

Interim Financial Information

Rede D'Or São Luiz S.A.

June 30, 2022
with Independent Auditor's Review Report

Rede D'Or São Luiz S.A.

Interim financial information

June 30, 2022

Contents

Independent auditor's review report on quarterly financial information	1
Interim financial information	
Statements of financial position.....	3
Statements of profit or loss	5
Statements of comprehensive income	6
Statements of changes in equity	7
Statements of cash flows	8
Statements of value added	9
Notes to interim financial information	10



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A free translation from Portuguese into English of Independent Auditor's Review Report on interim financial information prepared in Brazilian currency in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information (ITR) and the rules issued by the Brazilian Securities and Exchange Commission (CVM)

Independent auditor's review report on quarterly 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 S.A. (the "Company") for the quarter ended June 30, 2022, comprising the statement of financial position as of June 30, 2022 and the related statements of profit or loss and of comprehensive income for the three and six-month periods then ended, and of changes in equity and of cash flows for the six-month period then ended, including the explanatory notes.

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

Scope of review

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

Conclusion on the individual and consolidated interim financial information

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



Other matters

Statements of value added

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

Rio de Janeiro, August 15, 2022.

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

A handwritten signature in black ink, appearing to read 'Diogo Afonso da Silva', is written over a light blue horizontal line.

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

A free translation from Portuguese into English of interim financial information prepared in Brazilian currency in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information (ITR) and the rules issued by the Brazilian Securities and Exchange Commission (CVM)

Rede D'Or São Luiz S.A.

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

	Note	Individual		Consolidated	
		06/30/2022	12/31/2021	06/30/2022	12/31/2021
Assets					
Current assets					
Cash and cash equivalents	4	13,548	43,910	225,512	124,621
Marketable securities	4	12,333,537	11,249,728	13,888,839	12,429,549
Accounts receivable	5	4,116,915	3,707,070	8,262,475	7,564,769
Inventories	6	380,406	401,479	713,470	735,245
Taxes recoverable		318,397	285,897	478,543	422,765
Derivative financial instruments	27	183,992	131,643	242,689	182,018
Transactions with related parties	7	40,585	32,540	4,690	-
Dividends receivable		88,329	74,093	-	-
Receivables from sale of properties		18,598	18,598	18,598	18,598
Other		277,441	178,418	596,802	412,019
Total current assets		17,771,748	16,123,376	24,431,618	21,889,584
Noncurrent assets					
Transactions with related parties	7	1,575,435	1,265,885	49,998	44,886
Judicial deposits	16	265,701	226,746	384,584	350,512
Deferred income and social contribution taxes	19	56,959	-	929,908	792,083
Derivative financial instruments	27	608,596	627,153	3,034,461	3,967,943
Investments in subsidiaries, associates and joint ventures	8	16,426,145	14,586,409	2,371,703	2,325,839
Property and equipment	9	3,977,338	3,567,148	9,955,820	9,097,050
Intangible assets	10	2,799,356	2,683,489	11,468,579	10,631,031
Right-of-use - leases	11	1,959,217	1,743,808	3,216,390	3,134,453
Other		68,003	67,142	243,717	247,239
Total noncurrent assets		27,736,750	24,767,780	31,655,160	30,591,036
Total assets					
		45,508,498	40,891,156	56,086,778	52,480,620

Rede D'Or São Luiz S.A.

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

	Note	Individual		Consolidated	
		06/30/2022	12/31/2021	06/30/2022	12/31/2021
Liabilities					
Current liabilities					
Trade accounts payable		489,943	409,917	1,098,015	990,942
Derivative financial instruments	27	629,475	343,265	774,689	469,249
Loans, financing and debentures	13	3,679,953	1,260,597	3,948,802	1,554,588
Salaries, provisions and social charges		487,751	430,156	938,290	794,061
Tax obligations	14	264,094	199,681	671,614	592,127
Accounts payable for acquisitions	15	76,441	59,251	250,600	223,957
Dividends and interest on equity payable	18	218,919	57,339	223,945	64,551
Deferred gain on property sales	12	3,920	3,920	3,920	3,920
Leases	17	252,677	222,316	445,018	346,720
Other		49,310	29,888	152,655	108,913
Total current liabilities		6,152,483	3,016,330	8,507,548	5,149,028
Noncurrent liabilities					
Derivative financial instruments	27	1,173,537	786,166	1,173,537	786,166
Loans, financing and debentures	13	21,802,355	21,009,175	25,740,223	26,074,748
Transactions with related parties	7	-	-	889	2,199
Tax obligations	14	50,751	54,421	240,189	239,835
Accounts payable for acquisitions	15	200	22,533	469,032	382,370
Deferred income and social contribution taxes	19	-	161,010	487,028	592,976
Provision for contingencies	16	131,890	135,220	332,756	344,868
Provision for losses on investments	8	457,116	214,115	-	-
Deferred gain on property sales	12	59,695	61,000	59,695	61,000
Leases	17	1,994,214	1,750,260	3,199,807	3,156,746
Other		143,404	97,548	1,148,189	1,012,745
Total noncurrent liabilities		25,813,162	24,291,448	32,851,345	32,653,653
Equity					
Capital	18	7,322,485	7,322,485	7,322,485	7,322,485
Capital reserves		4,448,301	4,475,504	4,448,301	4,475,504
Treasury shares		(130,739)	(139,282)	(130,739)	(139,282)
Income reserves		1,186,426	1,600,180	1,186,426	1,600,180
Retained earnings		549,985	-	549,985	-
Future capital contribution		4,224	4,224	4,224	4,224
Other comprehensive income		162,171	320,267	162,171	320,267
Total equity attributable to the Company's shareholders		13,542,853	13,583,378	13,542,853	13,583,378
Noncontrolling interests		-	-	1,185,032	1,094,561
Total equity		13,542,853	13,583,378	14,727,885	14,677,939
Total liabilities and equity		45,508,498	40,891,156	56,086,778	52,480,620

See accompanying notes.

Rede D'Or São Luiz S.A.

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

	Note	Individual				Consolidated			
		04/01/2022 to 06/30/2022	01/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2021 to 06/30/2021	04/01/2022 to 06/30/2022	01/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2021 to 06/30/2021
Net revenue	20	2,897,799	5,565,481	2,751,882	5,255,388	5,799,204	11,172,487	5,218,686	9,938,411
Costs of services rendered	21	(1,979,293)	(3,872,702)	(1,908,425)	(3,613,492)	(4,427,636)	(8,703,557)	(3,918,031)	(7,446,580)
Gross profit		918,506	1,692,779	843,457	1,641,896	1,371,568	2,468,930	1,300,655	2,491,831
General and administrative expenses	22	(219,634)	(438,019)	(250,229)	(464,859)	(227,867)	(440,188)	(252,679)	(470,589)
Selling expenses	23	(1,794)	(3,558)	(2,695)	(7,387)	(3,867)	(9,422)	(5,833)	(13,028)
Equity pickup	8	193,112	295,758	177,451	274,849	15,438	24,516	1,058	(1,243)
Other operating expenses	24	(43,989)	(82,503)	(66,300)	(109,916)	(91,590)	(186,618)	(99,464)	(199,133)
Income before finance income (costs) and income and social contribution taxes		846,201	1,464,457	701,684	1,334,583	1,063,682	1,857,218	943,737	1,807,838
Finance income	25	565,963	1,197,146	442,989	762,350	1,536,359	3,276,369	1,667,652	3,008,597
Finance costs	25	(1,107,613)	(2,199,166)	(668,726)	(1,299,544)	(2,164,988)	(4,464,083)	(1,995,528)	(3,727,860)
Income before income taxes		304,551	462,437	475,947	797,389	435,053	669,504	615,861	1,088,575
Income taxes	19	34,864	87,548	(30,413)	20,549	(76,639)	(85,934)	(138,125)	(208,396)
Net income for the period		339,415	549,985	445,534	817,938	358,414	583,570	477,736	880,179
Income attributable to controlling interests		339,415	549,985	445,534	817,938	339,415	549,985	445,534	817,938
Income attributed to noncontrolling interests		-	-	-	-	18,999	33,585	32,202	62,241
Basic earnings per share	26	0.1719	0.2786	0.2232	0.4149	0.1719	0.2786	0.2232	0.4149
Diluted earnings per share	26	0.1714	0.2778	0.2229	0.4139	0.1714	0.2778	0.2229	0.4139

See accompanying notes.

Rede D'Or São Luiz S.A.

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

	Individual				Consolidated			
	04/01/2022 to 06/30/2022	01/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2021 to 06/30/2021	04/01/2022 to 06/30/2022	01/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2021 to 06/30/2021
Net Income for the period	339,415	549,985	445,534	817,938	358,414	583,570	477,736	880,179
Other comprehensive income								
Other comprehensive income to be reclassified to P&L for subsequent periods								
Cash flow hedge	63,770	99,444	(5,744)	264,859	59,929	91,762	(1,949)	344,840
Loss of fair value in equity instruments (stocks)	(331,301)	(331,301)	-	-	(331,301)	(331,301)	-	-
Tax effects	90,960	78,831	1,953	(90,052)	92,266	81,443	662	(117,246)
Other comprehensive income of associates and subsidiaries, by equity pickup	(2,535)	(5,070)	2,504	52,787	-	-	-	-
Other comprehensive income to be reclassified to P&L for subsequent periods, net of taxes	(179,106)	(158,096)	(1,287)	227,594	(179,106)	(158,096)	(1,287)	227,594
Total comprehensive income	160,309	391,889	444,247	1,045,532	179,308	425,474	476,449	1,107,773
Attributable to:								
Controlling interests	160,309	391,889	444,247	1,045,532	160,309	391,889	444,247	1,045,532
Noncontrolling interests	-	-	-	-	18,999	33,585	32,202	62,241

See accompanying notes.

Rede D'Or São Luiz S.A.

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

Description	Attributable to controlling interests														Noncontrolling interests	Total
	Capital	Capital reserves					Income reserves				Retained earnings	Other comprehensive income (loss)	Total equity			
	Share issue costs	Premium reserve (issue of shares)	Premium on capital transactions	Share-based payment reserve	Treasury shares	Legal reserve	Investment reserve	Additional dividends in excess of mandatory minimum dividends	Future capital contribution							
Balances at June 30, 2020	867,776	-	2,135,919	(255,684)	342,511	(274,440)	8,666	2,328,450	-	4,224	(188,103)	(77,936)	4,891,383	236,476	5,127,859	
Balances at December 31, 2020	6,686,596	(213,648)	4,863,877	(293,655)	-	(153,194)	8,666	2,633,122	147,692	4,224	-	(70,558)	13,613,122	389,060	14,002,182	
Capital increase (Note 18)	888,920	-	888,920	-	-	-	-	-	-	-	-	-	1,777,840	3,436	1,781,276	
Share issue costs (Note 18)	-	(39,383)	-	-	-	-	-	-	-	-	-	-	(39,383)	-	(39,383)	
Acquisitions of subsidiaries (Note 3)	-	-	-	-	-	-	-	-	-	-	-	-	-	42,228	42,228	
Capital transactions in subsidiaries	-	-	-	3,441	-	-	-	-	-	-	-	-	3,441	(22,049)	(18,608)	
Share-based payment (Note 18)	-	-	-	-	59,469	-	-	-	-	-	-	-	59,469	-	59,469	
Changes - RSU	-	-	(96,677)	-	(59,469)	13,912	-	-	-	-	-	-	(142,234)	-	(142,234)	
Income for the period	-	-	-	-	-	-	-	-	-	-	817,938	-	817,938	62,241	880,179	
Dividends and interest on equity (Note 18)	-	-	-	-	-	-	-	(301,908)	-	-	-	-	(301,908)	(16,771)	(318,679)	
Additional dividends in excess of mandatory minimum dividends (Note 18)	-	-	-	-	-	-	-	-	(147,692)	-	-	-	(147,692)	-	(147,692)	
Cash flow hedge (Note 18)	-	-	-	-	-	-	-	-	-	-	-	227,594	227,594	-	227,594	
Balances at June 30, 2021	7,575,516	(253,031)	5,656,120	(290,214)	-	(139,282)	8,666	2,331,214	-	4,224	817,938	157,036	15,868,187	458,145	16,326,332	
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	
Capital transactions at subsidiaries and acquisition of noncontrolling interests	-	-	-	(7,927)	-	-	-	-	-	-	-	-	(7,927)	23,547	15,620	
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	54,975	54,975	
Share-based payment (Note 18)	-	-	-	-	34,824	-	-	-	-	-	-	-	34,824	-	34,824	
Changes - RSU	-	-	(19,276)	-	(34,824)	8,543	-	-	-	-	-	-	(45,557)	-	(45,557)	
Income for the period	-	-	-	-	-	-	-	-	-	-	549,985	-	549,985	33,585	583,570	
Dividends and interest on equity (Note 18)	-	-	-	-	-	-	-	(413,754)	-	-	-	-	(413,754)	(21,636)	(435,390)	
Loss of fair value in equity instruments (stocks)	-	-	-	-	-	-	-	-	-	-	-	(218,659)	(218,659)	-	(218,659)	
Cash flow hedge (Note 18)	-	-	-	-	-	-	-	-	-	-	-	60,563	60,563	-	60,563	
Balances at June 30, 2022	7,575,516	(253,031)	5,707,846	(1,259,545)	-	(130,739)	8,666	1,177,760	-	4,224	549,985	162,171	13,542,853	1,185,032	14,727,885	

See accompanying notes.

Rede D'Or São Luiz S.A.

Statements of cash flows Six-month periods ended June 30, 2022 and 2021 (In thousands of reais)

	Individual		Consolidated	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Cash flows from operating activities				
Income (loss) before income and social contribution taxes	462,437	797,389	669,504	1,088,575
Adjustments to reconcile income to cash from operating activities				
Depreciation and amortization	396,461	337,538	721,589	571,322
Gain on property sales	(1,960)	(1,960)	(1,960)	(1,960)
Fair value of debt	(666,951)	(726,220)	(1,156,215)	(433,300)
Interest, monetary variations and foreign exchange differences, net	1,596,388	1,041,622	2,210,549	1,069,919
Share-based payment	61,650	59,469	61,650	59,469
Provision for contingencies	(21,595)	21,159	(33,287)	19,255
Equity pickup	(295,758)	(274,849)	(24,516)	1,243
Allowance for expected credit losses	275,419	262,389	608,426	583,133
(Increase) decrease in assets and increase (decrease) in liabilities				
Accounts receivable	(436,370)	(823,123)	(1,193,728)	(2,102,451)
Inventories	32,230	(26,967)	28,640	(57,756)
Taxes recoverable	(26,942)	(47,610)	(50,623)	(51,529)
Judicial deposits	(27,499)	(29,556)	(33,139)	(35,569)
Other assets	(86,731)	(90,044)	(76,214)	(179,212)
Trade accounts payable	62,793	217,670	79,128	220,073
Salaries and social charges	(116,179)	(315,727)	(40,098)	(255,669)
Tax obligations	(24,363)	45,546	(4,525)	19,981
Transactions with related parties	(401,710)	(260,945)	(11,112)	(1,821)
Provision for contingencies	(318)	(912)	(2,369)	(1,931)
Other liabilities	23,841	(81,925)	155,976	(61,035)
	853,569	102,944	1,916,726	450,737
Payment of interest	(737,144)	(343,753)	(1,150,192)	(614,633)
Payment of income and social contribution taxes	(3,123)	(74,373)	(226,266)	(235,923)
Net cash flows from operating activities	113,302	(315,182)	540,268	(399,819)
Cash flows from investing activities				
Payment in business acquisition, net of cash acquired	-	(687,385)	(827,071)	(1,782,371)
Cash flows from merger of subsidiary	431	332	-	-
Future capital contribution	(1,834,563)	(2,108,251)	(44,350)	(14,500)
Additions to property and equipment	(484,551)	(305,340)	(1,175,617)	(810,111)
Disposal of property and equipment	-	-	-	3,476
Additions to intangible assets	(51,155)	(54,782)	(93,212)	(76,257)
Acquisition of marketable securities	(36,481,716)	(20,463,396)	(41,798,077)	(26,082,830)
Redemption of marketable securities	35,632,128	21,363,177	40,613,691	26,763,027
Dividends and interest on equity received	85,426	23,788	2,778	50,160
Cash flows used in investing activities	(3,134,000)	(2,231,857)	(3,321,858)	(1,949,406)
Cash flows from financing activities				
Capital increase, net	-	1,738,457	-	1,741,893
Treasury shares acquired	117,711	250,034	117,711	250,034
Payment of dividends and interest on equity	(205,615)	(454,000)	(229,436)	(469,418)
Loans, financing and debentures taken out	3,515,501	2,260,520	3,515,501	2,226,602
Settlement of swap	(62,176)	42,006	(109,111)	(55,355)
Payment of debentures, loans, financing and leases	(365,952)	(1,270,450)	(377,637)	(1,375,478)
Accounts payable for acquisitions	(9,133)	(12,091)	(34,547)	(19,413)
Cash flows from financing activities	2,990,336	2,554,476	2,882,481	2,298,865
Increase in cash and cash equivalents	(30,362)	7,437	100,891	(50,360)
Cash and cash equivalents at beginning of period	43,910	22,091	124,621	146,884
Cash and cash equivalents at end of period	13,548	29,528	225,512	96,524

See accompanying notes.

Rede D'Or São Luiz S.A.

Statements of value added

Six-month periods ended June 30, 2022 and 2021

(In thousands of reais, unless otherwise stated)

	Individual		Consolidated	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Revenue	5,900,884	5,581,061	11,894,673	10,594,310
Sales of goods, products and services	6,174,343	5,841,490	12,501,139	11,175,483
Provision for disallowances and allowance for expected credit losses	(275,419)	(262,389)	(608,426)	(583,133)
Other revenues	1,960	1,960	1,960	1,960
Bought-in inputs	(2,182,348)	(2,127,242)	(4,884,159)	(4,350,679)
Costs of services sold	(2,053,108)	(1,936,212)	(4,656,632)	(4,066,695)
Materials, energy, third-party services and other	(150,835)	(169,871)	(260,814)	(264,729)
Loss/recovery of assets	21,595	(21,159)	33,287	(19,255)
Gross value added	3,718,536	3,453,819	7,010,514	6,243,631
Depreciation and amortization	(396,461)	(337,538)	(721,589)	(571,322)
Net value added	3,322,075	3,116,281	6,288,925	5,672,309
Value added received in transfer	1,492,904	1,037,199	3,300,885	3,007,354
Equity pickup	295,758	274,849	24,516	(1,243)
Finance income	1,197,146	762,350	3,276,369	3,008,597
Total value added	4,814,979	4,153,480	9,589,810	8,679,663
Distribution of value added	(4,814,979)	(4,153,480)	(9,589,810)	(8,679,663)
Personnel and charges	(1,706,431)	(1,637,474)	(3,450,176)	(2,992,495)
Taxes, charges and contributions	(245,895)	(303,164)	(806,160)	(862,335)
Interest, rents and other operating expenses	(2,312,668)	(1,394,904)	(4,749,904)	(3,944,654)
Dividends and interest on equity	(413,754)	(449,600)	(435,390)	(466,371)
Retained profits	(136,231)	(368,338)	(148,180)	(413,808)

See accompanying notes.

Rede D'Or São Luiz S.A.

Notes to interim financial information

June 30, 2022

(In thousands of reais, unless otherwise stated)

1. Operations

Rede D'Or São Luiz S.A. (the "Company" or "Parent Company" and jointly with its subsidiaries "Rede D'Or" or "Group"), headquartered at Rua Francisco Marengo, 1.312, 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 safety to customers, either doctors, patients or healthcare plans.

Rede D'Or operates in the states of Rio de Janeiro, São Paulo, Pernambuco, Maranhão, Bahia, Sergipe, Paraná, Ceará, Minas Gerais, Mato Grosso do Sul, Paraíba and the Federal District, with 68 own hospitals and 40 projects under development, in addition to oncology and radiotherapy clinics and laboratories. Currently, the Group has 9,439 hospital beds in total.

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

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

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

1. Operations (Continued)

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

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

1. Operations (Continued)

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

Seasonality

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

Covid-19 pandemic

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

In management's opinion, the consolidated position of cash and cash equivalents and marketable securities as at June 30, 2022, amounting to R\$14,114,351, is sufficient to meet the financial commitments already assumed as well as any additional needs that could arise due to the pandemic. Furthermore, by applying to the Company's market the demand projections to be met, as disclosed by the Ministry of Health, the Company considers that it is capable of meeting this demand without major operational risks, as it has already done in the course of the pandemic.

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

On April 22, 2022, the Ministry of Health declared the end of the Public Health Emergency of National Concern due to Covid-19. The Ministry of Health took into consideration the response capacity of the Brazilian Unified Health System (SUS), the improvement in the epidemiological scenario in the country and the high number of vaccinated people. Brazil registers a drop of more than 80% in the moving average of cases and deaths by Covid-19, compared to the peak of cases cause by the Omicron variant, at the beginning of this year. The epidemiological criteria, with the opinion of the technical areas, indicate that the country is no longer in a situation of national public health emergency.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

2. Basis of preparation and presentation and significant accounting policies

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

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

P&L for the six-month period ended June 30, 2022 does not necessarily indicate the P&L expected for the entire year ending December 31, 2022. The interim financial information and related notes do not include all the information and disclosures required for the annual financial statements. Therefore, this interim financial information shall be read in conjunction with the audited annual financial statements as of December 31, 2021.

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

Authorization to complete the preparation of this interim financial information was given by the Company management on August 15, 2022.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

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

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

Parent Company - Rede D'Or São Luiz S.A. (a)	06/30/2022		12/31/2021	
	Direct	Indirect	Direct	Indirect
Fully consolidated entities				
Hospital Esperança S.A. ("Esperança")	99.99	0.01	99.99	0.01
Diagno São Marcos Ltda.	-	100.00	-	100.00
Hospital Nossa Senhora das Neves	-	51.00	-	51.00
CLIM Hospital Geral	-	40.80	-	40.80
Hospital São Rafael S.A.	-	80.00	-	80.00
São Lucas Médico Hospitalar S.A.	-	75.00	-	75.00
Sociedade Anônima Hospital Aliança	-	100.00	-	100.00
Hospital São Carlos S.A.	-	75.00	-	75.00
HCP Patrimonial S.A.	-	100.00	-	100.00
Cárdio Pulmonar da Bahia S.A.	-	100.00	-	100.00
AMIGO - Assist. Médica Integrada de Ginecol. e Obstet. ("Santa Emília")	-	100.00	-	100.00
Hospital Memorial Arthur Ramos (acquired in 2022)	-	100.00	-	-
Hospital Aeroporto (acquired in 2022)	-	100.00	-	-
AMHA Saúde S.A.	-	100.00	-	100.00
Onco D'Or Oncologia S.A.	98.80	-	98.80	-
Onco D'Or PE S.A.	-	67.23	-	67.23
Instituto Oncológico de Pernambuco Ltda. ("IOPE")	-	67.16	-	67.16
Núcleo Especializado em Oncologia e Hemato (NEOH)	-	67.13	-	67.13
Oncobrasília - Inst. Bras. Onco Clínica Ltda.	0.10	98.77	0.10	98.77
Acreditar Oncologia S.A.	-	98.83	-	98.83
Centro de Oncologia Médica Ltda.	-	98.87	-	98.87
Onco D'Or Oncologia BA Ltda.	-	98.86	-	98.86
Onco Star SP Oncologia Ltda.	75.00	-	75.00	-
Jenner S.A.	50.00	41.24	50.00	41.24
Oncologia D'Or S.A.	7.51	83.48	7.51	83.48
Holding Onco Niterói S.A. (Antiga GNI27 Empreendimentos Imobiliários Ltda.)	-	53.93	-	53.93
Instituto De Oncologia Niterói (former GNI29 Empreendimentos Imobiliários S.A.)	-	53.89	-	53.89
Oncologia Clínica Niterói Ltda. ("OCN")	-	53.89	-	53.89
Centro de Oncologia do RJ Ltda. ("Salus")	-	90.99	-	90.99
RDSL Farmácia Ltda.	-	90.98	-	90.98
Hospital Fluminense S.A.	99.99	0.01	99.99	0.01
Onco D'Or ABC Oncologia S.A. (former Cardial Serviços Médicos Ltda.)	89.44	-	89.44	-
ONCORAD - Serviços de Radioterapia Ltda.	0.02	99.98	0.02	99.98
Norte D'Or Participações S.A.	99.99	0.01	99.99	0.01
Hospital Norte D'Or de Cascadura S.A. ("Norte D'Or")	-	70.00	-	70.00
Medise Medicina Diagnóstico e Serviços S.A. ("Medise")	87.82	10.18	87.82	10.18
Hospital Santa Helena S.A. (merged in 2022)	-	-	99.99	0.01
Hospital Santa Cruz S.A.	65.99	34.01	65.99	34.01
Sator Empreendimentos e Participações Ltda.	99.99	0.01	99.99	0.01
Hospitais Integrados da Gávea S.A. - Clínica São Vicente	-	100.00	-	100.00
Hospital Jutta Batista	-	100.00	-	100.00
Hospital Glória D'Or	-	100.00	-	100.00
Hospital DF Star	-	100.00	-	100.00
Hospital de Clínicas Rio Mar S.A.	-	95.31	-	95.31
Samer Serviços de Assistência Médica de Resende Ltda.	-	100.00	-	100.00
Clínica São Lucas Ltda.	-	100.00	-	100.00
Biocor Hospital de Doenças Cardiovasculares Ltda.	-	51.00	-	51.00
Hospital de Clínicas Antônio Afonso Ltda.	-	100.00	-	100.00
Proncor Unidade Intensiva Cardiorespiratória ("Proncor").	-	51.00	-	51.00
Hospital Santa Marina. (adquirida em 2022)	-	100.00	-	-
Hospital e Pronto Socorro Comunitário Vila Iolanda Ltda. (Hospital Central dnoc Guaianases.)	-	100.00	-	100.00
Balco Participação em Serviços Ltda.	-	100.00	-	100.00
Hospital Dr. Balbino Ltda.	-	100.00	-	100.00
Hospital América Ltda.	-	100.00	-	100.00
Hospital Novo Atibaia S.A.	-	100.00	-	100.00
Serra Mayor Serviços Médicos S.A.	-	100.00	-	100.00
Hospital Santa Isabel (adquirida em 2022)	-	100.00	-	-

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

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

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

Companies accounted for under the equity method in the consolidated financial statements

	06/30/2022		12/31/2021	
	Direct	Indirect	Direct	Indirect
Companies accounted for under the equity method in the consolidated financial statements				
JMJB Diagnósticos e Serviços Hospitalares S.A.	50.00	-	50.00	-
J Badim S.A. ("Hospital Badim")	-	50.00	-	50.00
Memorial Star	-	50.00	-	50.00
Qualicorp Consultoria e Corretora de Seguros S.A.	25.85	-	25.85	-

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

3. Business combinations

	2022					2021					
	Aeroporto (a)	Santa Isabel (a)	Arthur Ramos (a)	Novo Atibaia (a)	N. S. das Neves (a)	Santa Emília (a)	Proncor (a)	Biocor	América	Serra Mayor	Balbino
Acquisition date	03/15/2022	02/24/2022	01/27/2022	12/21/2021	08/30/2021	08/10/2021	08/04/2021	06/30/2021	06/02/2021	06/01/2021	05/28/2021
Location	BA	SP	AL	SP	PB	BA	MS	BH	SP	SP	RJ
Equity interest acquired (%)	100.00	100.00	100.00	100.00	51.00	100.00	51.00	51.00	100.00	100.00	100.00
Total consideration	219,988	280,000	353,417	165,147	224,259	169,119	112,939	391,714	468,872	86,986	88,568
Payment on acquisition date	186,827	280,000	284,817	101,622	197,004	158,090	107,111	391,714	456,050	79,108	84,311
Accounts payable for acquisition (Note 15)	33,161	-	68,600	63,525	27,255	11,029	5,828	-	12,822	7,878	4,257
Assets											
Cash and cash equivalents	2,669	-	6,246	514	80,667	6,654	981	10,254	856	2,297	1,146
Trade accounts receivable	23,383	35,961	52,095	23,866	74,907	10,387	14,435	49,391	17,460	8,934	12,333
Inventories	1,562	1,339	3,557	4,306	15,039	3,078	1,822	6,446	-	1,258	3,067
Taxes recoverable	185	-	4,928	4,320	3,518	144	216	4,401	2,014	586	1,025
Judicial deposits	780	-	153	463	197	11	95	1,646	-	61	997
Deferred income and social contribution taxes	5,771	-	6,604	18,220	168	-	116	7,676	-	450	15,640
Indemnifiable assets	-	-	-	-	-	-	-	-	-	-	1,789
Investments	-	-	-	-	-	-	-	-	-	-	-
Property and equipment	18,596	4,499	27,554	10,732	66,258	50,170	38,775	178,353	18,846	50,888	17,287
Intangible assets	29	-	504	279	9,311	21	-	173	38	10	-
Right of use - lease	-	81,323	-	2,602	57,185	-	178	-	-	162	-
Other	5,466	197	5,744	9,168	11,528	34	2,235	7,565	497	7,468	753
	58,441	123,319	107,385	74,470	318,778	70,499	58,853	265,905	39,711	72,114	54,037
Liabilities											
Trade accounts payable	(8,814)	-	(18,600)	(13,837)	(27,050)	(936)	(2,286)	(21,348)	(4,143)	(1,497)	(3,180)
Loans and financing	(8,642)	-	(4,123)	(10,186)	(135,789)	(21,606)	(17,460)	-	-	(37,805)	(4,842)
Transactions with related parties	-	-	-	-	-	-	(10,197)	-	-	-	-
Salaries, provisions and social charges	(3,765)	(9,756)	(6,490)	(11,754)	(9,911)	(760)	(4,670)	(13,911)	(7,379)	(2,614)	(13,234)
Tax obligations	(5,692)	(1,284)	(20,580)	(13,933)	(11,649)	(1,385)	(34,129)	(2,953)	(4,894)	(8,212)	(12,675)
Deferred income and social contribution taxes	(1,634)	-	(1,413)	-	(168)	-	(116)	(3,728)	-	(450)	-
Provision for contingencies	(5,452)	-	(4,156)	(702)	(495)	(43)	(341)	(14,744)	-	(1,046)	(2,827)
Leases	-	(81,437)	-	(3,150)	(60,517)	-	(213)	-	-	(180)	-
Other	(507)	(44)	(9,693)	(38,480)	(664)	(5,172)	(1,158)	(2,423)	(10,934)	(2,305)	(6,211)
	(34,506)	(92,521)	(65,055)	(92,042)	(246,243)	(29,902)	(70,570)	(59,107)	(27,350)	(54,109)	(42,969)
Total indemnifiable assets, net	23,935	30,798	42,330	(17,572)	72,535	40,597	(11,717)	206,798	12,361	18,005	11,068
Total indemnifiable assets, net, noncontrolling interests	-	-	-	100	33,172	-	(5,741)	101,331	-	-	-
Fair value of prior equity interest	-	-	-	-	-	-	-	-	-	-	-
Goodwill on acquisition (Note 10)	196,053	249,202	311,087	182,819	184,896	128,522	118,915	286,247	456,511	68,981	77,500
Goodwill attributed to noncontrolling interests	-	-	-	-	146,994	-	114,834	334,100	-	-	-

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

3. Business combinations (Continued)

	2022					2021					
	Aeroporto (a)	Santa Isabel (a)	Arthur Ramos (a)	Novo Atibaia (a)	N. S. das Neves (a)	Santa Emilia (a)	Proncor (a)	Biocor	América	Serra Mayor	Balbino
Contribution for the group of revenues since the acquisition date	37,884	42,884	122,940	-	81,078	27,168	26,176	128,327	128,207	29,838	58,843
Contribution for the group with income (loss) before taxes since the acquisition date	545	(8,489)	30,563	-	(8,792)	4,973	(10,410)	7,484	46,233	(13,103)	(31,838)
Revenues from acquiree since the beginning of year	54,783	42,884	202,009	243,160	261,817	62,026	121,448	245,150	212,747	59,372	104,553
Income (loss) from acquiree before taxes since the beginning of year	1,966	(8,489)	33,899	38,036	(6,107)	24,798	(23,649)	(3,809)	29,439	(23,207)	(14,313)

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

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

3. Business combinations (Continued)

In addition to the business combinations presented above, in 2022 the Company acquired 51% of D'Or Skoda Corretora De Seguros S.A., 51% of D'Or Contacta Corretora De Seguros S.A., 100% of Hospital Santa Marina Ltd. and 100% of Tua D'Or Unipessoal, LDA., generating goodwill on these acquisitions in the amounts of R\$4,665, R\$919, R\$21,965 and R\$51,463, respectively. In 2021, the Company acquired 100% of Hospital de Clínicas Antônio Afonso, 100% of Hospital Central de Guaianases, 100% of Orthoservice Ltda and 51% of Hojda e Maia Corretora de Seguros Ltda., generating goodwill on these acquisitions in the amounts of R\$16,782, R\$115,751, R\$35,638 and R\$6,438, respectively.

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

On February 23, 2022, the Company and Sul América S.A. ("SASA") informed their respective shareholders and the market in general that they had entered into, on that date, after duly approved by their Board of Directors and a favorable opinion by the Supervisory Board of SASA had been issued, a business combination between the companies that will be carried out by means of the merger of SASA into the Company, pursuant to articles 223 to 227 of Law No. 6404/1976 and CVM Ruling No. 565/2015, resulting (i) in the extinction of SASA, which will be succeeded by the Company in all its assets, rights and obligations; and (ii) upon receipt, by the shareholders of SASA, of new common shares issued by the Company to replace the common or preferred shares of SASA that they hold on the date of consummation of the Merger, which will be extinguished ("SASA Shareholders").

Once the Transaction is implemented, SASA Shareholders will then migrate to the Company's shareholder base, which will remain a publicly-held company listed on the *Novo Mercado*. The Company, in turn, will assume control of the companies currently controlled, directly or indirectly, by SASA.

The Transaction comprises two leaders in the healthcare market in Brazil, bringing together the largest hospital network and one of the main independent insurers in the country. The combination of the companies is based on strategic fundamentals for the expansion and alignment of their healthcare ecosystems, including healthcare, dental, life, pension and investment businesses, in favor of all customers, beneficiaries and business partners.

On April 14, 2022, the Transaction was approved at the General Meetings of the two companies. Its implementation is subject to the approvals of the competent regulatory bodies, in particular the Brazilian Antitrust Agency (CADE), the Brazilian Regulatory Agency for Private Health Insurance and Plans (ANS), Brazil's Private Insurance Supervisory Office (SUSEP) and the Central Bank of Brazil – BCB.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

4. Cash and cash equivalents and marketable securities

	Individual		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Cash and cash equivalents				
Cash and banks	13,548	16,902	97,658	48,037
Short-term investments	-	27,008	127,854	76,584
Cash and cash equivalents	13,548	43,910	225,512	124,621
Marketable securities				
Investment funds	466	413	16,107	31,490
Repurchase agreements	154,231	119,405	346,378	210,409
Time deposit	-	-	8,374	407
Financial Treasury Bill (LFT)/Financial Bill	-	60,792	-	99,905
Bank Deposit Certificate (CDB)	11,330,361	11,069,118	12,667,049	12,085,653
Government securities	-	-	2,452	1,685
Shares	848,479	-	848,479	-
Marketable securities	12,333,537	11,249,728	13,888,839	12,429,549

All short-term investments are contracted with first-tier financial institutions at market price and conditions.

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

Short-term investments classified as marketable securities refer to Bank Deposit Certificates (CDBs), Investment Funds, Financial treasure letters, government bonds, and repurchase agreements, which are part of the fund portfolio of the fund "FIC Plataforma Star", "FI Plataforma D'Or", "FI Plataforma Sula" and own portfolio. The portfolio average yield, referring to Bank Deposit Certificates (CDBs), Investment Funds, Financial treasure letters, government bonds and repurchase agreements was 103.7% (103.1% at December 31, 2021) of the Interbank Deposit Certificate (CDI) variation.

Investment in Time Deposit refers to the cash position in US dollars of subsidiary Rede D'Or Finance Sarl, located in Luxembourg, with a fixed yield of 0.26% p.a. and cash position in Euro of subsidiary Tua Saúde, located in Portugal, with a fixed yield of 0.20% p.a.

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

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

5. Accounts receivable

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

	Individual		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Accounts receivable from health insurance and health plans	4,820,673	4,254,825	10,041,790	9,024,673
Accounts receivable from individuals	115,610	122,771	228,731	249,862
Allowance for expected credit losses and provision for disallowances	(819,368)	(670,526)	(2,008,046)	(1,709,766)
	4,116,915	3,707,070	8,262,475	7,564,769

Changes in provision for disallowances and allowance for expected credit losses

	Individual		Consolidated	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Balance at beginning of period	(670,526)	(787,976)	(1,709,766)	(1,532,602)
Recognition of provision for disallowances	(275,419)	(262,389)	(608,426)	(583,133)
Write-off of uncollectible amounts	126,577	312,743	346,175	492,013
Provision arising from mergers and acquisitions	-	(9,879)	(36,029)	(85)
Balance at end of period	(819,368)	(747,501)	(2,008,046)	(1,623,807)

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

	Individual								
	Total	Falling due	Overdue						360 - 720 days
			1 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days	121 - 180 days	181 - 360 days	
06/30/2022	4,936,273	3,196,664	105,377	164,340	134,285	133,102	220,645	402,042	579,828
12/31/2021	4,377,596	3,123,829	100,104	100,955	72,857	86,074	162,717	321,649	409,411

	Consolidated								
	Total	Falling due	Overdue						360 - 720 days
			1 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days	121 - 180 days	181 - 360 days	
06/30/2022	10,270,521	6,138,632	380,404	368,805	297,832	287,665	463,831	1,000,561	1,332,791
12/31/2021	9,274,535	6,040,555	270,513	286,413	191,590	230,801	426,028	825,498	1,003,137

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

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

5. Accounts receivable (Continued)

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

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

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

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

6. Inventories

	Individual		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Medicines	172,204	197,021	323,202	357,540
Special materials	65,450	62,020	99,649	90,681
Disposable materials	77,889	94,193	118,482	139,412
Laboratory materials	2,851	3,315	19,356	16,590
Materials for use and consumption	11,193	14,186	51,739	58,645
Food stuff	2,909	3,871	5,235	5,554
Dressing room materials	1,968	1,162	7,641	6,256
Surgical sutures	5,507	5,602	8,900	9,375
Other	40,435	20,109	79,266	51,192
	380,406	401,479	713,470	735,245

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

7. Transactions with related parties

Significant related-party transactions

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

- (i) *Leases* - the Company leases properties owned by the controlling shareholders, namely: properties of the hospitals Copa D'Or and Quinta D'Or and the property of the administrative unit. Leases are at market value and generated an expense in P&L for the period ended June 30, 2022 of R\$16,504 (R\$13,927 as of June 30, 2021), referring to interest and amortization of the right of use. Leases are annually restated by reference to the Extended Consumer Price Index (IPCA).
- (ii) *Transfers of funds between companies* - to enhance the operations of certain investees and provide funds for expansion and/or acquisitions, management transfers funds between Group companies. These balances are substantially eliminated in the consolidated financial statements. These balances are not restated, do not have a defined maturity, and their collection is expected for the subsequent fiscal year. The remaining consolidated balances refer to transfer of funds to associates.
- (iii) *Shared services* - these are centralized services rendered by the Parent Company, Rede D'Or, such as legal assistance, marketing, accounting, treasury, accounts payable and accounts receivable, which are shared among the other entities of the Group based on apportionment criteria that take into consideration the contribution of each entity to the consolidated gross revenue.
- (iv) *Debentures* - certain subsidiaries issued nonconvertible debentures, which were acquired by the Company. These debentures are intended to provide funds to the investees for investment in operations and expansion.

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

- On January 17, 2018, subsidiary Rede D'Or Finance carried out the first issue of senior notes, totaling US\$500,000 thousand, and, at the same time the Parent Company issued debentures (10th issue), which were acquired by subsidiary Rede D'Or Finance (Note 13);
- On January 22, 2020, subsidiary Rede D'Or Finance carried out the second issue of senior notes, totaling US\$850,000 thousand. On February 13, 2020, Rede D'Or Finance reopened the second issue of senior notes and issued additional US\$350 thousand notes with the same characteristics as the initial issue. In addition, on April 17, 2020, the Parent Company issued debentures (17th issue – 1st series), which were acquired by subsidiary Rede D'Or Finance.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

7. Transactions with related parties (Continued)

Balances with related parties

Company	Individual								
	06/30/2022				12/31/2021				06/30/2021
	Current assets	Noncurrent assets	Noncurrent liabilities	P&L	Current assets	Noncurrent assets	Noncurrent liabilities	P&L	P&L
Debentures Norte D'Or (a)	13,743	36,737	-	1,953	10,527	8,000	-	1,394	563
Debentures São Lucas (b)	26,099	38,000	-	6,977	22,013	38,000	-	4,080	1,466
Debentures Hospital Nossa Senhora das Neves (f)	743	136,431	-	7,614	-	-	-	-	-
Shared services	-	-	-	-	-	-	-	-	-
Medise Medicina Diagnóstico e Serviços Ltda.	-	-	-	7,336	-	-	-	12,595	8,927
Hospital Esperança S.A.	-	-	-	21,228	-	-	-	37,866	27,982
Hospital São Marcos S.A.	-	-	-	3,703	-	-	-	6,719	5,293
Hospital Norte D'Or de Cascadura S.A.	-	5,063	-	6,382	-	-	-	9,248	4,537
J. Badim S.A.	-	13,153	-	1,910	-	11,243	-	3,073	1,383
Oncologia D'Or S.A.	-	-	-	24,116	-	-	-	43,597	26,997
Hospital Fluminense S.A.	-	-	-	9,025	-	-	-	15,999	8,270
Clínica São Vicente	-	-	-	6,327	-	-	-	10,580	6,924
Hospital Santa Helena S.A.	-	-	-	7,508	-	-	-	19,540	13,041
Hospital Alpha-Med LTDA.	-	-	-	1,947	-	-	-	3,080	2,384
Diagno SM	-	-	-	63	-	-	-	-	-
URC	-	2,026	-	-	-	2,026	-	-	-
Hospital UDI	-	-	-	10,239	-	-	-	17,567	13,003
Onco Star SP	-	35,582	-	9,629	-	25,953	-	16,685	8,920
DF Star	-	-	-	8,667	-	-	-	15,520	8,383
Samer	-	-	-	3,578	-	-	-	6,550	4,343
São Lucas	-	39,560	-	8,568	-	30,992	-	16,754	9,881
São Rafael	-	17,690	-	24,162	-	17,422	-	35,252	18,124
Casa de Saúde Laranjeiras S.A (Perinatal)	-	-	-	6,661	-	-	-	11,384	8,882
Hospital Santa Cruz	-	-	-	5,169	-	-	-	11,147	-
Hospital Aliança	-	-	-	11,248	-	-	-	21,095	-
São Carlos	-	7,380	-	4,407	-	2,974	-	14,500	-
Cardio Pulmonar	-	-	-	8,592	-	-	-	-	-
Hospital América	-	-	-	4,423	-	-	-	-	-
Hospital Balbino	-	-	-	2,603	-	-	-	-	-
Biocor Hospital de Doenças Cardiovasculares	-	6,415	-	6,415	-	-	-	-	-
Proncor Unidade Intensiva Cardiorespiratória	-	1,985	-	1,985	-	-	-	-	-
Other	-	801	-	25,819	-	-	-	27,685	15,220
Hospital Norte D'Or de Cascadura S.A. (c)	-	5,757	-	-	-	-	-	-	-
Unidade de Radiologia Clínica Ltda. (c)	-	13,505	-	-	-	13,314	-	-	-
Jenner S.A. (c)	-	2,000	-	-	-	2,000	-	-	-
JMJB Diagnósticos e Serviços Hospitalares S.A. (c)	-	12,019	-	-	-	12,019	-	-	-
Badim (c)	-	7,956	-	-	-	7,984	-	-	-
Instituto D'Or de Pesquisa e Ensino (c)	-	8,475	-	-	-	8,433	-	-	-
JM&AM Empreendimentos Imobiliários S.A. (d)	-	370	-	16,456	-	370	-	27,471	13,906
Onco Star SP (e)	-	743,205	-	-	-	727,468	-	-	-
JTO Holding S.A. (c)	-	59,085	-	-	-	29,796	-	-	-
Rede D'Or Finance	-	263,891	-	-	-	263,891	-	-	-
Other	-	118,349	-	-	-	64,000	-	-	-
	40,585	1,575,435	-	264,710	32,540	1,265,885	-	389,381	208,429

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

7. Transactions with related parties (Continued)

Balances with related parties (Continued)

Company	Consolidated								
	06/30/2022				12/31/2021				06/30/2021
	Current assets	Noncurrent assets	Noncurrent liabilities	P&L	Current assets	Noncurrent assets	Noncurrent liabilities	P&L	P&L
Debentures Mederi (g)	4,690	-	-	-	-	-	-	-	-
Shared services	-	-	-	-	-	-	-	-	-
J Badim S.A.	-	13,153	-	1,910	-	11,243	-	3,073	1,383
JMJB Diagnósticos e Serviços Hospitalares S.A.	-	12,019	-	-	-	12,019	-	-	-
Instituto D'Or de Pesquisa e Ensino (c)	-	3,858	-	-	-	5,194	-	-	-
J Badim S.A. (c)	-	8,323	-	-	-	8,320	-	-	-
JM&AM Empreendimentos Imobiliários S.A. (d)	-	370	-	16,504	-	370	-	27,541	13,927
Monte Tabor Centro Italo-Brasileiro de Promoção Sanitária (c)	-	-	-	-	-	677	-	-	-
Other	-	12,275	889	-	-	7,063	2,199	-	-
	4,690	49,998	889	18,414	-	44,886	2,199	30,614	15,310

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

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

On April 1, 2022, Norte D'Or carried out the fifth private issuance of non-convertible debentures in stock, in a single series in nominative form, in the amount of R\$ 30 million, maturing on April 1, 2025, acquired entirely by the parent company Rede D'Or. Debentures are remunerated *pro rata temporis* with interest equivalent to 100% of DI (Interbank Deposits) plus 3.00% per year. Interest is paid every six months, and the nominal amount will be paid in full on the due date. There are no guarantees of 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 are remunerated on a *pro rata temporis* basis bearing interest equivalent to 100% of DI (Interbank Deposits) plus 2.5% p.a. Interest is repaid annually, while the nominal value will be settled in full on the maturity date. There are no guarantees for the debentures.

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

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

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

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

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

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

7. Transactions with related parties (Continued)

Key management personnel compensation

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

	<u>06/30/2022</u>	<u>06/30/2021</u>
Salaries and bonuses	47,831	86,631
Additional	88	61
Share-based payment	51,397	232,822
	<u>99,316</u>	<u>319,514</u>

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

8. Investments

Breakdown and changes in investments - Individual

Company	12/31/2021	Equity pickup	Dividends	Capital increase/Future capital contribution	Capital reduction	Transfer	Other	Merger of subsidiary into the Company	06/30/2022
Medise Medicina Diagnóstico e Serviços S.A.	232,371	9,358	-	-	-	-	-	-	241,729
Hospital Esperança S.A.	2,880,695	153,065	-	886,969	-	-	(5,070)	-	3,915,659
Hospital São Marcos (including goodwill)	(88,543)	(2,898)	-	1,979	-	70,663	18,799	-	-
PMJ Empreendimentos Imobiliários S.A.	796,223	8,256	(7,636)	18,364	(1,826)	-	2	-	813,383
Norte D'Or Participações S.A. (including goodwill)	134,796	5,861	(11,484)	15	-	-	-	-	129,188
Onco D'Or Oncologia S.A.	592,405	54,093	-	-	-	-	-	-	646,498
Jenner S.A. (including goodwill)	173,729	16,759	-	-	-	-	-	-	190,488
JMJB Diagnósticos e Serviços Hospitalares	42,235	(2,798)	-	-	-	-	-	-	39,437
Rodin Empreendimentos e Participações S.A.	75,431	49	-	17,161	-	-	-	-	92,641
Quinta Empreendimentos Imobiliários Ltda.	58,993	5,884	-	-	-	-	-	-	64,877
Hospital Fluminense S.A. (including goodwill)	268,506	(5,695)	(7,355)	16,891	-	-	-	-	272,347
Cardial Serviços Médicos (including goodwill)	84,595	15,094	(13,018)	-	-	-	-	-	86,671
Hospital Santa Helena S.A. (including goodwill)	494,493	2,865	(11,366)	14,282	-	-	-	(500,274)	-
TJK Empreendimentos Hospitalares	18,235	737	-	-	(1,598)	-	-	-	17,374
Villa Lobos Empreendimentos Imobiliários Ltda.	187,216	7,180	(7,434)	-	(7,205)	-	-	-	179,757
Santa Luzia II Empreendimentos Imobiliários Ltda.	56,252	(159)	-	2,024	-	-	-	-	58,117
Campinas Empreendimentos Imobiliários Ltda.	115,290	(1,676)	-	87,079	-	-	-	-	200,693
Sator Empreendimentos e Participações Ltda	2,377,506	6,195	-	558,592	-	-	-	-	2,942,293
Rede D'or Finance	(129,440)	(17,112)	-	-	-	146,552	-	-	-
Rede D'or São Luiz Serviços Médicos S.A.	236,110	27,250	-	13,117	-	-	-	-	276,477
Olimpia Projeto Rua do Rocio 86 SPE S.A.	447,447	(1,019)	-	38,400	-	-	-	-	484,828
Proncórdis Pronto Atendimento Cardiológico Ltda.	261	(9)	-	219	-	-	-	-	471
Maximagem - Diagnóstico por Imagem Ltda. (including goodwill)	2,611	-	-	-	-	-	(2,611)	-	-
Laboratórios Richet	270,566	(1,600)	-	18,159	-	-	-	-	287,125
California Investimentos Imobiliários Ltda.	59,940	-	-	-	-	-	-	-	59,940
Hospital Aviccena S.A.	133,592	6,067	(13,836)	5,628	-	-	-	-	131,451
Santa Luzia III	305,087	(639)	-	-	(10,561)	-	-	-	293,887
Qualicorp Consultoria e Corretora de Seguros S.A.	2,129,020	18,130	-	-	-	-	(34,714)	-	2,112,436
Clínica Médica São Remo	37,538	(3,412)	-	8,336	-	-	-	-	42,462
Casa de Saúde Laranjeiras S.A (Perinatal) (including goodwill)	895,544	12,278	(10,233)	37,599	-	-	-	-	935,188
Hospital Santa Cruz	356,751	5,771	-	25,113	-	-	-	-	387,635
Advance Plano de Saúde S.A.	35,458	4,136	-	2,805	-	-	-	-	42,399
Other	1,305,496	1,338	(3,064)	168,345	(684)	-	9,263	-	1,480,694
	14,586,409	323,349	(85,426)	1,921,077	(21,874)	217,215	(14,331)	(500,274)	16,426,145

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Breakdown and changes in investments - Individual (Continued)

<u>Company</u>	<u>12/31/2021</u>	<u>Equity pickup</u>	<u>Capital increase/Futur e capital contribution</u>	<u>Transfer</u>	<u>06/30/2022</u>
Onco Star	(200,323)	(31,980)	-	-	(232,303)
Centro Hospitalar São Marcos S.A.	(13,380)	(135)	-	-	(13,515)
Hospital São Marcos	-	389	1,805	(70,663)	(68,469)
Rede D'or Finance	-	4,360	-	(146,552)	(142,192)
Other	(412)	(225)	-	-	(637)
	<u>(214,115)</u>	<u>(27,591)</u>	<u>1,805</u>	<u>(217,215)</u>	<u>(457,116)</u>
Equity pickup		<u>295,758</u>			

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Breakdown and changes in investments - Individual (Continued)

Company	12/31/2020	Equity pickup	Dividends	Acquisition of equity interest	Capital increase/Future capital contribution	Transfer	Other	Merger	06/30/2021
Medise Medicina Diagnóstico e Serviços S.A.	221,828	18,779	-	-	618	-	-	-	241,225
Hospital Esperança S.A.	1,299,003	156,841	-	-	447,795	10,901	52,303	-	1,966,843
Hospital São Marcos (including goodwill)	115,892	1,440	-	-	5,370	(10,901)	(333)	-	111,468
PMJ Empreendimentos Imobiliários S.A.	756,958	9,374	-	-	8,501	-	-	-	774,833
Norte D'Or Participações S.A. (including goodwill)	100,058	9,123	-	-	13,005	-	-	-	122,186
Onco D'Or Oncologia S.A.	494,264	42,394	-	-	-	-	-	-	536,658
Jenner S.A. (including goodwill)	144,301	11,712	-	-	-	-	(1,349)	-	154,664
JMJB Diagnósticos e Serviços Hospitalares	13,168	(5,403)	-	-	8,500	-	-	-	16,265
Rodin Empreendimentos e Participações S.A.	62,564	(589)	-	-	1,150	-	-	-	63,125
Quinta Empreendimentos Imobiliários Ltda.	54,921	5,806	-	-	-	-	-	-	60,727
Hospital Fluminense S.A. (including goodwill)	170,731	12,655	-	-	52,843	-	-	-	236,229
Cardial Serviços Médicos (including goodwill)	70,549	10,802	(8,778)	-	-	-	-	-	72,573
Hospital Santa Helena S.A. (including goodwill)	460,419	(14,641)	-	-	16,433	-	-	-	462,211
TJK Empreendimentos Hospitalares	18,812	456	-	-	-	-	-	-	19,268
Villa Lobos Empreendimentos Imobiliários Ltda.	197,318	5,790	-	-	-	-	-	-	203,108
Santa Luzia II Empreendimentos Imobiliários Ltda.	53,085	(186)	-	-	2,074	-	-	-	54,973
Campinas Empreendimentos Imobiliários Ltda.	52,219	(139)	-	-	20,069	-	-	-	72,149
Sator Empreendimentos e Participações Ltda	1,031,951	(18,923)	-	-	1,294,036	-	(963)	-	2,306,101
Rede D'or Finance	27,367	(39,141)	-	-	-	-	-	-	(11,774)
Rede D'or São Luiz Serviços Médicos S.A.	108,591	10,057	-	-	62,740	-	-	-	181,388
Olimpia Projeto Rua do Rocio 86 SPE S.A.	328,757	148	-	-	26,467	-	-	-	355,372
Proncordis Pronto Atendimento Cardiológico Ltda.	808	(7)	-	-	340	-	(1,174)	-	(33)
Maximagem - Diagnóstico por Imagem Ltda. (including goodwill)	101,090	2,609	-	-	1,694	-	-	(102,782)	2,611
Prontimagem Serviços Médicos Ltda.	241,131	-	-	-	5,157	(246,288)	-	-	-
Laboratórios Richet	-	2,468	-	-	9,527	246,288	636	-	258,919
Califonia Investimentos Imobiliários Ltda.	59,940	-	-	-	-	-	-	-	59,940
Hospital Avicenna S.A.	94,782	8,678	-	-	22,555	-	-	-	126,015
Santa Luzia III	307,566	4,342	-	-	-	-	-	-	311,908
Qualicorp Consultoria e Corretora de Seguros S.A.	989,758	4,116	(48,160)	687,336	-	382,020	(3,455)	-	2,011,615
Clínica Médica São Remo	28,062	(2,359)	-	-	6,545	-	(718)	-	31,530
Casa de Saúde Laranjeiras S.A (Perinatal) (including goodwill)	823,397	(3,471)	-	-	23,347	-	-	-	843,273
Hospital Alpha Med Ltda.	293,961	14,350	-	-	22,870	-	(6,185)	-	324,996
Advance Plano de Saúde S.A.	16,311	1,064	-	-	-	-	-	-	17,375
GSH Corp Participações S.A.	82,932	13,043	(10,590)	-	-	-	(6,478)	-	78,907
Outros	564,835	33,215	(900)	-	205,915	1,802	2,037	-	806,904
	<u>9,387,329</u>	<u>294,403</u>	<u>(68,428)</u>	<u>687,336</u>	<u>2,257,551</u>	<u>383,822</u>	<u>34,321</u>	<u>(102,782)</u>	<u>12,873,552</u>
Onco Star	(148,139)	(15,463)	-	-	(9,268)	-	-	-	(172,870)
Centro Hospitalar São Marcos S.A.	(13,530)	(11)	-	-	-	-	-	-	(13,541)
Café Verde	(4,625)	(4,058)	-	-	8,570	-	-	-	(113)
GNI23 SP Empreend. Imobiliários Ltda	-	(22)	-	-	40	(1,802)	-	-	(1,784)
	<u>(166,294)</u>	<u>(19,554)</u>	<u>-</u>	<u>-</u>	<u>(658)</u>	<u>(1,802)</u>	<u>-</u>	<u>-</u>	<u>(188,308)</u>
Equity pickup		<u>274,849</u>							

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Breakdown and changes in investments - Consolidated

Company	12/31/2021	Equity pickup	Dividends	Capital increase/Future capital contribution	Other	06/30/2022
JMJB Diagnósticos e Serviços Hospitalares S.A.	42,235	(2,798)	-	-	-	39,437
Instituto de Radioterapia do Vale do Paraíba Ltda.	43,076	2,218	(2,778)	-	(411)	42,105
Qualicorp Consultoria e Corretora de Seguros S.A. (a)	2,129,020	18,130	-	-	(34,714)	2,112,436
Eldorado do Sul Participações Ltda.	19,005	1,396	-	-	-	20,401
Other	92,503	5,570	-	44,350	14,901	157,324
	<u>2,325,839</u>	<u>24,516</u>	<u>(2,778)</u>	<u>44,350</u>	<u>(20,224)</u>	<u>2,371,703</u>

Company	12/31/2020	Equity pickup	Dividends	Acquisition of equity interest	Capital increase/Future capital contribution	Transfer	Other	06/30/2021
JMJB Diagnósticos e Serviços Hospitalares S.A.	13,168	(5,403)	-	-	8,500	-	-	16,265
Instituto de Radioterapia do Vale do Paraíba Ltda.	42,233	3,702	(2,000)	-	-	-	(1,144)	42,791
Qualicorp Consultoria e Corretora de Seguros S.A. (a)	989,758	4,116	(48,160)	687,336	-	382,020	(3,455)	2,011,615
Eldorado do Sul Participações Ltda.	16,459	976	-	-	-	-	(121)	17,314
Other	27,613	(4,634)	-	-	6,000	-	10,010	38,989
	<u>1,089,231</u>	<u>(1,243)</u>	<u>(50,160)</u>	<u>687,336</u>	<u>14,500</u>	<u>382,020</u>	<u>5,290</u>	<u>2,126,974</u>

(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 June 30, 2022 is not yet available, the Company recognized equity pickup until March 31, 2022.

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

Rede D'Or São Luiz S.A.

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

8. Investments (Continued)

Summary of information of main subsidiaries

	06/30/2022					06/30/2021		
	% Total	% Voting capital	Assets	Liabilities	Equity	Operating income (expenses)	P&L for the period	P&L for the period
Direct and indirect subsidiaries								
Medise Medicina Diagnóstico e Serviços S.A. ("Medise")	98.00	98.00	358,670	101,065	257,605	16,123	10,443	20,956
Hospital Esperança S.A. ("Esperança")	100.00	100.00	7,479,590	3,392,535	4,087,055	232,941	139,831	156,998
PMJ Empreendimentos Imobiliários S.A.	100.00	100.00	854,490	40,098	814,392	10,660	8,264	9,383
Norte D'Or Participações S.A.	100.00	100.00	107,863	7,032	100,831	5,561	5,867	9,132
Onco D'Or Oncologia S.A.	98.87	98.87	510,694	174,582	336,112	59,582	36,331	25,392
Jenner S.A.	91.24	91.24	294,888	2,000	292,888	33,517	29,328	20,497
Rodin Empreendimentos e Participações S.A.	100.00	100.00	98,368	5,752	92,616	117	49	(590)
Quinta Empreendimentos Imobiliários Ltda.	100.00	100.00	66,089	1,138	64,951	6,316	5,890	5,812
Hospital Fluminense S.A.	100.00	100.00	401,218	141,954	259,264	(6,572)	(5,701)	12,667
Cardial Serviços Médicos Ltda.	89.44	89.44	99,868	48,926	50,942	24,125	15,094	10,802
TJK Empreendimentos Imobiliários Ltda.	100.00	100.00	18,358	974	17,384	792	738	457
Villa Lobos Empreendimentos Imobiliários S.A.	100.00	100.00	180,872	896	179,976	7,761	7,187	5,795
Santa Luzia II Emp. Imobiliários Ltda.	100.00	100.00	60,621	2,453	58,168	(161)	(159)	(186)
Campinas Empreendimentos Imob.	100.00	100.00	215,480	14,740	200,740	(335)	(1,678)	(139)
IFOR Empreendimentos Imobiliários S.A. (Park D'Or)	100.00	100.00	42	25	17	(3)	(3)	-
Sator Empreendimentos e Participações Ltda.	100.00	100.00	(2,249)	(603,036)	600,787	6,201	6,201	(18,942)
Rede D'Or Finance	100.00	100.00	7,371,040	7,513,231	(142,191)	(473)	(12,752)	(39,141)
Rede D'Or São Luiz Serviços Médicos S.A.	100.00	100.00	380,247	103,604	276,643	39,839	27,277	10,067
Olimpia Projeto Rua do Rocio 86 SPE S.A.	100.00	100.00	489,615	4,464	485,151	(936)	(1,020)	148
Proncordis Pronto Atendimento Cardiológico Ltda.	100.00	100.00	7,394	467	6,927	(523)	(527)	(386)
Maximagem com Diag. por Imagem Ltda.	100.00	100.00	-	-	-	-	-	2,612
Laboratórios Richet	100.00	100.00	154,942	67,849	87,093	(3,921)	(4,753)	69
Onco Star SP Oncologia Ltda.	75.00	75.00	815,234	1,131,256	(316,022)	(53,722)	(31,980)	(15,463)
Centro Hospitalar São Marcos S.A	100.00	100.00	(146)	7,347	(7,493)	(28)	(135)	(11)
Hospital Aviccena S.A.	100.00	100.00	124,812	52,800	72,012	10,516	6,073	8,687
Santa Luzia III Empreendimentos Imobiliários Ltda.	100.00	100.00	296,211	2,034	294,177	(537)	(640)	4,347
Café Verde	100.00	100.00	5,527	6,060	(533)	(2,202)	(2,365)	(3,677)
Hospital São Marcos	100.00	100.00	(85,438)	(5,886)	(79,552)	(891)	(2,509)	1,440
Clínica Médica São Remo	100.00	100.00	57,030	16,546	40,484	(2,989)	(3,415)	(2,361)
California Investimentos Imobiliários Ltda.	100.00	100.00	59,999	-	59,999	-	-	-
Hospital Perinatal (a)	100.00	100.00	321,145	67,089	254,056	9,090	12,290	(3,475)
Advance Plano de Saúde S.A.	100.00	100.00	56,178	13,671	42,507	6,103	4,136	1,065
Hospital Santa Cruz	100.00	100.00	300,596	162,161	138,435	13,461	6,252	19,438
GSH Corp Participações S.A.	50.00	50.00	670,944	564,237	106,707	38,025	2,825	13,043

Rede D'Or São Luiz S.A.

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

8. Investments (Continued)

Summary of the associates' and joint ventures' information

	06/30/2022					06/30/2021		
	% Total	% Voting capital	Assets	Liabilities	Equity	Operating income (expenses)	P&L for the period	P&L for the period
Companies recognized by the equity method in the consolidated financial information								
Instituto de Radioterapia do Vale do Paraíba Ltda.	50	50	34,538	18,330	16,208	5,166	2,218	3,702
JMJB Diagnósticos e Serviços Hospitalares S.A.	50	50	89,274	9,783	79,491	(5,596)	(2,798)	(5,403)
Eldorado do Sul Participações Ltda.	33.33	33.33	36,612	-	36,612	4,190	1,396	976
Qualicorp Consultoria e Corretora de Seguros S.A.	25.85	25.85	4,400,785	3,046,791	1,353,994	(a)	(a)	(b)

(a) The Company recognized equity pickup until March 31, 2022.

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

Rede D'Or São Luiz S.A.

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

9. Property and equipment

Balance breakdown

Description	Depreciation rate	Individual					
		06/30/2022			12/31/2021		
		Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount
Hospital machinery and equipment	12% to 20%	1,398,970	(1,060,069)	338,901	1,252,068	(911,058)	341,010
Surgical instruments	20%	116,807	(46,481)	70,326	85,004	(41,688)	43,316
Machinery and equipment	7% to 10%	549,020	(416,498)	132,522	509,370	(354,741)	154,629
Buildings	2.5% to 4%	826,025	(198,077)	627,948	638,834	(177,551)	461,283
Improvements in own buildings	4%	325,294	(139,339)	185,955	321,254	(122,710)	198,544
Leasehold improvements	3% to 4%	1,890,039	(511,306)	1,378,733	1,787,733	(470,412)	1,317,321
Furniture and fixtures	10%	220,000	(144,666)	75,334	204,339	(128,399)	75,940
Vehicles	20%	4,713	(4,052)	661	4,530	(3,776)	754
Facilities	10%	134,586	(72,596)	61,990	128,148	(67,225)	60,923
Land	-	150,699	-	150,699	150,699	-	150,699
Construction in progress	-	946,582	-	946,582	754,901	-	754,901
Other	5% to 10%	13,865	(6,178)	7,687	13,784	(5,956)	7,828
		6,576,600	(2,599,262)	3,977,338	5,850,664	(2,283,516)	3,567,148

Description	Depreciation rate	Consolidated					
		06/30/2022			12/31/2021		
		Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount
Hospital machinery and equipment	12% to 20%	2,549,655	(1,590,915)	958,740	2,357,872	(1,346,762)	1,011,110
Surgical instruments	20%	268,287	(109,697)	158,590	218,932	(89,720)	129,212
Machinery and equipment	7% to 10%	919,615	(617,990)	301,625	875,457	(566,903)	308,554
Buildings	2.5% to 4%	2,832,587	(490,158)	2,342,429	2,594,919	(395,047)	2,199,872
Improvements in own buildings	4%	567,980	(191,110)	376,870	555,606	(165,574)	390,032
Leasehold improvements	3% to 4%	2,699,321	(721,794)	1,977,527	2,571,492	(662,654)	1,908,838
Furniture and fixtures	10%	416,513	(242,995)	173,518	386,554	(215,397)	171,157
Vehicles	20%	20,271	(19,576)	695	19,454	(18,650)	804
Facilities	10%	229,046	(128,698)	100,348	217,396	(118,928)	98,468
Land	-	1,042,683	-	1,042,683	1,019,026	-	1,019,026
Construction in progress	-	2,473,321	-	2,473,321	1,809,763	-	1,809,763
Other	5% to 10%	58,196	(8,722)	49,474	58,156	(7,942)	50,214
		14,077,475	(4,121,655)	9,955,820	12,684,627	(3,587,577)	9,097,050

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

9. Property and equipment (Continued)

Changes - Individual

	12/31/2021	Additions	Transfers	Additions from mergers	06/30/2022
Cost					
Hospital machinery and equipment	1,252,068	99,122	-	47,780	1,398,970
Surgical instruments	85,004	29,148	-	2,655	116,807
Machinery and equipment	509,370	8,156	-	31,494	549,020
Buildings	638,834	513	186,183	495	826,025
Improvements in own buildings	321,254	135	2,817	1,088	325,294
Leasehold improvements	1,787,733	1,510	59,348	41,448	1,890,039
Furniture and fixtures	204,339	8,181	-	7,480	220,000
Vehicles	4,530	-	-	183	4,713
Facilities	128,148	5,467	-	971	134,586
Land	150,699	-	-	-	150,699
Construction in progress	754,901	420,645	(248,348)	19,384	946,582
Other	13,784	57	-	24	13,865
	5,850,664	572,934	-	153,002	6,576,600
Depreciation					
Hospital machinery and equipment	(911,058)	(111,773)	-	(37,238)	(1,060,069)
Surgical instruments	(41,688)	(4,163)	-	(630)	(46,481)
Machinery and equipment	(354,741)	(32,778)	-	(28,979)	(416,498)
Buildings	(177,551)	(20,486)	-	(40)	(198,077)
Improvements in own buildings	(122,710)	(16,320)	-	(309)	(139,339)
Leasehold improvements	(470,412)	(36,574)	-	(4,320)	(511,306)
Furniture and fixtures	(128,399)	(10,609)	-	(5,658)	(144,666)
Vehicles	(3,776)	(106)	-	(170)	(4,052)
Facilities	(67,225)	(5,175)	-	(196)	(72,596)
Other	(5,956)	(211)	-	(11)	(6,178)
	(2,283,516)	(238,195)	-	(77,551)	(2,599,262)
Property and equipment, net	3,567,148	334,739	-	75,451	3,977,338

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

9. Property and equipment (Continued)

Changes - individual (Continued)

	12/31/2020	Additions	Transfers	Additions from mergers	06/30/2021
Cost					
Hospital machinery and equipment	1,106,114	76,049	-	26,337	1,208,500
Surgical instruments	66,877	8,703	-	-	75,580
Machinery and equipment	417,781	29,334	-	1,568	448,683
Buildings	635,284	1,334	-	-	636,618
Improvements in own buildings	308,097	2,803	3,105	6	314,011
Leasehold improvements	1,388,871	6,786	188,970	2,655	1,587,282
Furniture and fixtures	185,866	10,880	-	796	197,542
Vehicles	4,528	2	-	-	4,530
Facilities	123,376	2,527	-	51	125,954
Land	146,051	-	-	-	146,051
Construction in progress	625,417	170,347	(192,075)	331	604,020
Other	13,563	130	-	-	13,693
	<u>5,021,825</u>	<u>308,895</u>	<u>-</u>	<u>31,744</u>	<u>5,362,464</u>
Depreciation					
Hospital machinery and equipment	(703,486)	(85,469)	-	(14,781)	(803,736)
Surgical instruments	(35,778)	(2,718)	-	-	(38,496)
Machinery and equipment	(294,408)	(29,217)	-	(1,342)	(324,967)
Buildings	(149,986)	(13,868)	-	-	(163,854)
Improvements in own buildings	(90,962)	(15,709)	-	(1)	(106,672)
Leasehold improvements	(405,335)	(29,759)	-	(2,048)	(437,142)
Furniture and fixtures	(107,605)	(9,891)	-	(667)	(118,163)
Vehicles	(3,551)	(112)	-	-	(3,663)
Facilities	(57,362)	(4,861)	-	(17)	(62,240)
Other	(5,540)	(205)	-	-	(5,745)
	<u>(1,854,013)</u>	<u>(191,809)</u>	<u>-</u>	<u>(18,856)</u>	<u>(2,064,678)</u>
Property and equipment, net	<u>3,167,812</u>	<u>117,086</u>	<u>-</u>	<u>12,888</u>	<u>3,297,786</u>

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

9. Property and equipment (Continued)

Changes - Consolidated

	12/31/2021	Additions	Transfers	Business combinations	06/30/2022
Cost					
Hospital machinery and equipment	2,357,872	157,047	-	34,736	2,549,655
Surgical instruments	218,932	38,156	-	11,199	268,287
Machinery and equipment	875,457	39,573	-	4,585	919,615
Buildings	2,594,919	9,099	186,183	42,386	2,832,587
Improvements in own buildings	555,606	1,434	10,776	164	567,980
Leasehold improvements	2,571,492	23,808	104,021	-	2,699,321
Furniture and fixtures	386,554	19,839	-	10,120	416,513
Vehicles	19,454	265	-	552	20,271
Facilities	217,396	10,494	-	1,156	229,046
Land	1,019,026	22,109	-	1,548	1,042,683
Construction in progress	1,809,763	964,144	(300,980)	394	2,473,321
Other	58,156	40	-	-	58,196
	<u>12,684,627</u>	<u>1,286,008</u>	<u>-</u>	<u>106,840</u>	<u>14,077,475</u>
Depreciation					
Hospital machinery and equipment	(1,346,762)	(220,866)	-	(23,287)	(1,590,915)
Surgical instruments	(89,720)	(12,101)	-	(7,876)	(109,697)
Machinery and equipment	(566,903)	(48,023)	-	(3,064)	(617,990)
Buildings	(395,047)	(60,422)	-	(34,689)	(490,158)
Improvements in own buildings	(165,574)	(25,455)	-	(81)	(191,110)
Leasehold improvements	(662,654)	(59,140)	-	-	(721,794)
Furniture and fixtures	(215,397)	(20,646)	-	(6,952)	(242,995)
Vehicles	(18,650)	(787)	-	(139)	(19,576)
Facilities	(118,928)	(9,220)	-	(550)	(128,698)
Other	(7,942)	(780)	-	-	(8,722)
	<u>(3,587,577)</u>	<u>(457,440)</u>	<u>-</u>	<u>(76,638)</u>	<u>(4,121,655)</u>
Property and equipment, net	<u>9,097,050</u>	<u>828,568</u>	<u>-</u>	<u>30,202</u>	<u>9,955,820</u>

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

9. Property and equipment (Continued)

Changes - Consolidated (Continued)

	12/31/2020	Additions	Sales/disposals	Transfers	Business combinations	06/30/2021
Cost						
Hospital machinery and equipment	1,936,263	175,965	-	-	67,699	2,179,927
Surgical instruments	122,270	16,508	-	-	21,118	159,896
Machinery and equipment	713,350	46,108	-	-	18,892	778,350
Buildings	2,016,417	197,283	-	7,940	50,586	2,272,226
Improvements in own buildings	520,467	3,517	-	13,825	31,961	569,770
Leasehold improvements	1,817,157	18,406	-	252,745	6,810	2,095,118
Furniture and fixtures	307,668	20,294	-	-	10,832	338,794
Vehicles	18,674	1773	(3,476)	-	140	17,111
Facilities	198,535	6,536	-	-	2,490	207,561
Land	974,184	9,530	-	-	1,215	984,929
Construction in progress	1,297,177	336,609	-	(274,510)	30,314	1,389,590
Other	53,266	135	-	-	-	53,401
	<u>9,975,428</u>	<u>832,664</u>	<u>(3,476)</u>	<u>-</u>	<u>242,057</u>	<u>11,046,673</u>
Depreciation						
Hospital machinery and equipment	(917,306)	(157,986)	-	-	(43,253)	(1,118,545)
Surgical instruments	(47,468)	(6,494)	-	-	(15,519)	(69,481)
Machinery and equipment	(441,284)	(49,978)	-	-	(12,697)	(503,959)
Buildings	(271,773)	(42,661)	-	-	(1,886)	(316,320)
Improvements in own buildings	(100,638)	(19,980)	-	-	(16,289)	(136,907)
Leasehold improvements	(555,764)	(46,818)	-	-	(5,316)	(607,898)
Furniture and fixtures	(155,290)	(18,493)	-	-	(6,746)	(180,529)
Vehicles	(13,618)	(2,127)	-	-	(67)	(15,812)
Facilities	(96,034)	(9,392)	-	-	(1,990)	(107,416)
Other	(7,308)	(544)	-	-	-	(7,852)
	<u>(2,606,483)</u>	<u>(354,473)</u>	<u>-</u>	<u>-</u>	<u>(103,763)</u>	<u>(3,064,719)</u>
Property and equipment, net	<u>7,368,945</u>	<u>478,191</u>	<u>(3,476)</u>	<u>-</u>	<u>138,294</u>	<u>7,981,954</u>

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

2022

- (i) Additions relating to property and equipment from business combinations for the period, especially of Hospital Memorial Arthur Ramos and Hospital Aeroporto.
- (ii) Purchase of hospital machinery and equipment as part of the Company's reformulation and remodeling of Hospital São Luiz Itaim and Clínica São Vicente.
- (iii) Purchase of hospital machinery and equipment as part of the opening of Maternidade São Luiz Star.
- (iv) Expenses with the construction of Novo Barra Hospitals and Guarulhos Hospitals and expansion and reformulation works of the São Luiz Itaim Hospital, São Vicente Clinic and Sino Hospital.
- (v) Beginning of operations of the new tower of Hospital Sino Brasileiro, with its assets reclassified to the appropriate groups and now undergoing depreciation.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

9. Property and equipment (Continued)

2021

- (i) Additions relating to property and equipment from business combinations for the period, especially of Hospital de Clínicas Antônio Afonso.
- (ii) Purchase of hospital machinery and equipment as part of the Company's operational routine, and reformulation and remodeling of Hospital São Caetano do Sul, Hospital Brasil, Hospital Vila Nova Star (Onco Star), Hospital Santa Cruz and Hospital São Lucas.
- (iii) Acquisition, through investee GNI17 SP Empreendimentos Imobiliários Ltda., of two properties located in the state of São Paulo, and acquisition, through investee GNI28 RJ Empreendimentos Imobiliários Ltda., of one property located in the state of São Paulo.

Capitalized borrowing costs

The Company capitalizes borrowing costs attributable to qualifying assets. At June 30, 2022, R\$88,754 (R\$22,505 at June 30, 2021) in interest on loans and financing were capitalized in Property and equipment, net of finance income from fundraising.

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)

June 30, 2022

(In thousands of reais, unless otherwise stated)

10. Intangible assets

	Annual amortization rate	Individual		Consolidated	
		06/30/2022	12/31/2021	06/30/2022	12/31/2021
Finite useful life					
Software	20%	231,033	238,296	306,086	304,058
Exclusive agreements	20%	49,662	52,334	283,910	277,095
Other		-	-	56,971	57,562
Indefinite useful life					
Goodwill					
Acquisition of Copa D'Or		80,058	80,058	80,058	80,058
Acquisition of HMSL		668,339	668,339	668,339	668,339
Acquisition of Hospital Brasil		121,398	121,398	121,398	121,398
Acquisition of Hospital Prontolinda		30,595	30,595	30,595	30,595
Acquisition of Vivalle		38,692	38,692	38,692	38,692
Acquisition of São Marcos		-	-	10,807	10,807
Acquisition of Santa Luzia		199,333	199,333	199,333	199,333
Acquisition of Sinisgalli		156,646	156,646	156,646	156,646
Acquisition of Hospital Esperança		-	-	108,408	108,408
Acquisition of Norte D'Or		-	-	28,450	28,450
Acquisition of IFOR		85,724	85,724	85,724	85,724
Acquisition of Sino Brasileiro		241,947	241,947	241,947	241,947
Acquisition of Villa-Lobos		136,074	136,074	136,074	136,074
Acquisition of Bartira		105,584	105,584	105,584	105,584
Acquisition of Onco ABC/Cardeal/JLD		-	-	52,174	52,174
Acquisition of Oncoholding		-	-	159,445	159,445
Acquisition of Hospital Fluminense		-	-	10,658	10,658
Acquisition of Hospital Santa Helena (b)		125,802	-	125,802	125,802
Acquisition of Acreditar		-	-	155,720	155,720
Acquisition of Memorial São 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 do Hospital Rio Mar		-	-	94,833	94,833
Acquisition of do Hospital São Lucas		-	-	223,079	223,079
Acquisition of do Hospital Avicenna		-	-	60,476	60,476
Acquisition of Perinatal		-	-	655,580	655,580
Acquisition of Reseda		-	-	54,198	54,198
Acquisition of do Hospital Santa Cruz		-	-	299,583	299,583
Acquisition of Aliança		-	-	926,268	926,268
Acquisition of Salute		-	-	15,475	15,475
Acquisition of São Carlos		-	-	160,139	160,139
Acquisition of Clínica São Lucas		-	-	45,673	45,673
Acquisition of Clivalle		-	-	40,786	40,786
Acquisition of HCP/Cárdio Pulmonar		-	-	146,894	146,894
Acquisition of Saúde Corp		-	-	11,555	11,555
Acquisition of Guaianases		-	-	115,751	115,751
Acquisition of Antônio Afonso		-	-	16,782	16,782
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	681,837
Acquisition of Proncor		-	-	233,749	234,355
Acquisition of Santa Emilia		-	-	128,522	127,493
Acquisition of Hospital Nossa Senhora das Neves		-	-	331,890	299,990
Acquisition of HNSN Empreendimentos		-	-	52,754	32,670
Acquisition of Orthoservice		-	-	35,638	35,748
Acquisition of HNA Emp. E Participações		-	-	77,555	55,495
Acquisition of Hospital Novo Atibaia		-	-	182,819	201,574
Acquisition of Hospital Arthur Ramos		-	-	311,087	-
Acquisition of Hospital Santa Isabel		-	-	249,202	-
Acquisition of Hospital Aeroporto		-	-	196,053	-
Other goodwill		48,650	48,650	499,016	420,174
Trademarks and patents (a)		190,810	190,810	190,810	190,810
		2,799,356	2,683,489	11,468,579	10,631,031

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

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

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

10. Intangible assets (Continued)

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

Impairment

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

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

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

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

11. Right of use

Balance breakdown

Description	Individual					
	06/30/2022			12/31/2021		
	Cost	Amortization	Net	Cost	Amortization	Net
Hospital machinery and equipment	33,522	(17,878)	15,644	29,725	(16,258)	13,467
Properties	2,525,543	(581,970)	1,943,573	2,217,921	(487,580)	1,730,341
	<u>2,559,065</u>	<u>(599,848)</u>	<u>1,959,217</u>	<u>2,247,646</u>	<u>(503,838)</u>	<u>1,743,808</u>

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

11. Right of use (Continued)

Balance breakdown (Continued)

Description	Consolidated					
	06/30/2022			12/31/2021		
	Cost	Amortization	Net	Cost	Amortization	Net
Hospital machinery and equipment	61,494	(36,799)	24,695	58,540	(31,501)	27,039
Properties	3,988,190	(796,495)	3,191,695	3,737,822	(630,408)	3,107,414
	4,049,684	(833,294)	3,216,390	3,796,362	(661,909)	3,134,453

Changes - Individual

Cost	Additions from				
	12/31/2021	Additions (a)	mergers	Amortization	06/30/2022
Hospital machinery and equipment	29,725	1,406	2,666	-	33,797
Properties	2,217,921	109,201	198,146	-	2,525,268
	2,247,646	110,607	200,812	-	2,559,065
Amortization					
Hospital machinery and equipment	(16,258)	-	-	(3,524)	(19,782)
Properties	(487,580)	-	-	(92,486)	(580,066)
	(503,838)	-	-	(96,010)	(599,848)
Right of use, net	1,743,808	110,607	200,812	(96,010)	1,959,217

Cost	Additions			Amortization	06/30/2021
	12/31/2020	(a)	Write-offs (b)		
Hospital machinery and equipment	50,292	438	(5,579)	-	45,151
Properties	1,934,012	72,893	-	-	2,006,905
	1,984,304	73,331	(5,579)	-	2,052,056
Amortization					
Hospital machinery and equipment	(10,973)	-	-	(2,572)	(13,545)
Properties	(309,321)	-	-	(87,419)	(396,740)
	(320,294)	-	-	(89,991)	(410,285)
Right of use, net	1,664,010	73,331	(5,579)	(89,991)	1,641,771

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

11. Right of use (Continued)

Changes - Consolidated

	12/31/2021	Additions (a)	Write-off (b)	Business combination s	Amortizatio n	06/30/2022
Cost						
Hospital machinery and equipment	58,540	4,340	(1,386)	-	-	61,494
Properties	3,737,822	169,045	-	81,323	-	3,988,190
	3,796,362	173,385	(1,386)	81,323	-	4,049,684
Amortization						
Hospital machinery and equipment	(31,501)	-	1,386	-	(6,684)	(36,799)
Properties	(630,408)	-	-	-	(166,087)	(796,495)
	(661,909)	-	1,386	-	(172,771)	(833,294)
Right of use, net	3,134,453	173,385	-	81,323	(172,771)	3,216,390

	12/31/2020	Additions (a)	Write-offs (b)	Amortization	06/30/2021
Cost					
Hospital machinery and equipment	79,134	5,167	(5,579)	-	78,722
Properties	3,290,699	78,036	-	-	3,368,735
	3,369,833	83,203	(5,579)	-	3,447,457
Amortization					
Hospital machinery and equipment	(18,659)	-	-	(5,596)	(24,255)
Properties	(353,153)	-	-	(137,046)	(490,199)
	(371,812)	-	-	(142,642)	(514,454)
Right of use, net	2,998,021	83,203	(5,579)	(142,642)	2,933,003

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

(b) Write-offs referring to contract termination.

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

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

12. Deferred gain on property sales

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

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

	Individual and Consolidated	
	06/30/2022	12/31/2021
Caxias D'Or	28,962	29,720
Hospital Brasil	34,653	35,200
	63,615	64,920
Current	3,920	3,920
Noncurrent	59,695	61,000

Rede D'Or São Luiz S.A.

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

13. Loans, financing and debentures

Transaction/Instrument	Index	Spread	Currenc y	Principal (R\$)	Beginni ng	Maturity	Amortization	Guarantees	Individual		Consolidated	
									06/30/2022	12/31/2021	06/30/2022	12/31/2021
FINEP	TJLP/Fixed rate	0.5%/4.0%	R\$	170,252	Feb/15	Sept/24	Monthly	Guarantee insurance	54,170	66,491	54,170	66,491
Citibank II (a)	LIBOR	0.46%	US\$	301,200	Nov/18	Nov/23	Bullet	n/a	418,203	447,822	418,203	447,822
BofA II (a)	Fixed rate	0.88%	EUR€	400,520	Jun/21	Jun/25	Bullet	n/a	341,810	420,199	341,810	420,199
JP Morgan II (a)	Fixed rate	1.58%	US\$	520,000	Jul/20	Jul/25	Bullet	n/a	473,041	540,731	473,041	540,731
CCB Itaú	100% of DI	3.20%	R\$	20,000	Jul/20	Jul/22	Bullet	n/a	-	-	20,652	20,471
CCB Bank of China	100% of DI	1.20%	R\$	85,000	May/20	May/26	Bullet	n/a	86,665	86,181	86,665	86,181
Other	CD/fixed rate/IPC A	-	R\$	n/a	n/a	Mar/28	Monthly	Receivables and property	-	-	86,239	203,487
Debentures – 3 rd issue – Esperança	110.85% of DI	-	R\$	1,000,000	Aug/17	Aug/24	Semiannually	n/a	-	-	648,257	765,044
Debentures – 4 th issue – Esperança	100% of DI	1.27/1.50%	R\$	1,000,000	Feb/18	Dec/27	Annually	n/a	-	-	988,444	986,969
Debentures – 10 th issue (a)	Fixed rate	11.82%	R\$	1,628,100	Jan/18	Jan/28	Bullet	n/a	1,529,669	1,666,921	33,397	33,397
Debentures – 13 th issue (b)	100% of DI	1.02%	R\$	1,400,000	Sept/18	Sept/24	Annually	n/a	1,441,266	1,419,190	1,441,266	1,419,190
Debentures – 14 th issue (b)	106% of DI	-	R\$	500,000	Oct/18	Oct/26	Annually	Property	507,218	502,312	507,218	502,312
Debentures – 17 th issue 3 rd series (b)	100% of DI	0.79%	R\$	1,000,000	Jun/19	Jun/29	Annually	n/a	995,101	992,720	995,101	992,720
Debentures – 17 th issue 2 nd series	100% of DI	1.25%	R\$	2,500,000	Dec/19	Dec/26	Annually	n/a	2,488,113	2,482,205	2,488,113	2,482,205
Debentures – 17 th issue 1 st series (a)	Fixed rate	8.75%	R\$	3,198,350	Apr/20	Jan/30	Bullet	n/a	2,290,243	2,557,355	-	-
Debentures – 19 th issue 2 nd series	100% of DI	1.90%	R\$	2,500,000	Aug/21	Aug/31	Annually	n/a	2,594,074	2,547,266	2,594,074	2,547,266
Debentures – 19 th issue 3 rd series	100% of DI	1.90%	R\$	1,500,000	Sept/21	Aug/31	Annually	n/a	1,556,444	1,525,849	1,556,444	1,525,849
Debentures – 23 rd issue 1 st series (c)	100% of DI	1.40%	R\$	900,000	May/22	May/28	Bullet	n/a	903,376	-	903,376	-
Debentures – 23 rd issue 2 nd series (c)	100% of DI	1.90%	R\$	850,000	May/22	May/32	Annually	n/a	853,588	-	853,588	-
Debentures – 23 rd issue 3 rd series (c)	100% of DI	1.90%	R\$	625,000	May/22	May/32	Annually	n/a	627,638	-	627,638	-
Debentures GGSB	100% of DI	2.80%	R\$	360,000	Apr/21	Apr/26	Semiannually	n/a	-	-	361,990	357,614
Senior Notes I (a)	Fixed rate	4.95%	US\$	1,596,400	Jan/18	Jan/28	Bullet	n/a	-	-	2,558,258	3,074,369
Senior Notes II (a)	Fixed rate	4.50%	US\$	5,062,504	Jan/20	Jan/30	Bullet	n/a	-	-	3,329,392	4,142,489
Promissory note 3rd issue	112.5% of DI	-	R\$	1,000,000	Apr/18	Apr/23	Bullet	n/a	1,283,224	1,198,637	1,283,224	1,198,637
Promissory note 4th issue	103.0% of DI	-	R\$	800,000	Sept/19	Sept/22	Bullet	n/a	921,363	872,716	921,363	872,716
Mortgage-backed Securities (CRIs) – 1 st issue	99% of DI	-	R\$	662,837	Mar/18	Mar/23	Bullet	n/a	669,139	647,954	669,139	647,954
Mortgage-backed Securities (CRIs) – 2 nd issue	IPCA	6.06%	R\$	300,000	Jul/18	Jul/25	Bullet	n/a	385,037	365,359	385,037	365,359
Mortgage-backed Securities (CRIs) – 3 rd issue 1 st series	96.5% of DI	-	R\$	227,051	Dec/18	Dec/23	Bullet	n/a	222,676	222,227	222,676	222,227
Mortgage-backed Securities (CRIs) – 3 rd issue 2 nd series	IPCA	4.66%	R\$	372,949	Dec/18	Dec/25	Bullet	n/a	472,906	438,421	472,906	438,421
Mortgage-backed Securities (CRIs) – 4 th issue 1 st series	95.75% of DI	-	R\$	269,900	Feb/19	Feb/23	Bullet	n/a	278,617	269,431	278,617	269,431
Mortgage-backed Securities (CRIs) – 4 th issue 2 nd series	IPCA	3.93%	R\$	30,100	Feb/19	Feb/26	Bullet	n/a	37,539	35,602	37,539	35,602
Mortgage-backed Securities (CRIs) – 5 th issue	IPCA	3.45%	R\$	538,328	Sept/19	Aug/29	Annually	n/a	657,016	623,054	657,016	623,054
Mortgage-backed Securities (CRIs) – 6 th issue (a)	IPCA	4.93%	R\$	1,500,000	May/21	May/36	Annually	n/a	1,314,081	1,351,211	1,314,081	1,351,211
Mortgage-backed Securities (CRIs) – 7 th issue 1 st series (a)	IPCA	5.58%	R\$	400,000	Dec/21	Dec/31	Annually	n/a	396,103	397,295	396,103	397,295
Mortgage-backed Securities (CRIs) – 7 th issue 2 nd series (a)	IPCA	6.10%	R\$	600,000	Dec/21	Dec/36	Annually	n/a	578,101	592,623	578,101	592,623
Mortgage-backed Securities (CRIs) – 8 th issue 2 nd series (a)/(d)	IPCA	5.83%	R\$	798,634	Jun/22	Jun/29	Bullet	n/a	775,118	-	775,118	-
Mortgage-backed Securities (CRIs) – 8 th issue 3 rd series (a)/(d)	IPCA	6.01%	R\$	341,867	Jun/22	Jun/32	Annually	n/a	330,769	-	330,769	-
									25,482,308	22,269,772	29,689,025	27,629,336
								Current	3,679,953	1,260,597	3,948,802	1,554,588
								Noncurrent	21,802,355	21,009,175	25,740,223	26,074,748

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

13. Loans, financing and debentures (Continued)

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

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

Costs related to the issues of loans, financing and debentures, in the amount of R\$294,034 at June 30, 2022 (R\$297,231 at December 31, 2021), were recorded as a reduction of the balances and have been amortized over the term of the agreements.

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

At June 30, 2022, the aging list of noncurrent balance is as follows:

06/30/2022			
Individual		Consolidated	
Year	Amount	Year	Amount
2023	1,460,626	2023	1,608,925
2024	1,559,676	2024	1,950,446
2025	2,764,077	2025	2,903,641
2026	976,300	2026	1,545,206
2027	538,679	2027	1,036,348
2028	2,882,009	2028	3,982,047
2029 to 2036	11,620,988	2029 to 2036	12,713,610
	21,802,355		25,740,223

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

14. Tax obligations

	Individual		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Contribution Tax on Gross Revenue for Social Integration Program (PIS)	5,690	4,736	13,840	11,845
Contribution Tax on Gross Revenue for Social Security Financing (COFINS)	40,890	34,061	92,100	79,603
Service Tax (ISS)	77,161	67,877	212,110	176,969
Withholding Income Tax (IRRF)	111,185	62,045	125,259	80,589
Corporate Income Tax (IRPJ)	-	992	94,219	121,851
Social Contribution Tax on Net Profit (CSLL)	-	292	30,265	32,209
Other	20,050	20,830	42,452	42,401
Tax refinancing programs:				
Service Tax (ISS)	1,073	1,240	11,264	12,891
Refinancing - Law No. 11941/09	27,352	28,608	96,895	104,313
Social security tax payable	17,890	19,106	99,906	97,472
Other	13,554	14,315	93,493	71,819
	314,845	254,102	911,803	831,962
Current	264,094	199,681	671,614	592,127
Noncurrent	50,751	54,421	240,189	239,835

At June 30, 2022, the aging list of noncurrent balance is as follows:

06/30/2022			
Individual		Consolidated	
Year	Amount	Year	Amount
2023	9,733	2023	60,570
2024	7,598	2024	50,361
2025	7,758	2025	45,148
2026	7,984	2026	33,339
2027 to 2030	17,678	2027 to 2030	50,771
	50,751		240,189

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

15. Accounts payable for acquisitions

Acquisitions	Restatement index	Individual		Consolidated	
		06/30/2022	12/31/2021	06/30/2022	12/31/2021
Ribeirão Pires	CDI	25,372	24,072	25,372	24,072
Alphamed	CDI	8,618	8,176	8,618	8,176
Sator	SELIC	20,307	19,266	20,307	19,266
UDI	CDI	-	-	33,309	36,039
São Rafael	SELIC	-	-	136,440	129,448
Richet	CDI	-	-	8,915	8,458
Samer	CDI	-	-	9,427	8,944
Hospital Rio Mar	IPCA	-	-	76,254	72,292
Hospital São Lucas	CDI	-	-	47,754	45,307
Hospital Perinatal	IPCA	20,625	28,628	20,625	28,628
OncoCentro	CDI	-	-	7,436	7,055
Clivale	CDI	-	-	5,518	5,235
Cárdio Pulmonar	CDI	-	-	19,572	18,569
Clínica São Lucas	CDI	-	-	25,406	24,104
Hospital São Carlos	CDI	-	-	5,127	4,865
Hospital Antônio Afonso	CDI	-	-	4,390	4,165
Hospital Guaianases	CDI	-	-	31,943	31,147
Hospital América	CDI	-	-	10,896	10,337
Hospital Serra Mayor	CDI	-	-	5,449	5,169
Holding Nordeste	-	-	-	6,709	6,709
Proncor	CDI	-	-	-	6,606
Hospital Santa Emília	CDI	-	-	10,814	10,259
Hospital Novo Atibaia	CDI	-	-	51,790	63,175
Arthur Ramos	CDI	-	-	71,830	-
Aeroporto	CDI	-	-	34,300	-
Santa Marina	CDI	-	-	8,423	-
Other	CDI/IPCA	1,719	1,642	33,008	28,302
		76,641	81,784	719,632	606,327
Current		76,441	59,251	250,600	223,957
Noncurrent		200	22,533	469,032	382,370

Accounts payable for acquisition of companies refer to the remaining balance of the counterbenefits relating to acquisitions. At June 30, 2022, the aging list of noncurrent balance is as follows:

06/30/2022			
Individual		Consolidated	
Year	Amount	Year	Amount
2023	-	2023	11,095
2024	-	2024	110,041
2025	-	2025	73,937
2026	200	2026	71,936
2027 to 2029	-	2027 to 2029	202,023
	200		469,032

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

16. Provision for contingencies and judicial deposits

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

	Individual			
	06/30/2022		12/31/2021	
	Provision for contingencies	Judicial deposits	Provision for contingencies	Judicial deposits
Tax and social security	270	(235,238)	617	(196,946)
Labor	75,633	(24,697)	82,412	(22,503)
Civil	55,987	(5,766)	52,191	(7,297)
	131,890	(265,701)	135,220	(226,746)

	Consolidated			
	06/30/2022		12/31/2021	
	Provision for contingencies	Judicial deposits	Provision for contingencies	Judicial deposits
Tax and social security	103,065	(339,926)	107,723	(303,877)
Labor	138,247	(31,928)	136,245	(30,931)
Civil	91,444	(12,730)	100,900	(15,704)
	332,756	(384,584)	344,868	(350,512)

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

16. Provision for contingencies and judicial deposits (Continued)

16.1. Proceedings assessed as probable loss

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

	Individual			Total
	Tax and social security	Labor	Civil	
Balances at December 31, 2020	33,741	62,188	44,551	140,480
Additions, net of reversals	(774)	16,490	5,443	21,159
Monetary restatement	427	785	570	1,782
Payments	(284)	(627)	(1)	(912)
Balances at June 30, 2021	33,110	78,836	50,563	162,509
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	-	4,416	2,791	7,207
Payments	(107)	(127)	(84)	(318)
Additions from mergers (a)	-	7,785	3,591	11,376
Balances at June 30, 2022	270	75,633	55,987	131,890

	Consolidated			Total
	Tax and social security	Labor	Civil	
Balances at December 31, 2020	144,214	102,574	73,075	319,863
Additions, net of reversals	(5,950)	23,213	1,992	19,255
Monetary restatement	1,831	1,724	930	4,485
Payments	(293)	(1,626)	(12)	(1,931)
Additions from acquisitions (b)	376	3,769	1,118	5,263
Balances at June 30, 2021	140,178	129,654	77,103	346,935
Balances at December 31, 2021	107,723	136,245	100,900	344,868
Additions, net of reversals	(10,529)	(9,599)	(13,159)	(33,287)
Monetary restatement	383	5,431	3,837	9,651
Payments	(1,199)	(997)	(173)	(2,369)
Additions from acquisitions (b)	6,687	7,167	39	13,893
Balances at June 30, 2022	103,065	138,247	91,444	332,756

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

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

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

16. Provision for contingencies and judicial deposits (Continued)

16.1. Proceedings assessed as probable loss (Continued)

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

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

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

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

16.2. Proceedings assessed as possible loss

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

	Individual		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Tax and social security (a)	1,651,285	1,469,909	1,822,943	1,638,046
Labor (b)	152,958	103,117	196,968	145,543
Civil (c)	295,491	221,186	439,775	352,449
	2,099,734	1,794,212	2,459,686	2,136,038

(a) The significant challenges refer to administrative proceedings in the total amount of R\$1.1 billion, of which R\$818.6 million refer to notices served in 2016 and 2017, and R\$328.4 million refer to notices served in early 2018. These challenges derive mostly from allegations of the Brazilian Internal Revenue Service (RFB) that certain doctors who render services in hospitals through legal entities would be effectively Company employees. Therefore, the Brazilian tax authorities assessed the Company demanding the payment of the Social Security Tax (INSS). The Company is currently challenging such allegations. In addition, the Company is part of several tax processes involving PIS, COFINS, ISS and IPTU. There are no individually relevant processes.

(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.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

17. Leases

	Individual	
	06/30/2022	12/31/2021
Nominal value of future payments	5,923,346	5,093,201
Present value adjustment	(3,676,455)	(3,120,625)
	2,246,891	1,972,576
Current	252,677	222,316
Noncurrent	1,994,214	1,750,260
	Consolidated	
	06/30/2022	12/31/2021
Nominal value of future payments	10,285,834	9,495,334
Present value adjustment	(6,641,009)	(5,991,868)
	3,644,825	3,503,466
Current	445,018	346,720
Noncurrent	3,199,807	3,156,746

The liabilities were measured at the present value of the remaining lease payments discounted at the average rate of 14.71% at June 30, 2022.

At June 30, 2022, the aging list of noncurrent balance is as follows:

06/30/2021			
Individual		Consolidated	
Year	Amount	Year	Amount
2023	185,055	2023	436,412
2024	322,160	2024	523,353
2025	325,126	2025	480,332
2026	252,457	2026	376,330
2027 to 2055	909,416	2027 to 2055	1,383,380
	1,994,214		3,199,807

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

18. Equity

a) Capital

The Company's capital is broken down as follows:

Shareholders	06/30/2022		12/31/2021	
	Number of shares	Equity interest	Number of shares	Equity interest
Controlling family (a)	1,015,619,201	50.53%	1,014,928,801	50.48%
Pacific Mezz PTE. Ltda. (b)	434,725,315	21.62%	434,725,315	21.63%
Carlyle Group (c)	169,520,664	8.43%	169,520,664	8.43%
Market	327,112,214	16.27%	326,034,854	16.22%
Other	63,389,761	3.15%	65,157,521	3.24%
Total common shares	2,010,367,155	100.00%	2,010,367,155	100.00%

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

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

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

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

Under the Company's Articles of Incorporation, each common share is entitled to a vote in 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 was 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)

June 30, 2022

(In thousands of reais, unless otherwise stated)

18. Equity (Continued)

b) Allocations of income

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

	<u>06/30/2022</u>	<u>06/30/2021</u>
Balance payable at beginning of period	64,551	346,600
Allocation of dividends and interest on equity	413,754	466,371
Allocation of dividends and interest on equity – noncontrolling interests	21,636	-
Payment of dividends and interest on equity	(229,435)	(469,418)
Withholding Income Tax (IRRF)	(46,561)	(32,926)
Balance payable at June 30	<u>223,945</u>	<u>310,627</u>

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

c) Treasury shares

Changes in treasury shares are as follows:

	<u>06/30/2022</u>			<u>06/30/2021</u>		
	Number of shares	Share value (in reais)	Total	Number of shares	Share value (in reais)	Total
Opening balance	38,913,920	3.58	139,282	42,800,664	3.58	153,194
Acquisitions	14,140	52.38	741	-	-	-
Disposals	(2,593,904)	3.58	(9,284)	(3,886,744)	3.58	(13,912)
Balance at June 30	<u>36,334,156</u>	<u>3.58</u>	<u>130,739</u>	38,913,920	3.58	139,282

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

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.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

18. Equity (Continued)

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

1st Restricted Stock Option Plan

In 2020, the Company's Board of Directors approved the 1st Restricted Stock Option Plan 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 whether they remain continuously linked to the Company or to an entity under its control, as the case may be, for a determined period, subject to the conditions for the release of stock trading restrictions, as defined by the Board of Directors, with specific conditions in case of termination.

The total of 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 June 30, 2022 was equivalent to a total of 100,518,358 shares.

In the six-month period ended June 2022, a total of 3,577,793 Restricted Shares were granted to the elected beneficiaries, referring exclusively to the 1st Restricted Stock Option Plan, at the weighted average price of R\$16.92. All restricted shares granted in the six-month period ended June 2022 were transferred to the beneficiaries (vested immediately) on February 07, 2022, and there are no restricted shares already granted that are pending transfer.

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

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

Likewise prior plans, the 1st Restricted Stock Option Plan was measured and recognized at fair values, using the Black, Scholes & Merton (1973) model according to Accounting Pronouncement CPC 10 - Share-Based Payment, whose significant assumptions are described below.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

18. Equity (Continued)

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

2nd Restricted Stock Option Plan

Within the scope of the Restricted Stock Option Plan, the Company's Board of Directors approved the 2nd Restricted Stock Option Plan, effective as of January 2022, which established the specific conditions for receiving a certain amount of units of reference that will grant the right 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 the Company's managers, employees and service providers, or in cash, at the Company's sole discretion, depending, in that case, on the appreciation of the share price of RDOR3 in a certain period of time, under the terms of the individual agreements.

During the six-month period ended in June 2022, a total of 1,972,735 Reference Units were granted to the elected beneficiaries, exclusively related to the 2nd Restricted Stock Option Plan, whose right to exercise has not yet been fully vested.

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

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

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

18. Equity (Continued)

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

2nd Restricted Stock Option Plan (Continued)

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

Likewise prior plans, the 1st Restricted Stock Option Plan was measured and recognized at fair values, using the Black, Scholes & Merton (1973) model according to Accounting Pronouncement CPC 10 - Share-Based Payment, whose significant assumptions are described below.

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

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

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

18. Equity (Continued)

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

2nd Restricted Stock Option Plan (Continued)

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

	<u>Fair value of options per year</u>	<u>Effect on P&L for the year</u>	<u>Changes - RSU</u>	<u>Cumulative effect in liabilities</u>
2011	1,457	1,457	-	1,457
2012	16,234	16,234	-	17,691
2013	20,656	20,656	-	38,347
2014	27,363	27,363	-	65,710
2015	51,949	51,949	-	117,659
2016	30,864	30,864	-	148,523
2017	32,599	32,599	-	181,122
2018	40,662	40,662	-	221,784
2019	40,656	40,656	-	262,440
2020	80,071	80,071	(80,071)	-
2021	120,427	120,427	(120,427)	-
2022	61,650	61,650	(34,824)	26,826
2023	11,670			
2024	11,670			
2025	11,670			
2026	11,670			
2027	11,670			
	<u>582,938</u>			

e) Other comprehensive income

In the six-month period ended June 30, 2022, the effects of the cash flow hedge contracted to protect debt in R\$ 60,563 were recognized as other comprehensive results, the effects of the cash flow hedge contracted to protect the debt in R\$ 60,563 increasing shareholders' equity in the year and loss of fair value in equity instruments (shares) by R\$ 218,659 reducing equity in the year. Cash flow hedge as described in Note 13.b, and variable application income/expenses as described in Note 4.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

19. Income and social contribution taxes

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

	Individual		Consolidated	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Deferred				
Corporate Income Tax (IRPJ)	64,374	68,904	97,000	80,206
Social Contribution Tax on Net Profit (CSLL)	23,174	24,754	34,967	28,770
	87,548	93,658	131,967	108,976
Current				
Corporate Income Tax (IRPJ)	-	(53,157)	(158,206)	(230,983)
Social Contribution Tax on Net Profit (CSLL)	-	(19,952)	(59,695)	(86,389)
	-	(73,109)	(217,901)	(317,372)
Income and social contribution tax expenses	87,548	20,549	(85,934)	(208,396)

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

19. Income and social contribution taxes (Continued)

Changes in deferred income and social contribution tax assets and liabilities for period ended June 30, 2022 were as follows:

	Individual					Consolidated				
	12/31/2021	Additional benefits (expenses) recorded	Other comprehensive income	Additions from mergers	06/30/2022	12/31/2021	Additional benefits (expenses)	Other comprehensive income	Additions from business combinations	06/30/2022
Assets										
Income tax losses	123,033	32,320	-	-	155,353	283,472	51,296	-	10,848	345,616
Social contribution tax losses	44,292	11,635	-	-	55,927	103,181	18,466	-	4,182	125,829
Allowance for expected credit losses and provision for disallowances	227,826	50,606	-	38,025	316,457	508,135	83,123	-	13,830	605,088
Provision for contingencies	45,975	(1,132)	-	4,162	49,005	124,427	(4,616)	-	239	120,050
Provision for bonus	24,849	(5,692)	-	135	19,292	24,646	(5,444)	-	38	19,240
Foreign exchange differences	229,296	(40,168)	-	-	189,128	229,296	(40,168)	-	-	189,128
Deferred gain on property sales	23,242	-	-	-	23,242	20,502	(2,631)	-	-	17,871
Amortization of right of use (IFRS 16)	171,305	32,644	-	11,412	215,361	273,348	64,286	-	-	337,634
PVA allocation (IFRS 16)	274,918	53,751	-	35,674	364,343	411,691	78,939	-	1,027	491,657
Cash flow hedge	-	-	-	-	-	-	-	-	-	-
Tax effects - D'Or Finance	45,737	4,336	-	-	50,073	45,737	4,336	-	-	50,073
Variable income investment	-	11,924	112,642	-	124,566	(954)	11,924	112,642	-	123,612
Other provisions	14,349	5,216	-	56	19,621	(3,557)	12,633	-	3,480	12,556
Total deferred tax assets	1,224,822	155,440	112,642	89,464	1,582,368	2,019,924	272,144	112,642	33,644	2,438,354
Liabilities										
Differences between book balance and tax base of goodwill	(686,562)	(11,249)	-	-	(697,811)	(830,356)	(39,119)	-	-	(869,475)
Gain on acquisition in steps	(99,040)	-	-	-	(99,040)	(124,003)	-	-	-	(124,003)
Swap difference	(102,775)	24,576	-	-	(78,199)	(105,953)	20,739	-	-	(85,214)
Lease (IFRS 16)	(362,478)	(80,552)	-	(37,874)	(480,904)	(554,110)	(125,429)	-	(3,955)	(683,494)
Tax effects - D'Or Finance	-	-	-	-	-	-	-	-	-	-
Cash flow hedge	(133,644)	-	(33,811)	-	(167,455)	(164,985)	-	(31,199)	-	(196,184)
Deferred revenue	(1,333)	-	-	-	(1,333)	(6,268)	-	-	-	(6,268)
Other provisions	-	(667)	-	-	(667)	(35,142)	3,632	-	674	(30,836)
Total deferred tax liabilities	(1,385,832)	(67,892)	(33,811)	(37,874)	(1,525,409)	(1,820,817)	(140,177)	(31,199)	(3,281)	(1,995,474)
Net effect - asset (liability)	(27,366)	87,548	-	51,590	111,772	364,092	131,967	-	30,363	526,422
Effect on equity	(133,644)	-	78,831	-	(54,813)	(164,985)	-	81,443	-	(83,542)
Assets as per statement of financial position	-	-	-	-	56,959	792,083	-	-	-	929,008
Liabilities as per statement of financial position	(161,010)	-	-	-	-	(592,976)	-	-	-	(487,028)

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

19. Income and social contribution taxes (Continued)

Changes in deferred income and social contribution tax assets and liabilities for period ended June 30, 2021 were as follows:

	Individual			Consolidated					
	12/31/2020	Additional benefits (expenses) recorded	Other comprehensive income	06/30/2021	12/31/2020	Additional benefits (expenses)	Other comprehensive income	Additions from business combinations	06/30/2021
Assets									
Income tax losses	93,988	29,659	-	123,647	171,224	42,622	-	13,405	227,251
Social contribution tax losses	33,836	10,677	-	44,513	61,636	15,344	-	4,826	81,806
Allowance for expected credit losses and provision for disallowances	264,398	(13,557)	-	250,841	499,418	(10,355)	-	3,128	492,191
Provision for contingencies	47,764	9,142	-	56,906	102,999	7,867	-	1,167	112,033
Provision for bonus	667	6,558	-	7,225	2,676	7,742	-	230	10,648
Foreign exchange differences	193,175	(10,254)	-	182,921	193,175	(10,254)	-	-	182,921
Deferred gain on property sales	24,575	(666)	-	23,909	24,575	(666)	-	-	23,909
Amortization of right of use (IFRS 16)	108,900	30,597	-	139,497	157,717	55,850	-	987	214,554
PVA allocation (IFRS 16)	178,627	47,398	-	226,025	253,448	77,033	-	421	330,902
Cash flow hedge	25,516	(25,516)	-	-	36,349	(36,349)	-	-	-
D'Or Finance	-	5,731	-	5,731	-	5,731	-	-	5,731
Other provisions	17,279	-	-	17,279	-	273	-	-	273
Total deferred tax assets	988,725	89,769	-	1,078,494	1,503,217	154,838	-	24,164	1,682,219
Liabilities									
Differences between book balance and tax base of goodwill	(667,973)	(8,766)	-	(676,739)	(767,911)	(26,450)	-	-	(794,361)
Gain on acquisition in steps	(48,873)	-	-	(48,873)	(79,869)	-	-	-	(79,869)
Swap difference	(59,740)	5,580	-	(54,160)	(59,565)	5,463	-	-	(54,102)
Lease (IFRS 16)	(235,194)	(66,794)	-	(301,988)	(334,079)	(110,076)	-	(474)	(444,629)
D'Or Finance	(7,577)	7,577	-	-	(7,577)	7,577	-	-	-
Variable income investment	(40,776)	40,776	-	-	(40,776)	40,776	-	(845)	(845)
Deferred revenue	(1,333)	-	-	(1,333)	(6,268)	-	-	-	(6,268)
Cash flow hedge	-	25,516	(90,052)	(64,536)	-	36,349	(117,246)	-	(80,897)
Other provisions	-	-	-	-	(4,227)	4,877	-	8,822	9,472
Total deferred tax liabilities	(1,061,466)	3,889	(90,052)	(1,147,629)	(1,300,272)	(41,484)	(117,246)	7,503	(1,451,499)
Net effect - asset (liability)	(98,257)	93,658	-	(4,599)	166,596	113,354	-	31,667	311,617
Effect on equity	25,516	-	(90,052)	(64,536)	36,349	-	(117,246)	-	(80,897)
Assets as per statement of financial position	-	-	-	-	528,901	-	-	-	631,807
Liabilities as per statement of financial position	(72,741)	-	-	(69,135)	(325,956)	-	-	-	(401,087)

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

19. Income and social contribution taxes (Continued)

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

	Individual		Consolidated	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Income before income and social contribution taxes	462,437	797,389	669,504	1,088,575
Income and social contribution tax expenses at statutory rates	157,229	271,112	227,631	370,116
Adjustments to determine the effective rate:				
Equity pickup, net of any gains earned abroad	(100,558)	(93,449)	(8,335)	423
Interest on equity	(140,677)	(102,649)	(140,677)	(102,649)
Other	(3,542)	(95,563)	7,315	(59,494)
Expenses recorded in the statement of profit or loss	(87,548)	(20,549)	85,934	208,396

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

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

20. Net revenue

	Individual		Consolidated	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Gross revenue	6,174,343	5,841,490	12,501,139	11,175,483
Deductions from revenue				
Cancelations and rebates	(275,419)	(262,389)	(608,426)	(583,133)
Taxes on revenues	(333,443)	(323,713)	(720,226)	(653,939)
	5,565,481	5,255,388	11,172,487	9,938,411

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

21. Costs of services rendered

	Individual		Consolidated	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Personnel	(1,395,124)	(1,316,460)	(3,138,869)	(2,671,481)
Materials and medicines	(1,124,087)	(1,166,344)	(2,588,695)	(2,449,412)
Third-party services	(929,021)	(769,868)	(2,067,937)	(1,617,283)
Utilities and services	(96,441)	(81,242)	(217,768)	(166,108)
Rent	(1,728)	(1,978)	(38,859)	(30,912)
Depreciation and amortization	(326,301)	(277,600)	(651,429)	(511,384)
	(3,872,702)	(3,613,492)	(8,703,557)	(7,446,580)

22. General and administrative expenses

	Individual		Consolidated	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Personnel	(311,307)	(321,014)	(311,307)	(321,014)
Third-party services	(62,814)	(50,608)	(62,814)	(50,608)
Travel and lodging	(15,333)	(12,140)	(29,194)	(19,774)
Depreciation and amortization	(70,160)	(59,938)	(70,160)	(59,938)
Reversion (Provision) for contingencies	21,595	(21,159)	33,287	(19,255)
	(438,019)	(464,859)	(440,188)	(470,589)

23. Selling expenses

	Individual		Consolidated	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Marketing	(3,558)	(7,387)	(9,422)	(13,028)
	(3,558)	(7,387)	(9,422)	(13,028)

24. Other operating expenses, net

	Individual		Consolidated	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Taxes, charges and penalties	(33,313)	(25,463)	(70,494)	(51,032)
Gain on property sales	1,960	1,960	1,960	1,960
Equipment lease	(4,545)	(5,770)	(17,278)	(13,499)
Freight expenses	(4,518)	(16,901)	(16,003)	(23,460)
Legal fees	(16,522)	(13,735)	(23,898)	(17,725)
Advisory expenses	-	-	-	(22,975)
Other revenues and expenses	(25,565)	(50,007)	(60,905)	(72,402)
	(82,503)	(109,916)	(186,618)	(199,133)

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

25. Finance income (costs), net

Finance income (costs) for the six-month periods ended June 30, 2022 and 2021 are as follows:

	Individual		Consolidated	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Short-term investment yield	533,405	147,912	602,759	163,561
Foreign exchange differences, net	117,898	53,070	539,563	311,893
Fair value of debt	666,951	726,220	1,156,215	433,300
Fair value of derivatives (swaps)	(801,409)	(700,627)	(1,777,976)	(747,303)
Interest and monetary variations on financing and debentures	(1,280,984)	(497,959)	(1,358,029)	(528,372)
Taxes on finance income (costs)	(21,569)	(11,465)	(27,477)	(13,943)
Interest on lease liability	(158,091)	(139,405)	(222,494)	(196,616)
Other revenues and expenses	(58,221)	(114,940)	(100,275)	(141,783)
	(1,002,020)	(537,194)	(1,187,714)	(719,263)
Total finance income	1,197,146	762,350	3,276,369	3,008,597
Total finance costs	(2,199,166)	(1,299,544)	(4,464,083)	(3,727,860)
	(1,002,020)	(537,194)	(1,187,714)	(719,263)

26. Earnings per share

a) Basic

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

	06/30/2022	06/30/2021
Income attributable to the Company's controlling interests	549,985	817,938
Weighted average number of common shares issued (in thousands)	1,974,033	1,971,453
Basic earnings per share (in R\$)	0.2786	0.4149

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.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

26. Earnings per share (Continued)

b) Diluted (Continued)

	<u>06/30/2022</u>	<u>06/30/2021</u>
Income attributable to the Company's controlling interests	549,985	817,938
Weighted average number of common shares issued, including dilutive factors (in thousands):	1,974,033	1,971,453
Dilutive instruments - weighted average of the number of shares (in thousands):		
Stock-based payment (restricted shares)	4,500	5,560
Diluted earnings per share (in R\$)	0.2780	0.4137

27. Financial instruments and financial risk management

27.1. Financial instruments by category

Fair value hierarchy

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

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

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

Level 3: inputs for the asset or liability that are not based on observable market data.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

27. Financial instruments and financial risk management (Continued)

27.1. Financial instruments by category (Continued)

Fair value hierarchy (Continued)

The classification of financial assets and liabilities as of June 30, 2022 and December 31, 2021 is as follows:

		Individual		
Financial assets	Classification by category	Fair value hierarchy	Book balance	
			06/30/2022	12/31/2021
Cash and cash equivalents	Fair value through profit or loss	Level 2	13,548	43,910
	Fair value through profit or loss and other comprehensive income		848,479	-
Marketable securities (shares)		Level 1		
Marketable securities	Fair value through profit or loss	Level 2	11,485,058	11,249,728
Accounts receivable	Amortized cost		4,116,915	3,707,070
Dividends receivable	Amortized cost		88,329	74,093
Judicial deposits	Amortized cost		265,701	226,746
Derivatives	Fair value through profit or loss and other comprehensive income	Level 2	792,588	758,796
			17,610,618	16,060,343
		Financial liabilities		
Financial liabilities	Classification by category	Fair value hierarchy	Book balance	
			06/30/2022	12/31/2021
Trade accounts payable	Amortized cost		489,943	409,917
Loans, financing and debentures	Amortized cost (a)	Level 2	25,482,308	22,269,772
Salaries, provisions and social charges	Amortized cost		487,751	430,156
Accounts payable for acquisitions	Amortized cost		76,641	81,784
Derivatives	Fair value through profit or loss and other comprehensive income	Level 2	1,803,012	1,129,431
			28,339,655	24,321,060

(a) The debt portion recorded as hedge accounting (fair value hedge) is measured at fair value through profit or loss and at June 30, 2022 totaled R\$8,503,174 (R\$8,006,476 at December 31, 2021). The debt portion recorded as hedge accounting (cash flow hedge) is measured at fair value through other comprehensive income and at June 30, 2022 totaled R\$2,943,585 (R\$2,914,222 at December 31, 2021).

		Consolidated		
Financial assets	Classification by category	Fair value hierarchy	Book balance	
			06/30/2022	12/31/2021
Cash and cash equivalents	Fair value through profit or loss	Level 2	225,512	124,621
	Fair value through profit or loss and other comprehensive income		848,479	-
Marketable securities (shares)		Level 1		
Marketable securities	Fair value through profit or loss	Level 2	13,040,360	12,429,549
Accounts receivable	Amortized cost		8,262,475	7,564,769
Judicial deposits	Amortized cost		384,584	350,512
Derivatives	Fair value through profit or loss and other comprehensive income	Level 2	3,277,150	4,149,961
			26,038,560	24,619,412

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

27. Financial instruments and financial risk management (Continued)

27.1. Financial instruments by category (Continued)

Fair value hierarchy (Continued)

Financial liabilities	Classification by category	Fair value hierarchy	Book balance	
			06/30/2022	12/31/2021
Trade accounts payable	Amortized cost		1,098,015	990,942
Loans, financing and debentures	Amortized cost (a)	Level 2	29,689,025	27,629,336
Salaries, provisions and social charges	Amortized cost		938,290	794,061
Accounts payable for acquisitions	Fair value through profit or loss		719,632	606,327
Derivatives	Fair value through profit or loss and other comprehensive income	Level 2	1,948,226	1,255,415
			34,393,188	31,276,081

(a) The debt portion recorded as hedge accounting (fair value hedge) is measured at fair value through profit or loss and at June 30, 2022 totaled R\$10,626,378 (R\$11,055,981 at December 31, 2021). The debt portion recorded as hedge accounting (cash flow hedge) is measured at fair value through other comprehensive income and at June 30, 2022 totaled R\$3,932,029 (R\$3,910,183 at December 31, 2021).

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

27.2. Risk management

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

a) Capital management

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

The Company uses own and third-party capital to finance its activities, 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 June 30, 2022 and December 31, 2021, the Company has the following capital structure:

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

27. Financial instruments and financial risk management (Continued)

27.2. Risk management (Continued)

a) Capital management (Continued)

	Individual		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Cash and cash equivalents	13,548	43,910	225,512	124,621
Marketable securities	12,333,537	11,249,728	13,888,839	12,429,549
	12,347,085	11,293,638	14,114,351	12,554,170
Loans, financing and debentures	(25,482,308)	(22,269,772)	(29,689,025)	(27,629,336)
Derivatives	(1,010,424)	(370,635)	1,328,924	2,894,545
Cash flow hedge	(492,514)	(393,070)	(577,015)	(485,252)
Net debt (a)	(14,638,161)	(11,739,839)	(14,822,765)	(12,665,873)
Total equity	13,542,853	13,583,378	14,727,885	14,677,939
Total net debt and equity	(1,095,308)	1,843,539	(94,880)	2,012,066
Financial leverage ratio	1.08	0.86	1.00	0.86

(a) The net debt corresponds to the sum of the balances of loans, financing and debentures, derivative financial instruments, net (current and noncurrent) plus the cash flow hedge effect of other comprehensive income (the Company has swaps accounted for in accordance with 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) Interest rate risk

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

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

Scenarios	Scenario I current	Scenario II +25%	Scenario III +50%
CDI rate (p.a.)	13.15%	16.44%	19.73%
IPCA rate (p.a.)	11.30%	14.13%	16.95%
Projected interest expenses (in millions)	7,621	9,187	10,754

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

27. Financial instruments and financial risk management (Continued)

27.2. Risk management (Continued)

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 contract with a customer, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily regarding trade accounts receivable) and from its financing activities, including deposits in banks and financial institutions, exchange transactions and other financial instruments. In the case of identification of imminent risk of non-realization of these assets, the Company records provisions to bring them to their probable realizable value.

d) Liquidity risk

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

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

	Individual - 06/30/2022					Total financial liabilities
	Within 6 months	From 6 months to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	
Trade accounts payable	489,943	-	-	-	-	489,943
Loans, financing and debentures	1,781,075	1,990,119	1,561,076	6,636,742	18,607,972	30,576,984
Salaries, provisions and social charges	487,751	-	-	-	-	487,751
Accounts payable for acquisitions	49,389	28,352	-	236	-	77,977
Derivatives	(214,904)	(262,009)	(282,449)	(948,332)	3,280,217	1,572,523
	2,593,254	1,756,462	1,278,627	5,688,646	21,888,189	33,205,178

	Consolidated - 06/30/2022					Total financial liabilities
	Within 6 months	From 6 months to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	
Trade accounts payable	1,110,415	-	-	-	-	1,110,415
Loans, financing and debentures	1,896,886	2,150,508	1,929,930	7,700,484	22,011,281	35,689,089
Salaries, provisions and social charges	938,290	-	-	-	-	938,290
Accounts payable for acquisitions	215,628	36,652	57,191	305,247	198,168	812,886
Derivatives	(261,669)	(306,938)	(374,263)	(1,133,962)	9,859,294	7,782,462
	3,899,550	1,880,222	1,612,858	6,871,769	32,068,743	46,333,142

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

27. Financial instruments and financial risk management (Continued)

27.2. Risk management (Continued)

d) Liquidity risk (Continued)

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

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

e) Foreign currency

The Company has loans and financing and trade accounts payable in foreign currency (mainly the US dollar). The risk related to these assets and liabilities arises from the possibility of incurring losses due to fluctuations in exchange rates. Liabilities in foreign currency represent 21.6% of total gross debt at June 30, 2022 (24.2% at December 31, 2021). The Company has derivative financial instruments to hedge loans and financing against foreign exchange rate fluctuation (see topic below). Management understands that the risk of exposure to foreign currency is not significant in relation to its financial position.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

27. Financial instruments and financial risk management (Continued)

27.2. Risk management (Continued)

f) Derivatives

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

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

Description	Maturity ranges month/year	Reference value (notional value)	Individual	
			06/30/2022	12/31/2021
			Fair value	
Swap (currency)	11/21/2023			
Long position	USD/Libor + 0.46%	US\$ 80,166		
Short position	109% of CDI	R\$ 419,909	113,406	144,281
Swap (currency)	01/18/2028			
Long position	BRL Fixed rate (11.82%)	R\$ 1,681,837		
Short position	CDI + 2.01%	R\$ 1,681,837	(194,967)	(23,697)
Swap (currency)	01/22/2030			
Long position	BRL Fixed rate (8.80%)	R\$ 2,181,048		
Short position	CDI + 2.125%	R\$ 2,181,048	(710,434)	(492,824)
Swap (currency)	01/22/2030			
Long position	BRL Fixed rate (8.65%)	R\$ 1,140,108		
Short position	CDI + 2.40%	R\$ 1,140,108	(410,641)	(298,429)
Swap (currency)	06/20/2029			
Long position	CDI + 0.79%	R\$ 1,004,181		
Short position	BRL Fixed rate (7.71%)	R\$ 1,004,181	258,485	190,609
Swap (currency)	09/10/2024			
Long position	CDI + 1.02%	R\$ 1,454,416		
Short position	BRL Fixed rate (7.275%)	R\$ 1,454,416	185,939	147,834
Swap (currency)	10/26/2026			
Long position	106.0% of CDI	R\$ 511,846		
Short position	BRL Fixed rate (6.765%)	R\$ 511,846	79,665	61,077
Swap (currency)	06/30/2025			
Long position	EUR/BRL + 1.0366%	EUR€ 67,431		
Short position	CDI + 1.35%	R\$ 369,805	(58,551)	20,071
Swap (currency)	07/01/2025			
Long position	USD/BRL + 1.8588%	US\$ 100,781		
Short position	CDI + 1.323%	R\$ 527,892	(77,534)	2,145

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

27. Financial instruments and financial risk management (Continued)

27.2. Risk management (Continued)

f) Derivatives (Continued)

Description	Maturity ranges month/year	Reference value (notional value)	Individual	
			06/30/2022	12/31/2021
			Fair value	
Swap (currency)	05/15/2036			
Long position	IPCA + 4.9347%	R\$ 1,510,397		
Short position	CDI + 1.35%	R\$ 1,510,397	(175,544)	(129,314)
Swap (currency)	12/15/2031			
Long position	IPCA + 5.5758%	R\$ 400,915		
Short position	CDI + 0.56%	R\$ 400,915	3,630	4,530
Swap (currency)	12/15/2036			
Long position	IPCA + 6.1017%	R\$ 601,499		
Short position	CDI + 1.403%	R\$ 601,499	(10,805)	3,082
Swap (currency)	01/18/2028			
Long position	USD Fixed rate (4.95%)	US\$ 511,206		
Short position	BRL Fixed rate (11.82%)	R\$ 2,677,698	-	-
Swap (currency)	01/22/2030			
Long position	USD Fixed rate (4.525%)	US\$ 509,875		
Short position	BRL Fixed rate (8.80%)	R\$ 2,670,725	-	-
Swap (currency)	01/22/2030			
Long position	USD Fixed rate (4.51%)	US\$ 254,938		
Short position	BRL Fixed rate (8.65%)	R\$ 1,335,363	-	-
Swap (index)	12/29/2025			
Long position	CDI + 1.27%/1.75%	R\$ 1,001,649		
Short position	BRL Fixed rate (7.752%)	R\$ 1,001,649	-	-
Swap (index)	06/15/2029			
Long position	IPCA + 5.83%	R\$ 800,436		
Short position	102.7% of CDI	R\$ 800,436	(8,416)	-
Swap (index)	06/15/2032			
Long position	IPCA + 6.01%	R\$ 342,661		
Short position	104.1% of CDI	R\$ 342,661	(4,657)	-
Current assets position			183,992	131,643
Noncurrent assets position			608,596	627,153
Current liabilities position			(629,475)	(343,265)
Noncurrent liabilities position			(1,173,537)	(786,166)
Effect on profit or loss for the year (fair value of derivatives - swaps)			(801,409)	(1,243,711)
Effect on equity for the year (fair value of derivatives - swaps)			99,444	468,117

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

27. Financial instruments and financial risk management (Continued)

27.2. Risk management (Continued)

f) Derivatives

Description	Maturity ranges month/year	Reference value (notional value)	Consolidated	
			06/30/2022	12/31/2021
			Fair value	
Swap (currency)	11/21/2023			
Long position	USD/Libor + 0.46%	US\$ 80,166		
Short position	109% of CDI	R\$ 419,909	113,406	144,281
Swap (currency)	01/18/2028			
Long position	BRL Fixed rate (11.82%)	R\$ 1,681,837		
Short position	CDI + 2.01%	R\$ 1,681,837	(194,967)	(23,697)
Swap (currency)	01/22/2030			
Long position	BRL Fixed rate (8.80%)	R\$ 2,181,048		
Short position	CDI + 2.125%	R\$ 2,181,048	(710,434)	(492,824)
Swap (currency)	01/22/2030			
Long position	BRL Fixed rate (8.65%)	R\$ 1,140,108		
Short position	CDI + 2.40%	R\$ 1,140,108	(410,641)	(298,429)
Swap (currency)	06/20/2029			
Long position	CDI + 0.79%	R\$ 1,004,181		
Short position	BRL Fixed rate (7.71%)	R\$ 1,004,181	258,485	190,609
Swap (currency)	09/10/2024			
Long position	CDI + 1.02%	R\$ 1,454,416		
Short position	BRL Fixed rate (7.275%)	R\$ 1,454,416	185,939	147,834
Swap (currency)	10/26/2026			
Long position	106.0% of CDI	R\$ 511,846		
Short position	BRL Fixed rate (6.765%)	R\$ 511,846	79,665	61,077
Swap (currency)	06/30/2025			
Long position	EUR/BRL + 1.0366%	EUR€ 67,431		
Short position	CDI + 1.35%	R\$ 369,805	(58,551)	20,071
Swap (currency)	07/01/2025			
Long position	USD/BRL + 1.8588%	US\$ 100,781		
Short position	CDI + 1.3230%	R\$ 527,892	(77,534)	2,145
Swap (currency)	05/15/2036			
Long position	IPCA + 4.9347%	R\$ 1,510,397		
Short position	CDI + 1.35%	R\$ 1,510,397	(175,544)	(129,314)
Swap (currency)	12/15/2031			
Long position	IPCA + 5.5758%	R\$ 400,915		
Short position	CDI + 0.56%	R\$ 400,915	3,630	4,350
Swap (currency)	12/15/2036			
Long position	IPCA + 6.1017%	R\$ 601,499		
Short position	CDI + 1.403%	R\$ 601,499	(10,805)	3,082
Swap (currency)	01/18/2028			
Long position	USD Fixed rate (4.95%)	US\$ 511,206		
Short position	BRL Fixed rate (11.82%)	R\$ 2,677,698	1,074,115	1,450,033
Swap (currency)	01/22/2030			
Long position	USD Fixed rate (4.525%)	US\$ 509,875		
Short position	BRL Fixed rate (8.80%)	R\$ 2,670,725	796,194	1,176,529

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

27. Financial instruments and financial risk management (Continued)

27.2. Risk management (Continued)

f) Derivatives (Continued)

Description	Maturity ranges month/year	Reference value (notional value)	Consolidated	
			06/30/2022	12/31/2021
			Fair value	
Swap (currency)	01/22/2030			
Long position	USD Fixed rate (4.51%)	US\$ 254,938		
Short position	BRL Fixed rate (8.65%)	R\$ 1,335,363	351,105	531,970
Swap (index)	12/29/2025			
Long position	CDI + 1.27%/1.75%	R\$ 1,001,649		
Short position	BRL Fixed rate (7.752%)	R\$ 1,001,649	117,934	106,650
Swap (index)	06/15/2029			
Long position	IPCA + 5.83%	R\$ 800,436		
Short position	102.7% of CDI	R\$ 800,436	(8,416)	-
Swap (index)	06/15/2032			
Long position	IPCA + 6.01%	R\$ 342,661		
Short position	104.1% of CDI	R\$ 342,661	(4,657)	-
Current assets position			242,689	182,018
Noncurrent assets position			3,034,461	3,967,943
Current liabilities position			(774,689)	(469,249)
Noncurrent liabilities position			(1,173,537)	(786,166)
Effect on profit or loss for the year (fair value of derivatives - swaps)			(1,777,976)	(381,893)
Effect on equity for the year (fair value of derivatives - swaps)			91,762	592,159

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

27. Financial instruments and financial risk management (Continued)

27.2. Risk management (Continued)

f) Derivatives (Continued)

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

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

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

Debt - Citibank and JP Morgan	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
Exchange rate fluctuation	5%	(25%)	(50%)	25%	50%
Depreciation of US\$ (rate in R\$)	-	4.1249	2.7500	-	-
Appreciation of US\$ (rate in R\$)	5.4999	-	-	6.8749	8.2499
Effect on liabilities					
Loan 4131 - Citibank and JP Morgan	44,638	(223,192)	(446,384)	223,192	446,384
Effect on derivatives					
Swap	(44,638)	223,192	446,384	(223,192)	(446,384)
Net effect	-	-	-	-	-
Debt – Senior Notes I	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
Exchange rate fluctuation	5%	(25%)	(50%)	25%	50%
Depreciation of US\$ (rate in R\$)	-	4.1249	2.7500	-	-
Appreciation of US\$ (rate in R\$)	5.4999	-	-	6.8749	8.2499
Effect on liabilities					
Senior Notes	128,535	(642,676)	(1,285,351)	642,676	1,285,351
Effect on derivatives					
Swap	(128,535)	642,676	1,285,351	(642,676)	(1,285,351)
Net effect	-	-	-	-	-

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

27. Financial instruments and financial risk management (Continued)

27.2. Risk management (Continued)

f) Derivatives (Continued)

Debt – Senior Notes II	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
Exchange rate fluctuation	5%	(25%)	(50%)	25%	50%
Depreciation of US\$ (rate in R\$)	-	4.1249	2.7500	-	-
Appreciation of US\$ (rate in R\$)	5.4999	-	-	6.8749	8.2499
Effect on liabilities					
Senior Notes II	166,951	(834,754)	(1,669,509)	834,754	1,669,509
Effect on derivatives					
Swap	(166,951)	834,754	1,669,509	(834,754)	(1,669,509)
Net effect	-	-	-	-	-
Debt - Debentures	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
Fluctuation in DI rate	5%	(25%)	(50%)	25%	50%
Depreciation of the DI rate	-	10.3556%	6.9038%	-	-
Appreciation of the DI rate	13.8075%	-	-	17.2594%	20.7113%
Effect on liabilities					
Debentures	19,531	(83,005)	(185,541)	122,067	224,603
Effect on derivatives					
Swap	(19,531)	83,005	185,541	(122,067)	(224,603)
Net effect	-	-	-	-	-
Debt - Debentures (CRI)	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
Fluctuation in IPCA rate	5%	(25%)	(50%)	25%	50%
Depreciation of the IPCA rate	-	8.8988%	5.9325%	-	-
Appreciation of the IPCA rate	11.8650%	-	-	14.8313%	17.7975%
Effect on liabilities					
Debentures	19,670	(83,599)	(186,869)	122,940	226,209
Effect on derivatives					
Swap	(19,670)	83,599	186,869	(122,940)	(226,209)
Net effect	-	-	-	-	-

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

27. Financial instruments and financial risk management (Continued)

27.2. Risk management (Continued)

f) Derivatives (Continued)

Debt - BofA	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
Exchange rate fluctuation	5%	(25%)	(50%)	25%	50%
Depreciation of EUR€(rate in R\$)	-	4.3188	2.8792	-	-
Appreciation of EUR€(rate in R\$)	5.7584	-	-	7.1980	8.6376
Effect on liabilities					
Loan 4131 - BofA	17,120	(85,601)	(171,202)	85,601	171,202
Effect on derivatives					
Swap	(17,120)	85,601	171,202	(85,601)	(171,202)
Net effect	-	-	-	-	-

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

27. Financial instruments and financial risk management (Continued)

27.3. Changes in liabilities from financing activities

		Individual								
Individual	12/31/2021	Loans, financing and debentures taken out	Interest, monetary 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	06/30/2022
Loans, financing, debentures and leases	24,242,348	3,515,501	1,422,567	(302,696)	(590,219)	(666,952)	-	-	108,650	27,729,199
Accounts payable for acquisitions	81,784	-	3,990	(9,133)	-	-	-	-	-	76,641
Derivatives	1,129,431	-	735,757	(62,176)	-	-	-	-	-	1,803,012
Dividends and interest on equity payable	57,339	-	-	-	-	-	413,754	(205,615)	(46,559)	218,919
	<u>25,510,902</u>	<u>3,515,501</u>	<u>2,162,314</u>	<u>(374,005)</u>	<u>(590,219)</u>	<u>(666,952)</u>	<u>413,754</u>	<u>(205,615)</u>	<u>62,091</u>	<u>29,827,771</u>
Current	1,942,768									4,857,465
Noncurrent	23,568,134									24,970,306

		Individual								
Individual	12/31/2020	Loans, financing and debentures taken out	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	06/30/2021
Loans, financing, debentures and leases	19,007,463	2,260,520	412,859	(1,409,855)	(204,348)	(726,220)	-	-	28,147	19,368,566
Accounts payable for acquisitions	95,096	-	1,048	(12,091)	-	-	-	-	(1,426)	82,627
Derivatives	215,995	-	363,134	-	-	-	-	-	-	579,129
Dividends and interest on equity payable	343,870	-	-	-	-	-	449,600	(454,000)	(32,926)	306,544
	<u>19,662,424</u>	<u>2,260,520</u>	<u>777,041</u>	<u>(1,421,946)</u>	<u>(204,348)</u>	<u>(726,220)</u>	<u>449,600</u>	<u>(454,000)</u>	<u>(6,205)</u>	<u>20,336,866</u>
Current	1,233,817									1,190,482
Noncurrent	18,428,607									19,146,384

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

27. Financial instruments and financial risk management (Continued)

27.3. Changes in liabilities from financing activities (Continued)

Consolidated										
Consolidated	12/31/2021	Loans, financing and debentures taken out and lease	Interest, monetary 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	06/30/2022
Loans, financing, debentures and leases	31,132,802	3,515,501	1,094,350	(600,131)	(925,221)	(1,156,216)	-	-	272,765	33,333,850
Accounts payable for acquisitions	606,327	114,963	35,365	(34,547)	(2,476)	-	-	-	-	719,632
Derivatives	1,255,415	-	801,923	(109,112)	-	-	-	-	-	1,948,226
Dividends and interest on equity payable	64,551	-	-	-	-	-	435,390	(229,435)	(46,561)	223,945
	33,059,095	3,630,464	1,931,638	(743,790)	(927,697)	(1,156,216)	435,390	(229,435)	226,204	36,225,653
Current	2,659,065									5,643,054
Noncurrent	30,400,030									30,582,599

Consolidated										
Consolidated	12/31/2020	Loans, financing and debentures taken out and lease	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	06/30/2021
Loans, financing, debentures and leases	27,176,346	2,276,677	345,673	(1,572,094)	(417,798)	(433,300)	-	-	15,934	27,391,438
Accounts payable for acquisitions	514,614	78,988	7,963	(19,413)	(219)	-	-	-	6,411	588,344
Derivatives	412,478	-	389,872	(55,355)	-	-	-	-	-	746,995
Dividends and interest on equity payable	346,600	-	-	-	-	-	466,371	(469,418)	(32,926)	310,627
	28,450,038	2,355,665	743,508	(1,646,862)	(418,017)	(433,300)	466,371	(469,418)	(10,581)	29,037,404
Current	4,699,309									1,943,056
Noncurrent	23,750,729									27,094,348

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

June 30, 2022

(In thousands of reais, unless otherwise stated)

28. Insurance coverage

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

Insurance line	Amount insured
Property risk	5,235,267
Civil Liability (D&O)	266,000
General civil liability	10,000
Engineering risks	3,783,128