

Interim Financial Information

Rede D'Or São Luiz S.A.

March 31, 2024
with Independent Auditor's Review Report

Rede D’Or São Luiz S.A.

Interim financial information

March 31, 2024

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Independent auditor's review report on interim financial information

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

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of Rede D'Or São Luiz (the "Company") for the quarter ended March 31, 2024, comprising the statement of financial position as of March 31, 2024 and the related statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for the three-month period then ended, including explanatory information.

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

Scope of review

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

Conclusion on the individual and consolidated interim financial information

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



Other matters - Statements of value added

The abovementioned quarterly information includes the individual and consolidated statement of value added (SVA), for the three-month period ended March 31, 2024, prepared under the Company executive board's responsibility and presented as supplementary information under IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if their format and content are in accordance with the criteria set forth by NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, in accordance with the criteria set forth by this Standard and consistently with the overall individual and consolidated interim financial information.

Rio de Janeiro, May 06, 2024.

ERNST & YOUNG
Auditores Independentes S/S Ltda.
CRC-SP015199/F

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Diogo Afonso da Silva
Accountant CRC-RJ114783/O

Rede D'Or São Luiz S.A.

Statements of financial position
March 31, 2024 and December 31, 2023
(In thousands of reais)

	Note	Individual		Consolidated	
		03/31/2024	12/31/2023	03/31/2024	12/31/2023
Assets					
Current assets					
Cash and cash equivalents	4	196,667	257,423	2,590,745	3,267,408
Marketable securities	4	7,485,000	9,239,876	28,521,427	28,463,882
Accounts receivable	5	4,965,008	4,840,796	9,146,104	8,939,144
Inventories	6	338,571	365,793	695,219	705,896
Taxes recoverable		939,924	545,021	1,446,920	1,002,564
Insurance contract assets	12	-	-	28,535	41,419
Reinsurance contract assets		-	-	64,828	64,934
Derivative financial instruments	24	67,610	49,550	67,610	49,550
Transactions with related parties	7	490,450	245,080	190,979	36,492
Dividends receivable		71,838	70,593	3,154	3,154
Other		282,726	230,183	644,625	549,038
Total current assets		14,837,794	15,844,315	43,400,146	43,123,481
Noncurrent assets					
Transactions with related parties	7	1,792,892	1,985,841	61,261	191,803
Marketable securities	4	-	-	1,752,076	1,702,460
Accounts receivable	5	-	-	1,720,328	1,674,369
Taxes recoverable		8,677	8,677	483,607	490,566
Insurance contract assets	12	-	-	35,554	40,595
Reinsurance contract assets		-	-	21,180	3,525
Judicial deposits	14	349,137	362,366	2,730,734	2,682,556
Taxes	17	-	12,222	3,596,871	3,600,118
Derivative financial instruments	24	431,687	570,513	1,961,424	1,917,874
Investments in subsidiaries, associates and joint ventures	8	28,683,438	27,296,375	2,553,591	2,563,868
Property and equipment	9	5,495,481	5,294,123	13,391,302	12,909,403
Intangible assets	10	7,480,995	7,508,728	16,432,394	16,449,568
Right of use – leases	11	2,259,784	2,158,506	2,661,222	2,680,462
Other		93,548	94,612	323,803	311,708
Total noncurrent assets		46,595,639	45,291,963	47,725,347	47,218,875
Total assets		61,433,433	61,136,278	91,125,493	90,342,356

See accompanying notes.

Rede D'Or São Luiz S.A.

Statements of financial position
March 31, 2024 and December 31, 2023
(In thousands of reais)

	Note	Individual		Consolidated	
		03/31/2024	12/31/2023	03/31/2024	12/31/2023
Liabilities and equity					
Current liabilities					
Trade accounts payable		689,092	636,124	1,480,232	1,355,666
Derivative financial instruments	24	400,159	466,050	557,606	639,580
Loans, financing and debentures	13	2,261,683	2,587,944	2,547,236	2,918,435
Salaries, accruals and social charges		579,915	539,971	1,125,195	1,101,223
Tax obligations		353,960	192,729	931,022	757,933
Accounts payable for acquisitions		60,591	59,041	553,388	468,135
Dividends and interest on equity payable	16	289,637	88,499	318,511	99,769
Insurance contract liabilities	12	-	-	5,554,975	4,683,939
Leases	15	572,947	534,822	695,424	872,949
Other		48,584	49,550	971,775	1,339,918
Total current liabilities		5,256,568	5,154,730	14,735,364	14,237,547
Noncurrent liabilities					
Derivative financial instruments	24	631,782	571,342	631,783	571,342
Loans, financing and debentures	13	28,505,332	29,062,394	31,292,611	31,667,514
Transactions with related parties	7	-	-	2,354	5,179
Tax obligations		35,684	35,826	198,780	200,119
Accounts payable for acquisitions		200	200	292,077	354,662
Insurance contract liabilities	12	-	-	12,190,935	12,458,584
Taxes	17	16,071	-	224,337	168,667
Provision for contingencies	14	758,681	820,185	3,281,553	3,268,354
Provision for losses on investments	8	627,857	613,560	-	-
Leases	15	2,119,531	2,037,512	2,474,457	2,299,676
Other		316,654	300,823	1,275,036	1,275,066
Total noncurrent liabilities		33,011,792	33,441,842	51,863,923	52,269,163
Equity					
Capital	16	15,711,360	15,711,360	15,711,360	15,711,360
Share issue costs		(253,031)	(253,031)	(253,031)	(253,031)
Capital reserves		4,907,583	4,914,555	4,907,583	4,914,555
Treasury shares		(511,747)	(519,418)	(511,747)	(519,418)
Income reserves		2,208,424	2,508,424	2,208,424	2,508,424
Retained earnings		804,590	-	804,590	-
Future capital contribution		4,224	4,224	4,224	4,224
Other comprehensive income		293,670	173,592	293,670	173,592
Total equity attributable to the Company's shareholders		23,165,073	22,539,706	23,165,073	22,539,706
Noncontrolling interests		-	-	1,361,133	1,295,940
Total equity		23,165,073	22,539,706	24,526,206	23,835,646
Total liabilities and equity		61,433,433	61,136,278	91,125,493	90,342,356

See accompanying notes.

Rede D'Or São Luiz S.A.

Statements of profit or loss

Three-month periods ended March 31, 2024 and 2023

(In thousands of reais, unless otherwise stated)

	Note	Individual		Consolidated	
		01/01/2024 to 03/31/2024	01/01/2023 to 03/31/2023	01/01/2024 to 03/31/2024	01/01/2023 to 03/31/2023
Operating revenue, net	18	3,448,151	3,208,976	12,195,029	11,249,972
Operating costs	19	(2,393,952)	(2,231,956)	(9,969,805)	(9,657,407)
Gross profit		1,054,199	977,020	2,225,224	1,592,565
General and administrative expenses	20	(246,117)	(159,252)	(430,796)	(339,862)
Selling expenses		(7,988)	(4,833)	(18,477)	(12,235)
Equity pickup	8	584,353	262,767	(9,736)	(18,666)
Other operating expenses	21	(44,648)	(14,455)	(80,916)	(98,197)
Income before finance income (costs) and income and social contribution taxes		1,339,799	1,061,247	1,685,299	1,123,605
Finance income	22	514,264	798,355	1,424,756	2,071,766
Finance costs	22	(1,167,549)	(1,543,852)	(2,097,302)	(2,855,440)
Income before income taxes		686,514	315,750	1,012,753	339,931
Income taxes	17	118,076	(17,058)	(177,272)	(24,864)
Net loss for the period		804,590	298,692	835,481	315,067
Income attributable to controlling interests		804,590	298,692	804,590	298,692
Income attributable to noncontrolling interests		-	-	30,891	16,375
Basic Earnings per Share	23	0.3568	0.1325	0.3568	0.1325
Diluted Earnings per Share	23	0.3568	0.1322	0.3568	0.1322

See accompanying notes.

Rede D'Or São Luiz S.A.

Statements of comprehensive income
 Three-month periods ended March 31, 2024 and 2023
 (In thousands of reais)

	Individual		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Net loss for the period	804,590	298,692	835,481	315,067
Other comprehensive income				
Cash flow hedge	(2,827)	(41,378)	(6,668)	(45,218)
Gain/(loss) on insurance and reinsurance liability	-	-	213,086	400,271
Unrealized gains/(losses) on financial assets at fair value through other comprehensive income	-	-	(6,125)	10,738
Tax effects	961	14,069	(80,323)	(148,047)
Gains/(losses) on changes in equity interest	-	(2,282)	-	-
Other comprehensive income of associates and subsidiaries, by equity pickup	121,944	205,032	108	(42,303)
	120,078	175,441	120,078	175,441
Total comprehensive income	924,668	474,133	955,559	490,508
Attributable to				
Controlling interests	924,668	474,133	924,668	474,133
Noncontrolling interests	-	-	30,891	16,375

See accompanying notes.

Rede D’Or São Luiz S.A.

Statements of changes in equity
Three-month periods ended March 31, 2024 and 2023
(In thousands of reais)

Description	Controlling interests											Noncontrolling interests	Total	
	Capital reserves					Income reserves					Total equity			
	Capital	Share issue costs	Goodwill reserve (issue of shares)	Goodwill in capital transactions	Share-based payment reserve	Treasury shares	Legal reserve	Investment reserve	Other comprehensive income	Future capital contribution				Retained earnings
Balances at December 31, 2022	15,711,360	(253,031)	6,166,296	(1,251,796)	-	(544,610)	8,666	1,291,612	310,082	4,224	-	21,442,803	1,264,931	22,707,734
Acquisitions of subsidiaries (Note 3)	-	-	-	-	-	-	-	-	-	-	-	-	(65)	(65)
Capital transactions in subsidiaries and acquisition of noncontrolling interests	-	-	-	1,358	-	-	-	-	-	-	-	1,358	5,228	6,586
Changes – RSU (Note 16)	-	-	(31,589)	-	(11,035)	25,193	-	-	-	-	-	(17,431)	-	(17,431)
Share-based payment (Note 16)	-	-	-	-	11,035	-	-	-	-	-	-	11,035	-	11,035
Net income for the year	-	-	-	-	-	-	-	-	-	-	298,692	298,692	16,375	315,067
Dividends and interest on equity (Note 16)	-	-	-	-	-	-	-	-	-	-	-	-	(20,608)	(20,608)
Cash flow hedge (Note 16)	-	-	-	-	-	-	-	-	(29,844)	-	-	(29,844)	-	(29,844)
Net finance income (costs) from insurance and reinsurance contracts	-	-	-	-	-	-	-	-	240,183	-	-	240,183	-	240,183
Equity adjustments	-	-	-	-	-	-	-	-	(34,898)	-	-	(34,898)	-	(34,898)
Future capital contribution	-	-	-	-	-	-	-	-	-	-	-	-	7,500	7,500
Balances at March 31, 2023	15,711,360	(253,031)	6,134,707	(1,250,438)	-	(519,417)	8,666	1,291,612	485,523	4,224	298,692	21,911,898	1,273,361	23,185,259
Balances at December 31, 2023	15,711,360	(253,031)	6,166,442	(1,251,887)	-	(519,418)	8,666	2,499,758	173,592	4,224	-	22,539,706	1,295,940	23,835,646
Capital transactions in subsidiaries and acquisition of noncontrolling interests	-	-	-	1,167	-	-	-	-	-	-	-	1,167	43,696	44,863
Changes – RSU (Note 16)	-	-	(8,139)	-	(4,733)	7,671	-	-	-	-	-	(5,201)	-	(5,201)
Share-based payment (Note 16)	-	-	-	-	4,733	-	-	-	-	-	-	4,733	-	4,733
Net income for the year	-	-	-	-	-	-	-	-	-	-	804,590	804,590	30,891	835,481
Dividends and interest on equity (Note 16)	-	-	-	-	-	-	-	(300,000)	-	-	-	(300,000)	(9,394)	(309,394)
Cash flow hedge (Note 16)	-	-	-	-	-	-	-	-	(4,401)	-	-	(4,401)	-	(4,401)
Net finance income (costs) from insurance and reinsurance contracts	-	-	-	-	-	-	-	-	128,004	-	-	128,004	-	128,004
Equity adjustments	-	-	-	-	-	-	-	-	(3,525)	-	-	(3,525)	-	(3,525)
Balances at March 31, 2024	15,711,360	(253,031)	6,158,303	(1,250,720)	-	(511,747)	8,666	2,199,758	293,670	4,224	804,590	23,165,073	1,361,133	24,526,206

See accompanying notes.

Rede D'Or São Luiz S.A.

Statements of cash flows

Three-month periods ended March 31, 2024 and 2023

(In thousands of reais)

	Individual		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Cash flows from operating activities				
Income before income and social contribution taxes	686,514	315,750	1,012,753	339,931
Adjustments to reconcile income to cash from operating activities				
Depreciation and amortization	231,774	218,673	401,683	399,072
Gain on property sales	(980)	(980)	(980)	(980)
Fair value of debt	(305,090)	63,198	(349,833)	73,634
Interest, monetary variations and foreign exchange differences, net	1,068,470	661,058	602,244	264,476
Share-based payment	19,477	11,035	19,477	11,035
Provision for/(reversal of) contingencies	(64,869)	(99,402)	31,933	(28,473)
Equity pickup	(584,353)	(262,767)	9,736	18,666
Income from (loss on) insurance services	-	-	1,754,093	1,180,924
Allowance for expected credit loss	180,119	169,677	324,456	283,292
(Increase) decrease in assets and increase (decrease) in liabilities				
Accounts receivable	(304,331)	(402,305)	(566,572)	(789,718)
Inventories	27,222	51,328	13,636	81,160
Taxes recoverable	(394,903)	(58,788)	(424,394)	(142,343)
Judicial deposits	13,229	(6,834)	(12,467)	(11,730)
Other assets	(51,127)	132,020	(104,114)	56,991
Trade accounts payable	52,968	143,301	120,095	140,411
Salaries and social charges	19,999	48,808	3,556	118,563
Tax obligations	274,535	(7,202)	288,837	(50,786)
Transactions with related parties	(118,293)	(184,073)	(26,770)	(46,057)
Provision for contingencies	(57)	(454)	(82,750)	(55,996)
Insurance and reinsurance assets (liabilities)	-	-	(943,369)	(497,515)
Other liabilities	28,662	(24,898)	(375,983)	19,765
	778,966	767,145	1,695,267	1,364,322
Payment of interest	(843,436)	(894,959)	(777,912)	(879,957)
Payment of income and social contribution taxes	-	-	(348,503)	(130,355)
Net cash from (used in) operating activities	(64,470)	(127,814)	568,852	354,010
Cash flows from investing activities				
Payment in business acquisition, net of cash acquired	-	-	2,080	-
Future capital contribution	(607,440)	(225,967)	-	(4,750)
Additions to property and equipment	(271,030)	(317,591)	(612,776)	(716,217)
Additions to intangible assets	(19,106)	(13,239)	(50,115)	(40,279)
Acquisitions of marketable securities	(8,174,344)	(5,108,002)	(11,429,858)	(7,181,242)
Redemption of marketable securities	10,151,202	6,078,655	12,145,621	9,015,862
Dividends and interest on equity received	6,413	(81,533)	1,215	(3,900)
Net cash flows used in investing activities	1,085,695	332,323	56,167	1,069,474
Cash flows from financing activities				
Distribution of dividends and interest on equity	(64,847)	(113,758)	(74,240)	(136,438)
Loans, financing and debentures raised	-	1,100,000	19,516	1,100,000
Payment of loans, financing and debentures	(851,228)	(984,089)	(1,004,083)	(1,139,311)
(Settlement) receipt of swap	(165,906)	(193,990)	(242,875)	(277,576)
Accounts payable for acquisitions	-	-	-	(2,202)
Net cash from financing activities	(1,081,981)	(191,837)	(1,301,682)	(455,527)
(Reduction) Increase in cash and cash equivalents	(60,756)	12,672	(676,663)	967,957
Cash and cash equivalents at beginning of period	257,423	96,360	3,267,408	1,109,796
Cash and cash equivalents at end of period	196,667	109,032	2,590,745	2,077,753

See accompanying notes.

Rede D'Or São Luiz S.A.

Statements of value added

Three-month periods ended March 31, 2024 and 2023

(In thousands of reais, unless otherwise stated)

	Individual		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Revenue	3,656,304	3,409,451	12,678,561	11,682,823
Sales of goods, products and services	3,835,443	3,578,148	5,948,231	5,564,633
Revenues from insurance operations	-	-	7,053,806	6,370,262
Allowance for doubtful accounts	(180,119)	(169,677)	(324,456)	(283,292)
Other revenues	980	980	980	31,220
Benefits and claims	-	-	(4,871,320)	(4,843,908)
Expenses with benefits and redemptions	-	-	(4,871,320)	(4,843,908)
Inputs acquired from third parties	(1,301,914)	(1,181,051)	(2,939,180)	(2,747,172)
Costs of sales	(1,262,384)	(1,222,972)	(2,729,393)	(2,571,994)
Materials, power, third-party services and other expenses	(104,399)	(57,481)	(177,854)	(203,651)
Loss on/recovery of assets	64,869	99,402	(31,933)	28,473
Gross value added	2,354,390	2,228,400	4,868,061	4,091,743
Depreciation and amortization	(231,774)	(218,673)	(401,683)	(399,072)
Net value added	2,122,616	2,009,727	4,466,378	3,692,671
Value added received in transfer	1,098,617	1,061,122	896,532	1,601,401
Equity pickup	584,353	262,767	(9,736)	(18,666)
Finance income (costs)	514,264	798,355	1,424,756	2,071,766
Finance income (costs) from insurance contracts	-	-	(518,488)	(451,699)
Total value added	3,221,233	3,070,849	5,362,910	5,294,072
Value added distributed	(3,221,233)	(3,070,849)	(5,362,910)	(5,294,072)
Personnel and charges	(1,092,284)	(955,881)	(2,132,443)	(2,012,797)
Taxes, charges and contributions	(89,097)	(216,553)	(664,372)	(434,425)
Interest, rents and other operating expenses	(1,235,262)	(1,599,723)	(1,730,614)	(2,531,782)
Dividends and interest on equity	(300,000)	-	(309,393)	(20,608)
Retained profits	(504,590)	(298,692)	(526,088)	(294,460)

See accompanying notes.

Rede D'Or São Luiz S.A.

Notes to interim financial information

March 31, 2024

(In thousands of reais, unless otherwise stated)

1. Operations

Rede D'Or São Luiz S.A. (the "Company" or "Parent Company" and jointly with its subsidiaries "Rede D'Or" or "Group"), headquartered at Rua Francisco Marengo, 1312, in the city and state of São Paulo, is engaged in the rendering of hospital services, offering assistance and hospitality concepts, creating medical and diagnostic excellence centers and generating medical knowledge and experience that ensure security to customers, either doctors, patients or healthcare plans. Through its subsidiaries and associates, the Company operates in the health (health and dental insurance, administrative services only (ASO) health and dental plans, and health and wellness solutions), life insurance, private pension, and asset management segments.

Rede D'Or operates in the states of Rio de Janeiro, São Paulo, Pernambuco, Maranhão, Bahia, Sergipe, Paraná, Ceará, Minas Gerais, Mato Grosso do Sul, Paraíba, Alagoas and the Federal District, with 70 own hospitals in operation and over 50 projects under development, in addition to oncology and radiotherapy clinics and laboratories. Currently, the Group has 9,729 hospital beds in total.

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

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

Seasonality

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

Rede D'Or São Luiz S.A.

Notes to interim financial information

March 31, 2024

(In thousands of reais, unless otherwise stated)

2. Accounting policies

The individual and consolidated interim financial information was prepared in accordance with accounting pronouncement CPC 21 (R1) – Interim Financial Reporting issued by the Brazilian Financial Accounting Standards Board (CPC) and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and is presented in conformity with specific rules issued by the Brazilian Securities Commission (CVM) applicable to the preparation of Quarterly Financial Information (ITR). The statements of added value are presented as supplementary information for IFRS purposes.

The accounting policies, as well as the critical accounting estimates and judgments, 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, 2023, disclosed on March 26, 2024.

P&L for the three-month period ended March 31, 2024 does not necessarily indicate the P&L expected for the entire year ending December 31, 2024. The interim financial information and related notes do not include all the information and disclosures required for the annual financial statements. As such, this interim financial information must be read together with the audited annual financial statements as of December 31, 2023.

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, 2023.

Authorization to complete the preparation of this financial information was provided by Company management on May 06, 2024.

The individual and consolidated financial statements include the operations of the Company and of its subsidiaries, whose interest percentage at the statement of financial position date is presented in Note 8. Additionally, it should be stressed that as at March 31, 2024, the Company has investments in funds of one that are fully consolidated.

3. Business combination

In February 23, 2024, the Company, through the subsidiary GSH Corp Participações S.A., acquired 50.01% equity interest in R2 IBF Participações S/A, generating goodwill in the amount of R\$11,918. In 2023, the Company acquired 50.00% equity interest in YUCA Administração de bens Ltda., generating goodwill of R\$31,468.

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".

4. Cash and cash equivalents and marketable securities

Rede D'Or São Luiz S.A.

Notes to interim financial information

March 31, 2024

(In thousands of reais, unless otherwise stated)

4.1. Cash and cash equivalents

	Individual		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Cash and cash equivalents				
Cash and banks	22,779	34,391	123,016	190,162
Short-term investments	173,888	223,032	2,467,729	3,077,246
Cash and cash equivalents	196,667	257,423	2,590,745	3,267,408

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

4.2. Marketable securities

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

Description	Fair value through	Average	Individual
	profit or loss		03/31/2024
	Market	interest rate	Total
	value/carrying		
	amount		
Fixed income securities - corporate bonds	7,484,908	-	7,484,908
Bank deposit certificates			
Floating rate CDI	7,484,908	103.70%	7,484,908
Investment fund shares	92	-	92
Investment fund shares – other than funds of one	92	-	92
			7,485,000
		Current	7,485,000
		Noncurrent	-

Rede D'Or São Luiz S.A.

Notes to interim financial information

March 31, 2024

(In thousands of reais, unless otherwise stated)

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

4.2. Marketable securities (Continued)

Description	Fair value through profit or loss	Average interest rate	Individual
	Market value/carrying amount		12/31/2023
			Total
Fixed income securities - corporate bonds	9,239,574	-	9,239,574
Bank deposit certificates			
Floating rate CDI	9,239,574	104.20% of CDI	9,239,574
Investment fund shares	302	-	302
Investment fund shares – other than funds of one	302	-	302
			<u>9,239,876</u>
		Current	9,239,876
		Noncurrent	-

Rede D'Or São Luiz S.A.

Notes to interim financial information

March 31, 2024

(In thousands of reais, unless otherwise stated)

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

4.2. Marketable securities (Continued)

Description	Fair value through	Fair value through other comprehensive income		Amortized cost		Average interest rate (a)	Consolidated
	profit or loss	Market value/	Market value/	Curve value/carrying	Market value		03/31/2024
	Market value/	Curve value	Curve value	Curve value/carrying	Market value		Total
	carrying amount		carrying amount	amount			
Fixed income securities - corporate bonds	12,951,159	1,226,691	1,237,147	-	-		14,188,306
Bank deposit certificates							
Floating rate CDI %	10,120,125	-	-	-	-	103.64%CDI	10,120,125
Debentures							
Floating rate CDI +	1,310,534	124,703	125,680	-	-	CDI+1.41%p.a.	1,436,214
Floating rate CDI %	47,823	69,932	69,646	-	-	114.32%CDI	117,469
Floating rate IPCA	465	-	-	-	-	IPCA+6.89%p.a.	465
Financial bills							
Floating rate CDI +	921,995	395,685	407,554	-	-	CDI+1.46%p.a.	1,329,549
Floating rate CDI %	500,117	602,524	599,823	-	-	113.51%CDI	1,099,940
Promissory notes	105	33,847	34,444	-	-	CDI+1.66%p.a.	34,549
Time deposits with special guarantee (DPGE)	49,995	-	-	-	-	CDI+1.01%p.a.	49,995
Fixed income securities - government securities	7,286,191	1,600,399	1,551,687	1,777,586	1,797,484		10,615,464
Financial Treasury Bills	6,953,466	116,036	116,071	-	-	SELIC	7,069,537
National Treasury Bills							
Fixed rate	203,029	636	634	-	-	10.08%p.a.	203,663
National treasury notes							
Series F- Fixed rate	632	33,246	32,346	-	-	8.85%p.a.	32,978
Series B – Floating rate IPCA	44,031	1,106,610	1,061,277	66,727	69,699	IPCA+4.43%p.a.	1,172,035
Series C – Floating rate IGP-M	85,033	343,871	341,359	1,710,859	1,727,785	IGPM+5.75%p.a.	2,137,251
Variable income securities	222,706	-	-	-	-		222,706
Shares	222,780	-	-	-	-		222,780
Impairment	(74)	-	-	-	-		(74)
Investment fund shares	5,242,956	-	-	-	-		5,242,956
Fixed income, equity and multi-market investment fund shares	5,211,756	-	-	-	-		5,211,756
Equity fund shares	31,200	-	-	-	-		31,200
Other investments	4,071	-	-	-	-		4,071
							30,273,503
						Current	28,521,427
						Noncurrent	1,752,076

Rede D'Or São Luiz S.A.

Notes to interim financial information

March 31, 2024

(In thousands of reais, unless otherwise stated)

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

4.2. Marketable securities (Continued)

Description	Fair value through	Fair value through other comprehensive income		Amortized cost		Average interest rate (a)	Consolidated
	profit or loss	Market value/	Curve value	Market value/	Curve value/carrying		Market value
	Market value/	Market value/	Curve value	Market value/	Curve value/carrying	Market value	Total
	carrying amount	carrying amount		carrying amount	amount		
Fixed income securities - corporate bonds	13,891,753		1,254,080	1,254,429	-	-	15,146,182
Bank deposit certificates							
Floating rate CDI %	11,412,274	-	-	-	-	104.16%CDI	11,412,274
Debentures							
Fixed rate	197	-	-	-	-	16.28% p.a.	197
Floating rate CDI +	1,081,082	160,148	161,153	-	-	CDI+1.65% p.a.	1,242,235
Floating rate CDI %	46,727	68,673	68,495	-	-	114.08%CDI	115,222
Floating rate IPCA	458	-	-	-	-	IPCA+6.9% p.a.	458
Other	-	-	-	-	-	-	-
Financial bills							
Fixed rate	-	-	-	-	-	-	-
Floating rate CDI +	816,238	383,582	387,178	-	-	CDI+1.7%p.a.	1,203,416
Floating rate CDI %	486,190	606,882	602,798	-	-	113.81%CDI	1,088,988
Floating rate IPCA	-	-	-	-	-	-	-
Promissory notes	107	34,795	34,805	-	-	CDI+1.66%p.a.	34,912
Time deposits with special guarantee (DPGE)	48,480	-	-	-	-	CDI+1.18% p.a.	48,480
Fixed income securities - government securities	6,458,430		1,384,546	1,351,377	1,755,978	-	9,565,785
Financial treasury bills	6,125,439	113,055	113,072	-	-	SELIC	6,238,511
National treasury bills							
Fixed rate	199,940	2,174	2,168	-	-	9.72%p.a.	202,108
National treasury notes							
Series F- Fixed rate	654	34,128	33,450	-	-	8.85%p.a.	34,104
Series B – Floating rate IPCA	43,687	1,094,244	1,063,243	66,631	73,357	IPCA+4.47%p.a.	1,173,561
Series C – Floating rate IGP-M	88,710	140,945	139,444	1,689,347	1,715,155	IGPM+5.77%p.a.	1,917,501
Variable income securities	226,069						226,069
Shares	226,104	146	146	-	-	-	226,250
Impairment	(35)	(146)	(146)	-	-	-	(181)
Investment fund shares	5,216,366						5,216,366
Fixed income, equity and multi-market investment fund shares	5,181,786	-	-	-	-	-	5,181,786
Equity fund shares	34,580	-	-	-	-	-	34,580
Other investments	11,940						11,940
							30,166,342
							Current
							28,463,882
							Noncurrent
							1,702,460

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

5. Accounts receivable

Description	Note	Individual		Consolidated	
		03/31/2024	12/31/2023	03/31/2024	12/31/2023
Accounts receivable - hospital services	5.1	4,965,008	4,840,796	8,170,867	7,939,681
Other accounts receivable	5.2	-	-	2,695,565	2,673,832
		4,965,008	4,840,796	10,866,432	10,613,513
Current		4,965,008	4,840,796	9,146,104	8,939,144
Noncurrent		-	-	1,720,328	1,674,369

5.1. Hospital services

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

	Individual		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Accounts receivable from health insurance and health plans	5,918,630	5,649,437	9,736,709	9,313,213
Accounts receivable from individuals	172,722	137,584	317,098	274,185
Allowance for expected credit losses and provision for disallowances	(1,126,344)	(946,225)	(1,882,940)	(1,647,717)
	4,965,008	4,840,796	8,170,867	7,939,681

Changes in provision for disallowances and allowance for expected credit losses

	Individual		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Balance at beginning of period	(946,225)	(843,770)	(1,647,717)	(1,477,168)
Set up of provision for disallowances and allowance for expected credit losses	(180,119)	(169,677)	(322,452)	(275,361)
Write-offs (a)	-	118,502	87,229	209,528
Balance at end of period	(1,126,344)	(894,945)	(1,882,940)	(1,543,001)

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

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

5. Accounts receivable

5.1. Hospital services (Continued)

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

At March 31, 2024 and December 31, 2023, the aging list of trade accounts receivable was 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	
03/31/2024	6,091,352	3,848,863	139,293	186,937	238,165	124,715	326,824	548,161	678,394
12/31/2023	5,787,021	3,872,484	124,381	149,745	157,292	69,848	256,869	505,329	651,073

	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	
03/31/2024	10,053,807	5,902,805	333,587	397,529	336,519	207,254	444,505	1,056,534	1,375,074
12/31/2023	9,587,398	5,935,957	265,208	246,311	254,297	177,761	399,362	1,040,609	1,267,893

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

Changes in provision for disallowances and allowance for expected credit losses

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

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

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

5. Accounts receivable (Continued)

5.1. Hospital services (Continued)

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

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

5.2. Other accounts receivable

The receivables as at March 31, 2024 and December 31, 2023 presented in the consolidated financial statements are as follows:

Description	Note	Consolidated	
		03/31/2024	12/31/2023
Other operating receivables	5.2.1	1,921,889	1,938,788
Consideration receivable - pension plan administrator	5.2.2	631,499	601,109
Other (a)		142,177	133,935
		<u>2,695,565</u>	<u>2,673,832</u>
Current		975,237	999,463
Noncurrent		1,720,328	1,674,369

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

5.2.1. Other operating receivables

	Consolidated	
	03/31/2024	12/31/2023
Receivables from FCVS - SFH		
Principal (Note 5.2.1.1)	1,986,726	1,963,933
Impairment (Note 5.2.1.1)	(225,370)	(223,473)
Frozen funds (a)	75,306	74,483
Other (b)	85,227	123,845
Total	<u>1,921,889</u>	<u>1,938,788</u>
Current	207,811	270,146
Noncurrent	1,714,078	1,668,642

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

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

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

5. Accounts receivable (Continued)

5.2. Other accounts receivable (Continued)

5.2.1. Other operating receivables (Continued)

5.2.1.1. *Receivables from FCVS - SFH*

Description	<u>Consolidated</u> <u>03/31/2024</u>
Balance of receivables FCVS-SFH at 12/31/2023	1,963,933
Additions	60,218
Write-offs	<u>(37,425)</u>
Balance of receivables FCVS-SFH at 03/31/2024	1,986,726
Balance of impairment at 03/31/2024	<u>(225,370)</u>
Closing balance net of impairment at 03/31/2024	1,761,356
Current	113,981
Noncurrent	1,647,375
Description	<u>Consolidated</u> <u>12/31/2023</u>
Balance of receivables FCVS-SFH at 12/31/2022	1,921,639
Additions	266,755
Write-offs	<u>(224,461)</u>
Balance of receivables FCVS-SFH at 12/31/2023	1,963,933
Balance of impairment at 12/31/2023	<u>(223,473)</u>
Closing balance net of impairment at 12/31/2023	1,740,460
Current	146,305
Noncurrent	1,594,155

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

5. Accounts receivable (Continued)

5.2. Other accounts receivable (Continued)

5.2.1. Other operating receivables (Continued)

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

As at March 31, 2024, there are lawsuits related to the Housing Financial System (SH/SFH) in progress in which the Company has been summoned. Such lawsuits may give rise to future cash disbursement with the corresponding request for reimbursement to Caixa Econômica Federal (CAIXA), manager of the Wage Variation Compensation Fund (FCVS). In the cases in which the lawsuit is in the provisional enforcement phase to avoid early disbursement in cases whose decisions are not final and unappealable, the Company pledges in court surety bond policies. As at March 31, 2024, the total amount guaranteed through surety bond is R\$1,178,243 (R\$1,184,025 at December 31, 2023). The SH/SFH was created by article 14 of Law No. 4380/1964, and since 1967 has been guaranteed by the FCVS. Insurance companies have lawsuits filed against them because they are mischaracterized as representatives of the FCVS, which is the role of CAIXA, the manager of that Fund. In view of this role of FCVS representative in lawsuits, the insurance companies, which are the illegitimate parties, are entitled to receive reimbursements for all incurred expenditures. Law No. 12409/2011, amended by Law No. 13000/2014, as well as the CCFCVS Resolution No. 364 of March 28, 2014, expressly establish the responsibility of FCVS, through its manager CAIXA, for all lawsuits relating to the SH/SFH's public policy. In September 2018, the Federal Supreme Court (STF) recognized the general repercussion of the appeal to the Supreme Court filed by the Company to analyze the jurisdiction of the Federal Court in lawsuits of this nature. In June 2020, the merits of that appeal were judged and accepted to consolidate the interest of CAIXA, the FCVS administrator, in the SH/SFH-related lawsuits, and, consequently, establish the Federal Court's jurisdiction for processing and judging lawsuits of this nature. That appeal became final and unappealable on June 17, 2023. Currently, insurance companies are reimbursed by the FCVS for payments made in connection with SH/SFH-related lawsuits, based on the criteria established by Resolution CCFCVCS No. 448/2019 and restated by reference to the variation of the Referential Rate ("TR") between the date of payment of each expense and the date of effective reimbursement.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

5. Accounts receivable (Continued)

5.2. Other accounts receivable (Continued)

5.2.2. Consideration receivable - ASO health plans

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

	Consolidated	
	03/31/2024	12/31/2023
Falling due		
Falling due from 1 to 30 days	542,706	529,669
Falling due from 31 to 60 days	22,929	33,325
Falling due from 61 to 180 days	10,779	7,672
Falling due from 181 to 365 days	1,563	2,985
Total falling due	577,977	573,651
Past due		
Overdue from 1 to 30 days	51,999	26,518
Overdue from 31 to 60 days	912	128
Overdue from 61 to 180 days	123	334
Overdue from 181 to 365 days	44	21
Overdue for more than 365 days	3,473	3,463
Total	56,551	30,464
Provision for impairment	(3,029)	(3,006)
Total overdue	53,522	27,458
Total unearned premiums	634,528	604,115
Total provision for impairment	(3,029)	(3,006)
Total	631,499	601,109

6. Inventories

	Individual		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Medicines	108,830	129,465	279,917	264,475
Disposable materials	76,608	91,573	123,784	152,594
Special materials	75,636	84,610	117,815	136,935
Consumables	28,972	13,739	74,726	40,942
Laboratory materials	6,272	5,071	19,246	18,127
Surgical sutures	5,638	6,514	10,098	11,047
Dressing room materials	2,841	2,936	10,010	10,165
Food stuff	3,557	3,519	8,274	8,784
Other	30,217	28,366	51,349	62,827
	338,571	365,793	695,219	705,896

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

7. Transactions with related parties

Significant related-party transactions

The nature of significant related-party transactions is summarized below:

- (i) *Leases* - the Company leases properties owned by the controlling shareholders, namely: properties of the hospitals Copa D'Or and Quinta D'Or, and the property of the administrative unit. Leases are at market value and generated an expense in P&L for the period ended March 31, 2024 of R\$7,800 (R\$8,005 at March 31, 2023), referring to interest and amortization of rights of use. Leases are annually restated by reference to the Extended Consumer Price Index (IPCA).
- (ii) *Transfers of funds between companies* - to enhance the operations of certain investees and provide funds for expansion and/or acquisitions, management transfers funds between Group companies, current account remittance agreements signed between the parties. These balances are substantially eliminated in the consolidated financial statements.
- (iii) *Shared services* - these are centralized services rendered by the parent company, Rede D'Or, such as legal assistance, marketing, accounting, treasury, accounts payable and accounts receivable, which are shared among the other entities of the Group based on apportionment criteria that take into consideration the contribution of each entity to the consolidated gross revenue.
- (iv) *Debentures - certain subsidiaries issued nonconvertible debentures, which were acquired by the parent company.* These debentures are intended to provide funds to the investees for investment in operations and expansion.
- (v) Revenues and accounts receivable partially arise from commercial transactions conducted in the ordinary course of business relating to medical care provided to members of Sul América plans. These transactions have reference tables by type of service provided by the Company with Sul América and the maturities of these services are stipulated in a contract entered into between the parties.

In addition to the balances presented in the tables below, the Parent Company and subsidiary Rede D'Or Finance carried out two transactions, a debenture issue and purchase transaction: i) on January 17, 2018, subsidiary Rede D'Or Finance issued 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); and ii) on January 22, 2020, subsidiary Rede D'Or Finance carried out the second issue of senior notes, in the total amount of US\$850,000 thousand. On February 13, 2020, Rede D'Or Finance reopened the second issue of senior notes and issued an additional US\$350 thousand in 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)

March 31, 2024

(In thousands of reais, unless otherwise stated)

7. Transactions with related parties (Continued)

Balances with related parties

Company	03/31/2023			Individual 03/31/2023			
	Current	Noncurrent	P&L	Current	Noncurrent	P&L	P&L
	assets	assets		assets	assets		
Debentures Norte D'Or (a)	37,486	30,000	1,742	1,058	30,000	5,794	1,926
Debentures São Lucas (b)	42,748	-	1,338	41,411	-	6,308	1,787
Debentures Hospital Nossa Senhora das Neves (f)	370,416	-	11,879	168,775	131,757	30,560	5,675
Debentures Biocor (h)	35,050	-	1,214	33,836	-	145	-
Book-entry trade notes Onco Star SP (i)	-	1,010,765	28,221	-	983,889	-	-
Book-entry trade notes Medix (j)	4,750	-	94	-	-	-	-
Shared services							
Medise Medicina Diagnóstico e Serviços Ltda.	-	-	2,726	-	-	10,568	3,344
Hospital Esperança S.A.	-	-	9,320	-	-	38,095	10,687
Hospital São Marcos S.A.	-	-	1,555	-	-	5,542	1,784
Hospital Norte D'Or de Cascadura S.A.	-	1,081	2,784	-	10,772	10,605	3,072
J. Badim S.A.	-	19,741	1,098	-	18,643	4,034	816
Oncologia D'Or S.A.	-	12,242	18,858	-	-	70,365	16,839
Hospital Fluminense S.A.	-	-	3,927	-	-	16,494	4,755
Clínica São Vicente	-	-	3,644	-	-	11,218	2,724
Hospital Alpha-Med LTDA.	-	-	967	-	-	3,474	893
URC	-	2,806	-	-	2,806	780	-
Hospital UDI	-	-	4,210	-	-	15,036	5,008
Onco Star SP	-	4,547	4,547	-	-	15,901	4,617
DF Star	-	-	4,795	-	-	18,540	5,177
Samer	-	-	1,686	-	-	6,029	1,708
São Lucas	-	2,436	3,736	-	61,427	13,884	4,118
São Rafael	-	4,446	9,731	-	-	38,424	11,723
Casa de Saúde Laranjeiras	-	-	-	-	-	10,487	3,414
Hospital Santa Cruz	-	-	3,141	-	-	11,027	2,845
Hospital Aliança	-	-	5,294	-	-	20,806	5,616
São Carlos	-	1,307	1,959	-	17,700	6,320	1,870
Glória D'Or	-	-	2,762	-	-	10,206	2,140
Cárdio Pulmonar	-	-	4,276	-	-	16,028	3,932
Hospital Brasil Mauá (formerly Hospital América)	-	-	3,163	-	-	11,779	3,093
Hospital Balbino	-	-	696	-	-	3,016	927
Biocor Hospital de Doenças Cardiovasculares	-	1,478	2,621	-	-	4,841	2,768
Proncor Unidade Intensiva Cardiorespiratória	-	635	943	-	6,549	3,356	888
Hospital Nossa Senhora das Neves	-	3,833	2,899	-	934	9,509	2,690
Hospital Novo Atibaia	-	-	2,902	-	-	10,089	2,838
Hospital Memorial Arthur Ramos	-	-	2,811	-	-	10,655	2,709
Other	-	127	16,158	-	2,333	50,197	12,483
Hospital Norte D'Or de Cascadura S.A. (c)	-	3,552	-	-	3,570	-	-
Unidade de Radiologia Clínica Ltda. (c)	-	14,440	-	-	14,393	-	-
Jenner S.A. (c)	-	2,000	-	-	2,000	-	-
JMJB Diagnósticos e Serviços Hospitalares S.A. (c)	-	12,021	-	-	12,021	-	-
J. Badim S.A.	-	9,107	-	-	8,975	-	-
Instituto D'Or de Pesquisa e Ensino (c)	-	9,088	-	-	9,025	-	-
JM&M Empreendimentos Imobiliários S.A. (d)	-	370	7,778	-	370	31,686	8,031
Onco Star SP (e)	-	7,657	-	-	-	-	-
JTO Holding S.A. (c)	-	216,746	-	-	210,262	-	-
Rede D'Or Finance	-	263,891	-	-	263,891	-	-
Other	-	158,576	-	-	194,524	-	-
	490,450	1,792,892	175,475	245,080	1,985,841	31,798	142,897

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

7. Transactions with related parties (Continued)

Balances with related parties (Continued)

Company	Consolidated								
	03/31/2024				12/31/2023				03/31/2023
	Current assets	Noncurrent assets	Noncurrent liabilities	P&L	Current assets	Noncurrent assets	Noncurrent liabilities	P&L	P&L
Debentures Mederi (g)	190,979	-	-	6,230	36,492	131,757	-	12,381	1,033
Shared services									
J Badim S.A.	-	19,741	-	1,098	-	18,643	-	4,034	816
JMJB Diagnósticos e Serviços Hospitalares S.A.	-	12,021	-	-	-	12,021	-	-	-
Instituto D'Or de Pesquisa e Ensino (c)	-	9,668	-	-	-	10,354	-	-	-
J Badim S.A. (c)	-	9,703	-	-	-	9,529	-	-	-
JM&AM Empreendimentos Imobiliários S.A. (d)	-	370	-	7,800	-	370	-	31,782	8,055
Other	-	9,758	2,354	-	-	9,129	5,179	-	-
	190,979	61,261	2,354	15,128	36,492	191,803	5,179	48,197	9,904

(a) On April 1, 2022, Norte D'Or conducted the fifth private issue of nonconvertible, single-series, registered debentures amounting to R\$30,000, maturing on April 1, 2025, which were fully acquired by parent Rede D'Or. The debentures earn interest on a pro rata basis equivalent to 100% of the DI (Interbank Deposits) plus 3.00% p.a. Interest is paid semiannually, and the nominal value will be paid in full on the maturity date. There are no guarantees for the debentures.

On February 06, 2024, Hospital Norte D'Or conducted the sixth private issue of nonconvertible, single-series, registered debentures amounting to R\$34,686, maturing on February 06, 2025. The debentures may be fully or partially subscribed until the maturity date by Rede D'Or São Luiz S.A. Debentures not subscribed after this period will be automatically canceled. The debentures earn interest on a pro rata basis equivalent to 100% of the positive percentage variation of the CDI (Interbank Deposit Certificate) plus 4.00% p.a. Interest and the nominal value will be paid in full on the maturity date, plus yield. There are no guarantees for the debentures.

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

(c) Transfers of funds for acquisition of companies, properties, expansion of operations, among others. These balances are substantially eliminated in the consolidated financial statements.

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

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

(f) On December 17, 2021, Hospital Nossa Senhora das Neves conducted a private issue of nonconvertible, single-series, registered debentures amounting to R\$185,000, initially maturing on December 18, 2023, however this term was extended to December 18, 2024. The debentures may be fully or partially subscribed until the maturity date by Rede D'Or São Luiz. Debentures not subscribed after this period will be automatically canceled. The debentures earn interest on a pro rata basis equivalent to 100% of the positive percentage variation of the CDI (Interbank Deposit Certificate) plus 2.9% p.a. Interest is paid semiannually, and the nominal value will be paid in full on the maturity date, plus yield. There are no guarantees for the debentures.

On March 15, 2023, Hospital Nossa Senhora das Neves conducted the 2nd private issue of nonconvertible, single-series, registered debentures amounting to R\$158,200, maturing on March 15, 2025. The debentures may be fully or partially subscribed until the maturity date by Rede D'Or São Luiz. Debentures not subscribed after this period will be automatically canceled. The debentures earn interest on a pro rata basis equivalent to 100% of the positive percentage variation of the CDI (Interbank Deposit Certificate) plus 2.9% p.a. Interest and the nominal value will be paid in full on the maturity date, plus yield.

There are no guarantees for the debentures.

On December 18, 2023, Hospital Nossa Senhora das Neves conducted the third private issue of nonconvertible, single-series, registered debentures amounting to R\$16,900, maturing on December 18, 2024. The debentures may be fully or partially subscribed until the maturity date by Rede D'Or São Luiz S.A. Debentures not subscribed after this period will be automatically canceled. The debentures earn interest on a pro rata basis equivalent to 100% of the positive percentage variation of the CDI (Interbank Deposit Certificate) plus 4.00% p.a. Interest and the nominal value will be paid in full on the maturity date, plus yield. There are no guarantees for the debentures. On January 02, 2024, Hospital Nossa Senhora das Neves conducted the fourth private issue of nonconvertible, single-series, registered debentures amounting to R\$16,800, maturing on January 02, 2025. The debentures may be fully or partially subscribed until the maturity date by Rede D'Or São Luiz S.A. Debentures not subscribed after this period will be automatically canceled. The debentures earn interest on a pro rata basis equivalent to 100% of the positive percentage variation of the CDI (Interbank Deposit Certificate) plus 4.00% p.a. Interest and the nominal value will be paid in full on the maturity date, plus yield. There are no guarantees for the debentures.

On February 06, 2024, Hospital Nossa Senhora das Neves conducted the fifth private issue of nonconvertible, single-series, registered debentures amounting to R\$41,504, maturing on February 06, 2025. The debentures may be fully or partially subscribed until the maturity date by Rede D'Or São Luiz S.A. Debentures not subscribed after this period will be automatically canceled. The debentures earn interest on a pro rata basis equivalent to 100% of the positive percentage variation of the CDI (Interbank Deposit Certificate) plus 4.00% p.a. Interest and the nominal value will be paid in full on the maturity date, plus yield. There are no guarantees for the debentures.

(g) On November 30, 2022, Mederi Distribuição e Importação de Produtos para Saúde S.A. conducted the 2nd private issue of nonconvertible, single-series, registered debentures amounting to R\$13,135, maturing on December 2, 2024. The debentures may be fully or partially subscribed until the maturity date by Hospital Nossa Senhora das Neves. Debentures not subscribed after this period will be automatically canceled. The debentures earn interest on a pro rata basis equivalent to 100% of the positive percentage variation of the CDI (Interbank Deposit Certificate) plus 2.90% p.a. Interest and the nominal value will be paid in full on the maturity date, plus yield. There are no guarantees for the debentures.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

7. Transactions with related parties (Continued)

Balances with related parties (Continued)

On March 15, 2023, Mederi Distribuição e Importação de Produtos para a Saúde S.A. conducted the 3rd private issue of nonconvertible, single-series, registered debentures amounting to R\$158,200, maturing on March 15, 2025. The debentures may be fully or partially subscribed until the maturity date by Hospital Nossa Senhora das Neves. Debentures not subscribed after this period will be automatically canceled. The debentures earn interest on a pro rata basis equivalent to 100% of the positive percentage variation of the CDI (Interbank Deposit Certificate) plus 2.9% p.a. Interest and the nominal value will be paid in full on the maturity date, plus yield. There are no guarantees for the debentures.

On December 18, 2023, Mederi Distribuição e Importação de Produtos para Saúde S.A. conducted the 4th private issue of nonconvertible, single-series, registered debentures amounting to R\$16,900, maturing on December 18, 2024. The debentures may be fully or partially subscribed until the maturity date by Hospital Nossa Senhora das Neves. Debentures not subscribed after this period will be automatically canceled. The debentures earn interest on a pro rata basis equivalent to 100% of the positive percentage variation of the CDI (Interbank Deposit Certificate) plus 4.00% p.a. Interest and the nominal value will be paid in full on the maturity date, plus yield. There are no guarantees for the debentures.

On January 02, 2024, Mederi Distribuição e Importação de Produtos para Saúde S.A. conducted the 5th private issue of nonconvertible, single-series, registered debentures amounting to R\$16,500, maturing on January 02, 2025. The debentures may be fully or partially subscribed until the maturity date by Hospital Nossa Senhora das Neves S.A. Debentures not subscribed after this period will be automatically canceled. The debentures earn interest on a pro rata basis equivalent to 100% of the positive percentage variation of the CDI (Interbank Deposit Certificate) plus 4.00% p.a. Interest and the nominal value will be paid in full on the maturity date, plus yield. There are no guarantees for the debentures.

On December 19, 2023, Biocor Hospital de Doenças Cardiovasculares S.A. conducted the 1st private issue of nonconvertible, single-series, registered debentures amounting to R\$33,691, maturing on December 19, 2024. The debentures may be fully or partially subscribed until the maturity date by Rede D'Or São Luiz S.A. Debentures not subscribed after this period will be automatically canceled. The debentures earn interest on a pro rata basis equivalent to 100% of the positive percentage variation of the CDI (Interbank Deposit Certificate) plus 4.0% p.a. Interest and the nominal value will be paid in full on the maturity date, plus yield. There are no guarantees for the debentures.

On December 29, 2023, Onco Star SP Oncologia Ltda. carried out a private placement of single-series book-entry trade notes, convertible into shares, without security interest or collateral security system, of first issue, in the amount of R\$1,082,544,102.00, maturing on December 29, 2030. The trade notes may be fully or partially subscribed until the maturity date by Rede D'Or São Luiz. Trade notes not subscribed after this period will be automatically canceled. The trade notes earn interest on a pro rata basis equivalent to 100% of the positive percentage variation of the CDI (Interbank Deposit Certificate) plus 1.0% p.a. Interest and the nominal value will be paid in full on the maturity date, plus yield. There are no guarantees.

On February 06, 2024, Memorial Imagem e Diagnóstico Ltda. (MediAx) carried out a private placement of book-entry trade notes, convertible into shares, without security interest or collateral security system, in a single series, of the first issue, in the amount of R\$4,655,481.39, maturing on February 06, 2025. The trade notes may be fully or partially subscribed until the maturity date by Rede D'Or São Luiz. Trade notes not subscribed after this period will be automatically canceled. The trade notes earn interest on a pro rata basis equivalent to 100% of the positive percentage variation of the CDI (Interbank Deposit Certificate) plus 4.0% p.a. Interest and the nominal value will be paid in full on the maturity date, plus yield. There are no guarantees.

Key management personnel compensation

The Company considers "Key management personnel" only the members of its Statutory Board and Board of Directors. At March 31, 2024 and 2023, key management personnel compensation is summarized as follows:

	<u>03/31/2024</u>	<u>03/31/2023</u>
Salaries and bonuses	45,754	25,857
Benefits	45	51
Share-based payment	9,763	10,751
	<u>55,562</u>	<u>36,659</u>

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

8. Investments

Breakdown and changes in investments - Individual

Company	12/31/2023	Equity pickup	Dividends	Capital increase/ Future capital contribution	Other	03/31/2024
Medise Medicina Diagnóstico e Serviços S.A.	247,261	6,198	-	-	-	253,459
Hospital Esperança S.A.	4,350,628	112,988	-	353,657	(2,535)	4,814,738
PMJ Empreendimentos Imobiliários S.A.	902,254	4,004	-	1,277	-	907,535
Norte D'Or Participações S.A. (including goodwill)	126,956	3,098	-	-	-	130,054
Onco D'Or Oncologia S.A.	892,114	48,052	-	-	-	940,166
Jenner S.A. (including goodwill)	290,265	16,916	-	-	-	307,181
JMJB Diagnósticos e Serviços Hospitalares	45,287	(64)	-	-	-	45,223
Rodin Empreendimentos e Participações S.A.	283,335	(1,504)	-	43,863	-	325,694
Quinta Empreendimentos Imobiliários Ltda.	93,925	4,695	-	-	-	98,620
Hospital Fluminense S.A. (including goodwill)	294,761	3,021	-	8,807	-	306,589
Cardial Serviços Médicos (including goodwill)	117,990	8,022	-	-	-	126,012
TJK Empreendimentos Hospitalares	17,478	470	-	-	-	17,948
Villa Lobos Empreendimentos Imobiliários Ltda.	221,265	6,183	-	-	-	227,448
Santa Luzia II Empreendimentos Imobiliários Ltda.	63,408	(258)	-	-	-	63,150
Campinas Empreendimentos Imobiliários Ltda.	369,075	4,786	-	2,427	-	376,288
Sator Empreendimentos e Participações Ltda	3,540,316	49,292	-	138,235	-	3,727,843
Rede D'or São Luiz Serviços Médicos S.A.	316,878	20,396	-	-	-	337,274
Olimpia Projeto Rua do Rocio 86 SPE S.A.	617,864	8,828	-	961	-	627,653
Proncordis Pronto Atendimento Cardiológico Ltda.	451	(7)	-	-	-	444
Laboratórios Richet	328,103	(5,371)	-	15,488	-	338,220
California Investimentos Imobiliários Ltda.	59,940	-	-	-	-	59,940
Santa Luzia III	308,411	4,982	-	-	-	313,393
Qualicorp Consultoria e Corretora de Seguros S.A.	485,204	(3,521)	-	-	163	481,846
Clinica Médica São Remo	50,285	(1,876)	-	4,381	-	52,790
Hospital Santa Cruz	429,179	7,067	-	3,594	-	439,840
Advance Plano de Saúde S.A.	35,201	174	-	-	-	35,375
Prisma Capital	1,608,020	(11,559)	-	30	-	1,596,491
Tradição Companhia de Seguros	4,276,157	118,772	-	-	47,972	4,442,901
Cia Saúde - SulAmérica	3,351,225	142,454	-	-	60,425	3,554,104
SAEPAR Serv. E Partic	1,630,657	43,727	-	-	16,084	1,690,468
Other	1,942,482	10,240	(7,657)	99,037	649	2,044,751
	27,296,375	600,205	(7,657)	671,757	122,758	28,683,438

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Breakdown of and changes in investments - Individual (Continued)

<u>Company</u>	<u>12/31/2023</u>	<u>Equity pickup</u>	<u>Dividends</u>	<u>Capital increase/ Future capital contribution</u>	<u>Other</u>	<u>03/31/2024</u>
Onco Star	(322,217)	(19,613)	-	-	-	(341,830)
Centro Hospitalar São Marcos S.A.	(8,581)	(4)	-	-	-	(8,585)
Hospital São Marcos (including goodwill)	(107,717)	4,611	-	1,555	-	(101,551)
Rede D'or Finance	(175,045)	(846)	-	-	-	(175,891)
	(613,560)	(15,852)	-	1,555	-	(627,857)
Equity pickup		<u>584,353</u>				

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Breakdown of and changes in investments - Individual (Continued)

Company	12/31/2022	Equity pickup	Dividends	Acquisition of control	Capital increase/ Future capital contribution	Capital reduction	Transfer	Other	Merger of subsidiary into the Company	03/31/2023
Medise Medicina Diagnóstico e Serviços S.A.	244,620	7,597	-	-	-	-	-	(101)	-	252,116
Hospital Esperança S.A.	4,271,885	55,448	(92,725)	-	60,770	-	-	(2,535)	-	4,292,843
PMJ Empreendimentos Imobiliários S.A.	842,601	6,891	-	-	11,090	-	-	-	-	860,582
Norte D'Or Participações S.A. (including goodwill)	137,298	4,908	(9,585)	-	-	-	-	-	-	132,621
Onco D'Or Oncologia S.A.	726,351	50,460	-	-	-	-	-	-	-	776,811
Jenner S.A. (including goodwill)	217,067	22,728	-	-	-	-	-	-	-	239,795
JMJB Diagnósticos e Serviços Hospitalares	40,861	217	-	-	-	-	-	-	-	41,078
Rodin Empreendimentos e Participações S.A.	123,313	(220)	-	-	34,667	-	-	-	-	157,760
Quinta Empreendimentos Imobiliários Ltda.	71,617	3,494	(11,014)	-	-	-	-	-	-	64,097
Hospital Fluminense S.A. (including goodwill)	295,032	2,131	(26,495)	-	4,885	-	-	-	-	275,553
Cardial Serviços Médicos (including goodwill)	101,247	8,637	-	-	-	-	-	-	-	109,884
TJK Empreendimentos Hospitalares	18,323	486	-	-	-	-	-	-	-	18,809
Villa Lobos Empreendimentos Imobiliários Ltda.	187,920	4,115	(12,398)	-	-	-	-	-	-	179,637
Santa Luzia II Empreendimentos Imobiliários Ltda.	59,785	(124)	-	-	1,226	-	-	-	-	60,887
Campinas Empreendimentos Imobiliários Ltda.	311,087	(1,806)	-	-	25,236	-	-	-	-	334,517
Sator Empreendimentos e Participações Ltda	3,135,185	18,494	-	-	38,619	-	-	-	-	3,192,298
Rede D'or São Luiz Serviços Médicos S.A.	300,885	25,924	-	-	-	-	-	-	-	326,809
Olimpia Projeto Rua do Rocio 86 SPE S.A.	599,424	4,625	-	-	2,115	-	-	-	-	606,164
Proncordis Pronto Atendimento Cardiológico Ltda.	464	(3)	-	-	-	-	-	-	-	461
Laboratórios Richet	305,929	(3,582)	-	-	9,104	-	-	-	-	311,451
Califórnia Investimentos Imobiliários Ltda.	59,940	-	-	-	-	-	-	-	-	59,940
Hospital Avicenna S.A.	142,389	891	-	-	11,536	-	-	-	-	154,816
Santa Luzia III	310,107	4,398	-	-	-	(5,149)	-	-	-	309,356
Qualicorp Consultoria e Corretora de Seguros S.A. (a)	2,125,919	(5,941)	(1,323)	-	-	-	(1,632,305)	72	-	486,422
Clínica Médica São Remo	43,504	(1,813)	-	-	3,096	-	-	-	-	44,787
Casa de Saúde Laranjeiras S.A (Perinatal) (including goodwill)	926,298	8,151	-	-	3,535	-	-	-	-	937,984
Hospital Santa Cruz	400,555	6,215	(22,048)	-	10,390	-	-	-	-	395,112
Advance Plano de Saúde S.A.	42,397	1,977	-	-	-	-	-	-	-	44,374
Prisma Capital (a)	2	(19,686)	-	-	587	-	1,632,305	-	-	1,613,208
Traditio Companhia de Seguros	4,006,589	57,567	-	-	-	-	-	152,001	-	4,216,157
Cia Saúde – SulAmérica	3,020,712	356	(9,024)	-	-	-	-	116,875	-	3,128,919
SAEPAR Serv. E Partic	1,546,682	19,538	-	-	-	-	-	57,099	-	1,623,319
Other	1,655,999	2,965	(1,106)	-	90,136	-	-	(10,205)	-	1,737,789
	26,271,987	285,038	(185,718)	-	306,992	(5,149)	-	313,206	-	26,986,356

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

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Breakdown of and changes in investments - Individual (Continued)

Company	12/31/2022	Equity pickup	Dividends	Acquisition of equity interest	Capital increase/ Future capital contribution	Capital reduction	Transfer	Other	Merger	03/31/2023
Onco Star	(259,546)	(16,377)	-	-	-	-	-	(4,480)	-	(280,403)
Centro Hospitalar São Marcos S.A.	(13,662)	(14)	-	-	-	-	-	1,507	-	(12,169)
Hospital São Marcos (including goodwill)	(83,865)	(2,175)	-	-	1,297	-	-	-	-	(84,743)
Rede D'or Finance	(151,106)	(3,705)	-	-	-	-	-	-	-	(154,811)
Other	(865)	-	-	-	-	-	-	865	-	-
	(509,044)	(22,271)	-	-	1,297	-	-	(2,108)	-	(532,126)
Equity pickup		<u>262,767</u>								

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Breakdown of and changes in investments - Consolidated

Company	12/31/2023	Equity pickup	Acquisition of equity interest	Dividends	Capital increase/ Future capital contribution	Transfer	Other	03/31/2024
JMJB Diagnósticos e Serviços Hospitalares S.A.	45,287	(64)	-	-	-	-	-	45,223
Instituto de Radioterapia do Vale do Paraíba Ltda.	15,874	240	-	-	-	-	(28)	16,086
Qualicorp Consultoria e Corretora de Seguros S.A. (a)	2,089,698	(15,166)	-	-	-	-	703	2,075,235
Eldorado do Sul Participações Ltda.	29,205	1,410	-	-	-	-	-	30,615
Sharecare Brasil Serviços de Consult. Ltda.	(218)	(910)	-	-	-	-	-	(1,128)
Sul América Investimentos Distribuidora de Títulos e Valores Mobiliários S.A. (SAMI)	88,108	1,633	-	-	-	-	-	89,741
Other	295,914	3,121	-	(1,215)	-	-	(1)	297,819
	<u>2,563,868</u>	<u>(9,736)</u>	<u>-</u>	<u>(1,215)</u>	<u>-</u>	<u>-</u>	<u>674</u>	<u>2,553,591</u>

Company	12/31/2022	Equity pickup	Acquisition of equity interest	Dividends	Capital increase/ Future capital contribution	Transfer	Other	03/31/2023
JMJB Diagnósticos e Serviços Hospitalares S.A.	40,861	217	-	-	-	-	-	41,078
Instituto de Radioterapia do Vale do Paraíba Ltda.	43,689	1,499	-	-	-	-	(408)	44,780
Qualicorp Consultoria e Corretora de Seguros S.A. (a)	2,125,919	(25,589)	-	(1,323)	-	-	74	2,099,081
Eldorado do Sul Participações Ltda.	22,616	1,892	-	-	-	-	490	24,998
Sharecare Brasil Serviços de Consult. Ltda.	9,662	(1,778)	-	-	-	-	-	7,884
Sul América Investimentos Distribuidora de Títulos e Valores Mobiliários S.A. (SAMI)	78,242	2,457	-	-	-	-	-	80,699
Other	232,412	2,636	-	(3,900)	12,250	-	(3,979)	239,419
	<u>2,553,401</u>	<u>(18,666)</u>	<u>-</u>	<u>(5,223)</u>	<u>12,250</u>	<u>-</u>	<u>(3,823)</u>	<u>2,537,939</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 March 31, 2024 is not yet available, the Company recognized equity pickup until December 31, 2023.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Summary of information of main subsidiaries

	03/31/2024					03/31/2023		
	% Total	% Voting capital	Assets	Liabilities	Equity	Operating income (expenses)	P&L for the year	P&L for the year
Direct and indirect subsidiaries								
Medise Medicina Diagnóstico e Serviços S.A. ("Medise")	98.00	98.00	393,072	119,035	274,037	10,045	6,917	8,478
Hospital Esperança S.A. ("Esperança")	100.00	100.00	7,418,397	2,567,435	4,850,962	123,511	52,090	21,435
PMJ Empreendimentos Imobiliários S.A.	100.00	100.00	915,652	7,085	908,567	5,074	4,008	6,898
Norte D'Or Participações S.A.	100.00	100.00	102,303	604	101,699	3,096	3,101	4,913
Onco D'Or Oncologia S.A.	98.87	98.87	779,904	183,950	595,954	50,968	36,667	49,266
Jenner S.A.	91.24	91.24	528,275	2,000	526,275	33,832	29,603	39,774
Rodin Empreendimentos e Participações S.A.	100.00	100.00	339,764	14,099	325,665	(1,502)	(1,506)	(221)
Quinta Empreendimentos Imobiliários Ltda.	100.00	100.00	100,175	1,436	98,739	3,814	4,700	3,498
Hospital Fluminense S.A.	100.00	100.00	431,319	138,021	293,298	3,263	3,024	2,133
Cardial Serviços Médicos Ltda.	89.44	89.44	132,473	37,545	94,928	13,448	8,022	8,637
TJK Empreendimentos Imobiliários Ltda.	100.00	100.00	18,960	1,001	17,959	473	471	487
Villa Lobos Empreendimentos Imobiliários S.A.	100.00	100.00	229,054	1,339	227,715	4,606	6,189	4,119
Santa Luzia II Emp. Imobiliários Ltda.	100.00	100.00	67,624	4,425	63,199	(259)	(259)	(124)
Campinas Empreendimentos Imob.	100.00	100.00	378,060	1,728	376,332	4,322	4,790	(1,807)
Sator Empreendimentos e Participações Ltda.	100.00	100.00	26,988	(3,119,024)	3,146,012	49,341	49,341	18,513
Rede D'Or Finance	100.00	100.00	6,413,977	6,589,867	(175,890)	-	(846)	(3,705)
Rede D'Or São Luiz Serviços Médicos S.A.	100.00	100.00	455,913	118,341	337,572	29,426	20,417	25,950
Olimpia Projeto Rua do Rocio 86 SPE S.A.	100.00	100.00	631,350	3,340	628,010	6,504	8,837	4,630
Proncordis Pronto Atendimento Cardiológico Ltda.	100.00	100.00	6,735	616	6,119	(392)	(392)	(202)
Laboratórios Richet	100.00	100.00	219,592	93,169	126,423	(7,799)	(5,639)	(5,950)
Onco Star SP Oncologia Ltda.	75.00	75.00	1,060,893	1,516,971	(456,078)	(5,085)	(19,613)	(16,377)
Centro Hospitalar São Marcos S.A.	100.00	100.00	24	4,070	(4,046)	(4)	(4)	(14)
Santa Luzia III Empreendimentos Imobiliários Ltda.	100.00	100.00	316,153	2,451	313,702	5,002	4,987	4,402
Café Verde	100.00	100.00	9,106	7,686	1,420	283	(241)	(594)
Hospital São Marcos	100.00	100.00	223,950	336,583	(112,633)	5,428	4,612	(2,175)
Clínica Médica São Remo	100.00	100.00	70,195	19,888	50,307	(1,417)	(1,878)	(1,814)
California Investimentos Imobiliários Ltda.	100.00	100.00	59,999	-	59,999	-	-	-
Hospital Santa Cruz	100.00	100.00	419,685	226,232	193,453	14,168	7,683	4,894
Advance Plano de Saúde S.A.	100.00	100.00	48,394	12,912	35,482	(21)	174	1,979
GSH Corp Participações S.A. (Lorem)	50.00	50.00	1,144,418	832,800	311,618	26,710	1,141	1,393
Traditio Companhia de Seguros	100.00	100.00	6,588,919	508,612	6,080,307	149,507	162,545	78,934
Cia Saúde – SulAmérica	100.00	100.00	19,413,186	11,896,787	7,516,399	459,455	301,427	4,876
SAEPAR Serviços e participações	100.00	100.00	1,723,541	31,445	1,692,096	43,057	43,727	19,538

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Summary of the associates' and joint ventures' information

	03/31/2024					03/31/2023		
	% Total	% Voting capital	Assets	Liabilities	Equity	Operating income (expenses)	P&L for the year	P&L for the year
Companies recognized by the equity method in the consolidated financial statements								
JMJB Diagnósticos e Serviços Hospitalares S.A.	50.00	50.00	100,844	9,781	91,063	(129)	(64)	(1,374)
Instituto de Radioterapia do Vale do Paraíba Ltda.	50.00	50.00	28,077	10,108	17,969	4,114	3,510	5,330
Eldorado do Sul Participações Ltda.	33.33	33.33	65,785	-	65,785	4,229	1,410	3,611
Qualicorp Consultoria e Corretora de Seguros S.A. (a)/(b)	25.85	25.85	4,509,325	3,223,792	1,285,533	(a)	(a)	(b)
Sharecare Brasil Serviços de Consult.Ltda.	49.00	49.00	3,107	18,075	(14,968)	(1,646)	(910)	(1,778)
Sul América Investimentos Distribuidora de Títulos e Valores Mobiliários S.A. (SAMI)	49.00	49.00	286,385	116,653	169,732	4,497	1,633	2,457

(a) The Company recognized equity pickup until December 31, 2023.

(b) Qualicorp's March 2023 financial information was not available on the issue date of the financial information as at March 31, 2023; therefore, management used information publicly available at that time.

Impairment

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. The assumptions are described in Note 10.

There is no indication of impairment of investments to date.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

9. Property and equipment

Balance breakdown

Description	Depreciation rate	Individual					
		03/31/2024			12/31/2023		
		Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount
Hospital machinery and equipment	12% to 20%	1,730,436	(1,360,490)	369,946	1,678,455	(1,321,300)	357,155
Surgical instruments	20%	137,152	(74,124)	63,028	136,301	(69,778)	66,523
Machinery and equipment	7% to 10%	919,097	(575,791)	343,306	875,363	(552,059)	323,304
Buildings	2.5% to 4%	887,453	(280,767)	606,686	887,453	(271,507)	615,946
Improvements in own buildings	4%	461,627	(177,111)	284,516	445,826	(172,642)	273,184
Leasehold improvements	3% to 4%	3,221,229	(671,837)	2,549,392	2,857,531	(642,186)	2,215,345
Furniture and fixtures	10%	261,425	(199,929)	61,496	256,789	(193,709)	63,080
Vehicles	20%	5,907	(4,658)	1,249	5,907	(4,606)	1,301
Facilities	10%	153,601	(93,867)	59,734	151,249	(90,749)	60,500
Land	-	169,698	-	169,698	169,698	-	169,698
Construction in progress	-	978,819	-	978,819	1,140,363	-	1,140,363
Other	5% to 10%	14,607	(6,996)	7,611	14,605	(6,881)	7,724
		8,941,051	(3,445,570)	5,495,481	8,619,540	(3,325,417)	5,294,123

Description	Depreciation rate	Consolidated					
		03/31/2024			12/31/2023		
		Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount
Hospital machinery and equipment	12% to 20%	3,223,723	(2,228,624)	995,099	3,133,364	(2,146,769)	986,595
Surgical instruments	20%	307,601	(163,682)	143,919	305,903	(155,494)	150,409
Machinery and equipment	7% to 10%	1,440,509	(915,932)	524,577	1,363,779	(854,475)	509,304
Buildings	2.5% to 4%	3,839,332	(735,760)	3,103,572	3,839,290	(695,809)	3,143,481
Improvements in own buildings	4%	765,924	(241,114)	524,810	679,784	(232,594)	447,190
Leasehold improvements	3% to 4%	4,963,450	(976,367)	3,987,083	4,415,681	(930,721)	3,484,960
Furniture and fixtures	10%	500,680	(335,217)	165,463	490,374	(324,193)	166,181
Vehicles	20%	29,373	(26,480)	2,893	29,373	(26,295)	3,078
Facilities	10%	385,767	(180,837)	204,930	326,015	(165,516)	160,499
Land	-	1,184,872	-	1,184,872	1,181,599	-	1,181,599
Construction in progress	-	2,503,309	-	2,503,309	2,625,219	-	2,625,219
Other	5% to 10%	60,101	(9,326)	50,775	60,099	(9,211)	50,888
		19,204,641	(5,813,339)	13,391,302	18,450,480	(5,541,077)	12,909,403

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

9. Property and equipment (Continued)

Changes - Individual

	12/31/2023	Additions	Transfers	03/31/2024
Cost				
Hospital machinery and equipment	1,678,455	51,981	-	1,730,436
Surgical instruments	136,301	851	-	137,152
Machinery and equipment	875,363	43,734	-	919,097
Buildings	887,453	-	-	887,453
Improvements in own buildings	445,826	94	15,707	461,627
Leasehold improvements	2,857,531	50,346	313,352	3,221,229
Furniture and fixtures	256,789	4,636	-	261,425
Vehicles	5,907	-	-	5,907
Facilities	151,249	2,352	-	153,601
Land	169,698	-	-	169,698
Construction in progress	1,140,363	167,515	(329,059)	978,819
Other	14,605	2	-	14,607
	8,619,540	321,511	-	8,941,051
Depreciation				
Hospital machinery and equipment	(1,321,300)	(39,190)	-	(1,360,490)
Surgical instruments	(69,778)	(4,346)	-	(74,124)
Machinery and equipment	(552,059)	(23,732)	-	(575,791)
Buildings	(271,507)	(9,260)	-	(280,767)
Improvements in own buildings	(172,642)	(4,469)	-	(177,111)
Leasehold improvements	(642,186)	(29,651)	-	(671,837)
Furniture and fixtures	(193,709)	(6,220)	-	(199,929)
Vehicles	(4,606)	(52)	-	(4,658)
Facilities	(90,749)	(3,118)	-	(93,867)
Other	(6,881)	(115)	-	(6,996)
	(3,325,417)	(120,153)	-	(3,445,570)
Property and equipment, net	5,294,123	201,358	-	5,495,481

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

9. Property and equipment (Continued)

Changes - individual (Continued)

	12/31/2022	Additions	Transfers	03/31/2023
Cost				
Hospital machinery and equipment	1,485,605	57,320	-	1,542,925
Surgical instruments	122,273	2,516	-	124,789
Machinery and equipment	564,773	19,517	-	584,290
Buildings	827,109	843	15,296	843,248
Improvements in own buildings	328,716	-	6,388	335,104
Leasehold improvements	2,071,940	63,538	62,860	2,198,338
Furniture and fixtures	227,323	3,301	-	230,624
Vehicles	5,162	-	-	5,162
Facilities	138,789	2,752	-	141,541
Land	150,699	-	-	150,699
Construction in progress	1,091,391	229,782	(84,544)	1,236,629
Other	14,228	170	-	14,398
	<u>7,028,008</u>	<u>379,739</u>	<u>-</u>	<u>7,407,747</u>
Depreciation				
Hospital machinery and equipment	(1,152,009)	(43,579)	-	(1,195,588)
Surgical instruments	(53,419)	(4,486)	-	(57,905)
Machinery and equipment	(453,248)	(18,054)	-	(471,302)
Buildings	(215,725)	(8,663)	-	(224,388)
Improvements in own buildings	(145,846)	(3,277)	-	(149,123)
Leasehold improvements	(550,296)	(20,865)	-	(571,161)
Furniture and fixtures	(156,051)	(5,834)	-	(161,885)
Vehicles	(4,200)	(45)	-	(4,245)
Facilities	(78,009)	(2,825)	-	(80,834)
Other	(6,398)	(117)	-	(6,515)
	<u>(2,815,201)</u>	<u>(107,745)</u>	<u>-</u>	<u>(2,922,946)</u>
Property and equipment, net	<u>4,212,807</u>	<u>271,994</u>	<u>-</u>	<u>4,484,801</u>

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

9. Property and equipment (Continued)

Changes - Consolidated

	12/31/2023	Additions	Transfers	Business combinations	03/31/2024
Cost					
Hospital machinery and equipment	3,133,364	90,146	-	213	3,223,723
Surgical instruments	305,903	1,698	-	-	307,601
Machinery and equipment	1,363,779	38,061	-	38,669	1,440,509
					3,839,332
Buildings	3,839,290	42	-	-	
Improvements in own buildings	679,784	1,197	84,943	-	765,924
					4,963,450
Leasehold improvements	4,415,681	163,077	384,692	-	
Furniture and fixtures	490,374	8,955	-	1,351	500,680
Vehicles	29,373	-	-	-	29,373
Facilities	326,015	15,306	-	44,446	385,767
Land	1,181,599	-	-	3,273	1,184,872
Construction in progress	2,625,219	345,598	(469,635)	2,127	2,503,309
Other	60,099	2	-	-	60,101
	18,450,480	664,082	-	90,079	19,204,641
Depreciation					
Hospital machinery and equipment	(2,146,769)	(81,671)	-	(184)	(2,228,624)
Surgical instruments	(155,494)	(8,188)	-	-	(163,682)
Machinery and equipment	(854,475)	(35,370)	-	(26,087)	(915,932)
Buildings	(695,809)	(39,951)	-	-	(735,760)
Improvements in own buildings	(232,594)	(8,520)	-	-	(241,114)
Leasehold improvements	(930,721)	(45,646)	-	-	(976,367)
Furniture and fixtures	(324,193)	(10,191)	-	(833)	(335,217)
Vehicles	(26,295)	(185)	-	-	(26,480)
Facilities	(165,516)	(7,080)	-	(8,241)	(180,837)
Other	(9,211)	(115)	-	-	(9,326)
	(5,541,077)	(236,917)	-	(35,345)	(5,813,339)
Property and equipment, net	12,909,403	427,165	-	54,734	13,391,302

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

9. Property and equipment (Continued)

Changes - Consolidated (Continued)

	12/31/2022	Additions	Transfers	Business combinations	03/31/2023
Cost					
Hospital machinery and equipment	2,793,325	100,254	-	2,083	2,895,662
Surgical instruments	286,300	4,818	-	-	291,118
Machinery and equipment	1,047,738	27,391	-	3	1,075,132
Buildings	3,184,273	18,185	15,296	-	3,217,754
Improvements in own buildings	577,485	622	6,947	-	585,054
Leasehold improvements	3,145,996	148,415	111,351	-	3,405,762
Furniture and fixtures	463,911	5,876	-	12	469,799
Vehicles	28,512	330	-	-	28,842
Facilities	273,788	14,012	-	13	287,813
Land	1,168,390	9,600	-	10	1,178,000
Construction in progress	2,742,104	447,482	(133,594)	-	3,055,992
Other	59,627	362	-	-	59,989
	15,771,449	777,347	-	2,121	16,550,917
Depreciation					
Hospital machinery and equipment	(1,796,052)	(106,114)	-	(1,030)	(1,903,196)
Surgical instruments	(124,560)	(9,059)	-	-	(133,619)
Machinery and equipment	(737,044)	(35,187)	-	-	(772,231)
Buildings	(547,761)	(33,449)	-	-	(581,210)
Improvements in own buildings	(204,682)	(6,677)	-	-	(211,359)
Leasehold improvements	(803,341)	(15,299)	-	-	(818,640)
Furniture and fixtures	(279,331)	(12,013)	-	(8)	(291,352)
Vehicles	(24,350)	(845)	-	-	(25,195)
Facilities	(139,451)	(5,584)	-	(4)	(145,039)
Other	(8,591)	(157)	-	-	(8,748)
	(4,665,163)	(224,384)	-	(1,042)	(4,890,589)
Property and equipment, net	11,106,286	552,963	-	1,079	11,660,328

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

9. Property and equipment (Continued)

Significant changes for the periods ended March 31, 2024 and 2023 were as follows:

2024

- (i) Purchases of hospital machinery and equipment for the new Hospital Guarulhos and for Onco Star - SP.
- (ii) Expenses with improvements to the facilities of the new Hospital São Luiz Alphaville and the new Hospital Guarulhos; and
- (iii) Expenses with construction of the new hospital Macaé D'or and expansion of Hospital Barra D'Or (construction of the new tower).

2023

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

Capitalized borrowing costs

The Company capitalizes borrowing costs attributable to qualifying assets. At March 31, 2024, R\$51,308 (R\$62,209 at March 31, 2023) in interest on loans and financing were capitalized in Property and equipment.

Impairment testing of property and equipment

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

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

10. Intangible assets

	Annual amortization rate	Individual		Consolidated	
		03/31/2024	12/31/2023	03/31/2024	12/31/2023
Finite useful life					
Software	20%	169,428	186,196	720,492	732,171
Customer portfolio - SASA	11% to 20%	162,818	171,782	162,818	171,782
Exclusive agreements	20%	24,832	26,833	273,125	281,762
Other		-	-	60,593	61,825
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		-	-	55,414	55,414
Acquisition of Oncoholding		-	-	159,445	159,445
Acquisition of Hospital Fluminense		-	-	10,658	10,658
Acquisition of Hospital Santa Helena		125,802	125,802	125,802	125,802
Acquisition of Acreditar		-	-	155,720	155,720
Acquisition of Memorial São Jose		112,528	112,528	112,528	112,528
Acquisition of Alpha-Med		-	-	43,815	43,815
Acquisition of CEHON		-	-	68,757	68,757
Acquisition of Maximagem		46,742	46,742	46,742	46,742
Acquisition of Ribeirão Pires		129,739	129,739	129,739	129,739
Acquisition of NEOH		-	-	33,422	33,422
Acquisition of JTO		-	-	12,567	12,567
Acquisition of Salus		-	-	8,956	8,956
Acquisition of Prontimagem		-	-	6,220	6,220
Acquisition of Sator		-	-	163,089	163,089
Acquisition of Hospital São Rafael		-	-	509,363	509,363
Acquisition of Laboratório Richet		-	-	184,232	184,232
Acquisition of UDI		-	-	335,883	335,883
Acquisition of Samer		-	-	70,939	70,939
Acquisition of Hospital Rio Mar		-	-	94,833	94,833
Acquisition of Hospital São Lucas		-	-	223,079	223,079
Acquisition of Hospital Avicena		60,476	60,476	60,476	60,476
Acquisition of Perinatal		655,580	655,580	655,580	655,580
Acquisition of Reseda		-	-	54,198	54,198
Acquisition of Hospital Santa Cruz		-	-	299,583	299,583
Acquisition of Aliança		-	-	925,555	925,555
Acquisition of Salute		-	-	15,475	15,475
Acquisition of São Carlos		-	-	160,139	160,139
Acquisition of Clínica São Lucas		-	-	45,673	45,673
Acquisition of Clivalle		-	-	40,786	40,786
Acquisition of HCP/Cárdio Pulmonar		-	-	146,894	146,894
Acquisition of Saúde Corp		-	-	11,555	11,555
Acquisition of Guaianases		-	-	115,751	115,751
Acquisition of Antônio Afonso		-	-	16,782	16,782

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

10. Intangible assets (Continued)

	Annual amortization rate	Individual		Consolidated	
		03/31/2024	12/31/2023	03/31/2024	12/31/2023
Indefinite useful life					
Acquisition of Balbino	-	-	-	77,500	77,500
Acquisition of América	-	-	-	456,511	456,511
Acquisition of Serra Mayor	-	-	-	68,981	68,981
Acquisition of Biocor	-	-	-	620,347	620,347
Acquisition of Proncor	-	-	-	202,929	202,929
Acquisition of Santa Emília	-	-	-	121,991	121,991
Acquisition of Hospital Nossa Senhora das Neves	-	-	-	326,634	326,634
Acquisition of HNSN Empreendimentos	-	-	-	34,790	34,790
Acquisition of Orthoservice	-	-	-	33,705	33,705
Acquisition of HNA Emp. E Participações	-	-	-	12,401	12,401
Acquisition of Hospital Novo Atibaia	-	-	-	173,020	173,020
Acquisition of Hospital Arthur Ramos	-	-	-	272,686	272,686
Acquisition of Hospital Santa Isabel	-	-	-	243,287	243,287
Acquisition of Hospital Aeroporto	-	-	-	171,511	171,511
Acquisition of Paraná Clínicas	-	-	-	284,701	284,701
Acquisition of Sompo Saúde	-	-	-	199,384	199,384
Acquisition of Prodent	-	-	-	106,681	106,681
Acquisition of SASA		1,820,625	1,820,625	1,820,625	1,820,625
Other goodwill		48,650	48,650	614,930	601,825
Trademark - SASA		2,068,575	2,068,575	2,068,575	2,068,575
Trademarks and patents (a)		190,810	190,810	192,472	192,239
		7,480,995	7,508,728	16,432,394	16,449,568

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

Software development costs and licenses

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

Impairment

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

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

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

10. Intangible assets (Continued)

Impairment (Continued)

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

There is no indication of *impairment* of intangible assets to date.

11. Right of use

Balance breakdown

Description	Individual					
	03/31/2024			12/31/2023		
	Cost	Amortization	Net	Cost	Amortization	Net
Properties	3,274,835	(1,015,051)	2,259,784	3,108,775	(950,269)	2,158,506
	3,274,835	(1,015,051)	2,259,784	3,108,775	(950,269)	2,158,506
Description	Consolidated					
	03/31/2024			12/31/2023		
	Cost	Amortization	Net	Cost	Amortization	Net
Hospital machinery and equipment	885	(212)	673	2,531	(1,646)	885
Properties	4,087,252	(1,428,101)	2,659,151	4,024,562	(1,344,985)	2,679,577
Vehicles	1,583	(185)	1,398	3,684	(3,684)	-
	4,089,720	(1,428,498)	2,661,222	4,030,777	(1,350,315)	2,680,462

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

11. Right of use (Continued)

Changes - Individual

	12/31/2023	Additions (a)	Write-offs	Amortization	03/31/2024
Cost					
Properties	3,108,775	166,060	-	-	3,274,835
	<u>3,108,775</u>	<u>166,060</u>	<u>-</u>	<u>-</u>	<u>3,274,835</u>
Amortization					
Properties	(950,269)	-	-	(64,782)	(1,015,051)
	<u>(950,269)</u>	<u>-</u>	<u>-</u>	<u>(64,782)</u>	<u>(1,015,051)</u>
Right of use, net	<u>2,158,506</u>	<u>166,060</u>	<u>-</u>	<u>(64,782)</u>	<u>2,259,784</u>

	12/31/2022	Additions (a)	Write-offs (b)	Amortization	03/31/2023
Cost					
Hospital machinery and equipment	32,473	-	(187)	-	32,286
Properties	<u>2,949,485</u>	<u>44,699</u>	<u>-</u>	<u>-</u>	<u>2,994,184</u>
	<u>2,981,958</u>	<u>44,699</u>	<u>(187)</u>	<u>-</u>	<u>3,026,470</u>
Amortization					
Hospital machinery and equipment	(23,701)	187	-	(1,135)	(24,649)
Properties	<u>(694,803)</u>	<u>-</u>	<u>-</u>	<u>(60,956)</u>	<u>(755,759)</u>
	<u>(718,504)</u>	<u>187</u>	<u>-</u>	<u>(62,091)</u>	<u>(780,408)</u>
Right of use, net	<u>2,263,454</u>	<u>44,886</u>	<u>(187)</u>	<u>(62,091)</u>	<u>2,246,062</u>

Changes - Consolidated

	12/31/2023	Additions (a)	Write-offs (b)	Amortization	03/31/2024
Cost					
Hospital machinery and equipment	2,531	-	(1,646)	-	885
Properties	<u>4,024,562</u>	<u>62,690</u>	<u>-</u>	<u>-</u>	<u>4,087,252</u>
Vehicles	<u>3,684</u>	<u>1,583</u>	<u>(3,684)</u>	<u>-</u>	<u>1,583</u>
	<u>4,030,777</u>	<u>64,273</u>	<u>(5,330)</u>	<u>-</u>	<u>4,089,720</u>
Amortization					
Hospital machinery and equipment	(1,646)	-	1,646	(212)	(212)
Properties	<u>(1,344,985)</u>	<u>-</u>	<u>-</u>	<u>(83,116)</u>	<u>(1,428,101)</u>
Vehicles	<u>(3,684)</u>	<u>-</u>	<u>3,684</u>	<u>(185)</u>	<u>(185)</u>
	<u>(1,350,315)</u>	<u>-</u>	<u>5,330</u>	<u>(83,513)</u>	<u>(1,428,498)</u>
Right of use, net	<u>2,680,462</u>	<u>64,273</u>	<u>-</u>	<u>(83,513)</u>	<u>2,661,222</u>

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

11. Right of use (Continued)

Changes - Consolidated (Continued)

	12/31/2022	Additions (a)	Write-offs (b)	Amortization	03/31/2023
Cost					
Hospital machinery and equipment	64,520	-	(4,951)	-	59,569
Properties	3,808,087	19,378	-	-	3,827,465
Vehicles	3,764	30	-	-	3,794
	3,876,371	19,408	(4,951)	-	3,890,828
Amortization					
Hospital machinery and equipment	(44,620)	-	3,474	(2,524)	(43,670)
Properties	(994,642)	-	-	(95,522)	(1,090,164)
Vehicles	(2,509)	-	-	(345)	(2,854)
	(1,041,771)	-	3,474	(98,391)	(1,136,688)
Right of use, net	2,834,600	19,408	(1,477)	(98,391)	2,754,140

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

(b) Write-offs referring to contract termination.

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

12. Insurance contract assets and liabilities

Insurance contracts	03/31/2024		12/31/2023	
	Assets	Liabilities	Assets	Liabilities
Long-term contracts (BBA/VFA)	7,954	15,870,751	5,667	15,783,019
Short-term contracts (PAA)	56,135	1,875,159	76,347	1,359,504
Total	64,089	17,745,910	82,014	17,142,523
Current	28,535	5,554,975	41,419	4,683,939
Noncurrent	35,554	12,190,935	40,595	12,458,584

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

12. Insurance contract assets and liabilities (Continued)

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

Short-term contracts (PAA)

		Consolidated				
		Liability/Asset for remaining coverage	Liability for claims incurred		Assets for insurance acquisition costs	Total
		Less loss component	Estimated future cash flows at present value	Risk adjustment		
		(742,794)	3,752,308	144,542	(1,794,552)	1,359,504
		(61,658)	28,477	79	(43,245)	(76,347)
		(804,452)	3,780,785	144,621	(1,837,797)	1,283,157
	Note 18.2	(6,346,043)	-	-	-	(6,346,043)
	Note 19.2/					
	(f)	737,441	3,676,248	8,985	-	4,422,674
		(5,608,602)	3,676,248	8,985	-	(1,923,369)
		-	192,634	4,893	-	197,527
		-	(13,190)	(465)	-	(13,655)
		(5,608,602)	3,855,692	13,413	-	(1,739,497)
	(a)	6,340,405	-	-	-	6,340,405
	(f)	-	(3,345,244)	-	-	(3,345,244)
	(b)	(338,466)	-	-	(141,388)	(479,854)
	(c)	(242,050)	-	-	-	(242,050)
		5,759,889	(3,345,244)	-	(141,388)	2,273,257
	(d)	(26,488)	-	-	26,488	-
	(e)	(4,006)	6,113	-	-	2,107
		(683,659)	4,297,346	158,034	(1,952,697)	1,819,024
		(631,231)	4,262,477	157,953	(1,914,040)	1,875,159
		(52,428)	34,869	81	(38,657)	(56,135)

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

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

(c) Other changes within insurance assets or liabilities that affect other statement of financial position lines, as well as expenses allocated to insurance contracts not directly related to claims (such as costs with issue and maintenance of contracts, costs to comply with regulatory requirements, among others) and acquisition cash flows, which are not recorded in assets/liabilities from insurance and reinsurance contracts and were included in Insurance Costs line.

(d) Other changes from acquisition cash flows include the reclassification of liabilities for insurance acquisition cash flows that have been recognized before the group recognition by the determination of another CPC/IFRS.

(e) Refers to the elimination of transactions between group companies.

(f) Includes the elimination of claims incurred and other expenses to be allocated to insurance contracts between the Group's companies.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

12. Insurance contract assets and liabilities (Continued)

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

Short-term contracts (PAA) - Continued

	Consolidated				
	Liability/Asset for remaining coverage	Liability for claims incurred		Assets for insurance acquisition costs	Total
	Less loss component	Estimated future cash flows at present value	Risk adjustment		
Insurance contract liabilities at 01/01/2023	(683,679)	2,849,478	95,789	(1,962,972)	298,616
Insurance contract assets at 01/01/2023	(83,224)	28,003	298	(94,585)	(149,508)
Total insurance contracts at 01/01/2023	(766,903)	2,877,481	96,087	(2,057,557)	149,108
Insurance revenue	(23,707,681)	-	-	-	(23,707,681)
Insurance costs	3,026,033	14,662,351	33,943	-	17,722,327
Income from (loss on) insurance services	(20,681,648)	14,662,351	33,943	-	(5,985,354)
Finance income (costs) from insurance operations	-	611,984	14,553	-	626,537
Changes in other comprehensive income	-	(690)	38	-	(652)
Total changes that impact P&L or other comprehensive income	(20,681,648)	15,273,645	48,534	-	(5,359,469)
Premiums and other cash flows received from policyholders	23,540,195	-	-	-	23,540,195
Claims and other benefits paid to policyholders or their beneficiaries	-	(14,392,693)	-	-	(14,392,693)
Acquisition cash flows paid	(1,344,475)	-	-	(424,090)	(1,768,565)
Other expenses allocated to the insurance service	(894,885)	-	-	-	(894,885)
Total cash flows	21,300,835	(14,392,693)	-	(424,090)	6,484,052
Allocation of acquisition costs prepaid to insurance cash flows	(643,850)	-	-	643,850	-
Other	(12,886)	22,352	-	-	9,466
Total insurance contracts at 12/31/2023	(804,452)	3,780,785	144,621	(1,837,797)	1,283,157
Insurance contract liabilities at 12/31/2023	(742,794)	3,752,308	144,542	(1,794,552)	1,359,504
Insurance contract assets at 12/31/2023	(61,658)	28,477	79	(43,245)	(76,347)

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

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

(c) Other changes within insurance assets or liabilities that affect other statement of financial position lines, as well as expenses allocated to insurance contracts not directly related to claims (such as costs with issue and maintenance of contracts, costs to comply with regulatory requirements, among others) and acquisition cash flows, which are not recorded in assets/liabilities from insurance and reinsurance contracts and were included in Insurance Costs line.

(d) Other changes from acquisition cash flows include the reclassification of liabilities for insurance acquisition cash flows that have been recognized before the group recognition by the determination of another CPC/IFRS (Note 2.20).

(e) Refers to the elimination of transactions between group companies.

(f) Includes the elimination of claims incurred and other expenses to be allocated to insurance contracts between the Group's companies.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

12. Insurance contract assets and liabilities (Continued)

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

Long-term contracts (BBA/VFA)

	Consolidated				
	Liability/Asset for remaining coverage		Liability for claims incurred		Total
	Less loss component	Loss components	Estimated future cash flows at present value	Risk adjustment	
Insurance contract liabilities at 12/31/2023	14,304,162	936,095	522,426	20,336	
Insurance contract assets at 01/01/2023	(8,519)	-	2,849	3	(5,667)
Total insurance contracts at 12/31/2023	14,295,643	936,095	525,275	20,339	15,777,352
Insurance revenue	Note 18.2 Note 19.2/ (707,763)	-	-	-	(707,763)
Insurance costs	(538,180)	25,765	1,111,572	(56)	599,101
Income from (loss on) insurance services	(1,245,943)	25,765	1,111,572	(56)	(108,662)
Finance income (costs) from insurance operations	266,187	25,764	28,333	677	320,961
Changes in other comprehensive income	(172,477)	(24,840)	(2,051)	(63)	(199,431)
Total changes that impact P&L or other comprehensive income	(1,152,233)	26,689	1,137,854	558	12,868
Premiums and other cash flows received from policyholders	(a) 1,232,833	-	-	-	1,232,833
Claims and other benefits paid to policyholders or their beneficiaries	(d) -	-	(1,115,022)	-	(1,115,022)
Acquisition cash flows paid	(b) (17,758)	-	-	-	(17,758)
Private pension redemption and investment	(14,229)	-	-	-	(14,229)
Other expenses allocated to the insurance service	(c) (13,247)	-	-	-	(13,247)
Total cash flows	1,187,599	-	(1,115,022)	-	72,577
Total insurance contracts at 03/31/2024	14,331,009	962,784	548,107	20,897	15,862,797
Insurance contract liabilities at 03/31/2024	14,343,149	962,784	543,925	20,893	15,870,751
Insurance contract assets at 03/31/2024	(12,140)	-	4,182	4	(7,954)

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

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

(c) Other changes within insurance assets or liabilities that affect other statement of financial position lines, as well as expenses allocated to insurance contracts not directly related to claims (such as costs with issue and maintenance of contracts, costs to comply with regulatory requirements, among others) and acquisition cash flows, which are not recorded in assets/liabilities from insurance and reinsurance contracts and were included in Insurance Costs line. Cash flows related to investment and redemptions of non-separable pension investment components (VGBL/PGBL) were also included in this line.

(d) Includes the elimination of claims incurred and other expenses to be allocated to insurance contracts between the Group's companies.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

12. Insurance contract assets and liabilities (Continued)

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

Long-term contracts (BBA/VFA) - Continued

	Consolidated				
	Liability/Asset for remaining coverage		Liability for claims incurred		Total
	Less loss component	Loss component	Estimated future cash flows at present value	Risk adjustment	
Insurance contract liabilities at 01/01/2023	13,308,357	1,067,575	452,983	14,809	14,843,724
Total insurance contracts at 01/01/2023	13,308,357	1,067,575	452,983	14,809	14,843,724
Insurance revenue	(3,012,071)	-	-	-	(3,012,071)
Insurance costs	(2,727,718)	(227,582)	5,074,978	3,559	2,123,237
Income from (loss on) insurance services	(5,739,789)	(227,582)	5,074,978	3,559	(888,834)
Finance income (costs) from insurance operations	1,439,238	89,442	83,123	1,945	1,613,748
Changes in other comprehensive income	20,116	6,660	763	26	27,565
Total changes that impact P&L or other comprehensive income	(4,280,435)	(131,480)	5,158,864	5,530	752,479
Premiums and other cash flows received from policyholders	5,395,438	-	-	-	5,395,438
Claims and other benefits paid to policyholders or their beneficiaries	-	-	(5,086,572)	-	(5,086,572)
Acquisition cash flows paid	(74,023)	-	-	-	(74,023)
Private pension redemption and investment	12,003	-	-	-	12,003
Other expenses allocated to the insurance service	(65,697)	-	-	-	(65,697)
Total cash flows	5,267,721	-	(5,086,572)	-	181,149
Total insurance contracts at 12/31/2023	14,295,643	936,095	525,275	20,339	15,777,352
Insurance contract liabilities at 12/31/2023	14,304,162	936,095	522,426	20,336	15,783,019
Insurance contract assets at 12/31/2023	(8,519)	-	2,849	3	(5,667)

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

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

(c) Other changes within insurance assets or liabilities that affect other statement of financial position lines, as well as expenses allocated to insurance contracts not directly related to claims (such as costs with issue and maintenance of contracts, costs to comply with regulatory requirements, among others) and acquisition cash flows, which are not recorded in assets/liabilities from insurance and reinsurance contracts and were included in Insurance Costs line. Cash flows related to investment and redemptions of non-separable pension investment components (VGBL/PGBL) were also included in this line.

(d) Includes the elimination of claims incurred and other expenses to be allocated to insurance contracts between the Group's companies.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

12. Insurance contract assets and liabilities (Continued)

12.2 Contracts held showing cash flow estimate at present value, risk adjustment, and contractual service margin

	Consolidated			Total
	Estimativa do valor presente dos fluxos de caixa futuros	Ajuste de risco	Margem de serviço contratual	
Insurance contract assets at 12/31/2023	(2,619)	50	(3,098)	(5,667)
Insurance contract liabilities at 12/31/2023	14,587,203	739,783	456,033	15,783,019
Total reinsurance contracts at 12/31/2023	14,584,584	739,833	452,935	15,777,352
Changes related to contractual services	(75,240)	(17,313)	(8,043)	(100,596)
Contractual service margin recognized for services rendered	-	-	(8,043)	(8,043)
Recognized risk adjustment for the expired risk	-	(17,313)	-	(17,313)
Experience adjustments	(75,240)	-	-	(75,240)
Changes related to future services	41,183	(15,707)	30,357	55,833
Contracts initially recognized in the period	(9,788)	85	9,703	-
Changes to estimates that adjust the contractual service margin	(19,735)	(919)	20,654	-
Changes to estimates that do not adjust the contractual service margin	70,706	(14,873)	-	55,833
Changes related to prior services	(80,738)	16,839	-	(63,899)
Adjustments of liabilities for claims incurred	(80,738)	16,839	-	(63,899)
Income from (loss on) insurance services	(114,795)	(16,181)	22,314	(108,662)
Finance costs from insurance	295,256	23,096	2,609	320,961
Effects of changes in interest rates	(177,667)	(21,764)	-	(199,431)
Total	2,794	(14,849)	24,923	12,868
Earned premiums	1,232,833	-	-	1,232,833
Other expenses payable	(1,142,498)	-	-	(1,142,498)
Insurance acquisition cash flows	(17,758)	-	-	(17,758)
Net reinsurance contract (assets)/liabilities at 03/31/2024	14,659,955	724,984	477,858	15,862,797
Reinsurance contract liabilities at 03/31/2024	14,661,451	724,928	484,372	15,870,751
Reinsurance contract assets at 03/31/2024	(1,496)	56	(6,514)	(7,954)

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Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

12. Insurance contract assets and liabilities (Continued)

12.2 Contracts held showing cash flow estimate at present value, risk adjustment, and contractual service margin

	Consolidated			
	Estimated present value of future cash flows	Risk adjustment	Contractual service margin	Total
Insurance contract liabilities at 01/01/2023	13,628,788	652,408	562,528	14,843,724
Total insurance contracts at 01/01/2023 (a)	13,628,788	652,408	562,528	14,843,724
Changes related to contractual services	(509,093)	(60,564)	(38,593)	(608,250)
Contractual service margin recognized for services rendered	-	-	(38,593)	(38,593)
Recognized risk adjustment for the expired risk	-	(60,564)	-	(60,564)
Experience adjustments	(509,093)	-	-	(509,093)
Changes related to future services	(145,307)	2,479	(84,754)	(227,582)
Contracts initially recognized in the period (b)	(78,548)	611	77,937	-
Changes to estimates that adjust the contractual service margin	168,927	(6,236)	(162,691)	-
Changes to estimates that do not adjust the contractual service margin	(235,686)	8,104	-	(227,582)
Changes related to prior services	(115,424)	62,422	-	(53,002)
Adjustments of liabilities for claims incurred	(115,424)	62,422	-	(53,002)
Income from (loss on) insurance services	(769,824)	4,337	(123,347)	(888,834)
Finance income (costs) from insurance operations	1,520,981	79,013	13,754	1,613,748
Changes in other comprehensive income	23,490	4,075	-	27,565
Total	774,647	87,425	(109,593)	752,479
Premiums and other cash flows received from policyholders	5,395,438	-	-	5,395,438
Claims and other benefits paid to policyholders or their beneficiaries	(5,140,266)	-	-	(5,140,266)
Insurance acquisition cash flows	(74,023)	-	-	(74,023)
Total insurance contracts at 12/31/2023	14,584,584	739,833	452,935	15,777,352
Insurance contract liabilities at 12/31/2023	14,587,203	739,783	456,033	15,783,019
Insurance contract assets at 12/31/2023	(2,619)	50	(3,098)	(5,667)

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

12. Insurance contract assets and liabilities (Continued)

12.3 Expected recognition of contractual service margin (CSM) in coming years

	Consolidated			
	Long-term contracts (BBA/VFA)			
	2024	2025 to 2029	From 2029 onwards	03/31/2024
Release of CSM	32,780	161,722	283,356	477,858

	Consolidated			
	Short-term contracts (PAA)			
	2024	2025 to 2029	From 2029 onwards	12/31/2023
Release of CSM	39,344	156,855	256,736	452,935

12.4 Expected recognition of acquisition cash flows in coming years

	Consolidated			
	Short-term contracts (PAA)			
	2024	2025 to 2029	From 2029 onwards	03/31/2024
Release of acquisition cash flow assets	638,945	1,183,541	130,211	1,952,697

	Consolidated			
	Short-term contracts (PAA)			
	2024	2025 to 2029	From 2029 onwards	12/31/2023
Release of acquisition cash flow assets	604,228	1,105,393	128,176	1,837,797

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

12. Insurance contract assets and liabilities (Continued)

12.5. Guarantee for technical reserves

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

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

As at March 31, 2024, the subsidiaries regulated by SUSEP and ANS were compliant with the requirements for coverage of technical reserves.

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Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

13. Loans, financing and debentures

Transaction/Instrument	Index	Spread	Currency	Principal R\$	Beginning	Maturity	Amortization	Guarantees	Individual		Consolidated	
									03/31/2024	12/31/2023	03/31/2024	12/31/2023
FINEP	TJLP/FIXED RATE	0.5%/4.0%	R\$	170,252	Feb/15	Sept/24	Monthly	Surety bond	11,832	17,925	11,832	17,925
Citibank III (a)	SOFR	0.99%	US\$	304,158	Apr/23	Apr/27	Annually	n/a	311,668	299,144	311,668	299,144
BofA II (a)	FIXED RATE	0.88%	EUR€	400,520	June/21	June/25	Bullet	n/a	345,372	341,912	345,372	341,912
JP Morgan II (a)	FIXED RATE	1.58%	US\$	520,000	July/20	July/25	Bullet	n/a	469,989	455,269	469,989	455,269
CCB Bank of China	100% of DI	1.20%	R\$	85,000	May/20	May/26	Bullet	n/a	89,019	86,492	89,019	86,492
Other	CDI/FIXED RATE/IPCA	-	R\$	n/a	n/a	Mar/28	Monthly	Credit rights/ Guarantee	-	-	35,020	3,577
Debentures – 3rd issue - Esperança	110.85% of DI	-	R\$	1,000,000	Aug/17	Aug/24	Semiannually	n/a	-	-	126,032	260,593
Debentures - 4th issue - Esperança	100% of DI	1.27%/1.50%	R\$	1,000,000	Feb/18	Dec/27	Annually	n/a	-	-	1,022,961	992,073
Debentures - 10th issue (a)	FIXED RATE	11.82%	R\$	1,628,100	Jan/18	Jan/28	Bullet	n/a	1,645,719	1,723,193	32,439	33,407
Debentures - 13th issue (b)	100% of DI	1.02%	R\$	1,400,000	Sept/18	Sept/24	Annually	n/a	702,848	725,575	702,848	725,575
Debentures - 14th issue (b)	106% of DI	-	R\$	500,000	Oct/18	Oct/26	Annually	Property	391,225	380,509	391,225	380,509
Debentures - 17th issue 3rd series (b)	100% of DI	0.79%	R\$	1,000,000	June/19	June/29	Annually	n/a	1,024,159	995,788	1,024,159	995,788
Debentures - 17th issue 2nd series	100% of DI	1.25%	R\$	2,500,000	Dec/19	Dec/26	Annually	n/a	2,563,500	2,489,661	2,563,500	2,489,661
Debentures - 17th issue 1st series (a)	FIXED RATE	8.75%	R\$	3,198,350	Apr/20	Jan/30	Bullet	n/a	2,632,747	2,773,950	-	-
Debentures - 19th issue 2nd series	100% of DI	1.90%	R\$	2,500,000	Aug/21	Aug/31	Annually	n/a	2,516,305	2,605,127	2,516,305	2,605,127
Debentures - 19th issue 3rd series	100% of DI	1.90%	R\$	1,500,000	Sept/21	Aug/31	Annually	n/a	1,509,783	1,563,076	1,509,783	1,563,076
Debentures - 23rd issue 1st series	100% of DI	1.40%	R\$	900,000	May/22	May/28	Bullet	n/a	934,531	907,338	934,531	907,338
Debentures - 23rd issue 2nd series	100% of DI	1.90%	R\$	850,000	May/22	May/32	Annually	n/a	884,182	857,449	884,182	857,449
Debentures - 23rd issue 3th series	100% of DI	1.90%	R\$	625,000	May/22	May/32	Annually	n/a	650,134	630,477	650,134	630,477
Debentures - 25th issue 1st series	100% of DI	2.00%	R\$	450,000	Oct/22	Oct/32	Bullet	n/a	473,648	459,220	473,648	459,220
Debentures - 25th issue 2nd series	100% of DI	1.95%	R\$	150,000	Oct/22	Oct/32	Annually	n/a	157,848	153,058	157,848	153,058
Debentures - 27th issue	100% of DI	1.70%	R\$	1,100,000	Feb/23	Feb/30	Annually	n/a	1,106,941	1,145,537	1,106,941	1,145,537
Debentures - 28th issue	100% of DI	1.90%	R\$	490,000	June/23	May/28	Bullet	n/a	543,274	526,848	543,274	526,848
Debentures - 29th issue	100% of DI	2.25%	R\$	1,000,000	Aug/23	July/31	Annually	n/a	1,015,196	1,050,067	1,015,196	1,050,067
Debentures - 31st issue	100% of DI	2.00%	R\$	500,000	Oct/23	Oct/31	Annually	n/a	526,565	510,525	526,565	510,525
Debentures (SULA) - 8th issue 1st series (c)	100% of DI	1.50%	R\$	233,000	Feb/21	Feb/24	Bullet	n/a	-	245,925	-	245,925
Debentures (SULA) - 8th issue 2nd series (c)	100% of DI	1.80%	R\$	467,000	Feb/21	Feb/26	Annually	n/a	-	497,845	-	497,845
Debentures (SULA) - 9th issue 1st series	100% of DI	1.50%	R\$	750,000	Nov/21	Nov/26	Annually	n/a	794,970	769,731	794,970	769,731
Debentures (SULA) - 9th issue 2nd series	100% of DI	1.70%	R\$	750,000	Nov/21	Nov/28	Annually	n/a	795,567	769,948	795,567	769,948
Debentures GGSH	100% of DI	2.80%	R\$	360,000	Apr/21	Apr/26	Semiannually	n/a	-	-	375,333	363,127
Debentures GGSH	100% of DI	2.20%	R\$	100,000	Dec/23	Dec/28	Semiannually	n/a	-	-	104,259	100,869
CCB GGSH	100% of DI	2.42%	R\$	125,000	Aug/23	Aug/28	Semiannually	Guarantee	-	-	123,664	129,295
Senior Notes I (a)	FIXED RATE	4.95%	US\$	1,596,400	Jan/18	Jan/28	Bullet	n/a	-	-	2,367,784	2,361,259
Senior Notes II (a)	FIXED RATE	4.50%	US\$	5,062,504	Jan/20	Jan/30	Bullet	n/a	-	-	3,163,806	3,188,554
Mortgage-backed Securities (CRIs) - 2 nd issue	IPCA	6.06%	R\$	300,000	July/18	July/25	Bullet	n/a	406,959	404,243	406,959	404,243

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Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

13. Loans, financing and debentures (Continued)

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

Total costs related to the issues of loans, financing and debentures, in the amount of R\$312,936 at March 31, 2024 (R\$347,517 at December 31, 2023), were recorded as a reduction of the balances and have been amortized over the term of the agreements, as established by CPC 08 - Transactions Costs and Premiums on Issue of Marketable Securities.

Before the SASA business combination, the Company did not have covenants relating to debt ratios, nor corresponding ratios based on net debt, EBITDA and finance costs rather than the guarantees listed above. Since, as a result of the merger, the Company is the successor, there are covenants whose application is suspended, as shown in Note 13.1. below.

At March 31, 2024, the noncurrent maturity schedule is as follows:

03/31/2024			
Individual		Consolidated	
Year	Amount	Year	,Net
2025	3,192,506	2025	3,348,614
2026	1,496,953	2026	2,142,418
2027	1,155,546	2027	1,734,575
2028	4,346,984	2028	5,170,620
2029	4,255,550	2029	4,258,061
2030 to 2038	14,057,793	2030 to 2038	14,638,323
	28,505,332		31,292,611

13.1. Covenants

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

Issue	Exempt until
Ninth issue of debentures of Sul América S.A.	3rd quarter of 2025

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

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Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

13. Loans, financing and debentures (Continued)

13.1. Covenants (Continued)

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

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

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

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

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

14. Provision for contingencies and judicial deposits

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

	Individual			
	03/31/2024		12/31/2023	
	Provision for contingencies	Judicial deposits	Provision for contingencies	Judicial deposits
Tax and social security	462,252	(308,330)	526,597	(321,576)
Labor	138,273	(37,180)	136,284	(37,163)
Civil	158,156	(3,627)	157,304	(3,627)
	758,681	(349,137)	820,185	(362,366)

	Consolidated			
	03/31/2024		12/31/2023	
	Provision for contingencies	Judicial deposits	Provision for contingencies	Judicial deposits
Tax and social security	1,664,106	(2,118,177)	1,714,567	(2,107,976)
Labor	293,007	(132,461)	293,306	(126,887)
Civil	1,324,440	(480,096)	1,260,481	(447,693)
	3,281,553	(2,730,734)	3,268,354	(2,682,556)

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

14. Provision for contingencies and judicial deposits (Continued)

14.1. Proceedings assessed as probable loss

Changes in provisions for contingencies for the periods ended March 31, 2024 and 2023 were as follows:

	Individual			Total
	Tax and social security	Labor	Civil	
Balances at December 31, 2022	931,974	106,200	170,768	1,208,942
Additions, net of reversals	(99,442)	17,102	(17,062)	(99,402)
Monetary restatement	6	2,007	1,505	3,518
Payments	(236)	(164)	(54)	(454)
Balances at March 31, 2023	832,302	125,145	155,157	1,112,604
Balances at December 31, 2023	526,597	136,284	157,304	820,185
Additions, net of reversals	(64,869)	-	-	(64,869)
Monetary restatement	524	2,046	852	3,422
Payments	-	(57)	-	(57)
Balances at March 31, 2024	462,252	138,273	158,156	758,681
	Consolidated			Total
	Tax and social security	Labor	Civil	
Balances at December 31, 2022	2,379,022	267,772	1,145,378	3,792,172
Additions, net of reversals	(98,213)	25,756	43,984	(28,473)
Monetary restatement	17,173	4,383	29,149	50,705
Changes in equity	-	14,442	-	14,442
Payments	(286,244)	(1,289)	(51,774)	(339,307)
Balances at March 31, 2023	2,011,738	311,064	1,166,737	3,489,539
Balances at December 31, 2023	1,714,567	293,306	1,260,481	3,268,354
Additions, net of reversals	(64,869)	(36)	96,838	31,933
Monetary restatement	14,414	4,290	45,312	64,016
Payments	(6)	(4,553)	(78,191)	(82,750)
Balances at March 31, 2024	1,664,106	293,007	1,324,440	3,281,553

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

14. Provision for contingencies and judicial deposits (Continued)

14.2. Proceedings assessed as possible loss

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

	Individual		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Tax and social security (a)	884,911	2,125,838	2,472,983	3,649,564
Labor (b)	360,369	343,495	640,800	597,694
Civil (c)	336,287	333,865	689,405	684,233
	1,581,567	2,803,198	3,803,188	4,931,491

- (a) Administrative Proceedings No. 10166-720689/2017-18 and 10166-730.893/2017-39, which addressed tax assessments that required Social Security Contributions on outsourced medical activities - workers hired as legal entities rather than under an employment agreement ('pejotização') and Stock Option Grant Plans - had their voluntary appeals deemed founded for substantial cancellation of the assessment notices, keeping only approximately R\$2,000,000.00 in the sessions of 02/06/2024 and 02/07/2024 of CARF, respectively. Therefore, the lawyers responsible for conducting the defenses of the lawsuits, reclassified the likelihood of loss to "Remote", according to CPC - 25.
- (b) At 03/31/2024, of the total amount of R\$1,267,967 (R\$1,273,029 at 12/31/2023), the amount of R\$39,753 (R\$40,225 at 12/31/2023) is provisioned, since it basically refers to legal obligations. The non-provisioned portion, in the amount of R\$1,228,214 (R\$1,232,804 at 12/31/2023) is mainly composed of: (i) assessment notices issued against subsidiaries CIA. SAÚDE and TRADITIO, in which the deductibility of amortization of goodwill arising from the merger of parent companies SLT Participações S.A. and STA Participações S.A., respectively, in calendar years 2005, 2006 and 2007, was challenged; (ii) non-approval of tax offsetting at the administrative level; (iii) disallowance of income tax loss and social contribution loss carryforwards; and (iv) claim aimed at charging ISS debits arising from the alleged failure to pay tax on the services provided in the City of São Paulo, at the appellate phase, given the favorable decision in the Stay of Execution filed by SulAmérica.
- (c) 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.
- (d) 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)

March 31, 2024

(In thousands of reais, unless otherwise stated)

15. Leases

	Individual	
	03/31/2024	12/31/2023
Nominal value of future payments	6,482,638	6,351,952
Present value adjustment	(3,790,160)	(3,779,618)
	2,692,478	2,572,334
Current	572,947	534,822
Noncurrent	2,119,531	2,037,512
	Consolidated	
	03/31/2024	12/31/2023
Nominal value of future payments	8,355,537	8,397,767
Present value adjustment	(5,185,656)	(5,225,142)
	3,169,881	3,172,625
Current	695,424	872,949
Noncurrent	2,474,457	2,299,676

The liabilities were measured at the present value of the remaining lease payments discounted at the average rate of 14.85% at March 31, 2024.

At March 31, 2024, the noncurrent maturity schedule is as follows:

Individual		Consolidated	
Year	Amount	Year	Amount
2025	416,834	2025	484,097
2026	485,831	2026	546,726
2027	465,013	2027	498,715
2028	420,199	2028	446,105
2029	368,015	2029	417,399
2030 to 2059	3,753,815	2030 to 2082	5,252,416
Undiscounted amounts	5,909,707	Undiscounted amounts	7,645,458
Embedded interest	(3,790,176)	Embedded interest	(5,171,001)
Balance at 03/31/2024	2,119,531	Balance at 03/31/2024	2,474,457

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

16. Equity

a) Capital

The Company's capital is broken down as follows:

Shareholders	03/31/2024		12/31/2023	
	Number of shares	Equity interest	Number of shares	Equity interest
Controlling shareholders	1,068,474,126	46.67%	1,068,474,126	46.67%
Outstanding shares	1,186,644,810	51.83%	1,186,132,584	51.81%
Treasury shares	34,173,654	1.50%	34,685,880	1.52%
Total common shares	2,289,292,590	100.00%	2,289,292,590	100.00%

Subscribed and paid-in capital at March 31, 2024 amounts to R\$15,711,360 represented by 2,289,292,590 common registered no-par-value shares (same amount and number of shares at December 31, 2023). As approved in the Company's Articles of Incorporation, the limit of authorized capital is up to 8 billion shares (units).

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

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

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

16. Equity (Continued)

b) Allocations of income

Changes in the balances of dividends and interest on equity payable in the periods ended March 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Balance payable at beginning of period	99,769	145,085
Allocation of dividends and interest on equity	300,000	-
Additions from business combinations	17,604	-
Allocation of dividends and IOE - noncontrolling interests	9,394	27,743
Payment of dividends and IOE	(74,241)	(136,438)
Withholding income tax	(34,015)	-
Balance payable at March 31	318,511	36,390

The distribution and payment of dividends and interest on equity were approved at the Meeting of the Board of Directors held on March 21, 2024, ad referendum of the Company's Ordinary General Meeting.

c) Treasury shares

Changes in treasury shares are as follows:

	<u>03/31/2024</u>			<u>03/31/2023</u>		
	Number of shares	Share value (in reais)	Total	Number of shares	Share value (in reais)	Total
Opening balance	34,685,880	14.97	519,418	36,334,156	14.99	544,610
Disposals	(512,226)	14.97	(7,671)	(1,680,749)	14.99	(25,193)
Balance at March 31	34,173,654	14.97	511,747	34,653,407	14.99	519,417

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

16. Equity (Continued)

d) Share-based payment (Restricted shares)

Restricted Stock Option Plan

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

1st Restricted Stock Option Program

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

The rights of beneficiaries in relation to restricted shares will only be fully vested if their contract with the Company or with any entity under its control, as the case may be, is not terminated for a certain period, subject to the conditions for the release of trading restrictions, as defined by the Board of Directors, with specific conditions in case of termination.

The total 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 March 31, 2024 was equivalent to a total of 114,464,630 shares.

In the three-month period ended March 31, 2024, a total of 706,519 Restricted Shares was granted to the elected beneficiaries, referring exclusively to the 1st Restricted Stock Option Program, at the weighted average price of R\$18.85. All restricted shares granted in the three-month period ended March 31, 2024 were vested immediately on January 02, 2024, and there are no restricted shares already granted that have not been vested.

Of the total shares mentioned above, for purposes of measuring shareholder dilution, the total amount of shares effectively vested for the beneficiaries under the 1st Restricted Stock Option Program was 512,226 shares, referring exclusively to the Restricted Stock Option Plan, in accordance with item 33-E of Accounting Pronouncement CPC 10 - Share-Based Payment.

For the purpose of calculating the expenses to be allocated, a projected cancellation rate of 7.14% was used for 2024, based on the average historical cancellations of the Company's plans.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

16. Equity (Continued)

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

Restricted Stock Option Plan (Continued)

2nd Restricted Stock Option Program

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

In the three-month period ended March 31, 2024, a total of 3,245,809 Restricted Shares was granted to and effectively vested for the elected beneficiaries, referring exclusively to the 2nd Restricted Stock Option Program, whose exercise rights had not been fully vested yet.

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

The rights of the beneficiaries in relation to the restricted shares will only be fully vested if their contract with the Company or any entity under its control, as the case may be, is not terminated for a certain period and if the result of the award arising from the exercise of their units of reference is positive in the specific settlement windows provided for in the individual agreements, which implies that the RDOR3 share price at the time of the settlement window, or there has been progress in the result of the formula that observes the variation of EBITDA, 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)

March 31, 2024

(In thousands of reais, unless otherwise stated)

16. Equity (Continued)

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

Restricted Stock Option Plan (Continued)

2nd Restricted Stock Option Program (Continued)

For the purpose of calculating the expenses to be allocated, a cancellation rate of 7.14% was used in 2024, based on the average historical cancellations of the Company's plans.

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

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

Program	Year	Grace period	Number of shares	Annual volatility	Risk-free rate	Weighted average of fair value of shares (in reais)	Vesting status	Options canceled
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 31/12/2028	2,392,730	-	-	29.16	Partially vested	75,002
1 st program	2023	01/01/2023 to 31/12/2028	2,371,279	44.56%	11.64%	12.95	Partially vested	-
2 nd program	2023	01/01/2023 to 31/12/2029	2,731,014	-	-	19.15	Partially vested	3,572
1 st program	2024	01/01/2024 to 31/12/2028	706,519	43.61%	9.77%	11.07	Partially vested	-
2 nd program	2024	01/01/2024 to 31/12/2030	3,245,809	-	-	22.70	Partially vested	2,857

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

16. Equity (Continued)

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

Restricted Stock Option Plan (Continued)

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

	<u>Fair value of options per year</u>	<u>Effect on P&L for the year</u>	<u>Changes - RSU</u>	<u>Cumulative effect on liabilities and equity</u>
2011	1,457	1,457	-	1,457
2012	16,234	16,234	-	17,691
2013	20,656	20,656	-	38,347
2014	27,363	27,363	-	65,710
2015	51,949	51,949	-	117,659
2016	30,864	30,864	-	148,523
2017	32,599	32,599	-	181,122
2018	40,662	40,662	-	221,784
2019	40,656	40,656	-	262,440
2020	80,071	80,071	(80,071)	-
2021	120,427	120,427	(120,427)	-
2022	124,276	124,276	(70,623)	53,653
2023	78,400	78,400	(42,769)	37,179
2024	19,477	19,477	(4,733)	14,744
2025	11,670			
2026	11,670			
2027	11,670			
	<u>720,101</u>			

e) Other comprehensive income

In the three-month period ended March 31, 2024, the effects of the cash flow hedge taken out for debt hedging purposes were recognized as other comprehensive income, decreasing equity for the period by R\$4,401.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

17. Taxes

Income and social contribution tax expenses for the three-month periods ended March 31, 2024 and 2023 are as follows:

	Individual		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Deferred				
Corporate Income Tax (IRPJ)	86,821	(12,543)	98,209	92,078
Social Contribution Tax on Net Profit (CSLL)	31,255	(4,515)	37,688	54,778
	118,076	(17,058)	135,897	146,856
Current				
Corporate Income Tax (IRPJ)	-	-	(212,927)	(123,795)
Social Contribution Tax on Net Profit (CSLL)	-	-	(100,242)	(47,925)
	-	-	(313,169)	(171,720)
Income and social contribution tax expenses	118,076	(17,058)	(177,272)	(24,864)

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

17. Taxes (Continued)

Changes in deferred income and social contribution tax assets and liabilities for three-month period ended March 31, 2024 and 2023 were as follows:

	Individual				Consolidated				Additions from business combination	03/31/2024
	12/31/2023	Additional benefits (expenses) recorded	Other comprehensive income	Other ⁽¹⁾	03/31/2024	12/31/2023	Additional benefits (expenses)	Other comprehensive income		
Current										
Income tax losses	625,977	106,038	-	(138,524)	593,491	1,213,641	89,092	-	(140,218)	1,162,515
Social contribution tax losses	225,352	38,174	-	(15,330)	248,196	427,944	24,058	-	(15,330)	436,672
Allowance for expected credit losses and provision for disallowances	329,421	61,241	-	-	390,662	675,202	87,756	-	-	762,958
Provision for contingencies	76,002	1,144	-	-	77,146	847,002	47,633	-	-	894,635
Provision for bonuses	30,416	-	-	-	30,416	31,873	6,233	-	-	38,106
Deferred gain on property sales	21,909	(333)	-	-	21,576	16,538	(333)	-	-	16,205
Amortization of right of use (IFRS 16)	344,484	22,026	-	-	366,510	576,645	18,082	-	-	594,727
PVA allocation (IFRS 16)	571,059	33,641	-	-	604,700	803,240	48,602	-	-	851,842
D'Or Finance	59,062	288	-	-	59,350	59,062	288	-	-	59,350
Actuarial gain/loss on defined benefit pension plans	-	-	-	-	-	11,910	-	-	-	11,910
Impairment of tax credits	-	-	-	-	-	76,559	(34,312)	-	-	42,247
Insurance contracts - IFRS 17	-	-	-	-	-	1,524,585	49,472	(85,082)	-	1,488,975
Other provisions	37,355	(10,022)	-	-	27,333	-	-	-	-	-
Total deferred tax assets	2,321,037	252,197	-	(153,854)	2,419,380	6,264,201	336,571	(85,082)	(155,548)	6,360,142
Liabilities										
Differences between accounting and tax bases of goodwill	(735,080)	(15,105)	-	-	(750,185)	(1,119,531)	(52,003)	-	-	(1,171,534)
Gain on acquisition in stages	(99,040)	-	-	-	(99,040)	(124,003)	-	-	-	(124,003)
Swap difference	(82,804)	(60,976)	-	-	(143,780)	(49,721)	(60,976)	-	-	(110,697)
Foreign exchange differences	(34,791)	9,534	-	-	(25,257)	(34,791)	9,548	-	-	(25,243)
Leases (IFRS 16)	(755,084)	(48,544)	-	-	(803,628)	(1,151,821)	(54,887)	-	-	(1,206,708)
Cash flow hedge	(61,744)	-	961	-	(60,783)	(82,637)	-	2,267	-	(80,370)
Deferred revenue	(2,666)	-	-	-	(2,666)	(7,601)	-	-	-	(7,601)
Variable income investment	-	-	-	-	-	(6,812)	-	-	-	(6,812)
Revaluation surplus - business combinations	(537,114)	(19,030)	-	-	(556,144)	(537,114)	(19,030)	-	-	(556,144)
Gain/loss on market value adjustment	-	-	-	-	-	(26,358)	1,354	2,492	-	(22,512)
Other provisions	(22,106)	-	-	-	(22,106)	(69,199)	(24,680)	-	-	(91,262)
Total deferred tax liabilities	(2,330,429)	(134,121)	961	-	(2,463,589)	(3,209,588)	(200,674)	4,759	-	(3,402,886)
Net effect - asset (liability)	14,506	118,076	-	(153,854)	(21,272)	3,154,935	135,897	-	(155,548)	3,137,901
Net effect - deferred PIS/COFINS	21,614	-	-	-	28,138	376,838	-	-	-	415,278
Effect on equity	(23,898)	-	961	-	(22,937)	(100,322)	-	(80,323)	-	(180,645)
Assets as per statement of financial position	12,222					3,600,118				3,596,871
Liabilities as per statement of financial position					(16,071)	(168,667)				(224,337)

(¹) The reduction in the balance of tax credits recognized on income and social contribution tax loss derived notably from the use of this total within the scope of the tax self-regularization program set forth by the Brazilian IRS.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

17. Taxes (Continued)

	Individual			Consolidated				
		Additional benefits	Other		Additional benefits	Other		
	12/31/2022	(expenses) recorded	comprehensive income	03/31/2023	12/31/2022	(expenses) recorded	comprehensive income	
Assets								
Income tax losses	392,468	30,740	-	423,208	967,814	161,920	-	1,129,734
Social contribution tax losses	141,288	11,066	-	152,354	349,821	80,821	-	430,642
Allowance for expected credit losses and provision for disallowances	285,442	17,400	-	302,842	589,369	27,123	-	616,492
Provision for contingencies	50,848	1,042	-	51,890	786,169	(8,738)	-	777,431
Provision for bonuses	24,038	5,591	-	29,629	25,517	15,005	-	40,522
Deferred gain on property sales	23,242	-	-	23,242	17,871	2,119	-	19,990
Amortization of right of use (IFRS 16)	255,703	21,111	-	276,814	401,700	59,072	-	460,772
PVA allocation (IFRS 16)	428,916	31,361	-	460,277	591,927	55,475	-	647,402
D'Or Finance	53,103	1,260	-	54,363	53,103	1,260	-	54,363
Actuarial gain/loss on defined benefit pension plans	-	-	-	-	11,910	-	-	11,910
Impairment of tax credits	-	-	-	-	73,704	3,197	-	76,901
Insurance and private pension reserve	-	-	-	-	1,378,144	(55,766)	(160,088)	1,162,290
Other provisions	24,421	(3,530)	-	20,891	-	-	-	-
Total deferred tax assets	1,679,469	116,041	-	1,795,510	5,247,049	341,488	(160,088)	5,428,449
Liabilities								
Differences between accounting and tax bases of goodwill	(711,911)	(5,137)	-	(717,048)	(930,432)	(45,247)	-	(975,679)
Gain on acquisition in stages	(99,040)	-	-	(99,040)	(124,003)	-	-	(124,003)
Swap difference	(65,308)	(41,239)	-	(106,547)	(62,459)	(39,780)	-	(102,239)
Foreign exchange differences	30,105	(9,464)	-	20,641	30,105	(9,464)	-	20,641
Leases (IFRS 16)	(563,923)	(46,178)	-	(610,101)	(818,725)	(100,625)	-	(919,350)
Insurance and private pension reserves (SASA)	-	-	-	-	-	-	-	-
Cash flow hedge	(133,621)	-	14,069	(119,552)	(159,738)	-	15,374	(144,364)
Deferred revenue	(2,666)	(332)	-	(2,998)	(7,601)	-	-	(7,601)
Variable income investment	-	-	-	-	(6,812)	-	-	(6,812)
Revaluation surplus - business combinations	(440,364)	(30,749)	-	(471,113)	(440,364)	(30,749)	-	(471,113)
Gain/loss on market value adjustment	-	-	-	-	57,700	(2,063)	(47,875)	7,762
Other provisions	-	-	-	-	(55,315)	33,296	-	(22,019)
Total deferred tax liabilities	(1,986,728)	(133,099)	14,069	(2,105,758)	(2,517,644)	(194,632)	(32,501)	(2,744,777)
Net effect - asset (liability)	(173,638)	(17,058)	-	(190,696)	2,889,143	146,856	-	3,035,999
Net effect - deferred PIS/COFINS	-	-	-	-	238,461	-	-	254,437
Effect on equity	(133,621)	-	14,069	(119,552)	59,738	-	(192,589)	(352,327)
Assets as per statement of financial position	-	-	-	-	3,366,280	-	-	3,348,841
Liabilities as per statement of financial position	(307,259)	-	-	(310,248)	(398,414)	-	-	(410,732)

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

17. Taxes (Continued)

The reconciliation of income and social contribution taxes to the amount determined at the statutory rate as at March 31, 2024 and 2023 is as follows:

	Individual		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Income before income and social contribution taxes	686,514	315,750	1,012,753	339,931
Income and social contribution tax expenses at statutory rates	233,415	107,355	344,336	115,577
Social contribution tax rate difference (a)	-	-	44,761	(3,548)
Equity pickup, net of any gains earned abroad	(198,680)	(89,341)	(20,026)	3,201
Interest on equity	(102,000)	-	(102,000)	-
Accrual (reversal) of tax credit on temporary differences	-	-	(256)	(72,979)
Restatement of judicial deposits	-	-	(8,479)	(11,444)
Unduly paid taxes computed	-	-	(4,613)	(5,345)
Deduction from programs under tax incentive	(51,741)	-	(53,225)	-
Impact from companies under the taxation regime whereby profit is computed as a percentage of their gross revenue	-	-	(10,179)	(12,648)
Other	930	(956)	(13,047)	12,050
Expenses recorded in the statement of profit or loss	(118,076)	17,058	177,272	24,864

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

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

The Company expects that deferred tax assets calculated on income and social contribution tax losses will be realized within 5 years. Management expects that other temporary differences will be realized between 1 and 5 years, except for deferred gain on property sales, the realization of which will take place during the lease agreement term.

18. Net revenue

Description	Note	Individual		Consolidated	
		03/31/2024	03/31/2023	03/31/2024	03/31/2023
Hospital services	18.1	3,448,151	3,208,976	5,201,998	4,914,555
Insurance revenue	18.2	-	-	6,993,031	6,335,417
		3,448,151	3,208,976	12,195,029	11,249,972

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

18. Net revenue (Continued)

18.1. Hospital services

	Individual		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Gross revenue (a)	3,835,443	3,578,148	5,948,231	5,564,633
Deductions from revenue				
Cancellations and rebates (a)	(180,119)	(169,677)	(319,908)	(275,361)
Taxes on revenues	(207,173)	(199,495)	(426,325)	(374,717)
	3,448,151	3,208,976	5,201,998	4,914,555

(a) Includes eliminations of gross revenue and cancellations and rebates between the Group companies in the net amount of R\$1,393,219 at March 31, 2024 (R\$1,214,96 at March 31, 2023).

18.2. Insurance revenue

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

		Consolidated 03/31/2024	Consolidated 03/31/2023
Amounts relating to changes in liability/asset for remaining coverage			
Portion of revenue released to cover expected insurance expenses	(a)	686,654	723,186
Changes in non-financial risk adjustment	(b)	418	413
Recognition of CSM in P&L for the period	(c)	8,043	9,748
Allocation of portion of premiums relating to recovery of insurance acquisition cash flows	(d)	12,648	18,067
Insurance revenue - Long-term products (BBA/VFA)		707,763	751,414
Premium release due to provision of insurance services	(e)	6,346,043	5,618,848
Insurance revenue - Short-term products (PAA)		6,346,043	5,618,848
Gross insurance revenues		7,053,806	6,370,262
Taxes on insurance revenues		(60,775)	(34,845)
Net insurance revenues		6,993,031	6,335,417

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

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Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

19. Cost of services

Description	Note	Individual		Consolidated	
		03/31/2024	03/31/2023	03/31/2024	03/31/2023
Hospital services	19.1	(2,393,952)	(2,231,956)	(4,948,030)	(4,657,138)
Insurance costs	19.2	-	-	(5,021,775)	(5,000,269)
		(2,393,952)	(2,231,956)	(9,969,805)	(9,657,407)

19.1. Hospital services

	Individual		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Personnel	(891,515)	(784,555)	(1,756,143)	(1,639,041)
Materials and medicines	(643,156)	(701,990)	(1,426,873)	(1,451,918)
Third-party services	(619,228)	(520,982)	(1,302,520)	(1,120,076)
Utilities and services	(56,564)	(46,769)	(113,621)	(100,562)
Rents	(2,236)	(2,204)	(24,053)	(20,752)
Depreciation and amortization	(181,253)	(175,456)	(324,820)	(324,789)
	(2,393,952)	(2,231,956)	(4,948,030)	(4,657,138)

19.2. Insurance costs

		Consolidated				03/31/2024
		Long-term products (BBA/VFA)		Short-term products (PAA)		
		Liability/Asset for remaining coverage	Liability for claims incurred	Liability for remaining coverage	Liability for claims incurred	
Claims incurred and other expenses allocated to insurance contracts	(a)	550,828	(1,111,516)	(242,050)	(3,685,233)	(4,487,971)
Amortization of acquisition cash flows	(b)	(12,648)	-	(338,632)	-	(351,280)
Amortization of allocation of consideration paid in business combinations to the short-term insurance portfolios (PAA)	(c)	-	-	(156,759)	-	(156,759)
Losses or reversal of losses on onerous contracts	(d)	(25,765)	-	-	-	(25,765)
Insurance operating expenses		512,415	(1,111,516)	(737,441)	(3,685,233)	(5,021,775)

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Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

19. Cost of services (Continued)

19.2. Insurance liabilities (Continued)

	Consolidated				03/31/2023	
	Long-term products (BBA/VFA)		Short-term products (PAA)			
	Liability/Asset for remaining coverage	Liability for claims incurred	Liability for remaining coverage	Liability for claims incurred		
Claims incurred and other expenses allocated to insurance contracts	(a)	750,706	(1,305,731)	(244,596)	(3,664,791)	(4,464,412)
Amortization of acquisition cash flows	(b)	(18,067)	-	(319,123)	-	(337,190)
Amortization of allocation of consideration paid in business combinations to the short-term insurance portfolios (PAA)	(c)	-	-	(212,944)	-	(212,944)
Losses or reversal of losses on onerous contracts	(d)	14,277	-	-	-	14,277
Insurance operating expenses		746,916	(1,305,731)	(776,663)	(3,664,791)	(5,000,269)

- (a) The most significant expenses are linked to claims incurred. This balance also includes expenses related to loss adjustments, issue, maintenance and collection of premiums, compliance with regulatory requirements, among other requirements necessary for the fulfillment of the Company's obligations linked to insurance contracts. In the long-term products, there is a transfer of the investment component from the Asset/Liability for remaining coverage to the Liability for claims incurred in the amount of R\$580,896 on March 31, 2024 (R\$785,067 on March 31, 2023) related to the payment of benefits (annual fees), redemptions and portability of pension plan exits. Includes the elimination of claims incurred and other expenses to be allocated to insurance contracts between the Group's companies in the amount of R\$1,393,219 as of March 31, 2024 (R\$1,216,567 as of March 31, 2023).
- (b) Acquisition cash flows are systematically allocated, on a straight-line basis, based on the passage of time over the coverage period of the group of contracts or according to the portfolio's permanence curve.
- (c) Amortization of the asset fair value computed by means of acquisition Purchase Price Allocation (PPA) allocated to the insurance contract portfolios, which was systematically and rationally allocated to the liability for remaining coverage, a portion of the contracts in force 2023, and to the acquisition cash flow asset, portion of futures contracts (renewals).
- (d) Amortization of part of the liability fair value determined in the acquisition PPA allocated to the insurance contract portfolios as a loss component, experience adjustments, changes in estimated cash flows, and onerous contract group risk adjustment.

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Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

20. General and administrative expenses

	Individual		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Personnel	(200,769)	(171,326)	(225,845)	(217,395)
Third-party services	(50,783)	(37,212)	(80,025)	(62,000)
Travel and lodging	(8,913)	(6,899)	(16,130)	(14,657)
Depreciation and amortization	(50,521)	(43,217)	(76,863)	(74,283)
Reversal of (provision for) contingencies	64,869	99,402	(31,933)	28,473
	(246,117)	(159,252)	(430,796)	(339,862)

21. Other operating expenses, net

	Individual		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Taxes, charges and penalties	(22,229)	(18,400)	(52,838)	(45,258)
Gain on property sales	980	980	980	980
Equipment lease	(4,370)	(3,353)	(10,920)	(9,935)
Freight expenses	(4,154)	(2,686)	(15,061)	(8,667)
Legal fees	(126)	(10,668)	(885)	(13,232)
Other income and expenses	(14,749)	19,672	(2,192)	(22,085)
	(44,648)	(14,455)	(80,916)	(98,197)

22. Finance income (costs), net

Finance income (costs) for the three-month periods ended March 31, 2024 and 2023 are as follows:

	Individual		Consolidated	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Short-term investment yield	222,112	355,429	824,820	890,720
Net foreign exchange differences on financing	(28,041)	27,698	(223,438)	201,774
Fair value of debt	305,090	(63,198)	349,833	(73,634)
Fair value of derivatives (swaps)	(278,395)	(9,502)	(170,165)	(222,879)
Interest and monetary difference on financing and debentures	(881,780)	(952,167)	(902,285)	(1,002,345)
Interest on lease liabilities	(98,944)	(92,239)	(113,187)	(117,625)
Taxes on finance income (costs)	(17,262)	(20,434)	(22,731)	(25,017)
Finance income (costs) from insurance contracts	-	-	(518,488)	(451,699)
Other income and expenses	123,935	8,916	103,095	17,031
	(653,285)	(745,497)	(672,546)	(783,674)
Total finance income	514,264	798,355	1,424,756	2,071,766
Total finance costs	(1,167,549)	(1,543,852)	(2,097,302)	(2,855,440)
	(653,285)	(745,497)	(672,546)	(783,674)

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Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

23. Earnings per share

a) Basic

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

	<u>03/31/2024</u>	<u>03/31/2023</u>
Income attributable to the Company's controlling shareholders	804,590	298,692
Weighted average number of common shares issued (in thousands)	2,255,119	2,254,639
Basic earnings per share - in reais (R\$)	<u>0.3568</u>	<u>0.1325</u>

b) Diluted

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

	<u>03/31/2024</u>	<u>03/31/2023</u>
Income attributable to the Company's controlling shareholders	804,590	298,692
Weighted average number of common shares issued, including dilution factors (in thousands)	2,255,119	2,254,639
Dilution instruments - weighted average number of shares (in thousands):		
Share-based payment (Restricted shares)	-	4,500
Diluted earnings per share - in reais (R\$)	<u>0.3568</u>	<u>0.1322</u>

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Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management

24.1. Financial instruments by category

Fair value hierarchy

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

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

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

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

The tables below present breakdown of financial assets and liabilities at March 31, 2024 and December 31, 2023:

		Individual		
Financial assets	Classification by category	Fair value hierarchy	Book balance	
			03/31/2024	12/31/2023
Cash and cash equivalents	Fair value through profit or loss	Level 2	196,667	257,423
Marketable securities (corporate bonds and investment fund shares)	Fair value through profit or loss	Level 2	7,485,000	9,239,876
Accounts receivable	Amortized cost		4,965,008	4,840,796
Dividends receivable	Amortized cost		71,838	70,593
Judicial deposits	Amortized cost		349,137	362,366
Derivatives	Fair value through profit or loss and other comprehensive income	Level 2	499,297	620,063
			13,566,947	15,391,117

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Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management

24.1. Financial instruments by category (Continued)

Fair value hierarchy (Continued)

Financial liabilities	Classification by category	Fair value hierarchy	Book balance	
			03/31/2024	12/31/2023
Trade accounts payable	Amortized cost		689,092	636,124
Loans, financing and debentures	Amortized cost (a)	Level 2	30,767,015	31,650,338
Salaries, accruals and social charges	Amortized cost		579,915	539,971
Derivatives	Fair value through profit or loss and other comprehensive income	Level 2	1,031,941	1,037,392
			33,067,963	33,863,825

(a) The debt portion recorded as hedge accounting (fair value hedge) is measured at fair value through profit or loss, and at March 31, 2024 totaled R\$11,050,680 (R\$11,290,310 at December 31, 2023).

Consolidated				
Financial assets	Classification by category	Fair value hierarchy	Book balance	
			03/31/2024	12/31/2023
Cash and cash equivalents	Fair value through profit or loss	Level 2	2,590,745	3,267,408
Marketable securities (shares and government securities)	Fair value through profit or loss	Level 1	7,508,897	6,684,499
Marketable securities (corporate bonds and investment fund shares)	Fair value through profit or loss	Level 2	18,198,185	19,120,058
Marketable securities (government securities)	Fair value through profit or loss and other comprehensive income	Level 1	1,551,687	1,351,377
Marketable securities (government securities)	Fair value through profit or loss and other comprehensive income	Level 2	1,237,148	1,254,429
Marketable securities	Amortized cost		1,777,586	1,755,979
Accounts receivable	Amortized cost		10,930,521	10,763,986
Judicial deposits	Amortized cost		2,730,734	2,682,556
Derivatives	Fair value through profit or loss and other comprehensive income	Level 2	2,029,034	1,967,424
			48,554,537	48,847,716

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Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management

24.1. Financial instruments by category

Fair value hierarchy (Continued)

Financial liabilities	Classification by category	Fair value hierarchy	Book balance	
			03/31/2024	12/31/2023
Trade accounts payable	Amortized cost		1,480,232	1,355,666
Loans, financing and debentures	Amortized cost (a)	Level 2	33,839,847	34,585,949
Salaries, accruals and social charges	Amortized cost		1,125,195	1,101,223
	Fair value through profit or loss and other comprehensive income		1,189,389	1,210,922
Derivatives		Level 2		
			37,634,663	38,253,760

- (a) The debt portion recorded as hedge accounting (fair value hedge) is measured at fair value through profit or loss and at March 31, 2024 totaled R\$12,353,410 (R\$12,395,118 at December 31, 2023). As mentioned in Note 13, the debenture HSPE 14 - 4th issue of Debentures of Hospital Esperança had its maturity extended and its cost reduced, and these changes had no impact on the respective hedging instrument. Thus, the cash flow hedge no longer offsets changes in cash flows of the risk associated with the recognized liabilities of this debt and was then written down to profit or loss, deferred over the debt maturity.

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

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Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.2. Risk management

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

a) Capital management

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

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 March 31, 2024 and December 31, 2023, the Company presents the following capital structure:

	Individual		Consolidated	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Cash and cash equivalents	196,667	257,423	2,590,745	3,267,408
Marketable securities	7,485,000	9,239,876	30,273,503	30,166,342
Technical reserves				
Insurance (b)	-	-	(5,907,770)	(5,334,887)
Private Pension (b)	-	-	(11,244,305)	(10,881,042)
	7,681,667	9,497,299	15,712,173	17,217,821
Loans, financing and debentures	(30,767,015)	(31,650,338)	(33,839,847)	(34,585,949)
Derivatives	(532,644)	(417,329)	839,645	756,502
Cash flow hedge	(178,772)	(181,599)	(236,387)	(243,056)
Net debt (a)	(23,796,764)	(22,751,967)	(17,524,416)	(16,854,682)
Total equity	23,165,073	22,539,706	24,526,206	23,835,646
Total net debt and equity	(631,691)	(212,261)	7,001,790	6,980,964
Leverage ratio	1.03	1.01	0.71	0.71

- (a) The net debt corresponds to the sum of the balances of loans, financing and debentures, derivative financial instruments, net (current and noncurrent) plus the cash flow hedge effect of other comprehensive income (the Company has swaps accounted for in accordance with the fair value and cash flow hedge accounting, for purposes of hedging the Company against fluctuations in foreign currency and interest rates, respectively) deducted of the balance of cash and cash equivalents and marketable securities.
- (b) Technical reserve balances recorded in the subsidiaries regulated by SUSEP and ANS, based on regulatory guidance established by these agencies, which includes eliminations upon consolidation.

b) Interest rate risk

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

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Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.2. Risk management (Continued)

b) Interest rate risk (Continued)

The sensitivity analysis of interest on loans, financing and debentures, net of income from financial investment, considered as probable scenario (Scenario I) the reference rates obtained with BM&FBOVESPA at March 31, 2024, 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.)	10.65%	13.31%	15.98%
IPCA rate (p.a.)	3.93%	4.91%	5.90%
Projected interest expenses (in millions)	10,052	12,314	14,576

c) Credit risk

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

d) Liquidity risk

Liquidity risks arise from the possibility of lack of readily available resources to honor commitments made on a timely basis due to the mismatch between payment and receipt flows.

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

Daily cash projections and stress tests are carried out to anticipate any abnormal situation, having a daily control over liquidity risk.

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Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.2. Risk management (Continued)

d) Liquidity risk (Continued)

Daily cash projections and stress tests are carried out to anticipate any abnormal situation, having a daily control over liquidity risk.

The following table presents the expected maturities and payments of the main financial insurance assets and liabilities, except for those related to the benefit accumulation phase of the PGBL and VGBL plans, whereby the exposure falls on the participant.

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

	Individual - 03/31/2024				Total financial liabilities
	Within 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	
Trade accounts payable	689,092	-	-	-	689,092
Loans, financing and debentures	2,342,368	3,399,427	8,490,884	21,173,499	35,406,178
Salaries, accruals and social charges	579,915	-	-	-	579,915
Derivatives	(370,295)	(288,375)	(884,230)	2,785,621	1,242,721
	3,241,080	3,111,052	7,606,654	23,959,120	37,917,906

	Consolidated - 03/31/2024				Total financial liabilities
	Within 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	
Trade accounts payable	1,480,232	-	-	-	1,480,232
Loans, financing and debentures	2,638,109	3,580,734	10,789,077	21,867,481	38,875,401
Insurance liabilities	8,288,894	1,696,519	3,820,251	8,630,693	22,436,357
Salaries, accruals and social charges	1,125,195	-	-	-	1,125,195
Derivatives	(539,756)	(446,345)	188,185	4,610,355	3,812,439
	12,992,674	4,830,908	14,797,513	35,108,529	67,729,624

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Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.2. Risk management (Continued)

d) Liquidity risk (Continued)

	Individual - 12/31/2023				Total financial liabilities
	Within 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	
Trade accounts payable	636,124	-	-	-	636,124
Loans, financing and debentures	2,647,407	3,578,583	8,266,903	22,292,653	36,785,546
Salaries, accruals and social charges	539,971	-	-	-	539,971
Derivatives	(494,513)	(333,305)	(1,001,828)	3,196,802	1,367,156
	<u>3,328,989</u>	<u>3,245,278</u>	<u>7,265,075</u>	<u>25,489,455</u>	<u>39,328,797</u>

	Consolidated - 12/31/2023				Total financial liabilities
	Within 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	
Trade accounts payable	1,355,666	-	-	-	1,355,666
Loans, financing and debentures	2,985,336	3,742,177	10,525,715	22,863,866	40,117,094
Insurance liabilities	8,086,747	1,646,259	3,687,124	8,351,999	21,772,129
Salaries, accruals and social charges	1,101,223	-	-	-	1,101,223
Derivatives	(661,476)	(488,790)	181,620	5,255,870	4,287,224
	<u>12,867,496</u>	<u>4,899,646</u>	<u>14,394,459</u>	<u>36,471,735</u>	<u>68,633,336</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 18.4% of total gross debt at March 31, 2024 (18.5% at December 31, 2023). The Company has derivative financial instruments to hedge loans and financing against foreign exchange rate fluctuation (see topic below). Management understands that the risk of exposure to foreign currency is not significant in relation to its financial position.

f) Derivatives

At March 31, 2024, the Company recorded swaps based on fair value and cash flow hedge accounting in order to hedge the Company against fluctuations in foreign currency and interest rate, respectively. The swaps exchange (i) the flow of interest and principal in foreign currency for Brazilian reais plus a percentage of CDI or CDI + spread; (ii) floating interest rate for fixed interest rate; and (iii) inflation rate IPCA + spread for a percentage of CDI or CDI + spread.

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Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.2. Risk management (Continued)

f) Derivatives (Continued)

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

Description	Maturity ranges month/year	Reference value (notional)	Individual	
			03/31/2024	12/31/2023
			Fair value	
Swap (currency)	06/30/2025			
Long position	EUR/BRL + 1.0366%	EUR	67,428	
Short position	CDI+1.35%	R\$	363,967	(66,853)
				(58,425)
Swap (currency)	04/27/2027			
Long position	USD SOFR + 0.99%	US\$	61,624	
Short position	CDI + 1.63%	R\$	307,886	(8,278)
				(11,363)
Swap (currency)	07/01/2025			
Long position	USD/BRL + 1.8588%	US\$	100,377	
Short position	CDI + 1.323%	R\$	501,506	(64,621)
				(99,512)
Swap (index)	01/18/2028			
Long position	BRL Fixed (11.82%)	R\$	1,633,615	
Short position	CDI + 2.01%	R\$	1,633,615	(23,285)
				(11,625)
Swap (index)	01/22/2030			
Long position	BRL Fixed (8.80%)	R\$	2,134,089	
Short position	CDI + 2.125%	R\$	2,134,089	(415,029)
				(404,392)
Swap (index)	01/22/2030			
Long position	BRL Fixed (8.65%)	R\$	1,115,560	
Short position	CDI + 2.40%	R\$	1,115,560	(250,727)
				(246,894)
Swap (index)	06/20/2029			
Long position	CDI + 0.79%	R\$	1,031,098	
Short position	BRL Fixed (7.71%)	R\$	1,031,098	143,736
				121,728
Swap (index)	10/26/2026			
Long position	106.0% CDI	R\$	393,876	
Short position	BRL Fixed (6.765%)	R\$	393,876	28,080
				24,937

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Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.2. Risk management (Continued)

f) Derivatives (Continued)

Description	Maturity ranges month/year	Reference value (notional)	Individual	
			03/31/2024	12/31/2023
			Fair value	
Swap (index)	05/15/2036			
Long position	IPCA + 4.9347%	R\$ 1,531,847		
Short position	CDI + 1.35%	R\$ 1,531,847	(45,118)	12,649
Swap (index)	12/15/2031			
Long position	IPCA + 5.5758%	R\$ 406,997		
Short position	CDI + 0.56%	R\$ 406,997	31,450	40,651
Swap (index)	12/15/2036			
Long position	IPCA + 6.1017%	R\$ 611,317		
Short position	CDI + 1.403%	R\$ 611,317	32,907	55,823
Swap (index)	06/15/2029			
Long position	IPCA + 5.83%	R\$ 812,226		
Short position	102.7% CDI	R\$ 812,226	38,947	52,287
Swap (index)	06/15/2032			
Long position	IPCA + 6.01%	R\$ 347,861		
Short position	104.1% CDI	R\$ 347,861	16,002	24,035
Swap (index)	07/16/2029			
Long position	IPCA + 6.3828%	R\$ 30,405		
Short position	103.65% CDI	R\$ 30,405	2,307	1,912
Swap (index)	07/15/2032			
Long position	IPCA + 6.5445%	R\$ 70,968		
Short position	104.8% CDI	R\$ 70,968	5,872	5,592
Swap (index)	07/15/2037			
Long position	IPCA + 6.7692%	R\$ 405,714		
Short position	107.9% CDI	R\$ 405,714	38,710	41,866
Swap (index)	12/17/2029			
Long position	IPCA + 6.7947%	R\$ 84,111		
Short position	108.1% CDI	R\$ 84,111	5,579	7,236
Swap (index)	12/15/2032			
Long position	IPCA + 6.9354%	R\$ 56,109		
Short position	110.1% CDI	R\$ 56,109	3,798	5,232
Swap (index)	08/15/2030			
Long position	IPCA + 6.20%	R\$ 561,590		
Short position	106.6% CDI	R\$ 561,590	(3,141)	9,067
Swap (index)	08/15/2030			
Long position	IPCA + 6.55%	R\$ 528,137		
Short position	109.3% CDI	R\$ 528,137	(2,981)	11,867
Current assets position			67,610	49,550
Noncurrent assets position			431,687	570,513
Current liabilities position			(400,159)	(466,050)
Noncurrent liabilities position			(631,782)	(571,342)
Effect on profit or loss for the year (fair value of derivatives - swaps)			(278,395)	532,789
Effect on equity for the year (fair value of derivatives - swaps)			(2,827)	(211,403)

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.2. Risk management (Continued)

f) Derivatives (Continued)

Description	Maturity ranges month/year	Reference value (notional)	Consolidated	
			03/31/2024	12/31/2023
			Fair value	
Swap (currency)	06/30/2025			
Long position	EUR/BRL + 1.0366%	EUR	67,428	
Short position	CDI+1.35%	R\$	363,967	(58,425)
Swap (currency)	04/27/2027			
Long position	USD SOFR + 0.99%	US\$	61,624	
Short position	CDI + 1.63%	R\$	307,886	(11,363)
Swap (currency)	07/01/2025			
Long position	USD/BRL + 1.8588%	US\$	100,377	
Short position	CDI + 1.323%	R\$	501,506	(99,512)
Swap (currency)	01/18/2028			
Long position	USD Fixed (4.95%)	US\$	504,881	
Short position	BRL Fixed (11.82%)	R\$	2,522,488	681,463
Swap (index)	01/18/2028			
Long position	BRL Fixed (11.82%)	R\$	1,633,615	
Short position	CDI + 2.01%	R\$	1,633,615	(11,625)
Swap (index)	01/22/2030			
Long position	USD Fixed (4.525%)	US\$	504,125	
Short position	BRL Fixed (8.80%)	R\$	2,518,709	354,729
Swap (index)	01/22/2030			
Long position	BRL Fixed (8.80%)	R\$	2,134,089	
Short position	CDI + 2.125%	R\$	2,134,089	(404,392)
Swap (index)	01/22/2030			
Long position	USD Fixed (4.51%)	US\$	252,062	
Short position	BRL Fixed (8.65%)	R\$	1,259,355	137,638
Swap (index)	01/22/2030			
Long position	BRL Fixed (8.65%)	R\$	1,115,560	
Short position	CDI + 2.40%	R\$	1,115,560	(246,894)
Swap (index)	06/20/2029			
Long position	CDI + 0.79%	R\$	1,031,098	
Short position	BRL Fixed (7.71%)	R\$	1,031,098	121,728
Swap (index)	10/26/2026			
Long position	106.0% CDI	R\$	393,876	
Short position	BRL Fixed (6.765%)	R\$	393,876	24,937

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.2. Risk management (Continued)

f) Derivatives (Continued)

Description	Maturity ranges month/year	Reference value (notional)	Consolidated	
			03/31/2024	12/31/2023
			Fair value	
Swap (index)	05/15/2036			
Long position	IPCA + 4.9347%	R\$ 1,531,847		
Short position	CDI + 1.35%	R\$ 1,531,847	(45,118)	12,649
Swap (index)	12/15/2031			
Long position	IPCA + 5.5758%	R\$ 406,997		
Short position	CDI + 0.56%	R\$ 406,997	31,450	40,651
Swap (index)	12/15/2036			
Long position	IPCA + 6.1017%	R\$ 611,317		
Short position	CDI + 1.403%	R\$ 611,317	32,907	55,823
Swap (index)	06/15/2029			
Long position	IPCA + 5.83%	R\$ 812,226		
Short position	102.7% CDI	R\$ 812,226	38,947	52,287
Swap (index)	06/15/2032			
Long position	IPCA + 6.01%	R\$ 347,861		
Short position	104.1% CDI	R\$ 347,861	16,003	24,035
Swap (index)	07/16/2029			
Long position	IPCA + 6.3828%	R\$ 30,405		
Short position	103.65% CDI	R\$ 30,405	2,307	1,912
Swap (index)	07/15/2032			
Long position	IPCA + 6.5445%	R\$ 70,968		
Short position	104.8% CDI	R\$ 70,968	5,872	5,592
Swap (index)	07/15/2037			
Long position	IPCA + 6.7692%	R\$ 405,714		
Short position	107.9% CDI	R\$ 405,714	38,710	41,866
Swap (index)	12/17/2029			
Long position	IPCA + 6.7947%	R\$ 84,111		
Short position	108.1% CDI	R\$ 84,111	5,579	7,236
Swap (index)	12/15/2032			
Long position	IPCA + 6.9354%	R\$ 56,109		
Short position	110.1% CDI	R\$ 56,109	3,798	5,232
Swap (index)	08/15/2030			
Long position	IPCA + 6.20%	R\$ 561,590		
Short position	106.6% CDI	R\$ 561,590	(3,141)	9,067
Swap (index)	08/15/2030			
Long position	IPCA + 6.55%	R\$ 528,137		
Short position	109.3% CDI	R\$ 528,137	(2,981)	11,867
Current assets position			67,610	49,550
Noncurrent assets position			1,961,424	1,917,874
Current liabilities position			(557,606)	(639,580)
Noncurrent liabilities position			(631,783)	(571,342)
Effect on profit or loss for the year (fair value of derivatives - swaps)			(170,165)	(459,885)
Effect on equity for the year (fair value of derivatives - swaps)			(6,668)	(226,767)

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.2. 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 DI rates used to determine the probable scenario.

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Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.2. Risk management (Continued)

f) Derivatives (Continued)

Debt - Citibank and JP Morgan	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
Exchange rate fluctuation	5%	(25%)	(50%)	25%	50%
Depreciation of US\$ (rate in R\$)	-	3.9345	2.6230	-	-
Appreciation of US\$ (rate in R\$)	5.2460	-	-	6.5575	7.8690
Effect on liabilities					
Loan 4131 - Citibank and JP Morgan	39,121	(195,607)	(391,214)	195,607	391,214
Effect on derivatives					
Swap	(39,121)	195,607	391,214	(195,607)	(391,214)
Net effect	-	-	-	-	-
Debt - Senior Notes I	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
Exchange rate fluctuation	5%	(25%)	(50%)	25%	50%
Depreciation of US\$ (rate in R\$)	-	3.9345	2.6230	-	-
Appreciation of US\$ (rate in R\$)	5.2460	-	-	6.5575	7.8690
Effect on liabilities					
Senior Notes	118,867	(594,337)	(1,188,675)	594,337	(1,188,675)
Effect on derivatives					
Swap	(118,867)	594,337	1,188,675	(594,337)	91,188,675)
Net effect	-	-	-	-	-
Debt - Senior Notes II	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
Exchange rate fluctuation	5%	(25%)	(50%)	25%	50%
Depreciation of US\$ (rate in R\$)	-	3.9345	2.6230	-	-
Appreciation of US\$ (rate in R\$)	5.2460	-	-	6.5575	7.8690
Effect on liabilities in US\$					
Senior Notes II	158,546	(792,729)	(1,585,459)	792,729	1,585,459
Effect on derivatives					
Swap	(158,546)	792,729	1,585,459	(792,729)	(1,585,459)
Net effect	-	-	-	-	-

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.2. Risk management (Continued)

f) Derivatives (Continued)

Debt - Debentures	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
Fluctuation in DI rate	5%	(25%)	(50%)	25%	50%
Depreciation of the DI rate	-	8.3869%	5.5913%	-	-
Appreciation of the DI rate	11.1825%	-	-	13.9781%	16.7738%
Effect on liabilities					
Debentures	7,588	(32,249)	(72,086)	47,425	87,262
Effect on derivatives					
Swap	(7,588)	32,249	72,086	(47,425)	(87,262)
Net effect	-	-	-	-	-
Debt - Debentures (CRI)	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
Fluctuation of the IPCA rate	5%	(25%)	(50%)	25%	50%
Depreciation of the IPCA rate	-	3.0949%	2.0633%	-	-
Appreciation of the IPCA rate	4.1265%	-	-	5.1581%	6.1898%
Effect on liabilities					
Debentures	11,157	(47,417)	(105,990)	69,731	128,304
Effect on derivatives					
Swap	(11,157)	47,417	105,990	(69,731)	(128,304)
Net effect	-	-	-	-	-
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\$)	-	4.2508	2.8339	-	-
Appreciation of EUR€ (rate in R\$)	5.6678	-	-	7.0847	8.5017
Effect on liabilities					
Loan 4131 - BofA	17,286	(86,430)	(172,859)	86,430	172,859
Effect on derivatives					
Swap	(17,286)	86,430	172,859	(86,430)	(172,859)
Net effect	-	-	-	-	-

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.2. Risk management (Continued)

g) Pricing risks

Currently, the Company has specific actuarial pricing models for each of its products, which ensure accuracy in determining the prices in view of the expected contractual commitments and expenses used to sell and manage contracts.

For insurance with higher individual risks and portfolios with less predictability or exposed to catastrophes, the Company uses reinsurance contracts, mitigating the risk of large and unexpected losses on contracts and transferring such risks to the reinsurers, assuming in return the credit risk of these partners. The purchase of reinsurance follows a specific policy established and described by the Company.

One of the ways to measure possible impacts on profit or loss and equity, arising from underwriting risks, is the sensitivity analysis of the variables that may be affected by the product underwriting process, inadequacy of prices or even insufficiency of technical reserves.

The following sensitivity analyses simulate the possible impacts on P&L and equity of changes in operating parameters before and after the purchase of reinsurance.

Sensitivity analysis - Health

The sensitivity analysis considers a scenario where the stressed assumptions suffer a 5% impact (Increase and Decrease) and how this change would impact the Company's consolidated P&L and equity.

This type of analysis is based on the history of the Company's products and judges their results independently. Shocks of 5% mentioned in the table are determined by the total value of the amount calculated from the base for the reference period multiplied by the factor of 1.05 (in cases of increase) or 0.95 (in cases of decrease).

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.2. Risk management (Continued)

g) Pricing risks (Continued)

Impacts are evaluated in the amount of P&L realized, which as at March 31, 2024 are as follows:

Consolidated		
Assumptions	Income before income taxes	Income after taxes
5% increase in claims	(280,454)	(168,272)
5% increase in administrative expenses	317,302	190,381
5% increase in acquisition cash flow	281,429	168,857
5% decrease in claims	280,454	168,272
5% decrease in administrative expenses	(317,302)	(190,381)
5% decrease in acquisition cash flow	(299,891)	(179,935)

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.3. Changes in liabilities from financing activities

Individual										
Individual	12/31/2023	Loans, financing and debentures taken out	Interest, monetary variations and FX differences, net	Payment of acquisitions and principal	Payment of interest	Fair value of debt	Allocation of dividends and IOE	Payment of dividends and IOE	Other	03/31/2024
Loans, financing, debentures and leases	34,222,672	-	1,057,709	(851,228)	(843,436)	(305,090)	-	-	178,866	33,459,493
Derivatives	1,037,392	-	147,197	(152,648)	-	-	-	-	-	1,031,941
Dividends and IOE payable	88,499	-	-	-	-	-	300,000	(64,847)	(34,015)	289,637
	<u>35,348,563</u>	<u>-</u>	<u>1,204,906</u>	<u>(1,003,876)</u>	<u>(843,436)</u>	<u>(305,090)</u>	<u>300,000</u>	<u>(64,847)</u>	<u>144,851</u>	<u>34,781,071</u>
Current	3,307,598									3,171,146
Noncurrent	32,040,965									31,609,925

Individual										
Individual	12/31/2022	Loans, financing and debentures taken out	Interest, monetary variations and FX differences, net	Payment of acquisitions and principal	Payment of interest	Fair value of debt	Allocation of dividends and IOE	Payment of dividends and IOE	Other	03/31/2023
Loans, financing, debentures and leases	31,610,932	1,100,000	1,076,458	(1,076,327)	(802,720)	63,198	-	-	62,954	32,034,495
Derivatives	1,813,933	-	64,952	(193,991)	-	-	-	-	-	1,684,894
Dividends and IOE payable	137,640	-	-	-	-	-	(113,758)	-	-	23,882
	<u>33,562,505</u>	<u>1,100,000</u>	<u>1,141,410</u>	<u>(1,270,318)</u>	<u>(802,720)</u>	<u>63,198</u>	<u>(113,758)</u>	<u>-</u>	<u>62,954</u>	<u>33,743,271</u>
Current	6,004,178									5,210,885
Noncurrent	27,558,327									28,532,386

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.3. Changes in liabilities from financing activities (Continued)

Consolidated										
Consolidated	12/31/2023	Loans, financing and debentures raised and leases	Interest, monetary variations and FX differences, net	Payment of acquisitions and principal	Payment of interest	Fair value of debt	Allocation of dividends and IOE	Payment of dividends and IOE	Other	03/31/2024
Loans, financing, debentures and leases	37,758,574	19,516	1,294,081	(1,004,083)	(777,912)	(349,833)	-	-	69,385	37,009,728
Derivatives	1,210,922	-	221,342	(242,875)	-	-	-	-	-	1,189,389
Dividends and IOE payable	99,769	-	-	-	-	-	309,393	(74,240)	(16,411)	318,511
	<u>39,069,265</u>	<u>19,516</u>	<u>1,515,423</u>	<u>(1,246,958)</u>	<u>(777,912)</u>	<u>(349,833)</u>	<u>309,393</u>	<u>(74,240)</u>	<u>52,974</u>	<u>38,517,628</u>
Current	4,390,701									3,725,942
Noncurrent	34,678,564									34,791,686

Consolidated										
Consolidated	12/31/2022	Loans, financing and debentures raised and leases	Interest, monetary variations and FX differences, net	Payment of acquisitions and principal	Payment of interest	Fair value of debt	Allocation of dividends and IOE	Payment of dividends and IOE	Other	03/31/2023
Loans, financing, debentures and leases	36,215,627	1,100,000	956,694	(1,256,937)	(761,886)	73,631	-	-	36,341	36,363,470
Derivatives	1,959,016	-	149,640	(277,576)	-	-	-	-	-	1,831,080
Dividends and IOE payable	145,085	-	-	-	-	-	27,743	(136,438)	-	36,390
	<u>38,319,728</u>	<u>1,100,000</u>	<u>1,106,334</u>	<u>(1,534,513)</u>	<u>(761,886)</u>	<u>73,631</u>	<u>27,743</u>	<u>(136,438)</u>	<u>36,341</u>	<u>38,230,940</u>
Current	6,159,748									5,900,391
Noncurrent	32,159,980									32,330,549

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

25. Assets, liabilities, revenues and expenses per segment

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

	Consolidated						Consolidated
	03/31/2024						
	Hospital	Health	Life	Corporate	Total segments	Eliminations	
Net revenues							
Foreign customers	6,595,217	6,799,719	198,245	(1,441)	13,591,740	(1,396,711)	12,195,029
Intersegment		53	3,381	-	3,434	(3,434)	-
Other revenues and expenses							
Operating expenses	(4,948,031)	(6,229,219)	(191,800)	-	(11,369,050)	1,399,245	(9,969,805)
Administrative expenses	(251,842)	(150,967)	(6,635)	(15,230)	(424,674)	(6,122)	(430,796)
Finance income (costs)	(742,388)	(50,029)	93,499	26,372	(672,546)		(672,546)
Other amounts that have an impact on income (a)	151,634	(148,951)	(21,502)	2,936	(15,883)	(301,409)	(317,292)
Net income	804,590	220,606	75,188	12,637	1,113,021	(308,431)	804,590
Assets	67,668,215	23,085,997	12,529,302	9,216,459	112,499,973	(21,374,480)	91,125,493
Liabilities	43,142,009	13,745,732	11,577,395	772,362	69,237,498	(2,638,211)	66,599,287

a) Mainly composed of the intragroup equity pickup eliminated in the "Eliminations" column in the total of R\$ 304,996.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

25. Assets, liabilities, revenues and expenses per segment (Continued)

	Consolidated						
	03/31/2023						
	Hospital	Health	Life	Corporate	Total segments	Eliminations	Consolidated
Net revenues							
Foreign customers	6,129,520	6,136,920	198,375	10,495	12,475,310	(1,225,338)	11,249,972
Intersegment	-	62	3,051	-	3,113	(3,113)	-
Other revenues and expenses							
Operating expenses	(4,657,139)	(6,011,368)	(212,934)	-	(10,881,441)	1,224,034	(9,657,407)
Administrative expenses	(166,206)	(155,502)	3,228	(22,464)	(340,944)	1,082	(339,862)
Finance income (costs)	(828,240)	(112,212)	90,092	66,686	(783,674)	-	(783,674)
Other amounts that have an impact on income (a)	(162,868)	149,541	(30,285)	80,649	37,037	(190,999)	(153,962)
Net income	315,067	7,441	51,527	135,366	509,401	(194,334)	315,067
Assets	46,123,454	19,507,806	11,528,238	18,684,465	95,843,963	(8,666,658)	87,177,305
Liabilities	38,691,583	11,236,014	10,664,589	3,528,530	64,120,716	(128,670)	63,992,046

a) Mainly composed of the intragroup equity pickup eliminated in the "Eliminations" column in the total of R\$ 135,537.

Rede D'Or São Luiz S.A.

Notes to interim financial information (Continued)

March 31, 2024

(In thousands of reais, unless otherwise stated)

26. Insurance coverage

At March 31, 2024, the Company maintains insurance coverage at amounts deemed sufficient by management to cover risks, if any, on its assets and/or liabilities.

<u>Type of coverage</u>	<u>Amount insured</u>
Property risk	5,430,415
Civil liability (D&O)	615,810
General civil liability	10,000
Engineering risks	4,345,240

27. Events after the reporting period

On April 30, 2024, the Central Bank of Brazil – BCB approved the transfer of equity control of Sul América Investimentos DTVM S.A. (“SAMI”) in the context of the merger of Sul América S.A. (“SASA”) into Rede D’Or (“Company”).

On March 28, 2024, subsidiary GSH Corp Participações S.A. executed a private instrument for the 5th issue of simple unsecured nonconvertible debentures, without security interest and with no preference, in a single series, for public distribution under automatic registration. The amount was released on April 22, 2024. Five hundred thousand (500,000) debentures were issued in the amount of R\$1,000.00 each, making up a total issue worth R\$500,000 with Banco Itaú; the transaction trustee is securities dealer Vortex Distribuidora de Títulos e Valores Mobiliários Ltda. An interest rate equivalent to CDI + 1.70% p.a. will apply to the nominal unit value. In this new contract there are no financial covenants.

The debenture amortization is scheduled as follows:

<u>Date</u>	<u>% corresponding to the nominal unit value of the Debentures</u>
July 24, 2027	33.33%
April 22, 2029	33.33%
	100.00%

On April 29, 2024, the Company redeemed the 2nd issue debentures. In this transaction, a premium of R\$4,288 was paid to debenture holders.