2022	4,809,816	3,107,521	161,678	116,745	100,414	89,378	168,662	404,581	660,837

		Consolidated (restated)							
		Overdue							
		1 -	31 -	61 -	91 -	121 -	181 -	360 -	
Total	Falling due	30 days	60 days	90 days	120 days	180 days	360 days	720 days	
09/30/2023	9,613,696	5,631,383	446,047	241,881	265,698	332,427	354,132	1,047,986	1,294,142
12/31/2022	8,532,551	5,201,719	361,508	254,613	193,728	168,868	306,350	762,581	1,283,184

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 to which an entity expects to be entitled in exchange for providing services to a customer.

The provision for disallowances and allowance for expected credit losses is presented reducing the balance of accounts receivable and recognized 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 between 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.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

5. Accounts receivable (Continued)

5.1. Hospital services (Continued)

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

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.

5.2. Other accounts receivable

The receivables as at September 30, 2023 and 2022 presented in the consolidated financial statements are as follows:

	Note	Consolidated	
		09/30/2023 (restated)	12/31/2022 (restated)
Other operating receivables	5.2.1	1,943,943	1,825,912
Consideration receivable - pension plan administrator	5.2.2	573,618	501,777
Other (a)		181,979	187,869
		2,699,540	2,515,558
Current		1,002,941	856,069
Noncurrent		1,696,599	1,659,489

(a) The "Other" balance is represented mainly by receivables related to recovery of the Supplementary Health Fees and security-related commitments.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2023
(In thousands of reais, unless otherwise stated)

5. Accounts receivable (Continued)

5.2. Other accounts receivable (Continued)

5.2.1. Other operating receivables

	Consolidated	
	09/30/2023	12/31/2022
Receivables from FCVS - SFH	(restated)	(restated)
Principal (Note 5.2.1.1)	1,996,226	1,921,639
Impairment (Note 5.2.1.1)	(229,997)	(214,911)
Frozen funds (a)	62,920	45,838
Other (b)	114,794	73,346
Total	1,943,943	1,825,912
Current	252,861	170,184
Noncurrent	1,691,082	1,655,728

(a) These refer to funds frozen in bank accounts and investment funds due to lawsuits; and

(b) The balance of "Other" is mainly represented by advances to suppliers.

5.2.1.1. *Receivables from FCVS - SFH*

	Consolidated
	09/30/2023
Balance of receivables FCVS-SFH at 12/31/2022	(restated)
Additions	1,921,639
Write-offs	217,344
Balance of receivables FCVS-SFH at 09/30/2023	(142,757)
Balance of impairment at 09/30/2023	1,996,226
Closing balance net of impairment at 09/30/2023	(229,997)
	1,766,229
Current	130,670
Noncurrent	1,635,559
	Consolidated
	12/31/2022
Balance of receivables FCVS-SFH at 12/31/2021	(restated)
Additions	1,842,315
Write-offs	246,368
Balance of receivables FCVS-SFH at 12/31/2022	(167,044)
Balance of impairment at 12/31/2022	1,921,639
Closing balance net of impairment at 12/31/2022	(214,911)
	1,706,728
Current	105,456
Noncurrent	1,601,272

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

5. Accounts receivable (Continued)

5.2. Other accounts receivable (Continued)

5.2.1. Other operating receivables (Continued)

5.2.1.1. *Receivables from FCVS - SFH* (Continued)

As at September 30, 2023, there are lawsuits related to the Housing Financial System (SH/SFH) in progress in which the Company has been summoned. Such lawsuits may give rise to future cash disbursement with the corresponding request for reimbursement to Caixa Econômica Federal (CAIXA), manager of the Wage Variation Compensation Fund (FCVS). In the cases in which the lawsuit is in the provisional enforcement phase to avoid early disbursement in cases whose decisions are not final and unappealable, the Company pledges in court surety bond policies. As at September 30, 2023, the total amount guaranteed through surety bond is R\$1,115,040 (R\$926,304 at December 31, 2022). The SH/SFH was created by article 14 of Law No. 4380/1964, and since 1967 has been guaranteed by the FCVS. Insurance companies have lawsuits filed against them because they are mischaracterized as representatives of the FCVS, which is the role of CAIXA, the manager of that Fund. In view of this role of FCVS representative in lawsuits, the insurance companies, which are the illegitimate parties, are entitled to receive reimbursements for all incurred expenditures. Law No. 12409/2011, amended by Law No. 13000/2014, as well as the CCFCVS Resolution No. 364, of March 28, 2014, expressly establish the responsibility of FCVS, through its manager CAIXA, for all lawsuits relating to the SH/SFH's public policy. In September 2018, the Federal Supreme Court (STF) recognized the general repercussion of the appeal to the Supreme Court filed by the Company to analyze the jurisdiction of the Federal Court in lawsuits of this nature. In June 2020, the merits of that appeal were judged and accepted to consolidate the interest of CAIXA, the FCVS administrator, in the SH/SFH-related lawsuits, and, consequently, establish the Federal Court's jurisdiction for processing and judging lawsuits of this nature. That appeal became final and unappealable on June 17, 2023. Currently, insurance companies are reimbursed by the FCVS for payments made in connection with SH/SFH-related lawsuits based on the criteria established by Resolution CCFCVCS No. 448/2019.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

5. Accounts receivable (Continued)

5.2. Other accounts receivable (Continued)

5.2.2. Consideration receivable - ASO health plans

Administrative service only (ASO) health plans are plans in which the Company administers medical and hospital expenses on behalf of its customers, and is fully reimbursed by the customers, recording only its administration fee as revenue. The amounts related to consideration receivable by maturity are as follows:

	Consolidated	
	09/30/2023	12/31/2022
Falling due	(restated)	(restated)
Falling due from 1 to 30 days	507,865	450,685
Falling due from 31 to 60 days	26,448	30,949
Falling due from 61 to 180 days	10,050	7,660
Total falling due	544,363	489,294
Overdue		
Overdue from 1 to 30 days	28,003	10,921
Overdue from 31 to 60 days	761	1,426
Overdue from 61 to 180 days	39	202
Overdue from 181 to 365 days	17	14
Overdue for more than 365 days	3,456	3,813
Total	32,276	16,376
Provision for impairment	(3,021)	(3,893)
Total overdue	29,255	12,483
Total unearned premiums	576,639	505,670
Total provision for impairment	(3,021)	(3,893)
Total	573,618	501,777

6. Inventories

	Individual		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Medicines	125,172	161,320	246,415	327,376
Special materials	85,928	100,019	140,911	159,877
Disposable materials	79,527	92,149	135,282	151,797
Consumables	11,096	15,289	67,075	62,800
Laboratory materials	4,392	3,913	17,970	17,177
Dressing room materials	2,583	2,540	9,836	8,883
Surgical sutures	5,175	6,369	8,803	10,355
Food stuff	3,298	3,126	8,162	6,576
Other	33,938	29,280	68,443	63,847
	351,109	414,005	702,897	808,688

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2023
(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 below:

- (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, 2023 of R\$24,059 (R\$24,731 at September 30, 2022) 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, current account remittance agreements signed between the parties. These balances are substantially eliminated in the consolidated financial statements.
- (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 parent company. These debentures are intended to provide funds to the investees for investment in operations and expansion.
- (v) Revenues and accounts receivable partially arise from commercial transactions conducted in the ordinary course of business relating to medical care provided to members of Sul América plans. These transactions have reference tables by type of service provided by the Company with Sul América and the maturities of these services are stipulated in a contract entered into between the parties.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

7. Transactions with related parties (Continued)

Balances with related parties

Company	Individual						
	09/30/2023			12/31/2022			09/30/2022
	Current assets	Noncurrent assets	P&L	Current assets	Noncurrent assets	P&L	P&L
Debentures Norte D'Or (a)	2,392	30,000	4,717	22,452	30,000	5,943	3,984
Debentures São Lucas (b)	40,024	-	4,922	7,930	38,000	8,983	15,011
Debentures Hospital Nossa Senhora das Neves (f)	147,195	92,300	20,924	137,196	-	18,747	13,204
Shared services							
Medise Medicina Diagnóstico e Serviços Ltda.	-	894	9,747	-	-	11,102	10,933
Hospital Esperança S.A.	-	-	30,567	-	-	35,847	31,530
Hospital São Marcos S.A.	-	-	5,031	-	-	5,388	5,506
Hospital Norte D'Or de Cascadura S.A.	-	9,924	8,830	-	2,898	10,194	9,603
J. Badim S.A.	-	17,292	2,683	-	14,609	3,367	3,076
Oncologia D'Or S.A.	-	-	53,876	-	-	55,861	36,149
Hospital Fluminense S.A.	-	-	13,950	-	-	15,177	13,918
Clínica São Vicente	-	-	8,909	-	-	10,316	9,842
Hospital Alpha-Med LTDA.	-	-	2,713	-	-	3,414	2,945
URC	-	2,026	-	-	2,026	-	-
Hospital UDI	-	-	14,150	-	-	16,988	14,710
Onco Star SP	-	56,315	13,739	-	42,575	16,622	14,516
DF Star	-	-	15,958	-	-	18,937	13,290
Samer	-	-	4,950	-	-	5,878	5,504
São Lucas	-	59,149	11,606	-	47,543	16,551	12,587
São Rafael	-	17,483	35,528	-	14,723	40,737	35,765
Casa de Saúde Laranjeiras	-	-	9,510	-	-	12,139	10,027
Hospital Santa Cruz	-	-	8,341	-	-	9,236	7,834
Hospital Aliança	-	-	17,206	-	-	20,690	17,254
São Carlos	-	17,092	5,712	-	11,381	8,408	6,786
Glória D'Or	-	-	6,938	-	-	7,096	-
Cárdio Pulmonar	-	-	11,964	-	-	15,193	13,190
Hospital Brasil Mauá	-	-	9,005	-	-	10,864	6,513
Hospital Balbino	-	-	2,876	-	-	2,991	3,953
Biocor Hospital de Doenças Cardiovasculares	-	18,192	8,179	-	10,013	10,013	9,835
Proncor Unidade Intensiva Cardiorespiratória	-	5,721	2,528	-	3,193	3,193	2,914
Hospital Nossa Senhora das Neves	-	7,730	7,730	-	-	-	-
Hospital Novo Atibaia	-	-	8,447	-	-	-	-
Hospital Memorial Arthur Ramos	-	-	7,512	-	-	-	-
Other	-	3,110	38,388	-	1,524	44,876	47,073
Hospital Norte D'Or de Cascadura S.A. (c)	-	3,661	-	-	2,286	-	-
Unidade de Radiologia Clínica Ltda. (c)	-	14,233	-	-	13,814	-	-
Jenner S.A. (c)	-	2,000	-	-	2,000	-	-
JMJB Diagnósticos e Serviços Hospitalares S.A. (c)	-	12,021	-	-	12,019	-	-
J. Badim S.A.	-	8,740	-	-	8,369	-	-
Instituto D'Or de Pesquisa e Ensino (c)	-	8,766	-	-	12,995	-	-
JM&AM Empreendimentos Imobiliários S.A. (d)	-	370	23,987	-	370	32,713	24,658
Onco Star SP (e)	-	925,100	-	-	914,201	-	-
JTO Holding S.A. (c)	-	201,723	-	-	71,840	-	-
Rede D'Or Finance	-	263,891	-	-	263,891	-	-
Other	-	196,438	-	-	139,388	-	-
	189,611	1,974,171	431,123	167,578	1,659,658	477,464	402,110

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

7. Transactions with related parties (Continued)

Balances with related parties (Continued)

Company	Consolidated								
	09/30/2023				12/31/2022				09/30/2022
	Current assets	Noncurrent assets	Noncurrent liabilities	P&L	Current assets	Noncurrent assets	Noncurrent liabilities	P&L	P&L
Debentures Mederi (g)	12,423	107,253	-	7,091	7,753	13,135	-	550	131
Shared services									
J Badim S.A.	-	17,292	-	2,683	-	14,609	-	3,367	3,076
JMJB Diagnósticos e Serviços									
Hospitalares S.A.	-	12,021	-	-	-	12,020	-	-	-
Instituto D'Or de Pesquisa e Ensino (c)	-	11,019	-	-	-	13,232	-	-	-
J Badim S.A. (c)	-	9,239	-	-	-	8,749	-	-	-
JM&AM Empreendimentos Imobiliários									
S.A. (d)	-	370	-	24,059	-	370	-	32,811	24,731
Other	-	7,609	5,241	-	-	13,784	4,207	-	-
	12,423	164,803	5,241	33,833	7,753	75,899	4,207	36,728	27,938

- (a) 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 basis equivalent to 100% of the DI (Interbank Deposits) plus 3.00% p.a. Interest is paid semiannually, and the nominal value 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 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.
- (c) Transfers of funds for acquisition of companies, properties, expansion of operations, among others. These balances are substantially eliminated in the consolidated financial statements.
- (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 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.
- On March 15, 2023, Hospital Nossa Senhora das Neves conducted the 2nd private issue of nonconvertible, single-series, registered debentures amounting to R\$158,200, maturing on March 15, 2025. 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 basis equivalent to 100% of the positive percentage variation of the CDI (Interbank Deposit Certificate) plus 2.9% p.a. Interest 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 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.

On March 15, 2023, Mederi Distribuição e Importação de Produtos para a Saúde S.A. conducted the 3rd private issue of nonconvertible, single-series, registered debentures amounting to R\$158,200, maturing on March 15, 2025. 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 basis equivalent to 100% of the positive percentage variation of the CDI (Interbank Deposit Certificate) plus 2.9% p.a. Interest 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, 2023

(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, 2023 and 2022, key management personnel compensation is summarized as follows:

	09/30/2023	09/30/2022
Salaries and bonuses	92,423	62,802
Benefits	147	132
Share-based payment	32,253	31,207
	124,823	94,141

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

8. Investments

Breakdown and changes in investments - Individual

Company	12/31/2022	Equity pickup	Dividends	Capital increase/ Future capital contribution	Capital reduction	Transfer	Other	09/30/2023
Medise Medicina Diagnóstico e Serviços S.A.	244,620	22,082	(24,112)	-	-	-	(101)	242,489
Hospital Esperança S.A.	4,271,885	198,115	(699,834)	255,230	-	-	(7,605)	4,017,791
PMJ Empreendimentos Imobiliários S.A.	842,601	18,551	-	51,364	-	-	-	912,516
Norte D'Or Participações S.A. (including goodwill)	137,298	10,555	(9,585)	-	-	-	-	138,268
Onco D'Or Oncologia S.A.	726,351	130,648	-	-	-	-	-	856,999
Jenner S.A. (including goodwill)	217,067	52,997	-	-	-	-	-	270,064
JMJB Diagnósticos e Serviços Hospitalares	40,861	2,326	-	-	-	-	-	43,187
Rodin Empreendimentos e Participações S.A.	123,313	(1,523)	-	111,444	-	-	-	233,234
Quinta Empreendimentos Imobiliários Ltda.	71,617	10,612	(11,014)	1	-	-	-	71,216
Hospital Fluminense S.A. (including goodwill)	295,032	25,087	(26,495)	24,412	-	-	-	318,036
Cardial Serviços Médicos (including goodwill)	101,247	23,192	(16,099)	-	-	-	-	108,340
TJK Empreendimentos Hospitalares	18,323	1,499	-	-	-	-	-	19,822
Villa Lobos Empreendimentos Imobiliários Ltda.	187,920	12,962	(12,398)	-	-	-	-	188,484
Santa Luzia II Empreendimentos Imobiliários Ltda.	59,785	(370)	-	3,179	-	-	-	62,594
Campinas Empreendimentos Imobiliários Ltda.	311,087	(6,066)	-	62,086	-	-	-	367,107
Sator Empreendimentos e Participações Ltda.	3,135,185	30,891	-	270,707	-	-	-	3,436,783
Rede D'or São Luiz Serviços Médicos S.A.	300,885	70,184	-	7,842	-	-	-	378,911
Olimpia Projeto Rua do Rocio 86 SPE S.A.	599,424	14,824	-	3,463	-	-	-	617,711
Proncordis Pronto Atendimento Cardiológico Ltda.	464	(11)	-	-	-	-	-	453
Laboratórios Richet	305,929	(11,816)	-	26,813	-	-	-	320,926
California Investimentos Imobiliários Ltda.	59,940	-	-	-	-	-	-	59,940
Hospital Avicenna S.A.	142,389	7,863	-	16,356	-	-	-	166,608
Santa Luzia III	310,107	13,807	-	93	(5,149)	-	-	318,858
Qualicorp Consultoria e Corretora de Seguros S.A. (a)	2,125,919	(4,116)	(1,323)	-	-	(1,632,305)	229	488,404
Clinica Médica São Remo	43,504	(6,570)	-	10,874	-	-	-	47,808
Casa de Saúde Laranjeiras S.A (Perinatal) (including goodwill)	926,298	34,716	-	15,134	-	-	-	976,148
Hospital Santa Cruz	400,555	18,293	(22,048)	18,928	-	-	-	415,728
Advance Plano de Saúde S.A.	42,397	2,467	(7,205)	-	-	-	-	37,659
Prisma Capital (a)	2	(13,657)	-	42	-	1,632,305	-	1,618,692
Traditio Companhia de Seguros (b)	4,006,589	131,168	-	-	-	-	(1,081)	4,136,676
Cia Saúde – SulAmérica (b)	3,020,712	95,887	(9,024)	280	-	-	101	3,107,956
SAEPAR Serv. E Partic (b)	1,546,682	44,974	-	-	-	-	1,090	1,592,746
Other	1,655,999	25,841	(1,185)	140,649	-	-	(11,921)	1,809,383
	26,271,987	955,412	(840,322)	1,018,897	(5,149)	-	(19,288)	27,381,537

- (a) On January 2, 2023, Rede D'Or entered into an agreement under which it transferred the management of shares representing 19.85% of the voting and total capital of Qualicorp Consultoria e Corretora de Seguros S.A. ("Qualicorp") that it held to Prisma Capital ("Prisma"). Rede D'Or transferred the shares representing 19.85% interest in Qualicorp to a new company 100% owned by Rede D'Or called "PrismaQuali Gestão Ativa de Participações S.A." ("PrismaQuali Gestão Ativa").
- (b) Restated due to change in accounting practice and error correction described in Notes 2.1.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Breakdown of and changes in investments - Individual (Continued)

Company	12/31/2022	Equity pickup	Dividends	Capital increase/ Future capital contribution	Capital reduction	Transfer	Other	09/30/2023
Onco Star	(259,546)	(40,294)	-	-	-	-	(4,480)	(304,320)
Centro Hospitalar São Marcos S.A.	(13,662)	(28)	-	-	-	-	1,507	(12,183)
Hospital São Marcos (including goodwill)	(83,865)	(9,721)	-	5,176	-	-	-	(88,410)
Rede D'or Finance	(151,106)	(17,601)	-	-	-	-	-	(168,707)
Other	(865)	-	-	-	-	-	865	-
	(509,044)	(67,644)	-	5,176	-	-	(2,108)	(573,620)
Equity pickup		<u>887,768</u>						

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Breakdown of and changes in investments - Individual (Continued)

Company	12/31/2021	Equity pickup	Dividends	Capital increase/ Future capital contribution	Capital reduction	Transfer	Other	Merger of subsidiary into the Company	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 Aviccena 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
Clinica 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, 2023

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Breakdown of 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, 2023

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Breakdown of and changes in investments - Consolidated

Company	12/31/2022	Equity pickup	Acquisition of control	Dividends	Capital increase/ Future capital contribution	Other	09/30/2023
JMJB Diagnósticos e Serviços Hospitalares S.A.	40,861	2,326	-	-	-	-	43,187
Instituto de Radioterapia do Vale do Paraíba Ltda.	43,689	4,637	-	(500)	-	(976)	46,850
Qualicorp Consultoria e Corretora de Seguros S.A. (a)	2,125,919	(17,728)	-	(5,699)	-	989	2,103,481
Eldorado do Sul Participações Ltda.	22,616	4,416	-	-	-	490	27,522
Sharecare Brasil Serviços de Consult.Ltda.	9,662	(10,146)	-	-	-	-	(484)
Sul América Investimentos Distribuidora de Títulos e Valores Mobiliários S.A. (SAMI)	78,242	7,677	-	-	-	-	85,919
Other	232,412	6,640	39,543	(6,465)	27,066	(3,979)	295,217
	2,553,401	(2,178)	39,543	(12,664)	27,066	(3,476)	2,601,692

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

(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, 2023 is not yet available, the Company recognized equity pickup until June 30, 2023.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Summary of information of main subsidiaries

	09/30/2023					09/30/2022		
	% 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	391,926	130,446	261,480	35,147	24,479	16,112
Hospital Esperança S.A. ("Esperança")	100.00	100.00	7,073,090	2,989,383	4,083,707	320,698	112,520	182,670
PMJ Empreendimentos Imobiliários S.A.	100.00	100.00	920,971	7,416	913,555	20,146	18,570	14,139
Norte D'Or Participações S.A.	100.00	100.00	117,908	7,989	109,919	9,706	10,566	9,854
Onco D'Or Oncologia S.A.	98.87	98.87	709,860	196,799	513,061	164,727	114,886	64,962
Jenner S.A.	91.24	91.24	454,042	2,000	452,042	105,994	92,745	52,443
Rodin Empreendimentos e Participações S.A.	100.00	100.00	241,668	8,460	233,208	(1,431)	(1,525)	242
Quinta Empreendimentos Imobiliários Ltda.	100.00	100.00	72,688	1,380	71,308	10,976	10,623	9,251
Hospital Fluminense S.A.	100.00	100.00	463,879	159,012	304,867	34,795	25,112	2,483
Cardial Serviços Médicos Ltda.	89.44	89.44	112,204	37,035	75,169	38,548	23,192	23,552
TJK Empreendimentos Imobiliários Ltda.	100.00	100.00	20,859	1,025	19,834	1,414	1,501	1,217
Villa Lobos Empreendimentos Imobiliários S.A.	100.00	100.00	190,116	1,404	188,712	13,425	12,975	11,205
Santa Luzia II Emp. Imobiliários Ltda.	100.00	100.00	67,134	4,490	62,644	(377)	(370)	(249)
Campinas Empreendimentos Imob.	100.00	100.00	368,182	1,034	367,148	(5,869)	(6,072)	(1,185)
Sator Empreendimentos e Participações Ltda.	100.00	100.00	-	(689,039)	689,039	30,922	30,922	31,646
Rede D'Or Finance	100.00	100.00	6,432,096	6,600,802	(168,706)	(58)	(17,601)	(21,578)
Rede D'Or São Luiz Serviços Médicos S.A.	100.00	100.00	493,757	114,585	379,172	102,107	70,255	41,564
Olimpia Projeto Rua do Rocio 86 SPE S.A.	100.00	100.00	621,471	3,412	618,059	16,843	14,839	4,569
Proncordis Pronto Atendimento Cardiológico Ltda.	100.00	100.00	6,909	506	6,403	(591)	(618)	(746)
Laboratórios Richet	100.00	100.00	197,277	87,703	109,574	(20,685)	(16,623)	(9,970)
Onco Star SP Oncologia Ltda.	75.00	75.00	935,651	1,341,714	(406,063)	(65,369)	(40,293)	(43,863)
Centro Hospitalar São Marcos S.A.	100.00	100.00	27	4,951	(4,924)	(26)	(28)	(146)
Hospital Avicena S.A.	100.00	100.00	166,273	59,088	107,185	13,508	7,871	10,067
Santa Luzia IIII Empreendimentos Imobiliários Ltda.	100.00	100.00	321,965	2,792	319,173	14,202	13,821	11,474
Café Verde	100.00	100.00	8,192	7,393	799	381	(1,004)	(3,387)
Hospital São Marcos	100.00	100.00	208,166	307,659	(99,493)	(7,277)	(9,721)	341
Clínica Médica São Remo	100.00	100.00	64,503	18,661	45,842	(5,637)	(6,577)	(6,328)
California Investimentos Imobiliários Ltda.	100.00	100.00	59,999	-	59,999	-	-	-
Casa de Saúde Laranjeiras S.A (Perinatal)	100.00	100.00	395,705	100,778	294,927	30,547	34,751	19,790
Hospital Santa Cruz	100.00	100.00	378,459	212,920	165,539	39,268	20,700	8,487
Advance Plano de Saúde S.A.	100.00	100.00	49,262	11,495	37,767	(277)	2,469	4,583
GSH Corp Participações S.A.	50.00	50.00	885,707	750,843	134,864	79,780	6,845	3,880
Traditio Companhia de Seguros (a)	100.00	100.00	6,142,518	470,476	5,672,042	72,963	179,853	-
Cia Saúde – SulAmérica (a)	100.00	100.00	18,064,933	11,510,414	6,554,519	258,630	204,365	-
SAEPAR Serv. E Partic (a)	100.00	100.00	1,599,979	7,233	1,592,746	42,851	44,974	-

(a) Restated due to change in accounting practice and error correction described (in Note 2.1).

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Summary of the associates' and joint ventures' information

	09/30/2023					09/30/2022		
	% 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 statements								
JMJB Diagnósticos e Serviços Hospitalares S.A.	50.00	50.00	96,769	9,777	86,992	4,652	2,326	87
Instituto de Radioterapia do Vale do Paraíba Ltda.	50.00	50.00	39,757	16,115	23,642	10,788	4,637	4,390
Eldorado do Sul Participações Ltda.	33.33	33.33	56,506	-	56,506	13,249	4,416	2,497
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)
Sharecare Brasil Serviços de Consult. Ltda.	49.00	49.00	9,792	13,037	(3,245)	(15,946)	(10,146)	-
Sul América Investimentos Distribuidora de Títulos e Valores Mobiliários S.A. (SAMI)	49.00	49.00	191,041	26,562	164,479	15,329	7,677	-

(a) The Company recognized equity pickup until June 30, 2023.

(b) Qualicorp's financial information at September 30, 2022 was not available on the issue date of the financial information at September 30, 2022/ therefore, management used publicly information available at that time.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

9. Property and equipment

Balance breakdown

Description	Depreciation rate	Individual					
		09/30/2023			12/31/2022		
		Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount
Hospital machinery and equipment	12% to 20%	1,598,626	(1,284,641)	313,985	1,485,605	(1,152,009)	333,596
Surgical instruments	20%	135,041	(67,249)	67,792	122,273	(53,419)	68,854
Machinery and equipment	20%	726,646	(509,547)	217,099	564,773	(453,248)	111,525
Buildings	2.5% to 4%	851,432	(241,786)	609,646	827,109	(215,725)	611,384
Improvements in own buildings	4%	340,416	(155,775)	184,641	328,716	(145,846)	182,870
Leasehold improvements	3% to 4%	2,380,484	(616,019)	1,764,465	2,071,940	(550,296)	1,521,644
Furniture and fixtures	10%	238,347	(173,427)	64,920	227,323	(156,051)	71,272
Vehicles	20%	5,162	(4,316)	846	5,162	(4,200)	962
Facilities	10%	146,123	(86,663)	59,460	138,789	(78,009)	60,780
Land	-	150,699	-	150,699	150,699	-	150,699
Construction in progress	-	1,413,675	-	1,413,675	1,091,391	-	1,091,391
Other	5% to 10%	14,443	(6,739)	7,704	14,228	(6,398)	7,830
		8,001,094	(3,146,162)	4,854,932	7,028,008	(2,815,201)	4,212,807

Description	Depreciation rate	Consolidated					
		09/30/2023			12/31/2022		
		Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount
Hospital machinery and equipment	12% to 20%	3,068,256	(2,101,832)	966,424	(restated) 2,793,325	(restated) (1,796,052)	(restated) 997,273
Surgical instruments	20%	304,445	(152,256)	152,189	286,300	(124,560)	161,740
Machinery and equipment	20%	1,232,784	(839,327)	393,457	1,047,737	(737,043)	310,694
Buildings	2.5% to 4%	3,829,750	(656,024)	3,173,726	3,184,273	(547,761)	2,636,512
Improvements in own buildings	4%	594,332	(225,456)	368,876	577,485	(204,682)	372,803
Leasehold improvements	3% to 4%	3,777,454	(892,972)	2,884,482	3,145,996	(803,341)	2,342,655
Furniture and fixtures	10%	482,011	(313,011)	169,000	463,911	(279,331)	184,580
Vehicles	20%	28,759	(26,042)	2,717	28,512	(24,350)	4,162
Facilities	10%	313,073	(158,827)	154,246	273,788	(139,451)	134,337
Land	-	1,181,600	-	1,181,600	1,168,390	-	1,168,390
Construction in progress	-	2,925,122	-	2,925,122	2,742,104	-	2,742,104
Other	5% to 10%	60,001	(9,056)	50,945	59,628	(8,592)	51,036
		17,797,587	(5,374,803)	12,422,784	15,771,449	(4,665,163)	11,106,286

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

9. Property and equipment (Continued)

Changes - Individual

	12/31/2022	Additions	Transfers	09/30/2023
Cost				
Hospital machinery and equipment	1,485,605	113,021	-	1,598,626
Surgical instruments	122,273	12,768	-	135,041
Machinery and equipment	564,773	75,663	86,210	726,646
Buildings	827,109	9,027	15,296	851,432
Improvements in own buildings	328,716	446	11,254	340,416
Leasehold improvements	2,071,940	181,051	127,493	2,380,484
Furniture and fixtures	227,323	11,024	-	238,347
Vehicles	5,162	-	-	5,162
Facilities	138,789	7,334	-	146,123
Land	150,699	-	-	150,699
Construction in progress	1,091,391	562,537	(240,253)	1,413,675
Other	14,228	215	-	14,443
	7,028,008	973,086	-	8,001,094

Depreciation				
Hospital machinery and equipment	(1,152,009)	(132,632)	-	(1,284,641)
Surgical instruments	(53,419)	(13,830)	-	(67,249)
Machinery and equipment	(453,248)	(56,299)	-	(509,547)
Buildings	(215,725)	(26,061)	-	(241,786)
Improvements in own buildings	(145,846)	(9,929)	-	(155,775)
Leasehold improvements	(550,296)	(65,723)	-	(616,019)
Furniture and fixtures	(156,051)	(17,376)	-	(173,427)
Vehicles	(4,200)	(116)	-	(4,316)
Facilities	(78,009)	(8,654)	-	(86,663)
Other	(6,398)	(341)	-	(6,739)
	(2,815,201)	(330,961)	-	(3,146,162)
Property and equipment, net	4,212,807	642,125	-	4,854,932

	12/31/2021	Additions	Transfers	Addition 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, 2023

(In thousands of reais, unless otherwise stated)

9. Property and equipment (Continued)

Changes - Consolidated

	12/31/2022	Additions	Transfers	Business combination	09/30/2023
Cost	(restated)				(restated)
Hospital machinery and equipment	2,793,325	272,848	-	2,083	3,068,256
Surgical instruments	286,300	18,145	-	-	304,445
Machinery and equipment	1,047,738	96,262	88,781	3	1,232,784
Buildings	3,184,273	27,596	617,881	-	3,829,750
Improvements in own buildings	577,485	1,307	15,540	-	594,332
Leasehold improvements	3,145,996	424,119	207,339	-	3,777,454
Furniture and fixtures	463,911	18,088	-	12	482,011
Vehicles	28,512	247	-	-	28,759
Facilities	273,788	39,272	-	13	313,073
Land	1,168,390	13,200	-	10	1,181,600
Construction in progress	2,742,104	1,112,559	(929,541)	-	2,925,122
Other	59,627	374	-	-	60,001
	15,771,449	2,024,017	-	2,121	17,797,587
Depreciation					
Hospital machinery and equipment	(1,796,052)	(304,750)	-	(1,030)	(2,101,832)
Surgical instruments	(124,560)	(27,696)	-	-	(152,256)
Machinery and equipment	(737,044)	(102,283)	-	-	(839,327)
Buildings	(547,761)	(108,263)	-	-	(656,024)
Improvements in own buildings	(204,682)	(20,774)	-	-	(225,456)
Leasehold improvements	(803,341)	(89,631)	-	-	(892,972)
Furniture and fixtures	(279,331)	(33,672)	-	(8)	(313,011)
Vehicles	(24,350)	(1,692)	-	-	(26,042)
Facilities	(139,451)	(19,372)	-	(4)	(158,827)
Other	(8,591)	(465)	-	-	(9,056)
	(4,665,163)	(708,598)	-	(1,042)	(5,374,803)
Property and equipment, net	11,106,286	1,315,419	-	1,079	12,422,784

	12/31/2021	Additions	Transfers	Addition from mergers	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, 2023

(In thousands of reais, unless otherwise stated)

9. Property and equipment (Continued)

Significant changes for the periods ended September 30, 2023 and 2022 were as follows:

2023

- (i) Purchases of hospital machinery and equipment for the beginning of operation of Hospital São Luiz Campinas and reformulation and remodeling of Clínica São Vicente and Hospital Aliança.
- (ii) Expenses with improvements in the real properties of Hospital e Maternidade São Luiz Itaim and Hospital e Maternidade São Luiz Anália Franco.
- (iii) Construction costs of hospitals São Luiz Campinas, Novo Barra and Memorial Star, and expansion and renovation works of Hospital São Luiz Itaim, Clínica São Vicente and Hospital Aliança.

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 Company's operational routine, and reformulation and remodeling of Hospital São Luiz Itaim, Hospital e Maternidade Anália Franco and Hospital Gloria D'Or.

Capitalized borrowing costs

The Company capitalizes borrowing costs attributable to qualifying assets. At September 30, 2023, R\$156,223 (R\$132,794 at September 30, 2022) in interest on loans and financing were capitalized in Property and equipment.

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, 2023

(In thousands of reais, unless otherwise stated)

10. Intangible assets

	Annual amortization rate	Individual		Consolidated	
		09/30/2023	12/31/2022	09/30/2023	12/31/2022
Finite useful life					
Software (a)	20%	170,746	232,828	669,689	732,325
Customer portfolio – SASA (a)	8% to 33%	180,745	207,635	180,745	207,635
Exclusive agreements	20%	28,943	32,512	256,443	270,023
Other		-	108	61,424	78,169
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		125,802	125,802	125,802	125,802
Acquisition of Acreditar		-	-	155,720	155,720
Acquisition of Memorial São Jose		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		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	925,555
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, 2023

(In thousands of reais, unless otherwise stated)

10. Intangible assets (Continued)

	Annual amortization rate	Individual		Consolidated	
		09/30/2023	12/31/2022	09/30/2023	12/31/2022
Indefinite useful life					
Acquisition of Balbino	-	-	-	77,500	77,500
Acquisition of América	-	-	-	456,511	456,511
Acquisition of Serra Mayor	-	-	-	68,981	68,981
Acquisition of Biocor	-	-	-	620,347	620,347
Acquisition of Proncor	-	-	-	202,929	202,929
Acquisition of Santa Emilia	-	-	-	121,991	121,991
Acquisition of Hospital Nossa Senhora das Neves	-	-	-	326,634	326,634
Acquisition of HNSN Empreendimentos	-	-	-	34,790	34,790
Acquisition of Orthoservice	-	-	-	33,705	33,705
Acquisition of HNA Emp. E Participações	-	-	-	12,401	12,401
Acquisition of Hospital Novo Atibaia	-	-	-	173,020	173,020
Acquisition of Hospital Arthur Ramos	-	-	-	272,686	272,686
Acquisition of Hospital Santa Isabel	-	-	-	243,287	243,287
Acquisition of Hospital Aeroporto	-	-	-	171,511	171,511
Acquisition of Paraná Clínicas	-	-	-	284,701	284,701
Acquisition of Sompó Saúde	-	-	-	199,384	192,430
Acquisition of Prodent	-	-	-	106,681	106,681
Acquisition of SASA (a)		1,820,625	1,820,625	1,820,625	1,820,625
Other goodwill		48,650	48,650	600,188	600,899
Trademark - SASA		2,068,575	2,068,575	2,068,575	2,068,575
Trademarks and patents (b)		190,810	190,810	192,000	190,810
		6,788,295	6,880,944	16,365,213	16,477,631

(a) Restated, (Notes 2.1)

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

Software development costs and licenses

These refer mainly to expenditures incurred with the development of technological infrastructure, applications, improvements in the companies' website and in operations of Sul América S.A., development of own systems, and acquisition of software licenses used in operations.

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.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

10. Intangible assets (Continued)

Impairment (Continued)

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 consideration both debt and equity. The cost of equity is derived from the expected return on investment by the investors. The cost of debt is based on the interest-bearing financing the Company is obliged to service. 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 to date.

11. Right of use

Balance breakdown

Description	Individual					
	09/30/2023			12/31/2022		
	Cost	Amortization	Net	Cost	Amortization	Net
Hospital machinery and equipment	-	-	-	32,473	(23,701)	8,772
Properties	3,062,478	(878,323)	2,184,155	2,949,485	(694,803)	2,254,682
	3,062,478	(878,323)	2,184,155	2,981,958	(718,504)	2,263,454
Description	Consolidated					
	09/30/2023			12/31/2022		
	Cost	Amortization	Net	Cost	Amortization	Net
Hospital machinery and equipment	2,531	(1,433)	1,098	64,520	(44,620)	19,900
Properties	3,966,112	(1,267,415)	2,698,697	3,808,087	(994,642)	2,813,445
Vehicles	3,725	(3,439)	286	3,764	(2,509)	1,255
	3,972,368	(1,272,287)	2,700,081	3,876,371	(1,041,771)	2,834,600

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

11. Right of use (Continued)

Changes - Individual

	12/31/2022	Additions (a)	Write-offs (b)	Amortization	09/30/2023
Cost					
Hospital machinery and equipment	32,473	-	(32,473)	-	-
Properties	2,949,485	112,993	-	-	3,062,478
	2,981,958	112,993	(32,473)	-	3,062,478
Amortization					
Hospital machinery and equipment	(23,701)	187	24,832	(1,318)	-
Properties	(694,803)	-	-	(183,520)	(878,323)
	(718,504)	187	24,832	(184,838)	(878,323)
Right of use, net	2,263,454	113,180	(7,641)	(184,838)	2,184,155

	12/31/2021	Additions (a)	Addition from mergers	Amortization	09/30/2022
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

Changes - Consolidated

	12/31/2022	Additions (a)	Write-offs (b)	Amortization	09/30/2023
Cost					
Hospital machinery and equipment	64,520	-	(61,989)	-	2,531
Properties	3,808,087	158,025	-	-	3,966,112
Vehicles	3,764	-	(39)	-	3,725
	3,876,371	158,025	(62,028)	-	3,972,368
Amortization					
Hospital machinery and equipment	(44,620)	-	46,960	(3,773)	(1,433)
Properties	(994,642)	-	-	(272,773)	(1,267,415)
Vehicles	(2,509)	-	-	(930)	(3,439)
	(1,041,771)	-	46,960	(277,476)	(1,272,287)
Right of use, net	2,834,600	158,025	(15,068)	(277,476)	2,700,081

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

11. Right of use (Continued)

Changes - Consolidated (Continued)

	12/31/2021	Additions (a)	Write-offs (b)	Business combination	Amortization	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
	3,796,362	706,520	(1,386)	81,323	-	4,582,819
Amortization						
Hospital machinery and equipment	(31,501)	-	1,386	-	(10,068)	(40,183)
Properties	(630,408)	-	-	-	(243,432)	(873,840)
	(661,909)	-	1,386	-	(253,500)	(914,023)
Right of use, net	3,134,453	706,520	-	81,323	(253,500)	3,668,796

(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 contract term and take into consideration the expected renewal, when management intends to exercise this right, and in accordance with the terms of the contracts.

In view of the taxation regimes applicable to insurance entities and health plan entities, which do not allow allocation of the Contribution Tax on Gross Revenue for Social Integration Program (PIS) and for Social Security Financing (COFINS) credits to be calculated on the depreciation of the right to use of leased assets, in accordance with CVM/SNC/SEP Memorandum Circular No. 02/2019, the credits of other entities that can be used are immaterial for disclosure.

12. Assets and liabilities from insurance and reinsurance contracts (restated, Note 2.1)

Insurance contracts	09/30/2023		12/31/2022	
	Assets	Liabilities	Assets	Liabilities
Long-term contracts (BBA/VFA)	-	15,617,181	-	14,843,724
Short-term contracts (PAA)	-	1,048,043	149,508	298,616
Total	-	16,665,224	149,508	15,142,340
Current	-	5,278,171	70,012	3,913,312
Noncurrent	-	11,387,053	79,496	11,229,028

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2023
(In thousands of reais, unless otherwise stated)

12. Assets and liabilities from insurance and reinsurance contracts (restated, Note 2.1) (Continued)

12.1. Changes in assets or liabilities for remaining coverage and claims incurred relating to insurance contracts

Short-term contracts (PAA) (Continued)

		Liability (Asset) for remaining coverage	Liability for claims incurred		Assets for insurance acquisition costs	Total
		Less loss component	Estimated future cash flows at present value	Risk adjustment		
Insurance contract liabilities at 01/01/2023		(683,679)	2,849,478	95,789	(1,962,972)	298,616
Insurance contract (assets) at 01/01/2023		(83,224)	28,003	298	(94,585)	(149,508)
Total insurance contracts at 01/01/2023		(766,903)	2,877,481	96,087	(2,057,557)	149,108
Insurance revenue	Note 18.2	(17,546,287)	-	-	-	(17,546,287)
Insurance expenses	Note 19.2	2,271,706	10,950,725	21,801	-	13,244,232
Income from (loss on) insurance services		(15,274,581)	10,950,725	21,801	-	(4,302,055)
Finance income (costs) from insurance operations		-	431,526	10,270	-	441,796
Changes in other comprehensive income		-	10,342	337	-	10,679
Total changes that impact P&L or other comprehensive income		(15,274,581)	11,392,593	32,408	-	(3,849,580)
Premiums and other cash flows received from policyholders	(a)	17,440,955	-	-	-	17,440,955
Claims and other benefits paid to policyholders or their beneficiaries		-	(10,702,001)	-	-	(10,702,001)
Acquisition cash flows paid	(b)	(1,002,738)	-	-	(315,382)	(1,318,120)
Other expenses allocable to the insurance service	(c)	(676,888)	-	-	-	(676,888)
Total cash flows		15,761,329	(10,702,001)	-	(315,382)	4,743,946
Allocation of acquisition costs prepaid to insurance cash flows	(d)	(4,094)	-	-	4,094	-
Other	(e)	(10,528)	15,097	-	-	(4,569)
Insurance contract liabilities/(assets) at 09/30/2023		(294,777)	3,583,170	128,495	(2,368,845)	1,048,043
Insurance contract liabilities at 09/30/2023		(294,777)	3,583,170	128,495	(2,368,845)	1,048,043
Insurance contract assets at 09/30/2023		-	-	-	-	-

(a) Any premium reimbursements were included in this line.

(b) Insurance acquisition cash flows paid before initial recognition of the respective group are adjusted to the liability/asset for remaining coverage only when these groups are recognized. Insurance acquisition cash flows paid before the related group is recognized are included in cash flows from assets for acquisition until the group is recognized.

(c) Other movements within insurance assets or liabilities that affect other lines of the balance sheet, as well as expenses allocable to insurance contracts not directly related to claims (such as: costs with the issuance and maintenance of contracts, costs to meet regulatory requirements, among others) and acquisition cash flows, which do not carry through the assets/liabilities of insurance contracts and were included in the Insurance Costs line.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2023
(In thousands of reais, unless otherwise stated)

12. Assets and liabilities from insurance and reinsurance contracts (restated, Note 2.1) (Continued)

12.1. Changes in assets or liabilities for remaining coverage and claims incurred relating to insurance contracts (Continued)

Short-term contracts (PAA) (Continued)

- (d) Other acquisition cash flow movements include the reclassification of acquisition cash flows from insurance to liabilities that were recognized prior to group recognition by the determination of another CPC/IFRS.
(e) Refers to the elimination of transactions between group companies

Long-term contracts (BBA/VFA)

		Consolidated				
		Liability (Asset) for remaining coverage	Liability for claims incurred			
			Estimated future cash flows at present value	Risk adjustment	Total	
		Less loss component	Loss component			
Insurance contract liabilities at 01/01/2023		13,308,357	1,067,575	452,983	14,809	14,843,724
Insurance contract (assets) at 01/01/2023		-	-	-	-	-
Total insurance contracts at 01/01/2023		13,308,357	1,067,575	452,983	14,809	14,843,724
Insurance revenue	Note 18.2	(2,257,998)	-	-	-	(2,257,998)
Insurance expenses	Note 19.2	(2,112,533)	(27,273)	3,843,579	1,276	1,705,049
Income from (loss on) insurance services		(4,370,531)	(27,273)	3,843,579	1,276	(552,949)
Finance income (costs) from insurance operations		1,049,722	66,464	59,062	1,382	1,176,630
Changes in other comprehensive income		131,600	21,571	220	13	153,404
Total changes that impact P&L or other comprehensive income		(3,189,209)	60,762	3,902,861	2,671	777,085
Premiums and other cash flows received from policyholders	(a)	3,981,715	-	-	-	3,981,715
Claims and other benefits paid to policyholders or their beneficiaries		-	-	(3,877,791)	-	(3,877,791)
Acquisition cash flows paid	(b)	(53,877)	-	-	-	(53,877)
Private pension redemption and investment		(1,825)	-	-	-	(1,825)
Other expenses allocable to the insurance service	(c)	(51,850)	-	-	-	(51,850)
Total cash flows		3,874,163	-	(3,877,791)	-	(3,628)
Insurance contract liabilities/(assets) at 09/30/2023		13,993,311	1,128,337	478,053	17,480	15,617,181
Insurance contract liabilities at 09/30/2023		13,993,311	1,128,337	478,053	17,480	15,617,181
Insurance contract assets at 09/30/2023		-	-	-	-	-

- (a) Any premium reimbursements were included in this line.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

12. Assets and liabilities from insurance and reinsurance contracts (restated, Note 2.1) (Continued)

12.1. Changes in assets or liabilities for remaining coverage and claims incurred relating to insurance contracts (Continued)

Long-term contracts (BBA/VFA) (Continued)

- (b) Insurance acquisition cash flows paid prior to the initial recognition of the respective group are adjusted to the liability/asset for the remaining coverage only when these groups are recognized. Insurance acquisition cash flows paid prior to the related group's recognition are included in the cash flows from assets for acquisition until the group is recognized.
- (c) Other changes within insurance assets or liabilities that affect other statement of financial position lines, as well as expenses allocable to insurance contracts not directly related to claims and acquisition cash flows, which are not recorded in assets/liabilities from insurance and reinsurance contracts and were included in Insurance Costs line. Cash flows related to investment and redemptions of non-separable pension investment components (VGBL/PGBL) were also included in this line.

12.2. Expected recognition of contractual service margin (CSM) in the coming years

	Consolidated			
	Long-Term Contracts (BBA / VFA)			
	2024	2025 to 2029	After 2029	09/30/2023
Release of CSM	84,083	339,545	629,682	1,053,310

12.3. Expectation of recognition of acquisition cash flows in the coming years

	Consolidated			
	Short-term contracts (PAA)			
	2024	2025 to 2029	After 2029	09/30/2023
Asset Release from Acquisition Cash Flows	711,360	1,478,583	178,902	2,368,845

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

12. Assets and liabilities from insurance and reinsurance contracts (restated, Note 2.1) (Continued)

12.4. Guarantee for technical reserves

The subsidiaries regulated by Brazil's Private Insurance Supervisory Office ("SUSEP") and the Brazilian Regulatory Agency for Private Health Insurance and Plans ("ANS"), based on the regulatory guidance established by these agencies, have to keep assets offered as guarantee for their technical reserves (liabilities representing the obligations of these companies to the policyholders/beneficiaries), measured based on accounting standards defined by such regulators, which differ materially from CPC 50/IFRS 17.

The assets offered as guarantee for such technical reserves are recorded in clearinghouses in the technical reserve account. SUSEP and ANS may authorize the free movement of assets offered as guarantee by the regulated companies, provided that all financial requirements regarding the coverage of technical reserves and sufficiency of capital, as well as all accounting obligations, are met.

As at September 30, 2023, the subsidiaries regulated by SUSEP and ANS were compliant with the requirements for coverage of technical reserves.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2023
(In thousands of reais, unless otherwise stated)

13. Loans, financing and debentures

Transaction/Instrument	Index	Spread	Currency	Initial principal (R\$)	Beginning	Maturity	Amortization	Guarantees	Individual		Consolidated	
									09/30/2023	12/31/2022	09/30/2023	12/31/2022
FINEP	TJLP/Fixed rate	0.5%/4.0%	R\$	170,252	Feb/15	Sept/24	Monthly	Surety bond	24,001	42,147	24,001	42,147
Citibank II (a)	LIBOR	0.46%	US\$	301,200	Nov/18	Nov/23	Bullet	n/a	-	417,697	-	417,697
Citibank III (a)/(d)	SOFR	0.99%	US\$	304,158	Apr/23	Apr/27	Annually	n/a	316,272	-	316,272	-
BofA II (a)	Fixed rate	0.88%	EUR€	400,520	June/21	June/25	Bullet	n/a	330,445	342,386	330,445	342,386
JP Morgan II (a)	Fixed rate	1.58%	US\$	520,000	July/20	July/25	Bullet	n/a	457,436	472,668	457,436	472,668
CCB Bank of China	100% of DI	1.20%	R\$	85,000	May/20	May/26	Bullet	n/a	89,879	86,812	89,879	86,812
	CDI/Fixed rate/IPCA	-	R\$	n/a	n/a	mar/28	Monthly	SBLC	-	-	141,980	62,430
Outros		-	R\$	n/a	n/a	mar/28	Monthly	SBLC	-	-	141,980	62,430
Debentures - 3rd issue - Esperança	110.85% of DI	-	R\$	1,000,000	Aug/17	Aug/24	Biannually	n/a	-	-	252,499	522,162
Debentures - 4th issue - Esperança	100% of DI	1.27%/1.50%	R\$	1,000,000	Feb/18	Dec/27	Annually	n/a	-	-	1,027,849	989,740
Debentures - 10th issue (a)	Fixed rate	11.82%	R\$	1,628,100	Jan/18	Jan/28	Bullet	n/a	1,605,217	1,547,929	32,449	33,397
Debentures - 13th issue (b)	100% of DI	1.02%	R\$	1,400,000	Sept/18	Sept/24	Annually	n/a	703,765	1,447,970	703,765	1,447,970
Debentures - 14th issue (b)	106% of DI	-	R\$	500,000	Oct/18	Oct/26	Annually	Property	526,444	508,744	526,444	508,744
Debentures - 17th issue 3rd series (b)	100% of DI	0.79%	R\$	1,000,000	June/19	June/29	Annually	n/a	1,031,124	996,359	1,031,124	996,359
Debentures - 17th issue 2nd series	100% of DI	1.25%	R\$	2,500,000	Dec/19	Dec/26	Annually	n/a	2,581,166	2,491,258	2,581,166	2,491,258
Debentures - 17th issue 1st series (a)	Fixed rate	8.75%	R\$	3,198,350	Apr/20	Jan/30	Bullet	n/a	2,509,624	2,348,988	-	-
Debentures - 19th issue 2nd series	100% of DI	1.90%	R\$	2,500,000	Aug/21	Aug/31	Annually	n/a	2,520,991	2,613,659	2,520,991	2,613,659
Debentures - 19th issue 3rd series	100% of DI	1.90%	R\$	1,500,000	Sept/21	Aug/31	Annually	n/a	1,512,595	1,568,196	1,512,595	1,568,196
Debentures - 23rd issue 1st series	100% of DI	1.40%	R\$	900,000	May/22	May/28	Bullet	n/a	942,788	909,095	942,788	909,095
Debentures - 23rd issue 2nd series	100% of DI	1.90%	R\$	850,000	May/22	May/32	Annually	n/a	892,098	859,126	892,098	859,126
Debentures - 23rd issue 3rd series	100% of DI	1.90%	R\$	625,000	May/22	May/32	Annually	n/a	655,955	631,710	655,955	631,710
Debentures - 25th issue 1st series	100% of DI	2.00%	R\$	450,000	Oct/22	Oct/32	Bullet	n/a	477,478	459,714	477,478	459,714
Debentures - 25th issue 2nd series	100% of DI	1.95%	R\$	150,000	Oct/22	Oct/32	Annually	n/a	159,124	153,223	159,124	153,223
Debentures - 27th issue (c)	100% of DI	1.70%	R\$	1,100,000	Feb/23	Feb/30	Annually	n/a	1,108,994	-	1,108,994	-
Debentures - 28th issue (e)	100% of DI	1.90%	R\$	490,000	June/23	May/28	Bullet	n/a	509,795	-	509,795	-
Debentures - 29th issue (f)	100% of DI	2.25%	R\$	1,000,000	Aug/23	July/31	Annually	n/a	1,015,221	-	1,015,221	-
Debentures (SULA) - 6th issue	111.5% of DI	-	R\$	700,000	Apr/19	Apr/24	Annually	n/a	248,643	483,094	248,643	483,094
Debentures (SULA) - 8th issue 1st series	100% of DI	1.50%	R\$	233,000	Feb/21	Feb/24	Bullet	n/a	238,253	248,542	238,253	248,542
Debentures (SULA) - 8th issue 2nd series	100% of DI	1.80%	R\$	467,000	Feb/21	Feb/26	Annually	n/a	481,805	498,763	481,805	498,763
Debentures (SULA) - 9th issue 1st series	100% of DI	1.50%	R\$	750,000	Nov/21	Nov/26	Annually	n/a	800,151	769,817	800,151	769,817
Debentures (SULA) - 9th issue 2nd series	100% of DI	1.70%	R\$	750,000	Nov/21	Nov/28	Annually	n/a	800,789	770,041	800,789	770,041
Debentures GGSB	100% of DI	2.80%	R\$	360,000	Apr/21	Apr/26	Biannually	n/a	-	-	376,251	363,519
Debentures GGSB	100% of DI	2.20%	R\$	70,000	Sept/22	Sept/26	Biannually	n/a	-	-	73,160	71,327
Senior Notes I (a)	Fixed rate	4.95%	US\$	1,596,400	Jan/18	Jan/28	Bullet	n/a	-	-	2,323,119	2,487,890
Senior Notes II (a)	Fixed rate	4.50%	US\$	5,062,504	Jan/20	Jan/30	Bullet	n/a	-	-	3,057,927	3,232,075
Promissory Note 3 rd issue	112.5% of DI	-	R\$	1,000,000	Apr/18	Apr/23	Bullet	n/a	-	1,379,354	-	1,379,354
Mortgage-backed securities ("CRI") - 1st issue	99% of DI	-	R\$	662,837	mar/18	mar/23	Bullet	n/a	-	670,988	-	670,988
Mortgage-backed securities ("CRI") - 2nd issue	IPCA	6.06%	R\$	300,000	July/18	July/25	Bullet	n/a	395,888	387,137	395,888	387,137
Mortgage-backed securities ("CRI") - 3rd issue 1st series	96.5% of DI	-	R\$	227,051	Dec/18	Dec/23	Bullet	n/a	233,670	226,374	233,670	226,374
Mortgage-backed securities ("CRI") - 3rd issue 2nd series	IPCA	4.66%	R\$	372,949	Dec/18	Dec/25	Bullet	n/a	498,669	464,601	498,669	464,601
Mortgage-backed securities ("CRI") - 4th issue 1st series	95.75% of DI	-	R\$	269,900	Feb/19	Feb/23	Bullet	n/a	-	280,300	-	280,300
Mortgage-backed securities ("CRI") - 4th issue 2nd series	IPCA	3.93%	R\$	30,100	Feb/19	Feb/26	Bullet	n/a	38,783	37,735	38,783	37,735
Mortgage-backed securities ("CRI") - 5th issue	IPCA	3.45%	R\$	538,328	Sept/19	Aug/29	Annually	n/a	679,567	660,440	679,567	660,440
Mortgage-backed securities ("CRI") - 6th issue (a)	IPCA	4.93%	R\$	1,500,000	May/21	May/36	Annually	n/a	1,441,145	1,298,515	1,441,145	1,298,515
Mortgage-backed securities ("CRI") - 7th issue 1st series (a)	IPCA	5.58%	R\$	400,000	Dec/21	Dec/31	Annually	n/a	425,387	390,833	425,387	390,833

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Notes to interim financial information (Continued)
September 30, 2023
(In thousands of reais, unless otherwise stated)

13. Loans, financing and debentures (Continued)

Transaction/Instrument	Index	Spread	Currency	Initial principal (R\$)	Beginning	Maturity	Amortization	Guarantees	Individual		Consolidated	
									09/30/2023	12/31/2022	09/30/2023	12/31/2022
Mortgage-backed securities ("CRI") - 7th issue 2nd series (a)	IPCA	6.10%	R\$	600,000	Dec/21	Dec/36	Annually	n/a	623,825	567,891	623,825	567,891
Mortgage-backed securities ("CRI") - 8th issue 2nd series (a)	IPCA	5.83%	R\$	798,634	June/22	June/29	Bullet	n/a	826,135	762,652	826,135	762,652
Mortgage-backed securities ("CRI") - 8th issue 3rd series (a)	IPCA	6.01%	R\$	341,867	June/22	June/32	Annually	n/a	353,648	325,600	353,648	325,600
Mortgage-backed securities ("CRI") - 9th issue 1st series (a)	IPCA	6.39%	R\$	30,000	Aug/22	July/29	Bullet	n/a	31,657	30,119	31,657	30,119
Mortgage-backed securities ("CRI") - 9th issue 2nd series (a)	IPCA	6.54%	R\$	70,000	Aug/22	July/32	Bullet	n/a	74,529	70,603	74,529	70,603
Mortgage-backed securities ("CRI") - 9th issue 3rd series (a)	IPCA	6.77%	R\$	400,000	Aug/22	July/37	Bullet	n/a	429,653	405,255	429,653	405,255
Mortgage-backed securities ("CRI") - 10th issue 1st series	100% of DI	0.75%	R\$	86,186	Dec/22	Dec/27	Bullet	n/a	87,605	84,612	87,605	84,612
Mortgage-backed securities ("CRI") - 10th issue 2nd series	100% of DI	1.00%	R\$	176,323	Dec/22	Dec/29	Bullet	n/a	191,533	173,130	191,533	173,130
Mortgage-backed securities ("CRI") - 10th issue 3rd series (a)	IPCA	6.79%	R\$	82,487	Dec/22	Dec/29	Bullet	n/a	87,098	80,174	87,098	80,174
Mortgage-backed securities ("CRI") - 10th issue 4th series (a)	IPCA	6.94%	R\$	55,004	Dec/22	Dec/32	Annually	n/a	58,158	53,351	58,158	53,351
Mortgage-backed securities ("CRI") - 11th issue 1st series (g)	100% of DI	1.00%	R\$	429,340	Aug/23	Aug/28	Bullet	n/a	425,057	-	425,057	-
Mortgage-backed securities ("CRI") - 11th issue 2nd series (a)/(g)	IPCA	6.20%	R\$	557,457	Aug/23	Aug/30	Bullet	n/a	549,452	-	549,452	-
Mortgage-backed securities ("CRI") - 11th issue 3rd series (a)/(g)	IPCA	6.55%	R\$	524,038	Aug/23	Aug/33	Annually	n/a	516,682	-	516,682	-
				43,013,985					30,508,194	29,017,602	33,678,587	32,883,225
Current									2,314,371	4,707,009	2,674,761	4,973,066
Noncurrent									28,193,823	24,310,593	31,003,826	27,910,159

- (a) As mentioned in Note 25, 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 25, 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 February 28, 2023, Rede D'Or paid in the 27th issue of debentures in a single series, in the amount of R\$1.1 billion, maturing on February 20, 2030. This debenture issue is indexed to the CDI + 1.70% p.a., payable semiannually. There are no guarantees.
- (d) Citibank II and Citibank III - On April 27, 2023, Rede D'Or settled the loan taken out from Citibank in the amount of US\$80 million, maturing in a lump-sum payment on November 21, 2023, at Libor + 0.46% p.a. paid quarterly. The Company settled the derivative financial instrument for currency and interest rate hedging purposes, which translated the debt into Brazilian reais plus interest equivalent to 109% of the CDI p.a. Concomitantly, Rede D'Or took out a loan from Citibank in the amount of US\$60 million, with repayments on April 27, 2026 and April 27, 2027, at SOFR + 0.99% p.a. paid semiannually. The Company also entered into a derivative financial instrument for currency and interest rate hedging purposes, which translated the debt into Brazilian reais plus interest equivalent to CDI + 1.63% p.a. There are no guarantees.
- (e) On June 5, 2023, Rede D'Or paid in the 28th issue of Debentures in a single series, in the amount of R\$490 million, maturing on May 25, 2028. This debenture issue is indexed to the CDI + 1.90% p.a., payable annually. There are no guarantees.
- (f) On August 4, 2023, Rede D'Or paid in the 29th issue of Debentures in a single series, in the total amount of R\$1.0 billion, maturing on July 25, 2031. This debenture issue is indexed to the CDI + 2.25% p.a., payable semiannually. There are no guarantees.
- (g) On August 24, 2023, Rede D'Or, through a securitization company, paid in the 11th issue of registered book-entry Mortgage-backed securities ("CRI"), in three series, in the amount of R\$1,510.8 billion, maturing on August 15, 2028, August 15, 2030 and August 15, 2033. The 1st series CRI is indexed to the CDI + 1.00% p.a.; the 2nd series CRI to the IPCA + 6.20% p.a.; and the 3rd series CRI to the IPCA + 6.55% p.a., payable semiannually. Concomitantly, the Company entered into a derivative financial instrument for IPCA inflation rate hedging purposes, converting it into interest equivalent to 106.6% of the CDI and 109.3% of the CDI, respectively. There are no guarantees.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

13. Loans, financing and debentures (Continued)

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

Total costs related to the issues of loans, financing and debentures, in the amount of R\$320,461 at September 30, 2023 (R\$295,462 at December 31, 2022), were recorded as a reduction of the balances and have been amortized over the term of the agreements, as established by CPC 08 - Transactions Costs and Premiums on Issue of Marketable Securities.

Before the SASA business combination, the Company did not have covenants relating to debt ratios, nor corresponding ratios based on net debt, EBITDA and finance costs rather than the guarantees listed above. Since, as a result of the merger, the Company is the successor, there are covenants whose application is suspended, as shown in Note 12.1. below.

At September 30, 2023, the maturity of noncurrent balances is as follows:

09/30/2023			
Individual		Consolidated	
Year	Amount	Year	Amount
2024	865,741	2024	935,980
2025	3,374,215	2025	3,564,033
2026	1,732,744	2026	2,369,227
2027	1,153,199	2027	1,683,150
2028	4,302,794	2028	5,110,628
2029 to 2037	16,765,130	2029 to 2037	17,340,808
	28,193,823		31,003,826

13.1. Covenants

The Company is exempt from the obligation to meet any financial ratios (financial covenants) until the quarters stated below, per transaction, as approved at the general meeting of debenture holders held on August 18, 2022.

Issue	Exempt until
Sixth issue of debentures of Sul América S.A.	3rd quarter of 2023
Eighth issue of debentures of Sul América S.A.	4 th quarter of 2023
Ninth issue of debentures of Sul América S.A.	3rd quarter of 2025

The Company may settle in advance the respective issues before the covenants mentioned above become applicable.

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Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

13. Loans, financing and debentures (Continued)

13.1. Covenants (Continued)

From the quarters above, and in accordance with the early maturity clauses contained in the debenture indentures of the Sixth Issue of Debentures of Sul América S.A., Eighth Issue of Debentures of Sul América S.A. and Ninth Issue of Debentures of Sul América S.A., the Company will have to maintain certain financial ratios within the previously established thresholds (financial covenants). The table below presents the financial *covenants* to which the Company will be subject.

Covenant	Ratio
Financial ratio I - net financial debt/cash generation	Equal to or lower than 2 times the cash generation
Financial ratio II - cash generation/net finance income (cost)	Equal to or higher than 4 times the net finance income (cost)
Financial ratio III - cash generation	Equal to or higher than zero

Net financial debt: financial obligations less cash, cash equivalents and short-term investments, net of technical reserves to be covered.

Cash generation: profit or loss before income taxes, less depreciation and amortization.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

14. Provision for contingencies and judicial deposits

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

	Individual			
	09/30/2023		12/31/2022	
	Provision for contingencies	Judicial deposits	Provision for contingencies	Judicial deposits
Tax and social security	499,982	(303,983)	931,974	(264,620)
Labor	127,814	(37,162)	106,200	(24,974)
Civil	156,697	(1,760)	170,768	(5,059)
	784,493	(342,905)	1,208,942	(294,653)

	Consolidated			
	09/30/2023		12/31/2022	
	Provision for contingencies	Judicial deposits	Provision for contingencies	Judicial deposits
Tax and social security	1,702,490	(2,059,404)	2,379,022	(2,325,232)
Labor	291,326	(127,482)	267,772	(133,763)
Civil (a)	1,232,106	(431,838)	1,145,378	(403,279)
	3,225,922	(2,618,724)	3,792,172	(2,862,274)

(a) Balance restated in Notes 2.1.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

14. Provision for contingencies and judicial deposits (Continued)

14.1. Proceedings assessed as probable loss

Changes in provisions for contingencies for the periods ended September 30, 2023 and 2022 were as follows:

	Individual			
	Tax and social security	Labor	Civil	Total
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	-	7,785	3,591	11,376
Balances at September 30, 2022	226	75,580	56,058	131,864
Balances at December 31, 2022	931,974	106,200	170,768	1,208,942
Additions, net of reversals	(431,762)	17,102	(17,062)	(431,722)
Monetary restatement	6	4,700	3,840	8,546
Payments	(236)	(188)	(849)	(1,273)
Balances at September 30, 2023	499,982	127,814	156,697	784,493

	Consolidated			
	Tax and social security	Labor	Civil	Total
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 (a)	2,531	3,671	3,407	9,609
Balances at September 30, 2022	99,117	134,586	94,950	328,653
Balance at December 31, 2022 (d)	2,379,022	267,772	1,145,378	3,792,172
Additions, net of reversals (c)	(433,213)	12,661	221,987	(198,565)
Monetary restatement	52,725	16,788	82,158	151,671
Changes in equity	-	8,719	-	8,719
Payments (b)	(296,044)	(14,614)	(217,417)	(528,075)
Balance at September 30, 2023 (d)	1,702,490	291,326	1,232,106	3,225,922

(a) Additions related to business combinations conducted in the respective years, as described in Note 3.

(b) Of the total payments made in the period, R\$288,103 refers to settlement of the proceedings with the transformation of the judicial deposit into definitive payment.

(c) Changes in civil and social security proceedings refer to: (i) the final and unappealable decision of RE No. 400.479, through which the Plenary session of the STF determined that finance income from the compulsory investments used to cover the technical reserves, held by Insurers, would not be subject to PIS and COFINS contributions; (ii) the success of the lawsuit related to the non-levy of ICMS on the sale of salvage vehicles; and (iii) the success of the final and unappealable decision in the tax dispute in which the levy of ISS on health insurance premiums in the municipality of Rio de Janeiro was challenged.

(d) Restated balance (Notes 2.1).

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

14. Provision for contingencies and judicial deposits (Continued)

14.2. 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 below:

	Individual		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Tax and social security (a)	2,101,116	1,777,084	3,972,518	4,031,356
Labor (b)	324,729	217,646	564,377	353,753
Civil (c)	309,595	346,467	689,869	703,668
	2,735,440	2,341,197	5,226,764	5,088,777

- (a) The significant challenges refer to administrative proceedings in the total amount of R\$1.3 billion, of which R\$914.2 million refer to notices served in 2016 and 2017, and R\$364.6 million to notice served in early 2018. These challenges are mostly derived 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. As such, 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), such as: (i) assessment notices issued against subsidiaries CIA. SAÚDE and TRADITIO, in which the deductibility of amortization of goodwill arising from the merger of parent companies SLT Participações S.A. and STA Participações S.A., respectively, in calendar years 2005, 2006 and 2007, was challenged; (ii) non-approval of tax offsetting at the administrative level; (iii) disallowance of income tax loss and social contribution loss carryforwards; and (iv) claim aimed at charging ISS debits arising from the alleged failure to pay tax on the services provided in the City of São Paulo, at the appellate phase, given the favorable decision in the Stay of Execution filed by Sul América S.A.

- (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.

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.

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Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

15. Leases

	Individual	
	09/30/2023	12/31/2022
	(Represented)	(Represented)
Nominal value of future payments	6,424,392	6,611,872
Present value adjustment	(3,853,510)	(4,018,544)
	2,570,882	2,593,328
Current	481,848	476,704
Noncurrent	2,089,034	2,116,624
	Consolidated	
	09/30/2023	12/31/2022
	(Represented)	(Represented)
Nominal value of future payments	8,523,226	8,982,982
Present value adjustment	(5,236,080)	(5,650,580)
	3,287,146	3,332,402
Current	567,634	621,751
Noncurrent	2,719,512	2,710,651

The liabilities were measured at the present value of the remaining lease payments discounted at the average rate of 14.86% at September 30, 2023.

At September 30, 2023, the maturity of noncurrent balances is as follows:

Individual		Consolidated	
Year	Amount	Year	Amount
2024	132,195	2024	165,146
2025	520,131	2025	635,744
2026	435,001	2026	548,544
2027	412,171	2027	509,935
2028	373,179	2028	473,482
2028 to 2059	4,019,970	2028 to 2082	5,527,063
Undiscounted amounts	5,892,647	Undiscounted amounts	7,859,914
Embedded interest	(3,803,613)	Embedded interest	(5,140,402)
Balance at 09/30/2023	2,089,034	Balance at 09/30/2023	2,719,512

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

16. Equity

a) Capital

The Company's capital is broken down as follows:

Shareholders	09/30/2023		12/31/2022	
	Number of shares	Equity interest	Number of shares	Equity interest
Controlling shareholders	1,053,123,926	46.00%	1,043,023,526	45.56%
Outstanding shares	1,201,482,784	52.48%	1,209,934,908	52.85%
Treasury shares	34,685,880	1.52%	36,334,156	1.59%
	2,289,292,590	100.00%	2,289,292,590	100.00%

Subscribed and paid-in capital at September 30, 2023 amounts to R\$15,711,360 represented by 2,289,292,590 common registered no-par-value shares (R\$15,711,360 at December 31, 2022 represented by 2,289,292,590 common registered no-par-value 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 at the Company's general meetings.

The premium reserve on issue of shares derived substantially from 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 premium reserve on the subscription of shares; and (ii) on April 27, 2015, by HPT Participações S.A. (Carlyle Group investee), in the amount of R\$1,819,435, of which R\$181,943 for capital increase and R\$1,637,491 as premium reserve on the subscription of shares; and (iii) reduction of reserve through capitalization in the amount of R\$1,600,000.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

16. Equity (Continued)

b) Allocations of income

Changes in the balances of dividends and interest on equity payable in the periods ended September 30, 2023 and 2022 were as follows:

	2023	2022
Balance payable at December 31	145,085	64,551
Allocation of dividends and interest on equity	416,288	641,763
Allocation of dividends and interest on equity – non-controlling interests	52,963	31,979
Payment of dividends and interest on equity	(161,690)	(561,654)
Withholding income tax	(48,936)	(72,146)
Balance payable at September 30	403,710	104,493

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:

	09/30/2023			09/30/2022		
	Number of shares	Share value (in reais)	Total	Number of shares	Share value (in reais)	Total
Balance at December 31	36,334,156	14.99	544,610	38,913,920	3.58	139,282
Acquisitions	-	-	-	14,140	52.38	741
Disposals	(1,680,749)	14.99	(25,193)	(2,593,904)	3.58	(9,284)
Balance at September 30	34,685,880	14.97	519,417	36,334,156	3.58	130,739

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

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

16. 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

In 2020, the Company's Board of Directors approved the 1st Restricted Stock Option Program and established the conditions for the granting of the Company's common registered no-par-value shares to managing officers and employees.

The rights of beneficiaries in relation to restricted shares will only be fully vested if their contract with the Company or with any entity under its control, as the case may be, is not terminated for a certain period, subject to the conditions for the release of 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, 2023 was equivalent to a total of 114,464,630 shares.

In the nine-month period ended September 30, 2023, a total of 2,371,279 Restricted Shares was granted to the elected beneficiaries, referring exclusively to the 1st Restricted Stock Option Program, at the weighted average price of R\$17.88. All restricted shares granted in the nine-month period ended September 30, 2023 were vested immediately on January 04, 2023, and there are no restricted shares already granted that have not been vested.

Of the total shares mentioned above, for purposes of measuring shareholder dilution, the total amount of shares effectively vested for the beneficiaries under the 1st Restricted Stock Option Program was 1,719,177 shares, referring exclusively to the Restricted Stock Option Plan, in accordance with item 33-E of Accounting Pronouncement CPC 10 - Share-Based Payment.

For the purpose of calculating the expenses to be allocated, a projected cancellation rate of 7.14% was used for 2023, based on the average historical cancellations of the Company's plans.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

16. Equity (Continued)

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

Restricted Stock Option Plan (Continued)

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 common registered no-par-value 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.

In the nine-month period ended September 30, 2023, a total of 3,450,265 Restricted Shares was granted to and effectively vested for the elected beneficiaries, referring exclusively to the 2nd Restricted Stock Option Program, whose exercise rights had not been fully vested yet.

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 their contract with the Company or any entity under its control, as the case may be, is not terminated for a certain 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.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)
September 30, 2023
(In thousands of reais, unless otherwise stated)

16. Equity (Continued)

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

Restricted Stock Option Plan (Continued)

2nd Restricted Stock Option Program (Continued)

For the purpose of calculating the expenses to be allocated, a cancellation rate of 7.14% was used in 2023, 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 status	Options canceled
1st program	2020	05/29/2020 to 05/29/2027	46,591,300	26.36%	4.66%	7.45	Partially vested	-
1st program	2021	04/01/2021 to 04/01/2028	5,361,026	28.81%	5.98%	25.50	Partially vested	-
1st program	2022	01/01/2022 to 01/01/2028	3,577,793	32.75%	11.55%	15.03	Partially vested	-
2nd program	2022	01/01/2022 to 12/31/2028	1,972,735	-	-	29.16	Partially vested	-
1st program	2023	01/01/2023 to 12/31/2028	2,371,279	44.56%	11.64%	12.95	Partially vested	-
2nd program	2023	01/01/2023 to 12/31/2029	3,450,265	-	-	18.06	Partially vested	-

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

16. 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 as follows:

	Fair value of options per year	Effect on P&L for the year	Changes - RSU	Cumulative effect on liabilities/equity
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	124,276	124,276	(70,623)	53,653
2023	58,801	58,801	(31,701)	27,885
2024	11,670			
2025	11,670			
2026	11,670			
2027	11,670			
	<u>692,695</u>			

e) Other comprehensive income

In the nine-month period ended September 30, 2023, the effects of the cash flow hedge taken out for debt hedging purposes were recognized as other comprehensive income, decreasing equity for the period by R\$101,804.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

17. Income and social contribution taxes

Income and social contribution tax expenses for the nine-month periods ended September 30, 2023 and 2022 are as follows:

	Individual		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
	(restated)		(restated)	
Deferred				
Corporate Income Tax	12,814	87,166	170,103	123,067
Social Contribution Tax on Net Profit	4,614	31,380	88,758	44,244
	17,428	118,546	258,861	167,311
Current				
Corporate Income Tax	-	-	(385,990)	(243,587)
Social Contribution Tax on Net Profit	-	-	(153,986)	(92,162)
	-	-	(539,976)	(335,749)
Income and social contribution tax expenses	17,428	118,546	(281,115)	(168,438)

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

17. 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, 2023 and 2022 were as follows:

	Individual			Consolidated				
	12/31/2022	Additional benefits (expenses) recorded	Other comprehensive income	09/30/2023	12/31/2022	Additional benefits (expenses)	Other comprehensive income	09/30/2023
	(restated)			(restated)	(restated)			(restated)
Assets								
Income tax losses	392,468	133,990	-	526,458	967,814	197,494	-	1,165,308
Social contribution tax losses	141,288	48,236	-	189,524	349,821	70,589	-	420,410
Allowance for expected credit losses and provision for disallowances	285,442	39,691	-	325,133	589,369	80,987	-	670,356
Provision for contingencies	50,848	8,144	-	58,992	786,169	31,463	-	817,632
Provision for bonuses	24,038	(1,974)	-	22,064	25,517	16,613	-	42,130
Deferred gain on property sales	23,242	(1,000)	-	22,242	17,871	1,453	-	19,324
Amortization of right of use (IFRS 16)	255,703	62,845	-	318,548	401,700	139,738	-	541,438
PVA allocation (IFRS 16)	428,916	95,402	-	524,318	591,927	156,378	-	748,305
D'Or Finance	53,103	5,984	-	59,087	53,103	5,984	-	59,087
Actuarial gain/loss on defined benefit pension plans	-	-	-	-	11,910	-	-	11,910
Impairment of tax credits	-	-	-	-	73,704	5,501	-	79,205
Insurance contracts - IFRS 17	-	-	-	-	1,378,144	119,080	65,661	1,562,885
Other provisions	24,421	7,958	-	32,379	-	-	-	-
Total deferred tax assets	1,679,469	399,276	-	2,078,745	5,247,049	825,280	65,661	6,137,990
Liabilities								
Differences between accounting and tax bases of goodwill	(711,911)	(11,001)	-	(722,912)	(930,432)	(134,322)	-	(1,064,754)
Gain on acquisition in stages	(99,040)	-	-	(99,040)	(124,003)	-	-	(124,003)
Swap difference	(65,308)	(18,273)	-	(83,581)	(62,459)	11,961	-	(50,498)
Foreign exchange differences	30,105	(53,770)	-	(23,665)	30,105	(53,770)	-	(23,665)
Lease (IFRS 16)	(563,923)	(136,178)	-	(700,101)	(818,725)	(260,086)	-	(1,078,811)
Cash flow hedge	(133,621)	-	48,539	(85,082)	(159,738)	-	52,456	(107,282)
Deferred revenue	(2,666)	-	-	(2,666)	(7,601)	-	-	(7,601)
Variable income investment	-	-	-	-	(6,812)	-	-	(6,812)
Revaluation surplus - business combinations	(402,540)	(137,643)	-	(540,183)	(402,540)	(137,643)	-	(540,183)
Gain/loss on adjustment to market value	-	-	-	-	13,158	(18,262)	(13,457)	(18,561)
Other provisions	-	(24,983)	-	(24,983)	(55,315)	25,725	-	(29,590)
Total deferred tax liabilities	(1,948,904)	(381,848)	48,539	(2,282,213)	(2,524,362)	(566,397)	38,999	(3,051,760)
Net effect - asset (liability)	(135,814)	17,428	-	(118,386)	2,882,425	258,883	-	3,141,308
Net effect - deferred PIS/COFINS	-	-	-	-	238,461	-	-	308,112
Effect on equity	(133,621)	-	48,539	(85,082)	(159,738)	-	104,660	(55,078)
Assets as per statement of financial position	-	-	-	-	3,366,280	-	-	3,716,487
Liabilities as per statement of financial position	(307,259)	-	-	(203,468)	(398,414)	-	-	(322,145)

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

17. Income and social contribution taxes (Continued)

	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 bonuses	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 accounting and tax bases 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)
Leases (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, 2023

(In thousands of reais, unless otherwise stated)

17. 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, 2023 and 2022 is as follows:

	Individual		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
	(restated)		(restated)	
Income before income and social contribution taxes	1,255,138	806,766	1,603,343	1,148,294
Income and social contribution tax expenses at statutory rates	426,747	274,300	545,137	390,420
Social contribution tax rate difference (a)	-	-	26,956	-
Adjustments to determine the effective rate:				
Equity pickup, net of any gains earned abroad	(301,841)	(168,377)	(19,400)	(12,442)
Interest on equity	(141,538)	(218,199)	(141,538)	(218,199)
Accrual (reversal) of tax credit on temporary differences	-	-	(72,979)	-
Restatement of judicial deposits	-	-	(7,865)	-
Unduly paid taxes computed	-	-	(22,759)	-
Other	(796)	(6,270)	(26,437)	8,659
Expenses (credit) recorded in the statement of profit or loss	(17,428)	(118,546)	281,115	168,438

(a) Refers to the difference in the social contribution rate between financial and similar companies (15%) and non-financial subsidiaries (9%).

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 assets calculated on income and social contribution tax losses will be realized within 5 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.

18. Net revenue

Description	Notes	Individual		Consolidated	
		09/30/2023	09/30/2022	09/30/2023	09/30/2022
				(reapresentação)	
Hospital services	18.1	9,932,677	8,639,417	15,025,030	17,235,745
Insurance INcome	18.2	-	-	19,671,320	-
		9,932,677	8,639,417	34,696,350	17,235,745

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Notes to interim financial information (Continued)

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(In thousands of reais, unless otherwise stated)

18. Net revenue (Continued)

18.1. Hospital services (Continued)

	Individual		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Gross revenue (a)	11,068,543	9,604,796	17,166,858	19,310,944
Deductions from revenue				
Cancellations and rebates (a)	(519,376)	(440,054)	(927,111)	(959,692)
Taxes on revenues	(616,490)	(525,325)	(1,214,717)	(1,115,507)
Net revenue from hospital services	9,932,677	8,639,417	15,025,030	17,235,745

(a) Includes eliminations of Gross revenue and Cancellations and rebates between the Group companies in the amount of R\$4,022,050.

18.2. Insurance - net premiums

Breakdown of total insurance revenue recognized in the period per measurement model is as follows:

	Consolidated
	09/30/2023
	(restated)
Amounts relating to changes in liability/asset for remaining coverage	
Expected insurance expenses	(a) 2,175,829
Changes in non-financial risk adjustment	(b) 1,263
Recognition of CSM in P&L for the period	(c) 29,785
Allocation of portion of premiums relating to recovery of insurance acquisition cash flows	(d) 51,121
Insurance revenue - Long-term products (BBA/VFA)	2,257,998
Premium release due to provision of insurance services	(e) 17,546,287
Insurance revenue - Short-term products (PAA)	17,546,287
Gross insurance revenues	19,804,285
Taxes on revenues	(132,965)
Net insurance revenues	19,671,320

- (a) Expected expenses for the period due to the provision of insurance services that comprise claims and other expenses that the Company expects to incur to cover insured events that occurred during the period.
- (b) The change in risk adjustment shows the amount of risk that expired during the period.
- (c) CSM is recognized in P&L during the coverage period of the corresponding group of contracts based on coverage units.
- (d) The premiums related to the estimation of acquisition cash flows are allocated in a systematic and linear manner based on the passage of time over the coverage period of the group of contracts or according to the permanence curve of the portfolio. The premiums related to the estimation of acquisition cash flows are allocated in a systematic and linear manner based on the passage of time over the coverage period of the contract group or according to the permanence curve of the portfolio..
- (e) Amount recognized as insurance revenue for services rendered in the period.

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Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

19. Cost of services

Description	Note	Individual		Consolidated	
		09/30/2023 (restated)	09/30/2022	09/30/2023 (restated)	09/30/2022
Hospital services	19.1	(6,804,763)	(5,929,586)	(14,359,652)	(13,259,598)
Insurance costs	19.2	-	-	(14,949,281)	-
		(6,804,763)	(5,929,586)	(29,308,933)	(13,259,598)

19.1. Hospital services

	Individual		Consolidated	
	09/30/2023 (restated)	09/30/2022	09/30/2023 (restated)	09/30/2022
Personnel	(2,459,279)	(2,170,380)	(5,046,386)	(4,788,139)
Materials and medicines	(2,002,133)	(1,695,831)	(4,358,068)	(3,959,702)
Third-party services	(1,661,924)	(1,432,352)	(3,582,203)	(3,183,033)
Utilities and services	(145,343)	(136,524)	(305,935)	(306,699)
Rent	(5,703)	(2,933)	(67,951)	(64,608)
Depreciation and amortization	(530,381)	(491,566)	(999,109)	(957,417)
	(6,804,763)	(5,929,586)	(14,359,652)	(13,259,598)

19.2. Insurance Costs

		Consolidated			
		Long-term products (BBA/VFA)		Short-term products (PAA)	
		Liabilities/Remaining Hedge Assets	Liabilities of claims incurred	Remaining Coverage Liability	Liabilities of claims incurred
Claims incurred and other expenses allocable to insurance contracts	(a)	2.163.645	(3.844.855)	(676.889)	(10.972.526)
Amortization of Acquisition Cash Flows	(b)	(51.112)	-	(952.804)	-
Amortization of the allocation of consideration paid in a business combination to the insurance portfolios	(c)	-	-	642.013	-
Losses or reversal of losses on onerous contracts	(d)	27.273	-	-	-
		2.139.806	(3.844.855)	(2.271.706)	(10.972.526)
					(14.949.281)

(a) The most significant expenses are linked to claims incurred. This balance also includes expenses related to loss adjustments, issue, maintenance and collection of premiums, compliance with regulatory requirements, among other requirements necessary for the fulfillment of the Company's obligations linked to insurance. Includes the elimination of direct Claims and Variation in the reserve for claims and claims incurred and not reported between the Group companies in the amount of R\$4,030,496.

(b) Acquisition cash flows are systematically allocated, on a straight-line basis, based on the passage of time over the coverage period of the group of contracts or according to the portfolio's permanence curve.

(c) Amortization of the asset fair value computed by means of acquisition Purchase Price Allocation (PPA) allocated to the insurance contract portfolios, which was systematically and rationally allocated to the liability for remaining coverage, a portion of the contracts in force in 2023, and to the acquisition cash flow asset, portion of futures contracts (renewals).

(d) Amortization of part of the fair value liabilities calculated in the acquisition PPA allocated to the insurance contract portfolios as a loss component, experience adjustments, changes in the estimation of cash flows, and risk adjustment of the group of onerous contracts.

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Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

20. General and administrative expenses

	Individual		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
			(restated)	
Personnel	(517,968)	(473,289)	(621,742)	(473,289)
Third-party services	(105,464)	(91,895)	(186,015)	(91,895)
Travel and lodging	(26,627)	(26,125)	(52,378)	(52,887)
Depreciation and amortization	(134,546)	(109,176)	(225,264)	(109,176)
Reversal of/provision for contingencies	431,722	21,595	198,565	33,166
	(352,883)	(678,890)	(886,834)	(694,081)

21. Other operating expenses, net

	Individual		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
			(restated)	
Taxes, charges and penalties	(49,124)	(50,201)	(85,770)	(103,149)
Gain on property sales	2,940	2,940	2,940	2,940
Lease of machinery and equipment	(8,101)	(6,614)	(26,712)	(26,318)
Freight expenses	(7,448)	(6,326)	(29,353)	(24,006)
Legal fees	(21,937)	(27,295)	(29,894)	(37,837)
Other income and expenses	(17,761)	(37,836)	(151,158)	(95,335)
	(101,431)	(125,332)	(319,947)	(283,705)

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Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

22. Finance income (costs), net

Finance income (costs) for the nine-month periods ended September 30, 2023 and 2022 are broken down as follows:

	Individual		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
			(restated)	
Short-term investment yield	955,974	908,077	1,691,322	1,035,732
Valuation (devaluation) of investment fund shares, government securities and corporate bonds	-	-	1,068,564	-
Net foreign exchange differences on financing	54,489	100,563	324,336	305,422
Fair value of debt	(504,258)	389,225	(167,996)	1,384,155
Fair value of derivatives (swaps)	181,572	(680,875)	(592,586)	(2,001,658)
Interest and monetary difference on financing and debentures	(2,639,847)	(1,947,873)	(2,760,003)	(2,074,839)
Interest on lease liabilities	(280,594)	(252,042)	(356,677)	(334,925)
Taxes on finance income (costs)	(53,165)	(42,125)	(67,461)	(52,430)
Finance income (costs) from insurance contracts			(1,618,426)	
Other income and expenses	17,375	(62,559)	74,863	(133,488)
	(2,268,454)	(1,587,609)	(2,404,064)	(1,872,031)
Total finance income	2,749,055	2,006,403	6,828,022	4,260,759
Total finance costs	(5,017,509)	(3,594,012)	(9,232,086)	(6,132,790)
	(2,268,454)	(1,587,609)	(2,404,064)	(1,872,031)

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Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

23. Earnings per share

a) Basic

Basic earnings per share are calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of common shares issued over the year, excluding common shares purchased by the Company and held as treasury shares.

	09/30/2023	09/30/2022
	(restated)	
Income attributable to the Company's controlling shareholders	1,272,566	925,312
Weighted average number of common shares issued (in thousands)	2,254,607	1,974,033
Basic earnings per share - in reais (R\$)	0.5644	0.4687

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.

	09/30/2023	09/30/2022
	(restated)	
Income attributable to the Company's controlling shareholders	1,272,566	925,312
Weighted average number of common shares issued, including dilution factors (in thousands)	2,254,607	1,974,033
Dilution instruments - weighted average number of shares (in thousands):		
Share-based payment (Restricted shares)	-	4,500
Diluted earnings per share - in reais (R\$)	0.5644	0.4677

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management

24.1. Financial instruments by category

Fair value hierarchy

The financial instruments recognized at fair value are 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;

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, 2023 and December 31, 2022:

Individual			Book balance	
Financial assets	Classification by category	Fair value hierarchy	09/30/2023	12/31/2022
Cash and cash equivalents	Fair value through profit or loss	Level 2	253,332	96,360
Marketable securities (shares and government securities)	Fair value through profit or loss	Level 1	-	30,201
Marketable securities (corporate bonds and investment fund shares)	Fair value through profit or loss	Level 2	9,702,895	11,024,443
Others	-	-	-	111,246
Accounts receivable	Amortized cost		4,846,341	3,966,046
Dividends receivable	Amortized cost		237,495	75,277
Judicial deposits	Amortized cost		342,905	294,653
Derivatives	Fair value through profit or loss and other comprehensive income	Level 2	485,268	537,916
			15,868,236	16,136,142

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.1. Financial instruments by category (Continued)

Fair value hierarchy (Continued)

Financial liabilities	Classification by category	Fair value hierarchy	Book balance	
			09/30/2023	12/31/2022
Trade accounts payable	Amortized cost	Level 2	749,452	532,476
Loans, financing and debentures	Amortized cost (a)		30,508,194	29,017,602
Salaries, accruals and social charges	Amortized cost		604,671	445,623
	Fair value through profit or loss and other comprehensive income			
Derivatives		Level 2	1,306,266	1,813,933
			33,168,583	31,809,634

(a) The debt portion recorded as hedge accounting (fair value hedge) is measured at fair value through profit or loss, in the amount of R\$10,726,293 at September 30, 2023 (R\$9,177,650 at December 31, 2022).

Consolidated			Book balance	
Financial assets	Classification by category	Fair value hierarchy	09/30/2023	12/31/2022
Cash and cash equivalents	Fair value through profit or loss	Level 2	3,408,840	1,109,796
Marketable securities (shares and government securities)	Fair value through profit or loss	Level 1	6,164,156	5,954,989
Marketable securities (corporate bonds and investment fund shares)	Fair value through profit or loss	Level 2	19,423,477	20,590,093
Marketable securities (government securities)	Fair value through profit or loss and other comprehensive income	Level 1	1,336,385	1,370,998
Marketable securities (government securities)	Fair value through profit or loss and other comprehensive income	Level 2	1,276,985	1,269,354
Marketable securities	Amortized cost	Level 1	1,703,515	1,857,545
Accounts receivable	Amortized cost		10,686,259	9,765,717
Judicial deposits	Amortized cost		2,618,724	2,862,274
	Fair value through profit or loss and other comprehensive income			
Derivatives		Level 2	2,031,507	2,739,505
			48,649,848	47,520,271

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Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.1. Financial instruments by category (Continued)

Fair value hierarchy (Continued)

Financial liabilities	Classification by category	Fair value hierarchy	Book balance	
			09/30/2023	12/31/2022
Trade accounts payable	Amortized cost		1,541,869	1,256,601
Loans, financing and debentures	Amortized cost (a)	Level 2	33,678,587	32,883,225
Salaries, accruals and social charges	Amortized cost		1,277,806	982,150
Derivatives	Fair value through profit or loss and other comprehensive income	Level 2	1,460,157	1,959,016
			37,958,419	37,080,992

(a) The debt portion recorded as hedge accounting (fair value hedge) is measured at fair value through profit or loss, in the amount of R\$12,043,377 at September 30, 2023 (R\$11,054,711 at December 31, 2022). As mentioned in Note 12, the maturity of debentures of HSPE 14 - 4th issue of Debentures of Hospital Esperança was extended, with cost reduction, and such modifications were not reflected in the respective hedging instrument. Thus, the cash flow hedge no longer offsets changes in cash flows of the risk associated with the recognized liabilities of this debt and was then written down to profit or loss, deferred over the debt maturity.

Financial assets and liabilities recorded at amortized cost approximate their fair value, since these amounts are adjusted for provisions, to present value and/or at floating market rates.

24.2. 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 financial statements can be summarized as follows:

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.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.2. Risk management (Continued)

a) Capital management (Continued)

The Company uses own and third-party capital to finance its activities, and the use of third-party capital seeks to optimize its capital structure. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions. At September 30, 2023 and December 31, 2022, the Company has the following capital structure:

	Individual		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Cash and cash equivalents	253,332	96,360	3,408,840	1,109,796
Marketable securities	9,702,895	11,165,890	29,904,518	31,042,979
Technical reserves	-	-	-	-
Insurance	-	-	(5,179,722)	(4,141,017)
Private pension	-	-	(10,609,350)	(10,111,054)
	9,956,227	11,262,250	17,524,286	17,900,704
Loans, financing and debentures	(30,508,194)	(29,017,602)	(33,678,587)	(32,883,225)
Derivatives	(820,998)	(1,276,017)	571,350	780,489
Cash flow hedge	(250,242)	(393,002)	(315,538)	(469,822)
Net debt (a)	(21,623,207)	(19,424,371)	(15,898,489)	(14,671,854)
Total equity (b)	22,125,810	21,442,803	23,408,901	22,707,734
Total net debt and equity	502,603	2,018,432	7,510,412	8,035,880
Leverage ratio	0.98	0.91	0.68	0.65

(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 accounting for fair value and cash flow hedges, for the 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) Restated in Note 2.3.

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, 2023

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.2. Risk management (Continued)

b) Interest rate risk (Continued)

The sensitivity analysis of interest on loans, financing and debentures, net, considered as probable scenario (Scenario I) the reference rates obtained with BM&FBOVESPA at September 30, 2023, 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.)	12.65%	15.81%	18.98%
IPCA rate (p.a.)	4.61%	5.76%	6.92%
Projected interest expenses (in millions)	(9,729)	(11,856)	(13,983)

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

This is the risk of shortage of funds and of the Company facing difficulties 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.

Liquidity risks arise from the possibility of a lack of resources with immediate availability to timely honor commitments assumed due to the mismatch between payments and receipts flows.

SulAmérica's Investment Policy foresees and describes minimum amounts that must be invested in highly liquid assets to mitigate the risk of non-payment of claims and benefits.

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Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.2. Risk management (Continued)

c) Liquidity risk (Continued)

Daily cash forecasts and stress tests are carried out to previously detect any abnormal situation, having daily control over liquidity risk.

The following table presents the expected maturities and payments of the main financial and insurance assets and liabilities, except those related to the benefits accumulation phase of the PGBL and VGBL plans, where the exposure lies with the participant.

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

	Individual – 09/30/2023				Total financial liabilities
	Within to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	
Trade accounts payable	749,452	-	-	-	749,452
Loans, financing and debentures	2,350,037	2,392,862	10,078,803	20,797,554	35,619,256
Salaries, accruals and social charges	604,671	-	-	-	604,671
Derivatives	(494,513)	(333,305)	(1,001,828)	3,196,802	1,367,156
	3,209,647	2,059,557	9,076,975	23,994,356	38,340,535
	Consolidated – 09/30/2023				Total financial liabilities
	Within to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	
Trade accounts payable	1,541,869	-	-	-	1,541,869
Loans, financing and debentures	2,718,033	2,594,037	12,420,539	21,495,899	39,228,508
Insurance Contract Liabilities	8,164,115	1,672,739	3,779,906	7,787,042	21,403,802
Salaries, accruals and social charges	1,277,806	-	-	-	1,277,806
Derivatives	(661,476)	(488,790)	181,620	5,255,870	4,287,224
	13,040,347	3,777,986	16,382,065	34,538,811	67,739,209
	Individual – 09/30/2022				Total financial liabilities
	Within to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	
Trade accounts payable	532,476	-	-	-	532,476
Loans, financing and debentures	4,771,343	2,160,420	6,952,796	20,294,373	34,178,932
Salaries, accruals and social charges	445,623	-	-	-	445,623
Derivatives	(503,211)	(517,814)	(1,138,217)	3,368,241	1,208,999
	5,246,231	1,642,606	5,814,579	23,662,614	36,366,030
	Consolidated – 09/30/2022				Total financial liabilities
	Within to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	
Trade accounts payable	1,256,601	-	-	-	1,256,601
Loans, financing and debentures	5,044,022	2,573,996	8,427,070	22,715,258	38,760,346
Insurance liabilities	6,648,209	1,459,066	3,403,215	7,587,689	19,098,179
Salaries, accruals and social charges	982,150	-	-	-	982,150
Derivatives	(606,403)	(623,434)	(1,365,493)	8,845,955	6,250,625
	13,324,579	3,409,628	10,464,792	39,148,902	66,347,901

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Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.2. Risk management (Continued)

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 18.3% of total gross debt at September 30, 2023 (19.3% at December 31, 2022). 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.

f) Derivatives

At September 30, 2023, 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 a percentage of CDI or CDI + spread.

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Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.2. Risk management (Continued)

f) Derivatives (Continued)

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

Description	Maturity ranges month/year	Reference value (notional)	Individual		
			09/30/2023	12/31/2022	
			Fair value		
Swap (currency)	06/30/2025				
Long position	EUR/BRL + 1.0366%	EUR	67,429		
Short position	CDI+1.35%	R\$	357,375	(69,858)	(58,096)
Swap (currency)	04/27/2027				
Long position	USD SOFR + 0.99%	US\$	62,351		
Short position	CDI + 1.63%	R\$	312,230	(10,418)	112,285
Swap (currency)	07/01/2025				
Long position	USD/BRL + 1.8588%	US\$	100,386		
Short position	CDI + 1.323%	R\$	502,694	(80,200)	(84,423)
Swap (index)	01/18/2028				
Long position	BRL Fixed rate (11.82%)	R\$	1,634,139		
Short position	CDI + 2.01%	R\$	1,634,139	(72,733)	(192,906)
Swap (index)	01/22/2030				
Long position	BRL Fixed rate (8.80%)	R\$	2,134,599		
Short position	CDI + 2.125%	R\$	2,134,599	(504,587)	(693,035)
Swap (index)	01/22/2030				
Long position	BRL Fixed rate (8.65%)	R\$	1,115,827		
Short position	CDI + 2.40%	R\$	1,115,827	(299,243)	(400,756)
Swap (index)	06/20/2029				
Long position	CDI + 0.79%	R\$	1,038,732		
Short position	BRL Fixed rate (7.71%)	R\$	1,038,732	183,921	240,554
Swap (index)	10/26/2026				
Long position	106.0% CDI	R\$	530,328		
Short position	BRL Fixed rate (6.765%)	R\$	530,328	46,271	68,264
Swap (index)	05/15/2036				
Long position	IPCA + 4.9347%	R\$	1,533,015		
Short position	CDI + 1.35%	R\$	1,533,015	(106,358)	(195,501)
Swap (index)	12/15/2031				
Long position	IPCA + 5.5758%	R\$	407,197		
Short position	CDI + 0.56%	R\$	407,197	18,829	(2,703)
Swap (index)	12/15/2036				
Long position	IPCA + 6.1017%	R\$	611,793		
Short position	CDI + 1.403%	R\$	611,793	12,459	(22,631)

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.2. Risk management (Continued)

f) Derivatives (Continued)

Description	Maturity ranges month/year	Reference value (notional)	Individual		
			09/30/2023	12/31/2022	
			Fair value		
Swap (index)	06/15/2029				
Long position	IPCA + 5.83%	R\$	812,797		
Short position	102.7% CDI	R\$	812,797	14,946	(23,003)
Swap (index)	06/15/2032				
Long position	IPCA + 6.01%	R\$	348,113		
Short position	104.1% CDI	R\$	348,113	6,226	(10,738)
Swap (index)	07/16/2029				
Long position	IPCA + 6.3828%	R\$	30,409		
Short position	103.65% CDI	R\$	30,409	1,531	(892)
Swap (index)	07/15/2032				
Long position	IPCA + 6.5445%	R\$	70,978		
Short position	104.8% CDI	R\$	70,978	4,213	(1,800)
Swap (index)	15/07/2037				
Long position	IPCA + 6.7692%	R\$	405,773		
Short position	107.9% CDI	R\$	405,773	27,517	(9,161)
Swap (index)	17/12/2029				
Long position	IPCA + 6.7947%	R\$	84,180		
Short position	108.1% CDI	R\$	84,180	3,147	(816)
Swap (index)	12/15/2032				
Long position	IPCA + 6.9354%	R\$	56,156		
Short position	110.1% CDI	R\$	56,156	2,136	(659)
Swap (index)	08/15/2030				
Long position	IPCA + 6.20%	R\$	560,803		
Short position	106.6% CDI	R\$	560,803	621	-
Swap (index)	08/15/2033				
Long position	IPCA + 6.55%	R\$	527,356		
Short position	109.3% CDI	R\$	527,356	584	-
Current assets position				106,266	203,730
Noncurrent assets position				379,002	334,186
Current liabilities position				(542,586)	(682,825)
Noncurrent liabilities position				(763,680)	(1,131,108)
Effect on profit or loss for the year (fair value of derivatives - swaps)				181,572	(1,070,044)
Effect on equity for the year (fair value of derivatives - swaps)				(142,761)	(68)

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.2. Risk management (Continued)

f) Derivatives (Continued)

Description	Maturity ranges month/year	Reference value (notional)	Consolidated		
			09/30/2023	12/31/2022	
			Fair value		
Swap (currency)	06/30/2025				
Long position	EUR/BRL + 1.0366%	EUR	67,429		
Short position	CDI+1.35%	R\$	357,375	(69,858)	(58,096)
Swap (currency)	11/21/2023				
Long position	USD Libor + 0.46%	US\$	80,445		
Short position	109% CDI	R\$	419,738	-	112,285
Swap (currency)	04/27/2027				
Long position	USD SOFR + 0.99%	US\$	62,351		
Short position	CDI + 1.63%	R\$	312,230	(10,418)	-
Swap (currency)	07/01/2025				
Long position	USD/BRL + 1.8588%	US\$	100,386		
Short position	CDI + 1.323%	R\$	502,694	(80,200)	(84,423)
Swap (currency)	01/18/2028				
Long position	USD Fixed rate (4.95%)	US\$	504,950		
Short position	BRL Fixed rate (11.82%)	R\$	2,528,588	760,386	984,627
Swap (currency)	01/18/2028				
Long position	BRL Fixed rate (11.82%)	R\$	1,634,139		
Short position	CDI + 2.01%	R\$	1,634,139	(72,733)	(192,906)
Swap (index)	01/22/2030				
Long position	USD Fixed rate (4.525%)	US\$	504,188		
Short position	BRL Fixed rate (8.80%)	R\$	2,524,769	447,157	684,447
Swap (index)	01/22/2030				
Long position	BRL Fixed rate (8.80%)	R\$	2,134,599		
Short position	CDI + 2.125%	R\$	2,134,599	(504,587)	(693,035)
Swap (index)	01/22/2030				
Long position	USD Fixed rate (4.51%)	US\$	252,094		
Short position	BRL Fixed rate (8.65%)	R\$	1,262,385	184,806	298,507
Swap (index)	01/22/2030				
Long position	BRL Fixed rate (8.65%)	R\$	1,115,827		
Short position	CDI + 2.40%	R\$	1,115,827	(299,243)	(400,756)
Swap (index)	12/29/2025				
Long position	CDI + 1.27%/1.75%	R\$	1,037,872		
Short position	BRL Fixed rate (7.752%)	R\$	1,037,872	-	88,925
Swap (index)	06/20/2029				
Long position	CDI + 0.79%	R\$	1,038,372		
Short position	BRL Fixed rate (7.71%)	R\$	1,038,372	183,921	240,554

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.2. Risk management (Continued)

f) Derivatives (Continued)

Description	Maturity ranges month/year	Reference value (notional)	Consolidated		
			09/30/2023	12/31/2022	
			Fair value		
Swap (index)	10/26/2026				
Long position	106.0% CDI	R\$	530,328		
Short position	BRL Fixed rate (6.765%)	R\$	530,328	46,271	68,264
Swap (index)	05/15/2036				
Long position	IPCA + 4.9347%	R\$	1,533,015		
Short position	CDI + 1.35%	R\$	1,533,015	(106,358)	(195,501)
Swap (index)	12/15/2031				
Long position	IPCA + 5.5758%	R\$	407,197		
Short position	CDI + 0.56%	R\$	407,197	18,829	(2,703)
Swap (index)	12/15/2036				
Long position	IPCA + 6.1017%	R\$	611,793		
Short position	CDI + 1.403%	R\$	611,793	12,459	(22,631)
Swap (index)	06/15/2029				
Long position	IPCA + 5.83%	R\$	812,797		
Short position	102.7% CDI	R\$	812,797	14,946	(23,003)
Swap (index)	06/15/2032				
Long position	IPCA + 6.01%	R\$	348,113		
Short position	104.1% CDI	R\$	348,113	6,226	(10,738)
Swap (index)	07/16/2029				
Long position	IPCA + 6.3828%	R\$	30,409		
Short position	103.65% CDI	R\$	30,409	1,531	(892)
Swap (index)	15/07/2032				
Long position	IPCA + 6.5445%	R\$	70,978		
Short position	104.8% CDI	R\$	70,978	4,213	(1,800)
Swap (index)	07/15/2037				
Long position	IPCA + 6.7692%	R\$	405,773		
Short position	107.9% CDI	R\$	405,773	27,517	(9,161)
Swap (index)	12/17/2029				
Long position	IPCA + 6.7947%	R\$	84,180		
Short position	108.1% CDI	R\$	84,180	3,147	(816)
Swap (index)	12/15/2032				
Long position	IPCA + 6.9354%	R\$	56,156		
Short position	110.1% CDI	R\$	56,156	2,136	(659)
Swap (index)	08/15/2030				
Long position	IPCA + 6.20%	R\$	560,803		
Short position	106.6% CDI	R\$	560,803	621	-

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.2. Risk management (Continued)

f) Derivatives (Continued)

Description	Maturity ranges month/year	Reference value (notional)	Consolidated		
			09/30/2023	12/31/2022	
			Fair value		
Swap (index)	08/15/2033				
Long position	IPCA + 6.55%	R\$	527,356		
Short position	109.3% CDI	R\$	527,356	584	-
Current assets position				106,266	251,740
Noncurrent assets position				1,925,241	2,487,765
Current liabilities position				(696,477)	(827,908)
Noncurrent liabilities position				(763,680)	(1,131,108)
Effect on profit or loss for the year (fair value of derivatives - swaps)				(592,586)	(2,369,263)
Effect on equity for the year (fair value of derivatives - swaps)				(154,283)	(15,432)

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, euro, IPCA inflation rates, and DI futures interest rates, obtained from B3 for instrument maturity, calculated 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 DI rates used to determine the probable scenario.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.2. Risk management (Continued)

f) Derivatives (Continued)

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\$)	-	3.9435	2.6290	-	-
Appreciation of US\$ (rate in R\$)	5.2580	-	-	6.5725	7.8870
Effect on liabilities					
Loan 4131 - Citibank and JP Morgan	38,734	(193,671)	(387,342)	193,671	387,342
Effect on derivatives					
Swap	(38,734)	193,671	387,342	(193,671)	(387,342)
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\$)	-	3.9435	2.6290	-	-
Appreciation of US\$ (rate in R\$)	5.2580	-	-	6.5725	7.8870
Effect on liabilities					
Senior Notes	116,675	(583,376)	(1,166,752)	583,376	1,166,752
Effect on derivatives					
Swap	(116,675)	583,376	1,166,752	(583,376)	(1,166,752)
Net effect	-	-	-	-	-
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\$)	-	3.9435	2.6290	-	-
Appreciation of US\$ (rate in R\$)	5.2580	-	-	6.5725	7.8870
Effect on liabilities in US\$					
Senior Notes II	153,299	(766,493)	(1,532,986)	766,493	1,532,986
Effect on derivatives					
Swap	(153,299)	766,493	1,532,986	(766,493)	(1,532,986)
Net effect	-	-	-	-	-

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.2. Risk management (Continued)

f) Derivatives (Continued)

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	-	9.9619%	6.6413%	-	-
Appreciation of the DI rate	13.2825%	-	-	16.6031%	19.9238%
Effect on liabilities					
Debentures	14,384	(61,133)	(136,651)	89,902	165,420
Effect on derivatives					
Swap	(14,384)	61,133	136,651	(89,902)	(165,420)
Net effect	-	-	-	-	-
Debt - Debentures (CRI)	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
Fluctuation of the IPCA rate	5%	(25%)	(50%)	25%	50%
Depreciation of the IPCA rate	-	3.6304%	2.4203%	-	-
Appreciation of the IPCA rate	4.8405%	-	-	6.0506%	7.2608%
Effect on liabilities					
Debentures	12,775	(54,292)	(121,359)	79,841	146,908
Effect on derivatives					
Swap	(12,775)	54,292	121,359	(79,841)	(146,908)
Net effect	-	-	-	-	-
Debt – BofA	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
Exchange rate fluctuation	5%	(25%)	(50%)	25%	50%
Depreciation of US\$ (rate in R\$)	-	4,1738	2.7825	-	-
Appreciation of US\$ (rate in R\$)	5.5650	-	-	6.9563	8.3475
Effect on liabilities					
Senior Notes	16,544	(82,718)	(165,436)	82,718	165,436
Effect on derivatives					
Swap	(16,544)	82,718	165,436	(82,718)	(165,436)
Net effect	-	-	-	-	-

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.3. Changes in liabilities from financing activities

	Individual									
		Loans, financing and debentures raise	Interest, monetary variations 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	09/30/2023
Individual	12/31/2022									
Loans, financing, debentures and leases	31,610,930	3,914,594	2,824,964	(3,213,542)	(2,646,741)	504,258	-	-	84,613	33,079,076
Derivatives	1,813,933	-	(131,236)	(376,431)	-	-	-	-	-	1,306,266
Dividends and interest on equity payable	137,640	-	-	-	-	-	416,288	(113,758)	(48,935)	391,235
	33,562,503	3,914,594	2,693,728	(3,589,973)	(2,646,741)	504,258	416,288	(113,758)	35,678	34,776,577
Current	6,004,178									3,730,040
Noncurrent	27,558,325									31,046,537

	Individual									
		Loans, financing and debentures raise	Interest, monetary variations 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
Individual	12/31/2021									
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
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
	25,429,118	4,015,501	2,892,229	(1,259,803)	(1,585,976)	(389,225)	641,763	(523,372)	361,366	29,581,601
Current	1,883,517									4,723,517
Noncurrent	23,545,601									24,858,084

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.3. Changes in liabilities from financing activities (Continued)

Consolidated										
		Loans, financing and debentures raised and leases	Interest, monetary variations 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	09/30/2023
Consolidated	12/31/2022									
Loans, financing, debentures and leases	36,215,627	4,528,333	2,898,217	(4,128,328)	(2,845,222)	167,994	-	-	145,559	36,965,733
Derivatives	1,959,016	-	(12,428)	(526,208)	-	-	-	-	39,777	1,460,157
Dividends and interest on equity payable	145,085	-	-	-	-	-	469,251	(161,690)	(48,936)	403,710
	38,319,728	4,528,333	2,885,789	(4,654,536)	(2,845,222)	167,994	469,251	(161,690)	136,400	38,829,600
Current	6,567,810									4,342,582
Noncurrent	31,751,918									34,487,018

Consolidated										
		Loans, financing and debentures raised and leases	Interest, monetary variations 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
Consolidated	12/31/2021									
Loans, financing, debentures and leases	30,622,796	4,085,501	2,188,264	(1,717,031)	(1,735,400)	1,384,155	-	-	810,045	32,870,020
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
	31,942,762	4,085,501	2,977,622	(2,031,365)	(1,735,400)	1,384,155	673,742	(561,654)	737,899	35,704,952
Current	2,396,839									5,442,367
Noncurrent	29,545,923									29,262,585

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

25. Assets, liabilities, revenues and expenses per segment

Assets, liabilities, revenues and expenses per segment are as follows:

	Consolidated						
	09/30/2023						
	(restated)						
	Hospital	Health (a)	Life (b)	Corporate	Total - segments	Eliminations	Consolidated
Net revenues							
Foreign customers	19,047,079	19,053,084	621,126	32,208	38,753,497	(4,057,147)	34,696,350
Intersegment	-	175	10,172	-	10,347	(10,347)	-
Other revenues and expenses							
Operating expenses	(14,359,651)	(18,346,501)	(655,988)	-	(33,362,140)	4,053,207	(29,308,933)
Administrative expenses	(374,505)	(452,710)	(5,813)	(56,845)	(889,873)	3,039	(886,834)
Finance income (costs)	(2,541,290)	(50,641)	36,957	151,910	(2,404,064)	-	(2,404,064)
Other amounts that have an impact on income	(449,405)	(256,515)	14,100	(462,043)	(1,153,863)	379,572	(774,291)
Net income	1,322,228	(54,108)	20,554	(334,770)	953,904	368,324	1,322,228
Assets	48,361,019	21,495,905	11,923,157	17,554,863	99,334,944	(7,253,048)	92,081,896
Liabilities	40,824,163	13,315,085	11,080,361	3,503,697	68,723,306	(50,311)	68,672,995

(a) The "Health" segment comprises administrative services only (ASO) plans, and health and dental insurance.

(b) The Life & pension segment is formed by life insurance and private pension.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

September 30, 2023

(In thousands of reais, unless otherwise stated)

26. Insurance coverage

At September 30, 2023, the Company maintains insurance coverage at amounts deemed sufficient by management to cover risks, if any, on its assets and/or liabilities.

Type of coverage	Amount insured
Property risk	4,858,573
Civil liability (D&O)	616,380
General civil liability	10,000
Engineering risks	4,075,591

27. Events after the reporting period

On October 13, 2023, Rede D'Or paid in the 31st issue of Debentures in a single series, in the total amount of R\$500.0 million, maturing on October 6, 2031. This issue is indexed to the CDI + 2.00% p.a., to be paid semiannually. There are no guarantees.

On October 27, 2023, the Company paid Interest on Equity based on the final shareholding structure on October 16, 2023, in the total gross amount of R\$416,288.

On November 3, 2023, Rede D'Or exercised the Optional Early Redemption in Full of the Sixth Issue of Debentures of Sul América S.A., which was succeeded by Rede D'Or due to merger, in the amount of R\$235 million. As of that date, there are no covenants related to the Sixth Issue of Debentures of Sul América S.A. (see Note 12.1.).

On October 2, 2023, Sul América Investimentos DTVM S.A. ("SAMI"), an indirect subsidiary of the Company, signed definitive documents regarding the sale of its 25% minority interest held in Órama Distribuidora de Títulos e Valores Mobiliários S.A. ("Órama DTVM"), in the context of the total disposal of Órama DTVM to BTG Pactual CTVM S.A. for the global firm amount of R\$500 million (for 100%), subject to certain adjustments ("Transaction"). The completion and closing of the Transaction are subject to certain conditions, including obtaining all necessary regulatory approvals, including from the Central Bank of Brazil.