

Individual and Consolidated Financial Statements

Rede D'Or São Luiz S.A.

December 31, 2024
with Independent Auditor's Report

Rede D’Or São Luiz S.A.

Individual and consolidated financial statements

December 31, 2024, 2023 and 2022

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Centro Empresarial PB 370
Praia de Botafogo, 370
8º ao 10º andar - Botafogo
22250-040 - Rio de Janeiro - RJ - Brasil
Tel: +55 21 3263-7000
ey.com.br

A free translation from Portuguese into English of Independent Auditor's Report on individual and consolidated financial statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB)

Independent auditor's report on individual and consolidated financial statements

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

Opinion

We have audited the individual and consolidated financial statements of Rede D'Or São Luiz S.A. (the "Company"), identified as Individual and Consolidated, respectively, which comprise the statement of financial position as at December 31, 2024, and the statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the individual and consolidated financial position of the Company as at December 31, 2024, and its individual and consolidated financial performance and cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) (currently referred by the IFRS Foundation as "IFRS accounting standards").

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the individual and consolidated financial statements* section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants and the professional standards issued by Brazil's National Association of State Boards of Accountancy ("CFC"), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and therefore, we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in that context.



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We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the individual and consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

1. Recognition of hospital service revenue

As mentioned in Notes 2.5, 5.1 and 18.1 the Company's revenues related to the hospital services, including the use of medicines and medical supplies, and they are recognized based on the services provided up to the balance sheet date, for which it is necessary to determine the amount of revenue appropriately to be recognized, billed or unbilled, and the estimate of the expected losses ("disallowances") on procedures performed, supplies and medicines used but that eventually are not approved by the health insurance companies.

These processes involve complex controls and analyses to ensure that service revenues are accounted for within the correct accrual period and at the fair value of the consideration received or to be received and to ensure that the corresponding balances receivable are recognized at realizable value.

Due to the significance of amounts involved and the characteristics inherent to the revenue recognition process, including unbilled revenues and estimates related to the measurement of disallowances, as well as the impact that any changes in assumptions and estimates used would cause on the individual and consolidated financial statements, we considered this issue a key audit matter.

How our audit addressed this matter

Our audit procedures included, among others (i) the understanding and evaluation of the internal control environment specifically related to the processes, revenue capture and recognition; (ii) document inspection procedures up to the subsequent settlement level for a sample of the balance of trade accounts receivable; (iii) evaluation of revenue recognition according to the progress of the service provided, through documental tests for a selected sample; (iv) analysis of assumptions used to determine the percentages of loss from disallowances; (v) recalculation of provisions for disallowances, based on the position of trade accounts receivable at December 31, 2024 and percentage obtained of losses from disallowances; (vi) analysis of the risk of accounting for revenue outside the correct period based on the average length of stay of patients; and (vii) evaluation of the adequacy of disclosures made by the Company on this matter in the financial statements.

Based on the results of audit procedures performed, which is consistent with management's assessment, we considered acceptable the Company's policies for revenue recognition and estimates of losses from disallowances adopted by management as well as the respective disclosures made, are appropriate in the context of the financial statements taken as a whole.



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2. Impairment of nonfinancial assets

As mentioned in Notes 8, 9 and 10, as at December 31, 2024, the Company has significant nonfinancial assets, mainly represented by property and equipment, intangible assets and investments in subsidiaries, associates and joint ventures, including goodwill generated in business combinations.

These assets are annually tested for the purpose of evaluating events or changes in economic and operating circumstances that may indicate deterioration or impairment. Indefinite-lived intangible assets, including goodwill, must be annually tested for impairment, regardless of indications of deterioration. The impairment test of these assets, including the definition of Cash Generating Units (CGUs), has a high degree of subjectivity, and is based on various assumptions and their realization is impacted by market projections and uncertain economic scenarios. Due to the significance of the balances, the level of uncertainty and the high degree of judgment inherent to determining the corresponding recoverable amounts, we considered this issue a key audit matter.

How our audit addressed this matter

Our audit procedures included, among others: (i) the evaluation of the criteria for determining and identifying the CGUs; (ii) the involvement specialists to assist us in evaluating the projections prepared by management for the recoverability of these assets, particularly assumptions used to determine discount rate considered by the Company executive board; (iii) evaluation of the adequacy and consistency of assumptions used in the estimates and projections of future cash flows comparing them, when available, with data from external sources, such as projected economic growth and cost inflation; (iv) evaluation of the calculation methodology and sensitivity analysis of assumptions; and (v) review of the disclosures made by the Company in the financial statements.

Based on the results of the audit procedures performed on the impairment test of nonfinancial assets, which is consistent with management's assessment, we considered that the criteria and assumptions related to recoverable amount adopted by management are acceptable, as well as the respective disclosures made in the context of the financial statements taken as a whole.



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3. Estimation of insurance contract liabilities under the Premium Allocation Approach (PAA), Building Block Approach (BBA), and Variable Fee Approach (VFA).

As disclosed in Notes 2.19 and 12, as of December 31, 2024, the Company, through its subsidiaries, recorded insurance contract liabilities amounting to R\$20,289,453 thousand in its consolidated statement of financial position, of which R\$2,866,005 thousand refers to the value of the PAA and R\$17,423,448 thousand to the BBA and VFA. These amounts include both the remaining coverage liability and the liability for incurred claims, as well as insurance acquisition cash flow assets, which are assessed under the PAA, BBA, and VFA measurement approaches. They reflect current estimates of future cash flows, discount rates, and risk adjustment estimates for non-financial risk. For the remaining coverage liability, assessed under the BBA and VFA approaches, the estimates also include the service margin of these insurance contracts. These measurement approaches require significant professional judgment from the executive board in selecting the calculation methodologies and assumptions, such as: interest and discount rates, longevity expectations, adjustments, financial surpluses, risk adjustments, cancellation/redemption rates and loading fees, among others.

Accordingly, the measurement and calculation of such insurance liabilities involve a high degree of subjectivity in defining the assumptions and methodologies necessary for their accounting. In this regard, due to the technical complexity, judgment, significant estimates, and the need for detailed disclosures, this topic was defined as a key audit matter.

How our audit addressed this matter

Our audit procedures included, among others: (i) discussion with the executive board to understand the methodologies applied and assumptions adopted in the context of understanding the internal control environment related to the insurance contract liabilities measurement process; (ii) reconciliation of accounting records with the controls that support the recorded amounts; (iii) use of actuarial specialists to assist us in assessing and testing the actuarial models adopted; (iv) assessment of the reasonableness of the assumptions and methodologies used by the Company's executive board in the insurance contract calculations; (v) performance of independent calculations to test some of the key assumptions used; and (vi) review of the adequacy of the disclosures included in the individual and consolidated financial statements.

Based on the results of the audit procedures performed on the balances of insurance contract liabilities established by the Company's subsidiaries, which is consistent with the executive board's assessment, we considered that the methodologies, assumptions and respective calculations made to determine the respective insurance contracts, as well as the respective disclosures in the notes, are acceptable in the context of the individual and consolidated financial statements as a whole.



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Other matters

Statements of value added

The individual and consolidated statements of value added (SVA) for the year ended December 31, 2024, prepared under the responsibility of the Company's executive board, and presented as supplementary information for purposes of IFRS, were submitted to audit procedures conducted together with the audit of the Company's financial statements. To form our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined by NBC TG 09 – Statement of Value Added. In our opinion, these individual and consolidated statements of value added were prepared fairly, in all material respects, in accordance with the criteria defined in the abovementioned accounting pronouncement, and are consistent in relation to the overall individual and consolidated financial statements.

Other information accompanying the individual and consolidated financial statements and the auditor's report

The executive board is responsible for such other information, which comprise the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the executive board and those charged with governance for the individual and consolidated financial statements

The executive board is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), (currently referred by the IFRS Foundation as "IFRS accounting standards"), and for such internal control as the executive board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, the executive board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the executive board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



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Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

Auditor's responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of the audit conducted in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive board.
- Concluded on the appropriateness of the executive board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements, including applicable independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Rio de Janeiro, March 10, 2025.

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

A handwritten signature in blue ink, appearing to read 'Diogo Afonso da Silva', is written over a faint, light blue circular stamp.

Diogo Afonso da Silva
Accountant CRC RJ-114783/O

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Rede D'Or São Luiz S.A.

Statements of financial position
December 31, 2024, 2023 and 2022
(In thousands of reais)

	Note	Individual			Consolidated		
		2024	2023	2022	2024	2023	2022
Assets							
Current assets							
Cash and cash equivalents	4	408,911	257,423	96,360	6,570,751	3,267,408	1,109,796
Marketable securities	4	9,272,469	9,239,876	11,165,890	32,067,003	28,463,882	29,236,645
Accounts receivable	5	4,934,013	4,840,796	3,966,046	9,463,784	8,939,144	7,911,452
Inventories	6	430,256	365,793	414,005	912,877	705,896	808,688
Taxes recoverable		606,771	545,021	433,513	1,224,853	1,002,564	656,696
Insurance contract assets	12	-	-	-	8,715	41,419	70,012
Reinsurance contract assets		-	-	-	57,088	64,934	44,741
Derivative financial instruments	24	174,331	49,550	203,730	174,331	49,550	251,740
Transactions with related parties	7	447,826	245,080	167,578	192,151	36,492	7,753
Dividends receivable		563,310	70,593	75,277	-	3,154	1,769
Other		347,450	230,183	137,450	689,826	549,038	524,607
Total current assets		17,185,337	15,844,315	16,659,849	51,361,379	43,123,481	40,623,899
Noncurrent assets							
Transactions with related parties	7	1,806,064	1,985,841	1,659,658	62,003	191,803	75,899
Marketable securities	4	-	-	-	1,851,780	1,702,460	1,806,334
Accounts receivable	5	-	-	-	1,733,842	1,674,369	1,659,489
Taxes recoverable		8,677	8,677	8,677	479,493	490,566	469,970
Insurance contract assets	12	-	-	-	48,314	40,595	79,496
Reinsurance contract assets		-	-	-	16,065	3,525	527
Judicial deposits	14	376,213	362,366	294,653	2,770,086	2,682,556	2,862,274
Deferred taxes	17	-	12,222	-	3,509,725	3,600,118	3,366,280
Derivative financial instruments	24	380,946	570,513	334,186	3,550,934	1,917,874	2,487,765
Investments in subsidiaries, associates and joint ventures	8	31,679,152	27,296,375	26,271,987	2,483,556	2,563,868	2,553,401
Property and equipment	9	5,712,780	5,294,123	4,212,807	14,978,458	12,909,403	11,106,286
Intangible assets	10	7,497,061	7,508,728	6,880,944	16,242,665	16,449,568	16,477,631
Right of use – leases	11	2,450,179	2,158,506	2,263,454	3,053,023	2,680,462	2,834,600
Other		220,379	94,612	86,098	456,559	311,708	274,476
Total noncurrent assets		50,131,451	45,291,963	42,012,464	51,236,503	47,218,875	46,054,428
Total assets		67,316,788	61,136,278	58,672,313	102,597,882	90,342,356	86,678,327

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Rede D'Or São Luiz S.A.

Statements of financial position
December 31, 2024, 2023 and 2022
(In thousands of reais)

	Note	Individual			Consolidated		
		2024	2023	2022	2024	2023	2022
Liabilities and equity							
Current liabilities							
Trade accounts payable		666,543	636,124	532,476	1,534,698	1,355,666	1,256,601
Derivative financial instruments	24	568,616	466,050	682,825	660,968	639,580	827,908
Loans, financing and debentures	13	3,920,516	2,587,944	4,707,009	3,915,191	2,918,435	4,973,066
Transactions with related parties	7	-	-	-	12,231	-	-
Salaries, accruals and social charges		491,097	539,971	445,623	1,109,208	1,101,223	982,150
Tax obligations		281,746	192,729	266,602	865,069	757,933	787,887
Accounts payable for acquisitions		16,858	59,041	74,224	464,989	468,135	220,059
Dividends and IOE payable	16	56,938	88,499	137,640	69,192	99,769	145,085
Insurance contract liabilities	12	-	-	-	7,099,761	4,683,939	3,913,312
Leases	15	627,124	534,822	476,704	776,424	872,949	621,751
Other		74,212	49,550	46,362	1,347,995	1,339,918	1,023,508
Total current liabilities		6,703,650	5,154,730	7,369,465	17,855,726	14,237,547	14,751,327
Noncurrent liabilities							
Derivative financial instruments	24	1,545,831	571,342	1,131,108	1,545,831	571,342	1,131,108
Loans, financing and debentures	13	30,107,692	29,062,394	24,310,593	34,955,408	31,667,514	27,910,159
Transactions with related parties	7	-	-	-	3,769	5,179	4,207
Tax obligations		34,983	35,826	45,990	185,821	200,119	240,550
Accounts payable for acquisitions		827	200	200	288,237	354,662	519,295
Insurance contract liabilities	12	-	-	-	13,189,692	12,458,584	11,229,028
Deferred taxes	17	80,171	-	307,259	368,455	168,667	398,414
Provision for contingencies	14	743,414	820,185	1,208,942	3,358,816	3,268,354	3,792,172
Provision for losses on investments	8	719,421	613,560	509,044	-	-	-
Leases	15	2,300,596	2,037,512	2,116,624	2,826,049	2,299,676	2,710,651
Other		377,576	300,823	230,285	1,318,210	1,275,066	1,283,682
Total noncurrent liabilities		35,910,511	33,441,842	29,860,045	58,040,288	52,269,163	49,219,266
Equity							
Capital	16	15,711,360	15,711,360	15,711,360	15,711,360	15,711,360	15,711,360
Share issue costs		(253,031)	(253,031)	(253,031)	(253,031)	(253,031)	(253,031)
Capital reserves		4,960,756	4,914,555	4,914,500	4,960,756	4,914,555	4,914,500
Treasury shares		(1,458,602)	(519,418)	(544,610)	(1,458,602)	(519,418)	(544,610)
Income reserves		4,930,435	2,508,424	1,300,278	4,930,435	2,508,424	1,300,278
Future capital contribution		4,224	4,224	4,224	4,224	4,224	4,224
Other comprehensive income		807,485	173,592	310,082	807,485	173,592	310,082
Total equity attributable to the Company's shareholders		24,702,627	22,539,706	21,442,803	24,702,627	22,539,706	21,442,803
Noncontrolling interests		-	-	-	1,999,241	1,295,940	1,264,931
Total equity		24,702,627	22,539,706	21,442,803	26,701,868	23,835,646	22,707,734
Total liabilities and equity		67,316,788	61,136,278	58,672,313	102,597,882	90,342,356	86,678,327

See accompanying notes.

Rede D'Or São Luiz S.A.

Statements of profit or loss
Years ended December 31, 2024, 2023 and 2022
(In thousands of reais, unless otherwise stated)

	Note	Individual			Consolidated		
		2024	2023	2022	2024	2023	2022
Operating revenue, net	18	14,577,941	13,099,959	11,508,663	50,571,261	46,508,558	22,987,443
Operating costs	19	(10,153,930)	(9,051,184)	(8,034,112)	(41,108,709)	(38,937,076)	(17,785,662)
Gross profit		4,424,011	4,048,775	3,474,551	9,462,552	7,571,482	5,201,781
General and administrative expenses	20	(1,080,002)	(605,381)	(906,444)	(1,958,958)	(1,314,957)	(926,445)
Selling expenses		(30,395)	(50,281)	(20,144)	(67,868)	(201,947)	(36,400)
Equity pickup	8	3,148,051	1,660,081	691,698	48,864	(5,673)	46,080
Other operating income (expenses), net	21	209,832	(135,050)	(164,966)	(44,160)	(483,634)	(386,176)
Income before finance income (costs) and income and social contribution taxes		6,671,497	4,918,144	3,074,695	7,440,430	5,565,271	3,898,840
Finance income	22	2,338,524	3,876,375	2,641,676	7,864,530	9,317,468	5,683,308
Finance costs	22	(5,254,119)	(6,905,536)	(4,850,773)	(10,406,911)	(12,332,395)	(8,256,884)
Income before income taxes		3,755,902	1,888,983	865,598	4,898,049	2,550,344	1,325,264
Income taxes	17	91,043	151,739	329,368	(963,929)	(436,643)	(62,947)
Net income for the year		3,846,945	2,040,722	1,194,966	3,934,120	2,113,701	1,262,317
Income attributable to controlling interests		3,846,945	2,040,722	1,194,966	3,846,945	2,040,722	1,194,966
Income attributable to noncontrolling interests		-	-	-	87,175	72,979	67,351
Basic earnings per share (in reais)	23	1.7328	0.9051	0.5301	1.7328	0.9051	0.5301
Diluted earnings per share (in reais)	23	1.7328	0.9051	0.5290	1.7328	0.9051	0.5290

See accompanying notes.

Rede D'Or São Luiz S.A.

Statements of comprehensive income
Years ended December 31, 2024, 2023 and 2022
(In thousands of reais)

	Individual			Consolidated		
	2024	2023	2022	2024	2023	2022
Net income for the year	3,846,945	2,040,722	1,194,966	3,934,120	2,113,701	1,262,317
Other comprehensive income						
Cash flow hedge	88,406	(211,403)	(68)	26,950	(226,767)	(15,432)
Loss of fair value of equity instrument (shares)	-	-	(325,542)	-	-	(325,542)
Gain/loss on insurance and reinsurance liabilities	-	-	-	1,105,567	(26,913)	-
Unrealized gains/(losses) on financial assets at fair value through OCI	-	-	-	(84,393)	56,428	-
Tax effects	(30,058)	71,877	23	(417,720)	66,134	5,247
Gains/(losses) on changes in equity interest	(4,874)	2,072	-	-	-	-
Other comprehensive income of associates and subsidiaries, by equity pickup	580,419	964	(10,140)	3,489	(5,372)	-
	633,893	(136,490)	(335,727)	633,893	(136,490)	(335,727)
Total comprehensive income	4,480,838	1,904,232	859,239	4,568,013	1,977,211	926,590
Attributable to:						
Controlling interests	4,480,838	1,904,232	859,239	4,480,838	1,904,232	859,239
Noncontrolling interests	-	-	-	87,175	72,979	67,351

See accompanying notes.

Rede D'Or São Luiz S.A.

Statements of changes in equity Years ended December 31, 2024, 2023, and 2022 (In thousands of reais)

Description	Capital						Income reserves			Controlling interests				
	Capital	Share issue costs	Premium reserve (issue of shares)	Goodwill on capital transactions	Share-based payment reserve	Treasury shares	Legal reserve	Investment reserve	Other comprehensive income	Future capital contribution	Retained earnings	Total equity	Noncontrolling interests	Total
Balances at December 31, 2021	7,575,516	(253,031)	5,727,122	(1,251,618)	-	(139,282)	8,666	1,591,514	320,267	4,224	-	13,583,378	1,094,561	14,677,939
Capital increase (Note 16)	8,135,844	-	-	-	-	-	-	-	-	-	-	8,135,844	-	8,135,844
Acquisitions of subsidiaries (Note 3)	-	-	-	-	-	-	-	-	-	-	-	-	131,958	131,958
Capital transactions in subsidiaries and acquisition of noncontrolling interests	-	-	863,017	(178)	-	-	-	-	-	-	-	862,839	16,632	879,471
Treasury shares (Note 16)	-	-	(440,366)	-	-	(413,872)	-	-	-	-	-	(854,238)	-	(854,238)
Changes - RSU (Note 16)	-	-	16,523	-	(70,623)	8,544	-	-	-	-	-	(45,556)	-	(45,556)
Share-based payment (Note 16)	-	-	-	-	70,623	-	-	-	-	-	-	70,623	-	70,623
Net income for the year	-	-	-	-	-	-	-	-	-	-	1,194,966	1,194,966	67,351	1,262,317
Dividends and interest on equity (Note 16)	-	-	-	-	-	-	-	-	-	-	(800,090)	(800,090)	(45,571)	(845,661)
Loss of fair value of equity instrument (shares)	-	-	-	-	-	-	-	-	(325,542)	-	-	(325,542)	-	(325,542)
Reclassification of income from (losses on) equity instruments realized in the year	-	-	-	-	-	-	-	-	325,542	-	(325,542)	-	-	-
Cash flow hedge (Note 16)	-	-	-	-	-	-	-	(10,185)	-	-	-	(10,185)	-	(10,185)
Allocation to investment reserve	-	-	-	-	-	-	-	69,334	-	-	(69,334)	-	-	-
Balances at December 31, 2022	15,711,360	(253,031)	6,166,296	(1,251,796)	-	(544,610)	8,666	1,660,848	310,082	4,224	-	21,812,039	1,264,931	23,076,970
Recognition of other reserves as a result of IFRS 17/CPC 50	-	-	-	-	-	-	-	(369,236)	-	-	-	(369,236)	-	(369,236)
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)	-	-	-	-	-	-	-	-	-	-	-	-	959	959
Capital transactions in subsidiaries and acquisition of noncontrolling interests	-	-	-	(91)	-	-	-	-	-	-	-	(91)	24,223	24,132
Changes - RSU (Note 16)	-	-	146	-	(42,769)	25,192	-	-	-	-	-	(17,431)	-	(17,431)
Share-based payment (Note 16)	-	-	-	-	42,769	-	-	-	-	-	-	42,769	-	42,769
Net income for the year	-	-	-	-	-	-	-	-	-	-	2,040,722	2,040,722	72,979	2,113,701
Dividends and interest on equity (Note 16)	-	-	-	-	-	-	-	-	-	-	(832,576)	(832,576)	(67,152)	(899,728)
Cash flow hedge (Note 16)	-	-	-	-	-	-	-	-	(149,667)	-	-	(149,667)	-	(149,667)
Net finance income (costs) from insurance and reinsurance contracts	-	-	-	-	-	-	-	-	(16,234)	-	-	(16,234)	-	(16,234)
Equity adjustments	-	-	-	-	-	-	-	-	29,411	-	-	29,411	-	29,411
Allocation to investment reserve	-	-	-	-	-	-	-	1,208,146	-	-	(1,208,146)	-	-	-
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
Acquisitions of subsidiaries (Note 3)	-	-	-	-	-	-	-	-	-	-	-	-	7,078	7,078
Capital transactions in subsidiaries and acquisition of noncontrolling interests	-	-	-	22,590	-	-	-	-	-	-	-	22,590	682,377	704,967
Changes - RSU (Note 16)	-	-	23,611	-	(18,944)	7,671	-	-	-	-	-	12,338	-	12,338
Share-based payment (Note 16)	-	-	-	-	18,944	-	-	-	-	-	-	18,944	-	18,944
Net income for the year	-	-	-	-	-	-	-	-	-	-	3,846,945	3,846,945	87,175	3,934,120
Dividends and interest on equity (Note 16)	-	-	-	-	-	-	-	-	-	-	(1,450,000)	(1,450,000)	(73,329)	(1,523,329)
Reinvested dividends	-	-	-	-	-	-	-	-	-	-	-	25,066	-	25,066
Share buyback	-	-	-	-	-	(946,855)	-	-	-	-	-	(946,855)	-	(946,855)
Cash flow hedge (Note 16)	-	-	-	-	-	-	-	-	17,787	-	-	17,787	-	17,787
Equity adjustments	-	-	-	-	-	-	-	-	(47,324)	-	-	(47,324)	-	(47,324)
Net finance income (costs) from insurance and reinsurance contracts	-	-	-	-	-	-	-	-	663,430	-	-	663,430	-	663,430
Allocation to investment reserve	-	-	-	-	-	-	-	2,396,945	-	-	(2,396,945)	-	-	-
Balances at December 31, 2024	15,711,360	(253,031)	6,190,053	(1,229,297)	-	(1,458,602)	8,666	4,921,769	807,485	4,224	-	24,702,627	1,999,241	26,701,868

See accompanying notes.

Rede D'Or São Luiz S.A.

Statements of cash flows Years ended December 31, 2024, 2023, and 2022 (In thousands of reais)

	Individual			Consolidated		
	2024	2023	2022	2024	2023	2022
Cash flows from operating activities						
Income before income and social contribution taxes	3,755,902	1,888,983	865,598	4,898,049	2,550,344	1,325,264
Adjustments to reconcile income before taxes to cash flows from operating activities						
Depreciation and amortization	891,384	834,601	805,353	1,633,536	1,500,033	1,404,142
Gain on disposal of properties	(3,920)	(3,920)	(3,920)	(3,920)	(3,920)	(3,920)
Impairment	-	-	-	-	15,148	-
Gain/loss on acquisitions in stages	-	-	-	-	23,801	-
Fair value of debt	(1,831,288)	965,596	(661,055)	(1,671,747)	673,122	(1,370,559)
Interest, monetary and foreign exchange differences, net	5,001,110	1,793,271	2,761,233	2,295,731	117,052	3,699,617
Share-based payment	77,907	78,400	124,276	77,907	78,400	124,276
Provision for/(reversal of) contingencies	(56,120)	(431,722)	(21,595)	355,366	(105,751)	(32,954)
Equity pickup	(3,148,051)	(1,660,081)	(691,698)	(48,864)	5,673	(46,080)
Income from (loss on) insurance services	-	-	-	8,250,228	5,594,485	-
Provision for disallowances and allowance for expected credit losses	756,064	713,511	596,745	1,313,188	1,371,237	1,290,258
(Increase) decrease in assets and increase (decrease) in liabilities						
Accounts receivable	(849,283)	(1,490,641)	(606,827)	(1,889,807)	(2,413,809)	(1,928,490)
Inventories	(64,463)	54,975	(1,369)	(199,473)	102,792	(66,472)
Taxes recoverable	(53,366)	(106,286)	(55,365)	(140,552)	(301,098)	23,570
Judicial deposits	(13,847)	(60,248)	(56,419)	45,565	37,777	(67,239)
Other assets	232,691	404,954	109,301	312,532	199,118	96,499
Trade accounts payable	30,419	89,842	105,326	163,557	99,065	224,730
Salaries and social charges	(86,751)	44,101	(57,433)	(29,917)	92,639	(56,129)
Tax obligations	76,373	(241,205)	40,667	74,592	(379,188)	(166,694)
Transactions with related parties	(296,424)	(684,755)	(753,870)	(15,041)	(143,671)	(34,791)
Provision for contingencies	(37,688)	(3,741)	(1,244)	(458,788)	(335,129)	(3,877)
Insurance and reinsurance assets (liabilities)	-	-	-	(3,961,956)	(3,508,636)	-
Other liabilities	23,988	3,656	22,093	(13,412)	(20,537)	185,350
	4,404,637	2,189,291	2,519,797	10,986,774	5,248,947	4,596,501
Payment of interest	(3,242,710)	(3,812,606)	(2,537,761)	(3,336,289)	(4,250,937)	(2,911,101)
Payment of income and social contribution taxes	-	-	(3,123)	(1,230,078)	(602,098)	(367,097)
Net cash flows from (used in) operating activities	1,161,927	(1,623,315)	(21,087)	6,420,407	395,912	1,318,303
Cash flows from investing activities						
Payment in business acquisition, net of cash acquired	-	-	-	(27,706)	-	(232,065)
Receipt upon disposal of equity interest, net of cash	147,719	-	-	147,135	-	-
Cash from merger of subsidiary	-	464	741	-	-	-
Acquisition of equity interest	-	-	-	-	(7,272)	-
Future capital contribution	(2,604,976)	(1,209,456)	(2,575,879)	-	(27,816)	(59,600)
Additions to property and equipment	(735,770)	(1,129,087)	(845,207)	(2,811,757)	(2,470,281)	(2,476,405)
Additions to intangible assets	(123,279)	(94,717)	(110,096)	(262,142)	(251,308)	(81,621)
Acquisitions of marketable securities	(26,047,155)	(21,679,269)	33,799,193	(68,729,444)	(56,184,147)	(45,093,364)
Redemption of marketable securities	26,941,289	24,867,821	34,183,816	68,808,360	60,684,760	44,952,318
Dividends and interest on equity received	1,231,590	731,774	128,463	19,291	6,465	21,533
Net cash flows used in investing activities	(1,190,582)	1,487,530	(3,017,355)	(2,856,263)	1,750,401	(2,969,204)
Cash flows from financing activities						
Treasury shares	(927,339)	-	-	(927,339)	-	-
Payment of dividends and IOE	(1,291,185)	(785,862)	(651,090)	(1,381,135)	(849,188)	(696,426)
Loans, financing and debentures raised	7,900,000	5,164,594	5,015,501	9,518,901	6,003,333	5,085,501
Payments of loans and financing and debentures	(5,035,313)	(3,597,619)	(1,092,606)	(6,780,919)	(4,490,158)	(1,447,974)
(Settlement) receipt of swap	(466,020)	(484,265)	(164,731)	(630,353)	(634,043)	(255,273)
Accounts payable for acquisitions	-	-	(16,182)	(59,956)	(18,645)	(49,752)
Net cash flows from financing activities	180,143	296,848	3,090,892	(260,801)	11,299	2,636,076
Increase (decrease) in cash and cash equivalents	151,488	161,063	52,450	3,303,343	2,157,612	985,175
Cash and cash equivalents at beginning of year	257,423	96,360	43,910	3,267,408	1,109,796	124,621
Cash and cash equivalents at end of year	408,911	257,423	96,360	6,570,751	3,267,408	1,109,796

See accompanying notes.

Rede D'Or São Luiz S.A.

Statements of value added

Years ended December 31, 2024, 2023, and 2022

(In thousands of reais, unless otherwise stated)

	Individual			Consolidated		
	12/31/2024	12/31/2023	12/31/2022	12/31/2024	12/31/2023	12/31/2022
Revenue	15,836,299	13,879,219	12,218,629	53,060,544	48,302,139	24,483,333
Sales of goods, products and services	16,234,340	14,588,810	12,811,454	24,458,491	22,797,558	25,769,671
Revenues from insurance operations	-	-	-	29,454,827	26,719,752	-
Allowance for expected credit losses	(756,064)	(713,511)	(596,745)	(1,313,188)	(1,371,237)	(1,290,258)
Other revenues	358,023	3,920	3,920	460,414	156,066	3,920
Benefits and claims	-	-	-	(20,121,071)	(19,263,465)	-
Expenses with benefits and redemptions	-	-	-	(20,121,071)	(19,263,465)	-
Materials acquired from third parties	(5,623,083)	(4,719,291)	(4,518,654)	(12,701,233)	(11,422,650)	(10,107,490)
Costs of sales	(5,292,225)	(4,845,806)	(4,236,965)	(11,540,091)	(10,544,797)	(9,599,694)
Materials, power, services from suppliers and other	(386,978)	(305,207)	(303,284)	(805,776)	(983,604)	(540,750)
Loss on/recovery of assets	56,120	431,722	21,595	(355,366)	105,751	32,954
Gross value added	10,213,216	9,159,928	7,699,975	20,238,240	17,616,024	14,375,843
Depreciation and amortization	(891,384)	(834,601)	(805,353)	(1,633,536)	(1,500,033)	(1,404,142)
Net value added	9,321,832	8,325,327	6,894,622	18,604,704	16,115,991	12,971,701
Value added received from transfers	5,486,575	5,536,456	3,333,374	5,812,237	9,483,233	5,729,388
Share of profit of a subsidiary, an associate and a joint venture	3,148,051	1,660,081	691,698	48,864	(5,673)	46,080
Finance income	2,338,524	3,876,375	2,641,676	7,864,530	11,729,191	5,683,308
Finance income (costs) from insurance contracts	-	-	-	(2,101,157)	(2,240,285)	-
Total value added	14,808,407	13,861,783	10,227,996	24,416,941	25,599,224	18,701,089
Value added distributed	(14,808,407)	(13,861,783)	(10,227,996)	(24,416,941)	(25,599,224)	(18,701,089)
Employee benefits expense	(4,626,144)	(4,031,215)	(3,591,532)	(8,482,950)	(8,216,159)	(7,082,976)
Salaries	(4,094,274)	(3,567,185)	(3,173,186)	(7,357,750)	(7,218,915)	(6,234,401)
Benefits	(364,371)	(307,528)	(273,415)	(776,053)	(648,502)	(534,962)
Unemployment Compensation Fund (FGTS)	(167,499)	(156,502)	(144,931)	(349,147)	(348,742)	(313,613)
Taxes and contributions	(807,524)	(649,470)	(376,678)	(3,077,135)	(2,211,890)	(1,554,917)
Federal taxes	(454,370)	(334,992)	(107,709)	(2,321,670)	(1,587,860)	(972,093)
State taxes	-	-	-	(23,613)	(9,132)	(8,402)
Local taxes	(353,154)	(314,478)	(268,969)	(731,852)	(614,898)	(574,422)
Debt remuneration	(5,527,794)	(7,140,376)	(5,064,820)	(8,922,736)	(13,057,474)	(8,800,879)
Interest	(5,254,119)	(6,905,536)	(4,850,773)	(8,311,202)	(12,493,162)	(8,256,884)
Rents	(10,700)	(7,311)	(4,534)	(102,503)	(91,017)	(83,983)
Other	(262,975)	(227,529)	(209,513)	(509,031)	(473,295)	(460,012)
Equity remuneration	(3,846,945)	(2,040,722)	(1,194,966)	(3,934,120)	(2,113,701)	(1,262,317)
Interest on equity	(1,450,000)	(832,576)	(800,090)	(1,450,000)	(832,576)	(800,090)
Dividends	-	-	-	(73,329)	(67,152)	(45,571)
Profits withheld	(2,396,945)	(1,208,146)	(394,876)	(2,396,945)	(1,208,146)	(394,876)
Noncontrolling interests on profits	-	-	-	(13,846)	(5,827)	(21,780)

See accompanying notes.

Rede D'Or São Luiz S.A.

Notes to the individual and consolidated financial statements

December 31, 2024, 2023 and 2022

(In thousands of reais, unless otherwise stated)

1. Operations

Rede D'Or São Luiz S.A. (the "Company" or "Parent Company" and jointly with its subsidiaries "Rede D'Or" or "Group"), headquartered at Rua Francisco Marengo, 1312, in the city and state of São Paulo, is engaged in the rendering of hospital services, offering assistance and hospitality concepts, creating medical and diagnostic excellence centers and generating medical knowledge and experience that ensure security to customers, either doctors, patients or 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, Pará and the Federal District, with 75 own hospitals in operation and approximately 40 projects under development, in addition to oncology and radiotherapy clinics and laboratories. Currently, the Group has 9,857 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 Sul América S.A. was completed through the merger of Sul América 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.

Rede D'Or São Luiz S.A.

Notes to the individual and consolidated financial statements (Continued)

December 31, 2024, 2023 and 2022

(In thousands of reais, unless otherwise stated)

1. Operations (Continued)

Seasonality

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

Disposal of D'Or Consultoria

On August 1, 2024, the Company disposed of all equity interests held by it in JTO Holding S.A., JTO Fundadores Participações LTDA and Rede D'Or São Luiz Soluções Corporativas em Saúde e Segurança do Trabalho Ltda. (these joint ventures are hereinafter referred to as "D'Or Consultoria") to MDS Corretora e Administradora de Seguros S.A. ("MDS"). The total enterprise value of the transaction was R\$800,000, discounting (i) the net debt; (ii) the minority interest value; and (iii) loans with the parent company were settled. The final sale value was R\$377,633, to be paid to the Company, totaling R\$351,356, and to minority shareholders, totaling R\$26,277, based on the purchase and sale agreement. On the closing date, the Company received R\$153,842 and the remaining amount of R\$197,514 will be paid in three variable annual installments, adjusted by the IPCA, subject to metrics provided for in the agreement, with the first installment due on June 30, 2025. Thus, discounting the equity value of the investment on the closing date, which was negative by R\$3,985, the gain on the sale was R\$354,103, recorded in Other operating income (expenses), net.

2. Accounting policies

The individual and consolidated financial statements have been prepared and are presented in accordance with the accounting practices adopted in Brazil, which comprise the rules issued by the Brazilian Securities and Exchange Commission (CVM) and the pronouncements issued by Brazil's Financial Accounting Standards Board (CPC), which are in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The individual and consolidated financial statements are presented in Brazilian reais (R\$), which is the functional currency of the Company and its subsidiaries. The individual and consolidated financial statements were prepared with comparative information of the prior year.

In addition, the Group considered the guidance provided for in Accounting Guidance OCPC 07, issued by the CPC in November 2014, in preparing its financial statements. Accordingly, significant information specific to the financial statements is being disclosed and corresponds to that used to manage the Company's operations.

Rede D'Or São Luiz S.A.

Notes to the individual and consolidated financial statements (Continued)

December 31, 2024, 2023 and 2022

(In thousands of reais, unless otherwise stated)

2. Accounting policies (Continued)

The individual and consolidated financial statements were authorized for issue by the Board of Directors on March 10, 2025.

2.1. Basis of consolidation

The consolidated financial statements comprise the financial information of the Company and its subsidiaries for the year ended December 31, 2024. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Company controls an investee if, and only if, it has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Company has less than a majority of the voting rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement between the investor and the other vote holders;
- Rights arising from other contractual arrangements; and
- The voting rights and potential voting rights of the investor.

The Company assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the aforementioned three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses such control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the Company's controlling and noncontrolling shareholders, even if this results in loss to noncontrolling shareholders. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Company's accounting policies.

Rede D'Or São Luiz S.A.

Notes to the individual and consolidated financial statements (Continued)

December 31, 2024, 2023 and 2022

(In thousands of reais, unless otherwise stated)

2. Accounting policies (Continued)

2.1. Basis of consolidation (Continued)

All intra-group assets, liabilities, profit or loss, income, expenses and cash flows relating to transactions between members of the Company are eliminated in full on consolidation.

If the Company loses control over a subsidiary, it derecognizes the related assets (including goodwill) and liabilities at their carrying value on the date it loses control, and it derecognizes the carrying amount of any noncontrolling interests (including any components of other comprehensive income). Any resulting gain or loss is recorded in profit or loss. Any investment retained is recognized at fair value on the date it loses control.

The Company's investments in its subsidiaries are accounted for using the equity method in its individual financial statements.

The individual and consolidated financial statements include the operations of the Company and of its subsidiaries, whose equity interest percentage at the reporting date is presented in Note 8. Additionally, as at December 31, 2024, the Company has investments in funds of one that are fully consolidated.

2.2. Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any noncontrolling interests in the acquiree. For each business combination, the acquirer must measure the noncontrolling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration considered an asset or liability will be recognized in accordance with CPC 48/IFRS 9 in the statement of profit or loss.

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Notes to the individual and consolidated financial statements (Continued)

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(In thousands of reais, unless otherwise stated)

2. Accounting policies (Continued)

2.2. Business combinations (Continued)

Goodwill is initially measured as the excess of the consideration transferred in relation to net assets acquired (net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the cost of the operation when determining the gain or loss on disposal.

2.3. Financial instruments

Financial assets

Financial assets - Initial recognition and measurement

Financial instruments are recorded in accordance with IFRS 9/CPC 48 - Financial Instruments, which determines the classification of financial assets in three categories: (i) measured at fair value through profit or loss, (ii) measured at fair value through other comprehensive income, and (iii) measured at amortized cost. Depending on the characteristics of each instrument, they can be classified into finance income or comprehensive income. These classifications are based on the business model adopted by management and the contractual cash flow characteristics. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. For trade accounts receivable, the initial measurement uses the transaction price.

Upon first-time application of this pronouncement, the entity may choose to maintain its accounting policy in accordance with the hedge accounting requirements of CPC 38, over the requirements of this pronouncement. This provision was adopted by the Company for hedges entered into before CPC 48 became effective.

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Notes to the individual and consolidated financial statements (Continued)

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(In thousands of reais, unless otherwise stated)

2. Accounting policies (Continued)

2.3. Financial instruments (Continued)

Financial assets (Continued)

Financial assets – Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments).
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments).
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).
- Financial assets at fair value through profit or loss.

Financial assets at amortized cost

Financial assets held in a business model whose objective is to hold assets in order to collect contractual cash flows are recognized at amortized cost. These flows are received on specific dates and comprise solely payment of principal and interest (SPPI).

Financial assets - Fair value through other comprehensive income (debt instruments)

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (OCI): the financial asset is held in a business model whose objective is achieved by collecting contractual cash flows and selling the financial assets; and the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. For such instruments, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

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2. Accounting policies (Continued)

2.3. Financial instruments (Continued)

Financial assets (Continued)

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity instruments designated at fair value through OCI when they meet the definition of equity under CPC 39 - Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment testing.

At December 31, 2024, the Company had no equity instruments.

Financial assets - Fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

The following assets are recognized at fair value through profit or loss: (i) assets that do not fall under the amortized cost or fair value through other comprehensive income classifications, (ii) equity instruments designated at fair value through profit or loss, and (iii) assets that are managed to obtain cash flows through the sale of assets.

Impairment

The Company recognizes an allowance for expected credit losses for assets classified at amortized cost. This evaluation is carried out prospectively and is based on historical data and models designed for this purpose.

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Notes to the individual and consolidated financial statements (Continued)

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2. Accounting policies (Continued)

2.3. Financial instruments (Continued)

Financial liabilities

Financial liabilities - initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, financial liabilities at amortized cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are measured initially at fair value and, in the case of a financial liability not at fair value through profit or loss, plus or less transaction costs directly attributable to the issue of the financial liability.

The Group's financial liabilities include trade and other accounts payable, loans and financing, bank overdrafts and derivative financial instruments.

Financial liabilities – Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss; and
- Financial liabilities at amortized cost.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss (loans and financing)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by CPC 48. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in CPC 48 are satisfied.

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Notes to the individual and consolidated financial statements (Continued)

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2. Accounting policies (Continued)

2.3. Financial instruments (Continued)

Financial liabilities (Continued)

Financial liabilities at fair value through profit or loss (loans and financing) (Continued)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans, borrowings and financing are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans, borrowings and financing. For more information, refer to Note 13.

Derecognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, transferring substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognized when the obligation under the liability is terminated, i.e. when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

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Notes to the individual and consolidated financial statements (Continued)

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2. Accounting policies (Continued)

2.4. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as currency and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For hedge accounting purposes, such hedging instruments are classified as: a) fair value hedges, when intended to hedge exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment; b) cash flow hedges, when intended to hedge exposure to variability in cash flows that is attributable to a specific risk associated with a recognized asset or liability; or c) hedges of a net investment in an foreign operation. The Company currently operates with fair value and cash flow hedges.

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item, CPC 48.6.4.1, the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements: a) there is an economic relationship between the hedged item and the hedging instrument; b) the effect of credit risk does not dominate the value changes that result from that economic relationship; and c) the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item. Hedges that meet all of the qualifying criteria for hedge accounting are accounted for as described below:

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2. Accounting policies (Continued)

2.4. Derivative financial instruments and hedge accounting (Continued)

Fair value hedges

The change in the fair value of a hedging instrument is recognized in the statement of profit or loss as other expenses. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the statement of profit or loss as other expenses. For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss.

When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in profit or loss.

Cash flow hedges

The Group uses swaps as hedges of its exposure to the risk of fluctuation in interest rates on loans in Reais. Refer to Note 24.2 for more details.

The effective portion of the gain or loss on the hedging instrument is recognized in other comprehensive income, while any ineffective portion is recognized immediately in the statement of profit or loss. Interest on the hedged item and the hedging instrument is recognized directly in profit or loss and any difference to fair value in other comprehensive income. The amount accumulated in other comprehensive income is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

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(In thousands of reais, unless otherwise stated)

2. Accounting policies (Continued)

2.4. Derivative financial instruments and hedge accounting (Continued)

Cash flow hedges (Continued)

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized as other comprehensive income while any gains or losses relating to the ineffective portion are recognized in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the statement of profit or loss. The Company has no hedges of a net investment in a foreign operation.

2.5. Revenue from hospital services and recognition of costs

IFRS 15 establishes a new five-step model to account for revenues from contracts with customers. 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.

Revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for assets or services to a customer. The application of the standard did not impact the measurement and presentation of the Company's revenues, since the revenues from contracts with customers are already measured at the fair value of the consideration received, less rebates, discounts, corresponding taxes, disallowances and estimated charges, and given that control and all rights and rewards arising from the provision of the Company services flow to the customer when hospital services are provided.

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Notes to the individual and consolidated financial statements (Continued)

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2. Accounting policies (Continued)

2.5. Revenue from hospital services and recognition of costs (Continued)

The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent, and eventually concluded that it is acting as a principal in all of its revenue arrangements, since it normally controls the products or services before transferring them to the customer.

The Company periodically reviews its historical losses on disallowances and its current position of trade accounts receivable and bills, in order to fairly estimate the amounts recoverable of its receivables.

The disclosures about judgments, estimates and significant accounting assumptions related to revenues from contracts with customers are presented in Note 2.19.

Transaction costs and expenses are recognized on an accrual basis.

2.6. Inventories

Inventories comprise hospital supplies and medicines and are measured at average acquisition cost, not exceeding market value. Given the nature of the Company's inventories, management writes off expired or obsolete items, however, for the year ended December 31, 2024, there was no need to record a provision for losses.

2.7. Property and equipment

Property and equipment are measured at acquisition or construction cost, less accumulated depreciation calculated by using the straight-line method based on the estimated useful lives of the assets. Repair and maintenance costs that do not increase the asset useful life are recognized as an expense as incurred. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as disclosed in Note 9.

Management annually reviews the net carrying amount of assets so as to assess events or changes in economic, operating or technological circumstances that may indicate impairment. When such evidence is identified, and the net carrying amount exceeds the recoverable amount, a provision for impairment is recorded to adjust the carrying amount to the recoverable amount.

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2. Accounting policies (Continued)

2.8. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year. Changes in the estimated useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Any gain or loss arising upon derecognition of the intangible asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

2.9. Provisions

General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss net of any reimbursement.

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Notes to the individual and consolidated financial statements (Continued)

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2. Accounting policies (Continued)

2.9. Provisions (Continued)

Provision for tax, civil, and labor contingencies

The Company is a party to several legal and administrative proceedings. The provision for contingencies is recognized for legal claims for which it is probable that an outflow of economic benefits will be required to settle the contingency and a reliable estimate can be made. The assessment of the likelihood of loss includes analyses of available evidence, the hierarchy of laws, available case law, the most recent court decisions and their relevance in the legal system, as well as the opinion of external legal advisors. Provisions are reviewed and adjusted considering changes in existing circumstances, such as the applicable statutes of limitation, tax audit conclusions, or additional exposures identified based on new matters or court decisions.

2.10. Taxes

Current income and social contribution taxes

Income taxes comprise both income and social contribution taxes. The provisions for current income and social contribution taxes are recorded at the tax rates enacted at the reporting date and are recognized on an accrual basis; therefore, the inclusions in accounting profit of temporarily non-deductible expenses, or exclusions of temporarily non-taxable profit, considered for the calculation of current taxable profit, generate deferred tax assets or liabilities.

Current income and social contribution taxes are stated net, by entity, in liabilities when there are amounts payable, or in assets when prepaid taxes exceed total amount due at the reporting date.

Deferred taxes

Deferred taxes arise from temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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Notes to the individual and consolidated financial statements (Continued)

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2. Accounting policies (Continued)

2.10. Taxes (Continued)

Deferred taxes (Continued)

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted at the reporting date.

Deferred tax assets and liabilities are presented net if there is a legally enforceable or contractual right to offset tax assets against tax liabilities, and the deferred taxes relate to the same taxable entity and are subject to the same taxation authority.

Income taxes

Revenues, expenses and assets are recognized net of sales taxes, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of sales tax included.

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2. Accounting policies (Continued)

2.10. Taxes (Continued)

Income taxes (Continued)

- When the net amount of sales tax recoverable or payable is included as part of receivables or payables in the statement of financial position.

2.11. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.12. Share-based payment

Share-based incentives to the Company executives are measured and recognized at fair value as of the date options are granted, in a specific account in the statement of financial position and statement of profit or loss, as contractual conditions are met. The cost of equity-settled transactions is recognized over the year in which performance conditions and/or service are fulfilled, ending on the date the employee becomes entitled to the award (vesting date). The cumulative expense recognized through the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of shares to be acquired. When an equity-settled award is canceled, it is treated as if it had vested on the cancellation date, and any unrecognized award expense is immediately recognized. This includes any award in which non-acquisition conditions within the control of the Company or the other party are not met. However, if a new plan replaces the plan canceled, and is designated as a substitute plan at grant date, the plan canceled and the new plan are treated as a modification of the original plan.

2.13. Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the statement of profit or loss on the purchase, sale, issue or cancellation of the Company's equity instruments.

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2. Accounting policies (Continued)

2.14. ICPC 22/IFRIC 23 - Uncertainty over Income Tax Treatments

This interpretation establishes recognition and measurement requirements in situations in which the Company has defined, during the process of calculating income taxes (IRPJ and CSLL), the use of uncertain tax treatments, which may be questioned by the taxation authority.

In situations in which certain treatments are uncertain, the Company must define the probability of acceptance by the taxation authorities and present them separately, determining any contingency if it concludes that the taxation authority will not accept such treatment.

The Company management reviewed the judgments made in calculating income and social contribution taxes, and concluded that there are no uncertain treatments that would require the recognition of additional provision amounts.

2.15. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as presented in Note 11.

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2. Accounting policies (Continued)

2.15. Lease (Continued)

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Group as a lessor

Leases for which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

2.16. Cash and cash equivalents

Cash and cash equivalents include balances in bank current accounts and highly-liquid short-term deposits, maturing within three months from the contract date, and subject to an insignificant risk of changes in value. These balances are held for the purpose of meeting short-term cash commitments rather than for investment or any other purposes.

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2. Accounting policies (Continued)

2.17. Segment information

Segment reporting takes into consideration the structure used by management in analyzing profit or loss for decision making, in breaking down and presenting the segments with similar characteristics, risks and returns in internal reports, and the relevance of this information. The business segments recognized by management are the following:

Hospital

The hospital service segment comprises activities at own hospitals, administered hospitals, oncology clinics, in addition to supplementary services such as blood bank, dialysis and outpatient clinics with various specialties.

Health

The segment is formed by administrative services only (ASO) plans, and health and dental insurance, which are divided into "group" and "individual".

The group plan comprises the health insurance and plan, and also the dental plan. This segment targets small, medium and large-sized companies. The conditions of available products are differentiated in order to meet the needs of each company.

The individual plan targets individuals and has standard characteristics.

Life

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

Life insurance is composed of individual and group life insurance lines, and personal, individual and group accident lines, in addition to travel insurance, credit life insurance, endowment insurance, and pension risks. The total coverage and premiums paid vary according to the profile and objective of each individual or group of individuals.

The product private pension allows customers to choose a profile for themselves (moderate, aggressive and conservative) and make contribution payments based on the amount they wish to receive upon retirement. Benefit payment methods are negotiated upon retirement.

Asset management

Profit or loss from investing activities performed by associates SAMI and SAGA, and the expenses and revenues allocated to the corporate back-office units.

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2. Accounting policies (Continued)

2.17. Segment information (Continued)

Other

Other damage insurance that is in discontinuation phase, income and expenses allocated to corporate back-office units, and adjustments and eliminations of transactions between group segments.

In addition to analyzing the segment as a whole, the Company's decision-makers analyze the hospital segment on a disaggregated basis by profit or loss of each hospital; however, this individual analysis by hospital does not represent different operating segments.

2.18. Earnings per share

Basic earnings per share are computed by dividing net income by the weighted average number of shares outstanding during the year.

Diluted earnings per share are calculated by dividing net income attributable to holders of the parent company's common shares (after adjusting for the stock option plan, as described in Note 23) by the weighted average number of common shares outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares.

2.19. Insurance contracts

The Company issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event had not occurred. Insurance contracts can also transfer financial risk. The Company issues health care, dental, life, travel and private pension insurance.

The Company classifies reinsurance contracts as those insurance contracts per entity (reinsurer) to compensate the Company for claims arising from one or more insurance contracts by this other entity - underlying contracts. The Company maintains but does not issue reinsurance contracts.

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Notes to the individual and consolidated financial statements (Continued)

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(In thousands of reais, unless otherwise stated)

2. Accounting policies (Continued)

2.19. Insurance contracts (Continued)

Separating components from insurance and reinsurance contracts

The Company assesses its products to determine whether they contain distinct components (embedded derivatives, investment components, and goods or services) that must be accounted for under another CPC/IFRS rather than CPC 50/IFRS 17. Currently, the Company's insurance contracts do not include distinct components that require separation.

Level of aggregation of insurance and reinsurance contracts

CPC 50/IFRS 17 requires the Company to determine the level of aggregation of insurance and reinsurance contracts from applying its requirements. The level of aggregation for the Company is determined firstly by grouping its contracts into portfolios. The portfolios comprise groups of contracts with similar risks that are managed together, namely: Group health plans, individual health plans, dental plans (group and individual), life (group and individual life, credit life insurance (monthly and lump-sum payment) and pension risks), travel insurance and private pension plans (traditional and PGBL/VGBL).

The portfolios are subdivided (groups) based on the expected profitability at initial recognition into three categories:

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

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

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

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2. Accounting policies (Continued)

2.19. Insurance contracts (Continued)

Contract boundary

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

Recognition

The Company recognizes groups of insurance contracts that it issues from the earliest of the following: (1) the beginning of the coverage period of the group of contracts; (2) the date when the first payment from a policyholder in the group is due; and (3) for a group of onerous contracts, when the group becomes onerous.

The Company recognizes reinsurance contracts from the earliest of the following: (1) the beginning of the coverage period of the group of contracts; and (2) the date the entity recognizes an onerous group of underlying insurance contracts, where applicable.

Measurement approach

Premium Allocation Approach (PAA)

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

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2. Accounting policies (Continued)

2.19. Insurance contracts (Continued)

Premium Allocation Approach (PAA) – subsequent measurement

Measurement at initial recognition (Continued)

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

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

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

General Approach (Building Block Approach - BBA)

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

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

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2. Accounting policies (Continued)

2.19. Insurance contracts (Continued)

General Approach (Building Block Approach - BBA) (Continued)

Measurement at initial recognition (Continued)

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

The CSM at the end of the reporting period represents the profit in the group of contracts that has not yet been recognized in profit or loss, because it relates to future service to be provided. For a group of contracts, the carrying amount of the CSM of the group at the end of the reporting period equals the carrying amount at the beginning of the reporting period, adjusted as follows: the effect of any new contracts added to the group; interest accreted on the carrying amount of the CSM during the reporting period, measured at the discount rates at initial recognition; the changes in fulfillment cash flows relating to future service, except to the extent that: such increases in the fulfillment cash flows exceed the carrying amount of the CSM, giving rise to a loss; or such decreases in the fulfillment cash flows are allocated to the loss component of the liability/asset for remaining coverage; the amount recognized as insurance revenue because of the transfer of insurance contract services in the period, determined by the allocation of the CSM remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period. The locked-in discount rate is the rate applicable at the date of initial recognition of contracts. The discount rate used for accretion of interest on the CSM is determined using the bottom-up approach at inception.

The changes in fulfillment cash flows relating to future service that adjust the CSM include:

- Experience adjustments that arise from the difference between the premium receipts (and any related cash flows such as insurance acquisition cash flows and insurance premium taxes) and the estimate, at the beginning of the period, of the amounts expected. Differences related to premiums received (or due) related to current or past services are recognized immediately in profit or loss while differences related to premiums received (or due) for future services are adjusted against the CSM;
- Changes in estimates of present value of future cash flows in the liability/asset for remaining coverage, except those relating to the time value of money and changes in financial risk (recognized in profit or loss (Pension) and other comprehensive income (Other portfolios) rather than adjusting the CSM);

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Notes to the individual and consolidated financial statements (Continued)

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2. Accounting policies (Continued)

2.19. Insurance contracts (Continued)

General Approach (Building Block Approach - BBA) (Continued)

Measurement at initial recognition (Continued)

- Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period
- Changes in the risk adjustment for non-financial risk that relate to future service.

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

The Company measures the carrying amount of a group of insurance contracts at the end of each reporting period as the sum of the liability/asset for remaining coverage, comprising fulfillment cash flows related to future service allocated to the group at that date and the CSM of the group at that date, and the liability for incurred claims, comprising the fulfillment cash flows related to past service allocated to the group at that date.

Variable fee approach (VFA)

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

- the effect of any new contracts added to the group;
- the change in the amount of the entity's share in the change of the fair value of the underlying items, except to the extent that:
 - the decrease in the amount of the entity's share in the decrease of the fair value of the underlying items exceeds the carrying amount of the CSM, giving rise to a loss; or
 - the increase in the amount of the entity's share in the increase of the fair value of the underlying items reverses the amount described in the previous item;
- the changes in fulfillment cash flows relating to future insurance coverage, except to the extent that:
 - such increases in the fulfillment cash flows exceed the CSM carrying amount, giving rise to a loss; or

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Notes to the individual and consolidated financial statements (Continued)

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2. Accounting policies (Continued)

2.19. Insurance contracts (Continued)

Variable fee approach (VFA) (Continued)

Measurement at initial recognition (Continued)

- such decreases in fulfillment cash flows are allocated to the loss component of the liability/asset for remaining coverage; and
- the amount recognized as insurance revenue due to the provision of coverage under contracts in the period, determined by the allocation of the CSM remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period.

Loss components

The Company has grouped contracts that are onerous at initial recognition separately from contracts in the same portfolio that are not onerous at initial recognition. Groups that were not onerous at initial recognition can also subsequently become onerous if assumptions and experience changes. The Company has established a loss component of the liability/asset for remaining coverage for any onerous group depicting the future losses recognized. A loss component represents an amount of losses attributable to each group of onerous contracts (or contracts profitable at inception that have become onerous). The loss component is released based on a systematic allocation of subsequent changes relating to future service in the fulfillment cash flows to: the loss component; and the liability for remaining coverage excluding the loss component. The loss component is also updated for subsequent changes relating to future service in estimates of the fulfillment cash flows and the risk adjustment for non-financial risk. The systematic allocation of subsequent changes to the loss component results in the total amounts allocated to the loss component being equal to zero by the end of the coverage period of a group of contracts (since the loss component will have been materialized in the form of claims and other costs that may be allocated to such group of contracts). The Company uses the proportion on initial recognition to determine the systematic allocation of subsequent changes in future cash flows between the loss component and the liability/asset for remaining coverage excluding the loss component.

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Notes to the individual and consolidated financial statements (Continued)

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2. Accounting policies (Continued)

2.19. Insurance contracts (Continued)

Loss-recovery components

When the Company recognizes a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the asset/liability for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses. Where a loss component has been set up subsequent to initial recognition of a group of underlying insurance contracts, the portion of income that has been recognized from related reinsurance contracts held is disclosed as a loss-recovery component. Where a loss-recovery component has been set up at initial recognition or subsequently, the Company adjusts the loss-recovery component to reflect changes in the loss component of an onerous group of underlying insurance contracts. The carrying amount of the loss-recovery component must not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Company expects to recover from the group of reinsurance contracts held.

On this basis, the loss-recovery component recognized at initial recognition is reduced to zero in line with reductions in the onerous group of underlying insurance contracts and is nil when loss component of the onerous group of underlying insurance contracts is nil.

Liability for incurred claims

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

Insurance acquisition cash flows

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

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2. Accounting policies (Continued)

2.19. Insurance contracts (Continued)

Liability for incurred claims (Continued)

Insurance and reinsurance contracts acquired in a business combination

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

In conjunction with the practices described above, the Company used the consideration received (groups of contracts whose fair value determined a liability) or paid (groups of contracts whose fair value determined an asset) for the contracts as a proxy for the premiums received for long-term portfolios, which were measured using the BBA/VFA. The consideration received or paid for the contracts excluded the consideration received or paid for any other assets and liabilities acquired in the same transaction, and no differences between the fair value and carrying amount of the reinsurance contracts were identified.

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

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

For groups of contracts measured using the BBA or VFA, the CSM or loss component was calculated according to the initial measurement of such approaches using the consideration received or paid for the contracts as a proxy for the premiums received at the date of initial recognition.

For onerous contracts acquired, the Company recognized the excess of fulfillment cash flows over the consideration paid or received against equity, according to the guidance in CPC 23 does upon adoption of the accounting practice.

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

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2. Accounting policies (Continued)

2.19. Insurance contracts (Continued)

Income (expense) from insurance and reinsurance contracts

Net income or expense from reinsurance contracts

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

Insurance finance income and costs

Insurance finance income or costs comprise the change in the carrying amount of the group of contracts arising from:

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

The Company disaggregates insurance finance income or costs on insurance and reinsurance contracts between profit or loss and other comprehensive income. The impact of changes in market interest rates on the value of the insurance and related reinsurance assets and liabilities, where applicable, are reflected in profit or loss (Pension) and in other comprehensive income (Other portfolios) in order to minimize accounting mismatches between the accounting for financial assets and insurance assets and liabilities. The Company's financial assets backing the insurance portfolios are predominantly measured at fair value through profit or loss or fair value through other comprehensive income, except for a portion of the assets backing traditional pension contracts, which are measured at amortized cost.

The Company systematically allocates expected total finance income or cost from insurance or reinsurance over the duration of the group of contracts to profit or loss using the discount rates determined on initial recognition of the group of contracts.

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

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Notes to the individual and consolidated financial statements (Continued)

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2. Accounting policies (Continued)

2.19. Insurance contracts (Continued)

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

For contracts with direct participation features, for which the entity holds the underlying items, the entity made the accounting policy choice of disaggregating insurance finance income or costs for the period to include in profit or loss an amount that eliminates accounting mismatches with income or costs included in profit or loss on the underlying items held, including in profit or loss income or costs that exactly match the income or costs included in profit or loss for the underlying items, resulting in the net of the separately presented items being nil.

Significant accounting judgments, estimates and assumptions for insurance and reinsurance contracts

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

Mortality (Life, Long-term Life - portion of pension and reinsurance risks) and Survivorship rates (Pension - Traditional and VGBL/PGBL, Individual Health and Long-term Life - portion of life).

Mortality assumptions are based on standard national industry tables, according to the type of contract written. They reflect recent historical experience and are adjusted when appropriate to reflect the Company's own experiences and future prospects. The assumptions are differentiated based on various factors including (but not limited to) policyholder gender, underwriting class and contract type.

An increase in expected mortality and/or survivorship rates will increase the expected cost of benefits, which will reduce future expected profits of the Company.

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2. Accounting policies (Continued)

2.19. Insurance contracts (Continued)

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

Tables used	2024	2023	2022
Pension risks	BR-EMS (Sob) / Winklevoss / Álvaro Vindas	BR-EMS (Sob) / Winklevoss / Álvaro Vindas	BR-EMS (Sob) / Winklevoss / Álvaro Vindas
Private pension	BR-EMS (Sob)	BR-EMS (Sob)	BR-EMS (Sob)
Long-term life	BR-EMS (Mor)	BR-EMS (Mor)	BR-EMS (Mor)
Individual health	BR-EMS (Mor)	BR-EMS (Mor)	BR-EMS (Mor)

Expenses allocated to groups of contracts

Operating expenses assumptions reflect the projected costs of maintaining and meeting the Company's obligations under current insurance contracts and associated overheads allocated to groups of contracts using methods that are systematic and rational, and are consistently applied to all costs that have similar characteristics. The current level of expenses is taken as an appropriate expense base, adjusted for expected inflation if appropriate. A change in the expected level of expenses will change the future expected profits of the Company.

Cancellation rates due to death, default and withdrawal

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

Discount rates (BBA, VFA and Liability for claims)

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

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2. Accounting policies (Continued)

2.19. Insurance contracts (Continued)

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

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

Discount rates applied for discounting future cash flows are listed below:

	Liquidity adjustment	1 year		2 years		5 years		10 years	
		2024	2023	2024	2023	2024	2023	2024	2023
Individual health	100%	13.70%	11.28%	13.87%	10.60%	13.58%	10.66%	13.13%	10.87%
Health/Dental - Group Club									
Credit life insurance – BBA	75%	13.37%	10.98%	13.54%	10.28%	13.23%	10.32%	12.78%	10.50%
Pension risks VG+VI+AR/Travel									
Traditional Reinsurance									
Individual dental	50%	13.05%	10.67%	13.21%	9.96%	12.89%	9.97%	12.34%	10.13%
PGBL/VGBL									

Risk adjustment for non-financial risk (risk adjustment)

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

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

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

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2. Accounting policies (Continued)

2.19. Insurance contracts (Continued)

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

Risk adjustment for non-financial risk (risk adjustment) (Continued)

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

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

CSM amortization

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

Assets for insurance acquisition cash flows

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

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

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

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Notes to the individual and consolidated financial statements (Continued)

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2. Accounting policies (Continued)

2.20. Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosures of contingent liabilities at the reporting date.

However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and assumptions are continuously reviewed and the impacts that may arise are recognized in profit or loss for the year in which the reviews occur.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Provision for disallowances and allowance for expected credit losses

The Group uses a provision matrix per business unit to calculate expected credit losses (ECLs) for trade accounts receivable and disallowances. The provision rates applied are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, or customer type and credit risk, among others).

The provision matrix is initially based on the business units' historical observed default rates. The Group reviews the matrix prospectively to adjust it according to the historical credit loss experience. At every reporting date, the historical observed default rates are updated considering the history of receipt by entity, in addition to individual analysis of receivables to capture specific counterparty risks and, if necessary, a provision is recognized for the total outstanding portfolio of these customers.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 5.

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2. Accounting policies (Continued)

2.20. Significant accounting judgments, estimates and assumptions (Continued)

Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be obtained in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgments include considerations of inputs, such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

Impairment of nonfinancial assets

Impairment exists when the carrying amount of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount of the different CGUs, including a sensitivity analysis, are detailed in Notes 8 and 10.

Leases – Estimating the Incremental Borrowing Rate (IBR)

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. This assessment requires management to consider estimates when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and considers aspects specific to the Group (such as the subsidiary's credit rating) when making this estimate.

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Notes to the individual and consolidated financial statements (Continued)

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(In thousands of reais, unless otherwise stated)

2. Accounting policies (Continued)

2.20. Significant accounting judgments, estimates and assumptions (Continued)

Income and social contribution taxes

Deferred income and social contribution tax assets are recognized only to the extent that taxable profit is likely to be available for temporary differences to be used and tax losses to be offset. Recovery of deferred tax assets is reviewed at each year end and, when taxable profit is no longer likely to be available for total or partial asset recovery, the asset balance is adjusted to the amount expected to be recovered.

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Provision for contingencies

The Group recognizes a provision for tax and labor claims. The assessment of the likelihood of loss includes analyses of available evidence, the hierarchy of laws, available case law, the most recent court decisions and their relevance in the legal system, as well as the opinion of external legal advisors. Provisions are reviewed and adjusted considering changes in existing circumstances, such as the applicable statutes of limitation, tax audit conclusions, or additional exposures identified based on new matters or court decisions. The grounds for and nature of the provision for contingencies are described in Note 14.

Insurance contracts

Significant accounting judgments, estimates and assumptions for insurance and reinsurance contracts are presented in Note 2.19.

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Notes to the individual and consolidated financial statements (Continued)
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2. Accounting policies (Continued)

2.21. New and revised standards and interpretations already issued but not yet effective as at December 31, 2024 and not early adopted

IFRS 18: Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 which replaces IAS 1 (equivalent to CPC 26 (R1) - Presentation of Financial Statements). IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard also requires disclosure of management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified "roles" of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 (equivalent to CPC 03 (R2) - Statement of Cash Flows), which include changing the starting point for determining cash flows from operations under the indirect method, from "profit or loss for the period" to "operating profit or loss" and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after January 1, 2027, but earlier application is permitted and must be disclosed, although early adoption is not permitted in Brazil. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

Amendments to CPC 18 (R3) - Investment in Associates, Subsidiaries and Joint Ventures and ICPC 09 - Individual Financial Statements, Separate Financial Statements, Consolidated Financial Statements, and Application of the Equity Method

In September 2024, Brazil's Financial Accounting Standards Board (CPC) issued amendments to Accounting Pronouncement CPC 18 (R3) and Interpretation ICPC 09 (R3) in order to align the Brazilian accounting standards with the international standards issued by the IASB.

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Notes to the individual and consolidated financial statements (Continued)

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(In thousands of reais, unless otherwise stated)

2. Accounting policies (Continued)

2.21. New and revised standards and interpretations already issued but not yet effective as at December 31, 2024 and not early adopted (Continued)

Amendments to CPC 18 (R3) - Investment in Associates, Subsidiaries and Joint Ventures and ICPC 09 - Individual Financial Statements, Separate Financial Statements, Consolidated Financial Statements, and Application of the Equity Method (Continued)

The update of Accounting Pronouncement CPC 18 includes the application of the equity method for measuring investments in subsidiaries in the Individual Financial Statements, reflecting the amendment to international standards that now permits it in the Separate Financial Statements. This convergence aligns the accounting practices adopted in Brazil with the international practices, without generating material impacts in relation to the current standard, focusing only on adjustments in wording and regulatory reference updates.

ICPC 09, in turn, does not have a direct correspondence with the IASB standards and, consequently, was outdated, requiring amendments to align its wording and adjust it to updates made after its issuance and currently found in the documents issued by the CPC.

The amendments are effective for reporting periods beginning on or after January 1, 2025.

The amendments are not expected to have a material impact on the Group's financial statements.

Amendments to CPC 02 (R2) – The Effects of Changes in Foreign Exchange Rates and Translation of Financial Statements and CPC 37 (R1) – First-Time Adoption of International Accounting Standards

In September 2024, Brazil's Financial Accounting Standards Board (CPC) issued the Revision of Accounting Pronouncement No. 27, which includes the amendments introduced by the amendment "Lack of Exchangeability" issued by the IASB, with amendments to Accounting Pronouncement CPC 02 (R2) – The Effects of Changes in Foreign Exchange Rates and Translation of Financial Statements and CPC 37 (R1) – First-Time Adoption of International Accounting Standards.

The amendments seek to define the concept of exchangeable currency and provide guidance on the procedures for non-exchangeable currencies, determining that exchangeability must be assessed at the measurement date based on the purpose of the transaction. If the currency is not exchangeable, the entity must estimate the exchange rate that reflects market conditions. In situations with multiple rates, the one that best represents the settlement of cash flows should be used.

The pronouncement also highlights the importance of disclosures about non-exchangeable currencies, so that the users of the financial statements understand the financial impacts, associated risks, and criteria used in estimating the exchange rate.

The amendments are effective for reporting periods beginning on or after January 1, 2025.

The amendments are not expected to have a material impact on the Group's financial statements.

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Notes to the individual and consolidated financial statements (Continued)

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3. Business combinations

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

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

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

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

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

Rede D'Or São Luiz S.A.

Notes to the individual and consolidated financial statements (Continued)

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3. Business combinations (Continued)

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

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

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

(i) This represents the fair value of brand "Sul América". The royalty relief method was applied considering a reference to similar royalty transactions (Note 10).

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Notes to the individual and consolidated financial statements (Continued)

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3. Business combinations (Continued)

- (ii) The fair value (consideration received or paid) of the customer relationship portfolio in the business combination, which encompasses the following portfolios: Dental, SME - Small and Medium Enterprises, Business, Affinity, Life and Pension (VGBL/PGBL), estimated by using the Multi-Period Excess Earnings Method, for long-term portfolios, measured by the BBA or VFA, were considered as a substitute for the premiums received in the initial measurement of such portfolios based on CPC 50/IFRS 17, while for short-term portfolios, measured by the PAA, such fair value was allocated in the same manner as described for acquisition cash flows (Note 2.19).
- (iii) The fair value revaluation deficit (consideration received or paid), arising from the Individual Health and Traditional Pension portfolios, assumed in the business combination, estimated through the Multi-Period Excess Earning Method, as they are considered long-term portfolios, measured by the BBA or VFA, such revaluation surplus was considered as a substitute for the premiums received in the initial measurement of such portfolios based on CPC 50/IFRS 17 (Note 2.19).
- (iv) Contingent liabilities not previously recognized in the acquiree were valued and recognized at fair value, when they are classified as a present obligation and are reliably measurable, as required by CPC 15/IFRS 3.
- (v) Refers to the temporary differences generated on the assets identified and liabilities assumed at fair value in the business combination process, as required by CPC 15/IFRS 3, having goodwill as contra entry.

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

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3. Business combinations (Continued)

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

In addition to the business combinations presented above, the Company acquired:

Company	Equity interest	Goodwill		
		2024	2023	2022
R2 IBF Participações S/A.	50.01%	19,501	-	-
YUCA Administração de bens Ltda.	50.00%	-	31,468	-
Tua D'Or Unipessoal, LDA.	100.00%	-	-	51,463
Hospital Santa Marina Ltda.	100,00%	-	-	21.965

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 by reference to 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".

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4. Cash and cash equivalents and marketable securities

4.1. Cash and cash equivalents

	Individual			Consolidated		
	2024	2023	2022	2024	2023	2022
Cash and cash equivalents						
Cash and banks	14,484	34,391	8,866	98,562	190,162	92,262
Short-term investments	394,427	223,032	87,494	6,472,189	3,077,246	1,017,534
Cash and cash equivalents	408,911	257,423	96,360	6,570,751	3,267,408	1,109,796

Short-term investments classified as cash equivalents mature within three months from the investment date.

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Notes to the individual and consolidated financial statements (Continued)

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

4.2. Marketable securities

Marketable securities are broken down in the table below, which shows their respective classifications, curve value and market value, as well as the contractual average rates:

Description	Fair value through profit or loss Market value/ carrying amount	Average interest rate	Individual	Fair value through profit or loss	Individual	Fair value through profit or loss	Individual
			2024	2023	2023	2022	
			Total	Average interest rate	Total	Average interest rate	Total
Fixed income securities - corporate bonds	9,164,455	-	9,164,455	-	9,239,574	-	11,024,270
Bank deposit certificates							
Floating rate CDI	9,164,455	103.09% CDI	9,164,455	104.20% CDI	9,239,574	104.30% CDI	11,024,270
Financial bills							
Floating rate CDI	76,411	103.58% CDI	76,411	-	-	-	-
Fixed income securities - government securities	31,537	-	31,537	-	-	-	30,201
Financial treasury bills	31,537	SELIC	31,537	-	-	SELIC	30,201
Investment fund shares	66	-	66	-	302	-	173
Investment fund shares – other than funds of one	66	-	66	-	302	-	173
Other	-		-		-		111,246
			9,272,469		9,239,876		11,165,890
		Current	9,272,469		9,239,876		11,165,890
		Noncurrent	-		-		-

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Notes to the individual and consolidated financial statements (Continued)

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

4.2. Marketable securities (Continued)

Description	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost			Average interest rate (a)	Consolidated	Average interest rate (a)	Consolidated	Fair value through profit or loss	Consolidated		
	Market value/carrying amount	Curve value	Market value/carrying amount	Curve value/carrying amount	Market value		2024		2023	Average	2022		
	Total	Total	Total	Total	Total		Total		Total	Total	Total		
Fixed income securities - corporate bonds	15,572,131	890,477	888,052	-	-	-	16,460,183	-	-	-	15,146,182	-	15,760,053
Bank deposit certificates	-	-	-	-	-	-	-	-	-	-	-	-	-
Floating rate CDI +	-	-	-	-	-	-	-	-	-	-	-	-	-
Floating rate CDI %	11,727,235	104,477	104,477	-	-	103.02% CDI	11,831,712	104.16% CDI	11,412,274	104.10% CDI	-	CDI+0.88% p.a.	11,614
Debentures	-	-	-	-	-	-	-	-	-	-	-	-	-
Fixed rate	-	-	-	-	-	-	-	16.28% p.a.	197	18.47% p.a.	-	-	182
Floating rate CDI +	1,665,890	286,069	283,636	-	-	CDI+2.07% p.a.	1,949,526	CDI+1.65% p.a.	1,242,235	CDI + 1.77% p.a.	-	-	723,952
Floating rate CDI %	10,932	15,703	15,145	-	-	125.95% CDI	26,077	114.08% CDI	115,222	109.75% CDI	-	-	143,826
Floating rate IPCA	240	-	-	-	-	IPCA+8.49% p.a.	240	IPCA+6.9% p.a.	458	IPCA + 5.47% p.a.	-	-	423
Floating rate IGP-M	-	109,259	98,514	-	-	IGPM+5.84% p.a.	98,514	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	1,746
Financial bills	-	-	-	-	-	-	-	-	-	-	-	-	-
Fixed rate	-	-	-	-	-	-	-	-	-	-	-	5.92% p.a.	1,154
Floating rate CDI +	1,416,345	266,499	277,109	-	-	CDI+0.85% p.a.	1,693,454	CDI+1.7% p.a.	1,203,416	CDI + 1.71%	-	-	896,431
Floating rate CDI %	682,335	77,185	77,400	-	-	108.35% CDI	759,735	113.81% CDI	1,088,988	119.8% CDI	-	-	916,797
Floating rate IPCA	-	-	-	-	-	-	-	-	-	-	-	IPCA+7.15% p.a.	2,804
Promissory notes	11,803	31,285	31,771	-	-	CDI+1.52% p.a.	43,574	CDI+1.66% p.a.	34,912	CDI + 1.54%	-	-	56,541
Mortgage-backed Securities ("CR")	2,805	-	-	-	-	17.13% p.a.	2,805	-	-	-	-	-	-
Time deposits with special guarantee (DPGE)	54,546	-	-	-	-	CDI+0.55% p.a.	54,546	CDI+1.18% p.a.	48,480	-	-	-	-
Fixed income securities - government securities	7,935,249	1,833,904	1,719,803	1,908,808	1,821,597	-	11,563,860	-	9,565,785	-	-	-	8,900,885
Financial treasury bills	7,603,103	125,410	125,430	-	-	SELIC	7,728,533	SELIC	6,238,511	SELIC	-	-	4,172,933
National treasury bills	-	-	-	-	-	-	-	-	-	-	-	-	-
Fixed rate	201,123	-	-	-	-	15.94% p.a.	201,123	9.72% p.a.	202,108	13.37% p.a.	-	-	1,054,848
National treasury notes	-	-	-	-	-	-	-	-	-	-	-	-	-
Series F- Fixed rate	311	33,869	30,841	-	-	8.86% p.a.	31,152	8.85% p.a.	34,104	5.47% p.a.	-	-	120,684
Series B – Floating rate IPCA	46,004	1,305,836	1,215,466	69,829	60,396	IPCA+5.44% p.a.	1,331,299	IPCA+4.47% p.a.	1,173,561	IPCA + 4.50% p.a.	-	-	1,703,319
Series C – Floating rate IGP-M	84,708	368,789	348,066	1,838,979	1,761,201	IGPM+5.81% p.a.	2,271,753	IGPM+5.77% p.a.	1,917,501	IGP-M + 5.78% p.a.	-	-	1,849,101
Variable income securities	159,937	-	-	-	-	-	159,937	-	226,069	-	-	-	282,647
Shares	159,997	-	-	-	-	-	159,997	-	226,250	-	-	-	282,706
Impairment	(60)	-	-	-	-	-	(60)	-	(181)	-	-	-	(59)
Investment fund shares	5,730,397	-	-	-	-	-	5,730,397	-	5,216,366	-	-	-	6,086,845
Fixed income, equity and multi-market investment fund shares	5,710,028	-	-	-	-	-	5,710,028	-	5,181,786	-	-	-	6,023,946
Equity fund shares	20,369	-	-	-	-	-	20,369	-	34,580	-	-	-	62,899
Other investments	4,406	-	-	-	-	-	4,406	-	11,940	-	-	-	12,549
							33,918,783		30,166,342				31,042,979
							Current		28,463,882				29,236,645
							Noncurrent		1,702,460				1,806,334

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5. Accounts receivable

Description	Note	Individual			Consolidated		
		2024	2023	2022	2024	2023	2022
Accounts receivable - hospital services	5,1	4,934,013	4,840,796	3,966,046	8,192,585	7,939,681	7,055,383
Other accounts receivable	5,2	-	-	-	3,005,041	2,673,832	2,515,558
		4,934,013	4,840,796	3,966,046	11,197,626	10,613,513	9,570,941
Current		4,934,013	4,840,796	3,966,046	9,463,784	8,939,144	7,911,452
Noncurrent		-	-	-	1,733,842	1,674,369	1,659,489

5.1. Hospital services

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

	Individual			Consolidated		
	2024	2023	2022	2024	2023	2022
Accounts receivable from health insurance and health plans	5,930,188	5,649,437	4,715,501	9,833,191	9,313,213	8,352,866
Accounts receivable from individuals	118,795	137,584	94,315	232,795	274,185	179,685
Allowance for expected credit losses and provision for disallowances	(1,114,970)	(946,225)	(843,770)	(1,873,401)	(1,647,717)	(1,477,168)
	4,934,013	4,840,796	3,966,046	8,192,585	7,939,681	7,055,383

Changes in provision for disallowances and allowance for expected credit losses

	Individual			Consolidated		
	2024	2023	2022	2024	2023	2022
Balance at beginning of year	(946,225)	(843,770)	(670,526)	(1,647,717)	(1,477,168)	(1,709,766)
Recognition (reversal) of provision for disallowances and allowance for expected credit losses	(756,064)	(713,511)	(596,745)	(1,318,636)	(1,360,565)	(1,290,258)
Write-offs (a)	587,319	611,056	539,123	1,092,952	1,190,016	1,558,885
Provision arising from acquisitions/mergers	-	-	(115,622)	-	-	(36,029)
Balance at end of year	(1,114,970)	(946,225)	(843,770)	(1,873,401)	(1,647,717)	(1,477,168)

(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 the individual and consolidated financial statements (Continued)
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(In thousands of reais, unless otherwise stated)

5. Accounts receivable (Continued)

5.1. Hospital services (Continued)

At December 31, 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	
2024	6,048,983	3,757,285	142,631	204,249	118,674	186,389	226,633	622,224	790,898
2023	5,787,021	3,872,484	124,381	149,745	157,292	69,848	256,869	505,329	651,073
2022	4,809,816	3,107,521	161,678	116,745	100,414	89,378	168,662	404,581	660,837

	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	
2024	10,065,986	5,569,426	380,060	360,568	270,776	250,452	446,173	1,243,045	1,545,486
2023	9,587,398	5,935,957	265,208	246,311	254,297	177,761	399,362	1,040,609	1,267,893
2022	8,532,551	5,201,719	361,508	254,613	193,728	168,868	306,350	762,581	1,283,184

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

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 the individual and consolidated financial statements (Continued)

December 31, 2024, 2023 and 2022

(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 total balance of receivables outstanding of these customers.

5.2. Other accounts receivable

The receivables as at December 31, 2024, 2023 and 2022 presented in the consolidated financial statements are as follows:

Description	Note	Consolidated		
		2024	2023	2022
Other operating receivables	5,2,1	2,092,780	1,938,788	1,825,912
Consideration receivable – pension plan administrator	5,2,2	786,391	601,109	501,777
Other (a)		125,870	133,935	187,869
		3,005,041	2,673,832	2,515,558
Current		1,271,199	999,463	856,069
Noncurrent		1,733,842	1,674,369	1,659,489

(a) These represents mainly receivables related to securities obligations and receivables not directly related to insurance operations, in subsidiaries that operate in this industry.

5.2.1. Other operating receivables

	Consolidated		
	2024	2023	2022
Receivables from FCVS - SFH			
Principal (Note 5.2.1.1)	2,028,967	1,963,933	1,921,639
Impairment (Note 5.2.1.1)	(227,873)	(223,473)	(214,911)
Frozen funds (a)	80,601	74,483	45,838
Other (b)	211,085	123,845	73,346
Total	2,092,780	1,938,788	1,825,912
Current	363,323	270,146	170,184
Noncurrent	1,729,457	1,668,642	1,655,728

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

(b) These is mainly represented by advances to suppliers.

Rede D'Or São Luiz S.A.

Notes to the individual and consolidated financial statements (Continued)
December 31, 2024, 2023 and 2022
(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 2024</u>
Balance of receivables FCVS-SFH at 12/31/2023	1,963,933
Additions	212,433
Write-offs	(147,399)
Balance of receivables FCVS-SFH at 12/31/2024	<u>2,028,967</u>
Balance of impairment at 12/31/2024	(227,873)
Closing balance net of impairment at 12/31/2024	<u>1,801,094</u>
Current	143,926
Noncurrent	1,657,168
Description	<u>Consolidated 2023</u>
Balance of receivables FCVS-SFH at 12/31/2022	1,921,639
Additions	266,755
Write-offs	(224,461)
Balance of receivables FCVS-SFH at 12/31/2023	<u>1,963,933</u>
Balance of impairment at 12/31/2023	(223,473)
Closing balance net of impairment at 12/31/2023	<u>1,740,460</u>
Current	146,305
Noncurrent	1,594,155
Description	<u>Consolidated 12/31/2022</u>
Balance of receivables FCVS-SFH at 12/31/2021	1,842,315
Additions	246,368
Write-offs	(167,044)
Balance of receivables FCVS-SFH at 12/31/2022	<u>1,921,639</u>
Balance of impairment at 12/31/2022	(214,911)
Closing balance net of impairment at 12/31/2022	<u>1,706,728</u>
Current	105,456
Noncurrent	1,601,272

Rede D'Or São Luiz S.A.

Notes to the individual and consolidated financial statements (Continued)
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(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 December 31, 2024, there are lawsuits in progress 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 for which decisions are not final and unappealable, the Company pledges in court surety bond policies. As at December 31, 2024, the total amount guaranteed through surety bond is R\$1,133,941 (R\$1,184,025 in 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.. 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 the individual and consolidated financial statements (Continued)

December 31, 2024, 2023 and 2022

(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		
	2024	2023	2022
Falling due			
Falling due from 1 to 30 days	703,766	529,669	450,685
Falling due from 31 to 60 days	24,182	33,325	30,949
Falling due from 61 to 180 days	12,400	7,672	7,660
Falling due from 181 to 365 days	-	2,985	-
Total falling due	740,348	573,651	489,294
Overdue			
Overdue from 1 to 30 days	44,947	26,518	10,921
Overdue from 31 to 60 days	664	128	1,426
Overdue from 61 to 180 days	730	334	202
Overdue from 181 to 365 days	4	21	14
Overdue for more than 365 days	3,000	3,463	3,813
Total	49,345	30,464	16,376
Provision for impairment	(3,302)	(3,006)	(3,893)
Total overdue	46,043	27,458	12,483
Total unearned premiums	789,693	604,115	505,670
Total provision for impairment	(3,302)	(3,006)	(3,893)
Total	786,391	601,109	501,777

6. Inventories

	Individual			Consolidated		
	2024	2023	2022	2024	2023	2022
Medicines	138,042	129,465	161,320	328,274	264,475	327,376
Special materials	105,129	84,610	100,019	184,263	136,935	159,877
Disposable materials	95,787	91,573	92,149	172,967	152,594	151,797
Consumables	24,302	13,739	15,289	80,686	40,942	62,800
Laboratory materials	8,380	5,071	3,913	30,777	18,127	17,177
Surgical sutures	7,427	6,514	6,369	14,226	11,047	10,355
Dressing room materials	3,725	2,936	2,540	11,609	10,165	8,883
Food stuff	4,832	3,519	3,126	11,133	8,784	6,576
Other	42,632	28,366	29,280	78,942	62,827	63,847
	430,256	365,793	414,005	912,877	705,896	808,688

Rede D'Or São Luiz S.A.

Notes to the individual and consolidated financial statements (Continued)

December 31, 2024, 2023 and 2022

(In thousands of reais, unless otherwise stated)

7. Transactions with related parties

Significant related-party transactions

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

- (i) *Leases* - the Company leases properties owned by the controlling shareholders, namely: properties of the hospitals Copa D'Or and Quinta D'Or, and the property of the administrative unit. Leases are at market value and generated an expense in profit or loss for the year ended December 31, 2024 of R\$30,383 (R\$31,782 at December 31, 2023), referring to interest and amortization of right of use. Leases are annually restated by reference to the Extended Consumer Price Index (IPCA).
- (ii) *Transfers of funds between companies* - to enhance the operations of certain investees and provide funds for expansion and/or acquisitions, management transfers funds between Group companies under current account remittance agreements entered into 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 debenture issue and purchase transactions: 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 with a sale effort (10th issue), which were partially acquired by other investors and 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 with a sale effort (17th issue - 1st series), which were acquired by subsidiary Rede D'Or Finance.

Rede D'Or São Luiz S.A.

Notes to the individual and consolidated financial statements (Continued)

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(In thousands of reais, unless otherwise stated)

7. Transactions with related parties (Continued)

Balances with related parties

Company	Individual											
	2024				2023				2022			
	Current assets	Noncurrent assets	Noncurrent liabilities	P&L	Current assets	ncurrent ass	Noncurrent liabilities	P&L	Current assets	ncurrent ass	Noncurrent liabilities	P&L
Debentures Norte D'Or (e)	44,561	-	-	7,885	1,058	30,000	-	5,794	22,452	30,000	-	5,943
Debentures São Lucas	-	-	-	2,217	41,411	-	-	6,308	7,930	38,000	-	8,983
Debentures Hospital Nossa Senhora das Neves (d)	335,528	-	-	49,827	168,775	131,757	-	30,560	137,196	-	-	18,747
Debentures Biocor (g)	62,450	-	-	5,649	33,836	-	-	145	-	-	-	-
Book-entry trade notes Onco Star SP (h)	-	1,205,473	-	122,929	-	983,889	-	-	-	-	-	-
Book-entry trade notes Medix (i)	5,287	-	-	632	-	-	-	-	-	-	-	-
Shared services	-	-	-	-	-	-	-	-	-	-	-	-
Medise Medicina Diagnóstico e Serviços Ltda.	-	-	-	12,288	-	-	-	10,568	-	-	-	11,102
Hospital Esperança S.A.	-	-	-	42,404	-	-	-	38,095	-	-	-	35,847
Hospital São Marcos S.A.	-	-	-	6,259	-	-	-	5,542	-	-	-	5,388
Hospital Norte D'Or de Cascadura S.A.	-	3,020	-	11,854	-	10,772	-	10,605	-	2,898	-	10,194
J. Badim S.A.	-	22,868	-	4,225	-	18,643	-	4,034	-	14,609	-	3,367
Oncologia D'Or S.A.	-	13,479	-	85,267	-	-	-	70,365	-	-	-	55,861
Hospital Fluminense S.A.	-	-	-	18,006	-	-	-	16,494	-	-	-	15,177
Clínica São Vicente	-	-	-	16,356	-	-	-	11,218	-	-	-	10,316
Hospital Alpha-Med LTDA.	-	-	-	4,522	-	-	-	3,474	-	-	-	3,414
URC	-	-	-	660	-	2,806	-	780	-	2,026	-	-
Hospital UDI	-	-	-	17,938	-	-	-	15,036	-	-	-	16,988
Onco Star SP	-	3,834	-	16,698	-	-	-	15,901	-	42,575	-	16,622
DF Star	-	-	-	24,613	-	-	-	18,540	-	-	-	18,937
Samer	-	-	-	7,832	-	-	-	6,029	-	-	-	5,878
São Lucas	-	5,449	-	16,497	-	61,427	-	13,884	-	47,543	-	16,551
São Rafael	-	11,114	-	42,877	-	-	-	38,424	-	14,723	-	40,737
Casa de Saúde Laranjeiras	-	-	-	-	-	-	-	10,487	-	-	-	12,139
Hospital Santa Cruz	-	-	-	14,356	-	-	-	11,027	-	-	-	9,236
Hospital Aliança	-	-	-	21,636	-	-	-	20,806	-	-	-	20,690
São Carlos	-	2,112	-	8,803	-	17,700	-	6,320	-	11,381	-	8,408
Glória D'Or	-	-	-	13,205	-	-	-	10,206	-	-	-	7,096
Cárdio Pulmonar	-	-	-	18,747	-	-	-	16,028	-	-	-	15,193
Hospital Brasil Mauá (formerly Hospital América)	-	-	-	13,463	-	-	-	11,779	-	-	-	10,864
Hospital Balbino	-	-	-	3,144	-	-	-	3,016	-	-	-	2,991
Biocor Hospital de Doenças Cardiovasculares	-	1,315	-	10,489	-	-	-	4,841	-	10,013	-	10,013
Proncor Unidade Intensiva Cardiopulmonar	-	1,445	-	4,368	-	6,549	-	3,356	-	3,193	-	3,193
Hospital Nossa Senhora das Neves	-	2,964	-	12,279	-	934	-	9,509	-	-	-	-
Hospital Novo Atibaia	-	-	-	12,470	-	-	-	10,089	-	-	-	-
Hospital Memorial Arthur Ramos	-	-	-	11,797	-	-	-	10,655	-	-	-	-
Other	-	4,317	-	63,297	-	2,333	-	50,197	-	1,524	-	44,876
Hospital Norte D'Or de Cascadura S.A. (a)	-	-	-	-	-	3,570	-	-	-	2,286	-	-
Unidade de Radiologia Clínica Ltda. (a)	-	14,742	-	-	-	14,393	-	-	-	13,814	-	-
Jenner S.A. (a)	-	2,000	-	-	-	2,000	-	-	-	2,000	-	-
JMJB Diagnósticos e Serviços Hospitalares S.A. (a)	-	12,021	-	-	-	12,021	-	-	-	12,019	-	-
J. Badim S.A. (a)	-	7,195	-	-	-	8,975	-	-	-	8,369	-	-
Instituto D'Or de Pesquisa e Ensino (a)	-	6,526	-	-	-	9,025	-	-	-	12,995	-	-
JM&AM Empreendimentos Imobiliários S.A. (b)	-	370	-	30,293	-	370	-	31,686	-	370	-	32,713
Onco Star SP (c)	-	29,598	-	-	-	-	-	-	-	914,201	-	-
JTO Holding S.A. (a)	-	-	-	-	-	210,262	-	-	-	71,840	-	-
Rede D'Or Finance	-	263,891	-	-	-	263,891	-	-	-	263,891	-	-
Other	-	192,331	-	-	-	194,524	-	-	-	139,388	-	-
	447,826	1,806,064	-	755,782	245,080	1,985,841	-	531,798	167,578	1,659,658	-	477,464

Rede D'Or São Luiz S.A.

Notes to the individual and consolidated financial statements (Continued)

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(In thousands of reais, unless otherwise stated)

7. Transactions with related parties (Continued)

Balances with related parties (Continued)

Company	Consolidated												
	2024					2023				2022			
	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	P&L	Current assets	Noncurrent assets	Noncurrent liabilities	P&L	Current assets	Noncurrent assets	Noncurrent liabilities	P&L
Debentures Mederi (f)	190,917	-	-	-	25,566	36,492	131,757	-	12,381	7,753	13,135	-	550
Debentures Biocor (g)	-	-	12,231	-	(331)	-	-	-	-	-	-	-	-
Book-entry trade notes Cenon (j)	1,234	-	-	-	204	-	-	-	-	-	-	-	-
Shared services													
J Badim S.A.	-	22,868	-	-	4,225	-	18,643	-	4,034	-	14,609	-	3,367
JMJB Diagnósticos e Serviços Hospitalares S.A.	-	12,021	-	-	-	-	12,021	-	-	-	12,020	-	-
Instituto D'Or de Pesquisa e Ensino (a)	-	6,532	-	-	-	-	10,354	-	-	-	13,232	-	-
J Badim S.A. (a)	-	7,832	-	-	-	-	9,529	-	-	-	8,749	-	-
JM&AM Empreendimentos Imobiliários S.A. (b)	-	370	-	-	30,383	-	370	-	31,782	-	370	-	32,811
Other	-	12,380	-	3,769	-	-	9,129	5,179	-	-	13,784	4,207	-
	192,151	62,003	12,231	3,769	60,047	36,492	191,803	5,179	48,197	7,753	75,899	4,207	36,728

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

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

(c) Onco Star SP: Rede D'Or provided funds for the acquisition of machinery and equipment as part of the operational routine.

(d) On December 17, 2021, Hospital Nossa Senhora das Neves conducted a private issue of nonconvertible, single-series, registered debentures in the amount of R\$185,000, initially maturing on December 18, 2023, however this term was extended to December 18, 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. until 12/18/2023 and 4.00% p.a. from 12/18/2023. Interest and the nominal value will be paid on the maturity date. There are no guarantees for the debentures.

On March 15, 2023, Hospital Nossa Senhora das Neves conducted the second private issue of nonconvertible, single-series, registered debentures in the amount of 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 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 in the amount of R\$16,900, which would mature on December 18, 2024, but this term was extended to December 18, 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 on the maturity date, plus yield. There are no guarantees for the debentures.

On January 2, 2024, Hospital Nossa Senhora das Neves conducted the fourth private issue of nonconvertible, single-series, registered debentures in the amount of R\$16,900, initially maturing on January 2, 2025, however this term was extended to January 2, 2026. 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 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 on the maturity date, plus yield. There are no guarantees for the debentures. The debentures were settled on February 6, 2025.

Rede D'Or São Luiz S.A.

Notes to the individual and consolidated financial statements (Continued)

December 31, 2024, 2023 and 2022

(In thousands of reais, unless otherwise stated)

7. Transactions with related parties (Continued)

Balances with related parties (Continued)

- (d) On February 6, 2025, Hospital Nossa Senhora das Neves conducted the sixth private issue of nonconvertible, single-series, registered debentures in the amount of R\$26,978, maturing on February 6, 2026. 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 on the maturity date, plus yield. There are no guarantees for the debentures.
- (e) 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 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 6, 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 on the maturity date, plus yield. There are no guarantees for the debentures. The debentures were settled on February 6, 2025.
- (f) 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 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 in the amount of R\$16,900, which would mature on December 18, 2024, but this term was extended to December 18, 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 4.00% p.a. Interest and the nominal value will be paid on the maturity date, plus yield. There are no guarantees for the debentures.
- On January 2, 2024, Mederi Distribuição e Importação de Produtos para Saúde S.A. conducted the 5th private issue of nonconvertible, single-series, registered debentures in the amount of R\$16,500, initially maturing on January 2, 2025, however this term was extended to January 2, 2026. 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 on the maturity date, plus yield. There are no guarantees for the debentures.
- (g) On December 19, 2023, Biocor Hospital de Doenças Cardiovasculares S.A. conducted the 1st private issue of nonconvertible, single-series, registered debentures in the amount of R\$33,691, which would mature on December 19, 2024, but this term was extended to December 19, 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 4.0% p.a. Interest and the nominal value will be paid on the maturity date, plus yield. There are no guarantees for the debentures.
- On August 26, 2024, Biocor Hospital de Doenças Cardiovasculares S.A. conducted the 2nd private issue of nonconvertible, single-series, registered debentures amounting to R\$10,000, maturing on August 30, 2025. The debentures may be fully or partially subscribed until the maturity date by Rede D'Or São Luiz S.A. and R\$4,900 by Biocor Indústria e Pesquisa LTDA. 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 on the maturity date, plus yield. There are no guarantees for the debentures.
- On November 14, 2024, Biocor Hospital de Doenças Cardiovasculares S.A. conducted the 3rd private issue of nonconvertible, single-series, registered debentures in the amount of R\$15,000, maturing on November 14, 2025. The debentures may be fully or partially subscribed until the maturity date by up to R\$11,000 by Rede D'Or São Luiz S.A. and R\$4,000 by Biocor Indústria e Pesquisa Ltda. 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 on the maturity date, plus yield. There are no guarantees for the debentures.
- On December 23, 2024, Biocor Hospital de Doenças Cardiovasculares S.A. conducted the 4th private issue of nonconvertible, single-series, registered debentures in the amount of R\$15,000, maturing on December 23, 2025. The debentures may be fully or partially subscribed until the maturity date by up to R\$12,000 by Rede D'Or São Luiz S.A. and R\$3,000 by Biocor Indústria e Pesquisa Ltda. 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 on the maturity date, plus yield. There are no guarantees for the debentures.

Rede D'Or São Luiz S.A.

Notes to the individual and consolidated financial statements (Continued)

December 31, 2024, 2023 and 2022

(In thousands of reais, unless otherwise stated)

7. Transactions with related parties (Continued)

Balances with related parties (Continued)

- (h) On December 29, 2023, Onco Star SP Oncologia Ltda. carried out a private placement of single-series, book-entry convertible trade notes, without security interest or collateral security system, of first issue, in the amount of R\$1,082,544, 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 on the maturity date, plus yield. There are no guarantees.
- (i) On February 6, 2024, Memorial Imagem e Diagnóstico Ltda. (MediAx) carried out a private placement of single-series, book-entry convertible trade notes, without security interest or collateral security system, of first issue, in the amount of R\$4,655, initially maturing on February 6, 2025, however this term was extended to August 6, 2026. 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 on the maturity date, plus yield. There are no guarantees.
- (j) On May 22, 2024, Instituto de Radioterapia do Vale do Paraíba Ltda. (CENON) carried out a private placement of book-entry nonconvertible trade notes, without security interest or collateral security system, in a single series, of first issue, in the amount of R\$2,525, maturing on May 22, 2025. The trade notes may be fully or partially subscribed until the maturity date by Centro Oncológico Do Vale Ltda. (IOV). 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 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 December 31, 2024, 2023, and 2022, key management personnel compensation is summarized as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Salaries and bonuses	124,482	109,183	78,027
Benefits	180	192	158
Share-based payment	39,052	43,004	41,609
	<u>163,714</u>	<u>152,379</u>	<u>119,794</u>

Rede D'Or São Luiz S.A.

Notes to the individual and consolidated financial statements (Continued)

December 31, 2024, 2023 and 2022

(In thousands of reais, unless otherwise stated)

8. Investments

Breakdown of and changes in investments - Individual

Company	12/31/2023	Equity pickup	Dividends	Capital increase/ Future capital contribution	Capital reduction	Transfer	Other	12/31/2024
Medise Medicina Diagnóstico e Serviços S.A.	247,261	29,387	(148,524)	9,444	-	-	2,016	139,584
Hospital Esperança S.A.	4,350,628	522,985	(714,550)	1,056,732	-	-	(40,125)	5,175,670
PMJ Empreendimentos Imobiliários S.A.	902,254	16,068	(33,662)	5,165	-	-	-	889,825
Norte D'Or Participações S.A. (including goodwill)	126,956	6,541	-	105	-	-	-	133,602
Onco D'Or Oncologia S.A.	892,114	204,745	-	-	-	-	-	1,096,859
Jenner S.A. (including goodwill)	290,265	79,036	-	-	-	-	-	369,301
JMJB Diagnósticos e Serviços Hospitalares	45,287	(476)	-	-	-	-	-	44,811
Rodin Empreendimentos e Participações S.A.	283,335	(7,587)	-	171,744	-	-	-	447,492
Quinta Empreendimentos Imobiliários Ltda.	93,925	18,858	(28,059)	-	-	-	-	84,724
Hospital Fluminense S.A. (including goodwill)	294,761	27,448	(35,021)	30,541	-	-	-	317,729
Cardial Serviços Médicos (including goodwill)	117,990	36,790	(16,800)	-	-	-	-	137,980
TJK Empreendimentos Hospitalares	17,478	1,950	(1,915)	-	-	-	-	17,513
Villa Lobos Empreendimentos Imobiliários Ltda.	221,265	24,706	(61,700)	-	(10,641)	-	-	173,630
Santa Luzia II Empreendimentos Imobiliários Ltda.	63,408	(1,836)	-	-	-	-	-	61,572
Campinas Empreendimentos Imobiliários Ltda.	369,075	16,659	-	3,694	(25,069)	-	-	364,359
Sator Empreendimentos e Participações Ltda	3,540,316	225,547	-	323,216	-	-	-	4,089,079
Rede D'or São Luiz Serviços Médicos S.A.	316,878	95,393	-	3,000	-	-	-	415,271
Olimpia Projeto Rua do Rocio 86 SPE S.A.	617,864	35,329	(31,673)	1,580	-	-	-	623,100
Proncordis Pronto Atendimento Cardiológico Ltda.	451	(3)	-	-	-	-	-	448
Laboratórios Richet	328,103	(35,699)	-	69,511	-	-	-	361,915
Santa Luzia III	308,411	19,746	(22,067)	661	-	-	-	306,751
Qualicorp Consultoria e Corretora de Seguros S.A.	485,204	(1,063)	-	-	-	-	499	484,640
Clínica Médica São Remo	50,285	(10,105)	-	18,273	-	-	-	58,453
Hospital Santa Cruz	429,179	29,037	(53,503)	29,129	-	-	-	433,842
Advance Plano de Saúde S.A.	35,201	5,218	-	-	-	-	-	40,419
Prisma Capital	1,608,020	(3,170)	-	30	-	-	-	1,604,880
RDSLGF Greenfields Ltda. (a)	-	541	(138)	515,864	(414,906)	439,597	-	540,958
RDSL OH Operações Hospitalares Ltda.	-	(13,726)	-	122,586	-	6,083	-	114,943
Tradição Companhia de Seguros	4,276,157	705,453	(259,789)	15,596	-	-	265,459	5,002,876
Cia Saúde – SulAmérica	3,351,225	888,258	(396,686)	18,005	-	-	322,777	4,183,579
SAEPAR Serviços e Participações	1,630,657	252,589	(63,071)	267,247	-	-	96,459	2,183,881
Other	2,002,422	54,001	(20,202)	209,288	-	(445,680)	(20,363)	1,779,466
	27,296,375	3,222,620	(1,887,360)	2,871,411	(450,616)	-	626,722	31,679,152

Rede D'Or São Luiz S.A.

Notes to the individual and consolidated financial statements (Continued)

December 31, 2024, 2023 and 2022

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Breakdown of and changes in investments - Individual (Continued)

Company	12/31/2023	Equity pickup	Dividends	Capital increase/ Future capital contribution	Transfer	Other	12/31/2024
Onco Star	(322,217)	(94,229)	-	-	-	(38,312)	(454,758)
Centro Hospitalar São Marcos S.A.	(8,581)	(330)	-	-	-	-	(8,911)
Hospital São Marcos (including goodwill)	(107,717)	3,658	-	7,020	-	-	(97,039)
Rede D'or Finance	(175,045)	16,332	-	-	-	-	(158,713)
	(613,560)	(74,569)	-	7,020	-	(38,312)	(719,421)
Equity pickup		<u>3,148,051</u>					

On August 16, 2024, the Company closed the Partnership with Atlântica Hospitais e Participações S.A. (“Atlântica Hospitais”) - a company focused on hospital investments, indirectly controlled by Bradseg Participações S.A., which in turn is the parent of Bradesco Seguros Group - for the creation of the new hospital network “Atlântica D'Or”. The Partnership was established as a corporate association engaged in performing investments, construction, development and operation of hospitals, at a ratio of 50.01% for Rede D'Or, which will be the hospital operator and controller of the new Atlântica D'Or hospital network, and 49.99% for Atlântica Hospitais, and covers all investments and assets, including real properties, relating to hospitals. The Company received R\$690,004 from Bradesco Seguros, R\$603,768 as reimbursement and supplementary construction budget, and R\$86,236 referring to inflation adjustment. On November 1, 2024, the Company entered into a new Investment, Purchase and Sale Agreement and Other Covenants for the contribution of Hospital São Luiz Campinas to the “Atlântica D'Or” hospital network, a corporate partnership held in the ratio of 50.01% by Rede D'Or, its hospital operator, and 49.99% by Atlântica Hospitais, the consummation of the Partnership is subject to compliance with certain suspensive conditions usual in operations of this nature, including the regulatory approvals required. As at December 31, 2024, the partnership encompassed three hospitals in operation (São Luiz Guarulhos, São Luiz Alphaville and Macaé D'Or) and two other projects under development (located in Taubaté and Ribeirão Preto).

Rede D'Or São Luiz S.A.

Notes to the individual and consolidated financial statements (Continued)

December 31, 2024, 2023 and 2022

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Breakdown of and changes in investments - Individual (Continued)

Company	12/31/2022	Equity pickup	Dividends	Capital increase/ Future capital contribution	Capital reduction	Transfer	Other	Merger of subsidiary into the Company	12/31/2023
Medise Medicina Diagnóstico e Serviços S.A.	244,620	26,854	(24,112)	-	-	-	(101)	-	247,261
Hospital Esperança S.A.	4,271,885	320,585	(699,834)	468,132	-	-	(10,140)	-	4,350,628
PMJ Empreendimentos Imobiliários S.A.	842,601	42,884	(35,964)	52,733	-	-	-	-	902,254
Norte D'Or Participações S.A. (including goodwill)	137,298	10,932	(21,274)	-	-	-	-	-	126,956
Onco D'Or Oncologia S.A.	726,351	165,763	-	-	-	-	-	-	892,114
Jenner S.A. (including goodwill)	217,067	73,198	-	-	-	-	-	-	290,265
JMJB Diagnósticos e Serviços Hospitalares	40,861	4,426	-	-	-	-	-	-	45,287
Rodin Empreendimentos e Participações S.A.	123,313	(2,624)	-	162,646	-	-	-	-	283,335
Quinta Empreendimentos Imobiliários Ltda.	71,617	33,321	(11,014)	1	-	-	-	-	93,925
Hospital Fluminense S.A. (including goodwill)	295,032	36,827	(29,924)	29,357	(36,531)	-	-	-	294,761
Cardial Serviços Médicos (including goodwill)	101,247	32,842	(16,099)	-	-	-	-	-	117,990
TJK Empreendimentos Hospitalares	18,323	2,014	(2,859)	-	-	-	-	-	17,478
Villa Lobos Empreendimentos Imobiliários Ltda.	187,920	45,743	(12,398)	-	-	-	-	-	221,265
Santa Luzia II Empreendimentos Imobiliários Ltda.	59,785	(494)	-	4,117	-	-	-	-	63,408
Campinas Empreendimentos Imobiliários Ltda.	311,087	(7,012)	-	65,000	-	-	-	-	369,075
Sator Empreendimentos e Participações Ltda	3,135,185	99,592	-	305,539	-	-	-	-	3,540,316
Rede D'or São Luiz Serviços Médicos S.A.	300,885	87,191	(80,000)	8,802	-	-	-	-	316,878
Olimpia Projeto Rua do Rocio 86 SPE S.A.	599,424	38,311	(23,976)	4,105	-	-	-	-	617,864
Proncordis Pronto Atendimento Cardiológico Ltda.	464	(13)	-	-	-	-	-	-	451
Laboratórios Richet	305,929	(15,801)	-	37,975	-	-	-	-	328,103
California Investimentos Imobiliários Ltda.	59,940	-	-	-	-	-	-	-	59,940
Hospital Avicenna S.A.	142,389	9,060	-	16,867	-	-	-	(168,316)	-
Santa Luzia III	310,107	32,331	(16,161)	93	(17,959)	-	-	-	308,411
Qualicorp Consultoria e Corretora de Seguros S.A. (a)	2,125,919	(7,368)	(1,323)	-	-	(1,632,305)	281	-	485,204
Clínica Médica São Remo	43,504	(8,775)	-	15,556	-	-	-	-	50,285
Casa de Saúde Laranjeiras S.A (Perinatal) (including goodwill)	926,298	34,016	-	16,296	-	-	-	(976,610)	-
Hospital Santa Cruz	400,555	28,652	(22,048)	22,020	-	-	-	-	429,179
Advance Plano de Saúde S.A.	42,397	9	(7,205)	-	-	-	-	-	35,201
Prisma Capital (a)	2	(24,334)	-	47	-	1,632,305	-	-	1,608,020
Traditio Companhia de Seguros	4,006,589	265,351	(25,503)	-	-	-	29,720	-	4,276,157
Cia Saúde – SulAmérica	3,020,712	311,989	(9,024)	280	-	-	27,268	-	3,351,225
SAEPAR Serv. E Partic.	1,546,682	93,992	(22,947)	-	-	-	12,930	-	1,630,657
Other	1,655,999	42,318	(15,071)	275,848	(3,197)	-	(13,415)	-	1,942,482
	26,271,987	1,771,780	(1,076,736)	1,485,414	(57,687)	-	46,543	(1,144,926)	27,296,375

Rede D'Or São Luiz S.A.

Notes to the individual and consolidated financial statements (Continued)

December 31, 2024, 2023 and 2022

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Breakdown of and changes in investments - Individual (Continued)

<u>Company</u>	<u>12/31/2022</u>	<u>Equity pickup</u>	<u>Dividends</u>	<u>Capital increase/ Future capital contribution</u>	<u>Transfer</u>	<u>Other</u>	<u>Merger</u>	<u>12/31/2023</u>
Onco Star	(259,546)	(58,191)	-	-	-	(4,480)	-	(322,217)
Centro Hospitalar São Marcos S.A.	(13,662)	(29)	-	-	-	5,110	-	(8,581)
Hospital São Marcos (including goodwill)	(83,865)	(29,540)	-	5,688	-	-	-	(107,717)
Rede D'or Finance	(151,106)	(23,939)	-	-	-	-	-	(175,045)
Other	(865)	-	-	-	-	865	-	-
	<u>(509,044)</u>	<u>(111,699)</u>	-	<u>5,688</u>	-	<u>1,495</u>	-	<u>(613,560)</u>
Equity pickup		<u>1,660,081</u>						

- (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 the individual and consolidated financial statements (Continued)

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(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Breakdown of and changes in investments - Individual (Continued)

Company	12/31/2021	Equity pickup	Dividends	Acquisition of control	Capital increase/ Future capital contribution	Capital reduction	Transfer	Other	Merger of subsidiary into the Company	12/31/2022
Medise Medicina Diagnóstico e Serviços S.A.	232,371	21,607	(9,358)	-	-	-	-	-	-	244,620
Hospital Esperança S.A.	2,880,695	287,835	-	-	1,113,495	-	-	(10,140)	-	4,271,885
Hospital São Marcos (including goodwill)	(88,543)	(39,988)	-	-	25,868	-	83,865	18,798	-	-
PMJ Empreendimentos Imobiliários S.A.	796,223	20,439	(7,636)	-	35,399	(1,826)	-	2	-	842,601
Norte D'Or Participações S.A. (including goodwill)	134,796	13,971	(11,484)	-	15	-	-	-	-	137,298
Onco D'Or Oncologia S.A.	592,405	133,946	-	-	-	-	-	-	-	726,351
Jenner S.A. (including goodwill)	173,729	43,338	-	-	-	-	-	-	-	217,067
JMJB Diagnósticos e Serviços Hospitalares	42,235	(1,374)	-	-	-	-	-	-	-	40,861
Rodin Empreendimentos e Participações S.A.	75,431	356	-	-	47,526	-	-	-	-	123,313
Quinta Empreendimentos Imobiliários Ltda.	58,993	12,623	-	-	1	-	-	-	-	71,617
Hospital Fluminense S.A. (including goodwill)	268,506	3,403	(7,355)	-	30,478	-	-	-	-	295,032
Cardial Serviços Médicos (including goodwill)	84,595	29,670	(13,018)	-	-	-	-	-	-	101,247
Hospital Santa Helena S.A. (including goodwill)	494,493	2,865	(11,366)	-	14,282	-	-	-	(500,274)	-
TJK Empreendimentos Hospitalares	18,235	1,686	-	-	-	(1,598)	-	-	-	18,323
Villa Lobos Empreendimentos Imobiliários Ltda.	187,216	15,343	(7,434)	-	-	(7,205)	-	-	-	187,920
Santa Luzia II Empreendimentos Imobiliários Ltda.	56,252	(375)	-	-	3,908	-	-	-	-	59,785
Campinas Empreendimentos Imobiliários Ltda.	115,290	(1,399)	-	-	197,196	-	-	-	-	311,087
Sator Empreendimentos e Participações Ltda	2,377,506	63,467	-	-	694,212	-	-	-	-	3,135,185
Rede D'or Finance	(129,440)	(21,666)	-	-	-	-	151,106	-	-	-
Rede D'or São Luiz Serviços Médicos S.A.	236,110	51,658	-	-	13,117	-	-	-	-	300,885
Olimpia Projeto Rua do Rocio 86 SPE S.A.	447,447	10,294	-	-	141,683	-	-	-	-	599,424
Proncordis Pronto Atendimento Cardiológico Ltda.	261	(16)	-	-	219	-	-	-	-	464
Maximagem - Diagnóstico por Imagem Ltda. (including goodwill)	2,611	-	-	-	-	-	-	(2,611)	-	-
Laboratórios Richet	270,566	(8,254)	-	-	44,661	-	-	(1,044)	-	305,929
California Investimentos Imobiliários Ltda.	59,940	-	-	-	-	-	-	-	-	59,940
Hospital Aviccena S.A.	133,592	13,688	(13,836)	-	8,945	-	-	-	-	142,389
Santa Luzia III	305,087	15,581	-	-	-	(10,561)	-	-	-	310,107
Qualicorp Consultoria e Corretora de Seguros S.A.	2,129,020	29,531	(18,755)	-	-	-	-	(13,877)	-	2,125,919
Clínica Médica São Remo	37,538	(9,318)	-	-	15,284	-	-	-	-	43,504
Casa de Saúde Laranjeiras S.A (Perinatal) (including goodwill)	895,544	27,094	(39,417)	-	43,077	-	-	-	-	926,298
Hospital Santa Cruz	356,751	13,794	-	-	30,010	-	-	-	-	400,555
Advance Plano de Saúde S.A.	35,458	4,134	-	-	2,805	-	-	-	-	42,397
Tradição Companhia de Seguros	-	-	-	4,006,589	-	-	-	-	-	4,006,589
Cia Saúde - SulAmérica	-	-	-	3,020,712	-	-	-	-	-	3,020,712
SAEPAR Serv. E Partic.	-	-	-	1,546,682	-	-	-	-	-	1,546,682
Other	1,305,496	17,723	(6,205)	-	342,962	(684)	-	(3,291)	-	1,656,001
	14,586,409	751,656	(145,864)	8,573,983	2,805,143	(21,874)	234,971	(12,163)	(500,274)	26,271,987

Rede D'Or São Luiz S.A.

Notes to the individual and consolidated financial statements (Continued)

December 31, 2024, 2023 and 2022

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Breakdown of and changes in investments - Individual (Continued)

<u>Company</u>	<u>12/31/2021</u>	<u>Equity pickup</u>	<u>Dividends</u>	<u>Acquisition of equity interest</u>	<u>Capital increase/ Future capital contribution</u>	<u>Transfer</u>	<u>Other</u>	<u>Merger</u>	<u>12/31/2022</u>
Onco Star	(200,323)	(59,223)	-	-	-	-	-	-	(259,546)
Centro Hospitalar São Marcos S.A.	(13,380)	(282)	-	-	-	-	-	-	(13,662)
Hospital São Marcos (including goodwill)	-	-	-	-	-	(83,865)	-	-	(83,865)
Rede D'or Finance	-	-	-	-	-	(151,106)	-	-	(151,106)
Other	(412)	(453)	-	-	-	-	-	-	(865)
	<u>(214,115)</u>	<u>(59,958)</u>	-	-	-	<u>(234,971)</u>	-	-	<u>(509,044)</u>
Equity pickup		<u>691,698</u>							

Rede D'Or São Luiz S.A.

Notes to the individual and consolidated financial statements (Continued)

December 31, 2024, 2023 and 2022

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Breakdown of and changes in investments - Consolidated

Company	2023	Equity pickup	Acquisition of equity interest	Dividends	Capital increase/ Future capital contribution	Transfer	Other	2024
JMJB Diagnósticos e Serviços Hospitalares S.A.	45,287	(476)	-	-	-	-	-	44,811
Instituto de Radioterapia do Vale do Paraíba Ltda.	15,874	977	-	-	-	-	(165)	16,686
Qualicorp Consultoria e Corretora de Seguros S.A. (a)	2,089,698	(4,576)	-	-	-	-	2,150	2,087,272
Eldorado do Sul Participações Ltda.	29,205	6,586	-	-	-	-	-	35,791
Sharecare Brasil Serviços de Consult. Ltda.	(218)	-	-	-	-	-	218	-
Sul América Investimentos Distribuidora de Títulos e Valores Mobiliários S.A. (SAMI) (b)	88,108	21,398	-	-	-	-	(109,506)	-
Other	295,914	24,955	-	(19,291)	10,650	-	(13,232)	298,996
	2,563,868	48,864	-	(19,291)	10,650	-	(120,535)	2,483,556

Company	2022	Equity pickup	Acquisition of equity interest	Dividends	Capital increase/ Future capital contribution	Transfer	Other	2023
JMJB Diagnósticos e Serviços Hospitalares S.A.	40,861	4,426	-	-	-	-	-	45,287
Instituto de Radioterapia do Vale do Paraíba Ltda.	43,689	5,807	-	(500)	-	-	(33,122)	15,874
Qualicorp Consultoria e Corretora de Seguros S.A.	2,125,919	(31,732)	-	(5,699)	-	-	1,210	2,089,698
Eldorado do Sul Participações Ltda.	22,616	6,099	-	-	-	-	490	29,205
Sharecare Brasil Serviços de Consult. Ltda.	9,662	(9,410)	-	(470)	-	-	-	(218)
Sul América Investimentos Distribuidora de Títulos e Valores Mobiliários S.A. (SAMI)	78,242	12,550	-	(2,684)	-	-	-	88,108
Other	232,412	6,587	39,543	(6,465)	27,816	-	(3,979)	295,914
	2,553,401	(5,673)	39,543	(15,818)	27,816	-	(35,401)	2,563,868

Company	2021	Equity pickup	Acquisition of equity interest	Dividends	Capital increase/ Future capital contribution	Transfer	Other	2022
JMJB Diagnósticos e Serviços Hospitalares S.A.	42,235	(1,374)	-	-	-	-	-	40,861
Instituto de Radioterapia do Vale do Paraíba Ltda.	43,076	5,331	-	(2,778)	-	-	(1,940)	43,689
Qualicorp Consultoria e Corretora de Seguros S.A.	2,129,020	29,531	-	(18,755)	-	-	(13,877)	2,125,919
Eldorado do Sul Participações Ltda.	19,005	3,611	-	-	-	-	-	22,616
Sharecare Brasil Serviços de Consult. Ltda.	-	-	9,662	-	-	-	-	9,662
Sul América Investimentos Distribuidora de Títulos e Valores Mobiliários S.A. (SAMI)	-	-	78,242	-	-	-	-	78,242
Other	92,503	8,981	56,059	-	59,600	-	15,269	232,412
	2,325,839	46,080	143,963	(21,533)	59,600	-	(548)	2,553,401

Rede D'Or São Luiz S.A.

Notes to the individual and consolidated financial statements (Continued)

December 31, 2024, 2023 and 2022

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Breakdown of and changes in investments - Consolidated (Continued)

- (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, Rede D'Or concluded that it has significant influence over Qualicorp; therefore, it records the investment using the equity method. The Company recognized equity pickup until September 30, 2024.
- (b) On April 30, 2024, the Central Bank of Brazil (BCB) approved the transfer of control over Sul América Investimentos DTVM S.A. ("SAMÍ"), in the context of the merger of Sul América S.A. ("SASA") by Rede D'Or (the "Company").

Summary of information on main subsidiaries

	2024					2023		2022	
	% Total	% Voting capital	Assets	Liabilities	Equity	Operating income (expenses)	P&L for the year	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	400,190	255,955	144,235	47,446	32,717	29,967	24,112
Hospital Esperança S.A. ("Esperança")	100.00	100.00	7,332,493	2,435,937	4,896,556	417,898	324,331	215,533	257,229
PMJ Empreendimentos Imobiliários S.A.	100.00	100.00	1,115,114	223,880	891,234	21,266	16,085	42,927	20,460
Norte D'Or Participações S.A.	100.00	100.00	105,520	272	105,248	6,538	6,547	10,943	13,985
Onco D'Or Oncologia S.A.	98.87	98.87	931,735	197,038	734,697	237,762	171,332	158,674	93,946
Jenner S.A.	91.24	91.24	652,518	2,002	650,516	158,072	138,314	128,097	75,842
JMJB Diagnósticos e Serviços Hospitalares	50.00	50.00	100,021	9,781	90,240	(952)	(476)	4,426	(1,374)
Rodin Empreendimentos e Participações S.A.	100.00	100.00	463,195	15,730	447,465	(7,109)	(7,587)	(2,627)	357
Quinta Empreendimentos Imobiliários Ltda.	100.00	100.00	85,964	1,125	84,839	15,449	18,859	33,354	12,636
Hospital Fluminense S.A.	100.00	100.00	455,019	150,556	304,463	35,448	27,475	36,864	3,406
Cardial Serviços Médicos Ltda.	89.44	89.44	155,162	48,070	107,092	60,391	36,790	32,842	29,670
TJK Empreendimentos Imobiliários Ltda.	100.00	100.00	18,561	1,038	17,523	1,950	1,950	2,016	1,687
Villa Lobos Empreendimentos Imobiliários S.A.	100.00	100.00	182,209	8,317	173,892	19,117	24,708	45,789	15,359
Santa Luzia II Emp. Imobiliários Ltda.	100.00	100.00	65,071	3,449	61,622	(1,836)	(1,836)	(495)	(375)
Campinas Empreendimentos Imob.	100.00	100.00	366,088	1,112	364,976	14,500	16,661	(7,019)	(1,401)
Sator Empreendimentos e Participações Ltda.	100.00	100.00	3,761,437	19,201	3,742,236	225,414	225,569	99,691	63,531
Rede D'Or Finance	100.00	100.00	8,173,664	8,332,376	(158,712)	27	16,332	(23,939)	(21,666)
Rede D'Or São Luiz Serviços Médicos S.A.	100.00	100.00	564,619	149,059	415,560	136,685	95,403	87,278	51,709
Olimpia Projeto Rua do Rocio 86 SPE S.A.	100.00	100.00	626,946	3,173	623,773	26,648	35,364	38,349	10,304
Proncordis Pronto Atendimento Cardiológico Ltda.	100.00	100.00	7,048	610	6,438	(678)	(336)	(790)	(962)
Laboratórios Richet	100.00	100.00	277,477	134,263	143,214	(28,118)	(37,296)	(20,783)	(16,733)
Onco Star SP Oncologia Ltda.	84.00	84.00	1,225,468	1,774,672	(549,204)	(30,952)	(94,228)	(58,191)	(59,224)
Centro Hospitalar São Marcos S.A.	100.00	100.00	21	3,623	(3,602)	(329)	(330)	(29)	(282)
Santa Luzia III Empreendimentos Imobiliários Ltda.	100.00	100.00	311,057	4,001	307,056	20,269	19,748	32,363	15,597
Hospital São Marcos	100.00	100.00	244,207	352,330	(108,123)	6,854	3,658	(29,540)	(39,988)
Clínica Médica São Remo	100.00	100.00	78,561	22,590	55,971	(8,783)	(10,106)	(8,784)	(9,328)
Hospital Santa Cruz	100.00	100.00	404,251	232,049	172,202	50,176	23,143	33,973	12,258
Advance Plano de Saúde S.A.	100.00	100.00	52,187	11,661	40,526	4,589	5,218	9	4,138
Prisma Capital	100.00	100.00	1,607,469	11	1,607,458	(3,515)	(3,174)	(24,334)	-
RDSLGF Greenfields Ltda.	100.00	100.00	548,037	-	548,037	7,613	7,613	-	-
RDSL OH Operações Hospitalares Ltda.	100.00	100.00	112,060	10	112,050	(16,609)	(16,609)	-	-
Traditio Companhia de Seguros	100.00	100.00	7,524,110	677,450	6,846,660	939,947	965,444	359,075	-
Cia Saúde – SulAmérica	100.00	100.00	22,146,990	13,354,121	8,792,869	1,994,069	1,867,598	652,416	-
SAEPAR Serv. E Partic	100.00	100.00	2,284,539	100,657	2,183,882	258,863	252,589	92,859	-

Rede D'Or São Luiz S.A.

Notes to the individual and consolidated financial statements (Continued)

December 31, 2024, 2023 and 2022

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Summary of the associates' and joint ventures' information

	2024					2023		2022	
	% Total	% Voting capital	Assets	Liabilities	Equity	Operating income (expenses)	P&L for the year	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	100,021	9,781	90,240	(952)	(476)	4,426	(1,374)
Instituto de Radioterapia do Vale do Paraíba Ltda.	50.00	50.00	36,000	10,551	25,449	15,313	12,650	5,807	5,331
Eldorado do Sul Participações Ltda.	33.33	33.33	81,315	-	81,315	19,759	6,586	6,099	3,611
Qualicorp Consultoria e Corretora de Seguros S.A. (a)/(b)	25.85	25.85	4,330,566	3,007,148	1,323,418	(a)	(a)	(b)	(c)

(a) The Company recognized equity pickup until September 30, 2024.

(b) The Company recognized equity pickup until September 30, 2023.

(c) The Company recognized equity pickup until September 30, 2022.

Impairment

The recoverable amount of a CGU is determined based on the calculation of value in use. For companies recognized by equity method in the consolidated financial statements, the impairment test is based on a series of judgments, estimates and assumptions. The cash flow is prepared by business, when applicable, and considers external sources such as macroeconomic scenarios of the group's operating segment, business development, inflation, exchange rates and the group's historical results. The projections of results consider the period between 5 and 7 years for all cash-generating units, based on the results expected by the group with the acquisition of new customers and retention of existing customers. To estimate the recoverable amount, Management used as assumptions the growth rates of the sector, rates of return on investment made and the continuity of the operations of the Company and its subsidiaries. On December 31, 2024, the discount rate used for investments in associated companies and joint ventures entities was 11.18% (10.36% on December 31, 2023) and the perpetuity rate took into account the average long-term rate for the industry segments. Disclosures regarding the impairment test of subsidiaries controlled by the Company are presented in Note 10.

There is no indication of impairment of investments to date.

Rede D'Or São Luiz S.A.

Notes to the individual and consolidated financial statements (Continued)

December 31, 2024, 2023 and 2022

(In thousands of reais, unless otherwise stated)

9. Property and equipment

Balance breakdown

Description	Depreciation rate	Individual								
		2024			2023			2022		
		Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount
Hospital machinery and equipment	12% to 20%	1,843,976	(1,473,756)	370,220	1,678,455	(1,321,300)	357,155	1,485,605	(1,152,009)	333,596
Surgical instruments	20%	146,112	(86,720)	59,392	136,301	(69,778)	66,523	122,273	(53,419)	68,854
Machinery and equipment	7% to 10%	1,057,171	(650,215)	406,956	875,363	(552,059)	323,304	564,773	(453,248)	111,525
Buildings	2.5% to 4%	892,674	(308,517)	584,157	887,453	(271,507)	615,946	827,109	(215,725)	611,384
Improvements in own buildings	4%	488,456	(190,572)	297,884	445,826	(172,642)	273,184	328,716	(145,846)	182,870
Leasehold improvements	3% to 4%	3,382,389	(769,766)	2,612,623	2,857,531	(642,186)	2,215,345	2,071,940	(550,296)	1,521,644
Furniture and fixtures	10%	279,474	(218,689)	60,785	256,789	(193,709)	63,080	227,323	(156,051)	71,272
Vehicles	20%	5,907	(4,812)	1,095	5,907	(4,606)	1,301	5,162	(4,200)	962
Facilities	10%	170,881	(103,611)	67,270	151,249	(90,749)	60,500	138,789	(78,009)	60,780
Land	-	147,698	-	147,698	169,698	-	169,698	150,699	-	150,699
Construction in progress	-	1,097,248	-	1,097,248	1,140,363	-	1,140,363	1,091,391	-	1,091,391
Other	5% to 10%	14,800	(7,348)	7,452	14,605	(6,881)	7,724	14,228	(6,398)	7,830
		9,526,786	(3,814,006)	5,712,780	8,619,540	(3,325,417)	5,294,123	7,028,008	(2,815,201)	4,212,807

Description	Depreciation rate	Consolidated								
		2024			2023			2022		
		Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount
Hospital machinery and equipment	12% to 20%	3,710,404	(2,470,553)	1,239,851	3,133,364	(2,146,769)	986,595	2,793,325	(1,796,052)	997,273
Surgical instruments	20%	341,803	(188,909)	152,894	305,903	(155,494)	150,409	286,300	(124,560)	161,740
Machinery and equipment	7% to 10%	1,631,824	(1,018,232)	613,592	1,363,779	(854,475)	509,304	1,047,737	(737,043)	310,694
Buildings	2.5% to 4%	4,773,617	(862,555)	3,911,062	3,839,290	(695,809)	3,143,481	3,184,273	(547,761)	2,636,512
Improvements in own buildings	4%	854,783	(265,916)	588,867	679,784	(232,594)	447,190	577,485	(204,682)	372,803
Leasehold improvements	3% to 4%	5,251,827	(1,129,152)	4,122,675	4,415,681	(930,721)	3,484,960	3,145,996	(803,341)	2,342,655
Furniture and fixtures	10%	548,445	(366,340)	182,105	490,374	(324,193)	166,181	463,911	(279,331)	184,580
Vehicles	20%	30,666	(26,822)	3,844	29,373	(26,295)	3,078	28,512	(24,350)	4,162
Facilities	10%	455,622	(204,747)	250,875	326,015	(165,516)	160,499	273,788	(139,451)	134,337
Land	-	1,270,421	-	1,270,421	1,181,599	-	1,181,599	1,168,390	-	1,168,390
Construction in progress	-	2,590,389	-	2,590,389	2,625,219	-	2,625,219	2,742,104	-	2,742,104
Other	5% to 10%	61,736	(9,853)	51,883	60,099	(9,211)	50,888	59,628	(8,592)	51,036
		21,521,537	(6,543,079)	14,978,458	18,450,480	(5,541,077)	12,909,403	15,771,449	(4,665,163)	11,106,286

Rede D'Or São Luiz S.A.

Notes to the individual and consolidated financial statements (Continued)

December 31, 2024, 2023 and 2022

(In thousands of reais, unless otherwise stated)

9. Property and equipment (Continued)

Changes - Individual

	2023	Additions	Transfers	2024
Cost				
Hospital machinery and equipment	1,678,455	165,521	-	1,843,976
Surgical instruments	136,301	9,811	-	146,112
Machinery and equipment	875,363	181,808	-	1,057,171
Buildings	887,453	5,221	-	892,674
Improvements in own buildings	445,826	802	41,828	488,456
Leasehold improvements	2,857,531	218,098	306,760	3,382,389
Furniture and fixtures	256,789	22,685	-	279,474
Vehicles	5,907	-	-	5,907
Facilities	151,249	19,632	-	170,881
Land	169,698	-	(22,000)	147,698
Construction in progress	1,140,363	283,473	(326,588)	1,097,248
Other	14,605	195	-	14,800
	8,619,540	907,246	-	9,526,786
Depreciation				
Hospital machinery and equipment	(1,321,300)	(152,456)	-	(1,473,756)
Surgical instruments	(69,778)	(16,942)	-	(86,720)
Machinery and equipment	(552,059)	(98,156)	-	(650,215)
Buildings	(271,507)	(37,010)	-	(308,517)
Improvements in own buildings	(172,642)	(17,930)	-	(190,572)
Leasehold improvements	(642,186)	(127,580)	-	(769,766)
Furniture and fixtures	(193,709)	(24,980)	-	(218,689)
Vehicles	(4,606)	(206)	-	(4,812)
Facilities	(90,749)	(12,862)	-	(103,611)
Other	(6,881)	(467)	-	(7,348)
	(3,325,417)	(488,589)	-	(3,814,006)
Property and equipment, net	5,294,123	418,657	-	5,712,780

Rede D'Or São Luiz S.A.

Notes to the individual and consolidated financial statements (Continued)

December 31, 2024, 2023 and 2022

(In thousands of reais, unless otherwise stated)

9. Property and equipment (Continued)

Changes - individual (Continued)

	2022	Additions	Transfers	Additions from mergers	2023
Cost					
Hospital machinery and equipment	1,485,605	157,098	-	35,752	1,678,455
Surgical instruments	122,273	11,849	-	2,179	136,301
Machinery and equipment	564,773	130,036	144,468	36,086	875,363
Buildings	827,109	-	15,296	45,048	887,453
Improvements in own buildings	328,716	61,298	11,254	44,558	445,826
Leasehold improvements	2,071,940	488,608	259,911	37,072	2,857,531
Furniture and fixtures	227,323	11,262	-	18,204	256,789
Vehicles	5,162	503	-	242	5,907
Facilities	138,789	9,919	-	2,541	151,249
Land	150,699	12,535	-	6,464	169,698
Construction in progress	1,091,391	452,125	(430,929)	27,776	1,140,363
Other	14,228	261	-	116	14,605
	<u>7,028,008</u>	<u>1,335,494</u>	<u>-</u>	<u>256,038</u>	<u>8,619,540</u>
Depreciation					
Hospital machinery and equipment	(1,152,009)	(152,016)	-	(17,275)	(1,321,300)
Surgical instruments	(53,419)	(15,792)	-	(567)	(69,778)
Machinery and equipment	(453,248)	(65,600)	-	(33,211)	(552,059)
Buildings	(215,725)	(35,152)	-	(20,630)	(271,507)
Improvements in own buildings	(145,846)	(13,602)	-	(13,194)	(172,642)
Leasehold improvements	(550,296)	(89,843)	-	(2,047)	(642,186)
Furniture and fixtures	(156,051)	(23,392)	-	(14,266)	(193,709)
Vehicles	(4,200)	(164)	-	(242)	(4,606)
Facilities	(78,009)	(11,682)	-	(1,058)	(90,749)
Other	(6,398)	(455)	-	(28)	(6,881)
	<u>(2,815,201)</u>	<u>(407,698)</u>	<u>-</u>	<u>(102,518)</u>	<u>(3,325,417)</u>
Property and equipment, net	<u>4,212,807</u>	<u>927,796</u>	<u>-</u>	<u>153,520</u>	<u>5,294,123</u>

Rede D'Or São Luiz S.A.

Notes to the individual and consolidated financial statements (Continued)

December 31, 2024, 2023 and 2022

(In thousands of reais, unless otherwise stated)

9. Property and equipment (Continued)

Changes - individual (Continued)

	2021	Additions	Transfers	Additions from mergers	2022
Cost					
Hospital machinery and equipment	1,252,068	185,757	-	47,780	1,485,605
Surgical instruments	85,004	34,614	-	2,655	122,273
Machinery and equipment	509,370	23,909	-	31,494	564,773
Buildings	638,834	1,597	186,183	495	827,109
Improvements in own buildings	321,254	135	6,239	1,088	328,716
Leasehold improvements	1,787,733	23,132	219,627	41,448	2,071,940
Furniture and fixtures	204,339	15,504	-	7,480	227,323
Vehicles	4,530	449	-	183	5,162
Facilities	128,148	9,670	-	971	138,789
Land	150,699	-	-	-	150,699
Construction in progress	754,901	729,155	(412,049)	19,384	1,091,391
Other	13,784	420	-	24	14,228
	<u>5,850,664</u>	<u>1,024,342</u>	<u>-</u>	<u>153,002</u>	<u>7,028,008</u>
Depreciation					
Hospital machinery and equipment	(911,058)	(203,713)	-	(37,238)	(1,152,009)
Surgical instruments	(41,688)	(11,101)	-	(630)	(53,419)
Machinery and equipment	(354,741)	(69,528)	-	(28,979)	(453,248)
Buildings	(177,551)	(38,134)	-	(40)	(215,725)
Improvements in own buildings	(122,710)	(22,827)	-	(309)	(145,846)
Leasehold improvements	(470,412)	(75,564)	-	(4,320)	(550,296)
Furniture and fixtures	(128,399)	(21,994)	-	(5,658)	(156,051)
Vehicles	(3,776)	(254)	-	(170)	(4,200)
Facilities	(67,225)	(10,588)	-	(196)	(78,009)
Other	(5,956)	(431)	-	(11)	(6,398)
	<u>(2,283,516)</u>	<u>(454,134)</u>	<u>-</u>	<u>(77,551)</u>	<u>(2,815,201)</u>
Property and equipment, net	<u>3,567,148</u>	<u>570,208</u>	<u>-</u>	<u>75,451</u>	<u>4,212,807</u>

Rede D'Or São Luiz S.A.

Notes to the individual and consolidated financial statements (Continued)

December 31, 2024, 2023 and 2022

(In thousands of reais, unless otherwise stated)

9. Property and equipment (Continued)

Changes - Consolidated

	2023	Additions	Sales/disposals (a)	Transfers	Business combination	2024
Cost						
Hospital machinery and equipment	3,133,364	576,852	(25)	-	213	3,710,404
Surgical instruments	305,903	35,900	-	-	-	341,803
Machinery and equipment	1,363,779	233,140	(12,956)	-	47,861	1,631,824
Buildings	3,839,290	71,289	(485)	863,523	-	4,773,617
Improvements in own buildings	679,784	4,116	(371)	171,254	-	854,783
Leasehold improvements	4,415,681	509,023	(3,856)	329,220	1,759	5,251,827
Furniture and fixtures	490,374	56,705	(1,956)	-	3,322	548,445
Vehicles	29,373	-	(3)	-	1,296	30,666
Facilities	326,015	85,198	(137)	-	44,546	455,622
Land	1,181,599	85,549	-	-	3,273	1,270,421
Construction in progress	2,625,219	1,329,705	(2,665)	(1,363,997)	2,127	2,590,389
Other	60,099	461	(24)	-	1,200	61,736
	18,450,480	2,987,938	(22,478)	-	105,597	21,521,537
Depreciation						
Hospital machinery and equipment	(2,146,769)	(323,596)	25	-	(213)	(2,470,553)
Surgical instruments	(155,494)	(33,415)	-	-	-	(188,909)
Machinery and equipment	(854,475)	(144,507)	7,081	-	(26,331)	(1,018,232)
Buildings	(695,809)	(166,746)	-	-	-	(862,555)
Improvements in own buildings	(232,594)	(33,350)	28	-	-	(265,916)
Leasehold improvements	(930,721)	(198,436)	18	-	(13)	(1,129,152)
Furniture and fixtures	(324,193)	(42,354)	1,043	-	(836)	(366,340)
Vehicles	(26,295)	(498)	3	-	(32)	(26,822)
Facilities	(165,516)	(31,024)	34	-	(8,241)	(204,747)
Other	(9,211)	(643)	1	-	-	(9,853)
	(5,541,077)	(974,569)	8,233	-	(35,666)	(6,543,079)
Property and equipment, net	12,909,403	2,013,369	(14,245)	-	69,931	14,978,458

(a) Refers to the property and equipment items of D'Or Consultoria's companies. Refer to Note 1 for more details.

Rede D'Or São Luiz S.A.

Notes to the individual and consolidated financial statements (Continued)

December 31, 2024, 2023 and 2022

(In thousands of reais, unless otherwise stated)

9. Property and equipment (Continued)

Changes - Consolidated (Continued)

	2022	Additions	Transfers	Business combination	2023
Cost					
Hospital machinery and equipment	2,793,325	333,771	-	6,268	3,133,364
Surgical instruments	286,300	19,603	-	-	305,903
Machinery and equipment	1,047,738	164,519	151,265	257	1,363,779
Buildings	3,184,273	37,136	617,881	-	3,839,290
Improvements in own buildings	577,485	87,937	14,362	-	679,784
Leasehold improvements	3,145,996	894,466	375,219	-	4,415,681
Furniture and fixtures	463,911	25,150	-	1,313	490,374
Vehicles	28,512	675	-	186	29,373
Facilities	273,788	52,109	-	118	326,015
Land	1,168,390	13,199	-	10	1,181,599
Construction in progress	2,742,104	1,041,842	(1,158,727)	-	2,625,219
Other	59,627	472	-	-	60,099
	<u>15,771,449</u>	<u>2,670,879</u>	<u>-</u>	<u>8,152</u>	<u>18,450,480</u>
Depreciation					
Hospital machinery and equipment	(1,796,052)	(346,381)	-	(4,336)	(2,146,769)
Surgical instruments	(124,560)	(30,934)	-	-	(155,494)
Machinery and equipment	(737,044)	(117,134)	-	(297)	(854,475)
Buildings	(547,761)	(148,048)	-	-	(695,809)
Improvements in own buildings	(204,682)	(27,912)	-	-	(232,594)
Leasehold improvements	(803,341)	(127,380)	-	-	(930,721)
Furniture and fixtures	(279,331)	(43,900)	-	(962)	(324,193)
Vehicles	(24,350)	(1,847)	-	(98)	(26,295)
Facilities	(139,451)	(25,956)	-	(109)	(165,516)
Other	(8,591)	(620)	-	-	(9,211)
	<u>(4,665,163)</u>	<u>(870,112)</u>	<u>-</u>	<u>(5,802)</u>	<u>(5,541,077)</u>
Property and equipment, net	<u>11,106,286</u>	<u>1,800,767</u>	<u>-</u>	<u>2,350</u>	<u>12,909,403</u>

Rede D'Or São Luiz S.A.

Notes to the individual and consolidated financial statements (Continued)

December 31, 2024, 2023 and 2022

(In thousands of reais, unless otherwise stated)

9. Property and equipment (Continued)

Changes - Consolidated (Continued)

	2021	Additions	Transfers	Business combination	2022
Cost					
Hospital machinery and equipment	2,357,872	394,852	-	40,601	2,793,325
Surgical instruments	218,932	56,169	-	11,199	286,300
Machinery and equipment	875,457	82,319	-	89,961	1,047,737
Buildings	2,594,919	83,389	447,869	58,096	3,184,273
Improvements in own buildings	555,606	67	21,648	164	577,485
Leasehold improvements	2,571,492	96,523	410,139	67,842	3,145,996
Furniture and fixtures	386,554	38,223	-	39,134	463,911
Vehicles	19,454	3,990	-	5,068	28,512
Facilities	217,396	54,402	-	1,990	273,788
Land	1,019,026	132,705	-	16,659	1,168,390
Construction in progress	1,809,763	1,803,628	(879,656)	8,369	2,742,104
Other	58,156	1,471	-	-	59,627
	12,684,627	2,747,738	-	339,083	15,771,448
Depreciation					
Hospital machinery and equipment	(1,346,762)	(421,985)	-	(27,305)	(1,796,052)
Surgical instruments	(89,720)	(26,964)	-	(7,876)	(124,560)
Machinery and equipment	(566,903)	(113,225)	-	(56,916)	(737,044)
Buildings	(395,047)	(114,826)	-	(37,888)	(547,761)
Improvements in own buildings	(165,574)	(39,027)	-	(81)	(204,682)
Leasehold improvements	(662,654)	(111,195)	-	(29,492)	(803,341)
Furniture and fixtures	(215,397)	(41,781)	-	(22,153)	(279,331)
Vehicles	(18,650)	(3,785)	-	(1,915)	(24,350)
Facilities	(118,928)	(19,205)	-	(1,318)	(139,451)
Other	(7,942)	(648)	-	-	(8,590)
	(3,587,577)	(892,641)	-	(184,944)	(4,665,162)
Property and equipment, net	9,097,050	1,855,097	-	154,139	11,106,286

Rede D'Or São Luiz S.A.

Notes to the individual and consolidated financial statements (Continued)

December 31, 2024, 2023 and 2022

(In thousands of reais, unless otherwise stated)

9. Property and equipment (Continued)

Changes - Consolidated (Continued)

Significant changes for 2024, 2023 and 2022 were:

2024

- (i) Investments in the construction of the new hospitals São Luiz Alphaville and Guarulhos, in the state of São Paulo, new Hospital Macaé and new tower of Hospital Barra D'Or II, in the state of Rio de Janeiro;
- (ii) Expansions of Hospital Vila Nova Star, in the city of São Paulo, the new building of Hospital Aliança in the city of Salvador, and of Hospital Assunção;
- (iii) Purchases of hospital machinery and equipment for the ventures of new hospitals São Luiz Alphaville, Guarulhos, Macaé, and Barra D'Or II. Also, investments for the new tower of Vila Nova Star, Aliança, and the update of imaging equipment of hospitals Copa D'Or and Copa Star.

2023

- (i) Purchases of hospital machinery and equipment for the beginning of operation of Hospital São Luiz Campinas and renovation and remodeling of Clínica São Vicente and Hospital Memorial Star.
- (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 of Hospital São Luiz Itaim, Clínica São Vicente and Hospital Aliança.

2022

- (i) Additions relating to property and equipment from business combinations in the year, especially of Hospital Memorial Arthur Ramos, Hospital Aeroporto and Sul América S.A.
- (ii) Purchase of hospital machinery and equipment as part of the renovation and remodeling of Hospital São Luiz Itaim, Clínica São Vicente and Hospital São Luiz Anália.
- (iii) Purchase of hospital machinery and equipment as part of the opening of Maternidade São Luiz Star.

Rede D'Or São Luiz S.A.

Notes to the individual and consolidated financial statements (Continued)

December 31, 2024, 2023 and 2022

(In thousands of reais, unless otherwise stated)

9. Property and equipment (Continued)

Changes - Consolidated (Continued)

2022 (Continued)

- (iv) Construction costs of hospitals Novo Barra and Memorial Star, and expansion and renovation of Hospital São Luiz Itaim, Hospital Aliança and Hospital São Lucas.
- (v) Beginning of operations of the new tower of Hospital Sino Brasileiro and of Maternidade São Luiz Star, with its assets reclassified to the appropriate groups and now undergoing depreciation.

Capitalized borrowing costs

The Company capitalizes borrowing costs attributed to qualifying assets. In 2024, R\$176,183 in interest on loans and financing were capitalized in property and equipment (R\$202,949 and R\$179,98 in 2023 and 2022, respectively).

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 the individual and consolidated financial statements (Continued)

December 31, 2024, 2023 and 2022

(In thousands of reais, unless otherwise stated)

10. Intangible assets

	Annual amortization rate	Individual			Consolidated		
		2024	2023	2022	2024	2023	2022
Finite useful life							
Software	20%	218,292	186,196	232,828	698,722	732,171	732,325
Customer portfolio - SASA	11% to 20%	135,929	171,782	207,635	135,929	171,782	207,635
Exclusive agreements	20%	18,923	26,833	32,512	244,129	281,762	270,023
Other		-	-	108	59,476	61,825	78,169
Indefinite useful life							
Goodwill							
Acquisition of Copa D'Or		80,058	80,058	80,058	80,058	80,058	80,058
Acquisition of HMSL		668,339	668,339	668,339	668,339	668,339	668,339
Acquisition of Hospital Brasil		121,398	121,398	121,398	121,398	121,398	121,398
Acquisition of Hospital Prontolinda		30,595	30,595	30,595	30,595	30,595	30,595
Acquisition of Vivalle		38,692	38,692	38,692	38,692	38,692	38,692
Acquisition of São Marcos		-	-	-	10,807	10,807	10,807
Acquisition of Santa Luzia		199,333	199,333	199,333	199,333	199,333	199,333
Acquisition of Sinisgalli		156,646	156,646	156,646	156,646	156,646	156,646
Acquisition of Hospital Esperança		-	-	-	108,408	108,408	108,408
Acquisition of Norte D'Or		-	-	-	28,450	28,450	28,450
Acquisition of IFOR		85,724	85,724	85,724	85,724	85,724	85,724
Acquisition of Sino Brasileiro		241,947	241,947	241,947	241,947	241,947	241,947
Acquisition of Villa-Lobos		136,074	136,074	136,074	136,074	136,074	136,074
Acquisition of Bartira		105,584	105,584	105,584	105,584	105,584	105,584
Acquisition of Onco ABC/Cardeal/JLD		-	-	-	55,414	55,414	52,174
Acquisition of Oncoholding		-	-	-	159,445	159,445	159,445
Acquisition of Hospital Fluminense		-	-	-	10,658	10,658	10,658
Acquisition of Hospital Santa Helena		125,802	125,802	125,802	125,802	125,802	125,802
Acquisition of Acreditar		-	-	-	155,720	155,720	155,720
Acquisition of Memorial São José		112,528	112,528	112,528	112,528	112,528	112,528
Acquisition of Alpha-Med		-	-	-	43,815	43,815	43,815
Acquisition of CEHON		-	-	-	68,757	68,757	68,757
Acquisition of Maximagem		46,742	46,742	46,742	46,742	46,742	46,742
Acquisition of Ribeirão Pires		129,739	129,739	129,739	129,739	129,739	129,739
Acquisition of NEOH		-	-	-	33,422	33,422	33,422
Acquisition of JTO (b)		-	-	-	-	12,567	12,567
Acquisition of Salus		-	-	-	8,956	8,956	8,956
Acquisition of Prontimagem		-	-	-	6,220	6,220	6,220
Acquisition of Sator		-	-	-	163,089	163,089	163,089
Acquisition of Hospital São Rafael		-	-	-	509,363	509,363	509,363
Acquisition of Laboratório Richet		-	-	-	184,232	184,232	184,232
Acquisition of UDI		-	-	-	335,883	335,883	335,883
Acquisition of Samer		-	-	-	70,939	70,939	70,939
Acquisition of Hospital Rio Mar		-	-	-	94,833	94,833	94,833
Acquisition of Hospital São Lucas		-	-	-	223,079	223,079	223,079
Acquisition of Hospital Aviccena		60,476	60,476	-	60,476	60,476	60,476
Acquisition of Perinatal		655,580	655,580	-	655,580	655,580	655,580
Acquisition of Reseda (b)		-	-	-	-	54,198	54,198
Acquisition of Hospital Santa Cruz		-	-	-	299,583	299,583	299,583
Acquisition of Aliança		-	-	-	925,555	925,555	925,555
Acquisition of Salute		-	-	-	15,475	15,475	15,475
Acquisition of São Carlos		-	-	-	160,139	160,139	160,139
Acquisition of Clínica São Lucas		-	-	-	45,673	45,673	45,673
Acquisition of Clivalle		-	-	-	40,786	40,786	40,786
Acquisition of HCP/Cárdio Pulmonar		-	-	-	146,894	146,894	146,894
Acquisition of Saúde Corp (b)		-	-	-	-	11,555	11,555
Acquisition of Guaianases		-	-	-	115,751	115,751	115,751
Acquisition of Antônio Afonso		-	-	-	16,782	16,782	16,782

Rede D'Or São Luiz S.A.

Notes to the individual and consolidated financial statements (Continued)

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(In thousands of reais, unless otherwise stated)

10. Intangible assets (Continued)

	Annual	Individual			Consolidated		
	amortization rate	2024	2023	2022	2024	2023	2022
Indefinite useful life							
Acquisition of Balbino	-	-	-	-	77,500	77,500	77,500
Acquisition of América	-	-	-	-	456,511	456,511	456,511
Acquisition of Serra Mayor	-	-	-	-	68,981	68,981	68,981
Acquisition of Biocor	-	-	-	-	620,347	620,347	620,347
Acquisition of Proncor	-	-	-	-	202,929	202,929	202,929
Acquisition of Santa Emília	-	-	-	-	121,991	121,991	121,991
Acquisition of Hospital Nossa Senhora das Neves	-	-	-	-	326,634	326,634	326,634
Acquisition of HNSN Empreendimentos	-	-	-	-	34,790	34,790	34,790
Acquisition of Orthoservice	-	-	-	-	33,705	33,705	33,705
Acquisition of HNA Emp. E Participações	-	-	-	-	12,401	12,401	12,401
Acquisition of Hospital Novo Atibaia	-	-	-	-	173,020	173,020	173,020
Acquisition of Hospital Arthur Ramos	-	-	-	-	272,686	272,686	272,686
Acquisition of Hospital Santa Isabel	-	-	-	-	243,287	243,287	243,287
Acquisition of Hospital Aeroporto	-	-	-	-	171,511	171,511	171,511
Acquisition of Paraná Clínicas	-	-	-	-	284,701	284,701	284,701
Acquisition of Sompo Saúde	-	-	-	-	199,384	199,384	192,430
Acquisition of Prodent	-	-	-	-	106,681	106,681	106,681
Acquisition of SASA		1,820,625	1,820,625	1,820,625	1,820,625	1,820,625	1,820,625
Other goodwill		48,650	48,650	48,650	580,766	601,825	600,899
Trademark - SASA		2,068,575	2,068,575	2,068,575	2,068,575	2,068,575	2,068,575
Trademarks and patents (a)		190,810	190,810	190,810	193,999	192,239	190,810
		7,497,061	7,508,728	6,880,944	16,242,665	16,449,568	16,477,631

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

(b) Write-offs refer to the intangible assets of D'Or Consultoria's companies. Refer to Note 1 for more details.

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 the individual and consolidated financial statements (Continued)

December 31, 2024, 2023 and 2022

(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. At December 31, 2024, the discount rate used for the hospital segment was 14.78% (14.95% at December 31, 2023 and 12.29% at December 31, 2022), and perpetuity of 6.0%. For the insurance segment, the discount rate used was 15.95% and perpetuity of 3.5% (17.11% and 3.5%, respectively, at December 31, 2023). The assumptions on which the Company based its projections and exercised its judgment are the budget projections for 5 to 10-year periods, at which time financial flows will stabilize as a result of the maturation of the business. These projections also take into account the regulatory profile of the Company's business segments, thus including the predictability of financial levels to ensure its solvency margin. The ratios used in the projection model, as well as the discount rates and growth in perpetuity, were calculated internally, in accordance with the latest market assessment of expectations and trends prepared by an independent entity, and with the Company's risk management policies, as provided for in its business plan.

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

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11. Right of use

Balance breakdown

Description	Individual								
	2024			2023			2022		
	Cost	Amortization	Net	Cost	Amortization	Net	Cost	Amortization	Net
Hospital machinery and equipment	-	-	-	-	-	-	32,473	(23,701)	8,772
Properties	3,668,297	(1,218,118)	2,450,179	3,108,775	(950,269)	2,158,506	2,949,485	(694,803)	2,254,682
	3,668,297	(1,218,118)	2,450,179	3,108,775	(950,269)	2,158,506	2,981,958	(718,504)	2,263,454
Description	Consolidated								
	2024			2023			2022		
	Cost	Amortization	Net	Cost	Amortization	Net	Cost	Amortization	Net
Hospital machinery and equipment	885	(818)	67	2,531	(1,646)	885	64,520	(44,620)	19,900
Properties	4,731,845	(1,679,650)	3,052,195	4,024,562	(1,344,985)	2,679,577	3,808,087	(994,642)	2,813,445
Vehicles	1,471	(710)	761	3,684	(3,684)	-	3,764	(2,509)	1,255
	4,734,201	(1,681,178)	3,053,023	4,030,777	(1,350,315)	2,680,462	3,876,371	(1,041,771)	2,834,600

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Notes to the individual and consolidated financial statements (Continued)

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11. Right of use (Continued)

Changes - Individual

	2023	Additions (a)	Write-offs	Amortization	Additions from mergers	2024
Cost						
Properties	3,108,775	559,522	-	-	-	3,668,297
	3,108,775	559,522	-	-	-	3,668,297
Amortization						
Properties	(950,269)	-	-	(267,849)	-	(1,218,118)
	(950,269)	-	-	(267,849)	-	(1,218,118)
Right of use, net	2,158,506	559,522	-	(267,849)	-	2,450,179

	2022	Additions (a)	Write-offs (b)	Amortization	Additions from mergers	2023
Cost						
Hospital machinery and equipment	32,473	-	(32,473)	-	-	-
Properties	2,949,485	127,147	-	-	32,143	3,108,775
	2,981,958	127,147	(32,473)	-	32,143	3,108,775
Amortization						
Hospital machinery and equipment	(23,701)	187	24,832	(1,318)	-	-
Properties	(694,803)	-	-	(242,263)	(13,203)	(950,269)
	(718,504)	187	24,832	(243,581)	(13,203)	(950,269)
Right of use, net	2,263,454	127,334	(7,641)	(243,581)	18,940	2,158,506

	2021	Additions	Amortization	Additions from mergers	2022
Cost					
Hospital machinery and equipment	29,725	82	-	2,666	32,473
Properties	2,217,921	533,418	-	198,146	2,949,485
	2,247,646	533,500	-	200,812	2,981,958
Amortization					
Hospital machinery and equipment	(16,258)	-	(7,443)	-	(23,701)
Properties	(487,580)	-	(207,223)	-	(694,803)
	(503,838)	-	(214,666)	-	(718,504)
Right of use, net	1,743,808	533,500	(214,666)	200,812	2,263,454

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11. Right of use (Continued)

Changes - Consolidated

	2023	Additions (a)	Write-offs (b)	Amortization	2024
Cost					
Hospital machinery and equipment	2,531	-	(1,646)	-	885
Properties	4,024,562	707,283	-	-	4,731,845
Vehicles	3,684	1,471	(3,684)	-	1,471
	4,030,777	708,754	(5,330)	-	4,734,201
Amortization					
Hospital machinery and equipment	(1,646)	-	1,646	(818)	(818)
Properties	(1,344,985)	-	-	(334,665)	(1,679,650)
Vehicles	(3,684)	-	3,684	(710)	(710)
	(1,350,315)	-	5,330	(336,193)	(1,681,178)
Right of use, net	2,680,462	708,754	-	(336,193)	3,053,023

	2022	Additions (a)	Write-offs (b)	Amortization	2023
Cost					
Hospital machinery and equipment	64,520	-	(61,989)	-	2,531
Properties	3,808,087	216,475	-	-	4,024,562
Vehicles	3,764	-	(80)	-	3,684
	3,876,371	216,475	(62,069)	-	4,030,777
Amortization					
Hospital machinery and equipment	(44,620)	-	46,960	(3,986)	(1,646)
Properties	(994,642)	-	-	(350,343)	(1,344,985)
Vehicles	(2,510)	-	-	(1,174)	(3,684)
	(1,041,772)	-	46,960	(355,503)	(1,350,315)
Right of use, net	2,834,599	216,475	(15,109)	(355,503)	2,680,462

	2021	Additions (a)	Write-offs (b)	Amortization	Business combination	2022
Cost						
Hospital machinery and equipment	58,540	4,402	(1,386)	-	2,964	64,520
Properties	3,227,816	355,303	-	-	224,968	3,808,087
Vehicles	-	-	-	-	3,764	3,764
	3,286,356	359,705	(1,386)	-	231,696	3,876,371
Amortization						
Hospital machinery and equipment	(31,501)	-	1,386	(13,452)	(1,053)	(44,620)
Properties	(630,408)	-	-	(310,225)	(54,009)	(994,642)
Vehicles	-	-	-	-	(2,509)	(2,509)
	(661,909)	-	1,386	(323,677)	(57,571)	(1,041,771)
Right of use, net	2,624,447	359,705	-	(323,677)	174,125	2,834,600

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

(b) Write-offs referring to contract termination and fully depreciated items.

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11. Right of use (Continued)

Changes - Consolidated (Continued)

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	12/31/2024		12/31/2023		12/31/2022	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Long-term contracts (BBA/VFA)	22,647	17,423,448	5,667	15,783,019	-	14,843,724
Short-term contracts (PAA)	34,382	2,866,005	76,347	1,359,504	149,508	298,616
Total	57,029	20,289,453	82,014	17,142,523	149,508	15,142,340
Current	8,715	7,099,761	41,419	4,683,939	70,012	3,913,312
Noncurrent	48,314	13,189,692	40,595	12,458,584	79,496	11,229,028

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12. Insurance contract assets and liabilities (Continued)

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

Short-term contracts (PAA)

		Consolidated			Total	
		Asset/liability for remaining coverage	Liability for incurred claims	Assets for insurance acquisition costs		
		Excluding loss component	Estimated future cash flows at present value	Risk adjustment		
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)
Total insurance contracts at 12/31/2023		(804,452)	3,780,785	144,621	(1,837,797)	1,283,157
Insurance revenue	Note 18.2	(26,602,196)	-	-	-	(26,602,196)
Insurance costs	Note 19.2/ (f)	3,093,801	14,610,172	6,070	-	17,710,043
Insurance service result		(23,508,395)	14,610,172	6,070	-	(8,892,153)
Finance income (costs) from insurance operations	Note 22	-	713,235	18,213	-	731,448
Changes in other comprehensive income		-	(53,370)	(1,404)	-	(54,774)
Total changes that impact P&L or other comprehensive income		(23,508,395)	15,270,037	22,879	-	(8,215,479)
Premiums and other cash flows received from policyholders	(a)	26,705,065	-	-	-	26,705,065
Claims and other benefits paid to policyholders or their beneficiaries	(f)	-	(13,861,128)	-	-	(13,861,128)
Acquisition cash flows paid	(b)	(1,441,236)	-	-	(662,377)	(2,103,613)
Other expenses allocated to the insurance service	(c)	(988,345)	-	-	-	(988,345)
Total cash flows		24,275,484	(13,861,128)	-	(662,377)	9,751,979
Allocation of acquisition costs prepaid to insurance cash flows	(d)	(630,760)	-	-	630,760	-
Other	(e)	(17,321)	29,287	-	-	11,966
Total insurance contracts at 12/31/2024		(685,444)	5,218,981	167,500	(1,869,414)	2,831,623
Insurance contract liabilities at 12/31/2024		(635,185)	5,178,280	167,428	(1,844,518)	2,866,005
Insurance contract assets at 12/31/2024		(50,259)	40,701	72	(24,896)	(34,382)

(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 (Note 2.19.).

(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 contract issue and maintenance costs, 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 the Insurance Costs line.

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

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

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

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12. Insurance contract assets and liabilities (Continued)

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

Short-term contracts (PAA) (Continued)

	Consolidated				
	Asset/liability for remaining coverage	Liability for incurred claims		Assets for insurance acquisition costs	Total
	Excluding loss component	Estimated future cash flows at present value	Risk adjustment		
Insurance contract liabilities at 01/01/2023	(683,679)	2,849,478	95,789	(1,962,972)	298,616
Insurance contract assets at 01/01/2023	(83,224)	28,003	298	(94,585)	(149,508)
Total insurance contracts at 01/01/2023	(766,903)	2,877,481	96,087	(2,057,557)	149,108
Insurance revenue	Note 18.2 (23,707,681)	-	-	-	(23,707,681)
Insurance costs	Note 19.2/ (f) 3,026,033	14,662,351	33,943	-	17,722,327
Insurance service result	(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	(a) 23,540,195	-	-	-	23,540,195
Claims and other benefits paid to policyholders or their beneficiaries	(f) -	(14,392,693)	-	-	(14,392,693)
Acquisition cash flows paid	(b) (1,344,475)	-	-	(424,090)	(1,768,565)
Other expenses allocated to the insurance service	(c) (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	(d) (643,850)	-	-	643,850	-
Other	(e) (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 contract issue and maintenance costs, 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 the Insurance Costs line.

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

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

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

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12. Insurance contract assets and liabilities (Continued)

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

Long-term contracts (BBA/VFA)

		Consolidated				
		Asset/liability for remaining coverage		Liability for incurred claims		Total
		Excluding loss component	Loss component	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	15,783,019
	Insurance contract (assets) at 12/31/2023	(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 (2,852,631)	-	-	-	(2,852,631)
	Insurance costs	Note 19.2 (d) 156,921	33,586	2,217,971	(2,006)	2,406,472
	Investment component	(e) (2,722,808)	-	2,722,808	-	-
	Insurance service result	(5,418,518)	33,586	4,940,779	(2,006)	(446,159)
	Finance income (costs) from insurance operations	Note 22 1,183,350	86,930	97,017	2,412	1,369,709
	Changes in other comprehensive income	(929,789)	(114,355)	(6,495)	(154)	(1,050,793)
	Total changes that impact P&L or other comprehensive income	(5,164,957)	6,161	5,031,301	252	(127,243)
	Premiums and other cash flows received from policyholders	(a) 6,762,939	-	-	-	6,762,939
	Claims and other benefits paid to policyholders or their beneficiaries	(d) -	-	(4,900,255)	-	(4,900,255)
	Acquisition cash flows paid	(b) (74,168)	-	-	-	(74,168)
	Provision for social security amounts to be regularized	(1,130)	-	-	-	(1,130)
	Other expenses allocated to the insurance service	(c) (36,694)	-	-	-	(36,694)
	Total cash flows	6,650,947	-	(4,900,255)	-	1,750,692
	Total insurance contracts at 12/31/2024	15,781,633	942,256	656,321	20,591	17,400,801
	Insurance contract liabilities at 12/31/2024	15,809,964	942,256	650,640	20,588	17,423,448
	Insurance contract assets at 12/31/2024	(28,331)	-	5,681	3	(22,647)

(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 (Note 2.19.).

(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 contract issue and maintenance costs, 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 the 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 eliminations of incurred claims and other expenses to be allocated to insurance contracts between the Group companies.

(e) In the long-term products, the investment component of Asset/Liability for remaining coverage was transferred to Liability for incurred claims relating to the payment of benefits (annual fees), redemptions and pension portability.

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Notes to the individual and consolidated financial statements (Continued)

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12. Insurance contract assets and liabilities (Continued)

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

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

	Consolidated				Total
	Asset/liability for remaining coverage		Liability for incurred claims		
	Excluding 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	Note 18.2 (3,012,071)	-	-	-	(3,012,071)
Insurance costs	Note 19.2 (d) 196,906	(227,582)	2,150,354	3,559	2,123,237
Investment component	(e) (2,924,624)	-	2,924,624	-	-
Insurance service result		(227,582)	5,074,978	3,559	(888,834)
Finance income (costs) from insurance operations		1,439,238	89,442	83,123	1,945
Changes in other comprehensive income		20,116	6,660	763	26
Total changes that impact P&L or other comprehensive income		(4,280,435)	(131,480)	5,158,864	5,530
Premiums and other cash flows received from policyholders	(a)	5,395,438	-	-	-
Claims and other benefits paid to policyholders or their beneficiaries	(d)	-	-	(5,086,572)	-
Acquisition cash flows paid	(b)	(74,023)	-	-	-
Provision for social security amounts to be regularized		12,003	-	-	-
Other expenses allocated to the insurance service	(c)	(65,697)	-	-	-
Total cash flows		5,267,721	-	(5,086,572)	-
Total insurance contracts at 12/31/2023		14,295,643	936,095	525,275	20,339
Insurance contract liabilities at 12/31/2023		14,304,162	936,095	522,426	20,336
Insurance contract assets at 12/31/2023		(8,519)	-	2,849	3

(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 contract issue and maintenance costs, 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 the 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 eliminations of incurred claims and other expenses to be allocated to insurance contracts between the Group companies.

(e) In the long-term products, the investment component of Asset/Liability for remaining coverage was transferred to Liability for incurred claims relating to the payment of benefits (annual fees), redemptions and pension portability.

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Notes to the individual and consolidated financial statements (Continued)

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12. Insurance contract assets and liabilities (Continued)

12.2. Contracts held showing cash flow estimate at present value, risk adjustment, and CSM

	Consolidated			
	Estimates of the present value of future cash flows	Risk adjustment	Contractual service margin	Total
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)
Total insurance contracts at 12/31/2023	14,584,584	739,833	452,935	15,777,352
Changes that relate to contractual services	(248,809)	(70,900)	(48,003)	(367,712)
CSM recognized for services provided	-	-	(48,003)	(48,003)
Risk adjustment recognized for the risk expired	-	(70,900)	-	(70,900)
Experience adjustments	(248,809)	-	-	(248,809)
Changes that relate to future services	87,653	(171,129)	226,624	143,148
Contracts initially recognized in the period (a)	(57,780)	708	57,072	-
Changes in estimates that adjust the CSM	(166,060)	(3,488)	169,552	4
Changes in estimates that do not adjust the CSM	311,493	(168,349)	-	143,144
Changes that relate to past services	(288,793)	67,198	-	(221,595)
Adjustments to liabilities for incurred claims	(288,793)	67,198	-	(221,595)
Insurance service result	(449,949)	(174,831)	178,621	(446,159)
Insurance finance costs	1,285,455	79,143	5,111	1,369,709
Effects of changes in interest rates	(950,826)	(99,967)	-	(1,050,793)
Total	(115,320)	(195,655)	183,732	(127,243)
Premiums received	6,762,939	-	-	6,762,939
Other expenses paid	(4,938,079)	-	-	(4,938,079)
Insurance acquisition cash flows	(74,168)	-	-	(74,168)
Total insurance contracts at 12/31/2024	16,219,956	544,178	636,667	17,400,801
Insurance contract liabilities at 12/31/2024	16,228,704	544,145	650,599	17,423,448
Insurance contract assets at 12/31/2024	(8,748)	33	(13,932)	(22,647)

(a) The estimates of the present value of future cash flows for the contracts initially recognized in the period includes an estimate of R\$2,796,542 in net written premiums, R\$2,717,506 in claims and other insurance service expenses, and R\$21,257 in acquisition cash flows.

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Notes to the individual and consolidated financial statements (Continued)

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12. Insurance contract assets and liabilities (Continued)

12.2. Contracts held showing cash flow estimate at present value, risk adjustment, and CSM (Continued)

	Consolidated			
	Estimates of the 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 that relate to contractual services	(509,093)	(60,564)	(38,593)	(608,250)
CSM recognized for services provided	-	-	(38,593)	(38,593)
Risk adjustment recognized for the risk expired	-	(60,564)	-	(60,564)
Experience adjustments	(509,093)	-	-	(509,093)
Changes that relate to future services	(145,307)	2,479	(84,754)	(227,582)
Contracts initially recognized in the period (b)	(78,548)	611	77,937	-
Changes in estimates that adjust the CSM	168,927	(6,236)	(162,691)	-
Changes in estimates that do not adjust the CSM	(235,686)	8,104	-	(227,582)
Changes that relate to past services	(115,424)	62,422	-	(53,002)
Adjustments to liabilities for incurred claims	(115,424)	62,422	-	(53,002)
Insurance service result	(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 received	5,395,438	-	-	5,395,438
Other expenses paid	(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)

(a) All contracts in force on 01/01/2023 were acquired through a business combination.

(b) The estimates of the present value of future cash flows for the contracts initially recognized in the period includes an estimate of R\$1,738,549 in net written premiums, R\$1,630,166 in claims and other insurance service expenses, and R\$29,835 in acquisition cash flows.

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12. Insurance contract assets and liabilities (Continued)

12.3. Expected recognition of CSM in future years

	Consolidated			
	Long-term contracts (BBA/VFA)			
	2025	2026 to 2030	After 2030	12/31/2024
Release of CSM	37,239	176,113	423,315	636,667

	Consolidated			
	Long-term contracts (BBA/VFA)			
	2024	2025 to 2029	After 2029	12/31/2023
Release of CSM	39,344	156,855	256,736	452,935

12.4. Expected recognition of acquisition cash flows in future years

	Consolidated			
	Short-term contracts (PAA)			
	1 year	5 years	More than 5 years	12/31/2024
Release of assets for acquisition cash flows	603,713	1,167,595	98,106	1,869,414

	Consolidated			
	Short-term contracts (PAA)			
	1 year	5 years	More than 5 years	12/31/2023
Release of assets for acquisition cash flows	604,228	1,105,393	128,176	1,837,797

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

Rede D'Or São Luiz S.A.

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13. Loans, financing and debentures

Transaction/Instrument	Index	Spread	Currenc y	Principal (R\$)	Beginni ng	Maturity	Amortization	Guarantees	Individual			Consolidated		
									2024	2023	2022	2024	2023	2022
FINEP	TJLP/Fixed rate	0.5%/4.0%	R\$	170,252	Feb/15	Sept/24	Monthly	Surety bond	-	17,925	42,147	-	17,925	42,147
Citibank II (a)	LIBOR	0.46%	US\$	301,200	Nov/18	Nov/23	Bullet	n/a	-	-	417,697	-	-	417,697
Citibank III (a)	SOFR	0.99%	US\$	304,158	Apr/23	Apr/27	Annual	n/a	371,948	299,144	-	371,948	299,144	-
BofA II (a)	Fixed rate	0.88%	EUR€	400,520	Jun/21	Jun/25	Bullet	n/a	425,221	341,912	342,386	425,221	341,912	342,386
JP Morgan II (a)	Fixed rate	1.58%	US\$	520,000	Jul/20	Jul/25	Bullet	n/a	606,665	455,269	472,668	606,665	455,269	472,668
CCB Bank of China	100% of DI	1.20%	R\$	85,000	May/20	May/26	Bullet	n/a	86,096	86,492	86,812	86,096	86,492	86,812
Other	CDI/Fixed rate/PCARate	-	R\$	n/a	n/a	Mar/28	Monthly	Receivables/Surety	-	-	-	30,809	3,577	62,430
Debentures – 3 rd issue – Esperança (h)	110.85% of DI	-	R\$	1,000,000	Aug/17	Aug/24	Semiannual	n/a	-	-	-	-	260,593	522,162
Debentures – 4 th issue – Esperança	100% of DI	1.27%/1.50%	R\$	1,000,000	Feb/18	Dec/27	Annual	n/a	-	-	-	-	992,073	989,740
Debentures – 5 th issue – Esperança (g)	100% of DI	1.35%	R\$	1,100,000	Dec/24	Nov/34	Bullet	n/a	-	-	-	1,105,033	-	-
Debentures – 10 th issue (a)	Fixed rate	11.82%	R\$	1,628,100	Jan/18	Jan/28	Bullet	n/a	1,476,975	1,723,193	1,547,929	33,397	33,407	33,397
Debentures – 13 th issue	100% of DI	1.02%	R\$	1,400,000	Sept/18	Sept/24	Annual	n/a	-	725,575	1,447,970	-	725,575	1,447,970
Debentures – 14 th issue (b)	106% of DI	-	R\$	500,000	Oct/18	Oct/26	Annual	Property	254,145	380,509	508,744	254,145	380,509	508,744
Debentures – 17 th issue 3 rd series (b)	100% of DI	0.79%	R\$	1,000,000	Jun/19	Jun/29	Annual	n/a	998,592	995,788	996,359	998,592	995,788	996,359
Debentures – 17 th issue 2 nd series	100% of DI	1.25%	R\$	2,500,000	Dec/19	Dec/26	Annual	n/a	1,747,726	2,489,661	2,491,258	1,747,726	2,489,661	2,491,258
Debentures – 17 th issue 1 st series (a)	Fixed rate	8.75%	R\$	3,198,350	Apr/20	Jan/30	Bullet	n/a	2,229,774	2,773,950	2,348,988	-	-	-
Debentures – 19 th issue 2 nd series	100% of DI	1.90%	R\$	2,500,000	Aug/21	Aug/31	Annual	n/a	2,602,930	2,605,127	2,613,659	2,602,930	2,605,127	2,613,659
Debentures – 19 th issue 3 rd series	100% of DI	1.90%	R\$	1,500,000	Sept/21	Aug/31	Annual	n/a	1,561,758	1,563,076	1,568,196	1,561,758	1,563,076	1,568,196
Debentures – 23 rd issue 1 st series (i)	100% of DI	1.40%	R\$	900,000	May/22	May/28	Bullet	n/a	-	907,338	909,095	-	907,338	909,095
Debentures – 23 rd issue 2 nd series	100% of DI	1.90%	R\$	850,000	May/22	May/32	Annual	n/a	858,913	857,449	859,126	858,913	857,449	859,126
Debentures – 23 rd issue 3 rd series	100% of DI	1.90%	R\$	625,000	May/22	May/32	Annual	n/a	631,554	630,477	631,710	631,554	630,477	631,710
Debentures – 25 th issue 1 st series	100% of DI	2.00%	R\$	450,000	Oct/22	Oct/32	Bullet	n/a	459,870	459,220	459,714	459,870	459,220	459,714
Debentures – 25 th issue 2 nd series	100% of DI	1.95%	R\$	150,000	Oct/22	Oct/32	Annual	n/a	153,274	153,058	153,223	153,274	153,058	153,223
Debentures – 27 th issue	100% of DI	1.70%	R\$	1,100,000	Feb/23	Feb/30	Annual	n/a	1,144,468	1,145,537	-	1,144,468	1,145,537	-
Debentures – 28 th issue (i)	100% of DI	1.90%	R\$	490,000	Jun/23	May/28	Bullet	n/a	-	526,848	-	-	526,848	-
Debentures – 29 th issue	100% of DI	2.25%	R\$	1,000,000	Aug/23	Jul/31	Annual	n/a	1,051,540	1,050,067	-	1,051,540	1,050,067	-
Debentures – 31 st issue	100% of DI	2.00%	R\$	500,000	Oct/23	Oct/31	Annual	n/a	512,441	510,525	-	512,441	510,525	-
Debentures – 33 rd issue (e)	100% of DI	1.70%	R\$	2,000,000	May/24	May/34	Bullet	n/a	2,028,319	-	-	2,028,319	-	-
Debentures – 34 th issue 1 st series (f)	100% of DI	0.65%	R\$	2,750,000	Oct/24	Sept/27	Bullet	n/a	2,804,995	-	-	2,804,995	-	-
Debentures – 34 th issue 2 nd series (f)	100% of DI	1.10%	R\$	1,500,000	Oct/24	Sept/31	Bullet	n/a	1,531,460	-	-	1,531,460	-	-
Debentures – 34 th issue 3 rd series (f)	100% of DI	1.30%	R\$	1,650,000	Oct/24	Sept/34	Bullet	n/a	1,685,320	-	-	1,685,320	-	-
Debentures (SULA) – 6 th issue	111.5% of DI	-	R\$	700,000	Apr/19	Apr/24	Annual	n/a	-	-	483,094	-	-	483,094
Debentures (SULA) – 8 th issue 1 st series (c)	100% of DI	1.50%	R\$	233,000	Feb/21	Feb/24	Bullet	n/a	-	245,925	248,542	-	245,925	248,542
Debentures (SULA) – 8 th issue 2 nd series (c)	100% of DI	1.80%	R\$	467,000	Feb/21	Feb/26	Annual	n/a	-	497,845	498,763	-	497,845	498,763
Debentures (SULA) – 9 th issue 1 st series (i)	100% of DI	1.50%	R\$	750,000	Nov/21	Nov/26	Annual	n/a	-	769,731	769,817	-	769,731	769,817
Debentures (SULA) – 9 th issue 2 nd series	100% of DI	1.70%	R\$	750,000	Nov/21	Nov/28	Annual	n/a	781,036	769,948	770,041	781,036	769,948	770,041
Debentures GGSH	100% of DI	2.80%	R\$	360,000	Apr/21	Apr/26	Semiannual	n/a	-	-	-	-	363,127	363,519
Debentures GGSH	100% of DI	2.20%	R\$	70,000	Sept/22	Sept/26	Semiannual	n/a	-	-	-	-	-	71,327
Debentures GGSH	100% of DI	2.20%	R\$	100,000	Dec/23	Dec/28	Semiannual	n/a	-	-	-	-	100,869	-
Debentures GGSH (d)	100% of DI	1.70%	R\$	500,000	Apr/24	Apr/29	Annual	n/a	-	-	-	-	503,385	-
Bank Credit Bill (CCB) GGSH	100% of DI	2.42%	R\$	125,000	Aug/23	Aug/28	Semiannual	Surety	-	-	-	-	129,347	129,295
Senior Notes I (a)	Fixed rate	4.95%	US\$	1,596,400	Jan/18	Jan/28	Bullet	n/a	-	-	-	-	2,900,649	2,361,259
Senior Notes II (a)	Fixed rate	4.50%	US\$	5,062,504	Jan/20	Jan/30	Bullet	n/a	-	-	-	-	3,745,843	3,188,554
Promissory note – 3 rd issue	112.5% of DI	-	R\$	1,000,000	Apr/18	Apr/23	Bullet	n/a	-	-	1,379,354	-	-	1,379,354
Mortgage-backed securities (CRI)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- 1 st issue	99% of DI	-	R\$	662,837	Mar/18	Mar/23	Bullet	n/a	-	-	670,988	-	-	670,988

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13. Loans, financing and debentures (Continued)

Transaction/Instrument	Index	Spread	Curren cy	Principal (R\$)	Beginn ing	Maturity	Amortization	Guarantees	Individual			Consolidated		
									2024	2023	2022	2024	2023	2022
Mortgage-backed Securities (CRI) – 2 nd issue	IPCA	6.06%	R\$	300,000	Jul/18	Jul/25	Bullet	n/a	431,574	404,243	387,137	431,574	404,243	387,137
Mortgage-backed securities (CRI) - 3 rd issue – 1 st series	96.5% of DI	-	R\$	227,051	Dec/18	Dec/23	Bullet	n/a	-	-	226,374	-	-	226,374
Mortgage-backed Securities (CRI) – 3 rd issue 2 nd series	IPCA	4.66%	R\$	372,949	Dec/18	Dec/25	Bullet	n/a	517,624	485,165	464,601	517,624	485,165	464,601
Mortgage-backed Securities (CRI) – 4 th issue 1 st series	95.75% of DI	-	R\$	269,900	Feb/19	Feb/23	Bullet	n/a	-	-	280,300	-	-	280,300
Mortgage-backed Securities (CRI) – 4 th issue 2 nd series	IPCA	3.93%	R\$	30,100	Feb/19	Feb/26	Bullet	n/a	41,233	39,406	37,735	41,233	39,406	37,735
Mortgage-backed Securities (CRI) – 5 th issue	IPCA	3.45%	R\$	538,328	Sept/19	Aug/29	Annual	n/a	721,601	689,664	660,440	721,601	689,664	660,440
Mortgage-backed Securities (CRI) – 6 th issue (a)	IPCA	4.93%	R\$	1,500,000	May/21	May/36	Annual	n/a	1,251,080	1,498,027	1,298,515	1,251,080	1,498,027	1,298,515
Mortgage-backed Securities (CRI) – 7 th issue 1 st series (a)	IPCA	5.58%	R\$	400,000	Dec/21	Dec/31	Annual	n/a	391,767	432,387	390,833	391,767	432,387	390,833
Mortgage-backed Securities (CRI) – 7 th issue 2 nd series (a)	IPCA	6.10%	R\$	600,000	Dec/21	Dec/36	Annual	n/a	541,243	643,616	567,891	541,243	643,616	567,891
Mortgage-backed Securities (CRI) – 8 th issue 2 nd series (a)	IPCA	5.83%	R\$	798,634	Jun/22	Jun/29	Bullet	n/a	775,219	834,344	762,652	775,219	834,344	762,652
Mortgage-backed Securities (CRI) – 8 th issue 3 rd series (a)	IPCA	6.01%	R\$	341,867	Jun/22	Jun/32	Annual	n/a	322,852	358,827	325,600	322,852	358,827	325,600
Mortgage-backed Securities (CRI) – 9 th issue 1 st series (a)	IPCA	6.38%	R\$	30,000	Aug/22	Jul/29	Bullet	n/a	30,538	32,878	30,119	30,538	32,878	30,119
Mortgage-backed Securities (CRI) – 9 th issue 2 nd series (a)	IPCA	6.54%	R\$	70,000	Aug/22	Jul/32	Bullet	n/a	69,346	77,891	70,603	69,346	77,891	70,603
Mortgage-backed Securities (CRI) – 9 th issue 3 rd series (a)	IPCA	6.77%	R\$	400,000	Aug/22	Jul/37	Bullet	n/a	386,124	455,707	405,255	386,124	455,707	405,255
Mortgage-backed Securities (CRI) – 10 th issue 1 st series	100% of DI	0.75%	R\$	86,186	Dec/22	Dec/27	Bullet	n/a	83,985	84,389	84,612	83,985	84,389	84,612
Mortgage-backed Securities (CRI) – 10 th issue 2 nd series	100% of DI	1.00%	R\$	176,323	Dec/22	Dec/29	Bullet	n/a	220,960	197,673	173,130	220,960	197,673	173,130
Mortgage-backed Securities (CRI) – 10 th issue 3 rd series (a)	IPCA	6.79%	R\$	82,487	Dec/22	Dec/29	Bullet	n/a	80,247	88,031	80,174	80,247	88,031	80,174
Mortgage-backed Securities (CRI) – 10 th issue 4 th series (a)	IPCA	6.94%	R\$	55,004	Dec/22	Dec/32	Annual	n/a	52,203	59,112	53,351	52,203	59,112	53,351
Mortgage-backed Securities (CRI) – 11 th issue 1 st series	100% of DI	1.00%	R\$	429,340	Aug/23	Aug/28	Bullet	n/a	434,531	437,256	-	434,531	437,256	-
Mortgage-backed Securities (CRI) – 11 th issue 2 nd series (a)	IPCA	6.20%	R\$	557,457	Aug/23	Aug/30	Bullet	n/a	523,380	573,663	-	523,380	573,663	-
Mortgage-backed Securities (CRI) – 11 th issue 3 rd series (a)	IPCA	6.55%	R\$	524,038	Aug/23	Aug/33	Annual	n/a	478,712	543,196	-	478,712	543,196	-
Mortgage-backed Securities (CRI) – 12 th issue 1 st series (a)	IPCA	6.69%	R\$	250,000	Dec/23	Dec/33	Annual	n/a	227,625	244,414	-	227,625	244,414	-
Mortgage-backed Securities (CRI) – 12 th issue 2 nd series (a)	IPCA	6.95%	R\$	500,000	Dec/23	Dec/38	Annual	n/a	441,344	488,860	-	441,344	488,860	-
									34,028,208	31,650,338	29,017,602	38,870,599	34,585,949	32,883,225
									3,920,516	2,587,944	4,707,009	3,915,191	2,918,435	4,973,066
									30,107,692	29,062,394	24,310,593	34,955,408	31,667,514	27,910,159

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13. Loans, financing and debentures (Continued)

- (a) As mentioned in Note 24, the Group enters into derivative financial instruments to hedge foreign exchange differences and interest rate (Fixed rate, SOFR and IPCA) and has adopted the fair value hedge accounting as accounting practice; therefore, these debts are recorded at fair value through profit or loss.
- (b) As mentioned in Note 24, the Group enters into derivative financial instruments to hedge interest rate (CDI) and has adopted the cash flow hedge accounting as accounting practice; therefore, these debts are recorded at amortized cost and derivatives at fair value; the effective portion of the debt is recorded at fair value through other comprehensive income and any ineffective portion and interest at fair value through profit or loss.
- (c) On February 1, 2024, Rede D'Or exercised the Optional Early Redemption in Full of the Eighth Issue of Debentures of Sul América S.A., which was succeeded by Rede D'Or due to merger. As of that date, there are no covenants related to the Eighth Issue of Debentures of Sul América S.A. (see Note 13.1.).
- (d) On March 28, 2024, the subsidiary GSH Corp Participações S.A. signed the private instrument for the 5th issue of simple nonconvertible unsecured subordinated debentures, without security interest, in a single series, for public offering under the automatic registration procedure. The amount was released on April 22, 2024. A total of 500,000 debentures were issued at the value of R\$1,000.00 each totaling R\$500,000, with Banco Itaú, and with Vortex Distribuidora de Títulos e Valores Mobiliários Ltda. as the trustee of the transaction. The nominal unit value will be subject to interest rate equivalent to CDI + 1.70% p.a.
- (e) On May 15, 2024, Rede D'Or paid in the 33rd issue of Debentures in a single series, in the total amount of R\$2,000,0000, maturing on May 5, 2034. This debenture issue is indexed to the CDI + 1.70% p.a., to be paid semiannually. There are no guarantees.
- (f) On October 11, 2024, Rede D'Or paid in the 34th issue of debentures in three series, in the total amount of R\$5,900,000, maturing on September 15, 2027, September 15, 2031 and September 15, 2034. The first series is indexed to the CDI + 0.65% p.a., the second series to the CDI + 1.10% p.a., and the third series to the CDI + 1.30% p.a., to be paid semiannually. There are no guarantees.
- (g) On December 4, 2024, Hospital Esperança S.A. paid in the 5th issue of Debentures in a single series, in the total amount of R\$1.1 billion, maturing on November 27, 2034. The debentures are indexed to the CDI + 1.35% p.a., to be paid semiannually. There are no guarantees.
- (h) On October 18, 2024, Hospital Esperança S.A. carried out the full optional early redemption of its 4th issue of Debentures, in the principal amount of R\$1.0 billion.
- (i) On October 18, 2024, Rede D'Or carried out the full optional early redemption of its 1st series of the 23rd Debenture Issue of Rede D'Or São Luiz S.A., in the principal amount of R\$900,000, and of its 28th Debenture Issue of Rede D'Or São Luiz S.A., in the principal amount of R\$490,000.
- (j) On November 8, 2024, Sul América S.A., succeeded by Rede D'Or São Luiz S.A. due to Merger, carried out the full optional early redemption of the 1st Series of its 9th Issue of Debentures, in the principal amount of R\$750,000.

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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.

Costs related to the issues of loans, financing and debentures, in the amount of R334,027 at December 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 December 31, 2024, the maturity schedule of noncurrent balances is as follows:

Individual		Consolidated	
Year	Amount	Year	Amount
2026	1,134,991	2026	1,210,422
2027	3,930,158	2027	4,175,930
2028	2,735,367	2028	4,428,603
2029	4,197,439	2029	4,365,917
2030	5,748,813	2030	7,304,704
2031 to 2038	12,360,924	2031 to 2038	13,469,832
	30,107,692		34,955,408

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.	3 rd quarter of 2025

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

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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.

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					
	2024		2023		2022	
	Provision for contingencies	Judicial deposits	Provision for contingencies	Judicial deposits	Provision for contingencies	Judicial Deposits
Tax and social security	462,784	(323,131)	526,597	(321,576)	931,974	(264,620)
Labor	145,772	(47,037)	136,284	(37,163)	106,200	(24,974)
Civil	134,858	(6,045)	157,304	(3,627)	170,768	(5,059)
	743,414	(376,213)	820,185	(362,366)	1,208,942	(294,653)
	Consolidated					
	2024		2023		2022	
	Provision for contingencies	Judicial deposits	Provision for contingencies	Judicial deposits	Provision for contingencies	Judicial Deposits
Tax and social security	1,686,457	(2,062,120)	1,714,567	(2,107,976)	2,379,022	(2,325,232)
Labor	299,832	(132,617)	293,306	(126,887)	267,772	(133,763)
Civil	1,372,527	(575,349)	1,260,481	(447,693)	1,145,378	(403,279)
	3,358,816	(2,770,086)	3,268,354	(2,682,556)	3,792,172	(2,862,274)

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14. Provision for contingencies and judicial deposits (Continued)

14.1. Proceedings assessed as probable loss

Changes in provisions for contingencies for 2024, 2023 and 2022 were as follows:

	Individual			Total
	Tax and social security	Labor	Civil	
Balances at December 31, 2021	617	82,412	52,191	135,220
Additions, net of reversals	(240)	(18,853)	(2,502)	(21,595)
Monetary restatement	24	7,506	5,887	13,417
Payments	(131)	(585)	(528)	(1,244)
Additions from mergers	-	7,785	3,591	11,376
Additions from business combinations	1,126	-	-	1,126
Contingent liabilities measured at fair value - Acquisition of SASA	930,578	27,935	112,129	1,070,642
Balances at December 31, 2022	931,974	106,200	170,768	1,208,942
Additions, net of reversals	(431,762)	17,102	(17,062)	(431,722)
Monetary restatement	6	10,771	4,804	15,581
Payments	(236)	(188)	(3,317)	(3,741)
Additions from mergers	26,615	2,399	2,111	31,125
Balances at December 31, 2023	526,597	136,284	157,304	820,185
Additions, net of reversals	(67,638)	35,603	(24,085)	(56,120)
Monetary restatement	3,828	7,604	5,605	17,037
Payments	(3)	(33,719)	(3,966)	(37,688)
Balances at December 31, 2024	462,784	145,772	134,858	743,414

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Notes to the individual and consolidated financial statements (Continued)

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14. Provision for contingencies and judicial deposits (Continued)

14.1. Proceedings assessed as probable loss (Continued)

	Consolidated			Total
	Tax and social security	Labor	Civil	
Balances at December 31, 2021	107,723	136,245	100,900	344,868
Additions, net of reversals	(10,426)	(9,488)	(13,040)	(32,954)
Monetary restatement	677	9,929	7,016	17,622
Payments	(415)	(2,355)	(1,106)	(3,876)
Additions from business combinations	1,350,885	105,506	939,479	2,395,870
Contingent liabilities measured at fair value - Acquisition of SASA	930,578	27,935	112,129	1,070,642
Balances at December 31, 2022	2,379,022	267,772	1,145,378	3,792,172
Additions, net of reversals	(432,355)	16,751	309,853	(105,751)
Monetary restatement	66,866	21,472	108,108	196,446
Changes in equity	-	8,719	-	8,719
Payments	(298,966)	(21,408)	(302,858)	(623,232)
Balances at December 31, 2023	1,714,567	293,306	1,260,481	3,268,354
Additions, net of reversals	(90,878)	42,316	403,928	355,366
Monetary restatement	61,027	18,330	111,557	190,914
Payments	(1,229)	(54,120)	(403,439)	(458,788)
Additions from business combinations	2,970	-	-	2,970
Balances at December 31, 2024	1,686,457	299,832	1,372,527	3,358,816

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		
	2024	2023	2022	2024	2023	2022
Tax and social security (a) (b)	972,718	2,125,838	1,777,084	2,659,709	3,649,564	4,031,356
Labor (c)	307,328	343,495	217,646	614,114	597,694	353,753
Civil (d)	556,926	333,865	346,467	962,733	684,233	703,668
	1,836,972	2,803,198	2,341,197	4,236,556	4,931,491	5,088,777

(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 in the sessions of 02/06/2024 and 02/07/2024 of CARF, respectively. Considering that the Company was notified of the final decisions, the amounts related to these proceedings were written off in 2024.

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14. Provision for contingencies and judicial deposits (Continued)

14.2. Proceedings assessed as possible loss (Continued)

- (b) At 12/31/2024, of the total amount of R\$1,327,813 (R\$1,273,029 at 12/31/2023), the amount of R\$42,038 (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\$1,262,419 (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.

15. Leases

	Individual		
	2024	2023	2022
Nominal value of future payments	6,968,840	6,351,952	6,611,872
Present value adjustment	(4,041,120)	(3,779,618)	(4,018,544)
	2,927,720	2,572,334	2,593,328
Current	627,124	534,822	476,704
Noncurrent	2,300,596	2,037,512	2,116,624
		Consolidated	
	2024	2023	2022
Nominal value of future payments	9,392,666	8,397,767	8,982,982
Present value adjustment	(5,790,193)	(5,225,142)	(5,650,580)
	3,602,473	3,172,625	3,332,402
Current	776,424	872,949	621,751
Noncurrent	2,826,049	2,299,676	2,710,651

The liabilities were measured at the present value of the remaining lease payments discounted at the average rate of 14.56% at December 31, 2024.

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Notes to the individual and consolidated financial statements (Continued)

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15. Leases (Continued)

At December 31, 2024, the maturity schedule of noncurrent balances is as follows:

Individual		Consolidated	
Year	Amount	Year	Amount
2026	541,116	2026	647,496
2027	520,113	2027	597,241
2028	473,964	2028	541,683
2029	415,818	2029	503,418
2030	405,385	2030	473,214
2031 to 2082	3,979,859	2031 to 2082	5,839,485
Undiscounted amounts	6,336,255	Undiscounted amounts	8,602,537
Embedded interest	(4,035,659)	Embedded interest	(5,776,488)
Balance at 12/31/2024	2,300,596	Balance at 12/31/2024	2,826,049

16. Equity

a) Capital

The Company's capital is broken down as follows:

Shareholders	2024		2023		2022	
	Number of shares	Equity interest	Number of shares	Equity interest	Number of shares	Equity interest
Controlling interests	1,087,728,526	47.51%	1,068,474,126	46.67%	1,043,023,526	45.56%
Outstanding shares	1,132,391,070	49.46%	1,186,132,584	51.81%	1,209,934,908	52.85%
Treasury shares	69,172,994	3.02%	34,685,880	1.52%	36,334,156	1.59%
Total common shares	2,289,292,590	100%	2,289,292,590	100.00%	2,289,292,590	100.00%

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

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

On December 8, 2020, in connection with the IPO, the Company increased capital by R\$4,218,850 and increased capital reserve by R\$4,218,820. On May 26, 2021, in connection with the follow-on, the Company increased capital by R\$888,920 and increased capital reserve by R\$888,920. Other events took place in 2021 and 2022 that reduced the capital reserve.

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16. Equity (Continued)

a) Capital (Continued)

At the Special General Meeting (SGM) held on September 24, 2020, shareholders approved the Company's capital increase in the amount of R\$1,600,000, without issue of new shares, through capitalization of part of the legal reserve.

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.

b) Allocations of income

The legal reserve is set at 5% of net income for the year, capped at 20% of capital or up to the legal reserve balance plus capital reserves exceeding 30% of capital (Law No. 6404/76, article 193).

Dividend is allocated based on Law No. 6404/76, and the mandatory minimum dividend corresponds to 25% of net income, after allocation of legal reserve.

The calculations of dividends and interest on equity are as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Net income for the year	3,846,945	2,040,722	1,194,966
Legal reserve (article 193 of Law No. 6404) (*)	-	-	-
Mandatory minimum dividend calculation basis	3,846,945	2,040,722	1,194,966
Mandatory minimum dividend (including interest on equity)	961,736	510,181	298,742
Dividends and interest on equity in excess of mandatory minimum dividend approved at the General Meeting	488,264	322,395	501,348
Dividends per thousand shares - in reais	0.6334	0.3637	0.3495

(*) The Company did not recognize a legal reserve based on Law No. 6404, article 193, paragraph 1, since the legal reserve plus the capital reserves exceeds 30% of the Company's capital. Changes in dividends and interest on equity payable:

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16. Equity (Continued)

b) Allocations of income (Continued)

	<u>Consolidated</u>
Balance payable at January 1, 2022	<u>64,551</u>
Allocation of dividends and IOE	800,090
Additions from business combinations	21,478
Dividends - noncontrolling interests	45,571
Payment of dividends and IOE	(696,427)
Withholding income tax	(90,178)
Balance payable at December 31, 2022	<u>145,085</u>
Allocation of dividends and IOE	832,576
Dividends - noncontrolling interests	67,152
Payment of dividends and IOE	(849,188)
Withholding income tax	(95,856)
Balance payable at December 31, 2023	<u>99,769</u>
Allocation of dividends and IOE	1,450,000
Reinvested dividends	(25,066)
Additions from business combinations	17,604
Dividends - noncontrolling interests	73,329
Payment of dividends and IOE	(1,381,135)
Withholding income tax	(165,309)
Balance payable at December 31, 2024	<u>69,192</u>

At the Board of Directors' Meeting held on March 21, 2024, June 25, 2024, September 23, 2024, and December 13, 2024, the distribution of interest on equity in the total gross amount of R\$1,450,000 was approved pending analysis at the Annual General Meeting to be held for the approval of profit or loss for 2024.

c) Treasury shares

Changes in treasury shares are as follows:

	<u>Number of shares</u>	<u>Share value (in reais)</u>	<u>Total</u>
Balance at December 31, 2021	38,913,920	3.58	139,282
Acquisitions (a)	14,140	52.38	741
Transfers (b)	29,379,399	29.08	854,238
Cancellations (b)	(29,379,399)	14.99	(440,366)
Disposals (a)	(2,593,904)	3.58	(9,285)
Balance at December 31, 2022	36,334,156	14.99	544,610
Returns	32,473	-	-
Disposals (a)	(1,680,749)	14.99	(25,192)
Balance at December 31, 2023	34,685,880	14.97	519,418
Share buyback (c)	34,872,000	27.15	946,855
Returns	127,340	-	-
Disposals (a)	(512,226)	14.97	(7,671)
Balance at December 31, 2024	<u>69,172,994</u>	<u>21.09</u>	<u>1,458,602</u>

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Notes to the individual and consolidated financial statements (Continued)

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16. Equity (Continued)

c) Treasury shares (Continued)

- (a) Shares purchased and sold substantially refer to the share-based payment plan, as described below.
- (b) The transfers and cancellations of shares refer substantially to the business combination entered into on February 23, 2022 between Rede D'Or and SASA.
- (c) On June 11, 2024, the first buyback program for the Company's own shares was approved for maintenance in treasury and subsequent cancellation or sale. The program was terminated on December 13, 2024. On December 13, 2024, the second buyback program for the Company's own shares for maintenance in treasury and subsequent cancellation or sale was approved.

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% of shares issued by the Company, which at December 31, 2024 was equivalent to a total of 114,464,630 shares.

In the twelve-month period ended December 31, 2023, 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\$18.45. All restricted shares granted in the twelve-month period ended December 31, 2024 were vested immediately on January 2, 2024, and there are no restricted shares already granted that have not been vested.

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16. Equity (Continued)

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

Restricted Stock Option Plan (Continued)

1st Restricted Stock Option Program (Continued)

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.

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 the Company's EBITDA, under the terms of the individual agreements.

In the twelve-month period ended December 31, 2024, a total of 3,451,522 Units of Reference was granted to 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 the Company's EBITDA, according to Accounting Pronouncement CPC 10 - Share-Based Payment.

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16. Equity (Continued)

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

Restricted Stock Option Plan (Continued)

2nd Restricted Stock Option Program (Continued)

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 the RDOR3 share price at the time of the settlement window, or that there has been progress in the result of the formula for the variation of EBITDA, for the Beneficiary to be entitled to receive it, under 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.

For 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.

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16. Equity (Continued)

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

Restricted Stock Option Plan (Continued)

2nd Restricted Stock Option Program (Continued)

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

Program	Year	Vesting 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	01/04/2021 to 01/04/2028	5,361,026	28.81%	5.98%	25.50	Partially vested	-
1 st program	2022	01/01/2022 to 01/01/2028	3,577,793	32.75%	11.55%	15.03	Partially vested	-
2 nd program	2022	01/01/2022 to 12/31/2028	2,392,730	-	-	29.16	Partially vested	75,002
1 st program	2023	01/01/2023 to 12/31/2028	2,371,279	44.56%	11.64%	12.95	Partially vested	-
2 nd program	2023	01/01/2023 to 12/31/2029	2,731,014	-	-	19.15	Partially vested	3,572
1 st program	2024	01/01/2024 to 12/31/2028	706,519	43.61%	9.77%	11.07	Partially vested	-
2 nd program	2024	01/01/2024 to 12/31/2030	3,451,522	-	-	22.70	Partially vested	15,715

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16. Equity (Continued)

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

Restricted Stock Option Plan (Continued)

2nd Restricted Stock Option Program (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	77,907	77,907	(18,944)	58,976
2025	11,670			
2026	11,670			
2027	11,670			
	<u>778,531</u>			

e) Other comprehensive income

As at December 31, 2024, the effects of the cash flow hedge taken out for debt hedging purposes were recognized as other comprehensive income, increasing equity for the period by R\$17,787.

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(In thousands of reais, unless otherwise stated)

17. Current and deferred taxes

Income and social contribution tax expenses for the years ended December 31, 2024, 2023 and 2022 are as follows:

	Individual			Consolidated		
	2024	2023	2022	2024	2023	2022
Deferred						
Income tax	64,228	111,573	187,198	132,143	179,775	224,737
Social contribution tax	23,864	40,166	55,275	28,922	86,017	68,742
	88,092	151,739	242,473	161,065	265,792	293,479
Current						
Income tax	2,085	-	54,984	(744,448)	(490,257)	(264,766)
Social contribution tax	866	-	31,911	(380,546)	(212,178)	(91,660)
	2,951	-	86,895	(1,124,994)	(702,435)	(356,426)
Income and social contribution tax expenses	91,043	151,739	329,368	(963,929)	(436,643)	(62,947)

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17. Current and deferred taxes (Continued)

Changes in deferred income and social contribution tax assets and liabilities for the years ended December 31, 2024, 2023 and 2022 were as follows:

	Individual					Consolidated					
	2023	Additional benefits (expenses) recorded	Other comprehensive income	Other (a)	2024	2023	Additional benefits (expenses)	Other comprehensive income	Other (a)	2024	
Assets											
Income tax losses	625,977	108,092	-	(138,524)	595,545	1,213,641	56,315	-	(140,992)	33	1,128,997
Social contribution tax losses	225,352	39,655	-	(15,330)	249,677	427,944	(10,516)	-	(15,913)	20	401,535
Allowance for expected credit losses and provision for disallowances	329,421	34,875	-	-	364,296	675,202	137,760	-	-	-	812,962
Provision for contingencies	76,002	13,428	-	-	89,430	847,002	96,668	-	-	1,060	944,730
Provision for bonuses	30,416	56,304	-	-	86,720	31,873	54,898	-	-	-	86,771
Deferred gain on property sales	21,909	(1,333)	-	-	20,576	16,538	(1,333)	-	-	-	15,205
Amortization of right of use (IFRS 16)	344,484	91,069	-	-	435,553	576,645	140,946	-	-	-	717,591
PVA allocation (IFRS 16)	571,059	135,119	-	-	706,178	803,240	204,189	-	-	-	1,007,429
D'Or Finance	59,062	(5,553)	-	-	53,509	59,062	(5,553)	-	-	-	53,509
Actuarial gain/loss on defined benefit pension plans	-	-	-	-	-	11,910	-	(2,565)	-	-	9,345
Impairment of tax credits	-	-	-	-	-	76,559	(33,605)	-	-	-	42,954
Insurance contracts - IFRS 17	-	-	-	-	-	1,524,585	107,509	(442,137)	-	-	1,189,957
Other provisions	37,355	(1,691)	-	-	35,664	-	-	-	-	-	-
Total deferred tax assets	2,321,037	469,965	-	(153,854)	2,637,148	6,264,201	747,278	(444,702)	(156,905)	1,113	6,410,985
Liabilities											
Differences between accounting and tax bases of goodwill	(735,080)	(60,418)	-	-	(795,498)	(1,119,531)	(212,484)	-	-	-	(1,332,015)
Gain on acquisition in stages	(99,040)	-	-	-	(99,040)	(124,003)	-	-	-	-	(124,003)
Swap difference	(82,804)	(190,830)	-	-	(273,634)	(49,721)	(190,830)	-	-	-	(240,551)
Foreign exchange differences	(34,791)	99,558	-	-	64,767	(34,791)	99,890	-	-	-	65,099
Leases (IFRS 16)	(755,084)	(202,843)	-	-	(957,927)	(1,151,821)	(310,823)	-	-	-	(1,462,644)
Cash flow hedge	(61,744)	-	(30,058)	-	(91,802)	(82,637)	-	(9,163)	-	-	(91,800)
Deferred revenue	(2,666)	-	-	-	(2,666)	(7,601)	-	-	-	-	(7,601)
Variable income investment	-	-	-	-	-	(6,812)	-	-	-	-	(6,812)
Revaluation surplus - business combinations	(537,114)	(27,340)	-	-	(564,454)	(537,114)	(27,340)	-	-	-	(564,454)
Gain/loss on market value adjustment	-	-	-	-	-	(26,358)	2,535	33,580	-	-	9,757
Other provisions	(22,106)	-	-	-	(22,106)	(69,199)	52,839	-	-	2,685	(13,675)
Total deferred tax liabilities	(2,330,429)	(381,873)	(30,058)	-	(2,742,360)	(3,209,588)	(586,213)	24,417	-	2,685	(3,768,699)
Net effect - asset (liability)	14,506	88,092	-	(153,854)	(51,256)	3,154,935	161,065	-	(156,905)	3,798	3,162,893
Net effect - deferred PIS/COFINS	21,614	-	-	-	25,041	376,838	-	-	-	-	498,984
Effect on equity	(23,898)	-	(30,058)	-	(53,956)	(100,322)	-	(420,285)	-	-	(520,607)
Assets as per statement of financial position	12,222				-	3,600,118					3,509,725
Liabilities as per statement of financial position	-				(80,171)	(168,667)					(368,455)

(a) 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.

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(In thousands of reais, unless otherwise stated)

17. Current and deferred taxes (Continued)

	Individual				Consolidated				
	2022	Additional benefits (expenses) recorded	Other comprehensive income	Additions from business combinations and merger	2023	2022	Additional benefits (expenses)	Other comprehensive income	2023
Assets									
Income tax losses	392,468	224,490	-	9,019	625,977	967,814	245,827	-	1,213,641
Social contribution tax losses	141,288	80,817	-	3,247	225,352	349,821	78,123	-	427,944
Allowance for expected credit losses and provision for disallowances	285,442	34,835	-	9,144	329,421	589,369	85,833	-	675,202
Provision for contingencies	50,848	14,608	-	10,546	76,002	786,169	60,833	-	847,002
Provision for bonuses	24,038	6,378	-	-	30,416	25,517	6,356	-	31,873
Deferred gain on property sales	23,242	(1,333)	-	-	21,909	17,871	(1,333)	-	16,538
Amortization of right of use (IFRS 16)	255,703	82,818	-	5,963	344,484	401,700	174,945	-	576,645
PVA allocation (IFRS 16)	428,916	136,180	-	5,963	571,059	591,927	211,313	-	803,240
D'Or Finance	53,103	5,959	-	-	59,062	53,103	5,959	-	59,062
Actuarial gain/loss on defined benefit pension plans	-	-	-	-	-	11,910	-	-	11,910
Impairment of tax credits	-	-	-	-	-	73,704	2,855	-	76,559
Insurance contracts - IFRS 17	-	-	-	-	-	1,378,144	135,762	10,679	1,524,585
Other provisions	24,421	11,217	-	1,717	37,355	-	-	-	-
Total deferred tax assets	1,679,469	595,969	-	45,599	2,321,037	5,247,049	1,006,473	10,679	6,264,201
Liabilities									
Differences between accounting and tax bases of goodwill	(711,911)	(23,169)	-	-	(735,080)	(930,432)	(189,099)	-	(1,119,531)
Gain on acquisition in stages	(99,040)	-	-	-	(99,040)	(124,003)	-	-	(124,003)
Swap difference	(65,308)	(17,496)	-	-	(82,804)	(62,459)	12,738	-	(49,721)
Foreign exchange differences	30,105	(64,896)	-	-	(34,791)	30,105	(64,896)	-	(34,791)
Leases (IFRS 16)	(563,923)	(181,967)	-	(9,194)	(755,084)	(818,725)	(333,096)	-	(1,151,821)
Cash flow hedge	(133,621)	-	71,877	-	(61,744)	(159,738)	-	77,101	(82,637)
Deferred revenue	(2,666)	-	-	-	(2,666)	(7,601)	-	-	(7,601)
Variable income investment	-	-	-	-	-	(6,812)	-	-	(6,812)
Revaluation surplus - business combinations	(440,364)	(134,596)	37,846	-	(537,114)	(440,364)	(134,596)	37,846	(537,114)
Gain/loss on market value adjustment	-	-	-	-	-	57,700	(17,848)	(66,210)	(26,358)
Other provisions	-	(22,106)	-	-	(22,106)	(55,315)	(13,884)	-	(69,199)
Total deferred tax liabilities	(1,986,728)	(444,230)	109,723	(9,194)	(2,330,429)	(2,517,644)	(740,681)	48,737	(3,209,588)
Net effect - asset (liability)	(173,638)	151,739	-	36,405	14,506	2,889,143	265,792	-	3,154,935
Net effect - deferred PIS/COFINS	-	-	-	-	21,614	238,461	-	-	376,838
Effect on equity	(133,621)	-	109,723	-	(23,898)	(159,738)	-	59,416	(100,322)
Assets as per statement of financial position	-	-	-	-	12,222	3,366,280	-	-	3,600,118
Liabilities as per statement of financial position	(307,259)	-	-	-	-	(398,414)	-	-	(168,667)

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(In thousands of reais, unless otherwise stated)

17. Current and deferred taxes (Continued)

	Individual					Consolidated				
	2021	Additional benefits (expenses) recorded	Other comprehensive income	Additions from business combinations and merger	2022	2021	Additional benefits (expenses)	Other comprehensive income	Additions from business combinations	2022
Assets										
Income tax losses	123,033	269,435	-	-	392,468	283,472	298,422	-	385,920	967,814
Social contribution tax losses	44,292	96,996	-	-	141,288	103,181	107,432	-	139,208	349,821
Allowance for expected credit losses and provision for disallowances	227,826	19,591	-	38,025	285,442	508,135	67,404	-	13,830	589,369
Provision for contingencies	45,975	711	-	4,162	50,848	124,427	15,282	-	646,460	786,169
Provision for bonuses	24,849	(946)	-	135	24,038	24,646	(52)	-	923	25,517
Foreign exchange differences	229,296	(199,191)	-	-	30,105	229,296	(199,191)	-	-	30,105
Deferred gain on property sales	23,242	-	-	-	23,242	20,502	(2,631)	-	-	17,871
Amortization of right of use (IFRS 16)	171,305	72,986	-	11,412	255,703	273,348	128,352	-	-	401,700
PVA allocation (IFRS 16)	274,918	118,324	-	35,674	428,916	411,691	179,209	-	1,027	591,927
D'Or Finance	45,737	7,366	-	-	53,103	45,737	7,366	-	-	53,103
Actuarial gain/loss on defined benefit pension plans	-	-	-	-	-	-	-	-	11,910	11,910
Gain/loss on market value adjustment	-	-	-	-	-	-	-	-	57,700	57,700
Impairment of tax credits	-	-	-	-	-	-	-	-	73,704	73,704
Insurance contracts - IFRS 17	-	-	-	-	-	-	-	-	1,378,144	1,378,144
Other provisions	14,349	9,987	-	85	24,421	-	-	-	-	-
Total deferred tax assets	1,224,822	395,259	-	89,493	1,709,574	2,024,435	601,593	-	2,708,826	5,334,854
Liabilities										
Differences between accounting and tax bases of goodwill	(686,562)	(25,349)	-	-	(711,911)	(830,356)	(100,076)	-	-	(930,432)
Gain on acquisition in stages	(99,040)	-	-	-	(99,040)	(124,003)	-	-	-	(124,003)
Swap difference	(102,775)	37,467	-	-	(65,308)	(105,953)	43,494	-	-	(62,459)
Leases (IFRS 16)	(362,478)	(163,571)	-	(37,874)	(563,923)	(554,110)	(260,660)	-	(3,955)	(818,725)
Cash flow hedge	(133,644)	-	23	-	(133,621)	(164,985)	-	5,247	-	(159,738)
Deferred revenue	(1,333)	(1,333)	-	-	(2,666)	(6,268)	(1,333)	-	-	(7,601)
Variable income investment	-	-	-	-	-	(954)	(5,858)	-	-	(6,812)
Revaluation surplus - business combinations	-	-	-	(440,364)	(440,364)	-	-	-	(440,364)	(440,364)
Other provisions	-	-	-	-	-	(38,699)	16,319	-	(32,935)	(55,315)
Total deferred tax liabilities	(1,385,832)	(152,786)	23	(478,238)	(2,016,833)	(1,825,328)	(308,114)	5,247	(477,254)	(2,605,449)
Net effect - asset (liability)	(27,366)	242,473	-	(388,745)	(173,638)	364,092	293,479	-	2,231,572	2,889,143
Net effect - deferred PIS/COFINS	-	-	-	-	-	-	-	-	-	238,461
Effect on equity	(133,644)	-	23	-	(133,621)	(164,985)	-	5,247	-	(159,738)
Assets as per statement of financial position	-	-	-	-	-	792,083	-	-	-	3,366,280
Liabilities as per statement of financial position	(161,010)	-	-	-	(307,259)	(592,976)	-	-	-	(398,414)

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Notes to the individual and consolidated financial statements (Continued)

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(In thousands of reais, unless otherwise stated)

17. Current and deferred taxes (Continued)

The reconciliation of income and social contribution taxes to the amount determined at the statutory rate for 2024, 2023 and 2022 is as follows:

	Individual			Consolidated		
	2024	2023	2022	2024	2023	2022
Income before income and social contribution taxes	3,755,902	1,888,983	865,598	4,898,049	2,550,344	1,325,264
Income and social contribution tax expense at the statutory rate of 34%	1,277,007	642,255	294,303	1,665,337	867,117	450,590
Social contribution tax rate difference (a)	-	-	-	113,947	76,345	-
Adjustments to determine the effective rate						
Equity pickup	(1,070,337)	(564,428)	(235,177)	(16,613)	(46,798)	(15,667)
Interest on equity	(493,000)	(283,076)	(272,031)	(758,433)	(345,755)	(272,031)
IOE income	237,897	53,956	-	242,512	53,956	-
Recognition/(reversal) of tax credits on temporary differences	-	-	-	(2,082)	(74,078)	-
Restatement of judicial deposits	-	-	-	(15,867)	(16,895)	-
Unduly paid taxes computed	-	-	-	(24,194)	(27,377)	-
Deduction from programs under tax incentive	(51,741)	-	-	(53,225)	-	-
First-time adoption - SUSEP Circular No. 678/2022	-	-	-	(49,323)	-	-
Impact on companies taxed due to rate difference	-	-	-	(43,979)	(42,163)	(12,686)
Deferred and recorded (Workers' Meal Program - PAT)	-	-	-	(37,109)	-	-
Other	9,131	(446)	(116,463)	(57,042)	(7,709)	(87,259)
Expenses recorded in the statement of profit or loss	(91,043)	(151,739)	(329,368)	963,929	436,643	62,947

(a) Refers to the difference in the social contribution tax 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 credits over its tax loss carryforwards will be realized within 1 or 5 years, except for the deferred gain related to the sale of real estate, whose realization will occur over the contractual rent period.

18. Net revenue

Description	Note	Individual			Consolidated		
		2024	2023	2022	2024	2023	2022
Hospital services	18.1	14,577,941	13,099,959	11,508,663	21,302,133	19,993,754	22,987,443
Insurance revenue	18.2	-	-	-	29,174,844	26,514,804	-
Revenue from asset management		-	-	-	94,284	-	-
		14,577,941	13,099,959	11,508,663	50,571,261	46,508,558	22,987,443

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(In thousands of reais, unless otherwise stated)

18. Net revenue (Continued)

18.1. Hospital services

	Individual			Consolidated		
	2024	2023	2022	2024	2023	2022
Gross revenue (a)	16,234,340	14,588,810	12,811,454	24,458,491	22,797,558	25,769,671
Deductions from revenue						
Cancellations and rebates (a)	(757,832)	(687,642)	(596,745)	(1,331,241)	(1,233,505)	(1,290,258)
Taxes on revenues	(898,567)	(801,209)	(706,046)	(1,825,117)	(1,570,299)	(1,491,970)
Net revenue from hospital services	14,577,941	13,099,959	11,508,663	21,302,133	19,993,754	22,987,443

(a) Includes eliminations of gross revenue and cancellations and rebates between the Group companies in the net amount of R\$6,495,420 at December 31, 2024 (R\$5,342,469 at December 31, 2023).

18.2. Insurance revenue

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

		Consolidated 12/31/2024	Consolidated 12/31/2023
Amounts relating to the changes in the liability for remaining coverage			
Expected insurance costs	(a)	2,755,573	2,906,491
Changes in the risk adjustment for non-financial risk	(b)	1,697	1,701
CSM recognized in profit or loss for the period	(c)	48,003	38,593
Allocation of the portion of premiums that relate to the recovery of insurance acquisition cash flows	(d)	47,358	65,286
Insurance revenue - Long-term products (BBA/VFA)		2,852,631	3,012,071
Premium release due to provision of insurance services	(e)	26,602,196	23,707,681
Insurance revenue - Short-term products (PAA)		26,602,196	23,707,681
Gross insurance revenue		29,454,827	26,719,752
Taxes on revenues		(279,983)	(204,948)
Net insurance revenue		29,174,844	26,514,804

(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 profit or loss over 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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(In thousands of reais, unless otherwise stated)

19. Cost of services

Description	Note	Individual			Consolidated		
		2024	2023	2022	2024	2023	2022
Hospital services	19.1	(10,153,930)	(9,051,184)	(8,034,112)	(20,987,639)	(19,091,512)	(17,785,662)
Insurance costs	19.2	-	-	-	(20,116,515)	(19,845,564)	-
Asset management costs		-	-	-	(4,555)	-	-
		(10,153,930)	(9,051,184)	(8,034,112)	(41,108,709)	(38,937,076)	(17,785,662)

19.1. Hospital services

	Individual			Consolidated		
	2024	2023	2022	2024	2023	2022
Personnel	(3,863,536)	(3,336,861)	(2,959,120)	(7,555,158)	(6,806,575)	(6,450,564)
Materials and medicines	(2,713,243)	(2,610,454)	(2,284,496)	(6,060,053)	(5,736,770)	(5,305,187)
Third-party services	(2,614,585)	(2,235,352)	(1,952,469)	(5,515,642)	(4,808,027)	(4,294,507)
Utilities and services	(217,861)	(191,578)	(178,409)	(430,599)	(403,256)	(397,548)
Rents	(10,700)	(7,311)	(4,534)	(102,503)	(91,017)	(83,983)
Depreciation and amortization	(734,005)	(669,628)	(655,084)	(1,323,684)	(1,245,867)	(1,253,873)
	(10,153,930)	(9,051,184)	(8,034,112)	(20,987,639)	(19,091,512)	(17,785,662)

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19. Cost of services (Continued)

19.2. Insurance costs

	Consolidated					
	Long-term products (BBA/VFA)		Short-term products (PAA)		12/31/2024	
	Liability/Asset for remaining coverage	Liability for incurred claims	Liability for remaining coverage	Liability for incurred claims		
Incurring claims and other expenses allocated to insurance contracts	(a)	(109,563)	(2,215,965)	(988,345)	(14,616,242)	(17,930,115)
Amortization of acquisition cash flows	(b)	(47,358)	-	(1,489,516)	-	(1,536,874)
Amortization of allocation of consideration paid in business combinations to the insurance portfolios	(c)	-	-	(615,940)	-	(615,940)
Losses or reversal of losses on onerous contracts	(d)	(33,586)	-	-	-	(33,586)
Reclassification of the investment component	(e)	2,722,808	(2,722,808)	-	-	-
		2,532,301	(4,938,773)	(3,093,801)	(14,616,242)	(20,116,515)

	Consolidated					
	Long-term products (BBA/VFA)		Short-term products (PAA)		12/31/2023	
	Liability/Asset for remaining coverage	Liability for incurred claims	Liability for remaining coverage	Liability for incurred claims		
Incurring claims and other expenses allocated to insurance contracts	(a)	(131,629)	(2,153,913)	(894,885)	(14,696,294)	(17,876,721)
Amortization of acquisition cash flows	(b)	(65,277)	-	(1,294,919)	-	(1,360,196)
Amortization of allocation of consideration paid in business combinations to the insurance portfolios	(c)	-	-	(836,229)	-	(836,229)
Losses or reversal of losses on onerous contracts	(d)	227,582	-	-	-	227,582
Reclassification of the investment component	(e)	2,924,624	(2,924,624)	-	-	-
		2,955,300	(5,078,537)	(3,026,033)	(14,696,294)	(19,845,564)

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Notes to the individual and consolidated financial statements (Continued)

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19. Cost of services (Continued)

19.2. Insurance costs (Continued)

- (a) The most significant expenses are linked to incurred claims. 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. Includes the elimination of incurred claims and other expenses to be allocated to insurance contracts between the Group companies in the amount of R\$6,495,420 as of December 31, 2024 (R\$5,356,414 as of December 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, and to the assets for acquisition cash flows, 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 risk adjustment of a group of onerous contracts.
- (e) In the long-term products, the investment component of Asset/Liability for remaining coverage was transferred to Liability for incurred claims relating to the payment of benefits (annual fees), redemptions and pension portability.

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(In thousands of reais, unless otherwise stated)

20. General and administrative expenses

	Individual			Consolidated		
	2024	2023	2022	2024	2023	2022
Personnel	(762,608)	(694,354)	(632,412)	(927,792)	(827,485)	(632,412)
Third-party services	(171,021)	(141,825)	(114,254)	(287,515)	(269,017)	(114,254)
Travel and lodging	(45,114)	(35,951)	(31,104)	(78,433)	(70,040)	(62,464)
Depreciation and amortization	(157,379)	(164,973)	(150,269)	(309,852)	(254,166)	(150,269)
Provision for contingencies	56,120	431,722	21,595	(355,366)	105,751	32,954
	(1,080,002)	(605,381)	(906,444)	(1,958,958)	(1,314,957)	(926,445)

21. Other operating expenses, net

	Individual			Consolidated		
	2024	2023	2022	2024	2023	2022
Taxes, charges and penalties	(87,439)	(67,543)	(66,144)	(156,353)	(140,062)	(132,300)
Gain on disposal of properties	3,920	3,920	3,920	3,920	3,920	3,920
Lease of machinery and equipment	(17,616)	(13,023)	(9,668)	(54,608)	(37,688)	(35,790)
Freight expenses	(13,110)	(9,925)	(10,597)	(59,615)	(40,780)	(37,120)
Legal fees	(692)	(21,967)	(35,357)	(6,663)	(30,427)	(48,470)
Gain on divestiture (a)	354,103	-	-	354,103	-	-
Other income and expenses	(29,334)	(26,512)	(47,120)	(124,944)	(238,597)	(136,416)
	209,832	(135,050)	(164,966)	(44,160)	(483,634)	(386,176)

(a) Gain on disposal of equity interest in D'Or Consultoria, as described in Note 1.

22. Finance income (costs), net

Finance income (costs) for the years ended December 31, 2024, 2023 and 2022 are as follows:

	Individual			Consolidated		
	2024	2023	2022	2024	2023	2022
Short-term investment yield	926,857	1,241,418	1,264,642	3,730,799	3,754,271	1,459,353
Net foreign exchange differences on financing	(290,724)	77,727	115,802	(1,999,210)	558,793	559,179
Fair value of debt	1,831,288	(965,596)	661,055	1,671,747	(673,122)	1,370,559
Fair value of derivatives (swaps)	(1,687,883)	532,789	(1,070,044)	51,587	(459,885)	(2,369,263)
Interest and monetary difference on financing and debentures	(3,534,914)	(3,472,705)	(2,707,573)	(3,644,148)	(3,620,339)	(2,886,890)
Interest on lease liabilities	(397,410)	(400,529)	(348,013)	(461,896)	(379,985)	(459,303)
Taxes on finance income (costs)	(130,245)	(69,211)	(61,521)	(158,879)	(89,373)	(76,676)
Finance income (costs) from insurance contracts	-	-	-	(2,101,157)	(2,240,285)	-
Other income and costs	367,436	26,946	(63,445)	368,776	134,998	(170,535)
	(2,915,595)	(3,029,161)	(2,209,097)	(2,542,381)	(3,014,927)	(2,573,576)
Total finance income	2,338,524	3,876,375	2,641,676	7,864,530	9,317,468	5,683,308
Total finance costs	(5,254,119)	(6,905,536)	(4,850,773)	(10,406,911)	(12,332,395)	(8,256,884)
	(2,915,595)	(3,029,161)	(2,209,097)	(2,542,381)	(3,014,927)	(2,573,576)

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December 31, 2024, 2023 and 2022

(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 period, excluding common shares purchased by the Company and held as treasury shares.

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Profit attributable to the Company's controlling shareholders	3,846,945	2,040,722	1,194,966
Weighted average number of common shares issued (in thousands)	2,220,120	2,254,607	2,254,304
Basic earnings per share - in reais (R\$)	1.7328	0.9051	0.5301

b) Diluted

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Profit attributable to the Company's controlling shareholders	3,846,945	2,040,722	1,194,966
Weighted average number of common shares issued, including dilution factors (in thousands)	2,220,120	2,254,607	2,254,304
Dilution instruments - weighted average number of shares (in thousands):			
Share-based payment (Restricted shares)	-	-	4,500
Diluted earnings per share - in reais (R\$)	1.7328	0.9051	0.5290

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;

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(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.1. Financial instruments by category (Continued)

Fair value hierarchy (Continued)

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 the breakdown of financial assets and liabilities at December 31, 2024, 2023 and 2022:

			Individual		
Financial assets	Classification by category	Fair value hierarchy	Book balance		
			2024	2023	2022
Cash and cash equivalents	Fair value through profit or loss	Level 2	408,911	257,423	96,360
Marketable securities (shares and government securities)	Fair value through profit or loss	Level 1	31,537	-	30,201
Marketable securities (corporate bonds and investment fund shares)	Fair value through profit or loss	Level 2	9,240,932	9,239,876	11,024,443
Accounts receivable	Amortized cost	-	4,934,013	4,840,796	3,966,046
Dividends receivable	Amortized cost	-	563,310	70,593	75,277
Judicial deposits	Amortized cost	-	376,213	362,366	294,653
Derivatives	Fair value through profit or loss and other comprehensive income	Level 2	555,277	620,063	537,916
Other	-	-	-	-	111,246
			16,110,193	15,391,117	16,136,142

			Individual		
Financial liabilities	Classification by category	Fair value hierarchy	Book balance		
			2024	2023	2022
Trade accounts payable	Amortized cost	-	666,543	636,124	532,476
Loans, financing and debentures	Amortized cost (a)	Level 2	34,028,208	31,650,338	29,017,602
Salaries, accruals and social charges	Amortized cost	-	491,097	539,971	445,623
Derivatives	Fair value through profit or loss and other comprehensive income	Level 2	2,114,447	1,037,392	1,813,933
			37,300,295	33,863,825	31,809,634

(a) The debt portion recorded as hedge accounting (fair value hedge) is measured at fair value through profit or loss and at December 31, 2024 totaled R\$10,835,902 (R\$11,290,310 at December 31, 2023 and R\$9,177,650 at December 31, 2022).

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24. Financial instruments and financial risk management (Continued)

24.1. Financial instruments by category (Continued)

Fair value hierarchy (Continued)

Consolidated					
Financial assets	Classification by category	Fair value hierarchy	Book balance		
			2024	2023	2022
Cash and cash equivalents	Fair value through profit or loss	Level 2	6,570,751	3,267,408	1,109,796
Marketable securities (shares and government securities)	Fair value through profit or loss	Level 1	8,095,186	6,684,499	5,954,989
Marketable securities (corporate bonds and investment fund shares)	Fair value through profit or loss	Level 2	21,306,934	19,120,058	20,590,093
Marketable securities (government securities)	Fair value through profit or loss and other comprehensive income	Level 1	1,719,803	1,351,377	1,370,998
Marketable securities (government securities)	Fair value through profit or loss and other comprehensive income	Level 2	888,052	1,254,429	1,269,354
Marketable securities	Amortized cost	-	1,908,808	1,755,979	1,857,545
Accounts receivable	Amortized cost	-	11,327,808	10,763,986	9,765,717
Judicial deposits	Amortized cost	-	2,770,086	2,682,556	2,862,274
Derivatives	Fair value through profit or loss and other comprehensive income	Level 2	3,725,265	1,967,424	2,739,505
			58,312,693	48,847,716	47,520,271

Consolidated					
Financial liabilities	Classification by category	Fair value hierarchy	Book balance		
			2024	2023	2022
Trade accounts payable	Amortized cost	-	1,534,698	1,355,666	1,256,601
Loans, financing and debentures	Amortized cost (a)	Level 2	38,870,599	34,585,949	32,883,225
Salaries, accruals and social charges	Amortized cost	-	1,109,208	1,101,223	982,150
Derivatives	Fair value through profit or loss and other comprehensive income	Level 2	2,206,799	1,210,922	1,959,016
			43,721,304	38,253,760	37,080,992

(a) The debt portion recorded as hedge accounting (fair value hedge) is measured at fair value through profit or loss and at December 31, 2024 totaled R\$13,823,628 (R\$12,395,118 at December 31, 2023 and R\$11,054,711 at December 31, 2022).

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

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Notes to the individual and consolidated financial statements (Continued)

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(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 December 31, 2024, 2023 and 2022, the Company has the following capital structure:

	Individual			Consolidated		
	2024	2023	2022	2024	2023	2022
Cash and cash equivalents	408,911	257,423	96,360	6,570,751	3,267,408	1,109,796
Marketable securities	9,272,469	9,239,876	11,165,890	33, 918,783	30,166,342	31,042,979
Technical reserves						
Insurance (b)	-	-	-	(7,137,782)	(5,334,887)	(4,141,017)
Private pension (b)	-	-	-	(13,536,474)	(10,881,042)	(10,111,054)
	9,681,380	9,497,299	11,262,250	19,815,278	17,217,821	17,900,704
Loans, financing and debentures	(34,028,208)	(31,650,338)	(29,017,602)	(38,870,599)	(34,585,949)	(32,883,225)
Derivatives	(1,559,170)	(417,329)	(1,276,017)	1,518,466	756,502	780,489
Cash flow hedge	(270,005)	(181,599)	(393,002)	(270,005)	(243,056)	(469,822)
Net debt (a)	(26,176,003)	(22,751,967)	(19,424,371)	(17,806,860)	(16,854,682)	(14,671,854)
Total equity	24,702,627	22,539,706	21,442,803	26,701,868	23,835,646	22,707,734
Total net debt and equity	(1,473,376)	(212,261)	2,018,432	8,895,008	6,980,964	8,035,880
Leverage ratio	1.06	1.01	0.91	0.67	0.71	0.65

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

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Notes to the individual and consolidated financial statements (Continued)
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(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.2. Risk management (Continued)

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.

The sensitivity analysis of interest on loans, financing and debentures considered as probable scenario (Scenario I) the referential rates obtained with BM&FBOVESPA at December 31, 2024, and Scenarios II and III take into consideration an increase by 25% and 50%, respectively. The results, in nominal values, are as follows:

Scenarios	Scenario I current	Scenario II + 25%	Scenario III + 50%
CDI rate (p.a.)	12.15%	15.19%	18.23%
IPCA rate (p.a.)	4.83%	6.04%	7.25%
Projected interest expenses (in millions)	9,411	11,605	13,799

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.

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Notes to the individual and consolidated financial statements (Continued)

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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 and 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 - 2024				Total financial liabilities
	Within 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	
Trade accounts payable	666,543	-	-	-	666,543
Loans, financing and debentures	4,081,452	1,205,590	12,505,438	22,144,716	39,937,196
Salaries, accruals and social charges	491,097	-	-	-	491,097
Derivatives	(425,283)	(694,731)	(1,193,589)	2,653,109	339,506
	4,813,809	510,859	11,311,849	24,797,825	41,434,342

	Consolidated - 2024				Total financial liabilities
	Within 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	
Trade accounts payable	1,534,698	-	-	-	1,534,698
Loans, financing and debentures	4,075,909	1,285,713	14,931,573	25,403,252	45,696,447
Insurance liabilities	10,699,763	2,464,724	4,501,946	7,579,614	25,246,047
Salaries, accruals and social charges	1,109,208	-	-	-	1,109,208
Derivatives	(522,960)	(757,579)	1,284,149	6,707,981	6,711,591
	16,896,618	2,992,858	20,717,668	39,690,847	80,297,991

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(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 - 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 - 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>

	Individual - 2022				Total financial liabilities
	Within 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	
Trade accounts payable	532,476	-	-	-	532,476
Loans, financing and debentures	4,771,343	2,160,420	6,952,796	20,294,373	34,178,932
Salaries, accruals and social charges	445,623	-	-	-	445,623
Derivatives	(503,211)	(517,814)	(1,138,217)	3,368,241	1,208,999
	<u>5,246,231</u>	<u>1,642,606</u>	<u>5,814,579</u>	<u>23,662,614</u>	<u>36,366,030</u>

	Consolidated - 2022				Total financial liabilities
	Within 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	
Trade accounts payable	1,256,601	-	-	-	1,256,601
Loans, financing and debentures	5,044,022	2,573,996	8,427,070	22,715,258	38,760,346
Insurance liabilities	6,648,209	1,459,066	3,403,215	7,587,689	19,098,179
Salaries, accruals and social charges	982,150	-	-	-	982,150
Derivatives	(606,403)	(623,434)	(1,365,493)	8,845,955	6,250,625
	<u>13,324,579</u>	<u>3,409,628</u>	<u>10,464,792</u>	<u>39,148,902</u>	<u>66,347,901</u>

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24. Financial instruments and financial risk management (Continued)

24.2. Risk management (Continued)

e) Foreign currency

The Company has loans and financing and trade accounts payable in foreign currency (mainly the US dollar). The risk related to these assets and liabilities arises from the possibility of the Company incurring losses due to fluctuations in exchange rates. Liabilities in foreign currency represent 16.6% of total gross debt at December 31, 2024 (18.5% at December 31, 2023 and 19.3% at December 31, 2022). The Company has derivative financial instruments to hedge loans and financing against foreign exchange rate fluctuation (see the topic below). Management understands that the risk of exposure to foreign currency is not significant in relation to its financial position.

f) Derivatives

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

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

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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		
			2024	2023	2022
			Fair value		
Swap (currency)	06/30/2025				
Long position	EUR/BRL + 1.0366%	EUR	67,429		
Short position	CDI+1.35%	R\$	433,995	55,609	(58,425)
					(58,096)
Swap (currency)	11/21/2023				
Long position	USD Libor + 0.46%	EUR	-		
Short position	109% CDI	R\$	-	-	(112,285)
Swap (currency)	04/27/2027				
Long position	USD SOFR + 0.99%	US\$	60,604		
Short position	CDI + 1.63%	R\$	375,278	61,310	(11,363)
					-
Swap (currency)	07/01/2025				
Long position	USD/BRL + 1.8588%	US\$	100,803		
Short position	CDI + 1.323%	R\$	624,203	24,497	(99,512)
					(84,423)
Swap (index)	01/18/2028				
Long position	BRL Fixed rate (11.82%)	R\$	1,681,837		
Short position	CDI + 2.01%	R\$	1,681,837	(245,419)	(11,625)
					(192,906)
Swap (index)	01/22/2030				
Long position	BRL Fixed rate (8.80%)	R\$	2,181,048		
Short position	CDI + 2.125%	R\$	2,181,048	(750,302)	(404,392)
					(693,035)
Swap (index)	01/22/2030				
Long position	BRL Fixed rate (8.65%)	R\$	1,140,108		
Short position	CDI + 2.40%	R\$	1,140,108	(426,196)	(246,894)
					(400,756)
Swap (index)	06/20/2029				
Long position	CDI + 0.79%	R\$	1,002,922		
Short position	BRL Fixed rate (7.71%)	R\$	1,002,922	244,621	121,728
					240,554
Swap (index)	10/26/2026				
Long position	106.0% CDI	R\$	255,247		
Short position	BRL Fixed rate (6.765%)	R\$	255,247	28,717	24,937
					68,264

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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		
			2024	2023	2022
			Fair value		
Swap (index)	05/15/2036				
Long position	IPCA + 4.9347%	R\$ 1,510,373			
Short position	CDI + 1.35%	R\$ 1,510,373	(224,591)	12,649	(195,501)
Swap (index)	12/15/2031				
Long position	IPCA + 5.5758%	R\$ 401,008			
Short position	CDI + 0.56%	R\$ 401,008	1,983	40,651	(2,703)
Swap (index)	12/15/2036				
Long position	IPCA + 6.1017%	R\$ 601,651			
Short position	CDI + 1.403%	R\$ 601,651	(43,629)	55,823	(22,631)
Swap (index)	06/15/2029				
Long position	IPCA + 5.83%	R\$ 800,617			
Short position	102.7% CDI	R\$ 800,617	(2,941)	52,287	(23,003)
Swap (index)	06/15/2032				
Long position	IPCA + 6.01%	R\$ 342,741			
Short position	104.1% CDI	R\$ 342,741	(10,272)	24,035	(10,738)
Swap (index)	07/16/2029				
Long position	IPCA + 6.3828%	R\$ 30,971			
Short position	103.65% CDI	R\$ 30,971	(56)	1,912	(892)
Swap (index)	07/15/2032				
Long position	IPCA + 6.5445%	R\$ 72,321			
Short position	104.8% CDI	R\$ 72,321	(2,079)	5,592	(1,800)
Swap (index)	07/15/2037				
Long position	IPCA + 6.7692%	R\$ 413,711			
Short position	107.9% CDI	R\$ 413,711	(22,630)	41,866	(9,161)
Swap (index)	12/17/2029				
Long position	IPCA + 6.7947%	R\$ 82,724			
Short position	108.1% CDI	R\$ 82,724	(145)	7,236	(816)
Swap (index)	12/15/2032				
Long position	IPCA + 6.9354%	R\$ 55,165			
Short position	110.1% CDI	R\$ 55,165	(1,409)	5,232	(659)
Swap (index)	08/15/2030				
Long position	IPCA + 6.20%	R\$ 571,019			
Short position	106.6% CDI	R\$ 571,019	(68,791)	9,067	-
Swap (index)	08/15/2030				
Long position	IPCA + 6.55%	R\$ 537,492			
Short position	109.3% CDI	R\$ 537,492	(78,328)	11,867	-
Swap (index)	12/15/2033				
Long position	IPCA + 6.6941%	R\$ 250,676			
Short position	CDI + 0.73%	R\$ 250,676	(28,330)	-	-
Swap (index)	12/15/2038				
Long position	IPCA + 6.9527%	R\$ 501,402			
Short position	CDI + 1.02%	R\$ 501,402	(70,789)	-	-

Rede D'Or São Luiz S.A.

Notes to the individual and consolidated financial statements (Continued)

December 31, 2024, 2023 and 2022

(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		
			2024	2023	2022
			Fair value		
Current assets position			174,331	49,550	203,730
Noncurrent assets position			380,946	570,513	334,186
Current liabilities position			(568,616)	(466,050)	(682,825)
Noncurrent liabilities position			(1,545,831)	(571,432)	(1,131,108)
Effect on profit or loss for the year (fair value of derivatives - swaps)			(1,687,883)	532,789	(1,070,044)
Effect on equity for the year (fair value of derivatives - swaps)			88,406	(211,403)	(68)
			Consolidated		
Description	Maturity ranges month/year	Reference value (notional)	2024	2023	2022
			Fair value		
Swap (currency)	06/30/2025				
Long position	EUR/BRL + 1.0366%	EUR	67,429		
Short position	CDI+1.35%	R\$	433,995	(58,425)	(58,096)
Swap (currency)	11/21/2023				
Long position	USD Libor + 0.46%	US\$	-		
Short position	109% CDI	R\$	-	-	112,285
Swap (currency)	04/27/2027				
Long position	USD SOFR + 0.99%	US\$	60,604		
Short position	CDI + 1.63%	R\$	375,278	(11,363)	-
Swap (currency)	07/01/2025				
Long position	USD/BRL + 1.8588%	US\$	100,803		
Short position	CDI + 1.323%	R\$	624,203	(99,512)	(84,423)
Swap (currency)	01/18/2028				
Long position	USD Fixed rate (4.95%)	US\$	511,206		
Short position	BRL Fixed rate (11.82%)	R\$	3,165,542	681,463	984,627
Swap (index)	01/18/2028				
Long position	BRL Fixed rate (11.82%)	R\$	1,681,837		
Short position	CDI + 2.01%	R\$	1,681,837	(11,625)	(192,906)
Swap (index)	01/22/2030				
Long position	USD Fixed rate (4.525%)	US\$	509,875		
Short position	BRL Fixed rate (8.80%)	R\$	3,157,299	354,729	684,447
Swap (index)	01/22/2030				
Long position	BRL Fixed rate (8.80%)	R\$	2,181,048		
Short position	CDI + 2.125%	R\$	2,181,048	(404,392)	(693,035)
Swap (index)	01/22/2030				
Long position	USD Fixed rate (4.51%)	US\$	254,969		
Short position	BRL Fixed rate (8.65%)	R\$	1,578,843	137,638	298,507
Swap (index)	01/22/2030				
Long position	BRL Fixed rate (8.65%)	R\$	1,140,108		
Short position	CDI + 2.40%	R\$	1,140,108	(246,894)	(400,756)
Swap (index)	12/29/2025				
Long position	CDI + 1.27%/1.75%	R\$	-		
Short position	BRL Fixed rate (7.752%)	R\$	-	-	88,925
Swap (index)	06/20/2029				
Long position	CDI + 0.79%	R\$	1,002,922		
Short position	BRL Fixed rate (7.71%)	R\$	1,002,922	121,728	240,554
Swap (index)	10/26/2026				
Long position	106.0% CDI	R\$	255,247		
Short position	BRL Fixed rate (6.765%)	R\$	255,247	24,937	68,264
Swap (index)	05/15/2036				
Long position	IPCA + 4.9347%	R\$	1,510,373		
Short position	CDI + 1.35%	R\$	1,510,373	12,649	(195,501)

Rede D'Or São Luiz S.A.

Notes to the individual and consolidated financial statements (Continued)

December 31, 2024, 2023 and 2022

(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		
			2024	2023	2022
			Fair value		
Swap (index)	12/15/2031				
Long position	IPCA + 5.5758%	R\$ 401,008			
Short position	CDI + 0.56%	R\$ 401,008	1,983	40,651	(2,703)
Swap (index)	12/15/2036				
Long position	IPCA + 6.1017%	R\$ 601,651			
Short position	CDI + 1.403%	R\$ 601,651	(43,629)	55,823	(22,631)
Swap (index)	06/15/2029				
Long position	IPCA + 5.83%	R\$ 800,617			
Short position	102.7% CDI	R\$ 800,617	(2,941)	52,287	(23,003)
Swap (index)	06/15/2032				
Long position	IPCA + 6.01%	R\$ 342,741			
Short position	104.1% CDI	R\$ 342,741	(10,272)	24,035	(10,738)
Swap (index)	07/16/2029				
Long position	IPCA + 6.3828%	R\$ 30,971			
Short position	103.65% CDI	R\$ 30,971	(56)	1,912	(892)
Swap (index)	07/15/2032				
Long position	IPCA + 6.5445%	R\$ 72,321			
Short position	104.8% CDI	R\$ 72,321	(2,079)	5,592	(1,800)
Swap (index)	07/15/2037				
Long position	IPCA + 6.7692%	R\$ 413,711			
Short position	107.9% CDI	R\$ 413,711	(22,630)	41,866	(9,161)
Swap (index)	12/17/2029				
Long position	IPCA + 6.7947%	R\$ 82,724			
Short position	108.1% CDI	R\$ 82,724	(145)	7,236	(816)
Swap (index)	12/15/2032				
Long position	IPCA + 6.9354%	R\$ 55,165			
Short position	110.1% CDI	R\$ 55,165	(1,409)	5,232	(659)
Swap (index)	08/15/2030				
Long position	IPCA + 6.20%	R\$ 571,019			
Short position	106.6% CDI	R\$ 571,019	(68,791)	9,067	-
Swap (index)	08/15/2033				
Long position	IPCA + 6.55%	R\$ 537,492			
Short position	109.3% CDI	R\$ 537,492	(78,328)	11,867	-
Swap (index)	08/15/2033				
Long position	IPCA + 6.6941%	R\$ 250,676			
Short position	CDI + 0.73%	R\$ 250,676	(28,330)	-	-
Swap (index)	08/15/2038				
Long position	IPCA + 6.9527%	R\$ 501,402			
Short position	CDI + 1.02%	R\$ 501,402	(70,789)	-	-
Current assets position			174,331	49,550	251,740
Noncurrent assets position			3,550,934	1,917,874	2,487,765
Current liabilities position			(660,968)	(639,580)	(827,908)
Noncurrent liabilities position			(1,545,831)	(571,342)	(1,131,108)
Effect on profit or loss for the year (fair value of derivatives - swaps)			51,587	(459,885)	(2,369,263)
Effect on equity for the year (fair value of derivatives - swaps)			26,950	(226,767)	(15,432)

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Notes to the individual and consolidated financial statements (Continued)

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(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 rates and future DI interest rates, obtained from BM&FBOVESPA at their maturities, calculated based on the nominal amount of the contract.

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.

Debt - Citibank and JP Morgan	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
Exchange rate fluctuation	5%	(25%)	(50%)	25%	50%
Depreciation of US\$ (rate in R\$)	-	4.8764	3.2510	-	-
Appreciation of US\$ (rate in R\$)	6.5019	-	-	8.1274	9.7529
Effect on liabilities in US\$					
Loan 4131 - Citibank and JP Morgan	49,808	(249,038)	(498,076)	249,038	498,076
Effect on derivatives					
Swap	(49,808)	249,038	498,076	(249,038)	(498,076)
Net effect	-	-	-	-	-
Debt - Senior Notes I	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
Exchange rate fluctuation	5%	(25%)	(50%)	25%	50%
Depreciation of US\$ (rate in R\$)	-	4.8764	3.2510	-	-
Appreciation of US\$ (rate in R\$)	6.5019	-	-	8.1274	9.7529
Effect on liabilities in US\$					
Senior Notes	145,449	(727,247)	(1,454,495)	727,247	1,454,495
Effect on derivatives					
Swap	(145,449)	727,247	1,454,495	(727,247)	(1,454,495)
Net effect	-	-	-	-	-

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Notes to the individual and consolidated financial statements (Continued)

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(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.2. Risk management (Continued)

f) Derivatives (Continued)

Debt – Senior Notes II	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
Exchange rate fluctuation	5%	(25%)	(50%)	25%	50%
Depreciation of US\$ (rate in R\$)	-	4.8764	3.2510	-	-
Appreciation of US\$ (rate in R\$)	6.5019	-	-	8.1274	9.7529
Effect on liabilities in US\$ Senior Notes II	187,615	(938,073)	(1,876,145)	938,073	1,876,145
Effect on derivatives Swap	(187,615)	938,073	1,876,145	(938,073)	(1,876,145)
Net effect	-	-	-	-	-
Debt - Debentures	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
Fluctuation of the DI rate	5%	(25%)	(50%)	25%	50%
Depreciation of the DI rate	-	9.6469%	6.4313%	-	-
Appreciation of the DI rate	12.8625%	-	-	16.0781%	19.2938%
Effect on liabilities Debentures	7,706	(32,752)	(73,210)	48,164	88,622
Effect on derivatives Swap	(7,706)	32,752	73,210	(48,164)	(88,622)
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	-	3.4808%	2.3205%	-	-
Appreciation of the IPCA rate	4.6410%	-	-	5.8013%	6.9615%
Effect on liabilities Debentures	12,726	(54,085)	(120,897)	79,537	146,348
Effect on derivatives Swap	(12,726)	54,085	120,897	(79,537)	(146,348)
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\$)	-	5.0686	3.3791	-	-
Appreciation of EUR€ (rate in R\$)	6.7581	-	-	8.4476	10.1372
Effect on liabilities Loan 4131 - BofA	21,700	(108,499)	(216,997)	108,499	216,997
Effect on derivatives Swap	(21,700)	108,499	216,997	(108,499)	(216,997)
Net effect	-	-	-	-	-

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Notes to the individual and consolidated financial statements (Continued)

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(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 profit or loss 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 profit or loss 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 the individual and consolidated financial statements (Continued)

December 31, 2024, 2023 and 2022

(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.2. Risk management (Continued)

g) Pricing risks (Continued)

Sensitivity analysis - Health (Continued)

Impacts are assessed in the value of the result realized and the results are presented in the following table:

Consolidated - 12/31/2024		
Assumptions	Income before income taxes	Income after taxes
5% increase in claims	(1,166,284)	(699,770)
5% increase in cancellations	(1,330,110)	(798,066)
5% increase in interest rates	338,514	203,109
5% decrease in claims	1,166,284	699,770
5% decrease in cancellations	1,330,110	798,066
5% decrease in interest rates	(451,345)	(270,807)

Consolidated - 12/31/2023		
Assumptions	Income before income taxes	Income after taxes
5% increase in claims	(1,110,667)	(666,400)
5% increase in cancellations	(1,185,384)	(711,230)
5% increase in interest rates	281,518	168,911
5% decrease in claims	1,110,667	666,400
5% decrease in cancellations	1,185,384	711,230
5% decrease in interest rates	(299,962)	(179,977)

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Notes to the individual and consolidated financial statements (Continued)
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(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	2023	Loans, financing and debentures raised	Interest, monetary 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	2024
Loans, financing, debentures and leases	34,222,672	7,900,000	4,388,802	(5,035,313)	(3,242,710)	(1,831,288)	-	-	553,765	36,955,928
Derivatives	1,037,392	-	1,534,691	(457,636)	-	-	-	-	-	2,114,447
Dividends and IOE payable	88,499	-	-	-	-	-	1,450,000	(1,291,186)	(190,375)	56,938
	<u>35,348,563</u>	<u>7,900,000</u>	<u>5,923,493</u>	<u>(5,492,949)</u>	<u>(3,242,710)</u>	<u>(1,831,288)</u>	<u>1,450,000</u>	<u>(1,291,186)</u>	<u>363,390</u>	<u>39,127,313</u>
Current	3,307,598									5,173,194
Noncurrent	32,040,965									33,954,119

		Individual								
Individual	2022	Loans, financing and debentures raised	Interest, monetary 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	2023
Loans, financing, debentures and leases	31,610,932	5,164,594	3,798,014	(3,974,214)	(3,412,077)	965,596	-	-	69,827	34,222,672
Derivatives	1,813,933	-	(292,276)	(484,265)	-	-	-	-	-	1,037,392
Dividends and IOE payable	137,640	-	-	-	-	-	834,472	(787,758)	(95,855)	88,499
	<u>33,562,505</u>	<u>5,164,594</u>	<u>3,505,738</u>	<u>(4,458,479)</u>	<u>(3,412,077)</u>	<u>965,596</u>	<u>834,472</u>	<u>(787,758)</u>	<u>(26,028)</u>	<u>35,348,563</u>
Current	6,004,178									3,307,598
Noncurrent	27,558,327									32,040,965

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Notes to the individual and consolidated financial statements (Continued)
December 31, 2024, 2023 and 2022
(In thousands of reais, unless otherwise stated)

24. Financial instruments and financial risk management (Continued)

24.3. Changes in liabilities from financing activities (Continued)

		Individual								
Individual	2021	Loans, financing and debentures raised	Interest, monetary 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 (a)	2022
Loans, financing, debentures and leases	24,242,348	5,015,501	3,112,710	(1,213,433)	(2,189,748)	(661,055)	-	-	3,304,609	31,610,932
Derivatives	1,129,431	-	983,295	(298,793)	-	-	-	-	-	1,813,933
Dividends and IOE payable	57,339	-	-	-	-	-	800,090	(651,090)	(68,699)	137,640
	<u>25,429,118</u>	<u>5,015,501</u>	<u>4,096,005</u>	<u>(1,512,226)</u>	<u>(2,189,748)</u>	<u>(661,055)</u>	<u>800,090</u>	<u>(651,090)</u>	<u>3,235,910</u>	<u>33,562,505</u>
Current	1,883,517									6,004,178
Noncurrent	23,545,601									27,558,327

(a) The balance in "Other" refers substantially to the debentures arising from the business combination entered into between Rede D'Or and SASA on February 23, 2022.

		Consolidated								
Consolidated	2023	Loans, financing and debentures raised and leases	Interest, monetary 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	2024
Loans, financing, debentures and leases	37,758,574	9,518,901	6,279,167	(6,780,919)	(3,285,007)	(1,671,747)	-	-	654,103	42,473,072
Derivatives	1,210,922	-	1,617,846	(621,969)	-	-	-	-	-	2,206,799
Dividends and IOE payable	99,769	-	-	-	-	-	1,523,329	(1,381,135)	(172,771)	69,192
	<u>39,069,265</u>	<u>9,518,901</u>	<u>7,897,013</u>	<u>(7,402,888)</u>	<u>(3,285,007)</u>	<u>(1,671,747)</u>	<u>1,523,329</u>	<u>(1,381,135)</u>	<u>481,332</u>	<u>44,749,063</u>
Current	4,530,733									5,421,775
Noncurrent	34,538,532									39,327,288

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Notes to the individual and consolidated financial statements (Continued)
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24. Financial instruments and financial risk management (Continued)

24.3. Changes in liabilities from financing activities (Continued)

		Consolidated								
Consolidated	2022	Loans, financing and debentures raised and leases	Interest, monetary 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	2023
Loans, financing, debentures and leases	36,215,627	6,003,333	3,573,325	(4,991,066)	(3,748,996)	673,122	-	-	33,229	37,758,574
Derivatives	1,959,016	-	(153,828)	(634,043)	-	-	-	-	39,778	1,210,923
Dividends and IOE payable	145,085	-	-	-	-	-	902,398	(851,859)	(95,855)	99,769
	<u>38,319,728</u>	<u>6,003,333</u>	<u>3,419,497</u>	<u>(5,625,109)</u>	<u>(3,748,996)</u>	<u>673,122</u>	<u>902,398</u>	<u>(851,859)</u>	<u>(22,848)</u>	<u>39,069,266</u>
Current	6,567,810									4,530,733
Noncurrent	31,751,918									34,538,532

		Consolidated								
Consolidated	2021	Loans, financing and debentures raised and leases	Interest, monetary 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 (a)	2022
Loans, financing, debentures and leases	30,622,796	5,085,501	2,896,589	(1,907,278)	(2,445,132)	(1,370,559)	-	-	3,333,710	36,215,627
Derivatives	1,255,415	-	1,092,934	(389,333)	-	-	-	-	-	1,959,016
Dividends and IOE payable	64,551	-	-	-	-	-	845,661	(696,427)	(68,700)	145,085
	<u>31,942,762</u>	<u>5,085,501</u>	<u>3,989,523</u>	<u>-2,296,611</u>	<u>-2,445,132</u>	<u>(1,370,559)</u>	<u>845,661</u>	<u>(696,427)</u>	<u>3,265,010</u>	<u>38,319,728</u>
Current	2,325,275									6,567,810
Noncurrent	29,617,487									31,751,918

(a) The balance in "Other" refers substantially to the debentures arising from the business combination entered into between Rede D'Or and SASA on February 23, 2022.

Rede D'Or São Luiz S.A.

Notes to the individual and consolidated financial statements (Continued)
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(In thousands of reais, unless otherwise stated)

25. Assets and liabilities per segment

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

	Consolidated						Consolidated
	12/31/2024						
	Hospital	Health	Life	Corporate	Total segments	Eliminations	
Net revenues							
Foreign customers	27,797,553	28,345,903	854,146	118,896	57,116,498	(6,545,237)	50,571,261
Intersegment	-	167	13,076	-	13,243	(13,243)	-
Other revenues and expenses							
Operating expenses	(20,987,639)	(25,821,991)	(827,064)	(4,555)	(47,641,249)	6,532,540	(41,108,709)
Administrative expenses	(1,145,742)	(653,821)	(20,006)	(123,361)	(1,942,930)	(16,028)	(1,958,958)
Finance income (costs)	(3,188,299)	85,801	423,867	119,896	(2,558,735)	16,354	(2,542,381)
Other amounts that have an impact on income	1,371,072	(479,744)	(176,812)	(17,066)	697,450	(1,811,718)	(1,114,268)
Net income	3,846,945	1,476,315	267,207	93,810	5,684,277	(1,837,332)	3,846,945
Assets	75,242,601	27,277,060	14,847,612	11,263,166	128,630,439	(26,032,557)	102,597,882
Liabilities	48,540,733	16,108,600	13,724,699	1,111,932	79,485,964	(3,589,950)	75,896,014
	Consolidated						Consolidated
	12/31/2023						
	Hospital	Health	Life	Corporate	Total segments	Eliminations	
Net revenues							
Foreign customers	25,336,223	25,692,303	824,853	42,197	51,895,576	(5,387,018)	46,508,558
Intersegment	-	228	13,504	-	13,732	(13,732)	-
Other revenues and expenses							
Operating expenses	(19,091,512)	(24,367,997)	(864,114)	-	(44,323,623)	5,386,547	(38,937,076)
Administrative expenses	(635,812)	(617,575)	10,189	(76,247)	(1,319,445)	4,488	(1,314,957)
Finance income (costs)	(3,247,653)	(67,011)	114,778	184,959	(3,014,927)	-	(3,014,927)
Other amounts that have an impact on income	(247,545)	23,540	(40,512)	610,003	345,486	(1,473,383)	(1,127,897)
Net income	2,113,701	663,488	58,698	760,912	3,596,799	(1,483,098)	2,113,701
Assets	47,372,888	20,284,889	12,331,381	18,433,612	98,422,770	(8,080,414)	90,342,356
Liabilities	40,179,302	11,480,684	11,444,899	3,571,688	66,676,573	(169,863)	66,506,710

Rede D'Or São Luiz S.A.

Notes to the individual and consolidated financial statements (Continued)

December 31, 2024, 2023 and 2022

(In thousands of reais, unless otherwise stated)

26. Insurance coverage

At December 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	5,561,635
Civil liability (D&O)	786,615
General civil liability	13,000
Engineering risks	4,081,017

27. Events after the reporting period

On January 13, 2025, Rede D'Or carried out the full optional early redemption of its 2nd series of the 17th Debenture Issue of Rede D'Or São Luiz S.A., in the principal amount of R\$1,750,000.

On January 31, 2025, the subsidiary Sul América entered into a Letter Loan Agreement with Bank of America for a principal amount of USD 153.6 million, maturing on February 3, 2028 in a single payment, at the interest rate of 4.93% p.a. paid semiannually. It also entered into a derivative financial instrument for purposes of currency and interest rate hedging, by converting the amount into Brazilian reais, plus interest corresponding to 14.86% p.a.

On February 3, 2025, the subsidiary Sul América made an investment in an asset issued by ICO (Instituto de Crédito Oficial, Spain) in the amount of R\$1.0 billion, maturing on February 3, 2028 in a single payment, at the fixed interest rate of 14.82% p.a. The transaction is not subject to currency risk exposure, and a swap at a notional amount of R\$100,000 converted the exposure to the fixed rate to a percentage of the CDI.